AGENDA
CITY COUNCIL - WORK SESSION
MONDAY, AUGUST 12, 2019
1371 WEST FM 550 - MCLENDON-CHISHOLM, TEXAS 75032
6:30 PM

Page		
	1.	**CALL TO ORDER**
	2.	**DISCUSS ANNUAL BUDGET FOR FISCAL YEAR 2019-2020**
3 - 57	2.1.	Discuss Certified Property Values, effective and rollback tax rates, expected revenue and expenditures, planning for public safety needs, proposal for wastewater rate analysis, employee salaries and benefits, fund balance policy, fee schedule including wastewater fees, and all related matters concerning adopting a budget for Fiscal Year 2019-2020. Staff Report Certified Property Values Effective & Rollback Preliminary Tax Rates 2019 Financial Report June 2019 MC 2020 Budget Worksheet (2) Wastewater Rate Analysis Engagement Proposal
	3.	**EXECUTIVE SESSION**
	3.1.	Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:074(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator/City Secretary; Assistant to the City Secretary; Building Permit Technician; Fire Chief/Fire Marshal; Assistant Fire Chief and Firefighters.
	4.	**RECONVENE REGULAR MEETING**

5. EXECUTIVE SESSION ACTION

6. ADJOURN

As authorized by Section 551.071(2) of the Texas Government Code, this meeting may be convened into closed Executive Session in order to seek confidential legal advice from the City Attorney on any agenda item herein.

I, Lisa Palomba, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted on or before 7:00 p.m., August 8, 2019 on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.

City of McLendon-Chisholm

Staff Report

Discuss Annual Budget for Fiscal Year 2019-2020

DATE:

August 12, 2019

BACKGROUND OF ISSUE:

Each year Rockwall County Central Appraisal District (RCAD) provides Certified Property Values so cities can determine the amount of ad valorem tax revenue for their upcoming budget.

RCAD also provides an Effective Tax Rate Worksheet that compares the 2018 adopted rates with 2019 effective and rollback rates.

The current tax rate adopted last year is 0.150000/$100 valuation. The maintenance and operations portion of the tax rate is 0.090735 and the debt rate is 0.059265.

This year's effective tax rate is the rate that would impose the same total taxes as last year if you compare properties taxed in both years. This year's effective tax rate is 0.142383/$100 valuation.

This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers may start tax rollback procedures. This year's rollback rate after being adjusted for sales tax to reduce property tax is 0.119743/$100 valuation.

The last two fiscal years, Council made extra debt payments. This pushed the rollback number higher. The rollback number above does not reflect any additional debt payment. Council may choose to increase the debt payment which will increase the rollback number. However, adding an extra debt payment to increase the rollback rate does not provide additional funds for the operating and maintenance side of the budget.

Additionally, in a previous election, voters approved a portion of sales tax to be designated for property tax relief. This also reduces the rollback rate by about a penny as the sales tax amount is deducted from owed ad valorem taxes.

At the July 15 City Council Retreat, Council identified several overall goals and priorities. These goals included 1) Creating and maintaining a strong public safety organization that includes fire protection/prevention and code enforcement; 2) Developing a strong sense of community with more seasonal and special events, social media presence, website enhancements and encouraging residents in the unincorporated areas of the City's ETJ to feel a sense of belonging to the City; 3) Update the Comprehensive Plan and 4) Define and attract the right kind of economic development for the City.

A municipal budget is a financial document but it is also a policy document that identifies and funds general operating and maintenance and debt obligation expenses. The general operating and maintenance (O & M) portion of the budget includes operating expenses and any identified programs, purchases and fund balance minimums. The interest and sinking (I & S) portion must go toward debt.

In 2018, the City was awarded a FEMA SAFER grant for the hiring of Fire Personnel for a 3 year period. The total grant award is $621,600. The federal share of the grant for years 1 and 2 is $252,000 and the City's share is $84,000 for years 1 and 2. The City is entering into year 2 of the grant. In year 3, the federal share is $117,600 and the City's share of expenses rises to $218,400. In order to fulfill the City's obligation in year 3 and maintain consistent service levels in year 4 and beyond, the City will have to add a minimum of $252,000 to the budget to sustain the Fire Department.

TxDOT has provided a Technical Report for building a replacement fire station with enough funds to design and build a fire station at no cost to the city. This is an approximately 4.5 million dollar value to the City. In order to achieve the Council's goal of creating a sustainable Fire Department and fulfilling the City's obligation in year 3 of the grant and maintaining service levels in years 4 and beyond, the City must begin to generate additional revenue.

CONSIDERATIONS FOR 2019-2020 BUDGET:

- Consider establishing a Fund Balance Policy. Most cities have a fund balance policy. A Fund Balance Policy establishes a key element of financial stability for the City of McLendon-Chisholm. The purpose of the City's Fund Balance Policy is to enable the City of McLendon-Chisholm to provide for a prompt response to unforeseen economic uncertainty, unexpected situations such as natural disaster, establish certain capital and operating reserves to provide sufficient cash flow to sustain operability. The policy establishes the appropriate level of reserves which the City will strive to maintain in its fund balance; how the target fund balances will be funded; and the conditions under which fund balances may be utilized.

- Consider identified goals and create a budget for FY 2019-2020 that is adequate to fund current maintenance and operations, sustain the fire department, add code enforcement services, create a Strategic Plan and/or update the Comprehensive Plan and fund appropriate levels of fund balance in addition to funding the City's debt service. City Councils typically adopt a budget and then determine the tax rate to support the budget.

Questions for Consideration:

1. Does Council wish to continue to make extra debt payments?

2. Does Council wish to sustain the same levels of fire protection/fire prevention in year 4 and beyond?

3. Does Council wish to fund code enforcement efforts?

4. Does Council wish to offer comparable pay and benefits to employees as compared to other area cities?

5. Does Council wish to fund a Strategic and/or Comprehensive Plan Update?

6. Does Council wish to adopt a fund balance policy and fund minimal levels to be identified in the policy?

RECOMMENDATION:

Staff recommends Council consider the questions above an discuss during the work session. Further, staff recommends Council review Council appointed personnel performance and determine if salary raises are warranted. Additionally, staff recommends that Council adopt a Fund Balance Policy with minimal levels of funding to be determined by Council. Finally, staff recommends adopting a tax rate that will support the goals identified at the July 15 Council Retreat and any determinations related to the above considerations.

Lisa Palomba, City Administrator

Rockwall
Central Appraisal District

July 17, 2019

CITY OF MCLENDON-CHISHOLM
LISA PALOMBA
1371 W FM 550
MCLENDON-CHISHOLM, TX 75032

RE: 2019 Certified Totals

Greetings,

The 2019 Certified Property Values and supporting reports, including the Top Ten Property Owners, are enclosed.

Effective, Notice of Hearing Limit and Rollback tax rates are being calculated at this time, and you may be contacted if additional information is needed. Completed calculations will be sent as soon as possible. If Rockwall Central Appraisal District does not calculate your tax rates, the information has been sent to the office that calculates for you.

If you have any questions, please contact me at kpassons@rockwallcad.com and cc Hannah at hcope@rockwallcad.com.

Sincerely,

Kevin R. Passons, RPA RTA RTC CCA

841 Justin Road
Rockwall, TX 75087
www.rockwallcad.com

Metro: 972-771-2034
Toll Free: 1-877-438-5304
Fax: 972-771-6871

STATE OF TEXAS §
COUNTY OF ROCKWALL §

CERTIFICATION OF 2019 APPRAISAL ROLL FOR CITY OF MCLENDON-CHISHOLM

I, Kevin R. Passons, Chief Appraiser for the Rockwall Central Appraisal District, do solemnly swear the attached is the portion of the approved Appraisal Records of the Rockwall Central Appraisal District which lists property taxable by City of McLendon-Chisholm and constitutes the appraisal roll for City of McLendon-Chisholm with the amounts listed on the attached totals pages, with the heading "Certified Totals".

I, Kevin R. Passons, do hereby certify that the sum of appraised values of all properties on which protest have been filed but not determined by the Appraisal Review Board, is five percent or less of the total appraised value of all other taxable properties, and that the following values are true and correct to the best of my knowledge:

NET TAXABLE VALUE	**$**	**489,279,949**
TAXABLE VALUE UNDER PROTEST	**$**	**1,425,544**
CERTIFIED TAXABLE VALUE	**$**	**487,854,405**
LESS FZ TAXABLE	**$**	**51,873,777**
FREEZE ADJUSTED TAXABLE	**$**	**435,980,628**

The value to be used in the tax rate calculation is the **CERTIFIED TAXABLE VALUE** shown above. The **TAXABLE VALUE UNDER PROTEST** is the sum total of value under protest for those properties shown on the attached list.

Approval of the appraisal records by the Rockwall County Appraisal District Board of Review occurred on the 15th day of July, 2019.

Kevin R. Passons
Chief Appraiser

Sworn and Subscribed before me this day 17th of July, 2019.

Hannah Cope
Notary Public

01/16/2023
Commissions Expires

HANNAH COPE
My Notary ID # 131856883
Expires January 16, 2023

PROPERTY TAX CODE, SECTION 26.01(a)

2019 CERTIFIED TOTALS

CMC - CITY OF MCLENDON-CHISHOLM
ARB Approved Totals

Property Count: 1,656 | 7/16/2019 3:40:45PM

Land		Value			
Homesite:		87,267,310			
Non Homesite:		44,799,494			
Ag Market:		64,461,794			
Timber Market:		0	Total Land	(+)	196,528,598
Improvement		**Value**			
Homesite:		368,680,197			
Non Homesite:		15,737,639	Total Improvements	(+)	384,417,836
Non Real	**Count**	**Value**			
Personal Property:	110	2,131,870			
Mineral Property:	0	0			
Autos:	0	0	Total Non Real	(+)	2,131,870
			Market Value	=	583,078,304
Ag	**Non Exempt**	**Exempt**			
Total Productivity Market:	64,072,994	388,800			
Ag Use:	292,080	2,370	Productivity Loss	(-)	63,780,914
Timber Use:	0	0	Appraised Value	=	519,297,390
Productivity Loss:	63,780,914	386,430			
			Homestead Cap	(-)	4,744,527
			Assessed Value	=	514,552,863
			Total Exemptions Amount (Breakdown on Next Page)	(-)	26,698,458
			Net Taxable	=	487,854,405

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count
OV65	58,987,283	51,873,777	66,785.68	66,834.28	168
Total	58,987,283	51,873,777	66,785.68	66,834.28	168
Tax Rate	0.150000				

Freeze Taxable	(-)	51,873,777
Freeze Adjusted Taxable	=	435,980,628

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
720,756.62 = 435,980,628 * (0.150000 / 100) + 66,785.68

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	9	270,000	0	270,000
DV1	10	0	71,000	71,000
DV2	5	0	37,500	37,500
DV3	8	0	80,000	80,000
DV4	21	0	55,250	55,250
DV4S	4	0	36,000	36,000
DVHS	27	0	11,840,748	11,840,748
DVHSS	1	0	217,910	217,910
EX-XR	1	0	47,040	47,040
EX-XV	12	0	8,189,530	8,189,530
EX366	13	0	3,480	3,480
OV65	205	5,850,000	0	5,850,000
	Totals	**6,120,000**	**20,578,458**	**26,698,458**

2019 CERTIFIED TOTALS

CMC - CITY OF MCLENDON-CHISHOLM
Under ARB Review Totals

Property Count: 4 7/16/2019 3:40:45PM

Land		Value			
Homesite:		368,550			
Non Homesite:		0			
Ag Market:		0			
Timber Market:		0	Total Land	(+)	368,550
Improvement		**Value**			
Homesite:		1,372,840			
Non Homesite:		0	Total Improvements	(+)	1,372,840
Non Real	**Count**	**Value**			
Personal Property:	0	0			
Mineral Property:	0	0			
Autos:	0	0	Total Non Real	(+)	0
			Market Value	=	1,741,390
Ag	**Non Exempt**	**Exempt**			
Total Productivity Market:	0	0			
Ag Use:	0	0	Productivity Loss	(-)	0
Timber Use:	0	0	Appraised Value	=	1,741,390
Productivity Loss:	0	0			
			Homestead Cap	(-)	80,154
			Assessed Value	=	1,661,236
			Total Exemptions Amount (Breakdown on Next Page)	(-)	0
			Net Taxable	=	1,661,236

