

# City of Conroe, Texas Budget-In-Brief Fiscal Year 2020-2021



Carl Barton Park



*“To protect and serve the citizens of Conroe  
and exceed their expectations”*

---

# FY 2020-2021 BUDGET-IN-BRIEF

---

## City Council

**Toby Powell**  
Mayor

**Duane Ham**  
Place 1

**Seth Gibson**  
Place 2

**Raymond McDonald**  
Place 4

**Jody Czajkoski**  
Place 5

**Duke W. Coon**  
Mayor Pro Tem  
Place 3

## Appointed Officials

**Paul Virgadamo, Jr.**  
City Administrator

**Marcus Winberry**  
City Attorney

**Soco Gorjon**  
City Secretary

**Tommy Woolley**  
Director of Capital  
Projects/Transportation

**Steve Williams**  
Assistant City Administrator/  
Chief Financial Officer

**Ken Kreger**  
Fire Chief

**Jeff Christy**  
Police Chief

**Andre Houser**  
Director of Human Resources

**Mike Riggins**  
Director of Parks & Recreation

**Norman McGuire**  
Director of Public  
Works

**Nancy Mikeska**  
Director of Community  
Development

**Danielle Scheiner**  
Executive Director of Conroe  
Industrial Development  
Corporation

---

## CITY OF CONROE, TEXAS

---

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

# Table of Contents

|  |    |
|--|----|
| FY 2020-2021 Budget Summary              | 5  |
| General Fund                             | 7  |
| Water & Sewer Operating Fund             | 13 |
| General Obligation Debt Service Fund     | 18 |
| Water & Sewer Debt Service Fund          | 19 |
| CIDC Debt Service Fund                   | 20 |
| Other Funds                              | 21 |
| Capital Improvement Program              | 27 |
| FY 2020-2021 Budget Preparation Calendar | 31 |
| City of Conroe Profile                   | 32 |

---

# FY 2020-2021 BUDGET-IN-BRIEF

---

October 1, 2020

The City of Conroe is pleased to present the fiscal year 2020-2021 “Budget-In-Brief.” This document summarizes the annual budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021.

A city’s budget presents in financial terms a plan to accomplish its objectives during the upcoming fiscal year. Budget preparation is an ongoing process as the City Council discusses priorities, commits to projects, and provides feedback to the staff on various proposals. The staff then translates that information into a financial action plan.

The budget for FY 2020-2021 is a balanced, conservative plan that continues our previous commitments toward quality services and facilities and addresses opportunities for additional improvements.

I must commend the ongoing work of the City Council, City Administration, the Management Team, and all of our fine City employees. We are indeed focused on our mission statement:

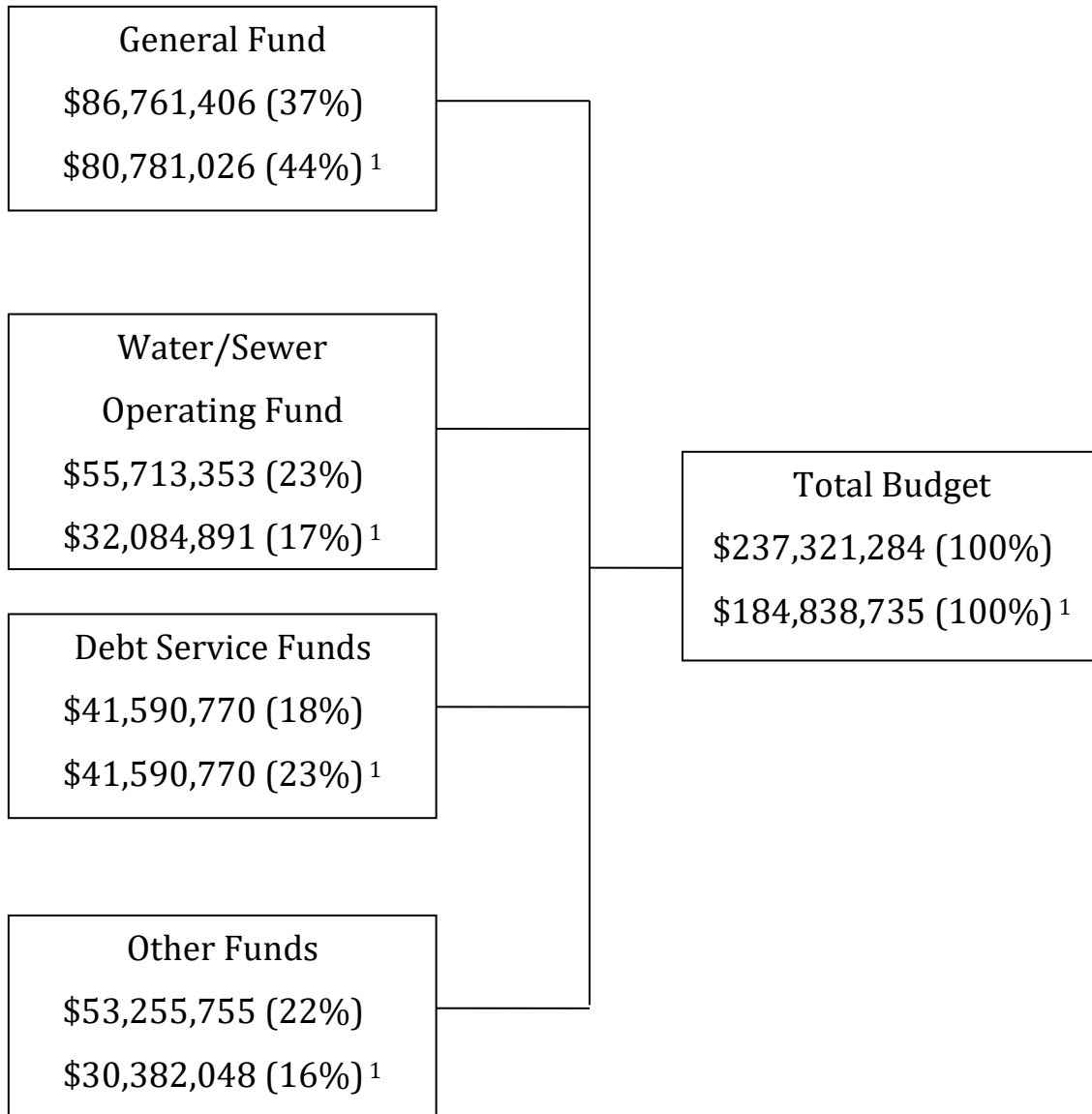
“To protect and serve the citizens of Conroe and exceed their expectations.”

Sincerely,

*Toby Powell*

Toby Powell  
Mayor

## Organization of the Total Budget



1. These figures represent the budgeted expenditures net of interfund transfers.

## **FY 2020-2021 Budget Summary**

On September 10, 2020, the Conroe City Council approved a \$237,321,284 budget with a 3 percent contingent appropriation for FY 2020-2021. Net of interfund transfers, the total budget is \$184,838,735. The approved budget consists of the General, Water and Sewer Operating, Debt Service, and Other Operating Funds.

### **General Fund**

The General Fund accounts for 36.6 percent of the budget and supports basic services such as police, fire, parks, recreation, streets, and other community services. It is the general operating fund of the City and is used to account for all transactions and operations of governmental units that are not accounted for in another fund. The General Fund also is used to account for transactions financed from taxes or other general revenues.

### **Water and Sewer Operating Fund**

The Water and Sewer Operating Fund comprises 23.5 percent of the budget. This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing water and sewer services are financed through user charges (water and sewer bills). However, there is no profit margin, unlike private businesses.

