

CITY OF GERMANTOWN

FISCAL YEAR 2009 BUDGET

July 1, 2008 – June 30, 2009



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Germantown
Tennessee**

For the Fiscal Year Beginning

July 1, 2007

Charles S. Cox

President

Jeffrey R. Ennis

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Germantown, Tennessee for its annual budget for the fiscal year beginning July 1, 2007.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

READER'S GUIDE

The budget document is organized in 10 sections.

Introduction. Separate letters from the Mayor and the City Administrator, transmitting the FY09 Budget document. General information about the city. The Board of Mayor and Aldermen's Policy Agenda, listing major objectives. City Financial Policies, a guide in preparation and management of the Budget.

Budget Summaries. An overview of the FY09 Budget. Total expenditure overview and summaries by major category and by cost center in four major operating funds: General, Utility, Germantown Athletic Club and Sanitation. Graphs/charts of revenues and expenditures, CIP projects, Infrastructure Replacement Program (IRP) lists, personnel staffing, special revenue funds, internal service funds and fiduciary funds.

General Government. Operating budget for several departments including Administration, Finance and General Services, Economic Development. Specific cost centers and program description including overview, mission and FY09 objectives, performance measurements, budget category summary, personnel projections and category explanations. (Basic department and cost center information also found in other sections).

Public Safety. Information about operation budgets for the Police Department, Automated Enforcement, Drug Asset Forfeiture and Fire Department.

Transportation and Environment. Operating Budget for all transportation and environment cost centers, including Public Services, State Street Aid, Animal Control and Fleet Services.

Sanitation. Information for the operating budget for the Sanitation Fund, an enterprise fund and incorporating the cost for both the collection and disposal of solid waste.

Community Services. Information about the operating budgets for Parks and Recreation, Facilities Management, Library Services, Pickering Center and Cultural Arts. Budget for Germantown Athletic Club, an enterprise fund.

Utilities. Information about operating budgets for all utility cost centers, including Water Operations, Sewer Operations, Sewage Treatment and Utility Debt Service.

Capital Improvements Program Summary. General overview of the CIP, divided in five categories: General Government, Major Roads, Intersections/Other/Drainage, Parks, Germantown Athletic Club and Utilities. (Complete listing of 2009 projects and five-year CIP projection in Budget Summary section).

Revenues and Other Information. Specific information regarding revenue sources for General Fund and three enterprise funds. Significant accounting principles and policies followed by City in administration and development of budget. Glossary of governmental budgeting and accounting terms.

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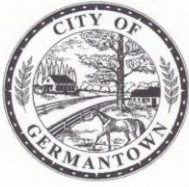
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CITY OF GERMANTOWN

TENNESSEE

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July 2008

Board of Mayor and Aldermen
Financial Advisory Commission
City of Germantown, Tennessee

The City's proposed budget for FY09 continues to support the vision, goals, and strategies identified in Vision 2020. The Vision, developed by a citizen-driven process and adopted by the Board of Mayor and Aldermen in the fall of 2005, defines actions that enable our community's transition from several decades in the growth/development mode to long-term sustainability. It promotes preservation, reinvestment, and redevelopment, all critical elements toward assuring a property tax base that continues to appreciate and provide adequate revenues to fund municipal services. Vision 2020 also looks at the other side of government finances: managing costs. At their annual retreat in January, elected officials identified priorities for the immediate future, at the same time making certain those priorities are consistent with long-term stability in service quality and revenues.

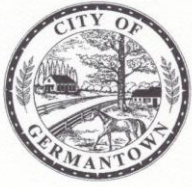
Consistent with the five-year fiscal model projected at the time of the last property tax rate adjustment (FY04), the FY09 general fund and capital fund budget does not require a property tax increase. Actions by the administration throughout FY08—restructuring divisions, consolidating positions, redefining job responsibilities and other measures—resulted in savings and efficiencies. Those efforts not only accommodate inflationary growth but also absorb the expense to begin building a trust fund for retiree health care benefits and higher costs for improved ambulance service. The managed competition approach initiated during FY07 has set the pace and prospects for even greater efficiency and effectiveness in the years ahead.

The FY09 budget is a product of the Board's thoughtful and careful decisions about services and infrastructure investment, the Financial Advisory Commission's diligent examination of revenue and expense projections and the professional staff's daily stewardship of citizen tax dollars. Driven by conservative fiscal policies, the City continues to merit the triple-A bond ratings of both Moody's and Standard & Poor's, established in FY94 and most recently reaffirmed during FY08.

This budget encompasses a wide range of municipal services. It enhances safety and security, supports infrastructure replacement and improvement, sustains fiscal soundness, maintains the character of the community and supports a broad spectrum of programs that will make the city an even better place to live, work, play and visit.

A handwritten signature in cursive script that reads "Sharon Goldsworthy".

Sharon Goldsworthy, Mayor



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May 2008

Board of Mayor and Aldermen
Financial Advisory Commission
City of Germantown, Tennessee

This letter transmits the Budget for the fiscal year beginning July 1, 2008. As the City's financial and spending plan for the year, the adoption of the budget is the most significant action taken by the Board of Mayor and Aldermen each year. It authorizes the allocation of resources and establishes the direction for programs and services for our "triple-A" rated city for the coming year and during the five-year planning period.

BUDGET PROCESS AND DOCUMENTS

The budget for fiscal year 2009 (FY09) is the culmination of hours of analysis and hundreds of recommendations on how best to respond to needs of the community in view of resources available, established policies and sound administrative practices. The FY09 Budget builds upon Board of Mayor and Aldermen priorities, staff objectives and action plans, citizen feedback and the Germantown Vision 2020 Plan, the City's strategic plan.

The City Administration was guided by certain funding priorities in developing the FY09 Budget. They include a commitment to an operationally balanced budget, with the supplies and tools to address the goals and objectives identified in Vision 2020 the principles of the City's organizational philosophy statement a fiscally balanced budget with no use of one-time revenues to fund ongoing city operations a programmatically balanced budget with parity between operations and support activities full cost accounting and fee collection where possible and a commitment to funding capital projects.

The budget document for FY09 is organized in ten sections. Additionally, two documents provide detailed information on the City's Capital Improvements Program (CIP) and a line item summary of this larger document for internal use when issuing account codes. A third document contains the business plans for nine key areas. The contents of these plans are explained under the section entitled Focus Areas. The administration's overarching goal was to produce a document that is user friendly, at the same time providing sufficient policy and financial information to give an accurate description of our City's financial health and stability.

NEW INITIATIVES AND FISCAL OUTLOOK

The FY09 Budget does not require an increase to the City property tax rate. A 40-cent tax rate increase was implemented in FY04 with the intention of sustaining the city's fiscal needs over a five-year planning period. Due to aggressive cost containment measures, the tax rate will remain the same for the sixth consecutive year. However, FY10 and beyond will present significant challenges. Even as we continue using competition and creativity to reduce the cost of service delivery, we anticipate a moderate increase to the City's tax rate in FY10 to assure quality service levels. We will also analyze the potential of the Smart Growth Plan, especially its mixed-use development and greater density, on our long range financial sustainability.

The FY09 Budget includes a reduction to the City's water rates. It is based on an analysis of current and projected usage, operating and capital budgets and maintenance of an appropriate level of working capital. The Utility Fund budget incorporates a rate decrease of \$0.10 per thousand on usage above 5,000 gallons to prevent build up of excessive working capital during hot/dry fiscal years. The base rate for metered water remains unchanged to avoid revenue shortfalls during years of heavy rainfall. As for the Sanitation Fund, there is an increase in user fees from \$24.15 to \$24.90 per single-family residence and from \$14.10 to \$14.90 per multi-family residence. The fees are a 3% increase and are calculated to cover the fund.

Financial Sustainability

Great cities are measured by community values and expectations that are met by City performance, the fact that people want to live in the community, that there is high level of citizen satisfaction with City services, that there is a sustainable tax base to support defined service levels and that citizens enjoy a defined quality of life. Germantown enjoys a strong reputation in providing this level of service for our residents.

However, Germantown, like other cities, is faced with external forces that impact our ability to sustain excellence. Growth of our property tax base is slowing as we approach build out. We are fully annexed and fully land-locked by neighboring communities. State and federal mandates continue to arrive without the money to cover the cost of compliance.

To address these challenges, the City relies on a strategic planning initiative known as Vision 2020. It clearly identifies a long range vision for our City as defined by a series of value based principles. We are advancing these efforts and the concepts of a sustainable Germantown around six major focus areas:

- Safe City
- City Operating as a Business
- Smart Growth Area Development
- Germantown Economy
- Neighborhood Preservation and Enhancement
- Transportation and Traffic Flow

Safe City

Our residents and visitors enjoy a low crime rate and a high sense of safety and security because of our police and fire departments. Both have excellent response times and provide enhanced services in addition to traditional police patrol, fire suppression, and emergency medical response services. Police and fire personnel work to maintain a strong and secure community through the provision of central emergency and non-emergency services using an all hazard approach tailored to our community's risk. Their strategies focus on sustaining Germantown as a safe community.

City Operating as a Business

To embrace this focus area, the City of Germantown has had to change our way of thinking about what we do. It's a switch from saying that we are "a public service business" to saying that "public service IS our business". It requires that we transform our organization from a traditional, bureaucratic government model to one that thinks like the private sector. For example, it means regarding our citizens as customers, not just recipients of whatever we think government should be doing for them. It means listening to the customers instead of presuming what their needs are. It means responding to the interests of large numbers of customers instead of special or narrow interests. It means embracing competition instead of

acting as if we are a monopoly. It means being cost conscious rather than expenditure-driven. It means focusing on results and less on long-established processes.

Through this approach the values and priorities of the community, not the organization, determines City services. At the heart of this business approach is a technique called “managed competition”. In use for the past 18 months, managed competition enables employees to compete against the private sector to deliver City services. Managed competition harnesses the creativity of our employees and gives them the opportunity to manage their functions as if they were a competitive business. The City’s managed competition is not about outsourcing or eliminating jobs. The goal is to prepare our public sector employees to be competitive with the private sector. To be competitive, we are teaching them very basic business techniques. This year, for example, we focused on building maintenance and vehicle maintenance. We are instructing our employees in basic financial analysis techniques such as activity based costing, business case development to gather costs and how to analyze costs, and how to prepare a business plan. Additionally, we have developed a business process improvement team which analyzes each detail of a governmental process from number of signatures a particular approval requires to how police department tickets are issued and how the court operates. This is being done to increase operational efficiency, improve customer focus and lower costs. A third leg of our business plan approach is the personnel review team. This team of employees examines vacancies as they occur throughout the City. Rather than simply filling the position, the department director and the immediate supervisor attempt to make the case before the personnel review team as to whether or not the position should be filled. The personnel review team looks at changes in technology and the possibility of redeploying employees to fill this need. In FY07, eight positions were eliminated through attrition, allowing us to fund higher priority areas such as public safety. In FY08, two positions were eliminated through action of the personnel review team.

Smart Growth Area Development

The third focus area to help sustain the City of Germantown will be deployment of the Smart Growth plan, code and zoning ordinance. Smart Growth is a term used throughout the country to describe an area of mixed land use with higher density. Smart Growth encourages buildings to expand vertically rather than horizontally and incorporate structured parking rather than surface parking. The City of Germantown firmly believes that Smart Growth will be a stimulus for housing construction in our existing commercial centers, now vibrant during the day but at night lacking foot traffic. Having people living in our central business area can change this aspect. Smart Growth creates “walkable” neighborhoods with greater compact design building. It encourages communities to identify and create a strong sense of place with beautifully designed and distinctive buildings. Finally, the Smart Growth plan will provide our community with an opportunity to increase its residential, commercial, and sales tax base considerably.

During FY08, the Board of Mayor and Aldermen directed the administration to develop a public/private partnership policy for all Smart Growth projects. The policy identifies three primary players in the Smart Growth planning process: the residents, the City and the developer. To be successful, it is important that we develop a successful partnership among all three to ensure that projects are completed in a timely manner and that there is plenty of opportunity for citizen input and participation and to make sure that certain expectations and requirements are met. The policy is addressed as follows:

1. A clearly developed citizen participation plan submitted with the initial application
2. All projects must incorporate the principles of Smart Growth as outlined in the Smart Growth Plan and Code adopted by the Board of Mayor and Aldermen
3. All projects demonstrating their economic and environmental sustainability
4. A reasonable and practical approach by the City in terms of capital and infrastructure improvements.

Germantown Economy

The City's economic sustainability strategies are to retain existing businesses, support business expansion and growth, attract and develop new businesses and outpace competitive economic communities. The

City's Department of Economic and Community Development recently reclassified a planner position to serve in the capacity of economic development coordinator. We expect that Smart Growth initiatives over the next several years will contribute greatly to the Germantown economy and continue to raise the overall wealth of the community. However, like most municipalities across the country, the City is feeling the effect of the economic slowdown in housing starts and sales, retail sales and investment income. We are highly dependent on property taxes to maintain our General Fund. Our current retail base has softened in sales tax production.

Because of our focus on creating and maintaining a financially sustainable Germantown, in all our focuses areas, positions the City to take advantage of an economic recovery.

Neighborhood Preservation and Enhancement

The next focus area, especially critical to our sustainability model, is reinvestment in our neighborhoods. Neighborhoods throughout the City have been the key to the City's success, from fostering future public leaders, to developing community pride. The City is making a concentrated effort to reinvest with capital and infrastructure in all of our neighborhoods, anticipating it will pay off in strong homeownership and reinvestment in one's property. This effort, the Neighborhood Improvement Planning initiative focuses on our older neighborhoods first and moves forward with specific neighborhood improvement plans. In FY09, we will address public improvements in Mimosa Gardens and English Meadows and begin to develop the Germantown Heights neighborhood planning initiative.

Transportation and Traffic Flow

This focus area addresses the efficient flow of traffic throughout our community with minimal congestion for pedestrians and neighborhoods. It emphasizes streets and highway maintenance and strong traffic law enforcement. Major initiatives identified in this fiscal year include the addition of a third automated enforcement camera system to reduce the number of traffic violation at intersections and the goal of reducing the number of accidents. Construction of Wolf River Boulevard will begin mid FY10 and joint funding agreements will be secured with the federal government. We will continue to work with Audubon International to ensure that best environmental practices are implemented during the construction process. Other projects in FY09 include completion of the traffic analysis for the Smart Growth district and the completion of design work for the reconnection of Germantown Road in the district.

REVENUE PROJECTIONS

Concurrent with the adoption of the budget, the Board of Mayor and Aldermen adopts a property tax rate. Property taxes generated in Germantown comprise about 56% of overall operating revenues. The property tax increase in FY04 was established to create a five-year tax stability period. The tax rate for FY09 is set to remain at \$1.54. FY09 represents the sixth year with no property tax increase.

However, the uncertain economic times required an in-depth review of all revenue assumptions in formulating the budget. Additionally, a thorough expense review included local issues of growth, new operating services, neighborhood preservation and quality of life,

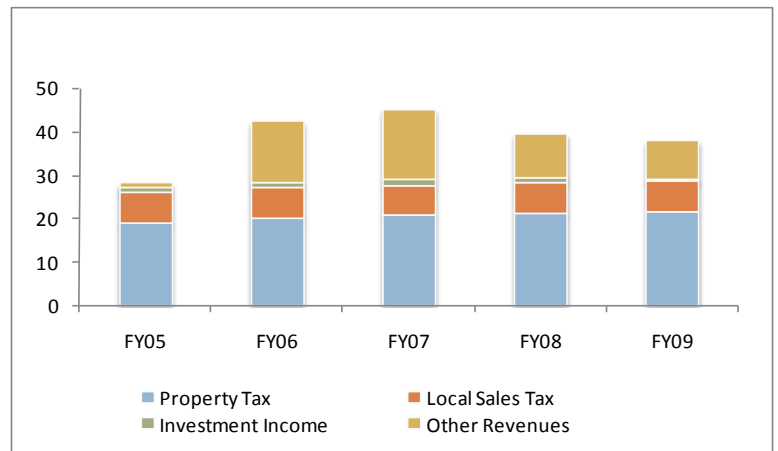
- Investment Income -- FY09 projections for investment income are budgeted to decrease. Projections are based on an investment portfolio which minimizes risk while attempting to maximize return in a poor economy.
- The State Economy – Economic growth slowed during the first half in FY08 and decreased during the second half. Rising gasoline prices are impacting Tennessee harder than most states because it relies so heavily on revenue from sales taxes of other consumer goods and services. The sales tax is elastic and more sensitive to economic shifts.
- The Local Economy – Germantown’s demographics tend to follow the dynamic fluctuations of the national economy. While FY08 is anticipated to be at budget, local sales are projected to remain flat for FY09.
- Hall Income Tax -- This tax is collected by the state as a tax on income from dividends and interest on out of state investments and allocated to the City at 3/8 of the amount collected from Germantown residents. The FY09 budget continues to dedicate the revenues received from the Hall Income Tax to fund capital improvements projects and not be a source of funding for the operating budget. This action will continue to position the City to respond effectively if this revenue source changes either due to economic conditions or by state sharing policy.

GENERAL FUND

REVENUES:

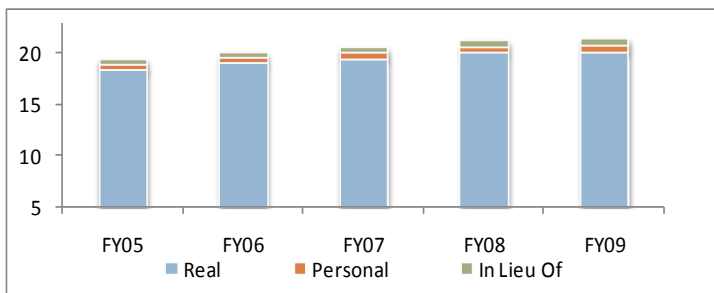
The General Fund revenues include property tax, local sales tax, investment income and other revenues. *The property tax consistently remains one of the most stable sources of revenue in our community.* Other revenue sources are subject to some degree of fluctuation in economic cycles, and have decreased from FY07 levels. Other revenue in FY07 was higher than other years due to the inclusion of debt issuance proceeds.

\$ MILLIONS



PROPERTY TAXES

\$ MILLIONS

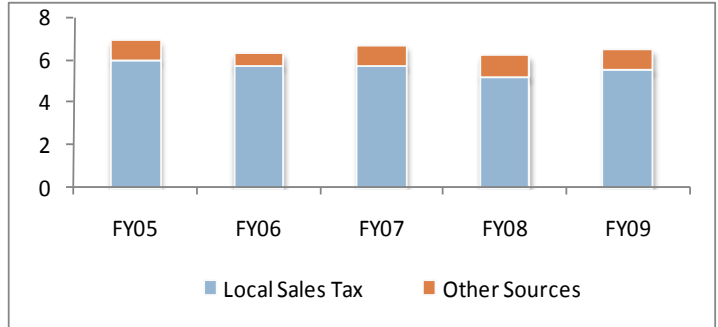


The property tax rate for the City of Germantown is \$1.54 per \$100 of assessed valuation. In the FY09 budget, real, personal and in-lieu-of-property taxes are projected to generate approximately \$21 million, 56% of the total revenue budgeted for the City. The projection is based on home building permit data, and anticipated new housing and commercial office developments starts.

LOCAL SALES TAXES

Local sales tax collections contribute 18% of the total revenue for the operations of the City. This category includes the local sales tax, the wholesale beer tax, the wholesale liquor tax, gross receipts business taxes and hotel/motel occupancy tax. The FY09 Budget anticipates \$7 million in local sales tax revenue.

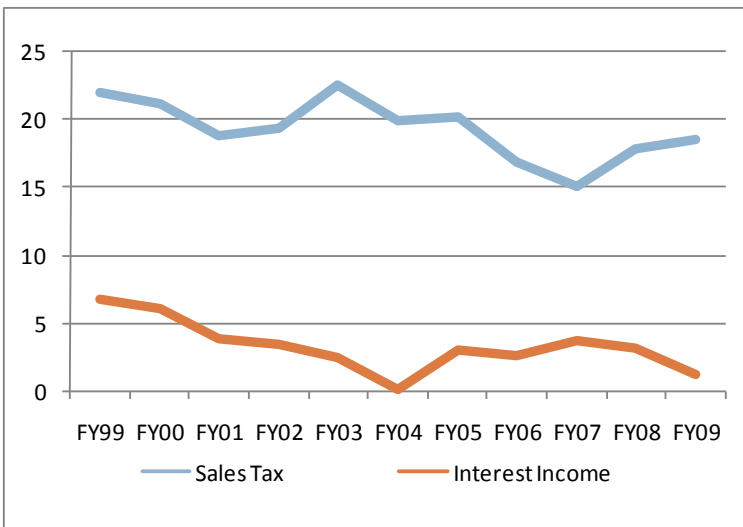
\$ MILLIONS



For each dollar spent in Germantown, the State of Tennessee collects 9.25% sales tax. The state retains 7% to substantially fund state government; it returns the remaining 2.25% to local government. Half of that, 1.125%, is returned to the City of Germantown. Because the amount captured by the City is based on the sales that occur within the City, it's good motivation to "shop Germantown". Sales tax revenue is dependent on the national economy and local economy, fluctuating with consumer spending trends. Interest income is also influenced by the state of the economy.

**SALES TAX REVENUE & INTEREST INCOME
 AS % OF GENERAL FUND REVENUES**

PERCENT



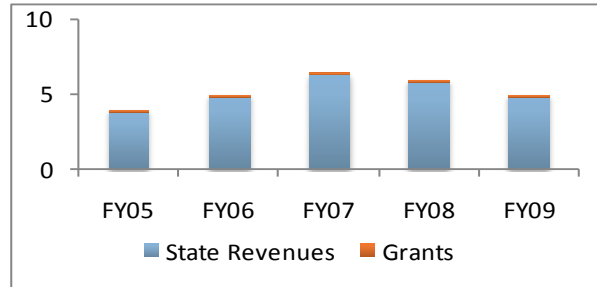
Interest Income

Interest on the City's investments contributes 1% of total revenues for the City of Germantown. The FY09 Budget projects income from investments at \$450,235. Both the State of Tennessee and the Board of Mayor and Aldermen have regulations regarding authorized investments. The level of interest income fluctuates depending on interest rates and amount of funds held in reserve.

STATE REVENUES AND GRANTS

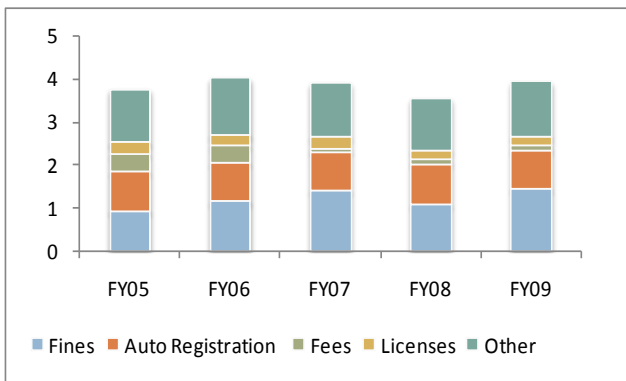
State shared revenues and state and federal grants make up 13% of the total fund sources for the City. They include state allocations for income tax, sales tax, beer tax, liquor tax, and City street and transportation tax allocation. In Germantown, state shared revenues are projected to be \$5.1 million in FY09. With the exception of the income and excise tax, State revenues are allocated on a per capita basis with Germantown’s population at 40,977, per 2006 state certified census. This source of revenue fluctuates depending on the statewide economy and certified population counts.

\$ MILLIONS



OTHER LOCAL REVENUE SOURCES

\$ MILLIONS



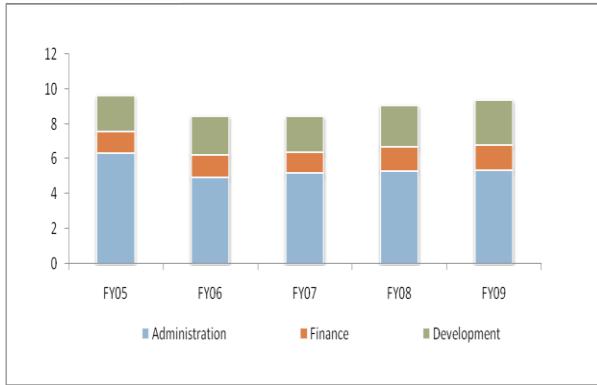
Other local revenue sources generate approximately 10% of the overall revenue for the City. This category includes automobile registration fees, local cable franchise fees, city court fees and an assortment of other smaller fees collected by municipalities. Licenses and fees are a fairly stable source of revenue for the City. The FY09 Budget projects \$3.9 million from fees.

More detailed information about each revenue category is provided under the “Revenues and Other Information” tab in the latter part of the document.

EXPENDITURES

The City’s fiscal year spending plan emphasizes a long-term goal of maintaining financial stability. All expenditures reflect the spending priorities established by the Board of Mayor and Aldermen strict adherence to the financial policies that provide a framework for allocating resources. (The Board’s Policy Agenda for fiscal year 2009 and an overview of the Financial Policies as adopted by the Board of Mayor and Aldermen are provided following this section.)

\$ MILLIONS



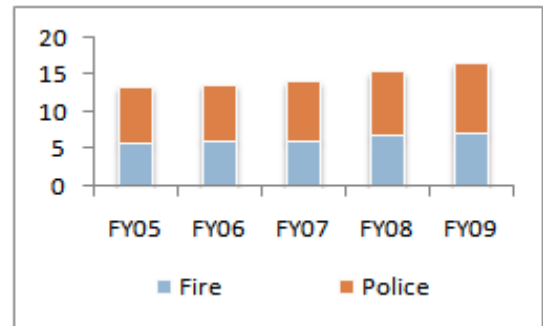
**GENERAL GOVERNMENT
 EXPENDITURES**

General government includes the Department of Aldermen, Administration, Community Development, Human Resources, Information Technology, Germantown Performing Arts Centre, Research and Budget, City Court and Finance. A specific cost center, Civic Support, which includes local grant allocations, is included within Administration. FY09 expenditures for these functions rise by \$291,955 or 3.2% over the FY08 estimate.

PUBLIC SAFETY EXPENDITURES

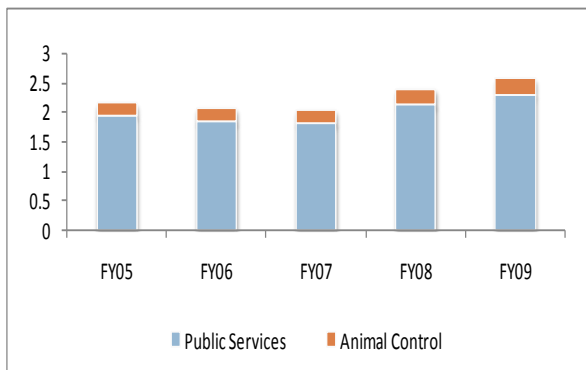
Total expenditures for Police and Fire Departments increased by \$1,175,929 or 7.6% from the FY08 estimate. During the past five years, public safety costs have raised primarily due to the additional safety personnel and ancillary costs. FY09 shows the full funding for the new police district, a total of seven positions.

\$ MILLIONS



**TRANSPORTATION & ENVIRONMENT
 EXPENDITURES**

\$ MILLIONS

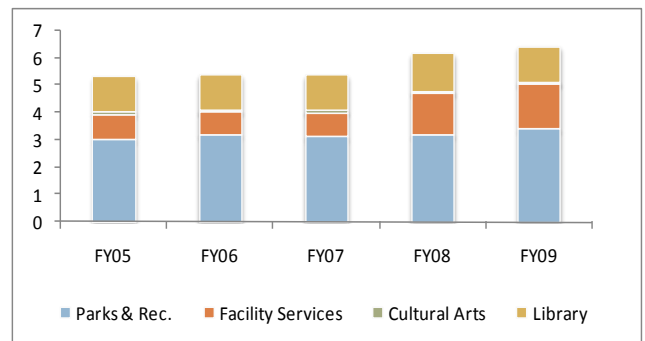


This category includes the Department of Public Services and Animal Control. Total FY09 expenditures for this category increase by \$179,426 or 7.5% from the FY08 estimate. FY09 expenses include funding for several infrastructure replacement projects.

**COMMUNITY SERVICES
 EXPENDITURES**

The category includes the Parks and Recreation Department, Facility Services, Library Services, and Cultural Arts. The FY09 expenditures increase by \$264,384 or 4.2% above the FY08 estimate. This increase is mainly due to the centralization of cleaning services.

\$ MILLIONS



SUMMARY OF FY09 APPROVED EXPENDITURE HIGHLIGHTS

TOTAL BUDGET-GENERAL FUND

	(in thousands)					
	Original Budget FY08	Estimated FY08	Budget FY09	Variance - Est. FY08 Budget FY09	% Variance Estimated FY08	% Variance Budget FY09
Operating Budget*	\$ 36,291	36,705	38,139	1,434	-3.9%	-3.8%
Capital	-	-	-	-	0.0%	0.0%
Total	\$ 36,291	36,705	38,139	1,434	-3.9%	-3.8%

TOTAL BUDGET - ALL FUNDS

	(in thousands)					
	Original Budget FY08	Estimated FY08	Budget FY09	Variance - Est. FY08 Budget FY09	% Variance Estimated FY08	% Variance Budget FY09
Operating Budget*	\$ 52,588	51,902	55,705	3,803	-7.3%	-6.8%
Capital	15,165	8,459	13,588	5,129	60.6%	37.7%
Total	\$ 67,753	60,361	69,293	8,932	14.8%	12.9%

BY PROGRAM:	Increase (in thousands)	Percent of Total	Percent Inc. to Estimate
Community Services	\$ 264	-1.4%	4.2%
General Debt Service	306	-1.7%	10.6%
General Government	272	-1.5%	3.0%
Transportation & Environment	179	-1.0%	7.5%
Germantown Centre	1,663	-8.9%	84.3%
Contingencies	50	-0.3%	0.0%
Other Programs	(21,267)	113.5%	-216.5%
Public Safety	1,176	-6.3%	7.6%
Sanitation	174	-0.9%	4.7%
Utilities	(1,559)	8.3%	-12.4%
TOTAL	\$ (18,742)	100.0%	-29.2%

BY CATEGORY:			
Personnel	\$ 1,936	-10.3%	7.1%
Debt Service	636	-3.5%	20.1%
Contingencies	50	-0.3%	0.0%
Communications	64	-0.3%	15.6%
Rents	(19)	0.1%	-4.0%
Contract Services	198	-1.1%	3.6%
Professional Fees	265	-1.4%	8.0%
Supplies	(174)	0.9%	-8.4%
Capital Outlay	(126)	0.7%	-11.1%
All Other Categories	(21,573)	115.1%	-103.5%
TOTAL	\$ (18,742)	100.0%	-29.2%

* Includes Capital Outlay and Infrastructure.

RESERVES:

While the entire subsequent year’s balance sheets are not presented in this document, the most critical aspect of the City’s balance sheets – fund equities – is presented in the budget projection summaries in the following section. General Fund fund balance as of June 30, 2007 totaled \$26.2 million. The underlined purpose and rationale for these reserves are described in the Financial Policies contained in this section of the document.

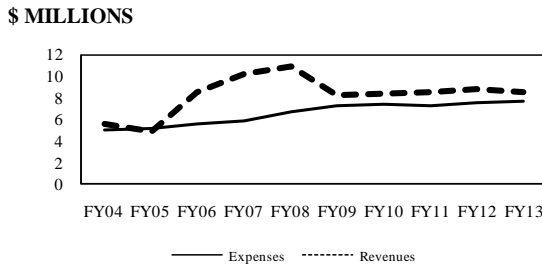
Following a review of the Financial Policies with the Financial Advisory Commission and the Board of Mayor and Aldermen, the Financial Policies were updated as detailed in this section of the Budget.

UTILITY FUND

REVENUE AND EXPENSES:

The Utility Fund includes a rate decrease of \$0.10 per thousand on usage above 5,000 gallons. This decrease was recommended to promote equity to the users, since the existing rate structure has built up an excessive working capital during drought years. The base rate is budgeted to remain the same to help avoid future revenue shortfalls during rainy fiscal years.

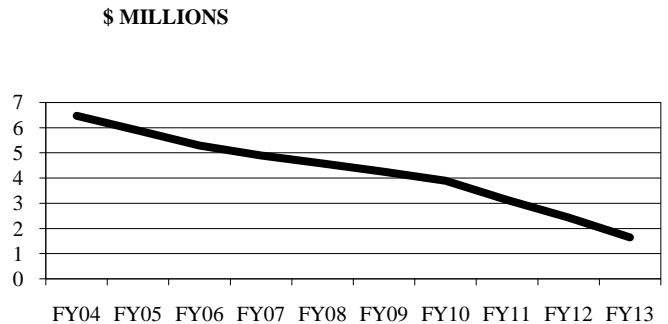
**UTILITY FUND
 REVENUES OVER EXPENSES**



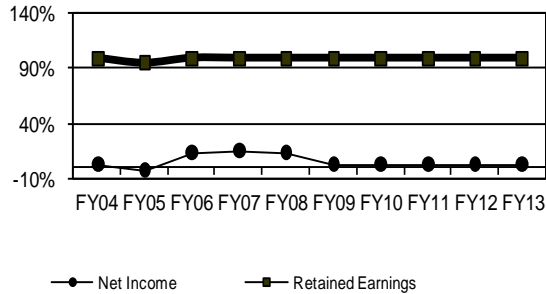
The chart on the left graphically illustrates the revenue and expenditure trends over a 10-year planning period. Utility revenues and expenses reflect the fluctuation common to a Utility Fund. FY09 revenues included the new rate reduction. In addition, FY09 includes \$7.28 million in bond revenues for capital improvements.

Outstanding Utility Debt of \$4.25 million at the start of FY09 is comprised of one bond issue. This chart displays Outstanding Utility Debt at the beginning of each fiscal year. The one bond issue in FY98, refunded in 2006, totaling \$8.025 million was mainly to support the construction of a new water treatment plant. The five-year planning period anticipates a bond issuance in FY09 for \$7.28 million to support expansion of the Johnson Road Water Plant and water storage.

OUTSTANDING UTILITY DEBT



**UTILITY DEBT
 SERVICE COVERAGE**



The debt service coverage graph shows the ratio of operating income and retained earnings to debt service (the number of times operating income and retained earnings covers bonded debt service). Debt service coverage is the principal ratio used to assess utility debt capacity. As shown in the graph, the ratio for operating income coverage has declined due to the budgeted draw down of retained earnings. FY09 and the projected plan period show a healthy fund. The retained earnings ratio illustrates the strong financial stability of the Utility Fund.

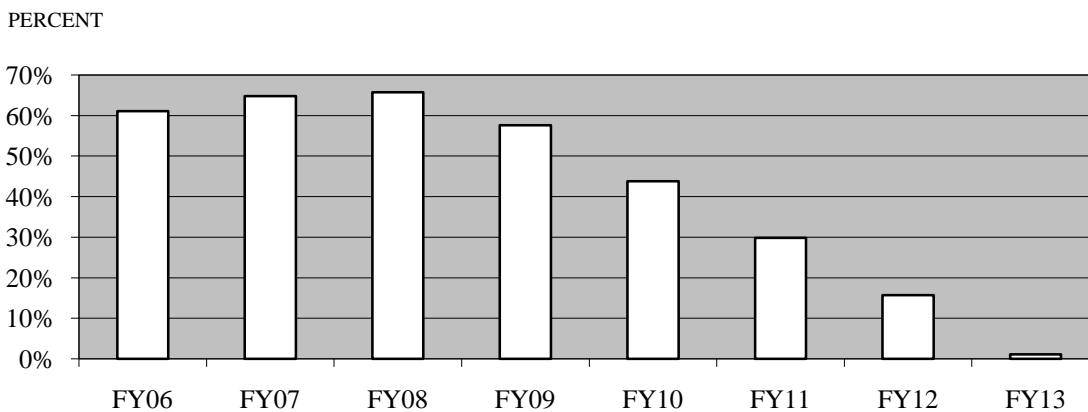
Although the major rating agencies consider 2.4 an appropriate debt coverage ratio, Germantown’s strong financial foundations, coupled with its high levels of working capital maintained in the Utility Fund, provide additional protection against unexpected operating costs and declines in revenues between periodic rate adjustments.

FY09 CAPITAL BUDGET

The FY09 capital budget totals \$13,588,000. The transfer to capital projects from the General Fund totals \$1.85 million. Those projects incorporated in the CIP are consistent with the Board of Mayor and Aldermen’s Policy Agenda and funding priorities.

The FY09 CIP demonstrates a significant level of spending due mainly to the funding for several drainage improvement projects and utility projects. Details on these and other CIP projects and their impact on operations in this budget and future years are contained under the tab *Capital Improvements Program*. The following chart illustrates the impact of drawdown on General Fund reserves over the planning period for the CIP.

FUND BALANCE AS % OF TOTAL EXPENDITURES



A complete detail of the Fund Balance including designated reserve levels is in the section *Financial Policies*.

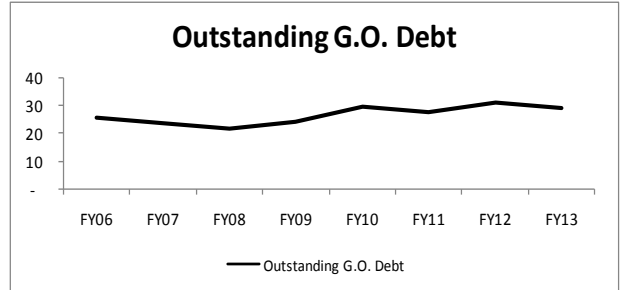
DEBT ANALYSIS

In the State of Tennessee, there is no legal debt limit.

The **outstanding general obligation debt** chart depicts the level of indebtedness over a 8-year period. Proposed debt issuances included in the graph to the right and the graph below include \$4.58 million in FY09, \$7.0 million in FY10 and \$5.6 million in FY12.

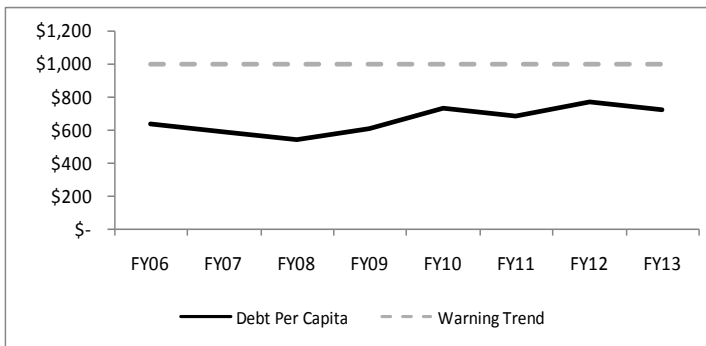
OUTSTANDING G.O. DEBT

\$ MILLIONS



G.O. DEBT PER CAPITA

\$ PER CAPITA



Rating agencies generally consider \$1,000 per capita to be the upper limit for a triple-A rating. Even with the anticipated issuance of debt in the outer years, Germantown maintains a debt level below the upper limit.

GERMANTOWN ATHELETIC CLUB FUND

The Germantown Athletic Club begins FY09 with a planned business development approach. Increased competition and an aging facility have resulted in lower than anticipated membership retention. Investment of more than \$2 million over the next several years in renovations, streamlining programs and membership fees, enhancing marketing and communications, along with a “back to basics” approach of services, is planned to build membership and fiscal soundness. This business plan shows the financial improvement anticipated for the forecast period.

SANITATION FUND

The FY09 budget for the Sanitation Fund reflects costs of the third year of a four-year contract (with one-year option) with All-Star Corporation and Michael’s Tree Service. The revenue side incorporates an increase in user fees: from \$24.15 to \$24.90 per single-family residence and from \$14.10 to \$14.90 per multi-family residence. The fees are a 3% increase and are calculated to cover the fund.

Board of Mayor and Aldermen
Financial Advisory Commission
May 2008

SPECIAL THANKS:

The FY09 Budget could not have been prepared without the combined efforts of staff, the Financial Advisory Commission, the Personnel Advisory Commission and the Board of Mayor and Aldermen. I want to express my appreciation to all of those who have worked to produce the FY09 Budget and Capital Improvements Program, and in particular, I want to thank the Research and Budget Services.

Sincerely,

A handwritten signature in cursive script that reads "Patrick J. Lawton".

Patrick J. Lawton
City Administrator

GENERAL INFORMATION AND STATISTICAL DATA

Germantown is located in southeast Shelby County. It is one of six municipalities adjacent Memphis, Tennessee.

GERMANTOWN'S EARLY HISTORY

Germantown began in 1833 as the hamlet of Pea Ridge. In 1836 it was renamed Germantown, probably because the earliest settlers were of German heritage. By 1841, the City of Germantown was chartered. It met with a modest amount of prosperity when a plank road was built in 1849 and the railroad came through in 1852. It suffered setbacks in the 1860s when part of the City was destroyed during the Civil War and during the yellow fever epidemics of the 1870s.

GERMANTOWN'S POPULATION PATH

In 1960, the City had 1,101 residents. In the 1970s, Germantown began to grow rapidly and by 1980 the population had grown to 20,459. Today, the City's population is 40,977 per a 2006 State certified census. The City is primarily residential in character, but continues to expand in commercial businesses and professional services.

GERMANTOWN DEMOGRAPHICS

Population	40,977*	Education (persons 25 years of age and older)	
		High school graduate or higher	98.0%
Male	48.7%	Bachelor's degree or higher	60.0%
Female	51.3%		
Age		Occupation	
Under 5 years	5.2%	Management, professional, and related occupations	52.8%
5 to 19 years	25.3%	Sales and office occupations	30.5%
20 to 44 years	26.8%	Service occupation	7.2%
45 to 64 years	33.5%	Production, transportation, and material moving occupations	6.0%
65 years and older	9.2%	Construction, extraction, and maintenance occupations	3.4%
		Farming, fishing, and forestry occupations	0.0%
Race		Other	
White	92.9%	Homeownership rate	89.0%
Black or African American	2.3%	Number of households	14,261*
Asian	3.5%	Median household income	\$ 125,860*
Hispanic or Latino	1.1%	Median value of owner-occupied housing units	\$ 271,200*
Other	0.2%	Per Capita Money Income	\$ 58,870*
		Average Family Size	2.87

Unless other wise indicated, statistics are from Federal Census 2000 data.

GENERAL INFORMATION AND STATISTICAL DATA

CITY OF GERMANTOWN, TENNESSEE PRINCIPAL PROPERTY TAX PAYERS

CITY OF GERMANTOWN, TENNESSEE PRINCIPAL EMPLOYERS

Taxpayer

The Village at Germantown Inc.
Belz Investment Company (PSO)
Empirian Colonneade LLC 75%/Bushreal
UT Medical Group Inc.
BIC-MTS Partners (PSO)
Vinyards Apartments Inc.
Senter Crook Taylor Et Al
Sherriff LLC
CH Realty III/Germantown LLC
Dayton Hudson Corporation

Employer

Methodist Le Bonheur Hospital - Germantown
Shelby County School System - Germantown Schools
Baptist Rehabilitation - Germantown
Campbell Clinic
City of Germantown
Orgill, Inc.
Stern Cardiovascular
El Porton
Schnucks
O.R. Nurses

Source: Shelby County Board of Assessments

AMENITIES

With a park within walking distance of every residence, the community has more than 700 acres of parkland. More than 11.1 miles of greenway links parkland and neighborhoods.

Under the umbrella of the Shelby County School System, two high schools, two middle schools and four elementary schools serve Germantown. The City also has three private and four specialty schools.

The main library opened in 1997, the Regional History and Genealogy Center opened in FY07. The Germantown Performing Arts Centre (GPAC) is an acoustically-perfect 800-seat theater featuring top artist from around the world. The Germantown Athletic Club is a 126,000 square foot indoor athletic complex that opened in 1989 and expanded in 2003 to include two outdoor pools.

GERMANTOWN'S STATUS

Germantown is one of a few cities in the nation possessing a triple-A bond rating from both Moody's and Standard & Poor's. It has the lowest crime rate for any city its size in the State of Tennessee and the police and fire departments have average emergency response time of five minutes. The parks and recreation department is nationally accredited. The Arbor Day Foundations has designed Germantown a "Tree City USA" for 16 consecutive years.

GERMANTOWN'S GOVERNMENT

The City of Germantown operates under a Mayor-Aldermanic form of government. The mayor and five aldermen are elected for four year terms and are part-time positions. The Board of Mayor and Aldermen is the legislative and policy-making body of the City. The mayor does not vote except to break a tie. By charter, the mayor is the chief administrative officer; however, oversight of day-to-day management is assigned to a professional city administrator, appointed by the mayor but subject to board approval.

Mayor	Sharon Goldsworthy (2010)
Alderman Position 1	John Drinnon (2010)
Alderman Position 2	Carole Hinely (2010)
Alderman Position 3	Mike Palazzolo (2008)
Alderman Position 4	Frank Ulhorn (2008)
Alderman Position 5	Ernest Chism (2008)

GENERAL INFORMATION AND STATISTICAL DATA

More than 200 citizens annually volunteer their time, expertise and energy in service on the City's 20-plus advisory commissions and boards. Most appointments, made by the mayor and aldermen each December, are for one year terms; most groups meet monthly. Their responsibilities range from recommendations on City government matters and community interests to indentifying opportunities, challenges and solutions to conducting special activities. The commissions are Audit, Beautification, Design Review, Economic Development, Education, Environment, Financial, Athletic Club, Historic, Neighborhood Preservation, Parks and Recreation, Personnel, Planning, Public Safety Education, Retirement Plan Administration, Senior Citizens, Telecommunications and Youth. The boards are Zoning Appeals, Industrial Development and Library.

GERMANTOWN AT A GLANCE

City Stats:

Date Originally Chartered	1841
Date of Incorporation	1903
Form of Government	Mayor-Aldermanic
Land Area	19.8 sq. miles
Miles of Streets	200
Number of Street Lights	4,936

Fire Protection:

Number of Stations	4
Number of Regular Firefighters	70
Number of Volunteer Firefighters	25
Insurance Service Office Rating	Class III

Police Protection:

Number of Regular Police Officers	86
Number of Reserve Police Officers	30

Recreation and Culture:

Number of Parks	27
Acreage	748
Number of Libraries	2
	(Germantown Community Library and Genealogy Center)
Volumes	137,749

Education (1) :

Number of Schools	8 (Shelby County)
Number of Students	8,558

Water System:

Number of Consumers	13,540
Miles of Water Main	205
Well Capacity	18 million gallons per day
Treatment Plant Capacity	18 million gallons per day
Storage Capacity	6.375 million gallons
Average Daily Consumption	7.6 million gallons
Peak Day Pumpage	18 million gallons
Residential Rate in Force	\$6.75 for first 5,000 gallons (minimum) \$1.65 per additional 1,000 gallons up to 15,000 gallons \$1.90 per additional 1,000 gallons up to 50,000 gallons \$2.40 per 1,000 gallons thereafter

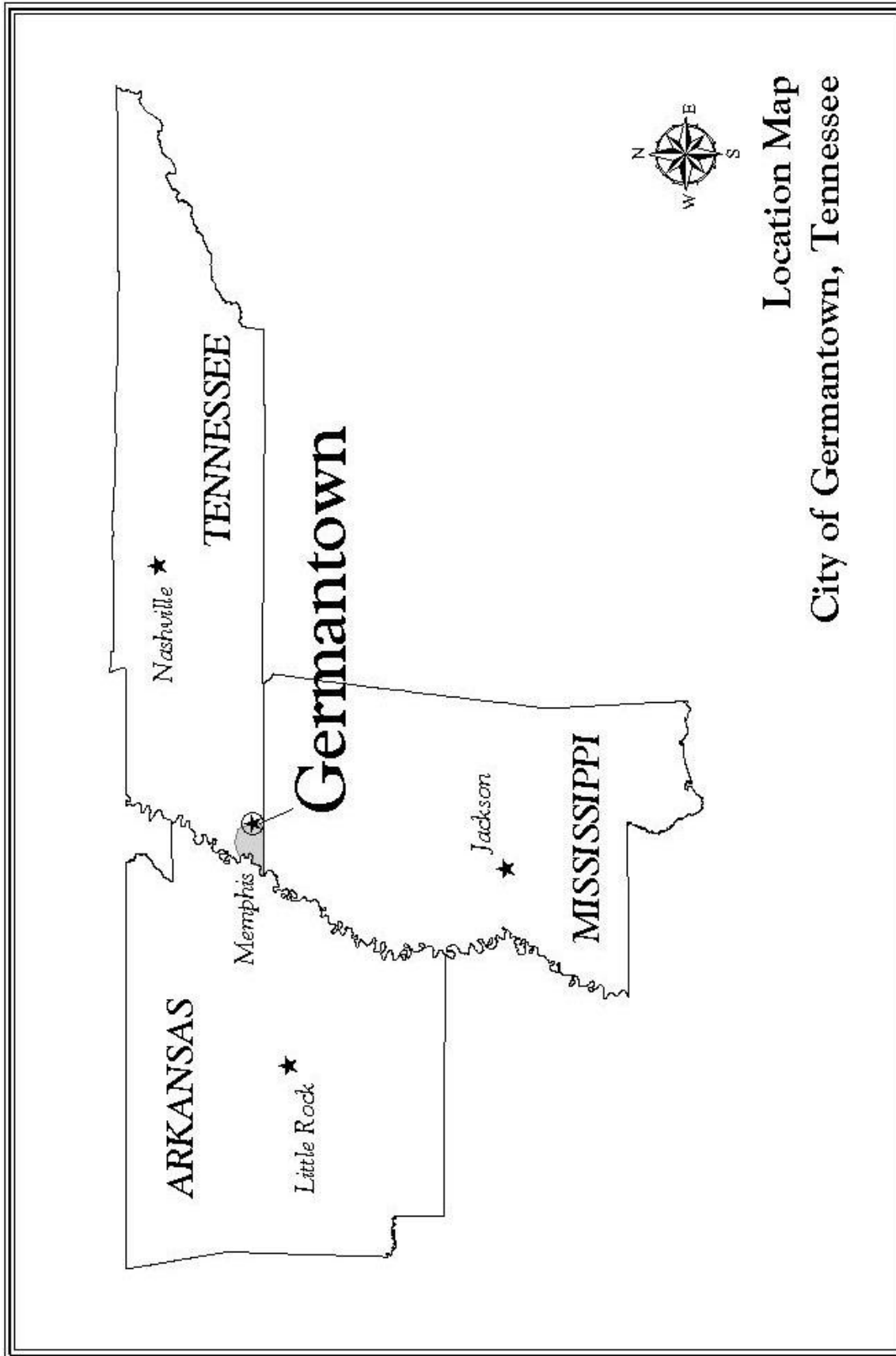
Sewer System:

Number of Consumers	13,157
Miles of Sewer Main	208
Treatment	Provided by City of Memphis
Residential Rate in Force	\$3.90 for first 2,000 gallons (minimum) \$1.53 per additional 1,000 gallons (\$3.90 minimum and \$31.20 maximum)

CONTACT INFORMATION

For further information, please contact:

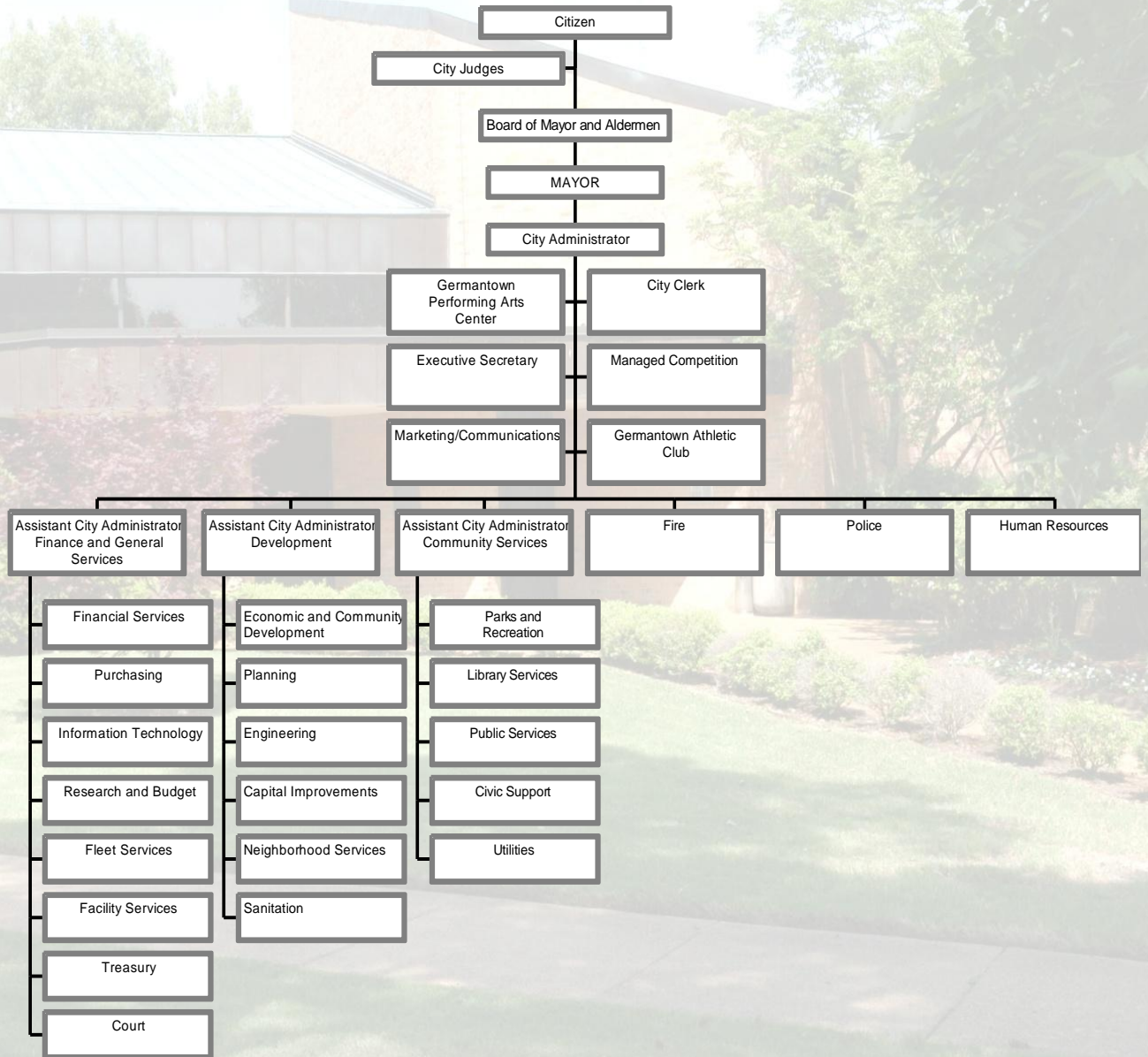
City of Germantown
1930 South Germantown Road
Germantown, Tennessee 38138
901-757-7200
www.germantown-tn.gov



Location Map
City of Germantown, Tennessee

CITY OF GERMANTOWN, TENNESSEE

Organization Chart



LIST OF CITY OFFICIALS

**CITY OF GERMANTOWN
CITY OFFICIALS**

MAYOR

Honorable Sharon Goldsworthy (2010*)

ALDERMEN

Ernest Chism (Vice Mayor – 2008*)

John Drinnon (2010*)
Mike Palazzolo (2008*)

Carol Hinely (2010*)
Frank Uhlhorn (2008*)

CITY ADMINISTRATOR

Patrick J. Lawton

CITY ATTORNEY

C. Thomas Cates

CITY JUDGES

Bob Brannon
Raymond S. Clift

EXECUTIVES

Assistant City Administrator.....	George Brogdon
Assistant City Administrator.....	Kristen A. Geiger
Assistant City Administrator.....	G. Andrew Pouncey
Community Development Director.....	Jerry Cook
Finance Director.....	Ralph Gabb
Fire Chief.....	Dennis Wolf
Library Services Director.....	Melody Pittman
Parks and Recreation Director.....	Pam Beasley
Personnel Director.....	Pat McConnell
Police Chief.....	Richard Hall
Public Services Director.....	Bo Mills

BUDGET PREPARATION STAFF

Research and Budget Analyst.....	Sherry Rowell
Research and Budget Analyst.....	Adrienne Royals
Capital Improvements Projects Manager.....	Butch Eder

*(Date elected term expires)

City of Germantown Core Values

We, the Germantown Managers and Employees,

Strive for **S**ERVICE Excellence

PRODUCE “A+” Results

Take the **I**NITIATIVE

Are **R**ESPONSIBLE

Are **I**NNOVATIVE

Practice **T**EAMWORK

The **S.P.I.R.I.T.** of Germantown

ORDINANCE NO. 2008 - 4

AN ORDINANCE TO ADOPT THE 2008 - 2009 BUDGET

WHEREAS, the City of Germantown desires to ordain its budget for the fiscal year July 1, 2008 through June 30, 2009; and

WHEREAS, by charter, of the City of Germantown, the Board of Mayor and Aldermen is required to fix and determine an annual budget setting forth all income and expenditures containing total revenues and available funds and total expended; prohibiting against exceeding appropriations and a line item financial plan;

BE IT ORDAINED by the City of Germantown, that its budget for the fiscal year July 1, 2008 through June 30, 2009, is the following:

SECTION

- 6-801 Revenues/Expenditures
- 6-802 Expenditure Appropriations
- 6-803 Expenditure of Donations and Grants
- 6-804 Line Item
- 6-805 Effective Date

Section 6-801 Revenue/Expenditures

A. Total Revenues and Available Funds

General Fund Revenues	\$38,293,910
Special Revenue Funds Revenues	2,310,030
Intergovernmental Revenues	320,000
Contributions	0
Utility Fund Revenues	8,200,645
Germantown Club Fund Revenues	3,220,000
Sanitation Fund Revenues	3,956,744

Decreases (Increases) in Fund Balances:

General Fund	(154,715)
Special Revenue Funds	164,252
Capital Projects Funds	10,535,000
Utility Fund	2,864,353
Internal Service Funds	20,000
Germantown Club Fund	(383,521)
Sanitation Fund	(53,974)
TOTAL	<u>\$69,292,724</u>

Ordinance No. 2008 - 4
Page 2

B. Expenditures

General Fund		\$38,139,195
Special Revenue Funds		2,474,282
Capital Projects Funds		10,855,000
Utility Fund		11,064,998
Internal Service Funds		20,000
Germantown Club Fund		2,836,479
Sanitation Fund		3,902,770
TOTAL		<u>\$69,292,724</u>

Section 6-802 Expenditure Appropriations

No expenditure listed above may be exceeded without appropriate ordinance action to amend the budget, except as provided in the following section. Such action shall fully describe all changes to the budget and shall include the sources of revenue to finance the expenditure.

Section 6-803 Expenditure of Donations and Grants

In the event funds are donated or contributed to the City or the City receives grants, revenue projections and expenditure appropriations may be increased by resolution of the Board of Mayor and Aldermen to the extent of the amount of funds received.

Section 6-804 Line Item Financial Plan Required

A detailed line item financial plan shall be prepared in support of the budget. The financial plan shall be used as guidance and generally followed in implementing the budget.

Section 6-805 Effective Date

This Ordinance shall take effect July 1, 2008, the public welfare requiring it.

