

City of New Braunfels
 Cemetery Perpetual Care Fund
 Fiscal Year Ending September 30, 2010

Fund: 781

Available Funds	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Budget
Beginning Balance			
Undesignated Funds	\$ 192,299	\$ 198,178	\$ 182,728
Total Beginning Balance	\$ 192,299	\$ 198,178	\$ 182,728
Revenue			
Licenses and Permits	\$ 475	\$ 500	\$ 500
Interest Income	5,404	50	50
Total Revenue	\$ 5,879	\$ 550	\$ 550
TOTAL AVAILABLE FUNDS	\$ 198,178	\$ 198,728	\$ 183,278
APPROPRIATIONS			
Operation Expenses	\$ -	\$ 16,000	\$ 39,300
Capital Expenses			
TOTAL OPERATING APPROPRIATION	\$ -	\$ 16,000	\$ 39,300
Appropriated Fund Balance	\$ 198,178	\$ 182,728	\$ 143,978
TOTAL APPROPRIATIONS	\$ 198,178	\$ 198,728	\$ 183,278

CEMETERY PERPETUAL CARE FUND

Cemetery Fund: 781
Department Code: 6006

Program Description:

The City of New Braunfels owns and maintains a perpetual care cemetery located on Peace Avenue. The City's Parks and Recreation Department has responsibility for managing the contractor who provides maintenance and operation services for the site. The contractor ensures perpetual care standards are met, maintains the grounds and landscaping, and facilitates the sale of lots and burials in the facility. The costs for upkeep of the grounds are paid from the City's General Fund Parks and Recreation Department budget. This perpetual care fund is used for improvements should the need arise.

Appropriations:

	FY 2007-08	FY 2008-09	FY 2009-10
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Operations Expenses	\$0	\$16,000	\$39,300
<i>Total Appropriations</i>	<i>\$0</i>	<i>\$16,000</i>	<i>\$39,300</i>

Program Justification and Fiscal Analysis:

The City of New Braunfels must maintain sufficient funds now and in the future in this fund to meet the perpetual care standards for the cemetery. Therefore, only a portion of the total available funds are appropriated annually for needed upkeep at the facility. In FY 2008-09, the City began the process to develop a master plan for the two City cemeteries. The total cost of this project is \$55,300. Some of the funds for this effort will be expended in FY 2008-09; the remainder is carried into FY 2009-10 when the project will be completed. This study will provide alternatives for the Council to consider in managing the cemeteries into the future.

City of New Braunfels
 Debt Service Fund
 Fiscal Year Ending September 30, 2010

Fund: 401

Available Funds	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Budget
Beginning Balance			
Undesignated Funds	\$ 2,472,565	\$ 2,503,666	\$ 1,770,397
Total Beginning Balance	\$ 2,472,565	\$ 2,503,666	\$ 1,770,397
Revenue			
Taxes and Transfers	\$ 3,774,349	\$ 4,741,387	\$ 4,967,007
Interest Income	51,430	12,000	15,000
Contribution - 4B	952,746	974,631	979,670
Interfund Transfers - Hotel/Motel Tax	597,948	602,398	606,398
Miscellaneous	-	5,000	-
Total Revenue	\$ 5,376,473	\$ 6,335,416	\$ 6,568,075
TOTAL AVAILABLE FUNDS	\$ 7,849,038	\$ 8,839,082	\$ 8,338,472
APPROPRIATIONS			
Debt Service	\$ 5,345,372	\$ 6,757,202	\$ 7,462,713
Interfund Transfer (to General Fund)	-	311,483	-
TOTAL OPERATING APPROPRIATION:	\$ 5,345,372	\$ 7,068,685	\$ 7,462,713
Appropriated Fund Balance	\$ 2,503,666	\$ 1,770,397	\$ 875,759
TOTAL APPROPRIATIONS	\$ 7,849,038	\$ 8,839,082	\$ 8,338,472

DEBT SERVICE FUND

Debt Service Fund: 401
Department Code: 1501

Program Description:

The City of New Braunfels issues bonds and certificates of obligation to fund needed capital improvement projects such as streets and drainage improvements, park improvements, library and fire station construction, civic/convention center renovations and additions, airport towers and hangers, and other major projects. The amounts budgeted in this fund reflect the principal and interest payments for outstanding debt. The first table below lists the current outstanding certificates of obligation (C of O's) and tax note debt issuances, their purpose, issuance date and amount of debt. The second set of tables shows the City's total principal and interest payments for the life of the existing outstanding debt by issuance.

