

City of Conroe, Texas Budget-In-Brief Fiscal Year 2019-2020



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

FY 2019-2020 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 2019-2020 BUDGET-IN-BRIEF

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FY 2019-2020 BUDGET-IN-BRIEF

October 1, 2019

The City of Conroe is pleased to present the fiscal year 2019-2020 “Budget-In-Brief.” This document summarizes the annual budget for the fiscal year beginning October 1, 2019, and ending September 30, 2020.

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 2019-2020 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:

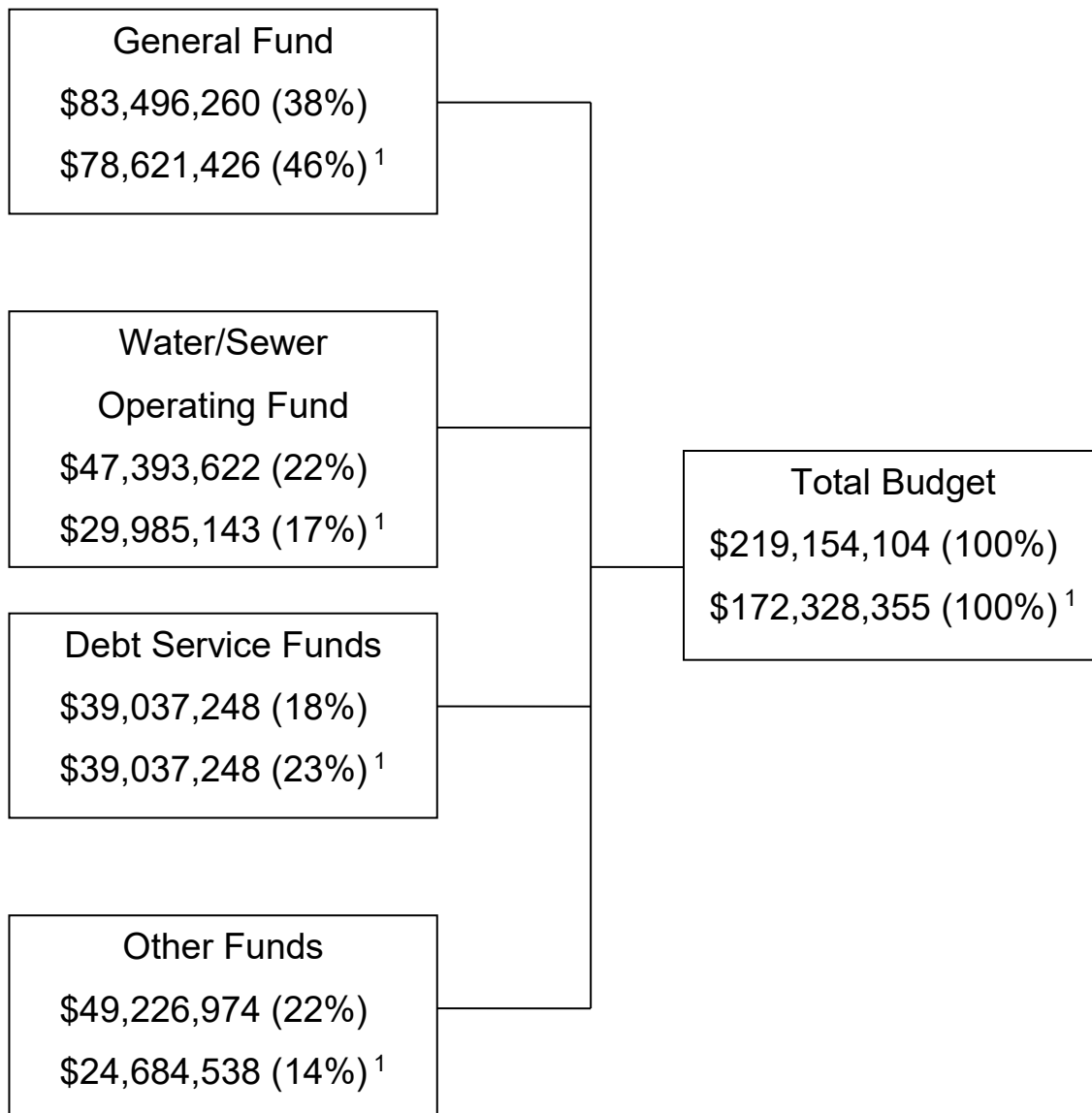
“To protect and serve the citizens of Conroe and exceed their expectations.”

Sincerely,

Toby Powell

Mayor

Organization of the Total Budget



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

FY 2019-2020 Budget Summary

On August 28, 2019, the Conroe City Council approved a \$219,154,104 budget with a 3 percent contingent appropriation for FY 2019-2020. Net of interfund transfers, the total budget is \$172,328,355. The approved budget consists of the General, Water and Sewer Operating, Debt Service, and Other Operating Funds.

