City of Conroe, Texas
Fiscal Year 2011-2012

Budget-in-Brief

CITY OF CONROE, TEXAS
MISSION STATEMENT

“Protect and Serve the Citizens of Conroe and Exceed Their Expectations.”
City of Conroe
City Council

Webb Melder
Mayor

Marsha Porter
Place 1

Guy Martin
Place 4

Jim Gentry
Place 3

Gil Snider
Place 5

Toby Powell
Mayor Pro Tem
Place 2

Appointed Officials

Paul Virgadamo, Jr.
City Administrator

Marcus Winberry
City Attorney

Marla Porter
City Secretary

Ken Kreger
Fire Chief

Steve Williams
Director of Finance & Administration

Mike Riggins
Director of Parks & Recreation

Philip Dupuis
Police Chief

Andre Houser
Director of Human Resources

Dean Towery
Director of Public Works
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October 1, 2011

The City of Conroe is pleased to present the fiscal year 2011-2012 “Budget-In-Brief.” This document summarizes the annual budget for the fiscal year beginning October 1, 2011, and ending September 30, 2012.

A city’s budget presents in financial terms a plan to accomplish its objectives during the upcoming fiscal year. Budget preparation is an ongoing process as the City Council discusses priorities, commits to projects, and provides feedback to the staff on various proposals. The staff then translates that information into a financial action plan.

The budget for FY 2011-2012 is a balanced, conservative plan that continues our previous commitments toward quality services and facilities and addresses opportunities for additional improvements.

I must commend the ongoing work of the City Council, City Administration, the Management Team, and all of our fine City employees. We are indeed focused on our mission statement:

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

Sincerely,

Webb Melder

Mayor
Organization of the Total Budget

General Fund
$43,972,911 (42%)
$41,898,502 (47%) ¹

Enterprise Funds
$19,947,826 (19%)
$16,400,670 (18%) ¹

Total Budget
$104,957,900 (100%)
$89,257,141 (100%) ¹

Debt Service Funds
$17,673,632 (17%)
$17,673,632 (20%) ¹

Other Funds
$23,363,531 (22%)
$13,284,337 (15%) ¹

¹. These figures represent the budgeted expenditures net of interfund transfers.
FY 2011-2012 Budget Summary

On August 25, 2011, the Conroe City Council approved a $104,957,900 budget with a 3% contingent appropriation for FY 2011-2012. Net of interfund transfers, the total budget is $89,257,141. The approved budget consists of the General, Enterprise, and Special Revenue Funds, as well as three Debt Service Funds.

General Fund

The General Fund accounts for 42 percent of the budget and supports basic services such as police, fire, parks, recreation, streets, and other community services. It is the general operating fund of the City and is used to account for all transactions and operations of governmental units that are not accounted for in another fund. The General Fund also is used to account for transactions financed from taxes or other general revenues.

Enterprise Funds

The City has two Enterprise Funds, the Water and Sewer Operating Fund and the Water and Sewer Construction Fund, which together comprise 19 percent of the budget. Enterprise Funds are those that fully support their own administration, acquisition of facilities, operation, and maintenance through the collection of user charges such as water sales, sewer treatment sales, and associated fees.

Debt Service Funds

The Debt Service Funds category is composed of three funds: General Obligation Debt Service Fund, Water and Sewer Debt Service Fund, and Conroe Industrial Development Corporation (CIDC) Debt Service Fund. These three funds account for 17 percent of the budget and pay for the annual interest and principal costs of the City’s debt.
The General Obligation Debt Service Fund provides for the payment of the City’s certificates of obligation and other tax-supported debt issued to finance the tax-based portion of the City’s Capital Improvement Program. The Water and Sewer Debt Service Fund provides for the retirement of revenue-supported bonds that are used to pay the cost of improvements to the City’s water and wastewater system. This debt is repaid with revenues collected from utility customers. The CIDC Debt Service Fund provides the funds necessary to retire the outstanding sales tax revenue-supported debt of the City. This debt consists of revenue-supported bonds that are used for economic development purposes and is repaid with a portion of the ½-cent sales tax charged within the City.

