

**Adopted
FY 2005 Annual Operating
BUDGET**



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City Manager's Message

The City's FY 2005 budget continues to present significant challenges as the need to address the structural imbalance becomes imperative. Over the past few years, recurring revenues have not grown at a pace sufficient to support the City's demand for services and the need to remain competitive in the regional labor market. A brief review of recent revenue trends leaves little room for optimism in the near term.

As projected for FY 2005, recurring revenues in the City's General Fund total \$163.7 million. Eighty percent (\$131.8 million) of this total can be found in five revenue lines: property taxes, sales taxes, electric franchise fees, municipal court fines, and telephone franchise fees. All remaining revenue items in the General Fund total \$31.9 million in FY 2005.

From FY 2001 through FY 2003, the most recent years for which final figures are available, these remaining revenues grew by an average of 1.7 percent a year. This growth rate produces approximately \$550,000 in new recurring revenues. This amount is far short of what is needed to provide for new parks, the ongoing maintenance of City facilities, competitive compensation packages, and the inevitable increases in health care costs and utilities. It is even less able to support any growth in services or programs for citizens. Even if these revenues were to grow at 10 percent a year, the new recurring revenues would be just over \$3.2 million, still insufficient to cover the requirements listed above.

A closer look at the five largest revenue sources also causes concern for future recurring revenues. Technological changes could erode the City's telephone franchise fees. Electric franchise fees have been flat or slightly declining since the fee was changed from a revenue-based to usage-based calculation in FY 2001. As consumers take advantage of more efficient technologies to reduce consumption, franchise fee revenues are likely to decline. Municipal court revenues are projected to be up, based on the implementation of new technology and personnel additions at the court; however, this is probably a one-time increase that will be unlikely to repeat itself. During FY 2004, sales tax revenues stopped the sharp declines experienced in FY 2002 and 2003. However, the City has seen only a 2.2 percent increase over the first ten months of the year, compared to the first ten months of FY 2003, while many of our neighboring cities have seen double digit increases. It is impossible to predict that sales taxes will ever return to the growth rates the City experienced during the 1990s.

Only one category remains: the City's property tax. It is the only revenue source large enough and flexible enough to provide the increase in recurring revenues necessary to support the continuous upward pressures on expenditures. Absent any changes in the trends discussed above, reliance on the property tax will likely increase in future years if the City wishes to maintain its current levels of services to citizens.

City Manager's Message

The budget's structural imbalance makes balancing the budget more difficult. In FY 2004, recurring expenditures exceeded recurring revenues by \$3.4 million. This imbalance would have been even greater had the Council not approved the 1.4 cent tax increase for FY 2004. For FY 2005, a total of \$9.2 million in one-time funding from Landfill Funds is being used to provide a one-time payment to employees and to pay for a variety of high-priority one-time expenditures. However, this funding does nothing to reduce the structural deficit. In FY 2004, the City used \$3.1 million in one-time revenue to close the budget gap; in FY 2005, this amount has grown to \$9.2 million.

Other factors contributing to the structural imbalance include the following:

- **Market Competitiveness of Pay Plan** - The City's pay plan is trailing the local public and private entities with which Arlington competes. In FY 2003, no compensation increase was included for employees. In FY 2004, the survey conducted by Human Resources indicated that an average increase of 4.7 percent was needed to make the City's pay plan market competitive. However, employees received only a 1.5 percent increase last year. When the survey was conducted for FY 2005, an average increase of 6.94 percent was needed to reach market. The budget includes a 1.36 percent compensation increase for employees – far less than the 6.94 percent recommended by Human Resources.
- **Current and Future Unfunded Needs**
 - As Council is aware, rules approved by the Government Accounting Standards Board will require the City to begin to disclose the unfunded liability associated with its health benefits.
 - As the City's parks and facilities age, maintenance requirements will increase. The budget includes one-time funding to address a portion of this need; however, ongoing funding from current revenues is not projected to be sufficient to support future maintenance costs.
 - The need to replace the City's fire apparatus and fleet vehicles has often required the use of one-time funds over the past several years. Recurring sources of revenue must be identified to maintain and replace the City's fleet vehicles.

Fiscal Year 2004

Although a structural imbalance of \$13.7 million required program and service eliminations to balance the budget, it could be characterized as a relatively "stable" year. The sales tax stabilized after two years of significant declines. The City's assessed property value continued to grow but at its slowest pace since FY 2000. Municipal Court revenues increased slightly. City employees received a 1.5 percent raise that slowed the erosion of the competitiveness of the City's pay plan, and the City's hiring freeze remained in place,

reducing budgeted expenditures by a projected \$2.5 million. The budget was ultimately balanced with a 1.4 cent tax increase and the use of \$3.1 million in one-time revenues.

Fiscal Year 2005

FY 2005 should be viewed with caution. Revenues are estimated to be flat. Assessed property values are growing but at a slower rate of 3.6 percent. In perspective, assessed values grew by 9 percent in FY 2001 and 8.7 percent in FY 2002. Growth in property values has been a funding source on which the City has relied as expenditures have increased. Reliance on an increase in property values and Municipal Court revenue has increased as sales tax revenues have declined. However, this growth rate is no longer sufficient to produce the increases in recurring revenues it has produced in the past.

Budget Objectives

The FY 2005 budget achieves the following objectives:

- **Provides compensation increase** - Provides a one-time 5 percent payment with one-time funding for a compensation increase for employees. The budget also includes a 1.36 percent compensation increase to minimize the erosion in the market competitiveness of the City's pay.
- **Restores funding for training and professional development** - Provides one-time funding for additional training and professional development opportunities to employees for the first time in three years.
- **Addresses deferred expenditures** - Provides one-time funding of \$1.1 million for audit recommendations, backlogged infrastructure requirements, health and safety priorities, and service delivery needs.

Conclusion

The budget as adopted addresses selected Council and organizational priorities, and minimally reduces the structural imbalance by providing a modest compensation adjustment for employees. Continuing efforts to effectively address the structural imbalance should be the City's most urgent priority, as noted by Fitch in its credit rating response.

"The ability of the City to produce long-term revenue and expenditure changes that establish structural balance in the operating budget will be critical to maintaining credit quality in the future." - Fitch, July 22, 2004

City Manager's Message

In the near term, revenue growth is anticipated to be minimal and significantly below projected increases in needed expenditures. The budget as adopted continues the efforts made by the City Council in FY 2004 to reduce the structural imbalance and fund high-priority needs, with particular focus in FY 2005 on providing a modest increase in compensation and funding for employee training. Reducing and eventually eliminating the structural imbalance will ensure the quality of the City's workforce, bond ratings, and services to the citizens of Arlington.

Sincerely,

A handwritten signature in cursive script that reads "Charles R. Kiefer". The signature is written in black ink and is positioned above the printed name and title.

Charles R. Kiefer
City Manager

Executive Summary

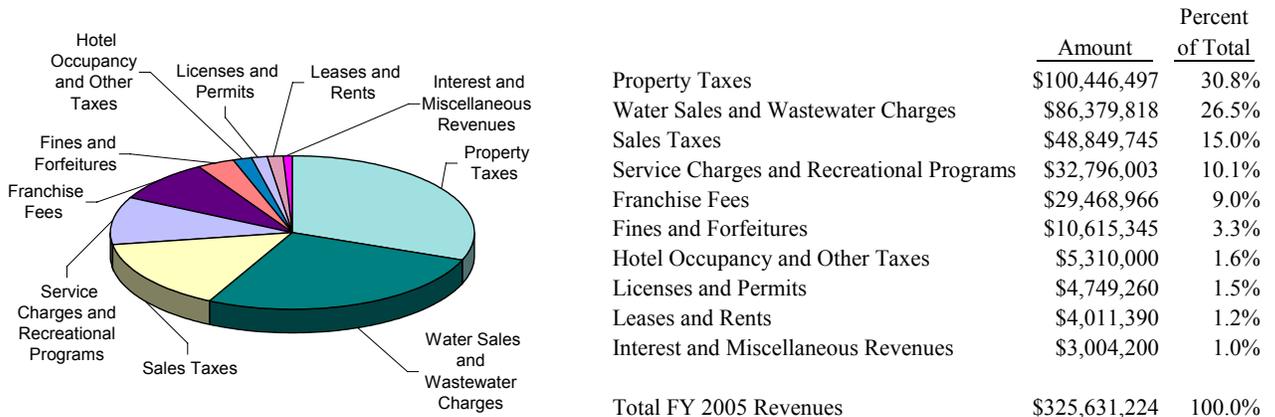
The FY 2005 Budget for the City of Arlington is presented by fund, expenditure type, and program function. City funds are grouped into five categories: the General Fund, Enterprise Funds, Special Revenue Funds, Internal Service Funds, and the Debt Service Fund. The budget document is designed to inform the reader about priorities and goals for the coming year, and also to serve as a resource for City leaders and staff.

This Executive Summary provides an overview of the major elements included in the FY 2005 Budget. The first section presents revenues and expenditures, by type and fund, for the City as a whole. The second section focuses on revenues and expenditures in the General Fund which, as the City's largest operating fund, includes most of the activities typically associated with municipal government. The third section provides a brief overview of the City's other operating funds. The last section includes a budget development calendar and a list of public events during which citizens have the opportunity to participate in the process of preparing the annual budget.

The Budget in Perspective

The City's revenues are budgeted at \$325,631,224 for FY 2005. These revenues are obtained from a variety of sources, as outlined in the following chart and table.

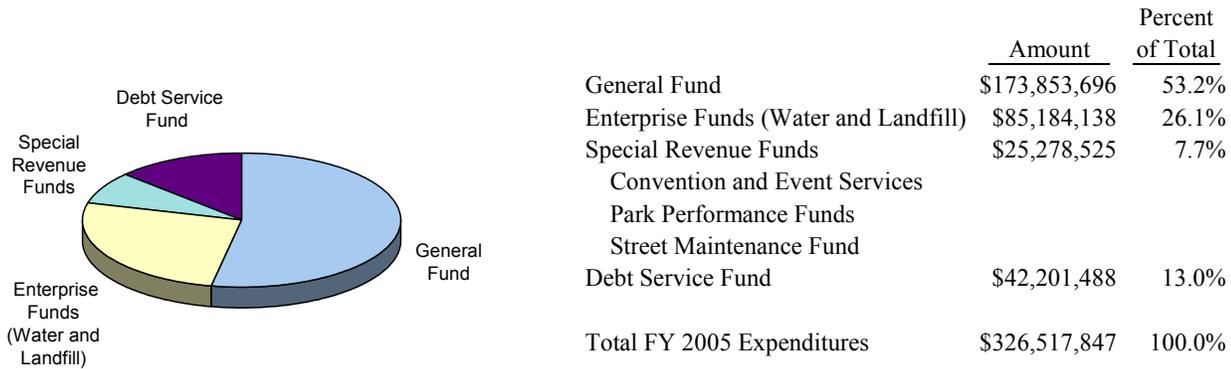
Revenues by Type



Executive Summary

Expenditures by Fund Type

The City's operating expenditures are grouped into five types of funds: General Fund, Enterprise Funds, Special Revenue Funds, Internal Service Funds, and the Debt Service Fund. Because they obtain their revenues through transfers or direct charges from other funds, the Internal Service Funds are not included below, as their expenditures are already included in other operating funds. Expenditures are budgeted at \$326,517,847 for FY 2005, as shown in the following chart and table.



Expenditures by Classification

As an organization focused on providing human services, the City's largest expense is for the salaries and benefits of a full-time staff totaling 2,342 positions. Salaries and benefits comprise half of the City's expenditures. A similar amount is spent for supplies, maintenance and training, which includes the payment of principal and interest on the City's debt, purchases of water and wastewater treatment services, and utility expenses. Capital equipment expenditures represent one percent of the City's FY 2005 budget.



	Amount	Percent of Total
Salaries and Benefits	\$161,195,272	49.4%
Supplies, Maintenance, and Training	\$162,168,177	49.6%
Capital Outlays	\$3,154,398	1.0%
Total FY 2005 Expenditures	\$326,517,847	100.0%

The City's Operating Funds

The fund structure is used to categorize the activities of City departments. Each fund groups certain types of activities together to allow proper recognition of revenues and accounting for expenditures. The operating funds of the City included in the FY 2005 Budget are:

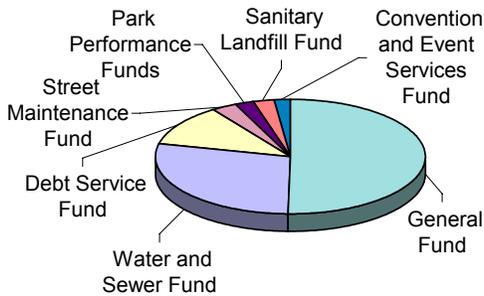
- **General Fund** - includes most activities typically associated with municipal government, including police and fire services, parks, libraries, neighborhood services such as code and animal enforcement, planning, public infrastructure, and administrative functions such as human resources, City management, finance, information technology, and legal counsel.
- **Water and Sewer Fund** - provides purified water and wastewater treatment services to residents and businesses.
- **Sanitary Landfill Fund** - provides for the operation of the City's landfill.
- **Convention and Event Services Fund** - provides for the operation of the City's Convention Center, funds the Convention and Visitors Bureau, and pays the related debt service on both facilities.
- **Park Performance Fund** - provides recreational opportunities at the City's golf courses and recreation centers designed to cover the cost of providing classes and programs through participant fees.
- **Street Maintenance Fund** - ensures the surface maintenance of City thoroughfares and residential streets, supported primarily by a voter-approved ¼-cent sales tax.
- **Internal Service Funds** - includes General Services, Communication Services, Fleet Services, and Information Technology Services. These funds provide services such as printing, computer support, communications and vehicle maintenance for all City departments, and are supported by scheduled transfers or direct charges from other funds.
- **Debt Service Fund** - provides for the City's debt repayment obligations.

The Water and Sewer Fund and the Sanitary Landfill Fund are classified as enterprise funds. The Convention and Event Services Fund, Park Performance Fund, and Street Maintenance Fund are classified as special revenue funds. Each fund type is grouped together behind a corresponding tab in this document, and detailed explanations of these fund types are included in the Appendices.

Executive Summary

Revenues by Fund

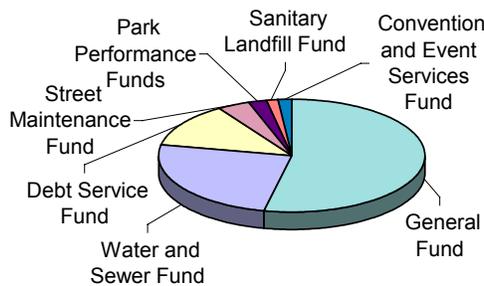
Total revenues in FY 2005 are budgeted at \$325,631,224, as shown in the following chart and table.



	<u>Amount</u>	<u>Percent of Total</u>
General Fund	\$163,688,649	50.3%
Water and Sewer Fund	\$91,886,358	28.2%
Debt Service Fund	\$38,703,444	11.9%
Street Maintenance Fund	\$9,796,137	3.0%
Park Performance Funds	\$7,342,136	2.3%
Sanitary Landfill Fund	\$7,959,000	2.4%
Convention and Event Services Fund	\$6,255,500	1.9%
Total FY 2005 Revenues	\$325,631,224	100.0%

Expenditures by Fund

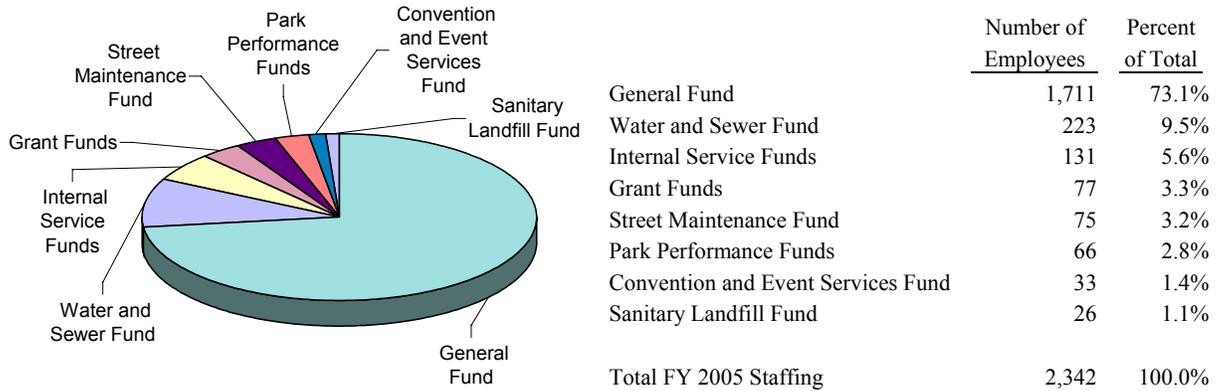
Total expenditures in FY 2005 are budgeted at \$326,517,847, as shown in the following chart and table.



	<u>Amount</u>	<u>Percent of Total</u>
General Fund	\$173,853,696	53.3%
Water and Sewer Fund	\$80,672,473	24.7%
Debt Service Fund	\$42,201,488	12.9%
Street Maintenance Fund	\$12,593,765	3.9%
Park Performance Funds	\$7,293,253	2.2%
Sanitary Landfill Fund	\$4,511,665	1.4%
Convention and Event Services Fund	\$5,391,507	1.7%
Total FY 2005 Expenditures	\$326,517,847	100.0%

Staffing

The City employs a total of 2,342 full-time employees, who staff the operating funds as shown in the following chart and table.



Property Taxes

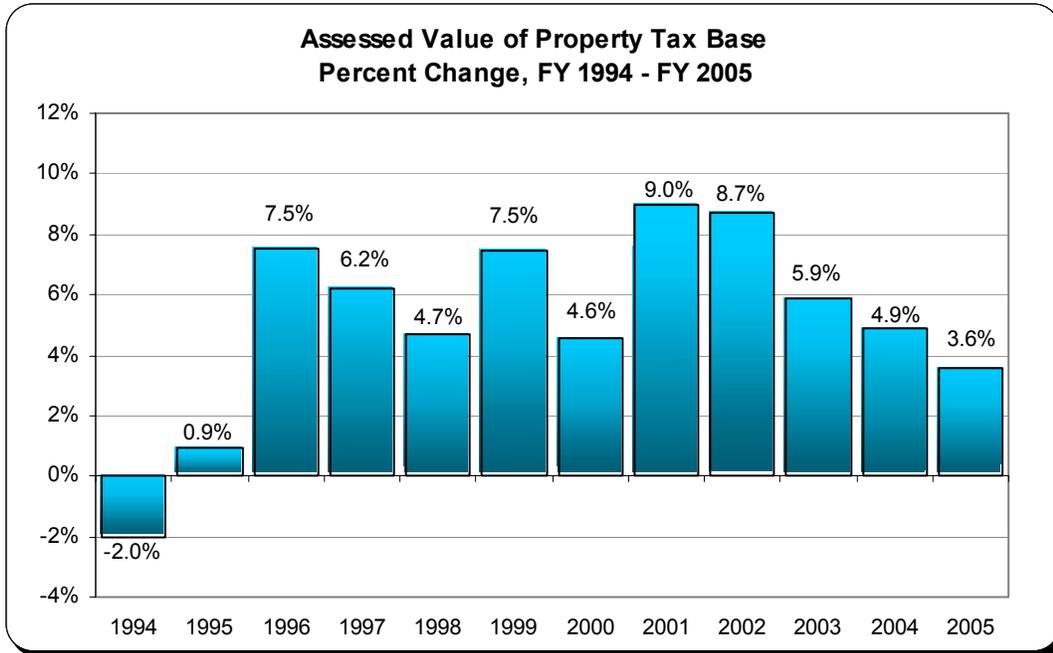
Property taxes are the largest single source of City revenues. The property tax rate is comprised of two elements: the portion that pays for the operation and maintenance of General Fund programs and services, and the portion that funds the repayment of debt. In FY 2005, the General Fund’s portion of the tax rate represents 62.1 percent of the total, and the debt service portion represents 37.9 percent of the total. The total tax rate for the City in FY 2005, and the amount by which each portion of the rate will change compared to FY 2004, is shown in the following table. The amounts below are expressed as “cents per \$100 of assessed value.”



	<u>FY 2004</u>	<u>FY 2005</u>	<u>Increase (Decrease)</u>
General Fund Tax Rate	38.79	40.23	1.44
Debt Service Tax Rate	26.01	24.57	(1.44)
Total Property Tax Rate	64.80	64.80	(0.00)

Executive Summary

The property tax rate is one side of the equation that ultimately produces the revenue generated by property taxes; the other side is the assessed value of property in the City. The total assessed value for the City for FY 2005 is \$15,470,320,256. This is a 3.6 percent increase over last year's value of \$14,938,462,524. While the City's property values are growing, the rate of growth is declining, as shown in the following chart.



The following table shows the various property tax rates for FY 2005.

•
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- d Tax Rate \$0.6480
- Effective Tax Rate \$0.6523
- Public Hearing Rate \$0.6718
- Rollback Rate \$0.6670

The effective tax rate for FY 2005 is 65.23 cents. This is the rate that would produce the same amount of revenue from properties that were on the tax rolls in both FY 2004 and FY 2005. The adopted rate of 64.80 cents is 0.7 percent below the effective rate. The rollback rate is 66.70 cents. The public hearing rate, above which the City Council must hold a public hearing on the proposed tax rate, is the lower of the rollback rate (66.70 cents) or 103 percent of the effective rate (67.18 cents). Because the adopted rate is below both of these rates, no public hearing on the tax rate was required for FY 2005.

The General Fund

As the primary operating fund of the City, the General Fund is used to account for resources associated with core government services. These services include Police, Fire, Neighborhood Services, Park Operations that are not self-supporting, Libraries, Public Works, and other traditional government activities. Property taxes, sales taxes and franchise fees are the primary revenue sources for the General Fund. In FY 2005, General Fund revenues and transfers are budgeted at \$174,195,624 and expenditures are budgeted at \$173,853,696.

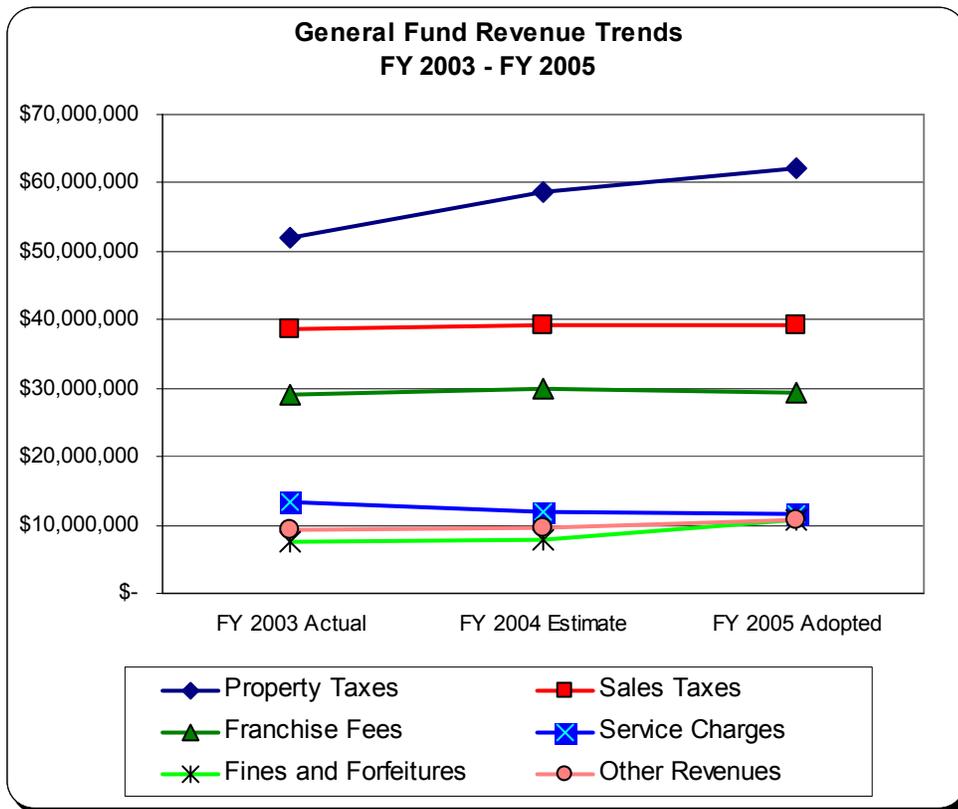
General Fund Revenues

General Fund revenues can be classified into the categories shown in the table below. Recent trends in General Fund revenues are shown on the chart on page 12. Total revenue growth in FY 2005 is projected to be 4.4 percent above the current FY 2004 estimate.

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimate</u>	<u>FY 2005 Adopted</u>
Property Taxes	\$ 51,958,340	\$ 58,529,569	\$ 62,125,783
Sales Taxes	38,695,033	39,079,796	39,079,796
Franchise Fees	29,162,707	30,023,144	29,468,966
Service Charges	13,350,800	11,883,354	11,717,827
Fines and Forfeitures	7,475,274	7,795,000	10,615,345
Other Revenues	<u>9,323,969</u>	<u>9,495,470</u>	<u>10,680,932</u>
Total Revenues	\$ 149,966,123	\$ 156,806,333	\$ 163,688,649

The category of “Other Revenues” includes interest, leases and rents, licenses and permits, and taxes on bingo, liquor, and criminal justice.

Executive Summary

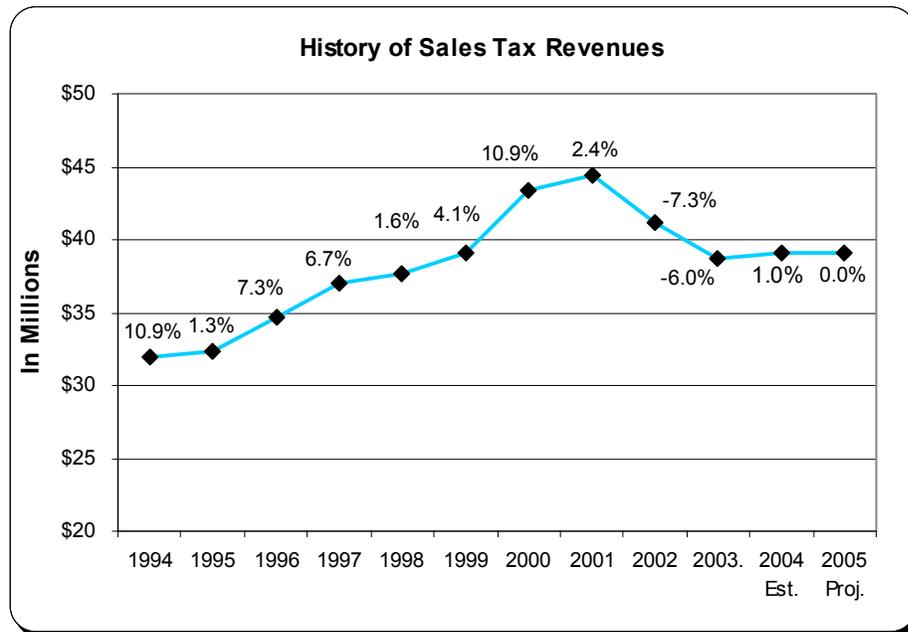


Property Taxes - \$62.1 Million, 38.0 Percent of General Fund Revenues

The largest single revenue source for the General Fund is the Property Tax, also known as the Ad Valorem Tax. In FY 2005, this revenue represents 38.0 percent of General Fund revenues, up from 36.6 percent in the FY 2004 budget. The total assessed value of taxable property in the City is \$15,470,320,256, and the General Fund's portion of the total property tax rate is 40.23 cents per \$100 of assessed value.

Sales Taxes - \$39.1 Million, 23.9 Percent of General Fund Revenues

The City's portion of the total 7.5-cent sales tax rate is 1.25 cents. Six and one-quarter cents is retained by the state, the General Fund receives 1 cent, and one-quarter cent provides funding for street maintenance. General Fund sales tax revenue for FY 2005 is projected at \$39,079,796. These taxes represent 23.9 percent of General Fund revenue in FY 2005, down from 24.5 percent in the FY 2004 budget. The following chart illustrates sales tax revenue trends and the annual percentage change during the past decade.



Franchise Fees - \$29.5 Million, 18.0 Percent of General Fund Revenues

Franchise Fees are paid by utilities for the use of City streets, alleys and property in providing utility service to citizens. These revenues represent 18.0 percent of General Fund revenues in FY 2005, down from 19.3 percent in the FY 2004 budget. The electric utility pays the most in franchise fees and is expected to pay \$12.4 million in FY 2005. Other Franchise Fees include the telephone, cable television, garbage collection, water and gas utilities.

Service Charges - \$11.7 Million, 7.2 Percent of General Fund Revenues

Service Charges are collected by the City for the use of facilities or services. These include pool and recreation center fees, various inspections and reviews conducted by City personnel, and transfers from other City funds to reimburse the General Fund for services rendered. In FY 2005, these revenues represent 7.2 percent of General Fund revenues, down from 7.9 percent in the FY 2004 budget.

Executive Summary

Fines and Forfeitures - \$10.6 Million, 6.4 Percent of General Fund Revenues

These revenues are obtained primarily from fines assessed by the City's Municipal Court. In FY 2005, these revenues represent 6.4 percent of General Fund revenues, up from 5.7 percent in the FY 2004 budget.

Other Revenues - \$10.7 Million, 6.5 Percent of General Fund Revenues

The other revenue sources for the General Fund include interest, leases and rents, licenses and permits, and taxes on bingo, liquor, and criminal justice. In FY 2005, these revenues represent 6.5 percent of General Fund revenues, up from 6.0 percent in the FY 2004 budget.

Interfund Transfers

The General Fund receives transfers from, and transfers money to, other funds of the City. These transfers are categorized into three groups: Indirect costs paid to the General Fund for work performed for other funds, support for other funds provided by the General Fund, and transfers of one-time funds. In FY 2005, support will be provided to the Special Transportation Fund (Handitran), the Street Maintenance Fund, and the Convention and Event Services Fund. In addition, one-time funds will be transferred to the General Fund from three of the Landfill funds; these include \$1,725,000 from the Rate Stabilization Fund, \$6,956,000 from the Closure/Post-Closure Fund, and \$500,000 from the Landfill Operating Fund, for a total of \$9,181,000. In total, FY 2005 transfers net to \$10,506,975 in funding received by the General Fund, as reflected in the accompanying table.

FY 2005 INTERFUND TRANSFERS:	
Water and Sewer Fund Indirect Cost	\$ 2,840,502
Conv. & Event Svcs. Fund Indirect Cost	238,636
Sanitary Landfill Fund Indirect Cost	660,621
APFA Fund Indirect Cost	773,111
To Special Transportation Fund	(663,731)
To Street Maintenance Fund	(2,283,194)
From One-time Sources of Funds	9,181,000
From Sanitary Landfill Operating Fund	1,200,000
To Convention & Event Services Fund	<u>(1,439,969)</u>
TOTAL INTERFUND TRANSFERS	\$ 10,506,975

Unallocated Reserve

This reserve constitutes the City's fund for emergencies and unanticipated expenses. The balance in this fund at the beginning of FY 2005 is estimated to be \$5,017,906.

General Fund Expenditures

General Fund expenditures are divided among three groups of departments. These are the Citizen Services, Community Resources, and Administration Groups. A Deputy City Manager is responsible for each of these groups. The largest departments are in the Citizen Services Group with the Police Department at \$66,010,370 and the Fire Department at \$34,995,583. Other departments in this group include Library and Neighborhood Services. The Community Resources Group includes Parks, Planning and Development, and Public Works. Administration consists of general government activities such as the City Manager’s Office, Mayor and Council’s Office, City Attorney’s Office, Administrative Services, and support departments such as Finance, Human Resources, and Information Technology.

- 58.1 ¢ Public Safety**
- 11.5 ¢ Operations Support***
- 8.8 ¢ Parks & Recreation**
- 7.3 ¢ Public Works**
- 5.5 ¢ Administration***
- 3.4 ¢ Libraries**
- 2.9 ¢ Neighborhood Services**
- 2.5 ¢ Planning & Development**



* Operations Support includes Finance, Support Services, and Information Technology. Expenditures for administration include Administrative Services, City Attorney’s Office, City Manager’s Office, Court Judiciary, and Human Resources.

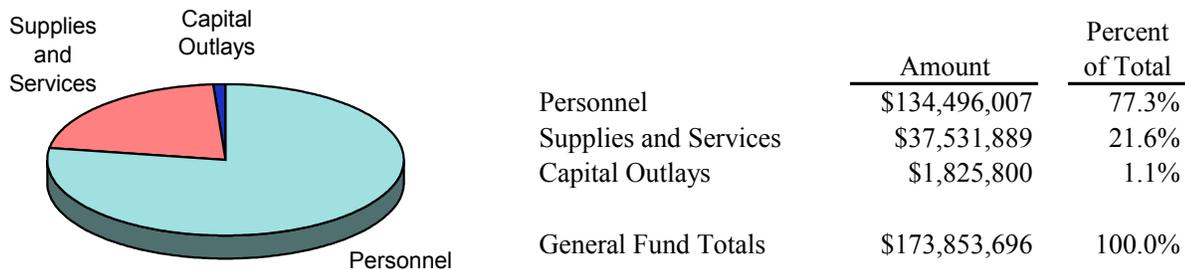
General Fund Expenditure Changes

	FY 2004 Estimate	FY 2005 Budget	Change
Public Safety	\$ 93,410,088	\$ 101,005,953	\$ 7,595,865
Operations Support	17,907,460	19,919,764	2,012,304
Parks and Recreation	13,016,818	15,306,031	2,289,214
Public Works	11,306,330	12,774,047	1,467,717
Administration	8,407,705	9,556,685	1,148,980
Libraries	5,494,193	5,831,135	336,942
Neighborhood Services	4,593,799	5,015,575	421,776
Planning and Development	3,491,520	4,444,506	952,986
Total	\$ 157,627,911	\$ 173,853,696	\$ 16,225,785

Executive Summary

General Fund Expenditures by Classification

The FY 2005 General Fund budget includes \$134,496,007 for personnel expenses and \$39,357,689 for non-personnel expenses. As the accompanying chart demonstrates, personnel costs represent 77.3 percent of the General Fund budget.



General Fund position changes for FY 2005 include the following:

Two Office Assistant positions were added in the Police Department, one a formerly grant supported position in the narcotics enforcement task force and the other to provide administrative support to the Traffic Division.

One Senior Program Analyst was added in the Planning and Development Services Department to support the new permits and plans tracking system.

Additionally, in FY 2004, nineteen positions were added to the General Fund mid-year to assist with the increase in Municipal Court citations. Fifteen of those positions were added at the Municipal Court, three in the City Attorney's Office, and one in the Police Department. The cost of these new positions will be recovered from increased citation revenue.

Salary surveys conducted in the spring of 2004 indicated that pay increases of 9.08 percent for Fire Department uniformed personnel, 6 percent for Police Department uniformed personnel, and 6.79 percent for civilians would be needed in FY 2005 to maintain the competitiveness of the City's pay plan. These increases would result in an average pay increase for all General Fund employees of 6.94 percent. Because of significant budget constraints, the FY 2005 budget includes a 1.36 percent across-the-board compensation adjustment and a one-time payment for all employees of 5 percent to be paid with one-time funds. The total cost of these increases is \$7.5 million in the General Fund.

New Programs for FY 2005

Permits and Plans Tracking System - The budget includes funding for a lease/purchase of a web-based development and permit tracking software with dynamic portal capabilities. The cost of the new program will be recovered by increases in the cost of building permits. **\$671,387**

Assumption of Metro Narcotic Intelligence Coordination Unit (MNICU) support in the General Fund - MNICU is a multi-agency narcotics enforcement task force. Due to organizational changes to MNICU mandated by the Texas Department of Public Safety, the Police Department will reduce the number of officers who will be considered MNICU task force officers. This organizational change means the loss of grant funds dedicated to narcotics enforcement and support of a full time clerical position. **\$265,191**

Replacement of Telephone System Switch - The City's telephone system was installed in 1986 and is no longer supported by the manufacturer. Current phone system software can not be updated and repair parts are increasingly difficult to find. A cost-effective means of replacing the phone system with refurbished equipment has been identified. The system will be acquired through a lease/purchase arrangement, and costs for the first year of the lease are included in the budget. **\$102,000**

Executive Summary

Other Operating Funds

Convention and Event Services Fund

This fund supports the operation of the Arlington Convention Center, the Convention and Visitors Bureau, and the debt service on the Convention Center and Convention and Visitors Bureau buildings. The fund also provides support for the Fielder Museum. The fund's largest source of revenue is the hotel occupancy tax, which declined by over 16 percent, from \$4,675,990 to \$3,909,501, from FY 2001 to FY 2003. The FY 2004 estimate is \$3.9 million, and this figure is not expected to improve in FY 2005. This trend has resulted in the need for General Fund subsidies to the Convention and Event Services Fund each year since FY 2002. The FY 2005 budget includes a \$1.4 million transfer from the General Fund to the Convention and Event Services Fund.

Street Maintenance Fund

The Street Maintenance Fund is used to repair the City's aging street inventory. It is primarily supported by a ¼-cent sales tax approved by the voters of Arlington in September 2002. The additional tax became effective on January 1, 2003. Other sources of support include a transfer from the General Fund of \$2,283,194 and a transfer from the Storm Water Utility Fund of \$540,621. Sales taxes are expected to generate approximately \$9.8 million in FY 2005.

Water and Sewer Fund

The Water and Sewer Fund oversees the provision of drinking water and wastewater disposal services to residents and businesses. Expenses in the Water and Sewer Fund are for functions such as Field Operations, Water Treatment and Customer Service. The fund also pays debt service, purchases water, and contributes to various capital reserves to avoid future debt issuance. Total Water and Sewer Fund expenditures for FY 2005 are \$80.7 million. Interfund transfers for FY 2005 total \$11.1 million.

The largest revenue for the fund is Water Sales of \$47.5 million. Residential conservation rates for FY 2005 range from \$1.50 for 2,000 gallons of consumption to \$2.79 per 1,000 gallons for consumption over 15,000 gallons per month. These rates incorporate the cost of raw water, treatment, distribution and maintenance. The second largest revenue source is from Wastewater Treatment Charges. This is the charge for normal strength sewage discharged within the corporate limits of the City. The total revenue expected is \$37.8 million, based on an FY 2005 rate of \$2.42 per 1,000 gallons. Total FY 2005 revenues for the Water and Sewer Fund are estimated to be \$91.9 million.

Public Participation in the Budget Process

Council District Meetings held during the budget preparation process:

District 1

Hosted by City Council member Joe Bruner

Monday, August 23, 6:30 p.m.

Northeast Branch Library, 1901 E. Brown Blvd.

District 2

Hosted by City Council member Sheri Capehart

Monday, August 23, 7:00 p.m.

Tierra Verde Clubhouse, 7005 Golf Club Drive

District 3

Hosted by City Council member Wayne Ogle

Thursday, August 19, 7:00 p.m.

Southeast Branch Library, 900 S.E. Green Oaks Blvd.

District 4

Hosted by City Council member Kathryn Wilemon

Wednesday, August 25, 6:30 p.m.

West Police Service Center, 4800 W. Green Oaks Blvd.

District 5

Hosted by City Council member Lana Wolff

Thursday, August 26, 6:30 p.m.