The City does not have a debt limit from the perspective of the total amount that can be issued under current Texas law. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 in population limits the City's total tax rate to \$2.50 per \$100 assessed valuation. The Texas Attorney General has further adopted an administrative policy that generally prohibits the issuance of debt by a municipality, such as the City, if its issuance produces debt service requirements exceeding that which can be paid from a \$1.50 maximum tax rate calculated at 90 percent collection. This \$1.50 is part of the overall \$2.50 limit. The City has adopted a Home Rule Charter which does not limit the City's maximum tax rate limit beyond these limits.

<u>Authorized and Issued Amount</u>	<u>Purpose</u>	<u>Type Debt</u>	<u>Interest Rate</u>	<u>Issue Date/ Maturity Date</u>
\$600,000	Golf Course improvements	Revenue	6.5%	March 1, 1996/ September 1, 2011
\$3.25 million	Library building construction	C of O's	6.0%	August 1, 1998/ September 1, 2018
\$6.27 million	Street improvements and hike/bike trail	C of O's	3.7%	June 15, 2003/ September 30, 2023
\$26 million	Streets and drainage improvements	C of O's	4.2%	April 15, 2004/ September 30, 2020
\$1.6 million	Airport hanger	C of O's	4.3%	September 25, 2006/ September 30, 2021
\$8.0 million	Civic/Convention Center improvements and expansion	C of O's	4.2%	September 25, 2006/ September 30, 2026
\$10.6 million	Refunding	GO Bond	4.0%	December 5, 2006/ September 30, 2025
\$17.5 million	Streets and Drainage, Parks, Fire Station	C of O's	4.2%	September 19, 2007/ September 30, 2027

<u>Authorized and Issued Amount</u>	<u>Purpose</u>	<u>Type Debt</u>	<u>Interest Rate</u>	<u>Issue Date/ Maturity Date</u>
\$2 million	Tax Notes	Tax Notes	3.4%	June 5, 2008/ September 30, 2015
\$14.3 million	Streets and drainage, Public Works facility, fire training facility	C of O's	4.82%	August 11, 2008/ September 30, 2028
\$9.5 million	Public Works, Parks, Police and Fire Equipment, parks improvements, fire station construction, municipal facilities	C of O's	3.99%	August 19, 2009/ September 30, 2029

The following chart shows the City of New Braunfels total outstanding debt requirements annually through the life of all outstanding debt.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	4,055,000	3,459,381	7,514,381
FY 2010-11	4,180,000	3,244,825	7,424,825
FY 2011-12	4,260,000	3,082,819	7,342,819
FY 2012-13	4,480,000	2,906,522	7,386,522
FY 2013-14	4,680,000	2,717,234	7,397,234
FY 2014-15	4,900,000	2,519,204	7,419,204
FY 2015-16	4,580,000	2,317,556	6,897,556
FY 2016-17	4,745,000	2,117,032	6,862,032
FY 2017-18	4,545,000	1,922,412	6,467,412
FY 2018-19	4,455,000	1,720,103	6,175,103
FY 2019-20	4,525,000	1,520,423	6,045,423
FY 2020-21	4,690,000	1,317,571	6,007,571
FY 2021-22	4,695,000	1,111,327	5,806,327
FY 2022-23	4,860,000	903,061	5,763,061
FY 2023-24	4,500,000	684,137	5,184,137
FY 2024-25	4,665,000	476,329	5,141,329
FY 2025-26	2,885,000	300,269	3,185,269
FY 2026-27	2,230,000	161,751	2,391,751
FY 2027-28	1,660,000	66,919	1,726,919
FY 2028-29	\$ 600,000	13,500	613,500
Total	\$ 80,190,000	\$32,562,375	\$112,752,375

The chart below shows the outstanding obligations for the City of New Braunfels Revenue Bonds issued in March 1996. The original issue amount was \$600,000. This debt service is paid entirely from the Golf Fund.

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
FY 2009-10	55,000	5,665	60,665
FY 2010-11	55,000	1,911	56,911
Total	\$ 110,000	\$7,576	\$117,576

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in August 1998. The original issue amount was \$3,250,000. This debt service is paid by the New Braunfels Industrial Development Corporation.