Other Funds

The Other Funds category of the budget includes funds used to account for the proceeds of special revenues, other than expendable trusts or major capital projects. They make up 22 percent of the budget and include such funds as the Conroe Industrial Development Corporation (CIDC) Revenue Clearing Fund, CIDC General Fund, Hotel Occupancy Tax (HOT) Fund, Community Development Block Grant (CDBG) Entitlement Fund, Conroe Tower Fund, Oscar Johnson, Jr. Community Center (OJCC) Fund, Vehicle and Equipment Replacement Fund, Water & Sewer Vehicle and Equipment Replacement Fund, Service Center Fund, and the Self-Funded Insurance Fund.
General Fund Expenditures
$43,972,911
($41,898,502)

General Fund Services

General Government $7,083,943

The General Government category is comprised of the Administration, Mayor & Council, Arts & Communication, CIDC Administration, Legal, Municipal Court, Finance, Community Development Block Grant Administration, Warehouse-Purchasing, Information Technology, and Human Resources departments. These departments are responsible for various functions of the City, including providing quality customer relations and accurate public information; coordinating and scheduling
City Council meetings; handling media relations; handling downtown development issues; providing legal services; providing disposition of violations of City ordinances and State law; managing finance, accounting, and utility billing; administering grants; acquiring supplies and services; maintaining computer hardware and software; and providing programs and consultations in the areas of employee recruitment, selection, compensation, and benefits.

<table>
<thead>
<tr>
<th>Administration</th>
<th>$ 375,678</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor &amp; Council</td>
<td>503,431</td>
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<tr>
<td>Arts &amp; Communication</td>
<td>188,328</td>
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<tr>
<td>CIDC Administration</td>
<td>449,378</td>
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<tr>
<td>Legal</td>
<td>526,965</td>
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<tr>
<td>Municipal Court</td>
<td>813,418</td>
</tr>
<tr>
<td>Finance &amp; Administration</td>
<td>1,352,543</td>
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<tr>
<td>CDBG Administration</td>
<td>217,100</td>
</tr>
<tr>
<td>Warehouse-Purchasing</td>
<td>428,826</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1,586,155</td>
</tr>
<tr>
<td>Human Resources</td>
<td>644,121</td>
</tr>
<tr>
<td><strong>General Government Total</strong></td>
<td><strong>$7,083,943</strong></td>
</tr>
</tbody>
</table>

**Public Safety**  

$22,951,968

The Public Safety category includes the Police Department and Fire Department. The Police Department is separated into eight divisions based on areas of responsibility: Police Administration, Support Services, Patrol, Criminal Investigations, Professional Services, Animal Services, Red Light Program, and Traffic Services. The Fire Department is responsible for preparing for and responding to fire, rescue, medical, and environmental emergencies.
The Culture and Recreation category covers parks and recreation expenditures. Parks Administration and Parks Operations are responsible for providing beautiful parks and trails, multi-generational athletic and recreational services, and dedicated customer service to Conroe’s citizens and employees. The Recreation Center provides athletic and recreational programs including, but not limited to: art, karate, dance/ballet, and gymnastics. Finally, the Aquatic Center provides safe, quality, and state of the art pools for the citizens of Conroe.

The Community Development Department provides efficient, professional assistance to ensure responsible development practices that respect the natural landscape, cross timbers, bottomland, and floodplains. The department assists in completion of many ongoing
projects and development relative to the City’s building and permitting processes.

The Building Permits team provides review and inspections to ensure life, health, safety, and welfare by verifying compliance with the plumbing and City ordinances that protect the citizens of Conroe.

