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City Council**CITY OF PLANO, TEXAS
2009-10 STATUS REPORT
AND****THREE-YEAR FINANCIAL FORECAST
Fiscal Year 2010-11 through 2012-13****Phil Dyer, Mayor****Mayor Pro Tem***Harry LaRosiliere*
Place 5**Deputy Mayor Pro Tem***Lee Dunlap*
Place 8**Council Members***Pat Miner*

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City Manager's Letter



Phil Dyer
Mayor

Harry LaRosiliere
Mayor Pro Tem

Lee Dunlap
Deputy Mayor Pro Tem

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Thomas H. Muehlenbeck
City Manager

March 22, 2010

Honorable Mayor & City Council
City of Plano
Plano, Texas 75074

Dear Mayor and Council Members:

I am pleased to present to you the City of Plano's Three-Year Financial Forecast for Fiscal Years 2010-11 through 2012-13. The purpose of this forecast is to review the status of the 2009-10 Budget and provide the City with the opportunity to take **A Look Ahead** into the future, identifying the challenges and opportunities facing the City of Plano over the next three years. The Three-Year Financial Forecast focuses on the General Fund, G.O. Debt Fund, and the City's major enterprise funds – Water & Sewer, Sustainability & Environmental Services, Municipal Drainage, Convention & Tourism and Recreation Revolving. Due to the scheduled October 2010 closing of the golf course, the Municipal Golf Course Fund has not been included within this forecast. The fund will be reinstated in the forecast once the golf course is re-opened.

The financial projections included in the forecast will become the foundation for the development of the 2010-11 Budget. With the identification of significant financial and non-financial trends and issues in this report, Council and Management can proceed in developing goals, objectives and priorities for the coming year as well as the next three years.

The City of Plano is still experiencing the effects of this latest economic downturn. We are projecting a General Fund budget deficit for Fiscal Year 2010-11 totaling \$15.4 million. In Fiscal Year 2011-12, the deficit increases to \$30.0 million and then \$28.1 million in Fiscal Year 2012-13. These deficit positions were anticipated last year and the City has worked diligently since the adoption of the FY 2009-10 Budget to identify core services and potential budget reductions for next year to address the shortfall.

In October, I appointed a Budget Reduction Committee made up of several members of our Executive Team to identify potential budget reductions and additional revenue sources in order to offset the impending budget deficit positions. The compilation of their work will be reviewed by Council at a scheduled April 10, 2010 City Council Core Business Matrix Retreat.

Keep in mind that every annual budget adopted by City Council is statutorily required to be balanced, so these unbalanced projected numbers reflect the work which must be done every year to get expenditures in line with revenues. The purpose of including a "deficit" or "additional revenues/expenditure reduction" line in this forecast is to reveal a structural imbalance that must be eliminated. Even though a deficit is identified, one of

the keys to this Financial Forecast is the fact that any fund deficits are assumed to be rectified in the year when the deficit is projected to occur.

Based on preliminary discussions with both Collin County and Denton County Central Appraisal Districts, total assessed property values are projected at \$24.4 billion with existing property values projected to decrease by 5.13% or \$1.3 billion overall. This translates into a loss in revenue totaling \$6.4 million. New growth is projected to increase by \$200 million in FY 2010-11. The ad valorem tax rate of 48.86 cents per \$100 of assessed property valuation is maintained throughout the forecast, and the amount allocated between debt and operations is adjusted accordingly. Due to the issuance of several large Tax Notes for public safety projects, increased bond sales over the last four years coupled with the projected loss in property value, an additional 1.66 cents will be required to be transferred to the G.O. Debt Fund during 2010-11 from the General Fund. This translates to a loss of revenue to fund operations totaling \$4.1 million.

Sales Tax, the General Fund's second largest revenue source, is projected to decline by 5.3% to \$53.5 million as compared to actual collections for FY 2008-09. Currently, sales tax collections for the first five months of the fiscal year are down \$1.5 million or 5.8%. Due to the volatility of this revenue source, the slowdown in the economy, the decrease in manufacturing and wholesale activity, and the increasing loss of retail market share to surrounding communities, sales tax collections are projected to remain constant at \$53.5 million for the forecast period.

In addition, due to the significant drop in natural gas prices over the last year, the FY 2009-10 Gas Franchise fee check came in \$1.2 million under our original budget. Based on projections from the Department of Energy, natural gas prices are expected to increase 7.6% in FY 2010-11. Building and Development related revenues are currently running 18% below last year's actual. Our original budget projection included a 25% decline this year and we have projected a 15% decline for FY 2010-11.

Another source of concern within the forecast is the Convention and Tourism Fund. During FY 2008-09, we experienced a \$1.0 million decline in Hotel/Motel tax collections from \$5.0 million to \$4.0 million due to the economic slowdown and decreased occupancy rates and stays. We are anticipating an additional decrease to \$3.8 million for FY 2009-10 and then returning to \$4.0 million for the remainder of the forecast period. Currently, local hotel occupancies are running 12% lower than normal. The decrease in Hotel/Motel Taxes will directly affect the amount allocated to the Cultural Arts, Historic Preservation and Special Events grants funding for the forecast period and will be discussed in greater detail within the Convention and Tourism Fund financial forecast section of this document.

Listed below are additional significant features and issues contained within the forecast.

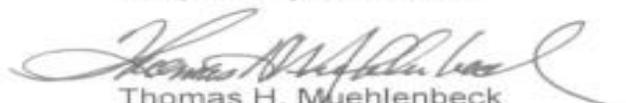
Significant Features and Issues of the Forecast

- Not included in the fund projections are any of the Budget Reduction Committee recommendations to be discussed at the City Council Core Business Matrix Retreat scheduled for April 10, 2010.
- Not included in the fund projections are program enhancements relating to increases for mandates, growth, increased services, technology requests, and other causes for the three-year period. All discretionary items will be examined on their individual merit during the budget development process in each year.
- No salary increases have been included for either Civil Service or Non-Civil Service employees in the forecast. In addition, attrition is projected at 2.5% for the General Fund and 0.5% for all other funds.
- A 5% health insurance increase, an additional 1% per year for TMRS and an increase in the RSP rate from 3.13% to 3.5% are included throughout the forecast.
- Assumed to be funded within the forecast are all operating expenditures associated with CIP Projects coming on-line during the forecast period. For FY 2010-11, the total is \$2.1 million and includes equipment and personnel for the addition of a Fire Ladder Truck and a Pumper, the opening of Fire Station #13, as well as the completion of several Parks and Recreation improvements.

- Funding for the Economic Development Incentive Fund has been included throughout the forecast. The forecast includes the actual two-cent property tax revenue at \$4.8 million for FY 2010-11, \$4.9 million for FY 2011-12 and \$5.0 million for FY 2012-13. The Economic Development Incentive Fund was implemented in FY 2006-07 in order to remain competitive with surrounding neighboring cities in our effort to attract businesses to the area and to provide funding for redevelopment purposes. During FY 2010-11, the City of Plano landed over a million square feet in real estate deals in a series of high-profile company relocations including Pizza Hut, Inc., Tektronix and the Planet.
- The General Fund includes \$1 million for the purchase of library books in each year of the forecast.
- Operating expenditures are projected to increase by the rate of inflation of 1.0% for FY 2010-11, 2.0% for FY 2011-12 and FY 2012-13.
- The forecast assumes issuing approximately \$50.0 million in new debt in 2010-11, \$42.0 million in 2011-12 and \$35.0 million in 2012-13. The projected debt figures include the issuance of new debt for the Arts of Collin County project. However, no additional operating expenditures have been included at this time.
- Based on the preliminary information received from North Texas Municipal Water District, both water and sewer rates will be increased dramatically throughout the forecast period. Water rates are scheduled to increase approximately 10% to 12% in each year of the forecast, with annual expenditures increases based on the current take or pay minimum of 26.7 billion gallons. For 2010-11, the annual water rate is projected at \$1.40 per thousand gallons, for 2011-12 at \$1.54, and for 2012-13 at \$1.69. Wastewater costs are projected to decrease 2.7% for 2010-11, then increase 6% for 2011-12, and 8.0% for 2012-13. The forecast proposes passing through all water and sewer rate increases proposed by NTMWD effective October 1st in each year. The forecast also assumes a return to FY 2005-06 water usage consumption of 26.4 billion gallons which is close to our 26.7 billion gallon take or pay contract.

My special thanks are offered to all Department Managers, the Executive Team and the Budget & Research Department for their cooperation in putting together this Financial Forecast. In addition, I look forward to discussing this information with you at the March 22nd Council meeting and also at our Core Business Matrix Retreat scheduled for April 10th.

Respectfully submitted,



Thomas H. Muehlenbeck
City Manager



Economic Overview

New Horizons, a City of Plano Economic Overview

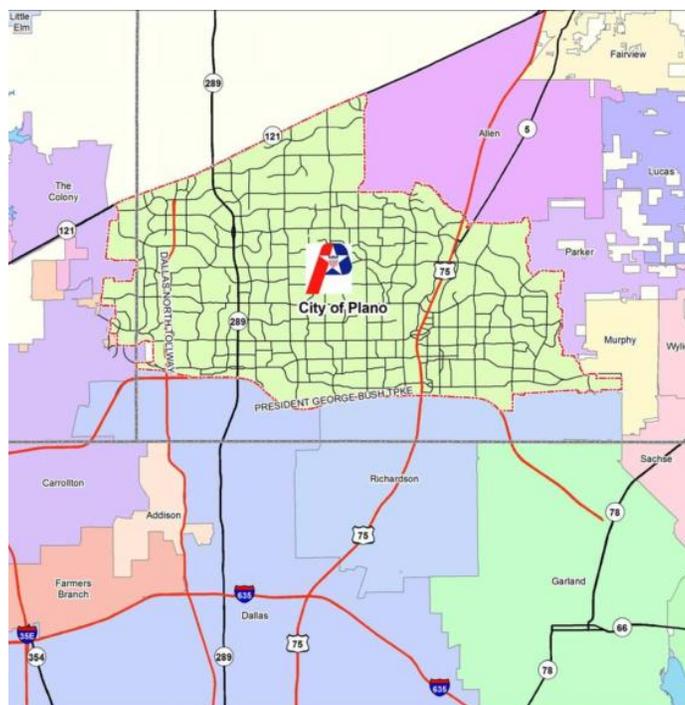
The Economic Outlook and Overview is intended to serve as a forecast and budgetary planning tool for the citizens and leaders of Plano. This publication attempts to provide the reader with a realistic, yet sensible financial overview of the present and future financial conditions of the City. This document begins the 2010-11 budgetary planning process for the citizens and businesses of Plano under a united belief that we live, work, and play in one of the finest communities in the nation. Here are a few of the key ingredients that really “make” this community:

All America City! Plano, Texas is home to 264,560 (Population est., January 2010) dynamic and diverse individuals who have chosen to reside in a nationally recognized community with a proud heritage, a stable foundation, strong citizen involvement and the proven ability to provide excellent services with quality and value to the community. According to the 2008 Citizen Survey, residents feel “safe” served by **World Class and Internationally Accredited Public Safety Departments**, while they drink from a **Superior-rated water supply** with an approved **Water Conservation Plan**, navigate top quality, beautifully landscaped streets and medians, and participate in environmentally “green” recycling programs supported by a **Gold Award** winning **Sustainability & Environmental Waste Services Department**. During a Citizen Service Prioritization Assessment conducted in 2007, citizens ranked municipal services such as Police, Fire, Public Works, Customer & Utility Services, Sustainability & Environmental Services, 911 Service, and Building Inspections as both “Highly Important and Highly Valued” city services. In addition, citizens enrich their minds with an award winning public school district, have access to five public libraries, and reside in a place which is convenient to six colleges and universities.

The City received the national “All-America” city award in 1994 and strides into the future with a history of excellence and quality services. Additionally, Plano was ranked as “one of the six best places to live in the United States” (*Money Magazine, January 2004*) and is under the leadership of the **2007 Texas City Management Association's City Council of the Year**. During 2007, the National Academy of Public Administration (NAPA) honored long-tenured Plano City Manager Thomas Muehlenbeck as one of five

2007 recipients of the prestigious **National Public Service Award** (NPSA). Over the years, Plano has received numerous awards: several **Emmy Awards** for the Plano Television Network (*PTN*); a **National League of Cities' Award for Municipal Excellence** for Innovative City Programs with the Management Preparation Program (**MP3**); and a Top Five ranking for Best Human Resources in the 2007/2008 North American Cities of the Future competition by **fDi** magazine. The Parks and Recreation, Building Inspections, Police, Fire and the Purchasing departments all hold national accreditations.

There's always something to do! The populace enjoys access to over seventy shopping centers, 700 restaurants, 3,700 hotel rooms, and a full-service convention center. The community examines historic roots in an 1840's downtown area that includes the original City park and an Interurban Railway Museum, while a nearby historic farmstead and museum showcases the area's farming heritage. Residents are able to “get out and play” with access to **National Gold Medal Parks and Recreation** facilities including: 81 public parks, 68 playgrounds, 2 area lakes, 51 miles of recreational trails, 6 recreation centers, a senior center, 3 Theaters/Amphitheatres, 1 Gazebo/Band Shell, 9 reserved pavilions, 42 shade shelters, 2 public golf courses, 81 public tennis courts, 8 public swimming pools, and 178 sports fields.

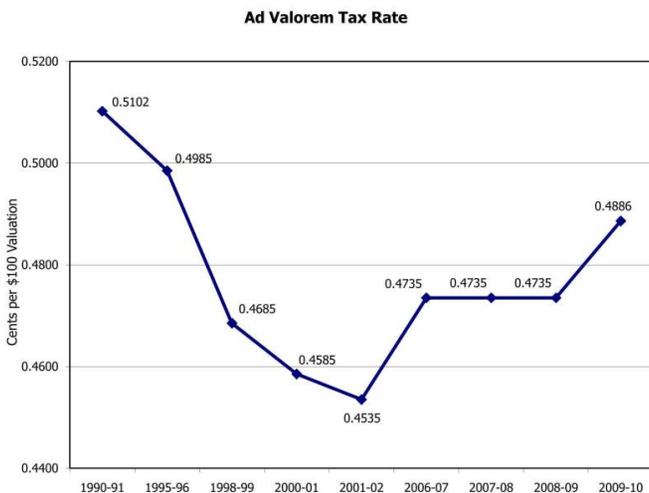


Location, location, location! Plano holds a key ingredient in a global economy, the location. As the largest city in Collin County, located 20 miles north of the Dallas Texas Central Business District in the Central Time Zone, city boundaries include 72.2 square miles supported by four major transportation arteries, with convenient access to four airports. Plano is a member city of the regional public transportation system, DART, linking Plano with both Dallas and Fort Worth and several other regional cities via a light rail and bus system. Businesses and citizens are able to interact with both coasts during most normal business hours, and , most major U.S. cities are accessible within a three hour flight time. Located in the **Sunbelt**, Plano enjoys a temperate climate with mild winters and warm summers. The average year-round temperature is 66° F. January is the coldest month, with an average temperature of 44° F. July is the hottest month, with an average temperature of 86° F. Annual rainfall averages 29 inches. Four large hospitals and numerous rehabilitation centers, retirement and assisted living facilities are found within the city limits.

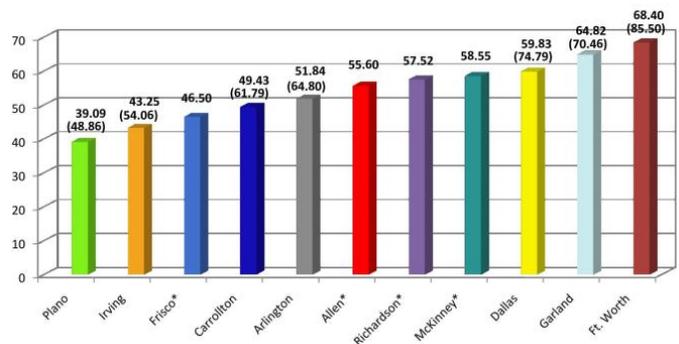
The **ACCRA Cost of Living Index** (American Chamber of Commerce Researchers Association, Annual Average Data, published January 2010) ranked Plano as 94.4% (on a 100% average for all participating locations) on the annual composite index. In addition, the state of Texas, and the City of Plano do not impose personal income taxes. The majority of services and benefits enjoyed by citizens in Plano are funded through the City property (ad valorem) taxes and a 1.0% sales tax.

distinction of having had no property tax rate increase between 1990 and 2006, as shown in the Ad Valorem chart above. The municipal property tax rate increased two cents to 47.35 cents per \$100 valuation in 2006, and the revenue generated from that increase has been dedicated solely for economic development incentives, allowing the City to remain competitive with the development in neighboring cities by offering special incentives to businesses to relocate or remain in Plano, including redevelopment efforts of existing properties.

A second rate increase of 1.51 cents became effective in 2009-10 and raised Plano's tax rate to the current level of 48.86 cents per \$100 valuation. 89.4% of that increase is devoted to the General Obligation Debt Fund to pay for principal and interest on bond debt required to finance projects in the Community Investment Plan, with the remaining 10.6% of the property tax increase dedicated to the operating budgets for services and departments in the General Fund. Total property values for 2010 decreased by more than 1% from 2009, or by \$278 Million. The total taxable value of all new property constructed and coming on-line in Plano in 2010 was \$380 million, and the average value of a home in Plano is currently estimated at \$249,679. The following chart illustrates how Plano's property tax rate compares to the surrounding cities.



2009-10 AD VALOREM TAX RATES
With Homestead Exemption Applied to the Rate
Plano and Surrounding Cities (Cents per \$100 Valuation)

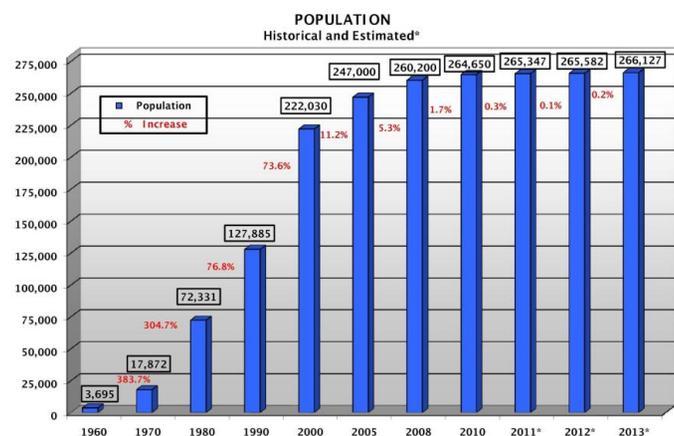


Some of the columns on the chart indicate two numbers; with the smaller number representing the effective tax rate, which includes the homestead exemption. The cities with an asterisk do not offer a homestead exemption, and display only one rate.

Low Property Tax rates! Plano has a lower city property tax rate and offers greater homestead exemptions than neighboring cities, as well as the

Sound financial planning, credit-worthy! Plano has long been nationally recognized for record growth rates, innovations, and managers/employees, as well

as the continued ability to provide the quality services and levels of amenities expected by the citizenry. Holding a ‘**AAA**’ Bond rating since 2000 from three of the nation’s major bond rating companies reflects Plano’s strong financial operations. Plano is one of the few cities in Texas to consistently receive the highest possible bond ratings from Moody’s, Standard and Poor’s, and Fitch’s IBCA Inc. In the ratings, the three companies lauded everything from the quality of city management, to population growth, to the ability to attract corporate headquarters. In addition, the City’s Municipal Drainage Bonds again received a “**AAA**” rating from Standard and Poor’s. Plano is one of the very few cities in the entire country to receive this high rating on Municipal Drainage Bonds.

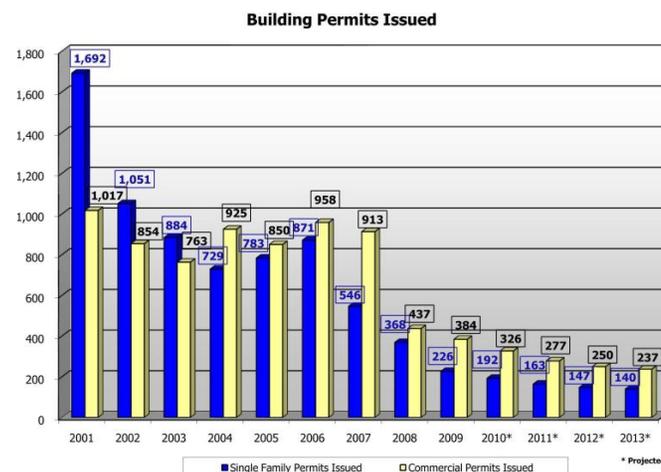


Diversified Population and Culture! Plano ranks 70th in the United States (U. S. Census Bureau, cities over 100,000, July 2008) and 9th in the State of Texas in terms of total population. In fifty years, the population has amplified more than 71 times from 3,695 to the estimated January 1, 2010 population of 264,560. According to the 2008 American Community Survey provided by the U.S. Census Bureau, Plano residents are well- educated with more than 54.2% of adults over age 25 holding a Bachelors degree or higher as compared to the U.S. average of 27.7%. Residents enjoy a median household income of \$84,319 as compared to the national average of \$52,029 and of the estimated 264,560 citizens in Plano, 66.2% are age 25 years and over with a median age of 35.6 years. Recent years have shown significant growth in Plano’s minority population, with Asian and Hispanic sector growth out-pacing all others. Nearly 34% of Plano citizens speak a language other than English at home. The city grew by 72.5% between the 1990 and 2000 Census. The most interesting change is that the percentage of people moving to Plano from another country more than doubled in that decade.

Most of the foreign-born citizens who move to this area are able to go anywhere in the world. The fact that they come here is a testimony to the good jobs available, the high quality of life, relatively low costs and the ease of doing business in this state.

Plano’s population growth continue to level off while City leaders pro-actively take measures with the preparation of financial plans, forecasts and economic guidelines geared to the service standards preferred by the community. As the City reaches maturity, the budget process involves vigilant monitoring, both long-range and short-term planning, combined with balancing the impacts of decreasing revenues and increasing maintenance costs. For purposes of the Forecast, 0.3% annual population growth is projected for 2010-11, 0.1% for 2011-12, and 0.2% for 2012-13.

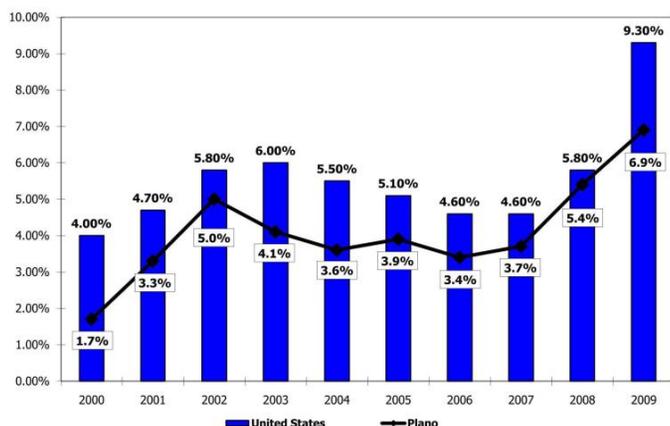
Construction, renovations and build out! The Construction sector continues to experience a shift in the residential real estate market, with new housing construction at historically low levels nationwide. New single family residential permits issued in Plano in 2009 compared to 2008 reflect a decrease of nearly 39%, with a commercial decrease of 12%. Decreases can be attributed not only to the nation’s current housing and mortgage crisis, ensuing banking crisis and the consequent recession, and the impending residential property build out within city limits. The numbers of Single Family Building Permits and Commercial Permits reflect this downward trend and are expected to continue for three more years, as reflected on the Building permits chart. Building permits as indicators of development are important because they reflect actual new construction, in-fill, remodeling, and re-development, and in turn, serve to indicate changes and additions to the appraisal values for the property tax base.



Future revenues related to the number of new construction permits issued are predicted to decrease 15% for 2010-11, followed by a 10% decrease in 2011-12 and a 5% decrease in 2012-13. The total valuation of new residential construction permits issued in 2009 was \$48.2 million, while new commercial construction permits totaled \$161.8 million. The City's Development Review Division continues to see an increase in alternative housing concepts and requests, including requests for higher density and other zoning changes.

The popularity of Legacy Town Center and East Side Village depict future residential building trends continue towards more compacted living spaces such as found in patio and town homes, duplexes and pedestrian-friendly multi-purpose developments. Plano faces the challenge of maintaining a balance between residential and commercial properties. This balance is an integral part of the very foundation of values which continue to make this community an attractive choice to new residential and commercial investors, by aiding in retention and promoting positive growth of all property values.

Unemployment Rate: United States vs. Plano



The Texas Job Market! While the Texas economy remains among the most favorable in United States, Texas employers have eliminated 287,800 jobs over the past 12 months, for an annual decline of 2.7 percent. Professional and Business Services lost a total of 74,100 jobs since January 2009 and a 5.7 percent annual decline. Education and Health Services recorded a total increase of 50,500 jobs added over the last 12 months. Financial activities posted losses of 13,900 positions over the year. Construction lost 95,600 positions over the year for a 14.7 percent annual decline. Despite these figures, the employment situation in Plano remains relatively stable, with only

104 estimated positions lost, or 0.1 percent annual decline, over the same 12 months according to the Texas Workforce Commission. Plano, Collin County and area cities continue to enjoy a low cost of living as evidenced by the ACCRA at 94.4%. Businesses continue to relocate to the area bringing new jobs, growth and an overall stimulation to the local economy, while and other business decide to stay within this community. Today it is not unusual for people to live and work entirely north of Interstate 635, a highway which once marked an imaginary line between suburban residential areas and the resident's places of employment in the DFW Metroplex.

Positive economic outlooks are dependent on consumer and business attitudes regarding employment, markets, global economics, energy availability and prices, and a general perception of continued economic growth. However, the recent recession and slow recovery coupled with high levels of unemployment, as well as a volatile global market all provide a significant damper to the economic outlook. As the federal government's economic stimulus package winds down and the Federal Reserve considers raising record low interest rates, the current recovery is almost universally described as fragile despite positive trends in a number of leading economic indicators.

Plano's employment strength continues to reflect the diversity of its employment base, including a highly educated, talented and motivated workforce. Even in times of national recession, companies continue to relocate to the community, and businesses already located here make plans to stay. City leaders work with the **Plano Economic Development Board** to identify, recruit, and retain businesses, contributing to the community's economic well-being. An impressive and diverse list of corporate citizens mitigates the severity of the economic downturn in Plano when compared to other metropolitan areas in the nation.

Plano is a major employment center with over 6,000 businesses in the city limits. Two major employment districts, Legacy Business Park and the Research and Technology District, and three large retail shopping malls, Collin Creek Mall, the Shops at Willow Bend, and the Shops of Legacy, conjoin with numerous neighborhood retail shops, eateries, and other business to provide opportunities for employment in retail, wholesale, manufacturing, medical, finance, services and

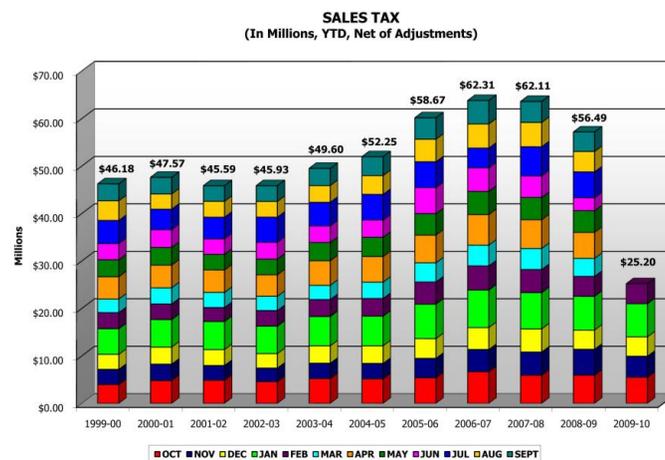
high tech fields within city limits. Diversity among the business sectors has eased the effects of the national recession in Plano.

What's happening here and now? The year 2010 is expected to bring only slight economic expansion to the area. Although the economic climate of the city and region has been stifled by the national economic situation and low consumer confidence levels, the region shows small signs of positive and upward momentum and is expected to outperform the national economy again this year. The City previously experienced significant decreases in several key revenues such as sales tax receipts, hotel/motel taxes and investment earnings during the recessionary period of 2001-2003 and is currently experiencing a significant decrease in the same sources of revenue.

Significant increases in expenditures for oil, fuels, utilities, insurance and medical costs have further impacted the City's General Fund resources. Two years of decreasing revenues and increasing expenditures has resulted in smaller fund balances (working capital), decreasing the funding available for operations and programs each year. Difficult programming decisions are now part of the budget cycle each year due to the reductions in resources. In addition, the City's water and sewer revenues continue to remain an area of concern as they are volatile due to their relation to unusual weather conditions in the past few years, coupled with increasing regulatory mandates from the EPA and the TCEQ (Texas Commission on Environmental Quality). Also a major factor in recent years, the energy market has been extremely vulnerable and oil prices can fluctuate daily. High global demand, low inventories and political tensions around the world all play a role in these prices. Petroleum products, electricity and natural gas prices are projected to slightly increase in each of the three years of this forecast as listed on the Assumptions Matrix found in this forecast.

