



ANNUAL BUDGET

FOR FISCAL YEAR
October 1, 2014 - September 30, 2015

City of Watauga

Fiscal Year 2014-2015

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$242,618, which is a 4.54 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$10,014.

The members of the governing body voted on the budget as follows:

FOR: Brandon Krausse, Place 2 James Wright, Place 4
 Melva Clark, Place 5 Patrick Shelbourne, Place 6
 Robert Davis, Place 7

AGAINST: NONE

PRESENT

and not

voting: Hector F. Garcia, Mayor

ABSENT: Michael Steele, Place 1 Lee W. Griffin, Place 3

Property Tax Rate Comparison

	2014-2015	2013-2014
Property Tax Rate:	\$0.591216/100	\$0.591216/100
Effective Tax Rate:	\$0.565808/100	\$0.591152/100
Effective Maintenance & Operations Tax Rate:	\$0.393305/100	\$0.411801/100
Rollback Tax Rate:	\$0.603098/100	\$0.625442/100
Debt Rate:	\$0.178329/100	\$0.180697/100

The total amount of outstanding municipal debt obligations secured by property taxes is \$31,495,420 (including principal and scheduled interest payments). Of the total amount of outstanding debt obligations, \$14,834,200 is considered self-supporting. Self-supporting debt is paid through utility charges. In addition, the City has outstanding debt obligations of \$429,821 that is self-supporting through sales tax revenues.

Debt service requirements for FY2014/15, including principal, interest and fiscal agent charges, are \$1,782,394 for obligations paid by property taxes and \$2,028,203 for obligations paid by utility charges. Additional detail for the City's debt obligations is included in the Debt section of the budget document.

The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird in flight. The area is landscaped with tall grasses and red flowers. In the background, stadium seating and other structures are visible.

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DISTINGUISHED BUDGET PRESENTATION AWARD

Presented to the City of Watauga
For the Budget Fiscal Year Beginning October 1, 2013



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Watauga
Texas**

For the Fiscal Year Beginning

October 1, 2013

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, 2013. 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. This is the twenty-fifth consecutive year that the City has received this Award. 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. The City has received this award every year since 1989.

BUDGET

for

FISCAL YEAR ENDING SEPTEMBER 30, 2015

SUBMITTED BY:

**GREG VICK
CITY MANAGER**

AND

**SANDRA GIBSON, CGFO
DIRECTOR OF FINANCE AND ADMINISTRATION**

AS ADOPTED ON SEPTEMBER 3, 2014

THE WATAUGA CITY COUNCIL

MAYOR HECTOR F. GARCIA

MAYOR PRO TEM COUNCIL MEMBER PLACE 7:	ROBERT DAVIS
COUNCIL MEMBER PLACE 1:	MIKE STEELE
COUNCIL MEMBER PLACE 2:	BRANDON KRAUSSE
COUNCIL MEMBER PLACE 3:	LEE GRIFFIN
COUNCIL MEMBER PLACE 4:	JAMES WRIGHT
COUNCIL MEMBER PLACE 5:	MELVA CLARK
COUNCIL MEMBER PLACE 6:	PATRICK SHELBOURNE



CITY COUNCIL



Mike Steele
Place 1



Melva Clark
Place 5



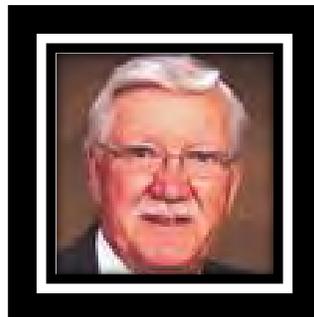
Mayor Hector F. Garcia



Brandon Krausse
Place 2



Patrick Shelbourne
Place 6



Robert Davis
Mayor Pro Tem
Place 7



Lee Griffin
Place 3



James Wright
Place 4

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THE PURPOSE OF THIS BUDGET DOCUMENT

The Document

This is the budget document for the City of Watauga, Texas for the fiscal year beginning October 1, 2014 and ending September 30, 2015. The Budget for the City of Watauga is intended to serve four purposes:

1. The Budget as a Policy Document

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. We designed this document to be a reference for a wide variety of users. As approved by the City Council for the fiscal year, City Management may use this document as a guide for operations. The City Council may use this document as a communication medium to staff and citizens to describe objectives, goals, and mission of the City. City staff may use this document to inform City Council and citizens of accomplishments and services. Current and prospective citizens and businesses may use this document to learn about the City and its plans for the future.

As a policy document, the budget indicates what services the City will provide during the twelve-month period beginning October 1, 2014 and why. The Budget Message, in the Introductory Section, summarizes the challenges facing the City and how the budget addresses them.

2. The Budget as an Operations Guide

As an operations guide, the budget indicates how services will be delivered to the community. The Personnel Positions Schedule outlines the number of proposed authorized full-time and part-time employees. Specific budgetary information related to each department is provided for each Fund, as appropriate.

3. The Budget as a Financial Plan

As a financial plan, the budget outlines how much City services will cost and how they will be funded. The Introductory Section provides a Budget Message, an overview of the budget, including information about the City, financial structure, major revenue and expenditure categories for each Fund, financial policies, and Budget Calendar.

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 type. The City uses the following funds: General Fund, Special Revenue Funds, Proprietary Funds, Capital Project Funds, and, finally, 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. Each Department has identified goals which are included in the accomplishments in their specific division, and relate back to the City's Goals detailed in the Budget Overview section. At the request of City Management, We

THE PURPOSE OF THIS BUDGET DOCUMENT

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.

More detail can be found in the separately published Comprehensive Annual Financial Report (CAFR).

4. The Budget as a Communications Device

The budget is designed to be user friendly with summary information in text, tables, and graphs. A Glossary of Budget Terms is included for your reference. Should you have any questions about the City budget that this document does not answer, please feel free to call the Finance Office at 817-541-5822. Copies of this document are available for review at the City Secretary's Office, City Hall Front Desk, and City library. It can also be accessed through the Internet at <http://www.wataugatx.org/Budget>.

Introductory Information

The Table of Contents should aid a user of this document as a guide to the organization of this book. The Budget Message should be read first as an introduction to the more detailed budget presentation. The Introductory Section provides a detailed description of the City of Watauga, its mission and goals, requirements during the budget process, the overall financial structure, and layout of the City, and demographic and graphical information about the City.

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.

Budget Ordinances

The budget ordinance section provides the Budget Resolutions and Ordinances passed by the City Council implementing this budget, as well as some required publications.

To contact the City of Watauga, write to 7105 Whitley Road, Watauga, Texas, 76148-2024, or call (817) 514-5800. More information may be obtained by visiting the City web site at www.ci.watauga.tx.us.



INTRODUCTORY SECTION

The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is surrounded by tall grasses and red flowers. In the background, there are trees and a building with red seating.

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August 1, 2014

To the Honorable Mayor Hector F. Garcia, Members of the City Council and the Citizens of Watauga:

This letter transmits the structurally balanced Fiscal Year 2014-15 City of Watauga Budget in accordance with requirements of State law and the City of Watauga's Home Rule Charter. The following pages present the City of Watauga's Annual Budget for the Fiscal Year 2014-15 that connects the priorities and financial planning as outlined in the Council Strategic Planning Session this past January. The guiding principles employed during the budget process ensure that the City continues to meet the needs of residents while balancing the City's budget. Services provided by the City include fire and police protection, emergency medical services, planning and zoning, economic development, code enforcement and inspections, street maintenance, parks, recreation, library, and senior citizen services.

Strategic Direction

The City of Watauga continues to move at a healthy pace toward its strategic goals and objectives with regard to meeting the needs of citizens, economic development and revitalization, improving infrastructure and making Watauga, "A Great Place to Live." The budget reflects the City Council's vision to be "***A Community that meets the needs of citizens by offering a high quality of life through transparent governance.***"

➤ City Council Goals

The City Council began the process of creating long term vision and goals to move the City forward and prepare for the many challenges the City will face in the future. The Council has established the top priority goals for the City:

- ❖ Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner.
- ❖ Improve the attractiveness of the City by fostering economic growth, revitalization of neighborhoods and community parks.
- ❖ Be community focused and provide for a safe and friendly community environment.
- ❖ Provide for a transparent, innovative government.
- ❖ Live up to Watauga's Slogan of being "A Great Place to Live."

BUDGET MESSAGE FOR FY 2014-15

In order to achieve these goals, certain focus areas were identified:

- Develop a 5 Year Capital Improvement Plan for Water and Wastewater and Storm Drain
- Revitalization Efforts to include residential rehabilitation, rental registration improvements, and neighborhood infrastructure improvements
- Foster Economic Development and Redevelopment, business retention, attraction and creation in a managed and balanced approach.
- Provide a new Senior Center that will meet needs of senior citizens in the community
- Capitalize on Capp Smith Park in order to meet the needs of the community and improve attractiveness of the City of Watauga
- Develop a Comprehensive Land Use Plan, improving zoning ordinances and complete a map rewrite

Planning for the Future

Current long range financial planning revolves around several major water/sewer system infrastructure projects as well as significant improvements to our storm water drainage system. The 2014 Certificates of Obligation will partially fund Bursey Road, a major street project that is located in a prime area of the City that has potential for economic development opportunities. In addition, the 2014 bond proceeds will partially fund a new Senior Center that will better meet the needs of the community. As the City approaches full build out, planning initiatives for re-development of certain aging corridors in the City have become the focus. This budget includes a new Planning and Development Manager position to help the City move forward in this process. A Strategic Initiative Fund has been created this year in order to set aside funding for Council stated goals and priorities. In addition, the enhanced use and funding of the Equipment Replacement Fund for capital asset replacement shows the commitment and recognition that a scheduled replacement program provides for the best utilization of financial resources in the current year and into the future. Staff has evaluated prior year equipment purchases funded with fund balance appropriations or bond proceeds. A funding plan has been created for the Equipment Replacement Fund Legacy program to help partially fund future equipment, technology, and HVAC needs. Several of the focus items above will be more completely addressed when the new Planning and Development Division has been established.

SUMMARY

It is our intent to present a proposed balanced 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.

BUDGET MESSAGE FOR FY 2014-15

In summary, the FY2014/2015 proposed budget totals \$41.4 million which includes approximately \$11.3 million in capital projects. This budget focuses on sustainability in order to continue our program of services and to improve on the quality of life in our City.

I would like to extend appreciation to the City Council members who sacrifice many hours to make difficult priority decisions and set policies that guide the City into the future in a fiscally responsible manner. I would also like to express my appreciation to the City employees throughout the organization that are instrumental in development of this document and the development of this program of services. This budget preparation was very much a team effort and I wish to thank you all for your time and involvement in developing a budget that will allow us to look into the future with pride and anticipation.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "G. Vick", is written over the typed name.

Greg Vick
City Manager

BUDGET MESSAGE FOR FY 2014-15

EXECUTIVE SUMMARY

This budget reflects the positive financial condition of the City and utilizes sound fiscal policies and a conservative approach in revenue and expenditure forecasting. For FY2014-15, the City's budget provides for continued programs and services, while maintaining the current tax rate of \$.591216 per \$100 valuation.

This budget is a fluid document that is changing and moving on a constant basis and 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 revenues are developed, we then evaluate costs associated with the delivery of existing services, any new and expanded costs or programs, and new programs established by Council. Within the limited resources available, we adjust the costs to achieve a proposed balanced budget. The budget document, even after adoption, is still an estimated financial plan and is always subject to change by amendment. More often than not, elements within the body of the document will change throughout the year. Changes in economic conditions, new projects, project overruns, and emergencies can necessitate a budget amendment.

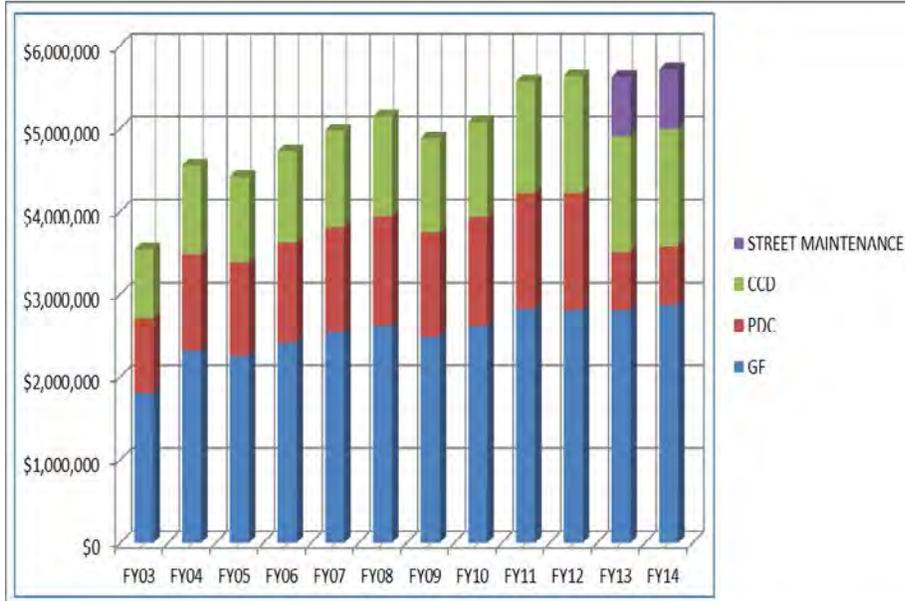
This budget document and financial plan for FY2014-15 has been developed and constructed in such a way as to balance revenues to expenditures with minimal use of fund balances. When fund balances are used, the remaining fund balances are well above the minimums approved by Council. These balances throughout the various City Fund Accounts are used to provide as much economic relief to our citizens as possible, while still providing a financially sound and strong municipal organization.

Fiscal Year 2014/2015 Financial and Economic Outlook

The financial plan as presented in the proposed budget should be considered from the broad perspective of the specific environment within which the City operates. The City of Watauga is located in Tarrant County and is part of the Dallas-Fort Worth Metroplex that has a total population of 6.5 million people. The City of Watauga encompasses 4 square miles of which 96% is developed. The 2010 census reflects a population of 23,497. The total taxable assessed value of property within the City previously peaked in FY2008/2009 at \$1.042 billion, and the City had experienced a decline in valuations by 8% since that time. Although valuations stabilized in FY2012-13, valuations had remained flat until this year. In FY2014/2015, property valuations have increased by 4.2% compared to FY2013/2014. Although we are pleased with the valuation increases this year, there is a continuing need to focus on revitalization due to the aging housing stock within our City.

BUDGET MESSAGE FOR FY 2014-15

Sales Tax Collections FY2003-FY2014



A significant portion of the city's general operating revenue is derived from sales tax. Efforts to maintain and grow our sales tax base are a high priority. The City strives to attract high quality, visually appealing businesses, as well as revitalize and invest in areas that have seen some deterioration of economic activity.

Over the past three years, the City, along with the DFW Metroplex and the State of Texas, in general, experienced an increase in sales tax revenues. In FY2013-14, sales tax revenues have increased by 2% over prior year actuals, and we are forecasting a modest increase in the FY2014-15 budget of 2% over current year.

BUDGET HIGHLIGHTS – ALL FUNDS

The total budget for FY2014/15, including transfers between funds, is \$41,364,401. This represents an increase of \$11.1M when compared to FY2013/2014 due primarily to planned capital projects this fiscal year. Changes in expenditures vary in each fund based on the nature of the services provided in each fund.

Compensation/Benefits

- Compensation issues have been addressed in this budget as outlined below:
 - Provide funding for civil service step increases this year;
 - Provide for a 2.5% cost of living adjustment for all employees to include civil service, non-civil service full-time and part-time employees.
- The City's Employee Retirement (TMRS) rate is forecast to be 13.49%, up .52% from last Fiscal Year.
- The medical health insurance budget experienced a slight decrease this fiscal year due to a competitive market. The City will change insurance carriers, but will maintain two (2) High Deductible Health Care Plans in which the City pays 100% of the employee premium with an optional Health Savings Account and one (1) buy-up plan that mirrors the existing medical plan. The buy-up option allows City

BUDGET MESSAGE FOR FY 2014-15

employees to elect the PPO plan if they desire, but employees would have to pay for the increase in the premium for that plan.

Personnel Changes

- There are **four unfunded** positions this year in the General Fund:
 - (1) Assistant City Secretary
 - (1) Finance Administrative Assistant
 - (1) Recreation Programmer
 - (1) Executive Assistant to the City Manager

- There is **one new position funded** this year in the General Fund that was not funded last year:
 - (1) Planning and Development Manager

The savings from the unfunded positions in General Fund will be applied to fund this position.

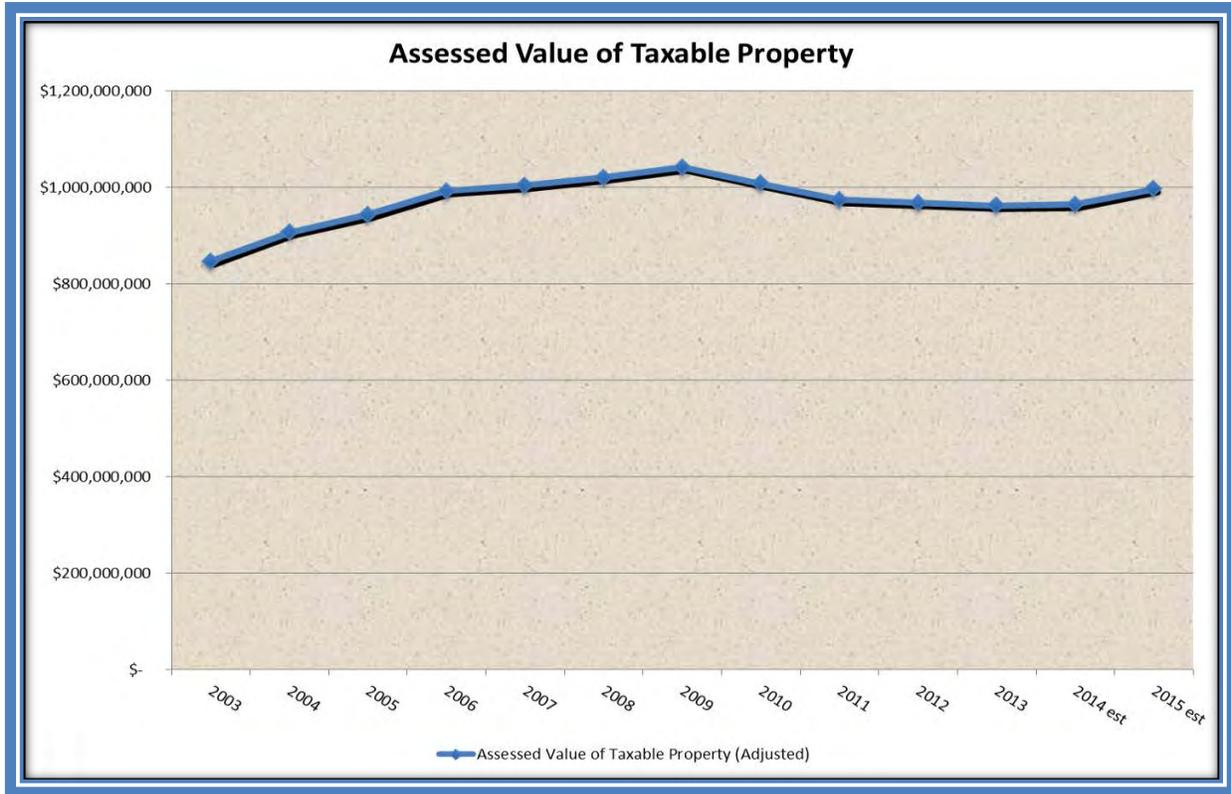
- The Planning and Development Function has been consolidated into the General Fund.

General Fund

General Fund Revenues The proposed budget provides funding for continuation of all current program and services. Revenue projections for FY2014/2015 total \$11,192,400, an increase of \$382,150 over the FY2013/2014 budget. Increases have been projected for property tax, sales tax and an increase in fines and forfeitures.

- Property Taxes - Revenue collected from property taxes is the largest component of the General Fund, comprising 38% of revenues. This revenue is projected based on information from the Certified Tax Roll received July 25th from the Tarrant Appraisal District. After the roll is received, the tax rate is set by the City Council based on both the debt rate required to pay the City's General bonded indebtedness and funds needed for maintenance and operations. In FY2014/2015, valuations have increased by 4.2% compared to FY2013/2014. In the FY2014/2015 budget, we have proposed that we adopt the same tax rate as last year (\$.591216/\$100) which will ensure that we can maintain the same quality service levels and programs.

BUDGET MESSAGE FOR FY 2014-15



- The proposed tax rate for FY2014/2015 is **\$0.591216/\$100** of valuation. This is the same rate proposed as last year's rate. The tax rate distribution for FY2014/2015 compared to FY2013/2014 represents a slight decrease in the debt service ratio and is as follows:

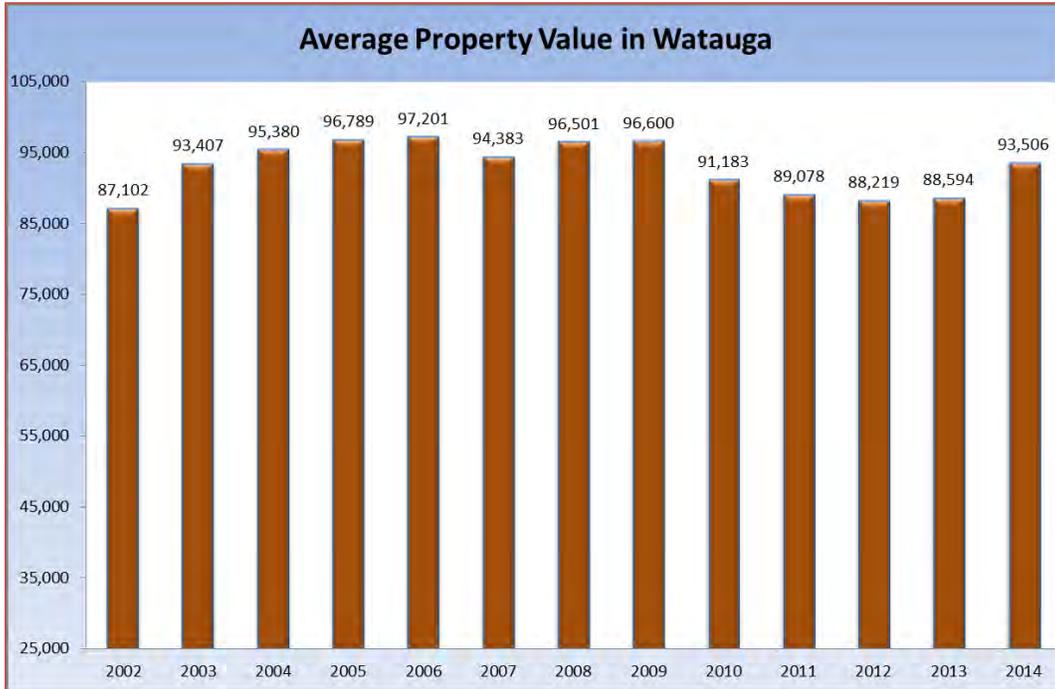
Distribution of Tax Rate

	<u>FY2013-14</u>	<u>FY2014-15</u>
Operations:	\$0.410519/\$100	\$0.412887/\$100
Interest & Sinking	\$0.180697/\$100	\$0.178329/\$100

Total property tax receipts are expected to be \$5.86M in FY2014/2015 compared to anticipated receipts of \$5.62M in FY2013/2014.

BUDGET MESSAGE FOR FY 2014-15

The average taxable value of a home in Watauga this year is \$93,506, an increase of 5.5%, or \$4,911 from last year's average taxable value of \$88,595. The amount of annual City property tax on the average home at the proposed tax rate of \$.591216/\$100 is \$552.82, up from \$523.79 last year. The average taxable value on a Watauga home today matches what it was in 2003.



Sales Tax Collections

- The second major financial consideration that guides the development of the budget for the upcoming year is the projection of sales tax revenues. Sales tax revenues comprise 28% of General Fund revenues. We are forecasting a modest increase in the FY2014/2015 budget of 2% over current year.

General Fund Expenditures

The operating expenditures including transfers for the General Fund are proposed at \$11,771,450. These expenditures include \$25,000 of contingency funds for unseen or emergency purchases during the year. Also, \$120,000 will be transferred to the Capital Projects Fund to pay for the Rufe Snow North Richland Hills Street Project debt service and miscellaneous engineering services. The sidewalk program will continue to be funded by Certificate of Obligation 2011 funds for an additional two-year time period and the Community Development Block Grant (CDBG) street project will be funded by the Water and Sewer Fund for FY2014/2015 and FY2016/2017 Budget Years. The

BUDGET MESSAGE FOR FY 2014-15

CDBG projects are being funded by Tarrant County every other year and the City is scheduling these projects based on available funding.

Additional transfers to other funds totaling \$582,000 that will help foster sustainability include:

- A transfer to the Equipment Replacement Fund for FY2014/2015 capital purchases is proposed in the amount of \$226,000.
- In addition, a transfer to the Equipment Replacement Fund in the amount of \$106,000 is proposed to help fund identified future equipment, vehicle and technology replacement items that were purchased in prior years before the enhanced use of the Equipment Replacement Fund.
- A transfer in the amount of \$250,000 to the Strategic Initiative Fund is proposed to fund programs such as residential home revitalization, economic development, and the development of City plans such as Comprehensive Land Use and other long-term planning tools.

There will be a utilization of fund balance in the amount of \$579,050 proposed for this year. The ending FY2014/15 fund balance is forecast as \$4,671,165, which is above the minimum target policy of twenty-five percent (25%) of operations or \$2,797,863. The projected fund balance equates to 42% of operating expenditures in reserves.

General Fund Debt Service Fund

The debt service requirement for principal and interest payments for Fiscal Year 2014/2015 totals \$1,785,695. Approximately \$100,000 of debt service fund balance has been used to reduce the amount of tax receipts necessary to meet debt service. Thus, the I&S tax rate is based on debt service requirements from tax payments of \$1,685,695. The ending fund balance is projected to be \$197,121.

General Capital Projects Fund

The following projects will be funded this year:

- ✓ Sidewalk program will be funded by remaining Certificate of Obligation 2011 funds for the next two years. This year the sidewalk program will be funded at \$100,000.
- ✓ Phase II of the Watauga Road project will commence and is funded at \$350,000. This project will be a joint partnership with Tarrant County.
- ✓ Engineering design has been increased from \$10,000 to \$25,000 in anticipation of additional needs throughout the City.
- ✓ Design and construction of a Senior Center will commence to better meet the needs of the community. The estimated cost is \$1.4 million and will be funded by the 2014 bond proceeds and fund balance.
- ✓ The Bursey Road Street Project will begin this Fiscal Year and is estimated to cost \$2.86 million. This project will be funded by the 2014 bond proceeds in addition to fund balance.

BUDGET MESSAGE FOR FY 2014-15

Total capital expenses for this year are proposed at \$3.95 million. The ending Fund Balance is forecast to be \$447,660. See General Capital Projects Fund for a detailed description.

Oil/Gas Fund

Expenditures in this fund include the vacation buy-back program that will be phased out this year. The vacation buy-back program will be funded at \$30,000 this year and an additional \$70,000 is appropriated for pay-out of terminating employee leave banks. Also included this year is a \$50,000 transfer to the Equipment Replacement Fund in order to provide for funds to adequately cover equipment replacement needs City-wide.

Strategic Initiative Fund

The Strategic Initiative Fund was created this fiscal year in order to fund the strategic initiatives identified as priorities by Council. The funding source for this fund is a General Fund transfer in the amount of \$250,000. This includes \$100,000 for the Watauga Improving Neighborhoods (WIN) home revitalization program and the remaining \$150,000 is appropriated for other Council identified strategic projects.

Special Revenue Funds

➤ **Parks Development Corporation**

Voters elected to redistribute $\frac{1}{4}$ cent from the Parks Development Corporation Fund to Street Maintenance in May, 2012, with an effective date of October 1, 2012. This effectively made the Parks Development Fund into an operations and maintenance fund and limited the fund's ability to fund large dollar capital projects. Sales tax revenues are proposed to be one-percent higher than last year. The total sales tax revenue estimate for PDC is \$714,000 for FY2015.

The proposed budget for this fund includes all park items and maintenance expenditures, which are proposed at \$983,900. The ending fund balance is projected to be \$368,219. The established minimum fund balance requirement is fifteen-percent (15%) of expenditures or \$146,685.

Total debt requirement for the year is \$216,094, however, the remaining balance of approximately \$206,000 of PDC debt will be paid off this year with the balance in the reserve fund. This will allow for a small savings in interest expense. The PDC Capital Fund Budget includes \$9,000 for trail walkway improvements. The projected ending fund balance is \$500,961.

➤ **Street Maintenance Fund**

This fund was established in FY2012-13 to account for $\frac{1}{4}$ cent sales tax reallocated from the Parks Development Corporation. This allocation was effective October 1, 2012. This $\frac{1}{4}$ cent sales tax will expire in 2016 unless reapproved by the voters. We expect sales tax revenues collected for the year

BUDGET MESSAGE FOR FY 2014-15

to total \$714,000. Street maintenance projects funded for the year total \$600,000, leaving an ending fund balance of \$431,588.

➤ **Crime Control and Prevention District Fund**

Sales tax revenues are generated from a ½ cent sales tax and are expected to be \$1,428,000. Total revenues are forecast to be \$1,465,500, generating total available resources of \$2,364,585.

The FY2014-15 budget is \$1,568,800 which includes a transfer of \$75,000 to the Equipment Replacement Fund for the purchase of two (2) vehicles. The ending Fund Balance is projected to be \$795,785.

➤ **Library Donation Fund**

Estimated revenues for this fund are expected to be \$11,040. Revenues represent donations made by customers as part of utility bill payment. The proposed budget expenditure of \$13,930 will leave an estimated ending fund balance of \$9,490.

➤ **Municipal Court Revenue Funds**

Revenues for the Security Fund, Technology Fund, and Juvenile Case Manager Fund come from a \$3.00, \$4.00, and \$5.00 fee, respectively, on each citation for which there is a conviction. Forecast revenues are \$63,150 for all of these funds.

Expenses are for security and technology improvements for the Court office and a portion of the Juvenile Case Manager salary and the Bailiff. The total budget for this year is \$39,400, leaving combined fund balances of \$278,288.

➤ **Traffic Safety Fund**

Revenues come from a \$75 per citation civil penalty fee. Total revenues are expected to be \$700,000 of which 50%, after allowable expense, is due to the State for allocation to the Regional State Trauma Fund. Expected traffic safety expenses are \$734,200 including \$235,000 to the State Trauma Fund. This incorporates the funding of three traffic officer positions and expenses related to the Traffic Safety Program. Ending fund balance is expected to be \$2,535.

Proprietary Funds

➤ **Storm Drainage Fund**

Total resources available are proposed at \$2,765,303 which includes \$1,410,000 for service charges. The proposed expenditure budget is \$2,340,350, which includes \$1,500,000 for the Watauga Heights Phase II drainage project. Proposed ending fund balance is \$424,953. The storm drain fee was increased in FY2011-12 to make

BUDGET MESSAGE FOR FY 2014-15

this fund sustainable and provide funding for storm drain projects. The storm drain rate and related Capital Improvement Projects were re-evaluated in FY2013/2014 and various options were presented to Council in a July 2014 Workshop.

➤ **Water and Sewer Fund**

Total charges for services are forecast to be \$8,125,000, with total revenues of \$8,524,000. Total available resources are proposed to be \$10,930,746. Projections are based on historical averages and will fluctuate with usage and weather. The City of Watauga did not increase water and sewer rates the last couple of years even though we experienced wholesale water and wastewater increases. In order to preserve the sustainability of the fund, a pass through increase will be necessary this year in order to offset increases from the City of Ft. Worth and North Richland Hills. This increase will be a “pass through” on the volume rate billed to citizens. We anticipate the pass through to be effective beginning on January 2015. Every effort will be made to keep the “pass through” rate at the lowest possible. The last rate increase to our Citizens was effective December 1, 2011 to ensure adequate fund balances were available to meet required service and debt levels. The City purchases water from North Richland Hills and wholesale wastewater charges are paid to the City of Fort Worth.

Expenditures for water purchases and sewer treatment services also vary based on customer usage and weather. Total expenses are estimated as \$8,943,653 which includes a \$140,000 transfer for maintenance of water and sewer lines and a \$221,000 transfer to the Equipment Replacement Fund for Phase I & II of the Meter Replacement Program and previously purchased equipment. Other transfers include transfers for the debt service and transfers to the Water Sewer Construction fund. The ending Fund Balance is expected to be \$1,987,093.

➤ **Water and Sewer Debt Service Funds**

Our debt service requirement for FY 2014-15 is \$2,026,803 and will be funded by a transfer from the Water/Sewer operating fund. The combined fund balance at the end of the year is expected to be \$176,820.

➤ **Water and Sewer Capital Projects Funds**

Total available resources are \$8,413,297 which includes some remaining 2012 Certificates of Obligation bond proceeds. We anticipate approximately \$5 million in Wastewater Projects to be completed this year. Additional items funded this year are \$140,000 in estimated water and sewer main repairs and maintenance, \$257,000 for the 40th year CDBG project, and \$180,000 in Water Tower Improvements.

BUDGET MESSAGE FOR FY 2014-15

➤ **Joint Use Facility Fund**

The City of Watauga and City of North Richland Hills jointly maintain a transfer station for water/sewer. A maintenance reserve of \$75,000 per year is scheduled. These reserves are transferred in annually from the Water/Sewer operating fund. Reserves are used for pump replacements and other maintenance, as necessary.

➤ **Equipment Replacement Fund**

This year the City continues to enhance the use of the Equipment Replacement Fund that we began in FY2013/2014. The City maintains an equipment replacement fund for use in the purchase of rolling stock, equipment, facility needs such as HVAC and roofing, and technology replacement with a minimum cost of \$5,000 and a useful life of at least five years. This fund is designed to provide on-going financing for replacement equipment once it reaches its expected life span. The Equipment Replacement Fund purchases these items and then charges the acquiring fund a prorated amount based on the cost and useful life of the equipment. This year we are utilizing this fund for the purchase of rolling stock, equipment, technology, and facility needs in the amount of \$456,000. In addition, we have implemented the Equipment Replacement Legacy program which will help fund future capital equipment needs to include vehicles, technology, equipment, HVAC replacements, etc. purchased in prior years before the Equipment Replacement Fund was utilized. To address these needs, this year additional funds have been transferred from the General Fund, Water and Sewer Fund, and Storm Drain fund totaling \$198,000. The forecasted ending Fund Balance is \$777,090.

THE CITY OF WATAUGA, TEXAS

Brief History of Watauga



The Cherokee Indians were the first settlers 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 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 23,497.

DID YOU KNOW?
The City of Watauga
was incorporated in
1958.

Tarrant Utility Company deeded Lot 9, Block 1 (5633 Linda Drive) in April 1958, to the City for 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.

Eleven mayors have served the City. These are John Ransburger, Farris Jones, John Smith, Mack N. Burke, Jr., Mildred Morris, Noel Meadows, Mrs. Noel Meadows, Virgil R. Anthony, Sr., Anthony W. Girtman, Henry J. Jeffries. Hector F. Garcia is presently serving for a second time.

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, May 7, 2005, November 6, 2007 and May 11, 2013. 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

THE CITY OF WATAUGA, TEXAS

opened its new City Hall and, in October of 2006, the City opened its first Animal Service Center. The Library received a 5,000 square foot expansion during the summer of 2007. In February 2009, the City opened the renovated police facility, which provided new jail, office, training, and dispatch facilities. The City completed construction of its new Fire/EMS station, which was dedicated in June 2011. On September 11, 2011, on the tenth anniversary of 9/11, the City dedicated a memorial at the new Fire/EMS station, commemorating the sacrifice and service of our Nation's military, police, fire, and first responders, which incorporated a piece of steel from the fallen Twin Towers in New York City.

Education

The Birdville and Keller Independent School Districts (BISD and KISD) provide elementary and secondary educational services within the City. There are four campuses located within the City, with over 2,700 students enrolled and over 250 classroom teachers. Six elementary, six middle, and three 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, located within a 35-mile radius of the City are: 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.

Medical

North Hills Medical Center, an affiliate of HCA, is a modern, private 176-bed hospital. Over 250 active medical doctors and six 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, three other main health systems serve the area. They are Harris Methodist, a part of Texas Health Resources, Baylor All Saints, a part of Baylor Healthcare, and county-funded John Peter Smith (JPS) Hospital, the only Level-1 Trauma facility in Tarrant County.

Culture and Entertainment

Within a 30-minute drive of the city are the Kimbell Art Museum, Modern Art Museum of Fort Worth, Amon Carter Museum, Fort Worth Museum of Science and History. In addition, the Bass Performance Hall, the Fort Worth Opera and Texas Ballet Theater are available for arts enthusiasts.

The Fort Worth Cultural District has Casa Manana, Cowtown Segway Tours, Equestrian Center, Omni Theater, Sanders Theater, Scott Theater, and the Will Rogers Center, and the famous Stockyards area. See <http://www.fwculture.com/entertainment.htm>

For the avid sports enthusiast, amateur and professional sporting activities are available year-round. Professional sports teams, including the Dallas Cowboys, Texas Rangers, Dallas Mavericks, and Dallas Stars play all of their home games within a 35 mile radius from the City of Watauga.

THE CITY OF WATAUGA, TEXAS

For the racing fans, the fastest and loudest sporting facility in the DFW Metroplex is Texas Motor Speedway where top names in both NASCAR and Indy Car racing compete. For golf enthusiasts, the PGA Colonial National Golf Tournament and Byron Nelson Classic are based in the Metroplex area. In addition, the City of Grand Prairie established the area's first horseracing 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 miles from Watauga, the City of North Richland Hills established the State of Texas' first municipally owned water park, NRH2O. There are 15 churches located in Watauga that represent a variety of denominations.

City Highlights

The City of Watauga's slogan is "A Great Place to Live" which is validated by the many amenities the City offers and affordable home prices.

- **Capp Smith Park** - The City has ten parks throughout the City of which Capp Smith Park is the largest. Capp Smith Park is 36.7 acres of park land which includes a stocked lake, amphitheater playground area and walking trail. There are approximately nine natural springs located within the confines of the lake area. The lake is stocked with a variety of fish. Each fall the City hosts Kid Fish and Capp Smith Camp Out which is a free event that features a fishing derby and hot dog dinner.



The City of Watauga maintains ten athletic fields for 220 youth and adult teams. The City has a Community Center that offers many fitness programs and services to its citizens. The City has plans this fiscal year for an approximate 5,000 sq. ft. expansion to include a Senior Center in order to better provide for the needs of senior citizens in the community.



- **Wild West Watauga Fest** – This annual festival held in the Spring brings together Watauga families for a fun-filled weekend packed with activities to include musical entertainment, a carnival, and a variety of food and games.

THE CITY OF WATAUGA, TEXAS

The City of Watauga Public Works offices can be found in one of the most unique office buildings in the world—the City’s **Water Tower!** The City of Watauga’s Tower Office Building includes a two million gallon composite water tank with four floors of City office space in the interior of the tank. The water tank was built in 1999 to provide the City of Watauga’s 8000 customers with adequate water pressure for household use, business use, and fire protection.



CNNMoney.com rated Watauga as 2nd in the nation “Where homes are affordable.” The study stated that the median home price was \$117,000, with a median family income of \$73,203.

Watauga By the Numbers (2010 Census)

Population	23,497
Area (Square Miles)	4
Percent Developed/Undeveloped (Estimated 2012)	96%/4%
Unemployment Rate (July 2012)	
Tarrant County	7.3%
State	7.2%
Median Age (2010 Census)	32.5
Average Household Size (2010 Census)	3.05
Mean Household Income (2010 Census)	\$62,131
Educational Level (%) (2010 Census)	
No High School Diploma	12.60%
High School Diploma	87.30%
Post High School Degree	18.90%
Housing	
Number of Housing Units – (2010 Census)	8,209
Average Household Size (2010 Census)	3.05
Average Parcel Market Value (Tarrant Appraisal District Jul 2014)	\$99,661
Average Parcel Taxable Value (Tarrant Appraisal District Jul 2014)	\$93,506
City Property Tax Rate (Per \$100)	\$0.591216
Percent Owner Occupied (2010 Census)	79.60%
Percent Renter Occupied (2010 Census)	20.40%
Sales Tax Revenue Projection General Fund for FY 2014-15	\$3,001,000
Operating Budget (2014-2015)	\$41,364,401

THE CITY OF WATAUGA, TEXAS

<i>Top Ten Employers in Watauga, Texas</i>	
Name	Employees
Target	300
Birdville ISD	211
City of Watauga	205
Albertson's	171
North Pointe Health & Rehab	100
Harvest Baptist Church	94
Fresco's Cocina	80
Keller ISD	64
Cotton Patch Café	54
Chili's Grill & Bar	52

<i>Top Ten Employers in 16-County NCTCOG Region</i>	
Name	Employees*
Lockheed Martin Aeronautics Company, Fort Worth	13,500
American Airlines/AMR, DFW Airport	11,709
NAS Fort Worth Joint Reserve Base, Fort Worth	11,350
Texas Instruments, Dallas	9,800
Parkland Health & Hospital System, Dallas	9,178
UT Southwestern Medical Center, Dallas	8,545
University of North Texas, Denton	7,762
American Airlines/AMR, Fort Worth	6,500
Baylor University Medical Center At Dallas, Dallas	5,500
University of Texas At Arlington, Arlington	5,300

*Source: NCTOG

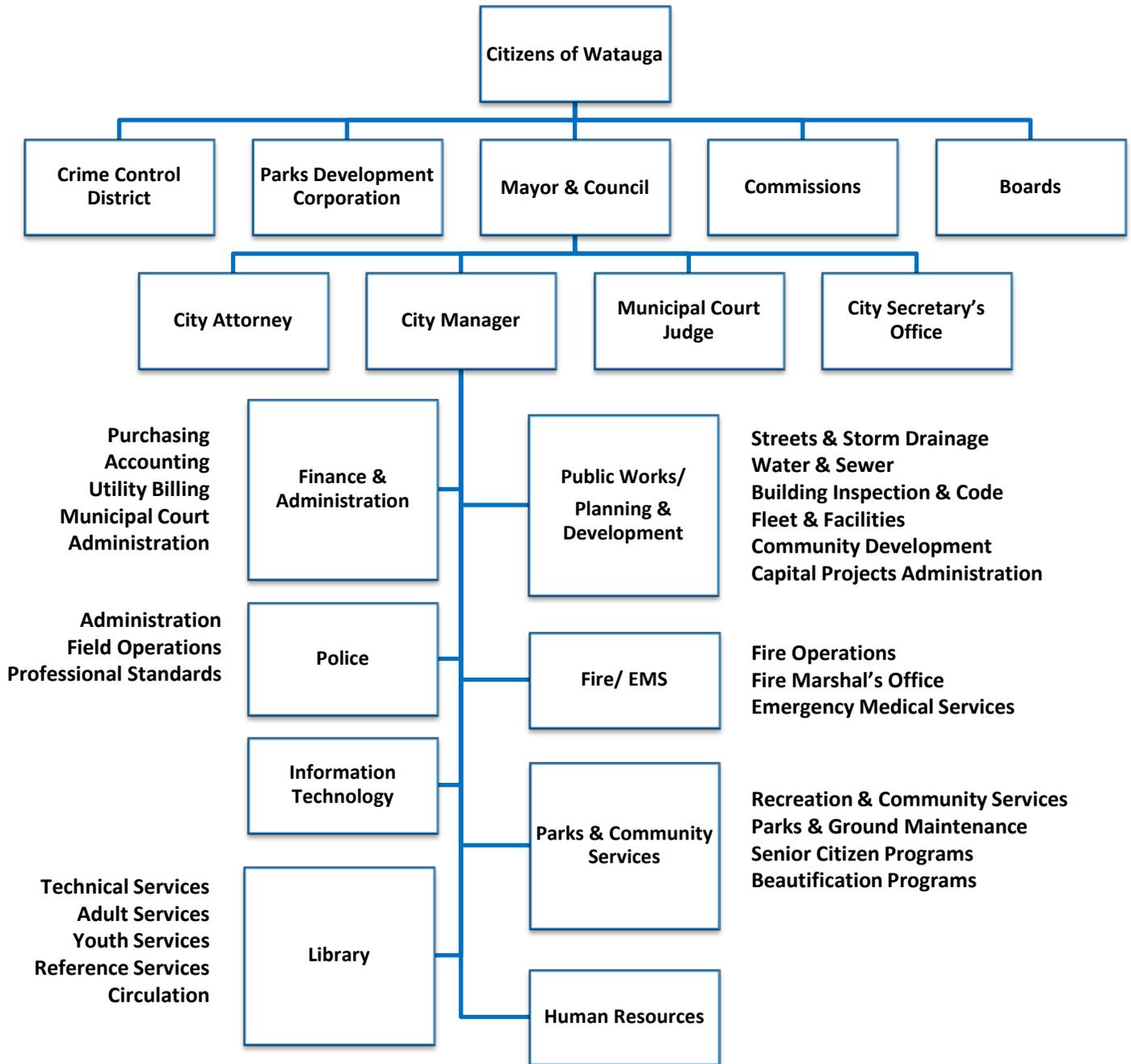
THE CITY OF WATAUGA, TEXAS



The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is surrounded by greenery, including tall grasses and red flowers. In the background, stadium seating and other structures are visible.

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City of Watauga

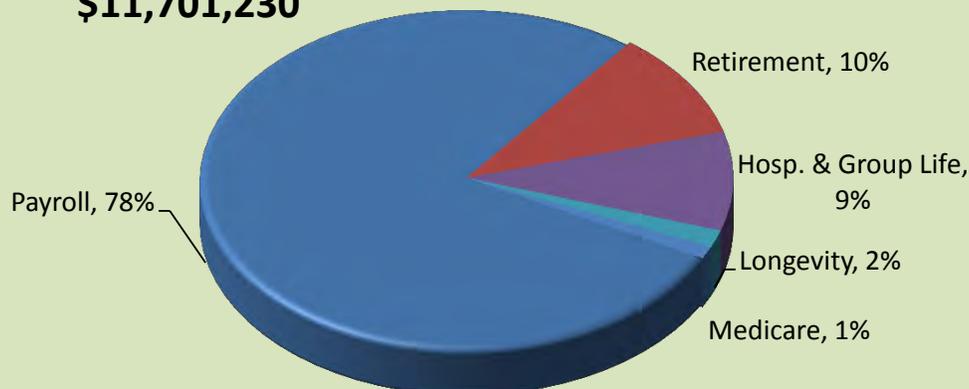


PERSONNEL POSITIONS (Budgeted)

	<u>FY 2012 BUDGET</u>		<u>FY2013 BUDGET</u>		<u>FY2014 BUDGET</u>		<u>FY2015 BUDGET</u>	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
GENERAL FUND								
Admin - City Manager/Secretary	4.50		2.50		3.50		1.50	
Human Resources	1.50		1.50		1.50		1.50	
Community Dev./Code Enforcement					4.75		6.50	
Finance and Administration	7.50	0.75	9.50		9.50		9.00	
Information Technology	2.50		2.50		2.50		2.50	
Library	8.00	4.75	8.00	5.00	8.00	5.00	8.00	4.50
Recreation and Community Services	5.50	5.00	6.50	3.75	5.50	3.75	4.50	4.25
Police Division	44.50	4.25	33.50	3.25	31.50	3.25	31.70	3.25
Fire / EMS Division	21.00	0.25	21.00	0.25	21.00		21.00	
Public Works	15.50		13.75		9.00		9.00	
Fleet Services	3.00		3.00		3.00		3.00	
Buildings	8.00		8.00		7.00		7.00	
Total General Fund	121.50	15.00	109.75	12.25	106.75	12.00	105.20	12.00
ENTERPRISE FUNDS								
Drainage Utility	8.50	1.00	8.50	1.00	9.25	1.00	9.00	1.00
Water/Sewer Fund								
Administration	1.75		1.75		1.75		1.75	
Billing and Collections	7.50		7.50		7.50		7.50	
Information Technology	0.50		0.50		0.50		0.50	
Water Distribution	7.75		7.50		7.50		7.25	
Sewer Collections	8.00		8.50		8.50		8.25	
Total Water/Sewer Fund	25.50		25.75		25.75		25.25	
Total Enterprise Funds	34.00	1.00	34.25	1.00	35.00	1.00	34.25	1.00
REVENUE FUNDS								
Parks Development Corp	11.50		11.50	0.50	11.50	0.50	11.50	0.25
Crime Control District	9.00		12.00		12.00		12.00	
Traffic Safety	3.00		3.00		3.00		2.90	
Municipal Court Security		0.25		0.25		0.25	0.35	
Municipal Court Juvenile Case Mgr	0.25		0.25		0.25		0.30	
Total Revenue Funds	23.75		26.75	0.75	26.75	0.75	27.05	0.25
GRAND TOTAL	179.25	16.00	170.75	14.00	168.50	13.75	166.50	13.25
Est. Population	24,500		23,497		24,000		24,000	
Personnel Per Capita	0.0080		0.0079		0.0076		0.0075	

Personnel Budget Breakdown

\$11,701,230



**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ANALYSIS OF CHANGES IN FUND BALANCES**

The following table briefly describes the impacts of the projected changes in fund balances for the year, a total decrease of \$11,105,831:

Fund	Beginning Fund Balance	Ending Fund Balance	Difference	Comments
General Fund	\$5,348,383	\$4,769,333	(\$579,050)	Drawdown is primarily for transfer to Equipment Replacement Fund and establishment of Strategic Initiative Fund for Council identified priority projects. Ending fund balance exceeds financial policy minimum target.
Oil/Gas Fund	\$217,000	\$ 82,200	(\$134,800)	This fund is primarily for use of resources to fund Equipment Replacement and phase-out of the vacation buyback program. No minimum fund balance policy.
W/S Utility Fund	\$2,446,246	\$2,206,593	(\$419,653)	Drawdown is primarily for transfer to Equipment Replacement Fund. Ending fund balance exceeds financial policy minimum target.
PDC Sales Tax Fund	\$637,619	\$368,219	(\$269,400)	Ending fund balance exceeds financial policy minimum target. This year revenue bonds are paid off and fund is in maintenance mode.
W/S Constr. Fund	\$8,273,297	\$3,216,297	(\$5,057,000)	\$5.2M in water/sewer projects to continue in FY204-15.
Street Maintenance Fund	\$317,588	\$431,588	\$114,000	No minimum target fund balance policy. Street Maintenance projects are scheduled as needed.
General Capital Projects Fund	\$4,394,660	\$3,947,000	(\$3,947,000)	\$3.95M in capital projects are scheduled in FY2014-15. Major projects are the Bursey Road street project and Senior Center facility.
Storm Drain Utility Fund	\$1,353,803	\$424,953	(\$928,850)	\$1.5M in capital projects scheduled for Watauga Heights, Phase II.
Internal Service (Equipment Repl. Fund)	\$306,930	\$777,090	\$470,160	Increase in fund balance due to the 2 nd year of enhancing use of this fund. Legacy program to help fund future purchases implemented this year.
Traffic Safety	\$36,735	\$2,535	(\$34,200)	No minimum target fund balance policy.
G.O. Debt Service	\$268,849	\$197,121	(\$71,728)	Drawdown of fund balance for debt service in FY204-15. No minimum target fund balance policy.
PDC Debt Service	\$235,817	\$67	(\$235,750)	Fund balance from Debt Reserve Fund is used to pay off debt service one year early to realize savings in interest.

COMBINED SUMMARY OF REVENUES AND EXPENDITURES

ALL CITY FUNDS FY 2014-15 BUDGET

	GENERAL FUND	OIL & GAS 12 - PERSONNEL FUND	STRATEGIC INITIATIVE FUND - 13	W/S Utility Fund - 40	PDC Sales Tax Fund 04	Crime Control District Sales Tax Fund 18	Storm Drain Utility Fund 15	Street Maintenance Fund 14	Capital Projects Fund 07	W/S Const Fund 45
Estimated Beginning Resources	\$5,250,215	\$217,000	\$0	\$2,406,746	\$637,619	\$899,085	\$1,353,803	\$317,287	\$4,394,660	\$6,725,262
Estimated Revenues										
Taxes / Assessments	4,186,000									
Sales Tax	3,001,000				714,000	1,428,000		714,000		
Licenses and Permits	285,000									
Franchise Fees	1,020,000									
Intergovt Revenue	496,500									
Charges for Service	755,000			8,125,000			1,410,000			
Fines & Forfeitures	693,800									
Interest on Investments	8,000	200		5,000	500	500	1,500	-	3,000	-
Oil Lease/Royalty Revenue		15,000								
Miscellaneous	186,400			394,000		37,000		-		-
Operating Transfer In	560,700		250,000	-	-	-	-	-	120,000	140,000
Revenues	11,192,400	15,200	250,000	8,524,000	714,500	1,465,500	1,411,500	714,000	123,000	140,000
Total Available Resources	16,442,615	232,200	250,000	10,930,746	1,352,119	2,364,585	2,765,303	1,031,287	4,517,660	6,865,262
Estimated Expenditures										
City Manager/City Secretary	207,300			235,600						
Building	758,300							-	-	
Human Resources	144,700									
Comm, Development/Code	442,900		100,000							
Strategic Projects			150,000							
Finance	707,800									
Library	850,600									
Rec & Comm Svc	571,100									
Parks					736,200					
Police	3,082,500					1,465,300		-	-	
Fire / EMS	2,088,500							-	-	
Public Works	570,350						618,350	-	35,000	
Fleet Services	162,000							-	-	
Non-Departmental	1,110,900	100,000		604,500	7,300		118,500			-
Information Technology	372,500			66,000				-	-	
Billing & Collection				461,600						
Water Operations				2,672,400						
Wastewater Operations				2,014,750						
Operating Transfer Out	702,000	50,000	-	2,888,803	240,400	103,500	103,500	-	-	-
Sub Total Operating	11,771,450	150,000	250,000	8,943,653	983,900	1,568,800	840,350	-	35,000	-
Capital Projects/Equip							1,500,000	600,000	3,950,000	5,197,000
Debt Service										
Principal Payments									85,000	
Interest Payments										
Fiscal Agent Fees										
Sub Total Debt Service	-	-	-	-	-	-	-	-	85,000	-
Total Expenditures	11,771,450	150,000	250,000	8,943,653	983,900	1,568,800	2,340,350	600,000	4,070,000	5,197,000
Change in Fund Balance	(579,050)	(134,800)	250,000	(419,653)	(269,400)	(103,300)	(928,850)	114,000	(3,947,000)	(5,057,000)
Est. Ending Resources	\$4,671,165	82,200	-	\$1,987,093	\$368,219	\$795,785	\$424,953	\$431,287	\$447,660	\$1,668,262
\$ Requirement	\$2,797,863	\$0	\$0	\$1,788,731	\$128,380	\$159,760	\$116,070	\$0	\$0	\$0
%Policy Requirement	25.00%	0.00%	0.00%	20.00%	20.00%	20.00%	20.00%	0.00%	0.00%	0.00%
OVER/UNDER REQUIRE	\$1,873,303	82,200	-	\$198,362	\$239,839	\$636,025	\$308,883	\$431,287	\$447,660	\$1,668,262
FUND BALANCE CHANGE %	-11.0%	-62.1%	0.0%	-17.4%	-42.3%	-11.5%	-68.6%	35.9%	-89.8%	-75.2%

COMBINED SUMMARY OF REVENUES AND EXPENDITURES

ALL CITY FUNDS FY 2014-15 BUDGET

	Internal Service Fund 22	W/S Joint Use Facility Fund 46	PDC Capital Projects 05	Library Donation Fund 23	W/S Impact Fee Funds 47/48	Municipal Court Funds 25/26/27	Traffic Safety Fund 28	GO Debt Service Fund 03	PDC Sales Tax Revenue Bond Debt Service 06/08	W/S Sewer Debt Service 42/44	Combined Total All Funds
Estimated Beginning Resources	\$306,930	\$1,041,794	\$509,461	\$12,380	\$3,958	\$252,038	\$36,735	\$268,849	\$235,817	\$152,026	\$25,021,787
<u>Estimated Revenues</u>											
Taxes / Assessments								1,713,167			5,899,167
Sales Tax											5,857,000
Licenses and Permits											285,000
Franchise Fees											1,020,000
Intergovt Revenue	-										496,500
Charges for Service	196,660										10,486,660
Fines & Forfeitures						65,400	700,000				1,459,200
Interest on Investments	500	1,000	500	40	-	250	-	800	470	1,180	23,440
Oil Lease/Royalty Revenue											15,000
Miscellaneous				11,000							628,400
Operating Transfer In	729,000	75,000	-					-	186,700	2,026,803	4,088,203
Revenues	926,160	76,000	500	11,040	-	65,650	700,000	1,713,967	187,170	2,027,983	30,258,570
Total Available Resources	1,233,090	1,117,794	509,961	23,420	3,958	317,688	736,735	1,982,816	422,987	2,180,009	55,280,357
<u>Estimated Expenditures</u>											
City Manager/City Secretary											442,900
Building											758,300
Human Resources											144,700
Comm, Development/Code											542,900
Strategic Projects											150,000
Finance						39,400	-				747,200
Library				13,830							864,430
Rec & Comm Svc	20,000										591,100
Parks	18,000										754,200
Police	75,000						271,200				4,894,000
Fire / EMS	43,000										2,131,500
Public Works	49,000										1,272,700
Fleet Services											162,000
Non-Departmental	30,000		-				463,000				2,434,200
Information Technology	121,000										559,500
Billing & Collection	100,000										561,600
Water Operations											2,672,400
Wastewater Operations											2,014,750
Operating Transfer Out		-			-		-		-	-	4,088,203
Sub Total Operating	456,000	-	-	13,830	-	39,400	734,200	-	-	-	25,786,583
Capital Projects/Equip	-	-	9,000		-						11,256,000
Debt Service											
Principal Payments								1,380,000	415,000	1,660,000	3,540,000
Interest Payments								402,395	7,520	366,803	776,718
Fiscal Agent Fees								3,300	400	1,400	5,100
Sub Total Debt Service	-	-	-	-	-	-	-	1,785,695	422,920	2,028,203	4,321,818
Total Expenditures	456,000	-	9,000	13,830	-	39,400	734,200	1,785,695	422,920	2,028,203	41,364,401
Change in Fund Balance	470,160	76,000	(8,500)	(2,790)	-	26,250	(34,200)	(71,728)	(235,750)	(220)	(11,105,831)
Est. Ending Resources	\$777,090	\$1,117,794	\$500,961	\$9,590	\$3,958	\$278,288	\$2,535	\$197,121	\$67	151,806	\$13,915,956
\$ Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$219,946	\$0	\$5,210,749
%Policy Requirement	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OVER/UNDER REQUIRE	\$777,090	\$1,117,794	\$500,961	\$9,590	\$3,958	\$278,288	\$2,535	\$197,121	\$0	\$0	\$8,705,207
FUND BALANCE CHANGE %	153.2%	7.3%	-1.7%	-22.5%	0.0%	10.4%	-93.1%	-26.7%	-100.0%	-0.1%	-44.4%

COMBINED SUMMARY OF REVENUES AND EXPENDITURES (3 YEAR)

All City Funds

	GENERAL FUND (Oil/Gas&Strategic)			UTILITY FUNDS (W&WW) (JUF)			STORM DRAIN UTILITY FUND			CAPITAL PROJECTS FUNDS		
	FY2013 ACTUAL	FY2014 ESTIMATED	FY2015 BUDGET	FY2013 ACTUAL	FY2014 ESTIMATED	FY2015 BUDGET	FY2013 ACTUAL	FY2014 ESTIMATED	FY2015 BUDGET	FY2013 ACTUAL	FY2014 ESTIMATED	FY2015 BUDGET
Estimated Beginning Resources	\$5,645,602	\$5,541,920	5,467,215	\$3,326,937	\$3,391,785	\$3,452,498	\$1,622,470	\$1,943,403	\$1,353,803	\$12,751,653	\$10,630,043	\$11,629,383
Estimated Revenues												
Taxes / Assessments	3,950,737	3,970,000	4,186,000									
Sales Tax	2,877,455	2,960,000	3,001,000									
Licenses and Permits	250,793	275,200	285,000									
Franchise Fees	1,040,175	1,020,000	1,020,000									
Intergovt Revenue	471,721	475,000	496,500									
Charges for Service	699,038	740,000	755,000	7,736,113	7,850,000	8,125,000	1,413,708	1,410,000	1,410,000			
Fines & Forfeitures	625,614	679,815	693,800									
Interest on Investments	8,285	8,250	8,200	1,130	5,000	6,000	2,603	1,500	1,500	12,981	2,970	3,500
Oil Lease/Royalty Revenue	40,811	30,000	15,000									
Miscellaneous	218,742	243,950	186,400	423,836	407,400	394,000				251,414	3,700,000	
Operating Transfer In	534,221	544,900	810,700	175,770	75,800	75,000				1,262,200	240,000	260,000
Revenues	10,717,592	10,947,115	11,457,600	8,336,849	8,338,200	8,600,000	1,416,311	1,411,500	1,411,500	1,526,595	3,942,970	263,500
Total Available Resources	16,363,194	16,489,035	16,924,815	11,663,786	11,729,985	12,052,498	3,038,781	3,354,903	2,765,303	14,278,248	14,573,013	11,892,883
Estimated Expenditures												
City Manager/City Secretary	205,319	222,200	207,300	192,366	219,600	235,600						
Building	763,363	744,050	758,300									
Human Resources	137,260	142,850	144,700									
Development/Code/Revital	-	390,600	542,900									
Strategic Projects	-	-	150,000									
Finance	690,829	714,000	707,800									
Library	793,562	852,900	850,600									
Rec & Comm Svc	619,730	579,250	571,100									
Parks												
Police	2,961,167	2,958,850	3,082,500									
Fire / EMS	1,865,670	2,061,350	2,088,500									
Public Works	792,370	561,985	570,350				662,448	620,100	618,350	103,691	16,493	35,000
Fleet Services	165,068	161,500	162,000									
Non-Departmental	1,186,274	1,062,000	1,210,900	596,392	536,500	604,500	58,671	75,500	118,500			
Information Technology	328,462	369,465	372,500	62,154	64,600	66,000						
Billing & Collection				428,184	457,450	461,600						
Water Operations				2,269,009	2,407,350	2,672,400						
Wastewater Operations				2,010,763	1,944,500	2,014,750						
Operating Transfer Out	312,200	200,000	752,000	2,612,211	2,647,487	2,888,803	187,400	186,000	103,500			
Sub Total Operating	10,821,274	11,021,000	12,171,450	8,171,079	8,277,487	8,943,653	908,519	881,600	840,350	103,691	16,493	35,000
Capital Projects/Equip							351,015	1,150,000	1,500,000	3,461,662	2,844,285	9,156,000
Debt Service												
Principal Payments										82,852	82,852	85,000
Interest Payments												
Fiscal Agent Fees												
Sub Total Debt Service										82,852	82,852	85,000
Total Expenditures	10,821,274	11,021,000	12,171,450	8,171,079	8,277,487	8,943,653	1,259,534	2,031,600	2,340,350	3,648,205	2,943,630	9,276,000
Change in Fund Balance	(103,682)	(73,885)	(713,850)	165,770	60,713	(343,653)	156,777	(620,100)	(928,850)	(2,121,610)	999,340	(9,012,500)
Est. Ending Resources	\$5,541,920	5,468,035	\$4,753,365	\$3,492,707	\$3,452,498	\$3,108,845	\$1,779,247	\$1,323,303	\$424,953	\$10,630,043	\$11,629,383	\$2,616,883
\$ Requirement	\$2,560,319	\$2,610,250	\$2,897,863	\$1,634,216	\$1,655,497	\$1,788,731	\$129,704	\$124,320	\$116,070	\$0	\$0	\$0
%Policy Requirement	25%	25%	25%	20%	20%	20%	20%	20%	20%	0%	0%	0%
OVER/UNDER REQUIRE	\$2,981,602	2,857,785	\$1,855,503	\$1,858,491	\$1,797,001	\$1,320,114	\$1,649,543	\$1,198,983	\$308,883	\$10,630,043	\$11,629,383	\$2,616,883
FUND BALANCE CHANGE %	-1.8%	-1.3%	-13.1%	5.0%	1.8%	-10.0%	9.7%	-31.9%	-68.6%	-16.6%	9.4%	-77.5%

COMBINED SUMMARY OF REVENUES AND EXPENDITURES (3 YEAR)

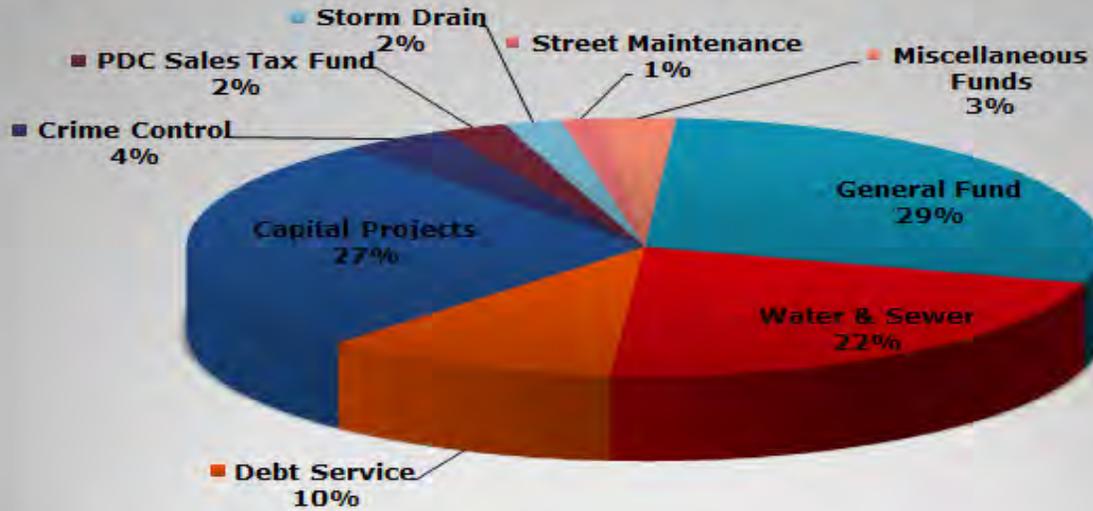
All City Funds

	DEBT SERVICE FUNDS			INTERNAL SERVICE FUND			NON MAJOR GOVT FUNDS(1)			ALL CITY FUNDS TOTAL		
	FY2013 ACTUAL	FY2014 ESTIMATED	FY2015 BUDGET	FY2013 ACTUAL	FY2014 ESTIMATED	FY2015 BUDGET	FY2013 ACTUAL	FY2014 ESTIMATE	FY2015 BUDGET	FY2013 ACTUAL	FY2014 ESTIMATE	FY2015 BUDGET
Estimated Beginning Resources	\$621,875	\$637,351	\$656,692	\$102,799	\$238,820	\$306,930	\$3,156,066	\$2,470,441	\$2,155,266	\$27,227,402	\$24,853,763	\$25,021,787
Estimated Revenues												
Taxes / Assessments										3,950,737	3,970,000	4,186,000
Sales Tax	1,716,552	1,705,405	1,713,167				2,822,965	2,828,000	2,856,000	7,416,972	7,493,405	7,570,167
Licenses and Permits										250,793	275,200	285,000
Franchise Fees										1,040,175	1,020,000	1,020,000
Intergovt Revenue		-		-	-	-				471,721	475,000	496,500
Charges for Service				135,500	152,360	196,660				9,984,359	10,152,360	10,486,660
Fines & Forfeitures							698,124	752,200	765,400	1,323,738	1,432,015	1,459,200
Interest on Investments	1,806	1,870	2,450	397	550	500	3,540	1,380	1,290	30,742	21,520	23,440
Oil Lease/Royalty Revenue										40,811	30,000	15,000
Miscellaneous	2,145,000	-	-				10,383	11,000	48,000	3,049,375	4,362,350	628,400
Operating Transfer In	2,258,637	2,232,437	2,213,503	-	200,000	729,000				4,230,828	3,293,137	4,088,203
Revenues	6,121,995	3,939,712	3,929,120	135,897	352,910	926,160	3,535,012	3,592,580	3,670,690	31,790,251	32,524,987	30,258,570
Total Available Resources	6,743,870	4,577,063	4,585,812	238,696	591,730	1,233,090	6,691,078	6,063,021	5,825,956	47,353,867	57,378,750	55,280,357
Estimated Expenditures												
City Manager/City Secretary					10,000					397,685	451,800	442,900
Building			-							763,363	744,050	758,300
Human Resources										137,260	142,850	144,700
Development/Code/Revital										-	390,600	542,900
Strategic Projects										-	-	150,000
Finance							19,439	35,800	39,400	710,268	749,800	747,200
Library							10,208	13,235	13,830	803,770	866,135	864,430
Rec & Comm Svc					7,000	20,000				619,730	586,250	591,100
Parks	-					18,000	668,398	706,470	736,200	668,398	706,470	754,200
Police		-	-		114,000	75,000	1,270,721	1,635,300	1,706,500	4,231,888	4,708,150	4,864,000
Fire / EMS			-			43,000				1,865,670	2,061,350	2,131,500
Public Works			-		60,500	49,000				1,558,509	1,259,078	1,272,700
Fleet Services			-							165,068	161,500	162,000
Non-Departmental	-				30,000	30,000	434,732	473,000	470,300	2,276,069	2,177,000	2,434,200
Information Technology			-		25,300	121,000				390,616	459,365	559,500
Billing & Collection					38,000	100,000				428,184	495,450	561,600
Water Operations										2,269,009	2,407,350	2,672,400
Wastewater Operations										2,010,763	1,944,500	2,014,750
Operating Transfer Out	-	-	-				1,086,636	375,950	343,900	4,198,447	3,409,437	4,088,203
Sub Total Operating	-	-	-	-	284,800	456,000	3,490,134	3,239,755	3,310,130	23,494,697	23,721,135	25,756,583
Capital Projects/Equip	-	-	-	-	-	-	730,503	668,000	630,000	4,543,180	4,662,285	11,286,000
Debt Service												
Principal Payments	5,104,293	3,130,000	3,455,000							5,187,145	3,212,852	3,540,000
Interest Payments	1,000,198	787,371	776,718							1,000,198	787,371	776,718
Fiscal Agent Fees	2,800	3,000	5,100							2,800	3,000	5,100
Sub Total Debt Service	6,107,291	3,920,371	4,236,818	-	-	-	-	-	-	6,190,143	4,003,223	4,321,818
Total Expenditures	6,107,291	3,920,371	4,236,818	-	284,800	456,000	4,220,637	3,907,755	3,940,130	34,228,020	32,386,643	41,364,401
Change in Fund Balance	14,704	19,341	(307,698)	135,897	68,110	470,160	(685,625)	(315,175)	(269,440)	(2,437,769)	138,344	(11,105,831)
Est. Ending Resources	\$636,579	\$656,692	\$348,994	\$238,696	\$306,930	\$777,090	\$2,470,441	\$2,155,266	\$1,885,826	24,789,633	24,992,107	13,915,956
\$ Requirement	\$219,946	\$219,946	\$0	\$0	\$0	\$0	\$0	\$0	\$0	4,544,184	4,610,013	4,802,663
%Policy Requirement	0%	20%	0%	0%	0%	0%	0.00%	0.00%	0.00%	0%	0%	0.00%
OVER/UNDER REQUIRE	\$416,633	\$436,746	\$348,994	\$238,696	\$306,930	\$777,090	\$2,470,441	\$2,155,266	\$1,885,826	18,386,958	20,382,094	9,113,293
FUND BALANCE CHANGE %	2.4%	3.0%	-46.9%	132.2%	28.5%	153.2%	-21.7%	-12.8%	-12.5%	-9.0%	0.6%	-44.4%

(1) Non Major Government Funds include Parks Development Corp. Sales Tax Fund, Crime Control District Sales Tax Fund, Library Donation Fund, Street Maintenance Tax Fund, Municipal Court Funds, and Traffic Safety Fund.