### **Debt Service Funds**

The Debt Service Funds category is composed of three funds: General Obligation Debt Service Fund, Water and Sewer Debt Service Fund, and Conroe Industrial Development Corporation (CIDC) Debt Service Fund. These three funds account for 17.5 percent of the budget and pay for the annual interest and principal costs of the City's debt.

The General Obligation Debt Service Fund provides for the payment of the City's certificates of obligation and other tax-supported debt issued to finance the tax-based portion of the City's Capital Improvement Program. The Water and Sewer Debt Service Fund provides for the retirement of revenue-supported bonds that are used to pay the cost of improvements to the City's water and wastewater system. This debt is repaid with revenues collected from utility customers. The CIDC Debt Service Fund

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

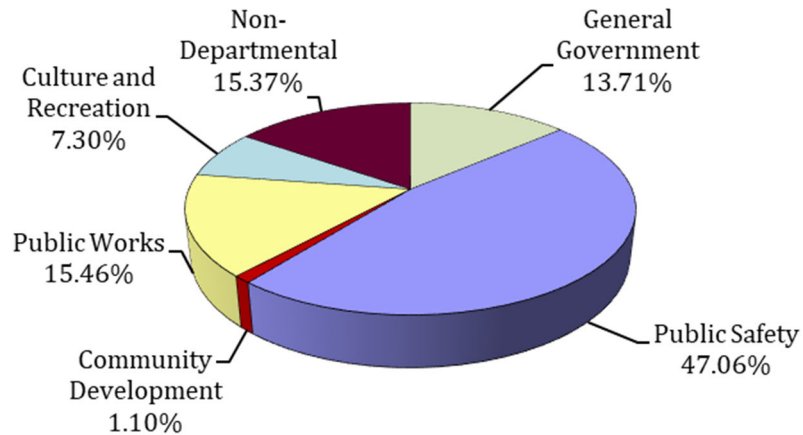
provides the funds necessary to retire the outstanding sales tax revenue-supported debt of the City. This debt consists of revenue-supported bonds that are used for economic development purposes and are repaid with a portion of the ½-cent sales tax charged within the City.

### **Other Operating Funds**

The Other Funds category of the budget includes funds used to account for the proceeds of special revenues, other than expendable trusts or major capital projects. These funds makeup 22 percent of the budget and include such funds as the Conroe Industrial Development Corporation (CIDC) Revenue Clearing Fund, CIDC General Fund, CIDC Industrial Park Land Sales, Vehicle and Equipment Replacement Funds, Hotel Occupancy Tax (HOT) Fund, Community Development Block Grant (CDBG) Entitlement Fund, Facilities Management Fund, Transportation Grants Funds, Oscar Johnson, Jr. Community Center (OJJCC) Fund, Municipal Court Technology Fund, Municipal Court Building Security Fund, Municipal Court Local Truancy Prevention & Diversion Fund, Municipal Court Efficiency Fee Fund, Municipal Court Truancy Prevention Fund, Fleet Services Fund, Self-Funded Insurance Fund, Public Improvement District (PID) Funds, Animal Shelter Reserve Fund, Technology Replacement Fund, and Disaster Recovery Grants Fund.

## General Fund Expenditures

**\$86,761,406**  
**(\$80,781,026)**



## General Fund Services

### General Government

**\$11,892,798**

The General Government category is comprised of the Administration, Mayor & City Council, Transportation, Legal, Municipal Court, Finance, Community Development Block Grant Administration, Purchasing - Warehouse, Information Technology, and Human Resources departments. These departments are responsible for various functions of the City, including providing quality customer relations and accurate public information; coordinating and scheduling City Council meetings; handling media relations; providing legal services; providing disposition of violations of City ordinances and State law; managing finance, accounting, and utility billing; administering grants; acquiring supplies and services; maintaining computer hardware and software; and providing programs and consultations in the areas of employee recruitment, selection, compensation, and benefits.

|                      |    |           |
|----------------------|----|-----------|
| Administration       | \$ | 790,233   |
| Mayor & City Council |    | 748,050   |
| Transportation       |    | 1,518,713 |
| Legal                |    | 774,126   |



---

## FY 2020-2021 BUDGET-IN-BRIEF

---

|                        |                      |
|------------------------|----------------------|
| Municipal Court        | 1,325,404            |
| Finance                | 2,318,083            |
| CDBG Administration    | 141,288              |
| Purchasing - Warehouse | 429,539              |
| Information Technology | 2,867,248            |
| Human Resources        | 980,114              |
|                        | <hr/>                |
|                        | <b>\$ 11,892,798</b> |

### **Public Safety** **\$40,832,385**

The Public Safety category includes the Police Department and Fire Department. The Police Department is separated into six departments based on areas of responsibility: Police Administration, Support Services, Patrol, Investigative Services, Commercial Vehicle Enforcement Program and Animal Services. The Fire Department is responsible for preparing for and responding to fire, rescue, medical, and environmental emergencies.

|   |                      |
|---|----------------------|
| Police Administration                         | \$ 2,810,093         |
| Police Support Services                       | 1,488,570            |
| Police Patrol                                 | 12,871,331           |
| Police Investigative Services                 | 4,488,943            |
| Police Animal Services                        | 776,196              |
| Police Commercial Vehicle Enforcement Program | 138,126              |
| Fire  | 18,259,126           |
|   | <hr/>                |
|   | <b>\$ 40,832,385</b> |

### **Culture and Recreation** **\$6,330,865**

The Culture and Recreation category covers parks and recreation expenditures. Parks Administration and Parks Operations are responsible for providing beautiful parks and trails, multi-generational athletic and recreational services, and dedicated customer service to Conroe's citizens and employees. The Recreation Center provides

---

## CITY OF CONROE, TEXAS

---

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

athletic and recreational programs including, but not limited to: art, karate, dance/ballet, and gymnastics. The Senior Center provides a welcoming place for ages 55 and up to join with friends, socialize, and remain connected to the community. The Aquatic Center provides safe, quality, and state of the art pools for the citizens of Conroe.

|                                   |    |                  |
|-----------------------------------|----|------------------|
| Parks & Recreation Administration | \$ | 888,414          |
| CK Ray Recreation Center          |    | 1,263,845        |
| Senior Center                     |    | 89,427           |
| Aquatic Center                    |    | 1,523,327        |
| Parks Operations                  |    | 2,565,852        |
|                                   | \$ | <b>6,330,865</b> |

### **Community Development** **\$951,346**

The Community Development Department provides efficient, professional assistance to ensure responsible development practices that respect the natural landscape, cross timbers, bottomland, and floodplains. The Code Enforcement department assists in completion of many ongoing projects and development relative to the City's building and permitting processes.

|                       |    |                |
|-----------------------|----|----------------|
| Community Development | \$ | 951,346        |
|                       | \$ | <b>951,346</b> |

### **Public Works** **\$13,416,415**

The Public Works category includes Drainage Maintenance, Streets, Signal Maintenance, Sign Maintenance, Engineering, and Building Inspections and Permits Departments. The Drainage Maintenance Department provides storm water control to the City by utilizing the resources dedicated to the maintenance of drainage ways. The Streets Department maintains streets, controls traffic, trims trees in the City rights-of-way, repairs curbs and gutters, installs and replaces directional marking, and maintains street signage. The Signal Maintenance Department provides efficient maintenance and operation of the traffic signals and illumination lighting within the

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

city. The Engineering Department establishes policies and procedures for addressing traffic issues, maintain and enforce the city's floodplain and floodway ordinances, and designs major roadway and infrastructure improvements. The Building Permits team provides review and inspections to ensure life, health, safety, and welfare by verifying compliance with the building codes and City ordinances that protect the citizens of Conroe.

