

# INTRODUCTION

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## **Guide to Using the 2010 Proposed Budget Document**

The Woodlands Township's proposed 2010 budget was produced using guidelines developed for use by local governments and is intended to provide proficiency in the following four areas:

1. **Policy Document** – The budget should serve as a policy document for the Board of Directors and management to convey how the organization will operate.
2. **Financial Plan** – The budget should serve as a financial plan describing all sources of funding, including summaries of revenues and expenditures for multiple years, and changes in fund balances.
3. **Operations Guide** – The budget should serve as an operations guide to the departments by identifying the resources to be provided and the objectives to be met.
4. **Communications Device** – The budget should serve as a communication device to convey essential information to the diverse groups who use the budget information – the public, elected and appointed officials, bond rating agencies, and investors.

To facilitate effective communication of this budget document to its readers, the information has been organized into the following sections:

### **Budget Message**

This section includes the President's formal transmittal letter, which is designed to summarize financial impacts and outline significant issues, major initiatives and key decisions considered in the development of the budget.

### **Introduction**

In addition to this guide, this section includes a description of the budget process, a budget calendar, an organization chart, and the Township's Strategic Plan. Expenditures are linked to the Strategic Plan in the departments' 2010 Budget Plans located in the *Department Profiles* section of this document.

### **Budget Overview**

This section is intended to provide the reader with a general understanding of the operating budget on a consolidated basis. Included are summary and fund financial statements for the 2009 budget, 2009 forecast and 2010 budget periods, accompanied by charts, graphs and narrative analysis. Summaries of fund transfers and ending fund balances are also included.

### **Revenue Sources**

This section provides a summary of revenue sources for the 2010 budget. Each revenue source is described, and assumptions used to project revenues are disclosed.

### **Personnel**

This section provides an executive summary of the Township's 2010 compensation plan, an overview of staffing levels by department, and requests for new positions.

## **Guide to Using the 2010 Proposed Budget Document**

### **2010 Budget Initiatives**

This section provides an overview of significant program and service initiatives being introduced in the 2010 budget and five-year plan. Examples include expansion of the community policing program, construction and major renovation of fire stations, and establishment of a centralized purchasing division.

### **General Fund**

This section provides a statement of revenues, expenditures and changes in fund balance for the General Fund, the Township's primary operating account. The financial statement includes information for the 2009 budget, 2009 forecast and 2010 budget periods, and expenditures are organized by the departments and major functions that make up the General Fund. Graphs, charts and narrative analysis accompany the statement.

### **Department Profiles**

This section includes each department's 2010 Budget Plan which describes the primary responsibilities of the departments, highlights accomplishments and objectives, outlines budget programs and activities, details operating revenues and expenditures, and summarizes staffing resources. References to the Strategic Plan, located in the *Introduction* section of this binder, tie the departments' objectives and expenditures to the mission and goals of the Township. Also provided are each department's detailed line item budgets.

### **The Woodlands Fire Department**

This section provides a statement of revenues, expenditures and change in fund balance for The Woodlands Fire Department. Graphs, charts and narrative analysis accompany the statement. A 2010 Budget Plan outlining accomplishments, objectives, programs, services, and staffing levels is also offered, as is a detailed line item budget.

### **The Woodlands Convention & Visitors Bureau**

This section provides a statement of revenues, expenditures and change in fund balance for the Convention & Visitors Bureau. Graphs, charts and narrative analysis accompany the statement. A 2010 Budget Plan outlining accomplishments, objectives, programs, and services is also offered, as is a detailed line item budget.

### **Capital Projects Fund**

This section provides a summary of capital expenditures and funding sources for the Capital Project Fund. Detailed 2010 capital plans for the fire department, law enforcement, parks and recreation, information technology, and office facilities are presented. A summary of funds reserved for future capital repair or replacement is also provided.

### **Special Revenue Fund**

This section provides a statement of revenues, expenditures and change in fund balance for the Special Revenue Fund, which is used to account for projects funded through The Woodlands Township Economic Development Zone. Graphs, charts and narrative analysis accompany the statement, including a description of each Zone project.

### **Debt Service Fund**

This section provides a statement of revenues, expenditures and change in fund balance for the Debt Service Fund. Graphs, charts, narrative analysis and amortization schedules accompany the statement.