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
2,491.85 = 1,661,236 * (0.150000 / 100)

Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

Exemption Breakdown

Exemption	Count	Local	State	Total
	Totals			

Land		Value			
Homesite:		87,635,860			
Non Homesite:		44,799,494			
Ag Market:		64,461,794			
Timber Market:		0	Total Land	(+)	196,897,148
Improvement		**Value**			
Homesite:		370,053,037			
Non Homesite:		15,737,639	Total Improvements	(+)	385,790,676
Non Real	**Count**	**Value**			
Personal Property:	110	2,131,870			
Mineral Property:	0	0			
Autos:	0	0	Total Non Real	(+)	2,131,870
			Market Value	=	584,819,694
Ag	**Non Exempt**	**Exempt**			
Total Productivity Market:	64,072,994	388,800			
Ag Use:	292,080	2,370	Productivity Loss	(-)	63,780,914
Timber Use:	0	0	Appraised Value	=	521,038,780
Productivity Loss:	63,780,914	386,430			
			Homestead Cap	(-)	4,824,681
			Assessed Value	=	516,214,099
			Total Exemptions Amount (Breakdown on Next Page)	(-)	26,698,458
			Net Taxable	=	489,515,641

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count			
OV65	58,987,283	51,873,777	66,785.68	66,834.28	168			
Total	58,987,283	51,873,777	66,785.68	66,834.28	168	Freeze Taxable	(-)	51,873,777
Tax Rate	0.150000							

Freeze Adjusted Taxable = 437,641,864

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
723,248.48 = 437,641,864 * (0.150000 / 100) + 66,785.68

Tax Increment Finance Value:	0
Tax Increment Finance Levy:	0.00

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	9	270,000	0	270,000
DV1	10	0	71,000	71,000
DV2	5	0	37,500	37,500
DV3	8	0	80,000	80,000
DV4	21	0	55,250	55,250
DV4S	4	0	36,000	36,000
DVHS	27	0	11,840,748	11,840,748
DVHSS	1	0	217,910	217,910
EX-XR	1	0	47,040	47,040
EX-XV	12	0	8,189,530	8,189,530
EX366	13	0	3,480	3,480
OV65	205	5,850,000	0	5,850,000
	Totals	**6,120,000**	**20,578,458**	**26,698,458**

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	1,031		$25,411,960	$425,221,661	$405,170,013
C1	VACANT LOTS AND LAND TRACTS	79		$0	$7,481,610	$7,481,610
D1	QUALIFIED OPEN-SPACE LAND	179	4,754.7106	$0	$64,072,994	$290,999
D2	IMPROVEMENTS ON QUALIFIED OP	63		$680	$1,039,282	$1,007,061
E	RURAL LAND, NON QUALIFIED OPE	183	923.3619	$788,850	$53,139,484	$50,343,299
F1	COMMERCIAL REAL PROPERTY	15		$0	$6,100,523	$6,100,523
L1	COMMERCIAL PERSONAL PROPE	88		$105,210	$1,694,300	$1,694,300
L2	INDUSTRIAL AND MANUFACTURIN	8		$0	$387,050	$387,050
O	RESIDENTIAL INVENTORY	113		$6,996,820	$15,701,350	$15,379,550
X	TOTALLY EXEMPT PROPERTY	26		$0	$8,240,050	$0
		Totals	5,678.0725	$33,303,520	$583,078,304	$487,854,405

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	4		$21,840	$1,741,390	$1,661,236
		Totals	0.0000	$21,840	$1,741,390	$1,661,236

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	1,035		$25,433,800	$426,963,051	$406,831,249
C1	VACANT LOTS AND LAND TRACTS	79		$0	$7,481,610	$7,481,610
D1	QUALIFIED OPEN-SPACE LAND	179	4,754.7106	$0	$64,072,994	$290,999
D2	IMPROVEMENTS ON QUALIFIED OP	63		$680	$1,039,282	$1,007,061
E	RURAL LAND, NON QUALIFIED OPE	183	923.3619	$788,850	$53,139,484	$50,343,299
F1	COMMERCIAL REAL PROPERTY	15		$0	$6,100,523	$6,100,523
L1	COMMERCIAL PERSONAL PROPE	88		$105,210	$1,694,300	$1,694,300
L2	INDUSTRIAL AND MANUFACTURIN	8		$0	$387,050	$387,050
O	RESIDENTIAL INVENTORY	113		$6,996,820	$15,701,350	$15,379,550
X	TOTALLY EXEMPT PROPERTY	26		$0	$8,240,050	$0
		Totals	5,678.0725	$33,325,360	$584,819,694	$489,515,641

New Value

TOTAL NEW VALUE MARKET:	$33,325,360
TOTAL NEW VALUE TAXABLE:	$32,300,650

New Exemptions

Exemption	Description	Count		
EX366	HB366 Exempt	3	2018 Market Value	$550
	ABSOLUTE EXEMPTIONS VALUE LOSS			**$550**

Exemption	Description	Count	Exemption Amount
DP	Disability	2	$60,000
DV1	Disabled Veterans 10% - 29%	2	$17,000
DV2	Disabled Veterans 30% - 49%	1	$7,500
DV3	Disabled Veterans 50% - 69%	2	$20,000
DV4	Disabled Veterans 70% - 100%	2	$12,000
DVHS	Disabled Veteran Homestead	2	$760,645
OV65	Over 65	20	$540,000
	PARTIAL EXEMPTIONS VALUE LOSS	31	**$1,417,145**
		NEW EXEMPTIONS VALUE LOSS	**$1,417,695**

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount

INCREASED EXEMPTIONS VALUE LOSS

TOTAL EXEMPTIONS VALUE LOSS **$1,417,695**

New Ag / Timber Exemptions

2018 Market Value	$700,840	Count: 6
2019 Ag/Timber Use	$6,530	
NEW AG / TIMBER VALUE LOSS	**$694,310**	

New Annexations

New Deannexations

Average Homestead Value

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
855	$427,805	$5,643	$422,162

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
749	$451,091	$5,776	$445,315

2019 CERTIFIED TOTALS

CMC - CITY OF MCLENDON-CHISHOLM

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
4	$1,741,390.00	$1,425,544

Tax Deferral Report

7/17/2019 11:26:34AM

Prop ID	Geo ID	Name	Legal Description	Exmp Code	Tax Deferral Date
12018	0166-0000-0006-	CHENAULT SAMUEL J	A0166 J C NEWELL, TRACT 6, ACRES 1, (PT OF 11.192 AC TR)	OV65	4/20/2010

Entities: CMC
Year: 2019
Sort Option: Name

For Entity : **CITY OF MCLENDON-CHISHOLM**
Year: **2019**
State Code: **<ALL>**

Owner ID	Taxpayer Name	Market Value	Taxable Value
1083087	DCR SITE MANAGEMENT LLC	$2,580,103	$2,580,103
86227	RUTLEDGE JAMES CHRISTOPHER	$2,085,680	$2,085,680
1083153	OAK NATIONAL HOLDINGS LLC	$2,069,760	$2,069,760
1070046	CHISHOLM ASSOCIATES LLC	$1,892,970	$1,892,970
1057308	RATTON STEVE & ROBYN	$1,704,360	$1,704,360
1075107	SPEERS TAYLOR AND AMANDA	$1,549,400	$1,549,400
1086501	CASTLEROCK COMMUNITIES LP	$1,500,880	$1,500,880
1085801	BRIGHT DWAINE AND CATHY	$1,484,170	$1,484,170
1051597	SHALABI AHMAD & DENA	$1,420,210	$1,396,329
1054214	GROUP PACIFIC HOLDINGS LLC	$1,388,050	$1,388,050

2019 Effective Tax Rate Worksheet

CITY OF MCLENDON-CHISHOLM

See pages 13 to 16 for an explanation of the effective tax rate.

1.	**2018 total taxable value.** Enter the amount of 2018 taxable value on the 2018 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in line 2) and the captured value for tax increment financing (will deduct taxes in line 14).[1]	$436,156,517
2.	**2018 tax ceilings.** Counties, Cities and Junior College Districts. Enter 2018 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0" If your taxing units adopted the tax ceiling provision in 2018 or prior year for homeowners age 65 or older or disabled, use this step.[2]	$49,834,486
3.	**Preliminary 2018 adjusted taxable value.** Subtract line 2 from line 1.	$386,322,031
4.	**2018 total adopted tax rate.**	$0.150000/$100
5.	**2018 taxable value lost because court appeals of ARB decisions reduced 2018 appraised value.** A. Original 2018 ARB values: $202,940 B. 2018 values resulting from final court decisions: - $191,400 C. 2018 value loss. Subtract B from A.[3]	$11,540
6.	**2018 taxable value, adjusted for court-ordered reductions.** Add line 3 and line 5C.	$386,333,571
7.	**2018 taxable value of property in territory the unit deannexed after January 1, 2018.** Enter the 2018 value of property in deannexed territory.[4]	$0
8.	**2018 taxable value lost because property first qualified for an exemption in 2018.** Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, "goods-in-transit" exemptions. A. Absolute exemptions. Use 2018 market value: $550 B. Partial exemptions. 2019 exemption amount or 2019 percentage exemption times 2018 value: + $1,417,145 C. Value loss. Add A and B.[5]	$1,417,695

1 Tex. Tax Code § 26.012(14)
2 Tex. Tax Code § 26.012(14)
3 Tex. Tax Code § 26.012(13)
4 Tex. Tax Code § 26.012(15)
5 Tex. Tax Code § 26.012(15)

2019 Effective Tax Rate Worksheet (continued)

CITY OF MCLENDON-CHISHOLM

9.	**2018 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2019.** Use only those properties that first qualified in 2019; do not use properties that qualified in 2018. A. 2018 market value: $700,840 B. 2019 productivity or special appraised value: - $6,530 C. Value loss. Subtract B from A.[6]	$694,310
10.	**Total adjustments for lost value.** Add lines 7, 8C and 9C.	$2,112,005
11.	**2018 adjusted taxable value.** Subtract line 10 from line 6.	$384,221,566
12.	**Adjusted 2018 taxes.** Multiply line 4 by line 11 and divide by $100.	$576,332
13.	**Taxes refunded for years preceding tax year 2018.** Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2018. Types of refunds include court decisions, Tax Code § 25.25(b) and (c) corrections and Tax Code § 31.11 payment errors. Do not include refunds for tax year 2018. This line applies only to tax years preceding tax year 2018.[7]	$470
14.	**Taxes in tax increment financing (TIF) for tax year 2018.** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2019 captured appraised value in Line 16D, enter "0".[8]	$0
15.	**Adjusted 2018 taxes with refunds and TIF adjustment.** Add lines 12 and 13, subtract line 14.[9]	$576,802
16.	**Total 2019 taxable value on the 2019 certified appraisal roll today.** This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 18). These homesteads includes homeowners age 65 or older or disabled.[10] A. **Certified values** only: $487,854,405 B. **Counties:** Include railroad rolling stock values certified by the Comptroller's office: + $0	

6 Tex. Tax Code § 26.012(15)
7 Tex. Tax Code § 26.012(13)
8 Tex. Tax Code § 26.03(c)
9 Tex. Tax Code § 26.012(13)
10 Tex. Tax Code § 26.012(15)

2019 Effective Tax Rate Worksheet (continued)

CITY OF MCLENDON-CHISHOLM

16. (cont.)	C. **Pollution control exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control property: D. **Tax increment financing:** Deduct the 2019 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2019 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in line 21 below.[11] E. **Total 2019 value.** Add A and B, then subtract C and D.	- $0 - $0	$487,854,405
17.	**Total value of properties under protest or not included on certified appraisal roll.**[12] A. **2019 taxable value of properties under protest.** The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.[13] B. **2019 value of properties not under protest or included on certified appraisal roll.** The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.[14]	$1,425,544 + $0	

11 Tex. Tax Code § 26.03(c)

12 Tex. Tax Code § 26.01(c)

13 Tex. Tax Code § 26.04 and 26.041

14 Tex. Tax Code § 26.04 and 26.041

2019 Effective Tax Rate Worksheet (continued)

CITY OF MCLENDON-CHISHOLM

17. (cont.)	C. **Total value under protest or not certified.** Add A and B.	$1,425,544
18.	**2019 tax ceilings.** Counties, cities and junior colleges enter 2019 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter "0". If your taxing units adopted the tax ceiling provision in 2018 or prior year for homeowners age 65 or older or disabled, use this step.[15]	$51,873,777
19.	**2019 total taxable value.** Add lines 16E and 17C. Subtract line 18.	$437,406,172
20.	**Total 2019 taxable value of properties in territory annexed after January 1, 2008.** Include both real and personal property. Enter the 2019 value of property in territory annexed.[16]	$0
21.	**Total 2019 taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in 2018. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after January 1, 2018 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2019.[17]	$32,300,650
22.	**Total adjustments to the 2019 taxable value.** Add lines 20 and 21.	$32,300,650
23.	**2019 adjusted taxable value.** Subtract line 22 from line 19.	$405,105,522
24.	**2019 effective tax rate.** Divide line 15 by line 23 and multiply by $100.[18]	$0.142383/$100
25.	**COUNTIES ONLY.** Add together the effective tax rates for each type of tax the county levies. The total is the 2019 county effective tax rate.[19]	$/$100

15 Tex. Tax Code § 26.012(6)

16 Tex. Tax Code § 26.012(17)

17 Tex. Tax Code § 26.012(17)

18 Tex. Tax Code § 26.04(c)

19 Tex. Tax Code § 26.04(d)

A county, city or hospital district that adopted the additional sales tax in November 2018 or in May 2019 must adjust its effective tax rate. *The Additional Sales Tax Rate Worksheet* on page 39 sets out this adjustment. Do not forget to complete the *Additional Sales Tax Rate Worksheet* if the taxing unit adopted the additional sales tax on these dates.