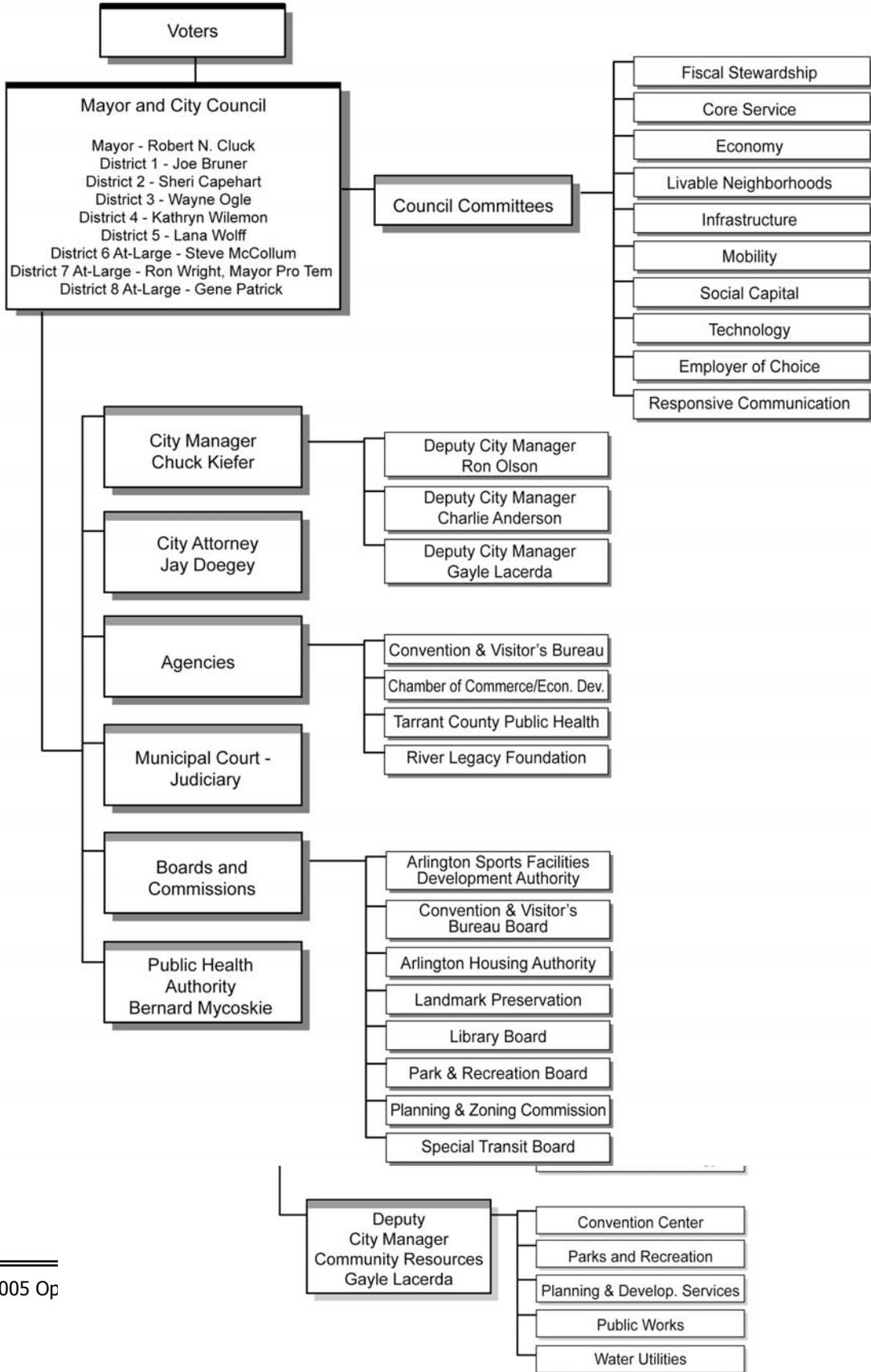
Council Briefing Room, 3rd Floor of City Hall, 101 W. Abram Street

Executive Summary

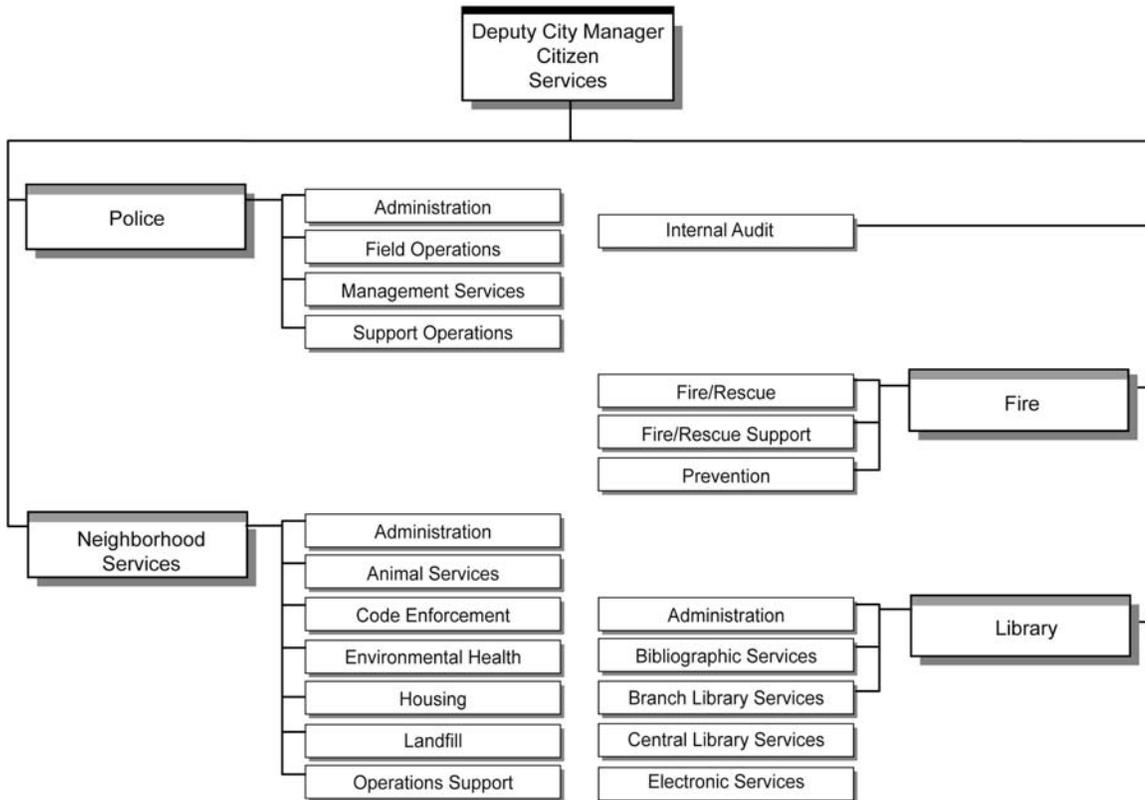
FY 2005 Budget Calendar

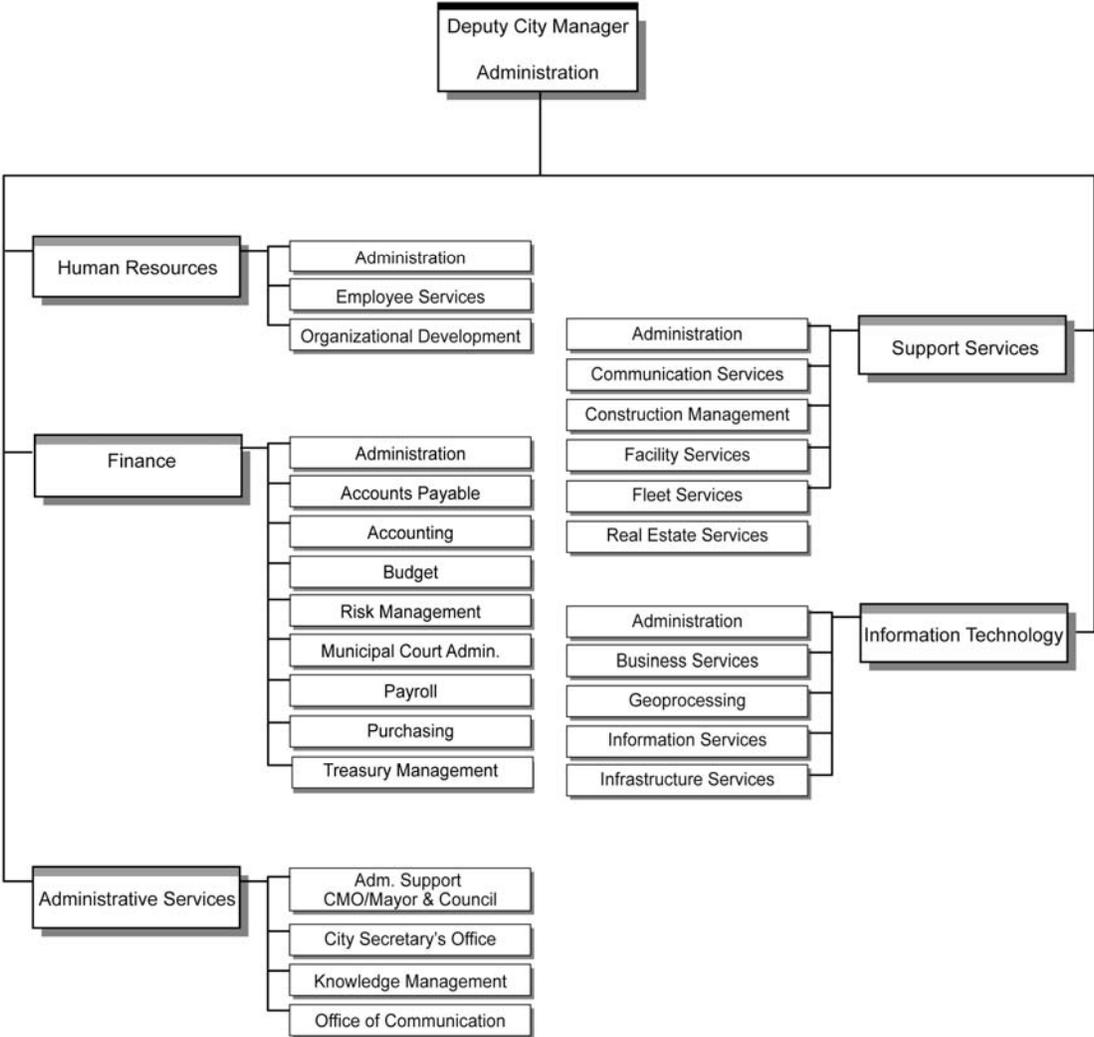
<u>Day / Date</u>	<u>Task</u>
Monday, May 3	2:00 p.m. - Budget Kick-off in Council Chamber; Budget packets distributed to departments
Friday, May 21	Budget submissions due to Budget Office, including FY 2004 Current-Year Revenue and Expenditure Estimates
Friday, June 4	Departments receive revised copy of Base Budget with approved Adjustments to Base and Internal Service charges
Monday, June 14 - Friday, June 25	City Manager and Deputy City Managers review Departmental Budget Requests with Department Heads
Tuesday, August 17	City Manager files FY 2005 Proposed Budget with City Secretary and presents Proposed Budget to City Council
Tuesday, August 31	Consideration by City Council of a Resolution calling a Public Hearing on the Budget. If a Tax Rate increase above the rollback rate is proposed, a recorded vote is taken and a Public Hearing on the Tax Rate is scheduled.
Tuesday, September 14	Public Hearing on Proposed FY 2005 Operating Budget and Tax Rate, if necessary
Tuesday, September 21	First Reading of Ordinances adopting Budget and levying Tax Rate
Tuesday, September 28	Final Reading of Ordinances adopting Budget and levying Tax Rate

Organization Charts

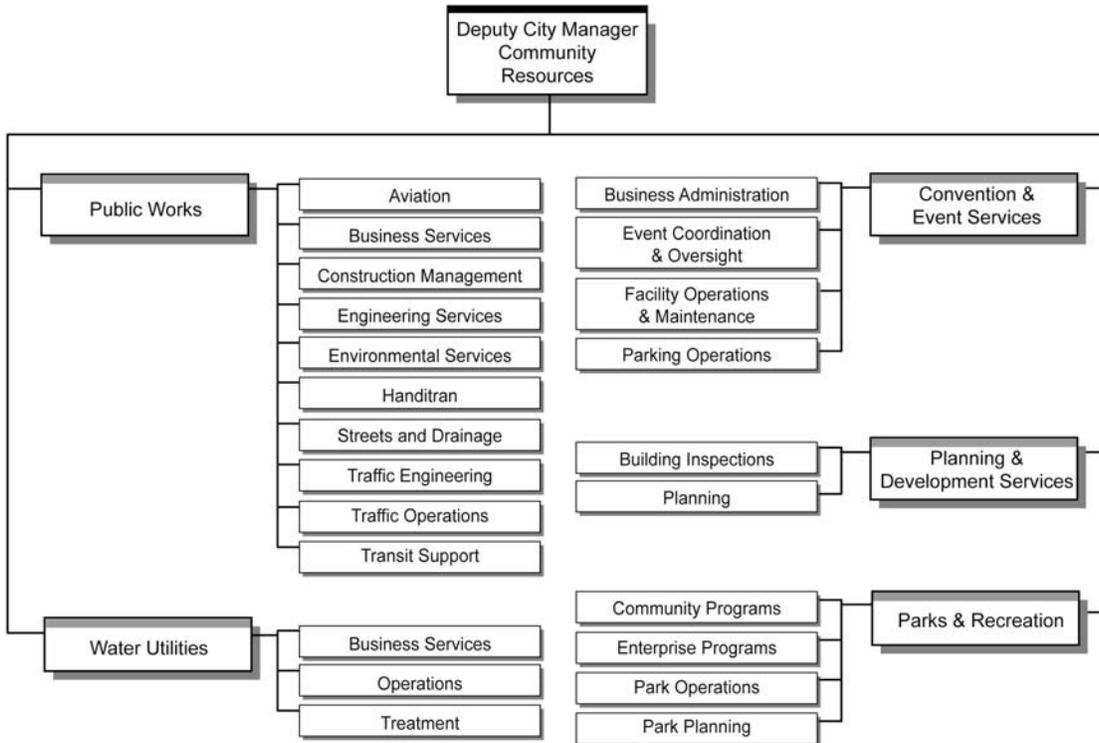


Organization Charts





Organization Charts





Financial Summaries

This section provides an overview of the City’s operating funds. The first two-page matrix on pages 28-29 shows fund operating positions, with beginning balances, revenues, net transfers, expenditures, and ending balances. The second two-page matrix on pages 30-31 provides details of revenues by type and expenditures by classification. The last page provides details for the City’s financial reserves.

FY 2005 OPERATING POSITIONS

Funding Source / Use	General Fund	Water and Sewer Fund	Sanitary Landfill Fund
Beginning Balance	\$ -	\$ 5,370,693	\$ 2,313,209
Total Revenues	\$ 163,688,649	\$ 91,886,358	\$ 7,959,000
Total Interfund Transfers	\$ 10,506,975	\$ (11,129,272)	\$ (2,402,616)
Total Available Funds	\$ 174,195,624	\$ 86,127,779	\$ 7,869,593
Total Expenditures	<u>\$ 173,853,696</u>	<u>\$ 80,672,473</u>	<u>\$ 4,511,665</u>
Ending Balance	\$ 341,928	\$ 5,455,306	\$ 3,357,928

Financial Summaries

FY 2005 OPERATING POSITIONS

Convention and Event Svcs. Fund	Park Performance Fund	Street Maintenance Fund	Debt Service Fund	Totals
\$ -	\$ 225,377	\$ 235,790	\$ 2,834,592	\$ 10,979,661
\$ 6,255,500	\$ 7,342,136	\$ 9,796,137	\$ 38,703,444	\$ 325,631,224
\$ (863,993)	\$ (245,182)	\$ 2,823,815	\$ 2,980,447	\$ 1,670,174
\$ 5,391,507	\$ 7,322,331	\$ 12,855,742	\$ 44,518,483	\$ 338,281,059
<u>\$ 5,391,507</u>	<u>\$ 7,293,253</u>	<u>\$ 12,593,765</u>	<u>\$ 42,201,488</u>	<u>\$ 326,517,847</u>
\$ -	\$ 29,078	\$ 261,977	\$ 2,316,995	\$ 11,763,212

FY 2005 REVENUES AND EXPENDITURES

Revenues by Type	General Fund	Water and Sewer Fund	Sanitary Landfill Fund
Property Taxes	\$ 62,125,783	\$ -	\$ -
Sales Taxes	39,079,796	-	-
Hotel Occupancy and Other Taxes	1,410,000	-	-
Water Sales and Wastewater Charges	-	86,379,818	-
Franchise Fees	29,468,966	-	-
Licenses and Permits	4,749,260	-	-
Leases and Rents	3,026,390	-	-
Fines and Forfeitures	10,615,345	-	-
Service Charges and Recreational Programs	11,717,827	4,706,540	7,659,000
Interest and Miscellaneous Revenues	<u>1,495,282</u>	<u>800,000</u>	<u>300,000</u>
Total FY 2005 Revenues	\$ 163,688,649	\$ 91,886,358	\$ 7,959,000

Expenditures by Classification

Salaries and Benefits	\$ 134,496,007	\$ 14,548,959	\$ 1,696,052
Supplies, Maintenance, and Training	37,531,889	65,032,716	2,735,613
Capital Outlays	<u>1,825,800</u>	<u>1,090,798</u>	<u>80,000</u>
Total FY 2005 Expenditures	\$ 173,853,696	\$ 80,672,473	\$ 4,511,665

Financial Summaries

FY 2005 REVENUES AND EXPENDITURES

Convention and Event Svcs. Fund	Park Performance Fund	Street Maintenance Fund	Debt Service Fund	Totals
\$ -	\$ -	\$ -	\$ 38,320,714	\$ 100,446,497
-	-	9,769,949	-	48,849,745
3,900,000	-	-	-	5,310,000
-	-	-	-	86,379,818
-	-	-	-	29,468,966
-	-	-	-	4,749,260
985,000	-	-	-	4,011,390
-	-	-	-	10,615,345
1,370,500	7,342,136	-	-	32,796,003
-	-	26,188	382,730	3,004,200
\$ 6,255,500	\$ 7,342,136	\$ 9,796,137	\$ 38,703,444	\$ 325,631,224

\$ 1,987,452	\$ 4,665,218	\$ 3,801,584	\$ -	\$ 161,195,272
3,404,055	2,583,035	8,679,381	42,201,488	162,168,177
-	45,000	112,800	-	3,154,398
\$ 5,391,507	\$ 7,293,253	\$ 12,593,765	\$ 42,201,488	\$ 326,517,847

FY 2005 Reserves

The City of Arlington maintains reserves that are used for purposes not included elsewhere in the fiscal year operating budget.

**SELECTED FINANCIAL RESERVES
FY 2005 OPERATING POSITION**

	UNALLOCATED RESERVE	WORKING CAPITAL RESERVE	UTILITY RATE CASE RESERVE	INFRA- STRUCTURE RESERVE FUND	OTHER POST EMPLOYMENT BENEFITS RESERVE
Beginning Balance	\$ 5,017,906	\$13,584,520	\$ 500,000	\$ 991,744	\$ 1,717,904
Appropriated Amounts	-	-	-	563,974	-
Transfers In / (Out)	-	-	-	-	-
Ending Balance	\$ 5,017,906	\$13,584,520	\$ 500,000	\$ 427,770	\$ 1,717,904

Unallocated Reserve

This reserve constitutes the City’s fund for emergencies and unanticipated expenses. The balance in this fund at the beginning of FY 2005 is estimated to be \$5,017,906. This includes an additional \$197,552 from FY 2004 year-end balances to fully fund the Unallocated Reserve to three percent of General Fund expenditures.

Working Capital Reserve

An additional \$603,120 provided from FY 2004 year-end balances fully funds the Working Capital Reserve to one month of net General Fund expenditures, as required by bond agencies.

Utility Rate Case Reserve

The Utility Rate Case Reserve is used for unexpected litigation relating to the rates charged by utilities in Arlington. The Rate Case Reserve is adequately funded for FY 2005.

Infrastructure Reserve Fund

This reserve provides for needed repairs and improvements to City facilities. Funding provided includes \$430,474 from the General Fund, \$133,500 from the Water and Sewer Fund, and \$427,770 from the sale of City property.

Other Post Employment Benefits Reserve

This reserve was established in FY 2004 to address funding the liability for post employment benefits, other than pensions, which will be recognized upon implementation of the Governmental Accounting Standards Board Statement Number 45.

General Fund Summary

As the primary operating fund of the City, the General Fund is used to account for resources associated with core government services. These services include Police, Fire, Neighborhood Services, Park Operations that are not self-supporting, Libraries, Public Works, and other traditional government activities. Property taxes, sales taxes and franchise fees are the primary revenue sources for the General Fund. In FY 2005, General Fund revenues and transfers are budgeted at \$174,195,624 and expenditures are budgeted at \$173,853,696.

FY 2005 OPERATING POSITION

Funding Source / Use	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Revenues				
Taxes	\$ 92,033,001	\$ 97,725,032	\$ 99,019,134	\$ 102,615,579
Franchise Fees	29,162,707	30,287,871	30,023,144	29,468,966
Service Charges	13,350,800	12,411,555	11,883,354	11,717,827
Fines & Forfeitures	7,475,274	8,904,027	7,795,000	10,615,345
Licenses & Permits	3,833,382	4,170,795	3,953,046	4,749,260
Leases & Rents	2,878,077	2,929,249	2,996,703	3,026,390
Miscellaneous	<u>1,232,882</u>	<u>862,789</u>	<u>1,135,952</u>	<u>1,495,282</u>
Total Revenues	\$ 149,966,123	\$ 157,291,318	\$ 156,806,333	\$ 163,688,649
Interfund Transfers				
Indirect Costs	\$ 4,292,807	\$ 4,392,308	\$ 4,392,308	\$ 4,512,870
Support for Other Funds	(4,583,401)	(4,115,937)	(4,152,154)	(4,386,894)
Landfill Operations Revenue	-	-	-	1,200,000
One-Time Funds	5,548,000	3,100,000	3,100,000	9,181,000
Post-Employment Benefit Reserve	-	-	(1,717,904)	-
Other Reserves	<u>(2,670,000)</u>	<u>-</u>	<u>(800,672)</u>	<u>-</u>
Total Interfund Transfers	\$ 2,587,406	\$ 3,376,371	\$ 821,578	\$ 10,506,975
Total Available Funds	\$ 152,553,529	\$ 160,667,689	\$ 157,627,911	\$ 174,195,624
Expenditures				
Citizen Services	\$ 98,173,907	\$ 104,715,091	\$ 103,498,080	\$ 111,852,664
Community Resources	28,383,807	28,934,000	27,814,667	32,524,584
Administration	<u>25,519,488</u>	<u>27,018,598</u>	<u>26,315,165</u>	<u>29,476,449</u>
Total Expenditures	\$ 152,077,202	\$ 160,667,689	\$ 157,627,911	\$ 173,853,696
Ending Balance	\$ 476,327	\$ -	\$ -	\$ 341,928

General Fund Revenues

General Fund revenue classifications range from Taxes (primarily Sales and Property), which comprise 62.7 percent of General Fund revenues, to Miscellaneous, which comprise 0.9 percent.

- **Taxes**

The largest single revenue source for the General Fund is Ad Valorem taxes, also known as property taxes. The adopted property tax rate for FY 2005 is \$0.6480 per \$100 valuation. Of this tax rate, 62.1 percent, or \$0.4023, is used for General Fund activities. The remaining 37.9 percent, or \$0.2457, is used for debt service. Property tax revenue for FY 2005 is estimated to be \$62,125,783 from the total tax base of \$15,470,320,256. The General Fund's portion of the sales tax rate is 1 percent. Sales tax revenue for FY 2005 is estimated at \$39,079,796. This is unchanged from the FY 2004 estimate, resulting from stagnant retail sales. Other taxes include the Criminal Justice Tax, Bingo Tax, and Liquor Tax.

- **Franchise Fees**

Franchise Fees are those fees paid by utilities for the use of City streets, alleys, and property in providing their services to citizens, and account for 18.0 percent of General Fund revenues. The largest of these is the Electric Franchise Fee, at \$12,440,832. Other Franchise Fees include the Telephone, Water, Cable Television, and Gas utilities.

- **Service Charges**

Service Charges account for 7.2 percent of General Fund revenues, at \$11,717,827. These fees are charged by the City for the use of City facilities or services. This includes pool and community center fees, various review and inspections conducted by City personnel, and transfers from other City funds to reimburse the General Fund for services rendered.

- **All Other Revenues**

The other revenue sources for the General Fund include Fines and Forfeitures, Licenses and Permits, Leases and Rent, and Miscellaneous. Fines and Forfeitures account for 6.4 percent of General Fund revenue, at \$10,615,345. Municipal Court fines account for 95.6 percent of Fines and Forfeitures, at \$10,150,345. Licenses and Permits account for 2.9 percent of General Fund revenue, and include development-related permits such as building, mechanical, electrical and plumbing permits, and certificates of occupancy. Also included in this category are health and safety items such as fire and child care permits. Total revenue for this category is \$4,749,260. Leases and Rents are estimated at \$3,026,390, or 1.8 percent of General Fund revenue. The annual lease of Amerquest Field for \$2,000,000 is the largest single revenue source. The final revenue category is Miscellaneous at \$1,495,282, or 0.9 percent.

General Fund Summary

Interfund Transfers

Interfund transfers for FY 2005 include three categories. The first of these is indirect costs, which are payments by non-General Fund departments for services received from the General Fund. These services include payroll, information technology, accounting, and building use. Indirect costs total \$4,512,870 for FY 2005. Support for other funds includes amounts paid by the General Fund to the Special Transit Fund (\$663,731), Street Maintenance Fund (\$2,283,194), and Convention and Event Services Fund (\$1,439,969). In addition, one-time funds will be transferred to the General Fund from three of the Landfill funds; these include \$1,725,000 from the Rate Stabilization Fund, \$6,956,000 from the Closure/Post-Closure Fund, and \$500,000 from the Landfill Operating Fund, for a total of \$9,181,000.

General Fund Expenditures

General Fund expenditures are divided into three groups of departments. These are the Citizen Services, Community Resources, and Administration Groups. A Deputy City Manager heads each of these groups. Citizen Services includes the Police Department, Fire Department, Library, Internal Audit and Neighborhood Services. Community Resources includes Public Works, Parks, and Planning and Development Services. Administration consists of general government activities such as the City Manager's Office, Mayor and Council's Office, City Attorney's Office and support departments such as Administrative Services, Finance, Human Resources, Information Technology, and Support Services.



Administrative Services

April Nixon, Director

The Administrative Services Department is responsible for providing managerial oversight for several strategic City functions. The mission of the department focuses on



organizational-wide knowledge management and working as a strategic partner with departments to implement special initiatives with citywide impact. Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Ensure Responsive Communication
- Leverage Social Capital and Celebrate Diversity

Divisions in the department include the Office of Communication, which conveys the City's position and work with the media, Knowledge Management, which collaborates with Information Technology on employment of a City-wide knowledge management process, the City Secretary's Office, and administrative support for Mayor, Council and City Manager's offices.

Long-Term Goals

- Increase citizens' satisfaction regarding their access to the City of Arlington government.
- Develop a broad City-wide Knowledge Management Process.
- Continue evolution of Performance Based Management Reporting and Budget Documentation.
- Serve as a Liaison between Employees and Non-Profit Community Groups for approved Volunteer Opportunities.
- Concentrate on City messages that increase citizen and employee morale.

Short-Term Objectives

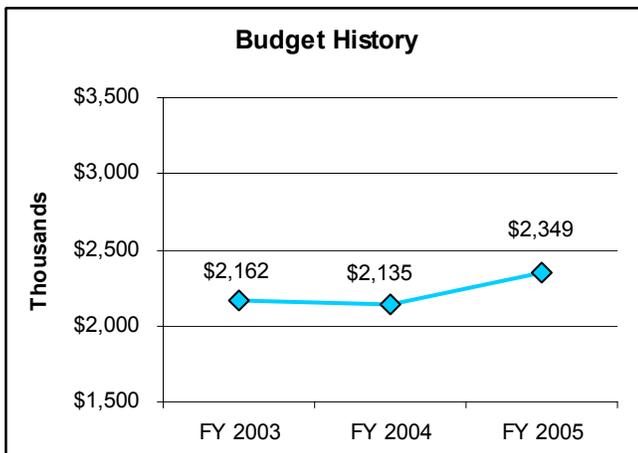
- Increase client satisfaction with Administrative Services programs and projects.
- Improve the efficiency of the agenda process.
- Create new polling locations.
- Expand the Corporate Image Process.
- Coordinate City participation in Minority community events.
- Increase communication to the workforce about benefits changes.
- Increase readership of *City Web*.
- Increase viewership of *City 5*.
- Investigate funding options for *City 5* cable channel.



Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	23	23	23
Personnel Services	\$ 1,380,166	\$ 1,485,480	\$ 1,696,306
Operating Expenses	519,411	530,463	641,009
Capital Outlay	-	-	12,000
TOTAL	\$ 1,899,578	\$ 2,015,943	\$ 2,349,315

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

Administrative Services is a new department created in February of 2004. Budget history has been restated for comparative purposes. FY 2005 increases are attributable to a 1.36 percent compensation increase and a one-time 5 percent payment to employees.

Administrative Services

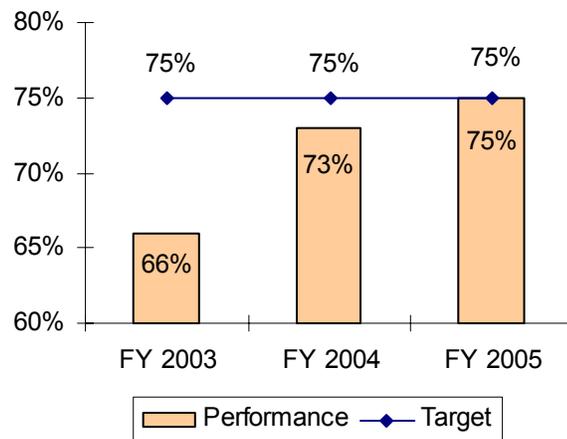
Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Office of Communications	\$ 539,290	\$ 606,180	\$ 600,854	\$ 308,339
Public Education	452,233	508,327	407,375	918,372
City Secretary	347,411	390,503	399,868	453,206
City Manager's Office Support	287,582	323,253	325,461	347,533
Mayor and Council Support	273,061	306,931	282,384	321,865
TOTAL	\$ 1,899,578	\$ 2,135,194	\$ 2,015,943	\$ 2,349,315

Performance Measures

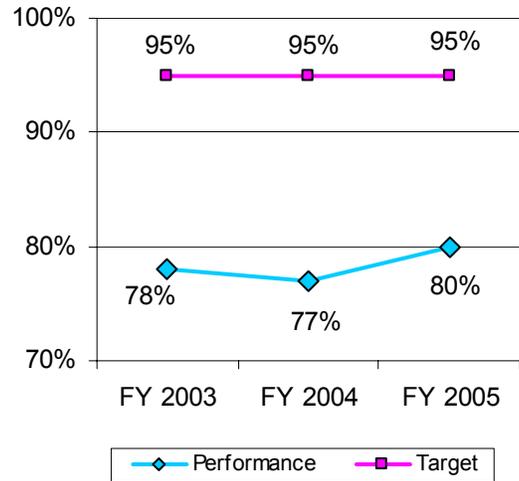
- Percent of citizens who strongly agree that they have good access to the City of Arlington Government increases.
- Percent of citizens who agree that the City of Arlington keeps them informed increases.
- Percent of client satisfaction with Administrative Services increases.
- Increase the number of visits (hits) on *City Web*.
- Increase in viewers on *City 5*.

Percent of citizens who strongly agree that they have good access to the City of Arlington Government increases. The FY 2004 Citizen Satisfaction Survey asked 505 Arlington residents (called at random) to provide their perception about access to the City of Arlington Government. Their response indicated they are more satisfied than ever before. The trend has continued upward since the survey was started in FY 2000 with a 65 percent rating.

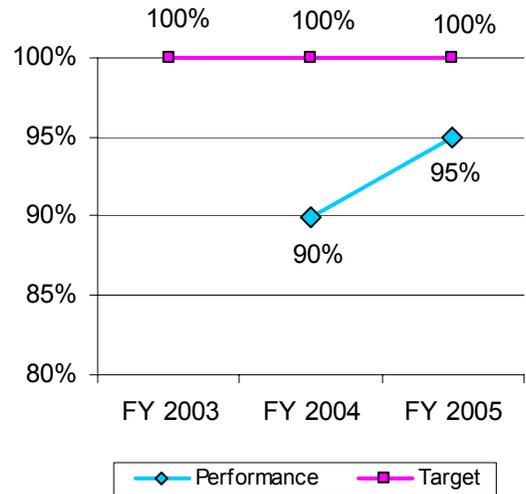


Since 2001, the Public Information Office has consolidated some of the City's public information resources and concentrated on expanding communication with the public.

Percent of citizens who agree that the City of Arlington keeps them informed increases. The City of Arlington communicates with the public in a number of ways, including City publications, the “Arlington Update” page, City 5, City Web, and other methods. The Citizen Satisfaction Survey has measured the communication effort for the past two years. In FY 2004, 481 respondents answered this question with 77 percent indicating that the City's efforts were either excellent or good. Continued efforts to improve and integrate City messages are anticipated to increase satisfaction in FY 2005.

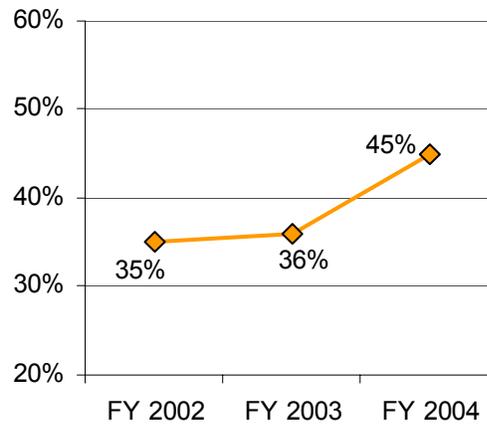


Percent of client satisfaction with Administrative Services increases. Administrative Services coordinates, provides, or produces a number of projects and activities for City departments. The various divisions of Administrative Services survey their clients to determine how effective the department has been in meeting clients’ needs.



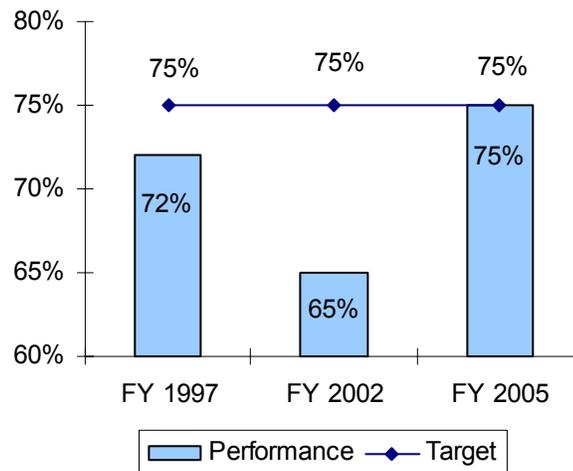
Administrative Services

Increase in the number of visits (hits) on City Web. Since FY 2000 the number of visits to City Web has continued to increase. This can be attributed to the increase of web and internet use as well as expanded information on the City's website. Currently this is a tracking measure to determine the use of the City's website. This number indicates overall readership. Beyond increasing usage, an established target for this measure has not been determined. With the integration of the Office of Communication media and marketing tools, it is anticipated the number of visits will increase, in part, due to the increased message exposure across several communication venues.



Increase in viewers on City 5.

Administrative Services surveyed citizens on their viewership in 1997 and 2002. A decrease was noted in overall viewership. A study of viewing habits indicated a technology change by Arlington residents. From 1997 to 2002 more citizens were using satellite dishes to receive television programming. City 5 is not on any of the dish plans and therefore, is not available to residents using a satellite dish.



Although this is a tracking measure to determine City 5's viewership, a 75 percent target has been established for viewership among those residents who subscribe to cable television (currently provided by Comcast). It is anticipated that programming changes and integrated message communication will result in increased viewership in FY 2005.



City Attorney's Office

Jay Doegey, JD, City Attorney

The City Attorney's Office provides legal counsel and advice to the Mayor, members of the City Council, and all departments of the City. The City Attorney's Office is responsible for representing the City of Arlington in lawsuits brought by and against the City in county, district, and federal courts and for prosecuting all actions in Arlington Municipal Court. The office is responsible for drafting, approving, and preparing resolutions, ordinances, and contract documents presented to the City Council for consideration. Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Demonstrate good fiscal stewardship
- Achieve operational excellence in core service delivery
- Foster livable neighborhoods

Long-Term Goals

- Defend the City of Arlington in county, district and federal courts against claims and lawsuits involving federal civil rights, tort claims, land use, contract and construction, and workers compensation issues.
- Provide professional legal services to various City departments seeking assistance and legal counsel for issues involving employment policies, discipline, equal employment opportunity claims and benefits.
- Provide professional legal services on a 24 hour basis to the Police Department regarding search warrants, police legal training, nuisance abatement, sexually oriented business regulation, public information requests, and wrecker regulation.
- Prosecute cases in Municipal Court.
- Provide professional legal counsel, representation and services to the City Council and City staff in a timely fashion in the areas of economic development, legislative monitoring, land use, contracts, elections, open meetings, public information, utility franchises and regulation, property acquisition, eminent domain, collections, right of way management and ethics.

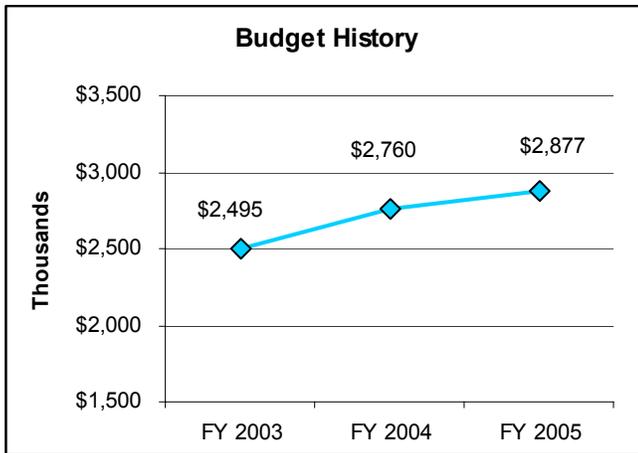
Short-Term Objectives

- Exceed the projected term of current funding for Arlington Property Finance Authority (APFA, the City's self-insurance fund).
- Maintain Home Rule authority.
- Eliminate backlog of Municipal Court docket.
- Prompt and reliable legal review of documents and legal counsel.
- Municipal law certification of senior attorneys.
- Professional training of City Attorney's Office personnel.

Summary of Resources

Budget Summary and Authorized Positions				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Authorized Positions	28	29	32	33
Personnel Services	\$ 2,146,280	\$ 2,489,530	\$ 2,354,917	\$ 2,601,315
Operating Expenses	228,480	270,320	236,923	275,486
Capital Outlay	-	-	-	-
TOTAL	\$ 2,374,760	\$ 2,759,850	\$ 2,591,841	\$ 2,876,801

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

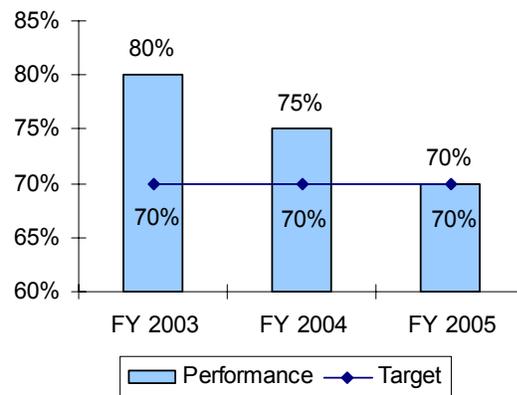
In FY 2004, budgeted positions increased mid-year from 29 to 32 when three positions were added by ordinance to assist with increased workload in processing Municipal Court citations. The additional cost associated with these positions will be covered by increased Court revenues. In FY 2005, one position is transferring to the City Attorney's Office from the Police Department.

Other increases are attributable to a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

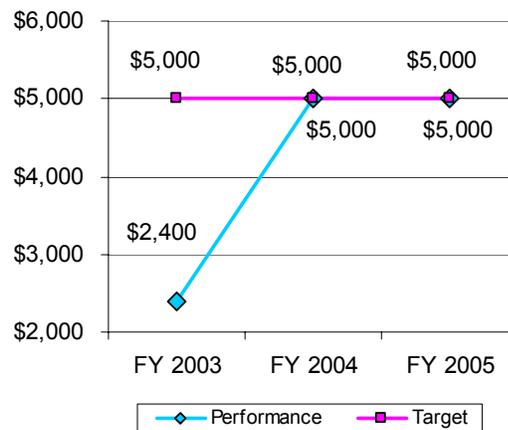
Performance Measures

- Percent of APFA lawsuits handled primarily by in-house counsel in City Attorney's Office equal to or greater than 70 percent of all APFA cases received.
- Average amount paid per lawsuit closed equal to or less than \$5,000.
- Review and/or draft 100 percent of standard contract requests received within 5 days.
- Collections success as measured by a goal of a 5 percent increase from the annual benchmark amount of \$160,000.
- Percent of Municipal Court case dispositions to docketed cases. The goal is a 5 percent increase over the annual benchmark. The benchmark is 45 percent docketed case efficiency.

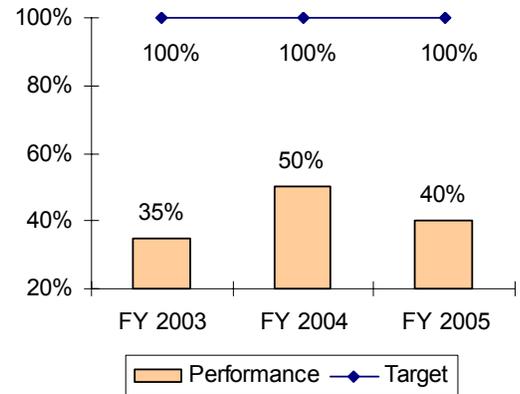
Seventy percent of APFA lawsuits handled by in-house counsel. This measures the department's success in providing sufficient in-house APFA litigation services. Factors that affect performance include the level of training and expertise of in-house counsel and the variety and level of workload demands. Use of outside counsel has increased due to the increased volume of sexually oriented business cases, which has had the affect of lowering the percentage of APFA lawsuits handled by in-house counsel.



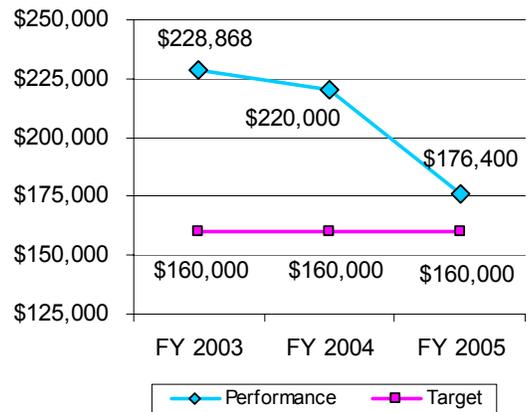
Average amount paid per lawsuit closed equal to \$5,000 or less. This measures the department's success in managing the City's civil litigation caseload. Factors that affect performance include the quality of legal advocacy, negotiation, strategy, case turnover productivity, and management of risk levels.



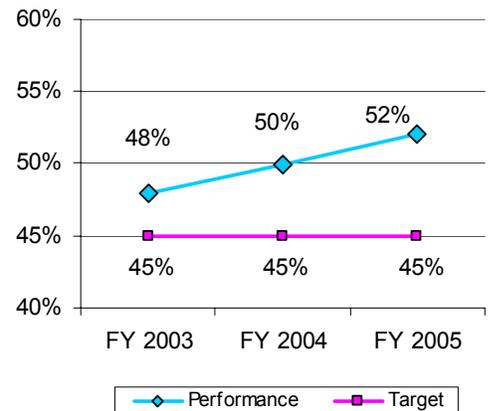
Review and/or draft 100 percent of standard contract requests within established timeframe. This measure reflects the department's success at responding to other department's requests for standard contract review and/or drafts. A deficiency in staffing has hindered the department's ability to achieve the desired turn-around time.



Collections goal of 5 percent above the benchmark of \$160,000. This measure reflects the department's success at realizing amounts owed to the City from various sources. Collections are down as the collections attorney and paralegal divert substantial time to sexually oriented business and liquor permit protests.



Percent of Municipal Court case dispositions to docketed cases. The goal is a 5 percent increase of the annual benchmark of 45 percent efficiency. In FY 2004, three part-time positions were converted to full-time for intake processing and docket processing.



City Manager's Office

Chuck Kiefer, City Manager

The City Manager's Office is responsible for professional management through the direction, administration, and execution of City policy. The City Manager, appointed by the City Council, is the Chief Executive Officer of the City. The City organization is divided



into three groups: Community Resources, Citizen Services, and Administration. Three Deputy City Managers have responsibility for the performance and productivity of the groups. Acting as resources and support for the City Manager's Office is the Internal Audit Division.

The City Manager's Office is responsible for all the objectives in the City's Strategic Plan and consequently its resources are managed and deployed to achieve all of the following:

- Demonstrate good fiscal stewardship
- Achieve operational excellence in core service delivery
- Build and diversify the economy
- Foster livable neighborhoods
- Systematically invest in community infrastructure
- Comprehensively address mobility needs
- Leverage social capital and celebrate diversity
- Capitalize on technology to improve service delivery
- Make Arlington an "Employer of Choice"
- Ensure responsive communication

Long-Term Goals

- Direct organizational efforts to improve service quality, cost and efficiency.
- Create and maintain effective community partnerships.
- Communicate successfully with both the workforce and citizens.
- Improve citizen satisfaction in City services and programs.
- Provide the City Council with a balanced annual operating budget.

Short-Term Objectives

- Improve customer service at City Hall.
- Increase accountability and communication to ensure that the executive leadership team is aware of all the issues occurring in the City organization and communicates to CMO about identified, potential problems and the methods being employed to mitigate those problems.
- Develop and design solutions to address the City's future unfunded health benefit liability.

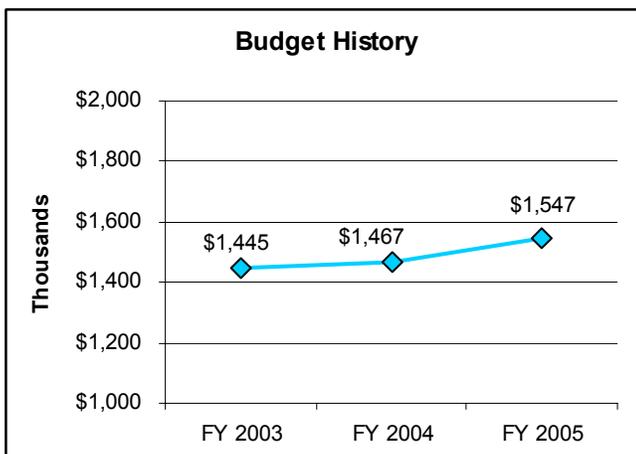


- Respond to citizen survey results by developing initiatives to respond to the most significant neighborhood problems and issues as identified in the 2004 Citizen Satisfaction Survey Report.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	10	9	9
Personnel Services	\$ 1,298,645	\$ 1,269,725	\$ 1,415,935
Operating Expenses	93,691	114,333	130,878
Capital Outlay	-	-	-
TOTAL	\$ 1,392,336	\$ 1,384,058	\$ 1,546,813

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

The FY 2005 budget includes a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

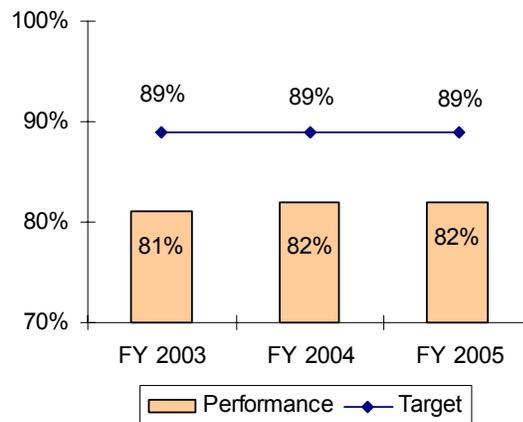
Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Office of Mayor and Council	\$ 55,954	\$ 57,096	\$ 53,923	\$ 60,000
City Manager's Office	923,825	942,679	930,624	990,940
Internal Audit	<u>412,557</u>	<u>466,977</u>	<u>399,511</u>	<u>495,872</u>
TOTAL	\$ 1,392,336	\$ 1,466,752	\$ 1,384,058	\$ 1,546,813

Performance Measures

- Increase citizen satisfaction with Arlington as a place to live, measured by the Citizen Satisfaction Survey.
- Improve customer satisfaction with the City's development services, as measured by a customer feedback mechanism.
- Increase satisfaction of communication between CMO and both citizens and employees, as measured by the Citizens Satisfaction Survey and the Employee Attitude Survey.
- Increase the percentage of Internal Audit recommendations that are accepted to 95 percent.

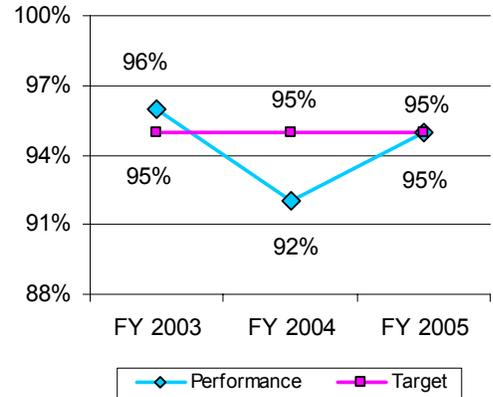
Citizen Satisfaction with Arlington as a place to live, with a goal of 89 percent saying "Excellent" or "Good". Annually, this Citizens' Satisfaction Survey rating measures citizens' perceptions of Arlington in terms of quality of life. It was anticipated that the downturn of the economy and the reduction in services over the past two years would negatively impact citizen's perceptions. However, the FY 2004 survey indicated a slight increase in satisfaction from 81 percent to 82 percent.