|                                |    |                   |
|--------------------------------|----|-------------------|
| Drainage Maintenance           | \$ | 1,411,065         |
| Streets Maintenance            |    | 5,001,435         |
| Signal Maintenance             |    | 1,211,688         |
| Sign Maintenance               |    | 732,778           |
| Engineering                    |    | 3,196,290         |
| Building Inspections & Permits |    | 1,863,160         |
|                                | \$ | <b>13,416,415</b> |

### **General Fund Non-Departmental** **\$13,337,597**

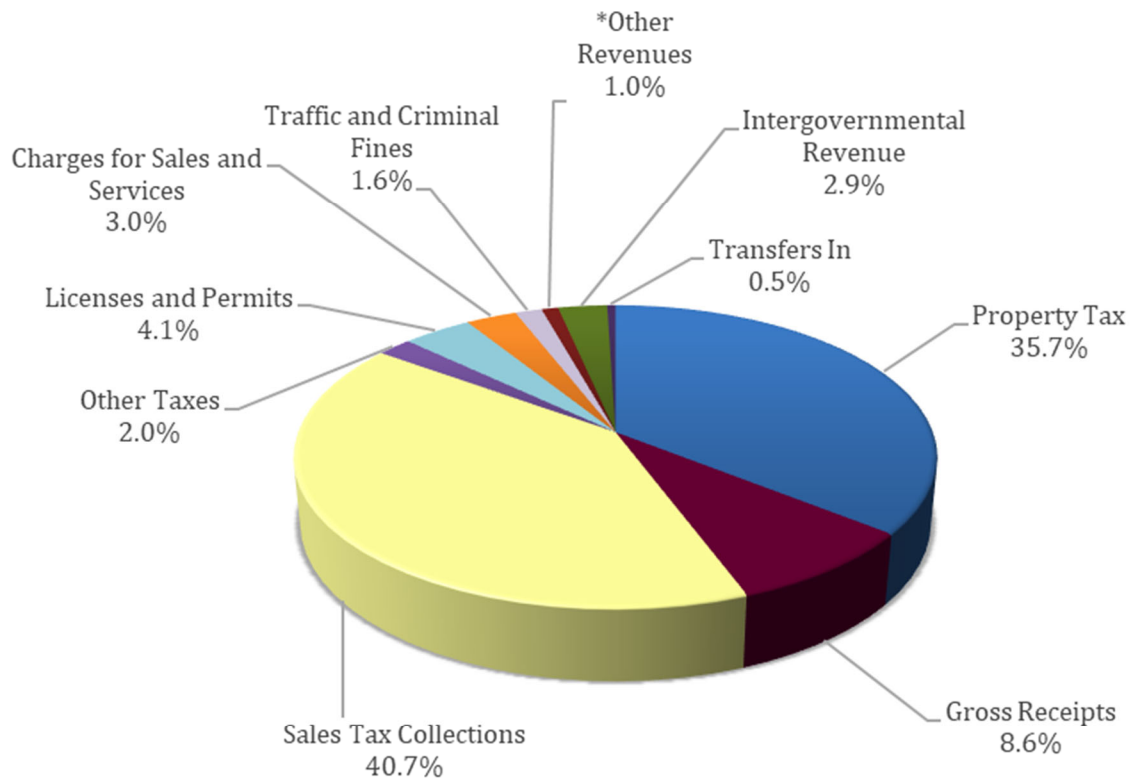
Within the General Fund, the Non-Departmental Department provides for transfers between funds for shared operating costs. Also included in the department are any expenses not falling within a single department activity that can be most efficiently handled in the aggregate for the entire General Fund.

Funding has been included in General Fund Non-Departmental for inter-fund transfers, contract services, and payments of the principal and interest for lease-purchase agreements.

|                     |    |                   |
|---------------------|----|-------------------|
| GF Non-Departmental | \$ | 13,337,597        |
|                     | \$ | <b>13,337,597</b> |

## General Fund Revenue Sources

**\$82,932,070**  
**(\$82,525,570)**



### \*Other Revenues

|                       |             |
|-----------------------|-------------|
| Investment Income     | 0.3%        |
| Lease Income          | 0.3%        |
| Penalties & Interest  | 0.2%        |
| Miscellaneous Revenue | <u>0.2%</u> |
|                       | 1.0%        |

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### General Fund Revenue Sources

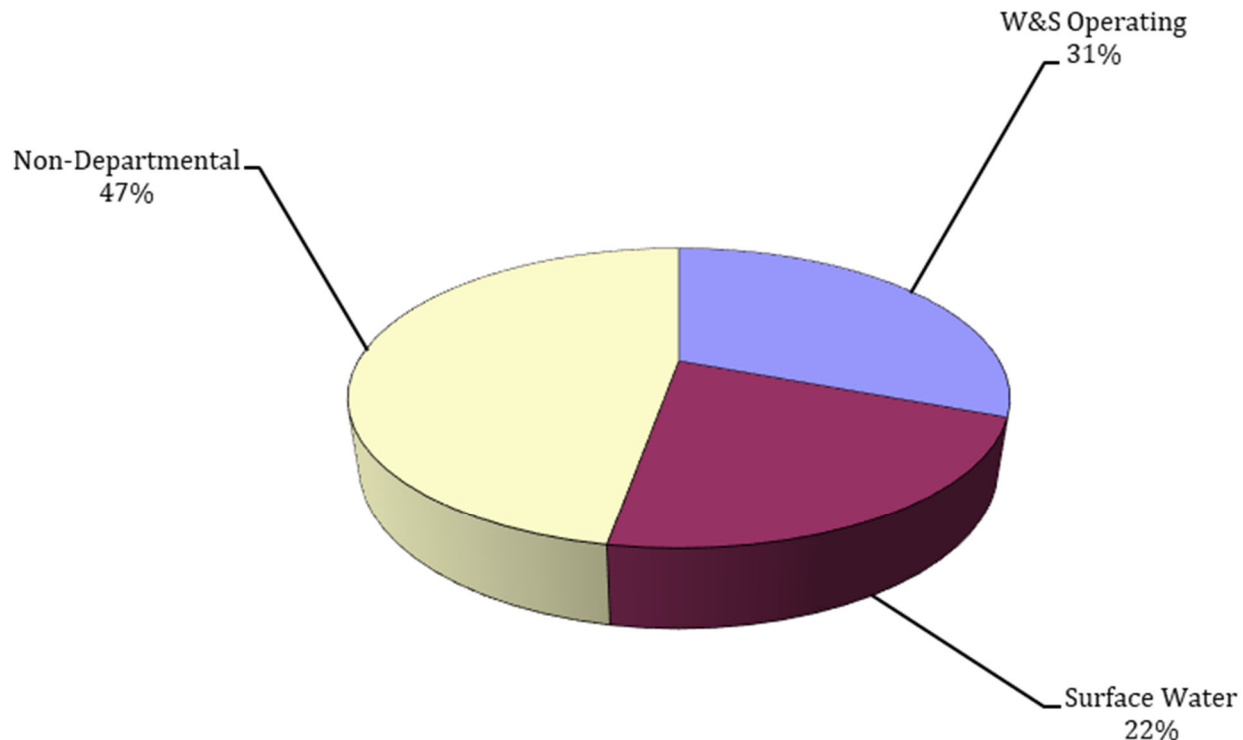
The General Fund has a number of revenue sources, the largest of which is Sales Tax. It constitutes 40.7 percent of all General Fund revenues. Additional sources of revenue include Property Taxes, Gross Receipts Taxes, Other Taxes, Licenses and Permits, Charges for Sales and Services, Traffic and Criminal Fines, Intergovernmental, and Other Revenues.