First Reading: May 12, 2008

Second Reading: June 9, 2008

Third Reading: June 23, 2008


Sharon Goldsworthy, Mayor


Betty Johnson
City Clerk/Recorder

Each year, the Board and Mayor and Aldermen and City administration collectively develop the Policy Agenda, establish the long-range goals and construct a Management Agenda, all directed by a keen sense of the community's immediate needs and with an eye to the future. The process begins with the vision which captures the dream of what we want our city to be. The vision, as embraced by the Board, defines the value-based preferences for the community and reflects what is unique about Germantown. These long-range principles guide the policies, decisions, plan and actions for our community for the next eleven years.

The Vision

Germantown is a safe, family friendly city, which is a community of residential neighborhoods, has natural and designed beauty, and provides exceptional leisure, cultural and recreational opportunities. Our residents enjoy excellent schools, diverse shopping and dining choices, access to premier healthcare and ease of mobility to the Memphis region and the world. Businesses have opportunities to succeed. The community takes pride in Germantown.

Long-Range Goals

In addition to defining the long-range vision for the community, the Board also established goals as a framework for five-year outcomes. They become a guidepost for policy development, policy decisions, management decisions and management/organization action.

Looking toward 2013, the goals encompass: Public safety, Economic sustainability, Community vitality, Quality of life, and City services and finances.

Policy Agenda

From the goals, the Board and administration establish a policy agenda for FY09. The agenda is a one-year work program of the top priority policy issues. The focus areas frame the annual budget and are incorporated in the five-year plan. Focus areas include the following:

- Safe City
- City Operating as a Business
- Smart Growth Area Development
- Germantown Economy
- Neighborhoods: Preservation and Enhancement
- Transportation and Traffic Flow

TOP PRIORITY ISSUES

Municipal Facilities Plan for Municipal Square

Municipal Square contains several government facilities and a park on about 48 acres. It includes City Hall, the Police Station, Fire Station No. 3, the Germantown Athletic Club, the Germantown Performing Arts Centre and the Germantown Community Library. Other users are the U.S. Postal Service and First Tennessee Bank. The Municipal Park features the Kiwanis Pavilion, tennis courts, a lake, and open space. With the adoption of the Smart Growth Plan in 2007, the Board of Mayor and Aldermen and the administration would like to reassess the use of these facilities, their potential expansion and how this site might be better used to foster and encourage Smart Growth development. In FY09, the staff will prepare an updated inventory of all public use buildings, in addition to the expansion of the Germantown Community Library, the relocation of Fire Station No. 3, and the expansion of the Germantown

Performing Arts Centre. The report will also encompass the fiscal impact of converting property in Municipal Square to facilitate Smart Growth development.

Germantown Central Park Complex Master Plan

In FY08, a team of City employees led by Planning Division personnel developed a concept plan for Germantown Central Park Complex. This concept plan was presented to the Board of Mayor and Aldermen in February 2008 and adopted in June 2008. The development of this concept plan supports Vision 2020 through the redevelopment of C.O. Franklin as a regional destination park offering a botanical garden, amphitheatre, event space, equestrian center and show grounds. During FY09, the Board of Mayor and Aldermen and the Administration will take this conceptual framework and consider ideas within the plan, including acquisition of the contiguous privately held property known as Ocean View Farms.

Community Theatre Building Direction

In FY08, the Board of Mayor and Aldermen directed the administration to obtain an appraisal for the City-owned Germantown Community Theatre building on Forest Hill Irene Road adjacent to Fire Station No. 4. The Board's interest was driven by the poor condition of the building, the value of the property for commercial purposes and the condition of the fire station. The policy issue before the Board and administration in FY09 is a course of action that will address the needs of the theatre organization, should the building be demolish and property sold, and redevelopment of the fire station on the property.

Community and Economic Development Actions

The national, state and local economies have a direct impact on the operations of the City of Germantown. The downtrend in the economy, housing, jobs and consumer spending along with the lending market crises, increased oil costs, and an uncertain political direction pose serious threats to several major revenue resources for the City. Monitoring development and property maintenance is important to ensure property values remain strong in the City. We must continue to work with our taxpayers, utility customers, business operators, vendors and visitors to ensure that the City remains a preferred attractive place to live, work, do business, shop and visit. We will continue to take an aggressive role in being advocates for the City of Germantown at the state and national level.

Fire Station Location Plan

Adoption of the Smart Growth Plan (SGP) and the Board's direction regarding the municipal facilities within the SGP district (Municipal Square) includes a look at possible relocation of Fire Station No.3. Further, in its strategic plan, the fire department has identified the need for a fifth fire station to meet the increasing service demands rising from growth and development of our medical community, the impact of great densities and mixed uses in the SGP district, emergency medical responsiveness to an aging population and fire vulnerability of aging homes in the western part of the city.

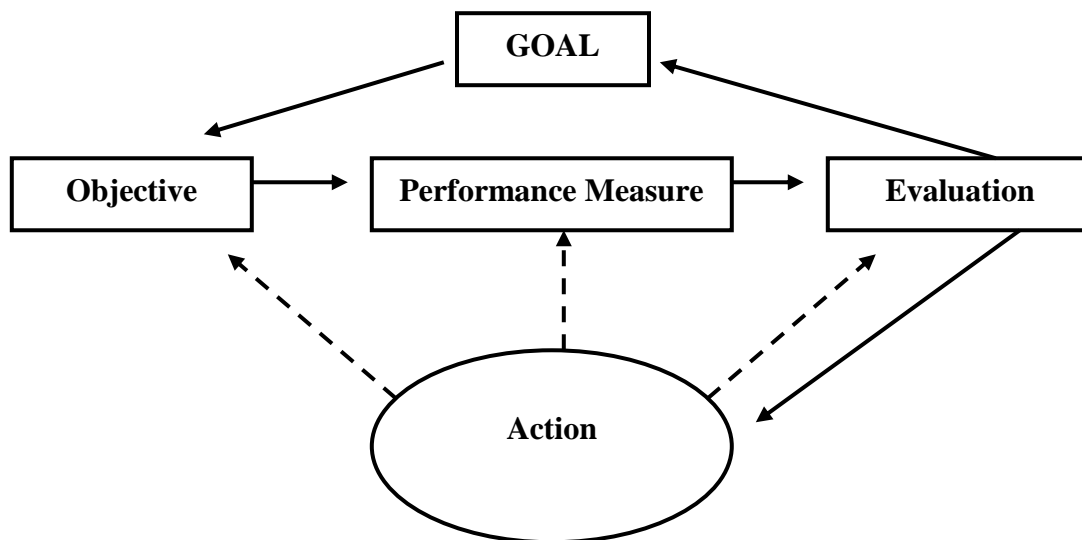
Public Private Policy Guidelines

The policy will ensure the most efficient use of public and private resources in the deployment of the Smart Growth plan. Germantown's Public/Private Policy will incorporate all of the stakeholders involved in ensuring a successful Smart Growth project: the City of Germantown, the residents most clearly impacted by this type of development, and the private sector. The policy will address the needs of all three and will fulfill the objectives of the Smart Growth Plan as first articulated in Vision 2020.

Germantown citizens expect responsible, reliable, high-quality leadership and services from their city government. As the City plans for property build-out over the next 14 years, it becomes increasingly important to strategically focus financial, technical and human resources on the priorities of the citizens of Germantown. Germantown takes pride in being a progressive community in the Mid-South. Progressive municipalities, such as Germantown, have led the integration of performance and budgeting into performance based budgeting. This movement has been prompted by direction from such entities as the Governmental Accounting Standards Board (GASB), Government Finance Officers Association (GFOA), International City/County Management Association (ICMA) and the Federal government through the *Government Performance and Results Act*.

Germantown began using performance based budgeting in FY99. Every department and division developed objectives and performance indicators aimed at providing greater accountability to our elected officials and the citizens. In FY00, the Balanced Scorecard measurement concept was used to enhance the City’s performance measures started in FY99. The Balanced Scorecard set objectives and performance measures based on the direction set by the Board of Mayor and Aldermen’s (BMA) Policy Agenda. This approach enabled the city to view its performance not just in terms of short-term goals, but also in terms of how processes were implemented for the long-term delivery of services to the citizens.

In FY03, the Balanced Scorecard approach to performance based budgeting was modified. This modification to the Complete Linkage concept further strengthens performance measures as a management tool. The Complete Linkage concept “completes” the current program by using measures within the control of the department to implement action plans based on performance evaluation to address either the objective, performance measure and/or result. Complete Linkage gives program managers interested in improving their services the tools and data needed to analyze, articulate and overcome the service delivery gaps in local government today.



PERFORMANCE MEASUREMENT – FY09

The key purpose of the Complete Linkage concept is to align city services around desired results, i.e. not only by department (the organizational entity that expends the staff and funds), but the BMA Policy Agenda. Performance measures are reviewed during the budget process to ensure that target goals are current with the BMA Policy Agenda. Changes were made to reflect each department's evaluation of past service results and new program changes. Performance measures are reported quarterly along with a year-end report summarizing the fiscal year's performance on an annual basis, which is distributed to elected officials and all levels of city management. These reports spotlight the level of service and allow for appropriate changes in staffing, funding allocations and delivery of service levels. Germantown believes that performance based budgeting promises to strengthen our community by creating partnerships involving citizens, elected officials, city management and front line employees.

Performance Measures are included in each departmental section and the BMA Policy Agenda begins on page 27 of this document. The chart below and on the following page lists the departmental performance measure for each of the BMA Long-Range Goals.

BMA Long-Range Goals	Department and Measure	Target	FY08 Results
Actively Involved Citizens - Strong Community Partnerships			
	Administration		
	Number of businesses visited by the Economic Development Commission	> 70 Annually	26
	Percent of Commission members' attendance	> 65% Per Quarter	76%
	GPAC		
	Amount of donations received compared to prior fiscal year	2% increase	142%
	Sanitation		
	Amount of recycling material collected annually	2,500 tons	2,682 tons
Enhanced Neighborhoods			
	Facilities Management		
	Percent of preventative maintenance/repairs performed by outside company	< 10%	3.8%
	Percent of total repairs that are non-scheduled	< 25%	10.5%
	Community Development		
	Number of complaints received	Track and Report	2,533
	Percent of complaints addressed within 24 hours	100%	88%
	Number of building permits issued	Track and Report	79
	State Street Aid		
	Percent of roadways scoring 70 or greater on the City's Street Index	> 75%	84%
Great Public Education			
	Administration		
	Number of Educational Presentations/Talks Per Year	> 24 Monthly	22
	Recognition of Teacher and Student of the Month	Presentations	100%
	Animal Control		
	Number of Presentations and Tours Given Annually	> 10	31
	GPAC		
	Number of Educational Programs Offered Annually	> 20	32
	Library Services		
	Total Circulation	Track and Report	323,333
	Total Library Visits	Track and Report	200,856
	Total Program Attendance	Track and Report	18,598
	Number of Interlibrary Loan Requests	Track and Report	340
	Operating Cost Per Hour	Track and Report	\$428
	Cost Per Circulation	Track and Report	\$4.09
	Number of New Materials	Track and Report	13,566
Preferred Place to Live			
	Animal Control		
	Percent of Service Requests Responded to Within 1 hour	> 95%	91%
	City Court		
	Number of Overtime Hours By Cases Per Docket (OT Factor)	OT Factor < 10%	2.75%
	Community Development		
	Percent of Inquires Resolved in Mayor's Action Center Within 5 Days	> 80%	87%
	Public Services		
	Percent of Non-emergency Requests Responded to Within 24 Hours	> 95%	97%
	Percent of Emergency Requests Responded to Within 1 Hour	> 95%	98%

PERFORMANCE MEASUREMENT – FY09

BMA Long-Range Goals	Department and Measure	Target	FY08 Results
Preferred Place to Live			
	Finance		
	Process and Mail Utility Bills by Fourth Business Day of Each Week	> 92%	88%
	Time Required to Process Purchase Orders	< 3 Days	2.19 days
	Germantown Athletic Club - Aquatics		
	Number of Classes Added/Changed Annually	> 8 Classes	4
	Percent Increase in Participation Over Previous Fiscal Year	> 2%	56%
	Percent Capacity of Each Program	> 80%	86%
	Germantown Athletic Club - Recreation		
	Percent Increase in Overall Memberships	>5%	3%
	Retention Rate of Current Members	>85%	81%
	Average Number of Fitness Class Participants	> 12	18
	GPAC		
	Percent of Ticket Sales Over Previous Fiscal Year	> 5%	4.5%
	I.T.		
	Percent of System Downtime Monthly	< 0.5%	0.2%
	Parks		
	Total Cost per Resident	<\$75.00	\$76.72
	Human Resources		
	Percent Variance in Total Benefit Costs Over Previous Fiscal Year	< 3%	2%
	Recreation		
	Number of Classes Added/Changed Annually	> 16 Classes	30
	Percent Increase in Participation Over Previous Fiscal Year	> 5%	27%
	Percent Capacity of Each Program	> 80%	75%
	Research and Budget		
	Distribution of Monthly Financial Reports by Second Week	100%	100%
	Response to Inquires and Completion of Analytical Requests as Scheduled	100%	100%
	Sanitation		
	Percent of Requests Responded to Within 24 Hours	> 95%	95%
	Sewer		
	Percent of Sewer Backups Responded to Within 1 Hour	> 95%	100%
	Total Number of Sewer Backups	Track and Report	40
	Percent of Non-emergency Requests Responded to Within 24 Hours	> 95%	100%
	Total Number of Non-emergency Requests	Track and Report	123
	Water		
	Percent of Non-emergency Requests Responded to Within 24 Hours	> 95%	97%
	Total Number of Non-emergency Requests	Track and Report	7,693
	Percent of Emergency Requests Responded to Within 30 Minutes	> 95%	100%
	Total Number of Emergency Requests	Track and Report	29
Safest City in the Southeast			
	City Court		
	Number of Days to Initiate Failure to Comply With Court Orders	< 5 Days	100%
	Fire		
	Number of Emergency Medical Responses	Track and Report	1,640
	Number of Structure Fire Responses	Track and Report	48
	Number of Other Fire Responses	Track and Report	71
	All Other Responses	Track and Report	937
	Total Responses	Track and Report	2,704
	Fire Inspections by Fire Marshall's Office	Track and Report	206
	Fire Inspections by Engine Company Inspectors	Track and Report	826
	Number of Fire Code Violations Found	Track and Report	294
	Percent of Fire Code Violations Cleared in 90 Days	Track and Report	100%
	Response Time - Fire	Track and Report	5:21
	Response Time - EMS	Track and Report	4:54
	Percent of Fire Causes Determined	Track and Report	79.0%
	Total Year to Date Fire Damage Loss	Track and Report	\$667,560
	Fire Loss Per Capita	Track and Report	\$16.30
	Total Number of Ambulance Responses	Track and Report	1,644
	Average Response Time	Track and Report	5:45
	Average Response Time Above 9 Minutes	Track and Report	12:53
	Percent of Response Times Above 9 Minutes	Track and Report	14%
	Parks		
	Number of Non-scheduled Repairs by an Outside Company	Track and Report	2
	Human Resources		
	Number of Training Seminars Annually	> 12	9
	Police		
	Number of Prevention Talks Annually	> 350	112
	Average Response Time to Emergency Calls	< 3 Minutes	3:17
	Average Response Time to Non-emergency Calls	< 5 Minutes	4:50
	Fleet Services		
	Number of Total Repairs Annually	Track and Report	4,536
	Percent of Repairs Non-scheduled	< 25%	20%
	Percent of Repairs by an Outside Company	< 3%	1.7%
	Percent of Repairs Done in the Field	< 2%	1.9%

FINANCIAL POLICIES

By resolution of the Board of Mayor and Aldermen on June 28, 2004 the following policies are hereby adopted to provide guidance to Administration in budgeting, long-range planning and financial management of the City's operations designation for the General Fund fund balance.

I. Operating Budget

The operating budget will be based on the principle of financing current expenditures with current revenues or accumulated reserves. Operating expenditures will not be directly supported by debt or federal and state transfer proceeds. Expenditures shall include adequate funding for retirement systems and adequate maintenance and replacement of capital and operating assets. Budgeted expenditures shall reflect the City's perceived needs and desires of the community based on current surveys and long-range planning.

The budget will also be based on generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. The budget basis will conform to the accounting policies contained in the Comprehensive Annual Financial Report, Note 1 – Summary of Significant Accounting Policies.

The form of the budget will include five-year projections of revenues and expenditures based on a program orientation, which includes measurement of performance, full cost absorption, adequate provisions for debt service and depreciation where applicable. The budget presentation will include analyses of cash flow, capital position and debt capacity.

Semiannually, there will be a comprehensive review of the operations to date in comparison to the existing budget. Projections of remaining revenues and expenditures for the year will be made and reviewed by the City Administrator, Mayor, and the Financial Advisory Commission and appropriate adjustments will be recommended to the Board of Mayor and Aldermen.

II. Revenues

The operating budget will be developed with the objective of funding all well justified program goals, while avoiding major per capita tax increases. The City will strive to diversify the revenue base, reducing its dependency on property taxes and intergovernmental transfers.

The City will maximize the availability of revenue proceeds through aggressive collection and investment policies and proper timing of cash disbursements.

User fees will be developed and continually reviewed to ensure that they recover the cost of services that are not universal to all taxpayers. In Proprietary Funds, user fees will provide full coverage of direct and indirect costs including depreciation. In the Recreation Fund, user fees will be maintained at a level to cover operating costs exclusive of facility costs.

III. Reserves

The operating budget will provide funding of certain reserves considered necessary to the continued financial health of the City. They are reflected in the City's financial statements as Designation of General Fund fund balance.

Emergencies and Catastrophes – provide funds to meet major, unforeseen, infrequent, catastrophic or emergency requirements, and are to be maintained at a level of \$900,000. This amount also provides funding of a risk management program, whereby the city obtains insurance contracts for catastrophic losses, but maintains relatively high deductible or retention limits on operating equipment and maintains no insurance contracts on certain exposures.

Contingencies – provides funds annually from which appropriations may be made to meet minor, additional needs not specifically provided for in the current operating budget. The amount will be fixed at \$250,000. An amount of \$50,000 is budgeted in the General Fund Contingency Account, and \$200,000 is budgeted in the CIP Contingency Account. The Financial Advisory Commission and the Board of Mayor and Aldermen will review this fixed level of funding annually.

Infrastructure Replacement – provides funding for the replacement, reconstruction or refurbishment of City assets consisting of, but not limited to, city buildings, parks, streets, curbs, sidewalks and operating equipment on a pay-as-you-go basis. Funding will be provided annually during the budget process from General Fund operations.

Tax Anticipation – supplements operating cash flows to avoid liquidity problems, which might necessitate the issuance of Tax Anticipation Notes, and is to be maintained at a level of one-third of property tax revenues.

Debt Service – establishes a reserve to meet total debt service requirements for the following year.

IV. Capital Improvements Program

The Capital Improvements Program (CIP) will reflect a consensus of the perceived needs and desires of the community based on current surveys and long-range planning. The CIP will be cognizant of the financial impact on the applicable fiscal year and the City's past, present and future goals. The CIP will generally address those capital projects used for the acquisition or construction of major capital facilities.

The City will update and adopt annually a six-year CIP, including the annual Capital Improvements Budget (CIB) and a five year projection of capital needs and expenditures which details the estimated cost, description and anticipated funding sources for capital projects. Projections may be made for future projects exceeding the six-year CIP timeframe. The plan will include costs that have been estimated including consideration for inflation. The inflation rate will be determined annually in the budget process and will be disclosed in the capital budget report.

The first year of the six-year CIP will be the basis of formal fiscal year appropriations during the annual budget process. As part of the annual budget process, the CIP will be evaluated and adjusted with changes in priorities. The Mayor and City Administrator will review the CIP quarterly and if new project needs arise during the year, a budget adjustment identifying both the funding sources and project appropriations must be presented to the Board of Mayor and Aldermen (BMA) for approval. The approval must occur before active progress is made on the planning, design, or construction of the project. Projects may be granted exceptions as to promptly resolve any dangers to the community.

Projects involving development contracts brought before the Board of Mayor and Aldermen for approval during the operating year will identify proposed sources of funding and impacts to CIP funding, in particular, the General Fund Operating Reserves.

FINANCIAL POLICIES

Each capital project will have a “sunset provision” enforced at the end of the fiscal year, which can only be lifted by resolution adopted by the Board of Mayor and Aldermen.

Projects will be monitored to ensure compliance with CIP Policy and Procedures. Projects will be entered into a timeline to produce a CIP schedule. Post-project evaluation reports will be used to determine the successfulness of a project.

Evaluation Criteria

In order for a project to be considered in the CIP, an application shall be submitted for evaluation. A CIP Committee will be developed to assist in the review of project applications. The CIP Committee will use the following criteria to evaluate each capital project:

1. Conforms to the City’s Strategic Plan
2. Supports the BMA Policy as adopted in January of each year
3. Promotes safety and security
4. Requirements to meet federal or state mandates
5. Savings in operating, capital spending or energy consumption
6. Impacts to future operating costs
7. Enhances economic development or adds to the tax base
8. Availability of federal or state funding assistance
9. Deferring will have possible significant implications for the community
10. Maintains a current level of service
11. Relates to another high priority project or is a continuation of a project currently under way
12. Improves the quality of existing services to safety
13. Replaces or maintains a capital asset
14. Creates a disruption or inconvenience to citizens
15. Benefits a large amount of stakeholders
16. Carries risk or uncertainty
17. Protects or contributes to the history of the City

Financing

The two basic approaches to funding capital projects are (a) pay-as-you-go and (b) pay-as-you-use. Pay-as-you-go means paying for the capital project out of current revenues at the time of expenditure. Pay-as-you-use means borrowing to finance the expenditure with debt service payments generated from revenues raised through the useful life of the project. The CIP will use a combination of these two financing methods. Capital projects are funded through bonds, reserves, grants, developer contributions and other governmental sources. The average maturity of general obligation bonds will be at or below 20 years. Pay-as-you-go financing for capital projects must account for at least 25% of capital plan funding.

The City will maintain its physical assets at a level adequate to protect the City’s capital investment and to minimize future maintenance and replacement costs. The budget will provide for the adequate maintenance and the orderly replacement of capital plant and equipment from current revenues where possible. Future maintenance or replacement costs will be factored into future years CIP as a result of the entry of a new project.

The Capital Improvements Program (CIP) will reflect a consensus of the perceived needs and desires of the community based on current surveys and long-range planning. The City will develop and maintain a CIP to control capital projects over a six-year planning period coordinated with the operating budget.

The CIP will be designed to protect the city's investments in capital and operating assets through timely and adequate maintenance and replacement of those assets. The Mayor and City Administrator will review the CIP quarterly and recommendations for amendments will be made to the Board of Mayor and Aldermen. Projects involving development contracts brought before the Board of Mayor and Aldermen for approval during the operating year will identify possible sources of funding and impacts to CIP funding, in particular, General Fund Operating Reserves. The CIP will monitor projects in progress to ensure timely completion or the substitution of alternative projects.

V. **Debt and Investment Policies**

Debt will be used to finance long-lived capital and operating assets within the constraints of maintaining or improving bond ratings and debt service quality.

Debt management will provide for the protection of bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument provisions and appropriate disclosures to investors, underwriters and rating agencies.

Investments of the city will be made and collateralized in accordance with Tennessee Code Annotated.

Investment management will strive to maximize investment return on the city's funds through pooling of funds where permitted, frequent market analysis; cash forecasting procedures and competitive bidding.

A separate detailed investment policy "Policy Letter No. 27", has been revised and made current by the subcommittee of the citizen based Financial Advisory Commission for the city during calendar year 2004. The policy letter addresses in greater detail the administrative involvement into city investments. The policy defines appropriate criteria guidelines for the selection of financial institutions and investment instruments as authorized under Tennessee Code, staying mindful of cash flows and investment risk when matching length of maturities.

BUDGET CALENDAR

January

- 1/15/08 Budget Material distributed to Departments
- 1/30/08 External agencies are notified of submission deadline of 2/15/08 for funding requests

February

- 2/01/08 Capital Improvements Program applications deadline
- 2/14/08 **Financial Advisory Commission – First Meeting:** Introduction; Initiatives; Smartgrowth and Managed Competition updates
- 2/15/08 Performance Measures and FY09 Budget materials due to Research and Budget
- 2/22/08 Funding requests by external agencies due to City Administrator
- 2/22/08 Vehicle and equipment replacement schedule review with City Administrator
- 2/25/08 **Board Meeting** - 2008 Policy Agenda and Budget Calendar review and approval by the Board of Mayor and Aldermen
- 2/29/08 Enterprise Fund FY09 Budget submissions due to Research & Budget
- 2/25-3/03/08 FY09 Budget review with departments

March

- 3/13/08 **Financial Advisory Commission – Second Meeting:** Infrastructure Replacement Program and Capital Improvements Program
- 3/18/08 Review of Preliminary General Fund Revenues and Expenses; Enterprise Funds
- 3/27/08 Board of Mayor and Aldermen – work session on CIP

April

- 4/03/08 **Financial Advisory Commission – Third Meeting:** Review of FY09 Budget Enterprise Funds (Utility, Germantown Club, Sanitation)
- 4/22/08 Proposed FY09 Budget and Capital Plan delivered to Department Directors for final comment and review
- 4/24/08 **Financial Advisory Commission – Fourth Meeting:** Review of FY09 Budget Revenue and Expenditure Projections for the General Fund and Capital Improvements Program
- 4/29/07 Proposed FY09 Budget delivered to Board of Mayor and Aldermen
Budget in Brief prepared

May

- 5/05/08 Document printing RFP due to Purchasing
- 5/06/08 Board of Mayor and Aldermen work session on FY09 Budget
- 5/12/08 **Board Meeting - First Reading on FY09 Budget Ordinance 2008-4**
Schedule meetings with Chamber, Homeowner Associations and Civic Clubs;
Distribute *Budget in Brief*
Press Conference
Neighborhood News (Budget and Property Tax Rate)

June

- 6/09/08 **Board Meeting - Public Hearing on FY09 Budget; Second Reading on FY09 Budget Ordinance 2008-4**
- 6/23/08 **Board Meeting - Third and Final Reading on FY09 Budget Ordinance 2008-4**



section consists of summaries of the FY09 Budget by major category and by cost center in the four major operating funds: General, Utility, Germantown Athletic Club and Sanitation. It also contains pie charts of General Revenues and Expenditures, CIP Project Listings, Personnel Staffing Schedule, Special Revenue Funds, Internal Service Funds and Fiduciary Funds.

TOTAL EXPENDITURE BUDGET – The schedule, which appears on the next two pages, summarizes revenues and expenditures for all fund types by category or nature of revenue and expenditure for FY09. It is compared to the estimated total for FY08. The significant totals are carried forward to the City Administrator’s transmittal letter in analyzing major changes in operating and capital expenditures. The impact to fund balance is also provided. Pie charts illustrate revenues and expenses by General Fund, Utility Fund, Germantown Athletic Club Fund, Sanitation Fund and Special Revenue Fund.

GENERAL FUND – The summary of the General Fund Budget is located on pages 40 and 41 within this section. The details of General and Special Revenues are found in the last section of the document. Expenditures are summarized by cost center and grouped by program. General Fund expenditures that include engineering, public works and data processing services are charged to the Utility Fund, which is reimbursed by the expense reimbursement line of the General Fund Budget Summary. Three years of history, including FY08 and five years of projections including FY09, are presented. The bottom line in this schedule is the ending fund balance for each of the fiscal years. A detail of the General Fund’s fund balance is outlined in this section under the heading Discussion of General Fund Reserves.

The General Fund Summary reflects the carry forward resources from prior year revenues, which carries forward prior year expenditure obligations. This change accounts for the variance between ending and beginning fund balance figures.

PIE CHARTS – Pie charts are presented for General Fund Revenues and Expenditures in order to demonstrate the proportional relationships of the General Fund Budget. Beneath the pie charts are comparative summaries of major categories of revenues and expenditures by program. Similar pie charts are presented for the Utility Fund and the Germantown Athletic Club Fund.

UTILITY FUND – GERMANTOWN ATHLETIC CLUB FUND – SANITATION FUND – The Utility Fund Summary, the Germantown Athletic Club Fund Summary and the Sanitation Fund Summary are presented in the same columnar format as the General Fund Summary. The summaries are designed to accomplish three objectives: 1) to provide a Net Operating Income amount; 2) to provide a projection of Working Capital; 3) to project Fund Equity; and 4) to project Total Net Assets. Revenues are detailed in the last section of this document. Operating Expenditures, including depreciation and interest on indebtedness, are subtracted from Total Revenues to arrive at Net Operating Income. Other adjustments to income, including depreciation and capital outlays, are added to or deducted from Net Operating Income to arrive at an estimation of cash flows. Working capital is defined as current assets less current liabilities at June 30 of each fiscal year. Components of fund equity at each of the fiscal year-ends are also described in these summaries. Contributed Capital in the Utility Fund does not include fees paid to the City by developers for infrastructure constructed by the City, but generally represents subdivision and project water and sewer lines installed by developers.

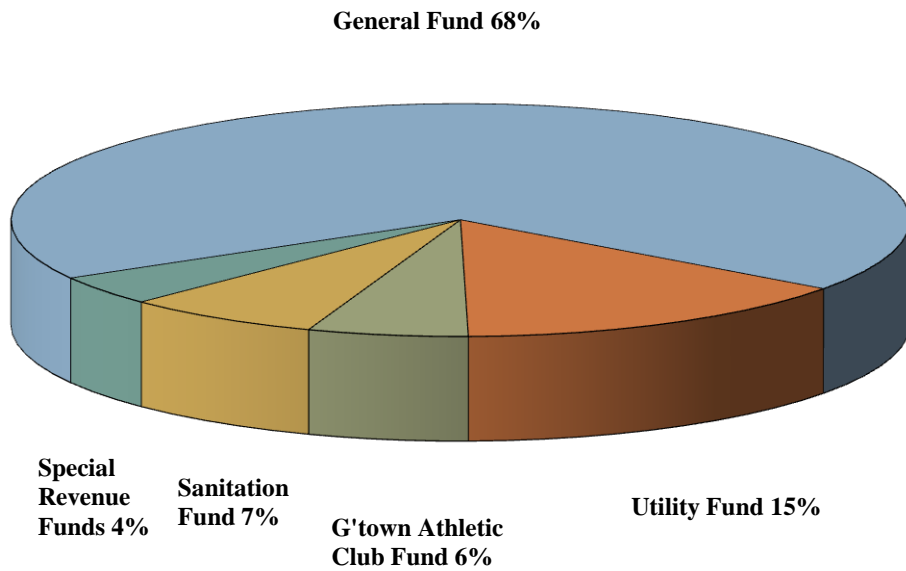
TOTAL EXPENDITURE BUDGET

	General Fund	Utility Fund	G'Town Club Fund	Sanitation Fund	Special Revenue
REVENUES:					
Property Taxes	\$ 21,408,555	-	-	-	-
Sales Taxes	7,007,268	-	-	-	-
Federal and State Revenues	5,061,270	-	-	4,000	-
Metered Water Sales	-	4,352,010	-	-	-
Sewer Service Fees	-	2,526,735	-	-	-
Membership Fees	-	-	2,600,000	-	-
Aquatics Revenues	-	-	151,000	-	-
Business Revenues	-	-	-	-	-
Sanitation Fees	-	-	-	3,910,544	-
State Gasoline Tax Allocation	-	-	-	-	1,195,000
Automated Enforcement Revenues	-	-	-	-	550,000
Drug Enforcement Revenues	-	-	-	-	215,000
Pickering Complex Revenues	-	-	-	-	65,210
Recreation Revenues	-	-	-	-	267,220
Other Revenues	3,916,582	1,180,600	459,100	34,000	-
Investment Income	450,235	141,300	9,900	8,200	17,600
Funds from Prior Periods	450,000	-	-	-	-
FY09 Total Revenues:	38,293,910	8,200,645	3,220,000	3,956,744	2,310,030
Expenditures/Expenses by Category:					
Personnel	25,099,439	1,542,918	1,489,968	50,228	385,163
Communications	390,732	65,100	7,500	10,600	1,000
Utilities	867,944	712,700	342,275	1,343	743,105
Professional	2,776,203	151,500	405,000	-	233,405
Grants	514,000	-	-	-	23,000
Other Maintenance	850,420	116,600	283,425	-	5,000
Vehicle Maintenance	-	-	-	-	-
Street Maintenance	-	-	-	-	1,600,730
Mains Maintenance	-	94,000	-	-	-
Supplies	1,429,903	161,300	113,300	32,800	134,029
Contract Services	664,574	1,187,250	-	3,807,799	-
Insurance	97,500	15,000	3,500	-	-
Rent	92,482	1,300	148,700	-	199,050
Debt Service	3,187,562	534,200	80,094	-	-
Capital Outlay	1,013,000	-	-	-	-
Depreciation	-	1,254,660	556,032	-	-
Contingency	50,000	-	-	-	-
Operating Transfer	1,120,000	-	(800,000)	-	(1,120,000)
Allocation	1,255,971	1,470,470	206,684	-	19,800
Expense Reimbursement	(1,270,533)	-	-	-	-
FY09 Total Expenditures/Expenses	\$ 38,139,197	7,306,998	2,836,478	3,902,770	2,224,282
Excess (Deficit)/Income (Loss)	154,713	893,647	383,522	53,974	85,748
Fund Balance/Net Assets:					
Beg. Fund Bal./Net Assets	23,684,517	44,811,536	12,042,991	316,053	2,154,310
Transfer to CIP/IRP	(1,850,000)	-	-	-	-
End Fund Bal./Net Assets	\$ 21,989,230	45,705,183	12,426,514	370,027	2,240,058
Capital Outlay/Infrastructure/CIP	-	3,758,000	800,000	-	250,000
COMPARISON TO PRIOR YEAR'S BUDGET					
ALL FUNDS:		BUDGET '08	BUDGET '09	CHANGE	% CHANGE
Operating Budget*		\$ 52,588,449	55,704,725	3,116,276	5.9%
Capital Budget		15,165,000	13,588,000	(1,577,000)	-10.4%
TOTAL BUDGET		\$ 67,753,449	69,292,725	1,539,276	2.3%
* Includes Capital Outlay and Infrastructure.					

TOTAL EXPENDITURE BUDGET

	Veh. Maint./ Alloc.	Capital Projects	Total FY09	Increase/ Decrease	Estimated FY08
REVENUES:					
Property Taxes	\$ -	-	21,408,555	1.0%	21,202,508
Sales Taxes	-	-	7,007,268	0.2%	6,993,872
Federal and State Revenues	-	-	5,065,270	-15.8%	6,017,263
Metered Water Sales	-	-	4,352,010	-27.5%	6,000,000
Sewer Service Fees	-	-	2,526,735	-15.8%	3,000,000
Membership Fees	-	-	2,600,000	72.1%	1,511,000
Aquatics Revenues	-	-	151,000	71.9%	87,836
Business Revenues	-	-	-	-100.0%	114,725
Sanitation Fees	-	-	3,910,544	4.0%	3,758,338
State Gasoline Tax Allocation	-	-	1,195,000	0.7%	1,186,917
Automated Enforcement Revenues	-	-	550,000	10.9%	496,000
Drug Enforcement Revenues	-	-	215,000	-13.7%	249,000
Pickering Complex Revenues	-	-	65,210	-11.6%	73,760
Recreation Revenues	-	-	267,220	10.6%	241,530
Other Revenues	-	-	5,590,282	-1.7%	5,685,732
Investment Income	-	-	627,235	-63.4%	1,713,600
Funds from Prior Periods	-	-	450,000	-	450,000
FY09 Total Revenues:	-	-	55,981,329	-4.8%	58,782,081
Expenditures/Expenses by Category:					
Personnel	701,777	-	29,269,493	7.1%	27,333,500
Communications	1,600	-	476,532	15.6%	412,199
Utilities	8,655	-	2,676,022	6.0%	2,523,708
Professional	-	-	3,566,108	8.0%	3,301,403
Grants	-	-	537,000	19.9%	447,937
Other Maintenance	124,000	-	1,379,445	10.6%	1,247,700
Vehicle Maintenance	70,000	-	70,000	9.4%	64,000
Street Maintenance	-	-	1,600,730	0.2%	1,598,172
Mains Maintenance	-	-	94,000	-1.1%	95,000
Supplies	24,330	-	1,895,662	-8.4%	2,069,723
Contract Services	-	-	5,659,623	3.6%	5,462,075
Insurance	717,400	-	833,400	0%	798,544
Rent	2,000	-	443,532	-4.0%	462,169
Debt Service	-	-	3,801,856	20.1%	3,165,878
Capital Outlay	-	-	1,013,000	-11.1%	1,138,870
Depreciation	32,630	-	1,843,322	6.0%	1,738,410
Contingency	-	-	50,000	0%	-
Operating Transfer	-	-	(800,000)	0%	(600,000)
Allocation	(1,682,392)	-	1,270,533	19.6%	1,062,150
Expense Reimbursement	-	-	(1,270,533)	19.7%	(1,061,750)
FY09 Total Expenditures/Expenses	\$ 0	-	54,409,725	6.1%	51,259,689
Excess (Deficit)/Income (Loss)					
	-	-			
Fund Balance/Retained Earnings:					
Beg. Fund Bal./Retained Earnings	25,709	-	54,409,725		
Transfer to CIP/IRP	-	-			
End Fund Bal./Ret. Earnings	\$ 25,709	-			
Capital Outlay/Infrastructure/CIP	20,000	(13,788,000)			
COMPARISON TO PRIOR YEAR'S BUDGET					
GENERAL FUND:		BUDGET '08	BUDGET '09	CHANGE	% CHANGE
Operating Budget*		\$ 36,290,830	38,139,195	1,848,365	5.1%
Capital Budget		-	-	-	0.0%
TOTAL BUDGET		\$ 36,290,830	38,139,195	1,848,365	5.1%
* Includes Capital Outlay and Infrastructure.					

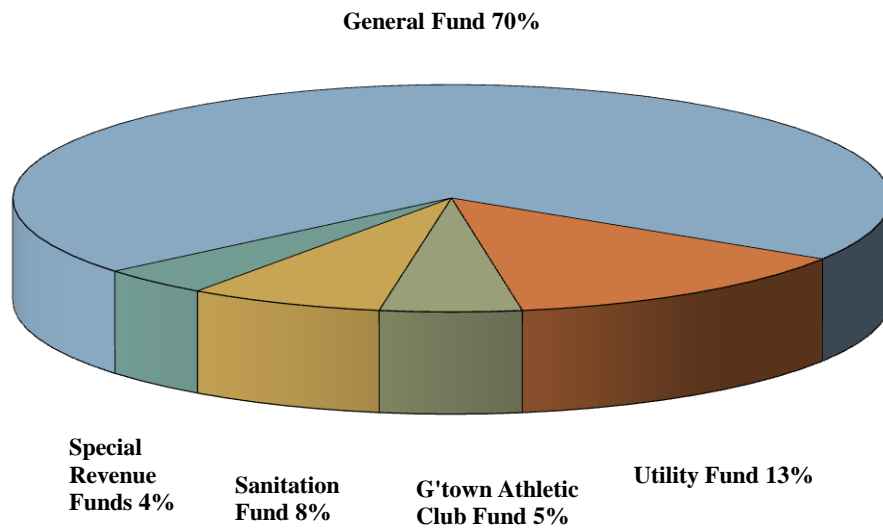
ALL FUND REVENUES FY09



ALL FUND REVENUES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
General Fund	\$ 39,806	68%	\$ 38,294	68%
Utility Fund	10,908	19%	8,201	15%
Germantown Athletic Club Fund	1,953	3%	3,220	6%
Sanitation Fund	3,820	6%	3,957	7%
Special Revenue Funds	2,295	4%	2,310	4%
TOTAL REVENUES	\$ 58,782	100%	\$ 55,981	100%

ALL FUND EXPENSES FY09



ALL FUND EXPENDITURES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
General Fund	\$ 36,705	72%	\$ 38,139	70%
Utility Fund	6,683	13%	7,307	13%
Germantown Athletic Club Fund	1,963	4%	2,836	5%
Sanitation Fund	3,728	7%	3,903	8%
Special Revenue Funds	2,180	4%	2,224	4%
TOTAL EXPENDITURES	\$ 51,259	100%	\$ 54,410	100%

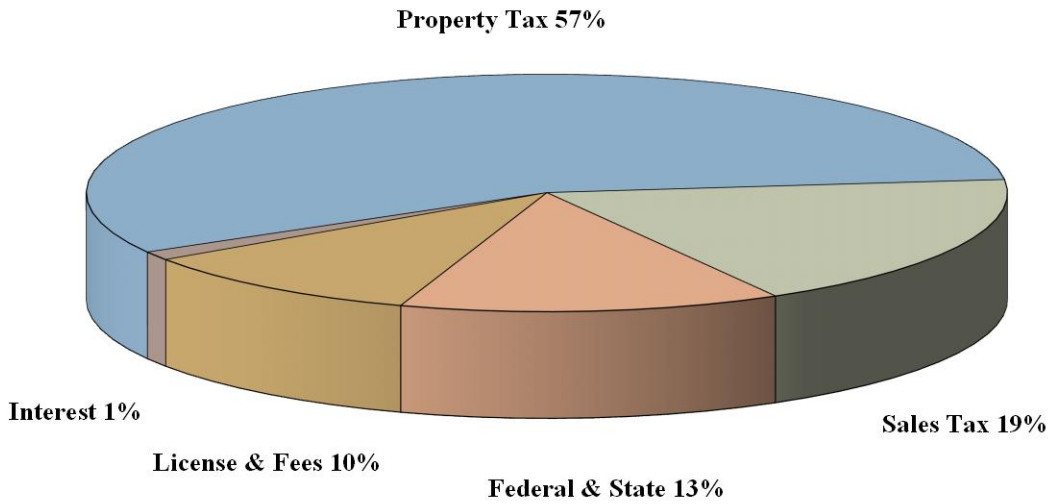
GENERAL FUND BUDGET SUMMARY

	Actual FY06	Actual FY07	Original FY08 Budget
REVENUES:			
Property Taxes	\$ 20,059,338	\$ 20,575,134	\$ 20,787,200
Sales Taxes	7,103,233	6,759,894	6,967,300
Federal and State Revenues	5,048,820	6,450,535	4,776,100
Other Revenues	8,898,615	9,572,992	3,533,715
Investment Income	1,086,130	1,691,778	1,140,000
Funds from Prior Periods	-	-	450,000
TOTAL GENERAL FUND REVENUES	42,196,136	45,050,333	37,654,315
EXPENDITURES:			
General Government:			
Aldermen	133,077	91,776	123,912
Civic Support	825,095	718,380	444,000
City Court	415,386	409,064	411,719
Administration	1,183,963	1,382,844	1,288,394
Germantown Performing Arts Centre	746,308	757,032	873,344
Information Technology	858,911	963,937	1,197,239
Personnel	566,148	603,095	666,539
Finance	1,303,568	1,218,372	1,408,597
Community Development	2,208,407	2,024,803	2,465,158
Research & Budget	212,217	262,049	253,354
Total General Government	8,453,080	8,431,352	9,132,256
Public Safety:			
Police	7,563,248	7,971,204	8,994,049
Fire	6,194,936	6,244,355	6,943,100
Total Public Safety	13,758,184	14,215,559	15,937,149
Transportation & Environment:			
Public Services	1,845,043	1,812,965	2,195,509
Animal Control	222,646	222,029	260,398
Total Transportation & Environment	2,067,689	2,034,994	2,455,907
Community Services:			
Parks & Recreation	3,198,909	3,108,616	3,386,034
Facilities Management	824,706	891,548	1,175,844
Genealogy Center	-	45,258	64,600
Library Services	1,300,225	1,293,581	1,373,995
Cultural Arts Programs	80,284	94,457	69,175
Total Community Services	5,404,124	5,433,460	6,069,648
General Debt Service	7,866,893	9,010,787	2,881,226
Other Expenditures:			
Transfer to Business Centre Fund	-	-	-
Transfer to Germantown Athletic Club Fund	37,370	860,000	-
Transfer to Health Fund	181,678	165,000	-
Transfer to Pickering Center	-	-	-
Transfer to Sanitation	130,000	-	-
Transfer to State Street Aid	800,000	950,000	800,000
Contingencies	-	-	50,000
Expense Reimbursement	(559,726)	(686,579)	(1,035,356)
Roll Forward Enc.- Prior Year	450,000	450,000	450,000
Roll Forward Enc.- Next Year	(450,000)	(450,000)	(450,000)
TOTAL GENERAL FUND EXPENDITURES	38,139,292	40,414,573	36,290,830
Excess of Revenues Over/(Under) Expenditures	4,056,844	4,635,760	1,363,485
Fund Balance - Beginning	22,420,042	23,297,665	23,186,331
Transfer to Capital Projects	(2,712,630)	(1,750,000)	(1,600,000)
CIP Reserve Increase (Decrease)	-	-	-
Prior Period Adjustment	(466,591)	-	-
Fund Balance - Ending	23,297,665	26,183,425	22,949,816
	61%	65%	63%

GENERAL FUND BUDGET SUMMARY

Estimate FY08	Budget FY09	Projected			
		FY10	FY11	FY12	FY13
\$ 21,202,508	\$ 21,408,555	\$ 21,272,800	\$ 21,460,200	\$ 21,639,000	\$ 21,639,000
6,993,872	7,007,268	7,346,540	7,447,445	7,549,602	7,562,716
6,013,263	5,061,270	4,878,400	4,924,700	4,971,900	4,971,900
3,915,906	3,916,582	3,682,804	3,738,939	3,784,809	3,784,809
1,230,500	450,235	568,000	1,023,981	1,214,271	946,428
450,000	450,000	450,000	450,000	450,000	450,000
39,806,049	38,293,910	38,198,544	39,045,264	39,609,582	39,354,853
132,225	148,591	166,436	169,656	173,482	177,236
427,937	514,000	489,000	489,000	489,000	489,000
431,175	496,493	511,274	527,638	545,245	563,643
1,286,942	1,380,955	1,413,773	1,477,154	1,499,446	1,543,749
965,388	886,690	911,619	944,578	979,349	1,015,720
1,215,131	1,057,464	953,836	964,543	981,741	993,439
645,083	681,106	700,990	726,533	754,080	782,431
1,353,052	1,391,461	1,441,315	1,493,136	1,574,174	1,606,696
2,394,017	2,568,830	2,636,010	2,775,771	2,862,543	3,037,087
221,516	218,827	226,833	235,224	244,108	253,433
9,072,466	9,344,417	9,451,087	9,803,232	10,103,168	10,462,434
8,516,952	9,397,829	9,695,219	10,002,136	10,206,835	10,666,289
6,952,595	7,247,647	7,382,778	7,903,689	7,848,877	8,085,518
15,469,547	16,645,476	17,077,997	17,905,824	18,055,713	18,751,806
2,120,381	2,283,618	2,265,101	2,396,179	2,830,693	2,983,750
261,550	277,739	288,371	299,532	311,407	323,819
2,381,931	2,561,357	2,553,472	2,695,711	3,142,100	3,307,569
3,194,418	3,400,362	3,443,151	3,611,467	3,728,410	3,958,459
1,520,917	1,656,390	1,500,099	1,523,916	1,601,625	1,609,836
60,685	71,803	63,908	64,940	66,003	67,095
1,395,782	1,310,687	1,295,985	1,316,371	1,337,059	1,358,145
64,731	61,675	60,675	60,675	60,831	60,831
6,236,533	6,500,917	6,363,818	6,577,369	6,793,928	7,054,365
2,881,230	3,187,562	3,436,790	3,428,532	3,813,900	3,811,281
-	-	-	-	-	-
425,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,300,000	1,120,000	1,000,000	1,000,000	1,000,000	1,000,000
-	50,000	50,000	50,000	50,000	50,000
(1,061,750)	(1,270,533)	(1,241,203)	(1,044,899)	(1,070,033)	(1,103,670)
450,000	450,000	450,000	450,000	450,000	450,000
(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
36,704,957	38,139,195	38,691,961	40,415,769	41,888,776	43,333,786
\$ 3,101,092	154,714	(493,417)	(1,370,505)	(2,279,194)	(3,978,933)
25,733,425	23,684,517	21,539,232	16,536,815	11,671,310	6,212,116
(2,700,000)	(1,850,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
(2,000,000)	-	(2,459,000)	(1,445,000)	(1,130,000)	(50,000)
-	-	-	-	-	-
\$ 24,134,517	21,989,232	16,986,815	12,121,310	6,662,116	583,183
66%	58%	44%	30%	16%	1%

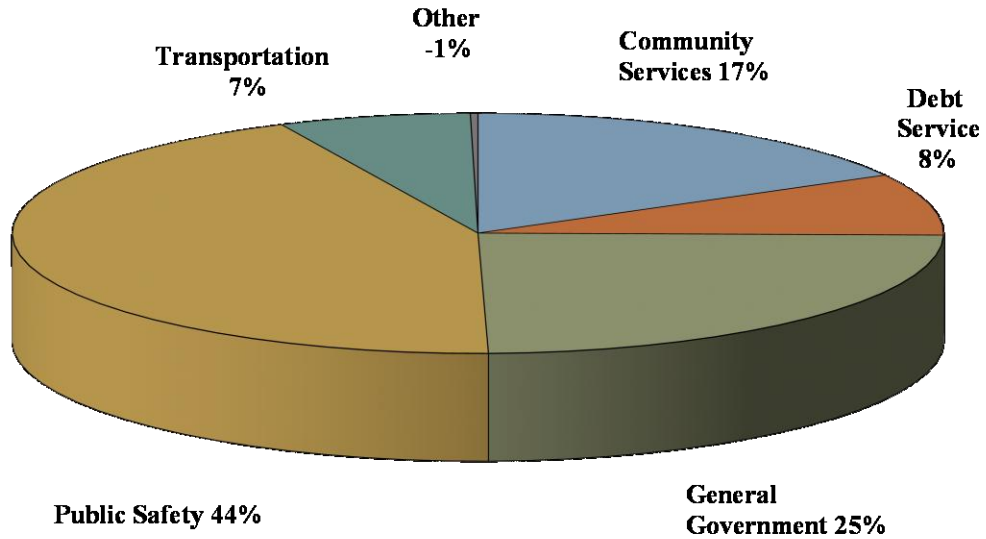
GENERAL FUND REVENUES FY09



GENERAL FUND REVENUES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
Property Taxes	\$ 21,203	55%	\$ 21,409	57%
Sales Taxes	6,994	18%	7,007	19%
Federal & State Revenues	6,013	15%	5,061	13%
License, Fees & Other	3,916	10%	3,917	10%
Investment Income	1,231	2%	450	1%
TOTAL REVENUES	\$ 39,356	100%	\$ 37,844	100%

GENERAL FUND EXPENDITURES FY09



GENERAL FUND EXPENDITURES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
Community Services	\$ 6,237	17%	\$ 6,501	17%
Debt Services	2,881	8%	3,188	8%
General Government	9,072	25%	9,344	25%
Public Safety	15,470	42%	16,645	44%
Transportation	2,382	6%	2,561	7%
Other Expenses (Reimb.)	663	2%	(101)	-1%
TOTAL EXPENDITURES	\$ 36,705	99%	\$ 38,139	100%

UTILITY FUND BUDGET SUMMARY

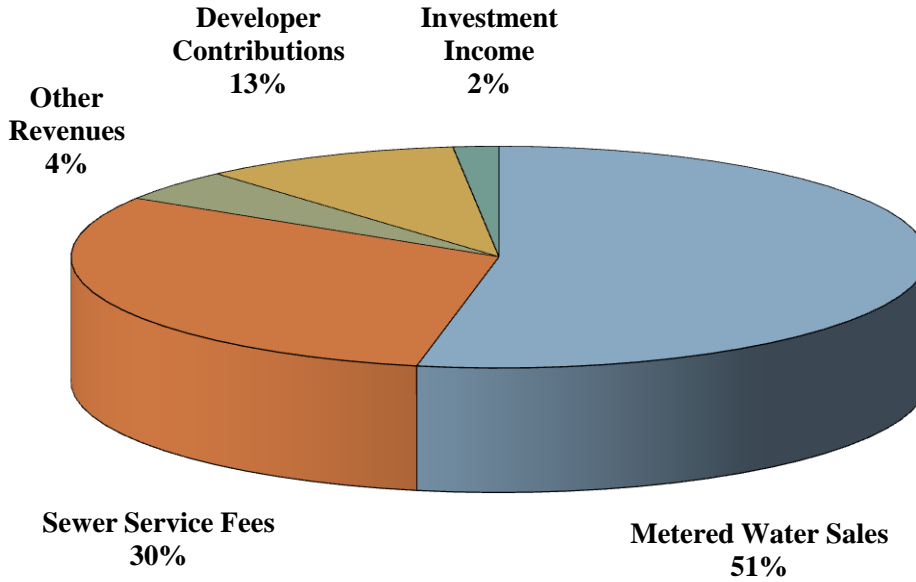
	Actual FY06	Actual FY07	Budget FY08
OPERATING REVENUES			
Metered Water Sales	\$ 4,652,145	5,169,592	4,267,200
Sewer Service Fees	2,657,591	2,862,891	2,600,300
Other Revenue	318,820	453,766	365,000
Total Operating Revenues	7,628,556	8,486,249	7,232,500
OPERATING EXPENSES			
Water	3,132,817	3,360,143	3,929,163
Sewer	1,184,203	1,231,574	1,465,555
Sewage Treatment	1,016,705	992,994	1,187,250
Total Operating Expenses	5,333,725	5,584,711	6,581,968
OPERATING INCOME	2,294,831	2,901,538	650,532
NONOPERATING REVENUES (EXPENSES)			
Contributions from Developers	759,414	1,320,633	1,147,000
Investment Income	87,744	358,850	175,000
Gain/loss on disposal of assets	-	-	-
Utility Debt Service	(230,104)	(282,045)	(431,973)
Net Non-Operating Revenues (Expenses)	617,054	1,397,438	890,027
NET INCOME	2,911,885	4,298,976	1,540,559
Other Receipts			
Debt Proceeds	-	-	5,830,000
Depreciation	1,150,394	1,178,655	1,220,083
Total Other Receipts	1,150,394	1,178,655	7,050,083
Other Expenditures			
Bonds Payable	387,887	330,000	530,782
Major Construction	235	-	5,827,000
Infrastructure (Water & Sewer)	554,422	993,790	740,000
Total Other Expenditures	942,544	1,323,790	7,097,782
Working Capital - Beginning	804,452	3,164,773	3,920,056
Working Capital - Ending	3,164,773	5,997,981	4,265,916
Contributed Capital	17,833,462	17,833,462	17,833,462
Retained Earnings Reserved for:			
Emergencies	600,000	600,000	600,000
Contingencies	51,000	51,000	51,000
Capital Replacement	800,000	800,000	800,000
Total Reserved	1,451,000	1,451,000	1,451,000
Retained Earnings Unreserved	17,003,427	21,302,403	21,795,659
Retained Earnings at Beginning of Year	15,542,542	18,454,427	21,706,100
Retained Earnings at End of Year	18,454,427	22,753,403	23,246,659
Total Net Assets - Beginning	33,376,006	36,287,891	41,080,121
Total Net Assets - Ending	\$ 36,287,891	40,586,867	42,620,680

UTILITY FUND BUDGET SUMMARY

Estimate FY08	Budget FY09	Projected			
		FY10	FY11	FY12	FY13
\$ 6,000,000	4,352,010	4,377,526	4,403,042	4,428,557	4,454,073
3,000,000	2,526,735	2,552,234	2,577,733	2,603,233	2,628,732
375,000	380,600	370,600	345,600	330,600	290,600
9,375,000	7,259,345	7,300,360	7,326,375	7,362,390	7,373,405
3,919,188	4,099,027	4,182,512	4,114,366	4,231,338	4,377,490
1,382,865	1,486,521	1,520,781	1,536,158	1,588,486	1,615,013
1,182,505	1,187,250	1,223,250	1,259,250	1,295,250	1,331,250
6,484,558	6,772,798	6,926,543	6,909,774	7,115,074	7,323,753
2,890,442	486,547	373,817	416,601	247,316	49,652
1,147,000	800,000	900,000	900,000	1,000,000	1,000,000
386,000	141,300	178,200	321,300	381,000	296,900
-	-	-	-	-	-
(198,773)	(534,200)	(509,192)	(483,033)	(455,696)	(427,153)
1,334,227	407,100	569,008	738,267	925,304	869,747
4,224,669	893,647	942,825	1,154,868	1,172,620	919,399
-	7,280,000	-	-	-	-
1,219,804	1,254,660	556,020	585,300	601,260	616,460
1,219,804	8,534,660	556,020	585,300	601,260	616,460
335,000	570,166	596,174	622,733	649,870	677,613
5,325,000	2,733,000	2,791,000	1,319,000	650,000	650,000
615,996	1,025,000	630,000	335,000	410,000	280,000
6,275,996	4,328,166	4,017,174	2,276,733	1,709,870	1,607,613
5,997,981	4,019,458	8,319,599	4,901,270	3,464,705	2,528,715
4,019,458	8,319,599	4,901,270	3,464,705	2,528,715	1,456,961
17,833,462	17,833,462	17,833,462	17,833,462	17,833,462	17,833,462
600,000	600,000	600,000	600,000	600,000	600,000
51,000	51,000	51,000	51,000	51,000	51,000
800,000	800,000	800,000	800,000	800,000	800,000
1,451,000	1,451,000	1,451,000	1,451,000	1,451,000	1,451,000
25,527,072	26,420,719	27,363,544	28,518,412	29,691,032	30,610,431
22,753,403	26,978,072	27,871,719	28,814,544	29,969,412	31,142,032
26,978,072	27,871,719	28,814,544	29,969,412	31,142,032	32,061,431
40,586,867	44,811,536	45,705,183	46,648,008	47,802,876	48,975,496
\$ 44,811,536	45,705,183	46,648,008	47,802,876	48,975,496	49,894,895

UTILITY FUND REVENUES

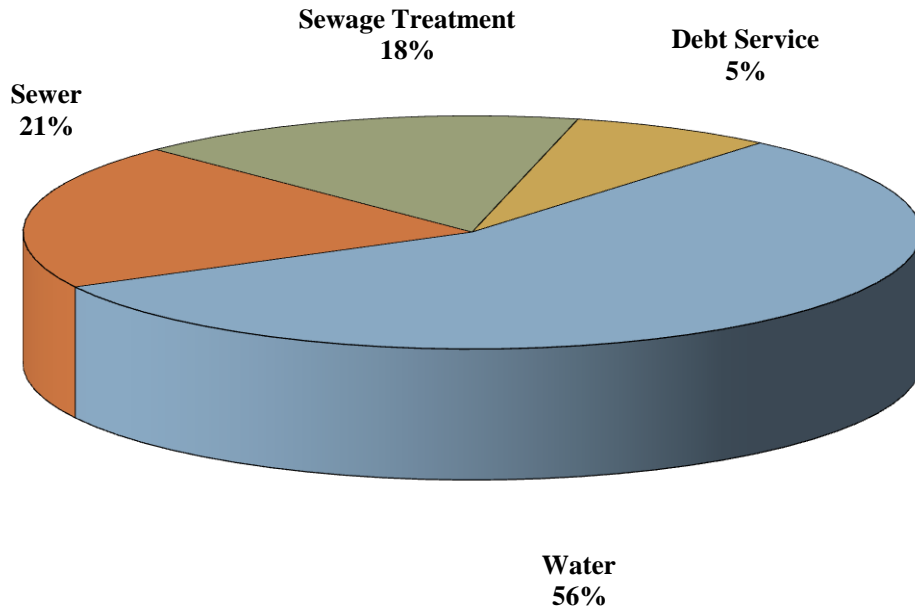
FY09



UTILITY FUND REVENUES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
Metered Water Sales	\$ 6,000	55%	\$ 4,352	54%
Sewer Service Fees	3,000	28%	2,527	31%
Other Revenue	375	3%	381	5%
Contributions from Developers	1,147	11%	800	10%
Investment Income	386	4%	141	2%
TOTAL REVENUES	\$ 10,908	100%	\$ 8,201	100%