## **Guide to Using the 2010 Proposed Budget Document**

### **Debt Service Reserve Fund**

This section provides a statement of revenues, expenditures and change in fund balance for the Debt Service Reserve Fund. Graphs, charts and narrative analysis accompany the statement.

### **Five-Year Plan**

This section includes statements of revenues, expenditures and changes in fund balances for the fiscal years 2010 – 2014. Assumptions used to develop the projections are provided, along with detailed five-year staffing and capital projects.

### **Supplemental Requests**

This section includes budget requests not included in the recommended budget. These items will be presented separately for the Board's consideration.

## **Budget Process**

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There were many challenges to address in the preparation of this inaugural budget for The Woodlands Township, wherein the operations of the Township, The Woodlands Convention and Visitors Bureau, The Woodlands Community Association, The Woodlands Association, The Woodlands Commercial Owners Association, The Woodlands Community Service Corporation, The Woodlands Fire Department, and The Woodlands Recreation Center were combined into a single budget document. New processes were employed to obtain the necessary information and new systems and financial statement formats were developed to organize, analyze and present the resulting budget plan. The following overview describes the 2010 budget process.

### **Budget Preparation**

In January, finance staff members from The Woodlands Township and the Community Associations of The Woodlands began work on consolidating the processes and systems utilized by the organizations to produce an annual budget. These consolidation efforts continued throughout the first and second quarters of the year. In April, the finance staff conducted meetings with Township and Community Associations employees involved in budget preparation, at which time applicable budget materials and instructions were distributed. The budget calendar was communicated, with deadlines for submission of personnel requests, capital projects, operating expenditures and five-year plan projections scheduled throughout April and May. Legal requirements, contractual obligations, board policies and funding decisions, the strategic plan, and the existing five-year plan provided guidelines for budget preparation. Budget suggestions received from the Village Associations were also considered. Staff in the Human Resources and Finance departments developed the 2010 salaries and benefits budget based on the results of the compensation study. Property tax revenue projections for 2010 were made from preliminary notices of appraised values provided by the Montgomery County Appraisal District in mid-May. In addition to the 2010 budget, a five-year projection was developed using growth assumptions and multi-year staffing and capital plans. Throughout May and June, the finance staff compiled and reviewed the various budget inputs and produced the first draft of the budget.

### **President's Review**

In early July, the first draft of the budget was presented to the President. The President met with members of his Executive Team to review budget requests and make decisions regarding funding of operations, staffing and capital projects. Additionally, a careful review of debt and contractual obligations was conducted. Strategies for funding cash reserves for operating, capital replacement and economic development needs were also considered. Decisions were made in the context of the Township's strategic plan. Changes resulting from the President's review were incorporated into the budget model to produce the proposed budget for the Board of Directors review.

### **Board of Directors Review**

The President's recommended budget is being submitted to the Board of Directors for its review at a series of weekly meetings beginning in late July and continuing throughout August. Presentations by the President, the Finance Director and other members of the management team will be made to facilitate review and discussion of the budget document. These budget workshops are open to the public and are intended to encourage citizen input. Residents will have an additional opportunity to inquire about the budget during a budget overview presentation at a Town Hall meeting scheduled for July 29.