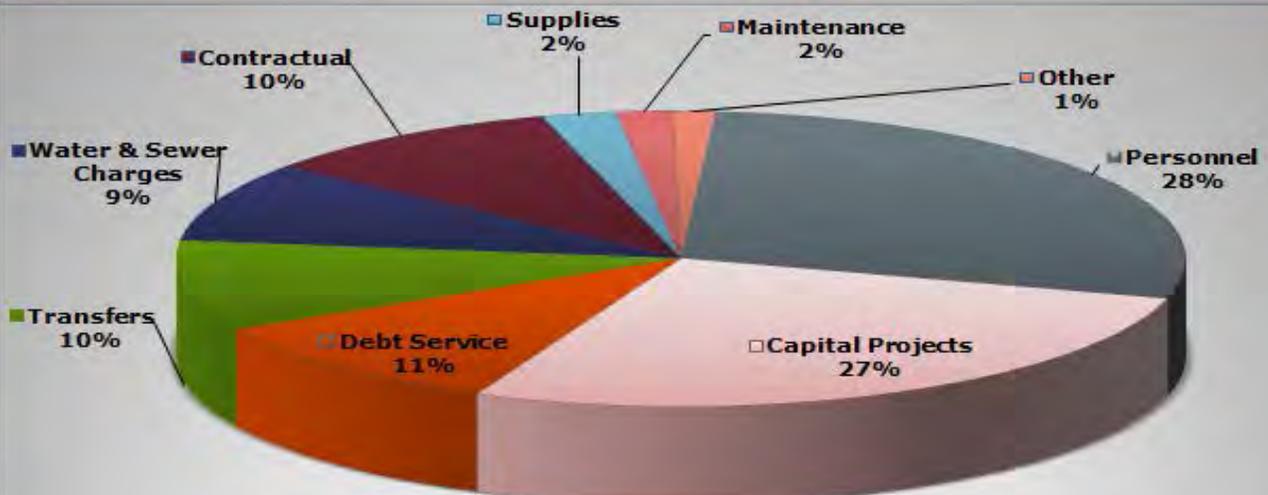
COMBINED SUMMARY OF REVENUES AND EXPENDITURES

TOTAL PROPOSED EXPENDITURES BY FUND FY2014-15 = \$41,364,401



Capital Projects includes General Fund, Water/Sewer, and PDC Construction. Enterprise Funds of Water & Sewer and Storm Drain are 24% of total budget. 1/4 cent sales tax funds of PDC Sales Tax Fund, Street Maintenance Fund and 1/2 cent sales tax fund of Crime Control represent 8% of overall budget.

TOTAL PROPOSED EXPENDITURES BY CATEGORY FY2014-15



BUDGET OVERVIEW

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

The City of Watauga Fiscal Year 2014-15 budget document continues a focus that represents service and goals the City Council wishes to achieve for the City. FY2015 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 and a matrix to help show the relationship from each fund to department.

Our Vision is to be A Community that meets the needs of Citizens by offering a high quality of life through transparent governance.

City Council Goals

In January, 2014, The City Council began the process of creating long term vision and goals to move the City forward and prepare for the many challenges the City will face in the future. The Council has established the top priority goals for the City:

1. Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner.
2. Improve the attractiveness of the City by fostering economic growth, revitalization of neighborhoods and community parks.
3. Be community focused and provide for a safe and friendly community environment.
4. Provide for a transparent, innovative government.
5. Live up to Watauga's Slogan of being "A Great Place to Live."



These goals are noted throughout the budget document as W#.

BUDGET OVERVIEW

In order to achieve these goals, certain objectives and action items were identified:

OBJECTIVES	ACTION ITEMS
1. Water & Waste Water CIP	A. Develop 5 year CIP blending w/ Debt Service reduction
2. Revitalization Efforts- Residential, targeting neighborhoods, code enforcement (property maintenance), volunteer programs, rental registration enforcement, single family registration, and inspection	A. Residential Rehabilitation B. Rental registration improvements C. Volunteer element D. Report Card Progress E. Targeting neighborhoods for infrastructure improvements F. All Single Family Rental inspections
3. Storm Drain	A. Develop 5 year CIP and possibility of blending w/ D/S to reduce rate (finance option)
4. Economic Development- Redevelopment, targeting areas, incentives	A. Redevelopment Programs B. Target areas C. Tools & Incentives
5. Senior Center	A. Finance Options (cash, Debt Service combination) B. Location C. Evaluate need
6. Capitalize on Capp Smith Park	A. Plans w/ Church & School B. Land use planning in and around C. Needed infrastructure D. Land title
7. Comprehensive Land Use Plan, Zoning Ordinance and Map rewrite	A. Zoning Ordinance and Map Rewrite B. CC and P&Z Committee C. Comprehensive Land Use Map development and adoption

In the second quarter of FY2013-14, action items were implemented to ensure Council objectives were accomplished. As many of the objectives are long-term, the above action items have been incorporated into the FY2014-15 Budget.

BUDGET OVERVIEW

The City of Watauga is committed to providing superior service to its citizens. The City's Customer Service Statements are as follows:

CUSTOMER SERVICE STATEMENTS (CSS)			RELATED COUNCIL GOALS
Health and Public Safety	CSS1	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.	W#3: Be community focused and provide a safe, friendly community environment.
Transportation/Mobility	CSS2	Maximum access to transportation services is essential to ensure that all residents have adequate mobility while providing for the welfare of their household.	W#1: Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner.
Parks and Recreation	CSS3	Citizens benefit from activities and facilities that maximize the availability of options when seeking entertainment outside their own home.	W#2: Improve the attractiveness of the City by fostering economic growth, revitalization of neighborhoods and community parks.
Education/Information	CSS4	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.	W#1: Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner.
Quality Service	CSS5	Citizens benefit from value and quality of service delivered in an economical manner and at a reasonable tax rate.	W#4: Provide for a transparent, innovative government. W#1. Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner.
Civic Pride	CSS6	Increased Civic Pride results from well-planned residential, commercial, and municipal areas.	W#5. Live up to Watauga's Slogan of being "A Great Place to Live."

BUDGET OVERVIEW

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 approximately four square miles. Watauga's population as determined by the 2010 Census was 23,479.

The City of Watauga is part of the 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 (CMSA), 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 40th anniversary in 2014, covers approximately twenty-eight square miles and represents one of the largest facilities of its kind in the world.

GOVERNMENT ORGANIZATION AND SERVICES

The City of Watauga operates as a Texas Home Rule municipal government under a Mayor-Council-Manager form, with the City Government comprised of the Mayor and seven other Council members. All seven Council members are elected by place number and all are elected at large. The Mayor and Council members serve two-year terms, which are staggered. 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 (CIP).

The City Council also appoints the City Attorney, the Municipal Court Judge, and the members of the various boards and commissions. A Court of Record was created by the City Council when it adopted Ordinance 655 on October 25, 1993, 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 eight functional areas, each of which is supervised by a department-head level employee. These areas include City Secretary; Finance (including general financing functions, purchasing, water and sewer billing and collection, and Municipal Court); Library; Administration (including Fleet Services, Facilities, Public Information, Human Resources, and Information Technology Services); Recreation and Community Service; Public Works (including code enforcement, storm drain, water and sewer field operations); Police; and Fire and Emergency Medical Services. 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. In Fiscal Year 1999, the

BUDGET OVERVIEW

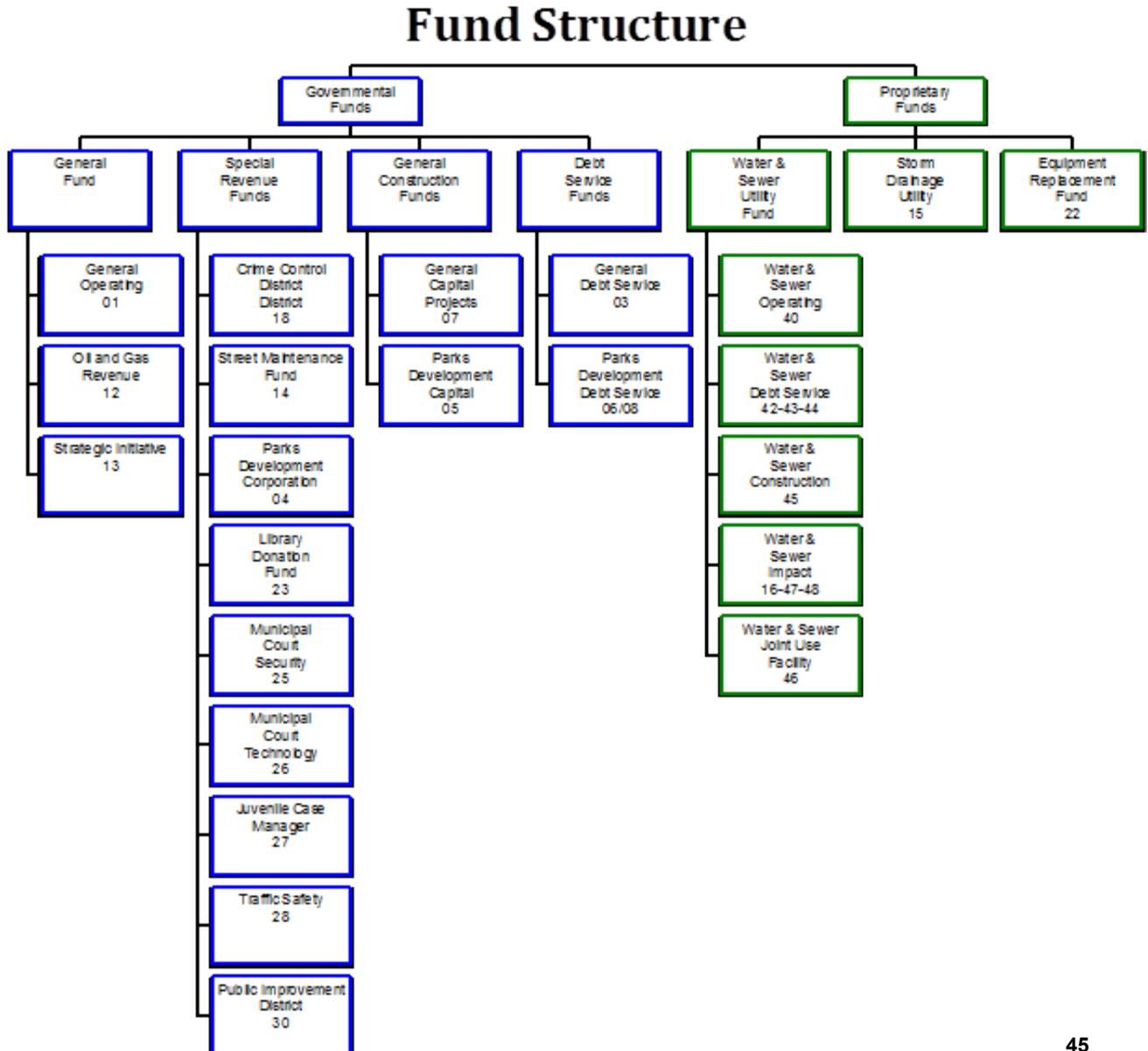
City of Watauga began the water and sewer operations, but does not own treatment facilities. A franchise has been granted to a privately owned firm for solid waste collection and disposal services.

The City operates on a fiscal year basis, with October 1 as the beginning of a new year.

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:



BUDGET OVERVIEW

Governmental Fund Types

Governmental Funds are those that fund most governmental functions of the City. Governmental funds also account for the acquisition, use, and balances of the City's expendable financial resources and the related liabilities. 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 recorded in this fund. The General Fund also 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 three 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. In May, 2012, voters approved a reallocation of ¼ cent sales tax to the Street Maintenance Fund to provide for the maintenance of existing city streets. The reallocation was effective October 1, 2012.

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. A ten-year extension was passed in November 2010.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition 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:

BUDGET OVERVIEW

Enterprise Funds

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.

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.

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

Governmental funds 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 (e.g., outstanding purchase orders) are budgeted as expenses during the fiscal year they are issued.

Proprietary funds use 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 governmental fund budgets and the accrual basis of accounting is used for proprietary fund budgets.

BUDGET OVERVIEW

Balanced Budget

It is the policy of the City to prepare a balanced budget. A balanced budget is one where proposed expenses are less than or equal to estimated revenues. A balanced budget may also include situations where the Council approves the use of reserves or fund balance to offset revenue shortfalls. If, during the year, the revenues received or expected to be received are less than estimated, the City Manager will recommend a revised or amended expense appropriation for Council approval that will again balance the budget.

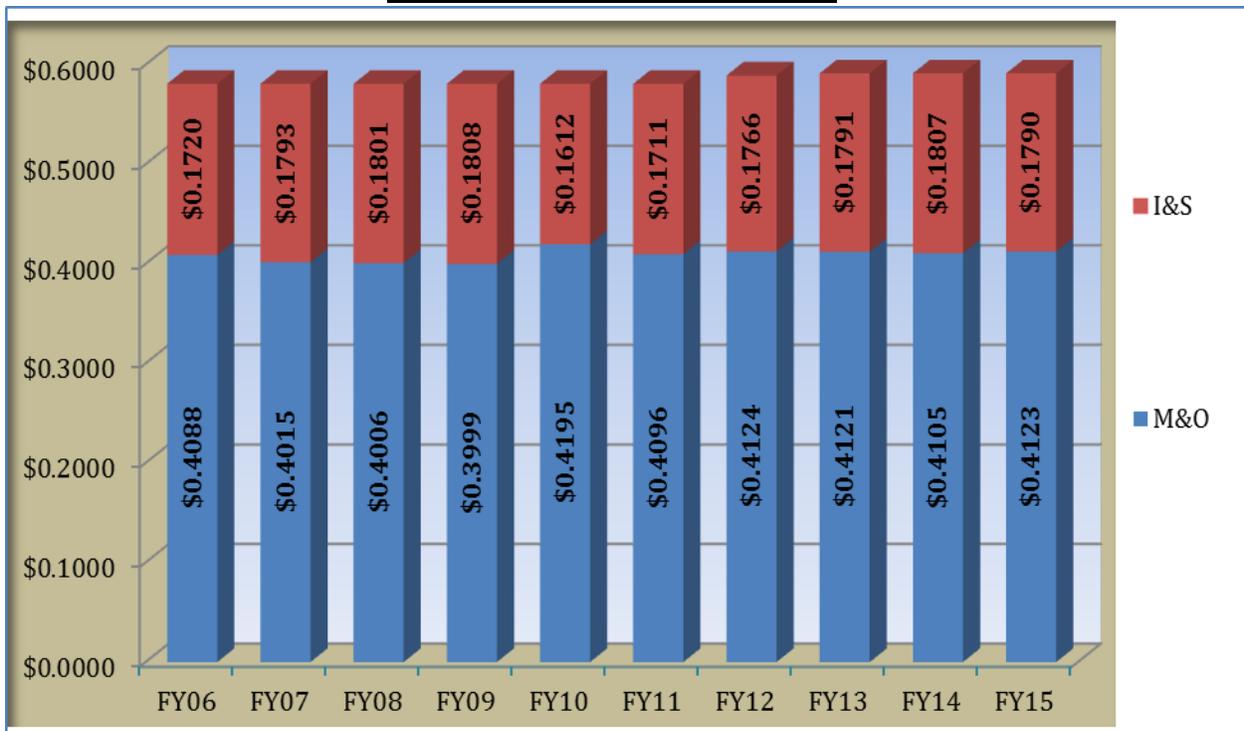
REVENUE SOURCES

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 – Ad Valorem taxes comprise about 37% of estimated General Fund revenue in FY 2015. This includes current and delinquent tax payments as well as penalties and interest. The City calculates its ad valorem tax rate based on the certified appraisal roles provided by the Tarrant Appraisal District (TAD). 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.

TAX RATE DISTRIBUTION HISTORY



BUDGET OVERVIEW

Please see Budget Ordinances and Notices section for computation of tax rates.

Estimated collections for the current year have been computed at approximately 99% of net taxable value for the Interest and Sinking (I&S) portion of the tax rate. This allows for a slightly higher tax component to ensure that adequate funds are received to pay debt.

There is an approximate 4.80% increase in ad valorem taxes this year, which can be attributed to the increase of property valuations for residential and commercial establishments within the City.

The top ten principal taxpayers in the City include:

<u>Name of Taxpayer</u>	<u>Nature of Product/Service</u>	<u>% of Total Taxable Value</u>
Inland Western Watauga LP	Retail Center	3.2%
Watauga Towne Crossing, LLC	Retail Center	2.4%
Dayton Hudson Corp.	Retail Center	1.0%
SCI Watauga Town Center Fund ETAL	Retail Center	.97%
Park Vista Townhomes ETAL	Multi-Family	.88%
Southwestern Bell	Telephone Utility	.54%
ONCOR Electric Delivery Co LLC	Electric Utility	.76%
Watauga All Storage LTD	Storage Facility	.54%
Target Stores	Retail	.43%
Watauga Association	Real Estate	.43%
TOTAL		11.15%

BUDGET OVERVIEW

Below is a table of the trends in assessed values, rates, levy, and collection of this ad valorem tax. The combined ad valorem rate remained flat for eight (8) years (2004-2011). In 2012 and 2013, the City adopted the effective rate due to property devaluations as shown below. For 2014 and 2015, the City of Watauga maintained the tax rate of \$.0591216/\$100.

TABLE OF TRENDS IN ASSESSED VALUES, RATES AND LEVIES

Year Ending Sept. 30	Assessed Value of Taxable Property (Adjusted)	Tax Rate/\$100 of valuation	Tax Levy	Current Year's Taxes Collected	% Current Levy Collected
2003	\$ 846,585,043	0.598925	\$ 5,070,409.00	\$ 5,009,929	98.81%
2004	\$ 906,614,299	0.580763	\$ 5,265,280.00	\$ 5,184,321	98.46%
2005	\$ 942,853,767	0.580763	\$ 5,475,746.00	\$ 5,389,470	98.42%
2006	\$ 992,773,636	0.580763	\$ 5,743,401.00	\$ 5,678,457	98.49%
2007	\$ 1,003,759,355	0.580763	\$ 5,792,266.00	\$ 5,710,069	97.95%
2008	\$ 1,020,772,365	0.580763	\$ 5,909,897.00	\$ 5,846,780	98.93%
2009	\$ 1,041,983,829	0.580763	\$ 6,022,386.00	\$ 5,951,758	98.83%
2010	\$ 1,007,779,216	0.580763	\$ 5,979,164.52	\$ 5,915,418	98.93%
2011	\$ 974,282,126	0.580763	\$ 5,650,305.82	\$ 5,567,194	98.53%
2012	\$ 968,068,057	0.589001	\$ 5,701,930.54	\$ 5,630,656	98.75%
2013	\$ 962,331,560	0.591216	\$ 5,689,458.16	\$ 5,618,340	98.75%
2014 est	\$ 964,181,585	0.591216	\$ 5,700,395.80	\$ 5,629,141	98.75%
2015 est	\$ 996,857,517	0.591216	\$ 5,893,581.14	\$ 5,834,645	99.00%

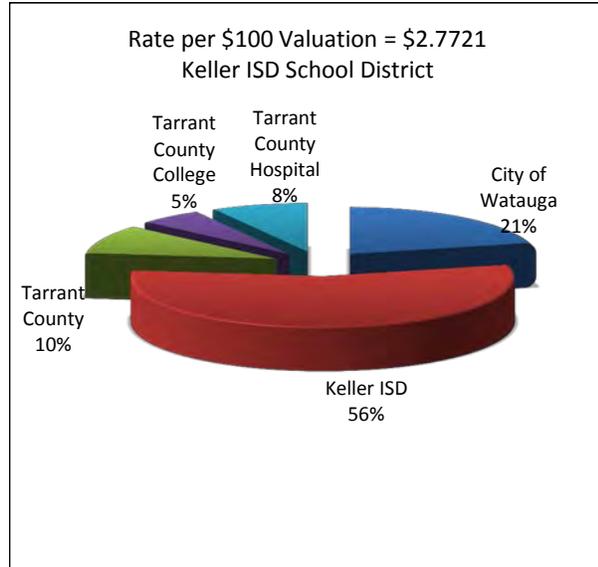
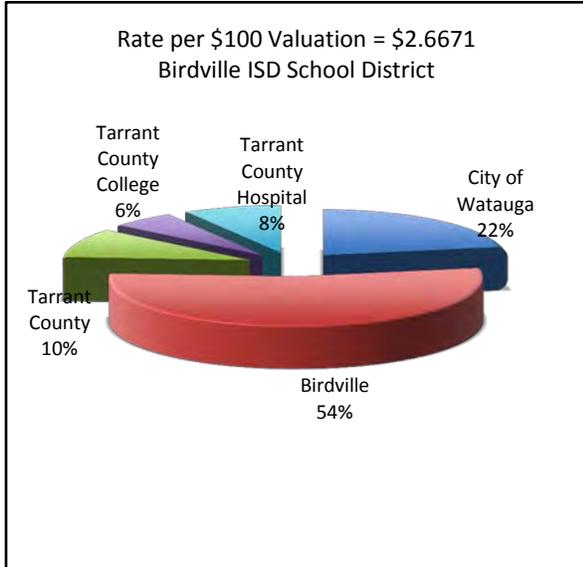
As shown in the table above and the Assessed Value of Taxable Property Graph on the opposite page, City valuations in 2012, 2013, and 2014 remained relatively flat. For this fiscal year, the City has experienced a slight increase in valuations of 3.4%. In FY2014-15, the City adopted the same tax rate of \$.059126/\$100 valuation, which was the same tax rate adopted in FY2013-14.

DID YOU KNOW?

The City of Watauga's tax base is comprised of 73% residential and 27% Commercial properties.

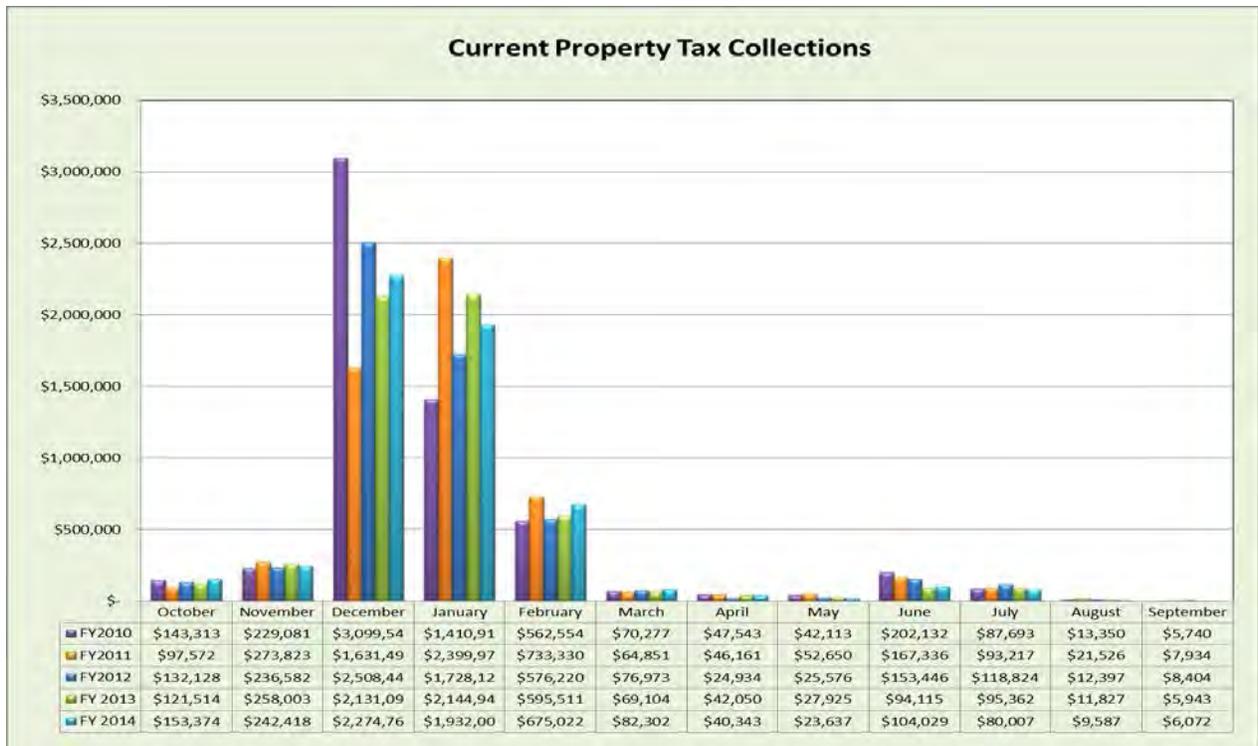
BUDGET OVERVIEW

The City is located in two different independent school districts (ISDs); so overlapping property taxes vary by what section of the City in which a property is located. The City's portion has historically been less than one-fourth of the entire property tax bill for the area.



The City offers 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 persons and veterans are as stipulated by State law.

The City is landlocked and approximately 96% built out; however, there has been limited growth in both our residential and commercial property values. The following graph demonstrates the historic collection cycle of property tax for the City.



BUDGET OVERVIEW

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

Sales tax – The 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 28% of total revenue for the General Fund. Our economic outlook is conservative for the upcoming fiscal year. In FY2013-14, sales collections were approximately 2.5% over FY2012-13 collections. We expect this trend to continue during the next year. Thus, we are predicting a conservative two-percent (2%) increase from FY2013-14 collections. Sales Tax revenue for the City is subject to the general economic environment of the DFW Metroplex. However, Watauga does not have a large presence of malls, specialty, or up-scale businesses, which are generally more susceptible to fluctuations in sales.

Other taxes - Include receipts from the operation of bingo halls in the City.

Utility Franchise Fees - A percentage of local gross receipts remitted to the City by each 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. Recently, weather conditions and the economy have been significant factors in a decline of revenues as citizens have been more frugal in utilization of resources, which has led to lower utility revenues. These fees total 9% of General Fund revenues.

Licenses and permits – This includes 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 established historical base of issued permits and the expectations of inspectors and economic development staff for new permits and buildings. The City has experienced an increase in FY2014 in renovation type permits (plumbing, mechanical, etc.), but this revenue source is only estimated to bring in 3% of General Fund revenues for fiscal year 2015.

Intergovernmental revenue - Intergovernmental revenue consists of a payment-in-lieu-of-tax (PILOT) from the enterprise funds based on a percentage of revenues from the water and sewer utility systems. 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 4% of General Fund revenues.

BUDGET OVERVIEW

Charges for services – These charges include recreation fees, fees paid by developers as reimbursements for City services, charges for emergency medical service (EMS), and various other service charges. Service Charges account for about 7% of revenues. Projections are based on historical use of City services as well as rates charged by the City on such services. EMS services have been outsourced to Intermedix, which handles all billing and initial collections.

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 have increased this last year as increased code, traffic enforcement, and warrant collection efforts brought in additional revenues. This revenue source makes up approximately 6% of General Fund revenues for fiscal year 2014-15.

Miscellaneous revenue – This includes interest earned on the investment of General Fund cash, proceeds from the sale of surplus City property, cell phone tower rent revenues 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 – In May, 2012, Watauga voters approved a reallocation of the ½% for the Watauga Parks Development for ¼% to go towards Street Maintenance and Repair of City streets. This reallocation will be effective October 2012.

The remaining ¼% 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 99.8% of total revenue for the Parks Development Corporation Fund. Sales tax revenue increases are due to the addition of commercial establishments within the City.

Our economic outlook is conservative for the upcoming fiscal year. We project a two-percent increase over 2013-14 projections. We do not expect major changes in this revenue source 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 and are administered under the supervision of the Watauga Parks Development Corporation Board of Directors.

DID YOU KNOW?

In May, 2012 voters approved a Street Maintenance Tax that will provide \$700,000 annually for maintenance and repair of Watauga streets.

BUDGET OVERVIEW

Street Maintenance Fund Revenue – A ¼% share of 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 100% of total revenues for the Street Maintenance Fund.

At a special election on May 12, 2012, the voters in the City of Watauga approved this tax under Section Chapter 327 of the Tax Code with an effective date of October 1, 2012. Funds can only be used to maintain and repair streets that were existing on the date of the election to adopt the tax. This tax expires in four (4) years unless reapproved by the voters at a special election.

Watauga Crime Control and Prevention District Sales Tax Revenue - A ½% share of 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 99% of total revenue for the Watauga Crime Control and Prevention District Fund.

Original budget projections show a 2% percent increase from our prior-year projections. Under Local Government Code Chapter 363, voters approved this tax for a five-year period, with an effective date of July 1, 1996. The District was again approved in 2001 for a ten-year period. An extension for another ten-year period was approved by voters in November 2010. Such funds can only be used to add officers and purchase additional supplies and equipment for law enforcement purposes. This Fund is administered by a Board of Directors, which is currently made up of the Mayor and all Council Members.

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 99.7% of the Library Donation Fund’s total revenues.

Municipal Court Security Fee – This fee was adopted on April 26, 1999 under the provisions of the Code of Criminal Procedures, Section 102.017, by Ordinance 910. The Ordinance provides for the collection of \$3 from defendants convicted of a misdemeanor offense. Funds can only be used for purposes that provide security for the operations of the municipal court. Projections are based on traffic citation projections. This revenue source is 100% of the Municipal Court Security revenue stream.

Municipal Court Technology Fee – This fee was adopted on September 27, 1999 under the provisions of the Code of Criminal Procedures, Section 102.0172, by Ordinance 945. The Ordinance provides for collection of \$4 from defendants convicted of a misdemeanor offense. Funds can only be used for purposes that provide or maintain technological enhancements for the operations of the municipal court. Projections are based on traffic citation forecasts. This revenue source is 99.2% of the Municipal Court Security revenue stream.

Juvenile Case Manager Fee – This fee was established in September 2008 under the provisions of the Code of Criminal Procedures, Section 45.056, by Ordinance 1352. Under this provision, the fee was authorized by vote of the City Council to employ a

BUDGET OVERVIEW

Juvenile Case Manager to handle cases involving juveniles. The City collects \$5.00 for each violation, except parking, to support the Juvenile Case Manager.

Traffic Management Fund – This fund was established to account for funds received from the City’s Red Light Traffic Control Program. In 2010, the City Council approved the installation of Red Light Cameras on certain City intersections. The City collects \$75.00 for each violation. At the end of the fiscal year, the City retains 50% of the net revenue (after deduction of certain allowable expenses). The other 50% is sent to the State Comptroller’s Office to be distributed to the Regional Trauma Account.

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.

Capital Projects 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 in the General Fund section above, this property tax on real and personal property is assessed since a great number of City services are for the public good and are not reasonably allocated among individuals. The City bases its ad valorem tax rate on the certified appraisal roles provided by the Tarrant Appraisal District (TAD).

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 (M&O) rate) and (b) to finance the City's Debt Service Fund (referred to as Interest and Sinking (I&S) rate) 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 as specified in 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.

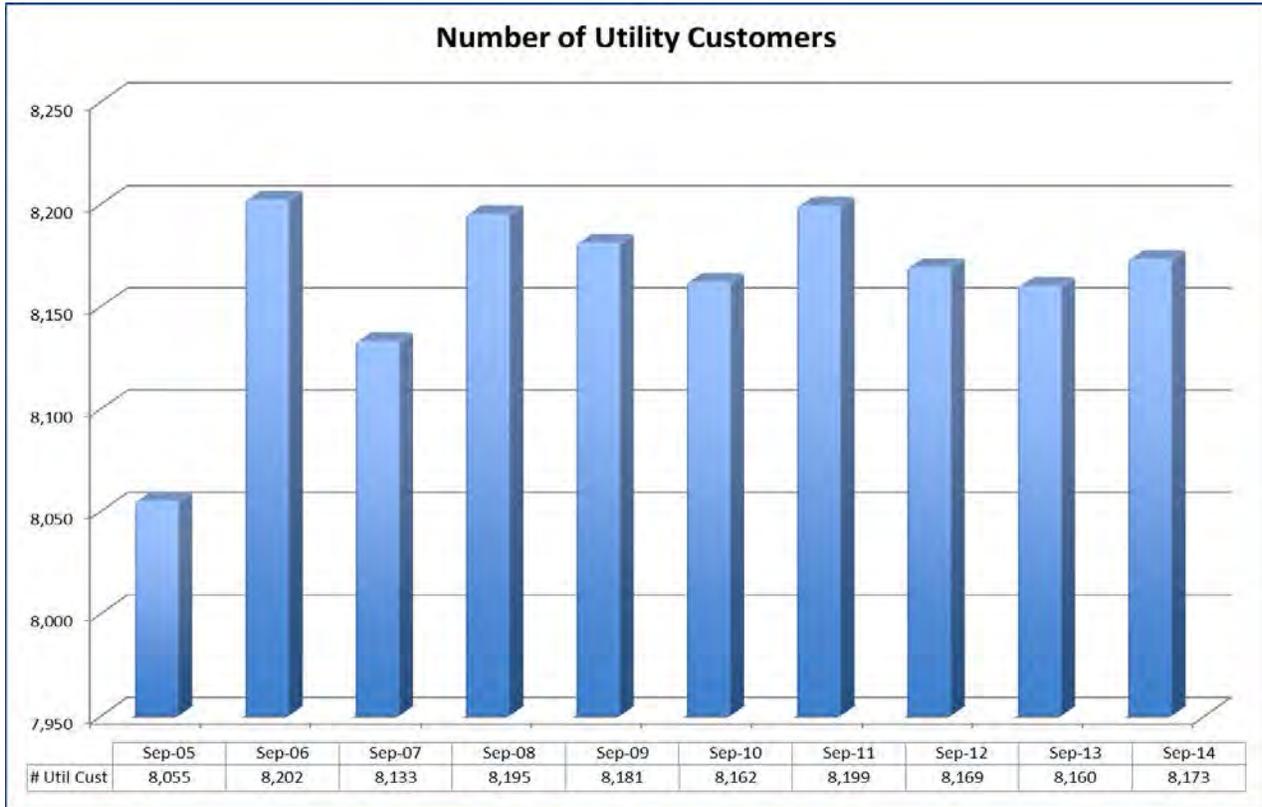
Proprietary Funds

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 single and multifamily residential buildings and commercial facilities inside the City. Projected

BUDGET OVERVIEW

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 99.3% of the Water and Sewer Utility Fund revenues.

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



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. Projections are based on the number of active accounts and rate changes. This revenue source is 1.9% of the Water and Sewer Fund revenue stream.

Storm Drain Utility Fee – A \$12 fee per month per residential utility account was adopted through Code of Ordinances, Appendix A, Section 10.1100, to enhance drainage of properties within the City. Commercial accounts are charged a uniform rate, but the amount charged is based on impervious area. This fee is billed and collected through the Utility Billing Office and is 99.8% 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.

BUDGET OVERVIEW

The Cost of City Services

Based on average home value of \$93,506 each household will pay \$552.82 in city taxes for the year, or \$46.07 per month, to support these city services:



24 hour Police protection
24 hour Fire protection
24 hour Ambulance service



Library facility



Animal Control services



Recreational Facilities
Parks & Athletic Fields
Sports Leagues
Fitness Programs



Building Inspection and Permit services



Maintenance of all public streets, street lighting & sidewalks



BUDGET OVERVIEW

CITY OF WATAUGA FUND/DEPARTMENT RELATIONSHIP

DEPARTMENT/FUNCTION	FUNDS										
	GENERAL	CRIME CONTROL	PARKS DEVELOPMENT BOARD	STREET MAINTENANCE	COURT FUNDS	UTILITY	STORM DRAIN	INTERNAL SERVICE (EQUIPMENT RELPLACEMENT)	GENERAL CAPITAL PROJECTS	UTILITY CAPITAL PROJECTS	PARKS CAPITAL PROJECTS
CITY MANAGER/CITY SECRETARY	X										
NON-DEPARTMENTAL	X					X					
HUMAN RESOURCES	X										
CODE/ECONOMIC DEVEL/P&Z	X										
FINANCE/COURTS	X				X						
INFORMATION TECHNOLOGY	X					X		X			
LIBRARY	X										
PARKS/RECREATION	X		X								
POLICE DEPARTMENT	X	X									
FIRE/EMS DEPARTMENT	X										
PUBLIC WORKS	X			X		X	X		X	X	
FLEET	X							X			
FACILITIES	X							X			
UTILITY BILLING/FINANCE						X					
WATER						X			X		
WASTEWATER						X			X		
DEBT	X		X			X					

- GENERAL FUND
- SPECIAL REVENUE FUNDS
- ENTERPRISE FUNDS
- CAPITAL FUNDS

BUDGET OVERVIEW

EXPENDITURES / EXPENSES

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 required to maintain assets of the City – may be paid to outside vendors. 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 in items that are more than \$5,000 each, that have a life of more than one year, and that will be capitalized or considered a long-term asset of the City. Examples include buildings, furniture, equipment, and vehicles.

BUDGETARY SYSTEM AND PROCESS

The City Charter requires the City Manager to submit a proposed budget for the fiscal year, which begins 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 Finance department prepares a forecast of expected revenues from property taxes, sales taxes, and other fees and transfers. 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 drawdown of fund balance within guidelines discussed below.

As part of the general government budget preparation, there is also a simultaneous preparation of a budget for both the Crime Control District and the Parks Development Corporation. Due to their separate legal status, the respective boards must approve their budget, which is then sent to the City Council for final approval and appropriation.

BUDGET OVERVIEW

Following adoption of the budget by the City Council, the City Manager and department heads, supported by the Finance department, 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 by the City Council by ordinance. If a departmental appropriation is exceeded at any time during the year, the budget must be amended and a supplemental or transfer 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.

The City's calendar for preparing and adopting the FY 2014-15 budget follows this Budget Overview section.

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 expedite 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 among elected officials and staff.
- Provide a means for dealing with fiscal emergencies.

Financial policies should be reviewed periodically (at least 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.
 - **Balance and Diversify Revenue Sources:** Maintain a balanced and diversified revenue system to avoid adverse fluctuations in any one source due to changes in economic conditions.
 - **Property Tax Revenues:** Strive to reduce reliance on property tax revenues by implementation of user fees, economic development, and revenue diversification.
 - **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

BUDGET OVERVIEW

levels, compare them with current structures, and recommend adjustments when necessary.

- 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.
- 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.
- 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 and reduce the probability of actual revenues being short of budget estimates.
- Revenue Collection: The revenue system should be as simple as possible in order to expedite payments. Since 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 maintained, and that services are delivered in an effective, efficient manner.
 - 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 is discussed in another section).
 - Operating Deficits: Take immediate corrective action if 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.
 - 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.
 - Program Reviews: Make periodic staff and third-party reviews of programs to ensure efficiency and effectiveness. Consider privatization and contracting with other governmental agencies as alternative approaches for service delivery. Eliminate programs that are determined to be inefficient or ineffective. Use of performance management and performance measurement techniques is encouraged.
 - 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.

BUDGET OVERVIEW

- **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.
 - General Fund Undesignated Fund Balance: The undesignated fund balance should be maintained at or above 25% of expenditures.
 - 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 or above 20% of the current year's budget. The reserve is calculated as 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.
 - 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 by management on how to restore the balance to its designated 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.
 - Capital Improvement Program (CIP): An annual review of the need for capital improvements and equipment should be conducted. This review should evaluate the status of infrastructure, its replacement and repair, and any potential new projects. Prioritize all projects, both on-going and proposed, based on an analysis of current needs and resource availability. All operations, maintenance, and replacement costs should be listed for every capital project.
 - 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.
 - Capital Expenditure Financing: There are three methods of financing capital requirements:
 - Current revenues.
 - Fund balance/retained earnings, as allowed.
 - Debt.

Debt financing includes general obligations bonds, revenue bonds, certificates of obligation, and lease/purchase agreements. Guidelines for assuming debt are described in the Debt section, below.
 - Capital Projects Reserve Fund: A fund may be established and maintained to accumulate proceeds from the sale of real property, and transfers from the General

BUDGET OVERVIEW

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.
 - 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.
 - Assumption of Additional Debt: Additional tax supported debt should not be assumed without conducting an analysis to determine the community's ability and desire to support additional debt service payments.
 - Affordability Targets: An objective analytical approach should be used to determine whether new general-purpose debt could 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.
 - Debt Structure: Debt payments should be structured to ensure level repayment. Level payment schedules improve budget planning and financial management.
 - Debt Limits: Article XI, Section 5, of the State of Texas Constitution does not provide for a statutory debt limit for cities. However, it does state: "Cities may levy, assess and collect such taxes as may be authorized by law or by their charters; but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half per cent. [sic] of the taxable property of such city, and no debt shall ever be created by any city, unless at the same time provision be made to assess and collect annually a sufficient sum to pay the interest thereon and creating a sinking fund of at least two per cent. [sic] thereon." See also the Texas Tax Code Section 302.001(c).

City Charter Article X - Taxation, Section 10.02 - Power to Tax states: "The City shall have the power to tax property in accordance with the statutory provision of the Texas Property Tax Code, as now or hereafter amended by the state legislature."

Thus, the maximum rate of tax for the City is \$2.50/\$100 of value of the taxable property in the municipality. The City Tax rate is \$0.591216/\$100 of valuation and thus well below the state and charter statutory maximum.

- **Investments:** Invest the City's operating cash to ensure its safety, provide for necessary liquidity, and optimize yield in accordance with the City of Watauga Investment Policy.

BUDGET OVERVIEW

Interest earned from investments shall be distributed to the fund 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.
 - 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.
 - Three-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.
 - 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:** Within 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 (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

POLICY ISSUES, GOALS AND OBJECTIVES FOR FY 2014-15

The FY 2014-15 budget is designed to continue the City's programs to (a) provide efficient operations, (b) maintain basic and essential service levels, and (c) achieve Customer Service Statements (CSS#) and City Council Goals (W#). Specifically, the following policies are to be observed:

- Essential government services are to be provided at a level equal to or better than the level previously provided.
- 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 (W#) are

BUDGET OVERVIEW

achieved, performance-based programs were implemented in FY 1999 and revamped in FY2014. 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. This process is reviewed and updated annually for inclusion in the budget document.

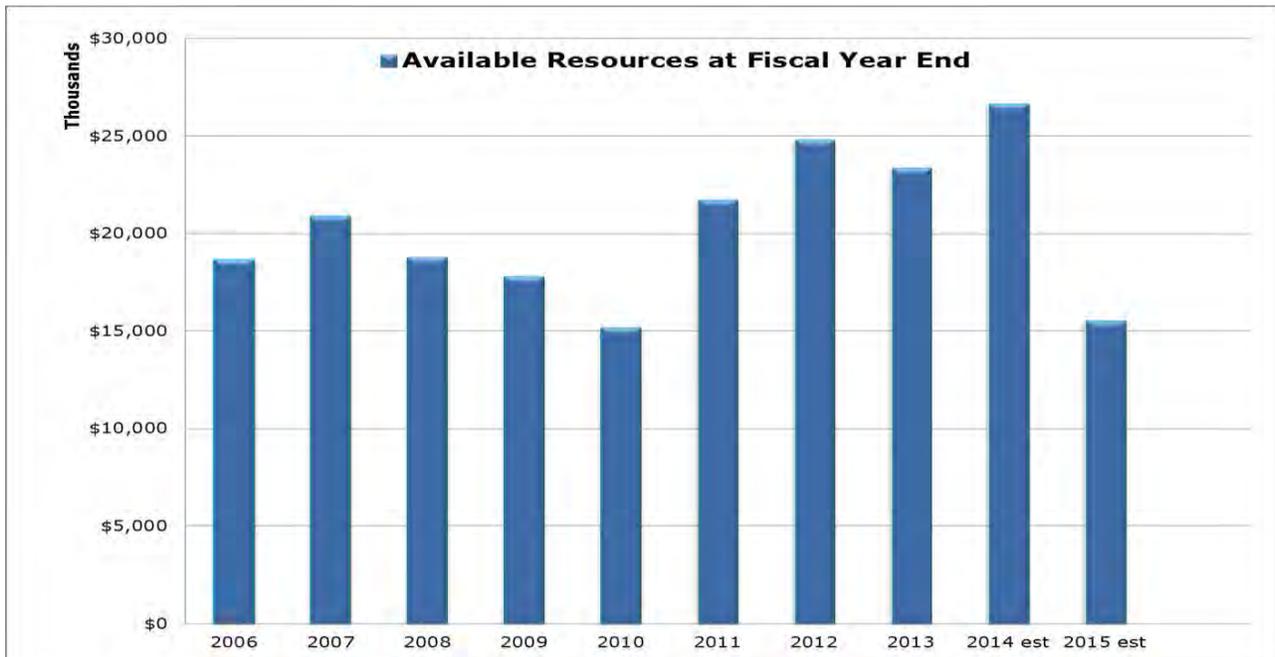
Each department's progress in measuring their goals is reviewed and monitored throughout the budget year.

The FY 2014-15 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.

The General Fund has an imposed target of 25% of operating expenses. For fiscal year 2013-14, the General Fund ending balance is projected to be at 50% of operating expenses We expect to end fiscal year 2014-15 with a balance of 42% of operating expenses.

The Water and Wastewater Utility Fund has a required 20% level of reserves. Given the economic uncertainty of the next few years, these fund balances provide a level of stability for City operations. A slight drawdown of fund balance is planned for this year as a transfer to the Equipment Replacement Fund in order to fund current year and future year equipment needs.

The following graph shows the available resources for all City funds at fiscal year-end for the last nine years and estimates for FY 2014 and FY 2015. Fiscal years 2005, 2007, 2011, 2012, and 2014 depict increases due to bond sales followed by decreases as those funds were spent for needed projects. For FY2014-15, the City of Watauga has \$11.3M in budgeted capital expenditures.



BUDGET OVERVIEW

The table below depicts the major enhancements to this year’s budget adoption and how they relate to the long-term plans and objectives for the City of Watauga.

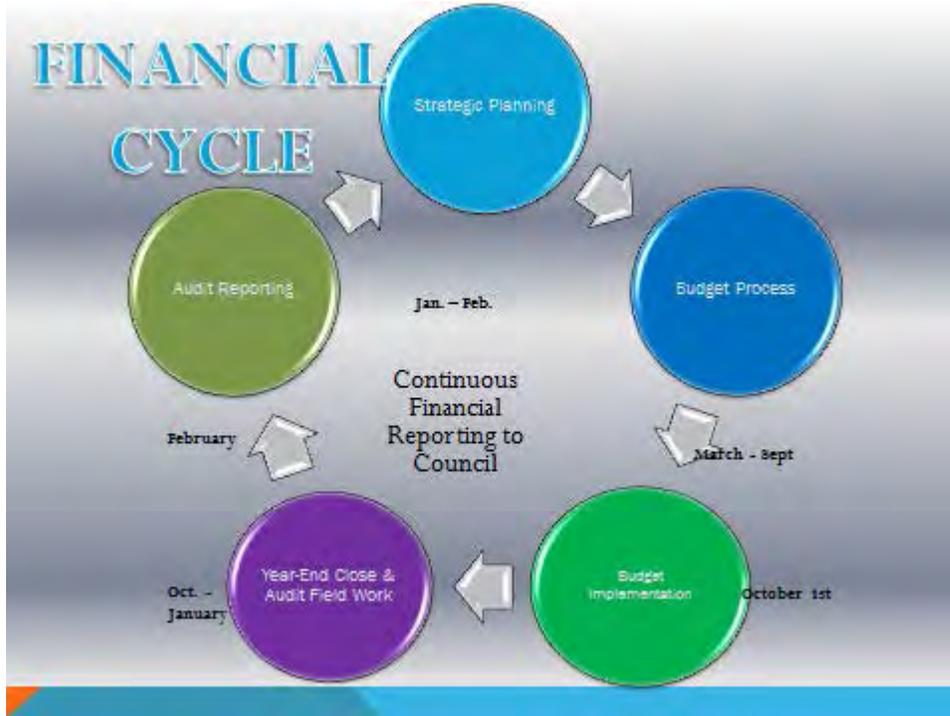
Enhancement in FY 2014-15 Budget		
Operating Supplemental	One-Time Capital	Policy Direction (CSS# and W#)
Maintain Tax Rate		Citizens benefit from value and quality of service delivered in an economic manner and at a reasonable tax rate (CSS#5). Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner (W#1).
	Senior Center (Expansion of Community Center)	Citizens benefit from activities and facilities that maximize the availability of options when seeking entertainment outside their own home. (CSS#3). Improve the attractiveness of the City by fostering economic growth, revitalization of neighborhoods and community parks (W#2).
	Major Street Project – Burseay Road	Citizens benefit from value and quality of service delivered in an economical manner and at a reasonable tax rate (CSS#5). Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner (W#1).
Revitalization – Watauga Improving Neighborhoods Program		Improve the attractiveness of the City by fostering economic growth, revitalization of neighborhoods and community parks (W#2).
Code of Ordinances Supplemental		Citizens benefit from value and quality of service delivered in an economical manner and at a reasonable tax rate (CSS#5). Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner (W#1).
Increase Bailiff Hours from Part-time to Full-time.		Citizens benefit from value and quality of service delivered in an economic manner and at a reasonable tax rate (CSS#5). Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner (W#1).
	Park Trail Walkway Repairs	Citizens benefit from activities and facilities that maximize the availability of options when seeking entertainment outside their own home. (CSS#3). Improve the attractiveness of the City by fostering economic growth, revitalization of neighborhoods and community parks (W#2).
	Cardio Equipment for Community Center	Citizens benefit from activities and facilities that maximize the availability of options when seeking entertainment outside their own home. Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner (W#!).
	Two 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). Be community focused and provide for a safe and friendly community environment (W#3).

BUDGET OVERVIEW

Enhancement in FY 2014-15 Budget		
TIP 411 Program		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). Be community focused and provide for a safe and friendly community environment (W#3).
School Resource 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). Be community focused and provide for a safe and friendly community environment (W#3).
	Sign retro-reflectivity program	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). Be community focused and provide for a safe and friendly community environment (W#3).
	Breathing Apparatus for Fire Department	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). Be community focused and provide for a safe and friendly community environment (W#3).
	Storm Drain Equipment – Zero Turn Mower	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).
	Security System – Parks Facility	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).
	Technology Enhancements/Replacements	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). Be responsive to the needs of the community and demonstrate excellent customer service in an efficient manner.
	Water/Sewer Projects (Various) & Repair/Replacements	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). Improve the attractiveness of the City by fostering economic growth, revitalization of neighborhoods and community parks (W#2).

BUDGET CALENDAR

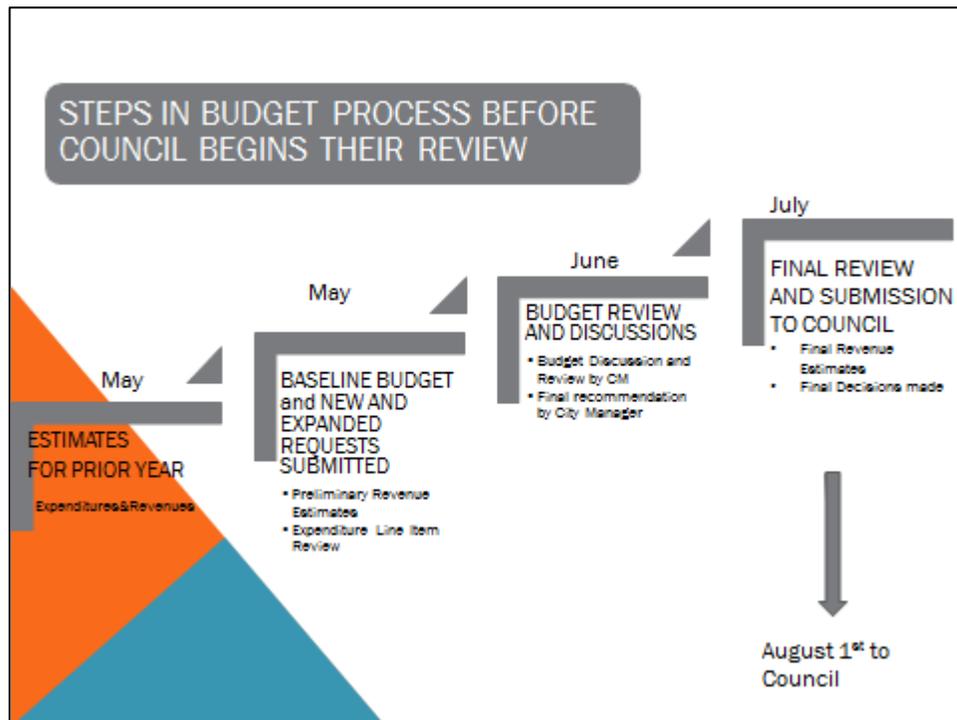
The Budget calendar is an integral part of the City's Financial Cycle:



In January-February, Council meets to prepare and review strategic goals and priorities for implementation during the budget process that begins in March. Finance staff prepares for the budget kick-off in March. During this kick-off meeting, departmental staff is given direction from the City Manager on budget priorities and goals

set by Council. Departmental staff begins work on preparing their current year estimates and budget requests for the upcoming year. Preliminary budget development updates are given to Council in the month of July. Capital Improvement Program is presented to Council during the month of July. Projects that are in process and those in consideration for the future are discussed.

Below is a summary of the steps staff must complete before Council begins their budget review. The comprehensive FY2014-15 budget calendar can be found on the following pages.

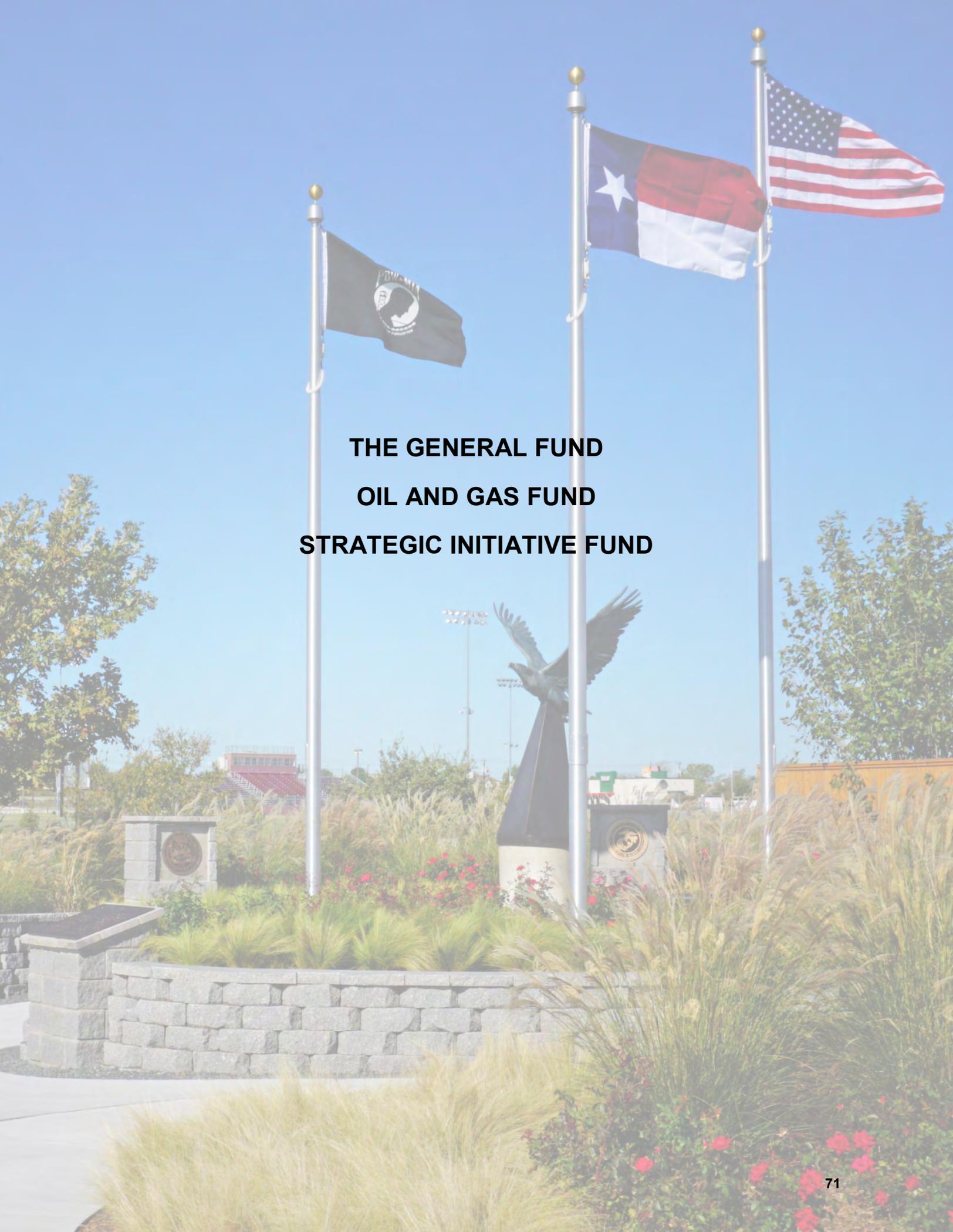


BUDGET CALENDAR

Date	Group Affected	Action Needed	Requirement
City Wide Budget			
Mon, Jan 20, 2014	CM/ CC	Strategic Planning - City Council directs City Manager on Budget Objectives for FY 2015	
Wed, Apr 2, 2014	Directors / FD / CM	Budget Kick-Off	
Fri, May 16, 2014	TAD / FD	Preliminary TAD Taxable Values are received. Finance Department begins Effective and Rollback Tax Rate Analysis.	Tarrant Appraisal District submits preliminary tax values to cities
Wed, May 7, 2014	Directors / FD	Baseline Budgets & End of Year Projections Due	
Wed, May 14, 2014	Directors / FD	New & Expanded Requests Due	
Fri, May 30, 2014	FD	Preliminary Revenue Estimates	
Wed, Jun 4, 2014	FD / CMO	Finance Department submits consolidated budget to CMO	
Mon, Jun 9, 2014	CM/CC/Directors	Budget Workshop - (After CCD Meeting)	
6/5/2014-6/13/2014	Directors/FD/CM	Budget Request Discussions	
Tue, Jul 8, 2014	CC/Directors/CM	Budget Workshop	
Fri, Jul 25, 2014	FD	Finance Department prepares Budget Book for CMO. Certified TAD Taxable Values are received.	Tarrant Appraisal District submits Certified tax values to cities
Fri, Jul 25, 2014	TAD / FD	Revenue estimates updated and revisions to the Budget Book are made as necessary.	
Mon, Jul 28, 2014	CM	Final Decisions & Budget Message Prepared	
Thu, Jul 31, 2014	FD / CM	Submit Preliminary Budget to Council	Article IX Sec.9.02B. Home Rule Charter
Thu, Jul 31, 2014	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 Sec.9.02C. Home Rule Charter
Mon, Aug 4, 2014	CC	Meeting of City Council 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.	
Mon, Aug 4, 2014	CC/Directors/CM	Budget Presentation - Budget Highlights	
Wed, Aug 6, 2014	CSO for CC	Publish Effective and Rollback Tax Rates, statement and schedules; submission to governing body.	Chapter 26 Sec. 26.04 (e) Property Tax Code
Wed, Aug 6, 2014	CSO for CC	Publish "Notice of Public Hearing on Tax Increase" (1st quarter page notice in newspaper and on TV and Website, if available, published at least seven (7) days before public hearing.	Chapter 26 Sec. 26.06(b) Property Tax Code
Tue, Aug 12, 2014	CC	1st Public Hearing on Budget.	Chapter 26 Sec. 26.06(a) Property Tax Code
Fri, Aug 15, 2014	CSO for CC	Publish "Notice of Vote on Tax Rate"	Chapter 26 Sec 26.06(d) Property Tax Code
Mon, Aug 25, 2014	CC	2nd Public Hearing Schedule and announce meeting to adopt tax rate 3-14 days from this date.	
Sat, Aug 23, 2014	CSO for CC	"Notice of Vote on Tax Rate" - Published before meeting to adopt tax rate is the 2nd quarter-page notice in newspaper before meeting and published on TV and Website (if available, at least seven days before meeting).	Chapter 26 Sec. 26.06(d) Property Tax Code
Wed, Sep 3, 2014	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 the later of September 29, or the 60th day after receiving certified appraisal roll.	Article IX Sec.9.02E. Home Rule Charter Chapter 26 Sec. 26.05(a)
Wed, Oct 1, 2014	ALL	Budget Implementation	

BUDGET CALENDAR

Date	Group Affected	Action Needed	Requirement
Crime Control District			
Wed, May 7, 2014	Directors / FD	Baseline Budgets and New & Expanded Requests Submitted	
Wed, May 14, 2014	FD	Finance Dept. submits budget requests to CMO	
Fri, May 16, 2014	CM/Director	Discussion of Budget	
Mon, Jun 9, 2014	CCD	Crime Board Workshop Meeting (Set the date for Public Hearings on proposed WCCPD Budget)	
Sat, Jun 14, 2014	CSO for CCD	Publish Notice of Public Hearing	Sec. 363.204(b) Local Government Code
Mon, Jun 23, 2014	CCD	Public Hearing	Sec. 363.204(a) Local Government Code
Mon, Jun 23, 2014	CCD	Budget Adoption	Sec. 363.204(d) Local Government Code
Mon, Jun 23, 2014	CC	Budget Acceptance	Sec. 363.204(e) Local Government Code
Mon, Aug 4, 2014	CSO for CC	Publish Notice of Public Hearing	Sec. 363.205(b) Local Government Code
Tue, Aug 12, 2014	CC	Public Hearing	Sec. 363.205(a) Local Government Code
Mon, Aug 18, 2014	CC	Budget Adoption	Sec. 363.205(d) Local Government Code
Parks Development Corporation			
Wed, May 7, 2014	Directors / FD	Baseline Budgets and New & Expanded Requests Submitted	
Wed, May 14, 2014	FD/CM	Finance Dept. submits budget requests to CMO	
Fri, May 16, 2014	CM/Director	Discussion of Budget	
Fri, Jun 20, 2014	CSO for PDC	Publish Notice of Public Hearing	
Tue, Jul 15, 2014	PDC	Public Hearing	
Tue, Jul 15, 2014	PDC	Budget Adoption	
Mon, Jul 28, 2014	CC	Budget Acceptance	
Sat, Aug 9, 2014	CSO for CC	Publish Notice of Public Hearing	
Mon, Aug 25, 2014	CC	Public Hearing	
Wed, Sep 3, 2014	CC	Budget Adoption	
City Council Dates			Deliverables by Area of Responsibility
Mon, May 19, 2014			DEPARTMENTAL
Mon, Jun 23, 2014			CITY SECRETARY
Mon, Jul 28, 2014			CITY COUNCIL
Mon, Aug 18, 2014			FINANCE
Wed, Sep 3, 2014			WPDC BOARD
			WPCCD BOARD



**THE GENERAL FUND
OIL AND GAS FUND
STRATEGIC INITIATIVE FUND**

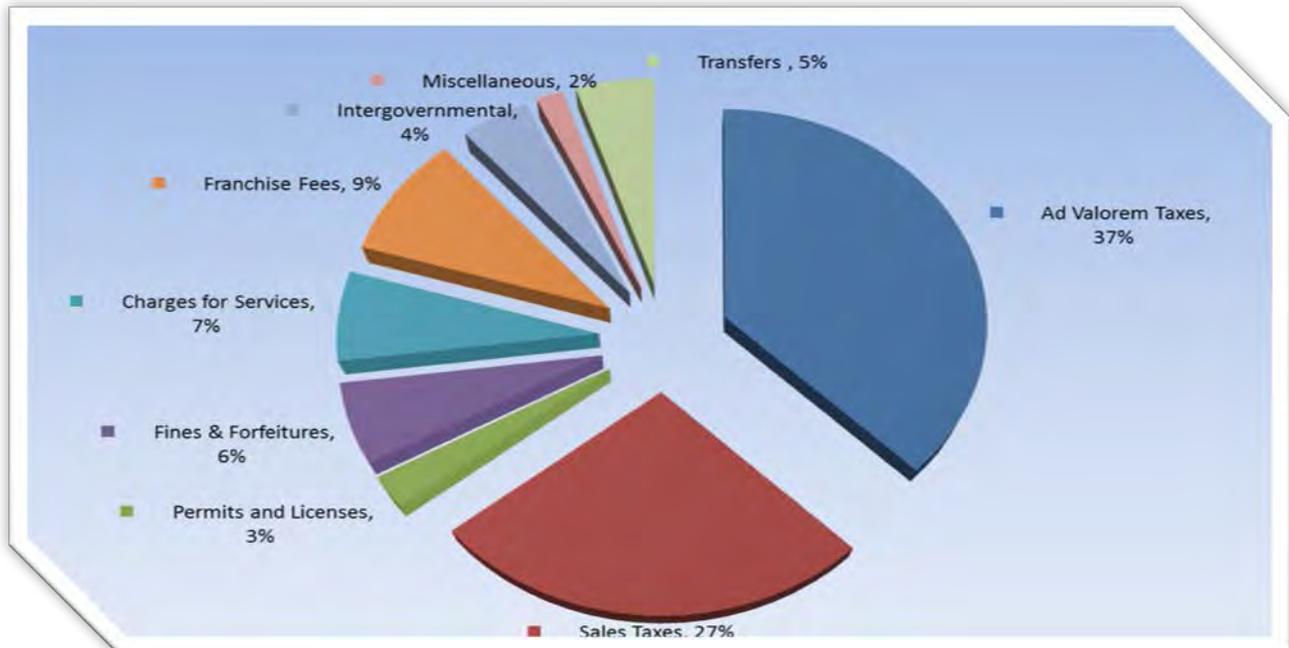
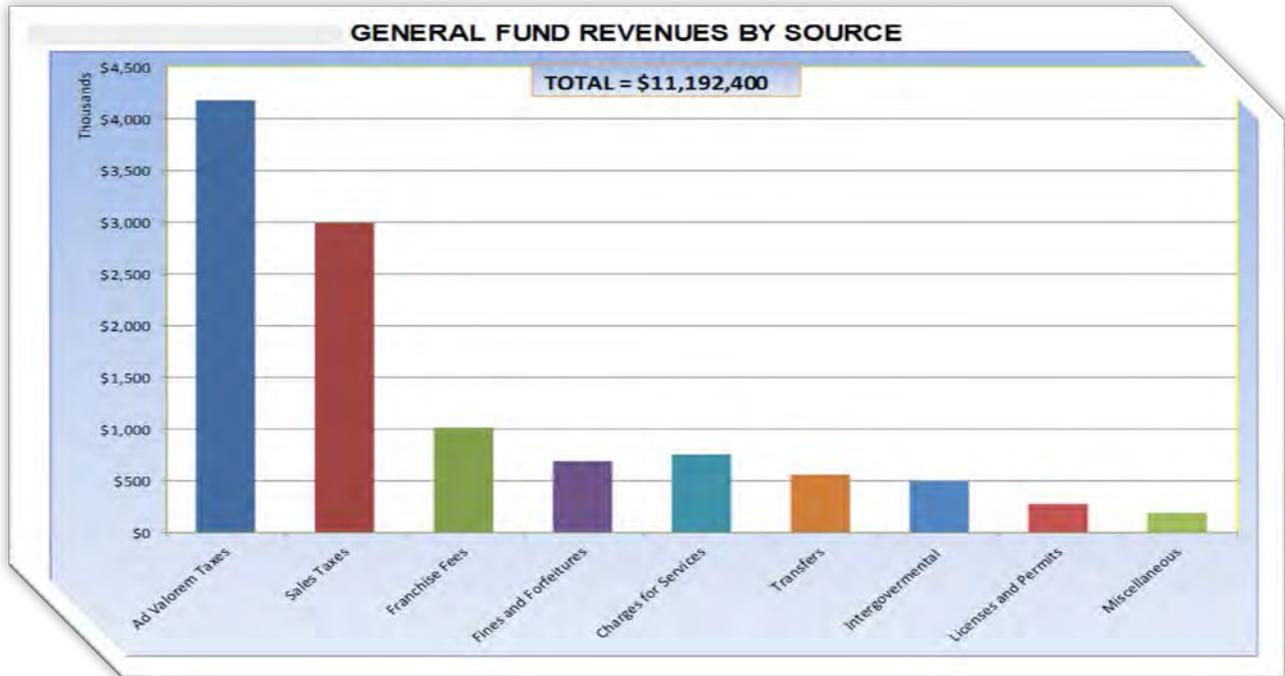
The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird in flight. The scene is landscaped with tall grasses and red flowers. In the background, stadium seating and other structures are visible.