Following the exceptional sales tax revenue increases during the years between 2005-06 through through 2007-08, recent significant decreases in sales tax revenues are indicative of weak consumer confidence and slowed business spending throughout the nation. Recent receipts suggest that the sharp decline in sales tax revenue may now be leveling out. The decline also reflects decreases in disposable personal income related to the recession and unemployment, both are major drivers of consumer spending, plus retail business lost to neighboring cities. Collecting \$56.5

million in sales tax during 2008-09, sales tax revenues are currently projected to decrease to \$53.5 million in 2009-10. The slowdown of the national economy, coupled with high unemployment, rising prices and growth in retail options in from surrounding cities has led to a forecast of sales tax receipts to remain constant for the all three years of this forecast. **"Shop Plano First!"** is once again the City mantra. A 2003 sales tax study indicated that Plano's share of the regional market should level out or increase slightly, related directly to the growth of retail infrastructure in competitor communities, Internet shopping, and general economic recovery. However, the 2003 Report also indicated that consumers were spending more on services and less on clothing and home furnishings. This is significant because those services are taxed much less broadly than goods. Also noted in that report was the fact that the newer shopping malls usually include an "element of entertainment" and are often the preferred weekend destinations for consumers.



Texas economic growth is expected to continue to at a lower rate over the three-year period from 2010-2013 than was seen in the last decade as the U.S. economy recovers and the state's high-rolling energy and construction sectors settle into a more modest and sustainable growth rate. The convergence of an economic downturn, the bust in housing and construction, and the quirkiness of energy prices have stifled the historically strong performance of the region, and this trend is expected to continue for the next three years.

Even in these trying times, Plano continues to be a leader in economic development and business growth in the southwest, reflecting a strong history of attracting new construction and business expansions. Numerous

nationally recognized companies and their employees realize the benefits of living and working in the same community.

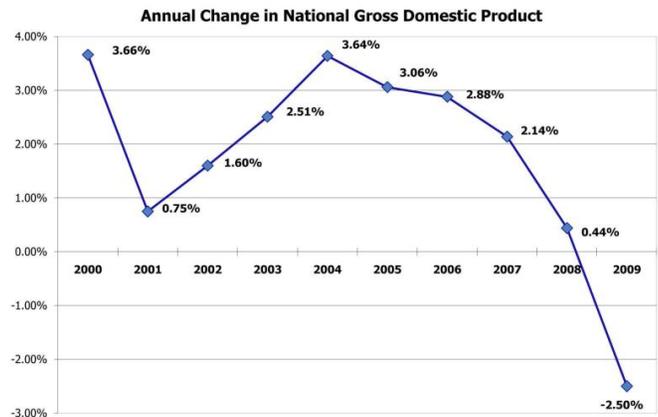
Business and leisure travel reflect the current economic conditions as well when reviewing the hotel-motel tax revenue collections and the Plano Civic Centre revenues. These examples evidence the current business practice of “doing more with less”. It has been estimated that nearly 70% of firms are taking advantage of video and web-conferencing technologies to cut costs. Growth and expansions of hotel and motel facilities in the city has seen significant decrease over the prior decade.

National Economic Trends are focusing on the likelihood of a continued economic recovery with sluggish growth in the short term. As a country, we have faced numerous challenges over the past few years, and in spite of these difficulties, Plano remains strong. The lowering of short-term interest rates by the Federal Reserve has loosened credit and held inflationary pressures at bay. The current monetary policy should stem any dangerous inflationary threats as well as help shorten the time of recession.

Innovation, including sound technological advances, remains an important key to the expansion of the economy. Meeting this challenge is critical to economic growth and development. For a positive outlook, this state continues to have one of the best business tax climates in the United States. Texas was selected among the best for business relocation and expansion and has been named a leader in foreign trade zones. According to a March 2010 presentation by the SMU Cox School of Business, over 50% of all national businesses who plan to relocate within the next 20 years, plan to move their operations to Texas.

A measure of the national economy is the real Gross Domestic Product (GDP), which measures the output of goods and services produced by labor and property located in the United States. The following graph shows this measure over the past seven years. Preliminary economic projections for the next three years indicate small but positive national growth as businesses continue to review and realign their goals with strategies and plans that are more adaptive to current economic conditions while evolving to a more

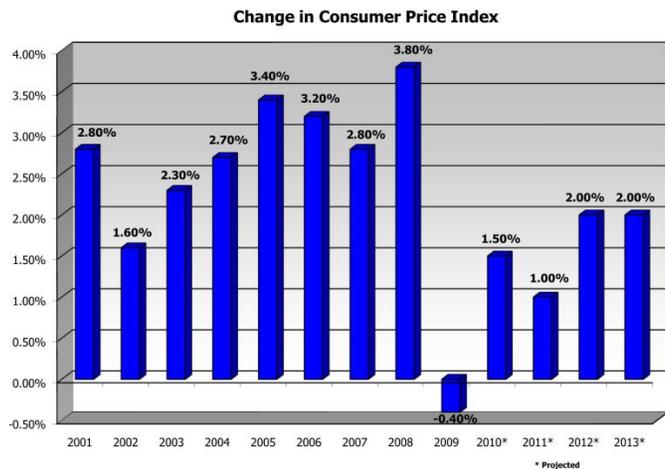
global economy. The City Council and managers practice the same sort of forward planning with an eye towards the horizon!



The Gross Domestic Product experienced rapid growth from 2001 through 2004, but trended downward since a peak in 2004. Economic expansion currently appears to be returning, although a "double-dip" is possible. Consumer confidence levels have not yet recovered with national unemployment rate remains at or near the 10% mark. Both Texas and Plano have historically been below the national unemployment rate averages. U.S. productivity is enhanced by the rapid assimilation of innovative technologies into the workplace, a high proportion of working age people who are employed and the number of hours they spend on their jobs. However, concerns have been raised over a decline in labor force participation or the share of the adult population that is working or looking for work. A decline in the share of the population that is economically active translates in to a lower rate of economic growth. This has resulted in the relatively low unemployment rate, a delay in retirements and continued growth and strong participation of women. Historically, labor force participation tends to increase following increases in economic activity.

An additional measure of the overall economy is the Consumer Price Index (CPI), a direct indicator of what inflation will be for the economy. Inflation, as measured by the annual percentage change in the CPI, is expected to remain low as historical data shows that periods immediately following a recession/depression remain fairly level for the next several years according to several different nationally recognized economists. CPI is also influenced by direct relationship to energy prices. As shown in the following chart, inflation has remained remarkably stable for the last several years. The CPI is an important factor, contributing to the

reasonable costs of living for Plano indicated in the aforementioned ACCRA composite index rating of 94.4 on a 100 point scale. This forecast includes an inflation rate of 1.0% in 2010-11 and 2.0% in both 2011-12 and 2012-13. Low positive inflation helps to enhance economic and market prosperity in the long run.



How does this affect Plano? Although economic forecasts for Plano and the region remain somewhat favorable, residential build-out and the controlled economic recovery continue to influence the City. Sustainability and build-out require a shift in focus from growth to maintenance activities. The City of Plano is starting to feel the effects of the economic slowdown in areas such as sales tax dollars, new construction permits issued and a higher unemployment rate than last year. These economic indicators will require that Plano continue to diligently monitor financial guidelines, budgeting and expenditures. Meticulous attention is given to the reserve funds, such as the Capital Reserve Fund, Community Investment Projects and other City Funds. During the budget process each year capital projects are re-examined and ranked, using financial oversight and planning to ensure that the funds are available for these projects as needed. During 2009, the City Council participated in two Core Business Matrix Retreats, providing the City Council an opportunity to prioritize and review the City of Plano's core businesses and giving directions to management regarding reductions in service delivery, if necessary. Also, during 2009, the City Council agreed upon Goals for 2009-2014. Five **Strategic Plan Goals** ensure a continued focus on providing quality of life, essential services for the citizens and identify short-term actions.

The City previously established a **Plano at Maturity** program with nine priorities to address the challenges and opportunities that Plano will face as it transitions

from a *growing* to a *maturing* community. All of the priorities noted are highly impacted by resource availability and influence Plano's ability to address changing financial conditions that will impact service delivery and quality of life. In the Financial Resources Availability section of the report, three categories were identified:

- **Revenue Enhancing:** Strategies that will improve the revenue stream for the City.
- **Reallocation of Resources:** Strategies that seek ways to be more efficient with existing resources.
- **Retail and Economic Development:** Strategies that create an environment that is positive for the long-term economic viability of the community.

The City continues to review requests for services that are likely to increase and/or shift as the city matures, and continue to explore and promote inter-local cooperation with Collin County and other Metroplex municipalities. Such planning is the purpose of this Status Report and Three-Year Financial Summary.

Forecast Notes Our regional and state economy has experienced this economic downturn at a degree much lower than the nation as a whole. Limited economic expansion, as well as limited economic retraction in several sectors, continues to generate employment and other opportunities for Plano, making the effects of national recession less severe in this area. However, economists continue to warn that the national economy is expected to recover slowly over the next several years with Texas expected to follow suit.

As is the case with all projections, external issues can heavily influence economic activity. Significant outside factors impacting the City and the nation include: unpredictable acts of nature, terrorism or war; uncertainty about future increases in interest rates by the Federal Reserve; performance and creditability in global financial markets; and uncontrolled inflation. Barring any major developments in these areas, Plano is poised to see slowing but some growth over the next three years.



Revenue & Budget Assumptions

Budget Assumption Matrix Revenues and Expenditures 2010-11 thru 2012-13				
		Projected		
ASSUMPTION		2010-11	2011-12	2012-13
<u>Population:</u>				
January 1, 2009	Current Population: 264,560 (Planning Dept.)			
2010-11	Increase 0.3% to 265,347 (Planning Dept.)	0.30%		
2011-12	Increase 0.1% to 265,584 (Planning Dept.)		0.10%	
2012-13	Increase 0.2% to 266,127,900 (Planning Dept.)			0.20%
<u>Property Values:</u>				
Existing Property Value:				
2010-11	Decrease 5.0% to \$24,398,264,127 (C.A.D.)	-5.00%		
2011-12	Flat \$24,798,264,127 (C.A.D.)		0.00%	
2012-13	Increase 1.0% to \$25,480,216,390 (C.A.D.)			1.00%
New Property Value:				
2010-11	Increase \$200,000,000 (Based on historical)			
2011-12	Increase \$400,000,000 (Based on historical)			
2012-13	Increase \$400,000,000 (Based on historical)			
<u>Revenues:</u>				
Taxes				
Ad Valorem Taxes:				
Current	Assume 99.0% collection rate	0.00%	0.00%	0.00%
Delinquent	Assume 1.0% delinquent rate			
Penalty & Interest	Based on historical trends in delinquent accts.			
New Debt				
2010-11	\$50,000,000 (Bond Authority)			
2011-12	\$42,000,000 (Bond Authority)			
2012-13	\$35,000,000 (Bond Authority)			
Interest Earnings				
2010-11	3.0% of Working Capital balance			
2011-12	3.5% of Working Capital balance			
2012-13	4.0% of Working Capital balance			
Building Related Revenues				
2010-11	Decrease 15.0% (Bldg. Inspect. Dept. & historical)	-15.00%		
2011-12	Decrease 10.0% (Bldg. Inspect. Dept. & historical)		-10.00%	
2012-13	Decrease 5.0% (Bldg. Inspect. Dept. & historical)			-5.00%
Direct Population-Based (DP)				
2010-11	Increase 0.3% (Planning Dept.)	0.30%		
2011-12	Increase 0.1% (Planning Dept.)		0.10%	
2012-13	Increase 0.2% (Planning Dept.)			0.20%
Indirect Population-Based (IP)				
2010-11	Increase 0.15% (Planning Dept.)	0.15%		
2011-12	Increase 0.05% (Planning Dept.)		0.05%	
2012-13	Increase 0.10% (Planning Dept.)			0.10%

Direct Economy-Based (DE)				
2010-11	Increase 1.00% (Projected inflation rate)	1.00%		
2011-12	Increase 2.00% (Projected inflation rate)		2.00%	
2012-13	Increase 2.00% (Projected inflation rate)			2.00%
Indirect Economy-Based (IE)				
2010-11	Increase 0.50% (Projected inflation rate)	0.50%		
2011-12	Increase 1.00% (Projected inflation rate)		1.00%	
2012-13	Increase 1.00% (Projected inflation rate)			1.00%
GENERAL FUND				
Sales Tax	Based on historical actuals	0.00%	0.00%	0.00%
Mixed Drink Tax	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Bingo Gross Receipts Tax	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Franchise Fees				
Electrical Franchise	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Telephone Franchise	Constant			
Fiber Optics Franchise	Constant			
Gas Franchise	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Cable TV Franchise	Constant			
Fines & Forfeits				
Municipal Court	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Library Fines	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Miscellaneous Revenue				
Interest Earnings	Based on historical actuals & ending working bal.			
Sale/Rental of Property	Based on rental lease agreements			
Insurance Collections	4.0% per year increase	4.00%	4.00%	4.00%
Sundry	Constant			
Licenses & Permits				
Electricians License	Based on building & development projection	-15.00%	-10.00%	-5.00%
Food Handlers Permits	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Land/Burning/Liquid Waste	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Grease Trap Permits	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Animal Licenses	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Restaurant Plan Review	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Alarm Permits	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Filing Fees	Based on building & development projection	-15.00%	-10.00%	-5.00%
Fire Protection Plan Review	Based on building & development projection	-15.00%	-10.00%	-5.00%
Building Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Electrical Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Plumbing Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Heating & A/C Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Fence Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Swimming Pool Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Pool Inspection	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Irrigation Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Day Laborer Fees	Constant			
Sign Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Reoccupancy Permits	Based on building & development projection	-15.00%	-10.00%	-5.00%
Misc. Licenses & Permits	Constant			
Fees & Charges for Services				
Animal Pound & Adopt. Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Ambulance Service	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
False Alarm Response	Indirect Population based increase (IP)	0.15%	0.05%	0.10%

Emergency 911	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Interlocal Plan Review	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Contractor Registration Fee	Based on building & development projection	-15.00%	-10.00%	-5.00%
Engineering Inspection Fee	Based on building & development projection	-15.00%	-10.00%	-5.00%
Residential Building Plan Review	Based on building & development projection	-15.00%	-10.00%	-5.00%
Reinspection Fee	Based on building & development projection	-15.00%	-10.00%	-5.00%
File Searches	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Same Day Inspection Fee	Based on building & development projection	-15.00%	-10.00%	-5.00%
Convenience Copiers	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Recreation User Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Recreation Rental Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Swimming Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Recreation Membership Card Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Tennis Center Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Food Manager/Handler Training	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Tree Trimming Assessments	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Child Safety Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Sundry	4.0% per year increase	4.00%	4.00%	4.00%
Intergovernmental Revenue				
Payments from Fisd:				
School Crossing Guards	Based upon schedule of costs reimbursed			
Payments from Pisd:				
School Liaisons	Based upon schedule of costs reimbursed			
Collin County Library Grant	Constant			
Denton County Library Grant	Constant			
Tri-City Academy/Miscellaneous	Constant			
Interlocal Radio System Access	Constant			
Intragovernmental Transfers				
Intra-Fund Transfers From:				
Water & Sewer Fund	5.0% of selected Water & Sewer revenues; indirect costs; and allocations for additional costs			
Sustainability & Env. Svcs. Fund	7.0% of Residential Collection, Special Refuse Collection, and Landscape Bag revenues			
Recreation Revolving Fund	5.0% of Recreation Fund revenues			
Municipal Golf Course Fund	5.0% of Municipal Golf Course Fund revenues			
Convention & Tourism Fund	5.0% of Convention & Tourism Fund revenues			
Municipal Drainage Fund	7.0% of Municipal Drainage Fund revenues			
WATER & SEWER FUND				
Water Income	Direct Population based increase (DP), and NTMWD	12.00%	10.00%	9.70%
Water Taps	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Sewer Income	Direct Population based increase (DP), and NTMWD	-2.70%	5.70%	8.00%
Water & Sewer Penalties	Direct Population based increase (DP)	0.30%	0.10%	0.20%
Water Meters	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Construction Water	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Service Connect Fee	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Backflow Testing	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Sewer Tie-On	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Pre-Treatment Permits	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Interest Earnings	Based on historical actuals & ending working bal.			
Misc. Income	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%

CONVENTION & TOURISM FUND

Hotel/Motel Receipts	Direct Economy based increase (DE)	1.00%	2.00%	2.00%
Civic Center Fees	Direct Economy based increase (DE)	1.00%	2.00%	2.00%
Miscellaneous	Constant			
Interest Earnings	Based on historical actuals & ending working bal.			

SUSTAINABILITY & ENVIRONMENTAL SERVICES FUND

Commercial Franchise	Direct Economy based increase (DE)	1.00%	2.00%	2.00%
Special Refuse Collection	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Residential Collection	Direct Population based increase (DP)	0.30%	0.10%	0.20%
BFI, Inc.	Direct Economy based increase (DE)	1.00%	2.00%	2.00%
Recycling	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Sale of Landscape Bags	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Tipping Fee	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Contributions via Utility Billing	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Sale of Compost	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Miscellaneous	Indirect Economy based increase (IE)	0.50%	1.00%	1.00%
Disposal Reimbursements	Direct Economy based increase (DE)	1.00%	2.00%	2.00%

MUNICIPAL DRAINAGE FUND

Residential Class Fees	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Commercial Class Fees	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Interest Earnings	Based on historical actuals & ending working bal.			

MUNICIPAL GOLF COURSE FUND

Golf Fees	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Concessions	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Room Rental	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Miscellaneous	Constant			
Interest Earnings	Based on historical actuals & ending working bal.			

RECREATION REVOLVING FUND

Recreation Fees	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Contributions	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Sundry	Indirect Population based increase (IP)	0.15%	0.05%	0.10%
Interest	Based on historical actuals & ending working bal.			

Expenses:**Inflation**

2010-11	Increase 1.0% (CPI, OMB, CBO, Blue Chip Consensus)	1.00%		
2011-12	Increase 2.0% (CPI, OMB, CBO, Blue Chip Consensus)		2.00%	
2012-13	Increase 2.0% (CPI, OMB, CBO, Blue Chip Consensus)			2.00%

Salaries, Wages & Benefits**Salaries (Civil & Non-Civil Service)**

2010-11	Increase 0.0% (Management projections)	0.00%		
2011-12	Increase 0.0% (Management projections)		0.00%	
2012-13	Increase 0.0% (Management projections)			0.00%

RSP

2010-11	Remain constant at 3.5% of salary (RSP Board)
2011-12	Remain constant at 3.5% of salary (RSP Board)
2012-13	Remain constant at 3.5% of salary (RSP Board)

Life Insurance			
2010-11	Remain constant at 1.00% of salary (Calculation)		
2011-12	Remain constant at 1.00% of salary (Calculation)		
2012-13	Remain constant at 1.00% of salary (Calculation)		
Disability			
2010-11	Remain constant at 0.08% of salary (Calculation)		
2011-12	Remain constant at 0.08% of salary (Calculation)		
2012-13	Remain constant at 0.08% of salary (Calculation)		
Medicare			
2010-11	Remain constant at 1.45% of salary (Calculation)		
2011-12	Remain constant at 1.45% of salary (Calculation)		
2012-13	Remain constant at 1.45% of salary (Calculation)		
TMRS			
2010-11	Remain constant at 16.66% of salary (TMRS in Austin) + 1.0% increase each year. (GASB 45)	1.00%	
2011-12	Remain constant at 15.29% of salary (TMRS in Austin) + 1.0% increase each year. (GASB 45)		1.00%
2012-13	Remain constant at 15.29% of salary (TMRS in Austin) + 1.0% increase each year. (GASB 45)		1.00%
Health Insurance			
2010-11	Increase 5.0% (Calculation)	5.00%	
2011-12	Increase 5.0% (Calculation)		5.00%
2012-13	Increase 5.0% (Calculation)		5.00%
Attrition			
2010-11	2.5% for General Fund and 0.5% for other Funds		
2011-12	2.5% for General Fund and 0.5% for other Funds		
2012-13	2.5% for General Fund and 0.5% for other Funds		
Depreciation			
2010-11	Method remains constant each year (Historical & ERF)		
2011-12	Method remains constant each year (Historical & ERF)		
2012-13	Method remains constant each year (Historical & ERF)		
Municipal Garage Charges			
2010-11	Increase 2.0% (Equip. Svcs., gas and oil price inc.)	2.00%	
2011-12	Increase 2.0% (Equip. Svcs., gas and oil price inc.)		2.00%
2012-13	Increase 2.0% (Equip. Svcs., gas and oil price inc.)		2.00%
Electricity			
2010-11	Increase 2.0% (Department of Energy)	2.00%	
2011-12	Increase 2.0% (Department of Energy)		2.00%
2012-13	Increase 2.0% (Department of Energy)		2.00%
Natural Gas			
2010-11	Increase 7.6% (Department of Energy)	7.60%	
2011-12	Increase 2.0% (Department of Energy)		2.00%
2012-13	Increase 2.0% (Department of Energy)		2.00%

Capital Outlay		
2010-11	\$1,000,000 per year for library books (Historical)	
2011-12	\$1,000,000 per year for library books (Historical)	
2012-13	\$1,000,000 per year for library books (Historical)	
Existing Expenditures		
2010-11	Increase 1.0% (Projected inflation increase)	1.00%
2011-12	Increase 2.0% (Projected inflation increase)	2.00%
2012-13	Increase 2.0% (Projected inflation increase)	2.00%
NTMWD		
Water		
2010-11	Increase \$0.15 per 1,000 gal. to \$1.40	12.00%
2011-12	Increase \$0.14 per 1,000 gal. to \$1.54	10.00%
2012-13	Increase \$0.15 per 1,000 gal. to \$1.69	9.70%
Wastewater		
2010-11	Decrease \$0.04 per 1,000 gal. to \$1.41	-2.70%
2011-12	Increase \$0.08 per 1,000 gal. to \$1.49	5.70%
2012-13	Increase \$0.12 per 1,000 gal. to \$1.61	8.00%
Upper East Fork Interceptor System		
2010-11	Decrease \$0.14 per 1,000 gal. to \$0.77	-15.40%
2011-12	Increase \$0.06 per 1,000 gal. To \$0.83	7.70%
2012-13	Increase \$0.04 per 1,000 gal. to \$0.87	4.80%
EWS - Regional Landfill		
2010-11	Price per ton to increase to \$39.66	5.60%
2011-12	Price per ton to increase to \$41.39	4.20%
2012-13	Price per ton to increase to \$41.52	0.03%
GENERAL FUND TRANSFERS		
Capital Reserve		
2010-11	Transfer \$10,500,000 (Calculation)	
2011-12	Transfer \$10,500,000 (Calculation)	
2012-13	Transfer \$10,500,000 (Calculation)	
Economic Development		
2010-11	Constant at \$895,770 (Calculation)	
2011-12	Increase 1.0% to \$904,728 (Calculation)	
2012-13	Increase 1.0% to \$913,775 (Calculation)	
Economic Dev. Incentive Fund		
2010-11	Transfer \$4,830,856 (2 cents on tax rate)	
2011-12	Transfer \$4,910,056 (2 cents on tax rate)	
2012-13	Transfer \$5,045,083 (2 cents on tax rate)	
Technology Fund		
2010-11	Remain constant @ \$1.4 million a yr.,	
2011-12	General Fund = \$1,000,000	
2012-13	Water & Sewer Fund = \$300,000	
	Sustainability & Env. Svcs. Fund = \$60,000	
	Municipal Drainage Fund = \$20,000	
	Convention & Tourism Fund = \$20,000	

CATV Fund	
2010-11	Transfer 0.0% of Cable TV Franchise revenue
2011-12	Transfer 0.0% of Cable TV Franchise revenue
2012-13	Transfer 0.0% of Cable TV Franchise revenue
Property & Liability Loss	
2010-11	Transfer \$3,200,000 (Calculation)
2011-12	Transfer \$2,500,000 (Calculation)
2012-13	Transfer \$2,500,000 (Calculation)



General Fund

General Fund

Recurring Revenue Vs. Recurring Expenditures

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Recurring Revenue						
Ad Valorem Taxes	\$82,515,968	\$82,436,251	\$82,436,251	\$74,724,582	\$73,591,696	\$74,306,342
Sales Tax	56,487,233	57,821,890	53,501,468	53,501,468	53,501,468	53,501,468
Franchise Fees	23,586,444	22,197,743	21,375,083	21,697,352	21,843,021	21,990,145
Fines & Forfeits	8,317,559	8,297,385	8,447,530	8,460,201	8,464,431	8,472,896
Building & Development	2,567,230	2,014,184	2,163,069	1,858,971	1,674,626	1,591,671
Licenses & Permits	2,673,986	2,580,874	2,697,698	2,684,082	2,668,947	2,664,030
Fees & Charges for Services	10,512,735	10,744,409	10,788,559	10,969,774	11,014,207	11,065,216
Intergovernmental	2,915,578	716,747	727,255	727,255	727,255	727,255
Interest Income	1,270,999	1,300,000	1,400,000	1,600,000	1,608,000	1,616,040
Transfers In	18,513,599	19,486,530	18,727,425	19,300,263	20,185,020	21,113,673
CIP Coming On-Line	0	0	0	0	30,000	30,000
Other	1,884,148	2,146,290	2,001,397	2,016,072	2,030,138	2,045,310
Total Recurring Revenue	\$211,245,479	\$209,742,303	\$204,265,735	\$197,540,021	\$197,338,810	\$199,124,045
Recurring Expenditures						
Salaries & Wages	\$146,725,442	\$150,829,615	\$149,962,669	\$153,408,457	\$155,649,968	\$157,328,717
Supplies & Services	45,920,966	49,254,958	49,467,135	48,470,739	49,353,926	50,255,387
Reimbursements	-1,617,865	-2,420,751	-2,420,751	-2,420,751	-2,420,751	-2,420,751
CIP Coming On-Line	0	0	0	2,130,808	3,564,108	1,146,965
Capital Outlay	1,636,365	1,010,000	2,602,813	1,000,000	1,000,000	1,000,000
Total Recurring Expenditures	\$192,664,908	\$198,673,822	\$199,611,866	\$202,589,253	\$207,147,251	\$207,310,318
Transfers Out	20,577,987	20,344,973	20,648,531	20,426,626	19,814,784	19,958,858
Fund Balance - Beginning	\$44,741,546	\$25,874,676	\$42,744,130	\$26,749,468	\$16,651,172	\$17,025,801
Total Recurring Revenue	\$211,245,479	\$209,742,303	\$204,265,735	\$197,540,021	\$197,338,810	\$199,124,045
Total Recurring Expenditures	\$192,664,908	\$198,673,822	\$199,611,866	\$202,589,253	\$207,147,251	\$207,310,318
Less: Transfers Out	\$20,577,987	\$20,344,973	\$20,648,531	\$20,426,626	\$19,814,784	\$19,958,858
Fund Balance - Ending	\$42,744,130	\$16,598,184	\$26,749,468	\$1,273,610	(\$12,972,053)	(\$11,119,330)
Required 30 Day Balance				\$16,651,172	\$17,025,801	\$17,039,204
Add'l Revenues or Program Reductions to Meet 30 Days				\$15,377,562	\$29,997,855	\$28,158,534
Days of Operation			49	30	30	30
Operating Tax Rate to be Transferred to Debt Equivalent Amount				1.66	0.95	0.53
				\$4,050,112	\$2,355,835	\$1,350,452

General Fund Forecast

The General Fund is the City's largest single fund, and serves as the primary operating fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. The sources of revenue that comprise the General Fund are described below:

Operating Revenue Sources:

Ad Valorem Tax

Ad valorem taxes are levied against the tangible assessed valuation of real and personal property within the city. The property is assessed by the Central Appraisal District of Collin County at 100% of estimated market value and certified by the Appraisal Review Board.

Sales Tax

The City authorizes a 1% local sales and use tax on the receipts from the retail sale of all taxable items within the city. Local sales and use tax revenue is collected by the Comptroller of the State of Texas.

Mixed Drink Tax

The City receives a portion of the State of Texas tax on mixed beverages sold by private clubs within the city limits.

Bingo Gross Receipts Tax

The City authorizes a 2% collection of gross receipts resulting from conduct of bingo games by an authorized organization in any calendar month. The first \$2,500 of gross receipts each month are exempted.

Franchise Fees

Franchise fees are assessments, based upon gross receipts, for electric, telephone, fiber optics, gas, and cable television.

Fines & Forfeits

This category of revenue includes court fines and forfeitures, traffic fines, and library fines.

Licenses & Permits

Licenses and permits include revenue for building & development related, food handlers, restaurant plan review, animal, alarm, fire protection plan review, grease trap, and pool inspections.

Fees & Charges for Services

Fees and charges for services include revenue for animal adoption, ambulance service, 911, false alarm response, charges for parks and recreation programs, contractor registration, engineering inspection, re-inspection, tree trimming, food handler training, and child safety.