The tax roll of the City of Conroe continues to grow, increasing by 5.5% percent from FY 2019-2020. The August 26, 2020, Certified Tax Roll of \$9,643,029,137 marks an increase of \$498,780,791 over the previous year's certified roll on July 26, 2019.

|                                    |           |                   |
|------------------------------------|-----------|-------------------|
| Property Tax                       | \$        | 29,591,777        |
| Gross Receipts                     |           | 7,125,341         |
| Sales Tax Collections              |           | 33,764,538        |
| Other Taxes                        |           | 1,682,563         |
| Licenses and Permits               |           | 3,373,362         |
| Charges for Sales and Services     |           | 2,480,068         |
| Traffic and Criminal Fines         |           | 1,303,845         |
| *Other Revenues                    |           | 812,342           |
| Intergovernmental                  |           | 2,391,734         |
| Transfers In                       |           | 406,500           |
| <b>General Fund Revenues Total</b> | <b>\$</b> | <b>82,932,070</b> |

In FY 2020-2021, budgeted General Fund expenditures exceed General Fund revenues by \$3,829,336 due to capital purchases. Additionally, this fund will maintain a reserve amount equal to 116.3 days (or 31.9%) of the fund's total expenditures.

## Water & Sewer Operating Fund Expenses \$55,713,353 (\$32,084,891)



## W & S Operating Fund Services

### Public Works

**\$17,234,814**

The Public Works category consists of six departments: Utility Billing, Public Works Administration, Water, Waste Water Treatment Plant, Sewer Maintenance, and Pump and Motor Maintenance.

The Utility Billing Department's mission is to ensure accuracy in the assessment of user charges; maintain professional and responsive service; answer customer inquiries; and provide accurate and timely billings through progressive and innovative systems. It also strives to ensure accurate and efficient data collection of

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

water and sewer usage, as well as to provide timely water meter installations and repair.

Public Works Administration is responsible for managing resources dedicated to the provision of water and wastewater utilities and maintaining streets and drainage. This department assists in the engineering design standards and construction criteria for many programs required by State and Federal law. The department also updates all permits and plans the water distribution emergency response plan.

The Water Department provides the installation of large meter service and lines to residential and commercial customers. The department participates in relocating lines, repairing broken lines, replacing faulty meters, and constructing new lines.

The Waste Water Treatment Plant treats and discharges 2.8 billion gallons of treated wastewater a year. Staff also handles the Industrial Pretreatment program by issuing permits to industrial users within the city limits and monitoring their discharge through monthly reports and inspections.

The Sewer Department performs sewer line maintenance and installation services to residential and commercial customers by utilizing resources dedicated to preventive maintenance and repair of utility infrastructure.

The Pump & Motor Maintenance Department maintains lift stations, water wells, the wastewater treatment plant, city facilities, and downtown lighting.

|                             |           |                   |
|-----------------------------|-----------|-------------------|
| Utility Billing             | \$        | 1,567,056         |
| Public Works                |           | 1,779,005         |
| Water                       |           | 5,219,975         |
| Waste Water Treatment Plant |           | 3,678,537         |
| Sewer Maintenance           |           | 3,547,117         |
| Pump & Motor Maintenance    |           | 1,443,124         |
| <b>Public Works Total</b>   | <b>\$</b> | <b>17,234,814</b> |

---

CITY OF CONROE, TEXAS

---

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### **Surface Water**

**\$12,127,617**

The City is a participant in the San Jacinto River Authority (SJRA) Groundwater Reduction Plan (GRP). The SJRA has constructed a surface water treatment facility and transmission system to provide treated surface water to the City. The transmission system was interconnected to the City's water system, and in December 2015, the City started receiving treated surface water. Based on the agreement between the City and the SJRA, the City pays the SJRA for groundwater pumped from the Jasper aquifer and for treated surface water from Lake Conroe.

The Surface Water Department includes costs for providing treated surface water through the San Jacinto River Authority (SJRA). This is a pass-through cost that is charged to customers in the Surface Water Conversion Fee. The proposed cost is based on the SJRA rate and historical water usage.

|                                       |                      |
|---------------------------------------|----------------------|
| Surface Water                         | \$ 12,127,617        |
| <b>Surface Water Department Total</b> | <b>\$ 12,127,617</b> |

### **Water & Sewer Fund Non-Departmental**

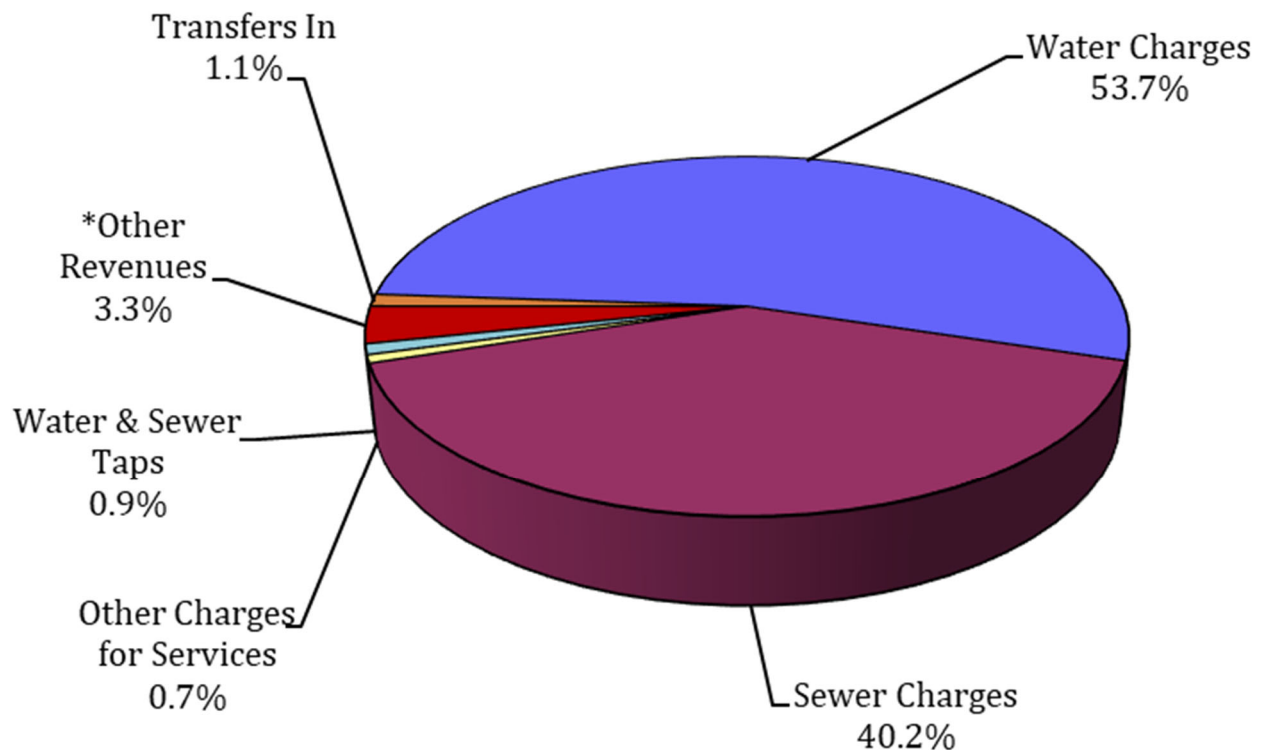
**\$26,350,922**

The Water & Sewer Non-Departmental Department provides for transfers to the General Fund, Debt Service Funds, Facilities Management Fund, Water CIP Fund, Sewer CIP Fund, and the Water & Sewer Vehicle and Equipment Replacement Fund. The transfers to the Debt Service Funds are to pay principal and interest costs for debt issued to improve or expand the water and sewer system. Also included in the department are any expenses that do not fall within a single department activity that can be most efficiently handled in the aggregate for the entire Water & Sewer Operating Fund.

