

September 19, 2017



City of Murphy
Fiscal Year 2018 Budget

City of Murphy

Fiscal Year 2017-2018

Budget Cover Page

This budget will raise more total property taxes than last year's budget by \$567,576, or 5.08%, and of that amount, \$150,624 is tax revenue to be raised from new property added to the tax roll this year.

The members of the governing body voted on the budget as follows:

FOR: Mayor Bradley, Mayor Pro Tem Berthiaume, Deputy Mayor Pro Tem Fincanon, Councilmember George, Councilmember Spraggins, and Councilmember Reilly

AGAINST:

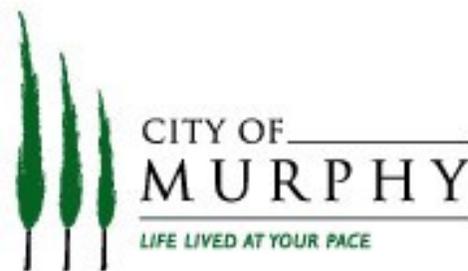
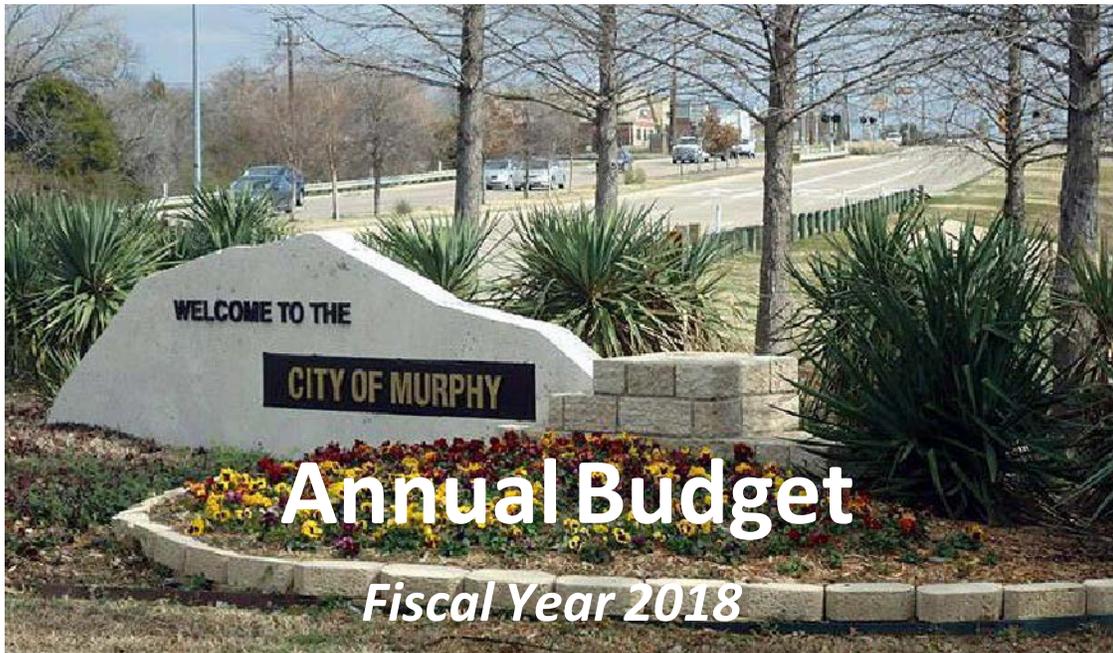
PRESENT AND NOT VOTING:

ABSENT: Councilmember Siddiqui

Property Tax Rate Comparison

	2017-2018	2016-2017
Property Tax Rate:	\$0.500000/100	\$0.510000/100
Effective Tax Rate:	\$0.481159/100	\$0.484776/100
Effective Maintenance & Operations Tax Rate:	\$0.309212/100	\$0.304767/100
Rollback Tax Rate:	\$0.516198/100	\$0.511399/100
Debt Rate:	\$0.182250/100	\$0.182251/100

Total debt obligation for City of Murphy secured by property taxes: \$4,276,385.



This budget will raise more total property taxes than last year's budget by \$567,576 or 5.08%, and of that amount \$150,624 is tax revenue to be raised from new property added to the roll this year.



City Council

Scott Bradley
Mayor

Jennifer Berthiaume
Mayor Pro Tem

Sarah Fincanon
Deputy Mayor
Pro Tem

Owais Siddiqui
Council, Place 1

Chris George
Council, Place 3

Betty Nichols Spraggins
Council, Place 4

Don Reilly
Council, Place 6

City Manager

Mike Castro, PhD

Leadership Team

Susie Quinn, TRMC
City Secretary

Trey Cotten,
Chief of Police

Jared Mayfield, AICP
Community & Econ.
Develop Director

Tim Rogers, Public
Services Director

Taylor Prentice,
IT Director

Karen Montgomery, CPA
Finance Director

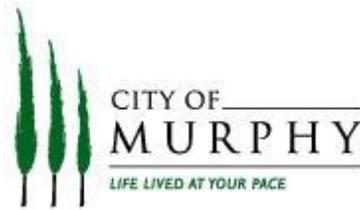
Del Albright, Fire Chief

Jana Traxler, SPHR
Human Resources
Director

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Murphy's Vision Statement

Murphy Values a safe, vibrant, family – orientated distinctive city that fosters a strong sense of community.

Murphy's Guiding Principles

- We will seek innovative solutions for local issues;
- We will have engaging community activities and programs for all ages;
- We will have attractive and inviting parks and trails;
- We will encourage civic and community involvement;
- We have a bold sense of economic vitality;
- We will maintain professional and highly trained staff with a servant leadership focus;
- We will respectfully enforce all laws and regulations;
- We will have well maintained infrastructure;
- We will uphold quality building standards;
- We will have strong relationships with neighboring communities;
- We will be compassionate, caring, citizens, neighbors and city staff.



September 19, 2017

Mayor Scott Bradley
Murphy City Council
206 N. Murphy Road
Murphy, Texas 75094

Dear Mayor Bradley and Members of the City Council,

In accordance with the City of Murphy's Charter, Section 7.02, and with the financial policies of the City, I am pleased to submit the FY18 Annual Budget for the period of October 1, 2017 through September 30, 2018.

The Leadership Team began developing the FY18 Annual Budget in April. The City Council and Leadership Team met throughout June and again in July, to discuss the proposed budget and how the departmental budgets were meeting the needs of the Community.

The following pages provide a good overview of the City of Murphy's FY18 Budget.

FINANCIALSUMMARY

The total budget for FY18 is \$31,198,214 and is a decrease of 5% from the FY17 adopted budget. The following table illustrates the adopted budgets for FY17 and the budgets for FY18 as well as the percentage change from one fiscal year to the next.

Funds	FY17 Adopted	FY18 Budget	Percent Change
General Fund	\$ 14,864,400	\$ 14,775,488	-1%
Building Security Fund	14,700	26,259	80%
Court Technology Fund	5,200	5,200	0%
Judicial Efficiency Fund	1,000	1,000	0%
Juvenile Case Manager Fund	17,000	17,800	5%
Community Events Fund	295,300	311,800	6%
Cable TV PEG Fund	10,000	5,600	-44%
Utility Fund	9,485,000	9,745,783	3%
Capital Improvement Fund	0	0	0
Murphy Community Develop. Corp. (MCDC)	840,900	991,148	18%
Murphy Municipal Develop. District (MDD)	643,800	710,500	10%
Debt Service Fund	3,982,700	4,278,000	7%
Capital Construction Fund	1,520,000	0	-100.0%
Utility Capital Construction Fund	800,000	0	-100.0%
Impact Fee Fund	374,000	323,136	-13%
Animal Shelter Fund	0	6,500	100.0%
Total budget	\$ 32,854,000	\$ 31,198,214	-5%

Property Values

The City of Murphy saw an increase in certified appraised values this year of approximately 7% for a certified total of \$2,273,747,250, with \$72,691,449 under review. Of that increase \$30,124,786 is due to new construction. The increase in property values has been a trend for several years with the largest increase of almost 11% in FY17 and the smallest increase of approximately less than 2% in FY12. The City anticipates being fully built out in the next few years, so the trend of increases in appraised values will slow down. The City will not be able to continue to rely on significant increases in property values as an additional source of revenue.

Valuations

Tax Year	Certified	Review	Total	% of Change
2010-2011	1,468,140,104	3,786,377	1,471,926,481	-
2011-2012	1,474,146,277	25,468,692	1,499,614,969	1.88%
2012-2013	1,526,307,177	18,353,253	1,544,660,430	3.00%
2013-2014	1,614,305,560	24,392,305	1,638,697,865	6.09%
2014-2015	1,774,655,435	25,968,662	1,800,624,097	9.88%
2015-2016	1,916,589,023	58,428,710	1,975,017,733	9.69%
2016-2017	2,108,125,222	83,944,475	2,192,069,697	10.99%
2017-2018	2,273,747,250	72,691,449	2,346,438,699	7.04%

The City's property taxes are divided into two components: Maintenance & Operations (M&O) and Debt Service (I&S, or Interest & Sinking Fund). The M&O portion funds the daily operations of City government, such as administration, fire, police, parks, streets, code compliance, community development and sanitation. Debt Service is the portion that funds the debt the City has incurred to provide essential infrastructure and quality of life amenities for our community. The City has lowered the overall tax rate for the last four years, resulting in an average tax rate of \$0.538333 for the past six years. The M&O tax rate has averaged \$0.331001 with the balance of the tax rate funding the debt of the City. The tax rate for FY18 is \$0.500000 per \$100 valuation, a one cent decrease from FY17. The M&O rate is \$0.317750 (a decrease of \$0.009999) and the debt service rate is \$0.182250 (a decrease of \$0.000001).

Tax Rate

Tax Year	M&O	Debt	Total	M&O Change	M&O % of Change
2009-2010	0.334089	0.204316	0.538405	-	-
2010-2011	0.317442	0.247558	0.565000	0.016647	-4.98%
2011-2012	0.309993	0.255007	0.565000	0.007449	-2.35%
2012-2013	0.329495	0.240505	0.570000	0.019502	6.29%
2013-2014	0.341521	0.228479	0.570000	0.012026	3.65%
2014-2015	0.336270	0.213730	0.550000	0.005251	-1.54%
2015-2016	0.333221	0.196779	0.530000	0.003049	-0.91%
2016-2017	0.327749	0.182251	0.510000	0.005472	-1.64%
2017-2018	0.317750	0.182250	0.500000	0.009999	-3.05%

GENERAL FUND BUDGET

REVENUES

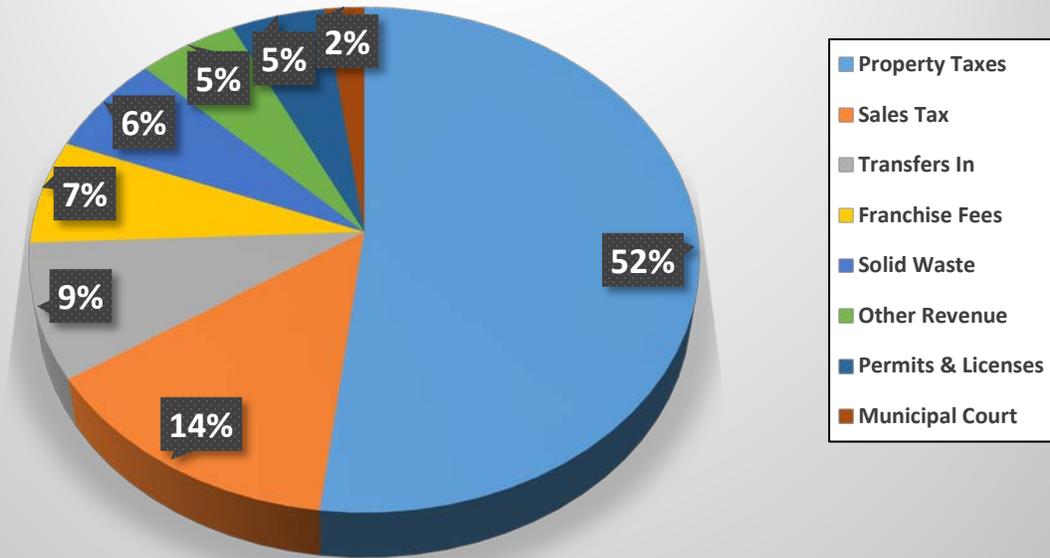
The City of Murphy receives 52% of the budgeted revenues from property taxes. The City's property taxes are divided into two components: Maintenance & Operations (M&O) and Debt Service. The M&O portion funds the daily operations of City government, such as administration, fire, parks, police, streets and sanitation.

Debt service is the portion that pays for debt the City has incurred to provide essential services to our community. The tax rate for FY18 is \$0.500000 per \$100 assessed valuation. The M&O rate is \$0.317750 (a decrease of \$0.009999) and the debt service (I & S) rate is \$0.182250 (a decrease of \$.000001). The average market value of a single family home is currently at \$363,498 and will result in approximately \$1,817.49 in City property tax.

Sales Tax revenue is budgeted at a 4% increase over the prior year budget. This will generate 14% of the General Fund revenue. Other Revenue generates 5% of General Fund revenue, Franchise Fees are 7%, followed by Solid Waste at 6%, Permits & Licenses at 5% and Municipal Court Revenue at 2%.

The General Fund also receives a transfer of \$875,000 from the City's Utility Fund (an increase of \$25,000), and a \$17,000 transfer from the City's Juvenile Case Manager Fund (funded from court costs). The transfer from the Utility Fund is used to offset Administrative expenses incurred in the General Fund for the benefit of the Utility Fund and will allow the City to purchase the needed capital without increasing taxes. The transfer from the City's Juvenile Case Manager Fund will pay a portion of the Municipal Court Juvenile Case Manager's salary and benefits. The General Fund also receives transfers from the Murphy Community Development Corporation Fund and the Murphy Municipal Development District of \$113,300 and \$236,500 respectively, to cover administrative and economic development costs. A transfer of \$6,500 in FY18 from the Animal Shelter Fund will utilize donations received in prior years by the Animal Control Department. All combined, the transfers are 9% of the General Fund revenue.