Intergovernmental Resources

These resources are comprised of revenues received from other governmental entities.

Other

Miscellaneous receipts include revenues such as interest income, rents, and insurance collections.

Other Financing Sources:

Operating Transfers In

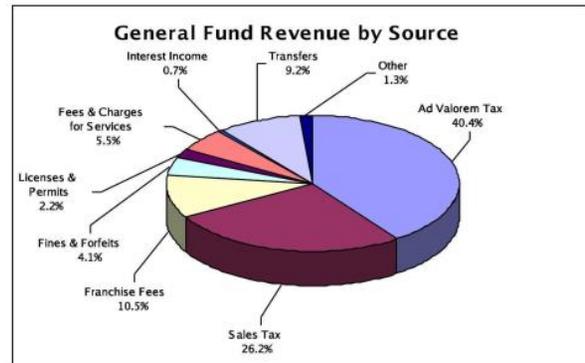
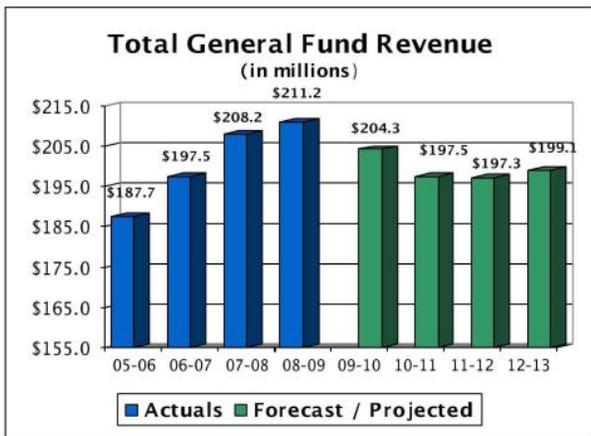
Transfers from other City funds.

GENERAL FUND

Operating Revenues

The General Fund accounts for most financial resources except those required for debt or specifically attributable to the enterprise funds. Resources are generated by property (ad valorem) and other taxes, franchise fees, fines & forfeits, licenses & permits, and fee & charges for services.

(0.7%), Transfers (9.2%), and Other (1.3%). A description of each source as well as a discussion of the outlook over the next three years follows.



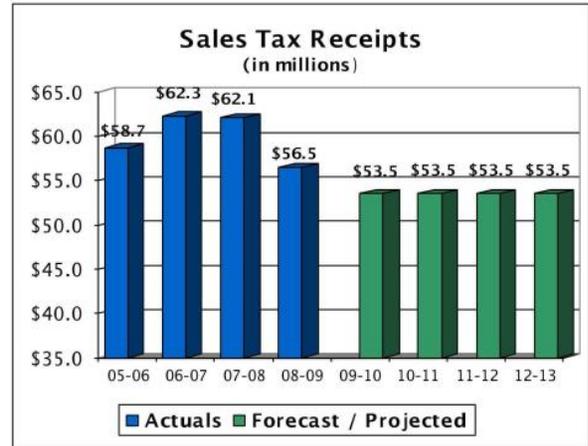
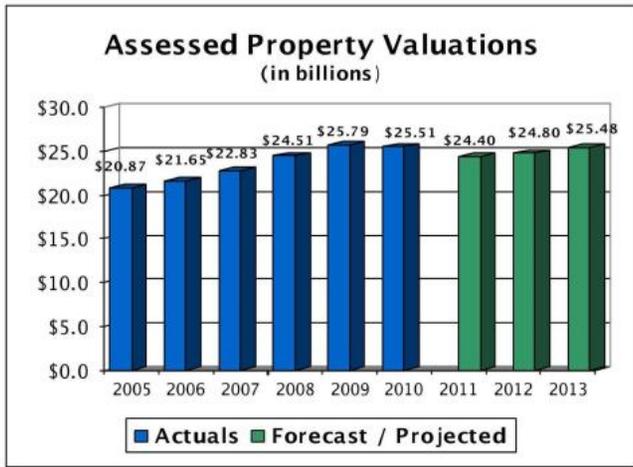
Ad Valorem Taxes

Ad valorem (property) taxes are the City’s largest revenue source. Ad valorem tax revenue is determined by two major factors: the total assessed value established by both the Central Appraisal Districts of Collin County and Denton County plus the tax rate established by the City Council. In 2009-10, the City Council approved a 1.51 cent tax rate increase for a total tax rate of 48.86 cents per \$100 of assessed valuation. This 1.51 cent tax rate increase was necessary due to the loss of property value from the City's tax base as well as increased debt costs.

Ad valorem tax revenue is based on maintaining the current tax rate of 48.86 cents per \$100 valuation for the next 3 years and assumes a 99.0% collection rate. At no time during the forecast period does the change in distribution between operation and debt exceed the 8.0% rollback operating limit. However, due to increasing bond sales sold over the last three years, a total of 1.66 cents will be required to be transferred back to the GO Debt Fund during 2010-11 from Operations.

The graph above shows the historical trends and projections for all General Fund revenues. As illustrated, 2005-06 revenues in the General Fund were still highly affected by the national and local economy, the loss of jobs, and the impact of war. From 2006 through 2008 we witnessed a rebound in revenue sources, specifically sales tax and building and development related revenues. However, the sluggish economy, a projected decline in existing property values, and stagnant sales tax receipts will most likely lead to revenue shortfalls during the three-year forecast period. By 2012-13, total General Fund revenues are estimated to be \$199.1 million, a 5.7% decrease over 2008-09 revenues.

The major sources that make up the General Fund revenues for 2009-10 include: Ad Valorem Tax (40.4%), Sales Tax (26.2%), Franchise Fees (10.5%), Fines & Forfeits (4.1%), Licenses & Permits (2.2%), Fees & Charges for Services (5.5%), Interest Income



Based on projections attained by both Central Appraisal Districts, existing property values are projected to decrease by 5.13% in 2010-11, remain constant during 2011-12, and then increase by 1.0% in 2012-13. New growth is projected at \$200.0 million in 2010-11 and then at \$400.0 million for both 2011-12 and 2012-13.

Sales Tax

Sales tax receipts, the General Fund’s second largest source of revenue, are expected to decrease 5.3% in 2009-10 from the 2008-09 actual collection of \$56.5 million to \$53.5 million. Based on actual collections through March, this revenue source is projected to decline due to the continued sluggish economy and a decrease in manufacturing and wholesale activity. Overall, sales tax receipts represent 26.2% of the total General Fund revenue in 2009-10.

Sales tax receipts will continue to be directly impacted by the national and local economy, the potential loss of market share to surrounding communities, the Texas Legislative-initiated “Back-To-School” Sales Tax Holiday occurring each August, and the developing streamlined sales tax issues of origin-based versus destination-based collections. We are projecting sales tax collections to remain constant at \$53.5 million during the forecast period in anticipation that these trends will continue.

The graph above shows the historical trends and projections for sales tax receipts.

Franchise Fees

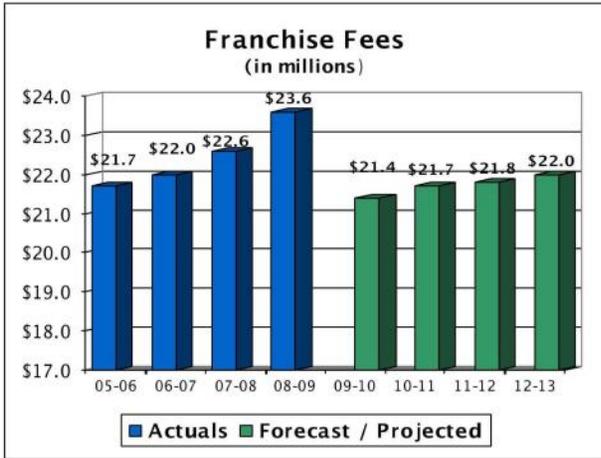
Franchise fees for 2009-10 are expected to total \$21.4 million, or 10.5% of the total General Fund revenue. Franchise fees are collected from assessments, based upon gross receipts, for electric, telephone, fiber optics, gas, and cable television.

Telephone, Fiber Optics, and Cable Television franchise fees are all projected to remain relatively constant for the forecast period. Telephone franchise fees are re-estimated for 2009-10 at \$4.4 million; Fiber Optics franchise fees are re-estimated for 2009-10 at \$18,021; and Cable Television franchise fees are re-estimated for 2009-10 at \$2.7 million.

Electrical franchise fees are re-estimated for 2009-10 at \$11.6 million and are projected to increase at the indirect economy-based rate for each of the three forecast years. Gas franchise fees are re-estimated down for 2009-10 to \$2.7 million, down significantly due to lower than anticipated natural gas rates. Gas franchise fees are projected to increase at the indirect economy-based rate for each of the three forecast years. It is important to note that while franchise fee revenues from all sources are either remaining stable or increasing slightly, the expenditures charged cities for these services continue to increase. Most notably, electricity is projected to increase 2.0% in each of the three forecast years and natural gas is projected to

increase 7.6% in 2010-11 and 2.0% in both 2011-12 and 2012-13 as projected by the Department of Energy.

The graph above shows the historical trends and projections for fines and forfeits revenue. By 2012-13, this revenue source is estimated to reach \$8.5 million, a 1.9% increase over 2008-09 revenues.



The graph above shows the historical trends and projections for franchise fee revenue. By 2012-13, this revenue source is estimated to reach \$22.0 million, a 6.8% decrease over 2008-09 revenues.

Licenses & Permits

Licenses and permits for 2009-10 are expected to total \$4.9 million, or 2.2% of the total General Fund revenue. Included within the licenses and permits category are food handlers permits, grease trap permits, animal licenses, alarm permits, most building & development related revenues, and various other permits.

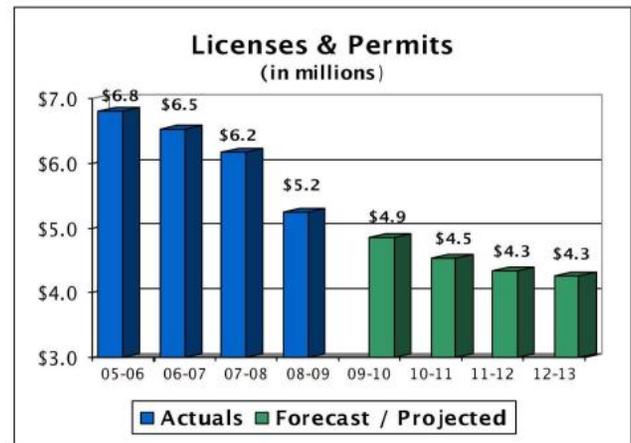
Due to the continued building slowdown as a result of the national and local economy, all building & development related revenues are projected to decrease 15.0% in 2010-11, 10.0% in 2011-12, and 5.0% in 2012-13.

Fines & Forfeits

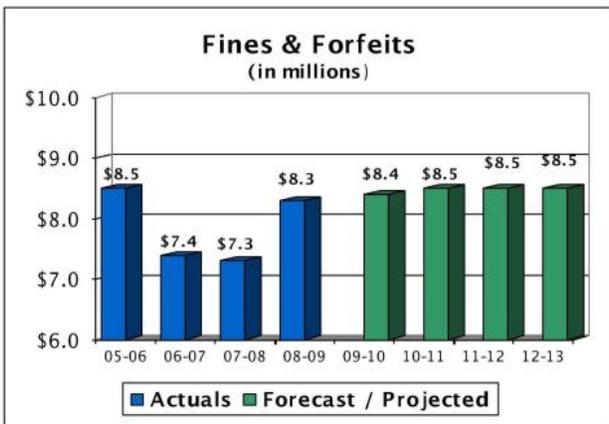
Fines and forfeits for 2009-10 are expected to increase to \$8.4 million, up \$129,971 from 2008-09 actuals due primarily to an increase in municipal court fines this year. This category of revenue includes court fines and forfeitures, traffic fines, and library fines.

Most other licenses and permits revenues are projected to increase at the indirect population-based rate of 0.15% in 2010-11, 0.05% in 2011-12, and 0.10% in 2012-13.

Fines and forfeits are projected to increase at the indirect population-based rate of 0.15% in 2010-11, 0.05% in 2011-12, and 0.10% in 2012-13.



The graph above shows the historical trends and projections for licenses and permits revenue. By 2012-13, this revenue source is estimated to be \$4.3 million, an 18.8% decrease over 2008-09 revenues.

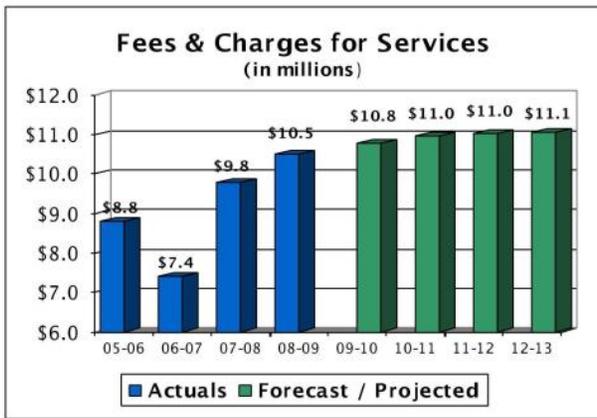


Fees & Charges for Services

Fees and charges for services for 2009-10 are expected to total \$10.8 million, or 5.5% of the total General Fund revenue. Included within the fees and charges for services category are ambulance service

fees, emergency 911 fees, false alarm fees, recreation user fees, tennis center fees, engineering inspection fees, re-inspection fees, and various other fees.

Overall, most fees and charges for services are projected to increase at the indirect population-based rate of 0.15% in 2010-11, 0.05% in 2011-12, and 0.10% in 2012-13. Any building & development related revenues within this category are projected to decrease 15.0% in 2010-11, 10.0% in 2011-12, and 5.0% in 2012-13.

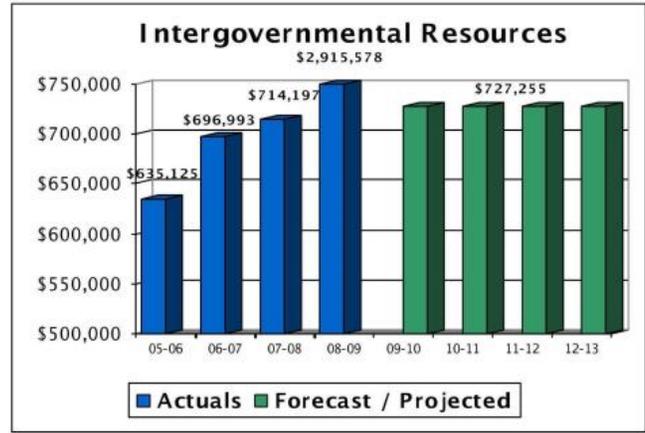


The graph above shows the historical trends and projections for fees and charges for services revenue. By 2012-13, this revenue source is estimated to reach \$11.1 million, a 5.3% increase over 2008-09 revenues.

Intergovernmental Resources

Intergovernmental resources for 2009-10 are expected to total \$727,255. These resources are comprised of revenues received from other governmental entities such as payments from Frisco I.S.D. and Plano I.S.D. for school liaison officers. Also included are a Collin County library grant, a Denton County library grant, Plano-Richardson Police training facility receipts, and Interlocal Radio System Access revenue.

Intergovernmental resources are projected to remain constant throughout the forecast period at \$727,255.

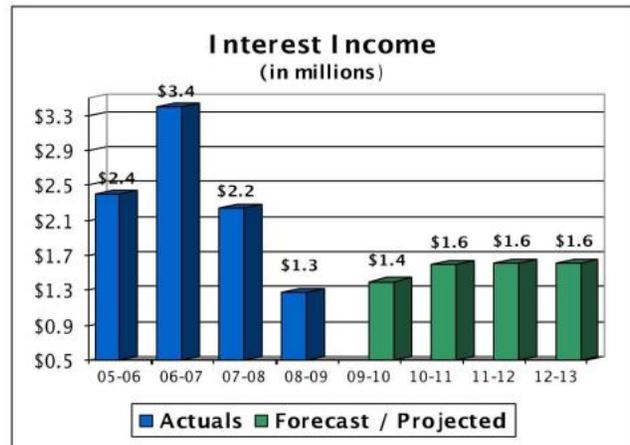


The graph above shows the historical trends and projections for intergovernmental revenue.

Other

Miscellaneous revenues for 2009-10 are expected to total \$3.4 million. Miscellaneous receipts include revenues such as interest income, rents, and insurance collections.

Interest income dropped dramatically in 2008-09 due to the current economic crisis. Interest income is projected to be \$1.4 million in 2009-10 and then increase to \$1.6 million in 2010-11 and then remain fairly stable throughout the remaining forecast period assuming sustained favorable interest rates.

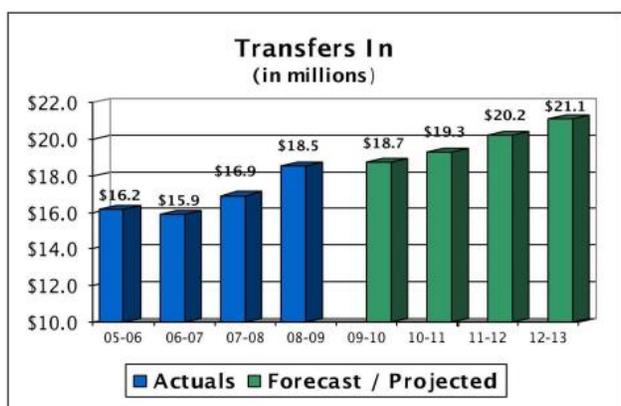


The graph above shows the historical trends and projections for interest income. By 2012-13, this revenue source is estimated to be at \$1.6 million.

Other Financing Sources:

Operating Transfers In

Transfers in for 2009-10 are expected to total \$18.7 million, or 9.2% of the total General Fund revenue. Transfers in include intra-fund transfers from the Water & Sewer Fund, the Sustainability & Environmental Services Fund, the Recreation Revolving Fund, the Municipal Golf Course Fund, the Convention & Tourism Fund, and the Municipal Drainage Fund. All transfers are based on a percentage allocation of revenues received in each of these funds. Therefore, the revenues received in future years depend on revenues generated in each of these funds over the next three years.



The graph above shows the historical trends and projections for transfers in. By 2012-13, this revenue source is estimated to reach \$21.1 million, a 14.0% increase over 2008-09 revenues.

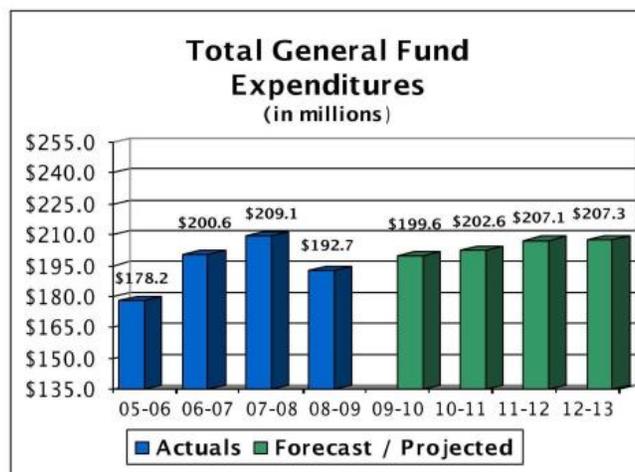
CIP Coming On-Line

Additional revenues anticipated in the future as a result of new facilities coming on-line include the Carpenter Recreation/Senior Center expansion. In both 2011-12 and 2012-13, \$30,000 in additional revenues is anticipated for a full year operation at the expanded facility.

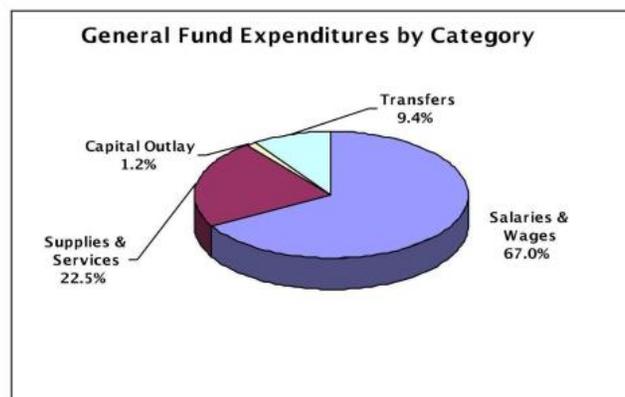
Operating Expenditures

Four decades of rapid growth stimulated local business and development activity and created generous municipal revenues and opportunities. The community, in turn, placed demands on the City to maintain and/or enhance the services provided for citizens. Careful financial planning and budgeting are integral to the budget process as it is known today.

The following graph shows the historical trends and projections for all General Fund expenditures. Over the past decade, there has been steady growth in all major expenditure categories, resulting from the strong growth in the City's population and the need for increased services. However, as the graph below indicates, 2008-09 shows a dramatic decrease in overall expenditures. This decrease in spending was necessitated by the very sluggish economy and included elimination of both full-time and part-time vacant positions as well as an overall decrease in departmental spending.



The major expenditures that make up the General Fund by category for 2009-10 include: Salaries & Wages (67.0%), Supplies & Services (22.5%), Capital Outlay (1.2%), and Transfers (9.4%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.



Salaries, Wages and Employee Benefits

Total Salary & Wage growth for the forecast period is projected at \$10.6 million or an 7.2% increase over 2008-09 costs. No salary increases have been included for either Civil Service or Non-Civil Service employees in the forecast. In addition, attrition is projected at 2.5% for the General Fund. No new positions or program enhancements are included in the projections with the exception of retirement payouts which are included at \$3.0 million for each year of the forecast period. This is necessary to help offset the anticipated large number of retirements in the near future.

Benefits expenditure projections include a 5.0% health insurance increase for all periods of the forecast and a 1.0% TMRS rate increase. Other benefit rate calculations remain constant. Slight increases to benefits costs such as Medicare, retirement, disability and life insurance costs are driven by annual salary increase rates.

Supplies & Services

Supplies & services include materials, supplies, contracts, and sundry. During the period of 2008-09 to 2012-13, supplies & services expenditures are projected to increase by \$4.3 million or a 9.4% increase over 2008-09 expenditures.

Supplies & services costs are projected to increase based on the projected inflation rate of 1.0% in 2010-11, 2.0% in 2011-12 and 2.0% in 2012-13. Municipal garage charges are projected to increase 2.0% in each of the three forecast periods due to anticipated rising fuel costs. Electricity charges are projected to also increase 2.0% in each of the three forecast periods. Finally, natural gas charges are projected to increase 7.6% in 2010-11 and then increase 2.0% in each of the remaining two forecast periods.

Capital Outlay

Capital outlay is projected at \$1,000,000 per year for library books. No other new capital is provided for in the General Fund with the exception of capital outlay related to CIP projects coming on-line.

Transfers

The Capital Reserve Fund policy aims to allocate 75.0% of the annual depreciation to be transferred from the General Fund. The transfer to the Capital Reserve Fund is projected to remain constant at \$10.5 million for each forecast period.

The Property & Liability Loss Fund transfer is projected based on a three-year average of General Fund losses. The transfer is projected at approximately \$3.1 million in 2009-10 and is projected to increase slightly to \$3.2 million in 2010-11, and then decrease to \$2.5 million for the remainder of the forecast period. This transfer is necessary to pay Workers Compensation and Judgments & Damages claims.

A transfer to the Technology Fund in the amount of \$1.0 million in all forecast periods is representative of the General Fund's proportionate share for technology related expenses.

The transfer to the CATV Fund is based on a percentage of the cable television franchise received. Beginning in 2010-11, this transfer will cease in order to ease the burden on the General Fund and to also make the CATV Fund more self-sustaining.

The Economic Development transfer is projected to be \$895,770 in 2010-11. This amount will increase 1.0% in both 2011-12 and 2012-13. This annual transfer amount is for personnel and operating and maintenance costs for the Economic Development Department. In 2006-07, the City Council approved a 2.00 cent tax rate increase to be dedicated solely for economic development incentives and redevelopment purposes. In that initial year, \$6.0 million, which included the two-cent amount plus supplemental funding from the General Fund, was transferred into the Economic Development Incentive Fund for the start-up of this Fund. An additional \$6.0 million was transferred in 2007-08. The forecast includes the transfer to include \$4.8 million in 2010-11; \$4.9 million in 2011-12; and \$5.0 million in 2012-13. These forecasted amounts represent only the actual two-cent property tax revenue and does not include supplemental funding from the General Fund.

Detailed information regarding specific transfers is provided in the Appendix section: *Three-Year Financial Forecast – Transfers*.

Community Investment Program Impacts

Included in this forecast are new project costs associated with Community Investment Projects coming on-line during the forecast period totaling over \$6.8 million. These projects include Fire Stations and equipment, an expansion of the Carpenter Recreation Center, and additional Park Improvements. Please refer to *Projected General Fund O&M Expenses – Community Investment Program* in the Appendix Section of this document for a detailed list.

Outlook & Analysis

Financial policies adopted by City Council stipulate that the General Fund must maintain a working balance of 30 days. Beginning in 2010-11, based on this current forecast, the General Fund will fall short of this Council goal. Specifically, the General Fund will need an additional \$15.4 million in additional revenues, reduced expenditures, or a combination of both to reach the 30 day working balance requirement. Thus, the projections indicate that there may not be sufficient resources in the General Fund to maintain current operations or increase staffing to meet growing the demand for services, even if revenues meet expectations.

In an effort to help soften the anticipated 2010-11 budget shortfall, the City Manager has appointed a committee of department directors to work together to identify additional cuts. During this process, the committee was also tasked with identifying any impacts or outcomes that would result from these additional cuts and what direct impacts it would have on service level delivery. Departments will meet with City Council to go over these potential cuts on April 10, 2010.

Not included in the fund projections in this forecast are any of the potential budget reductions identified from the committee's work. All potential reductions will be reviewed for inclusion into the 2010-11 Budget during the upcoming budget process this summer.



General Obligation Debt Service

Recurring Revenue Vs. Recurring Expenditures

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Recurring Revenue						
Ad Valorem Taxes	\$37,052,595	\$39,959,648	\$39,959,648	\$42,242,310	\$45,283,426	\$47,878,958
Interest Income	368,791	550,000	400,000	500,000	450,000	450,000
Transfers In	834,120	0	0	0	0	0
Police Academy Reimbursement	238,425	246,554	246,554	142,527	150,597	150,442
Total Recurring Revenue	\$38,493,931	\$40,756,202	\$40,606,202	\$42,884,837	\$45,884,023	\$48,479,400
Recurring Expenditures						
Principal	\$21,615,000	\$22,645,000	\$22,645,000	\$22,640,000	\$23,708,930	\$25,242,074
Interest	13,909,338	13,302,651	13,508,720	12,507,540	14,050,869	15,268,737
Trans to Tech Infra & Pub Art	281,588	281,064	281,064	280,325	284,376	283,000
Transfer to Tax Notes Moto Mesh	2,103,200	2,099,000	2,099,000	2,097,200	2,092,600	2,085,200
Transfer to Tx Nt MotoMesh& Radio Sys	2,659,794	2,678,419	2,678,419	2,694,494	2,717,869	2,733,469
Transfer to Tax Notes Radio System	96,019	963,725	963,725	969,994	980,644	990,619
Transfer to Tax Notes Radio System	0	0	208,407	906,976	905,476	903,776
Exchange Fees	70,839	10,000	20,840	20,000	20,000	20,000
New Debt	0	578,661	0	1,162,500	1,050,000	875,000
Total Recurring Expenditures	\$40,735,778	\$42,558,520	\$42,405,175	\$43,279,029	\$45,810,764	\$48,401,875
Fund Balance - Beginning	\$5,491,973	\$3,084,063	\$3,250,126	\$1,451,153	\$1,056,960	\$1,130,219
Total Recurring Revenue	\$38,493,931	\$40,756,202	\$40,606,202	\$42,884,837	\$45,884,023	\$48,479,400
Total Recurring Expenditures	\$40,735,778	\$42,558,520	\$42,405,175	\$43,279,029	\$45,810,764	\$48,401,875
Fund Balance - Ending	\$3,250,126	\$1,281,744	\$1,451,153	\$1,056,960	\$1,130,219	\$1,207,744
Total Assessed Property Value			\$25,507,218,156	\$24,398,264,127	\$24,798,264,127	\$25,480,216,390
Tax Split:						
Debt	0.1467	0.1602	0.1602	0.1768	0.1863	0.1916
Operations	0.3268	0.3284	0.3284	0.3118	0.3023	0.2970
	0.4735	0.4886	0.4886	0.4886	0.4886	0.4886

General Obligation Debt Service Fund Forecast

The General Obligation Debt Service Fund accounts for the accumulation of monies set aside to pay principal and interest on debt incurred through sale of bonds and other debt instruments. These tax bonds finance long-term community investment projects such as streets, parks, buildings, and technology infrastructure projects.