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GENERAL FUND

The General Fund is a Governmental Fund, which means that it is used to account for tax-supported activities that benefit all citizens. 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.

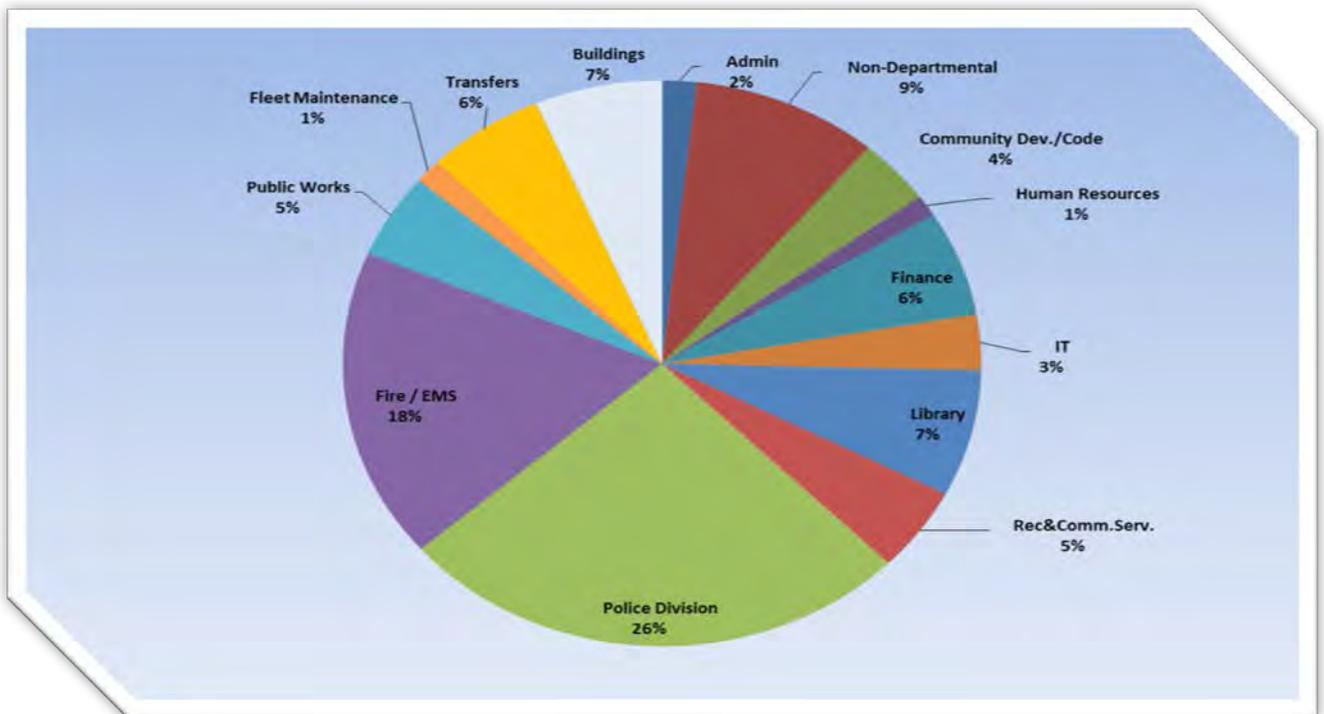
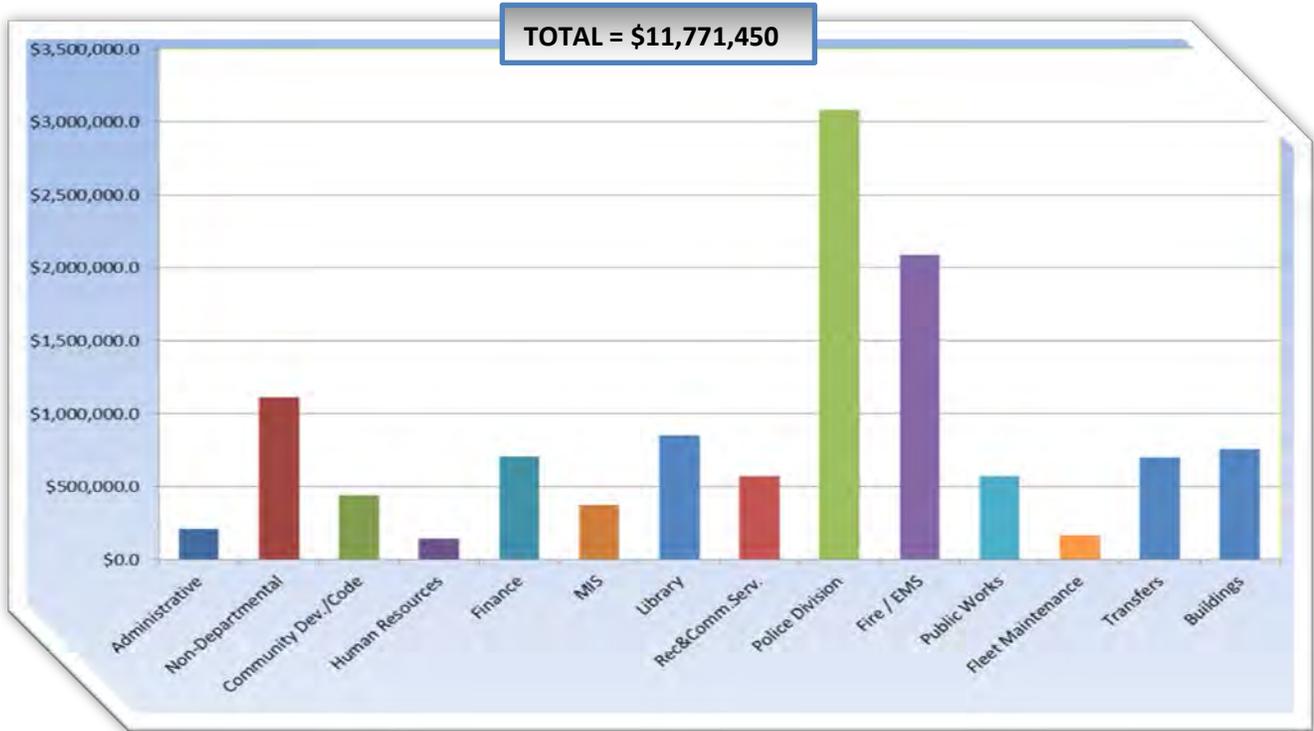
FY 2015 - Where Does the Money Come From?



GENERAL FUND

Where does the money go?

GENERAL FUND EXPENDITURES BY DEPARTMENT

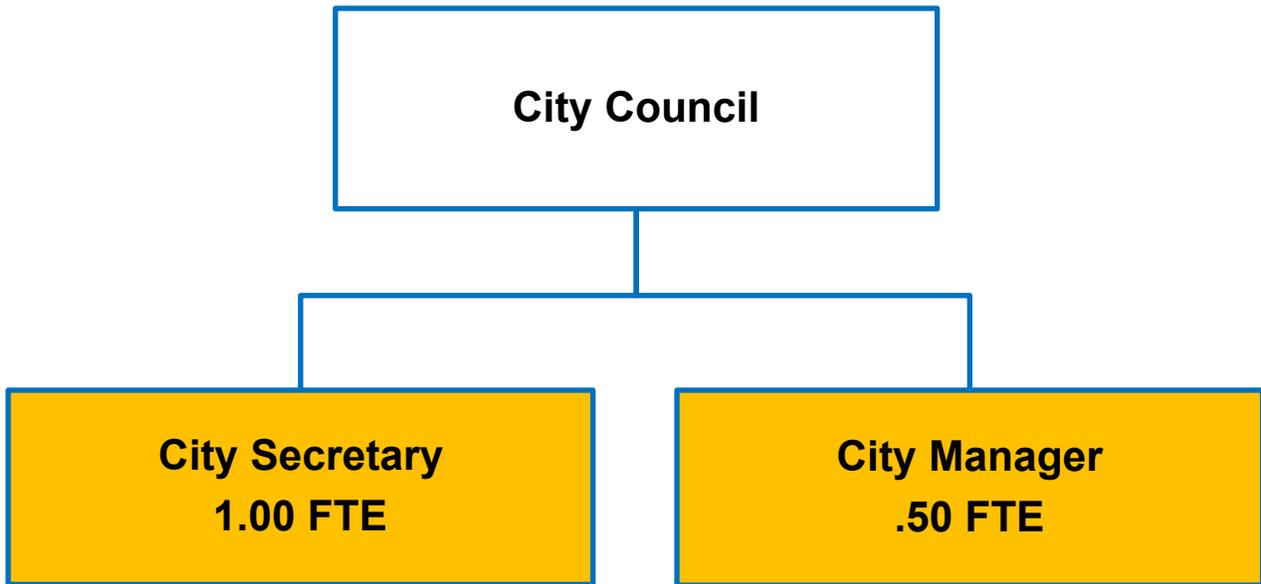


GENERAL FUND BUDGET SUMMARY

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$5,768,899	\$5,220,240	\$4,974,296	\$5,075,350	\$5,250,215	
Revenues:						
Property Taxes	3,983,647	3,950,737	3,999,000	3,970,000	4,186,000	4.7%
Sales Taxes	2,879,038	2,877,455	2,941,000	2,960,000	3,001,000	2.0%
Permits and Licenses	270,716	250,793	259,000	275,200	285,000	10.0%
Fines & Forfeitures	664,506	625,614	656,400	679,815	693,800	5.7%
Charges for Services	771,414	699,037	734,100	740,000	755,000	2.8%
Franchise Fees	1,067,021	1,040,175	1,011,000	1,020,000	1,020,000	0.9%
Intergovernmental Revenue	461,211	471,721	483,500	475,000	496,500	2.7%
Lease Revenue(Now Fund 12)	0	0	0	0	0	0.0%
Miscellaneous	193,500	226,631	179,400	251,950	194,400	8.4%
Operating Revenues	\$ 10,291,053	\$ 10,142,163	\$ 10,263,400	\$ 10,371,965	\$ 10,631,700	3.6%
Operating Transfers-In:						
Transfers from Other Funds	553,237	534,221	546,850	544,900	560,700	2.5%
Total Available Resources	\$ 16,613,189	\$ 15,896,624	\$ 15,784,546	\$ 15,992,215	\$ 16,442,615	2.4%
Expenditures:						
City Manager & City Secretary	237,952	205,319	263,700	222,200	207,300	-21.4%
Non-Departmental	1,683,225	1,186,274	887,800	883,000	1,110,900	25.1%
Human Resources	138,391	137,260	142,850	142,850	144,700	1.3%
Comm. Dev./Code/Revitalization	0	0	399,650	390,600	442,900	10.8%
Finance and Administration	659,611	690,829	722,800	714,000	707,800	-2.1%
Information Technology	284,671	328,462	371,100	369,465	372,500	0.4%
Library	855,552	793,562	858,187	852,900	850,600	-0.9%
Recreation & Community Serv.	643,096	619,730	602,000	579,250	571,100	-5.1%
Police Division	3,017,102	2,961,167	2,965,150	2,958,850	3,082,500	4.0%
Fire / EMS	1,867,420	1,865,670	2,069,262	2,061,350	2,088,500	0.9%
Public Works	865,687	792,370	566,489	561,985	570,350	0.7%
Fleet Maintenance	167,616	165,068	162,110	161,500	162,000	-0.1%
Buildings	762,626	763,363	746,550	744,050	758,300	1.6%
Operating Expenditures	11,182,949	10,509,074	10,757,648	10,642,000	11,069,450	2.9%
Operating Transfers-Out						
To Capital Project Fund	210,000	312,200	100,000	100,000	120,000	20.0%
Operating Surplus/(Deficit)	(\$548,659)	(\$144,890)	(\$47,398)	\$ 174,865	\$ 2,950	
Transfers to Sustainability Funds						
To Equipment Repl. - Legacy	0	0	0	0	106,000	0.0%
To Strategic Initiative Fund	0	0	0	0	250,000	0.0%
To Equipment Repl. - Current Year	0	0	0	0	226,000	0.0%
Total Transfers to Sustainability Funds	0	0	0	0	582,000	0.0%
TOTAL OPERATING & TRANSFERS	\$ 11,392,949	\$ 10,821,274	\$ 10,857,648	\$ 10,742,000	\$ 11,771,450	8.4%
Fund Balance, September 30	\$5,220,240	\$5,075,350	\$5,026,898	\$5,250,215	\$ 4,671,165	
CHANGE IN FUND BALANCE	(\$548,659)	(\$144,890)	(\$47,398)	\$174,865	(\$579,050)	
% OF EXPENDITURES	46%	47%	46%	49%	42%	

Long term sustainability strategy implemented this fiscal year

City Manager/City Secretary Fund 01-010



GENERAL FUND

DEPARTMENT: ADMINISTRATION

DIVISION / ACTIVITY: CITY MANAGER / CITY SECRETARY – FUND 01-010

LOCATION:

7105 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5800

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.
Extended hours for meetings and elections

MISSION / PROGRAMS / SERVICES:

The Mission of the Watauga City Secretary's Office is to ensure continuity in the municipal legislative process through the guardianship of City Council, Boards, Commissions, and Committees agendas, minutes, ordinances, resolutions, board appointments and elections, as well as to promote quality service to all customers in a cost effective and efficient manner.

- The City Secretary serves at the discretion of the City Council, and is responsible for the City Council minutes and other official records such as:
 - Ordinances
 - Resolutions
 - Contracts
 - Liens
 - Mixed Beverage Licenses
 - Insurance Coverage and Claims
 - Receive and address all complaints/concerns in regard to City Services
- The City Secretary serves as the Chief Election Officer and Records Management Officer.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Conducted General and Special Elections.
- Digitized all Resolutions, Agendas, and Minutes.
- Finalized Re-Codification of City Code.
- Ensured record retention schedules were kept and supervised the destruction of appropriate records.
- Responded to Public Information Requests in a timely manner in accordance with the Texas Public Information Act.
- Managed and responded to all inquiries received via "Contact Us - Citizen Concern Line".
- Provided daily administrative support to Mayor, Council, City Manager, and other City Departments as needed.

FY2014-2015 GOALS/ OBJECTIVES:

- Conduct General and Special Election as required.
- Digitize all contracts, and legal opinions.
- Process all Public Information Requests according to the Texas Public Information Act.
- Maintain the Code of Ordinances up to date.
- Monitor status of retention schedule revisions by the Texas Library Archives Commission and update as needed.
- Monitor and implement legislative changes which require updating the Code of Ordinances.
- Continue coursework towards completion of the Texas Municipal Clerks Certification Program.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Code of Ordinances ongoing supplementation (quarterly).

GENERAL FUND

DEPARTMENT: ADMINISTRATION
DIVISION / ACTIVITY: CITY MANAGER / CITY SECRETARY - FUND 01-010

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$155,673	\$223,216	\$193,768	\$245,800	\$204,300	\$189,100
Supplies	\$916	\$2,080	\$251	\$1,500	\$1,500	\$1,500
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$8,078	\$12,655	\$8,828	\$16,400	\$16,400	\$16,700
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$164,667	\$237,951	\$202,847	\$263,700	\$222,200	\$207,300

PERSONNEL						
City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Executive Assistant /Intern	1.00	1.00	1.00	1.00	0.00	0.00
City Secretary	1.00	1.00	1.00	1.00	1.00	1.00
Assistant City Secretary	1.00	1.00	1.00	1.00	0.00	0.00
Front Desk Receptionist	1.00	1.00	1.00	0.00	0.00	0.00
TOTAL	4.50	4.50	4.50	3.50	1.50	1.50

PERFORMANCE MEASURES / SERVICE LEVELS

<i>Input / Demand</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
City Council Meetings Held	29	38	35	35
Board/Commisson/Committee Meetings Held	55	55	60	60

<i>Output/Workload</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
City Council Agenda Packets Prepared	29	38	35	38
City Council Minutes Prepared	29	38	35	38
Boards & Commission Agenda Packets Prepared	55	55	60	65
Boards & Commission Minutes Prepared	55	55	60	65
Resolutions Processed	39	20	48	42
Ordinances Processed	28	35	35	35
"Contact Us" Requests Processed	304	350	350	360
Public Information Requests Processed	245	270	260	270
Property Claims Processed	11	12	11	15
Liability Claims Processed	11	8	11	10
Alcohol Beverage Permits Processed	36	36	36	36

<i>Efficiency Measures / Impact</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O Budget Per Capita	\$8.63	\$10.76	\$9.07	\$8.46
M & O Budget Percentage of City Budget	0.51%	0.87%	0.73%	0.50%

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Agenda Packets Processed Prior to Mtg	1,4,5	100%	100%	100%	100%
Open Records Req. Processed-10 Days	1,3,4,5	100%	100%	100%	100%

GENERAL FUND
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: CITY MANAGER/CITY SECRETARY 01-010					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		(\$68,400)	Unfunded Positions Savings
				\$11,700	TMRS Rate Increase/Longevity/CM Contract
Increase Travel Expense	Contractual/Sundry	FB		\$1,000	Historical Adjustment
Decrease Training	Contractual/Sundry	FB		(\$1,000)	Historical Adjustment
Net Misc. Budget Changes	Various	FB		\$300	Misc. small dollar budget adjustments
TOTALS:			\$0	(\$56,400)	

(\$56,400) NET INCREASE/DECREASE

GENERAL FUND

DEPARTMENT: ADMINISTRATION	
DIVISION / ACTIVITY: HUMAN RESOURCES – FUND 01-011	
LOCATION: 7105 Whitley Road Watauga, Texas 76148 Phone Number: 817-514-5819	HOURS OF OPERATION: Monday – Friday 8:00 A.M. – 5:00 P.M. As needed for accidents, Worker’s Compensation, and all other employee assistance as requested.
MISSION / PROGRAMS / SERVICES:	
<p>The Human Resources Department is responsible for the following core services: Professional Development and Performance Management, Employee and Labor Relations, Risk Management, Compensation and Benefits and Workforce Planning. These include, but are not limited to: Recruitment, On-boarding, Workers’ Compensation, Unemployment Claims, Job Descriptions, Benefits, Employment Verification, Retirement, ADA, COBRA, FMLA, Performance Evaluations, Training, Workers’ Compensation, Safety, Compliance with Local Government Code Chapter 143 for Firefighters and Police Officers, Meet and Confer Negotiations, Personnel Records Management and recommending action on complex personnel issues including disciplinary issues and termination.</p> <p>The Human Resources Department is committed to delivering the highest quality of service to all departments, employees, applicants and citizens. It supports the City of Watauga through recruitment, training and retention of a diverse and high performing workforce and management of employee benefits and compensation. Our goal is to make Watauga <i>A Great Place to Work</i>.</p>	
FY2013-2014 HIGHLIGHTS/ACCOMPLISHMENTS:	
<ul style="list-style-type: none"> • Conducted City wide Sexual Harassment, Diversity and Vehicle Operations Training. • Transitioned City to High Deductible Healthcare Plans. • Coordinated Health and Benefits Fair improving attendance and exhibitor participation. • Updated Personnel, Administration and Financial Policies and Procedures Manual. • Coordinated and assisted with Meet and Confer negotiations. • Managed Affordable Care Act mandates. • Coordinated Watauga’s First Annual Holiday Gift Drive. • Organized Employee Appreciation Dinner. • Implemented NEOGOV software for recruiting. 	
FY2014-2015 GOALS/ OBJECTIVES:	
<ul style="list-style-type: none"> • Implementing a Safety Reward and Recognition Program. • Update Personnel, Administration and Financial Policies and Procedures Manual. • Increase Employee Health and Wellness initiatives. • Update Job Descriptions. 	
MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:	
Affordable Care Act mandates and claims in FY 2013-2014 may result in increases in healthcare premium cost.	

GENERAL FUND

DEPARTMENT: ADMINISTRATION						
DIVISION / ACTIVITY: HUMAN RESOURCES - FUND 01-011						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$92,934	\$102,111	\$103,115	\$105,700	\$105,700	\$107,500
Supplies	\$915	\$1,217	\$783	\$2,050	\$2,050	\$2,100
Maintenance	\$2,995	\$0	\$0	\$500	\$500	\$500
Contractual/Sundry	\$25,131	\$35,063	\$33,362	\$34,600	\$34,600	\$34,600
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$121,975	\$138,391	\$137,260	\$142,850	\$142,850	\$144,700
PERSONNEL						
HR & CS Director	0.50	0.50	0.50	0.50	0.50	0.50
HR Specialist	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	1.50	1.50	1.50	1.50	1.50	1.50
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Number of Human Resources Employees			2	2	2	2
Number of City Employees Budgeted (FTEs)			194.50	182.75	182.75	181.25
<i>Output / Workload</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Number - internal promotions and transfers processed			22	23	5	5
Job vacancies filled (includes seasonal)			41	40	40	40
Employment applications processed			1,320	1,800	1,000	1,000
Number of worker's compensation claims processed			15	15	15	15
Number of equipment and vehicle accidents processed			18	12	15	15
Number of family medical leave requests processed			19	20	15	15
Payroll / Benefit transactions performed			641	600	800	800
<i>Efficiency Measures / Impact</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O budget per capita			\$5.84	\$5.83	\$5.83	\$5.91
M & O budget percentage of City budget			0.35%	0.47%	0.47%	0.35%
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Employees participating in training		4, 5	100%	100%	100%	100%
Employee turnover rate (FT Positions)		4, 5	16%	16%	14%	14%
Number of employee complaints		1, 4, 5	1	1	1	1

GENERAL FUND

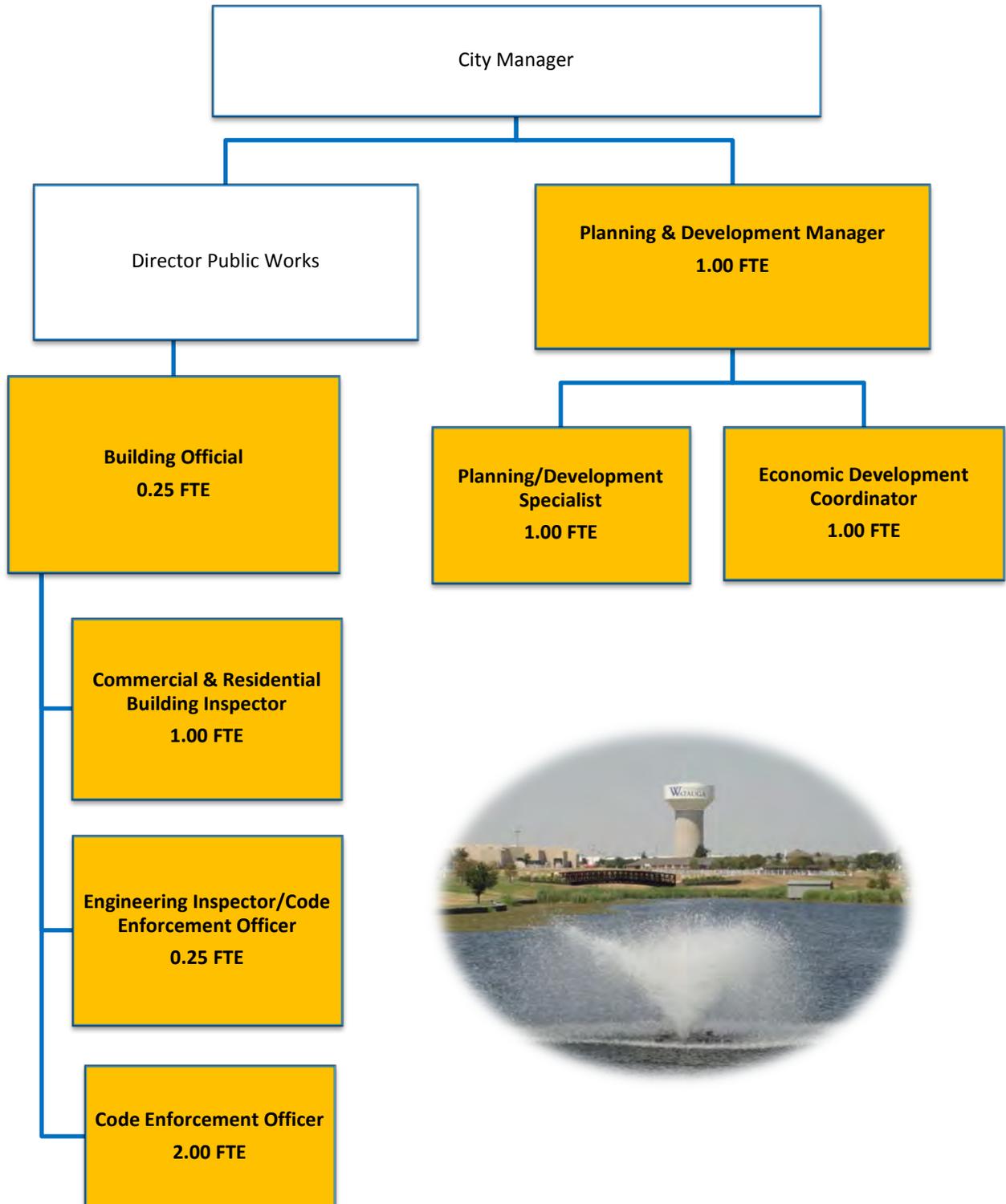
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: HUMAN RESOURCES 01-011					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$1,800	TMRS Rate Increase/Longevity
Net Misc. Budget Changes	Various	FB		\$50	Misc. small dollar budget adjustments
TOTALS:			\$0	\$1,850	

\$1,850 NET INCREASE/DECREASE

Community Development/Code Enforcement Fund 01-013



GENERAL FUND

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: COMMUNITY DEVELOPMENT – FUND 01-013

LOCATION:

7800 Virgil Anthony Sr. Blvd.

Watauga, Texas 76148

Phone Number: 817-514-5806

HOURS OF OPERATION:

Monday – Friday

8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

- To plan for future city development including economic development to attract new businesses.
- Community Development consists of several different sections, which includes economic development, redevelopment, planning and zoning, code enforcement, engineering and inspections.
- Code Enforcement personnel will ensure property owners comply with the Code of Ordinances.
- Engineering will ensure that all plans and projects submitted meet our city specification through plan review and field inspections.
- Economic Development will promote the City of Watauga to all potential businesses potentially enhancing sales and property tax revenues.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Completed approximately 8,000 plus inspections for code compliance.
- Completed the Residential Conditions Survey Map (Main Structure, Landscaping).
- Developed nine new SF-6 properties within two sub-divisions.
- Promoted the City of Watauga for a second year in a row in the Star Telegrams “Powering Our Economy” section.
- Continued a strong Business Retention & Expansion Program including a recognition and milestone service to maintain communications with businesses.
- Finished a 38 street, “Water CIP Project” that upgraded new water mains.
- Constructed Sun Shade Structure at Capp Smith Park Amphitheater.
- Completed nine Ordinance changes to zoning ordinance to improve enforcement capability.
- Established residential revitalization program (Watauga Improving Neighborhoods-WIN) and renovated 4 homes for residents that needed assistance in partnership with World Changers organization.

FY2014-2015 GOALS/ OBJECTIVES:

- Host the following events to gauge interest and build the Business Retention & Expansion Program:
 - Food truck festival – An event in conjunction with a car show to bring awareness to auto related business within Watauga.
 - Business Treasure Hunt - A BRE event to bring foot traffic to businesses within Watauga.
 - Small Business Saturday - A day of recognition for all small businesses within Watauga.
- Expand the WIN program to include partnership with 6Stones and local Churches.
- Provide training for Planning and Zoning Commission members.
- Complete comprehensive zoning review to support future City redevelopment.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Increase training budget to cover training and certification requirements.
- Continued growth of WIN program for residential revitalization.

GENERAL FUND

DEPARTMENT: PUBLIC WORKS - COMMUNITY DEVELOPMENT/PLANNING & ZONING

DIVISION / ACTIVITY: COMMUNITY DEVELOPMENT - FUND 01-013

EXPENDITURES	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATED	2014-15 BUDGET
Personnel				\$290,000	\$254,500	\$391,000
Supplies	This department functioned under			\$3,400	\$3,400	\$3,100
Maintenance	01-090 until FY2013-14			\$3,700	\$3,700	\$3,700
Contractual/Sundry				\$102,550	\$99,000	\$45,100
Capital Outlay				\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$399,650	\$360,600	\$442,900
PERSONNEL						
Planning & Zoning Manager				0.00	1.00	1.00
Building Official				0.25	0.25	0.25
Building Inspector	This department functioned under			1.00	1.00	1.00
Code Enforcement Officer/Engineer	01-090 until FY2013-14			0.25	0.25	0.25
Code Enforcement Officer				2.00	2.00	2.00
Planning/Development Specialist				0.00	1.00	1.00
Administrative Supervisor				0.25	0.00	0.00
Economic Development Coordinator				1.00	1.00	1.00
TOTAL	0.00	0.00	0.00	4.75	6.50	6.50
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Number of full time employees:						
Building Official			N/A	0.25	0.25	0.25
Building Inspector			N/A	1.00	1.00	1.00
Code Enforcement Officer/Engineering Inspector			N/A	0.25	0.25	0.25
Code Enforcement Officer			N/A	2.00	2.00	2.00
Output/ Workload			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Commercial plan reviews			N/A	22	22	12
Residential plan reviews			N/A	9	9	13
New single family permits			N/A	9	9	13
Single family additions/remodels			N/A	72	72	25
New commercial buildings			N/A	16	16	2
Commercial remodel			N/A	15	15	37
Rental registrations			N/A	1,000	1,000	855
Vacant structure registrations			N/A	62	62	111
Value of CIP/CDBG projects completed			N/A	\$3,000,000	\$2,647,763	\$2,929,926
Street overlays inspected			N/A	7	7	7
Request tracker complaints received			N/A	150	150	300
Court cases			N/A	200	185	113
Efficiency Measures / Impact			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
% of inspections responded to within 24 hours			N/A	96%	96%	98%
M & O percentage of City budget			N/A	1.32%	1.19%	1.07%
M & O budget per capital			N/A	\$16.31	\$14.72	\$18.08
Effectiveness Measures / Outcomes		Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
% - residential plans reviewed -7 working days		1, 3, 4, 5	N/A	100%	100%	100%
% - commercial plans reviewed -15 working days		1, 2, 3, 4, 5	N/A	99%	95%	95%

GENERAL FUND

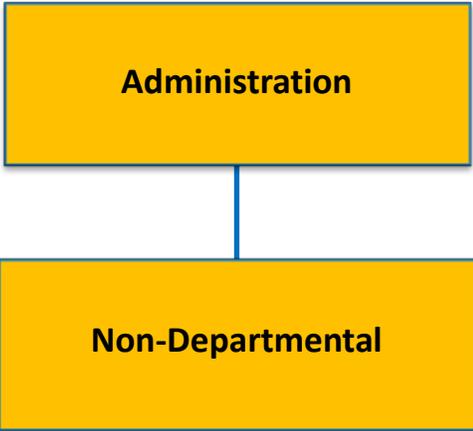
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: COMMUNITY DEVELOPMENT/ CODE ENFORCEMENT 01-013					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$92,000 \$9,000	New Manager Position Department Reorganization/TMRS Rate Increase
Increase Communications	Contractual/Sundry	FB		\$1,300	Additional Cell Stipend Needs
Increase Travel	Contractual/Sundry	FB		\$2,000	Increased Need
Decrease Training	Contractual/Sundry	FB		(\$1,000)	Budget Adjustment
Increase Family 4th Event	Contractual/Sundry	FB		\$10,000	Moved from 01-020 (non-departmental)
Decrease Revitalization	Contractual/Sundry	FB		(\$70,000)	Reallocation to Strategic Initiative Fund 13
Net Misc. Budget Changes	Various	FB		(\$50)	Misc. small dollar budget adjustments
TOTALS:			\$0	\$43,250	

\$43,250 NET INCREASE/DECREASE

Non-Departmental Fund 01-020



GENERAL FUND

DEPARTMENT: ADMINISTRATION

DIVISION / ACTIVITY: NON-DEPARTMENTAL – FUND 01-020

LOCATION:

7105 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5800

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.
Extended hours for meetings and elections.

MISSION / PROGRAMS / SERVICES:

Management has initiated programs to define the costs in this budget that may not be specifically identifiable to any operational budget.

Examples of costs here include:

- General liability insurance
- Attorney fees
- City-wide computer leases
- Copier costs
- Contingency
- Worker’s compensation
- Retirement costs

FY2013-14 HIGHLIGHTS / ACCOMPLISHMENTS:

- Funded the Northeast Tarrant Leadership Program with two participants.
- Funded Employee Appreciation Dinner.

FY2014-15 GOALS/ OBJECTIVES:

- Provide funding for the Equipment Replacement Program.
- Provide increased funding for the Employee Tuition Reimbursement Program.
- Provide funding for 2.5% Salary Increase.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

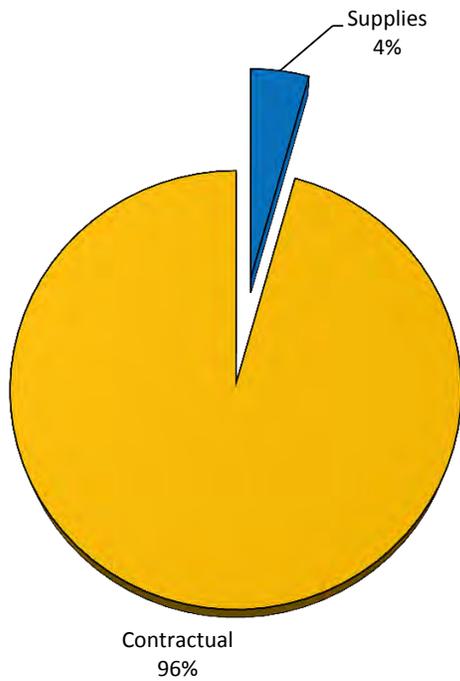
- It has been more difficult to control costs in this department as costs increases are realized annually for many line items such as City Attorney fees (due to increase of hours), unemployment, and worker’s compensation costs. The City will continue to look for ways to control costs.

GENERAL FUND

DEPARTMENT: ADMINISTRATION
DIVISION / ACTIVITY: NON-DEPARTMENTAL - FUND 01-020

EXPENDITURES	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATED	2014-15 BUDGET
Personnel	\$677,667	\$526,436	\$254,516	\$0	\$0	\$175,000
Supplies	\$30,149	\$36,750	\$35,061	\$40,500	\$38,500	\$40,500
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$868,776	\$920,118	\$896,509	\$847,300	\$844,500	\$895,400
Capital Outlay	\$0	\$199,921	\$0	\$0	\$0	\$0
TOTAL	\$1,576,592	\$1,683,225	\$1,186,086	\$887,800	\$883,000	\$1,110,900
PERSONNEL						
TOTAL	0	0	0	0	0	0

GENERAL FUND Non-Departmental 2014-15 Budget



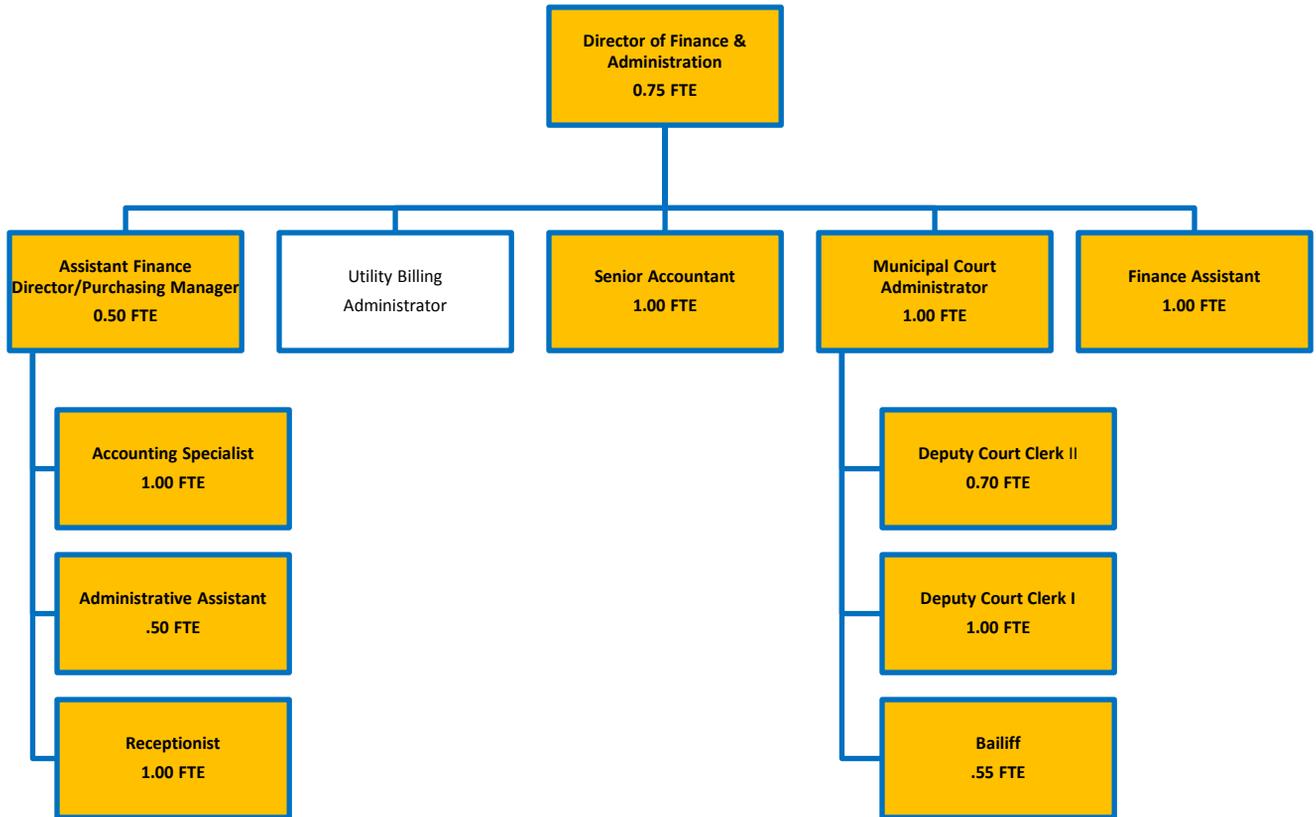
GENERAL FUND
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: NON DEPARTMENTAL 01-020					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Increase Personnel Services	Personnel Services	FB		\$175,000	2.5% Salary Increase
Decrease Rental of Equipment	Contractual/Sundry	FB		(\$20,000)	Adjustment
Decrease Special Services	Contractual/Sundry	FB		(\$34,400)	Adjustment in Various Services
Add line item ACA Mandate	Contractual/Sundry	FB		\$29,000	Affordable Care Act Mandate Fees
Increase Employee Tuition	Contractual/Sundry	FB		\$2,000	Increased Usage
Increase Payment to Internal Serv.	Contractual/Sundry	FB		\$43,000	Equipment Replacement Fund
Add line item Pymt. Intern. Svs Legacy	Contractual/Sundry	FB		\$20,000	Equipment Replacement Fund
Decrease Workers Compensation	Contractual/Sundry	FB		(\$5,000)	Adjustment - redistribution to other funds
Decrease Public Liability	Contractual/Sundry	FB		(\$5,000)	Adjustment
Increase Equip/Rolling Stock	Contractual/Sundry	FB		\$15,000	Adjustment - increased equipment value
Increase Unemployment Insurance	Contractual/Sundry	FB		\$17,000	Rate Increase Adjustment
Decrease Building Contents	Contractual/Sundry	FB		(\$5,000)	Rate Adjustment
Decrease Public Official Liability	Contractual/Sundry	FB		(\$3,000)	Rate Adjustment
Decrease Ambulance Services	Contractual/Sundry	FB		(\$8,000)	Decreased Rate
Increase Arts Program	Contractual/Sundry	FB		\$2,000	Adjustment
Net Misc. Budget Changes	Various	FB		\$500	Misc. small dollar budget adjustments
TOTALS:			\$0	\$223,100	

\$223,100 NET INCREASE/DECREASE

Finance and Administration Fund 01-040



GENERAL FUND

DEPARTMENT: FINANCE AND ADMINISTRATION

DIVISION / ACTIVITY: FINANCE / ACCOUNTING / COURT SERVICES / PURCHASING / ADMINISTRATION - FUND 01-040

LOCATION:

7105 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5800

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

- Finance and Administration is responsible for providing accurate and timely financial data to management and council to facilitate the financial decision making process.
- This division is accountable for establishing, monitoring and updating the City’s fiscal policies to ensure they are both responsive in the current environment and fiscally responsible.
- Responsible for planning, collecting, recording, summarizing and reporting the results of all financial transactions of the City in a timely manner and in accordance with generally accepted accounting principles, ensuring compliance with applicable state and federal statutes, bond covenants, grant contracts, and management policies.
- The purchasing area ensures that all purchases are in accordance with state laws. Responsible for obtaining the best value consistent with delivery terms. We strive to foster an understanding and appreciation of sound purchasing policy and procedures throughout all departments of the City.
- The City of Watauga Municipal Court serves as the administrative arm of the City as an unbiased entity for the adjudication of cases filed. It is our goal to serve the citizens who appear in Court with a courteous and assuring attitude. The Court will process complaints in an accurate and timely manner, courteously responding to requests for information from the public, efficiently docket cases for adjudication, and responsibly collect assessed fines and fees.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Received the Distinguished Budget Award and Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).
- Met all continuing education requirements for staff.
- Received no management comments for Fiscal Year 2013-14 from external auditors.
- Continued cross-training of finance, court and utilities staff.
- Continued expansion of the Purchasing Card Program.

FY2014-2015 GOALS/ OBJECTIVES:

- Apply for Texas Comptroller Leadership Circle to increase governmental transparency.
- Produce Popular Annual Financial Report and post on website for increased communication to citizens.
- Increase Customer service training opportunities for our Staff.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Increasing costs.

GENERAL FUND

DEPARTMENT: FINANCE AND ADMINISTRATION
DIVISION / ACTIVITY: FINANCE / ACCOUNTING / COURT SERVICES / PURCHASING / ADMINISTRATION - FUND 01-040

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$461,409	\$500,169	\$532,813	\$550,200	\$538,300	\$534,000
Supplies	\$4,534	\$4,869	\$4,839	\$5,700	\$5,800	\$5,900
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$157,150	\$154,573	\$153,177	\$166,900	\$169,900	\$167,900
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$623,093	\$659,611	\$690,829	\$722,800	\$714,000	\$707,800

PERSONNEL						
Director of Finance / Admin	0.75	0.75	0.75	0.75	0.75	0.75
Asst. Finance Director / Purch.	0.50	0.50	0.50	0.50	0.50	0.50
Purchasing Agent	1.00	1.00	1.00	0.00	0.00	0.00
Senior Accountant	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Court Clerk I	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Court Clerk II / JCM	1.00	1.00	0.75	0.75	0.75	0.70
Receptionist	0.00	0.00	0.00	1.00	1.00	1.00
Bailiff	0.00	0.00	0.00	0.00	0.00	0.55
Administrative Assistant	0.00	0.00	0.00	1.50	0.50	0.50
Finance Assistant	0.75	0.75	0.75	1.00	1.00	1.00
TOTAL	8.00	8.00	7.75	9.50	8.50	9.00

PERFORMANCE MEASURES / SERVICE LEVELS

<i>Input / Demand</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Number of citations entered annually	6,788	6,800	6,900	7,800
Number of contested cases set for trial	514	500	600	625
Number of warrants issued	3,034	3,350	2,500	2,900
Number of manual journal entries processed	1,040	1,045	1,045	1,045

<i>Output/Workload</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Cases disposed	2,799	7,500	4,665	5,000
Warrants cleared	2,834	3,500	2,450	3,000
Number of quotes, bids, qualifications prepared	50	60	50	50
Number of purchase orders issued	2,696	3,200	2,700	2,500
Number of newcomer packets compiled	780	800	800	800
Number of accounts payable checks issued	7,320	5,000	7,500	7,500
Number of employee direct deposits processed	4,956	7,200	7,000	7,000

<i>Efficiency Measures / Impact</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O budget per capita	\$29.40	\$29.50	\$29.14	\$28.89
M & O budget percentage of City budget	1.74%	2.39%	2.36%	1.71%
Average number of business days to close month	5	5	4	4
Average citations processed per court clerk FTE - per month	189	190	180	185
Number of audit adjustments	7	5	5	5

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
% citations entered within 24 hrs. of court filing	1, 3, 4	90%	100%	90%	90%
% newcomer packets updated - 3 days of changes	1, 3, 5	100%	100%	100%	100%
% contested hearings set for trial w/n 60 of request	1, 3, 4	90%	90%	90%	90%
% case notifications at least 3 wks prior to trial	1, 3, 4	100%	100%	100%	100%
Ratio correcting JEs to total entries made annually	1, 4	1%	1%	1%	1%
% disbursement checks voided due to errors	4	5%	3%	2%	2%
% GL reconciliations completed w/n 7 days of month	1, 4	95%	95%	96%	97%
Certificate of Achievement- Excellence Fin. Reporting	4	yes	yes	yes	yes
Receive GFOA Budget Award	4	yes	yes	yes	yes

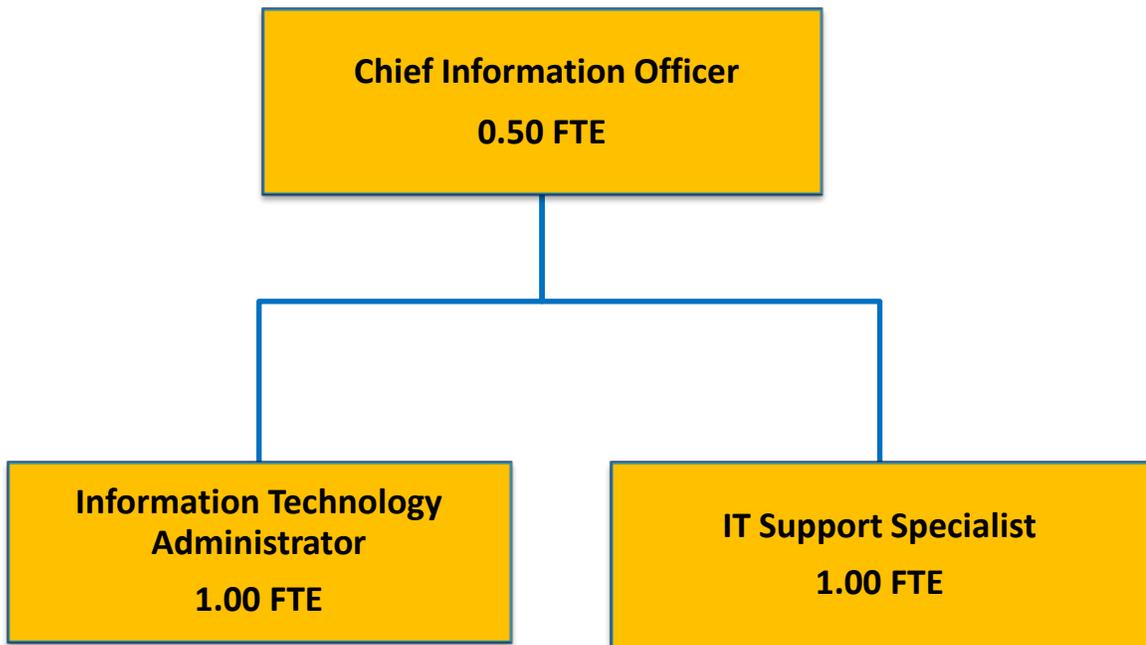
GENERAL FUND
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: FINANCE/ADMINISTRATION 01-040					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$5,700 (\$1,400)	TMRS Rate Increase/Longevity Insurance Savings
				\$22,500 (\$43,000)	Adjust Bailiff Salary & to Full Time Position Unfunded Position Savings
Net Misc. Budget Changes	Various	FB		\$1,200	Misc. small dollar budget adjustments
TOTALS:			\$0	(\$15,000)	

(\$15,000) NET INCREASE/DECREASE

Information Technology Fund 01-050



GENERAL FUND

DEPARTMENT: ADMINISTRATION

DIVISION / ACTIVITY: INFORMATION TECHNOLOGY – FUND 01-050

LOCATION:

7105 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5800

HOURS OF OPERATION:

Monday – Friday 7:00 A.M. – 5:00 P.M.
Continuous on-call service.

MISSION / PROGRAMS / SERVICES:

Mission: To provide for the operations and development of the City through the implementation and support of cost effective technologies which enhance the efficiencies of City staff while facilitating effective information flow between the City and its citizens.

Programs and Services:

- Networking, Hardware and Software, Telecommunications, Web Site, Cable Channel, Audio/Video, Building Security and Technical Support and Public Information.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Maintained 99% system-wide uptime and performed weekly server maintenance.
- Completed Public Works and Recreation Software Implementation.
- Implemented new Information Technology Help Desk.
- Audited all Hardware and Software and documented all servers for Disaster Recovery.
- Revised and Re-submitted Criminal Justice Information System Packet to the State.
- Added CJIS access to Courts.
- Completed Implementation of private City Wi-Fi in all City buildings.
- Performed User Personal Folder Cleanup to address storage and legal issues with inappropriate files.
- Implemented TxDot Crash Interface.
- Filmed and streamed all Council, Board and Committee Meetings.
- Replaced the Security System at the Water Tower and reprogrammed gate codes.
- Developed a database of all security codes for each building alarm and doors.
- Expanded video production including a Watauga Promotional video, Code Enforcement Video and other departmental informational videos.
- Implemented Report a Concern Line and MyGov Web Interface.
- Converted 252 Council Meetings on VHS to DVD.
- Closed 2,750 requests for service.
- Significantly enhanced the content of the City's Facebook and Twitter feeds.
- Continued to monitor, maintain and revise the City web site as requested.
- Provided PIO services including news releases, pictures and updates for Council.

FY2014-2015 GOALS/ OBJECTIVES:

- Improve City to citizen communication, City newsletter and overall City image.
- Continue to improve the City's Social Media Feeds.
- Produce more video productions.
- Replace Workstation and Server Hardware.
- Replace Firewalls for CJIS compliance.
- Implement agenda creation software.
- Improve internal procedures.
- Provide training classes for Council and Staff.
- Audit and revise City web site for usability and information flow.
- Reduce printers, usage and costs.
- Reevaluate current security solutions including anti-virus and SPAM filters.
- Maintain high level of support service while controlling costs.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- PBX Maintenance begins for years 3-5.
- Necessary Hardware replacements for CJIS Security compliance.
- Necessary Server Replacement.
- Proposed Workstation Replacements.
- Agenda Creation and Board Meeting Management.

GENERAL FUND

DEPARTMENT: ADMINISTRATION
DIVISION / ACTIVITY: INFORMATION TECHNOLOGY - FUND 01-050

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$111,480	\$161,379	\$174,418	\$179,100	\$177,900	\$179,500
Supplies	\$36,200	\$34,586	\$42,077	\$42,500	\$42,565	\$43,600
Maintenance	\$63,972	\$62,266	\$81,663	\$122,250	\$121,300	\$121,300
Contractual/Sundry	\$7,269	\$26,440	\$27,529	\$27,250	\$27,700	\$28,100
Capital Outlay	\$10,412	\$0	\$2,775	\$0	\$0	\$0
TOTAL	\$229,333	\$284,671	\$328,462	\$371,100	\$369,465	\$372,500

PERSONNEL						
Chief Information Officer	0.50	0.50	0.50	0.50	0.50	0.50
IT Administrator	1.00	1.00	1.00	1.00	1.00	1.00
IT Support Specialist	0.00	0.00	0.00	1.00	1.00	1.00
TOTAL	1.50	1.50	1.50	2.50	2.50	2.50

PERFORMANCE MEASURES / SERVICE LEVELS

<i>Input / Demand</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
PC workstations	165	165	165	143
LAN servers	24	24	24	43
Printers	80	80	80	80
Laptops	52	52	52	26
Digital signage or conference displays	10	10	10	10
Audio / video systems	3	3	3	3
Smart boards	3	3	3	3
PBX switches	1	1	1	1
Telephones	122	122	122	122

<i>Output / Workload</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Number of help desk calls	732	850	3,100	3,300
Number of other service calls	1,188	1,200	1,300	1,300

<i>Efficiency Measures / Impact</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O budget per Capita	\$13.98	\$15	\$15.08	\$15.20
M & O budget percentage of city budget	0.83%	1.23%	1.22%	0.90%

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Survey satisfaction rate	1, 3, 4, 5	90%	95%	95%	95%
Problem resolution / repair of systems:	1, 3, 4, 5				
% completed within 1 business day	1, 3, 4, 5	90%	95%	90%	90%
% completed in more than 1 business day	1, 3, 4, 5	10%	5%	10%	10%
% priority service calls closed within 4 hrs	1, 3, 4, 5	98%	98%	99%	99%
Public safety dispatch system up time	1, 3, 4, 5	99%	99%	99%	99%
Computer systems & networks up time	1, 3, 4, 5	99%	99%	99%	99%

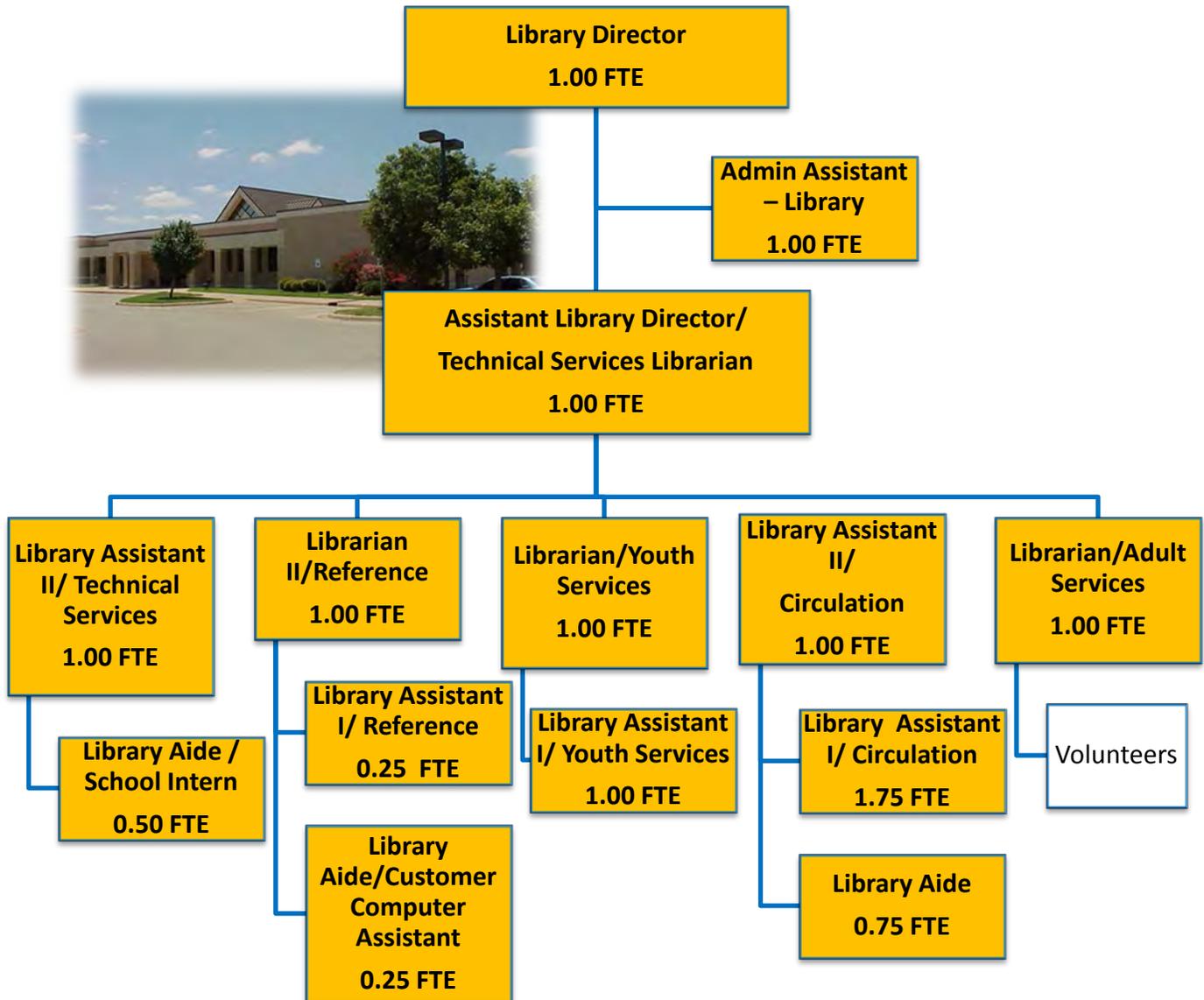
GENERAL FUND
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: INFORMATION TECHNOLOGY 01-050					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		(\$1,200) (\$200) \$1,800	Decrease Overtime Insurance Savings TMRS Rate Increase/Longevity
Net Misc. Budget Changes	Various	FB		\$1,000	Misc. small dollar budget adjustments
TOTALS:			\$0	\$1,400	

\$1,400 NET INCREASE/DECREASE

Library Fund 01-060



GENERAL FUND

DEPARTMENT: LIBRARY
DIVISION / ACTIVITY: LIBRARY SERVICES – FUND 01-060

LOCATION: 7109 Whitley Road Watauga, Texas 76148 Phone Number: 817-514-5855	HOURS OF OPERATION: Monday & Thursday Tuesday, Wednesday & Friday Saturday	12:00 P.M. – 8:00 P.M. 10:00 A.M. – 6:00 P.M. 12:00 P.M. – 4:00 P.M.
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MISSION / PROGRAMS / SERVICES:

The Watauga Public Library is committed to enriching the community through full access to informational, educational, cultural, recreational, and lifelong learning materials in a variety of formats. The Library anticipates and responds to the library needs of the community and offers a variety of programs and services in a professional, efficient, caring, and friendly manner. The four core purposes of public libraries are: 1) Learning, 2) Literacy, 3) Community Spaces, and 4) Information.

- FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:**
- Received the Texas Municipal Library Directors Association 2013 “Achievement of Excellence Award”.
 - Added Bridge Club and Crochet/Knitting Club at the request of citizens.
 - Added a morning Conversational English as a Second Language (ESL) class.
 - Added Simple Friends Social Group at request of citizens.
 - Approval of City Council & Library Board for Watauga Public Library Circulation Policy (revised).
 - Approval of City Council & Library Board for Watauga Public Library Exhibit/Display Policy (revised).
 - Assisted 26 local families via Annual Holiday Food Drive, cosponsored by the Friends of the Watauga Public Library.
 - Awarded Target Family Art Series Grant, “Leave a Legacy at the Library” (\$2,000).
 - Celebrated the fourth year of GED classes in cooperation with FWISD.
 - Completed 2014-2018 Long Range Plan for the Texas State Library.
 - Conducted four off site Library Card Sign-Up Events.
 - Held the third Watauga Winter Read Program.
 - Hosted the first Library Mystery Event and the first Star Wars Day Event.
 - Hosted the third National Pokémon Tournament.
 - Hosted second World Book Night Event.
 - Hosted three Volunteer Appreciation events.
 - Established the first Little Free Library in Watauga in cooperation with Parks and Recreation Department.
 - Majority of Library Staff participated in Conflict Resolution Training Session.
 - Presented the sixth Annual Art Show by the Watauga Middle School.
 - Presented the seventh Annual Costume Creation Workshop.
 - Presented the twelfth Annual “Wake Up the Walls!” Community Art Show and Contest.
 - Presented Bi-lingual (Spanish/English) Story Time for children once a month.
 - Presented Sertoma Club of Watauga lecture series.
 - Provided a series of beading classes to patrons.
 - Provided a community wide holiday event in December to an overflow crowd.
 - Provided space for the monthly WizArt class.
 - Provided Pokémon League with meeting space for the fifth year.

GENERAL FUND

DEPARTMENT: LIBRARY

DIVISION / ACTIVITY: LIBRARY SERVICES – FUND 01-060

LOCATION:

7109 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5855

HOURS OF OPERATION:

Monday & Thursday	12:00 P.M. – 8:00 P.M.
Tuesday, Wednesday & Friday	10:00 A.M. – 6:00 P.M.
Saturday	12:00 P.M. – 4:00 P.M.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS (continued):

- Provided Quilting class to the public.
- Provided a series of Scrap-Booking classes to customers.
- Provided space and staff for two Adult Writers Workshops.
- Provided space and volunteer staff for Citizenship Class.
- Provided space and volunteer staff for Basic Computer Classes.
- Provided space and volunteer staff for English as a Second Language (ESL) classes and tutors.
- Provided space and volunteer staff for Homework Help Center (HHC).
- Provided Ventures (ESL) Tutor Training workshops.
- Successful Adult Volunteer Program
- Successful Teen Volunteer Program.
- Supported established adult programs (Quilting, Thursday Night Book Club, Adult Chess Group).
- Supported established youth programs (Chess Club, Yu-Gi-Oh, Story Times, Pokémon).
- Supported outreach efforts to Park Vista Townhomes After School Program.
- Updated “Assessment of Watauga Public Library” in-house document.

FY2014-2015 GOALS/ OBJECTIVES:

- Select the best materials to meet the informational and recreational needs of users.
- Expand and adapt to information diversity.
- Catalog and make materials available quickly.
- Re-shelve materials promptly to maximize their use.
- Continually weed the collection to keep it up-to-date.
- Provide a variety of quality programs and other services through visits to local schools, and also via Library and City newsletters, the City and Library website, appropriate social media, as well as other web sites, and in-house publications, brochures, and signage.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Keeping up with the increasing Library usage demand with limited resources.
- Possible state funding elimination of the TexShare databases that is utilized for patron use.