Community Development $1,099,972
Community Development Total $1,099,972

Public Works $5,051,676

The Public Works category includes the Drainage Construction, Streets, and Signal Maintenance Departments. The Drainage Construction Department provides storm water control to the City by utilizing the resources dedicated to the maintenance of drainage ways. The Streets Department maintains streets, controls traffic, trims trees in the City rights-of-way, repairs curbs and gutters, installs and replaces directional marking, and maintains street signage. The Signal Maintenance Department provides efficient maintenance and operation of the traffic signals and illumination lighting within the city.

Drainage Construction $ 749,849
Streets 3,095,242
Signal Maintenance 405,894
Engineering 800,691
Public Works Total $5,051,676

General Fund Non-Departmental $4,007,528

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

CITY OF CONROE, TEXAS
FY 2011-2012 BUDGET-IN-BRIEF

Funding has been included in General Fund Non-Departmental for inter-fund transfers, contract services, and payments of the principal and interest for lease-purchase agreements.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Non-Departmental</td>
<td>$4,007,528</td>
</tr>
<tr>
<td><strong>General Fund Non-Departmental Total</strong></td>
<td><strong>$4,007,528</strong></td>
</tr>
</tbody>
</table>

CITY OF CONROE, TEXAS
General Fund Revenue Sources

$44,253,627

($42,615,917)

*Other Revenues
- Interest on Investments 0.1%
- Penalty & Interest 0.1%
- Lease Income 0.1%
- Recreational 1.1%
- Parks Programs 0.8%
- Animal Shelter Fees 0.1%
- Unanticipated Revenues 0.2%
- Donations 0.1%

2.6%

CITY OF CONROE, TEXAS
General Fund Revenue Sources

The General Fund has a number of revenue sources, the largest of which is Sales Tax. It constitutes 50 percent of all General Fund revenues. Additional sources of revenue include Property Taxes, Gross Receipts Taxes, Other Taxes, Licenses and Permits, Charges For Current Services, Traffic and Criminal Fines, Intergovernmental Revenue, and Other Revenue.

The tax roll of the City of Conroe continues to grow, increasing by 5.2% percent from FY 2010-2011. The July 25, 2011, Certified Tax Roll of $3,630,957,910 marks an increase of $180,787,255 over the previous year’s certified roll on July 25.

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$8,974,528</td>
</tr>
<tr>
<td>Gross Receipts Taxes</td>
<td>4,479,149</td>
</tr>
<tr>
<td>Sales Tax Collections</td>
<td>22,190,526</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>691,130</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>1,096,540</td>
</tr>
<tr>
<td>Charges for Current Services</td>
<td>640,079</td>
</tr>
<tr>
<td>Traffic and Criminal Fines</td>
<td>2,972,285</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>1,149,236</td>
</tr>
<tr>
<td>Intergovernmental Revenue</td>
<td>422,444</td>
</tr>
<tr>
<td>Transfers In</td>
<td>1,637,710</td>
</tr>
<tr>
<td><strong>General Fund Revenues Total</strong></td>
<td><strong>$44,253,627</strong></td>
</tr>
</tbody>
</table>

In FY 2011-2012, budgeted General Fund revenues exceed General Fund expenditures by $280,716. Additionally, this fund will maintain a reserve amount equal to 146.4 days (or 40.1%) of the fund’s total expenditures.
Enterprise Funds Expenditures

$19,947,826
($16,400,670)

Enterprise Funds Services

Public Works $9,476,854

The Utilities/Meter Readers Department’s mission is to ensure accuracy in the assessment of user charges; maintain professional and responsive service; answer inquiries for customers; and provide accurate and timely billings through progressive and innovative systems. It also strives to ensure accurate and efficient data collection of water and sewer usage, as well as to provide timely water meter installations and repair.

Public Works Administration is responsible for managing resources dedicated to the provision of water utilities and maintaining streets and drainage. This department assists in the engineering design standards and construction criteria for many programs required by State and Federal law. The department also updates all permits and plans the water distribution emergency response plan.