Operating Revenue Sources:

Ad Valorem Tax

Ad valorem taxes are levied against the tangible assessed valuation of real and personal property within the city. The property is assessed by the Central Appraisal Districts of Collin County and Denton County at 100% of estimated market value and certified by the Appraisal Review Board.

Other

Miscellaneous receipts include revenues such as interest income.

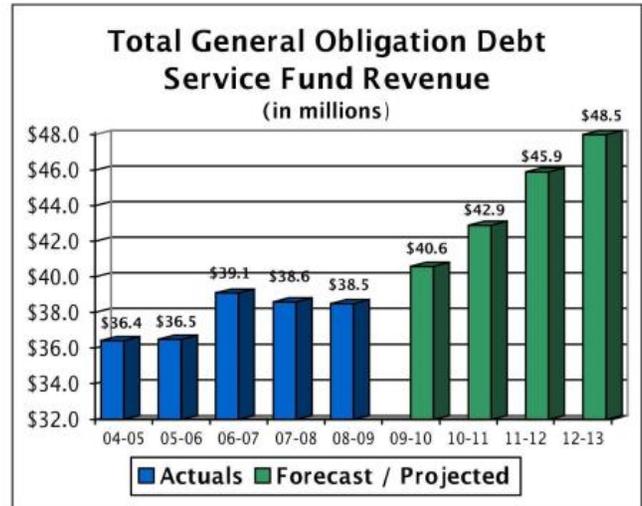
Other Financing Sources:

Operating Transfers In

Transfers from other City funds for existing debt as well as reimbursements.

Operating Revenues

Ad valorem taxes necessary to be collected in the General Obligation Debt Service Fund are determined by using the projected assessed value for each year, and appropriating the funds required for principal and interest payments on existing and new debt. All additional revenue that is collected in the General Obligation Debt Service Fund, such as interest earnings and reimbursements for the Convention & Tourism debt and Police Academy debt, helps offset the amount of ad valorem tax revenue required to keep the ending fund balance at 2.5% of current taxes.



The graph above shows the historical trends and projections for all General Obligation Debt Service Fund revenues.

By 2012-13, total General Obligation Debt Service Fund revenues are estimated to reach \$48.5 million.

Ad Valorem Taxes

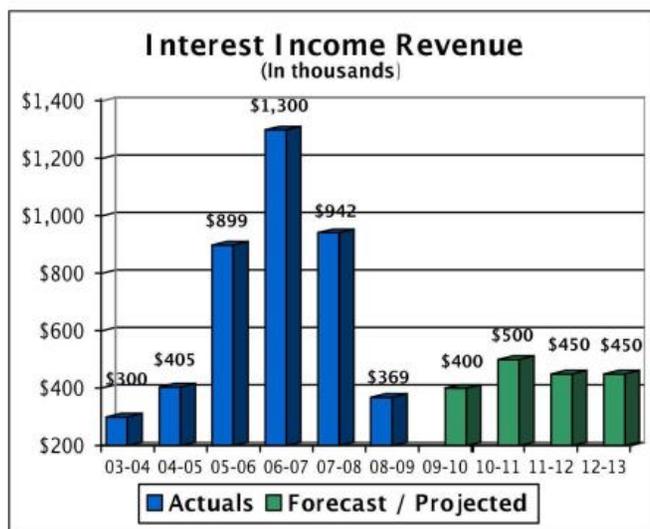
The existing tax rate is used for projections throughout the three-year period. After the debt portion of the tax rate is determined, the remaining amount is available for operations. Due to economic conditions, the issuance of several large Tax Notes and with overall property values in 2010-11 projected to decrease by 4.35%, the projected debt portion of the tax rate will need to increase from .1602 to .1768. According to preliminary estimates provided by the Central Appraisal Districts of Collin County and Denton County, the total assessed property value projected for 2010-11 is \$24.4 billion which includes a projected decrease of 5.13% to existing property values. Adjustments are made for both TIF Districts and the 380 Agreements.

Ad valorem tax revenue is based on the current 2009-10 tax rate of 48.86 cents per \$100 valuation for the next 3 years and assumes a 99.0% collection rate. At no time during the forecast period does the change in distribution between operation and debt exceed the

8.0% rollback operating limit. However, due to increasing bond sales sold over the last four years, a total of 1.66 cents will be required to be transferred back to the G.O. Debt Fund during 2010-11 from Operations.

Other

The 2009-10 budget for interest earnings has been re-estimated down to \$400,000; this is a reduction of \$150,000 from the budget due to low interest rates generating less interest earnings. Interest income is projected to generate \$500,000 in 2010-11. The interest rates are projected to remain at \$450,000 per year for fiscal years 2011-12 and 2012-13. The graph below shows the historical trends and projections for interest income.



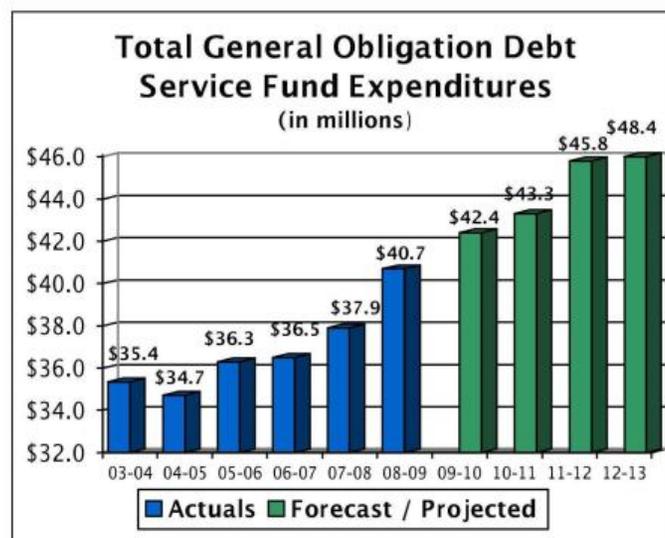
Other Financing Sources:

Operating Transfers In

The Police Academy reimbursement totals \$142,527 from the other member city and is scheduled to be received through 2025 when the Police Academy debt is paid off.

Operating Expenditures

Expenses in this fund are exclusively for support of principal and interest payments on long-term general obligation debt. The following graph shows the historical trends and projections for all G.O. Debt Service Fund expenditures.



Existing bond authority should provide funding for community investment projects into 2012-13 from the \$144.8 million in bond authority approved by voters on May 7, 2005 and the \$128.6 million in authority provided by the voters on May 9, 2009. \$18.9 million of the 2005 authority remains. On January 25, 2010, \$28.5 in Refunding and Improvement Bonds were sold as well as \$9.7 million in Certificates of Obligation. In January 2011, \$50.0 million is projected to be sold which includes \$9 million for the Arts of Collin County project. For the purpose of this forecast, a \$42.0 million bond sale is scheduled for 2011-12 and \$35.0 million for 2012-13. The new G.O Debt uses an average interest rate of 4.65% for 2010-11 and 5.0% for 2011-12 and 2012-13. The issuance is projected on mid-year sales with only one interest payment included in the first year.

Primary factors affecting the projections include changes in economic conditions, interest rates, structuring of debt payments and actual amounts of the annual bond sale.



Water & Sewer

Recurring Revenue Vs. Recurring Expenditures

	2008-09	2009-10	2009-10	2010-11	2011-12	2012-13
	Actual	Budget	Re-Est.	Projected	Projected	Projected
Recurring Revenue						
Water Income	\$54,845,746	\$61,035,890	\$56,856,852	\$62,071,268	\$65,459,722	\$68,732,722
Sewer Income	49,793,133	53,280,000	53,233,896	53,760,000	54,747,200	55,377,024
Water Taps	83,432	92,596	82,643	84,296	8,513,882	8,599,021
Water & Sewer Penalties	1,416,547	1,339,257	1,386,943	1,398,039	1,399,437	1,402,235
Water Meters	166,751	138,222	107,736	108,544	109,629	110,726
Construction Water	237,597	284,372	199,096	200,589	202,595	204,621
Service Connect Fee	148,253	156,586	145,723	146,816	148,284	149,767
Backflow Testing	292,425	288,425	329,500	331,971	335,291	338,644
Sewer Tie-On	15,825	15,871	15,871	15,990	16,150	16,311
Pre-Treatment Permits	29,325	28,203	48,575	48,939	49,429	49,923
Interest Earnings	0	35,000	0	20,000	20,000	20,000
Educational Building	148,928	148,928	148,928	148,928	0	0
Misc. Income	560,843	463,828	463,843	463,828	468,467	473,151
Total Recurring Revenue	\$107,738,805	\$117,307,176	\$113,019,605	\$118,799,208	\$131,470,085	\$135,474,145
Recurring Expenditures						
Salaries & Wages	\$9,067,288	\$9,404,695	\$9,386,644	\$9,570,170	\$9,773,070	\$9,925,417
Supplies & Services	12,663,875	11,188,398	12,438,397	11,192,773	12,044,987	12,294,011
NTMWD	51,199,906	56,345,525	56,345,525	58,712,369	62,015,631	65,548,091
Retirement of NTMWD Debt	822,480	837,195	829,670	837,635	869,233	869,898
Reimbursements	315,193	224,300	224,300	224,300	228,786	233,362
Capital Outlay	163,149	-	1,117,510	-	-	-
Total Recurring Expenditures	\$74,231,891	\$78,000,113	\$80,342,046	\$80,537,248	\$84,931,707	\$88,870,778
Transfers Out	35,381,788	38,482,630	35,756,683	34,778,780	38,190,196	39,322,994
Fund Balance - Beginning	\$12,430,047	\$8,224,030	\$10,555,173	\$7,476,049	\$10,959,230	\$19,307,411
Total Recurring Revenue	\$107,738,805	\$117,307,176	\$113,019,605	\$118,799,208	\$131,470,085	\$135,474,145
Total Recurring Expenditures	\$74,231,891	\$78,000,113	\$80,342,046	\$80,537,248	\$84,931,707	\$88,870,778
Less: Transfers Out	\$35,381,788	\$38,482,630	\$35,756,683	\$34,778,780	\$38,190,196	\$39,322,994
Fund Balance - Ending	\$10,555,173	\$9,048,463	\$7,476,049	\$10,959,230	\$19,307,411	\$26,587,785
Days of Operation			34	50	83	109

Water & Sewer Fund Forecast

The Water & Sewer Fund, an enterprise fund, provides for the administration, operation, and maintenance of the City's water and wastewater system, billing, and collection activities. The services provided by the Water & Sewer Fund are financed through utility customer fees. Common sources of revenue that comprise the Water & Sewer Fund are described below:

Operating Revenue Sources:

Water Income

Monthly service fees charged for potable water, designed to recover customer costs based on customer class, metered water consumption per thousand gallons and meter line size.

Sewer Income

Monthly service fees charged for wastewater collection, transmission, and treatment services. Sewer fees are based on customer class, metered gallons of water consumed, and use a rolling three year Winter Quarter Average.

Water Taps

Fee charged for water line installation and connection from the customer's service line to the meter and the municipal water main.

Water & Sewer Penalties

A late fee charged for failure to pay the utility bill by the 25th day after billing date.

Water Meters

Fee charged for the installation of water meters. All meters remain the property of the City.

Construction Water

Fee charged for consumption of water using temporary fire hydrant meters, usually for temporary water connections during construction.

Service Connect Fee

Fee charged to turn on water service, and for any transfer of service from one name or address to another where no service call is required.

Backflow Testing

Periodic fee to test the integrity of water system backflow prevention devices to assure that no cross connection has occurred during the installation or relocation of water lines, sprinkler systems, fire suppression service lines and meters on private property.

Sewer Tie-On

Fee charged for connection to an existing sanitary sewer line.

Pre-Treatment Permits

Fee charged for any significant industrial or commercial user which discharges non-domestic waste into the sanitary sewer system.

Miscellaneous Income

Includes revenues such as interest income related to the fund balance, sewer taps, disconnect and reconnect fees, rental income, insurance collections, and other miscellaneous sources.

Other Financing Sources:

Operating Transfers In

Direct transfers from water impact fees, water and sewer reserve funds and other sources on an as needed/if available basis.

WATER & SEWER FUND

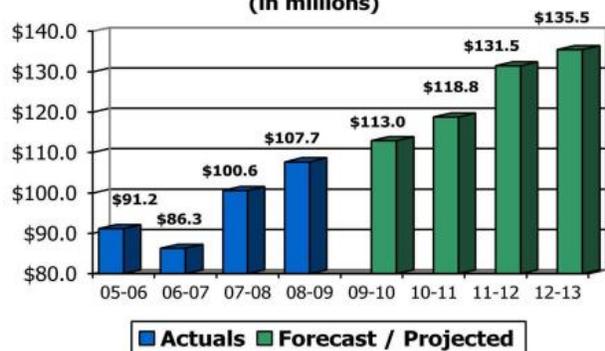
Operating Revenues

The City of Plano procures water supply and sewer services through a contract with the North Texas Municipal Water District (NTMWD). Residents and commercial customers, in turn, purchase these services from the City. Customer service rates and fee structures are reviewed annually with the purpose of generating the revenues required to fulfill the contractual obligations with the water district, as well as compensate for the building of water and sewer delivery lines, storage tanks, and other infrastructure, including maintaining delivery lines, equipment, operating expenses and the personnel required to deliver water and sanitary sewer services to the customers.

year” of August 1, 2008 – July 31, 2009 tracking at the average annual consumption, around 22.7 billion gallons.

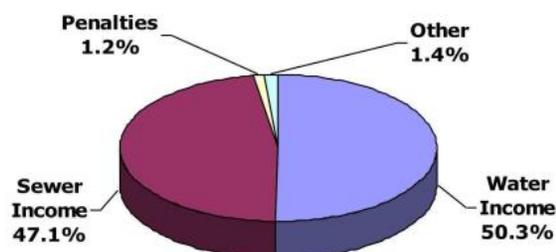
Other factors impacting revenue include: Winter Quarter Averaging for sewer charges based on metered water consumption during the winter months; updates to the Water & Sewer rate model; major sewer and water delivery line repairs; significant increases in wholesale costs from NTMWD for water and wastewater (sewage) treatment and processing; and a change in water consumption patterns as related to water conservation efforts and other sustainability programs. Watering and irrigation restrictions (a direct result of drought conditions from prior years) have been lifted, but consumers in Plano continue to adopt conservation practices that are coinciding with the current economic recession and very heavy late summer and fall rains.

Total Water & Sewer Fund Revenue
(in millions)



The graph above shows historical revenue data and future revenue projections for the Water & Sewer Fund. Revenues in this Fund have been highly affected by the extreme reversals from year to year in local weather patterns and conditions. Since reaching a peak usage of 26.7 billion gallons of water in 2001-02, average water usage for the last seven years in Plano is approximately 22.5 billion gallons per year. Recent years have included erratic changes in annual rainfall in the area. Fiscal Year 2006-07 was a year of high rainfall that followed two years of drought, 2005-06 and 2004-05. Those two drought years were preceded by another record rainfall period, 2003-04 and 2002-03. During 2006-07, water purchased from NTMWD dropped to a little over 19 billion gallons, a 15% reduction, while 2007-08 water usage increased by 16.3% at 22.2 billion gallons. The City ended the “water

2009-10 Water & Sewer Fund Revenue by Source



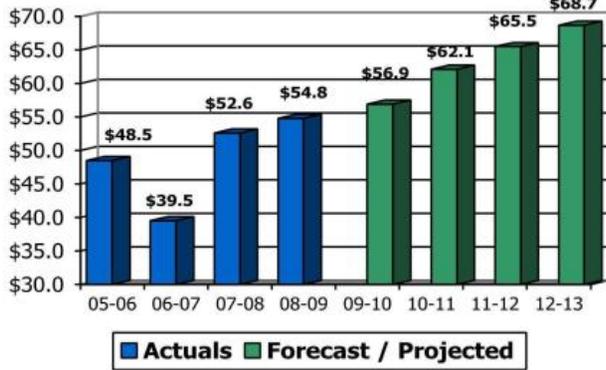
2009-10 Revenue re-estimates include: Water Income (50.3%), Sewer Income (47.1%), Penalties (1.2%), and Other sources (1.4%). A description of each source as well as a discussion of the outlook over the next three years follows. Overall, fund revenues have been reduced by 3.65% for the 2009-10 re-estimate.

Water Income

Water & Sewer Fund’s largest revenue source is water income. Water revenues are based directly on the type of customer (residential or nonresidential/commercial), meter size, and consumption or metered gallons. Usage is billed monthly per thousand gallons. Plano purchases water from the NTMWD at a rate based on a 1,000 gallon basis, subject to a 26.7 billion gallon minimum annual purchase. Water sales are quickly and dramatically impacted by changes in local weather patterns such as excess rainfall or drought as evidenced in a

preceding graph. Conservation and “Green Living” practices are also impacting the City’s annual water revenues, ultimately reducing metered consumption. Unused or “unsold” water reduces the water revenues received by the City, with additional negative impact to the fund because of the minimum gallons that must be purchased under terms of the contract with NTMWD. Conversely, when the annual minimum usage requirement (26.7 billion gallons) is exceeded, that amount becomes the new annual minimum purchase required of the City. The NTMWD minimum gallon purchase requirement was last increased/met during 2001-02, based on high usage during the summer of 2002.

Water Income
(in millions)



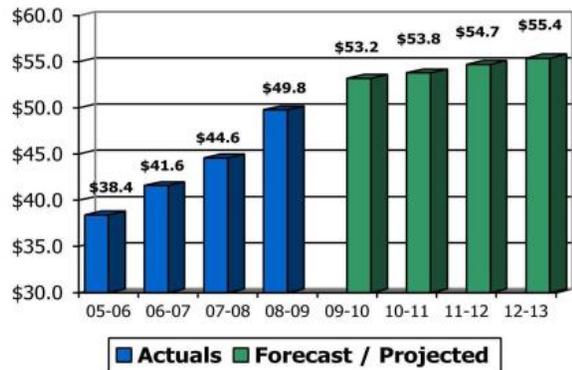
Future water revenue projections are based on a return to a more normal weather pattern and an averaged water sales volume of approximately 26.4 billion gallons per year, based on 2005-06 usage. 2009-10 water income is currently re-estimated at \$56.8 million, a 6.8% decrease from the original Budget. Water rates were adjusted effective October 1, 2009 to allow the pass-through of a .10 per thousand gallon rate increase from NTMWD. The water seasonal rate plan was also adjusted to include two additional months, April and October.

The water income graph illustrates historical trends and projections for water income. By 2012-13, this revenue source is estimated to reach \$68.7 million. Water wholesale cost increases of 12% for 2010-2011, 10% for 2011-12, and 9.70% for 2012-13 are factored into the forecast revenue projections, and will need to be passed through to customers in future years.

Sewer Income

Sewer income represents the Water & Sewer Fund’s second largest revenue source, and is based on a Winter Quarter Averaging method. Sewer revenues reflect the use of Winter Quarter Averaging to annually re-set the monthly sewer rates for customers. This method uses the water consumption for each customer based on their December, January, February, and March billings. These billings are typically based on November, December, January, and February actual water consumptions. The highest month of consumption of these four billing periods is disregarded, and the remaining three months are averaged. This quarter average is then averaged with the prior two years Winter Quarter Averages to establish the sewer usage charge for billing over the next 12-monthly billing periods. Once the new annual sewer usage rate is established, this amount is billed for the next 12 months. The advantage of the Winter Quarter Averaging program for residents is that lawn watering and other outdoor usage during the warmer months does not impact the monthly sewer charges.

Sewer Income
(in millions)

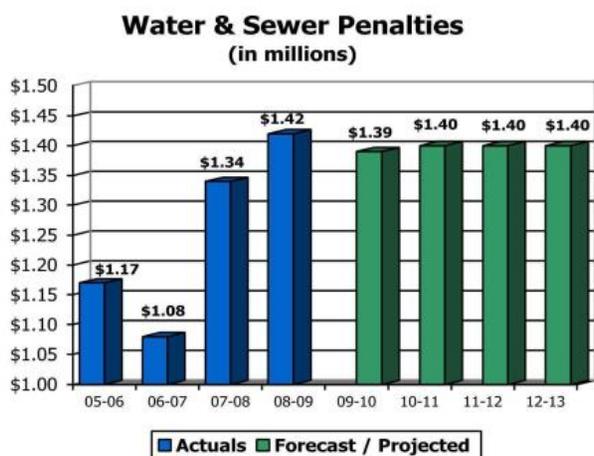


The sewer income graph indicates both the historical trends and projections for sewer income. Sewer revenue projections include the projected future sewer treatment and transmission cost increases from NTMWD will be passed through to customers, with cost projections from the district increasing by 5% to 7% overall. Increases are included in this forecast. Using 3-year winter quarter averages for water consumption, the 2009-10 Sewer revenues are re-estimated at \$53.2 million, down very slightly, \$46,104 from the original Budget. Sewer rates were

last adjusted March 1, 2009. By 2012-13, the wastewater revenue is estimated to reach \$55.4 million, based on estimated treated gallons.

Water & Sewer Penalties Income

Water & Sewer penalties collected have trended upwards based on economic conditions, population growth and rate changes. Weather patterns affect consumption and also impact the penalties collected. A penalty charge is assessed for failure to pay the monthly water and sewer billing by the 25th day after the billing date. Water & Sewer penalties are projected at \$1.4 million for the 2009-10 Re-Estimate, with minor annual increases over the forecast period.



The graph shows the historical trends and projections for Water & Sewer penalties and by 2012-13 are projected to reach \$1.4 million.

Other

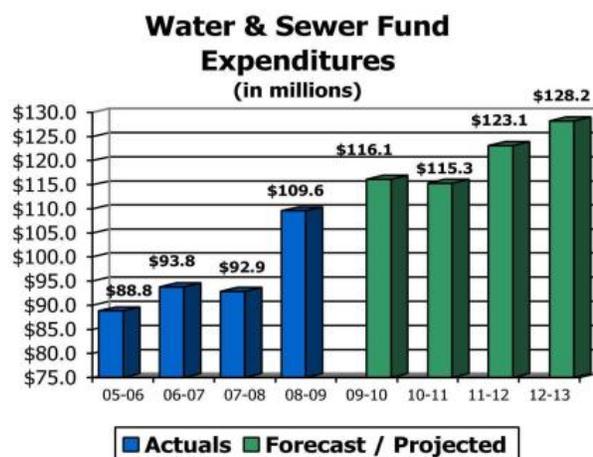
Miscellaneous revenues for 2009-10 are re-estimated at \$1.54 million, or 1.4% of the total Water & Sewer Fund revenues. Miscellaneous sources include revenues such as interest income, water and sewer taps, water meters, transfers in, service connect fees, connection fees, backflow testing, and other miscellaneous sources.

Interest income is re-estimated for 2009-10 to zero and is projected at \$20,000 for the remainder of the forecast, with optimism. Interest earnings are critically affected by the monthly fund balance and the overall unfavorably poor investment market conditions. The City is no longer collecting water and sewer impact fees, they are no longer included in the forecast. Other

miscellaneous fund revenue projections have been reviewed and include small projection changes related to the current economy.

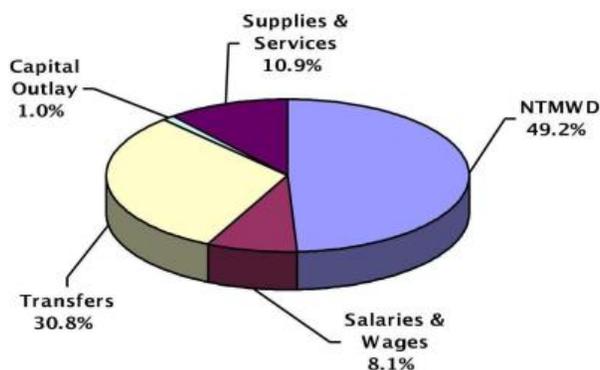
Operating Expenditures

The following graph shows the historical trends and forecast period projections for Water & Sewer Fund operating expenditures and transfers.



The expenditures are expected to increase by \$18.6 million (16.95%) from the 2008-09 actual expenditures when compared to 2012-13 projected expenditures. This increase is specifically tied to the ever-increasing costs of water delivery and wastewater treatment from NTMWD, as well as the inclusion of transfers to a Water and Sewer Reserve Fund during 2011-12 and 2012-13 totaling \$5.5 million. The Reserve Fund balance was depleted during 2006-07 when the remaining reserve funds were required to help offset the major fluctuations and a very major sewer line repair. These fluctuations were experienced during periods of extreme weather conditions, including severe drought and excessive rainfall.

2009-10 Water & Sewer Fund Expenditures by Category



Major expenditures in the Water & Sewer Fund for the 2009-10 Re-Estimate include: Salaries & Wages, 8.1%; Supplies & Services, 10.9%; NTMWD, 49.2%; Capital Outlay, 1.0%; and Transfers, 30.8%.

Salaries, Wages and Employee Benefits

Salary, Wage and Benefit expenses are projected to increase by \$502,579 or 5.54% for the entire five year period from the 2008-09 actual expenditures as compared to 2012-13 projected expenditures. Salary, wage and benefit predictions include salaries for all approved positions and reflect a 0.5% attrition rate. No salary or merit increases, no new positions and no program enhancements have been included in this forecast.

Benefits expenditure projections include a 5.0% health insurance increase, approximately a 1% TMRS rate increase for all periods of the forecast, and slight increases to the RSP and life insurance rates based on current factors.

Supplies & Services

Supplies & services include materials, supplies, contracts, fuel, repairs, utilities, sundry and reimbursements to other cost centers. During the period of 2008-09 to 2012-13, supplies and services expenditures are expected to decrease by \$451,695, a 3.48% decrease over the actual 2008-09 expenditures. Basic materials, supplies, sundry and services are projected to increase by 1.0% in 2010-11, 2% in 2011-12, and by another 2% in 2012-13. Municipal garage charges are programmed to increase 2% in all three years of the forecast. Electricity (for water and wastewater pumping) rates are projected to increase 2.0% for all years of the forecast.

Phase I of the Fixed Network meter reading project has been completed, and Phase II is approximately 60% complete, with Phase III planning in progress. Approximately 30,000 water meters have been replaced out of an 80,000 meter inventory. The fixed network project replaces previous electronic meters and accesses the City's wireless Moto Mesh system to periodically and automatically upload consumption data from each meter, saving fuel and labor costs while increasing billing accuracy over the previous AMR system. The project is expected to be completed during 2013-14.

North Texas Municipal Water District

Projected increases from the NTMWD for water and sewer service treatment and delivery during the forecast period total \$14.4 million, and are a 27.67% increase over the 2008-09 NTMWD expenditures. Projections for Water and Wastewater treatment costs from NTMWD will continue to experience a steady incline for the future and are discussed below.

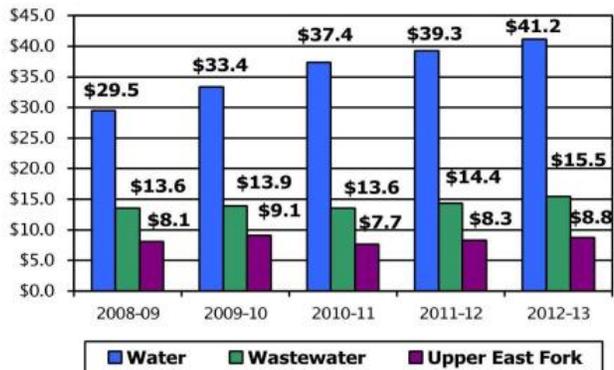
Water costs are projected to increase approximately 12.0% in 2010-11, another 10.0% in 2011-12, and then 9.7% in 2012-13, with rising annual expenditure increases based on the current take or pay minimum of 26.7 billion gallons. For 2010-11, the wholesale water rate is projected at \$1.40 per thousand gallons, a \$0.15 increase over the 2009-10 rate of \$1.25 per thousand gallons. In 2011-12, the water cost projections increase to \$1.54 per thousand gallons, and in 2012-13, \$1.69 per thousand gallons.

Wastewater treatment costs are projected to very slightly decrease in 2010-11, and then increase 5.7% for 2011-12 and 8.0% for 2012-13. Upper East Fork Upper East Fork Interceptor Wastewater System costs are projected to decrease in 2010-11, and then increase 7.7% in 2011-12, and 4.8% for 2012-13.

Retirement of NTMWD debt for the water transmission facilities is programmed at \$837,635 for 2010-11, \$869,233 for 2011-12, and \$869,898 for 2012-13. The following graph outlines the anticipated payments to

NTMWD over the three-year forecast period for Water, Wastewater, and the Upper East Fork Wastewater Interceptor System.

NTMWD Expenditures
(in Millions)



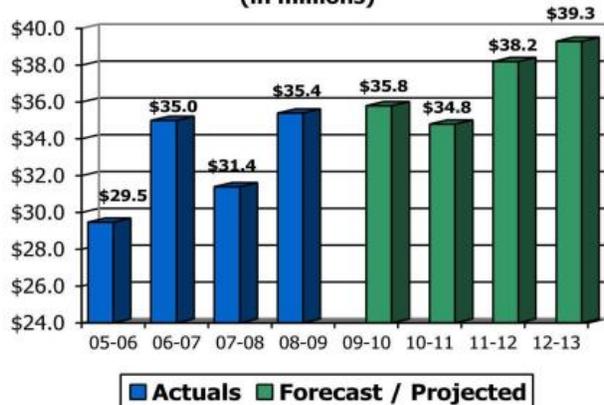
Capital Outlay

Capital outlay is re-estimated at \$1.1 million for 2009-10 for the completion of the Environmental Education Building. No other capital costs have been included for all three future years of this forecast.