General Fund

The General Fund accounts for 38 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 22 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 18 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

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CIDC Debt Service Fund 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 is repaid with a portion of the ½-cent sales tax charged within the City.

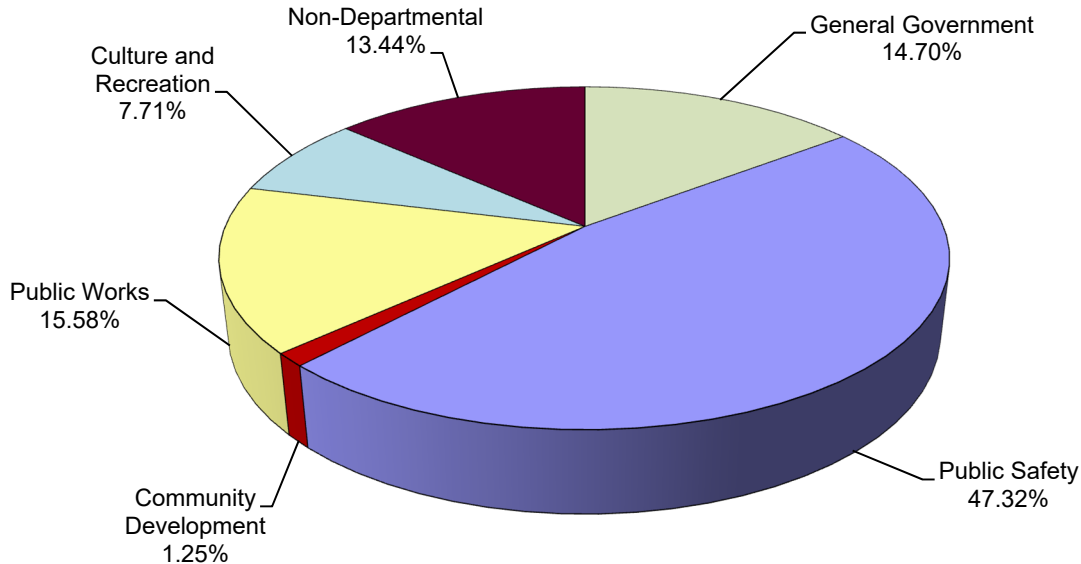
Other Operating Funds

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. They make up 22 percent of the budget and include such funds as the Conroe Industrial Development Corporation (CIDC) Revenue Clearing Fund, CIDC General Fund, Hotel Occupancy Tax (HOT) Fund, Community Development Block Grant (CDBG) Entitlement Fund, Facilities Management Fund, Vehicle and Equipment Replacement Funds, Oscar Johnson, Jr. Community Center (OJJCC) Fund, Transportation Grants Funds, Fleet Services Fund, Self-Funded Insurance Fund, Municipal Court Technology Fund, Municipal Court Building Security Fund, Municipal Court Juvenile Case Manager Fund, Municipal Court Efficiency Fee Fund, Municipal Court Truancy Prevention Fund, Animal Shelter Fund, and Public Improvement District (PID) funds.

General Fund Expenditures

\$83,496,260

(\$78,621,426)



General Fund Services

General Government

\$ 12,270,341

The General Government category is comprised of the Administration, Mayor & 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.

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Administration	\$ 666,843
Mayor And Council	756,511
Transportation	2,171,980
Legal	671,435
Municipal Court	1,313,399
Finance	2,349,102
CDBG Administration	151,819
Purchasing-Warehouse	420,554
Information Technology	2,788,752
Human Resources	<u>979,946</u>
General Government Total	\$ 12,270,341

Public Safety **\$ 39,510,554**

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, Investigations, 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	\$ 1,547,822
Police Support	1,576,767
Police Patrol	12,842,026
Police Investigative Services	4,246,392
Police Animal Services	780,335
Commercial Vehicle Enforcement	150,422
Fire	<u>18,366,790</u>
Public Safety Total	\$ 39,510,554

Culture and Recreation **\$ 6,435,890**

The Culture and Recreation category covers parks and recreation expenditures. Parks Administration and Parks Operations are responsible for providing beautiful

FY 2019-2020 BUDGET-IN-BRIEF

parks and trails, multi-generational athletic and recreational services, and dedicated customer service to Conroe's citizens and employees. The Recreation Center provides athletic and recreational programs including, but not limited to: art, karate, dance/ballet, and gymnastics. The Aquatic Center provides safe, quality, and state of the art pools for the citizens of Conroe.