General Fund Revenues



As evidenced above, the City is heavily dependent on property taxes for General Fund revenue. The City must continue to diversify revenue sources by growing the commercial businesses which generate sales tax. In the area of economic development, the City encourages businesses that are unique and that complement our community. That way the businesses not only increase sales taxes but also increase property values.

EXPENDITURES

City of Murphy employees are the greatest asset in serving our citizens. We maintain professional and highly qualified staff with a servant leadership focus. In order to fairly compensate our employees, the City Council approved a new pay plan that was fully implemented for FY17. The City began doing performance appraisals in FY17 for all employees. The FY18 budget includes the cost of a 3% merit increase for non-sworn personnel, depending on the results of the employee's FY17 evaluation. The FY18 budget includes an increase for Police and Fire sworn personnel of 6.5% and 7% respectively, based on their step pay plans. The City has experienced double digit turnover for several years, so the FY18 budget includes a conservative 3.5% estimate for attrition (i.e. salary savings). Personnel costs represent 61% of General Fund expenditures.

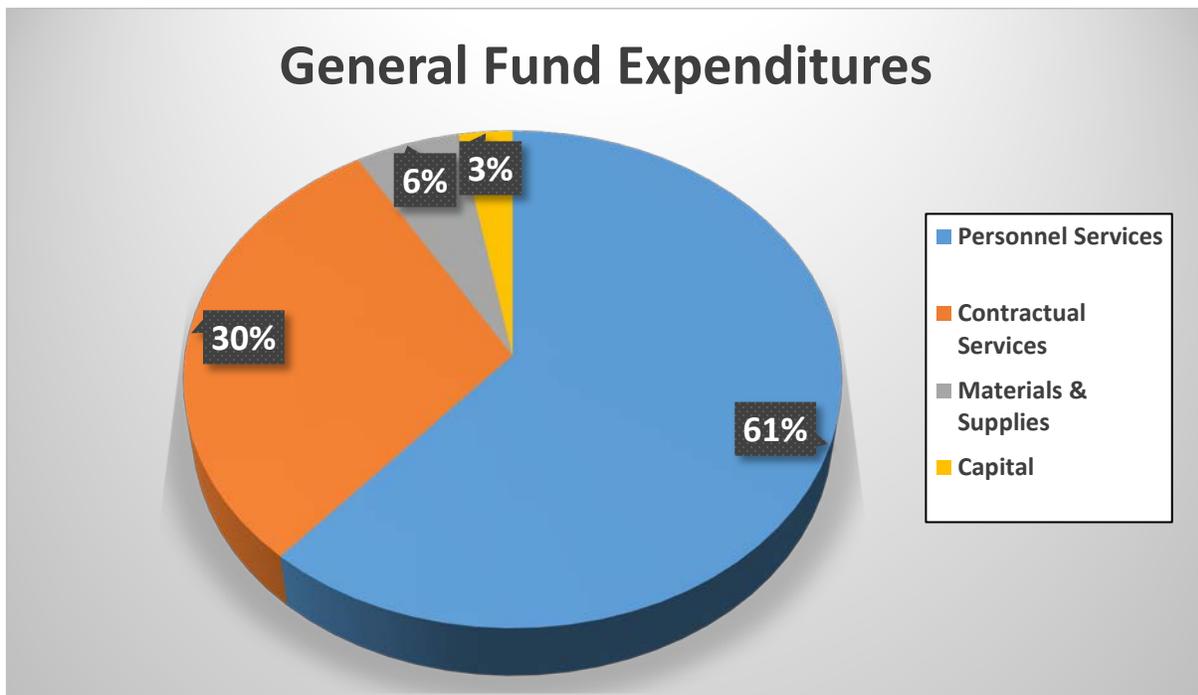
Contractual services are the second largest expenditures at approximately 30%. This is due to outsourcing of park mowing, right-of-way maintenance and service contracts for City facilities.

Materials & Supplies are 6% of the expenditures, and capital account is 3% of expenditures. A transfer of \$108,000 to the MDD Fund is the first of three installments to reimburse 50% of the cost of the Food Truck Court.

RESULTS AND FUND BALANCE

The FY18 expenditures exceed revenue by \$371,220, which will necessitate use of fund balance in order to balance the budget. As with the FY17 budget, capital outlay of \$347,700 is being earmarked for use of fund balance, as well as the appropriation of \$12,200 in police donations received in prior years. The remaining amount, \$11,320, is the amount needed to cover operating costs.

The City maintains a healthy fund balance in the General Fund, in accordance with City policy. The minimum requirement is 10 percent of total budgeted expenditures for each fiscal year, with the goal being an accumulated fund balance of 15% of total expenditures. The FY18 Budget has an estimated ending fund balance of \$3,658,558, or 25% of total General Fund expenditures.



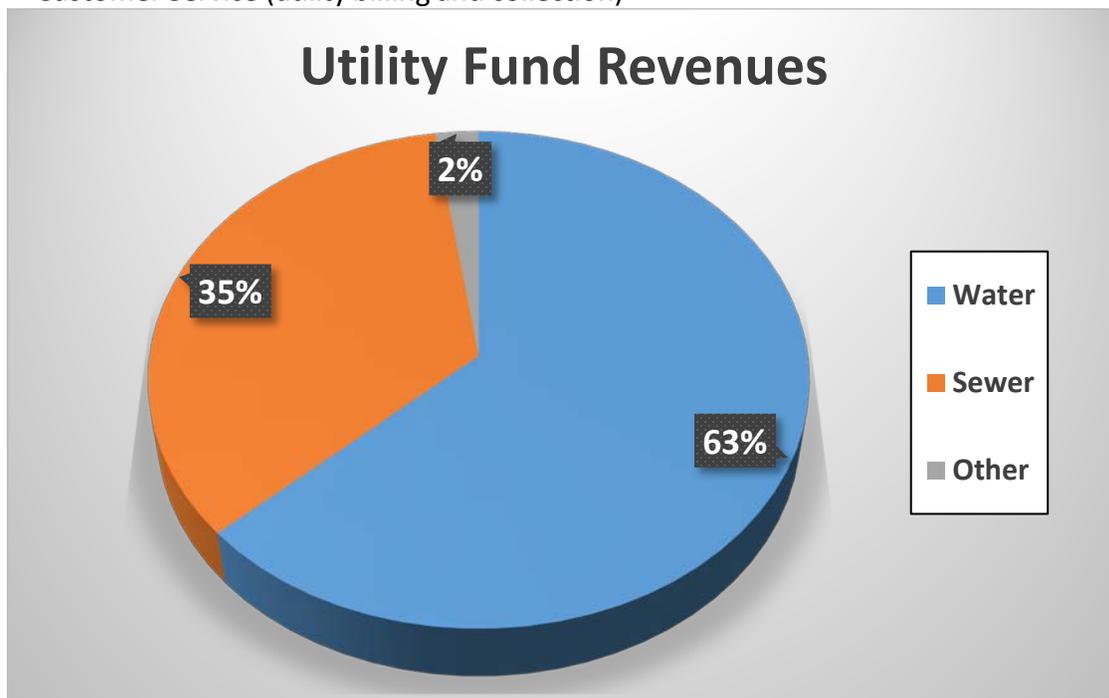
UTILITY FUND BUDGET

The Utility Fund accounts for the water and waste water services provided to the residents and businesses in the City of Murphy. All activities necessary to provide such services are accounted for in this fund, including construction, financing and related services. In FY18, water and

wastewater debt service of \$489,635 is being paid for with the debt portion of the property tax levy.

The following departments are funded through the Utility Fund:

- Water Distribution
- Wastewater Collection
- Customer Service (utility billing and collection)



The Utility Fund focuses primarily on maintaining current levels of service, providing services for the continued residential growth, improving commercial development within the City and providing maintenance and capital dollars for the general health of the utility system.

Total expenditures for the FY18 budget are \$9,745,783 which includes \$3,975,600 for the purchase of water and \$1,913,000 for the treatment of wastewater by North Texas Municipal Water District (NTMWD). The City of Murphy will be charged under the take-or-pay contract for 1,404,775,000 gallons of water at \$2.83 per thousand gallons of water. This will result in a total cost of \$3,975,600 for FY18 from NTMWD regardless of how many gallons of water the city sells/uses. The City also shares the cost of the Muddy Creek Waste Water Treatment Plant and the Muddy Creek Interceptor (sewer collection line) with the City of Wylie at cost of \$1.9 million.

In FY18, the City plans to issue \$5,544,000 in Certificates of Obligation (CO's) to fund water and wastewater capital projects. Examples of those projects include:

1. North Murphy Road: 8 inch water line
2. South Murphy Road: 8 inch water line
3. North Maxwell Creek: 8 inch water line replacement
4. Ground Storage Reservoir Repair & Repaint (multiple)
5. Northstar Pump Station Standby Generator
6. Sanitary Sewer Overflow Initiative (SSOI)
7. Camera System with Lateral Launcher

Increased costs from NTMWD, increased operating costs to maintain the water and sewer systems, and debt service related to the new CO issue, necessitate rate increases in FY18 for both water and sewer service. The City engaged NewGen Strategies and Solutions to review the current rates and develop recommendations that will cover costs, and maintain a conservative 20% reserve in the Utility Fund. NewGen recommended a scenario which is incorporated into the FY18 budget that seeks to hold rate increases stable over the next three years. The result is an increase in water rates for FY18 of 12.13% and in wastewater rates of 10.4%. If all of the assumptions in the rate model are met, then similar increases will be needed in FY19 and FY20. However, it must be recognized that two-thirds to three-fourths of the costs are pass through costs from NTMWD, over which the City of Murphy has no control. The new rates will go into effect with the first billing cycle in November, which reflects October consumption (the first month of the fiscal year).

If rates are not increased as described above, the Utility Fund will not meet its reserve at the end of FY18. Further, the financial forecast worsens such that one year later, the Utility Fund will exhaust remaining Fund Balance, and will be overspent by \$3 million at the end of FY19. After three more years, the Utility Fund will have overspent a cumulative \$15.5 million. Should utility rates not be increased significantly, in order for the City to provide water and sewer service to customers, it would necessitate increasing property taxes by more than double the current property tax rate. The consequences of using property taxes to subsidize the Utility Fund, rather than supporting operations through charges for services, would be dire. It will result in water and sewer costs being paid by property owners based on the value of their property, rather than on actual usage. Additionally, the practice would likely be viewed extremely unfavorably by rating agencies. A city unwilling to raise rates to cover its utility operating costs would likely have an adverse effect on the City's ability to issue debt in the future. In short, the practice is ill advised and not financially sustainable.

The FY18 Utility Fund budget includes a transfer of \$875,000 to the General Fund to cover administrative costs. And for one year only, property taxes will be used to pay \$489,635 of utility related debt service, in order to maintain the debt levy at its current rate.

The City's Utility fund is an enterprise fund and as such, should generate enough revenue to ensure the investment in infrastructure will be adequate for current and future use. The fund

should also provide for the expenses of personnel, customer service, development and maintenance.

FUND BALANCE

The Utility Fund must maintain a larger reserve in its fund balance than the General Fund does, due to its nature as an enterprise fund, where revenues can vary significantly from year to year depending on weather and usage patterns. As such, it is recommended that the Utility Fund establish a 20% reserve policy, effective with the adoption of the FY18 budget. Based on the FY18 Budget, the projected reserve is estimated to be above the 20% reserve by \$1,307,156. However, as demonstrated in the NewGen rate study, the extra amount will be consumed over the next three years.

CAPITAL PROJECTS ADVISORY COMMITTEE (CPAC)

On November 15, 2016 the City Council appointed seven citizens to serve on a Capital Projects Advisory Committee (CPAC), the first such committee in ten years. The members of CPAC worked tirelessly reviewing hundreds of capital needs within the City. Committee members held 13 meetings, 3 work sessions, and 2 public town hall meetings to obtain citizen input, prioritize projects, and develop proposed funding strategies. The Committee's work culminated with a final report to the City Council on June 21, 2017 with two primary recommendations. The first recommendation was for a new \$27.4M General Obligation (GO) bond issue supporting \$3.6M in Parks, \$4.9M in Public Safety work sessions, and \$18.9M in Roads, Drainage and Infrastructure prioritized projects. The second recommendation was for \$5.2M in new Certificates of Obligation (CO's) supporting water and wastewater capital projects.

In its deliberations of the CPAC recommendations, the City Council made some changes to the project lists, and directed staff to do the following: 1) proceed with the process necessary to call a \$22,960,000 GO bond election in November; 2) prepare an ordinance authorizing the issuance of \$5,545,000 in CO's; and 3) prepare an ordinance authorizing the issuance of \$3,510,000 in Tax Notes for improvements to existing municipal buildings (e.g. carpet, paint, flooring, network and other technology upgrades). City facilities are over twelve years old, and are increasingly showing signs of age and wear and tear. The improvements funded with tax notes will help maintain the City's investment in its buildings and infrastructure.

The four GO bond propositions are comprised of \$15,510,000 in Street Improvement projects, \$1,735,000 in Public Safety Facilities projects, \$1,345,000 in Improvements to Existing Municipal Buildings projects, and \$4,400,000 in Park and Recreational Facilities projects. It is anticipated that if voters approve the GO bonds, there will be two sales – the first sale will occur in 2018, with the second sale coming in August 2020. In order to minimize the increase on the City's debt portion of its property tax as a result of these new issues, the FY18 Budget utilizes funds from the

available debt levy in FY18 to pay a portion of the water and wastewater debt service. Based on the 2017 Certified Value, \$489,635 will be used to pay principal and interest on Utility Fund debt in FY18.

Additionally, with the increase in Certified Value, the debt portion of the tax rate can remain constant at \$.182250 through FY20. Beginning in FY21, the debt levy will need to increase by 2 cents from the current \$.182250 rate to \$.202200 to cover the additional debt service on the GO bonds. If tax notes are sold, the debt portion of the tax rate will need to increase to cover the related debt service. Debt service on the CO's will be paid proportionately by the Water and Wastewater departments through charges to customers as part of the annual budget process.