Transfers

Expenditure transfers included in the forecast are to other City of Plano funds for services received, for the payment of Water & Sewer Debt, for planned Water & Sewer Capital Improvements, for projects included in the Capital Reserve Fund, for Technology-related service enhancements, and for Sustainability educational programming.

Transfers
(in millions)



The graph shows the historical trends and projections for all Water & Sewer Fund transfers to other City funds. Total Transfers increase \$3.9 million (11.1%) from the 2008-09 actual transfers when compared to 2012-13 projected transfers due to the inclusion of a Reserve Fund to help offset severe impacts to the fund during periods of extreme weather patterns.

Water & Sewer Fund transfers to the General Fund are based on a percentage of projected Water & Sewer revenues, indirect cost allocations, and an amount in lieu of property taxes (based on total assets). These factors are reviewed each year during the budget process, and the transfer amount is calculated. General Fund transfers are projected to increase by \$2.6 million or 15.4% from the 2008-09 actual expenditures when compared to 2012-13 projections.

The annual transfer for the repayment of Water and Sewer debt decreases each year of the forecast as the debt is paid. The decrease from 2008-09 actual to the 2012-13 projected debt payment requirement is \$2.2 million, and corresponds with the overall reduction and the retirement of the existing Water & Sewer debt by 2013.

The Water & Sewer Fund finances Community Investment Projects (CIP) by the “Pay-As-You-Go” method. Transfers for the forecast period from 2010-11 through 2012-13 total \$35.3 million and are based on a schedule of probable repairs and improvements to the City’s aging water & sewer infrastructure and delivery system.

Forecast transfers also include a total of \$3.6 million for the 3-year forecast period to the Capital Reserve Fund for other projects related to Water & Sewer service.

The transfer to the Property & Liability Loss Fund has been slightly increased to \$726,422 for the re-estimate, while \$728,240 is included for 2010-11. Years 2011-12 and 2012-13 includes increases of 5% per year, representative of the Water & Sewer Fund’s proportionate share of estimated expenditures from the Property & Liability Loss Fund.

A transfer in the amount of \$300,000 to the Technology Fund is included for each year of the forecast, and is representative of the fund’s share of technology improvements and upgrades to the City information infrastructure, in accordance with the City’s Technology

Plan. The transfer is re-evaluated each year during the regular budget process, based on the Technology Fund balance and future projects.

Detailed information regarding specific transfers is provided in the Appendix section: *Three-Year Financial Forecast - Transfers*.

Outlook & Analysis

Based on the projections in this forecast, the return to an average of 26.4 billion gallons per year water consumption usage and a continuation of existing service levels, this forecast produces enough working capital to meet the goal of 45 days of operating expenses as established by City Council for all periods.

With recent annual drastic fluctuations in rainfall and anticipated cost increases from NTMWD, the Water & Sewer Fund continues to require vigilant monitoring of the water and sewer rates and sales volume.

All water and sewer revenues are influenced by population changes, new construction, decreases or increase in consumption of water stemming from the weather conditions and conservation programs.

Sustainability & Environmental Services

Recurring Revenue Vs. Recurring Expenditures

	2008-09	2009-10	2009-10	2010-11	2011-12	2012-13
	Actual	Budget	Re-Est.	Projected	Projected	Projected
Recurring Revenue						
Commercial Franchise	\$6,198,973	\$6,709,797	\$6,335,142	\$6,448,493	\$6,577,463	\$6,709,013
Residential Collection	12,604,378	12,603,597	12,629,055	12,666,942	12,679,609	12,704,968
Special Refuse Collection	67,216	63,114	73,233	73,343	73,380	73,453
Recycling	103,066	150,000	348,249	398,771	398,971	399,370
Sale of Compost	998,206	1,011,287	1,011,287	1,012,804	1,013,310	1,014,324
Sale of Landscape Bags	40,806	34,913	42,314	42,377	42,399	42,441
Allied Waste, Inc.	134,017	76,477	76,477	76,477	78007	79567
Tipping Fees	600,027	704,984	704,984	706,041	706,394	707,101
Contributions via Utility Billing	11,634	11,600	11,600	11,617	11,623	11,635
Other	1,029,765	857,789	754,847	759,564	767,160	774,832
Sustainability Program Transfer	100,000	100,000	100,000	100,000	100,000	100,000
Total Recurring Revenue	\$21,888,088	\$22,323,558	\$22,087,188	\$22,296,431	\$22,448,316	\$22,616,702
Recurring Expenditures						
Salaries & Wages	\$6,046,149	\$6,141,377	\$6,235,414	\$6,383,253	\$6,521,773	\$6,620,253
Supplies & Services	6,819,302	7,342,342	7,574,929	7,375,855	7,538,091	7,652,571
NTMWD	6,883,746	7,725,574	7,725,574	8,158,206	8,500,851	8,526,353
Capital Outlay	191,759	0	0	0	0	0
Total Recurring Expenditures	\$19,940,956	\$21,209,293	\$21,535,917	\$21,917,314	\$22,560,714	\$22,799,177
Transfers Out	1,944,952	1,445,946	1,448,954	1,451,618	1,452,509	1,454,292
Fund Balance - Beginning	\$1,968,275	\$1,083,437	\$1,970,455	\$1,072,772	\$900,712	\$927,153
Total Recurring Revenue	\$21,888,088	\$22,323,558	\$22,087,188	\$22,296,431	\$22,448,316	\$22,616,702
Total Recurring Expenditures	\$19,940,956	\$21,209,293	\$21,535,917	\$21,917,314	\$22,560,714	\$22,799,177
Less: Transfers Out	\$1,944,952	\$1,445,946	\$1,448,954	\$1,451,618	\$1,452,509	\$1,454,292
Fund Balance - Ending	\$1,970,455	\$751,756	\$1,072,772	\$271	(\$664,196)	(\$709,615)
Add'l Revenues or Program Reductions to Meet 15 Days				\$900,441	\$1,591,349	\$1,646,567
Days of Operation	36	13	18	15	15	15

Sustainability & Environmental Services Fund

Forecast

The Sustainability & Environmental Services Fund, an enterprise fund, provides for the administration, operation, and maintenance of the City's environmental waste system. Commercial Franchise and Residential Collection fees finance the greatest portion of the services provided by the Environmental Waste Division. All sources of revenue that comprise the Sustainability & Environmental Services Fund are described below:

Operating Revenue Sources:

Commercial Franchise

A franchise agreement between the City and Allied Waste Systems, Inc., whereby Allied Systems has exclusive franchise for collection and disposal of solid waste for commercial customers located within the City of Plano and a non-exclusive franchise for collection of recyclable materials from commercial customers located in the City of Plano.

The City receives 5% of gross receipts collected monthly which includes: revenues for monthly service, rental on roll-off containers, delivery charges, fees for late payment and additional collections. Allied Systems also reimburses the City all costs associated with the commercial disposal of solid waste.

Residential Collection

Fee charged for once a week collection and disposal of solid waste and yard debris, bi-weekly collection of recyclables, monthly collection of bulky waste, on-call collection of household hazardous waste, collection of litter along medians, operation of composting and household hazardous waste facilities, Keep Plano Beautiful program, Commercial Diversion program, and all education/public awareness programs.

Special Refuse Collection

Fee charged for collections in addition to the regular weekly collection schedule.

Each household is granted one special refuse collection per fiscal year at no charge. After the first collection, a fee is charged for subsequent collections.

Recycling

City receives 75% of revenues from current recycling processing contractor after paying processing fees.

Sale of Compost

Proceeds from the sale of compost and compost-related products.

Sale of Landscape Bags

Proceeds from the sale of boxes of biodegradable refuse bags.

Tipping Fees

Fee charged to commercial landscapers for disposal of yard debris waste.

Other

Miscellaneous receipts include revenues such as interest income, contributions, and insurance collections.

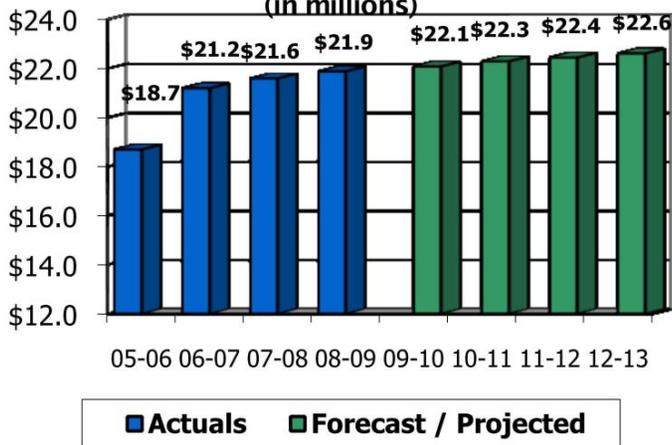
SUSTAINABILITY & ENVIRONMENTAL SERVICES FUND

The Sustainability & Environmental Services Fund, an enterprise fund, provides for administration, operation, and maintenance of the City’s environmental waste collection & disposal, recycling, collection & sales, as well as the incorporation of sustainable practices into City operations.

Operating Revenues

The City of Plano contracts for services with the North Texas Municipal Water District (NTMWD), whereby NTMWD agrees to provide a solid waste disposal system for the benefit of the City of Plano and other cities. Each participating city agrees to pay its share of an annual requirement for the operating expenses and debt service of NTMWD to be calculated in the same manner as the wastewater contract. The Sustainability & Environmental Services Fund accounts for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.

Sustainability & Environmental Revenue
(in millions)

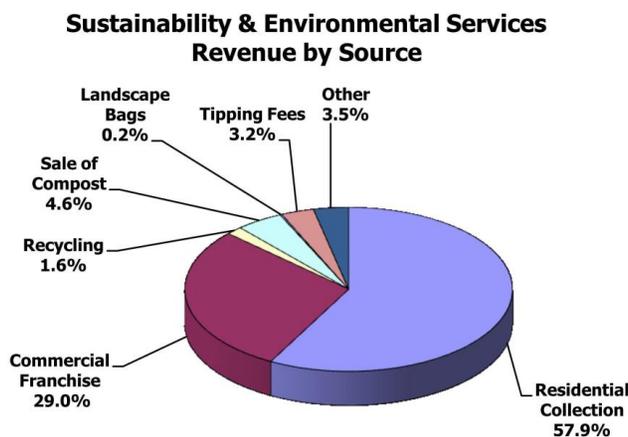


The graph above shows the historical trends and projections for Sustainability Fund revenues. During October 2008, Residential Collection rates were increased by \$1.25 per month to \$15.10 for the 95-gallon container while the annual contract amount paid to NTMWD has increased annually. Commercial rates were also increased by \$1.49 per ton, from a rate of \$34.77 per ton to \$36.26 per ton.

By 2012-13, total Sustainability Fund revenues are estimated to reach \$22.6 million. The major sources that make up the Sustainability & Environmental Services Fund revenues for 2009-10 include: Residential Collection (57.9%), Commercial Franchise (29.0%), Recycling (1.6%), Sale of Compost (4.6%), Sale of Landscape Bags (.2%), Tipping Fees (3.2%), and Other (3.5%). A description of each source as well as a discussion of the outlook over the next three years follows.

Residential Collection

Residential collection revenues represent the



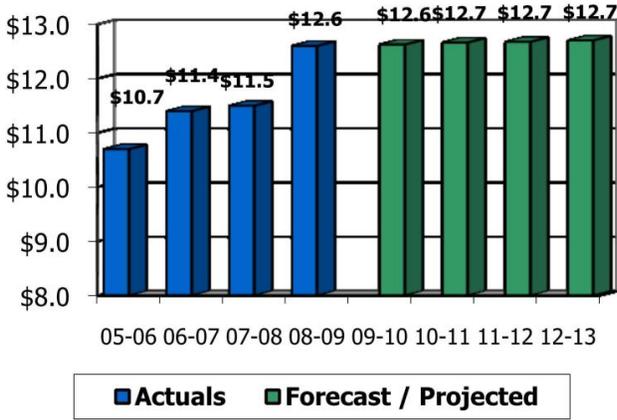
Sustainability & Environmental Services Fund’s largest revenue source. Customers who wish to use a 68-gallon refuse cart pay a monthly rate of \$11.25 and customers who choose to use the 95-gallon cart pay a monthly rate of \$15.10. The variable rates continue to allow the City to implement environmental programs that will reduce the NTMWD disposal tonnage costs and encourage waste minimization and recycling.

As of February 2010, there are approximately 70,776 single family housing units billed monthly for residential refuse collection services.

Residential collection revenue is projected to increase 0.3% in 2010-11, 0.1% in 2011-12 and 0.2% in 2012-13. The amounts indicated in the revenue

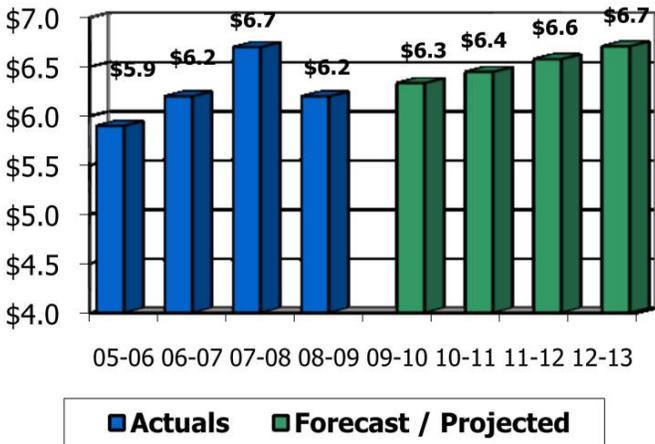
forecast assume no future changes in the rate structure and projection estimates with the two customer variable rates, based on container size.

Residential Collection
(in millions)



The graph shows the historical trends and projections for residential collection revenue. By 2012-13, this revenue source is estimated to reach \$12.7 million.

Commercial Franchise
(in millions)



Commercial Franchise

Commercial franchise revenue represents the Sustainability & Environmental Service Fund’s second largest revenue source, currently re-estimated at \$6.3 million for 2009-10. This revenue source consists of a franchise agreement between the City of Plano and Allied Waste Systems, Inc.

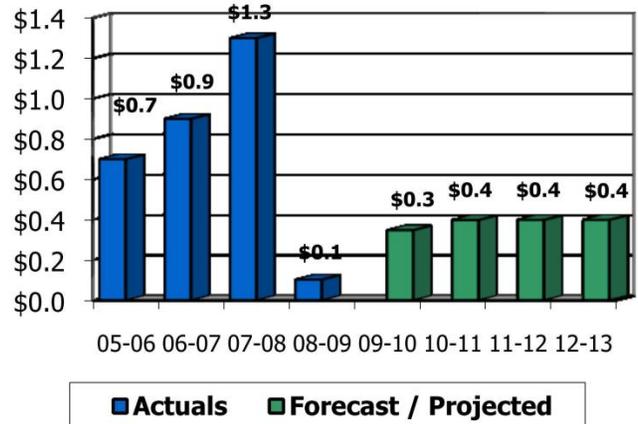
Commercial franchise revenue, based on anticipated direct economic growth, is estimated to increase 1.8% for 2010-11 and 2.0% 2011-12 and 2.0% 2012-13. The accompanying graph shows the historical trends and projections for commercial franchise revenue. By 2012-13, this revenue source is estimated to reach \$6.7 million.

Recycling

Contracted recycling revenue is tied to market values of the individual recycling commodities. As an industry, the per ton value of the recycling materials fluctuates season to season, year to year, based on current recycling materials and market demand. The City receives 75% of revenues from current recycling processing contracts after paying processing fees.

Due to the volatility of this revenue source, recycling revenues are projected to increase 14.5% in 2010-11, 0% 2011-12 and 0.1% for 2012-13, based on a higher demand forecast due to economic growth and indirect population-based changes. However these revenues were significantly reduced due to global market fluctuations in 2008-09.

Recycling
(in millions)



By 2012-13, annual recycling revenues are projected to be \$399,370, down from their high of \$1.3 million in 2007-08. The graph above shows the historical trends and projections for recycling revenue.

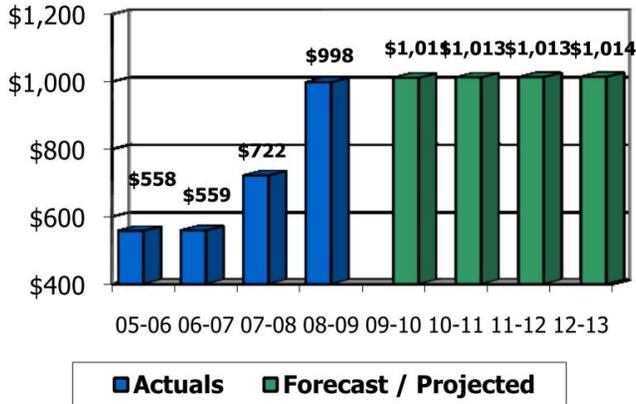
Sale of Compost

Market demands for quality compost products are increasing annually. The City retains proceeds from the sale of compost and compost-related products,

while diverting an estimated 26,836 tons of waste from the landfill, which in turn, creates an estimated 73,949 cubic yards of commercial product.

Sale of compost revenue is projected to increase .15% in 2010-11 and 0.05% in 2011-12, and .1% in 2012-13 based on indirect population-based increases.

Sale of Compost
(in thousands)

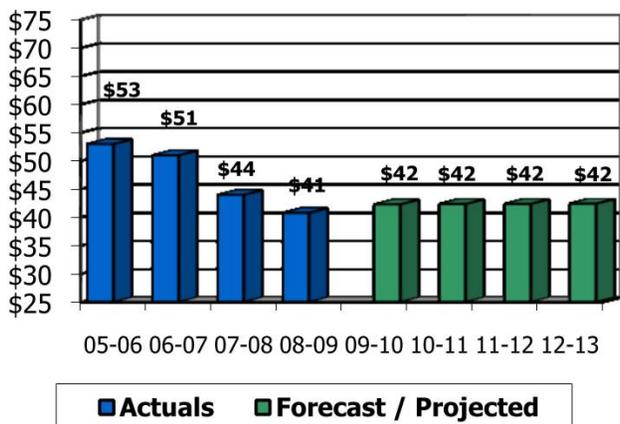


The graph above shows the historical trends and projections for sale of compost revenues. By 2012-13, this revenue source is estimated to reach \$1.0 million.

Sale of Landscape Bags

A program closely tied to composting is the sale of landscape waste collection bags.

Sale of Landscape Bags
(in thousands)



The City received \$40,806 in 2008-09 from biodegradable refuse bag sales. Collection vehicles pick these parcels up at each residential waste

collection site for use in the compost operation. Landscape bag revenues are currently re-estimated at \$42,314 in 2009-10 and increase 0.15% in 2010-11, and 0.05% in 2011-12, and .1% in 2012-13, based on indirect population-based increases.

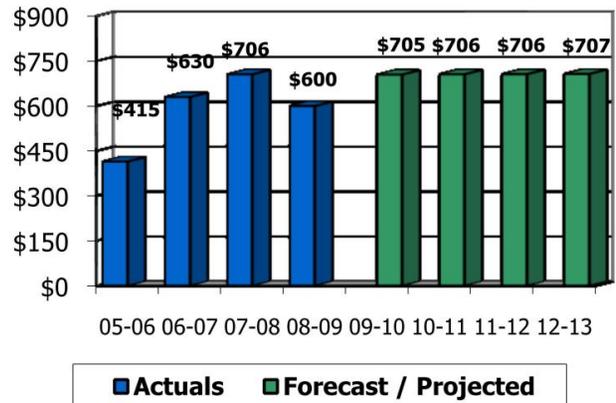
The Sale of Landscape Bags graph shows the historical trends and projections for sale of landscape bags revenues. By 2012-13, this revenue source is anticipated to reach \$42,441.

Tipping Fees

Tipping fees consist of revenue received from commercial landscapers for disposal of yard debris waste. The City began charging tipping fees during 2003-04.

Tipping fee revenue is currently projected to increase 0.15% in 2010-11, followed by a 0.05% increase in 2011-12, and an additional 0.1% increase in 2012-13.

Tipping Fees
(in thousands)



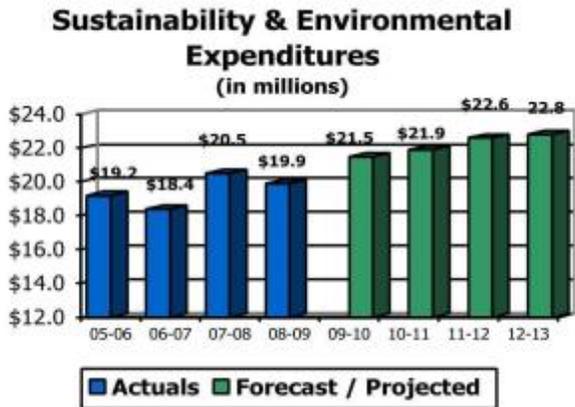
The graph above shows the historical trends and projections for tipping fee revenue. By 2012-13, this revenue source is estimated to reach \$707,101.

Other

Miscellaneous revenues for 2009-2010 are expected to total \$754,847, or 3.5% of all Sustainability & Environmental Services Fund Revenues. Miscellaneous revenues are comprised of several varied sources and include: reimbursement from the Water & Sewer Fund for personnel and operating expenses related to water conservation, \$186,119; Special Refuse Collection fees, \$63,114; Citizen and Commercial Contributions, \$29,100; and Other

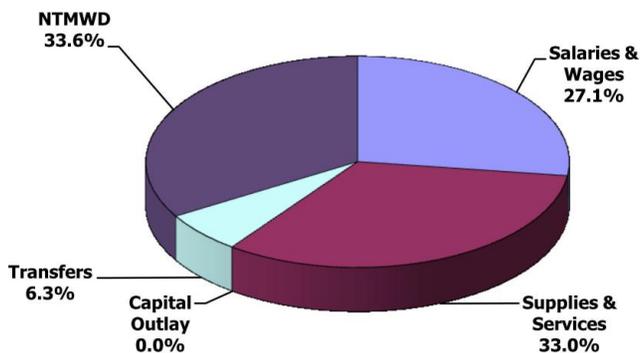
Sources, including reimbursements from other city departments, Grants, and Container Replacement fees, \$476,514. Additionally, the Sustainability & Environmental Services fund will also receive a transfer of \$100,000 from the Water & Sewer Fund for expenditures related to the Sustainability program.

Operating Expenditures



The graph above shows the historical trends and projections for the Sustainability & Environmental Services Fund. Expenditure increases can fluctuate from year-to-year mainly due to capital outlay expenditures. The major expenditures that make up the Sustainability Fund by category for 2009-10 include: Salaries & Wages (27.1%), Supplies & Services (33.0%), NTMWD (33.6%), Capital Outlay (0.0%), and Transfers (6.3%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

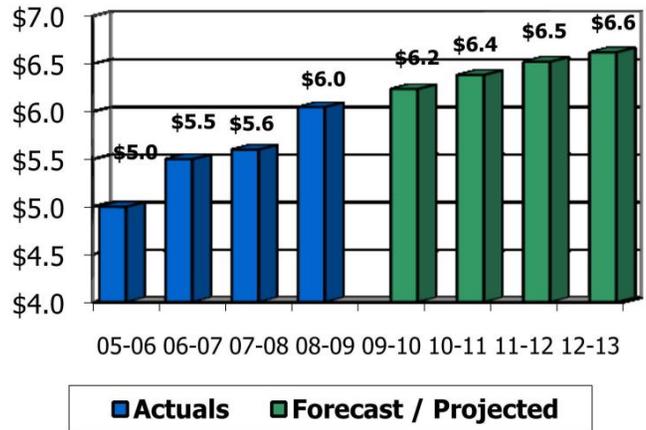
Sustainability & Environmental Services Expenditures by Category



Salaries, Wages & Employee Benefits

Salary projections assume no salary increase throughout this forecast. However, a 0.5% attrition rate is included. Benefits expenditure projections include a 5.0% health insurance cost increase for all periods of the forecast, and a 1% TMRS rate increase for each forecast period. All other benefit rate calculations remain constant. Slight increases to benefits costs such as Medicare, retirement, disability and life insurance costs are driven by inflation and annual salary changes.

Salaries, Wages & Employee Benefits (in millions)



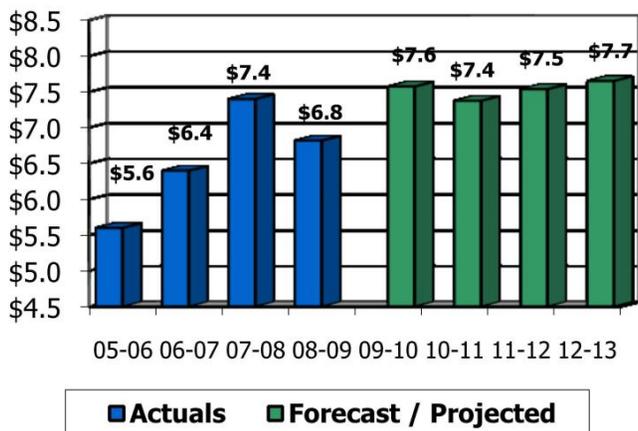
The graph above shows the historical trends and projections for Salaries, Wages & Employee Benefits. By fiscal year 2012-13, this annual operating expense is projected to be \$6.1 million.

Supplies & Services

Supplies & services costs are projected to increase 1.0% for 2010-11 and then increase by 2.0% in both 2011-12 and 2012-13. Municipal Garage charges are projected to increase 2.0% in each of the three years of the forecast.

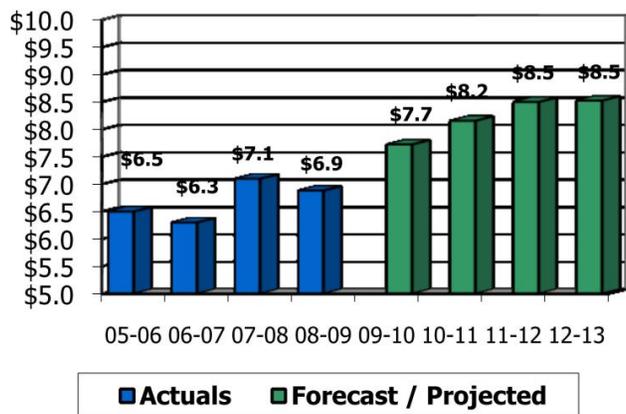
The following Supplies & Services graph shows historical trends and estimates for supplies & services. By 2012-13, operating expenditures for supplies and services are projected at \$7.7 million per year.

Supplies & Services
(in millions)



NTMWD landfill contracted expenditures are projected to increase by 5.6% in 2010-11, 4.2% for 2011-12 and an additional 0.3% in 2012-13.

NTMWD Expenditures
(in millions)



Capital Outlay

No additional funding for capital outlay has been included for the three-year forecast period.

Transfers

The transfers to the General Fund for services received are based on Residential Collection fees, Special Collection fees, and Sale of Landscape Bags revenue. The transfer is based on 7.0% of the total of these revenue sources. The transfer amount increases each year of the forecast period with projected increases in revenues.

A \$60,000 transfer to the Technology Fund is included in each year of the forecast, representative of the fund share of technology improvements and provide funding for improvements and upgrades to City information infrastructure, in accordance with the City’s Technology Plan.

An annual transfer of \$157,239 from Sustainability to the Water & Sewer Fund is also included for each year of the forecast. This amount is the annual payment on a five-year loan for the construction of the Environmental Education Building. The new facility includes classrooms to be used as a teaching center for environmental topics, incorporates sustainable design concepts, and serves as an example of a “green” building.

The Property/Liability Loss Fund transfer is representative of the Sustainability Fund’s proportionate share of anticipated expenses related to Judgments, Damages and Workers’ Compensation claims. The 2009-10 transfer is projected at \$339,593 and remains constant for the remainder of this forecast period.

Outlook & Analysis

While Plano’s collection rates remain below most every city in the Dallas/Ft. Worth area, beginning in 2011-12, revenues will not be sufficient to meet operating and fund balance requirements. Furthermore, program changes and unanticipated increases in O&M, such as the NTMWD disposal rate, or a second plunge in global demand for recyclable products will require another rate increase.