Parks Administration	\$ 970,931
Recreation Center	1,327,560
Aquatic Center	1,639,892
Park Operations	<u>2,497,507</u>
Culture and Recreation Total	\$ 6,435,890

Community Development **\$ 1,043,900**

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	<u>\$ 1,043,900</u>
Community Development Total	\$ 1,043,900

Public Works **\$13,010,586**

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 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

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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	\$ 1,473,709
Street Maintenance	5,040,445
Signal Maintenance	1,169,120
Sign Maintenance	720,894
Engineering	3,110,301
Building Inspections And Permits	<u>1,496,117</u>
Public Works Total	\$ 13,010,586

General Fund Non-Departmental **\$ 11,224,989**

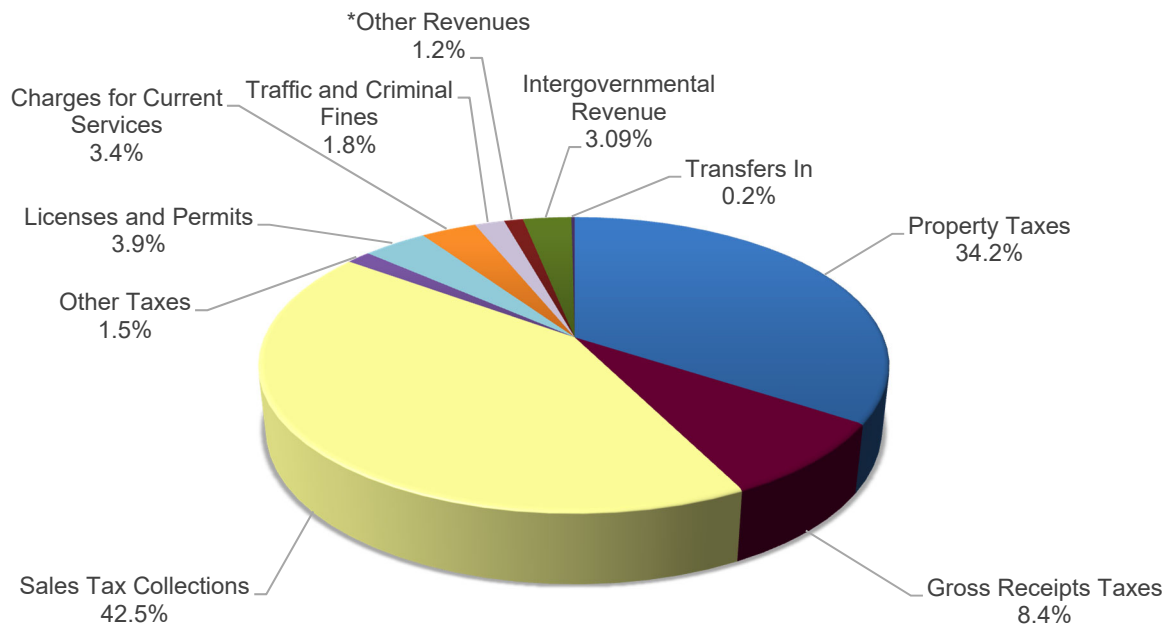
Within the General Fund, the Non-Departmental Department provides for transfers between funds for shared operating costs. Also included in the department are any expenses not falling within a single department activity that can be most efficiently handled in the aggregate for the entire General Fund.

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.

General Fund Non-Departmental	<u>\$ 11,224,989</u>
General Fund Non-Departmental Total	\$ 11,224,989

General Fund Revenue Sources

\$82,474,339
(\$82,305,602)



*Other Revenues

Investment Income	0.7%
Lease Income	0.2%
Penalties & Interest	0.2%
Miscellaneous Revenue	<u>0.1%</u>
	1.2%