|  |                      |
|--|----------------------|
| Water & Sewer Non-Departmental                       | \$ 26,350,922        |
| <b>W&amp;S Operating Fund Non-Departmental Total</b> | <b>\$ 26,350,922</b> |



# Water & Sewer Operating Fund Revenues \$49,906,037 (\$49,360,449)



|                         |             |
|-------------------------|-------------|
| *Other Revenues         |             |
| Intergovernmental       | 1.5%        |
| Interest on Investments | 1.1%        |
| Unanticipated Revenues  | <u>0.7%</u> |
|                         | 3.3%        |

## Water & Sewer Operating Fund

### Revenue Sources

The Water and Sewer Operating Fund has a variety of revenue sources, the most notable of which are Water Sales and Sewer Charges. Water Sales constitute 53.7 percent of fund revenues, while Sewer Charges constitute 40.2 percent. Additionally, the City recovers a Surface Water Conversion Fee that offsets expenses related to the surface water conversion agreement with the San Jacinto River Authority. The Surface Water Conversion Fee constitutes 22.4 percent of revenues. Other sources of revenue that support the fund are Water and Sewer Tap Fees, Groundwater Conservation Fee, Reconnection Charges, Pretreatment Fees, Interest Income, and Other Revenues.

Water and Sewer Operating Fund revenues are anticipated to increase. The FY 2020-2021 budget includes a 7 percent sewer rate increase for residential and commercial customers. Water and sewer “Lifeline Rate” provide a discount for customers age 65 and over and/or disabled customers. Additionally, water bills include a pass-through fee charged to the City by the Lone Star Ground Water Conservation District. Proposed revenues for FY 2020-2021 assume an overall increase of 7 percent over FY 2019-2020 projections.

|   |                      |
|---|----------------------|
| Water Charges   | \$ 15,100,211        |
| Groundwater Conservation Fee                          | 197,798              |
| Sewer Charges   | 20,071,162           |
| Surface Water Conversion Fee                          | 11,181,877           |
| Water Taps  | 415,956              |
| Sewer Taps  | 54,411               |
| Service Charges                                       | 365,697              |
| Pretreatment Fees                                     | 304,566              |
| *Other Revenues                                       | 1,668,771            |
| Transfer In   | 545,588              |
| <b>Water &amp; Sewer Operating Fund Revenue Total</b> | <b>\$ 49,906,037</b> |

**General Obligation Debt  
Service Fund  
\$17,922,776**

The General Obligation (G.O.) Debt Service Fund was established to account for the payment of principal and interest on outstanding tax supported debt. When this debt was issued, property taxes were pledged to repay the bondholders. Its primary revenue source, therefore, is property taxes.

A transfer in from the Tax Increment Reinvestment Zone (TIRZ) #3 Fund is also made for bonds that were sold to benefit that zone. This TIRZ was established to fund regional roadway improvements in the City. The City and the County both dedicate a portion of the taxes received from property value growth in the TIRZ, which is used to pay the principal and interest of the bonds. The bond proceeds have been used to widen and improve portions of League Line Road, Longmire Road, First Street, Ed Kharbat Drive, Crighton Road, and Gladstell Road. As additional growth occurs in the TIRZ, more bonds will be sold for additional improvements.

A transfer in is made from the Conroe Industrial Development Corporation (CIDC) Fund. This transfer covers the principal and interest costs for bonds that were issued to make improvements to the park system. The CIDC fund is made up of revenues from a ½ cent sales tax for economic development. These park improvements qualify as permissible projects for this particular sales tax. Transfers in are also made from PID funds and the Conroe MMD #1 Fund to pay principal and interest costs related to those districts.

|   |                      |
|---|----------------------|
| <b>General Obligation Debt Service Expenditures</b>   | <b>\$ 17,922,776</b> |
| Property Taxes  | 11,881,113           |
| Interest  | 95,779               |
| Penalties and Interest                                | 85,673               |
| <b>Transfer In</b>                                    | <b>5,172,888</b>     |
| <b>General Obligation Debt Service Revenues Total</b> | <b>\$ 17,235,453</b> |

**Water & Sewer Debt  
Service Fund  
\$17,096,522**

The Water & Sewer Debt Service Fund provides the funds necessary to retire the outstanding revenue-supported debt of the city. Debt in this category consists of revenue-supported bonds that are used to pay the cost of improvements to the city's water and wastewater system, and it is repaid with revenues collected from utility customers.

The outstanding revenue bonds were issued with a pledge to repay bondholders from water and sewer revenues. The payments on these bonds are accounted for in this fund. Its main source of revenue is a transfer of money from the Water & Sewer Operating Fund. An additional transfer in is made from the Conroe Industrial Development Corporation (CIDC) Fund. This transfer covers the principal and interest costs of the water well that was constructed in the Conroe Park North Industrial Park.

|  |                      |
|--|----------------------|
| <b>Water &amp; Sewer Debt Service Expenditures</b>   | <b>\$ 17,096,522</b> |
| Transfer In  | <u>\$ 17,096,522</u> |
| <b>Water &amp; Sewer Debt Service Revenues Total</b> | <b>\$ 17,096,522</b> |

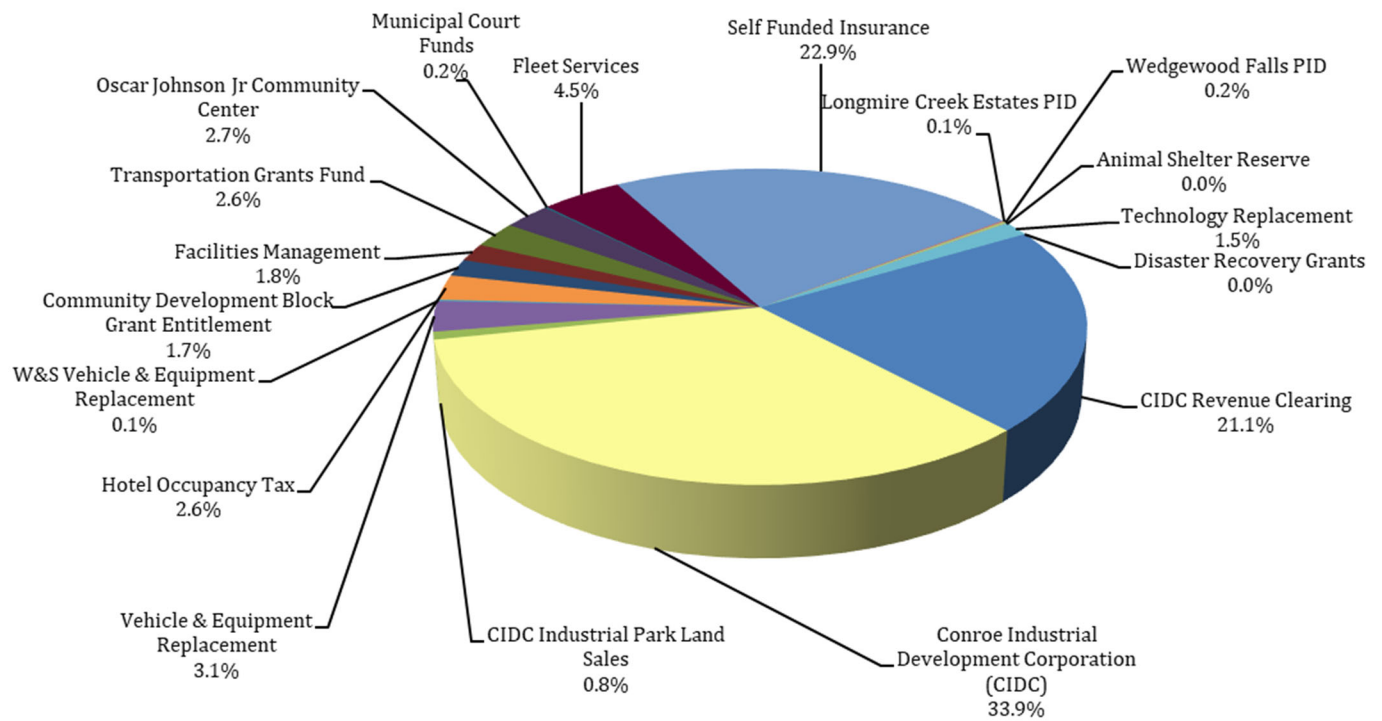
**CIDC Debt  
Service Fund  
\$6,571,472**

The Conroe Industrial Development Corporation (CIDC) Debt Service Fund provides the funds necessary to retire the outstanding sales tax-supported debt. Debt in this category is repaid with the ½ cent sales tax for economic development.

