

Investment Strategy

Annual Report 2012



City of Brenham

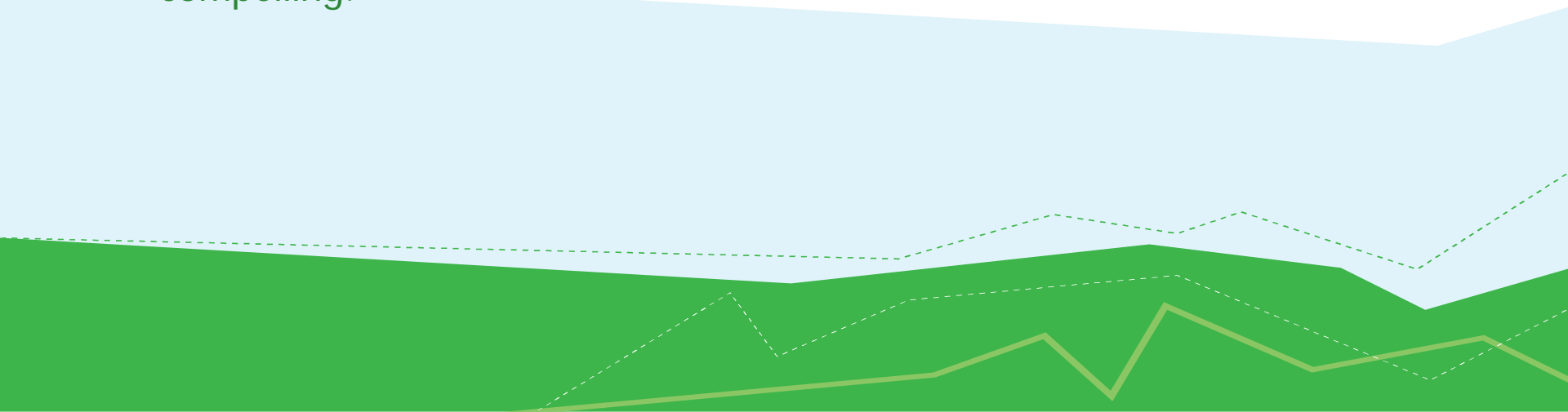
Finance and Administrative Services Division




Successful Investing

The recent “fiscal cliff” was a concern for investors and businesses because the search for a solution was put off until the eleventh hour, rather than seeking to solve the problem directly. Many citizens were concerned with the apparent lack of cooperation and decision making from our national lawmakers, resulting in an unnecessary and self-inflicted burden on the economy and financial markets.

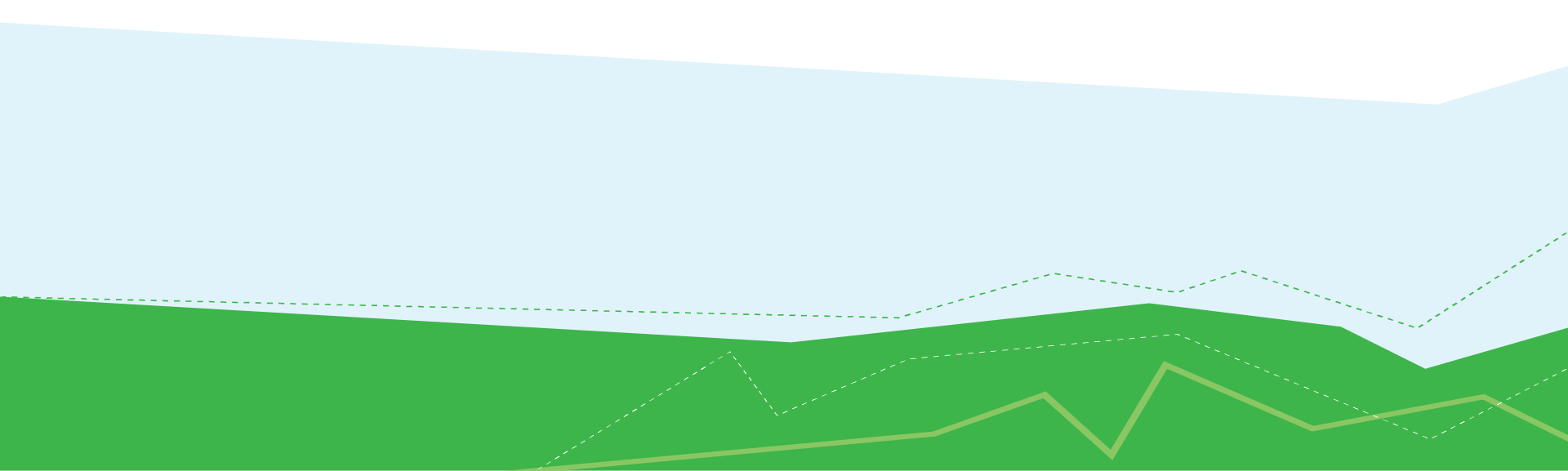
As citizens around the world demand more transparency, accountability and performance from their governments, the benefits of using “Strategy Management” to help focus and align priorities is becoming more compelling.