General Fund Revenue Sources

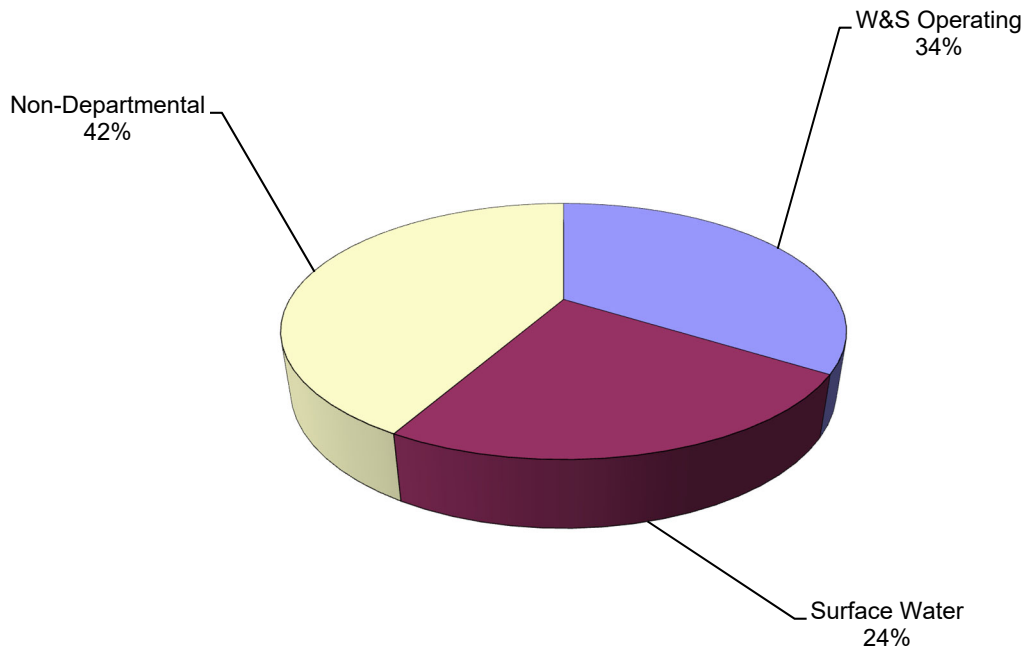
The General Fund has a number of revenue sources, the largest of which is Sales Tax. It constitutes 42.5 percent of all General Fund revenues. Additional sources of revenue include Property Taxes, Gross Receipts Taxes, Other Taxes, Licenses and Permits, Charges for Current Services, Traffic and Criminal Fines, Intergovernmental Revenue, and Other Revenue.

The tax roll of the City of Conroe continues to grow, increasing by 9.5% percent from FY 2018-2019. The July 26, 2019, Certified Tax Roll of \$9,144,248,346 marks an increase of \$791,918,668 over the previous year's certified roll on July 25, 2018.

Property Taxes	\$ 28,199,290
Gross Receipts Taxes	6,900,292
Sales Tax Collections	35,044,590
Other Taxes	1,217,454
Licenses and Permits	3,241,397
Charges for Current Services	2,794,371
Traffic and Criminal Fines	1,505,981
*Other Revenues	954,614
Intergovernmental Revenue	2,447,613
Transfers In	<u>168,737</u>
General Fund Revenues Total	\$ 82,474,339

In FY 2019-2020, budgeted General Fund expenditures exceed General Fund revenues by \$1,021,921 due to capital purchases. Additionally, this fund will maintain a reserve amount equal to 113.7 days (or 31.1%) of the fund's total expenditures.

Water & Sewer Operating Fund Expenses \$47,393,622 (\$29,985,143)



W & S Operating Fund Services

Public Works

\$ 16,170,868

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

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inquiries; and provide accurate and timely billings through progressive and innovative systems. It also strives to ensure accurate and efficient data collection of 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.

Public Works	\$ 2,312,271
Utility Billing	1,162,692
Water	4,928,314
Waste Water Treatment Plant	3,090,355
Sewer Maintenance	3,232,910
Pump & Motor Maintenance	<u>1,444,326</u>
Public Works Total	\$ 16,170,868

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Surface Water **\$ 11,338,213**

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	<u>\$ 11,338,213</u>
Surface Water Department Total	\$ 11,338,213

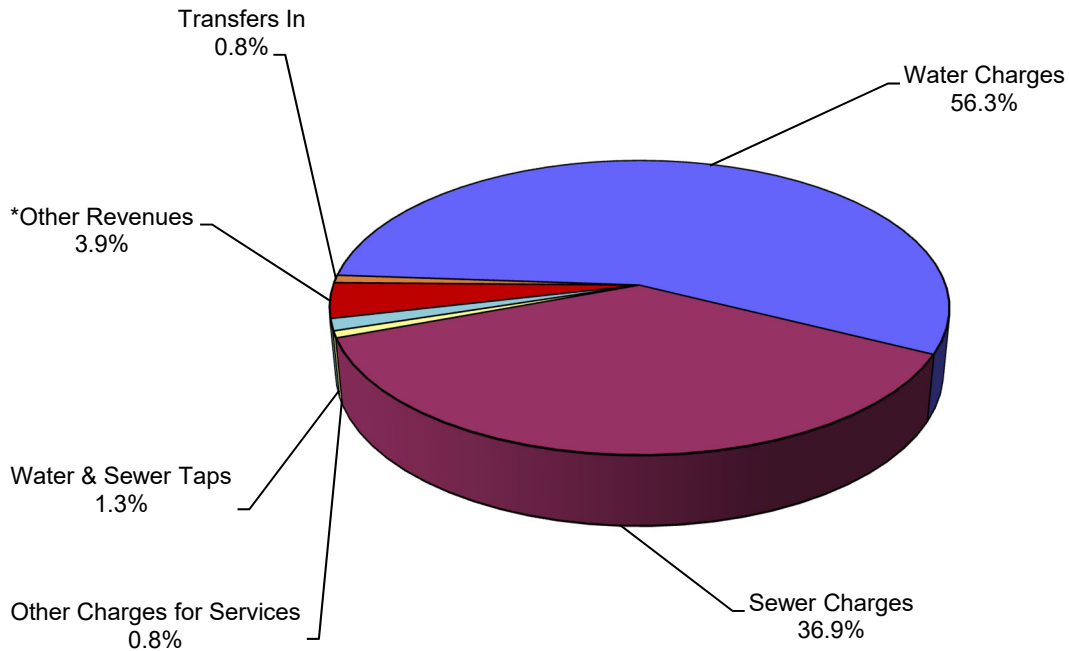
W&S Operating Fund Non-Departmental **\$ 19,884,541**