## **Budget Process**

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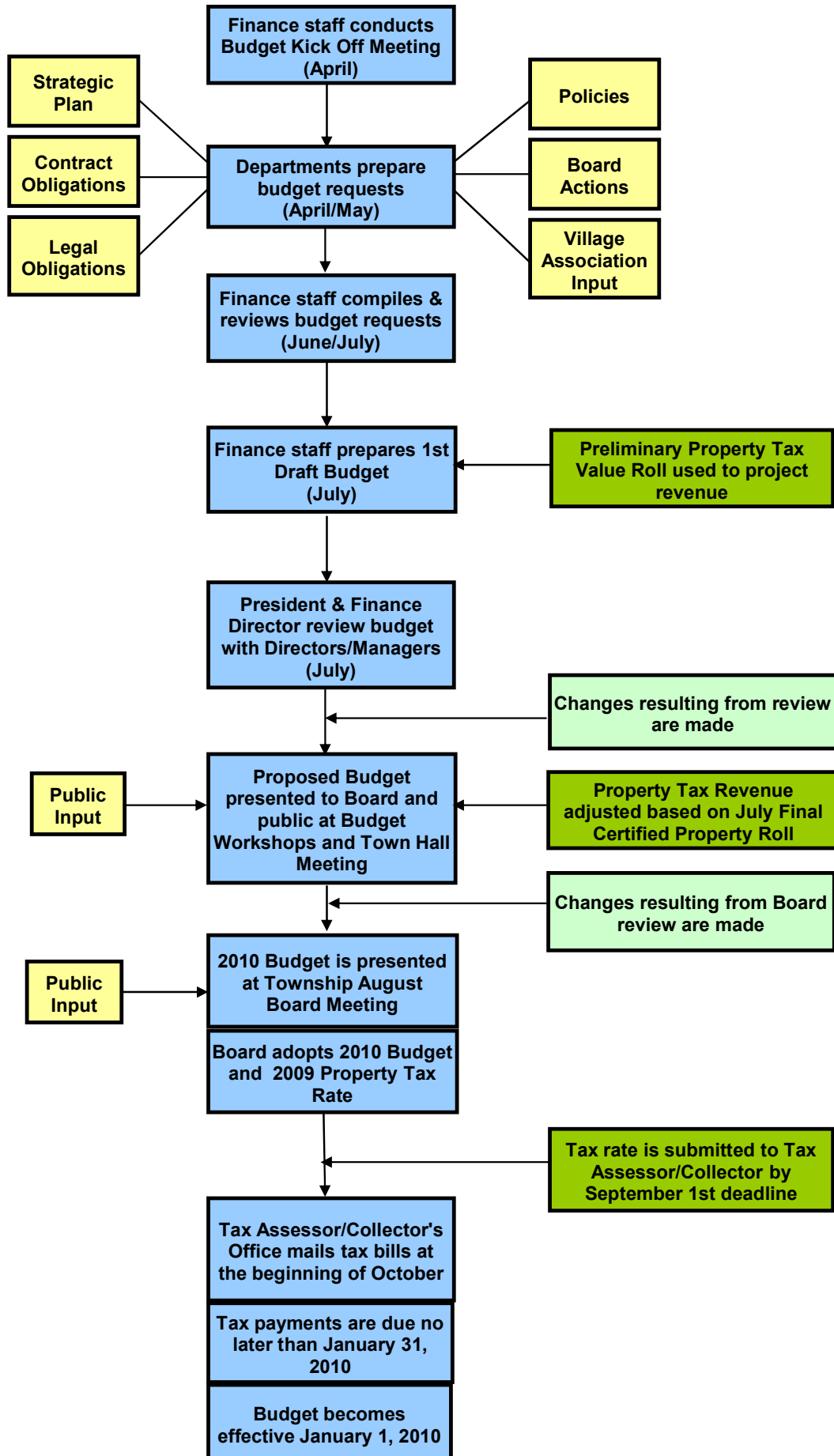
In late July, the Chief Appraiser of Montgomery County certifies the approved appraisal roll for the Township. The budget will be modified to reflect any changes in property tax revenue. Changes resulting from the Board's review of the budget will also be incorporated to produce the budget document that is presented at the Township's August Board Meeting for adoption.

### **Budget Adoption**

At the Township's August Board Meeting, scheduled for August 26, 2009, the final version of the proposed 2010 budget will be presented. The 2010 budget will be adopted and the 2009 property tax rate established.

A resolution regarding the approved property tax rate must be provided to the County's Tax Assessor/Collector no later than September 1, 2009. The budget becomes effective on January 1, 2010.