The Water Department provides the installation of large meter service and lines to residential and commercial customers. The department participates in relocating lines, repairing broken lines, replacing faulty meters, and constructing new lines.

The Waste Water Treatment Plant treats and discharges up to 10 million gallons of treated wastewater. Staff also handles the Industrial Pretreatment program by issuing permits to industrial users within the city limits and monitoring their discharge through monthly reports and inspections.

The Sewer Department performs sewer line maintenance and installation services to residential and commercial customers by utilizing resources dedicated to preventive maintenance and repair of utility infrastructure.

The Pump & Motor Maintenance Department maintains lift stations, water wells, the wastewater treatment plant, city facilities, and downtown lighting.

The Project Engineering Department was established to design major improvements to the city’s infrastructure; specifically, to increase the
capacity of the water and sewer systems and better manage storm water run-off. The improvements are designed in-house and constructed by either a division of Public Works or by a private contractor.

The Project Construction Department is responsible for the major construction of water and sewer lines that provide safe distribution of water and wastewater service to the citizens of Conroe by utilizing resources dedicated to the preventive maintenance and repair of utility infrastructure.

Utilities/Meter Reading $784,726
Public Works Administration $749,149
Water $3,565,894
Waste Water Treatment Plant $1,845,702
Sewer $1,703,509
Pump & Motor Maintenance $827,874
Public Works Total $9,476,854

**W&S Operating Fund Non-Departmental** $10,470,972

The Water & Sewer Non-Departmental Department provides for transfers to the General Fund, Revenue Debt Service Fund, Conroe Tower Fund, and the Water & Sewer Vehicle and Equipment Replacement Fund. Also included in the department are any expenses that do not fall within a single department activity that can be most efficiently handled in the aggregate for the entire Water & Sewer Operating Fund. Additionally, the San Jacinto River Authority surface water conversion expenses are budgeted out of this department.

Water & Sewer Operating Fund Non-Departmental $10,470,972

**W&S Operating Fund Non-Departmental Total** $10,470,972
Enterprise Funds Revenues
$20,087,351
($20,087,351)

*Other Revenues
Interest on Investments 0.0%
Penalty & Interest 1.2%
Capital Recovery Fee 0.5%
Unanticipated Rev. 0.1%
Short & Over 0.0%
Interest-Other 0.0%
Recovery of Bad Debts 0.0%

1.8%
Enterprise Funds Revenue Sources

The Enterprise Funds have a variety of revenue sources, the most notable of which are Water Sales and Sewer Charges. Water Sales constitute 44 percent of all Enterprise Funds revenues, while Sewer Charges constitute 36 percent. Additionally, the City recovers a Surface Water Fee that offsets expenses related to the surface water conversion agreement with the San Jacinto River Authority. The Surface Water Fee constitutes 15 percent of revenues. Other sources of revenue that support the Enterprise Funds are Water and Sewer Tap Fees, Groundwater Conservation Fee, Reconnection Charges, Pretreatment Fees, Interest Income, and Other Revenues.

Enterprise Funds revenues are anticipated to increase. The FY 2011-2012 budget includes a water and sewer rate increase. Additionally, water bills will reflect a pass through of a fee charged to the City by the Lone Star Ground Water Conservation District. Proposed revenues for FY 2011-2012 assume an overall growth of 7.0 percent over FY 2010-2011 projections.

