

City of Falfurrias

General & Enterprise Funds Presentation

By: City Administrator & Finance Director

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INTRODUCTION

- ▶ Gain a better understanding of City's financial structure
- ▶ Community involvement and education
- ▶ Open government
- ▶ Planning for future growth and sustainability
- ▶ Strategic use of financial resources

GENERAL FUND REVENUES

- ▶ Property tax
- ▶ Sales tax
- ▶ Sanitation (garbage)
- ▶ Franchise Fees
- ▶ Municipal Court

- ▶ Variety of fines and fees (Amusement, licenses & permits)

**** *Maintain focus on growing municipal revenues through economic development*

Value Statement

What do I get for my money for Falfurrias services provided?

- Public Safety - Business & Residential Patrol, 911, traffic enforcement, school assistance, drug interdiction & investigations, emergency management
- Municipal Court - warrant & citation collection, truancy,
- Public Works - Street Maintenance, Mowing, Animal Control, Code Enforcement, Park Maintenance
- City Administration - Proper Administration, Fiscally Sound Decision Making, Planning Services, legal services
- Development Services - Building Inspections, Zoning, Subdivision Regulations, Economic Development

Purpose of General Fund

- ▶ Fiscally-conservative Budget (i.e. balanced)
- ▶ Deliver effective and efficient public services
- ▶ To provide for the present and future needs of City
- ▶ Maintain healthy fund balance based on industry standards

FALFURRIAS ENTERPRISE FUNDS

- ▶ Water
- ▶ Wastewater (Sewer)
- ▶ Gas

Other examples: Golf Course, Sanitation, Bridges, Toll Road, Convention Center, Internal Service funds (self-funded insurance)

ENTERPRISE FUND

- ▶ Self-Supporting
- ▶ “Business-like” model
- ▶ Supported by user fees/charges for services based on cost of service
- ▶ Not subsidized by General Fund
- ▶ Not profit-driven, based on a recovery of costs & accountability for future needs

Operating Requirements

- ▶ Annual Maintenance & Operation (M&O)
- ▶ Debt Service (Bonds for improvements)
- ▶ Reserve Requirements
 1. Operating Reserve
 2. Capital Reserve (repair & replacement or emergency fund)
 3. Future Capital Projects (CIP or depreciation)

INTERFUND ACTIVITY

- ▶ General & Administrative Fee/ G&A (shared administrative services)
- ▶ PILOT (payment in lieu of taxes)
- ▶ Franchise fees (generally 4%-6%)
- ▶ Industry-based formula/percent (i.e. case law)

KEY POINTS

- ▶ Enterprise and General Fund revenues are public funds
- ▶ Economies of scale in delivery of services
- ▶ Administrative Efficiency
- ▶ Integration of policy and planning (i.e. utilities & streets)
- ▶ Cohesive Economic Development
- ▶ Cohesive decision-making