MURPHY MUNICIPAL DEVELOPMENT DISTRICT (MDD) FUND BUDGET

The Murphy Municipal Development District (MDD) was formed in April 2012 to allow the City of Murphy to adopt a sales tax to fund the district. The Corporation receives funds from a half-cent sales tax generated within the city limits. The MDD can undertake a variety of projects with high flexibility using the sales tax proceeds, similar to a Community Development Corporation. The revenues are used to promote economic growth, carry out programs related to community development, and promotion of new and expanded business enterprises. Total revenues for FY18 are \$997,640, with a projected ending fund balance of \$2,229,569.

MURPHY COMMUNITY DEVELOPMENT CORPORATION (MCDC) FUND BUDGET

The Murphy Community Development Corporation (MCDC) is a Community Development Sales Tax Corporation whose purpose is to promote projects to enhance the community's image through beautification, parks and open space ventures. The MCDC was created in June 2003 by the Murphy City Council and residents who recognize the need to set aside the money for these important public services. Total revenues for FY18 are \$992,240 with a projected fund balance of \$509,413.

DEBT SERVICE FUND BUDGET

Property taxes collected for the debt portion of the City's tax rate are recorded in the Debt Service Fund. Similarly, the principal and interest payments related to the debt levy are recorded in the Debt Service Fund. At the end of FY16, there was \$35,166,189 in outstanding principal and interest.

The FY18 Budget includes \$3,128,900 in principal and \$1,147,500 in interest that will be paid utilizing the debt portion of the property taxes collected. The tax rate necessary to meet the required FY18 debt service is \$0.1823 per \$100 valuation. If the City issues new GO debt in FY18, the tax rate will increase by \$.02 beginning in FY20. If new tax notes are issued, the tax rate may

increase earlier than FY20. City staff and the City's Financial Advisor monitor the bond market and interest rates regularly to evaluate any refunding opportunities based on lower interest rates.

IMPACT FEE FUND BUDGET

An "Impact Fee" is a charge or assessment imposed by a political subdivision for new development within its service area in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development. The City of Murphy water and wastewater service area is all land within the City limits.

Water and Sewer impact fees are currently funding a portion of the debt incurred by North Texas Municipal Water District for the construction of the Muddy Creek Waste Water Treatment Plant and various waste water collection lines and the debt incurred by the City for the construction of the elevated water storage tank on Rodeo Drive. With the anticipated build-out of the City within the next five years, impact fees may no longer be available to fund the debt for the Muddy Creek Waste Water Treatment Plant, waste water collection lines and the elevated water storage tank. The funding of this debt will be the responsibility of the Utility Fund and will require adjustment to the water and sewer rates.

CONCLUSION

Murphy is an outstanding community that was awarded #1 Best Dallas Suburb for Families in 2016 by *Movoto Real Estate*, and has been ranked several times in the top 10 best suburbs in the Dallas/Ft. Worth area by *D Magazine*. We are very proud of our city and will continue to strive for improvement, and to make this an excellent place to work, live and play.

This is a strong budget that will provide staff the opportunity to deliver exceptional customer and community services to our citizens. However, the budget is not without challenges. The staff will continue to monitor and manage the budget throughout the fiscal year. The staff will also make the necessary adjustments to ensure our compliance with the FY18 Annual Budget.

I would like to thank the City Council and the Leadership and Management Teams for their contributions and support in the development of the FY18 Annual Budget.

Respectfully submitted,

Mike Castro

Mike Castro, PhD
City Manager



CITY OF _____
MURPHY
LIFE LIVED AT YOUR PACE

General Fund Budget

Fiscal Year 2018

General Fund

Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected /Amended	FY18 Budget
Beginning Fund Balance	\$ 3,964,525	\$ 5,151,172	\$ 5,151,172	\$ 3,967,722
Revenues				
Property Taxes	6,589,430	7,115,300	7,115,301	7,480,810
Sales Tax	2,005,510	1,932,000	1,932,505	2,009,280
Franchise Tax	1,028,798	1,047,100	959,557	960,700
Permits & Licenses	941,358	688,000	861,897	718,000
Other Revenue	1,946,059	881,100	1,870,944	762,178
Court Revenue	303,753	300,000	300,600	300,000
Solid Waste	900,058	915,000	915,000	925,000
Miscellaneous Revenue	-	-		
Total Revenues	\$13,714,966	\$12,878,500	\$13,955,804	\$13,155,968
Transfer from Utility Fund	850,000	850,000	850,000	875,000
Transfer from Court Restricted Fund	-	17,000	17,000	17,000
Transfer from MCDC Fund				113,300
Transfer from MDD Fund				236,500
Transfer From Animal Shelter Fund	-	-	-	6,500
Total Other Sources	\$ 850,000	\$ 867,000	\$ 867,000	\$1,248,300
Total Revenues & Other Sources	\$14,564,966	\$13,745,500	\$14,822,804	\$14,404,268
Expenditures				
Administration	572,398	598,700	575,020	498,925
Human Resources	163,309	181,800	179,598	194,033
Information Technology	1,133,694	1,214,800	1,475,640	1,355,301
City Council	266,568	473,600	446,516	352,763
City Secretary	177,537	205,900	210,900	175,658
Finance	506,333	547,600	580,600	639,865
Fire	2,714,879	3,182,200	3,181,279	2,959,957
Public Works	233,165	364,700	355,650	405,400
Facilities	1,180,533	662,700	1,696,793	723,384
Community Development	494,011	494,500	521,436	452,200
Economic Development	119,053	198,000	166,633	182,230
Police	3,399,949	3,675,800	3,576,241	3,953,844
Animal Control	153,476	237,100	238,787	198,597
Recreation	314,742	386,400	402,400	427,027

Parks	805,804	1,232,600	1,202,462	1,268,896
Municipal Court	381,989	432,900	430,593	406,875
Solid Waste	760,878	775,100	765,706	798,400
Non-Departmental				(217,866)
Total Expenses	\$13,378,318	\$14,864,400	\$16,006,254	\$14,775,488
Revenue Less Expenses	\$1,186,647	\$(1,118,900)(2)	\$(1,183,450)(3)	\$ (371,220)(4)
Reserve (15% of Expenditures)	2,006,748	2,229,660	2,400,938	2,216,323
Unreserved	3,144,424	1,802,612	1,566,784	1,380,179
Ending Fund Balance	\$5,151,172(1)	\$4,032,272	\$3,967,722	\$3,596,502

(1) Unassigned Fund Balance from FY16 CAFR is \$3,794 higher(\$5,154,966)

Transfers from Use of Fund Balance

<i>Transfer from Fund Balance - Capital Outlay</i>		1,019,700	1,011,700	347,700
<i>Transfer from Fund Balance - Police Donations</i>				12,200
<i>Transfer from Fund Balance – Community Dev</i>			62,056	
<i>Transfer from Fund Balance-Final amt needed</i>		99,200	109,694	11,320
		\$ 1,118,900(2)	\$1,183,450(3)	\$371,220(4)

City Administration

The City of Murphy operates under a Council-Manager form of government. The City Council appoints the City Manager, who shall serve as the Chief Administrative Officer for the City of Murphy. The City Manager is responsible for the administration of all affairs of the City and manages the diverse departments to keep the City running smoothly. The City Manager is supported by a Leadership Team who leads the dynamic force of approximately 120 plus employees every day to accomplish the goals, objectives and expectations of the City Council. The City Manager is the primary point of contact between the City's departments and City Council. The main functions are to lead, guide and provide coordination to the departments as they implement City policy decisions made by the City Council. The City Manager enforces municipal laws and ordinances and recommends improvement in operations.

This office is also responsible for presenting the Annual Budget and Community Improvement Program to City Council and provides accurate, timely information and recommendations regarding City-wide policies.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 284,496	\$ 374,300	\$ 374,300	\$282,098
Materials & Supplies	4,552	24,700	1,020	21,100
Contractual Services	283,350	199,700	199,700	195,727
Total	\$ 572,398	\$ 598,700	\$ 575,020	\$ 498,925

Personnel Breakdown	FY16	FY17	FY18
City Manager	1	1	1
Executive Administrative Assistant	1	1	1
Total	2	2	2

Human Resources

The Human Resources Department is driven by core leadership values of trust, integrity and excellence. The Human Resources Department strives to administer quality service to our employees by providing education and support in training, recruiting, employee relations, benefits, compensation and professional development. The Human Resources Department is also responsible for risk management for the City.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 106,981	\$ 116,600	\$ 116,600	\$120,218
Materials & Supplies	1,354	1,000	1,000	1,300
Contractual Services	54,974	64,200	61,998	72,515
Capital Outlay	-	-	-	-
Total	\$ 163,309	\$ 181,800	\$ 179,598	\$194,033

Personnel Breakdown	FY16	FY17	FY18
Human Resources Director	1	1	1
Total	1	1	1

Information Technology

The Murphy Information Technology Department (ITD) develops and maintains the vital infrastructure and services which enable city employees to serve the citizens of Murphy.

The department secures, operates, enhances and supports a broad variety of products and technical systems for city departments ranging from water and wastewater, SCADA systems, economic development, social media, fiscal and payroll applications to public safety applications which require 24x7x365 support and reliability.

In addition to technical support, the ITD provides business analysis and project management resources in an effort to help city departments determine the best solutions to meet their needs. The department is responsible for data and voice communication, including local, wide-area and wireless networks, business application development, as well as hardware, software and desktop troubleshooting and support.

The Murphy ITD is also tasked with ensuring that internal business processes and technical systems comply with a variety of regulations to include, but are not limited to, the Payment Card Industry (PCI), Health Insurance Portability and Accountability Act (HIPAA), Open Records Act/Public Information Act, Americans with Disabilities Act (ADA), Federal Bureau of Investigation Criminal Justice Information System (FBI CJIS), Texas Department of Public Safety Texas Law Enforcement Telecommunications System (TxDPS), Texas Commission on Environmental Quality (TCEQ), and the Department of Homeland Security (DHS).

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 421,138	\$ 454,700	\$457,900	\$471,801
Materials & Supplies	23,835	9,600	18,700	11,600
Contractual Services	580,796	480,500	716,540	644,200
Capital Outlay	107,925	270,000	282,500	227,700
Total	\$ 1,133,694	\$ 1,214,800	\$1,475,640	\$1,355,301

Personnel Breakdown	FY16	FY17	FY18
IT Director	1	1	1
Web Admin/Support Analyst	1	1	1
Junior Network Analyst	1	1	1
IT Business Analyst	1	1	1
GIS Analyst	1	1	1
Total	5	5	5

City Council

The City Council is elected at large and is composed of a Mayor and six Councilmembers. They are responsible for appointing and removing the City Manager, City Secretary, City Attorney, and Municipal Judge. Other responsibilities include adopting the budget and setting the tax rate, legislating policies, making board appointments, and establishing a vision for the City's development.

The City Council currently meets on the first and third Tuesday each month to transact the business of the City. Special meetings of the City Council shall be called by the City Secretary upon request of the Mayor, City Manager or three (3) Councilmembers.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 13,510	\$ 15,900	\$15,900	\$14,963
Materials & Supplies	716	23,600	22,225	23,700
Contractual Services	252,342	314,100	263,960	314,100
Capital Outlay		120,000	144,431	-
Total	\$266,568	\$ 473,600	\$446,516	\$352,763

Personnel Breakdown	FY16	FY17	FY18
No Personnel	0	0	0
Total	0	0	0

City Secretary

The City Secretary's office strives to provide quality service and information to the citizens, the City Council, and City staff, as well as maintain official city records for historical preservation. This office is responsible for preparing Council agenda packets, recording Council meeting minutes, preparing and posting public notices, managing public information requests, and administering City elections.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 101,346	\$ 107,800	\$107,800	\$110,380
Materials & Supplies	20,212	1,300	1,300	1,600
Contractual Services	55,979	96,800	101,800	63,678
Capital Outlay	-	-	-	-
Total	\$177,537	\$ 205,900	\$210,900	\$175,658

Personnel Breakdown	FY16	FY17	FY18
City Secretary	1	1	1
Total	1	1	1

Finance

The Finance Department is responsible for critical operations, including supervision, administration and overall planning of the City of Murphy’s financial activities. This includes financial reporting, billing, collections, procurement, risk management, debt management and compliance, purchasing, cash management, and budget preparation, review and monitoring.

Our mission is to ensure fiscal responsibility to the citizens while providing timely and accurate information, and competent quality service to the external and internal customers of the Finance Department.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$343,718	\$385,100	\$385,100	\$426,885
Materials & Supplies	2,468	1,700	1,700	1,700
Contractual Services	160,147	160,800	193,800	211,280
Capital Outlay	-	-	-	-
Total	\$506,333	\$547,600	\$580,600	\$639,865

Personnel Breakdown	FY16	FY17	FY18
Finance Director	1	1	1
Assistant Finance Director	1	1	0
Controller	0	0	1
AP/Payroll Specialist II	1	1	1
AP/Payroll Specialist I	1	1	1
Total	4	4	4

Fire & Rescue

The Murphy Fire Department is responsible for serving the community through fire and life safety prevention, planning, preparation, response, restoration, and review. Our mission is to look for ways to provide for a high quality of life for those living, or visiting the city.

This department provides fire, emergency medical system and emergency management services. Some incidents require resources greater than available in Murphy so a reliance on neighboring communities is also planned. This additional aid is also reciprocated to those other communities as needed.