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Sales</td>
<td>$8,760,764</td>
</tr>
<tr>
<td>Groundwater Conservation Fee</td>
<td>183,275</td>
</tr>
<tr>
<td>Sewer Charges</td>
<td>7,203,963</td>
</tr>
<tr>
<td>Surface Water Fee</td>
<td>3,072,348</td>
</tr>
<tr>
<td>Water Taps</td>
<td>264,404</td>
</tr>
<tr>
<td>Sewer Taps</td>
<td>60,000</td>
</tr>
<tr>
<td>Reconnects</td>
<td>71,356</td>
</tr>
<tr>
<td>Service Charges</td>
<td>55,159</td>
</tr>
<tr>
<td>Pretreatment Fees</td>
<td>61,290</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>354,792</td>
</tr>
<tr>
<td><strong>Enterprise Funds Revenue Total</strong></td>
<td><strong>$20,087,351</strong></td>
</tr>
</tbody>
</table>
General Obligation Debt Service Fund
$10,056,636

The General Obligation (G.O.) Debt Service Fund was established to account for the payment of principal and interest on outstanding tax supported debt. When this debt was issued, property taxes were pledged to repay the bondholders. Its primary revenue source, therefore, is property taxes.

A transfer in from the Tax Increment Reinvestment Zone (TIRZ) #3 Fund is also made for bonds that were sold to benefit that zone. This TIRZ was established to fund regional roadway improvements in the City. The City and the County both dedicate a portion of the taxes received from property value growth in the TIRZ, which is used to pay the principal and interest of the bonds. The bond proceeds have been used to widen and improve portions of League Line Road, Longmire Road, First Street, Ed Kharbat Drive, Crighton Road, and Gladstell Road. As additional growth occurs in the TIRZ, more bonds will be sold for additional improvements.

An additional transfer in is made from the Conroe Industrial Development Corporation (CIDC) Fund. This transfer covers the principal and interest costs for bonds that were issued to make improvements to the park system. The CIDC fund is made up of revenues from a 1/2-cent sales tax for economic development. These park improvements qualify as permissible projects for this particular sales tax.

2011-2012 G.O. Debt Service Expenditures: $10,056,636

2011-2012 G.O. Debt Service Revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$6,151,328</td>
</tr>
<tr>
<td>Transfer In</td>
<td>4,202,312</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>18,827</td>
</tr>
<tr>
<td><strong>G.O. Debt Services Revenues Total</strong></td>
<td><strong>$10,372,467</strong></td>
</tr>
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</table>

City of Conroe, Texas
Water & Sewer Debt Service Fund  
$3,799,627

The Water & Sewer Debt Service Fund provides the funds necessary to retire the outstanding revenue-supported debt of the city. Debt in this category consists of revenue-supported bonds that are used to pay the cost of improvements to the city’s water and wastewater system, and it is repaid with revenues collected from utility customers.

The outstanding revenue bonds were issued with a pledge to repay bondholders from water and sewer revenues. The payments on these bonds are accounted for in this fund. Its main source of revenue is an annual transfer of money from the Water & Sewer Operating Fund. An additional transfer in will be made this year from the Conroe Industrial Development Corporation (CIDC) Fund. This transfer will cover the principal and interest costs for the water well that was constructed in the Conroe Park North Industrial Park.

2011-2012 W&S Debt Service Expenditures: $3,799,627

2011-2012 W&S Debt Service Revenues:
Transfer In $3,799,582
Interest Revenue 45
Utility Debt Service Revenues Total $3,799,627
The Conroe Industrial Development Corporation (CIDC) Debt Service Fund provides the funds necessary to retire the outstanding sales tax-supported debt of the city. Debt in this category is repaid with the ½-cent sales tax for economic development.

There are four bond issues in the CIDC Debt Service Fund. Bonds issued in 1997 are for the construction of the west side sewer trunk main, additional sewer projects, and a police station. The bond series issued in 1999 was used to acquire and improve property to be used for the development of an industrial park important to the economic growth and development of the City.

The bond series issued in 2008 was used to acquire and improve property in the Conroe Park North Industrial Park. The payments on these bonds are accounted for in this fund.

The bond series issued in 2011 was used to install infrastructure and improve property to be used for development of an industrial park & technology park important to the economic growth and development of the City and its residents. Its main source of revenue is a transfer from the CIDC Revenue Clearing Fund.