GENERAL FUND

DEPARTMENT: LIBRARY							
DIVISION / ACTIVITY: LIBRARY SERVICES - FUND 01-060							
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET	
Personnel	\$589,415	\$581,596	\$570,562	\$607,300	\$607,300	\$598,500	
Supplies	\$125,493	\$123,962	\$129,994	\$137,675	\$137,675	\$140,800	
Maintenance	\$9,256	\$9,550	\$15,753	\$19,092	\$21,492	\$19,200	
Contractual/Sundry	\$58,709	\$69,306	\$77,197	\$94,120	\$91,720	\$92,100	
Capital Outlay	\$3,170	\$71,138	\$56	\$0	\$0	\$0	
TOTAL	\$786,043	\$855,552	\$793,562	\$858,187	\$852,900	\$850,600	
PERSONNEL							
Library Director	1.00	1.00	1.00	1.00	1.00	1.00	
Asst. Director / Tech. Services	0.00	0.00	0.00	1.00	1.00	1.00	
Administrative Assistant - Library	0.00	0.00	0.00	0.00	0.00	1.00	
Librarian / Tech. Services	1.00	1.00	1.00	0.00	0.00	0.00	
Librarian - Adult Services	1.00	1.00	1.00	1.00	1.00	1.00	
Librarian - Youth Services	1.00	1.00	1.00	1.00	1.00	1.00	
Librarian II - Reference	1.00	1.00	1.00	1.00	1.00	1.00	
Library Asst. I - Youth Services	1.00	1.00	1.00	1.00	1.00	1.00	
Library Asst. II - Circulation	1.00	1.00	1.00	1.00	1.00	1.00	
Library Asst. II - Tech. Services	1.00	1.00	1.00	1.00	1.00	1.00	
Library Asst. I (7 perm. part-time)	3.50	3.50	3.50	3.50	3.00	2.00	
Temp. Help /Library Aide (4)	1.00	1.00	1.00	1.00	1.00	1.00	
Part Time School Intern	0.25	0.25	0.25	0.50	0.50	0.50	
TOTAL	12.75	12.75	12.75	13.00	12.50	12.50	
PERFORMANCE MEASURES / SERVICE LEVELS							
Input / Demand			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15	
Registered borrowers			17,202	17,549	17,400	17,500	
Current holdings			99,833	99,861	105,833	111,833	
Total library visits			122,614	142,000	123,500	125,000	
ESL students enrolled			96	41	90	85	
GED students enrolled			52	70	52	60	
Summer Reading Club participants			3,562	4,100	3,690	3,800	
Volunteer hours			4,838	5,200	4,800	5,000	
Output/Workload			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15	
Items circulated			385,094	425,800	388,610	392,000	
Items added			11,103	9,500	10,459	10,700	
Items withdrawn			3,538	4,890	3,461	3,500	
Effectiveness Measures / Impact			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15	
Circ per capita			16.39	16.39	16.54	16.68	
Collection turnover rate			3.86%	4.26%	3.67%	3.51%	
Materials expenditure per capita			\$6.95	\$6.95	\$7.07	\$7.07	
Reference transactions per capita			1.31%	1.45%	1.38%	1.30%	
Program attendance per capita			1.04%	1.15%	1.10%	1.25%	
Library visits per capita			5.79%	6.04%	6.00%	6.00%	
M & O percentage of city budget			2.00%	2.84%	2.82%	2.06%	
M & O budget per capita			\$33.77	\$35.03	\$34.81	\$34.72	
Effectiveness Measures / Outcomes			Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Annual library visits per capita			1, 3, 4, 5	5	6	5	5
Annual library visits per registered borrower			1, 3, 4, 5	7	8	7	7
% of population who are registered borrower			1, 3, 4, 5	73%	75%	74%	74%

GENERAL FUND

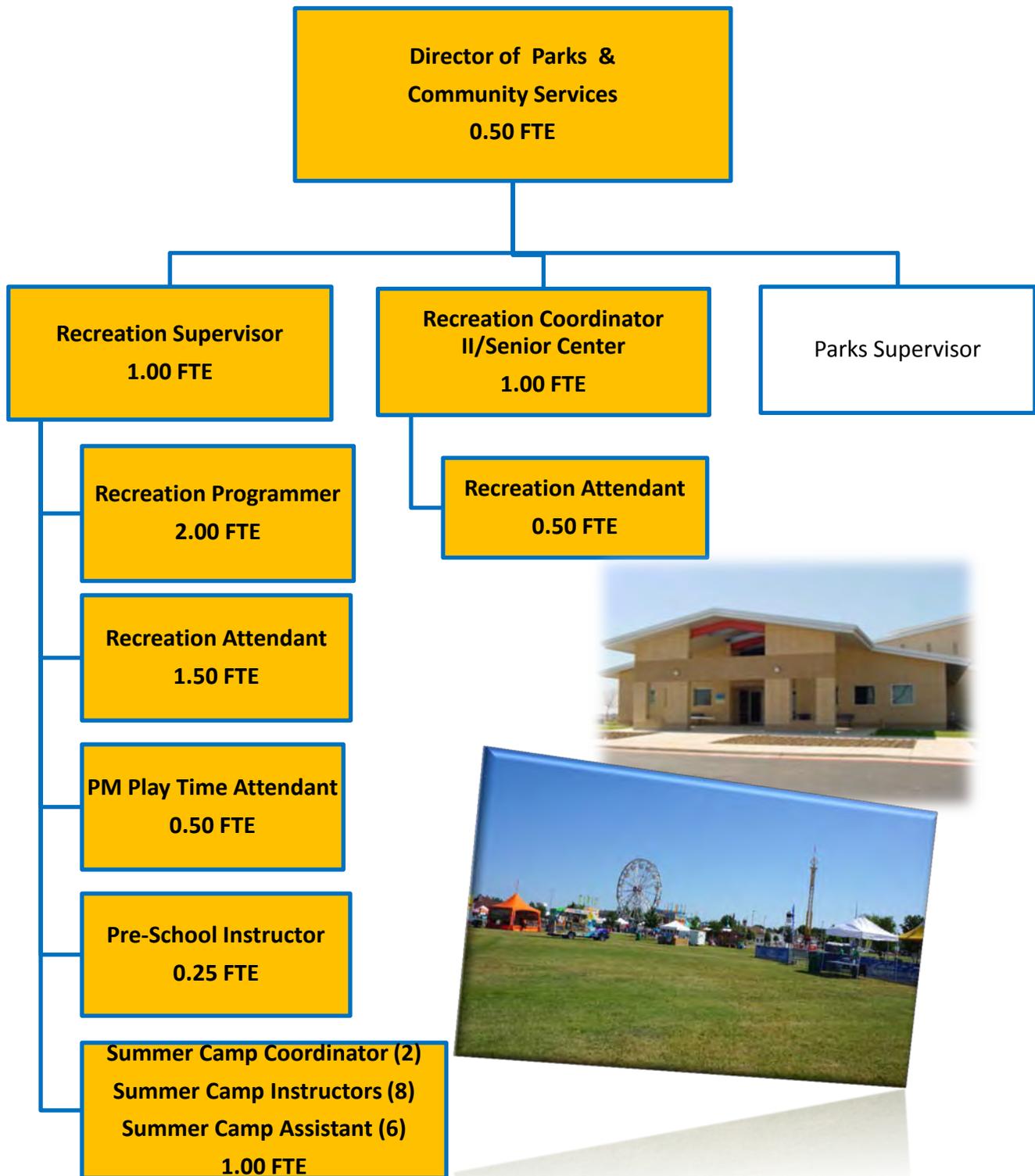
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: LIBRARY SERVICES 01-060					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		(\$11,900) \$2,500 (\$1,300) \$1,900	Staff Turnover Adjustments Position Adjustment - Approved New Expanded Insurance Savings TMRS Rate Increase/Longevity
Increase Publications	Supplies	FB		\$3,000	Increase Approved New & Expanded
Decrease Dues & Subscriptions	Contractual/Sundry	FB		(\$2,580)	Allowance for Personnel Adjustment
Net Misc. Budget Changes	Various	FB		\$793	Misc. small dollar budget adjustments
TOTALS:			\$0	(\$7,587)	

(\$7,587) NET INCREASE/DECREASE

Recreation & Community Services Fund 01-070



GENERAL FUND

DEPARTMENT: RECREATION & COMMUNITY SERVICES

DIVISION / ACTIVITY: RECREATION & COMMUNITY SERVICES – FUND 01-070

LOCATION:

7901 Indian Springs Road
Watauga, Texas 76148
Phone Number: 817-514-5803

HOURS OF OPERATION:

Monday – Thursday 6:00 A.M. – 9:00 P.M.
Friday- 6:00 A.M. - 5:00 P.M.
Saturday 8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

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 interaction. Our vision is to enhance the quality of life, awareness of services and the public perception as it relates to our residents from a recreational and community services standpoint.

- Health and Fitness programs for senior adults, youth and adults.
- Daily Meals provided for senior adults.
- Youth and adult athletic programs.
- Fine Art programs.
- Summer camps.
- Special events.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Summer track and field program participation increased from 75 to 92 participants.
- Increased men’s basketball leagues to a total of three throughout the year.
- Increased participation in Fit Pass program by 12%.
- Record number of participants at Watauga Fest 2014 with an estimated 20,000+ in attendance.

FY2014-2015 GOALS/ OBJECTIVES:

- Continue to work toward achieving the NRPA “Gold Member City” award.
- Implement the Rec Pro Software program.
- Strive to meet the standards of Keep Texas Beautiful and those of the North East Environmental Team.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

Replacement of aging cardio equipment for the recreation center.

GENERAL FUND

DEPARTMENT: RECREATION & COMMUNITY SERVICES
DIVISION / ACTIVITY: RECREATION & COMMUNITY SERVICES - FUND 01-070

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$438,066	\$471,338	\$474,237	\$452,200	\$441,200	\$419,500
Supplies	\$46,408	\$31,210	\$39,019	\$37,050	\$34,050	\$34,100
Maintenance	\$3,217	\$4,501	\$4,708	\$4,250	\$3,500	\$4,000
Contractual/Sundry	\$94,626	\$90,299	\$97,601	\$108,500	\$100,500	\$113,500
Capital Outlay	\$0	\$45,747	\$4,165	\$0	\$0	\$0
TOTAL	\$582,317	\$643,095	\$619,730	\$602,000	\$579,250	\$571,100

PERSONNEL						
Rec & Comm Service Director	0.50	0.50	0.50	0.50	0.50	0.50
Recreation Programmer	2.00	2.00	2.00	2.00	1.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	0.00	0.00
Recreation Coordinator II	1.00	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator III	1.00	1.00	1.00	0.00	1.00	0.00
Recreation Supervisor	0.00	0.00	0.00	1.00	1.00	1.00
Recreation Specialist	0.00	0.00	0.00	1.00	0.00	0.00
Perm. Part-time Rec Attendant (5)	3.00	3.00	3.00	2.00	2.50	2.50
Pre-school Instructors (2 Temp.)	1.00	1.00	1.00	0.75	0.75	0.75
Summer Rec Coordinator (2-T/S)	0.25	0.25	0.25	0.25	0.25	0.25
Summer Rec Instructors (8-T/S)	0.50	0.50	0.50	0.50	0.50	0.50
Summer Rec Assts. (5-T/S)	0.25	0.25	0.25	0.25	0.25	0.25
TOTAL	10.50	10.50	10.50	10.25	8.75	8.75

PERFORMANCE MEASURES / SERVICE LEVELS

Input / Demand	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Number of health and fitness programs	18	21	25	25
Number of fine arts programs	31	35	35	35
Number of athletic teams	110	118	118	120

Output / Workload	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Number of new memberships processed	600	600	640	640

Efficiency Measures / Impact	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
M & O budget per capita	\$26.37	\$24.57	\$23.64	\$23.31
M & O budget percentage of city budget	1.56%	1.99%	1.91%	1.38%

Effectiveness Measures / Outcomes	Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
% program attendance increase	1, 3, 4, 5	2%	5%	5%	5%
Number of active members	1, 3, 4, 5	1,213	1,200	1,180	1,200

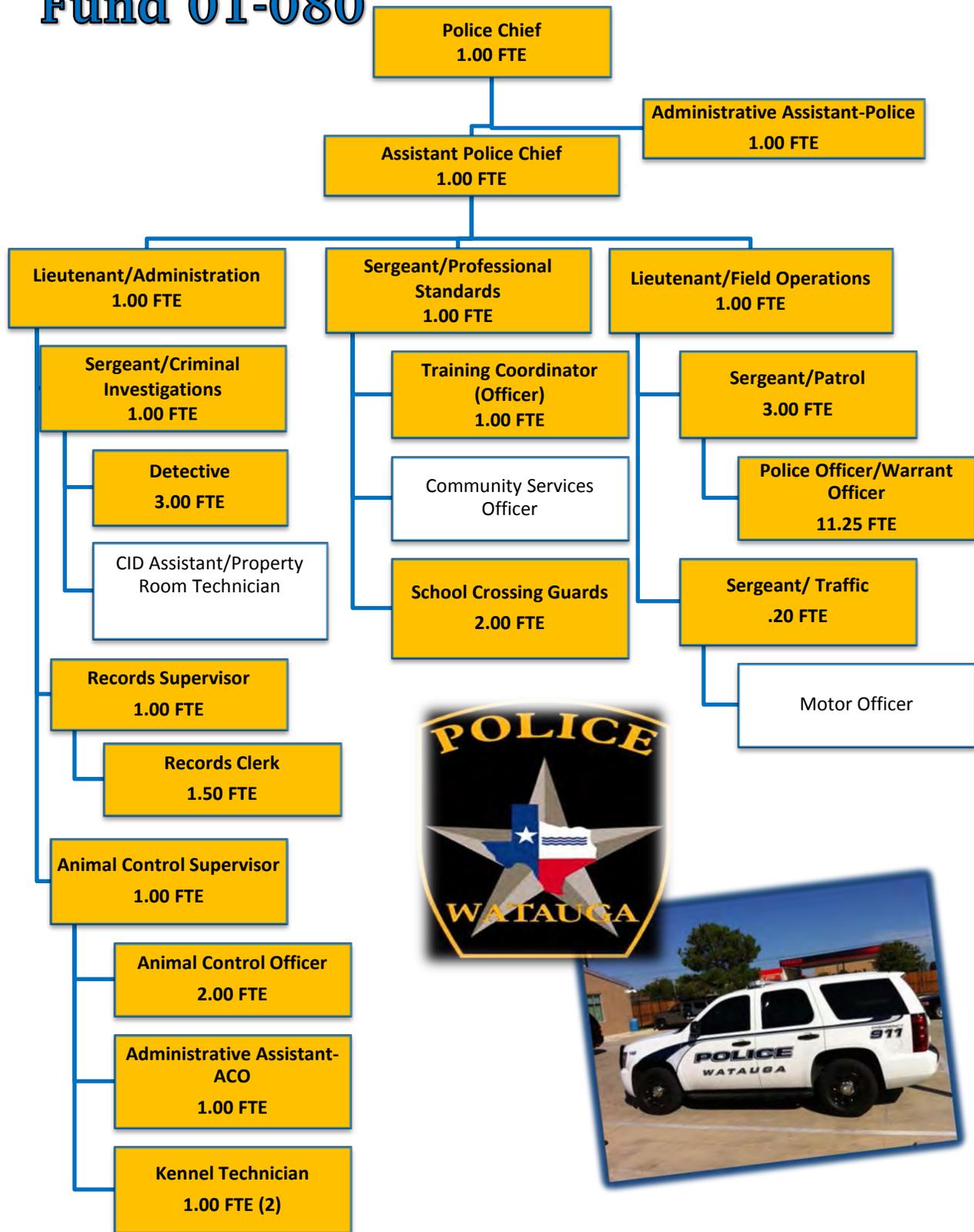
GENERAL FUND
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: RECREATION & COMMUNITY SERVICES 01-070					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$1,200 (\$1,000) (\$32,900)	TMRS Rate Increase/Longevity Insurance Savings Savings from Unfunded Positions/Reorganization
Awards/Recognitions	Supplies	FB		(\$3,000)	Historical Usage Adjustment
Increase Advertising	Contractual/Sundry	FB		\$3,000	Funded New & Expanded
Increase Contract Instructors	Contractual/Sundry	FB		\$5,000	Funded New & Expanded
AthleticContractor Services	Contractual/Sundry	FB		(\$4,000)	Historical Usage Adjustment
Net Misc. Budget Changes	Various	FB		\$800	Misc. small dollar budget adjustments
TOTALS:			\$0	(\$30,900)	

(\$30,900) NET INCREASE/DECREASE

Police Department Fund 01-080



GENERAL FUND

DEPARTMENT: POLICE

DIVISION / ACTIVITY: POLICE DIVISION – FUND 01-080

LOCATION:

7101 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5870

HOURS OF OPERATION:

24 hours / 365 days

MISSION / PROGRAMS / SERVICES:

The mission of the Watauga Police Department is to provide the highest quality police services while safeguarding individual liberties and building positive community relationships. Our mandate is to reduce both crime and the fear of crime through training, technology and the implementation of the most modern and progressive resources available. The Watauga Police Department is responsible for all crime prevention, crime reports, crime investigations, traffic law enforcement, professional standards and animal services.

The goal of animal services is to protect the health and safety of both humans and animals. Animal services' promotes the humane treatment of animals, encourages responsible pet ownership and aims to provide both professional and reliable services for the citizens and animals of Watauga.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Began working on Texas Police Chiefs Recognition Program.
- Maintain COPS program with over 100 volunteer hours per month (15-20 regular volunteers).
- Hosted Police specific Town Hall meetings.
- Began Professional Standards Unit (IA Pro) and Lexipol (Policy and Procedures).
- K-9 Program.
- Bike Patrol.
- Implemented leadership and executive training implemented for Sergeants and above.
- Crime Victim Liaison (2).
- Chaplain Program.
- Updated facility security.
- Biannual police employee meetings.
- Implemented a new software accounting system for Animal Services.
- Implemented citizen recognition program (coins).
- Safely housed approximately 40 – 50 animals within the animal shelter.

FY2014-2015 GOALS/ OBJECTIVES:

Complete TPCA recognition program, develop a strategic plan for long and short term goals. Host more TCOLE classes to reduce cost of training. Continue to develop staff as future leaders of our department. Career development for individual employees. Build a network of neighborhood watch groups via technology and social media and enhance the National Night Out program to support our community policing efforts. Participate in the Tip 411 Program. Continue to promote and encourage responsible pet ownership.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

Staffing levels continue to be an issue for our department due to Military leave, injuries and having fewer officers.

GENERAL FUND

DEPARTMENT: POLICE						
DIVISION / ACTIVITY: POLICE DIVISION - FUND 01-080						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$3,101,216	\$2,976,225	\$2,523,591	\$2,499,700	\$2,498,500	\$2,587,000
Supplies	\$23,920	\$29,399	\$24,855	\$37,500	\$33,000	\$35,000
Maintenance	\$0	\$375	\$0	\$4,300	\$3,000	\$3,000
Contractual/Sundry	\$2,530	\$3,615	\$406,541	\$423,650	\$424,350	\$457,500
Capital Outlay	\$0	\$7,488	\$3,312	\$0	\$0	\$0
TOTAL	\$3,127,666	\$3,017,102	\$2,958,299	\$2,965,150	\$2,958,850	\$3,082,500
PERSONNEL						
Police Chief	1.00	1.00	1.00	1.00	1.00	1.00
Asst. Chief	0.00	0.00	0.00	1.00	1.00	1.00
Lieutenant	2.00	2.00	2.00	2.00	2.00	2.00
Lieutenant / Warrant Officer	0.00	0.00	1.00	0.00	0.00	0.00
Warrant Officer	1.00	1.00	0.00	1.00	1.00	1.00
Sergeant	5.00	5.00	4.00	5.00	5.00	5.20
Records Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Communications Supervisor	1.00	1.00	1.00	0.00	0.00	0.00
Training Coordinator - Officer	1.00	1.00	1.00	1.00	1.00	1.00
Police Officer	12.00	12.00	11.00	11.00	10.00	10.00
Detective	5.00	5.00	5.00	4.00	3.00	3.00
Jailer	4.00	4.00	5.00	0.00	0.00	0.00
Animal Control Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Animal Control Officer	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Asst. Animal Control	1.50	1.50	1.00	1.00	1.00	1.00
Records Data Entry Clerk	1.50	1.50	1.50	1.50	1.50	1.50
Communications/Dispatcher	6.00	6.00	6.00	0.00	0.00	0.00
School Crossing Guards (14)	2.00	2.00	2.00	2.00	2.00	2.00
Dispatcher (PT/Temporary)	0.75	0.75	0.75	0.00	0.00	0.00
Kennel Technician (2 Part-time)	1.00	1.00	1.00	1.00	1.00	1.00
Evidence Clerk (Part-time)	0.00	0.00	0.00	0.00	0.00	0.00
Police Officer (PT/Temporary)	0.00	0.00	0.50	0.25	0.25	0.25
TOTAL	49.75	49.75	48.75	36.75	34.75	34.95
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Total calls for service - priority one			435	700	320	378
Total calls for service - priority two			2,197	2,500	2,104	2,149
Total calls for service - priority three			2,523	2,300	1,320	1,922
Uniform crime reporting incidents - violent			243	45	228	236
Uniform crime reporting incidents - property			499	567	403	451
Traffic collisions - non injury			62	81	64	63
Traffic collisions - injury			86	77	60	73
Traffic collisions - fatality			0	1	0	0
Number of Sworn Officers			25.50	26.25	24.25	24.45
Efficiency Measures / Impact			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
M & O budget per capita			\$125.90	\$121.03	\$120.77	\$125.82
M & O budget percentage of city budget			7.45%	9.80%	9.78%	7.45%
Number of sworn officers per 1000			0.0011	0.0010	0.0010	0.0010
Effectiveness Measures / Outcomes		Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Response time-calls for service-priority one (min.)		1, 3, 4, 5	5:48	6	6:14	5:45
Response time-calls for service-priority two (min.)		1, 3, 4, 5	7:14	7	6:43	7:00
Response time-calls for service-priority three (min.)		1, 3, 4, 5	15:22	15	9:32	12:30
Municipal citations issued		1, 3, 4, 5	6,338	8,700	6,446	6,500
DWI enforcement arrests		1, 3, 4, 5	57	40	48	50
Animal Control - animals confined		1, 2, 3, 4, 5	748	1,069	570	650
Animal Control - animal licenses issued		1, 2, 3, 4, 5	320	385	438	450

GENERAL FUND

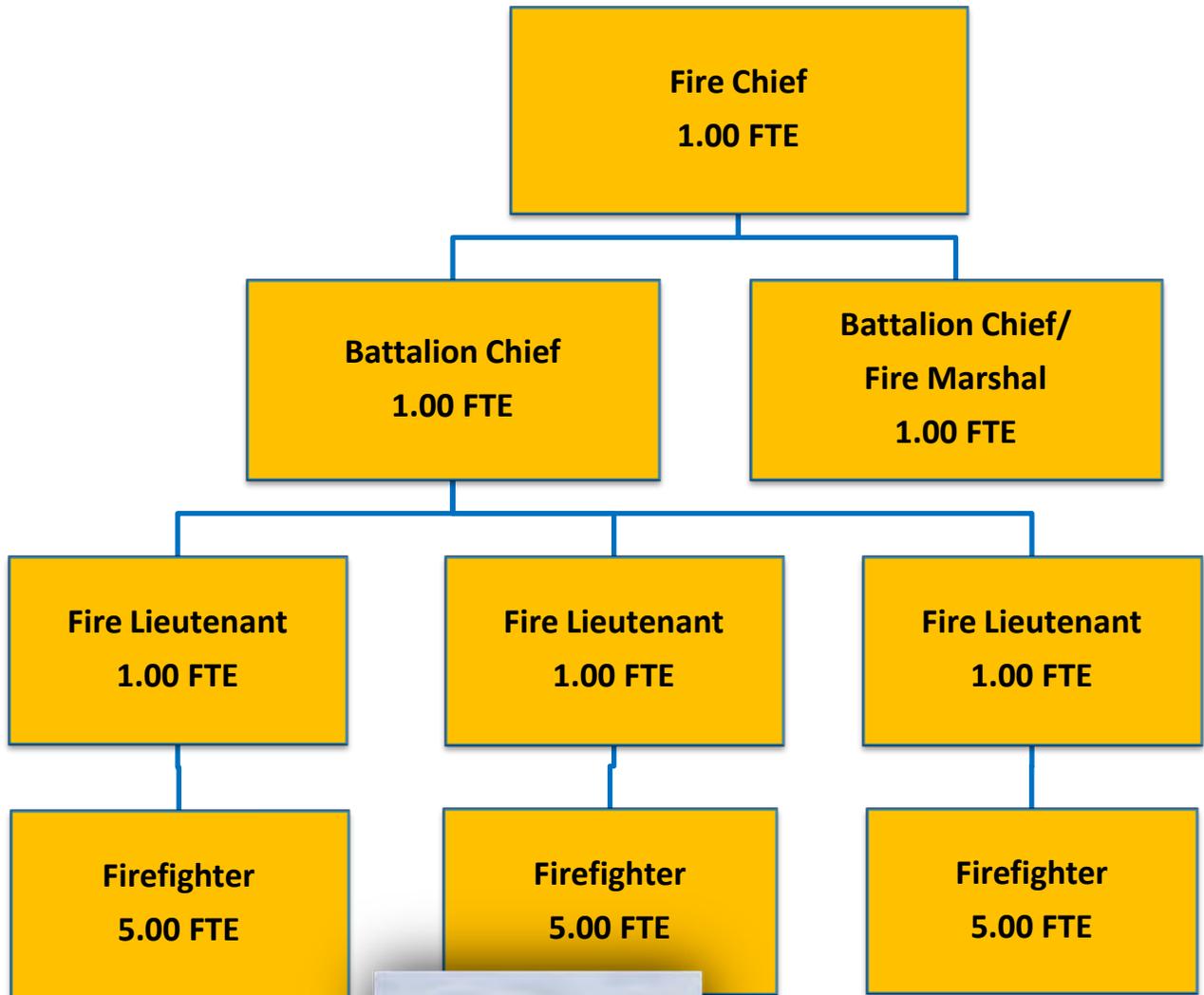
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: POLICE 01-080					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$83,800 (\$4,000) \$6,500 \$1,000	Step Increase/TMRS Rate Increase/Longevity Insurance Savings Adjustment for Chief Position Certification Increase
Publications	Supplies	FB		(\$2,000)	Historical Usage Adjustment
Vehicles Parts & Supplies	Supplies	FB		(\$1,000)	Historical Usage Adjustment
Minor Tools & Apparatus	Supplies	FB		(\$1,000)	Adjust to Property Room Evidence Supplies
Property Room Supplies	Supplies	FB		\$1,000	Adjust from Minor Tools & Apparatus
Animal Control Supplies	Supplies	FB		\$1,000	Increased Costs/Historical Usage Adjustment
Vehicle Maintenance	Maintenance	FB		(\$1,000)	Historical Usage Adjustment
Communications	Contractual/Sundry	FB		\$1,500	Historical Usage Adjustment
Contractual Payments	Contractual/Sundry	FB		\$33,000	Jail Dispatch Consolidation Increase
Net Misc. Budget Changes	Various	FB		(\$1,450)	Misc. small dollar budget adjustments
TOTALS:			\$0	\$117,350	

\$117,350 NET INCREASE/DECREASE

Fire Department Fund 01-085



GENERAL FUND

DEPARTMENT: FIRE / EMS

DIVISION / ACTIVITY: FIRE / EMS – FUND 01-085

LOCATION:

5909 Hightower
Watauga, Texas 76148
Phone Number: 817-514-5874

HOURS OF OPERATION:

24 hours

MISSION / PROGRAMS / SERVICES:

The mission of the Watauga Fire Department is to safeguard the lives and property and to enhance the quality of life of any person that resides in, works in, or visits the City of Watauga through a commitment to service with Pride, Respect, Teamwork and Safety.

- Offers a juvenile fire starter intervention program, numerous fire prevention programs, emergency management programs and information.
- Provides fire suppression and emergency medical response, vehicle unlock assistance, assistance with the installation and maintenance of smoke detectors, home fire safety inspections, CPR training, fire extinguisher training, and other community education and support of community sponsored events.
- Provides a variety of specialized response personnel through a corporative agreement with other Northeast Tarrant County Cities.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Equipped all city facilities with Automated External Defibrillators.
- Increased the number of certified Fire Inspectors and inspections.
- Trained approximately 200 citizens in “hands only” CPR.
- Completed advanced driver training for all apparatus operators.
- Completed advanced aerial apparatus training.
- Provided CPR and safety training to approximately 80 city employees.

FY2014-2015 GOALS/ OBJECTIVES:

- Improve and expand fire inspection program.
- Complete city employee CPR/Safety training.
- Expand CPR program to the general public.
- Replace existing self-contained breathing apparatus.
- Replace Battalion Chief’s vehicle.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

Acquiring EMS medications and supplies continues to be problematic. The 3 city warning sirens are 15 years old and contain outdated technologies. Estimated replacement cost is approximately \$25,000 each. A one year replacement schedule may be in order. Current SCBA is not in compliance with the latest NFPA Standard. Failure of a unit would require the mixing of types creating an unsafe working environment. All SCBA air bottles currently in use will reach their expiration date in 2020 and require replacement. Approval of the requested SCBA replacement program would address both of those issues. Additional Battalion Chiefs are needed to maximize departmental efficiency and improve safety.

GENERAL FUND

DEPARTMENT: FIRE / EMS						
DIVISION / ACTIVITY: FIRE / EMS - FUND 01-085						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$1,630,973	\$1,648,902	\$1,668,740	\$1,829,100	\$1,824,200	\$1,848,500
Supplies	\$85,785	\$97,042	\$86,547	\$99,350	\$98,800	\$98,600
Maintenance	\$20,893	\$36,579	\$28,511	\$37,900	\$35,450	\$36,000
Contractual/Sundry	\$56,883	\$74,308	\$77,907	\$102,912	\$102,900	\$105,400
Capital Outlay	\$0	\$10,587	\$3,974	\$0	\$0	\$0
TOTAL	\$1,794,534	\$1,867,418	\$1,865,679	\$2,069,262	\$2,061,350	\$2,088,500
PERSONNEL						
Fire Chief	1.00	1.00	1.00	1.00	1.00	1.00
Captain	1.00	1.00	1.00	0.00	0.00	0.00
Fire Marshal	1.00	1.00	1.00	0.00	0.00	0.00
Battalion Chief	0.00	0.00	0.00	1.00	1.00	1.00
Battalion Chief/Fire Marshal	0.00	0.00	0.00	1.00	1.00	1.00
Lieutenant	3.00	3.00	3.00	3.00	3.00	3.00
Paramedic / Firefighter	12.00	12.00	12.00	14.00	14.00	14.00
EMT / Firefighter	3.00	3.00	3.00	1.00	1.00	1.00
Paramedic (Part-time)	1.00	1.00	1.00	0.00	0.00	0.00
TOTAL	22.00	22.00	22.00	21.00	21.00	21.00
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Full-time personnel			21	21	21	21
Total calls for service:			1,733	1,691	1,786	1,893
--Fire calls			722	675	772	822
--Emergency medical service calls			1,011	1,016	1,014	1,071
<i>Output/Workload</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Ambulance transports			851	846	864	876
Mutual aid given			25	53	30	35
Mutual aid received			63	103	104	145
Fire inspections			168	460	188	400
<i>Efficiency Measures / Impact</i>			<i>Actual 12-13</i>	<i>Budget 13-13</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O budget per capita			\$79.40	\$84.46	\$84.14	\$85.24
M & O budget percentage of city budget			4.70%	6.84%	6.81%	5.05%
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Fire emergency average response time (min.)		1, 3, 4, 5	≤ 5	≤ 5	≤ 5	≤ 5
EMS emergency average response time (min.)		1, 3, 4, 5	≤ 7	≤ 7	≤ 7	≤ 7
% of Chute Time ≤ 2 minutes		1, 3, 4, 5	90%	90%	90%	90%

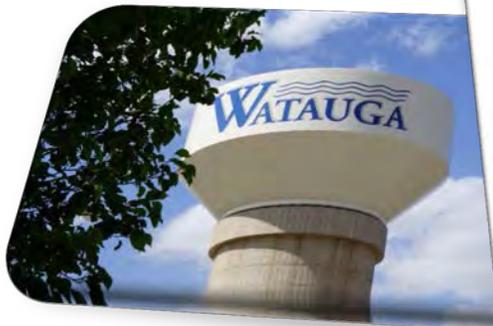
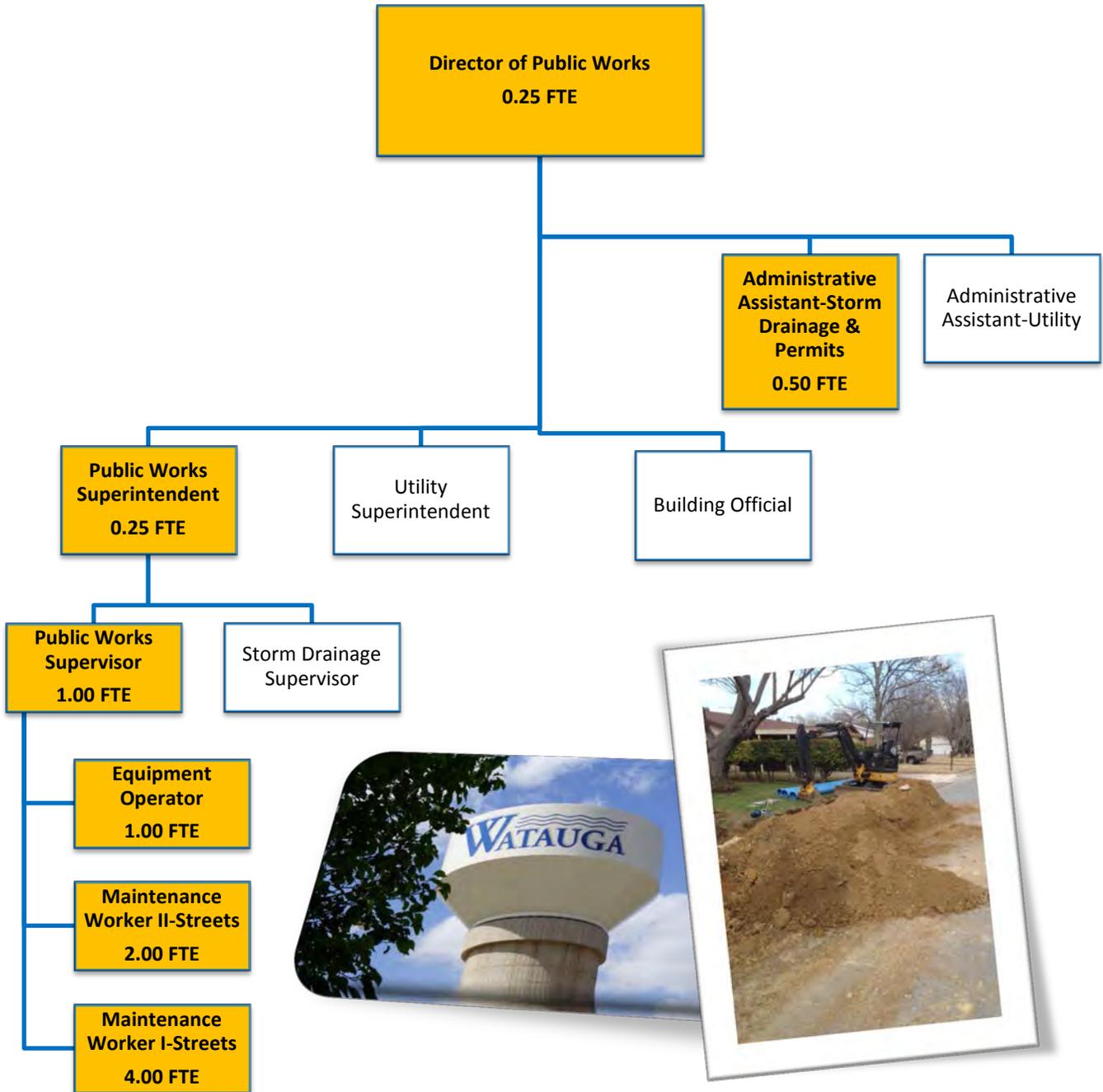
GENERAL FUND
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: ADMINISTRATION					
DIVISION / ACTIVITY: FIRE DEPARTMENT 01-085					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$21,800 (\$3,400) \$1,000	Step Increase/TMRS Rate Increase/Longevity Insurance Savings Certification Increase
Increase Wearing Apparel	Supplies	FB		\$1,000	Historical Usage Adjustment/Increased Costs
Decrease Chemicals	Supplies	FB		(\$2,000)	Historical Usage Adjustment
Increase Minor Tools & Apparatus	Maintenance	FB		\$1,000	Historical Usage Adjustment
Decrease Software Maintenance	Maintenance	FB		(\$1,300)	Decrease Need
Decrease Vehicle Maintenance	Maintenance	FB		(\$2,600)	Historical Usage Adjustment
Increase Permit Fees	Contractual/Sundry	FB		\$1,100	
Net Misc. Budget Changes	Various	FB		\$2,638	Misc. small dollar budget adjustments
TOTALS:			\$0	\$19,238	

\$19,238 NET INCREASE/DECREASE

Public Works Fund 01-090



GENERAL FUND

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: PUBLIC WORKS – FUND 01-090

LOCATION:

7800 Virgil Anthony Sr. Blvd.
Watauga, Texas 76148
Phone Number: 817-514-5806

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

Public Works strives to:

- Provide excellent quality service and maintenance for Watauga streets, signs, and traffic signals.
- Promote ease of mobility throughout the City by maintaining our streets in a timely, efficient, and cost effective manner.
- Provide a high degree of customer service and satisfaction.
- Maintain the traffic signals and signs to assist in the flow of the City.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Maintained 88 miles of roads, signs and traffic signals to an acceptable manner.
- We will complete the overlay of five city streets Bonnie Drive, Greenfield Court, Douglas Drive, Susan Court along with 6,616 linear feet of curb and gutter replacement including the east half of Watauga Road.
- Installed video detection for traffic signal at Maurie and Watauga Road.
- Implemented Retro-reflectivity program to comply with federal mandates with the installation of 260 new street signs.

FY2014-2015 GOALS/ OBJECTIVES:

- Maintain a high level of service to all of our citizens and continue to maintain the 88 miles of roads and signage to a cost effective manner.
- Continue overlay program on Watauga Road West in partnership with Tarrant County.
- Continue with the Retro-reflectivity program.
- Begin parking lot striping.
- Upgrade remaining signals to video detection.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Federal mandates to make improvements to sign Retro-reflectivity will increase sign maintenance costs. Increase costs for sign replacement through 2018 to meet mandates.
- In the upcoming years Public Works will need to increase budget amounts for:
 - Rising cost of vehicle parts and supplies
 - Rising cost of asphalt and concrete
 - Rising cost of fuel

GENERAL FUND

DEPARTMENT: PUBLIC WORKS						
DIVISION / ACTIVITY: PUBLIC WORKS - FUND 01-090						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$694,520	\$749,993	\$666,473	\$434,564	\$432,560	\$434,000
Supplies	\$41,927	\$61,915	\$61,584	\$68,225	\$68,225	\$68,100
Maintenance	\$20,994	\$31,653	\$40,112	\$38,000	\$38,000	\$40,500
Contractual/Sundry	\$19,464	\$22,126	\$23,497	\$25,700	\$23,200	\$27,750
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$776,905	\$865,687	\$791,666	\$566,489	\$561,985	\$570,350
PERSONNEL						
PW & Comm. Dev. Director	0.25	0.25	0.25	0.25	0.25	0.25
Building Official	0.00	0.00	0.00	0.00	0.00	0.00
Inspection Foreman	0.25	0.25	0.25	0.00	0.00	0.00
PW Superintendent	0.50	0.50	0.50	0.25	0.25	0.25
PW Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	1.00	1.00	0.00	0.00
Code Enforcement Officer/Engineer	0.00	0.00	0.00	0.25	0.00	0.00
Code Enforcement Officer	3.00	3.00	3.00	2.00	0.00	0.00
Equipment Operator	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I / Streets	4.00	4.00	4.00	4.00	4.00	4.00
Maintenance Worker II / Streets	2.00	2.00	2.00	2.00	2.00	2.00
Plan / Zoning Admin. Asst.	1.00	1.00	1.00	0.00	0.00	0.00
Administrative Supervisor	0.00	0.00	1.00	0.25	0.00	0.00
Administrative Assistant/Permits	0.50	0.50	0.50	0.50	0.50	0.50
Comm. Development Coordinator	0.00	0.00	0.00	1.00	0.00	0.00
TOTAL	14.50	14.50	15.50	13.50	9.00	9.00
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Capital Improvement Street Overlays			6	6	5	5
Linear feet of curb and gutter replacement or repair			5,251	6,000	6,500	6,000
Output/ Workload			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Miles of right-of-ways maintained			19	19	19	19
Number of lane miles maintained			88	88	88	88
Miles of curb and gutter maintained			176	176	176	176
Efficiency Measures / Impact			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
M & O percentage of city budget			1.99%	1.87%	1.86%	1.38%
M & O budget per capita			\$33.69	\$23.12	\$22.94	\$23.28
Effectiveness Measures / Outcomes		Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
% of right-of-ways maintained city-wide		1, 2, 3, 4, 5	90%	100	90%	90%
% of sidewalks repaired within 7 days		1, 2, 3, 4, 5	95%	98	95%	95%
% of sidewalks repaired within 30 days of insp.		1, 2, 3, 4, 5	100%	100%	100%	100%
% of potholes repaired within 3 days		1, 2, 3, 4, 5	100%	100%	100%	100%
% of miles of roads in GOOD condition		1, 2, 3, 4, 5	56%	56%	56%	58%
% of miles of roads in AVERAGE condition		1, 2, 3, 4, 5	34%	34%	34%	36%
% of miles of roads in POOR condition		1, 2, 3, 4, 5	10%	10%	10%	11%

GENERAL FUND
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: PUBLIC WORKS 01-090					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$2,936 (\$1,500) (\$2,000)	TMRS Rate Increase/Longevity Insurance Savings Decrease Overtime
Increase COG Storm Water	Contractual/Sundry	FB		\$2,050	NCTCOG Program - Approved New Expanded
Increase Street Striping	Maintenance	FB		\$2,500	Reallocated from 01-098 Parking Lots
Net Misc. Budget Changes	Various	FB		(\$125)	Misc. small dollar budget adjustments
TOTALS:			\$0	\$3,861	

\$3,861 NET INCREASE/DECREASE

Fleet Services Fund 01-097

Fleet & Facilities Manager

**Preventative
Maintenance Mechanic**
1.00 FTE

Automotive Mechanic
1.00 FTE

**Automotive Equipment
Mechanic**
1.00 FTE



GENERAL FUND

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: FLEET SERVICES – FUND 01-097

LOCATION:

7800 Virgil Anthony Sr. Blvd.
Watauga, Texas 76148
Phone Number: 817-514-5844

HOURS OF OPERATION:

Monday – Friday 7:00 A.M. – 4:00 P.M.

MISSION / PROGRAMS / SERVICES:

- Properly maintain and ensure the correct usage of the city's investment in vehicles and equipment.
- Provide corrective maintenance and facilitate needed repairs.
- Provide training to staff on equipment safety.
- Coordinate vehicle damage claims.
- Provide excellent service and maintenance to all vehicles and equipment which includes over 240 pieces of equipment.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Maintained fleet availability with minimal staff for an extended period of time.
- Integrated RTA fleet software to Fuel Master to update real time vehicle mileages.
- Certified a second EVT technician.
- Set up new online auction process and successfully utilized to maximize benefit to City.
- Initiated new equipment replacement program.

FY2014-2015 GOALS/ OBJECTIVES:

- Continuing Certifications and Education for the Fleet Mechanics.
- Keep up with the growing demands of technology for Fleet Services.
- Purchase additional modules for the RTA fleet software to progress towards a paperless shop environment.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Expanding Fleet Services shop to accommodate the trending pattern of larger equipment.
- Continuous increase of fuel prices.
- Gauging fuel and lubricant usage.

GENERAL FUND

DEPARTMENT: PUBLIC WORKS
DIVISION / ACTIVITY: FLEET SERVICES - FUND 01-097

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$166,222	\$118,940	\$121,004	\$126,200	\$126,200	\$129,500
Supplies	\$20,478	\$26,057	\$37,302	\$21,000	\$21,000	\$18,500
Maintenance	\$3,459	\$3,136	\$1,541	\$3,100	\$3,100	\$2,500
Contractual/Sundry	\$5,653	\$4,049	\$5,221	\$11,810	\$11,200	\$11,500
Capital Outlay	\$0	\$15,434	\$0	\$0	\$0	\$0
TOTAL	\$195,812	\$167,616	\$165,068	\$162,110	\$161,500	\$162,000

PERSONNEL						
Automotive/Equipment Mechanic	0.00	0.00	1.00	1.00	1.00	1.00
Preventive Maintenance Mechanic	0.00	0.00	0.00	1.00	1.00	1.00
Automotive Mechanic	4.00	5.00	2.00	1.00	1.00	1.00
TOTAL	4.00	5.00	3.00	3.00	3.00	3.00

PERFORMANCE MEASURES / SERVICE LEVELS

Input / Demand	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Work orders completed	896	800	800	800
Gallons of fuel dispensed	87,673	90,000	90,000	90,000

Output / Workload	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Number of preventative maintenance inspections per month	29	25	25	25
Number of vehicles and equipment maintained	240	241	240	240
Training classes attended	5	5	16	16

Efficiency Measures / Impact	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
M & O percentage of city budget	0.42%	0.54%	0.53%	0.39%
M & O budget per capita	\$7.03	\$6.62	\$6.59	\$6.61

Effectiveness Measures / Outcomes	Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Automotive Service Excellence certifications	1, 4	20	25	21	25
Emergency Vehicle Technician certifications	1, 4	6	7	9	12
% of auto repairs performed by in-house staff	1, 4	98%	99%	98%	98%
% of auto repairs outsourced	1, 4	2%	1%	2%	2%
Average fleet availability	1, 4	98%	99%	98%	98%
Average fleet down-time waiting for parts	1, 4	2%	1%	2%	2%

GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: FLEET SERVICES 01-097					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$1,400 \$2,500 (\$600)	TMRS Rate Increase/Longevity Personnel Turnover Adjustments Insurance Savings
Decrease City Wide Vehicle Fuels	Supplies	FB		(\$5,000)	Adjustment in accountability with Fleet & Facilities
Add Fleet Vehicles Fuels & Lubs	Supplies	FB		\$2,000	Adjustment in accountability with Fleet & Facilities
Net Misc. Budget Changes	Various	FB		(\$410)	Misc. small dollar budget adjustments
TOTALS:			\$0	(\$110)	

(\$110) NET INCREASE/DECREASE

Facilities Maintenance Fund 01-098

Fleet & Facilities Manager
1.00 FTE

Building Maintenance Technician II
1.00 FTE

Janitorial Service Technician
4.00 FTE

Building Maintenance Technician I
1.00 FTE



GENERAL FUND

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: FACILITIES MAINTENANCE – FUND 01-098

LOCATION:

7800 Virgil Anthony Sr. Blvd.
Watauga, Texas 76148
Phone Number: 817-514-5844

HOURS OF OPERATION:

Monday – Friday 7:00 A.M. – 4:00 P.M.

MISSION / PROGRAMS / SERVICES:

To provide citizens and staff with safe and accessible facilities. To maintain the city's investment in facility structures both interior and exterior and building equipment.

Facilities Maintenance is a section of the Public Works Fleet & Facilities Division. It provides the maintenance and operation of all city owned facilities, buildings, and structures which totals over 115,000 square feet.

- Minor and major remodeling and construction as needed.
- Provides an efficient and effective preventative maintenance program to maintain and upgrade city owned buildings to an acceptable condition compatible with city codes.
- Provides and maintains a pleasant and secure environment for all visitors and city employees in the buildings under city jurisdiction.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Resealed and repainted the City Hall water fountain.
- Upgraded to a more sanitary and efficient paper towel dispenser in the majority of City facilities.
- Assisted the Police Department with security upgrades.
- Facility improvements at the Police Department for their recognition program.
- Installed surge protection at the Recreation Center for A/C condensing units.
- Repaired the Fire Department radiant flooring
- Collaborated with the Water/Sewer department and installed new concrete entrance for Animal Control's outside kennels.
- Installed new awning and ramp for employee entrance at the Library.

FY2014-2015 GOALS/ OBJECTIVES:

- Provide a more energy efficient savings strategy throughout city facilities.
- Implement equipment replacement programs to ensure the integrity of city buildings.
- Provide a safe and comfortable working environment for all city personnel.
- Replace antiquated fire alarm and burglary systems.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Increase in energy costs.
- Aging buildings and systems create an increase in maintenance costs.

GENERAL FUND

DEPARTMENT: PUBLIC WORKS						
DIVISION / ACTIVITY: FACILITIES MAINTENANCE - FUND 01-098						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$310,871	\$352,369	\$309,709	\$308,800	\$308,800	\$313,500
Supplies	\$22,041	\$24,448	\$23,405	\$26,450	\$26,450	\$28,500
Maintenance	\$46,401	\$78,139	\$92,384	\$98,800	\$96,300	\$87,800
Contractual/Sundry	\$294,368	\$307,897	\$335,059	\$312,500	\$312,500	\$328,500
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$673,681	\$762,853	\$760,557	\$746,550	\$744,050	\$758,300
PERSONNEL						
Fleet & Facilities Manager	1.00	1.00	1.00	1.00	1.00	1.00
Fleet & Facilities Supervisor	1.00	1.00	1.00	0.00	0.00	0.00
Janitor	4.00	4.00	4.00	0.00	0.00	0.00
Bldg. Maintenance Helper	0.00	0.00	0.00	1.00	1.00	0.00
Janitorial Service Technician	1.00	1.00	1.00	4.00	4.00	4.00
Bldg. Maintenance Technician I	0.00	1.00	1.00	1.00	1.00	1.00
Bldg. Maintenance Technician II	0.00	1.00	1.00	1.00	0.00	1.00
TOTAL	9.00	9.00	9.00	8.00	7.00	7.00
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Number of facilities maintained			11	11	11	11
Pounds of refrigeration			30	30	30	30
<i>Output / Workload</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Square feet of facilities maintained			115,000	115,000	115,000	115,000
Work orders processed			706	550	650	650
Special projects			5	2	3	3
<i>Efficiency Measures / Impact</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O percentage of city budget			1.92%	2.47%	2.46%	1.83%
M & O budget per capita			\$32.37	\$30.47	\$30.37	\$30.95
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
% of repairs done by in-house staff		1, 4	99%	99%	99%	99%
% of repairs done by contractors		1, 4	1%	1%	1%	1%
% of repairs completed within 24 hours		1, 4	99%	99%	99%	99%

GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: FACILITIES MAINTENANCE 01-098					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$2,600 (\$1,300) \$2,400 \$1,000	TMRS Rate Increase/Longevity Insurance Savings Position Adjustment - Approved New Expanded Increase Overtime
Add Vehicle Fuels & Lubricants	Supplies	FB		\$2,000	Adjustment in accountability with Fleet & Facilities
Decrease Building Maintenance	Maintenance	FB		(\$13,500)	Adjustment of Facility Insp/Cert. to Special Services
Increase Building Maintenance	Maintenance	FB		\$5,000	Reallocation - Capture Bldg. Security from this Account
Decrease Parking Lots	Maintenance	FB		(\$2,500)	Adjustment of these funds to PW 01-090 Striping
Increase Special Services	Contractual/Sundry	FB		\$13,500	Adjustment of Facility Insp/Cert. from Bldg. Maint.
Net Misc. Budget Changes	Various	FB		\$2,550	Misc. small dollar budget adjustments
TOTALS:			\$0	\$11,750	

\$11,750 NET INCREASE/DECREASE

OIL GAS FUND – FUND 12

The Oil and Gas Fund was established to provide separate accounting for oil and gas lease and royalties. This fund has been combined with the General Fund in previous budget documents. In Fiscal Year 2014-15, this fund is reported separately and a planned draw-down of fund balance is proposed. This will fund the vacation buy-back program that will be phased out beginning this year and will end in FY2014-15. Also appropriated this year is the pay-out of terminating employee compensated time. Finally, a \$50,000 transfer to the Equipment Replacement Fund is funded to adequately cover equipment replacement needs. No revenues are projected due to the uncertainty of this revenue stream.

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.

BUDGET SUMMARY

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$424,752	\$425,058	\$451,058	\$466,262	\$264,912	
<u>Revenues:</u>						
Royalty & Lease Revenue	306	41,204	0	30,000	15,000	100.0%
Miscellaneous	0	0	0	250	200	100.0%
Operating Revenues	\$ 306	\$ 41,204	\$0	\$ 30,250	\$ 15,200	100.0%
<u>Operating Transfers-In:</u>						
Transfers from Other Funds	0	0	0	0	0	0.0%
Total Available Resources	\$ 425,058	\$ 466,262	\$ 451,058	\$ 496,512	\$ 280,112	6.4%
<u>Expenditures:</u>						
Non-Departmental	0	0	179,000	179,000	100,000	-44.1%
Operating Expenditures	0	0	179,000	179,000	100,000	-44.1%
<u>Operating Transfers-Out</u>						
To Internal Service Fund	0	0	100,000	100,000	50,000	-50.0%
TOTAL OPERATING & TRANSFERS	\$0	\$0	\$ 279,000	\$ 279,000	\$ 150,000	-46.2%
Fund Balance, September 30	\$425,058	\$466,262	\$172,058	\$217,512	\$130,112	
CHANGE IN FUND BALANCE	\$306	\$41,204	(\$279,000)	(\$248,750)	(\$134,800)	

STRATEGIC INITIATIVE FUND – FUND 13

The Strategic Initiative Fund was created in FY2014-15 to set aside funding for high-impact projects identified by City Council. Funding is provided by fund balance transfers of reserves in excess of the established policy. Examples of projects to be funded are:

- 1) economic development and revitalization opportunities;
- 2) capital improvements cash funding, plans (Land Use, Comprehensive, CIP, Master Parks);
- 3) Community enhancement projects;
- 4) and funding of other one-time projects.

This fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when the liability is incurred.

BUDGET SUMMARY

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$0	\$0	\$0	\$0	\$0	
<u>Operating Transfers-In:</u>						
Transfers from General Fund	0	0	0	0	250,000	100.0%
Total Available Resources	\$0	\$0	\$0	\$0	250,000	100.0%
<u>Expenditures:</u>						
Home Revitalization Program	0	0	0	0	100,000	100.0%
Strategic Initiatives	0	0	0	0	150,000	
Operating Expenditures	0	0	0	0	250,000	100.0%
TOTAL OPERATING & TRANSFERS	\$0	\$0	\$0	\$0	\$250,000	100.0%
Fund Balance, September 30	\$0	\$0	\$0	\$0	\$0	
CHANGE IN FUND BALANCE	\$0	\$0	\$0	\$0	\$0	



SPECIAL REVENUE FUNDS

**WATAUGA PARKS DEVELOPMENT
CORORATION (WPDC) FUND 04**

**WATAUGA CRIME CONTROL AND
PREVENTION DISTRICT (WCCPD) FUND 18**

STREET MAINTENANCE FUND 14

LIBRARY DONATION FUND 23

MUNICIPAL COURT BUILDING FUND 25

MUNICIPAL COURT TECHNOLOGY FEE FUND 26

JUVENILE CASE MANAGER FUND 27

TRAFFIC SAFETY FUND 28

The image shows three tall silver flagpoles with gold finials. From left to right, they hold a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with wings spread. The scene is set outdoors with trees and a clear blue sky.

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SPECIAL REVENUE FUNDS

WATAUGA PARKS DEVELOPMENT CORPORATION

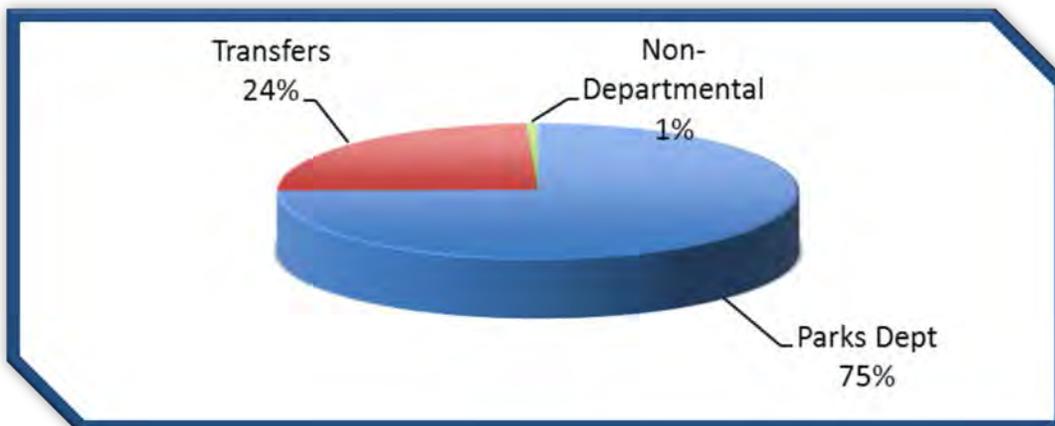
Voters established the Watauga Parks Development Corporation Sales Tax Fund to account for a ½ cent sales tax increase in May 1994 under the 4b Economic Development Legislation. The purpose of the increase in sales tax is to build city parks and improve existing parks under the supervision of the Watauga Parks Development Corporation. In May 2012, voters approved a reduction of the sales and use tax for the Watauga Parks Development Corporation to ¼ of one percent and reallocate ¼ of one percent for maintenance and repairs of municipal streets. This reduction took place on October 1, 2012. Sales tax revenues for FY2015 are expected to be \$714,000.

This Special Revenue Fund 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 liability is incurred.

Where Does the Money Come From?



Where Does the Money Go?



SPECIAL REVENUE FUNDS

PARKS DEVELOPMENT CORPORATION BUDGET SUMMARY

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$1,974,288	\$1,919,108	\$987,925	\$899,539	\$637,619	
Revenues:						
Sales Taxes	1,416,708	706,662	707,000	707,000	714,000	1.0%
Other Transfers In	0	0	0	0	0	0.0%
Interest Earnings	2,271	1,694	1,500	500	500	-66.7%
Operating Revenues	\$ 1,418,979	\$ 708,356	\$ 708,500	\$ 707,500	\$ 714,500	0.8%
Total Available Resources	\$ 3,393,267	\$ 2,627,464	\$ 1,696,425	\$ 1,607,039	\$ 1,352,119	0.4%
Expenditures:						
Non-Departmental	12,780	891	18,000	15,000	7,300	-59.4%
Parks Department	929,499	668,398	714,185	706,470	736,200	3.1%
Operating Expenditures	942,279	669,289	732,185	721,470	743,500	1.5%
Operating Transfers-Out						
To General Fund	67,000	34,500	35,350	35,000	35,700	1.0%
To PDC Construction	250,000	810,000	0	0	0	0.0%
To Internal Service Fund	0	0	0	0	18,000	100.0%
To Debt Service	214,880	214,136	212,950	212,950	186,700	-12.3%
Total Operating Transfers-Out	531,880	1,058,636	248,300	247,950	240,400	0.0%
TOTAL OPERATING & TRANSFERS	\$ 1,474,159	\$ 1,727,925	\$ 980,485	\$ 969,420	\$ 983,900	0.3%
Fund Balance, September 30	\$ 1,919,108	\$899,539	\$715,940	\$637,619	\$368,219	
CHANGE IN FUND BALANCE	\$ (55,180)	(\$1,019,569)	(\$271,985)	(\$261,920)	(\$269,400)	

Parks Development Corporation Fund 04-075



SPECIAL REVENUE FUNDS

DEPARTMENT: RECREATION AND COMMUNITY SERVICES

DIVISION / ACTIVITY: PARKS DEVELOPMENT CORPORATION FUND 04-075

LOCATION:

7901 Indian Springs Road
Watauga, Texas 76148
Phone Number: 817-514-5890

HOURS OF OPERATION:

Monday – Friday 7:00 A.M. – 4:00 P.M.

MISSION / PROGRAMS / SERVICES:

To provide a commitment to excellence in leisure opportunities, giving government support by enhancing the quality, safety and diversity for the citizens of Watauga's way of life and to preserve them for future generations.

- Maintain quality athletic fields for 220 youth and adult teams.
- Maintain nine park properties totaling 119 acres.
- Assist Recreation Division with six annual special events.
- Provide assistance to other City Departments as needed.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Completion of Veterans Memorial located in Capp Smith Park.
- Installation of new irrigation system at BIRD Park.
- Completion of Amphitheater shade structure located in Capp Smith Park.

FY2014-2015 GOALS/ OBJECTIVES:

- Continue moving toward Gold Member City recognition through the National Recreation and Parks Association.
- Complete irrigation installation and drainage improvements at Foster Village Park.
- Identify and correct hazardous areas in the cities park system for citizen safety.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Continued funding for irrigation projects.
- Funding for equipment/replacement purchases.
- Funding for replacement of concrete pathways throughout the park system.

SPECIAL REVENUE FUNDS

DEPARTMENT: RECREATION AND COMMUNITY SERVICES						
DIVISION / ACTIVITY: PARKS DEVELOPMENT CORPORATION - FUND 04						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Non-Departmental	\$32,845	\$12,780	\$891	\$18,000	\$15,000	\$7,300
Personnel	\$486,176	\$488,904	\$523,164	\$552,115	\$549,900	\$577,600
Supplies	\$48,452	\$58,276	\$61,319	\$61,900	\$58,900	\$60,400
Maintenance	\$53,081	\$54,131	\$43,995	\$52,800	\$50,300	\$54,800
Contractual/Sundry	\$78,692	\$75,576	\$39,919	\$41,370	\$41,370	\$43,400
Capital Outlay	\$0	\$252,613	\$0	\$6,000	\$6,000	\$0
Transfers	\$279,995	\$531,880	\$1,058,636	\$248,300	\$247,950	\$240,400
TOTAL	\$979,241	\$1,474,160	\$1,727,924	\$980,485	\$969,420	\$983,900
PERSONNEL						
Rec & Comm. Services Director	0.50	0.50	0.50	0.50	0.50	0.50
Parks Supervisor	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I / Parks	7.00	7.00	7.00	6.00	6.00	6.00
Maint. Worker II /Crew Leader Parks	2.00	2.00	2.00	2.00	2.00	2.00
Landscape Gardener	1.00	1.00	1.00	1.00	1.00	1.00
Temp/PT Maint Worker I Summer	0.00	0.00	0.00	0.25	0.25	0.25
Asst. Landscape Gardener	0.00	0.00	0.00	1.00	1.00	1.00
TOTAL	11.50	11.50	11.50	11.75	11.75	11.75
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Athletic Fields maintained			10	10	10	10
Park Acres maintained			119	119	119	119
<i>Efficiency Measures / Impact</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M&O Budget per Capita			\$73.54	\$40.02	\$39.57	\$40.16
M&O Percentage of City Budget			4.35%	3.24%	3.20%	2.38%
Acres per FTE			10	10	10	10
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Mow and maintain developed facilities weekly		1,2,3,5	94%	95%	95%	100%
Mow and maintain undeveloped facilities monthly		1,2,3,5	92%	95%	95%	100%
Hours of personnel training		1,2,4,5	54	60	60	60
Number of trees planted		1,2,3,5	32	25	25	25

SPECIAL REVENUE FUNDS
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2013-14 Compared to Fiscal Year 2014-15

DEPARTMENT: RECREATION AND COMMUNITY SERVICES					
DIVISION / ACTIVITY: PARKS DEVELOPMENT CORPORATION - FUND 04					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$12,985 \$2,400 \$10,100	3% salary increase (salary/benefits) TMRS rate increase 15% medical insurance increase
Increase Pymt. to Internal Service	Non-Departmental	FB	2,300		1st lease payment to Equip. Replacement Fund
Decrease Contingency	Non-Departmental	FB		(\$13,000)	Historical usage adjustment
Increase Wearing Apparel	Supplies	FB		\$1,000	Historical usage adjustment
Decrease Living Plant Supplies	Supplies	FB		(\$3,000)	Planting and usage adjustment
Decrease Sign Maintenance	Maintenance	FB		(\$1,000)	Decreased need
Decrease Park Maintenance	Maintenance	FB		(\$2,000)	Historical usage adjustment
Add line item Building Maintenance	Maintenance	FB		\$5,000	Security Alarm Installation (Gate & Bldg)
Increase Workers Compensation	Contractual/Sundry	FB		\$1,000	Increased rate adjustment
Decrease Other Equipment	Capital Outlay	FB	(\$6,000)		One time expenditure FY2013-14
Decrease Transfer to PDC Debt	Transfers	FB	(\$26,250)		Final payoff on debt
Increase Transfer to Internal Service	Transfers	FB	\$18,000		Equipment Replacement Fund purchases
Net Misc. Budget Changes	Various	FB		\$1,880	Misc. small dollar budget adjustments
TOTALS:			(\$11,950)	\$15,365	

\$3,415 NET INCREASE/DECREASE

SPECIAL REVENUE FUNDS

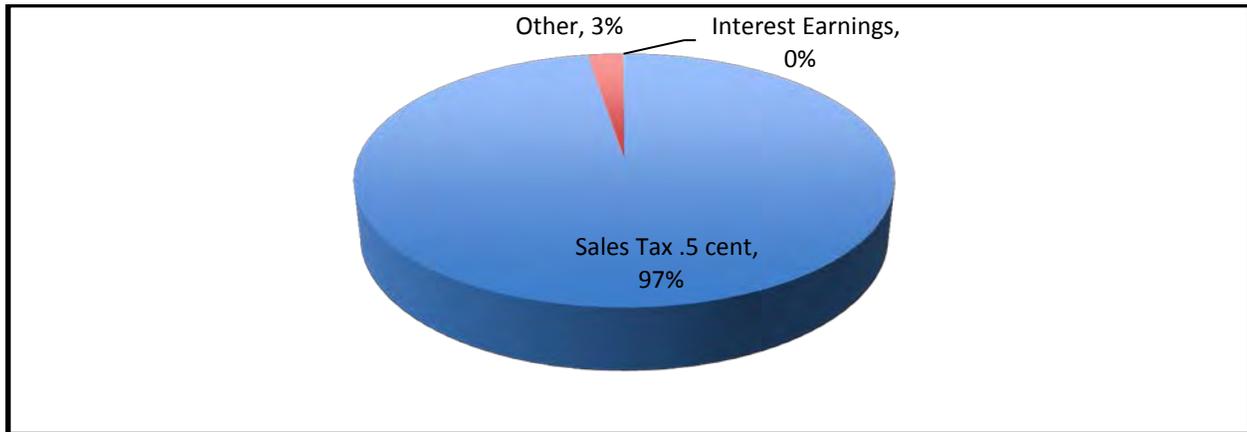
CRIME CONTROL DISTRICT – FUND 18

The Crime Control and Prevention District was established to account for a one-half 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. A ten-year extension of the sales tax was passed during the November 2010 election. Legal restrictions regarding the taxability for some items within the District were lifted effective April, 2011.

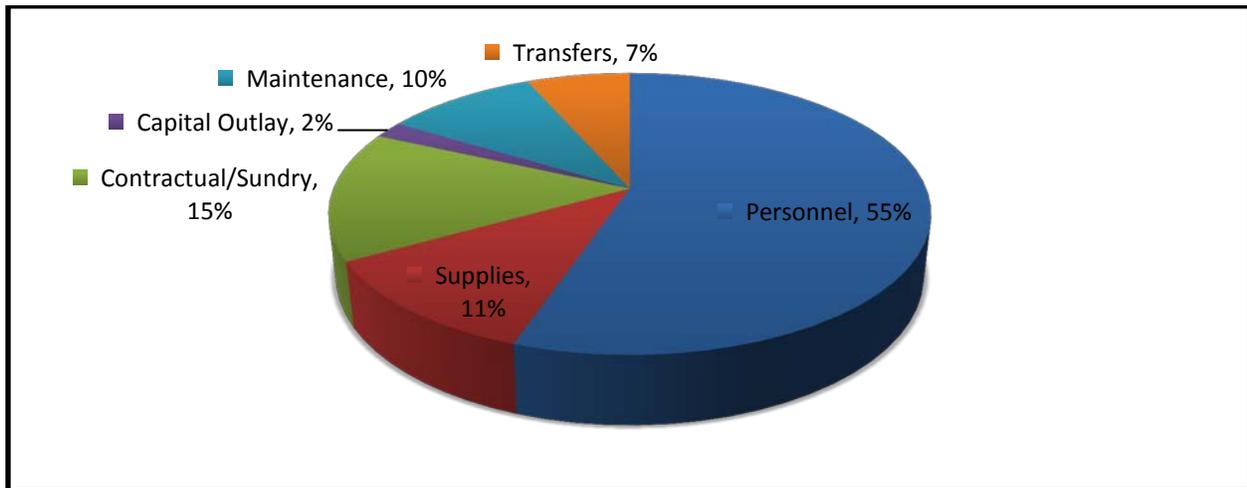
This is a Special Revenue Fund and is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when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

Sales tax revenue for FY2015 is expected to be \$1,428,000. Revenues are projected to be higher this year by approximately 1% over the FY2014 estimate.