In a follow-up in-depth survey, a focus group of citizens indicated that good neighbors, well-maintained property, and good access to shopping, schools and activities positively impacted their quality of life. Factors such as inconvenient access and conditions of streets were more of a negative impact to their perception than the reduction of service levels.

Although slight, the increase indicates a positive perception of the City's quality of life. It is anticipated that the FY 2005 survey results will be the same as the FY 2004 survey results. Factors that may impact the survey results will be road construction and delays, reduced access and travel to shopping and schools, and reduction in property maintenance.

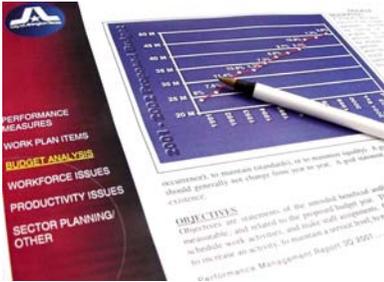
Ninety-five percent of Internal Audit's recommendations accepted. Internal Audit strives to design and perform operational analysis studies within pre-established timeframes that result in improved productivity, effectiveness or efficiency. Historically, over 90 percent of Internal Audit's recommendations are accepted for implementation.



Finance Department

Donna Swarb, CPA, Chief Financial Officer

The Finance Department is responsible for preparing the City's Annual Operating Budget and the Comprehensive Annual Financial Report, processing payments to City vendors, procuring goods and services, monitoring consolidated tax collection efforts, directing the



City's cash and debt portfolio management activities, developing plans to minimize the financial consequences of accidental losses, and processing and collecting court fines. The mission of the department is to ensure responsible oversight of the City's budget, investments, financial transactions, and financial reporting. Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Demonstrate good fiscal stewardship
- Achieve operational excellence in core service delivery
- Capitalize on technology to improve service delivery
- Ensure responsive communication

Divisions in the department include Administration, Accounting, Accounts Payable, Payroll, Budget and Risk Management, Municipal Court Administration, Purchasing and Treasury Management.

Long-Term Goals

- Ensure excellent fiscal stewardship through long- and short-term financial planning, analysis, and monitoring of the City's budget, investments, and accounting records.
- Maintain a high level of efficient and accurate vendor payment processing.
- Provide accurate payroll processing coupled with quick and courteous responses to employee's payroll questions.
- Manage the City's investment portfolio to ensure maximum return and compliance with arbitrage and other statutory requirements.
- Provide timely and accurate court services that effectively complete the enforcement process for Class C offenses that occur in the City of Arlington.

Short-Term Objectives

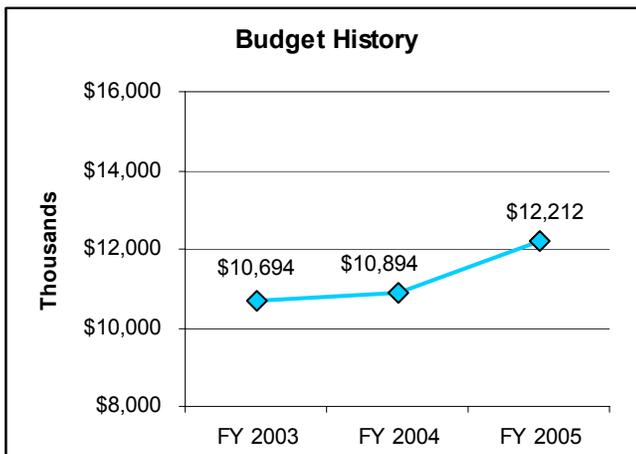
- Evaluate the costs and benefits of issuing short-term debt (commercial paper or variable rate notes) for permanent improvements and water utility projects.
- Implement a new Financial and Payroll System by FY 2006.
- Conduct an in-depth customer satisfaction survey encompassing both the procurement and accounts payable functions to include all end-user departments.
- Develop a formal timekeeper training program designed to reduce the number of errors that contribute to payroll processing difficulties.

- Eliminate backlog of case processing to ensure all cases are either in current pending status for further court processing or a proper warrant has been issued.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	65	78	78
Personnel Services	\$ 6,305,069	\$ 7,024,087	\$ 7,932,242
Operating Expenses	4,207,591	3,681,785	4,279,417
Capital Outlay	-	-	-
TOTAL	\$ 10,512,660	\$ 10,705,872	\$ 12,211,659

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

Budgeted positions in FY 2004 included 63 positions after two position eliminations in FY 2003. During FY 2004, staffing at the Municipal Court was increased by a total of 15 positions to address the increase in workload due to a 42 percent rise in cases filed since FY 2002. This was accomplished by converting seven part-time positions to full-time, and adding eight new

full-time positions. The additional cost associated with these positions will be covered by increased Court revenues. Increases in the FY 2005 budget are attributable to the full funding of these positions as well as a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

Finance Department

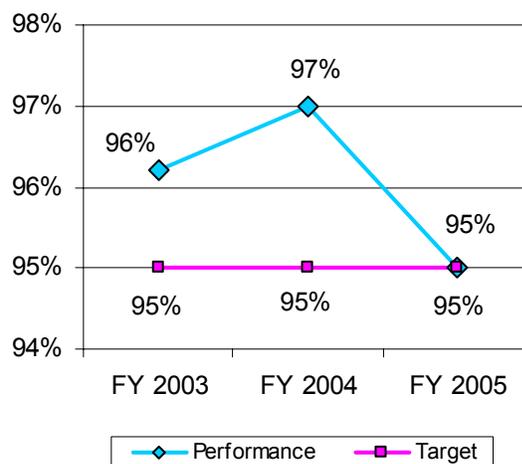
Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 345,888	\$ 369,970	\$ 375,060	\$ 437,785
Accounting	762,135	490,087	508,082	516,366
Purchasing	350,573	400,179	372,871	412,046
Treasury Management	1,173,172	1,148,529	1,057,171	1,209,329
Payroll / Payables Operations	42,094	498,522	470,725	482,829
Court Operations	1,840,085	1,855,837	2,011,009	2,571,605
Budget and Risk Management	573,034	540,724	519,596	571,035
Non-Departmental	<u>5,425,679</u>	<u>5,589,855</u>	<u>5,391,359</u>	<u>6,010,666</u>
TOTAL	\$ 10,512,660	\$ 10,893,703	\$ 10,705,872	\$ 12,211,659

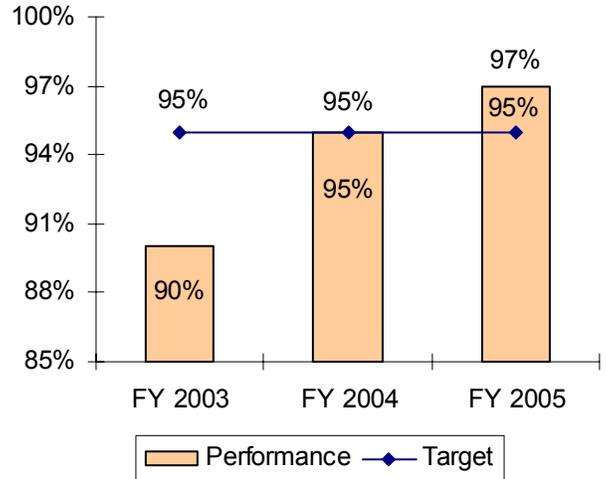
Performance Measures

- Process 95 percent of accounts payable payments within five days of receipt.
- Process 95 percent of Municipal Court fine payments received via mail within 5 days.
- Achieve the following rate of return as a percentage of Treasury yield curve at the average maturity date for each identified portfolio:
 - > City portfolio 102 percent
 - > APFA portfolio 104 percent
- Remit 100 percent of all payroll deductions to vendors by established due dates.
- Prepare initial draft of Comprehensive Annual Financial Report by December 31.

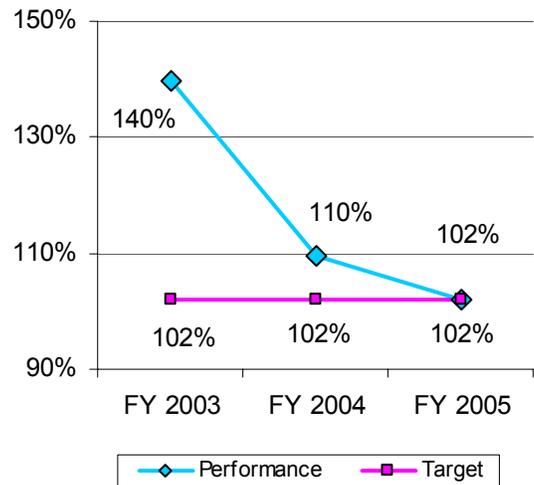
Percent of accounts payable payments made within five days. This performance measure demonstrates the efficiency of the accounts payable function and illustrates the timeliness of vendor payment processing. In the fourth quarter of FY 2004, a position in Accounts Payable was moved to Municipal Court due to a change in the method of processing procurement cards that reduced the workload for the Accounts Payable Division. It is anticipated that this reduction in staff will result in the target for this performance measure to be met but not exceeded in FY 2005.



Percent of Municipal Court fine payments received via mail processed within five days, with a goal of 95 percent. This indicator measures the efficiency of Municipal Court payment processing. In FY 2004 the Court experienced a dramatic increase in the amount of requests received through the mail for processing. Additional staffing in FY 2004 will provide more timely processing to reduce and avoid backlogs, and will increase Municipal Court revenues.



Investment Portfolio Rate of Return over the Treasury Yield Curve. This measures the annual investment yield earned on City's funds compared to the yield on United States Treasury obligations with the same average maturity as the City's portfolio. The decline since FY 2003 is due to a reversal in interest rates.



Fire Department

Robin Paulsgrove, Fire Chief

The Fire Department is responsible for fire prevention and education, fire suppression, rescue, hazardous materials mitigation, emergency medical services, and emergency management coordination. The department also monitors the performance of the ambulance contractor, performs fire inspections, responds to fire hazard complaints, investigates the causes of fires, coordinates the City’s response to natural and man-made disasters and is responsible for the City’s outdoor warning sirens. The mission of the department is to protect the lives and property of Arlington’s citizens and visitors. Departmental resources are managed and deployed in accordance with the following strategic initiatives:



- Demonstrate good fiscal stewardship
- Achieve operational excellence in core service delivery
- Capitalize on technology to improve service delivery
- Make the City of Arlington an “Employer of Choice”
- Ensure responsive communication

Divisions in the department include Fire/Rescue, Prevention and Fire/Rescue Support.

Long Term Goals

The department is defined by a shared commitment to building an organization that is safe, competent and committed. The department’s purpose is to maintain a fit and healthy team that responds quickly, makes a positive difference, and returns home safely. The following long-term goals have been introduced to align the department’s resources:

- Enhance competence and confidence in fundamental skills.
- Clearly communicate targeted performance measures directly linked to core purposes.
- Maintain organizational commitment to department member health, safety and fitness.
- Maintain an effective, cost-efficient emergency medical system.
- Use innovative technology to enhance performance.
- Maintain strategic relationships with other departments to maximize service and minimize community insurance costs.



Short-Term Objectives

The following short-term objectives have been developed to address the department’s long-term goals.

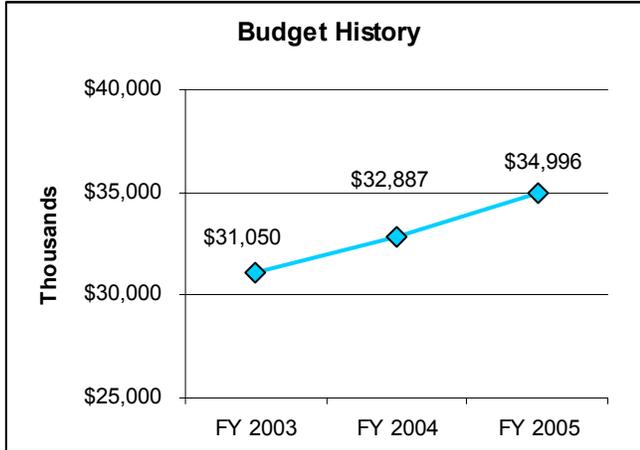
- Combine captain and lieutenant officer development programs and incorporate the revised course into the training schedule.
- Introduce national standard fire officer certification and link this initiative with the department’s promotional processes.
- Track and respond to AFD Top Ten performance measures.
- Maintain consistent accountability of our private ambulance provider.
- Enhance continuing education in medical competencies and high risk/low frequency fire and rescue competencies.
- Complete funded enhancements to drill field and renovate stations.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	304	302	302
Personnel Services	\$ 26,094,806	\$ 27,005,258	\$ 28,990,997
Operating Expenses	3,958,491	4,768,515	4,854,586
Capital Outlay	<u>758,480</u>	<u>1,020,729</u>	<u>1,150,000</u>
TOTAL	\$ 30,811,777	\$ 32,794,502	\$ 34,995,583

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph on the following page shows the change in budgeted amounts over the same time period.

Fire Department



Budget Highlights

Increases in FY 2005 are attributable to a one-time 5 percent payment to employees and a 1.36 percent compensation increase. The FY 2005 budget also includes \$1.15 million for two replacement apparatus.

Budget by Program

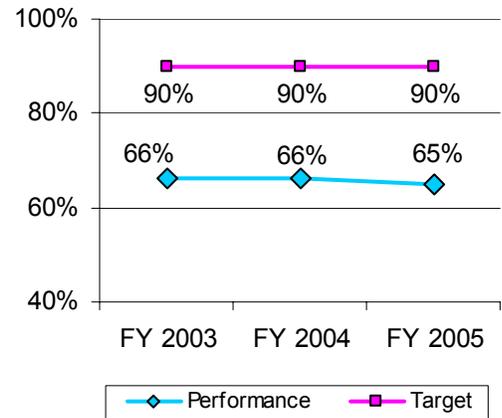
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 682,843	\$ 647,403	\$ 620,178	\$ 758,321
Operations	26,170,235	28,228,073	28,231,729	30,033,684
Prevention / Investigation	1,383,631	1,253,563	1,242,946	1,289,458
Medical Operations	619,636	655,542	646,050	679,025
Fire Training	525,583	551,191	543,823	581,850
Resource Management	1,316,033	1,447,987	1,423,722	1,507,414
Emergency Management	<u>113,816</u>	<u>103,265</u>	<u>86,055</u>	<u>145,832</u>
TOTAL	\$ 30,811,777	\$ 32,887,024	\$ 32,794,502	\$ 34,995,583

Performance Measures

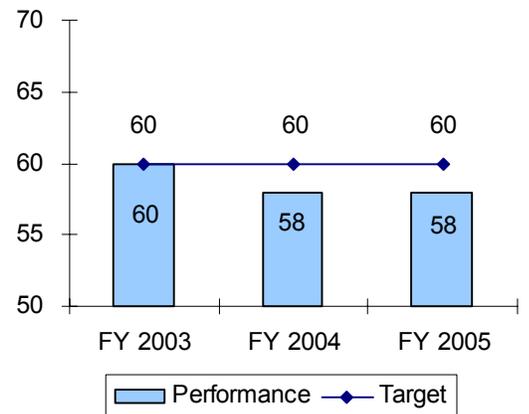
To evaluate progress toward our goals and objectives, the following performance measures will be monitored for FY 2005:

- Respond to 90 percent of all structure fire and emergency medical service calls with a travel time of four minutes or less.
- Maintain an average turnout time to all structure fire and emergency medical service calls of less than one minute.
- Contain 50 percent of structure fires to the room of origin.
- Attain an 80 percent success rate on patients requiring advanced airway procedures.

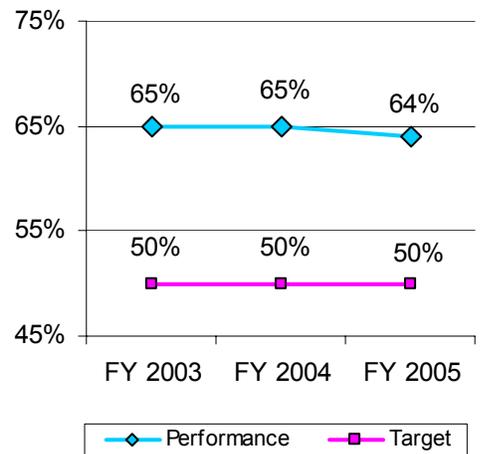
Travel Time Performance. The National Fire Protection Association (NFPA) industry benchmark for response time to fires and emergency medical calls is to travel to 90 percent of these calls within four minutes. The time for this standard is measured from the time the fire apparatus begins its response until it arrives at the incident scene. Travel time is influenced by traffic and road conditions, time of day, day of week, and weather. While travel time performance remains below the 90 percent goal, this measure serves as a useful gauge of the Fire Department's performance over time and compared to other agencies.



Turnout Time Performance. NFPA standards specify an average "turnout" time of 60 seconds or less when responding to structure fires or emergency medical calls. "Turnout" time is the time elapsed from when a fire apparatus is dispatched until the unit begins to travel to the incident scene. Turnout times can be impacted by the location and activities of firefighters at the time they are dispatched to an incident.

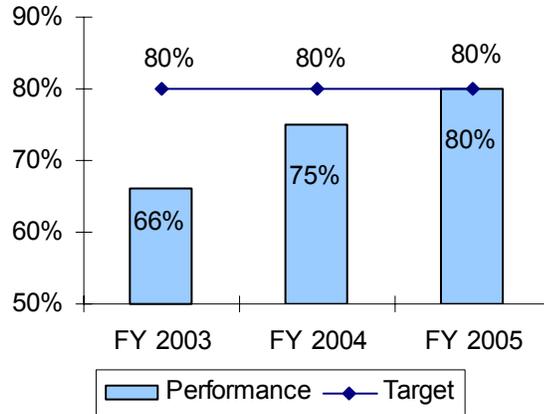


Fires Confined to Room of Origin. This indicator measures the Fire Department's ability to rapidly respond to and extinguish structure fires. According to the International City Managers Association, national figures indicate that fire departments extinguish approximately 50 percent of all structure fires before they spread beyond the room in which they started. This indicator can be influenced by a variety of factors, including whether the fire is detected in its early stages, travel time to the structure, and the level of resources a fire department is able to deploy to an incident.



Fire Department

Successful Advanced Airway. Advanced airway procedures include both endotracheal intubation and insertion of a Combitube. This indicator can be influenced by several things, including the total number of patients requiring advanced airway procedures, ambulance personnel becoming involved in patient care prior to a successful attempt by Fire Department personnel, and patients' anatomical anomalies.





Human Resources Department

Dal Anderson, Director

The Human Resources Department is responsible for the planning, development and administration of recruitment/selection, workforce and organizational development, employee relations, workers' compensation, integrated disability management, and compensation and benefit functions for the City. The mission of the department is to facilitate ongoing workforce communication of policy, practice, competencies, and culture to establish and reinforce organizational expectations and strategically partner with operating departments, thus assisting in the effective and timely delivery of City services. Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Demonstrate good fiscal stewardship
- Achieve operational excellence in core service delivery
- Leverage social capital and celebrate diversity
- Capitalize on technology to improve service delivery
- Make the City of Arlington an “Employer of Choice”
- Ensure responsive communication

Divisions in the department include Administration, Employee Services, and Organizational Development.

Long-Term Goals

Achievement of departmental goals assists the City in being an employer of choice, demonstrating fiscal stewardship and achieving operational excellence.

- Maintain competitive compensation and benefit plans.
- Deliver employee and organizational development initiatives to assist departments in achieving operational excellence.
- Foster safety, effectiveness, aptitude, diversity, and motivation through accurate job design, employee placement, and performance management.
- Demonstrate administrative efficiency.
- Leverage relationships with vendors, community groups, local agencies, and volunteers to achieve optimum allocation of budgeted resources.

Short-Term Objectives

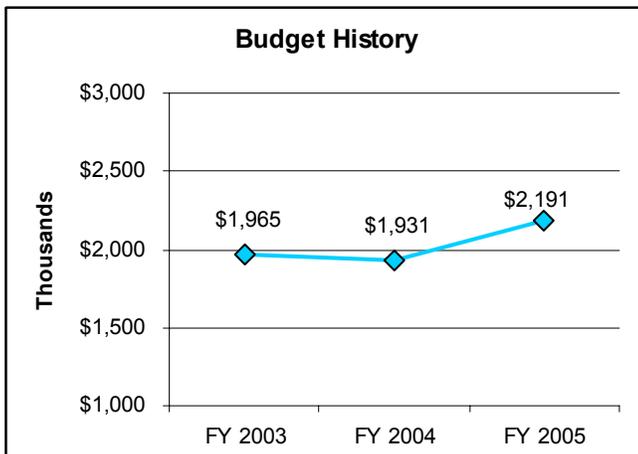
- Align health benefit design and cost with projected market and reduce long term financial liability.
- Enhance career development/performance management practices.
- Complete a cooperative effort with North Central Texas Council of Governments and participating cities to select, purchase, and implement improved financial and human resources information systems.

- Validate pay and classification systems.
- Audit personnel files.

Summary of Resources

Budget Summary and Authorized Positions				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Authorized Positions	18	18	18	18
Personnel Services	\$ 1,215,952	\$ 1,288,647	\$ 1,257,055	\$ 1,378,817
Operating Expenses	658,631	642,362	674,593	811,878
Capital Outlay	-	-	-	-
TOTAL	\$ 1,874,583	\$ 1,931,009	\$ 1,931,648	\$ 2,190,695

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

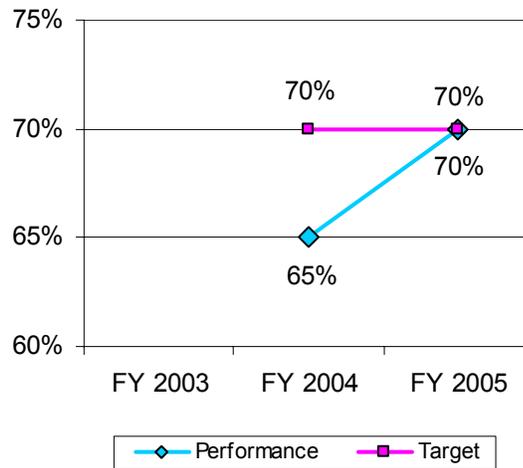
Increases in the FY 2005 budget are attributable to more employees participating in the tuition reimbursement program. Other increases are attributable to a one-time 5 percent payment to employees and a 1.36 percent compensation increase. Additionally, one-time dollars have been added to fund a City-wide training and professional career development program.

Performance Measures

- Foster employee development and ascension.
- Maintain productivity and job satisfaction.
- Effectively manage work related injuries.
- Impact employee productivity and job skills through effective, relevant training programs.

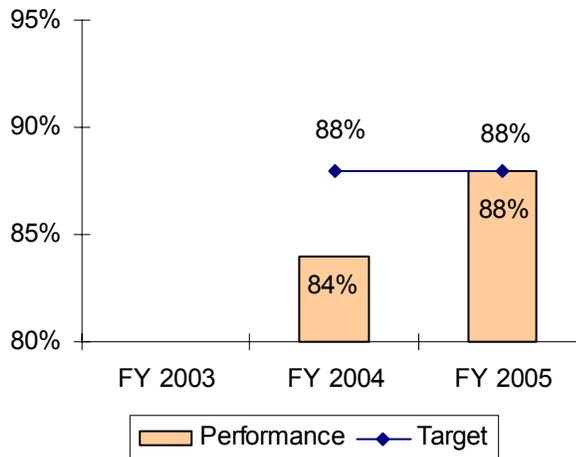
Employee development and ascension.

Employee development and ascension is evident as relevant vacancies are filled by qualified internal candidates. Developmental ascension is defined as the rate at which current employees demonstrate the knowledge, skills, and abilities necessary to advance by promotion or lateral movement into positions that would otherwise have to be filled from an external applicant pool. Entry level positions and some isolated, highly specialized positions for which external recruitment is required are excluded. Sworn public safety positions for which external candidates do not compete are excluded.

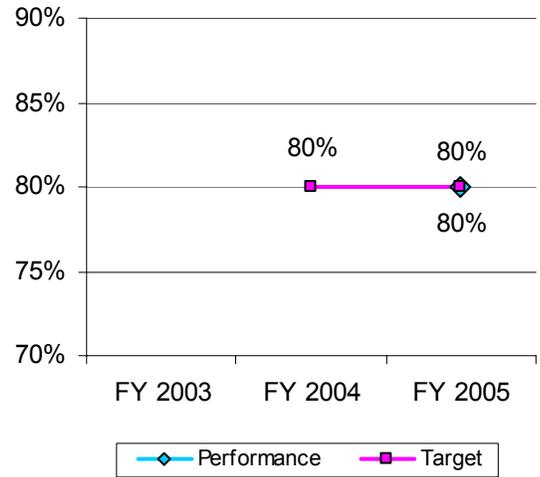


Productivity and job satisfaction.

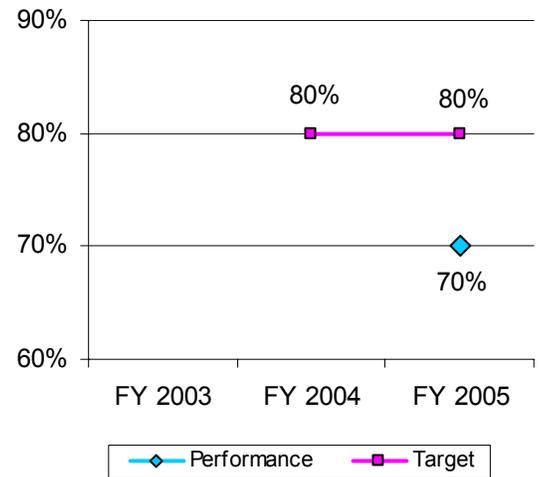
Productivity and job satisfaction are impacted by effective selection, promotion, and assimilation practices, as evidenced by six month retention (probationary period). Measurement is calculated by assessing the percentage of employees retained beyond their probationary period. Consistently analyzing this measurement and embedded trends will assist staff in identifying potential deficiencies in selection and assimilation practices.



Effective management of work related injuries. Effective management of work related injuries, associated risk, and demonstration of an aggressive return to duty philosophy are evidenced by the percentage of reported injuries that do not result in lost time. Consistent industry evidence shows that retaining injured workers in a productive non-leave capacity while recuperating to full duty status enhances recovery time, improves employee morale during recuperation, and improves organizational productivity. This is a new performance measure for FY 2005.



Effectiveness and relevance of training programs. Productivity and skills are improved through effective training and development, as evidenced by employees' application of new and/or refined skills to the necessary tasks in the organization. Training will be followed up with an assessment tailored to the objective of the training and measuring the impact of the training on employee performance. Review of these assessments will assist in the continuous evaluation of the training program. This is a new performance measure for FY 2005.



Information Technology

Tim Barbee, CPA, Chief Information Officer

The Information Technology (IT) activities in the City are budgeted in two separate funds. The General Fund division of the IT Department is responsible for:



- Department management
- Strategic planning
- Security
- Mainframe application support
- Mainframe technical support
- Mainframe operations
- Business consulting services
- Geographic Information System operation, maintenance, and development

- Database administration services
- Web services including administration, maintenance and development

Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Capitalize on technology to improve service delivery
- Achieve operational excellence in core service delivery
- Ensure responsive communication
- Demonstrate good fiscal stewardship

Information Technology is dedicated to being a vital partner with City departments in providing quality services through the innovative use of technology. This will be accomplished by:

- Meeting departmental commitments
- Building productive relationships within and beyond the Information Technology Department
- Defining, managing and effectively communicating capabilities
- Providing enterprise systems and solutions to meet the City's goals

Divisions in the department include IT Administration, Business Services, Geoprocessing, Information Services, and Infrastructure Services.



Long-Term Goals

The Information Technology Department's long-term goals support the Council's Strategic Initiatives by:

- Delivering projects identified in the approved Information Technology Strategic Plan on schedule and within budget.
- Meeting Service Level Agreement (SLA) targets.
- Creating an environment of open communication, trust and integrity.
- Effectively planning, evaluating, measuring and reporting both current and future resource allocations.
- Providing a trained, unified and qualified workforce to accomplish the City of Arlington's Information Technology objectives, as prioritized by the Information Technology Executive Committee (ITEC) and the Architecture Planning Committee (APC).

Short-Term Objectives

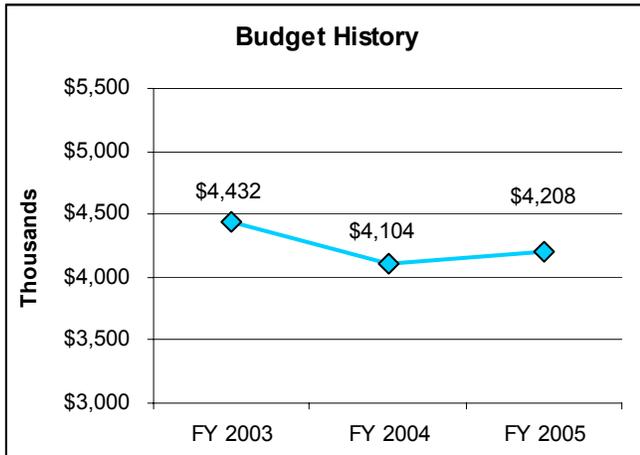
- Develop realistic project plans for all Information Technology projects and manage using project management tools (currently Microsoft Project). Regularly review the plan, progress and issues with ITEC.
- Use work order management software (currently Magic) to track work orders and work order durations. Use the information captured in the annual review and forecast process to report to ITEC on our current SLA performance. Perform open work order analysis daily to keep staff informed of status.
- Conduct regular status meetings with other departments. Communicate with the City through the use of the portal, ITEC and APC. Perform customer surveys where appropriate. Celebrate and publicize accomplishments and reward achievements.
- Perform an annual comprehensive work plan analysis as part of the budget process and submit to ITEC for formal adoption.
- Involve staff in the decision making process.

Information Technology

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	40	38	38
Personnel Services	\$ 3,093,432	\$ 3,131,871	\$ 3,211,822
Operating Expenses	780,291	939,851	995,970
Capital Outlay	43,184	-	-
TOTAL	\$ 3,916,906	\$ 4,071,722	\$ 4,207,791

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

Increases in FY 2005 are attributable to a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

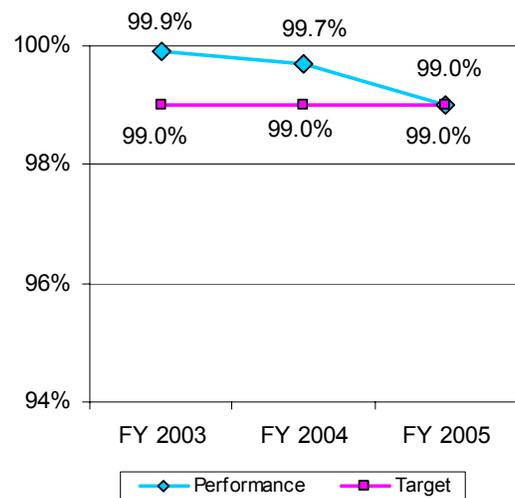
Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 373,389	\$ 869,690	\$ 872,915	\$ 981,855
Business Services	888,739	665,931	673,911	716,839
Customer Support	1,088,297	1,114,216	1,110,900	949,666
Geoprocessing	692,128	629,838	589,730	680,646
Information Services	874,353	824,369	824,266	878,785
TOTAL	\$ 3,916,906	\$ 4,104,044	\$ 4,071,722	\$ 4,207,791

Performance Measures

- Meet the performance targets of computer system availability for internal and external customers.
- Meet the performance objectives established in the Service Level Agreement (SLA).
- Achieve a Customer Service rating of 4.0 on a 5-point scale.
- Implement the Information Technology Strategic Plan Initiatives.

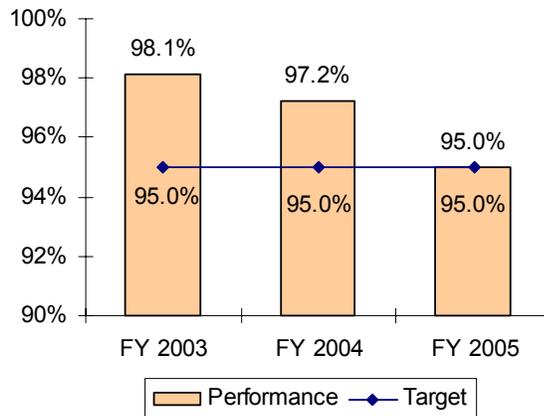
Percentage of mission critical computer system availability for internal and external customers. For SLA purposes, the City’s computer systems are categorized as “mission critical” and “non-mission critical.” The SLA requirement for the General Fund mission critical systems (e.g., mainframe systems) is 99 percent uptime. Information Technology projects to meet our target of 99 percent uptime for FY 2005.



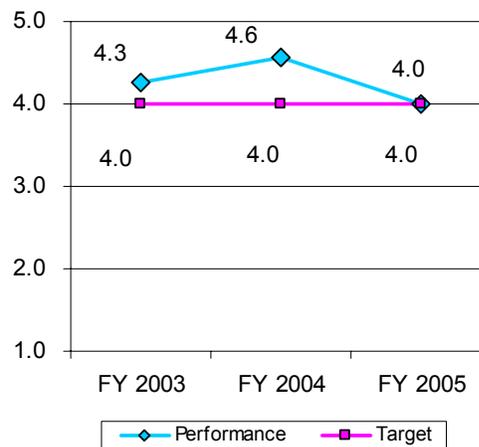
Information Technology

Percentage of performance objectives established in the Service Level Agreement met, with a goal of 95 percent.

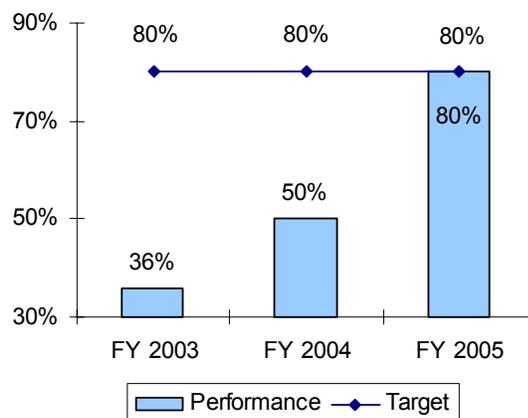
The Information Technology SLA was adopted in November 2002. The SLA sets a goal of 95 percent for completion of customer requests within a specified time period. FY 2005 projections are the result of extended position vacancies and resource limitations. Another factor affecting the FY 2005 projection is the migration of applications from the mainframe to the network environment.



Customer Service rating achieved, with a goal of 4.0 on a 5-point scale. Each quarter, satisfaction surveys are sent out to customers who have requested Information Technology services. These surveys represent a customer rating for services received in the areas of Help Desk, Business Services, and Geoprocessing.



Percentage of Information Technology Strategic Plan Initiatives implemented as scheduled, with a goal of 80 percent. The Information Technology Strategic Plan Initiatives are prioritized and adopted each year by ITEC. Projects approved by ITEC are measured, based upon the project being implemented on the Approved Timeline. Continued failure to meet the eighty percent target is the result of staffing reductions, extended position vacancies, resource limitations, and lack of project funding. The FY 2005 projected increase is based upon a realignment of Information Technology resources.





Library Services

Cary Siegfried, Director

The Library Services Department is responsible for providing library services, equipment and collections for the citizens of Arlington, including materials for all ages, in a variety of languages and formats. Principal library services include public computing, reference and research expertise, information literacy classes for adults and children, community outreach, storytimes and special literary events for children and teenagers, multicultural activities and special interest seminars for adults. The mission of the Library is to open doors to a world of ideas, information, and imagination, thereby enhancing the economic, social, and cultural vitality of our diverse community.



Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Foster livable neighborhoods
- Leverage social capital and celebrate diversity
- Capitalize on technology to improve service delivery

Divisions of the department include Library Administration, Branch Library Services, Central Library Services, Bibliographic Services, and Electronic Services.

Long-Term Goals

The Library's long term goals are focused on providing quality library services structured to foster livable neighborhoods throughout the City of Arlington. Additionally, the Library provides resources and programming that celebrate Arlington's diversity and social capital. Effective integration of technology into service delivery ensures that public access to information and services is provided in the most efficient manner possible. The Library's long-term goals are:

- Provide convenient, efficient library services to the community through physical facilities, as well as through a virtual environment.
- Build a collection of materials in multiple formats that meets the information and recreation needs of our diverse community.
- Increase electronic information literacy for all ages and provide effective access to information in electronic formats.
- Offer excellent customer service from a friendly and knowledgeable staff.



- Present programming that offers cultural, economic and educational benefits for children, teens and adults.

Short-Term Objectives

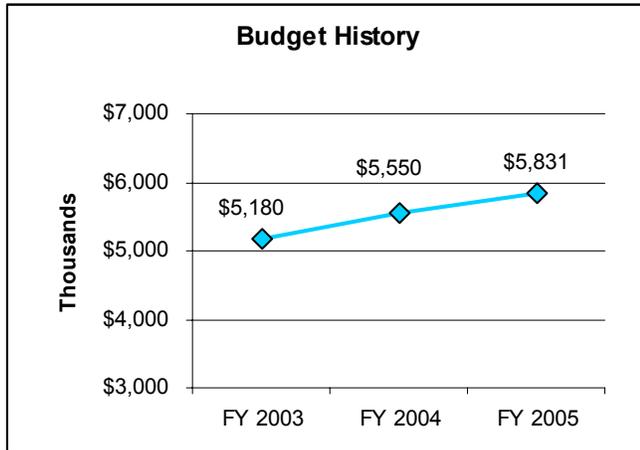
- Increase the percentage of Arlington residents who are aware of library services and make use of library resources frequently.
- Improve the efficiency of processes, as well as the quality of customer service offered in circulation, cataloging and processing through the use of radio-frequency identification (as an alternative to barcode identification technology) and self-service technology.
- Expand our ability to provide convenient library services to all areas of Arlington through construction of the new Southwest Branch Library and by improving functionality in service areas in the Central Library.
- Continue to assess the quality and scope of the Library’s collection of materials and ensure that collection content meets the needs of the community.
- Augment the library services offered to young adults and children by the addition of tutoring/homework help at the East Branch Library, information technology literacy classes for children and young adults in all locations, and educational/cultural programming targeted at young adults.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	68	64	64
Personnel Services	\$ 3,700,718	\$ 4,040,353	\$ 4,272,806
Operating Expenses	1,091,814	1,453,840	1,558,329
Capital Outlay	_____ -	_____ -	_____ -
TOTAL	\$ 4,792,533	\$ 5,494,193	\$ 5,831,135

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph on the following page shows the change in budgeted amounts over the same time period.

Library Services



Budget Highlights

Increases in FY 2004 were attributable to the opening of the Southeast Branch Library. Increases in FY 2005 are attributable to a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

Budget by Program

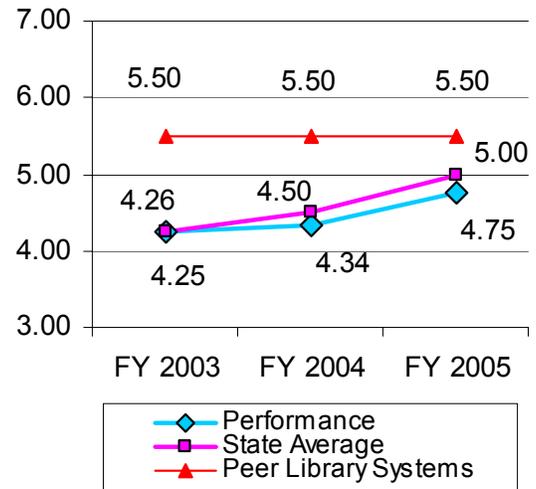
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 606,643	\$ 556,501	\$ 570,049	\$ 522,856
Branch Library Services	1,622,308	1,991,700	1,968,734	2,149,188
Bibliographic Services	912,438	1,171,811	1,179,334	1,201,340
Electronic Services	485,171	629,912	610,631	721,537
Central Library Services	<u>1,165,973</u>	<u>1,200,399</u>	<u>1,165,445</u>	<u>1,236,213</u>
TOTAL	\$ 4,792,532	\$ 5,550,323	\$ 5,494,193	\$ 5,831,135

Performance Measures

- Increase the percentage of Arlington residents with a library card to 40 percent.
- Increase the circulation of library materials to 5 items per capita.
- Achieve a customer service satisfaction index rating of 98 percent.
- Attract an audience of 60 percent of capacity for all in-house programs.
- Build the Library's collection of materials to 1.5 items per capita.
- Process 90 percent of new library materials in 45 days or less.
- Increase the proportion of public access workstations to 1 workstation for every 2,500 citizens.

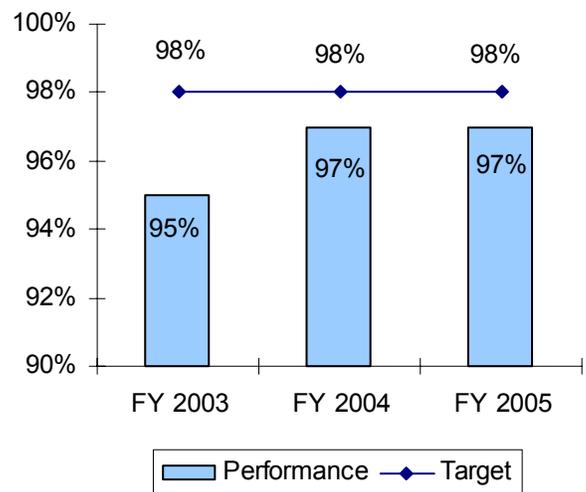
Increase circulation of library materials per capita to 5.

Increasing usage per capita suggests a growing awareness of library services throughout the community and affirms that the materials added to the collection are meeting the needs of Arlington residents. The standard for enhanced library service suggested by the Texas State Library and Archives Commission is 5 circulations per capita. Average circulation per capita for peer library systems in Texas is 5.5. Further movement toward the target of 5 items per capita will be accomplished through careful maintenance of the collection, analysis of borrowing trends and attention to shelving turnaround times. Achieving a circulation per capita rate equivalent to peer libraries is unlikely until the additional branch facility is completed and branch service hours increased.



Achieve a customer service satisfaction index rating of 98 percent.

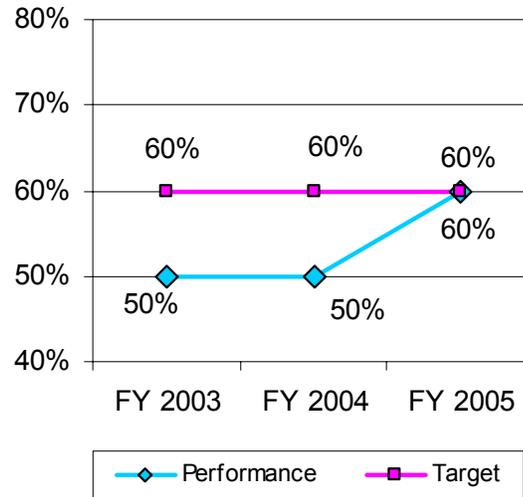
Service satisfaction is characterized by customers who rate overall service quality as either Good or Excellent in quarterly program surveys and mail-out and web page customer service surveys. As the Library continues to open new facilities, develop new services, and explore new methods of providing more efficient service, maintaining high service satisfaction rating is of utmost importance. Without increases in resources (staffing and materials), it is likely that customer service satisfaction may not reach the target level in the coming year, due to decreased service hours, increased wait times for service, and inadequate collection breadth and depth.



Library Services

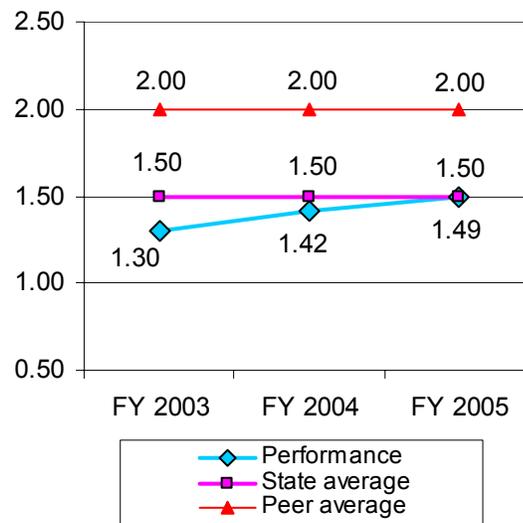
Attract an audience of 60 percent of capacity for all in-house programs.

The Library's goal is to present programming that offers cultural and educational enrichment for all ages. In order to maximize our investment of staff time in preparing and delivering programming, reaching the maximum customers possible in a single program is an important objective.