The Finance and Administrative Services Division, which was formed in October 2012, has developed an “Investment Strategy” to keep us focused on important programs and operations and continue our trend of providing excellent service for our internal and external customers.

Any strategy has a vision which is clearly communicated and which governs and guides the relationship. Building this together creates trust and understanding across the organization. This 2012 Annual Report will provide you with the vision and strategy for our Division.



Analyzing a Company

Check the Management Team

Evaluating management is a critical component of analyzing a company and their stock. Excellent management can make the difference between a mediocre business and an outstanding one. The goal is to find a management team that thinks like shareholders. Look for management teams committed to building shareholder value.

Our Division Management Team

Carolyn D. Miller, CPA	Chief Financial Officer and Chief Administrative Officer
Stacy Hardy, CPA	Accounting Manager
Christi Korth	Accounting Supervisor
Kaci Konieczny, MBA	Budget Manager
Jeana Bellinger, TRMC	City Secretary
Susan Nienstedt	Human Resources Manager
Kathy Bell, MLS	Librarian
Rhonda Kuehn, CMCC	Municipal Court Administrator
Wende Ragonis	Purchasing Manager
Kyle Branham	Inventory and Warehouse Supervisor
Janie Mehrens	Risk Manager
Jamie Maurer	Recreation and Aquatic Superintendent
Tammy Jaster	Aquatic Coordinator

Balanced Scorecard

Purchasing Services

Collaborates with external and internal constituents, such as key suppliers, customers and partners, to develop a strategy that defines and communicates the strategic relationship; once developed, the map and scorecard are used to govern and guide the relationship and decisions.





