

*CITY OF WATAUGA, TEXAS
ANNUAL BUDGET*



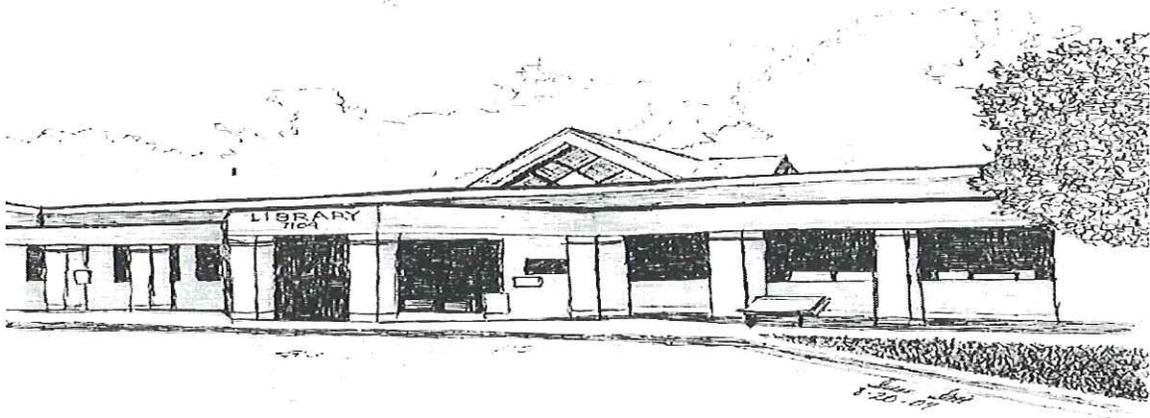
*FOR FISCAL YEAR
OCTOBER 1, 2007 - SEPTEMBER 30, 2008*



PROPOSED BUDGET

FOR

FISCAL YEAR ENDING SEPTEMBER 30, 2008



Artist sketch of the Watauga Public Library where 5,000 additional square feet were added in Fiscal Year 2006-2007.

This budget will raise more total property taxes than last year's budget by \$193,241 or 3.4%, and of that amount, \$26,262 is tax revenue to be raised from new property added to the tax roll this year.

The above statement is required by Section 102.0059(b), Local Government Code as amended by H.B. No.3195 of the 80th Texas Legislature



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W 
WATAUGA
T E X A S
PROPOSED BUDGET

FOR
FISCAL YEAR ENDING SEPTEMBER 30, 2008

As Submitted By:

**KERRY LACY
CITY MANAGER**

And

**JANINA JEWELL
FINANCE DIRECTOR**

As Adopted on SEPTEMBER 10, 2007

THE WATAUGA CITY COUNCIL

Mayor HENRY J. JEFFRIES
Council Member Place 1, ERNEST P. KOONTZ
Council Member Place 2, RICHARD HELMICK
Council Member Place 3, MIKE STEELE
Council Member Place 4, ROY MEYERS
Mayor Pro Tem Council Member Place 5, SETH THOMAS
Council Member Place 6, LEE GRIFFIN
Council Member Place 7, JERRY ADAMS

Users Guide to this Budget Document

The Document

This is the budget document for the City of Watauga, Texas for the fiscal year beginning October 1, 2007 and ending September 30, 2008. This document should serve as a policy document, a financial plan, and an operations guide to our City, as well as a communication device to our readers. Such a document is meant to be used by a wide variety of users. It should be used by City Management as a guide for operations as approved by the City Council for the fiscal year. It should be used by City Council as a communication device to staff and citizens for objectives, goals, and mission of the City. It should be used by staff to inform City Council and citizens of accomplishments and services. This document should also be used by current and prospective citizens and businesses to learn about the City and where it is going.

Introductory Information

The Table of Contents should aid a user of this document in the detailed organization of this book. The Introductory Section of the book is just that. This section provides a detailed look at the City of Watauga, its mission and goals, requirements during the budget process, the overall financial structure and layout of the City, demographic and graphical information about the City, as well as the City Manager's message. The City Manager's message should be reviewed before expecting to understand decisions made during the long budget process.

Financial Summaries

The next five sections of this document include the detailed financial information of the City of Watauga budget. These sections are broken down by fund types. The City uses a general fund, special revenue funds, proprietary funds, capital project funds, and debt service funds. Each fund section will provide financial summaries, general information, and management assumptions in the budget preparation. A few of the major operating funds are more detailed in showing objectives, goals, staffing, organizational structures, and accomplishments by division. COW#'s are also included in the accomplishments by specific divisions, which relate back to the City of Watauga (COW) Goals detailed in the Budget Overview section. At the request of City Management, we have also included a line item budget for these same major operating funds. The capital project funds detail current and future projects. The debt service fund section also provides individual debt service reimbursement schedules.

The Glossary

The glossary section of the book provides both a glossary of terms and an abbreviation guide to aid users with technical terms as well as industry jargon that appear in the document.

The Budget Ordinances

The budget ordinance section provides actual policy passed by the City Council implementing this budget as well as some required publications.

Users with further questions or comments are welcome to contact the City of Watauga at 7105 Whitley Road Watauga, Texas, 76148, or call (817) 514-5800. More information can be obtained through the Internet at www.ci.watauga.tx.us.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Watauga
Texas**

For the Fiscal Year Beginning

October 1, 2006

A handwritten signature in cursive script, likely belonging to Ronald J. Platen, the President of GFOA.

President

A handwritten signature in cursive script, likely belonging to Jeffrey R. Egan, the Executive Director of GFOA.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Watauga, Texas for its annual budget for the fiscal year beginning October 1, 2006. In order to receive this award, a government 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.

CITY OF WATAUGA, TEXAS

ANNUAL BUDGET FOR FY 2007-08

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CITY OF WATAUGA 2007-08 BUDGET BUDGET OVERVIEW

The City of Watauga 2007-08 fiscal year budget document continues a focus that represents service and goals that the City Council wishes to achieve for the City. Fiscal year 2007-08 budget preparation focused on services provided by the City. This presentation of those efforts is divided into groupings by funds for a clear description of services, accomplishments, objectives, assumptions, highlights, staffing levels, organization, and resources. This section will provide assistance with understanding this organization by explaining the different fund types. This year's presentation does include an upper management request for a line item budget.

CITY OF WATAUGA MISSION STATEMENT

Our mission is to establish and maintain an environment wherein Watauga provides the highest quality municipal services possible within established fiscal constraints.

CITY OF WATAUGA CUSTOMER SERVICE STATEMENTS

1. *Health and Public Safety*

Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety.

2. *Transportation/Mobility*

Maximum access to transportation services is essential to ensure that all residents have adequate mobility while providing for the welfare of their household.

3. *Parks and Recreation*

Citizens benefit from activities and facilities that maximize the availability of options when seeking entertainment outside their own home.

4. *Education/Information*

Citizens who are informed on a timely basis about broad-based matters affecting their lives are better prepared to make decisions that determine their level of satisfaction.

5. *Quality Service*

Citizens benefit from value and quality of service delivered in an economical manner and at a reasonable tax rate.

6. *Civic Pride*

Increased Civic Pride results from well-planned residential, commercial and municipal areas.

These Customer Service Statements will be noted in areas through this budget document as CSS#.

CITY OF WATAUGA GOALS

1. Provide a safe and secure City.
2. Improve Watauga's infrastructure.
3. Develop a strategy to make the City more physically attractive.
4. Provide diverse park facilities, recreational and cultural opportunities for citizens of all ages.
5. Provide a high level of customer service with staff that is appropriately trained and compensated.
6. Improve both internal and external communication in the City.
7. Provide services that enhance the ongoing educational endeavors of all citizens.
8. Reduce the tax rate.
9. Develop a strategy to be more business friendly to current and prospective businesses.
10. Increase volunteer participation.

These goals will be noted in areas through this budget document as COW#.

CITY OF WATAUGA - COMMUNITY PROFILE AND GENERAL INFORMATION

The City of Watauga is located in Tarrant County, approximately 10 miles northeast of downtown Fort Worth and 25 miles northwest of downtown Dallas. The City's corporate boundary comprises a total of approximately four square miles. Watauga's population as determined by the 2000 Census was 22,000. Current population is estimated to be 24,150.

The City of Watauga is part of the "Southwest Metroplex" of north-central Texas, which includes the cities of Fort Worth and Dallas and has a total estimated population of nearly 5,000,000 people. The economy of the area is based upon diversified manufacturing, service, and agricultural industries. The nine county Dallas-Fort Worth Metroplex has been designated as one Consolidated Metropolitan Statistical Area, and constitutes the second largest inland metro area in the world.

Economic conditions in the Metroplex continue to be influenced by the development and operation of the Dallas-Fort Worth International Airport which is located only ten miles southeast of Watauga. The airport, which celebrated its 33rd anniversary in 2007, covers approximately twenty-eight square miles and represents one of the largest facilities of its kind in the world.

At September 30, 2007, there were 8,133 water service connections in the City of Watauga.

GOVERNMENT ORGANIZATION AND SERVICES

The City of Watauga operates under a Mayor-Council-Manager form of government, with the City Council comprised of the Mayor and seven other Council members. All seven Council members are elected by place number, but all are elected at large. The Mayor and Council members serve two-year terms. City Council members receive no compensation for services performed.

The City Manager is appointed by the Council and is responsible for appointing and supervising employees of the City (except those appointed by the Council), and for preparing and administering the annual budget and capital improvements program.

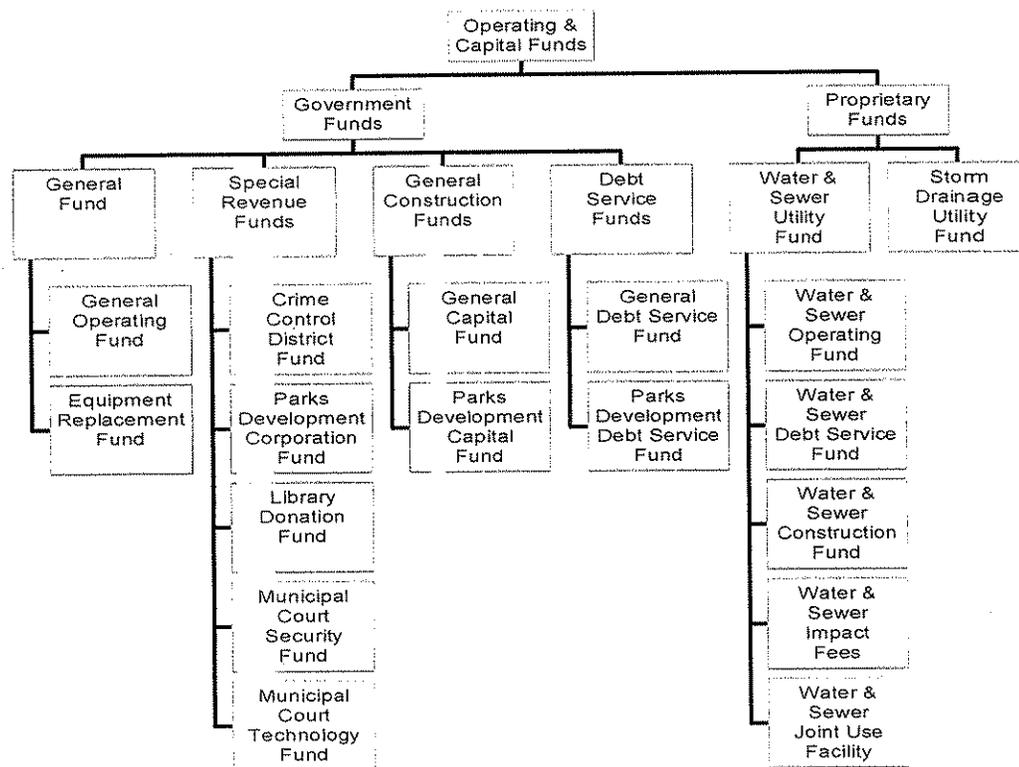
The City Council also appoints the City Attorney, the Municipal Court Judge, and the members of the various boards and commissions. The Council adopted Ordinance 655 on October 25, 1993, creating a Court of Record and with a Special Election held on January 14, 1994. The City Attorney and Judge of the Municipal Court are compensated with funds provided in the Non-Departmental and Finance Department budgets respectively. Under the City Manager's general direction, there are seven functional areas each of which is supervised by a department head level employee. These areas include administration, police, fire and emergency medical services, public works (including code enforcement, storm drain, water and sewer field operations), recreation, parks, and community service, library services and finance (including general financing functions, purchasing, water and sewer billing and collection, and Municipal Court). Certain non-departmental activities are supervised directly by the City Manager. This includes fleet services, facilities, public information, human resources, and management information systems. Services provided by the City include police and fire protection, emergency medical services, street maintenance, building inspection services, library services, recreation, parks operation and maintenance, maintenance and operation of City-owned buildings, and storm drain maintenance and construction. Fiscal Year 1998-99 began the water and sewer operations by the City of Watauga. A franchise has been granted to a privately owned firm for solid waste collection and disposal services.

FINANCIAL STRUCTURE

Funds and Account Groups

For financial reporting purposes, the accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The City uses and appropriates annually for the following fund types, which are shown graphically and then, defined:

Fund Structure



Governmental Fund Types

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

General Fund- The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreements to some other fund are accounted for in this fund. The General Fund records the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - There are two major Special Revenue Funds. The Parks Development Corporation Sales Tax Fund was established to account for a ½ cent sales tax increase approved by the voters in May 1994. The purpose of the increase in sales tax is to build city parks and improve existing parks under the supervision of the Watauga Parks Development Corporation.

The Crime Control and Prevention District was established to account for a ½ cent sales tax increase approved by voters in March 1996. The purpose of the increase in sales tax is to enhance law enforcement in the area. In 2001 voters approved a ten-year extension of this tax.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition of and construction of major capital facilities and equipment. Financing is provided primarily by the sale of general obligation and contractual obligation bonds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general and contractual obligation bonds, interest, and related costs.

Proprietary Fund Type

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The City's proprietary fund type consists of:

Enterprise Funds

The Storm Drainage Utility Enterprise Fund is a proprietary fund used to account for revenues and expenses related to the operations and maintenance of the City's drainage utility system. Costs of the system are recovered through drainage utility fees, which are levied against all developed property within the City.

The Water and Sewer Utility Enterprise Fund is a proprietary fund used to account for revenues and expenses related to the operations and maintenance of the City's water and sewer utility system including, but not limited to administration, operations, maintenance, billing and collections.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The following are the City's account groups:

General Fixed Assets Account Group - This account group is established to account for all general fixed assets of the City, other than those accounted for in the proprietary fund.

General Long-term Debt Account Group - This account group is established to account for all general long-term debt of the City, other than those accounted for in the proprietary fund.

Basis of Accounting and Budgeting

The governmental fund types follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The obligations of the city (for example outstanding purchase orders) are budgeted as expenses during the fiscal year they are issued.

The proprietary fund type uses the accrual basis of accounting. Under this method, revenues are recorded when earned (for example, drainage utility fees are recognized as revenue when bills are produced) and expenses are recorded when a commitment is made (e.g., through a purchase order).

The Comprehensive Annual Financial Report (CAFR) shows the status of the city's finances on the basis of "generally accepted accounting principles" (GAAP). The City prepares its budget on the GAAP basis except for the treatment of depreciation expense (which is not shown in the budget, although the full purchase price of equipment is shown as a capital outlay). The modified accrual basis of accounting is used for the governmental fund types budgets and the accrual basis of accounting is used for the proprietary fund budgets. Each of these methods of accounting is described above.

FUND REVENUES TYPES

The following information is a general description of the major revenue sources for the City of Watauga's major operating funds and the assumptions used to project those revenues for this budget. Most projected revenues are based on assumptions of historical data with increases and decreases associated with economic conditions and rate changes.

General Fund

Ad Valorem taxes - Comprise 41% of estimated General Fund revenue in fiscal year 2007-08. This includes current and delinquent tax payments as well as penalty and interest. This property tax on real and personal property is charged since a great number of City services are for the public good and are not reasonable to divided among individuals. The City bases its ad valorem tax rate on the certified appraisal roles provided by the Tarrant Appraisal District.

A combined tax rate is adopted each year by the Watauga City Council (a) for the use and support of the City's General Fund (referred to as the maintenance and operations rate) and (b) to finance the City's Debt Service Fund (referred to as interest and sinking fund) for payment of annual principal and interest due on outstanding general indebtedness. The below summary of the distribution of the combined tax rate between each of these purposes reflects the rates adopted each year through approval of the annual tax rate ordinance.

	2004-05	2005-06	2006-07	2007-08
	BUDGET	BUDGET	BUDGET	BUDGET
General Fund				
Tax Rate per \$100 Valuation	\$ 0.40880	\$ 0.40880	\$ 0.40147	\$ 0.40064
Distribution	70.39%	70.39%	69.13%	68.99%
Estimated Collections	\$ 3,783,214	\$ 3,971,363	\$ 3,969,222	\$ 4,038,521

Debt Service Fund

Tax Rate per \$100 Valuation	\$ 0.17197	\$ 0.17197	\$ 0.17930	\$ 0.18012
Distribution	29.61%	29.61%	30.87%	31.01%
Estimated Collections	\$ 1,623,939	\$ 1,704,690	\$ 1,709,952	\$ 1,833,894

Total

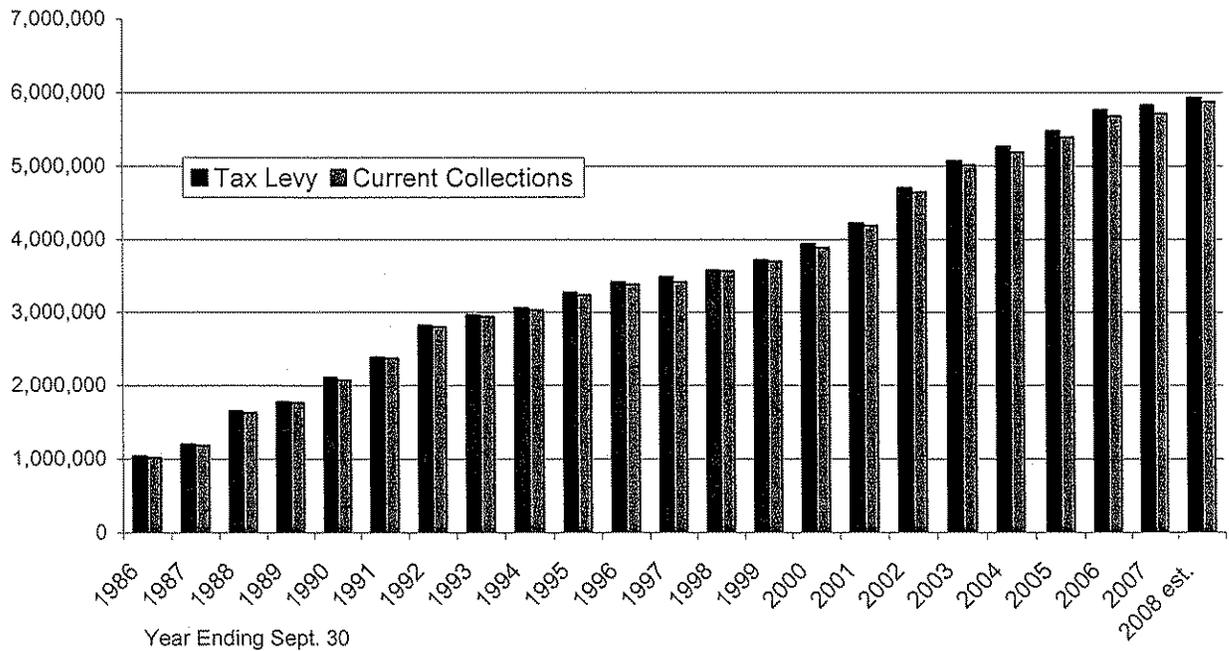
Tax Rate per \$100 Valuation	\$ 0.58076	\$ 0.58076	\$ 0.58076	\$ 0.58076
Distribution	100%	100%	100%	100%
Estimated Collections	\$ 5,407,153	\$ 5,676,053	\$ 5,679,174	\$ 5,872,415

Estimated collections have been computed at approximately 99% of net taxable value for Maintenance and Operating portion (General Fund) but 100% of Interest and Sinking (Debt Service Fund) must be made.

Increases in ad valorem taxes have been attributable to increased property valuations and to the additional residential and commercial establishments within the City. Principal taxpayers in the City include Inland Western LP, Watauga Town Crossing LLC retail property, Southwestern Bell Telephone, Weingarten Realty Investors, Albertsons, Inc., Dayton Hudson Corporation, Oncor Electric Delivery Co., Park Vista Townhomes, Marketplace Partners Ltd., and Pierson Watauga LTD. Below is historic trend of the assessed values, rates, levy, and collection of this ad valorem tax.

Year Ending Sept. 30	Assessed Value of Taxable Property (Adjusted)	Tax Rate	Tax Levy	Current Year's Taxes Collected	% Current Levy Collected
1986	321,691,310	0.323000	1,039,063	1,019,210	98.09%
1987	407,987,325	0.294000	1,199,483	1,185,328	98.82%
1988	450,774,742	0.366000	1,649,836	1,626,198	98.57%
1989	448,760,610	0.396000	1,777,092	1,762,938	99.20%
1990	455,048,902	0.462700	2,105,511	2,070,399	98.33%
1991	432,771,823	0.550900	2,384,140	2,370,926	99.45%
1992	435,680,064	0.647500	2,821,028	2,802,329	99.34%
1993	433,023,704	0.684200	2,962,748	2,939,559	99.22%
1994	439,232,002	0.696710	3,060,173	3,027,497	98.93%
1995	453,094,514	0.722158	3,272,058	3,238,268	98.97%
1996	472,800,013	0.722158	3,414,363	3,381,070	99.02%
1997	489,154,767	0.712070	3,483,124	3,413,461	98.00%
1998	511,499,212	0.699470	3,577,784	3,561,315	99.54%
1999	538,832,680	0.689470	3,715,090	3,691,451	99.36%
2000	579,274,738	0.679470	3,935,998	3,884,477	98.69%
2001	687,306,408	0.659470	4,219,259	4,186,286	99.22%
2002	800,674,010	0.637021	4,703,056	4,641,378	98.69%
2003	846,585,043	0.598925	5,070,409	5,009,929	98.81%
2004	906,614,299	0.580763	5,265,280	5,184,321	98.46%
2005	942,853,767	0.580763	5,475,746	5,389,470	98.42%
2006	992,773,636	0.580763	5,765,662	5,678,457	98.49%
2007	1,003,759,355	0.580763	5,829,463	5,710,069	97.95%
2008 est.	1,020,772,365	0.580763	5,928,268	5,872,415	99.06%

Property Tax Levies and Collections



The combined ad valorem rate has remained flat five (5) years as shown below. An increased levy has been dependant on the increased assessed valuation of property.

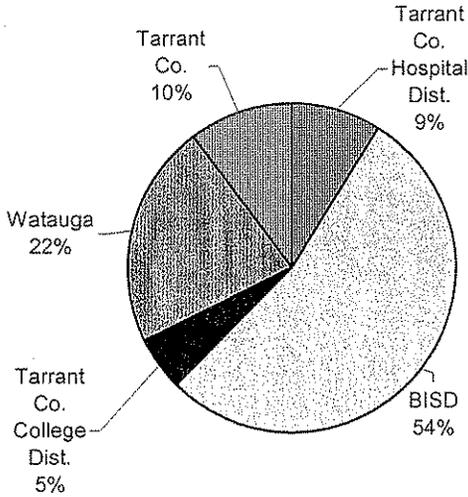
AD VALOREM TAX RATE Per \$100 Assessed Valuation



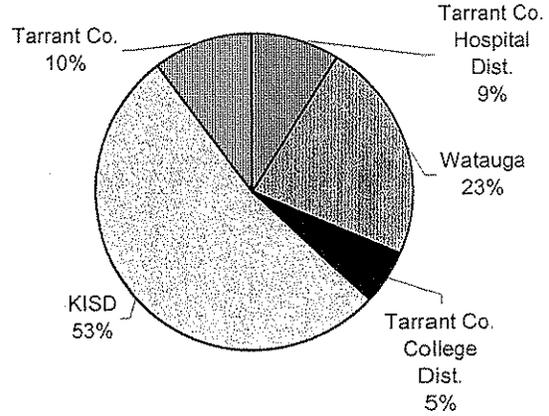
The City is located in two different independent school districts; so overlapping property

taxes vary by what section of the City a property is located. The City has historically been less than one-fourth of the entire property tax bill for the area.

**Overlapping Rate for Residents in
BISD is \$2.622 per \$100 Valuation**



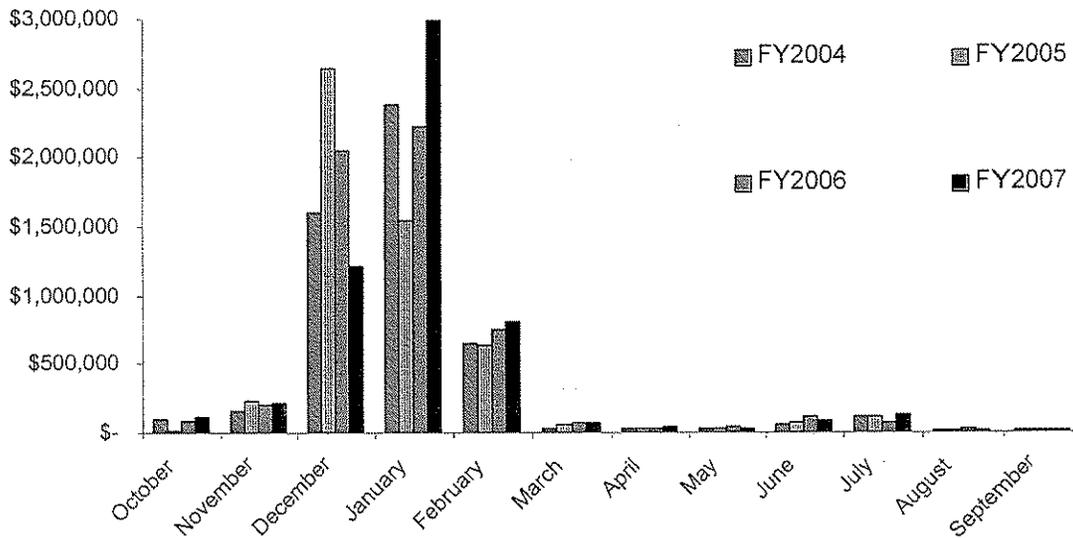
**Overlapping Rate for Residents in KISD
is \$2.574 per \$100 Valuation**



The City does offer a \$40,000 senior citizen exemption from assessed values and has incorporated the over 65 and disabled citizen tax freeze. All other exemptions for disabled and veterans are as stipulated by State law.

The City is landlocked and approximately 96% built out; however, we are experiencing small growth in both our residential and commercial property values. The following is a historic collection cycle of property tax for the City.

Current Property Tax Collections



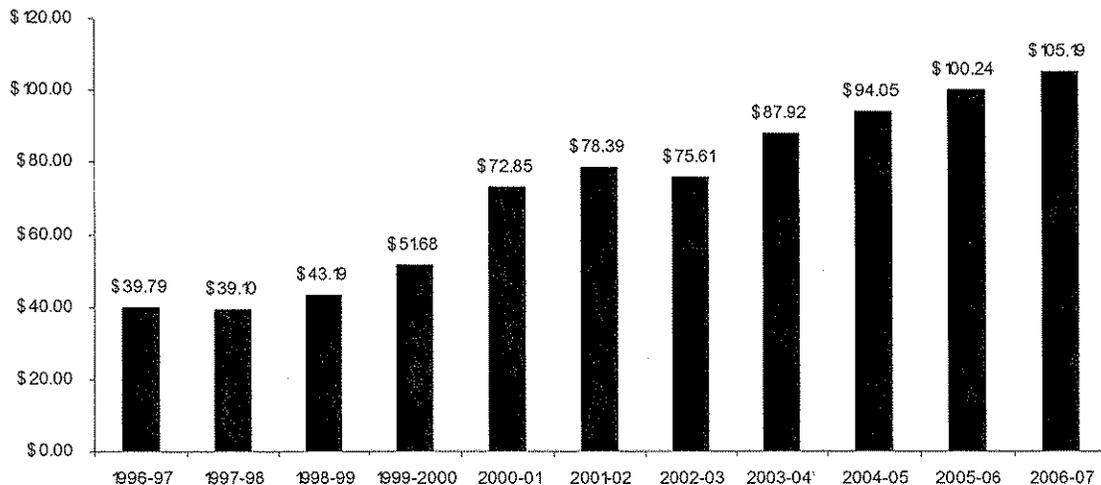
Ad valorem taxes are billed October 1 of every year and are due on or before January 31 of the next calendar year. Delinquent tax revenues for those collected after January 31 projections are based on conservative prior years' experience, as well as interest and penalties on delinquent ad valorem taxes.

Sales tax - City's 1% share of all local taxable sales are remitted by merchants to the State Comptroller's Office and then distributed to the City on a monthly basis. This represents approximately 25% of total revenue to the General Fund. Sales tax revenue increases are due to the addition of commercial establishments within the City.

Our economic outlook is good for the upcoming fiscal year. We project a one percent (1%) increase over our year-end projections. We foresee this line item not to expand much more than this since we have a lack of commercial property available.

Voters approved this tax with an effective date of January 1, 1974. Below is a look at recent historical trends for this tax based on per capita values. Over these eleven years there has been an 11% increase in population with a 194% increase in sales tax collections causing a 164% increase in collections per capita.

Sales Tax Revenue Per Capita



Other taxes - Include taxes on the sale of alcoholic beverages. New commercial establishments within the City will be selling alcoholic beverages; therefore, this revenue continues to increase over time.

Utility Franchise Fees - A percentage of local gross receipts remitted to the City by each of the privately owned utility (electric, telephone, gas, waste and recycling collections, and cable) providing services to Watauga citizens for their use of the City's right-of-way. This can be the right-of-way used by the companies for their utility lines or the use of our streets for their vehicles. Revenues are based on terms of a franchise agreement between the City and each utility. The majority of franchise revenue is based on a percentage of gross revenues from the utilities.

Projected revenues for these fees are generally based on population estimates although weather conditions play a significant factor in revenues actually received. Currently factoring into our projections is the retail electric market deregulation in

2001 and the number of citizens going to dish television connections. This fee totals 9.5% of General Fund revenues.

Licenses and permits - Include construction permit fees, animal licenses, electrical and plumbing licenses and other licenses and permits. Over the last few years, this revenue increased; however, as the City is approximately 96% built out, this revenue has begun to decrease as construction permits decline.

Projections are based on the fairly established historical base of regular operational permits and the expectations of inspectors and economic development staff information for new permits and buildings. This revenue source is only estimated to bring in 2% of General Fund revenues for fiscal year 2008.

Intergovernmental revenue - Intergovernmental revenue consists of a payment-in-lieu-of-tax from the enterprise funds based on a percentage of revenues from the water and sewer utility system. This is similar to the fee charged to other utilities for the use of City right-of-ways except for City owned utilities. Projections are based solely on revenues projections for those revenue generators. Such funds total almost 4% of General Fund revenues.

Charges for services - Include recreation fees, fees paid by developers as reimbursements for City services, charges for emergency medical service and various other service charges. Projections are based on historical use of City services as well as rates placed by the City on such services. Rates were increased during fiscal year 2007 to the amount charged for emergency medical services, which have given a boost to these revenue sources. This revenue source is approximately 5% of General Fund revenues.

Fines and Forfeitures - Include fines levied by the Judge for misdemeanor offenses occurring with the City and those collected on citations issued for code enforcement and on overdue books. Other fees are also included in this category for certain items relating to municipal court and library operations. These revenues should increase over the next few years as increased code and traffic enforcement efforts bring in additional revenues. This revenue source makes up approximately 5% of General Fund revenues for fiscal year 2008.

Miscellaneous revenue - Includes interest earned on the investment of General Fund cash, proceeds from the sale of surplus City property and other various revenues.

Transfers In - Moneys transferred from another fund for general and administrative fees or obligations.

Special Revenue Funds

Watauga Parks Development Corporation Sales Tax Revenue - A 1/2% share of all local taxable sales are remitted by merchants to the State Comptroller's Office and then distributed to the City on a monthly basis. This represents approximately 97% of total revenue to the Parks Development Corporation Fund. Sales tax revenue increases are due to the addition of commercial establishments within the City.

Our economic outlook is good for the upcoming fiscal year. We project a one percent (1%) increase over our year-end projections. We foresee this line item not to expand much more than this since we have a lack of commercial property

available.

Voters approved this tax under Section 4B of Article 5190.6, Vernon's Texas Civil Statutes with an effective date of October 10, 1994. Funds can only be used to build parks and improve existing parks under the supervision of the Watauga Parks Development Corporation.

Watauga Crime Control and Prevention District Sales Tax Revenue - A 1/2% share of local taxable sales, less amounts from public utility providers, are remitted by merchants to the State Comptroller's Office and then distributed to the City on a monthly basis. This represents approximately 96% of total revenue to the Watauga Crime Control and Prevention District Fund. Sales tax revenue increases are due to the addition of commercial establishments within the City.

Our economic outlook is good for the upcoming fiscal year. We project a one percent (1%) increase over our year-end projections. We foresee this line item not to expand much more than this since we have a lack of commercial property available.

Voters approved this tax under Local Government Code Chapter 363 with an effective date of July 1, 1996. Such funds can only be used to add officers and purchase additional supplies and equipment for law enforcement purposes.

Library Donations – Each month, citizens are given the opportunity to donate \$1 when paying their utility bill to the City. Funds are used to purchase additional library supplies such as books, audio and videotapes, periodicals and other types of supplies. Projections are based on historical trend of donations. Donated revenues make up approximately 97% of the Library Donation fund's total revenues.

Municipal Court Security Fee – Adopted by Ordinance 910 on April 26, 1999 under the provisions of the Code of Criminal Procedures Section 102.017 to collect \$3 from defendants convicted of a misdemeanor offence. Funds can only be used for purposes that provide security to the operations of municipal court. Projections are based on traffic citation projections. This revenue source is 94% of the Municipal Court Security revenue stream.

Municipal Court Technology Fee - Adopted by Ordinance 945 on September 27, 1999 under the provisions of the Code of Criminal Procedures Section 102.0172 to collect \$4 from defendants convicted of a misdemeanor offence. Funds can only be used for purposes that provide or maintain technological enhancements to the operations of municipal court. Projections are based on traffic citation projections. This revenue source is 84% of the Municipal Court Security revenue stream.

Miscellaneous revenue - Includes interest earned on the investment of each fund's cash, proceeds from the sale of surplus property from that fund and other various revenues.

Construction Funds

Transfers In – Moneys transferred from another fund for specific projects or obligations.

Miscellaneous revenue - Includes interest earned on the investment of each fund's cash, proceeds from the sale of surplus property from that fund and other various revenues.

Debt Service Funds

Ad Valorem taxes – As discussed above in the General Fund section, this property tax on real and personal property is charged since a great number of City services are for the public good and are not reasonable to divided among individuals. The City bases its ad valorem tax rate on the certified appraisal roles provided by the Tarrant Appraisal District.

A combined tax rate is adopted each year by the Watauga City Council (a) for the use and support of the City's General Fund (referred to as the maintenance and operations rate) and (b) to finance the City's Debt Service Fund (referred to as interest and sinking fund) for payment of annual principal and interest due on outstanding general indebtedness. This is the portion obligated for debt service payments and is projected on payments agreed to under debt obligations.

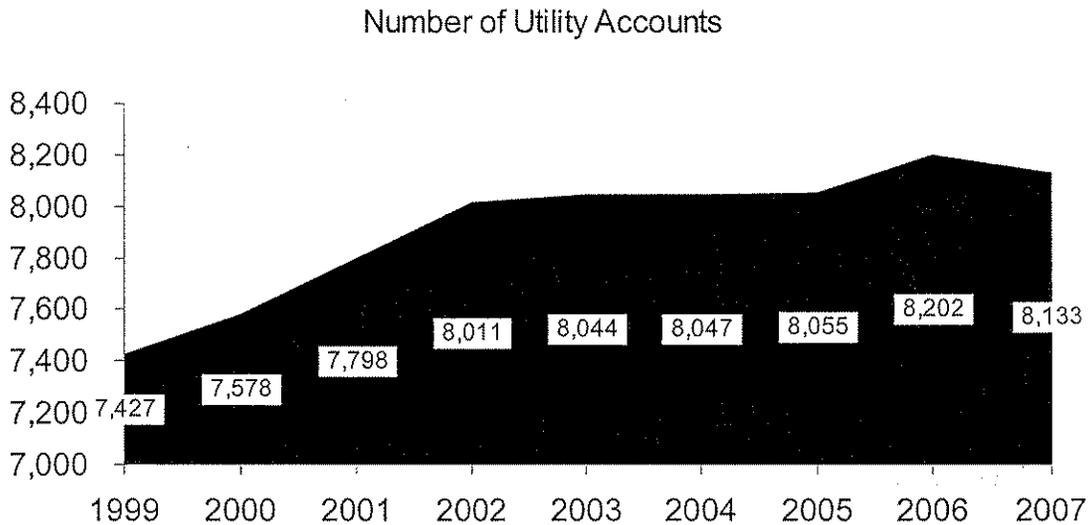
Transfers In – Moneys transferred from another fund for obligations.

Miscellaneous revenue - Includes interest earned on the investment of each fund's cash and other various revenues.

Proprietary Funds

Water and Sewer Sales Revenues – The Utility Billing Office bills and collects revenues from the sale of potable water and the disposal of sewage discharge for residents, commercial, apartments, and mobile dwellings inside the City. Projected revenues for these fees are generally based on population estimates although weather conditions play a significant factor in revenues actually received. These revenue sources constitute 92% of the Water and Sewer Utility Fund revenues.

The following chart shows the City historical trend for utility accounts that many of the proprietary revenue fees are based or calculated on.



EPA Revenue - Adopted by Ordinance 1026 on August 28, 2000 (amending Ordinance 829) to establish an Environmental Protection Agency (EPA) sewer surcharge of \$1.61 per month for each wastewater connection. The EPA sewer

surcharge of \$1.61 per wastewater connection related to an individual single family unit, individual multi-family unit, or individual commercial unit was imposed and extended until approval by the EPA of the Sewer System Evaluation Survey is received and funding requirements for the Sewer System Evaluation Survey rehabilitation are approved by the City Council. Projections are based on the number of active accounts and rate changes. This revenue source is 2% of the Water and Sewer Fund revenue stream.

Storm Drain Utility Fee – A \$6 per utility account through Code of Ordinances Appendix A Section 10.1100 to enhance drainage of properties within the City. This is billed and collected through the Utility Billing Office and is 97% of the Storm Drain Utility Fund revenues. Projections are based on the number of active accounts and rate changes.

Miscellaneous revenue - Includes interest earned on the investment of each fund's cash, proceeds from the sale of surplus property from that fund, tap and inspection fees, service fees, impact fees, and other various revenues.

Transfers In – Moneys transferred from another fund for specific projects or obligations.

FUND EXPENDITURES / EXPENSE TYPES

The following information is a general description of the major expenditure / expense types for all of the City's major operating funds.

Personnel Services – Consists of personnel salaries and benefits.

Supplies – Those items necessary for operations including office and janitorial supplies, postage, publications, wearing apparel, vehicle parts and fuel, tools, and living plants.

Maintenance – Those services to maintain assets of the City often to outside services. This can include vehicle or equipment maintenance, hardware and software maintenance, street striping, plumbing and electrical services, and radio and book repairs.

Contractual / Sundry – Consists primarily of services provided to the City and other miscellaneous items. Services include bank services, audit and attorney fees, printing and binding, laboratory testing, public utilities, rental of equipment, ambulance billing services, collection agency fees, engineering services, appraisal district expenses, and insurance fees. Miscellaneous expenses include dues and subscriptions, travel, and training. This also includes transfers between funds and debt service payments.

Capital Outlay – The purchase or investment into items that are more than \$1500, that have a life of more than one year, and that will be capitalized or considered a long-term asset of the City. This often includes buildings, furniture, equipment, and vehicles.

BUDGETARY SYSTEM AND PROCESS

Charter requires the City Manager to submit a proposed budget for the fiscal year beginning October 1 to the City Council by August 1 each year, and provides for Council adoption of the budget by September 15; Article IX Section 9.02 F states "The budget shall be finally adopted not later than the last regular Council meeting of the last month of the fiscal year." Prior to August 1, the City Manager and City department heads prepare expenditure estimates for the remainder of the current fiscal year and for the ensuing fiscal year, and these are compared to estimates of revenue for the same periods. Adjustments are made to the departmental expenditure estimates as necessary to ensure that the proposed budget is balanced within total estimated income as required by the City Charter. A balanced budget can include a planned draw down of fund balance within guidelines discussed below.

Consistent with these mandated deadlines, the City's calendar for preparing and adopting the 2007-08 follows this overview section.

Following adoption of the budget by the City Council, the City Manager and department heads monitor expenditures and revenues throughout the year to ensure that the integrity of the budget is maintained. The Charter allows the City Manager to transfer appropriation balances among programs within a department, and provides for transfer of appropriation balances from one department to another upon approval of an ordinance by the City Council. If a departmental appropriation is exceeded at any time during the year, the budget must be amended and a supplemental appropriation ordinance approved by the City Council.

The City Manager is required to make monthly reports to the Council concerning the financial condition of the City.

FINANCIAL POLICY GUIDELINES

These policy statements were prepared to provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Watauga.

The benefits of a financial policy are:

- Improve and streamline the decision-making process by allowing elected officials and staff to consider approaches to financial management from a long-term perspective.
- Enhanced credibility with the public, investors, and bond rating agencies.
- Provide a sense of continuity as changes occur in elected officials and staff.
- Provide a means for dealing with fiscal emergencies.

Financial policies should be reviewed periodically (annually) by the City Council and revised and updated as necessary.

The following are the fiscal objectives of this policy:

- **Revenues:** Design, maintain and administer revenues that will ensure reliable, equitable, and sufficient amounts to support desired services.
 - A. **Balance and Diversify Revenue Sources:** Maintain a balanced and diversified revenue system to avoid fluctuations in any one source due to changes in economic conditions that adversely impact that source.
 - B. **Property Tax Revenues:** Strive to reduce reliance on property tax revenues by implementation of user fees, economic development and revenue diversification.
 - C. **User fees:** Establish and collect fees to recover the costs for services that benefit specific users. When feasible, the City shall recover full direct and indirect costs. These fees should be reviewed on a regular basis to calculate full cost recovery levels, compare them with current structures and recommend adjustments when necessary.
 - D. **Utility/Enterprise Fund Service Fees:** Utility rates shall be set at sufficient levels to recover operating expenditures, meet debt obligations, provide funding for capital improvements, and provide an adequate level of working capital. The City should seek to eliminate all forms of subsidization to utility funds from the General Fund.
 - E. **Administrative Service Charges:** A method should be established to determine the annual administrative service charges due the General Fund from enterprise funds for overhead and staff support. The enterprise fund shall pay the General Fund for direct services rendered when appropriate.
 - F. **Revenue Estimates for Budgeting:** A conservative, objective and analytical approach shall be used when preparing revenue estimates. This should include an analysis of probable economic changes, historical collection rates, and trends in revenues. This should maintain a stable level of services; reduce the probability of actual revenues being short of budget estimates.

- G. Revenue Collection: The revenue system should be as simple as possible in order to expedite payments. Since a revenue should exceed the cost of producing it, administrative costs should be controlled and reduced as much as possible. The City shall pursue to the full extent allowed by law all delinquent taxpayers and others overdue in their payments to the City.
- **Expenditures:** Prioritize services, establish appropriate levels of service and administer the resources to ensure that fiscal stability is attained and that services are delivered in an effective, efficient manner.
 - A. Current Funding Basis: Expenditures shall be budgeted and controlled to not exceed current revenues plus the planned use of fund balance accumulated through prior year saving. (Use of fund balance discussed in another section).
 - B. Operating Deficits: Immediate corrective action should be taken if at any time during a fiscal year expenditures are projected to be greater than projected revenues at year-end. Corrective actions could include, but are not limited to expenditure reductions, fee increases, or use of fund balances. Short-term loans, use of one-time revenue sources, or expenditure deferral to the following fiscal year should be avoided.
 - C. Capital Asset Maintenance: As resources are available each year, capital assets and infrastructure should be maintained at sufficient levels to minimize future replacement and repair costs, to continue prescribed service levels and to protect the City's investment in the assets.
 - D. Program Reviews: Periodic staff and third-party reviews of programs should be made to ensure efficiency and effectiveness. Privatization and contracting with other governmental agencies should be considered as alternative approaches for service delivery. Programs that are determined to be inefficient or ineffective should be eliminated.
 - E. Purchasing: Every effort should be made to maximize discounts offered by vendors. Competitive bidding should be used to receive the most advantageous prices on good and services.
 - **Fund Balances:** Maintain fund balances in the various funds at sufficient levels to protect the creditworthiness of the City and protect the financial position from emergencies.
 - A. General Fund Undesignated Fund Balance: The undesignated fund balance should be maintained at 15%.
 - B. Retained Earnings of Other Operating Funds: Positive retained earnings shall be maintained in enterprise operating funds in order to ensure that sufficient reserves are available for emergencies and revenue shortfalls. In the Water and Sewer Enterprise Fund, an operating reserve will be established and maintained at 20% of the current year's budget established for operations and maintenance (total budget less debt service and capital project expenditures). Special revenue funds such as Watauga Parks Development Corporation and Crime Control and Prevention District Fund should maintain positive fund balances and each respective Board should approve the amount to be retained each year.
 - C. Use of Fund Balance/Retained Earnings: Fund Balance/Retained Earnings should be used only for emergencies, major capital purchases or non-recurring expenditures that cannot be provided by savings in the current year. Should the use reduce the balance below the appropriate level, recommendations will be made on how to restore the balance to its level.
 - **Capital Expenditures and Improvements:** Review and monitor the condition of capital equipment and infrastructure, establish priorities for replacement and repair based on needs and availability of resources.
 - A. Capital Improvement Planning Program: An annual review of the need for capital improvements and equipment should be conducted to evaluate the current status of the infrastructure, replacement and repair and any potential new projects. All projects, both ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. All operations, maintenance and replacement costs should be listed for every capital project.

- B. Scheduled Replacement of Capital Assets: An annual schedule shall be prepared for the replacement of non-infrastructure capital assets. As resources are available, these assets shall be replaced according to the schedule.
- C. Capital Expenditure Financing: There are three methods of financing capital requirements:
 1. Budget funds from current revenues.
 2. Use funds from fund balance/retained earnings as allowed.
 3. Borrow money through debt.

Debt financing includes general obligations bonds, revenue bonds, certificates of obligation, and lease/purchase agreements. Guidelines for assuming debt are established in the Debt Policy Statements.

- D. Capital Projects Reserve Fund: A fund can be established and maintained to accumulate proceeds from the sale of real property, and transfers from the General Fund undesignated fund balance. This fund should be used to pay for capital improvements and equipment with an expected life of greater than 10 years.
- **Debt:** Establish guidelines for debt financing that will provide capital equipment and infrastructure improvements while minimizing the impact of principal and interest payments on current revenues.
 - A. Use of Debt Financing: Debt financing, including general obligation bonds, revenue bonds, certificates of obligation and lease/purchase agreements shall be used only when capital assets cannot be financed from current revenues or when the useful life of the asset or project exceeds the payout schedule of any debt.
 - B. Assumption of Additional Debt: Additional tax supported debt should not be assumed without conducting an analysis to determine the community's ability to support additional debt service payments.
 - C. Affordability Targets: An objective analytical approach should be used to determine whether or not new general-purpose debt can be assumed beyond what is retired each year. Generally accepted standards of affordability should be used in the analysis. These include debt per capita, debt as a percent of taxable value, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The direct costs and benefits of the proposed expenditures should be examined. The decision to assume new debt should be based on the costs and benefits plus the ability to assume the new debt without detriment to the City or its citizens.
 - D. Debt Structure: Debt payments should be structured to ensure level repayment. Level payment schedules improve budget planning and financial management.

No laws set specific limits on debt issuance

- **Investments:** Invest the City's operating cash to ensure its safety, provide for necessary liquidity and optimize yield.

Funds of the City should be invested in accordance with the City of Watauga Investment Policy so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City, and to optimize yield. Interest earned from investments shall be distributed to the operating and other City funds from which the money was provided.

- **Fiscal Monitoring:** Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.
 - A. Financial Status and Performance Reports: Monthly reports comparing expenditures and revenues to current budget, projecting expenditures and revenues through the end of the year, noting the status of fund balances to include dollar amounts and percentages, and outlining any remedial actions necessary to maintain the City's financial position shall be prepared for review by the City Manager and the City Council.
 - B. Five-year Forecast of Revenues and Expenditures: A three-year forecast of revenues and expenditures should be prepared in anticipation of the annual budget process. The

forecast should include critical issues facing the City, economic conditions, and the outlook for the upcoming budget year.

C. Quarterly Status Report on Capital Projects: A summary report on the contracts awarded, capital projects completed and the status of the various capital programs should be prepared quarterly and presented to the City Manager and the City Council.

- **Financial Consultants:** With available resources, employ the assistance of qualified financial advisors and consultants, as needed, in the management and administration of the City's financial functions.

These areas include but are not limited to investments, debt administration financial accounting systems, program evaluations and financial impact modeling. Advisors should be selected on a competitive basis using objective questionnaires and requests for proposals based on the scope of the work to be performed.

- **Accounting, Auditing and Financial Reporting:** Comply with prevailing federal, state and local regulations. Conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

2007-08 POLICY ISSUES, GOALS AND OBJECTIVES

The 2007-08 budget is designed to continue the City's program to (a) provide efficient operations, (b) maintain basic and essential service levels and (c) achieve Customer Service Statements (CSS#) and City Council Goals (COW#). Specifically, the following policies are to be observed:

1. Essential government services are to be provided at a level equal to or better than the level previously provided.
2. All services are to be constantly examined to ensure that they are provided in an efficient and effective manner and that unnecessary services are eliminated.

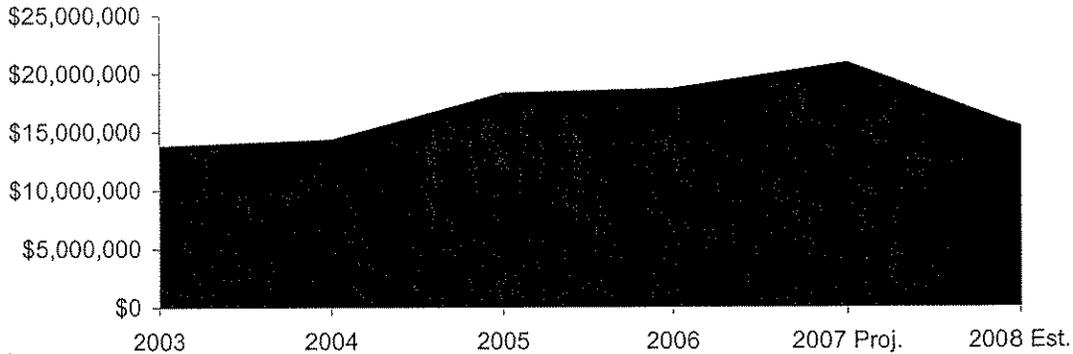
As a means to ensure that Customer Service Statements (CSS#) and City Council Goals (COW#) are achieved, performance-based programs were implemented in fiscal year 1998-99. Under this program, each City department head is required to identify several performance objectives consistent with City goals and maintain performance indicators, which will measure progress toward the achievement of stated objectives.

Each department's progress in measuring their goals is reviewed and monitored throughout the budget year.

The fiscal year 2007-08 proposed balanced budget does have some planned draw down of fund balance within the guidelines of the financial policy. All funds are planned to carry sufficient levels to protect the creditworthiness of the City and financial position from emergencies. Two funds have more specific requirements as to reserve levels. The General Fund has an imposed target of 15% of operating expenses. Although we are decreasing by a little more than \$1,419,634 for one-time capital purchases and capital construction, the General Fund should end at a 43% fund balance level of operations. This is good since too high of a reserve implies over taxation or too high of rates. Too low of reserves are also not favorable since the City could be placed in a difficult situation that recovery would be difficult. The Water and Sewer Fund has a required 20% level of reserves. Fiscal year 2007-08 plans to end with a 48% reserve of operations.

The following graph shows the available resources for all City funds at fiscal year end for the last six years. Fiscal Year 2005 and 2007 depicts increases due to bonds sales followed by decreases as those funds were spent for needed projects.

Available Resources at Fiscal Year End



A budgetary issue the City is facing includes our discussion in this budget document of the 96% built out factor we are facing. City Council has made economic development and promotion a high matter of importance in the upcoming budgets which can be seen with the implementation of the Economic Development / Revitalization division two fiscal years ago and its continued funding.

The following chart depicts that major enhancements to this years budget adoption and how it relates specifically to the long-term plans and objectives for the City of Watauga.

Enhancement in FY07-08 Budget		Policy Direction (CSS# and COW#)
Operating Supplemental	One-Time Capital	
Flat Tax Rate		Citizens benefit from value and quality of service delivered in an economic manner and at a reasonable tax rate (CSS#5). Reduce Tax Rate (COW#8).
One Code Enforcement Officer		Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Develop a strategy to make the City more physically attractive (COW#3).
One Jailer		Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1).
One Automotive Mechanic		Citizens benefit from value and quality of service delivered in an economic manner and at a reasonable tax rate (CSS#5).
One Janitor		Citizens benefit from activities and facilities that maximize the availability of options when seeking entertainment outside their own home (CSS#3). Improve Watauga's infrastructure (COW#2).
One Landscape Gardener		Citizens benefit from activities and facilities that maximize the availability of options when seeking entertainment outside their own home (CSS#3). Develop a strategy to make the City more physically attractive (COW#3).
One Motor Officer	Motor Cycle	Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1).

Enhancement in FY07-08 Budget		Policy Direction (CSS# and COW#)
Operating Supplemental	One-Time Capital	
One Part-Time Library Assistant		Citizens benefit from value and quality of service delivered in an economic manner and at a reasonable tax rate (CSS#5). Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).
One Part-Time Evidence / CID Secretary		Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).
One Part-Time Kennel Technician		Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).
Increase Pay and Hours of Finance Assistant		Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).
	Traffic Signal for Whitley and Hightower	Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1).
	DPS Facility Expansion and Remodel	Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Increased Civic Pride results from well-planned residential, commercial and municipal areas (CSS#). Provide a safe and secure City (COW#1).
	Drainage Repairs at Capp Smith Park	Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1).
	Three Police Vehicles	Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1).
Tactical Edge Shooting Center Access		Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1). Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).
	Weapons, Accessories, and Ammunition	Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1).



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Enhancement in FY07-08 Budget		Policy Direction (CSS# and COW#)
Operating Supplemental	One-Time Capital	
Simunition Training		Citizens of Watauga are entitled to an environment in which they can reside with minimal risk to health, minimal potential for accident and highest degree of public safety (CSS#1). Provide a safe and secure City (COW#1). Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).
Market Adjustment to Minimum Salaries		Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).
Non-Civil Service Merit Increase Up To 5%		Provide a high level of customer service with staff that is appropriately trained and compensated (COW#5).

FY2007-08 Budget Calendar

Date	Group Effectcd	Action Needed	Requirement
Crime Control District			
30-Apr-2007	Directors / FD	Baseline Budgets and New & Expanded Requests Submitted	
21-May-2007	FD	Finance Department submits budget requests to CMO	
8-Jun-2007	CSO for CCD	Publish Notice of Public Hearing	Sec. 363.204(b) Local Government Code - The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.
18-Jun-2007	CCD	Public Hearing	Sec. 363.204(a) Local Government Code - Not later than the 100th day before the date each fiscal year begins, the board shall hold a public hearing on the proposed annual budget.
18-Jun-2007	CCD	Budget Adoption	Sec. 363.204(d) Local Government Code - Not later than the 80th day before the date each fiscal year begins, the board shall adopt a budget. The board may make any changes in the proposed budget that in its judgment the interest of the taxpayers demand.
25-Jun-2007	CC	Budget Acceptance	Sec. 363.204(e) Local Government Code - Not later than the 10th day after the date the budget is adopted, the board shall submit to the governing body of the political subdivision that created the district.
27-Jul-2007	CSO for CC	Publish Notice of Public Hearing	Sec. 363.205(b) Local Government Code - The governing body must publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.
8-Aug-2007	CC	Public Hearing	Sec. 363.205(a) Local Government Code - Not later than the 45th day before the date each fiscal year begins, the governing body of the political subdivision that created the district shall hold a public hearing on the budget adopted by the board and submitted to the governing body.
8-Aug-2007	CC	Budget Adoption	Sec. 363.205(d) Local Government Code - Not later than the 30th day before the fiscal year begins, the governing body shall approve or reject the budget submitted by the board. The governing body may not amend the budget.
Parks Development Corporation			
30-Apr-2007	Directors / FD	Baseline Budgets and New & Expanded Requests Submitted	
21-May-2007	FD	Finance Department submits budget requests to CMO	
19-Jun-2007	CMO / PDC	Discussion of Budget	
3-Jul-2007	CSO for PDC	Publish Notice of Public Hearing	
17-Jul-2007	PDC	Public Hearing	
17-Jul-2007	PDC	Budget Adoption	
23-Jul-2007	CC	Budget Acceptance	
17-Aug-2007	CSO for CC	Publish Notice of Public Hearing	
27-Aug-2007	CC	Public Hearing	
10-Sep-2007	CC	Budget Adoption	
City Wide Budget			
28-Mar-2007	Directors / FD / CMO	Budget Instruction Distribution	
30-Apr-2007	Directors / FD	Baseline Budgets Submitted	
15-May-2007	TAD / FD	Preliminary TAD Taxable Values	
22-May-2007	Directors / FD	New & Expanded Requests Due	
11-Jun-2007	FD	Preliminary Revenue Estimates	
11-Jun-2007	FD / CMO	Finance Department submits budget requests to CMO	
N/A	CM/ CC	Pre-Budget Workshkop - City Council directs City Manager on Budget Objectives for FY08	
Jun 11-15, 2007	CMO	Budget Review	
Jun 18-29, 2007	Directors / FD / CMO	Budget Request Discussions	
25-Jul-2007	FD / CMO	Certified TAD Taxable Values	
26-Jul-2007	TAD / FD	Revenue Estimates Updated	

26-Jul-2007	CMO	Final Decisions & Budget Message Prepared	
1-Aug-2007	FD / CMO	Submit Preliminary Budget to Council	Article IX Sec.9.02B. Home Rule Charter - On or before the first day of August of each year, the City Manager shall submit to the Council a proposed budget and an accompanying message. The Council shall review the proposed budget and revise as deemed appropriate prior to general circulation for public hearing.
3-Aug-2007	CSO for CC	Publish Notice of availability of the proposed budget document for public inspection, as well as the time and place of public hearing for the proposed budget.	Article IX Sec9.02C. Home Rule Charter - The Council shall post in the City Hall and publish in the official newspaper a notice stating 1) the times and places where copies of the message and budget are available for inspection by the public, and 2) the time and place, not less than two (2) weeks after such publication, for a public hearing on the budget.
7-Aug-2007	CSO for CC	Publish Effective and Rollback Tax Rates	Chapter 26 Sec. 26.04 (a) Property Tax Code - By August 7 or as soon thereafter as practicable, the designated officer or employee shall submit the rates to the governing body. He shall deliver by mail to each property owner in the unit or publish in a newspaper in the form prescribed by the controller: 1) the effective tax rate, the rollback tax rate, and an explanation of how they are calculated; 2) the estimated amount of interest and sinking fund balances remaining at the end of the current fiscal year that are not encumbered with or by corresponding existing debt obligation; 3) a schedule of the unit's debt obligations.
8-Aug-2007	Directors/FD/CMO/CC	Budget Work Session	
8-Aug-2007	CC	Meeting of governing body to discuss tax rate; if proposed tax will exceed the rollback rate or the effective tax rate (whichever is lower), take record vote and schedule public hearing.	
13-Aug-2007	CSO for CC	If proposed tax rate exceeds rollback rate or effective rate, unit must publish notices and hold public hearings. Must be 1/4 page ad, 7 days prior to first hearing, cannot appear in classified or legal section, and must be 24 point headline. Must also appear on City Web Site and Cable Channel for 60 Seconds, 5 times a day, between 7 am and 9 pm for 7 days prior to first hearing.	Chapter26 Sec.26.06(b) Property Tax Code - Notice must follow exact wording. This wording has not yet been updated in statute from 2007 Texas Legislature.
22 & 27 -Aug-2007	CC	Special public hearing on proposed tax rate, which is a separate meeting from regular public hearings on proposed budget; schedule and announce meeting to adopt tax rate 3-14 days from this date. Public Hearing on Budget.	Chapter26Sec.26.06(a) Property Tax Code - A public hearing required by Section 26.05 may not be held before the seventh day after the date the notice of the public hearing on the tax rate increase is given. The hearing must be on a weekday that is not a public holiday. The hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing, the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views. Chapter26 Sec.26.06(d) Property Tax Code - At the public hearing the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate. After the hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsection (b) and (c), except that it must state the following: "NOTICE OF VOTE ON TAX RATE".
31-Aug-2007	CSO for CC	"Notice of Vote on Tax Rate" (2nd quarter-page notice in newspaper before meeting and on TV and Website, if available, at least seven days before meeting) published before meeting to adopt tax rate.	Chapter26 Sec.26.06(d) Property Tax Code - At the public hearing the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax rate. After the hearing the governing body shall give notice of the meeting at which it will vote on the proposed tax rate and the notice shall be in the same form as prescribed by Subsection (b) and (c), except that it must state the following: "NOTICE OF VOTE ON TAX RATE".
10-Sep-2007	CC	Reading of Ordinance to Adopt Budget. Meeting to adopt tax rate. Meeting is 3-14 days after public hearing. Taxing unit must adopt tax rate by October 1, or within 60 days of receiving certified appraisal roll.	Article IX Sec.9.02E. Home Rule Charter - The Council shall adopt the budget by ordinance as specified in Article III of this Charter before the 15th day of September. Adoption of the budget will require an affirmative vote of at least two-thirds of all of the members of the Council. Adoption of the budget shall constitute appropriations of the amount specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed. Chapter26 Sec.26.05(a)The governing body of each taxing unit, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, shall adopt a tax rate for the current tax year and shall notify the assessor for the of the tax rate adopted. The tax rate consist of two different components, each of which must be approved separately.
1-Oct-2007	ALL	Budget Implementation	

WELCOME TO THE CITY OF WATAUGA, TEXAS

Brief History of Watauga

Many years prior to the white man, Cherokee Indians first settled in Watauga. Watauga comes from the Cherokee word whose meaning has been lost, but has been variously interpreted as "Village of many springs", "river of plenty", and "beautiful water". They were in search of the bountiful game, fertile fields, and clear spring waters.