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
FY 2009-10	170,000	40,138	210,138
FY 2010-11	175,000	32,658	207,658
FY 2011-12	185,000	24,958	209,958
FY 2012-13	0	16,633	16,633
FY 2013-14	0	16,633	16,633
FY 2014-15	105,000	16,633	121,633
FY 2015-16	0	11,750	11,750
FY 2016-17	0	11,750	11,750
FY 2017-18	250,000	11,750	261,750
Total	\$885,000	\$182,903	\$1,067,903

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in June 2003. The original issue amount was \$6,270,000. This debt service is also paid by the New Braunfels Industrial Development Corporation.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	245,000	181,020	426,020
FY 2010-11	260,000	171,220	431,220
FY 2011-12	275,000	164,070	439,070
FY 2012-13	290,000	156,233	446,233
FY 2013-14	305,000	147,533	452,533
FY 2014-15	325,000	138,078	463,078
FY 2015-16	345,000	127,353	472,353
FY 2016-17	360,000	115,623	475,623
FY 2017-18	380,000	103,023	483,023
FY 2018-19	405,000	88,963	493,963
FY 2019-20	425,000	73,775	498,775
FY 2020-21	450,000	57,200	507,200
FY 2021-22	475,000	39,200	514,200
FY 2022-23	505,000	20,200	525,200
Total	\$5,045,000	\$1,583,491	\$6,628,491

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in April 2004. The original issue amount was \$26,000,000. A portion of this debt was refunded in 2006.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	1,090,000	658,963	1,748,963
FY 2010-11	1,120,000	613,250	1,733,250
FY 2011-12	1,150,000	562,250	1,712,250
FY 2012-13	1,185,000	509,625	1,694,625
FY 2013-14	1,225,000	449,375	1,674,375
FY 2014-15	1,270,000	387,000	1,657,000
FY 2015-16	1,315,000	322,375	1,637,375
FY 2016-17	1,365,000	255,375	1,620,375
FY 2017-18	1,415,000	185,875	1,600,875
FY 2018-19	1,475,000	113,625	1,588,625
FY 2019-20	1,535,000	38,375	1,573,375
Total	\$14,145,000	\$4,096,088	\$18,241,088

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in September 2006. The original issue amount was \$8,000,000. This debt is paid entirely with proceeds from the City's hotel/motel tax.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	290,000	316,398	606,398
FY 2010-11	305,000	304,798	609,798
FY 2011-12	320,000	292,598	612,598
FY 2012-13	335,000	276,598	611,598
FY 2013-14	350,000	259,429	609,429
FY 2014-15	370,000	241,929	611,929
FY 2015-16	385,000	227,129	612,129
FY 2016-17	405,000	211,729	616,729
FY 2017-18	425,000	195,529	620,529
FY 2018-19	450,000	178,529	628,529
FY 2019-20	470,000	160,529	630,529
FY 2020-21	495,000	141,259	636,259
FY 2021-22	520,000	120,840	640,840
FY 2022-23	545,000	99,390	644,390
FY 2023-24	570,000	76,500	646,500
FY 2024-25	600,000	52,275	652,275
FY 2025-26	630,000	26,775	656,775
Total	\$7,465,000	\$3,182,234	\$10,647,234

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in September 2006. The original issue amount was \$1,600,000 and was used to construct a hanger at the New Braunfels Municipal Airport.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	90,000	62,318	152,318
FY 2010-11	95,000	58,268	153,268
FY 2011-12	100,000	53,993	153,993
FY 2012-13	105,000	49,493	154,493
FY 2013-14	110,000	44,768	154,768
FY 2014-15	115,000	39,818	154,818
FY 2015-16	120,000	34,643	154,643
FY 2016-17	125,000	29,243	154,243
FY 2017-18	135,000	24,243	159,243
FY 2018-19	140,000	18,708	158,708
FY 2019-20	145,000	12,828	157,828
FY 2020-21	155,000	6,665	161,665
Total	\$1,435,000	\$434,988	\$1,869,988