Purchasing Services

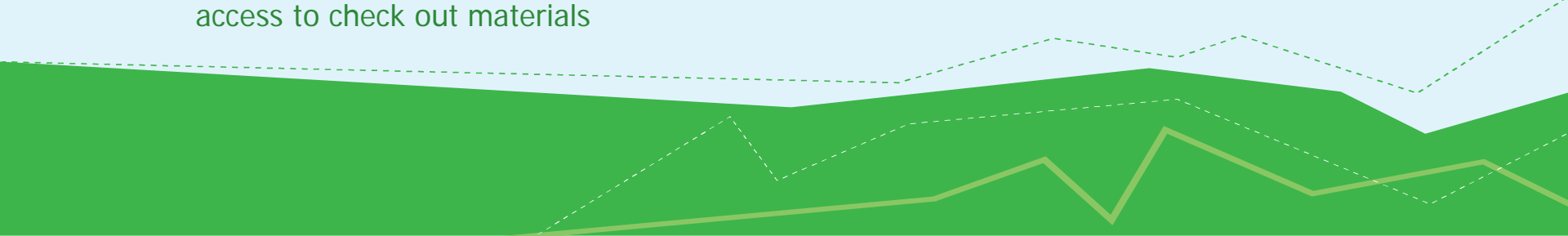
Blue Chip Stocks

Kyle Branham received his five year service award

Building Equity

- Gerry Hartstack, Purchasing Agent, retired after 25 years of service
- Darlene Konieczny become our Purchasing Specialist in January, 2012
- Wende Ragonis was recruited as our Purchasing Manager in July, 2012
- In fulfillment of the certification program, staff completed the State of Texas Basic Public Purchasing course and the Purchasing Manager completed the Purchasing Law course

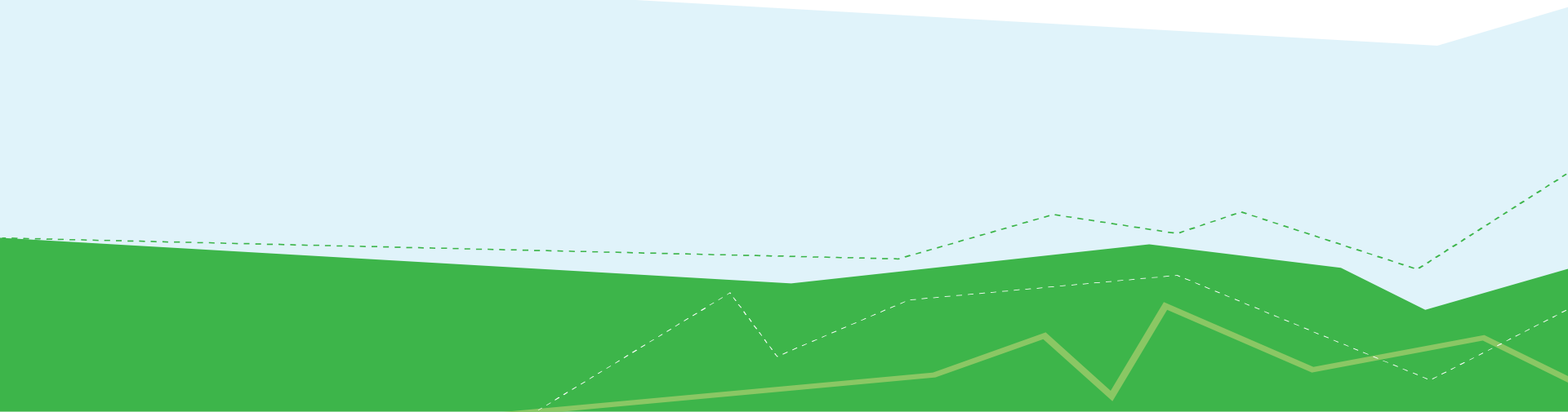
Winning Market Strategies

- Completed Insurance Compliance Audit for City Vendors regarding worker's compensation and general liability
 - Phase 3 of Central Warehouse shelving project was completed by replacing wooden shelving with metal shelving for more capacity and efficiency
 - Established e-mail notification system for after hour product check-out. An e-mail is now sent to the Inventory and Warehouse Supervisor when an employee gains after-hours access to check out materials
- 



Purchasing Services

Annual Stock Performance

- Issued 579 INCODE purchase orders for a total \$4.4 million
 - Issued 318 WASP purchase orders to replenish inventory levels for over 144,000 items
 - Disbursed material from Central Warehouse for the start and completion of 22 capital and non-capital projects
 - 82 items were sold on GovDeals internet auction site for \$216,532 in total sales proceeds
 - Issued 11 RFB's related to our annual contracts and 1 RFP to outsource athletic park concessions
 - Performed needs assessment for Print, Copy, and Scan Efficiency project
 - Managed contract compliance for 210 N. Park Demolition and Abatement
 - Purchasing Services was relocated from second floor to first floor to gain a conference room for bid openings, and to provide easier access by vendors, sealed bid drop-off and internal customers
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Performance and Risk Measurement

Accounting, Budget and Risk Management

The need for high-quality management information has never been greater. Ensuring the availability of straightforward financial information to guarantee a common understanding of what is happening, especially the identification and management of events that could lead to failure to achieve the targeted performance.