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	<u>\$ 19,884,541</u>
W&S Operating Fund Non-Departmental Total	\$ 19,884,541

Water & Sewer Operating Fund Revenues

\$46,619,691
(\$46,227,573)



*Other Revenues	
Intergovernmental	1.5%
Interest on Investments	1.9%
Unanticipated Revenues	<u>0.5%</u>
	3.9%

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 56.3 percent of fund revenues, while Sewer Charges constitute 36.9 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 23.1 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 2019-2020 budget includes a 20% sewer rate increase for residential and commercial customers. Water and sewer “Lifeline Rate” provides 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 2019-2020 assume an overall increase of 9.1 percent over FY 2018-2019 projections.

Water Charges	\$ 14,947,753
Groundwater Conservation Fee	186,013
Sewer Charges	17,215,254
Surface Water Conversion Fee	10,786,185
Water Taps	503,697
Sewer Taps	105,391
Service Charges	350,744
Pretreatment Fees	325,491
*Other Revenues	1,807,045
Transfer In	392,118
Water & Sewer Operating Fund Revenue Total	\$ 46,619,691

**General Obligation Debt
Service Fund
\$16,924,176**

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 1/2-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.

G.O Debt Service Expenditures	\$16,924,176
Property Taxes	\$11,256,951
Interest	224,505
Penalties and Interest	<u>90,689</u>
Transfer In	4,618,322
G.O. Debt Service Revenues Total	\$16,190,467

**Water & Sewer Debt
Service Fund
\$15,423,508**

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.

W&S Debt Service Expenditures	\$ 15,423,508
Transfer In	<u>\$ 15,423,508</u>
W&S Debt Service Revenues Total	\$ 15,423,508