UTILITY FUND EXPENDITURES FY09



UTILITY FUND EXPENDITURES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
Water	\$ 3,919	58%	\$ 4,099	57%
Sewer	1,383	20%	1,487	20%
Sewage Treatment	1,183	18%	1,187	16%
Utility Debt Service	199	4%	534	7%
TOTAL EXPENDITURES	\$ 6,683	100%	\$ 7,307	100%

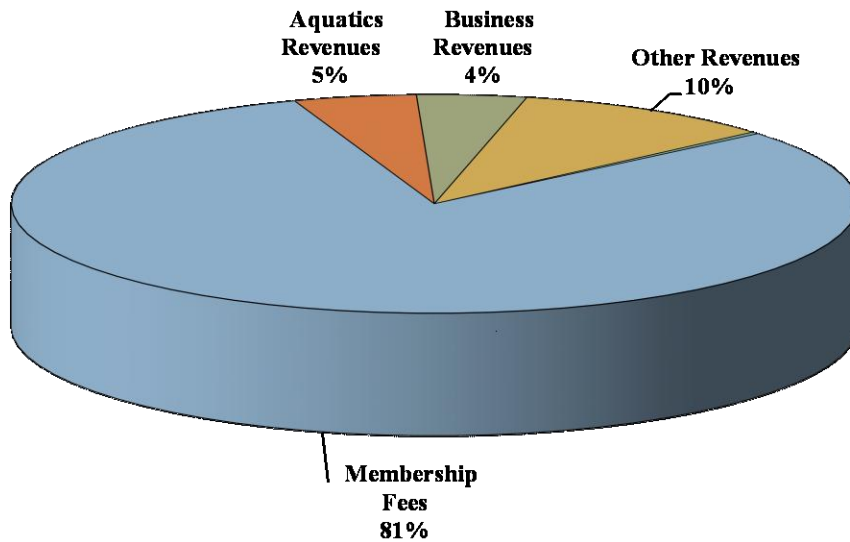
GERMANTOWN ATHLETIC CLUB FUND BUDGET

	Actual FY06	Actual FY07	Budget FY08
OPERATING REVENUES			
Membership Fees	\$ 1,562,217	1,563,678	1,850,000
Aquatics Revenues	177,842	155,594	167,000
Business Revenues	163,581	133,370	5,000
Other Revenues	304,242	237,534	365,350
TOTAL OPERATING REVENUES	2,207,882	2,090,176	2,387,350
OPERATING EXPENDITURES			
Recreation	1,837,738	1,716,383	2,369,857
Business	107,319	243,766	-
Aquatics	599,069	624,126	734,060
TOTAL OPERATING EXPENSES	2,544,122	2,584,271	3,103,917
OPERATING INCOME	(336,240)	(494,095)	(716,567)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	11,932	25,094	10,000
Interest Payment	(100,063)	(56,568)	(88,750)
Contribution from other funds	37,370	860,000	1,000,000
Total	(50,761)	828,526	921,250
NET INCOME (LOSS)	(387,001)	334,431	204,683
<u>Other Receipts</u>			
Depreciation	483,419	471,677	489,366
Total Other Receipts	483,419	471,677	489,366
<u>Other Expenditures</u>			
Debt Payable	125,000	125,000	125,000
Infrastructure	18,706	-	-
Other Assets	10,708	215,290	75,000
Total Other Expenditures	154,414	340,290	200,000
NET CHANGE IN WORKING CAPITAL	(57,996)	465,818	494,049
Working Capital - Beginning	(521,081)	(579,077)	284,912
Working Capital - Ending	(579,077)	(113,259)	778,961
Total Net Assets-Beginning	12,105,230	11,718,229	12,111,415
Total Net Assets-Ending	\$ 11,718,229	12,052,660	12,316,098

GERMANTOWN ATHLETIC CLUB FUND BUDGET SUMMARY

Estimate FY08	Budget FY09	Projected			
		FY10	FY11	FY12	FY13
\$ 1,511,000	2,600,000	3,305,000	3,305,000	3,305,000	3,305,000
87,836	151,000	151,000	151,000	151,000	151,000
114,725	135,000	135,000	135,000	135,000	135,000
212,826	324,100	299,100	294,000	294,000	294,000
<u>1,926,387</u>	<u>3,210,100</u>	<u>3,890,100</u>	<u>3,885,000</u>	<u>3,885,000</u>	<u>3,885,000</u>
1,986,032	2,573,293	2,643,622	2,714,495	2,792,470	2,857,426
236,916	247,293	251,918	257,239	262,856	268,755
679,033	735,799	755,736	777,198	799,670	823,050
<u>2,901,981</u>	<u>3,556,385</u>	<u>3,651,275</u>	<u>3,748,932</u>	<u>3,854,996</u>	<u>3,949,231</u>
(975,594)	(346,285)	238,825	136,068	30,004	(64,231)
26,800	9,900	12,400	26,500	20,700	20,700
(85,875)	(80,094)	(74,250)	(68,313)	(62,250)	(56,062)
1,025,000	800,000	500,000	-	-	-
<u>965,925</u>	<u>729,806</u>	<u>438,150</u>	<u>(41,813)</u>	<u>(41,550)</u>	<u>(35,362)</u>
(9,669)	383,521	676,975	94,255	(11,546)	(99,593)
489,366	556,032	581,032	581,032	581,032	581,032
<u>489,366</u>	<u>556,032</u>	<u>581,032</u>	<u>581,032</u>	<u>581,032</u>	<u>581,032</u>
125,000	125,000	125,000	125,000	125,000	125,000
-	-	-	-	-	-
10,200	800,000	500,000	-	-	-
<u>125,000</u>	<u>125,000</u>	<u>625,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
354,697	814,554	633,007	550,288	444,487	356,440
(113,259)	241,438	1,055,992	1,688,999	2,239,287	2,683,773
241,438	1,055,992	1,688,999	2,239,287	2,683,773	3,040,213
12,052,660	12,042,991	12,426,513	13,103,487	13,197,743	13,186,197
<u>\$ 12,042,991</u>	<u>12,426,513</u>	<u>13,103,487</u>	<u>13,197,743</u>	<u>13,186,197</u>	<u>13,086,604</u>

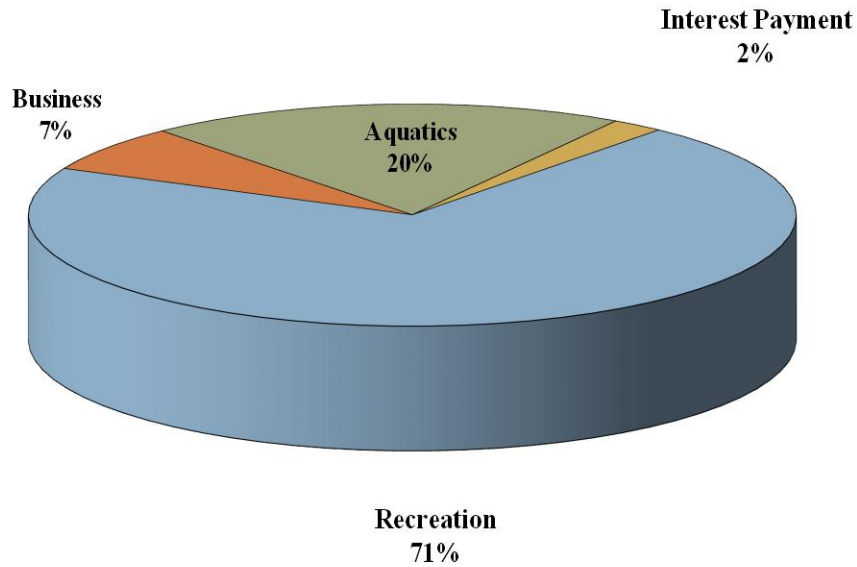
**GERMANTOWN ATHLETIC CLUB FUND REVENUES
FY09**



GERMANTOWN CENTRE FUND REVENUES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
Membership Fees	\$ 1,511	78%	\$ 2,600	81%
Aquatics Revenues	88	4%	151	5%
Business Revenues	115	6%	135	4%
Other Revenues	213	11%	324	10%
Investment Income	27	1%	10	0%
TOTAL REVENUES	\$ 1,953	100%	\$ 3,220	100%

**GERMANTOWN ATHLETIC CLUB FUND EXPENDITURES
FY09**



GERMANTOWN CENTRE FUND EXPENDITURES (\$000)

	2008 ESTIMATED		2009 BUDGET	
	Amount	Percent	Amount	Percent
Recreation	\$ 1,986	66%	\$ 2,573	71%
Business	237	8%	247	7%
Aquatics	679	23%	736	20%
Interest Payment	86	3%	80	2%
TOTAL EXPENDITURES	\$ 2,988	100%	\$ 3,636	100%

SANITATION FUND BUDGET SUMMARY

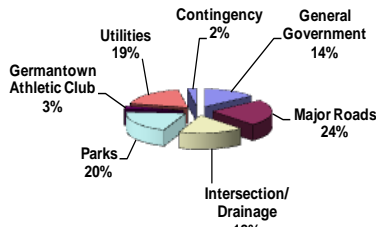
	Actual FY06	Actual FY07	Budget FY08
OPERATING REVENUES			
Sanitation Fees	\$ 3,573,512	3,696,101	3,715,344
Other Revenues	34,958	34,944	34,000
TOTAL OPERATING REVENUES	3,608,470	3,731,045	3,749,344
OPERATING EXPENSES			
Communication	5,338	2,431	5,950
Other Maintenance	-	-	-
Personnel	-	34,113	52,036
Professional Fees	2,500	-	-
Supplies	4,436	20,653	23,000
Utilities	1,648	1,396	1,300
Depreciation	-	-	-
Contract Services	3,886,573	3,548,406	3,610,798
TOTAL OPERATING EXPENSES	3,900,495	3,606,999	3,693,084
OPERATING INCOME	(292,025)	124,046	56,260
NONOPERATING REVENUES (EXPENSES)			
Investment Income	12,404	19,219	12,000
Grants	1,093	3,323	2,500
Operating Transfer	130,000	-	-
Total Nonoperating Revenues	143,497	22,542	14,500
NET INCOME/(LOSS)	(148,528)	146,588	70,760
Other Receipts			
Depreciation	-	-	-
NET CHANGE IN WORKING CAPITAL	(148,528)	146,588	70,760
Working Capital Fund - Beginning	226,632	78,104	135,093
Working Capital Fund - Ending	78,104	224,692	205,853
Total Retained Earnings - Beginning	226,628	78,100	135,090
Total Retained Earnings - Ending	<u>\$ 78,100</u>	<u>224,688</u>	<u>205,850</u>

SANITATION FUND BUDGET SUMMARY

Estimate FY08	Budget FY09	Projected			
		FY10	FY11	FY12	FY13
\$ 3,758,338	3,910,544	3,932,954	3,955,364	4,302,905	4,325,558
35,000	34,000	35,000	35,500	36,000	36,000
3,793,338	3,944,544	3,967,954	3,990,864	4,338,905	4,361,558
5,673	10,600	6,350	27,850	6,850	27,850
-	-	-	-	-	-
40,300	50,228	52,236	54,670	57,061	59,782
-	-	10,000	-	-	-
22,000	32,800	25,000	32,000	32,000	32,000
1,304	1,343	1,383	1,425	1,468	1,512
-	-	-	-	-	-
3,658,996	3,807,799	3,943,414	4,073,765	4,188,659	4,320,990
3,728,273	3,902,770	4,038,383	4,189,710	4,286,039	4,442,135
65,065	41,774	(70,429)	(198,846)	52,866	(80,576)
22,300	8,200	10,300	18,600	22,100	17,200
4,000	4,000	3,000	3,000	3,000	3,000
-	-	-	-	-	-
26,300	12,200	13,300	21,600	25,100	20,200
91,365	53,974	(57,129)	(177,246)	77,966	(60,376)
-	-	-	-	-	-
91,365	53,974	(57,129)	(177,246)	77,966	(60,376)
224,692	316,057	370,031	312,903	135,657	213,623
316,057	370,031	312,903	135,657	213,623	153,247
224,688	316,053	370,027	312,899	135,653	213,619
\$ 316,053	370,027	312,899	135,653	213,619	153,243

CAPITAL IMPROVEMENTS PROGRAM

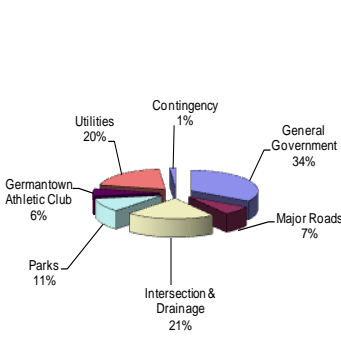
The Capital Improvements Program (CIP) is a plan for capital expenditures over a fixed period of several years. The CIP identifies capital projects, the expected beginning and ending for each project, the funds to be expended each year and the method of financing projects. The six-year program is based on available fiscal resources and established community priorities. The CIP is updated annually as each year is lifted from the capital budget and included in the City's current year budget appropriations. The impact of the CIP to operations can be seen in the General Fund, the Germantown Athletic Club Fund and Utility Fund summaries as transfers to CIP and Debt Service and in project detail found under the CIP tab.



(\$000)		6-YEAR CIP	
General Government	\$	6,810	
Major Roads		11,150	
Intersection/Drainage		8,254	
Parks		9,418	
Utilities		8,793	
Germantown Athletic Club		1,300	
Contingency		1,200	
TOTAL	\$	46,925	

The six-year CIP total has decreased over last year's total. Approximately \$19.4 million in General Obligation (G.O.) and Revenue Bond funding is identified in the six-year planning period. The City's long-range strategic plan calls for funding of general government projects in the future through the use of G.O. debt.

Contributions from intergovernmental sources will total \$320,000 during the next six years. The Board of Mayor and Aldermen and City Administration have worked closely with state officials to obtain funding for costly street and intersection improvements. The success of the Board's efforts created valuable funding opportunities for other projects.



(\$000)		FY09 CIP	
General Government	\$	4,560	
Major Roads		950	
Intersection & Drainage		2,899	
Parks		1,446	
Utilities		2,733	
Germantown Athletic Club		800	
Contingency		200	
TOTAL	\$	13,588	

CIP IMPACT ON OPERATING BUDGET

CIP projects can affect the City's Operating Budget by increasing or decreasing expenditures and sometimes by increasing revenues. Projects that replace or rehabilitate existing facilities, like asphalt overlays, may decrease the cost of maintaining the system. Projects that build completely new infrastructure, such as a new park, will usually increase expenditures since more staff will be needed to operate and maintain the facility. A new facility, such as a recreation center, may increase the City's revenue by offering a new service that may generate new customers. The fiscal impact on general operations for each individual FY09 project is provided under the Capital Improvements Program tab.

CAPITAL IMPROVEMENTS PROGRAM – 2007 to 2013

(in thousands)	EXPENDITURES								FUNDING SOURCES				STATE & FEDERAL
	EY08	TOTAL	EY09	EY10	EY11	EY12	EY13	EY14	Reserves	Grants	Bonds	Hall	PROJECTS
GENERAL GOVERNMENT:													
Court Corridor Renovation	75	-	-	-	-	-	-	-	-	-	-	-	-
Court Automation	94	-	-	-	-	-	-	-	-	-	-	-	-
Fire Department Air Pack	-	450	-	-	-	450	-	-	-	-	-	450	-
Fire Department Radio System	-	300	-	300	-	-	-	-	-	-	-	300	-
Fire Pumper - Unit F-136 (Pierce)	-	530	-	-	530	-	-	-	-	-	-	530	-
Fire Pumper - Unit F-139	-	560	560	-	-	-	-	-	560	-	-	-	-
Fire Station 4	-	1,780	1,780	-	-	-	-	-	-	-	1,780	-	-
Germantown Website	-	85	85	-	-	-	-	-	85	-	-	-	-
GPAC - Lighting Upgrade	-	45	45	-	-	-	-	-	45	-	-	-	-
Municipal Center Complex - Phase I	305	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Center Complex - Dispatch	-	150	150	-	-	-	-	-	150	-	-	-	-
Municipal Center Complex Generator	340	-	-	-	-	-	-	-	-	-	-	-	-
Network System Upgrade	-	140	140	-	-	-	-	-	140	-	-	-	-
NPI Phase II	-	250	250	-	-	-	-	-	250	-	-	-	-
NPI Phase III	-	250	250	-	-	-	-	-	250	-	-	-	-
NPI Phase IV	-	200	-	200	-	-	-	-	-	-	-	200	-
Renovation - Public Services Complex	200	2,070	1,300	70	700	-	-	-	1,402	-	300	368	-
Seismic Study	90	-	-	-	-	-	-	-	-	-	-	-	-
Total General Government:	1,104	6,810	4,560	570	1,230	450	-	-	2,882	-	2,080	1,848	-
MAJOR ROADS:													
Bavarian Village - Wall	-	300	-	300	-	-	-	-	300	-	-	-	-
Farmington Road Rehabilitation	-	3,600	-	1,340	1,130	1,130	-	-	880	-	-	2,720	-
G'twn Rd.-Stout/City Limits*	-	50	2,150	-	-	-	-	-	50	-	-	-	2,100
G'twn Rd/West St/Norfolk Southern RR	140	200	200	-	-	-	-	-	200	-	-	-	-
McVay Road	-	1,300	-	1,300	-	-	-	-	1,300	-	-	-	-
Poplar Pike - Oakleigh/Poplar*	-	-	-	-	6,000	-	-	-	-	-	-	-	6,000
Poplar Pike - Hacks Cross/Oakleigh*	-	-	-	-	1,000	-	-	-	-	-	-	-	1,000
Poplar Ave. - Dogwood/E. City Limits*	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000
Poplar Ave. - Kirby/Miller Farms*	-	-	-	-	-	3,000	-	-	-	-	-	-	3,000
Poplar Ave. - Miller Fams/Dogwood*	-	-	-	2,700	-	-	-	-	-	-	-	-	2,700
Smart Growth Traffic Analysis	-	200	200	-	-	-	-	-	200	-	-	200	-
Wolf River Blvd. - Design/Construction*	-	5,000	-	25,000	-	-	-	-	-	-	5,000	-	20,000
Wolf River Blvd. - ROW	250	500	500	-	-	-	-	-	-	-	500	-	-
Total Major Roads	390	11,150	950	7,940	1,130	1,130	-	-	2,730	-	5,500	2,920	37,800
* State funding is excluded in totals.													
INTERSECTIONS & OTHER:													
Decorative Street Signage	150	350	50	100	-	100	-	100	-	-	-	350	-
RR Crossing Poplar Pike/Hacks Cross	-	69	69	-	-	-	-	-	-	-	-	69	-
RR Crossing Poplar Pike/Southern	-	33	33	-	-	-	-	-	-	-	-	33	-
Signal - Farmington Blvd/Germantown Rd	-	85	485	-	-	-	-	-	85	-	-	-	400
Signal - Wolf River Blvd/Forest Hill*	-	25	-	225	-	-	-	-	25	-	-	-	200
Signal - Poplar Avenue/Oakleigh*	-	62	382	-	-	-	-	-	-	-	-	62	320
Total Intersections/Other:	150	624	299	125	-	100	-	100	110	-	-	514	920
* State funding is excluded in totals.													
DRAINAGE:													
English Meadows Phase II	-	610	-	610	-	-	-	-	410	-	-	200	-
Howard Road/Mimosa Gardens Improvements	50	2,500	-	2,500	-	-	-	-	500	-	2,000	-	-
Lateral D - Phase II	-	300	300	-	-	-	-	-	300	-	-	-	-
Lateral E	-	800	800	-	-	-	-	-	800	-	-	-	-
Lateral G	-	1,300	-	-	-	-	-	1,300	-	-	-	1,300	-
Miller Fams - Phase I	-	1,500	1,500	-	-	-	-	-	-	-	1,500	-	-
NDPES/GIS	100	-	-	-	-	-	-	-	-	-	-	-	-
Shady Creek Weir	-	620	-	-	620	-	-	-	420	-	-	200	-
Smart Growth Drainage Study	95	-	-	-	-	-	-	-	-	-	-	-	-
Total Drainage:	245	7,630	2,600	3,110	620	-	-	1,300	2,430	-	3,500	1,700	-
Total Intersec/Other/Drainage:	395	8,254	2,899	3,235	620	100	-	1,400	2,540	-	3,500	514	920

CAPITAL IMPROVEMENTS PROGRAM – 2007 to 2013

(in thousands)	EXPENDITURES								FUNDING SOURCES				STATE & FEDERAL
	FY08	TOTAL	FY09	FY10	FY11	FY12	FY13	FY14	Reserves	Grants	Bonds	Hall	PROJECTS
PARKS:													
Cameron Brown Park Phase II	202	-	-	-	-	-	-	-	-	-	-	-	-
C.O. Franklin Park Phase II	70	-	-	-	-	-	-	-	-	-	-	-	-
Gateway Signage	-	240	240	-	-	-	-	-	240	-	-	-	-
Greenway Phase V	-	3,000	-	-	-	3,000	-	-	-	-	3,000	-	-
Greenway Phase VI	-	3,572	-	-	972	2,600	-	-	972	-	2,600	-	-
Medians	-	688	88	-	600	-	-	-	618	70	-	-	-
Parkland Acquisition - Ocean View	-	1,000	1,000	-	-	-	-	-	-	250	500	250	-
Security Plan - Trails & Open Spaces	-	18	18	-	-	-	-	-	-	-	-	18	-
Skate Park - Houston Levee	-	100	100	-	-	-	-	-	100	-	-	-	-
Sports Lighting Upgrades	830	800	-	800	-	-	-	-	800	-	-	-	-
Tennis & Basketball Courts	143	-	-	-	-	-	-	-	-	-	-	-	-
Total Parks:	1,245	9,418	1,446	800	1,572	5,600	-	-	2,730	320	6,100	268	-
GERMANTOWN ATHLETIC CLUB FUND:													
Facility Renovation	-	1,300	800	500	-	-	-	-	500	-	-	800	-
Total GAC Fund:	-	1,300	800	500	-	-	-	-	500	-	-	800	-
UTILITY FUND:													
C.O. Franklin Equestrian Park Water Main	-	90	-	90	-	-	-	-	90	-	-	-	-
Germantown Road South - Sewer Expan.	-	40	40	-	-	-	-	-	40	-	-	-	-
Germantown Road South - Water Expan.	-	193	193	-	-	-	-	-	193	-	-	-	-
Johnson Rd Water Plant/Storage Expansion	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Johnson Road Lift Station	-	600	600	-	-	-	-	-	-	-	600	-	-
Sewer - GIS	175	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Extension - Oak Manor	150	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Mains - Smart Growth	-	3,000	500	500	500	500	500	500	3,000	-	-	-	-
Sewer Outfall - Miller Farms	-	1,632	462	501	669	-	-	-	1,170	-	462	-	-
Southern Ave Water Plant Refurbishment	-	900	-	900	-	-	-	-	900	-	-	-	-
Water Extension - Arthur/Riggs	-	182	182	-	-	-	-	-	182	-	-	-	-
Water Mains - Moore Road	-	70	70	-	-	-	-	-	70	-	-	-	-
Water Mains - Smart Growth	-	900	150	150	150	150	150	150	900	-	-	-	-
12" Water Main - Wolf River Blvd.	-	650	-	650	-	-	-	-	-	-	650	-	-
16" Water Main - Forest Hill-Irene	-	536	536	-	-	-	-	-	-	-	536	-	-
Total Utility Fund:	5,325	8,793	2,733	2,791	1,319	650	650	650	6,545	-	2,248	-	-
CONTINGENCY:													
Total Contingency:	-	1,200	200	200	200	200	200	200	800	-	-	400	-
---C I P SUMMARY---													
General Government	1,104	6,810	4,560	570	1,230	450	-	-	-	-	-	-	-
Major Roads	390	11,150	950	7,940	1,130	1,130	-	-	-	-	-	-	-
Intersec/Other/Drainage	395	8,254	2,899	3,235	620	100	-	1,400	-	-	-	-	-
Parks	1,245	9,418	1,446	800	1,572	5,600	-	-	-	-	-	-	-
Utilities	5,325	8,793	2,733	2,791	1,319	650	650	650	-	-	-	-	-
Germantown Athletic Club	-	1,300	800	500	-	-	-	-	-	-	-	-	-
Contingency	-	1,200	200	200	200	200	200	200	-	-	-	-	-
Total C I P	8,459	46,925	13,588	16,036	6,071	8,130	850	2,250	-	-	-	-	-
---FUNDING SUMMARY---													
Reserves: General	434	12,182	4,105	4,645	3,152	280	-	-	-	-	-	-	-
Utility	325	6,545	485	2,791	1,319	650	650	650	-	-	-	-	-
Intergovernmental:	-	320	320	-	-	-	-	-	-	-	-	-	-
Bonds: General	-	17,180	4,580	7,000	-	5,600	-	-	-	-	-	-	-
Utility	5,000	2,248	2,248	-	-	-	-	-	-	-	-	-	-
Hall: General	2,700	8,450	1,850	1,600	1,600	1,600	200	1,600	-	-	-	-	-
Total Funding	8,459	46,925	13,588	16,036	6,071	8,130	850	2,250	-	-	-	-	-

INFRASTRUCTURE REPLACEMENT PROGRAM – 2009 to 2018

AREA & TYPE OF INFRASTRUCTURE	Budget FY08	Estimate FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	10 YEAR TOTAL
GENERAL FUND:													
BUILDING IMPROVEMENTS:													
FACILITIES MANAGEMENT:													
Brass Restoration--GPAC Lobby & House	5	0	0	0	0	0	0	0	0	0	0	0	0
Lighting Dimmer System - GPAC	0	0	35	0	0	0	0	0	0	0	0	0	35
Kitchen Improvements - GPAC	0	0	55	0	0	0	0	0	0	0	0	0	55
Floor Restoration--GPAC Stage & Black Box	17	8	0	0	0	0	0	0	0	0	0	0	0
Interior Refurbishment--FS4	75	0	0	0	0	0	0	0	0	0	0	0	0
Repainting Fire Stations	0	0	0	0	12	0	0	22	0	0	0	0	34
HVAC Equipment - Animal Shelter	0	0	35	0	0	0	0	0	0	0	0	0	35
HVAC Equipment - TN Gen Library	0	0	30	0	0	0	0	0	0	0	0	0	30
Carpeting - Community Development	0	0	0	0	18	0	0	0	0	0	0	0	18
Restroom Refurbishment--Bob Hailey	50	20	0	0	0	0	0	0	0	0	0	0	0
Tennis Restroom Refurbishment--Houston Levee	35	15	0	0	0	0	0	0	0	0	0	0	0
TOTAL FACILITIES MAINT.	182	43	155	0	30	0	0	22	0	0	0	0	207
TOTAL BUILDING IMPROVEMENTS	182	43	155	0	30	0	0	22	0	0	0	0	207
OTHER EQUIPMENT:													
FIRE:													
Retrofit Veh. Exhaust System - FS1	0	0	75	0	0	0	0	0	0	0	0	0	75
Power Hawk	0	0	0	14	0	0	0	0	0	0	0	0	14
Hurst Tool	0	0	0	30	0	0	0	0	0	0	0	0	30
Mobile Radio Replacement	0	0	0	10	0	0	0	0	0	0	0	0	10
Thermal Imaging Detectors	0	0	0	0	0	14	0	0	0	0	0	0	14
Emergency Warning Siren Controller	0	0	57	0	0	0	0	0	0	0	0	0	57
TOTAL FIRE	0	0	132	54	0	14	0	0	0	0	0	0	200
POLICE:													
AFIS Livescan Fingerprint Workstation	0	0	40	0	0	0	0	0	0	0	0	0	40
In-Car Video Systems - 6 Police Vehicles	13	10	39	0	0	0	0	0	0	0	0	0	39
TOTAL POLICE	13	10	79	0	0	0	0	0	0	0	0	0	79
GPAC:													
Monitor System	0	0	7	0	0	0	0	0	0	0	0	0	7
TOTAL GPAC	0	0	7	0	0	0	0	0	0	0	0	0	7
TOTAL OTHER EQUIPMENT	13	10	218	54	0	14	0	0	0	0	0	0	286
MAINTENANCE EQUIPMENT:													
PUBLIC SERVICE:													
Asphalt Paver	0	0	0	0	0	0	0	0	0	0	0	85	85
Bulk Spreader	30	27	0	0	0	35	0	0	0	0	0	0	35
Crack Sealer	0	0	0	0	0	35	0	0	0	0	0	0	35
Tarco Leaf Vac	0	0	0	0	0	0	40	0	0	0	0	0	40
Ingersoll Rand Roller	0	0	0	0	0	0	0	55	0	0	0	0	55
DXT Loader	0	0	0	0	0	0	85	0	0	0	125	0	210
Bob-Cat X331 Compact Excavator	0	0	0	0	0	55	0	0	0	0	0	0	55
Gradall Rubber Tire Excavator	0	0	0	0	0	0	0	350	0	0	0	0	350
DR Brush & Field Mower	0	0	0	0	5	0	0	0	0	0	0	0	5
Bob-Cat Skid Loader	0	0	0	0	0	0	50	0	0	0	0	0	50
Tractor	0	0	0	0	0	0	0	30	0	0	0	0	30
OBD Leaf Vac	0	0	0	0	0	0	0	0	0	0	40	0	40
TOTAL PUBLIC SVCS.	30	27	0	0	5	125	175	85	350	0	165	85	990
PARKS AND RECREATION:													
Aera-Vator	0	0	0	0	9	0	0	0	0	0	0	0	9
Bush Chipper	0	0	0	0	0	0	0	0	0	0	30	0	30
Field Rake	0	0	0	13	0	14	15	0	16	0	15	0	73
Gator	0	0	0	10	0	0	0	0	0	0	12	0	22
Greens Mower	0	0	0	7	0	0	0	0	0	0	0	0	7
Kubota Mower	0	0	0	0	20	0	0	0	0	0	0	0	20
Walker Mower	0	0	0	0	0	0	15	0	0	0	0	0	15
Z-Trak Mower	0	0	16	0	0	0	0	0	0	0	0	18	34
Pressure Washer	0	0	10	0	20	0	0	0	0	0	0	0	30
Stump Grinder	0	0	0	0	0	0	0	0	0	18	0	0	18
Tractor	0	0	0	0	0	0	30	40	65	0	0	0	135
Top Dresser	0	0	0	0	11	0	0	0	0	0	0	0	11
Vac - Litter	0	0	0	0	0	0	35	0	0	0	0	0	35
TOTAL PARKS AND REC.	0	0	26	30	60	14	95	40	65	16	60	33	439
TOTAL MAINTENANCE EQUIPMENT	30	27	26	30	65	139	270	125	415	16	225	118	1,429

INFRASTRUCTURE REPLACEMENT PROGRAM – 2009 to 2018

AREA & TYPE OF INFRASTRUCTURE	Budget FY08	Estimate FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	10 YEAR TOTAL
<u>PARKS AND RECREATION:</u>													
Sign Replacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscape Plants	15	2	0	0	0	0	0	0	0	0	0	0	0
Replace Wooden Dugout Roofs - Cameron Brown Pk	0	0	9	0	0	0	0	0	0	0	0	0	9
Round Rail Fence	0	0	43	0	0	0	0	0	0	0	0	0	43
Sports Field Sod	17	4	0	0	0	0	0	0	0	0	0	0	0
TOTAL PARKS AND REC.	32	6	52	0	0	0	0	0	0	0	0	0	52
<u>DEVELOPMENT:</u>													
LED Signal Light Program	60	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEVELOPMENT	60	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER ASSETS	92	6	52	0	0	0	0	0	0	0	0	0	52
TOTAL GENERAL FUND	683	318	1,033	424	486	700	856	572	557	506	502	547	6,183
<u>UTILITY FUND:</u>													
<u>LINEs, WELLS AND STATION IMPROVEMENTS:</u>													
<u>SEWER:</u>													
Sewer Lift Station Rewiring	10	5	10	10	10	10	10	10	10	10	10	10	100
Maintenance of Sewer Collection System	250	245	250	250	250	250	250	250	250	250	250	250	2,500
Sewer Main Reconstruction	50	16	0	0	0	0	0	0	0	0	0	0	0
TOTAL SEWER	310	266	260	260	260	260	260	260	260	260	260	260	2,600
<u>WATER:</u>													
Water Mains Reconstruction	50	0	0	0	0	0	0	0	0	0	0	0	0
Water Mains Maintenance	0	0	200	0	0	0	0	0	0	0	0	0	200
Maintenance of Water WellField System	20	0	20	20	20	20	20	20	20	20	20	20	200
TOTAL WATER	70	0	220	20	20	20	20	20	20	20	20	20	400
TOTAL LINES, WELLS & STATION IMPROVEMENTS	380	266	480	280	280	280	280	280	280	280	280	280	3,000
<u>MAINTENANCE EQUIPMENT:</u>													
<u>SEWER:</u>													
Backhoe	0	0	0	0	0	0	0	0	0	80	0	0	80
Ford F-700 Dump Truck	0	0	90	0	0	0	0	0	0	0	0	0	90
Ford LNT-8000 Sewer Vac	0	0	300	0	0	0	0	0	0	0	0	0	300
Ingersoll Rand Compressor	0	0	0	0	35	0	0	0	0	0	0	0	35
Video Camera - Trailer Mounted	95	77	0	0	0	0	0	0	0	0	0	0	0
TOTAL SEWER	95	77	390	0	35	0	0	0	0	80	0	0	505
<u>WATER:</u>													
Backhoe	235	215	0	0	0	0	0	0	0	75	0	0	75
Excavator	0	0	0	350	0	0	0	0	0	0	0	0	350
TOTAL WATER	235	215	0	350	0	0	0	0	0	75	0	0	425
TOTAL MAINT. EQUIPMENT	330	292	390	350	35	0	0	0	0	155	0	0	930
<u>AUTOS AND TRUCKS:</u>													
<u>SEWER:</u>													
Chevy 3500 Pickup	0	0	0	0	0	38	0	0	0	0	0	0	38
Dodge 2500 Pickup	0	0	0	0	0	0	0	32	0	0	0	0	32
Ford F-350 Crew Cab	0	0	40	0	0	0	0	0	0	0	42	0	82
Ford F-750 Sewer Flush Truck	0	0	0	0	0	0	0	0	0	0	150	0	150
TOTAL SEWER	0	0	40	0	0	38	0	32	0	0	192	0	302
<u>WATER:</u>													
Chevy 1500 Pickup	0	0	0	0	0	25	0	0	0	0	26	0	51
Dodge Pickup Truck	25	18	0	0	0	0	0	0	0	0	0	0	0
Dodge Ram Pick-up	0	0	0	0	0	26	0	0	26	0	25	0	77
Dodge Dakota Pick-up	0	0	0	0	20	20	0	0	26	0	0	26	92
Ford F-350 Crew Cab	0	0	35	0	0	0	0	0	0	0	42	0	77
Ford LNT-8000 Dump Truck	0	0	0	0	0	0	0	0	90	0	0	0	90
Ford Ranger (2)	0	0	36	0	0	21	0	0	0	0	60	0	117
TOTAL WATER	25	18	71	0	20	92	0	0	52	90	111	68	504
TOTAL AUTOS & TRUCKS	25	18	111	0	20	130	0	32	52	90	303	68	806
<u>COMPUTER EQUIPMENT:</u>													
<u>WATER:</u>													
Folder/Inserter	0	0	44	0	0	0	0	0	0	0	0	0	44
Work Order System	5	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL WATER	5	0	44	0	0	0	0	0	0	0	0	0	44
TOTAL COMPUTER EQUIPMENT	5	0	44	0	0	0	0	0	0	0	0	0	44
TOTAL UTILITY FUND	740	576	1,025	630	335	410	280	312	332	525	583	348	4,780

INFRASTRUCTURE REPLACEMENT PROGRAM – 2009 to 2018

AREA & TYPE OF INFRASTRUCTURE	Budget FY08	Estimate FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	10 YEAR TOTAL
GERMANTOWN ATHLETIC CLUB:													
BUILDING IMPROVEMENTS:													
Kiosk Reconfiguration	25	10	0	0	0	0	0	0	0	0	0	0	0
Restroom Refurbishment	50	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUILDING IMPROVEMENTS	75	10	0	0	0	0	0	0	0	0	0	0	0
TOTAL G'TOWN ATHLETIC CLUB	75	10	0	0	0	0	0	0	0	0	0	0	0
VEHICLE MAINTENANCE FUND:													
AUTOS AND TRUCKS:													
Dodge 2500 Pick-up	0	0	0	0	0	32	0	0	30	0	0	0	62
Ford Winstar (Pool)	0	0	0	0	0	30	0	0	0	0	0	0	30
Ford Crown Vic	0	0	20	40	22	0	0	0	0	0	0	22	104
TOTAL AUTOS & TRUCKS	0	0	20	40	22	62	0	0	30	0	0	22	196
OTHER ASSETS:													
Daewoo Forklift	0	0	0	0	0	0	0	50	0	0	0	0	50
Fuel/UST Monitor Upgrade -- FS 2	0	0	0	20	0	0	0	0	0	0	0	0	20
TOTAL OTHER ASSETS	0	0	0	20	0	0	0	50	0	0	0	0	70
TOTAL VEHICLE MAINT. FUND	0	0	20	60	22	62	0	50	30	0	0	22	266
GRAND TOTAL - ALL FUNDS	1,498	904	2,078	1,114	843	1,172	1,136	934	919	1,031	1,085	917	11,229

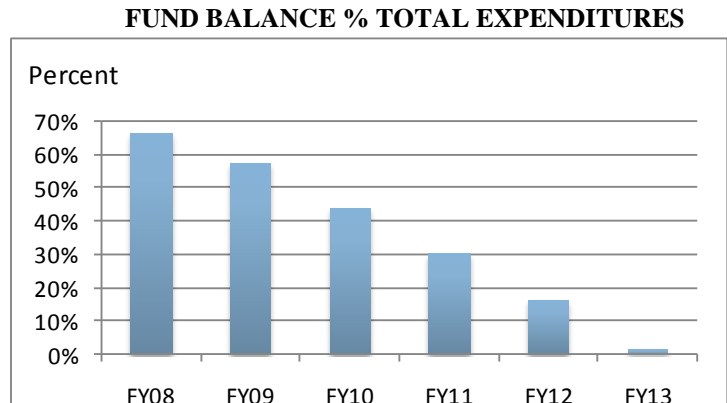
DISCUSSION OF GENERAL FUND RESERVES

During the City's high growth period, excess revenues over expenditures were used for capital projects not funded by bond proceeds. In the past several years, General Fund reserves were used to fund a significant portion of the capital projects. Beginning in FY04, revenues from the Hall Income and Excise Tax were earmarked to fund capital projects due to the uncertainty of this revenue source for operational funding. The CIP will continue to receive revenues from the Hall as a source of funding in addition to General Fund reserves and G.O. bonds. The drawdown of reserves, including Hall, for the five-year planning period is as follows.

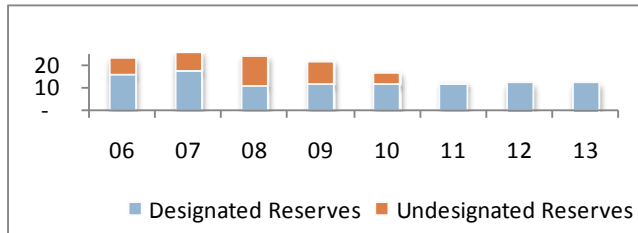
	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
CIP	\$ 1,850,000	6,245,000	4,752,000	1,880,000	1,600,000	1,600,000

ANALYSIS OF FUND BALANCE

The chart at the right illustrates the impact of the draw downs on the City's General Fund fund balance:



\$MILLIONS



Details of both the designated and undesignated reserve levels are illustrated in the chart at the left:

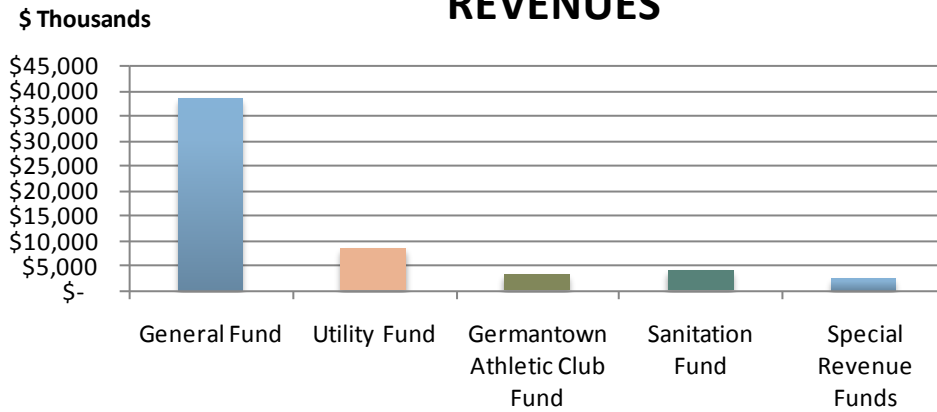
Details of Balance:	Actual	Actual	Estimated	Budget	Projected			
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Emergencies & Catastrophes	\$ 900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Capital Asset Repl. Infrastructure	561,000	784,256	-	-	-	-	-	-
Designation for Tax Anticipation	6,619,582	6,789,794	6,996,828	7,064,823	7,020,024	7,081,866	7,140,870	7,140,870
Designation for General Debt	7,866,893	9,010,787	3,187,562	3,436,790	3,428,532	3,813,900	3,811,281	3,811,281
Total Reserves	15,947,475	17,484,837	11,084,390	11,401,613	11,348,556	11,795,766	11,852,151	11,852,151
Unreserved Fund Balance	7,350,190	8,698,588	13,050,128	10,582,119	5,632,759	320,044	(5,195,535)	(11,274,468)
Total Fund Balance	23,297,665	26,183,425	24,134,517	21,983,732	16,981,315	12,115,810	6,656,616	577,683
Operating Expenditures	\$ 38,139,292	40,414,573	36,704,957	38,139,195	38,691,961	40,415,769	41,888,776	43,333,786
Fund Balance as % of Expenditures	61%	65%	66%	58%	44%	30%	16%	1%



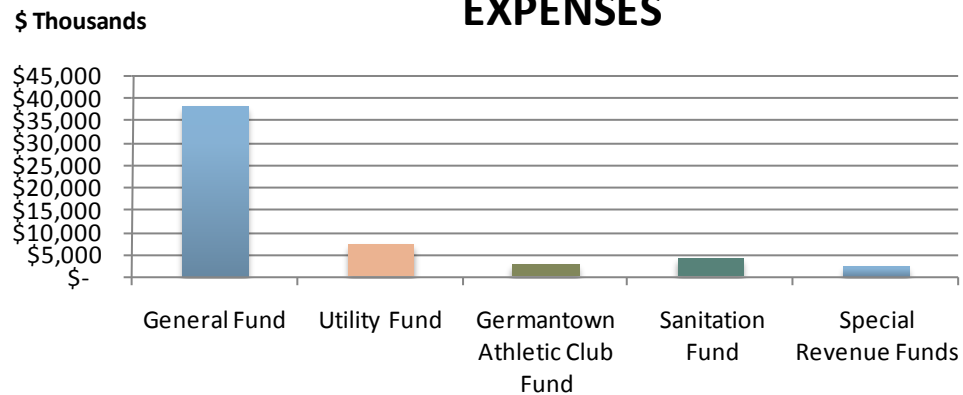
This section consists of budget projection summaries of revenues and expenditures by major categories, along with fund balances as of June 30, for the fiscal years 2006–2013. The graphs illustrate 8 years of information. This data is provided for the General Fund, Utility Fund, Germantown Athletic Club Fund, Sanitation Fund, Special Revenue Funds, Internal Service Funds and Pension and Health Funds.

Following the budget projection summaries is a description of personnel costs with a comparison of staffing levels between FY08 and FY09.

ALL FUNDS REVENUES

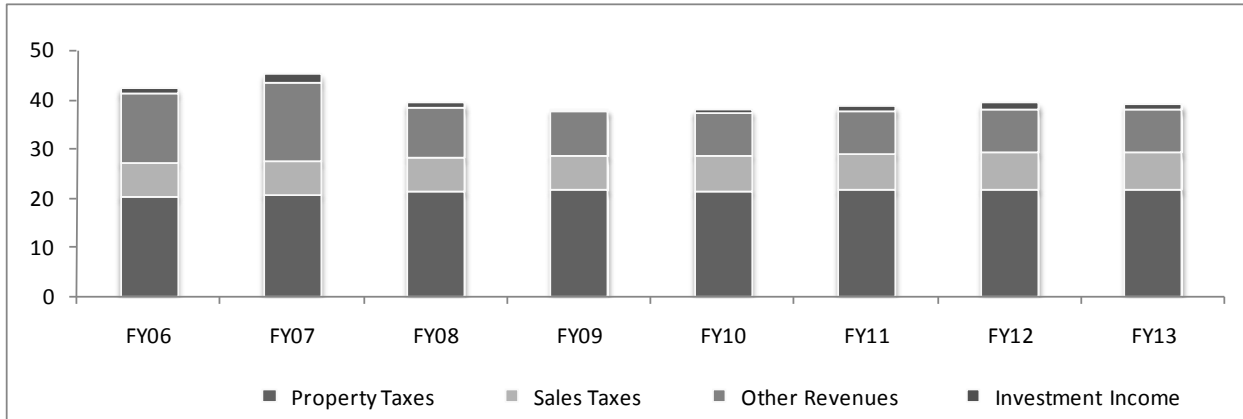


EXPENSES



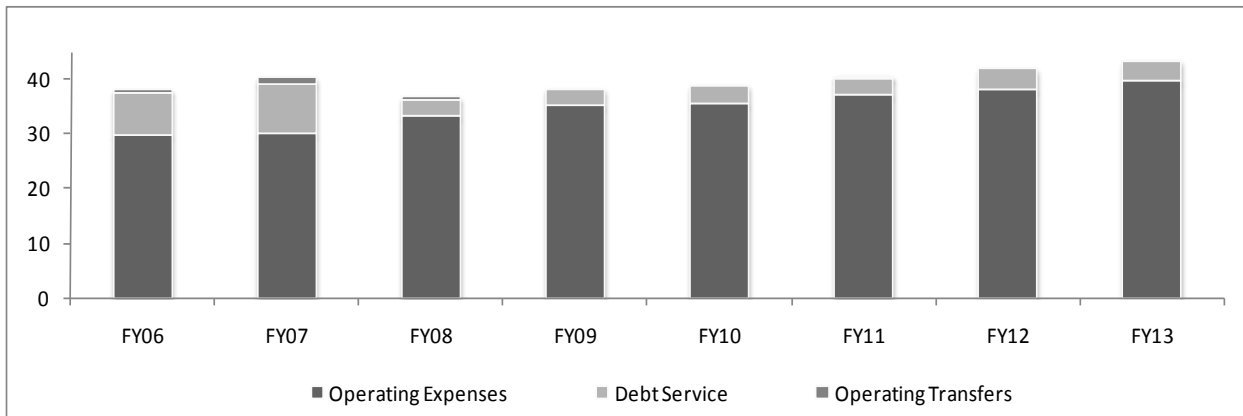
GENERAL FUND REVENUES

\$ Millions



GENERAL FUND EXPENDITURES

\$ Millions



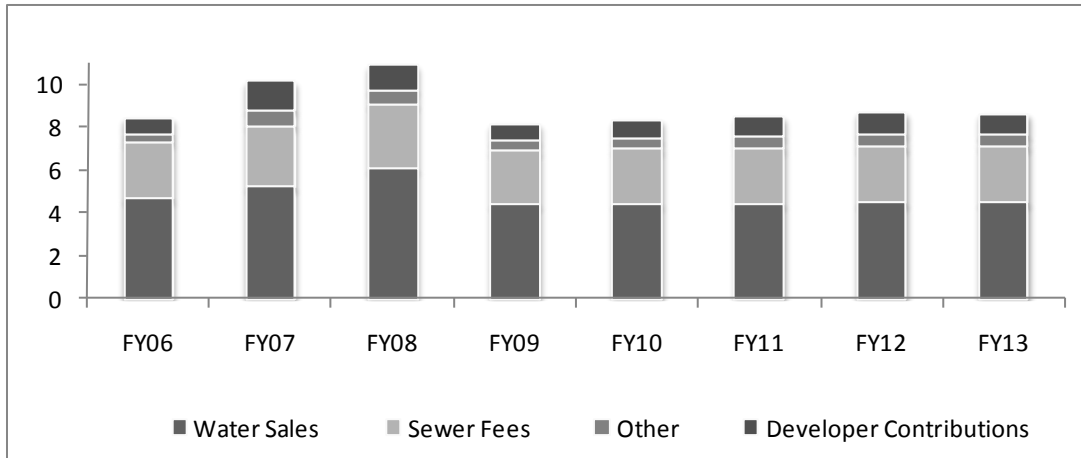
GENERAL FUND

BUDGET PROJECTION SUMMARY

(\$000)	Actual FY06	Actual FY07	Budget FY08	Estimate FY08	Budget FY09	Projected			
						FY10	FY11	FY12	FY13
GENERAL REVENUES:									
Auto Registration	\$ 895	899	927	895	904	937	942	946	946
Court Fines	1,073	1,321	1,012	1,387	1,415	1,085	1,124	1,159	1,159
Franchise Fees	455	477	489	485	485	529	550	572	572
Grants	538	444	66	200	177	-	-	-	-
Interest	1,086	1,692	1,140	1,231	450	568	1,024	1,214	946
Licenses	246	260	228	225	229	219	214	209	209
Other Income	6,229	6,616	877	924	884	913	910	899	899
Property Taxes	20,059	20,575	20,787	21,203	21,409	21,273	21,460	21,639	21,639
Sales Taxes	7,103	6,760	6,967	6,994	7,007	7,347	7,447	7,550	7,563
State Taxes	4,510	6,007	4,710	5,813	4,884	4,878	4,925	4,972	4,972
Fund From Prior	-	-	450	450	450	450	450	450	450
REVENUE TOTAL	42,196	45,050	37,654	39,806	38,294	38,199	39,045	39,610	39,355
EXPENDITURE BY CATEGORY:									
Personnel	21,761	21,356	24,507	23,545	25,099	26,028	27,034	28,056	29,176
Communication	271	293	383	336	391	396	402	407	413
Prof. Fees	1,970	2,181	2,397	2,517	2,776	2,716	2,750	2,793	2,828
Other Maint.	1,086	1,171	1,439	1,425	1,515	1,532	1,562	1,596	1,628
Supplies	1,169	1,503	1,449	1,585	1,430	1,480	1,491	1,520	1,579
Insurance	160	114	118	134	98	98	98	98	98
Rent	61	69	80	86	92	91	92	92	92
Allocations	1,062	1,136	1,257	1,162	1,256	1,314	1,366	1,424	1,481
Capital Outlay	561	784	683	1,139	1,013	416	798	700	856
Road & Mains	-	-	-	-	-	-	-	-	-
Contingency	-	-	50	-	50	50	50	50	50
Grants	825	718	444	428	514	489	489	489	489
Debt Service	7,867	9,011	2,881	2,881	3,188	3,437	3,429	3,814	3,811
Operating Transfers	1,149	1,975	800	1,725	1,120	1,000	1,000	1,000	1,000
Sanitation	-	-	-	-	-	-	-	-	-
Expense Reimburs.	(560)	(687)	(1,035)	(1,062)	(1,271)	(1,241)	(1,045)	(1,070)	(1,104)
Roll Fwd. Enc. - Prior Yr.	-	-	450	450	450	450	450	450	450
Roll Fwd. Enc. - Next Yr.	-	-	(450)	(450)	(450)	(450)	(450)	(450)	(450)
Utilities	757	791	838	804	868	885	902	920	938
EXPENDITURE TOTAL	38,139	40,415	36,291	36,705	38,139	38,692	40,416	41,889	43,334
Excess (Deficit)	4,057	4,636	1,363	3,101	155	(493)	(1,370)	(2,279)	(3,979)
FUND BALANCE									
Beginning	22,420	23,298	23,186	25,732	23,685	21,539	16,536	11,670	6,211
Transf. to CIP	(2,713)	(1,750)	(1,600)	(2,700)	(1,850)	(1,600)	(1,600)	(1,600)	(1,600)
Transf. to Infrs.	-	-	-	-	-	-	-	-	-
CIP Res Inc (Dec)	-	-	-	(2,000)	-	(2,459)	(1,445)	(1,130)	(50)
Prior Period Adjustment	(467)	-	-	-	-	-	-	-	-
Ending	\$ 23,298	26,183	22,950	24,135	21,989	16,987	12,120	6,661	582

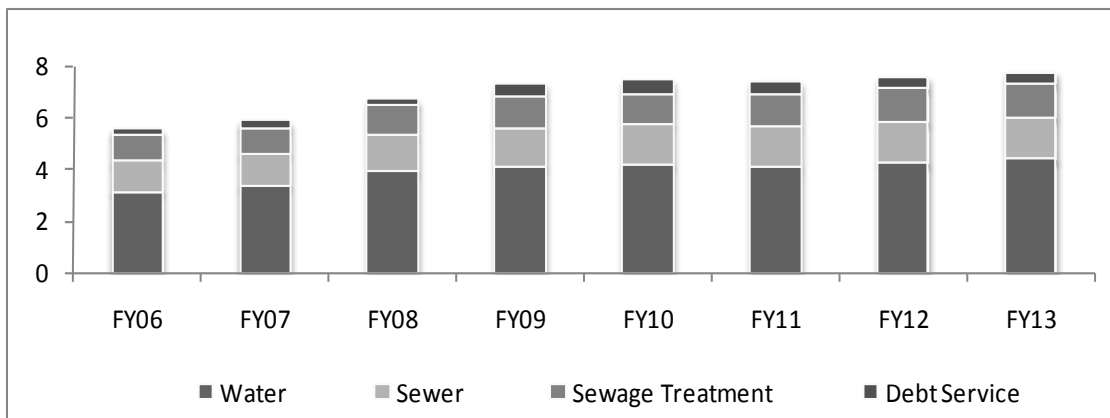
UTILITY REVENUES

\$ Millions



UTILITY EXPENDITURES

\$ Millions



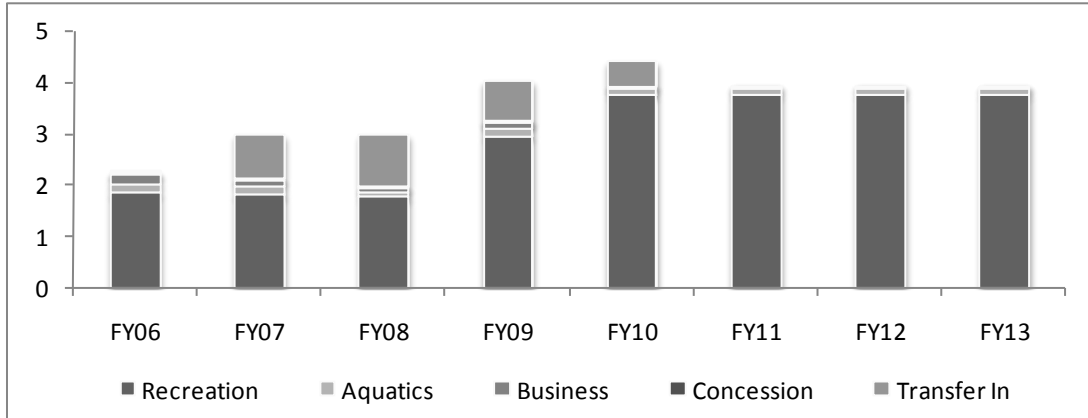
UTILITY FUND

BUDGET PROJECTION SUMMARY

(\$000)	Actual	Actual	Budget	Estimate	Budget	Projected			
	FY06	FY07	FY08	FY08	FY09	FY10	FY11	FY12	FY13
REVENUES:									
Allocations	\$ -	1	-	-	-	-	-	-	-
Installation Charges	238	365	285	280	285	275	250	235	195
Interest	88	359	175	386	141	178	321	381	297
Contrib. Developers	759	1,321	1,147	1,147	800	900	900	1,000	1,000
Other Income	19	20	20	20	21	21	21	21	21
Sewer Fees	2,658	2,863	2,600	3,000	2,527	2,552	2,578	2,603	2,629
Water Sales	4,714	5,239	4,327	6,075	4,427	4,453	4,478	4,504	4,529
TOTAL REVENUES	8,476	10,167	8,555	10,908	8,201	8,379	8,548	8,743	8,670
EXPENSES BY CATEGORY:									
Allocations	835	962	1,346	1,304	1,470	1,458	1,277	1,324	1,372
Communication	48	54	70	65	65	67	68	70	71
Debt Service	230	282	432	199	534	509	483	456	427
Depreciation	1,150	1,179	1,220	1,220	1,255	1,323	1,356	1,377	1,398
Other Maintenance	87	97	111	111	117	123	126	130	133
Personnel	1,339	1,408	1,599	1,482	1,543	1,609	1,678	1,752	1,829
Professional Fees	110	72	144	155	152	117	117	118	118
Rents	1	1	2	1	1	1	1	1	1
Insurance	17	16	25	15	15	15	15	15	15
Mains Maintenance	88	95	95	95	94	97	99	102	104
Contract Services	1,017	993	1,187	1,183	1,187	1,223	1,259	1,295	1,331
Supplies	134	130	171	171	161	166	171	175	179
Utilities	508	578	612	683	713	727	742	757	772
TOTAL EXPENSES	5,564	5,867	7,014	6,683	7,307	7,436	7,393	7,571	7,751
NET INCOME (LOSS)	2,912	4,300	1,541	4,225	894	943	1,155	1,173	919
RETAINED EARNINGS:									
Beginning	15,542	18,455	21,707	22,756	26,980	27,874	28,817	29,972	31,144
Ending	<u>\$ 18,455</u>	<u>22,756</u>	<u>23,248</u>	<u>26,980</u>	<u>27,874</u>	<u>28,817</u>	<u>29,972</u>	<u>31,144</u>	<u>32,064</u>
Capital Outlay	\$ 555	994	6,567	5,941	3,758	3,421	1,654	1,060	930