Around 1843, hardy settlers from Tennessee first arrived in the village. Among some of the first settlers were: W.A., Margaret and James Walker, Jane Weir, Willie Potts, William Samual, Martha and Nancy Evans, William, Julia and Mary Carlton, Syrena Stowel and Sarah Henderson.

On December 14, 1867, Willow Springs Presbyterian Church was the first church organized in Watauga. In 1972, a state historical marker was presented to designate the Church's historical recognition for over one hundred years of service.

In 1876, the railroad came to Texas, linking the two coasts for transporting people and cattle to the Fort Worth area. However, in 1930, the Watauga Depot was moved to Hodge, causing growth to come to a standstill. At this time, Watauga's population was 50. Thirty-four years later, in 1964, the population was 300. However, Watauga grew rapidly in the late 70's and early 1980's, and currently has a population of 24,150.

Tarrant Utility Company deeded Lot 9, Block 1 (5633 Linda Drive) in April 1958, to the City for the purpose of constructing a fire station and City Hall. The first City Hall and fire station cost \$1,200 in materials and was built entirely by volunteers. On December 6, 1958, a chili pie supper was held to raise funds for a volunteer fire department and the first volunteer fire department was organized on June 10, 1959.

There have been eleven mayors to serve the City. There were John Ransburger, Farris Jones, John Smith, Mack N. Burke, Jr., Mildred Morris, Noel Meadows, Mrs. Noel Meadows, Virgil R. Anthony, Sr., Anthony W. Girtman, Hector F. Garcia, and presently serving is Henry J. Jeffries.

Watauga was incorporated on September 24, 1958. The Home Rule Charter was adopted by the citizens of Watauga, Texas at an election held on January 19, 1980 and amended at elections held on January 19, 1985, August 8, 1987, August 11, 1990, January 15, 1994, August 10, 1996, August 8, 1998, September 14, 2002, and May 7, 2005. In June 1980 a new Municipal Complex was opened. The complex was dedicated to the memory of Merle Caudle, Fire Chief, who was killed in the line of duty. On September 10, 1988, the citizens of Watauga passed a bond election for the construction of a Library. In 2003 the City opened a Community and Recreation Center on Indian Springs. During the winter of 2005-2006 the City opened its new City Hall and in October of 2006 the City will open its first Animal Service Center. The Library received a 5,000 square foot expansion during the summer of 2007, which is sketched on the cover of this budget document.

Education

The Birdville and Keller Independent School Districts provide elementary and secondary education services within the City. There are four campuses located within the City, with over 2,600 students enrolled and over 190 classroom teachers. Six elementary, six middle, and two high schools serve Watauga. One private college preparatory school is located in Watauga.

Adult and higher education is available locally through the Tarrant County College System's Northeast Campus. Additionally, Texas Christian University and Texas Wesleyan College in Fort Worth, Southern Methodist University, the University of Texas at Dallas, the Dallas County Community College System, and the University of Dallas in Dallas; the University of Texas at Arlington, and the University of North Texas and Texas Woman's University in Denton, are all located within a 35 mile radius of the City.

Medical

Columbia North Hills Medical Center is a modern, private 144-bed hospital with over 200 active medical doctors and 6 dental doctors serve the cities in the area with a full range of medical, surgical and dental services, together with 24-hour emergency room services. In addition, there are three other main health systems that serve the area. They are the Harris Methodist System, All Saints Episcopal Hospital and county funded John Peter Smith Hospital.

Culture

Within a 30-minute drive of the city are the Kimbell Art Museum, Modern Art Museum of Fort Worth, Amon Carter Museum and the Fort Worth Museum of Science and History.

Entertainment

A variety of major sporting franchises including the five time Super Bowl champion Dallas Cowboys, the 1998 and 1999 American League West Divisional Champion Texas Rangers, the 2006 Western Conference Champion Dallas Maverick basketball franchise, the 1999 Stanley Cup Champion Dallas Stars hockey club, Dallas Sidekicks soccer, PGA Colonial National Golf Tournament and Byron Nelson Classic are based in the metroplex area.

In addition, the City of Grand Prairie established the areas first horse racing facility, Lone Star Park.

Watauga is within a 30-mile driving distance to Six Flags Over Texas' amusement park and water park Hurricane Harbor. Within 5 mile from Watauga, the City of North Richland Hills established the State of Texas' first municipally owned water park NRH2O.

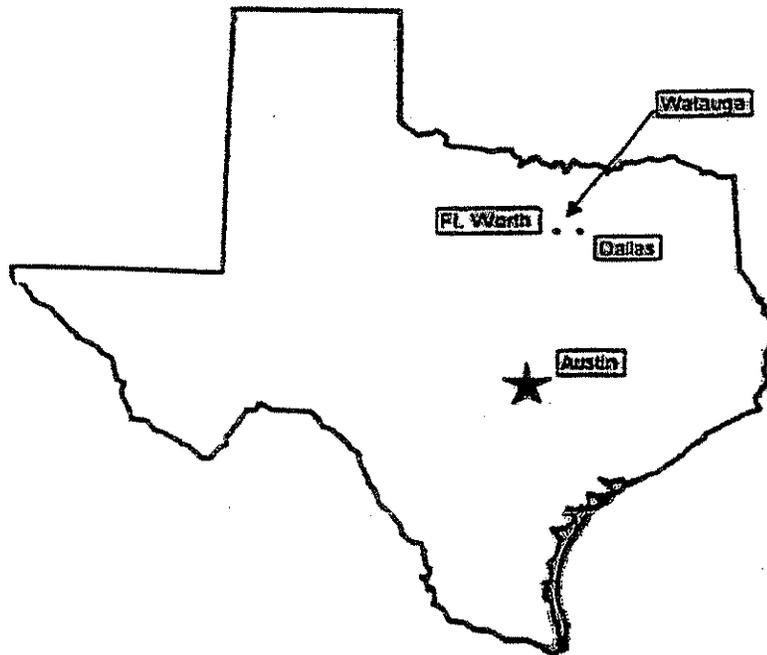
Churches

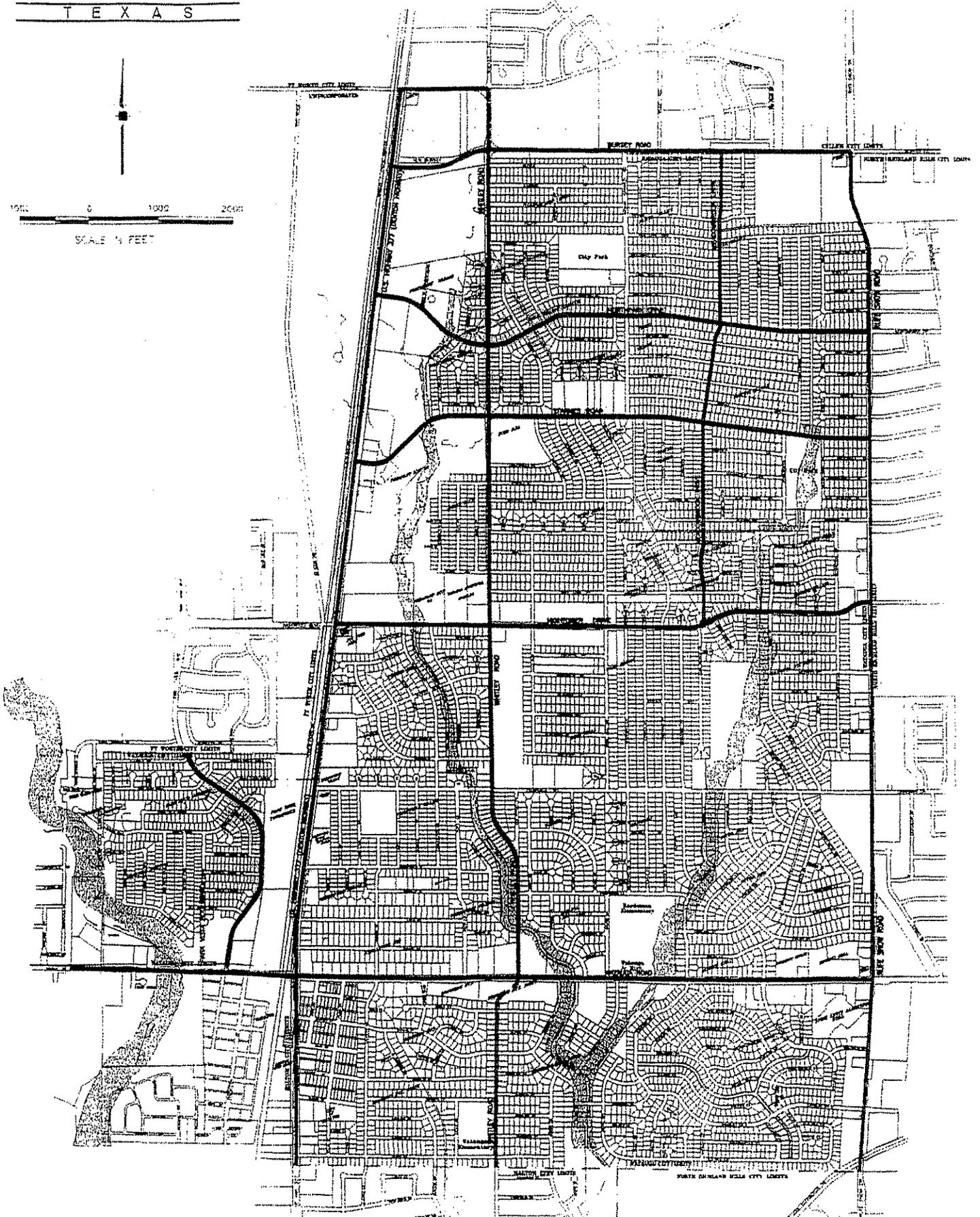
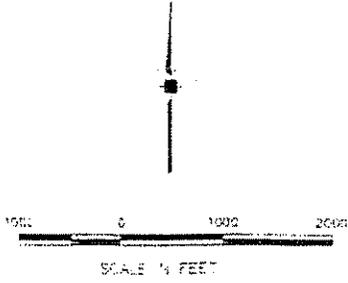
The 14 churches located in Watauga represent a variety of denominations.

Miscellaneous

Population (Estimated Jan 07)	24,150
Area (Square Miles)	4
Percent Developed	96%
Percent Undeveloped	4%
Unemployment Rate (September 2007)	
Tarrant County	4.2%
State	4.3%
Median Age (2000 Census)	31.6
Average Household Size (2000 Census)	3.04

Educational Level (%) (2000 Census)	13.9%
No High School Diploma	71.3%
High School Diploma	14.8%
Post High School Degree	
Mean Household Income (2000 Census)	\$56,751
Average Parcel Value (Tarrant Appraisal District September 2007)	\$98,643
Percent Owner Occupied (2000 Census)	85.4%
Percent Renter Occupied (2000 Census)	14.6%
Industry Employment Profile (%) (2000 Census)	
Tech, Sales, Admin. Support	33.2%
Service Occupations/Agriculture	11.3%
Manager and Professional	28.0%
All others	27.5%
City Property Tax Rate (Per \$100)	\$0.580763
Property Tax Revenue Projection (2007-08)	\$5,872,415
Sales Tax Revenue Projection General Fund (2007-08)	\$2,529,971
Operating Budgets (2007-08)	\$31,805,736







CITY MANAGER'S BUDGET MESSAGE FOR FISCAL YEAR 2008

(October 1, 2007 through September 30, 2008)

INTRODUCTION

Budget documents are simply an estimated financial plan for the upcoming year. It is a fluid document that is changing and moving on a constant basis that serves as a guide for the following twelve month period. We utilize past history, present conditions and expected future trends in preparing estimated revenues. Once these are developed, we then evaluate existing costs associated with the present levels of service along with the new and expanded costs necessary to increase the level of service. The proposed estimated costs are then adjusted to fit within the limited resources available to achieve a proposed balanced budget. The budget document, even after adoption, is still an estimated financial plan for the year it is adopted and is always subject to change by amendment. More often than not, elements within the body of the document will change throughout the year. These changes can be caused by economic downturns, project overruns and emergency situations. The budget document outlines specific goals and objectives set by Council authorization and directives.

OUTLINE OF SIGNIFICANT CHANGES AND POLICY DIRECTION

- The ad valorem tax rate is proposed to remain flat due to the increased valuations. The proposed rate for 2007-08 fiscal year is \$0.580763 per \$100 valuation.
- Sales taxes will not increase at the levels seen in previous years due to a lack of expanding commercial property available within the City. Therefore, we have proposed this revenue to increase one percent for fiscal year 2008.
- Permit fees were significantly greater than expected for fiscal year 2007. Durham Farms built more than we originally projected. With limited open space we expect revenues to decrease on new permits and continue to have ongoing permitting needs.
- Proposed franchise fees are projected relatively flat with fewer new homes being developed and continued decreases in the number of cable customers within the City.
- Projections for interest income are decreasing with the new-year. Rates continue to drop.

- There are nine (9) new positions totaling seven and one-half (7.5) full-time equivalents being requested in this budget. The seven (7) of these positions are needed for the General Fund. Full-time positions in the General Fund include a code enforcement officer making a total of three (3), a jailer, making a total of four (4), an automotive mechanic, making a total of four (4), and a janitor, making a total of five (5). Part-time positions for the General Fund include a library assistant for reference, an evidence / CID secretary, and a kennel technician. The Parks Development Corporation (PDC) has added a landscape gardener and the Crime Control District (CCD) has added a motor vehicle officer for a total of three (3).
- Some other personnel changes include the increase in hours and pay for the finance assistant to enhance the City's internal audit program and an increase in hours of the court bailiffs to provide enhanced security for the courtroom.
- Strong continued funding for the Capital Projects Fund was made from the General Fund for various overlay projects and construction/ reconstruction of sidewalks.
- Other major projects are also included in the Capital Projects Fund. Funding is included for a traffic signal for Whitley and Hightower, for CDBG project for the 33rd year, and to complete funding for the DPS facility expansion and remodel.
- New and expanded departmental requests were reduced from the requests submitted.
- The PDC Budget has included funding for some needed equipment as well as for drainage repairs at the north east end of Capp Smith Park.
- The CCD Budget will purchase two pursuit vehicles, one non-pursuit vehicle, tactical edge shooting center access, five new patrol rifles, including lighting systems and slings, two laptop computers, new duty pistols, uniform increases, Simunition training, and continuance of the motorcycle lease program with an additional motorcycle for the new motor vehicle officer.
- The 2007 proposed budget is designed to increase our levels of service with the limited resources available.
- Sufficient funds have been budgeted to allow for 100% of market adjustment as approved by City Council for both Civil Service and non-Civil Service employees. Civil Service employees on the approved step plan have been budgeted for their next appropriate step increase. Additionally an eight and one-half percent (8.5%) increase in employee dental insurance premiums has been included in the budget. Finally, during fiscal year 2003-04, the City implemented a merit based plan. This budget will allow up to a five percent (5%) merit increase on the employment or promotion anniversary date of the employee, based on performance for employees not on a step plan.

GENERAL FUND

Revenues

Overall, the General Fund revenue estimates are conservative based on a slowing of the new development within the City. The proposed revenues for the General Fund are \$9,517,258 with an additional \$465,579 budgeted in transfers along with the beginning fund balance of \$5,640,735 which brings the proposed available resources for the General Fund to \$15,623,572 for fiscal year 2008. Compared to \$14,508,211 for fiscal year 2007, there is \$1,115,361 more in resources available for fiscal year 2008.

Expenditures

The operating expenditures for the General Fund are proposed at \$11,395,971. This includes a transfer of \$1,075,000 to the Capital Projects Fund for the continued overlay program and for various other projects. Also in the General Fund expenditure total is \$100,000 of contingency funds for unseen or emergency purchases during the year and \$669,921 in new and expanded items. This proposed budget represents a \$4,227,601 ending Fund Balance, which is over the minimum target 15% of operations that equal \$1,502,811.

Tax Rate

A combined tax rate of \$0.580763 per \$100 valuation is proposed for the 2008 budget. The proposed debt service rate will be \$0.180119 with the operations and maintenance rate proposed at \$0.400644. The unchanged tax rate will not necessarily keep property owners tax payment the same. New values that are assigned property owners may contribute to an increased tax burden even with the same rate. Total property tax exemptions for tax year 2007 are 31,645,465. Of that \$30,061,695 is for property owners over 65 years of age and \$1,321,000 for disabled veteran exemptions. The frozen taxable ceiling totals \$282,711.43 for this year.

General Obligation Debt Service Fund

Projections including the proposed 2007 Certificates of Obligation are for a debt service requirement of 1,783,402. Fiscal year 2007-08 will continue to drawdown the funds remaining from the Bunker Hill Impact Fees to partially meet the needs of funding the 1998 Certificates.

Capital Projects

Continued funding of CDBG projects and the ongoing overlay programs are proposed in the General Capital Project Fund. Funding is also included for a traffic signal for Whitley and Hightower, sidewalks, street lighting and to complete funding for the DPS facility expansion and remodel. Total expenses for this fund are proposed at \$4,885,379 with an estimated remaining fund balance of \$3,247,179, which includes the proceeds from the proposed 2007 Certificates of Obligation.

PARKS DEVELOPMENT CORPORATION

Revenues

Sales tax revenues are proposed to increase one percent. The total revenue estimate is \$1,304,532.

Expenditures

The propose budget for this fund includes all park items. The proposed budget also allows for the transferring of \$150,000 to the Parks Development Construction Fund for drainage improvements at Capp Smith Park. Other one-time purchases include additional mowers. The proposed budget of \$1,237,028 would provide for a strong ending fund balance of \$866,676.

Park Development Debt Service Fund

Total debt requirements for fiscal year 2007-08 for the Parks Development Corporation are \$230,998 with an ending balance of \$232,865 including required reserves.

Capital Projects Fund

As mentioned above, funding for the repairs of the drainage at the north east end of Capp Smith Park for fiscal year 2008 to total \$150,000. This will leave the Capital Project Fund with a fund balance estimated at \$512,233, which is the amount of the prior PDC land sale along with estimated accrued interest earnings.

STORM DRAINAGE FUND

Revenues

Income levels are proposed at \$693,994 for fiscal year 2008 charges. No change is proposed in this utility rate.

Expenditures

The proposed budget of \$650,364 includes the funding for installment payments to the internal services fund for the purchase of a tandem dump truck and the purchase of an enclosed tandem trailer.

BUNKER HILL CAPITAL PROJECTS FUND

Revenues

We are only expecting \$8,000 in impact fee collections for fiscal year 2008.

Expenditures

Expenditures for fiscal year 2007-08 of \$37,145 is a transfer to the General Obligation Debt Service Fund for the amount to cover a portion of this year's need for the 1998 Obligation. This fund will continue this transfer as long as funds are available. The other portion of the debt is funded by tax levies.

CRIME CONTROL & PREVENTION DISTRICT

Revenues

Sales tax revenues budgeted is projected increase one percent for fiscal year 2008. Total revenue expectations are for \$1,204,448.

Expenditures

The fiscal year 2007-08 budget of \$1,757,913 provides for two (2) police pursuit vehicles, one non-pursuit vehicle, tactical edge shooting center access, five new patrol rifles, including lighting systems and slings, two laptop computers, new duty pistols, uniform increases, Simunition training, and continuance of the motorcycle lease program with an additional motorcycle for the new motor vehicle officer.

LIBRARY DONATION FUND

Revenues

Estimated revenues for this fund are expected to be \$16,188 through Library donations given through payment of utility bills and interest income.

Expenditures

The proposed budget expenditure of \$16,188 will leave an estimated ending fund balance of \$3,312.

MUNICIPAL COURT SECURITY FUND

Revenues

The proposed revenues are to be fairly flat at approximately a four-year collection average.

Expenditures

This pays for 16.7% of the Warrant Officer/Bailiff and needed security improvements for the Court office. The total budget is for \$32,440.

MUNICIPAL COURT TECHNOLOGY FUND

Revenues

The proposed revenues are projected at the last four-year collection average.

Expenditures

The proposed budget of \$26,000 would allow for various technology need for the court area.

WATER AND SEWER FUND

Revenues

While interest income increased for the current fiscal year the record amounts of rainfall during the year lowered revenues significantly. Fiscal year 2008 projections are based on the last four-year average.

Expenditures

I continue to be very conservative when budgeting for this fund, never knowing what the rainfall may be. One-time purchases include those for an additional roadrunner handheld, two pick-up trucks, road plates, and a lease purchase from the internal service fund for a backhoe for the water distribution system. The estimated ending retained earnings total \$3,424,144, which is above required retained earnings of 20% of operations that would equal \$1,416,080.

WATER AND SEWER FUND DEBT FUND

Revenues

Revenues will be transferred from the Water and Sewer Operating Account to meet our debt service requirements.

Expenditures

Debt service requirements have increased by \$20,353 for fiscal year 2008 to a total of \$1,528,974. The Debt Service Reserve Fund remains compliant with legal requirements.



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WATER AND SEWER FUND CAPITAL PROJECTS

Revenues

A total of \$291,745 is proposed as a transfer from the Operating Fund in order to provide for \$408,490 of available resources that will fund the proposed projects for fiscal year 2008.

Expenditures

The fiscal year 2007-08 budget of \$394,485 is to maintain SSES repairs and the maintenance of water and sewer mains. Other projects are listed as SS11 sewer project from Allen from Bonnie to Shipp and sewer project SS08 Watauga Road along with water projects W12 Browning Heights North, W20 Meadowbrook Drive, and W26 Watauga Road.

WATER AND SEWER IMPACT FEES

Overall

During fiscal year 2004-05 impact fees for water and sewer were eliminated for the City. Pass through fees are still due to the City of Fort Worth. The water impact fees fund will cease to exist after fiscal year 2004-05 and the sewer impact fees fund will have an estimated fund balance of \$9,472 for future projects.

SUMMARY

The proposed budget is detailed with explanations for proposed expenditures and revenue line items contained within the body of the document. It is our intent to develop a proposed budget that is easy to understand, provides detailed information, gives justification for proposals and provides the City Council with a sound financial plan for consideration.

The budget document indicates that there is \$47,192,767 in total available resources for all funds combined. This is an increase in all funds available resources of \$4,723,777 in relation to the prior year's \$42,468,990. All fund expenses equal \$31,799,236 with a proposed spending increase of \$2,169,277 over the prior fiscal year amended budget of \$29,629,959. The proposed total of all funds ending balance from \$12,839,031 will increase by \$2,554,500 over the prior year amended budget and is estimated at \$15,393,531.

Sincerely,

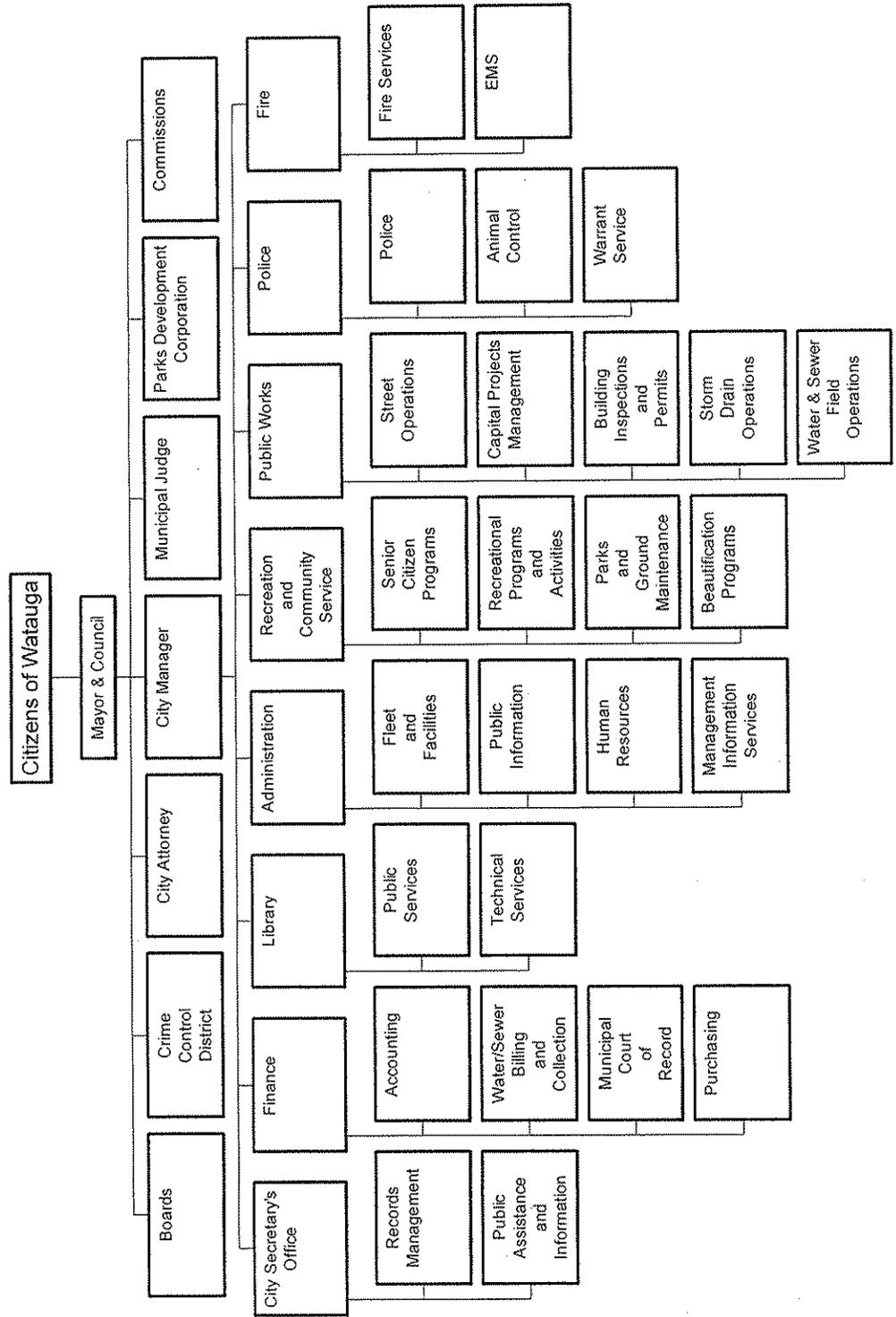


Kerry Lacy
City Manager



Janina Jewell
Director of Finance

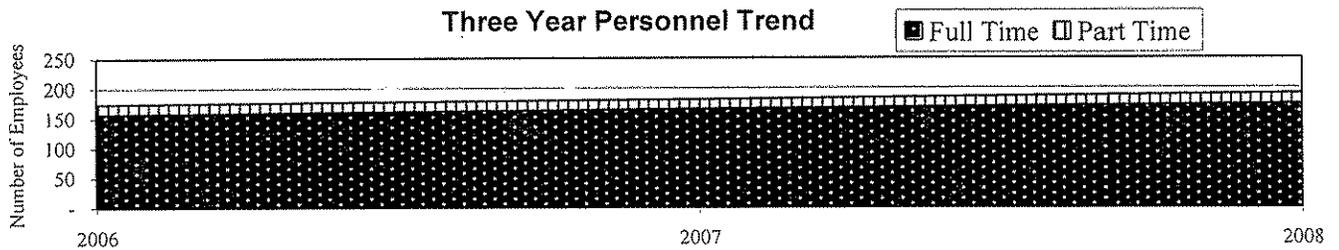
CITY OF WATAUGA ORGANIZATIONAL CHART



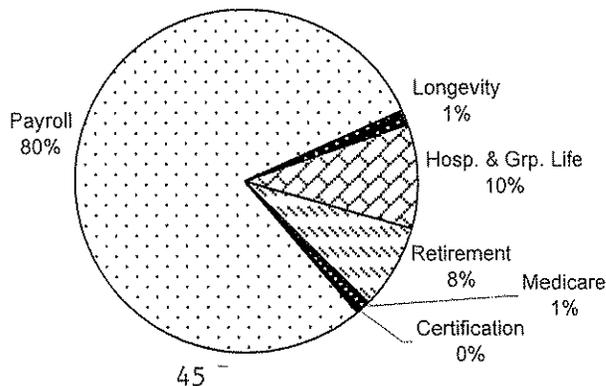
PERSONNEL POSITIONS

	FY 2005-06		FY 2006-07		FY 2007-08	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
GENERAL FUND						
Administration	4.50	1.00	4.50	-	4.50	-
Human Resources	1.50	-	1.50	-	1.50	-
Finance	8.08	0.50	7.25	0.50	7.25	0.50
M.I.S.	1.50	-	1.50	-	1.50	-
Library	8.00	4.75	8.00	4.75	8.00	5.25
Recreation and Community Services	5.50	5.00	5.50	5.00	5.50	5.00
DPS - Police Division	38.50	3.75	42.33	3.75	44.83	4.75
DPS - Fire / EMS Division	15.50	1.00	20.50	1.00	21.00	1.00
Public Works	13.50	-	13.50	-	14.50	-
Fleet Services	3.00	-	3.00	-	4.00	-
Buildings	6.00	-	6.00	-	7.00	-
Total General Fund	105.58	16.00	113.58	15.00	119.58	16.50
ENTERPRISE FUNDS						
Drainage Utility	8.50	1.00	8.50	1.00	8.50	1.00
Water/Sewer Fund						
Administration	1.75	-	1.75	-	1.75	-
Billing and Collections	7.00	-	7.00	-	7.00	-
M.I.S.	0.50	-	0.50	-	0.50	-
Water Distribution	7.25	-	7.25	-	7.25	-
Sewer Collections	7.75	-	7.75	-	7.75	-
Total Water/Sewer Fund	24.25	-	24.25	-	24.25	-
Total Enterprise Funds	32.75	1.00	32.75	1.00	32.75	1.00
REVENUE FUNDS						
Parks Development Corp	10.50	-	10.50	-	11.50	-
Crime Control District	8.00	-	8.00	-	9.00	-
Municipal Court Security	0.17	-	0.17	-	0.17	-
Total Revenue Funds	18.67	-	18.67	-	20.67	-
GRAND TOTAL*	157.00	17.00	165.00	16.00	173.00	17.50
Est. Population	23,950		24,100		24,150	
Personnel Per Capita	0.0073		0.0075		0.0079	

* Does not include part-time temporary Summer Recreation program instructors



Personnel Budget Breakdown



**COMBINED SUMMARY OF REVENUE AND EXPEDITURES
ALL CITY FUNDS
PRIOR YEAR ACTUAL, CURRENT BUDGET, PROJECTED BUDGET, AND PROPOSED BUDGET**

	Governmental Funds				Proprietary Funds			
	2006 Actual	2007 Budget	2007 Projected	2008 Budget	2006 Actual	2007 Budget	2007 Projected	2008 Budget
Taxes	10,550,604	10,321,798	10,599,148	10,963,368	0	0	0	0
Permits & Licenses	210,283	115,707	255,890	191,728	0	0	0	0
Fines & Forfeitures	532,984	500,002	518,690	527,041	0	0	0	0
Charges for Services	629,488	494,954	552,955	485,300	7,807,025	7,585,211	7,515,894	7,560,345
Franchise Fees	964,867	937,017	950,307	950,752	0		0	0
Intergovernmental Revenue	482,137	469,880	6,687,850	395,704	0	0	0	0
Miscellaneous Transfers	836,425	737,564	971,462	689,852	306,856	214,167	338,261	184,078
	1,481,441	1,844,902	1,841,371	2,457,722	2,593,820	2,012,821	2,182,248	1,882,593
Total Revenues	15,688,229	15,421,824	22,377,673	16,661,467	10,707,701	9,812,199	10,036,403	9,627,016
Administration Non-Departmental Human Resources	283,152	288,151	290,938	297,649	168,377	174,588	171,924	186,428
City Beautification / Revitalization / Redevelopment	6,176,466	8,943,186	9,364,966	9,014,725	2,066,223	2,780,678	2,189,038	2,710,364
Finance Billing & Collections	94,551	106,139	125,865	119,618	0	0	0	0
MIS	0	5,000	4,165	8,000	0	0	0	0
Library	38,366	50,000	50,000	50,000	0	0	0	0
Recreation / Community Services	564,004	672,341	614,736	633,886	0	0	0	0
Parks	0	0	0	0	314,128	387,712	379,827	396,482
Police	159,141	192,011	181,141	197,923	50,410	52,408	51,095	51,896
Fire / EMS	750,248	766,795	754,455	796,161	0	0	0	0
Public Works	496,167	574,855	551,803	570,519	0	0	0	0
Water Distribution	665,220	727,715	704,101	761,801	0	0	0	0
Sewer Collection	3,283,662	3,767,353	3,569,828	4,525,363	0	0	0	0
Fleet Maintenance	1,156,337	1,540,475	1,464,108	1,603,167	0	0	0	0
Building	661,803	709,533	670,198	759,923	737,841	568,030	548,559	553,600
Transfers	0	0	0	0	2,496,278	2,216,536	2,149,469	2,270,367
Total Expenditures	16,226,750	20,439,046	20,396,625	21,709,835	9,693,664	10,485,423	9,873,820	10,095,901

**COMBINED SUMMARY OF REVENUE AND EXPEDITURES
ALL CITY FUNDS
PRIOR YEAR ACTUAL, CURRENT BUDGET, PROJECTED BUDGET, AND PROPOSED BUDGET**

	Combined Funds			
	2006 Actual	2007 Budget	2007 Projected	2008 Budget
Taxes	10,550,604	10,321,798	10,599,148	10,963,368
Permits & Licenses	210,283	115,707	255,890	191,728
Fines & Forfeitures	532,984	500,002	518,690	527,041
Charges for Services	8,436,513	8,080,165	8,068,849	8,045,645
Franchise Fees	964,867	937,017	950,307	950,752
Intergovernmental Revenue	482,137	469,880	6,687,850	395,704
Miscellaneous	1,143,281	951,731	1,309,723	873,930
Transfers	4,075,261	3,857,723	4,023,619	4,340,315
Total Revenues	26,395,930	25,234,023	32,414,076	26,288,483
Administration	451,529	462,739	462,862	484,077
Non-Departmental	8,242,689	11,723,864	11,554,004	11,725,089
Human Resources	94,551	106,139	125,865	119,618
City Beautification	0	5,000	4,165	8,000
Revitalization / Redevelopment	38,366	50,000	50,000	50,000
Finance	564,004	672,341	614,736	633,886
Billing & Collections	314,128	387,712	379,827	396,482
MIS	209,551	244,419	232,236	249,819
Library	750,248	766,795	754,455	796,161
Recreation / Community Services	496,167	574,855	551,803	570,519
Parks	665,220	727,715	704,101	761,801
Police	3,283,662	3,767,353	3,569,828	4,525,363
Fire / EMS	1,156,337	1,540,475	1,464,108	1,603,167
Public Works	1,399,644	1,277,563	1,218,757	1,313,523
Water Distribution	2,496,278	2,216,536	2,149,469	2,270,367
Sewer Collection	1,431,584	1,700,554	1,613,095	1,619,322
Fleet Maintenance	95,204	145,316	107,140	175,261
Building	608,477	640,250	633,255	670,084
Transfers	3,622,775	3,914,843	4,080,739	3,833,197
Total Expenditures	25,920,414	30,924,469	30,270,445	31,805,736

**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ALL CITY FUNDS
FISCAL YEAR 2007-08**

	General Fund	W/S Utility Fund	PDC Sales Tax Fund	Crime Control District Sales Tax Fund	Storm Drain Utility Fund	Park Vista P.I.D.	Capital Projects Fund*	W/S Construction Fund*	Equipment Replacement Fund	W/S Joint Use Replacement
Est. Beginning Resources	\$5,640,735	\$3,665,076	\$799,172	\$1,206,984	\$533,558	\$843	\$6,359,558	\$115,745	\$406,477	\$534,251
Estimated Current Year Revenues and Resources										
Taxes / Assessments	\$4,109,410					\$18,016				
Sales Tax	\$2,556,217		\$1,264,986	\$1,152,298						
Licenses and Permits	\$191,728									
Franchise Fees	\$950,752									
Intergovt Revenue	\$378,704			\$25,150						
Charges for Service	\$485,300	\$6,442,900			\$693,994				\$17,000	
Fines & Forfeitures	\$497,013									
Interest on Investments	\$209,165	\$125,454	\$23,428	\$27,000	\$18,651	\$338	\$198,000	\$1,000	\$12,449	\$15,064
Miscellaneous	\$138,969	\$423,451								
Operating Transfer In	\$465,579	\$33,598	\$16,118				\$1,575,000	\$291,745		\$83,000
Total Current Year Revenues	\$9,982,837	\$7,025,403	\$1,304,532	\$1,204,448	\$712,645	\$18,354	\$1,773,000	\$292,745	\$29,449	\$98,064
Total Available Resources	\$15,623,572	\$10,690,479	\$2,103,704	\$2,411,432	\$1,246,203	\$19,197	\$8,132,558	\$408,490	\$435,926	\$632,315
Estimated Current Year Expenditures										
Administration	\$297,649	\$186,428								
Building	\$670,084									
Human Resources	\$119,618									
City Beautification	\$8,000									
Revitalization / Redevelopment	\$50,000									
Finance	\$557,430					\$18,016				
Library	\$779,973									
Recreation & Community Serv.	\$570,519									
Parks	\$0		\$761,801							
Public Safety - Police	\$2,791,076			\$1,234,287						
Public Safety - Fire / EMS	\$1,603,167									
Public Works	\$759,923				\$553,600					
Fleet Services	\$175,261									
Non-Departmental Management info Systems	\$1,746,848	\$548,811	\$48,098		\$53,094				\$170,000	
Billing & Collection	\$197,923	\$51,896								
Water Operations		\$396,482								
Sewer Operations		\$2,270,367								
Operating Transfer Out	\$1,075,000	\$2,193,029	\$427,129	\$523,626	\$43,670		\$0	\$0		\$18,598
Sub Total Operating	\$11,402,471	\$7,266,335	\$1,237,028	\$1,757,913	\$650,364	\$18,016	\$0	\$0	\$170,000	\$18,598
Capital Projects							\$4,885,379	\$394,485	\$0	\$200,000
Debt Service										
Principal Payments										
Interest Payments										
Fiscal Agent Fees										
Sub Total Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Year Expenditures	\$11,402,471	\$7,266,335	\$1,237,028	\$1,757,913	\$650,364	\$18,016	\$4,885,379	\$394,485	\$170,000	\$218,598
Fund Balance Effect Increase/(Decrease)	(\$1,419,634)	(\$240,932)	\$67,504	(\$553,465)	\$62,281	\$338	(\$3,112,379)	(\$101,740)	(\$140,551)	(\$120,534)
Est. Ending Resources	\$4,221,101	\$3,424,144	\$866,676	\$653,519	\$595,839	\$1,181	\$3,247,179	\$14,005	\$265,926	\$413,717

**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ALL CITY FUNDS
FISCAL YEAR 2007-08**

	PDC Capital Projects*	Bunker Hill Drainage Fund	Library Donation Fund	W/S Impact Fee Funds	Municipal Court Funds	GO Debt Service Fund	PDC Sales Tax Revenue Bond Debt Service	Water & Sewer Debt Service	Oil & Gas Rev. Fund	Combined Total All Funds
Est. Beginning Resources	\$488,203	\$76,379	\$3,312	\$9,160	\$38,989	\$135,169	\$248,333	\$616,892	\$25,448	\$20,904,284
Estimated Current Year Revenues and Resources										
Taxes						\$1,862,441				\$5,989,867
Sales Tax										\$4,973,501
Licenses and Permits										\$191,728
Franchise Fees										\$950,752
Intergovt Revenue										\$403,854
Charges for Service		\$8,000								\$7,647,194
Fines & Forfeitures					\$30,028					\$527,041
Interest on Investments	\$24,030	\$1,000	\$538	\$312	\$1,889	\$11,596	\$1,650	\$14,597		\$686,161
Miscellaneous			\$15,650							\$578,070
Operating Transfer In	\$150,000					\$37,145	\$213,880	\$1,474,250		\$4,340,315
Total Current Year Revenues	\$174,030	\$9,000	\$16,188	\$312	\$31,917	\$1,911,182	\$215,530	\$1,488,847	\$0	\$26,288,483
Total Available Resources	\$662,233	\$85,379	\$19,500	\$9,472	\$70,906	\$2,046,351	\$463,863	\$2,105,739	\$25,448	\$47,192,767
Estimated Current Year Expenditures										
Administration										\$484,077
Building										\$670,084
Human Resources										\$119,618
City Beautification Revitalization/Redevelopment										\$8,000
Finance					\$58,440					\$50,000
Library			\$16,188							\$633,886
Recreation & Community Serv.										\$796,161
Parks										\$570,519
Public Safety										\$761,801
Ambulance Services										\$4,025,363
Public Works										\$1,603,167
Fleet Services										\$1,313,523
Non-Departmental Management Info Systems										\$175,261
Billing & Collection										\$2,566,851
Water Operations										\$249,819
Sewer Operations										\$396,482
Operating Transfer Out		\$37,145					\$16,118	\$15,000		\$2,270,367
Sub Total Operating	\$0	\$37,145	\$16,188	\$0	\$58,440	\$0	\$16,118	\$15,000	\$0	\$1,619,322
Capital Projects	\$150,000			\$0						\$4,349,315
Debt Service										\$5,629,864
Principal Payments						\$1,220,000	\$165,000	\$1,085,000		\$2,470,000
Interest Payments						\$557,717	\$48,880	\$426,474		\$1,033,071
Fiscal Agent Fees						\$5,685	\$1,000	\$2,500		\$9,185
Sub Total Debt Service	\$0	\$0	\$0	\$0	\$0	\$1,783,402	\$214,880	\$1,513,974	\$0	\$3,512,256
Total Current Year Expenditures	\$150,000	\$37,145	\$16,188	\$0	\$58,440	\$1,783,402	\$230,998	\$1,528,974	\$0	\$31,805,736
Fund Balance Effect Increase/(Decrease)	\$24,030	(\$28,145)	\$0	\$312	(\$26,523)	\$127,780	(\$15,468)	(\$40,127)	\$0	(\$5,517,253)
Est. Ending Resources	\$512,233	\$48,234	\$3,312	\$9,472	\$12,466	\$262,949	\$232,865	\$576,765	\$25,448	\$15,387,031

* Funds not used in Capital funds during the current year that were appropriated for a specific project may be rolled to next fiscal year.

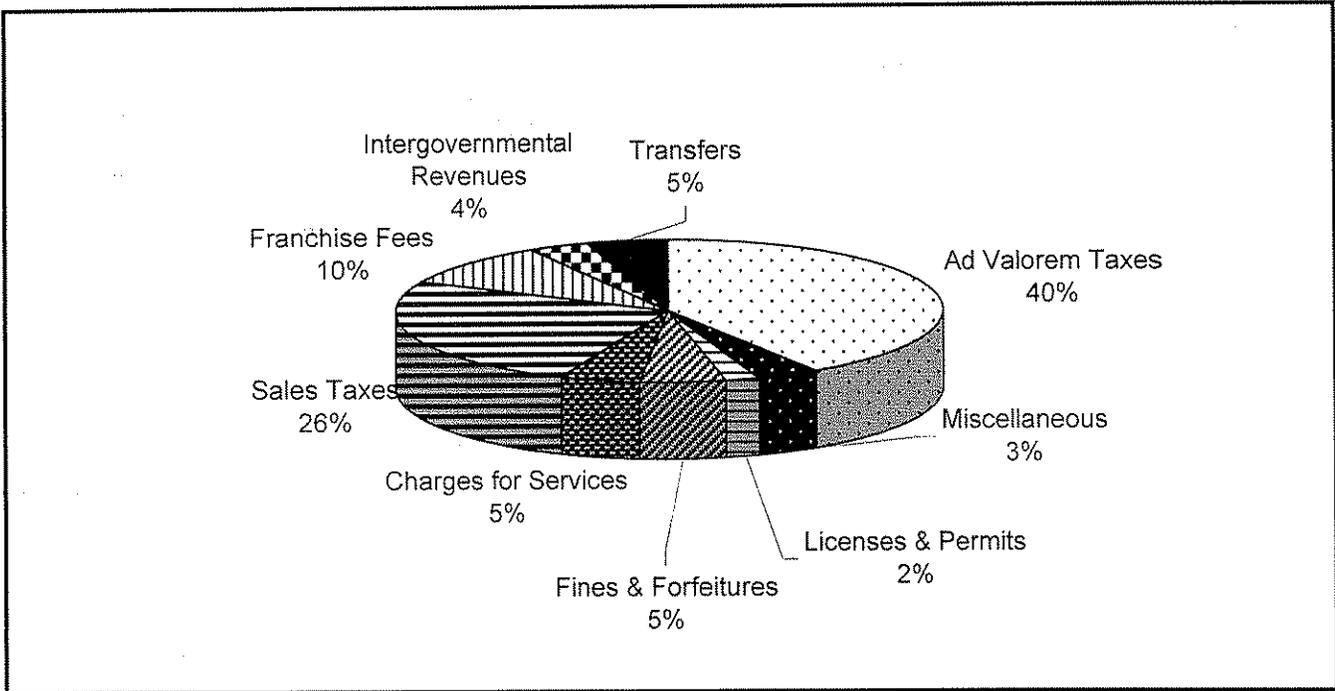


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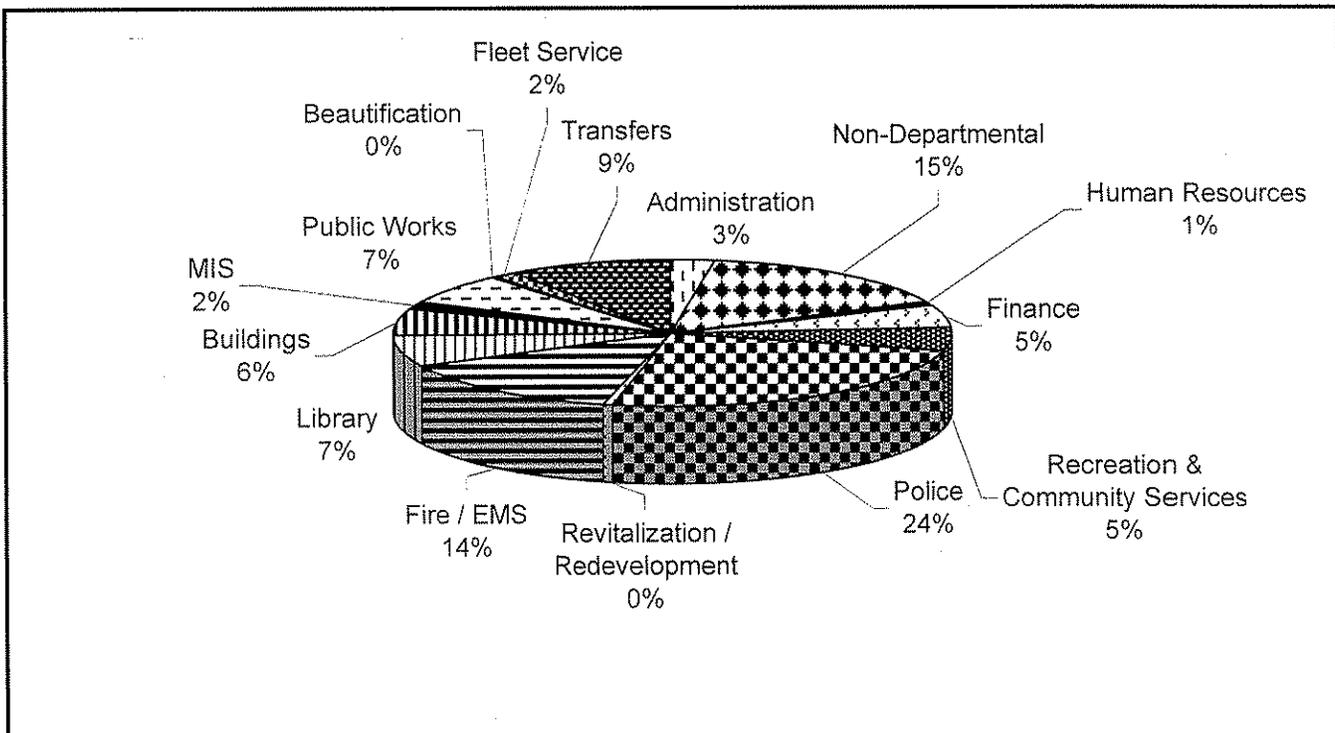
General Fund

The General Fund is a Governmental Fund which means that it is generally used to account for tax-supported activities. The General Fund is used to account for all revenues and expenditures not accounted for in other funds. It receives a greater variety and amount of taxes and other revenues and finances a wider range of governmental activities than other funds. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Where Does the Money Come From:



Where Does the Money Go:





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GENERAL FUND

Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1	\$4,830,980	\$5,414,237	\$4,004,237	\$4,905,984	\$5,258,912	\$5,640,735
<u>Revenues:</u>						
Taxes	6,037,391	6,149,089	6,513,164	6,386,177	6,459,207	6,665,627
Permits and Licenses	259,682	244,598	210,283	115,707	255,890	191,728
Fines & Forfeitures	459,645	524,103	505,966	472,002	486,699	497,013
Charges for Services	482,154	440,153	463,488	437,100	495,101	485,300
Franchise Fees	945,407	941,827	964,867	937,017	950,307	950,752
Intergovernmental Revenue	289,545	414,394	399,137	412,760	375,730	378,704
Miscellaneous	255,929	335,656	446,568	384,979	463,901	348,134
Operating Revenues	\$8,729,753	\$9,049,820	\$9,503,473	\$9,145,742	\$9,486,835	\$9,517,258
<u>Operating Transfers-In:</u>						
From PDC Operating Tax Fund	49,173	51,658	56,624	56,110	56,110	63,249
From CCD	18,050	49,242	20,801	21,114	21,114	23,626
From Impact Fee Fund	3,000	0	0	0	0	0
From Storm Drain Utility Fund	34,250	34,500	34,600	34,635	34,635	34,670
From W/S Operating Fund	200,944	158,140	114,512	344,626	341,095	344,034
	\$305,417	\$293,540	\$226,537	\$456,485	\$452,954	\$465,579
Total Available Resources	\$ 13,866,150	\$ 14,757,597	\$ 13,734,247	\$ 14,508,211	\$ 15,198,701	\$ 15,623,572
<u>Expenditures:</u>						
Administration	301,916	314,246	283,152	288,151	290,938	297,649
Non-Departmental	1,273,205	1,138,387	841,382	1,238,101	882,928	1,746,848
Human Resources	70,325	82,246	94,551	106,139	125,865	119,618
City Beautification	0	18,134	0	5,000	4,165	8,000
Revitalization / Redevelopment	0	0	38,366	50,000	50,000	50,000
Finance	500,320	519,474	499,394	553,776	510,077	557,430
MIS	161,765	166,598	159,141	192,011	181,141	197,923
Library	624,084	668,553	727,688	747,795	735,455	779,973
Recreation & Community Serv.	522,677	460,053	496,167	574,855	551,803	570,519
Parks	43,072	22,532	0	0	0	0
DPS - Police Division	2,623,932	2,263,713	2,215,626	2,652,163	2,525,893	2,791,076
DPS - Fire / EMS	509,584	981,878	1,156,337	1,540,475	1,464,108	1,603,167
Public Works	621,959	684,929	661,803	709,533	670,198	759,923
Fleet Maintenance	97,829	96,172	95,204	145,316	107,140	175,261
Buildings	439,085	520,482	608,477	640,250	633,255	670,084
Operating Expenditures	\$7,789,753	\$7,937,397	\$7,877,288	\$9,443,565	\$8,732,966	\$10,327,471
<u>Operating Transfers-Out</u>						
Capital Reserve / City Hall	0	1,951,251	0	0	0	0
To Capital Projects Fund	662,160	864,712	598,047	825,000	825,000	1,075,000
	\$662,160	\$2,815,963	\$598,047	\$825,000	\$825,000	\$1,075,000
Fund Balance, September 30	\$5,414,237	\$4,004,237	\$5,258,912	\$4,239,646	\$5,640,735	\$4,221,101
Fund Balance Target @ 15% of Budgeted Operating Expenditures						\$1,503,786

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
01 - GENERAL FUND							
REVENUES							
TAXES							
000-3001	AD VALOREM TAXES - M & O	3,626,706	3,793,628	3,997,046	3,969,222	3,869,222	4,038,521
000-3002	DELINQUENT TAXES - M & O	38,349	42,969	32,876	40,000	18,146	38,013
000-3003	PENALTY & INTEREST	31,158	32,191	35,001	31,750	33,153	32,876
000-3005	OVERPAYMENT OF TAXES	0	1,232	1,414	0	142	0
000-3006	TAX ATTORNEY FEES	0	283	0	0	0	0
000-3007	SECTION 25.25 PENALTY	107	667	463	0	207	0
000-3008	CHPT 22.28 RENDITION PENALTY	0	1,930	1,925	0	1,243	0
000-3050	SALES TAX - MIX BEVERAGE	20,499	23,749	28,564	25,000	32,172	26,246
000-3051	SALES TAX	2,320,572	2,252,441	2,415,876	2,320,205	2,504,922	2,529,971
TAXES		6,037,391	6,149,089	6,513,164	6,386,177	6,459,207	6,665,627
PERMITS & LICENSES							
000-3150	BUILDING PERMITS	143,994	153,184	117,361	34,707	153,725	105,228
000-3151	ALARM PERMITS	17,569	11,001	14,886	15,000	15,000	15,000
000-3152	ELECTRICAL PERMIT	7,675	6,094	5,357	5,000	5,000	5,000
000-3153	PLUMBING PERMITS	10,692	8,571	8,755	6,000	7,896	7,500
000-3154	MECHANICAL PERMITS	8,468	7,729	8,847	6,500	7,533	6,500
000-3155	OTHER PERMIT FEES	47,962	35,052	34,785	30,000	45,000	30,000
000-3156	ANIMAL LICENSES	2,230	2,386	3,090	2,500	4,610	4,500
000-3157	ANIMAL BOARDING NRH	10	100	495	0	0	0
000-3158	ZONING PERMITS	1,775	2,415	975	1,000	1,800	1,000
000-3159	SUBDIVISION PLATT FEES	2,020	1,585	140	0	250	0
000-3161	LICENSES FEES	17,287	16,482	15,592	15,000	15,076	17,000
PERMITS & LICENSES		259,682	244,598	210,283	115,707	255,890	191,728
FINES & FORFEITURES							
000-3200	FINES AND FORFEITS	350,503	422,407	403,112	372,002	398,848	393,717
000-3205	TEEN COURT ADMINISTRATIVE FEE	1,577	1,652	1,433	1,500	1,450	1,500
000-3210	10% COLLECTION FEE	24,580	17,968	21,477	20,000	20,000	20,000
000-3250	ARREST FEE	31,497	33,814	25,943	30,000	29,665	30,230
000-3252	JUDICIAL FEE - CITY \$.60 -JFCI	0	0	1,188	1,200	2,498	2,400
000-3255	WARRANT FEES	28,246	23,248	24,663	24,000	10,000	24,000
000-3265	LIBRARY	16,007	17,190	19,635	15,800	17,832	17,666
000-3270	LIBRARY LOST/DAMAGED MATERIALS	2,199	2,400	2,551	2,500	2,493	2,500
000-3275	TIME PAYMENT FEE	5,036	5,426	5,963	5,000	3,913	5,000
FINES & FORFEITURES		459,645	524,103	505,966	472,002	486,699	497,013
CHARGES FOR SERVICES							
000-3312	GARBAGE COLLECTION	118,456	127,723	133,850	132,000	135,780	132,000
000-3350	AMBULANCE SERVICE	241,196	180,787	221,121	200,000	216,067	215,000
000-3355	FALSE ALARM FEES	11,718	5,815	1,560	1,500	1,875	1,500
000-3366	LIBRARY COPIER REVENUE	6,887	6,806	7,279	6,200	6,333	6,200
000-3373	PROGRAM FEES	1,290	265	217	200	612	200
000-3374	SPORT CAMP FEES	0	100	90	0	4,610	0
000-3375	CLASS ENROLLMENT FEES	33,274	47,554	32,908	35,000	32,090	35,000
000-3376	MEMBERSHIP FEES	46,700	44,961	37,209	37,000	31,981	35,000
000-3377	REC. WALK-IN USE FEES	7,811	11,211	11,451	10,000	9,966	10,000
000-3378	PRE-SCHOOL FEES	10,325	10,125	5,640	7,000	9,800	9,500
000-3379	LEAGUE FEES	4,390	4,405	11,707	8,000	22,904	18,000
000-3381	ANIMAL SURRENDER FEE	0	0	0	0	2,547	2,500
000-3382	ANIMAL BOARDING FEE	0	0	0	0	13,036	13,000

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
000-3383	ANIMAL ADOPTION FEE	0	0	0	0	7,060	7,000
000-3385	NOTARY FEES	108	402	456	200	440	400
CHARGES FOR SERVICES		482,154	440,153	463,488	437,100	495,101	485,300
FRANCHISE FEES							
000-3401	ELECTRICAL	629,639	640,097	641,936	630,500	635,992	635,000
000-3402	TELEPHONE	136,927	127,341	125,375	131,517	126,676	129,080
000-3404	GAS	56,378	53,166	65,882	53,000	53,501	57,232
000-3405	SOLID WASTE	47,269	50,877	53,506	52,000	54,138	54,440
000-3406	CABLE TV	75,194	70,346	78,169	70,000	80,000	75,000
FRANCHISE FEES		945,407	941,827	964,867	937,017	950,307	950,752
INTERGOVERNMENTAL REVENUE							
000-3500	COUNTY FIRE SERVICE	0	0	0	0	0	0
000-3505	PAYMENT IN LIEU OF TAXES	235,194	350,780	353,623	379,260	375,730	378,704
000-3510	N.E. TARRANT TASK FORCE	54,351	63,614	0	0	0	0
000-3520	GRANT / OTHER REVENUES	0	0	45,514	33,500	0	0
INTERGOVERNMENTAL REVENUE		289,545	414,394	399,137	412,760	375,730	378,704
MISCELLANEOUS							
000-3610	CONTRIBUTIONS/DONATIONS	0	0	23,867	0	0	0
000-3615	LIBRARY DONATIONS	1	0	3	0	0	0
000-3620	SUMMER REC.PROGRAM	19,249	16,746	20,280	20,000	23,860	20,000
000-3621	SENIOR MEAL DONATIONS	4,742	4,394	0	0	6	0
000-3622	PARK & RECREATION CONTRIBUTION	4,003	3,419	6,402	5,000	5,231	5,000
000-3625	WATAUGAFEST REVENUE	15,096	924	10,721	10,000	4,405	4,500
000-3626	PARKS & REC. REIMBURSEMENT	2,535	1,480	2,230	100	0	0
000-3660	INTEREST EARNINGS	65,826	143,738	258,228	243,210	311,000	209,165
000-3660-0	INTEREST EARNINGS OTHER	502	694	1,036	0	730	800
000-3670	OTHER REVENUE	125,651	150,501	104,825	93,669	93,669	93,669
000-3671	CASH OVER/UNDER	-100	48	-31	0	0	0
000-3675	RENTAL OF REC. FACILITIES	8,315	7,876	14,126	8,000	15,000	10,000
000-3680	SALE OF ASSETS	10,110	5,836	4,881	5,000	10,000	5,000
MISCELLANEOUS		255,929	335,656	446,568	384,979	463,901	348,134
TRANSFERS							
000-3904	TRANSFER FROM PDC SALES TAX	49,173	51,658	56,624	56,110	56,110	63,249
000-3906	TRANSFER FROM CRIME PREVENTION	18,050	49,242	20,801	21,114	21,114	23,626
000-3909	TRANSFER FROM STORM DRAINAGE	34,250	34,500	34,600	34,635	34,635	34,670
000-3911	TRANSFER FROM W/S OPERATING	200,944	158,140	114,512	344,626	341,095	344,034
000-3920	TRANS FROM WASTEWATER IMPACT	3,000	0	0	0	0	0
TRANSFERS		305,417	293,540	226,537	456,485	452,954	465,579
*** TOTAL REVENUES ***		9,035,171	9,343,361	9,730,011	9,602,227	9,939,789	9,982,837



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GENERAL FUND

Expenditure Estimates

Prior to preparing their budgets, the Department heads were asked to review each program and make a determination whether or not to expand, eliminate, replace or maintain it based on the goals established by Council with citizen input and feed-back. If current service levels could not be maintained, then something should happen to each program and the budget should be adjusted accordingly. The bottom line of each budget should change only if circumstances, such as known price increases/decreases, necessitated the change. In some instances, programs were eliminated because they did not provide the anticipated level of service. In others, programs were enhanced in order to provide a higher level of service.