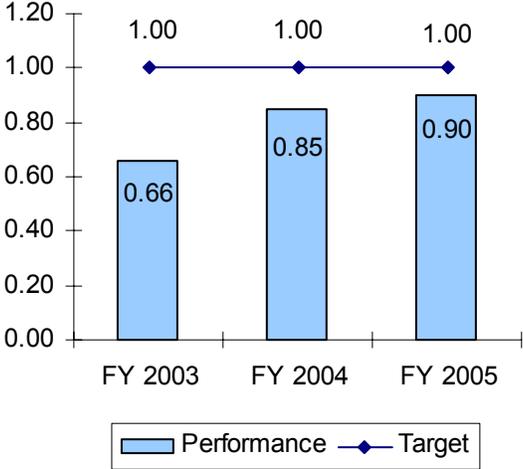


Build the Library's collection of materials to 1.5 items per capita.

The standard for basic library service suggested by the Texas State Library and Archives Commission is 1.5 items per capita. The average number of items per capita for peer library systems in Texas is 2. In order to meet the diverse needs of the community, achieving greater depth and variety in collection content is necessary. While it is anticipated that the minimum standard of 1.5 items per capita will be achieved with the completion of the new Southwest Branch collection in FY 2006, maintaining an items per capita measure at this minimum level and achieving an items per capita level equivalent to peer libraries in Texas will not be possible without regular increments in collection development funding.



To increase the proportion of public access computers per citizen to 1 workstation for every 2,500 in population. The standard for basic public access computing as suggested by the Texas State Library and Archives Commission calls for 1 computer for each 2,500 citizens. The average number of computers per 2,500 citizens for peer library systems in Texas is 1.1. Increasing the number of computers available through grant funding for public computing, as well as through opening new facilities allows equal and ready access to information for those who would not otherwise have it.



Municipal Court - Judiciary

Stewart Milner, JD, Judge

The Municipal Court Judiciary provides a number of services to citizens and other departments of the City. The services include the adjudication of Class "C" misdemeanor cases, issuance of felony and misdemeanor arrest warrants, issuance of search and inspection warrants, issuance of emergency mental commitment warrants, and the arraignment of all prisoners arrested in the City of Arlington. The Judiciary also conducts some civil matter hearings involving property, dangerous buildings, non-consent vehicle tows and the disposition of abused animals. Departmental resources are managed and deployed in accordance with the following strategic initiatives:



- Demonstrate good fiscal stewardship
- Achieve operational excellence in core service delivery

Long-term Goals

- Provide citizens with accessible justice through the Municipal Court for class “C” misdemeanor offenses.
- Serve the citizens and the City of Arlington in an efficient and independent manner.
- Facilitate the disposition of cases through the Court in a prompt and timely way.
- Perform magisterial duties ethically and efficiently as required and authorized for the City and county.

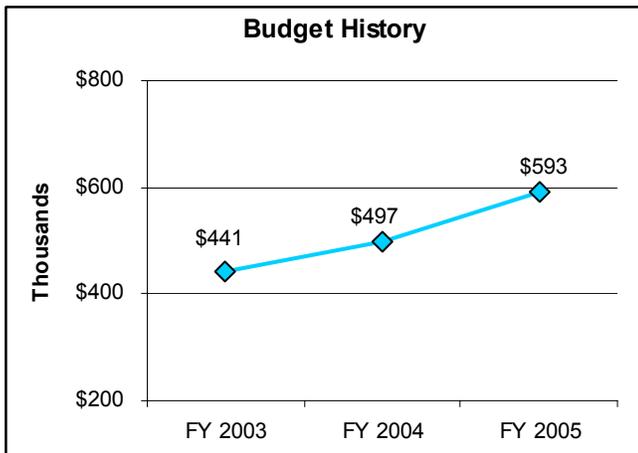
Short-term Objectives

- Increase court activities, as possible, to help accommodate the escalating number of cases filed with the court.
- Respond to and process paperwork presented to the Judges’ Office from the court clerk in a timely manner.
- Minimize the amount of time, as possible, between the issuance of a citation and the date of trial on those cases when a trial is requested by a defendant.

Summary of Resources

Budget Summary and Authorized Positions				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Authorized Positions	4	4	4	4
Personnel Services	\$ 424,973	\$ 472,053	\$ 462,898	\$ 565,620
Operating Expenses	16,925	25,077	21,317	27,441
Capital Outlay	-	-	-	-
TOTAL	\$ 441,898	\$ 497,130	\$ 484,215	\$ 593,061

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

Two permanent part-time positions and one part-time judge were added in FY 2004 to handle the increased citation workload. Increases in FY 2005 are attributable to the full-time funding of these positions as well as a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

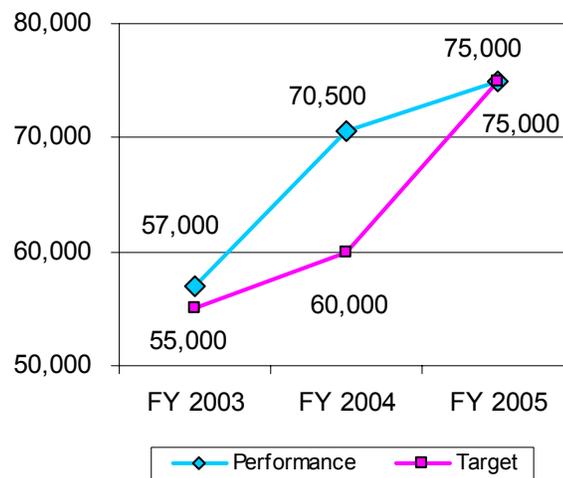
Performance Measures

- Increase number of cases set on trial dockets by 10 percent during the next budget year.
- Dispose of, or process, 75,000 docketed cases in the next budget year.

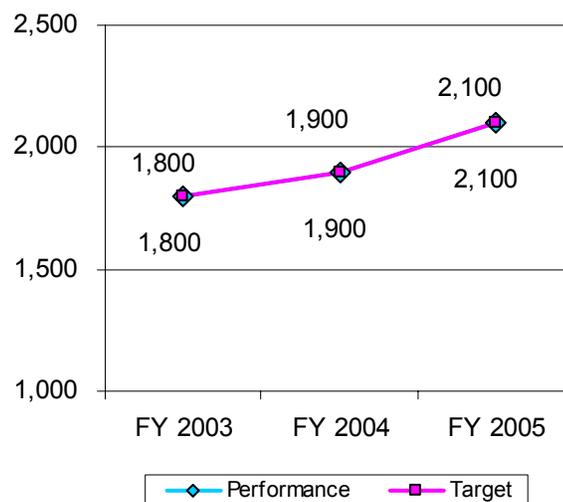
Municipal Court - Judiciary

- Process 90 percent of warrants within 1 working day after they are presented to the Judges' Office.
- Process 90 percent of citizens' written requests within 2 working days after they are presented to the Judges' Office.
- Process 90 percent of deferred disposition requests filed through the Clerk's Office within 3 working days after they are presented to the Judges' Office.
- Process 90 percent of judgments needed to finalize cases within 2 working days after they are presented to the Judges' Office.

Dispose of/or process 75,000 docketed cases in the next budget year. The number of cases being filed has increased significantly each year. The court needs to clear or process an increasing number of cases in an attempt to keep up. Additional resources added in FY 2004 are expected to provide significant improvements.



Increase number of cases set on trial dockets by 10 percent during the next budget year. Trial dockets need to be increased to meet a growing request for trials. The growing number of trial requests is not unusual, but is consistent with the rising number of citations being issued.





Neighborhood Services

Trey Yelverton, Director

The Neighborhood Services Department is responsible for providing a communication and service link between the residents and business owners of Arlington and all City departments. The mission of the department is to enable citizens to enhance the livability of their neighborhoods by coordinating City services and supporting new and existing partnerships.



Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Foster livable neighborhoods
- Achieve operational excellence in core service delivery

Activities of the department include Code Enforcement, Environmental Health Inspections, Operations Support, Vital Statistics, Animal Services, Grants Management, Housing Assistance, Sanitary Landfill, and Recycling.

Long-Term Goals

All areas of the department strive to foster livable neighborhoods by working toward the following long-term goals:

- Facilitate the creation of partnerships between neighborhoods, community organizations, and local government.
- Improve the safety and appearance of the City through effective and efficient reduction of substandard conditions in residential and commercial areas.
- Maintain safe and sanitary conditions at food establishments, childcare centers, and public swimming pools/spas.
- Encourage responsible pet ownership by offering licensing programs and animal-related field enforcement services.
- Provide accurate, timely response to requests for information or service.

Short-Term Objectives

The following short-term objectives have been developed to address the department's long-term goals:

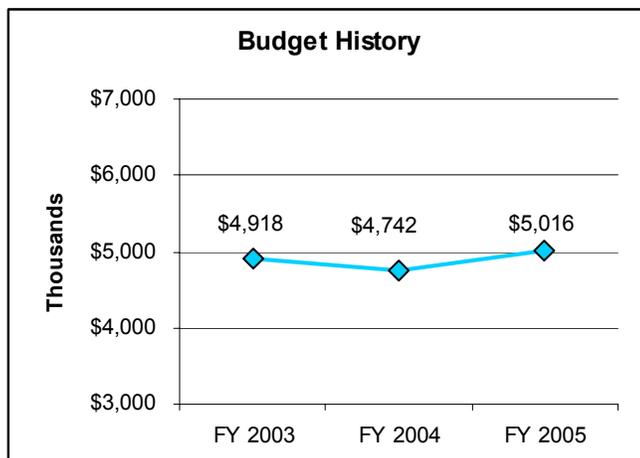
- Seek voluntary compliance for properties with code violations.
- Reduce substandard structures through rehabilitation or demolition.

- Maximize resident satisfaction with their neighborhood, Code Enforcement and Animal Services.
- Through owner education, minimize the percentage of food establishment and pool inspections that require re-inspections due to violations.
- Maximize the percentage of impounded animals returned to their owner, adopted, or assumed by a rescue society.
- Minimize hold times for the “One Call Does It All” number.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	66	67	67
Personnel Services	\$ 3,640,175	\$ 3,744,488	\$ 4,088,000
Operating Expenses	785,386	849,311	873,076
Capital Outlay	-	-	54,500
TOTAL	\$ 4,425,562	\$ 4,593,799	\$ 5,015,575

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

In FY 2004 a position transferred from the Department of Public Works to Neighborhood Services when Code Enforcement assumed responsibility for enforcing the overhanging tree limb ordinance. Increases in the FY 2005 budget include use of one-time funds to replace cages on Animal Services vehicles. Other increases in FY 2005 are attributable to a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

Neighborhood Services

Budget by Program

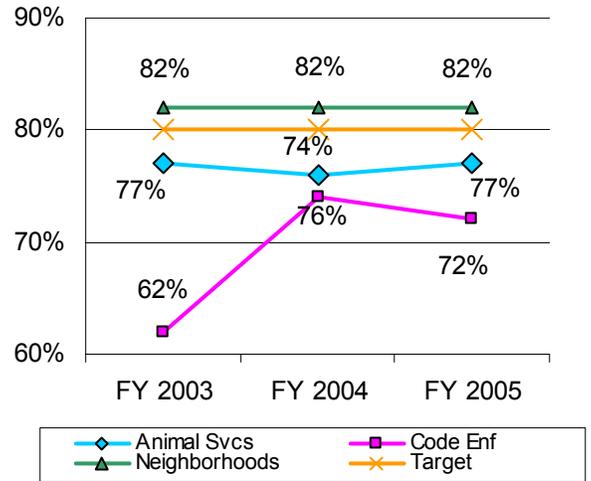
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 285,561	\$ 293,206	\$ 288,916	\$ 323,083
Neighborhood Svcs - North District	680,428	744,403	732,703	769,616
Neighborhood Svcs - East District	911,222	1,041,419	1,007,748	1,055,547
Neighborhood Svcs - West District	844,621	928,262	887,752	950,466
Animal Services	1,049,725	1,140,248	1,145,165	1,300,650
Operations Support	<u>654,006</u>	<u>594,426</u>	<u>531,515</u>	<u>616,214</u>
TOTAL	\$ 4,425,562	\$ 4,741,964	\$ 4,593,799	\$ 5,015,575

Performance Measures

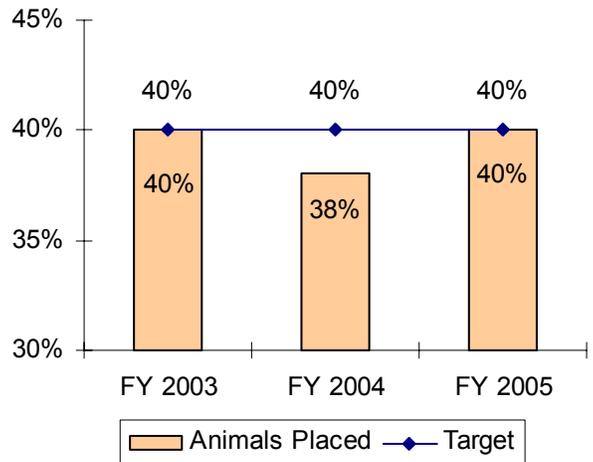
The following performance measures will be tracked in FY 2005:

- Achieve 80 percent resident satisfaction with their neighborhood, Code Enforcement, and Animal Services on the annual Citizen Satisfaction Survey.
- Place 40 percent of impounded animals with present owner, new owner, or rescue society.
- Maintain an average of 95 percent of properties correcting code violations voluntarily.
- Resolve 80 percent of identified substandard structure properties.
- Maintain an average hold time below 30 seconds for the “One Call Does It All” number.
- Track health re-inspections as a measure of success in owner education, with the goal that more than 80 percent do not need a re-inspection.

Customer Satisfaction with Animal Services, Code Enforcement, and Neighborhoods (Citizen Satisfaction Survey). The City measures overall satisfaction with specific services as part of the annual customer satisfaction survey. In the Neighborhood Services General Fund areas, Animal Services and Code Enforcement are measured, as well as the overall perception of neighborhoods as places to live. Satisfaction with neighborhoods and Animal Services has remained constant, while Code Enforcement increased last year.

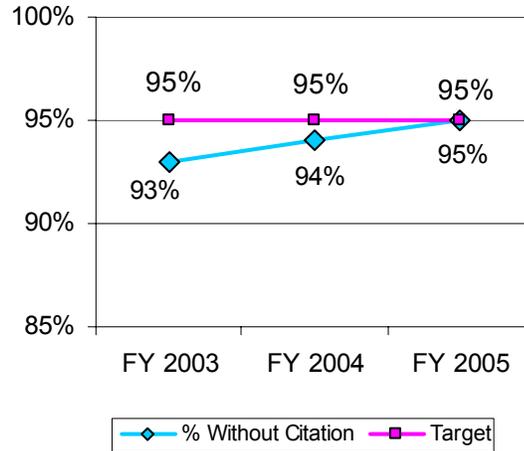


Percent of Animals Placed. Animals impounded may be returned to their owners, adopted by new owners, or assumed by an animal rescue society. The City works with a number of animal rescue groups and Petfinders.com in order to place as many as possible. Annual trends continue to be consistent with prior years, and are above the statewide average of 29 percent. Each 1 percent represents approximately 90 animals.

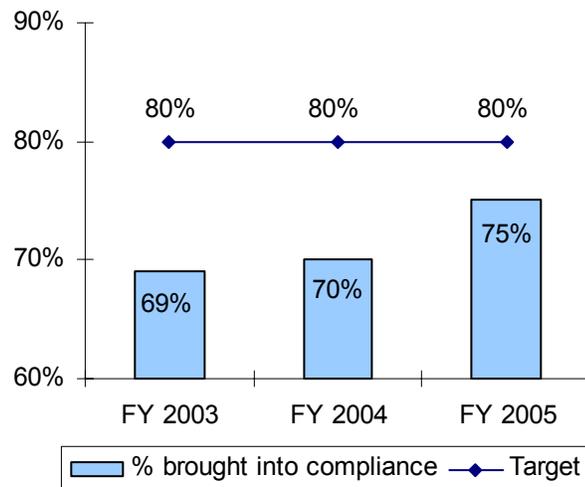


Neighborhood Services

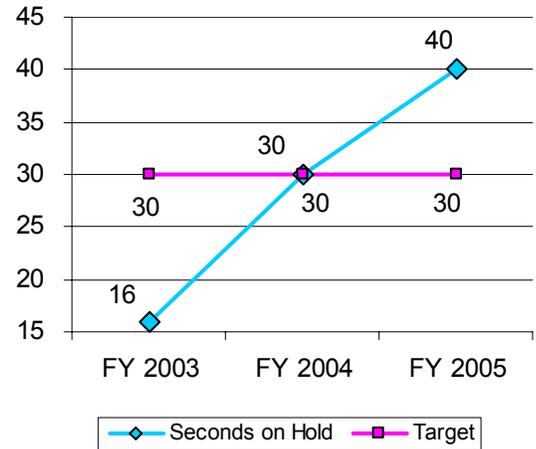
Percent of Properties Brought into Code Compliance Voluntarily. Swift, voluntary compliance with few repeat violations is one of the major goals of Code Enforcement in fostering livable neighborhoods. Neighborhood Services emphasizes notification and education when handling code enforcement issues, since most residents will correct violations quickly when made aware of them. Citations are generally issued to gain compliance with repeat violators. Current trends are expected to continue. Implementation of the Citizen Policy Review Committee recommendations may impact performance next year.



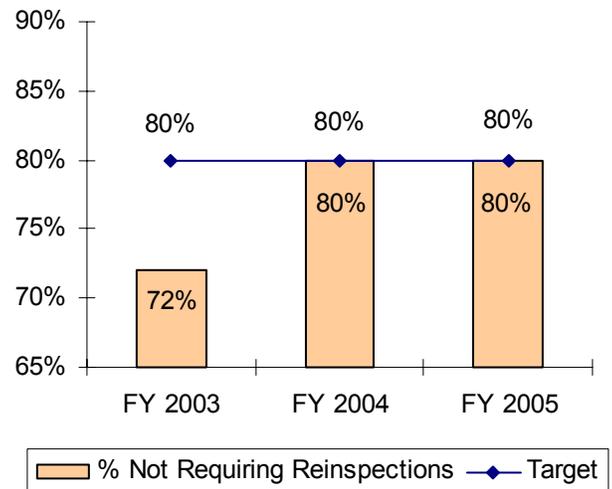
Percent of Identified Substandard Properties Resolved. Neighborhood Services focuses on the abatement of substandard structures in order to prevent the spread of urban blight in surrounding neighborhoods. This graph shows structures that were either rehabilitated or demolished. The department identifies substandard structures and pursues resolution through due process and the Municipal Court to protect neighborhood integrity. Resolution can take six months to a year with all legal notification periods. As a last resort, the City can demolish dangerous structures with a Court order. Trends have increased due to the department's emphasis on identification and abatement of these properties.



Average Hold Time in Seconds - Operations Support. Resident Service Assistants (RSAs) at the "One Call Does It All" number, 817-459-6777, provide information and take complaints for code enforcement, health inspections, recycling, and other City service issues. Information is also provided by recorded message. The RSAs direct callers to the appropriate staff for calls regarding other departments, or enter a complaint directly into the system for Neighborhood Services. Calls have increased as more residents are familiar with and utilize the "one call" number. As a result, average queue times are increasing and are projected to continue to grow.



Percent of Health Inspections Not Requiring Re-inspections. The objective of health inspections of food establishments and child care facilities is to provide safe food in a safe environment for both customers and employees. Inspections are conducted one, two, or three times a year depending on risk level of the extent of preparation of food served. Fewer re-inspections have been necessary this year, due to the department's emphasis on education.



Parks and Recreation Department

Pete Jamieson, Director

The Parks and Recreation Department is responsible for the City’s leisure service programs and resources. The mission of the department is to provide quality facilities and services that are responsive to a diverse community and sustained with a focus on partnerships,



innovation and environmental leadership. Departmental resources are managed and deployed in accordance with four strategies:

- Systematically invest in infrastructure
- Leverage social capital and service delivery through partnerships
- Focus on employee development and satisfaction

The divisions of the department are Park Planning, Enterprise Programs, Community Programs, and Park Operations.

Long-Term Goals

- Offer exceptional customer service to citizens.
- Provide equitable and convenient access to parks and facilities for the user public.
- Preserve and protect environmental values in parks.
- Design and implement quality facilities and programs.
- Provide safe and secure recreational environments.

Short-Term Objectives

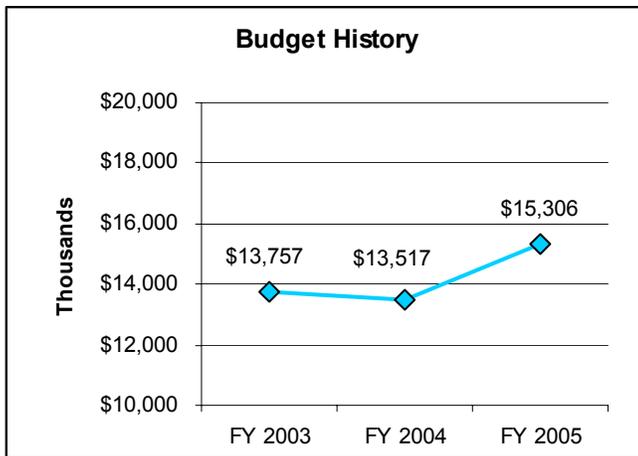
- Implement the eighth year of the 1997 park bond program.
- Passage of the proposed 2005 park bond program.
- Develop and implement customer service improvement initiatives.
- Implement a projects plan for the FY 2005 capital maintenance programs.
- Implement key recommendations from marketing plans developed for Golf, Tennis, and the Bob Duncan Community Center.
- Develop a marketing plan for athletic programs and facilities.
- Open two neighborhood parks: Don Misenhimer and Gene Schrickel.
- Develop and implement air quality initiatives.
- Continue the department’s leadership development program.
- Implement an asset management program utilizing field assessment techniques and database software.



Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	132	132	132
Personnel Services	\$ 7,187,002	\$ 7,412,198	\$ 8,432,514
Operating Expenses	5,323,179	5,604,620	6,831,517
Capital Outlay	-	-	42,000
TOTAL	\$ 12,510,180	\$ 13,016,818	\$ 15,306,031

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

Increases in FY 2005 are attributable to adjustments for the maintenance of new park facilities and backlogged projects, implementation of the cell tower leasing program, increased fleet costs, a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

Budget by Program				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 1,221,727	\$ 1,211,547	\$ 1,228,133	\$ 1,322,048
Planning, Design, and CIP	616,883	781,499	779,953	1,025,481
Park Programs	2,693,037	2,988,609	2,805,930	3,035,423
Park Operations	7,978,534	8,535,360	8,202,802	9,923,080
TOTAL	\$ 12,510,180	\$ 13,517,015	\$ 13,016,818	\$ 15,306,031

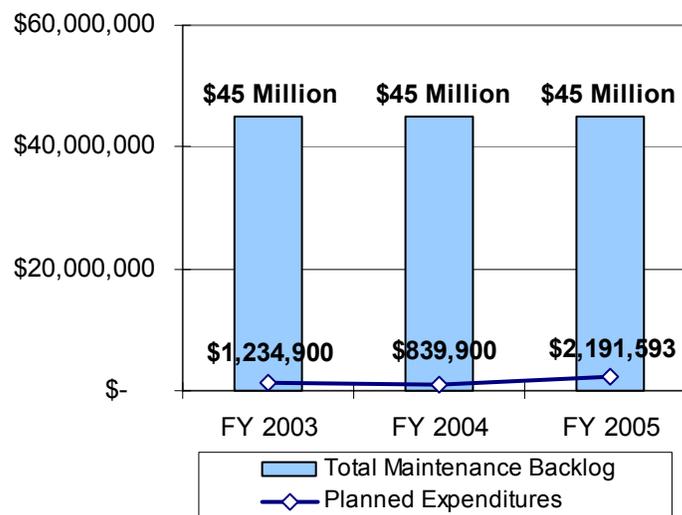
Parks and Recreation Department

Performance Measures

- Narrow the gap between infrastructure funding and deficiencies by at least 4 percent.
- Maintain a 95 percent customer satisfaction rating on facilities.
- Maintain a 94 percent customer satisfaction rating on programs and services.
- Maintain a 90 percent customer satisfaction with park maintenance.
- Maintain a 76 percent customer satisfaction with maintenance of medians and rights of ways.
- Increase customer satisfaction with access to parks and facilities from 80 percent to 83 percent.
- Increase satisfaction with customer service at parks and facilities from 64 percent to 65 percent.
- Maintain a 76 percent customer satisfaction rating on safety and security in parks and recreation facilities.
- Reduce critical maintenance needs from the current 23 percent to 22 percent.
- Acquire additional neighborhood park acreage to reach 59 percent of established Master Plan standards.
- Acquire additional linear park land to reach 53 percent of established Master Plan standards.

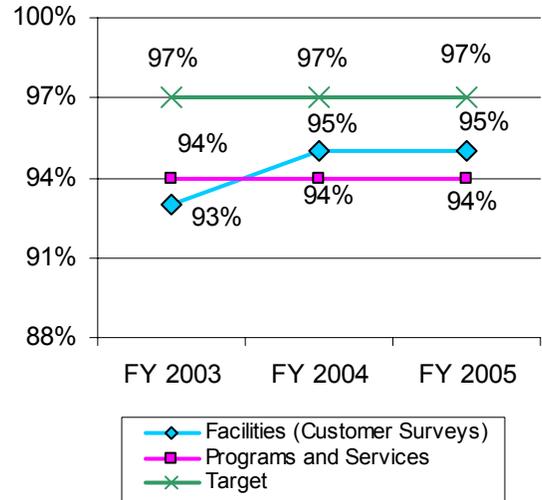
Infrastructure Investment vs. Infrastructure Deficiencies.

This measure demonstrates the amount of available funding to address capital maintenance deficiencies relative to the total amount of capital maintenance currently required throughout the park system. Funding sources include annual capital maintenance funding of \$440,000, \$356,593 in one-time funding and authorized bond "renovation" projects. The target is to have zero deficiencies. The planned expenditure for FY 2005 infrastructure investment is \$2.192 million. This represents only 4.9 percent of the total \$45 million maintenance backlog.



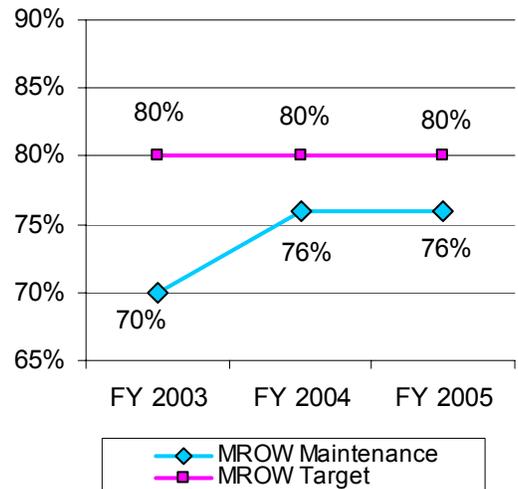
Satisfaction with Parks and Recreation Facilities, Programs and Services.

Satisfaction ratings for park facilities and for programs and services are derived from departmental customer surveys. This overall measure is a direct indicator of the department's long term goal of providing quality facilities and programs. The overall target for satisfaction in both categories is 97 percent. The target for FY 2005 is 95 percent for facilities and 94 percent for programs and services, which takes in account current limits on staffing and funding.



Satisfaction with Medians and Rights of Way (MROW) Maintenance.

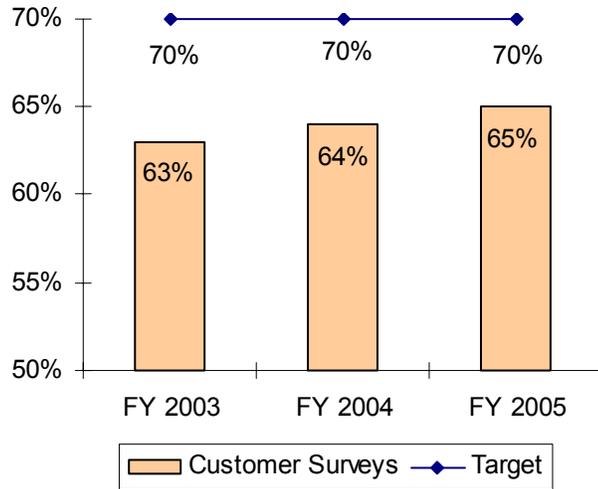
Satisfaction with the maintenance of medians and rights of way is derived from the annual random sample citizen survey conducted by the Office of Communication. That survey was conducted in November 2003, and at that time, the mowing cycles were still much lower than the 14-day specifications. Mowing contracts were redesigned so that mowing districts were divided into 45 or less lane miles. Due to budget cuts, the mowing cycles were increased during FY 2004, which could affect the ratings in FY 2005. The overall target for satisfaction with MROW maintenance is 80 percent, and the target for FY 2005 is 76 percent. This is a measure of the department's long term goal of providing quality facilities.



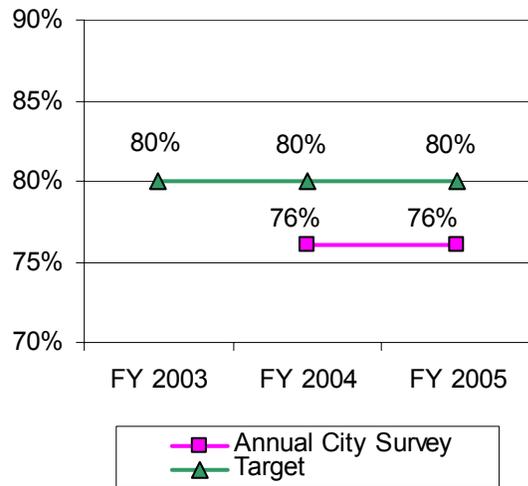
Parks and Recreation Department

Satisfaction with Customer Service.

Data for this measure is reflective of “very satisfied” responses regarding customer service taken from customer satisfaction surveys throughout the parks and recreation system. The target for customer service is a 70 percent “very satisfied” rating. One of the department's long term goals is exceptional customer service. In FY 2005, an increased satisfaction rating is expected due to customer service improvement initiatives that will be implemented as part of the department's workplan.

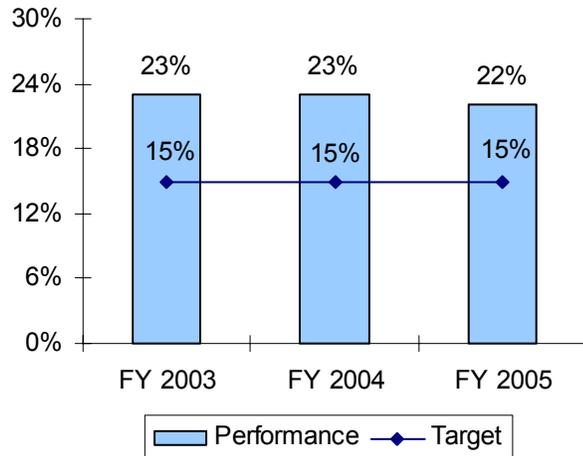


Satisfaction with Safety and Security of Parks and Facilities. Data for this measure is derived from the annual citizen survey conducted by the Office of Communication. The question, added in FY 2004, measures the feeling of safety and security in parks. The overall target for satisfaction is 80 percent. This measure tracks the department’s efforts toward the long term goal of having safe and secure recreational environments.



Critical Capital Maintenance Needs.

Priority one needs, which are primarily health and safety or major customer impact related, are \$10.5 million of the total \$45 million maintenance backlog. This is 23 percent of the total capital maintenance need. The overall target is 15 percent. It is the department’s goal to decrease the amount of priority one projects as a percentage of the total need. This is a measure of the long term goals of quality facilities and programs, and safe and secure recreational environments.





Planning and Development Services

Karen Brophy, JD, Director

The Planning and Development Services Department strives to enhance Arlington’s quality of life by guiding its physical, social and economic development and to enhance private construction of safe, sound and accessible buildings by providing plan review and inspections. Departmental resources are managed and deployed in accordance with the following strategic initiatives:



- Build and diversify the economy
- Foster livable neighborhoods

Long-Term Goals

- Enhance private construction of safe, sound and accessible buildings.
- Provide an accessible development review process.
- Provide a process that is fair, efficient and timely.
- Prepare comprehensive and special plans to guide sustainable growth.
- Maintain integrity and professionalism of staff.

Short-Term Objectives

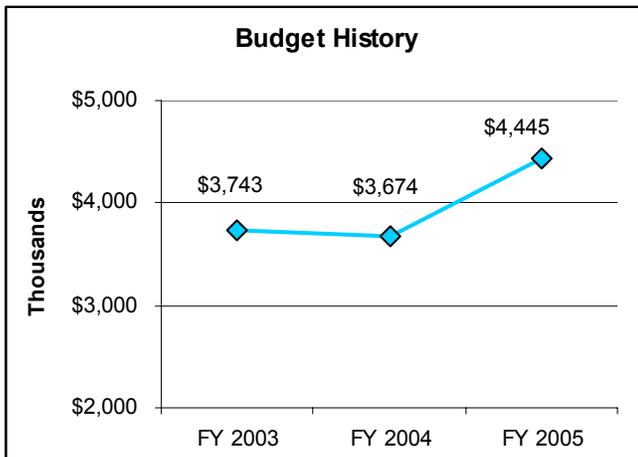
- Implementation of the plans and permit tracking system.
- Redesign the Development Review Committee process in order to increase efficiency and customer service in the plat and plan review process.
- Completion of Downtown Arlington Unified Master Plan that will create and coordinate strategic public and private investment and partnerships for the renewal of downtown Arlington.
- Continued training, encouragement and recognition for advanced degrees, certifications and licenses.



Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	52	52	53
Personnel Services	\$ 3,161,635	\$ 3,081,212	\$ 3,455,714
Operating Expenses	410,329	410,308	538,792
Capital Outlay	-	-	450,000
TOTAL	\$ 3,571,964	\$ 3,491,520	\$ 4,444,506

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

Increases in the FY 2005 budget are attributable to the funding of new development and permit tracking software with dynamic portal capabilities. Expenditures for the new program will be recovered through increases in building permit fees. The new system will also add one position in FY 2005. Other FY 2005 increases are attributable to a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

Planning and Development Services

Budget by Program

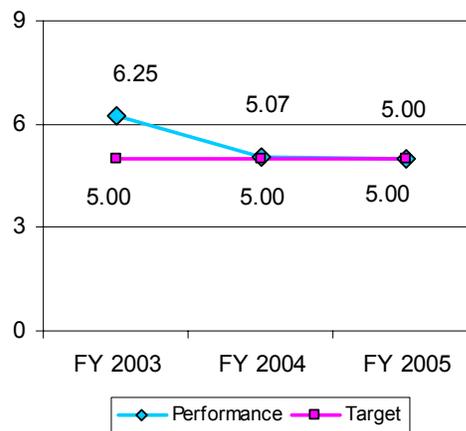
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Planning & Development Services	\$ 1,604,806	\$ 1,636,609	\$ 1,541,082	\$ 1,710,503
Building Inspection	1,967,157	2,037,220	1,950,438	2,734,003
TOTAL	\$ 3,571,964	\$ 3,673,829	\$ 3,491,520	\$ 4,444,506

Performance Measures

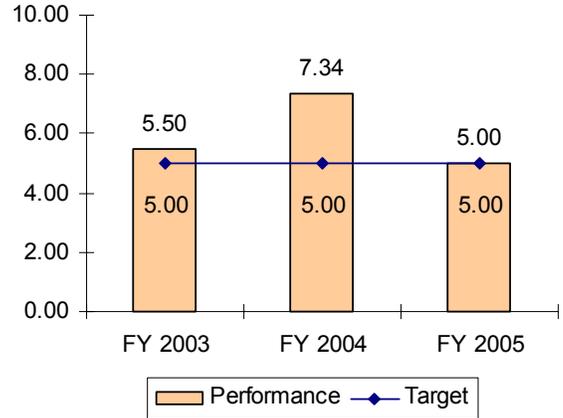
- Plan review time for residential; plan review time for commercial; plan review time for interior finish/remodel; total permits issued; permit valuation.
- Decrease the number of expired plats.
- Track every permit or plat submitted after June 1, 2005, through the review process in an enterprise-wide technology system used by all development related departments.
- Adoption of an implementation plan to provide specific design guidelines and zoning standards to facilitate the redevelopment of downtown Arlington.
- Increase the number of staff achieving and obtaining certifications, and the number of staff training hours each year.

Average residential plan review time of 5 days.

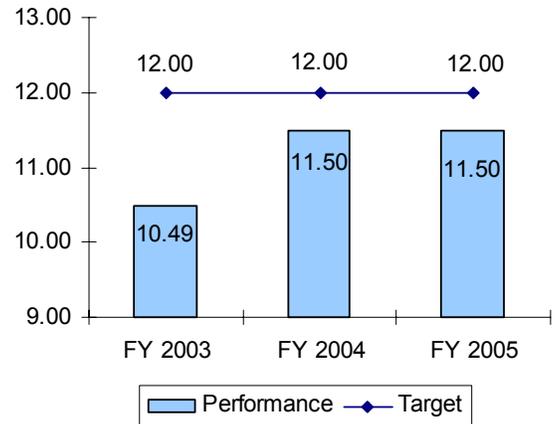
Architectural plan review is the first step of the building permit process. This goal is a balance between the various customers' needs and available resources. The goal is shorter in residential than commercial due to the comparative complexity of construction methods. This performance measure is a tool for management to reallocate resources or revise review processes.



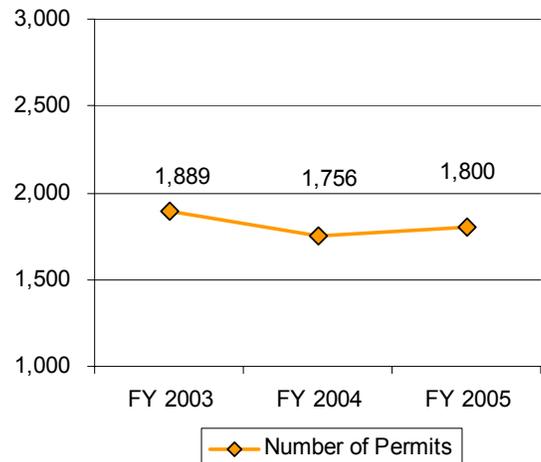
Average commercial interior finish/remodel review time of 5 days. This measures time of first review of commercial interior finish architectural plans. This goal is shorter than full commercial plan review since it does not involve structural or zoning reviews.



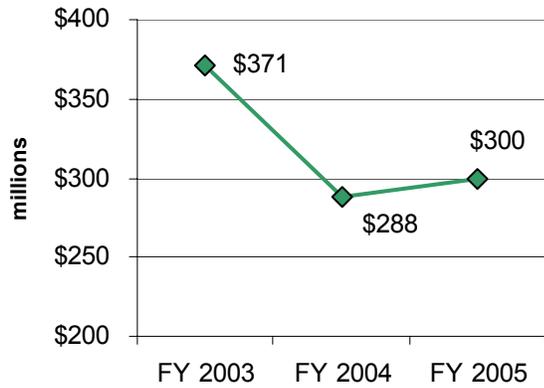
Average commercial full plan first review time of 12 days. Full commercial plans are the most complex to review due to construction methods, structural safety and site development standards. The goal is longer with these plans, so that the smaller interior remodels are not delayed by these projects.



Total permits issued for new construction. New construction includes new residential and commercial buildings. It does not include interior finish, remodel, or small job permits. Previous year trends are used for comparison. For example, large commercial projects may trigger an increase in permit valuations but permit levels may remain constant or even decline as residential construction activity decreases.



Planning and Development Services



Permit valuation for new construction:

New construction includes new residential and commercial buildings, not interior finish, remodel, or small job permits. Previous year trends are used for comparison. For example, large commercial projects may trigger an increase in permit valuations but permit levels may remain constant or even decline as residential construction activity decreases.



Police Department

Theron Bowman, PhD, Police Chief

The City of Arlington’s Police Department enforces state and local criminal laws. The department’s uniformed officers are on the front lines dealing with crime detection and suppression. Investigators analyze and help prosecute crimes, and the



central jail facility holds adult prisoners. The Police Department works out of multiple locations throughout the city. The officers and professional staff of the Arlington Police Department are committed to the philosophy of “Community-Based” policing and providing the best possible service to its citizens. Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Foster livable neighborhoods
- Achieve operational excellence in core service delivery
- Ensure responsive communication

Long-Term Goals

The department’s defining vision is to achieve a safer community by providing excellent service and involving our community as partners. The following long-term goals are in place to help us achieve that vision:

- Use partnerships to achieve a safer community.
- Use innovative technology to maximize performance.
- Apply intelligence-led policing to deploy resources and assess effectiveness.
- Promote geographic policing concept.

Short-Term Objectives

In order to reach our long-term goals, the following key strategies have been developed:

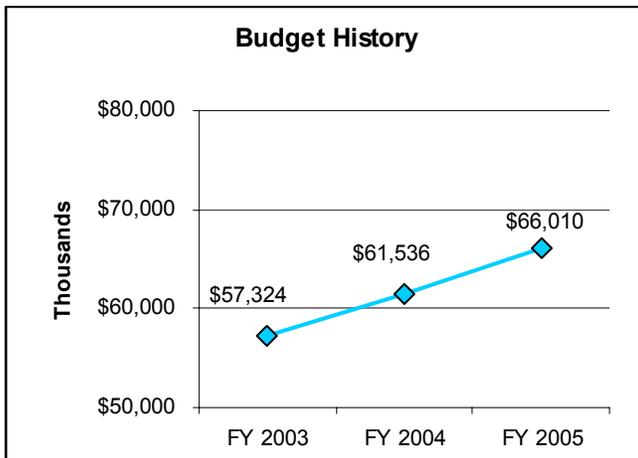
- Create law enforcement-based performance measures.
- Refocus on geographic policing concepts at all levels.
- Identify and promote strategic relationships with other City departments and with the community.
- Pursue intelligence-led policing and integrate into current geographic policing model.



Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	707	744	745
Personnel Services	\$ 48,971,020	\$ 50,839,443	\$ 56,381,311
Operating Expenses	8,888,108	9,721,142	9,621,559
Capital Outlay	<u>284,908</u>	<u>55,000</u>	<u>7,500</u>
TOTAL	\$ 58,144,035	\$ 60,615,585	\$ 66,010,370

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

Increases in the FY 2005 budget are attributable to the department adding funding to support a narcotics unit formerly paid for through grant funds. This support includes adding an Office Assistant position.

Additionally, the department is adding a position in the Traffic Division Unit to process commercial motor vehicle inspection data and DWI information to be entered into evidence. Also,

one-time dollars will be used to fund support for the Economic Crimes Unit, as well as purchase a replacement dog for the canine program. Other increases in FY 2005 include a one-time 5 percent payment to employees and a 1.36 percent compensation increase. One position is transferring from the Police Department to the City Attorney’s Office in FY 2005.

Police Department

Budget by Program

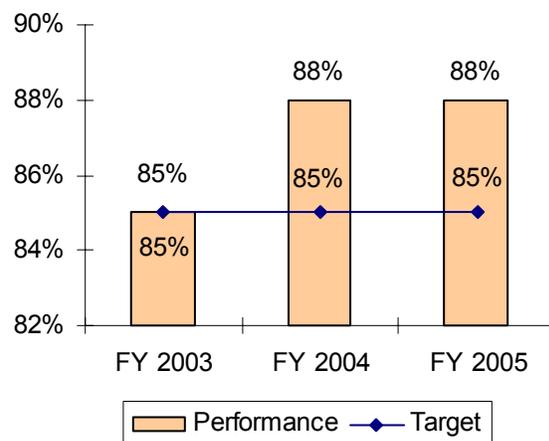
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 753,572	\$ 770,956	\$ 764,608	\$ 863,790
Jail Operations	2,654,019	2,728,255	2,657,719	2,942,386
Operations	34,803,657	37,078,956	36,508,470	39,578,034
Investigative Services	7,499,719	7,559,151	7,509,872	8,452,622
Administration Bureau	8,925,422	9,630,748	9,448,998	10,073,556
Community Services	2,032,067	2,195,781	2,140,493	2,391,849
Police Training and Recruiting	1,475,579	1,571,933	1,585,425	1,708,133
TOTAL	\$ 58,144,035	\$ 61,535,780	\$ 60,615,585	\$ 66,010,370

Performance Measures

To quantifiably demonstrate progress towards goals and objectives, the following performance measures will be monitored for FY 2005:

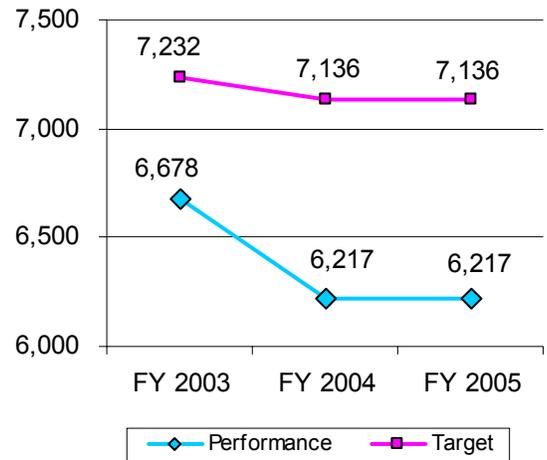
- Achieve customer satisfaction indicating good or excellent performance of 85 percent.
- Maintain Arlington's Crime Index at or below published FBI Uniform Crime Report (UCR) Crime Index for Cities 250,000 - 500,000 in population.
- Keep response time to Priority One calls below ten minutes.