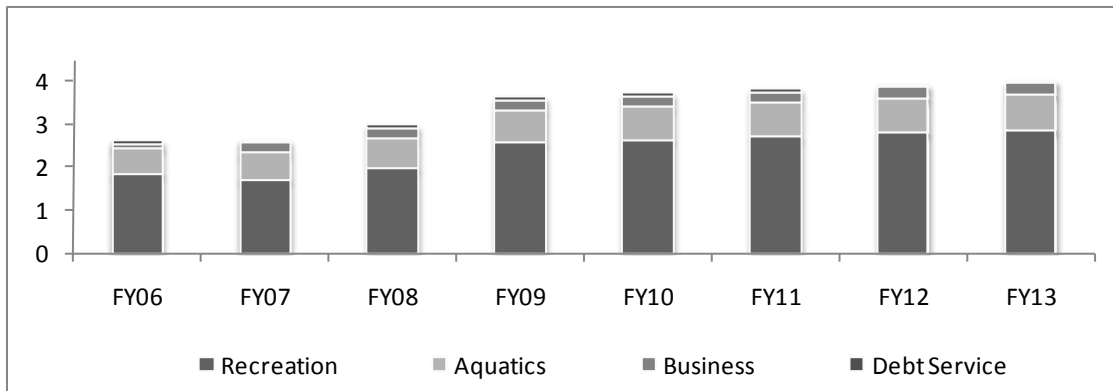
GERMANTOWN ATHLETIC CLUB REVENUES

\$ Millions



GERMANTOWN ATHLETIC CLUB EXPENDITURES

\$ Millions



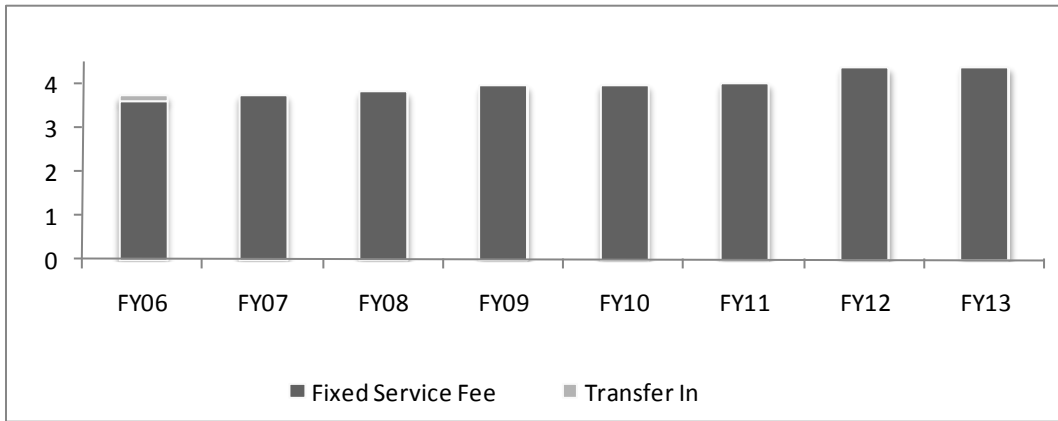
GERMANTOWN ATHLETIC CLUB FUND

BUDGET PROJECTION SUMMARY

(\$000)	Actual FY06	Actual FY07	Budget FY08	Estimate FY08	Budget FY09	Projected			
						FY10	FY11	FY12	FY13
REVENUES:									
Centre Revenue	\$ 1,825	1,795	2,177	1,745	2,937	3,739	3,744	3,748	3,742
Aquatics Revenue	186	162	175	91	159	159	159	159	159
Business Revenue	164	133	5	115	120	-	-	-	-
Concession Revenue	46	25	40	2	5	5	5	5	5
Transfer In	37	860	1,000	1,025	800	500	-	-	-
TOTAL REVENUE	2,257	2,975	3,397	2,978	4,021	4,403	3,907	3,912	3,906
EXPENSES:									
Allocations	43	41	49	136	207	210	211	213	215
Communication	5	4	8	4	8	8	8	8	8
Debt Service	100	57	89	86	80	74	68	62	56
Other Maint.	60	102	219	205	283	284	303	322	330
Personnel	1,149	1,078	1,438	1,230	1,490	1,549	1,612	1,680	1,750
Professional Fees	372	464	454	398	405	405	405	409	409
Rents	3	3	7	3	149	149	152	156	160
Insurance	1	5	7	3	4	4	4	4	4
Supplies	111	82	97	116	113	114	117	119	122
Depreciation	483	472	489	489	556	581	581	581	581
Utilities	317	319	338	318	342	349	356	363	370
TOTAL EXPENSES	2,644	2,627	3,193	2,988	3,637	3,726	3,817	3,917	4,005
EXCESS (DEFICIT)	(388)	348	205	(10)	384	677	90	(6)	(100)
RETAINED EARNINGS:									
Beginning	1,010	622	515	971	961	1,344	2,021	2,112	2,106
Ending	<u>\$ 622</u>	<u>971</u>	<u>720</u>	<u>961</u>	<u>1,344</u>	<u>2,021</u>	<u>2,112</u>	<u>2,106</u>	<u>2,006</u>
Capital Outlay	\$ 29	-	75	10	800	500	-	-	-

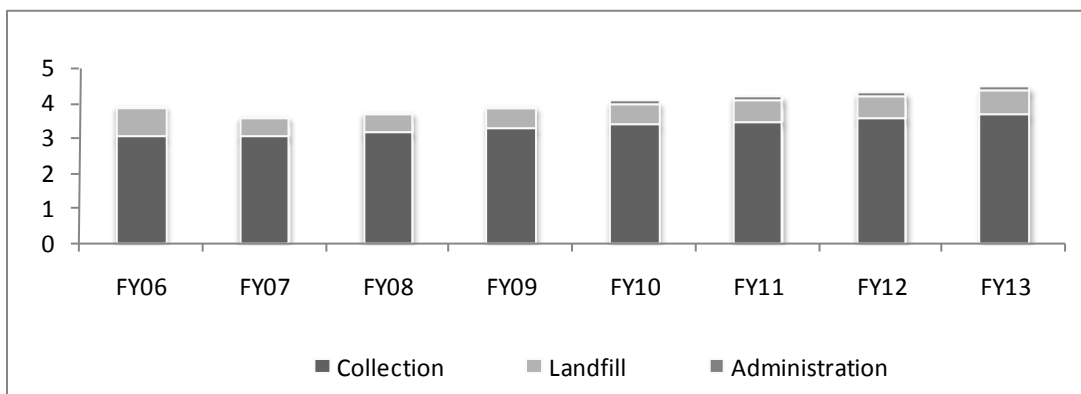
SANITATION REVENUES

\$ MILLIONS



SANITATION EXPENDITURES

\$ MILLIONS



SANITATION FUND**BUDGET PROJECTION SUMMARY**

(\$000)	Actual FY06	Actual FY07	Budget FY08	Estimate FY08	Budget FY09	Projected			
						FY10	FY11	FY12	FY13
REVENUES:									
Fixed Service Fee	\$ 3,574	3,696	3,715	3,758	3,911	3,933	3,955	4,303	4,326
Other Revenues	48	57	49	61	46	48	57	61	56
Transfer In	130	-	-	-	-	-	-	-	-
TOTAL REVENUES	3,752	3,754	3,764	3,820	3,957	3,981	4,012	4,364	4,382
EXPENSES BY CATEGORY:									
Communication	5	2	6	6	11	6	28	7	28
Personnel	-	34	52	40	50	52	55	57	60
Prof. Fees	-	-	-	-	-	10	-	-	-
Supplies	3	21	23	22	33	25	32	32	32
Depreciation	4	-	-	-	-	-	-	-	-
Contract Services	3,887	3,548	3,611	3,659	3,808	3,943	4,074	4,189	4,321
Utilities	2	1	1	1	1	1	1	1	2
TOTAL EXPENSES	3,901	3,607	3,693	3,728	3,903	4,038	4,190	4,286	4,442
EXCESS (DEFICIT)	(149)	147	71	91	54	(57)	(177)	78	(60)
RETAINED EARNINGS:									
Beginning	227	78	39	224	316	370	312	135	213
Ending	\$ 78	224	109	316	370	312	135	213	153

SPECIAL REVENUE FUNDS

BUDGET PROJECTION SUMMARY

(\$000)

STATE STREET AID

	Actual FY06	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected			
						FY10	FY11	FY12	FY13
REVENUES:									
State Street Aid	\$ 1,206	1,154	1,287	1,187	1,195	1,200	1,210	1,225	1,300
Transfer In-Gen. Fund	800	950	800	1,300	1,120	1,000	1,000	1,000	1,000
Interest	32	27	30	48	18	22	40	47	37
TOTAL REVENUES	2,037	2,131	2,117	2,535	2,333	2,222	2,250	2,272	2,337
EXPENSES BY CATEGORY:									
Other Maintenance	26	52	50	50	60	60	60	60	60
Electricity & Gas	631	678	700	700	728	803	883	972	972
Str. Contract Maint.	1,151	1,741	1,141	1,148	1,191	1,200	1,200	1,200	1,200
City Str. Maint.	295	250	375	400	350	380	380	380	382
TOTAL EXPENSES	2,103	2,721	2,266	2,298	2,329	2,443	2,523	2,612	2,614
EXCESS (DEFICIT)	(66)	(590)	(149)	237	4	(221)	(273)	(339)	(277)
FUND BALANCE:									
Beginning of Year	1,463	1,397	1,429	807	1,044	1,047	827	553	214
Ending	<u>\$ 1,397</u>	<u>807</u>	<u>1,280</u>	<u>1,044</u>	<u>1,047</u>	<u>827</u>	<u>553</u>	<u>214</u>	<u>(63)</u>

(\$000)

AUTOMATED ENFORCEMENT

	Actual FY06	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected			
						FY10	FY11	FY12	FY13
REVENUES:									
Red Lights	\$ 415	435	605	496	550	550	550	550	550
Transfer In-Gen. Fund	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	415	435	605	496	550	550	550	550	550
EXPENSES BY CATEGORY:									
Personnel	68	90	283	279	285	297	310	323	338
Materials & Supplies	5	5	8	8	10	7	7	7	7
Rent	182	227	336	368	197	207	207	207	207
Other - Grants	15	15	20	20	23	23	23	23	23
Capital Outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	270	336	646	674	515	534	547	560	574
EXCESS (DEFICIT)	145	99	(41)	(178)	35	16	3	(10)	(24)
FUND BALANCE:									
Beginning of Year	163	309	190	407	229	263	279	283	273
Ending	<u>\$ 309</u>	<u>407</u>	<u>149</u>	<u>229</u>	<u>263</u>	<u>279</u>	<u>283</u>	<u>273</u>	<u>248</u>

SPECIAL REVENUE FUNDS

BUDGET PROJECTION SUMMARY

(\$000)

DRUG ASSET FORFEITURE FUND

	Actual FY06	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected			
						FY10	FY11	FY12	FY13
REVENUES:									
Drug Enforcement	\$ 223	598	249	249	215	215	215	215	215
Interest	0	0	-	-	-	-	-	-	-
TOTAL REVENUES	223	598	249	249	215	215	215	215	215
EXPENSES BY CATEGORY:									
Personnel	47	80	85	90	100	85	85	85	85
Communications	-	1	1	1	1	1	1	1	1
Professional Fees	-	6	24	24	24	24	24	24	24
Other Maintenance	-	-	5	5	5	5	5	5	5
Supplies	197	187	77	119	77	77	77	77	77
Utilities	-	1	5	3	5	5	5	5	5
Rents	-	0	1	1	1	1	1	1	1
TOTAL EXPENSES	244	275	197	242	213	197	197	197	197
EXCESS (DEFICIT)	(21)	323	52	7	2	18	18	18	18
FUND BALANCE:									
Beginning	180	159	180	482	489	490	508	526	544
Ending	\$ 159	482	232	489	490	508	526	544	561

(\$000)

PICKERING COMPLEX FUND

	Actual FY06	Actual FY07	Budget FY08	Estimate FY08	Budget FY09	Projected			
						FY10	FY11	FY12	FY13
REVENUES:									
Classes	\$ 33	21	29	27	27	27	27	27	27
Special Events	14	12	14	10	10	10	10	10	10
Rental	26	30	28	38	29	29	29	29	29
Transfer In-Gen. Fund	-	178	-	-	-	-	-	-	-
TOTAL REVENUES	74	240	71	74	65	65	65	65	65
EXPENSES BY CATEGORY:									
Allocations	2	2	3	2	3	3	3	3	3
Utilities	9	7	10	6	10	10	10	10	10
Capital Outlay	-	235	-	-	-	-	-	-	-
Professional Fees	27	22	29	30	28	28	28	28	28
Supplies	3	4	4	4	20	5	5	5	5
TOTAL EXPENSES	40	270	45	42	60	45	45	45	45
EXCESS (DEFICIT)	33	(30)	26	32	6	21	20	20	20
FUND BALANCE:									
Beginning	71	104	57	74	106	111	132	152	173
Ending	\$ 104	74	83	106	111	132	152	173	193

SPECIAL REVENUE FUNDS

BUDGET PROJECTION SUMMARY

RECREATION FUND

	Actual FY06	Actual FY07	Budget FY08	Estimate FY08	Budget FY09	Projected				
						FY10	FY11	FY12	FY13	
REVENUES:										
Basketball Fees	\$ 44	\$ 41	\$ 44	\$ 33	\$ 36	44	44	44	44	44
Softball Fees	25	20	35	29	36	35	35	35	35	35
Kickball Fees	-	-	2	1	3	2	2	2	2	2
Sports Camps	39	64	70	71	75	70	70	70	70	70
Tennis Classes	44	37	46	45	45	46	46	46	46	46
Basketball Sponsors	4	3	4	4	5	4	4	4	4	4
Volleyball Fees	10	8	-	-	-	-	-	-	-	-
Baseball Fees	-	8	14	15	24	14	14	14	14	14
Croquet	-	0	1	1	1	1	1	1	1	1
Community Education	-	17	35	41	43	35	35	35	35	35
TOTAL REVENUES	166	199	249	242	268	249	249	249	249	249
EXPENSES BY CATEGORY:										
Allocations	17	15	17	16	17	18	19	19	19	20
Professional Fees	96	130	174	181	182	182	182	182	182	182
Supplies	25	22	35	26	29	29	29	29	29	29
Capital Outlay	-	-	-	-	250	-	-	-	-	-
Rents	17	10	3	1	2	2	2	2	2	2
TOTAL EXPENSES	155	177	229	223	480	230	231	231	231	232
EXCESS (DEFICIT)	11	23	20	19	(212)	19	18	17	17	17
FUND BALANCE:										
Beginning	258	269	276	292	310	98	117	135	152	152
Ending	\$ 269	292	296	310	98	117	135	152	169	169

INTERNAL SERVICE FUNDS

BUDGET PROJECTION SUMMARY

(\$000)

FLEET SERVICES FUND

	Actual	Actual	Budget	Estimate	Budget	Projected			
	FY06	FY07	FY08	FY08	FY09	FY10	FY11	FY12	FY13
REVENUES:									
Transfers In	\$ 794	871	918	920	976	1,015	1,057	1,106	1,152
TOTAL REVENUES	794	871	918	920	976	1,015	1,057	1,106	1,152
EXPENSES BY CATEGORY:									
Allocations	9	11	11	10	11	11	12	12	13
Depreciation	19	31	21	29	33	37	42	52	57
Other Maintenance	142	181	177	181	194	199	204	209	214
Personnel	599	618	676	668	702	731	762	795	829
Communication	-	-	-	-	-	-	-	-	-
Rents	1	2	2	2	2	2	2	2	2
Supplies	15	20	20	20	24	25	25	26	26
Utilities	8	8	8	8	9	8	8	9	9
Vehicle Maint.	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	793	870	916	918	975	1,016	1,058	1,107	1,153
EXCESS (DEFICIT)	1	1	2	2	-	-	-	-	-
RETAINED EARNINGS:									
Beginning	22	23	23	24	26	26	26	26	26
Ending	23	24	25	26	26	26	26	26	26
Capital Outlay	\$ 134	2	-	16	20	60	22	62	-

(\$000)

ALLOCATED EXPENSES

	Actual	Actual	Budget	Estimate	Budget	Projected			
	FY06	FY07	FY08	FY08	FY09	FY10	FY11	FY12	FY13
REVENUES:									
Transfers In	\$ 614	609	730	647	717	757	784	812	841
TOTAL REVENUES	614	609	730	647	717	757	784	812	841
EXPENSES BY CATEGORY:									
Insurance	576	609	730	647	717	757	784	812	841
TOTAL EXPENSES	576	609	730	647	717	757	784	812	841
EXCESS (DEFICIT)	-	-	-	-	-	-	0	(0)	(0)
RETAINED EARNINGS:									
Beginning	-	-	-	-	-	-	-	0	(0)
Ending	\$ -	-	-	-	-	-	0	(0)	(0)

PENSION AND HEALTH FUND

BUDGET PROJECTION SUMMARY

(\$000)

PENSION FUND

	Actual	Actual	Budget	Estimate	Budget	Projected			
	FY06	FY07	FY08	FY08	FY09	FY10	FY11	FY12	FY13
PENSION REVENUES:									
Contributions	\$ 2,192	2,309	2,499	2,263	2,409	2,342	2,342	2,342	2,342
Fair Value Appreciation (Depreciation)	2,170	4,665	2,000	(2,589)	1,550	2,500	2,500	2,500	2,500
Interest	842	881	1,814	1,048	960	1,500	1,500	1,500	1,500
TOTAL REVENUES	5,204	7,855	6,313	722	4,919	6,342	6,342	6,342	6,342
PENSION EXPENSES:									
Trustee Fees	206	158	235	200	200	200	200	200	200
Benefits	1,025	1,153	1,222	1,300	1,400	1,500	1,600	1,700	1,800
TOTAL EXPENSES	1,230	1,311	1,457	1,500	1,600	1,700	1,800	1,900	2,000
EXCESS (DEFICIT)	3,973	6,545	4,856	(778)	3,319	4,642	4,542	4,442	4,342
FUND BALANCE:									
Beginning	28,961	32,934	28,210	39,479	38,701	42,020	46,662	51,204	55,646
Ending	\$ 32,934	39,479	33,066	38,701	42,020	46,662	51,204	55,646	59,988

(\$000)

HEALTH INSURANCE FUND

	Actual	Actual	Budget	Estimate	Budget	Projected			
	FY06	FY07	FY08	FY08	FY09	FY10	FY11	FY12	FY13
REVENUES:									
Contributions	\$ 2,960	\$ 2,626	\$ 3,740	\$ 3,696	\$ 3,771	4,345	4,825	5,317	5,864
Transfer In	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,960	2,626	3,740	3,696	3,771	4,345	4,825	5,317	5,864
HEALTH PLAN EXPENSES:									
Health Claims	2,731	3,227	3,471	3,606	3,444	3,704	4,007	4,369	4,770
Dental Claims	236	211	215	214	225	236	247	259	272
TOTAL EXPENSES	2,967	3,438	3,686	3,820	3,670	3,940	4,255	4,628	5,042
EXCESS (DEFICIT)	(7)	(812)	55	(124)	102	405	570	690	821
RETAINED EARNINGS:									
Beginning	1,628	1,621	1,817	809	685	787	1,191	1,761	2,451
Ending	\$ 1,621	809	1,872	685	787	1,191	1,761	2,451	3,273

OPEB FUND

BUDGET PROJECTION SUMMARY

(\$000)

OPEB FUND

	Actual	Actual	Budget	Estimate	Budget	Projected			
	FY06	FY07	FY08	FY08	FY09	FY10	FY11	FY12	FY13
OPEB REVENUES:									
Contributions	\$ -	-	1,203	1,711	1,200	1,200	1,200	1,200	1,200
Fair Value Appreciation	-	-	-	45	35	40	41	42	43
Interest	-	-	-	8	12	15	18	21	24
TOTAL REVENUES	-	-	1,203	1,764	1,247	1,255	1,259	1,263	1,267
OPEB EXPENSES:									
Trustee Fees	-	-	-	2	3	3	3	3	3
Benefits	-	-	300	905	300	300	300	300	300
TOTAL EXPENSES	-	-	300	907	303	303	303	303	303
EXCESS (DEFICIT)	-	-	903	857	944	952	956	960	964
FUND BALANCE:									
Beginning	-	-	-	-	857	1,801	2,753	3,709	4,669
Ending	\$ -	-	903	857	1,801	2,753	3,709	4,669	5,633

The following staffing schedule summarizes the employee component of the City. In each cost center section of the Budget, a Personnel Projection schedule lists five areas of personnel expense – exempt salaries, non-exempt wages, other compensation, fringe benefits and other personnel. Since the nature of these categories is generally common to all departments, these items will be described in this section.

Exempt Salaries and Non-Exempt Wages:

Exempt salaries and non-exempt wages include the payroll cost for full-time and part-time positions classified under each category. There is a four percent merit package in the FY09 Budget. Total personnel budget increased from FY08 by \$527,967.

Other Compensation:

Other compensation includes overtime wages, extra duty wages, housing allowance and per diem expenses. Overtime is generally self-explanatory. Extraordinary amounts and changes are described in certain cost center Budget Category Explanations. Extra duty wages account for the amounts paid to police and fire employees in lieu of holiday time off and for court appearances. Housing allowance has been discontinued, but is still paid to those who were grandfathered in before 1986. Per Diem covers city judges, prosecutors, Aldermen and the Mayor.

Fringe Benefits:

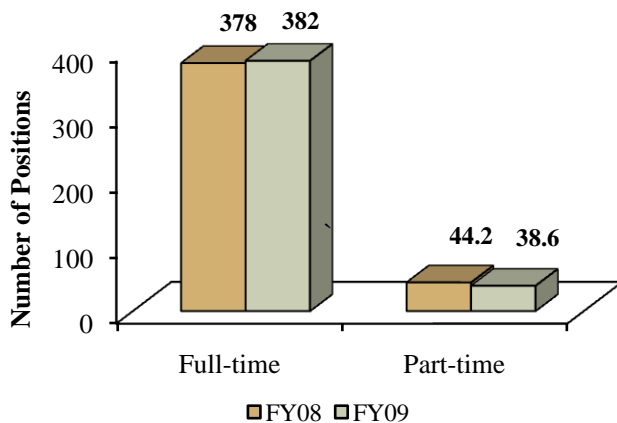
Fringe Benefits include the City’s cost for FICA, medical, dental, life, long-term disability, retirement, OPEB, and Workers’ Compensation insurance. FICA, set by the federal law, is 7.65% of salary. Increases in the City’s health benefit costs necessitate a rate adjustment in the FY09 Budget. The new per-employee annual contribution is \$8,477 for both health and dental.

To maintain a competitive compensation package, the City added retiree’s medical benefits several years ago and continues to improve the retirement plan. The City has implemented an IRS Section 125 Plan to pay employee costs of retirement and medical benefits with pre-tax dollars.

The City also provides life insurance of three times salary at a cost of 19¢ per month per \$1,000 of coverage. The City pays 42.5¢ per month per \$100 of salary for long-term disability benefits, which have remained the same for several years. There currently are two individuals drawing long-term disability benefits. Workers’ Compensation is through the TML Risk Management Pool and varies by department based on the Pool’s assessment of potential risks.

Other Personnel:

Other Personnel costs include education, staff functions, and unemployment. Employee education amounts and charges are described in the Budget Category Explanations in the various cost centers. Staff functions fund events such as employee holiday parties and awards programs. Unemployment funds payments to individuals receiving unemployment benefits.



The number of full-time and part-time positions in the FY09 Budget shows no change over the current fiscal year. The chart on the following page identifies the position changes; all associated with productivity improvement initiatives.

COMPARISON OF STAFFING

FY09 Budget

	FY07 Actual		FY08 Estimate		FY09 Budget		INC/ (DECR)	Incr/ (Decr) Cost
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time		
(Full Time Equivalents-Non-Exempt/Exempt Employees)								
GENERAL GOVERNMENT								
City Court*	5.0	0.0	5.0	0.3	6.0	0.3	1.0	\$ 27,000
Administration	9.0	1.5	9.0	1.5	9.0	1.5	0.0	
Human Resources	6.0	0.0	6.0	0.0	6.0	0.0	0.0	
Information Technology*	5.0	0.0	2.0	0.0	3.0	0.0	1.0	\$ 60,000
Financial Services*	15.0	2.5	16.0	0.0	15.0	0.5	-0.5	\$ (49,000)
Community Development*	27.0	0.0	27.0	0.0	26.0	0.0	-1.0	\$ (55,000)
GPAC*	8.0	4.2	10.0	4.5	9.0	4.5	-1.0	\$ 10,000
Research & Budget*	3.0	0.5	2.0	0.5	2.0	0.0	-0.5	\$ (33,370)
PUBLIC SAFETY								
Police	104.0	1.7	108.0	1.3	108.0	1.3	0.0	
Fire*	69.0	1.0	69.0	1.0	68.0	1.0	-1.0	\$ (64,500)
TRANSP. & ENVIRONMENT								
Public Services	29.0	0.0	29.0	0.0	29.0	0.0	0.0	
Fleet Services	11.0	0.0	10.0	0.0	10.0	0.0	0.0	
Animal Control	4.0	0.0	4.0	0.0	4.0	0.0	0.0	
COMMUNITY SERVICES								
Parks & Recreation*	37.0	3.1	33.0	3.1	31.0	4.1	-1.0	\$ (97,000)
Facility Services*	10.0	3.0	10.0	3.0	16.0	0.0	3.0	\$ 143,064
GERMANTOWN ATHLETIC CLUB								
Recreation*	14.0	15.5	8.0	15.5	10.0	11.9	-1.6	\$ 139,550
Aquatics	4.0	13.5	2.0	13.5	2.0	13.5	0.0	
Business	0.0	1.3	2.0	0.0	2.0	0.0	0.0	
UTILITIES								
Water	21.0	0.0	20.0	0.0	20.0	0.0	0.0	
Sewer	6.0	0.0	6.0	0.0	6.0	0.0	0.0	
TOTAL	387.0	47.8	378.0	44.2	382.0	38.6	-1.6	\$ 80,744

* Analysis of Increase/(Decrease):

City Court	Deputy Court Clerk	1.0
Information Technology	GIS Analyst	1.0
Finance	GIS Analyst	(1.0)
	P/T Secretary	0.5
Community Development	Assistant City Enigneer	1.0
	Engineer	(1.0)
	Project Adminsitrator	(1.0)
	Planner	(2.0)
	Economic Development Coordinator	1.0
	Land Use Planner	1.0
GPAC	GPAC Development Director	1.0
	Senior Building Service Worker	(2.0)
Research & Budget	P/T Analyst	(0.5)
Fire	Assistant Fire Marshall	(1.0)
Parks & Recreation	Maintenance Worker	(1.0)
	Park Ranger	(1.0)
	Temporary Park Rangers	1.0
Facility Services	Building Technical Maintenance Supervisor	1.0
	Crew Supervisor	1.0
	Building Service Worker	4.0
	Temporary Building Service Worker	(3.0)
Athletic Club Recreation	Athletic Club Director	1.0
	Facility Programming Coordinator	1.0
	Manager on Durty	2.0
	Custodial Worker	(3.1)
	Senior Building Service Worker	(1.0)
	Marketing & Membership Sales Coordinator	1.0
	Administrative Secretary	0.5
	Centre Services Assistant	(1.0)
	Crew Supervisor	(1.0)
	Centre Financial Specialist	(1.0)

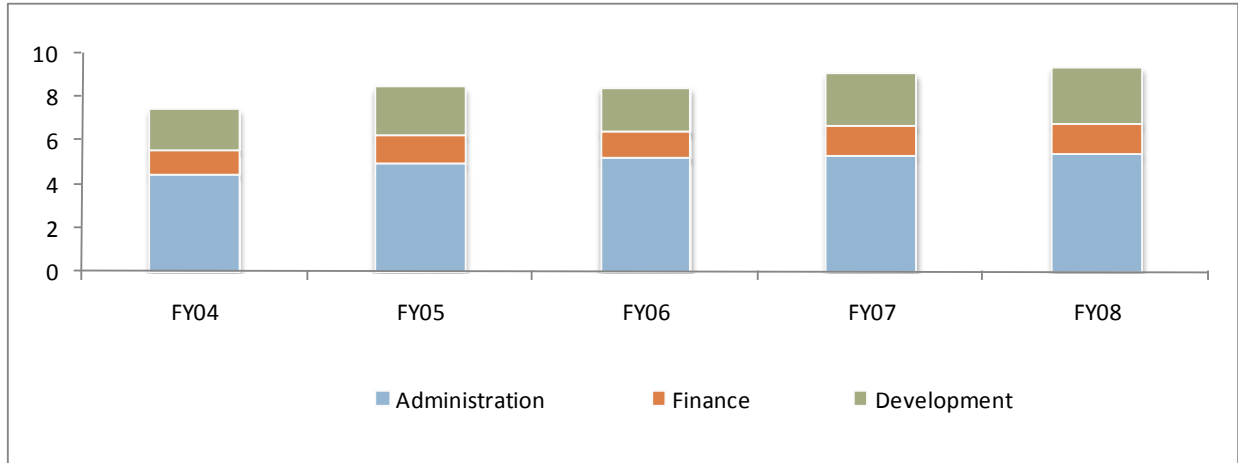


GENERAL GOVERNMENT FY09 BUDGET

The following section presents the operating budget for all General Government cost centers. Total operating expenditures for the three major categories within this classification are summarized below:

GENERAL GOVERNMENT EXPENDITURES

\$ MILLIONS



Category

**Cost Centers
Included**

Administration

Administration
Aldermen
City Court
Civic Support
Germantown Performing Arts Centre
Information Technology
Human Resources

Finance

Financial Services
Research and Budget

Development

Community Development



The legislative and policy making body of the City is the five Aldermen, elected for four-year overlapping terms. Their responsibility is representing the citizens of the community through the establishment of policies. These policies may take the form of resolutions or ordinances that establish the laws, proceedings and City service levels for the community. Compensation for their services is the major cost item in this activity. Also included are educational and meeting appropriations to provide for participation in the National League of Cities and the Tennessee Municipal League.

Mission: To represent all the citizens of Germantown; to legally, ethically and morally uphold the duties and responsibilities of the City of Germantown and to support the City’s charter.

Performance Measures:

City Objective: Great Public Education
 Objective: Foster an open relationship with public and private schools within Germantown

Measure: Recognition of Germantown Teachers and Students
 Target: Monthly award and recognition of “Teacher of the Month” and “Student of the Month”

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Teacher of the Month	9 of 9	9 of 9	9 of 9	9 of 9
Student of the Month	9 of 9	9 of 9	9 of 9	9 of 9

Strategic Budget Highlights	
FY08	FY09
\$500 Plaques for monthly recognition	\$500 Plaques for monthly recognition

City Objective: Actively Involved Citizens – Strong Community Partnerships
 Objective: Maximize Germantown’s strong citizen participation

Measure: Percent of Commission member’s attendance per quarter
 Target: 65% or greater

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent Member Attendance	81%	78%	76%	>65%

Strategic Budget Highlights	
FY08	FY09
\$11,000 Appreciation dinner for commission members	\$10,500 Appreciation dinner for commission members

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 54,949	69,238	69,301	13,090	18.89%	82,391
Communication	3,792	11,200	11,200	-	0.00%	11,200
Professional Fees	11,574	25,000	33,250	1,750	5.26%	35,000
Supplies	21,461	18,474	18,474	1,526	8.26%	20,000
TOTAL	\$ 91,776	123,912	132,225	16,366	12.38%	148,591

PERSONNEL PROJECTIONS

	<u>FY07 Actual</u>	<u>FY08 Estimate</u>	<u>FY09 Budget</u>
Other Compensation	5.0	30,309	45,000
Fringe Benefits		24,640	37,391
DEPARTMENT TOTAL	5.0	\$ 54,949	82,391

BUDGET CATEGORY EXPLANATIONS

Personnel \$ 82,391

This category includes funding for the per diem of the City’s five Aldermen and their related payroll expenditures. On January 1, 2009, the per diem will increase to \$1,000 for each Alderman per month as per Ordinance No. 2006-5. In addition, this classification provides funding for the Aldermen’s participation in the National League of Cities conference and other appropriate educational training programs.

Communication \$ 11,200

This category includes the Aldermen’s dues and subscriptions in the Tennessee Municipal League and the National League of Cities.

Professional Fees \$ 35,000

This category covers funding for lobbying services at the state level.

Supplies \$ 20,000

This category covers funding for the City’s Annual Commission Appreciation Reception, Volunteer Breakfast and supplies.

The Civic Support cost center accounts for all funds associated with projects or activities, which serve as an outreach to the community. Included in this cost center are the following organizations or programs - Germantown Chamber of Commerce, Germantown Arts Alliance, Germantown Community Television Foundation, City Beautification, Historic Commission, and Other Civic Support.

The purpose behind the creation of this cost center is to consolidate all grants to outside organizations into a specific cost center, thereby clearly communicating to the public the programs funded by the Board of Mayor and Aldermen (BMA) for civic support.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Grants	\$ 718,380	444,000	427,937	86,063	20.11%	514,000
TOTAL	\$ 718,380	444,000	427,937	86,063	20.11%	514,000

BUDGET CATEGORY EXPLANATIONS

<u>GRANTS</u>	<u>\$ 514,000</u>
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This category includes funds for budgeted for the following organizations:

Historic Commission	\$ 1,000
Chamber of Commerce	15,000
City Beautification Commission	23,000
Germantown Arts Alliance	40,000
Germantown Community Television Foundation	220,000
Germantown Education Foundation	100,000
Other Civic Support	90,000
TN Shakespeare Foundation	25,000



The Court Clerk’s Office creates and maintains all dockets and documents pertaining to Court; collects and accounts for all fines, costs, forfeitures, fees, bonds and taxes; reports and distributes funds to City, County and State agencies on a monthly basis; issues subpoenas and garnishments; documents warrants, jail sentencing logs and writs; transfers appeals and submits bindovers to the appropriate courts; schedules community service; maintains juvenile traffic school files; maintains the probation for juvenile offenders in the First Offenders Program and performs secretarial functions for prosecutors and judges.

Mission: Provide for the orderly, efficient and responsive disposition of all clerical and administrative matters for Municipal Court.

Performance Measures:

City Objective: Safest City in the Southeast
 Division Objective: Expedient action on failure to comply cases

Measure: The number of days to initiate failure to comply with court orders
 Target: 5 days or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Initiate Failure to Comply	100%, 3.3 day average	100%, 3 day average	100%, 1.25 day average	100%, 5 days or less

Strategic Budget Highlights	
FY08	FY09
\$3,000 Employee education for continued cross training	\$2,800 Employee education for continued cross training

City Objective: Preferred Place to Live
 Division Objective: Handle increasing caseloads with current personnel

Measure: The number of overtime hours divided by the number of cases per docket
 Target: Overtime factor of 10% or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Overtime Factor	3%	3%	2.75%	<10%

Strategic Budget Highlights	
FY08	FY09
\$5,000 for Court Intern	\$18,800 Day Court Session

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 344,968	361,332	379,428	58,979	15.54%	438,407
Communication	859	1,000	800	200	25.00%	1,000
Professional Fees	35,974	17,700	21,395	2,105	9.84%	23,500
Other Maintenance	-	100	100	-	0.00%	100
Supplies	3,603	4,800	4,800	2,500	52.08%	7,300
Rent	2,054	2,340	2,452	-	0.00%	2,452
Allocations	2,791	3,300	2,900	300	10.34%	3,200
Utilities	18,815	21,147	19,300	1,234	6.39%	20,534
TOTAL	\$ 409,064	411,719	431,175	65,318	15.15%	496,493

PERSONNEL PROJECTIONS

	<u>FY07 Actual</u>	<u>FY08 Estimate</u>	<u>FY09 Budget</u>
Exempt Salaries	1.0 \$ 43,625	1.0 45,551	1.0 47,607
Non-Exempt Wages	4.0 94,308	4.3 101,725	5.3 120,535
Other Compensation	6.0 120,690	6.0 116,783	6.0 144,040
Fringe Benefits		84,855	112,369
Other Personnel		1,490	3,000
DEPARTMENT TOTAL	5.0 \$ 344,968	5.3 379,428	6.3 438,407

BUDGET CATEGORY EXPLANATIONS

Personnel \$ 438,407

This category funds salaries, wages, and benefits for a court clerk, lead deputy court clerk and deputy court clerks. This category also includes necessary overtime. In addition, this category includes FICA, group insurance, retirement, OPEB, and workers' compensation.

Additionally, included in this category are per diem expenses for judges who alternate 76 court sessions and prosecutors working weekly Wednesday night court sessions and bi-weekly Thursday night sessions. Besides holding court, judges are available 24 hours a day to sign warrants, set bonds or preside over non-scheduled court hearings. Prosecutors, in addition to attending court, receive phone calls in their private law offices regarding court related matters and require time to prepare for trials. Per diems are budgeted as follows: city judges at \$1,500 per month each, the chief prosecutor at \$1,700 per month and assistant prosecutors at \$800 per month.

Communication**\$ 1,000**

This category funds the required current edition of the Tennessee Code Annotated, Tennessee Rules of Court and Attorney General Opinions. Codebooks and supplements are kept current in the court library. Also, a partial set of T.C.A. is kept in the prosecutors' office for court use on Wednesday and Thursday night sessions.

Professional Fees**\$ 23,500**

This category includes three major funding items: legal fees associated with appeal cases; legal fees for unscheduled court sessions to handle the jail cases and fees for Spanish interpreting services.

Other Maintenance**\$ 100**

This category includes expenses associated with the annual maintenance necessary for equipment used in City Court.

Supplies**\$ 7,300**

This category covers the cost for necessary office supplies utilized by the court: printed forms, warrants, subpoenas, receipt books, binders, tapes, special file supplies, vouchers and other office supplies. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent**\$ 2,452**

This category includes the rental costs for the division's copy machine. In addition, this line includes the cost of building rent for the storage of court documents.

Allocations**\$ 3,200**

This category includes City Court's portion of shared costs for insurance.

Utilities**\$ 20,534**

This category includes City Court's utility costs (electricity, gas, water, sewer and local and long distance telephone).



The Administration cost center represents the executive function of the City. The Mayor, as executive officer of the City, is responsible for the establishment and implementation of citywide policies. Legal services are provided to the City on a contractual basis through a part-time city attorney and part-time attorneys assigned to the Planning Commission, the Board of Zoning Appeals and the Design Review Commission.

Administration staff is provided for numerous citizen advisory groups including the Education Commission, Telecommunications Commission, Economic Development Commission, Senior Citizens' Advisory Commission, Library Commission, Sister City Foundation, Youth Commission and other special focus groups created during the year to assist the administration in clarifying policy initiatives for the Board of Mayor and Aldermen (BMA). Specific duties of each area within administration are as follows:

City Administrator

The City Administrator is responsible to the Mayor for the day-to-day administration of the City's departments: Administration, Community Development, Court, Public Services, Finance, Fire, Germantown Performing Arts Center, Library Services, Parks and Recreation, Personnel, Police, Research and Budget and the enterprise funds.

Assistant City Administrators

The Assistant City Administrators assist the City Administrator in the management of all City programs and activities, including the annual operating budget, boards and commissions, strategic planning, legislative issues, economic development, community and public services, and financial and general services.

City Clerk

The City Clerk publishes and distributes agendas and minutes for BMA meetings, routes information and decisions from the BMA meetings to appropriate individuals for action, processes requests for beer licenses, provides copies of public records upon request, posts required notices for public access, maintains City Ordinance Book and maintains records management policies. The city clerk is appointed by the BMA.

Marketing Communications Manager

The Marketing Communications Manager oversees internal and external communication and marketing initiatives for City government, develops, and monitors a strategic communications and marketing plan to support the City's mission, goals and objectives.

GPAC

See *Germantown Performing Arts Centre* in the General Government section of the budget.

GAC

See *Germantown Athletic Club* in the Community Services section of the budget.

Mission: To provide all departments with an environment of strategic, goal-oriented, citizen-responsive leadership based on the Board of Mayor and Aldermen Policy Agenda.

Areas of particular focus during FY09 include:

- ◆ Execution of Germantown Athletic Club marketing and customer service plan.
- ◆ Development of Public/Private Partnership Policy for projects developing in the Smart Growth Plan area.
- ◆ Smart Growth Infrastructure Assessment reports including traffic block plan, sanitary sewer, drainage and water.
- ◆ Negotiations and acquisition of the Ocean View property as a component of the Central Park Master Plan.
- ◆ Enhancing the City’s professional image by standardizing use of the City logos, letterheads, and other graphics and by enhancing the City’s bulletin board and web site.
- ◆ Maintaining legislative efforts related to TORT, labor and state-shared revenues.
- ◆ Ensuring timely implementation of the new City web site.

Performance Measures:

City Objective: Actively Involved Citizens – Strong Community Partnerships
 Department Objective: Foster an excellent working relationship with local businesses

Measure: Number of businesses visited by the Economic Development Commission
 Target: 70 businesses visited annually

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual Businesses Visited	45	64	26	70

Strategic Budget Highlights	
FY08	FY09
\$110,000 Business Planning Services	\$120,000 Business Planning Services

City Objective: Great Public Education
 Department Objective: Enhance educational opportunities within Germantown

Measure: Number of educational presentations/talks delivered
 Target: 6 presentations/talks per quarter

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual Presentations / Talks	24	22	30	24

Strategic Budget Highlights	
FY08	FY09
\$67,200 Public Relations	\$97,200 Public Relations

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 954,161	829,161	796,144	43,096	5.41%	839,240
Communication	80,264	128,200	126,041	(1,541)	-1.22%	124,500
Professional Fees	248,339	235,000	249,000	31,000	12.45%	280,000
Other Maintenance	85	100	3,503	1,475	42.11%	4,978
Supplies	22,421	13,400	15,859	2,371	14.95%	18,230
Rent	3,113	3,200	3,507	(307)	-8.75%	3,200
Allocations	42,664	50,308	43,013	10,744	24.98%	53,757
Utilities	31,797	29,025	49,875	7,175	14.39%	57,050
TOTAL	\$ 1,382,844	1,288,394	1,286,942	94,013	7.31%	1,380,955
Expense Reimbursement	\$ (63,183)	(47,542)	(47,542)	(910)	1.91%	(48,452)

PERSONNEL PROJECTIONS

	FY07 <u>Actual</u>		FY08 <u>Estimate</u>		FY09 <u>Budget</u>	
Exempt Salaries	6.0	\$ 617,269	6.0	456,782	6.0	471,172
Non-Exempt Wages	4.5	148,321	4.5	154,588	4.5	157,257
Other Compensation		22,170		19,600		30,575
Fringe Benefits		164,086		165,174		180,236
Other Personnel		2,315		-		-
DEPARTMENT TOTAL	10.5	\$ 954,161	10.5	796,144	10.5	839,240

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 839,240**

This category includes staffing funds for the city administrator, assistant city administrators, marketing communications manager, managed competition director, executive secretary, city clerk/recorder, senior receptionist, part-time public information officer, part-time secretary and interns. Ordinance number 2006-5 adjusted the Mayor's per diem effective January 1, 2009 from \$1,000 a month to \$2,000. Additionally, included is the monthly per diem for the city attorney and attorneys for the Planning Commission, Board of Zoning Appeals and the Design Review Commission.

Communication **\$124,500**

This category includes publication of public meeting and hearing notices, publication of the City's annual calendar, various City receptions, membership and meeting costs for professional organizations such as the International City Manager's Association and Tennessee City Manager's Association.

Professional Fees **\$ 280,000**

This category includes professional consulting related to team building, leadership training and legal services provided under contract by the city attorney. This category also includes the economic development marketing plan for the City, with focus on the high tech corridor.

Other Maintenance **\$4,978**

This category funds maintenance for office equipment including facsimile equipment, tape recorders, typewriters, copier and mobile radios used by the city administrator and assistant city administrators.

Supplies **\$ 18,230**

This category includes supplies to fund special requisitions through the department, as well as general office supplies. Examples include audiotapes, report printing and binding and the City newsletter.

Rent **\$ 3,200**

This category includes rental costs associated with the copy machine.

Allocations **\$ 53,757**

This category represents the department's portion of the shared cost of all funds, departments and cost centers including insurance and vehicle maintenance.

Utilities **\$ 57,050**

This category includes utility costs (electricity, gas, water, sewer and local and long distance telephone).

The Human Resources Department posts job openings, conducts interviews, processes new employees, develops and formalizes personnel policies, conducts new employee orientation, sets the strategy for employee development, administers payroll and benefits and provides employee relations management.

Specific duties of each area within the Human Resources Department are as follows:

Human Resources Director

The human resources director manages all functions of the department, which includes compensation, benefits, payroll and safety programming. The director also conducts employee recognition programs and social events such as the employee pancake breakfast and the employee holiday party; manages the United Way campaign and other charitable programs; conducts employee counseling and serves as the liaison for the Personnel Advisory Commission, which meets on an as-needed basis.

Personnel Technician

The personnel technician enters and maintains personnel data, salary updates and payroll data, posts and advertises positions and schedules interviews.

Payroll Technician

The payroll technician runs the weekly and biweekly payrolls and provides other clerical duties as needed.

Benefits Administrator

The benefits administrator administers benefits (retirement, medical insurance, dental insurance, and life insurance), tracks benefits costs and recommends changes when necessary.

Compensation Administrator

The compensation administrator ensures that the City's wages and benefits are competitive with market data by conducting research; including salary surveys, and makes recommendations for changes as necessary.

Safety Coordinator

The safety coordinator oversees the city-wide safety program to minimize risk and reduce the City's exposure, including planning, developing and maintaining safety policies, training programs and safety manuals to improve safety within the City's workforce. The position also administers all workers' compensation claims.

Mission: To design and administer programs that attract, retain, develop and motivate highly skilled employees who are committed to the accomplishment of City goals, and provide professional and safe working conditions for all City employees.

Performance Measures:

City Objective: Preferred Place to Live
 Department Objective: Track and minimize benefit costs

Measure: Percent variance of total medical costs compared to previous fiscal year.
 Target: 3% or less variance

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Benefit Cost Variance	11%	(1)%	2%	<3%

Strategic Budget Highlights	
FY08	FY09
\$15,000 Cafeteria Compensation Plan contract to administer the City's benefit plan.	\$15,000 Cafeteria Compensation Plan contract to administer the City's benefit plan.

City Objective: Safest City in the Southeast
 Department Objective: Minimize personnel accidents

Measure: Number of training seminars and meetings conducted per quarter
 Target: 3 seminars and/or meetings per quarter

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual Training Meetings	19	17	9	12

Strategic Budget Highlights	
FY08	FY09
\$5,000 In-house and outside employee training	\$5,000 In-house and outside employee training

HUMAN RESOURCES

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 496,866	540,439	544,746	10,780	1.98%	555,526
Communication	39,939	50,500	33,000	17,000	51.52%	50,000
Professional Fees	39,983	50,000	51,300	3,700	7.21%	55,000
Other Maintenance	85	500	300	200	66.67%	500
Supplies	14,243	12,000	2,875	3,125	108.70%	6,000
Rent	1,435	1,600	2,470	210	8.50%	2,680
Allocations	3,492	4,200	3,700	400	10.81%	4,100
Utilities	7,052	7,300	6,692	608	9.09%	7,300
TOTAL	\$ 603,095	666,539	645,083	36,023	5.58%	681,106
Expense Reimbursement	\$ (32,541)	(41,966)	(41,966)	1	0.00%	(41,965)

PERSONNEL PROJECTIONS

	<u>FY07 Actual</u>		<u>FY08 Estimate</u>		<u>FY09 Budget</u>	
Exempt Salaries	4.0	\$ 289,626	4.0	312,232	4.0	314,533
Non-Exempt Wages	2.0	78,549	2.0	72,216	2.0	74,734
Other Compensation		-		3,240		3,490
Fringe Benefits		96,061		135,958		139,769
Other Personnel		32,630		21,100		23,000
DEPARTMENT TOTAL	6.0	\$ 496,866	6.0	544,746	6.0	555,526

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 555,526**

This category includes sufficient funds to staff the following positions: human resources director, personnel technician, payroll technician, compensation administrator, benefits administrator and safety coordinator.

Communication **\$ 50,000**

This category funds the City's employee recognition program, subscriptions to International Personnel Manager's Association, Mid-South Compensation organization and the Bureau of National Affairs and training meetings and seminars held by professional organizations.

Professional Fees **\$ 55,000**

This category funds the cost of the employee fitness program, new employee physicals, Fire Department HazMat physicals and expenses from employee training, background checks and the Federal Privacy Act requirements.

Other Maintenance **\$ 500**

This category includes funds for the maintenance of the department's office equipment.

Supplies **\$ 6,000**

This category includes funds for specialized supply requisitions and materials.

Rent **\$ 2,680**

This category includes rental costs associated with one copy machine.

Allocations **\$ 4,100**

This category represents the Human Resources Department's portion of the shared cost of all funds and departments cost for insurance.

Utilities **\$ 7,300**

This category represents utility costs (electricity, gas, water, sewer and local and long distance telephone).

INFORMATION TECHNOLOGY

The Information Technology (IT) Division purchases, maintains, supports and enhances the City's computer and technology related systems, including hardware, software, operating systems, telephones, voice and radio communications equipment and the local and wide area networks. The staff provides Help Desk support and maintains the integrity of the computer systems. IT also serves as a technical consultant to the City. IT strives to integrate all of the City's information systems, thus establishing an enterprise-wide system. Standardizing and streamlining City processes results in reduced risks and costs. In addition, Geographical Information Systems (GIS) are provided for all city departments.

Mission: To provide employees and citizens with high-quality, cost-effective, timely and accurate information by maintaining and supporting the information technology systems used by City employees.

Performance Measures:

City Objective:	Preferred Place to Live
Division Objective:	Provide a reliable citywide information system
Measure:	The percent of system downtime monthly
Target:	One half of one percent (0.5%) monthly

	FY06	FY07	FY08	FY09
	Result	Result	Result	Target
System Downtime	0.34%	0.01%	.2%	0.5%

Strategic Budget Highlights	
FY08	FY09
Online Payment Services	\$40,000 Work Order System
\$128,800 Phone System Upgrade	\$18,000 AutoCad Software

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 388,592	371,069	218,611	(44,663)	-20.43%	173,948
Communication	1,287	3,150	1,299	1,701	130.95%	3,000
Professional Fees	50,678	78,100	115,600	187,400	162.11%	303,000
Other Maintenance	189,113	366,200	221,769	103,231	46.55%	325,000
Supplies	316,863	228,450	275,944	(155,944)	-56.51%	120,000
Rent	5,143	5,600	4,800	700	14.58%	5,500
Allocations	2,351	2,800	2,500	200	8.00%	2,700
Capital Outlay	-	132,200	364,431	(250,431)	-68.72%	114,000
Utilities	9,910	9,670	10,177	139	1.36%	10,316
TOTAL	\$ 963,937	1,197,239	1,215,131	(157,667)	-12.98%	1,057,464
Expense Reimbursement	\$ (23,176)	(46,545)	(46,545)	7,161	-15.39%	(39,384)

INFORMATION TECHNOLOGY

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	5.0	\$ 307,267	2.0	152,260	3.0	125,203
Non-Exempt Wages	0.0	-	0.0	-	0.0	-
Fringe Benefits		81,325		66,351		48,745
DEPARTMENT TOTAL	5.0	\$ 388,592	2.0	218,611	3.0	173,948

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 173,948**

This category includes salaries, benefits and education expenses for the network/communication analysts.

Communication **\$ 3,000**

This category includes publications and subscription costs for professional periodicals as well as funds for travel to local and national conferences and seminars.

Professional Fees **\$303,000**

This category includes software expenses, costs for outside vendor services, support trouble calls, annual and monthly fees, license fees, service and support fees, microfilm and expenses related to the purchase of the tax rolls from Shelby County.

Other Maintenance **\$ 325,000**

This category includes maintenance charges for all computer equipment, the microfilm camera and production of related equipment.

Supplies **\$ 120,000**

This category includes all continuous forms and microfilm. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent **\$ 5,500**

This category includes the annual expense for general government pagers.

Allocations**\$ 2,700**

This category includes the division's portion of the shared costs of all funds, departments and cost centers for insurance and vehicle maintenance.

Capital Outlay**\$ 114,000**

This category funds IRP projects, which include Police Toughbooks, Work-order system – Public Services, Autocad Civil 3D – Development, Work-order System – Facilities Management, and Pro Q & A New World - Police.

Utilities**\$ 10,316**

This category includes the division's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).



GERMANTOWN PERFORMING ARTS CENTRE

The Germantown Performing Arts Centre (GPAC) provides a variety of performing and visual arts. GPAC opened on November 19, 1994, with a gala concert by the blues singer Ray Charles. Since then, GPAC has provided the community with performers such as Itzhak Perlman, Yo-Yo Ma, the New York City Opera, the Boston Pops, Dave Brubeck and the Alvin Ailey American Dance Theatre. Additionally, GPAC provides a diverse popular series, offering entertainers such as Bob Newhart, Emmylou Harris and the Capital Steps. GPAC is also the home theater for The IRIS Chamber Orchestra.

Youth education is important in GPAC's mission and has several programs offering performing arts to youth. The *Peanut Butter & Jam* program consists of 20 classical music concerts for three to six-year-old children. The sessions are held on GPAC's main stage and introduce the children to string, woodwind and brass instruments as well as basic classical composition. GPAC also offers instruction at string classes servicing over 150 area students.

GPAC's Executive Director reports directly to the City Administrator. GPAC salaries and all other operating costs associated with the building, including debt service, are paid out of the General Fund. The artistic season at GPAC is the responsibility of the Germantown Performing Arts Centre Board. All ticket sales, sponsorships, grants and individual contributions support artist fees and ancillary costs such as marketing, public relations and accommodations.

Mission: To foster quality performances and educational opportunities; encourage artistic expression and establish lasting relationships between the community and all the arts.

Performance Measures:

City Objective:	Actively Involved Citizens – Strong Community Partnerships
Department Objective:	Promote community involvement in the performing arts
Measure:	The amount of donations received per quarter compared to the prior year's quarter
Target:	2% increase in donations over the prior year quarter

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Increase in Donations	.06%	(43)%	142%	2%

Strategic Budget Highlights	
FY08	FY09
Goal: \$282,474 in fundraising	Goal: \$325,000 in fundraising

GERMANTOWN PERFORMING ARTS CENTRE

City Objective: Great Public Education
 Department Objective: Introduce and foster music, dance and the performing arts to children

Measure: The number of educational programs offered each quarter
 Target: 5 educational programs per quarter

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual Educational Programs	26	8	6	20

Strategic Budget Highlights	
FY08	FY09
\$20,000 Staffing costs associated with programming	\$49,000 Staffing costs associated with programming

City Objective: Preferred Place to Live
 Department Objective: Provide diverse and superior quality performing arts programs

Measure: Percent of ticket sales the previous year
 Target: 5% or greater increase

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Ticket Sales Percent Increase	65%	37%	4.5%	5%

Strategic Budget Highlights	
FY08	FY09
\$449,969 Ticket sales \$95,849 Purchase of a new Steinway piano	\$406,644 Ticket sales

GERMANTOWN PERFORMING ARTS CENTRE

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 533,160	568,401	652,924	29,129	4.46%	682,053
Communication	13,642	11,000	14,000	(2,750)	-19.64%	11,250
Professional Fees	50,308	105,000	105,000	(105,000)	-100.00%	-
Insurance	-	4,500	13,000	(8,500)	-65.38%	4,500
Other Maintenance	10,099	14,560	16,561	(2,001)	-12.08%	14,560
Supplies	13,061	29,600	30,788	2,912	9.46%	33,700
Rent	1,240	3,400	4,395	(995)	-22.64%	3,400
Allocations	16,747	30,283	20,633	2,994	14.51%	23,627
Capital Outlay	20,606	-	9,587	(2,587)	-26.98%	7,000
Utilities	98,169	106,600	98,500	8,100	8.22%	106,600
TOTAL	\$ 757,032	873,344	965,388	(78,698)	-8.15%	886,690

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	5.0	\$ 232,961	5.0	310,599	6.0	320,527
Non-Exempt Wages	7.2	190,389	9.5	171,769	7.5	185,727
Other Compensation		3,921		7,630		7,935
Fringe Benefits		105,667		160,926		165,864
Other Personnel		222		2,000		2,000
DEPARTMENT TOTAL	12.2	\$ 533,160	14.5	652,924	13.5	682,053

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 682,053

This category contains sufficient funds to staff the department, including the executive director, facility supervisor, GPAC development director, marketing and public relations manager, box office manager, technical director, sales and scheduling specialist, education outreach coordinator, assistant technical director, box office assistants, and theatre technical assistants and part-time hourly positions, which will be hired as needed for box office and technical support.

GERMANTOWN PERFORMING ARTS CENTRE

Communications **\$ 11,250**

This category includes dues and subscriptions to professional journals and meetings.

Insurance **\$ 4,500**

This category includes the department's share of deductibles associated with workers' compensation claims, and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance **\$ 14,560**

This category includes funding for contracts, including the security system and elevator maintenance and other general building maintenance expenses.

Supplies **\$ 33,700**

This category includes program printing for presentations, general office supplies, theatre supplies, ticket stock and in-house publications. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent **\$ 3,400**

This category includes rental costs associated with the copy machine.

Allocations **\$ 23,627**

This category includes GPAC's portion of the shared costs for insurance.

Utilities **\$ 106,600**

This line item includes the department's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

Capital Outlay **\$ 7,000**

This category funds IRP projects, which include a monitoring system.

Finance Services includes three areas: Accounting and Budget, Purchasing Services, and Treasury. Financial Services manages all of the City’s fiscal affairs; supports the operating departments with accounting, financial reporting, and administrative services; manages all City investments; obtains debt financing for capital projects; collects taxes, utility billings and other revenues; administers contracts; provides centralized purchasing, financial reporting, courier services, insurance and risk management, inventory and capital asset control; and conducts internal auditing of procedures and operations.

Mission: To fiscally manage the financial affairs of the City through successful collection and disbursement of revenues and expenditures; to accurately record and report all financial transactions while maintaining superior standards; to uphold the laws and ordinances of the City and State; to establish sound financial, fiscal, and business policies and practices; and to maintain the triple-A credit ratings.

Performance Measures:

City Objective: Preferred Place to Live
 Department Objective: To provide superior customer service

Measure: Process and mail utility bills by the fourth business day of each week
 Target: 92% or greater of utility bills mailed on time

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
On Time Utility Bills	98%	98%	88%	>92%

Strategic Budget Highlights	
FY08	FY09
\$2,200 Binding Machine	\$5,000 in rental equipment for utility billing

City Objective: Preferred Place to Live
 Department Objective: Provide high quality internal customer service

Measure: Time required to process purchase orders
 Target: 3 days or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Days to Process Purchase Orders	4.04 days	3.69 days	2.19 days	<3days

Strategic Budget Highlights	
FY08	FY09
Competitive Sealed Proposal Ordinance	Full automation of purchasing and requisition

FINANCIAL SERVICES

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 893,942	1,106,258	1,063,241	8,027	0.75%	1,071,268
Communication	53,334	83,720	62,050	14,050	22.64%	76,100
Professional Fees	166,674	95,500	97,050	22,950	23.65%	120,000
Other Maintenance	885	1,500	500	-	0.00%	500
Supplies	44,439	57,300	75,230	(10,955)	-14.56%	64,275
Rent	5,478	5,250	6,040	40	0.66%	6,080
Allocations	31,026	36,119	25,881	3,697	14.28%	29,578
Utilities	22,594	22,950	23,060	600	2.60%	23,660
TOTAL	1,218,372	1,408,597	1,353,052	38,409	2.84%	1,391,461
Expense Reimbursement	\$ (160,344)	\$ (185,276)	\$ (185,276)	(9,352)	5.05%	(194,628)

PERSONNEL PROJECTIONS

	FY07 Actual	FY08 Estimate	FY09 Budget
Exempt Salaries	5.0	\$ 375,568	6.0
Non-Exempt Wages	10.50	315,575	10.0
Other Compensation		3,136	5,000
Fringe Benefits		196,914	295,709
Other Personnel		2,749	3,500
DEPARTMENT TOTAL	15.50	\$ 893,942	16.0
			1,063,241
			15.5
			1,071,268

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 1,071,268**

This category includes salaries, wages, and benefits for the finance director, treasurer, accounting manager, administrative assistant, purchasing officer, purchasing specialists, accounting supervisor, senior accounting clerks, clerk/courier, general clerks, part-time secretary and customer service clerk.