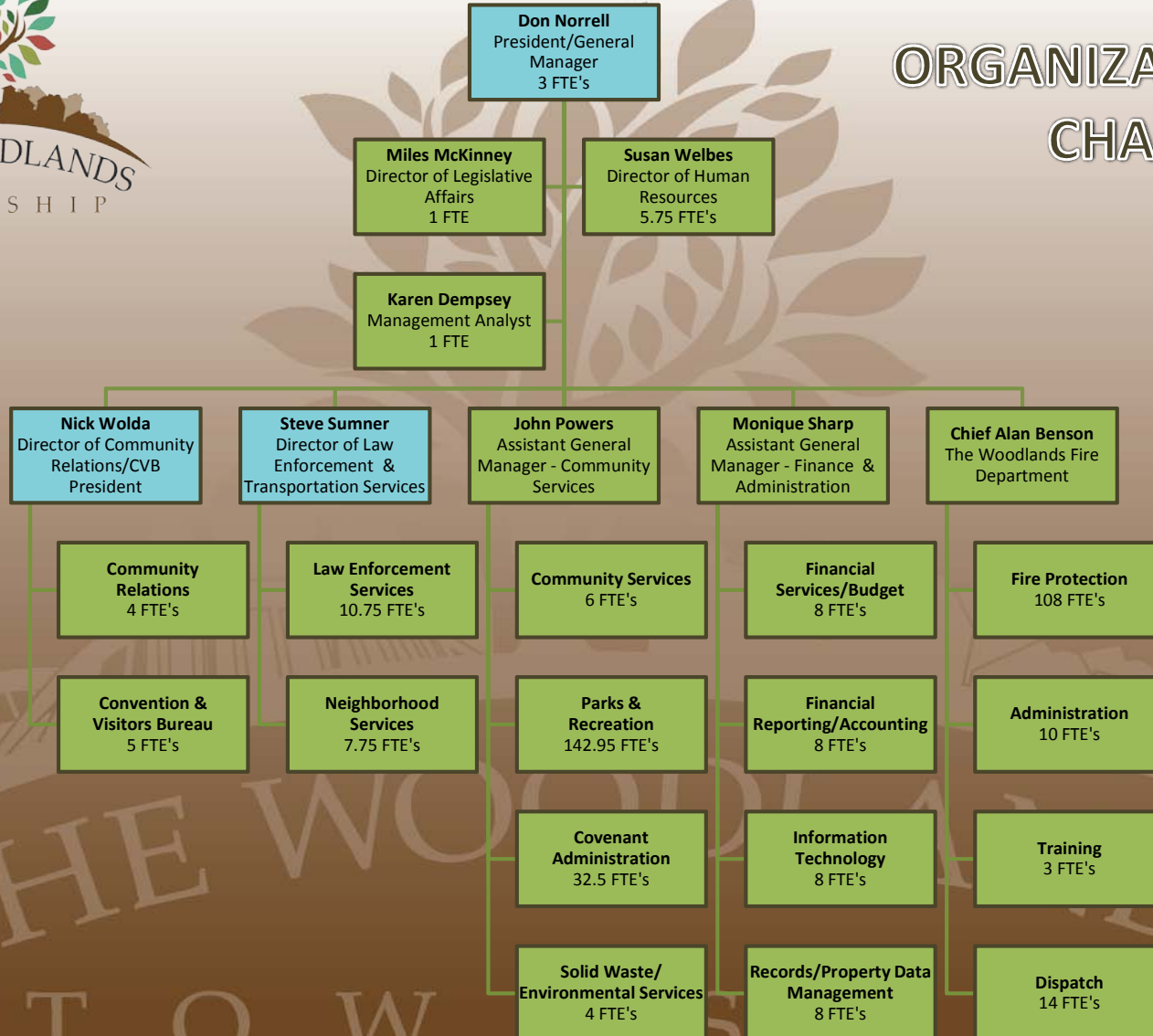
# Budget Process



BUDGET ACTIVITY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Budget staff prepares budget model and preparation materials	●		●									
Budget staff distributes preparation materials; provides training/assistance				●	●							
Departments prepare budget requests				●	●							
Budget staff prepares revenue and non-departmental budgets				●	●							
Village Associations submit budget requests					●	●						
Budget staff prepares 1 <sup>st</sup> budget draft						●	●					
President reviews 1 <sup>st</sup> budget draft							●	●				
Budget staff produces President's proposed budget							●	●				
Board of Directors reviews proposed budget and solicits public input at series of budget workshops and a Town Hall meeting							●	●				
Board Meeting: 2010 budget is adopted and the 2009 property tax rate is established								●				
2009 Property Tax Rate is submitted to Tax Assessor/Collector									●			
Tax Assessor/Collector mails tax statements (Jan. 31, 2010 due date)										●		
Budget staff produces and publishes final 2010 Budget										●	●	●



# ORGANIZATIONAL CHART





Vision 2034

# **The Woodlands Township**

## Strategic Plan

*Adopted June 24, 2009*

# Introduction

Based on the results of the historic governance process, the Board of Directors of The Woodlands Township implemented a strategic planning process. The Woodlands is in a period of dynamic change relating to how it is governed, funds itself, and provides services and amenities. The purpose of the Strategic Plan is to keep The Woodlands Township on course during this time of change and beyond.