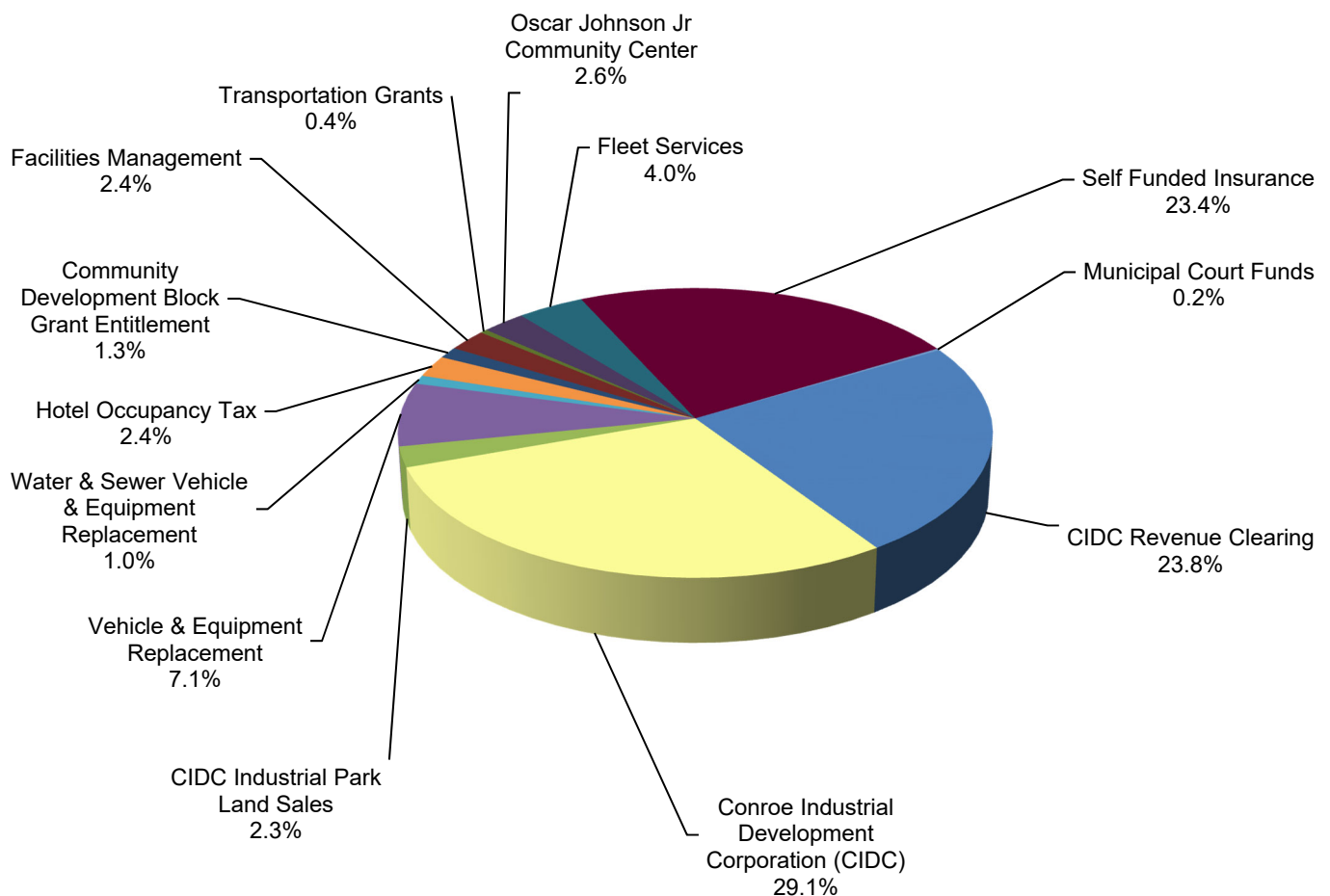
**CIDC Debt
Service Fund
\$6,689,564**

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.

CIDC Debt Service Expenditures	\$ 6,689,564
Transfer In	<u>\$ 6,689,564</u>
CIDC Debt Service Revenues Total	\$ 6,689,564

**Other Operating
Funds Expenditures
\$49,226,974
(\$24,684,538)**



Other Operating Funds

Vehicle & Equipment Replacement Funds **\$ 3,945,232**

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 enterprise 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	\$ 3,468,625
Water & Sewer Vehicle & Equipment Replacement	<u>476,607</u>
Vehicle & Equipment Replacement Funds	
Total	\$ 3,945,232

CIDC General Fund **\$14,286,846**

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 2019-2020, transfers to the Streets CIP Fund are included for street rehabilitation on Pollock Drive and Conroe Park Drive, and underground utilities on SH 105 (IH-45 to SH 75). Transfers to the Parks CIP Fund are included for Carl Barton, Jr. Park Improvements and for Aquatic Center Improvements. 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>\$ 14,286,846</u>
CIDC General Fund Total	\$ 14,286,846

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CIDC Revenue Clearing Fund

\$ 11,681,425

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

\$ 11,681,425

CIDC Revenue Clearing Fund Total

\$ 11,681,425

Hotel Occupancy Tax (HOT) Fund

\$1,168,935

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 (HOT) Fund

\$ 1,168,935

Hotel Occupancy Tax (HOT) Fund Total

\$ 1,168,935

CDBG Entitlement Fund

\$ 614,264

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

\$ 614,264

CDBG Entitlement Fund Total

\$ 614,264

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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

\$ 1,168,812

Facilities Management Fund Total

\$ 1,168,812

Transportation Grants Funds

\$ 213,887

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 Funds

\$ 213,887

Transportation Grants Funds Total

\$ 213,887

Fleet Services Fund

\$1,974,061

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 Fund

\$ 1,974,061

Fleet Services Fund Total

\$ 1,974,061

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Oscar Johnson, Jr. Community Center Fund **\$1,289,834**

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.

OJJCC Fund	<u>\$ 1,289,834</u>
OJJCC Fund Total	\$ 1,289,834

Self-Funded Insurance Fund **\$ 11,460,902**

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 Fund	<u>\$ 11,460,902</u>
Self-Funded Insurance Fund Total	\$ 11,460,902

Municipal Court Funds **\$ 103,237**

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	\$ 25,000
Municipal Court Building Security	26,250
Municipal Court Juvenile Case Manager	42,987
Municipal Court Efficiency Fee	4,000
Municipal Court Truancy Prevention	<u>5,000</u>
Municipal Court Funds Total	\$ 103,237

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PID Funds

\$ 181,289

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.