Communication **\$ 76,100**

This category covers the expenses of the City's postage expense, with the exception of cultural arts and utilities. Additionally, dues for professional organizations and subscriptions to various publications and publications of legal notices for bids are in this category.

Professional Fees **\$120,000**

This category includes contract services for temporary word processing and other clerical personnel on an as needed basis. \$57,000 is budgeted for the first year of a multi-year contract for the City's audit engagement and CAFR preparation. In addition, this category includes the City's portion of the continuous cycle reappraisal cost, as well as the Smart Growth Fiscal Impact Analysis. This category also includes funds for the monthly consultation on debt financing, under a retainer agreement with the City's financial advisor, Public Financial Management, Inc.

Other Maintenance **\$ 500**

This category funds copier maintenance and other smaller office machines. Computer, telephone and related equipment maintenance is accounted for in the *Information Technology* cost center.

Supplies **\$ 64,275**

This category covers the expense for all the City's general office supplies. Only specialized forms and document printing are charged to other departments. Additionally, special mailings and printing are charged to other departments. Also included in this category are non-capital assets ranging in value between \$500 and \$4,999.

Rent **\$ 6,080**

This category includes rental payments for the postage meter and copy machines.

Allocations **\$ 29,578**

This category covers the Finance Department's portion of the shared insurance and vehicle maintenance costs.

Utilities **\$ 23,660**

This category includes the department's share of utility costs (electricity, gas, water, sewer and local and long distance telephone).



ALLOCATED EXPENSES

This cost center has been used in the past to distribute shared costs of telephone, gas and electric, radio maintenance, gasoline, and uniform expenses to all funds, departments and cost centers. However, beginning in FY93, all shared costs, except insurance, were budgeted and tracked by each fund, department and cost center. This decision to decentralize budgeting and control was made in order to establish more accountability at the departmental level. Department managers receive, on a monthly basis, actual expenses for all of the above items, allowing for more cost control and better management of important resource dollars.

Insurance will be the only shared cost that will remain in this cost center. Since insurance-related costs are bid out in one contract, it was unrealistic to allocate this one remaining cost to each fund, department, and cost center.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Allocations	\$ (609,055)	(730,400)	(646,500)	(70,900)	10.97%	(717,400)
Insurance	609,054	730,400	646,500	70,900	10.97%	717,400
TOTAL	<u><u>\$ (1)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

BUDGET HIGHLIGHTS

Insurance premiums were up 25% in FY03 from both market conditions and the City's loss records. After a thorough review, it was determined the City should accept higher deductibles and pay the cost of claims from deductibles directly in the operating departments. To budget for this, \$200,000 was moved from this cost center to operating departments. Insurance premiums will remain an allocation, as will vehicle maintenance and certain administrative cost centers.

BUDGET CATEGORY EXPLANATIONS

Allocations **(\$717,400)**

This category represents the allocation of the costs to individual funds, departments and cost centers; thus this cost center has a net cost of zero.

Insurance **\$ 717,400**

This category includes: property insurance coverage (\$313,400) that is on an All Risk form, vehicle insurance (\$56,800), casualty or liability coverage (\$242,200) designed to match minimum state tort limits, uninsured losses insurance (\$15,000) to pay the deductibles for vehicle maintenance and administration, liability deductible (\$15,000), and workers compensation deductible (\$75,000).



GENERAL DEBT SERVICE

The General Debt Service cost center accounts for the principal and interest payments on: \$9.8 million Series 1997 General Obligation bonds, \$5.6 million Series 2000 General Obligation bonds, \$7.8 million Series 2002 General Obligation bonds, \$9.7 million Series 2005 General Obligation bonds and \$5.6 million Series 2006 General Obligation bonds. The General Fund revenues of the City fund this cost center.

The long-range projections are based on the City's Long-Range Strategic Plan approved by the BMA in FY06 and include three projected future issues over the next five years totaling \$17.18 million. These projections include these issues: \$4.58 million in FY09, \$7.0 million in FY10 and \$5.6 million in FY12. The outstanding balance of General Obligation Debt at July 1, 2008 is \$21,935,000. During the year, principal of \$2,025,000 and interest of \$830,976 will be paid. The balance of existing debt remaining at June 30, 2008 will be \$19,910,000.

<u>Security</u>	<u>Balance 7/1/2008</u>	<u>Principal Payment</u>	<u>Balance 6/30/2009</u>	<u>Interest Expense</u>
Existing:				
Series 1997 Bonds	\$ 1,130,000	675,000	455,000	37,475
Series 2000 Bonds	1,070,000	350,000	720,000	50,480
Series 2002 Bonds	5,175,000	485,000	4,690,000	221,623
Series 2005 Bonds	9,280,000	230,000	9,050,000	310,198
Series 2006 Bonds	5,280,000	285,000	4,995,000	211,200
 Total FY08 Debt	 <u>\$ 21,935,000</u>	 <u>2,025,000</u>	 <u>19,910,000</u>	 <u>830,976</u>
	 Existing Principal	 Existing Interest	 Future Principal	 Future Interest
FY10	\$ 1,850,000	751,469	404,990	428,331
FY11	1,915,000	678,211	420,177	413,144
FY12	1,970,000	605,591	628,921	607,388
FY13	2,040,000	532,972	652,506	583,803
Thereafter	12,135,000	2,108,055	14,915,570	5,341,764
 Total Debt Service	 <u>\$ 19,910,000</u>	 <u>4,676,298</u>	 <u>17,022,164</u>	 <u>7,374,430</u>

GENERAL DEBT SERVICE

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY06</u>	<u>Budget FY07</u>	<u>Estimated FY07</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY08</u>
Debt Service	\$ 7,865,530	3,312,972	3,046,644	(166,418)	-5.46%	2,880,226
Agency Fees	1,363	1,000	1,613	(613)	-38.00%	1,000
TOTAL	<u><u>\$ 7,866,893</u></u>	<u><u>3,313,972</u></u>	<u><u>3,048,257</u></u>	<u><u>(167,031)</u></u>	<u><u>-5.48%</u></u>	<u><u>2,881,226</u></u>

BUDGET CATEGORY EXPLANATIONS

Debt Service

\$ 2,880,226

This category includes principal payments on the Series 1997 Bonds, the Series 2000 Bonds, the Series 2002 Bonds, the Series 2005 Bonds, and the Series 2006 Bonds. Utility debt service is accounted for in a separate cost center in the Utility Fund.

Agency Fees

\$ 1,000

This category covers fees paid to paying agents for the various bond issues.

The Community Development Department, comprised of the Planning Division, Engineering Division and the Neighborhood Services Division, provides professional and technical services in the fields of civil engineering, traffic engineering, planning, land use and control, zoning and subdivision regulations, ordinances, construction inspection of public improvements, floodplain management, sign ordinance administration, code enforcement, neighborhood information, public relations and oversight of the Sanitation Fund.

The Community Development Department provides staffing functions for the Planning Commission, Design Review Commission, Board of Zoning Appeals, Council of Neighborhood Associations (CONA), Telecommunications Commission, Youth Commission, Education Commission Economic Development Commission and the Environmental Commission.

Capital Division

The Capital Division develops and coordinates Capital Improvement Project (CIP) activities to promote consistency and unification of the City's capital projects, directs and oversees all capital projects including program design and coordination, and budget review and approval. The Capital Division also serves as principal liaison regarding CIP projects with City departments and executive staff.

Engineering Division

The Engineering Division provides all civil and traffic engineering services for the City, construction inspection for all infrastructure improvements, construction plan review for both public and private construction and mapping services.

Planning Division

The Planning Division provides all City services related to city planning and development, including current planning and long-range planning. Long-range planning services include land use planning, fiscal planning, fiscal analysis of developments, demographics, annexation and major road planning and ordinance amendments.

Neighborhood Services Division

The Neighborhood Services Division through Code Enforcement enforces City codes and ordinances including the fence, sign, zoning, nuisance, garbage and trash, street and sidewalk, dangerous conditions on premises, peddler ordinances and other City-related codes. Code Enforcement also receives, processes and issues permits for fences, signs, satellite dishes, ham radio towers, swimming pools and all accessory structures. Also, Code Enforcement administers the MLGW pad mounted landscape program, prepares new ordinances and/or amendments to existing ordinances and provides information to residential and commercial interests on all the listed ordinances.

The division, through the neighborhood coordinator, acts as the liaison between the City's government and citizens through various interactions with neighborhood associations, local media and other entities who seek information from and about Germantown. Also, through the community services coordinator this division oversees the City's contracts on Sanitation Services and Cable/Wireless Facilities. See *Sanitation* within the Sanitation section of this Budget.

COMMUNITY DEVELOPMENT

Mission: To provide residents a strategically planned, well-designed, well-constructed community and to provide an attractive community through public education and enforcement of the City’s various Codes and Ordinances.

Performance Measures:

City Objective: Enhanced Neighborhoods
 Department Objective: Provide prompt response to citizens

Measure: The number of complaints received and the percent addressed within 24 hours
 Target: 100%

	FY06	FY07	FY08	FY09
	Result	Result	Result	Result
Complaints Addressed	5,658 (93%)	3,892 (96%)	2,533 (96%)	(100%)

Strategic Budget Highlights	
FY08	FY09
Smart Growth Zoning and Code Adoption	\$23,000 Employee education, subscriptions and staff development to address complaints

City Objective: Enhanced Neighborhoods
 Department Objective: Provide timely departmental information

Measure: The number of building permits issued by type
 Target: Report and track

	FY06	FY07	FY08	FY09
	Result	Result	Result	Target
Residential Permits	96	92	72	Track and Report
Commercial Permits	1	6	7	Track and Report
Total Permits	97	98	79	Track and Report

Strategic Budget Highlights	
FY08	FY09
Advancing Phase II of Neighborhood Planning Initiative	\$50,000 NDPES

COMMUNITY DEVELOPMENT

City Objective: Preferred Place to Live
 Department Objective: Prompt response to citizen inquires and concerns

Measure: Percent of inquires and concerns resolved with the Mayor's Action Center
 Target: 80% resolution within 5 business days

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent Resolved	74%	86%	87%	80%

Strategic Budget Highlights	
FY08	FY09
88% Outcome amount of time from receipt of concern to initial field investigation by Code Compliance	New City Website

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 1,676,836	2,134,206	2,028,755	156,228	7.70%	2,184,983
Communication	17,684	30,702	23,881	(1,981)	-8.30%	21,900
Professional Fees	113,648	45,000	85,698	49,002	57.18%	134,700
Insurance	23,553	1,000	740	260	35.14%	1,000
Other Maintenance	32,133	50,500	49,705	(11,613)	-23.36%	38,092
Supplies	24,968	26,300	27,743	6,275	22.62%	34,018
Rent	24,500	22,000	25,323	4,327	17.09%	29,650
Allocations	45,683	52,075	48,192	4,876	10.12%	53,068
Capital Outlay	22,188	60,000	61,536	(33,536)	-54.50%	28,000
Utilities	43,610	43,375	42,443	977	2.30%	43,420
TOTAL	\$ 2,024,803	2,465,158	2,394,016	174,815	7.30%	2,568,831
Expense Reimbursement	\$ (221,544)	(261,395)	(261,395)	(63,356)	24.24%	(324,751)

COMMUNITY DEVELOPMENT

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	16.0	\$ 862,192	16.0	1,037,446	15.0	1,111,272
Non-Exempt Wages	11.0	446,713	11.0	428,181	11.0	449,882
Other Compensation		111		111		-
Fringe Benefits		365,220		561,001		622,829
Other Personnel		2,600		2,017		1,000
DEPARTMENT TOTAL	27.0	\$ 1,676,836	27.0	2,028,755	26.0	2,184,983

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 2,184,983

This category includes salaries, wages, and benefits for the community development director, division director – planning, city engineer, assistant city engineer, engineer, CIP manager, GIS manager, long range planner, chief planner, chief constructor inspector, economic development coordinator, land use planner, neighborhood services manager, neighborhood coordinator, community services coordinator, senior construction inspectors, construction inspector, administrative secretaries, GIS graphic technician, code compliance officers, and senior code compliance officer.

The personnel category also includes overtime wages for attendance of the administrative secretary and other non-supervisory personnel at Planning Commission, Design Review Commission, Board of Zoning Appeals meetings and employee education expenses.

Communication

\$ 21,900

This category is comprised of items that enhance the department’s efficiency and effectiveness through continual contact with current issues and techniques, including dues and subscriptions to professional engineering societies, meetings and training sessions at one national and one regional or local professional seminar and the publication of commission meetings as required by State law.

Professional Fees

\$ 134,700

This category consists of funds to cover appraisal fees associated with capital projects. In addition, this category consists of funds to cover engineering surveys, design and traffic studies that arise during the year, but cannot be handled in-house due to a backlog of work, time constraints or requirement of special skills. Also included are funds for special planning services or engineering services not allocated to specific capital improvements through the use of private consulting firms. Additionally, funds are provided for the National Pollution Discharge Elimination System program’s intergovernmental agreement with Shelby County.

Insurance **\$ 1,000**

This category includes the department's share of deductibles associated with workers' compensation claims, and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance **\$ 38,092**

This category funds the maintenance of equipment not covered by maintenance contracts, including personal computers, color monitors, printers, lettering machine and digital cameras. Also included in this amount is the sign replacement and maintenance budget, which includes upgrading traffic signals.

Supplies **\$ 34,018**

This category includes supplies unique to the department, (e.g. supplies for the printing of area maps and drawings and small tools for surveys and other projects). Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent **\$ 29,650**

This category includes rental costs associated with the department's copy machine, and color printer/copier.

Allocations **\$ 53,068**

This category covers insurance and vehicle maintenance costs allocated to the department for its portion of the City's shared expenses.

Capital Outlay **\$ 28,000**

This category covers IRP projects, which include the purchase of a Ford Explorer.

Utilities **\$ 43,420**

This category includes the department's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).



RESEARCH AND BUDGET

The Research and Budget Division centralizes the linkage of policy and resources. The Board of Mayor and Aldermen’s Policy Agenda sets the tone, guide and direction for policy development, policy decisions and resource allocation. The division allows that agenda to directly relate and flow to resource allocation through the tools of performance management and budget. The division also serves as a resource for city management by providing independent policy and procedure analysis. As changes occur at the state and local levels, analysis is performed to assess the impact on the City of Germantown.

Reporting to the Finance Director, the Research and Budget Division’s chief responsibility is developing, providing and monitoring the City’s annual operating and capital budget. The division is also responsible for performance measurement and reporting, the City’s line item document, monthly and quarterly financial monitoring and reporting, fiscal forecasting and planning, financial analysis reports on projects, Capital Improvements Program tracking/reporting, policy analysis on programs and policy changes in addition to grant research and monitoring, and designing and conducting annual community surveys. The division also assists on budgetary expenditures, debt issuance and other financial operation issues.

Mission: To provide stronger linkage and greater emphasis on fiscal and policy analysis in strengthening the City’s ability to plan for the future; to ensure the City’s continued fiscal health through financial analysis and forecasting; and to serve as a research resource for city management.

Performance Measures:

City Objective:	Preferred Place to Live
Division Objective:	Monitor and report the City’s fiscal status
Measure:	Distribution of monthly financial reports, including analysis and financial reports
Target:	100% distribution by the second week of each month

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Distribution by second week	100%	100%	100%	100%

Strategic Budget Highlights	
FY08	FY09
Field research of wellness services study	PAFR development

RESEARCH AND BUDGET

City Objective: Preferred Place to Live
 Division Objective: Timely response to request for information, research and policy/program analysis

Measure: Response to inquiries and completion of analytical requests
 Target: 100% of inquiries responded to within one day and produce analytical requests within schedule

	FY06	FY07	FY08	FY09
	Result	Result	Result	Target
Percent responded within schedule	100%	100%	100%	100%

Strategic Budget Highlights	
FY08	FY09
Completion of community-wide survey of the Germantown Athletic Club	Incorporation of Budget Plans in FY10 Budget Redesign the layout of FY10 Budget

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 243,386	227,789	196,366	(2,097)	-1.07%	194,269
Communication	1,143	5,300	5,300	1,400	26.42%	6,700
Supplies	13,007	15,250	15,250	(2,500)	-16.39%	12,750
Allocations	437	500	400	100	25.00%	500
Utilities	4,076	4,515	4,200	409	9.74%	4,609
TOTAL	<u>\$ 262,049</u>	<u>253,354</u>	<u>221,516</u>	<u>(2,688)</u>	<u>-1.21%</u>	<u>218,828</u>
Expense Reimbursement	\$ (13,750)	(15,809)	(15,809)	(468)	2.96%	(16,277)

RESEARCH AND BUDGET

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	3.0	\$ 184,752	2.0	137,821	2.0	140,912
Non-Exempt Wages	0.5	8,012	0.50	7,700	0.00	-
Other Compensation		-		-		-
Fringe Benefits		45,038		50,845		53,357
Other Personnel		-		-		-
DEPARTMENT TOTAL	3.50	\$ 237,802	2.50	196,366	2.00	194,269

BUDGET CATEGORY EXPLANATIONS

Personnel \$ 194,269

This category includes salaries, wages and benefits for research and budget analysts.

Communication \$ 6,700

This category is comprised of items that enhance the division's efficiency and effectiveness through continual contact with current issues and techniques including dues and subscriptions to professional publications, meetings and training sessions at national, regional and local professional seminars.

Supplies \$ 12,750

This category funds supplies unique to the division, including supplies for the printing of the City's financial documents.

Allocations \$ 500

This category contains the division's portion of the shared costs of all funds, departments, and cost centers, including insurance.

Utilities \$ 4,609

This category includes the division's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

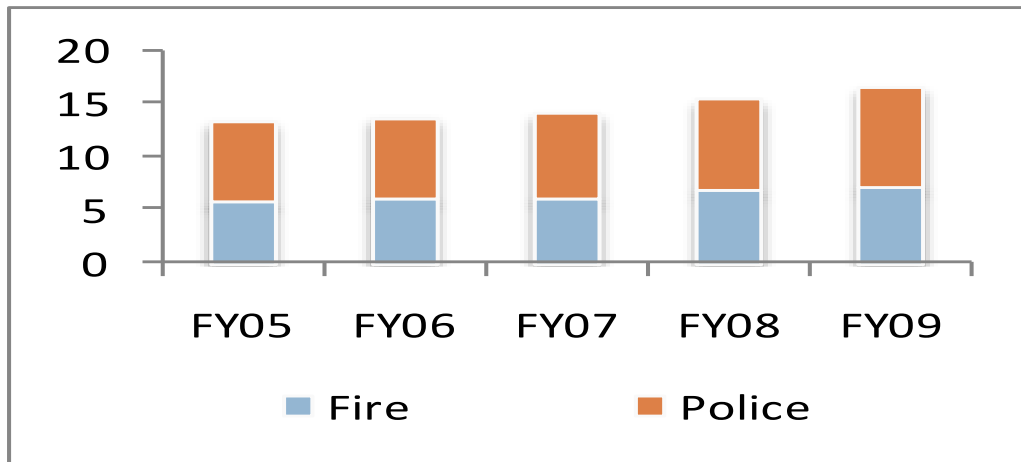


PUBLIC SAFETY FY09 BUDGET

The following section presents the operating budget for the Police and Fire Departments. Total operating expenditures for each department are summarized below:

PUBLIC SAFETY EXPENDITURES

\$ MILLIONS





The Germantown Police Department strives to achieve an atmosphere of Community Oriented Policing in all of its efforts. The adherence to a philosophy of Community Oriented Policing is evident in the *Key Services, Goals* and *Values* emphasized by the Germantown Police Department.

Key Services that the Germantown Police Department provides to our community

- Protect Life and Property
- Educate Citizens
- Prevent Unlawful Activities
- Respond to Calls for Service
- Support Safe Community Activities and Events

Goals of the Germantown Police Department

- Provide a Quality Workforce
- Establish a ‘High Performance Team’ Police Department
- Provide Customer Satisfaction
- Dedicate to Total Commitment to Community Policing
- Remain One of the Safest Cities in the Mid-South

Values of the Germantown Police Department are revealed by the acronym *PRIDE*

- P** – Performance
- R** – Responsibility
- I** – Integrity
- D** – Dedication
- E** – Empathy

The following are the specific divisions within the Germantown Police Department.

Administrative Division

The Administrative Division sets department strategy, prepares and manages the budget and performs other administrative functions, including performance measurement and statistical reports. The Administrative Division is also responsible for community relations programs; State and Federal grant acquisition and policy and procedure updates. Additionally, within the Administrative Division is the training unit. This work unit coordinates the departmental training programs including on going, in-house training, annual in-service training and specialized or advanced training. The Administrative Division coordinates the Reserve Officer program, in which reserve officers assist in providing traffic control and security for numerous special events, such as the Germantown Charity Horse Show, the Mayor’s Cup 5K, the Memphis Mid-South Race for the Cure and the Germantown Festival.

The Communications Center and the City Jail are both part of the Administrative Division. The Communications Center dispatches all police, fire and EMS calls; monitors radio transmissions on the police and fire radios; serves as the 911 public safety answering point for Germantown; answers Fire Department and Public Services non-business hours calls; answers administrative phone lines during non-business hours and maintains Municipal Center security. The Communication Center also serves as the distribution and collection point for vacation requests, complaints and work orders. Also, included in the Communication Center are jailers, which are responsible for processing prisoners, maintaining jail records and ensuring prisoner security and safety.

Uniform Patrol Division

The Uniform Patrol Division is responsible for the 24-hour, 7 day a week patrols of the City and is the largest division within the Police Department. Officers within this division respond to calls for service and conduct preventative patrols in order to protect life and property, and to detect unlawful activity. Officers that work the patrol shifts are assigned to patrol the five Districts within the City. District officers are encouraged to participate in functions within their assigned District such as Neighborhood Watch programs. Officers within this division also assist other divisions within the department with special events, departmental tours and group presentations (educating citizens on safety).

Officers assigned to the Uniform Patrol Division must have the ability to secure crime scenes, administer first aid, arbitrate disputes, conduct preliminary and follow-up investigations, gather evidence, obtain witness statements, apprehend suspects, make arrests and transport prisoners. Officers are also expected to give advice and general information in response to inquiries from the public. Officers may also be called upon to testify as a witness in court in connection with written citations, arrests and investigations.

In order to complete their assigned tasks, officers attend periodic training classes in police methods, first aid, firearms and related subjects. During 2008, officers of the Uniform Patrol Division received an average of 94.5 hours in specialized training in a variety of areas including firearms, defensive tactics and weapons, crisis intervention (CIT), crime scene processing, legal updates, officer safety and survival skills and interpersonal communication skills.

Investigations Division

The Criminal Investigations Division is primarily responsible for conducting follow-up investigations of all criminal incidents reported to the Germantown Police Department. Detectives identify and apprehend offenders; recover, identify, and preserve property and evidence; prepare assigned cases for prosecution in court and present cases to the State and Federal Grand Jury. The detectives maintain intelligence files on crimes occurring in the city. The Investigations Division works in conjunction with other local, state and federal agencies on various cases and provides a detective on the Memphis D.E.A. Task Force. Additionally, the Germantown Drug Unit consists of one lieutenant and two additional detectives working to combat illegal drug activity in the area. Also, the Investigations Division oversees Germantown Youth Services, in conjunction with the Memphis-Shelby County Juvenile Court. Further, the Investigations Division has member representatives on the F.B.I. Joint Terrorism Task Force, local Gang Task Force, Memphis Area Fraud Investigators Association and Local Agency Monthly Meeting group, which networks all investigating agencies in Shelby County and the adjoining areas. The Investigations Division has implemented the Police Alert Network, which is a group e-mailing of current crime activity and crime prevention tips sent to the citizens and businesses of Germantown.

Mission: The mission of the Germantown Police Department is to maintain a peaceful and orderly environment that ensures the protection of life and property through equitable enforcement of laws, rapid response and community education.

Performance Measures:

City Objective: Safest City in the Southeast
 Department Objective: Educate citizens about how they can help prevent crime

Measure: Number of prevention talks presented yearly
 Target: 350 prevention talks per year

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual Prevention Talks	597	325	112	350

Strategic Budget Highlights	
FY08	FY09
\$13,000 Mobile video cameras	\$40,000 AFIS Live scan fingerprint workstation

City Objective: Safest City in the Southeast
 Department Objective: Timely response to service calls

Measure: Average response time to emergency calls
 (i.e. accident with injury, domestic disturbance, robbery, shots fired and fights)
 Target: 3 minutes or less

City Objective: Safest City in the Southeast
 Department Objective: Timely response to service calls

Measure: Average response time to non-emergency calls
 (i.e. abandoned vehicle, parking violator, noise complaint, annoying phone calls and vandalism)
 Target: 5 minutes or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Non-Emergency Average	4:36	5:00	4:00	< 5:00
Emergency Average	3:25	5:01	3:00	< 3:00

Strategic Budget Highlights	
FY08	FY09
\$148,000 Replacement fleet vehicles (10)	\$164,000 Replacement fleet vehicles (6)

POLICE DEPARTMENT

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 6,624,528	7,850,599	7,390,066	731,026	9.89%	8,121,092
Communication	22,732	29,900	29,900	(266)	-0.89%	29,634
Professional Fees	1,610	3,500	2,400	1,100	45.83%	3,500
Insurance	27,227	50,000	50,000	(15,000)	-30.00%	35,000
Other Maintenance	1,784	7,500	4,000	3,500	87.50%	7,500
Supplies	411,693	390,725	400,100	32,840	8.21%	432,940
Rent	7,098	6,400	6,498	2	0.03%	6,500
Allocations	351,555	386,745	372,308	36,529	9.81%	408,837
Capital Outlay	425,477	161,000	161,000	82,000	50.93%	243,000
Utilities	97,500	107,680	100,680	9,147	9.09%	109,827
TOTAL	\$ 7,971,204	8,994,049	8,516,952	880,878	10.34%	9,397,830

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget
Exempt Salaries	11.0	\$ 683,552	11.0	750,794	11.0
Non-Exempt Wages	94.7	4,120,120	98.3	4,168,156	98.3
Other Compensation		262,273		271,619	305,598
Fringe Benefits		1,463,597		2,109,197	2,286,398
Other Personnel		81,108		90,300	92,300
DEPARTMENT TOTAL	105.7	\$ 6,610,650	109.3	7,390,066	109.3

BUDGET CATEGORY EXPLANATIONS

Personnel \$ 8,121,092

Salaries, wages, and benefits for the police chief, deputy chief, inspectors, captains, lieutenants, public safety dispatcher/jailer supervisors, police officers, public safety dispatcher/jailers, administrative secretaries, senior data entry clerk, police data technician, data entry clerk, a legal advisor, school crossing guards and part-time school safety officers are included in this line item.

The Personnel category also includes overtime wages for extra hours as required and off-duty officers' City level court appearances (two hours minimum); State level court appearances (three hours minimum); extra duty wages for 10 paid holidays for 97 police personnel who cannot be given the day off; housing allowance for officers living in Germantown or 5 miles from headquarters at \$1,200 per year; staff functions; FICA; group insurance; retirement; OPEB, workers' compensation; and employee education.

Communication \$ 29,634

Items that enhance the Police Department's efficiency and effectiveness through continual contact with current issues and techniques including dues and subscriptions to law enforcement bulletins, Tennessee Code Annotated books and their supplements, meetings and training sessions at Tennessee and national police conferences.

Professional Fees \$ 3,500

This category includes payments for legal and professional services.

Insurance \$ 35,000

This category includes the department's share of deductibles associated with workers' compensation claims, and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance \$ 7,500

This item covers maintenance costs for office equipment and the jail security system.

Supplies \$ 432,940

This category includes supplies the department requires to function on a daily basis, including printing report forms, traffic citations, daily activity reports, radio logs and other forms that had previously been available through the State. Also included are replacement uniforms and clothing for police personnel. Other required supplies include jail supplies (milk and meals for prisoners), training ammunition, cleaning supplies for the weapons, crime scene supplies, photo supplies, markings for vehicles, flashlight batteries, computer supplies and petroleum products. This line also includes funds to purchase moving radars for seven police vehicles.

Rent **\$ 6,500**

This item includes the lease of the Smith & Wesson Identi-kit used as an investigative tool. In addition, lease payments for the copy machine are also included in this category.

Allocations **\$ 408,837**

This line item contains the Police Department's portion of the shared costs of all funds, departments, and cost centers, including insurance and vehicle maintenance.

Capital Outlay **\$ 243,000**

This item includes the funding necessary to purchase police vehicles/related equipment, in-car video systems and an AFIS Livescan Fingerprint workstation.

Utilities **\$ 109,827**

This category includes the department's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

AUTOMATED ENFORCEMENT

The expenditures in this cost center accounts for the leasing of the automated enforcement equipment from Nestor Traffic Systems, Inc. Also included in the expenditures is funding for the Alive-At-25 and Driver Education programs.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 89,746	282,647	279,102	6,061	2.17%	285,163
Supplies	4,500	7,500	7,500	2,000	26.67%	9,500
Rent	226,896	336,000	367,892	(171,092)	-46.51%	196,800
Grants	15,000	20,000	20,000	3,000	15.00%	23,000
TOTAL	\$ 336,142	646,147	674,494	(160,031)	-23.73%	514,463

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 285,163**

This category includes 100% of one police officer and two school resource officers' personnel costs to administer the automated enforcement program.

Supplies **\$ 9,500**

This category includes the cost of office supplies for the program and a printer.

Rent **\$ 196,800**

This category includes the cost for leasing the automated enforcement equipment and maintenance of the system.

Grants **\$ 23,000**

This category includes grants to support the Alive-At-25 and Driver Education programs. Both of these programs were funded under the grants category within Civic Support prior to FY03.



DRUG ASSET FORFEITURE

The expenditures in this cost center account for the use of the City's drug-related fines and confiscation. State law requires these resources be used in drug law enforcement.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 79,711	85,000	90,000	10,000	11.11%	100,000
Communication	834	1,000	600	400	66.67%	1,000
Professional Fees	6,211	24,000	24,000	-	0.00%	24,000
Other Maintenance	-	5,000	5,000	-	0.00%	5,000
Supplies	186,869	76,500	119,111	(42,611)	-35.77%	76,500
Rent	76	750	750	-	0.00%	750
Utilities	1,303	5,000	3,000	2,000	66.67%	5,000
TOTAL	\$ 275,004	197,250	242,461	(30,211)	-12.46%	212,250

BUDGET CATEGORY EXPLANATIONS

Personnel

\$100,000

This category includes overtime for police officers assigned to drug enforcement and the employee education costs for those same officers.

Communication

\$ 1,000

This category includes funds to enhance the department's efficiency and effectiveness through continual contact with current issues and techniques, which includes dues and subscriptions to industry associations and magazines.

Professional Fees

\$ 24,000

This category includes the cost of providing High School Drug Tests.

Other Maintenance

\$ 5,000

This category covers maintenance costs for office equipment and the jail security system.

Supplies

\$ 76,500

This category includes expenditures associated with the Drug Fund dogs. This item also includes all Drug Fund expenditures associated with drug education, lab tests, the emergency storage facility and other supplies.

Rent

\$ 750

This category covers the cost of rental of cellular telephones and pages.

Utilities

\$ 5,000

This category includes the department's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

In addition to fire suppression, the 70 members of the Fire Department provide a wide variety of emergency and life-saving services for the protection of life and property.

Emergency Medical Services (EMS)

Includes basic and advanced life support to the ill and injured.

Special Operations and Rescue Techniques (SORT)

Unique and extraordinary rescue operations such as confined space rescue, swift water rescue and high angle rescue.

Hazardous Materials Response Unit (HazMat)

Control and mitigation of spills of dangerous and hazardous materials including home or business pesticide spills and spills arising from transportation accidents.

Public Fire Safety Education

Tours, talks, press releases and other activities to promote public awareness of fire safety; including visits to every grade K-6 child during Fire Prevention Week and a safety display at the annual Germantown Festival.

Fire Inspections and Investigations

Residential inspections, sprinkler system installation inspections, plan reviews, fire hydrant flow tests, community pre-fire planning, use and occupancy inspections and annual inspections of all commercial buildings. Cause and origin investigations of every fire and countywide arson task force participation.

Other Services

Emergency warning siren testing, maintenance and repair, assistance to Parks and Recreation Department with aerating lakes, mutual aid and automatic aid to the Shelby County and Collierville Fire Departments, mutual aid to the Bartlett Fire Department, close work with the Senior Citizens Advisory Commission and the Planning Commission Safety Sub-committee, and provision of the fire marshal as an ex-officio member of the Public Safety Education Commission.

Learning About Fire Safety (LAFS) Clown Troupe

The Germantown Fire Department's LAFS Clown Troupe provides an entertaining way to teach children about fire and life safety. The clowns use comedy to teach and entertain. The troupe is composed of members of the Department who are dedicated to reducing fire and injuries through education and prevention.

FIRE DEPARTMENT

Mission: To provide timely and effective response to fire and medical emergencies for the protection of lives and property in Germantown.

Performance Measures:

City Objective: Safest City in the Southeast
 Objective: Track and report benchmarking data to ensure superior fire suppression and emergency medical care

Measure: Track and report data quarterly
 Target: Information compiled and reported quarterly

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Emergency Medical Responses	1,442	1,629	1,640	Track
Structure Fire Responses	59	68	48	Track
Other Fire Responses	111	84	71	Track
All Other Responses *	1,070	1,009	937	Track
TOTAL Fire Department Responses	2,682	2,790	2,704	Track
Fire Inspections by Fire Marshal's Office	377	241	206	Track
Fire Inspections by "Company" Inspectors (Firefighters)	767	855	826	Track
Fire Code Violations	368	308	294	Track
Fire Code Violations Cleared in 90 Days	99.84%	100%	100%	100%
Response Time – Fire Responses	5:06	5:15	5:21	< 5:00
Response Time – EMS Responses	4:53	4:56	4:54	< 5:00
Response Time – All Responses	4:59	5:05	5:05	< 5:00
Fire Caused Determined (Percent)	88.35%	93%	79%	95%
Fire Loss (Dollar Value)	\$1,674,475	\$2,976,643	\$667,560	Track
Fire Loss per Capita	\$41.65	\$79.42	\$16.30	Track

* Includes hazardous conditions, good intent calls, assistance, false alarms and over pressurized container calls.

Strategic Budget Highlights	
FY08	FY09
\$39,000 Employee education and training	\$52,550 Employee education and training

FIRE DEPARTMENT

City Objective: Safest City in the Southeast
 Objective: Track and report data to monitor emergency medical transport services

Measure: Track and report data quarterly
 Target: Information compiled and reported quarterly

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Number of ambulance responses	1,424	1,591	1,644	Track
Average response time	9:53	9:50	5:45	< 9:00
Number of responses exceeding the contractual standard	255	286	235	Track
Average response time of calls exceeding the contractual standard	16:52	17:11	12:53	Track
Percent of responses exceeding the previous contractual standard	17.9%	18%	14%	< 8%
Percent of responses meeting the previous contractual standard	82.1%	82%	86%	> 92%

Strategic Budget Highlights	
FY08	FY09
\$330,140 Ambulance contract	\$430,112 Ambulance contract

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 5,323,212	5,894,880	5,789,634	146,645	2.53%	5,936,279
Communication	7,620	8,900	8,900	27,378	307.62%	36,278
Professional Fees	155,497	394,700	396,200	41,912	10.58%	438,112
Insurance	28,629	25,000	24,500	500	2.04%	25,000
Other Maintenance	36,780	39,000	43,601	6,839	15.69%	50,440
Supplies	253,691	189,400	242,735	9,447	3.89%	252,182
Rent	2,728	3,900	4,507	2,063	45.77%	6,570
Allocations	219,433	241,720	214,677	24,777	11.54%	239,454
Capital Outlay	105,005	60,000	135,131	22,869	16.92%	158,000
Utilities	111,760	85,600	92,710	12,622	13.61%	105,332
TOTAL	\$ 6,244,355	6,943,100	6,952,595	295,052	4.24%	7,247,647

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	9.0	\$ 700,859	9.0	723,276	8.0	687,250
Non-Exempt Wages	61.0	3,223,856	61.0	3,181,916	61.0	3,261,718
Other Compensation		213,548		297,538		301,814
Fringe Benefits		1,127,333		1,542,504		1,628,347
Other Personnel		45,856		44,400		57,150
DEPARTMENT TOTAL	70.0	\$ 5,311,452	70.0	5,789,634	69.0	5,936,279

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 5,936,279**

Salaries, wages and benefits for a fire chief, assistant fire chief, deputy fire chief, battalion chiefs, administrative secretaries, technical services/safety officer, EMS lieutenant, fire lieutenants, apparatus drivers, fire fighters, fire marshal, fire department instructor and reserve fire fighters. To maximize staffing, firefighters also serve a dual role as fire fighters and as paramedics.

Communication **\$36,278**

This category includes funds to enhance the department's efficiency and effectiveness through continual contact with current issues and techniques, which includes dues and subscriptions to industry associations and magazines.

Professional Fees **\$ 438,112**

Funds are included for Germantown's portion of the emergency transport ambulance service. Also included are fees to provide Hepatitis B vaccinations for new employees, medical coordinator fees and additional consulting fees.

Insurance **\$ 25,000**

This category includes the department's share of deductibles associated with workers' compensation claims, and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance **\$ 50,440**

Funds in this category are for the maintenance of office equipment, computer equipment, fire fighting and personal protection equipment, EMS equipment and the installation and removal of radio equipment from vehicles and apparatus.

Supplies **\$ 252,182**

This category includes supplies required for the daily operation of the department, including the printing of various forms and handout materials for public education programs. Also included are replacement uniforms and turnout clothing, chemical supplies for recharging fire extinguishers, EMS supplies, and small tools for fire fighting and fuel. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent **\$ 6,570**

This category includes rental fees associated with the department's copy machines.

Allocations **\$ 239,454**

Funds in this category are for the department's portion of shared insurance and vehicle maintenance costs.

Capital Outlay **\$158,000**

This item includes the funding necessary to purchase a Ford Crown Victoria, an emergency warning siren and a retrofit exhaust system.

Utilities **\$ 105,332**

This category includes the department's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

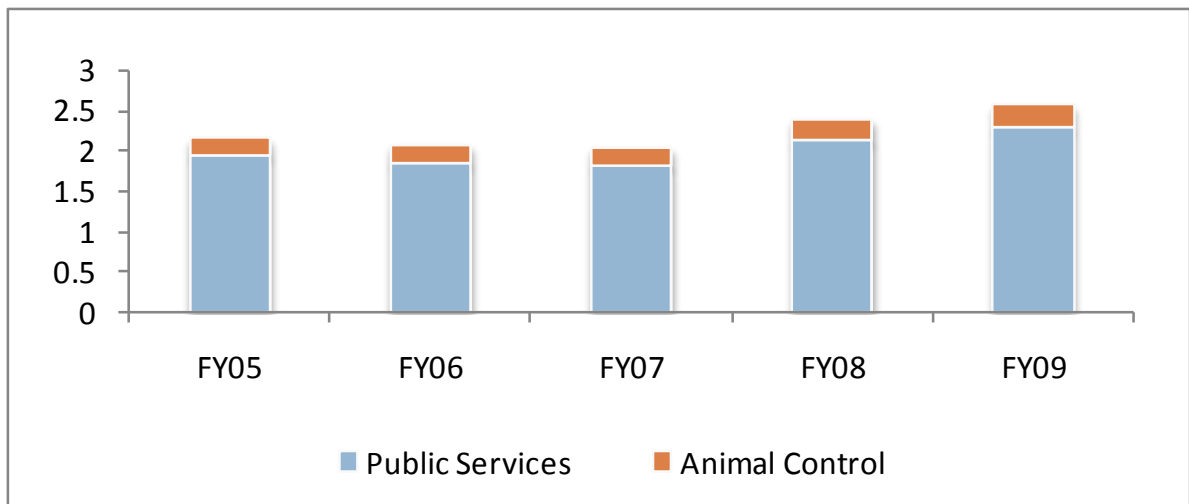


TRANSPORTATION AND ENVIRONMENT FY09 BUDGET

The following section presents the operating budget for all Transportation and Environment cost centers. Also presented in this section are the costs associated with the State Street Aid Fund and Fleet Services. Total operating expenditures for the two major fund categories within Transportation and Environment are summarized below:

TRANSPORTATION & ENVIRONMENT EXPENDITURES

\$ MILLIONS





The Public Services Department provides management oversight and administrative functions for the Utility Fund, State Street Aid, Animal Control and Street and Drainage Maintenance. Budgetary information for these areas can be found under separate headings within this budget document.

The State Street Aid Fund provides for maintenance and repairs of curbs and gutters, handicap access ramps, cross walks, more than 205 miles of roadways and seasonal maintenance and repair of 45 miles of concrete and earthen ditches. The Public Services Department also oversees for the Germantown Environmental Commission.

Mission: To provide the citizens with safe streets and functioning drainage infrastructure. This is accomplished through an efficient and effective maintenance program, an aggressive planning process and prudent fiscal management.

Performance Measures:

City Objective: Preferred Place to Live
 Department Objective: Superior customer service

Measure: Percent of non-emergency service requests responded to within 24 hours (i.e. potholes and cleaning of curbs and catch basins)
 Target: 95% or greater response rate within 24 hours

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent response	99%	97%	97%	97%

Strategic Budget Highlights	
FY08	FY09
\$8,500 Employee training	\$7,000 Employee training
\$56,000 New equipment and replacement vehicle	\$110,000 New equipment and replacement vehicle

PUBLIC SERVICES

City Objective: Preferred Place to Live
 Department Objective: Superior customer service

Measure: Percent of emergency service request responded to within one hour (i.e. collapsed roads or shoulders and clogged storm catch basins)

Target: 95% or greater response rate within one hour

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent response	100%	100%	98%	100%

Strategic Budget Highlights	
FY08	FY09
\$5,000 Equipment and tools	\$5,000 Equipment and tools
\$65,000 Drainage Maintenance	\$60,000 Drainage Maintenance
\$12,033 Budgeted overtime	\$10,000 Budgeted overtime

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 1,395,594	1,730,471	1,664,586	111,420	6.69%	1,776,006
Communication	5,225	6,500	6,500	(1,000)	-15.38%	5,500
Professional Fees	4,871	-	-	-	-	-
Insurance	18,280	15,000	8,585	1,415	16.48%	10,000
Other Maintenance	85,231	88,800	104,072	(14,072)	-13.52%	90,000
Supplies	81,743	95,000	86,200	8,737	10.14%	94,937
Rent	744	500	500	200	40.00%	700
Allocations	165,847	168,638	177,872	(5,997)	-3.37%	171,875
Capital Outlay	37,681	56,000	50,546	59,454	117.62%	110,000
Utilities	17,749	34,600	21,520	3,080	14.31%	24,600
TOTAL	\$ 1,812,965	2,195,509	2,120,381	163,237	7.70%	2,283,618
Expense Reimbursement	\$ (172,041)	(436,823)	(364,020)	(71,778)	19.72%	(435,798)

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	4.0	\$ 293,669	4.0	349,567	4.0	356,345
Non-Exempt Wages	25.0	741,039	25.0	763,014	25.0	829,640
Other Compensation		10,527		6,500		10,000
Fringe Benefits		348,400		543,505		578,521
Other Personnel		1,959		2,000		1,500
DEPARTMENT TOTAL	29.0	\$ 1,395,594	29.0	1,664,586	29.0	1,776,006

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 1,776,006

This category includes salaries, wages and benefits for non-exempt and exempt employees, which includes the director of public services, assistant director of administration, superintendent of public works operations and the assistant superintendent of public works operations. Also included in this category is overtime for non-exempt employees, which include crew supervisors, equipment operators, heavy equipment operators, senior maintenance workers, maintenance workers, maintenance technicians and an office support technician. Additionally, funds are budgeted to provide job-related educational enrichment for employees, attendance at seminars, monthly safety and job-related training seminars and the purchase of necessary manuals.

Communication

\$ 5,500

This category funds memberships and professional publications allowing staff to remain current with new and more efficient ways of day-to-day job performance.

Insurance

\$ 10,000

This category includes the department's share of deductibles associated with worker's compensation claims and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance

\$ 90,000

This category includes materials and supplies necessary to make drainage, structural repairs and general improvements, as well as repairs to tools and equipment such as air hammers, welding machines and sump pumps.

PUBLIC SERVICES

Supplies

\$ 94,937

This category funds the purchase of office supplies, small tools used in day-to-day operations of maintenance activities and uniform service for all employees. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent

\$ 700

This category funds the rental of equipment, which is not owned by the City and cannot be acquired through our mutual use agreement with other municipalities.

Allocations

\$ 171,875

This category covers the Public Services Department's share of insurance and vehicle maintenance costs.

Capital Outlay

\$110,000

This category funds IRP projects, which includes 2 Ford F-350 w/service body and Dodge Durango.

Utilities

\$ 24,600

This category includes the department's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

The Fleet Services Division provides vehicle maintenance to City vehicles and various types of equipment (trucks, automobiles, fire trucks and engines, construction and street repair equipment and vehicles, emergency generators, etc.). The Fleet Services Division also provides welding and fabrication services for all departments, warehouse management, fuel management and equipment maintenance and safety training.

Mission: To provide a fleet management program for the City of Germantown, this includes acquisition, maintenance, warehousing, safety and disposal of automobiles, trucks and equipment, plus supplies for fleet management.

Performance Measures:

City Objective: Safest City in the Southeast
 Department Objective: Maintain a safe, dependable and cost efficient city fleet

Measure: Percent of total repairs that are non-scheduled
 Target: 25% or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent non-scheduled repairs	14%	20%	20%	< 25%

Strategic Budget Highlights	
FY08	FY09
\$ 97,000 Scheduled preventative and routine maintenance of city vehicles and equipment	\$ 100,000 Scheduled preventative and routine maintenance of city vehicles and equipment

City Objective: Safest City in the Southeast
 Department Objective: Maintain a safe, dependable and cost efficient city fleet

Measure: Percent of preventative maintenance/repairs performed by an outside company
 Target: 3% or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent outside company	0.4%	0.6%	1.6%	< 3%

Strategic Budget Highlights	
FY08	FY09
\$ 62,500 Funds for outside maintenance of city vehicles and equipment	\$ 70,000 Funds for outside maintenance of city vehicles and equipment

FLEET SERVICES

City Objective: Safest City in the Southeast
 Department Objective: Maintain a safe, dependable and cost efficient city fleet

Measure: Percent of preventative maintenance/repairs performed in the field
 Target: 2% or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent in the field	1.1%	0.9%	1.9%	< 2%

Strategic Budget Highlights	
FY08	FY09
\$5,200 Vehicle rehabilitation	\$10,000 Vehicle rehabilitation
\$1,600 Employee training and certification	\$2,400 Employee training and certification

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 617,989	675,803	667,796	33,982	5.09%	701,777
Communication	1,120	1,200	1,100	500	45.45%	1,600
Other Maintenance	180,968	179,200	182,900	11,100	6.07%	194,000
Supplies	19,905	19,650	19,650	4,680	23.82%	24,330
Rent	1,547	2,000	2,000	-	0.00%	2,000
Allocations	(860,697)	(907,351)	(910,720)	(54,272)	5.96%	(964,992)
Depreciation	31,313	21,428	29,240	3,390	11.59%	32,630
Utilities	7,853	8,070	8,025	630	7.85%	8,655
TOTAL	\$ (2)	-	(9)	10	-103.94%	0
Capital Outlay	\$ 1,963	-	15,675	4,325	27.59%	20,000

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	2.0	\$ 119,653	2.0	117,859	2.0	126,058
Non-Exempt Wages	9.0	353,461	8.0	332,798	8.0	342,346
Other Compensation		311		281		520
Fringe Benefits		143,061		215,358		230,453
Other Personnel		1,503		1,500		2,400
DEPARTMENT TOTAL	11.0	\$ 617,989	10.0	667,796	10.0	701,777

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 701,777

This category includes the salaries, wages, and benefits for a superintendent of fleet services, chief automotive mechanic, warehouse supervisor, inventory control clerk, master mechanics, senior mechanics, and small engine/tire mechanic.

Communication

\$ 1,600

This category provides funds for staff to attend meetings and/or conferences, which allows staff to remain current with new and more efficient ways of day-to-day job performance.

Other Maintenance

\$ 194,000

This category provides replacement and repair parts for items, such as lawn mowers, pumps and other small maintenance equipment repaired in-house, as well as specialized repairs beyond the technical ability of the shop. Replacement tires, vehicular internal and external cosmetic repairs and upkeep and emergency lighting are also included in this category.

Supplies

\$ 24,330

This category funds the purchase of acetylene, oxygen, and cleaning solvents, oil absorbing material and other various chemicals used in the vehicle maintenance operation. Also included are the purchase of consumable goods, uniforms, small tools and petroleum products.

Rent

\$ 2,000

This category includes funding for the rental of a parts cleaning machine. Additionally, shop towel cleaning, oil filter disposal and pagers for the superintendent, chief mechanic and vehicle attendant are funded in this category.

Allocations**(\$ 964,992)**

This category represents the Fleet Services Division's portion of shared costs for services rendered, which allocated back to departments and divisions is based on their respective percentage of fleet costs.

Depreciation**\$ 32,630**

This category includes annual depreciated valuation of equipment used in daily operations.

Utilities**\$ 8,655**

This category includes the division's utility costs (electricity, gas, water, sewer and local and long distance telephone).

STATE STREET AID

The expenditures in this cost center account for the use of the City's share of state gasoline tax revenues. State law requires these resources be used only to maintain or improve streets.

Performance Measures:

City Objective: Enhanced Neighborhoods
 Objective: Excellent roadways for effective traffic flow

Measure: The percent of roadways scoring 70 or higher on the City's Street Evaluation Form
 Target: 75% of roadways scoring 70 or greater

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent street evaluation score	83%	79%	84%	>75%

Strategic Budget Highlights	
FY08	FY09
\$900,000 Street resurfacing. \$80,000 Asphalt rejuvenation project.	\$950,000 Street resurfacing. \$75,000 Asphalt rejuvenation project.

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Roads and Mains	\$ 2,043,023	1,565,000	1,598,172	2,558	0.16%	1,600,730
Utilities	678,001	700,000	700,000	28,000	4.00%	728,000
TOTAL	\$ 2,721,024	2,265,000	2,298,172	30,558	1.33%	2,328,730

BUDGET CATEGORY EXPLANATIONS

Roads & Mains **\$ 1,600,730**

This category includes expenditures for improving or maintaining city streets. It includes work done by City crews (\$350,000), contract street resurfacing (\$950,000), asphalt rejuvenation (\$75,000), contract street sweeping (\$165,730) and street striping (\$60,000).

Utilities **\$ 728,000**

This category funds electricity expenses for streetlights and traffic signals.



ANIMAL CONTROL

The Animal Control division represents funding necessary for the daily operations of the animal shelter, including maintenance, personnel costs for three animal control officers and an administrative secretary and supplies. Staff responsibilities include the daily maintenance of the shelter, response to daily service and emergency requests and enforcement of the City's animal control ordinances. Secondary activities include educational programs at local schools, coordination of the shelter volunteer program and assisting with the annual Running of the Weenies charity event.

Mission: To enforce the regulations in the Animal Control Ordinance, while educating and developing a cooperative relationship with Germantown citizens.

Performance Measures:

City Objective: Preferred Place to Live
 Division Objective: Superior customer service

Measure: Percent of service requests responded to within one hour
 Target: 95% or greater response rate to requests

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent response rate	94%	100%	91%	>95%

Strategic Budget Highlights	
FY08	FY09
Responded to 483 customer emergency and non-emergency call outs with minimal budget impact and no injuries.	Decrease in feral cat population by prompt response to seasonal demands and neighborhood association assistance.

City Objective: Great Public Education
 Division Objective: Provide educational awareness on responsible pet ownership

Measure: Number of presentations and tours given annually
 Target: 12 presentations and/or tours per year

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual presentations/tours	38	52	31	25

Strategic Budget Highlights	
FY08	FY09
215 Pet adoptions, 14% reduction in loose animal redemptions to owner; Zero increase from FY07 return adoptions	40% Increase in volunteer recruits, primarily teen students 30% Reduction in euthanasia cases Minimal increase in adoption fees

ANIMAL CONTROL

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 175,778	201,783	204,044	9,733	4.77%	213,777
Communication	70	405	405	15	3.70%	420
Professional Fees	4,793	4,800	4,800	-	0.00%	4,800
Supplies	22,933	32,200	31,935	4,365	13.67%	36,300
Rent	-	-	-	-	-	-
Allocations	8,242	9,310	9,566	476	4.98%	10,042
Utilities	10,213	11,900	10,800	1,600	14.81%	12,400
TOTAL	\$ 222,029	260,398	261,550	16,189	6.19%	277,739

PERSONNEL PROJECTIONS

	<u>FY07 Actual</u>		<u>FY08 Estimate</u>		<u>FY09 Budget</u>
Non-Exempt Wages	4.0	129,904	4.0	136,587	4.0 140,426
Other Compensation		142		100	500
Fringe Benefits		44,595		67,057	72,351
Other Personnel		1,137		300	500
DEPARTMENT TOTAL	4.0	\$ 175,778	4.0	204,044	4.0 213,777

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 213,777

This category contains funds to cover personnel costs for an animal control supervisor, senior animal control officers and an administrative secretary. Staff is non-exempt and receives overtime in addition to regular benefits. Also included is education, which includes attending local seminars and the Animal Control Academy.

Communication

\$ 420

Subscriptions to animal control related periodicals and annual membership.

ANIMAL CONTROL

Professional Fees **\$ 4,800**

This includes veterinary fees for 12 months and additional fees for extraordinary treatments.

Supplies **\$ 36,300**

This category provides funding for office and cleaning supplies, purchase of replacement uniforms, food that is used to feed animals impounded in the shelter and disposal fees for dead animals. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Allocations **\$10,042**

This category includes the Animal Control Division's portion of shared costs of all funds, including insurance and vehicle maintenance.

Utilities **\$ 12,400**

This category includes the Division's utility costs (electricity, gas, water, sewer and local telephone calls).

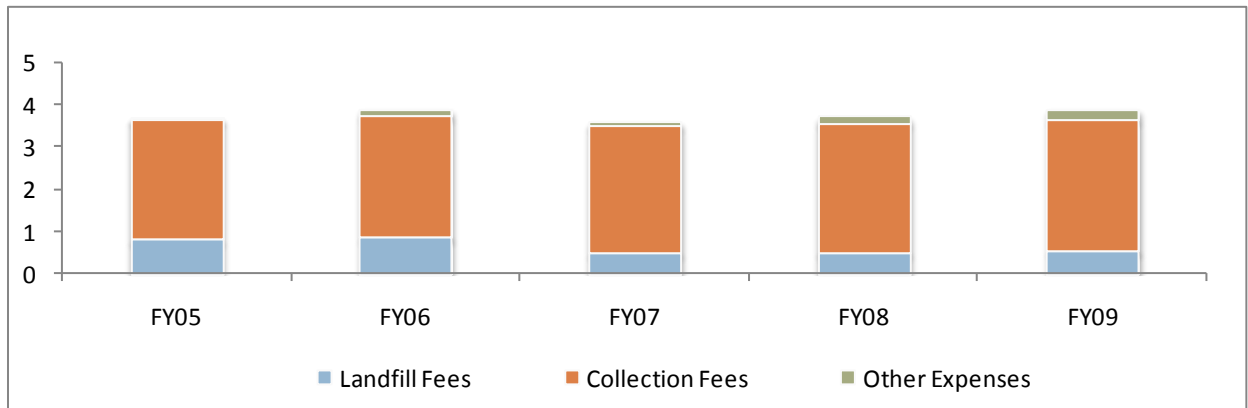


SANITATION FY09 BUDGET

The following section presents the operating budget for the Sanitation Fund. Total operating expenditures for the fund are summarized below.

SANITATION EXPENDITURES

\$ MILLIONS



The FY09 Sanitation Budget begins funding for the third year of a four-year contract with All Star Waste Systems, LLC. for residential garbage and recycling collection, and with Michael’s Tree & Loader Services, LLC. for yard waste collection. The cost of residential collection for FY09 is calculated at \$24.90 per single-family dwelling and \$14.90 for multi-family.

In addition to the collection costs, the City is in the eighth year of a ten-year contract with Allied for disposal of residential waste in a permitted sanitation landfill. This fee escalates per CPI and is \$33.11 per ton for FY09.

The cost for collection service alone is \$3,255,167 with landfill fees projected to total \$552,632 including savings from recycling. A continued citizen education program is underway to familiarize the public with the benefits of recycling. Reducing yard waste volumes continues to be a goal of the Environmental Commission.

Mission: To successfully collect and dispose of all solid waste through contracts with external vendor and, in conjunction with the Environmental Commission, to educate citizens about solid waste reduction activities such as recycling, grass cycling and composting.

Performance Measures:

City Objective: Enhance Healthy Liveable Neighborhoods
Objective: Superior customer service

Measure: Percent of service request responded to within 24 hours
Target: 95% or greater response to requests

	FY06	FY07	FY08	FY09
	Result	Result	Result	Target
Percent response rate	88.8%	97%	95%	>95%

Strategic Budget Highlights	
FY08	FY09
Total Sanitation expenses below FY06 total	Collection fees account for 84% of total budget

City Objective: Actively Involved Citizens – Strong Community Partnerships
Objective: Maintain and expand the recycling program

Measure: Amount of recycling material collected
Target: 2,700 Tons

	FY06	FY07	FY08	FY09
	Result	Result	Result	Target
Tons recycling materials	2,353	2,587	2,682	2,700

Strategic Budget Highlights	
FY08	FY09
Electronic waste (TVs, computers) recycling provided semiannually to residents at no charge	Curbside Recycling Program expanded to include cardboard

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 34,113	52,036	40,300	9,928	25%	50,228
Communication	2,431	5,950	5,673	4,927	87%	10,600
Professional Fees	-	-	-	-	-	-
Contract Services	3,548,406	3,610,798	3,658,996	148,803	4%	3,807,799
Supplies	20,653	23,000	22,000	10,800	49%	32,800
Utilities	1,396	1,300	1,304	39	3%	1,343
TOTAL	\$ 3,606,999	\$ 3,693,084	3,728,273	174,497	5%	3,902,770

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 50,228**

This category contains funds to cover personnel costs for the sanitation program.

Communication **\$10,600**

This category funds the City's publications for semiannual Amnesty Days and the recycling/composting program. Also included in this category are funds for attending meetings, professional licenses and subscriptions to publications related to solid waste collection and disposal.

Contract Services **\$ 3,807,799**

This category reflects the cost for landfill charges (\$552,632) and collection charges for one year (\$3,255,167).

Supplies **\$ 32,800**

This category funds miscellaneous supplies unique to providing sanitation services and the City's Amnesty Days and Recycling Program. Also, \$15,000 is budgeted here for the Household Hazardous Waste Facility Fund.