Where Does the Money Come From?



Where Does the Money Go?

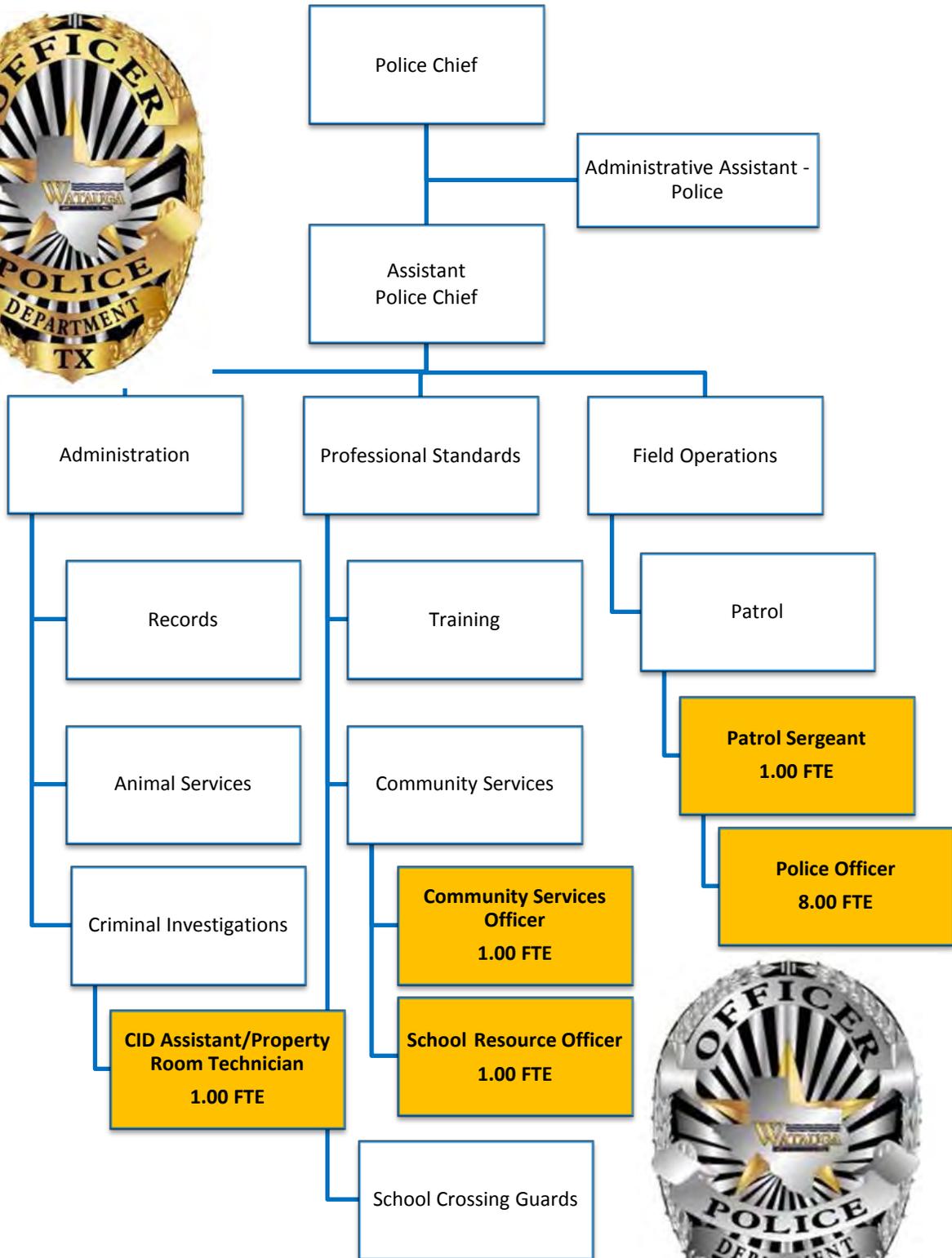


SPECIAL REVENUE FUNDS

CRIME CONTROL DISTRICT BUDGET SUMMARY - FUND 18

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$1,602,318	\$990,244	\$909,127	\$1,057,585	\$899,085	
Revenues:						
Sales Taxes	1,413,831	1,406,737	1,414,000	1,414,000	1,428,000	1.0%
Other	36,907	0	0	0	37,000	100.0%
Interest Earnings	1,552	1,166	1,100	500	500	-54.5%
Operating Revenues	\$ 1,452,290	\$ 1,407,903	\$ 1,415,100	\$ 1,414,500	\$ 1,465,500	3.6%
Total Available Resources	\$ 3,054,608	\$ 2,398,147	\$ 2,324,227	\$ 2,472,085	\$ 2,364,585	2.2%
Expenditures:						
Operating Expenditures	1,107,213	1,081,660	1,390,140	1,377,000	1,435,300	3.2%
Capital Outlay	446,551	230,902	50,000	68,000	30,000	-40.0%
Total Expenditures	1,553,764	1,312,562	1,440,140	1,445,000	1,465,300	1.7%
Operating Transfers-Out						
To General Fund	25,700	28,000	28,000	28,000	28,500	1.8%
To Capital Projects	484,900	0	0	0	0	0.0%
To Internal Service Fund	0	0	100,000	100,000	75,000	-25.0%
Total Operating Transfers-Out	510,600	28,000	128,000	128,000	103,500	-19.5%
TOTAL OPERATING & TRANSFERS	\$ 2,064,364	\$ 1,340,562	\$ 1,568,140	\$ 1,573,000	\$ 1,568,800	0.0%
Fund Balance, September 30	\$ 990,244	\$1,057,585	\$756,087	\$899,085	\$795,785	
CHANGE IN FUND BALANCE	\$ (612,074)	\$67,341	(\$153,040)	(\$158,500)	(\$103,300)	

Crime Control District Fund 18-080



SPECIAL REVENUE FUNDS

DEPARTMENT: POLICE

DIVISION / ACTIVITY: WATAUGA CRIME CONTROL AND PREVENTION DISTRICT – FUND 18

LOCATION:

7101 Whitley Road
Watauga, Texas 76148

HOURS OF OPERATION:

24 hours a day

MISSION / PROGRAMS / SERVICES:

The mission of the Watauga Police Department is to provide the highest quality police services while safeguarding individual liberties and building impartial community relationships. Our mandate is to reduce both crime and the fear of crime through training, technology and the implementation of the most modern and progressive resources available. Watauga Police Department is responsible for all crime prevention, crime reports, crime investigations, traffic law enforcement and professional standards.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Reduced costs via shared services.
- Started Texas Police Chiefs Recognition Program.
- Started a COPS program and maintain over 100 volunteer hours per month (15-20 regular volunteers).
- Held Police specific Town Hall meetings.
- Began Professional Standards Unit (IA Pro) and Lexipol (Policy and Procedures).
- K-9 Program.
- Bike Patrol.
- Leadership and Executive Training (Sergeants and above).
- Crime Victim Liaison (2).
- Chaplain Program, technology equipment upgrades (ALPR, DVR, Lights).
- Biannual police employee meetings.
- Implemented a new software accounting system for Animal Services.
- Implemented citizen recognition program (coins) Updated facility security.

FY2014-2015 GOALS/ OBJECTIVES:

Complete TPCA recognition program, develop a strategic plan for long and short term goals. Host more TCOLE classes to reduce cost of training. Career development for individual employees. Build a network of neighborhood watch groups via technology and social media and enhance the National Night Out program to support our community policing efforts. Participate in the Tip 411 Program.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

Recruitment and officer retention remains a challenge for the Watauga Police Department.

SPECIAL REVENUE FUNDS

DEPARTMENT: POLICE						
DIVISION / ACTIVITY: WATAUGA CRIME CONTROL AND PREVENTION DISTRICT - FUND 18						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$544,942	\$633,259	\$635,653	\$813,600	\$807,100	\$867,300
Supplies	\$168,769	\$203,897	\$181,491	\$217,540	\$213,900	\$181,500
Maintenance	\$77,118	\$99,910	\$125,255	\$127,000	\$143,000	\$152,500
Contractual/Sundry	\$92,352	\$156,936	\$129,562	\$214,000	\$213,000	\$234,000
Capital Outlay	\$116,238	\$459,761	\$240,601	\$68,000	\$68,000	\$30,000
Transfers	\$22,485	\$510,600	\$28,000	\$128,000	\$128,000	\$103,500
TOTAL	\$1,021,904	\$2,064,363	\$1,340,562	\$1,568,140	\$1,573,000	\$1,568,800
PERSONNEL						
Officer	4.00	4.00	4.00	10.00	9.00	8.00
Sergeant	1.00	1.00	1.00	1.00	1.00	1.00
Traffic Enforcement	3.00	3.00	3.00	0.00	0.00	0.00
Community Resources Officer	0.00	0.00	0.00	0.00	1.00	1.00
School Resource Officer (SRO)	1.00	1.00	1.00	0.00	0.00	1.00
CID Secretary/Property Tech	0.00	0.00	0.00	1.00	1.00	1.00
TOTAL	9.00	9.00	9.00	12.00	12.00	12.00
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Number of Sworn Police Officers			9	11	11	11
Efficiency Measures / Impact			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
M&O Budget per Capita			\$57.05	\$64.01	\$64.20	\$64.03
M&O Percentage of City Budget			3.38%	5.18%	5.20%	3.79%
Number of Sworn Officers Per 1000 Population from WCCPD			0.38	0.45	0.45	0.45
Effectiveness Measures / Outcomes						
	Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15	
SRO Presentations	1,3,5	0	0	0	18	
SRO Student Contacts	1,3,5	0	0	0	150	
Area School Events/Contacts	1,3,5	18	20	25	10	
Explorer Post Meetings	1,3,5	15	30	30	30	
Explorer Post Meetings Training Hours	1,3,5	336	400	500	600	
Crime Prevention Training - Community Svc.	1,3,5	8	24	8	8	
Business Contacts - Community Svc.	1,3,4,5	75	85	86	90	
Neighborhood Watch Mtgs - Community Svc.	1,3,5	3	20	4	6	
Inoperable Vehicle Warnings Issued	1,2,3,5	42	30	53	50	
Inoperable Vehicles Towed	1,2,3,5	7	8	11	10	
VIPS Hours	1,2,3,5	0	500	900	1200	
Town Hall Meetings	1,2,3,4,5	2	2	2	2	

SPECIAL REVENUE FUNDS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2013-14 Compared to Fiscal Year 2014-15

DEPARTMENT: POLICE					
DIVISION / ACTIVITY: WATAUGA CRIME CONTROL & PREVENTION DISTRICT - FUND 18					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$41,700 \$1,000 \$11,000	3% & Step (salary/benefits) Certification Pay Increase 15% Medical Insurance
Decrease Wearing Apparel	Supplies	FB		(\$20,000)	Usage adjustment
Decrease Vehicle Fuel & Lubricants	Supplies	FB		(\$2,000)	Usage adjustment
Decrease Uniform Cleaning Supp.	Supplies	FB		(\$13,000)	Moved to Uniform Cleaning Maintenance
Increase Uniform Cleaning	Maintenance	FB		\$13,000	Moved from Uniform Cleaning Supplies
Decrease Office Equipment	Maintenance	FB		(\$2,000)	Usage adjustment
Increase Vehicle Maintenance	Maintenance	FB		\$1,500	Historical usage adjustment
Decrease Radio Maintenance	Maintenance	FB		(\$5,000)	Historical usage adjustment
Decrease Advertising	Contractual/Sundry	FB		(\$1,000)	Historical usage adjustment
Increase Workers Compensation	Contractual/Sundry	FB		\$1,000	Increased Rate Adjustment
Increase Lease/Purchase Cost	Contractual/Sundry	FB		\$9,000	Expansion of ERP to fund Tahoe and Suburban
Increase Investigation Expense	Contractual/Sundry	FB		\$6,000	Increase in DWI and drug testing - New & Expanded
Decrease Special Services	Contractual/Sundry	FB		(\$5,000)	Historical usage adjustment
Increase Special Services	Contractual/Sundry	FB		\$10,000	New & Expanded TIP411 Program
Decrease Transfers to ERP	Transfers	FB	(\$25,000)		Fund 2 vehicles instead of 3
Decrease Computer Hardware	Capital Outlay	FB	(\$20,000)		Decreased Capital Need
Net Misc. Budget Changes	Various	FB		(\$540)	Misc. small dollar budget adjustments
TOTALS:			(\$45,000)	\$45,660	

\$660 NET INCREASE/DECREASE

SPECIAL REVENUE FUNDS

STREET MAINTENANCE – FUND 14

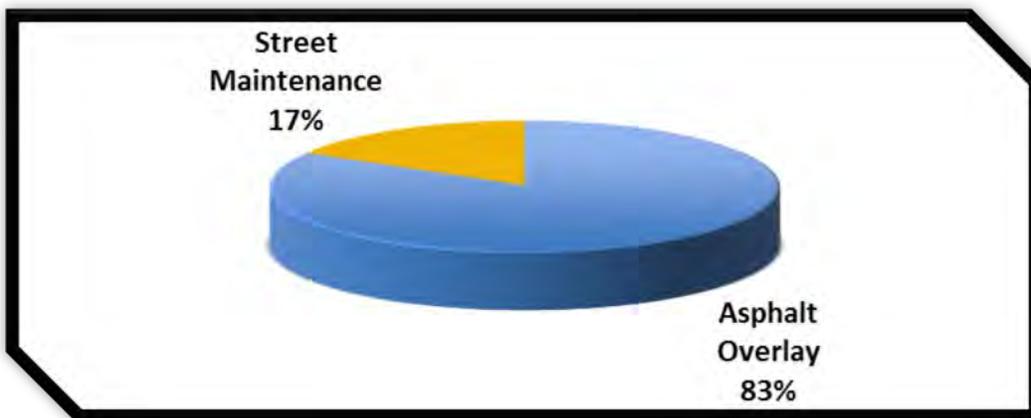
The Street Maintenance Fund was established in FY2013 to account for a ¼ cent sales tax approved by voters on May 12, 2012 for an initial four years effective October 1, 2012. The purpose of the sales tax is to provide for the maintenance and repair of municipal streets in existence at the time of the vote. The Watauga Parks Development Corporation sales and use tax was reduced by ¼ of one percent effective October 1, 2012.

Sales Tax revenue for FY2015 is expected to be \$721,000. This is a two-percent increase from FY2014.

Where Does the Money Come From?



Where Does the Money Go?



SPECIAL REVENUE FUNDS

STREET MAINTENANCE BUDGET SUMMARY - FUND 14

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$0	\$0	\$100,000	\$210,287	\$317,287	
<u>Revenues:</u>						
Sales Taxes	0	709,566	707,000	707,000	721,000	2.0%
Interest Earnings	0	322	0	0	0	0.0%
Operating Revenues	\$0	\$ 709,888	\$ 707,000	\$ 707,000	\$ 721,000	2.0%
Total Available Resources	\$0	\$ 709,888	\$ 807,000	\$ 917,287	\$ 1,038,287	1.7%
<u>Expenditures:</u>						
Asphalt Overlay	0	385,175	500,000	500,000	500,000	0.0%
Street Maintenance	0	114,426	100,000	100,000	100,000	0.0%
Operating Expenditures	0	499,601	600,000	600,000	600,000	0.0%
TOTAL OPERATING & TRANSFERS	\$0	\$ 499,601	\$ 600,000	\$ 600,000	\$ 600,000	0.0%
Fund Balance, September 30	\$0	\$210,287	\$207,000	\$317,287	\$438,287	
CHANGE IN FUND BALANCE	\$0	\$210,287	\$107,000	\$107,000	\$121,000	

SPECIAL REVENUE FUNDS

LIBRARY DONATION FUND – FUND 23

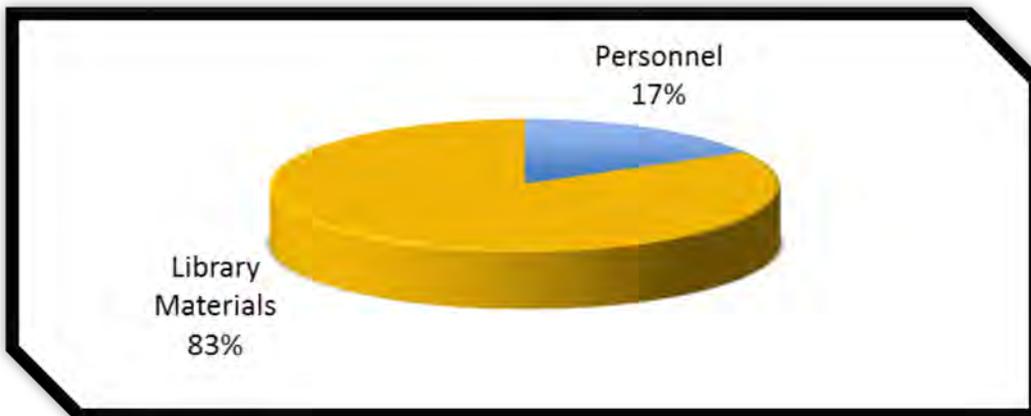
The Library Donation Fund is a Special Revenue Fund used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Library Donation Fund was established to give Watauga citizens the opportunity to assist the Library in purchasing supplies. Each month, citizens are given the opportunity to donate \$1 when paying their water and sewer bill.

This money is used to purchase additional library supplies such as books, audio and videotapes, periodicals, and other types of supplies.

Where Does the Money Come From?



Where Does the Money Go?



SPECIAL REVENUE FUNDS

LIBRARY DONATIONS BUDGET SUMMARY - FUND 23

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$4,654	\$14,353	\$21,449	\$14,565	\$12,380	
Revenues:						
Library Donations	11,125	10,383	11,000	11,000	11,000	0.0%
Interest Earnings	27	37	40	50	40	0.0%
Operating Revenues	\$11,152	\$ 10,420	\$ 11,040	\$ 11,050	\$ 11,040	0.0%
Total Available Resources	\$15,806	\$ 24,773	\$ 32,489	\$ 25,615	\$ 23,420	0.0%
Expenditures:						
Personnel	1,453	1,369	1,735	1,735	2,330	34.3%
Library Materials	0	8,839	11,500	11,500	11,500	0.0%
Operating Expenditures	1,453	10,208	13,235	13,235	13,830	4.5%
TOTAL OPERATING & TRANSFERS	\$1,453	\$ 10,208	\$ 13,235	\$ 13,235	\$ 13,830	4.5%
Fund Balance, September 30	\$ 14,353	\$14,565	\$19,254	\$12,380	\$9,590	
CHANGE IN FUND BALANCE	\$9,699	\$212	(\$2,195)	(\$2,185)	(\$2,790)	

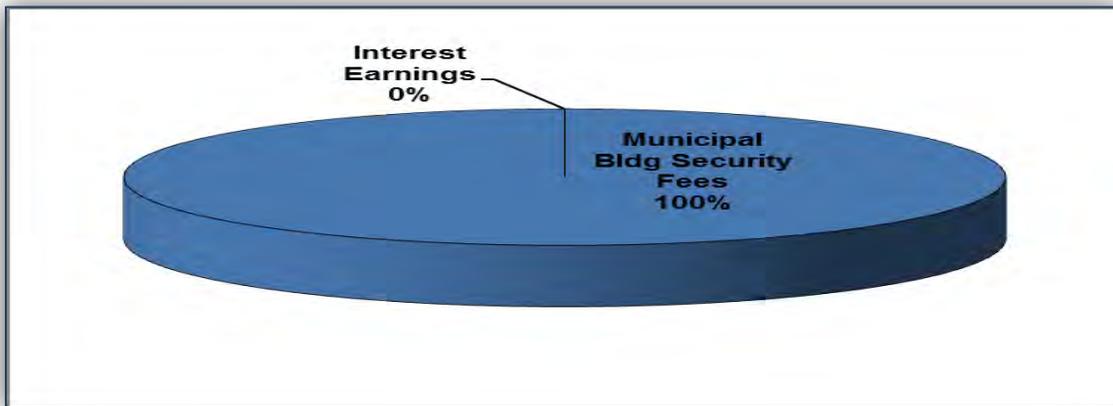
SPECIAL REVENUE FUNDS

MUNICIPAL COURT SECURITY – FUND 25

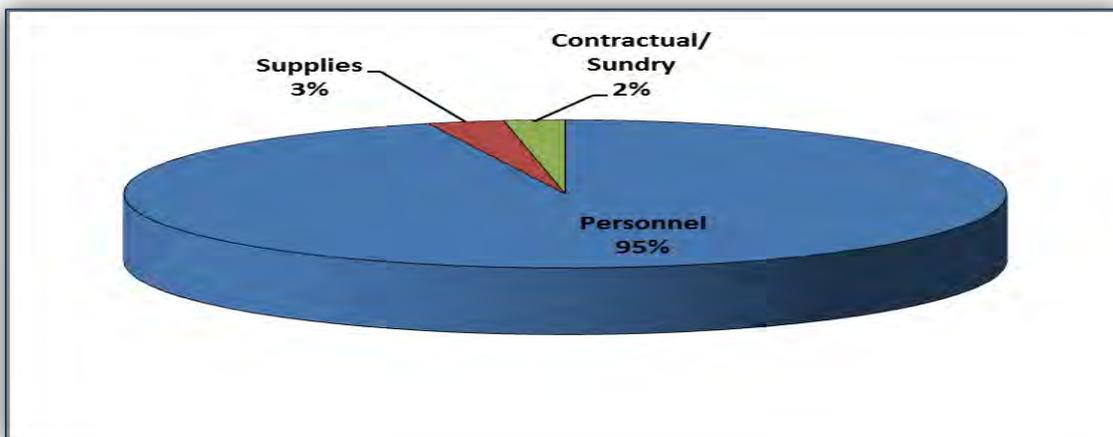
The Municipal Court Security Fund was established in the 1997 Texas Legislative Session to allow a \$3 assessment on all court fines paid. The assessment allows municipalities to purchase security equipment such as surveillance cameras, bulletproof glass, and Bailiff costs for Municipal Court areas. The Municipal Building Security Fees were assessed beginning in May 1999.

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?



SPECIAL REVENUE FUNDS

MUNICIPAL COURT SECURITY BUDGET SUMMARY - FUND 25

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$45,177	\$ 52,599	\$50,380	\$51,220	\$51,050	
Revenues:						
Municipal Bldg Security Fees	12,864	10,812	15,500	15,200	18,000	16.1%
Interest Earnings	72	68	0	80	0	0.0%
Operating Revenues	\$12,936	\$ 10,880	\$ 15,500	\$ 15,280	\$ 18,000	16.1%
Total Available Resources	\$58,113	\$ 63,479	\$ 65,880	\$ 66,500	\$ 69,050	3.8%
Expenditures:						
Personnel	5,416	11,971	15,450	15,450	17,000	10.0%
Supplies	0	284	0	0	500	100.0%
Contractual/Sundry	98	4	0	0	400	100.0%
Capital	0	0	0	0	0	0.0%
Operating Expenditures	5,514	12,259	15,450	15,450	17,900	15.9%
TOTAL OPERATING & TRANSFERS	\$5,514	\$ 12,259	\$ 15,450	\$ 15,450	\$ 17,900	15.9%
Fund Balance, September 30	\$ 52,599	\$51,220	\$50,430	\$51,050	\$51,150	
CHANGE IN FUND BALANCE	\$7,422	(\$1,379)	\$50	(\$170)	\$100	

Municipal Court Security Fund Fund 25

Finance and Administration

Bailiff
0.35 FTE



SPECIAL REVENUE FUNDS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: FINANCE & ADMINISTRATION					
DIVISION / ACTIVITY: MUNICIPAL COURT SECURITY FUND - FUND 25					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$1,550	Position Adjustment - Approved New Expanded
Net Misc. Budget Changes	Various	FB		\$900	Misc. small dollar budget adjustments
TOTALS:			\$0	\$2,450	

\$2,450 NET INCREASE/DECREASE

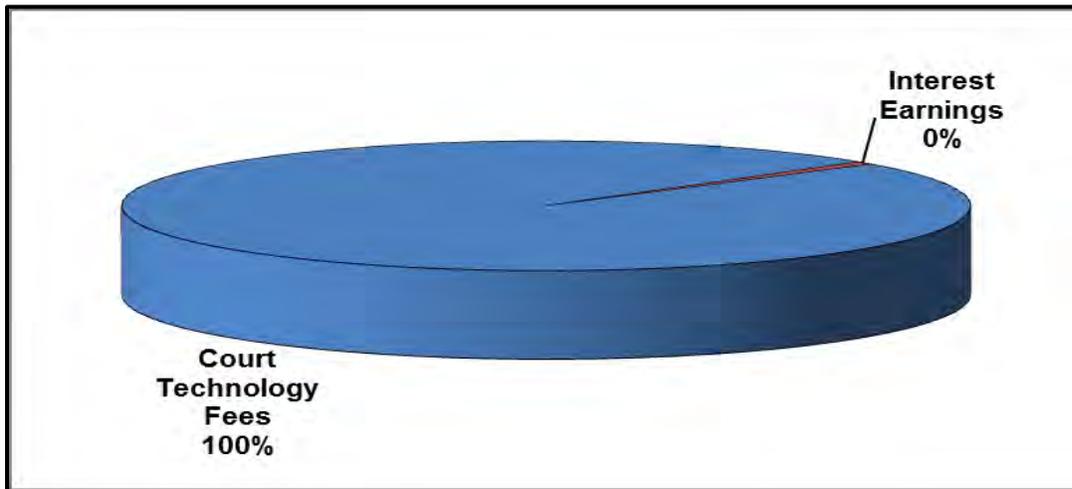
SPECIAL REVENUE FUNDS

MUNICIPAL COURT TECHNOLOGY– FUND 26

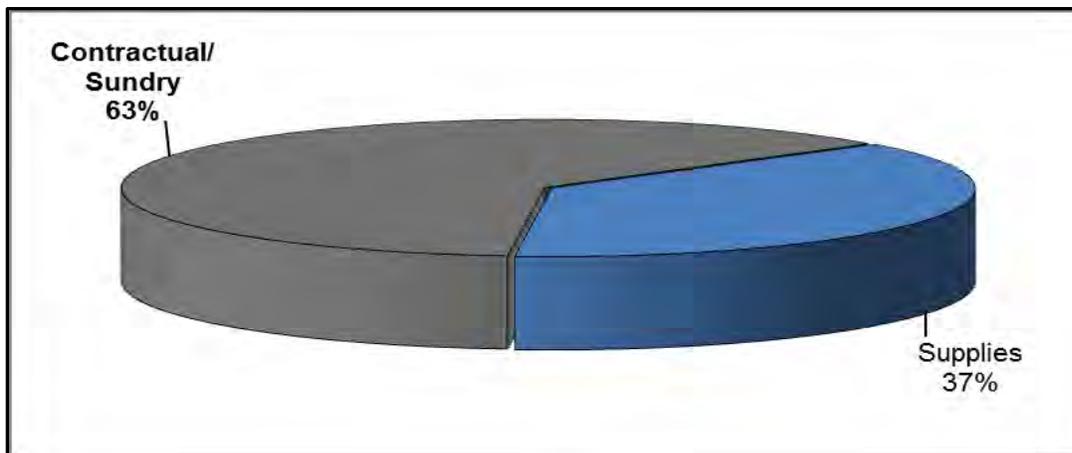
The Municipal Court Technology Fee was established in the 1997 Texas Legislative Session to allow a \$4 assessment on all court fines paid. The fees were assessed beginning October, 1999. The assessment allows municipalities to purchase and maintain technology equipment for Municipal Court areas. This equipment includes computer hardware and software. In 2003 this fee was updated to include the maintenance of such technology 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.

Where Does the Money Come From?



Where Does the Money Go?



SPECIAL REVENUE FUNDS

MUNICIPAL COURT TECHNOLOGY BUDGET SUMMARY - FUND 26

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$76,848	\$ 74,651	\$80,295	\$89,694	\$102,844	
Revenues:						
Municipal Court Technology Fee	18,003	15,435	20,900	17,000	20,900	0.0%
Interest Earnings	110	127	150	150	150	0.0%
Operating Revenues	\$18,113	\$ 15,562	\$ 21,050	\$ 17,150	\$ 21,050	0.0%
Total Available Resources	\$94,961	\$ 90,213	\$ 101,345	\$ 106,844	\$ 123,894	0.0%
Expenditures:						
Supplies	0	0	2,000	1,500	1,500	-25.0%
Contractual/Sundry	0	93	3,000	2,500	2,500	-16.7%
Capital	20,316	426	0	0	0	0.0%
Operating Expenditures	20,316	519	5,000	4,000	4,000	-20.0%
TOTAL OPERATING & TRANSFERS	\$20,316	\$ 519	\$ 5,000	\$ 4,000	\$ 4,000	-20.0%
Fund Balance, September 30	\$ 74,645	\$89,694	\$96,345	\$102,844	\$119,894	
CHANGE IN FUND BALANCE	(\$2,203)	\$15,043	\$16,050	\$13,150	\$17,050	

SPECIAL REVENUE FUNDS

MUNICIPAL COURT JUVENILE CASE MANAGER – FUND 27

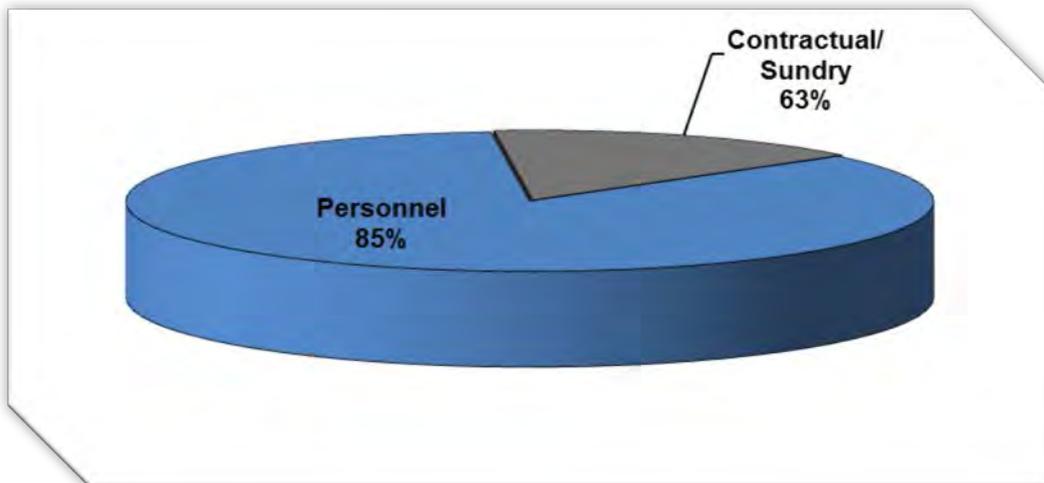
The Municipal Court Juvenile Case Manager Fee was established in the Texas Legislative session to allow a \$5 assessment on fines for misdemeanor offenses. The assessment allows municipalities to purchase and maintain technology equipment for Municipal Court areas. This equipment includes computer hardware and software. In 2003 this fee was updated to include the maintenance of such technology 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.

Where Does the Money Come From?



Where Does the Money Go?

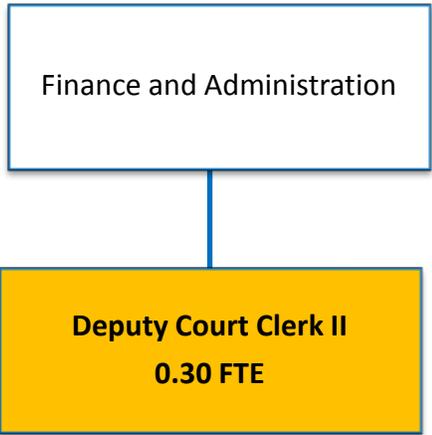


SPECIAL REVENUE FUNDS

MUNICIPAL COURT JUVENILE CASE MANAGER BUDGET SUMMARY - FUND 27

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$69,063	\$81,769	\$91,832	\$94,394	\$98,144	
Revenues:						
Juvenile Case Manager Fee	22,243	19,160	26,500	20,000	26,500	0.0%
Interest Earnings	116	126	100	100	100	0.0%
Operating Revenues	\$22,359	\$ 19,286	\$ 26,600	\$ 20,100	\$ 26,600	0.0%
Total Available Resources	\$91,422	\$ 101,055	\$ 118,432	\$ 114,494	\$ 124,744	0.0%
Expenditures:						
Personnel	9,653	6,181	13,800	13,800	14,800	7.2%
Contractual/Sundry	0	480	2,550	2,550	2,700	5.9%
Operating Expenditures	9,653	6,661	16,350	16,350	17,500	7.0%
TOTAL OPERATING & TRANSFERS	\$9,653	\$ 6,661	\$ 16,350	\$ 16,350	\$ 17,500	7.0%
Fund Balance, September 30	\$ 81,769	\$94,394	\$102,082	\$98,144	\$107,244	
CHANGE IN FUND BALANCE	\$12,706	\$12,625	\$10,250	\$3,750	\$9,100	

Juvenile Case Manager Fund 27-040



SPECIAL REVENUE FUNDS

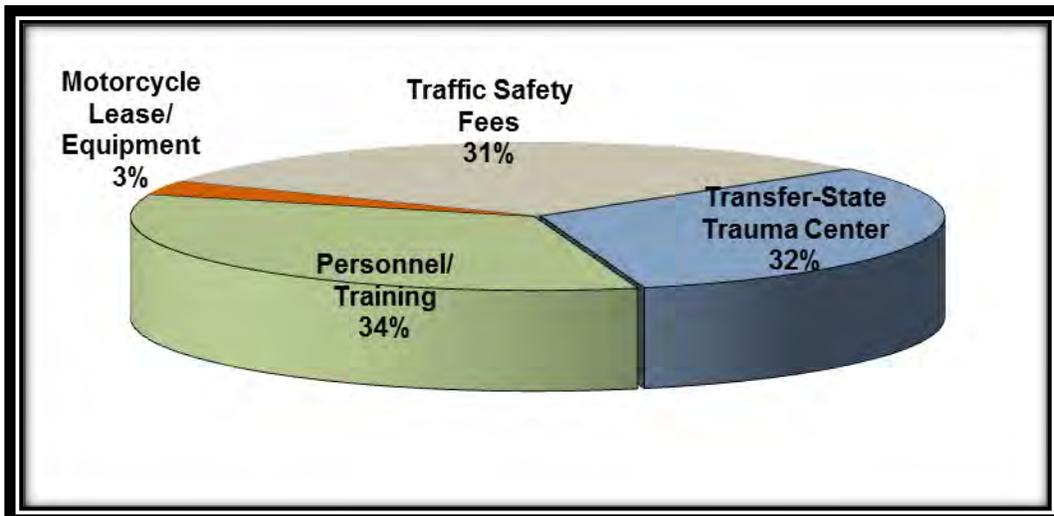
TRAFFIC SAFETY – FUND 28

This fund is to account for civil or administrative penalties to no more than \$75 and late penalties to no more than \$25. Legislation passed by the 80th Texas Legislature allows a local government entity to use a photographic traffic signal enforcement system. One-half the net revenue from this fund is remitted to the Texas Comptroller for deposit into a Regional Trauma Account. The City's traffic signal enforcement system was established December, 2010.

Where Does the Money Come From?



Where Does the Money Go?

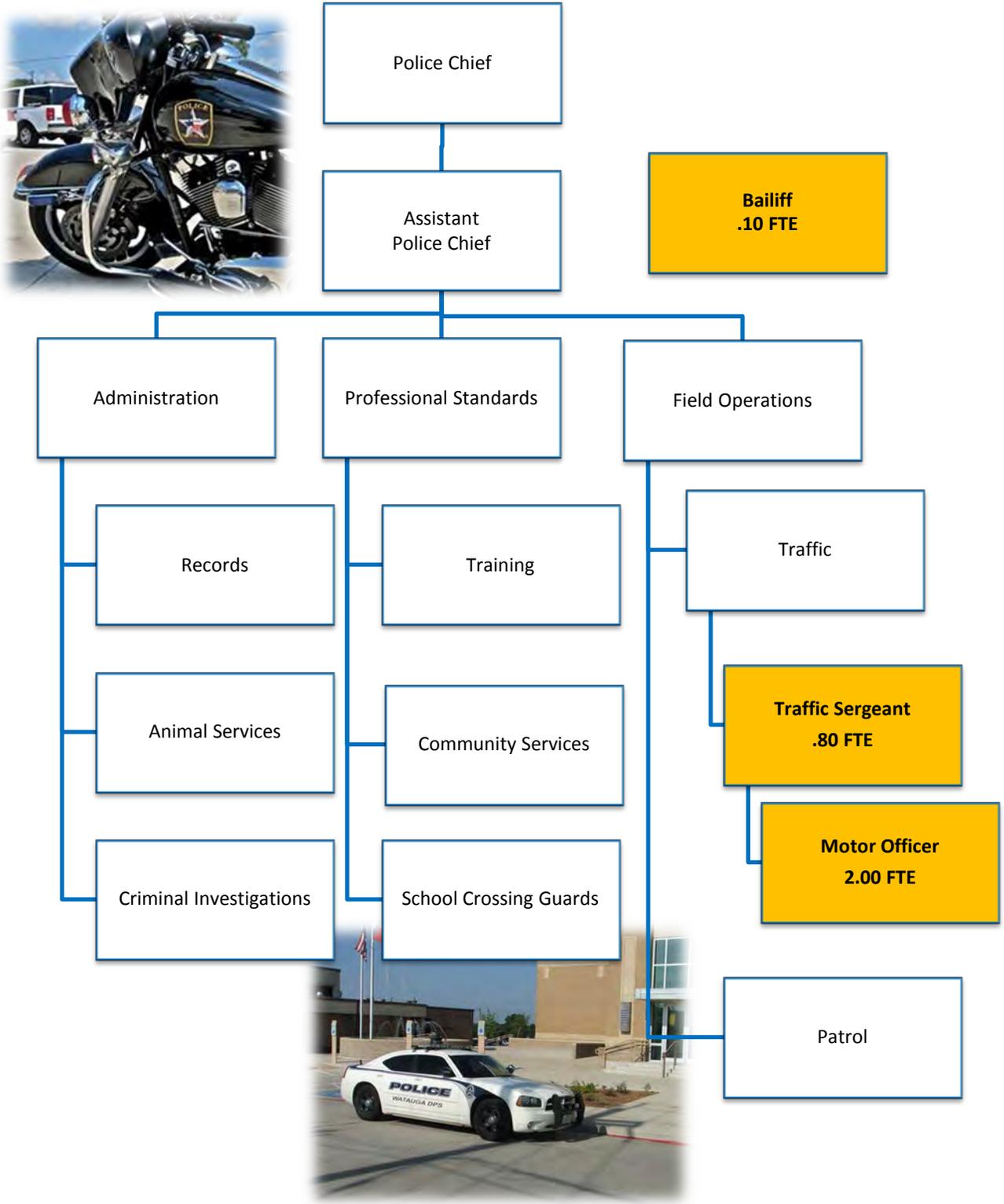


SPECIAL REVENUE FUNDS

TRAFFIC SAFETY - FUND 28

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$241,436	\$23,220	\$42,949	\$53,035	\$36,735	
Revenues:						
Traffic Safety Fee	822,240	652,717	800,000	700,000	700,000	-12.5%
Interest Earnings	0	0	0	0	0	0.0%
Operating Revenues	\$822,240	\$ 652,717	\$ 800,000	\$ 700,000	\$ 700,000	-12.5%
Total Available Resources	\$1,063,676	\$ 675,937	\$ 842,949	\$ 753,035	\$ 736,735	-11.9%
Expenditures:						
Personnel/Training Expenses	233,563	189,061	253,100	239,300	249,200	-1.5%
Lease - Motorcycles/Equipment	0	0	19,060	19,000	22,000	15.4%
Traffic Safety Fees	228,000	228,000	230,000	228,000	228,000	0.0%
Total Operating Expenditures	461,563	417,061	502,160	486,300	499,200	-0.6%
Operating Transfers-Out						
To Gen Capital Projects	290,000	0	0	0	0	0.0%
To State Trauma Center	288,893	205,841	285,000	230,000	235,000	-17.5%
Total Operating Transfers-Out	578,893	205,841	285,000	230,000	235,000	-17.5%
TOTAL OPERATING & TRANSFERS	\$1,040,456	\$ 622,902	\$ 787,160	\$ 716,300	\$ 734,200	-6.7%
Fund Balance, September 30	\$ 23,220	\$53,035	\$55,789	\$36,735	\$2,535	
CHANGE IN FUND BALANCE	(\$218,216)	\$29,815	\$12,840	(\$16,300)	(\$34,200)	

Traffic Safety Fund 28-080



SPECIAL REVENUE FUNDS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: POLICE					
DIVISION / ACTIVITY: TRAFFIC SAFETY - FUND 28					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$2,900 (\$1,500) (\$8,000)	Reorganization/Step Increase/TMRS Rate Increase Insurance Savings Decrease Step Program
Decrease Traffic Light Fees	Non-Departmental	FB		(\$2,000)	
Special Services	Contractual/Sundry	FB		(\$50,000)	Decreased required fees based on revenue
Lease/Purchase	Contractual/Sundry	FB		\$2,940	Increased motorcycle lease & ERF payment
Net Misc. Budget Changes	Various	FB		\$2,700	Misc. small dollar budget adjustments
TOTALS:			\$0	(\$52,960)	

(\$52,960) NET INCREASE/DECREASE

The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Georgia state flag (red, white, and blue with a white star), and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is surrounded by green grasses and red flowers. In the background, there are trees and a building with red seating.

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PROPRIETARY FUNDS

WATER AND SEWER UTILITY ENTERPRISE

FUND 40

STORM DRAIN

FUND 15

EQUIPMENT REPLACEMENT

FUND 22

The image shows three tall silver flagpoles with gold finials. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is set outdoors with trees and a clear blue sky.

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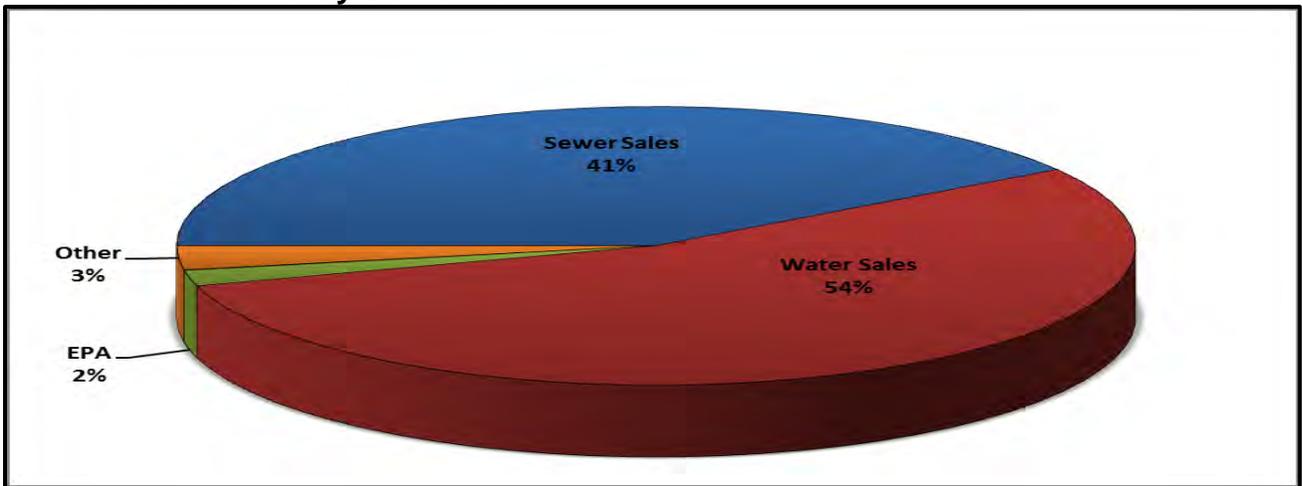
PROPRIETARY FUNDS

Water and Sewer Utility Operating Fund

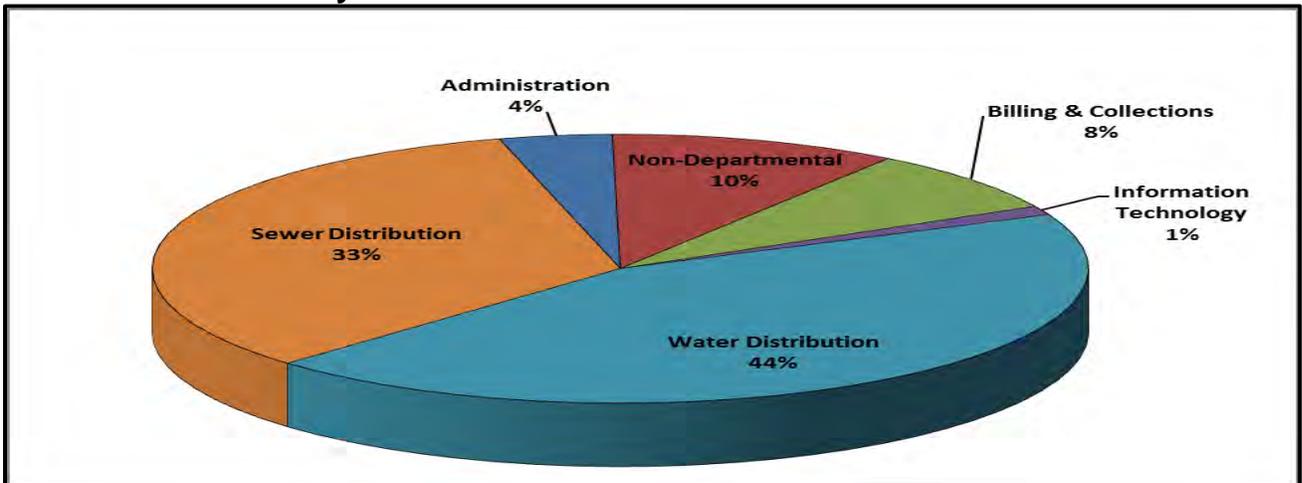
The Water and Sewer Utility Fund is one of two enterprise funds of the City. Its purpose is to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City Council is that cost of providing services to the general public on a continuing 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 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. In December, 2011, rates were increased by 30% in order to make this fund self-sustaining and to acquire enough working capital for various projects in future years.

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.

Where Does the Money Come From?



Where Does the Money Go?

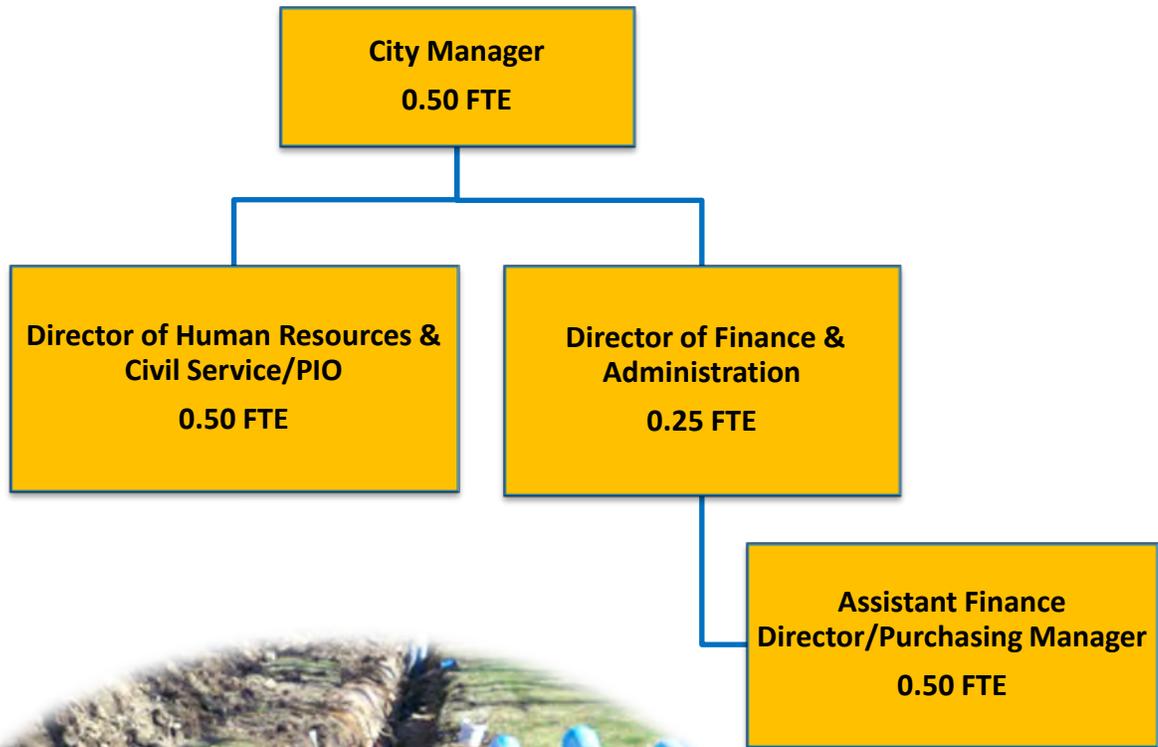


PROPRIETARY FUNDS

WATER SEWER UTILITY BUDGET SUMMARY - FUND 40

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Retained Earnings, October 1	\$1,727,437	\$2,432,263	\$2,219,891	\$2,422,033	\$2,406,746	
Revenues:						
Water Sales	4,577,874	4,481,638	4,500,000	4,450,000	4,650,000	3.3%
Sewer Sales	3,227,828	3,254,475	3,400,000	3,400,000	3,475,000	2.2%
Penalty Revenue	189,404	202,217	185,000	200,000	190,000	2.7%
Other Revenue	59,166	15,461	5,000	5,000	5,000	0.0%
Water Taps	850	3,300	0	3,500	0	0.0%
Sewer Taps	50	400	0	100	0	0.0%
Service Charges	43,275	44,880	43,000	42,800	43,000	0.0%
EPA Revenues	160,850	157,578	156,000	156,000	156,000	0.0%
Water Inspection Fees	0	0	0	0	0	0.0%
Sewer Inspection Fees	0	0	0	0	0	0.0%
Interest Income	3,655	130	5,000	4,000	5,000	0.0%
Operating Revenues	\$ 8,262,952	\$ 8,160,079	\$ 8,294,000	\$ 8,261,400	\$ 8,524,000	2.8%
Operating Transfers-In:						
Transfers from JUF	912	770	0	800	0	0.0%
Total Available Resources	\$ 9,991,301	\$ 10,593,112	\$ 10,513,891	\$ 10,684,233	\$ 10,930,746	2.3%
Expenditures:						
Administration	223,376	192,366	219,600	219,600	235,600	7.3%
Non-Departmental	597,757	596,392	539,000	536,500	604,500	12.2%
Billing & Collections	449,578	428,184	457,450	457,450	461,600	0.9%
Information Technology	61,817	62,154	64,600	64,600	66,000	2.2%
Water Distribution	2,333,149	2,269,009	2,412,850	2,407,350	2,672,400	10.8%
Wastewater Collection	1,780,553	2,010,763	1,952,700	1,944,500	2,014,750	3.2%
Total Operating Expenditures	5,446,230	5,558,868	5,646,200	5,630,000	6,054,850	7.2%
Operating Transfers-Out						
To General Fund	395,736	402,321	413,000	413,000	426,000	3.1%
To Joint Use Facility Fund	74,131	25,389	75,000	75,000	75,000	0.0%
To CO Debt Service	1,158,013	1,699,089	1,678,825	1,678,825	1,686,125	0.4%
To Revenue Bond Debt Service	344,928	345,412	340,662	340,662	340,678	0.0%
To Water/Wastewater Construction	140,000	140,000	140,000	140,000	140,000	0.0%
Total Operating Transfers-Out	2,112,808	2,612,211	2,647,487	2,647,487	2,667,803	0.8%
Operating Surplus/(Deficit)	\$704,826	(\$10,230)	\$313	\$ (15,287)	(198,653)	
Transfers to Sustainability Funds						
To Equipment Repl. - Current Year	0	0	0	0	221,000	0.0%
Total Transfers to Sustainability Funds	0	0	0	0	221,000	0.0%
Net Income	2,817,634	2,601,981	2,647,800	2,632,200	2,469,150	
TOTAL OPERATING & TRANSFERS	\$ 7,559,038	\$ 8,171,079	\$ 8,293,687	\$ 8,277,487	\$ 8,943,653	7.8%
Retained Earnings, September 30	\$ 2,432,263	\$2,422,033	\$2,220,204	\$2,406,746	\$1,987,093	
CHANGE IN NET ASSETS	\$704,826	(\$10,230)	\$313	(\$15,287)	(\$419,653)	
% OF EXPENDITURES	32%	30%	27%	29%	24%	or 83 days

Water and Sewer Fund Fund 40-010



PROPRIETARY FUNDS

DEPARTMENT: ADMINISTRATION

DIVISION / ACTIVITY: ADMINISTRATIVE – FUND 40-010

LOCATION:

7105 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5800

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

- 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.
- This department includes only personnel costs associated with these services provided.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

See Fund 01-010, Fund 01-011, and Fund 01-040

FY2014-2015 GOALS/ OBJECTIVES:

See Fund 01-010, Fund 01-011, and Fund 01-040

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

See Fund 01-010, Fund 01-011, and Fund 01-040

PROPRIETARY FUNDS

DEPARTMENT: FINANCE AND ADMINISTRATION
DIVISION / ACTIVITY: WATER AND SEWER - FUND 40-010

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$215,038	\$223,376	\$192,367	\$219,600	\$219,600	\$235,600
Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$215,038	\$223,376	\$192,367	\$219,600	\$219,600	\$235,600

PERSONNEL						
City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Director of Finance & Admin.	0.25	0.25	0.25	0.25	0.25	0.25
Asst. Finance Director / Purch.	0.50	0.50	0.50	0.50	0.50	0.50
HR & CS Director / PIO	0.50	0.50	0.50	0.50	0.50	0.50
TOTAL	1.75	1.75	1.75	1.75	1.75	1.75

<i>Efficiency Measures / Impact</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O budget per capita	\$8.19	\$8.96	\$8.96	\$9.62
M & O percentage of city budget	0.48%	0.73%	0.73%	0.57%

PROPRIETARY FUNDS

WATER & SEWER FUND - ADMINISTRATION 40-010

SIGNIFICANT BUDGET CHANGES

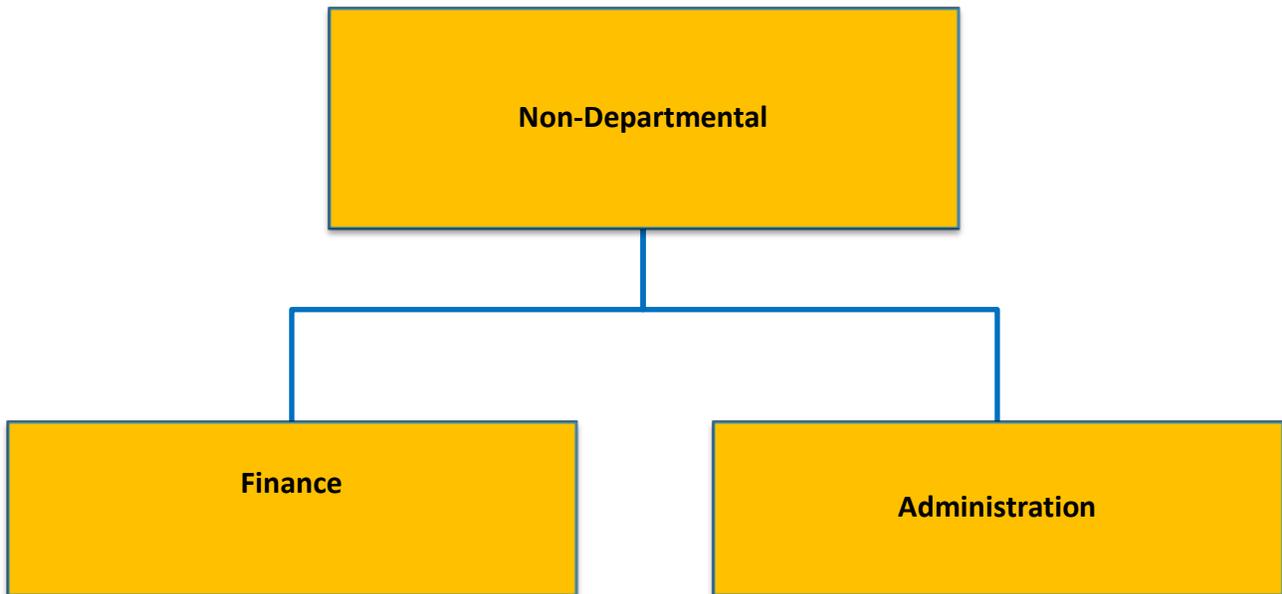
Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: FINANCE & ADMINISTRATION					
DIVISION / ACTIVITY: WATER & SEWER - FUND 40-010					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$3,300 \$15,000 (\$2,300)	TMRS Rate Increase/Longevity CM Contract Adjustment Insurance Savings
TOTALS:			\$0	\$16,000	

\$16,000 NET INCREASE/DECREASE

Water and Sewer Fund

Non-Departmental Fund 40-020



PROPRIETARY FUNDS

DEPARTMENT: WATER & SEWER

DIVISION / ACTIVITY: NON-DEPARTMENTAL – FUND 40-020

LOCATION:

7105 Whitley Road

Watauga, Texas 76148

Phone Number: 817-514-5800

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.

Extended hours for meetings and elections.

MISSION / PROGRAMS / SERVICES:

- Management has initiated programs to define the costs in this budget that may not be specifically identifiable to any operational budget.
- Examples of costs here include:
 - general liability insurance
 - city-wide computer leases
 - copier costs
 - merchant fees
 - contingency
 - worker's compensation
 - vacation buy-back
 - retirement costs
 - general administrative costs

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

Employee retention increased with a slight decrease in the amount of retirees and resignations. Initiated a new structure for vacation sell back decreasing the amount of days eligible to sell back.

FY2014-2015 GOALS/ OBJECTIVES:

Fund 2.5% increase for employees in order to remain competitive in the current market. Continued decrease in the number of eligible vacation days allowed to sell back.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

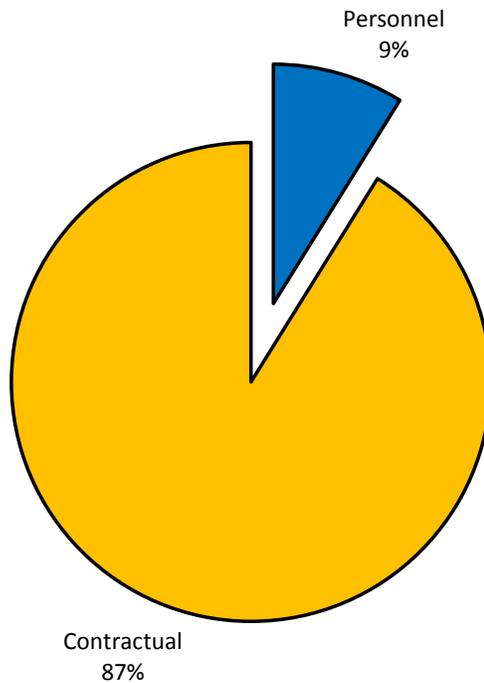
In order to recruit and retain a solid workforce, the City will continually review and revise the current employee pay plan.

PROPRIETARY FUNDS

DEPARTMENT: WATER & SEWER
DIVISION / ACTIVITY: NON DEPARTMENTAL - FUND 40-020

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$93,623	\$18,510	\$98,696	\$22,000	\$19,500	\$53,500
Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$151	\$0	\$0	\$0	\$0
Contractual/Sundry	\$527,654	\$579,097	\$497,368	\$517,000	\$517,000	\$551,000
Capital Outlay	\$0	\$0	\$328	\$0	\$0	\$0
TOTAL	\$621,277	\$597,758	\$596,392	\$539,000	\$536,500	\$604,500
PERSONNEL						
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

PROPRIETARY FUND NON-DEPARTMENTAL 2014-2015 BUDGET



PROPRIETARY FUNDS

WATER & SEWER NON-DEPARTMENTAL - FUND 40-020

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: WATER & SEWER					
DIVISION / ACTIVITY: NON DEPARTMENTAL FUND 40-020					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel Services	FB		\$31,500	2.5% Salary Increase
Add line item ACA Mandate	Contractual/Sundry	FB		\$5,000	Affordable Care Act Mandate Fees
Increase Workers Compensation	Contractual/Sundry	FB		\$2,000	Increased rate adjustment
Increase Pymt to Internal Scvs.	Contractual/Sundry	FB	\$12,000		Equipment Replacement Program
Increase Pymt. In Lieu of Taxes	Contractual/Sundry	FB	\$13,000		Adjustment
Increase Bank Charges	Contractual/Sundry	FB		\$2,000	Increased charges
TOTALS:			\$25,000	\$40,500	

\$65,500 NET INCREASE/DECREASE

Utility Billing & Collections Fund 40-045



Director of Finance & Administration

Assistant Finance Director/Purchasing
Manager

Utility Billing Administrator
1.00 FTE

Administrative Assistant
0.50 FTE

Customer Service Representative II
1.00 FTE

Customer Service Representative I
1.00 FTE

Water Service Representative
2.00 FTE

Meter Reader
2.00 FTE



PROPRIETARY FUNDS

DEPARTMENT: FINANCE AND ADMINISTRATION

DIVISION / ACTIVITY: UTILITY BILLING AND COLLECTIONS – FUND 40-045

LOCATION:

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

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

Provide customers with the best service possible for prompt administration of their utility accounts. Perform duties in such a way as to protect the assets of the City and its citizens. Continue to seek ways to raise the level and quality of customer service provided by this office through continuous training. Ensure accurate reading of meters by properly maintaining meters and correctly read water customers' meters in a timely manner to meet billing cycle schedules.

Provided services include:

- Establishing new accounts and updating existing accounts.
- Handle customer inquiries.
- Meter reading.
- Initiate work orders.
- Process delinquent accounts.
- Bill and process customer payments.
- Receipting and posting the financial activity for other City departments.
- Our Field Service Representatives change out meters, perform meter box maintenance and installations, as well as assist with other departments.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Continued meter replacement program with a total of 369 residential water meters replaced.
- Cross-trained field personnel with customer service personnel.

FY2014-2015 GOALS/ OBJECTIVES:

- Continue with the meter and meter lid replacement program.
- Encourage customer service representatives to network with others within the same industry to help better serve our customers, both internally and externally.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Monitor monthly water and waste water consumption to stay apprised of year-to-date revenue.