Customer Satisfaction Indicating Good or Excellent Performance of 85 percent. This index is obtained from Citizen Satisfaction Surveys conducted annually by the Office of Communications. Recognizing that most police contacts are negative in nature, positive evaluations should meet or exceed 85 percent. This measure indicates, in part, our effective communication with the public. Concerted efforts have been focused on reducing costs (and calls for service) by providing cost-effective alternatives for citizens seeking police services. Those reductions may potentially impact customer satisfaction survey ratings over the long term.



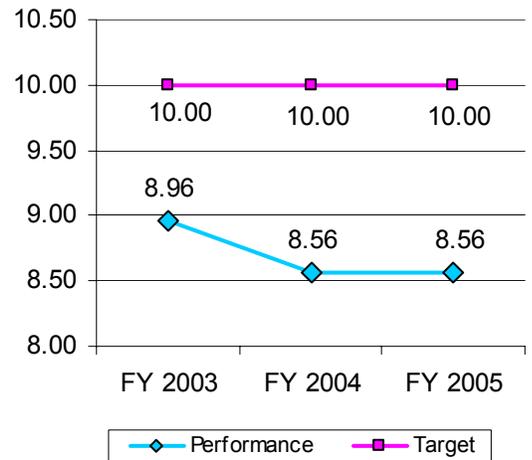
FBI Uniform Crime Report (UCR) Crime Index.

This index provides data on the annual total of Property and Violent Crimes per 100,000 residents. The department will maintain a rate at or below the UCR-published rate for cities with populations between 250,000 and 500,000 citizens, which is currently 7,136. This measure, in part, indicates successful core service delivery and fostering livable neighborhoods.



Response Time to Priority One Calls.

Priority One calls require the immediate (non-emergency) response of a patrol officer if a unit is available. No common definition for a Priority One call has been established, so State/regional comparative data is not available. The components included in response time (e.g., call processing, dispatch queue, patrol travel) may also differ among cities. Personnel increases and a recent focus on reductions in response time have produced favorable results and allowed us to maintain response times below our 10-minute target. This measure indicates our achievement in core service delivery, and in balancing personnel and workload. Strategies to reduce budget impacts have included holding fewer, smaller academy classes and reducing calls for service where feasible. Greater than anticipated attrition or an increase in workload may negatively impact our ability to keep response times below target levels.



Public Works Department

Robert Lowry, Director

The Department of Public Works is responsible for the design, construction, maintenance and operation of streets and related infrastructure, construction and maintenance of storm water drainage facilities, the review and inspection of residential and commercial site development plans and management of the City’s stormwater permit.



Additionally, the department oversees the Arlington Municipal Airport, Park and Ride facilities and Handitran. The mission of the department is to enhance the quality of life and contribute to the overall economic development of the City of Arlington by providing outstanding services that improve mobility, drainage, natural creek and transportation systems for

citizens, businesses and visitors. Divisions in the department include Traffic Engineering, Traffic Operations, Streets and Drainage, Engineering Services, Construction Management, Environmental Services, Aviation, Business Services, Transit Support and Handitran. The Streets and Drainage budget is included in the Street Maintenance Fund.

Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Comprehensively address mobility needs
- Systematically invest in community infrastructure
- Foster livable neighborhoods
- Build and diversify the economy

Long-Term Goals

- Plan, design and maintain a safe network of streets and related infrastructure.
- Provide for the City’s transportation needs through the operation of the Handitran service and participation in regional transit initiatives.
- Facilitate new development through:
 - Responsive review and comment on new development plans
 - Attraction of new investment and construction at the Airport
 - Participation in community and regional planning efforts
- Manage the stormwater system to encourage ecosystem viability and aquatic diversity of creeks and streams, as well as manage and resolve drainage issues.



Short-Term Objectives

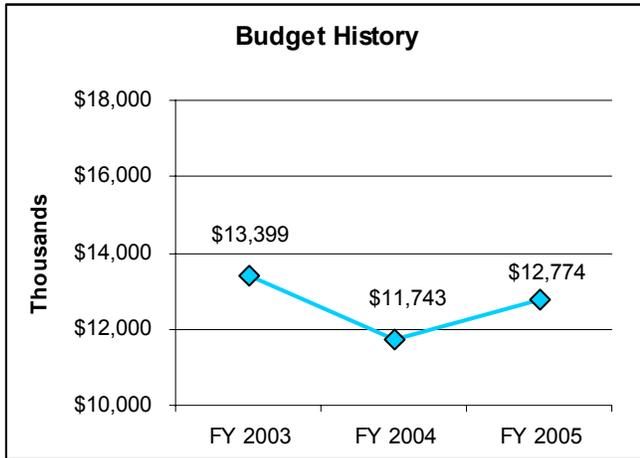
- Evaluate and optimize signal timing on major arterial corridors.
- Implement a work order management system in Traffic Operations.
- Design and construct Phase II of the signal system upgrade project. Continue installing fiber optic cable as part of a mixed-use (MIS/Traffic) communications network to serve the remaining City facilities and 240 traffic signals.
- Initiate the design and construction of street and drainage projects in accordance with the annual Capital Improvement Program.
- Design and construct I-30/Collins/Center/Baird Farm project.
- Review residential and commercial site development plans.
- Complete construction of air traffic control tower.
- Complete Water Quality Assessment Program.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	128	114	114
Personnel Services	\$ 8,505,131	\$ 7,366,742	\$ 7,975,649
Operating Expenses	3,770,232	3,939,588	4,738,597
Capital Outlay	<u>26,300</u>	<u>-</u>	<u>59,800</u>
TOTAL	\$ 12,301,663	\$ 11,306,330	\$ 12,774,047

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph on the following page shows the change in budgeted amounts over the same time period.

Public Works Department



Budget Highlights

Increases in FY 2005 are attributable to the use of one-time funds to purchase a work order implementation system, traffic control stations and a vacuum extractor for the Traffic Operations Division. Additional increases are associated with adjustments for utilities, a one-time 5 percent payment to employees, and a 1.36 percent compensation increase.

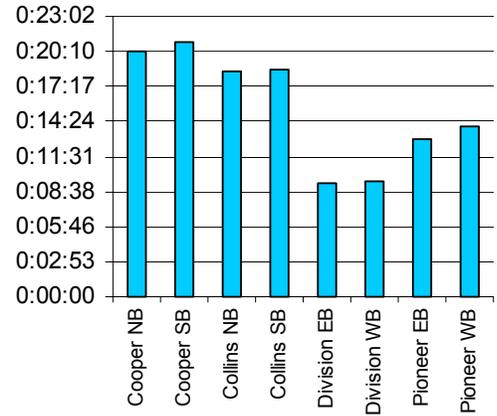
Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 567,551	\$ 545,358	\$ 581,239	\$ 559,962
Operations	6,209,544	6,032,969	5,847,675	6,679,848
CIP and Development	3,611,886	3,215,915	2,987,434	3,246,083
Services	1,912,682	1,948,914	1,889,981	2,288,153
TOTAL	\$ 12,301,663	\$ 11,743,156	\$ 11,306,330	\$ 12,774,047

Performance Measures

- Maintain or decrease travel times on major thoroughfares.
- Complete responses to water quality complaints, spills and sanitary sewer overflows within three days.
- Increase airport revenue to expense ratio.
- Implement the capital improvement program.
- Decrease average turnaround time for engineering plan review.
- Complete planned drainage projects.

Maintain or decrease travel times on major thoroughfares. Travel time is the most important measure of mobility. Its improvement is impacted by two primary factors: management of the signal system, including placement and timing of signals, and construction and expansion of the street system, as outlined in the thoroughfare development plan. The motoring public judges the effectiveness of an agency's traffic management by how long it takes to get from point A to point B. Naturally occurring incidents such as traffic accidents, stalled vehicles, inclement weather, work zones, inadequate road capacity, congestion due to urban sprawl and traffic signal preemption by emergency vehicles, adversely affect travel time.



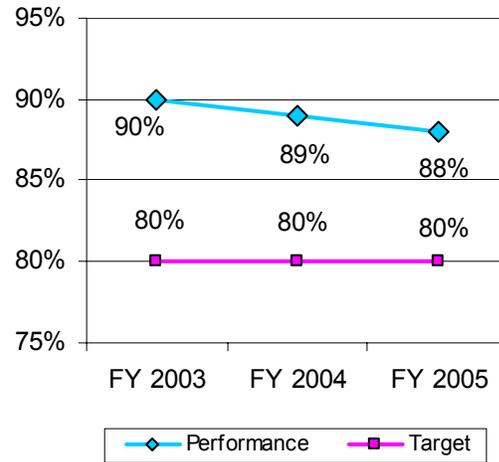
The City conducts travel time studies every quarter on four major arterials. At the beginning of the first quarter of FY 04, the scope was revised to include larger portions of these corridors; therefore, there is no data for FY 2003. Following are the included corridors:

- Cooper Street North and South (between Turner Warnell and I-30)
- Collins Street North and South (between SE Green Oaks and NE Green Oaks)
- Division Street East and West (between Bowen and SH 360)
- Pioneer Parkway East and West (between SE Green Oaks and SH 360)

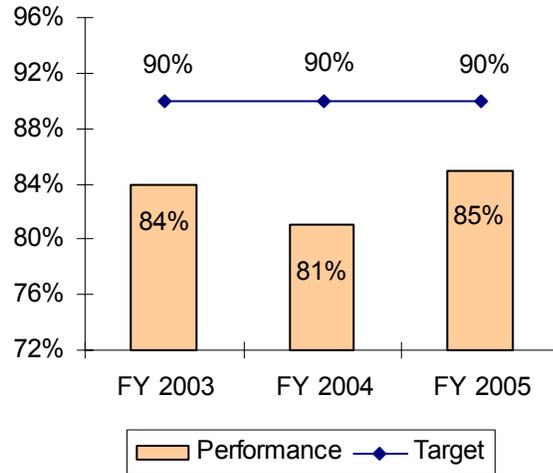
A target travel time for each arterial will be established once sufficient quarterly data has been obtained. The objective of the travel time program is to ensure that travel time remains within 10 percent of the target. This conforms to the generally accepted industry standard of variability and predictability for regular day travel.

Public Works Department

Complete responses to water quality complaints, spills and sanitary sewer overflows within three calendar days. The target is to complete 80 percent of the responses within three calendar days to minimize pollutants in neighborhood creeks and ensure responsiveness to citizen concerns about the environment. There has been a steady increase in the number of reported incidents, most likely due to the increase in population and the ongoing education effort that encourages people to report pollutants in creeks. With resources staying steady, it is projected that this increase in workload will be noticed but can be handled without falling below the target.



Increase airport revenue to expense ratio. The airport's success in maintaining current leases, attracting new development and increasing the percentage of hangar space and tie-downs leased improves this ratio, which reflects the airport's ability to recover its cost of operation and its contribution to overall economic development in the City of Arlington. FY 2005 cost recovery is expected to improve, but will still be under target due to increased expenditures for salaries, the opening of the air traffic control tower and electricity.





Support Services

Robert Byrd, Director

The Support Services Department provides maintenance and oversight of City facilities, vehicles and radios, as well as dispatch services for City departments. The General Fund portion of the department is composed of Administration, Facility Services, Construction Management and Real Estate Services.



The department's resources are deployed to support the following strategic initiatives:

- Systematically invest in community infrastructure
- Demonstrate good fiscal stewardship

Long-Term Goal

The department primary goal is the effective and efficient management and utilization of all public resources within the City.

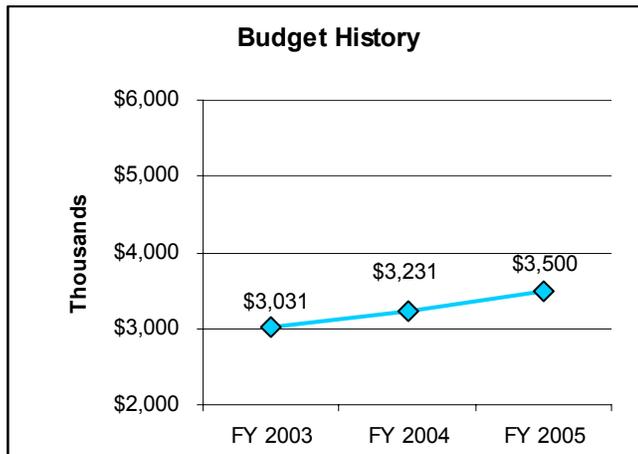
Short-Term Objectives

- Maximize the usable life of building mechanical equipment and ensure usability of facilities.
- Manage the acquisition and disposal of real property assets for the City, meeting imposed schedules and user requirements.
- Manage the planning, design and construction of municipal building projects, and related infrastructure, within established schedules, mandated budgets and recognized professional standards.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	28	31	31
Personnel Services	\$ 2,088,419	\$ 2,003,868	\$ 2,096,959
Operating Expenses	1,016,973	1,075,997	1,353,354
Capital Outlay	<u>1,375</u>	<u>50,000</u>	<u>50,000</u>
TOTAL	\$ 3,106,767	\$ 3,129,865	\$ 3,500,313

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph below shows the change in budgeted amounts over the same time period.



Budget Highlights

Increases in FY 2005 are attributable to adjustments for facilities maintenance, a one-time 5 percent payment to employees, and a 1.36 percent compensation increase. One-time funding has also been provided in FY 2005 to replace a generator at City Hall.

Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 220,182	\$ 297,161	\$ 287,887	\$ 254,976
Facility Services:				
Administration	\$ 154,385	\$ 162,923	\$ 160,162	\$ 171,881
Custodial Services	505,531	512,036	475,983	501,477
Building Repair / Renovation	1,572,728	1,640,207	1,595,766	1,901,941
Sub-Total	\$ 2,232,644	\$ 2,315,166	\$ 2,231,911	\$ 2,575,300
Construction Management	310,929	395,687	391,982	438,708
Real Estate Services	343,012	222,901	218,085	231,329
TOTAL	\$ 3,106,767	\$ 3,230,915	\$ 3,129,865	\$ 3,500,313

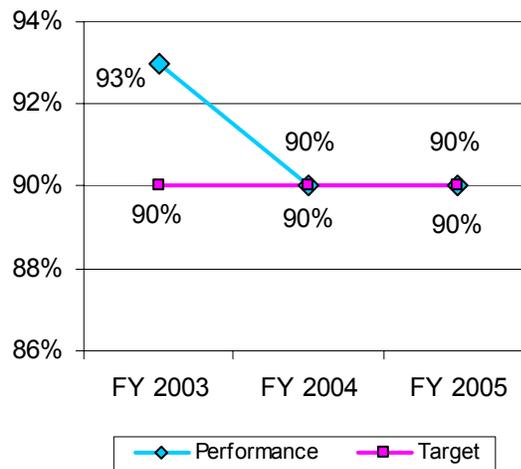
Performance Measures

- Complete 90 percent of all property acquisitions by the scheduled completion date.
- Systematically identify and prepare for disposal of surplus properties owned by the City.
- Complete HVAC repairs in two days.
- Complete preventive maintenance items when scheduled.
- Minimize the number of buildings scoring below 80 on the infrastructure survey.

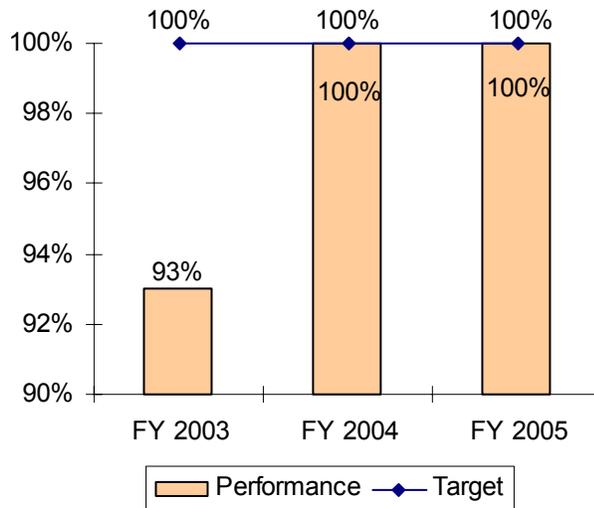
Support Services

- Respond to client departments' requests for service within scheduled timeframe 90 percent of the time.
- Ensure that 95 percent of progress payments to architects and contractors represent actual progress and are processed in a timely manner by auditing payment applications within three working days.
- Ensure that construction of projects complies with project requirements by conducting critical daily inspections 95 percent of the time.

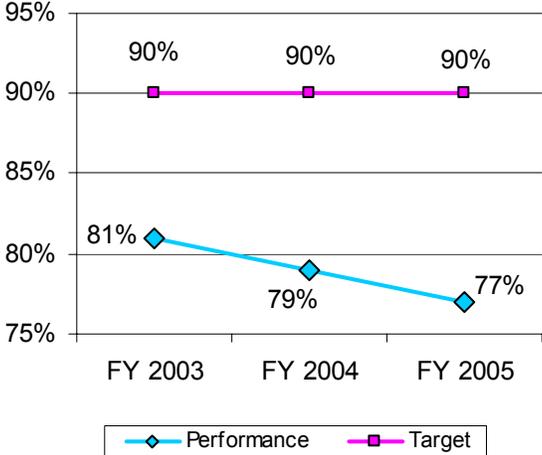
Percentage of property acquisitions completed on schedule. The timely and accurate delivery of property rights to requesting departments is critical to the City's success of satisfying public demand for core services. The objective is to complete 90 percent of all property acquisitions by the scheduled completion date to ensure planned public improvements meet prescribed construction schedules.



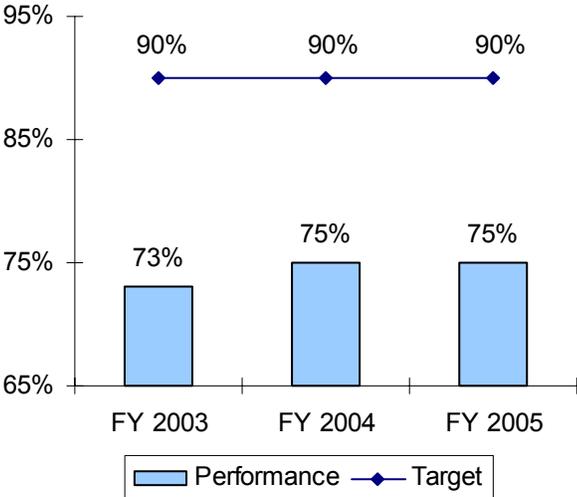
Percentage of surplus properties prepared for disposal actually completed. The disposal of surplus properties reduces the City's maintenance cost, adds value to the ad valorem tax base and increases revenue. The objective is to systematically identify and prepare for disposal surplus properties owned by the City.



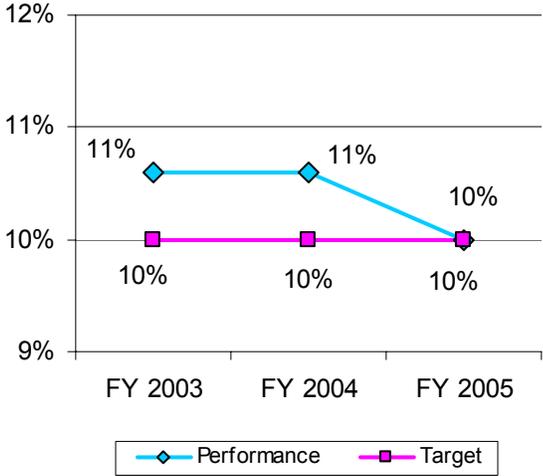
Percentage of HVAC failures repaired in two days. Failures of building heating and air conditioning systems can cause disruption of operations, loss of productivity and a potential of lost revenue. The objective is to respond to and repair 90 percent of equipment failures within 2 days. The trend is downward as technical staff members are engaged in other projects.



Percentage of preventive maintenance (PM) items completed when scheduled. The objective is to maximize the usable life of building mechanical equipment through a preventive maintenance program prescribed by equipment manufacturers. The goal of the objective is to complete 90 percent of preventive maintenance work orders when scheduled. This measure continues to remain below the goal due to PM staff being reassigned to repair duties and assisting with remodeling projects.



The percentage of City-owned buildings scoring less than 80 on infrastructure survey. The objective is to examine all City-owned buildings on a bi-annual basis and determine the needed infrastructure funding to ensure that the buildings are in "serviceable" condition. Due to staffing constraints, the infrastructure survey was not completed for FY 2004. The survey is expected to be completed in FY 2005. A realistic goal for this objective is to have fewer than 10 percent of City buildings



Support Services

score less than 80 on the infrastructure survey.

Neighborhood Services - Sanitary Landfill Fund

Trey Yelverton, Director

The Sanitary Landfill Division of the Neighborhood Services Department is responsible for providing solid waste disposal and recycling services. The mission of the division is to provide efficient and environmentally sound waste disposal alternatives for residents and businesses in the City of Arlington.

Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Foster livable neighborhoods
- Achieve operational excellence in core service delivery

Activities of the division include solid waste disposal, contract management for garbage and recycling collection, semi-annual clean up days, and household hazardous waste collection. Additionally, the division manages recycling services including weekly curbside collection, master composter training, and other regularly scheduled recycling events for Christmas trees, leaves, and electronics.



FY 2005 OPERATING POSITION

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
BEGINNING BALANCE	\$ 6,429,963	\$ 4,787,509	\$ 4,945,312	\$ 2,313,209
REVENUES:				
Landfill Service Charge	\$ 5,894,675	\$ 5,800,000	\$ 6,000,000	\$ 7,200,000
Landfill Gate Receipts	417,248	400,000	400,000	400,000
Other Revenue	56,115	59,000	105,200	59,000
Interest Income	<u>294,817</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
TOTAL REVENUES	\$ 6,662,855	\$ 6,559,000	\$ 6,805,200	\$ 7,959,000
INTERFUND TRANSFERS:				
To General Fund - Indirect Cost	\$ (650,089)	\$ (650,858)	\$ (650,858)	\$ (660,621)
To General Fund - One-time transfers	(5,300,000)	(2,100,000)	(2,100,000)	(500,000)
To General Fund - Recurring revenues	-	-	-	(1,200,000)
To Debt Service	(76,785)	(71,420)	(71,420)	(41,995)
To Closure / Post-Closure Fund	(973,575)	(1,000,000)	-	-
To Special Projects Fund	-	-	(2,000,000)	-
From Rate Stabilization Fund	<u>3,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL INTERFUND TRANSFERS	\$ (3,400,449)	\$ (3,822,278)	\$ (4,822,278)	\$ (2,402,616)
TOTAL AVAILABLE FUNDS	\$ 9,692,369	\$ 7,524,231	\$ 6,928,234	\$ 7,869,593
TOTAL EXPENDITURES	\$ 4,747,057	\$ 4,837,853	\$ 4,615,025	\$ 4,511,665
ENDING BALANCE	\$ 4,945,313	\$ 2,686,378	\$ 2,313,209	\$ 3,357,928

Neighborhood Services - Sanitary Landfill Fund

Long-Term Goals

- Maximize the City’s available landfill capacity by conducting efficient, safe and environmentally sound operations in accordance with Federal and State regulations.
- Reduce the amount of recyclable materials accepted for disposal.

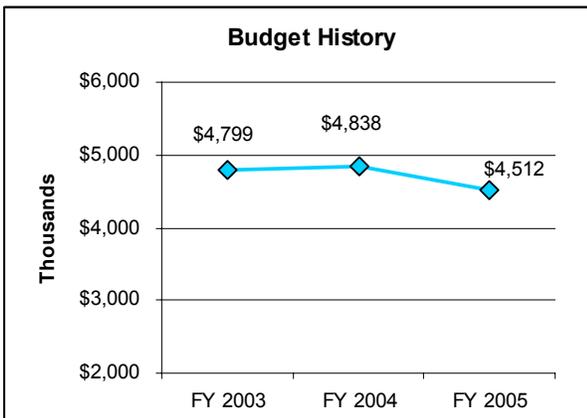
Short-Term Objectives

The following short-term objectives have been developed to address the long-term goals:

- Increase number of kilowatt hours of electricity produced by the landfill’s methane gas system.
- Maximize resident satisfaction with the landfill.
- Maximize diversion of recyclable materials from the landfill through curbside, drop off, and onsite recycling.
- Maximize resident satisfaction with recycling.

Summary of Resources

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Authorized Positions	26	26	26	26
Personnel Services	\$ 1,394,762	\$ 1,483,272	\$ 1,545,703	\$ 1,696,052
Operating Expenses	3,188,344	2,554,581	2,711,349	2,735,613
Capital Outlay	<u>163,951</u>	<u>800,000</u>	<u>357,973</u>	<u>80,000</u>
TOTAL	\$ 4,747,057	\$ 4,837,853	\$ 4,615,025	\$ 4,511,665



The accompanying Budget History graph shows the change in budgeted amounts over the past three years.

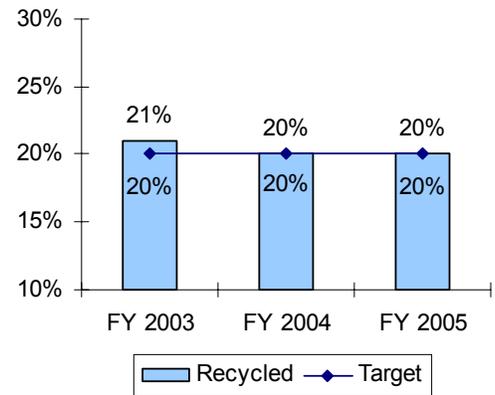
Budget Highlights

The FY 2005 budget includes reduced capital outlays, which were for heavy equipment replacements in FY 2004. The FY 2005 budget also includes a one-time 5 percent payment to employees and a 1.36 percent compensation increase.

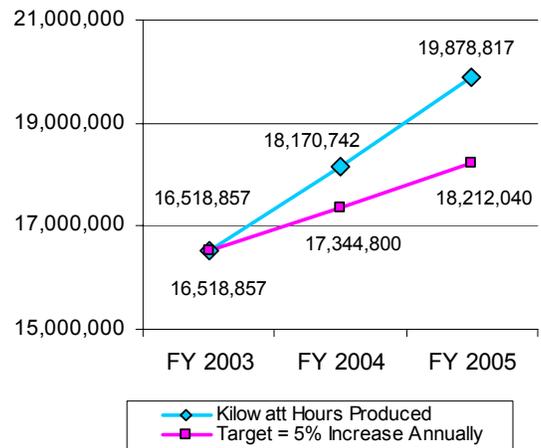
Performance Measures

- Divert 20 percent of recyclable materials from the landfill.
- Increase number of kilowatt hours produced by 5 percent annually.
- Achieve 90 percent resident satisfaction with the landfill and recycling on the annual Citizen Satisfaction Survey.

Percent of materials diverted by curbside, drop off, and onsite recycling, with a goal of 20 percent. Recycling provides an important means to extend the life of the landfill. Neighborhood Services markets the recycling program, and provides information, classes, and special initiatives to promote it. Curbside recycling activity modestly slowed in FY 2003 and early FY 2004. After renewed marketing, the activity stabilized and showed positive month-to-month gains. While overall a small percentage, event recycling for electronics, Christmas trees, and leaves was very strong in FY 2004 and is expected to continue in FY 2005.

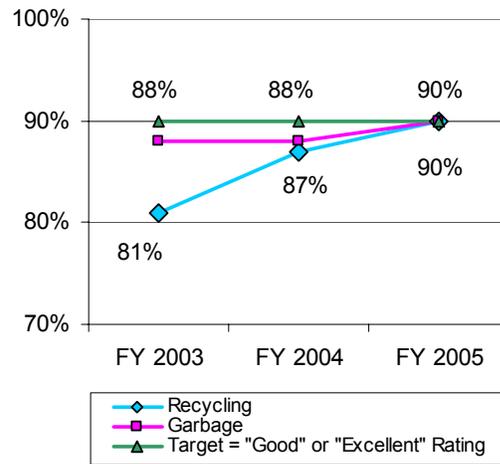


Kilowatt hours of electricity produced by the landfill methane gas. Methane gas produced by the landfill is used to generate electricity and avoid its release into the environment. Through a public-private partnership, gas is collected and transported by TXU to the Fort Worth Sewage Treatment Plant to power its turbines. As the gas system expands and matures, gas production is expected to continue to grow.



Neighborhood Services - Sanitary Landfill Fund

Customer Satisfaction with Garbage and Recycling Services. The City measures overall satisfaction with specific services as part of the annual customer satisfaction survey. This survey includes garbage collection and recycling services. While satisfaction with garbage collection has remained stable, renewed marketing efforts for recycling led to increased awareness and satisfaction.



Water and Sewer Fund

Fiona Allen, P.E., R.S., Director

The Water Utilities Department is responsible for providing drinking water and wastewater disposal services to residents and businesses. The mission of the department is to provide a continuous supply of high quality drinking water and safe disposal of wastewater in a responsive, cost-effective manner while improving service to citizens and planning for future needs. The department also provides accounting and financial services as well as geographic information support to other City departments. Departmental resources are managed and deployed in accordance with the following strategic initiatives:



- Achieve operational excellence in core service delivery
- Systematically invest in community infrastructure
- Demonstrate good fiscal stewardship

FY 2005 OPERATING POSITION

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
BEGINNING BALANCE	\$ 62,873	\$ 264,579	\$ 3,230,955	\$ 5,370,693
TOTAL REVENUES	\$ 82,717,758	\$ 90,565,813	\$ 89,511,731	\$ 91,886,358
INTERFUND TRANSFERS:				
General Fund - Indirect Cost	\$ (2,751,503)	\$ (2,744,655)	\$ (2,744,655)	\$ (2,840,502)
Debt Service, Municipal Office Tower	(93,194)	(91,006)	(91,006)	(88,770)
Operating Reserve	-	-	-	-
Fleet Replacement Reserve	(248,693)	-	-	300,000
Infrastructure Replacement Reserve	(3,003,359)	(6,500,000)	(6,500,000)	(6,500,000)
Infrastructure Maintenance Reserve Fund	(133,500)	-	-	-
Capital Projects Fund	-	(2,000,000)	(2,000,000)	(2,000,000)
TOTAL INTERFUND TRANSFERS	\$ (6,230,249)	\$ (11,335,661)	\$ (11,335,661)	\$ (11,129,272)
TOTAL AVAILABLE FUNDS	\$ 76,550,381	\$ 79,494,731	\$ 81,407,025	\$ 86,127,779
TOTAL EXPENDITURES	\$ 73,319,426	\$ 78,994,239	\$ 76,036,333	\$ 80,672,473
ENDING BALANCE	\$ 3,230,955	\$ 500,492	\$ 5,370,693	\$ 5,455,306

Water and Sewer Fund

Divisions in the department include Business Services (Administration, Information Services, Customer Services, Meter Maintenance and Meter Reading), Operations (Engineering, South Field Operations, Inflow/Infiltration Field Operations, North Field Operations and Operations Support), and Treatment (Water Treatment, Laboratory and Water Resource Services).

Long-Term Goals

Arlington Water Utilities will:

- Provide for renewal of water and wastewater infrastructure.
- Ensure adequate water treatment capacity to meet water system demands.
- Provide for long-term water supply needs.
- Ensure that the future workforce is prepared to meet customer expectations.
- Maintain financial stability.
- Assure regulatory compliance.

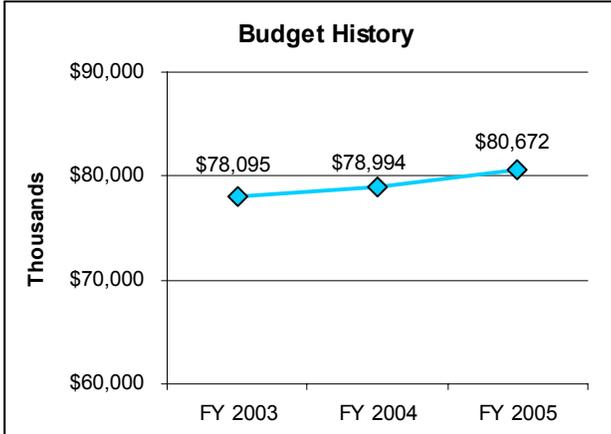
Short-Term Objectives

- Fund identified renewal and rehabilitation needs.
- Continue to implement Council approved Water Distribution Study.
- Monitor and adjust, if needed, irrigation/conservation commodity rates.
- Identify and mentor promising front line employees.
- Continue five-year plan to balance fixed and variable cost recovery.
- Identify potential issues through active participation in regional agencies and water legislation.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	219	223	223
Personnel Services	\$ 13,148,153	\$ 12,941,609	\$ 14,548,959
Operating Expenses	59,776,357	61,051,087	65,032,716
Capital Outlay	<u>394,916</u>	<u>2,043,636</u>	<u>1,090,798</u>
TOTAL	\$ 73,319,426	\$ 76,036,333	\$ 80,672,473

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph below shows the change in budgeted amounts over the same time period.



Budget Highlights

FY 2005 budget increases are attributable to increases in electricity costs as well as a 1.36 percent employee compensation increase and a one-time 5 percent payment to employees.

Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 52,911,368	\$ 55,057,849	\$ 52,881,019	\$ 55,773,488
Engineering	926,470	1,085,293	990,458	1,122,599
Information Services	1,121,080	1,620,806	1,425,650	1,733,932
Customer Services	2,901,147	3,201,752	3,135,974	3,231,426
Meter Maintenance	1,885,228	2,029,156	1,916,924	2,241,782
Meter Reading	544,811	567,746	549,184	667,267
Water Treatment	5,190,363	5,943,781	5,687,806	6,463,413
Field Operations / South	1,786,718	1,933,459	1,973,751	2,467,747
Field Operations / Inflow and Infiltration	2,098,372	3,480,219	3,528,176	2,699,152
Laboratory Services	879,778	770,787	774,333	895,173
Water Resource Services	482,113	558,294	551,881	536,594
Field Operations / North	1,797,136	1,947,473	1,831,777	1,933,073
Operations Support	<u>794,843</u>	<u>797,624</u>	<u>789,399</u>	<u>906,826</u>
TOTAL	\$ 73,319,426	\$ 78,994,239	\$ 76,036,333	\$ 80,672,473

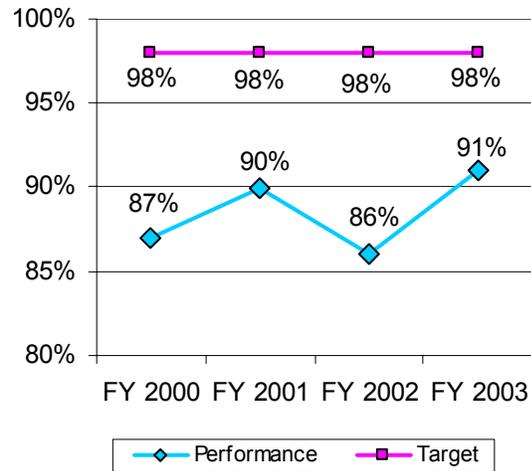
Performance Measures

- Achieve 98 percent customer satisfaction rating (+/- two percent acceptable variance).
- Achieve fewer than 10 breaks per 100 miles of main.
- Achieve service interrupt time of 4 hours or less.
- Obtain a decreasing trend in consumption per household.

Water and Sewer Fund

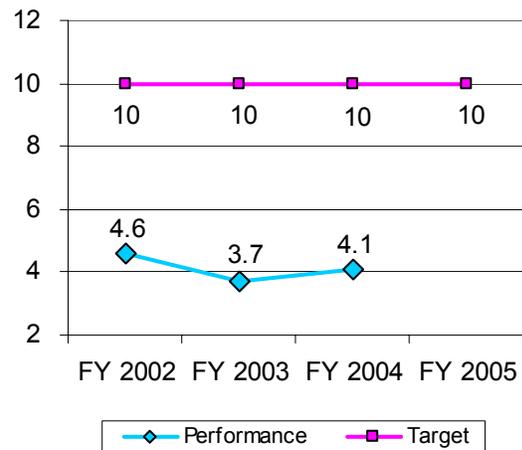
Percent of customers satisfied with Water Utilities Department services, with goal of 98 percent.

This measurement provides an indication of the level of confidence that Arlington residents have with the quality of water and wastewater services provided, as reported in the City Services Satisfaction Survey. In fiscal year 2003, the Water Utilities Department received a satisfaction rating of 91 percent, up 5 percent from the previous year. This may be due in part to citizen awareness that the Water Utilities Department has invested substantial resources in order to improve the quality and delivery of treated water that it provides to customers. While the quality of overall services provided is presently perceived as high, the goal of the Water Utilities Department is to achieve a satisfaction rating of 98 percent, underscoring our commitment to being "Respected and Trusted Leaders in the Water Industry".

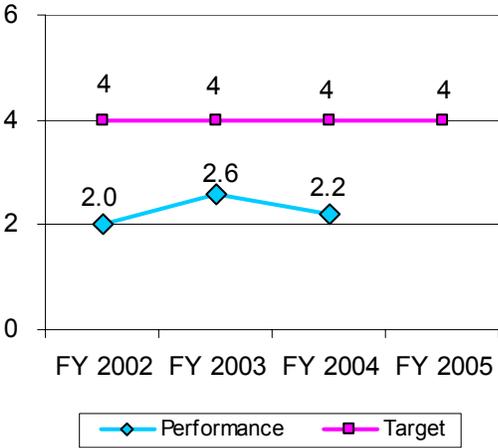


Achieve fewer than 10 breaks per 100 miles of main.

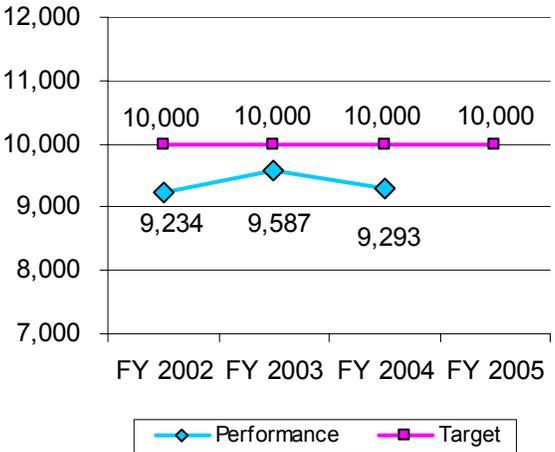
This measure indicates the Water Utilities' ability to plan, provide and maintain the integrity of the water and wastewater infrastructure. Sustaining a highly reliable infrastructure base is a high priority for the Department. The Department's current rate of five or less breaks per 100 miles of main compares favorably to the top quartile cited in the 2003 Qualserve Report, prepared by the American Productivity and Quality Center. The top scores in the report measured just over 18 breaks per 100 miles of pipe. To support this objective, the Water Utilities Department annually budgets funds for replacement and/or repair of mains that are older and require more maintenance. An aggressive water line renewal program has eliminated some of the older mains that typically require regular maintenance, which has favorably impacted the frequency of breaks.



Number of hours of service interrupt time, with a goal of less than 4 hours. Interrupt time indicates the Water Utilities Department’s ability to provide fast, reliable service to customers in the event of service disruption due to repairs or maintenance. The number, size and location of water main breaks impact the length of time a customer may be without service. Additionally, customers may be affected due to scheduled valve replacement/repair or maintenance of a transmission line that requires repair. During fiscal year 2003, several large transmission lines near major roadways required emergency repair, resulting in increased service interrupt times. At the end of the second quarter of fiscal year 2004, the average service interrupt time per affected customer was 2.2 hours.



Average residential consumption, with a goal of decreasing consumption per household. Using a 12-month period to account for seasonal water usage, this measure calculates the total gallons of water use billed for residential accounts divided by the total number of residential accounts. This measure is affected by many factors, including the amount and timing of rainfall and the temperature. Fiscal year 2002 had above average rainfall of just over six inches and fiscal year 2003 had approximately four inches below normal rainfall. The increase in residential consumption from fiscal year 2002 to fiscal year 2003 is indicative of the below normal rainfall that occurred in 2003.



It is anticipated that the fiscal year 2004 implementation of a tiered-rate structure that includes a conservation rate will impact irrigation usage during the summer months when it is typically hot and dry, and water consumption increases. Rainfall for the first six months of fiscal year 2004 was approximately three inches below average. However, the nearly 11 inches of rain received in June 2004 makes it the second wettest June on record. Although the average residential consumption decreased 2.11 percent from this same quarter in FY 2003, the impact of the above average rainfall will be reflected in July’s calculation.

Water and Sewer Fund



Convention & Event Services Fund

Nadine Felix, Director

The Convention and Event Services Fund provides for the operation of the Arlington Convention Center, a public assembly facility that generates revenue by facilitating



national, state, and regional meetings and events. The entire community benefits from attendee patronage of hotels, restaurants, retail establishments, tourist venues, and recreation facilities. In addition, the Convention Center provides space and services for local events that promote business and enhance the quality of life in the community.

The primary mission of the Convention Center is to drive new dollars into the City's economy.

Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Build and diversify the economy
- Demonstrate good fiscal stewardship

Divisions in the department include Event Coordination and Oversight, Facility Operations and Maintenance, Parking Operations, and Business Administration.

FY 2005 OPERATING POSITION

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 6,257,478	\$ 6,364,200	\$ 6,236,200	\$ 6,255,500
INTERFUND TRANSFERS:				
Debt Service - Grand Hall	\$ (1,295,458)	\$ (1,289,918)	\$ (1,289,918)	\$ (1,287,775)
Debt Service - Existing Debt	(755,566)	(705,663)	(705,663)	(657,364)
Conv & Visitors Bureau Debt Service	(127,425)	(123,863)	(123,863)	(120,188)
From Capital Maintenance Reserve	-	92,400	92,400	-
From General Fund - Operating Subsidy	1,475,480	1,215,439	1,323,874	1,439,969
To General Fund - Indirect Costs	(228,675)	(235,109)	(235,109)	(238,636)
TOTAL INTERFUND TRANSFERS	\$ (931,644)	\$ (1,046,714)	\$ (938,279)	\$ (863,993)
TOTAL AVAILABLE FUNDS	\$ 5,325,834	\$ 5,317,486	\$ 5,297,921	\$ 5,391,507
TOTAL EXPENDITURES	\$ 5,325,835	\$ 5,317,486	\$ 5,297,921	\$ 5,391,507
ENDING BALANCE	\$ -	\$ -	\$ -	\$ -

Convention & Event Services Fund

The Convention and Event Services Fund includes the funding for debt service and operations of the Arlington Convention Center, the Arlington Convention and Visitors Bureau, and operational support to the Fielder House Museum. Fund revenues are provided from operations of the Convention Center, the hotel/motel occupancy tax and support from the General Fund. The Convention Center operating revenue is derived from facility rental, food and beverage services, parking, and other event services. The City maintains a contractual relationship with the Convention and Visitors Bureau, an independent organization that develops an annual marketing plan and budget prepared under separate cover for approval by the City Council. City support of Bureau operations is provided by occupancy tax revenues received in the Convention and Event Services Fund.



Long-Term Goals

To contribute to the City's economy, the Arlington Convention Center is concentrating its efforts to achieve the following long-term goals:

- Maximize operating revenue and minimize operating expense.
- Achieve financial success whereby revenue consistently exceeds operating costs.
- Maximize utilization of the facility and its revenue generating capacity.
- Deliver high-quality customer-centered service.
- Maintain the facility's condition and preserve its value as a City asset.
- Keep the Center an integral part of convention activity in the State and an economic driver for the community.

Short-Term Objectives

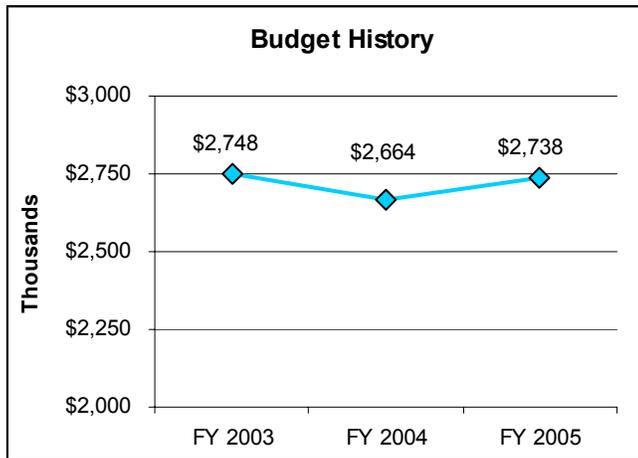
To accomplish the long-term goals, the Center has the following objectives for FY 2005:

- Seek ways to optimize ancillary revenues, monitor revenue sources for billing accuracy, and maintain expenses at a level that appropriately corresponds to operational and event needs.
- Book available spaces inside of 18 months.
- Seek ways to optimize service delivery to clients, including making service upgrades where possible and program improvements where needed.
- Maintain high standards of maintenance and repairs to the physical plant, and seek ways to provide facility enhancements and safety improvements.
- Play a leading role in the initiation of feasibility studies for Convention Center expansion and hotel development in the Entertainment District.