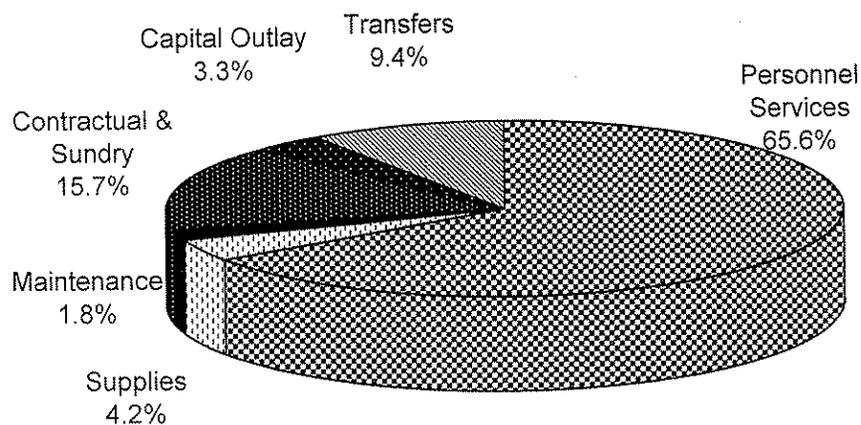
In the FY 2007-08 Budget for the General Fund, a few major changes have occurred in the budget. The Non-Departmental Budget has an increase in salary adjustments to minimum of market value per a survey conducted during Fiscal Year 2007 and a merit increase of up to 5% as well as normal step increases for civil service employees. Individual Department Summaries will detail other significant changes from prior year budgets. One-time expenses and a transfer to General Capital for \$1,075,000 have also been made for various projects detailed later in this book. In no instance will the fund balance be drawn below the City established 15% operating expenses target.

There are nine (9) new positions totaling seven and one-half (7.5) full-time equivalents being requested in the City wide budget. Seven (7) of these positions are needed for the General Fund. Full-time positions in the General Fund include a code enforcement officer making a total of three (3), a jailer, making a total of four (4), an automotive mechanic, making a total of four (4), and a janitor, making a total of five (5). Part-time positions for the General Fund include a library assistant for reference, an evidence / CID secretary, and a kennel technician.

The chart below depicts the breakdown of the entire General Fund by expenditure class as defined in the Budget Overview section of this document.

GENERAL FUND

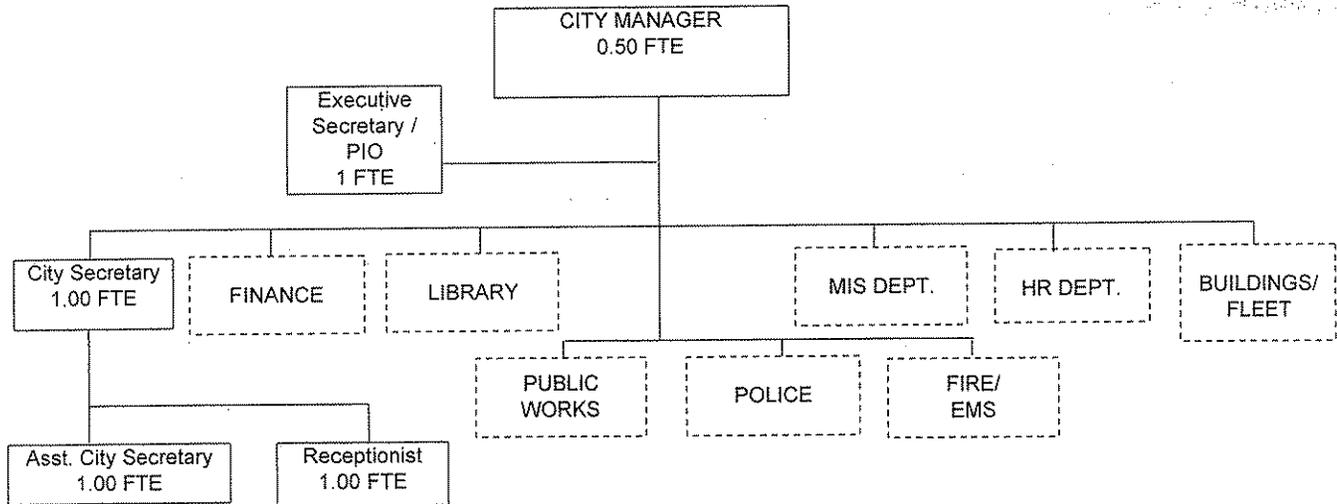
Expenditures by Classification FY2007-08 Budget



Administration Department
Administration

Location
7105 Whitley Road, Watauga, TX 76148
Phone Number (817) 514-5800

Hours of Operation:
 Monday - Friday 8:00 a.m.-5:00 p.m., with extended hours for meetings and elections.



DESCRIPTION OF SERVICES PROVIDED:

Customer service to the citizens by way of assistance with information, planning, programming, scheduling, management of activities and services provided through the City Manager and administrative staff. Provides administrative support to the City Council and the boards and commissions, prepares and posts agendas and minutes of meetings, administers all city elections, responsible for open records request, responsible for records management, handles claims, files recording of plats, easements, and deeds with Tarrant County. Economic Development initiatives, coordination with Northeast Tarrant Chamber programs, oversight of the cable channel and the content of the Web site, issues alcoholic beverage permits and maintains and provides public information pursuant to the Public Information Act.

FY 2006-2007 ACCOMPLISHMENTS:

Started project of scanning documents for archiving purposes in order that Records Management program could be updated. Webpage and cable channel have been revised and updated for easier navigating for the citizens.

FY 2007-2008 OBJECTIVES:

Will continue to work on scanning projects in order the facilitate Records Management.

BUDGETARY ISSUES:

Administration Department
Administration

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$265,877	\$261,036	\$268,873	\$270,534
Supplies	\$1,880	\$1,900	\$1,900	\$1,900
Maintenance	\$0	\$0	\$0	\$0
Contractual/Sundry	\$15,395	\$25,215	\$20,165	\$25,215
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$283,152	\$288,151	\$290,938	\$297,649
PERSONNEL ASSIGNED				
City Manager	0.50	0.50	0.50	0.50
Public Information Officer/ Web page assistant	0.00	0.00	0.00	0.00
Executive Assistant / PIO	1.00	1.00	1.00	1.00
City Secretary	1.00	1.00	1.00	1.00
Assistant City Secretary	1.00	1.00	1.00	1.00
Receptionist	1.00	1.00	1.00	1.00
TOTAL	4.50	4.50	4.50	4.50

SIGNIFICANT BUDGET CHANGES:

Personnel Services	\$9,498
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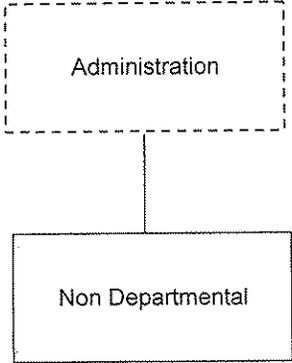
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW 6&7 Packets completed 3 days prior to meeting	100%	100%	
COW 6&7 Open records processed within 10 days	100%	100%	
COW 6&7 Newcomer packets updated within 3 days of change	100%	90%	
COW 6&7 Hours spent annually preparing packets	600	N/A	
COW 6&7 Number of open records processed annually	170	140	
COW 6&7 Updated and compiled newcomer packets	600	1,050	

Administration Department
Non-Departmental

Location
7105 Whitley Road, Watauga, TX 76148
Phone Number (817) 514-5800

Hours of Operation:
Monday - Friday 8:00 a.m - 5:00 p.m.
Extended hours for elections



DESCRIPTION OF SERVICES PROVIDED:

This budget provides for expenditures which are not applicable to any specific department, or which cannot be readily allocated to individual departments. The pre-payments on all of the City Liability, Property Coverage and Workers' Compensation insurance coverages are included in this budget. The Administration and Finance Department is responsible for Non-Departmental. Travel and training for the City Council Members are included in this department. Election expenses are included in non-departmental.

FY 2006-2007 ACCOMPLISHMENTS:

Supplied all approved one-time projects for the General Fund.

FY 2007-2008 OBJECTIVES:

To supply all approved one-time projects for the General Fund.

BUDGETARY ISSUES:

Administration Department
Non-Departmental

BUDGETARY ISSUES:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$84,551	\$261,994	\$52,652	\$436,907
Supplies	\$24,445	\$40,350	\$40,226	\$42,350
Maintenance	\$934	\$4,286	\$4,286	\$4,286
Contractual/Sundry	\$622,123	\$883,494	\$737,787	\$891,067
Capital Outlay	\$109,328	\$47,977	\$47,977	\$372,238
 Total Non-Departmental Expenditures	 \$841,381	 \$1,238,101	 \$882,928	 \$1,746,848
 Total Transfers	 \$598,047	 \$825,000	 \$825,000	 \$1,075,000
 PERSONNEL ASSIGNED				
	TOTAL	0.00	0.00	0.00

SIGNIFICANT BUDGET HIGHLIGHTS: (NON-DEPARTMENTAL)

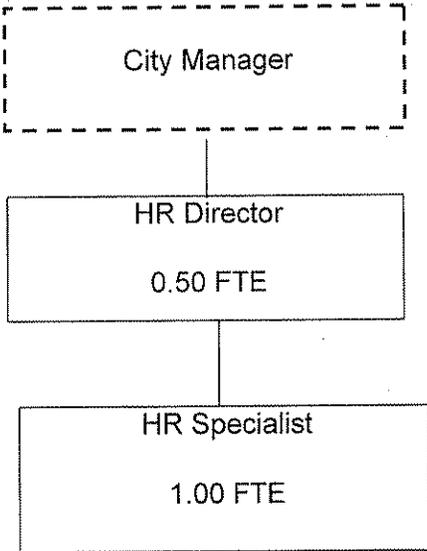
Non-departmental

Personnel Services	\$174,913
Shredder	\$5,000
Court Yard Landscaping	\$30,000
Audit Fees	(\$9,000)
Internal Service Fund Transfer	(\$50,000)
Workers Compensation Insurance	\$34,618
Police Liability Insurance	\$7,129
Prior Year One Time Purchases	(\$47,977)
Animal Services Center Improvements	\$10,000
Computer Hardware	\$15,355
Computer Software	\$9,184
Furniture and Fixtures	\$21,760
Code Enforcement Truck	\$18,500
Fully Enclosed ACO Unit	\$38,500
Shop Pick-Up	\$23,500
Exercise Equipment	\$20,000
Four Wheel Drive Loader	\$130,000
Emergency / Back-up Generators	\$15,000
Remount of Medic 318	\$57,450

Administration Department
Human Resources

Location City of Watauga
7105 Whitley Road, Watauga, TX 76148
Phone Number 817 514-5819

Hours of Operation:
8:00 a.m. to 5:00 p.m.
and as needed for accidents, Worker's Compensation,
and for all other employee assistance as requested.



DESCRIPTION OF SERVICES PROVIDED:

Human Resources oversees the equal employment opportunity program, employee orientations, employee relations, recruitment and selection, training, classification, compensation, verification of employment, and employee benefits programs and assistance with benefit problems. Handles all Worker's Compensation, Unemployment Claims, COBRA, FMLA, light-duty requests and all other regulatory programs. Assists all departments with hiring practices, interviews and testing as requested, in addition to providing assistance with performance evaluation activities and surveys related to job duties, compensation, etc. Processes and approves all Personnel/Payroll Authorization forms prior to payroll processing. Responsible for the City's Risk Management and Safety program. Responsible for the integrity of the City's personnel records and for advising and recommending action on complex personnel issues including disciplinary measures and termination.

FY 2006-2007 ACCOMPLISHMENTS:

Completed revision of Employee Personnel Manual
Successful 2006-2007 Benefits Fair

FY 2007-2008 OBJECTIVES:

Purchase Human Resources Software to better track employee information, annual review dates and certification needs.

Create an on-line application

BUDGETARY ISSUES:

Administration Department
Human Resources

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$61,929	\$78,639	\$94,765	\$87,018
Supplies	\$2,198	\$2,800	\$2,712	\$2,800
Maintenance	\$0	\$0	\$0	\$0
Contractual/Sundry	\$30,424	\$24,700	\$28,388	\$29,800
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$94,551	\$106,139	\$125,865	\$119,618
PERSONNEL ASSIGNED				
HR Director <i>(reclassified from Supervisor)</i>	0.50	0.50	0.50	0.50
HR Specialist	1.00	1.00	1.00	1.00
TOTAL	1.50	1.50	1.50	1.50

SIGNIFICANT BUDGET HIGHLIGHTS:

Personnel Services	\$8,379
Pre Employment Services	\$4,000

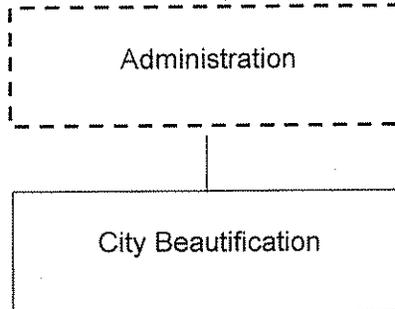
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW6 Percent of jobs posted within 24 hours of vacancy	97%	97%	98%
COW5 Satisfaction rate of In-house training participants	100%	100%	100%
COW5 Percent of workers' compensation claims processed w/in law requirements	100%	100%	100%
COW6 Number of job opportunity cards mailed out	80	75	75
COW5 Number of positions posted annually	24	25	40
COW5 Employee retention rate annually	83%	81%	75%
COW5 Average number of days a position remains vacant	30	23	14
COW5 Number of employees participating - internal training	170	160	165
COW5 Number of workers' compensation claims processed annually	20	25	21
COW5 Number of hours spent processing workers' compensation claims	140	155	147

Administration Department
City Beautification

Location City of Watauga
7105 Whitley Road, Watauga, TX 76148
Phone Number 817 514-5818

Hours of Operation:



DESCRIPTION OF SERVICES PROVIDED:

This division was established during the fiscal year 2004-05 budget process to specifically account for beautification efforts made by the City. This was recorded under non-departmental previously. At a minimum, City Council desires for this division to be funded specifically from street bench proceeds that are currently set at the higher of \$10,000 or 40% of street bench proceeds. Funds used will be for those areas deemed by City Council for the beautification of the City of Watauga. This may include City entrance signage, decorative plantings, litter control and abatement or any project or program the City council may determine is needed to enhance and improve the physical image of the City.

FY 2006-2007 ACCOMPLISHMENTS:

Addition of another stone entry sign into the City at Rufe Snow and Burseley Road.

FY 2007-2008 OBJECTIVES:

Enhance living plant and trees around City complexes that may include a footbridge garden area and natural landscaping.

BUDGETARY ISSUES:

Administration Department
City Beautification

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$8,000
Maintenance	\$0	\$0	\$0	\$0
Contractual/Sundry	\$0	\$5,000	\$4,165	\$0
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$5,000	\$4,165	\$8,000

SIGNIFICANT BUDGET HIGHLIGHTS:

Living Plant Supplies	\$8,000
Entry Sign	(5,000)

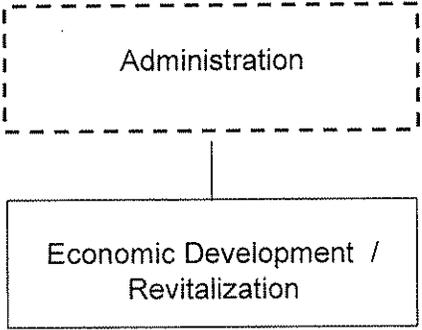
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW3 Installation of planned beautification project	N/A	100%	100%

Administration Department
Economic Development / Revitalization

Location City of Watauga
7105 Whitley Road, Watauga, TX 76148
Phone Number 817 514-5818

Hours of Operation:



DESCRIPTION OF SERVICES PROVIDED:

This reserve was established during Fiscal Year 2004-05 budget process to provide a restricted amount of funds that would possibly be utilized for economic development and revitalization efforts within the City of Watauga. The City Council proposes to develop a plan and methodology on how to expend funds during the fiscal year and no funds are proposed to be expended until a program has been adopted by Council. Council would then have to amend the budget and appropriate these funds as expenditures. These funds will remain in fund balance as restricted until further Council action.

FY 2006-2007 ACCOMPLISHMENTS:

Established Watauga Road Design Guidelines and an Architectural Review Commission.

FY 2007-2008 OBJECTIVES:

BUDGETARY ISSUES:

Administration Department
Economic Development / Revitalization

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY	\$38,366	\$50,000	\$50,000	\$50,000

SIGNIFICANT BUDGET HIGHLIGHTS:

PERFORMANCE MEASURES:

FY2005-06 FY2006-07 FY2007-08

COW3/9 Economic development and revitalization issues identified by City Council and funding begun

Finance Department

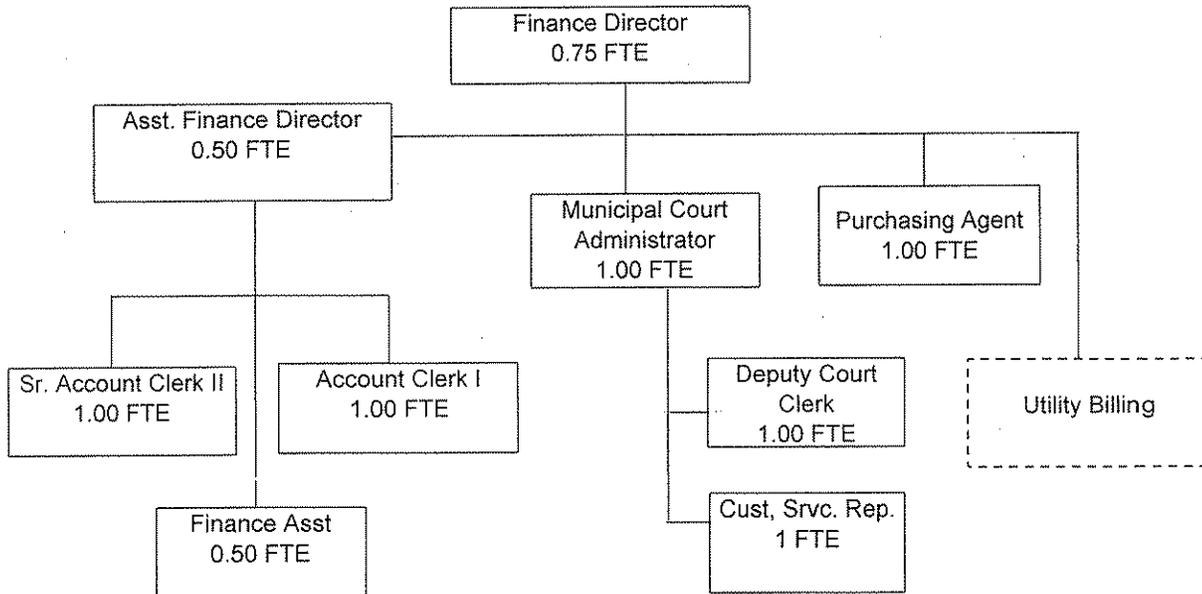
Finance / Accounting / Court Services / Purchasing

Location

7105 Whitley Road, Watauga, TX 76148
Phone Number (817) 514-5800

Hours of Operation:

Monday - Friday 8:00am - 5:00pm



DESCRIPTION OF SERVICES PROVIDED:

To provide the necessary and timely financial data to management and Council in order that optimal decisions may be made on behalf of the City. To provide fund accounting services that entails journal entries, bank reconciliations, and financial reporting for all City funds. To centralize the accounts payable process by coordinating with other departments/divisions in paying invoices and contractual obligations. To effectively manage the emergency medical billing receivables by collecting revenues at the least possible compliance costs. To provide payroll services for the City. To manage bond and debt service requirements and produce necessary bond documents for new issues. To provide a competent court system with quality service while providing the City with administration for cases filed for enforcement of Class C misdemeanors, provide the public with accurate information regarding their dealings with the court, and maintain effective and efficient court procedures in order to earn a high degree of public confidence. To conduct all purchases in accordance with State and local laws. To develop an understanding and appreciation of sound purchasing practices throughout all departments. To procure the right product at the right time for the lowest total cost of ownership (low bid and best value as defined by state law). To insure competitive bidding.

FY 2006-2007 ACCOMPLISHMENTS:

The Finance Department recently acquired Time Entry Software and is working towards city-wide implementation. This software will enable more review time before payroll is processed. Municipal Court introduced the on-line payment-processing program and purchased and implemented more automated ticket writers.

FY 2007-2008 OBJECTIVES:

Objectives for FY2008 include continuing to submit Budget Documents and CAFR's that are worthy of national recognition, receive unqualified opinions from external auditors, continue city-wide implementation of Time Entry Software, implement training programs for city employees that handle cash, fully utilize the fixed assets software for better record keeping of city assets, implement more automated ticket writers, enable court personnel to attend New Court Clerk training, maintain Level II Certification of Deputy Court Clerk, and Court Administrator to begin Level III Certification Program.

BUDGETARY ISSUES:

Expect increase in citations written which will in turn increase Court costs such as additional court dates and personnel costs.

Finance Department
Finance / Accounting / Court Services / Purchasing

BUDGET SUMMARY:	2005-06	2006-07	2006-07	2007-08
	ACTUAL	BUDGET	ESTIMATE	BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$377,374	\$404,966	\$372,510	\$399,038
Supplies	\$6,240	\$6,310	\$6,230	\$6,625
Maintenance	\$1,195	\$1,500	\$0	\$0
Contractual/Sundry	\$114,585	\$141,000	\$131,337	\$151,767
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$499,394	\$553,776	\$510,077	\$557,430
PERSONNEL ASSIGNED				
Finance Director	0.75	0.75	0.75	0.75
Assistant Finance Director	0.50	0.50	0.50	0.50
Sr. Account Clerk II	1.00	1.00	1.00	1.00
Account Clerk I	1.00	1.00	1.00	1.00
Municipal Court Administrator	1.00	1.00	1.00	1.00
Deputy Court Clerk	1.00	1.00	1.00	1.00
Customer Service Representative	1.00	1.00	1.00	1.00
Warrant Collections Officer <i>(fund 17% from Muni Security Fund)</i>	0.83	0.00	0.00	0.00
Purchasing Agent	1.00	1.00	1.00	1.00
Perm. Part-time Finance Assistant <i>(added in FY05)</i>	0.50	0.50	0.50	0.50
TOTAL	8.58	7.75	7.75	7.75

SIGNIFICANT BUDGET HIGHLIGHTS:

Personnel Services	(\$5,928)
Vehicle Maintenance	(1,500)
Training	2,557
Court Costs	2,000
Judicial Raise	\$6,500

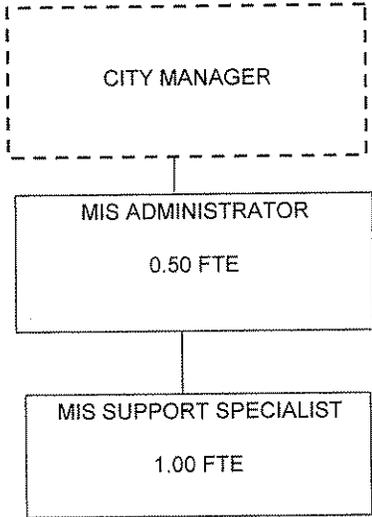
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW5 Percent of citations entered within 24 hours of court filing	95%	84%	90%
COW5 Percent of cash bonds processed by noon of same day	100%	95%	95%
COW5 Percent of payments processed within 24 hours of receipt	100%	98%	99%
COW5 Percent of contested hearings set for trial w/ 60 days of request	100%	100%	100%
COW6 Percent of case notifications to all parties at least 3 weeks prior to trial	100%	98%	99%
COW5 Ratio of correcting journal entries to total entries made annually	1.9%	1%	1%
COW5 Percent of disbursement checks voided due to processing errors	0.11%	0.10%	0.09%
COW6 Percent of G/L reconciliation's completed w/ 7 days of monthly close	95%	95%	100%
COW5 Number of citations entered annually	15,400	13,550	14,700
COW5 Number of payments processed	8,000	6,870	7,000
COW5 Number of contested cases set for trial	1,000	800	880
COW5 Number of warrants issued	4,000	1,450	4,000
COW8 Number of formal bids prepared	11	15	20
COW6 Receive Certificate of Achievement for Excellence in Financial Reporting	yes	yes	n/a
COW6 Receive an unqualified audit opinion from external auditors	yes	yes	n/a

Administration Department
Management Information Systems

Location: 7105 Whitley Road
Watauga, TX 76148
Phone Number: 817-514-5800 x 4700

Hours of Operation: 8:00a - 5:00p M-F
On call service 24X7X365



DESCRIPTION OF SERVICES PROVIDED:

Provides and supports all technical aspects of the City's data and voice networks. Designs and maintains the City's Web-Site. Maintains the City's Cable Channel. Provides all City staff daily technical support and training in the usage of PCs, telephones, and other MIS equipment. Supports City Council Laptop usage.

FY 2006-2007 ACCOMPLISHMENTS:

Managed Library move and installed Library cabling. Updated web site design. Upgraded DPS mobile connectivity. Enhanced city mail system. Cleaned up Library data closet. Daily support.

FY 2007-2008 OBJECTIVES:

Maintain Operations Cost Effectively. Expand Web Site for a more interactive experience by citizens including Citizen Request Management. Maintain secure network systems.

BUDGETARY ISSUES:

Limited Hard Drive Space on City Network. Static Web Site with little citizen interactivity.

Administration Department
Management Information Systems

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$91,485	\$96,443	\$94,103	\$96,423
Supplies	\$22,755	\$28,410	\$25,288	\$28,050
Maintenance	\$34,599	\$51,950	\$48,200	\$54,000
Contractual/Sundry	\$10,302	\$15,208	\$13,550	\$19,450
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$159,141	\$192,011	\$181,141	\$197,923
PERSONNEL ASSIGNED				
MIS Administrator	0.50	0.50	0.50	0.50
MIS Support Analyst	1.00	1.00	1.00	1.00
TOTAL	1.50	1.50	1.50	1.50

SIGNIFICANT BUDGET HIGHLIGHTS:

Special Services	\$6,000
Rental of Equipment	(\$1,758)
Software Maintenance	\$2,050

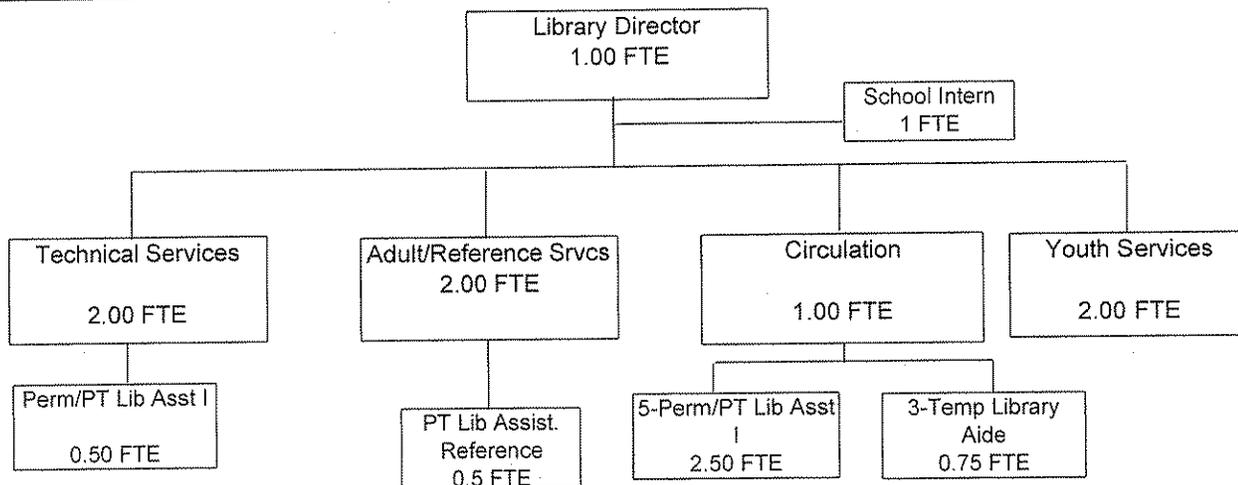
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW5 Survey Satisfaction rate	96%	95%	95%
COW8 Problem resolution/ Repair of systems:			
- % Completed within 1 business day	88%	90%	90%
- % Greater than 1 business day	12%	10%	10%
- % Service calls for priority services closed within 4 hours	97%	99%	98%
COW1 Public Safety Dispatch system up time 7 days/week, 24 hours/day	97%	99%	98%
COW8 Computer systems and networks up time 5 days/week, 10 hrs/day	98%	99%	99%
COW8 Cost per hour of up time	\$11.94	\$11.94	\$21.91
COW8 Cost per work order hour for computers and networks	\$50.30	\$50.30	\$92.31

Library Department
Library

Location
7109 Whitley Road
(817) 514-5855

Hours of Operation:
Monday & Thursday 9:00 a.m. to 8:00 p.m.
Tuesday & Wed. 9:00 a.m. to 6:00 p.m.
Fri. & Sat. 8:00 a.m. to 5:00 p.m.



DESCRIPTION OF SERVICES PROVIDED:

The Library provides access to a balanced collection of print, multimedia, and online materials, provides reference, readers' advisory, and research assistance, and offers a wide range of programs and activities designed to meet the needs of youth and adults. In addition, the Library also provides a Homework Help Center, computer training, literacy tutoring, exam proctoring, and notary public and fax transmission services.

FY 2006-2007 ACCOMPLISHMENTS:

- Facilitated and participated in oversight of 5000 square feet expansion of Library, while maintaining existing levels of service.
- Commissioned painting of large mural on Library's north wall by nationally famous artist, funded by philanthropic donation from ardent Library-supportive family.
- Presented "Next Stop, the Library!"--a special series of programs during Children's Book Week, funded by Target Store Community Giving Grant Award.
- Awarded an NTRLS Help Grant for the purchase of online database Rosetta Stone, which can be used by our patrons at the Library, at home, or at the office, to teach English as a second language.
- Received donations from Sam's Club and Wal*Mart Neighborhood Market to be used for Library materials and special programs.
- Held the first annual "Animal Fair" in Watauga in conjunction with the new Animal Service Center, with over 200 attendees, and three dogs adopted in loving homes.
- Introduced new quarterly Lecture Series, beginning with local author Mark Gimenez, whose first novel, The Color of Law, was on the New York Times Bestseller List.
- Children attending the Library's Outreach Program at Park Vista Townhomes have gone from lowest achievers to A & B Honor Roll at their schools due to combined efforts of Library's Youth Services and the group Love Never Fails.
- Youth Services presented several programs for "Family Nights" at Watauga's Chick-fill-A.
- Increased networking to local businesses and educational institutions.

FY 2007-2008 OBJECTIVES

- Collection:**
- Select the best materials to meet the informational and recreational needs of users;
 - Catalog and make these materials available quickly;
 - Reshelf them promptly to maximize their use;
 - Continually weed the collection to keep it up-to-date.
- Programs/Publicity:**
- Provide a variety of quality programs for children and adults;
 - Publicize these programs and other services through visits to local schools, as well as through Library and City newsletters, the City website as well as other web sites, and in-house publications, brochures, and signage.

BUDGETARY ISSUES:

Expansion of the Library during FY 06/07 addressed the need for additional space for an expanding collection, study and research needs, and special programs and services. The 5000 square feet expansion increases by 1/3 the Library's previous dimension of 15,000 square feet. Patrons and staff alike are delighted with this expansion, and the service benefits it is designed to bring. Staffing levels will need to be addressed in order to maintain current service levels in a significantly expanded area of service responsibility.

Library Department
Library

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$521,048	\$550,099	\$538,009	\$576,988
Supplies	\$114,954	\$126,821	\$126,821	\$129,792
Maintenance	\$9,519	\$14,900	\$14,900	\$12,250
Contractual/Sundry	\$82,167	\$55,975	\$55,725	\$60,943
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$727,688	\$747,795	\$735,455	\$779,973
PERSONNEL ASSIGNED				
Director	1.00	1.00	1.00	1.00
Librarian/Tech. Services	1.00	1.00	1.00	1.00
Librarian - Youth Services	1.00	1.00	1.00	1.00
Librarian - Adult Services <i>(reclassified from Reference)</i>	1.00	1.00	1.00	1.00
Librarian II - Reference <i>(reclassified from Library Asst II)</i>	1.00	1.00	1.00	1.00
Library Assistant II - Circulation	1.00	1.00	1.00	1.00
Library Assistant II - Tech Services	1.00	1.00	1.00	1.00
Library Assistant I - Youth	1.00	1.00	1.00	1.00
Library Assistant I <i>(7 Perm. Part time)</i>	3.00	3.00	3.00	3.50
Temporary Help/Library Aide (3)	0.75	0.75	0.75	0.75
Part time School Intern	1.00	1.00	1.00	1.00
TOTAL	12.75	12.75	12.75	13.25

SIGNIFICANT BUDGET CHANGES:

Part-Time Library Assistant - Reference	\$17,404
Other Personnel Services	\$9,485
Ft Worth Contract	\$1,558
Dues & Subscriptions	\$2,495

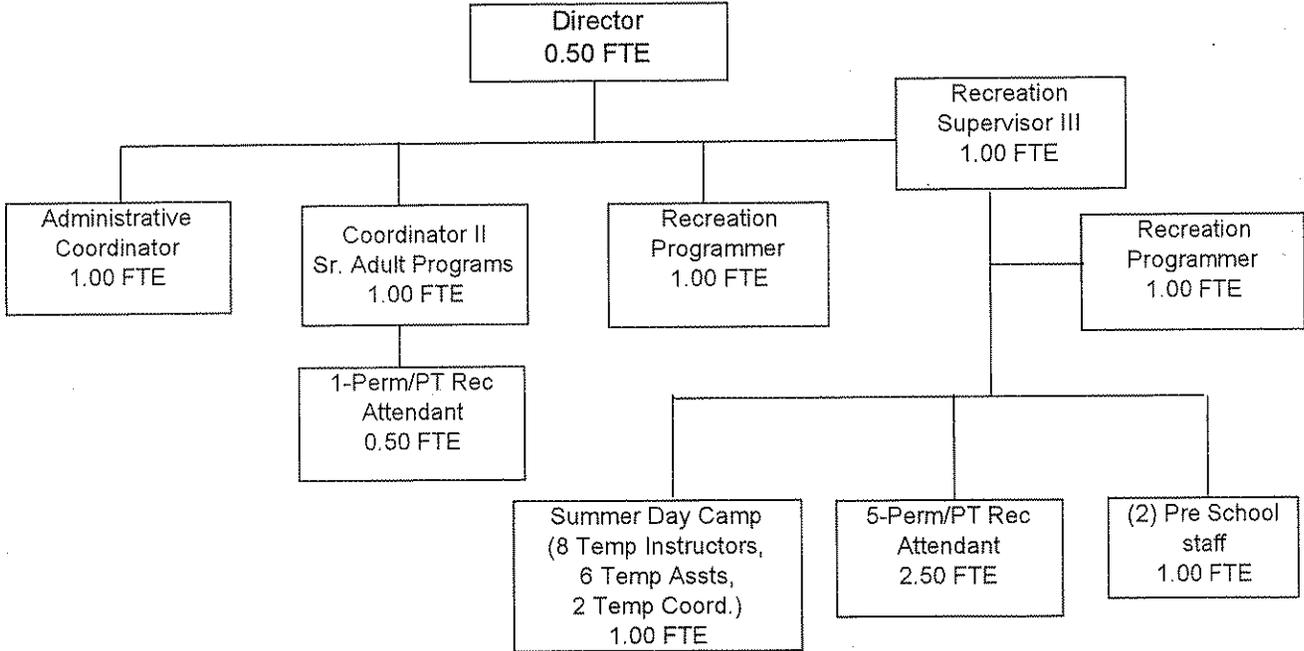
PERFORMANCE MEASURES:

	FY 2005-06	FY 2006-07	FY 2007-08
COW7 Percent increase of materials	13.5%	10%	10%
COW4 Percent of collection weeded	7%	4%	10%
COW4&7 Number of programs offered	437	365	365
COW7 Number of school visits	11	14	12
COW7 Percent of material checked in/shelved w/in a 24 hr period	99%	99%	99%
COW7 Percent of new material ready for circulation within 2 wks	85%	85%	85%

Parks, Recreation & Community Services Department
Recreation & Community Services

Location
7901 Indian Springs Road
Phone Number 817.514.5803

Hours of Operation:
 Monday - Friday 6am - 9pm
 Saturday 8am - 5pm



DESCRIPTION OF SERVICES PROVIDED:

The Recreation and Community Services Department offers various community programs, activities, and special events throughout the year. These services are designed to encourage community involvement, increase citizens sense of community, promote the city of Watauga, and provide recreational outlets. Our mission is to enrich the lives of Watauga citizens through the responsible administration of our resources with the goal of quality customer service, recreational opportunities, and community services. Our vision is to enhance the visibility, quality, and public perception related to departmental services for all residents and create a positive city "identity" from a recreational and community services standpoint.

FY 2006-2007 ACCOMPLISHMENTS:

The department experienced many new and exciting events during this fiscal year. Included were implementation of programs such a Pilates, Zumba, baby sign language, children's dance and yoga. Just to name a few athletic programs included men's flag football, two additional men's basketball leagues, a summer youth track and field program and an increased participation in the youth basketball league. The recreation department expanded the workout facility and separated the weight area from the cardio area allowing to add more equipment due to the high usage demand. The department implemented agreements with two youth sports associations to bring soccer and football to our community. The addition of these two sports has increased out level of service.

FY 2007-2008 OBJECTIVES:

- Increase member retention.
- Make summer day camp a staple.
- Add camps during school breaks.

BUDGETARY ISSUES:

- Increase recreation supplies and athletic awards.
- Improve our ability to print membership cards by replacing current equipment.

Parks, Recreation & Community Services Department
Recreation & Community Services

BUDGET SUMMARY:

	2005-06	2006-07	2006-07	2007-08
EXPENDITURE SUMMARY	ACTUAL	BUDGET	ESTIMATE	BUDGET
Personnel Services	\$365,473	\$412,488	\$390,854	\$405,104
Supplies	\$29,494	\$36,015	\$35,700	\$36,015
Maintenance	\$4,098	\$6,752	\$7,166	\$7,500
Contractual/Sundry	\$97,102	\$119,600	\$118,083	\$121,900
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$496,167	\$574,855	\$551,803	\$570,519
PERSONNEL ASSIGNED				
RCS Director	0.50	0.50	0.50	0.50
Recreation Supervisor III	1.00	1.00	1.00	1.00
Coordinator II (Sr. Adult Programs)	1.00	1.00	1.00	1.00
Recreation Programmer	2.00	2.00	2.00	2.00
Administrative Coordinator	1.00	1.00	1.00	1.00
Rec. Attendant (6- Perm. Part time)	3.00	3.00	3.00	3.00
Pre-school Instructors (2 Temp - 1040 hrs ea.)	1.00	1.00	1.00	1.00
Summer Rec Assts. (6- Temp/Seasonal)	0.25	0.25	0.25	0.25
Summer Rec Instructors (8 - Temp/Seasonal)	0.50	0.50	0.50	0.50
Summer Rec. Coord. (2- Temp/Seasonal)	0.25	0.25	0.25	0.25
TOTAL	10.50	10.50	10.50	10.50

SIGNIFICANT BUDGET CHANGES:

Personnel Services	(\$7,384)
Community Center Maintenance	\$748
Summer Day Camp	\$2,000

PERFORMANCE MEASURES:

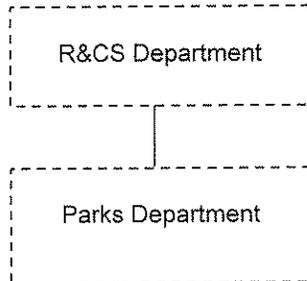
	FY2005-06	FY2006-07	FY2007-08
COW4 Percent attendance increase in classes, programs, and leagues	72%	45%	20%
COW4 Number of short term initiatives addressed from the department business plan	8	6	6
COW4 Number of memberships at the Watauga Community Center	1,800	2,100	3,300
COW4 Attendance in department classes, programs, and leagues	87,351	89,000	95,000
COW4 Adult League Participants	350	740	900
COW4 Youth Athletic Participants	986	1,365	1,500

Parks, Recreation and Community Services Department

Parks

Location
7901 Indian Springs Road
Phone Number 817.514.5803

Hours of Operation:
Monday - Friday
7:00 a.m.-4:00 p.m.



DESCRIPTION OF SERVICES PROVIDED:

The Parks Department is responsible for providing the citizens of Watauga with the highest possible level of service regarding design, development, operations and maintenance of the 116 acres of developed and undeveloped park land and municipal complexes. Our vision is to enhance the visibility, quality, and public perception related to departmental services for all residents and visitors and create a positive city "identity" from the parks that are provided and to preserve them for future generations. This divisions expenses were close out of the General Fund and moved to PDC in FY04.

FY 2006-2007 ACCOMPLISHMENTS:

FY 2007-2008 OBJECTIVES:

BUDGETARY ISSUES:

Parks, Recreation & Community Services Department
Parks

BUDGET SUMMARY

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0
Contractual/Sundry	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0
PERSONNEL ASSIGNED				
TOTAL	0.00	0.00	0.00	0.00

SIGNIFICANT BUDGET HIGHLIGHTS:

PERFORMANCE MEASURES:

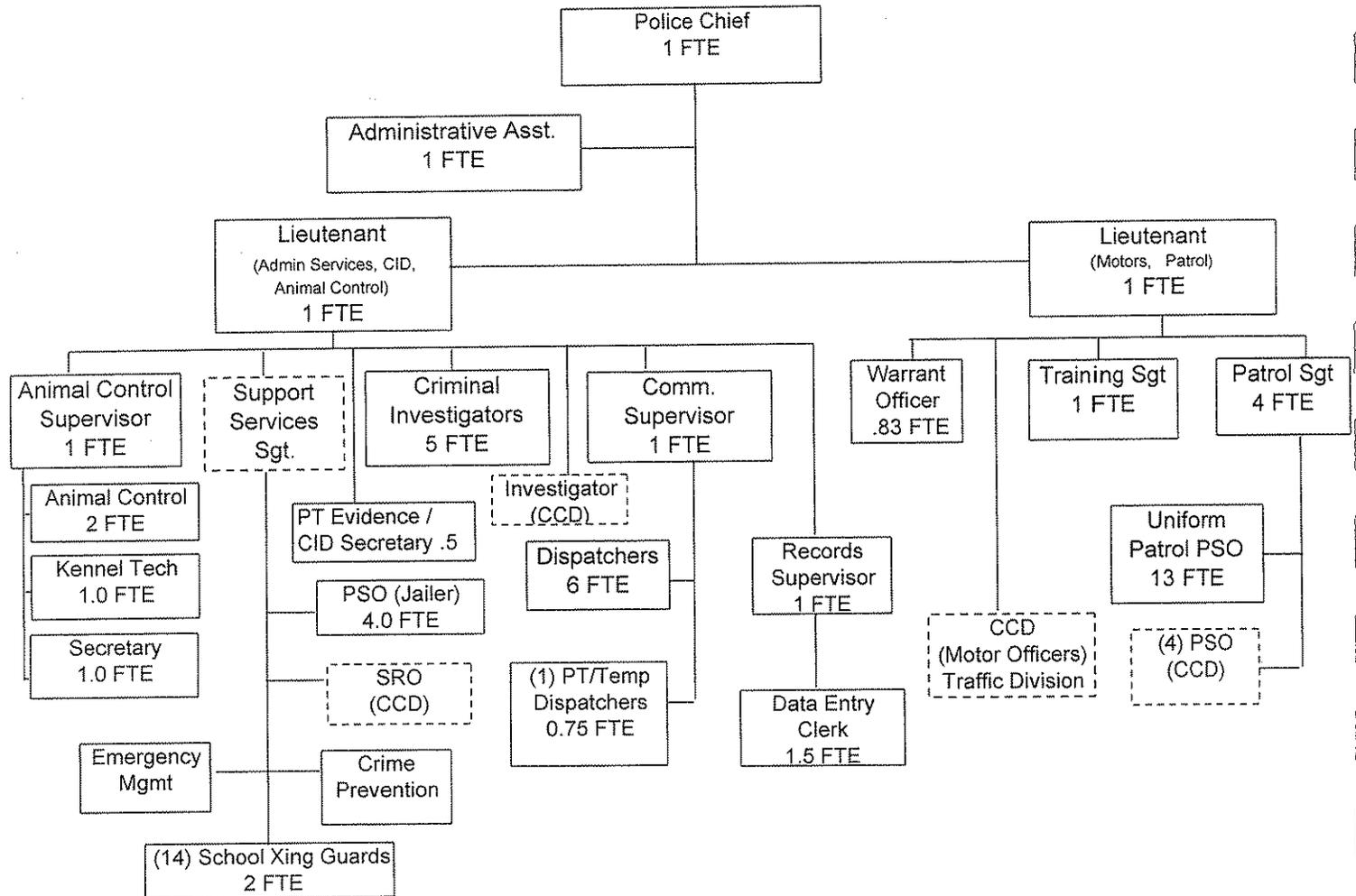
	FY2005-06	FY2006-07	FY2007-08
COW3/4 Percent of developed facilities mowed and maintained weekly	100%	100%	100%
COW3 Percent of Chemical turf maintenance performed quarterly on developed park property	100%	100%	100%
COW Percent of Athletic Ball fields maintained	100%	100%	100%
COW3/4 Number of park land acres maintained	116	116	116
COW3/4 Mow & maintain park land/facilities within a certain number of day - cycles	5	7	7
COW Number of Athletic Fields maintained	8	10	10

**Police Department
Police Department**

Location: 7101 Whitley Road

Phone Number: 817.514.5870

Hours of Operation: 24 Hours



DESCRIPTION OF SERVICES PROVIDED:

The General Fund Budget provides funds that allow the Police Department to provide efficient and professional response in the area of law enforcement thereby reducing loss of life and property to the citizens of Watauga. The Department operates with highly trained officers in the areas of Patrol, Criminal Investigation, and Traffic Investigation. The Department also maintains a support services unit that provides assistance to the community through Crime Watch and also a School Resource Officer.

FY 2006-2007 ACCOMPLISHMENTS:

FY 2007-2008 OBJECTIVES:

BUDGETARY ISSUES:

Police Department
Police Department

BUDGET SUMMARY:	2005-06	2006-07	2006-07	2007-08
EXPENDITURE SUMMARY	ACTUAL	BUDGET	ESTIMATE	BUDGET
Personnel Services	\$2,178,449	\$2,615,029	\$2,489,759	\$2,749,740
Supplies	\$1,668	\$24,871	\$24,871	\$28,573
Maintenance	\$0	\$880	\$0	\$1,380
Contractual/Sundry	\$35,508	\$11,383	\$11,263	\$11,383
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$2,215,625	\$2,652,163	\$2,525,893	\$2,791,076
PERSONNEL ASSIGNED				
Police Chief (Public Safety Director)	0.50	0.50	1.00	1.00
Lieutenant	2.00	2.00	2.00	2.00
Sergeant	5.00	5.00	5.00	5.00
Records Supervisor	1.00	1.00	1.00	1.00
Communications Supervisor	1.00	1.00	1.00	1.00
Police Officer	12.00	13.00	13.00	13.00
Detective	5.00	5.00	5.00	5.00
Jailers	3.00	3.00	3.00	4.00
Animal Control Supervisor	0.00	1.00	1.00	1.00
Animal Control Officer	2.00	2.00	2.00	2.00
Administrative Secretary	1.00	1.00	1.00	1.00
Secretary (1.0 ACO and 1 PT CID)	0.00	0.00	1.00	1.50
Data Entry Clerk	1.50	1.50	1.50	1.50
Communicators/Dispatcher	5.00	6.00	6.00	6.00
Warrant Officer	0.00	0.83	0.83	0.83
School Crossing Guards (14)	2.00	2.00	2.00	2.00
Dispatcher (PT/Temporary)	0.75	0.75	0.75	0.75
Kennel Technician	0.50	0.50	0.50	1.00
TOTAL	42.25	46.08	47.58	49.58

SIGNIFICANT BUDGET HIGHLIGHTS:

New Positions (Jailer, PT Secretary, PT Kennel Tech)	53,986
Other Personnel Services (Including .5 Chief, 1 ACO Secretary)	80,725
Animal Control Supplies	2,723

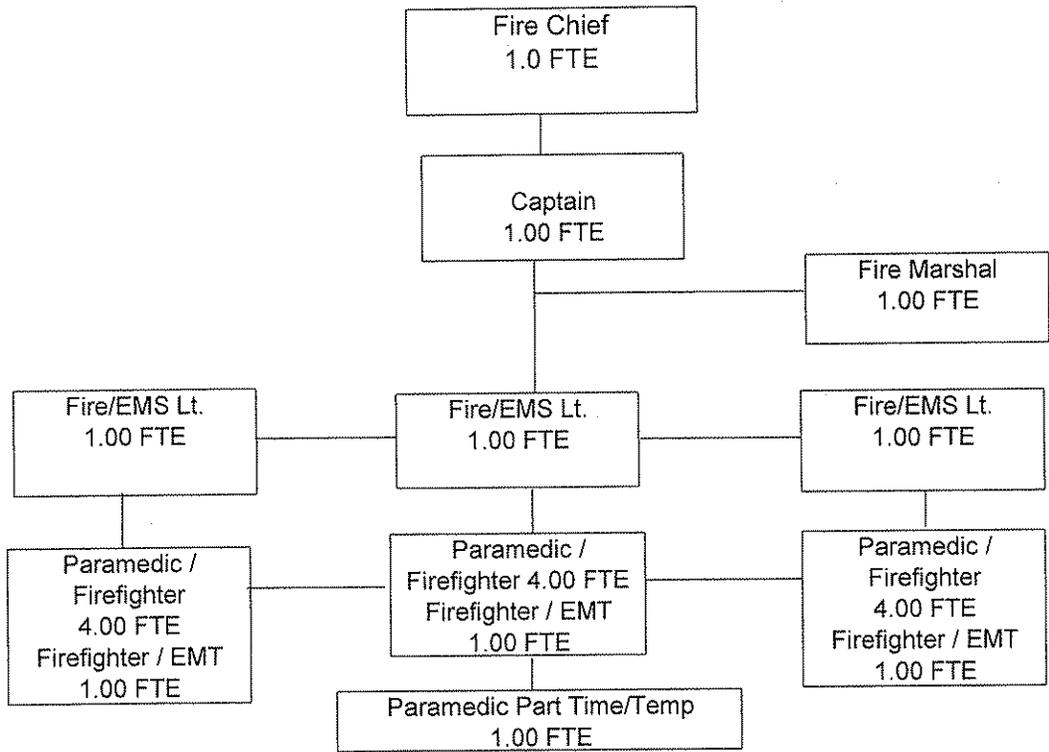
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07 (Est)	FY2007-08
<u>Quantity - Calls for Service</u>			
Total Calls for Service			
• Priority 1 Calls for Service		4,610	5,092
• Priority 2 Calls for Service		1,651	818
• Priority 3 Calls for Service		5,659	5,785
<u>Response Times - Calls for Service</u>			
• Priority 1 Calls for Service (Minutes)		5.5	5.9
• Priority 2 Calls for Service (Minutes)		8	8.4
• Priority 3 Calls for Service (Minutes)		10	10.5
<u>Uniform Crime Reporting (UCR) Incidents</u>			
• Violent		171	175
• Property		665	661
<u>Traffic Collisions</u>			
• Non Injury		216	224
• Injury		71	83
• Fatality		1	1
<u>Traffic Citations</u>			
• Municipal Citations Issued		8,544	7,280
<u>DWI Enforcement</u>			
• Arrests		27	27
<u>Animal Control</u>			
• Animals Confined		704	598
• Animal License Issued		587	467

Fire / EMS Department
Fire / EMS Department

Location: 7101 Whitley Road
Watauga, TX 76148
Phone Number: 817-514-5897

Hours of Operation: 24 hours a day.



DESCRIPTION OF SERVICES PROVIDED:

The Fire/EMS Department provides emergency response to all reported fire and medical emergencies. The Department staffs a MICU capable ambulance and can deliver advanced levels of patient care and transport. The Department also operates two Class-A pumpers and a four-wheel drive grass/brush fire unit. The Department is staffed by personnel who are specially trained to respond to incidents involving hazardous chemicals, explosives, and weapons of mass destruction. The Department staff includes two FBI Certified Bomb Technicians. The ambulances are equipped to communicate directly with area hospitals, air medical units, and surrounding cities.

FY 2006-2007 ACCOMPLISHMENTS:

Increased staffing to six firefighter/paramedics per shift. Increased training of personnel to include multi-city drills. Increased public education presentations. Developed and implemented employee wellness/fitness program. Transitioned from a paper to a paperless ems reporting system that raised revenues by 7 %

FY 2007-2008 OBJECTIVES:

Continue to improve employee education and training. Increase public education programs. Equip all suppression personnel with the latest standard of protective clothing. Replace the large diameter hose on both fire apparatus. Replace or remount one MICU ambulance. Reduce overtime accumulated by suppression personnel

BUDGETARY ISSUES:

The increase in fuel cost will have a significant impact due to our increased call volume. Protective clothing standards have changed. Replacement clothing must meet the new standard which adds approximately 200.00 to each set. Our apparatus is older and may require more maintenance. The 06-07 increase of personnel and that fact that most suppression personnel are topped out in salary will cause an increase in FLSA mandated overtime for the 24/48 employee.

Fire / EMS Department
Fire / EMS Department

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$1,026,141	\$1,321,153	\$1,241,100	\$1,388,041
Supplies	\$62,149	\$109,336	\$112,731	\$113,425
Maintenance	\$24,554	\$28,960	\$29,555	\$34,140
Contractual/Sundry	\$43,493	\$81,026	\$80,722	\$67,561
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$1,156,337	\$1,540,475	\$1,464,108	\$1,603,167
PERSONNEL ASSIGNED				
Director of Public Safety <i>(FY06 moved from DPS)</i>	0.50	0.50	1.00	1.00
Captain	1.00	1.00	1.00	1.00
Fire/EMS Lieutenant	3.00	3.00	3.00	3.00
Fire Marshall	1.00	1.00	1.00	1.00
Firefighter/Paramedic <i>(FY06 added 3 - grant funded)</i>	7.00	12.00	12.00	12.00
PSO / Firefighter / EMT	3.00	3.00	3.00	3.00
Paramedic Part time/Temporary (7)	1.00	1.00	1.00	1.00
TOTAL	16.50	21.50	22.00	22.00

SIGNIFICANT BUDGET HIGHLIGHTS:

Personnel Services (Including .5 Chief)	66,888
Fuel	3,688
Wearing Apparel	(5,940)
Educational Supplies	(5,900)
Bunker Gear	13,036
Fire Hose Replacement	2,950
Consulting Service	(10,100)

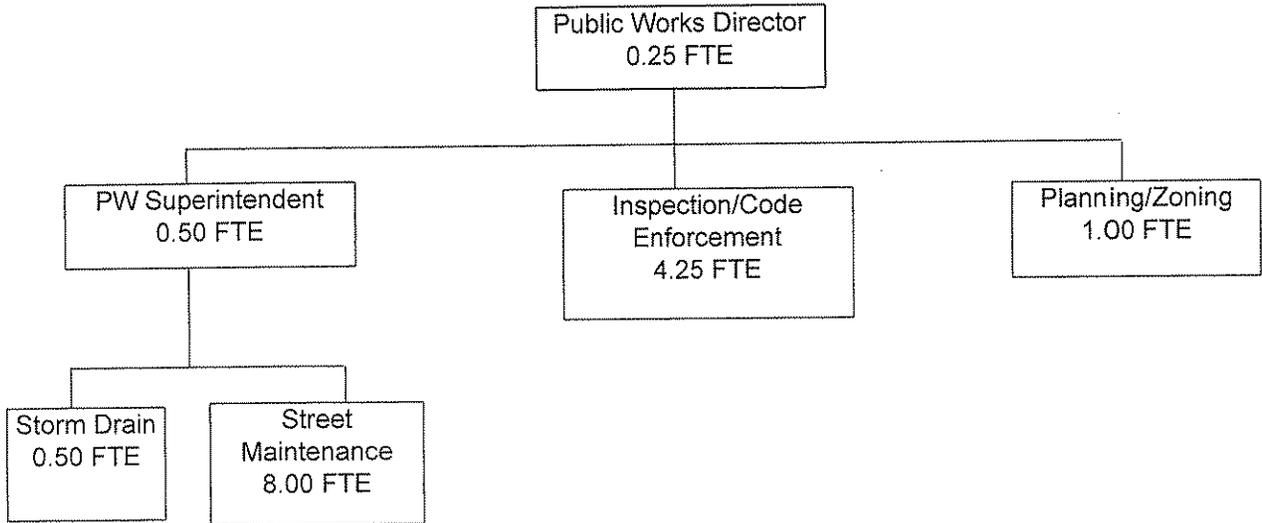
FIRE/EMS YEARLY ACTIVITY:

	<u>FY2005-06</u>	<u>FY2006-07</u>	<u>FY2007-08(Est.)</u>
Total Calls For Service	1360	1455	
-Fire Calls	250	253	
-Emergency Medical Services Calls	1110	1202	
-Miscellaneous Calls	240	355	
Ambulance Transports	753	806	
Mutual Aid Given	50	55	
Mutual Aid Received	55	58	
Fire Inspections	60	65	
Fire Emergency Average Response Time (Min.)	3.9	4.1	
EMS Emergency Average Response Time (Min.)	3.76	3.97	

Public Works Department
Public Works

Location
7800 Virgil Anthony Sr. Blvd.
Phone Number (817) 514-5806

Hours of Operation:
 Office Hours Monday thru Friday 8:00 a.m. to 5:00 p.m.



DESCRIPTION OF SERVICES PROVIDED:

Public Works consists of several different sections, which include streets, code enforcement, engineering and inspections. Public Works streets will strive to maintain and contribute to the welfare, safety and beautification by ensuring our streets are repaired and maintained in a timely, efficient, and cost effective manner. Code Enforcement are officers of the court and ensure the code of ordinances are followed. Engineering ensures all plans are approved and meets the city specifications through plan review and field inspections.

FY 2006-2007 ACCOMPLISHMENTS:

Public Works has maintained 84 miles of roads, the city sidewalks, signs and traffic signals to an acceptable manner. Code enforcement and building inspections have maintained a high level of code compliance with the citizens through education and ordinance notification. Engineering has assured construction of all capital improvement projects and that they meet city specifications. Public Works will complete the overlay of six more streets along with 8000 LF. of curb and gutter. We have two streets that will receive a slurry seal and we will replace around 3000 LF. of bad sidewalk.

FY 2007-2008 OBJECTIVES:

The Public Works Department will strive to maintain a high level of service to all of our citizens and maintain the 84 miles of road and signage in a cost acceptable manner. Code Enforcement and Engineering will make sure all codes are followed and the city specifications are met.

BUDGETARY ISSUES:

Compliance will maintain a level of good streets and should reduce the level of poor streets to fair or good. Code compliance will reduce many unsightly areas and improve the general cosmetics of our city.

Public Works Department
Public Works

BUDGET SUMMARY:	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$553,913	\$592,153	\$550,308	\$631,858
Supplies	\$41,440	\$45,150	\$46,000	\$54,725
Maintenance	\$35,481	\$35,500	\$34,000	\$36,150
Contractual/Sundry	\$30,969	\$36,730	\$39,890	\$36,870
Capital Outlay	\$0	\$0	\$0	\$320
Total Expenditures	\$661,803	\$709,533	\$670,198	\$759,923
PERSONNEL ASSIGNED				
Public Works Director <i>(moved from Parks)</i>	0.25	0.25	0.25	0.25
Public Works Superintendent	0.50	0.50	0.50	0.50
PW Foreman	1.00	1.00	1.00	1.00
Inspection Foreman	0.25	0.25	0.25	0.25
Code Enforcement Officer	2.00	2.00	2.00	3.00
Building Inspector	1.00	1.00	1.00	1.00
Maintenance Worker I/Streets	4.00	4.00	4.00	4.00
Maintenance Worker II/ Streets	2.00	2.00	2.00	2.00
Equipment Operator	1.00	1.00	1.00	1.00
Storm Drain Utility Secretary	0.50	0.50	0.50	0.50
PW Plan/Zoning Secretary	1.00	1.00	1.00	1.00
TOTAL	13.50	13.50	13.50	14.50

SIGNIFICANT BUDGET HIGHLIGHTS:

Code Enforcement Officer	39,304
Fuel	7,700

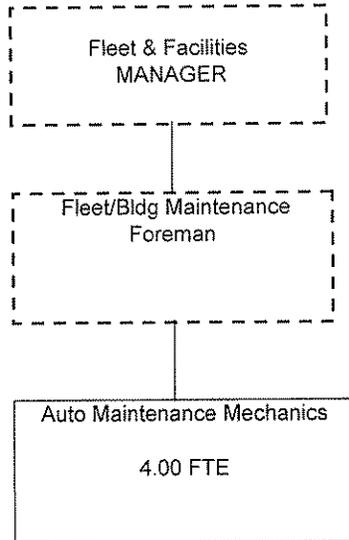
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW2/3 Percent of Right-of-Ways maintained City-wide	100%	100%	100%
COW1/2/3 Percent of Sidewalks repaired within 7 days of complaint issuance	97%	98%	98%
COW1/2/3 Percent of sidewalks repaired within 30 days of annual inspection	100%	100%	100%
COW1/2/3 Percent of potholes repaired within 3 days of complaint issuance	100%	100%	100%
COW2/3 Number of lane miles maintained	84	84	84
COW2/3 Number of miles of curb and gutter maintained	168	168	168
COW1/2/3 Number of miles of roads in GOOD condition	69	70	71
COW1/2/3 Number of miles of roads in AVERAGE condition	12	12	11
COW1/2/3 Number of miles of roads in POOR condition	3	2	2

Administration Department
Fleet Services

Location
7800 Virgil R. Anthony Sr. Blvd.
817-514-5844

Hours of Operation:
Office Hours Monday thru Friday
7:00 am to 4:00 pm



DESCRIPTION OF SERVICES PROVIDED:

This is a section of the Fleet and Facilities Department. This section repairs, fabricates and performs preventative maintenance on all city vehicles and equipment for all departments. It is difficult to describe the services provided because one must look close to see where fleet stops and buildings starts. Many building projects are done by the maintenance team consisting of both fleet and building personnel.