Utilities **\$ 1,343**

This category includes Sanitation's share of utility costs (electricity, gas, water, sewer and local and long distance telephone).

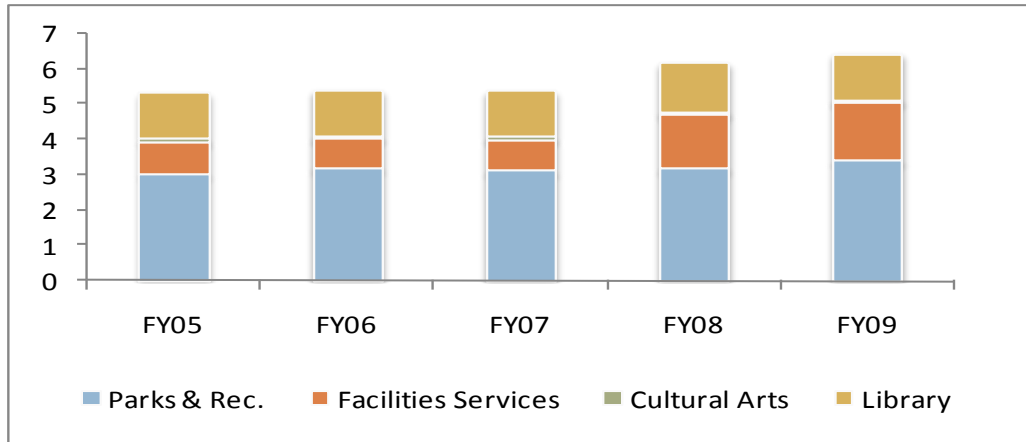


COMMUNITY SERVICES FY09 BUDGET

The following section presents the operating budget for Community Services. Total operating expenditures for the major General Fund categories within this classification are summarized below:

COMMUNITY SERVICES EXPENDITURES

\$ MILLIONS





PARKS AND RECREATION

The Parks and Recreation Department consists of the following divisions: Parks, Recreation, Building Maintenance, Pickering and Cultural Arts. This section of the document contains the Parks and Recreation Divisions. Documentation for the other divisions can be found under separate headings within this budget document.

Parks Division

The Parks Division plans, organizes and directs the programs for maintenance and landscaping of 23 pieces of parkland, the Germantown Greenway System, the Wolf River Nature Area, 31 seasonal athletic fields and 51 miles of rights-of-way. The department will focus on the management of capital projects, the implementation of the annual maintenance plan and employee training and providing quality services to Germantown citizens.

Recreation Division

The Recreation Division focuses on strengthening the community and creating quality recreation and leisure experiences. City recreational programs fulfill the recreational needs of the City's youth, adult, senior and special needs populations.

Performance Measures:

City Objective: Safest City in the Southeast
 Department Objective: Provide well-maintained and safe conditions at all parks and playgrounds

Measure: Number of non-scheduled preventative maintenance/repairs performed by an outside company
 Target: Track and report

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Number maintenance/repairs	N/A	11	2	Track

Strategic Budget Highlights	
FY08	FY09
Pavilion improvements at Cameron Brown Park	Further development of Central Park Master Plan

City Objective: Preferred Place to Live
 Department Objective: Provide cost efficient recreation and leisure services

Measure: Parks and Recreation total costs per resident
 Target: \$75.00 or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Cost per resident	\$81.22	\$74.04	\$76.72	< \$75

Strategic Budget Highlights	
FY08	FY09
\$850,000 New sports lighting investment	Managed competition

PARKS AND RECREATION

City Objective: Preferred Place to Live
 Department Objective: Provide maximum miles of park trails to promote healthy lifestyles

Measure: Miles of park trails per 10,000 residents
 Target: 15 miles or greater

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Miles per resident	2.5	2.8	2.8	> 15 miles

Strategic Budget Highlights	
FY08	FY09
\$143,000 Tennis refurbishment	Development of a Safety and Security Plan for trails and parks

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 1,788,044	2,068,739	1,876,537	125,726	6.70%	2,002,263
Communication	13,678	12,000	12,000	-	0.00%	12,000
Professional Fees	59,008	67,400	77,168	(27,268)	-35.34%	49,900
Contract Services	416,950	442,000	425,574	27,000	6.34%	452,574
Insurance	15,311	20,000	35,000	(15,000)	-42.86%	20,000
Other Maintenance	112,161	118,550	139,217	(20,667)	-14.85%	118,550
Supplies	126,687	170,010	156,328	10,457	6.69%	166,785
Rent	8,041	16,750	18,995	(2,245)	-11.82%	16,750
Allocations	182,749	195,385	160,607	15,247	9.49%	175,854
Capital Outlay	159,602	32,000	50,160	87,840	175.12%	138,000
Utilities	226,385	243,200	242,832	4,854	2.00%	247,686
TOTAL	\$ 3,108,616	3,386,034	3,194,418	205,944	6.45%	3,400,362

PARKS AND RECREATION

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	9.0	\$ 494,702	8.0	466,451	8.0	500,369
Non-Exempt Wages	31.1	853,504	28.1	806,466	27.1	865,272
Other Compensation		14,005		10,500		20,000
Fringe Benefits		424,137		590,520		614,022
Other Personnel		1,696		2,600		2,600
DEPARTMENT TOTAL	40.1	\$ 1,788,044	36.1	1,876,537	35.1	2,002,263

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 2,002,263

This category contains the salaries, wages and benefits for the director of parks and recreation, superintendent of parks, assistant superintendent of parks, superintendent of recreation, sports coordinator, special events and marketing coordinator, crew supervisors, irrigation technician, chief park ranger, park rangers, maintenance technicians, senior maintenance workers, administrative secretaries, part-time senior adult program coordinator, part-time park rangers, playground leaders and part-time secretary. The personnel category also includes overtime wages for athletic tournaments, Germantown Festival, Germantown Charity Horse Show, Holiday Parade, July Family Fourth, Mayor's Cup 5K Race and employee education for Parks and Recreation employees.

Communication

\$ 12,000

This category includes funding for dues, subscriptions and meetings to assist the department in maintaining high proficiency and remaining up-to-date on current trends. Staff receives publications and attends meetings on various subjects related to parks and recreation.

Professional Fees

\$ 49,900

This line category provides funding each year for a stipend to Harry Cloyes at Oaklawn Gardens, the Germantown Family Fourth Celebration and implementation of a marketing plan. Funding for the Parks and Recreation Department's re-accreditation process is also included.

Contract Services

\$ 452,574

This category includes contract costs for grass cutting, herbicide and landscaping maintenance.

PARKS AND RECREATION

Insurance

\$ 20,000

This category includes the department's share of deductibles associated with workers' compensation claims and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Maintenance

\$ 118,550

This category includes the costs associated with park repair and maintenance. In addition, this category includes maintenance for forestry and parks equipment, landscaping turf and fencing. Major expenses include seed, horticultural supplies, sod, mulch and seasonal color.

Supplies

\$ 166,785

This category provides the department with office, medical, chemical and recreational supplies, as well as special clothing, small tools and miscellaneous supplies. Major expenses include fertilizer, weed control chemicals, athletic field marker and paint, baseball/softball supplies, playground supplies and small tools, park ranger first aid kits, trashcans and petroleum products. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent

\$ 16,750

This category includes rental fees for land and equipment. It also includes lease and taxes for Depot Park and Oaklawn Gardens.

Allocations

\$ 175,854

This includes the Parks and Recreation Department's portion of the shared costs of all internal funds, including insurance and vehicle maintenance.

Capital Outlay

\$138,000

Funds are budgeted to purchase a Z-Trak mower, pressure washer, Ford Explorer, Ford F-350 pickup, round rail fence and to replace the wooden dugout roofs at Cameron Brown Park.

Utilities

\$ 247,686

This category includes the department's utility costs (electricity, gas, water, sewer and local and long distance telephone).

The Recreation Fund includes the following recreational leagues: basketball, softball, baseball, Mayor’s Cup 5K Race, sport camps, and tennis.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Professional Fees	\$ 129,817	173,801	180,571	1,334	0.74%	181,905
Supplies	21,548	34,624	25,899	2,630	10.15%	28,529
Rent	10,328	3,000	1,000	500	50.00%	1,500
Allocations	14,850	17,400	15,500	1,800	11.61%	17,300
Capital Outlay	-	-	-	250,000	100%	250,000
TOTAL	\$ 176,543	228,825	222,970	256,264	114.93%	479,234

BUDGET CATEGORY EXPLANATIONS

Professional Fees **\$ 181,905**

This category pays referees who officiate in basketball, softball, baseball, kickball as well as the tennis instructor and sport camp directors.

Supplies **\$ 28,529**

This category includes supplies necessary to operate successful basketball, softball, baseball, sport camps, kickball, school learning program and tennis programs. Additionally, this category covers expenses for t-shirts, race officiating, awards and trophies associated with the Mayor’s Cup 5K Race.

Rent **\$ 1,500**

This category includes fees paid to the Germantown Athletic Club for court time.

Allocations **\$ 17,300**

This category covers insurance allocation for program participants.

Capital Outlay **\$250,000**

This category funds IRP projects, which includes Sports Lighting Upgrade.



FACILITIES SERVICES

Facilities Services is responsible for the maintenance of all City buildings, equipment and plumbing, HVAC and electrical systems and for maximizing the life cycle of the facilities through daily janitorial maintenance plus programmed and preventative maintenance schedules.

Performance Measures:

City Objective: Enhanced Neighborhoods
 Department Objective: Maintain City facilities in proper working order for maximum usage

Measure: Percent of preventative maintenance/repairs performed by an outside company
 Target: 10% or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent maintenance/repairs	4.6%	6%	3.8%	< 10%

Strategic Budget Highlights	
FY08	FY09
Court room and Administration refurbishment	\$35,000 Refurbishment to Animal Shelter.

City Objective: Enhanced Neighborhoods
 Department Objective: Maintain City facilities in proper working order for maximum usage

Measure: Percent of total repairs that are non-scheduled
 Target: 25% or less

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent non-scheduled repairs	10%	6%	10%	< 25%

Strategic Budget Highlights	
FY08	FY09
\$181,500 Infrastructure replacements and improvements	\$155,000 Infrastructure replacements and improvements

FACILITIES SERVICES

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 461,971	552,333	670,198	157,741	23.54%	827,938
Communication	387	750	750	500	66.67%	1,250
Professional Fees	2,125	-	2,450	50,550	2063.27%	53,000
Contract Services	150,934	199,636	195,000	17,000	8.72%	212,000
Insurance	1,136	2,000	2,000	-	0.00%	2,000
Other Maintenance	134,532	110,200	221,500	(21,300)	-9.62%	200,200
Supplies	75,564	70,625	71,777	9,735	13.56%	81,512
Rent	2,297	4,000	3,000	1,000	33.33%	4,000
Allocations	45,206	49,930	56,428	(2,449)	-4.34%	53,979
Capital Outlay	13,697	181,500	292,574	(77,574)	-26.51%	215,000
Utilities	3,699	4,870	5,240	270	5.15%	5,510
TOTAL	\$ 891,548	1,175,844	1,520,917	135,472	8.91%	1,656,389
Expense Reimbursement	\$ -	-	(99,197)	(70,081)	70.65%	(169,278)

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	1.0	\$ 73,060	1.0	73,719	1.0	79,900
Non-Exempt Wages	12.00	267,031	12.0	358,310	15.0	438,280
Other Compensation		7,055		26,573		24,931
Fringe Benefits		111,007		211,596		281,827
Other Personnel		3,818		-		3,000
DEPARTMENT TOTAL	13.00	\$ 461,971	13.0	670,198	16.0	827,938

BUDGET CATEGORY EXPLANATIONS

Personnel \$ 827,938

This category includes the salaries, wages and benefits for the facilities services manager, building technical maintenance supervisor, crew supervisors, senior building maintenance workers, building maintenance technicians, and building service workers. The personnel category also includes overtime wages for the Germantown Festival, Germantown Charity Horse Show, July Family Fourth, special functions, staff functions for employees and employee education.

Communication \$1, 250

This category covers the expenses associated with the Facilities Services Division remaining up-to-date on current trends through publications and communications with selected specialists in the field.

Professional Fees \$53,000

This category provides funding for mechanical upgrade assessment for vav boxes, air handlers, boilers, controls, controllers.

Contract Services \$ 212,000

This category covers the outside contract costs for the maintenance and repair of elevators, fire warning systems, fire protection systems, pest control and HVAC systems. This category also includes funding for contracted building cleaning services and an electrical contract.

Insurance \$ 2,000

This category includes the department's share of deductibles associated with workers' compensation claims and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance \$ 200,200

This category funds maintenance for equipment used by Facilities Services to service City buildings, maintenance parts and supplies for 33 City buildings (including 95 HVAC systems, 4 boilers, 28 air handler units and 177 electrical motors), 12 parks, 5 pavilions and related facilities.

Supplies \$ 81,512

This category includes supplies used by staff to supply buildings including cleaning and paper supplies, gloves, hard hats, safety shoes and other miscellaneous supplies such as oxygen, potting soil and small tools used by staff. Also included in this category are non-capital assets ranging in value from \$500 to \$4,999.

Rent \$ 4,000

This category includes rental costs associated with a lift truck and equipment pertaining to the repair and maintenance of City facilities not owned by the City.

FACILITIES SERVICES

Allocations

\$ 53,979

This category includes Facilities Services portion of vehicle maintenance and insurance expenses.

Capital Outlay

\$ 215,000

This category provides funding for IRP projects, which include lighting dimmer system at GPAC, kitchen improvements at GPAC, HVAC equipment at Animal Shelter, HVAC equipment at the Tennessee Genealogical Library and two Ford F-250 trucks.

Utilities

\$ 5,510

This category includes the utility costs (electricity and gas, water, sewer, local and long distance telephone).

LIBRARY SERVICES

The Library Services Department is responsible for the operations of the Germantown Community Library and the Germantown Community Library Regional History and Genealogy Center. The Library is an independent system under the City of Germantown. The management and operations of the library is provided through a contract with Library Systems & Services, LLC. The Germantown Community Library provides reading material, educational activities, meeting space and a technology center to both Germantown and surrounding municipalities' citizens.

Performance Measures:

City Objective: Great Public Education
 Objective: Track and report benchmarking data to provide the best and most cost effective library service possible.

Measure: Track and report data quarterly
 Target: Information compiled and reported quarterly

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Total circulation	326,744	289,225	323,333	Track
Total visits to the Library	218,863	208,139	200,856	Track
Total program attendance	15,354	18,523	18,598	Track
Number of interlibrary loan requests	347	230	340	Track
Operating cost per hour	\$396	\$395	\$428	Track
Cost per circulation	\$3.92	\$4.53	\$4.09	Track
Number of new materials	11,006	13,287	13,566	Track

Strategic Budget Highlights	
FY08	FY09
Provided 23 children's programs	Community survey

LIBRARY SERVICES

Germantown Community Library seeks to promote lifelong learning, a love of reading, to inform, enrich and empower every patron served, to provide easy access to a wide variety of materials, services and programs, and to meet the personal, educational, cultural and professional needs of the community.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Professional Fees	\$ 1,167,401	1,201,395	1,201,425	(122,412)	-10.19%	1,079,013
Supplies	25,622	52,600	89,807	9,067	10.10%	98,874
Allocations	15,907	24,400	21,600	2,300	10.65%	23,900
Capital Outlay	-	-	13,905	(13,905)	-100.00%	-
Utilities	84,651	95,600	69,045	13,855	20.07%	82,900
TOTAL	<u>\$ 1,293,581</u>	<u>1,373,995</u>	<u>1,395,782</u>	<u>(85,095)</u>	<u>-6.10%</u>	<u>1,310,687</u>

BUDGET CATEGORY EXPLANATIONS

Professional Fees **\$ 1,079,013**

This category funds the contract services expenses of daily operations and management of the Germantown Community Library as well as credit card fees.

Supplies **\$ 98,874**

This category funds general supplies used in the operations of the Library. This year's budget includes the purchase of four computers.

Allocations **\$ 23,900**

This category includes the Germantown Community Library's portion of insurance expenses.

Utilities **\$ 82,900**

This category includes the department's utility costs (electricity and gas, water, sewer, local and long distance telephone).

LIBRARY SERVICES

The Germantown Community Library Regional History and Genealogy Center's mission is to preserve and share across generations the wisdom, culture and history of the South.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Professional Fees	\$ 41,019	52,900	52,900	(16,197)	-30.62%	36,703
Supplies	-	-	-	16,000	100%	16,000
Allocations	1,466	1,500	1,300	200	15.38%	1,500
Utilities	2,773	10,200	6,485	3,715	57.29%	10,200
TOTAL	<u>\$ 45,258</u>	<u>64,600</u>	<u>60,685</u>	<u>11,118</u>	<u>18.32%</u>	<u>71,803</u>

BUDGET CATEGORY EXPLANATIONS

Professional Fees **\$ 36,706**

This category funds the contract services expenses of daily operations and management of the Tennessee Genealogical Library as well as credit card fees.

Supplies **\$16,000**

This category includes the Tennessee Genealogical Library's portion of insurance expenses.

Allocations **\$ 1,500**

This category includes the Tennessee Genealogical Library's portion of insurance expenses.

Utilities **\$ 10,200**

This category includes the department's utility costs (electricity and gas, water, sewer, local and long distance telephone).



The Pickering Complex includes the Pickering Community Center. The Pickering Community Center is utilized for Cultural Arts classes, senior programs and is also available for rental by individuals or organizations.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Professional Fees	\$ 22,220	28,500	26,300	1,200	4.56%	27,500
Other Maintenance	-	-	3,775	(3,775)	-100.00%	-
Supplies	3,755	3,500	3,500	16,000	457.14%	19,500
Allocations	2,093	2,500	2,200	300	13.64%	2,500
Capital Outlay	235,044	-	-	-	-	-
Utilities	6,618	10,205	6,411	3,694	57.62%	10,105
Grants	-	-	-	-	-	-
TOTAL	\$ 269,730	44,705	42,186	17,419	41.29%	59,605

BUDGET CATEGORY EXPLANATIONS

Professional Fees \$ 27,500

This category pays instructors for teaching classes at the Pickering Community Center. The instructor receives 70% of fees collected. This includes the senior programs that are held at the Pickering Community Center and funds for senior trips.

Supplies \$ 19,500

This category includes supplies used for the operation of the Pickering Community Center such as coffee, trash bags, keys, napkins and piano tuning. Also included are funds to purchase new percolators, chairs, cords and other supplies plus repairs.

Allocations \$ 2,500

This category includes shared costs of the City's insurance expenses for the Pickering Community Center building.

Utilities \$ 10,105

This category includes utility costs (electricity, gas, water, sewer and local and long distance telephone).



GERMANTOWN ATHLETIC CLUB FY09 BUDGET

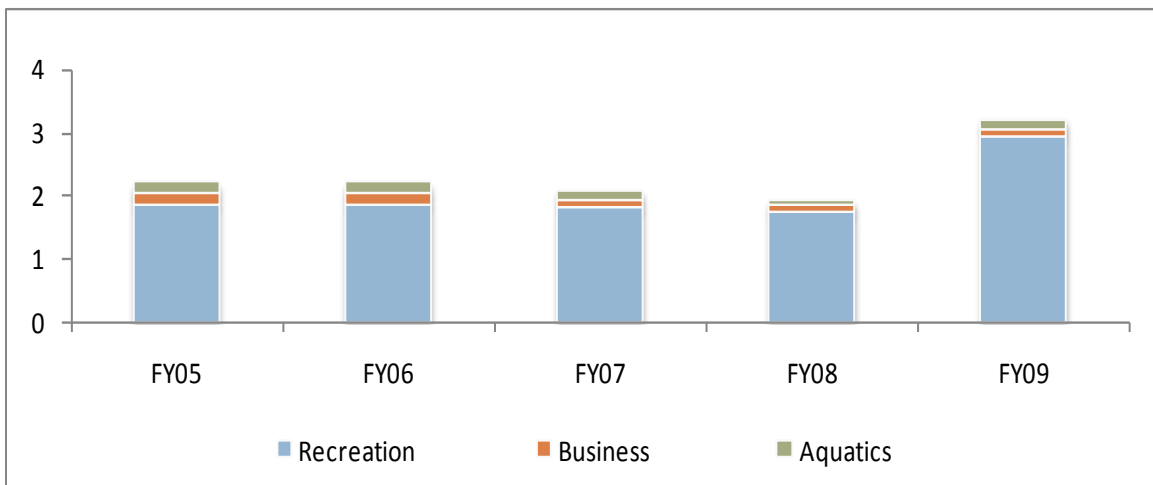
The Germantown Athletic Club is an enterprise fund in order to focus on net income and the ability of user fees to support operating expenses, which include capital outlay and depreciation. The Germantown Athletic Club Fund consists of three cost centers – Recreation, Aquatics and Business. Debt service for the initial building was accounted for in the General Fund since it was originally contemplated that general revenues for the City would provide the funding. Capital debts for expansion expenditures are being accounted for in the Germantown Athletic Club Fund.

The Germantown Athletic Club operates 104 hours each week and offers memberships and daily passes. The revenue system is designed to cover the operating expenses of the Athletic Club and the debt service for the Athletic Club’s expansion. Capital expenditures and other non-operating expenses will be deducted from the operating income to determine net income.

The Germantown Athletic Club includes a wide variety of functions and programming centered around the indoor 40 meter pool, outdoor zero depth pool, outdoor 25 meter recreation pool, fitness area, racquetball courts, 3 full court gymnasium, jogging track, banquet hall, multi-media training room, meeting rooms, dance room, nursery and leisure areas. The Germantown Athletic Club offers a wide variety of classes and programs and adds new programs based on member needs.

GERMANTOWN ATHLETIC CLUB EXPENDITURES

\$ MILLIONS



GERMANTOWN ATHLETIC CLUB RECREATION

Mission: To provide leisure and arts facilities and resources to Germantown Athletic Club members plus Germantown citizens and others in the surrounding area while generating a balanced budget as an enterprise fund.

Performance Measures:

City Objective: Preferred Place to Live
 Department Objective: To provide diverse program opportunities for Athletic Club members

Measure: Average Number of Fitness Class Participants
 Target: > 12 per class

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual new/changed classes	N/A	N/A	18	>12

Strategic Budget Highlights	
FY08	FY09
Implementation of new classes: Bootcamp, Zumba, and Step	Implementation of new classes: Gym/Swim, Princess/Pirate Camps, Racquetball League

City Objective: Preferred Place to Live
 Department Objective: To meet the recreation needs/desires for Germantown Athletic Club members

Measure: Total percent increase in Athletic Club Memberships
 Target: >5%

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Increase in Membership	N/A	N/A	3%	>5%

Strategic Budget Highlights	
FY08	FY09
Successful Open House	Over 1,000 people attended Open House resulting in 100 new/renewed members. Installed new state-of-the-art free weights, cardio and circuit training equipment.

City Objective: Preferred Place to Live
 Department Objective: To maximize the use of facility resources

Measure: Retention Rate of Current Members
 Target: >85%

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent capacity	N/A	N/A	81%	>85%

GERMANTOWN ATHLETIC CLUB RECREATION

Strategic Budget Highlights	
FY08	FY09
Development of special events: Membership Luau, Membership Potluck, Mother/Daughter Tea, Daddy/Daughter Dance, GobbleWobble.	Development of special events: Cyclethon, Ice Cream Social, and Polar Bear Swim.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Personnel	\$ 638,588	993,002	747,855	216,949	29.01%	964,804
Communication	2,521	5,400	2,900	2,500	86.21%	5,400
Professional Fees	446,853	454,024	394,023	10,977	2.79%	405,000
Insurance	5,149	5,000	3,000	500	16.67%	3,500
Other Maintenance	100,555	218,600	204,697	68,728	33.58%	273,425
Supplies	35,205	58,500	62,000	1,050	1.69%	63,050
Rent	3,244	6,500	3,000	145,700	4856.67%	148,700
Allocations	24,629	29,700	117,986	68,999	58.48%	186,984
Depreciation	246,687	360,881	250,021	53,333	21.33%	303,354
Utilities	198,848	238,250	200,550	18,525	9.24%	219,075
TOTAL	\$ 1,716,383	\$ 2,369,857	1,986,032	587,261	29.57%	2,573,293
Capital Outlay	\$ 215,290	1,000,000	610,200	189,800	31.10%	800,000

PERSONNEL PROJECTIONS

	<u>FY07 Actual</u>	<u>FY08 Estimate</u>	<u>FY09 Budget</u>
Exempt Salaries	3.0 \$ 70,627	1.0 254,049	6.0 324,047
Non-Exempt Wages	26.5 447,423	22.5 318,902	15.9 417,858
Other Compensation	1,671	3,000	2,992
Fringe Benefits	115,781	171,904	219,907
Other Personnel	3,086	-	-
DEPARTMENT TOTAL	29.5 \$ 638,588	23.5 747,855	21.9 964,804

GERMANTOWN ATHLETIC CLUB RECREATION

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 964,804**

This category includes part of the salaries and benefits for the athletic club director, facility operations manager, facility programming coordinator, managers on duty, marketing and membership sales coordinator, information clerks, administrative secretary, part-time weekend supervisor, part-time concessions workers, part-time information clerks, part-time nursery workers, part-time custodial workers, and recreation leaders.

Communication **\$ 5,400**

This category includes items that enhance the Germantown Athletic Club's staff and programs through recreation and fitness publications, training meetings for staff and contact with specialized sources.

Professional Fees **\$ 405,000**

This category includes fees for professional services required for the cost center, including payment for class instructors. Group Exercise Instructors will receive \$23-\$30 per class and personal trainers will receive 70%-75% of the gross collected. In addition, this category includes a marketing effort to enhance membership of the Germantown Athletic Club and credit card fees.

Insurance **\$ 3,500**

This category includes this cost center's share of deductibles associated with workers' compensation claims, and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance **\$ 273,425**

This category funds expenses for part of the maintenance of fire extinguishers and control systems, elevator, sprinkler, pest control inspections and equipment maintenance as well as all items for general building maintenance. This category also includes contract and equipment and building maintenance items such as belts, replacement parts, etc.

Supplies **\$ 63,050**

This category includes office supplies for the Germantown Athletic Club, medical supplies, uniforms, small tools and cleaning supplies. Also included are recreational supplies needed to equip the Germantown Athletic Club such as basketballs, volleyballs, badminton equipment, table tennis equipment and air pumps. This category also includes camera equipment and supplies for producing membership cards and the purchase of small tools for building maintenance.

Rent **\$148,700**

This category provides rental of specialty and fitness equipment needed by the Germantown Athletic Club.

GERMANTOWN ATHLETIC CLUB RECREATION

Allocations

\$186,984

This category includes the Germantown Athletic Club Recreation's portion of insurance expenses.

Depreciation

\$ 303,354

This category includes the annual depreciated valuation of the Germantown Athletic Club facilities and equipment.

Utilities

\$ 219,075

This category includes the cost center's utility costs (electricity, gas, water, sewer and local and long distance telephone).

Capital Outlay

\$800,000

This category includes the costs associated with the renovation of the facility.

GERMANTOWN ATHLETIC CLUB AQUATICS

Mission: To provide a safe and clean environment for quality aquatic leisure, instructional and fitness opportunities for Germantown Athletic Club members and area citizens.

Performance Measures:

City Objective: Preferred Place to Live
 Department Objective: To provide diverse aquatic program opportunities for Athletic Club members

Measure: Number of classes added or changed per quarter
 Target: 2 new classes per quarter; 8 per year

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Annual new/changed classes	10	4	91	8

Strategic Budget Highlights	
FY08	FY09
\$8,100 Red Cross, swimming lessons and water safety instruction classes.	Implementation of new classes: Infant Swim Resources, Deep Water Aquatics, Scuba. Increase participation in swimming lessons.

City Objective: Preferred Place to Live
 Department Objective: To meet the aquatic program needs/desires for Athletic Club members

Measure: Total number and percent increase in overall participation over previous fiscal year
 Target: 2% increase in overall participation in aquatics annually

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent participation	30%	56%	(47)%	2%

Strategic Budget Highlights	
FY08	FY09
Resurfacing and installation of deck flooring of pool	\$650,000 Locker room renovation

City Objective: Preferred Place to Live
 Department Objective: To maximize the use of facility resources

Measure: Percent capacity for each program
 Target: 80% capacity for each program

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent capacity	90%	86%	62%	80%

GERMANTOWN ATHLETIC CLUB AQUATICS

Strategic Budget Highlights	
FY08	FY09
Hiring of Marketing and Membership Coordinator	Implementation of a comprehensive internal marketing campaign

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 341,598	444,725	388,800	38,481	9.90%	427,281
Communication	1,894	2,300	1,100	1,000	90.91%	2,100
Professional Fees	13,346	-	-	-	-	-
Insurance	-	1,500	-	-	-	-
Supplies	46,361	38,100	52,918	(2,668)	-5.04%	50,250
Allocations	16,465	19,600	17,300	2,000	11.56%	19,300
Depreciation	114,129	128,485	128,485	13,333	10.38%	141,818
Utilities	90,333	99,350	90,430	4,620	5.11%	95,050
TOTAL	\$ 624,126	734,060	679,033	56,766	8.36%	735,799

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	3.0	\$ 78,933	2.0	57,390	2.0	75,726
Non-Exempt Wages	14.5	210,884	13.5	278,571	13.5	294,688
Other Compensation	-	81	-	1,000	-	1,000
Fringe Benefits	-	51,700	-	51,839	-	55,867
DEPARTMENT TOTAL	17.5	\$ 341,598	15.5	388,800	15.5	427,281

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 427,281

Represented in this category are the salaries and benefits for an aquatics coordinator, head swim coach, seasonal aquatic supervisor, lifeguards, age group swim coaches, water exercise instructors, and water safety instructors. The personnel category also includes employee education to train employees in specialized areas.

GERMANTOWN ATHLETIC CLUB AQUATICS

Communication

\$ 2,100

Items in this category enhance the Germantown Athletic Club's staff and programs through aquatic publications, training meetings for aquatics coordinator and swim coach and contact with specialized sources.

Supplies

\$ 50,250

This line includes funds for chemicals for the swimming pool and cleaning supplies for the aquatic area. Equipment used in the aquatic area will include kickboards, hand paddles, teaching aids, recreation equipment and expenses for catered swim events and birthday parties. This category also includes uniforms for lifeguards and instructors and non-capital assets ranging in value from \$500 to \$4,999.

Allocations

\$ 19,300

This line includes the Athletic Club's portion of insurance costs for the aquatic facilities.

Depreciation

\$ 141,818

Included in this category is the annual charge representing depreciated valuation of aquatic facilities and equipment.

Utilities

\$ 95,050

This line includes the Aquatic's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

GERMANTOWN ATHLETIC CLUB BUSINESS

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 97,874	-	93,027	4,856	5.22%	97,883
Professional Fees	4,148	-	4,200	(4,200)	-100.00%	-
Other Maintenance	983	-	-	10,000	100%	10,000
Supplies	165	-	1,000	(1,000)	-100.00%	-
Allocations	400	-	400	-	0.00%	400
Depreciation	110,861	-	110,860	-	0.00%	110,860
Utilities	29,335	-	27,429	721	2.63%	28,150
TOTAL	<u>\$ 243,766</u>	<u>\$ -</u>	<u>\$ 236,916</u>	<u>10,377</u>	<u>4.38%</u>	<u>247,293</u>

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	0.3	\$ 40,847	1.0	40,109	1.0	41,546
Non-Exempt Wages	1.0	21,300	1.0	21,755	1.0	22,958
Fringe Benefits	-	35,727	-	31,163	-	33,379
DEPARTMENT TOTAL	<u>1.3</u>	<u>\$ 97,874</u>	<u>2.0</u>	<u>93,027</u>	<u>2.0</u>	<u>97,883</u>

BUDGET CATEGORY EXPLANATIONS

Personnel

\$ 97,883

Represented in this category are the salaries and benefits for sales and marketing representative and an information clerk.

Other Maintenance

\$ 10,000

This category includes the bi-monthly carpet cleaning for the Business Center.

Allocations

\$ 400

This line includes the Germantown Athletic Club's portion of insurance costs for the Business Center.

GERMANTOWN ATHLETIC CLUB BUSINESS

Depreciation

\$ 110,860

Included in this category is the annual charge representing depreciated valuation of the Business Center's facility and equipment.

Utilities

\$ 28,150

This line includes the Germantown Athletic Club Business Center's share of utility expenses (electricity, gas, water, sewer and local and long distance telephone).

The City sponsors numerous special events and projects throughout the year. These projects include concerts in the parks, holiday events, a fishing rodeo, dance, game nights, field trips, art trips and playground programs.

The expenditures in this cost center have been increased to cover a larger variety of activities. Correspondingly, revenues have been increased to offset the expenses.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Communication	\$ 31,619	-	-	-	-	-
Professional Fees	27,091	21,445	21,291	(5,716)	-26.85%	15,575
Supplies	30,804	42,730	39,600	1,500	3.79%	41,100
Rent	4,943	5,000	3,840	1,160	30.21%	5,000
TOTAL	\$ 94,457	69,175	64,731	(3,056)	-4.72%	61,675

BUDGET CATEGORY EXPLANATIONS

Professional Fees **\$ 15,575**

This category includes fees for instructors, entertainers, decorations, supplies, equipment, trophies and fliers for a variety of programs planned throughout the year.

Supplies **\$ 41,100**

Included in this category are equipment, playground program and camp supplies, shirts, craft and art supplies and equipment. This category also includes funding for playground and camp trips and lunches for program participants.

Rent **\$ 5,000**

This category includes the funds for rental space at the Germantown Athletic Club for programs and events.

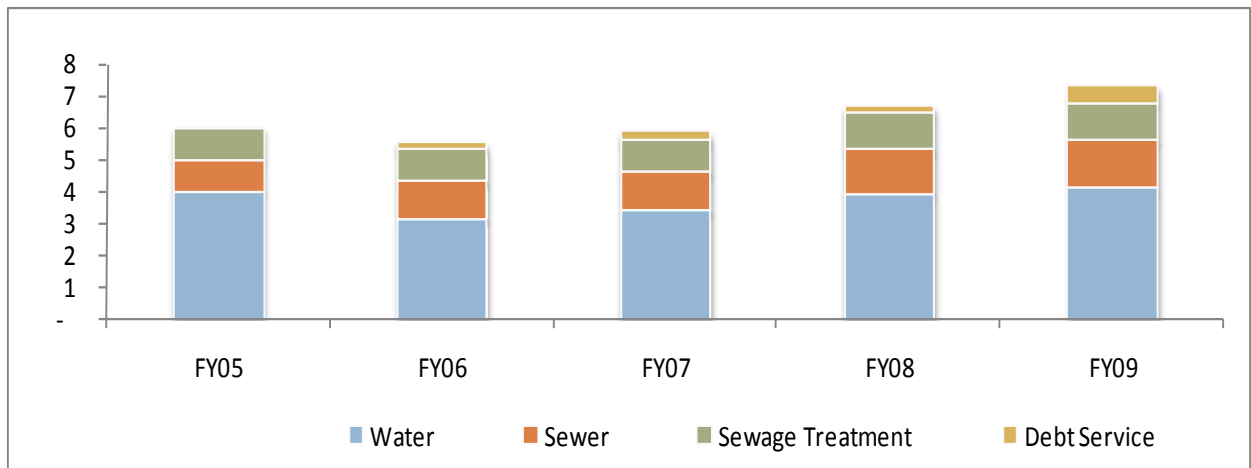


UTILITIES FY09 BUDGET

This section presents the operating budget for all Utility cost centers. Total operating expenses for Water Operations, Sewer Operations, Sewage Treatment and Utility Debt Service are summarized below.

UTILITY EXPENSES

\$ MILLIONS





UTILITY DEBT SERVICE

The Utility Debt Service cost center accounts for the interest payments on the 1998 Water Revenue Bonds.

The City issued \$8.025 million in Water Revenue Bonds Series 1998 in April 1998. This issue supported the construction of a new water treatment plant and was refunded in December 2006. The next five years projects future issuances totaling \$7.28 million in FY09. Outstanding principal of the Utility Fund at July 1, 2008 is \$4,250,000. During the year, principal of \$350,000 and interest of \$170,000 will be paid. The principal balance at June 30, 2009, will be \$3,900,000.

Security	Balance 7/1/2008	Principal Payment	Balance 6/30/2009	Interest Expense
<u>Existing:</u>				
2006 Water Revenue Bonds	\$ 4,250,000	350,000	3,900,000	170,000
Total FY09 Debt	<u>\$ 4,250,000</u>	<u>350,000</u>	<u>3,900,000</u>	<u>170,000</u>
	Existing Principal	Existing Interest	Future Principal	Future Interest
Proposed:				
FY09	-	-	220,166	364,000
FY10	\$ 365,000	156,000	231,174	352,992
FY11	380,000	141,000	242,733	341,433
FY12	395,000	126,200	254,870	329,296
FY13	410,000	110,400	267,613	316,553
Thereafter	2,350,000	400,400	6,063,444	2,699,046
Total Debt Service	<u>\$ 3,900,000</u>	<u>290,000</u>	<u>7,280,000</u>	<u>4,403,320</u>

UTILITY DEBT SERVICE

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Debt Service	\$ 282,045	431,773	198,573	335,427	168.92%	534,000
Agency Fees	-	200	200	-	0.00%	200
TOTAL	\$ 282,045	431,973	198,773	335,427	168.75%	534,200

BUDGET CATEGORY EXPLANATIONS

Debt Service \$534,000

This category includes the interest payments on the Series 2006 Water Revenue and Tax Refunding Bonds and a \$7.28 million issue in FY09.

Agency Fees \$200

First Tennessee Bank is the paying agent for the Series 1998 Water Revenue and Tax Refunding Bonds. In this category, \$200 is budgeted to cover registration/paying agent.

The Water Operations Division is part of the Utility Fund. This portion of the budget encompasses expenditures required to produce and deliver water to utility customers. The assistant director of utilities oversees daily functions of both water and sewer operations.

Water Distribution

Seven employees provide daily maintenance and repair needed to operate the system. These employees install meters, repair water service lines, main breaks, fire hydrants and maintain valves. They also perform minor new water construction and provide in-house utility locate duties for the Tennessee One-Call Service. An emergency call-out work force is provided for after hour calls. A standby operation, consisting of five water division employees, is an alternative to staffing two additional shifts. The staff successfully provides approximately 13,100 residential and 440 business customers with an uninterrupted supply of potable water, sufficient water pressure and adequate supply of water for fire protection; maintain 200 miles of water mains, 2,361 fire hydrants, 3,881 main line valves and 13,213 service lines with a minimum of down time; respond to main breaks, service line breaks and broken fire hydrants in a timely manner and educate customers about how to protect our most abundant natural resource, water.

Customer Services

Four meter readers and their supervisor provide a variety of services including meter reading, turning services on and off, meter testing, meter change-outs and meter maintenance. The utility billing specialist and accounting clerk prepare the water billing and assist customers regarding accounts. Staff strives to accurately read water meters, provide fair and timely assistance to each customer, and assist in maintaining a safe water system by protecting against utility theft; build good working relationships with customers; prepare citizens for water emergencies that could occur in the home and contribute to each employee's job enrichment.

Water Treatment

Five full-time employees are responsible for the quality and quantity of water produced, minor repairs to the water plant and repair and maintenance of various pieces of water production equipment. They also sample and analyze water from various points within the distribution system and administer a cross connection control inspection program as required by the Tennessee Department of Public Health. Staff provides safe water to customers, protect the integrity of well fields and build a high level of customer confidence in product and operation.

WATER OPERATIONS

Performance Measures:

City Objective: Preferred Place to Live
 Department Objective: Superior customer service

Measure: Total percent of non-emergency customer service requests (i.e. small water leaks) responded to within 24 hours
 Target: 100% or greater

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent responses in 24 hours	98.8%	98%	97%	100%

Strategic Budget Highlights	
FY08	FY09
\$6,000,000 Water Plant Wellfield and Plant Expansion.	Water line expansion and well maintenance

City Objective: Preferred Place to Live
 Department Objective: Superior customer service

Measure: Total and percent of emergency customer service requests (i.e. water main breaks) during normal working hours responded to within 30 minutes
 Target: 99% or greater

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent responses in 30 minutes	100%	100%	100%	100%

Strategic Budget Highlights	
FY08	FY09
GIS mapping of water lines and outfalls	Smart Growth Water Plan Services

WATER OPERATIONS

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 1,106,948	1,239,122	1,169,657	32,038	2.74%	1,201,695
Communication	53,473	69,100	64,000	500	0.78%	64,500
Professional Fees	71,883	138,500	150,382	(3,882)	-2.58%	146,500
Insurance	8,900	5,000	5,219	(219)	-4.20%	5,000
Other Maintenance	89,444	105,500	105,300	6,200	5.89%	111,500
Supplies	108,769	148,000	148,000	(9,400)	-6.35%	138,600
Rent	637	1,500	1,000	200	20.00%	1,200
Allocations	617,138	864,862	844,030	100,442	11.90%	944,472
Roads & Mains	63,060	63,000	63,000	-	0.00%	63,000
Depreciation	674,885	700,279	700,000	23,860	3.41%	723,860
Utilities	565,006	594,300	668,600	30,100	4.50%	698,700
TOTAL	\$ 3,360,143	3,929,163	3,919,188	179,839	4.59%	4,099,027
Capital Outlay	\$ 819,241	5,250,000	5,288,067	327,141	6.19%	1,466,000

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	3.0	\$ 171,561	3.0	147,752	3.0	192,738
Non-Exempt Wages	18.0	596,756	17.0	589,213	17.0	576,507
Other Compensation		80,396		67,000		76,128
Fringe Benefits		257,213		363,192		354,322
Other Personnel		1,022		2,500		2,000
DEPARTMENT TOTAL	21.0	\$ 1,106,948	20.0	1,169,657	20.0	1,201,695

BUDGET CATEGORY EXPLANATIONS

Personnel **\$ 1,201,695**

This category includes salaries, wages and benefits for the assistant director of utilities, assistant superintendent of utilities, chief water plant operator, crew supervisors, water plant operators, water plant technician, maintenance technicians, heavy equipment operator, senior maintenance worker, maintenance workers, lead meter reader, meter readers, senior accounting clerk, and accounting clerk. Also in this category is overtime wages, which consists of funds to support six employees involved with the after-hours call out program. Overtime wages are based on an average of \$51.00 per standby shift as well as 3% of the employee's salaries. Based on current trends, there are approximately two callouts per shift at an average cost of \$102.00 per callout. This standby expense is part of the alternative costs of staffing three additional shifts by providing these services on a 24-hour basis.

Communication **\$ 64,500**

This category is for subscriptions to job-related periodicals and dues to maintain state certification for those employees who maintain and operate the system. Funds are also provided to publish public notifications as required by the Tennessee Department of Public Health and fund job-related educational opportunities. This total amount includes \$64,000 for postage for utility bill mailing and includes one special mailing to comply with state regulations.

Professional Fees **\$ 146,500**

This category includes fees to pay outside engineering and professional consultants for review and recommendations concerning the water system as required.

Insurance **\$ 5,000**

This category includes the division's share of deductibles associated with workers' compensation claims and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance **\$ 111,500**

This category includes funds necessary to provide repair and maintenance to electrical switchgear, 10 high service pumps and 17 wells, which are all part of the water production facilities. Also included is day-to-day maintenance of the water treatment facility and repairs to the communications system not covered under an annual maintenance contract.

Supplies **\$ 138,600**

This category includes funds necessary to purchase chemical supplies used for the treatment and production of water, office supplies, uniforms for employees and small tools. Additionally, funds are included to purchase all paper supplies necessary to produce the monthly utility bills as well as non-capital assets, which range in value between \$500 and \$4,999.

WATER OPERATIONS

Rent **\$ 1,200**

This category covers the emergency rental of equipment such as generators, lighting and other types of equipment, which may either be down for repairs or not owned, but needed to properly maintain the water system.

Allocations **\$ 944,472**

This category funds the water operations portion of shared costs for services provided by other departments such as Insurance, Vehicle Maintenance, Development, Public Services and Personnel.

Roads & Mains **\$ 63,000**

Funds in this category are to purchase parts, supplies and construction material required to repair and maintain 200 miles of various sized water mains and approximately 13,500 service lines. This category also covers the cost of repairing or replacing water meters, as well as the maintenance and replacement of meter boxes.

Depreciation **\$ 723,860**

This category includes the annual charge that represents the estimated monetary replacement expense as a result of aging and wear and tear of those assets that make up the Water Utility Fund. Water lines and appurtenances are depreciated on a 50-year basis with smaller equipment and machinery on a three to five-year basis.

Utilities **\$698,700**

This category represents payments made to Memphis Light, Gas and Water (MLGW) for water purchased and resold in areas within the utility district, but not yet served by Germantown's main extension. Provisions are also included to maintain and operate the emergency Memphis pumping station that serves as an alternate temporary source of water in an emergency as well as the purchase of bulk water from MLGW to fill the two million gallon reservoir. In addition, this category includes the department's utility costs (electricity, gas, water, sewer and local and long distance telephone).

Capital Outlay **\$1,466,000**

This category includes the costs associated with the IRP projects of well field maintenance, water mains maintenance, Ford F-350 Crew Cab, two Ford Rangers, and a folder/insertor. In addition, CIP projects are included here for water mains and water main extensions maintenance.



SEWER OPERATIONS

The Sewer Operations Division oversees the daily operations of the sanitary sewer system within the areas served by Germantown utilities, provides preventative maintenance to all sewer mains, lift stations, and laterals within the system, regularly cleans and flushes trouble areas and routinely flushes and cleans all lines through a systematic program. Video operations are incorporated into daily operations for inspection repairs, troubleshooting and assessment of future needs. Sewer operations also perform minor construction such as installation of sewer laterals and short sections of sewer main. There are over 200 miles of sewer mains and 23 lift pump stations throughout the city system.

A contract exists between the City of Memphis and Germantown, which was signed in FY03 and amended in FY07, providing for the treatment of Germantown's sanitary sewage. It is Germantown's responsibility to collect and deliver the sewage through its sanitary system to various points of connection within the Memphis system. Customers' monthly fees are based on the amount of water consumed.

Mission: To successfully collect and transport sewage from the residential and commercial districts in Germantown to the Memphis outfall lines; to maintain all manholes, lift stations and lateral connections.

Performance Measures:

City Objective: Preferred Place to Live
 Department Objective: Superior customer service

Measure: Total and percent of sewer backups responded to within one hour
 Target: 100% or greater

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent responses in 1 hour	100%	100%	100%	100%

Strategic Budget Highlights	
FY08	FY09
\$250,000 for pipe rehabilitation technology.	\$390,000 Sewer maintenance equipment.

City Objective: Preferred Place to Live
 Department Objective: Superior customer service

Measure: Total and percent of non-emergency customer service requests (i.e. sink holes, sod needed, ground maintenance) responded to within 24 hours
 Target: 100% or greater

	FY06 Result	FY07 Result	FY08 Result	FY09 Target
Percent responses in 24 hours	100%	100%	100%	100%

Strategic Budget Highlights	
FY08	FY09
\$32,000 Preventative maintenance of lift pumps, sewer lines and equipment.	\$31,000 Preventative maintenance of lift pumps, sewer lines and equipment.

SEWER OPERATIONS

BUDGET CATEGORY SUMMARY

CATEGORY	Actual FY 07	Budget FY08	Estimated FY08	Amt. Chg.	% Chg.	Budget FY09
Personnel	\$ 300,968	359,919	321,893	19,330	6.01%	341,223
Communication	886	1,200	800	(200)	-25.00%	600
Professional Fees	-	5,000	5,000	-	0.00%	5,000
Insurance	6,761	20,000	10,000	-	0.00%	10,000
Other Maintenance	7,568	5,200	5,200	(100)	-1.92%	5,100
Supplies	21,197	22,700	22,700	-	0.00%	22,700
Rent	91	200	200	(100)	-50.00%	100
Allocations	345,162	481,632	460,378	65,620	14.25%	525,998
Roads & Mains	31,857	32,000	32,000	(1,000)	-3.13%	31,000
Depreciation	503,770	519,804	519,804	10,996	2.12%	530,800
Utilities	13,314	17,900	14,400	(400)	-2.78%	14,000
TOTAL	\$ 1,231,574	1,465,555	1,392,375	94,146	6.76%	1,486,521
Capital Outlay	\$ -	810,000	260,400	169,162	64.96%	1,047,000

PERSONNEL PROJECTIONS

	FY07 Actual		FY08 Estimate		FY09 Budget	
Exempt Salaries	1.0	\$ 61,096	1.0	61,836	1.0	64,052
Non-Exempt Wages	5.0	147,223	5.0	138,097	5.0	150,452
Other Compensation		20,147		17,000		25,000
Fringe Benefits		72,127		104,460		101,219
Other Personnel		375		500		500
DEPARTMENT TOTAL	6.0	\$ 300,968	6.0	321,893	6.0	341,223

BUDGET CATEGORY EXPLANATIONS

Personnel**\$ 341,223**

This category includes salaries, wages and benefits for the superintendent of utilities, crew supervisor, heavy equipment operator, equipment operator and maintenance workers. Overtime wages are included to cover expenditures associated with after hour sewer stoppages and maintenance requirements.

Communication**\$ 600**

Included in this category is the cost of job-related educational supplies and materials for six employees as well as registration fees for supervisory training seminars and Tennessee Department of Health certification requirements.

Professional Fees**\$5,000**

Included in this category are fees paid for consulting services and professional service agreements.

Insurance**\$ 10,000**

This category includes the division's share of deductibles associated with workers' compensation claims and personal and private property claims. Also included in this category is the City's deductible on all the City's uninsured vehicle claims.

Other Maintenance**\$ 5,100**

Funding in this category includes preventive maintenance and repair to the City's video inspection equipment.

Supplies**\$ 22,700**

This category funds the purchase of chemicals used in grease and odor control on lift stations, safety related items and uniform service for maintenance employees. In addition, petroleum products, small tools and non-capital assets, which range in value between \$500 and \$4,999, are budgeted here.

Rent**\$ 100**

This category funds the rental of emergency generator, lighting or other types of equipment that may be needed as a result of a sewer lift station breakdown or other failures within the system. This allows us to obtain equipment that is not owned, but needed to make specific repairs.

Allocations**\$ 525,998**

Funds in this category cover the Sewer Operation's portion of the shared cost for those services provided by other cost centers including Insurance, Vehicle Maintenance, Development, Public Services and Personnel.

SEWER OPERATIONS

Roads & Mains

\$ 31,000

This category funds the purchase of supplies and construction material required to make repairs and maintain the sanitary sewer main.

Depreciation

\$ 530,800

Funds in this category are for the annual depreciated valuation of equipment and sewer mains that make up the sanitary sewer system.

Utilities

\$ 14,000

This category includes the Sewer Operations portion of utility costs (electricity, gas, water, sewer and local and long distance telephone).

Capital Outlay

\$ 1,047,000

Funding in this category includes IRP projects for maintenance of the sewer collection system, sewer main construction, lift stations rewiring for generator power, a Ford F-700 Dump Truck, a Ford LNT-8000 sewer vacuum and a Ford F350 crew cab. In addition, four CIP projects are included here: Johnson Road Lift Station, Sewer Mains – Smart Growth, Sewer Outfall – Miller Farms, and Sewer Expansion – Germantown Road S.

SEWAGE TREATMENT

This cost center accounts for the payments to the City of Memphis for sewage treatment. Under the contract amended in FY07, Germantown currently remits 34% of the current user fee to the City of Memphis for sewer treatment, which will continue through FY09. The rate was recalculated based on the formula set within the contract signed in FY03. This contract also requires that Germantown fund all new capital projects within the city's limits.

BUDGET CATEGORY SUMMARY

<u>CATEGORY</u>	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>Amt. Chg.</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Contract Services	\$ 992,994	1,187,250	885,000	302,250	34.15%	1,187,250
TOTAL	\$ 992,994	1,187,250	885,000	302,250	34.15%	1,187,250

BUDGET CATEGORY EXPLANATION

Sewer Fees to Memphis **\$1,187,250**

Under contract, Germantown pays 34% of the monthly sewer fees to the City of Memphis for treatment of sewage. Additionally, the contract signed in FY03 allowed the rate to be reviewed every two years, or when Memphis' fees are changed. The rate was last reviewed in January 2007.

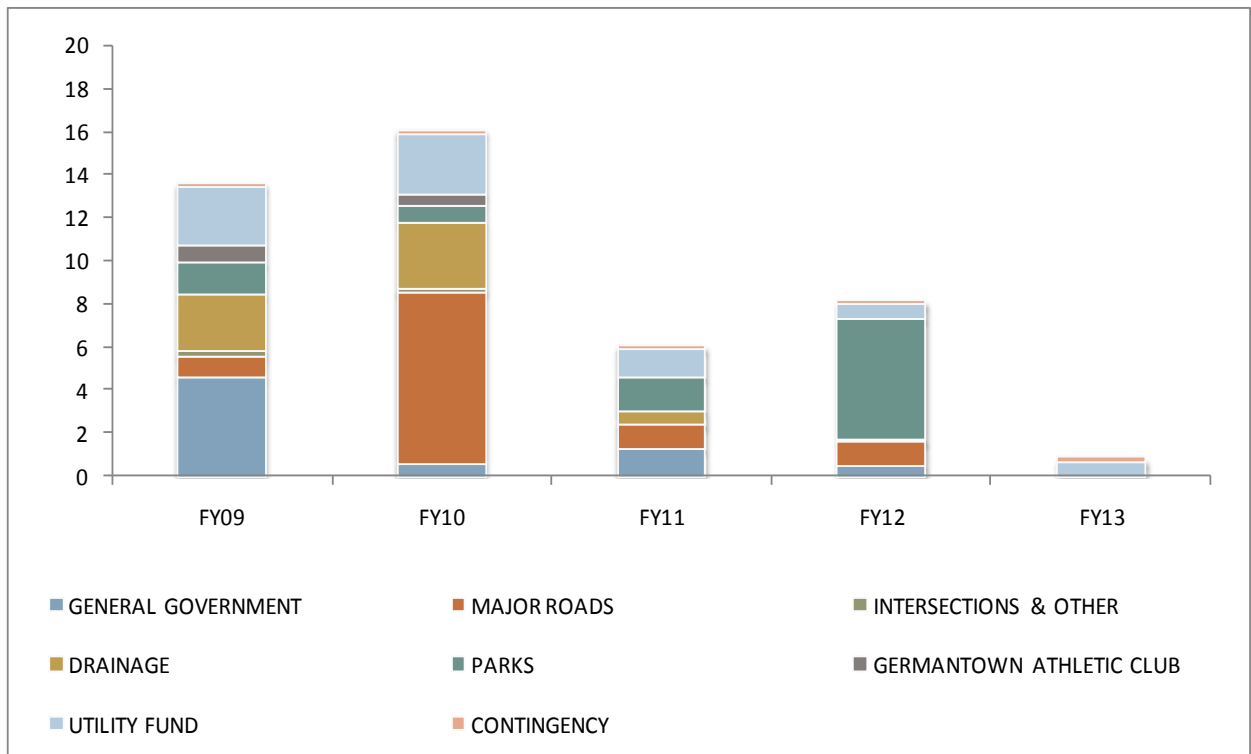


CAPITAL IMPROVEMENTS PROGRAM FY09 BUDGET

This section presents the capital budget for all Capital Improvements Programs. Total capital expenses for General Government, Major Roads, Intersection/Other/Drainage, Parks, Utility Fund, Germantown Athletic Club Fund and Contingency are summarized below.

CAPITAL IMPROVEMENTS PROJECT EXPENSES

\$ MILLIONS



CAPITAL IMPROVEMENTS PROGRAM

The Capital Improvements Program (CIP) is divided into six major categories - General Government, Major Roads, Intersections/Other/Drainage, Parks, Utilities and Germantown Athletic Club. The Intersections/Other/Drainage category includes traffic signals, sidewalks and drainage projects. A comprehensive schedule of the FY09-14 CIP is contained in the Budget Summaries section of this document.

The following is a brief summary of the funding sources identified in the CIP:

- Bond Issues – Five General Obligation Bond (G.O.) and one Utility (Revenue) Bond issues are anticipated during the 6-year CIP.
- General Reserves – (General Fund) – The CIP funding source described as General Fund Reserves is defined as the portion of General Fund funding for capital projects through the provision of cash as a result of excess General Fund operating revenues over General Fund operating expenditures.
- General Reserves – (Hall) – The CIP funding source described as General Fund Reserves – (Hall) is defined as the dedication of the Hall Income and Excise Tax to fund capital projects. Fiscal Policy in FY04 dedicated the Hall Income and Excise Tax revenues to capital projects due to the uncertainty of that state shared revenue source.
- Utility Fund – The Utility Fund accounts for water and sewer fees in connection with the operation of the City's water and sewer system. The proceeds of several bond issues and intergovernmental loans have been used specifically for the construction or acquisition of water and sewer systems and facilities.
- Germantown Athletic Club Fund – The Germantown Athletic Club Fund accounts for recreation, aquatic and business center program fees in connection with the operation of the Germantown Athletic Club. The proceeds of a General Fund Bond issue and, most recently, an intragovernmental loan have been used for the construction of the Athletic Club.
- Grants – Funding is available from various county, state and federal agencies, including Tennessee Department of Transportation (TDOT), Environmental Protection Agency (EPA), Federal Congestion Mitigation and Air Quality (CMAQ) and Department of Conservation.
- State/Federal – Funding for these capital projects is the full responsibility of a federal or state agency. The City of Germantown is only responsible for the coordination of the capital project due to it being within Germantown's borders. These funds are not accounted for in the six category totals, since the City of Germantown will not appropriate the funding.
- Development Contributions – This funding source is assumed to be available from developers in a specific area for a specific project. It is anticipated that as property is developed, the developers will fund their fair share of the CIP project. The City may construct projects in an area prior to development. In such cases, only water lines and traffic signal reimbursements have been required from developers.
- Contingency – This mechanism provides, on an annual basis, funding from which appropriations are made to meet minor overruns in CIP projects. The amount for FY08 is fixed at \$200,000 and is reviewed annually by both the Financial Advisory Commission and Board of Mayor and Aldermen.

FIRE STATION NUMBER 4 REPLACEMENT**\$1,780,000**

Funding: General Obligation Bonds – \$1,780,000

Description: This project will replace Fire Station Four, located at 3031 Forest Hill – Irene Road. The new station will consist of two apparatus bays, sleeping quarters for eight, a training classroom and an Alternate Emergency Operation Center.

Status: This project will be designed and construction underway in FY09.

Net Operating Financial Impact: New energy efficient facility will result in a savings in energy costs of approximately \$20,000 annually.

GERMANTOWN WEBSITE UPGRADE**\$85,000**

Funding: General Fund Reserves – \$85,000

Description: This project includes a complete redesign and organization of the Website including new functionalities to improve employee productivity and a more streamlined process for submitting and editing website content to meet the needs of the public.

Status: This project will be implemented in FY09.

Net Operating Financial Impact: This project will significantly improve the efficiency of the website with only a minimal increase in operational cost.