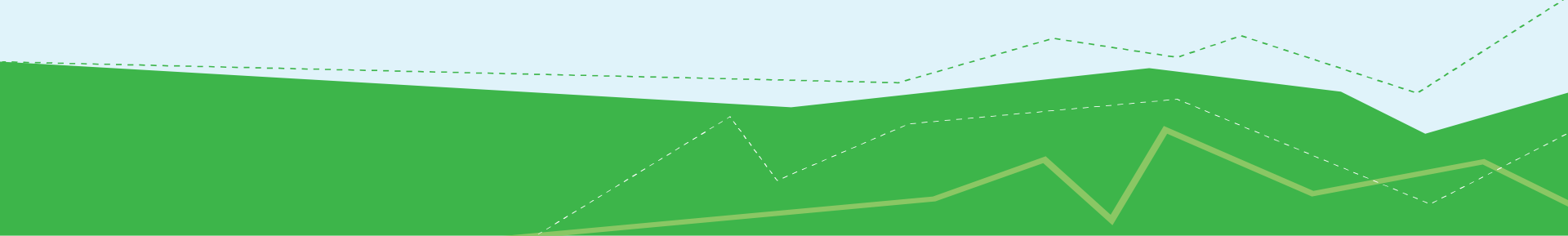
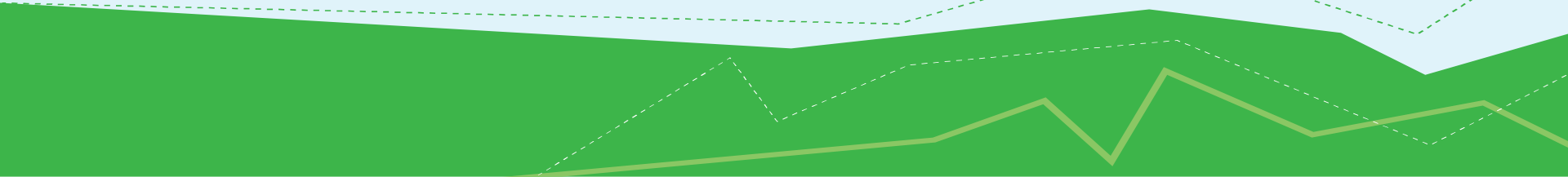


Accounting, Budget and Risk Management

Building Equity

- Kristi Jackson joined us as Financial Accountant upon the transfer of Darlene Konieczny to Purchasing Services
- Kaci Konieczny was recruited as our Budget Manager upon the transfer of Debbie Gaffey to Public Utilities
- With the re-organization, Janie Mehrens, Risk Manager, joined our division in October; Janie completed eight years of service on the Texas Municipal Human Resources Association Board

Winning Market Strategies

- For the 4th consecutive year, received the Certificate of Achievement for Excellence in Financial Reporting from GFOA for our comprehensive annual report for the period ending September 30, 2011
 - For the 3rd consecutive year, received the Distinguished Budget Presentation Award from GFOA for our fiscal year budget beginning in October 1, 2011
 - City Council approved a fully-funded group medical plan beginning January 2013
 - Standard & Poors Rating Services affirmed AA- bond rating for City of Brenham
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Accounting, Budget and Risk Management