FY 2006-2007 ACCOMPLISHMENTS:

Maintained the same level of service for PM's with more added to the DPS fleet.

FY 2007-2008 OBJECTIVES:

Will continue to service the City fleet with the same level of consistency to avoid unnecessary downtime.

BUDGETARY ISSUES:

Will need to replace existing equipment for tire repairs and shop truck.

Administration Department
Fleet Services

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$82,833	\$127,566	\$89,290	\$154,696
Supplies	\$3,891	\$7,500	\$7,600	\$10,030
Maintenance	\$1,662	\$2,700	\$2,700	\$2,950
Contractual/Sundry	\$6,818	\$7,550	\$7,550	\$7,585
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$95,204	\$145,316	\$107,140	\$175,261
PERSONNEL ASSIGNED	3	3	3	4

Auto Maintenance Mechanic (FY06 Add Prev. Mechanic)

SIGNIFICANT BUDGET HIGHLIGHTS:

Automotive Mechanic	39,407
Other Personnel Services	(\$12,277)

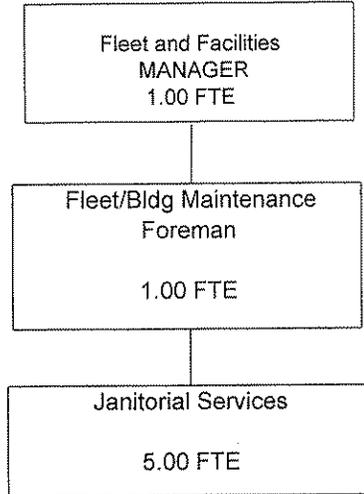
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW5 Percent of auto repairs performed by in-house staff		90%	
COW5 Percent of auto repairs outsourced		10%	
COW1/8 Average fleet availability		95%	
COW1/8 Average fleet downtime awaiting for parts delivery		5%	
COW5 Average major auto repairs per month		2	
COW8 Average preventive maintenance inspections per month		25	

Administration Department
Buildings

Location
7800 Virgil R. Anthony Sr. Blvd.
817-514-5844

Hours of Operation:
Office Hours Monday thru Friday
7:00 am to 4:00 pm



DESCRIPTION OF SERVICES PROVIDED:

Buildings is a section of Fleet and Facilities Department. It provides the maintenance and operation of all city-owned facilities, buildings, and structures, including minor and major remodeling and construction when necessary. Provides an efficient and effective preventative maintenance program to maintain and upgrade city-owned buildings to an acceptable condition compatible with existing city codes. Provides and maintains a pleasant and secure environment for all visitors and city employees in the buildings under city jurisdiction.

FY 2006-2007 ACCOMPLISHMENTS:

Replaced (2) roof mounted A/C units @ Library
Replaced (1) A/C unit @ Indian Springs Adult Senior Center
Purchased One (1) Aerial Lift for making necessary repairs @ City Hall and Community Center with raised ceilings.
Re-stripped parking lots @ City Hall and Library.

FY 2007-2008 OBJECTIVES:

Provide the same amount of service throughout the City with the expansion of two buildings.

BUDGETARY ISSUES:

Adding a Janitor Service Tech to staff

Administration Department
Buildings

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$232,320	\$254,787	\$252,011	\$287,659
Supplies	\$12,666	\$13,250	\$13,701	\$17,375
Maintenance	\$50,067	\$59,919	\$59,449	\$52,419
Contractual/Sundry	\$313,424	\$312,294	\$308,094	\$312,631
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$608,477	\$640,250	\$633,255	\$670,084
PERSONNEL ASSIGNED				
Fleet/Bldg Maintenance Manager	1.00	1.00	1.00	1.00
Fleet/Bldg Maintenance Foreman	1.00	1.00	1.00	1.00
Janitorial Service Tech	1.00	1.00	1.00	1.00
Janitor	3.00	3.00	3.00	4.00
TOTAL	6.00	6.00	6.00	7.00

SIGNIFICANT BUDGET HIGHLIGHTS:

Janitorial Supplies	2,325
Janitor	31,340
Other Personnel Services	\$1,532
Building Maintenance	(8,000)

PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW5 Percent of repairs done by staff		80%	
COW5 Percent of repairs done by contractors		20%	
COW1/2 Percent of repairs completed within 24 hours of request		90%	
COW8 Maintenance cost per sq. ft.		\$2.50	
COW8 Janitorial cost per sq. ft.		\$2.00	

Line Item Budget Detail

			2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
			ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
01 -GENERAL FUND								
ADMINISTRATION								
PERSONNEL SERVICES								
010-4001	SUPERVISION		115,156	118,051	115,354	108,781	120,525	111,044
010-4002	CLERICAL		86,023	89,161	60,056	77,970	88,121	88,518
010-4010	OVERTIME		271	487	557	1,200	1,200	1,200
010-4020	TEMPORARY/PT TIME HELP		22,947	26,139	29,255	0	0	0
010-4030	LONGEVITY		6,120	6,768	7,512	4,499	6,984	3,384
010-4035	CAR ALLOWANCE		4,828	4,970	5,000	5,000	5,000	5,000
010-4100	RETIREMENT		24,874	26,783	23,426	24,326	24,357	27,553
010-4101	DEFERRED COMPENSATION		0	0	0	0	0	2,295
010-4102	HOSPITAL & GROUP LIFE		22,080	23,283	21,958	35,628	19,469	28,507
010-4103	MEDICARE TAX		3,945	2,917	2,759	3,632	3,217	3,033
PERSONNEL SERVICES			286,243	298,560	265,877	261,036	268,873	270,534
SUPPLIES								
010-5201	OFFICE SUPPLIES		721	749	1,190	1,250	1,500	1,500
010-5203	PUBLICATIONS		349	195	689	400	400	400
010-5226	MISC. EQUIPMENT/FURNITURE		0	0	0	250	0	0
SUPPLIES			1,071	944	1,880	1,900	1,900	1,900
CONTRACTUAL / SUNDRY								
010-7401	COMMUNICATIONS		279	1,182	800	1,200	900	1,200
010-7404	SPECIAL SERVICES		253	314	425	1,500	1,500	1,500
010-7406	TRAVEL EXPENSE		5,071	3,744	1,897	5,000	3,500	5,000
010-7407	DUES & SUBSCRIPTIONS		3,148	2,720	2,591	3,765	3,765	3,765
010-7410	TRAINING		1,897	2,473	1,675	4,800	2,000	4,800
010-7419	PRINTING & BINDING		3,362	4,070	6,955	8,200	7,750	8,200
010-7440	EMPLOYEE RELATIONS		593	240	1,054	750	750	750
CONTRACTUAL/SUNDRY			14,602	14,742	15,395	25,215	20,165	25,215
ADMINISTRATION			301,916	314,246	283,152	288,151	290,938	297,649
NON-DEPARTMENTAL								
PERSONNEL SERVICES								
020-4030	LONGEVITY		0	0	7,260	0	0	0
020-4100	RETIREMENT		15,588	4,857	8,168	9,333	5,142	9,333
020-4101	SUPPLEMENTAL COMPENSATION		38,031	0	0	0	0	0
020-4102	HOSPITAL & GROUP LIFE		77	5,157	0	0	0	0
020-4103	MEDICARE TAX		1,927	575	634	1,233	680	1,233
020-4105	VACATION/COMP TIME/LIT./RET.		84,346	43,817	68,490	85,000	46,830	85,000
020-4107	SALARY ADJUSTMENTS		0	0	0	166,428	0	341,341
020-4110	EMPLOYEE APPRECIATION PARTY		4,087	3,334	0	0	0	0
020-4116	EMPLOYEE RECOGNITION		1,109	454	0	0	0	0
PERSONNEL SERVICES			145,165	58,194	84,551	261,994	52,652	436,907
SUPPLIES								
020-5201	OFFICE SUPPLIES		20,944	15,054	8,484	13,350	13,000	13,350
020-5202	POSTAGE		16,287	13,101	11,889	17,000	17,000	17,000
020-5203	PUBLICATIONS		0	0	152	0	0	0
020-5210	COPY MACHINE SUPPLIES		103	504	116	3,000	3,000	3,000
020-5226	MISC. EQUIPMENT/FURNITURE		0	235	270	3,000	3,226	5,000
020-5232	AWARDS/ RECOGNITION SUPPLIES		0	0	3,534	4,000	4,000	4,000
SUPPLIES			37,334	28,895	24,445	40,350	40,226	42,350

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
MAINTENANCE							
020-6302	OFFICE EQUIPMENT	545	1,685	934	4,286	4,286	4,286
	MAINTENANCE	545	1,685	934	4,286	4,286	4,286
CONTRACTUAL/SUNDRY							
020-7401	COMMUNICATIONS	44,487	45,022	43,900	48,636	48,060	48,636
020-7402	RENTAL OF EQUIPMENT	18,077	17,669	58,212	73,837	73,837	76,237
020-7404	SPECIAL SERVICES	10,713	7,934	6,354	17,600	17,600	20,600
020-7405	ADVERTISING	20,238	19,330	17,971	15,000	15,000	15,000
020-7406	TRAVEL EXPENSE	6,107	5,565	1,692	11,000	5,000	11,000
020-7407	DUES & SUBSCRIPTIONS	17,490	18,262	13,949	17,000	17,000	17,000
020-7410	TRAINING	3,606	2,050	1,798	11,000	11,000	11,000
020-7416	BANK CHARGES	6,158	13,842	19,613	24,000	23,162	25,000
020-7418	ELECTION EXPENSE	7,243	4,133	0	8,000	4,014	8,000
020-7419	PRINTING & BINDING	418	2,877	2,527	7,000	6,534	3,000
020-7422	ATTORNEY FEES	61,168	83,193	67,302	81,795	81,795	83,850
020-7423	AUDIT	42,515	33,165	34,178	50,000	40,665	41,000
020-7426	CONSULTANT FEES	0	19	0	0	0	0
020-7434	LITIGATION EXPENSE	0	0	0	4,800	1,046	3,000
020-7440	EMPLOYEE RELATIONS	0	0	0	0	80	0
020-7443	EMPLOYEE TUITION REIMBURSEMENT	136	0	0	5,500	3,884	3,000
020-7444	PYMT TO INTERNAL SERVICE FUND	181,000	131,000	70,000	50,000	50,000	0
020-7456	WORKERS' COMPENSATION	69,994	76,517	36,538	101,382	75,705	136,000
020-7462	PUBLIC LIABILITY	17,886	20,997	19,948	21,463	18,378	21,463
020-7463	EQUIPMENT/ROLLING STOCK	43,068	45,406	33,001	53,347	48,667	46,356
020-7464	UNEMPLOYMENT INSURANCE	37,760	7,859	51,086	39,000	7,500	39,000
020-7465	BUILDING/CONTENTS	19,804	21,142	25,744	26,938	24,037	26,800
020-7466	SURETY BONDS	426	1,596	1,224	2,000	2,000	2,000
020-7467	PUBL OFFICIAL LIABILITY	20,742	18,364	23,158	24,000	23,497	24,000
020-7468	POLICE LIABILITY	23,522	14,200	15,632	16,871	15,073	24,000
020-7469	AMBULANCE SERVICES	14,800	14,463	17,578	26,000	25,928	25,800
020-7472	ARTS PROGRAM	8,500	8,500	8,500	10,625	10,625	12,625
020-7494	ECONOMIC DEVELOPMENT	5,093	5,244	1,241	6,000	2,000	6,000
020-7495	NEWSLETTER	14,940	13,617	11,843	15,500	15,500	15,500
020-7496	CONTINGENCY	152,814	158,377	45	100,000	55,000	100,000
020-7502	BAD DEBT EXPENSE	21,034	210,872	12,702	0	0	0
020-7521	HAZARDOUS WASTE CONTRACT	6,714	2,800	2,520	5,200	5,200	5,200
020-7523	BEAUTIFICATION	0	0	0	0	0	30,000
020-7524	Deferral for Compensatable Abs	0	0	0	10,000	10,000	10,000
020-7525	Contribution Expenses	3,838	0	23,867	0	0	0
	CONTRACTUAL/SUNDRY	880,290	1,004,016	622,123	883,494	737,787	891,067
CAPITAL OUTLAY							
020-8503	BUILDING IMPROVEMENTS	60,257	0	0	15,000	15,000	10,000
020-8504	COMPUTER HARDWARE	11,716	16,233	4,291	2,957	2,957	15,355
020-8505	COMPUTER SOFTWARE	9,234	2,876	7,796	8,095	8,095	9,184
020-8510	FURNITURE & FIXTURES	0	0	0	7,650	7,650	21,760
020-8511	OFFICE EQUIPMENT	3,758	0	0	0	0	2,499
020-8513	MOTOR VEHICLES	47,010	26,489	39,747	0	0	80,500
020-8516	RADIOS	8,506	0	0	0	0	0
020-8517	OTHER EQUIPMENT	69,390	0	57,495	14,275	14,275	232,940
	CAPITAL OUTLAY	209,871	45,598	109,328	47,977	47,977	372,238
NON-DEPARTMENTAL		1,273,205	1,138,387	841,382	1,238,101	882,928	1,746,848

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
HUMAN RESOURCES							
PERSONNEL SERVICES							
011-4001	SUPERVISION	20,751	21,585	30,154	30,305	48,674	32,150
011-4002	CLERICAL	23,097	25,990	18,820	30,000	29,234	37,128
011-4010	OVERTIME	0	0	0	250	100	250
011-4020	TEMPORARY/PT HELP	879	-879	0	0	0	0
011-4030	LONGEVITY	282	144	360	144	384	360
011-4100	RETIREMENT	5,942	5,240	5,219	6,665	8,807	7,674
011-4102	HOSPITAL & GROUP LIFE	6,561	7,653	6,662	10,395	6,629	8,443
011-4103	MEDICARE TAX	786	674	714	880	1,137	1,013
PERSONNEL SERVICES		58,297	60,408	61,929	78,639	94,765	87,018
SUPPLIES							
011-5201	OFFICE SUPPLIES	133	924	557	500	512	500
011-5203	PUBLICATIONS	1,505	313	1,483	2,100	2,000	2,100
011-5226	MISC. EQUIPMENT/FURNITURE	0	118	158	200	200	200
SUPPLIES		1,638	1,355	2,198	2,800	2,712	2,800
CONTRACTUAL/SUNDRY							
011-7401	COMMUNICATIONS	-75	339	610	500	500	500
011-7405	ADVERTISING	3,857	7,919	10,528	7,200	8,000	10,000
011-7406	TRAVEL EXPENSE	545	1,312	483	1,500	1,002	1,500
011-7407	DUES & SUBSCRIPTIONS	0	509	960	275	800	800
011-7410	TRAINING	479	1,030	1,214	1,500	1,500	1,500
011-7419	PRINTING & BINDING	0	275	328	0	275	0
011-7440	EMPLOYEE RELATIONS	0	66	0	0	0	0
011-7441	DRUG TESTING	792	0	779	325	2,000	1,500
011-7445	INVESTIGATION EXPENSE	1,090	1,761	1,754	200	3,811	4,000
011-7482	PRE-EMPLOYMENT EXPENSE	3,701	6,828	13,768	13,200	10,500	10,000
CONTRACTUAL/SUNDRY		10,390	20,038	30,424	24,700	28,388	29,800
CAPITAL OUTLAY							
011-8511	OFFICE EQUIPMENT	0	445	0	0	0	0
CAPITAL OUTLAY		0	445	0	0	0	0
HUMAN RESOURCES		70,325	82,246	94,551	106,139	125,865	119,618
BEAUTIFICATION							
SUPPLIES							
012-5230	LIVING PLANT SUPPLIES	0	0	0	0	0	8,000
SUPPLIES		0	0	0	0	0	8,000
CONTRACTUAL/SUNDRY							
012-7523	BEAUTIFICATION	0	18,134	0	5,000	4,165	0
CONTRACTUAL/SUNDRY		0	18,134	0	5,000	4,165	0
BEAUTIFICATION		0	18,134	0	5,000	4,165	8,000
REVITALIZATION / REDEVELOPMENT							
CONTRACTUAL/SUNDRY							
013-7436	ECONOMIC DEV. CONSULTANT	0	0	38,366	50,000	50,000	50,000
CONTRACTUAL/SUNDRY		0	0	38,366	50,000	50,000	50,000
REVITALIZATION / REDEVELOPMENT		0	0	38,366	50,000	50,000	50,000

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
PERSONNEL SERVICES							
040-4001	SUPERVISION	137,134	138,727	127,420	136,377	126,443	140,076
040-4002	CLERICAL	149,909	142,707	153,845	160,351	156,259	154,450
040-4003	OPERATIONS	24,755	19,600	12,538	0	0	0
040-4010	OVERTIME	2,114	1,928	3,006	3,500	3,500	3,500
040-4020	TEMPORARY/PT TIME HELP	11,119	13,350	4,324	12,480	12,480	18,703
040-4030	LONGEVITY	5,376	1,998	4,778	2,844	3,144	1,656
040-4100	RETIREMENT	35,200	35,614	32,396	34,648	33,141	34,958
040-4102	HOSPITAL & GROUP LIFE	33,111	32,726	34,788	50,190	33,043	40,613
040-4103	MEDICARE TAX	5,376	4,463	4,279	4,576	4,500	5,082
040-4105	VACATION/COMP TIME	580	0	0	0	0	0
PERSONNEL SERVICES		404,675	391,112	377,374	404,966	372,510	399,038
SUPPLIES							
040-5201	OFFICE SUPPLIES	2,463	3,776	5,193	5,230	5,230	5,680
040-5203	PUBLICATIONS	564	295	342	480	400	845
040-5204	WEARING APPAREL	964	43	160	600	600	100
040-5226	MISC. EQUIPMENT / FURNITURE	0	0	545	0	0	0
SUPPLIES		3,991	4,113	6,240	6,310	6,230	6,625
MAINTENANCE							
040-6304	VEHICLE	0	247	1,195	1,500	0	0
MAINTENANCE		0	247	1,195	1,500	0	0
CONTRACTUAL/SUNDRY							
040-7401	COMMUNICATIONS	249	307	257	400	45	0
040-7404	SPECIAL SERVICES	803	502	288	850	260	250
040-7405	ADVERTISING	0	0	0	300	0	0
040-7406	TRAVEL EXPENSE	2,168	2,780	2,224	6,728	5,000	7,830
040-7407	DUES & SUBSCRIPTIONS	1,428	2,084	1,461	2,340	2,050	2,698
040-7410	TRAINING	1,906	3,624	2,682	4,101	3,000	6,658
040-7419	PRINTING & BINDING	5,236	1,054	3,058	6,725	5,800	6,275
040-7424	APPRAISAL SERVICES	25,477	42,714	33,245	37,456	35,482	37,456
040-7425	TAX COLLECTION	382	4,857	5,066	5,000	5,000	5,000
040-7427	MUNICIPAL COURT JUDGE	40,740	50,103	47,830	54,000	54,000	60,500
040-7432	COURT REPORTING SERVICES	965	930	810	1,000	700	1,000
040-7481	COURT COST	12,300	15,048	17,664	22,100	20,000	24,100
CONTRACTUAL/SUNDRY		91,655	124,002	114,585	141,000	131,337	151,767
FINANCE		500,320	519,474	499,394	553,776	510,077	557,430
MANAGEMENT INFORMATION SYSTEMS							
PERSONNEL SERVICES							
050-4001	SUPERVISION	34,677	35,088	35,898	36,428	36,933	37,521
050-4003	OPERATIONS	44,686	34,863	37,901	38,992	38,613	39,763
050-4030	LONGEVITY	1,080	432	504	720	720	936
050-4100	RETIREMENT	8,790	7,867	7,866	8,361	8,374	8,589
050-4102	HOSPITAL/GROUP INSURANCE	7,416	6,363	8,238	10,838	8,357	8,480
050-4103	MEDICARE	1,125	997	1,078	1,104	1,106	1,134
PERSONNEL SERVICES		97,774	85,630	91,485	96,443	94,103	96,423
SUPPLIES							
050-5201	OFFICE SUPPLIES	76	220	159	500	500	500
050-5220	COMPUTER SUPPLIES	14,287	13,508	20,100	24,910	22,288	24,550
050-5221	EQUIPMENT PARTS/SUPPLIES	4,096	7,923	2,496	3,000	2,500	3,000

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
SUPPLIES		18,459	21,651	22,755	28,410	25,288	28,050
MAINTENANCE							
050-6302	EQUIPMENT	333	485	954	2,500	2,500	2,500
050-6350	HARDWARE MAINTENANCE	1,153	7,024	3,460	8,200	8,200	8,200
050-6351	SOFTWARE MAINTENANCE	34,114	39,360	30,185	41,250	37,500	43,300
MAINTENANCE		35,600	46,869	34,599	51,950	48,200	54,000
CONTRACTUAL/SUNDRY							
050-7401	COMMUNICATIONS	959	688	771	850	650	850
050-7402	RENTAL OF EQUIPMENT	0	0	0	1,758	1,400	0
050-7404	SPECIAL SERVICES	8,751	10,993	9,531	10,000	9,200	16,000
050-7406	TRAVEL EXPENSE	0	69	0	600	300	600
050-7407	DUES AND SUBSCRIPTIONS	0	0	0	500	500	500
050-7410	TRAINING	223	370	0	1,500	1,500	1,500
CONTRACTUAL/SUNDRY		9,932	12,120	10,302	15,208	13,550	19,450
CAPITAL OUTLAY							
050-8504	COMPUTER HARDWARE	0	327	0	0	0	0
CAPITAL OUTLAY		0	327	0	0	0	0
MANAGEMENT INFORMATION SYSTEMS		161,765	166,598	159,141	192,011	181,141	197,923
LIBRARY							
PERSONNEL SERVICES							
060-4001	SUPERVISION	101,175	107,633	110,970	112,490	114,349	115,864
060-4002	CLERICAL	207,464	213,103	218,947	220,394	224,300	228,964
060-4020	TEMPORARY/PT TIME HELP	66,886	88,302	98,072	97,046	99,977	115,855
060-4030	LONGEVITY	6,768	8,880	8,208	10,944	9,360	10,512
060-4100	RETIREMENT	39,592	44,239	43,065	45,318	49,189	47,724
060-4102	HOSPITAL & GROUP LIFE	29,674	29,653	33,731	55,769	34,338	50,620
060-4103	MEDICARE TAX	7,156	7,438	8,054	8,138	6,496	7,449
PERSONNEL SERVICES		458,714	499,248	521,048	550,099	538,009	576,988
SUPPLIES							
060-5201	OFFICE SUPPLIES	1,664	1,549	2,815	2,321	2,321	2,437
060-5203	PUBLICATIONS	66,874	98,411	97,997	108,000	108,000	109,000
060-5207	MINOR TOOLS & APPARATUS	2,315	2,522	2,467	2,500	2,500	2,750
060-5210	COPY MACHINE SUPPLIES	964	881	920	1,500	1,500	1,850
060-5213	EVENT REFRESHMENTS / MEALS	0	541	504	550	550	550
060-5216	EDUCATIONAL SUPPLIES	1,986	1,984	2,147	3,150	3,150	4,065
060-5217	LOST/DAMAGE	378	406	3,241	3,400	3,400	3,400
060-5220	COMPUTER SUPPLIES	5,286	3,965	4,811	5,400	5,400	5,940
060-5227	LIBRARY MATERIALS	29,908	0	52	0	0	0
SUPPLIES		109,375	110,259	114,954	126,821	126,821	129,792
MAINTENANCE							
060-6301	FURNITURE & FIXTURES	855	1,083	1,083	5,690	5,690	3,000
060-6302	OFFICE EQUIPMENT	1,024	585	850	850	850	1,350
060-6310	BOOK REPAIR & PROCESSING	6,643	7,632	7,587	8,360	8,360	7,900
MAINTENANCE		8,522	9,299	9,519	14,900	14,900	12,250
CONTRACTUAL/SUNDRY							
060-7401	COMMUNICATIONS	115	0	0	0	0	0
060-7403	FORT WORTH CONTRACT	18,477	20,877	48,496	16,980	16,980	18,538

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
060-7404	SPECIAL SERVICES	3,557	3,910	5,483	7,000	7,000	7,925
060-7406	TRAVEL EXPENSE	1,336	1,502	1,777	1,960	1,710	1,750
060-7407	DUES & SUBSCRIPTIONS	21,840	21,963	25,345	27,285	27,285	29,780
060-7410	TRAINING	1,567	783	355	2,000	2,000	2,200
060-7419	PRINTING & BINDING	582	711	710	750	750	750
CONTRACTUAL/SUNDRY		47,474	49,747	82,167	55,975	55,725	60,943
LIBRARY		624,084	668,553	727,688	747,795	735,455	779,973
RECREATION							
PERSONNEL SERVICES							
070-4001	SUPERVISION	55,566	27,189	28,003	28,324	28,716	29,172
070-4002	CLERICAL	126,088	149,634	147,946	155,233	143,683	155,080
070-4010	OVERTIME	4,017	3,625	4,995	5,000	5,000	5,000
070-4011	ADDITIONAL OVERTIME	0	614	4,907	6,000	6,000	6,000
070-4020	TEMPORARY/PT TIME HELP	103,602	81,962	113,899	112,289	112,289	113,586
070-4021	SUMMER REC TEMP/PT	26,044	23,748	0	25,800	25,800	25,800
070-4030	LONGEVITY	1,788	3,402	3,231	3,672	3,816	3,312
070-4100	RETIREMENT	30,211	28,582	27,391	30,841	31,808	30,844
070-4102	HOSPITAL & GROUP LIFE	23,735	26,472	28,114	37,015	25,428	30,668
070-4103	MEDICARE TAX	7,006	6,234	6,987	8,314	8,314	5,642
PERSONNEL SERVICES		379,117	351,462	365,473	412,488	390,854	405,104
SUPPLIES							
070-5201	OFFICE SUPPLIES	1,196	998	1,433	1,500	1,500	1,500
070-5202	POSTAGE	36	0	0	50	50	50
070-5203	PUBLICATIONS	32	317	60	400	400	400
070-5204	WEARING APPAREL	1,786	1,781	1,920	2,000	2,000	2,000
070-5205	VEHICLE PARTS & SUPPLIES	0	905	617	1,000	1,000	1,000
070-5206	VEHICLES FUEL & LUBRICANTS	701	737	986	1,565	1,250	1,565
070-5207	MINOR TOOLS & APPARATUS	9	36	0	100	100	100
070-5208	JANITORIAL SUPPLIES	460	351	512	700	700	1,000
070-5210	COPY MACHINE SUPPLIES	56	356	358	1,000	1,000	700
070-5211	R&CS SUPPLIES	2,843	3,168	3,048	3,200	3,200	3,200
070-5213	EVENT REFRESHMENTS / MEALS	17,587	17,094	6,627	8,000	8,000	8,000
070-5220	COMPUTER SUPPLIES	2,440	688	893	2,500	2,500	2,000
070-5221	EQUIPMENT PARTS & SUPPLIES	326	1,482	893	1,500	1,500	1,500
070-5232	AWARDS & ATHLETIC SUPPLIES	0	0	12,148	12,500	12,500	13,000
SUPPLIES		27,472	27,914	29,494	36,015	35,700	36,015
MAINTENANCE							
070-6301	FURNITURE & FIXTURES	952	732	918	2,000	2,000	2,000
070-6309	PARKS/PLAYGROUNDS	0	45	0	0	0	0
070-6323	SIGN MAINTENANCE	0	0	0	0	414	0
070-6330	COMMUNITY CENTER MAINTENANCE	2,701	2,536	1,401	2,252	2,252	3,000
070-6331	Sr. CENTER MAINTENANCE	3,028	781	1,072	1,500	1,500	1,500
070-6333	FOSTER VILLAGE REC BLDG MAINT.	994	206	707	1,000	1,000	1,000
MAINTENANCE		7,676	4,300	4,098	6,752	7,166	7,500
CONTRACTUAL/SUNDRY							
070-7401	COMMUNICATIONS	806	724	1,363	1,000	1,000	1,000
070-7402	RENTAL OF EQUIPMENT	1,083	540	1,491	1,500	1,250	1,500
070-7404	SPECIAL SERVICES	5,938	4,187	5,806	6,500	6,500	6,500
070-7405	ADVERTISING	680	1,021	355	1,250	1,250	1,250
070-7406	TRAVEL EXPENSE	1,527	1,297	1,520	2,000	2,000	2,000

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
070-7407	DUES & SUBSCRIPTIONS	1,548	655	769	1,250	1,000	1,250
070-7410	TRAINING	1,365	1,695	1,531	1,800	1,800	1,800
070-7419	PRINTING & BINDING	4,929	1,661	28	5,000	5,000	5,000
070-7421	CONTRACT INSTRUCTORS/SERVICES	21,680	23,843	18,597	26,000	26,000	26,000
070-7470	WATAUGAFEST	22,838	0	14,783	15,000	14,059	15,000
070-7471	HALLOWEEN BASH	5,107	3,680	3,463	3,800	3,724	3,800
070-7475	ATHLETIC CONTRACTOR SERVICES	18,026	19,270	21,285	28,000	28,000	28,000
070-7476	SUMMER DAY CAMP	12,092	11,532	12,917	13,000	13,000	15,000
070-7477	PRE-SCHOOL PROGRAMS	2,839	2,954	2,484	2,500	2,500	2,800
070-7478	NATURE PROGRAMS	4,661	0	4,825	5,000	5,000	5,000
070-7479	CONTRACTUAL SERVICES	0	0	5,887	6,000	6,000	6,000
070-7521	BEAUTIFICATION	2,590	3,318	0	0	0	0
070-7522	FRI NIGHT YOUTH	706	0	0	0	0	0
	CONTRACTUAL/SUNDRY	108,413	76,377	97,102	119,600	118,083	121,900
RECREATION		522,677	460,053	496,167	574,855	551,803	570,519
PARKS							
PERSONNEL SERVICES							
075-4001	SUPERVISION	19,913	0	0	0	0	0
075-4030	LONGEVITY	396	0	0	0	0	0
075-4100	RETIREMENT	2,265	0	0	0	0	0
075-4102	HOSPITAL/GROUP LIFE	1,247	0	0	0	0	0
075-4103	MEDICARE	301	0	0	0	0	0
	PERSONNEL SERVICES	24,121	0	0	0	0	0
SUPPLIES							
075-5201	OFFICE SUPPLIES	77	72	0	0	0	0
075-5204	WEARING APPAREL	82	14	0	0	0	0
075-5205	VEHICLE PARTS/SUPPLIES	165	500	0	0	0	0
075-5206	VEHICLE FUEL/LUBE	3,633	3,593	0	0	0	0
075-5207	MINOR TOOLS/APP	1,718	2,436	0	0	0	0
075-5208	JANITORIAL SUPPLIES	730	765	0	0	0	0
075-5209	CHEMICALS	858	1,953	0	0	0	0
075-5212	AGRICULTURAL/BOTANICAL SUPPLY	1,691	3,384	0	0	0	0
075-5221	EQUIPMENT PARTS/SUPPLIES	831	988	0	0	0	0
	SUPPLIES	9,784	13,705	0	0	0	0
MAINTENANCE							
075-6307	MINOR TOOLS & APPARATUS MAINT.	386	521	0	0	0	0
075-6309	PARKS/PLAYGROUNDS	2,468	2,127	0	0	0	0
075-6323	SIGN MAINTENANCE	348	312	0	0	0	0
075-6326	FOSTER PARK	4,143	3,495	0	0	0	0
075-6327	CAP SMITH PARK	1,496	1,456	0	0	0	0
	MAINTENANCE	8,841	7,911	0	0	0	0
CONTRACTUAL/SUNDRY							
075-7401	COMMUNICATION	46	190	0	0	0	0
075-7402	RENTAL OF EQUIPMENT	0	434	0	0	0	0
075-7404	SPECIAL SERVICES	0	103	0	0	0	0
075-7407	DUES AND SUBSCRIPTIONS	160	45	0	0	0	0
075-7410	TRAINING	70	144	0	0	0	0
075-7419	PRINTING/BINDING	50	0	0	0	0	0
	CONTRACTUAL/SUNDRY	326	916	0	0	0	0
PARKS		43,072	22,532	0	0	0	0

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
POLICE DEPARTMENT							
PERSONNEL SERVICES							
080-4001	SUPERVISION	508,590	489,699	487,906	577,591	603,551	654,316
080-4002	CLERICAL	239,566	222,529	211,544	244,841	207,581	271,517
080-4003	OPERATIONS	1,094,716	843,417	885,156	1,007,740	972,650	1,048,193
080-4010	OVERTIME	65,653	46,312	82,080	77,357	52,357	62,357
080-4020	TEMPORARY/PT TIME HELP	41,663	51,246	59,801	103,350	128,350	144,394
080-4025	CERTIFICATION	0	0	12,335	13,401	13,950	15,000
080-4030	LONGEVITY	57,835	56,328	44,628	45,552	39,294	49,958
080-4100	RETIREMENT	215,532	186,107	182,937	214,090	207,455	230,824
080-4102	HOSPITAL & GROUP LIFE	186,492	176,655	185,321	295,606	237,175	252,507
080-4103	MEDICARE TAX	25,386	23,159	26,742	35,501	27,396	30,674
PERSONNEL SERVICES		2,435,432	2,095,450	2,178,449	2,615,029	2,489,759	2,749,740
SUPPLIES							
080-5201	OFFICE SUPPLIES	1,598	2,003	185	0	0	0
080-5203	PUBLICATIONS	89	69	0	0	0	0
080-5204	WEARING APPAREL	6,311	6,206	0	3,019	3,019	3,998
080-5205	VEHICLES PARTS & SUPPLIES	7,917	9,301	0	0	0	0
080-5206	VEHICLES FUEL & LUBRICANTS	44,753	47,151	0	0	0	0
080-5207	MINOR TOOLS & APPARATUS	1,146	1,322	0	0	0	0
080-5208	JANITORIAL SUPPLIES	245	0	0	0	0	0
080-5209	CHEMICALS	1,868	0	0	0	0	0
080-5213	EVENT REFRESHMENTS / MEALS	102	183	0	0	0	0
080-5214	JAIL SUPPLIES	4,479	7,292	0	0	0	0
080-5215	ANIMAL CONTROL SUPPLIES	753	1,021	1,453	21,852	21,852	24,575
080-5216	EDUCATIONAL SUPPLIES	2,995	0	0	0	0	0
080-5224	BUNKER GEAR	17,131	0	0	0	0	0
080-5225	UNIFORM CLEANING SUPPLIES	0	0	30	0	0	0
080-5226	MISC. EQUIPMENT/ FURNITURE	1,081	4,448	0	0	0	0
SUPPLIES		90,469	78,995	1,668	24,871	24,871	28,573
MAINTENANCE							
080-6301	FURNITURE & FIXTURES	403	485	0	0	0	0
080-6302	OFFICE EQUIPMENT	300	160	0	0	0	0
080-6304	VEHICLES MAINT	9,336	14,494	0	0	0	0
080-6305	RADIOS	7,257	8,933	0	880	0	1,380
080-6306	EQUIPMENT	90	653	0	0	0	0
080-6307	MINOR TOOLS & APPARATUS MAINT	3,226	0	0	0	0	0
MAINTENANCE		20,613	24,725	0	880	0	1,380
CONTRACTUAL/SUNDRY							
080-7401	COMMUNICATIONS	4,172	4,283	0	500	500	500
080-7404	SPECIAL SERVICES	0	0	0	648	648	648
080-7405	ADVERTISING	777	1,019	2,548	0	0	0
080-7406	TRAVEL EXPENSE	1,547	1,676	0	0	0	0
080-7407	DUES & SUBSCRIPTIONS	6,631	2,123	0	100	0	100
080-7409	415/ TRAINING	-183	-47	149	0	0	0
080-7410	TRAINING	7,675	7,677	250	500	480	500
080-7411	EMERGENCY MANAGEMENT OPERATION	0	2,096	1,291	9,635	9,635	9,635
080-7414	FIRE PERSONNEL STIPEND	720	0	0	0	0	0
080-7419	PRINTING & BINDING	925	816	0	0	0	0
080-7428	LABORATORY TESTING	2,920	0	0	0	0	0

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
080-7430	LEASE/PURCHASE COST	29,635	0	0	0	0	0
080-7440	EMPLOYEE RELATIONS	2,002	0	0	0	0	0
080-7445	INVESTIGATION EXPENSE	0	4,950	0	0	0	0
080-7483	ANIMAL CARE & HOUSING	20,598	37,953	31,271	0	0	0
CONTRACTUAL/SUNDRY		77,418	62,547	35,508	11,383	11,263	11,383
CAPITAL OUTLAY							
080-8510	FURNITURE & FIXTURES	0	1,996	0	0	0	0
CAPITAL OUTLAY		0	1,996	0	0	0	0
POLICE DEPARTMENT		2,623,932	2,263,713	2,215,626	2,652,163	2,525,893	2,791,076
FIRE / EMS DEPARTMENT							
PERSONNEL SERVICES							
085-4001	SUPERVISION	58,590	222,232	313,394	326,320	316,590	384,322
085-4003	OPERATIONS	247,291	379,493	392,587	590,600	558,305	592,961
085-4010	OVERTIME	38,768	60,875	109,393	108,561	94,907	114,461
085-4011	ADDITIONAL OVERTIME	8,578	11,175	0	0	0	0
085-4020	TEMPORARY/PT HELP	34,366	23,074	5,739	3,000	18,000	7,000
085-4025	CERTIFICATION	0	0	7,235	7,801	9,184	9,500
085-4030	LONGEVITY	3,773	12,528	16,740	18,072	19,794	21,888
085-4100	RETIREMENT	37,154	76,572	92,032	111,692	111,643	125,312
085-4102	HOSPITAL & GROUP LIFE	32,092	64,988	77,970	142,096	97,934	118,224
085-4103	MEDICARE TAX	6,987	10,339	11,052	13,011	14,743	14,373
085-4105	VACATION/COMP TIME	607	0	0	0	0	0
PERSONNEL SERVICES		468,205	861,276	1,026,141	1,321,153	1,241,100	1,388,041
SUPPLIES							
085-5201	OFFICE SUPPLIES	3	292	136	300	300	300
085-5203	PUBLICATIONS	0	0	80	200	200	200
085-5204	WEARING APPAREL	1,260	4,434	6,870	15,940	15,940	10,000
085-5205	VEHICLES PARTS & SUPPLIES	457	3,243	1,002	6,145	8,820	5,000
085-5206	VEHICLES FUEL & LUBRICANTS	4,109	7,354	9,490	14,751	14,751	18,439
085-5207	MINOR TOOLS & APPARATUS	279	2,350	6,865	6,000	6,000	6,000
085-5208	MEDICAL SUPPLIES	9,523	16,090	19,325	27,000	27,000	27,000
085-5209	CHEMICALS	0	1,466	443	1,280	2,000	2,000
085-5211	JANITORIAL SUPPLIES	0	460	534	700	700	700
085-5216	EDUCATIONAL SUPPLIES	0	1,269	1,826	7,900	7,900	2,000
085-5224	BUNKER GEAR	0	7,871	7,046	17,700	17,700	30,736
085-5225	UNIFORM CLEANING SUPPLIES	577	1,299	537	1,500	1,500	900
085-5226	MISC.EQUIPMENT/ FURNITURE	1,083	409	1,063	1,920	1,920	2,150
085-5228	MEDICATIONS	4,131	5,097	6,931	8,000	8,000	8,000
SUPPLIES		21,422	51,635	62,149	109,336	112,731	113,425
MAINTENANCE							
085-6304	VEHICLE	977	22,185	3,119	12,400	11,000	11,000
085-6305	RADIOS	0	0	1,499	1,200	1,900	2,800
085-6306	ELECTRICAL EQUIPMENT	2,476	2,520	7,714	2,520	2,520	3,150
085-6307	MINOR TOOLS/APPARATUS MAINT.	274	5,151	2,638	10,500	10,500	13,450
085-6324	BUILDING MAINTENANCE	1,134	1,999	1,996	2,900	2,900	2,900
085-6351	SOFTWARE MAINTENANCE	700	700	7,587	840	735	840
MAINTENANCE		5,560	32,555	24,554	30,360	29,555	34,140
CONTRACTUAL/SUNDRY							
085-7401	COMMUNICATIONS	674	860	1,384	5,650	5,670	3,000

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
085-7404	SPECIAL SERVICES	0	0	0	10,100	9,600	0
085-7406	TRAVEL EXPENSE	0	970	0	0	0	0
085-7407	DUES & SUBSCRIPTIONS	20	6,188	6,796	8,520	8,520	8,000
085-7410	TRAINING	745	8,863	12,435	13,136	14,536	14,536
085-7414	FIRE PERSONNEL & STIPEND	0	720	580	1,000	1,000	1,000
085-7419	PRINTING & BINDING	852	0	3,632	1,400	1,400	1,400
085-7428	LABORATORY TESTING	0	415	599	1,000	1,000	1,000
085-7490	PERMIT FEES	150	870	0	870	870	0
085-7491	PHYSICAL EXAMS-MEDICAL CONTROL	395	0	475	19,125	19,125	19,125
085-7510	STATE CERTIFICATION	180	320	1,655	1,700	1,676	2,500
085-7521	HAZARDOUS WASTE DISPOSAL	0	724	624	825	825	500
085-7525	COMPLIANCE TESTING	0	3,447	1,801	3,500	3,500	3,500
085-7550	MEDICAL CONTROL	11,381	13,035	13,511	12,800	13,000	13,000
	CONTRACTUAL/SUNDRY	14,396	36,413	43,493	79,626	80,722	67,561
FIRE / EMS DEPARTMENT		509,584	981,878	1,156,337	1,540,475	1,464,108	1,603,167
PUBLIC WORKS							
PERSONNEL SERVICES							
090-4001	SUPERVISION	61,119	97,700	91,075	94,625	95,523	97,410
090-4002	CLERICAL	50,472	51,554	52,579	53,588	53,418	53,936
090-4003	OPERATIONS	283,654	291,199	277,270	278,107	267,318	318,163
090-4010	OVERTIME	3,394	3,620	2,994	10,000	9,000	10,000
090-4030	LONGEVITY	10,788	12,804	14,100	10,188	8,316	10,116
090-4100	RETIREMENT	46,576	51,120	46,409	49,027	47,607	53,761
090-4102	HOSPITAL & GROUP LIFE	58,133	67,590	63,359	90,144	62,839	81,373
090-4103	MEDICARE TAX	5,979	6,309	6,127	6,474	6,287	7,099
	PERSONNEL SERVICES	521,054	581,896	553,913	592,153	550,308	631,858
SUPPLIES							
090-5201	OFFICE SUPPLIES	1,593	685	1,502	2,000	2,000	2,800
090-5204	WEARING APPAREL	4,673	5,048	5,262	6,500	6,500	7,100
090-5205	VEHICLES PARTS & SUPPLIES	5,064	5,468	5,896	6,000	6,000	6,000
090-5206	VEHICLES FUEL & LUBRICANTS	21,329	21,719	24,176	26,000	26,000	33,700
090-5207	MINOR TOOLS & APPARATUS	2,994	1,465	1,980	1,650	2,500	2,125
090-5221	EQUIPMENT PARTS & SUPPLIES	2,386	2,891	2,624	3,000	3,000	3,000
	SUPPLIES	38,038	37,277	41,440	45,150	46,000	54,725
MAINTENANCE							
090-6304	VEHICLES	7,550	9,687	7,570	10,600	10,600	11,200
090-6305	RADIO MAINTENANCE	40	209	288	400	400	400
090-6307	MINOR TOOLS & APPARATUS MAINT	337	300	434	500	500	550
090-6323	SIGN MAINTENANCE	10,891	14,432	19,862	15,000	15,000	15,000
090-6341	BARRICADE MAINTENANCE	1,266	1,500	1,926	2,000	2,000	2,000
090-6346	TRAFFIC SIGNAL MAINTENANCE	2,810	1,282	1,475	2,000	2,000	2,000
090-6348	STREET STRIPING	7,918	252	3,927	5,000	3,500	5,000
	MAINTENANCE	30,812	27,662	35,481	35,500	34,000	36,150
CONTRACTUAL/SUNDRY							
090-7401	COMMUNICATIONS	1,310	1,133	1,133	1,600	1,600	1,600
090-7402	RENTAL OF EQUIPMENT	314	295	177	500	500	500
090-7405	ADVERTISING	0	0	0	300	300	300
090-7406	TRAVEL EXPENSE	260	-150	184	200	200	200
090-7407	DUES & SUBSCRIPTIONS	473	604	562	700	700	700
090-7410	TRAINING	1,351	1,856	2,303	3,000	3,000	3,000

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
090-7419	Printing and Binding	211	5,692	4,501	5,530	6,530	6,530
090-7425	ENGINEERING SERVICES	15,258	15,807	9,923	7,400	10,000	7,400
090-7441	DOT DRUG TESTING/PHYSICALS	0	0	0	0	560	140
090-7488	DEBRIS DISPOSAL	12,000	12,000	12,000	15,000	15,000	15,000
090-7498	YARD MOWING	880	858	185	2,500	1,500	1,500
CONTRACTUAL/SUNDRY		32,056	38,094	30,969	36,730	39,890	36,870
CAPITAL OUTLAY							
090-8516	RADIOS	0	0	0	0	0	320
CAPITAL OUTLAY		0	0	0	0	0	320
PUBLIC WORKS		621,959	684,929	661,803	709,533	670,198	759,923
FLEET MAINTENANCE							
PERSONNEL SERVICES							
097-4003	OPERATIONS	54,449	60,920	62,611	93,380	67,787	114,750
097-4010	OVERTIME	3,925	521	769	1,500	1,500	1,500
097-4030	LONGEVITY	288	432	1,044	720	720	1,008
097-4100	RETIREMENT	7,085	7,232	6,819	10,576	7,687	12,875
097-4102	HOSPITAL & GROUP LIFE	10,553	10,209	10,720	19,993	10,580	22,862
097-4103	MEDICARE TAX	921	929	870	1,397	1,016	1,701
PERSONNEL SERVICES		77,221	80,243	82,833	127,566	89,290	154,696
SUPPLIES							
097-5201	OFFICE SUPPLIES	114	78	121	100	200	200
097-5203	PUBLICATIONS	0	120	0	200	200	200
097-5204	WEARING APPAREL	1,497	1,574	2,039	2,700	2,200	2,780
097-5205	VEHICLE PARTS & SUPPLIES	494	1,409	1,120	1,500	1,500	1,500
097-5206	FUEL & LUBE	1,480	752	1,098	1,000	1,000	1,750
097-5207	MINOR TOOLS	336	386	1,414	1,000	1,500	2,500
097-5221	EQUIP. PARTS & SUPPLIES	8,898	4,532	-1,901	1,000	1,000	1,100
SUPPLIES		12,819	8,851	3,891	7,500	7,600	10,030
MAINTENANCE							
097-6304	VEHICLE MAINTENANCE	986	1,331	896	1,500	1,500	1,650
097-6305	RADIO MAINTENANCE	0	42	30	200	200	200
097-6307	MINOR TOOLS & EQUIP	433	266	736	1,000	1,000	1,100
MAINTENANCE		1,419	1,639	1,662	2,700	2,700	2,950
CONTRACTUAL/SUNDRY							
097-7401	COMMUNICATIONS	305	530	565	650	650	650
097-7402	RENTAL OF EQUIP	0	0	0	150	150	150
097-7406	TRAVEL	591	0	25	250	250	250
097-7407	DUES & SUBSCRIPTIONS	965	1,500	1,935	2,000	2,000	2,000
097-7410	TRAINING	2,059	1,427	2,250	2,500	2,500	2,500
097-7441	DOT DRUG TESTING	0	0	0	0	0	35
097-7499	WASTE DISPOSAL	2,449	1,982	2,043	2,000	2,000	2,000
CONTRACTUAL/SUNDRY		6,370	5,439	6,818	7,550	7,550	7,585
FLEET MAINTENANCE		97,829	96,172	95,204	145,316	107,140	175,261
BUILDING							
PERSONNEL SERVICES							
098-4001	SUPERVISION	83,713	84,447	86,430	87,522	63,999	92,601
098-4003	OPERATIONS	53,112	76,527	90,133	98,734	126,784	123,811
098-4010	OVERTIME	2,009	1,389	995	1,500	1,500	1,500

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
098-4030	LONGEVITY	1,872	4,032	2,448	3,312	3,432	2,880
098-4100	RETIREMENT	13,021	18,896	19,032	20,979	21,490	24,243
098-4102	HOSPITAL & GROUP LIFE	16,688	21,343	30,811	39,970	31,968	39,423
098-4103	MEDICARE TAX	1,598	2,350	2,471	2,770	2,838	3,201
PERSONNEL SERVICES		172,012	208,984	232,320	254,787	252,011	287,659
SUPPLIES							
098-5204	WEARING APPAREL	2,010	1,821	2,699	3,500	2,700	3,570
098-5207	MINOR TOOLS & APPARATUS	262	703	458	500	751	500
098-5208	JANITORIAL SUPPLIES	8,244	9,500	9,074	9,300	9,500	12,555
098-5209	CHEMICALS	44	74	191	250	250	250
098-5221	EQUIPMENT PARTS & SUPPLIES	1,322	549	244	500	500	500
SUPPLIES		11,882	12,647	12,666	14,050	13,701	17,375
MAINTENANCE							
098-6306	ELECTRICAL EQUIPMENT	3,819	3,150	3,212	4,000	4,000	4,000
098-6307	MINOR TOOLS & APPARATUS MAINT	255	235	200	300	300	300
098-6324	BUILDING MAINTENANCE	35,365	38,840	39,554	46,119	45,649	38,119
098-6334	HVAC EQUIPMENT	5,138	5,014	4,886	6,900	5,000	5,500
098-6335	PLUMBING EQUIPMENT	1,860	3,086	1,990	1,600	3,500	3,500
098-6343	PARKING LOTS	1,495	1,970	225	1,000	1,000	1,000
MAINTENANCE		47,932	52,296	50,067	59,919	59,449	52,419
CONTRACTUAL/SUNDRY							
098-7401	COMMUNICATIONS	898	1,066	1,638	883	900	900
098-7402	RENTAL OF EQUIPMENT	1,135	1,137	471	0	1,000	1,000
098-7404	SPECIAL SERVICES	0	520	1,526	1,881	1,881	1,881
098-7408	JANITORIAL SERVICE	5,901	5,363	4,054	6,500	6,500	6,500
098-7410	TRAINING	462	27	0	183	350	350
098-7411	ELECTRICITY	102,622	174,807	239,929	246,225	246,225	250,000
098-7412	GAS	10,102	8,431	13,796	16,622	16,238	15,000
098-7415	STREET LIGHTING	86,140	55,204	52,010	39,200	35,000	37,000
CONTRACTUAL/SUNDRY		207,260	246,556	313,424	311,494	308,094	312,631
BUILDING		439,085	520,482	608,477	640,250	633,255	670,084
TRANSFERS							
CONTRACTUAL/SUNDRY							
999-7707	TRANSFER TO CAPITAL PROJECTS	662,160	2,815,963	598,047	825,000	825,000	1,075,000
CONTRACTUAL/SUNDRY		662,160	2,815,963	598,047	825,000	825,000	1,075,000
TRANSFERS		662,160	2,815,963	598,047	825,000	825,000	1,075,000
*** TOTAL EXPENDITURES ***		8,451,913	10,753,359	8,475,334	10,268,565	9,557,966	11,402,471



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SPECIAL REVENUE FUNDS

Watauga Parks Development
Corporation

Watauga Crime Control and Prevention
District

Municipal Court Building Security Fee
Fund

Municipal Court Technology Fee Fund

Library Donation Fund

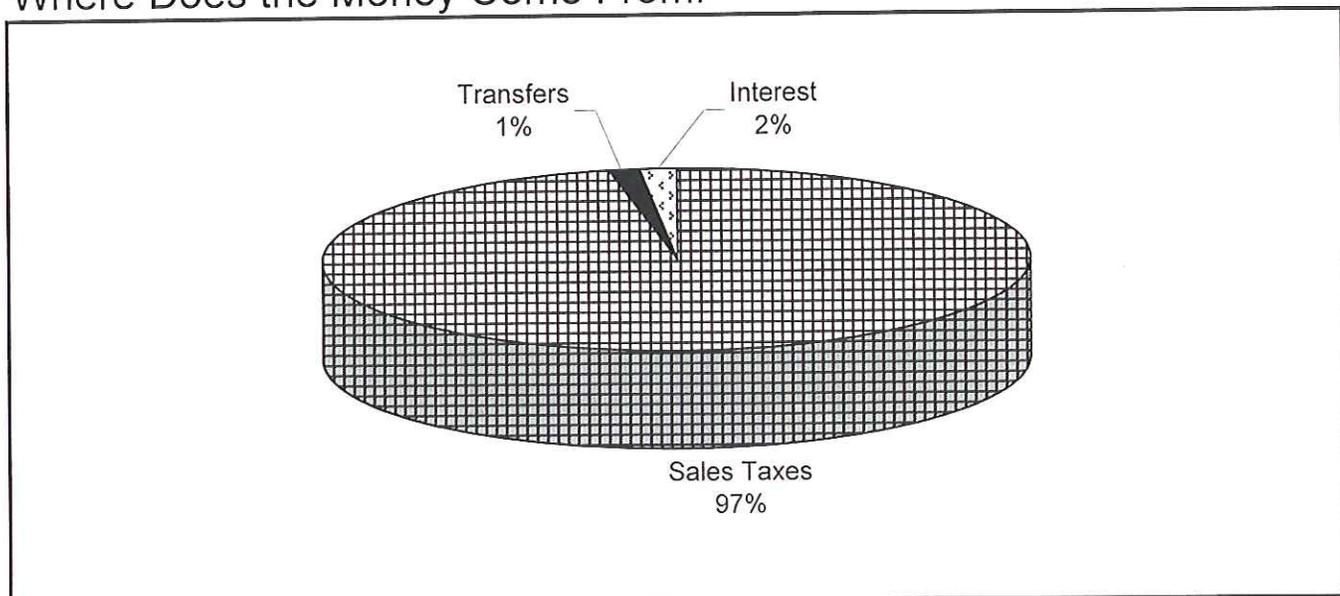
Watauga Parks Development Corporation

Voters established the Watauga Parks Development Corporation Sales Tax Fund to account for a ½ cent sales tax increase in May 1994 under the 4b Economic Development legislation. The purpose of the increase in sales tax is to build city parks and improve existing parks under the supervision of the Watauga Parks Development Corporation.

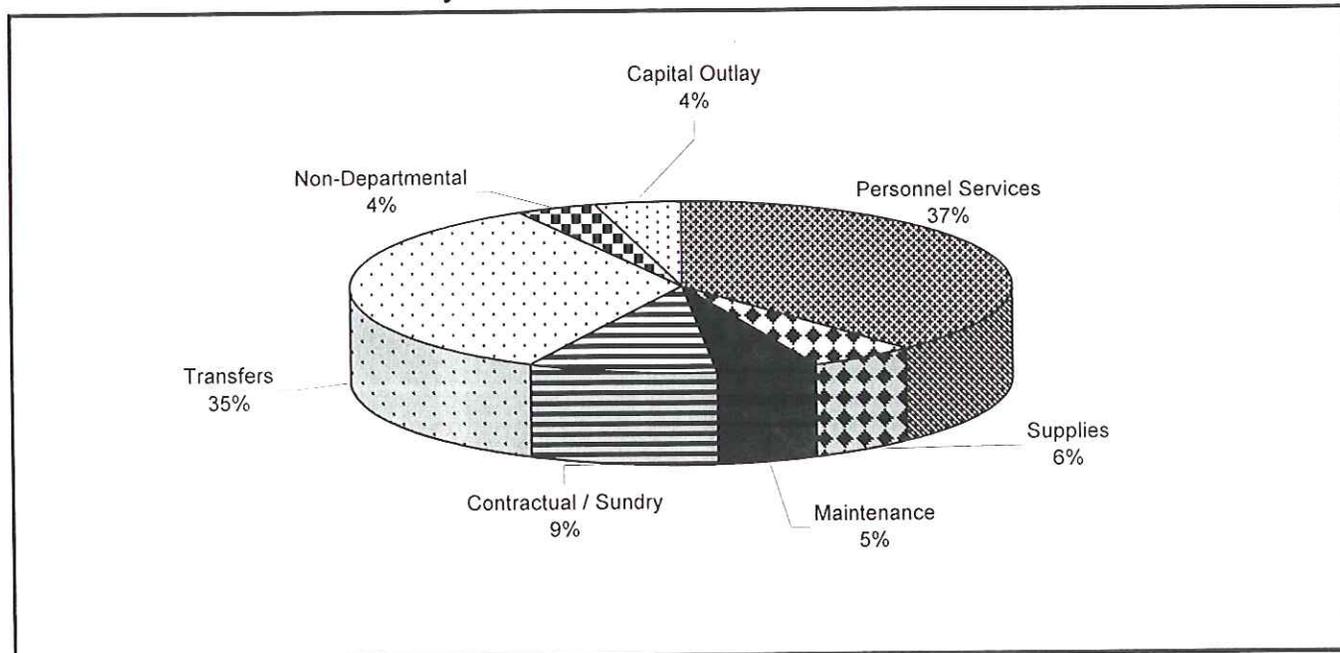
This Special Revenue Fund and is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Sales tax revenue for FY 2007-08 is expected to increase 1% over current year end projections for \$1,264,986.

Where Does the Money Come From:



Where Does the Money Go:



Parks Development Corporation

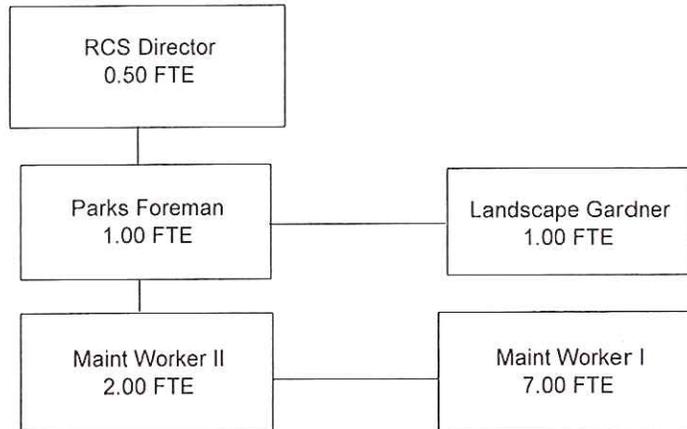
Sales Tax Fund Budget Summary

	<u>2003-04</u> <u>Actual</u>	<u>2004-05</u> <u>Actual</u>	<u>2005-06</u> <u>Actual</u>	<u>2006-07</u> <u>Budget</u>	<u>2006-07</u> <u>Estimate</u>	<u>2007-08</u> <u>Proposed</u>
Fund Balance, October 1,	\$520,704	\$610,742	\$678,972	\$561,460	\$679,484	\$799,172
<u>Revenues:</u>						
Sales Tax Revenue	1,160,286	1,126,220	1,207,938	1,122,193	1,252,461	1,264,986
Transfers In	0	0	22,486	0	0	16,118
Interest Income	4,901	13,139	19,390	26,351	45,140	23,428
Total Revenues:	<u>\$1,165,187</u>	<u>\$1,139,359</u>	<u>\$1,249,814</u>	<u>\$1,148,544</u>	<u>\$1,297,601</u>	<u>\$1,304,532</u>
Total Available Resources	<u>\$1,685,891</u>	<u>\$1,750,101</u>	<u>\$1,928,786</u>	<u>\$1,710,004</u>	<u>\$1,977,085</u>	<u>\$2,103,704</u>
<u>Expenditures:</u>						
Non-Departmental	65,000	60,694	48,977	46,220	10,000	48,098
Parks Department	574,309	491,244	665,220	727,715	704,101	761,801
Total Expenditures:	<u>\$639,309</u>	<u>\$551,938</u>	<u>\$714,197</u>	<u>\$773,935</u>	<u>\$714,101</u>	<u>\$809,899</u>
<u>Transfers Out:</u>						
Transfer Out - General Fund	49,173	51,658	56,624	56,110	56,110	63,249
Transfer Out - PDC Construction	152,466	253,471	262,844	190,316	190,316	150,000
Transfer Out - Debt Service	234,200	214,061	215,636	217,386	217,386	213,880
Total Transfers:	<u>\$435,839</u>	<u>\$519,190</u>	<u>\$535,104</u>	<u>\$463,812</u>	<u>\$463,812</u>	<u>\$427,129</u>
Fund Balance, September 30	<u>\$610,742</u>	<u>\$678,972</u>	<u>\$679,484</u>	<u>\$472,257</u>	<u>\$799,172</u>	<u>\$866,676</u>

Recreation & Community Services Department
Parks Development Corporation

Location 7901 Indian Springs Road
Phone Number 817/514-5890

Hours of Operation:
Monday - Friday
7:00 a.m.-4:00 p.m.