There are several bond issues in the CIDC Debt Service Fund. The bond series issued in 2011, which was subsequently refunded in 2016, was used to install streets, water, sewer, and drainage infrastructure in the industrial park as well as purchase land for the Deison Technology Park. The bonds issued in 2012 were used to install infrastructure in the technology park. Its main source of revenue is a transfer from the CIDC Revenue Clearing Fund. The bonds issued in 2018 were used to purchase 610 acres to expand the Conroe Park North Industrial Park. The bonds issued in 2019 were used to improve the infrastructure of the 610-acre expansion in the Conroe Park North Industrial Park.

|   |                     |
|---|---------------------|
| <b>CIDC Debt Service Expenditures</b>   | <b>\$ 6,571,472</b> |
| Transfer In                             | <u>\$ 6,571,472</u> |
| <b>CIDC Debt Service Revenues Total</b> | <b>\$ 6,571,472</b> |

**Other Operating  
Funds Expenditures  
\$53,255,755  
(\$30,382,048)**



## Other Operating Funds

### **Vehicle & Equipment Replacement Funds** **\$1,732,065**

The Vehicle and Equipment Replacement Fund (VERF) accounts for revenues and expenses that are used to purchase replacement City vehicles and equipment for the City's general government and water and sewer operating funds. Revenue to the general government VERF includes a transfer in from the General, Facilities Management, and Fleet Services Funds. Revenue to the Water & Sewer VERF is from a transfer in from the Water & Sewer Operating Fund.

|  |                     |
|--|---------------------|
| GF Vehicle & Equipment Replacement                     | \$ 1,655,065        |
| Water & Sewer Vehicle & Equipment Replacement          | <u>77,000</u>       |
| <b>Vehicle &amp; Equipment Replacement Funds Total</b> | <b>\$ 1,732,065</b> |

### **CIDC General Fund** **\$18,079,306**

In 1994, Conroe voters adopted a ½ cent sales tax for economic development. The money is controlled by a non-profit entity known as the Conroe Industrial Development Corporation (CIDC). The CIDC has a funding structure that includes three funds: CIDC Revenue Clearing, CIDC Debt Service, and CIDC General Fund. The CIDC General Fund includes expenditures for economic development incentives for companies located in the city. In FY 2020-2021, transfers are included for underground utilities on SH 105, water infrastructure, and a signal. Transfers are also included to the General Obligation Debt Service Fund for the payment of principal and interest costs for bonds issued to benefit the parks system, as well as to the Water & Sewer Debt Service Fund for the payment of principal and interest costs for the water well-constructed in the Conroe Park North Industrial Park.

|                                |                      |
|--------------------------------|----------------------|
| CIDC General Fund              | <u>\$ 18,079,306</u> |
| <b>CIDC General Fund Total</b> | <b>\$ 18,079,306</b> |

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### **CIDC Revenue Clearing Fund** **\$11,254,846**

The CIDC Revenue Clearing Fund was established as a pledge to creditors who purchased the bonds issued by the CIDC. The fund assures bondholders that the appropriate funding amount is withdrawn from the clearing fund each month and deposited into the debt service fund.

|                            |                      |
|----------------------------|----------------------|
| CIDC Revenue Clearing Fund | <u>\$ 11,254,846</u> |
|----------------------------|----------------------|

|   |                      |
|---|----------------------|
| <b>CIDC Revenue Clearing Fund Total</b> | <b>\$ 11,254,846</b> |
|---|----------------------|

### **Hotel Occupancy Tax (HOT) Fund** **\$1,372,843**

The HOT Fund accounts for revenues and expenditures that are derived from a 7% hotel occupancy tax that must be used to promote the tourism and convention industry. Expenditures support the Conroe Convention and Visitors Bureau (CVB).

|                     |                     |
|---------------------|---------------------|
| Hotel Occupancy Tax | <u>\$ 1,372,843</u> |
|---------------------|---------------------|

|                                       |                    |
|---------------------------------------|--------------------|
| <b>Hotel Occupancy Tax (HOT) Fund</b> | <b>\$1,372,843</b> |
|---------------------------------------|--------------------|

### **Community Development Block Grant Entitlement Fund** **\$925,990**

The Community Development Block Grant (CDBG) Entitlement Fund was established to account for the annual payment the city receives from the US Department of Housing and Urban Development for participation in the CDBG program. CDBG funds can be used to improve areas of a community that are populated with families that earn a low to moderate income.

|                       |                   |
|-----------------------|-------------------|
| CDBG Entitlement Fund | <u>\$ 925,990</u> |
|-----------------------|-------------------|

|                                    |                   |
|------------------------------------|-------------------|
| <b>CDBG Entitlement Fund Total</b> | <b>\$ 925,990</b> |
|------------------------------------|-------------------|



---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### **Facilities Management Fund** **\$1,168,812**

The Facilities Management Fund was established to account for the rental income and expenditures of operating the Conroe Tower. Approximately 15,000 square feet of excess space in the Tower is leased to private businesses. This fund also includes maintenance costs for the Madeley Building, Owen Theatre, and the old Police Department building.

|                            |                   |
|----------------------------|-------------------|
| Facilities Management Fund | <u>\$ 965,290</u> |
|----------------------------|-------------------|

|   |                   |
|---|-------------------|
| <b>Facilities Management Fund Total</b> | <b>\$ 965,290</b> |
|---|-------------------|

### **Transportation Grants Funds** **\$1,390,220**

Transportation Grants Funds are established when grants are awarded for mobility and transportation needs of the City of Conroe. Grants received from the Federal and State government along with City general funds provide a fixed route transit service enabling riders to have greater benefits from work-related opportunities, shopping and access to governmental and medical services.

|                            |                     |
|----------------------------|---------------------|
| Transportation Grants Fund | <u>\$ 1,390,220</u> |
|----------------------------|---------------------|

|  |                     |
|--|---------------------|
| <b>Transportation Grants Fund Totals</b> | <b>\$ 1,390,220</b> |
|--|---------------------|

### **Fleet Services Fund** **\$2,408,453**

The Fleet Services Fund was established to account for revenues and expenditures associated with the City's vehicles and rolling stock equipment. Fleet Services manages the service and maintenance of the City of Conroe and other local government fleets. Fleet Services staff performs vehicle and equipment repairs, maintenance, acquisition, and disposal.

|                |                     |
|----------------|---------------------|
| Fleet Services | <u>\$ 2,408,453</u> |
|----------------|---------------------|

|                                  |                     |
|----------------------------------|---------------------|
| <b>Fleet Services Fund Total</b> | <b>\$ 2,408,453</b> |
|----------------------------------|---------------------|

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### **Oscar Johnson, Jr. Community Center Fund** **\$1,425,537**