Annual Stock Performance

- Central Fleet Fund established and rental program started for management of shared equipment utilized by several City departments
- Issuance of \$1.85 million in Certificates of Obligation for Construction of new streets and thoroughfares
- Calculated the value of Employer-Sponsored Health Coverage to report on Form W-2 for 2012 in accordance with *Patient Protection and Affordable Care Act* enacted in March, 2010
- Workers' Comp - A total of 25 workers' compensation claims were incurred during 2012 which is an average number for the City with only two resulting in lost time payments
- General Liability - Nine general liability claims were filed with damages paid to three claimants; two claims remain outstanding
- Auto Liability/Physical Damage – Three claims were filed with slightly less than \$12,000 being paid to claimants; six physical damage claims were filed for repairs to city-owned vehicles
- Mobile Equipment Claims – only one claim was filed when mulch caught fire near the tub grinder and caused repairs to the machine
- Managed and coordinated storm damage claim which caused major damage to Central Communications Building roof; damage to the north side Recycling Center chain link fence resulting in replacement; and minor vehicle damage caused by portions of former Municipal Building roof which was ripped off and strewn about the downtown parking lot

Capital Management

Human Resources

In any organization, various tools and techniques can be used to manage human resources and maximize earnings potential. From job design, to recruiting qualified people, to evaluating compensation plans, to managing benefits, the capital management of any organization is vital. Our goal is to proactively manage your financial future.





Human Resources

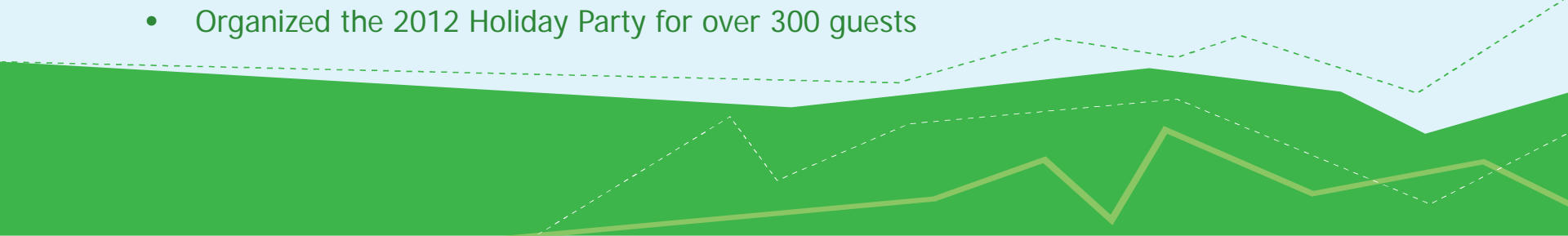
Building Equity

- Susan Nienstedt, Human Resources Manager, attended the Texas Municipal Human Resources Association Nuts & Bolts seminar

Winning Market Strategies

- Online Applicant System “Applicant Pro” was implemented thus eliminating paper applications; supervisors are able to view application online and HR corresponds with applicants via email to set up interviews and testing
- E-Cards for employee recognitions such as birthdays and anniversaries are being sent by Human Resources staff

Annual Stock Performance

- Processed 63 new hires and 96 terminations for full and part-time employees which included 5 retirements
 - Participated in interview panels for Communications, Police Department promotions, police lieutenant and sergeant testing, as well as vacancies in other departments
 - Processed health and dental open enrollments for 215 employees
 - Assisted with the 2012 Form W-2 project for Employer- Sponsored Health Coverage
 - Organized the 2012 Holiday Party for over 300 guests
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Healthy Portfolio

Recreation and Aquatics

Just as there are a few indicators to monitor the financial landscape, there are some key points to consider when evaluating a portfolio. Four keys to a healthy portfolio are asset allocation, position size, liquidity and losses. Yet what ultimately matters to our bottom line isn't "the market" per se but our mix of assets giving many people a choice. Our success doesn't depend on any single asset class.