DESCRIPTION OF SERVICES PROVIDED:

The Parks Department is responsible for providing the citizens of Watauga with the highest possible level of service regarding design, development, operations, and maintenance of the 116 acres of developed and undeveloped park land which includes Virgil Anthony, Hillview, BISD, Foster Village, and Capp Smith. Our vision is to enhance the visibility, quality, and public perception related to departmental services for all residents and visitors and create a positive city "identity" from the parks that are provided and to preserve them for future generations.

FY 2006-2007 ACCOMPLISHMENTS:

FY 2007-2008 OBJECTIVES:

BUDGETARY ISSUES:

Recreation & Community Services Department
Parks Development Corporation

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 PROPOSED
EXPENDITURE SUMMARY				
Personnel Services	\$380,716	\$423,914	\$400,896	\$469,710
Supplies	\$50,736	\$47,250	\$46,333	\$68,040
Maintenance	\$62,480	\$48,010	\$47,950	\$61,010
Contractual/Sundry	\$670,022	\$648,073	\$612,234	\$588,268
Capital Outlay	\$85,348	\$70,500	\$70,500	\$50,000
Total Expenditures	\$1,249,302	\$1,237,747	\$1,177,913	\$1,237,028
PERSONNEL ASSIGNED				
RCS Director	0.50	0.50	0.50	0.50
ParkCrewleader/Foreman	1.00	1.00	1.00	1.00
Maintenance Worker II	2.00	2.00	2.00	2.00
Maintenance Worker I	7.00	7.00	7.00	7.00
Landscape Gardner	0.00	0.00	0.00	1.00
TOTAL	10.50	10.50	10.50	11.50

SIGNIFICANT BUDGET CHANGES:

Landscape Gardner	\$40,547
Reel Mower	\$26,000
Zero Turn Mower	\$24,000
Salary Adjustments	\$6,986
Living Plant Supplies	\$20,000
Transfer to Capital for Drainage Improvements	\$150,000
Erosion Control Maintenance Increase	\$15,000
Transfer for General Administrative Fees	\$7,139
Prior Year Capital	(\$70,500)
Prior Year Transfer to Construction	(\$190,316)
Parks Master Plan	(\$25,500)

PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW1/2/3/4 Mow & maintain developed facilities weekly	100%	100%	
COW1/3 Mow & maintain undeveloped facilities monthly	100%	100%	
COW Percent of Athletic Ball fields maintained	100%	100%	
COW1/2/3/4 Number of park land acres maintained <i>(sold 47 acres of land in FY02)</i>	113	116	
COW1/2/3/4 Mow & maintain park land/facilities within a certain number of days-cycle	7	7	
COW Number of Athletic Fields maintained	8	10	

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
04 -PDC SALES TAX FUND							
REVENUES							
TAXES							
000-3051	1/2 CENT SALES TAX	1,160,286	1,126,220	1,207,938	1,122,193	1,252,461	1,264,986
	TAXES	1,160,286	1,126,220	1,207,938	1,122,193	1,252,461	1,264,986
MISCELLANEOUS							
000-3660	INTEREST EARNINGS	4,901	12,473	18,979	17,623	15,983	15,373
000-3661	INTEREST FROM SECURITIES	0	0	0	0	17,877	0
000-3662	UNREALIZED GAIN/LOSS MRKT VAL.	0	0	411	0	-411	0
000-3665	INTEREST EARNED DEBT RESERVE	0	0	0	8,728	11,691	8,055
000-3670	OTHER REVENUE	0	666	0	0	0	0
	MISCELLANEOUS	4,901	13,139	19,390	26,351	45,140	23,428
TRANSFERS							
000-3905	TRANSFER FROM PDC DEBT RESERVE	0	0	22,486	0	0	16,118
	TRANSFERS	0	0	22,486	0	0	16,118
*** TOTAL REVENUES ***		1,165,187	1,139,359	1,249,814	1,148,544	1,297,601	1,304,532
NON-DEPARTMENTAL							
CONTRACTUAL/SUNDRY							
020-7444	PYMT TO INTERNAL SERVICE FUND	65,000	55,000	45,000	0	0	0
020-7496	CONTINGENCY	0	5,694	3,977	46,220	10,000	48,098
	CONTRACTUAL/SUNDRY	65,000	60,694	48,977	46,220	10,000	48,098
	NON-DEPARTMENTAL	65,000	60,694	48,977	46,220	10,000	48,098
PARK DEPARTMENT							
PERSONNEL SERVICES							
075-4001	SUPERVISION	79,714	60,792	61,752	64,196	65,097	68,121
075-4003	OPERATIONS	245,379	219,413	226,364	233,105	233,160	267,845
075-4010	OVERTIME	497	885	1,361	2,000	2,002	2,000
075-4030	LONGEVITY	3,780	5,328	6,312	7,128	6,974	7,056
075-4100	RETIREMENT	36,157	32,031	31,320	33,646	33,734	37,883
075-4101	SUPPLEMENTAL COMPENSATION	5,161	0	0	0	0	0
075-4102	HOSPITAL/GROUP LIFE	46,928	48,622	49,546	69,108	55,474	64,528
075-4103	MEDICARE	4,671	3,940	4,061	4,443	4,455	5,003
075-4107	SALARY ADJUSTMENTS	0	0	0	10,288	0	17,274
	PERSONNEL SERVICES	422,286	371,010	380,716	423,914	400,896	469,710
SUPPLIES							
075-5201	OFFICE SUPPLIES	0	100	376	300	362	300
075-5204	WEARING APPAREL	5,449	5,368	4,094	4,200	4,200	4,740
075-5205	VEHICLE PARTS/SUPPLIES	2,422	3,498	3,580	3,000	3,000	3,000
075-5206	VEHICLE FUEL/LUB	5,520	6,883	17,327	12,000	11,021	12,000
075-5207	MINOR TOOLS/APP	3,088	2,543	4,676	3,500	3,500	3,500
075-5208	JANITORIAL SUPPLIES	0	0	663	750	750	1,000
075-5209	CHEMICALS	0	0	9,867	10,000	10,000	10,000
075-5221	EQUIPMENT PARTS/SUPPLIES	2,205	2,542	4,329	3,500	3,500	3,500
075-5222	EQUIPMENT FUEL/LUBE	0	0	0	0	0	0
075-5230	LIVING PLANT SUPPLIES	4,885	4,438	5,825	10,000	10,000	30,000
	SUPPLIES	23,568	25,370	50,736	47,250	46,333	68,040

Line Item Budget Detail

	2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008	
	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET	
MAINTENANCE							
075-6304	VEHICLE/EQUIPMENT MAINTENANCE	1,302	1,255	633	2,050	2,050	2,050
075-6305	RADIO MAINTENANCE	80	591	0	1,000	1,000	1,000
075-6307	MINOR TOOLS & APPARATUS MAINT.	467	467	623	900	900	900
075-6323	SIGN MAINTENANCE	0	0	5,091	3,500	3,500	3,500
075-6337	IND SPRG PARK	1,274	2,069	0	0	0	0
075-6339	PARK MAINTENANCE	10,460	12,358	26,394	29,760	29,700	44,760
075-6347	FENCING	4,500	0	25,016	6,000	6,000	4,000
075-6351	SOFTWARE MAINTENANCE	4,497	4,722	4,722	4,800	4,800	4,800
	MAINTENANCE	22,580	21,461	62,480	48,010	47,950	61,010
CONTRACTUAL/SUNDRY							
075-7401	COMMUNICATIONS	625	593	1,035	1,250	1,000	1,000
075-7402	RENTAL OF EQUIPMENT	0	0	60	500	500	1,000
075-7404	SPECIAL SERVICES	0	250	0	30,500	38,500	5,000
075-7405	ADVERTISING	127	165	0	300	300	300
075-7406	TRAVEL	0	0	44	500	750	750
075-7407	DUES & SUBSCRIPTIONS	0	0	230	250	250	250
075-7410	TRAINING	1,821	1,480	1,996	1,880	1,800	1,880
075-7411	ELECTRICITY	44,922	42,809	68,870	83,611	79,611	83,611
075-7419	PRINTING & BINDING	0	0	0	250	0	250
075-7426	CONSULTING/AGENT FEES	0	927	529	1,000	1,000	1,000
075-7456	WORKERS COMPENSATION	15,000	16,572	13,176	18,000	14,711	18,000
	CONTRACTUAL/SUNDRY	62,495	62,796	85,941	138,041	138,422	113,041
CAPITAL OUTLAY							
075-8513	MOTOR VEHICLE	20,206	0	13,380	0	0	0
075-8517	OTHER EQUIPMENT	2,623	8,321	69,724	5,500	5,500	50,000
075-8521	PLAYGROUND & PARK EQUIPMENT	20,551	2,285	2,244	0	0	0
075-8549	PRACTICE FIELDS / PARKS	0	0	0	65,000	65,000	0
	CAPITAL OUTLAY	43,380	10,606	85,348	70,500	70,500	50,000
	PARK DEPARTMENT	574,309	491,244	665,220	727,715	704,101	761,801
TRANSFERS TO OTHER FUNDS							
CONTRACTUAL/SUNDRY							
999-7701	TRANSFER TO GENERAL FUND	49,173	51,658	56,624	56,110	56,110	63,249
999-7703	TRANSFER TO PDC CONSTRUCTION	152,466	253,471	262,844	190,316	190,316	150,000
999-7710	TRANSFER TO PDC DEBT SERVICE	234,200	214,061	215,636	217,386	217,386	213,880
	CONTRACTUAL/SUNDRY	435,839	519,190	535,104	463,812	463,812	427,129
	TRANSFERS TO OTHER FUNDS	435,839	519,190	535,104	463,812	463,812	427,129
	*** TOTAL EXPENDITURES ***	1,075,148	1,071,128	1,249,302	1,237,747	1,177,913	1,237,028

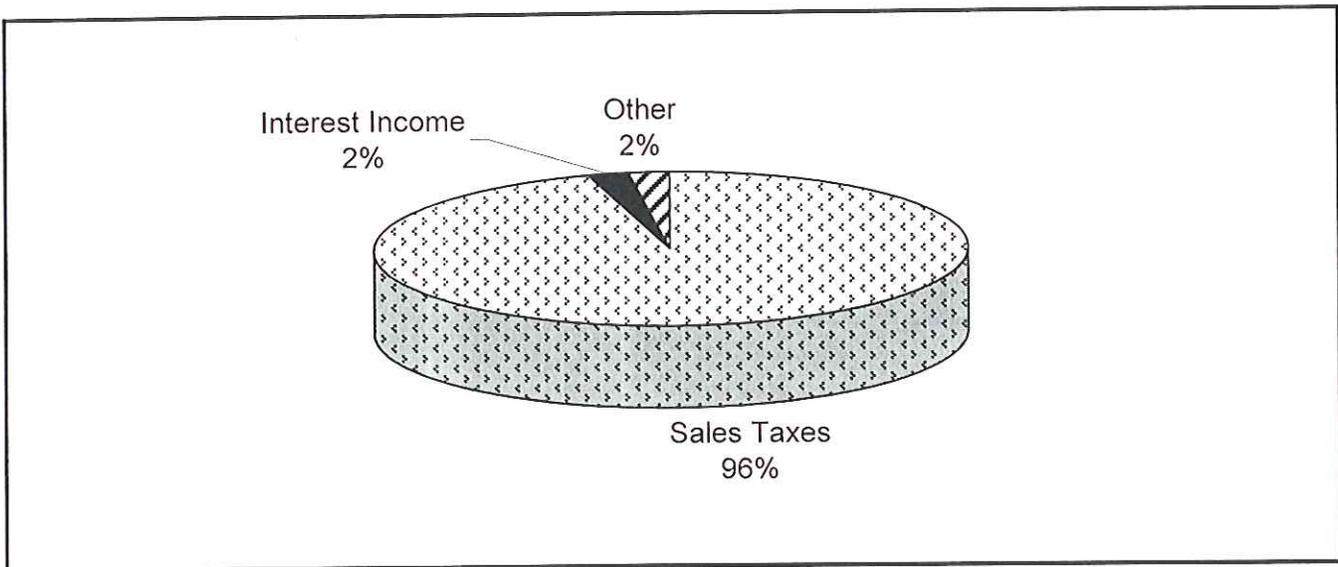
Watauga Crime Control and Prevention District

The Crime Control and Prevention District was established to account for a ½ cent sales tax increase approved by voters on March 23, 1996, for an initial five years. On May 5, 2001 voters extended the sales tax collection for ten more years. The purpose of the increase in sales tax is to enhance law enforcement in Watauga. The additional funding is used to add officers and purchase additional equipment and supplies for law enforcement purposes.

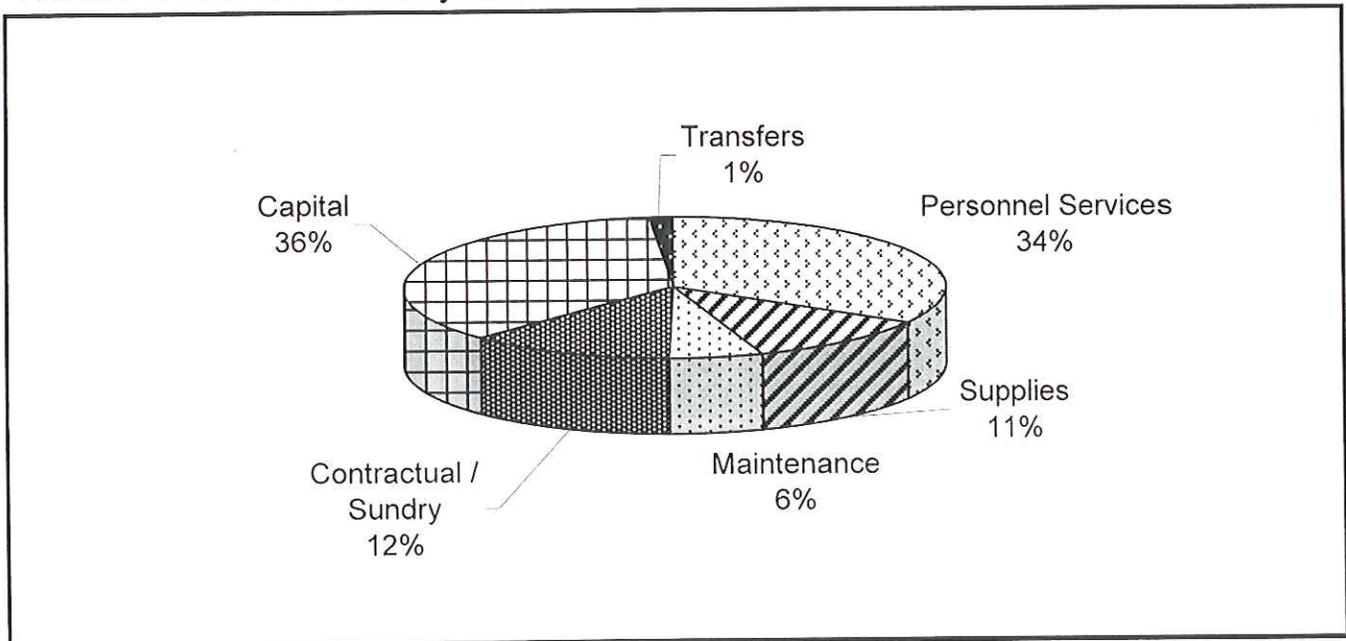
This is a Special Revenue Fund and is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Sales tax revenue for FY 2007-08 is expected to be \$1,152,298. It is a lower estimate than the Watauga Park Development Corporation sales tax revenues due to legal restriction of this tax.

Where Does the Money Come From:



Where Does the Money Go:



Crime Control and Prevention Fund Summary

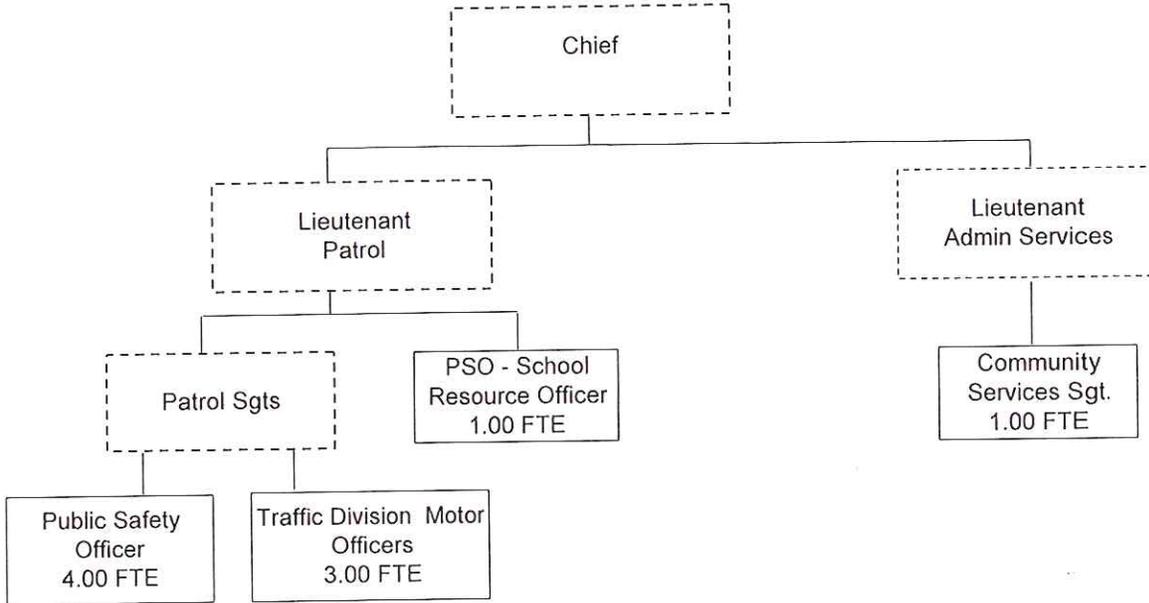
Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1,	\$738,202	\$1,008,323	\$1,024,927	\$959,715	\$1,046,890	\$1,206,984
<u>Revenues:</u>						
Operating Revenues	1,073,458	1,044,772	1,104,234	1,055,685	1,140,889	1,152,298
Grant Proceeds	0	0	0	0	0	0
Escrow Interest	0	0	0	0	0	0
Other	9,710	3,200	4,900	25,000	29,380	25,150
Interest Earnings	9,078	22,846	41,666	36,018	54,874	27,000
Total Revenues:	\$1,092,246	\$1,070,818	\$1,150,800	\$1,116,703	\$1,225,143	\$1,204,448
Total Available Resources	<u>\$1,830,448</u>	<u>\$2,079,141</u>	<u>\$2,175,727</u>	<u>\$2,076,418</u>	<u>\$2,272,033</u>	<u>\$2,411,432</u>
<u>Expenditures:</u>						
Expenditures	764,075	964,972	1,068,036	1,115,190	1,043,935	1,734,287
Transfer Out	58,050	89,242	60,801	21,114	21,114	23,626
Total Expenditures:	\$822,125	\$1,054,214	\$1,128,837	\$1,136,304	\$1,065,049	\$1,757,913
Fund Balance, September 30	<u>\$1,008,323</u>	<u>\$1,024,927</u>	<u>\$1,046,890</u>	<u>\$940,114</u>	<u>\$1,206,984</u>	<u>\$653,519</u>

Police Department
Crime Control District

Location: 7101 Whitley Road
Phone Number 817.514.5870

Hours of Operation: 24 Hours a day



DESCRIPTION OF SERVICES PROVIDED:

The Watauga Crime Control and Prevention District provides funds that allow the Police Department to establish and meet goals to provide efficient and professional response in the field of law enforcement, thereby reducing loss of life and property to the citizens of Watauga.

FY 2006-2007 ACCOMPLISHMENTS:

FY 2007-2008 OBJECTIVES:

BUDGETARY ISSUES:

Police Department
Crime Control District

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 PROPOSED
EXPENDITURE SUMMARY				
Personnel Services	\$471,848	\$508,028	\$481,327	\$589,998
Supplies	\$131,763	\$144,035	\$144,004	\$198,608
Maintenance	\$40,735	\$88,246	\$87,731	\$96,946
Contractual/Sundry	\$237,666	\$223,434	\$179,456	\$240,261
Capital Outlay	\$246,825	\$172,561	\$172,531	\$632,100
Total Expenditures	\$1,128,837	\$1,136,304	\$1,065,049	\$1,757,913
PERSONNEL ASSIGNED				
Public Safety Officer	4.00	4.00	4.00	4.00
Community Services Sergeant WCCD Special Services	1.00	1.00	1.00	1.00
Traffic Enforcement Officer WCCD Special Services	2.00	2.00	2.00	3.00
School Resource Officer WCCD Special Services	1.00	1.00	1.00	1.00
TOTAL	8.00	8.00	8.00	9.00

SIGNIFICANT BUDGET CHANGES:

Reduction of Fund Balance to Build New Police Facility	\$	500,000
Two Police Pursuit Vehicle Packages and One Cruiser	\$	106,500
Harley Motorcycle Lease Program	\$	15,920
Tactical Edge Shooting Center	\$	3,150
Simunitions	\$	10,184
New 5 Patrol Rifles, Lighting Systems & Slings for Existing 10	\$	11,370
Uniform Budget Increase	\$	10,000
Eight Laptop Computers	\$	25,600
Hardware Maintenance	\$	10,000
New Duty Pistols and Ammunition	\$	15,179
Motor Vehicle Officer	\$	54,797
Salary Survey and Step Increases	\$	28,760
Prior Year Capital Allocations	\$	(172,561)

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
18 - CRIME CONTROL & PREVENTION FUND							
REVENUES							
TAXES							
000-3051	1/2 CENT SALES TAX	1,073,458	1,044,772	1,104,234	1,055,685	1,140,889	1,152,298
	TAXES	1,073,458	1,044,772	1,104,234	1,055,685	1,140,889	1,152,298
MISCELLANEOUS							
000-3660	INTEREST INCOME	9,078	22,846	41,255	36,018	49,099	27,000
000-3661	INTEREST FROM SECURITIES	0	0	0	0	6,186	0
000-3662	UNREALIZED GAIN/LOSS MRKT VAL.	0	0	411	0	-411	0
000-3670	OTHER REVENUES	3,210	0	0	25,000	29,380	25,150
000-3680	SALE OF ASSETS	6,500	3,200	4,900	0	0	0
	MISCELLANEOUS	18,789	26,046	46,566	61,018	84,254	52,150
*** TOTAL REVENUES ***		1,092,247	1,070,818	1,150,799	1,116,703	1,225,143	1,204,448
POLICE DEPARTMENT							
PERSONNEL SERVICES							
080-4001	SUPERVISION	57,786	41,634	56,828	57,800	58,533	59,535
080-4003	OPERATIONS	334,104	367,025	285,877	300,982	297,125	343,114
080-4010	OVERTIME	16,437	13,258	35,386	30,000	29,592	30,000
080-4020	TEMPORARY/PT HELP	2,606	12,919	0	0	0	0
080-4025	CERTIFICATION DPS	0	0	1,569	1,800	2,251	2,400
080-4030	LONGEVITY	5,616	6,624	4,560	2,736	2,880	3,888
080-4100	RETIREMENT	45,908	49,366	40,813	45,473	39,297	48,195
080-4101	SUPPLEMENTAL COMPENSATION	2,635	0	0	0	0	0
080-4102	HOSPITAL & GROUP LIFE	40,242	48,902	41,488	55,892	46,598	60,467
080-4103	MEDICARE TAX	5,123	6,047	5,327	6,071	5,051	6,365
080-4105	VACATION/COMP TIME	997	0	0	0	0	0
080-4107	SALARY ADJUSTMENTS	0	0	0	7,274	0	36,034
	PERSONNEL SERVICES	511,456	545,775	471,848	508,028	481,327	589,998
SUPPLIES							
080-5201	OFFICE SUPPLIES	281	372	3,274	5,000	5,000	4,000
080-5203	PUBLICATIONS	106	230	491	700	366	500
080-5204	WEARING APPAREL	13,544	10,950	27,315	33,953	21,000	33,360
080-5205	VEHICLE PARTS & SUPPLIES	43	2,830	7,756	6,000	6,000	6,000
080-5206	VEHICLE FUEL & LUBE (WAS VIDEO	0	2,715	48,339	43,750	54,650	54,650
080-5207	MINOR TOOLS/APPARATUS	3,986	2,914	6,035	6,500	5,898	6,000
080-5213	EVENT REFRESHMENTS / MEALS	0	0	814	817	817	800
080-5214	JAIL SUPPLIES	0	0	6,050	10,500	8,958	10,000
080-5216	EDUCATIONAL SUPPLIES	1,143	4,842	5,831	10,000	8,000	8,000
080-5225	UNIFORM CLEANING SUPPLIES	11,116	10,099	10,621	12,500	12,500	12,000
080-5226	MISC EQUIPMENT/ FURNITURE	3,330	2,433	0	0	0	0
080-5233	WEAPONS/AMMUNITION SUPPLIES	0	0	15,236	20,815	20,815	63,298
	SUPPLIES	33,549	37,384	131,763	150,535	144,004	198,608
MAINTENANCE							
080-6301	FURNITURE & FIXTURES	17	300	2,456	1,000	2,284	500
080-6302	OFFICE EQUIPMENT	5,251	4,216	6,205	5,268	5,369	15,268
080-6304	VEHICLE MAINTENANCE	2,192	538	20,384	23,300	17,300	17,300
080-6305	RADIOS	0	0	11,161	61,778	61,778	62,878
080-6306	ELECTRICAL EQUIPMENT	0	550	483	2,900	1,000	1,000
080-6307	MINOR TOOLS & APPARATUS	1,591	0	45	0	0	0
	MAINTENANCE	9,052	5,604	40,735	94,246	87,731	96,946

Line Item Budget Detail

	2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
CONTRACTUAL/SUNDRY						
080-7401 COMMUNICATIONS	0	0	17,668	22,274	18,494	22,274
080-7403 SUNDRY	21,011	21,055	21,282	24,266	24,266	24,266
080-7404 SPECIAL SERVICES	0	419	10,133	15,000	11,310	15,000
080-7405 ADVERTISING	0	5	1,750	2,500	1,750	2,000
080-7406 TRAVEL EXPENSE	1,415	2,500	5,243	5,000	5,000	5,000
080-7407 DUES/SUBSCRIPTIONS	10,305	10,100	12,437	21,640	14,440	15,910
080-7409 ADMINISTRATIVE TRAINING	0	3,426	1,405	3,500	3,500	2,000
080-7410 TRAINING	8,049	7,735	26,529	40,350	40,350	35,000
080-7418 ELECTION EXPENSE	0	0	0	0	0	0
080-7419 PRINTING & BINDING	368	293	2,347	3,200	3,200	1,700
080-7430 LEASE/PURCHASE COSTS	0	0	3,980	10,630	7,770	15,540
080-7445 INVESTIGATION EXPENSE	0	0	8,012	9,000	7,500	7,500
080-7456 WORKERS COMP	15,000	16,572	13,176	17,500	15,121	18,000
080-7482 PRE-EMPLOYMENT	1,100	1,750	214	2,000	2,000	2,000
080-7496 CONTINGENCY	19,101	4,527	52,690	12,960	3,641	50,445
CONTRACTUAL/SUNDRY	76,349	68,382	176,865	189,820	158,342	216,635
CAPITAL OUTLAY						
080-8503 BUILDING IMPROVEMENTS	0	0	6,504	0	0	500,000
080-8504 COMPUTER HARDWARE	0	103,305	4,914	427	427	25,600
080-8505 COMPUTER SOFTWARE	0	90,420	86,492	20,450	20,420	0
080-8510 FURNITURE & FIXTURES	0	3,200	0	0	0	0
080-8513 MOTOR VEHICLES	111,865	107,312	95,705	151,684	151,684	106,500
080-8515 OTHER CAPITAL OUTLAY	0	0	10,500	0	0	0
080-8516 RADIOS	21,804	3,590	10,710	0	0	0
080-8517 OTHER EQUIPMENT	0	0	32,000	0	0	0
CAPITAL OUTLAY	133,669	307,828	246,825	172,561	172,531	632,100
POLICE DEPARTMENT	764,075	964,972	1,068,036	1,115,190	1,043,935	1,734,287
TRANSFERS TO OTHER FUNDS						
CONTRACTUAL/SUNDRY						
999-7701 TRANSFER TO GENERAL FUND	18,050	49,242	20,801	21,114	21,114	23,626
999-7722 TRANSFER TO INTERNAL SERVICE	40,000	40,000	40,000	0	0	0
CONTRACTUAL/SUNDRY	58,050	89,242	60,801	21,114	21,114	23,626
TRANSFERS TO OTHER FUNDS	58,050	89,242	60,801	21,114	21,114	23,626
*** TOTAL EXPENDITURES ***	822,125	1,054,214	1,128,837	1,136,304	1,065,049	1,757,913

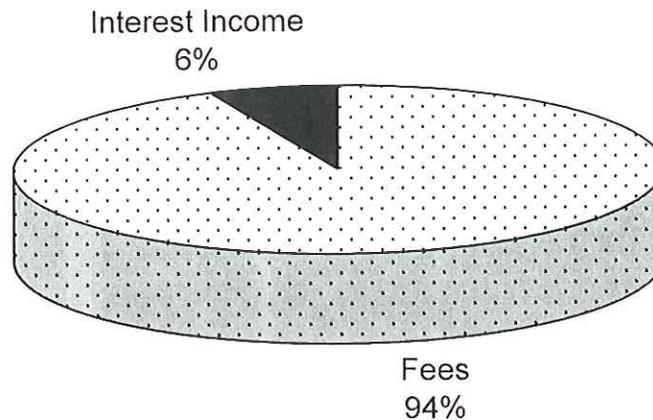
Municipal Court Security Fund

Budget Summary

The Municipal Court Security Fund Fee was established in the 1997 Texas Legislative Session to allow a \$3 assessment on all court fines paid. This assessment allows municipalities to purchase security equipment such as surveillance cameras, bulletproof glass and bailiff costs for Municipal Court areas.

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Where Does the Money Come From:



	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1*	\$44,660	\$45,129	\$18,386	\$20,542	\$22,137	\$23,261
Revenues:						
Municipal Bldg Security Fees	12,355	13,841	11,579	12,000	13,713	12,872
Interest Earnings	521	1,308	1,098	1,035	1,186	889
Total Revenues	\$12,876	\$15,149	\$12,677	\$13,035	\$14,899	\$13,761
Total Available Resources	\$57,536	\$60,278	\$31,063	\$33,577	\$37,036	\$37,022
Expenditures:						
Personnel	6,950	6,098	7,424	18,062	13,275	18,695
Supplies	1,004	165	14	1,000	500	1,400
Contractual/Sundry	1,024	629	88	1,095	0	2,345
Capital	3,429	35,000	1,400	0	0	10,000
Total Expenditures	\$12,407	\$41,892	\$8,926	\$20,157	\$13,775	\$32,440
Fund Balance, September 30	\$45,129	\$18,386	\$22,137	\$13,420	\$23,261	\$4,582

*The Municipal Building Security Fees were assessed beginning May, 1999.

Municipal Court Technology Fund

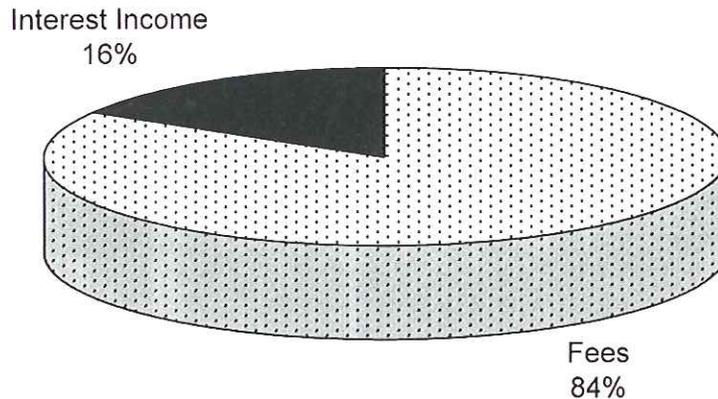
Budget Summary

The Municipal Court Technology Fee was established in the 1997 Texas Legislative session to allow a \$4 assessment on all court fines paid. This assessment allows municipalities to purchase and now to maintain technology equipment for the Municipal Court areas. This equipment includes computer hardware and software. In 2003 this fee was updated to include the maintenance of such technological

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Significant changes to this fund for FY 2006-07 include an appropriation for more handheld ticket writers and software to make that technology faster for citation entry. FY2007-08 projecting for additional needs to the automated processing of citations.

Where Does the Money Come From:



	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1*	\$53,991	\$68,907	\$88,132	\$68,765	\$68,694	\$15,728
Revenues:						
Municipal Court Technology Fee	16,453	18,451	15,439	16,000	18,278	17,156
Interest Earnings	692	2,099	3,273	3,121	1,926	1,000
Total Revenues	\$17,145	\$20,550	\$18,712	\$19,121	\$20,204	\$18,156
Total Available Resources	\$71,136	\$89,457	\$106,844	\$87,886	\$88,898	\$33,884
Expenditures:						
Total Expenditures	2,229	1,325	38,150	80,298	73,170	26,000
	\$2,229	\$1,325	\$38,150	\$80,298	\$73,170	\$26,000
Fund Balance, September 30	\$68,907	\$88,132	\$68,694	\$7,588	\$15,728	\$7,884

*The Municipal Court Technology Fees were assessed beginning October, 1999.

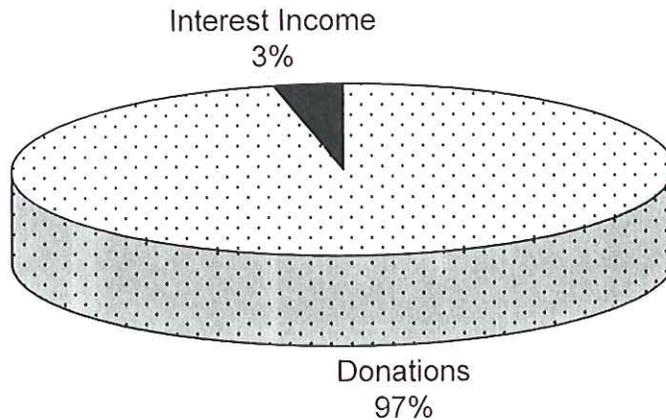
Library Donation Fund

Budget Summary

The Library Donation Fund is a Special Revenue Fund used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The Library Donation Fund was established to give Watauga citizens the opportunity to assist the Library in purchasing supplies. Each month, citizens are given the opportunity to donate \$1 when paying their water and sewer bill. The collections had increased in each of the past fiscal years until A change in the utility billing format may have cause some citizens to overlook this donation decreasing donations significantly. Therefore, a budget adjustment was made during Fiscal Year 2003-04 from contingency funds to the Library in the General Fund to help make up the difference. Donations appear to have returned with other means of request.

This money is used to purchase additional library supplies such as books, audio and videotapes, periodicals and other types of supplies. FY2007 also included staffing expenses for additional library assistance.



	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Fund Balance, October 1	\$8,510	\$10,385	\$12,475	\$6,750	\$6,104	\$3,312
Revenue:						
Operating Revenues	13,816	16,800	15,524	16,000	15,644	15,650
Interest Income	117	388	665	500	564	538
Total Revenue	\$13,933	\$17,188	\$16,189	\$16,500	\$16,208	\$16,188
Total Available Resources	\$22,443	\$27,573	\$28,664	\$23,250	\$22,312	\$19,500
Expenditures:						
Total Expenditures	\$12,058	\$15,098	\$22,560	\$19,000	\$19,000	\$16,188
Fund Balance, September 30	\$10,385	\$12,475	\$6,104	\$4,250	\$3,312	\$3,312

PROPRIETARY FUNDS

Water and Sewer Utility Enterprise Fund

Storm Drainage Utility Enterprise Fund

Impact Fee Funds

Internal Service Fund

Water and Sewer Utility Operating Fund

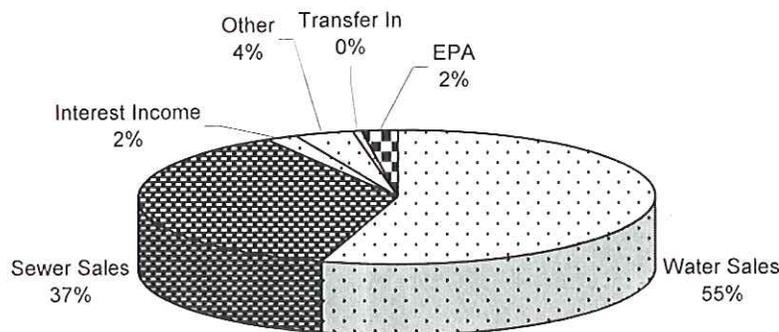
The Water and Sewer Utility Fund is one of two enterprise funds of the City. Its purpose is to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that cost of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. Watauga implemented Water and Sewer rates in 1996 as a result of the system purchase from North Richland Hills. Rates were not raised until October 2001 when a tiered rate system was put into effect. Rates were again changed in April 2002 to a flat rate structure once again due to the difficulty in regulating a tiered rate structure. Sewer rates were also increased during October 2001. A pass through rate change was also made effective at that time based on actual charges incurred by wholesalers. Therefore, an adjustment is now made every year based on the prior year actual expenses to the wholesalers.

This fund is used to account for user fees charged to residential and commercial units located within the City of Watauga. All activities necessary to providing such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collections.

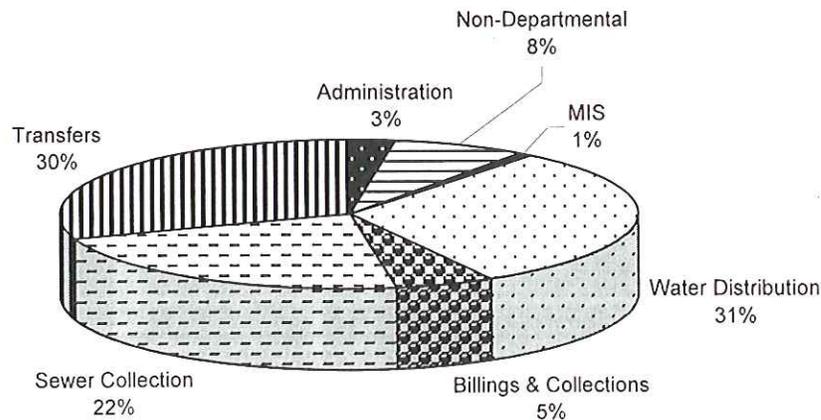
Accounting records for the Water and Sewer Utility Fund are maintained on the accrual basis.

No rate changes for the City's portion of the rates are expected in FY 2007-08.

Where Does the Money Come From:



Where Does the Money Go:



Water and Sewer Utility Operating Fund

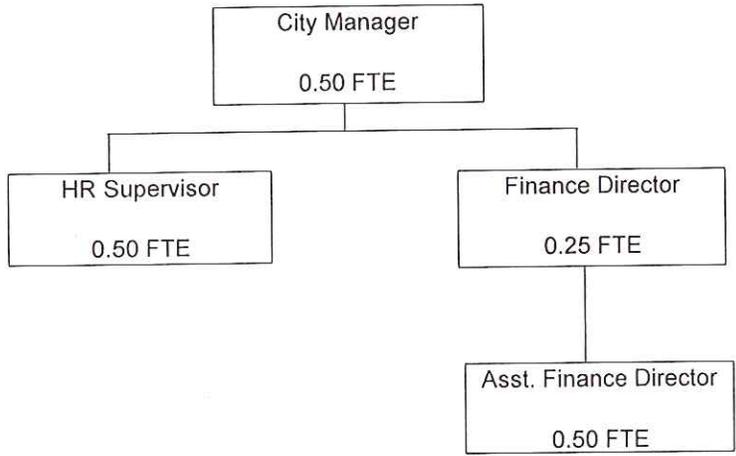
Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Retained Earnings, October 1	\$2,223,673	\$2,618,941	\$3,236,644	\$4,097,014	\$3,903,162	\$3,665,076
<u>Revenue</u>						
Water Sales	3,561,893	3,984,920	4,102,868	3,929,000	3,742,213	3,847,974
Sewer Sales	2,559,300	2,561,085	2,608,146	2,589,000	2,651,174	2,594,926
Penalty Revenue	172,985	142,851	152,314	164,411	166,465	158,654
Other Revenue	597	1,853	31,665	0	-40	0
Water Taps	13,070	16,900	9,350	7,950	22,050	19,550
Sewer Taps	2,700	4,223	2,250	1,950	4,055	5,555
Service Charges	44,660	46,055	87,155	45,000	79,163	64,258
EPA Revenues	154,587	159,501	149,052	155,200	155,434	155,434
Water Inspection Fees	5,663	1,454	0	0	426	12,000
Sewer Inspection Fees	4,768	385	1,340	0	960	8,000
Transfer In	347,401	130,681	6,885	9,140	9,140	33,598
Interest Income	23,308	69,207	154,881	137,182	204,511	125,454
Total Revenue	\$ 6,890,932	\$ 7,119,115	\$ 7,305,906	\$ 7,038,833	\$ 7,035,551	\$ 7,025,403
Total Available Resources	\$9,114,605	\$9,738,056	\$10,542,550	\$11,135,847	\$10,938,713	\$10,690,479
<u>Expenditures:</u>						
Administration	159,049	162,027	168,377	174,588	171,924	186,428
Non-Departmental	373,747	428,654	457,164	640,766	407,029	548,811
Billing & Collections	319,025	291,881	314,128	387,712	379,827	396,482
Mg Information Systems	42,235	42,765	50,410	52,408	51,095	51,896
Water Distribution	1,937,232	2,140,501	2,496,278	2,216,536	2,149,469	2,270,367
Sewer Collection	1,551,239	1,655,383	1,431,584	1,700,554	1,613,095	1,619,322
Total Expenditures	\$4,382,527	\$4,721,211	\$4,917,941	\$5,172,564	\$4,772,439	\$5,073,306
Net Income	\$2,508,405	\$2,397,904	\$2,387,965	\$1,866,269	\$2,263,112	\$1,952,097
<u>Transfer Out:</u>						
General Fund	200,944	158,140	114,512	344,626	341,095	344,034
WS Reimbursement	0	0	0	0	0	0
Joint Use Facilities Fund	76,552	43,828	80,278	83,000	57,312	83,000
Capital Projects Fund	100,000	0	0	0	0	0
Internal Service Fund	0	0	0	0	0	0
Cert. of Obligation Debt Service	980,194	1,200,931	1,155,145	1,148,331	1,148,331	1,112,057
Revenue Bond Debt Service	588,106	355,340	356,630	357,290	357,290	362,193
WS Construction	167,341	21,962	14,882	415,060	597,170	291,745
WS Revenue Bond Reserve	0	0	0	0	0	0
Other Sources(Uses)	\$2,113,137	\$1,780,201	\$1,721,447	\$2,348,307	\$2,501,198	\$2,193,029
Retained Earnings September 30	\$2,618,941	\$3,236,644	\$3,903,162	\$3,614,976	\$3,665,076	\$3,424,144
Retained Earnings Required @ 20%						\$1,416,080

**Water and Sewer Fund
Administration**

Location
7105 Whitley Road, Watauga, TX 76148
Phone Number (817) 514-5800

Hours of Operation:
Monday - Friday 8:00 a.m.-5:00 p.m., with extended
hours for meetings



DESCRIPTION OF SERVICES PROVIDED:

Responsible for the planning, development, programming, and management of activities and services provided to the citizens of Watauga through the City Manager's Office, Personnel Director / Public Information Office, HR Coordinator's Office, and Finance Department.

FY 2006-2007 ACCOMPLISHMENTS:

FY 2007-2008 OBJECTIVES:

BUDGETARY ISSUES:

Water and Sewer Fund
Administration

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$168,263	\$174,468	\$171,924	\$186,428
Supplies	\$113	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0
Contractual/Sundry	\$0	\$120	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0
 Total Expenditures	 \$168,376	 \$174,588	 \$171,924	 \$186,428
 PERSONNEL ASSIGNED				
City Manager	0.50	0.50	0.50	0.50
Finance Director	0.25	0.25	0.25	0.25
Personnel Director	0.50	0.50	0.50	0.50
Assistant Finance Director	0.50	0.50	0.50	0.50
 TOTAL	 1.75	 7.25	 1.75	 1.75

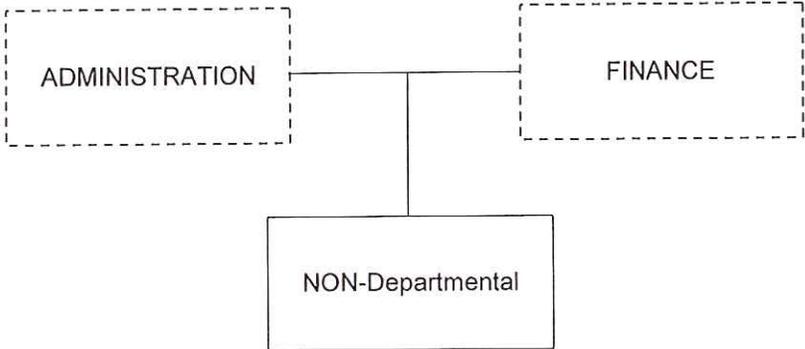
SIGNIFICANT BUDGET HIGHLIGHTS:

Personnel Expenses	\$11,960
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Water and Sewer Fund
Non-Departmental

Location
7105 Whitley Road, Watauga, TX 76148
Phone Number (817) 514-5800

Hours of Operation:
Monday - Friday 8:00 a.m. - 5:00 p.m.
Extended hours for elections



DESCRIPTION OF SERVICES PROVIDED:

This budget provides for expenditures which are not applicable to any specific department, or which cannot be readily allocated to individual departments. The pre-payments on all of the city real and personal property and liability insurance policies are included in this budget. The administration department is responsible for Non-Departmental.

FY 2006-2007 ACCOMPLISHMENTS:

[Empty box for FY 2006-2007 Accomplishments]

FY 2007-2008 OBJECTIVES:

[Empty box for FY 2007-2008 Objectives]

BUDGETARY ISSUES:

[Empty box for Budgetary Issues]

Administration Department
Non-Departmental

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$0	\$22,123	\$0	\$77,990
Supplies	\$0	\$0	\$0	\$0
Maintenance	\$0	\$400	\$350	\$400
Contractual/Sundry	\$457,164	\$435,433	\$405,979	\$436,626
Capital Outlay	\$0	\$182,810	\$700	\$33,795
 Total Non-Departmental Expenditures	 \$457,164	 \$640,766	 \$407,029	 \$548,811
 Transfers	 \$1,721,447	 \$2,348,307	 \$2,501,198	 \$2,193,029
PERSONNEL ASSIGNED				
	TOTAL	0.00	0.00	0.00

SIGNIFICANT BUDGET HIGHLIGHTS: (NON-DEPARTMENTAL)

Personnel Service - Merit Increase	55,867
Motor Vehicles - 2 Replacement F-150's	25,680
Additional Roadrunner Handheld	5,115
Road Plates	3,000
Prior Year One-Time Funds	(182,810)

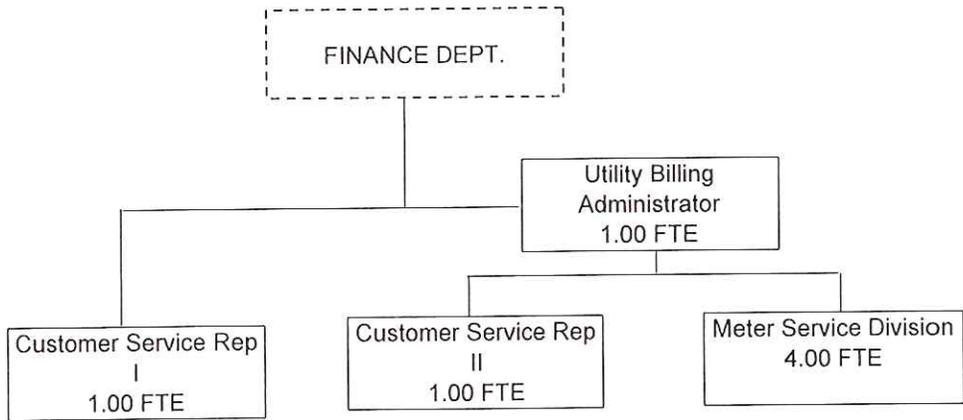
SIGNIFICANT BUDGET CHANGES: (TRANSFERS OUT)

General and Administrative Charges Return to Previous 5% Level	(592)
Transfer to Debt Service	(31,371)
Transfer to Construction Fund	(123,315)

Water and Sewer Fund
Utility Billing and Collections

Location: 7105 Whitley Road
Watauga, TX 76148
Phone Number 817-514-5820

Hours of Operation: Monday - Friday 8am to 5:00pm



DESCRIPTION OF SERVICES PROVIDED:

The Utility Billing Office's goal is to provide the best customer service, operational efficiency and financial administration of utility billing, meter reading, account turn-ons and offs, meter maintenance, and meter exchange program.

FY 2006-2007 ACCOMPLISHMENTS:

Utilized the use of the (electric) GEM cars by the meter readers. Maintained the 29-33 day readings on the water accounts. Bad debt collections have increased revenues. Customer service training has decreased the number of customer complaints.

FY 2007-2008 OBJECTIVES:

To maintain our read dates on the water accounts. To increase our meter box, maintenance and exchanges. To maintain the high level of customer service.

BUDGETARY ISSUES:

Water and Sewer Fund
Utility Billing and Collections

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$236,662	\$277,027	\$280,550	\$272,762
Supplies	\$48,116	\$70,535	\$63,250	\$76,165
Maintenance	\$2,474	\$6,200	\$2,782	\$6,912
Contractual/Sundry	\$26,875	\$33,950	\$33,245	\$40,643
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$314,127	\$387,712	\$379,827	\$396,482

PERSONNEL ASSIGNED

Utility Billing Administrator	1.00	1.00	1.00	1.00
Customer Service Rep. II	1.00	1.00	1.00	1.00
Customer Service Rep. I <i>(add 50% FTE FY06)</i>	1.00	1.00	1.00	1.00
Water Service Rep	2.00	2.00	2.00	2.00
Meter Reader	2.00	2.00	2.00	2.00
TOTAL	7.00	7.00	7.00	7.00

SIGNIFICANT BUDGET HIGHLIGHTS:

Personnel Services	\$	(4,265)
Postage	\$	2,997
Fuel	\$	2,563
Meter Reading Maintenance	\$	712
Billing Services	\$	6,751

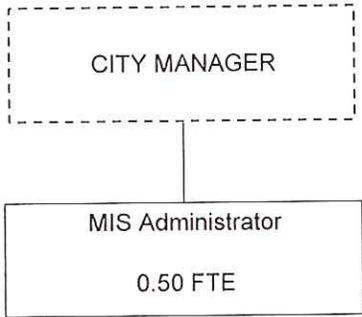
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW5 Same day service percentage	98%	100%	100%
COW5 Read accuracy percentage	100%	98%	100%
COW5 Revenues recorded within 24 hours	99%	99%	100%
COW5 Complaints resolved/addressed within 3 days	99%	99%	100%
Cost per bill	<\$1	<\$1	<\$1
COW 2 & 5 Percent of billings that go to bad debt	1%	1%	1%
COW5 Completed service orders (annually)	6,336	6,145	6,300
COW 2 & 5 Meters read per year	98,976	99,360	99,360
COW2 Number of Meters exchanged	850	381	650

Water and Sewer Fund
Management Information Systems

Location: 7105 Whitley Road
Phone Number: 817-514-5800 x 4700

Hours of Operation: 8:00a - 5:00p M-F
Oncall service 24Hours x 7Days a Week
x 365 days a year.



DESCRIPTION OF SERVICES PROVIDED:

Provides and supports all technical aspects of the City's data and voice networks. Designs and maintains the City's Web-Site. Maintains the City's Cable Channel. Provides all City staff daily technical support and training in the usage of PCs, telephones, and other MIS equipment. Supports City Council Laptop usage

FY 2006-2007 ACCOMPLISHMENTS:

Updated web site design. Enhanced city mail system. Daily support.

FY 2007-2008 OBJECTIVES:

Maintain Operations Cost Effectively. Expand Web Site for a more interactive experience by citizens including Citizen Request Management. Maintain secure network systems.

BUDGETARY ISSUES:

Limited Hard Drive Space on City Network. Static Web Site with little citizen interactivity.

Water and Sewer Fund
Management Information Systems

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$44,979	\$45,548	\$45,055	\$45,796
Supplies	\$391	\$1,260	\$500	\$500
Maintenance	\$5,040	\$5,600	\$5,540	\$5,600
Contractual/Sundry				
Capital Outlay				
Total Expenditures	\$50,410	\$52,408	\$51,095	\$51,896
PERSONNEL ASSIGNED				
MIS Administrator	0.50	0.50	0.50	0.50
TOTAL	0.50	0.50	0.50	0.50

SIGNIFICANT BUDGET HIGHLIGHTS:

Personnel Services	\$248
Computer Supplies	-\$760

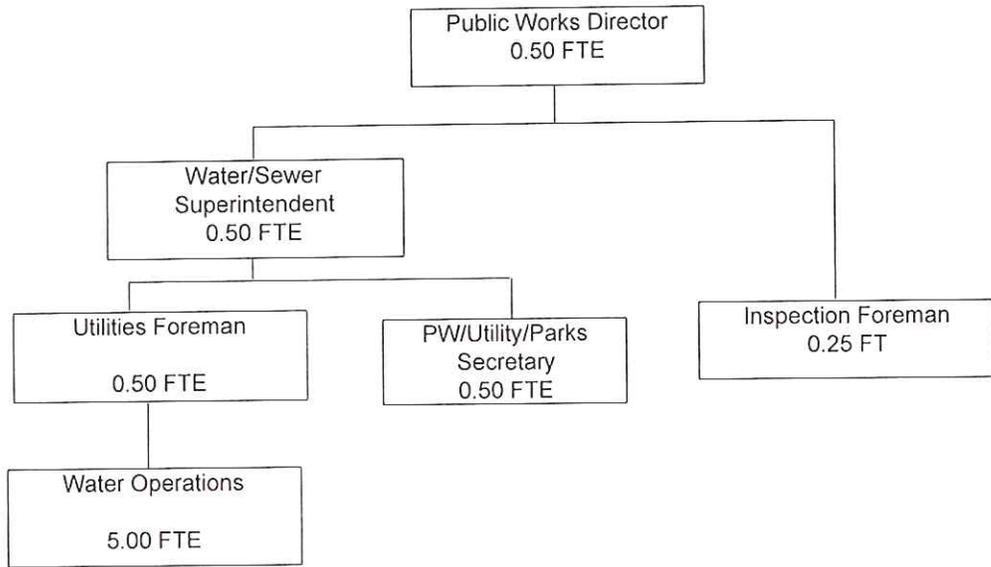
PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW 5 Survey Satisfaction rate	96%	95%	95%
COW8 Problem resolution/ Repair of systems:			
- % Completed within 1 business day	88%	90%	90%
- % Greater than 1 business day	12%	10%	10%
- % Service calls for priority services closed within 4 hours	97%	99%	98%
COW1 Public Safety Dispatch system up time 7 days/wk, 24 hrs/day	97%	99%	98%
COW8 Computer systems and networks up time 5 days/wk, 10 hrs/dy	98%	99%	99%
COW8 Cost per hour of up time	\$11.94	\$11.94	\$21.91
COW8 Cost per work order hour for computers and networks	\$50.30	\$50.30	\$92.31

Water and Sewer Fund
Water Distribution

Location - 7800 Virgil Anthony Sr. Blvd
Phone Number - 817/514-5806

Hours of Operation:
Monday - Friday
7:00 a.m.-4:00 p.m.



Water Department provides the highest quality and quantity of water to its citizens collecting monthly bacteriological water samples and flushing of mains. Water quality meets or exceeds requirements set forth by The Texas Commission on Environmental Quality. Repairs leaks on mains and service lines to prevent loss of water and revenues. Provides customer service to citizens.

FY 2006-2007 ACCOMPLISHMENTS:

The Water Department collected 300 routine Bacteriological water samples, maintained 85 miles of water mains through repair and replacement, flushed dead end water mains to ensure a high quality of water on dead ends and exercised water main valves.

FY 2007-2008 OBJECTIVES:

The City of Watauga Superior Water System is regulated by the Texas Commission on Environmental Quality (TCEQ). Compliance with the regulations will be through continued bacteriological water sampling, dead end water main flushing and valve exercising. Water leaks will be repaired in a timely manner. The Water Department will continue to provide customer service.

BUDGETARY ISSUES:

The water department must remain in compliance with TCEQ regulations to ensure the citizens of Watauga receive the highest quality and quantity of water possible and to maintain our Superior Water System rating. This will be accomplished through continued water sampling and water main repair to prevent water and revenue losses.

Water and Sewer Fund
Water Distribution

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$333,941	\$353,970	\$317,885	\$351,458
Supplies	\$38,669	\$37,410	\$37,410	\$43,046
Maintenance	\$54,436	\$56,000	\$56,000	\$61,400
Contractual/Sundry	\$2,054,250	\$1,699,156	\$1,688,174	\$1,739,463
Capital Outlay	\$14,981	\$70,000	\$50,000	\$75,000
Total Expenditures	\$2,496,277	\$2,216,536	\$2,149,469	\$2,270,367
PERSONNEL ASSIGNED				
PW Director	0.50	0.50	0.50	0.50
Utility Superintendent	0.50	0.50	0.50	0.50
Inspection Foreman	0.25	0.25	0.25	0.25
PW Utilities Foreman	0.50	0.50	0.50	0.50
Maintenance Worker I	3.00	3.00	3.00	3.00
Equipment Operator (2)	1.00	1.00	1.00	1.00
Maint. Worker II	1.00	1.00	1.00	1.00
PW/Utility Secretary	0.50	0.50	0.50	0.50
TOTAL	7.25	7.25	7.25	7.25

SIGNIFICANT BUDGET HIGHLIGHTS:

Personnel Services	(2,512)
Fuel	4,550
Street Maintenance	5,000
Printing and Binding of Water Quality Report	6,000
Five Year Water Tower Maintenance Program	5,000
Water Purchases	34,167

PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW8 Percent of water unaccounted for (water loss rate)	15%	14%	13%
COW2 Percent of dead-end lines flushed monthly	100%	100%	100%
COW1/2 Percent of fire hydrants, inspected, lubricated, and tested	90%	90%	90%
COW1/5 Percent of emergency shut-off/on calls responded within 30 minutes	100%	100%	100%
COW5 Percent of non-emergency calls responded within 1 hour	100%	100%	100%
COW5 Percent of surveys completely satisfied w/ above mentioned services	100%	100%	100%
COW2 Miles of water lines maintained	85	85	85

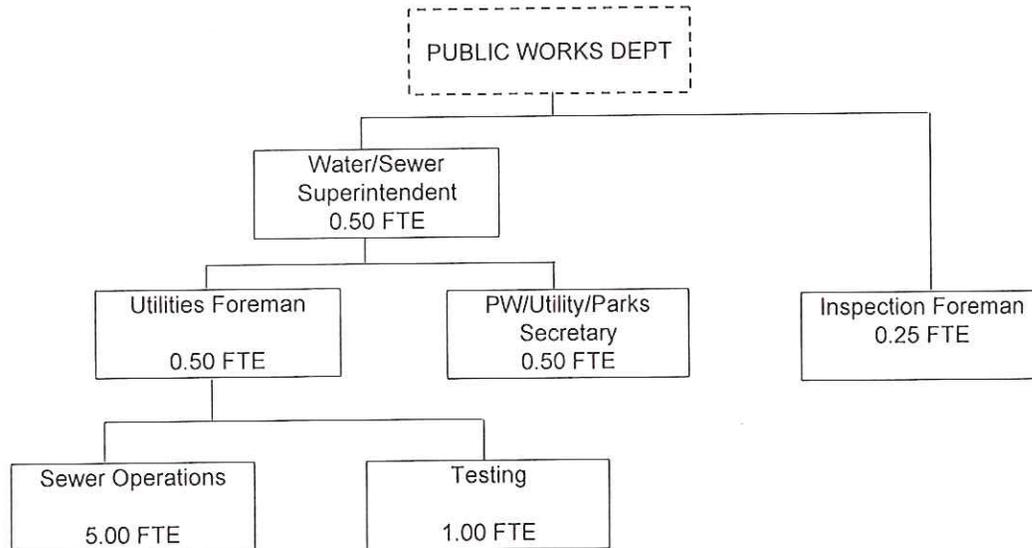
Sewer Collection

Location 7800 Virgil Anthony Sr. Blvd

Phone Number - 817/514-5806

Hours of Operation:

Monday - Friday
7:00 a.m.-4:00 p.m.



DESCRIPTION OF SERVICES PROVIDED:

The sewer Department maintains 88 miles of sewer mains. Complies with the Texas Commission on Environmental Quality regulation in monitoring and reporting overflows. Replace and repair sewer mains and service lines. Performs video inspections and smoke testing to locate deficiencies for repair or replacement. Inspection of sewer mains installed by contractors. Inspects Grease and grit traps to ensure customers are in compliance with city ordinances. Provides customer service to citizens.

FY 2006-2007 ACCOMPLISHMENTS:

The Sewer department cleaned 50,000 feet of sewer mains to prevent blockages and unauthorized sewage bypass. Video inspected 5,000 feet of sewer mains to locate problem areas and repair or replacement. Repaired and replaced numerous customer service lines in streets or right of ways. Inspected man holes monthly to locate Inflow / Infiltration and repair where necessary. Inspected grease and grit traps monthly to ensure grease generators are cleaning their traps and remain in compliance with city ordinance # 1060 to prevent excessive Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS). Rehabilitated eleven man holes. Installed 1,100 of new sewer main and 33 new service lines on Starnes Road. Provided customer service

FY 2007-2008 OBJECTIVES:

The Sewer Department will continue video inspections, smoke testing and preventative maintenance flushing of sewer mains to locate problem areas and repair as necessary. Areas with major problems will be listed for inclusion in the capital improvements plan. Grease and grit traps will be inspected monthly to ensure compliance with city ordinances. Man hole inspections for inflow and infiltration. Provide customer service.