Municipal Drainage

Recurring Revenue Vs. Recurring Expenditures

	2008-09	2009-10	2009-10	2010-11	2011-12	2012-13
	Actual	Budget	Re-Est.	Projected	Projected	Projected
Recurring Revenue						
Residential Class Fees	\$2,744,139	\$2,741,668	\$2,737,562	\$2,778,625	\$2,780,015	\$2,782,795
Commercial Class Fees	2,305,567	2,265,945	2,262,551	2,296,489	2,297,638	2,299,935
Interest Income	64,605	85,000	45,000	60,000	75,000	75,000
Other	5,202	0	3,000	3,000	3,000	3,000
Total Recurring Revenue	\$5,119,513	\$5,092,613	\$5,048,113	\$5,138,115	\$5,155,652	\$5,160,730
Recurring Expenditures						
Salaries & Wages	\$1,198,813	\$1,565,735	\$1,454,336	\$1,496,498	\$1,521,028	\$1,545,669
Supplies & Services	900,290	1,206,846	1,192,968	1,206,939	1,211,128	1,187,616
Reimbursements	268,207	254,039	254,039	254,039	254,039	254,039
Capital Outlay	38,505	0	0	0	0	0
Total Recurring Expenditures	\$2,405,815	\$3,026,620	\$2,901,343	\$2,957,476	\$2,986,195	\$2,987,324
Transfer to General Fund	\$350,008	\$350,533	\$350,008	\$355,258	355,436	355,791
Transfer to Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Transfer to Revenue Debt	2,522,144	2,621,312	2,496,574	2,911,142	3,122,472	3,279,020
Transfers Out	\$2,892,152	\$2,991,845	\$2,866,582	\$3,286,400	\$3,497,907	\$3,654,811
Fund Balance - Beginning	\$4,783,774	\$2,308,190	\$4,605,320	\$2,435,508	\$1,329,747	\$1,297
Total Recurring Revenue	\$5,119,513	\$5,092,613	\$5,048,113	\$5,138,115	\$5,155,652	\$5,160,730
Total Recurring Expenditures	\$2,405,815	\$3,026,620	\$2,901,343	\$2,957,476	\$2,986,195	\$2,987,324
Less: Transfers Out	\$2,892,152	\$2,991,845	\$2,866,582	\$3,286,400	\$3,497,907	\$3,654,811
Less: Est Reserve Requirement			\$1,450,000			
Fund Balance - Ending	\$4,605,320	\$1,382,338	\$2,435,508	\$1,329,747	\$1,297	(\$1,480,108)
Days of Operation			306	164	0	-181

Municipal Drainage Fund Forecast

The Municipal Drainage Fund, an enterprise fund, provides for the administration, operation, and maintenance of the City’s storm water management program, in compliance with EPA storm water runoff and treatment requirements. The services provided by the Municipal Drainage Fund are financed primarily by Commercial and Residential fees.

Operating Revenue Sources:

Drainage Fees

Drainage fees are charged upon municipal water customers to provide funding for compliance with the U.S. Environmental Protection Agency’s enforcement of the National Pollutant Discharge Elimination System – a program for storm water runoff monitoring and management.

Operating Revenues

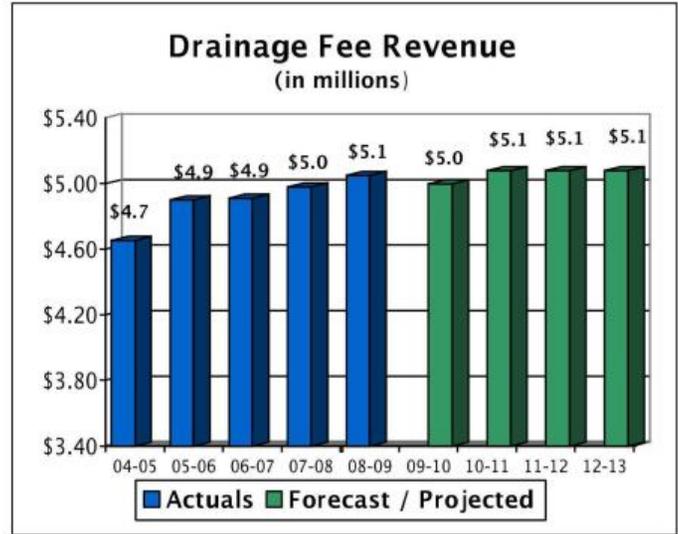
Drainage Fees

Drainage fees are the Municipal Drainage Fund’s primary revenue source. Drainage fees are divided into residential class fees and commercial class fees. The current rates have provided sufficient working capital to maintain 30 days of working capital and maintain revenue reserve requirements prescribed in the bond covenants.

The Community Investment Program has been adjusted to include additional projects through 2013-14 and the debt service needed to finance these projects. The program required the issuance of \$3.37 million in new funding debt this year, a projected \$2.69 million in debt for 2010-11 and an anticipated issuance of \$1.90 million for 2011-12 and \$1.50 million for 2012-13.

Drainage fees are projected to increase based on indirect population increases. The revenue garnered is projected to increase 0.15% for 2010-11 then by 0.05% in 2011-12 and by 0.10% in 2012-13. Drainage fees paid by customers may be expected to increase to provide sufficient working capital to maintain 30 days of working capital in the future and maintain revenue reserve requirements prescribed in the bond covenants. Based on this forecast, the rates are currently sufficient to maintain the required reserve through 2011-12, but the fund is projected to enter into a deficit position in 2012-13, so a rate study will be

conducted in 2011-12. In the mean time, the Budget Department will continue to monitor the rates in the existing Drainage Rate Model.



The graph above shows the historical trends and projections for drainage fees. In 2012-13, this revenue source is estimated at \$5.1 million.

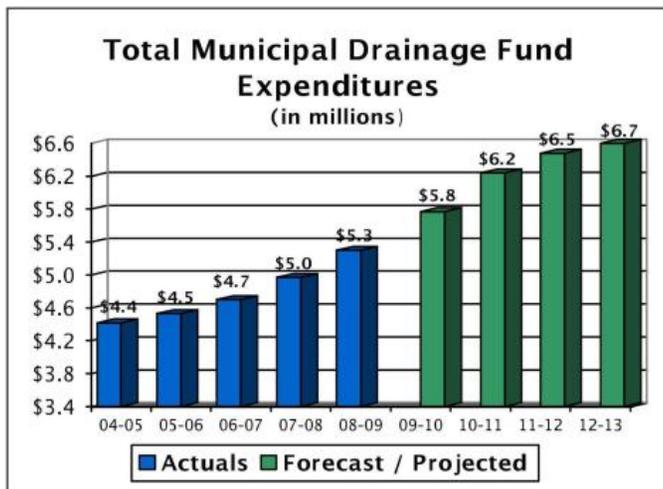
Other

Miscellaneous revenues for 2009-10 are expected to total \$48,000. Miscellaneous revenues are comprised mostly of interest income.

Interest income is projected to decrease to \$45,000 for 2009-10 due to lower than anticipated earnings. The forecast projects interest income of \$60,000 for 2010-11 and is increased to \$75,000 for 2011-12 and 2012-13 based on projected increasing interest rates.

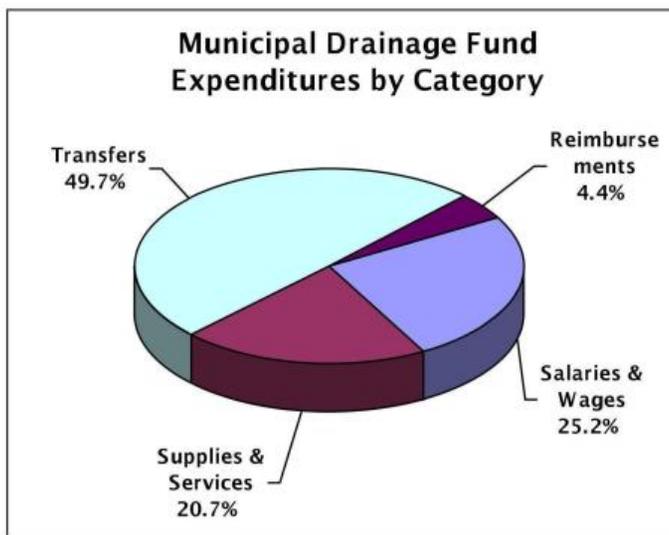
Operating Expenditures

The following graph shows the historical trends and projections for all Municipal Drainage Fund expenditures. Expenditure increases can fluctuate from year-to-year mainly due to one-time expenditures and transfers to debt service for CIP projects.



The major expenditures that make up the Municipal Drainage Fund by category for 2009-10 include: Salaries & Wages (25.2%), Supplies & Services (20.7%), Reimbursements (4.4%) and Transfers (49.7%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

Salaries, Wages and Employee Benefits



Salary projections assume no salary increase throughout the forecast period. Benefit expenditure projections include a 5.0% health insurance cost increase for all periods of the forecast, and a 1.0% TMRS rate increase for each year of the forecast. Other benefit rate calculations remain constant. Slight increases to benefits costs such as Medicare, retirement, disability and life insurance costs are driven by annual salary increase rates.

The salaries and wages are projected to increase in 2010-11 by \$112,891 or 9.0% over the 2008-09 Re-Estimate.

Supplies & Services

Supplies & services increases are based on 1.0% in 2010-11, 2.0% in 2011-12 and 2012-13, the projected rate of inflation, with the exception of municipal garage charges, which are forecast to increase 2.0% each year for 2010-13. The three-year projected increase to supplies & services is \$32,148 or a 2.69% increase over the 2009-10 Re-Estimate. This is due to the fact that the projected first interest payment for new debt issuances in placed here for budgeting purposes until the debt is issued. Otherwise, there would be a decrease to supplies and services of \$5,352 or .45% below the 2009-10 Re-Estimate. Each year, discretionary expenditures are evaluated based on individual merit during the budget process.

Capital Outlay

No new capital outlay items are projected for the Municipal Drainage Fund the forecast for 2010-11 through 2012-13.

Transfers

Transfers from the Municipal Drainage Fund total \$10.4 million for the three-year forecast period and is divided into the separate funds. The transfer to the General Fund is based on a percentage of the total Municipal Drainage revenue and totals approximately \$1.1 million for the three-year period. The Municipal Drainage Fund transfer for revenue Debt for the three forecast years totals just over \$9.3 million. The technology transfer is approximately \$20,000 per year for future hardware and software purchases and improvements. This transfer totals \$60,000 for the three-year period.

Outlook & Analysis

It is necessary for the Municipal Drainage Fund to maintain a significant fund balance due to revenue requirements. A positive fund balance is projected through 2011-12. The City issues revenue debt to support infrastructure. Due primarily to an increasing need for capital project funding for these infrastructure improvements, the fund is projecting a negative balance in 2012-13. The Budget Department will be conducting a rate study to reevaluate the Drainage Rate Model to insure the revenue is keeping pace with the debt requirements as well as the increasing

expenditures. the Budget Department will continue to monitor the rates to insure that the revenue stream is in balance with the expenditures. The city again received a Triple AAA Bond Rating from Standard and Poor's.

Convention & Tourism

Recurring Revenue Vs. Recurring Expenditures

	2008-09	2009-10	2009-10	2010-11	2011-12	2012-13
	Actual	Budget	Re-Est.	Projected	Projected	Projected
Recurring Revenue						
Hotel/Motel Receipts	\$3,951,890	\$4,494,486	\$3,873,142	\$4,066,799	\$4,148,135	\$4,231,098
Civic Center Fees	2,430,881	2,606,819	2,506,819	2,632,160	2,684,803	2,738,499
Interest Income	52,196	60,000	60,000	60,000	60,300	60,601
Other	8,249	7,000	7,000	7,000	7,070	7,141
Total Recurring Revenue	\$6,443,216	\$7,168,305	\$6,446,961	\$6,765,959	\$6,900,308	\$7,037,339
Recurring Expenditures						
Salaries & Wages	\$2,715,684	\$2,970,454	\$2,953,903	\$2,985,199	\$3,024,189	\$3,063,046
Supplies & Services	2,570,839	3,788,617	3,299,530	2,826,970	2,883,197	2,940,548
Support of the Arts	677,710	661,173	580,971	610,020	622,220	634,665
Historic Preservation	682,710	661,173	580,971	610,020	622,220	634,665
Special Events	118,655	157,190	162,203	160,334	163,540	166,811
Capital Outlay	132,318	0	0	0	0	0
Total Recurring Expenditures	\$6,897,916	\$8,238,607	\$7,577,579	\$7,192,544	\$7,315,367	\$7,439,735
Transfers Out	1,207,288	378,415	342,348	358,298	365,015	371,867
Fund Balance - Beginning	\$4,056,600	\$2,121,270	\$2,394,612	\$921,646	\$591,168	\$601,263
Total Recurring Revenue	\$6,443,216	\$7,168,305	\$6,446,961	\$6,765,959	\$6,900,308	\$7,037,339
Total Recurring Expenditures	\$6,897,916	\$8,238,607	\$7,577,579	\$7,192,544	\$7,315,367	\$7,439,735
Less: Transfers Out	\$1,207,288	\$378,415	\$342,348	\$358,298	\$365,015	\$371,867
Fund Balance - Ending	\$2,394,612	\$672,552	\$921,646	\$136,764	(\$188,906)	(\$173,000)
Required 30 Day Balance				\$591,168	\$601,263	\$611,485
Add'l Revenues or Program Reductions to Meet 30 Days				\$454,404	\$790,169	\$784,485
Days of Operation			44	30	30	30

Convention & Tourism Fund Forecast

The Convention & Tourism Fund, an enterprise fund, accounts for the administration, operation, and maintenance of the Plano Centre and the Convention & Visitors Bureau. The fund is supported by the Hotel/Motel Occupancy Tax, which is restricted by State law to tourism promotion, capital construction, the operation of recreation facilities, and the funding of cultural activities.

Operating Revenue Sources:

Hotel/Motel Tax Receipts

Hotel/Motel taxes are levied upon the cost of occupancy of any sleeping room furnished by a hotel or motel in the city. The current rate is 7.0% of taxable receipts.

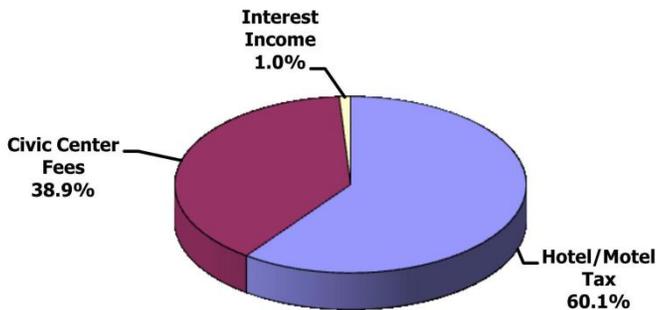
Civic Center Fees

Plano Centre administers various service charges and fees for the following items: room rentals, concessions, catering, equipment rentals, and miscellaneous.

Operating Revenues

The major sources that make up the Convention & Tourism Fund revenues for 2009-10 include: Hotel/Motel Tax Receipts (60.1%), Civic Center Fees (38.9%), and Interest Income (1.0%). A description of each source as well as a discussion of the outlook over the next three years follows.

Convention & Tourism Fund Revenue by Source



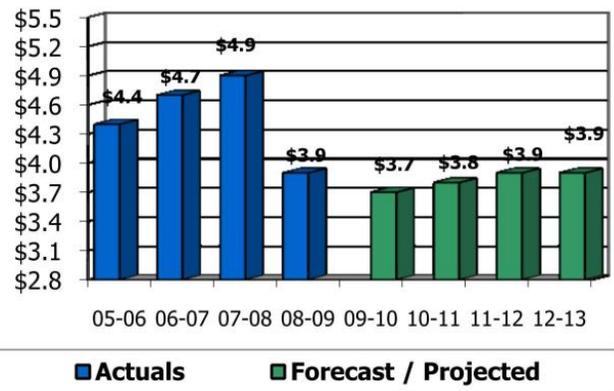
Hotel/Motel Tax Receipts

Hotel/Motel tax receipts are the Convention & Tourism Fund's largest revenue source. The region as a whole experienced an upswing in the travel-related industry over the last several years, which has led to increases in Hotel/Motel tax receipts. However, increased hotel competition from surrounding communities as well as the economic downturn has had a severe impact on

Plano's hotel business that will serve to limit this revenue stream to modest growth over the next three years.

Hotel/Motel receipts are estimated to decrease from \$4.5 million to \$3.9 million for the 2009-10 Re-Estimate. Thus far in 2009-10, local hotel occupancies have been running lower than anticipated by approximately 12%. Hotel/Motel receipts are anticipated to increase 5.0% as the economy recovers in 2010-11; 2.0% increase in 2011-12 and 2.0% increase in 2012-13.

Hotel/Motel Tax Revenue (in millions)



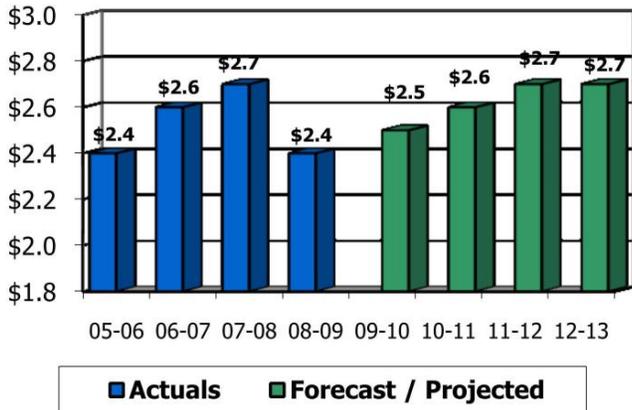
The graph above shows the historical trends and projections for Hotel/Motel tax receipts. By 2011-12, this revenue source is estimated to reach \$4.2 million.

Civic Center Fees

Civic Center fees have rebounded from the negative impacts generated by increased competition from surrounding communities. However, the economic downturn has impacted civic center fees this year and included is a reduction of \$100K for 2009-10 based on actual revenues received. Civic Center fees are projected to increase 1.0% over the Re-Estimated

Budget for the next year, and then 2.0% in 2010-11 and 2.0% in 2011-12, all based on direct economic growth.

Civic Center Fee Revenue
(in millions)



The graph above shows the historical trends and projections for Civic Center fees. By 2012-13, this revenue source is estimated to reach \$2.7 million.

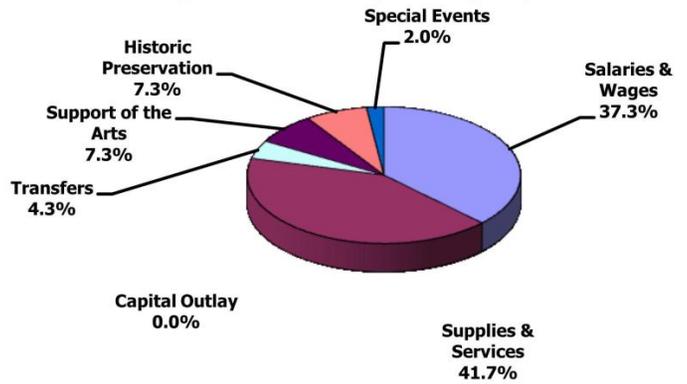
Other

Miscellaneous revenues for 2009-10 are expected to total \$67,000. Miscellaneous revenues are comprised mostly of interest income, which is projected to remain stable at close to \$60,000 and \$7,000 from all other miscellaneous revenues over the three-year forecast period.

Operating Expenditures

The major expenditures that make up the Convention & Tourism Fund by category for 2009-10 include: Salaries & Wages (37.3%), Supplies & Services (41.7%), Support of the Arts (7.3%), Historic Preservation (7.3%), Special Events (2.0%), and Transfers (4.3%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

Convention & Tourism Fund Expenditures by Category



Salaries, Wages and Employee Benefits

Salary projections assume no salary increase throughout the forecast period. In addition, no new positions are budgeted for any of the three years. Benefits expenditure projections include a 5.0% health insurance cost increase for all periods of the forecast, and a 1.0% TMRS rate increase. Other benefit rate calculations remain constant. Slight increases to benefits costs such as Medicare, retirement, disability and life insurance costs are driven by annual salary increase rates.

Supplies & Services

Supplies & services costs are projected to increase 1.0% in 2010-11; 2.0% in 2011-12; and 2.0% in 2012-13. Municipal garage and electricity charges are projected to increase 2.0% in all three years of this forecast.

In addition, the budget for supplies & services at the Plano Centre has been significantly decreased in 2009-10 in response to declining hotel/motel tax revenues. Consequently the reestimated budget for major replacements or upgrades to large pieces of equipment has been reduced from \$1.0 million to \$500K. Anticipated purchases for 2009-10 include: contract security services, landscape improvements, the installation of a new fountain, implementation of architectural improvements, video screen replacements and the purchase of grounds keeper equipment. Funding for major replacements or upgrades is not projected in the three year forecast.

Support of the Arts
Historic Preservation
Special Events

Hotel/Motel tax is utilized for the promotion of local arts and historic preservation. The amount allocated to each of these areas is based on Hotel/Motel tax receipts. Due to the decline in the economy as well as receipt collections, this allocation is projected to decline from the original \$661,173 to \$580,971 in 2009-10. Special Events is projected at \$162,203 for 2009-10 and is projected to be \$160,334 in 2010-11; \$163,540 in 2011-12; and \$166,811 in 2012-13. These amounts include funding for the Plano Balloon Festival.

Capital Outlay

No new capital outlay is projected for the forecast period. All discretionary expenditure items will be examined on their individual merit during the budget development process in each year.

Transfers

The transfer to the General Fund is based on 5.0% of total revenues and the amount projected for 2009-10 equals \$322,348.

A transfer to the Technology Fund in the amount of \$20,000 in 2009-10 is representative of the Convention & Tourism Fund's proportionate share of technology related expenditures. This amount is projected to remain constant for the remainder of the forecast.

All outstanding debt on the Plano Centre was paid off in 2008-09; consequently, no transfers to the General Obligation Debt Service Fund are scheduled in 2009-10 or the three years forecast.

Outlook & Analysis

Based on projections in this forecast, the Convention & Tourism Fund does not produce enough working capital to meet the goal of 30 days of operating expenses as established by City Council throughout the forecast period. Revenues generated from Hotel/Motel Tax, and Civic Center concessions, room rental, catering, etc. are not forecasted to keep pace with expenditures in this fund, necessitating reevaluation of all activities in the near future.

Recreation Revolving

Recurring Revenue Vs. Recurring Expenditures

	2008-09	2009-10	2009-10	2010-11	2011-12	2012-13
	Actual	Budget	Re-Est.	Projected	Projected	Projected
Recurring Revenue						
Recreation Fees	\$3,279,909	\$3,039,167	\$3,350,906	\$3,355,932	\$3,357,610	\$3,360,968
Contributions	24,726	15,600	18,700	18,728	18,737	18,756
Interest Income	19,291	14,000	20,000	20,000	20,100	20,200
Other	21,119	28,056	35,000	35,052	35,070	35,105
Total Recurring Revenue	\$3,345,045	\$3,096,823	\$3,424,606	\$3,429,713	\$3,431,518	\$3,435,030
Recurring Expenditures						
Salaries & Wages	\$1,359,129	\$1,351,047	\$1,317,318	\$1,340,905	\$1,353,388	\$1,359,206
Supplies & Services	1,831,503	1,763,659	1,842,191	1,781,404	1,817,028	1,853,363
Capital Outlay	0	0	0	0	0	0
Total Recurring Expenditures	\$3,190,632	\$3,114,706	\$3,159,509	\$3,122,310	\$3,170,416	\$3,212,569
Transfers Out	155,524	154,841	171,230	171,486	171,576	171,751
Fund Balance - Beginning	\$530,291	\$378,035	\$529,180	\$623,047	\$758,964	\$848,491
Total Recurring Revenue	\$3,345,045	\$3,096,823	\$3,424,606	\$3,429,713	\$3,431,518	\$3,435,030
Total Recurring Expenditures	\$3,190,632	\$3,114,706	\$3,159,509	\$3,122,310	\$3,170,416	\$3,212,569
Less: Transfers Out	\$155,524	\$154,841	\$171,230	\$171,486	\$171,576	\$171,751
Fund Balance - Ending	\$529,180	\$205,311	\$623,047	\$758,964	\$848,491	\$899,200
Days of Operation			72	89	98	102

Recreation Revolving Fund Forecast

The Recreation Revolving Fund, an enterprise fund, accounts for the recreational programs and activities that are offered to groups and individuals on a fee basis.

Operating Revenue Sources:

Recreation Fees

Recreation fees are charged for participation in Parks & Recreation classes, sessions and events. These fees are used to cover the cost of instruction, materials and supplies. Also included are user fees for the use of the City's public facilities to aid in recovery of the cost of facility maintenance and upkeep.

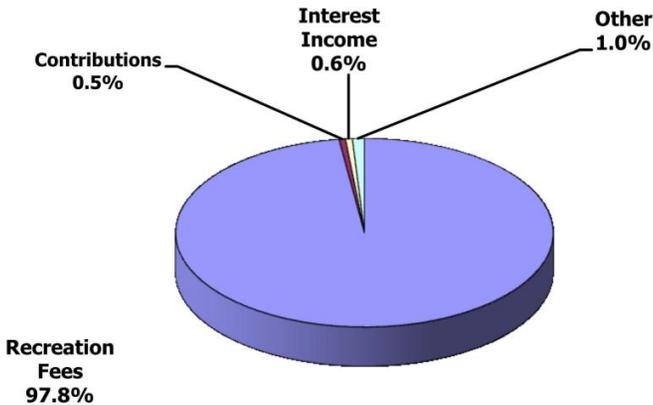
Contributions

The City of Plano accepts monetary contributions from businesses, organizations, institutions and individuals which are usually earmarked for certain programs.

Operating Revenues

The major sources that make up the Recreation Revolving Fund re-estimated revenues for 2009-10 include: Recreation Fees (97.8%), Contributions (0.5%), Interest Income (0.6%), and Other (1.0%). A description of each source as well as a discussion of the outlook over the next three years follows.

Recreation Revolving Fund Revenue by Source



Recreation Fees

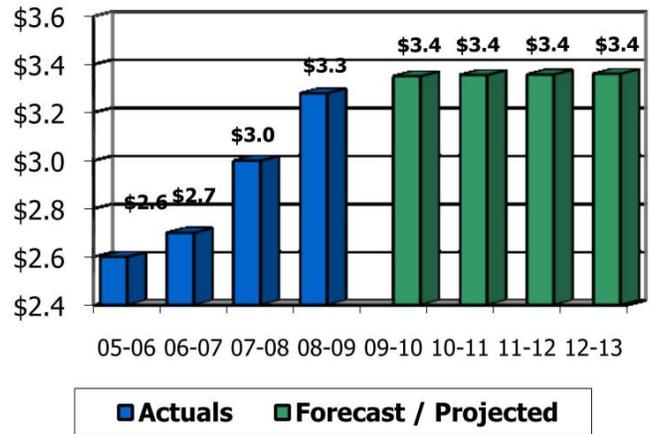
Recreation fees are the Recreation Revolving Fund's primary revenue source. Program fees are constantly reviewed in order to adequately cover expenditures and allow for continued program growth in future

years. Thus, program expenditures are directly correlated to the fees charged for courses and programs.

The 2009-10 recreation fees are forecasted to increase by \$312K over the original budget based on additional revenues due to increased program participation.

Recreation course, class, and facility demands are influenced by population growth and the increases in revenues reflect the current popularity of the programs available through the recreation centers.

Recreation Fee Revenue (in millions)



The graph above shows the historical trends and projections for recreation fees. By 2012-13, this revenue source is now predicted to reach \$3.4 million, a 2.5% increase over 2008-09 actual revenues.

Contributions

The Recreation Revolving Fund enjoys a dependable flow of contribution revenue. Contribution revenue is projected to remain fairly constant, at about \$18,700 per year over the three-year period.

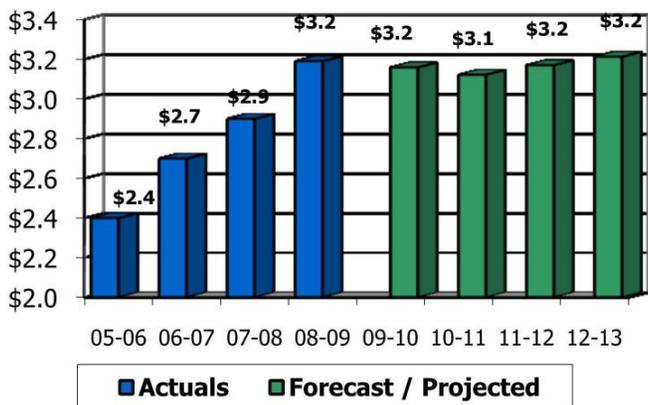
Other

Miscellaneous revenues for 2009-10 are re-estimated at \$55,000. Interest income comprises \$20,000 of that amount and is projected to remain constant over the three-year forecast period.

Operating Expenditures

Recreation program expenditures are directly correlated to the fees charged for courses and programs. The following graph shows the historical trends and projections for all Recreation Revolving Fund expenditures. Expenditure increases can fluctuate from year-to-year mainly due to one-time expenditures.