Whether the department is reviewing development plans for future commercial occupancies or delivering life safety messages at an HOA meeting the idea is to prevent occurrences that require emergency response. Those existing programs will be continued and new programs will be sought out. Murphy Fire Rescue stands ready to serve.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$2,071,831	\$2,251,500	\$2,251,500	\$2,400,757
Materials & Supplies	137,449	185,300	184,379	185,800
Contractual Services	404,727	345,400	345,400	367,900
Capital Outlay	100,872	400,000	400,000	5,500
Total	\$2,714,879	\$3,182,200	\$3,181,279	\$2,959,957

Personnel Breakdown	FY16	FY17	FY18
Fire Chief	1	1	1
Assistant Fire Chief	1	1	1
Fire Marshall	1	1	1
Lieutenant	3	3	3
Driver/Engineer	3	3	3
Firefighter/Paramedic	15	15	15
Executive Administrative Assistant	1	1	1
Total	25	25	25

Public Works

The Public Works Department is comprised of the streets, sidewalks, and storm water system.

The Street/Sidewalk Maintenance Division is responsible for the maintenance and operations of streets, sidewalks, flashers, signals, signs and markings throughout the City. Additional functions include minimizing hazardous roadway conditions, performing drainage work, and responding to citizen requests for service. This division also responds to emergencies and weather related events as needed in an effort to assure safe conditions for citizens and motorists.

The Storm Water Maintenance division inspects and maintains the Storm water system to include bar ditches, mainline pipe, curbs, storm inlets and outfalls. Debris collects in the system which can restrict the outflow and create a potential flooding hazard during excessive rainfalls. The Storm water system is inspected regularly; especially after substantial rainfalls and in response to citizen requests.

Expenditures by Category	FY156 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Materials & Supplies	\$ 34,042	\$ 76,500	\$67,450	\$97,000
Contractual Services	197,072	280,200	280,200	308,400
Capital Outlay	2,051	8,000	8,000	-
Total	\$ 233,165	\$ 364,700	\$ 355,650	\$ 405,400

Personnel Breakdown	FY16	FY17	FY18
No Personnel	0	0	0
Total	0	0	0

Facilities

The Facilities Department was comprised of four employees. An additional Maintenance Technician is being added to the FY18 Budget, bringing the total employee count to five.

The Facilities Superintendent is responsible for the maintenance and repairs for all City Facilities, budget, maintenance program, over sees contractors/jobs, supervision of maintenance tech and custodians, and assists director as needed.

The maintenance tech position is responsible for the maintenance and repairs for all City Facilities consisting of seven public buildings, two elevated storage tanks, 911 Communication building, WHF lift station, and NS Pump station. Responsibilities include but are not limited to, regular maintenance, repairs, state inspections, contract maintenance/repairs, staff work orders, set up and take down for meetings, elections etc.

There are two custodian employees who are responsible for cleaning six city facilities including City Hall, Fire Rescue, Activity Center, Community Center, Police/Courts and Public Works buildings.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 152,537	\$226,200	\$226,200	\$275,932
Materials & Supplies	43,962	66,800	96,800	69,550
Contractual Services	959,334	324,700	1,328,793	373,402
Capital Outlay	24,700	45,000	45,000	4,500
Total	\$1,180,533	\$662,700	\$1,696,793	\$723,384

Personnel Breakdown	FY16	FY17	FY18
Facilities Superintendent	1	1	1
Custodian	2	2	2
Maintenance Technician	1	1	2
Total	4	4	5

Community Development

Community Development has responsibilities in several areas. Building inspections, by the Building Official is responsible for reviewing permit plans and performing inspections for new projects as well as, additions, and remodeling projects for residential and commercial properties. The Building Inspections Department enforces the building, electrical, plumbing, mechanical, fuel gas and energy codes, zoning ordinances, and certain state statutes relating to construction.

Code Compliance is responsible for inspecting properties within the city to enforce specific city ordinances related to public nuisances, zoning violations and substandard buildings. Our Code Compliance Officer is authorized to pursue criminal and civil remedies to abate nuisances within Murphy for the purpose of maintaining a safe, sanitary and clean city.

The Health Department is charged with protecting the health and safety of the public. The Health Inspector ensures that all food service establishments, public and semi-public swimming pools, and daycare and retirement centers meet safe and sanitary requirements by developing and implementing health education, investigation and enforcement programs. The position is contracted to a third party and is not a city employee.

The Planning & Zoning Department processes all zoning and development including but not limited to specific use permits, site plans, landscape plans, and subdivision plats. This department is also responsible for processing Planning & Zoning Commission and Zoning Board of Adjustment cases. Updating and managing the City's Comprehensive Plan is another primary responsibility of the Planning & Zoning Department.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$141,788	\$339,900	\$316,787	\$322,800
Materials & Supplies	7,074	7,900	9,100	9,800
Contractual Services	343,372	146,700	195,549	119,600
Capital Outlay	1,777	-	-	-
Total	\$494,011	\$494,500	\$521,436	\$452,200

Personnel Breakdown	FY16	FY17	FY18
Director of Community Development & Economic Development	0.6	0.6	0.6
Code Compliance Supervisor	1	0	0
Building Official	0	1	1
Code Compliance Officer	2	2	1
Executive Administrative Assistant	0.6	0.6	0.6
Total	4.2	4.2	3.2

Economic Development

The Economic Development Department is responsible for the promotion and retention of high-quality development within the City of Murphy. Retaining local businesses and attracting new businesses that will enhance the quality of life is an important element to the city’s economic development. The department maintains direct contact with businesses in the city and coordinates “Buy Murphy” programs. This department is also responsible for the administration of both the Murphy Municipal Development District and the Murphy Community Development Corporation boards.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 98,644	\$136,300	\$136,300	\$145,730
Materials & Supplies	205	600	600	700
Contractual Services	20,204	61,100	29,733	35,800
Capital Outlay	-	-	-	-
Total	\$119,053	\$198,000	\$166,633	\$182,230

Personnel Breakdown	FY16	FY17	FY18
Director of Community Development & Economic Development Executive	0.4	0.4	0.4
Administrative Assistant Economic	0.4	0.4	0.4
Development Coordinator	1	1	1
Total	1.8	1.8	1.8

Police

The men and women of the Murphy Police Department are committed to delivering the most progressive, responsive and professional police services possible while maintaining outstanding customer service. The department provides a safe environment for residents, businesses and visitors by engaging in high visibility patrol activities to deter crime and facilitate the safe flow of traffic. The department provides 24/7 dispatch operations and promptly answers all emergency and public safety related calls. Patrol Officers provide a prompt and professional response to all requests for police services, and Detectives contact victims and conduct follow-up investigations on all reported criminal offenses.

The Police Department's School Resource Officer and School Crossing Guard programs provide a high level of safety and security for our schools. The department sponsors programs such as Citizens on Patrol, Police Explorers, Citizen Police Academy, and Youth Citizen Police Academy to establish partnerships and engagement with the community.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$2,839,201	\$3,121,600	\$ 3,121,600	\$3,243,369
Materials & Supplies	83,557	160,600	160,600	143,300
Contractual Services	339,070	335,600	236,041	382,000
Capital Outlay	138,121	58,000	58,000	185,175
Total	\$3,399,949	\$3,675,800	\$3,576,241	\$3,953,844

Personnel Breakdown	FY16	FY17	FY18
Police Chief	1	1	1
Police Lieutenant	1	1	1
Police Sergeant	4	4	4
Police Officers	16	16	16
School Campus Protection Officer	1	1	1
School Resource Officer	1	1	1
Support Services Manager	1	1	1
Communications Supervisor	1	1	1
Communications Officers	8	8	8
Executive Administrative Assistant	1	1	1
Crossing Guards - PART TIME	11	11	15
Total	46	46	50

Animal Control

Animal Control, a division of the Police Department, responds to domestic animal, wildlife, and livestock issues that arise throughout the City. Their duties include rabies awareness investigating animal bites, lost pets, animals at large, adoptions, housing/caring for stray animals, and public awareness on West Nile Virus, along with treatment of stagnant water in the City.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$110,061	\$128,600	\$128,600	\$132,997
Materials & Supplies	15,556	18,300	18,300	21,700
Contractual Services	27,859	35,500	37,187	43,900
Capital Outlay	-	54,700	54,700	-
Total	\$153,476	\$237,100	\$238,787	\$198,597

Personnel Breakdown	FY16	FY17	FY18
Animal Control Officer	2	2	2
Total	2	2	2

Recreation

The City of Murphy Recreation Department is responsible for providing quality and affordable programs for the residents of Murphy and surrounding areas. The Department's core activities include: recreational sports, fitness and educational activities and programs as well as various annual community events. The Department is able to provide these services by hosting exciting community events and volunteer opportunities for residents of all ages and offering recreational programs for youth as well as adults. In addition, the Recreation Department oversees reservations for all indoor and outdoor City owned recreational facilities including the Murphy Community Center, Murphy Activity Center, over 15 different sports practice locations, 10 park pavilions, an amphitheater and food truck court that can service up to five food trucks at a time. These parks amenities, programs, activities and events are offered to improve the quality of life and physical and mental well-being of our citizens.

The Department also partners with multiple local, state and national recreational associations and organizations. The Recreation Department is a vital and growing part of the City of Murphy, and works hard to continually expand its abilities to provide meaningful and accessible recreational opportunities for all.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 176,590	\$221,700	\$237,700	\$249,427
Materials & Supplies	6,187	15,300	15,300	22,000
Contractual Services	129,476	149,400	149,400	155,600
Capital Outlay	2,489			
Total	\$ 314,742	\$ 386,400	\$ 402,400	\$ 427,027

Personnel Breakdown	FY16	FY17	FY18
Manager of Recreation Services	1	1	1
Recreation Specialist II	1	1	2
Recreation Specialist I	1	1	0
Recreation Specialist I - PART TIME	4	4	4
Total	7	7	7

Parks

The Parks Department is comprised of twelve employees, who are responsible for the maintenance of approximately 324 acres of developed and undeveloped park land, thoroughfares/medians, applicable rights-of-ways, and other City-owned property and facilities.

Maintenance duties include mowing maintenance; tree trimming; bed planting and upkeep; irrigation scheduling, checks, repairs, and monitoring; restroom cleaning and repairs; playgrounds inspection, repairs, and maintenance; and general maintenance on park amenities.

The Parks Department is also responsible for assisting in the majority of the set-up and tear down for special events that are hosted by the Recreation Department, and many other special projects that take place in the City.

The overall goal of the Parks Department is to strive to improve the quality of life for the citizens of Murphy by providing a safe and aesthetically pleasing park system that fosters a sense of community amongst the residents.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personal Services	\$ 575,629	\$734,700	\$734,700	\$782,696
Materials & Supplies	135,956	210,000	179,862	213,200
Contractual Services	94,219	263,900	263,900	273,000
Capital Outlay	-	24,000	24,000	
Total	\$ 805,804	\$ 1,232,600	\$1,202,462	\$1,268,896

Personnel Breakdown	FY16	FY17	FY178
Director of Public Services	0.5	0.5	0.5
Parks Superintendent	1	1	1
Sr. Grounds Keeper	1	1	1
Grounds Keeper II	4	4	4
Grounds Keeper I	5	5	5
Executive Administrative Assistant	0.5	0.5	0.5
Total	12	12	12

Municipal Court

The Municipal Court is the Judicial Branch of City government. These Courts hear Class C misdemeanor cases, which are punishable by a fine only, and includes traffic, the Penal Code and ordinance violations.

The Murphy Municipal Court will provide the public with prompt and courteous service for the just resolution of all citations, complaints and court appearances involving Class C misdemeanor offenses and violations of the City’s ordinances occurring within the corporate limits of Murphy.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$315,646	\$338,700	\$338,700	\$348,897
Materials & Supplies	4,574	3,600	1,293	4,900
Contractual Services	61,769	50,600	50,600	53,078
Capital Outlay	-	40,000	40,000	-
Total	\$381,989	\$432,900	\$430,593	\$406,875

Personnel Breakdown	FY16	FY17	FY18
Municipal Court Judge	1	1	1
Court Administrator	1	1	1
Juvenile Case Manager	1	1	1
Deputy Court Clerk	1	1	1
Total	4	4	4

Solid Waste

The Solid Waste Department is responsible for the City's weekly solid waste and recycling services, which is provided by an outside contractor.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Contractual Services	\$760,878	\$775,100	\$765,706	\$798,400
Total	\$760,878	\$775,100	\$765,706	\$798,400

Personnel Breakdown	FY16	FY17	FY18
No Personnel	0	0	0
Total	0	0	0



CITY OF _____
MURPHY

LIFE LIVED AT YOUR PACE

Court Restricted Funds

**(Building Security Fund,
Court Technology Fund,
Juvenile Case Management Fund, and
Judicial Efficiency Fund Budgets)**

Fiscal Year 2018

Court Restricted Funds

The Municipal Court has four restricted accounts, three of which were created by City Ordinance and are funded from every citation as outlined under Article 102.0174 of the Code of Criminal Procedure. The fourth account is mandated by the State of Texas.

Building Security Fund - Municipal Code, Section 12.02.32 - \$3.00

Restricted to financing the salaries of security personnel, services, and security equipment for Municipal Court.

Technology Fund – Municipal Code, Section 12.02.33 - \$4.00

Restricted to financing the purchase or maintenance of technological enhancement to include computer systems, networks, hardware, software, imaging systems, electronic kiosks, ticket writers and document management systems for the Municipal Court.

Juvenile Case Manager Fund – Municipal Code, Section 12.02.33 - \$5.00

Restricted to financing the salary, benefits, training, travel expenses and office supplies for the JCM. Additional usage includes the implementation of programs directly related to the duties of the JCM.