2011-2012 CIDC Debt Service Expenditures: $3,817,369

2011-2012 CIDC Debt Service Revenues:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer In</td>
<td>$3,817,369</td>
</tr>
<tr>
<td>CIDC Debt Service Revenues Total</td>
<td>$3,817,369</td>
</tr>
</tbody>
</table>
Other Funds Expenditures
$23,363,531
($13,284,337)
Other Funds

Vehicle & Equipment Replacement Fund $1,464,200

The Vehicle and Equipment Replacement Fund accounts for revenues and expenses that are used to purchase replacement City vehicles and equipment for the City’s general government funds. Revenue to the fund includes a transfer in from the General, Conroe Tower, Service Center, and OJJCC Funds.

Vehicle & Equipment Replacement Fund $1,464,200
Vehicle & Equipment Replacement Fund Total $1,464,200

W&S Vehicle & Equipment Replacement Fund $252,300

The Water & Sewer (W&S) Vehicle and Equipment Replacement Fund accounts for revenues and expenses that are used to purchase replacement City vehicles and equipment that are used in the water and sewer enterprise funds. Revenue to the fund is from a transfer in from the Water & Sewer Construction Fund.

W&S Vehicle & Equipment Replacement Fund $252,300
W&S Vehicle & Equipment Replacement Total $252,300

CIDC General Fund $4,121,579

In 1994, Conroe voters adopted a ½ cent sales tax for economic development. The money is controlled by a non-profit entity known as the Conroe Industrial Development Corporation (CIDC). The CIDC has a funding structure that includes three funds: CIDC Revenue Clearing, CIDC Debt Service, and CIDC General Fund. The CIDC General Fund
includes expenditures for economic development incentives for companies located in the city. It also includes a transfer out to the General Obligation Debt Service Fund for the payment of principal and interest costs for bonds issued to benefit the parks system, as well as a transfer out to the Water & Sewer Debt Service Fund for the payment of principal and interest costs for the water well constructed in the Conroe Park North Industrial Park.

CIDC General Fund $4,121,579

CIDC General Fund Total $4,121,579

**CIDC Revenue Clearing Fund** $7,396,842

The CIDC Revenue Clearing Fund was established as a pledge to creditors who purchased the bonds issued by the CIDC. The fund assures bondholders that the appropriate funding amount is withdrawn from the clearing fund each month and deposited into the debt service fund.

CIDC Revenue Clearing Fund $7,396,842

CIDC Revenue Clearing Fund Total $7,396,842

**Hotel Occupancy Tax (HOT) Fund** $485,964

The HOT Fund accounts for revenues and expenses that are derived from a 7% hotel occupancy tax that must be used to promote the tourism and convention industry. Expenditures support the Conroe Convention and Visitors Bureau (CVB).

Hotel Occupancy Tax (HOT) Fund $485,964

Hotel Occupancy Tax (HOT) Fund Total $485,964
CDBG Entitlement Fund $528,798

The Community Development Block Grant (CDBG) Entitlement Fund was established to account for the annual payment the city receives from the US Department of Housing and Urban Development for participation in the CDBG program. CDBG funds can be used to improve areas of a community that are populated with families that earn a low to moderate income.

CDBG Entitlement Fund $528,798

CDBG Entitlement Fund Total $528,798

Conroe Tower Fund $462,559

The Conroe Tower Fund was established to account for the rental income and expenses of operating the Conroe Tower. Approximately 15,000 square feet of excess space in the Tower is leased to private businesses. The fund also receives transfers from the General Fund and the Water and Sewer Operating Fund in lieu of rental payments.

Conroe Tower Fund $462,559

Conroe Tower Fund Total $462,559

Service Center Fund $1,051,676

The Service Center Fund was established to account for revenues and expenditures associated with the City of Conroe Service Center. The Service Center manages the service and maintenance of the City of Conroe and other local government fleets. The Service Center performs vehicle and equipment repairs, maintenance, acquisition, and disposal.