The chart below shows the outstanding obligations for the City of New Braunfels Refunding General Obligation issued in December 2006. The original issue amount was \$10,600,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	55,000	427,538	482,538
FY 2010-11	55,000	425,338	480,338
FY 2011-12	60,000	423,038	483,038
FY 2012-13	260,000	416,638	676,638
FY 2013-14	270,000	406,038	676,038
FY 2014-15	175,000	397,138	572,138
FY 2015-16	295,000	387,738	682,738
FY 2016-17	310,000	375,638	685,638
FY 2017-18	70,000	368,038	438,038
FY 2018-19	70,000	365,238	435,238
FY 2019-20	75,000	362,338	437,338
FY 2020-21	1,665,000	327,538	1,992,538
FY 2021-22	1,715,000	259,938	1,974,938
FY 2022-23	1,765,000	189,234	1,954,234
FY 2023-24	1,820,000	115,294	1,935,294
FY2024-25	1,885,000	38,878	1,923,878
Total	\$ 10,545,000	\$5,285,600	\$15,830,600

The chart below shows the outstanding obligations for the City of New Braunfels Streets and Drainage, Parks and Fire Station Obligations issued in December 2007. The original issue amount was \$17,500,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	970,000	688,238	1,658,238
FY 2010-11	980,000	649,238	1,629,238
FY 2011-12	995,000	609,738	1,604,738
FY 2012-13	1,005,000	569,738	1,574,738
FY 2013-14	1,015,000	528,069	1,543,069
FY 2014-15	1,030,000	483,969	1,513,969
FY 2015-16	1,045,000	437,925	1,482,925
FY 2016-17	1,055,000	390,675	1,445,675
FY 2017-18	750,000	350,438	1,100,438
FY 2018-19	750,000	316,688	1,066,688
FY 2019-20	750,000	282,094	1,032,094
FY 2020-21	750,000	246,000	996,000
FY 2021-22	750,000	208,500	958,500
FY 2022-23	750,000	171,000	921,000
FY 2023-24	750,000	132,563	882,563
FY 2024-25	750,000	93,188	843,188
FY 2025-26	750,000	53,813	803,813
FY 2026-27	650,000	17,063	667,063
Total	\$15,495,000	\$6,228,937	\$21,723,937

The chart below shows the outstanding obligations for the City of New Braunfels Tax Note Obligations issued in June 2008. The original issue amount was \$2,000,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	270,000	54,910	324,910
FY 2010-11	275,000	45,645	320,645
FY 2011-12	285,000	36,125	321,125
FY 2012-13	295,000	26,265	321,265
FY 2013-14	305,000	16,065	321,065
FY 2014-15	320,000	5,440	325,440
Total	\$ 1,750,000	\$184,450	\$1,934,450

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in August 2008. The original issue amount was \$14,300,000.

<u>Period Ending</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
FY 2009-10	485,000	624,996	1,109,996
FY 2010-11	500,000	607,759	1,107,759
FY 2011-12	520,000	588,609	1,108,609
FY 2012-13	545,000	567,309	1,112,309
FY 2013-14	565,000	545,109	1,110,109
FY 2014-15	590,000	522,009	1,112,009
FY 2015-16	610,000	498,009	1,108,009
FY 2016-17	635,000	473,109	1,108,109
FY 2017-18	665,000	446,776	1,111,776
FY 2018-19	690,000	418,481	1,108,481
FY 2019-20	720,000	387,619	1,107,619
FY 2020-21	755,000	352,544	1,107,544
FY 2021-22	795,000	313,794	1,108,794
FY 2022-23	835,000	272,522	1,107,522
FY 2023-24	880,000	228,575	1,108,575
FY2024-25	930,000	181,613	1,111,613
FY2025-26	980,000	131,475	1,111,475
FY2026-27	1,030,000	80,000	1,110,000
FY2027-28	1,085,000	27,125	1,112,125
TOTAL	\$13,815,000	\$7,267,431	\$21,082,431

The chart below shows the outstanding obligations for the City of New Braunfels Certificates of Obligation issued in August 2009. The original issue amount was \$9,500,000.