## Vision for the Future

The first step in developing a strategic plan is to determine what is desired to be accomplished. For a company, this might be reaching a sales level or industry position. For an organization like The Woodlands Township, which is responsible for making decisions on behalf of an entire community, this process starts with a Vision for the Future.

The Vision for the Future is the ideal desired condition of the community at some future point in time – typically decades away. The Vision is a dream rooted in reality that may contain some existing conditions to be preserved along with future ambitions to be strived for.

The Woodlands Vision should be referred to regularly to ensure decisions being made are consistent with its contents.

### The Woodlands Vision

The Woodlands, our dynamic hometown within a natural forest, is known for its balance between man and nature. We are a thriving business community and a premier destination for visitors – a place where generations live, work, learn and play.

### The Woodlands...

- ...is a place where we feel safe and secure
- ...achieves prosperity by promoting economic development and quality of life
- ...cultivates the relationship between urban needs and environmental sustainability
- ...provides premier services and activities, superior educational opportunities, a diversity of jobs, and vibrant public spaces, events and entertainment for all
- ...is a place that welcomes everyone from everywhere to grow and thrive

## Organizational Mission

To pursue The Woodlands' Vision for the Future, organizations, agencies, businesses, and citizens will need to work collaboratively with a focus on the future. Leading the way will be the community's local government, The Woodlands Township. To carry out the business and myriad of tasks necessary, it is important that the Township has a clear mission.

The Woodlands Township Vision for the Future and Mission together provide the foundation for the Strategic Plan.

**The Woodlands Township Mission**

We fulfill The Woodlands vision by:

- Protecting the well-being and safety of our residents, visitors and businesses
- Achieving the highest standards in service delivery
- Partnering with others to sustain the vitality of our region
- Communicating with our constituents and partners
- Attracting and retaining a talented and innovative staff
- Serving as the community's political voice
- Powering economic growth through community investment
- Promoting continued vitality of neighborhoods and commercial areas
- Maintaining transparent governance
- Serving as financial stewards of the community's resources
- Evolving a governance structure to meet our goals
- Promoting sound environmental policy

# Focus Areas, Goals, and Key Initiatives

Focus Areas, Goals, and Key Initiatives provide the structure for the Strategic Plan. **Focus Areas** are broad “containers” into which the vast majority of The Township’s activities and responsibilities will fall. These Focus Areas, in no prioritized order, are:

1. Service Delivery
2. Communications
3. Organizational Support
4. Governmental Representation
5. Economic Development
6. Governance Structure
7. Environmental Sustainability
8. Fiscal Policy

Within the Focus Areas are bolded **Goals** which establish what is desired to be accomplished. The Goals are long-term pursuits that encourage new and more effective ways of operating.

Accompanying the Goals will be **Key Initiatives** that provide broad, action-oriented direction. Through the Focus Areas, Goals, and Key Initiatives, the Board of Directors has clearly stated what it desires to be accomplished. The professional staff of The Township uses this direction to formulate specific programs, projects, and actions it will take to pursue the Goals and implement the Key Initiatives along with identifying necessary resources.

## **Focus Area 1: Service Delivery**

The Woodlands community operates through a multitude of service providers and The Township plays a critical role in directly providing several basic services along with supporting and coordinating many others. The Township often serves as the first point of contact for residents and businesses even though it may not be the service provider.

Maintaining a high level of service has been indicated as a priority in resident surveys and as the role of The Township evolves and changes, it must be in position to continue to provide superior services.