Judicial Efficiency Fund

The State of Texas mandates the collection of a \$25.00 fee for any portion of a fine that is paid on or after thirty-one (31) days from the date of judgment. The fee is allocated as follows:

Time Payment Fee- divided into 3 parts

\$12.50 – State Comptroller

\$ 2.50 – Judicial Efficiency Fund

\$10.00 – City General Fund – no restrictions for usage

Court Restricted Funds

Summary of Revenues & Expenditures

	FY16	FY17	FY17	FY18
	Actual	Budget	Projected	Budget
Beginning Fund Balance	\$ 88,459	70,359	\$ 70,359	\$ 62,492
Revenue				
Building Security Fund	7,688	6,000	8,915	9,000
Court Technology Fund	10,252	8,000	11,884	12,000
Judicial Efficiency Fund	503	500	446	500
Juvenile Case Mgmt Fund	15,167	12,000	17,743	17,800
Total Revenues	\$ 33,610	\$ 26,500	\$ 38,988	\$ 39,300
Expenditures				
Building Security Fund	16,672	14,700	22,912	26,259
Court Technology Fund	5,038	5,200	5,200	5,200
Judicial Efficiency Fund	-	1,000	1,000	1,000
Juvenile Case Mgmt Fund	30,000	17,000	17,743	17,800
Total Expenditures	\$ 51,710	\$ 37,900	\$ 46,855	\$ 50,259
Revenues less Expenditures	\$ (18,100)	(11,400)	(7,867)	(10,959)
Ending Fund Balances	\$ 70,359	\$ 58,959	\$ 62,492	\$ 51,533



CITY OF _____
MURPHY

LIFE LIVED AT YOUR PACE

Animal Shelter

Fiscal Year 2018

Animal Shelter

The animal shelter donation was established in October 2014 when the new shelter was opened. Several businesses and members of the community donate money to the shelter to help with animal care and various projects at the shelter.

In past 3 years, the Moms of Murphy have held auctions and craft fairs where the animal shelter was the beneficiary. These funds have been used to fund projects such as the new outside animal runs, the fans inside the covered outside portion of the shelter, and the plumbing to bring water to the outside run areas.

The funds donated to the shelter help augment the annual budget as well as any unexpected needs that arise during the year. In FY18, the donation funds being transferred to the General Fund will be used to pay for covers for the outside dog runs and a new tag engraver for adopted animals.

Animal Shelter Fund

Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$ 12,357	\$ 7,962	\$ 7,962	\$ 7,282
Revenue				
Donations	1,665	-	470	-
Total Revenues	\$ 1,665	\$ -	\$ 470	-
Expenditures				
Materials and Supplies	6,061	-	1,150	-
Total Expenditures	\$ 6,061	\$ -	\$ 1,150	-
Transfer to General Fund	-	-	-	6,500
Total Expenditures & Other Uses	\$ 6,061	\$ -	\$ 1,150	\$ 6,500
Revenues less Expenditures & Other Uses	\$ (4,396)		(680)	(6,500)
Ending Fund Balances	\$ 7,962	\$ 7,962	\$ 7,282	\$ 782



CITY OF _____
MURPHY

LIFE LIVED AT YOUR PACE

Community Events

Fiscal Year 2018

Community Events

The City of Murphy holds numerous community events annually including volunteer based community project days such as Arbor Day, a kid’s fishing derby, Moonlight Movies in the park, Sounds at Sundown Summer Concert Series, Christmas in the Park, and Tunes, Tails and Ales; Murphy’s Annual Craft Beer Festival and Crawfish Boil. Our biggest annual event is our Fall Festival; Murphy Maize Days with approximately 11,000 in annual attendance. Murphy has a strong community spirit which continues to grow through the many affordable and family friendly community events throughout the year. City of Murphy Community Events have historically been funded by Murphy Community Development Corporation (MCDC).

Community Events

Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$79,208	\$ 110,101	\$ 110,101	\$ 110,101
Revenue				
Donations/Fees	30,983	10,000	15,000	15,000
Transfers from MCDC	275,069	242,500	258,933	296,800
Total Revenues	306,051	252,500	273,933	311,800
Expenditures				
Community Events				
Arbor Day	5,528	7,000	6,000	7,000
Animal Shelter	7			
Christmas in the Park	57,474	45,000	45,000	48,000
Rainbow Trout Roundup	5,702	6,500	6,500	6,500
Tunes, Tails & Ales	47,925	51,000	51,000	51,000
Moonlight Movies	6,196	10,000	10,000	10,000
Sounds at Sundown	34,002	36,800	36,000	36,800
Murphy Maize Days	98,025	112,500	112,500	132,500
Miscellaneous Events	20,209	36,500	6,933	20,000
Total Expenditures	275,069	295,300	273,933	311,800
Revenues less Expenditures	30,983	(42,800)	-	-
Ending Fund Balance	\$ 110,101*	\$ 67,301	\$ 110,101	\$ 110,101

* FY16 CAFR includes \$110,101 + MCDC Fund Balance of \$410,973 for a total of \$521,074



CITY OF _____
MURPHY
LIFE LIVED AT YOUR PACE

Murphy Cable TV PEG

Fiscal Year 2018

Murphy Cable TV PEG

The state issued cable service or video franchise requires that the cable services and video service provider pays directly to each city in which it provides service a franchise fee of 5% of its gross revenue (a defined term in Chapter 66), even if the incumbent cable provider is paying a smaller percentage or on different gross revenue base amount. Pro rata and 1% payment in lieu of in-kind PEG/I-Net facilities (Section 66.006): Chapter 66 also provides that if the incumbent cable provider pays any cash payments to the city in support of public educational, governmental channels or to support an institutional network, those cash payments are matched by the state-issued franchise holder as calculated by the city on a per subscriber basis. After the expiration of the incumbent cable franchise, all the state-issued franchise holders pay, at the cities choice, either an additional PEG capital support fee equal to 1% of its gross revenue or a fee equal to the per subscriber cash payments that were made under the expired incumbent’s cable franchise.

Murphy Cable TV PEG

Summary of Revenues & Expenditures

	FY16	FY17	FY17	FY18
	Actual	Budget	Projected	Budget
Beginning Fund Balance	\$ 15,025	\$ 5,095	\$ 5,095	\$ -
Revenue				
Cable TV	5,989	5,600	4,082	5,600
Total Revenues	5,989	5,600	4,082	5,600
Expenditures				
Software Maintenance	17,411	10,000	9,177	5,600
Audit Adjustment	(1,492)			
Total Expenditures	15,919	10,000	9,177	5,600
Revenues less Expenditures	(9,930)	(4,400)	(5,095)	-
Ending Fund Balance	\$ 5,095	\$ 695	\$ -	\$ -



CITY OF _____
MURPHY
LIFE LIVED AT YOUR PACE

Utility Fund Budget

Fiscal Year 2018

City of Murphy
FY 18 Proposed Budget Summary

	FY16 Actual	FY17 Budget	FY17 Projected /Amended	FY18 Budget
Beginning Fund Balance	\$2,375,919	\$3,575,887	\$3,575,887	\$2,777,562
Prior Period Adjustment	258,347			
REVENUES				
Other Revenue	214,124	193,000	209,500	238,000
Water Revenue	5,555,989	6,038,500	5,500,000	6,472,305
Sewer Revenue	2,836,630	3,430,520	3,097,504	3,514,228
TOTAL REVENUES	8,606,743	9,662,020	8,807,004	10,224,534
Transfer from Utility Construction Fund	863,550	-	-	-
Total Revenues & Other Sources	9,470,293	9,662,020	8,807,004	10,224,534
DEPARTMENT				
Water Distribution	5,613,441	5,190,600	5,245,458	5,327,832
Wastewater Collection	1,448,862	2,640,900	2,678,039	2,697,471
Customer Service	616,369	803,500	831,832	845,480
Total Department	7,678,672	8,635,000	8,755,329	8,870,783
Transfer to General Fund	850,000	850,000	850,000	875,000
Total Expenditures & Other Uses	8,528,672	9,485,000	9,605,329	9,745,783
Revenues less Expenses	\$ 941,621	\$ 177,020	\$ (798,325)*	\$ 478,751
Recommended Reserve(20% of expenses)	1,705,734	1,897,000	1,921,066	1,949,157
Unreserved	1,870,153	1,855,907	865,496	1,307,156
Ending Fund Balance	\$3,575,887	\$3,752,907	\$2,777,562	\$3,256,313

*Use of Fund Balance – Budget Amendment 6.20.17

Water Distribution

The Water Distribution division operates, maintains and repairs the city's water distribution system. The City's infrastructure includes the following: 6,187 metered connections, 94 miles of water lines, 1,067 fire hydrants, 3 ground-level storage tanks, 2 elevated storage tanks, and one pump station. The crews are responsible for the safe delivery of high-quality potable water within the City of Murphy, by conducting daily sampling of water, flushing fire hydrants, monitoring all water facilities, visual inspections and responding to citizen requests.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$ 574,542	715,900	687,400	795,432
Materials & Supplies	1,037,987	128,900	168,758	124,900
Contractual Services	3,562,409	3,907,600	3,953,600	4,326,800
Capital Outlay	-	201,500	199,000	80,700
Debt Service	438,503	236,700	236,700	0
Total	\$5,613,441	\$ 5,190,600	5,245,458	5,327,832

Personnel Breakdown	FY16	FY17	FY18
Director of Public Services	0.5	0.5	0.5
Public Works Superintendent	1	1	1
Senior Maintenance Worker	1	1	1
Water Quality Technician	0	0	1
Maintenance Worker II	3	3	3
Maintenance Worker I	4	4	4
Executive Administrative Assistant	0.5	0.5	0.5
Total	10	10	11

Wastewater Collection

The Wastewater division maintains and repairs the wastewater system to ensure efficient disposal of wastewater within the City. The City's wastewater infrastructure includes the following: 85 miles of sewer lines, 984 manholes, 6,087 lateral connections, and one lift station. The crews perform routine and emergency cleaning, line stoppage removals, sewer taps, manhole repairs and clean-out installation and repairs.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected Amended	FY18 Budget
Personnel Services	57,322	67,700	67,700	66,138
Materials & Supplies	31,109	62,800	99,939	42,600
Contractual Services	1,161,816	1,448,200	1,448,200	2,232,200
Capital Outlay	-	130,000	130,000	156,768
Debt Service	198,615	932,200	932,200	199,765
Total	\$1,448,862	\$2,640,900	\$2,678,039	\$2,697,471

Personnel Breakdown	FY16	FY17	FY18
Maintenance Worker II	1	1	1
Total	1	1	1

Customer Service

The Customer Service Center for the City of Murphy is committed to delivering superior customer service that meets and strives to exceed the needs of our residents, business owners, and others with unsurpassed professionalism, politeness, and promptness. Our Customer Service Center is uniquely positioned to handle a variety of demands including, but not limited to, building projects, water, sewer and solid waste issues. This allows our department to be the center of customer service needs.

The Customer Service Center oversees many aspects of utility billing and building projects. Not only does this department manage the City's billing for water, wastewater, recycling, and trash service. It is also responsible for overseeing the permitting and building project process which includes handling commercial, residential and health permits along with building inspections request.

Expenditures by Category	FY16 Actual	FY17 Budget	FY17 Projected/ Amended	FY18 Budget
Personnel Services	\$379,184	\$383,800	\$383,800	\$406,580
Materials & Supplies	31,938	114,500	142,832	129,600
Contractual Services	205,247	278,400	278,400	281,500
Capital Outlay		26,800	26,800	27,800
Total	\$616,369	\$803,500	\$831,832	\$845,480

Personnel Breakdown	FY16	FY17	FY18
Customer Service Manager	1	1	1
Assistant Customer Service Manager	1	1	1
Customer Service Specialist	3	3	3
Meter Technician	1	1	1
Total	6	6	6



CITY OF _____
MURPHY

LIFE LIVED AT YOUR PACE

Capital Improvement Fund Budget

Fiscal Year 2018

Capital Improvement Fund
Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$ 252,260	\$ 253,013	\$ 253,013	\$ 254,452
Miscellaneous Revenue	-	-	-	-
Interest Income	753	600	1,439	600
Total Revenues	753	600	1,439	600
Expenditures				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	753	600	1,439	600
Fund Balance	\$253,013	\$ 253,613	\$ 254,452	\$ 255,052



CITY OF _____
MURPHY
LIFE LIVED AT YOUR PACE

Capital Construction Fund Budget

Fiscal Year 2018

Capital Construction Fund
Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$1,705,450	\$1,527,344	\$1,527,344	\$848,093
Revenue				
Bond Proceeds	1,800,000	-	-	-
Interest	4,251	3,000	3,811	3,000
Texas Parks WD Grants	-	-	-	-
Collin County Grant	52,798	-	-	-
State of Texas - RTR	539,628	-	-	-
Safe Routes To School	26,503	-	-	-
Collin County McCreary	-	1,045,000	997,312	-
Transfer from MMDD	-	-	-	-
Misc. Revenue	-	-	-	-
Donations	-	-	-	-
Total Revenues	2,423,180	1,048,000	1,001,123	3,000
Expenditures				
Contractual Services	46,272	20,000	32,105	-
Capital Outlay	2,554,270	1,500,000	1,648,269	-
Total Expenditures	2,600,542	1,520,000	1,680,374	-
Transfer to Debt Service Fund	744			
Revenues less Expenditures	(178,106)	(472,000)	(679,251)	3,000
Ending Fund Balance	\$1,527,344	\$1,055,344	\$848,093	\$851,093



CITY OF _____
MURPHY
LIFE LIVED AT YOUR PACE

Utility Capital Construction Fund Budget

Fiscal Year 2018

Utility Capital Construction Fund

Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$ 3,312,679	\$ 2,293,461	\$ 2,293,461	\$ 1,322,331
Revenue				
Interest	8,009	1,200	10,987	1,200
Bond Proceeds	-	-	-	-
Total Revenues	8,009	1,200	10,987	1,200
Expenditures				
Contractual Services	40,802	50,000	-	-
Capital Outlay	122,875	750,000	982,118	-
Total Expenditures	163,677	800,000	982,118	-
Transfer to Other Funds	863,550			
Total Expenditures & Other Uses	1,027,227	800,000	982,118	-
<i>Revenues less Expenditures</i>	(1,019,218)	(798,800)	(971,130)	1,200
Ending Fund Balance	\$ 2,293,461	\$ 1,494,661	\$ 1,322,331	\$ 1,323,531



CITY OF _____
MURPHY
LIFE LIVED AT YOUR PACE

**Murphy Municipal
Development District (MDD)
Budget**

Fiscal Year 2018

Murphy Municipal Development District (MDD)

The Murphy Municipal Development District (MDD) was created through an election for an additional sales tax by the City of Murphy's voters, similar to 4B EDC. Formed in April 2012 by the voters of Murphy, the MDD replaced the Murphy Economic Development Corporation (4A). The MDD receives funds from a half-cent sales tax generated within the city limits, and a five-member Board is appointed by the Murphy City Council.