Period Ending	Total Principal	Total Interest	Total Debt Service
FY 2009-10	335,000	399,197	734,197
FY 2010-11	360,000	334,740	694,740
FY 2011-12	370,000	327,440	697,440
FY 2012-13	460,000	317,990	777,990
FY 2013-14	535,000	304,215	839,215
FY 2014-15	600,000	287,190	887,190
FY 2015-16	465,000	270,634	735,634
FY 2016-17	490,000	253,890	743,890
FY 2017-18	455,000	236,740	691,740
FY 2018-19	475,000	219,871	694,871
FY 2019-20	405,000	202,865	607,865
FY 2020-21	420,000	186,365	606,365
FY 2021-22	440,000	169,055	609,055
FY 2022-23	460,000	150,715	610,715
FY 2023-24	480,000	131,205	611,205
FY2024-25	500,000	110,375	610,375
FY2025-26	525,000	88,206	613,206
FY2026-27	550,000	64,688	614,688
FY2027-28	575,000	39,794	614,794
FY2028-29	600,000	13,500	613,500
TOTAL	\$9,500,000	\$4,108,674	\$13,608,674

Appropriations:

	FY 2007-08	FY 2008-09	FY 2009-10
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Debt Service	\$5,345,372	\$6,757,202	\$7,462,713
Interfund Transfers	0	311,483	0
<i>Total Appropriations</i>	\$5,345,372	\$7,068,685	\$7,462,713

Program Justification and Fiscal Analysis:

The FY 2009-10 Budget appropriates \$7,462,713 or 5.5 percent more than the FY 2008-09 estimates due to funding for the principal and interest payments associated with 2009 Certificates of Obligation issued by the City in August 2009.

Prior to FY 2008-09, the City maintained a fund balance in the Debt Service Fund about equal to one half the annual debt service requirements. Internal Revenue Service regulations discourage public entities from maintaining a fund balance of more than approximately ten percent of the total annual debt service of an entity. Therefore, the City, in FY 2008-09, began drawing down the debt service fund balance. The FY 2009-10 Budget continues this draw down. However, this action in FY 2009-10 brings the fund balance close to ten percent of the annual principal and interest payments. The draw down in FY 2009-10 allows the City to fund the additional debt service from the 2009 Certificates of Obligation without increasing the debt service property tax rate. In FY 2010-11, fund balance will not be available for this debt service. Therefore, the property tax rate for debt will have to be increased.

City of New Braunfels
 Self Insurance Fund
 Fiscal Year Ending September 30, 2010

Fund: 601

Available Funds	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Budget
Beginning Balance			
Undesignated Funds	\$ 1,187,500	\$ 1,453,419	\$ 1,160,567
Total Beginning Balance	\$ 1,187,500	\$ 1,453,419	\$ 1,160,567
Revenue			
Premiums	\$ 3,888,334	\$ 3,653,920	\$ 3,810,000
Interest Income	32,634	31,500	30,000
Miscellaneous	-	-	-
Total Revenue	\$ 3,920,968	\$ 3,685,420	\$ 3,840,000
TOTAL AVAILABLE FUNDS	\$ 5,108,468	\$ 5,138,839	\$ 5,000,567
APPROPRIATIONS			
Premiums and administrative expenses	\$ 3,604,547	\$ 3,903,272	\$ 4,291,512
Wellness program including EAP, other prevention	\$ 50,502	\$ 75,000	\$ 130,000
TOTAL OPERATING APPROPRIATIONS	\$ 3,655,049	\$ 3,978,272	\$ 4,421,512
Appropriated Fund Balance	\$ 1,453,419	\$ 1,160,567	\$ 579,055
TOTAL APPROPRIATIONS	\$ 5,108,468	\$ 5,138,839	\$ 5,000,567

SELF INSURANCE FUND

Fund: 601

Department Code: various

Mission:

To design, maintain and manage the best, affordable benefit program that meets employee needs.

Vision:

To continue to maximize the value and quality of the employee's benefit package to attract and retain highly qualified, productive employees.

Program Description:

The Self Insurance Fund of the City of New Braunfels is used to account for the employee insurance benefits program. Revenue into the fund comes from insurance premiums paid by both the City and the employee. Expenses include third party administration, the cost of stop/loss insurance, and actual claims expenses paid for medical, dental, and vision services. The City pays for the employee's medical, vision, dental, accidental death and dismemberment, and life insurance effective the first day of full-time employment. Employees must contribute to the cost of dependent coverage for medical, dental, and vision and have the option of paying the full cost for themselves and/or for their dependents of other cafeteria plan benefits offered such as health and dependent care accounts, short term disability, accident and cancer insurance, universal and term life policies, and other similar programs.