### **1.1. Protect the well-being and safety of constituents**

- 1.1.1. Maintain and continue to explore options to provide a high level of proactive law enforcement visibility, effectiveness, availability and awareness
- 1.1.2. Support law enforcement public safety efforts with other kinds of security support in public areas
- 1.1.3. Explore, develop, and implement options that improve safety and educate residents on the role they can play in making their community safer
- 1.1.4. Maintain lighting to meet performance and safety standards
- 1.1.5. Maintain safe public facilities and amenities
- 1.1.6. Take appropriate steps to minimize the impact of various emergencies and disasters that occur and prepare the community in the management of response and recovery options for large scale emergencies
- 1.1.7. Work toward Fire Department ISO 1 rating
- 1.1.8. Maintain and continue to provide a high level of fire prevention and emergency medical services

### **1.2. Provide superior parks and recreation amenities, facilities, programs and services**

- 1.2.1. Ensure high quality programs and services remain affordable and cost effective while facilities are still effectively used and maintained
- 1.2.2. Provide a parks system with amenities that reflect the diversity of our population, provide accessibility features and preserve The Woodlands environment, quality and excellence
- 1.2.3. Provide a pathway system that promotes healthy lifestyles, reflects the commitment to preservation of The Woodlands environment, and

adequately connects the entire community for transportation, health and wellness

1.2.4. Provide for quality, diverse, life span recreational programming and opportunities

1.2.5. Provide special event opportunities that foster community spirit, family values, and healthy lifestyles

**1.3. Provide and promote efficient, cost effective and environmentally responsible waste disposal and recycling community wide**

**1.4. Enforce covenants and standards to maintain neighborhood and commercial area vitality**

1.4.1. Develop and maintain the structure to enforce covenants and standards

1.4.2. Update standards as technology advances

1.4.3. Research and provide programming and policy options to maintain vitality as the community ages

1.4.4. Promote clean, well-maintained properties and preserve architectural integrity

1.4.5. Maintain and improve community, village, and neighborhood signage, medians, and entry ways to promote village and neighborhood identity

**1.5. Improve local partnerships to provide effective services**

1.5.1. Serve as a resource for our constituents in dealing with issues that impact quality of life

1.5.2. As needs arise, identify and establish alliances with organizations that will help us achieve our vision and carry out our mission

**1.6. Maintain appropriate levels of support services, infrastructure and other resources to carry out the functions of the Township**

**Focus Area 2: Communications**

Providing effective two-way communications with The Woodlands' constituents is essential as the community's leadership and operating structures evolve. As the long-term governance structure is solidified in the coming years, it will be important to develop an atmosphere of trust and transparency within the community.

**2.1. Ensure effective communications with the community and partners**

2.1.1. Expand public service announcements and information outlets

- 2.1.2. Improve and maintain emergency operations communications plans
- 2.1.3. Effectively utilize other entities and programs to disseminate and collect information
- 2.1.4. Provide feedback opportunities such as surveys and opinion polling
- 2.1.5. Provide ability for the public to communicate to the board
- 2.1.6. Communicate accurate and timely information on the activities of the Township to the media and the public

## **2.2. Provide an inclusive atmosphere to enhance transparency and trust**

- 2.2.1. Hold town hall meetings
- 2.2.2. Maintain relationships with Village Associations
- 2.2.3. Effectively communicate financial information to the public
- 2.2.4. Compile and make available Board meeting records
- 2.2.5. Encourage awareness of public meetings
- 2.2.6. Promote and recognize volunteer and community accomplishments

## **Focus Area 3: Organizational Support**

The Township's ambitious vision and mission cannot be implemented without highly skilled, trained, and motivated people. Ensuring the highest degree of effectiveness and customer service at all levels is a high priority. In addition to providing facilities and resources to ensure a productive work environment, a culture of innovation and creative problem-solving must be maintained.

### **3.1. Provide education and training opportunities and a supportive working environment for Township staff**

- 3.1.1. Provide a working environment that promotes productivity and high morale
- 3.1.2. Encourage education and training opportunities and continuing professional development
- 3.1.3. Educate employees on the Township vision, mission, and services provided

### **3.2. Position the Township to attract and retain high quality employees**

- 3.2.1. Develop a progressive succession program that encourages internal promotion

- 3.2.2. Maintain a formal staff evaluation program
- 3.2.3. Provide competitive benefit and compensation packages
- 3.2.4. Provide employee recognition events to recognize accomplishments and tenure

#### **Focus Area 4: Government Representation**

As the recognized local government entity representing The Woodlands, The Township and its leadership need to be active participants in addressing regional issues and planning efforts. The Township also needs to be represented and visible at all legislative levels.