2019 Rollback Tax Rate Worksheet

CITY OF MCLENDON-CHISHOLM

See pages 17 to 21 for an explanation of the rollback tax rate.

26.	**2018 maintenance and operations (M&O) tax rate.**		$0.090735/$100
27.	**2018 adjusted taxable value. Enter the amount from line 11.**		$384,221,566
28.	**2018 M&O taxes.**		
	A. Multiply line 26 by line 27 and divide by $100.	$348,623	
	B. **Cities, counties and hospital districts with additional sales tax:** Amount of additional sales tax collected and spent on M&O expenses in 2018. Enter amount from full year's sales tax revenue spent for M&O in 2018 fiscal year, if any. Other units, enter "0." Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	+ $42,161	
	C. **Counties:** Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other units, enter "0."	+ $0	
	D. **Transferring function:** If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the unit discontinuing the function in the 12 months preceding the month of this calculation. If the unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the unit operated the function. The unit discontinuing the function will subtract this amount in H below. The unit receiving the function will add this amount in H below. Other units, enter "0."	+/- $0	

2019 Rollback Tax Rate Worksheet (continued)

CITY OF MCLENDON-CHISHOLM

28. (cont.)	E. Taxes refunded for years preceding tax year 2018: Enter the amount of M&O taxes refunded during the last budget year for tax years preceding tax year 2018. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2018. This line applies only to tax years preceding tax year 2018.	+ $282	
	F. **Enhanced indigent health care expenditures:** Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	+ $0	
	G. **Taxes in tax increment financing (TIF):** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2019 captured appraised value in Line 16D, enter "0."	- $0	
	H. **Adjusted M&O Taxes.** Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.		$391,066
29.	**2019 adjusted taxable value.** Enter line 23 from the Effective Tax Rate Worksheet.		$405,105,522
30.	**2019 effective maintenance and operations rate.** Divide line 28H by line 29 and multiply by $100.		$0.096534/$100
31.	**2019 rollback maintenance and operation rate.** Multiply line 30 by 1.08. (See lines 49 to 52 for additional rate for pollution control expenses.		$0.104256/$100

2019 Rollback Tax Rate Worksheet (continued)

CITY OF MCLENDON-CHISHOLM

32.	**Total 2019 debt to be paid with property taxes and additional sales tax revenue.** "Debt" means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the unit's budget as M&O expenses. A: **Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. List the debt in Schedule B: Debt Service. B: Subtract **unencumbered fund amount** used to reduce total debt. C: Subtract **amount paid** from other resources. D: **Adjusted debt.** Subtract B and C from A.	A: $148,113 B: -$0 C: -$25,000	$123,113
33.	**Certified 2018 excess debt collections.** Enter the amount certified by the collector.		$17,834
34.	**Adjusted 2019 debt.** Subtract line 33 from line 32.		$105,279
35.	**Certified 2019 anticipated collection rate.** Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.		98.000000%
36.	**2019 debt adjusted for collections.** Divide line 34 by line 35.		$107,428
37.	**2019 total taxable value.** Enter the amount on line 19.		$437,406,172
38.	**2019 debt tax rate.** Divide line 36 by line 37 and multiply by $100.		$0.024560/$100
39.	**2019 rollback tax rate.** Add lines 31 and 38.		$0.128816/$100
40.	**COUNTIES ONLY.** Add together the rollback tax rates for each type of tax the county levies. The total is the 2019 county rollback tax rate.		$/$100

A taxing unit that adopted the additional sales tax must complete the lines for the *Additional Sales Tax Rate*. A taxing unit seeking additional rollback protection for pollution control expenses completes the *Additional Rollback Protection for Pollution Control*.

Additional Sales Tax Rate Worksheet
CITY OF MCLENDON-CHISHOLM

41.	Units that adopted the sales tax in August or November 2018, or in January or May 2019. Enter the Comptroller's estimate of taxable sales for the previous four quarters. Units that adopted the sales tax before August 2018, skip this line.	$0
42.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2018, OR IN JANUARY OR MAY 2019. Multiply the amount on line 41 by the sales tax rate (.01, .005, or .0025, as applicable) and multiply the result by .95. -OR- UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2018. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$39,687
43.	2019 total taxable value. Enter the amount from line 37 of the *Rollback Tax Rate Worksheet* .	$437,406,172
44.	Sales tax adjustment rate. Divide line 42 by line 43 and multiply by $100.	$0.009073/$100
45.	2019 effective tax rate, unadjusted for sales tax. Enter the rate from line 24 or 25, as applicable, on the *Effective Tax Rate Worksheet*.	$0.142383/$100
46.	2019 effective tax rate, adjusted for sales tax. UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2018, OR IN JANUARY OR MAY 2019. Subtract line 45 from line 46. -OR- UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2018. Enter line 46, do not subtract.	$0.142383/$100
47.	2019 rollback tax rate, unadjusted for sales tax. Enter the rate from line 39 or 40, as applicable, of the rollback tax rate worksheet.	$0.128816/$100
48.	2019 rollback tax rate, adjusted for sales tax. Subtract line 44 from line 47.	$0.119743/$100

If the additional sales tax rate increased or decreased from last year, contact the Comptroller's office for special instructions on calculating the sales tax projection for the first year after the rate change.

Additional Rollback Protection for Pollution Control Worksheet

CITY OF MCLENDON-CHISHOLM

49.	Certified expenses from TCEQ. Enter the amount certified in the determination letter from TCEQ. The taxing unit shall provide its assessor with a copy of the letter. See Part 3, the Rollback Rate, for more details.	$0
50.	2019 total taxable value. Enter the amount from line 37 of the *Rollback Tax Rate Worksheet*.	$437,406,172
51.	Additional rate for pollution control. Divide line 49 by line 50 and multiply by 100.	$0.000000/$100
52.	2019 rollback tax rate, adjusted for pollution control. Add line 51 to one of the following lines (as applicable): line 39, line 40 (counties) or line 48 (units with the additional sales tax).	$0.119743/$100

2019 Notice of Effective Tax Rate
Worksheet for Calculation of Tax Increase/Decrease

Entity Name: CITY OF MCLENDON-CHISHOLM **Date:** 07/25/2019

1. 2018 taxable value, adjusted for court-ordered reductions. Enter line 6 of the Effective Tax Rate Worksheet.	$386,333,571
2. 2018 total tax rate. Enter line 4 of the Effective Tax Rate Worksheet.	0.150000
3. Taxes refunded for years preceding tax year 2018. Enter line 13 of the Effective Tax Rate Worksheet.	$470
4. Last year's levy. Multiply Line 1 times Line 2 and divide by 100. To the result, add Line 3.	$579,970
5. 2019 total taxable value. Enter Line 18 of the Effective Tax Rate Worksheet.	$437,406,172
6. 2019 effective tax rate. Enter line 23 of the Effective Tax Rate Worksheet or Line 46 of the Additional Sales Tax Rate Worksheet.	0.142383
7. 2019 taxes if a tax rate equal to the effective tax rate is adopted. Multiply Line 5 times Line 6 and divide by 100.	$622,792
8. Last year's total levy. Sum of line 4 for all funds.	$579,970
9. 2019 total taxes if a tax rate equal to the effective tax rate is adopted. Sum of line 7 for all funds.	$622,792
10. Tax Increase (Decrease). Subtract Line 8 from Line 9.	$42,822

CITY OF MCLENDON-CHISHOLM
Tax Rate Recap for 2019 Tax Rates

Description of Rate	Tax Rate Per $100	Tax Levy This is calculated using the Total Adjusted Taxable Value (line 19) of the Effective Tax Rate Worksheet	Additional Tax Levy Compared to last year's tax levy of 654,235	Additional Tax Levy Compared to effective tax rate levy of 622,792
Last Year's Tax Rate	0.150000	$656,109	$1,874	$33,317
Effective Tax Rate	0.142383	$622,792	$-31,443	$0
Notice & Hearing Limit*	0.119743	$523,763	$-130,472	$-99,029
Rollback Tax Rate	0.119743	$523,763	$-130,472	$-99,029
Proposed Tax Rate	0.000000	$0	$-654,235	$-622,792

Effective Tax Rate Increase in Cents per $100

0.00	0.142383	622,792	-31,443	0
0.50	0.147383	644,662	-9,572	21,870
1.00	0.152383	666,533	12,298	43,741
1.50	0.157383	688,403	34,168	65,611
2.00	0.162383	710,273	56,038	87,481
2.50	0.167383	732,144	77,909	109,352
3.00	0.172383	754,014	99,779	131,222
3.50	0.177383	775,884	121,649	153,092
4.00	0.182383	797,754	143,520	174,962
4.50	0.187383	819,625	165,390	196,833
5.00	0.192383	841,495	187,260	218,703
5.50	0.197383	863,365	209,131	240,573
6.00	0.202383	885,236	231,001	262,444
6.50	0.207383	907,106	252,871	284,314
7.00	0.212383	928,976	274,742	306,184
7.50	0.217383	950,847	296,612	328,055
8.00	0.222383	972,717	318,482	349,925
8.50	0.227383	994,587	340,353	371,795
9.00	0.232383	1,016,458	362,223	393,666
9.50	0.237383	1,038,328	384,093	415,536
10.00	0.242383	1,060,198	405,963	437,406
10.50	0.247383	1,082,069	427,834	459,276
11.00	0.252383	1,103,939	449,704	481,147
11.50	0.257383	1,125,809	471,574	503,017
12.00	0.262383	1,147,679	493,445	524,887
12.50	0.267383	1,169,550	515,315	546,758
13.00	0.272383	1,191,420	537,185	568,628
13.50	0.277383	1,213,290	559,056	590,498
14.00	0.282383	1,235,161	580,926	612,369
14.50	0.287383	1,257,031	602,796	634,239

- *Notice & Hearing Limit Rate: This is the highest tax rate that may be adopted without notices and a public hearing. It is the lower of the rollback tax rate or the effective tax rate.
- School Districts: The school tax rate limit is $1.50 for M&O, plus $0.50 for 'New' debt plus a rate for 'Old' debt. 'Old' debt is debt authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992. All other debt is 'New' debt.

Tax Levy: This is calculated by taking the adjusted taxable value (line 19 of Effective Tax Rate Worksheet), multiplying by the appropriate rate, such as the Effective Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 34 of the Rollback Tax Rate Worksheet), multiplying by the appropriate rate, dividing by 100 and then adding this year's frozen tax levy on homesteads of the elderly.