NETWORK SYSTEM UPGRADE**\$140,000**

Funding: General Funding Reserves - \$140,000

Description: The City's original network was installed in the late 1990's and received a minor upgrade in 2003. The switches available at the time had no redundancy built into them and they have not been upgraded since their installation. Replacement of all existing network switches with current technology will improve efficiency and reduce down time.

Status: The project will be implemented in FY09.

Net Operating Financial Impact: Replacing aged infrastructure will reduce maintenance costs.

GERMANTOWN PERFORMING ARTS CENTER – LIGHTING UPGRADE**\$45,000**

Funding: General Fund Reserves - \$45,000

Description: This project will enhance lighting for all performances at the Germantown Performing Arts Center and increase the Center's ability to rent the facility for various productions.

Status: This project will be implemented in FY09.

Net Operating Financial Impact: Replacing aged infrastructure will reduce maintenance costs and improve the reliability and redundancy of the system.

FIRE PUMPER – UNIT F-139**\$560,000**

Funding: General Fund Reserves - \$560,000

Description: The current model has limited storage capacity and does not have the needed space to carry equipment to comply with the implementation of Advance Life Support engine companies. The new pumper will meet current safety standards, including enclosed cabs for at least four fire fighters and increased storage water capacity.

Status: The Fire Pumper will be purchased in FY09.

Net Operating Financial Impact: Vehicle maintenance and repair costs will be reduced.

GENERAL GOVERNMENT

NEIGHBORHOOD PLANNING INITIATIVE PHASE II

\$250,000

Funding: General Fund Reserves - \$250,000

Description: This is the first area where the City has performed a Neighborhood Planning Initiative. The intent of the project is to improve the attractiveness of the neighborhood and therefore encourage residents to reinvest in their property. Recommended improvements include upgrades to the water, sewer, drainage, and fire protection systems accompanied with new street signs, gas and electric service upgrades, handicap accessibility and public landscaping.

Status: This project will be implemented in FY09 and consist of installing curbs, gutters, landscaping and sidewalks in the unimproved section of Moore Road and milling and paving the entire street. In addition, the transite water main will be replaced with ductile iron pipe and two new fire hydrants will be installed.

Net Operating Financial Impact: Replacing aged infrastructure will reduce maintenance costs.

NEIGHBORHOOD PLANNING INITIATIVE PHASE III

\$250,000

Funding: General Fund Reserves - \$250,000

Description: The intent of this project is to improve the attractiveness of the neighborhood and therefore encourage residents to reinvest in their property. Recommended improvements include upgrades to the water, sewer, drainage, and fire protection systems accompanied with new street signs, gas and electric service upgrades, handicap accessibility and public landscaping.

Status: Design plans will be completed in FY09 and construction during FY09 and FY10.

Net Operating Financial Impact: Replacing aged infrastructure will reduce maintenance costs.

PUBLIC SERVICES BUILDING RENOVATION PHASE III

\$1,300,000

Funding: General Fund Reserves - \$1,300,000

Description: Phase I improvements were initiated in FY07 which included renovation of the restrooms, locker rooms, muster room, kitchen, break room and a limited amount of office space. Phase II improvements included the renovation of the existing office space and a new main entrance. Phase III includes the installation of a new metal standing seam roof, a new split HVAC system and design of a new vehicle maintenance shop.

Status: Design of the new roof and vehicle maintenance shop will occur in FY09. The new roof construction will occur in FY09 and construction of the new vehicle maintenance shop in FY10.

Net Operating Financial Impact: There are no additional operating expenses associated with this project.

MUNICIPAL CENTER COMPLEX DISPATCH

\$150,000

Funding: General Fund Reserves - \$150,000

Description: This project will replace five antiquated police dispatch radio consoles with new current technological systems.

Status: This project will be implemented in FY09.

Net Operating Financial Impact: Replacing aged infrastructure will reduce maintenance costs.

TOTAL GENERAL GOVERNMENT

\$ 4,560,000

GERMANTOWN ATHLETIC CLUB

GERMANTOWN ATHLETIC CLUB IMPROVMENTS

\$800,000

Funding: General Fund Reserves (Hall)- \$800,000

Description: Improvements to the Germantown Athletic Club including locker room renovation, construction of three new family locker rooms and improvements to current fitness center space.

Status: This project will be implemented in FY09.

Net Operating Financial Impact: This project will enhance the amenities of the facility with only a minimal increase in operational cost that will be offset by increased revenues.

TOTAL GERMANTOWN ATHLETIC CLUB

\$ 800,000

MAJOR ROADS

GERMANTOWN /WEST/NORFOLK SOUTHERN

\$200,000

Funding: General Fund Reserves – \$200,000

Description: This project is the detailed design of aligning Germantown Road south of Poplar Avenue with West Street south of the railroad tracks to eliminate traffic through the Business District.

Status: The design of the realignment will occur in FY09 pending the results of the feasibility study.

Net Operating Financial Impact: Maintenance of the new roadway will be the responsibility of the City, however, the benefits of less congestion and traffic in the business district far out weigh the additional maintenance cost.

SMART GROWTH TRAFFIC ANALYSIS

\$200,000

Funding: General Fund Reserves (Hall) - \$200,000

Description: This project will evaluate the existing street network within and adjacent to the Smart Growth Area and a traffic simulation model will be developed to analyze initial concepts and any additional land use scenarios proposed by developers.

Status: This project will be completed in FY09.

Net Operating Financial Impact: There are no additional annual operating expenses associated with this phase of the project.

WOLF RIVER BOULEVARD - ROW

\$500,000

Funding: General Obligation Bonds - \$500,000

Description: This phase of the project is the right-of-way acquisition required for construction. The Wolf River Boulevard Extension project is the construction associated with the 1.9-mile extension of Wolf River Boulevard. The extension will be two lanes in each direction with a raised median.

Status: Right-of-way acquisition is expected this fiscal year.

Net Operating Financial Impact: There are no additional annual operating expenses associated with this phase of the project.

GERMANTOWN ROAD – STOUT TO CITY LIMITS

\$50,000

Funding: General Fund Reserves - \$50,000

Description: This project is part of the widening of Germantown Road within the City by improving 3,500 feet of an existing two-lane road from Stout Road south to the City limits with a four lane road. The right-of-way width for this project is 84 feet. Construction of the project is the responsibility of the State of Tennessee and the City will be responsible for the cost of decorative traffic signal poles.

Status: Right-of-way acquisition is expected this fiscal year.

Net Operating Financial Impact: There are no additional annual operating expenses associated with this phase of the project

TOTAL MAJOR ROADS*

\$ 950,000

*Does not include state & federal projects.

DECORATIVE STREET SIGNAGE**\$50,000**

Funding: General Fund Reserves (Hall) - \$50,000

Description: This project is the replacement of standard street signs and posts with a new decorative standard developed by the City. The new signage will enhance neighborhood character. This project is a cost-sharing program with the residents of the City. There will be a fifty percent split between the City and the homeowners associations for the cost for each new street sign.

Status: The design was completed and a contract obtained in FY06 for manufacturing and installation of the decorative signs. This is an ongoing program, designating funding through FY14.

Net Operating Financial Impact: Annual operating impact will decrease with the replacement of older, worn signs.

RR CROSSING POPLAR PIKE/HACKS CROSS ROAD**\$69,000**

Funding: General Fund Reserves (Hall) - \$69,000

Description: Installation of new gate assembly, new light signals and bells and resurfacing of the intersection. Once construction is completed on this project, TDOT will reimburse the City 100% of the cost the project.

Status: Design and construction will be completed in FY09.

Net Operating Financial Impact: There are no additional operating costs associated with this project.

RR CROSSING POPLAR PIKE/SOUTHERN AVENUE**\$33,000**

Funding: General Fund Reserves (Hall) - \$33,000

Description: Installation of new gate assembly, new light signals and bells and resurfacing of the intersection. Once construction is completed on this project, TDOT will reimburse the City 100% of the cost the project.

Status: Design and construction will be completed in FY09.

Net Operating Financial Impact: There are no additional operating costs associated with this project.

SIGNAL – FARMINGTON BLVD./GERMANTOWN**\$85,000**

Funding: General Fund Reserves (Hall) - \$85,000

Description: This project will improve the traffic flow at this intersection by providing double left turn lanes on Farmington Boulevard and a right turn lane on Germantown Road. Installation of a new traffic signal head is also a part of this project. This project is funded through the Congestion Mitigation and Air Quality (CMAQ) program. The funding shown from the City is for the installation for decorative poles.

Status: Project is managed by Shelby County and will be bid early in FY09.

Net Operating Financial Impact: The installation of the traffic signal has a net operating impact of \$2,000 annually for signal maintenance.

INTERSECTION/OTHER

SIGNAL – POPLAR/OAKLEIGH

\$62,000

Funding: General Fund Reserves (Hall) - \$62,000

Description: This project is the installation of a traffic signal at the intersection of Poplar Avenue and Oakleigh Lane. This project is funded through the Congestion Mitigation and air Quality (CMAQ) program. The funding shown from the City is for the installation for decorative poles.

Status: Project is managed by Shelby County and will be bid early in FY09.

Net Operating Financial Impact: The installation of the traffic signal has a net operating impact of \$2,000 annually for signal maintenance.

TOTAL INTERSECTION/OTHER*

\$299,000

*Does not include state & federal projects.

INTERSECTIONS/OTHER/DRAINAGE

LATERAL D

\$300,000

Funding: General Fund Reserves - \$300,000

Description: Lateral D is an earthen drainage ditch located in northeast Germantown and a tributary of the Wolf River that flows from the south to the north into the Wolf River. Since completion of the Wolf River Channelization Project by the Corps of Engineers in 1964, the Wolf River has experienced an enormous amount of channel bottom lowering and head-cutting up adjacent tributaries including Lateral D.

Status: The scope of this project will be determined based upon the results of the City's Section 14 Application submitted to the Corps of Engineers to protect the Farmington Road culvert and the sewer crossing.

Net Operating Financial Impact: The upgrades to the drainage system will decrease the maintenance responsibility of the Public Services Department.

MILLER FARMS – PHASE I

\$1,500,000

Funding: General Obligation Bonds - \$1,500,000

Description: This is a bank stabilization project involving a section of Miller Farms open channel from Pyron Oaks Cove to Weeping Willow Road. The west bank is the main focus of the project.

Status: This project will provide a permanent solution to the approximately 1,200 linear foot channel section. A competitive sealed proposal will be issued to identify alternative solutions to correct the drainage problems associated with this drainage way and the most feasible alternative will be implemented.

Net Operating Financial Impact: This project will reduce maintenance of this section of the channel.

LATERAL E

\$800,000

Funding: General Fund Reserves - \$800,000

Description: Storm water is bypassing a grade control structure installed on Lateral E at the confluence of the Wolf River resulting in erosion of the east bank of Lateral E and threatening a walking trail and lake adjacent to the LansDowne Subdivision. The project will repair the grade control structure and correct the erosion on the east bank.

Status: Design and Construction will be completed in FY09.

Net Operating Financial Impact: This project will reduce the maintenance of this section of the channel.

TOTAL DRAINAGE

\$2,600,000

GATEWAY SIGNAGE

\$240,000

Funding: General Fund Reserves - \$240,000

Description: Construction of 12 City entrance signs to be located at all primary entrances to the City replacing the old outdated wooden signs.

Status: Design and Construction will be completed in FY09.

Net Operating Financial Impact: This project will reduce the maintenance of these signs.

MEDIANS

\$88,000

Funding: General Fund Reserves – \$18,000, Grant - \$70,000

Description: This project is for the development of medians in accordance with the Median Master Plan. The City has received a Roadscape Grant through TDOT to assist in the funding of this project.

Status: Design and Construction will be completed in FY09.

Net Operating Financial Impact: This will increase the maintenance area of landscaped medians and thus increase operating costs.

SECURITY - TRAILS

\$18,000

Funding: General Fund Reserves (Hall) – 18,000

Description: This project will provide for the installation of cameras and monitoring systems at trail heads and main junctures along the trail corridor. Two cameras with the ability to be moved to alternate locations will be installed to provide the security necessary for user safety.

Status: Design and construction will occur this fiscal year.

Net Operating Financial Impact: Minimum increase in operational and maintenance costs.

SKATE PARK IMPROVEMENTS

\$100,000

Funding: General Fund Reserves - \$100,000

Description: This project will repair the concrete work including the cracks and expansion joints and replace or retrofit the metal grinding rails.

Status: Design and construction will occur this fiscal year

Net Operating Financial Impact: Maintenance costs will be reduced.

PARLAND ACQUISITION – OCEAN VIEW

\$1,000,000

Funding: General Fund Reserves (Hall) - \$250,000, General Obligation Bonds - \$500,000 Grant – \$250,000

Description: This project will provide funding for the purchase of the Ocean View Farms property. This additional 10.2 acres will increase the acreage in the Germantown Civic Club Complex to 96.19 acres.

Status: Transaction will be completed in FY09.

Net Operating Financial Impact: This will increase the maintenance of park land and thus increase operating costs.

TOTAL PARKS

\$ 1,446,000

JOHNSON ROAD LIFT STATION**\$600,000**

Funding: Utility Fund Reserves - \$600,000

Description: This is the replacement and relocation of an existing sanitary sewer lift station. The existing twenty-two year old, malfunctioning station is at Wolf River Boulevard and Johnson Road. This will place the lift station in an area that will allow better function and take off-line a problematic piece of equipment.

Status: Design of this project is complete and bids will be accepted this fiscal year.

Net Operating Financial Impact: The net annual operating cost per lift station is approximately \$1,700 annually. This includes supplies, preventative and routine maintenance, electricity and parts.

GERMANTOWN ROAD SOUTH – WATER MAIN EXPANSION**\$193,000**

Funding: Utility Fund Reserves - \$193,000

Description: This project will replace 3,500 feet of 8” water main with 12” water main in conjunction with the improvements to Germantown Road.

Status: This project is contingent upon the State’s construction timeline.

Net Operating Financial Impact: There are no additional operating costs associated with this project.

GERMANTOWN ROAD SOUTH – SEWER LINE EXPANSION**\$40,000**

Funding: Utility Fund Reserves - \$40,000

Description: This project will extend the existing sewer system north from Foster Ridge Road in conjunction with the improvements to Germantown Road.

Status: This project is contingent upon the State’s construction timeline.

Net Operating Financial Impact: There will be minimal impact on daily operations.

WATER MAINS – ARTHUR/RIGGS ROADS**\$182,000**

Funding: Utility Fund Reserves - \$182,000

Description: This project will replace 1,500 feet of transite water main with ductile iron main and install two additional fire hydrants.

Status: This project will be designed and constructed in FY09.

Net Operating Financial Impact: Infrastructure improvements will reduce maintenance costs.

WATER MAINS - MOORE ROAD**\$70,000**

Funding: Utility Fund Reserves - \$70,000

Description: This project will replace the transite water main in Moore Road with ductile iron pipe and install two additional fire hydrants.

Status: Design is completed and with construction in FY09.

Net Operating Financial Impact: Infrastructure improvements will reduce maintenance costs.

SEWER OUTFALL – MILLER FARMS**\$462,000**

Funding: General Obligation Bonds - \$462,000

Description: Based upon a study completed by Allen and Hoshall Engineers, the capacity of the Miller Farms sewer outfall needs to be increased to handle the additional flows generated by development within the Smart Growth area.

Status: Design will be completed and initial construction activities underway in FY09.

Net Operating Financial Impact: There will be minimal impact on daily operations.

SEWER MAINS – SMART GROWTH**\$500,000**

Funding: Utility Fund Reserves - \$500,000

Description: This project will provide adequate sewer service to new developments and infill within the City including the Smart Growth Area.

Status: This project is contingent upon the speed of development within the Smart Growth Area.

Net Operating Financial Impact: There will be minimal impact on daily operations.

WATER MAINS – SMART GROWTH**\$150,000**

Funding: Utility Fund Reserves - \$150,000

Description: This project will provide adequate water service to new developments and infill within the City including the Smart Growth Area.

Status: This project is contingent upon the speed of development within the Smart Growth Area.

Net Operating Financial Impact: There will be minimal impact on daily operations.

WATER MAIN - FOREST HILL-IRENE**\$536,000**

Funding: General Obligation Bonds - \$536,000

Description: Approximately 7,500 linear feet of a 16" water main will be installed in Forest Hill-Irene Road from Forest Hill Lane north to Dogwood Road. This much needed loop within the City was made possible by the Johnson Road Water Plant expansion.

Status: This project is contingent upon the speed of development within the Smart Growth Area.

Net Operating Financial Impact: There will be minimal impact on daily operations.

TOTAL UTILITIES**\$ 2,733,000**

CIP SUMMARY

CONTINGENCY **\$200,000**

Funding: General Fund Reserves - \$200,000

Description: This is a continuation of the City's Financial Policy intended to help support higher bid cost estimates and to cover project cost overruns.

TOTAL CONTINGENCY **\$200,000**

CIP SUMMARY

General Government	\$4,560,000
Germantown Athletic Club	800,000
Major Roads	950,000
Intersections/Other	299,000
Drainage	2,600,000
Parks	1,446,000
Utility	2,733,000
Contingency	200,000

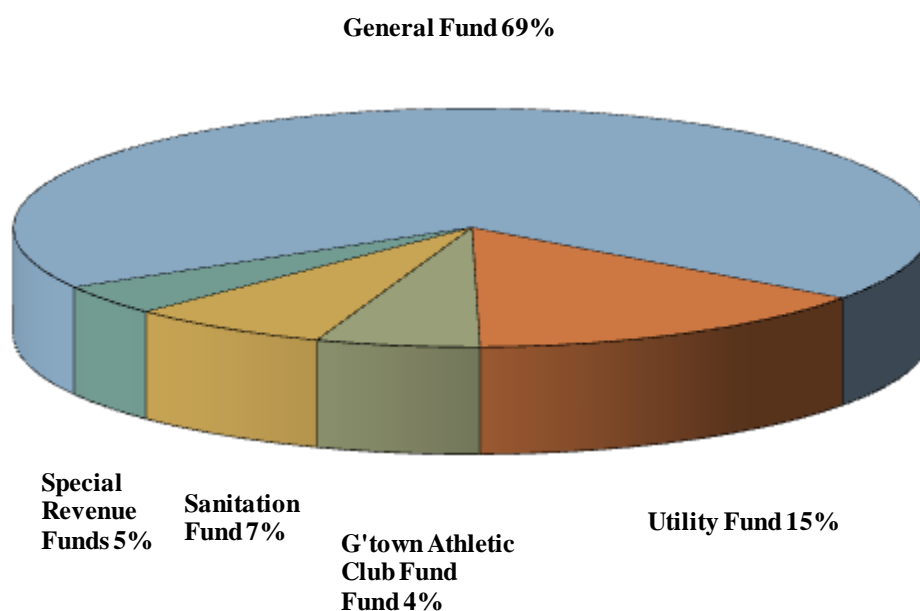
TOTAL FY09 CAPITAL IMPROVEMENTS PROGRAM **\$13,588,000**



GENERAL FUND REVENUE PROJECTIONS

This section presents an analysis of projected revenues for FY09 and a rationale for future projections. The information is a condensed extract from the City's Revenue Manual, which includes revenues for the General Fund, Utility Fund, Germantown Athletic Club Fund, Sanitation Fund and Special Revenue Funds (State Street Aid Fund, Drug Fund, Automated Enforcement Fund, Pickering Center Fund, and Recreation Fund). The Pension Trust Fund, the Health Insurance Service Fund, and OPEB Fund projections are also included in this section.

TOTAL FY09 PROJECTED REVENUES

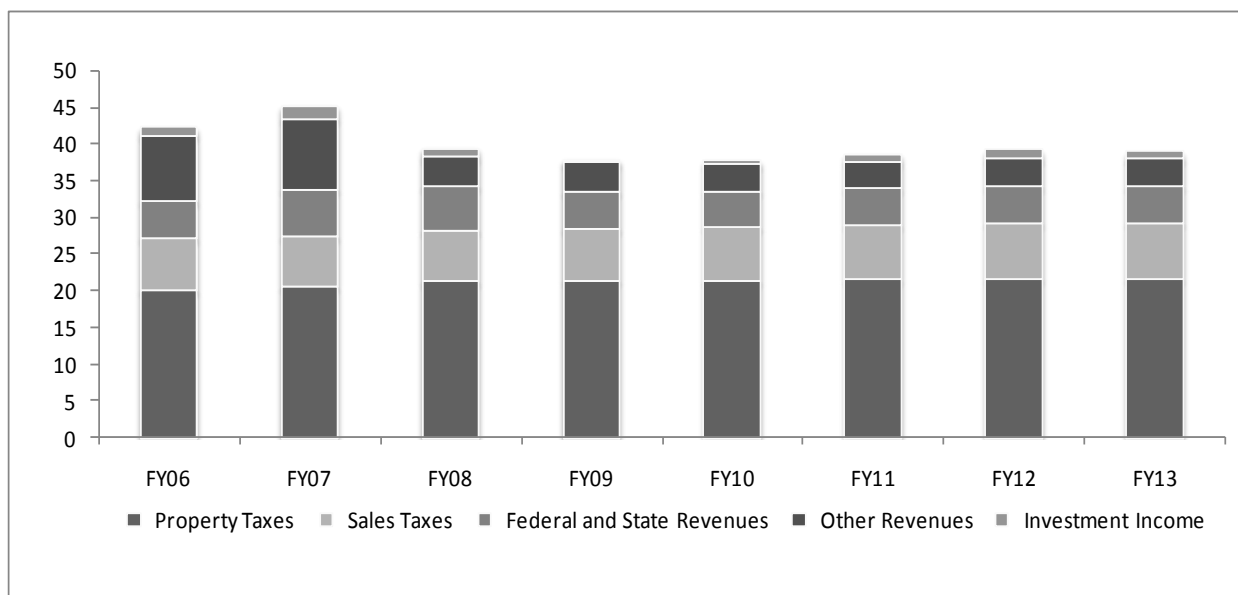


GENERAL FUND REVENUE PROJECTIONS

The four major components of General Fund revenues and projected trends are presented below. The other revenues component is analyzed and projected through a revenue model, which is based on the rationales contained in this section.

GENERAL FUND REVENUES

\$ MILLIONS



REVENUE ANALYSIS AND PROJECTIONS RATIONALE

	ACTUAL FY07	BUDGET FY08	Estimated FY08	% Chg.	Budget FY09
Real Property Tax	\$ 19,324,180	19,501,000	19,900,000	0.95%	20,089,375
Personal Property Tax	583,917	617,000	618,000	1.00%	624,180
Penalties and Interest	116,590	99,000	95,000	0.00%	95,000
TVA	340,044	350,200	380,408	2.52%	390,000
MLG&W	210,403	220,000	209,100	0.43%	210,000
Local Option Sales Tax	5,377,527	5,561,000	5,561,900	-0.02%	5,561,000
Contra - 20 year Annex Local Option Sales	(50,000)	(50,000)	(50,000)	0.00%	(50,000)
Wholesale Beer Tax	364,363	368,600	375,000	1.00%	378,750
Wholesale Liquor Tax	208,013	202,000	219,000	1.00%	221,190
Gross Receipts Business Tax	355,746	358,700	360,000	1.00%	363,600
Gross Receipts Business Tax Refund	228	-	-	-	-
Business Tax Interest	1,137	1,000	1,000	0.00%	1,000
State Business Tax Interest	36	-	-	-	-
Business Tax Penalty	5,258	6,000	6,400	2.00%	6,528
State Business Tax Penalty	163	-	572	-100.00%	-
Cable TV and Telecommunication	476,893	488,800	485,000	0.00%	485,000
Room Occupancy Tax	497,423	520,000	520,000	1.00%	525,200
Automobile Registration	898,528	927,000	895,000	1.00%	903,950
Retail Beer Licenses	4,575	4,700	4,650	0.00%	4,650
Retail Liquor Licenses	18,661	19,000	13,250	1.89%	13,500
Animal Registration Fees	77,448	80,000	79,000	1.00%	79,790
Fence and Sign Permits	4,543	4,500	3,800	1.00%	3,838
Building Permits	49,046	50,000	40,000	0.00%	40,000
Subdivision Engineering	57,005	40,000	42,000	4.00%	43,680
Zoning Application Fees	49,080	30,000	42,000	4.76%	44,000
Grants - Federal/State	443,738	66,000	200,000	-11.50%	177,000
State Sales Tax Allocation	3,023,906	2,905,900	2,910,000	-2.30%	2,843,070
State Income and Excise Tax (Hall)	2,787,869	1,600,000	2,712,063	-31.79%	1,850,000
State Beer Tax Allocation	21,997	24,700	24,000	0.00%	24,000
State Liquor Tax Allocation	82,743	88,000	77,000	0.00%	77,000
City Street and Transportation Tax Allocation	90,282	91,500	90,200	0.00%	90,200
Emergency 911 Services Tax	15,406	19,000	17,101	2.00%	17,443
Fire Inspection Fees	2,335	3,000	1,284	55.73%	2,000
City Court Costs	653,868	474,186	672,176	2.00%	685,620
City Court Fines	236,672	249,730	241,405	2.00%	246,234
Fines and Forfeitures	19,250	13,000	19,000	0.00%	19,000
Youth Services	1,496	2,000	130	-100.00%	-
Other Court Revenue	409,791	273,520	454,704	2.00%	463,797
Animal Impoundment Fees	6,379	6,000	5,486	0.26%	5,500
Fines - Library	74,056	70,000	49,618	0.77%	50,000
Investment Income	1,691,778	1,140,000	1,230,500	-63.41%	450,235
Loan Interest - Civic Centre	64,595	88,750	66,120	-23.65%	50,480
Rental Revenue - WTF	299,614	298,779	299,000	0.33%	300,000
Rental Revenue - GPAC	175,172	120,000	130,000	-3.85%	125,000
Library Materials	24,533	25,000	23,061	4.07%	24,000
Parks	-	-	8,000	18.75%	9,500
Friends of Library	3,114	-	2,000	400.00%	10,000
Senior Expo Revenue	18,900	15,000	16,645	-3.88%	16,000
Senior Programs Revenue	1,058	-	-	-	-
Playground Registrations Revenue	57,087	60,000	62,000	-3.23%	60,000
Other Revenue	177,439	162,000	230,000	-13.04%	200,000
Library - Printing & Misc.	5,837	5,250	7,500	0.00%	7,500
Debt Proceeds	5,555,000	-	-	-	-
Other - Library	4,029	4,500	6,000	1.67%	6,100
Cash Short/Over	2	-	(24)	-100.00%	-
TOTAL REVENUES	\$ 44,918,753	37,204,315	39,356,049	-4.32%	37,843,910

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Current Real Property Tax

\$20,089,375

Property taxes are assessed on January 1, prior to each fiscal year in which taxes are recorded. Residential property is assessed at 25% and commercial at 40% of the appraised value. The current projections are based on the tax rate of \$1.54 per \$100 of assessed value. Key assumptions are a growth of 75 housing units per year for the next four years that are valued at \$350,000, a collection of 90% of taxes in the year assessed and a collection of 50% of all delinquent taxes each year.

Current Personal Property

\$624,180

This rate is set by the same ordinance as real property. It represents a 30% assessment on personal property owned by commercial entities. This assessment is taxed at the same rate and handled in the same manner as the real estate assessment. Personal property taxes are erratic and difficult to evaluate when the assessment is made. Some growth is expected in this line item due to new office development now underway. Key assumptions are that 92% of assessments will be collected in the year assessed, and that 50% of delinquents will be collected each year.

Penalties & Interest

\$95,000

After February 28, 5% penalty accrues immediately, the following month an additional penalty of 2% accrues and with each additional month 1% accrues to a maximum of a 10% penalty. Interest is charged at 1% each month until paid.

TVA Payments in Lieu

\$390,000

T.C.A. 67-9-101 et. Seq. collects 5% of TVA gross sales. A total of 48% is allocated back to local governments with cities getting 30% of that on a per capita basis. Collected quarterly (October, January, April and June) as a direct deposit to the City's Local Government Investment Pool (LGIP) account on the 20th of the month. The most recent federal census establishes a population of 37,348. A special census completed in 2006 resulted in a total census figure of 40,977. This revenue has been up approximately 5% per year for the last two years. Future projections are based on 3% per capita growth.

MLGW Payments in Lieu

\$210,000

The 1987 Municipal Electric Systems Tax Equivalent Law established maximum in lieu of tax payments. It is the equivalent payment that would be made for MLGW plant and equipment in Germantown assessed at 55%. Payments are to be received in two equal installments in November and April for the MLGW fiscal year, which is the calendar year. This revenue has been erratic due to tax increases, rollback tax rates and changes to state law. Therefore, it is not easy to establish a predictable trend.

Local Sales Taxes

\$5,561,000

Half of the 2.25% tax on each purchase of merchandise made in Germantown is collected by the State and returned to Germantown. It is collected monthly approximately 65 days after the end of the tax month (i.e. 50% of October's collections would be received in the first five days of January). A 2.375% commission fee is paid to the County. The projection of sales tax revenue is based on a 2% growth rate. The long-range projections also include significant growth on the perimeter of the city.

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Contra – 20 Year Annex Agreement

\$(50,000)

Local sales tax collected from the tax on each purchase of merchandise within the annexed area are remitted to the City of Memphis. This remittance is based on the 20-year agreement signed between the City of Germantown and the City of Memphis upon annexation in 1999.

Wholesale Beer Taxes

\$378,750

A 17% Wholesale Beer Tax is authorized by the State. It is collected from wholesalers based on their sales to retailers in the City and is collected monthly on about the 22nd directly from wholesalers. The revenue has increased steadily the last several years. Future projections are based on a 1% annual growth.

Wholesale Liquor Taxes

\$221,190

City Ordinance No. 1980-6. The State authorized a 5% inspection fee on the wholesale sale of alcoholic beverages in the City. It is collected from wholesalers based on sales to retail liquor stores in the City and is collected monthly. Future projections are based on a 1% annual increase.

Gross Receipts Business

\$363,600

Ordinance No. 1971-8. Authorized by Chapter 387 of the Public Acts of 1971. It is collected annually from retail sales and service businesses based on different percentages of the gross sales. Five due dates are spread throughout the year. The largest taxpayers are in the last quarter of the fiscal year. The tax base for the revenue is slightly different from local sales tax, but growth generally tracks that revenue. This revenue source is projected to increase at the same rate as local sales tax.

Business Tax Interest

\$1,000

Interest collected on the gross receipts tax filings as dictated by State law and are deducted quarterly in the same pattern as business tax.

Penalty – Business

\$6,528

Penalties and interest are collected on the gross receipts tax filings as dictated by State law and are deducted quarterly in the same pattern as business tax.

Cable TV Franchise Fee

\$485,000

Ordinance No. 1980-2. Authorizes the granting of a cable communication system franchise. The fees are collected quarterly and have decreased for the last three years. Future projections are projected at a 4% increase.

Hotel/Motel Occupancy Tax

\$525,200

The City adopted, by ordinance, a Hotel/Motel Occupancy Tax in FY96. This tax is a privilege tax on transient occupancy (occupancy for a period of less the 30 days). Collections from the customer are remitted to the City by the 20th of each month for the preceding month. The rate originally adopted by the City was 3%. With the adoption of the FY98 Budget, this rate was established at 5% (the maximum rate available). Five hotel/motel facilities are now open and in full operation within the City's boundaries. Future projections are made at 4%.

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Automobile Registration **\$903,950**

Ordinance No. 1980-9. The rate is \$25 per automobile of which \$1.25 covers a collection fee. Projections are based on the number of registered vehicles in FY07 plus an annual increase of 2.65 autos per living unit, times growth in living units projected to range from 110 to 75 per year.

Retail Beer Licenses **\$4,650**

A fee of \$250 per application and \$100 for each permit is collected annually. A total of 36 licenses are in effect now, and projected growth is about two per year.

Retail Liquor Licenses **\$13,500**

Ordinance No. 1973-23. Privilege Tax Liquor by the Drink is based on a scale of \$100 to \$1,000, depending on the type of establishment or seating capacity. It is collected in January and February, except for new establishments, and is projected to continue at the current level.

Animal Registration **\$79,790**

Ordinance No. 1979-13. The license fee for any dog over six months of age, unneutered or unspayed, is \$15.00. Neutered or spayed is \$10.00 as set by the Resolution on Revenue. Throughout the year, veterinarians and the Animal Shelter collect this fee. Revenue from animal registration fees is leveling out due to the emphasis placed on spaying and neutering dogs.

Fence & Sign Permits **\$3,838**

Ordinance Sec. 14-8 and Sec. 6-108. The fees are \$30 for temporary signs and \$30 for fences.

Building Permits **\$40,000**

Under contract with Shelby County, these fees are collected and a 33% surcharge is added to the total and remitted to the City of Germantown generally in August, October, February and April. Non-residential fees are assessed per \$1,000 of construction costs and rates vary between \$1.50 and \$4.00 depending upon the total value of construction. Residential construction and addition fees are assessed at \$.05 per square foot.

Subdivision Engineering **\$43,680**

The current Subdivision Development Contract requires the payment of \$500 per commercial development and \$500 per residential development plus \$80 per residential lot to cover inspection by the City. The projections are based on the level of new development required to achieve the real estate growth projected for real property taxes.

Zoning Application Fee **\$44,000**

Zoning application fees range from \$600 to \$3,600 depending on size and proposed use.

Grants – Federal, State **\$177,000**

Grants received from the State of Tennessee or the Federal Government.

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

State Sales Tax Allocation

\$2,843,070

T.C.A. 67-6-103 (3) (A). The State allocates back to all municipalities slightly more than 4.5% of the 5.5% tax rate, based on population as of a certified census. Three special censuses can be conducted each decade and a census of annexed areas can be made each year. It is collected monthly and directly deposited to the LGIP on the 20th of each month. A 4% annual increase in per capita allocation is projected and the population is 40,977. The State budget cut the allocation to local municipalities by 7.5% in FY04. Half of the cut was restored in FY06 with full restoration in FY07.

State Income & Excise Tax

\$1,850,000

T.C.A. 67-2601. This tax is collected by the State as a tax on income from dividends and interest on certain investments and is allocated back to the City at 3/8 of the amount collected from Germantown taxpayers. It is collected in August and direct deposited to the LGIP. The allocation is affected by fluctuations in the growth in number of taxpayers and investment earnings. The State General Assembly cut this allocation by 33.3% in 2003 with the adoption of the FY04 Budget. In FY06, the state approved the restoration of this cut with half restored in FY06 and the balance in FY07.

State Beer Taxes Allocation

\$24,000

T.C.A. 57-5-201. A 10.05% allocation of the tax of \$3.40 per barrel paid by manufacturers or distributors is made to municipalities and collected semiannually in October and April. It is a direct deposit to the LGIP on the 20th of each month. The projections are based on the same housing patterns as previously described and cut 9% in adoption of the State budget. In FY06, the state approved the restoration of this cut with half restored in FY06 and the balance in FY07.

State Liquor Taxes Allocation

\$77,000

T.C.A. 57-4-301. This revenue is collected monthly and directly deposited to the LGIP on the 20th of the month. Projections are based on the same housing patterns as previously described and cut 9% in adoption of the State budget in FY04. In FY06, the state approved the restoration of this cut with half restored in FY06 and the balance in FY07.

City Street & Transportation System

\$90,200

T.C.A. 67-3-904. State allocation is \$0.01 per gallon for gasoline and other fuel in the state and is based on population. It is collected monthly and is directly deposited to the LGIP on the 20th of the month. Growth in this revenue is from the growth in housing as described earlier.

Emergency 911 Service

\$17,443

Of the \$0.30 monthly fee set by the Shelby County 911 Communication District Board charged to residential phone bills for 911 services, 20% is allocated back to the City on a per capita basis.

Fire Inspection Fees

\$2,000

Fire inspection fees are collected on a variety of services performed by Germantown's Fire Department and range between \$10 and \$150.

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

City Court Costs **\$685,620**

This revenue is from Court Costs assessed in Municipal Court and is collected daily by the City Court clerk's office. This revenue, like court fines, has been erratic and it will vary in direct proportion to court fines. Projections are based on a .7% annual growth factor.

City Court Fines **\$246,234**

Fines are assessed by Municipal Court and collected daily by the Court Clerk's office. In the past, this revenue has been erratic. Approximately 15% of all fines assessed are deferred and only about half of the 15% deferrals are collected in the year assessed. Projections are based on a 1.5% annual growth factor.

City Fines Forfeitures **\$19,000**

Municipal Court Judges set bonds for defendants to appear before court. If a defendant fails to appear in court, the cash bond is forfeited to the City. Projections are based on a 1.5% annual growth factor.

Court – Other Revenue **\$463,797**

Other court revenue includes miscellaneous fees charged by City Court, including accident reports, bond filing, expungement, license clearance, returned check and warrant recall fees, returned check fees, warrant recall fees and offense reports.

Animal Impoundment Fee **\$5,500**

A charge of \$35 (first time), \$70 (second time), \$90 (third or more times) impoundment fees and a \$9 per day boarding fee is collected. The objective of Animal Control is to reduce the number of animals running loose. Projections are at current levels.

Fines - Library **\$50,000**

Library fines are assessed as follows: \$.10 per day per item for juvenile print and audio materials, \$.20 per day per item for adult print and audio materials, \$1.00 per day per item for adult/juvenile visual materials, and \$1.00 per day per item for interlibrary loan materials.

Investment Income **\$450,235**

This revenue is from the investment of the pooled funds of the City, including all funds except enterprise, Drug Asset Forfeiture and fiduciary. Both gains and losses on sales of investment securities and interest earned on investments are included in this account. Projections are based on cash flows in the budget and an average investment rate of 1.5%. The LGIP account will be reduced to the minimum required to pay current bills, and all excess funds will be invested at the long-term rate.

Loan Interest – Germantown Athletic Club **\$50,480**

This revenue is the interest owed to the City by the Germantown Athletic Club annually on the loan of \$2.5 million issued to the Germantown Athletic Club Fund in 2000.

Rental Revenues - WTF **\$300,000**

In addition to miscellaneous rental income, the City rents property under long-term contracts. There are several long-term contracts for wireless transmission facilities.

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Rental Revenues - GPAC **\$125,000**

This income is from rental revenue generated at the Germantown Performing Arts Centre.

Library Materials **\$24,000**

Fees for library materials are as follows: \$2.00 for VHS/DVDs, \$2.00 for book-on-tape/CD, \$.50 for music CDs/tapes per item, \$5.00 processing fee in addition to the cost for lost or damaged items, and \$1.00 per library card replacement.

Parks **\$9,500**

Rental revenue received from the pavilions.

Friends of Library **\$10,000**

Money collected from the "Friends of the Library" on the sales of donated books. This money helps to support the Germantown Community Library.

Senior Expo **\$16,000**

Rental revenue received from booths at the annual Senior Expo at the Germantown Athletic Club.

Playground Program **\$60,000**

Program fees collected for the Summer Playground program. There are two types of summer playground programs. "Camp Riverdale" is an all day summer program (resident fee is \$700/child, non-resident fee is \$1,001/child). The "Summer Playground Program" is a partial day program (resident fee is \$420/child, non-resident fee is \$601/child). The activities fee is \$95 per child for both programs.

Other Revenues **\$200,000**

This item increases and decreases from the sale of leased vehicles when the police fleet is replaced based on Vehicle Maintenance records and depreciation schedules. Other revenues collected are on routine items such as charges for copies of public records and donations.

Library – Printing & Misc. **\$7,500**

The library charges \$.25 per page for black and white copies and \$1.00 per page for color copies.

Library- Other **\$6,100**

This item includes \$2,000 credit card fees.

TOTAL GENERAL FUND REVENUE **\$37,843,910**

SPECIAL REVENUE FUNDS REVENUE PROJECTIONS

STATE STREET AID FUND

	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>% Chg.</u>	<u>Budget FY09</u>
State Gasoline Tax Allocation	\$ 1,154,477	1,287,000	1,186,917	0.68%	1,195,000
Investment Income	26,567	30,000	48,000	-63.33%	17,600
General Fund Transfer	950,000	800,000	1,300,000	-13.85%	1,120,000
TOTAL REVENUES	<u>\$ 2,131,044</u>	<u>2,117,000</u>	<u>2,534,917</u>	<u>-7.98%</u>	<u>2,332,600</u>

State Gasoline Tax Allocation

\$1,195,000

A population based allocation of the state \$0.17 gasoline tax and \$0.17 motor fuel tax is accounted for in the separate State Street Aid Fund. It is collected monthly and directly deposited to the LGIP on the 20th. These projections are based on the same housing growth as described for other state allocations. State collections have been erratic, and per capita collections are projected at the current rate of \$31.20.

Interest Income

\$17,600

Interest on funds held in State Street Aid Fund.

Transfer In – General Fund

\$1,120,000

Funds transferred from the General Fund to cover additional expenses.

AUTOMATED ENFORCEMENT FUND

	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Red Lights	\$ 434,900	605,000	496,000	10.89%	550,000
TOTAL REVENUES	<u>\$ 434,900</u>	<u>605,000</u>	<u>496,000</u>	<u>10.89%</u>	<u>550,000</u>

Red Lights

\$550,000

This category includes fines captured on the automated enforcement cameras installed at Germantown Road/Wolf River Boulevard and Farmington/Poplar Avenue. The fine for each violation is \$50.00.

SPECIAL REVENUE FUNDS REVENUE PROJECTIONS

DRUG ASSET FORFEITURE FUND

DRUG ASSET FORFEITURE FUND

	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Drug Enforcement Revenues	\$ 597,748	249,000	249,000	-13.65%	215,000
TOTAL REVENUES	\$ 597,748	\$ 249,000	\$ 249,000	-13.65%	215,000

Drug Enforcement Revenue

\$215,000

Funds received from court fines and seizures.

PICKERING COMPLEX FUND

	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Classes Revenues	\$ 20,587	29,000	26,760	1.68%	27,210
Senior Events Revenues	11,921	14,000	9,500	0.00%	9,500
Other Revenue	29,571	28,000	37,500	-24.00%	28,500
General Fund Transfer	178,000	-	-	-	-
TOTAL REVENUES	\$ 240,079	71,000	73,760	-11.59%	65,210

Classes – Pickering Community Center

\$27,210

Included in this category are revenues received from cultural arts and senior classes offered in the Pickering Community Center. Instructors receive 70% of the revenue and the City receives 30%.

Senior Events

\$9,500

Funds received for senior events, including special events, day trips, and commissions.

Other Revenue

\$28,500

This category includes rental income received from renting out the Pickering Complex facilities for parties, banquets, club meetings and other community events.

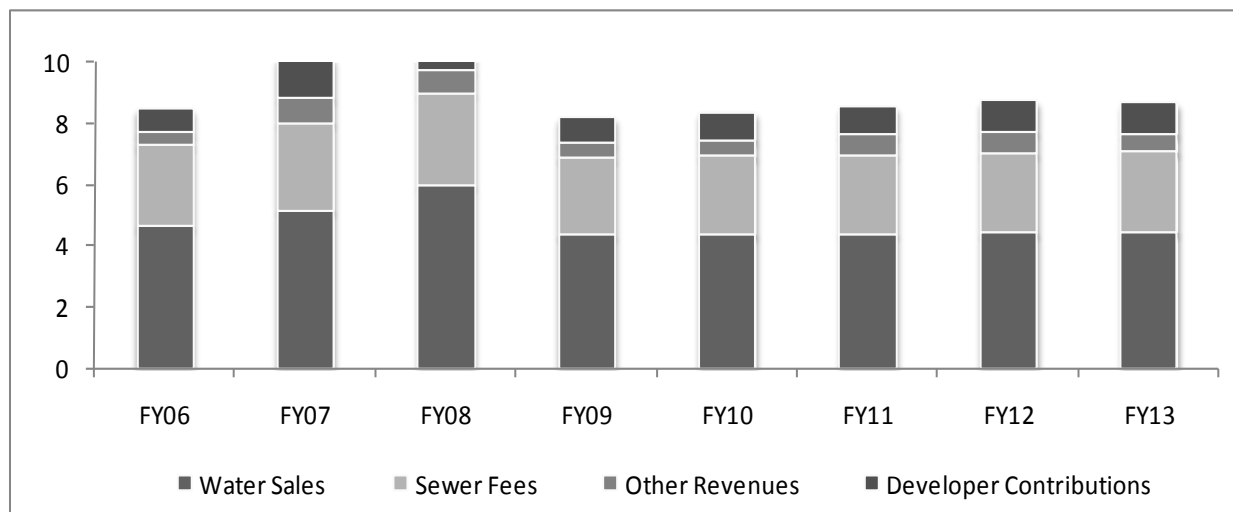
UTILITY FUND REVENUE PROJECTIONS

This section presents the projected Utility Fund revenues for FY09. An analysis chart of revenue components and projected trends through FY13 is presented below.

	Actual FY07	Budget FY08	Estimated FY08	% Chg.	Budget FY09
Metered Water Sales	\$ 5,169,592	4,267,200	6,000,000	-27.47%	4,352,010
Forfeited Discounts	68,923	60,000	75,000	0.00%	75,000
Other Revenue	20,035	20,000	20,000	3.00%	20,600
Sewer Service Fees	2,862,891	2,600,300	3,000,000	-15.78%	2,526,735
OPERATING REVENUES	\$ 8,121,441	6,947,500	9,095,000	-23.32%	6,974,345
Developer Installation	\$ 117,873	75,000	50,000	-40.00%	30,000
Water Connection Fees	130,900	110,000	110,000	18.18%	130,000
Sewer Connection Fees	116,035	100,000	120,000	4.17%	125,000
Investment Income	356,583	175,000	386,000	-63.39%	141,300
Interest Income - Bond	2,267	-	-	-	-
Contributions from Developers	1,320,633	1,147,000	1,147,000	-30.25%	800,000
NONOPERATING REVENUES	\$ 2,044,291	1,607,000	1,813,000	-32.36%	1,226,300

UTILITY REVENUES

\$ MILLIONS



REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Metered Water Sales

\$4,352,010

Residential charges are \$6.75 for the first 5,000 gallons, \$1.65 for each additional 1,000 gallons up to 15,000 gallons, \$1.90 for each additional 1,000 gallons up to 50,000 gallons and \$2.40 per 1,000 gallons thereafter. Commercial charges are 50% higher than residential. These are net charges collected monthly by the City. The current rates became effective in FY09 and represented an average decrease of 5%.

Forfeited Discounts

\$75,000

By ordinance, when water and sewer bills are not paid within the ten-day discount period, the gross amount of the bill becomes due. On the average, this revenue is 3% of total water billings and is higher when water usage is greater.

Other Revenues

\$20,600

This category includes all revenues not otherwise classified- reimbursement for repair, supplies and labor, fire hydrant usage permits and vendor compensation for sales tax of approximately \$1,200 per year. This revenue source is projected to increase at 25% per year.

Sewer Service Fee

\$2,526,735

This revenue is based on metered water service. Residential charges are \$3.90 for the first 3,000 gallons, \$1.53 for each additional 1,000 gallons up to a maximum charge of \$31.20. There is a nominal surcharge for restaurants. These are net charges collected monthly by the City. The current rates became effective in FY06 and represented an average increase of 160%.

Developer Installation

\$30,000

The City charges \$300 per residential lot for water system expansion and for reimbursement of the City's cost when an existing line originally installed by the City will serve the development. The recoveries for existing lines are currently a large amount, but are erratic and future projections are for smaller amounts.

Water Connection Fees

\$130,000

Charges in this category are \$750 for residential (5/8-inch x 3/4-inch meter) with higher scheduled charges for larger meters. Collected monthly, this revenue is also affected by lower growth rate.

Sewer Connection Fees

\$125,000

Residential fees are \$600 per lot. The commercial charges are based on the development's frontage or acreage. This revenue is collected monthly and with the City installing the outfall lines, this revenue will accrue primarily to the City.

Interest Income

\$141,300

Interest earned on investments and gains and losses on sales of securities are allocated to the Utility Fund based on the average daily balance of cash in the fund. These funds are invested in the LGIP at an average projected rate of 1.5%.

Contributions from Developers

\$800,000

Assets received from private developers when the installation of water and sewer mains within the newly completed project is completed.

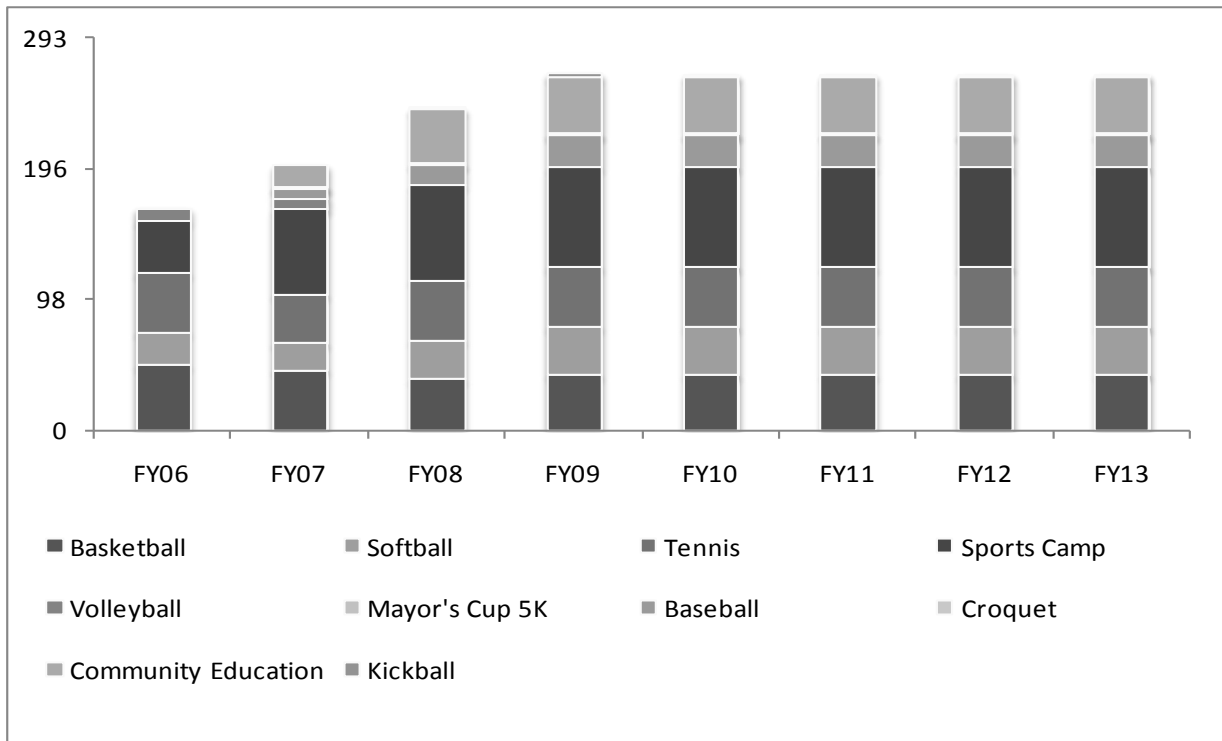
RECREATION FUND REVENUE PROJECTIONS

This section presents the projected Recreation Fund revenues for fiscal year 2009. An analysis chart of revenue components for the Recreation Fund is presented below.

	Actual FY07	Budget FY08	Estimated FY08	% Chg.	Budget FY09
Basketball Fees and Sponsorships	\$ 44,714	47,500	37,800	8.32%	40,945
Softball Fees	19,916	35,000	29,450	21.22%	35,700
Kickball Fees	-	1,575	1,425	0.00%	2,615
Tennis Classes and Other Fees	36,611	45,500	45,000	0.00%	45,000
Sports Camps Fees	63,771	70,000	70,835	5.84%	74,970
Volleyball Fees	7,920	-	-	-	-
Baseball	8,400	13,500	15,000	60.00%	24,000
Croquet Fees	470	800	1,246	-23.76%	950
Community Education	17,269	35,000	40,774	5.56%	43,040
TOTAL REVENUES	\$ 199,071	248,875	241,530	10.64%	267,220

RECREATION REVENUES

\$ THOUSANDS



REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Basketball Fees and Sponsors **\$40,945**

Youth participant fees are \$85 per player for residents and \$122 for non-residents. The league is expecting over 400 youths and 17 adult teams. We expect more participants due to forming a high school age league and an increase in Challenger league.

Softball Fees **\$35,700**

This category includes Adult softball teams with various divisions including men, women and coed. Forty-five teams are expected at a fee of \$475 per team.

Kickball Fees **\$2,615**

Revenues are generated through 7 expected Adult coed kickball teams participating in our league at a fee of \$275 per team.

Sports Camps **\$45,000**

Revenues are generated through Sports Camps for Grizzlies Basketball (\$150), Baseball (\$150), Soccer (\$100-\$175), Tennis (\$125), Lacrosse (\$150-\$175), and Volleyball (\$75).

Tennis Classes and Rentals **\$74,970**

Revenues generated through leagues, lessons, and tournaments.

Baseball Fees **\$24,000**

This category includes nine adult baseball teams at \$1,200 per team.

Croquet **\$950**

Revenue generated through lessons, leagues, and tournaments, as well as court rentals.

Community Education **\$43,040**

Revenue for this account comes from after school activities and educational courses.

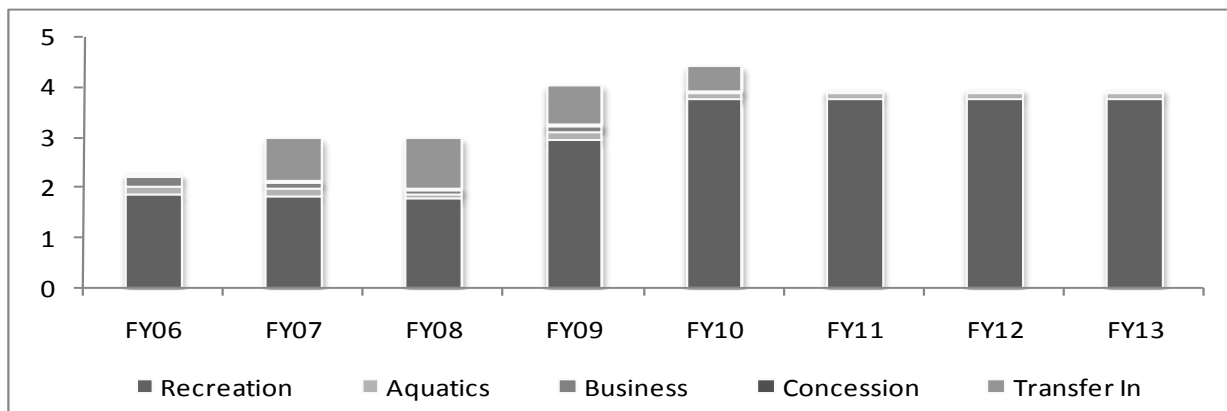
REVENUE ANALYSIS AND PROJECTIONS RATIONALE

This section presents the projected Germantown Athletic Club Fund revenues for FY09. The graph of revenue components and projected trends through FY13 is presented below.

	Actual FY07	Budget FY08	Estimated FY08	% Chg.	Budget FY09
Membership Fees	\$ 1,544,577	1,825,000	1,500,000	72.33%	2,585,000
Daily Fees	19,101	25,000	11,000	36.36%	15,000
Classes - Fitness	86,240	153,600	42,420	-17.49%	35,000
Classes - Arts and Humanities	10,045	15,000	16,740	4.54%	17,500
Concessions	25,460	40,000	5,296	-5.59%	5,000
Rent - Recreation	32,424	80,000	15,930	56.94%	25,000
Rent - Business	123,341	-	110,000	18.18%	130,000
Non-Member Surcharge	21,712	20,000	13,230	-1.74%	13,000
Other Revenues	16,602	12,000	12,150	2.88%	12,500
Nursery	10,633	8,000	10,200	-50.00%	5,100
Private Concessions	10,029	5,000	4,725	5.82%	5,000
Fitness Programs	302	750	360	38.89%	500
Water Exercise	4,930	5,000	890	461.80%	5,000
Swim Team	72,806	82,000	55,350	26.47%	70,000
Swimming Lessons	58,858	60,000	25,000	120.00%	55,000
Organized Water Sports	9,416	10,000	96	10316.67%	10,000
Aquatics Rental	9,584	10,000	6,500	69.23%	11,000
Personal Trainer	-	-	65,000	0.00%	175,000
Video Games	2	-	-	-	-
Marketing	28,000	28,000	28,000	0.00%	28,000
Catered Events	6,034	8,000	3,500	114.29%	7,500
OPERATING REVENUES	\$ 2,090,096	2,387,350	1,926,387	66.64%	3,210,100
Investment Income	\$ 25,094	10,000	26,800	-63.06%	9,900
Credit Card Over/Short	102	-	-	-	-
NONOPERATING REVENUES	\$ 25,135	10,000	26,800	-63.06%	9,900

GERMANTOWN ATHLETIC CLUB OPERATING

\$ MILLIONS



REVENUE ANALYSIS AND PROJECTIONS RATIONALE

\$2,825,000

Membership Fees

Membership fee revenues are based on an average annual membership of 4,100. The membership fee structure includes resident, non-resident, special discounts, monthly and daily categories.

Daily Fees

\$15,000

Based on daily guest fees to residents and nonresidents for use of the Germantown Athletic Club.

Classes – Fitness

\$35,000

Jazzercise, Taekwondo, and Pilates.

Classes – Arts & Humanities

\$17,500

Dance, art, language and music classes held at the Germantown Athletic Club.

Concessions

\$5,000

Profits received from the sale of food/menu items at the Germantown Athletic Club concessions that include birthday parties and camp meals.

Rentals – Recreation

\$25,000

Revenue received from gymnasium rentals.

Rent - Business

\$130,000

Revenue received from the business center rentals.

Non-Member Surcharge

\$13,000

Revenue collected from non-member participation in programs.

Other Revenues

\$12,500

This line includes revenue from food and drink machines at the Germantown Athletic Club, purchase of replacement IDs and purchase of recreation equipment.

Nursery

\$5,100

Income generated from nursery charges and fees.

Catering

\$5,000

Rental income received from renting out rooms D, E & F for parties, banquets, club meetings and other community events.

Fitness Programs

\$ 500

This line is based on racquetball reservation fees, leagues, and tournaments.

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

<u>Water Exercise</u>	<u>\$5,000</u>
Revenue generated from water bench, water exercise, water walking, deep-water exercises, and stretch and tone.	
<u>Swim Team</u>	<u>\$70,000</u>
This category includes charges for participants in the Swim Team, Masters Swim Team and coaching clinic.	
<u>Swimming Lessons</u>	<u>\$55,000</u>
This category includes charges for all regular and special swimming lessons.	
<u>Organized Water Sports</u>	<u>\$10,000</u>
Revenues are generated from hosting United States Swimming Meets and Memphis Swim Conference Meets.	
<u>Aquatics Rental</u>	<u>\$11,000</u>
Income generated from rentals of lanes and open swim for the indoor and outdoor pools.	
<u>Personal Trainer</u>	<u>\$175,000</u>
Revenue generated from personal training sessions.	
<u>Marketing</u>	<u>\$28,000</u>
Sponsorship money received from the Coca-Cola Bottling Company of Memphis, Tennessee.	
<u>Catered Events</u>	<u>\$7,500</u>
Profits received from the sale of food/menu items at the pool concessions that include birthday parties.	
<u>Investment Income</u>	<u>\$9,900</u>
Interest earned on available cash from investments in the State of Tennessee LGIP account.	