Service Center Fund $1,051,676

Service Center Fund Total $1,051,676
OJJCC Fund $970,569

The Oscar Johnson, Jr. Community Center (OJJCC) Fund was established to account for revenues and expenditures associated with the Oscar Johnson, Jr. Community Center. The center, which is located on 2.5 acres south of downtown, offers recognized after-school programs and summer day camps for children. It also offers adult education classes, special events, seasonal swimming, outdoor basketball courts, and community service opportunities for teens.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>OJJCC Fund</td>
<td>$970,659</td>
</tr>
<tr>
<td>OJJCC Fund Total</td>
<td>$970,659</td>
</tr>
</tbody>
</table>

Self-Funded Insurance Fund $6,629,044

The Self-Funded Insurance Fund was established to account for revenues and expenses related to employee health, dental, and vision insurance coverage. Revenues include employee health, dental, and vision premiums, and expenses include health, dental, and vision claims as well as administration costs.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Funded Insurance Fund</td>
<td>$6,629,044</td>
</tr>
<tr>
<td>Self-Funded Insurance Fund Total</td>
<td>$6,629,044</td>
</tr>
</tbody>
</table>
Capital Improvement Program
Expenditures
$83,801,463

Capital Improvement Program
The Capital Improvement Program (CIP) provides funding for streets, signals, facilities, parks, and drainage in the General Government CIP as well as projects for water and wastewater improvements in the Water and Sewer CIP. These capital assets are of significant value and have
a useful life of twenty years or more. The CIDC CIP includes improvements to the Conroe Park North Industrial Park and Deison Technology Park.

The 2011-2012 Capital Improvement Program is $83,801,463, which includes projects that are currently in progress. Of this amount, 41% are for General Government improvements, 29% are for Water & Sewer improvements, 25% are for CIDC Industrial and Technology Park projects, and 5% are for other expenditures such as TIRZ #3 payments.

Major projects in these programs include:

**Streets**
- Frazier Street Sidewalk Rehabilitation
- League Line Phase II
- Dugan Area Rehabilitation
- Drennan Road West
- Plantation Drive North
- Drennan Road East
- Wilson Road Widening – IH-45 to Longmire
- Plantation Drive South
- Willis ISD Street Extension (MP Clark Dr.)
- Forest Lake Drive (Anderson Crossing)
- Little Egypt to Longmire Expansion
- Crighton Road Bridge
- Wilson Road Widening – IH-45 to Frazier
- FM 3083 Grade Separation

**Facilities**
- Signal Maintenance Building
- Emergency Operations Center
- Knox Building
- Public Safety Radio Towers Project
- Service Center Parking Lot

**Parks**
- Candy Cane Park
- MLK Sports Park
- IH-45 Detention Pond Enhancements
FY 2011-2012 BUDGET-IN-BRIEF

- Kasmiersky Park Renovations (Master Plan)
- Park Restrooms (Master Plan)
- Aquatic Center Renovations
- League Line Road Phase II Hike & Bike Trail
- Candy Cane Park Playground
- Recreation Center & Activity Center Parking
- Forest Lake Park

Drainage
- Storm Sewer – East Grand Lake Creek
- Dugan Area
- Conroe Country Club & Live Oak Creek
- White Oak/Oaklawn Area
- Post Oak/Bowman/Austin Area
- East Forest Way Bridge
- West Fork Detention (McDade)
- Plantation Dr./West Fork/W. Alligator

Woodlands Annexation Agreement
- Infrastructure Improvements near College Park & Windsor Lakes

Water
- Crighton Ridge Fireline Hydrant Upgrade
- Water Well No. 8
- Plantation South
- Drennan Road West
- Forest Lake Drive (Anderson Crossing)
- FM 3083 Water Line Upgrade
- Water Well No. 23 & Storage Tank
- White Oak Manor