##### **4.1. Participate in local and regional planning and advocacy efforts**

- 4.1.1. Identify participation opportunities
- 4.1.2. Prioritize and assign board and staff representation

##### **4.2. Ensure that The Woodlands is represented and visible at governmental and legislative bodies**

- 4.2.1. Identify participation opportunities
- 4.2.2. Prioritize and assign board and staff representation

##### **4.3. Maintain and expand local, regional, state, and federal partnerships with other governmental entities and stakeholders**

- 4.3.1. Assign staff to specific entities to build relationships
- 4.3.2. Coordinate representation to ensure maximum participation

#### **Focus Area 5: Economic Development**

The Woodlands' viability as a community and ability to pay for services and amenities is based on a strong local economy. The Township supports efforts to attract and retain employers and quality businesses to create jobs and also to position The Woodlands as a premier destination for visitors and travelers to expand the local tax base.

##### **5.1. Attract, retain and promote high quality businesses**

- 5.1.1. Proactively maintain contact with local and regional employers' issues and concerns
- 5.1.2. Maintain active involvement with other organizations, entities, and stakeholders to promote the local economy and secure economic

development incentives (i.e., Chambers of Commerce, Economic Development Partnership, etc.)

**5.2. Encourage expansion of employment and education opportunities in The Woodlands**

- 5.2.1. Support strategic infrastructure improvements
- 5.2.2. Explore and develop viable incentives to attract employment and education opportunities to The Woodlands
- 5.2.3. Act as a liaison between private organizations and local governmental entities to facilitate development incentives

**5.3. Support events, venues and programs to bring visitors to The Woodlands**

- 5.3.1. Support convention and visitors bureau
- 5.3.2. Support public/private partnerships to increase visitors
- 5.3.3. Expand, support and create new cultural, sporting and entertainment venues
- 5.3.4. Expand collaborative efforts with other regional visitor attraction entities
- 5.3.5. Expand Hotel and Occupancy Tax revenues and tax base
- 5.3.6. Produce and sponsor high quality community events

**5.4. Develop an integrated mobility system that is seamless within and surrounding the Township**

- 5.4.1. Explore funding sources and partnerships to maintain affordable transportation and transit options
- 5.4.2. Examine options to provide transportation to village and employment centers
- 5.4.3. Work with transportation agencies to identify potential road system improvements
- 5.4.4. Continue to enhance bicycle and pedestrian transportation
- 5.4.5. Expand accessibility within the Township

## **Focus Area 6: Governance Structure**

As The Woodlands' journey toward effective self-governance continues, viable options including their impacts must be explored and evaluated with the results communicated to the residents and business community for feedback.

### **6.1. Continue to explore governance alternatives and clearly quantify and communicate potential impacts**

- 6.1.1. Continue with research to identify the best alternatives for the governance structure
- 6.1.2. Perform a comprehensive impact analysis of viable options
- 6.1.3. Develop and implement a comprehensive communication, public input and education process to ensure understanding of governance issues, alternatives, and implications

### **6.2. Consider changes in the existing governance structure**

- 6.2.1. Identify options to streamline covenant administration review processes
- 6.2.2. Identify improvements to the Township's regulation making authority

### **6.3. Develop appropriate legislative strategies to deal with future governance structure issues**

## **Focus Area 7: Environmental Sustainability**

The community is committed to the stewardship of the environment as a critical element of its quality of life. The Township plays a key role in supporting and in some cases leading local and regional environmental preservation efforts.