Wedgewood Falls PID	\$ 119,580
Longmire Creek Estates PID	<u>61,709</u>
PID Funds Total	\$ 181,289

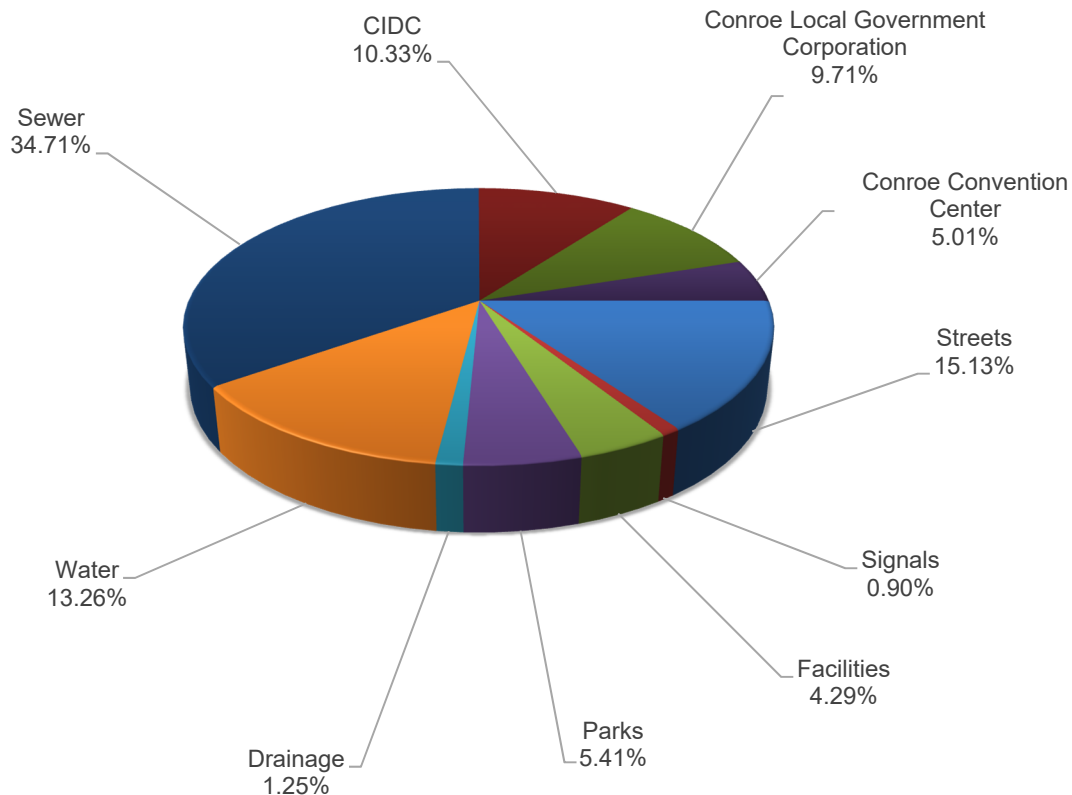
Animal Shelter Reserve Fund

\$ 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>
Animal Shelter Reserve Fund	\$ 13,250

Capital Improvement Program Expenditures \$221,168,000



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 2019-2020 Capital Improvement Program is \$221,168,000, which includes projects that are currently in progress. Of this amount, 27% are for General Government improvements, 47% are for Water & Sewer improvements, 15% are

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for the construction of the new Convention Center and Hotel, 10% are to complete CIDC street projects and 1% are for other expenditures such as TIRZ payments. Major projects in these programs include:

Streets

Roadway Trans - TIRZ #3 - Longmire Road Phase 2B
Roadway Trans - TIRZ #3 - Longmire Road Phase 3
Street Rehab - Conroe Park Dr and Pollok Dr (CIDC)
Street Rehab - Pollok Drive (CIDC)
Street Rehab - Conroe Park Drive (CIDC)
Railroad Crossing Upgrade - Crighton Road at IH-45
Pedestrian Access & Transit Improvements
Street Rehab - Brass Nail Road
Roadway Extension - Grace Crossing Loop
Street Rehab - Westview Boulevard and Montgomery Park Boulevard
Street Rehab - Tanglewood/Briarwood Phase IA
Street Rehab - Milltown Area Phase II
Underground Utilities SH 105, IH-45 to SH 75 (CIDC)
Sidewalk & Pedestrian Bridges - Freedom Boulevard
Street Rehab - Sherman Area
Street Rehab - Wiggings Village
Street Rehab - Sunset Ridge
Railroad Crossing Quiet Zone Upgrades - Downtown
Roadway Extension - FM 1314 - Option 2
Roadway Extension - Market Place Drive
Sidewalk - Westview Boulevard
Sidewalk - Silverdale Drive
Sidewalk - Sgt. Ed Holcomb Blvd
Sidewalk - Semands Street
Sidewalk - Metcalf
Sidewalk - River Pointe Drive
Hike & Bike Trail - Alligator Creek - Option 1
Conroe Municipal Management District #1

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 - North Loop 336 at Montgomery Park Blvd.