Summary of Resources

Convention Center - Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	33	33	33
Personnel Services	\$ 1,832,963	\$ 1,821,034	\$ 1,987,452
Operating Expenses	632,016	730,472	750,350
Capital Outlay	-	92,710	-
TOTAL	\$ 2,464,979	\$ 2,644,216	\$ 2,737,802

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

The increase in the FY 2005 budget reflects a 1.36 percent employee compensation increase and a one-time 5 percent payment to employees.

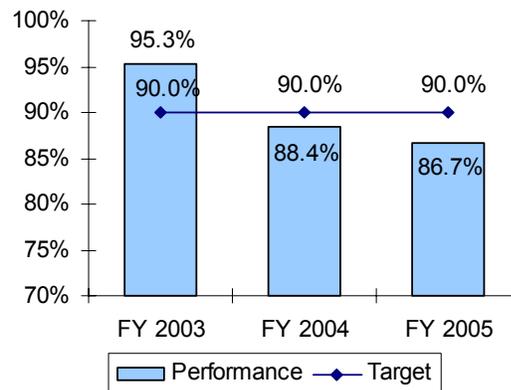
Budget by Program				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Convention Center	\$ 2,464,979	\$ 2,663,781	\$ 2,644,216	\$ 2,737,802
Convention & Visitors Bureau	2,618,423	2,633,705	2,633,705	2,633,705
Arts Funding	132,433	-	-	-
Downtown Revitalization	90,000	-	-	-
Fielder Museum	20,000	20,000	20,000	20,000
TOTAL	\$ 5,325,835	\$ 5,317,486	\$ 5,297,921	\$ 5,391,507

Convention & Event Services Fund

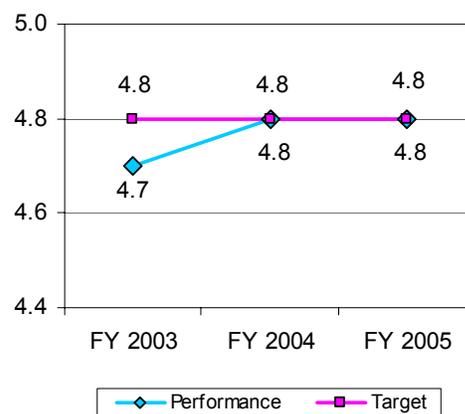
Performance Measures

- Achieve a performance goal of 90 percent cost recovery.
- Maintain a client approval rating of 4.8 on a 5-point scale.
- Achieve an Exhibit Hall occupancy rate of 50 percent.
- Generate a total attendance of 350,000.

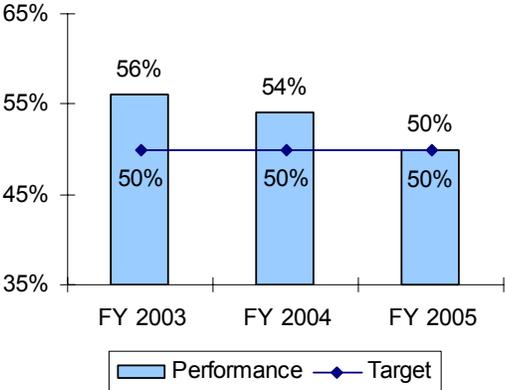
Achieve a performance goal of 90 percent operating cost recovery. Revenue realized from events occurring during the reporting period divided by actual operating expenses for the same period examines if expenses are at an appropriate level compared to operational and event needs. The Center's goal is to collect revenue from room rental, food and beverage sales, parking fees, and other event services to recover 90 percent of facility operating costs. While operating expenses have been tightly controlled, the Center has seen a decline in its cost-recovery percentage because meeting planners have tighter budgets and less revenue is being realized per event by the Center than in previous years.



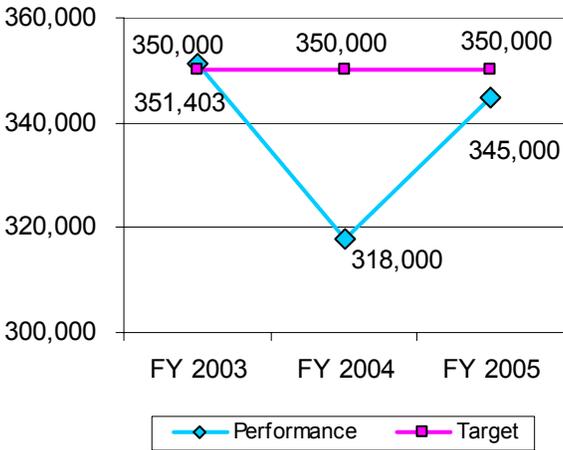
Maintain a Client Approval Rating of 4.8 on a 5-point scale. Service evaluation forms are mailed to all clients after their events in the Center. The Center uses a 1 to 5 point scale to measure client satisfaction in the areas of facility operations, event management, business processes, and in-house contract services (audio visual, event security, food and beverage services). Data collected from the surveys is used to evaluate staff performance and improve or enhance service effectiveness. There is a follow-up contact made with clients for any scores under 4.0 in any category of the customer survey. The Center has effectively maintained a range of between 4.7 and 4.8 in recent years.



Achieve an Exhibit Hall occupancy rate of 50 percent. Center staff strives to maximize the effective use of the physical plant and the financial resources when maintaining the facility and scheduling the staff. Occupancy is defined as the ratio of occupied square foot days to available square foot days (365). The Center experienced a decrease in its occupancy rate in 2004 because of the loss of several major corporate events and the AISD graduations. At the same time, Arlington has consistently exceeded the national average for comparable facilities.



Generate a total attendance of 350,000. In spite of economic recessions and decreases in hotel occupancies, the Center strives to maintain the high standards for facility maintenance and customer service that keep it an attractive meeting location that draws good attendance for regional and local events. Because of war and terrorism threats that impact the travel industry, many annual events have seen decreases in attendance. Although the Center has seen a decrease in total attendance since 2003, corresponding to industry trends, Arlington still exceeds the national average (135,000) for comparable facilities.



Convention & Event Services Fund



Park Performance Fund

Pete Jamieson, Director

The Park Performance Fund provides for the City's leisure service programs and resources. The mission of the department is to provide quality facilities and services that are



responsive to a diverse community and sustained with a focus on partnerships, innovation and environmental leadership. Departmental resources are managed and deployed in accordance with the following strategies:

- Systematically invest in infrastructure
- Leverage social capital and service delivery through partnerships
- Focus on employee development and satisfaction

The divisions of the Park Performance Fund are: Athletics, Aquatics, Recreation Centers, Golf and Tennis.

PARK PERFORMANCE FUND FY 2005 OPERATING POSITION

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
BEGINNING BALANCE	\$ 62,983	\$ 381,203	\$ 207,544	\$ 225,377
REVENUES:				
Golf	\$ 3,406,707	\$ 4,044,967	\$ 3,690,480	\$ 4,266,636
Recreation	\$ 3,007,111	\$ 2,915,000	\$ 2,812,806	\$ 2,845,500
Field Maintenance	<u>129,919</u>	<u>115,000</u>	<u>128,594</u>	<u>230,000</u>
TOTAL REVENUES	\$ 6,543,737	\$ 7,074,967	\$ 6,631,880	\$ 7,342,136
INTERFUND TRANSFERS:				
Debt Service - Tierra Verde Golf Course	\$ (759,766)	\$ (759,766)	\$ (759,766)	\$ (539,173)
Debt Service - Elzie Odom Rec Center	(246,631)	(245,555)	(245,555)	(245,182)
From Golf Surcharge Fund	<u>759,766</u>	<u>759,766</u>	<u>759,766</u>	<u>539,173</u>
TOTAL INTERFUND TRANSFERS	\$ (246,631)	\$ (245,555)	\$ (245,555)	\$ (245,182)
TOTAL AVAILABLE FUNDS	\$ 6,360,089	\$ 7,210,616	\$ 6,593,869	\$ 7,322,331
EXPENDITURES:				
Golf	\$ 3,806,152	\$ 4,288,483	\$ 4,000,889	\$ 4,414,541
Recreation	2,270,705	2,535,109	2,253,386	2,648,712
Field Maintenance	<u>75,688</u>	<u>116,552</u>	<u>114,216</u>	<u>230,000</u>
TOTAL EXPENDITURES	\$ 6,152,545	\$ 6,940,144	\$ 6,368,492	\$ 7,293,253
ENDING BALANCE	\$ 207,544	\$ 270,471	\$ 225,377	\$ 29,078

Park Performance Fund

Long-Term Goals

- Offer exceptional customer service to citizens.
- Provide equitable and convenient access to parks and facilities for the user public.
- Preserve and protect environmental values in parks.
- Design and implement quality facilities and programs.
- Provide safe and secure recreational environments.
- Provide programs that are 100 percent cost-recovered at a reasonable cost to participants.

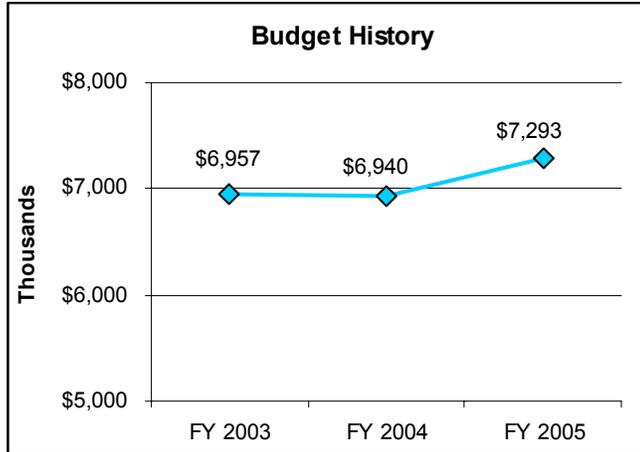
Short-Term Objectives

- Develop and implement customer service improvement initiatives.
- Implement a projects plan for the FY 2005 capital maintenance programs.
- Implement key recommendations from marketing plans developed for Golf, Tennis, and the Bob Duncan Community Center.
- Develop a marketing plan for athletic programs and facilities.
- Open the Bad Koenigshofen Aquatic Center.
- Develop and implement various air quality initiatives.
- Continue the department's leadership development program.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	67	66	66
Personnel Services	\$ 3,921,063	\$ 3,936,139	\$ 4,665,218
Operating Expenses	2,176,643	2,395,853	2,583,035
Capital Outlay	<u>54,839</u>	<u>36,500</u>	<u>45,000</u>
TOTAL	\$ 6,152,545	\$ 6,368,492	\$ 7,293,253

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph on the next page shows the change in budgeted amounts over the same time period.



Budget Highlights

Increases in the FY 2005 budget are attributable to a 1.36 employee compensation increase and a one-time 5 percent payment to employees.

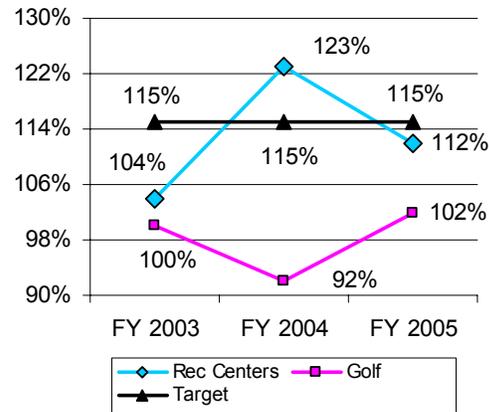
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Golf	\$ 3,806,152	\$ 4,288,483	\$ 4,000,889	\$ 4,414,541
Recreation	2,270,705	2,535,109	2,253,386	2,648,712
Field Maintenance	75,688	116,552	114,216	230,000
TOTAL	\$ 6,152,545	\$ 6,940,144	\$ 6,368,492	\$ 7,293,253

Performance Measures

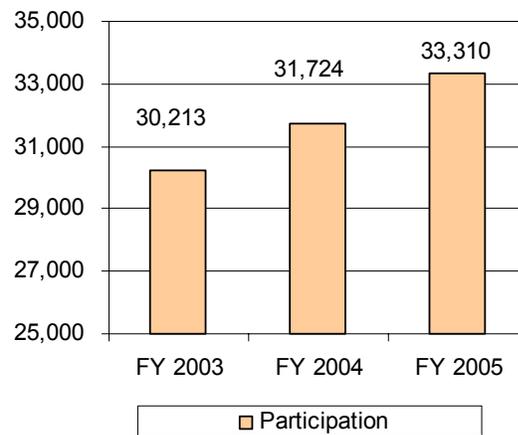
- Improve the fund’s cost recovery to 115 percent or higher.
- Increase participation in paid programs, and individual and team registrations by a minimum of 5 percent.
- Ensure that cost recovery for classes is 100 percent or higher.
- Increase the rounds of golf played.

Park Performance Fund

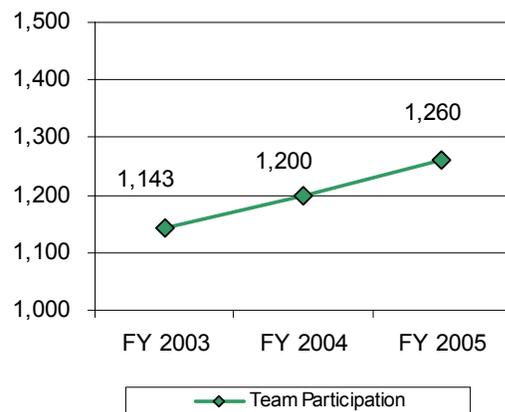
Fund Cost Recovery. The performance fund's ability to recover costs and reinvest requires revenues to exceed expenditures. The goal is 115 percent net cost recovery. The sluggish economy and golf market saturation in the area have had a significant negative effect on Golf's cost recovery in FY 2004. In order to improve the Golf fund's financial situation, the department is reducing costs and aggressively pursuing a new marketing plan, as well as implementing customer service initiatives.



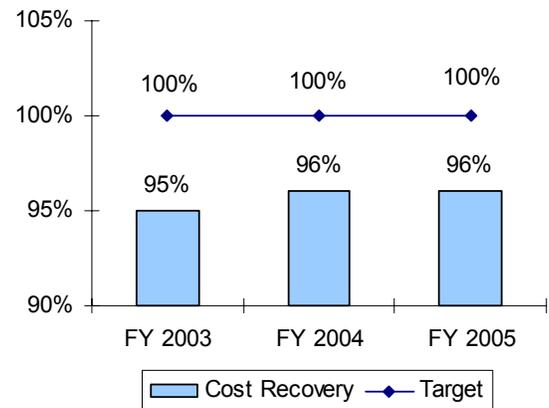
Program Participation - Individual Registrations. This measure includes paid program registrations for recreation center classes, Arlington Tennis Center classes and leagues, golf clinics, private lessons and tournaments, and youth leagues. Adding more classes should increase participation. The department is assuming a 5 percent growth each year. Program participation measures the department's progress toward the goal of providing exceptional customer service and quality facilities and programs.



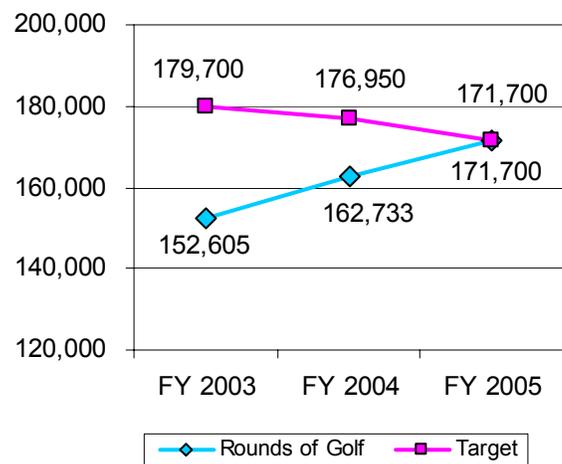
Program Participation - Team Registrations. The addition of more team registrations and adult leagues should correlate to increased participation. The department is assuming a 5 percent growth in participation each year. Program participation measures the department's progress toward the goal of providing exceptional customer service and quality facilities and programs.



Cost Recovery of Classes. This measure only includes performance fund class series. Classes are intended to cover all direct labor and supply costs. Program strategies are designed to identify and focus on programs that achieve a higher margin of financial return. The goal is to recover 100 percent, or higher, of their costs.



Rounds of golf played. The target for rounds played is based on historical information, using weather and actual rounds played in previous years. For FY2004, the target was 176,950, and for FY2005, the target is 171,700. While the population growth in the metroplex continues to increase, the rate at which golf courses have opened in the trade area is greater, making it difficult for the Golf Division to maintain market share and customer base. Rounds of golf measures the department's progress toward the long term goals of providing exceptional customer service and quality facilities and programs.



Park Performance Fund



Street Maintenance Fund

Robert Lowry, Director

The Street Maintenance Fund is responsible for preventative maintenance, resurfacing and rebuilding of streets including asphalt mill and overlay, concrete repair, crack-seal, street sweeping and micro-surfacing of residential and arterial roadways. In addition, the fund supports weather related emergency response and the maintenance of drainage structures and ditches. The mission of the Street Maintenance Fund is to enhance the quality of life and contribute to the overall economic development of the City of Arlington by providing outstanding services that improve drainage and transportation systems for citizens, businesses and visitors. Departmental resources are managed and deployed in accordance with the following strategic initiative:



- Systematically invest in community infrastructure

STREET MAINTENANCE FUND FY 2005 OPERATING POSITION

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
BEGINNING BALANCE	\$ 258,607	\$ 823,415	\$ -	\$ 235,790
REVENUES:				
Fee Revenue	\$ 970,302	\$ -	\$ -	\$ -
Sales Tax Revenue	7,196,420	9,652,222	9,769,949	9,769,949
Interest Revenue	33,416	26,188	26,188	26,188
TOTAL REVENUES	\$ 8,200,138	\$ 9,678,410	\$ 9,796,137	\$ 9,796,137
INTERFUND TRANSFERS:				
From General Fund	\$ 2,201,643	\$ 2,217,503	\$ 2,217,503	\$ 2,283,194
From Storm Water Fund	-	629,909	622,313	540,621
TOTAL INTERFUND TRANSFERS	\$ 2,201,643	\$ 2,847,412	\$ 2,839,816	\$ 2,823,815
TOTAL AVAILABLE FUNDS	\$ 10,660,388	\$ 13,349,237	\$ 12,635,953	\$ 12,855,742
EXPENDITURES:				
Sales Tax / Fee supported division	\$ 6,686,023	\$ 9,652,222	\$ 8,750,595	\$ 9,769,949
General Fund supported division	2,214,949	2,811,642	2,741,671	2,283,194
Storm Water Fund supported division	-	629,068	622,313	540,621
TOTAL EXPENDITURES	\$ 8,900,972	\$ 13,092,932	\$ 12,114,579	\$ 12,593,765
Reserved for Working Capital	(1,759,416)	-	(285,584)	-
ENDING BALANCE	\$ -	\$ 256,305	\$ 235,790	\$ 261,977

Street Maintenance Fund

Divisions in the department include street maintenance and stormwater drainage maintenance.

Long-Term Goal

- Maintain the street and drainage network in order to minimize hazardous conditions and extend the life of the infrastructure.

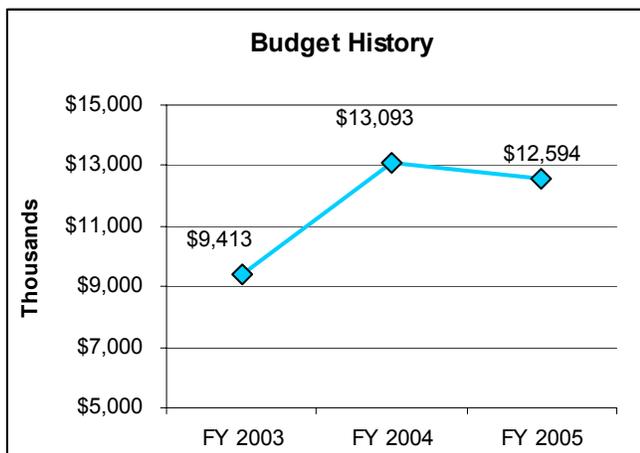
Short-Term Objectives

- Implement the annual street and drainage maintenance program.
- Implement a work order management system.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	71	75	75
Personnel Services	\$ 2,750,505	\$ 3,294,476	\$ 3,801,584
Operating Expenses	5,992,528	8,196,321	8,679,381
Capital Outlay	<u>157,940</u>	<u>623,782</u>	<u>112,800</u>
TOTAL	\$ 8,900,972	\$ 12,114,579	\$ 12,593,765

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph shows the change in budgeted amounts over the same time period.



Budget Highlights

FY 2004 was the first full year of funding from the ¼-cent sales tax, which provided a significant increase in available resources to the fund. Adjustments in the FY 2005 budget are attributable to a one-time 5

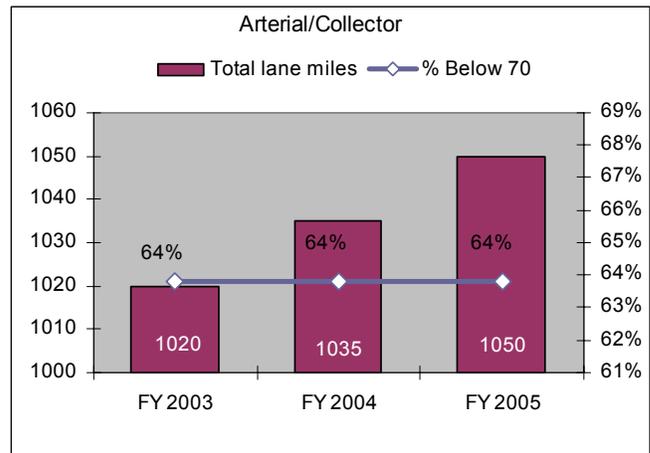
percent payment to employees, a 1.36 percent compensation increase, and reduced expenditures on capital purchases.

Budget by Program				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Sales Tax / Fee supported division	\$ 6,686,023	\$ 9,652,222	\$ 8,750,595	\$ 9,769,949
General Fund supported division	2,214,949	2,811,642	2,741,671	2,283,194
Storm Water Fund supported division	-	629,068	622,313	540,621
TOTAL	\$ 8,900,972	\$ 13,092,932	\$ 12,114,579	\$ 12,593,765

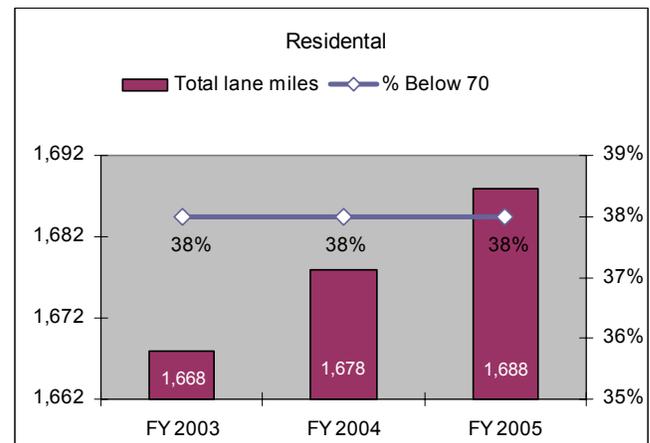
Performance Measures

- Decrease percent of arterial/collector and residential street lane miles with Pavement Management Program rankings below 70.

Decrease percent of lane miles with Pavement Management Program ranking below 70. Since the Street Maintenance Fee Sales Tax inception in January 2003, the rapid increase in the number of lane miles ranking below 70 has been reduced. Even though a large portion of the street network built in the late seventies and early eighties is reaching the end of its life cycle, the number of lane miles ranking below 70 has remained relatively level for arterial/collector streets and residential streets.



These numbers will change over time as streets are re-rated, new streets are constructed, street maintenance work continues, and the streets continue to age.



Street Maintenance Fund



General Services Fund

April Nixon, Director

The General Services Fund provides City departments with printing services, engineering document duplication services, mail and courier services, record management support, xerographic services, and records storage. The source of revenue for this fund is charges to departments for these services. The largest expenditure of the fund is inventory for resale.

General Services, a division of the Administrative Service Department, is responsible for providing printing, mail delivery and record retention services to City departments. Division resources are managed and deployed in accordance with the three following strategies:

- Demonstrate good fiscal stewardship
- Capitalize on technology to improve service delivery
- Ensure responsive communication

Divisions in General Services include Administration, Graphic Communications, and the Information Resource Center.

FY 2005 OPERATING POSITION

	Adopted FY 2005
BEGINNING BALANCE	\$ -
REVENUES:	
Sales - General Services	\$ 279,346
Sales - Graphic Services	365,206
Sales - IRC	<u>1,503,955</u>
TOTAL REVENUES	\$ 2,148,507
TOTAL AVAILABLE FUNDS	\$ 2,148,507
EXPENDITURES:	
Administration	\$ 397,290
Graphic Comm. Services	366,819
Info. Resource Center	<u>1,371,151</u>
TOTAL EXPENDITURES	\$ 2,135,259
ENDING BALANCE	\$ 13,248

General Services Fund

Long-Term Goals

- Maintain the balance between revenues and expenditures needed to deliver services.
- Incorporate improved processes and procedures to reduce paper usage and storage for City departments.
- Provide cost effective internal mail delivery, presort and external mail delivery, and management of the water bill insert process.

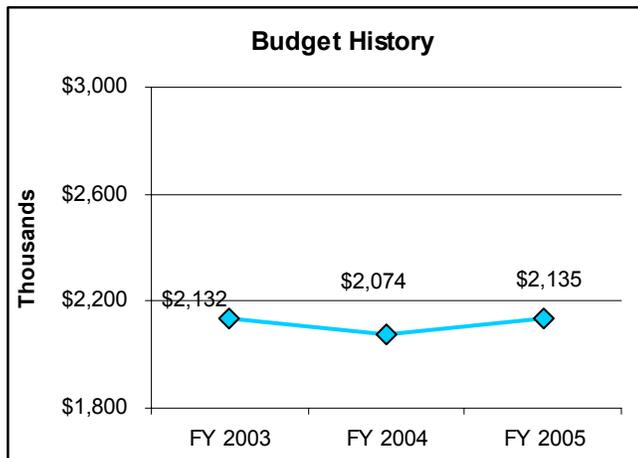
Short-term Objectives

- Identify equipment efficiencies and work processes to reduce the overall cost of service delivery to departments.
- Adopt electronic imaging and indexing technology to assist departments in reducing paper copies of documents and records.
- Maintain print contracts and vendor services to provide the best competitive value for departments.
- Manage the presort mail process to reduce the overall cost of mail delivery to departments.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	14	12	12
Personnel Services	\$ 539,430	\$ 469,438	\$ 542,053
Operating Expenses	1,421,145	1,586,625	1,593,206
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	\$ 1,960,576	\$ 2,056,063	\$ 2,135,259

The Budget Summary table on the preceding page shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph shows the change in budgeted amounts over the same time period.



Budget Highlights

Increases in the FY 2005 budget are attributable to new copier leases as well as a 1.36 percent employee compensation increase and a one-time 5 percent payment to employees.

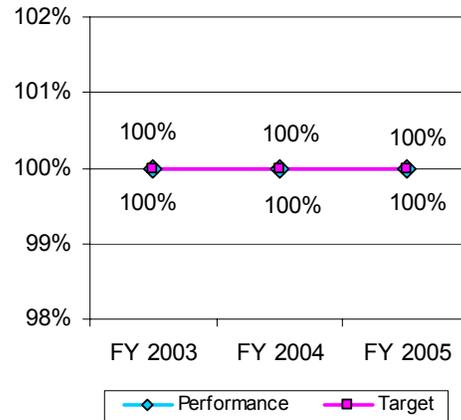
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 330,815	\$ 381,678	\$ 383,696	\$ 397,290
Graphic Communications Services	302,747	364,546	364,516	366,819
Information Resource Center	<u>1,327,014</u>	<u>1,327,905</u>	<u>1,307,851</u>	<u>1,371,151</u>
TOTAL	\$ 1,960,576	\$ 2,074,129	\$ 2,056,063	\$ 2,135,259

Performance Measures

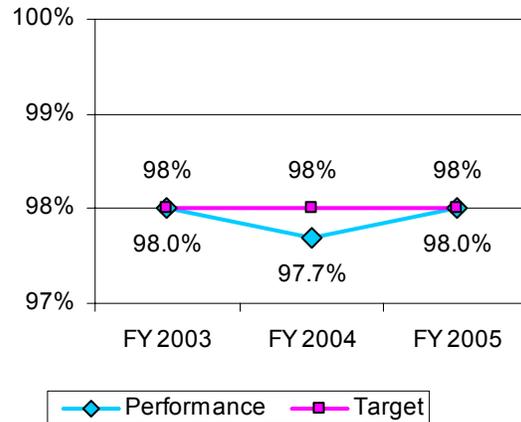
- Recover 100 percent of General Services' expenditures through revenue.
- Achieve an average turnaround time of 40 work hours for contract printing jobs.
- Achieve 98 percent on-time delivery of all contract printing within customers' request date.
- Maintain an average turnaround of six hours on all xerographic reproduction requests.

General Services Fund

Percentage of General Services' expenditures recovered through revenues, with a goal of 100 percent. As an internal service fund, General Services must receive sufficient revenues from internal customers to offset its expenditures and maintain a positive year-end balance.



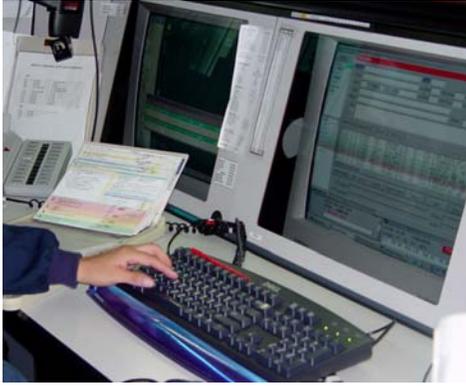
Achieve 98 percent on-time delivery of all contract printing within customers' request date. General Services either directly produces or vends customer projects. Each project has a target completion date. This measure reflects the percent of customer projects completed on-time by General Services. The target percentage is set at 98% for all projects, either on the original or a negotiated deadline.



Communication Services Fund

Robert Byrd, Director

As part of the Support Services Department, the Communication Services Fund provides public safety dispatch operations, radio installation and maintenance, and maintenance of the City outdoor warning system. The primary source of revenue to the fund is charges to the Police and Fire Departments for dispatch services. The largest expenditure in the fund is for personnel costs, primarily 9-1-1 dispatching operations. Departmental resources are managed and deployed in accordance with the following strategic initiative:



- Achieve operational excellence in core service delivery

FY 2005 OPERATING POSITION

	Adopted FY 2005
BEGINNING BALANCE	\$ 407,758
REVENUES:	
Radio Charges	\$ 851,478
Dispatch Charges	5,710,728
Radio System Usage, UTA and MISD	<u>24,534</u>
TOTAL REVENUES	\$ 6,586,740
TOTAL AVAILABLE FUNDS	\$ 6,994,498
EXPENDITURES:	
Administration	\$ 883,007
Dispatch Services	<u>6,102,882</u>
TOTAL EXPENDITURES	\$ 6,985,890
ENDING BALANCE	\$ 8,608

Communication Services Fund

Long-Term Goals

- Utilize personnel and resources to appropriately support the radio needs of all City Departments.
- Ensure effective 9-1-1 support to the public and to the Police and Fire Departments and ambulance contractor by providing prompt, accurate, and appropriate emergency dispatch capabilities.

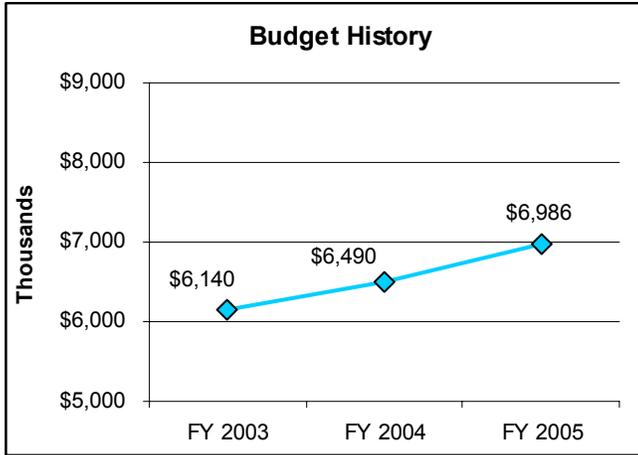
Short-Term Objectives

- Meet the needs of the public by answering 9-1-1 calls promptly and dispatching those calls in a timely manner.
- Enhance the effectiveness of City departments by promptly installing and maintaining all radios and mobile computers in City vehicles.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	101	101	101
Personnel Services	\$ 5,144,396	\$ 5,104,809	\$ 5,673,382
Operating Expenses	785,455	920,111	1,095,818
Capital Outlay	<u>9,556</u>	<u>6,629</u>	<u>216,690</u>
TOTAL	\$ 5,939,407	\$ 6,031,549	\$ 6,985,890

The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period. The Budget History graph on the following page shows the change in amounts budgeted over the same time period.



Budget Highlights

The increase in the FY 2005 budget is attributable to a 1.36 percent employee compensation increase and a one-time 5 percent payment to employees. One-time funding has also been provided in FY 2005 for a 3-1-1 system and call accounting software.

Budget by Program

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Administration	\$ 681,758	\$ 910,890	\$ 795,497	\$ 883,007
Dispatch Services	<u>5,257,649</u>	<u>5,579,450</u>	<u>5,236,052</u>	<u>6,102,882</u>
TOTAL	\$ 5,939,407	\$ 6,490,340	\$ 6,031,549	\$ 6,985,890

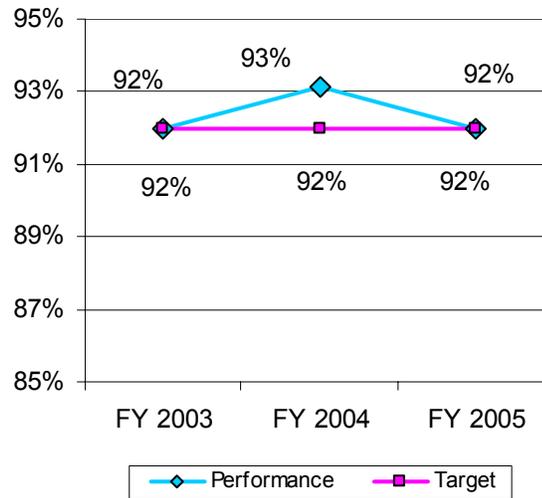
Performance Measures

- Percentage of 9-1-1 calls answered in 6 seconds, with a goal of 92 percent.
- Average dispatch time for Police Priority One calls, with a goal of 2 minutes or less.
- Average dispatch time for Fire priority 1 and 2 calls, with a goal of 25 seconds or less.
- Maintain a 90 percent compliance rate on all Emergency Medical Dispatch (EMD) calls.
- Maintain an average of 45 seconds for 9-1-1 post-calls processing/not ready time.
- Maintain twenty-four hours of in-service training per calendar year for all Telecommunicators, Training Assistants, and Supervisors.
- Maintain a three business day average repair time for radio and mobile data equipment.

Communication Services Fund

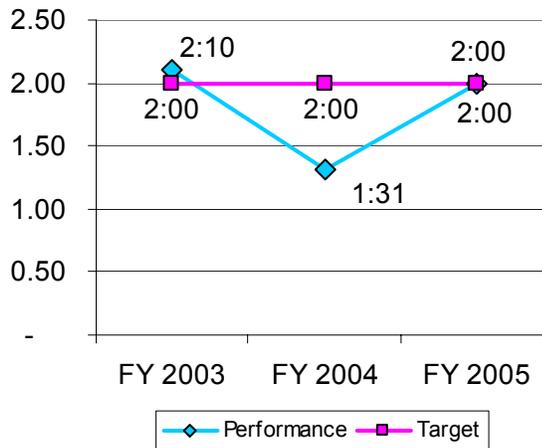
Percentage of 9-1-1 calls answered in 6 seconds, with a goal of 92 percent.

Quickly answering incoming 9-1-1 calls is key to getting fire, police, and Emergency Medical Services (EMS) resources rapidly dispatched to the scene. Answering the 9-1-1 call quickly saves lives and property and is an absolute expectation of the public. For FY 2004, this measure was projected to be approximately 93 percent, higher than the goal of 92 percent due to on-going efforts to control overtime due to vacancies.

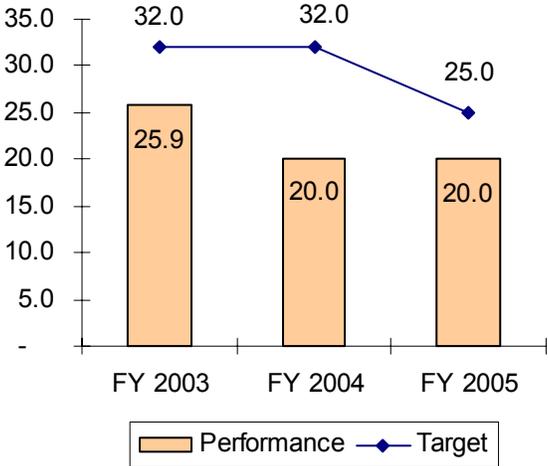


Average dispatch time for Police Priority One calls, with a goal of 2 minutes or less.

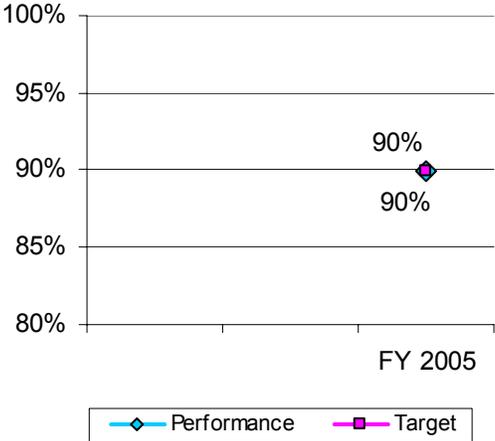
Having the dispatcher evaluate the 9-1-1 call, assess available police resources, and process the entire situation within 2 minutes, permits a quick response to the police emergency. It also assures that the proper resources are identified and utilized for that particular call. Dispatch times could be faster than the 2 minute target, but only at the expense of longer travel times that would result from dispatching a unit from a greater distance. For FY 2004, it is projected that the average time will be fewer than 2 minutes. This is due to an increased focus in this area, excluding calls re-routed to teleserve, and calls that changed priority.



Average dispatch time for Fire Priority One and Two calls, with a goal of 25 seconds or less. Having the dispatcher evaluate the 9-1-1 call, assess available fire resources, and process the entire situation within 25 seconds permits a quick response to the fire emergency. This measure has been re-evaluated. Prior to FY 2004, EMD calls were included in Fire Priority One and Two calls. Therefore, the goal of 32 seconds has been changed to more accurately reflect true Fire Priority One and Two calls, with a new goal of 25 seconds.



Maintain a 90 percent compliance rate on all EMD calls. Maintaining this compliance rating is required by the National Association for Emergency Dispatch and ensures that operational excellence in core service is delivered. This is a new performance measure for FY 2005.

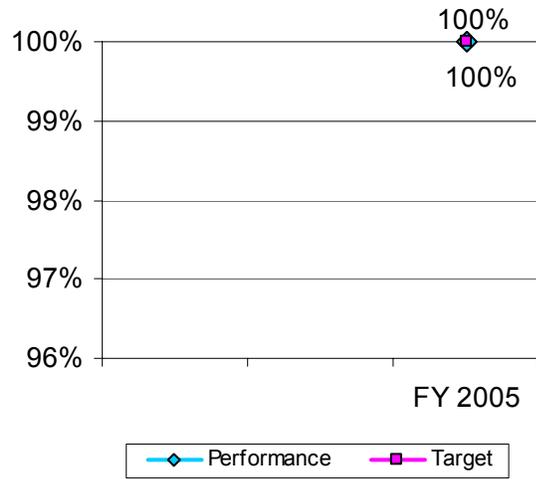


Percentage of 9-1-1 post-calls processing/not ready time within 45 seconds. Quickly processing incoming 9-1-1 calls is key to getting fire, police, and EMS resources rapidly dispatched to the scene. Processing the 9-1-1 call quickly allows the calltaker to be available to accept the next 9-1-1 call. This is a new performance measure for FY 2005.



Communication Services Fund

Maintain twenty-four hours of in-service training per calendar year for all Telecommunicators, Training Assistants, and Supervisors. A minimum of 24 hours of training per year is a requirement of Dispatch Services to ensure that staff is capable of meeting the expectations of 9-1-1 service delivery. This is a new performance measure for FY 2005.



Fleet Services Fund

Robert Byrd, Director

As part of the Support Services Department, the Fleet Services Fund is responsible for management of the vehicle service contract for maintenance of City vehicles and equipment. The contract cost represents the primary expense in the fund.

Departmental resources are deployed in accordance with the following strategic initiatives:

- Achieve operational excellence in core service delivery
- Demonstrate good fiscal stewardship



FY 2005 OPERATING POSITION

	Adopted FY 2005
BEGINNING BALANCE	\$ -
REVENUES:	
Maintenance and Operation	\$ 4,815,703
Fuel	1,747,988
Auction / Other Revenues	<u>100,000</u>
TOTAL REVENUES	\$ 6,663,691
TOTAL AVAILABLE FUNDS	\$ 6,663,691
TOTAL EXPENDITURES	\$ 6,654,567
ENDING BALANCE	\$ 9,124

Fleet Services Fund

Long-Term Goal

- The department's long-term goal is to ensure that all City vehicles are maintained and repaired in a timely, safe and cost effective manner.

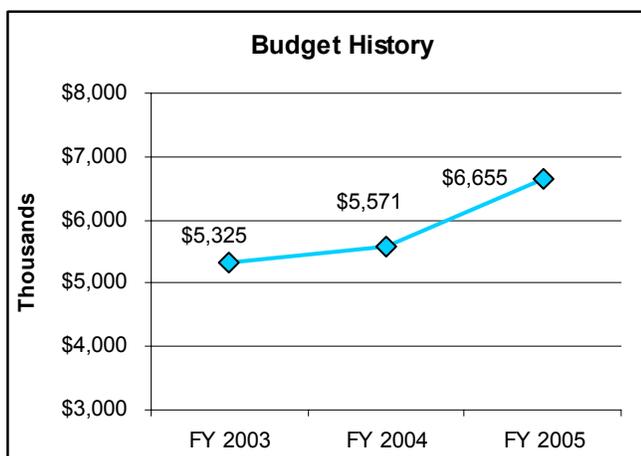
Short-Term Objective

- To provide departments with the highest vehicle-in-commission rate possible.

Summary of Resources

Budget Summary and Authorized Positions				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Authorized Positions	22	3	3	3
Personnel Services	\$ 323,297	\$ 252,609	\$ 272,544	\$ 204,312
Operating Expenses	2,543,586	3,238,147	3,678,702	4,370,255
Capital Outlay	<u>1,940,015</u>	<u>2,080,000</u>	<u>1,619,510</u>	<u>2,080,000</u>
TOTAL	\$ 4,806,897	\$ 5,570,756	\$ 5,570,756	\$ 6,654,567

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



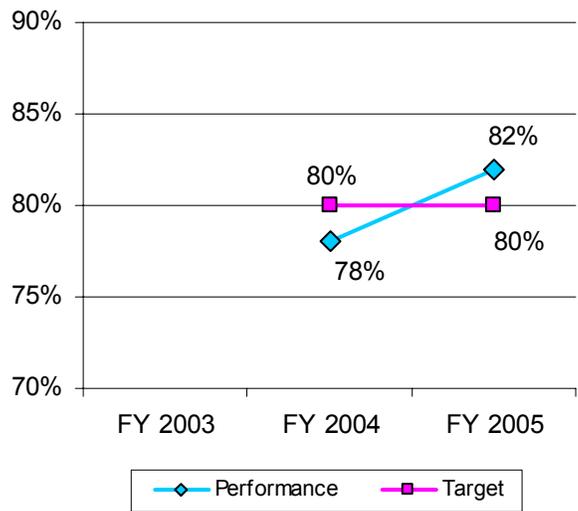
Budget Highlights

The increase in expenditures from FY 2003 to FY 2004 is attributable to vehicle replacement purchases in 2004 that were not made in 2003. The increase in expenditures from FY 2004 to FY 2005 is attributable to increased fuel costs and funding added for towing services and tire replacements, as well as a 1.36 percent employee compensation increase and a one-time 5 percent payment to employees.