PROPRIETARY FUNDS

DEPARTMENT: FINANCE AND ADMINISTRATION

DIVISION / ACTIVITY: UTILITY BILLING AND COLLECTIONS - FUND 40-045

EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$354,458	\$349,416	\$333,667	\$336,200	\$336,200	\$338,500
Supplies	\$69,103	\$70,011	\$65,008	\$83,500	\$83,500	\$84,000
Maintenance	\$3,751	\$3,128	\$4,122	\$3,700	\$3,700	\$5,000
Contractual/Sundry	\$26,936	\$27,022	\$25,387	\$34,050	\$34,050	\$34,100
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$454,248	\$449,577	\$428,184	\$457,450	\$457,450	\$461,600

PERSONNEL						
Utility Billing Administrator	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service Rep I	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service Rep II	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	0.00	0.50	0.50	0.50	0.50
Water Service Rep	2.00	2.00	2.00	2.00	2.00	2.00
Meter Reader	2.00	2.00	2.00	2.00	2.00	2.00
TOTAL	7.00	7.00	7.50	7.50	7.50	7.50

PERFORMANCE MEASURES / SERVICE LEVELS

Input / Demand	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Service orders	4,705	4,500	5,600	7,000
Number of water billings	97,362	99,200	97,500	97,500
Number of wastewater billings	96,930	9,700	97,000	97,000
Number of water account	8,068	8,180	8,150	8,150
Number of wastewater accounts	8,078	8,100	8,100	8,100
Meters read annually	96,816	99,000	98,000	98,000

Output/Workload	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
New accounts	1,351	1,210	1,400	1,400
Transfers	42	55	50	50
Billing cycles	5	5	5	5
Meters replaced	270	350	700	1500 to 2000
Cu. Ft. billed - water	94,506,204	99,750,000	94,000,000	94,000,000
Cu. Ft. billed - wastewater	70,312,431	77,000,000	70,000,000	70,000,000

Efficiency Measures / Impact	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
M & O budget per capita	\$18.22	\$18.67	\$18.67	\$18.84
M & O percentage of city budget	1.08%	1.51%	1.51%	1.12%
Delinquent cut-off water customer	1,669	1,650	1,700	1,700
Percentage of billings that go to bad debt	1%	2%	2%	2%

Effectiveness Measures / Outcomes	Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
% of same day service	1, 2, 3, 4, 5	100%	100%	100%	100%
% of accurate readings	1, 4, 5	98%	100%	99%	100%
% of revenues recorded within 24 hours	1, 4, 5	100%	100%	100%	100%
% of complaints addressed within 3 days	1, 2, 3, 4, 5	100%	100%	100%	100%

PROPRIETARY FUNDS

WATER & SEWER BILLING & COLLECTIONS - FUND 40-045

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: WATER & SEWER					
DIVISION / ACTIVITY: BILLING & COLLECTIONS - FUND 40-045					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$3,400 (\$1,100)	TMRS Rate Increase/ Longevity Insurance Savings
Increase Meter Reading System	Maintenance	FB		\$1,300	Increased Cost
Net Misc. Budget Changes	Various	FB		\$550	Misc. small dollar budget adjustments
TOTALS:			\$0	\$4,150	

\$4,150 NET INCREASE/DECREASE

Information Technology Fund 40-050



PROPRIETARY FUNDS

DEPARTMENT: ADMINISTRATION	
DIVISION / ACTIVITY: INFORMATION TECHNOLOGY – FUND 40-050	
LOCATION: 7105 Whitley Road Watauga, Texas 76148 Phone Number: 817-514-5800	HOURS OF OPERATION: Monday – Friday 7:00 A.M. – 5:00 P.M. Continuous on-call service
MISSION / PROGRAMS / SERVICES: Mission: To provide for the operations and development of the City through the implementation and support of cost effective technologies which enhance the efficiencies of City staff while facilitating effective information flow between the City and its citizens. Programs and Services: <ul style="list-style-type: none"> • Networking, Hardware and Software, Telecommunications, Web Site, Cable Channel, Audio/Video, Building Security and Technical Support and Public Information 	
FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS: <ul style="list-style-type: none"> • Maintained 99% system-wide uptime and performed weekly server maintenance • Completed Public Works and Recreation Software Implementation • Implemented new Information Technology Help Desk and closed 2,750 requests for service • Audited all Hardware and Software • Documented all servers for Disaster Recovery • Revised and Re-submitted Criminal Justice Information System Packet to the State • Added CJIS access to Courts • Finished Implementation of private City Wi-Fi in all City buildings • Performed User Personal Folder Cleanup to address storage and legal issues with inappropriate files • Implemented TxDot Crash Interface • Filmed and Streamed all Council, Board and Committee Meetings • Replaced the Security System at the Water Tower • Developed a database of all security codes for each building alarm and doors • Reprogrammed Water Tower gate codes after failure • Expanded video production Implemented Report a Concern Line and MyGov Web Interface • Converted 252 Council Meetings on VHS to DVD • Significantly enhanced the content of the City's Facebook and Twitter feeds • Continued to monitor, maintain and revise the City web site as requested • Provided PIO services including news releases, pictures and updates for Council 	
FY2014-2015 GOALS/ OBJECTIVES: <ul style="list-style-type: none"> • Improve City to citizen communication while improving City image • Improve the City Newsletter • Continue to Improve the City's Social Media Feeds • Produce more video productions • Replace Workstation and Server Hardware • Replace Firewalls for CJIS compliance • Implement agenda creation software • Improve internal procedures and provide training classes for Council and Staff • Audit and revise City web site for usability and information flow • Reduce printers, usage and costs • Reevaluate current security solutions including anti-virus and SPAM filters • Maintain high level of support service while controlling costs 	
MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS: <ul style="list-style-type: none"> • PBX Maintenance begins for years 3-5 and proposed workstation replacements • Necessary Hardware replacements for CJIS Security compliance and server replacement • Agenda Creation and Board Meeting Management 	

PROPRIETARY FUNDS

DEPARTMENT: ADMINISTRATION						
DIVISION / ACTIVITY: INFORMATION TECHNOLOGY - FUND - 40-050						
EXPENDITURES	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 BUDGET	2013-14 ESTIMATED	2014-15 BUDGET
Personnel	\$52,792	\$56,485	\$57,015	\$58,500	\$58,500	\$59,500
Supplies	\$84	\$292	\$0	\$500	\$500	\$500
Maintenance	\$5,460	\$5,040	\$5,040	\$5,600	\$5,600	\$6,000
Contractual/Sundry	\$0	\$0	\$99	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$58,336	\$61,817	\$62,154	\$64,600	\$64,600	\$66,000
PERSONNEL						
Chief Information Officer	0.50	0.50	0.50	0.50	0.50	0.50
TOTAL	0.50	0.50	0.50	0.50	0.50	0.50
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
PC workstations			165	165	165	143
LAN servers			24	24	24	43
Printers			80	80	80	80
Laptops			52	52	52	26
Digital signage or conference displays			10	10	10	10
Audio / Video systems			3	3	3	3
Smart boards			3	3	3	3
PBX switches			1	1	1	1
Telephones			122	122	122	122
<i>Output / Workload</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Number of help desk calls			732	3,000	3,282	3,300
Number of other service calls			1,188	1,200	1,200	1,200
<i>Efficiency Measures / Impact</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
M & O budget per capita			\$2.65	\$2.64	\$2.64	\$2.69
M & O budget percentage of city budget			0.16%	0.21%	0.21%	0.16%
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Estimated 13-14</i>	<i>Budget 14-15</i>
Survey satisfaction rate		1, 4, 5	90%	95%	95%	95%
Problem resolution / repair of systems:						
% completed within 1 business day		1, 4	90%	90%	90%	90%
% completed in greater than 1 business day		1, 4	10%	10%	10%	10%
% of priority service calls closed within 4 hrs		1, 4	98%	99%	99%	99%
Public safety dispatch system up time		1, 3, 4, 5	99%	99%	99%	99%
Computer systems & networks up time		1, 4, 5	99%	99%	99%	99%

PROPRIETARY FUNDS
WATER & SEWER ADMINISTRATION
INFORMATION TECHNOLOGY - FUND 40-050

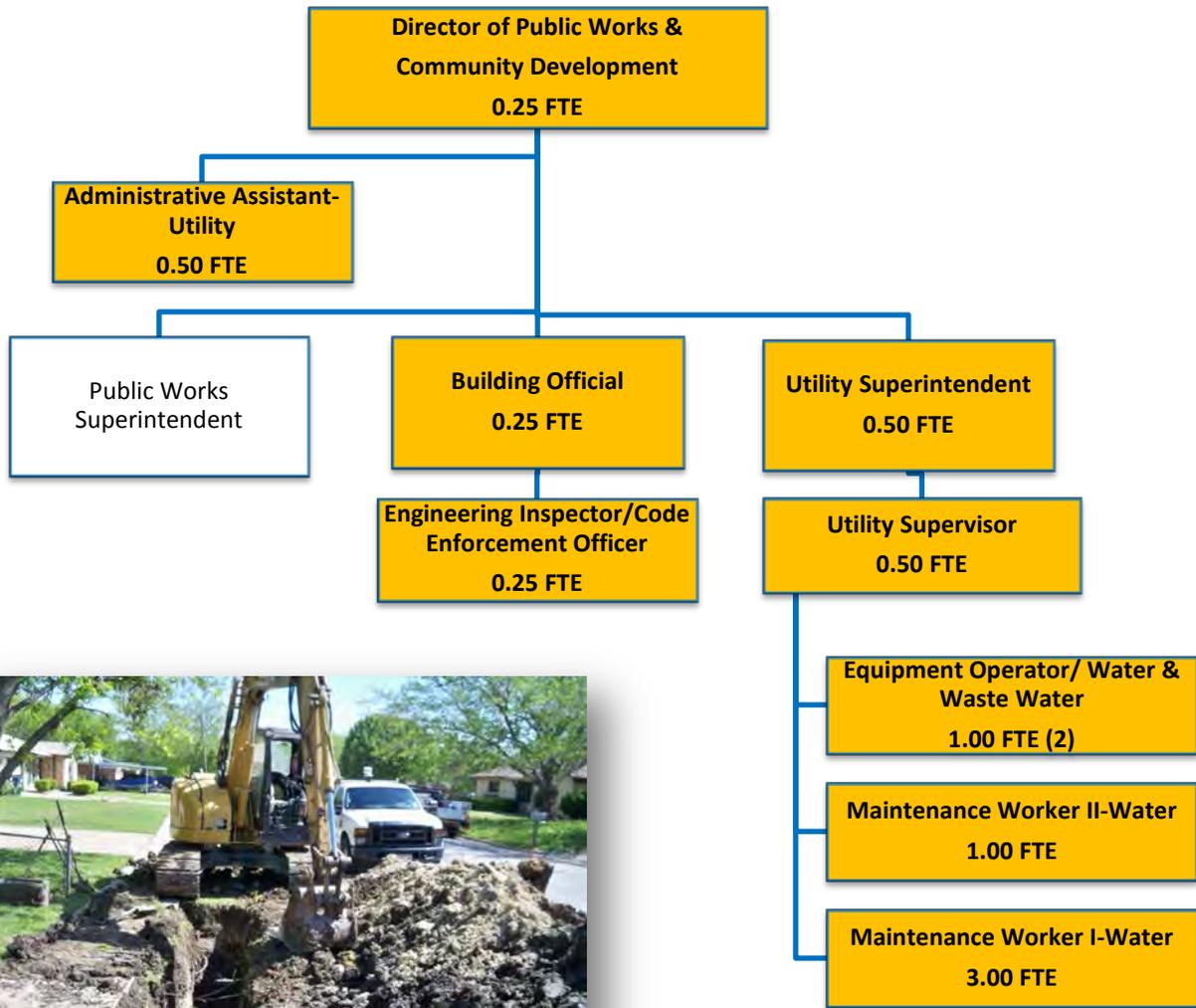
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: WATER & SEWER					
DIVISION / ACTIVITY: ADMINISTRATION INFORMATION TECHNOLOGY FUND 40-050					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$1,000	TMRS Rate Increase/Longevity
Net Misc. Budget Changes	Various	FB		\$400	Misc. small dollar budget adjustments
TOTALS:			\$0	\$1,400	

\$1,400 NET INCREASE/DECREASE

Water Distribution Fund 40-093



PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: WATER DISTRIBUTION – FUND 40-093

LOCATION:

7800 Virgil Anthony Sr. Blvd.
Watauga, Texas 76148
Phone Number: 817-514-5806

HOURS OF OPERATION:

Monday – Friday 7:00 A.M. – 4 P.M.

MISSION / PROGRAMS / SERVICES:

The mission of the City of Watauga Water Department is to provide the highest quality and quantity of water by collecting bacteriological water samples and flushing mains to ensure safe drinking water while providing world class customer service to our citizens.

- The City's water quality meets or exceeds requirements set forth by the Texas Commission on Environmental Quality (TCEQ).
- The City of Watauga Water Department repairs leaks on mains and service lines to prevent loss of water and revenues.
- Strive to provide a world class customer service attitude.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- The Water Department collected 300 routine bacteriological water samples.
- Maintained 85 miles of water mains through repair.
- Flushed dead end water mains to ensure a high quality of water on dead ends, and exercised the water main valves.
- Distributed the Consumer Confidence Report to our citizens and posted in public areas.
- Monitored disinfection levels daily as required by the Texas Commission on Environmental Quality as well as provided world class customer service.
- Replaced 25,907 feet of new water mains in the Capital Improvement Project.
- The Water Department began sampling for the Unregulated Contaminants Monitoring Rule (UCMR3) in order to remain in compliance with the Environmental Protection Agency (EPA).

FY2014-2015 GOALS/ OBJECTIVES:

- The City of Watauga's superior water system is regulated by the Texas Commission of Environmental Quality. Compliance with the regulations will be through continued quarterly and annual operating reports, the Consumer Confidence Report, bacteriological water sampling, dead end water main flushing, valve exercising and annual reports.
- Repair water leaks in a timely manner.
- Continue to provide the highest quality drinking water possible combined with world class customer service.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Must maintain compliance with the TCEQ regulations to ensure the citizens of Watauga receive the highest quality and quantity of water possible.
- Maintaining our superior water system rating is accomplished through continued water sampling and water main repair to prevent water and revenue loss.

PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS						
DIVISION / ACTIVITY: WATER DISTRIBUTION - FUND 40-093						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$362,332	\$365,194	\$377,704	\$391,500	\$391,500	\$377,500
Supplies	\$19,630	\$22,391	\$17,839	\$33,600	\$33,600	\$33,600
Maintenance	\$23,547	\$26,365	\$30,006	\$46,250	\$41,250	\$36,300
Contractual/Sundry	\$2,028,161	\$1,891,234	\$1,824,016	\$1,936,500	\$1,936,000	\$2,220,000
Capital Outlay	\$18,300	\$27,965	\$19,442	\$5,000	\$5,000	\$5,000
TOTAL	\$2,451,970	\$2,333,149	\$2,269,007	\$2,412,850	\$2,407,350	\$2,672,400
PERSONNEL						
PW & Comm. Dev. Director	0.50	0.50	0.50	0.25	0.25	0.25
Inspection Foreman	0.25	0.25	0.25	0.00	0.00	0.00
Code Enforcement Officer/Engineer	0.00	0.00	0.00	0.25	0.25	0.25
Building Official	0.00	0.00	0.00	0.25	0.25	0.25
Utility Superintendent	0.50	0.50	0.50	0.50	0.50	0.50
PW Utilities Foreman	0.50	0.50	0.50	0.00	0.00	0.00
Utilities Supervisor	0.00	0.00	0.00	0.50	0.50	0.50
Equipment Operator (2)	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I / Water	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Supervisor	0.00	0.00	0.00	0.25	0.00	0.00
Maintenance Worker II / Water	1.00	1.00	1.00	1.00	1.00	1.00
Utilities Administrative Assistant	0.50	0.50	0.50	0.50	0.50	0.50
TOTAL	7.25	7.25	7.25	7.50	7.25	7.25
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Number of water service calls			385	425	210	385
Miles of water lines maintained			88	88	88	88
Number of fire hydrants maintained			649	650	649	649
Output / Workload			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
Percent of dead-end lines flushed monthly			90%	100%	90%	100%
Percent of fire hydrants inspected, lubricated, and tested			50%	80%	50%	75%
Percent of Fire hydrants in service			98%	98%	99%	100%
Number of water samples taken			300	300	300	300
Efficiency Measures / Impact			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
M & O percentage of city budget			5.71%	7.97%	7.95%	6.46%
M & O budget per capital			\$96.57	\$98.48	\$98.26	\$109.08
Effectiveness Measures / Outcomes		Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 14-15
% water unaccounted for (water loss rate)		1, 3, 4, 5	12%	12%	98%	10%
% emergency calls responded - 30 min		1, 3, 4, 5	98%	98%	98%	99%
% non-emergency calls responded -1 hour		1, 3, 5	100%	99%	100%	100%
% main breaks repaired within 24 hours		1, 2, 3, 4, 5	99%	100%	98%	100%

PROPRIETARY FUNDS

PUBLIC WORKS - WATER DISTRIBUTION - FUND 40-093

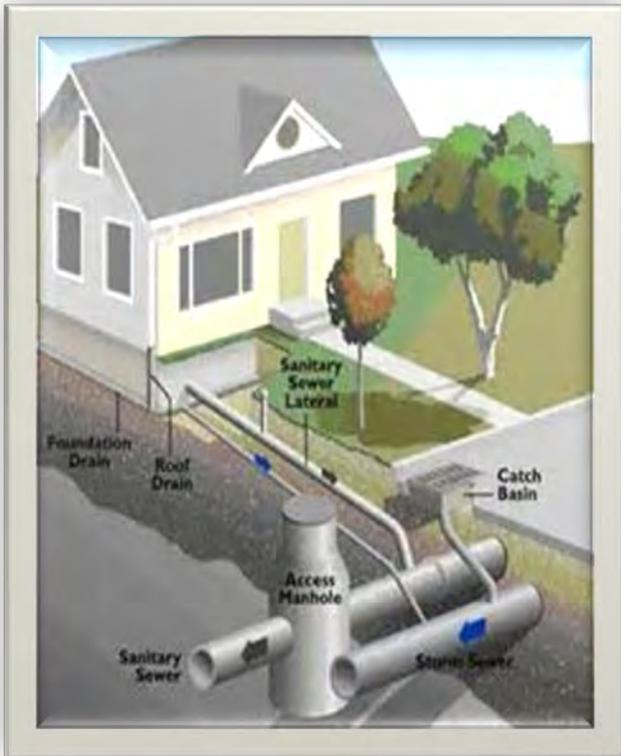
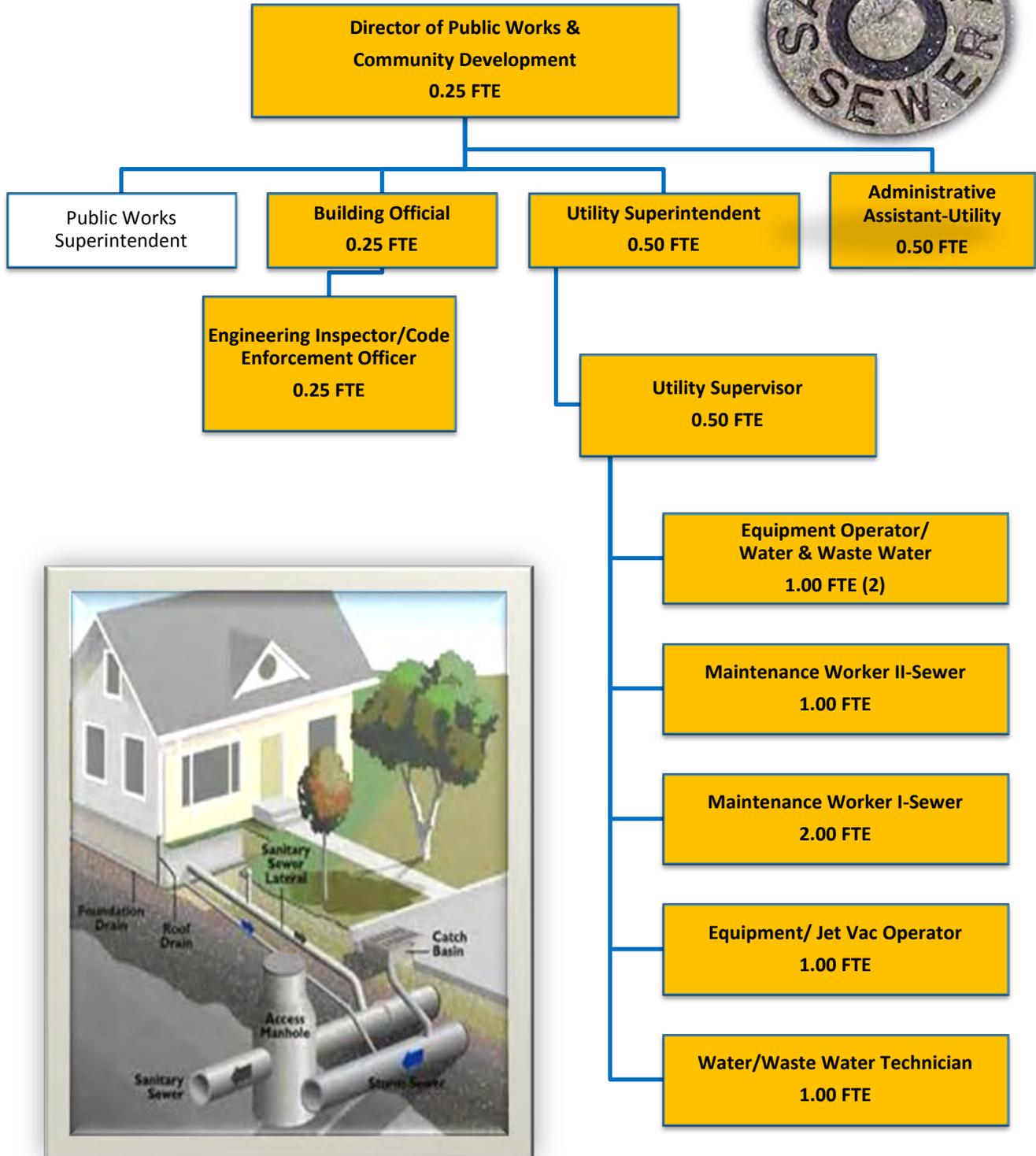
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: WATER DISTRIBUTION - FUND 40-093					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$4,469 (\$2,000) (\$16,469)	TMRS Rate Increase/Longevity Insurance Savings Unfunded Position Savings - Reorganization
Street Maintenance	Maintenance	FB		(\$5,000)	Historical Adjustment / Street Maintenance Fund
Water Purchases	Contractual/Sundry	FB		\$284,000	Estimate Adjustment
JUF Maintenance	Maintenance	FB		(\$5,000)	Historical Adjustment
Net Misc. Budget Changes	Various	FB		(\$450)	Misc. small dollar budget adjustments
TOTALS:			\$0	\$259,550	

\$259,550 NET INCREASE/DECREASE

Wastewater Collection Fund 40-094



PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: WASTEWATER COLLECTION – FUND 40-094

LOCATION:

7800 Virgil Anthony Sr. Blvd.
Watauga, Texas 76148
Phone Number: 817-514-5843

HOURS OF OPERATION:

Monday – Friday 7:00 A.M. – 4 P.M.

MISSION / PROGRAMS / SERVICES:

The City of Watauga Wastewater Division:

- Maintains 88 miles of sewer mains.
- Compliance with the Texas Commission on Environmental Quality regulations in monitoring and reporting overflows.
- Replace and repair sewer mains and service lines.
- Perform video inspections to locate deficiencies for repair or replacement.
- Inspect sewer mains installed by contractors.
- Inspect grease and grit traps to ensure customers are in compliance with City ordinances.
- Provide world class customer service to citizens.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- Performed preventative flushing of sewer mains to prevent blockages and unauthorized sewage bypass.
- Video inspected 230,330 feet of sewer mains to locate problem areas to be repaired or replaced.
- Repaired and replaced 20 customer sewer service lines in streets and right-of-ways.
- Inspected manholes monthly to locate inflow/infiltration and repair where necessary.
- Inspected grease and grit traps to ensure grease generators are cleaning their traps and remain in compliance with City Ordinance # 1060 to prevent increase in Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) as well as unauthorized discharge.

FY2014-2015 GOALS/ OBJECTIVES:

- Continue video and manhole inspections for inflow/infiltration and preventative maintenance flushing of sewer mains to unstop and prevent sewer main blockages as well as locate problem areas and repair as necessary.
- Identify priority areas with major problems for inclusion in the Capital Improvement Plan.
- Inspect Grease and grit traps monthly to ensure compliance with City Ordinances.
- Continue to repair or replace old deteriorated sewer mains and provide world class customer service.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Must remain in compliance with the Texas Commission on Environmental Quality (TCEQ) regulations.
- Performs routine sewer main cleaning to prevent blockages and unauthorized sewage bypass.
- Increased maintenance with the new vacuum truck causes increased waste disposal.
- Repair or replace damaged sewer mains and sewer service lines within the City.
- Perform video inspections to locate problem areas needing repair or replacement for Capital Improvement projects.
- Perform grease and grit trap inspections to ensure customers remain in compliance with City Ordinance # 1060.

PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS						
DIVISION / ACTIVITY: WASTEWATER COLLECTION - FUND 40-094						
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2013-2014 ESTIMATED	2014-2015 BUDGET
Personnel	\$342,284	\$334,378	\$405,840	\$440,000	\$438,100	\$424,000
Supplies	\$46,111	\$52,152	\$47,543	\$40,900	\$39,700	\$41,700
Maintenance	\$4,094	\$3,362	\$3,561	\$6,000	\$6,000	\$6,000
Contractual/Sundry	\$1,270,937	\$1,390,660	\$1,553,820	\$1,465,800	\$1,460,700	\$1,539,050
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$4,000
TOTAL	\$1,663,426	\$1,780,552	\$2,010,764	\$1,952,700	\$1,944,500	\$2,014,750
PERSONNEL						
Building Official	0.00	0.00	0.25	0.25	0.25	0.25
PW & Comm. Dev. Director	0.00	0.00	0.25	0.25	0.25	0.25
Code Enforcement Officer/Engineer	0.00	0.00	0.25	0.25	0.25	0.25
Inspection Foreman	0.25	0.25	0.00	0.00	0.00	0.00
Utility Superintendent	0.50	0.50	0.50	0.50	0.50	0.50
PW Utilities Foreman	0.50	0.50	0.00	0.00	0.00	0.00
Utility Supervisor	0.00	0.00	0.50	0.50	0.50	0.50
Equipment Operator (2)	1.00	1.00	1.00	1.00	1.00	1.00
Equipment Operator / Jet Vac	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater Technician	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I / Sewer	2.00	2.00	2.00	2.00	2.00	2.00
Maintenance Worker II / Sewer	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Supervisor	0.00	0.00	0.00	0.25	0.00	0.00
Utilities Administrative Assistant	0.50	0.50	0.50	0.50	0.50	0.50
TOTAL	7.75	7.75	8.25	8.50	8.25	8.25
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 13-14
Linear feet of sewer line fully inspected			10,500	13,000	30,000	30,000
Linear feet of sewer line cleaned			230,330	225,000	250,000	250,000
Number of manholes maintained			1,386	1,395	1386	1386
Miles of sewer lines maintained			88	88	88	88
Output / Workload			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 13-14
Linear feet of sewer line repaired			250	500	250	250
Number of manholes set			1	5	5	5
Number of manholes repaired			3	40	5	5
Number of manholes cleaned			250	150	250	250
Efficiency Measures / Impact			Actual 12-13	Budget 13-14	Estimated 13-14	Budget 13-14
M & O percentage of city budget			5.06%	6.45%	6.43%	4.87%
M & O budget per capita			\$85.58	\$79.70	\$79.37	\$82.23
Effectiveness Measures / Outcomes		Goals	Actual 12-13	Budget 13-14	Estimated 13-14	Budget 13-14
% backup calls responded within 30 minutes		1, 3, 5	95%	98%	95%	95%
% manholes inspected		1, 2, 3, 5	90%	90%	90%	95%
% sewer lines cleaned		1, 2, 3, 5	50%	50%	60%	60%
% sewer line blockages repaired within 24 hrs		1, 2, 3, 5	100%	100%	100%	100%

PROPRIETARY FUNDS

PUBLIC WORKS - WASTEWATER COLLECTION - FUND 40-094

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: WASTEWATER COLLECTION - FUND 40-094					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		\$2,969 (\$3,300) (\$15,669)	TMRS Rate Increase/Longevity Insurance Savings Unfunded Position Savings- Reorganization
Decrease Vehicle Fuel & Lubricants	Supplies	FB		(\$3,000)	Historical Adjustment
Decrease Rental Equipment	Contractual/Sundry	FB		(\$1,000)	Historical Adjustment
Increase Sewage Disposal Fees	Contractual/Sundry	FB		\$2,700	Adjustment - Approved New Expanded
Increase Sewer Costs	Contractual/Sundry	FB		\$75,000	Rate Increase Adjustment
Increase Other Equipment	Contractual/Sundry	FB	\$4,000		Radios - Approved New Expanded
Net Misc. Budget Changes	Various	FB		\$350	Misc. small dollar budget adjustments
TOTALS:			\$4,000	\$58,050	

\$62,050 NET INCREASE/DECREASE

PROPRIETARY FUNDS

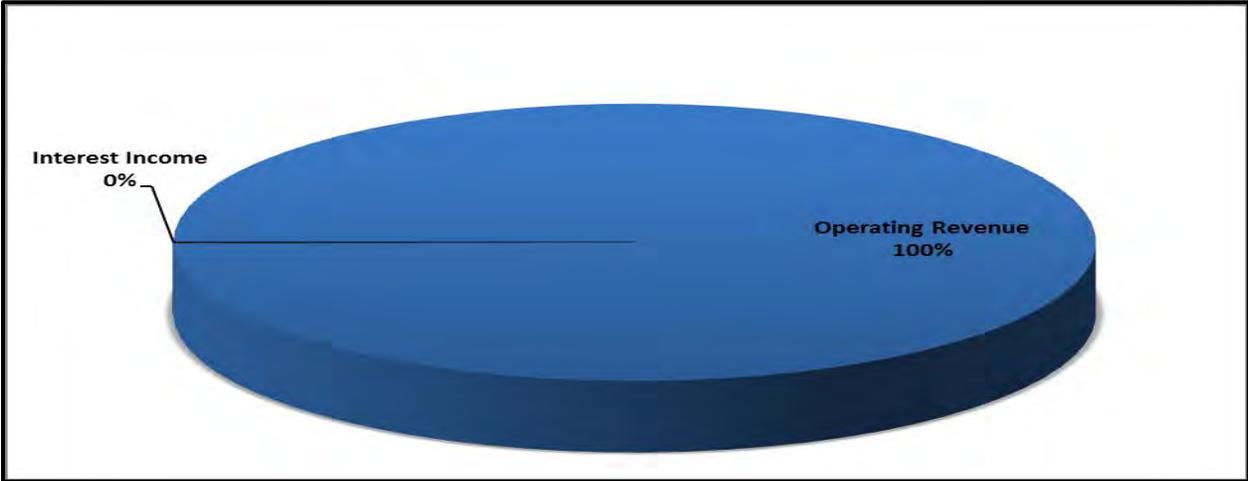
Storm Drain Utility Enterprise Fund

The Storm Drain Utility Enterprise 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.

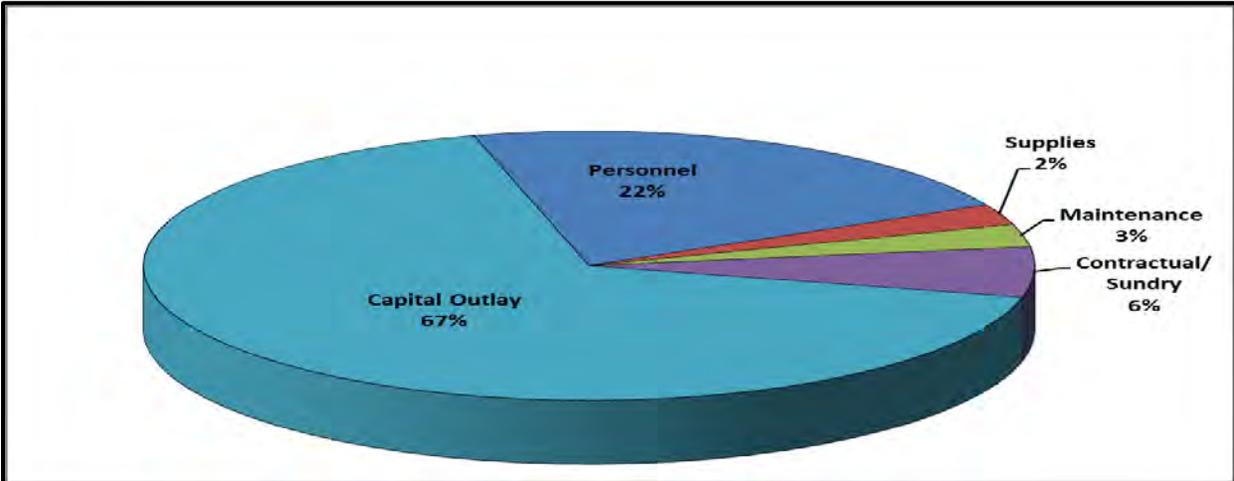
This fund is used to account for user fees charged per residential and commercial unit to enhance drainage of properties within the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations and maintenance.

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

Where Does the Money Come From?



Where Does the Money Go?



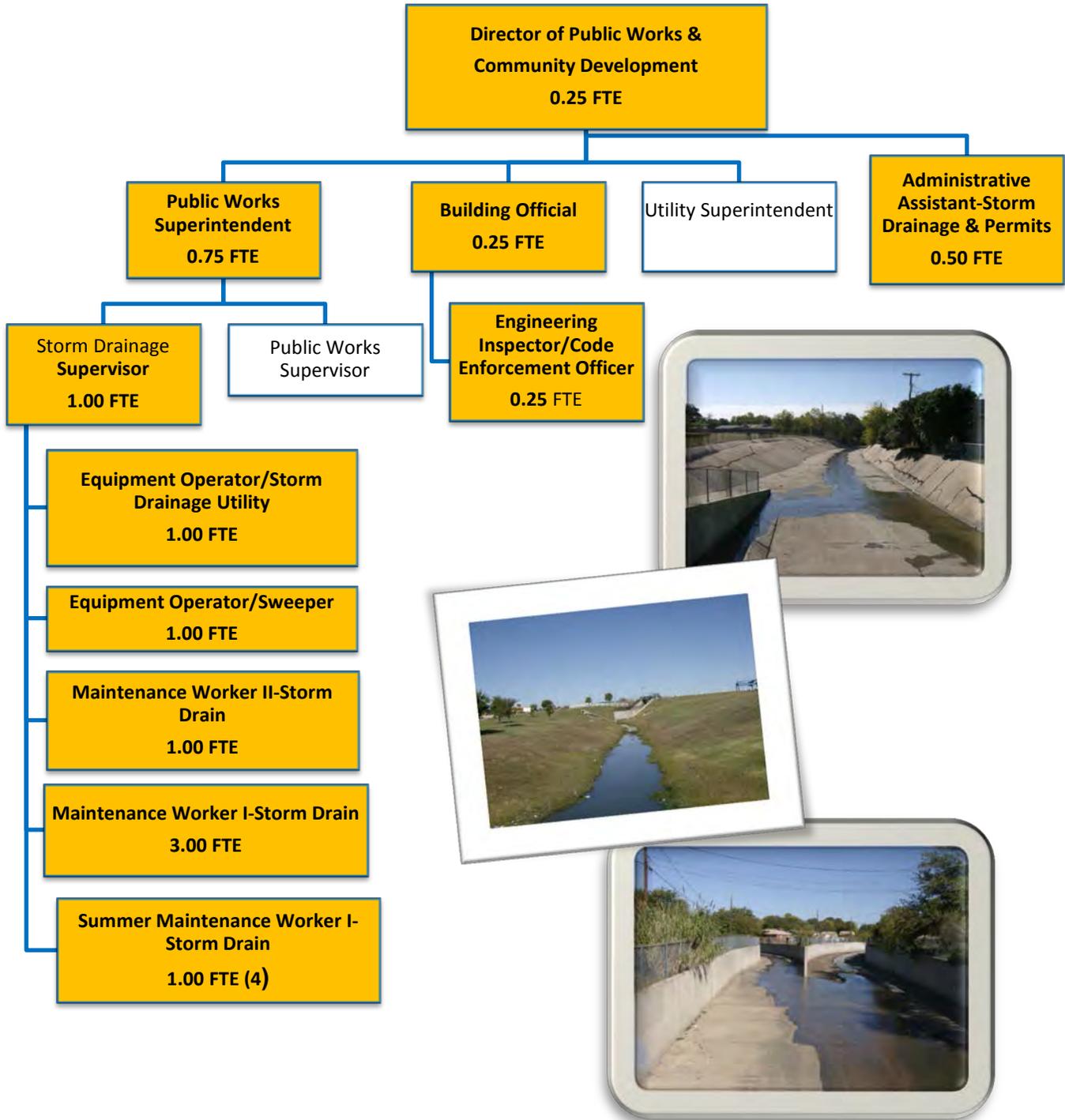
PROPRIETARY FUNDS

STORM DRAIN UTILITY BUDGET SUMMARY - FUND 15

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Working Capital, October 1	\$1,168,620	\$1,622,470	\$1,611,431	\$1,943,403	\$1,353,803	
<u>Revenues:</u>						
Operating Revenues	1,296,024	1,413,708	1,410,000	1,410,000	1,410,000	0.0%
Interest Income	2,365	2,603	3,000	1,500	1,500	-50.0%
Other Revenue	13,590	0	0	0	0	0.0%
Total Revenues	\$ 1,311,979	\$ 1,416,311	\$ 1,413,000	\$ 1,411,500	\$ 1,411,500	-0.1%
Total Available Resources	\$ 2,480,599	\$ 3,038,781	\$ 3,024,431	\$ 3,354,903	\$ 2,765,303	0.0%
<u>Expenditures:</u>						
Personnel	412,121	519,614	499,100	491,600	485,500	-2.7%
Supplies	55,021	49,135	55,700	55,700	55,700	0.0%
Maintenance	58,893	45,744	62,200	62,200	61,500	-1.1%
Contractual/Sundry	89,087	66,626	86,100	86,100	134,150	55.8%
Capital Outlay	75,000	0	1,150,000	1,150,000	1,500,000	30.4%
Depreciation	347,496	351,015	0	0	0	0.0%
Total Operating Expenditures	1,037,618	1,032,134	1,853,100	1,845,600	2,236,850	20.7%
<u>Operating Transfers-Out</u>						
To General Fund	64,801	69,400	70,500	70,500	70,500	0.0%
To Internal Service Fund	118,000	118,000	85,000	85,000	33,000	-61.2%
Total Operating Transfers-Out	182,801	187,400	155,500	155,500	103,500	-33.4%
Operating Surplus/(Deficit)	\$91,560	\$196,777	(\$595,600)	\$ (589,600)	(928,850)	
TOTAL OPERATING & TRANSFERS	\$ 1,220,419	\$ 1,219,534	\$ 2,008,600	\$ 2,001,100	\$ 2,340,350	16.5%
Working Capital, September 30	\$ 1,260,180	\$1,819,247	\$1,015,831	\$1,353,803	\$424,953	
CHANGE IN NET ASSETS	\$ 91,560	\$196,777	(\$595,600)	(\$589,600)	(928,850)	

* Working Capital adjusted to CAFR first of year

Storm Drain Fund 15



PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: STORM DRAIN UTILITY – FUND 15

LOCATION:

7800 Virgil Anthony Sr. Blvd.
Watauga, Texas 76148
Phone Number: 817-514-5806

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

- Perform maintenance on concrete and earthen channels as well as the maintenance of ditches in the city owned right of ways to keep City in compliance with Storm Water Permit.
- Clean and maintain curb and gutters, storm drain inlets, junction boxes and underground storm system boxes.
- Mow all city right of ways, on major streets and coordinates new sidewalk installation and repair. This Public Works branch is responsible for sweeping City streets along with debris and trash removal on City right of ways.
- Place and retrieve mosquito traps for West Nile virus testing in coordination with Tarrant County Health Department.

FY2013-2014 HIGHLIGHTS / ACCOMPLISHMENTS:

- City channels were maintained by mowing and weed eating. All right-of-way mowing of major streets is accomplished on a monthly basis. Street sweeping is scheduled and accomplished in sections.
- Replaced approximately 3,300 linear feet of sidewalk. Inspection of all new construction sites that are under the Storm Water Phase II Plan for compliance.
- Removed storm damage that impaired traffic or pedestrian traffic in city streets or city sidewalks during rain, wind and snow storms throughout the year.
- Maintained 19 miles of right-of-way and 7 miles of drainage channels.
- Maintained in compliance with requirements of the Storm Water Phase II compliance plan for the EPA.
- Inspected the spillway valve at Capp Smith Lake on a monthly basis to insure proper operation to prevent damage to the dam during high water levels.

FY2014-2015 GOALS/ OBJECTIVES:

- To maintain all channels, storm drains and ditches. This protects our city from liability due to damage from flooding and maintains compliance with our Storm Water Phase II Plan.
- Continue to maintain our city’s sidewalks and the mowing and cleaning of major city right-of-ways along with the sweeping of our city streets.
- If approved in the new budget, we will be adding new sidewalks in areas that promote safe walking for pedestrians and school children.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Continue funding Storm Drain in order to stay compliant with the EPA storm water issues which include sweeping City streets, the maintenance of City channels and storm water system along with flooding protection for citizens of Watauga.
- Changes in Stormwater Phase II permit requirements next year.
- Increasing costs of fuel and lubricants.
- Increasing costs of equipment parts and supplies.
- Storm Drain fee review.

PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: STORM DRAIN UTILITY - FUND 15					
EXPENDITURES	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 BUDGET
Non-Departmental	\$61,073	\$81,730	\$58,671	\$75,500	\$118,500
Personnel	\$397,827	\$412,121	\$519,614	\$499,100	\$485,500
Supplies	\$45,266	\$55,021	\$49,135	\$55,700	\$55,700
Maintenance	\$49,487	\$58,893	\$45,744	\$62,200	\$61,500
Contractual/Sundry	\$4,897	\$7,357	\$7,955	\$10,600	\$15,650
Transfers	\$43,700	\$182,801	\$187,400	\$155,500	\$103,500
Capital Outlay	\$347,435	\$347,496	\$351,015	\$1,150,000	\$1,500,000
TOTAL	\$949,685	\$1,145,419	\$1,219,534	\$2,008,600	\$2,340,350
STORM DRAIN FUND PERSONNEL	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
PW & Comm. Dev. Director	0.25	0.25	0.25	0.25	0.25
Building Official	0.00	0.00	0.25	0.25	0.25
Code Enforcement Officer/Engineer	0.00	0.00	0.25	0.25	0.25
PW Superintendent	0.50	0.50	0.75	0.75	0.75
Storm Drain Foreman	1.00	1.00	1.00	0.00	0.00
Storm Drain Supervisor	0.00	0.00	0.00	1.00	1.00
Equipment Operator	1.00	1.00	1.00	1.00	1.00
Equipment Operator / Sweeper	1.00	1.00	1.00	1.00	1.00
Maintenance Worker I / S. Drain	3.00	3.00	3.00	3.00	3.00
Maintenance Worker II / S. Drain	1.00	1.00	1.00	1.00	1.00
Administrative Assistant/Permits	0.50	0.50	0.50	0.50	0.50
Administrative Supervisor	0.00	0.00	0.25	0.25	0.00
Summer Temp. Help	1.00	1.00	1.00	1.00	1.00
TOTAL	9.25	9.25	10.25	10.25	10.00
PERFORMANCE MEASURES / SERVICE LEVELS					
<i>Input / Demand</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Budget 14-15</i>
Number of right of way miles mowed / weeded			19	19	19
Miles of street cleaned			88	88	88
Number of miles of drainage channels mowed / weeded			7	7	7
<i>Output / Workload</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Budget 14-15</i>
Employee hours spent mowing and cutting weeds			4,900	4,900	4,900
Employee hours spent in repairing rock			200	200	200
<i>Efficiency Measures / Impact</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Budget 14-15</i>
M & O percentage of city budget			3%	7%	6%
M & O budget per capita			\$51.90	\$81.98	\$95.52
<i>Effectiveness Measures / Outcomes</i>			<i>Actual 12-13</i>	<i>Budget 13-14</i>	<i>Budget 14-15</i>
Goals					
% channels mowed/weeded-monthly basis			100%	100%	100%
% structural projects completed within a month			100%	100%	100%
% curb and gutters cleaned-monthly basis			100%	100%	100%
Number of weed-abated sites			27	27	27

PROPRIETARY FUNDS

PUBLIC WORKS - STORM DRAIN - FUND 15

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2013-14

DEPARTMENT: PUBLIC WORKS					
DIVISION / ACTIVITY: STORM DRAIN (FUND 15)					
DESCRIPTION	CATEGORY	FUNDING	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel	FB		(\$14,700) \$10,000 (\$2,500) (\$1,400) (\$5,000)	Reorganization/TMRS Rate Increase 2.5% Salary Increase Insurance Savings Decrease Overtime Decrease Vacation/ Comp/Retirement
Add ACA Mandate	Contractual/Sundry	FB		\$2,100	Affordable Care Act Mandate
Increase COG Storm Water	Contractual/Sundry	FB		\$2,050	NCTCOG Program - Approved New Expanded
Storm Drain Improvement	Capital	FB	\$350,000		On-Going Improvement Project
Increase Pymt to Internal Svs	Non-Departmental	FB	\$43,000		Equipment Replacement Program
Decrease Transfer Internal	Transfers	FB	(\$52,000)		Transfer to Internal Services
Net Misc. Budget Changes	Various	FB		\$200	Misc. small dollar budget adjustments
TOTALS:			\$341,000	(\$9,250)	

\$331,750 NET INCREASE/DECREASE

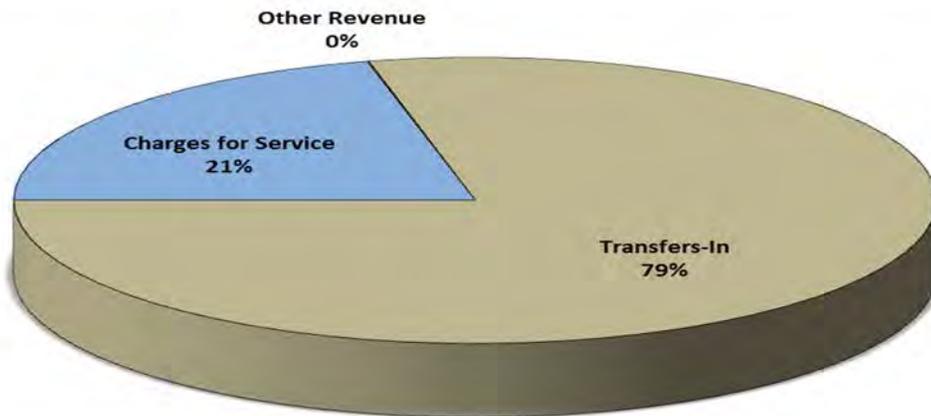
PROPRIETARY FUNDS

Equipment Replacement Fund Internal Service – Fund 22

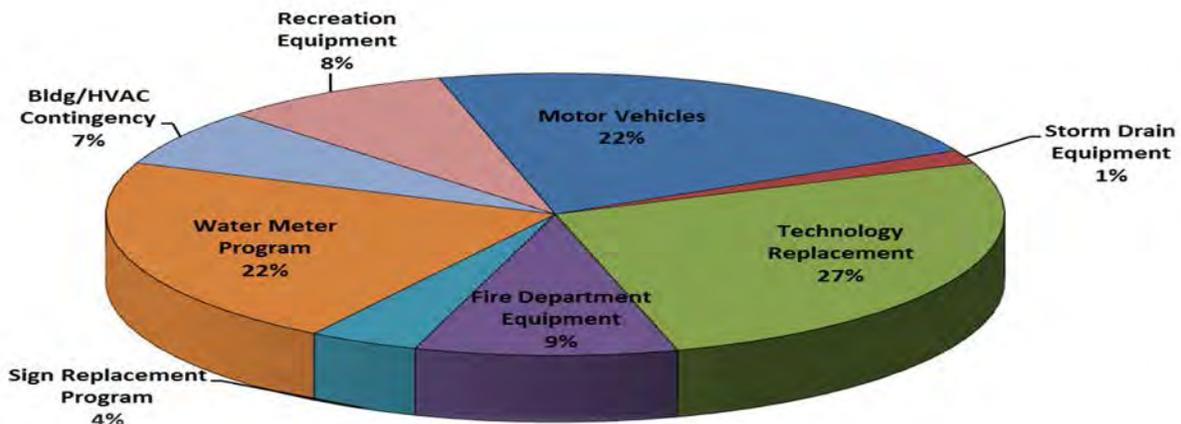
The Internal Service Fund is used to account for the acquisition of various replacement capital needs in the City. The objective of the fund is to accumulate sufficient funds to meet the capital needs of the City. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when the liability is incurred.

In the FY2013-14 Budget Year, the use of the Equipment Replacement Fund was enhanced for all the City's one time purchases for all funds. We have continued this commitment in FY2014-15 and have evaluated prior year purchased equipment, vehicle, technology, and building maintenance needs. We began funding a portion of these future needs this fiscal year. Transfers for capital financing of major equipment purchases will be made from funds on an annual basis based on the purchases made per fund.

Where Does the Money Come From?



Where Does the Money Go?



PROPRIETARY FUNDS

EQUIPMENT REPLACEMENT FUND BUDGET SUMMARY
Internal Service - Fund 22

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Working Capital, October 1	\$377,779	\$102,799	\$182,309	\$238,820	\$306,930	
Revenues:						
Payment from General Fund	0	0	11,300	11,300	74,300	557.5%
Payment from Water/Sewer	17,500	17,500	25,000	25,000	37,000	48.0%
Payment from CCD	0	0	27,000	27,000	36,000	33.3%
Payment from Storm Drain	118,000	118,000	85,000	85,000	43,000	-49.4%
Payment from Parks Development	0	0	0	0	2,300	100.0%
Payment from Traffic Safety	0	0	4,060	4,060	4,060	0.0%
Total Revenue Charges for Service	\$ 135,500	\$ 135,500	\$ 152,360	\$ 152,360	\$ 196,660	29.1%
Other Revenues:						
Interest Income	467	397	500	550	500	0.0%
Total Other Revenue	\$ 467	\$ 397	\$ 500	\$ 550	\$ 500	0.0%
Transfers-In:						
Transfer from Oil Gas Fund	0	0	100,000	100,000	50,000	-50.0%
Transfer from CCD	0	0	100,000	100,000	75,000	-25.0%
Transfer from GF Current	0	0	0	0	226,000	100.0%
Transfer from GF Legacy	0	0	0	0	106,000	100.0%
Transfer from Parks Development	0	0	0	0	18,000	100.0%
Transfer from Storm Drain Current	0	0	0	0	7,000	100.0%
Transfer from Storm Drain Legacy	0	0	0	0	26,000	100.0%
Transfer from W/WW Current	0	0	0	0	100,000	100.0%
Transfer from W/WW Legacy	0	0	0	0	121,000	100.0%
Total Transfers-In	\$0.00	\$0.00	\$200,000	\$200,000	\$729,000	100.0%
Total Revenues	\$ 135,967	\$135,897	\$352,860	\$352,910	\$926,160	29.1%
Expenditures:						
Motor Vehicles - CCD	75,061	0	120,000	114,000	75,000	-37.5%
Motor Vehicles - Water/Sewer/PW	0	0	36,000	36,000	24,000	-33.3%
Storm Drain Equipment	0	0	0	0	7,000	100.0%
Heavy Equipment	321,577	0	0	0	0	0.0%
Technology Replacement - GF	0	0	5,000	5,000	121,000	2320.0%
Technology Replacement - TS	0	0	20,300	20,300	0	-100.0%
Fire Department Equipment	0	0	0	0	43,000	100.0%
Sign Replacement Program	11,255	0	24,500	24,500	18,000	-26.5%
Recreation Equipment	0	0	15,000	7,000	38,000	153.3%
Water Meter Program	0	0	38,000	38,000	100,000	163.2%
Codification Program	0	0	10,000	10,000	0	-100.0%
Bldg/HVAC Contingency	0	0	30,000	30,000	30,000	0.0%
Depreciation Exense	59,594	80,003	0	0	0	0.0%
Total Operating Expenditures	467,487	80,003	298,800	284,800	456,000	52.6%
Operating Surplus/(Deficit)	\$ (331,520)	\$55,894	\$54,060	\$ 68,110	470,160	
Working Capital, September 30	\$ 46,259	\$158,693	\$236,369	\$306,930	\$777,090	

PROPRIETARY FUNDS

WATER/SEWER JOINT USE FACILITY BUDGET SUMMARY- FUND 46

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget	FY2014-15 VS 2013-14
Fund Balance, October 1	\$760,628	\$ 890,716	\$834,794	\$965,794	\$1,041,794	
Revenues:						
Transfer from W/S Utility Fund	74,131	175,000	130,000	75,000	75,000	-42.3%
Interest Earnings	947	1,000	1,000	1,000	1,000	0.0%
Total Revenues	\$75,078	\$ 176,000	\$ 131,000	\$ 76,000	\$ 76,000	-42.0%
Total Available Resources	\$835,706	\$ 1,066,716	\$ 965,794	\$ 1,041,794	\$ 1,117,794	-5.7%
Expenditures:						
Engineering	0	0	0	0	0	0.0%
Construction Costs	0	0	0	0	0	0.0%
Transfer to W/S Operations 40	912	0	0	0	0	0.0%
Total Expenditures	\$912	\$0	\$0	\$0	\$0	0.0%
Fund Balance, September 30	\$ 834,794	\$1,066,716	\$965,794	\$1,041,794	\$1,117,794	
CHANGE IN FUND BALANCE	\$ 74,166	\$176,000	\$131,000	\$76,000	\$76,000	

The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is surrounded by greenery, including tall grasses and red flowers. In the background, stadium seating and other structures are visible.

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CIP AND CAPITAL PROJECTS FUNDS

GENERAL CAPITAL

FUND 07

WATAUGA PARKS DEVELOPMENT CAPITAL

FUND 05

UTILITY CONSTRUCTION

FUND 45

The image shows three tall silver flagpoles with gold finials. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is set outdoors with trees and a clear blue sky.

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CIP AND CAPITAL PROJECTS FUNDS

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 (CIP) 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 for 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 normal repair and maintenance on sub-grades, milling, and overlay. Both street projects and normal repair and maintenance activities 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 implemented 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 customer needs. These projects are included in the Water and Sewer Capital Fund.

CIP AND CAPITAL PROJECTS FUNDS

CAPITAL IMPROVEMENTS PROGRAM (CIP)

It is the goal of the City of Watauga to have a Capital Improvements Program that is focused on adding value and extending 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.

During FY2003-FY2011, the City was focused on an aggressive facilities campaign. During this time, we have constructed a new City Hall and Animal Shelter, and upgraded facilities for the Police and Recreation departments, along with upgrades to major streets. The new Fire/EMS facility, was completed in FY2011, for just under \$3.8 million dollars.

This campaign was funded through CBDG funds and the issuance of \$10,700,000 debt in three issues – See Debt Model on next page:

- \$2,300,000 in 2003
- \$5,000,000 in 2005
- \$3,400,000 in 2007

In FY2011, the City's focus began to move from constructing and renovating facilities to the city's infrastructure and the need for replacement of outdated equipment and vehicles city-wide. In July of 2011, in order to fund future capital projects and needed equipment, the City issued \$7,365,000 in Combination and Limited Pledge Revenue Certificates of Obligation. This new issuance was designed to fund the following:

- street improvements, curb, gutter, and sidewalks
- drainage projects
- renovation of public buildings
- purchase of new equipment and vehicles
- traffic lights and traffic safety equipment
- vehicles and machinery, and
- improvements to the City's utility system
- hardware, software and other technology

This bond issuance is payable by ad valorem taxes and additionally payable from and secured by a lien on and pledged revenues in the amount of \$4.5M. The issuance was timed in FY2011 as a portion of debt was paid off. This timing allowed the City to maintain relatively the same amount of debt service as prior years.

CIP AND CAPITAL PROJECTS FUNDS

The new bond issuance for the utility fund was also issued in July, 2011 for approximately \$2.8 million. The fund was able to maintain relatively the same amount of debt service as prior years.

In the Spring of 2012, the City staff and Council began discussions on a possible debt issuance for large water and sewer infrastructure projects and related street projects. These discussions resulted in an issuance of \$7.73 million in new debt for the utility fund in July, 2012. The new issuance will fund:

- constructing, renovating, and improving the City’s utility system
- street improvements including utilities repair, replacement and relocation
- curb, gutters, and sidewalk improvements and drainage incidental
- improvements to the storm water and drainage system
- purchase of materials, supplies and equipment relating to the water and sewer and drainage improvements

The above projects began in FY2013 and are currently underway. These projects will continue through FY2017.

With this \$7.73 million issuance, the City has embarked on major improvements in the City’s water and sewer infrastructure. However, additional bonds will be necessary to complete the CIP program identified needs in future years.

In early Summer 2014, the City staff presented a \$3.5M general fund debt opportunity that arose due to general fund debt service ending in FY2013-14. Certain projects were identified as priority needs such as \$20M in street projects, infrastructure, parks, and a Senior Center. The issuance of \$3.5M in Certificates of Obligation occurred in August, 2014. These funds are available and will partially fund the expansion of the Community Center to include a 5,000 square foot Senior Center. Also, the Bursey Road street project will be partially funded by this bond issuance. Cost estimates and scope of these projects are listed at right:

2014 Bond Issuance Projects			
PROJECT	SCOPE	BENEFITS OF PROJECT	ESTIMATED COST
Bursey Road	Whitley to Indian Springs	<ul style="list-style-type: none"> ❖ Improve Traffic Flow with 4 lane road ❖ Opportunity to attract developer and more office space 	\$2.86M
Senior Center	4,000-6,000 sq. ft. expansion to existing Recreation Center	<ul style="list-style-type: none"> ❖ Provide facility to meet senior citizen needs 	\$1.50M
TOTAL COST			\$4.36 M
POSSIBLE BOND			\$3.50 M
ADDITIONAL FUNDS NEEDED			(\$0.86 M)
<div style="border: 1px solid black; padding: 2px; display: inline-block;"> PARKS DEVELOPMENT CORPORATION OR GENERAL FUND BALANCE </div>			

The CIP program for the current year is funded, along with projects that have been prioritized for the Utility System. However, the overall economy and projections of revenues for subsequent years will have a significant impact on the scope of our projects. The City has identified approximately \$25 million in

street/street overlay projects and \$7.6M in drainage projects. The funding source of the street projects are in a “to be determined” status at this time. The bulk of these projects are scheduled

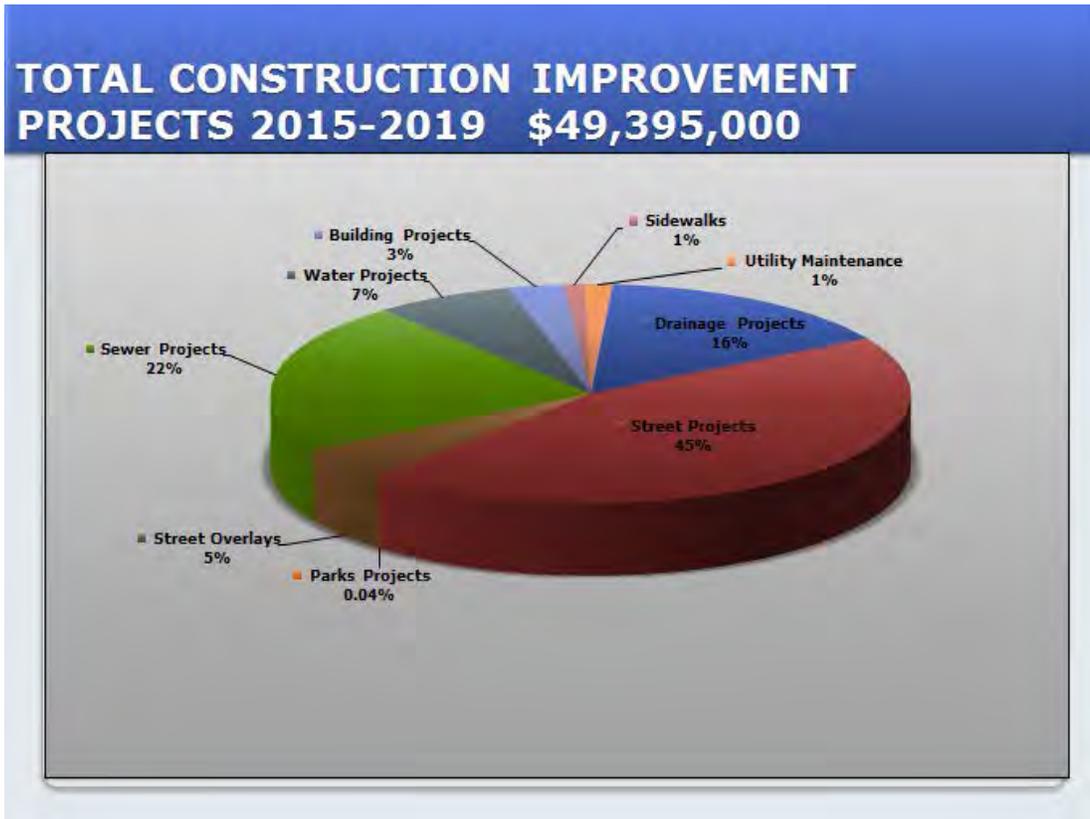
CIP AND CAPITAL PROJECTS FUNDS

for FY 2018-19 when the City will have more debt capacity since some current issuances will be paid off.

As can be seen on the CIP summary schedule and detail schedule on the following pages, the City will focus on major infrastructure upgrades, as well as continuing our street overlay program. The total five-year estimate for CIP projects is an investment of \$49,395,000. Actual program expenditures may vary depending on changes in priority or addition or deletion of projects or emergencies.

In the current schedule, there are projects for FY2014-15 totaling \$9,176,000. Included in this amount for the General Capital Projects Fund is \$350,000 for the Watauga Road Street Overlay Project, \$1.5M for the Watauga Heights drainage project Phase II and carryover of FY2013-14 Phase I budget appropriations of \$1,150M, \$500,000 for street overlays, and \$4.6M in Sewer Projects continuing from FY 2013. In addition, there is \$100,000 of sidewalk repair/replacements scheduled this year. The Parks Development Corporation has trail walkway repairs in the amount of \$9,000 scheduled various parks throughout the City. The Senior Center project and Bursey Road projects are scheduled to begin this year, however completion date of these projects is anticipated to be in FY2015-16.

The below graph depicts the City's 5-year Capital Improvement Projects:



CIP AND CAPITAL PROJECTS FUNDS

Street Projects consist of 45% of the total CIP projects. These projects include major streets in Watauga such as Bursey Road, Watauga Road, Chapman, Hightower, and Whitley Road. Much of the funding for these street projects are in a “to be determined” status due to the high cost of the projects. The below table shows the CIP funding sources for the above projects:

CIP 5-YEAR MASTER PLAN	
FUNDING SOURCES	
CDBG/Revenues	\$991,000
2012 CO BONDS (Projects)	\$4,937,000
2011 CO BONDS	\$550,000
2014 CO BONDS	\$3,500,000
STORM DRAIN REVENUES	\$7,625,000
PDC SALES TAX REVENUES	\$19,000
TO BE DETERMINED(TBD)	\$28,573,000
Street Maintenance ST	\$2,500,000
CIP 2015-2019	\$48,695,000
MAINTENANCE W&S	\$700,000
GRAND TOTAL CIP/EQUIPM	\$49,395,000

\$25.1M of the To be Determined funding is street related.

CIP AND CAPITAL PROJECTS FUNDS

CIP PROJECT PROJECTION

					FUNDING				
					SOURCE	FY14-15	FY15-16	FY16-17	FY17-18
PROJECTS									
Location	Length	Size	Cost						&Future
BUILDING & PARKS					\$1,419,000				
Irrigation Project	Foster Village/Hillview		\$10,000	PDC		\$10,000			
Trail Walkway Repair	Various		\$9,000	PDC	\$9,000				
Senior Center	Indian Springs	5000 sf	\$1,400,000	2014 Bond/TBD	\$150,000	\$1,250,000			
DRAINAGE					\$7,625,000				
Watauga Heights, I*, II	Whitley Road/Old	7,652	\$2,650,000	Storm Drain	\$2,650,000				
Bunker Hill		4,667	\$1,442,000	Storm Drain			\$134,000	\$1,308,000	
Sunny Brook South	Phase I originally budgeted in FY2013-14	7,407	\$2,820,000	Storm Drain					\$2,820,000
Astor Heights		5,550	\$713,000	Storm Drain					\$713,000
STREET & SIDEWALK					\$25,151,000				
Carousel	Carousel Dr. Phase II,III,IV(FY19)		\$828,000	CDBG/Rev	\$257,000		\$281,000		\$290,000
Watauga Road	Maurie to 377	7,730	\$350,000	2011 Bond	\$350,000				
Chapman Road-West	Chapman-377 - Whitley	2,551	\$2,885,000	TBD				\$600,000	\$2,285,000
Chapman-Middle	Chapman-Whitley-Brookdale	1,933	\$1,731,000	TBD					\$1,731,000
Chapman-Middle	Chapman-Brookdale - Bridge	1,237	\$1,108,000	TBD					\$1,108,000
Chapman-East	Chapman-Bridge to Rufe Sn	1,933	\$1,731,000	TBD					\$1,731,000
Whitley Rd. - North	Starnes to Hightower	2,868	\$3,030,000	TBD					\$3,030,000
Whitley Rd. - Middle	Hightower to Chapman	2,237	\$1,923,000	TBD					\$1,923,000
Whitley Rd. - South	Chapman to Culvert N. of	2,345	\$2,016,000	TBD					\$2,016,000
Bursey Rd - West	Whitley Rd. to Indian Springs	1,890	\$2,860,000	2014 Bond/TBD	\$220,000	\$2,640,000			
Bursey Rd - Center	Indian Springs to April	1,700	\$2,023,000	TBD					\$2,023,000
Bursey Rd - East	April to Rufe Snow	1,420	\$1,666,000	TBD					\$1,666,000
Sidewalks	Multiple Locations		\$500,000	2011 Bond/Rev	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Annual Determination	Overlays		\$2,500,000	Street Maint	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
WATER & WASTEWATER PROJECTS					\$14,500,000				
Various Sewer Projects	Multiple Locations (Ongoing from FY12-13)		\$4,620,000	2012 Bond	\$4,620,000				
Water Tower Improvements	7901 Virgil Anthony		\$180,000	2011 Bond	\$180,000				
Various Sewer Projects	Smoke; Multiple Locations		\$6,400,000	TBD - BOND			\$200,000	\$3,000,000	\$3,200,000
Various Water Projects	Multiple Locations		\$3,300,000	TBD - BOND		\$300,000	\$3,000,000		
Total			\$48,695,000		\$9,036,000	\$4,800,000	\$4,215,000	\$5,508,000	\$25,136,000
REVENUE SOURCES FOR CIP									
CDBG/Revenues			\$991,000		\$120,000	\$0	\$381,000	\$100,000	\$390,000
2012 CO BONDS (Projects)			\$4,937,000		\$4,937,000	\$0	\$0	\$0	\$0
2011 CO BONDS			\$550,000		\$450,000	\$100,000	\$0	\$0	\$0
2014 CO BONDS			\$3,500,000		\$370,000	\$3,130,000	\$0	\$0	\$0
STORM DRAIN REVENUES			\$7,625,000		\$2,650,000	\$0	\$134,000	\$1,308,000	\$3,533,000
PDC SALES TAX REVENUES			\$19,000		\$9,000	\$10,000			
TO BE DETERMINED(TBD)			\$28,573,000		\$0	\$1,060,000	\$3,200,000	\$3,600,000	\$20,713,000
Street Maintenance ST			\$2,500,000		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CIP 2015-2019	CIP 2015-2019		\$48,695,000		\$9,036,000	\$4,800,000	\$4,215,000	\$5,508,000	\$25,136,000
MAINTENANCE W&S	MAINTENANCE W&S		\$700,000	W&S Revenues	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
GRAND TOTAL CIP/EQUIPMENT			\$49,395,000		\$9,176,000	\$4,940,000	\$4,355,000	\$5,648,000	\$25,276,000

DID YOU KNOW?

Capital Project Expenditures are 27% of the total budget for FY2014-15.

CIP AND CAPITAL PROJECTS FUNDS

CIP 2015-2019 PARKS/BUILDINGS			FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
TYPE BUILDING/PARK	Location	Cost		2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019
Trail Walkway Repairs	Various	\$9,000	Revenues	\$9,000				
Irrigation	Foster Village/Hillview	\$10,000	Revenues		\$10,000			
Senior Center	Indian Springs community Center	\$1,400,000	2014 Bond TBD	\$150,000	\$1,250,000			
Total		\$19,000		\$159,000	\$1,260,000	\$ - 0 -	\$ - 0 -	\$ - 0 -

FY2014-2015 PARKS PROJECTS DISCUSSION

Description: This project provides for trail walkway improvements.

Justification: This project will provide for the safety of pedestrians and repair existing trails throughout the City.

Operating Impact: Minimal impact to the operating budget is anticipated.

FY2014-2015 SENIOR CENTER DISCUSSION

Description: This project provides for the expansion of the City's existing Community Center to include approximately 5,000 square feet for a multi-use Senior Center facility.

Justification: The current Senior Center is an 1,800 square foot aging facility and is not ADA compliant. A new senior center was identified as a council priority during the 2014 Strategic Session. A new facility will better serve the needs of the community's senior citizens.

Operating Impact: A savings in building maintenance is expected of approximately \$2,000 annually when this project is complete. The new facility will be larger but will be built with energy efficient measures, therefore, minimal impact to the operating budget is expected upon project completion.

CIP AND CAPITAL PROJECTS FUNDS

CIP 2015-2019 STREET/SIDEWALK PROJECTS			FUND SOURCE	YEAR OF PROPOSED CONSTRUCTION				
				2014-2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019
STREET	Location	Cost						
Street/WW	Carousel Drive	\$828,000	CDBG/Rev		\$257,000		\$281,000	\$290,000
Street Overlays	Various throughout City	\$2,500,000	¼ cent Sales Tax	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Street Overlay	Watauga Road	\$350,000	CO 2011	\$350,000				
Street	Chapman Rd.	\$7,455,000	TBD				\$600,000	\$6,855,000
Street	Whitley	\$6,969,000	TBD					\$6,969,000
Street	Bursey Road, Phase I	\$2,860,000	2014 Bond TBD	\$220,000	\$2,640,000			
Street	Bursey Road Phase II,III	\$3,689,000	TBD					\$3,689,000
Sidewalk	Various	\$500,000	CO 2011	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total		\$25,151,000		\$1,170,000	\$3,497,000	\$600,000	\$1,481,000	\$18,403,000

FY2014-15 STREETS/SIDEWALKS DISCUSSION

FY2014-2015 STREET OVERLAY

Description: This project provides for the curb and gutter, subgrade, milling and asphalt overlay for 7-8 streets annually.

Justification: The existing asphalt pavement for certain streets is deteriorating. The asphalt overlay will provide an improved riding surface and will extend the life of the roadways and will enhance the appearance of the streets.

Operating Impact: Savings in annual street maintenance costs for streets are anticipated from completion of this project.

FY2014-2015 WATAUGA ROAD STREET OVERLAY

Description: The Watauga Road Overlay Project provides for the milling, asphalt overlay, and restriping of Watauga Road. This project is in conjunction with the Tarrant County paving program in which the County provides equipment and labor and the City of Watauga pays for materials.

CIP AND CAPITAL PROJECTS FUNDS

Justification: Watauga Road is a major thoroughfare of the City. The existing asphalt pavement is deteriorating. The asphalt overlay will provide an improved riding surface and will extend the life of the roadway and enhance the appearance.

Operating Impact: Savings of approximately \$4,000 in annual street maintenance costs are anticipated from completion of this project.