The Oscar Johnson, Jr. Community Center (OJJCC) Fund was established to account for revenues and expenditures associated with the Oscar Johnson, Jr. Community Center. The center, located on 2.5 acres south of downtown, offers after-school programs and summer day camps for children. It also offers adult education classes, special events, seasonal swimming, outdoor basketball courts, and community service opportunities for teens.

|   |                     |
|---|---------------------|
| Oscar Johnson, Jr. Community Center                   | \$ 1,425,537        |
| <b>Oscar Johnson, Jr. Community Center Fund Total</b> | <b>\$ 1,425,537</b> |

### **Self-Funded Insurance Fund** **\$12,210,262**

The Self-Funded Insurance Fund was established to account for revenues and expenditures related to employee health, dental, and vision insurance coverage. Revenues include employer and employee contributions for health, dental, and vision insurance, and expenditures include health, dental, and vision claims as well as administration costs. Retiree insurance benefits are budgeted here as well.

|                                   |                      |
|-----------------------------------|----------------------|
| Self Funded Insurance             | \$ 12,210,262        |
| <b>Self Funded Insurance Fund</b> | <b>\$ 12,210,262</b> |

### **Municipal Court Funds** **\$81,000**

The Municipal Court Funds were established to account for revenues from fines and expenditures for specifically authorized purposes established by state law.

|  |                  |
|--|------------------|
| Municipal Court Technology                           | \$ 5,000         |
| Municipal Court Building Security                    | 26,250           |
| Municipal Court Local Truancy Prevention & Diversion | 40,750           |
| Municipal Court Efficiency Fee                       | 4,000            |
| Municipal Court Truancy Prevention                   | 5,000            |
| <b>Municipal Court Funds Total</b>                   | <b>\$ 81,000</b> |

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### **PID Funds** **\$177,439**

The PID Funds are Special Revenue Funds used to account for revenues and expenditures related to residential development. Revenues include collections of assessments based on rates in the Public Improvement District (PID) that were established by Ordinance. The City reimbursed the developers for costs of infrastructure and will finance those costs with debt payments that mature in 2038. The debt payments are funded by transfers from the PID Funds to the General Obligation Debt Service Fund.

|                            |                   |
|----------------------------|-------------------|
| Longmire Creek Estates PID | \$ 58,745         |
| Wedgewood Falls PID        | <u>118,694</u>    |
| <b>PID Funds Total</b>     | <b>\$ 177,439</b> |

### **Animal Shelter Reserve Fund** **\$13,250**

The Animal Shelter Reserve Fund is a Special Revenue Fund used to account for revenues and expenditures related to the Conroe Animal Shelter building and property. Revenues include a portion of collections from inter-local agreements that has been designated as a reserve for the Animal Shelter. Expenditures may include repairs, maintenance, and improvements to the Conroe Animal Shelter building and property.

|  |                  |
|--|------------------|
| Animal Shelter Reserve Fund              | <u>\$ 13,250</u> |
| <b>Animal Shelter Reserve Fund Total</b> | <b>\$ 13,250</b> |

### **Technology Replacement Fund** **\$792,754**

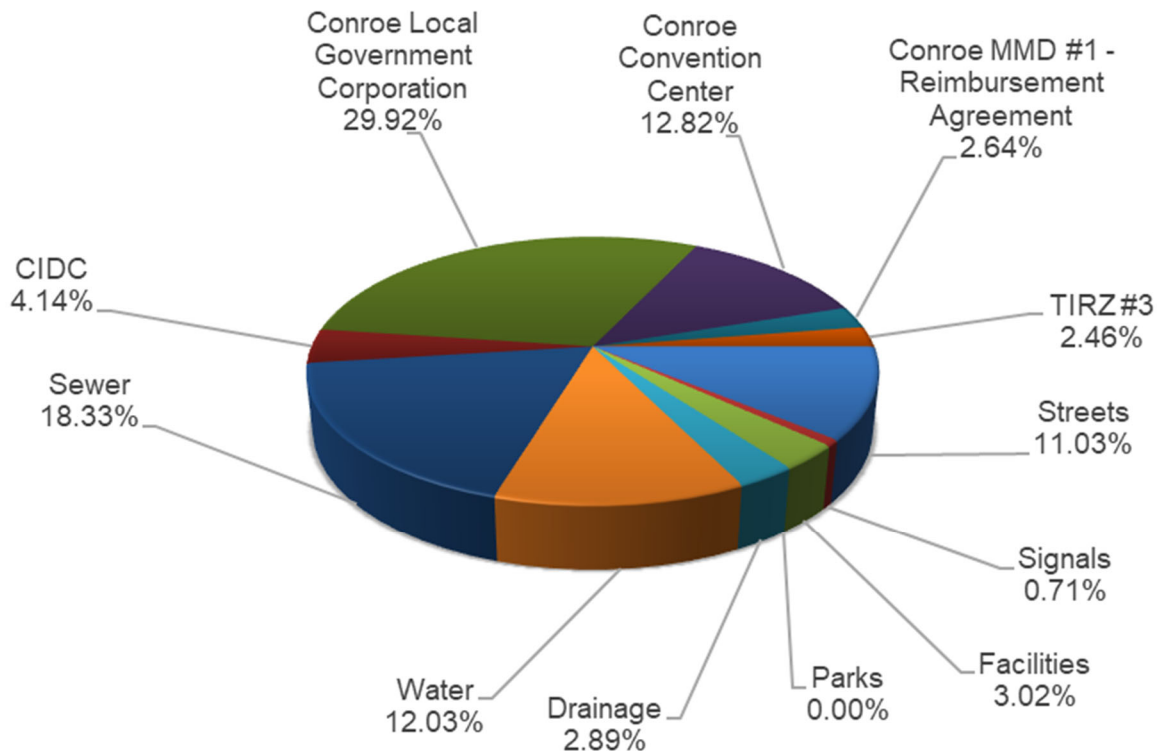
The Technology Replacement Fund accounts for revenues and expenses that are used to purchase replacement City computers, hardware, and equipment for the City's general government and water and sewer operating funds. Revenue to the general government Technology Fund includes a transfer in from the General Fund and the Water & Sewer Operating Fund.

|  |                   |
|--|-------------------|
| Technology Replacement                   | <u>\$ 792,754</u> |
| <b>Technology Replacement Fund Total</b> | <b>\$ 792,754</b> |

# Capital Improvement Program Expenditures \$142,538,000

## Capital Improvement Program

The Capital Improvement Program (CIP) provides funding for streets, signals, facilities, parks, drainage, and transportation projects in the General Government CIP as well as projects for water and wastewater improvements in the Water and Sewer CIP. These capital assets are of significant value and generally have a useful life of twenty years or more.



The 2020-2021 Capital Improvement Program is \$142,538,000, which includes projects that are currently in progress. Of this amount, 18% are for General Government improvements, 30% are for Water & Sewer improvements, 13% are for the construction of the new Convention Center and Hotel, 4% is to complete CIDC street projects, 30% is for Conroe Local Government Corporation, and 5% are for other expenditures such as TIRZ payments and Conroe MMD #1.