Recreation and Aquatics

Blue Chip Stocks

Brenda Stelwagen received her 10 year service award

Building Equity

- Tammy Jaster, Aquatics Coordinator, served as the Regional 3 representative for the Texas Public Pools Council and chaired the Scholarship Committee
- Crystal Dahlquist, Recreation Coordinator, served as the Sponsorship Chair for Texas Recreation & Parks Society, Region 5

Winning Market Strategies

- Texas Public Pool Council Agency of the Year Class III, for two consecutive years
- Texas Public Pool Council Water Safety Program of the Year, chosen from all pools within State of Texas
- Council approved the first rate increase for the Blue Bell Aquatic Center in 10 years and new rate become effective February 1, 2012
- Sponsored Fall Concert Series at the Amphitheater on Friday evenings in October
- Launched a City of Brenham Parks and Recreation Department Facebook page to push important information about events and programs to our 175 friends; used this page to vote for the Christmas movie to be shown during the Downtown Christmas Stroll

Recreation and Aquatics

Annual Stock Performance

Blue Bell Aquatic Center (BBAC) activities include the following programs and statistics:

- Aquazumba, a new water aerobics program for 2012, targets junior and high school participants
- Giddings High School swim team is using the facility 3-4 times per week in the afternoon for practice; and St. Paul's Christian Day School began using the BBAC for physical education
- The indoor competition pool and therapy pool were re-plastered with quartz aggregate and water valves were modified for safety and functionality
- New program dates: Valentine's Day Parent's Night Out; Pre Teen Night Out
- Educational programs: 56 participants in EMS swift water rescue; boat safety; community CPR classes; lifeguard training; water safety instructor training; conditioning – 168 total participants

Recreation activities include the following programs and statistics:

- In it's first full year of operation, the Dietrich Memorial Amphitheatre hosted three church services, four weddings, two school plays and six concerts
- Converted the "Girl Scout Hut" at Fireman's Park to the Rock Party Room which is now the ideal location for small birthday parties in this park

Recreation and Aquatics

Annual Stock Performance

BBAC Statistics:

- Total Visits – 67,167; Summer Visits – 35,702
- 2nd Grade water safety students: 525 with six elementary schools participating
- 6th Annual KidFish: 450 participants; partnered with Brenham Elks Club for the event
- Swim Teams: 90 Dolphins; 36 Swim Club; 34 Brenham High School; 32 Brenham Junior High (first year program)
- Parties : 57 during regular pool hours; 26 private parties (available only on weekends)
- Learn to Swim participants: 57 water babies; 338 group swim lessons; 42 private swim lessons; 18 junior guard

Recreation Statistics:

- Hosted 779 tournament teams in 39 tournaments
- Field rental revenue \$29,873
- 10 Adult leagues; eight youth leagues; five seasonal teams including Brenham Christian Academy, Tomball Christian Academy, Brenham High School soccer and baseball, First Baptist football and Blinn softball
- New users TCAL semi-state football; several 6-man football playoff games; boys soccer U11-U14 fall championships

Recreation and Aquatics

Annual Stock Performance

Recreation On-going Programs and Participants

- Movies in the Park – 4 movies shown with 2,200 participants
- Easter Egg-stravaganza – 300 participants
- Adult slow pitch – 480 participants
- Fitness Walk – 1,500 participants
- Little Diggers co-op with BHS – 45 participants
- Kids Camp & All Sports Camp – 39 participants
- Movie and a Recipe Club – 9 participants
- Spring training camp co-op with Blinn – 52 participants
- Jingle Bell Stroll 5K – 233 participants
- Christmas Stroll and Lighted Parade – 62 parade entries
- Music in the Park Fall Concert Series – 4 concerts hosted

Note: The BBAC and the Recreation Department will be giving a full statistical report at the April 4, 2013 Council meeting.

Portfolio Management Services

City Secretary

Efficiently manages client's assets with a toolset for custodial data processing, reporting, compliance solutions and automation of time consuming tasks; efficient means of client communication and exchange; publish documents securely and customize web portals for viewing and printing reports.