The MDD's primary purpose is to manage a development project fund in which the MDD must deposit the half-cent sales tax proceeds into the fund. The revenues may be used to pay costs associated with development projects in the MDD such as promoting economic growth, carrying out programs related to community development, and promoting new and expanded business enterprises.

The goals of the MDD include promoting and retaining businesses that are unique to Murphy that will enhance the quality of life with family oriented activities, encouraging organizations and residents to reinvest in their community and strengthening the economic base with businesses that generate sales tax revenue.

Murphy Municipal Development District (MDD)

Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$ 1,755,582	\$ 1,543,850	1,543,850	1,717,629
Revenue				
Sales Tax	973,383	953,500	953,500	991,640
Other Revenue	76,174	5,000	5,750	6,000
Total Revenues	1,049,557	958,500	959,250	997,640
Other Financing Sources				
Transfer from MCDC	-	-	-	108,000
Transfer from General Fund	-	-	-	108,000
Repayment of Incentive Loan	-	-	-	8,800
Total Transfers from Other Funds	-	-	-	224,800
Total Revenues & Other Sources	1,049,557	958,500	959,250	1,222,440
Expenditures				
Contractual Services	411,464	499,200	503,700	557,400
Capital Outlay	718,825	15,500	131,679	-
Debt Service	131,000	129,100	150,092	153,100
Total Expenditures	1,261,289	643,800	785,471	710,500
Total Revenues & Other Sources less Total Expenditures	(211,732)	314,700	173,779	511,940
Ending Fund Balance	\$ 1,543,850	\$ 1,858,550	\$ 1,717,629	\$ 2,229,569



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LIFE LIVED AT YOUR PACE

**Murphy Community
Development Corporation
(MCDC) Budget**

Fiscal Year 2018

Murphy Community Development Corporation (MCDC)

The Murphy Community Development Corporation was formed in 2003 by the voters of Murphy and receives funds from the half-cent sales tax for community development projects. The seven-member board is appointed by the Murphy City Council. Community projects are identified and funded by sales tax. Expenditures are subject to the provisions of the Development Corporation Act of 1979.

The half-cent sales tax has enabled the City of Murphy to fund several quality-of-life projects such as park improvements and community events. It also covers the cost of Community Events through a transfer at year end, as well as the cost of one employee, materials and supplies, contractual services, capital outlay and debt service. In FY18 for the first time, \$87,631 of departmental overtime related to Community Events will be paid by this fund (Personnel Services), in order to more accurately reflect the full cost of City sponsored events. The departmental overtime budgets were reduced by a corresponding amount.

Personnel Breakdown	FY16	FY17	FY18
Special Events Coordinator	1	1	1
Total	1	1	1

Murphy Community Development Corporation

Summary of Revenues & Expenditures

	FY 16 Actual	FY17 Budget	FY17 Projected /Amended	FY18 Budget
Beginning Fund Balance	\$498,725	\$410,973	\$410,973	\$508,321
Revenue				
Sales Tax	988,698	953,500	953,500	991,640
Interest	679	500	914	600
Total Revenues	989,377	954,000	954,414	992,240
Expenditures				
Personnel Services	73,638	70,900	69,447	155,599
Materials & Supplies	7,997	243,000	-	500
Contractual Services	216,055	151,000	153,086	158,349
Capital Outlay	170,350	37,000	37,000	67,300
Debt Service	334,020	339,000	338,600	204,600
Total Expenditures	802,060	840,900	598,133	586,348
Other Financing Uses				
Transfer to Community Events	275,069	-	258,933	296,800
Transfer to MDD-Repayment Food Truck Court	-	-	-	108,000
Total Transfers Out	275,069	-	-	404,800
Total Expenditures & Transfers to Other Funds	1,077,129	840,900	857,066	991,148
Total Revenues less Total Expenditures & Other Uses	(87,752)	113,100	97,348	1,092
Ending Fund Balance	\$410,973*	\$524,073	\$508,321	\$509,413

*FY16 CAFR includes \$410,973 + Community Events Fund Balance of \$110,101 for a total of \$521,074



CITY OF _____
MURPHY

LIFE LIVED AT YOUR PACE

Debt Service Fund Budget

Fiscal Year 2018

Debt Service Fund

Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$ 835,978	\$ 859,855	\$ 859,855	\$ 907,749
Revenue				
Property Taxes	3,870,300	3,980,700	3,980,700	4,276,400
Delinquent Property Taxes	3,141	8,000	8,000	8,000
Miscellaneous Revenue	4,288	-	-	-
Pledged Revenue from MDD&MCDC	455,020	2,000	7,000	2,000
Penalty & Interest	24,422	13,000	13,000	13,000
Total Revenues	4,357,170	4,003,700	4,008,700	4,299,400
Expenditures				
Principal	3,235,000	2,960,000	2,940,000	3,128,900
Interest	1,094,587	1,020,700	1,019,206	1,147,500
Agent Fee	4,450	2,000	1,600	1,600
Total Expenditures	4,334,037	3,982,700	3,960,806	4,278,000
Transfer in per CAFR	744			
Revenues less Expenditures	23,877	21,000	47,894	21,400
Ending Fund Balance	\$ 859,855	\$ 880,855	\$ 907,749	\$ 929,149



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MURPHY
LIFE LIVED AT YOUR PACE

Impact Fee Fund Budget

Fiscal Year 2018

Impact Fee Fund
Summary of Revenues & Expenditures

	FY16 Actual	FY17 Budget	FY17 Projected	FY18 Budget
Beginning Fund Balance	\$ 647,149	\$ 674,204	\$ 674,204	\$ 630,931
Revenue				
Water Impact Fee	108,220	72,000	103,803	66,300
Sewer Impact Fee	309,879	176,500	172,397	244,400
Interest	1,618	1,500	3,663	1,500
Total Revenues	419,717	250,000	279,863	312,200
Expenditures				
Capital Projects	329,728	374,000	222,136	96,900
Audit Adjustment	62,934			
Total Expenditures	392,662	374,000	222,136	96,900
Transfer to Utility Fund	-	-	101,000	106,100
Total Expenditures & Transfer	392,662	374,000	323,136	203,000
Revenues less Expenditures	27,055	(124,000)	(43,273)	109,200
Ending Fund Balance	\$ 674,204	\$ 550,204	\$ 630,931	\$ 740,131

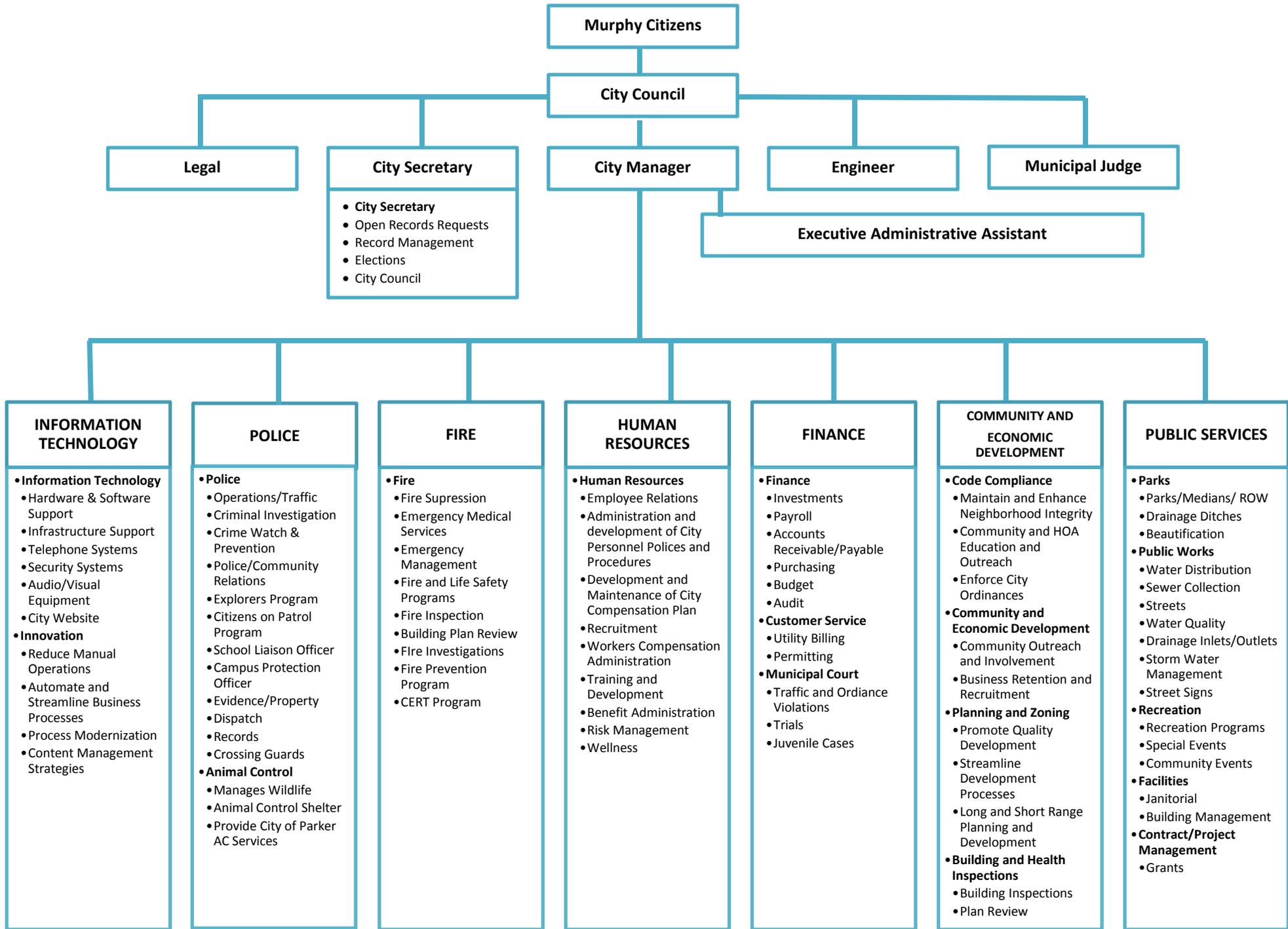


CITY OF _____
MURPHY

LIFE LIVED AT YOUR PACE

Additional Information

Fiscal Year 2018





CITY OF _____
MURPHY
LIFE LIVED AT YOUR PACE

Personnel Schedule

Fiscal Year 2018

PERSONNEL SCHEDULE

FISCAL YEAR 2018

DEPARTMENT/POSITION TITLE	FY17	FY18
City Manager		
City Manager	1	1
Executive Administrative Assistant	1	1
TOTAL FULL - TIME	2	2
Human Resources		
Human Resources Director	1	1
TOTAL FULL - TIME	1	1
Information Technology		
IT Director	1	1
Web Admin/Support Analyst	1	1
Junior Network Analyst	1	1
IT Business Analyst	1	1
GIS Analyst	1	1
TOTAL FULL - TIME	5	5
City Secretary		
City Secretary	1	1
TOTAL FULL - TIME	1	1
Finance		
Finance Director	1	1
Assistant Finance Director	1	0
Controller	0	1
AP/Payroll Specialist II	1	1
AP/Payroll Specialist I	1	1
TOTAL FULL - TIME	4	4
Fire		
Fire Chief	1	1
Assistant Fire Chief	1	1
Fire Marshall	1	1
Lieutenant	3	3
Driver/Engineer	3	3
Firefighter/Paramedic	15	15
Executive Administrative Assistant	1	1
TOTAL FULL - TIME	25	25

PERSONNEL SCHEDULE

FISCAL YEAR 2018

DEPARTMENT/POSITION TITLE	FY17	FY18
Facilities		
Facilities Superintendent	1	1
Custodian	2	2
Maintenance Technician	1	2
TOTAL FULL - TIME	4	5
Community Development		
Director Of Community & Economic Development	0.6	0.6
Code Compliance Supervisor	0	0
Building Official	1	1
Code Compliance Officer	2	1
Executive Administrative Assistant	0.6	0.6
TOTAL FULL - TIME	4.2	3.2
Economic Development		
Director of Community & Economic Development	0.4	0.4
Executive Administrative Assistant	0.4	0.4
Economic Development Coordinator	1	1
TOTAL FULL - TIME	1.8	1.8
Police		
Police Chief	1	1
Police Lieutenant	1	1
Police Sergeants	4	4
Police Officers	16	16
School Campus Protection Officer	1	1
School Resource Officer	1	1
Support Services Manager	1	1
Communications Supervisor	1	1
Communications Officer	8	8
Executive Administrative Assistant	1	1
Crossing Guards - PART TIME	11	15
TOTAL FULL - TIME	35	35
TOTAL PART - TIME	11	15
Animal Control		
Animal Control Officer	2	2
TOTAL FULL - TIME	2	2

PERSONNEL SCHEDULE

FISCAL YEAR 2018

DEPARTMENT/POSITION TITLE	FY17	FY18
Recreation		
Manager of Recreation Services	1	1
Recreation Specialist II	1	2
Recreation Specialist I	1	0
Recreation Specialist - PART TIME	4	4
TOTAL FULL - TIME	3	3
TOTAL PART - TIME	4	4
Parks		
Director of Public Services	0.5	0.5
Parks Superintendent	1	1
Sr. Grounds Keeper	1	1
Grounds Keeper II	4	4
Grounds Keeper I	5	5
Executive Administrative Assistant	0.5	0.5
TOTAL FULL - TIME	12	12
Municipal Court		
Municipal Court Judge	1	1
Municipal Court Administrator	1	1
Juvenile Case Manager	1	1
Deputy Court Clerk	1	1
TOTAL FULL - TIME	4	4
Water Distribution		
Director of Public Services	0.5	0.5
Public Works Superintendent	1	1
Senior Maintenance Worker	1	1
Water Quality Technician	0	1
Maintenance Worker II	3	3
Maintenance Worker I	4	4
Executive Administrative Assistant	0.5	0.5
TOTAL FULL - TIME	10	11
Waste Water Collections		
Maintenance Worker II	1	1
TOTAL FULL - TIME	1	1

**PERSONNEL SCHEDULE
FISCAL YEAR 2018**

DEPARTMENT/POSITION TITLE	FY17	FY18
Customer Service		
Customer Service Manager	1	1
Assistant Customer Service Manager	1	1
Customer Service Specialist.	3	3
Meter Technician	1	1
TOTAL FULL - TIME	6	6
Murphy Community Development		
Special Events Coordinator	1	1
TOTAL FULL – TIME	1	1
TOTAL FULL - TIME EMPLOYEES	122	123
TOTAL PART - TIME EMPLOYEES	15	19

2018 Budgetary Financial Policies

Financial policies set forth the basic framework for the fiscal management of the City. Policies, which are reviewed and approved by the City Council, will be updated and implemented annually to ensure the City maintains a sound financial position in each of the City's fund and account groups. These policies are developed within the parameters set forth in the City's Charter, Article VII. The policies will provide guidelines for short and long term decision making.