The City is self insured for medical, dental and vision insurances provided to employees. This means that the City pays a premium from the operating and enterprise funds into this Self Insurance Fund. The fund then uses that revenue to pay actual claims costs, administrative expenses, and stop/loss insurance premiums. Stop/loss provides the City outside insurance for large claims. Once a claim reaches the stop/loss level, currently \$90,000, the City's Self Insurance Fund no longer pays the claim costs; the stop/loss insurer pays the claim costs. This has proven a cost-effective means for the City to control medical insurance expenses.

Beginning in FY 2007-08, the Self Insurance Fund is also used to fund the City's wellness program – *Cityfit* – to further promote employee's health and well-being. In addition, beginning in FY 2009-10, this fund pays the cost of the employee assistance program and other preventive measures such as vaccinations and flu shots.

Appropriations:

	FY 2007-08	FY 2008-09	FY 2009-10
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
Employee Expenses	\$3,604,547	\$3,903,272	\$4,291,512
Operations Expenses	50,502	75,000	130,000
<i>Total Appropriations</i>	\$3,655,049	\$3,978,272	\$4,421,512

Program Justification and Fiscal Analysis:

Medical, Dental, Prescription and Vision employee Benefits Plan: The rising cost of health care is a constant concern nationwide. Many organizations are seeing double digit increases in some cases. However, the City of New Braunfels and its employees have effectively managed medical services costs and claims and, therefore, avoided large increases in costs and premiums (both paid by the City and the employees) over the last three years. Due to the City's good experience, no increase in the premiums is being recommended either for the City's contribution or for employees' contributions for their dependents' coverage for the third year in a row. Employee medical, dental, prescription and vision coverage will continue to be offered at no charge to the employee, and dependent coverage premiums will remain at the current levels. The City's contribution toward employee health insurance will also remain the same at \$617.33 per month.

Beginning with plan year 2008, a second plan was offered to employees to enhance the overall medical insurance plan and to provide a more affordable option. This plan has higher deductibles and co-payments, but lower monthly premiums. This plan is being offered again in 2009 as an alternative for employees who may not currently have their dependents on the plan due to cost, or who may just need a different level of coverage. By offering the two plans, it is projected that the City will not incur additional claims costs.

There are some changes to the current health plan effective this fiscal year. Social Security numbers will no longer be used, and employees will use a unique ID number. This is an effort to prevent identity theft. Another change is that deductibles will now follow the plan year instead of a calendar year which will streamline claims processing. The lifetime maximum payout for employees has increased from \$1,000,000 to \$2,000,000. This follows industry standards and at no additional cost to the City. In some cases, lab and x-ray charges will now be a part of the office visit co-pay; other increases in benefits to chiropractic services, the hearing aid program, vision plan and dental plan are also included in the 2009 plan year program. All of these enhancements will improve our benefits package at very little cost to the City.

The Human Resources staff will continue to work with employees to focus on wellness and employee education regarding smart consumerism as it relates to utilization of the health plan to help the City maintain as much as possible its current trend of very low growth in medical insurance costs.

Wellness: The FY 2009-10 Budget also includes continued funding in the amount of \$100,000 for the City's wellness program – *Cityfit* – established in FY 2007-08. This program is designed to further promote the health and well-being of our employees. Wellness programs are shown, over the long term, to reduce the cost of medical insurance to employers. Since the program is expected to directly impact the claims expenses in this fund, *Cityfit* is funded in the Self Insurance Fund again this budget year. The program was initially established through an outside provider that offers a web-based program that tracks employees' fitness activities and provides rewards for reaching various levels of activity. Some other events held this past year have included lunch 'n learn sessions to discuss nutrition and fitness; the gym reimbursement program; wellness and fitness seminars; the annual wellness fair; and, a weight watchers at work program. To continue building this program, staff is pursuing partnerships with local wellness providers. As the City continues to develop this program, staff will invite other local public

entities to participate with City employees. This could include Comal County, New Braunfels Utilities and the school districts.