FY2014-2015 BURSEY ROAD STREET PROJECT

Description: The Bursey Road Street Project, Phase I encompasses the area of Whitley road to Indian Springs Road which is approximately 1,900 linear feet. Bursey Road is a thoroughfare listed on the Watauga Master Thoroughfare Plan. It is an existing two-lane asphalt roadway and will be improved to a concrete roadway with four-12' lanes and sidewalks. The improvement will also include underground storm drains and the rehabilitation or replacement of any water lines and sanitary sewer lines under Bursey Road as needed.

Justification: Bursey Road is a major thoroughfare of the City. The existing asphalt pavement is deteriorating. The traffic flow on Bursey Road will improve considerably with the additional two-lanes on this road.

Operating Impact: This improvement will have little or no impact on operations. This project is funded through 2014 Certificate of Obligation proceeds.

FY2014-2015 SIDEWALK PROGRAM

Description: Approximately 5,000 square feet of sidewalks will be maintained this fiscal year. The City identifies various sidewalks annually for replacement.

Justification: Safe, pedestrian-friendly neighborhoods are a priority of our community. An important component of this is the City's Sidewalk Program which is developed to provide for the maintenance of sidewalks within the City of Watauga.

Operating Impact: Little to no impact upon operations is anticipated. This project is funded through 2011 Certificate of Obligation proceeds for FY2015-FY2016. After FY2016, this project will be funded through general fund revenues.

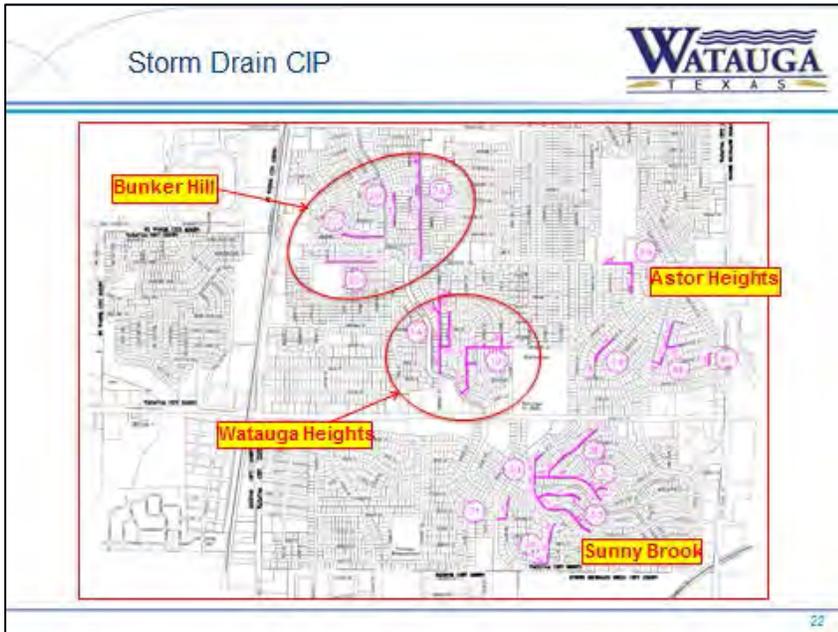
CIP AND CAPITAL PROJECTS FUNDS

CIP 2013-2017 DRAINAGE PROJECTS			FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
				2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
LOCATION	Cost							
Watauga Heights, Phase I & II	\$2,650,000	Storm Drain Fee	\$2,650,000*					
Bunker Hill	\$1,442,000	Storm Drain Fee			\$134,000	\$1,308,000		
Astor Heights	\$2,820,000	TBD						\$2,820,000
Sunny Brook South	\$713,000	TBD						\$713,000
Total	\$7,625,000		\$2,650,000		\$134,000	\$1,308,000		\$3,533,000

*Watauga Heights Phase I was originally budgeted in FY2013-14, but will be completed in FY2014-15. Per policy, appropriations for capital projects not used in the budgeted fiscal year will carry-over to the next budget year.

FY2014-2015 STORM DRAIN PROJECTS DISCUSSION

Description: The Watauga Heights project will make major storm drain improvements to prevent reoccurring flooding of homes in the Watauga Heights neighborhood.



Justification: Homes in the Watauga Heights have experienced drainage problems for several years. Chronic flooding lowers property values and these improvements will provide drainage relief to prevent flooding and damage to residential homes in the area.

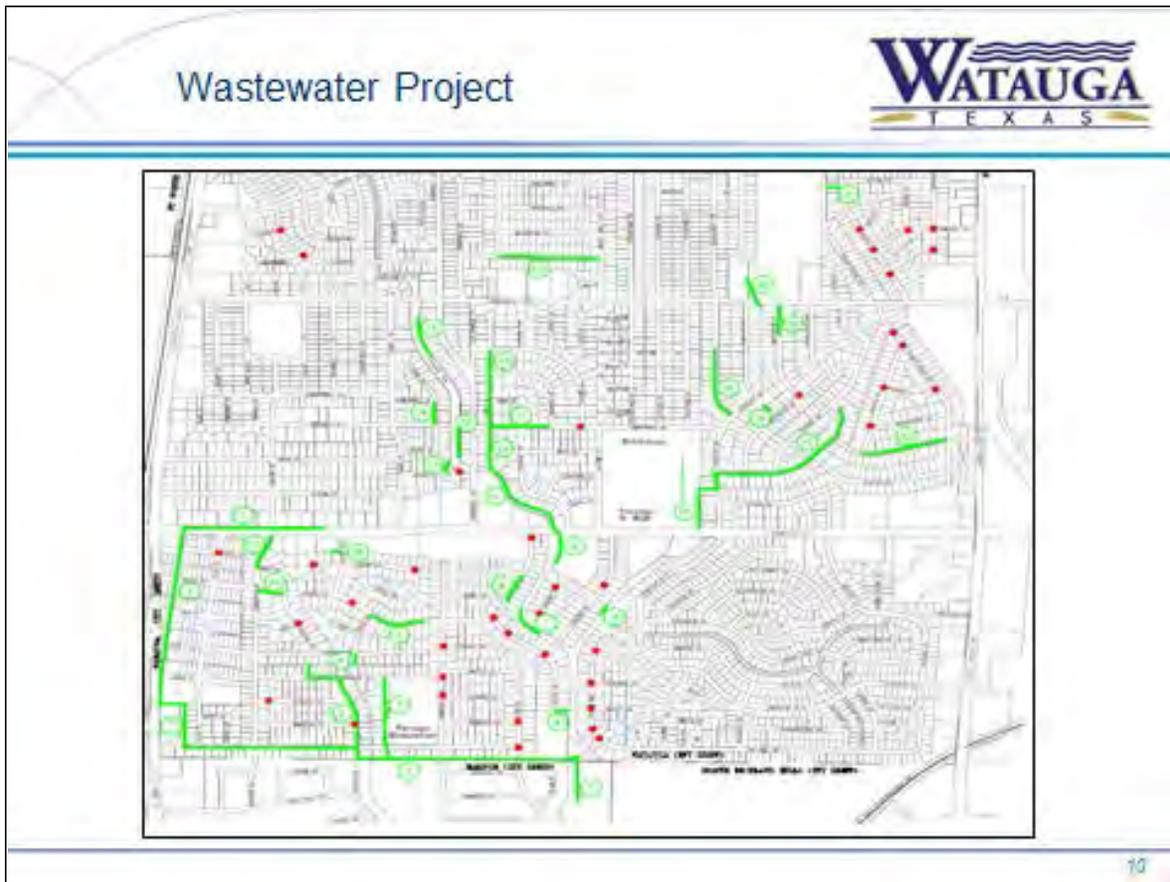
Operating Impact: Little to no impact upon operations is anticipated.

CIP AND CAPITAL PROJECTS FUNDS

CIP 2015-2019 WASTEWATER PROJECTS				FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
					2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019
TYPE	LOCATION		Cost						
SSES1	City-Wide, TBD by Engineering/Design		\$4,620,000	CO Bonds 2012	\$4,620,000				
SSES1	City Wide, TBD by Engineering/Design		\$6,400,000	TBD Bond			\$200,000	\$3,000,000	\$3,200,000
Total			\$11,020,000		\$4,620,000		\$200,000	\$3,000,000	\$3,200,000

FY2014-2015 WASTEWATER PROJECTS DISCUSSION

Description: This project is Sanitary Sewer Line Replacements in the southern part of the City. This replaces the aging clay piping with Polyvinylchloride (PVC) piping in the older parts of the City. A Sewer System Evaluation Survey (SSES) is underway to determine the condition of the infrastructure and plan for wastewater line replacements. This survey includes smoke testing for 290,000 feet of sanitary sewer lines and inspection of 478 manholes.



CIP AND CAPITAL PROJECTS FUNDS

Justification: The aging wastewater lines throughout the City are 30+ years old. The lines are subject to ground movement, pulled joints, root infiltration and deterioration. Many have inflow and infiltration problems. Systematic replacement will reduce maintenance costs and customer problems.

Operating Impact: Savings of approximately \$20,000 annually are expected in decreased wastewater fees paid due to prevention of inflow and infiltration into the system after completion of this project.

OTHER PROJECTS

CIP 2015-2019 WATER TOWER & UTILITY MAINTENANCE				FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
TYPE	LOCATION	Cost	2014- 2015		2015- 2016	2016- 2017	2017- 2018	2018- 2019	
W	Water Tower	\$180,000	2012 Bond/Rev	\$180,000					
WW	City-Wide	\$700,000	Utility Revenues	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	
	Total	\$880,000		\$320,000	\$140,000	\$140,000	\$140,000	\$140,000	

FY2014-2015 UTILITY MAINTENANCE PROJECTS

Description: This project includes small, previously unidentified wastewater and water line problems detected and repaired throughout the fiscal year.

Justification: The aging wastewater lines throughout the City are 30+ years old. The lines are subject to ground movement, pulled joints, root infiltration and deterioration. Many have inflow and infiltration problems. Systematic replacement will reduce maintenance costs and customer problems.

Operating Impact: Savings are expected in decreased wastewater fees paid due to prevention of inflow and infiltration into the system.

FY2014-2015 WATER TOWER IMPROVEMENT PROJECT

Description: This project includes resurfacing the inside of the water tank and cleaning silt and debris that has accumulated in the tank.

Justification: The FY2013-14 Inspection revealed that the interior of the surface is 90% blistered and requires resurfacing. This work is an industry standard requirement for maintenance to ensure sustained structural performance of the water tank and superior water quality for Watauga residents. This maintenance will extend the life of the water tank and allow continued operations for another 10 to 12 years.

Operating Impact: This project is estimated to be completed every ten years.

CIP AND CAPITAL PROJECTS FUNDS

GENERAL CAPITAL PROJECTS FUND CAPITAL PROJECTS SUMMARY

	HISTORY		CURRENT YEAR		BUDGET
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget
Beginning Fund Balance*	\$4,987,251	\$2,608,394	\$1,392,935	\$1,392,935	\$4,394,660
Revenues:					
Transfer from General Fund	210,000	312,200	100,000	100,000	120,000
Transfer from Crime Control District	477,900	0	0	0	0
Transfer from Traffic Safety	297,000	0	0	0	0
Grants	0	114,350	0	0	0
2011 Certificate of Obligation	0	0	0	200,000	0
2014 Certificate of Obligation				3,500,000	0
2011 Radio Lease	0	0	0	0	0
Interest Income / Misc.	8,732	11,008	4,000	2,320	3,000
Total Revenue:	\$993,632	\$437,558	\$104,000	\$3,802,320	\$123,000
Total Available Resources	\$5,980,883	\$3,045,952	\$1,496,935	\$5,195,255	\$4,517,660
Budget Adjustment - Fire House					
Expenditures:					
Public Works:					
Asphalt Maintenance	188,019	93,737	0	0	0
Bond Issuance	0	0	0	0	0
Building Improvements	0	0	0	0	0
Building Improvements - Fire House	0	0	0	0	0
CDBG 38th/39th/40th Year	0	183,652	0	0	0
CDBG 33rd /34th /35th /36th /37th Years	12,320	161,941	0	0	0
Contingency	16,285	2,901	10,000	10,000	10,000
Engineering	11,500	7,053	10,000	6,493	25,000
Pmt to NRH for Rufe Snow	82,852	82,852	82,852	82,852	85,000
Sidewalk Replacement	91,220	67,139	100,000	100,000	100,000
Street Overlays	240,751	254,797	350,000	350,000	350,000
Other Equipment-Tel. & Proximity Badge	14,793	78,397	110,000	40,000	0
Radios (Public Works)	64,982	0	0	0	0
Motor Vehicles - 2011 Bonds	167,660	0	0	0	0
Major Equip 2011 Bonds	514,347	148,229	162,503	162,500	0
Fuel Tank Barrier - 2011 Bonds	0	0	0	0	0
Fleet Maintenance - 2011 Bonds	13,692	0	0	0	0
Building Maintenance - 2011 Bonds					
Library Roof	84,500	0	0	0	0
Carpet/Painting	38,618	55,419	68,838	10,000	0
Motor Vehicles	22,382	0	0	0	0
Equipment - Video	0	0	0	0	0
MIS - Hardware/Software - 2011 Bonds	59,739	82,007	9,500	8,750	0
Police-Animal Shelter Software-2011 Bond	17,660	0	0	0	0
Equipment (Radios) Lease Pay-off	484,900	0	0	0	0
Fire/EMS - 2011 Bonds					
Motor Vehicles (Quint, Ambulance)	966,368	0	0	0	0
Equipment (Radios) Lease Pay-off	199,941	0	0	0	0
Traffic Signal/2011 Bonds&Traffic Safety	79,960	434,893	110,147	30,000	0
Bursey & Whitley/Whitley & Hightower/Opticom	0	0	0	0	0
2014 Bond Projects	0	0	0	0	3,500,000
Bursey Road					
Senior Center					
Total Fund Expenditures:	\$3,372,489	\$1,653,017	\$1,013,840	\$800,595	\$4,070,000
Ending Fund Balance	\$2,608,394	\$1,392,935	\$483,095	\$4,394,660	\$447,660

CIP AND CAPITAL PROJECTS FUNDS

Parks Development Corporation - Fund 05 CAPITAL PROJECTS SUMMARY

	HISTORY		PROJECTED YEAR		BUDGET
	FY2011-12 Actual	FY2012-13 Actual	FY2013-14 Budget	FY2013-14 Estimate	FY2014-15 Budget
Fund Balance, October 1	\$981,908	\$368,000	\$963,811	\$963,811	\$509,461
<u>Revenue:</u>					
Interest Earnings	845	1,098	500	650	500
Proceeds From the Sale of Assets	0	0	0	0	0
Transfer From PDC Sales Tax Fund	250,000	810,000	0	0	0
Other Financing Sources	0	0	0	0	0
Matching Grants	0	95,000	0	0	0
	\$250,845	\$906,098	\$500	\$650	\$500
Total Available Resources	\$1,232,753	\$1,274,098	\$964,311	\$964,461	\$509,961
<u>Expenditures:</u>					
Non-Departmental	0	0	0	0	0
Skate Park	0	0	250,000	250,000	0
Building Improvements	0	30,304	0	0	0
Capp Smith Park Projects	586,862	119,310	80,000	80,000	0
Veteran's Memorial	0	0	100,000	100,000	0
Trail System Improvements	179,075	160,673	0	0	9,000
Playground Equipment	95,588	0	0	0	0
Irrigation	0	0	25,000	25,000	0
Linda Drive Parks Dept. Facility	3,212	0	0	0	0
Total Expenditures:	\$864,737	\$310,287	\$455,000	\$455,000	\$9,000
<u>Other Expenditures:</u>					
Transfer to G. O. Debt Service	0	0	0	0	0
Total Other Sources (Uses):	\$0	\$0	\$0	\$0	\$0
Revenues Over (Under) Expenses	(\$613,892)	\$595,811	(\$454,500)	(\$454,350)	(\$8,500)
Fund Balance, September 30	\$368,000	\$963,811	\$509,311	\$509,461	\$500,961

CIP AND CAPITAL PROJECTS FUNDS

UTILITY CONSTRUCTION FUND - FUND 45 CAPITAL PROJECTS SUMMARY

	HISTORY		CURRENT YEAR		BUDGET
	2011-12 Actual	2012-13 Actual	2013-14 Budget	2013-14 Estimate	2014-15 Budget
Working Capital, at October 1	\$2,853,790	\$9,775,259	\$8,273,297	\$8,273,297	\$6,725,262
<u>Revenue:</u>					
Interest Income	231	875	0	0	0
Bond Proceeds	8,025,267	0	0	0	0
Transfer from Water Sewer Operating	140,000	140,000	140,000	140,000	140,000
Miscellaneous	0	42,064	0	0	0
Total Revenue/Other Sources	\$8,165,498	\$182,939	\$140,000	\$140,000	\$140,000
Total Available Resources	\$11,019,288	\$9,958,198	\$8,413,297	\$8,413,297	\$6,865,262
<u>Expenditures:</u>					
Building Improvements	0	0	48,035	48,035	0
Water & Sewer Mains	69,802	44,478	80,000	80,000	80,000
SSES Repairs	54,025	43,973	60,000	60,000	60,000
2011/2012 Bond Expenditures:					
Heavy Equipment	658,225	0	0	0	0
Motor Vehicles	106,648	0	0	0	0
Water Tower Improvements	0	0	0	0	180,000
CDBG Year 39	0	0	0	0	257,000
Water & Wastewater Improvements*	355,329	1,596,450	8,047,560	1,500,000	4,620,000
Total Expenditures	\$1,244,029	\$1,684,901	\$8,235,595	\$1,688,035	\$5,197,000
<u>Transfers:</u>					
Transfer	0	0	0	0	0
Total Transfers	\$0	\$0	\$0	\$0	\$0
Cash Balance, September 30	\$9,775,259	\$8,273,297	\$177,702	\$6,725,262	\$1,668,262
Revenue over (under) Expense	\$6,921,469	(\$1,501,962)	(\$8,095,595)	(\$1,548,035)	(\$5,057,000)

*Budget rolls over each Fiscal Year until completion



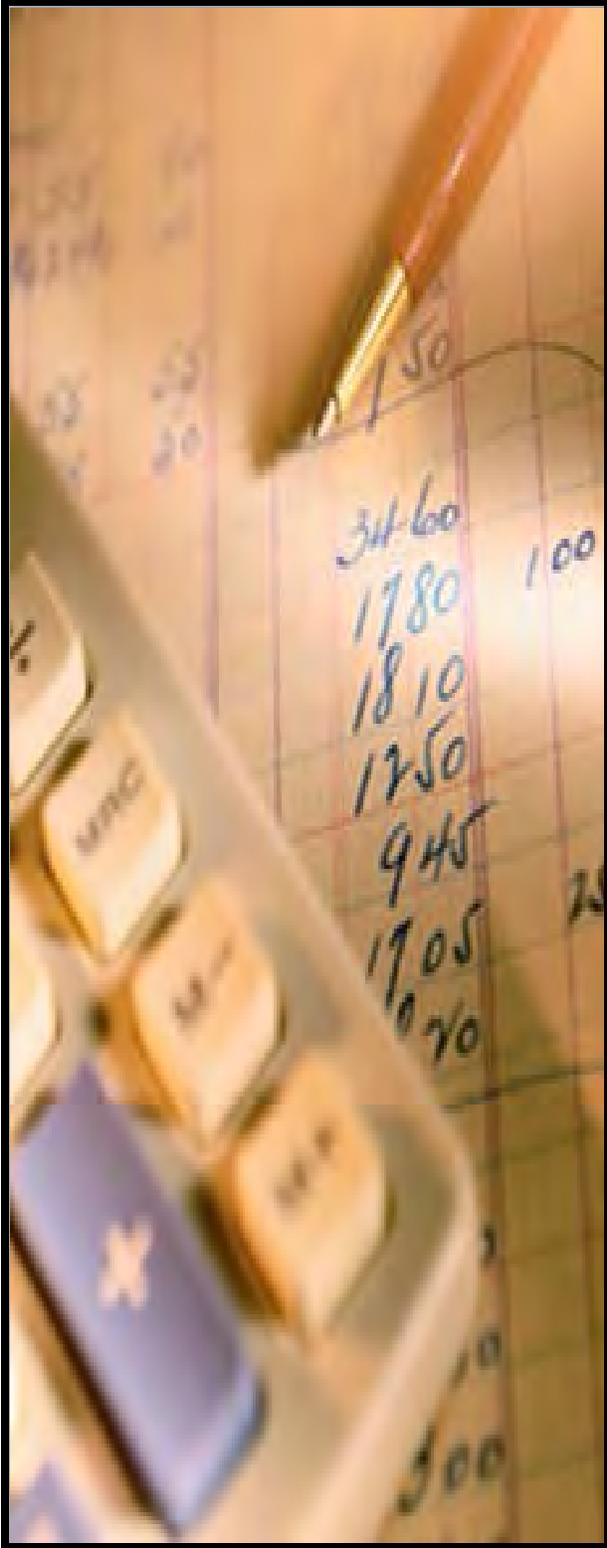
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FIVE-YEAR FINANCIAL FORECAST

The image shows three tall silver flagpoles with gold finials. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with wings spread. The scene is set outdoors with trees and a clear blue sky.

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FIVE YEAR FINANCIAL FORECAST

FIVE YEAR FINANCIAL FORECAST

INTRODUCTION

The City of Watauga's Multi-Year Plan is presented on the following pages. Major funds will show the estimated beginning fund balances, estimated revenues and expenses, and ending fund balances. Staffing levels, estimated tax rates, and estimated water and wastewater rates are also presented.

Due to the volume of information included in the General Fund and the Water and Wastewater Fund, separate executive summaries have been provided that highlight significant assumptions.

Capital items recommended and funded have been included in the Proposed Capital section of each fund's presentation in the Capital Projects Section of this budget document.

Recommended reserve levels and designated reserves are reflected as required by the City's fiscal policies.

General Fund

Revenue increases are projected at conservative growth levels. Most revenue items are projected at a 1% to 2% growth factor. Property tax valuations are projected to increase 1% to 1.5% annually. Sales tax is projected to grow approximately 1.5% to 2% annually based on re-development and continued recovery in other sectors. Departmental expenditures include an increase of a conservative 1% increase with annual increases for salary plan adjustments and health insurance increases.

General Obligation Debt Service

The debt component of the tax rate includes debt service requirements for all general debt currently outstanding and projected in the next five years. Under the multi-year capital plan, debt issuance is proposed in years in which previous debt falls off for major projects such as the Senior Center and for street projects to include Bursey and Chapman Road.

Crime Control and Prevention District

The Crime Control and Prevention District fund includes salary plan adjustments, health insurance increases, and continuation of existing programs. Capital purchases include continuation of the vehicle replacement program.

FIVE YEAR FINANCIAL FORECAST

Parks Development Fund

The ¼ Cent Sales tax revenue has been calculated with a 1% to 2% annual increase beginning in FY2015-16.

Expenditures for this fund include personnel costs and transfers to Debt Service for FY2014-15 in which the revenue bonds will be paid. No major projects are currently planned for the Parks Development Fund at this time.

Street Maintenance Fund

The ¼ Cent Sales tax revenue has been calculated with a 1% to 2% annual increase beginning in FY2014-15.

Expenditures for this fund include street overlays and street maintenance for existing streets.

Water and Wastewater Fund

Revenues in this enterprise operation are based on projected rates sufficient to cover operations in each of the future years. Rates are based on projected cost increases from Fort Worth and North Richland Hills as well as baseline increases for the city's operations, including salary plan adjustments, health insurance increases, and changes in depreciation expense. Future projected rate increases for both water and wastewater are shown.

The operating budget includes funding for the outstanding water and wastewater bonds and funding to continue the annual water and wastewater infrastructure improvements. In FY2016-17, the water system debt is fully paid and other infrastructure projects can be planned.

Water and Wastewater Debt Service Fund

Debt service transfers are based on current debt outstanding and projected debt for the continuation of the waterline and wastewater line infrastructure improvements, if approved by City Council. Additional debt issues for these projects are projected in FY2016-17. Debt payments related to these phases will be paid from system revenue.

FIVE YEAR FINANCIAL FORECAST

Drainage Fund

The Drainage Utility fund provides for salary plan adjustments, health insurance increases, and drainage improvement projects. There are two major projects scheduled to be paid from drainage rates in the next few years to include Watauga Heights and Bunker Hill.

Equipment Replacement Fund

The Equipment Replacement Fund has been expanded in FY2013-14 and is being further enhanced in FY2014-15 to include purchases that had been made from each fund's operating revenues or bond issuances in past years. Certain funds will be charged an annual depreciation rate to ensure funds are available to replace vehicles, equipment, and technology purchased in past years. The ERF includes equipment purchases based on a projected replacement schedule, which is re-evaluated each year. In the year of purchase, equipment, vehicle and technology purchases are added to the depreciation charge in order to ensure that proper funds will be available for the next scheduled replacement. However, some large equipment purchases may need to be subsidized from other funding sources.

CLOSING COMMENTS

This document is a plan for the future. Many things will certainly change and this document will need to be adjusted accordingly. Future capital projects and the timing of debt issuance can significantly impact the interest and sinking portion of the tax rate. The recommended Multi-Year Plan provides for a level tax rate and some increases in both water and wastewater rates while maintaining existing service levels. Future decisions will have a significant impact on many features of this plan.

FIVE YEAR FINANCIAL FORECAST

General Fund Five Year Plan Revenue Assumptions

Revenue Source	Assumptions
Property Taxes	Projections are based on 1%-2% increase in assessed values
Penalties & Interest	Remain Flat
Sales Tax	Based on 1.5% - 2% increase with additional revenue for new development
Franchise Fees	Projected average growth of 1%.
Fines & Fees	Projected average growth of 2%.
Licenses & Permits	Projected at 1.5% increase over next few years due to redevelopment
Interest Income	Projected interest rates averaging .01% to .4%.
Transfers	Based on 5% of revenue from the utility operation, 2% Crime Control District and 5% Parks Development Corporation.
Miscellaneous	Projected average growth of 3%.

FIVE YEAR FINANCIAL FORECAST

General Fund Executive Summary

	Prior Year Estimate 2013-14	Base Year Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
TAX RATE VARIABLE						
Tax Rate	\$0.5912	\$0.5912	\$0.5912	\$0.5912	\$0.5912	\$0.5912
Tax Rate Change	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Assessed Value/\$100	\$ 9,645,000	\$ 9,968,570	\$ 10,167,941	\$ 10,269,621	\$ 10,372,317	\$ 10,476,040
Amount generated by 1¢	\$ 95,003	\$ 100,154	\$ 101,156	\$ 102,167	\$ 103,189	\$ 103,189
Operating Revenues						
Operating Revenues	\$ 9,896,965	\$ 10,135,200	\$ 10,274,355	\$ 10,462,978	\$ 10,657,725	\$ 10,816,140
Transfer from other funds	\$ 1,019,900	\$ 1,057,200	\$ 1,057,200	\$ 1,057,200	\$ 1,057,200	\$ 1,057,200
TOTAL REVENUES	\$ 10,916,865	\$ 11,192,400	\$ 11,331,555	\$ 11,520,178	\$ 11,714,925	\$ 11,873,340
EXPENDITURES						
Departmental Expenditures	\$ 10,642,000	\$ 10,840,580	\$ 11,075,145	\$ 11,390,955	\$ 11,719,201	\$ 12,054,940
Infrastructure	\$ 100,000	\$ 120,000	\$ 150,000	\$ 200,000	\$ 200,000	\$ 200,000
Insurance Increase	\$ -	\$ -	\$ 52,500	\$ 52,500	\$ 56,175	\$ 60,107
Salary Package	\$ -	\$ 228,870	\$ 268,000	\$ 276,040	\$ 284,321	\$ 292,851
Capital Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 10,742,000	\$ 11,189,450	\$ 11,545,645	\$ 11,919,495	\$ 12,259,697	\$ 12,607,898
Revenue over/(under)	\$ 174,865	\$ 2,950	\$ (214,090)	\$ (399,317)	\$ (544,772)	\$ (734,558)
Proposed Supplemental	\$ -	\$ 250,000 *	\$ -	\$ -	\$ -	\$ -
Proposed Equip Repl.**	\$ -	\$ 332,000	\$ 150,000	\$ 100,000	\$ -	\$ -
STAFFING VARIABLE						
Full-time Positions	106.75	105.20	105.20	105.20	105.20	105.20
Part-time Positions	12.00	12.00	12.00	12.00	12.00	12.00

FIVE YEAR FINANCIAL FORECAST

General Fund Multi-Year Financial Plan

	Prior Year Estimate 2013-14	Base Year Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	5,075,350	5,250,215	4,671,165	4,307,075	3,807,758	3,262,986
REVENUES						
Ad valorem taxes ⁽¹⁾	3,915,000	4,131,000	4,156,229	4,231,092	4,314,374	4,358,552
Delinquent taxes	30,000	30,000	30,000	30,300	30,603	30,909
Penalties	25,000	27,000	27,000	27,270	27,543	27,818
Sales taxes	2,896,000	2,927,000	2,985,540	3,045,251	3,106,156	3,168,279
Mixed Beverage	64,000	48,000	48,960	50,429	51,942	53,500
Franchise taxes	1,020,000	1,020,000	1,030,200	1,040,502	1,050,907	1,061,416
Fines and fees	679,815	693,800	714,614	736,052	758,134	780,878
Licenses and permits	275,200	285,000	285,000	280,000	270,000	260,000
Interest Income	8,000	8,000	10,000	10,000	10,000	10,000
Charges for Services	740,000	755,000	770,100	793,203	816,999	841,509
Miscellaneous	243,950	210,400	216,712	218,879	221,068	223,279
Payment in Lieu of Taxes from Funds	544,900	560,700	560,700	560,700	560,700	560,700
General & Administrative Charges	475,000	496,500	496,500	496,500	496,500	496,500
Total Revenues	10,916,865	11,192,400	11,331,555	11,520,178	11,714,925	11,873,340
EXPENDITURES						
Administration	(222,200)	(207,300)	(209,373)	(211,467)	(213,581)	(215,717)
Human Resources	(142,850)	(144,700)	(146,147)	(142,850)	(142,850)	(142,850)
IT	(369,465)	(372,500)	(376,225)	(371,100)	(371,100)	(371,100)
Finance	(714,000)	(707,800)	(714,878)	(722,027)	(729,247)	(736,540)
Police Protection	(2,958,850)	(3,082,500)	(3,113,325)	(3,144,458)	(3,175,903)	(3,207,662)
Fire Protection	(2,061,350)	(2,088,500)	(2,109,385)	(2,130,479)	(2,151,784)	(2,173,301)
Library	(852,900)	(850,600)	(859,106)	(867,697)	(876,374)	(885,138)
Fleet/Buildings	(905,550)	(920,300)	(929,503)	(938,798)	(948,186)	(957,668)
Recreation & Community Services	(579,250)	(571,100)	(576,811)	(582,579)	(588,405)	(594,289)
Community Development/Code	(390,600)	(442,900)	(447,329)	(451,802)	(456,320)	(460,884)
Public Works	(561,985)	(570,350)	(576,054)	(581,814)	(587,632)	(593,508)
Non-Departmental - Operating	(883,000)	(1,110,900)	(1,337,509)	(1,574,424)	(1,818,315)	(2,069,241)
Transfers to Capital Project Fund	(100,000)	(120,000)	(150,000)	(200,000)	(200,000)	(200,000)
Operating Expenditures	(10,742,000)	(11,189,450)	(11,545,645)	(11,919,495)	(12,259,697)	(12,607,898)
Total Expenditures	(10,742,000)	(11,189,450)	(11,545,645)	(11,919,495)	(12,259,697)	(12,607,898)
Designated Reserves	-	-	-	-	-	-
Recommended Reserves per Policy	(2,685,500)	(2,797,363)	(2,886,411)	(2,979,874)	(3,064,924)	(3,151,974)
Available for Supplemental	174,865	2,950	(214,090)	(399,317)	(544,772)	(734,558)
Proposed Supplemental	-	-	-	-	-	-
Remaining Supplemental	174,865	2,950	(214,090)	(399,317)	(544,772)	(734,558)
Additional Available for Capital	2,389,850	2,452,853	1,784,754	1,327,201	742,834	111,012
Total Available for Capital	2,564,715	2,455,803	1,570,664	927,884	198,062	(623,547)
Proposed Equip Replacement	-	(332,000)	(150,000)	(100,000)	-	-
Proposed Strategic Initiative	-	(250,000)	-	-	-	-
Remaining Funds Available	2,564,715	2,787,803	1,420,664	827,884	198,062	(623,547)
ENDING FUND BALANCE	5,250,215	4,671,165	4,307,075	3,807,758	3,262,986	2,528,428
Tax Rate Variable						
Assessed Taxable Value/\$100	9,645,000	9,968,570	10,167,941	10,269,621	10,372,317	10,476,040
Amount generated by 1¢ tax	95,003	98,190	100,154	101,156	102,167	103,189
I&S Rate	0.180697	0.178329	0.178329	0.174000	0.170000	0.169900
General Fund	0.410519	0.412887	0.412887	0.417216	0.421216	0.421316
Total Tax Rate	0.591216	0.591216	0.591216	0.591216	0.591216	0.591216
Rollback I&S	0.180697	0.178329	0.178329	0.174000	0.170000	0.169900
Rollback M&O	0.444745	0.431821	0.431821	0.440698	0.449690	0.449508
Total Rollback Rate	0.625442	0.610150	0.610150	0.619027	0.628019	0.619408
M&O Rollback Amount	4,289,566	4,304,640	4,304,640	4,480,991	4,618,149	4,709,061
Staffing Variable						
Full-time positions	106.75	105.20	105.20	105.20	105.20	105.20
Part-time positions	12.00	12.00	12.00	12.00	12.00	12.00

Note: Non-departmental operating includes salary plan, increase in city's insurance contribution & increase in equipment replacement payments.

(1) Collection Rate for M&O is 99%

(2) Proposed Capital will only be funded if excess reserves are available.

FIVE YEAR FINANCIAL FORECAST

General Obligation Debt Service Multi-Year Financial Plan

	Prior Year Estimate 2013-14	Base Year Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	249,239	282,034	211,291	178,666	269,296	269,296
REVENUES						
Ad valorem taxes	1,721,037	1,688,167	1,700,000	1,745,836	1,752,922	1,779,879
Delinquent taxes	6,700	13,000	13,000	13,000	13,000	13,000
Penalties	8,184	12,000	12,000	12,000	12,000	12,000
Interest Income	240	1,500	2,500	3,000	3,000	3,500
Total Revenues	1,736,161	1,714,667	1,727,500	1,773,836	1,780,922	1,808,379
EXPENDITURES						
Principal	(1,315,000)	(1,380,000)	(1,390,000)	(1,350,000)	(1,390,000)	(1,415,000)
Interest	(385,350)	(402,394)	(367,109)	(330,190)	(291,420)	(351,812)
Bank Charges	(3,016)	(3,016)	(3,016)	(3,016)	(3,016)	(3,016)
Total Expenditures	(1,703,366)	(1,785,410)	(1,760,125)	(1,683,206)	(1,684,436)	(1,769,828)
Recommended Reserves per Policy	(141,947)	(148,784)	(146,677)	(140,267)	(140,370)	(147,486)
ENDING FUND BALANCE	282,034	211,291	178,666	269,296	365,781	307,847

Tax Rate Variable						
Assessed Taxable Value/\$100	9,645,000	9,968,570	10,167,941	10,269,621	10,372,317	10,476,040
Amount generated by 1¢ tax	96,450	99,686	101,679	102,696	103,723	104,760
I&S Rate	0.180697	0.178329	0.174000	0.170000	0.169000	0.169900
General Fund	0.410519	0.412887	0.417216	0.421216	0.422216	0.421316
Total Tax Rate	0.591216	0.591216	0.591216	0.591216	0.591216	0.591216
Rollback I&S	0.180697	0.178329	0.178329	0.178329	0.169000	0.169900
Rollback M&O	0.444745	0.431821	0.440698	0.449690	0.454003	0.449508
Total Rollback Rate	0.625442	0.610150	0.619027	0.628019	0.623003	0.619408
M&O Rollback Amount	4,289,566	4,304,640	4,480,991	4,618,149	4,709,061	4,709,061

	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
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Debt Issuance Variable:						
Beginning debt outstanding**	11,865,000	14,050,000	12,670,000	11,280,000	9,930,000	12,040,000
Principal Retired	(1,315,000)	(1,380,000)	(1,390,000)	(1,350,000)	(1,390,000)	(1,415,000)
Principal Issued (Proposed)	3,500,000	-	-	-	3,500,000	
PublicSafety Radio Lease	-	-	-	-	-	-
Ending debt outstanding	14,050,000	12,670,000	11,280,000	9,930,000	12,040,000	10,625,000

FIVE YEAR FINANCIAL FORECAST

PARKS DEVELOPMENT CORPORATION 1/4 CENT SALES TAX FUND Multi-Year Financial Plan

	PRIOR YEAR ESTIMATE 2013-14	Base Year Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	899,539	637,619	368,219	288,247	200,200	200,200
REVENUES						
Sales taxes	707,000	714,000	728,280	742,846	757,703	772,857
Interest Income	500	500	500	500	500	500
Total Revenues	707,500	714,500	728,780	743,346	758,203	773,357
EXPENDITURES						
Parks	(706,470)	(736,200)	(757,338)	(779,100)	(801,080)	(823,706)
Transfer to Debt Service	(212,950)	(186,700)	-	-	-	-
Non-Departmental - Operating	(15,000)	(7,300)	(15,000)	(15,150)	(15,302)	(15,455)
Operating Expenditures	(934,420)	(930,200)	(772,338)	(794,250)	(816,382)	(839,160)
Transfers to other funds	(35,000)	(53,700)	(36,414)	(37,142)	(37,885)	(38,643)
Total Expenditures	(969,420)	(983,900)	(808,752)	(831,393)	(854,267)	(877,803)
Recommended Reserves per Policy	(193,884)	(196,780)	-	(166,279)	-	(175,561)
Available for Supplemental	(226,920)	(215,700)	(43,558)	(50,905)	(58,179)	(65,804)
Proposed Supplemental	-	-	-	-	-	-
Remaining Supplemental	(226,920)	(215,700)	(43,558)	(50,905)	(58,179)	(65,804)
Additional Available for Capital	670,655	387,139	170,055	84,826	(8,538)	(14,003)
Total Available for Capital	443,735	171,439	126,497	33,922	(66,717)	(79,807)
Proposed Capital:						
Proposed Capital	-	-	-	-	-	-
Remaining Funds Available	443,735	171,439	126,497	33,922	(66,717)	(79,807)
ENDING FUND BALANCE	637,619	368,219	288,247	200,200	104,136	95,754

Staffing Variable:						
Full-time positions	0.25	0.25	0.25	0.25	0.25	0.25
Part-time positions	11.50	11.50	11.50	11.50	11.50	11.50

FIVE YEAR FINANCIAL FORECAST

Crime Control & Prevention District Multi-Year Financial Plan

	Prior Year Estimate 2013-14	Year 1 Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	1,057,585	899,085	795,785	795,785	746,445	663,034
REVENUES						
Sales taxes	1,414,000	1,428,000	1,456,560	1,485,691	1,515,405	1,545,713
Other Income	500	37,500	38,625	39,784	40,977	42,207
Total Revenues	1,414,500	1,465,500	1,495,185	1,525,475	1,556,382	1,587,920
EXPENDITURES						
Police Protection	(1,377,000)	(1,435,300)	(1,485,394)	(1,531,744)	(1,579,485)	(1,628,657)
Transfers to other funds	(128,000)	(103,500)	(29,131)	(29,714)	(30,308)	(30,914)
Capital Expenditures	(68,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Total Expenditures	(1,573,000)	(1,568,800)	(1,544,525)	(1,591,458)	(1,639,793)	(1,689,571)
Recommended Reserves per Policy	(314,600)	(313,760)	(308,905)	(318,292)	(327,959)	(337,914)
Available for Supplemental	37,500	(103,300)	(49,340)	(65,983)	(83,410)	(101,652)
Proposed Supplemental	-	-	-	-	-	-
Remaining Supplemental	37,500	(103,300)	(49,340)	(65,983)	(83,410)	(101,652)
Additional Available for Capital	546,985	585,325	486,880	477,493	418,486	325,120
Total Available for Capital	584,485	482,025	437,540	411,511	335,076	223,468
Proposed Capital⁽¹⁾	-	-				
Remaining Funds Available	584,485	482,025	437,540	411,511	335,076	223,468
ENDING FUND BALANCE	899,085	795,785	746,445	729,802	663,034	561,383

Staffing Variable:						
Full-time positions	12.0	12.0	12.0	12.0	12.0	12.0
Part-time positions	0.0	0.0	0.0	0.0	0.0	0.0

(1) Proposed Capital will only be funded if excess reserves are available.

FIVE YEAR FINANCIAL FORECAST

Street Maintenance Fund Multi-Year Financial Plan

	Prior Year Estimate 2013-14	Year 1 Budget 2014-15	Year 2 Projected 2015-16 (1)	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	210,287	317,287	438,287	438,287	373,707	338,838
REVENUES						
Sales Tax ⁽¹⁾	707,000	721,000	735,420	750,128	765,131	780,434
Other Income	-	-	-	-	-	-
Total Revenues	707,000	721,000	735,420	750,128	765,131	780,434
EXPENDITURES						
Asphalt Overlay	(500,000)	(500,000)	(700,000)	(700,000)	(700,000)	(700,000)
Street Maintenance	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total Expenditures	(600,000)	(600,000)	(800,000)	(800,000)	(800,000)	(800,000)
Recommended Reserves per Policy	-	-	-	-	-	-
Available for Supplemental	207,000	121,000	(64,580)	(49,872)	(34,869)	(19,566)
Proposed Supplemental	-	-	-	-	-	-
Remaining Supplemental	207,000	121,000	(64,580)	(49,872)	(34,869)	(19,566)
Additional Available for Capital	110,287	317,287	438,287	438,287	373,707	338,838
Total Available for Capital	317,287	438,287	373,707	388,415	338,838	319,272
Proposed Capital	-	-	-	-	-	-
Remaining Funds Available	317,287	438,287	373,707	388,415	338,838	319,272
ENDING FUND BALANCE	317,287	438,287	373,707	388,415	338,838	319,272

Staffing Variable:						
Full-time positions	0.0	0.0	0.0	0.0	0.0	0.0
Part-time positions	0.0	0.0	0.0	0.0	0.0	0.0

(1) 1/4 cent Sales Tax for Street Maintenance ends October, 2016 unless approved by voters to continue another 4 years

FIVE YEAR FINANCIAL FORECAST

Water & Wastewater Fund Five Year Plan Revenue Assumptions

Revenue Source	Assumptions
Water Service	Based on projected rate increases sufficient to cover increased cost
Wastewater Service	Based on projected rate increases sufficient to cover increased cost
Reconnect Fees	Based on average growth of 2%.
Inspection Fees	Based on average growth of 2%.
Miscellaneous	Based on average growth of 2%.
Penalties	Based on average growth of 2%.

FIVE YEAR FINANCIAL FORECAST

Water and Wastewater Fund Executive Summary

	Prior Year Estimate 2013-14	Base Year Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
REVENUES						
Total Revenue W&S	8,262,200	8,524,000	8,635,680	8,753,589	8,871,172	8,986,232
EXPENSES						
Departmental Expenditures	5,630,000	6,138,200	6,317,204	6,501,258	6,687,499	6,774,789
Salary Package	-	56,650	58,350	60,100	61,903	61,903
Transfers	215,000	75,000	75,000	75,000	75,000	75,000
G&A/Franchise Fee	413,000	426,000	432,134	438,129	449,762	449,762
Debt Service	2,019,487	2,026,803	2,031,167	1,395,838	1,393,088	1,393,088
Non-Department - One Time	-	-	-	-	-	-
Total Expenses	8,277,487	8,722,653	8,913,855	8,470,325	8,667,252	8,754,542
Proposed Supplemental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed Capital	\$ -	\$ 221,000	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
STAFFING VARIABLE						
Full-time Positions	25.75	25.25	25.25	25.25	25.25	25.25
Part-time Positions	0.00	0.00	0.00	0.00	0.00	0.00

FIVE YEAR FINANCIAL FORECAST

Water and Wastewater Multi-Year Financial Plan

	Prior Year Estimate 2013-14	Year 1 Base Year Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	2,422,033	2,406,746	1,987,093	1,708,918	1,917,183	2,046,103
REVENUES						
Water Service	4,450,000	4,650,000	4,715,100	4,785,827	4,857,614	4,930,478
Wastewater Service	3,400,000	3,475,000	3,509,750	3,544,848	3,580,296	3,616,099
Service Charges	42,800	43,000	43,860	44,737	45,632	45,632
EPA Fees	156,000	156,000	159,120	162,302	165,548	165,548
Penalties	200,000	190,000	195,700	201,571	207,618	213,847
Miscellaneous	8,600	5,000	5,150	5,305	5,464	5,628
Interest Income	4,800	5,000	7,000	9,000	9,000	9,000
Total Revenues	8,262,200	8,524,000	8,635,680	8,753,589	8,871,172	8,986,232
EXPENSES						
Utility Billing	(457,450)	(461,600)	(463,908)	(466,228)	(468,559)	(470,901)
Non-Departmental - Operating	(536,500)	(604,500)	(665,872)	(729,301)	(794,851)	(796,708)
Information Technology	(64,600)	(66,000)	(66,330)	(66,662)	(66,995)	(66,995)
Administration	(219,600)	(235,600)	(236,778)	(237,962)	(239,152)	(239,152)
Water Distribution	(2,407,350)	(2,672,400)	(2,747,562)	(2,824,955)	(2,904,642)	(2,984,729)
Sewer Collection	(1,944,500)	(2,014,750)	(2,054,404)	(2,094,847)	(2,136,097)	(2,136,097)
Transfers - Capital	(140,000)	(140,000)	(140,700)	(141,404)	(142,111)	(142,111)
Transfers - JUF	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
G&A/Franchise Fee	(413,000)	(426,000)	(432,134)	(438,129)	(444,009)	(449,762)
W&WW Debt	(2,019,487)	(2,026,803)	(2,031,167)	(1,395,838) (2)	(1,395,838)	(1,393,088)
Non-Departmental - Operating	-	-	-	-	-	-
Operating Expenses	(8,277,487)	(8,722,653)	(8,913,855)	(8,470,325)	(8,667,252)	(8,754,542)
Capital Expenses (carryover)	-	-	-	-	-	-
Total Expenses	(8,277,487)	(8,722,653)	(8,913,855)	(8,470,325)	(8,667,252)	(8,754,542)
Recommended Reserves per Policy	(1,655,497)	(1,744,531)	(1,782,771)	(1,694,065)	(1,733,450)	(1,750,908)
Available for Supplemental	(15,287)	(198,653)	(278,175)	283,264	203,920	231,690
Proposed Supplemental	-	-	-	-	-	-
Remaining Supplemental	(15,287)	(198,653)	(278,175)	283,264	203,920	231,690
Additional Available for Capital	766,536	662,215	204,322	14,853	183,732	295,194
Total Available for Capital	751,249	463,562	(73,853)	298,117	387,652	526,884
Proposed Equip Repl/Capital⁽¹⁾	-	(221,000)	-	(75,000)	(75,000)	(75,000)
Remaining Funds Available	751,249	242,562	(73,853)	223,117	312,652	451,884
ENDING FUND BALANCE	2,406,746	1,987,093	1,708,918	1,917,183	2,046,103	2,202,794
Staffing Variable						
Full-time Positions	25.75	25.25	25.25	25.25	25.25	25.25
Part-time positions	0.00	0.00	0.00	0.00	0.00	0.00

⁽¹⁾ Proposed Capital will only be funded if excess reserves are available.

⁽²⁾ Watauga pays off the debt service to NRH for purchase of the water system.

FIVE YEAR FINANCIAL FORECAST

Water and Wastewater Debt Service Fund/Debt Reserve Funds Multi-Year Financial Plan

	Prior Year Estimate 2013-14	Year 1 Base Year 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	149,109	149,109	149,106	149,106	149,106	149,106
REVENUES						
Transfer from W&WW Operations	2,020,887	2,026,800	2,031,167	1,395,838	1,395,838	1,393,088
Interest	0	1,400	1,400	400	400	400
Total Revenues	2,020,887	2,028,200	2,032,567	1,396,238	1,396,238	1,393,488
EXPENSES						
Principal	(1,595,000)	(1,660,000)	(1,730,000)	(985,000)	(985,000)	(995,000)
Interest	(424,487)	(366,803)	(301,167)	(410,838)	(410,838)	(398,088)
Bank Charges	(1,400)	(1,400)	(1,400)	(400)	(400)	(400)
Total Expenses	(2,020,887)	(2,028,203)	(2,032,567)	(1,396,238)	(1,396,238)	(1,393,488)
Recommended Reserves per Policy *	0	0	0	0	0	0
ENDING FUND BALANCE	149,109	149,106	149,106	149,106	149,106	149,106

Debt Issuance Variable:						
Beginning debt outstanding	13,910,000	12,315,000	10,655,000	17,925,000	16,940,000	15,955,000
Principal retired	(1,595,000)	(1,660,000)	(1,730,000)	(985,000)	(985,000)	(995,000)
Principal Issued (Proposed)	-	-	9,000,000	-	-	-
Ending debt outstanding	12,315,000	10,655,000	17,925,000	16,940,000	15,955,000	14,960,000

FIVE YEAR FINANCIAL FORECAST

Drainage Utility Fund Multi-Year Financial Plan

Rate recommendation to remain at \$12.00

	Prior Year Estimate 2013-14	Year 1 Base Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING WORKING CAPITAL	1,943,403	2,450,803	371,953	915,315	1,303,738	488,201
REVENUES						
Drainage Fees	1,410,000	1,410,000	1,410,000	1,410,000	1,410,000	1,410,000
Penalties	-	-	-	-	-	-
Interest Income	1,500	1,500	1,000	1,000	1,000	1,000
Total Revenues	1,411,500	1,411,500	1,411,000	1,411,000	1,411,000	1,411,000
EXPENSES						
Operating Expenses	(851,100)	(840,350)	(867,638)	(888,576)	(918,538)	(927,723)
Transfer to Debt Service		-				-
Total Expenses	(851,100)	(840,350)	(867,638)	(888,576)	(918,538)	(927,723)
Recommended Reserves per Policy 20%	(170,220)	(168,070)	(173,528)	(177,715)	(183,708)	(185,545)
Available for Supplemental	560,400	571,150	543,362	522,424	492,462	483,277
	-	-				
Remaining Supplemental	560,400	571,150	543,362	522,424	492,462	483,277
Additional Available for Capital	1,773,183	2,282,733	198,425	737,599	1,120,031	302,656
Total Available for Capital	2,333,583	2,853,883	741,787	1,260,023	1,612,493	785,933
Capital Projects	(53,000)	(2,650,000) A	-	(134,000) B	(1,308,000) C	(713,000) D
Remaining Funds Available	2,280,583	203,883	741,787	1,126,023	304,493	72,933
ENDING WORKING CAPITAL	2,450,803	371,953	915,315	1,303,738	488,201	258,478
Rates						
Drainage Rate	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Staffing Variable:						
Full-time positions	9.25	9.00	9.00	9.00	9.00	9.00
Part-time positions	1.0	1.0	1.0	1.0	1.0	1.0

- A. WATAUGA HEIGHTS PHASE I AND II
- B. BUNKER HILL DESIGN
- C. BUNKER HILL PROJECT
- D. ASTOR HEIGHTS PROJECT

Note: SUNNY BROOK SOUTH DESIGN TO BEGIN FY19-20

FIVE YEAR FINANCIAL FORECAST

Equipment Replacement Fund Multi-Year Financial Plan

	Prior Year Projection 2013-14	Base Year Budget 2014-15	Year 2 Projected 2015-16	Year 3 Projected 2016-17	Year 4 Projected 2017-18	Year 5 Projected 2018-19
BEGINNING BALANCE	238,820	306,930	777,090	1,052,250	1,409,210	1,712,610
REVENUES						
General Fund Transfer	-	332,000	150,000	100,000	-	-
General Fund Payment	11,300	74,300	84,300	84,300	84,300	84,300
Water Sewer Transfer	-	221,000	75,000	25,000	25,000	25,000
Water & Sewer Payment	25,000	37,000	47,000	49,500	52,000	54,500
CCD Transfer	100,000	75,000	100,000	100,000	100,000	-
CCD Payment	27,000	36,000	63,000	90,000	117,000	90,000
Storm Drain Transfer	-	33,000	-	-	-	-
Storm Drain Payment	85,000	43,000	43,000	43,000	43,000	43,000
PDC Transfer	-	18,000	10,000	18,000	10,000	10,000
PDC Payment	-	2,300	3,300	5,600	6,600	7,600
Traffic Safety Transfer	-	-	-	-	-	-
Traffic Safety Payment	4,060	4,060	4,060	4,060	-	-
Oil/Gas Transfer	100,000	50,000	-	-	-	-
Interest Income	-	500	500	500	500	500
Total Revenues	352,360	926,160	580,160	519,960	438,400	314,900
EXPENSES						
Equipment Replacements	(284,800)	(456,000)	(305,000)	(163,000)	(135,000)	(225,000)
Total Expenses	(284,800)	(456,000)	(305,000)	(163,000)	(135,000)	(225,000)
Available for Capital	306,380	777,090	1,052,250	1,409,210	1,712,610	1,802,510
Proposed Capital	-	-	-	-	-	-
ENDING FUND BALANCE	306,380	777,090	1,052,250	1,409,210	1,712,610	1,802,510

Note: The Equipment Replacement Fund was expanded in FY2013-14 and enhanced in FY2014-15. Many equipment replacement purchases occur after FY2018-19 based on life span. Equipment needs and purchases are evaluated on an annual basis. Replacement of equipment/vehicle may not occur in the planned year based on condition of equipment or vehicle.

The image shows three tall silver flagpoles with gold finials. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is set outdoors with trees and a clear blue sky.

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DEBT SERVICE

GENERAL DEBT SERVICE

FUND 03

**WATAUGA PARKS DEVELOPMENT
DEBT SERVICE**

FUND 06/08

**WATER AND SEWER CERTIFICATES
OF OBLIGATION DEBT SERVICE**

FUND 44

**WATER AND SEWER REVENUE
BOND DEBT SERVICE**

FUND 42/43

The image shows three tall silver flagpoles with gold finials. From left to right, they fly a black flag with a circular logo, the Georgia state flag (red, white, and blue with a white star), and the United States flag. In the foreground, a low stone wall made of grey blocks surrounds a garden bed with tall grasses and red flowers. A large sculpture of a bird in flight is positioned behind the flagpoles. In the background, there are trees, stadium lights, and a red stadium seating area under a clear blue sky.

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DEBT SERVICE

DEBT SERVICE FUND – FUND 03

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 \$0.591216 tax rate, an amount of \$0.178329 funds the property tax share of the 2014-2015 debt payment. This is 30.2% 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 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 rates did make it possible for the City to refinance the majority of this debt (\$2,855,000) in FY2005-06.

The lowering of interest rates and market conditions in 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.

DEBT SERVICE

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 advance 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.

In March 2008, the City refinanced the bonds issued in 1996, which were used 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. The City was able to reduce interest from 4.783% to 3.12%, while also freeing up \$360,000 from the Bond Reserve Fund, which is no longer required.

During FY 2011, The City issued \$7,365,000 Combination Tax and Limited Pledge Revenue Certificate of Obligation Bonds, of which \$4,585,000 are paid from property tax levies. These bonds were issued to finance various equipment needs (i.e., radios, computer hardware), street projects and improvements, specific use vehicles such as a quint fire truck, ambulance, public works heavy equipment, traffic lights and traffic safety equipment, and possible renovation of some buildings. This debt issuance was timed for FY 2012 since the City's total debt obligations decreased the end of FY 2011. . Also during FY 2011, the City refunded \$1,000,000 in Certificates of Obligation, Series 1998. The City was able to reduce interest from 4.6% to 1.95%.

During FY 2012, the City issued \$7,730,000 Combination Tax and Limited Pledge Revenue Certificate of Obligation bonds, which will be paid from water and sewer fund revenues. These bonds were issued to finance various utility system projects, to include street improvements and storm water and drainage system improvements. The City began these projects in FY2013 and the projects will continue through FY2016.

During FY 2013 the City was once again able to take advantage of low interest rates and refunded the Series 2003 and Series 2005 Certificate of Obligation. The gross savings to the City was \$126,523.12 through this refunding.

In FY 2014, the City issued \$3,500,000 Combination Tax and Limited Pledge Revenue Certificate of Obligation bonds, which will be paid from property tax levies. This debt opportunity was available without any increase in the tax rate since the City's total debt obligations decreased the end of FY2014. The expansion of the existing Community Center to provide for an updated Senior Center facility and improvements to Bursey Road,

DEBT SERVICE

a major thoroughfare in the City were established as priorities to be funded through the \$3,500,000 debt issuance. These projects will begin in FY2014-15.

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.

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.

Reflecting the City's continued conservative financial management, Standard & Poor's further increased this rating to "AA" from "A+" on February 8, 2009. In addition, on October 5, 2009, Fitch Rating Agency issued an affirmation of bond rating of "A," and provided a comment of "Stable" for their rating outlook. On April 22, 2010, Moody's upgraded their rating from A3 to A2.

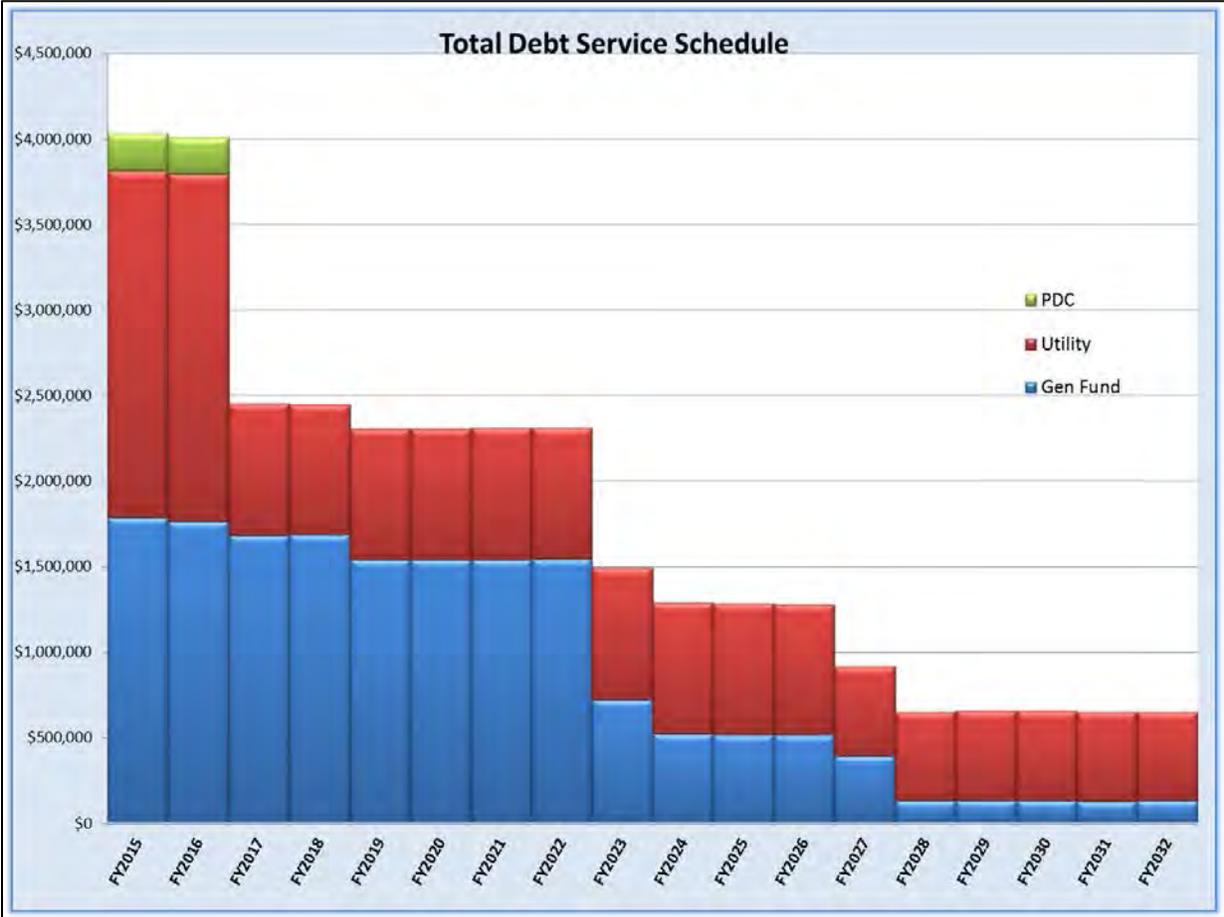
Moody's also assigned an Aa3 underlying rating to the City's \$7.36 million Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011. The Aa3 rating reflects the City's stable financial operations and healthy reserve position. In September 2011, Fitch Ratings affirmed the City's \$1 million 1998 Certificate of Obligations at "AA-" with a rating outlook of "Stable."

Moody's also assigned an Aa3 underlying rating the City's \$7.730 million Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012. The rating reinforced the above strengths listed, as well as the solid management practices reflected in an increase in the City's formal fund balance policy and maintenance of ample reserves. Challenges cited include the declines in the city's tax base and the negative five year average annual growth rate in assessed value.

Standard & Poor's Rating Services assigned its 'AA' long-term rating to the City's \$3.50 million Combination and Limited Pledge Revenue Certificates of Obligation, 2014. The rating cited very strong budgetary flexibility, very strong liquidity, adequate budgetary performance and adequate debt and contingent liabilities.

DEBT SERVICE

The chart below shows the detail of City bonded debt for all funds as of September 30, 2014.



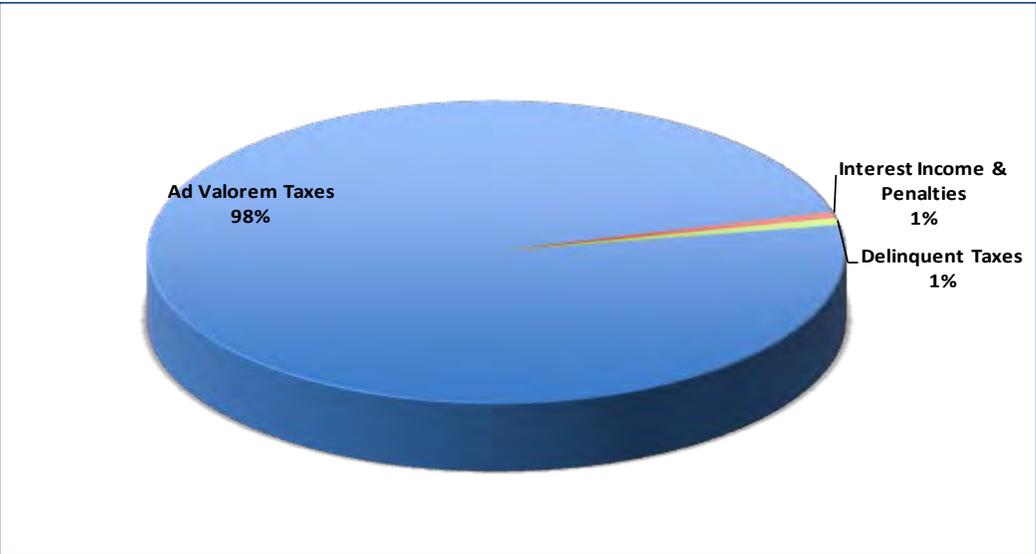
DEBT SERVICE

General Obligation Debt Service – Fund 03

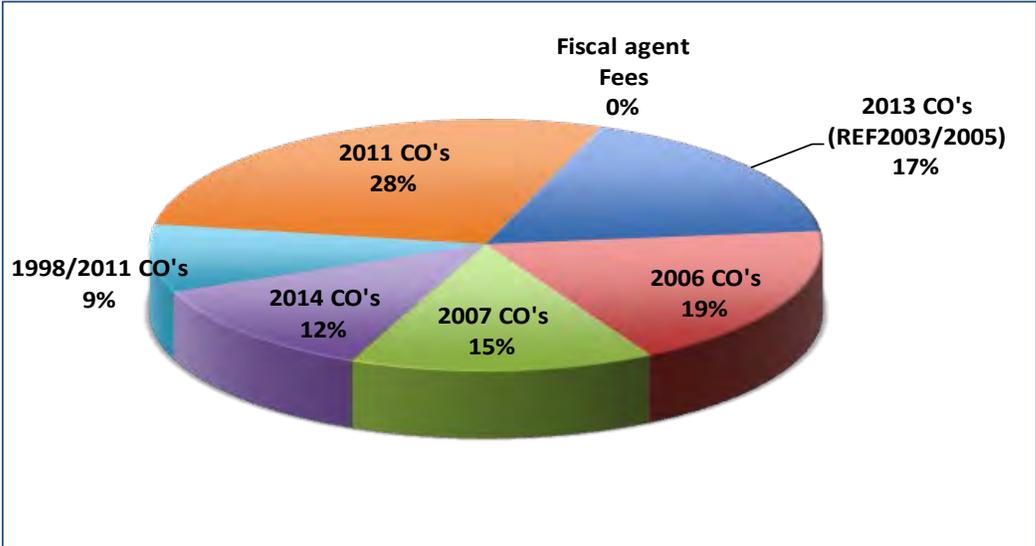
Ordinances authorizing the issuance of tax notes, general, and contractual obligation bonds to provide for the payment of bond principal and interest as they come due established the General Obligation Debt Service Fund. This is also referred to as the Interest and Sinking Fund. A property tax is levied and allocated annually to the General Obligation Bond Debt Service Fund in amounts sufficient to service the debt payments. This fund is also used to provide for the payment of fiscal agent fees.