A. Operating Funds Budget Policies

1. Prior to August 10th of each year the City Manager shall prepare and submit to the City Council, the annual budget covering the next fiscal year. A budget message shall be prepared in accordance with City Charter requirements.
2. The City shall operate on a current funding base. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year savings and any transfers.
3. Transfers between funds shall only be permitted to the extent that the basis and justification of the transfer can be quantified. Periodic transfers are made for administrative cost reimbursements to the various funds. In addition, fund transfers may occur when surplus fund balances are used to support non-recurring capital expenses.
4. One-time revenues in operating funds will not be used for funding of ongoing expenditures. One-time revenues shall only be used to fund capital improvements, capital equipment, or other one-time expenditures.

B. General Fund Revenue Policies

1. All new programs or service enhancements shall be implemented according to Council direction as a part of the budget process. In the event additional revenues are required to implement a new program or service enhancement, a cost benefit analysis of the program change will be conducted by the staff to determine if a new revenue source or increase in existing revenue will be needed. The analysis shall include the applicability of user fees as a source of revenue to support the new or expanded program. The maintenance and operation portion of the General Fund ad valorem tax rate shall only be raised after thorough review of other revenue sources.
2. Through the proposed budget the City shall strive to develop a balance in major revenue sources to protect the financial stability of the City in the event of severe fluctuation in the national and/or local economy. This balance will maintain a diversified and stable revenue system. The major revenue sources of the General Fund are Ad Valorem taxes, Sales Tax, Permits and all other charges for fines and services.

3. Charges for services shall be reviewed and updated at least every five years. The review will consider the cost of providing the service and a review of similar charges in comparable cities in the region.

4. Revenues shall be projected based on actual collections from the preceding year and estimated collections of the current fiscal year, while taking into account known circumstances that will impact revenues for the new fiscal year. Revenue projections will be made conservatively.

C. Utility Fund Revenue Policies

1. A cost of service rate study will be conducted to determine rates necessary to fund the utility fund for five years. Annual reviews by staff will be performed and updates to the study will be performed as necessary to ensure that the rates in effect will fund the utility budgets.

2. Capital improvements and participation in the oversizing of utility facilities during the development of the City required as a result of growth should be paid in part through impact fees that are reviewed and adjusted within the requirements of the statute allowing their utilization.

3. Utility Fund revenues are budgeted on the basis of a normal year, not on the basis of forecasted extreme wet or dry years. The City will make every reasonable effort to ensure that an accurate measurement of water purchased and sold is maintained.

4. The City shall consider the appropriateness of using contract revenue bonds issued through the NTMWD when considering the issuance of revenue bonds.

D. Debt Service Fund Revenue and Expenditure Policies

1. The City will issue only multi-year debt and the debt will be used only to fund capital projects that cannot be funded by current revenues except as may be otherwise required by an emergency or other unforeseen circumstance.

2. To minimize interest costs on issued debt, the City will structure debt with maturities not to exceed 20 years. Longer issues may be authorized in the unusual case of a substantially longer life or other extenuating circumstances. The final maturity date for any multi-year debt will not exceed the expected useful life of the capital improvement so financed.

3. An evaluation of existing and projected overlapping and direct debt shall be reviewed by the City Council, City's Financial Advisors, as well as any committee appointed by the Council to develop recommendations for proposed new debt for the City. Estimates of growth shall be conservative and consideration will be given as to the City's future ability to repay the debt and maintain an ability to issue additional unforeseen debt.

E. Special Revenue Funds Revenue and Expenditure Policies

1. Special revenues include funds received for park programs. Funds generated from this source will be used for the expansion of park services.

F. Reserve Fund Balance Policies

1. The proposed General Fund budget shall be submitted to the City Council with a fund balance reserve of not less than 10 percent of total budgeted expenditures for each fiscal year. It is the goal of the Council to accumulate a fund balance of 15 percent of total expenditures.

Within the Reserve Fund, Replacement Fund shall be created and funded. The Replacement Fund is intended to fund major expenditures that the City will incur as it strives to provide for its citizens. The City Council will consider allocating the following percentages of the total General Fund expenditure budget annually during its budget retreat:

1% Fire Department Vehicle and Equipment Replacement Fund;

1% Vehicle Replacement Fund;

1% Equipment Replacement Fund; and

2% Building Renovation and Repair Fund

2. Debt Service Fund balances shall not have a balance that exceeds five percent of the general obligation debt outstanding principal. Debt service fund balances in excess of this requirement may be drawn down to be used to reduce ad valorem tax revenue for bond principal and interest payments on existing or new debt. Consideration will be given to the impact such use would have on future tax rate calculations. Fund balance requirements shall always be in agreement with bond covenants.

3. The proposed Utility Fund budget shall be submitted to the City Council with a fund balance reserve of not less than 20 percent of total budgeted expenditures for each fiscal year.

4. All other fund balances shall be maintained at a level necessary to ensure stability in the event of a decline in revenues dedicated to that fund.

5. Fund balances which exceed the minimum levels established for each fund may be used for non-recurring capital projects or programs or in emergency situations.

G. Operating Fund Expenditures

1. Operating fund expenditures shall be accounted for and budgeted in four major categories:

- a. Personnel Services
 - b. Materials and Supplies
 - c. Contractual Services
 - d. Capital Outlay
2. The operating budgets for all Funds shall be approved by the City Council at the departmental level. ***Any change to a department's line item budget more than 25%, the City Manager shall notify the City Council and discuss the change in the next monthly financial report.*** Reviews of the operating budgets shall be performed quarterly or as needed and budget amendments shall be presented to City Council when necessary.
 3. The proposed budget shall appropriate sufficient funds for operations to maintain existing quality and scope of City services and where appropriate include funds for expanded or new services.
 4. The City will regularly examine programs and services in order to reduce operating cost or enhance service levels without cost increases.
 5. Personnel service expenditures will reflect the minimum staffing to provide approved quality and scope of City services.
 6. The City will provide a competitive compensation and benefit plan to attract and retain quality employees in order to provide high quality service.
 7. Supply expenditures shall be sufficient to ensure optimal productivity of City employees. Maintenance expenditures shall be sufficient to ensure a relatively stable level of maintenance expenditures each budget year and to enhance and prolong the life of capital equipment and property.
 8. Expenditures for new capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of services.
 9. The City will evaluate the methods for providing public services in order to reduce operating expenditures and/or enhance quality and scope of services without increased costs.

H. Capital Project Expenditures

1. The City will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five-year period. The multi-year plan will reflect for each project the likely funding source and timeframe for completion.
2. Capital projects will be constructed to:

- a. Protect or improve the community's quality of life.
- b. Protect or enhance the community's economic vitality.
- c. Support and service new citizens and development.
- d. Provide significant rehabilitation of City infrastructure for sustained service.

3. The City will develop and implement a vehicle and equipment replacement program. This program will address the age, mileage/hours, repairs and condition of each vehicle and equipment in order to provide a timely replacement.

I. Budgetary Finance Committee

The City Council may appoint a Budgetary Finance Committee in July of each year for a one (1) year term. The Committee will review the City Manager's submitted August Annual Budget, the Audit Financial Report in March, and the Budgetary Financial Policies of the City. Any items of concern or interest shall be brought to the City Council's attention within thirty (30) days of receiving the proposed budget or Audit Financial Report. The Committee shall be comprised of two council members, finance director, and two citizens at large.

CERTIFICATE OF CITY SECRETARY

STATE OF TEXAS §
COUNTY OF COLLIN §
CITY OF MURPHY §

I, Susie Quinn, the undersigned, City Secretary of Murphy, Texas, a municipal corporation, in the performance of the functions of my office, hereby certify that the attached document is an official true and correct copy of the Ordinance No. 17-09-1060; approved September 19, 2017 and that I am the lawful possessor and have legal custody of the City records.

Witness my hand and seal of office at my office in Murphy, Texas, this the 20th day of September, 2017.





Susie Quinn, City Secretary

ORDINANCE 17-09-1060

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF MURPHY, TEXAS, MURPHY MUNICIPAL DEVELOPMENT DISTRICT AND MURPHY COMMUNITY DEVELOPMENT CORPORATION FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; APPROPRIATING MONEY TO A SINKING FUND TO PAY INTEREST AND PRINCIPAL ON THE CITY'S INDEBTEDNESS; APPROVING AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF MURPHY, TEXAS, FOR THE 2017-2018 FISCAL YEAR; PROVIDING FOR EMERGENCY EXPENDITURES AND EXPENDITURES AS OTHERWISE ALLOWED BY LAW; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR THE FILING OF THE BUDGET IN THE OFFICE OF THE CITY SECRETARY; AND PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018 (FY18) has been duly created by the City Manager of the City of Murphy, Texas, in accordance with sections 102.002 and 102.003 of the Texas Local Government Code; and

WHEREAS, the budget officer for the City of Murphy filed the proposed budget on or before August 10, 2017 in the office of the City Secretary; and

WHEREAS, the proposed budget was made available for public inspection by the taxpayers in accordance with section 102.005(b) of the Texas Local Government Code; and

WHEREAS, section 7.05 of the City of Murphy Home-Rule Charter requires the Public Hearing on the Budget be published at least once in the official newspaper of the City, and on the official City website; and

WHEREAS, the budget was updated and is attached as *Exhibit A*, for the fiscal year beginning October 1, 2017, and ending September 30, 2018, was duly presented to the City Council by the City Manager and two Public Hearings were ordered by the City Council and a Public Notice of said hearings was caused to be given by the City Council and said notice was published in the Farmersville Times and in the Murphy Monitor and said Public Hearings were held according to said notices; and

WHEREAS, public hearings were held by the Murphy City Council on September 5, 2017 and September 12, 2017 in accordance with section 102.006 of the Texas Local Government Code and section 7.05 of the City of Murphy Home-Rule Charter at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed 2017-2018 (FY18) fiscal year budget; and

WHEREAS, the City Council, upon full consideration of the matter, is of the opinion that the budget hereinafter set forth is proper and should be approved and adopted; and

WHEREAS, the adoption of the said budget will require raising more revenue from property taxes than in the previous year, and the City Council has ratified (or will ratify), by separate vote, the property tax increase reflected in the said budget; and

WHEREAS, the City Council finds that all legal notices, hearings, procedures and publishing requirements for the adoption of the budget have been performed or completed in the manner and form set forth by law.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS:

SECTION 1: That all of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2: That the appropriations for the fiscal year beginning October 1, 2017, and ending September 30, 2018, for the support of the General Debt Services of the City of Murphy, Texas, expenditures shown in the City's fiscal year 2017-2018 (FY18) budget, a copy of which is attached hereto as *Exhibit A*, are hereby adopted.

SECTION 3: That the budget, as shown in words and figures in *Exhibit A*, is hereby approved in all respects and the budget is adopted at the departmental level as the City's budget for the fiscal year beginning October 1, 2017, and ending September 30, 2018.

SECTION 4: That there is appropriated the amount shown in said budget necessary to provide for a sinking fund for the payment of the principal and interest and the retirement of the bonded debt.

SECTION 5: Expenditures during the 2017-2018 fiscal year shall be made in accordance with this budget and this Ordinance, unless otherwise authorized by an ordinance duly enacted in accordance with law. Pursuant to state law, no expenditure of the funds of the City shall hereafter be made except in compliance with the budget and applicable state law; provided, however, that in case of grave public necessity emergency expenditures to meet unusual and unforeseen conditions, which could not by reasonable, diligent thought and attention have been included in the original budget, may from time to time be authorized by the City Council as amendments to the original budget. Pursuant to state law, the Council may make emergency appropriations to address a public emergency affecting life, health, property or the public peace and other appropriations as authorized thereby.

SECTION 6: All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 7: Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Murphy hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 8: A true and correct copy of the approved budget shall be filed in the office of the City Secretary.

SECTION 9: That this Ordinance shall take effect and be enforced from and after its passage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Murphy, Texas, on this 19th day of September, 2017.



Scott Bradley, Mayor
City of Murphy



ATTEST:



Susie Quinn, City Secretary
City of Murphy

APPROVED AS TO FORM AND LEGALITY:



for Wm. Andrew Messer, City Attorney

CERTIFICATE OF CITY SECRETARY

STATE OF TEXAS §

COUNTY OF COLLIN §

CITY OF MURPHY §

I, Susie Quinn, the undersigned, City Secretary of Murphy, Texas, a municipal corporation, in the performance of the functions of my office, hereby certify that the attached document is an official true and correct copy of the Ordinance No. 17-09-1061; approved September 19, 2017 and that I am the lawful possessor and have legal custody of the City records.

Witness my hand and seal of office at my office in Murphy, Texas, this the 20th day of September, 2017.



A handwritten signature in blue ink that reads "Susie Quinn".