Additional Levy Last Year: This is calculated by taking Last Year's taxable value (line 3 of Effective Tax Rate Worksheet), multiplying by Last Year's tax rate (line 4 of Effective Tax Rate Worksheet) and dividing by 100.

For School Districts: This is calculated by taking Last Year's taxable value, subtracting Last Year's taxable value for the elderly, multiplying by Last Year's tax rate, dividing by 100 and adding Last Year's tax ceiling.

Additional Levy This Year: This is calculated by taking the current adjusted taxable value, multiplying by the Effective Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 34 of the Rollback Tax Rate Worksheet), multiplying by the Effective Tax Rate, dividing by 100 and adding This Year's tax ceiling.

COUNTIES ONLY: All figures in this worksheet include ALL County Funds. Tax Levy amounts are the sum of each Fund's Taxable Value X each Fund's Tax Rate.

2019 Property Tax Rates in CITY OF MCLENDON-CHISHOLM

This notice concerns 2019 property tax rates for CITY OF MCLENDON-CHISHOLM. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per $100 of property value.

Last year's tax rate:

Last year's operating taxes	$389,312
Last year's debt taxes	$254,285
Last year's total taxes	$643,597
Last year's tax base	$384,221,566
Last year's total tax rate	0.150000/$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	$576,802
÷This year's adjusted tax base (after subtracting value of new property)	$405,105,522
=This year's effective tax rate	0.142383/$100

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate and/or enhanced indigent health care expenditures)	$391,066
÷This year's adjusted tax base	$405,105,522
=This year's effective operating rate	0.096534/$100
×1.08 = this year's maximum operating rate	0.104256/$100
+This year's debt rate	0.024560/$100
=This year's rollback rate	0.128816/$100

A hospital district or city that collects the additional sales tax to reduce property taxes, including one that collects the tax for the first time this year, must insert the following lines:

-Sales tax adjustment rate	0.009073/$100
=Rollback tax rate	0.119743/$100

Statement of Increase/Decrease

If CITY OF MCLENDON-CHISHOLM adopts a 2019 tax rate equal to the effective tax rate of 0.142383 per $100 of value, taxes would increase compared to 2018 taxes by $ 42,822.

Schedule A: Unencumbered Fund Balances:

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
Unencumbered Funds	0

Schedule B: 2019 Debt Service:

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Debt Principal and Interest	90,000	58,113	0	148,113

	Total required for 2019 debt service	$148,113
-	Amount (if any) paid from funds listed in Schedule A	$0
-	Amount (if any) paid from other resources	$25,000
-	Excess collections last year	$17,834
=	Total to be paid from taxes in 2019	$105,279
+	Amount added in anticipation that the unit will collect only 98.000000% of its taxes in 2019	$2,149
=	Total Debt Levy	$107,428

Schedule C - Expected Revenue from Additional Sales Tax

(For hospital districts, cities and counties with additional sales tax to reduce property taxes)
In calculating its effective and rollback tax rates, the unit estimated that it will receive $ 39,687 in additional sales and use tax revenues. **For County:** The county has excluded any amount that is or will be distributed for economic development grants from this amount of expected sales tax revenue.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 841 Justin Road, Rockwall, TX 75087.
Name of person preparing this notice: Kevin R. Passons
Title: Chief Appraiser
Date prepared: July 25, 2019

City of McLendon-Chisholm
Operating Fund Financial Summary
For the Ninth Month Ended June 30, 2019

	Current Period Revenue & Expenditures				Prior Period Revenue & Expenditures				
	June 2019 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2018-2019 Budget	June 2018 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2017-2018 Amended Budget	FY 2017-2018 Actual
Revenue									
301 · SpringFest	-	-	- %	$ -	-	-	- %	$ -	$ -
302 · Franchise Income	18,023	162,469	105%	154,830	14,415	140,606	91%	154,839	159,914
303 · Development Income	1,300	14,730	51%	29,000	400	95,714	84%	114,314	96,764
304 · Building Permit Income	46,592	249,407	51%	492,419	35,578	371,541	72%	514,577	570,038
305 Municipal Court Income	-	1,859	620%	300	-	2,118	105%	2,012	2,118
306 · Interest Income	1,617	13,395	- %	-	1,230	6,832	- %	-	10,445
307 · Sign Permit Income	-	100	- %	-	-	-	- %	-	-
308 · Septic Fees	500	5,800	32%	17,885	3,700	16,250	91%	17,885	19,900
309 Food Enforcement	-	1,050	175%	600	-	900	105%	855	900
310 · Sales Tax Revenue	19,399	151,286	98%	154,603	14,480	122,973	80%	154,603	206,341
311 · PID Admin Expense Reimbursement	-	690	- %	4,750	-	150	3%	4,750	150
312 · Sewer Utility Admin Reimbursement	-	-	- %	-	-	-	- %	-	-
313 · Donations	(740)	709	142%	500	510	510	- %	-	210
314 · Copies Public Inf. Income	-	133	- %	-	-	203	- %	-	203
315 · Miscellaneous Income	-	-	- %	-	-	69,928	- %	1,763	69,928
317 · Ad Valorem Tax	3,659	385,895	110%	350,579	2,685	345,249	101%	341,183	346,822
318 · Tax Certifications	5	70	- %	-	-	8	- %	-	8
320 - NSF Fee Revenue	-	-	- %	-	-	8	- %	-	8
321 · Credit Card Fee Revenue	51	537	36%	1,501	44	1,495	113%	1,328	1,529
Total Revenue	$ 90,406	$ 988,129	82%	$ 1,206,967	$ 73,042	$ 1,174,484	90%	$ 1,308,109	$ 1,485,277
Expenditures									
Operating Expenditures									
401 · Municipal Court	$ -	$ 7	- %	$ 1,515	$ 555	$ 1,515	150%	$ 1,008	$ 1,515
402 · Election Expense	-	12,069	- %	10,000	8,580	$ 8,580	78%	11,000	8,580
404 · Citation Delivery	-	-	- %	-	-	$ -	0%	79	-
410 · Building Inspections	12,875	83,319	53%	155,818	20,250	$ 92,077	49%	186,040	117,752
411 · Environment Regulation Expense	410	5,355	51%	10,465	2,000	$ 7,815	74%	10,519	9,905
415 · Section 380 Grant Program	3,764	3,764		-	-	$ -	- %	-	1,931
416 · Bad Debt	-	-		-	-	$ -	- %	-	20,620
418 · Membership Fees	-	1,556	52%	3,000	-	$ 2,620	95%	2,751	3,840

City of McLendon-Chisholm
Operating Fund Financial Summary
For the Ninth Month Ended June 30, 2019

	Current Period Revenue & Expenditures				*Prior Period Revenue & Expenditures*				
	June 2019 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2018-2019 Budget	June 2018 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2017-2018 Amended Budget	FY 2017-2018 Actual
422 · Public Notice Expense	**651**	**10,945**	**488%**	**2,243**	688	$ 1,693	184%	918	3,463
423 · Community Functions	**-**	**156**	**3%**	**5,464**	-	$ 1,781	99%	1,803	1,781
426 · Appraisal District Collection	**-**	**4,797**	**82%**	**5,883**	1,471	$ 4,412	71%	6,178	5,883
430 · Public Safety	**26,364**	**173,967**	**46%**	**375,211**	95,781	$ 102,856	103%	100,192	116,417
Total 400 Operating Expenditures	**44,064**	**295,934**	**52%**	**569,599**	$ 129,325	$ 223,348	70%	$ 320,488	$ 291,687
Occupancy Expenditures									
502 · Electricity	**244**	**$ 1,913**	**49%**	**$ 3,915**	266	$ 2,804	60%	$ 4,661	$ 3,712
506 · Water	**268**	**2,584**	**29%**	**8,952**	745	$ 6,717	68%	9,928	8,892
510 · Propane Gas	-	**-**	**0%**	**788**	-	$ -	0%	788	-
514 · Building Maint/Improvements	1,221	**10,029**	**187%**	**5,356**	6	$ 3,945	57%	6,907	6,145
516 · Lawn Maintenance	685	**6,164**	**76%**	**8,144**	685	$ 6,774	67%	10,131	8,829
517 - Council Meeting Expenses	-	**-**	**- %**	**-**	-	$ -	- %	-	-
518 · Janitorial	-	**40**	**1%**	**4,181**	360	$ 4,002	70%	5,736	4,281
520 · Telephone & Internet	465	**4,339**	**57%**	**7,593**	605	$ 5,778	73%	7,902	7,444
521 · iPad Data Plan	-	**-**	**- %**	**-**	-	$ -	- %	-	-
522 · Website Expense	-	**598**	**50%**	**1,202**	385	$ 602	264%	228	1,826
Total 500 Occupancy Expenditures	**$ 2,882**	**$ 25,666**	**64%**	**$ 40,131**	$ 3,051	$ 30,621	66%	$ 46,281	$ 41,130
General & Administrative Expenditures									
601 · Architect Fee	$ -	$ -	- %	$ -	$ -	$ -	- %	$ -	$ -
602 · County Clerk Ordinance Filings	-	-	- %	-	-	-	- %	-	-
603 · Citizen Recognition	-	**-**	**0%**	**500**	-	-	0%	500	-
604 · Municipal Manuals, Books & Maps	-	**70**	**1%**	**12,803**	-	1,022	95%	1,073	1,022
606 · Employee Costs	11,347	**137,533**	**69%**	**199,218**	35,145	183,958	73%	250,371	247,144
618 · Liability Insurance	-	**5,872**	**64%**	**9,227**	2,046	8,827	124%	7,120	9,896
619 · Software Subscriptions	467	**17,469**	**116%**	**15,000**	297	2,418	116%	2,081	7,757
621 · IT Support	600	**3,425**	**69%**	**5,000**	225	2,205	73%	3,024	2,880
622 · Office Supplies - City Hall	98	**2,638**	**84%**	**3,124**	206	2,959	70%	4,221	3,195
623 · Office Equipment	-	**2,265**	**85%**	**2,655**	235	2,086	76%	2,735	2,654
624 · Office Equip Maintenance	-	**1,243**	**44%**	**2,798**	1,546	3,144	120%	2,625	5,614

City of McLendon-Chisholm
Operating Fund Financial Summary
For the Ninth Month Ended June 30, 2019

	Current Period Revenue & Expenditures				*Prior Period Revenue & Expenditures*				
	June 2019 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2018-2019 Budget	June 2018 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2017-2018 Amended Budget	FY 2017-2018 Actual
625 · Printed Materials	**277**	**1,660**	**111%**	**1,502**	234	1,360	50%	2,732	2,192
626 · Postage-City Hall	**148**	**3,227**	**92%**	**3,491**	44	3,371	76%	4,451	3,485
627 - County Plat Expense		**-**			-	150	95%	158	150
628 · Bank Fees	**62**	**1,283**	**127%**	**1,010**	95	1,424	79%	1,801	1,600
630 · Legal & Professional		**-**				-			
63001-Accounting & Payroll services	**4,818**	**47,019**	**94%**	**50,000**	4,559	43,739	71%	62,000	64,129
63002 - Financial Audit	**-**	**9,500**	**63%**	**15,000**		8,800	100%	8,800	8,800
63003 - Legal	**-**	**28,210**	**23%**	**124,000**	9,000	85,206	70%	121,653	116,007
63005 - City Planner	**1,440**	**39,247**	**149%**	**26,376**	4,242	26,303	101%	25,980	41,157
63008 - Financial Consulting	**1,946**	**16,503**	**- %**	**-**		-	0%	-	-
633 · Penalties & Fees	**-**	**32**	**- %**	**-**	-	-	- %	-	-
634 · Storage	**-**	**-**	**- %**	**-**	-	-	0%	1,045	-
645 · Transcription Services	**-**	**3,104**	**- %**	**-**	-	1,238	95%	1,300	1,238
646 · Mileage Expense	**304**	**484**	**46%**	**1,052**	34	950	99%	961	950
647 · Council Meetings & Development	**189**	**391**	**10%**	**3,996**	11	1,259	86%	1,463	1,369
648 · Training	**1,140**	**3,958**	**79%**	**5,000**	175	3,842	105%	3,666	6,377
649 · Expense Account - City Administrator	**-**	**-**	**0%**	**126**	-	-	0%	126	-
650 · Expense Account - Mayor	**-**	**-**	**0%**	**105**	-	-	0%	105	-
652 · Staff Appreciation	**-**	**760**	**380%**	**200**	29	29	28%	105	29
655 · Code of Ordinance	**-**	**1,000**	**13%**	**8,000**	-	1,000	7%	14,100	1,375
699 · Miscellaneous Expense	**-**	**246**	**164%**	**150**	-	98	95%	103	98
Total G & A Expenditures	**$ 22,836**	**327,137**	**67%**	**$ 490,333**	$ 58,124	$ 385,388	74%	$ 524,299	$ 529,118
700 · Capital Expenditures - Public Safety	**5,139**	**$ 80,038**	**133%**	**$ 60,000**	$ 156,363		0%	$ 223,950	$ 250,341
700 · Capital Expenditures - Operating	**$ -**	**$ 19,400**	**61%**	**$ 32,000**		9,491	35%	$ 27,000	$ 17,166
Total Capital Expenditures	**$ 5,139**	**$ 99,438**	**108%**	**$ 92,000**	$ 156,363	$ 9,491	4%	$ 250,950	$ 267,507
Total Expenditures	**$ 74,920**	**$ 748,176**	**63%**	**$ 1,192,063**	$ 346,863	$ 648,848	57%	$ 1,142,018	$ 1,129,442
Surplus (Deficit)	**$ 15,485**	**$ 239,954**	**1610%**	**$ 14,904**	$ (273,822)	$ 525,636	316%	$ 166,091	$ 355,835