CITY OF CONROE, TEXAS

FY 2019-2020 BUDGET-IN-BRIEF

Facilities

Sign Maintenance and Operations Building
Conroe Police Department Training and Classroom Building
Flood Protection - Police Training Facility/Gun Range

Parks

Aquatic Center Improvements (CIDC)
Carl Barton, Jr. Park Improvements (CIDC)
Oscar Johnson, Jr. Community Center

Drainage

Mitigation - Stewart Creek
Drainage System - Bois D'Arc Bend at Walden Road (Montgomery County)
Rehab - Crighton Ridge
Rehab - Live Oak Creek
Rehab - West Grand Lake

Water & Sewer

Jasper Water Well & Tank Rehab - Robinwood
Jasper Water Well & Ground Storage Tank - FM 1488
Jasper Water Well - SH 105 West
Water Line Rehab - Lewis, Roberson, Dallas, and Palestine
Water Line Extension - Water Well No. 24 Blending
Water Line Rehab - West View and Montgomery Park Boulevard
Water Line Rehab - Academy Drive and Pozos Area
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 Rehab - Hwy 105 West to Lester
Water Line Replacement - Sherman Street Area
Water Line Rehab - North Thompson Area
Elevated Storage Tank - McCaleb/Tejas
Flood Protection - Southwest Wastewater Treatment Plant
SSOI Program
Treatment Plant - Construction of New Plant (Phase IV)
Lift Station Removal - Pebble Glen #3
Lift Station Replacement - Pebble Glen #2
Sanitary Sewer Evaluation Survey

CITY OF CONROE, TEXAS

FY 2019-2020 BUDGET-IN-BRIEF

Lift Station & Force Main - Muse Tract to Beech Road
Lift Station & Force Main - Chapel Hill to April Sound
Sewer Rehab - Forest Estates, Wroxton and Woodranch Farms
Sewer System Improvements - Carl Barton
Lift Station Replacement - Longmire Point
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
Lift Station Rehabilitation - West Summerlin and Gun Range
Sewer Rehab and Expansion of Lift Station - Camp Silver Springs Option 1
Lift Station Consolidation - Area No. 03

FY 2019-2020

Budget Preparation Calendar

February

- Budget Kickoff

March

- Operating & CIP Budget submissions due to Finance
- Technical reviews of budget submissions

April

- Operating Budget submittal meetings with City Administrator

May

- Operating & CIP Budget meetings with City Administrator
- Preliminary Appraisal Roll due from Montgomery County Central Appraisal District (MCAD)

June

- Budget meetings with City Administrator
- Mayor, City Administrator, Assistant City Administrator/CFO, and Asst. Director of Finance meet to discuss proposed budget

July

- Meetings to discuss proposed budget with Council Members
- Council Retreat

FY 2018-2019

Budget Preparation Calendar

July (continued)

- Proposed Budget submitted to the City Council, placed on file with the City Secretary, & posted on City website
- Chief Appraiser certifies the appraisal roll

August

- Submission of Effective and Rollback Tax Rates
- Vote to consider a tax increase (if needed)
- Submission of Certified Collection Rate
- First public hearing on tax rate (if needed)
- Public hearing on the budget
- Second public hearing on tax rate (if needed)
- Vote to ratify the property tax rate (if needed)
- City Council adopts the FY 2019-2020 Annual Budget
- City Council adopts the FY 2019-2020 Annual Tax Rate
- City Council adopts the FY 2019-2020 Capital Improvement Program

October

- Fiscal year 2019-2020 begins

FY 2019-2020 BUDGET-IN-BRIEF

City of Conroe Profile

2019 Population 82,922

Source: City of Conroe

Square Miles 72.0

Source: City of Conroe

City Government Information

Form of Government Council-Administrator

Number of Full-time City Employees 599

Citizens Per Employee 138.4

Source: City of Conroe

Taxation Information

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

Total Taxable Value \$9,144,248,346

Taxable Value Per Capita \$110,275

Percent Increase in Property Tax Roll

From FY 2018-2019 to FY 2019-2020 9.5%

Source: Montgomery Central Appraisal District

Sales Tax Revenue (FY 2018) \$48,182,064

Source: Texas Comptroller of Public Accounts

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

City Debt Information

FY 2019-2020:

Net Bonded Debt \$185,664,418

Debt Per Capita \$2,239

Debt as a Percent of Tax Base 2.2%

Source: City of Conroe

Climatological Summary

Annual Average Temperature (Daily Mean) 68°F

Annual Rainfall 48.8 Inches

Source: U.S. Climate Data (<http://www.usclimatedata.com/>)

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

Source: Montgomery County

George Bush Intercontinental Airport

Distance: 33.5 miles

Address: 2800 North Terminal Road
Houston, TX 77032

Website: 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

Conroe Convention & Visitors Bureau

505 West Davis

Conroe, TX 77301

Phone: (936) 522-3000

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



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