Susie Quinn, City Secretary

ORDINANCE NO. 17-09-1061

AN ORDINANCE OF THE CITY OF MURPHY, TEXAS, LEVYING TAXES AND FIXING AND ADOPTING THE TAX RATE ON ALL TAXABLE PROPERTY FOR THE YEAR 2017 AT THE RATE OF \$0.500000 PER ONE HUNDRED DOLLARS (\$100.00) ASSESSED VALUE ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF MURPHY, TEXAS AS OF JANUARY 1, 2017; THE SAID TAX RATE HAVING A MAINTENANCE AND OPERATIONS COMPONENT AND A DEBT SERVICE COMPONENT; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID TOGETHER WITH PENALTIES AND INTEREST THEREON; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, Section 26.05 of the Texas Tax Code requires that the City of Murphy, Texas (the "City"), adopt a tax rate for the next fiscal year by September 30, 2017; and

WHEREAS, pursuant to Texas Tax Code Chapter 26, the Tax Assessor-Collector for the City has calculated the tax rate for the fiscal year 2017-2018 which cannot be exceeded without requisite publications and public hearings; and

WHEREAS, the City complied with the State of Texas Truth-in-Taxation laws and advertised the proposed tax rate and conducted two public hearings on the tax rate, and all notices and hearings and other applicable steps required by law as a prerequisite to the passage, approval, and adoption of this Ordinance have been timely and properly given and held; and

WHEREAS, Section 26.05(a), Tex. Tax Code, provides that the tax rate consists of two components (one of which will impose the amount of taxes needed to pay debt service, and the other of which will impose the amount of taxes needed to fund maintenance and operation expenses for the next year), and each of such components must be approved separately, the tax rate set forth herein consists of those two components and they are approved separately; and

WHEREAS, upon full review and consideration of the matter, the City Council is of the opinion that the tax rate for the year 2017 set, fixed and adopted herein below is proper.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS:

SECTION 1: Findings Incorporated. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: Tax Levied. That there is hereby levied and ordered to be assessed and collected an ad valorem tax rate of \$0.500000 on each One Hundred Dollars (\$100.00) of assessed valuation for all taxable property located in the City of Murphy on the 1st day of January 2017, and not exempted from taxation by the constitution and laws of the State of Texas to provide for the expenses of the City of Murphy for the Fiscal Year beginning October 1, 2017 and ending September 30, 2018. The said tax is made up of components, as set forth in this Ordinance:

- a. For the maintenance and support of the General Government (General Fund) for the fiscal year 2017-2018, **\$0.317750** on each \$100 valuation of property. **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.75 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-10.05.

- b. For debt services for the fiscal year 2017-2018, **\$0.182250** on each \$100 valuation of property. **THIS TAX RATE WILL DECREASE TAXES FOR DEBT SERVICE WHEN COMPARE TO LAST YEAR'S TAX RATE.**

THE TAX RATE WILL DECREASE THE TAXES PAID FOR DEBT SERVICE ON A \$100,000 HOME BY APPROXIMATELY \$0.001.

SECTION 3: Due Date of Taxes. That taxes levied under this ordinance shall be due October 1, 2017, and if not paid on or before January 31, 2018, shall immediately become delinquent. The penalties and interest provided for herein shall accrue after January 31 of the year following the year in which the taxes are assessed. However, if the entire taxes due as provided herein are paid in full by January 31 of the year following the year in which the taxes are assessed, no penalty or interest shall be due.

SECTION 4: Penalties and Interest. A delinquent tax shall incur the maximum penalty and interest authorized by Section 33.01, Texas Property Tax Code, to-wit: a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.

Provided, however, a tax that is delinquent on July 1 of the year in which it becomes delinquent shall incur a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. All other penalties and collection remedies authorized by law are hereby adopted. Taxes that are and remain delinquent on July 1, 2018 incur an additional penalty not to exceed twenty percent (20%) of the amount of delinquent taxes, penalty and interest collected; such additional penalty is to defray the costs of

collection due to pursuant to the contract with the City's attorney authorized by Section 6.30 of the Texas Tax Code, as amended.

SECTION 5: Internet Notice. That the City Manager or his designee shall put the following notice on the homepage of the City's Internet website:

There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Murphy for the 2017-2018 fiscal year, upon all property, real, personal and mixed, within the corporate limits of said City subject to taxation, a tax of **\$0.500000** on each \$100 valuation of property, said tax being so levied and apportioned to the specific purposes here set forth:

“CITY OF MURPHY ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.75 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-10.05.”

“IN ADDITION, THE CITY OF MURPHY, TEXAS ADOPTED A TAX RATE OF \$0.182250 THAT WILL DECREASE TAXES FOR DEBT SERVICE WHEN COMPARED TO LAST YEAR'S TAX RATE.

THE TAX RATE WILL DECREASE THE TAXES PAID FOR DEBT SERVICE ON A \$100,000 HOME BY APPROXIMATELY \$0.001.”

SECTION 6: Place of Payment/Collection. Taxes are payable at the office of the Collin County Tax Assessor/Collector. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this Ordinance.

SECTION 7: Tax Roll. The tax roll, as presented to the City Council, together with any supplement thereto, is hereby accepted.

SECTION 8: Savings/Repealing Clause. All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

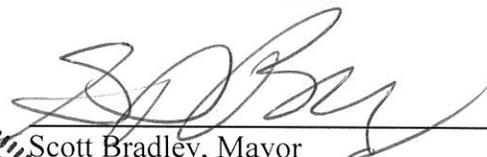
SECTION 9: Severability. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. City hereby declares that it would have passed this Ordinance, and

each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 10: Effective Date. This Ordinance shall become effective from and after its adoption and publication as required by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Murphy, Texas, on this 19th day of September, 2017 on the following motion by Deputy Mayor Pro Tem Sarah Fincanon: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.500000 per \$100 valuation, which is effectively a 3.92 percent increase in the tax rate"; seconded by Council Member Don Reilly, the above and foregoing ordinance was passed and approved by roll call vote.

Mayor Scott Bradley	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Mayor Pro Tem Jennifer Berthiaume	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Deputy Mayor Pro Tem Sarah Fincanon	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Council Member Oasis Siddiqui <i>(Absent)</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Council Member Chris George	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Council Member Betty Nichols Spraggins	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Council Member Don Reilly	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>



 Scott Bradley, Mayor
 City of Murphy



ATTEST:



 Susie Quinn, City Secretary
 City of Murphy

APPROVED AS TO FORM AND LEGALITY:



 Wm. Andrew Messer, City Attorney

CERTIFICATE OF CITY SECRETARY

STATE OF TEXAS §
COUNTY OF COLLIN §
CITY OF MURPHY §

I, Susie Quinn, the undersigned, City Secretary of Murphy, Texas, a municipal corporation, in the performance of the functions of my office, hereby certify that the attached document is an official true and correct copy of the Ordinance No. 17-09-1062; approved September 19, 2017 and that I am the lawful possessor and have legal custody of the City records.

Witness my hand and seal of office at my office in Murphy, Texas, this the 20th day of September, 2017.



A handwritten signature in blue ink that reads "Susie Quinn". The signature is written in a cursive style and is positioned above a horizontal line.

Susie Quinn, City Secretary

ORDINANCE NO. 17-09-1062

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS AMENDING APPENDIX A, FEE SCHEDULE, SECTION A8.003 "WATER AND SEWER USAGE RATES" OF THE MURPHY CODE OF ORDINANCES BY REPEALING AND ADOPTING NEW RATES IN SUBSECTION A8.003(A) "WATER SERVICE", SUBSECTION A8.003(B) "IRRIGATION RATES" AND SUBSECTION A8.003(C) "WASTEWATER SERVICE"; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR A PENALTY NOT TO EXCEED FIVE HUNDRED DOLLARS (\$500.00); AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City Council adopted its first Fee Schedule on September 15, 1988; and

WHEREAS, the City Council has established fees for a variety of City services, and amended the Fee Schedule as needed, in accordance with the city's authority under state law; and

WHEREAS, the last update to Section A8.003 "Water and Sewer Usage Rates" amending the water, sewer and irrigation rates was approved on September 6, 2016; and

WHEREAS, the City Council has investigated and determined that it is advantageous, beneficial and in the best interest of the citizens of Murphy to amend this fee schedule to reflect the results of the NewGen Strategies and Solutions rate consultant, Scenario A presented at the city council meeting on July 11, 2017; and

WHEREAS, the City Council finds these new rates for water and wastewater to be fair, just and reasonable in accordance with TEX. WATER CODE Section 13.042 and the rates protect the interests of the City in accordance with TEX. LOC. GOV'T CODE Section 552.001.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AS FOLLOWS:

SECTION 1. FINDINGS INCORPORATED

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2. FEE SCHEDULE

That Section A8.003 "Water and Sewer Usage Rates" (a)-(c) of the Fee Schedule of the City of Murphy, Texas is hereby repealed and a new Section A8.003 (a)-(c) is hereby adopted and shall be read in its entirety as described on the accompanying *Exhibit A*, which is incorporated herein.

SECTION 3. SEVERABILITY

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Murphy hereby declares that is would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 4. SAVINGS/REPEALING CLAUSE

All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 5. PENALTY CLAUSE

Any person, firm or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor upon conviction in the Municipal Court of the City of Murphy, Texas, and shall he punished by a fine not to exceed the sum of five hundred dollars (\$500.00) for each offense, and each and every day any such violation shall continue shall be deemed to constitute a separate offense.

SECTION 6. EFFECTIVE DATE

This ordinance shall take effect on October 1, 2017.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Murphy, Collin County, Texas, on this the 19th day of September, 2017.

APPROVED:



[Signature]

Scott Bradley, Mayor City of Murphy

ATTEST:

[Signature]

Susie Quinn, City Secretary City of Murphy

APPROVED AS TO FORM AND LEGALITY:

[Signature]

for Wm. Andrew Messer, City Attorney

Exhibit A**Sec. A8.003 Water and sewer usage rates**

(a) Water service.

- (1) \$100.00 new residential and commercial customer deposit.
- (2) \$200.00 new renter customer deposit.
- (3) \$100.00 for builder's new construction deposit.

The City of Murphy holds utility account deposits until the accounts are terminated. If there is a remaining balance due, the customer receives a final billing. If there is a credit balance, the customer receives a final billing and a refund check in the account holder's name only.

(4) Monthly base meter fee:

(A) Base meter charge:

Meter Size	Charge
3/4 inch	\$22.43
1 inch	\$37.00
1-1/2 inch	\$75.13
2 inch	\$119.98
3 inch	\$224.26
4 inch	\$373.39

Larger meters will be charged \$15.00 times the living unit equivalent according to the water and wastewater impact fee update.

(B) Volumetric water rate (per 1,000 gallons):

Gallons	Total
0-15,000	\$4.79
15,001-30,000	\$5.08
30,001-45,000	\$5.40
45,001-60,000	\$5.78
60,001+	\$6.21

*NTMWD - North Texas Municipal Water District fees

Exhibit A

- (5) \$10.00 for a meter re-read when there is no problem found.
- (6) Leak Credit Requirements
 - (A) A leak credit will be considered after a customer presents proof of repair of leak within ninety (90) days.
 - (B) This average will apply to water usage only and leak credit shall be applied only once per 12-month period as appropriate, and cannot cover a period greater than 90 days (3 months).
 - (C) Leak credit will be based on a 24 month average by using the following calculations -
 - i. Leak usage 0 to 15,000 gallons will be calculated by 1st tier rate minus wholesale rate,
 - ii. Leak usage 15,000 and above will be calculated at 2nd tier rate minus wholesale rate.
 - (New customers will be charged the citywide residential average usage of 9,400 gallons until their own independent 24 month average has been established).
 - (D) If a leak is detected by the City and the location has been notified, the homeowner must repair the leak within 90 days of notification to be considered for a credit.
- (7) 10% penalty will be applied to the account balance if payment in full is not received within 20 days from the billing date.
- (8) \$30.00 service fee will be applied to the account balance if payment in full is not received within 30 days from the billing date. All disconnections will take place on the following Wednesdays.
- (9) Disconnect fees will be waived in the month of December.
- (10) \$50.00 service fee will be applied during after-hours, weekends and holidays with documentation that the bill has been paid at the city online website or placed in after-hours drop box (if payment is not in night box prior to next business day there will be assessed an additional \$30.00 service fee for another disconnection).
- (11) At the discretion of the billing manager, a one-time courtesy adjustment of late penalty or \$30.00 service fee can be waived if account is in good standing for a period of 12 months straight.
- (12) At the discretion of the billing manager, adjustments of late penalty and service fee can be waived for uncontrollable circumstances with proper documentation from the resident. Examples include: hospitalization, illness, family death, and/or other qualifying events.
- (13) If any due date falls on a weekend or holiday, payments will be due on the next city business day.

Exhibit A

(b) Irrigation rates.

(1) Irrigation base charge:

Meter Size	City Portion
3/4"	\$22.43
1"	\$37.00
1-1/2"	\$75.13
2"	\$119.98
3"	\$224.26
4"	\$373.39

(2) Volumetric rate (per 1,000 gallons):

Volumetric Irrigation Rate	Total
0–15,000	\$5.16
15,001–30,000	\$5.49
30,001–45,000	\$5.88
45,001–60,000	\$6.33
60,000+	\$6.85

(c) Wastewater service.

(1) Base meter charge:

Type	Charge
Residential	\$19.87
Commercial	\$19.87
HOA	\$19.87
Church	\$19.87

Exhibit A

(2) Volumetric wastewater rates (per 1,000 gallons):

Type	Total
Residential	\$3.80
Commercial	\$3.80
HOA	\$3.80
Church	\$3.80

(3) Volumetric rate (per 1,000 gallons) based on 3-month (November, January and February) winter average of water usage for residential only.

(4) The city will use a winter averaging for the purpose of calculating sewer charges on customer's utility bill. The new sewer charges will be based on the water consumption average for three months (November, January and February). Average consumption is applied against current sewer rates and becomes the constant sewer charge for 12 months beginning with each April 1st.

(5) New customers to the system will be charged the citywide residential average usage of 9,400 gallons until their own independent winter average has been established.