City of McLendon-Chisholm
Utility Fund Financial Summary
For the Ninth Month Ended June 30, 2019

	Current Period Revenue & Expenditures				Prior Period Revenue & Expenditures				
	June 2019 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2017-2018 Budget	June 2018 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2017-2018 Amended Budget	FY 2017-2018 Actual
Revenue									
306 · Interest Income	$ 727.39	$ 6,863	132%	$ 5,206	$ 584.13	$ 3,466	73%	$ 4,755	5,522
Sewer Utility Revenue						$ -			
32200 · Sewer Usage Fees	17,099	157,171	98%	159,653	13,599	$ 119,753	75%	159,518	159,079
32201 · Sewer Tap Fees	18,000	87,000	46%	189,000	18,000	$ 144,000	76%	189,000	219,000
32204 · Sewer Deposit Refunds	(80)	(883)	57%	(1,540)	(15)	$ (1,540)	101%	(1,525)	(1,720)
32206 · Sewer Warranty Reimbusements	-	-	- %	-	-	$ -	- %	-	-
Total Revenue	35,746	$ 250,151	71%	$ 352,319	32,168	$ 265,678	76%	$ 351,748	381,881
Expenditures									
Operation & Maintenance Expenditures									
Sewer Operation & Maintenance	-				-				
41304 · O&M Agreement	9,326	47,666	101%	$ 47,094	5,859.86	37,555	84%	$ 44,640	48,850
41308 · Electricity	-	-	0%	42	-	42	16%	258	42
41310 · Sewer Treatment	16,500.00	153,829	197%	78,000	7,321.59	64,359	188%	34,204	93,886
41312 · Tap Fee Developer Rebate	10,800.00	52,200	46%	113,400	10,800	86,400	76%	113,400	131,400
Total Operations Expenditures	$ 36,626	$ 253,695	106%	$ 238,536	$ 23,981	$ 188,357	98%	$ 192,502	274,179
600 · General & Administrative Exp	$ 644	$ 7,357	55%	$ 13,260	1411.5	$ 12,434	94%	$ 13,200	16,733
Total Expenditures	37,270	$ 261,051	104%	$ 251,796	25,393	$ 200,790	98%	$ 205,702	$ 290,912
Surplus (Deficit)	(1,523)	$ (10,900)	-11%	$ 100,523	6,775	$ 64,888	44%	$ 146,046	$ 90,969

City of McLendon-Chisholm
Detail Statement of Revenue Expenditures by Fund
For the Month of June, 2019

	Interest and Sinking Fund	Operating Fund	Public Safety	Utilities Fund
Income				
302 · Franchise Income				
30213-1 · Community Waste Disposal	0.00	7,797.44	0.00	0.00
30220 · Oncor Electric Delivery	0.00	10,225.68	0.00	0.00
Total 302 · Franchise Income	0.00	18,023.12	0.00	0.00
303 · Development Income				
30301 · BOA	0.00	900.00	0.00	0.00
30304 · Plat Income	0.00	400.00	0.00	0.00
Total 303 · Development Income	0.00	1,300.00	0.00	0.00
304 · Building Permit Income				
30401 · Contractor Registration Fee Inc	0.00	400.00	0.00	0.00
30404 · Re-Inspection Income	0.00	8,325.00	0.00	0.00
30405 · Building Permit & Plan Review	0.00	37,866.97	0.00	0.00
Total 304 · Building Permit Income	0.00	46,591.97	0.00	0.00
306 · Interest Income				
30600 · Alliance Interest Income	0.00	164.16	0.00	114.00
30602 · Logic Interest Income	266.92	1,415.58	0.00	613.39
30603 · Tex Pool Interest Income	0.00	36.80	0.00	0.00
30607 · Wilmington Accrued Int Income	359.75	0.00	0.00	0.00
Total 306 · Interest Income	626.67	1,616.54	0.00	727.39
308 · Septic Fees				
30801 · OSSF Fee Income	0.00	500.00	0.00	0.00
Total 308 · Septic Fees	0.00	500.00	0.00	0.00
310 · Sales Tax Revenue	0.00	19,399.10	0.00	0.00
313 · Donations				
313.2 · Veterans Memorial Fundraising C	0.00	-740.00	0.00	0.00
Total 313 · Donations	0.00	-740.00	0.00	0.00
317 · Ad Valorem Tax				
31701 · Ad Valorem Tax - M&O	0.00	3,222.41	0.00	0.00
31702 · Ad Valorem Tax - City Hall	2,104.74	0.00	0.00	0.00
31703 · Ad Valorem Refunds - M&O	0.00	0.00	0.00	0.00
31705 · Ad Valorem Tax - Prior Years	10.00	14.70	0.00	0.00
31706 · Ad Valorem Tax - Penalty	187.39	286.85	0.00	0.00
31708 · Ad Valorem Refunds - City Hall	0.00	0.00	0.00	0.00
31709 · Ad Valorem Tax - Interest	87.95	134.56	0.00	0.00
31710 · Ad Valorem Tax - Misc Adj	0.00	0.00	0.00	0.00
Total 317 · Ad Valorem Tax	2,390.08	3,658.52	0.00	0.00
318 · Tax Certifications	0.00	5.19	0.00	0.00
319 · Grants	0.00	0.00	27,038.04	0.00
321 · Credit Card Fee Revenue	0.00	51.10	0.00	0.00
322 · Sewer Utility Revenue				
32200 · Sewer Usage Fees	0.00	0.00	0.00	17,098.90
32201 · Sewer Tap Fees	0.00	0.00	0.00	18,000.00
32204 · Sewer Deposit Refunds	0.00	0.00	0.00	-80.00
Total 322 · Sewer Utility Revenue	0.00	0.00	0.00	35,018.90
Total Income	3,016.75	90,405.54	27,038.04	35,746.29
Gross Profit	3,016.75	90,405.54	27,038.04	35,746.29
Expense				
400 · Operating Expenditures				
410 · Building Inspections				
41003 · Building Inspections	0.00	12,875.00	0.00	0.00
Total 410 · Building Inspections	0.00	12,875.00	0.00	0.00
411 · Environment Regulation Expense				
41101 · Septic Inspection Fee	0.00	400.00	0.00	0.00
41102 · TCEQ	0.00	10.00	0.00	0.00
Total 411 · Environment Regulation Expense	0.00	410.00	0.00	0.00
415 · Section 380 Grant Program	0.00	3,763.52	0.00	0.00
422 · Public Notice Expense	0.00	651.00	0.00	0.00
Total 400 · Operating Expenditures	0.00	17,699.52	0.00	0.00
413 · Sewer Operation & Maintenance				

City of McLendon-Chisholm
Detail Statement of Revenue Expenditures by Fund
For the Month of June, 2019

	Interest and Sinking Fund	Operating Fund	Public Safety	Utilities Fund
41304 · O&M Agreement	0.00	0.00	0.00	9,325.78
41310 · Sewer Treatment	0.00	0.00	0.00	16,500.00
41312 · Tap Fee Developer Rebate	0.00	0.00	0.00	10,800.00
Total 413 · Sewer Operation & Maintenance	0.00	0.00	0.00	36,625.78
430 · Public Safety				
43002 · Fuel	0.00	0.00	1,745.68	0.00
43003 · Maintenance & Repair - Vehicles	0.00	0.00	897.58	0.00
43004 · Maintenance & Repair - Station	0.00	0.00	88.69	0.00
43005 · Gear and Supplies	0.00	0.00	6,481.13	0.00
43030 · EMS	0.00	0.00	993.26	0.00
43035 · Street Lights	0.00	0.00	230.32	0.00
Total 430 · Public Safety	0.00	0.00	10,436.66	0.00
500 · Occupancy Expenditures				
502 · Electricity	0.00	243.85	225.87	0.00
506 · Water	0.00	267.73	29.90	0.00
512 · Trash	0.00	0.00	111.61	0.00
514 · Building Maint/Improvements	0.00	1,220.50	0.00	0.00
516 · Lawn Maintenance	0.00	684.94	0.00	0.00
520 · Telephone & Internet	0.00	464.94	190.09	0.00
Total 500 · Occupancy Expenditures	0.00	2,881.96	557.47	0.00
600 · General & Administrative Exp				
606 · Employee Costs				
60601 · Staff Salaries	0.00	9,166.40	38,863.82	0.00
60609 · Payroll Tax Expense	0.00	701.23	2,968.63	0.00
60612 · Retirement Plan Contributions	0.00	609.38	2,857.12	0.00
60613 · Health Insurance Expense	0.00	869.87	3,024.82	0.00
60620 · Payroll Adjustment	0.00	0.00	-5,315.35	0.00
Total 606 · Employee Costs	0.00	11,346.88	42,399.04	0.00
619 · Software Subscriptions	0.00	467.39	0.00	0.00
621 · IT Support	0.00	600.00	0.00	0.00
622 · Office Supplies - City Hall	0.00	97.94	0.00	0.00
625 · Printed Materials	0.00	277.00	0.00	0.00
626 · Postage-City Hall	0.00	147.97	0.00	0.00
628 · Bank Fees				
62801 · Service Charges	0.00	62.20	0.00	0.00
62804 · Fee - NSF Returned Check	0.00	0.00	0.00	63.50
Total 628 · Bank Fees	0.00	62.20	0.00	63.50
630 · Legal & Professional				
63001 · Accounting & Payroll Services	0.00	4,817.75	0.00	580.25
63005 · City Planner	0.00	1,440.00	0.00	0.00
63008 · Financial Consulting	0.00	1,946.25	0.00	0.00
Total 630 · Legal & Professional	0.00	8,204.00	0.00	580.25
646 · Mileage Expense	0.00	303.77	0.00	0.00
647 · Council Meetings & Development	0.00	188.91	0.00	0.00
648 · Training	0.00	1,139.71	9.17	0.00
660 · Bond Interest Expense	4,988.50	0.00	0.00	0.00
Total 600 · General & Administrative Exp	4,988.50	22,835.77	42,408.21	643.75
Total Expense	4,988.50	43,417.25	53,402.34	37,269.53
Net Ordinary Income	-1,971.75	46,988.29	-26,364.30	-1,523.24
Other Income/Expense				
Other Expense				
802 · Bond Cost Amortization	242.66	0.00	0.00	0.00
803 · Bond Premium Amortization	-828.48	0.00	0.00	0.00
Total Other Expense	-585.82	0.00	0.00	0.00
Net Other Income	585.82	0.00	0.00	0.00
Net Income	**-1,385.93**	**46,988.29**	**-26,364.30**	**-1,523.24**

City of McLendon-Chisholm
Interest Sinking Fund Financial Summary
For the Ninth Month Ended June 30, 2019