General Obligation Debt Service - Fund

Where Does the Money Come From:



Where Does the Money Go:



DEBT SERVICE

General Obligation Debt Service Fund 03

Budget Summary

	HISTORY		CURRENT YEAR		BUDGET
	2011-12 Actual	2012-13 Actual	FY2014 Budget	FY2014 Estimate	FY2015 Budget
Fund Balance, October 1*	\$786,401	\$233,599	\$182,594	\$249,238	\$268,849
<u>Revenues:</u>					
Ad Valorem Taxes	1,679,919	1,695,731	1,602,567	1,690,521	1,688,167
Delinquent Taxes	12,334	10,861	13,000	6,700	13,000
Penalty & Interest	11,631	9,960	12,000	8,184	12,000
Interest Income	955	541	800	240	800
Transfer from Drainage Impact Fees	0	0	0	0	0
Overpayment of Taxes	0	0	0	0	0
Proceed From Bond Sales	0	2,145,000	0	0	0
Current Year Resources	\$1,704,839	\$3,862,093	\$1,628,367	\$1,705,645	\$1,713,967
Total Available Resources	\$ 2,491,240	\$ 4,095,692	\$ 1,810,961	\$ 1,954,883	\$ 1,982,816
1998/2011 Certificates of Obligation					
Principal	135,000	135,000	140,000	140,000	145,000
Interest	17,358	15,927	13,260	13,260	10,481
2014 Certificates of Obligation					
Principal	0	0	0	0	130,000
Interest	0	0	0	0	90,713
2003 Certificate of Obligation					
Principal	150,000	150,000	0	0	0
Interest	28,738	23,038	0	0	0
2005/2013 Certificates of Obligation					
Principle	275,000	250,000	350,000	375,000	270,000
Interest	91,375	80,875	88,944	48,527	42,413
1999 / 2006 General Obligation Refunding					
Principle	235,000	250,000	255,000	255,000	270,000
Interest	90,359	81,314	71,896	71,896	62,105
2007 Certificates of Obligation					
Principle	115,000	120,000	150,000	150,000	155,000
Interest	121,553	116,724	111,176	111,176	104,908
2011 Certificates of Obligation					
Principal	305,000	370,000	420,000	420,000	410,000
Interest	134,354	107,975	100,075	100,075	91,775
Payment to Escrow	0	2,099,293	0	0	0
Issuance Costs	0	45,708	0	0	0
Fiscal Agent Charges	1,100	600	3,000	1,100	3,300
Total Debt Service Requirement	\$1,699,837	\$3,846,454	\$1,703,351	\$1,686,034	\$1,785,695
Fund Balance, September 30	\$791,403	\$249,238	\$107,610	\$268,849	\$197,121

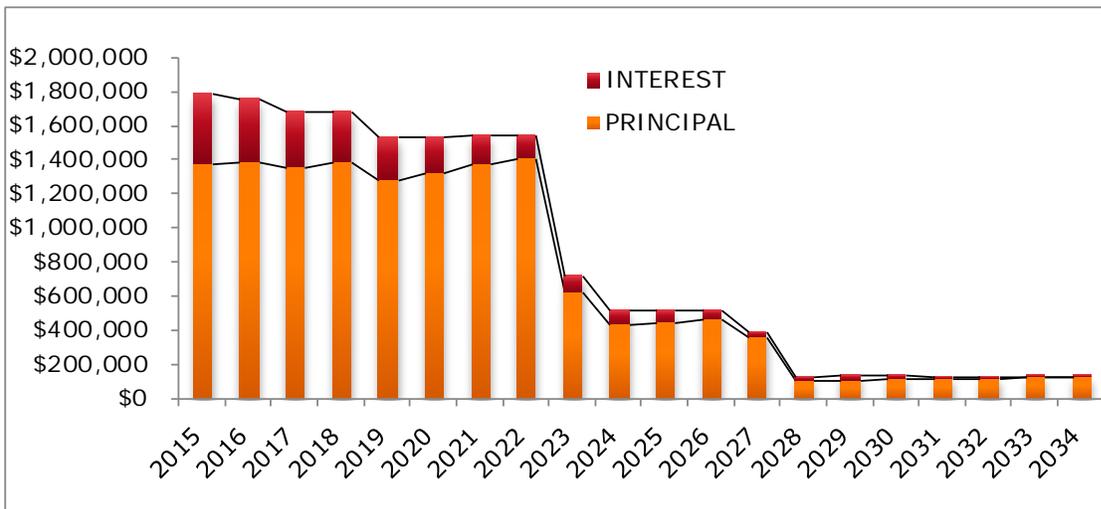
DEBT SERVICE

General Fund Debt Service Requirements to Maturity

as of October 1, 2014

YEAR ENDING SEPT. 30	DEBT			
	OUTSTANDING OCT. 1	PRINCIPAL	INTEREST	TOTAL
2015	\$14,050,000	\$1,380,000	\$402,394	\$1,782,394
2016	\$12,670,000	\$1,390,000	\$367,109	\$1,757,109
2017	\$11,280,000	\$1,350,000	\$330,190	\$1,680,190
2018	\$9,930,000	\$1,390,000	\$291,420	\$1,681,420
2019	\$8,540,000	\$1,285,000	\$251,812	\$1,536,812
2020	\$7,255,000	\$1,325,000	\$211,396	\$1,536,396
2021	\$5,930,000	\$1,370,000	\$171,896	\$1,541,896
2022	\$4,560,000	\$1,410,000	\$133,582	\$1,543,582
2023	\$3,150,000	\$620,000	\$104,165	\$724,165
2024	\$2,530,000	\$435,000	\$86,032	\$521,032
2025	\$2,095,000	\$450,000	\$69,354	\$519,354
2026	\$1,645,000	\$465,000	\$51,790	\$516,790
2027	\$1,180,000	\$360,000	\$35,778	\$395,778
2028	\$820,000	\$105,000	\$26,863	\$131,863
2029	\$715,000	\$110,000	\$23,100	\$133,100
2030	\$605,000	\$115,000	\$19,163	\$134,163
2031	\$490,000	\$115,000	\$15,138	\$130,138
2032	\$375,000	\$120,000	\$11,025	\$131,025
2033	\$255,000	\$125,000	\$6,738	\$131,738
2034	\$130,000	\$130,000	\$2,275	\$132,275
		\$14,050,000	\$2,611,220	\$16,661,220

	Year	Total	Principal	Interest
This Year's Requirement	2015	\$1,782,394	\$1,380,000	\$ 402,394
Maximum Requirement	2015	\$1,782,394	\$1,380,000	\$402,394



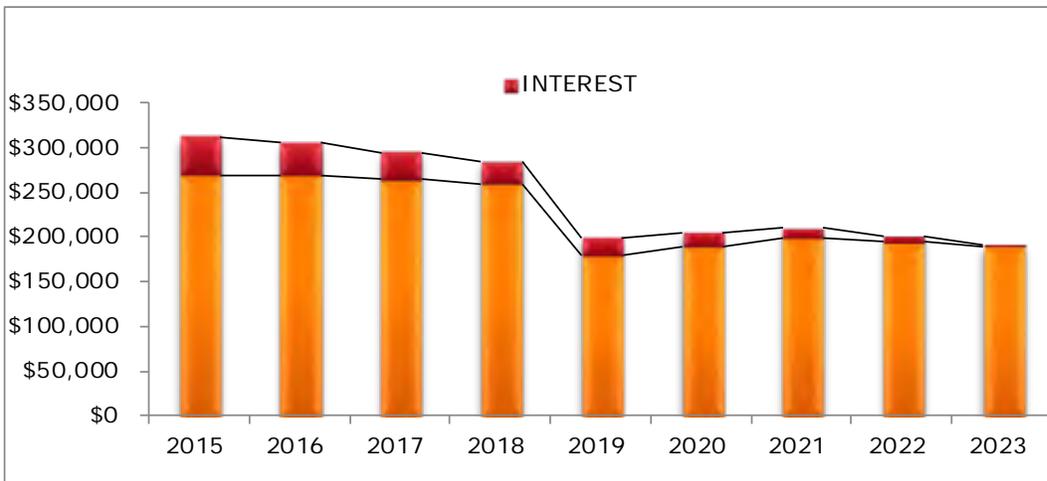
DEBT SERVICE

General Obligation Debt Service Fund Annual Debt Service Requirement Series 2013 Certificates of Obligation (2003/2005 REF) \$5,000,000

YEAR ENDING SEPT. 30	DEBT		Interest Rate	INTEREST	TOTAL
	OUTSTANDING OCT. 1	PRINCIPAL			
2015	\$2,020,000	\$270,000	2.250%	\$42,413	\$312,413
2016	\$1,750,000	\$270,000	2.250%	\$36,338	\$306,338
2017	\$1,480,000	\$265,000	2.250%	\$30,319	\$295,319
2018	\$1,215,000	\$260,000	2.250%	\$24,413	\$284,413
2019	\$955,000	\$180,000	2.250%	\$19,463	\$199,463
2020	\$775,000	\$190,000	2.250%	\$15,300	\$205,300
2021	\$585,000	\$200,000	2.250%	\$10,913	\$210,913
2022	\$385,000	\$195,000	2.250%	\$6,469	\$201,469
2023	\$190,000	\$190,000	2.250%	\$2,138	\$192,138
		\$2,020,000		\$187,763	\$2,207,763

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$312,413	\$270,000	\$70,719
Maximum Requirement	2015	\$312,413	\$270,000	\$70,719
Total Outstanding Bonds		\$2,020,000		
Total Original Issue		\$5,000,000		
Issue Date		8/1/2005		

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.



DEBT SERVICE

General Obligation Debt Service Fund

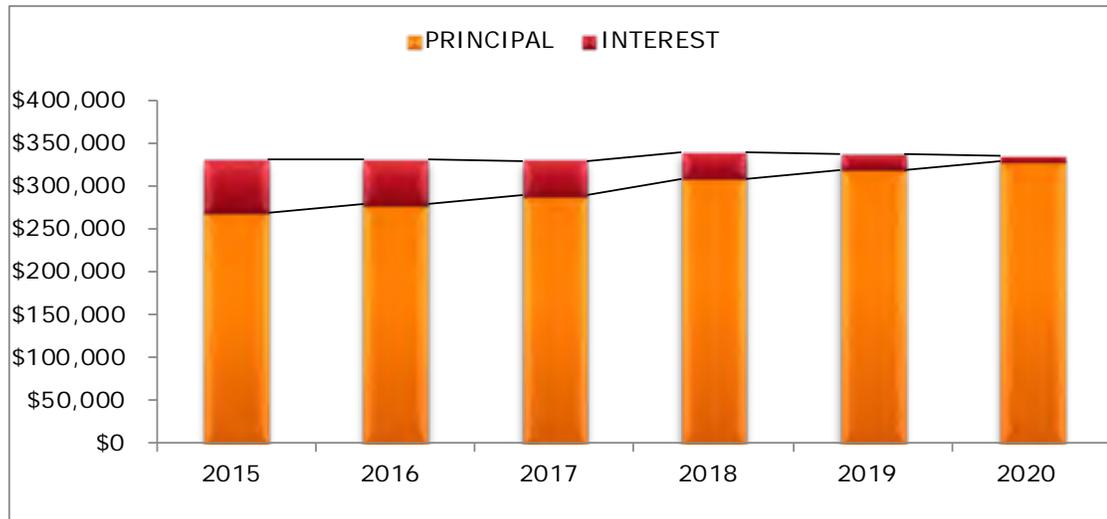
Annual Debt Service Requirement Series 2006 Refunding (\$2,855,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
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
		\$1,800,000		\$209,626	\$2,009,626

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$332,105	\$270,000	\$62,105
Maximum Requirement	2018	\$340,027	\$310,000	\$30,027
Total Outstanding Note		\$1,800,000		
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.



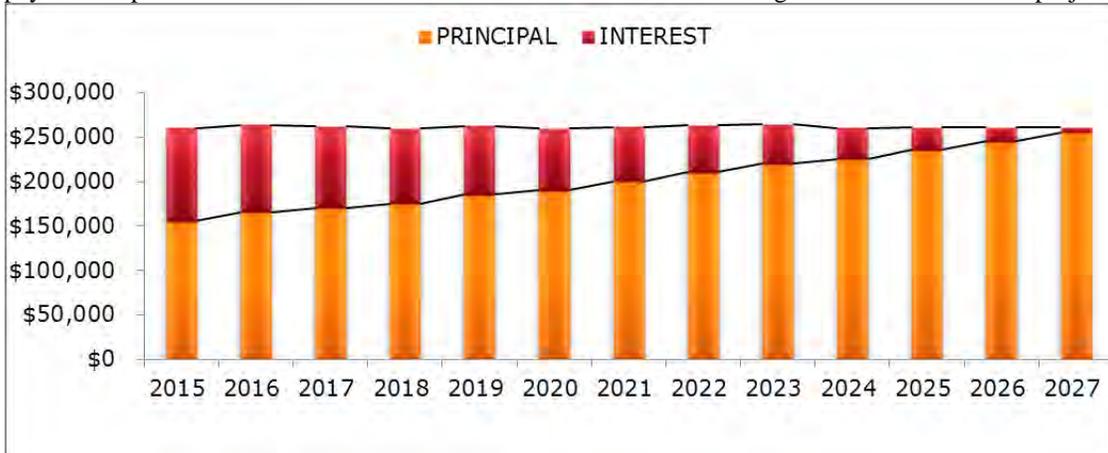
DEBT SERVICE

General Obligation Debt Service Fund Annual Debt Service Requirement Series 2007 Certificate of Obligation (\$3,400,000)

YEAR ENDING SEPT. 30	DEBT		Interest		TOTAL
	OUTSTANDING OCT. 1	PRINCIPAL	Rate	INTEREST	
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
		\$2,630,000		\$764,255	\$3,394,255

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$259,908	\$155,000	\$104,908
Maximum Requirement	2023	\$263,977	\$220,000	\$43,977
Total Outstanding Bonds		\$2,630,000		
Total Original Issue		\$3,400,000		
Issue Date		8/29/2007		

For the purpose of paying contractual obligations for the City to be incurred for making 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.



DEBT SERVICE

General Obligation Debt Service Fund - 03

Annual Debt Service Requirement

Series 2011 - Refunding (\$1,020,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2015	\$610,000	\$145,000	1.950%	\$10,481	\$155,481
2016	\$465,000	\$150,000	1.950%	\$7,605	\$157,605
2017	\$315,000	\$155,000	1.950%	\$4,631	\$159,631
2018	\$160,000	\$160,000	1.950%	\$1,560	\$161,560
		\$610,000		\$24,278	\$634,278

Total Outstanding Bonds **\$610,000**
Total Original Issue **\$1,020,000**
Issue Date **7/27/2011**

To refund Series 1998 Sales Tax Revenue Bonds and related costs of issuance. Series 1998 Bonds were used to purchase land and develop neighborhood parks and improvements to existing neighborhood parks, also pay the cost associated with the sale of the bonds.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$155,481	\$145,000	\$10,481
Maximum Requirement	2018	\$161,560	\$160,000	\$1,560



DEBT SERVICE

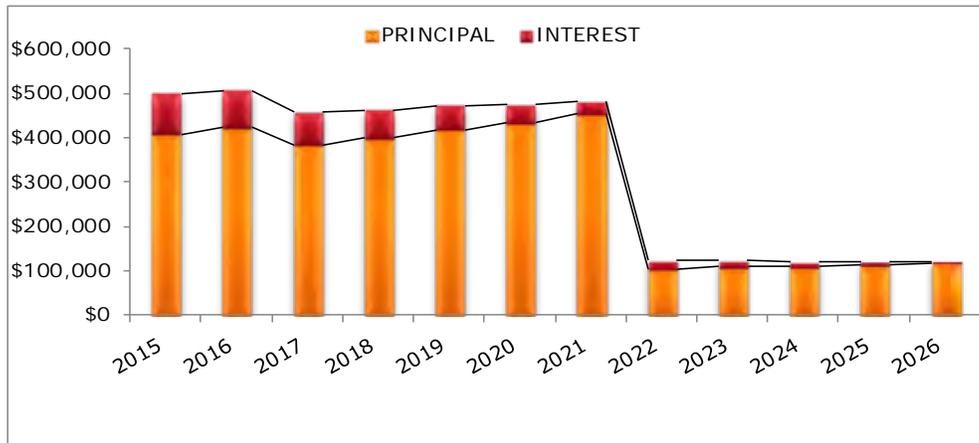
General Obligation Debt Service Fund Annual Debt Service Requirement - GF (03) Series 2011 - Certificate of Obligation (\$7,365,000)

YEAR ENDING SEPT. 30	DEBT		Interest		
	OUTSTANDING OCT. 1	PRINCIPAL	Rate	INTEREST	TOTAL
2015	\$3,490,000	\$410,000	2.00%	\$91,775	\$501,775
2016	\$3,080,000	\$425,000	2.00%	\$83,425	\$508,425
2017	\$2,655,000	\$385,000	2.50%	\$74,363	\$459,363
2018	\$2,270,000	\$400,000	2.50%	\$64,550	\$464,550
2019	\$1,870,000	\$420,000	3.00%	\$53,250	\$473,250
2020	\$1,450,000	\$435,000	3.00%	\$40,425	\$475,425
2021	\$1,015,000	\$455,000	3.00%	\$27,075	\$482,075
2022	\$560,000	\$105,000	3.00%	\$18,675	\$123,675
2023	\$455,000	\$110,000	3.50%	\$15,175	\$125,175
2024	\$345,000	\$110,000	3.50%	\$11,325	\$121,325
2025	\$235,000	\$115,000	4.00%	\$7,100	\$122,100
2026	\$120,000	\$120,000	4.00%	\$2,400	\$122,400
		\$3,490,000		\$489,538	\$3,979,538

Total Outstanding Bonds **\$3,490,000**
Total Original Issue **\$4,585,000**
Issue Date **7/27/2011**

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, acquiring, purchasing, renovating, enlarging, and improving the System, (2) constructing street improvements (including utility repair, replacement, and relocation), curb, gutters, and sidewalk improvements, (3) constructing, renovating, and improving various City facilities, (4) purchasing a new fire truck, public safety vehicles and ambulance vehicles.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$501,775	\$410,000	\$91,775
Maximum Requirement	2016	\$508,425	\$425,000	\$83,425



DEBT SERVICE

WATAUGA PARKS DEVELOPMENT CORPORATION Debt Service Fund – 06 and 08

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 1/2 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 ½ cent sales tax was reduced to ¼ cent sales tax in October, 2012 due to a voter approved reallocation of ¼ cent to fund street maintenance and repairs.

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.

During FY 1999, the PDC received \$3,552,150 for the sale of land purchased in FY 1996 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 FY 2002 and the new City Community Center was completed during FY 2003. During FY 2004, the PDC was able to take advantage of low interest rates in an advanced refunding issue. The originally issued 1994 Series Revenue Bonds were defeased during FY 2005.

On November 29, 2007 and again on May 21, 2010, Standard & Poor's reaffirmed their PDC Sales Tax Revenue Refunding Bond, Series 2004, rating of A+. In August 21, 2013, Standard & Poor's raised its underlying rating to AA- from A+ with a stable outlook. This was based on the corporation's strong income levels and the steady growth in pledged revenues despite the national economic downturn.

The existing debt payment schedule is level through 2016, however, in FY2014-15, the final payment will be made in order to realize savings in interest costs. This final payment will be paid out of the debt reserve fund.

No current plans for Parks Development Corporation bonds are being considered.

DEBT SERVICE

Watauga Parks Development Corporation

	HISTORY		CURRENT YEAR		BUDGET
	FY2012 Actual	FY2013 Actual	FY2014 Budget	FY2014 Estimate	FY2015 Budget
Fund Balance, October 1*	\$235,673	\$235,847	\$235,847	\$235,847	\$235,817
Revenues:					
Interest Income	574	400	470	470	470
Expenditures:					
Principal	185,000	190,000	195,000	195,000	415,000 *
Interest	29,880	24,136	17,950	17,950	7,520
Issuance Costs	\$0	\$0	\$0	\$0	\$0
Payment to Escrow	\$0	\$0	\$0	\$0	\$0
Transfer to PDC Operating	\$0	\$0	\$0	\$0	\$0
Bank Charges	400	400	500	500	400
Total Expenditures:	\$215,280	\$214,536	\$213,450	\$213,450	\$422,920
Other Financing Sources:					
Bond Sale Proceeds	\$0	\$0	\$0	\$0	\$0
Transfer In	214,880	214,136	212,950	212,950	186,700
Fund Balance, September 30	\$235,847	\$235,847	\$235,817	\$235,817	\$67

Official Statement Requirement in Reserve is \$219,946 in Fund 06

*PAYOFF Debt in November 2014 in advance of due date

DEBT SERVICE

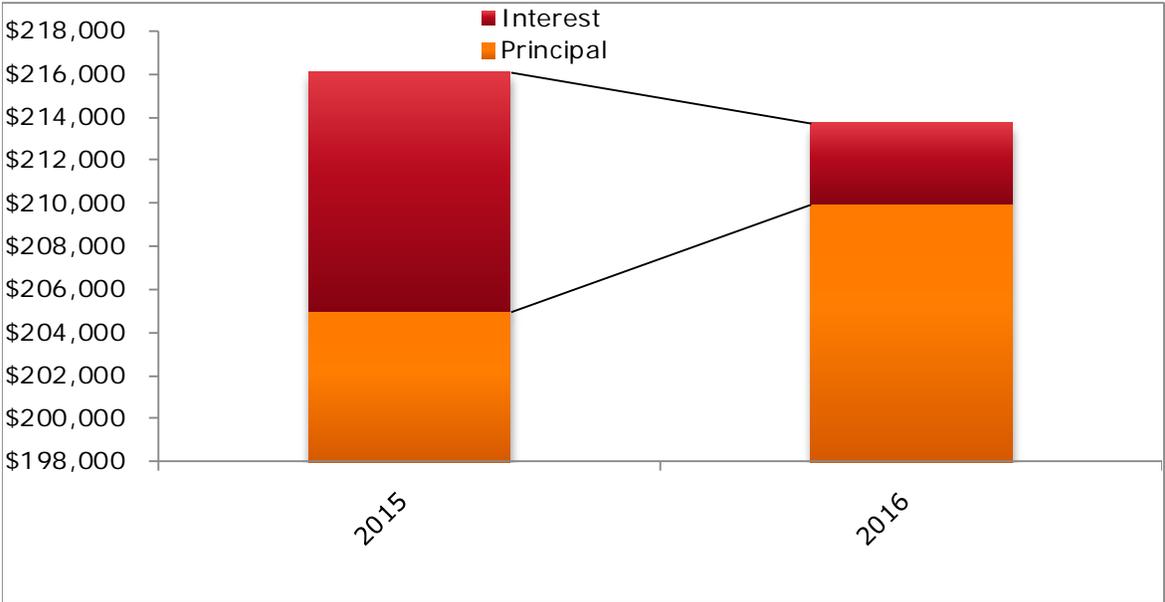
Watauga P.D.C. Debt Service Fund

Annual Debt Service Requirement Series 2004 Refunding (\$2,035,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2015	\$415,000	\$205,000	3.550%	\$11,094	\$216,094
2016	\$210,000	\$210,000	3.550%	\$3,728	\$213,728
		\$415,000		\$14,821	\$429,821
Total Outstanding Bonds		\$415,000			
Total Original Issue		\$2,805,000			
Issue Date		4/14/2004			

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 of the bonds.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$216,094	\$205,000	\$11,094
Maximum Requirement	2015	\$216,094	\$205,000	\$11,094

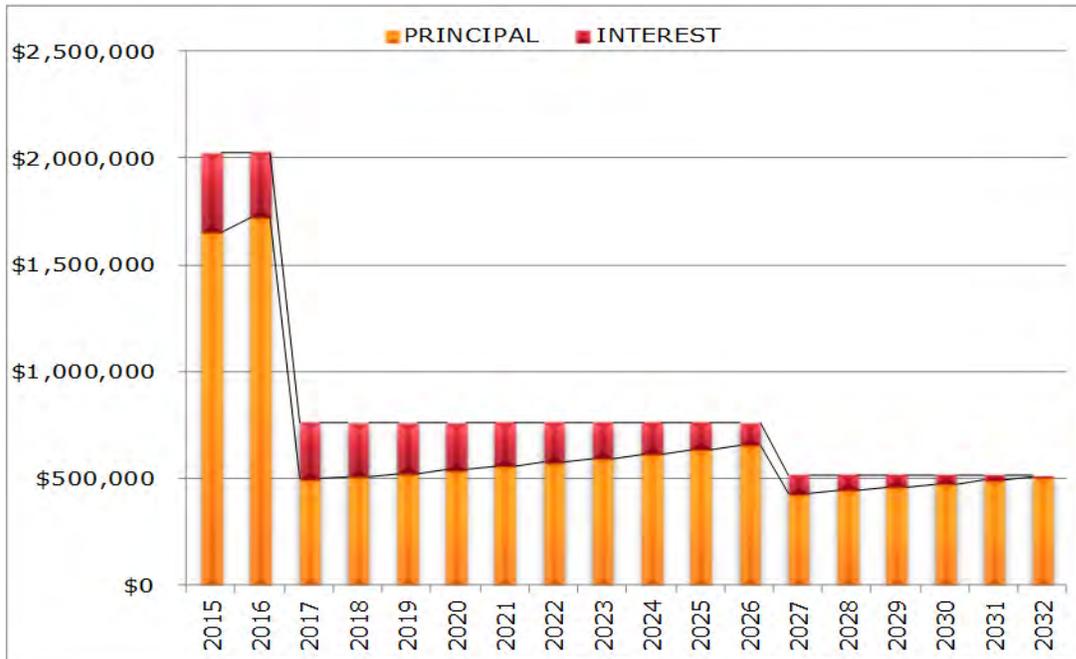


DEBT SERVICE

W/S Certificate of Obligation Bonds Debt Service Schedule Requirements to Maturity All Issues

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT.1	PRINCIPAL	INTEREST	TOTAL
2015	\$12,325,000	\$1,660,000	\$366,803	\$2,026,803
2016	\$10,670,000	\$1,730,000	\$301,167	\$2,031,167
2017	\$8,595,000	\$505,000	\$260,838	\$765,838
2018	\$8,090,000	\$515,000	\$248,088	\$763,088
2019	\$7,575,000	\$530,000	\$234,550	\$764,550
2020	\$7,045,000	\$545,000	\$219,275	\$764,275
2021	\$6,500,000	\$565,000	\$202,625	\$767,625
2022	\$5,935,000	\$580,000	\$185,450	\$765,450
2023	\$5,355,000	\$600,000	\$167,213	\$767,213
2024	\$4,755,000	\$620,000	\$147,813	\$767,813
2025	\$4,135,000	\$640,000	\$126,669	\$766,669
2026	\$3,495,000	\$660,000	\$103,763	\$763,763
2027	\$2,835,000	\$435,000	\$85,069	\$520,069
2028	\$2,400,000	\$450,000	\$70,688	\$520,688
2029	\$1,950,000	\$465,000	\$55,819	\$520,819
2030	\$1,485,000	\$480,000	\$40,463	\$520,463
2031	\$1,005,000	\$495,000	\$24,619	\$519,619
2032	\$510,000	\$510,000	\$8,288	\$518,288
		\$11,985,000	\$2,849,200	\$14,834,200

	Year	Total	Principal	Interest
This Year's Requirement	2015	\$2,026,803	\$1,660,000	\$366,803
Maximum Requirement	2016	\$2,031,067	\$1,730,000	\$301,067



DEBT SERVICE

WATER AND SEWER REVENUE BOND Debt Service Fund 42

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. These bonds were refinanced in 2008 to reduce the interest rate and free up the Bond Reserve Fund.

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.

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

Budget Summary

	HISTORY		CURRENT YEAR		BUDGET
	2011-12	2012-13	2013-14	2013-14	2014-15
	Actual	Actual	Budget	Estimate	Budget
Fund Balance, October 1	\$35,791	\$36,129	\$36,129	\$35,966	\$35,886
Revenue:					
Transfer from Operating Fund	344,928	345,412	340,662	340,662	340,678
Interest income	338	237	340	320	340
Total Revenue	\$345,266	\$345,649	\$341,002	\$340,982	\$341,018
Total Available Resources	\$381,057	\$381,778	\$377,131	\$376,948	\$376,904
Debt Service Requirements:					
Principal	300,000	310,000	315,000	315,000	325,000
Interest	44,928	35,412	25,662	25,662	15,678
Fiscal Agent Charges	0	400	400	400	400
Total Debt Service Requirements	\$344,928	\$345,812	\$341,062	\$341,062	\$341,078
Fund Balance, September 30	\$36,129	\$35,966	\$36,069	\$35,886	\$35,826

DEBT SERVICE

Utility Debt Service Fund - 42

Annual Debt Service Requirement

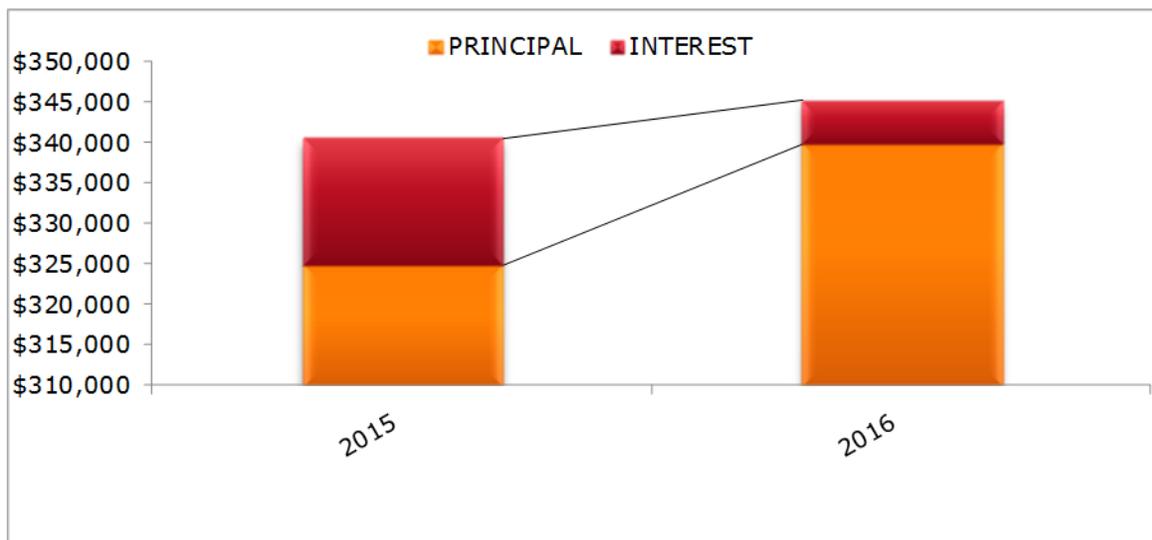
Series 2008 (\$2,430,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING				
	OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2015	\$1,005,000	\$325,000	3.120%	\$15,678	\$340,678
2016	\$685,000	\$340,000	3.120%	\$5,304	\$345,304
		\$665,000		\$20,982	\$685,982

Total Outstanding Bonds \$665,000
Total Original Issue \$2,430,000
Issue Date 3/24/2008

To refinance original bond issued in 1996 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. City was able to reduce interest rate from 4.783% to 3.12%, also freeing up \$360,000 from Bond Reserve Fund.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$340,678	\$325,000	\$15,678
Maximum Requirement	2016	\$345,304	\$340,000	\$5,304



DEBT SERVICE

Water and Sewer Certificates of Obligation Debt Service Fund 44

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 original debt in the amount of \$11,370,000 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. In July of 2001, City engineers, along with the firm of Knowlton - English - Flowers, 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 the remaining projects were completed on a pay-as-you-go basis. Due to low interest rates, the City was able to refund the 1996 Certificates (years 2008 - 2016) in FY 2004-2005 for significant savings.

In July 2011, the City issued \$7,365,000 of Combination Tax and Limited Pledge Revenue Certificates of Obligation. Of this amount, \$2,780,000 is payable from and secured by a lien on the net revenues of the City's utility system, and the remaining \$4,585,000 is funded by ad valorem taxes. These bonds financed heavy equipment for water and sewer operations, and various improvements to the utility system.

In July 2012, the City issued \$7,730,000 of Combination Tax and Limited Pledge Revenue Certificates of Obligation. These bonds will finance Water and Sewer Projects to be completed in the next few years.

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 until the final payment on the Series 2005 Refunding certificates is made. At the end of FY2016, approximately \$1.2 million in debt service drops off. The City's 5-year Capital Improvements Plan lists water and sewer projects in the amount of \$9.7 million that may be funded by a bond issuance. Further evaluation of projects for a possible bond issuance is being evaluated at this time.

DEBT SERVICE

Water/Sewer Revenue Debt Service Fund - 44

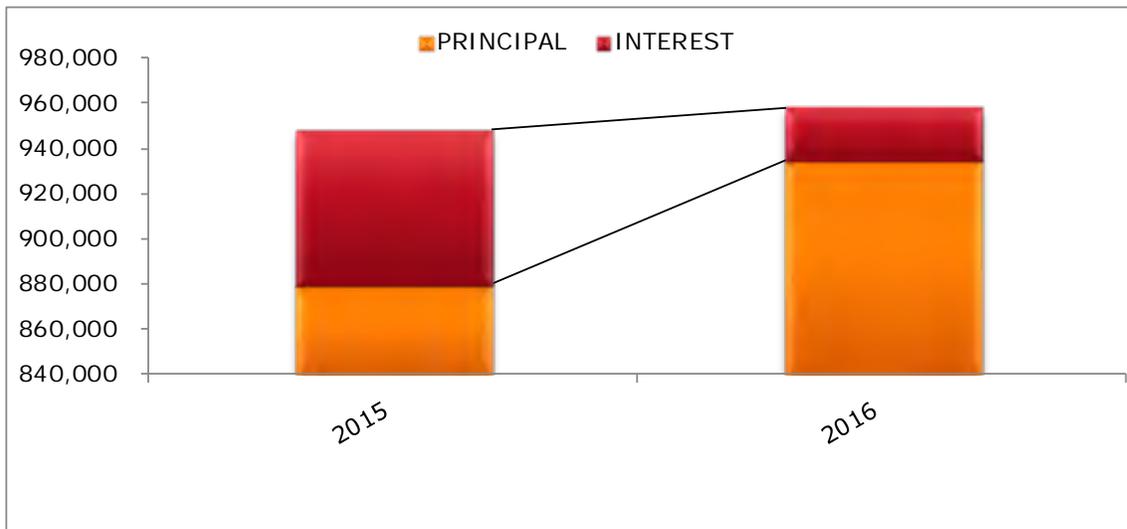
Annual Debt Service Requirement Series 2005 Refunding (\$7,025,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING		Interest Rate	INTEREST	TOTAL
	OCT. 1	PRINCIPAL			
2015	\$1,815,000	\$880,000	5.00%	\$68,750	\$948,750
2016	\$935,000	\$935,000	5.00%	\$23,375	\$958,375
		<u>\$1,815,000</u>		<u>\$92,125</u>	<u>\$1,907,125</u>

Total Outstanding Bonds **\$1,815,000**
Total Original Issue **\$11,370,000**
Issue Date **3/1/2005**

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	2015	\$948,750	\$880,000	\$68,750
Maximum Requirement	2016	\$958,375	\$935,000	\$23,375



DEBT SERVICE

W/S Debt Service Fund - 44

Annual Debt Service Requirement - Utility (44)

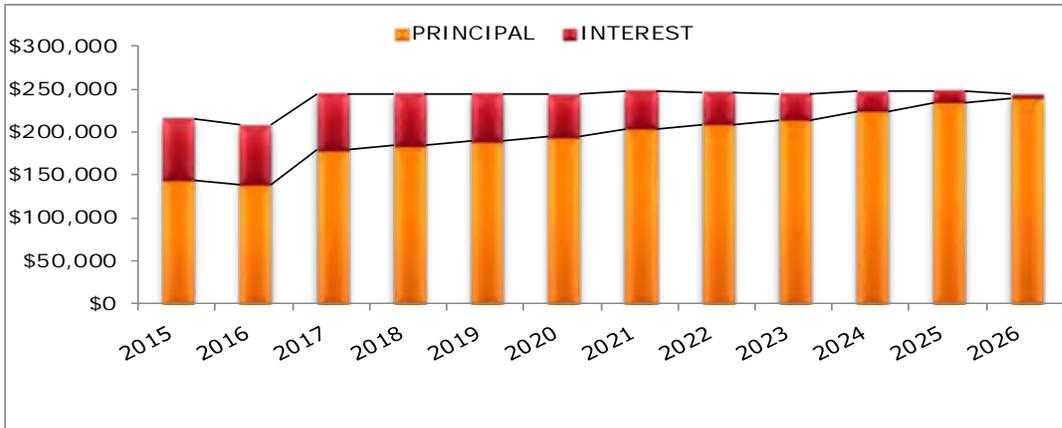
Series 2011 - Certificate of Obligation (\$7,365,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING		Interest		
	OCT. 1	PRINCIPAL	Rate	INTEREST	TOTAL
2015	\$2,365,000	\$145,000	2.00%	\$71,775	\$216,775
2016	\$2,220,000	\$140,000	2.00%	\$68,925	\$208,925
2017	\$2,080,000	\$180,000	2.50%	\$65,275	\$245,275
2018	\$1,900,000	\$185,000	2.50%	\$60,713	\$245,713
2019	\$1,715,000	\$190,000	3.00%	\$55,550	\$245,550
2020	\$1,525,000	\$195,000	3.00%	\$49,775	\$244,775
2021	\$1,330,000	\$205,000	3.00%	\$43,775	\$248,775
2022	\$1,125,000	\$210,000	3.00%	\$37,550	\$247,550
2023	\$915,000	\$215,000	3.50%	\$30,638	\$245,638
2024	\$700,000	\$225,000	3.50%	\$22,938	\$247,938
2025	\$475,000	\$235,000	4.00%	\$14,300	\$249,300
2026	\$240,000	\$240,000	4.00%	\$4,800	\$244,800
		\$2,365,000		\$526,014	\$2,891,014

Total Outstanding Bonds \$2,365,000
Total Original Issue \$2,780,000
Issue Date 7/27/2011

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, acquiring, purchasing, renovating, enlarging, and improving the System, (2) constructing street improvements (including utility repair, replacement, and relocation), curb, gutters, and sidewalk improvements, (3) constructing, renovating, and improving various City facilities, (4) purchasing a new fire truck, public safety vehicles and ambulance vehicles.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$216,775	\$145,000	\$71,775
Maximum Requirement	2025	\$249,300	\$235,000	\$14,300



DEBT SERVICE

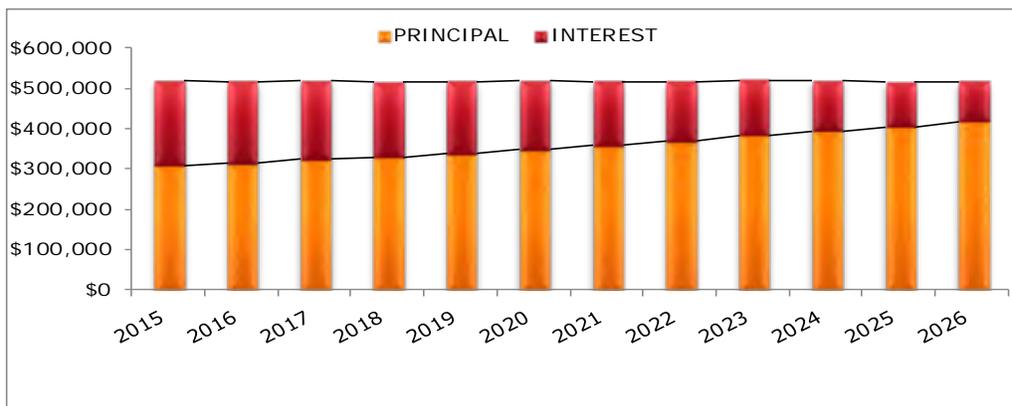
Annual Debt Service Requirement - Utility (44) Series 2012 - Certificate of Obligation (\$7,730,000)

YEAR ENDING SEPT. 30	DEBT		Interest Rate	INTEREST	TOTAL
	OUTSTANDING OCT. 1	PRINCIPAL			
2015	\$7,140,000	\$310,000	2.00%	\$210,600	\$520,600
2016	\$6,830,000	\$315,000	2.50%	\$203,563	\$518,563
2017	\$6,515,000	\$325,000	2.50%	\$195,563	\$520,563
2018	\$6,190,000	\$330,000	2.50%	\$187,375	\$517,375
2019	\$5,860,000	\$340,000	2.50%	\$179,000	\$519,000
2020	\$5,520,000	\$350,000	3.00%	\$169,500	\$519,500
2021	\$5,170,000	\$360,000	3.00%	\$158,850	\$518,850
2022	\$4,810,000	\$370,000	3.00%	\$147,900	\$517,900
2023	\$4,440,000	\$385,000	3.00%	\$136,575	\$521,575
2024	\$4,055,000	\$395,000	3.00%	\$124,875	\$519,875
2025	\$3,660,000	\$405,000	3.25%	\$112,369	\$517,369
2026	\$3,255,000	\$420,000	3.25%	\$98,963	\$518,963
2027	\$2,835,000	\$435,000	3.25%	\$85,069	\$520,069
2028	\$2,400,000	\$450,000	3.25%	\$70,688	\$520,688
2029	\$1,950,000	\$465,000	3.25%	\$55,819	\$520,819
2030	\$1,485,000	\$480,000	3.25%	\$40,463	\$520,463
2031	\$1,005,000	\$495,000	3.25%	\$24,619	\$519,619
2032	\$510,000	\$510,000	3.25%	\$8,288	\$518,288
		\$7,140,000		\$2,210,079	\$9,350,079

Total Outstanding Bonds **\$7,140,000**
Total Original Issue **\$7,730,000**
Issue Date **8/27/2012**

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, acquiring, purchasing, renovating, enlarging, and improving the System, (2) constructing street improvements (including utility repair, replacement, and relocation), curb, gutters, and sidewalk improvements, (3) constructing, acquiring, purchasing, renovating, enlarging and improving the storm water and drainage system.

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2015	\$520,600	\$310,000	\$210,600
Maximum Requirement	2023	\$521,575	\$385,000	\$136,575



The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird in flight. The scene is surrounded by greenery, including tall grasses and red flowers. In the background, stadium seating and other structures are visible.

GLOSSARY OF TERMS

The image shows three tall silver flagpoles with gold finials. From left to right, they hold a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, there is a low stone wall with a large bird sculpture on top. The background includes trees, a stadium, and a clear blue sky.

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GLOSSARY OF 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 assessed 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 (TAD).

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

GLOSSARY OF TERMS

revenue bonds. They 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.

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 acquisition 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 \$5,000 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 policy-making body of the City.

Comprehensive Annual Financial Report (CAFR): This report is published annually 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.

GLOSSARY OF TERMS

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 (I & S).

Delinquent Taxes: Taxes that remain unpaid on and after the date for 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 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: The rate that will generate the same revenue as the year before. 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 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

GLOSSARY OF TERMS

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 Wastewater 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, which may 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, infrastructure, machinery, and equipment.

Franchise Fee: Fees levied by the City in return for granting a privilege, which permits the continual use of public property, such as city streets, in providing their services to the citizens of the community.

Full-Time Equivalent: Refers to the number of full-time employees, plus all part time and seasonal employees pro-rated to full time increments.

Fund: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources along with all related liabilities and residual equities or balances and related changes. These accounts are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

GLOSSARY OF TERMS

Fund Balance: The assets of a fund less liabilities, as determined at the end of each fiscal period. 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 (GASB), Financial Accounting Standards Board (FASB), 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 (GASB): 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 (I & S): See Debt Service Fund.

Interest Earnings: The earnings from available funds invested during the year in approved investment vehicles such as U.S. Treasury Bonds, Governmental Agencies, and Certificates of Deposits.

Inter-fund Transfer: Amounts transferred from one fund to another.

Intergovernmental Revenues: Funds received from federal, state, and other local governmental sources in the form of grants, shared revenues, and payments in lieu of taxes (PILOT).

GLOSSARY OF TERMS

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.

Long-term Debt: Loans and obligations with a maturity of longer than one year; usually accompanied by interest payments; also called funded debt.

Maintenance & Operations (M&O): Represents the portion of taxes assessed for the maintenance and operations of 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.

GLOSSARY OF TERMS

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 must bear of the debts of other local governments located wholly or in part within the geographic boundaries of the reporting government. Examples include BISD/KISD School Districts and debts related to County.

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 capita 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 to the organization.

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

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.

Revised Budget: A department's authorized budget as modified by City Council action, through new or decreased appropriation or appropriation transfers from contingency, or

GLOSSARY OF TERMS

transfers from or to another department or fund.

Rollback Rate: A Total Tax Rate that incorporates an eight-percent (8%) increase over the calculated effective M&O rate, plus the I&S rate. Any rate proposed above the Rollback Rate is subject to taxpayer petition to “rollback” the rate to the Rollback Rate.

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 and 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 cents per \$100 of assessed property, e.g. \$0.591216/\$100 of valuation.

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 statewide Texas Municipal Retirement System.

Utility Franchise Tax: A tax paid by a utility 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.

Working Capital: Current assets less current liabilities. The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

GLOSSARY OF TERMS

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.S.O.	City Secretary's Office
C.S.S.	Customer Service Statement
C.S.S.#	Customer Service Statement as Defined in Budget
D.P.S.	Department of Public Safety – See Police or Fire/EMS
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 Officers Association
G.F.O.A.T.	Government Finance Officers Association of Texas
G.O.	General Obligation
H.V.A.C.	Heating Ventilation and Air Conditioning
I & S	Interest and Sinking
I.C.M.A.	International City/County Management Association
J.S.F.	Joint Use Facilities
K-9	Canine
K.I.S.D.	Keller Independent School District
L.O.M.R.	Letter of Map Revisions

GLOSSARY OF TERMS

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.T.C.	Northeast Tarrant County
N.E.T.S.	Northeast Tarrant Street Crimes Unit
N.R.H.	North Richland Hills
P.D.C.	Parks Development Corporation
P.G.A.	Professional Golf Association
P/T	Part-Time
R.O.W.	Right of Way
T.C.M.A.	Texas City Management Association
U.C.R.	Uniform Crime Report
W#	City of Watauga Goals as Defined in Budget Overview
W&S	Water and Sewer Fund

The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Georgia state flag (red, white, and blue with a white star), and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The scene is surrounded by green grasses and red flowers.

BUDGET ORDINANCES & NOTICES

The image shows three tall silver flagpoles with gold finials. From left to right, they fly a black flag with a circular logo, the Texas state flag, and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with wings spread. The scene is set outdoors with trees and a clear blue sky.

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**PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS**

BUDGET RESOLUTIONS

RESOLUTION 14-09-03-02 - Tax Assessment Roll

**RESOLUTION 14-09-03-01 – Continuation of Park Vista Public Improvement
District**

BUDGET ORDINANCES

ORDINANCE NUMBER 1575 – Fiscal Year 2015 Ad Valorem Tax Levy

**ORDINANCE NUMBER 1572 – Fiscal Year 2015 Levy Park Vista Public
Improvement Assessment Fee**

ORDINANCE NUMBER 1573 – October 1, 2014 Budget Adoption

ORDINANCE NUMBER 1574 – Property Tax Increase

**PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS**

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 14-09-03-02

A RESOLUTION APPROVING THE TAX ASSESSMENT
ROLL FOR 2014

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 government body for approval.

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

I.

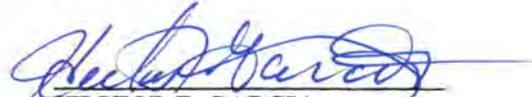
The tax assessment roll for 2014 for the City of Watauga, Texas, based on appraised values provided by the Tarrant Appraisal District, is hereby approved.

II.

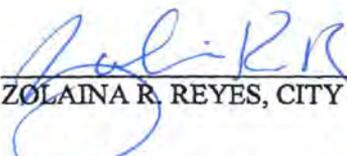
This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council and upon approval thereof by the Mayor of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 3rd day of September 2014.

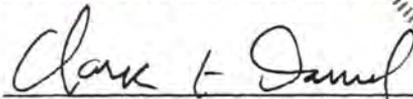
APPROVED:


HECTOR F. GARCIA

ATTEST:


ZOLAINA R. REYES, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:


MARK G. DANIEL, CITY ATTORNEY



PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 14-09-03-01

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 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 06-09-11-04 on September 11, 2006, adopting a service plan and budget for Fiscal Year 2006-2007; and

WHEREAS, the City Council adopted Resolution 07-09-10-05 on September 10, 2007, adopting a service plan and budget for Fiscal Year 2007-2008; and

WHEREAS, the City Council adopted Resolution 08-09-08-02 on September 8, 2008, adopting a service plan and budget for Fiscal Year 2008-2009; and

WHEREAS, the City Council adopted Resolution 09-09-07-03 on September 7, 2009, adopting a service plan and budget for Fiscal Year 2009-2010.

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

WHEREAS, the City Council adopted Resolution 10-09-08-03 on September 8, 2010, adopting a service plan and budget for Fiscal Year 2010-2011.

WHEREAS, the City Council adopted Resolution 11-09-07-02 on September 7, 2011, adopting a service plan and budget for Fiscal Year 2011-2012.

WHEREAS, the City Council adopted Resolution 12-09-05-01 on September 5, 2012, adopting a service plan and budget for Fiscal Year 2012-2013.

WHEREAS, the City Council adopted Resolution 13-09-04-01 on September 4th, 2013, adopted a service plan and budget for Fiscal Year 2013-2014.

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

I.

- (a) It is not advisable for the Park Vista Public Improvement District to continue to provide services during the fiscal year 2014-2015.
- (b) The City will 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.

TOTAL COST FOR FISCAL YEAR 2014-2015

(1) Cost of Maintenance & Operating Expense	\$0.00
TOTAL	\$0.00

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 is 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.

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

- (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 probably 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 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 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 2014-2015 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 2014-2015 is hereby adopted by the City Council.

PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1575

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS LEVYING AD VALOREM TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF WATAUGA, TEXAS FOR THE 2014-2015 FISCAL YEAR; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; PROVIDING FOR THE STATEMENT REQUIRED BY SECTION 26.05(b) OF PROPERTY CODE; PROVIDING FOR THE DATE WHEN TAXES SHALL BECOME DELINQUENT IF NOT PAID; 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 of Watauga, Texas has complied with all notice, publication and public hearing requirements of the Home Rule Charter of the City of Watauga, Texas and the laws of the State of Texas, including notice and publication of the 2014 Tax Year Proposed Property Tax Rate; and

WHEREAS, pursuant to Section 26.05(b) of the Tax Code the City of Watauga, Texas is required to place specific statements in the Ordinance adopting the tax rate.

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

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 2014-2015 fiscal year, upon all property, real, personal and mixed, within the corporate limits of said City subject to taxation, a tax of \$0.591216 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), \$0.412887 on each \$100.00 valuation of property; and
2. For the Interest and Sinking Fund, \$0.178329 on each \$100.00 valuation of property.

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

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.98 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$2.37.

II.

Taxes levied under the Ordinance shall be due October 1, 2014, and if not paid on or before January 31, 2015 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 2014-2015 fiscal year the rates and amounts herein levied and when such taxes are collected, to distribute the collections 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 to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

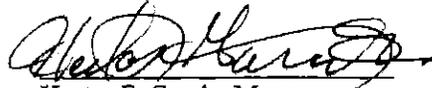
VII.

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 and the City Charter.

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

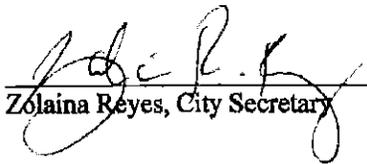
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas
this 3rd day of September 2014.

APPROVED:

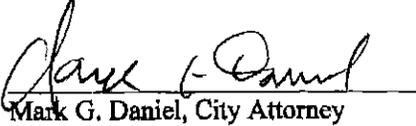


Hector F. Garcia, Mayor

ATTEST:


Zolaina Reyes, City Secretary

APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

CITY OF WATAUGA, TEXAS ORDINANCE NO. 1572

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 2014-2015 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 adopted Ordinance No. 1377 on September 10, 2007 levying assessments for use and support of the Park Vista Public Improvement District for the 2007-2008 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 1388 on September 8, 2008 levying assessments for use and support of the Park Vista Public Improvement District for the 2008-2009 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 1424 on September 7, 2009 levying assessments for use and support of the Park Vista Public Improvement District for the 2009-2010 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 1451 on September 8, 2010 levying assessments for use and support of the Park Vista Public Improvement District for the 2010-2011 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 1471 on September 7, 2011 levying assessments for use and support of the Park Vista Public Improvement District for the 2011-2012 fiscal year; and

PROPERTY TAX

RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

WHEREAS, the City Council adopted Ordinance No. 1507 on September 5, 2012 levying assessments for use and support of the Park Vista Public Improvement District for the 2012-2013 fiscal year; and

WHEREAS, the City Council adopted Ordinance No. 5126 on September 4, 2013 levying assessments for use and support of the Park Vista Public Improvement District for the 2013-2014 fiscal year; and

WHEREAS, the City Council finds it necessary to levy the assessment rate of \$0.00 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 2014-2015 fiscal year, upon all real property within the Park Vista Public Improvement District subject to taxation, an assessment of \$0.00 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 2014-2015 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.

RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

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.

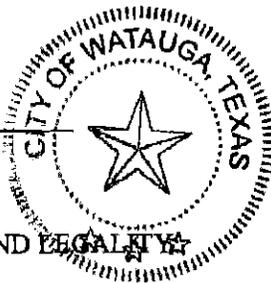
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, this 3rd day of September 2014.

APPROVED:

Hector F. Garcia
Hector F. Garcia, Mayor

ATTEST:

Zofaina Reyes
Zofaina Reyes, City Secretary



APPROVED AS TO FORM AND LEGALITY

Mark G. Daniel
Mark G. Daniel, City Attorney

PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1573

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS ADOPTING AND APPROVING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015 IN ACCORDANCE WITH THE HOME RULE CHARTER OF THE CITY OF WATAUGA; PROVIDING FOR THE APPROPRIATION OF FUNDS IN THE BUDGET; 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, an annual budget for the fiscal year beginning October 1, 2014 and ending September 30, 2015 was duly presented to the City Council by the City Manager in accordance with the City Charter; and

WHEREAS, a public hearing notice 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:

I.

The budget for the City of Watauga, Texas for the fiscal year beginning October 1, 2014 and ending September 30, 2015, a copy of which is on file in the Office of the City Secretary, is hereby approved and adopted, and appropriations are made as follows:

1.	General Fund Operating Appropriations – Fund 01	\$11,771,450
2.	General Obligation Debt Service Fund – Fund 03	\$1,785,695
3.	Storm Drain Utility Enterprise Fund – Fund 15	\$2,340,350
4.	Parks Development Corporation Fund – Fund 04	\$983,900
5.	Capital Projects (Plus Prior Appropriations) – Fund 07	\$4,070,000
6.	Crime Control and Prevention District – Fund 18	\$1,568,800

PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

7.	Park Development Corporation Debt Service Fund – Fund 08	\$422,920
8.	Park Development Corporation Capital Projects – Fund 05 (Plus Prior Appropriations)	\$9,000
9.	Water Impact Fee – Fund 47	\$0
10.	Sewer Impact Fee – Fund 48	\$0
11.	Water/Sewer Joint Use Facilities – Fund 46	\$0
12.	Water/Sewer Capital Projects (Plus Prior Appropriations) – Fund 45	\$5,197,000
13.	Water and Sewer Operating Fund – Fund 40	\$8,943,653
14.	Internal Service Fund – Fund 22	\$456,000
15.	Water and Sewer Certificates of Obligation Debt Service Fund – Fund 44	\$1,687,125
16.	Water and Sewer Revenue Bond Debt Service Fund – Fund 42	\$341,078
17.	Water and Sewer Debt Reserve Fund – Fund 43	\$0
18.	Library Donation Fund – Fund 23	\$13,830
19.	Bunker Hill Drainage Fund – Fund 16	\$0
20.	Municipal Court Security Fee – Fund 25	\$17,900
21.	Municipal Court Technology Fund – Fund 26	\$4,000
22.	Municipal Court Juvenile Fund – Fund 27	\$17,500
23.	Park Vista Public Improvement District – Fund 30	\$0
24.	Traffic Safety Fund – Fund 28	\$734,200
25.	Oil Gas Fund – Fund 12	\$150,000
26.	Street Maintenance Fund – Fund 14	\$600,000
27.	Strategic Initiative Fund – Fund 13	\$250,000

RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

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 portion 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 3rd day of September 2014.

APPROVED:

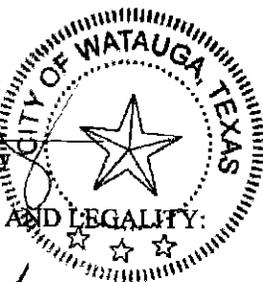
Hector F. Garcia
Hector F. Garcia, Mayor

ATTEST:

Zolaina Reyes
Zolaina Reyes, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Mark G. Daniel
Mark G. Daniel, City Attorney



PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1574

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS ADOPTING AND APPROVING A PROPERTY TAX INCREASE REFLECTED IN THE BUDGET FOR THE CITY OF WATAUGA FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015, 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 fiscal year beginning October 1, 2014 and ending September 30, 2015 will raise more total property taxes than last fiscal year's budget by \$242,618 or 4.54% and of that amount, \$10,014 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, 2014 and ending September 30, 2015 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.

PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

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 portion of this Ordinance.

IV.

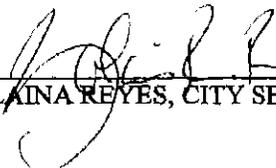
This Ordinance shall become effective and shall be in full force and effect after passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by law and the City Charter.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 3rd day of September 2014.

Approved:

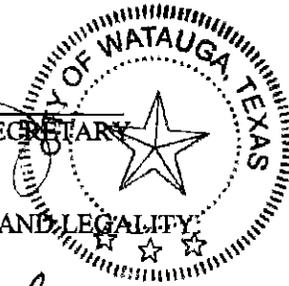

HECTOR F. GARCIA, MAYOR

Attest:


ZOLAINA REYES, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY.


MARK G. DANIEL, CITY ATTORNEY



**PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS**

**NOTICE
OF TAX REVENUE INCREASE**

The City of Watauga conducted public hearings on August 12, 2014 and August 25, 2014 on a proposal to increase the total tax revenues of the City of Watauga from properties on the tax roll in the preceding year by 4.49 percent.

The total tax revenue proposed to be raised last year at last year's tax rate of \$0.591216 for each \$100 of taxable value was \$5,345,969.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.591216 for each \$100 of taxable value, excluding tax revenue to be raised from new property added to the tax roll this year, is \$5,578,573.

The total tax revenue proposed to be raised this year at the proposed tax rate of \$0.591216 for each \$100 of taxable value, including tax revenue to be raised from new property added to the tax roll this year, is \$5,588,587.

The City of Watauga of 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 3, 2014 at City of Watauga, 7105 Whitley Road, Watauga, Texas 76148 at 6:30 PM.

PROPOERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

Section 26.05(b) of Property Tax Code Worksheet for Determination of Steps Required for Adoption of Tax Rate City of Watauga

M&O Tax Increase in Current Year	
1. Last year's taxable value, adjusted for court-ordered reductions. Enter Line 6 of the Effective Tax Rate Worksheet.	\$901,993,751
2. Last year's M&O tax rate. Enter Line 26 of the Rollback Tax Rate Worksheet.	\$0.410519/\$100
3. M&O taxes refunded for years preceding tax year 2013. Enter Line 28E of the Rollback Tax Rate Worksheet.	\$13,238
4. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3.	\$3,716,093
5. This year's total taxable value. Enter line 19 of the Effective Tax Rate Worksheet.	\$945,269,883
6. This year's proposed M&O tax rate Enter the proposed M&O tax rate approved by the Governing Body.	\$0.412887/\$100
7. This year's M&O tax levy. Multiply line 5 times line 6 and divide by 100.	\$3,902,896
8. M&O Tax Increase (Decrease). Subtract line 4 from line 7.	\$186,803
Comparison of Total Tax Rates	
9. Effective Total Tax Rate.	\$0.565808/\$100
10. This year's proposed total tax rate.	\$0.591216/\$100
11. This year's rate minus effective rate. Subtract line 9 from line 10.	\$0.025408
12. Percentage change in total tax rate. Divide Line 11 by line 9.	4.49%
Comparison of M&O Tax Rates	
13. Effective M&O Tax Rate. Enter line 30 of the Rollback Tax Rate Worksheet. Adjust for Sales Tax using Line 44 of the Sales Tax Worksheet, if necessary.	\$0.393305/\$100
14. This year's proposed M&O tax rate.	\$0.412887/\$100
15. This year's rate minus effective rate. Subtract line 13 from line 14.	\$0.019582
16. Percentage change in M&O tax rate. Divide line 15 by line 13.	4.98%
Raised M&O Taxes on a \$100,000 Home	
17. This year's taxable value on a \$100,000 home.	\$100,000
18. Last year's M&O tax rate.	\$0.410519/\$100
19. This year's proposed M&O tax rate.	\$0.412887/\$100
20. This year's raised M&O taxes. Subtract line 18 from line 19 and multiply result by line 17.	

**PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS**

**NOTICE OF 2014 TAX YEAR PROPOSED
PROPERTY TAX RATE FOR CITY OF WATAUGA**

A tax rate of \$0.591216 per \$100 valuation has been proposed for adoption by the governing body of City of Watauga. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

PROPOSED TAX RATE	\$0.591216 per \$100
PRECEDING YEAR'S TAX RATE	\$0.591216 per \$100
EFFECTIVE TAX RATE	\$0.565808 per \$100
ROLLBACK TAX RATE	\$0.603098 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Watauga from the same properties in both the 2013 tax year and the 2014 tax year.

The rollback tax rate is the highest tax rate that City of Watauga may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate. **YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:**

property tax amount= (rate) x (taxable value of your property)/100

For assistance or detailed information about tax calculations, please contact:

City of Watauga
City of Watauga tax assessor-collector
7105 Whitley Road, Watauga, TX 76148
817-514-5800
sgibson@cowtx.org
ci.wataugatx.gov

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 12, 2014 at 6:30 PM at City of Watauga, 7105 Whitley Road, Watauga, TX 76148.

Second Hearing: August 25, 2014 at 6:30 PM at City of Watauga, 7105 Whitley Road, Watauga, TX 76148.

**PROPERTY TAX
RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS**

Notice of Public Hearing on Tax Increase

The City of Watauga will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 4.49 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 first public hearing will be held on August 12, 2014 at 6:30 PM at City of Watauga, 7105 Whitley Road, Watauga, TX 76148.

The second public hearing will be held on August 25, 2014 at 6:30 PM at City of Watauga, 7105 Whitley Road, Watauga, TX 76148.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR:

Michael Steele, Place 1

Brandon Krausse, Place 2

James Wright, Place 4

Melva Clark, Place 5

Patrick Shelbourne, Place 6

Robert Davis, Place 7

AGAINST: NONE

PRESENT and not voting: Hector F. Garcia, Mayor

ABSENT: NONE

The average taxable value of a residence homestead in City of Watauga last year was \$88,595. Based on last year's tax rate of \$0.591216 per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$523.79.

The average taxable value of a residence homestead in City of Watauga this year is \$93,506. If the governing body adopts the effective tax rate for this year of \$0.565808 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$529.06.

If the governing body adopts the proposed tax rate of \$0.591216 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$552.82.

Members of the public are encouraged to attend the hearings and express their views.

Published on Wednesday, August 6, 2014 in the Fort Worth Star Telegram

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

2014 Effective Tax Rate Worksheet City of Watauga

1. 2013 total taxable value. Enter the amount of 2013 taxable value on the 2013 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14).	\$964,181,585
2. 2013 tax ceilings. Counties, cities and junior college districts. Enter 2013 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2013 or a prior year for homeowners age 65 or older or disabled, use this step.	\$62,437,834
3. Preliminary 2013 adjusted taxable value. Subtract Line 2 from Line 1.	\$901,743,751
4. 2013 total adopted tax rate.	\$0.591216/\$100
5. 2013 taxable value lost because court appeals of ARB decisions reduced 2013 appraised value.	\$5,050,000
A. Original 2013 ARB Values.	
B. 2013 values resulting from final court decisions.	\$4,800,000
C. 2013 value loss. Subtract B from A.	\$250,000
6. 2013 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$901,993,751
7. 2013 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2013. Enter the 2013 value of property in deannexed territory.	\$0
8. 2013 taxable value lost because property first qualified for an exemption in 2014. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport or goods-in-transit exemptions.	\$0
A. Absolute exemptions. Use 2013 market value:	
B. Partial exemptions. 2014 exemption amount or 2014 percentage exemption times 2013 value:	\$1,207,529
C. Value loss. Add A and B.	\$1,207,529
9. 2013 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2014. Use only properties that qualified in 2014 for the first time; do not use properties that qualified in 2013.	
A. 2013 market value:	\$0

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

B. 2014 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A.	\$0
10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$1,207,529
11. 2013 adjusted taxable value. Subtract Line 10 from Line 6.	\$900,786,222
12. Adjusted 2013 taxes. Multiply Line 4 by line 11 and divide by \$100.	\$5,325,592
13. Taxes refunded for years preceding tax year 2013. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2013. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2013. This line applies only to tax years preceding tax year 2013.	\$13,238
14. Taxes in tax increment financing (TIF) for tax year 2013. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2014 captured appraised value in Line 16D, enter 0.	\$0
15. Adjusted 2013 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14.	\$5,338,830
16. Total 2014 taxable value on the 2014 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled.	\$996,857,517
A. Certified values:	\$0
B. Counties: Include railroad rolling stock values certified by the Comptroller's office:	\$0
C. Pollution control exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control property:	\$0
D. Tax increment financing: Deduct the 2014 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2014 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below.	\$0
E. Total 2014 value. Add A and B, then subtract C and D.	\$996,857,517
17. Total value of properties under protest or not included on certified appraisal roll.	
A. 2014 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.	\$12,434,387
B. 2014 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year	

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.	\$5,021,073
C. Total value under protest or not certified: Add A and B.	\$17,455,460
18. 2014 tax ceilings. Counties, cities and junior colleges enter 2014 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2013 or a prior year for homeowners age 65 or older or disabled, use this step.	\$69,043,094
19. 2014 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$945,269,883
20. Total 2014 taxable value of properties in territory annexed after Jan. 1, 2013. Include both real and personal property. Enter the 2014 value of property in territory annexed.	\$0
21. Total 2014 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2013. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2013, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2014.	\$1,693,757
22. Total adjustments to the 2014 taxable value. Add Lines 20 and 21.	\$1,693,757
23. 2014 adjusted taxable value. Subtract Line 22 from Line 19.	\$943,576,126
24. 2014 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100.	\$0.565808/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2014 county effective tax rate.	

A county, city or hospital district that adopted the additional sales tax in November 2013 or in May 2014 must adjust its effective tax rate. The Additional Sales Tax Rate Worksheet sets out this adjustment. Do not forget to complete the Additional Sales Tax Rate Worksheet if the taxing unit adopted the additional sales tax on these dates.

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

2014 Rollback Tax Rate Worksheet City of Watauga

26. 2013 maintenance and operations (M&O) tax rate.	\$0.410519/\$100
27. 2013 adjusted taxable value. Enter the amount from Line 11.	\$900,786,222
28. 2013 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$3,697,898
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2013. Enter amount from full year's sales tax revenue spent for M&O in 2013 fiscal year, if any. Other taxing units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$0
C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other taxing units enter 0.	\$0
D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in H below. The taxing unit receiving the function will add this amount in H below. Other taxing units enter 0.	\$0
E. Taxes refunded for years preceding tax year 2013: Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2013. This line applies only to tax years preceding tax year 2013.	\$13,238
F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. Taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2014 captured appraised value in Line 16D, enter 0.	\$0
H. Adjusted M&O Taxes. Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$3,711,136
29. 2014 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$943,576,126

PROPERTY TAX RESOLUTIONS, ORDINANCES, REPORTS AND CALCULATIONS

30. 2014 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.393305/\$100
31. 2014 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.424769/\$100
<p>32. Total 2014 debt to be paid with property taxes and additional sales tax revenue. "Debt" means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses</p> <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. List the debt in Schedule B: Debt Service.</p> <p>B. Subtract unencumbered fund amount used to reduce total debt.</p> <p>C. Subtract amount paid from other resources.</p> <p>D. Adjusted debt. Subtract B and C from A.</p>	<p>\$1,785,695</p> <p>\$100,000</p> <p>\$0</p> <p>\$1,685,695</p>
33. Certified 2013 excess debt collections. Enter the amount certified by the collector.	\$0
34. Adjusted 2014 debt. Subtract Line 33 from Line 32D.	\$1,685,695
35. Certified 2014 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
36. 2014 debt adjusted for collections. Divide Line 34 by Line 35	\$1,685,695
37. 2014 total taxable value. Enter the amount on Line 19.	\$945,269,883
38. 2014 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$0.178329/\$100
39. 2014 rollback tax rate. Add Lines 31 and 38.	\$0.603098/\$100
40. COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2014 county rollback tax rate.	

A taxing unit that adopted the additional sales tax must complete the lines for the Additional Sales Tax Rate. A taxing unit seeking additional rollback protection for pollution control expenses completes the Additional Rollback Protection for Pollution Control.

The image shows three tall silver flagpoles against a clear blue sky. From left to right, they fly a black flag with a circular logo, the Georgia state flag (red, white, and blue with a white star), and the United States flag. In the foreground, a low stone wall is topped with a large sculpture of a bird with its wings spread. The area is landscaped with tall grasses and red flowers. In the background, there are trees and a building with red seating.

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