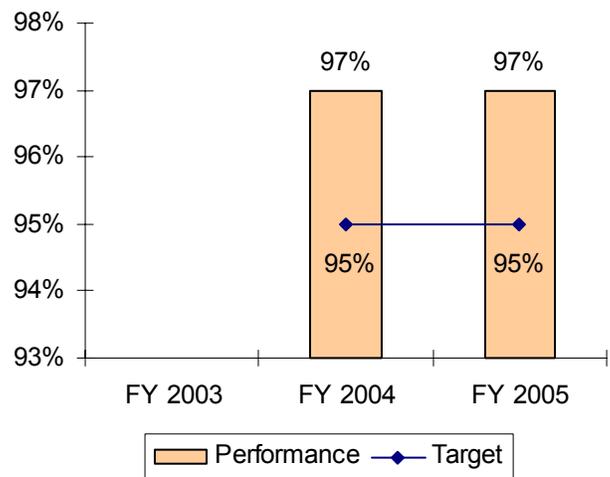
Performance Measures

- Maintain an average daily vehicle turnaround rate of 80 percent.
- Maximize the daily fleet availability rate.
- Minimize the number of vehicles returned to the shop for corrective rework.
- Maintain a vehicle PM schedule in compliance with contract requirements.

Maintain an average daily vehicle turnaround rate of 80 percent. The objective is to maximize the number of vehicles that are available for service while minimizing the period of time vehicles are in the shop for repairs. The goal for the objective is to maintain an average turnaround rate of 80 percent. This performance measure was established at the beginning of FY 2004 with the commencement of managed competition, therefore no data is available for 2003. At the onset of the contract with First Vehicle Services, daily vehicle turnaround was poor. Turnaround time continues to improve and efforts will continue to be made to reach the goal of 82 percent during FY 2005.

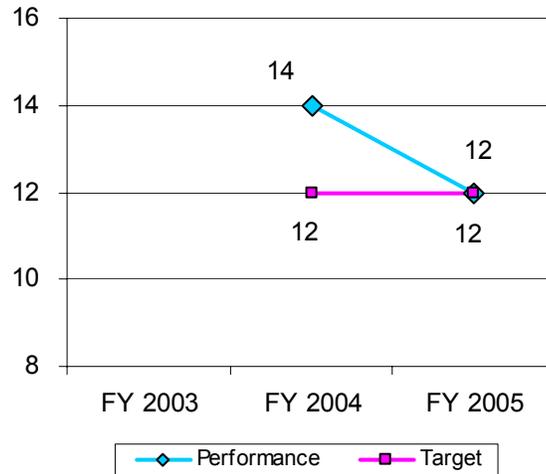


Maximize the daily fleet availability rate. The objective of this measure is to maximize the availability of the City’s fleet for service. The goal is to maintain a daily availability rate of 95 percent. This objective was established at the beginning of FY 2004 with the commencement of managed competition. Therefore, no information is available for FY 2003. At the onset of the contract with First Vehicle Services, the daily fleet availability was low. Progress continues to be made in this area and all efforts will be made to maintain the goal of 97 percent during FY 2005.

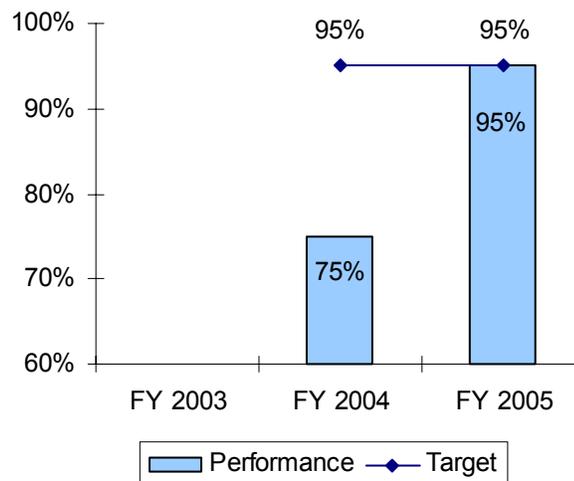


Fleet Services Fund

Minimize the number of vehicles returned to the shop for corrective rework. The objective is to minimize the number of vehicles that are returned to First Vehicle Services for corrections due to work not performed correctly the first time or failure due to workmanship. The goal is for three, or fewer, vehicles to be returned on a quarterly basis. This objective was established at the beginning of FY 2004 with the commencement of managed competition. Therefore, there is no data available for FY 2003.



Maintain a vehicle PM schedule in compliance with contract requirements. The objective is to maintain a preventive maintenance compliance level of 95 percent. This level is necessary to ensure that routine maintenance standards are being followed and equipment is properly maintained. This objective was established at the beginning of the FY 2004 with the commencement of managed competition, therefore no data is available for FY 2003. The goal is not expected to be met the first year of the contract due to the stricter standards outlined in the contract for preventive maintenance and vehicle scheduling in the field. A comprehensive preventive maintenance schedule has been developed jointly by the City and the contractor to ensure that vehicles are efficiently maintained.



Information Technology Fund

Tim Barbee, CPA, Chief Information Officer

The Information Technology Department - Internal Service Fund Division is responsible for implementation, maintenance, administration, and support of the City of Arlington



data networking and voice infrastructure and environment, the Enterprise desktop computing environment (PCs) and servers, and the Enterprise applications (such as the City email application, virus scanning, and Citrix). Departmental resources are managed and deployed in accordance with the following strategic initiatives:

- Capitalize on technology to improve service delivery
- Achieve operational excellence in core service delivery
- Ensure responsive communication
- Demonstrate good fiscal stewardship

Information Technology is dedicated to being a vital partner with City Departments in providing quality services through the innovative use of technology. We will accomplish this by:

- Meeting our commitments
- Building productive relationships within and beyond the Information Technology Department
- Defining, managing and effectively communicating our capabilities
- Providing enterprise systems and solutions to meet the City's goals

FY 2005 OPERATING POSITION

	Adopted FY 2005
BEGINNING BALANCE	\$ 150,064
REVENUES:	
Telecommunications Services	\$ 1,297,651
Network Services	<u>2,360,814</u>
TOTAL REVENUES	\$ 3,658,465
TOTAL AVAILABLE FUNDS	\$ 3,808,529
EXPENDITURES:	
Telecommunications Services	\$ 1,217,111
Network Services	<u>2,454,780</u>
TOTAL EXPENDITURES	\$ 3,671,891
ENDING BALANCE	\$ 136,638

Long-Term Goals

The Information Technology Department's long-term goals are developed in order to achieve the following:

- Deliver projects identified in the approved Information Technology Strategic Plan on schedule and within budget.
- Meet our Service Level Agreement (SLA) targets.
- Create an environment of open communication, trust and integrity.
- Plan, evaluate, measure and report on current and future resource allocations.
- Provide a trained, unified and qualified workforce to accomplish the City of Arlington's Information Technology objectives as prioritized by the Information Technology Executive Committee (ITEC) and Architecture Planning Committee (APC).

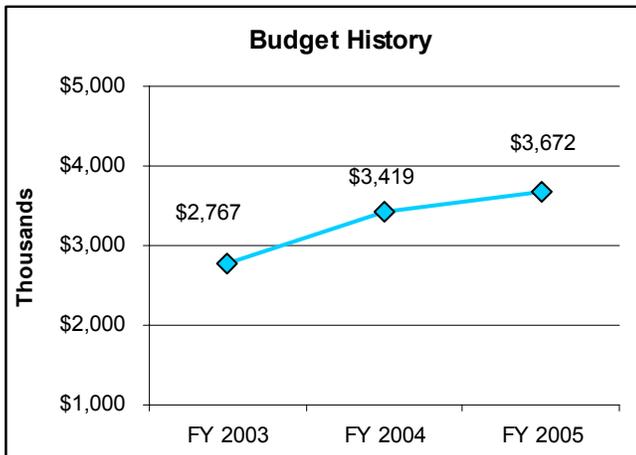
Short-Term Objectives

- Develop realistic project plans for all Information Technology projects and manage using project management tools (currently MS Project). Regularly review the plan, progress and issues with ITEC.
- Use work order management software (currently Magic) to track work orders and work order durations. Use the information captured in the annual review and forecast process to report to ITEC on our current SLA performance. Perform open work order analysis daily to keep staff informed of status.
- Conduct regular status meetings with other departments. Communicate with the City through the use of the portal, ITEC and APC. Perform customer surveys where appropriate. Celebrate and publicize accomplishments and reward achievements.
- Perform an annual comprehensive work plan analysis as part of the budget process and submit to ITEC for formal adoption.
- Involve staff in the decision making process.

Summary of Resources

Budget Summary and Authorized Positions			
	Actual FY 2003	Estimated FY 2004	Adopted FY 2005
Authorized Positions	15	15	15
Personnel Services	\$ 1,053,494	\$ 1,118,831	\$ 1,214,921
Operating Expenses	1,507,878	2,186,377	2,456,970
Capital Outlay	-	-	-
TOTAL	\$ 2,561,372	\$ 3,305,208	\$ 3,671,891

The Budget History graph shows the change in budgeted amounts over the past three years. The Budget Summary table above shows a comparison of actual and estimated expenditures and the adopted budget for the current period.



Budget Highlights

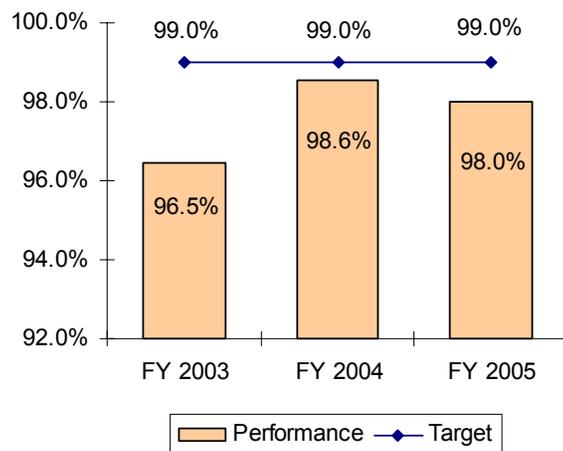
The increase in operating expenditures from FY 2003 to FY 2005 is attributable to consolidation of City-wide telephone service within this fund, and to additional licensing costs related to virus security software. Increases in the FY 2005 budget are attributable to a 1.36 percent employee compensation increase and a one-time 5 percent payment to employees.

Budget by Program				
	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
Telecommunications Services	\$ 296,655	\$ 1,206,318	\$ 1,114,195	\$ 1,217,111
Network Services	2,264,717	2,213,004	2,191,013	2,454,780
TOTAL	\$ 2,561,372	\$ 3,419,322	\$ 3,305,208	\$ 3,671,891

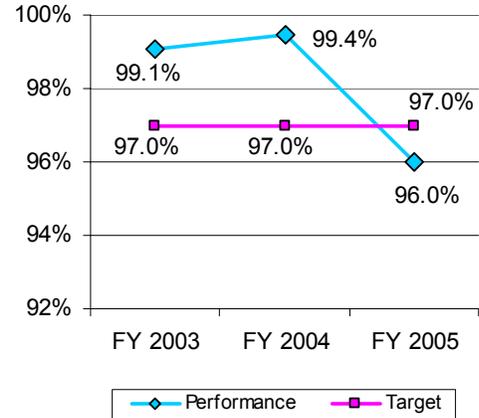
Performance Measures

- To meet the performance targets of computer and telephone system availability for internal and external customers.
- To meet the performance objectives established in the Service Level Agreement.
- To achieve a Customer Service rating of 4.0 on a 5-point scale.
- To implement the Information Technology Strategic Plan Initiatives.

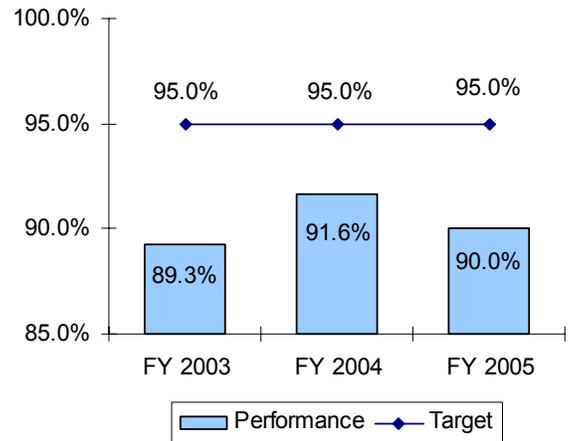
Maintain 99 percent up-time of mission critical computer and telephone system availability for internal and external customers. For SLA purposes, the City’s computer and phone systems are categorized as “mission critical” and “non-mission critical.” Examples of mission critical systems are 911 dispatch, the City’s mainframe, traffic operations, and the water billing system. The SLA requirement for the mission critical systems is 99 percent uptime. The performance projection for FY 2005 is down compared to FY 2004 due to the growth of networked systems being maintained by the same level of staff. The number of networked servers has grown from 116 in FY 2003 to 180 in FY 2004 and is expected to increase to 190 in FY 2005. Also, the amount of fiber optic cable maintained by Information Technology has grown from 52 miles in FY 2003 to 66 miles in FY 2004 and is projected to grow to 150 miles in FY 2005. The FY 2005 fiber mileage increase is due to the completion of the second phase of the Signal System Upgrade project.



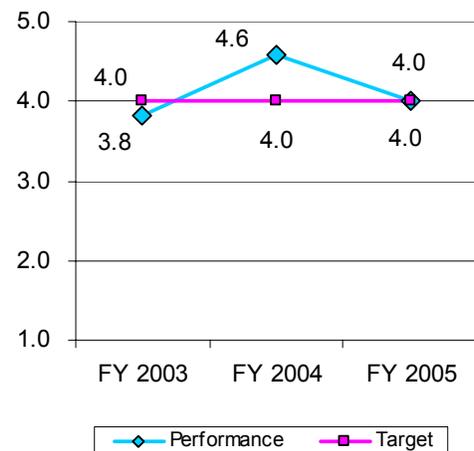
Maintain 97 percent up-time of non-mission critical computer and telephone system availability for internal and external customers. For SLA purposes, the City’s computer and phone systems are categorized as “mission critical” and “non-mission critical.” A few examples of non-mission critical systems are: print servers, internet, and CLASS (parks reservation system). The SLA requirement for the non-mission critical systems is 97 percent uptime. The performance projection for FY 2005 is down compared to FY 2004 due to the growth of networked systems being maintained by the same level of staff. The number of networked servers has grown from 116 in FY 2003 to 180 in FY 2004 and is expected to increase to 190 in FY 2005.



Percentage of performance objectives established in the Service Level Agreement met, with a goal of 95 percent. The Service Level Agreement was adopted in November 2002. FY 2005 projections are the result of staffing reductions, extended position vacancies, and resource limitations. Other factors impacting the FY 2005 projection are continued growth in the network infrastructure and migrating applications from the mainframe to the network environment.

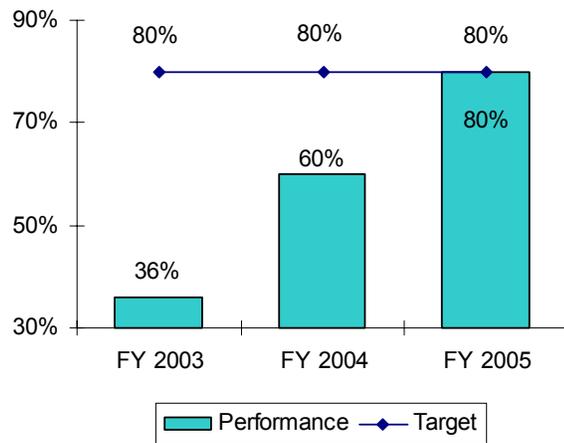


Customer service rating achieved, with a goal of 4.0 on a 5-point scale. Each quarter, satisfaction surveys are sent out to customers who have requested Information Technology services. These surveys represent a customer rating for services received in the area of Desktop Support Services. The FY 2005 decrease is due to an anticipated workload increase as a result of additional projects being supported by the same level of resources.



Information Technology Fund

Percentage of Information Technology Strategic Plan Initiatives implemented as scheduled, with a goal of 80 percent. The Information Technology Strategic Plan Initiatives are prioritized and adopted each year by the ITEC. Projects approved by ITEC are measured based upon the project being implemented on the Approved Timeline. Continued failure to meet the eighty percent target is the result of staffing reductions, extended position vacancies, resource limitations, and lack of funding. The FY 2005 projected increase is based upon a realignment of IT resources.



Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on the City's general long-term debt not being financed by proprietary funds. The fund's primary source of revenue is Ad Valorem taxes. The debt service tax rate is 24.57¢ per \$100 valuation. Total FY 2005 revenues are estimated at \$38,703,444.

DEBT SERVICE FUND FY 2005 OPERATING POSITION

	Actual FY 2003	Budgeted FY 2004	Estimated FY 2004	Adopted FY 2005
BEGINNING BALANCE	\$ 1,746,560	\$ 1,712,853	\$ 2,026,173	\$ 2,834,592
REVENUES:				
Ad Valorem Taxes:				
Current Taxes	\$ 38,440,980	\$ 38,174,980	\$ 38,899,319	\$ 37,601,614
Delinquent Taxes	388,968	396,000	415,170	423,000
Penalties and Interest	<u>338,010</u>	<u>297,000</u>	<u>311,378</u>	<u>296,100</u>
Total Ad Valorem Taxes	\$ 39,167,958	\$ 38,867,980	\$ 39,625,867	\$ 38,320,714
Interest Earnings	<u>362,632</u>	<u>260,307</u>	<u>291,169</u>	<u>382,730</u>
TOTAL REVENUES	\$ 39,530,590	\$ 39,128,287	\$ 39,917,036	\$ 38,703,444
INTERFUND TRANSFERS:				
Park Performance Fund	\$ 1,006,397	\$ 1,517,489	\$ 1,517,489	\$ 784,355
Convention and Event Svcs. Fund	2,178,449	2,119,444	2,119,444	2,065,327
Water and Sewer Fund	93,194	91,006	91,006	88,770
Sanitary Landfill Fund	<u>76,785</u>	<u>71,420</u>	<u>71,420</u>	<u>41,995</u>
TOTAL INTERFUND TRANSFERS	\$ 3,354,825	\$ 3,799,359	\$ 3,799,359	\$ 2,980,447
TOTAL AVAILABLE FUNDS	\$ 44,631,975	\$ 44,640,499	\$ 45,742,568	\$ 44,518,483
EXPENDITURES:				
Principal / Interest Payments	\$ 42,580,775	\$ 42,883,932	\$ 42,882,576	\$ 42,166,488
Agent Fees	<u>25,027</u>	<u>35,000</u>	<u>25,400</u>	<u>35,000</u>
TOTAL EXPENDITURES	\$ 42,605,802	\$ 42,918,932	\$ 42,907,976	\$ 42,201,488
ENDING BALANCE	\$ 2,026,173	\$ 1,721,567	\$ 2,834,592	\$ 2,316,995

Debt Service Fund



Appendix 1

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Administrative Services				
Director of Admin. Svcs.	1	1	1	1
Admin Secretary	1	1	1	1
Administrative Aide	4	4	4	4
Administrative Resources Manager	1	1	1	1
Administrative Svcs Coordinator	1	1	1	1
Assistant to the Mayor	1	1	1	1
Broadcast Coordinator	1	1	1	1
City Secretary	1	1	1	1
Communications Coordinator	1	1	1	1
Council Assistant	2	2	2	2
Deputy City Secretary	1	1	1	1
Design Communications Coord.	1	1	1	1
Management Analyst	1	1	1	1
Marketing Communication Mgr.	1	1	1	1
Public Education Specialist	1	1	1	1
Secretary	1	1	1	1
Social Capital Coordinator	2	2	2	2
Web Developer	1	1	1	1
Administrative Services Total	23	23	23	23
City Attorney's Office				
City Attorney	1	1	1	1
Administrative Aide	1	1	1	1
Assistant City Attorney	3	3	3	3
Assistant to City Attorney	1	1	1	1
Attorney I/Attorney II/Senior Attorney	12	13	13	14
Chief Prosecutor	1	1	1	1
Clerk	0	0	1	1
Office Assistant	1	1	1	1
Office Coordinator	1	1	1	1
Paralegal	2	2	2	2
Secretary	1	1	2	2
Senior Clerk	2	2	3	3
Sr./ Legal Secretary	2	2	2	2
City Attorney's Office Total	28	29	32	33
City Manager's Office				
City Manager	1	1	1	1
Deputy City Manager	3	3	3	3
City Auditor	1	1	1	1
Assistant City Auditor	1	1	1	1
Operations Analyst	3	3	3	3
Special Projects Manager	1	0	0	0
City Manager's Office Total	10	9	9	9

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Finance				
Chief Financial Officer	1	1	1	1
Accountant I	0	0	1	1
Accounting Assistant	1	1	1	1
Accounts Payable Clerk	4	4	3	3
Administrative Aide	4	3	3	3
Administrative Secretary	1	0	0	0
Assessing Officer I	1	1	0	0
Budget and Risk Manager	1	1	1	1
Budget Coordinator	2	2	2	2
Cash & Debt Administrator	0	0	1	1
Claims Administrator	1	1	1	1
Controller	1	1	1	1
Court Administrator	1	1	1	1
Court Cashier Supervisor	0	0	1	1
Court Customer Svcs. Supervisor	1	1	1	1
Deputy Court Clerk II/III/IV	22	22	37	37
Financial Accountant	4	4	4	4
Financial Staff Analyst	1	1	0	0
Financial Systems Administrator	1	1	1	1
GIS Technician II	1	1	0	0
Intermediate Account Clerk	0	0	1	1
Lead Data Entry Operator	1	1	1	1
Payroll Assistant	1	1	1	1
Payroll Coordinator	1	1	1	1
Payroll/Payables Supervisor	1	1	1	1
Position Control Coordinator	0	0	1	1
Purchasing Agent	3	3	3	3
Purchasing Assistant	1	1	1	1
Purchasing Manager	1	1	1	1
Risk Mgmt. Coordinator	1	1	1	1
Senior Clerk	1	1	0	0
Sr. Financial Accountant	1	1	1	1
Staff Accountant	1	1	1	1
Support Svcs. Supvr.	1	1	1	1
Tax Assessor-Collector	1	1	0	0
Treasury Analyst	1	1	2	2
Treasury Manager	1	1	1	1
Finance Total	65	63	78	78

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Fire				
Fire Chief	1	1	1	1
Assistant Chief	1	1	1	1
Asst. Chief/Fire Marshal	1	1	1	1
Asst. Fire Chief/Operations	1	1	1	1
Fire Battalion Chief	12	12	12	12
Fire Captain	16	16	16	16
Fire Lieutenant	49	49	48	48
Fire Apparatus Operator	63	63	63	63
Firefighter	123	122	123	123
Adm. Services Manager	1	1	1	1
Administrative Aide	1	1	1	1
Administrative Analyst	1	1	1	1
Administrative Secretary	2	2	2	2
Apparatus Operator	1	1	1	1
Assistant Fire Marshal	2	2	1	1
Community Svcs. Officer (Lieut.)	1	1	1	1
Curriculum Development Spec.	1	1	1	1
Deputy Fire Marshal	2	2	2	2
Emergency Management Coord.	1	1	1	1
EMS Clinical Coordinator	1	1	1	1
EMS Coordinator	1	1	1	1
EMS Quality Improvement Analyst	1	1	1	1
Fire Mechanic	1	0	0	0
Fire Plans Compliance Specialist	1	1	2	2
Fire Prevention Inspector	3	3	3	3
Fire Prevention Specialist	1	1	1	1
Fire Protection System Specialist	1	1	1	1
Media Technician	1	1	1	1
Office Assistant	3	3	3	3
Operations Analyst/Fire	1	1	1	1
Payroll Coordinator	1	1	1	1
Resource Management Assistant	2	2	2	2
Resource Management Specialist	1	1	1	1
Resource Management Supervisor	1	1	1	1
Service Unit Assistants	2	2	2	2
Sr. Fire Prevention Specialist	2	2	2	2
Fire Total	304	302	302	302

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Human Resources				
Director of Human Resources	1	1	1	1
Administrative Analyst	1	1	1	1
Administrative Aide II	1	1	1	1
Human Resources Assistants	1	1	1	1
Human Resources Consultant	4	4	4	4
Human Resources Analyst	2	2	2	2
Human Resources Manager	2	2	2	2
Secretary	1	1	1	1
Compensation Specialist	1	1	1	1
Employee Relations Specialist	1	1	1	1
Benefits Specialist	1	1	1	1
Secretary	1	1	1	1
Org. Development Specialist	1	1	1	1
Human Resources Total	18	18	18	18
Information Technology				
Chief Information Officer	1	1	1	1
Administrative Services Coordinator	1	1	1	1
Assistant Director	3	3	3	3
Cust. Support Administrator	1	1	1	1
Data Base Administrator	3	3	3	3
GIS Application Developer	1	1	1	1
GIS Manager	1	1	1	1
GIS Technician I/II	2	4	4	4
Hardware/Software Coordinator	1	0	0	0
Help Desk Specialist	1	1	1	1
Network Designer	1	0	0	0
Secretary	1	1	1	1
Sr. Computer Operator	5	5	5	5
Sr. Prog. Analyst	9	8	8	8
Sr. Systems Prog.	1	1	1	1
Systems Analyst	5	4	4	4
Web Administrator	1	1	1	1
Web Developer	1	1	1	1
Web Master	1	1	1	1
Information Technology Total	40	38	38	38

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Libraries				
Director of Libraries	1	1	1	1
Assistant Director of Libraries	1	1	1	1
Acquisition Technician Asst.	1	1	1	1
Admin. Asst. to Director	1	1	1	1
Area Branch Manager	3	3	3	3
Bibliograph Tech. Assistant	3	3	3	3
Bibliographic Svcs. Administrator	1	1	1	1
Bibliographic Svcs. Team Leader	1	1	1	1
Circulation Assistant	16	16	14	14
Circulation Support Coord.	1	1	1	1
Development Officer	1	1	1	1
Electronic Services Administrator	1	1	1	1
Intermediate Account Clerk	1	1	1	1
Librarian I	10	10	9	9
Librarian II	6	6	5	5
Librarian III	1	1	2	2
Library Network Administrator	1	1	1	1
Public Services Administrator	2	2	2	2
Senior Circulation Assistant	7	7	7	7
Senior Reference Assistant	7	7	6	6
Technology Training Specialist	1	1	1	1
User Support Specialist	1	1	1	1
Libraries Total	68	68	64	64
Municipal Court Judiciary				
Judge	3	3	3	3
Court Administrative Aide	1	1	1	1
Municipal Court Judiciary Total	4	4	4	4
Neighborhood Services				
Director of Neighborhood Svcs.	1	1	1	1
Accounting Aide	3	3	3	3
Administrative Secretary	1	1	1	1
Administrative Svcs. Coordinator	1	1	1	1
Animal Control Dispatcher	2	2	2	2
Animal Control Investigator	1	1	1	1
Animal Control Officer	7	7	7	7
Animal Services Administrative Coordinator	0	0	1	1
Animal Services Manager	1	1	1	1
Animal Services Supervisor	1	1	1	1
Animal Svcs. Operations Supervisor	1	1	1	1
Animal Technician	3	3	3	3
Assistant Director	2	2	2	2
Bite Investigator/Euth. Officer	1	1	1	1
Code Enforcement Inspector	14	14	15	15
Code Inspector - Multifamily	6	6	6	6
Environmental Health Specialist	7	7	7	7
Field Operations Manager	3	3	3	3

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Health Code Examiner	1	1	1	1
Neighborhood Services Analyst	1	1	1	1
Office Assistant	2	2	3	3
Resident Services Asst./Supervisor	3	3	3	3
Senior Clerk	3	3	1	1
Vital Records Coordinator	1	1	1	1
Neighborhood Services Total	66	66	67	67

Parks and Recreation				
Director of Parks and Recreation	1	1	1	1
Assistant Director	1	1	1	1
Accounting Aide	1	1	1	1
Administrative Analyst	1	1	1	1
Administrative Secretary	1	1	1	1
Administrative Svcs. Coordinator	1	1	1	1
Apprentice Electrician	1	1	1	1
Assistant Director - Parks Operations	1	1	1	1
Asst. Director - Parks Community Prog.	1	1	1	1
Asst. Recreation Facility Coord.	1	1	1	1
Athletics Field Supervisor	2	2	2	2
Carpenter	1	1	1	1
Center Programs Manager	1	1	1	1
Chief Electrician	1	1	1	1
Chief/Appr. Mechanic	4	4	4	4
Community Center Event Coord.	1	1	1	1
Computer Graphics Specialist	1	1	1	1
Custodian	1	1	1	1
Customer Service Rep.	4	4	4	4
Event Services Worker	1	1	1	1
Graduate Park Planner	1	1	1	1
Irrigation Technician	2	2	2	2
Lake Supervisor	1	1	1	1
Lead Landscape Tech.	14	14	15	15
Maint Superint/Medians & ROW	1	1	1	1
Maintenance Superintendent/Parks	1	1	1	1
Marketing Research Coordinator	1	1	1	1
Marketing Specialist	1	1	1	1
Park District Supervisor	4	3	3	3
Park Planner	2	2	2	2
Parks Accounts Analyst	1	1	1	1
Parks Facility Coordinator	0	1	1	1
Parks Planning Manager	1	1	1	1
Parks Technical Support Manager	1	1	1	1
Plumber	2	2	1	1
Recreation Facility Manager	5	5	5	5
Recreation Program Coordinator	2	1	2	2
Recreation Program Specialist	1	1	0	0
Senior Park Planner	1	1	1	1
Service Representative	3	3	3	3

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Service Unit Coordinator/Asst.	4	4	4	4
Sports Facility Manager	1	1	1	1
Sr. Citizen Activity Supervisor	1	1	1	1
Sr./Landscape Tech.	52	53	53	53
Urban Forestry and Land Manager	1	1	1	1
Welder	1	1	1	1
Parks and Recreation Total	132	132	132	132

Planning and Development Services				
Director of Planning and Dev. Svcs.	1	1	1	1
Assistant Director of Planning	2	2	2	2
Administrative Secretary	1	1	1	1
Administrative Svcs. Coordinator	1	1	1	1
Assistant Building Official	1	1	1	1
Chief Planner	2	2	2	2
Commercial Inspector	4	4	4	4
Field Inspection Supervisor	2	2	2	2
GIS Applications Supervisor	1	1	1	1
GIS Technician	2	2	2	2
Landscape Administrator	1	1	1	1
Map and Records Tech.	1	1	1	1
Office Coordinator	1	1	1	1
Planner	4	4	4	4
Plans Examiner	2	2	2	2
Plans Examiner Supervisor	1	1	1	1
Residential Inspector	5	5	5	5
Secretary	2	2	2	2
Senior Clerk/Clerk	5	5	5	5
Senior Inspector	2	2	2	2
Senior Planner	4	4	4	4
Senior Plans Examiner	3	3	3	3
Senior Program Analyst	0	0	0	1
Sign Inspector	2	2	2	2
Sr. Acct. Clerk	2	2	2	2
Planning and Development Services Total	52	52	52	53

Police				
Police Chief	1	1	1	1
Administrative Specialist	0	3	3	3
Assistant Police Chief	2	2	2	2
Deputy Police Chief	6	6	6	6
Police Lieutenant	19	19	19	19
Police Sergeant	73	73	76	76
Police Officer	432	464	460	460
Administrative Analyst	1	1	1	1
Administrative Services Manager	1	1	1	1
Alarm Administrator	1	1	1	1

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Applications Developer	3	3	3	3
Asst. to the Police Chief	1	1	1	1
Compliance Analyst	1	1	1	1
Crime Analysis Supvr.	1	1	1	1
Crime Analyst	4	4	4	4
Crime Prevention Specialist	0	1	1	1
Crime Scene Investigator/Specialist	10	10	10	10
Crisis Team Coordinator	1	1	1	1
Crisis Team Counselor	2	2	2	2
Evidence and Property Specialist	5	5	5	5
Fiscal Coordinator	1	1	1	1
Fiscal Services Manager	1	1	1	1
Fleet Specialist	2	2	2	2
Information Resource Coord./Mgr.	3	3	2	2
Intermediate Account Clerk	1	1	1	1
Investigative Aide	3	3	3	3
Jail Supervisor	3	3	3	3
Jail/Court Assistants	6	6	6	6
Lead Jailer	1	1	1	1
Office Assistant	18	16	16	18
Office Coordinator	1	1	1	1
Operations Research Analyst	1	1	1	1
Payroll Coordinator	1	1	1	1
Police Chaplain	1	1	1	0
Police Jailer	34	34	34	34
Police Media Relations Coordinator	1	1	1	1
Police Policy Analyst	1	1	1	1
Police Reports Operator/Team Leader	25	25	25	25
Police Reports Supervisor	0	0	1	1
Police Service Assistant	4	8	8	8
Police Services Specialist	6	7	7	7
Police Supply Specialist	1	1	1	1
Property Control Manager	1	1	1	1
Records Clerk	2	2	2	2
Records Mgmt. System Specialist	1	1	1	1
Research and Dev. Manager	1	1	1	1
Senior Clerk	15	15	15	15
Sr. Data Entry Clerk	1	1	1	1
Supply Technician	1	1	0	0
Training Development Specialist	1	1	1	1
Victim Outreach Coordinator	1	1	1	1
Victim Services Assistant	1	1	1	1
Victims Assistance Coord.	1	1	1	1
Warrant Clerk	2	2	2	2
Police Total	707	746	744	745

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Public Works				
Director of Public Works	1	1	1	1
Administrative Aide	1	1	1	1
Administrative Analyst	1	1	1	1
Administrative Coord.	1	1	1	1
Airport Manager	1	1	1	1
Airport Operations Supervisor	1	1	1	1
Airport Maintenance Technician	4	4	4	4
Assistant Airport Manager	1	1	1	1
Assistant Dir. Engineering Svcs.	3	3	3	3
Asst. Street Light Technician	1	1	1	1
Asst. Traffic Ops. Manager	1	1	1	1
Cement Mason	1	0	0	0
Civil/Graduate Engineer	2	2	2	2
Construction Services Manager	1	1	1	1
Design Technician	2	2	2	2
Drainage Crew Leader	1	0	0	0
Engineering Operations Manager	2	2	2	2
Engineering Svcs. Systems Coord.	1	1	1	1
Engineering Technician	2	2	2	2
Environmental Manager	1	1	1	1
General Crew Chief	1	1	1	1
GIS Application Programmer	1	0	0	0
GIS Applications Supervisor	1	0	0	0
GIS Technician III	2	0	0	0
Grad. Engineer/Signal Engineer	3	3	3	3
Heavy Equipment Operator II	1	0	0	0
Heavy Equipment Operator III	2	0	0	0
Inspection Supervisor	2	2	2	2
Intermediate Account Clerk	1	1	1	1
Inventory Clerk	1	1	1	1
Office Assistant	4	4	4	4
Paint and Markings Leader	1	1	1	1
Pollution Control Officer	3	3	3	3
Project/Civil/Graduate Engineer	11	11	11	11
Public Works Business Administrator	1	1	1	1
Public Works Inspector	10	10	10	10
Real Estate Manager	1	1	0	0
Real Estate Representative	2	2	0	0
Secretary	1	1	1	1
Senior Clerk	1	1	1	1
Senior Clerk	1	1	1	1
Senior Materials Inspector	1	1	1	1
Senior Signal Technician	2	2	2	2
Senior Transportation Planner	1	0	0	0
Sign Fabricator	1	1	1	1

FY 2005 Authorized Full-Time Positions

FY 2005 Authorized Full-Time Positions

General Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Sign Service Leader	4	4	4	4
Signal Apprentice/Technician	6	6	6	6
Signal Electrician	8	8	8	8
Signal Specialist	1	1	1	1
Sr. Party Chief	1	1	1	1
Street Light System Administrator	1	1	1	1
Street Sign Serviceworker	6	6	6	6
Survey Party Assistant	4	4	4	4
Survey Party Chief	3	3	3	3
Survey Party Instrument Tech.	1	1	1	1
Traffic Engineering Manager	1	1	1	1
Traffic Services Manager	1	1	1	1
Traffic Technician	3	3	2	2
Traffic/Maint. Electrician	2	2	2	2
Transportation Engineering Asst.	1	1	1	1
Public Works Total	128	118	114	114
Support Services				
Director of Support Services	1	1	1	1
Administrative Aide	1	1	1	1
Administrative Analyst	1	1	1	1
Apprentice Electrician	1	1	1	1
Building Maintenance Worker	1	1	1	1
Building Systems Mechanic	3	3	3	3
Building Systems Specialist	2	2	2	2
Carpenter	4	4	4	4
Carpentry Supervisor	1	1	1	1
Construction Administrator	1	1	1	1
Construction Coordinator	1	1	1	1
Construction Manager	1	1	1	1
Custodial Crew Chief	1	1	1	1
Electrician	3	3	3	3
Facility Services Manager	1	1	1	1
Finish Carpenter	1	1	1	1
Master Electrician	1	1	1	1
Master Plumber	1	1	1	1
Office Assistant	1	1	1	1
Real Estate Manager	0	0	1	1
Real Estate Rep.	0	0	2	2
Sr. Bldg. Systems Specialist	1	1	1	1
Support Services Total	28	28	31	31
General Fund Total	1,673	1,696	1,708	1,711

FY 2005 Authorized Full-Time Positions

Sanitary Landfill Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Solid Waste Manager	1	1	1	1
Landfill Crew Chief	2	2	2	2
Administrative Secretary	1	1	1	1
Heavy Equipment Operator III	9	9	9	9
Sr./General Maintenance Worker	8	8	8	8
Landfill Gate Attendant	2	2	2	2
Apprentice Mechanic	1	1	1	1
Recycling Coordinator	1	1	1	1
Assistant Crew Chief	1	1	1	1
Sanitary Landfill Total	26	26	26	26

Water and Sewer Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Director of Utilities	1	1	1	1
Asst. Director of Utilities	3	3	3	3
Administrative Coordinator	1	1	1	1
Administrative Secretary	2	2	2	2
Administrative Aide	0	0	1	1
Administrative Aide II	0	0	1	1
Applications Developer	1	1	1	1
Apprentice Meter Services Worker	3	3	3	3
Assist. Utilities Engineer	1	1	1	1
Chief Electrical Technician/Elec. Tech.	4	4	4	4
Chief Mechanical Technician	2	2	2	2
Chief Treatment Technician	5	5	4	4
Civil Engineer	1	1	1	1
Customer Service Assistant	4	4	4	4
Customer Service Manager	1	1	1	1
Customer Service Representative	15	15	15	15
Customer Service Supervisor	2	2	2	2
Customer Service Trainer	1	1	1	1
Customer Services Inf. Analyst	1	1	1	1
Senior Programmer Analyst	1	1	1	1
Design Technician	1	1	1	1
Engineering Information Specialist	1	1	1	1
Field Operations Manager	3	3	3	3
GIS Applications Programmer	0	1	1	1
GIS Applications Supervisor	1	2	2	2
GIS Researcher	1	1	1	1
GIS Technician	2	4	4	4
Graduate Engineer/Civil Engineer	4	4	4	4
Heavy Equipment Operator II	2	2	2	2
I & I Coordinator	1	1	1	1
Information Services Manager	1	1	1	1
Information System Project Coord.	1	1	1	1

FY 2005 Authorized Full-Time Positions

Water and Sewer Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Information System Specialist	1	1	1	1
Laboratory Analyst	2	2	2	2
Laboratory Services Manager	1	1	1	1
Laboratory Specialist	3	3	3	3
Laboratory Technician	3	3	3	3
Maintenance Services Administrator	1	1	1	1
Mechanical Technician	5	5	5	5
Mechanical Technician Trainee	2	2	2	2
Meter Reading Leader	1	1	1	1
Meter Services Crew Chief	1	1	1	1
Meter Services Leader	5	5	5	5
Meter Services Manager	1	1	1	1
Meter Services Supervisor	2	2	2	2
Meter Services Trainer	1	1	1	1
Meter Services Worker	12	12	12	12
Office Assistant	4	4	4	4
Office Administrator	1	1	0	0
Office Coordinator	1	1	1	1
Operations Services Administrator	0	0	1	1
Operations Support Manager	1	1	1	1
Operations Support Supervisor	1	1	1	1
Programmer Analyst	1	1	1	1
Records Technician	1	1	0	0
Secretary	1	1	1	1
Senior Account Clerk	2	2	2	2
Senior Meter Reader	10	10	10	11
Senior Utilities Warehouse	2	2	2	2
Sr. Customer Service Represent.	2	2	2	2
Sr. Pollution Control Officer	1	1	0	0
Treatment Technician/Trainee	9	9	9	9
Utilities Accounting Analyst	1	1	1	1
Utilities Dispatcher	4	4	4	4
Utilities Engineer	1	1	1	1
Utilities Financial Administrator	1	1	1	1
Utilities Project Engineer	1	1	1	1
Utilities Warehouse	1	1	1	1
Utility Environmental Analyst	2	2	3	3
Utility Service Specialist	6	6	7	7
Utility Support Specialist	1	1	1	1
Utility Technician	34	34	34	34
Water and Sewer Crew Chief	17	17	16	16
Water Resource Services Manager	1	1	1	1
Water Resource Technicians	2	2	2	2
Water Treatment Manager	2	2	2	1
Water and Sewer Fund Total	219	223	223	223

FY 2005 Authorized Full-Time Positions

Convention and Event Services Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Convention Center Director	1	1	1	1
Asst. Convention Center Dir.	1	1	1	1
Administrative Aide	2	2	2	2
Administrative Coordinator	1	1	1	1
Asst. Building Engineering Spec.	4	4	4	4
Building Engineering Specialist	1	1	1	1
Building Operation Superintendent	1	1	1	1
Business Administrator	1	1	1	1
Business Analyst	1	1	1	1
Convention Events Supervisor	1	1	1	1
Custodian	5	5	5	5
Event Coordinator	3	3	3	3
Event Services Worker	7	7	7	7
Facility Crew Chief	1	1	1	1
Office Assistant	0	0	0	0
Operations Crew Leader	1	1	1	1
Parking Supervisor/Assistant	2	2	2	2
Convention Center Total	33	33	33	33

Parks Performance Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Aquatics Programs Mgr.	1	1	1	1
Arena Manager	1	1	1	1
Asst. Tennis Facility Mgr.	0	0	1	1
Athletics Coordinator/Sup	1	1	1	1
Tournament & Promotions Rep.	1	1	1	1
Recreation Facility Manager	1	1	1	1
Clubhouse Attendant	9	9	9	9
Custodian	0	0	0	0
Tennis Pro Shop Attendant	1	1	1	1
Facility Coordinator	1	0	0	0
Food/Beverage Operator	2	2	2	2
Golf Business Analyst	1	1	1	1
Golf Programs Manager	1	1	1	1
Greens Superintendent	4	4	4	4
Head Golf Pro	4	4	4	4
Lead Golf Instructor	1	1	1	1
Lead Landscape Technician	2	2	2	2
Mechanic	4	4	4	4
Parks Landscape Supervisor	1	1	1	1
Rec Program Coordinator	3	3	3	3
Recreation Programs Sup.	1	1	1	1
Service Unit Coordinator	3	3	2	2
Athletics Program Manager	1	1	1	1
Sr./Landscape Technician	20	20	20	20
Superintendent of Golf Operations	1	1	1	1
Tennis Professional	1	1	1	1
Tennis Facility Manager	1	1	1	1
Park Performance	67	66	66	66

FY 2005 Authorized Full-Time Positions

Street Maintenance Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Account Clerk	1	1	1	1
Administrative Analyst	1	1	1	1
Assistant Street Superintendent	1	1	1	1
Contract Inspector	2	2	2	2
Drainage Crew Leader	0	1	1	1
Heavy Equipment Operator II	6	7	7	7
Heavy Equipment Operator III	5	7	7	7
Sr./General Maintenance Worker	40	40	40	40
Street Administrative Asst.	1	1	1	1
Street Crew Chief	5	5	5	5
Street Leader	8	8	7	7
Street Maintenance Superintendent	1	1	1	1
Cement Mason	0	1	1	1
Street Maintenance Fund	71	76	75	75

General Services Fund				
General Services Manager	1	1	1	1
Administrative Secretary	1	1	1	1
Mail Clerk I	2	2	2	2
Mail Clerk II	1	1	1	1
Mail/Office Services Coordinator	1	1	1	1
Records Center Technician	1	1	1	1
Records Supervisor	1	1	1	1
Reproduction Services Coordinator	1	0	0	0
Reprographic Specialist/Eq. Oper.	4	3	3	3
Senior Clerk	1	1	1	1
General Services Fund Total	14	12	12	12

Communication Services Fund				
Communication Services Adm.	1	1	1	1
Communications Manager	1	1	1	1
Communications Supervisor	14	14	14	14
Communications Telecommunicator	82	82	82	82
Training Assistants	2	2	2	2
Administrative Analyst	1	1	1	1
Communication Services Fund Total	101	101	101	101

FY 2005 Authorized Full-Time Positions

Fleet Services Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Contract Administrator	1	1	1	1
Administrative Analyst	1	0	0	0
Administrative Aide	1	0	0	0
Fleet Services Stockkeeper	1	0	0	0
Chief Mechanic	4	0	0	0
Fleet Services Assistant	2	0	0	0
Parts and Purchasing Spvsr.	1	1	1	1
Purchasing Technician	2	1	1	1
Apprentice Mech / Mech / Sr. Mech.	9	0	0	0
Fleet Services Fund Total	22	3	3	3

Technology Services Fund	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Communication Consultant	1	1	1	1
Communication Assistant	1	0	0	0
PC Support Specialist	5	5	5	5
Network Support Specialist II	1	1	1	1
Network Services Supervisor	1	1	1	1
Network Administrator	6	6	6	6
Network Designer	0	1	1	1
Technology Services Fund	15	15	15	15

Grant Funds	ACTUAL FY 2003	BUDGETED FY 2004	ESTIMATED FY 2004	ADOPTED FY 2005
Special Transportation	21	21	21	21
Home Investment	10	10	10	10
Section 8 Rental Assistance	35	35	35	35
Home Investment	3	3	3	3
Economic Development Admin.	1	1	1	1
Auto Theft	2	2	2	2
M.N.I.C.U.	2	2	2	2
Cops In School Program	3	0	0	0
COPS Universal Hiring IV	29	0	0	0
Youth and Family	1	1	1	1
VOCA	1	1	1	1
Court Security (7802)	1	1	1	1
Grant Funds Total	109	77	77	77

Citywide Total	2,350	2,328	2,339	2,342
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Multi-Year Financial Forecast

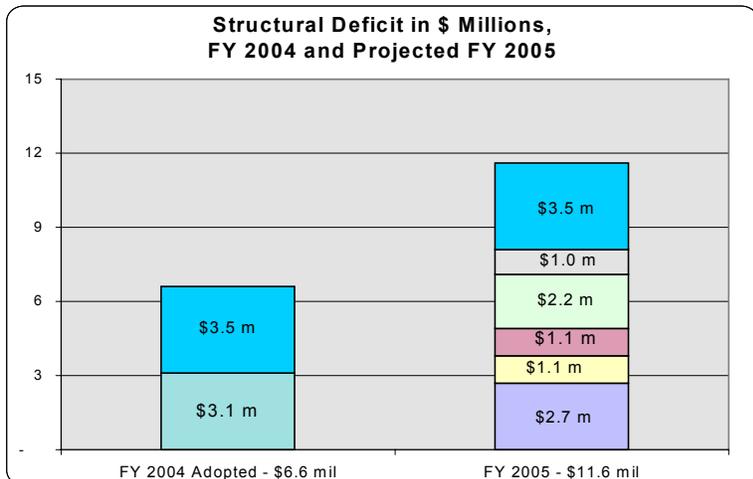
Multi-Year Forecast

- A multi-year financial forecast is not intended to be a prediction.
- It is a plan that highlights significant issues that must be addressed in order to achieve a balanced budget each year.
- The current authorized FY 2004 Budget is used as the base from which estimates of future years are made.