Sewer
- Sanitary Sewer Overflow Initiative (SSOI) Program
- LaSalle to League Line Sewer Line
- Teaswood Lift Station Removal
- Shadow Lakes Subdivision
- Live Oak Creek (SSOI)
- White Oak Creek (SSOI)
FY 2011-2012 BUDGET-IN-BRIEF

- IH-45 to Treatment Plant
- White Oak Ph. 4
- Forest Lake Drive (Anderson Crossing)
- Stewarts Forest to RR Tracks
- Treatment Plant Expansion
- SCADA for Lift Stations

Other
- CIDC Conroe Park North Industrial Park
- CIDC Deison Technology Park
- Tax Increment Reinvestment Zone #2
- Tax Increment Reinvestment Zone #3
FY 2011-2012 BUDGET-IN-BRIEF

FY 2011-2012
Budget Preparation Calendar

February

- Budget Kickoff

March

- Operating & CIP Budget submissions due to Finance

April

- Technical reviews of budget submissions
- Budget submittal meetings with City Administrator

May

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

June

- Budget meetings with City Administrator
- Mayor, City Administrator, Director of Finance, and Finance Manager meet to discuss proposed budget

July

- Council Retreat

CITY OF CONROE, TEXAS
FY 2011-2012 BUDGET-IN-BRIEF

FY 2011-2012
Budget Preparation Calendar

July (continued)

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

August

- Submission of Effective and Rollback Tax Rates
- Vote to consider a tax increase (if needed)
- Submission of Certified Collection Rate
- First public hearing on a tax increase (if needed)
- Public hearing on the budget
- Second public hearing on a tax increase (if needed)
- Vote to ratify the property tax increase
- City Council adopts the FY 2011-2012 Annual Budget
- City Council adopts the FY 2011-2012 Annual Tax Rate
- City Council adopts the FY 2011-2012 Capital Improvement Program

October
- Fiscal year 2011-2012 begins

CITY OF CONROE, TEXAS
City of Conroe Profile

2011 Population 56,207
Source: City of Conroe

Square Miles 55.2
Source: City of Conroe

City Government Information

Form of Government Council-Administrator
Number of Full-time City Employees 482
Citizens Per Employee 116.6
Source: City of Conroe

Taxation Information

Property Tax Rate $0.4200 per $100 Assessed Value
Total Taxable Value $3,630,957,910
Taxable Value Per Capita $64,600
Percent Increase in Property Tax Roll From FY 2010-2011 to FY 2011-2012 5.2%
Source: Montgomery Central Appraisal District
Sales Tax Revenue (FY 2009-2010) $27,168,790
Source: Texas Comptroller of Public Accounts

City Debt Information

FY 2011-2012:
Bonded Debt $107,815,000
Debt Per Capita $1,805
Debt as a Percent of Tax Base 3.0%
Source: City of Conroe

Climatological Summary

Annual Average Temperature (Daily Mean) 67.1°F
Average Annual Rainfall 51 Inches
Source: Conroe Convention and Visitors Bureau

CITY OF CONROE, TEXAS
City of Conroe Profile

Transportation
    Lone Star Executive Airport
    Distance: 0.0 miles (located inside city limits)
    Address: 10260 Carl Pickering Memorial Drive
             Building 11A
             Conroe, TX 77303
    Website: www.lonestarexecutiveairport.org
    Source: Montgomery County

    George Bush Intercontinental Airport
    Distance: 33.5 miles
    Address: 2800 North Terminal Road
             Houston, TX 77032
    Website: www.fly2houston.com
    Source: Houston Airport System

Greater Conroe/Lake Conroe Area Chamber of Commerce
    505 West Davis
    Conroe, TX 77301
    Phone: (936) 756-6644
    www.conroe.org

Greater Conroe Economic Development Council
    505 West Davis
    Conroe, TX 77301
    Phone: (936) 538-7118
    www.gcedc.org

Conroe Convention & Visitors Bureau
    505 West Davis
    Conroe, TX 77301
    Phone: (936) 522-3000
    www.conroecvb.net
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