City Secretary

Building Equity

- Jeana Bellinger, City Secretary maintained her Texas Registered Municipal Clerk certification which requires an additional 80 hours of professional development course work every five years; Jeana was also elected Treasurer of the Capital Chapter of Municipal Clerks and elected to the Texas Municipal Clerks Association's 2013 Audit Committee
- Recruited Amanda Klehm as our new Deputy City Secretary
- City Secretary was selected to serve as the staff liaison to the Brenham-Washington County Joint Hotel Occupancy Tax Board and to the Community Services Committee
- Angela Hahn, Records Coordinator, obtained her designation as a Certified Records Manager through the Texas State Library and Archives Commission, and also maintained her Texas Certified Public Manager designation

Winning Market Strategies

- Conducted training on the Texas Open Meetings Act and Public Information to advisory board members and City staff
- With our Mayor Milton Tate serving as Vice President of TML Region X, hosted two Texas Municipal League Region X meetings, one at Ant Street Inn and one at City Hall
- Hosted spring meeting of the Capital Chapter of Municipal Clerks at Fireman's Park and provided a historical overview of the park and our Antique Carousel

City Secretary

Annual Stock Performance

- Ordinance development - developed 32 ordinances for approval by Council, the most notable being Board Home Regulations
- Resolutions – 23 resolutions were approved during 2012, the most notable being the canvass of 2012 special election returns, three tax phase-in agreements and the downtown master plan
- Public Information Requests – responded to 435 requests during 2012 which represents an increase of 11.7% over the prior year
- Permits – issued 54 alcohol permits/licenses and 132 vendor/solicitor permits which is a 20.7% increase over last year
- Managed, prepared and consolidated 1,869 pages of documents for 32 council meetings
- Prepared and coordinated seven Hotel Occupancy Tax Board meetings
- Received, prepared and coordinated 16 funding requests for FY2012-13 for the Hotel Occupancy Tax Board
- Coordinated the FY2012-13 Community Services funding requests
- Participated in the Brenham Industry Tours for local high school students planning to immediately enter the workforce upon graduation

Operational Performance

Municipal Court

Used by an organization to evaluate its success or the success of a particular activity; uses various techniques to assess the present state of the business and its key activities. Identification of potential improvements and a likely consequence associated with performance improvement initiatives.



Municipal Court

Building Equity

- Rhonda Kuehn, Court Administrator, has been appointed to the Texas Municipal Courts Association's Education Committee to oversee the education for all municipal court judges, clerks, prosecutors and warrant officers/bailiffs in the State. Rhonda is one of only two clerks that sit on the committee, as all other committee members are judges
- Rhonda continues to serve as Vice President of the Texas Court Clerks Association and a TML Board member.
- She was again recognized by the Texas Municipal Courts Education Center for her contributions as one of their exceptional faculty who provide continuing judicial education to municipal judges, court support personnel and city prosecutors
- Wanda Whitener and Norma Rodriguez have maintained Level II Certification
- Kacey Weiss joined us as Municipal Court Clerk Assistant in April, 2012
- Tiwana Brown joined us as Municipal Court Clerk Assistant in October, 2012