Employee Assistance Program and other wellness efforts: In January 2006, the City began offering an employee assistance program. It provides counseling and referral services for employees and their dependents on a voluntary basis. The response to this program has been positive both from the employees' and the City's perspectives with high rates of participation in comparison to industry averages. The FY 2009-10 Budget continues funding this program at an annual cost of \$12,000. In the past, this program was funded in the City's General Fund Non-Departmental budget. However, this expense is now budgeted in the City's Self Insurance Fund to reflect its importance as part of the City's overall wellness effort. In addition, the budget includes \$12,000 for preventative health measures such as vaccinations (required for certain positions) and flu shots and well as \$6,000 for pre-employment physicals.

Policy Considerations:

The cost of employee benefit programs, particularly medical insurance, continues to rise. The City of New Braunfels along with our third party administration Great West/Cigna Healthcare has been successful over the last three years in managing health care costs and has not experienced the dramatic increases other public and private entities have seen. However, the City must remain proactive in its approach to providing medical and other insurance coverage to employees. Over the last three years, City staff worked with our insurance consultant to make some changes in the current medical insurance plan structure to encourage employees to make cost effective decisions about their medical services whenever possible. During the next fiscal year, staff plans to work other local public entities to determine the best course of action for future medical insurance. This will include exploring partnerships with these entities to increase our risk pool with the objective of reducing or maintaining current costs. The objective will remain to provide quality employee benefits at the most reasonable cost.

Risk management and safety programs are a key component of any strategy to provide effective services to the citizens at the least cost possible. The City currently has training and safety programs in some areas of the organization. However, a City-wide approach to this issue remains to be implemented. Enhanced training programs would also provide additional benefits. Clearly, the safer the work environment, the more productive the employees can be. To address these issues, staff is assessing the need for a risk and safety coordinator to manage inherent risks associated with employee's and work environments, business processes and safety policies and practices. This position is listed in the FY 2009-10 Budget as an unmet need.

***NEW BRAUNFELS INDUSTRIAL DEVELOPMENT
CORPORATION FUND***

Fund: 212

Program Description:

The New Braunfels Industrial Development Corporation (4B) works with the City of New Braunfels to promote economic development in the community. They receive a portion (25 percent) of the sales tax collected in the City to fund various programs and projects that benefit the citizens. These projects include such things as park improvements, construction of a new airport tower, loans to businesses relocating and/or expanding in the area (recent examples include Home Depot, Leisure Pools, Ashley Furniture and the Scooter Store), contributions to the cost of the Civic/Convention Center improvements, training funds for companies moving into the area, and other important projects. The main focus of 4B is to encourage economic development that brings quality jobs to the community.

New Braunfels Industrial Development Corp.
FY 2009-10 Budget
Fiscal Year Ending September 30, 2010

	FY 2007-08	FY 2008-09	FY 2009-10
	Actual	Estimate	Budget
Beginning Fund Balance	\$ 7,858,509	\$ 11,226,036	\$ 11,364,377
Revenue:			
Sales Tax	\$ 3,991,497	\$ 4,004,019	\$ 4,004,019
Interest Income	172,420	121,453	120,000
Donations	38,000	16,000	-
Prior Year Grant Reimbursement	-	535,000	-
Loan Payments	567,819	456,000	460,000
Total Revenue	\$ 4,769,736	\$ 5,132,472	\$ 4,584,019
Total Available Funds	\$ 12,628,245	\$ 16,358,508	\$ 15,948,397
Expenditures:			
<i>General</i>			
Administrative (City)	\$ 12,000	\$ 12,000	\$ 12,000
Chamber of Commerce Contract	201,174	215,000	231,000
Miscellaneous	1,289	4,000	5,000
<i>Projects</i>			
Airport Tower Operations **		203,000	310,000
EH Systems, Inc.			128,000
Downtown Master Plan and Design		95,000	
TIP Strategies		74,000	
Ashley Furniture Utility Relocation			90,000
Ashley Furniture Economic Incentive Loan		2,000,000	2,000,000
CTTC Manufacturing Technology Academ	55,000	31,500	31,500
New Braunfels Entrepreneurship Center	180,000		
Scooter Store Incentives		1,385,000	2,465,000
Projects			9,480,000
<i>Debt</i>			
1998 Certificates of Obligation		207,098	208,169
2003 Certificates of Obligation	952,746	425,420	427,619
2006 Refunding		39,400	39,604
2007 Certificates of Obligation		302,713	304,278
Total Expenditures	1,402,209	4,994,131	15,732,170
Appropriated Fund Balance	\$ 11,226,036	\$ 11,364,377	\$ 216,227