	Current Period Revenue & Expenditures				Prior Period Revenue & Expenditures				
	June 2019 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2018-2019 Budget	June 2018 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2017-2018 Amended Budget	FY 2017-2018 Actual
Revenue									
Ad Valorem Tax									
317 · Ad Valorem Tax	**$ 2,390**	**251,731**	**110%**	**$ 228,985**	$ 1,869	235,693	99%	$ 238,651	236,763
306 · Interest Income	$ 627	**4,915**	**- %**	**-**	366.52	1,339	84%	1,586	1,898
Transfer from Excess Bond Proceeds		**-**	**- %**	**-**		62,532	100%	62,352	62,532
Transfer From 2017 Surplus		**-**	**- %**	**-**		33,714	100%	33,714	33,714
Total Revenue and Transfers In	**$ 3,017**	**$ 256,645**	**112%**	**$ 228,985**	$ 2,236	$ 333,278	99%	$ 336,303	334,907
Expenditures									
628 · Bank Fees Expense		**2,850**							
660 · Bond Interest Expense	**$ 4,989**	**44,897**	**75%**	**$ 59,862**	5,112	46,008	75%	$ 61,562	61,344
802 · Bond Cost Amortization	**243**	**2,185**	**- %**	**-**	243	2,184	75%	2,914	2,912
803 · Bond Premium Amortization	**(828)**	**(7,456)**	**- %**	**-**	(842)	(7,581)	75%	(10,104)	(10,107)
Transfer To Bond Principal		**85,000**	**100%**	**85,000**		85,000	100%	85,000	85,000
Transfer to Early Redemption Sinking Fund		**-**	**0%**	**78,512**		-	0%	196,931	189,934
Total Expenditures and Transfers Out	**$ 4,403**	**$ 127,475**	**57%**	**$ 223,374**	$ 4,512	$ 125,611	37%	$ 336,303	329,082
Surplus (Deficit)	**$ (1,386)**	**$ 129,171**	**2302%**	**$ 5,611**	$ (2,277)	$ 207,667		$ -	$ 5,824

City of McLendon-Chisholm
Cash Account Balances
For the Ninth Month Ended June 30, 2019

Fund	Account	Sept 30,18	Oct 31,18	Nov 30,18	Dec 31,18	Jan 31,19	Feb 28,19	Mar 31,19	April 30,19	May 31,19	June 30,19
I&S	121 · 7002 - Alliance Sinking Fund	18	18	18	18	-	-	-	-	-	-
I&S	130 · 9003 Logic I&S Fund	1,328	1,330	1,333	1,336	1,339	84,520	84,707	126,694	126,967	136,376
I&S Total		**1,346**	**1,348**	**1,351**	**1,354**	**1,339**	**84,520**	**84,707**	**126,694**	**126,967**	**136,376**
Operating	100 · 3738 - Alliance Operating	186,087	56,193	21,696	218,135	486,786	684,825	695,287	73,409	49,037	55,369
Operating	103 · Texpool 300001	18,527	18,561	18,595	18,631	18,669	18,703	18,742	18,779	18,817	18,854
Operating	122 · 1587 - Alliance Money Market	64,235	-	-	-	-	-	-	-	-	-
Operating	125 · Logic - 9001 General Fund	78,706	78,862	29,005	29,066	29,130	29,188	32,655	29,319	29,382	29,443
Operating	127 · 9004 Logic Operating	285,487	286,053	286,619	227,148	227,649	29,396	29,461	577,341	578,587	540,947
Operating	128 · 9005 Logic Operating	20,007	20,047	20,087	20,173	20,173	20,214	20,258	20,301	20,345	-
Operating Total		**653,049**	**459,716**	**376,001**	**513,154**	**782,407**	**782,327**	**796,403**	**719,150**	**696,170**	**644,612**
Utility	106 · 5071 - Alliance Utility Fund	175,400	156,341	167,336	73,406	69,617	93,255	89,472	111,975	55,007	58,748
Utility	126 · Logic - 9002 Utility Fund	194,938	195,324	195,710	296,266	296,919	297,513	298,171	298,804	299,449	300,062
Utility Total		**370,338**	**351,664**	**363,046**	**369,672**	**366,536**	**390,768**	**387,643**	**410,779**	**354,456**	**358,810**
Grand Total		**1,024,733**	**812,729**	**740,398**	**884,179**	**1,150,283**	**1,257,615**	**1,268,754**	**1,256,623**	**1,177,593**	**1,139,798**

CITY OF MCLENDON-CHISHOLM

Public Safety Detail Report

For the Ninth month ended June 30,2019

	Current Period Revenue & Expenditures	
	June 19	Oct '18 - June 19
Income		
313 · Donations	0.00	1,400.00
315 · Miscellaneous Income	0.00	67,500.00
319 · Grants	27,038.04	218,067.23
Total Income	27,038.04	286,967.23
Gross Profit	27,038.04	286,967.23
Expense		
400 · Operating Expenditures		
401 · Municipal Court		
40102 · Court Clerk Expense	0.00	39.00
Total 401 · Municipal Court	0.00	39.00
Total 400 · Operating Expenditures	0.00	39.00
430 · Public Safety		
43001 · Liability Insurance	0.00	13,987.26
43002 · Fuel	1,745.68	7,009.91
43003 · Maintenance & Repair - Vehicles	897.58	9,434.03
43004 · Maintenance & Repair - Station	88.69	5,301.04
43005 · Gear and Supplies	6,481.13	21,248.65
43006 · Compliance	0.00	35.00
43008 · Dispatch	0.00	10,000.00
43009 · Training	0.00	3,855.09
43010 · Software	0.00	308.00
43030 · EMS	993.26	2,979.78
43035 · Street Lights	230.32	2,174.59
Total 430 · Public Safety	10,436.66	76,333.35
500 · Occupancy Expenditures		
502 · Electricity	225.87	2,575.25
506 · Water	29.90	222.61
512 · Trash	111.61	578.19
516 · Lawn Maintenance	0.00	360.00
518 · Janitorial	0.00	252.05
520 · Telephone & Internet	190.09	1,293.15
Total 500 · Occupancy Expenditures	557.47	5,281.25
600 · General & Administrative Exp		
606 · Employee Costs		
60601 · Staff Salaries	38,863.82	344,678.47
60604 · Holiday Pay	0.00	1,696.20
60609 · Payroll Tax Expense	2,968.63	26,463.57
60611 · Employee Screening	0.00	675.00
60612 · Retirement Plan Contributions	2,857.12	25,933.28
60613 · Health Insurance Expense	3,024.82	22,717.92
60620 · Payroll Adjustment	-5,315.35	-46,599.92
Total 606 · Employee Costs	42,399.04	375,564.52
619 · Software Subscriptions	0.00	495.00
622 · Office Supplies - City Hall	0.00	38.97
623 · Office Equipment	0.00	162.36

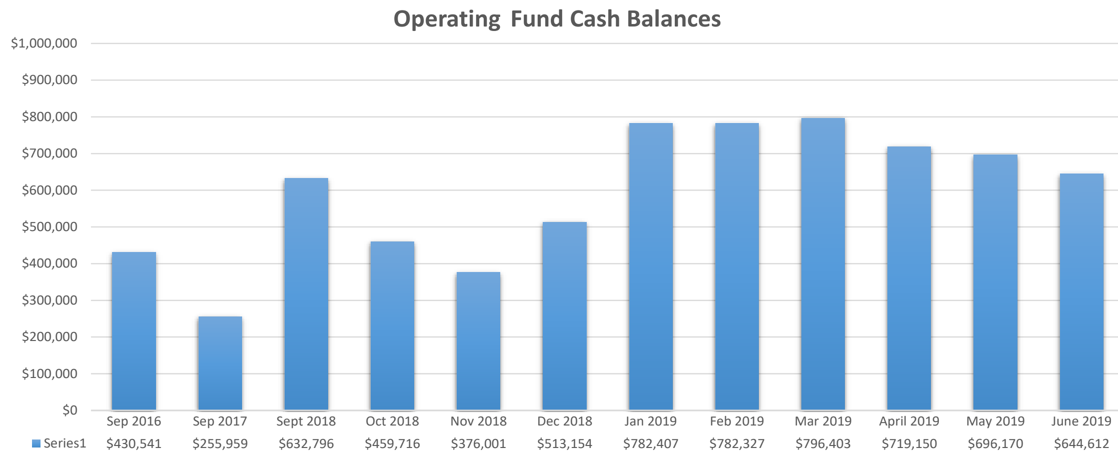
CITY OF MCLENDON-CHISHOLM

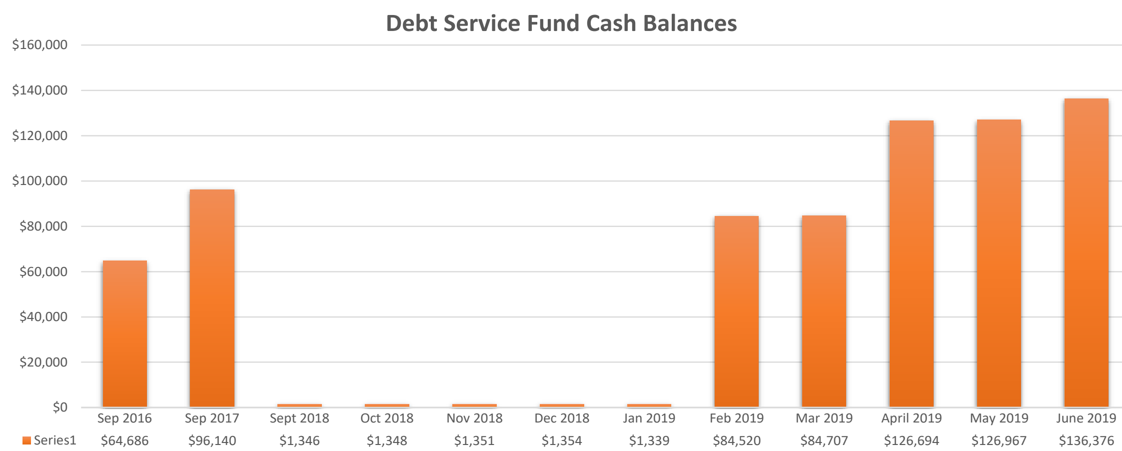
Public Safety Detail Report

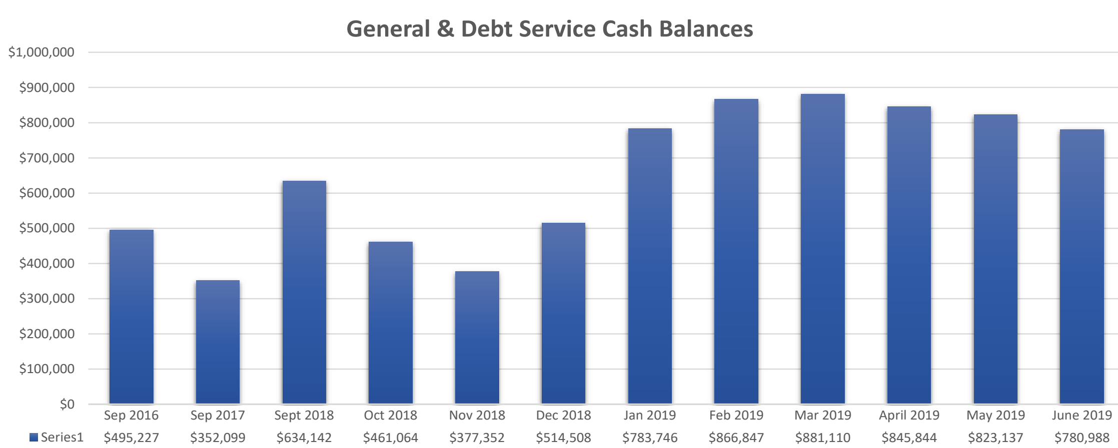
For the Ninth month ended June 30,2019

	Current Period Revenue & Expenditures	
	June 19	Oct '18 - June 19
626 · Postage-City Hall	0.00	13.70
630 · Legal & Professional		
63005 · City Planner	0.00	924.00
Total 630 · Legal & Professional	0.00	924.00
648 · Training	9.17	814.16
652 · Staff Appreciation	0.00	1,267.50
Total 600 · General & Administrative Exp	42,408.21	379,280.21
Total Expense	53,402.34	460,933.81
Net Ordinary Income	-26,364.30	-173,966.58
Net Income	**-26,364.30**	**-173,966.58**