SANITATION FUND REVENUE PROJECTIONS

	Actual FY07	Budget FY08	Estimated FY08	% Chg.	Budget FY09
Sanitation Service Fees	\$ 3,696,101	3,715,344	3,758,338	4.0%	3,910,544
Forfeiture Discounts	34,944	34,000	35,000	-2.9%	34,000
OPERATING REVENUES	\$ 3,731,045	3,749,344	3,793,338	4.0%	3,944,544
Investment Income	\$ 19,219	12,000	22,300	-63.2%	8,200
Grants	3,323	2,500	4,000	0.0%	4,000
NONOPERATING REVENUES	\$ 22,542	14,500	26,300	-53.6%	12,200

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Sanitation Fees

\$3,910,544

This revenue source is associated with garbage collection and disposal. A monthly service fee was set by resolution, which requires the following payment from all residential sites:

Single Family	\$24.90
Multi-Family	14.90

Forfeiture Discounts

\$34,000

This source represents the additional rates that customers pay when they do not pay their sanitation fees on time.

Interest Income

\$8,200

This source represents interest earned on LGIP accounts and treasury notes.

Grants

\$4,000

This source represents federal and state grants Germantown receives for operations and promotion of its recycling program.

PENSION FUND REVENUE PROJECTIONS

	<u>Actual FY07</u>	<u>Budget FY08</u>	<u>Estimated FY08</u>	<u>% Chg.</u>	<u>Budget FY09</u>
Contributions	\$ 2,309,091	2,499,000	2,263,000	6.45%	2,409,000
Fair Value Appreciation (Depreciation)	4,665,145	2,000,000	(2,589,000)	-159.87%	1,550,000
Interest and Dividends	881,254	1,814,000	1,048,000	-8.40%	960,000
TOTAL REVENUES	<u>\$ 7,855,490</u>	<u>6,313,000</u>	<u>722,000</u>	<u>581.30%</u>	<u>4,919,000</u>

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Contributions

\$2,409,000

The actual contributions each year are determined by actuarial data compiled by the Actuarial Services Group, Inc. The City budget contribution for FY09 is projected to be \$ 1,767,000. In addition, emergency services staff contribute a determined percent of their salary. The employee contributions are determined by a payroll calculation. Employee contributions for FY09 are \$642,000.

Fair Value Appreciation (Depreciation)

\$1,550,000

The plan's assets are stated at fair value. The increase (or decrease) includes unrealized appreciation or depreciation in the value of the plan assets; that is, the difference between the value of the plan assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year.

Interest and Dividends

\$960,000

The Retirement Plan Administration Commission (RPAC) reviews the operations and activities of the City's pension plan including evaluation of its financial performance.

The City engages the services of a professional investment advisor, Gerber/Taylor Associates, Inc. to advise the City and RPAC regarding investment objectives and strategies and to assess the performance of the plan's money managers. The plan employs two money managers to invest the plan assets according to the investment objectives established by the City and RPAC. To provide a reasonable investment diversification, the plan assets are allocated to the two money managers who invest the funds according to the objectives for large and small capital stocks, international stocks and fixed income instruments.

During the calendar year 2007, the overall rate of return for plan investments was approximately 9.8%. The FY09 projections herein are based on a 6.2% rate of return.

HEALTH FUND REVENUE PROJECTIONS

	Actual FY07	Budget FY08	Estimated FY08	% Chg.	Budget FY09
Contributions	\$ 2,370,923	3,420,476	3,178,880	15.49%	3,671,438
TOTAL REVENUES	\$ 2,370,923	3,420,476	3,178,880	15.49%	3,671,438

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Contributions

\$3,671,438

Health Insurance Transfer – effective January 1, 1993, employees began funding medical benefits, based on family size. The City’s contribution is \$8,111.42 per employee and subscriber for FY08 with a total contribution of \$3,001,511 approximately 87% of medical costs. Recipients of the City’s health benefits account for approximately 13% of the estimated contributions for FY08, \$442,954.

Dental Insurance Transfer – effective February 1, 1986 the City chose to self-fund the employees and dependents dental benefits. The City revised the policy effective July 1, 2003 to offset rising medical costs by having the fund’s recipients contribute for dental benefits. In FY08, the City will contribute \$417.49 per employee with a total contribution of \$124,420, approximately 55%. Recipients of the City’s dental benefits fund approximately 45% of the estimated dental contributions for FY08, \$102,553.

OPEB FUND REVENUE PROJECTIONS

	Actual FY07	Budget FY08	Estimated FY08	% Chg.	Budget FY09
Contributions	\$ -	1,202,838	1,200,000	0.00%	1,200,000
Fair Value Appreciation	-	-	44,892	-22.04%	35,000
Interest and Dividends	-	-	8,000	50.00%	12,000
TOTAL REVENUES	\$ -	1,202,838	1,252,892	-0.47%	1,247,000

REVENUE ANALYSIS AND PROJECTIONS RATIONALE

Contributions

\$1,247,000

Starting in FY08, the City began funding Other Post-employment Benefits (OPEB). This represents the City’s Annual Required Contribution (ARC) as determined actuarially and is required by the Governmental Accounting Standard Board Statement 45.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1 from June 30, 2008 CAFR condensed:

Reporting entity

The City of Germantown, Tennessee (the "City") was chartered in 1841 and incorporated in 1903 under the provisions of Chapter 550 of the Private Acts of the General Assembly of the State of Tennessee. The City operates under a Board of Mayor and Aldermen form of government. The Executive Branch is organized into the following departments: Fiscal Management, Development, Community Services, Fire, Police, Human Resources, Germantown Centre and Germantown Performing Arts Centre.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. However, currently there are no component units.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except for investment earnings) are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City and accounts for all financial resources of the general government not specifically provided for in other funds. Most of the essential governmental services such as police and fire protection, community services, and general administration are reported in the General Fund.

The City reports the following major proprietary funds:

The Utility Fund accounts for water and sewer fees in connection with the operation of the City's water and sewer system. The proceeds of several bond issues and intergovernmental loans have been used specifically for the construction or acquisition of water and sewer systems and facilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Since it is the intention of the City to repay these bonds and loans through the operations of this fund, these obligations are classified as debt of this fund.

The Germantown Centre Fund accounts for the operations of the Germantown Athletic Club, a recreation and cultural facility. The Athletic Club facility was financed through general obligation bonds and General Fund operating transfers. The City's intent is to operate the facility in a manner in which revenues cover operating expenses plus depreciation of the facility. However, the outstanding debt is to be paid by the General Fund and is therefore not carried as debt of the Germantown Centre Fund. The General Fund made an intragovernmental loan to the Athletic Club facility for a 20-year term.

The Sanitation Fund accounts for all expenditures and revenues associated with garbage collection and disposal.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and vehicle maintenance services provided to other departments or agencies of the government on a cost reimbursement basis.

The Pension Fund, a pension trust fund, is used to account for the accumulation of resources to be used to provide defined retirement benefits to all qualified employees upon retirement.

The Bail Deposit Fund, an agency fund, is used to account for bail funds deposited by persons awaiting trial in City Court. The fund is purely custodial and thus does not involve measurement of results of operation.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government – wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Fund, Centre Fund, and the Sanitation Fund are charges to customers for sales and services.

The Utility Fund also recognizes, as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the system.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities and fund equity

1. Deposits and investments

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments are stated at fair value. Cash equivalents held by the trustee of the Pension Fund are included in cash and cash equivalents.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property taxes receivable are shown net of an allowance for uncollectibles.

Taxes are due December 1 (levy date) and are considered delinquent after February 28 (lien date), at which time penalties and interest are assessed.

3. Inventories

Inventories are valued at cost (first-in, first-out). Inventory in all funds consists of expendable supplies held for consumption. In the General Fund, the cost is recorded as an asset at the time individual inventory items are purchased. The reserve for inventories in the General Fund represents a portion of the fund balance that is applicable to future accounting periods.

4. Restricted assets

Restricted assets in proprietary funds represent cash on deposit with paying agents primarily restricted for the principal and interest requirements of long-term debt.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets in excess of \$5,000 are recorded at

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated fair market value at the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25-50 years
Improvements	10-60 years
Infrastructure	50 years
Machinery and equipment	3-15 years

6. *Compensated absences*

Compensated absences for accumulated unpaid vacation are accrued when incurred in all funds. Employees earn 10 or more days of vacation each year depending on length of service. The amount is provided for in current liabilities of the appropriate funds, as it does not exceed a normal year's accumulation. Compensated absences are paid out of the employee's cost center

Accumulated unpaid overtime is also accrued when incurred in all funds. Sick leave is not accrued except at the governmental-wide presentation.

7. *Long-term obligations*

In the governmental-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *Fund equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Basis of Budgeting

The City does not distinguish between Basis of Budgeting and Basis of Accounting, as reflected in the City's Comprehensive Annual Financial Report (CAFR). The principles set forth as the Basis of Accounting are strictly observed in the budgetary process.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City budget is prepared on a modified accrual basis of accounting except for encumbrances. Unencumbered appropriations lapse at the end of each fiscal year, with encumbered appropriations being carried forward to the next year.

The budgetary process for the City of Germantown begins in January with the Board of Mayor and Aldermen's annual retreat where their policy agenda is set for the upcoming fiscal year. Early in January, a budget manual is distributed to all departments and divisions, which outlines the budget calendar, submission dates, performance measurement requirements and parameters for budget requests. Six months of actual data for the current fiscal year is given as a basis for departments to submit their estimates for the current fiscal year yearend. Departments are required to complete their budgetary requests for the new fiscal year and include justifications for any infrastructure, capital and program change requests. The Research and Budget staff works with departments in reviewing personnel needs. The city administration reviews all requests on the timeframe as identified in the annual budget calendar. All funds, capital programs, infrastructure replacement programs and staffing are presented to the City's Financial Advisory Commission (FAC). The FAC is composed of citizens who volunteer to serve on the Commission on an annual basis and whose background is within the financial services discipline. The final component of the budgetary process is highlighted in a work session with the Board of Mayor and Aldermen. The Proposed Budget is then presented to the Board of Mayor and Aldermen for adoption through three readings, including a public hearing. Prior to the public hearing, a Budget In Brief brochure is mailed to all citizens. The brochure highlights the major capital and operating projects in the proposed Budget along with a letter from the Mayor.

Budgetary Control

Formal budgetary accounting is used as a management control for all funds of the City. Budgetary controls are exercised both at the departmental level, with the adoption of the budget, and at the line item level through accounting controls. Additionally, budgetary control is maintained at the program level by the individual departments, acting in conjunction with the Department of Finance and General Services. The latter has a Division of Research and Budget to execute budgetary controls.

Under provisions of the City's charter, the Board of Mayor and Aldermen annually enact by ordinance the operating budgets of the general, special revenue, capital projects, enterprise and internal service funds, which cannot exceed appropriation except by approval of the governing body. An annual budget for the capital projects is adopted by individual funds. The total budgets of these funds constitute legal spending limits, requiring ordinance amendment. Transfers within the funds are accomplished by resolution of the Board of Mayor and Aldermen to authorize expenditures of various grants received and to adjust the individual fund budgets as required within the total dollar limitations of the budget ordinance. The Mayor may approve transfers between categories within a cost center without the governing body's approval. The Board must approve other transfers or requests for additional funds. Thus, departmental or cost center appropriations comprise a legal spending limit for governmental fund types, except for capital projects funds for which the project length financial plans are adopted. The City disperses its capital projects fund monies to various projects, which may cause a deficit within the project. However, the City adopts a positive Capital Improvements Program where funds can be transferred within the fund with appropriate approval from the governing body. Supplemental appropriations were required during the year and the accompanying budgetary data has been revised for amendments authorized by resolution during the year. The basis of accounting applied to budgetary data presented is consistent with the appropriate basis of accounting for each fund type.

The Capital Projects Funds account for the receipt and disbursement of all resources used in the acquisition and construction of capital facilities where the construction period is expected to exceed one year, other than those financed entirely by Proprietary Fund Types. The primary funding sources are debt proceeds and General Fund transfers. The facilities constructed and assets acquired become a part of the City's fixed assets and are, therefore, recorded in the General Fixed Assets Account Group. The residual

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

equity in Capital Projects Funds, if any, is returned to the General Fund upon completion of the project. The following funds are included in this grouping.

The Major Roads Fund includes projects that create, widen or improve roads or intersections. In addition, this fund provides safe and reasonable access to the commercial developments while maintaining a reasonable level of service for traffic using the roadways.

The Other Transportation Fund includes additional intersections and signals for the city or the improvement of the existing ones. The major purpose of this fund is to provide safe and orderly movement of traffic.

The Fire Department Projects Fund's major objective is to provide adequate fire protection to the city and to maintain the Class 3 insurance rating. The major projects in this fund include the construction of new fire stations, the remodeling or expansion of existing fire stations and major equipment purchases.

The Parks Improvements Fund is needed to meet the intensified demand for additional parkland. In addition, growth and development of new parkland is needed to keep pace with the 2004 Plan for parks and recreation.

The Drainage Projects Fund includes projects that will provide adequate water supply for existing and future population requirements. In addition, this fund consists of sewer projects, such as the provision of sanitary sewers, which are needed when properties are annexed into the City.

The General Government Projects Fund includes miscellaneous projects needed to meet individual departmental demands. The major projects in this fund include the remodeling or expansion of City owned buildings as well as community use buildings and property.

GLOSSARY OF TERMS

2004 Plan	The 20-year Comprehensive Plan approved by the BMA and Planning Commission in 1984.
Accrual Basis	A method of accounting in which each item is entered as it is earned or incurred regardless of when actual payments are received or made.
Adopted Budget	The budget approved by the BMA and enacted by budget appropriation ordinance, on or before June 30 of each year.
Appraised Value	The estimate of fair market value assigned to property by an appraiser or tax assessor. For tax assessment purposes such value is stated as of the last countywide reappraisal date.
Appropriation	An authorization made by the BMA, which permits the City administrative staff to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.
Balanced Budget	A balanced budget occurs when the total sum of money a government collects in a year is equal to the amount it spends on goods, services, and debt interest/principal.
BMA	Board of Mayor and Alderman.
Bond(s)	A certificate of debt (usually interest-barring or discounted) that is issued by a government or corporation in order to raise money.
Budget	A plan of financial operations comprised of an estimate of expenditures for a fiscal year and the means of financing those expenditures (revenue estimates).
Budget Appropriation Ordinance	The official enactment by the BMA establishing the legal authority for City administrative staff to obligate and expend funds.
Budget Calendar	The schedule of key dates or milestones that the City follows in the calendar preparation and adoption of the budget.
Budget Document	The official written statement prepared by the City's staff that presents the budget to the BMA.
CAFR	Comprehensive Annual Financial Report.
Capital Outlay	The purchase of items of significant value (more than \$5,000) and having a useful life of several years, also referred to as fixed assets.
Capital Projects	Projects established to account for the cost of capital improvements. Typically a capital project encompasses a purchase of land and/or the construction of or improvements to a building or infrastructure.
CIP	Capital Improvements Program.
Contingency Fund	A budgetary reserve set aside for emergencies or unforeseen expenditures not

GLOSSARY OF TERMS

Cost Center	An organizational budget and operating unit within a City department.
Debt Service	Payment of interest and repayment of principal on City debt.
Depreciation	A noncash expense that reduces the value of an asset as a result of wear and tear, age, or obsolescence.
Department	A management unit of closely associated City activities headed by a director or chief.
Direct Debt	The sum total of bonded debt issued by the City.
Distinguished Budget Presentation Award	A GFOA sponsored program award presented to a qualifying governmental unit that publishes a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.
EMS	Emergency Medical Services.
EMT	Emergency Medical Technician.
Encumbrance	A recorded expenditure commitment representing a contract to purchase goods or services.
Enterprise Fund	A type of proprietary fund used to account for the financing of goods or services to the public where all or most of the operating expenses involved are recovered in the form of user charges. This category includes the Germantown Centre Fund, the Utility Fund and the Sanitation Fund.
Expenditures	The cost of goods received or services rendered whether payment for such goods and services has been made or not.
FAC	Financial Advisory Commission – A citizen’s advisory committee made up of business executives and professionals from the community and one alderman.
FASB	Financial Accounting Standards Board.
Fiduciary Funds	Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.
Fiscal Year (FY)	An accounting period extending from July 1 to the following June 30.
Fund	A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.
Fund Balance	The cumulative excess of revenues over expenditures in a fund at a point in time. With certain limitations, a fund balance may be used to balance the subsequent year’s budget.
GAAP	Generally Accepted Accounting Principles are uniform standards and guidelines for financial accounting and reporting which govern the form and content of the basic financial statements of an entity.

GLOSSARY OF TERMS

GASB	The Governmental Accounting Standards Board, established in 1984 and comprised of five members, is the highest source of accounting and financial reporting guidance for state and local governments.
General Fund	The principal fund operating the City, it accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, and other types of revenues. This fund usually includes most of the basic operating services, such as fire and police, finance, administration, parks and recreation and environmental services.
General Obligation (GO) Bonds	When a government pledges its full faith and credit and unlimited taxing power for repayment of the bonds it issues. A GO Bond is typically used for long-term financing of capital projects and represents a written promise to pay to the bond purchaser a specified sum of money at a specified future date along with periodic interest paid at a specified interest percentage.
GFOA	Government Finance Officers Association of the United States and Canada.
Goal	The underlying reason(s) for the provision of essential City services.
GPAC	Germantown Performing Arts Centre.
Grant	A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed the grantee.
Interfund Transfers	Amounts transferred from one fund to another.
Inter-governmental Revenue	Revenue received from another government for general purposes or a special purpose.
Internal Service	A type of proprietary fund used to account for the financing of goods or services provided by one City activity to other City activities on a cost-recovery basis.
IRP	Infrastructure Replacement Program.
LEAA	Law Enforcement Assistance Administration, a grant or agency.
LGIP	An investment mechanism authorized by the 91 st General Assembly, which enables all Tennessee municipalities, counties, school districts, utility districts or other local government units and political subdivisions to participate with the state in providing maximum opportunities for the investment of public funds.
Line Item Budget	A budget summarizing the detailed categories of expenditures for goods and services the City intends to purchase during the fiscal year.
LSSI	Library Systems & Services, LLC

GLOSSARY OF TERMS

Moody's Investor Services, Inc.	A recognized bond-rating agency.
MSA Air Mask Objective	Mine Safety Appliance – used as a self-contained breathing apparatus.
MUNIES System	Municipal Impact Evaluation System.
Objective	A measurable statement of the actual results which a City activity expects to achieve in support of a stated goal.
Policy Agenda	The BMA's long-range goals for the City of Germantown.
Program Change	Alteration or enhancement of current services or the provision of new services.
Proprietary Fund	A distinct business entity, which is responsible for its liabilities and entitled to its profits.
Proposed Budget	The budget proposed by the city administrator to the BMA for adoption.
Purchase Order	A written legal document stating or confirming an offer to buy goods or services, which upon acceptance by a vendor becomes a contract. Its main function is to expedite and control buying by the City.
Reserves	An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.
Retained Earnings	An equity account reflecting the accumulated earnings of an enterprise or internal service fund.
Revenue	A term used to represent actual or expected income to a specific fund.
Risk Management	An organized attempt to protect a government's assets against accidental loss in the most economical methods.
RPAC	The Retirement Plan Administrator Commission is a citizen advisory committee made up of three citizens, the Mayor, the city administrator, the finance director, the risk manager and one alderman.
SCAT	Shelby County Automatic Tracking. This is the system used in Shelby County to track an individual through Shelby County Criminal Justice Center,

GLOSSARY OF TERMS

SCBA	Self-contained breathing apparatus is a piece of fire fighting equipment critical to the personal safety of the City's Fire Department personnel.
Situs	The allocation formula of State shared revenue based on the population of each local municipality as a percent of the State population.
Standard & Poor's Corp.	A recognized bond-rating agency.
Tax Levy	The total amount of tax that optimally should be collected based on tax rates and assessed values of personal and real properties.
Tax Rate	The level at which taxes are levied. The City of Germantown's tax rate is \$1.54 per \$100 of assessed value for FY07.
TFIRS	Tennessee Fire Incident Reporting System.
TGFOA	Tennessee Government Finance Officers Association.
TML	Tennessee Municipal League - a voluntary, cooperative organization established by the cities and towns of the state for mutual assistance and improvement.
TML Risk Management Pool	Self-insurance pool formed in 1981 by the TML.
Transmittal Letter	A general discussion of the budget presented to the BMA by the City Administrator as a part of the budget document. The transmittal letter explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the city administrator.
TVA	Tennessee Valley Authority.
Un-encumbered	The amount of an appropriation that is neither expanded nor encumbered. It is essentially the amount of money still available for future purchases.

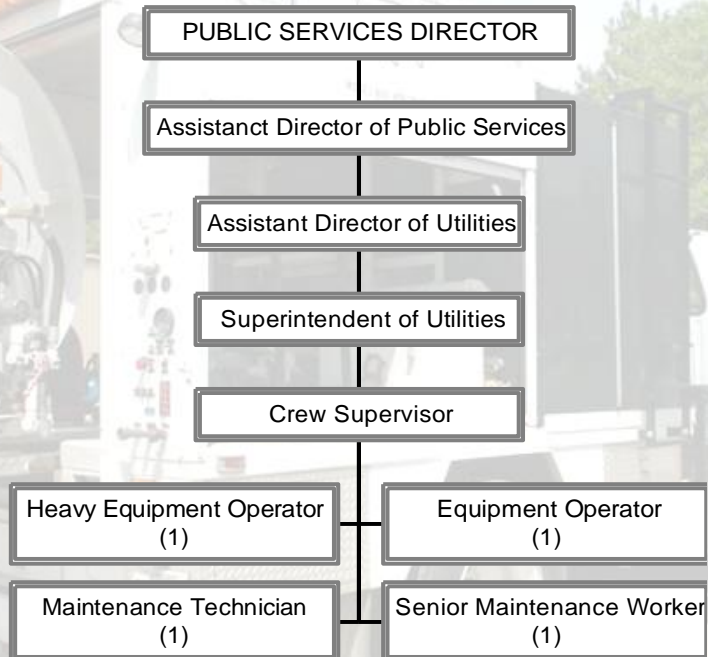
The most important ingredient in creating and maintaining a quality environment for the community is the people. The City of Germantown is very fortunate to have caring and concerned citizens whom volunteer their time to serve on boards and commissions.

There are 19 different groups of citizens who meet to discuss city business. They make suggestions to the Board of Mayor and Aldermen that shape the city's future and they make decisions that set standards and goals for the community. The volunteers put much time, talent and hard work into the task at hand. Their continued commitment is the reason for the quality of life that is uniquely Germantown.

- BOARD OF ZONING APPEALS
- BEAUTIFICATION COMMISSION
- DESIGN REVIEW COMMISSION
- ECONOMIC DEVELOPMENT COMMISSION
- EDUCATION COMMISSION
- ENVIRONMENTAL COMMISSION
- FINANCIAL ADVISORY COMMISSION
- HISTORIC COMMISSION
- INDUSTRIAL DEVELOPMENT BOARD
- LIBRARY BOARD
- NEIGHBORHOOD PRESERVATION COMMISSION
- PARKS & RECREATION COMMISSION
- PERSONNEL ADVISORY COMMISSION
- PLANNING COMMISSION
- PUBLIC SAFETY EDUCATION COMMISSION
- RETIREMENT PLAN ADMINISTRATION COMMISSION
- SENIOR CITIZENS ADVISORY COMMISSION
- TELECOMMUNICATIONS COMMISSION
- YOUTH COMMISSION

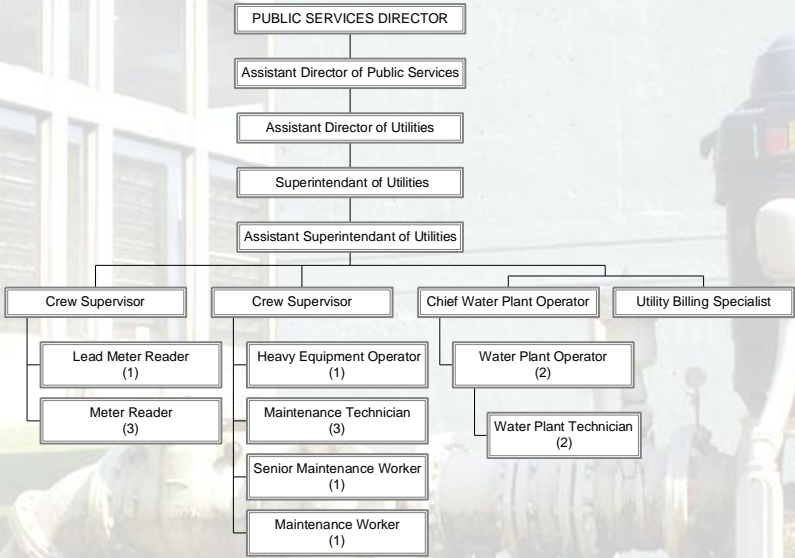
SEWER OPERATIONS

Organization Chart

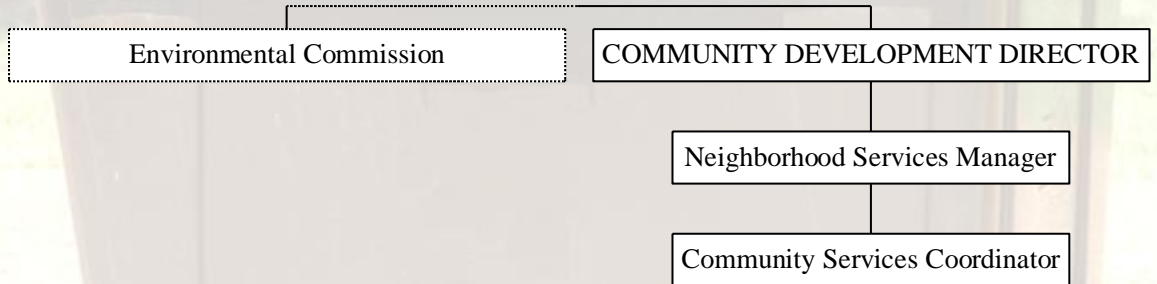


WATER OPERATIONS

Organization Chart



SANITATION Organization Chart



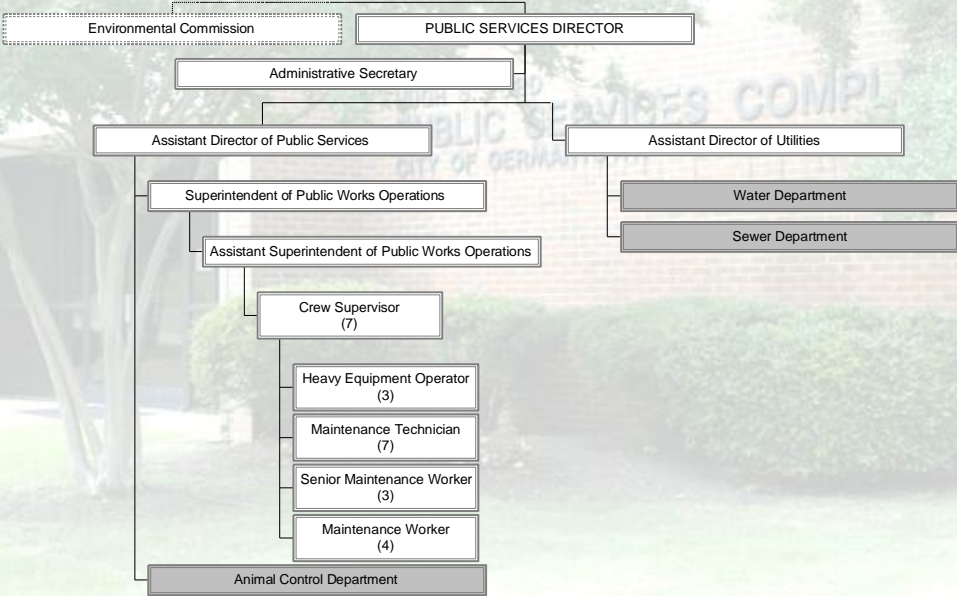
ANIMAL CONTROL DIVISION

Organization Chart



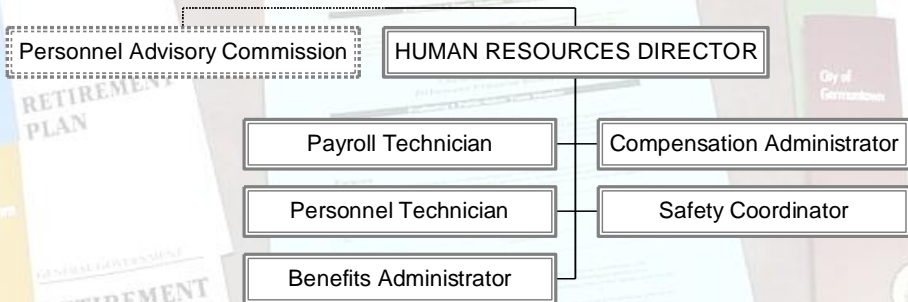
PUBLIC SERVICES DEPARTMENT

Organization Chart



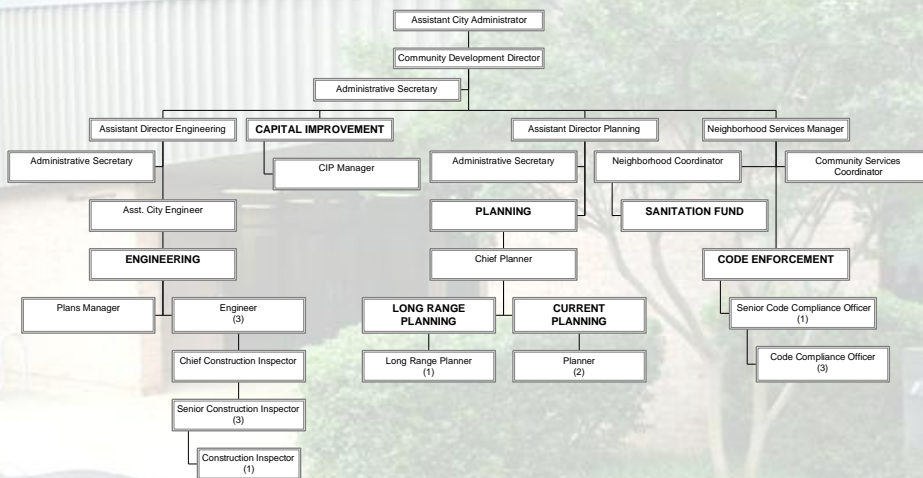
HUMAN RESOURCES

Organization Chart



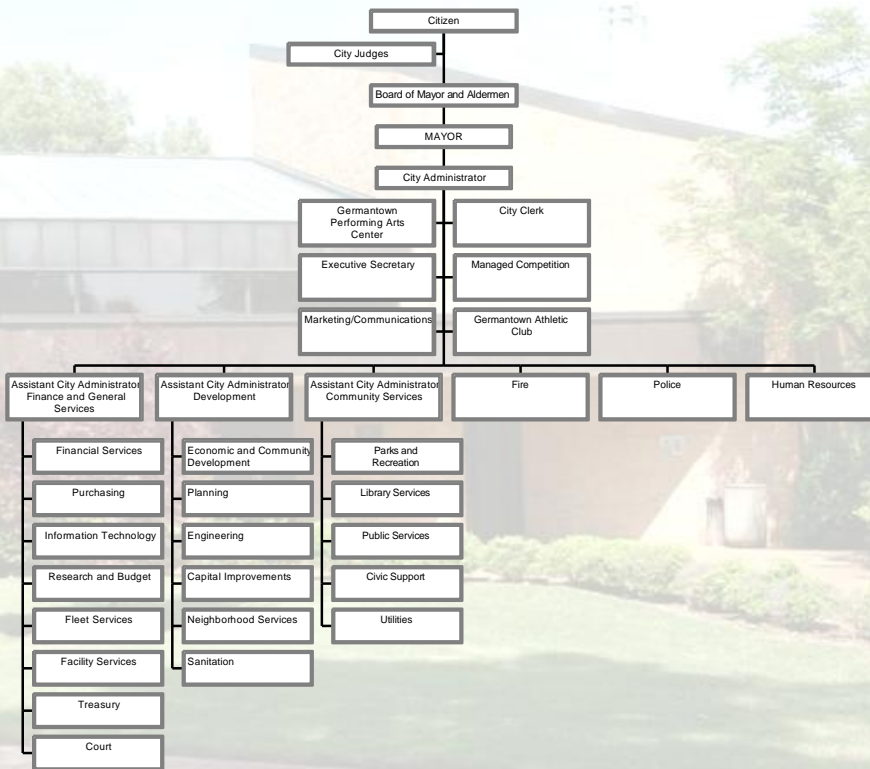
COMMUNITY DEVELOPMENT

Organization Chart



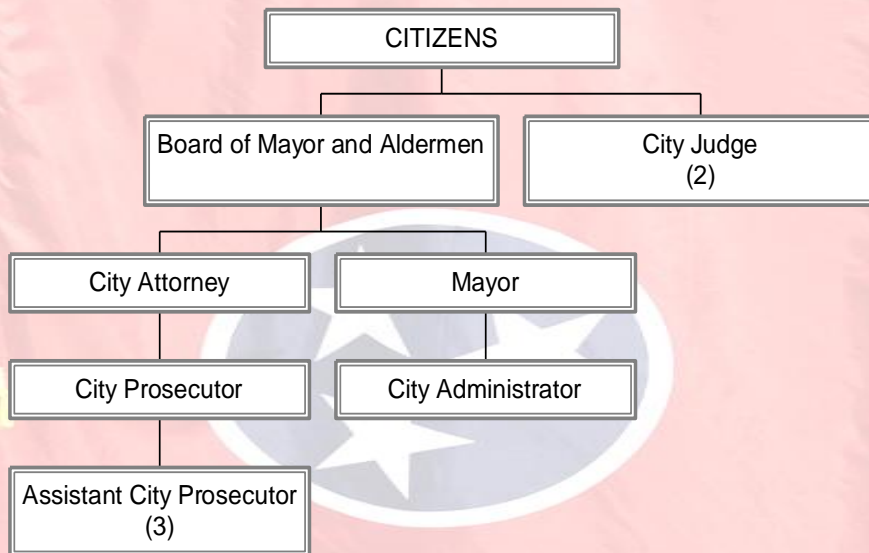
CITY OF GERMANTOWN, TENNESSEE

Organization Chart



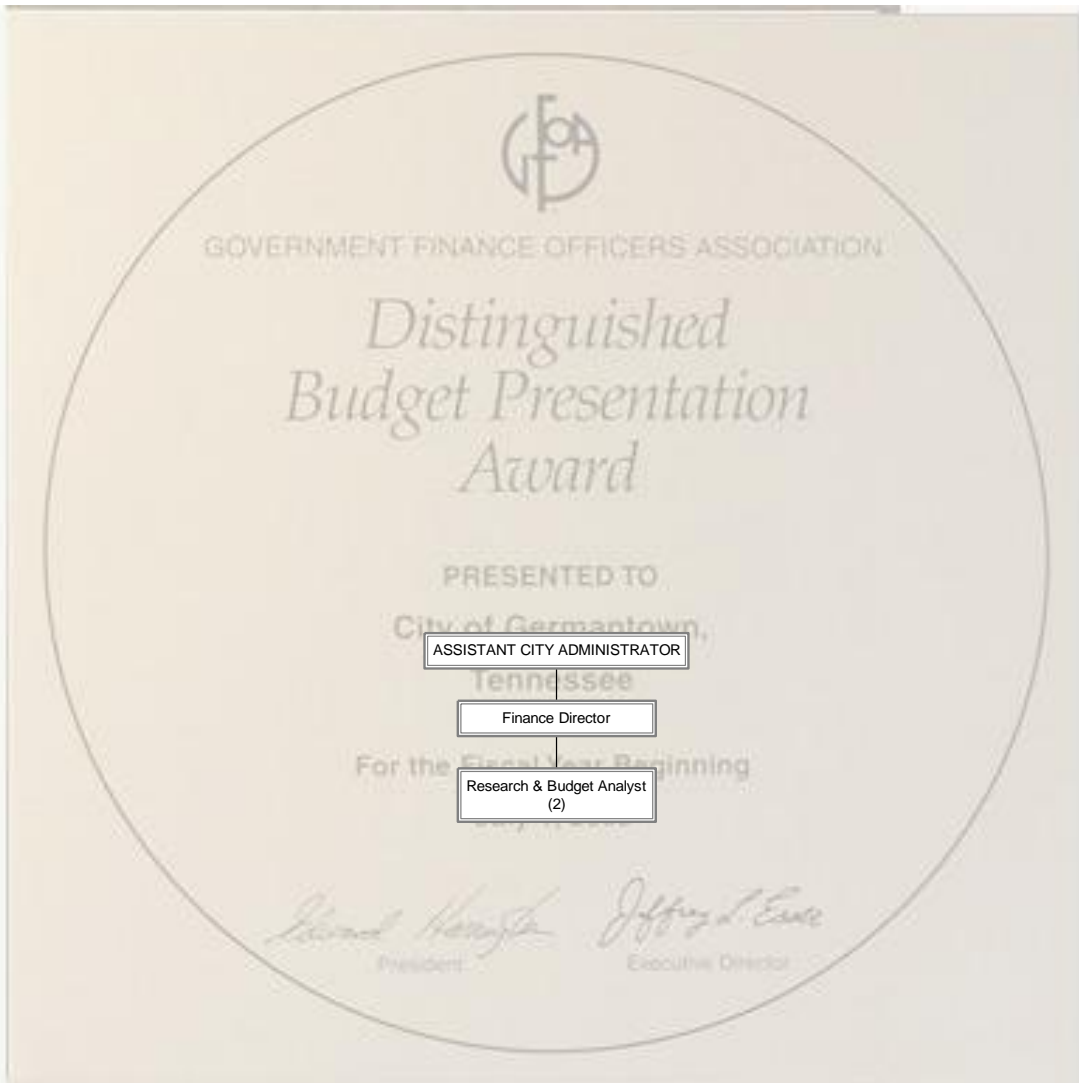
ALDERMEN

Organization Chart

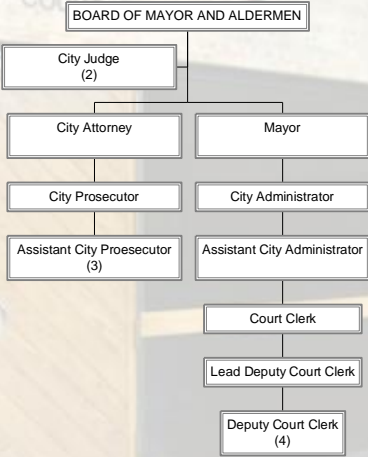


RESEARCH & BUDGET

Organization Chart

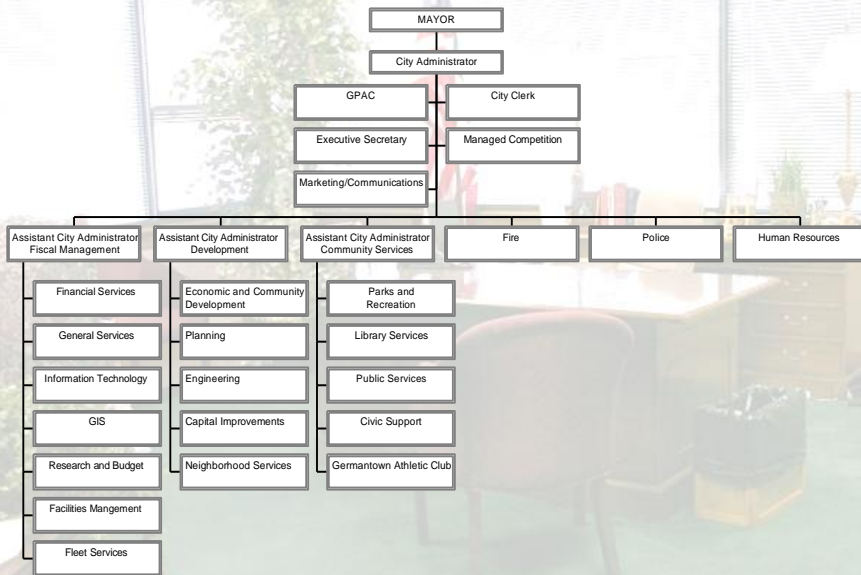


CITY COURT Organization Chart



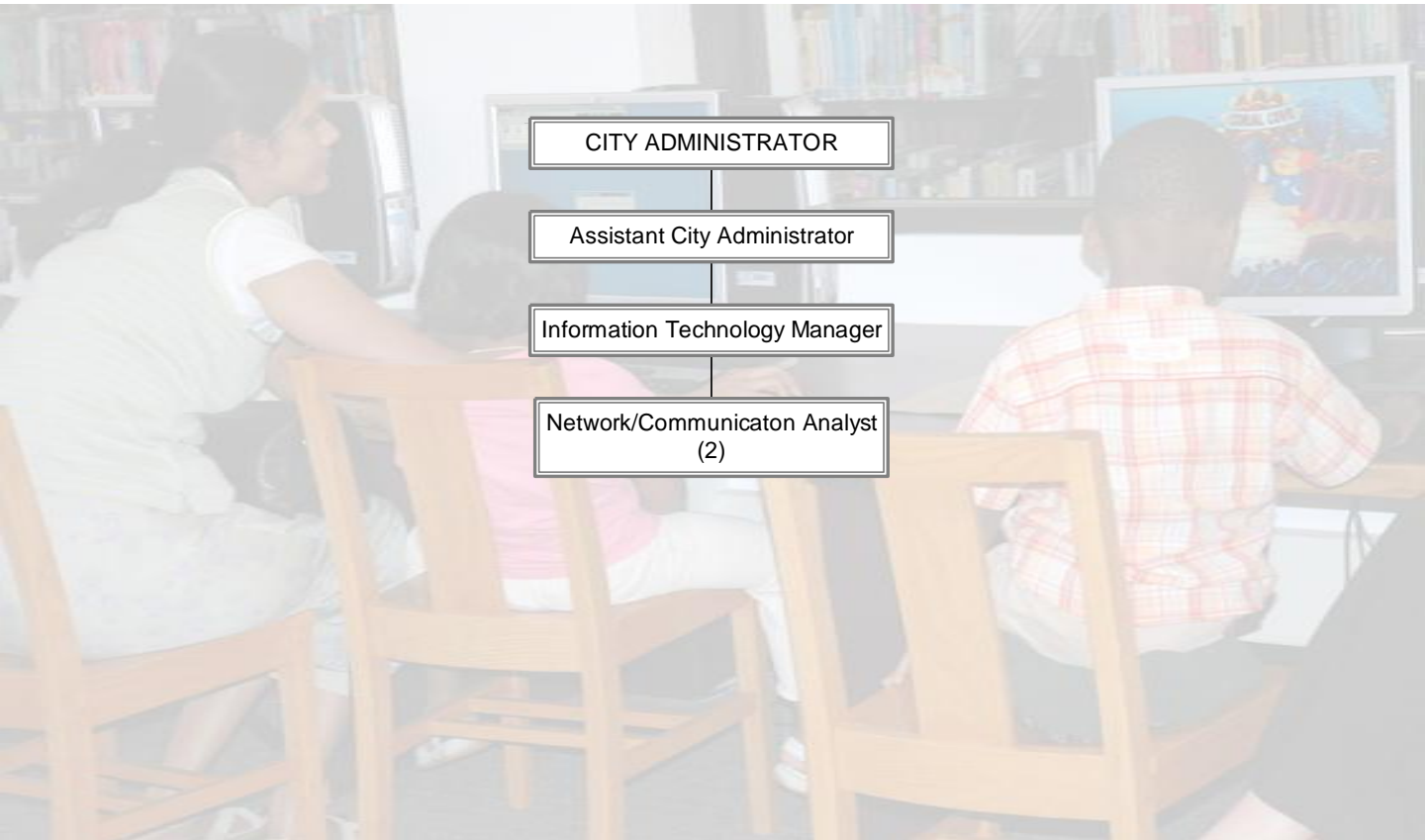
ADMINISTRATION

Organization Chart



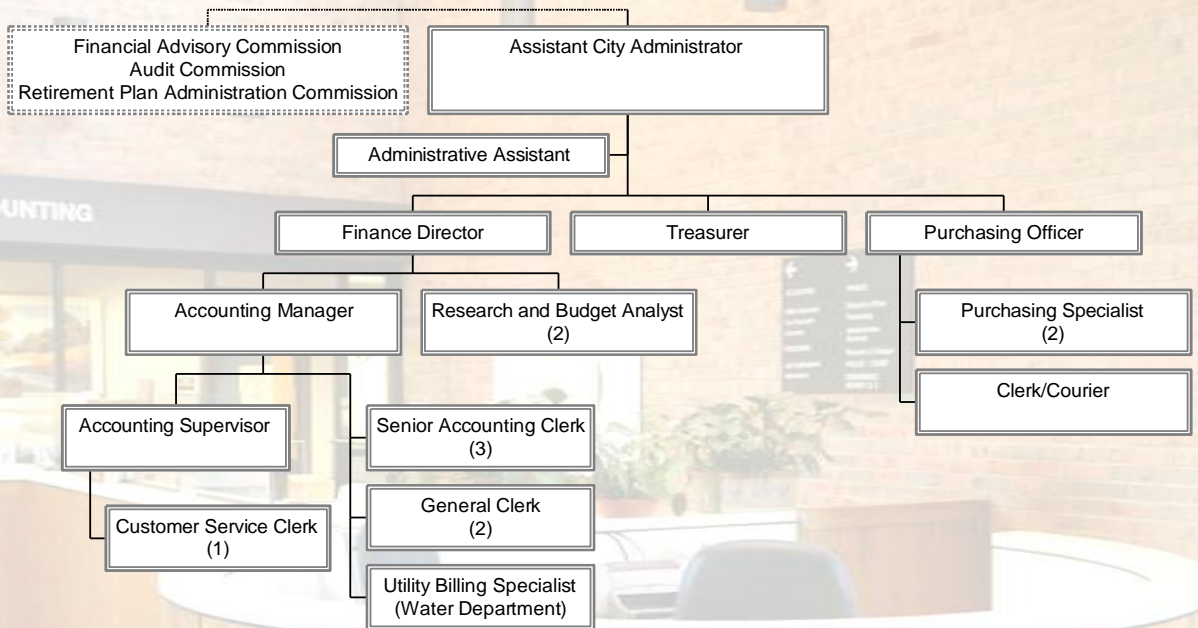
INFORMATION TECHNOLOGY

Organization Chart



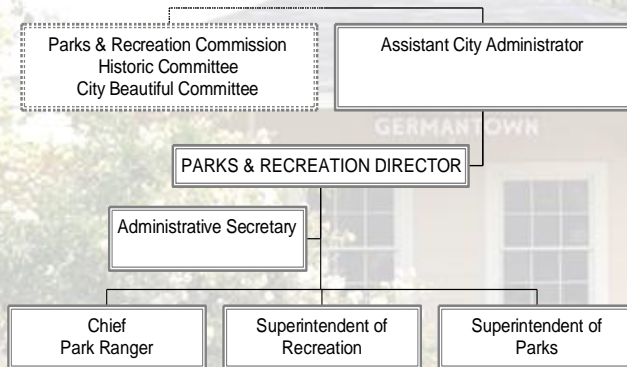
FINANCIAL SERVICES

Organization Chart



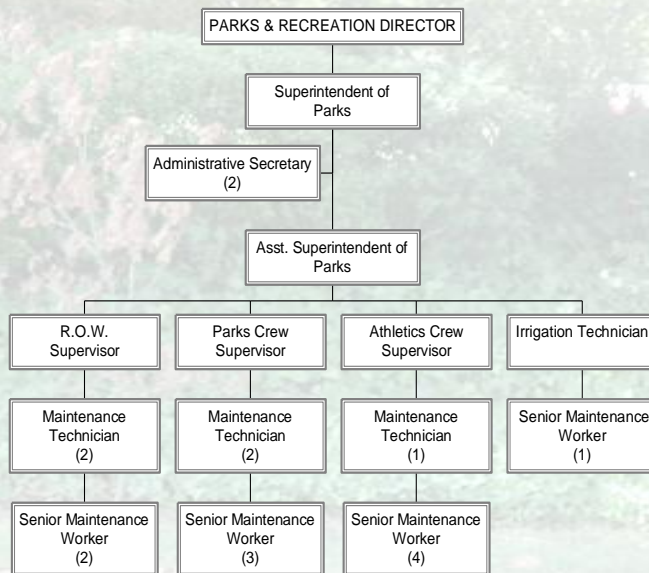
PARKS & RECREATION

Organization Chart



PARKS DIVISION

Organization Chart



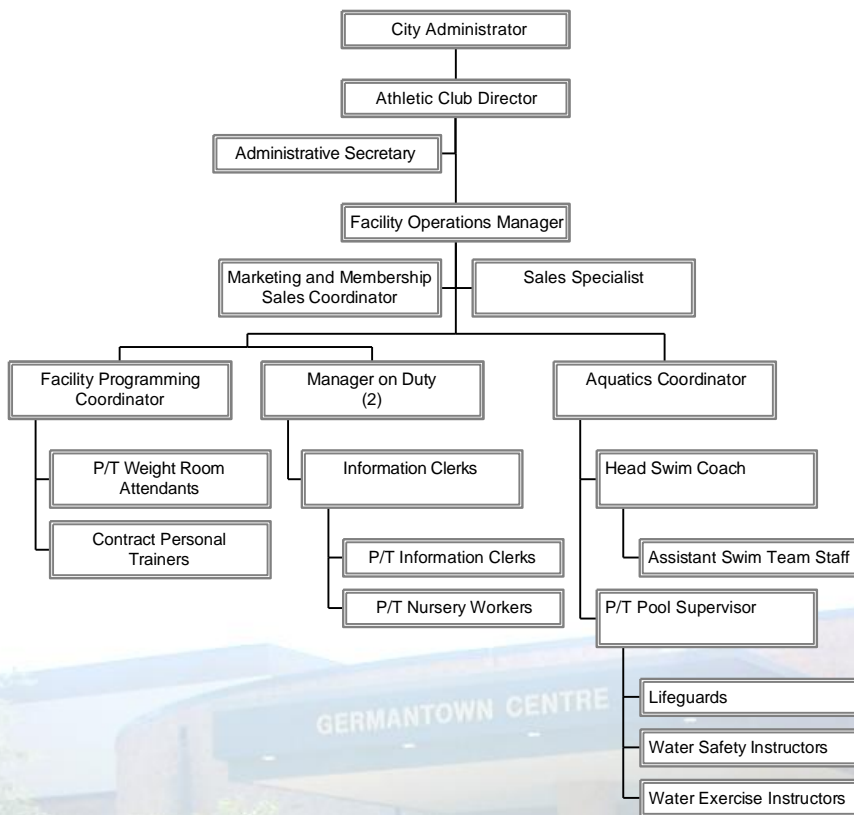
RECREATION

Organization Chart



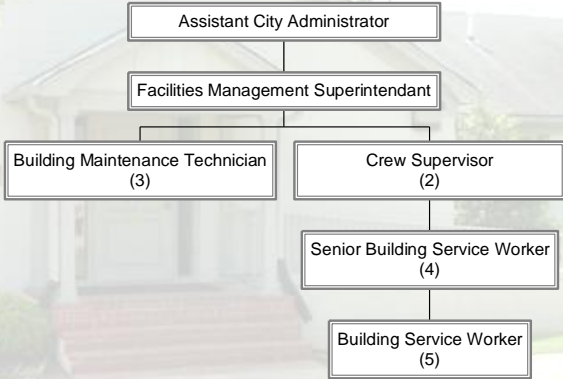
GERMANTOWN ATHLETIC CLUB

Organization Chart



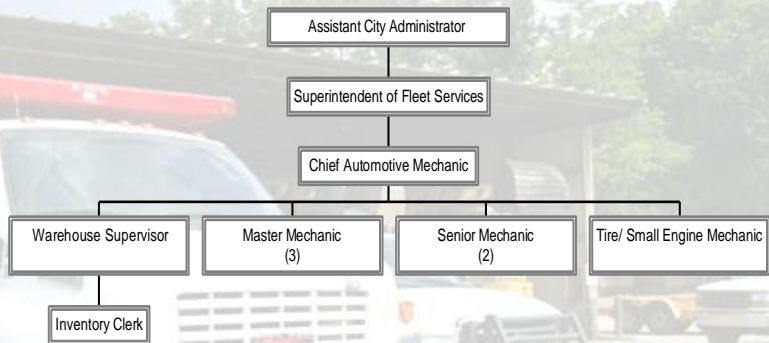
FACILITY SERVICES

Organization Chart

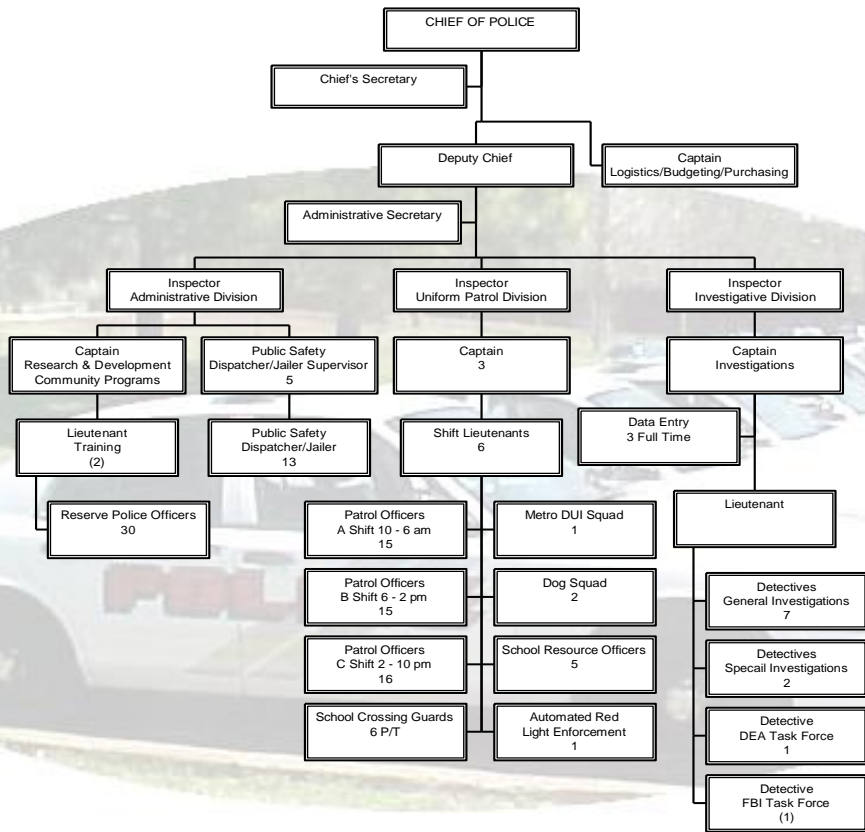


FLEET SERVICES

Organization Chart

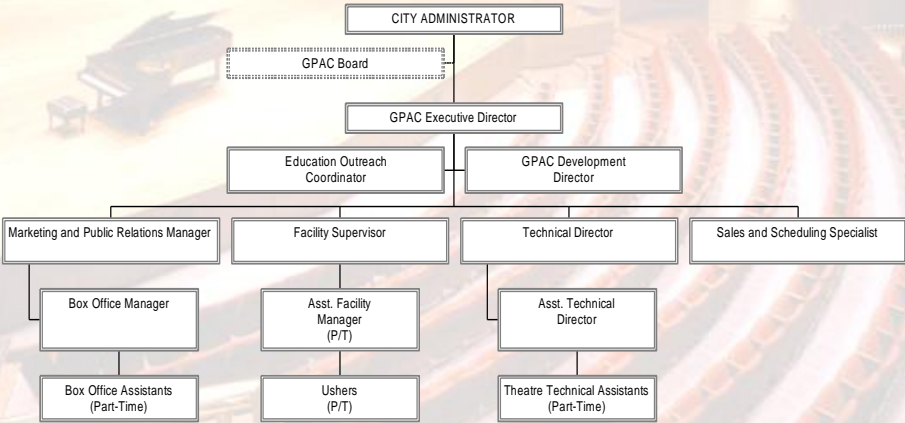


GERMANTOWN POLICE DEPARTMENT Organization Chart

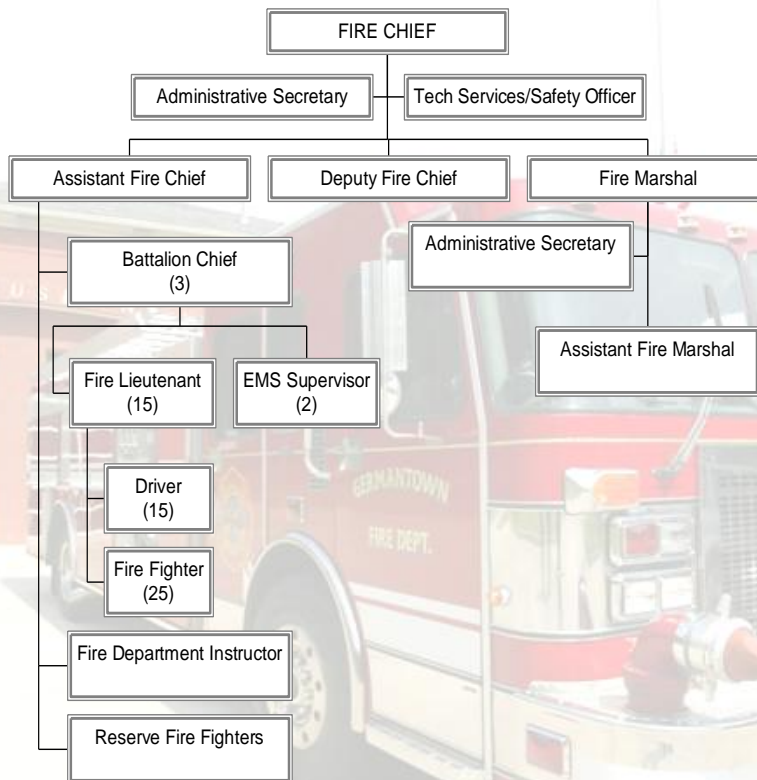


GERMANTOWN PERFORMING ARTS CENTRE

Organization Chart

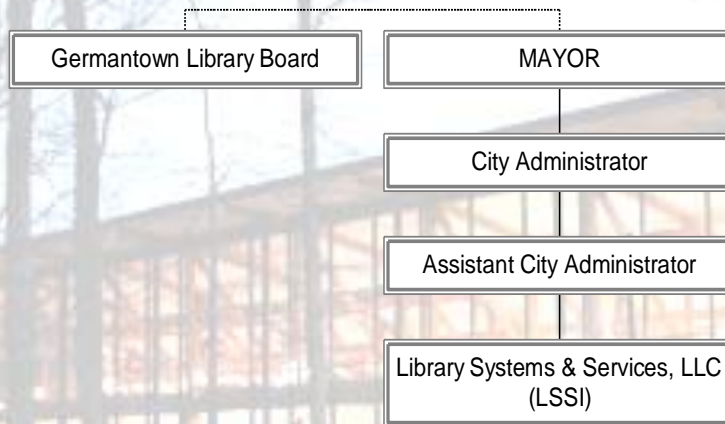


GERMANTOWN FIRE DEPARTMENT Organization Chart



LIBRARY SERVICES DEPARTMENT

Organization Chart



FINANCIAL AND GENERAL SERVICES

Organizational Chart



COMMUNITY SERVICES

Organization Chart