BUDGETARY ISSUES:

The Sewer Department must remain in compliance with The Texas Commission on Environmental Quality (TCEQ) regulations. Sewer main cleaning to prevent blockages and unauthorized sewage bypass. Video inspection and smoke testing to locate problem areas needing repair or replacement. Man hole inspection to prevent inflow and infiltration. Grease and grit trap inspections to ensure customers remain in compliance with city ordinance # 1060. Provide customer service.

Public Works Department
Sewer Collection

BUDGET SUMMARY:

	2005-06 BUDGET	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$343,458	\$351,154	\$312,143	\$338,942
Supplies	\$36,396	\$35,650	\$35,650	\$41,075
Maintenance	\$9,134	\$10,000	\$10,000	\$10,300
Contractual/Sundry	\$1,042,596	\$1,303,750	\$1,255,302	\$1,229,005
Capital Outlay	\$0	\$0	\$0	\$0
Total Expenditures	\$1,431,584	\$1,700,554	\$1,613,095	\$1,619,322
PERSONNEL ASSIGNED				
Utility Superintendent	0.50	0.50	0.50	0.50
Inspection Foreman	0.25	0.25	0.25	0.25
PW Utilities Foreman	0.50	0.50	0.50	0.50
Maintenance Worker I	2.00	2.00	2.00	2.00
Equipment Operator (2)	1.00	1.00	1.00	1.00
Jet Vac Operator	1.00	1.00	1.00	1.00
Maint. Worker II	1.00	1.00	1.00	1.00
PW/Utility Secretary	0.50	0.50	0.50	0.50
Wastewater Technician	1.00	1.00	1.00	1.00
TOTAL	7.75	7.75	7.75	7.75

SIGNIFICANT BUDGET CHANGES:

Personnel Services	(\$12,212)
Fuel	\$4,675
Sewer Costs	(\$74,885)

PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW2 Maintain an accurate inventory of all manholes	1,339	1,339	1,350
COW1 Percent of backup calls responded to within 30 minutes	100%	100%	100%
COW8 Average BOD strength	229	210	210
COW8 Average TSS strength	265	220	220
COW5 Percent of surveys completely satisfied with sewer-related services	100%	100%	100%
COW2 Miles of sewer lines maintained	88	88	88
COW2 Amount of sewer line (linear feet) fully inspected	5,136	10,000	25,000

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
40 - WATER & SEWER UTILITY FUND							
REVENUES							
MISCELLANEOUS							
000-3660	INTEREST EARNINGS	23,308	69,207	154,881	137,182	204,511	125,454
000-3670	OTHER REVENUE	597	0	31,941	0	0	0
000-3680	SALE OF ASSETS	0	1,945	0	0	0	0
MISCELLANEOUS		23,905	71,152	186,822	137,182	204,511	125,454
WATER SEWER REVENUE							
000-3800	WATER SALES	3,561,893	3,984,920	4,102,868	3,929,000	3,742,213	3,847,974
000-3801	PENALTY REVENUE	172,985	142,851	152,314	164,411	166,465	158,654
000-3820	SEWER SALES	2,559,300	2,561,085	2,608,146	2,589,000	2,651,174	2,594,926
000-3830	WATER TAPS	13,070	16,900	9,350	7,950	22,050	19,550
000-3835	SEWER TAPS	2,700	4,223	2,250	1,950	4,055	5,555
000-3836	WATER IMPACT FEES	0	0	-276	0	0	0
000-3845	EPA REVENUE	154,587	159,501	149,052	155,200	155,434	155,434
000-3870	WATER INSPECTION FEES	5,663	1,454	0	0	426	12,000
000-3875	SEWER INSPECTION FEES	4,768	385	1,340	0	960	8,000
000-3890	SERVICE CHARGES	44,660	46,055	87,155	45,000	79,163	64,258
000-3892	METER TESTING CHARGES	0	-92	0	0	-40	0
WATER SEWER REVENUE		6,519,626	6,917,282	7,112,200	6,892,511	6,821,900	6,866,351
TRANSFERS							
000-3911	TRANS FROM REV BOND RESERVE	0	130,681	0	0	0	15,000
000-3918	TRANSFER FROM JUF	28,961	0	6,885	9,140	9,140	18,598
000-3919	TRANS FROM WATER IMPACT FEE	318,440	0	0	0	0	0
TRANSFERS		347,401	130,681	6,885	9,140	9,140	33,598
*** TOTAL REVENUES ***		6,890,932	7,119,115	7,305,906	7,038,833	7,035,551	7,025,403
ADMINISTRATION							
PERSONNEL SERVICES							
010-4001	SUPERVISION	130,105	129,657	136,825	136,903	139,592	142,204
010-4010	OVERTIME	0	0	0	0	214	0
010-4030	LONGEVITY	642	540	1,386	756	996	1,008
010-4035	CAR ALLOWANCE	4,962	4,970	5,192	5,000	5,000	5,000
010-4100	RETIREMENT	12,303	15,142	15,254	15,664	16,009	20,863
010-4101	SUPPLEMENTAL COMPENSATION	769	0	0	0	0	2,295
010-4102	HOSPITAL & GROUP LIFE	8,612	9,283	7,586	14,076	7,999	12,909
010-4103	MEDICARE TAX	1,608	1,894	2,020	2,069	2,114	2,149
PERSONNEL SERVICES		159,001	161,486	168,263	174,468	171,924	186,428
SUPPLIES							
010-5201	OFFICE SUPPLIES	0	426	113	0	0	0
SUPPLIES		0	426	113	0	0	0
CONTRACTUAL/SUNDRY							
010-7407	DUES & SUBSCRIPTIONS	48	0	0	0	0	0
010-7410	TRAINING	0	115	0	120	0	0
CONTRACTUAL/SUNDRY		48	115	0	120	0	0
ADMINISTRATION		159,049	162,027	168,377	174,588	171,924	186,428
NON-DEPARTMENTAL							
PERSONNEL SERVICES							

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007 CURRENT	2006-2007 PROJECTED	2007-2008 PROPOSED
		ACTUAL	ACTUAL	ACTUAL	BUDGET	YEAR END	BUDGET
020-4102	HOSPITAL AND GROUP LIFE	0	2,797	0	0	0	0
020-4107	SALARY ADJUSTMENTS	0	0	0	22,123	0	77,990
	PERSONNEL SERVICES	0	2,797	0	22,123	0	77,990
MAINTENANCE							
020-6302	OFFICE EQUIPMENT	0	285	0	400	350	400
	MAINTENANCE	0	285	0	400	350	400
CONTRACTUAL/SUNDRY							
020-7402	RENTAL OF EQUIPMENT	1,762	1,972	3,132	2,092	2,092	2,092
020-7404	SPECIAL SERVICES	248	0	0	438	438	1,000
020-7406	TRAVEL EXPENSE	33	0	0	0	0	0
020-7416	BANK CHARGES	13,192	20,062	27,091	33,931	33,931	34,000
020-7419	PRINTING & BINDING	0	0	0	2,600	1,677	0
020-7441	DOT DRUG TESTING	0	0	0	0	0	500
020-7444	PYMT TO INTERNAL SERVICE FUND	57,333	11,000	11,000	7,854	7,854	8,000
020-7456	WORKERS' COMPENSATION	22,000	20,316	15,995	18,892	18,892	22,000
020-7496	CONTINGENCY	10,675	21,495	30,481	25,000	0	25,000
020-7502	BAD DEBT EXPENSE	59,482	34,447	50,442	0	0	0
020-7515	PAYMENT IN LIEU OF TAXES	200,944	316,280	319,023	344,626	341,095	344,034
	CONTRACTUAL/SUNDRY	365,669	425,572	457,164	435,433	405,979	436,626
CAPITAL OUTLAY							
020-8502	BUILDINGS	7,478	0	0	0	0	0
020-8510	FURNITURE & FIXTURES	0	0	0	700	700	0
020-8513	MOTOR VEHICLES	600	0	0	130,000	0	25,680
020-8517	OTHER EQUIPMENT	0	0	0	52,110	0	8,115
	CAPITAL OUTLAY	8,077	0	0	182,810	700	33,795
NON-DEPARTMENTAL		373,747	428,654	457,164	640,766	407,029	548,811
BILLING AND COLLECTIONS							
PERSONNEL SERVICES							
045-4001	SUPERVISION	44,921	45,881	48,700	48,050	47,979	49,689
045-4002	CLERICAL	45,460	46,277	58,906	66,270	66,954	61,742
045-4003	OPERATIONS	89,738	76,572	79,031	87,950	91,570	91,758
045-4010	OVERTIME	2,718	1,113	2,577	7,100	2,000	2,000
045-4030	LONGEVITY	3,732	2,268	2,484	4,356	4,356	2,880
045-4035	CAR ALLOWANCE	0	0	0	0	0	0
045-4100	RETIREMENT	20,494	19,265	20,309	22,550	22,674	22,846
045-4101	SUPPLEMENTAL COMPENSATION	1,977	0	0	0	0	0
045-4102	HOSPITAL & GROUP LIFE INS	24,787	25,047	21,918	37,691	41,993	38,830
045-4103	MEDICARE TAX	2,571	2,491	2,738	3,060	3,024	3,017
045-4105	VACATION/COMP TIME	948	0	0	0	0	0
	PERSONNEL SERVICES	237,346	218,914	236,662	277,027	280,550	272,762
SUPPLIES							
045-5201	OFFICE SUPPLIES	453	1,010	2,047	4,150	3,100	4,000
045-5202	POSTAGE	32,536	32,136	32,602	37,740	38,000	40,737
045-5203	PUBLICATIONS	606	87	470	590	550	590
045-5204	WEARING APPAREL	1,870	295	801	3,500	2,250	3,500
045-5205	VEHICLE PARTS/SUPPLIES	2,635	1,415	1,963	4,305	3,000	4,525
045-5206	VEHICLE GAS FUEL/LUB	5,664	6,765	5,091	10,250	9,350	12,813
045-5207	MINOR TOOLS/APP	10,452	3,934	5,142	10,000	7,000	10,000
	SUPPLIES	54,215	45,644	48,116	70,535	63,250	76,165

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
MAINTENANCE							
045-6302	OFFICE EQUIPMENT MAINTENANCE	165	182	182	200	182	200
045-6304	VEHICLE	0	0	252	2,500	500	2,500
045-6305	RADIOS	0	0	0	1,000	0	1,000
045-6310	METER READING SYSTEM	2,109	2,188	2,040	2,500	2,100	3,212
MAINTENANCE		2,274	2,370	2,474	6,200	2,782	6,912
CONTRACTUAL/SUNDRY							
045-7401	COMMUNICATIONS	279	335	653	550	404	450
045-7404	SPECIAL SERVICES	20,604	21,492	24,260	29,010	29,000	36,183
045-7406	TRAVEL EXPENSES	673	535	584	1,190	1,100	1,190
045-7407	DUES AND SUBSCRIPTIONS	451	478	340	1,000	941	720
045-7410	TRAINING	717	1,180	1,038	1,500	1,300	1,500
045-7419	PRINTING & BINDING	651	935	0	600	500	500
045-7484	EMPLOYEE PHYSICALS	88	0	0	100	0	100
CONTRACTUAL/SUNDRY		23,463	24,954	26,875	33,950	33,245	40,643
CAPITAL OUTLAY							
045-8517	OTHER EQUIPMENT	1,728	0	0	0	0	0
CAPITAL OUTLAY		1,728	0	0	0	0	0
BILLING AND COLLECTIONS		319,025	291,881	314,128	387,712	379,827	396,482
MANAGEMENT INFORMATION SYSTEMS							
PERSONNEL SERVICES							
050-4001	SUPERVISION	0	0	37,258	36,429	36,933	37,522
050-4003	OPERATIONS	34,677	35,088	0	0	0	0
050-4030	LONGEVITY	360	432	504	576	576	648
050-4100	RETIREMENT	3,829	3,977	4,009	4,063	4,055	4,191
050-4101	SUPPLEMENTAL COMPENSATION	220	0	0	0	0	0
050-4102	HOSPITAL/GROUP INSURANCE	2,340	2,644	2,661	3,943	2,956	2,882
050-4103	MEDICARE	508	516	548	537	535	553
PERSONNEL SERVICES		41,933	42,656	44,979	45,548	45,055	45,796
SUPPLIES							
050-5220	COMPUTER SUPPLIES	302	109	391	1,260	500	500
SUPPLIES		302	109	391	1,260	500	500
MAINTENANCE							
050-6351	SOFTWARE MAINTENANCE	0	0	5,040	5,600	5,540	5,600
MAINTENANCE		0	0	5,040	5,600	5,540	5,600
MANAGEMENT INFORMATION SYSTEMS		42,235	42,765	50,410	52,408	51,095	51,896
WATER DISTRIBUTION							
PERSONNEL SERVICES							
093-4001	SUPERVISION	61,504	95,968	101,867	98,892	99,560	102,213
093-4002	CLERICAL	13,758	14,063	14,453	14,323	12,806	13,125
093-4003	OPERATIONS	123,985	101,411	110,338	126,250	104,334	124,926
093-4010	OVERTIME	19,374	18,029	34,318	27,250	27,250	32,250
093-4030	LONGEVITY	2,448	3,732	3,990	4,788	4,170	4,680
093-4100	RETIREMENT	26,180	26,879	28,148	29,811	27,246	29,887
093-4101	SUPPLEMENTAL COMPENSATION	2,526	0	0	0	0	0
093-4102	HOSPITAL/GROUP LIFE INS	30,752	33,234	37,026	48,719	38,921	40,357
093-4103	MEDICARE TAX	3,416	3,408	3,801	3,937	3,598	4,020

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
093-4105	VACATION/COMP TIME	0	208	0	0	0	0
	PERSONNEL SERVICES	283,943	296,932	333,941	353,970	317,885	351,458
SUPPLIES							
093-5201	OFFICE SUPPLIES	485	192	685	1,000	1,000	1,000
093-5203	PUBLICATIONS	64	0	0	250	250	250
093-5204	WEARING APPAREL	2,893	3,467	3,576	3,600	3,600	3,600
093-5205	VEHICLE PARTS & SUPPLIES	4,149	4,003	4,981	5,000	5,000	5,500
093-5206	VEHICLE FUEL & LUBRICANTS	11,460	16,244	20,749	18,200	18,200	22,750
093-5207	MINOR TOOLS & APPARATUS	2,831	2,969	2,914	3,000	3,000	3,000
093-5209	CHEMICAL SUPPLIES	648	424	469	500	500	500
093-5221	EQUIPMENT PARTS & SUPPLIES	3,901	5,129	5,296	5,860	5,860	6,446
	SUPPLIES	26,430	32,429	38,669	37,410	37,410	43,046
MAINTENANCE							
093-6304	VEHICLE MAINTENANCE	0	782	3,999	4,000	4,000	4,400
093-6305	RADIO MAINTENANCE	38	301	291	500	500	500
093-6307	MINOR TOOLS & APPARATUS MAINT	1,615	1,497	1,493	1,500	1,500	1,500
093-6321	STREET MAINTENANCE	26,778	27,899	36,322	36,500	32,500	37,500
093-6323	SIGN MAINTENANCE	0	0	397	500	500	500
093-6341	BARRICADE MAINTENANCE	1,250	1,811	1,936	2,000	2,000	2,000
093-6350	JUF MAINTENANCE	0	0	0	5,000	5,000	5,000
093-6361	VALVES & HYDRANTS	9,812	9,659	9,997	6,000	10,000	10,000
	MAINTENANCE	39,493	41,949	54,436	56,000	56,000	61,400
CONTRACTUAL/SUNDRY							
093-7401	COMMUNICATIONS	2,132	1,904	1,833	3,500	3,500	3,500
093-7402	RENTAL OF EQUIPMENT	1,110	711	1,355	1,500	1,500	1,500
093-7404	SPECIAL SERVICES	1,700	727	620	1,000	1,000	1,000
093-7405	ADVERTISING	0	0	0	300	300	300
093-7406	TRAVEL EXPENSE	-236	309	991	1,000	1,000	1,000
093-7407	DUES & SUBSCRIPTIONS	379	293	338	700	700	700
093-7410	TRAINING	1,706	1,955	1,842	2,000	2,000	2,000
093-7411	ELECTRICITY	65,510	50,162	73,183	72,373	72,373	72,373
093-7419	PRINTING AND BINDING	300	96	199	250	250	6,250
093-7425	ENGINEERING SERVICES	10,000	0	0	0	0	0
093-7428	TESTING FEES	8,681	7,244	6,237	8,000	8,000	8,000
093-7441	DOT DRUG TESTING / PHYSICALS	0	0	0	0	0	140
093-7505	WATER PURCHASES	1,493,255	1,695,105	1,967,653	1,608,533	1,597,551	1,642,700
	CONTRACTUAL/SUNDRY	1,584,536	1,758,505	2,054,250	1,699,156	1,688,174	1,739,463
CAPITAL OUTLAY							
093-8503	BUILDING IMPROVEMENTS	0	0	0	20,000	0	25,000
093-8516	RADIOS	530	0	0	0	0	0
093-8517	OTHER EQUIPMENT	2,300	0	0	0	0	0
093-8605	WATER METERS	1	10,686	14,981	50,000	50,000	50,000
	CAPITAL OUTLAY	2,830	10,686	14,981	70,000	50,000	75,000
	WATER DISTRIBUTION	1,937,232	2,140,501	2,496,278	2,216,536	2,149,469	2,270,367
SEWER COLLECTIONS							
PERSONNEL SERVICES							
094-4001	SUPERVISION	41,591	54,927	58,088	56,688	56,092	57,440
094-4002	CLERICAL	13,758	14,064	13,473	14,323	12,801	13,125
094-4003	OPERATIONS	159,898	156,676	158,989	163,521	141,481	156,160



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Line Item Budget Detail

	2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
094-4010 OVERTIME	22,662	22,064	36,890	27,250	27,250	32,250
094-4030 LONGEVITY	2,772	4,428	4,746	4,788	3,450	3,888
094-4100 RETIREMENT (TMRS)	24,065	27,436	28,945	29,269	26,470	29,269
094-4101 SUPPLEMENTAL COMPENSATION	2,855	0	0	0	0	0
094-4102 HOSPITAL/GROUP LIFE	36,055	36,245	38,517	51,450	41,103	42,998
094-4103 MEDICARE	3,051	3,397	3,810	3,865	3,496	3,812
PERSONNEL SERVICES	306,708	319,237	343,458	351,154	312,143	338,942
SUPPLIES						
094-5201 OFFICE SUPPLIES	41	88	56	250	250	250
094-5204 WEARING APPAREL	4,072	5,019	4,987	5,200	5,200	5,200
094-5205 VEHICLE PARTS/SUPP	1,137	3,845	2,850	3,000	3,000	3,300
094-5206 VEHICLE GAS FUEL/LUB	10,645	15,333	20,664	18,700	18,700	23,375
094-5207 MINOR TOOLS/APP	2,453	2,494	2,338	2,500	2,500	2,500
094-5209 CHEMICAL SUPPLIES	1,497	1,491	1,488	1,500	1,500	1,500
094-5221 EQUIPMENT PARTS & SUPPLIES	1,910	4,201	4,015	4,500	4,500	4,950
SUPPLIES	21,755	32,471	36,396	35,650	35,650	41,075
MAINTENANCE						
094-6302 EQUIPMENT MAINT	6,595	2,510	3,878	500	4,000	4,000
094-6304 VEHICLE	3	2,204	2,931	6,500	3,000	3,300
094-6305 RADIOS	0	176	0	500	500	500
094-6307 MINOR TOOLS/APP	995	953	945	1,000	1,000	1,000
094-6341 BARRICADE	0	1,410	1,380	1,500	1,500	1,500
MAINTENANCE	7,593	7,253	9,134	10,000	10,000	10,300
CONTRACTUAL/SUNDRY						
094-7401 COMMUNICATIONS	786	634	679	1,500	1,500	1,500
094-7402 RENTAL OF EQUIPMENT	1,313	133	1,250	1,500	1,500	1,500
094-7410 TRAINING	1,039	1,777	1,084	1,750	1,750	1,750
094-7426 SEWAGE DISPOSAL FEES	910	1,170	1,620	2,000	2,000	2,000
094-7428 LABORATORY TESTING	2,350	1,750	1,950	2,500	2,500	2,500
094-7441 DOT DRUG TESTING / PHYSICALS	0	0	0	0	0	140
094-7506 SEWER COSTS	1,208,786	1,290,958	1,036,013	1,294,500	1,246,052	1,219,615
CONTRACTUAL/SUNDRY	1,215,183	1,296,421	1,042,596	1,303,750	1,255,302	1,229,005
SEWER COLLECTIONS	1,551,239	1,655,383	1,431,584	1,700,554	1,613,095	1,619,322
TRANSFERS TO OTHER FUNDS						
CONTRACTUAL/SUNDRY						
999-7701 TRANSFER TO GENERAL FUND	200,944	158,140	114,512	344,626	341,095	344,034
999-7707 TRANSFER TO CAPITAL PROJECTS	100,000	0	0	0	0	0
999-7713 TRANSFER TO W/S REV BD I&S '96	588,106	355,340	356,630	357,290	357,290	362,193
999-7714 TRANSFER TO W/S C.O. I&S '96	980,194	1,200,931	1,155,145	1,148,331	1,148,331	1,112,057
999-7717 TRANSFER TO W/S CONSTRUCTION	167,341	21,962	14,882	415,060	597,170	291,745
999-7720 TRANSFER TO JSF REPLACEMENT FD	76,552	43,828	80,278	83,000	57,312	83,000
CONTRACTUAL/SUNDRY	2,113,137	1,780,202	1,721,447	2,348,307	2,501,198	2,193,029
TRANSFERS TO OTHER FUNDS	2,113,137	1,780,202	1,721,447	2,348,307	2,501,198	2,193,029
*** TOTAL EXPENDITURES ***	6,495,664	6,501,413	6,639,387	7,520,871	7,273,637	7,266,335

Storm Drain Utility Enterprise Fund

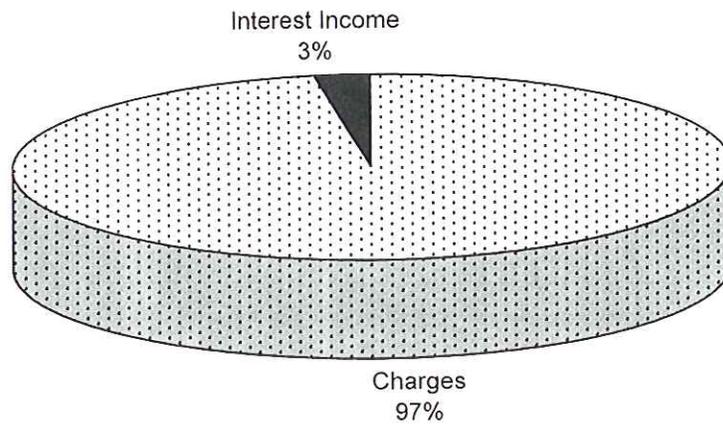
The Storm Drain Utility Enterprise Fund is a proprietary fund. Its purpose is to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the City Council is that cost of providing services to the general public on a continuing basis be financed or recovered primarily through use charges.

This fund is used to account for user fees charged per residential and commercial unit to enhance drainage of properties within the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations and maintenance.

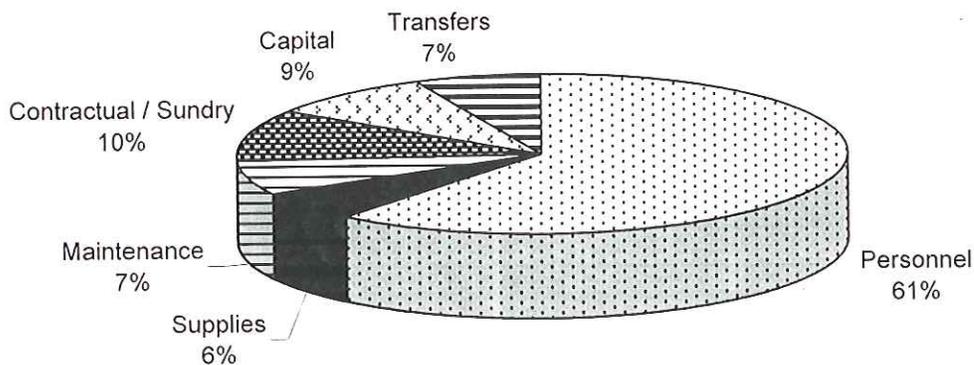
Accounting records for the Storm Drain Utility Fund are maintained on the accrual basis.

The items included for FY 2007-08 include a lease purchase of a tandem dump truck and an eighteen foot enclosed tandem trailer.

Where Does the Money Come From:



Where Does the Money Go:



Storm Drain Utility Enterprise Fund

Budget Summary

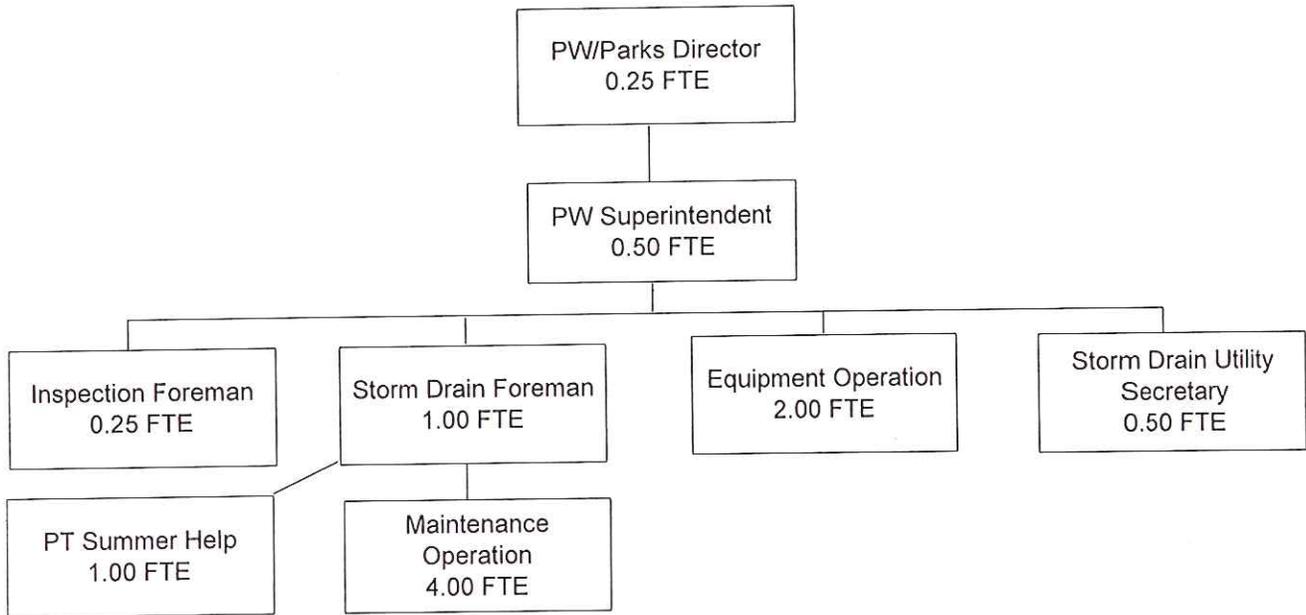
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Working Capital, October 1	\$ 252,340	\$ 295,886	\$ 405,844	\$ 388,294	\$ 487,546	\$ 533,558
Revenue:						
Operating Revenues	693,401	693,076	693,042	692,700	693,994	693,994
Interest Income	3,904	10,123	23,026	19,305	26,967	18,651
Transfers In	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0
Total Revenue	\$697,305	\$703,199	\$716,068	\$712,005	\$720,961	\$712,645
Total Available Resources	\$949,645	\$999,085	\$1,121,912	\$1,100,299	\$1,208,507	\$1,246,203
Expenditures:						
Personnel	372,177	375,865	339,050	398,280	370,749	398,035
Supplies	27,824	34,989	36,649	31,500	39,560	39,175
Maintenance	26,650	25,109	16,341	44,450	44,450	45,450
Contractual/Sundry	86,730	40,162	34,018	96,624	78,435	31,364
Capital Outlay (<i>Depr. Exp.</i>)	347,829	389,410	342,223	50,000	50,000	58,000
Transfers Out	114,250	114,500	114,600	91,755	91,755	78,340
Total Expenditures	\$975,460	\$980,035	\$882,881	\$712,609	\$674,949	\$650,364
Working Capital, September 30	\$ (25,815)	\$ 19,050	\$ 239,031	\$ 387,690	\$ 533,558	\$ 595,839
20% Working Capital Target						\$120,073

* Working Capital adjusted to CAFR first of year.

Department of Public Works
Storm Drain Utility

Location
 7800 Virgil Anthony Sr. Blv.
 Phone Number (817) 514-5806

Hours of Operation:
 Office Hours Monday through Friday 8:00 a.m. to 5:00 p.m.



DESCRIPTION OF SERVICES PROVIDED:

Provide maintenance for concrete and earthen channels, along with the maintenance of ditches on the city owned right-of-ways. We will clean and maintain our curb and gutters, storm drain inlets, junction boxes, and underground system piping.

FY 2006-2007 ACCOMPLISHMENTS:

All city channels were maintained by mowing and weed eating. All channel earth work performed to maintain flow lines and grades within Watauga, to prevent flooding. The Drainage Crew cleaned and removed debris, trash, and tree limbs from the B-4 Channel in Park Vista. This was done to prevent flooding due to the channel being over grown with trees and vegetation. This channel is approximately 1500 ft. long.

FY 2007-2008 OBJECTIVES:

To maintain all channels, storm drains, and ditches. This will protect our city from liability due to damage from flooding.

BUDGETARY ISSUES:

The City of Watauga must maintain our channels, storm drains, and ditches by mowing, weed eating, and erosion control. This will insure that our citizens are protected from flooding and our city from possible liability.

Department of Public Works
Storm Drain Utility

BUDGET SUMMARY:

	2005-06 ACTUAL	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
EXPENDITURE SUMMARY				
Personnel Services	\$339,050	\$398,280	\$370,749	\$398,035
Supplies	\$36,649	\$31,500	\$39,560	\$39,175
Maintenance	\$16,341	\$44,450	\$44,450	\$45,450
Contractual/Sundry	\$34,018	\$96,624	\$78,435	\$66,034
Capital Outlay	\$342,223	\$50,000	\$50,000	\$58,000
Transfers	\$114,600	\$91,755	\$91,755	\$43,670
 Total Expenditures	 \$882,881	 \$712,609	 \$674,949	 \$650,364

PERSONNEL ASSIGNED

	2005-06	2006-07	2006-07	2007-08
PW Director	0.25	0.25	0.25	0.25
PW Superintendent	0.50	0.50	0.50	0.50
Inspection Foreman	0.25	0.25	0.25	0.25
Storm Drain Utility Secretary	0.50	0.50	0.50	0.50
Maintenance Foreman	1.00	1.00	1.00	1.00
Maintenance Worker II	1.00	1.00	1.00	1.00
Maintenance Worker I	3.00	3.00	3.00	3.00
Equipment Operator	1.00	1.00	1.00	1.00
Sweeper Operator	1.00	1.00	1.00	1.00
Summer Help	1.00	1.00	1.00	1.00
TOTAL	9.50	9.50	9.50	9.50

SIGNIFICANT BUDGET HIGHLIGHTS:

Tandem Dump Truck	9,000
CDL Physical Exams	\$140
Fuel	\$7,675
18' Enclosed Tandem Trailer	\$8,000
Transfer to Internal Services	(\$57,120)
Capp Smith Park Breach Analysis	(\$31,000)

PERFORMANCE MEASURES:

	FY2005-06	FY2006-07	FY2007-08
COW 1/3 Mow and weed a percentage of channels on a monthly basis	100%	100%	100%
COW 2 Complete a percent of storm drain structural repair projects within a month	100%	100%	100%
COW 1/2/3 Clean a percentage of curbs and gutters on a monthly basis	100%	100%	100%
COW 1/2 Reestablish a percentage of grade & flow lines within 3 months of construction	100%	100%	100%
COW 1/3/9 Hours spent mowing and cutting weeds (<i>purchase of new equipment - faster results</i>)	5,000	4,900	4,900
COW 1/3/9 Number of weed-abated sites	27	27	27
COW 1/3/9 Hours spent in repairing rock, rubble, debris, and repairs	160	180	180

Line Item Budget Detail

		2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
		ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
15- STORM DRAIN UTILITY FUND							
REVENUES							
TAXES							
000-3015	USERS FEE	693,401	693,076	693,043	692,700	693,994	693,994
	TAXES	693,401	693,076	693,043	692,700	693,994	693,994
MISCELLANEOUS							
000-3660	INTEREST INCOME	3,904	10,123	23,026	19,305	26,967	18,651
	MISCELLANEOUS	3,904	10,123	23,026	19,305	26,967	18,651
*** TOTAL REVENUES ***		697,305	703,199	716,069	712,005	720,961	712,645
NON-DEPARTMENTAL							
CONTRACTUAL/SUNDRY							
020-7496	CONTINGENCY	5,720	2,515	-4,160	18,189	0	18,424
020-7515	PAYMENT IN LIEU OF TAXES	34,250	34,500	34,600	34,635	34,635	34,670
	CONTRACTUAL/SUNDRY	39,970	37,015	30,440	52,824	34,635	53,094
NON-DEPARTMENTAL		39,970	37,015	30,440	52,824	34,635	53,094
PUBLIC WORKS							
PERSONNEL SERVICES							
090-4001	SUPERVISION	93,326	98,629	82,991	92,216	90,679	94,204
090-4002	CLERICAL	16,601	16,784	16,919	17,400	17,231	17,748
090-4003	OPERATIONS	160,534	162,071	148,922	159,372	152,411	158,705
090-4010	OVERTIME	1,171	954	1,164	4,000	3,500	4,000
090-4020	TEMP/PART TIME	16,620	6,881	10,634	17,680	17,680	17,680
090-4030	LONGEVITY	4,068	7,740	3,924	5,436	6,252	6,084
090-4100	RETIREMENT	30,810	32,052	26,837	30,132	29,655	30,386
090-4101	SUPPLEMENTAL COMPENSATION	3,294	0	0	0	0	0
090-4102	HOSPITAL & GROUP LIFE	39,839	46,323	43,341	56,774	47,951	47,488
090-4103	MEDICARE TAX	5,150	4,431	4,318	5,390	5,390	5,423
090-4105	VACATION/COMP TIME	764	0	0	0	0	0
090-4107	SALARY ADJUSTMENTS	0	0	0	9,880	0	16,317
	PERSONNEL SERVICES	372,177	375,865	339,050	398,280	370,749	398,035
SUPPLIES							
090-5201	OFFICE SUPPLIES	165	156	236	275	311	275
090-5204	WEARING APPAREL	4,737	4,015	3,896	5,400	5,400	5,400
090-5205	VEHICLE PARTS & SUPPLIES	1,207	2,412	1,959	2,000	2,000	2,000
090-5206	VEHICLE GAS FUEL/LUBE	12,914	17,907	20,549	13,325	21,349	21,000
090-5207	MINOR TOOLS & APPARATUS	1,632	5,071	4,378	4,700	4,700	4,700
090-5212	AGRICULTURAL SUPPLIES	500	485	377	500	500	500
090-5219	FLOOD CONTROL	292	298	257	300	300	300
090-5221	EQUIPMENT PARTS & SUPPLIES	6,376	4,646	4,995	5,000	5,000	5,000
	SUPPLIES	27,824	34,989	36,649	31,500	39,560	39,175
MAINTENANCE							
090-6304	VEHICLE MAINTENANCE	10,397	12,279	12,885	17,500	17,500	18,500
090-6305	RADIO MAINTENANCE	43	206	281	350	350	350
090-6307	MINOR TOOL & APPARATUS MAINT.	216	521	655	750	750	750
090-6320	STORM SEWERS & DRAINAGE MAINT.	15,890	11,782	1,820	25,000	25,000	25,000
090-6341	BARRICADE MAINTENANCE	76	236	280	350	350	350
090-6347	FENCES	29	85	420	500	500	500
	MAINTENANCE	26,650	25,109	16,341	44,450	44,450	45,450

Line Item Budget Detail

	2003-2004	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008
	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	PROJECTED YEAR END	PROPOSED BUDGET
CONTRACTUAL/SUNDRY						
090-7401 COMMUNICATIONS	406	408	390	1,100	1,100	1,100
090-7402 RENTAL OF EQUIPMENT	171	417	0	800	800	800
090-7404 SPECIAL SERVICES	42,500	0	0	31,000	31,000	0
090-7410 TRAINING	543	740	536	1,000	1,000	1,000
090-7425 ENGINEERING FEES	0	0	0	2,000	2,000	2,000
090-7428 LABORATORY TESTING	0	0	0	500	500	500
090-7441 DOT DRUG TESTING/PHYSICALS	0	0	0	0	0	140
090-7496 CONTINGENCY	0	0	0	5,000	5,000	5,000
090-7502 BAD DEBT EXPENSE	3,141	1,583	2,652	0	0	0
090-7680 COG STORM WATER PHII	0	0	0	2,400	2,400	2,400
CONTRACTUAL/SUNDRY	46,760	3,147	3,578	43,800	43,800	12,940
CAPITAL OUTLAY						
090-8506 DEPRECIATION EXPENSE	347,035	339,410	337,223	0	0	0
090-8514 HEAVY EQUIPMENT	0	0	0	0	0	8,000
090-8516 RADIOS	794	0	0	0	0	0
090-8567 STORM DRAIN IMPROVEMENTS	0	50,000	5,000	50,000	50,000	50,000
CAPITAL OUTLAY	347,829	389,410	342,223	50,000	50,000	58,000
PUBLIC WORKS	821,241	828,521	737,841	568,030	548,559	553,600
TRANSFER TO OTHER FUNDS						
CONTRACTUAL/SUNDRY						
999-7701 TRANSFER TO GENERAL FUND	34,250	34,500	34,600	34,635	34,635	34,670
999-7715 TRANSFER TO INTERNAL SERVICE	80,000	80,000	80,000	57,120	57,120	9,000
CONTRACTUAL/SUNDRY	114,250	114,500	114,600	91,755	91,755	43,670
TRANSFER TO OTHER FUNDS	114,250	114,500	114,600	91,755	91,755	43,670
*** TOTAL EXPENDITURES ***	975,460	980,036	882,881	712,609	674,949	650,364

Bunker Hill Drainage, Water, and Sewer Impact Fee Funds

Impact fees are charges against new development in order to generate improvements attributable to new development and those charges cannot include facilities that are already in place.

State Law allowed impact Fees in 1990. Chapter 395 of the Local Government Code regulates how impact fees are calculated and charged by municipalities.

The City of Watauga drainage impact fees are assessed to developers that build in areas that when fully developed will create flooding in existing areas of the City. Water and Sewer impact fees are assessed to developers when construction will create new demands on existing water and sewer

These funds are accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Some development is occurring in the designated area of the Bunker Hill impact fee which continues to include a few remaining sites for "garden offices" and a new planned development on the corner of Whitley Road and Starnes Road. The City of Watauga has eliminated all water and sewer impact fees that the City charges. Pass through amounts are still collected for our wholesaler. Much of Watauga is built out and very little land remains for new development.

Bunker Hill Drainage Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1	\$385,234	\$392,434	\$315,603	\$189,738	\$185,807	\$76,379
Revenues:						
Impact Fees	2,797	0	15,515	14,608	42,567	8,000
Penalty & Late Fees	0	0	0	0	0	0
Interest Income	4,403	9,096	10,580	2,130	3,720	1,000
Total Revenue	\$7,200	\$9,096	\$26,095	\$16,738	\$46,287	\$9,000
Total Available Resources	<u>\$392,434</u>	<u>\$401,530</u>	<u>\$341,698</u>	<u>\$206,476</u>	<u>\$232,094</u>	<u>\$85,379</u>
Transfers Out:						
GO Debt Service (98 Bond)	0	85,927	155,891	155,715	155,715	37,145
Total Transfers Out	\$0	\$85,927	\$155,891	\$155,715	\$155,715	\$37,145
Fund Balance, September 30	<u>\$392,434</u>	<u>\$315,603</u>	<u>\$185,807</u>	<u>\$50,761</u>	<u>\$76,379</u>	<u>\$48,234</u>

Water Impact Fees

Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Working Capital, October 1*	\$309,345	\$0	-\$3,121	\$0	\$5,453	\$0
Revenue:						
Impact Fees	23,925	1,810	1,230	0	0	0
Transfer	0	0	0	0	0	0
Interest Earnings	5,210	4,146	7,344	0	8,506	0
Total Revenue	\$29,135	\$5,956	\$8,574	\$0	\$8,506	\$0
Total Available Resources	\$338,480	\$5,956	\$5,453	\$0	\$13,959	\$0
Debt Service Requirements:						
Contingency	0	9,077	0	0	954	0
Study / Construction Costs	338,480	0	0	0	13,005	0
Total Expenditures	\$338,480	\$9,077	\$0	\$0	\$13,959	\$0
Working Capital, September 30	\$0	-\$3,121	\$5,453	\$0	\$0	\$0

*FY2003 \$162,145 Auditor adjustment for sale of asset to another fund does not need to be performed since aggregated. Negative cash balance will offset transfer to Capital Fund.

Close Out FY07 with accrued interest

Sewer Impact Fees

Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Working Capital, October 1	\$121,963	\$8,164	\$8,289	\$8,515	\$9,226	\$9,160
Revenue:						
Sewer Impact Fees	7,017	635	552	0	0	0
Interest Earnings	1,322	220	385	353	486	312
Total Resources	\$8,339	\$855	\$937	\$353	\$486	\$312
Total Available Resources	\$130,302	\$9,019	\$9,226	\$8,868	\$9,712	\$9,472
Expenditures:						
Contingency / Construction Costs	104,618	0	0	0	552	0
Engineering	17,520	730	0	0	0	0
Total Expenditures	\$122,138	\$730	\$0	\$0	\$552	\$0
Working Capital, September 30	\$8,164	\$8,289	\$9,226	\$8,868	\$9,160	\$9,472

Internal Service Fund

The Internal Service Fund is used to account for the acquisition of various replacement capital items in the City. The objective of the fund is to accumulate sufficient funds to meet the capital needs of the City.

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Capital financing for big equipment other than vehicles for Fiscal Year 2008 for a back hoe for the Water and Sewer Utility Fund and a tandem dump truck for the Storm Drain Utility Fund. All other funds handled their own one-time purchasing for the year. Internal Services was converted in 2007 to be an equipment replacement fund with its remaining fund balances.

	<u>2003-04</u> Actual	<u>2004-05</u> Actual	<u>2005-06</u> Actual	<u>2006-07</u> Budget	<u>2006-07</u> Estimated	<u>2007-08</u> Proposed 406,477
Fund Balance						
<u>Revenues:</u>						
Pmt from General Fund	181,000	131,000	70,000	50,000	50,000	0
Pmt from PDC Sales Tax Fund	65,000	55,000	45,000	0	0	0
Pmt from Capital Proj Fund	65,000	30,000	0	0	0	0
Pmt from W/S Operating Fund	57,333	11,000	11,000	7,854	7,854	8,000
Pmt from W/S Construction Fund	16,667	0	0	0	0	0
Pmt from CCD	40,000	40,000	40,000	0	0	0
Pmt from Storm Drain	80,000	80,000	80,000	57,120	57,120	9,000
Pmt from Municipal Tech Fee	0	0	3,000	0	0	0
Rental of Facilities	17,706	14,496	0	0	0	0
Total Charges for Service:	<u>\$522,706</u>	<u>\$361,496</u>	<u>\$249,000</u>	<u>\$114,974</u>	<u>\$114,974</u>	<u>\$17,000</u>
<u>Other Revenues:</u>						
Interest Income	2,739	7,248	15,369	14,023	23,458	12,449
Total Other Revenue	<u>\$ 2,739</u>	<u>\$ 7,248</u>	<u>\$ 15,369</u>	<u>\$ 14,023</u>	<u>\$ 23,458</u>	<u>\$ 12,449</u>
Total Revenues:	\$525,445	\$368,744	\$264,369	\$128,997	\$138,432	\$29,449
<u>Expenditures:</u>						
Lease Purchase Costs (FY00-01)	0	0	0	0	0	0
Lease Purchase Costs (FY01-02)	0	(1,342)	(1,371)	0	0	0
Operating Expense	1,654	1,655	8,270	0	0	0
Interest Expense	38,591	18,937	4,113	0	0	0
Contingency	0	0	0	0	2	0
Computer Hardware	0	0	0	0	0	0
Computer Software	0	0	0	0	0	0
Other Equipment*	0	0	0	0	0	170,000
Depreciation Expense	214,749	213,443	194,193	0	0	0
Total Expenditures:	<u>\$254,994</u>	<u>\$232,693</u>	<u>\$205,205</u>	<u>\$0</u>	<u>\$2</u>	<u>\$170,000</u>
Revenues Over(Under) Expenses	<u><u>\$270,451</u></u>	<u><u>\$136,051</u></u>	<u><u>\$59,164</u></u>	<u><u>\$128,997</u></u>	<u><u>\$138,430</u></u>	<u><u>(\$140,551)</u></u>
Est. Ending Fund Balance						\$265,926
Actual Adjusted for Capitalization						

CAPITAL PROJECTS FUNDS

General Capital Fund

Watauga Parks Development Capital
Fund

Water and Sewer Capital Fund

Capital Projects

The Capital Projects Fund accounts for the acquisition of and construction or reconstruction of major capital facilities, infrastructure and equipment. The projects are financed with resources allocated to the General Capital Projects Fund, Watauga Parks Development Corporation Capital Fund, and the Water and Sewer Capital Projects Fund.

The City of Watauga updates its 5-year Capital Improvement Program annually. The objective continues to be to match capital expenditures with available resources and that will satisfy City tax rate objectives. The Capital Improvements Program attempts to identify and plan for all major capital needs and deals with capital items that are different from those which are covered under the capital outlay category in each department's budget and in the Internal Service (Equipment Replacement) Fund. Generally, the CIP includes improvements that are relatively expensive, are non-recurring, have a multi-year useful life, and, like capital outlay items, result in fixed assets. Programs the City of Watauga currently identifies include:

Drainage Projects – Such projects include several drainage channels throughout the City that have been identified as known problem areas. All developed property owners within the City pay a monthly drainage utility fee, which is utilized toward drainage development, redevelopment, and maintenance. The City has significantly lessened flooding along smaller channels and ditches throughout the City by keeping these facilities free of foliage and debris. These projects are included in the Operating Storm Drainage Fund and any long-term projects can be carried under General Capital or Water and Sewer Capital funds depending on project goals.

Signalization Projects - Such projects include the construction or redevelopment of traffic light signalization needs for the City. These projects are included in the General Capital Fund.

Special Building Projects – Such projects include the construction or major renovations of special facilities owned by the City. These projects can be included in any of the three capital funds, depending on project purpose.

Street Projects – Such projects include construction or major redevelopment of the 301 current streets in the City. Street projects do not include the City forces normal operating and maintenance on subgrade repair, milling, and overlay. Both street projects and normal operating and maintenance of street are included in the General Capital Fund.

Wastewater Projects – Such projects include improvements, expansions, or construction of wastewater lines in the City. Many of these projects are being implemented immediately to stay within EPA Administrative Orders. These projects are included in the Water and Sewer Capital Fund.

Water Projects – Such projects include new waterlines or improvements to existing waterlines for future development or existing customers needs. These projects are included in the Water and Sewer Capital Fund.

It is the goal of the City of Watauga to have a Capital Improvements Program that is focused on adding value and extend the life of City infrastructure with no increase in operating costs or property tax. Consideration is given to debt issuance only if the overall tax rate remains unchanged and to prioritizing projects that will either decrease operational costs or have no operational cost impact.

The funds are accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

GENERAL CAPITAL PROJECTS

Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Beginning Fund Balance*	\$2,790,527	\$2,232,578	\$6,831,193	\$3,809,611	\$5,020,573	\$6,359,558
Revenues:						
Transfer from General Fund	662,160	2,815,963	598,047	825,000	825,000	1,075,000
Transfer from Crime Control District	14,158	0	0	0	0	500,000
Transfer from Water/Sewer Operations	100,000	0	0	0	0	0
Note Proceeds	0	5,049,531	0	0	3,400,000	0
Developer Reimbursement	0	0	0	0	0	0
Interest Income / Misc.	60,481	87,466	231,528	186,923	281,259	198,000
Total Revenue:	\$836,799	\$7,952,960	\$829,575	\$1,011,923	\$4,506,259	\$1,773,000
Total Available Resources	\$3,627,326	\$10,185,538	\$7,660,768	\$4,821,534	\$9,526,832	\$8,132,558
Expenditures:						
North Park (Pebblebrook to Rufe Snow)	159,330	0	0	0	0	0
Engineering	130	0	72,687	132,313	153,511	10,000
Asphalt Maintenance	95,070	120,346	122,908	125,000	125,000	140,000
Sidewalk Replacement	44,991	49,158	98,568	100,000	100,000	100,000
Traffic Signal	0	0	31,688	0	0	100,000
Starnes	164,941	215,457	63,996	1,096,177	1,021,342	0
Whitley & Starnes Intersection	4,234	1,817	0	0	0	0
Contingency	0	30,000	0	30,000	0	30,000
Bond Issuance	0	104,339	0	0	0	0
Pmt to NRH for Rufe Snow	19,785	19,785	19,785	85,000	85,000	85,000
CDBG 33rd Year	0	0	0	0	0	108,000
CDBG 32nd Year	0	0	2,027	62,973	62,973	0
CDBG 28th Year Construction ADA Sidewalks	1,610	0	0	0	0	0
CDBG 31st Year Dream Lane (was 24th Yr)	0	0	45,552	19,448	19,448	0
CDBG 30th Year Avalon	0	44,129	0	0	0	0
Avalon - CDBG 29th Year	0	68,447	0	0	0	0
Street Overlays	637,579	447,714	489,494	550,000	550,000	550,000
Payment to Internal Service Fund	65,000	30,000	0	0	0	0
Street Light Replacement Program	0	0	0	25,000	0	25,000
Foster Village	0	10,445	0	0	0	0
Building Improvements	86,160	23,977	763,192	2,965,109	1,050,000	3,737,379
City Hall	115,918	2,188,731	930,298	0	0	0
Total Fund Expenditures:	\$1,394,748	\$3,354,345	\$2,640,195	\$5,191,020	\$3,167,274	\$4,885,379
Ending Fund Balance	\$2,232,578	\$6,831,193	\$5,020,573	(\$369,486)	\$6,359,558	\$3,247,179

* \$501,483 Due from another fund booked by auditors on CAFR but not a real receivable.



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NEW EXPANDED CAPITAL PROJECTS

Buildings & Parks			Funding Source	Year of Proposed Construction				
Type	Size	Cost		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
DPS Addition & Remodeling	6,231 s.f. Addition 10,779 s.f. Remodel	\$3,737,379	C.O. Bonds & CCD	*				
Court Yard Remodeling	672 s.f.	\$30,000	General Fund Reserves	*				
\$3,767,379								

See attached detail for capital and operating needs for FY08 Projects.

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12

FUND: General Capital Fund FUND NO. 07

CAPITAL PROJECT TITLE: DPS Addition and Remodel

PROJECT DESCRIPTION:

To take former City Hall location at 7101 Whitley Road and add 6,231 square feet of new space and remodel 10,779 square feet for Police facility needs. To include new jail, dispatch, office, and meeting spaces.

FUNDING SOURCE:

Certificate of Obligation and CCD Funds

BENEFITS CLAUSE: (What is the overall benefit/savings to the City/Department?)

COW# 1 Provide a safe & secure City.
COW# 2 Improve Watauga's infrastructure.
COW# 3 Develop a strategy to make City more physically attractive.

SAVINGS: (What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)

City already owns property and has a sound building facility to work with.

COST INFORMATION:

ADDITIONAL STAFF:	Title of Position	Emp. Date	Fund/Account	Account Name	Amount
	Janitor		01-098-4003	Operations	\$21,965
TOTAL SALARY					\$21,965

PERSONNEL COSTS		Fund/Account	Account Name	Amount
		xx-xxx-4100	Retirement	\$2,412
		xx-xxx-4102	Medical	\$4,986
		xx-xxx-4102	Dental	\$306
		xx-xxx-4102	Vision	\$118
		xx-xxx-4102	Group Life/LTD	\$635
		xx-xxx-4103	Medicare	\$318

		(Mark "X" if One-time)	Fund/Account	Account Name	Amount
SUPPLIES	Description				
	Uniform		01-098-5204	Wearing Apparel	\$600
SUPPLY COSTS:					\$600

		(Mark "X" if One-time)	Fund/Account	Account Name	Amount
MAINTENANCE	Description				
	Cleaning Supplies		01-098-5208	Janitorial Supplies	\$1,500
MAINTENANCE COST:					\$1,500

		(Mark "X" if One-time)	Fund/Account	Account Name	Amount
CONTRACTUAL/SUNDRY	Description				
	Electricity		01-098-7411	Electricity	\$1,500
CONTRACTUAL/SUNDRY COST					\$1,500

		(Mark "X" if Replacing item)	Fund/Account	Account Name	Amount
CAPITAL	Description				
	Construction		07-090-8503	Building Improvements	\$3,737,379
CAPITAL COST:					\$3,737,379

TOTAL COST FOR NEW/EXPANDED PROJECT:					\$3,771,720
TOTAL ONE-TIME EXPENSES					\$3,737,379
TOTAL SUPPLEMENTAL (Ongoing Costs)					\$34,341

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12

FUND: General Fund FUND NO. 01

CAPITAL PROJECT TITLE: Court Yard Remodeling

PROJECT DESCRIPTION:

To enhance area, 672 square feet, between Library 7109 Whitley Road and City Hall 7105 Whitley Road for a inviting area for citizen and employees.

FUNDING SOURCE:

General Fund Reserves

BENEFITS CLAUSE: (What is the overall benefit/savings to the City/Department?)

COW#2 Improve Watauga's infrastructure.
COW#3 Develop a strategy to make the City more physically attractive.
COW# 4 Provide diverse park facilities, recreational and cultural opportunities for citizens of all ages.

SAVINGS: (What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)

City already owns property.

COST INFORMATION:

ADDITIONAL STAFF:

Title of Position	Emp. Date	Fund/Account	Account Name	Amount
TOTAL SALARY				\$0

PERSONNEL COSTS	Fund/Account	Account Name	Amount
	xx-xxx-4100	Retirement	\$0
	xx-xxx-4102	Medical	\$0
	xx-xxx-4102	Dental	\$0
	xx-xxx-4102	Vision	\$0
	xx-xxx-4102	Group Life/LTD	\$0
	xx-xxx-4103	Medicare	\$0

Description	(Mark "X" if One-time)	Fund/Account	Account Name	Amount
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SUPPLIES	Plants & Supplies		04-075-5230	Living Plant Supplies	\$1,000
SUPPLY COSTS:					\$1,000

MAINTENANCE					
MAINTENANCE COST:					\$0

CONTRACTUAL/SUNDRY	Irrigation		40-000-3800	Water Sales - Reduction	\$50
CONTRACTUAL/SUNDRY COST:					\$50

Description	(Mark "X" if Replacing item)	Fund/Account	Account Name	Amount	
CAPITAL	Construction		01-020-7523	Beautification	\$30,000
CAPITAL COST:				\$30,000	

TOTAL COST FOR NEW/EXPANDED PROJECT:		\$31,050
TOTAL ONE-TIME EXPENSES		\$30,000
TOTAL SUPPLEMENTAL (Ongoing Costs)		\$1,050

NEW EXPANDED CAPITAL PROJECTS

Street Projects			Funding Source	Year of Proposed Construction				
				2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Street	Size	Cost						
S03: Whitley Rd. – South on Watauga Rd. to South City Limit	32'W by 2,188'L	\$528,000	C.O.Bonds				*	
S04: Nola Dr. from Nola Court to Summit	31'W by 460'L	\$104,000	Revenues		*			
S05: Yorkston from Chesapeake to Constitution Dr.	32'W by 1,970'L	\$563,000	Revenues					*
S06: Starnes Road from US 377 to Pebblebrook	17" x 42'W by 4,320'L	\$2,320,346	City / County (Bond) Funds	*				
S09: Whitley Road - North from Old Whitley to Haney Drive	42'W by 2,480'L	\$498,500	C.O.Bonds				*	
S10: Bursey Road - West from Whitley Road to Willis Lane	42'W by 2,290'L	\$802,000	C.O.Bonds					*
S11: Bursey Road - East from Willis Lane to Rufe Snow	42'W by 2,550'L	\$893,000	C.O.Bonds					*
S12: Whitley Road - North from Hightower to Starnes Road	42'W by 2,868'L	\$866,136	C.O.Bonds				*	
S13: Starnes Road - Phase IV	42'W by 1,890'L	\$570,800	C.O.Bonds		*			
S15: Whitley Road Connection from Watauga Road to Haney Drive	42'W by 550'L	\$166,100	C.O.Bonds					*
S16: Dream Lane from Stardust Drive to Avalon Drive	32'W by 1,226'L	\$336,148	City / County (CDBG) Funds	*	*			
S18: Carousel Drive from Stardust Drive to Perdido Drive	32'W by 1,684'L	\$508,568	C.O.Bonds					*

NEW EXPANDED CAPITAL PROJECTS

Street Projects Con't.			Funding Source	Year of Proposed Construction				
Street	Size	Cost		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
S19: Perdido Drive from Carousel Drive to Summit Ridge Drive	32'W by 2,062'L	\$622,724	City / County Funds			*		
S20: Route 66 from Summertime Lane to Summit Ridge Drive	32'W by 1,254'L	\$378,708	C.O.Bonds					*
\$9,158,030								

Street projects should only effect City operating budget through normal service of bidding, accounting, inspecting, and engineering services. We do not foresee any other expectations at this time since contracting out services.

See attached detail for capital and operating needs for FY08 Projects.

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: <input checked="" type="checkbox"/> FY 2007-08 <input type="checkbox"/> FY 2008-09 <input type="checkbox"/> FY 2009-10 <input type="checkbox"/> FY 2010-11 <input type="checkbox"/> FY 2011-12					
FUND: <u>General Capital Fund</u>		FUND NO. <u>07</u>			
CAPITAL PROJECT TITLE: <u>Starnes Road Project - 377 to Pebblebrook</u>					
PROJECT DESCRIPTION:					
Starnes Road reconstruction project from U.S. 377 to Pebblebrook which is 42' wide by 4,320' long.					
FUNDING SOURCE:					
Sharing costs of project with Tarrant County through their last bond sale. City authorized \$1,096,177 in FY07 that will roll forward to FY08 since project has yet to be completed.					
BENEFITS CLAUSE: <i>(What is the overall benefit/savings to the City/Department?)</i>					
COW# 1 Provide a safe and secure City. COW# 2 Improve Watauga's infrastructure. COW# 3 Develop a strategy to make City more physically attractive.					
SAVINGS: <i>(What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)</i>					
By keeping the width of street at 42' the City should not need to purchase any additional right-of-way.					
COST INFORMATION:					
ADDITIONAL STAFF:					
Title of Position		Emp. Date	Fund/Account	Account Name	Amount
No additional needs. Normal costs associated with Bidding, accounting, inspecting and engineering.					
TOTAL SALARY					\$0
PERSONNEL COSTS		xx-xxx-4100	Retirement	\$0	
		xx-xxx-4102	Medical	\$0	
		xx-xxx-4102	Dental	\$0	
		xx-xxx-4102	Vision	\$0	
		xx-xxx-4102	Group Life/LTD	\$0	
		xx-xxx-4103	Medicare	\$0	
Description		(Mark "X" if One-time)	Fund/Account	Account Name	Amount
SUPPLIES				PERSONNEL COST:	\$0
				SUPPLY COSTS:	\$0
				MAINTENANCE COST:	\$0
MAINTENANCE				CONTRACTUAL/SUNDRY COST:	\$0
				CONTRACTUAL/SUNDRY COST:	\$0
				CAPITAL COST:	\$1,096,177
CONTRACTUAL/SUNDRY				TOTAL COST FOR NEW/EXPANDED PROJECT:	\$1,096,177
				TOTAL ONE-TIME EXPENSES	\$1,096,177
				TOTAL SUPPLEMENTAL (Ongoing Costs)	\$0
CAPITAL		Description	(Mark "X" if Replacing item)	Fund/Account	Account Name
		Construction		07-090-7448	Starnes Road
					\$1,096,177

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: <input checked="" type="checkbox"/> FY 2007-08 <input type="checkbox"/> FY 2008-09 <input type="checkbox"/> FY 2009-10 <input type="checkbox"/> FY 2010-11 <input type="checkbox"/> FY 2011-12					
FUND:		General Capital Fund		FUND NO. 07	
CAPITAL PROJECT TITLE: <u>Dream Lane from Stardust Drive to Avalon Drive</u>					
PROJECT DESCRIPTION:					
Dream Lane reconstruction project from Stardust Drive to Avalon Drive which is 32' wide by 1,226' long.					
FUNDING SOURCE:					
Sharing costs of project with Tarrant County through Community Development Block Grant. City authorized \$108,000 on this phase of the project. Utilities were implemented in FY07 by the City.					
BENEFITS CLAUSE: <i>(What is the overall benefit/savings to the City/Department?)</i>					
COW# 1 Provide a safe and secure City. COW# 2 Improve Watauga's infrastructure. COW# 3 Develop a strategy to make City more physically attractive.					
SAVINGS: <i>(What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)</i>					
By keeping the width of street at 32' the City should not need to purchase any additional right-of-way.					
COST INFORMATION:					
ADDITIONAL STAFF:					
Title of Position		Emp. Date		Fund/Account	
Account Name		Amount			
No additional needs. Normal costs associated with Bidding, accounting, inspecting and engineering.					
TOTAL SALARY					\$0
PERSONNEL COSTS		xx-xxx-4100		Retirement	
		xx-xxx-4102		Medical	
		xx-xxx-4102		Dental	
		xx-xxx-4102		Vision	
		xx-xxx-4102		Group Life/LTD	
		xx-xxx-4103		Medicare	
				PERSONNEL COST:	
				\$0	
Description		(Mark "X" if One-time)		Fund/Account	
Account Name		Amount			
SUPPLIES					
SUPPLY COSTS:					\$0
MAINTENANCE					
MAINTENANCE COST:					\$0
CONTRACTUAL/ SUNDRY					
CONTRACTUAL/SUNDRY COST:					\$0
Description		(Mark "X" if Replacing item)		Fund/Account	
Account Name		Amount			
CAPITAL		Construction		07-090-7455	
				CAPITAL COST:	
				\$108,000	
TOTAL COST FOR NEW/EXPANDED PROJECT:					\$108,000
TOTAL ONE-TIME EXPENSES					\$108,000
TOTAL SUPPLEMENTAL (Ongoing Costs)					\$0

NEW EXPANDED CAPITAL PROJECTS

Street Overlays		Funding Source	Year of Proposed Construction				
			2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Street	Cost						
Need basis justification (determined annually) plus slurry seal (\$50K).	\$550,000	Revenues	*				
Need basis justification (determined annually).	\$300,000	Revenues		*			
Need basis justification (determined annually).	\$300,000	Revenues			*		
Need basis justification (determined annually).	\$300,000	Revenues				*	
Need basis justification (determined annually).	\$300,000	Revenues					*
\$1,750,000							

Street overlay projects should only effect City operating budget through normal service of bidding, accounting, inspecting, and engineering services. We do not foresee any other expectations at this time since contracting out services.