### **7.1. Proactively address environmental and conservation issues**

- 7.1.1. Support efforts of the municipal utility districts, San Jacinto River Authority, and others to achieve superior water quality, conservation and reuse
- 7.1.2. Expand environmental education
- 7.1.3. Support conservation initiatives
- 7.1.4. Encourage and communicate the value of the creation and retention of natural forested areas on private property

### **7.2. Adopt policies and standards to encourage energy efficiency and use of renewable resources**

- 7.2.1. Investigate opportunities and communicate with homeowners and business

- 7.2.2. Identify grant opportunities
- 7.2.3. Improve energy efficiency of the Township fleet and facilities
- 7.2.4. Explore options for development standards that promote conservation and environmental sustainability

### **7.3. Preserve and protect the natural forested areas of the community**

- 7.3.1. Maintain policies to protect native vegetation and wildlife habitats
- 7.3.2. Support reforestation and forest management planning
- 7.3.3. Enforce Covenants to ensure the proper maintenance and retention of green space and reserve areas

## **Focus Area 8: Fiscal Policy**

The Township must maintain a financial position to allow it to meet current and new needs in a cost effective and accountable manner while ensuring the maintenance of existing assets as the community ages.

### **8.1. Maintain sound fiscal policies and budgets that allow the Township to address evolving service needs and maintain community quality**

- 8.1.1. Plan for and identify funding for services and long term maintenance of public facilities and assets
- 8.1.2. Establish reserves for appropriate working capital, replacement of capital assets, and economic development opportunities
- 8.1.3. Explore budget philosophies that prioritize and align resource allocation to the Strategic Plan
- 8.1.4. Explore funding sources and opportunities
- 8.1.5. Maintain policies and programs regarding the collection of fees and taxes
- 8.1.6. Maintain a fiscally responsible management system to address funding requests from outside organizations and individuals
- 8.1.7. Maintain an effective long term debt management strategy
- 8.1.8. Conduct an annual audit of financial statements
- 8.1.9. Plan for future funding requirements as Developer phase-out occurs

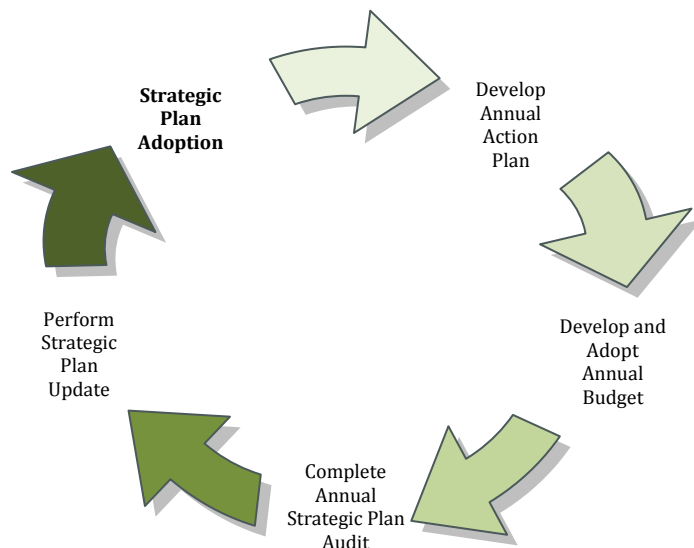
# Plan Implementation

The success of an organization is measured by the results of its decisions. An important tool for effective decision-making is the Strategic Plan. The Strategic Plan must remain current and relevant through regular review and updates. Based on the challenges and changes on the horizon for The Woodlands Township, using the Strategic Plan to remain on course and keeping the plan up-to-date are critical.

The Strategic Plan is integrated into the day-to-day organizational operations of the Township. The Board of Directors uses the plan to provide strategic direction, prioritize expenditures, and evaluate proposals. Township staff used the document to develop action plans and budget proposals.

Staff is also responsible for conducting an annual Strategic Plan Audit. This activity and subsequent document consists of identifying accomplishments and progress made as well as implementation challenges faced throughout the year. Plan Audits also include any new information or changes that should be considered by the Board of Directors during their Strategic Plan update process.

Prior to the annual budget process, the Board of Directors will update and adopt the Strategic Plan.



In addition to annually updating the Strategic Plan, the Vision and Mission that serve as the foundations need to be periodically assessed. As The Woodlands grows and matures and as new people enter the community, it is important to periodically check-in with the residents so that the governing body can be confident they are leading in the desired direction.

Through systematic and diligent implementation of the Strategic Plan, The Woodlands Township can help ensure that The Woodlands continues to be a highly desirable place for generations to live, work, learn, and play.