Total Recreation Revolving Fund Expenditures (in millions)



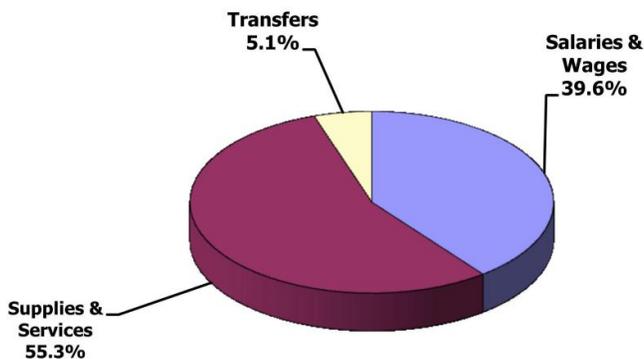
The major expenditures that make up the Recreation Revolving Fund by category for 2009-10 include: Salaries & Wages (39.6%), Supplies & Services (55.3%), and Transfers (5.1%). A description of each expenditure category as well as a discussion of the outlook over the next three years follows.

Salaries, Wages and Employee Benefits

Total Salary & Wage expenses for the three-year forecast period are projected to increase \$77 over actual 2008-09 costs. Salary projections assume no salary increase throughout the forecast period. In addition, no new positions are budgeted for any of the three years. Also included in the forecast is a 5.0% increase in health insurance for each additional year over the three-year period, and a 1.0% TMRS rate increase for each year of the forecast. Other benefit rate calculations remain constant. Slight increases to

benefits costs such as Medicare, retirement, disability and life insurance costs are driven by annual salary increase rates.

Recreation Revolving Fund Expenditures by Category



Supplies & Services

Supplies & services costs are projected to increase only slightly in future years, while Municipal garage charges are projected to increase 2.0% in each of the three years forecast.

Capital Outlay

No new capital outlay is projected for the forecast period. All discretionary expenditure items will be examined on their individual merit during the budget development process in each year.

Transfers

The transfer to the General Fund is based on 5.0% of total revenues each year of the forecast period. The amount projected for 2009-10 is \$171,230. This transfer reimburses the General Fund for expenses incurred in the administration of the Recreation Revolving Fund and programs.

Outlook & Analysis

Based on projections, the Recreation Revolving Fund is forecast to maintain a positive fund balance through fiscal year 2012-13.



Combined Budget Summary

	Actuals 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
BEGINNING BALANCES					
Operating Funds:					
General Fund	\$44,741,546	\$25,874,676	\$42,744,130	\$26,749,468	3.4%
Water & Sewer Fund	12,430,047	8,224,030	10,555,173	7,476,049	-9.1%
Sustainability & Environ. Services Fund	1,968,275	1,083,437	1,970,455	1,072,772	-1.0%
Convention & Tourism Fund	4,056,600	2,121,269	2,394,612	921,646	-56.6%
Municipal Drainage Utility Fund	4,783,774	2,308,190	4,605,320	2,435,508	5.5%
Recreation Revolving Fund	530,291	378,035	529,180	623,047	64.8%
Municipal Golf Course Fund	59,483	13,458	55,799	0	-100.0%
Property Management Fund	432,081	432,555	450,179	469,245	8.5%
Community Access TV Fund	338,475	115,863	254,378	247,152	113.3%
TOTAL OPERATING FUNDS	\$69,340,572	\$40,551,513	\$63,559,226	\$39,994,887	-1.4%
Debt Service Funds:					
General Obligation	\$5,491,973	\$3,084,063	\$3,250,126	\$1,451,153	-52.9%
Water & Sewer Revenue	207,060	322,766	328,791	426,741	32.2%
TOTAL DEBT SERVICE FUNDS	\$5,699,033	\$3,406,829	\$3,578,917	\$1,877,894	-44.9%
TOTAL BEGINNING BALANCES	\$75,039,605	\$43,958,341	\$67,138,143	\$41,872,781	-4.7%
REVENUES & TRANSFERS IN					
Operating Funds:					
General Fund	\$211,245,479	\$209,742,302	\$204,265,735	\$197,540,021	-5.8%
Water & Sewer Fund	107,738,805	117,307,178	113,019,605	118,799,208	1.3%
Sustainability & Environ. Services Fund	21,888,088	22,323,558	22,087,188	22,296,431	-0.1%
Convention & Tourism Fund	6,443,216	7,168,305	6,446,961	6,765,959	-5.6%
Municipal Drainage Utility Fund	5,119,513	5,092,613	5,048,113	5,138,115	0.9%
HUD Grant Fund	1,582,264	1,890,971	1,890,971	1,890,971	0.0%
Recreation Revolving Fund	3,345,045	3,096,823	3,424,606	3,429,713	10.7%
Municipal Golf Course Fund	793,461	877,000	761,526	0	-100.0%
Property Management Fund	49,357	44,431	39,431	5,000	-88.7%
Community Access TV Fund	811,276	827,272	824,772	560,855	-32.2%
TOTAL OPERATING FUNDS	\$359,016,504	\$368,370,453	\$357,808,908	\$356,426,273	-3.2%
Debt Service Funds:					
General Obligation	\$38,493,931	\$40,756,202	\$40,606,202	\$42,884,837	5.2%
Water & Sewer Revenue	2,216,025	2,210,000	2,210,000	1,235,000	-44.1%
TOTAL DEBT SERVICE FUNDS	\$40,709,956	\$42,966,202	\$42,816,202	\$44,119,837	2.7%
TOTAL REVENUE & TRANSFERS IN	\$399,726,460	\$411,336,654	\$400,625,109	\$400,546,109	-2.6%
Less: Interfund Transfers	21,931,488	22,071,302	21,312,197	20,775,263	-5.9%
NET BUDGET REVENUE	\$377,794,972	\$389,265,352	\$379,312,912	\$379,770,846	-2.4%
TOTAL AVAILABLE FUNDS	\$452,834,577	\$433,223,693	\$446,451,055	\$421,643,627	-2.7%
APPROPRIATIONS & TRANSFERS OUT					
Operations:					
General Fund	\$213,242,895	\$219,018,795	\$220,260,397	\$223,015,880	1.8%
Water & Sewer Fund	109,613,679	116,482,742	116,098,729	115,316,028	-1.0%
Sustainability & Environ. Services Fund	21,885,908	22,655,239	22,984,871	23,368,932	3.2%
Convention & Tourism Fund	8,105,204	8,617,022	7,919,927	7,550,841	-12.4%
Municipal Drainage Utility Fund	5,297,967	6,018,465	5,767,925	6,243,876	3.7%
HUD Grant Fund	1,582,264	1,890,971	1,890,971	1,890,971	0.0%
Recreation Revolving Fund	3,346,156	3,269,547	3,330,739	3,293,795	0.7%
Municipal Golf Course Fund	797,145	840,349	817,324	0	-100.0%

	Actuals 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
Property Management Fund	31,259	7,857	20,365	7,936	1.0%
Community Access TV Fund	895,373	869,337	831,998	804,291	-7.5%
TOTAL OPERATIONS	\$364,797,850	\$379,670,324	\$379,923,246	\$381,492,550	0.5%
Debt Service Funds:					
General Obligation	\$40,735,778	\$42,558,520	\$42,405,175	\$43,279,029	1.7%
Water & Sewer Revenue	2,094,294	2,112,050	2,112,050	1,335,050	-58.2%
TOTAL DEBT SERVICE FUNDS	\$42,830,072	\$44,670,570	\$44,517,225	\$44,614,079	-0.1%
TOTAL APPROPRIATIONS & TRANSFERS OUT	\$407,627,922	\$424,340,894	\$424,440,471	\$426,106,629	0.4%
Less: Interfund Transfers	21,931,488	22,071,302	21,312,197	20,775,263	-5.9%
NET BUDGET APPROPRIATIONS	\$385,696,434	\$402,269,592	\$403,128,274	\$405,331,366	0.8%
ENDING BALANCES					
Operating Funds:					
General Fund	\$42,744,130	\$16,598,183	\$26,749,468	\$1,273,610	-92.3%
Water & Sewer Fund	10,555,173	9,048,466	7,476,049	10,959,229	21.1%
Sustainability & Environ. Services Fund	1,970,455	751,756	1,072,772	271	-100.0%
Convention & Tourism Fund	2,394,612	672,552	921,646	136,765	-79.7%
Municipal Drainage Utility Fund	4,605,320	1,382,338	3,885,508	1,329,747	-3.8%
Recreation Revolving Fund	529,180	205,311	623,047	758,964	269.7%
Municipal Golf Course Fund	55,799	50,109	0	0	-100.0%
Property Management Fund	450,179	469,129	469,245	466,309	-0.6%
Community Access TV Fund	254,378	73,798	247,152	3,716	-95.0%
TOTAL OPERATING FUNDS	\$63,559,226	\$29,251,641	\$41,444,887	\$14,928,610	-49.0%
Debt Service Funds:					
General Obligation	\$3,250,126	\$1,281,744	\$1,451,153	\$1,056,960	-17.5%
Water & Sewer Revenue	328,791	420,716	426,741	326,691	-22.3%
TOTAL DEBT SERVICE FUNDS	\$3,578,917	\$1,702,460	\$1,877,894	\$1,383,651	-18.7%
TOTAL ENDING BALANCES	\$67,138,143	\$30,954,101	\$43,322,781	\$16,312,261	-47.3%
TOTAL APPROPRIATIONS & ENDING BALANCES	\$452,834,577	\$433,223,693	\$446,451,055	\$421,643,627	-2.7%

General Fund

General Fund

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
UNAPPROPRIATED FUND BALANCE	\$44,741,546	\$25,874,676	\$38,688,828	\$26,749,468	3.4%
Encumbrance Adjustment			4,055,302		
Revenues					
Taxes	\$140,116,915	\$141,395,242	\$137,091,110	\$129,381,136	-8.5%
Franchise Fees	23,586,444	22,197,743	21,375,083	21,697,352	-2.3%
Fines & Forfeits	8,317,559	8,297,385	8,447,530	8,460,201	2.0%
Miscellaneous Revenue	2,041,433	2,309,189	2,248,006	2,460,987	6.6%
Licenses & Permits	4,786,294	4,127,062	4,448,355	4,174,468	1.1%
Charges for Services	10,967,657	11,212,405	11,200,971	11,338,358	1.1%
Intergovernmental Revenue	2,915,578	716,747	727,255	727,255	1.5%
Subtotal Revenues	\$192,731,880	\$190,255,773	\$185,538,310	\$178,239,758	-6.3%
Intragovernmental Transfers	18,513,599	19,486,530	18,727,425	19,300,263	-1.0%
TOTAL REVENUES & TRANSFERS	\$211,245,479	\$209,742,303	\$204,265,735	\$197,540,021	-5.8%
TOTAL RESOURCES	\$255,987,025	\$235,616,979	\$247,009,865	\$224,289,489	-4.8%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$146,725,442	\$150,829,615	\$149,962,669	\$153,408,457	1.7%
Materials & Supplies	5,853,895	6,698,318	7,080,543	6,265,301	-6.5%
Contractual	38,669,581	41,008,161	40,964,712	40,913,153	-0.2%
Community Services Agencies	524,600	529,200	529,200	530,694	0.3%
Sundry	872,890	1,019,279	892,680	761,592	-25.3%
CIP Coming On-Line	0	0	0	2,130,808	
Reimbursements	-1,617,865	-2,420,751	-2,420,751	-2,420,751	0.0%
Subtotal	\$191,028,543	\$197,663,822	\$197,009,053	\$201,589,253	2.0%
Capital Outlay	1,636,365	1,010,000	2,602,813	1,000,000	-1.0%
TOTAL OPERATIONS	\$192,664,908	\$198,673,822	\$199,611,866	\$202,589,253	2.0%
Capital Reserve	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	0.0%
Property & Liability Loss Fund	2,800,000	2,800,000	3,109,227	3,200,000	14.3%
Technology Fund	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
CATV Fund	133,769	134,772	134,772	0	-100.0%
Economic Development	933,965	895,770	890,101	895,770	0.0%
Economic Development Incentive Fund	5,210,253	5,014,431	5,014,431	4,830,856	-3.7%
TOTAL TRANSFERS	\$20,577,987	\$20,344,973	\$20,648,531	\$20,426,626	0.4%
TOTAL APPROPRIATIONS	\$213,242,895	\$219,018,795	\$220,260,397	\$223,015,880	1.8%
UNAPPROPRIATED FUND BALANCE	\$42,744,130	\$16,598,184	\$26,749,468	\$1,273,610	-92.3%
Days of Operation				2	

General Fund Revenue By Source

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
SOURCE OF INCOME					
Taxes					
Ad Valorem Taxes:					
Current	\$81,759,849	\$81,179,765	\$81,179,765	\$73,564,768	-9.4%
Delinquent	327,376	837,657	837,657	773,210	-7.7%
Penalty & Interest	428,743	418,829	418,829	386,605	-7.7%
Sales Tax	56,487,233	57,821,890	53,501,468	53,501,468	-7.5%
Mixed Drink Tax	997,051	1,015,634	1,031,924	1,033,472	1.8%
Bingo Gross Receipts Tax	93,058	97,862	97,862	98,009	0.2%
Excess Proceeds on Taxes	23,605	23,605	23,605	23,605	0.0%
TOTAL TAXES	\$140,116,915	\$141,395,242	\$137,091,110	\$129,381,136	-8.5%
Franchise Fees					
Electrical Franchise	\$12,107,976	\$11,161,005	\$11,607,976	\$11,724,056	5.0%
Telephone Franchise	4,808,665	4,482,552	4,396,879	4,396,879	-1.9%
Fiber Optics Franchise	18,021	18,021	18,021	18,021	0.0%
Gas Franchise	3,812,138	3,840,729	2,656,771	2,842,745	-26.0%
Cable TV Franchise	2,839,644	2,695,436	2,695,436	2,715,652	0.8%
TOTAL FRANCHISE FEES	\$23,586,444	\$22,197,743	\$21,375,083	\$21,697,352	-2.3%
Fines & Forfeits					
Municipal Court	\$7,944,765	\$7,907,129	\$8,096,442	\$8,108,587	2.5%
Library Fines	372,794	390,256	351,088	351,615	-9.9%
TOTAL FINES & FORFEITS	\$8,317,559	\$8,297,385	\$8,447,530	\$8,460,201	2.0%
Miscellaneous Revenue					
Interest Earnings	\$1,270,999	\$1,300,000	\$1,400,000	\$1,600,000	23.1%
Sale/Rental of Property	150,450	125,193	162,666	162,666	29.9%
Insurance Collections	318,675	336,068	324,520	337,501	0.4%
Sundry	301,309	547,928	360,820	360,820	-34.1%
TOTAL MISCELLANEOUS REVENUE	\$2,041,433	\$2,309,189	\$2,248,006	\$2,460,987	6.6%
Licenses and Permits					
Electricians Licenses	\$39,106	\$22,212	\$22,212	\$18,880	-15.0%
Food Handlers Permits	514,545	491,646	533,616	534,416	8.7%
Land / Burning / Liquid Waste	22,605	20,372	24,970	25,007	22.8%
Grease Trap Permits	39,700	36,560	36,560	36,615	0.2%
Rental Registration Fees	258,680	267,880	267,880	268,282	0.2%
Animal Licenses	85,886	106,404	92,593	92,593	-13.0%
Restaurant Plan Review	29,100	33,345	32,400	32,449	-2.7%
Alarm Permits	1,384,965	1,313,256	1,381,790	1,395,608	6.3%
Filing Fees	107,992	81,440	92,280	78,438	-3.7%
Fire Protection Plan Review	176,066	182,714	170,206	144,675	-20.8%
Building Permits	1,344,323	967,826	1,102,345	936,993	-3.2%
Electrical Permits	67,071	49,402	60,386	51,328	3.9%
Plumbing Permits	166,193	121,188	151,987	129,189	6.6%
Heating & A/C Permits	80,831	60,072	61,409	52,198	-13.1%
Fence Permits	43,238	35,996	38,996	33,147	-7.9%
Swimming Pool Permits	22,898	20,057	21,835	18,560	-7.5%
Pool Inspection	59,025	56,485	56,485	56,570	0.2%
Irrigation Permits	43,149	29,167	29,167	24,792	-15.0%
Day Laborer Fees	16,090	15,520	15,520	15,520	0.0%
Sign Permits	138,595	107,218	107,218	91,135	-15.0%
Reoccupancy Permits	81,928	58,302	69,514	59,087	1.3%
Misc. Licenses & Permits	64,308	50,000	78,987	78,987	58.0%
TOTAL LICENSES & PERMITS	\$4,786,294	\$4,127,062	\$4,448,355	\$4,174,468	1.1%

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
Fees & Service Charges					
Animal Pound & Adoption Fee	\$202,523	\$249,383	\$231,705	\$231,705	-7.1%
Ambulance Service	3,734,939	3,663,114	3,668,542	3,674,045	0.3%
False Alarm Response	384,789	405,674	364,767	365,314	-9.9%
Emergency 911	1,027,902	1,113,918	1,113,918	1,115,589	0.2%
Interlocal Plan Review	66,751	82,459	39,685	39,745	-51.8%
Contractor Registration Fee	190,983	149,912	176,798	150,278	0.2%
Engineering Inspection Fee	121,596	200,000	120,229	120,229	-39.9%
Residential Building Plan Review	31,463	24,345	24,345	20,693	-15.0%
Reinspection Fee	57,285	50,876	48,885	41,552	-18.3%
File Searches	37,325	37,044	38,207	38,264	3.3%
Same Day Inspection Fee	53,595	42,863	42,155	35,832	-16.4%
Convenience Copiers	15,098	14,986	14,986	15,008	0.2%
Recreation User Fee	547,520	562,500	624,341	624,341	11.0%
Recreation Rental Fee	119,294	92,180	119,294	119,294	29.4%
Swimming Fees	660,931	520,827	600,827	601,728	15.5%
Recreation Membership Card Fee	2,282,752	2,550,276	2,416,659	2,550,276	0.0%
Tennis Center Fee	228,346	197,947	228,346	228,689	15.5%
Food Manager/Handler Training	73,883	65,356	67,719	67,821	3.8%
Ticket Services/Sales	72,192	78,907	78,907	79,025	0.2%
Tree Trimming Assessments	130,391	117,148	130,391	130,587	11.5%
Child Safety Fees	103,147	102,143	102,143	102,296	0.2%
Sundry	824,952	890,547	948,122	986,047	10.7%
TOTAL FEES & SVC CHARGES	\$10,967,657	\$11,212,405	\$11,200,971	\$11,338,358	1.1%
Intergovernmental Revenue					
Payments from Fisd:					
School Crossing Guards	\$24,465	\$0	\$0	\$0	#DIV/0!
School Liaisons	53,986	103,298	103,298	103,298	0.0%
Payments from Pisd:					
School Liaisons	226,241	139,590	139,590	139,590	0.0%
Collin County Library Grant	78,250	81,427	79,675	79,675	-2.2%
Denton County Library Grant	11,200	11,200	10,300	10,300	-8.0%
Plano-Richardson Trng. Ctr. / Misc.	326,397	300,000	313,160	313,160	4.4%
Interlocal Radio System Access	81,232	81,232	81,232	81,232	0.0%
TIF II Payback	2,113,807	0	0	0	0.0%
TOTAL INTERGOVT'L REVENUE	\$2,915,578	\$716,747	\$727,255	\$727,255	1.5%
TOTAL REVENUE	\$192,731,880	\$190,255,773	\$185,538,310	\$178,239,758	-6.3%
Intragovernmental Transfers					
Intra-Fund Transfers From:					
Water & Sewer Fund	\$16,723,973	\$17,689,077	\$16,953,192	\$17,501,409	-1.1%
Sustain. & Environ. Services Fund	886,376	889,114	892,122	894,786	0.6%
Recreation Revolving Fund	155,524	154,841	171,230	171,486	10.7%
Golf Course Fund	44,550	44,550	38,076	0	-100.0%
Convention & Tourism Fund	353,168	358,415	322,348	338,298	-5.6%
Municipal Drainage Fund	350,008	350,533	350,533	350,533	-0.0%
TOTAL INTRAGOV'T'L TRANSFERS	\$18,513,599	\$19,486,530	\$18,727,502	\$19,256,512	-1.2%
TOTAL GENERAL FUND	\$211,245,479	\$209,742,303	\$204,265,812	\$197,496,270	-5.8%

General Obligation Debt Service

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
UNAPPROPRIATED FUND BALANCE	\$5,491,973	\$3,084,063	\$3,250,126	\$1,451,153	-52.9%
Revenues					
Property Tax					
Current	\$36,700,093	\$39,387,572	\$39,387,572	\$41,638,404	5.7%
Delinquent	155,395	408,626	408,626	431,361	5.6%
Penalty & Interest	197,107	163,450	163,450	172,545	5.6%
Fund Interest Income	368,791	550,000	400,000	500,000	-9.1%
Transfer-Conv. & Tour. Fund	834,120	0	0	0	0.0%
Police Academy Reimbursement	238,425	246,554	246,554	142,527	-42.2%
TOTAL REVENUES	\$38,493,931	\$40,756,202	\$40,606,202	\$42,884,837	5.2%
TOTAL RESOURCES	\$43,985,904	\$43,840,264	\$43,856,328	\$44,335,989	1.1%
APPROPRIATIONS					
Bond and Certificates					
Principal	\$21,615,000	\$22,645,000	\$22,645,000	\$22,640,000	-0.0%
Interest	13,909,338	13,302,651	13,508,720	12,507,540	-6.0%
Transfer to Tech Infrastructure & Public Art	281,588	281,064	281,064	280,325	-0.3%
Transfer to Tax Notes Moto Mesh	2,103,200	2,099,000	2,099,000	2,097,200	-0.1%
Transfer to Tax Notes MotoMesh&Radio Sys Repl	2,659,794	2,678,419	2,678,419	2,694,494	0.6%
Transfer to Tax Notes Radio Sys Repl	96,019	963,725	963,725	969,994	0.0%
Transfer to Tax Notes Radio Sys Repl	0	0	208,407	906,976	
Exchanges Fees & Bond Sale Expense	70,839	10,000	20,840	20,000	100.0%
Subtotal	\$40,735,778	\$41,979,859	\$42,405,175	\$42,116,529	0.3%
New Debt - G.O. Debt	0	366,161	0	1,162,500	217.5%
New Debt-TxNts: Radio Sys Infra Repl	0	212,500	0	0	-100.0%
New Debt	0	578,661	0	1,162,500	100.9%
TOTAL APPROPRIATIONS	\$40,735,778	\$42,558,520	\$42,405,175	\$43,279,029	1.7%
UNAPPROPRIATED FUND BALANCE	\$3,250,126	\$1,281,744	\$1,451,153	\$1,056,960	-17.5%

Water & Sewer

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$12,430,047	\$8,224,030	\$10,555,173	\$7,476,049	-9.1%
Revenues					
Water Income	\$54,845,746	\$61,035,890	\$56,856,852	\$62,071,268	1.7%
Sewer Income	49,793,133	53,280,000	53,233,896	53,760,000	0.9%
Water Taps	83,432	92,596	82,643	84,296	-9.0%
Water & Sewer Penalties	1,416,547	1,339,257	1,386,943	1,398,039	4.4%
Water Meters	166,751	138,222	107,736	108,544	-21.5%
Construction Water	237,597	284,372	199,096	200,589	-29.5%
Service Connect Fee	148,253	156,586	145,723	146,816	-6.2%
Backflow Testing	292,425	288,425	329,500	331,971	15.1%
Sewer Tie-On	15,825	15,871	15,871	15,990	0.8%
Pre-Treatment Permits	29,325	28,203	48,575	48,939	73.5%
Interest Earnings	0	35,000	0	20,000	-42.9%
Transfer in for Education Building	148,928	148,928	148,928	148,928	0.0%
Misc. Income	560,843	463,828	463,828	463,828	0.0%
TOTAL REVENUES	\$107,738,805	\$117,307,177	\$113,019,605	\$118,799,208	1.3%
TOTAL RESOURCES	\$120,168,852	\$125,531,207	\$123,574,778	\$126,275,256	0.6%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$9,067,288	\$9,404,695	\$9,386,644	\$9,570,170	1.8%
Materials & Supplies	7,328,577	5,520,370	6,557,799	5,603,176	1.5%
Contractual	4,425,082	5,279,499	5,277,086	5,195,241	-1.6%
NTMWD - Water	29,491,382	33,399,761	33,399,761	37,407,733	12.0%
NTMWD - Wastewater	13,592,292	13,851,825	13,851,825	13,574,788	-2.0%
NTMWD - Upper E. Fork Interceptor	8,116,232	9,093,939	9,093,939	7,729,848	-15.0%
Retirement of NTMWD Debt	822,480	837,195	829,670	837,635	0.1%
Sundry	910,216	388,529	603,512	394,357	1.5%
Reimbursements	315,193	224,300	224,300	224,300	0.0%
Subtotal	\$74,068,742	\$78,000,112	\$79,224,536	\$80,537,248	3.3%
Capital Outlay	163,149	0	1,117,510	0	0.0%
TOTAL OPERATIONS	\$74,231,891	\$78,000,112	\$80,342,046	\$80,537,248	3.3%
Transfer to General Fund	\$16,723,973	\$17,689,077	\$16,953,192	\$17,501,409	-1.1%
Transfer to Debt Service	2,200,000	2,200,000	2,200,000	1,225,000	-44.3%
Transfer to W & S CIP	11,835,000	13,875,000	11,875,000	11,250,000	-18.9%
Transfer to Capital Reserve	1,200,000	1,200,000	1,200,000	1,200,000	0.0%
Transfer to Loss Fund	616,484	716,484	726,422	728,240	1.6%
Transfer to Technology Fund	300,000	300,000	300,000	300,000	0.0%
Transfer to Technology Services	2,406,331	2,402,069	2,402,069	2,474,131	3.0%
Transfer for Sustainability	100,000	100,000	100,000	100,000	0.0%
TOTAL TRANSFERS	\$35,381,788	\$38,482,630	\$35,756,683	\$34,778,780	-9.6%
TOTAL APPROPRIATIONS	\$109,613,679	\$116,482,742	\$116,098,729	\$115,316,028	-1.0%
WORKING CAPITAL	\$10,555,173	\$9,048,464	\$7,476,049	\$10,959,228	21.1%
Days of Operation				50	

Water & Sewer Debt Service

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11
RESERVE FUND				
WORKING CAPITAL	\$0	\$0	\$0	\$0
Fund Interest Income	0	0	0	0
Transfer to W&S Debt Service	0	0	0	0
TOTAL	\$0	\$0	\$0	\$0
FUND BALANCE	\$0	\$0	\$0	\$0
SINKING FUND				
UNAPPROPRIATED FUND BALANCE	\$207,060	\$322,766	\$328,791	\$426,741
Transfer In (W & S Fund)	\$2,200,000	\$2,200,000	\$2,200,000	\$1,225,000
Transfer In (W & S Reserve)	0	0	0	0
Transfer to Escrow & Adj.	0	0	0	0
Transfer In (Water Impact Fees)	0	0	0	0
Transfer In (Sewer Impact Fees)	0	0	0	0
Fund Interest Income	16,025	10,000	10,000	10,000
TOTAL	\$2,216,025	\$2,210,000	\$2,210,000	\$1,235,000
TOTAL RESOURCES	\$2,423,085	\$2,532,766	\$2,538,791	\$1,661,741
APPROPRIATIONS				
Principal	\$1,855,000	\$1,940,000	\$1,940,000	\$1,260,000
Interest	239,294	172,050	172,050	75,050
Fees	0	0	0	0
Subtotal	\$2,094,294	\$2,112,050	\$2,112,050	\$1,335,050
Transfer to Sewer CIP	0	0	0	0
TOTAL TRANSFERS	\$0	\$0	\$0	\$0
TOTAL APPROPRIATIONS	\$2,094,294	\$2,112,050	\$2,112,050	\$1,335,050
UNAPPROPRIATED FUND BALANCE	\$328,791	\$420,716	\$426,741	\$326,691