See attached detail for capital and operating needs for FY08 Projects.

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12

FUND: General Capital Fund FUND NO. 07

CAPITAL PROJECT TITLE: FY2008 Street Overlay and Slurry Seal

PROJECT DESCRIPTION:

Street overlay projected for worst streets in town. Preliminary projects Maurie Circle, Maurie Drive, Barry Drive, Watauga Heights, Rickee Court, Sunnybrook Court, and Old Mill Court.

FUNDING SOURCE:

General Fund Revenues Transfer

BENEFITS CLAUSE: (What is the overall benefit/savings to the City/Department?)

COW# 1 Provide a safe and secure City.
COW# 2 Improve Watauga's infrastructure.
COW# 3 Develop a strategy to make City more physically attractive.

SAVINGS: (What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)

Less expensive and faster than a full street reconstruction to extend the life of the "not as bad" streets another seven to ten years.

COST INFORMATION:

ADDITIONAL STAFF:

Title of Position	Emp. Date	Fund/Account	Account Name	Amount
No additional needs. Normal costs associated with Bidding, accounting, inspecting and engineering.				
TOTAL SALARY				\$0

PERSONNEL COSTS

	xx-xxx-4100	Retirement	\$0
	xx-xxx-4102	Medical	\$0
	xx-xxx-4102	Dental	\$0
	xx-xxx-4102	Vision	\$0
	xx-xxx-4102	Group Life/LTD	\$0
	xx-xxx-4103	Medicare	\$0

Description	(Mark "X" if One-time)	Fund/Account	Account Name	Amount
PERSONNEL COST:				\$0

SUPPLIES

SUPPLY COSTS:				\$0

MAINTENANCE

MAINTENANCE COST:				\$0

**CONTRACTUAL/
SUNDRY**

CONTRACTUAL/SUNDRY COST:				\$0

Description	(Mark "X" if Replacing item)	Fund/Account	Account Name	Amount
CAPITAL COST:				\$550,000

CAPITAL

Overlay Materials		07-090-8572	Overlay Materials	\$550,000
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TOTAL COST FOR NEW/EXPANDED PROJECT:

\$550,000

TOTAL ONE-TIME EXPENSES

\$550,000

TOTAL SUPPLEMENTAL (Ongoing Costs)

\$0

NEW EXPANDED CAPITAL PROJECTS

Traffic Signalization Project		Funding Source	Year of Proposed Construction				
Location	Cost		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
T01: Whitley at New Bursley	\$83,000	Revenues		*			
T02: Hightower Road at Whitley Road	\$100,000	Revenues	*				
T03: Watauga Road at Maurie Drive	\$115,000	Revenues			*		
\$298,000							

See attached detail for capital and operating needs for FY08 Projects.

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12

FUND: General Capital Fund FUND NO. 07

CAPITAL PROJECT TITLE: Traffic Signal T02 Hightower Road at Whitley Road

PROJECT DESCRIPTION:

Traffic signal for intersection of Hightower Road and Whitley Road.

FUNDING SOURCE:

General Fund Revenue Transfer

BENEFITS CLAUSE: (What is the overall benefit/savings to the City/Department?)

COW# 1 Provide a safe and secure City.
COW# 2 Improve Watauga's infrastructure.

SAVINGS: (What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)

Safety.

COST INFORMATION:

ADDITIONAL STAFF:

Title of Position	Emp. Date	Fund/Account	Account Name	Amount
TOTAL SALARY				\$0

PERSONNEL COSTS	Fund/Account	Account Name	Amount
	xx-xxx-4100	Retirement	\$0
	xx-xxx-4102	Medical	\$0
	xx-xxx-4102	Dental	\$0
	xx-xxx-4102	Vision	\$0
	xx-xxx-4102	Group Life/LTD	\$0
	xx-xxx-4103	Medicare	\$0

Description	(Mark "X" if One-time)	Fund/Account	Account Name	Amount
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SUPPLIES				
SUPPLY COSTS:				\$0

MAINTENANCE				
MAINTENANCE COST:				\$0

CONTRACTUAL/SUNDRY		01-098-7411	Electricity	\$500
CONTRACTUAL/SUNDRY COST:				\$500

Description	(Mark "X" if Replacing item)	Fund/Account	Account Name	Amount
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CAPITAL		07-090-7442	Traffic Signal	\$100,000
CAPITAL COST:				\$100,000

TOTAL COST FOR NEW/EXPANDED PROJECT: \$100,500

TOTAL ONE-TIME EXPENSES \$100,000

TOTAL SUPPLEMENTAL (Ongoing Costs) \$500

NEW EXPANDED CAPITAL PROJECTS

Drainage Projects			Funding Source	Year of Proposed Construction				
Channel Location	Length	Cost		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
D04: Whitley Road Improvements	1,320'	\$290,000	Revenues		*			
MP1: Bunker Hill	4,667'	\$914,227	Revenues				*	
MP2: Watauga Heights	7,652'	\$1,747,687	Revenues		*			
MP3: Astor Heights	7,407'	\$1,602,805	Revenues					*
MP4: Sunnybrook South	5,550'	\$1,081,077	Revenues					*

\$5,635,796

Annual operating budgetary issues for drainage projects are unknown at this time.

Parks Development Corporation

Capital Projects Fund Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Fund Balance, October 1	\$92,067	\$200,344	\$671,599	\$507,716	\$648,822	\$488,203
<u>Revenue:</u>						
Interest Earnings	1,703	11,134	29,667	26,093	32,941	24,030
Proceeds From the Sale of Assets	0	431,858	0	0	0	0
Transfer From PDC Sales Tax Fund	152,466	253,471	262,844	190,316	190,316	150,000
Other Financing Sources	4,358	0	0	0	0	0
Matching Grants	0	0	0	0	0	0
Total Revenues:	\$158,527	\$696,463	\$292,511	\$216,409	\$223,257	\$174,030
Total Available Resources	\$250,594	\$896,807	\$964,110	\$724,125	\$872,079	\$662,233
<u>Expenditures:</u>						
Non-Departmental	0	(549)	0	0	0	0
Indian Springs Park	23,250	176,393	297,794	346,720	346,720	0
Virgil Anthony Sr. Park (formerly Kiker)	0	0	0	0	0	0
Capp Smith	0	6,650	0	0	0	150,000
Contingency (Non-Departmental)	0	0	0	0	0	0
Foster Village Park	0	42,714	17,494	37,156	37,156	0
Indian Springs Community Center	7,000	0	0	0	0	0
Total Expenditures:	\$30,250	\$225,208	\$315,288	\$383,876	\$383,876	\$150,000
<u>Other Expenditures:</u>						
Transfer to G. O. Debt Service	20,000	0	0	0	0	0
Total Other Sources (Uses):	\$20,000	\$0	\$0	\$0	\$0	\$0
Fund Balance, September 30	\$200,344	\$671,599	\$648,822	\$340,249	\$488,203	\$512,233

NEW EXPANDED CAPITAL PROJECTS

Parks			Funding Source	Year of Proposed Construction				
Type	Location	Cost		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Drainage Project	Capp Smith Park	\$150,000 \$150,000	Park Development Operations	*				

See attached detail for capital and operating needs for FY08 Projects.

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: <input checked="" type="checkbox"/> FY 2007-08 <input type="checkbox"/> FY 2008-09 <input type="checkbox"/> FY 2009-10 <input type="checkbox"/> FY 2010-11 <input type="checkbox"/> FY 2011-12					
FUND:		Park Development Capital		FUND NO.	05
CAPITAL PROJECT TITLE: Capp Smith Drainage Project					
PROJECT DESCRIPTION:					
Needed drainage repairs at Capp Smith Park including re routing of sidewalk during construction time so to not interfere with usage of park.					
FUNDING SOURCE:					
Park Development Corporation Operating Transfer					
BENEFITS CLAUSE: (What is the overall benefit/savings to the City/Department?)					
COW#2 Improve Watauga's infrastructure.					
COW#3 Develop a strategy to make the City more physically attractive.					
COW# 4 Provide diverse park facilities, recreational and cultural opportunities for citizens of all ages.					
SAVINGS: (What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)					
Erosion control at facility.					
COST INFORMATION:					
ADDITIONAL STAFF:					
	Title of Position	Emp. Date	Fund/Account	Account Name	Amount
	TOTAL SALARY				\$0
	PERSONNEL COSTS		xx-xxx-4100	Retirement	\$0
			xx-xxx-4102	Medical	\$0
			xx-xxx-4102	Dental	\$0
			xx-xxx-4102	Vision	\$0
			xx-xxx-4102	Group Life/LTD	\$0
			xx-xxx-4103	Medicare	\$0
				PERSONNEL COST:	\$0
	Description	(Mark "X" if One-time)	Fund/Account	Account Name	Amount
SUPPLIES					
	SUPPLY COSTS:				\$0
MAINTENANCE					
	MAINTENANCE COST:				\$0
CONTRACTUAL/ SUNDRY					
	CONTRACTUAL/SUNDRY COST:				\$0
	Description	(Mark "X" if Replacing item)	Fund/Account	Account Name	Amount
CAPITAL	Construction Materials		05-550-8534	Drainage Improvements	\$150,000
	CAPITAL COST:				\$150,000
TOTAL COST FOR NEW/EXPANDED PROJECT:					\$150,000
TOTAL ONE-TIME EXPENSES					\$150,000
TOTAL SUPPLEMENTAL (Ongoing Costs)					\$0

Water & Sewer Fund Capital Projects

Budget Summary

	2005-06 Actual	2006-07 Budget	2006-07 Estimated	2007-08 Proposed
Working Capital, at October 1	(\$62,611)	(\$36,593)	(\$256,683)	\$115,745
<u>Revenue:</u>				
Bond Proceeds	\$0	0	0	0
Interest Income	(\$3,869)	1,000	0	1,000
Transfer from Water Sewer Operating	\$14,882	415,060	597,170	291,745
Transfer from Other Funds	\$0	0	13,005	0
Total Revenue/Other Sources	<u>\$11,013</u>	<u>\$416,060</u>	<u>\$610,175</u>	<u>\$292,745</u>
Total Available Resources	<u>(\$51,598)</u>	<u>\$379,467</u>	<u>\$353,492</u>	<u>\$408,490</u>
<u>Expenditures:</u>				
Water Distribution	\$0	0	0	0
Sewer Collection	\$0	0	0	126,000
Watauga Rd/RS S. Develop	\$0	0	0	0
Water Line Replacement	\$0	118,485	0	118,485
Water & Sewer Mains	\$83,421	90,000	90,000	90,000
Rufe Snow 12" fr Ridgetop/Fair Meadows	\$0	0	0	0
Rufe Snow 12" fr. Starnes/Valley View	\$0	0	0	0
Locking Valve/Rufe Snow/Ridgetop	\$0	0	0	0
Meter Station/Starnes - 16" Line	\$0	0	0	0
Meter Station/Hightower - 16" Line	\$0	0	0	0
Meter Station/Watauga Rd. - 12" Line	\$0	0	0	0
Cut, Plg and Blk E/W/Rufe Snow 6"-10"	\$0	0	0	0
SSES Repairs	\$56,808	60,000	60,000	60,000
Engineering & Constr. Contingency	\$0	0	0	0
Computer Software	\$0	0	0	0
Upgrade INCODE applications	\$0	0	0	0
Bond Issuance	\$0	0	0	0
Major Tools & Apparatus	\$0	0	0	0
CDBG Year 31	\$0	109,982	87,747	0
City Hall	(\$72)	0	0	0
Total Expenditures	<u>\$140,157</u>	<u>\$378,467</u>	<u>\$237,747</u>	<u>\$394,485</u>
<u>Transfers:</u>				
Transfer to Revenue Bond Reserves	64,928	0	0	0
Transfer to GO Capital Reserve for City Hal	0	0	0	0
Transfer to Internal Service	0	0	0	0
Transfer to W/S Revenue Debt Service	0	0	0	0
Total Transfers	<u>\$64,928</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Working Capital, September 30	<u>(\$256,683)</u>	<u>\$1,000</u>	<u>\$115,745</u>	<u>\$14,005</u>

NEW EXPANDED CAPITAL PROJECTS

Water Line Projects			Funding Source	Year of Proposed Construction				
Size and Line	Location	Cost		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
W11: 8 inch US 377 - Phase II	2,510' Shipp Drive to Watauga Road	\$188,200	Revenues					*
W12: 8 inch Browning Heights North	520' Haney Drive to Watauga Road	\$31,200	Revenues	*				
W13: 12 inch Rufe Snow Drive Phase VI	2,060' Sunset Road past Watauga Road	\$250,000	Revenues					*
W14: 12 inch Rufe Snow Drive Phase V	3,125' Hightower Road to Sunset Road	\$375,000	Revenues				*	
W17: 12 inch Bursley Road Phase II	1,270' April Lane to Rufe Snow Drive	\$114,300	Revenues			*		
W20: 8 inch Meadowbrook Drive	289' Starnes Road to Ridglea Drive	\$18,785	Revenues	*				
W21: 12 inch Rufe Snow Drive Phase II	798' Fair Meadow Drive to Starnes Road	\$87,780	Revenues			*		
W24: 8 inch Saramac	1,009' Lalagray Lane to Morris Blvd.	\$65,585	Revenues		*			
W25: 8 inch Johnnie Street Easement	1,195' Johnnie Street to Patsy Lane	\$77,675	Revenues		*			
W26: 8 inch Watauga Road	928' Denton Highway to Johnnie Street	\$68,500	Revenues	*				
W27: 8 inch Watauga Road	855' Easement to Linda Drive	\$55,575	Revenues		*			

\$1,332,600

See attached detail for capital and operating needs for FY08 Projects.

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12

FUND: Water & Sewer Capital Fund FUND NO. 45

CAPITAL PROJECT TITLE: Misc Water Line Reconstruction Projects

PROJECT DESCRIPTION:

W12: Browning Heights North 8 inch line from Haney Drive to Watauga Road approximately 520', W20: Meadowbrook Drive 8 inch line from Starnes Road to Ridglea Drive approximately 289', and W26: Watauga Road 8 inch line from Denton Highway to Johnnie Street approximately 928' reconstruction projects.

FUNDING SOURCE:

Transfer from Water and Sewer Operating Fund

BENEFITS CLAUSE: (What is the overall benefit/savings to the City/Department?)

COW# 1 Provide a safe and secure City.
COW# 2 Improve Watauga's infrastructure.

SAVINGS: (What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)

Water Loss

COST INFORMATION:

ADDITIONAL STAFF:

Title of Position	Emp. Date	Fund/Account	Account Name	Amount
No additional needs. Normal costs associated with Bidding, accounting, inspecting and engineering.				
TOTAL SALARY				\$0

Title of Position	Emp. Date	Fund/Account	Account Name	Amount
PERSONNEL COSTS				
		xx-xxx-4100	Retirement	\$0
		xx-xxx-4102	Medical	\$0
		xx-xxx-4102	Dental	\$0
		xx-xxx-4102	Vision	\$0
		xx-xxx-4102	Group Life/LTD	\$0
		xx-xxx-4103	Medicare	\$0

Description	(Mark "X" if One-time)	Fund/Account	Account Name	Amount
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SUPPLIES				
SUPPLY COSTS:				\$0

MAINTENANCE				
MAINTENANCE COST:				\$0

CONTRACTUAL/SUNDRY				
CONTRACTUAL/SUNDRY COST:				\$0

Description	(Mark "X" if Replacing item)	Fund/Account	Account Name	Amount
CAPITAL				
Construction		45-402-8619	Waterline Reconstruction	\$118,485
CAPITAL COST:				\$118,485

TOTAL COST FOR NEW/EXPANDED PROJECT:				\$118,485
TOTAL ONE-TIME EXPENSES				\$118,485
TOTAL SUPPLEMENTAL (Ongoing Costs)				\$0

NEW EXPANDED CAPITAL PROJECTS

Waste Water Line Projects			Funding Source	Year of Proposed Construction				
Size and Line	Location	Cost		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
SS08: 8 inch Watauga Road	807' Linda Drive at US377	\$56,000	Revenues	*				
SS0: 8 inch Shipp Drive	1,064' to Bowie Street at US377	\$75,000	Revenues		*			
SS11: 8 inch Allen at US377	1,000' Bonnie to Shipp	\$70,000	Revenues	*				

\$201,000

See attached detail for capital and operating needs for FY08 Projects.

NEW EXPANDED PROJECT for PROPOSED BUDGET YEAR

Check the box of the proposing Year: FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12

FUND: Water & Sewer Capital Fund FUND NO. 45

CAPITAL PROJECT TITLE: Waste Water Line Reconstruction

PROJECT DESCRIPTION:

SS08: Watauga Road 8 inch line from Linda Drive at US377 approximately 807' and SS11: Allen at US377 8 inch line from Bonnie to Shipp approximately 1,000' waste water line reconstruction.

FUNDING SOURCE:

Transfer from Water and Sewer Operating Fund

BENEFITS CLAUSE: (What is the overall benefit/savings to the City/Department?)

COW# 1 Provide a safe and secure City.
COW# 2 Improve Watauga's infrastructure.

SAVINGS: (What savings could be realized from this proposed project? What time is saved or the salvage value of assets disposed?)

Reduce possible contamination of old lines.

COST INFORMATION:

ADDITIONAL STAFF:

Title of Position	Emp. Date	Fund/Account	Account Name	Amount
No additional needs. Normal costs associated with Bidding, accounting, inspecting and engineering.				
TOTAL SALARY				\$0

Title of Position	Emp. Date	Fund/Account	Account Name	Amount
PERSONNEL COSTS				
		xx-xxx-4100	Retirement	\$0
		xx-xxx-4102	Medical	\$0
		xx-xxx-4102	Dental	\$0
		xx-xxx-4102	Vision	\$0
		xx-xxx-4102	Group Life/LTD	\$0
		xx-xxx-4103	Medicare	\$0

Description	(Mark "X" if One-time)	Fund/Account	Account Name	Amount
PERSONNEL COST:				\$0

SUPPLIES				
SUPPLY COSTS:				\$0

MAINTENANCE				
MAINTENANCE COST:				\$0

CONTRACTUAL/ SUNDRY				
CONTRACTUAL/SUNDRY COST:				\$0

Description	(Mark "X" if Replacing item)	Fund/Account	Account Name	Amount
CAPITAL				
Construction		45-401-8603	Sewer Collection System	\$126,000

CAPITAL COST:				\$126,000
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TOTAL COST FOR NEW/EXPANDED PROJECT:				\$126,000
TOTAL ONE-TIME EXPENSES				\$126,000
TOTAL SUPPLEMENTAL (Ongoing Costs)				\$0

DEBT SERVICE FUNDS

General Debt Service Fund

Watauga Parks Development Debt Service Fund

Water and Sewer Certificates of Obligation Debt
Service Fund

Water and Sewer Revenue Bond Debt Service
Fund

Debt Service Fund

The Debt Service Fund, also known as General Obligation Interest and Sinking Fund, was established to provide for the payment of bond principal and interest and for the payment of fiscal agent fees as they come due. Property tax rates and tax levy are required to be computed and levied to provide the money required to pay principal and interest as it comes due. Revenues are collected in the General Obligation Interest and Sinking Fund for the payment of general long-term debt, principal and interest. The General Obligation debt is financed by property taxes and interest earned on investments. Of the approved \$0.580763 tax rate, an amount of \$0.18012 funds the property tax share of the 2007-2008 debt payment. This is 31.01% of the overall tax rate. Debt issuance finances the City's purchase of land, buildings, land improvements, and the construction and reconstruction of streets and drainage facilities.

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Debt Management

The Watauga Charter provides that any limitation on the tax rate shall be determined in accordance with the statutory provisions of the Texas Property Tax Code, as now or hereafter amended by the state legislature, but does not set a limitation on the debt component. Prior to 1998, the last debt issuance was in 1994. In 1998, \$2,000,000 was issued to pay for a drainage management lake to control flooding in the southern portion of the city. It was determined that for the first few years of debt payments, funding for this 1998 debt would come from the Bunker Hill Drainage Impact Fee Fund and, in a limited amount, from the Watauga Parks Development Corporation Sales Tax operating fund. A current year transfer from the Bunker Hill Drainage Impact Fee fund covers a portion of the current year needs for the Series 1998 debt service requirements.

A preliminary Capital Improvements Plan identified approximately \$11,800,000 in unfunded street construction and reconstruction. The preferred position of "pay-as-you-go" was reconsidered due to the number of streets identified and the dollar amount of the projections. As a result of being able to maintain a constant tax rate in FY 1999-2000 and the ability to lower future tax rates, the City issued debt in the amount of \$4,060,000 in December 1999. Lower interest rate did make it possible for the City to refinance the majority of this debt, \$2,855,000, in 2006.

The lowering of interest rates and market conditions in FY 2001 did make conditions possible for the City to refinance Series 1992 General Obligation bonds.

Certificates of Obligation were sold in the amount of \$2,300,000 in 2003 for construction of a city hall and an animal shelter, as well as for additional street reconstruction money. This debt is repayable within fifteen years.

During FY 2004 the City was once again able to take advantage of low interest rates and refunded the General Obligation Debt Series 1994 and advanced refunded the Watauga Parks Development 1995 Sales Tax Revenue Bonds.

During FY 2005 the City issued \$5,000,000 of Certificates of Obligation for construction, purchasing, renovating, and improving the City's public safety facilities, expansion of the City library, and construction or improvements to streets, curbs, and sidewalks within the City.

During FY 2007 the City issued \$3,400,000 of Combination Tax and Limited Pledge Revenue Certificates of Obligation for the purpose of paying contractual obligations for constructing, purchasing, renovating, and improving the City's public safety facilities, including police, fire, and emergency medical services, and constructing street improvements and drainage incidental thereto.

The focus for future budgets will be on phasing in portions of the bond program and adopting a combination of bond issuance and cash financing to fit within budgetary (tax rate) constraints. Special consideration will be given to the leveling of City Debt. The City will experience a drop in total obligations in 2012. Current obligations retire in 2027. City Net General Obligation Debt per Capita is \$614.70 and Net General Obligation Debt to Assessed Taxable Valuation is 1.45%. More needed capital projects will be considered as levels step down in total outstanding debt.

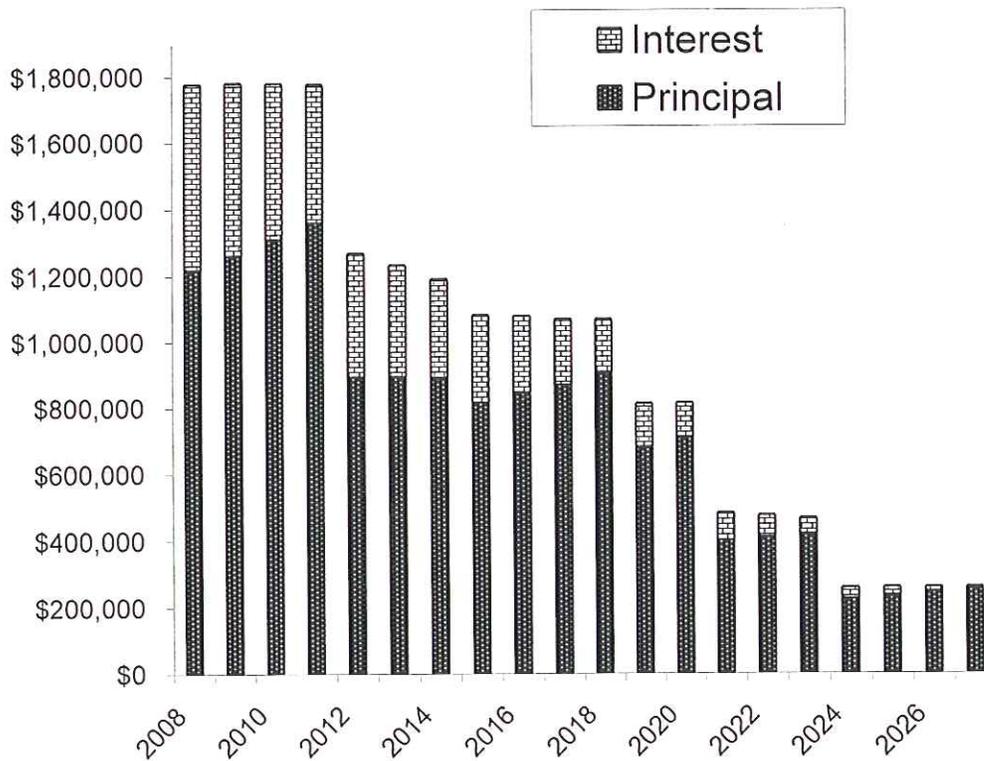
Current Bond Ratings

August 18, 2005, Standard and Poor's raised its underlying rating on Watauga's General Obligation debt outstanding one notch to 'A+' from 'A' based on the expectation that the City will complete its major identified capital items with the proceeds of the series 2005 issuance, coupled with a moderating debt burden, affording management a greater flexibility to fund future capital expenditures with internally generated cash.

The rating continued to reflect the City's:

- Stabled, yet gradually diversifying, residential property tax base;
- Location in the Dallas – Fort Worth MSA;
- Sound financial operations with strong reserve levels;
- Moderate overall debt burden given the self-support of certain obligations; and
- Limited capital improvement needs beyond basic infrastructure improvements and maintenance.

City of Watauga, Texas
General Obligation Debt Service
Principal and Interest Payment Schedule



General Obligation Debt Service

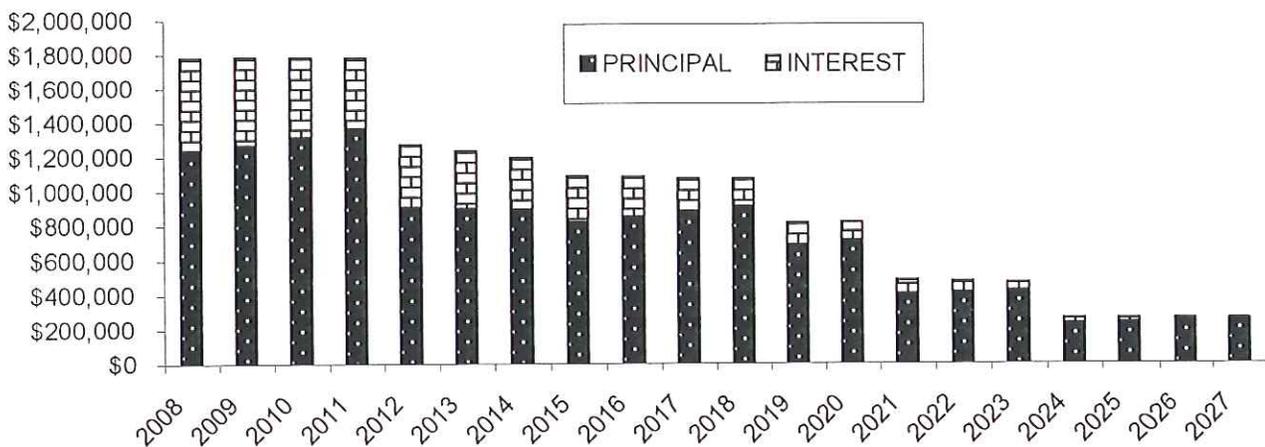
Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1*	\$492,970	\$235,427	\$83,669	\$74,341	\$77,165	\$135,169
Revenues:						
Ad Valorem Taxes	1,557,616	1,594,511	1,681,412	1,709,952	1,709,952	1,833,894
Delinquent Taxes	17,344	19,668	13,971	18,490	8,337	14,830
Penalty & Interest	13,736	13,414	14,305	14,201	13,411	13,717
Interest Income	12,999	8,354	14,316	14,011	18,089	11,596
Transfer from Drainage Impact Fees	0	85,927	155,891	155,715	155,715	37,145
Transfer from Drainage Impact Fees (Rsvd)	0	0	0	0	0	0
Transfer from Capital Projects	0	0	0	0	0	0
Transfer from PDC Construction	20,000	0	0	0	0	0
Overpayment of Taxes	0	161	0	0	0	0
Proceed From Bond Sales	1,080,000	0	0	0	2,855,000	0
Current Year Resources	\$2,701,695	\$1,722,035	\$1,879,895	\$1,912,369	\$4,760,504	\$1,911,182
Total Available Resources	\$ 3,194,665	\$ 1,957,462	\$ 1,963,564	\$ 1,986,710	\$ 4,837,669	\$ 2,046,351
Debt Service Requirements:						
2003 Certificate of Obligation:						
Principal	300,000	225,000	75,000	100,000	100,000	200,000
Interest	80,300	68,300	62,675	60,050	60,050	55,300
1992 / 2001 General Obligation Refund:						
Principal	710,000	730,000	760,000	390,000	390,000	0
Interest	84,490	58,560	30,425	7,898	7,898	0
1994 / 2004 General Obligation Refund:						
Principal	150,000	170,000	175,000	180,000	180,000	195,000
Interest	39,623	24,863	20,550	16,125	16,125	11,438
1998 Certificates of Obligation						
Principal	75,000	80,000	85,000	90,000	90,000	95,000
Interest	80,091	75,248	70,091	64,915	64,915	60,353
1999 General Obligation						
Principal	135,000	145,000	150,000	160,000	160,000	170,000
Interest	206,766	294,337	186,354	177,441	35,650	26,163
2005 Certificates of Obligation						
Principle	0	0	70,000	425,000	425,000	465,000
Interest	0	0	198,819	189,269	189,269	171,759
1999 / 2006 Certificates of Obligation Refund:						
Principle	0	0	0	0	20,000	20,000
Interest	0	0	0	0	93,103	105,373
2007 Proposed Certificates of Obligation						
Principle	0	0	0	0	0	75,000
Interest	0	0	0	0	0	127,331
Payment to Escrow	1,066,695	0	0	0	2,819,932	0
Issuance Costs	29,305	0	0	0	45,717	0
Fiscal Agent Charges	1,968	2,485	2,485	4,885	4,841	5,685
Total Debt Service Requirement	\$2,959,238	\$1,873,793	\$1,886,399	\$1,865,583	\$4,702,500	\$1,783,402
Fund Balance, September 30	\$235,427	\$83,669	\$77,165	\$121,127	\$135,169	\$262,949

G.O. Debt Service Requirements to Maturity

as of October 1, 2007

YEAR ENDING SEPT. 30	DEBT			
	OUTSTANDING OCT. 1	PRINCIPAL	INTEREST	TOTAL
2008	\$14,845,000	\$1,220,000	\$557,714	\$1,777,714
2009	\$13,625,000	\$1,260,000	\$520,583	\$1,780,583
2010	\$12,365,000	\$1,310,000	\$469,750	\$1,779,750
2011	\$11,055,000	\$1,360,000	\$417,400	\$1,777,400
2012	\$9,695,000	\$895,000	\$373,665	\$1,268,665
2013	\$8,800,000	\$895,000	\$338,016	\$1,233,016
2014	\$7,905,000	\$890,000	\$302,100	\$1,192,100
2015	\$7,015,000	\$815,000	\$267,565	\$1,082,565
2016	\$6,200,000	\$845,000	\$234,254	\$1,079,254
2017	\$5,355,000	\$870,000	\$200,102	\$1,070,102
2018	\$4,485,000	\$905,000	\$164,566	\$1,069,566
2019	\$3,580,000	\$680,000	\$132,937	\$812,937
2020	\$2,900,000	\$710,000	\$105,396	\$815,396
2021	\$2,190,000	\$400,000	\$82,889	\$482,889
2022	\$1,790,000	\$410,000	\$65,864	\$475,864
2023	\$1,380,000	\$420,000	\$48,352	\$468,352
2024	\$960,000	\$225,000	\$34,832	\$259,832
2025	\$735,000	\$235,000	\$25,379	\$260,379
2026	\$500,000	\$245,000	\$15,515	\$260,515
2027	\$255,000	\$255,000	\$5,240	\$260,240
		\$14,845,000	\$4,362,117	\$19,207,117
	Year	Total	Principal	Interest
This Year's Requirement	2008	\$1,777,714	\$1,220,000	\$ 557,714
Maximum Requirement	2009	\$1,780,583	\$1,260,000	\$520,583



General Obligation Debt Service Fund

Annual Debt Service Requirement

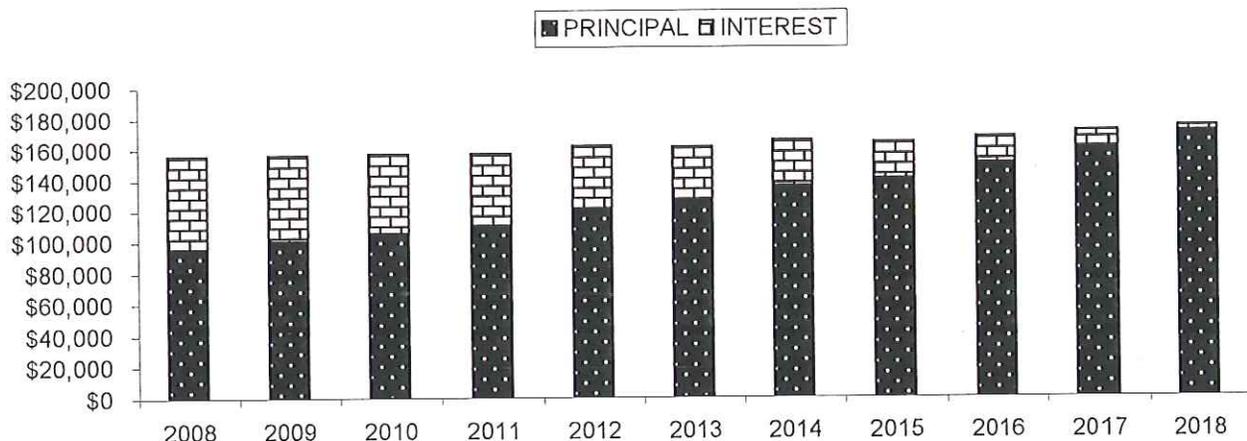
Series 1998 (\$2,000,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$1,410,000	\$95,000	4.30%	\$60,353	\$155,353
2009	\$1,315,000	\$100,000	4.40%	\$56,110	\$156,110
2010	\$1,215,000	\$105,000	4.40%	\$51,600	\$156,600
2011	\$1,110,000	\$110,000	4.50%	\$46,815	\$156,815
2012	\$1,000,000	\$120,000	4.50%	\$41,640	\$161,640
2013	\$880,000	\$125,000	4.60%	\$36,065	\$161,065
2014	\$755,000	\$135,000	4.60%	\$30,085	\$165,085
2015	\$620,000	\$140,000	4.70%	\$23,690	\$163,690
2016	\$480,000	\$150,000	4.25%	\$17,213	\$167,213
2017	\$330,000	\$160,000	4.25%	\$10,625	\$170,625
2018	\$170,000	\$170,000	4.25%	\$3,613	\$173,613
		\$1,410,000		\$377,808	\$1,787,808

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2008	\$155,353	\$95,000	\$60,353
Maximum Requirement	2018	\$173,613	\$170,000	\$3,613
Total Outstanding Note		\$1,410,000		
Total Original Note		\$2,000,000		
Issue Date		02/12/1998		
Call Date		02/01/2008		

**Not to be paid from property tax levy.

Constructing, improving and equipping municipal parks, including Capp Smith Lake (drainage concerns), and for paying legal, fiscal and engineering fees in connection with this project.



General Obligation Debt Service Fund

Annual Debt Service Requirement

Series 1999 (\$4,060,000)

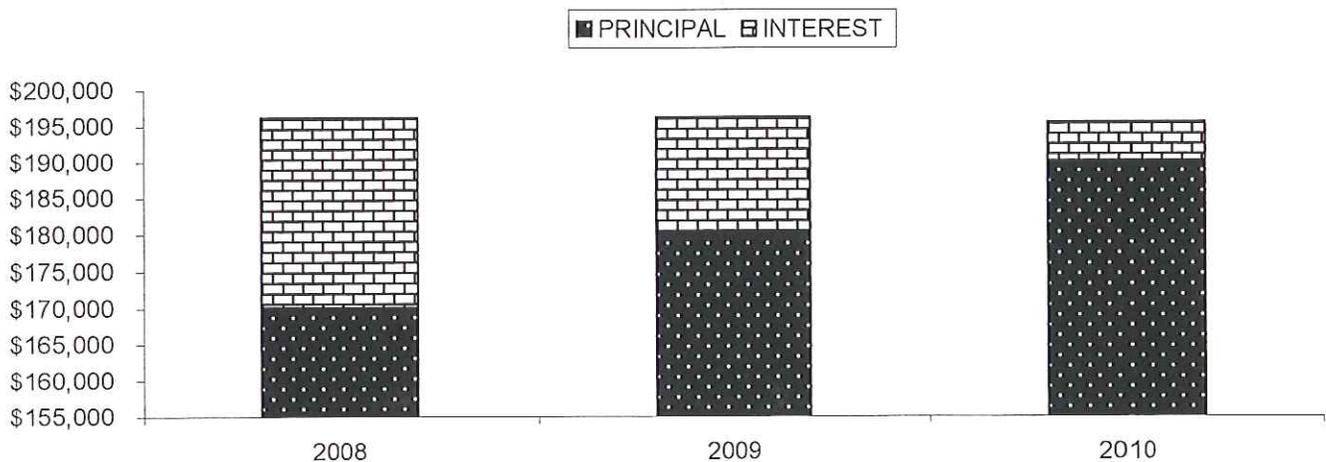
YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$540,000	\$170,000	5.75%	\$26,163	\$196,163
2009	\$370,000	\$180,000	5.75%	\$16,100	\$196,100
2010	\$190,000	\$190,000	5.75%	\$5,463	\$195,463
		\$540,000		\$47,725	\$587,725

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2008	\$196,163	\$170,000	\$26,163
Maximum Requirement	2008	\$196,163	\$170,000	\$26,163
Total Outstanding Note		\$540,000		
Total Original Note		\$4,060,000		
Issue Date		11/15/1999		
Call Date		04/01/2010		

Payments due on 10/01 of each year are budgeted in prior fiscal year since that is the year earned.

For payment of public improvements, street improvements (including utilities repair, replacement, & relocation), storm water drainage improvements, materials/equipment/supplies/machinery/land for authorized needs relating to street improvements, traffic signalization, storm drain improvements, and utility system improvements.

Advanced refunding November 15, 2006.



General Obligation Debt Service Fund

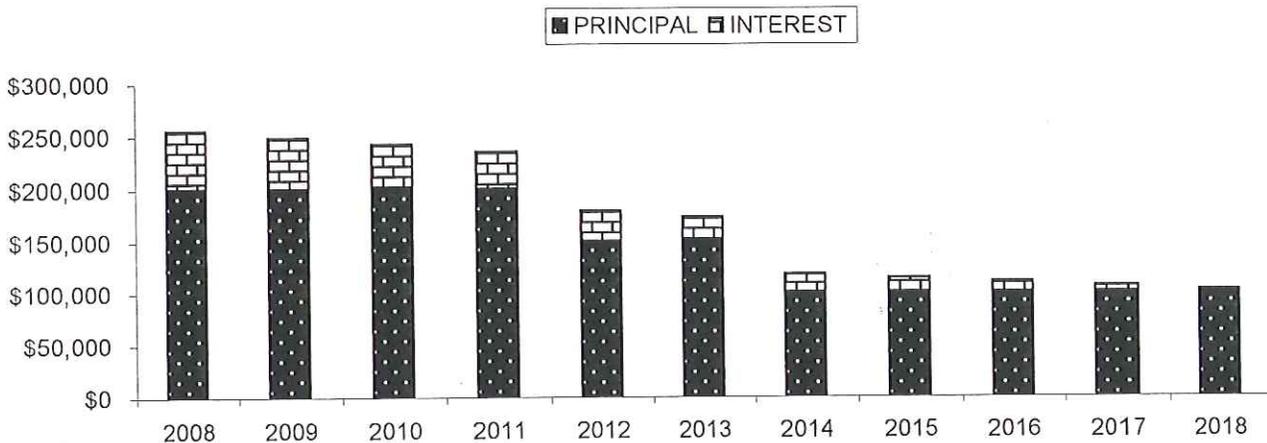
Annual Debt Service Requirement

Series 2003 Certificate of Obligation (\$2,300,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$ 1,600,000	\$200,000	3.25%	\$55,300	\$255,300
2009	\$ 1,400,000	\$200,000	3.25%	\$48,800	\$248,800
2010	\$ 1,200,000	\$200,000	3.25%	\$42,300	\$242,300
2011	\$ 1,000,000	\$200,000	3.75%	\$35,300	\$235,300
2012	\$ 800,000	\$150,000	3.75%	\$28,738	\$178,738
2013	\$ 650,000	\$150,000	3.85%	\$23,038	\$173,038
2014	\$ 500,000	\$100,000	3.85%	\$18,225	\$118,225
2015	\$ 400,000	\$100,000	4.00%	\$14,300	\$114,300
2016	\$ 300,000	\$100,000	4.00%	\$10,300	\$110,300
2017	\$ 200,000	\$100,000	4.10%	\$6,250	\$106,250
2018	\$ 100,000	\$100,000	4.20%	\$2,100	\$102,100
		<u>\$1,600,000</u>		<u>\$284,650</u>	<u>\$1,884,650</u>

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2008	\$255,300	\$200,000	\$55,300
Maximum Requirement	2008	\$255,300	\$200,000	\$55,300
Total Outstanding Bonds		\$1,600,000		
Total Original Issue		\$2,300,000		
Issue Date		07/01/2003		
Call Date		2/1/2013		

Projected Certificate of Obligation sale for Fall 2003 for construction of a city hall and animal shelter, as well as street reconstruction money.



General Obligation Debt Service Fund

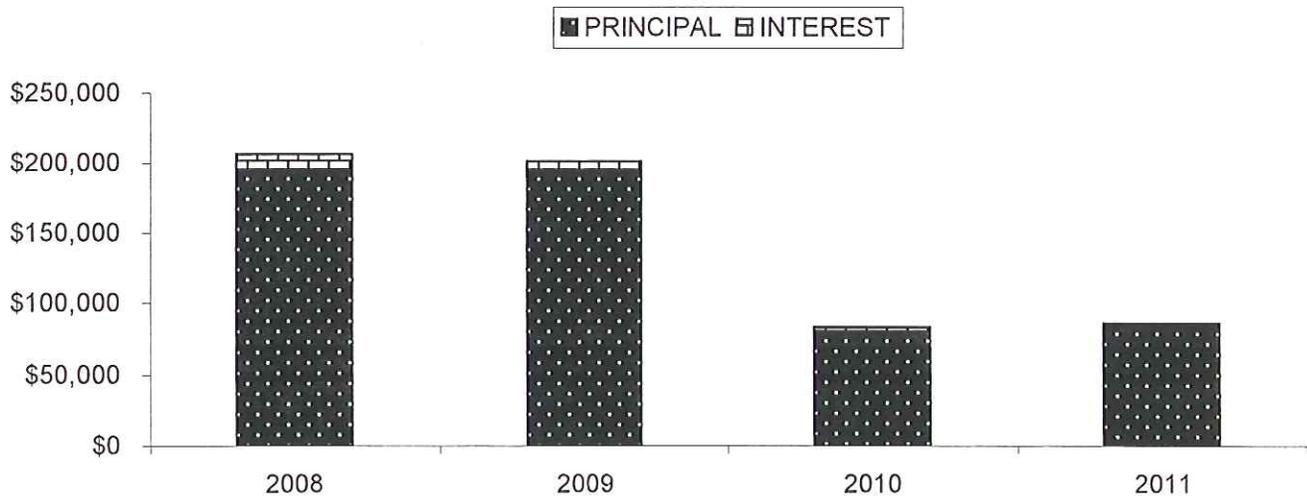
Annual Debt Service Requirement

Series 2004 Refunding (\$1,080,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$555,000	\$195,000	2.50%	\$11,438	\$206,438
2009	\$360,000	\$195,000	2.50%	\$6,563	\$201,563
2010	\$165,000	\$80,000	2.50%	\$3,125	\$83,125
2011	\$85,000	\$85,000	2.50%	\$1,063	\$86,063
		<u>\$555,000</u>		<u>\$22,188</u>	<u>\$577,188</u>

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2008	\$206,438	\$195,000	\$11,438
Maximum Requirement	2008	\$206,438	\$195,000	\$11,438
Total Outstanding Bonds		\$555,000		
Total Original Issue		\$1,080,000		
Issue Date		04/01/2004		
No Call Date				

To refund Series 1994 Refunding G.O. Bonds, and pay related costs of issuance. The Series 1994 Bonds refunded Series 1978, Series 1989, & Series 1991 G.O. Bonds.



General Obligation Debt Service Fund

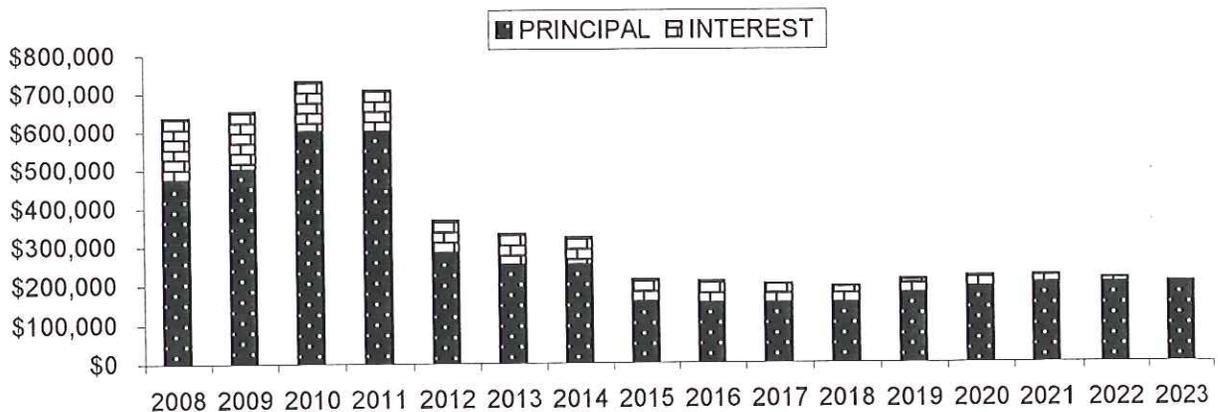
Annual Debt Service Requirement

Series 2005 Certificates of Obligation (\$5,000,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$4,505,000	\$465,000	3.875%	\$171,759	\$636,759
2009	\$4,040,000	\$500,000	3.875%	\$153,063	\$653,063
2010	\$3,540,000	\$600,000	3.875%	\$131,750	\$731,750
2011	\$2,940,000	\$600,000	3.875%	\$108,500	\$708,500
2012	\$2,340,000	\$275,000	4.000%	\$91,375	\$366,375
2013	\$2,065,000	\$250,000	4.000%	\$80,875	\$330,875
2014	\$1,815,000	\$250,000	4.125%	\$70,719	\$320,719
2015	\$1,565,000	\$150,000	4.000%	\$62,563	\$212,563
2016	\$1,415,000	\$150,000	4.000%	\$56,563	\$206,563
2017	\$1,265,000	\$150,000	4.000%	\$50,563	\$200,563
2018	\$1,115,000	\$150,000	4.125%	\$44,469	\$194,469
2019	\$965,000	\$175,000	4.200%	\$37,700	\$212,700
2020	\$790,000	\$190,000	4.250%	\$29,988	\$219,988
2021	\$600,000	\$200,000	4.300%	\$21,650	\$221,650
2022	\$400,000	\$200,000	4.300%	\$13,050	\$213,050
2023	\$200,000	\$200,000	4.375%	\$4,375	\$204,375
		\$4,505,000		\$1,128,959	\$5,633,959

	Year	Total	Principal	Interest
This Year's Requirement	2008	\$636,759	\$465,000	\$171,759
Maximum Requirement	2010	\$731,750	\$600,000	\$131,750
Total Outstanding Bonds		\$4,505,000		
Total Original Issue		\$5,000,000		
Issue Date		08/01/2005		

Constructing, purchasing, renovating, and improving the City's public safety facilities' for police, fire, emergency medical, and animal control services. To pay for the expansion of the City's library facility, as well as the construction of street, curb, and sidewalk improvements, including utilities repair, replacement, and relocation as well as incidental drainage related to sidewalk construction.



General Obligation Debt Service Fund

Annual Debt Service Requirement

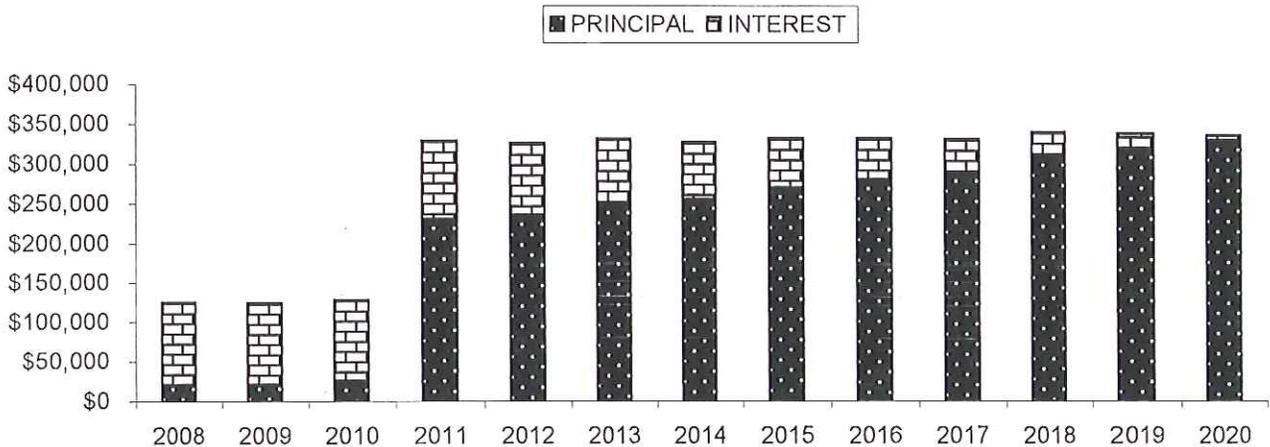
Series 2006 Refunding (\$2,855,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$2,835,000	\$20,000	3.73%	\$105,373	\$125,373
2009	\$2,815,000	\$20,000	3.73%	\$104,627	\$124,627
2010	\$2,795,000	\$25,000	3.73%	\$103,787	\$128,787
2011	\$2,770,000	\$230,000	3.73%	\$99,032	\$329,032
2012	\$2,540,000	\$235,000	3.73%	\$90,359	\$325,359
2013	\$2,305,000	\$250,000	3.73%	\$81,314	\$331,314
2014	\$2,055,000	\$255,000	3.73%	\$71,896	\$326,896
2015	\$1,800,000	\$270,000	3.73%	\$62,105	\$332,105
2016	\$1,530,000	\$280,000	3.73%	\$51,847	\$331,847
2017	\$1,250,000	\$290,000	3.73%	\$41,217	\$331,217
2018	\$960,000	\$310,000	3.73%	\$30,027	\$340,027
2019	\$650,000	\$320,000	3.73%	\$18,277	\$338,277
2020	\$330,000	\$330,000	3.73%	\$6,155	\$336,155
		\$2,835,000		\$866,013	\$3,701,013

	Year	Total	Principal	Interest
This Year's Requirement	2008	\$125,373	\$20,000	\$105,373
Maximum Requirement	2019	\$338,277	\$320,000	\$18,277
Total Outstanding Note		\$2,835,000		
Total Original Note		\$2,855,000		
Issue Date	11/15/2006			
No Call Date				

Payments due on 10/01 of each year are budgeted in prior fiscal year since that is the year earned.

To refund Series 1999 Certificates of Obligation.





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General Obligation Debt Service Fund

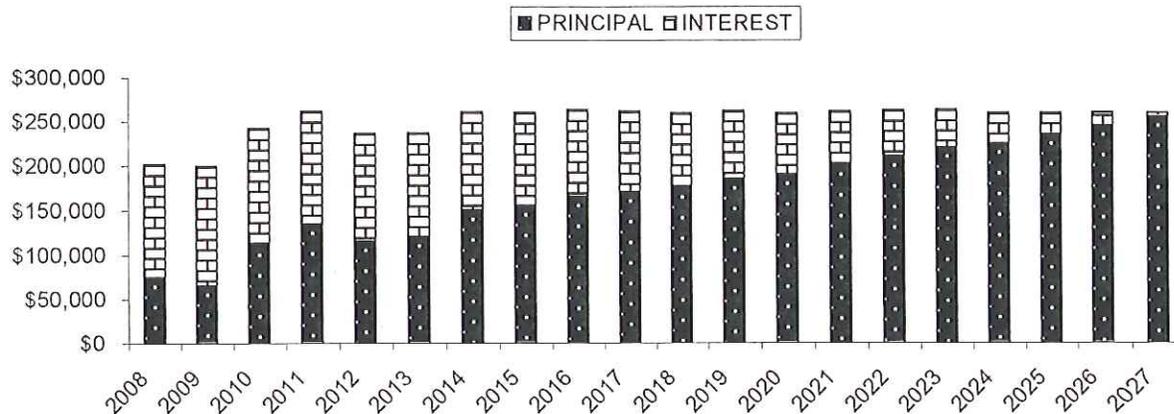
Annual Debt Service Requirement

Series 2007 Certificate of Obligation (\$3,400,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$ 3,400,000	\$75,000	4.11%	\$127,330	\$202,330
2009	\$ 3,325,000	\$65,000	4.11%	\$135,322	\$200,322
2010	\$ 3,260,000	\$110,000	4.11%	\$131,726	\$241,726
2011	\$ 3,150,000	\$135,000	4.11%	\$126,691	\$261,691
2012	\$ 3,015,000	\$115,000	4.11%	\$121,553	\$236,553
2013	\$ 2,900,000	\$120,000	4.11%	\$116,724	\$236,724
2014	\$ 2,780,000	\$150,000	4.11%	\$111,176	\$261,176
2015	\$ 2,630,000	\$155,000	4.11%	\$104,908	\$259,908
2016	\$ 2,475,000	\$165,000	4.11%	\$98,332	\$263,332
2017	\$ 2,310,000	\$170,000	4.11%	\$91,448	\$261,448
2018	\$ 2,140,000	\$175,000	4.11%	\$84,358	\$259,358
2019	\$ 1,965,000	\$185,000	4.11%	\$76,960	\$261,960
2020	\$ 1,780,000	\$190,000	4.11%	\$69,254	\$259,254
2021	\$ 1,590,000	\$200,000	4.11%	\$61,239	\$261,239
2022	\$ 1,390,000	\$210,000	4.11%	\$52,814	\$262,814
2023	\$ 1,180,000	\$220,000	4.11%	\$43,977	\$263,977
2024	\$ 960,000	\$225,000	4.11%	\$34,832	\$259,832
2025	\$ 735,000	\$235,000	4.11%	\$25,379	\$260,379
2026	\$ 500,000	\$245,000	4.11%	\$15,515	\$260,515
2027	\$ 255,000	\$255,000	4.11%	\$5,240	\$260,240
		\$3,400,000		\$1,634,775	\$5,034,775

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2008	\$202,330	\$75,000	\$127,330
Maximum Requirement	2023	\$263,977	\$220,000	\$43,977
Total Outstanding Bonds		\$3,400,000		
Total Original Issue		\$3,400,000		
Issue Date		08/29/2007		

For the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to wit: (1) constructing, purchasing, renovating, and improving the City's public safety facilities, including police, fire, and emergency medical services, (2) constructing street improvements (including utilities repair, replacement, and relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, rights-of-way for authorized needs and purposes relating to public safety improvement purposes and street improvement purposes, and (4) the payment of professional services related to the construction and financing of the aforementioned projects.



Watauga Parks Development Corporation Debt Service Fund

The Watauga Parks Development Corporation (PDC) Sales Tax Special Revenue Debt Service fund is used to account for Sales Tax Revenue Bonds whose principal and interest is payable from a special ½ cent sales tax that was adopted by the City of Watauga in May, 1994. This additional sales tax was passed under the 4b Economic Development legislation for the purpose of funding athletic facilities, tourism and entertainment facilities, parks and public space improvements, public facility improvements, commercial facilities, transportation improvements, infrastructure improvements and other business related improvements.

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Debt Management

During FY 1998-99, the PDC received \$3,552,150 for the sale of land purchased in FY 1995-96 from the proceeds of this debt. The Board of Directors discussed several uses for the funds, including provisions for the retirement of the PDC debt, as well as receiving citizen and Council input on projects to be funded. The Board then decided that adding amenities to Capp Smith Lake such as a walking trail, picnic areas and pavilions plus funding a new City Community Center were appropriate uses for the proceeds from the sale of land. Capp Smith Park was completed during Fiscal Year 2002 and the new City Community Center was completed during Fiscal Year 2003. During FY 2004 the PDC was able to take advantage of low interest rates in an advanced refunding arraignment. The originally issued 1994 Series Revenue Bonds was defeased during FY 2005.

The existing debt payment schedule is level through 2016 with the issuances final payment. No current plans for Parks Development Corporation bonds are being considered.

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2006-07</u>	<u>2007-08</u>
	Actual	Actual	Actual	Budget	Estimate	Proposed
Fund Balance, October 1*	\$250,567	\$251,882	\$257,991	\$237,505	\$246,586	\$248,333
<u>Revenues:</u>						
Interest Income	\$3,554	\$7,646	\$11,981	\$3,010	\$2,747	\$1,650
<u>Expenditures:</u>						
Principal	115,000	150,000	160,000	165,000	165,000	165,000
Interest	92,342	64,061	55,636	52,386	52,386	48,880
Issuance Costs	71,655	0	0	0	0	0
Payment to Escrow	1,983,198	0	0	0	0	0
Miscellaneous	8,607	0	22,486	0	0	16,118
Bank Charges	636	1,536	900	1,000	1,000	1,000
Total Expenditures:	\$2,271,438	\$215,597	\$239,022	\$218,386	\$218,386	\$230,998
<u>Other Financing Sources:</u>						
Bond Sale Proceeds	\$2,035,000	\$0	\$0	\$0	\$0	\$0
Transfer In	\$234,200	\$214,061	\$215,636	\$217,386	\$217,386	\$213,880
Fund Balance, September 30	<u>\$251,882</u>	<u>\$257,991</u>	<u>\$246,586</u>	<u>\$239,515</u>	<u>\$248,333</u>	<u>\$232,865</u>

* Includes PDC Debt Service Reserve Fund.