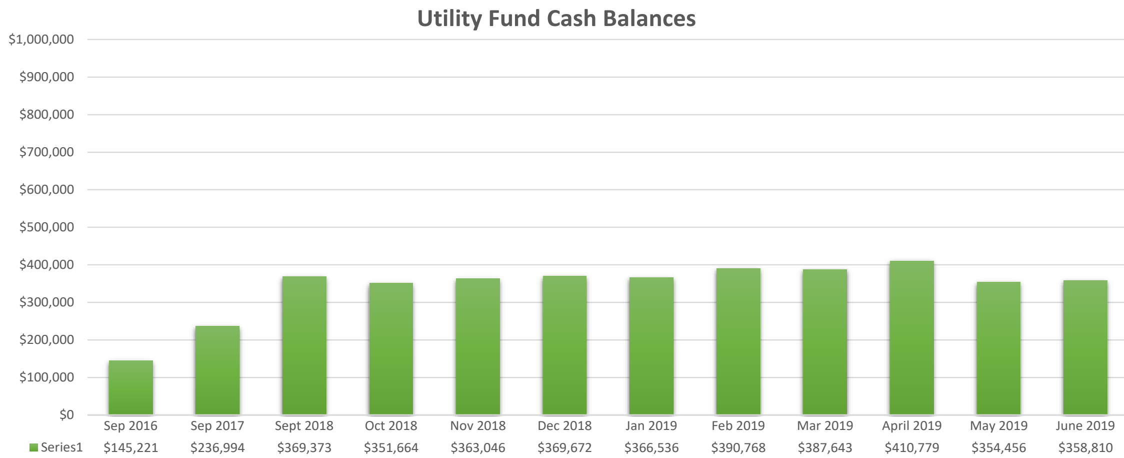
City of McLendon-Chisholm
Cash Balance Report
As of June 30, 2019

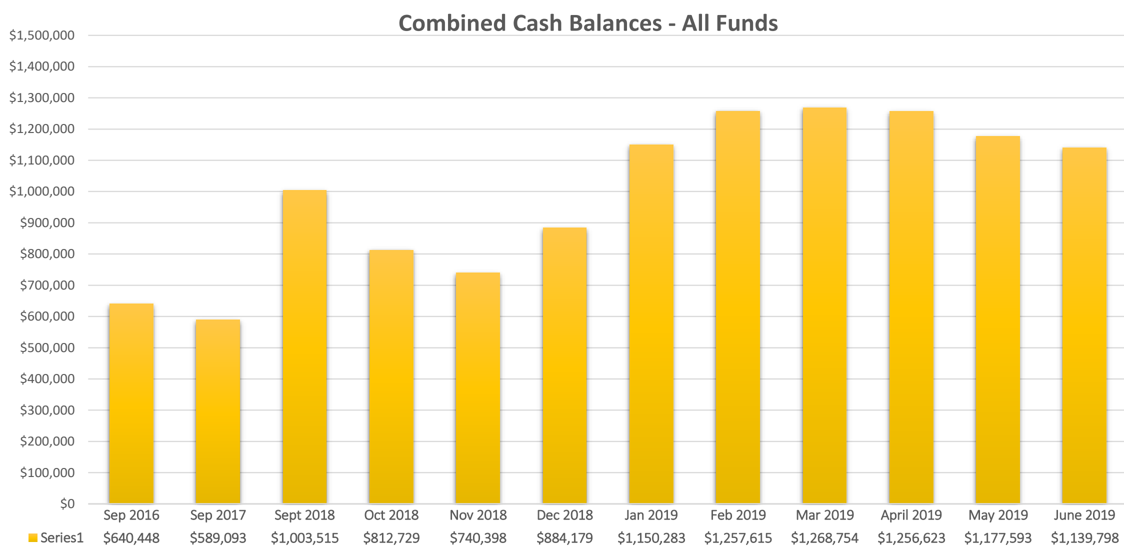






City of McLendon-Chisholm
Cash Balance Report
As of June 30, 2019





City of McLendon-Chisholm
General Fund Preliminary Budget
For the year to end September 30, 2020

	FY 2018 Actual	FY 2019 Projected	FY 2019 Budget	FY 2020 Proposed Budget (Draft #2)	FY 2020 Proposed Budget (Draft #1)	Change	
Revenue							
302 · Franchise Income	$ 159,914	$ 187,015	$ 154,830	$ 187,000	$ 187,000		
303 · Development Income	96,764	15,830	29,000	15,000	15,000		
304 · Building Permit Income	570,038	331,845	492,419	330,000	330,000		
305 Municipal Court Income	2,118	1,859	300	1,800	1,800		
306 · Interest Income	10,445	18,491	-	18,500	18,500		
307 · Sign Permit Income	-	100	-	100	100		
308 · Septic Fees	19,900	7,800	17,885	7,800	7,800		
309 Food Enforcement	900	1,050	600	1,250	1,250		
310 · Sales Tax Revenue	206,341	205,514	154,603	205,750	205,750		
311 · PID Admin Expense Reimbursement	150	43,190	4,750	-	-		
313 · Donations	210	589	500	600	600		
314 · Copies Public Inf. Income	203	133	-	130	130		
315 · Miscellaneous Income	69,928	-	-				
317 · Ad Valorem Tax	346,822	386,786	350,579	614,293	416,341	197,952	Assumed Adopted Tax Rate of 16.5 cents
318 · Tax Certifications	8	71	-	75	75		
320 - NSF Fee Revenue	8	-	-	-	-		
321 · Credit Card Fee Revenue	1,529	553	1,501	550	550		
Total Revenue	$ 1,485,277	$ 1,200,826	$ 1,206,967	$ 1,382,848	$ 1,184,896	$ 197,952	
Expenditures							
Operating Expenditures							
401 · Municipal Court	$ 1,515	$ 7	$ 1,515	$ 50	$ 50		
402 · Election Expense	8,580	12,069	10,000	12,250	12,250		
410 · Building Inspections	117,752	118,400	155,818	117,742	117,742		
411 · Environment Regulation Expense	9,905	6,255	10,465	6,255	6,255		
414 · Animal Control	-	-	-	18,000	-	18,000	Added per discussions
415 · Section 380 Grant Program	1,931	3,764	-	3,800	3,800		
416 · Bad Debt	20,620	-	-	-	-		
418 · Membership Fees	3,840	1,556	3,000	1,575	1,575		
422 · Public Notice Expense	3,463	10,946	2,243	10,950	10,950		
423 · Community Functions	1,781	156	5,464	500	200	300	Added per discussions
426 · Appraisal District Collection	5,883	4,798	5,883	5,000	5,000		
430 · Public Safety	116,417	285,659	375,211	311,230	326,865	(15,635)	Moved $15k to Capital Expenditure Line below

City of McLendon-Chisholm
General Fund Preliminary Budget
For the year to end September 30, 2020

	FY 2018 Actual	FY 2019 Projected	FY 2019 Budget	FY 2020 Proposed Budget (Draft #2)	FY 2020 Proposed Budget (Draft #1)	Change	
Total 400 Operating Expenditures	291,687	443,610	569,599	487,352	484,687	2,665	
Occupancy Expenditures							
502 · Electricity	$ 3,712	$ 2,665	$ 3,915	$ 2,700	$ 2,700		
506 · Water	8,892	3,390	8,952	4,000	4,000		
510 · Propane Gas	-	-	788	788	788		
512 ·Trash Pickup		444		1,344	1,776	(432)	Correction
514 · Building Maint/Improvements	6,145	12,192	5,356	12,200	12,200		
516 · Lawn Maintenance	8,829	8,220	8,144	8,500	8,500		
518 · Janitorial	4,281	-	4,181	-	-		
520 · Telephone & Internet	7,444	5,418	7,593	6,900	5,500	1,400	Added per discussions
522 · Website Expense	1,826	778	1,202	1,000	1,000		
Total 500 Occupancy Expenditures	$ 41,130	$ 33,107	$ 40,131	$ 37,432	$ 36,464	$ 968	
General & Administrative Expenditures							
603 · Citizen Recognition	-	-	500	-	-		
604 · Municipal Manuals, Books & Maps	1,022	70	12,803	250	250		
606 · Employee Costs	247,144	171,510	199,218	152,379	150,322	2,057	Added Disability Insurance
618 · Liability Insurance	9,896	5,872	9,227	7,517	6,000	1,517	Adjusted per new information
619 · Software Subscriptions	7,757	18,646	15,000	19,000	19,000		
621 · IT Support	2,880	5,225	5,000	5,500	5,500		
622 · Office Supplies - City Hall	3,195	2,942	3,124	3,000	3,000		
623 · Office Equipment	2,654	2,562	2,655	2,600	2,600		
624 · Office Equip Maintenance	5,614	1,243	2,798	1,500	1,500		
625 · Printed Materials	2,192	1,660	1,502	1,700	1,700		
626 · Postage-City Hall	3,485	3,253	3,491	3,300	3,300		
627 · County Play Expense	150	-	-	-	-		
628 · Bank Fees	1,600	1,468	1,010	1,500	1,500		
630 · Legal & Professional							
63001-Accounting & Payroll services	64,129	56,130	50,000	52,514	52,514		
63002 - Financial Audit	8,800	9,500	15,000	15,000	15,000		
63003 - Legal	116,007	35,030	124,000	40,000	40,000		
63004 - Consultants	-	-	-	9,000	-	9,000	Added per discussions
63005 - City Planner	41,157	46,747	26,376	45,000	45,000		

City of McLendon-Chisholm
General Fund Preliminary Budget
For the year to end September 30, 2020

	FY 2018 Actual	FY 2019 Projected	FY 2019 Budget	FY 2020 Proposed Budget (Draft #2)	FY 2020 Proposed Budget (Draft #1)	Change	
63008 - Financial Consulting	-	25,555	-	26,000	21,000	5,000	Correction
63009 - Engineering				15,000	-	15,000	Added per discussions
633 · Penalties & Fees	0	32	-	-	-		
645 · Transcription Services	1,238	3,104	-	-	3,250	(3,250)	Correction
646 · Mileage Expense	950	484	1,052	500	500		
647 · Council Meetings & Development	1,369	591	3,996	650	650		
648 · Training	6,377	6,602	5,000	6,750	6,750		
649 · Expense Account - City Administrator	-	-	126	-	-		
650 · Expense Account - Mayor	-	-	105	-	-		
652 · Staff Appreciation	29	760	200	850	850		
655 · Code of Ordinance	1,375	1,000	8,000	3,500	-	3,500	Added per discussions
699 · Miscellaneous Expense	98	246	150		-		
Total G & A Expenditures	$ 529,118	400,232	$ 490,333	$ 413,010	$ 380,186	$ 32,824	
700 · Capital Expenditures - Public Safety	$ 250,341	$ 80,038	$ 60,000	$ 15,000	$ -	15,000	
700 · Capital Expenditures - Operating	$ 17,166	$ 19,400	$ 32,000	$ 35,000	$ 35,000	-	
Total Capital Expenditures	$ 267,507	$ 99,438	$ 92,000	$ 50,000	$ 35,000	$ 15,000	
Total Expenditures	$ 1,129,442	$ 976,387	$ 1,192,063	$ 987,794	$ 936,337	$ 51,457	
Surplus (Deficit)	$ 355,835	$ 224,439	$ 14,904	$ 395,054	$ 248,559	$ 146,495	

City of McLendon-Chisholm
Public Safety Preliminary Budget
For the year to end September 30, 2020