Municipal Court

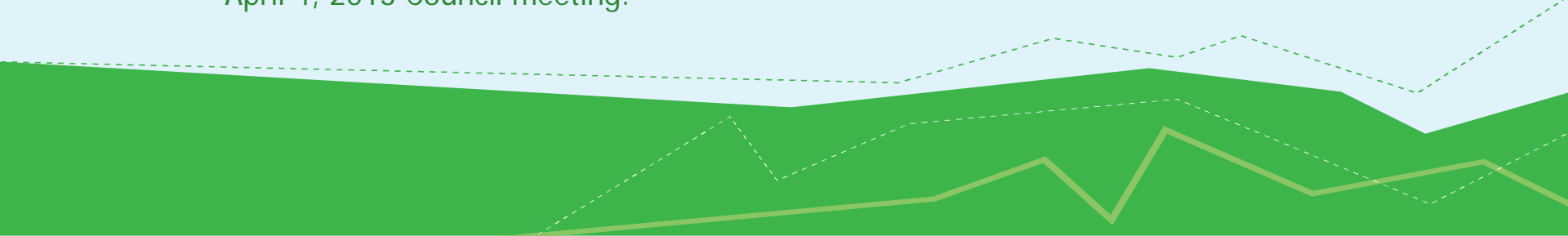
Winning Market Strategies

- Worked with New World and INCODE to develop an interface that allows for the automatic transfer of warrant information between the Court and Communications; testing is still underway and finalizing a few components
- June 1st marked the first full year that we have been utilizing the collection agency

Annual Stock Performance

- New Cases filed – 8,553
- Disposed Cases – 9,488
- Total Court Collections: \$1,298,203
- Dollars retained by City: \$952,799
- Remitted to State: \$345,399

Note: The Municipal Court Administrator will be giving a full statistical report at the April 4, 2013 Council meeting.



Global Investing

Nancy Carol Roberts Memorial Library

Discover a world of opportunity. We are the source for those seeking to broaden and internationalize their portfolios; brings unique experience and competence to the business of picking domestic and foreign stocks.



Nancy Carol Roberts Memorial Library

Building Equity

- Recruited Kathy Bell, MLS as our new Librarian in July, 2012
- Janie Mehrens, Risk Manager, worked with Library staff during Librarian vacancy
- Andria Heiges joined us as the Library Clerk beginning in October, 2012
- Roseanne Sheppard and Everett Webb joined us part-time student workers
- Several of our staff members attended Texas Genealogy events and customer service training

Winning Market Strategies

- Selection of Komatsu Architecture for library expansion
- Developed new motto "Culture of caring-Environment of learning"
- New Librarian has visited local churches to invite community to Library
- Focus on Facility improvements which included new signage for patron and staff parking; parking lot re-stripping; addition of seven new parking space to lot; restoration of fountain; capping old planter boxes on north end stairwells to eliminate littering problems; installation of safety handrail on staircase at north entrance; replacing older furnishings with new stools for computer stations and chairs and tables for the community room; and painting community room

Nancy Carol Roberts Memorial Library

Annual Stock Performance

- Focused on adult patron population resulting in increased checkouts of large print materials by 24%, DVD checkouts by 53% and audio checkouts by 7%
- Addition of nearly 200 new DVD's and expansion of large type collection by over 150 new books
- Purchased logo shirts for Library staff to wear on casual days
- Organized "Canned Goods for Fines" food drive in November and raised over \$300 of canned goods which were donated to three community food banks
- Hosted Christmas Party for over 125 citizens
- Staff assisted with research for movie/book on the founders of Brenham being done by Brenham Heritage Museum
- Staff attended and spoke at numerous community and civic organizational meetings
- An outside professional provides job seekers with one-on-one assistance in resume writing and use of online resources for job searches

Return on Investment

In closing, how do we generate a return on investment (ROI) for the City?


We remember that *Everything Rises and Falls on Leadership*

- Personnel determines the potential of an organization
- Relationships determine the morale of an organization
- Structure determines the size of the organization
- Vision determines the direction of the organization
- Leadership determines the success of the organization

Leaders are hard to find. Leaders are hard to keep.

It is hard to find good leaders, and it's even more difficult to keep them. But developing leaders has a great impact. Only one leader in ten is able to blossom without the help of another leader. The others nine need help from leaders who are ahead of them on the journey. The goal must be to keep developing them so that they can realize their potential.

The Finance and Administrative Services Division is committed to leadership development. It takes time, energy and resources. The more you invest in people, the greater the success and the higher the return on investment.



Sources for this annual report include the Chartered Global Management Accountant website magazine feature articles; and excerpts from the book by John C. Maxwell, [The 21 Irrefutable Laws of Leadership](#).