Multi-Year Forecast

- In spite of cost-cutting measures taken in FY 2002 and FY 2003
 - A structural deficit remains in the FY 2004 budget, and is projected to increase in FY 2005.
- A “structural deficit” is defined as
 - The amount by which recurring revenues are insufficient to cover recurring expenditures.

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Major Assumptions - Revenues

FY 2005 \$ Variance Revenue Growth from Estimate

<u>Category</u>	<u>Estimate</u>	<u>(1 Percentage Point)</u>	
Ad Valorem Tax Base	4.0%		\$ 968,876
Sales Tax	0.0%		\$ 386,089
Other Taxes	- 0.7%		\$ 14,807
Licenses and Permits	1.3%		\$ 41,938
Service Charges	- 0.7%		\$ 124,116
Franchise Fees	- 0.4%		\$ 302,879
Fines and Forfeitures	0.9%		\$ 89,040
Leases and Rents	- 0.3%		\$ 29,062
Miscellaneous	35.7%		\$ 8,628

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- ### Major Assumptions - Revenues (continued)
- Total tax rate constant at 64.8 cents per \$100 valuation
 - Increase in General Fund portion of tax rate from current 38.79¢ to 39.95¢ in FY 2007
 - Tax base growth of 4% in FY 2005, 3.5% in FY 2006, and 3.0% in FY 2007
 - No growth in sales tax
 - Bond fund reimbursements reduced by \$210,000 per year
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General Fund Revenues

(\$ 000's)

REVENUES	FY 2004 BUDGET	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
TAXES:				
Ad Valorem Taxes	\$ 57,635	\$ 61,088	\$ 64,753	\$ 66,166
Sales Tax	38,609	38,609	38,609	38,609
Other Taxes	1,481	1,380	1,370	1,360
TOTAL TAXES	\$ 97,725	\$ 101,076	\$ 104,732	\$ 106,135
LICENSES AND PERMITS	\$ 4,194	\$ 4,247	\$ 4,311	\$ 4,379
SERVICE CHARGES	\$ 12,412	\$ 12,323	\$ 12,535	\$ 12,771
FRANCHISE FEES	\$ 30,288	\$ 30,178	\$ 30,288	\$ 30,403
FINES AND FORFEITURES	\$ 8,904	\$ 8,988	\$ 9,856	\$ 10,811
LEASES AND RENTS	\$ 2,906	\$ 2,820	\$ 2,755	\$ 2,762
MISCELLANEOUS	\$ 863	\$ 1,171	\$ 1,172	\$ 1,172
TOTAL	\$ 157,291	\$ 160,804	\$ 165,650	\$ 168,433

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Major Assumptions - Expenditures

FY 2005 \$ Variance Expense Growth from Estimate

<u>Category</u>	<u>Estimate</u>	<u>(By 1 Percentage Point)</u>
Salaries	5.5%	\$ 1,043,998
Healthcare Ben.	18.0%	\$ 131,554
Non-Salary	2.0%	\$ 323,662

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Major Assumptions - Expenditures (continued)

- Includes two Fire vehicles annually.
- Includes funding for infrastructure maintenance needs.
- Includes O&M for existing and proposed CIP.

Cumulative CIP Values

FY 2005 - \$ 806,791

FY 2006 - \$1,501,475

FY 2007 - \$2,100,162

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General Fund Expenditures (\$ 000's)

	FY 2004 BUDGET	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
EXPENDITURES - BASE	\$ 160,668	\$ 160,668	\$ 170,783	\$ 179,021
<u>INCREMENTAL EXPENDITURE INCREASES</u>				
COMPENSATION PACKAGE	\$ -	\$ 5,742	\$ 4,185	\$ 4,563
HEALTHCARE BENEFITS	\$ -	\$ 2,368	\$ 2,329	\$ 2,142
FIRE APPARATUS	\$ -	\$ 115	\$ 112	\$ 124
CIP - OPER & MAINT	\$ -	\$ 807	\$ 694	\$ 599
SUPPLIES & SERVICES	\$ -	\$ 1,083	\$ 918	\$ 645
<u>INCREMENTAL INCREASES</u>	\$ -	\$ 10,115	\$ 8,238	\$ 8,073
TOTAL	\$ 160,668	\$ 170,783	\$ 179,021	\$ 187,093

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Interfund Transfers

(\$ 000's)

	FY 2004 BUDGET	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
INTERFUND TRANSFERS:				
Indirect Costs	\$ 4,392	\$ 4,509	\$ 4,757	\$ 4,938
Special Transportation Fund	(683)	(684)	(858)	(807)
Conv. and Event Svcs. Fund	(1,215)	(1,263)	(509)	(353)
Street Maintenance Fund	(2,218)	(3,297)	(4,356)	(5,416)
Landfill Fund	3,100	-	-	-
Working Capital Reserve	-	(873)	(702)	(688)
TOTAL INTERFUND TRANSFERS	\$ 3,376	\$ (1,608)	\$ (1,668)	\$ (2,326)

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General Fund Operating Position

(\$ 000's)

	FY 2004 BUDGET	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
REVENUES	\$ 157,291	\$ 160,804	\$ 165,650	\$ 168,433
INTERFUND TRANS.	\$ 3,376	\$ (1,608)	\$ (1,668)	\$ (2,326)
TOTAL AVAILABLE	\$ 160,667	\$ 159,196	\$ 163,982	\$ 166,107
EXPENDITURES	\$ 160,667	\$ 170,783	\$ 179,021	\$ 187,093
ENDING BALANCE	\$ -	\$ (11,587)	\$ (15,039)	\$ (20,987)
GEN. FUND TAX RATE	\$ 0.3879	\$ 0.3932	\$ 0.4027	\$ 0.3995
DEBT SERVICE TAX RATE	\$ 0.2601	\$ 0.2548	\$ 0.2453	\$ 0.2485
TOTAL TAX RATE	\$ 0.6480	\$ 0.6480	\$ 0.6480	\$ 0.6480

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Significant Changes for FY 2005

Change in Revenues	\$ 3,512,256
Ad Valorem tax = \$3.45 million	
Change in Transfers	(4,984,094)
Street Maint = \$1 million	
Working Capital Reserve = \$0.8 million	
One-time Revenues = \$3.1 million less	
Other transfers = \$0.1 million less	
Change in Available Funds	(1,471,838)
Change in Expenditures	10,115,327
Comp Package = \$5.74 million	
Healthcare Benefits = \$2.37 million	
CIP O&M = \$0.8 million	
Other expenditures, net = \$1.2 million	
FY 2005 Projected Ending Balance	\$ (11,587,165)

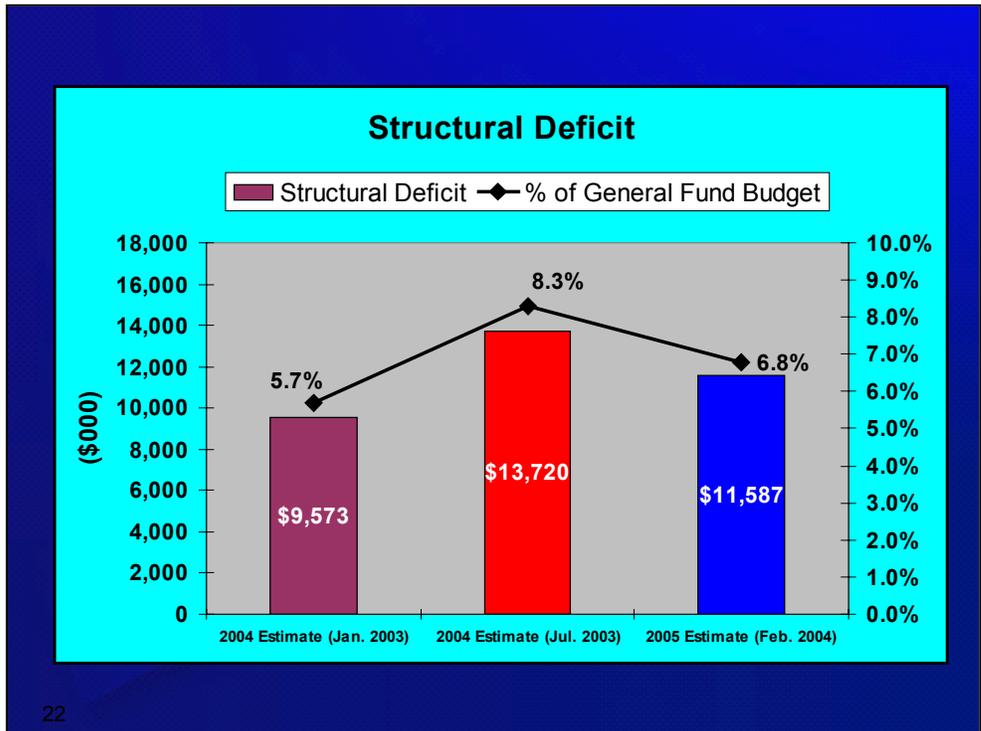
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Summary

- \$11.6 million deficit in FY 2005
- Revenue estimates reflect 4.0% ad valorem growth and no sales tax growth.
- Have not included any one-time sources of revenue as needed in FY 2004.
- Expenditure estimates reflect continuing upward pressures on salary and healthcare costs.
- Working Capital, Handitran, Street Maintenance, and Convention & Event Services are funded in the forecast.
- Additional fire vehicles are funded.
- CIP operating costs are included.

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Outlook



A FY 2005 Balanced Budget Scenario

- Revenue growth greater than current estimates
- Lower than projected Health Benefit costs
- Use of one-time revenues for one-time and discretionary recurring expenditures
- Defer compensation increases
- Recurring revenue stream from the Landfill

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**FY 2005 General Fund
Operation and Maintenance Expenditures
Due to Capital Improvement Projects (CIP)**

Department	Project Description	FY 2005 Impact
Fire	Training Center Burn Building upgrade to computerized burn systems using propane as fuel	\$ 5,000
Library	Southeast Branch collection development costs	131,596
Neighborhood Svcs.	Animal Services Shelter	30,400
Parks	Bad Koenigshofen Aquatic Center	83,824
Parks	Don Misenheimer Neighborhood Park	75,752
Parks	Gene Schrickel Neighborhood Park	75,752
Parks	J.W. Dunlop Ballfield Improvements	53,000
Parks	Randol Mill Park Ballfield Improvements	26,000
Parks	Red Kane Phase II	21,100
Parks	Helen Wessler Phase II	17,800
Parks	Johnson Creek Confluence Park	50,000
Parks	Aquatic Programs Manager	76,783
Police	Assumption of Grant Costs	60,800
Public Works	Air Traffic Control Tower - Annual Maintenance and Utilities Costs	30,000
Public Works	Airport Instrument Landing System - Additional Electrical Costs	1,000
Public Works	Streetlight Maintenance (Capital Projects)	8,392
Public Works	Streetlight Maintenance (Subdivisions)	5,640
Public Works	Handitran Operating Funding	30,133
Public Works	Handitran Capitalized Preventive Maintenance	318
Support Svcs.	Air Traffic Control Tower (custodial)	4,600
Support Svcs.	Southeast Branch Library (custodial)	1,000
Support Svcs.	West Police Station (custodial)	4,500
Support Svcs.	800 MHz Radio System Upgrade (increasing cost of radio maintenance contract)	<u>13,400</u>
Total :		\$ 806,791

Appendix 3

Schedule of Tax Bond Indebtedness

	<u>Outstanding Balance 10/1/04</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Permanent Improvement Refunding Bonds, Series 1992-A	\$ 10,615,000	\$ 4,105,000	\$ 669,205	\$ 4,774,205
Permanent Improvement Refunding Bonds, Series 1993	19,070,000	3,770,000	1,010,103	4,780,103
Combination Tax and Revenue Certificates of Obligation, Series 1994	210,000	105,000	11,445	116,445
Permanent Improvement Bonds, Series 1995	1,200,000	1,200,000	58,800	1,258,800
Combination Tax and Revenue Certificates of Obligation, Series 1995	90,000	90,000	4,500	94,500
Combination Tax and Revenue Certificates of Obligation, Series 1996	1,005,000	195,000	54,295	249,295
Permanent Improvement Bonds, Series 1996	3,690,000	1,230,000	209,100	1,439,100
Permanent Improvement Bonds, Series 1997	22,090,000	1,700,000	1,143,175	2,843,175
Combination Tax and Revenue Certificates of Obligation, Series 1997	4,555,000	250,000	225,400	475,400
Combination Tax and Revenue Certificates of Obligation, Series 1998	12,420,000	585,000	593,715	1,178,715

Schedule of Tax Bond Indebtedness

	Outstanding Balance <u>10/1/04</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Permanent Improvement Bonds, Series 1998	13,720,000	980,000	674,485	1,654,485
Combination Tax and Revenue Certificates of Obligation, Series 1998-A	3,600,000	195,000	171,973	366,973
Permanent Improvement Bonds, Series 1999	23,715,000	1,585,000	1,219,699	2,804,699
Combination Tax and Revenue Certificates of Obligations, Series 1999-A	390,000	60,000	18,875	78,875
Permanent Improvement Bonds, Series 2000	24,685,000	1,545,000	1,315,988	2,860,988
Combination Tax and Revenue Certificates of Obligations, Series 2000	1,600,000	100,000	86,050	186,050
Combination Tax and Revenue Certificates of Obligations, Series 2001-A	70,000	70,000	1,925	71,925
Combination Tax and Revenue Certificates of Obligations, Series 2001-B	8,175,000	610,000	382,463	992,463
Combination Tax and Revenue Certificates of Obligations, Series 2001-C	425,000	25,000	21,525	46,525
Permanent Improvement Refunding Bonds, Series 2001-A	32,880,000	1,200,000	1,696,388	2,896,388

Schedule of Tax Bond Indebtedness

	Outstanding Balance 10/1/04	Principal	Interest	Total
Permanent Improvement Bonds, Series 2001-B	21,030,000	1,240,000	984,814	2,224,814
Combination Tax and Revenue Certificates of Obligations, Series 2002	780,000	160,000	23,215	183,215
Permanent Improvement Bonds, Series 2002	21,930,000	1,695,000	902,336	2,597,336
Permanent Improvement Bonds, Series 2003	40,180,000	4,050,000	1,683,250	5,733,250
Combination Tax and Revenue Certificates of Obligations, Series 2003	1,425,000	75,000	65,625	140,625
Permanent Improvement Bonds, Series 2004	<u>24,155,000</u>	<u>1,210,000</u>	<u>908,142</u>	<u>2,118,142</u>
TOTAL	\$ 293,705,000	\$ 28,030,000	\$ 14,136,489	\$ 42,166,487
Agent Fees				<u>35,000</u>
TOTAL EXPENDITURES				\$ 42,201,487

The FY 2004 outstanding debt of \$293,705,000 represents 1.96 percent of the current assessed valuation of \$15,018,724,599.



Appendix 4

STATEMENT OF FINANCIAL PRINCIPLES

Accounting, Budgeting, and Financial Planning

- The City will establish accounting practices that conform to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.
- An independent certified public accounting firm will perform an annual audit and an official comprehensive annual financial report (CAFR) shall be issued no later than 6 months following year-end.
- The independent certified public accounting firm shall provide a management letter, if one is issued, no later than March 31 following the end of each fiscal year.
- The City shall submit the CAFR to the Government Finance Officers Association (GFOA) for the purpose of earning the Certificate of Achievement for Excellence in Financial Reporting.
- The City shall prepare an Annual Operating budget and submit it for City Council approval prior to September 30.
- The Annual Operating Budget shall be prepared such that current revenues plus net operating transfers will be sufficient to support current expenditures.
- Expenditures from all operating funds shall not exceed the budgeted appropriations (as amended) for these funds.
- An adequate level of maintenance and replacement will be funded each year to ensure that all capital facilities and equipment are properly maintained.
- Charges for services and other revenues will be annually examined and adjusted as deemed necessary to respond to cost increases or any other changing circumstances.
- A 3-year financial forecast shall be prepared annually projecting revenues and expenditures for all operating funds. This forecast shall be used as a planning tool in developing the following year's operating budget.
- The City shall submit the Annual Operating Budget to the GFOA for the purpose of earning the Distinguished Budget Presentation Award.

Investments

Investments shall be made in conformance with the City's Investment Policy, with the primary objectives of:

- Safety – preservation of capital in the investment portfolio;
- Liquidity – portfolio remain sufficiently liquid to meet operating requirements;
- Yield – goal of rate of return of 102% of U.S. treasury curve at average maturity.

Grants

All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended according to the wishes and instructions of the donor.

Tax Collection

The City shall encourage the Tax Assessor-Collector to follow an aggressive policy of collecting property tax revenues. An average collection rate of at least 98% of current levy shall be maintained.

Self-Insurance & Retirement Funds

All retirement and self-insurance funds will be examined annually to ensure that adequate balances are maintained. Unfunded actuarial liabilities in a retirement program are to be amortized over a 25-year period or less. The self-insurance program for workers' compensation shall be funded at a 75% confidence level, and the APFA self-insurance program shall be funded at a 50% confidence level.

Reserves

- The City's working capital reserve in the General Fund shall be maintained at a minimum level of 8.33% (1/12th) of annual General Fund expenditures.
- The City's General Fund unreserved ending balance may only be used for one-time purchases such as capital equipment.
- The total General Fund balance shall be maintained at a minimum of 15% of annual General Fund expenditures.
- The fund balance in the debt service fund shall be maintained at a minimum level of 4.0% of annual debt service expenditures.

Statement of Financial Principles

Debt Management

- Debt financing which includes permanent improvement bonds, revenue bonds, certificates of obligation, lease/purchase agreements and other obligations allowed under Texas law shall be used to acquire or construct land and improvements that *cannot be* funded by current revenues. The term of debt shall not exceed the expected useful life of the capital asset being financed and in no case shall it exceed 25 years.
- Debt will not be used to fund current expenditures.
- Permanent Improvement Bonds shall normally be issued with a level principal structure. This structure equates to an average life of 11 years or less for a 20-year issue. Interest shall be paid in the first fiscal year after a bond sale and principal must be paid no later than the second fiscal year after the bond sale.
- Each year the City will adopt a capital improvement plan. The plan will recommend specific funding of projects for the following two fiscal years and will identify projects for further consideration in years three through five.
- The City is committed to providing continuing disclosure of certain financial and operating data and material event notices as required by Securities and Exchange Commission (SEC) Rule 15c2-12. The Finance Department shall be responsible for the preparation of all disclosure documents and releases required under Rule 15c2-12.
- The City will obtain a rating from at least one nationally recognized bond-rating agency on all issues being sold on the public market. Required information will be presented to the rating agency(s) at least annually in order to maintain ratings on outstanding debt.
- The City shall comply with the Internal Revenue Code Section 148 – Arbitrage Regulations for all tax-exempt debt issued. An annual estimate of arbitrage liabilities shall be obtained by the City and recorded on the financial statements.
- A good faith deposit of 2.0% of the par amount of the bond sale shall be presented by the underwriter in the form of a check or surety acceptable to the City and Bond Counsel prior to the approval of the bonds by the Mayor and City Council.
- The City shall use a competitive bidding process in the sale of debt unless the use of a negotiated process is warranted due to market timing requirements (refunding), or a unique pledge or debt structure. The City will award competitively issued debt on a true interest cost (TIC) basis.

Debt Management (continued)

- The City welcomes ideas and proposals from investment bankers and will seek to give first consideration to those firms that submit unique and innovative ideas that benefit the City. Unsolicited proposals should be submitted to the City's Finance Department.
- The selection of an underwriter or group of underwriters for a negotiated sale shall be based on the following factors:
 - Participation in the City's competitive sales;
 - Submission of unique or creative proposals;
 - Qualifications of firm;
 - Size and geographic distribution of their sales staff.
- All professional service providers selected in connection with the City's debt issuance and management program shall be chosen through a competitive process such as request for proposals (RFP's) on an as needed basis.
- An advance or current refunding of outstanding debt shall only be considered when present value savings of at least 4.25% of the principal amount of the refunded bonds are produced, unless a debt restructuring or bond covenant revisions are necessary. Savings from refundings will be distributed evenly over the life of the refunded bonds.
- An analysis of the risks and potential rewards of a derivative product for debt management must be prepared before the structure is selected. The City's Bond Counsel must opine that the City is authorized to enter into the necessary agreements under all existing statutes.
- The use of reimbursement resolutions shall be encouraged as a cash management tool for debt funded projects. Reimbursement resolutions may be used for any project that has been approved in the City's Capital Budget. Reimbursement resolutions may be used for other projects if the projects are revenue supported or funded within departments' operating budget.
- The City shall obtain a clear opinion from qualified legal counsel that the City is not liable for the payment of principal and/or interest in the event of default by a conduit borrower. If no such opinion can be obtained, the conduit borrower will be required to purchase insurance or a letter of credit in the City's name in the event of default. Examples of a conduit issuer are special authorities, tax-increment financing districts, public improvement districts, or industrial development issuers.

Statement of Financial Principles

Debt Management – Ratio Targets

- The ratio of net debt (total outstanding tax-supported general obligation debt less debt service fund balance) to total taxable assessed valuation shall not exceed 2.0%. This excludes debt of overlapping jurisdictions. The City shall structure its bond issuance to achieve and maintain a debt-to-assessed-value of 2.0% or less.
- The ratio of debt service expenditures to total expenditures (General Fund operating expenditures and debt service combined) shall not exceed 20%.
- The ratio of outstanding net tax-supported debt to population shall not exceed \$850.
- The Finance Department shall prepare an analysis of the impact of adopted tax-supported debt prior to the issuance of the additional debt. The analysis shall project the debt ratios described in numbers 1, 2 and 3 above as well as any other applicable debt ratios.

Debt Management - Certificates of Obligation

It is the City's priority to fund capital expenditures with cash or voter approved debt. However, non-voter approved debt may be used for capital expenditures as an alternative to lease/purchase or other financing options if the capital expenditure is:

- Urgent;
 - Necessary to prevent an economic loss to the City;
 - Revenue generating and expected to cover debt service out of the revenue source;
 - Non-voter approved debt is the most cost effective financing option available.
- The average maturity of non-voter approved debt shall not exceed the average life of the capital items financed.
 - Capital items financed with non-voter approved debt shall have an expected economic life of at least 3 years.

Adopted by resolution No. 00-526 on August 22, 2000.



Appendix 5

FUND ACCOUNTING INFORMATION

Governmental Funds

General Fund: The General Fund is the principal fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the General Fund are paid the general operating expenditures and the capital improvement costs that are not paid through other funds.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds include Community Development Block Grants, Home Investment Partnership, Federal Aviation Administration, Federal Transit Administration, Automobile Theft Protection, Texas Department of Community Affairs, Police Restricted, Texas Department of Transportation, Park Performance, Convention and Event Services, and other special revenue funds.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on the general long-term debt not being financed by proprietary funds. The fund's primary source of revenue is ad valorem taxes, which are levied by the City.

Capital Projects Funds: The Capital Projects Funds are used to account for the acquisition or construction of capital facilities being financed from bond proceeds, contributed capital, assessments levied or transfers from other funds, other than those recorded in Proprietary Funds. The Capital Projects Funds include Municipal Office Building, Police, Fire, Library, Airport, Park, Street, Traffic, Community Development, and Fleet.

Proprietary Funds

Enterprise Funds: The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Enterprise Funds include the Water and Sewer Fund, the Sanitary Landfill Fund and the Stormwater Utility Fund.

Internal Service Funds: The Internal Service Funds are used to account for the financing of materials and services provided by one department of the City to other departments of the City on a cost-reimbursement basis. The Internal Service Funds include General Services, Communications Services, Fleet Services, Technology Services, and the City's self-

insurance activities consisting of the Arlington Property Finance Authority, Workers' Compensation and Group Health Funds.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All of the City's governmental fund types are accounted for using a current financial resources measurement focus. Under this measurement focus, generally only current assets and liabilities are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All proprietary funds and trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components for proprietary funds and fund balance for trust funds. Operating statements present increases and decreases in net total assets.

Accrual basis: The accrual basis of accounting is utilized by the Enterprise Funds, the Internal Service Funds, and Pension Trust Funds. Accordingly, revenues and expenses are recognized in the accounting period in which they are earned and incurred, respectively.

Modified accrual basis: The modified accrual basis is used for all other funds. Modifications in the accrual basis for these funds include the following:

1. Revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary revenue sources treated as susceptible to accrual include property taxes collected within 60 days of year-end and sales taxes collected and held by the state at year end of behalf of the City. Revenue sources from licenses, fines and forfeitures, service charges and other miscellaneous revenues are generally recognized as the cash is received.
2. Expenditures are recognized when the related fund liability is incurred, except for interest and principal on general long-term debt which are recorded when due or otherwise payable.
3. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration.

Fund Accounting Information

Basis of Budgeting

The City Council adopts an annual legal budget which covers the General Fund, Debt Service Fund, Enterprise Funds, Internal Service Funds, and certain Special Revenue Funds (Park Performance, Street Maintenance, and Convention and Event Services). All appropriations lapse at fiscal year-end. The budgets for the General Fund, Debt Service Fund and Special Revenue Funds are prepared on the modified accrual basis except for encumbrances, which are treated as budgeted expenditures. The budgets for the Enterprise Funds are prepared on the modified accrual basis and include encumbrances, debt principal retirements and capital outlays as expenditures. Additionally, the Enterprise Funds do not include depreciation as a budgetary expense. Budgetary level of control is exercised at the departmental level. The City Manager, or his designee, is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total appropriations of the fund must be approved by the City Council.



Appendix 6

Budget Process

The following describes the preparation, development and adoption of the City's annual budget.

Pre-Planning Phase: After the first quarter of the fiscal year, departments submit current-year revenue and expenditure estimates to the Finance Department, which prepares a first quarter Budget Analysis Report (BAR). This is the first look at current-year expenditures and revenue estimates compared to budgeted amounts. After the first quarter BAR, departments begin to set priorities for the next fiscal year including preparation of preliminary new program requests and justifications.

Budget Kick-off: At this May meeting, departments received an overview of the financial position of the City, and forms and reports necessary to prepare formal new program requests and adjustments to base. They also received a Target Number, which is the maximum amount they are authorized for their base budget submissions. Additionally, departments received a calendar indicating significant dates for budget meetings and deliberations.

Second Quarter Budget Analysis Report: After kick-off, departments submitted second quarter revenue and expenditure estimates. The Finance Department prepared a second quarter BAR analyzing variances for the City Manager's Office.

Base Budget and New Program Submissions: Departments submitted Adjustments to Base (ATBs) and New Program requests in the last week of May. Adjustments to Base are revisions to existing programs such as full-year funding of a prior-year program. New Programs deliver new services to citizens. The Finance Department reviewed ATBs and either approved for inclusion in the base budget or resubmitted the ATB as a New Program. The Finance Department then compiled all New Programs for review by the appropriate Deputy City Manager.

Preliminary Council Review: The City Manager briefed the City Council on the FY 2005 Preliminary Budget, including revenue and expenditure estimates.

Deputy City Manager Review: The Deputy City Managers met with department heads, managers, department analysts, and the Finance Department to discuss current-year estimates and next-year requests.

Council Briefings: City staff provided briefings to the City Council to inform them of New Program requests made by General Fund departments and the recommended compensation proposal.

City Manager's Review: Following the presentations to Council, the City Manager met with the Deputy City Managers and the Finance Department. The City Manager reviewed New Programs and determined which ones to include in his proposed budget.

City Manager Presentation to City Council: On the third Tuesday in August, the City Manager presented his proposed budget to City Council. The Manager's Message outlines New Program additions.

Public Hearings: During August, public hearings were held to receive public comments regarding the proposed budget. One additional public hearing was conducted in September on the proposed budget, in accordance with applicable provisions of state law.

City Council Deliberations: The City Council reviewed the budget for six weeks. During this time, citizens were able to address Council about specific issues. Also during this time, Council had the opportunity to amend the budget to include programs considered a high priority.

Tax Rate: State law requires the calculation of "effective" and "rollback" tax rates. The "effective" rate is that rate which generates the same revenue in the proposed year as in the current year from properties on the tax roll in both years. The "rollback" rate is a rate that represents an eight percent increase in the operations/maintenance portion of the total tax rate. These rates were provided to Council.

Adoption: Upon meeting notice and hearing requirements, City Council voted to adopt the budget and the tax rate. In accordance with City ordinance, a majority of the Council must approve the ordinance adopting the budget; adoption of the tax rate requires a two-thirds majority. The budget and the tax rate are adopted by ordinance, requiring two readings.

Amending the Budget: Upon adoption of the budget, the Finance Department may approve the transfer of appropriations within a department. Transfer of appropriations between departments within the General Fund requires the approval of the City Manager's Office. Formal Council approval is required to move appropriations from one fund to another fund, or to increase authorized appropriations in any fund.

Appendix 7

Facts and Figures

CITY GOVERNMENT

Year Founded	1875
Incorporated	April 21, 1884
Charter Adopted	January 17, 1920
Government	Council-Manager
City Council	Mayor and a Council composed of three at-large and five single-member districts

PHYSIOGRAPHIC

Land Area	98.7 square miles
Extraterritorial Jurisdiction	458 acres
Public Parkland	4,576 acres
City Parks	1,394 acres
Community Parks	882 acres
Linear Parks	1,830 acres
Neighborhood Parks	382 acres
Natural Areas	115 acres
Longitude Range	W97° 14'-W97° 03'
Latitude Range	N32° 35'-N32° 48'
Elevation Range	462'-687'
Lake Arlington	
Pool Elevation	550'
Surface Area	2,250 acres
Average Annual Rainfall	36.1"
Average Annual Temperature	66.3°F
Average January Temperature	44.6°F
Average July Temperature	85.9°F

DEMOGRAPHICS

Population

1980	160,113
1990	261,721
2004	356,861

Average Annual Population Growth Rate

1980 - 2004	2.2%
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Population Rank (2000 US Census)

Texas	7th
U.S.	54th

Population by Race & Ethnicity (2000 US Census)

White	67.7%	225,379
African-American	13.7%	45,727
Asian/Pacific	6.2%	20,490
Native American	0.5%	1,817
Other	11.9%	39,556
Total	100.0%	332,969
Of Hispanic Origin	18.3%	60,817

Median Age (2000 US Census)

1990	29.1
2000	30.9

Age Distribution (2000 US Census)

Under 18	28.3%	94,198
18 to 44	46.7%	155,495
45 to 64	18.9%	62,837
65+	6.1%	20,439

Median Household Income (US Census)

1990	\$35,048
2000	\$48,617

Median Household Size (2000 US Census)

Owner-Occupied	2.87
Renter-Occupied	2.38

Facts and Figures

HOUSING (2003)

Single-Family Units	90,069
Multi-Family Units	50,045

Building Permit Activity (2003)	<u># Permit</u>	<u>\$ Value</u>
New Single Family	1,676	\$241,194,114
New Multifamily	45	\$35,462,975
New Commercial	94	\$66,075,713
New Institutional	38	\$35,701,058
Other (Additions, fences, etc.)	<u>4,893</u>	<u>\$112,109,055</u>
Total	6,746	\$490,542,915

EDUCATION

AISD Enrollment (2003)

Elementary	31,090
Junior High	14,180
High School	<u>16,565</u>
Total	61,835

UTA Enrollment (2003)

Undergraduate	18,870
Graduate	<u>6,109</u>
Total	24,979

Highest Education Level Attained (Over age 25 - 2000 US Census)

No H.S. Diploma	15.0%	30,656
High School/GED	21.0%	42,657
Some College	26.8%	54,418
Associate Degree	6.8%	13,805
Bachelor's Degree	21.6%	44,030
Graduate/Professional Degree	8.8%	17,807

ECONOMIC

2004 Taxable Value

Personal Property	\$2,188,796,969
Real Estate	<u>\$13,281,523,287</u>
Total	\$15,470,320,256

Tax Rate per \$100 Valuation

City	\$0.6480
AISD	\$1.755
County	<u>\$0.647277</u>
Total	\$3.050277

2004 Tax Levy

Personal Property	\$14,183,404
Real Property	<u>\$86,064,271</u>
Total	\$100,247,675

2004 Top Ten Taxpayers

	Valuation
General Motors Corporation	\$202,560,640 ¹
McKesson Drug Co.	\$181,900,322
Oncor Electric Delivery Co.	\$147,290,009
Parks at Arlington LP	\$122,381,889
Southwestern Bell Telephone	\$ 92,064,327
Six Flags Over Texas	\$ 80,676,418
Don Davis	\$ 50,112,393
HCO – Arlington, Inc.	\$ 35,300,000
National Semiconductor	\$ 33,626,030
EQR – Limited Partnership	\$ 32,265,000

¹ Reduced by abatement

Facts and Figures

ECONOMIC (continued)

	<u>(estimated)</u>		
City Sales Tax Collected FY 2004	\$39,079,796		
Property Tax Collected FY 2004	\$ 100,446,497		
Municipal Bond Rating			
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
General Obligation	Aa2	AA	AA
Water/Sewer	Aa3	AA-	AA+

TOURISM

Visitors to Arlington (Arlington Convention and Visitors Bureau)

6.793 million visitors came to Arlington in 2001

26% come from the Dallas/Fort Worth metropolitan area

37% come from throughout Texas

37% come from outside Texas

91% of the visitors choose Arlington as their primary destination and

93% plan to return to Arlington

Economic Impact (Arlington Convention and Visitors Bureau)

\$396,337,168 estimated annual visitor spending

70% of tourists visit one local attraction and 20% visit two attractions while in Arlington

EMPLOYMENT

2004 Civilian Labor Force (Texas Workforce Commission)

Arlington 199,673

2004 Annual Average Unemployment Rate (Texas Workforce Commission)

Arlington 5%

2004 Top 10 Employers

of employees

Arlington Independent School District	7,831
University of Texas at Arlington	4,912
Six Flags Over Texas (seasonal)	3,200
Americredit	3,000
General Motors	2,930
City of Arlington	2,328
Southwest Sports Group	1,800
Arlington Memorial Hospital	1,300
Providian Financial	1,200
Chase Bank Call Center	1,100
National Semiconductor	1,100
Bell Helicopter Textron Inc.	1,000

Appendix 8

Ad Valorem Tax Structure Fiscal Year 2005

Estimated Total Valuation	\$	15,470,320,256
Tax Rate	\$	0.6480
Total Tax Levy	\$	100,247,675
Total Projected Revenue	\$	100,446,497
General Fund Tax Revenue	\$	62,125,783
Interest and Sinking Fund Tax Revenue	\$	38,320,714

Distribution of Tax Rate

Fund	Rate	Percent
General Fund	\$0.4023	62.1%
Interest and Sinking Fund	<u>\$0.2457</u>	<u>37.9%</u>
Total	\$0.6480	100.0%

**City of Arlington
Ten-Year History of Tax Rate and Levy**

Fiscal Year	Assessed Valuation	Tax Rate Per \$100	Levy
1995	\$ 8,448,261,843	\$0.6417	\$ 54,212,496
1996	\$ 9,082,158,028	\$0.6400	\$ 58,125,811
1997	\$ 9,648,674,923	\$0.6400	\$ 61,751,520
1998	\$ 10,103,998,636	\$0.6380	\$ 64,463,511
1999	\$ 10,857,465,086	\$0.6380	\$ 69,270,627
2000	\$ 11,353,874,426	\$0.6380	\$ 72,437,719
2001	\$ 12,371,734,763	\$0.6340	\$ 78,436,798
2002	\$ 13,449,799,994	\$0.6340	\$ 85,271,732
2003	\$ 14,241,278,027	\$0.6340	\$ 90,289,703
2004	\$ 14,938,462,524	\$0.6480	\$ 96,801,237
2005	\$ 15,470,320,256	\$0.6480	\$ 100,247,675

Ad Valorem Tax Structure

**City of Arlington
Ad Valorem Tax Rate
General Fund and Debt Service Fund
Twenty-Year History**

Fiscal Year	General Fund		Debt Service Fund		Total Rate	Percent Variance
	Rate	Percent	Rate	Percent		
1985	\$0.0910	20.1%	\$0.3610	79.9%	\$0.4520	-30.4%
1986	\$0.1751	35.2%	\$0.3229	64.8%	\$0.4980	10.2%
1987	\$0.1710	36.8%	\$0.2940	63.2%	\$0.4650	-6.6%
1988	\$0.1914	38.3%	\$0.3086	61.7%	\$0.5000	7.5%
1989	\$0.1859	36.5%	\$0.3241	63.5%	\$0.5100	2.0%
1990	\$0.2204	39.7%	\$0.3346	60.3%	\$0.5550	8.8%
1991	\$0.2482	41.4%	\$0.3518	58.6%	\$0.6000	8.1%
1992	\$0.2695	45.1%	\$0.3285	54.9%	\$0.5980	-0.3%
1993	\$0.2674	42.8%	\$0.3578	57.2%	\$0.6252	4.5%
1994	\$0.2674	41.7%	\$0.3743	58.3%	\$0.6417	2.6%
1995	\$0.2519	39.3%	\$0.3898	60.7%	\$0.6417	0.0%
1996	\$0.2685	42.0%	\$0.3715	58.0%	\$0.6400	-0.3%
1997	\$0.2986	46.7%	\$0.3414	53.3%	\$0.6400	0.0%
1998	\$0.3103	48.6%	\$0.3277	51.4%	\$0.6380	-0.3%
1999	\$0.3200	50.2%	\$0.3180	49.8%	\$0.6380	0.0%
2000	\$0.3200	50.2%	\$0.3180	49.8%	\$0.6380	0.0%
2001	\$0.3276	51.7%	\$0.3064	48.3%	\$0.6340	-0.6%
2002	\$0.3429	54.1%	\$0.2911	45.9%	\$0.6340	0.0%
2003	\$0.3620	57.1%	\$0.2720	42.9%	\$0.6340	0.0%
2004	\$0.3879	59.9%	\$0.2601	40.1%	\$0.6480	2.2%
2005	\$0.4023	62.1%	\$0.2457	37.9%	\$0.6480	0.0%



Appendix 9

BUDGET GLOSSARY

Accrual Basis: A method of financial accounting whereby revenues and expenses are recognized in the accounting period in which they are earned and incurred. The City's enterprise and internal service funds utilize this basis of accounting.

Appropriation: An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are made for fixed amounts and are granted, in the operating budget, for a one-year period.

Assessed Valuation: A value that is established for real or personal property for use as a basis for levying property taxes. Property values in Arlington are established by the Tarrant Appraisal District. Assessed value in Arlington for FY 2005 is \$15.470 billion. This is an increase of 3.6 percent from the assessed value of \$14.938 billion for FY 2004.

Budget: A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures for various municipal services.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial program to the City Council.

City Manager's Message: A general discussion of the budget presented in writing as a part of or supplement to the budget document. The message explains principal budget issues against the background of financial experience in recent years.

Debt Service: The City's obligation to pay the principal and interest on all bonds and other debt instruments according to a pre-determined payment schedule.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures. In Arlington, the Water and Sewer Fund and the Sanitary Landfill Fund are enterprise funds.

Expenditure: This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds.

Fiscal Year: The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Arlington has specified October 1 to September 30 as its fiscal year.

Franchise Fee: A fee paid by public service businesses for use of City streets, alleys and property in providing their services to the citizens of a community. Services requiring franchises include electricity, telephone, water, natural gas, cable television and sanitation.

General Fund: The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operation services, such as fire and police protection, parks and recreation, libraries, public works, transportation, and general administration.

General Obligation Bonds: Bonds that finance public projects such as streets, municipal facilities, and park improvements. The repayment of these bonds is made from property taxes, and these bonds are backed by the full faith and credit of the issuing government.

Homestead Exemption: A deduction from the total taxable assessed value of owner-occupied property. For FY 2005, the exemption in Arlington is 20%, with an additional \$60,000 for the elderly and disabled.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department to another department on a cost reimbursement basis. Examples in Arlington include the General Services Fund, the Communication Services Fund, the Information Technology Fund, and the Fleet Services Fund.

Modified Accrual Basis: A modified method of accrual basis accounting whereby revenues are recognized when they become both measurable and available for use during the year. For example, certain taxes (Sales and Alcoholic Beverage) are considered measurable when in the hands of intermediary collecting governments (State of Texas) and are recognized as revenue at that time. The City's General Fund utilizes this basis of accounting.

Operating Budget: The budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, fuel, and capital equipment.

Performance Measures: Quantitative measure of a program's effectiveness or efficiency (e.g., average time to dispatch an emergency 911 call). Often used in conjunction with workload measures (e.g., number of emergency 911 calls received) to evaluate and revise resource allocation strategies.

Program: An organized set of related work activities which are directed toward a common purpose or goal and represent a well-defined expenditure of City resources.

Budget Glossary

Program Budget: A budget which structures budget choices and information in terms of programs and their related activities, (i.e., repairing roads, treating water, etc.), provides information on what each program is committed to accomplish in the long run (goals) and in the short run (objectives), and measures the degree of achievement of program objectives (performance measures).

Program Description: Outlines the function of the program, the various activities involved in the program and other pertinent information about the program. It answers the question, “what does this program do?”

Program Goal: A general statement on the intended effect or purpose of the program’s activities. It includes terms such as: to provide (a service), to supply (a given need), to control, reduce, or eliminate (an occurrence), to maintain (standards), or to maximize (quality). A goal is not limited to a one-year time frame and should generally not change from year to year. A goal statement describes the essential reason for the program’s existence.

Program Objectives: Objectives are statements of the intended beneficial and/or tangible effects of a program’s activities. They are measurable, and related to the proposed budget year. They are specific targets toward which a manager can plan, schedule work activities, and make staff assignments. Objectives should quantifiably be addressed in terms such as: to increase an activity, to maintain a service level, to reduce the incidence, or to eliminate a problem.

Reserve: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Revenue: Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines and forfeitures, licenses and permits, and interest income.

Tax Rate: The amount of tax levied for each \$100 of assessed valuation. The FY 2005 tax rate for the City of Arlington is 64.80¢.