	FY 2018 Actual	FY 2019 Projected	FY 2019 Budget	FY 2020 Proposed Budget (Draft #2)	FY 2020 Proposed Budget (Draft #1)	Change	
Revenue							
313 · Donations		$ 1,400					
315 · Miscellaneous Income		67,500	67,500	67,500	67,500		
319 · Grants		252,000	252,000	252,000	252,000		
Total Revenue		$ 320,900	$ 319,500	$ 319,500	$ 319,500		
Expenditures							
Operating Expenditures							
43001 · Liability Insurance		$ 13,988	$ 37,980	$ 21,211	$ 28,658	$ (7,447)	Correction
43002 · Fuel		9,409		10,000	10,000		
43003 · Maintenance & Repair - Vehicles		10,662	12,600	8,000	8,000		
43004 · Maintenance & Repair - Station		7,001	10,600	12,000	12,000		
43005 · Gear and Supplies		36,249	5,400	23,000	23,000		
43006 · Compliance		35	500	6,000	6,000		
43008 · Dispatch		10,000	10,000	10,000	10,000		
43009 · Training		3,855	5,000	10,000	10,000		
43010 · Software		308	1,300				
43011 · Radio Maintenance		-	1,489	12,000	12,000		
43030 · EMS		2,979	5,110	3,000	3,000		
43035 · Street Lights		2,883	2,943	2,900	2,900		
Unallocated			115,786				
Total 400 Operating Expenditures		97,369	208,708	118,111	125,558	(7,447)	
Occupancy Expenditures							
502 · Electricity		$ 3,572		$ 3,600	$ 3,600		
506 · Water		319		375	375		

City of McLendon-Chisholm
Public Safety Preliminary Budget
For the year to end September 30, 2020

	FY 2018 Actual	FY 2019 Projected	FY 2019 Budget	FY 2020 Proposed Budget (Draft #2)	FY 2020 Proposed Budget (Draft #1)	Change	
512 ·Trash Pickup		915		-	1,344	(1,344)	Correction
516 · Lawn Maintenance		840		1,440	1,440		
518 · Janitorial		552		2,700	2,700		
520 · Telephone & Internet		1,864		2,280	2,280		
Total 500 Occupancy Expenditures		$ 8,062	$ -	$ 10,395	$ 11,739	$ (1,344)	
General & Administrative Expenditures							
60601 · Staff Salaries		396,182	430,808	420,624	420,624		
60609 · Payroll Tax Expense		33,841	16,787	32,178	32,178		
60611 · Employee Screening		675	-	-	-		
60612 · Retirement Plan Contributions		34,804	10,000	11,124	5,042	6,082	Correction
60613 · Health Insurance Expense		31,782	28,408	38,298	36,224		
619 · Software Subscriptions		495					
622 · Office Supplies - City Hall		39					
623 · Office Equipment		162					
626 · Postage		14					
630 · Legal & Professional							
63005 - City Planner		924					
648 · Training		814					
652 · Staff Appreciation		1,268					
Total G & A Expenditures		501,000	$ 486,003	$ 502,224	$ 494,068	$ 6,082	
700 · Capital Expenditures - Public Safety		$ 80,038	$ 60,000	$ 15,000	$ 15,000		
Total Capital Expenditures		$ 80,038	$ 60,000	$ 15,000	$ 15,000		
Total Expenditures		$ 686,469	$ 754,711	$ 645,730	$ 646,365		
Surplus (Deficit)		$ (365,569)	$ (435,211)	$ (326,230)	$ (326,865)	$ 635	

City of McLendon-Chisholm
Utility Fund Preliminary Budget
For the year to end September 30, 2020

	FY 2018 Actual	FY 2019 Projected	FY 2019 Budget	FY 2020 Proposed Budget
Revenue				
306 · Interest Income	$ 5,522	$ 9,237	$ 5,206	$ 9,750
Sewer Utility Revenue				
32200 · Sewer Usage Fees	159,079	212,116	159,653	336,312
32201 · Sewer Tap Fees	219,000	129,000	189,000	72,000
32204 · Sewer Deposit Refunds	(1,720)	(1,063)	(1,540)	(1,100)
32206 · Sewer Warranty Reimbusements		-	-	-
Total Revenue	$ 381,881	$ 349,290	$ 352,319	$ 416,962
Expenditures				
Operation & Maintenance Expenditures				
Sewer Operation & Maintenance				
41304 · O&M Agreement	48,850	32,456	$ 47,094	$ 33,570
41305 · O&M Maintenance		34,945	$ -	$ 36,000
41308 · Electricity	42	-	42	-
41310 · Sewer Treatment	93,886	203,328	78,000	261,576
41312 · Tap Fee Developer Rebate	131,400	77,400	113,400	43,200
Total Operations Expenditures	$ 274,178	$ 348,129	$ 238,536	$ 374,346
600 · General & Administrative Exp	$ 16,733	$ 9,359	$ 13,260	$ 14,000
Total Expenditures	$ 290,911	$ 357,488	$ 251,796	$ 388,346
Surplus (Deficit)	$ 90,970	$ (8,198)	$ 100,523	$ 28,616

City of McLendon-Chisholm
Interest and Sinking Fund Preliminary Budget
For the year to end September 30, 2020

	FY 2018 Actual	FY 2019 Projected	FY 2018-2019 Budget	FY 2020 Proposed Budget
Revenue				
Ad Valorem Tax				
317 · Ad Valorem Tax	$ 236,763	252,330	$ 228,985	$ 107,427
306 · Interest Income	1,898	6,795	-	3,250
Transfer from Excess Bond Proceeds	62,532	-	-	
Transfer From 2017 Surplus	33,714	-	-	
Total Revenue and Transfers In	$ 334,907	$ 259,125	$ 228,985	$ 110,677
Expenditures				
628 · Bank Fees Expense		6,850		
660 · Bond Interest Expense	$ 61,344	59,868	$ 59,862	$ 58,113
802 · Bond Cost Amortization	2,912	2,916	-	2,912
803 · Bond Premium Amortization	(10,107)	(9,936)	-	(9,381)
Transfer To Bond Principal	85,000	85,000	85,000	90,000
Transfer to Early Redemption Sinking Fund	189,934	78,512	78,512	-
Total Expenditures and Transfers Out	$ 329,083	$ 223,210	$ 223,374	$ 141,644
Surplus (Deficit)	$ 5,824	$ 35,915	$ 5,611	$ (30,967)

WILLDAN

July 17, 2019

Ms. Lisa Palomba
City Administrator/City Secretary
City of McLendon-Chisholm
1371 West FM 550
McLendon-Chisholm, Texas 75032

Re: Letter Agreement to Provide Wastewater Rate Analysis

Dear Ms. Palomba:

Willdan Financial Services ("Willdan") is pleased to present the following scope of services and budget to assist the City of McLendon-Chisholm in providing a wastewater long-term financial plan and rate recommendations. We are an economic and financial consulting firm, with offices in Plano, Texas and throughout the United States. Our principal clients are national, state and local governments. Our firm contains professionals with decades of experience in water and wastewater utility operations and economic/financial management.

Scope of Services

We want to ensure that our scope of services is responsive to the City's needs. We will work with the City to tailor our proposed scope based on input prior to approval of this letter agreement, and as needed during the course of the project.

Task 1: Rate Comparison

Description: We will provide a detailed analysis and comparison of the City's current and proposed rates to the state average as well as to other surrounding communities.

Task 2: Acquire and Analyze Data for Analysis

Description: The project team will work with City staff to acquire the data required for the study. This will include customer and volume data, budgets, operating expenses, capital improvement plans and debt service schedules. We will thoroughly analyze all acquired data to ensure that it meets the requirements for our study and will follow up with City staff as necessary.

Task 3: Update Rate Model

Description: The project team will use acquired current budget, volume and CIP data to prepare a ten-year wastewater cost of service forecast model. The model will identify current and forecast operating expenses, capital outlays and debt service for the period FY 2019 – FY 2029. The model adheres to AWWA ratemaking standards to ensure that the cost of service for each customer class is just, reasonable and accurate. The project team will also install a dashboard onto the model for ease of use by the project team and the client.

Task 4: Prepare Alternative Rate Plans and PowerPoint Summary

Description: Based on the findings and results from prior tasks, the project team will prepare several alternative wastewater proposed rate structures for the City Council to consider. Each alternative will enable the City to recover sufficient revenues to fund operating and capital costs. The project team will prepare additional scenarios should the staff or council so choose in determining which is the most just and reasonable. The City will summarize its findings into a PowerPoint presentation.

Task 5: Meetings

Description: The project team will conduct the following meetings:

a) One meeting with City staff to review preliminary results

b) One workshop with the City Council to discuss our findings and recommendations

c) One final Council meeting at which the preferred rate plan is to be decided upon by the Council.

Budget

Willdan will perform the tasks described in the Scope of Services section for the ***lump sum fee of $9,000.***

Note:

- Telephone conference calls are not considered meetings and are not limited by our proposal.
- Additional services, including attending additional meetings, may be authorized by the City and will require an additional fee.
- We will bill the City monthly based on percent of the task completion.

Additional Services

Additional services may be authorized by the City and will be billed at our then-current hourly overhead consulting rates. Our current hourly rates are:

Willdan Financial Services	
Hourly Rate Schedule	
Group Manager	$250
Managing Principal	$240
Principal Consultant	$210
Senior Project Manager	$185
Project Manager	$165
Senior Project Analyst	$135
Senior Analyst	$125
Analyst	$110
Analyst Assistant	$100

Authorization

If the terms of this engagement are acceptable, please sign where indicated and email this letter back to our contracts supervisor:

Ms. Joanie Reynolds
Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, California 92590
Ph. (800) 755-6864; fax (951) 587-3510
E-mail: jreynolds@willdan.com

We appreciate this opportunity to serve the City of McLendon-Chisholm. If you have any questions regarding the proposed services, please contact me directly at (972) 378-6588 or via email at djackson@willdan.com.

Sincerely,

Willdan Financial Services

Dan V Jackson

Dan V. Jackson, Vice President

July 17 2019
Date

City of McLendon-Chisholm

Signature

Date

Print Name

COMPREHENSIVE.
INNOVATIVE.
TRUSTED.

ATTACHMENT 1 TO LETTER AGREEMENT

TERMS AND CONDITIONS

The Letter Agreement between the City of McLendon-Chisholm ("Client") and Willdan Financial Services ("WFS") is subject to these Terms and Conditions (collectively, this "Agreement").

1. Additional Services. Additional services shall be performed by WFS only upon Client's request evidenced by a written addendum executed by both parties.

2. Compensation. WFS shall submit monthly statements for services. Payments shall be due and payable within 30 days of invoice and if not timely paid shall bear interest at the rate of 1.5% per month.

3. Termination. Either party may terminate this Agreement at any time upon 30 days' written notice. In the event of early termination, WFS shall be paid for services performed prior to the effective date of termination.

4. Data Provided by Client. WFS shall rely upon data provided by Client without independent verification of accuracy. WFS shall not be responsible for any errors resulting from its use of inaccurate data provided by Client.

5. Indemnification. Each Party shall indemnify the other from claims resulting from their respective negligence or other wrongful conduct or the negligence or other wrongful conduct of their respective officers, agents or employees.

6. Insurance. WFS shall maintain the following insurance:

a. Workers' Compensation and Employer's Liability Insurance as prescribed by applicable law.

b. Commercial General Liability Insurance, with limits not be less than $1,000,000 per occurrence and general aggregate.

c. Commercial Automobile Liability with limits not less than $1,000,000 per occurrence.

d. Professional Liability with limits not be less than $1,000,000 per claim and annual aggregate.

e. All policies except Professional Liability and Workers Compensation shall include Client as an additional insured and be primary with respect to any insurance carried by WFS. All policies shall include a waiver of subrogation in favor of Client.

f. WFS shall provide Client with certificates of insurance evidencing compliance with the above insurance requirements prior to commencing it services.

7. **Miscellaneous.**

a. Titles used in this Agreement are for general reference and are not a part of the Agreement.

b. This Agreement shall be interpreted as though prepared by both parties.

c. Any provision of this Agreement held to violate any law shall be deemed void, and all remaining provisions shall continue in full force and effect.

d. This Agreement shall be interpreted under the laws of the State of California.

e. This Agreement comprises a final and complete repository of the understandings between the parties and supersedes all prior or contemporary communications, representations or agreements, whether oral or written, relating to the subject matter of this Agreement.

f. Any notices given pursuant to this agreement shall be effective on the third business day after posting by first class mail, postage prepaid, to the address appearing immediately after the signatures below.

g. WFS shall not be liable for damages resulting from the actions or inactions of governmental agencies including, but not limited to, permit processing or environmental impact reports.

h. WFS's waiver of any term, condition, or covenant, or breach of any term, condition, or covenant, shall not constitute the waiver of any subsequent breach of any other term, condition or covenant.

i. WFS shall not responsible for the performance of services by third parties not retained by WFS.