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

Major projects in these programs include:

### Streets

Roadway Trans - TIRZ #3 - Longmire Road Phase 2B  
Roadway Trans - TIRZ #3 - Longmire Road Phase 3  
Road Widening with Improvements - Old Conroe Road South Section (H-GAC/TxDOT Part.)  
Road Widening with Improvements - TIRZ #3 - Old Conroe Road North Section  
Railroad Crossing Upgrade - Crighton Road at IH-45  
Pedestrian Access & Transit Improvements  
Street Rehab - Westview Boulevard and Montgomery Park Boulevard  
Street Rehab - Tanglewood/Briarwood Phase IA  
Underground Utilities SH 105, IH-45 to SH 75 (CIDC)  
Sidewalk & Pedestrian Bridges - Freedom Boulevard  
Hike & Bike Trail - Alligator Creek - Option 1  
Railroad Crossing Quiet Zone Upgrades - Downtown  
Underground Electrical Conversion - Downtown Alleys  
Roadway Extension - Mike Meador Boulevard  
Street Rehab - Tanglewood/Briarwood Phase 2A  
Street Rehab - Tanglewood/Briarwood Phase IB  
Street Rehab - Rivershire Area  
Street Realignment - Dallas and Roberson Intersection  
Roadway Widening - Old Montgomery Road  
Sidewalk - Dallas, San Jacinto and North Thompson  
Sidewalk - Davis - From Pacific to 10th Street  
Sidewalks - Longmire Way  
Sidewalks - Flournoy Park  
Sidewalks - Lions Park  
Shadow Lakes PID Reimbursement

### Signals

Signal Upgrades - City Wide Flashing Yellow Arrows (5-year Plan)  
Signal System Upgrades - City Wide Radars (5-year Plan)  
Signal - Bois D'Arc Bend at Walden Road (Montgomery County)  
Signal - Sgt. Ed Holcomb at Camelot  
Signal - Longmire Road at Wedgewood Blvd.  
Signal Upgrades - South Loop 336 at River Pointe  
Signal - Seven Coves at Farrel Road (CIDC)

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### Facilities

Fire Department - Fire Station #8  
CISD Property Purchase (2020-A COs Taxable)

### Parks

None

### Drainage

Rehab - Crighton Ridge  
Rehab - Live Oak Creek  
Rehab - Alligator Creek Phase 1  
Conroe Municipal Management District #1

### Water

Jasper Water Well - SH 105 West  
Water Line Extension - Water Well No. 24 Blending  
Water Line Rehab - West View and Montgomery Park Boulevard  
Water Line Extension - Seven Coves SH 75 to Farrel  
Cooling Towers - Panorama  
Decommission Elevated Storage Tank No. 5  
Water Line Rehab - 3rd Street  
Water Line Rehab - Adkins Area  
Water Line Extension - Wally Wilkerson to FM 1484 (CIDC)  
Water Line Rehab - Rivershire and Gladstell Area  
Water Line Rehab - Conroe Hospital Area  
Water Line Extension - Ed Kharbat Drive  
Water Line Rehab - Park Oak Drive  
Water Plant EST - In the Industrial Park and Technology Park Area (CIDC)  
Water Well & Plant - Pine Lake Cove

### Sewer

Flood Protection - Southwest Wastewater Treatment Plant  
Treatment Plant - Construction of New Plant (Phase IV)  
Lift Station Replacement - Pebble Glen #2  
Lift Station & Force Main - Muse Tract to Beech Road  
Sewer Rehab - Forest Estates, Wroxton and Woodranch Farms  
Sewer System Improvements - Carl Barton

---

## CITY OF CONROE, TEXAS

---

---

## FY 2020-2021 BUDGET-IN-BRIEF

---

Gravity Main Replacement - Upper Stewart Creek Phase 1  
Trunk Line Replacement - Stewarts Creek (Avenue M to Ed Kharbat)  
Trunk Line Replacement - Stewarts Creek (Avenue M to Hwy 105)  
Lift Station Consolidation - Area No. 01  
Sewer Rehab and Expansion of Lift Station - Camp Silver Springs Option 1  
Lift Station Consolidation - Area No. 03  
Lift Station Consolidation - Area No. 02  
Lift Station Upgrade - FM 1488  
SSOI Program - Section 8  
SSOI Program - Section 9  
Wastewater Treatment Plant - Pine Lake Cove  
SSOI Program - Section 10  
SSOI Program - Section 11  
SSOI Program - Section 12  
SSOI Program - Section 13  
SSOI Program - Section 14

**City of Conroe**  
**FY 2020-2021**  
**Budget Preparation Calendar**

|           |   |
|-----------|---|
| February  | Budget Kick-off<br>Department Training<br>VERF Committee Meeting  |
| March     | Budget Submissions Due<br>Review of New Budget Requests   |
| April     | Ranking of New Budget Requests<br>Budget Draft Creation   |
| May       | Operating Budget Meeting with City Administrator<br>CIP Budget Meeting with City Administrator  |
| June      | Submit Preliminary Tax Rate Data to Montgomery County Tax Office<br>Budget Review Meeting with Mayor<br>Budget Review Meetings with City Council Members  |
| July      | Submit Final 2020 Tax Rate Calculation Data to Montgomery County Tax Office<br>Proposed Budget submitted to City Council<br>City Council Budget Retreat<br>Chief Appraiser certifies the appraisal roll<br>No-New-Revenue and Voter-Approval tax rates are calculated and submitted to City Council |
| August    | Public Hearing is held<br>Vote to Ratify the Property Tax Increase (if needed)<br>City Council adopts the Operating Budget, the Annual Tax Rate, and the Capital Improvement Program  |
| September | Public Hearing is held<br>Vote to Ratify the Property Tax Increase (if needed)<br>City Council adopts the Operating Budget, the Annual Tax Rate, and the Capital Improvement Program  |
| October   | Fiscal year begins<br>Adopted Operating Budget Book Published<br>Adopted Capital Improvement Program Book Published<br>Budget-in-Brief Document Published   |



---

## FY 2020-2021 BUDGET-IN-BRIEF

---

### City of Conroe Profile

2020 Population 91,079

*Source: City of Conroe*

Square Miles 74.36

*Source: City of Conroe*

#### City Government Information

Form of Government Council-Administrator

Number of Full-time City Employees 606

Citizens Per Employee 150.3

*Source: City of Conroe*

#### Taxation Information

Property Tax Rate \$0.4375 per \$100 Assessed Value

Total Taxable Value \$9,643,029,137

Taxable Value Per Capita \$105,875

Percent Increase in Property Tax Roll

From FY 2019-2020 to FY 2020-2021 5.5%

*Source: Montgomery Central Appraisal District*

Sales Tax Revenue (FY 2019) \$48,136,558

*Source: Texas Comptroller of Public Accounts*

*(<https://mycpa.cpa.state.tx.us/allocation/AllocHist>)*

#### City Debt Information

FY 2020-2021:

Net Bonded Debt \$193,008,242

Debt Per Capita \$2,119

Debt as a Percent of Tax Base 2.1%

*Source: City of Conroe*

#### Climatological Summary

Annual Average Temperature (Daily Mean) 61°F

Annual Rainfall 47.6 Inches

*Source: United States Geography*

*(<http://countrystudies.us/united-states/weather/texas/conroe.htm>)*

## City of Conroe Profile

### Transportation

#### Conroe-North Houston Regional Airport

Distance: 0.0 miles (located inside city limits)

Address: 10260 Carl Pickering Memorial Drive

Building 11A

Conroe, TX 77303

Website: [www.lonestarairport.org](http://www.lonestarairport.org)

*Source: Montgomery County*

#### George Bush Intercontinental Airport

Distance: 33.5 miles

Address: 2800 North Terminal Road

Houston, TX 77032

Website: [www.fly2houston.com](http://www.fly2houston.com)

*Source: Houston Airport System*

### Greater Conroe/Lake Conroe Area Chamber of Commerce

505 West Davis

Conroe, TX 77301

Phone: (936) 756-6644

[www.conroe.org](http://www.conroe.org)

### Conroe Convention & Visitors Bureau

505 West Davis

Conroe, TX 77301

Phone: (936) 522-3000

[www.conroecvb.net](http://www.conroecvb.net)

### For additional copies contact:

#### Finance & Administration Department

300 West Davis

Conroe, Texas 77301

(936) 522-3040

Or on the Internet at [www.cityofconroe.org](http://www.cityofconroe.org)



(This page intentionally left blank.)

