

CITY OF WATAUGA



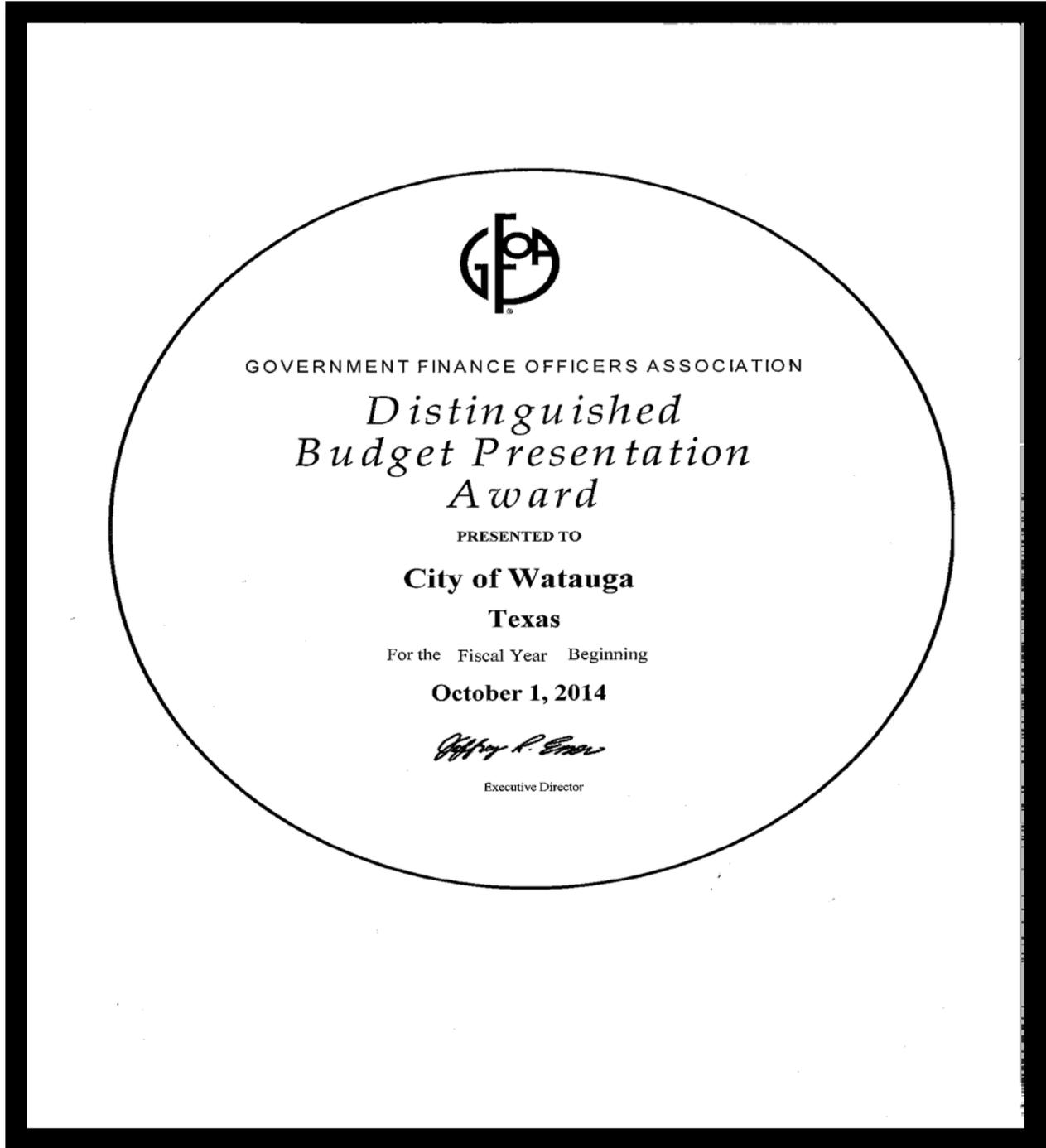
ANNUAL BUDGET

FISCAL YEAR

OCTOBER 1, 2015 - SEPTEMBER 30, 2016

DISTINGUISHED BUDGET PRESENTATION AWARD

Presented to the City of Watauga
For the Budget Fiscal Year Beginning October 1, 2014



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, 2014. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operational guide, as a financial plan, and as a communication device. This is the twenty-sixth 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 award every year since 1989. submitting it to GFOA to determine its eligibility for another award. The City has received this award since 1989.