Watauga P.D.C. Debt Service Fund

Annual Debt Service Requirement

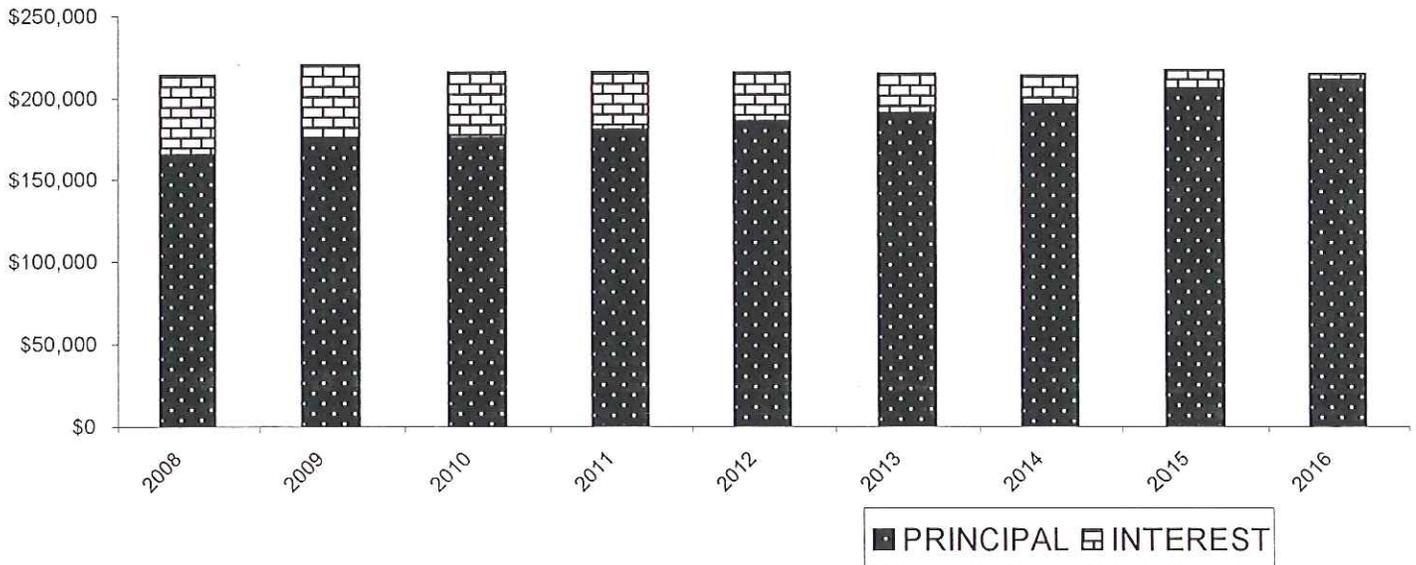
Series 2004 Refunding (\$2,035,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2008	\$1,680,000	\$165,000	2.25%	\$48,880	\$213,880
2009	\$1,515,000	\$175,000	2.375%	\$44,946	\$219,946
2010	\$1,340,000	\$175,000	2.75%	\$40,461	\$215,461
2011	\$1,165,000	\$180,000	3.00%	\$35,355	\$215,355
2012	\$985,000	\$185,000	3.00%	\$29,880	\$214,880
2013	\$800,000	\$190,000	3.125%	\$24,136	\$214,136
2014	\$610,000	\$195,000	3.30%	\$17,950	\$212,950
2015	\$415,000	\$205,000	3.55%	\$11,094	\$216,094
2016	\$210,000	\$210,000	3.55%	\$3,728	\$213,728
		\$1,680,000		\$256,429	\$1,936,429

Total Outstanding Bonds \$1,680,000
 Total Original Issue \$2,805,000
 Issue Date 04/14/2004

To refund in advance Series 1995 Sales Tax Revenue Bonds and related costs of issuance. Series 1995 Bonds were used to purchase land and develop neighborhood parks and improvements to existing neighborhood parks, also pay the cost associated with the sale the bonds.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2008	\$213,880	\$165,000	\$48,880
Maximum Requirement	2009	\$219,946	\$175,000	\$44,946



Water and Sewer Certificates of Obligation Debt Service Fund

The Water and Sewer Certificates of Obligation Debt Service fund is used to account for Certificates of Obligation whose principal and interest are payable from earnings of the City of Watauga's Water and Sewer Enterprise Fund. The debt was used to purchase the Water and Sewer system from the City of North Richland Hills in October 1996, to build the necessary infrastructure, including an elevated water tank, and to purchase the necessary equipment in order to efficiently run the utility system. As noted in previous budget documents, in July of 2001 City Engineers with Knowlton – English – Flower, Inc. produced a Capital Improvement Plan. Over \$2.8 million in water and wastewater needs were detailed in this plan. Due to the urgency of some of these needs, the City issued revenues bonds during FY 2001-2002 to fund \$1.7 million of these projects and will continue to work on the rest of the projects in a "pay-as-you-go" process. Funds will be taken from operating amounts that are annually transferred to water and sewer capital improvement projects to cover these bonds for ten years. Due to low interest rates, the City was able to refund the 1996 Certificates (years 2008 – 2016) in FY 2004-2005 for significant savings.

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Debt Management

The existing debt payment schedule is level through 2016 when the final payment on the certificates is made. No current plans for other certificates are being considered.

Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1	\$30,555	\$37,769	\$163,896	\$170,996	\$166,290	\$182,030
<u>Revenue:</u>						
Transfer from W/S Operating Fund	980,194	1,200,931	1,155,145	1,148,331	1,148,331	1,112,057
Transfer from W/S Construction Fund	0	0	0	0	0	0
Interest income	3,500	6,413	7,651	7,149	16,740	6,197
Total Revenue	<u>\$983,694</u>	<u>\$1,207,344</u>	<u>\$1,162,796</u>	<u>\$1,155,480</u>	<u>\$1,165,071</u>	<u>\$1,118,254</u>
 Total Available Resources	 <u><u>\$1,014,249</u></u>	 <u><u>\$1,245,113</u></u>	 <u><u>\$1,326,692</u></u>	 <u><u>\$1,326,476</u></u>	 <u><u>\$1,331,361</u></u>	 <u><u>\$1,300,284</u></u>
 <u>Debt Service Requirements:</u>						
Series 1996 CO						
Principal	475,000	680,000	760,000	800,000	800,000	840,000
Interest	500,923	400,660	399,445	348,331	348,331	309,281
Fiscal Agent Charges	557	557	957	1,500	1,000	1,000
Total Debt Service Requirements	<u>\$976,480</u>	<u>\$1,081,217</u>	<u>\$1,160,402</u>	<u>\$1,149,831</u>	<u>\$1,149,331</u>	<u>\$1,150,281</u>
 Fund Balance, September 30	 <u><u>\$37,769</u></u>	 <u><u>\$163,896</u></u>	 <u><u>\$166,290</u></u>	 <u><u>\$176,645</u></u>	 <u><u>\$182,030</u></u>	 <u><u>\$150,003</u></u>

General Obligation Debt Service Fund

Annual Debt Service Requirement

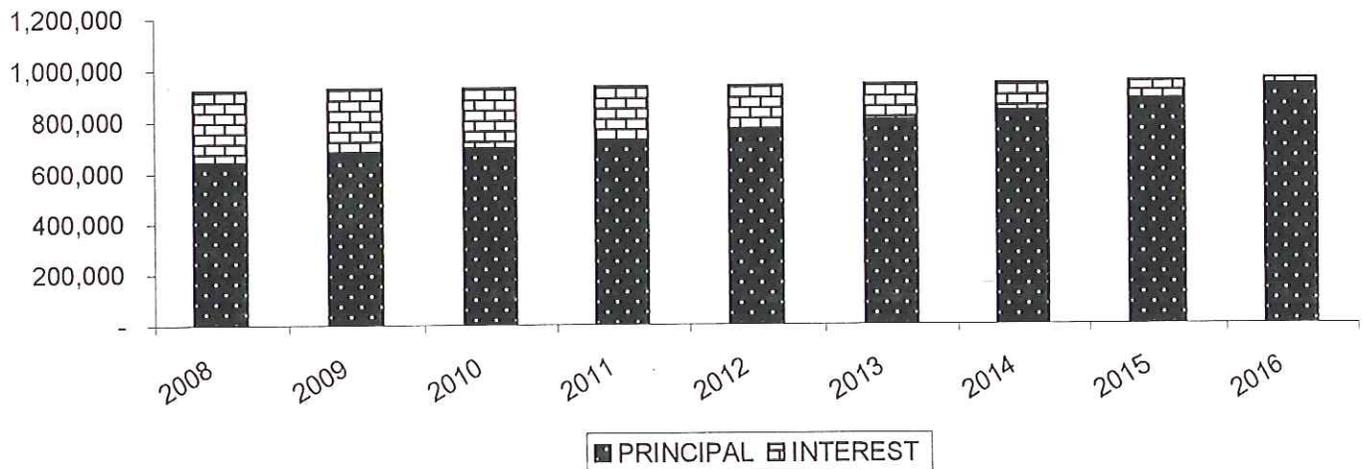
Series 2005 Refunding (\$7,025,000)

YEAR ENDING SEPT. 30	DEBT		Interest Rate	INTEREST	TOTAL
	OUTSTANDING OCT. 1	PRINCIPAL			
2008	\$6,940,000	\$640,000	3.375%	\$278,881	\$918,881
2009	\$6,300,000	\$670,000	3.50%	\$256,356	\$926,356
2010	\$5,630,000	\$695,000	3.625%	\$232,034	\$927,034
2011	\$4,935,000	\$725,000	3.75%	\$205,844	\$930,844
2012	\$4,210,000	\$760,000	4.75%	\$174,200	\$934,200
2013	\$3,450,000	\$800,000	4.00%	\$140,150	\$940,150
2014	\$2,650,000	\$835,000	4.00%	\$107,450	\$942,450
2015	\$1,815,000	\$880,000	5.00%	\$68,750	\$948,750
2016	\$935,000	\$935,000	5.00%	\$23,375	\$958,375
		\$6,940,000		\$1,487,040	\$8,427,040

Total Outstanding Bonds \$7,025,000
Total Original Issue \$11,370,000
Issue Date 03/01/2005

To refund in advance Series 1996, Water and Sewer Certificates of Obligation and related costs of issuance. Series 1996 C.O.'s were used to acquire, improve and extend the water/sewer system as well as pay for professional services related to the construction and financing of City's water and sewer system.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2008	\$918,881	\$640,000	\$278,881
Maximum Requirement	2016	\$958,375	\$935,000	\$23,375



W/S Revenue / C.O. Bond Debt Service

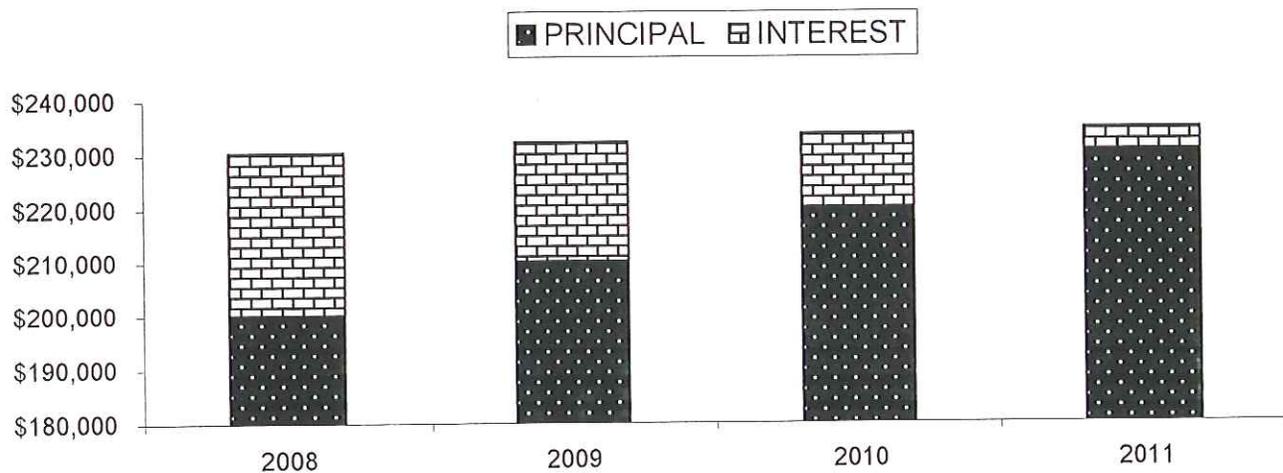
Annual Debt Service Requirement

Series 2002 (\$1,750,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT.1	PRINCIPAL	Interest Rates	INTEREST	TOTAL
2008	\$860,000	\$200,000	4.00%	\$30,400	\$230,400
2009	\$660,000	\$210,000	4.00%	\$22,200	\$232,200
2010	\$450,000	\$220,000	4.00%	\$13,600	\$233,600
2011	\$230,000	\$230,000	4.00%	\$4,600	\$234,600
		\$860,000		\$70,800	\$930,800
		Year	Total	Principal	Interest
This Year's Requirement		2008	\$230,400	\$200,000	\$30,400
Maximum Requirement		2011	\$234,600	\$230,000	\$4,600
Total Outstanding Bonds		\$860,000			
Total Original Issue		\$1,750,000		<i>*Total issue \$2,650,000</i>	
Issue Date		01/15/2002			
No Call Date					

Note - Paid interest in 2002 - \$36,090

To be used for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes including: (1) constructing renovations and improvements to the City library system; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's utility system; (3) the purchase of materials, supplies, equipment, vehicles, machinery, land, rights-of-way for authorized needs and purposes relating to the utility system, parks and recreation department, City Hall purposes, public safety purposes, community center purposes, and public works department purposes; and, (4) payment of professional services related to the construction and financing of the aforementioned projects.



Water and Sewer Revenue Bond Debt Service Fund

The Water and Sewer Revenue Bond Debt Service fund is used to account for Revenue Bonds whose principal and interest are payable from earnings of the City of Watauga's Water and Sewer Enterprise Fund. The 1996 debt was used to purchase the Wastewater system from the City of North Richland Hills in October 1996, to build the necessary infrastructure, and to purchase the necessary equipment in order to efficiently run the utility system.

The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

Debt Management

The existing debt payment schedule is level through the retirement of the bonds in 2016. No current plans for other issues are being considered.

Current Bond Ratings

October 9, 2007 Fitch Rating Agency upgraded the City's Utility System Revenue Bonds from an A- to an A+.

Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Fund Balance, October 1	\$23,530	\$28,055	\$29,708	\$35,115	\$40,053	\$44,553
<u>Revenue:</u>						
Transfer from Construction Fund	0		0	0	0	0
Transfer from Operating Fund	588,106	355,340	356,630	357,290	357,290	362,193
Interest income	1,750	2,430	11,845	2,200	6,000	1,500
Total Revenue	\$589,856	\$357,770	\$368,475	\$359,490	\$363,290	\$363,693
Total Available Resources	\$613,386	\$385,825	\$398,183	\$394,605	\$403,343	\$408,246
<u>Debt Service Requirements:</u>						
Principal	375,000	210,000	220,000	230,000	230,000	245,000
Interest	209,384	144,640	136,630	127,290	127,290	117,193
Fiscal Agent Charges	947	1,477	1,500	1,500	1,500	1,500
Total Debt Service Requirements	\$585,331	\$356,117	\$358,130	\$358,790	\$358,790	\$363,693
Fund Balance, September 30	\$28,055	\$29,708	\$40,053	\$35,815	\$44,553	\$44,553

W/S Revenue Bond Debt Service Fund

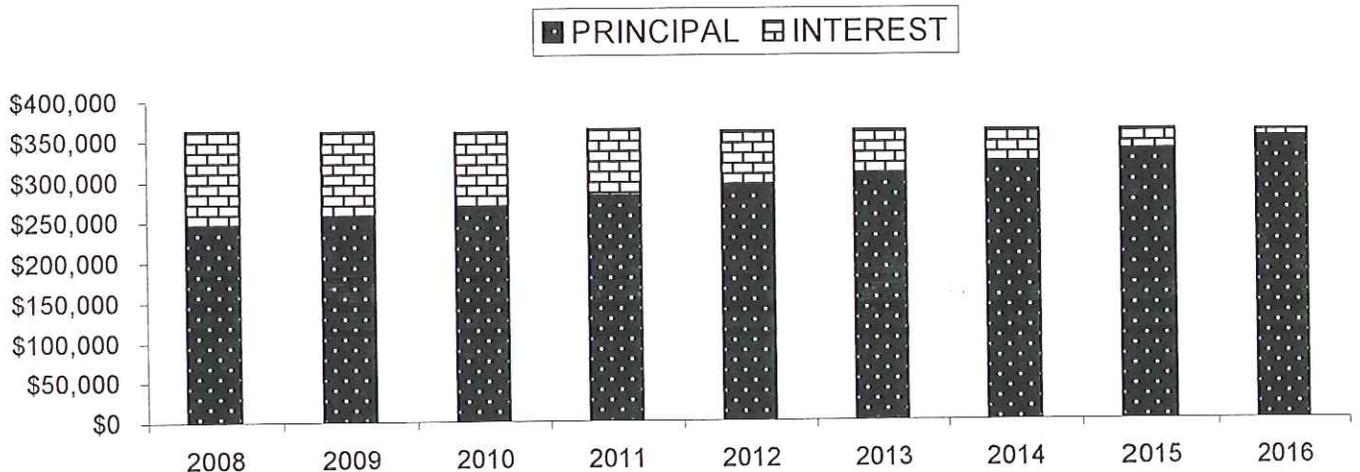
Annual Debt Service Requirement

Series 1996 (\$4,580,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT.1	PRINCIPAL	Interest Rates	INTEREST	TOTAL
2008	\$2,645,000	\$245,000	4.30%	\$117,193	\$362,193
2009	\$2,400,000	\$255,000	4.40%	\$106,315	\$361,315
2010	\$2,145,000	\$265,000	4.50%	\$94,743	\$359,743
2011	\$1,880,000	\$280,000	4.60%	\$82,340	\$362,340
2012	\$1,600,000	\$290,000	4.65%	\$69,158	\$359,158
2013	\$1,310,000	\$305,000	4.70%	\$55,248	\$360,248
2014	\$1,005,000	\$320,000	4.75%	\$40,480	\$360,480
2015	\$685,000	\$335,000	4.80%	\$24,840	\$359,840
2016	\$350,000	\$350,000	4.80%	\$8,400	\$358,400
		\$2,645,000		\$598,715	\$3,243,715

	Year	Total	Principal	Interest
This Year's Requirement	2008	\$362,193	\$245,000	\$117,193
Maximum Requirement	2011	\$362,340	\$280,000	\$82,340
Total Outstanding Bonds		\$2,645,000		
Total Original Issue		\$4,580,000		
Issue Date		09/01/1996		
Call Date		03/01/2007		

To pay for acquisition, improvements and extensions to the Water/Sewer system including payment for professional services related to the construction and financing of water/sewer improvements.



Water and Sewer Debt Service Reserve Fund

Budget Summary

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Estimate	2007-08 Proposed
Balance, October 1	\$504,933	\$510,661	\$368,016	\$381,113	\$383,111	\$390,309
<u>Revenues</u>						
Interest Income	\$5,728	\$11,074	\$15,095	\$13,162	\$7,198	\$6,900
<u>Other Financing Sources</u>						
Transfer from W/S Construction	0	0	0	0	0	0
Transfer from W/S Operating	0	0	0	0	0	0
Total from Other Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0
Total Available Resources	\$510,661	\$521,735	\$383,111	\$394,275	\$390,309	\$397,209
<u>Expenditures</u>	\$0	\$153,719	\$0	\$0	\$0	\$15,000
Balance, September 30	\$510,661	\$368,016	\$383,111	\$394,275	\$390,309	\$382,209

Required reserve for Water and Sewer Revenues Bonds and must equal the Average Annual Debt.
Average Annual Debt for 2008 equals: \$360,413



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Glossary of Key Budget Terms

Accrual Accounting: A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

Ad Valorem Tax: A tax assess against property (land, improvements, and personal property) for the purpose of financing general operations of the City and debt service requirements.

Advanced Refunding: A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and to pay the principal on the old debt either as it matures or at an earlier call date.

Allocation: A part of a lump-sum appropriation, which is designed for expenditures by specific organization units and/or for special purposes, activities, or objects.

Appraised Value: The market value of real and personal property located in the City as of January 1 each year, determined by the Tarrant Appraisal District.

Appropriation: The maximum level of spending for each fund and for each department as authorized annually by the City Council.

Appropriation Ordinance: The official enactment by the legislative body by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual operating budget is enacted into law by the legislative body.

Assessed Valuation: A value that is established for real or personal property for use as a basis for levying property taxes. The Tarrant Appraisal District establishes property values in Watauga.

Assessment Ratio: The ratio at which tax rate is applied to tax base. State Law currently sets the assessment ratio at 100%.

Assets: Resources owned or held by the City, which have monetary value.

Balanced Budget: A budget where expenditures are equal to income or sometimes where expenditures are less than income. A balanced budget can include a planned draw down of fund balances within set guidelines.

Basis of Accounting: The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

Bond: A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, call the maturity date, together with periodic interest at a specified rate. The most common types of bonds are general obligation and revenue bonds. There are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

Budget Calendar: The schedule of key dates or milestones, which the City departments follow in the preparation, adoption and administration of the budget.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

Glossary of Key Budget Terms (Continued)

Budgetary Control: The control or management of a governmental or enterprise fund in accordance with an approved budget to keep expenditures within the limitations of available appropriations of revenue.

Capital Budget: A plan for the financing and completion of designated capital projects, financed for the most part with proceeds from general obligation bond issues. The "capital improvements program" is similar multi-year plan, which includes the year covered by the "capital budget".

Capital Projects Fund: A fund created to account for financial resources to be used for the acquisitions or the construction of major capital facilities or equipment.

Capital Outlay: type of expenditure within the budget, which results in the acquisition of an asset which has a value of at least \$1,000 and a useful life of three years or more.

Certificate of Obligation: A type of municipal debt that is unconditionally backed that can be issued without voter approval, usually by a vote of the City Council. Often used for smaller projects.

City Charter: The document of a home rule City similar to a constitution, which established the City's government structure and provides for the distribution of powers and duties among the various branches of government.

City Council: The Mayor and seven (7) Council members collectively acting as the legislative and policymaking body of the City.

Comprehensive Annual Financial Report (CAFR): This report is published to provide to the Council, the representatives of financial institutions, our citizens and other interested persons, detailed information concerning the financial condition of the City government.

Contractual Services: The cost related to services performed for the City by individuals, business, or utilities.

Crime Control and Prevention District: The State Legislature in 1989 allowed certain cities and counties to establish a district and impose a local sales tax to fund its programs. Since that time, eligibility has been extended.

Current Refunding: A refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded.

Current Taxes: Property taxes that are levied and due within one year.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Debt Service Fund: A fund established to account for the accumulation of resources for the payment of principal and interest on long term debt. May also be called Interest and Sinking Fund.

Delinquent Taxes: Taxes that remain unpaid on and after the date which penalty for non-payment is attached.

Department: A major administrative organizational unit of the City, which indicates overall management responsibility for one or more divisions.

Depreciation: The portion of the cost of a fixed asset charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is

Glossary of Key Budget Terms (Continued)

prorated over the estimated service life of such an asset. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Division: A major administrative organizational unit of the City, which indicates overall management responsibility for one or more activities.

Effectiveness: The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

Effective Tax Rate: State law in Texas prescribes a formula for calculating the effective tax rate for cities. The net effect of the formula is to produce a tax rate that decreases when property values rise because of inflation and vice versa. The intent is to generate a rate that produces approximately the same revenue as the year before. The formula does make adjustments for newly annexed property and newly constructed property for the effective tax rate calculation; however, for notice and hearing requirements, the benefit of new growth is excluded.

Efficiency: The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

Encumbrances: Obligations in the form of purchase orders and contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved because the goods or services have not been received. When paid, the encumbrance is liquidated.

Enterprise Fund: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures. Two Enterprise Funds are established for Watauga. One for storm drainage maintenance and one for Water and Sewer Operations.

Estimated Revenue: The amount of projected revenues to be collected during the fiscal year.

Expenditure: Decreases in net financial resources. Expenditures include current operating expenses require the present or future use of net current assets, debt service and capital outlay.

Expenses: This term refers to the outflows or other using up of assets or incurrence of liabilities from rendering services or carrying out other activities that constitute the City's major operations.

Fiduciary Fund: A fund used to report and record assets held in trust or as in an agency capacity for others.

Financial Policies: Financial policies are used to enable the City to achieve a sound financial position. They are in writing and are periodically updated and endorsed.

Fiscal Year: The 12-month period covered by the budget. For the City of Watauga, the fiscal year begins October 1 and ends September 30.

Fixed Assets: Assets of long-term character, which are intended to continue to be held or used, such as buildings, machinery and equipment.

Franchise Fee: A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.

Fund: An accounting entity with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balances, revenues and expenditures.

Glossary of Key Budget Terms (Continued)

Fund Balance: The assets of a fund less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted to result in an "unreserved fund balance".

Fund Type: In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

GAAP: Generally accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

General Fund: The General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, park and recreation, library, public works and general administration.

General Obligation Bonds: Bonds that finance a variety of public projects, which pledge the full faith and credit of the City.

Governmental Accounting Standards Board: The ultimate authoritative accounting and financial reporting standard – setting body for state and local governments.

Governmental Fund: A fund used to account for mainly tax-supported activities.

Impact Fees: Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

Infrastructure: The underlying permanent foundation or basic framework.

Interest and Sinking Fund: See Debt Service Fund.

Interest Earnings: The earnings from available funds invested during the year in U.S. Treasury Bonds, Governmental agencies and Certificates of Deposits.

Interfund Transfer: Amounts transferred from one fund to another.

Internal Service Fund: A fund used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis.

Investments: Securities, bonds and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in the normal course of governmental operations.

Joint Use Facility: An agreement between both the City of Watauga and the City of North Richland Hills that establishes the method by which the responsibility to operate and the obligation to provide services related to a particular water facility will be shared until the sole ownership is transferred to the City of Watauga pursuant to the Settlement and Purchase agreement.

Levy: To impose taxes, special assessments, or service charges for the support of the City services.

Liabilities: Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

Glossary of Key Budget Terms (Continued)

Long-term Debt: Debt with a maturity of more than one year after the date earmarked for its retirement.

(M)aintenance & (O)perations: Represents the portion of taxes assessed for the maintenance and operations of the General Fund Services.

Materials and Supplies: Expendable materials and operating supplies necessary to conduct departmental activity.

Modified Accrual Accounting: A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Net Bonded Debt: Gross bonded debt less any cash or other assets available and earmarked for its retirement.

Non-Departmental Expense: Expenses that benefit the fund as a whole rather than a particular department within the fund.

Operating Budget: A financial plan outlining estimated revenues and expenditures and other information for a specified period (usually a fiscal year). The "proposed budget" is the financial plan presented by the City Manager for consideration by the City Council, and the "adopted budget" is the financial plan ultimately approved and authorized by the City Council.

Ordinance: A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances. Ordinances and other legislation are not passed until the plans for and costs of endorsements are known.

Overlapping Debt: Proportionate share that property within a government must bear of the debts of other local governments located wholly or in part within the geographic boundaries of the reporting government.

Parks Development Corporation (PDC): A corporation established to maintain funds and maintenance of city parks.

Paying (Fiscal) Agent Fee: Fee paid to the financial institution that receives and disburses bond payments made on the City's debt obligations.

Per Capita Costs: The cost of service per person. Per capital costs are based on the population estimates provided by the North Texas Council of Governments.

Performance Measures: Specific quantitative measures of work performed within a City department.

Personnel Services: The costs associated with compensating employees for their labor. This includes salaries and fringe benefits.

Proprietary Fund: A fund to account for activities that focus on operating income and cash flows. Such activities are often business like whether internal or external in operations to the organization.

Refunding: The issuance of new debt whose proceeds are used to repay previously issued debt.

Glossary of Key Budget Terms (Continued)

Reserve: An account used to indicate that a portion of a fund balance is restricted for a specific purpose.

Revenues: All amounts of money earned or received by the City from external sources.

Revenue Bonds: Bonds usually sold for constructing a project that will produce revenue for the governmental entity. All or part of the produced revenue is used to pay the principle and interest of the bond.

SCADA: Supervisory Control and Data Acquisition is an automated system that is the normal daily means of water system operation. This automated system records flow data, operates pumps and valves.

Special Revenue Fund: A governmental fund, which is used to account for activities in which a specific revenue source is legally restricted for a specific activity.

Tap Fees: Fees charged to join or to extend an existing utility system.

Tax Anticipation Notes: Short-term, interest bearing note issued by a government in anticipation of tax revenues to be received at a later date.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. The term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

Tax Levy: The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Tax Rate: An amount applied to the taxable value of assessed property, expressed as so many cents per \$100 of assessed property.

Tax Roll: The official list of taxable property for a given tax year and the amount of taxes levied against each taxpayer.

Texas Municipal Retirement System (T.M.R.S.): An agent multiple-employer public retirement system. Watauga provides pension benefits for all permanent employees through a joint contributory plan in the state wide Texas Municipal Retirement System.

Utility Franchise Tax: A tax paid by the utilities for a special privilege granted by the Watauga City Council, permitting the continued use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Warrants: A legal writ authorizing an officer to make an arrest, seizure, or search.

Abbreviations in the Budget Document

A.C.O.	Animal Control Officer
A.V.	Ad Valorem
A/C	Air Conditioning
B.I.S.D.	Birdville Independent School District
C.A.F.R.	Comprehensive Annual Financial Report
C.C.	City Council
C.C.D.	Crime Control and Prevention District
C.I.D.	Criminal Investigation Division
C.M.O.	City Manager's Office
C.O.	Certificate of Obligation
C.O.W.	City of Watauga
C.O.W. #	City of Watauga Goals as Defined in Budget Overview
C.S.O.	City Secretary's Office
C.S.S.	Customer Service Statement
C.S.S.#	Customer Service Statement as Defined in Budget Overview
D.P.S.	Department of Public Safety
E.M.S.	Emergency Medical Support
F.D.	Finance Director
F.T.E.	Full-Time Equivalent
F/T	Full-Time
G.A.A.P.	Generally Accepted Accounting Principles
G.A.S.B.	Governmental Accounting Standards Board
G.F.	General Fund
G.F.O.A.	Government Finance Officer's Association
G.O.	General Obligation
H.V.A.C.	Heating Ventilation and Air Conditioning
I & S	Interest and Sinking
J.S.F.	Joint Use Facilities
K-9	Canine
L.O.M.R.	Letter of Map Revisions
M & O	Maintenance and Operations
M.I.S.	Management Information Services
N.C.T.C.O.G.	North Central Texas Council of Governments
N.E.	Northeast Tarrant County
N.E.T.S.	Northeast Tarrant Street Crimes Unit
N.R.H.	North Richland Hills

Abbreviations in the Budget Document

P.D.C.	Parks Development Corporation
P.G.A.	Professional Golf Association
P/T	Part-Time
R.O.W.	Right of Way
U.C.R.	Uniform Crime Report
W/S	Water and Sewer

BUDGET ORDINANCES

Resolution 07-09-10-04 – Tax Assessment Roll

**Ordinance Number 1334 – Property Tax Increase
Approval for Budget**

**Ordinance Number 1335 - October 1, 2007 Budget
Adoption**

**Resolution 07-09-10-05 – Fiscal Year 2007-2008
Continuation of Park Vista Public Improvement District**

**Ordinance Number 1336 – Fiscal Year 2007-2008 Ad
Valorem Tax Levy**

**Ordinance Number 1337 – Fiscal Year 2007-2008 Levy
Park Vista Public Improvement Assessment Fee**

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 07-09-10-04

A RESOLUTION APPROVING THE TAX ASSESSMENT ROLL FOR 2007

WHEREAS, Section 26.09, sub-section (e) of the Texas Property Tax Code, provides that the tax assessor for each taxing unit shall submit the unit's tax assessment roll to the governing body for approval.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS that:

I.

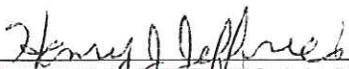
The tax assessment roll for 2007 for the City of Watauga, Texas, based on appraised values provided by the Tarrant Appraisal District, is hereby approved.

II.

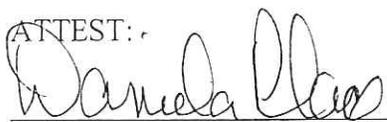
This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 10th day of September 2007.

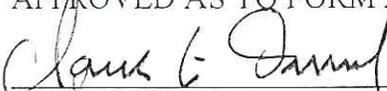
APPROVED:


HENRY J. JEFFRIES, MAYOR

ATTEST:


DANIELA PLACE, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:


MARK G. DANIEL, CITY ATTORNEY

CITY OF WATAUGA, TEXAS

NO. 1334

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA ADOPTING AND APPROVING A PROPERTY TAX INCREASE REFLECTED IN THE BUDGET FOR THE CITY OF WATAUGA FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008, IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 102.007; PROVIDING THAT ALL ORDINANCES IN CONFLICT HEREWITH ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the proposed budget for this fiscal year for the City of Watauga will require raising more revenue from property taxes than in the previous year; and

WHEREAS, the 80th Legislature of Texas has amended Local Government Code Section 102.007, effective September 1, 2007, to require a separate vote by the governing body of a municipality to ratify a property tax increase reflected in a proposed municipal budget in order to adopt the proposed budget.

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Watauga, Texas:

I.

The budget for the City of Watauga for the the fiscal year beginning October 1, 2007 and ending September 30, 2008 will raise more total property taxes than last fiscal year's budget by \$193,241.00 (or 3.4%) and of that amount, \$26,262.00 is tax revenue to be raised from new property added to the tax roll this year. The property tax increase that is reflected in the budget for the City of Watauga for the fiscal year beginning October 1, 2007 and ending September 30, 2008 is hereby approved and adopted.

II.

This Ordinance shall be and is hereby cumulative of all other ordinances of the City of Watauga, Texas, and this Ordinance shall not operate to repeal or affect any such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event, such conflicting provisions, if any, in such other Ordinance or Ordinances are hereby repealed.

III.

If any section, subsection, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

IV.

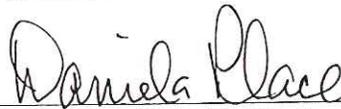
This Ordinance shall become effective and shall be in full force and effect after passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas and publication hereof as prescribed by law and the City Charter.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas,
this 10th day of September, 2007.

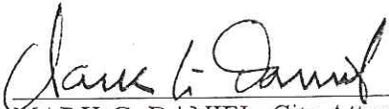
APPROVED:


HENRY J. JEFFRIES, Mayor

ATTEST:


DANIELA PLACE, City Secretary

APPROVED AS TO FORM:


MARK G. DANIEL, City Attorney

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1335

AN ORDINANCE ADOPTING AND APPROVING A BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2007 AND ENDING SEPTEMBER 30, 2008, IN ACCORDANCE WITH THE CHARTER OF THE CITY OF WATAUGA, APPROPRIATING THE VARIOUS AMOUNTS THEREOF, AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH AND CALLING FOR AN EFFECTIVE DATE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2007, and ending September 30, 2008, was duly presented to the City Council by the City Manager in accordance with the City Charter; and

WHEREAS, a public hearing was ordered by the City Council and a public notice of said hearing was published, and said public hearing was held, the subject of which was the proposed budget submitted by the City Manager; and

WHEREAS, after full and final consideration, it is the consensus of the City Council that the budget, as hereinafter set forth, should be approved and adopted;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, THAT:

Subject to applicable provisions of the City Charter, the budget for the fiscal year beginning October 1, 2007, and ending September 30, 2008, is hereby approved and adopted, and appropriations are made as follows:

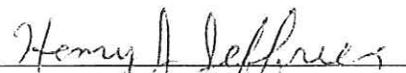
1.	General Fund Operating Appropriation	\$ 11,402,471
2.	General Obligation Interest & Sinking (Debt Service) Fund	\$ 1,783,402
3.	Storm Drain Utility Enterprise Fund	\$ 650,364
4.	Parks Development Corporation Fund	\$ 1,237,028
5.	Capital Projects (Plus Prior Appropriations)	\$ 4,885,379
6.	Crime Control and Prevention District	\$ 1,757,913
7.	Park Development Corporation Debt Service Fund	\$ 230,998
8.	Park Development Corporation Capital Projects (Plus Prior Appropriations)	\$ 150,000

9.	Water Impact Fee	\$	0
10.	Sewer Impact Fee	\$	0
11.	Water/Sewer Joint Use Facilities	\$	218,598
12.	Water/Sewer Capital Projects (Plus Prior Appropriations)	\$	394,485
13.	Water and Sewer Operating Fund	\$	7,266,335
14.	Internal Service Fund	\$	170,000
15.	Water and Sewer Certificates of Obligation Debt Service Fund Summary	\$	1,150,281
16.	Water and Sewer Revenue Bond Debt Service Fund	\$	363,693
17.	Water and Sewer Debt Reserve Fund	\$	15,000
18.	Library Donation Fund	\$	16,188
19.	Bunker Hill Drainage Fund	\$	37,145
20.	Municipal Building Security Fee	\$	32,440
21.	Municipal Court Technology Fund	\$	26,000

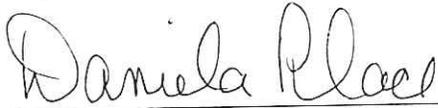
This ordinance shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, this 10th day of September, 2007.

APPROVED:

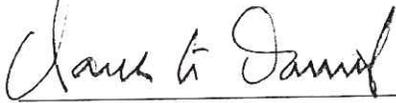

HENRY J. JEFFRIES, MAYOR

ATTEST:



DANIELA PLACE, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:



MARK G. DANIEL, CITY ATTORNEY

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 07-09-10-05

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF WATAUGA AUTHORIZING THE CONTINUATION OF THE PARK VISTA PUBLIC IMPROVEMENT DISTRICT ESTABLISHED JANUARY 1999 AS PROVIDED BY CHAPTER 372 OF THE LOCAL GOVERNMENT CODE; DESCRIBING THE METHOD OF ASSESSMENT; PROVIDING THAT ALL RESOLUTIONS IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Watauga, Texas, adopted Resolution No. 98-12-14-3 which authorized the establishment of the Park Vista Public Improvement district as provided by Chapter 372 of the Local Government Code on December 14, 1998; and

WHEREAS, the City Council adopted Resolution No 99-1-19-3 on January 19, 1999 adopting a service plan and budget for Fiscal Years 1998-99 and 1999-2000; and

WHEREAS, the City Council adopted Resolution No. 00-9-25-7 on September 25, 2000 adopting a service plan and budget for Fiscal Years 2000-2001, 2001-2002, and 2002-2003; and

WHEREAS, the City Council adopted Resolution No 03-09-18-03 on September 18, 2003, adopting a service plan and budget for Fiscal Year 2003-2004; and

WHEREAS, The City Council adopted Resolution No. 04-09-13-04 on September 13, 2004, adopting a service plan and budget for Fiscal Year 2004-2005; and

WHEREAS, The City Council adopted Resolution No. 05-09-12-02 on September 12, 2005, adopting a service plan and budget for Fiscal Year 2005-2006; and

WHEREAS, The City Council adopted Resolution No. 06-09-11-04 on September 11, 2006, adopting a service plan and budget for Fiscal Year 2006-2007.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Watauga, Texas as follows:

I.

The City Council for the City of Watauga, after duly considering the evidence and testimony presented at the public hearing on September 10, 2007 hereby makes the following findings:

- (a) It is advisable for the Park Vista Public Improvement District to continue to provide services during the fiscal year 2007-08.
- (b) The general nature of the proposed services to be provided by Park Vista Public Improvement District shall include:
 - (1) A continued maintenance program consisting of the planting and maintenance of special supplemental landscaping, and the maintenance of special supplemental irrigation systems along Park Vista Boulevard.
 - (2) An improvement district management program to provide for the establishment, administration, management, and operation of Park Vista Public Improvement District.

The proposed services would be a supplemental to the standard existing level of city improvements and/or services and would constitute an added increment to the improvements and/or services normally provided to the taxpayers generally. The City would continue to furnish or pay for standard improvements and/or services in Park Vista Public Improvement District at the same level as they would be provided to the taxpayers generally.

According to the Plan of services and Budget which is hereby approved and adopted by the City Council, the cost of the improvements and/or services of the Park Vista Public Improvement District during fiscal year 2007-2008.

TOTAL COST FOR FISCAL YEAR 2007-2008

(1) Cost of Maintenance & Operating Expense	\$18,016.00
Total	<u>\$18,016.00</u>

The cost of constructing additional improvements and/or providing additional supplemental services in subsequent years will be determined in the annual service plan to be adopted and amended from time to time by the City Council.

- (c) The boundaries of the Park Vista Public Improvement District are set forth in Exhibits "A" and "B" attached hereto and incorporated by references for all purposes as if set forth at length herein.
- (d) The method of assessment is:
 - (1) A service plan is approved and adopted by the City Council for a period of one year. The plan will be reviewed and updated annually by the City Council to determine the annual budget for improvements and/or services within Park Vista Public Improvement District.
 - (2) The cost of an improvement and/or special services will be assessed against real property within Park Vista Public Improvement District according to value of the property with improvements as determined by the Tarrant Appraisal District.
- (e) The apportionment of costs between the Park Vista Public Improvement District and the City as a whole shall be:
 - (1) All of the cost of an improvement and/or service shall be paid by special assessments against real property in Park Vista Public Improvement District.
 - (2) The City Council of the City of Watauga will be authorized to establish by ordinance reasonable classifications and formulas for the apportionment of costs between the City and the property to be assessed.
 - (3) The City as a whole will continue to provide standard improvements and services to Park Vista Public Improvement District at the same level as they are provided to other areas in the City and the taxpayers generally.
- (f) The probable maximum benefits to be conferred on each tract in Park Vista Public Improvement District because of the improvements and/or services shall be greater than the amount of the assessment against such tract and the owners thereof.
- (g) The City Council Resolution of December 14, 1998 and Interlocal Agreement with the City of Fort Worth dated July 13, 1998 authorizing establishment of Park Vista Public Improvement District provides that the Park Vista Public Improvement District will exist for five (5) years and for an indefinite term thereafter unless the Park Vista Public Improvement District is terminated as provided by law.

- (h) The City Secretary is hereby directed to give notice of authorization for the Park Vista Public Improvement District to provide services during fiscal year 2007-2008 by publishing a copy of this Resolution once in a newspaper of general circulation in the City of Watauga.

II.

The service plan for fiscal year 2007-2008 is hereby adopted by the Council.

III.

The Park Vista Public Improvement District shall be a complete alternate to other methods by which the City of Watauga may finance public improvements and/or special supplemental services by assessing property owners.

IV.

This Resolution shall be and is hereby cumulative of all other resolutions of the City of Watauga, Texas and this Resolution shall not operate to repeal or affect any such other resolutions except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolution or resolutions are hereby repealed.

V.

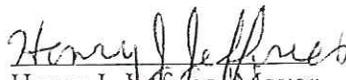
If any section, subsection, sentence, clause or phrase of this Resolution shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution.

VI.

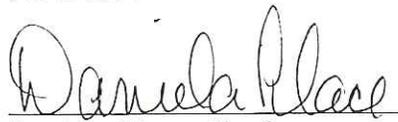
This Resolution shall become effective and shall be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor if the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas
this 10th day of September, 2007.

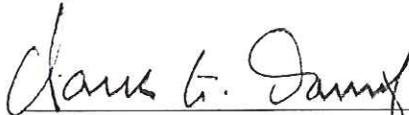
APPROVED:

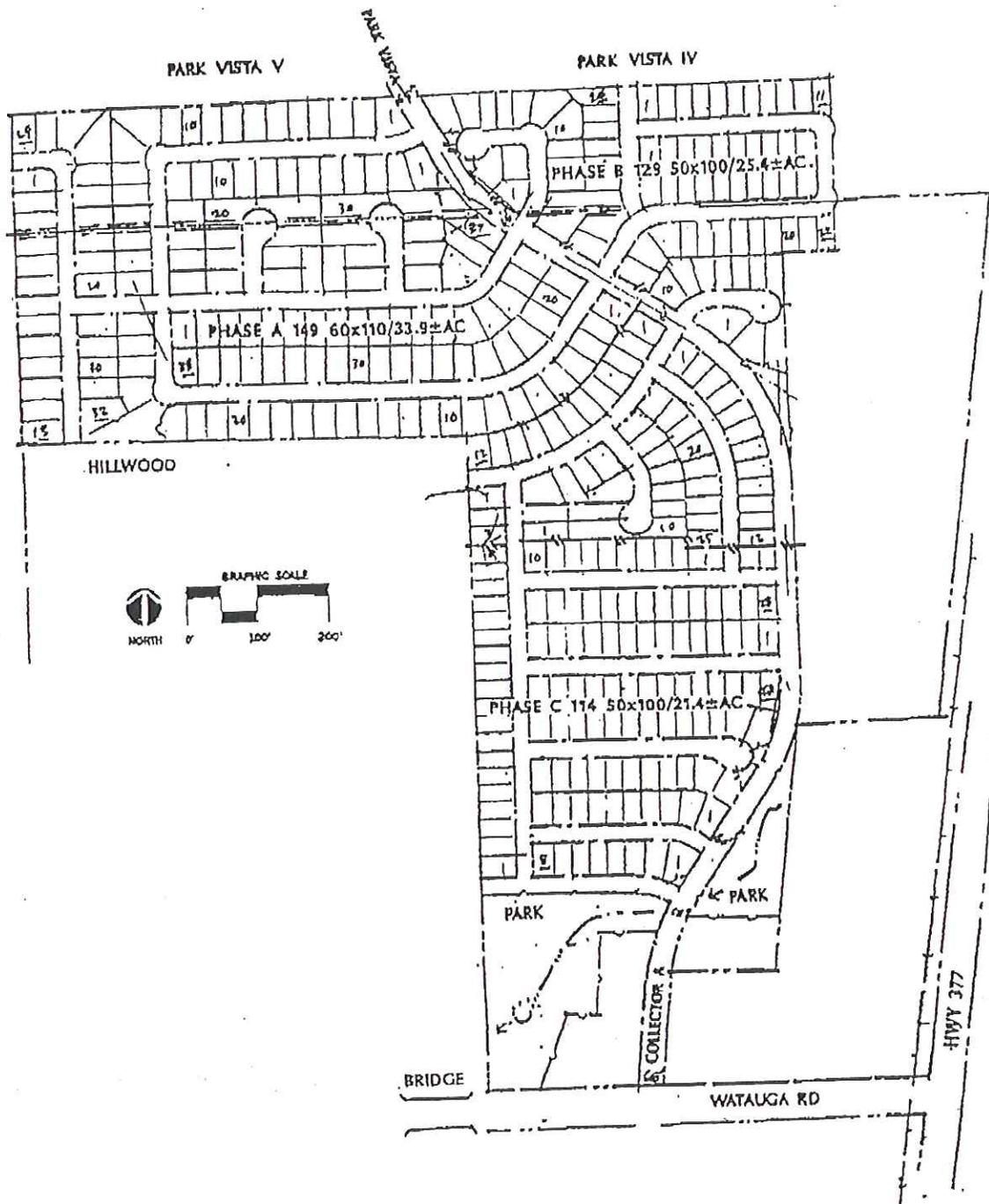

Henry J. Jeffries, Mayor

ATTEST:


Daniela Place, City Secretary

APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney



WATAUGA 80.7 ACRES ALTERNATE PLAN A-1D

392± LOTS IN 80.7± ACRES

71050 4-27-98 R

EXHIBIT A

LEGAL DESCRIPTION

BEING a tract of land situated in the William Evans Survey, Abstract No.467 and the David L. Hall Survey, Abstract No.700, Tarrant County, Texas and being a portion of that tract of land as described by deed to Havener Rupert Limited Partnership and recorded in Volume 12415, Page 1824, County Records, Tarrant County, Texas, said tract being more particularly described by metes and bounds as follows:

BEGINNING at the northeast corner of Phase V, Section 2B, Park Glen Addition, an addition to the City of Fort Worth as recorded in Cabinet A, Slide No. 3979, said County Records, said point being the northeast corner of Lot 2, Block 64 of said addition, same being in the southerly line of Phase V, Section 2A, Park Glen Addition as recorded in Cabinet A, Slide No. 3152, said County Records;

THENCE S 89°38'32"E, 2345.71 feet;

THENCE S 00°34'10"W, 348.64 feet to the beginning of a curve to the right;

THENCE 44.86 feet along the arc of said curve, through a central angle of 51°24'08", which radius is 50.00 feet, the long chord of which bears S 07°44'28"W, 43.37 feet;

THENCE S 00°21'28"W, 112.06 feet;

THENCE N 89°38'32"W, 136.05 feet;

THENCE S 01°48'03"W, 583.87 feet to the beginning of a curve to the right;

THENCE 131.17 feet along the arc of said curve, through a central angle of 14°02'52", which radius is 535.00 feet, the long chord of which bears S 05°13'23"E, 130.84 feet;

THENCE S 01°48'03"W, 569.35 feet to the beginning of a curve to the right;

THENCE 109.34 feet along the arc of said curve, through a central angle of 11°31'46", which radius is 543.39 feet, the long chord of which bears S 07°33'56"W, 109.16 feet;

THENCE S 07°33'43"W, 578.71 feet;

THENCE N 88°01'22"W, 274.96 feet to the beginning of a curve to the left;

THENCE 144.49 feet along the arc of said curve, through a central angle of 20°29'32", which radius is 404.00 feet, the long chord of which bears S 17°52'44"W, 143.73 feet;

THENCE S 07°37'58"W, 354.58 feet to the northerly right-of-way line of Watauga Road, the beginning of a curve to the left;

THENCE 60.20 feet along the arc of said curve and along said road, through a central angle of 01°10'46", which radius is 2924.79 feet, the long chord of which bears N 87°04'14"W, 60.20 feet;

THENCE N 07°37'58"E, 359.52 feet leaving said road to the beginning of a curve to the right;

THENCE 105.41 feet along the arc of said curve, through a central angle of 13°01'00", which radius is 464.00 feet, the long chord of which bears N 14°08'28"E, 105.19 feet;

THENCE N 88°01'22"W, 157.00 feet;

THENCE S 06°50'00"W, 255.00 feet;

THENCE N 88°01'22"W, 81.00 feet;

THENCE S 23°38'16"W, 231.54 feet;

EXHIBIT B

C&B Job No. 981716014
J:\JOB\98171614\SUR\WP\LEG\OVERALL.LG

January 21, 1999
Page 1 of 2

THENCE S 89°33'46"W, 140.00 feet;

THENCE N 00°41'33"E, 1940.84 feet

THENCE N 88°07'20"W, 1264.63 feet;

THENCE N 00°36'16"E, 975.57 feet to the POINT OF BEGINNING and containing 86.409 acres of land, more or less.

EXHIBIT B CONTINUED

C&B Job No. 981716014
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January 21, 1999
Page 2 of 2

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1336

AN ORDINANCE LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF WATAUGA, TEXAS FOR THE 2007-2008 FISCAL YEAR; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; PROVIDING FOR A STATEMENT REQUIRED BY SECTION 26.05(b) OF PROPERTY TAX CODE; AND PROVIDING WHEN TAXES SHALL BECOME DELINQUENT IF NOT PAID.

WHEREAS, the City of Watauga, Texas has previously complied with all notice, publications and public hearing requirements of the City Charter of the City of Watauga, and with such requirements of the laws of the State of Texas including notice and publication of calculation of the effective tax rate, and

WHEREAS, pursuant to Section 26.05(b) of Property Tax Code, a statement is required since this year's tax levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. Also, this year's M&O tax rate is higher than the effective maintenance and operations tax rate.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS, THAT:

I.

There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Watauga, Texas, and to provide an Interest and Sinking Fund for the 2007-2008 fiscal year, upon all property, real, personal and mixed, within the corporate limits of said City subject to taxation, a tax of \$0.580763 on each \$100.00 valuation of property, said tax being so levied and apportioned to the specific purposes herein set forth:

1. For the maintenance and support of the general government (General Fund), \$.400644 on each \$100.00 valuation of property; and
2. For the Interest and Sinking Fund, \$.180119 on each \$100.00 valuation of property.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY (-\$.83).

II.

Taxes levied under the Ordinance shall be due October 1, 2007, and if not paid on or before January 31, 2008, shall immediately become delinquent.

III.

All taxes shall become a lien upon the property against which assessed, and the city assessor and collector of the City of Watauga, Texas, shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest, and the interest and penalty collected from such delinquent taxes shall be apportioned to the General Fund of the City of Watauga, Texas. All delinquent taxes shall bear interest from the date of delinquency at the rate as prescribed by State Law.

IV.

The city assessor and collector of the City of Watauga, Texas is hereby directed to assess for the 2007-2008 fiscal year the rates and amounts herein levied and when such taxes are collected, to distribute the collections in accordance with this ordinance.

This Ordinance shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this 10~~th~~ day of September, 2007.

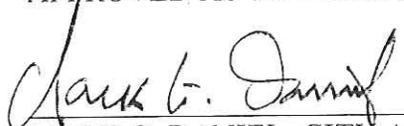
APPROVED:


HENRY J. JEFFRIES, MAYOR

ATTEST:


DANIELA PLACE, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:


MARK G. DANIEL, CITY ATTORNEY

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1337

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS LEVYING ASSESSMENTS FOR USE AND SUPPORT OF THE PARK VISTA PUBLIC IMPROVEMENT DISTRICT OF THE CITY OF WATAUGA, TEXAS FOR THE 2007-2008 FISCAL YEAR; PROVIDING THAT ALL ORDINANCES IN CONFLICT HERewith ARE HEREBY REPEALED TO THE EXTENT THAT THEY ARE IN CONFLICT; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Watauga, Texas adopted Resolution No. 98-12-14-3 which created the Park Vista Public Improvement District on December 14, 1998; and

WHEREAS, the City Council adopted Ordinance No. 1035 on September 25, 2000 levying assessments for use and support of the Park Vista Public Improvement District for the 2000-2001, 2001-2002, and 2002-2003 fiscal years; and

WHEREAS, the City Council adopted Ordinance No. 1166 on September 18, 2003 levying assessments for use and support of the Park Vista Public Improvement District for the 2003-2004 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 1205 on September 13, 2004 levying assessments for use and support of the Park Vista Public Improvement District for the 2004-2005 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 1242 on September 12, 2005 levying assessments for use and support of the Park Vista Public Improvement District for the 2005-2006 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 1290 on September 11, 2006 levying assessments for use and support of the Park Vista Public Improvement District for the 2006-2007 fiscal year; and

WHEREAS, the City Council finds it necessary to levy the assessment rate of \$0.03 on each \$100.00 valuation for the use and support of the Park Vista Public Improvement District in the City of Watauga.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Watauga, Texas as follows:

I.

In accordance with Local Government Code § 372.017, there is hereby levied and there shall be collected for the use and support of the Park Vista Public Improvement District in the City of Watauga, Texas, for the 2007-2008 fiscal year, upon all real property within the Park Vista Public Improvement District subject to taxation, an assessment of \$0.03 on each \$100.00 valuation of property, said assessments being so levied and apportioned to the specific purposes set forth in the resolution by the City Council of the City of Watauga, authorizing the establishment of the Park Vista Public Improvement District as provided by Chapter 372 of the Local Government Code.

II.

Assessments levied under the Ordinance shall be due October 1, of the respective year, and if not paid on or before January 31, of the respective year, shall immediately become delinquent.

III.

All assessments shall become a lien upon the property against which assessed, and the city assessor and collector of the City of Watauga, Texas, shall by virtue of the tax rolls, fix and establish a lien by levying upon such property for the payment of said assessments, penalty and interest, and the interest and penalty collected from such delinquent assessments shall be apportioned to the Park Vista Public Improvement District. All delinquent assessments shall bear interest from the date of delinquency at the rate as prescribed by state law.

IV.

The City assessor and collector of the City of Watauga, Texas is hereby directed and authorized to assess for the 2007-2008 fiscal year, the rates and amounts herein levied, and when such assessments are collected, and to distribute the collections to the Park Vista Public Improvement District in accordance with this Ordinance.

V.

This Ordinance shall be and is hereby cumulative of all other ordinances of the City of Watauga, Texas and this Ordinance shall not operate to repeal or affect any such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

VI.

If any section, subsection, sentence, clause, or phrase of this Ordinance shall for any reason be held invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

VII.

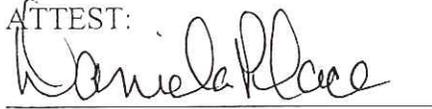
This Ordinance shall become effective and shall be in full force and effect after passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas and publication hereof as prescribed by law.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, this 10th day of September, 2007.

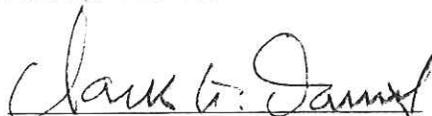
APPROVED:


Henry J. Jeffries, Mayor

ATTEST:


Daniela Place, City Secretary

APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney



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SPECIAL PUBLIC NOTICES

2007 Effective Tax Rate Calculation

Notice of Public Hearing on Tax Increase

Notice of Vote on Tax Rate

2007 Property Tax Rates in City of Watauga, Texas

This notice concerns 2007 property tax rates for City of Watauga, Texas. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's effective tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's rollback tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$ 3,862,516
Last year's debt taxes	\$ 1,725,036
Last year's total taxes	\$ 5,587,552
Last year's tax base	\$ 962,105,368
Last year's total tax rate	0.580763 /\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$ 5,577,926
÷ This year's adjusted tax base (after subtracting value of new property)	\$ 964,989,763
= This year's effective tax rate	0.578029 /\$100

(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, and/or enhanced indigent health care expenditures)	\$ 3,856,273
÷ This year's adjusted tax base	\$ 964,989,763
= This year's effective operating rate	0.399618 /\$100
x 1.08 = this year's maximum operating rate	0.431587 /\$100
+ This year's debt rate	0.180117 /\$100
= This year's total rollback rate	0.611704 /\$100

Statement of Increase/Decrease

If City of Watauga, Texas adopts a 2007 tax rate equal to the effective tax rate of \$0.578029 per \$100 of value, taxes would increase compared to 2006 taxes by \$16,507.

Schedule A - Unencumbered Fund Balances

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
Unreserved Debt Service Fund Balance	\$135,169
Unreserved General Fund Balance	\$5,616,154

Schedule B - 2007 Debt Service

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
1998 CO	\$95,000	\$60,353	\$716	\$156,069
1999 CO	\$170,000	\$26,163	\$769	\$196,932
2003 CO	\$200,000	\$55,300	\$600	\$255,900
2004 GO	\$195,000	\$11,438	\$800	\$207,238
2005 CO	\$465,000	\$171,759	\$1,000	\$637,759
2006 CO	\$20,000	\$105,373	\$800	\$126,173
2007 CO	\$75,000	\$127,331	\$1,000	\$203,331
Total Required for 2007 Debt Service				\$1,783,402

- Amount (if any) paid from funds listed in Schedule A	\$0
- Amount (if any) paid from other resources	\$37,145
- Excess collections last year	\$0
= Total to be paid from taxes in 2007	\$1,746,257
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2007	\$0
= Total Debt Levy	\$1,746,257

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 7105 Whitley Road Watauga, Texas 76148.

Name of person preparing this notice: Janina Jewell
Title: Director of Finance
Date Prepared: August 2, 2007

Notice of Public Hearing on Tax Increase

The City of Watauga, Texas will hold a public hearing on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 0.47 percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The public hearing will be held on August 22, 2007 at 6:30 PM and August 27, 2007 at 6:30 PM at Watauga City Hall 7105 Whitley Road Watauga, Texas 76148.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR:	Council Member Place 1, Ernie Koontz	Council Member Place 2, Richard Helmick
	Council Member Place 4, Roy Meyers	Mayor Pro Tem, Council Member Place 5, Seth Thomas
	Council Member Place 6, Lee Griffin	Council Member Place 7, Jerry Adams
AGAINST:		
PRESENT and not voting:	Mayor Henry J Jeffries	
ABSENT:	Council Member Place 3, Mike Steele	

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	1.75 % increase
Debt service	7.25 % increase
Total expenditures	3.40 % increase

Total Appraised Value and Total Taxable Value as calculated under section 26.04, Tax Code

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$ 1,090,037,399	\$ 1,110,811,763
Total appraised value* of new property**	\$ 5,944,789	\$ 4,605,800
Total taxable value*** of all property	\$ 1,003,759,355	\$ 1,020,124,947
Total taxable value*** of new property**	\$ 3,656,622	\$ 4,521,952

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness \$14,845,000

Tax Rates

Adopted tax rate for the preceding tax year	\$0.580763	per \$100 in value
Proposed tax rate for the current tax year	\$0.580763	per \$100 in value
Difference in the proposed tax rate and the adopted tax rate for the preceding tax year	\$0.000000	per \$100 in value
Percentage increase or decrease in the proposed tax rate and the adopted tax rate for the preceding tax year	0.00 %	Increase

These tax rate figures are not adjusted for changes in the taxable value of property.

Comparison of Residence Homestead Values

Average appraised and taxable values on residence homesteads are compared from the preceding tax year and the current tax year.

	Preceding Tax Year	Current Tax Year
Average residence homestead appraised value	\$97,201	\$ 98,643
Homestead exemption amount for the taxing unit	\$0	\$ 0
(excluding special exemptions for persons 65 years of age or older or disabled)		
Average taxable value of a residence homestead	\$97,201	\$ 98,643
(excluding special exemptions for persons 65 years of age or older or disabled)		

Comparison of Residence Homestead Taxes

The taxes that would have been imposed in the preceding tax year on a residence homestead at the average appraised value (excluding special exemptions for persons 65 years of age or older or disabled) are estimated to be \$564.51. The taxes that would be imposed in the current tax year on a residence homestead appraised at the average appraised value in the current tax year (excluding special exemptions for persons 65 years of age or older or disabled), if the proposed tax rate is adopted, are estimated to be \$572.88. The difference between the amount of taxes on the average residence homestead in the current tax year, if the proposed tax rate is adopted, and the preceding tax year would be an increase of \$8.37 in taxes.

* "Appraised value" is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Notice of Vote on Tax Rate

The City of Watauga, Texas
conducted public hearings on a proposal to
increase the total tax revenues of the
City of Watauga, Texas
from properties on the tax roll in the preceding
year by 0.47 percent
on August 22, 2007 at 6:30 PM and August 27, 2007 at
6:30 PM.

The City of Watauga
is scheduled to vote on the tax rate that
will result in that tax increase at a public
meeting to be held
on September 10, 2007, at 6:30 PM
at Watauga City Hall 7105 Whitley Road, Watauga,
Texas 76148.



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