Sustainability & Environmental Services

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$1,968,275	\$1,083,437	\$1,970,455	\$1,072,772	-1.0%
Revenues					
Commercial Franchise	\$6,198,973	\$6,709,797	\$6,335,142	\$6,448,493	-3.9%
Special Refuse Collection	67,216	63,114	73,233	73,343	16.2%
Residential Collection	12,604,378	12,603,597	12,629,055	12,666,942	0.5%
Allied Waste, Inc.	134,017	76,477	76,477	76,477	0.0%
Recycling	103,066	150,000	348,249	398,771	165.8%
Sales of Landscape Bags	40,806	34,913	42,314	42,377	21.4%
Contributions via Utility Billing	11,634	11,600	11,600	11,617	0.2%
Sale of Compost	998,206	1,011,287	1,011,287	1,012,804	0.2%
Tipping Fees	600,027	704,984	704,984	706,041	0.2%
Miscellaneous	539,336	669,170	566,228	569,059	-15.0%
Reimbursements	209,537	188,619	188,619	190,505	1.0%
Sustainability Program Transfer	100,000	100,000	100,000	100,000	0.0%
Trans from Fund Bal for Loan Payoff	280,892	0	0	0	0.0%
TOTAL REVENUES	\$21,888,088	\$22,323,558	\$22,087,188	\$22,296,431	-0.1%
TOTAL RESOURCES	\$23,856,363	\$23,406,995	\$24,057,643	\$23,369,203	-0.2%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$6,046,149	\$6,141,377	\$6,235,414	\$6,383,253	3.9%
Materials & Supplies	403,557	340,290	402,147	343,693	1.0%
Contractual	6,247,668	6,931,873	7,006,606	6,961,281	0.4%
NTMWD	6,883,746	7,725,574	7,725,574	8,158,206	5.6%
Sundry	145,358	70,179	71,151	70,881	1.0%
Reimbursements	22,719	0	95,025	0	0.0%
Subtotal	\$19,749,197	\$21,209,293	\$21,535,917	\$21,917,314	3.3%
Capital Outlay	191,759	0	0	0	0.0%
TOTAL OPERATIONS	\$19,940,956	\$21,209,293	\$21,535,917	\$21,917,314	3.3%
Transfer to General Fund	\$886,376	\$889,114	\$892,122	\$894,786	0.6%
Transfer to Technology Fund	60,000	60,000	60,000	60,000	0.0%
Transfer to W&S Fund-Env. Ed. Bldg.	429,820	157,239	157,239	157,239	0.0%
Transfer to Internal Loan Program	238,797	0	0	0	0.0%
Transfer to Loss Fund	329,959	339,593	339,593	339,593	0.0%
TOTAL TRANSFERS	\$1,944,952	\$1,445,946	\$1,448,954	\$1,451,618	0.4%
TOTAL APPROPRIATIONS	\$21,885,908	\$22,655,238	\$22,984,871	\$23,368,932	3.2%
WORKING CAPITAL	\$1,970,455	\$751,756	\$1,072,772	\$271	-100.0%
Days of Operation				0	

Municipal Drainage Utility

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$4,783,774	\$2,308,190	\$4,605,320	\$2,435,508	5.5%
Revenues					
Environmental Assessment Fees:					
Residential Class Fees	\$2,744,139	\$2,741,668	\$2,737,562	\$2,778,625	1.3%
Commercial Class Fees	2,305,567	2,265,945	2,262,551	\$2,296,489	1.3%
Miscellaneous	5,202	0	3,000	3,000	0.0%
Interest Income	64,605	85,000	45,000	60,000	-29.4%
TOTAL REVENUES	\$5,119,513	\$5,092,613	\$5,048,113	\$5,138,115	0.9%
TOTAL RESOURCES	\$9,903,287	\$7,400,803	\$9,653,433	\$7,573,623	2.3%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$1,198,813	\$1,565,735	\$1,454,336	\$1,496,498	-4.4%
Materials & Supplies	243,892	265,464	273,001	268,119	1.0%
Contractual	646,595	861,708	915,999	870,932	1.1%
Sundry	9,803	79,674	3,968	67,889	-14.8%
Reimbursements	268,207	254,039	254,039	254,039	0.0%
Subtotal	\$2,367,310	\$3,026,620	\$2,901,343	\$2,957,476	-2.3%
Capital Outlay	38,505	0	0	0	0.0%
TOTAL OPERATIONS	\$2,405,815	\$3,026,620	\$2,901,343	\$2,957,476	-2.3%
Transfer to General Fund	\$350,008	\$350,533	\$350,008	\$355,258	1.3%
Transfer to Technology Fund	20,000	20,000	20,000	20,000	0.0%
Transfer to Revenue Debt	2,522,144	2,621,312	2,496,574	2,911,142	11.1%
TOTAL TRANSFERS	\$2,892,152	\$2,991,845	\$2,866,582	\$3,286,400	9.8%
TOTAL APPROPRIATIONS	\$5,297,967	\$6,018,465	\$5,767,925	\$6,243,876	3.7%
EST. RESERVE REQUIREMENT			1,450,000		
WORKING CAPITAL	\$4,605,320	\$1,382,338	\$2,435,508	\$1,329,747	-3.8%
Days of Operation				164	

Convention & Tourism

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$4,056,600	\$2,121,270	\$2,394,612	\$921,646	-56.6%
Revenues					
Hotel/Motel Receipts	\$3,951,890	\$4,494,486	\$3,873,142	\$4,066,799	-9.5%
Civic Center Fees	2,430,881	2,606,819	2,506,819	2,632,160	1.0%
Miscellaneous	8,249	7,000	7,000	7,000	0.0%
Interest Income	52,196	60,000	60,000	60,000	0.0%
TOTAL REVENUES	\$6,443,216	\$7,168,305	\$6,446,961	\$6,765,959	-5.6%
TOTAL RESOURCES	\$10,499,816	\$9,289,574	\$8,841,573	\$7,687,605	-17.2%
APPROPRIATIONS					
Operating Expenses					
Convention & Visitors Bureau	\$1,447,647	\$1,691,797	\$1,692,484	\$1,703,968	0.7%
Civic Center Operations	3,474,785	4,067,274	4,060,950	4,108,202	1.0%
Support of the Arts	677,710	661,173	580,971	610,020	-7.7%
Historic Preservation	682,710	661,173	580,971	610,020	-7.7%
Special Events	118,655	157,190	162,203	160,334	2.0%
Civic Center Equipment Rpl Fund	364,091	1,000,000	500,000	0	-100.0%
Subtotal	\$6,765,598	\$8,238,607	\$7,577,579	\$7,192,543	-12.7%
Capital Outlay	132,318	0	0	0	0.0%
TOTAL OPERATIONS	\$6,897,916	\$8,238,607	\$7,577,579	\$7,192,543	-12.7%
Transfer to General Fund	\$353,168	\$358,415	\$322,348	\$338,298	-5.6%
Transfer to Technology Fund	20,000	20,000	20,000	20,000	0.0%
Transfer to Debt Service	834,120	0	0	0	0.0%
TOTAL TRANSFERS	\$1,207,288	\$378,415	\$342,348	\$358,298	-5.3%
TOTAL APPROPRIATIONS	\$8,105,204	\$8,617,022	\$7,919,927	\$7,550,841	-12.4%
WORKING CAPITAL	\$2,394,612	\$672,552	\$921,646	\$136,765	-79.7%
Days of Operation				7	

Golf Course

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$59,483	\$13,458	\$55,799	\$0	-100.0%
Revenues					
Golf Fees	\$774,382	\$850,000	\$736,526	\$0	-100.0%
Concessions	12,539	15,000	13,000	0	-100.0%
Interest Income	708	1,000	1,000	0	-100.0%
Miscellaneous	5,832	11,000	11,000	0	-100.0%
TOTAL REVENUES	\$793,461	\$877,000	\$761,526	\$0	-100.0%
TOTAL RESOURCES	\$852,944	\$890,458	\$817,324	\$0	-100.0%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$492,338	\$480,118	\$476,370	\$0	-100.0%
Supplies	60,002	87,310	80,798	0	-100.0%
Contractual Services	198,662	226,371	220,080	0	-100.0%
Sundry Charges	1,593	2,000	2,000	0	-100.0%
Subtotal	\$752,595	\$795,799	\$779,248	\$0	-100.0%
Capital Outlay	0	0	0	0	0.0%
TOTAL OPERATIONS	\$752,595	\$795,799	\$779,248	\$0	-100.0%
Transfer to General Fund	44,550	44,550	38,076	0	-100.0%
TOTAL TRANSFERS	\$44,550	\$44,550	\$38,076	\$0	-100.0%
TOTAL APPROPRIATIONS	\$797,145	\$840,349	\$817,324	\$0	-100.0%
WORKING CAPITAL	\$55,799	\$50,109	\$0	\$0	-100.0%
Days of Operation					

**** Municipal Golf Course is scheduled to close for renovations on October 1, 2010. Estimated re-opening is scheduled for October 2011.**

Recreation Revolving

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$530,291	\$378,035	\$529,180	\$623,047	64.8%
Revenues					
Recreation Fees	\$3,279,909	\$3,039,167	\$3,350,906	\$3,355,932	10.4%
Contributions	24,726	15,600	18,700	18,728	20.1%
Interest Income	19,291	14,000	20,000	20,000	42.9%
Sundry	21,119	28,056	35,000	35,052	24.9%
TOTAL REVENUES	\$3,345,045	\$3,096,823	\$3,424,606	\$3,429,713	10.7%
TOTAL RESOURCES	\$3,875,336	\$3,474,858	\$3,953,786	\$4,052,760	16.6%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$1,359,129	\$1,351,047	\$1,317,318	\$1,340,905	-0.8%
Materials & Supplies	232,334	209,362	216,052	211,456	1.0%
Contractual	1,572,163	1,523,789	1,594,189	1,539,136	1.0%
Sundry	27,006	30,508	31,950	30,813	1.0%
Subtotal	\$3,190,632	\$3,114,706	\$3,159,509	\$3,122,310	0.2%
Capital Outlay	0	0	0	0	0.0%
TOTAL OPERATIONS	\$3,190,632	\$3,114,706	\$3,159,509	\$3,122,310	0.2%
Transfer to General Fund	\$155,524	\$154,841	\$171,230	\$171,486	10.7%
TOTAL TRANSFERS	\$155,524	\$154,841	\$171,230	\$171,486	10.7%
TOTAL APPROPRIATIONS	\$3,346,156	\$3,269,547	\$3,330,739	\$3,293,795	0.7%
WORKING CAPITAL	\$529,180	\$205,311	\$623,047	\$758,964	269.7%
Days of Operation				89	

Property Management

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$432,081	\$432,555	\$450,179	\$469,245	8.5%
Revenues					
Rents	\$42,309	\$39,431	\$34,431	\$0	-100.0%
Interest	7,048	5,000	5,000	5,000	0.0%
TOTAL REVENUES	\$49,357	\$44,431	\$39,431	\$5,000	-88.7%
TOTAL RESOURCES	\$481,438	\$476,986	\$489,610	\$474,245	-0.6%
APPROPRIATIONS					
Operating Expense					
Materials & Supplies	\$315	\$500	\$500	\$505	1.0%
Contractual	30,944	7,357	19,865	7,431	1.0%
Subtotal	31,259	7,857	20,365	7,936	1.0%
TOTAL OPERATIONS	\$31,259	\$7,857	\$20,365	\$7,936	1.0%
TOTAL APPROPRIATIONS	\$31,259	\$7,857	\$20,365	\$7,936	1.0%
WORKING CAPITAL	\$450,179	\$469,129	\$469,245	\$466,309	-0.6%

Community Access TV

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$338,475	\$115,863	\$254,378	\$247,152	113.3%
Revenues					
Plano Television Network Fee	\$258,945	\$285,000	\$285,000	\$305,855	7.3%
Interest Income	5,853	7,000	4,500	4,500	-35.7%
Cable Community Grant	150,000	150,000	150,000	0	-100.0%
Transfer In Gen Fund - Franchise Fees	133,769	134,772	134,772	0	-100.0%
Transfer In Technology Fund	250,000	250,000	250,000	250,000	0.0%
Miscellaneous	12,709	500	500	500	0.0%
TOTAL REVENUES	\$811,276	\$827,272	\$824,772	\$560,855	-32.2%
TOTAL RESOURCES	\$1,149,751	\$943,135	\$1,079,150	\$808,007	-14.3%
APPROPRIATIONS					
Operating Expense					
Salaries & Wages	\$771,442	\$651,650	\$647,062	\$660,195	1.3%
Materials & Supplies	55,540	55,885	81,839	56,444	1.0%
Contractual	67,937	84,302	100,597	85,128	1.0%
Sundry	2,396	2,500	2,500	2,525	1.0%
Equipment Replacement	0	75,000	0	0	-100.0%
Subtotal	897,315	869,337	831,998	804,291	-7.5%
Capital Outlay	-1,942	0	0	0	0.0%
TOTAL APPROPRIATIONS	895,373	869,337	831,998	804,291	-7.5%
WORKING CAPITAL	\$254,378	\$73,798	\$247,152	\$3,716	-95.0%
Days of Operation				2	

Property and Liability Loss

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$1,690,722	\$185,922	\$465,279	\$297,566	60.0%
Resources					
General Fund Transfer In	\$2,800,000	\$2,800,000	\$3,109,727	\$3,200,000	14.3%
Water & Sewer Fund Transfer In	616,484	716,484	726,422	728,240	1.6%
Sustain. & Env. Svcs. Fund Transfer In	329,959	339,593	339,593	325,000	-4.3%
Claims Recovered	74,974	200,000	200,000	200,000	0.0%
Interest Earned	67,805	100,000	33,072	35,000	-65.0%
TOTAL REVENUES	\$3,889,222	\$4,156,077	\$4,408,814	\$4,488,240	8.0%
TOTAL RESOURCES	\$5,579,944	\$4,341,999	\$4,874,093	\$4,785,806	10.2%
APPROPRIATIONS					
Workers' Compensation	\$2,027,355	\$1,200,000	\$1,500,000	\$1,500,000	25.0%
Judgements and Damages	666,668	1,000,000	1,000,000	1,000,000	0.0%
Risk Management Operations	2,420,642	1,901,329	2,076,527	2,100,973	10.5%
TOTAL APPROPRIATIONS	\$5,114,665	\$4,101,329	\$4,576,527	\$4,600,973	12.2%
UNAPPROPRIATED FUND BALANCE	\$465,279	\$240,670	\$297,566	\$184,833	-23.2%

Capital Reserve

	Actual 2008-09	Budget 2009-10	Re-Est 2009-10	Projected 2010-11	% Change 2010-11
WORKING CAPITAL	\$37,446,122	\$26,017,371	\$38,907,914	\$22,239,914	-14.5%
Revenues					
General Fund Transfer In	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	0.0%
Water & Sewer Transfer In	1,200,000	1,200,000	1,200,000	1,200,000	0.0%
Fund Interest Earnings	584,348	550,000	375,000	400,000	-27.3%
Rollback Taxes	263,577	300,000	100,000	100,000	-66.7%
Transfer from Developer's Escrow	1,093,249	0	0	0	
Reimbursement from Collin County	1,404,847	1,500,000	1,500,000	0	
Screening Walls	0	2,500	0	0	-100.0%
TOTAL REVENUE	\$15,052,521	\$14,052,500	\$13,675,000	\$12,200,000	-13.2%
TOTAL RESOURCES	\$52,498,643	\$40,069,871	\$52,582,914	\$34,439,914	-14.1%
APPROPRIATIONS					
Streets & Drainage Projects	\$6,895,227	\$9,354,000	\$15,214,000	\$9,294,000	-0.6%
Park Improvement Projects	3,157,491	4,580,000	7,121,000	3,630,000	-20.7%
Municipal Facilities Projects	3,530,628	2,319,000	7,788,000	2,172,000	-6.3%
Water & Sewer Projects	228,325	450,000	220,000	450,000	0.0%
Audit Adjustment	-220,942	0	0	0	0.0%
TOTAL OPERATIONS	\$13,590,729	\$16,703,000	\$30,343,000	\$15,546,000	-6.9%
TOTAL APPROPRIATIONS	\$13,590,729	\$16,703,000	\$30,343,000	\$15,546,000	-6.9%
WORKING CAPITAL	\$38,907,914	\$23,366,871	\$22,239,914	\$18,893,914	-19.1%



Budget Calendar

OPERATING BUDGET CALENDAR Fiscal Year 2010-11

February 8	<p>Personnel worksheets issued for verification.</p> <p>Budget & Research Department issues calendar and instructions for requesting the following internal review items:</p> <ul style="list-style-type: none"> building modifications cellular telephones & communications devices copiers furniture and office equipment G.I.S. software/hardware technology requests leased space microfilming radios, radio systems, and maintenance special mail-outs telecommunications and phone equipment/lines vehicles and major equipment other major capital outlay/specialty items
February 19	<p>Requests due to service departments for internal review items listed above.</p> <p>Changes to Personnel worksheets due to Budget & Research Department.</p>
February 26	<p>Estimated cost list of frequently purchased items due to Budget & Research Department from Purchasing, Public Safety Communications Telecommunications, and Technology Services for inclusion in the Budget Preparation Manual.</p> <p>Various Departments submit indicators to Budget & Research Department for inclusion in the Budget Preparation Manual.</p> <p>Preliminary FY 2010-11 Personnel requests submitted to Technology Services, Human Resources, and City Manager.</p> <p>Equipment Services distributes recommendations for vehicle and rolling stock replacements.</p>
March 11	<p>Budget & Research Department meets with City Manager and Deputy City Managers to present mid-year revenue and expenditure forecast, review preliminary assumptions, and set budget parameters, targets, and goals. Status of the Community Investment Program is also discussed.</p>
March 15	<p>Cost information and recommendations due back to Departments on internal review items.</p>
March 18, 22	<p>Budget & Research Department staff provides training on instructions, forms, automation, supplements, and other issues.</p>
March 22	<p>Budget & Research Department presents FY 2009-10 Status Report and Three-Year Financial Summary to City Council for review and input.</p>
March 23	<p>At Management Team meeting, Budget & Research Department gives overview and distributes instructions, forms, and departmental targets.</p>
April 9	<p>Budget & Research Department re-assesses revenue estimates for the current and upcoming year and advises the City Manager of these changes.</p>

April 19 - May 7	Citizen input meetings in community with specific groups, including the Chamber of Commerce and Homeowners Council, as requested.
May 7	All departmental Operating Budgets due to area Deputy City Managers.
May 14	All departmental Operating Budget requests due in Budget & Research Department.
May 17 - June 16	Budget & Research Department compiles total Operating Budget requests and Community Investment Program requests.
June 10	Technology Services Steering Committee prioritizes all departmental Technology requests and submits recommendation to the City Manager.
June 16	Budget & Research Department presents total request to City Manager with highlights, issues, options, and recommendations.
June 2, 16, & 17	City Manager reviews Operating Budget and Community Investment Program with all department heads.
June 25	City Manager gives final instructions to Budget & Research Department.
July 7	Budget & Research Department notifies departments of preliminary funded FY 2010-11 requests and/or reductions.
July 16	Draft Operating Budget and Community Investment Program submitted to City Manager for review.
July 28	City Manager submits FY 2010-11 Recommended Budget and Proposed Community Investment Program to City Council.
August 9	Presentation of Proposed Community Investment Program to the City Council. Public Hearing on Operating Budget and Community Investment Program. Approval of Appraisal Roll. Vote on proposed tax rate increase, if necessary.
August 14	City Council/Budget Work Session.
August 23	1st Public Hearing on tax rate. (If Required)
September 1	2nd Public Hearing on tax rate. (If Required)
September 13	City Council adopts Operating Budget, Community Investment Program, and sets Tax Rate.
October 1	New fiscal year begins.

The Budget & Research Department reserves the right to make changes to this calendar, as required or may be appropriate, to facilitate the timely execution of tasks and required productions of publications.

History of Tax Base

HISTORY OF TAX BASE IN PLANO AND PROJECTION FOR 2010-11

As of Jan.1	Taxable Value	New Property	Existing Tax Base	Change In Total Value \$	Change In Total %	Change In Base \$	Change In Base %
1999	\$13,318,803,313	\$973,732,898	\$12,345,070,415	\$1,659,783,922	14.24%	\$686,051,024	5.88%
2000	\$14,970,714,724	\$1,075,343,168	\$13,895,371,556	\$1,651,911,411	12.40%	\$576,568,243	4.33%
2001	\$16,951,975,217	\$1,209,831,901	\$15,742,143,316	\$1,981,260,493	13.23%	\$771,428,592	5.15%
2002	\$18,923,096,351	\$952,719,113	\$17,970,377,238	\$1,971,121,134	11.63%	\$1,018,402,021	6.01%
2003	\$20,194,219,506	\$913,900,252	\$19,280,319,254	\$1,271,123,155	6.72%	\$357,222,903	1.89%
2004	\$20,398,670,327	\$434,730,669	\$19,963,939,658	\$204,450,821	1.01%	(\$230,279,848)	-1.14%
2005	\$20,869,734,810	\$328,684,415	\$20,541,050,395	\$471,064,483	2.31%	\$142,380,068	0.70%
2006	\$21,649,265,385	\$376,517,872	\$21,272,747,513	\$779,530,575	3.74%	\$403,012,703	1.93%
2007	\$22,829,141,312	\$556,469,319	\$22,272,671,993	\$1,179,875,927	5.45%	\$623,406,608	2.88%
2008	\$24,511,500,675	\$568,050,666	\$23,943,450,009	\$1,682,359,363	7.37%	\$1,114,308,697	4.88%
2009	\$25,785,315,308	\$559,678,673	\$25,225,636,635	\$1,273,814,633	5.20%	\$714,135,960	2.91%
2010	\$25,507,218,156	\$380,409,056	\$25,126,809,100	(\$278,097,152)	-1.08%	(\$658,506,208)	-2.55%
2011	\$24,398,264,127	\$200,000,000	\$24,198,264,127	(\$1,108,954,029)	-4.35%	(\$1,308,954,029)	-5.13%

Ad Valorem Tax Analysis

Three-Year Financial Forecast					
Ad Valorem Tax Analysis					
Existing Property Values			-5.00%	0.00%	1.00%
New Property Growth			200,000,000	400,000,000	400,000,000
	2008-09	2009-10	2010-11	2011-12	2012-13
	Actual	Budget	Projected	Projected	Projected
Analysis of Tax Rate					
Total Taxable Value	\$25,785,315,308	\$25,507,218,156	\$24,398,264,127	\$24,798,264,127	\$25,480,216,390
Change in Total Value (\$)	1,273,814,633	-278,097,152	-1,108,954,029	400,000,000	681,952,263
Change in Total Value (%)	5.20%	-1.08%	-4.35%	1.64%	2.75%
Tax Rate	0.4735	0.4886	0.4886	0.4886	0.4886
Levy	122,093,468	124,628,268	119,209,919	121,164,319	124,496,337
Current Collections	118,459,942	123,381,985	118,017,819	119,952,675	123,251,374
Current Collections Percent	97.0%	99.0%	99.0%	99.0%	99.0%
Delinquent Collections	482,771	1,246,283	1,192,099	1,211,643	1,244,963
Penalty & Interest	625,850	582,279	552,913	559,622	573,662
Total Collections	119,568,563	125,210,546	119,762,832	121,723,941	125,069,999
Total Current Levy	97.9%	100.5%	100.5%	100.5%	100.5%
Debt Allocation					
Rate	0.1467	0.1602	0.1768	0.1863	0.1916
Current Collections	36,700,093	39,387,572	41,638,404	44,636,637	47,195,477
Delinquent Collections	155,395	408,626	431,361	461,992	488,201
Penalty & Interest	197,107	163,450	172,545	184,797	195,280
General Fund Allocation					
Rate	0.3268	0.3284	0.3118	0.3023	0.2970
Current Collections	81,759,849	81,179,765	73,564,768	72,467,219	73,171,198
Delinquent Collections	327,376	837,657	760,738	749,652	756,762
Penalty & Interest	428,743	418,829	380,369	374,826	378,381
One Cent Equivalent on Tax Rate			\$2,415,428	\$2,455,028	\$2,522,541

Transfers

Three-Year Financial Forecast Transfers

GENERAL FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfers To:						
Capital Reserve	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000
Property & Liability Loss	2,800,000	2,800,000	3,109,227	3,200,000	2,500,000	2,500,000
Technology Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CATV Fund	133,769	134,772	134,772	0	0	0
Economic Development	933,965	895,770	890,101	895,770	904,728	913,775
Eco.Dev. Incentive	5,210,253	5,014,431	5,014,431	4,830,856	4,910,056	5,045,083
Total Transfers	\$20,577,987	\$20,344,973	\$20,648,531	\$20,426,626	\$19,814,784	\$19,958,858

GENERAL OBLIGATION DEBT FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfers To:						
Tech Infra.& Public Art	\$281,588	\$281,064	\$281,064	\$280,325	\$284,376	\$283,000
Tax Notes - Moto Mesh	2,103,200	2,099,000	2,099,000	2,097,200	2,092,600	2,085,200
Tax Notes - Moto & Radio	2,659,794	2,678,419	2,678,419	2,694,494	2,717,869	2,733,469
Tax Notes - Radio Repl.	96,019	963,725	963,725	969,994	980,644	990,619
Tax Notes - Radio Repl.	0	0	208,407	906,976	905,476	903,776
Total Transfers	\$5,140,601	\$6,022,208	\$6,230,615	\$6,948,989	\$6,980,965	\$6,996,064

WATER & SEWER FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfer To:						
General Fund	\$16,723,973	\$17,689,077	\$16,953,192	\$17,501,409	\$18,376,479	\$19,295,303
Debt Service Fund	2,200,000	2,200,000	2,200,000	1,225,000	400,710	0
Water & Sewer CIP	11,835,000	13,875,000	11,875,000	11,250,000	12,000,000	12,000,000
Capital Reserve	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Property & Liability Loss	616,484	716,484	726,422	728,240	764,652	802,885
Technology Fund	300,000	300,000	300,000	300,000	300,000	300,000
Technology Services	2,406,331	2,402,069	2,402,069	2,747,131	2,548,355	2,624,806
Reserve Fund	0	0	0	0	2,500,000	3,000,000
Sustainability	100,000	100,000	100,000	100,000	100,000	100,000
Total Transfers	\$35,381,788	\$38,482,630	\$35,756,683	\$34,778,780	\$38,190,196	\$39,322,994

SUSTAINABILITY & ENVIRONMENTAL SERVICES FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfers To:						
General Fund	\$886,376	\$889,114	\$892,122	\$894,786	\$895,677	\$897,460
Technology Fund	60,000	60,000	60,000	60,000	60,000	60,000
Internal Loan	238,797	0	0	0	0	0
Property & Liability Loss	329,959	339,593	339,593	339,593	339,593	339,593
W&S-Env. Edu. Bldg.	429,820	157,239	157,239	157,239	157,239	157,239
Total Transfers	\$1,944,952	\$1,445,946	\$1,448,954	\$1,451,618	\$1,452,509	\$1,454,292

MUNICIPAL DRAINAGE FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfers To:						
General Fund	\$350,008	\$350,533	\$350,008	\$355,258	\$355,436	\$355,791
Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Revenue Debt	2,522,144	2,621,312	2,496,574	2,911,142	3,122,472	3,279,020
Total Transfers	\$2,892,152	\$2,991,845	\$2,866,582	\$3,286,400	\$3,497,907	\$3,654,811

CONVENTION & TOURISM FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfers To:						
General Fund	\$353,168	\$358,415	\$322,348	\$338,298	\$345,015	\$351,867
Technology Fund	20,000	20,000	20,000	20,000	20,000	20,000
Debt Service	834,120	0	0	0	0	0
Total Transfers	\$1,207,288	\$378,415	\$342,348	\$358,298	\$365,015	\$371,867

MUNICIPAL GOLF COURSE FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfers To:						
General Fund	\$44,550	\$44,550	\$44,550	\$38,076	\$0	\$0
Total Transfers	\$44,550	\$44,550	\$44,550	\$38,076	\$0	\$0

RECREATION REVOLVING FUND

	2008-09 Actual	2009-10 Budget	2009-10 Re-Est.	2010-11 Projected	2011-12 Projected	2012-13 Projected
Transfers To:						
General Fund	\$155,524	\$154,841	\$171,230	\$171,486	\$171,576	\$171,751
Total Transfers	\$155,524	\$154,841	\$171,230	\$171,486	\$171,576	\$171,751

Projected CIP Impact

PROJECTED GENERAL FUND O&M EXPENSES COMMUNITY INVESTMENT PROGRAM			
	2010-11	2011-12	2012-13
CIP O&M EXPENDITURES			
Fire Station #12	10,785	-	-
Warehouse Logistic Facility	6,224	-	-
Emergency Operations Center	14,090	-	-
Fire Station #13	1,485,577	314,188	-
Fire Apparatus	411,739	2,607,674	274,492
Fire Station #2 Expansion	-	16,450	-
Fire Station #4 Expansion	16,270	-	-
Fire Station #6 Expansion	-	-	2,940
Animal Shelter Expansion	36,037	-	-
Environmental Education Building	43,603	-	-
Archgate Park Maintenance	-	9,805	-
09 Athletic Field Improvements	-	11,450	11,450
09 Athletic Field Renovations	-	9,375	9,375
Carpenter Expansion/Senior Center	30,000	105,780	-
09 Land Acquisitions	-	100,000	60,000
Legacy Trail	-	154,710	-
09 Maintenance Facility Expansion	7,309	28,465	-
09 Oak Point Center Expansion	-	-	51,450
Oak Point Park Development - Visitor Center	-	22,910	70,565
09 Oak Point Park Development	-	-	264,246
Oak Point Park Maintenance	-	10,115	29,929
09 Park Improvements	57,300	57,300	57,300
09 Senior Center/Wellness Center	-	94,011	181,793
Special Use Facilities	-	10,000	-
Technology Service Remodel	-	-	121,550
09 Trail Connections	11,875	11,875	11,875
Total CIP O&M Expenditures	\$2,130,808	\$3,564,108	\$1,146,965
Tax Rate Impact	0.88	1.45	0.45

*Projected costs include existing planned facility and park projects. Additional or reduced costs may occur for other facilities contingent on the strategic plan and City Council decisions. For purposes of this forecast, no new Arts of Collin County related O&M costs are included in this projection.