BUDGET

for

FISCAL YEAR ENDING SEPTEMBER 30, 2016

SUBMITTED BY:

**GREG VICK
CITY MANAGER**

AND

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

AS ADOPTED ON SEPTEMBER 8, 2015

THE WATAUGA CITY COUNCIL

MAYOR HECTOR F. GARCIA

MAYOR PRO TEM COUNCIL MEMBER PLACE 7:	ROBERT DAVIS
COUNCIL MEMBER PLACE 1:	HAL GERHARDT
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

WATAUGA TEXAS

CITY COUNCIL



Hal Gerhardt
Place 1



Melva Clark
Place 5



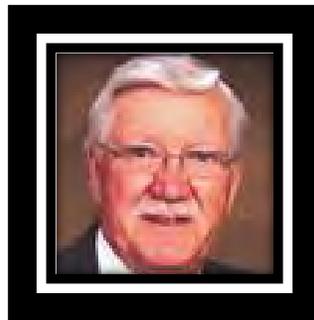
Mayor Hector F. Garcia



Brandon Krausse
Place 2



Patrick Shelbourne
Place 6



Robert Davis
Mayor Pro Tem
Place 7



Lee Griffin
Place 3



James Wright
Place 4

TABLE OF CONTENTS

TITLE PAGE	1
DISTINGUISHED BUDGET PRESENTATION AWARD	2
WATAUGA CITY COUNCIL	3
TABLE OF CONTENTS	5
THE PURPOSE OF THIS BUDGET DOCUMENT	8
INTRODUCTORY SECTION	10
BUDGET MESSAGE FOR FY2015-16	11
THE CITY OF WATAUGA, TEXAS	27
ORGANIZATIONAL CHART	33
PERSONNEL POSITIONS CHART	34
COMBINED SUMMARY OF REVENUES AND EXPENDITURES	
Analysis of Changes in Fund Balances	35
Combined Summary of Revenues and Expenditures (all City Funds)	36
Combined Summary of Revenues and Expenditures (3 Year)	38
BUDGET OVERVIEW	41
Mission Statement	41
City Council Goals	41
Customer Service Statements	43
Community Profile and General Information	44
Government Organization and Services	44
Financial Structure	45
Revenue Sources	48
City of Watauga Fund/Department Relationship	58
Expenditures/Expenses	59
Budgetary System and Process	59
Financial Policy Guidelines	60
Policy Issues, Goals, and Objectives for FY 2015-16	65
Enhancement in FY 2015-16 Budget	67
Cost of City Services	69
BUDGET CALENDAR FOR FY 2015-16	70
GENERAL FUND & OIL AND GAS FUND SECTION	73
INTRODUCTION	74
DEPARTMENTAL SUMMARIES	
City Manager/City Secretary	77
Human Resources	81
Planning & Development Division	85
Code Compliance & Inspection Services	89
Non-Departmental	93
Finance and Administration	97
Information Technology	101
Library	105
Recreation & Community Services	110
Police	114

TABLE OF CONTENTS

Fire / EMS	118
Public Works	122
Fleet Services	126
Facilities Maintenance	130
OIL & GAS FUND	134
STRATEGIC INITIATIVE FUND	135
SPECIAL REVENUE FUNDS SECTION	136
WATAUGA PARKS DEVELOPMENT CORPORATION (PDC)	137
CRIME CONTROL AND PREVENTION DISTRICT FUND	143
STREET MAINTENANCE FUND	149
LIBRARY DONATIONS FUND	151
MUNICIPAL COURT SECURITY FUND	153
MUNICIPAL COURT TECHNOLOGY FUND	157
MUNICIPAL COURT JUVENILE CASE MANAGER FUND	160
TRAFFIC SAFETY FUND	164
PROPRIETARY FUNDS SECTION	168
STORM DRAIN UTILITY ENTERPRISE FUND	169
WATER AND SEWER UTILITY OPERATING FUND	175
DEPARTMENTAL SUMMARIES	
Water and Sewer Fund	177
Non-Departmental	181
Utility Billing & Collections	184
Information Technology	188
Water Distribution	192
Wastewater Collections	196
WATER SEWER JOINT USE FACILITY FUND	200
EQUIPMENT REPLACEMENT/INTERNAL SERVICE FUND	201
CIP & CAPITAL PROJECTS SECTION	202
CAPITAL IMPROVEMENTS PROGRAM (CIP)	204
PARKS/BUILDINGS CIP 2016-2020	208
STREETS/SIDEWALKS PROJECTS CIP 2016-2020	209
DRAINAGE PROJECTS CIP 2016-2020	210
WATER/WASTEWATER PROJECTS	211
GENERAL CAPITAL FUND SUMMARY & DETAIL PROJECTS	215
WATAUGA PARKS DEVELOPMENT CAPITAL PROJECTS FUND	216
UTILITY CONSTRUCTION FUND	217
FIVE-YEAR FINANCIAL PLAN	218
INTRODUCTION	220
GENERAL FUND	223
PARKS DEVELOPMENT CORPORATION	227
CRIME CONTROL & PREVENTION DISTRICT	228
STREET MAINTENANCE	229
WATER & WASTEWATER FUND	230
DRAINAGE UTILITY FUND	234
EQUIPMENT REPLACEMENT FUND	235

TABLE OF CONTENTS

DEBT SERVICE SECTION	236
GENERAL DEBT SERVICE FUND	237
G. O. DEBT SERVICE REQUIREMENTS (ALL SERIES)	242
WATAUGA PARKS DEVELOPMENT CORPORATION DEBT SERVICE FUND	251
WATER AND SEWER DEBT SERVICE FUNDS	253
GLOSSARY OF TERMS	262
ABBREVIATIONS	270
BUDGET ORDINANCES & NOTICES	272
RESOLUTIONS AND ORDINANCES	273
NOTICE OF PUBLIC HEARING ON TAX INCREASE	295
PROPERTY TAX CALCULATIONS AND NOTICES	296

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, 2015 and ending September 30, 2016. 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, 2015 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 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 817-514-5822. 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 <http://www.wataugatx.org>.



INTRODUCTORY SECTION



BUDGET MESSAGE FOR FY 2015-16



August 1, 2015

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

I am pleased to provide you with the Fiscal Year 2015-16 Annual Budget for the City of Watauga. These spending plans reflect our commitment to provide quality services and amenities for our residents, while enhancing our organization's long-term financial viability. The following pages present the City of Watauga's Annual Budget for the Fiscal Year 2015-16 that connects the priorities and financial planning as outlined in the Council Strategic Planning Session this past February. 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 compliance and inspections, street maintenance, parks, recreation, library, and senior citizen services.

Strategic Direction

In February, the City of Watauga Council reaffirmed their top priority goals for the City. 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

- ❖ 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 2015-16

In order to achieve these goals, certain focus areas were identified in the Strategic Plan session held in February, 2015. Additional information on City Council goals and action items can be found in the Budget Overview section of this document.

- Revitalization efforts to include residential rehabilitation, rental registration improvements, and neighborhood infrastructure improvements.
- Focus on Water and Wastewater Capital Improvement projects and ensure funding is in place for system improvements.
- Foster Economic Development and Redevelopment, business retention, attraction and creation in a managed and balanced approach.
- Expand the Library and provide technological resources to enhance programs
- Update the Parks and Recreation Open Space and Trails Master Plans.
- 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.
- Continue to work on Storm Drain Capital Improvement Projects and ensure necessary funding is in place.

Planning for the Future



The City leadership has put in place major fiscal sustainability measures over the past several years. A Comprehensive land use plan will be adopted by City Council this year as a necessary step in the development of the City. The Equipment Replacement Fund put into place a few years ago continues to be assurance that equipment, technology, and

vehicle needs will be met in 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 along with the pending completion of the new Capital Improvement Plan. The 2014 Certificates of Obligations will partially fund the Senior Center that will better meet the needs of the community and enhance the quality of life for our senior citizens. These bond proceeds will also fund Bursey Road, a major street project that is located in a prime area of the City that has potential for economic development opportunities. A key focus of the City's economic

BUDGET MESSAGE FOR FY 2015-16

development pursuits is to ensure that services and amenities are well balanced and targeted to maximize business opportunities throughout the Community. The City is at a pivotal time in its history with only 4% of land left to develop. The long-term economic development strategy, "One Watauga - One Vision for our Future" is currently being developed and is designed to serve as a guide to the decision making process; a means to determine the future of the City's development and/or redevelopment; and as a pathway to reaching community consensus. As the City approaches full build out, planning initiatives for re-development of certain aging corridors in the City have become the focus. The City's re-development and revitalization efforts continue to be funded in a manner that produces beneficial results, including the upcoming comprehensive plan process.

Continuous evaluation of how the City does things is instrumental in providing a leaner government approach to what we do. Our lean project goals include improving quality, limiting waste, minimizing cost and improving service delivery to our customers.

SUMMARY

In summary, the FY2015/2016 proposed budget totals \$40,893,021 which includes approximately \$10.8 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 believe this budget underscores a commitment by all city departments to maintain service levels in our core services, and to implement cost saving efficiencies wherever possible, while preserving those things that make Watauga "A Great Place to Live".

I would like to thank City Council for their guidance and support throughout the development of this proposed budget. In addition, I wish to thank all the staff members who contributed their time and efforts in the development of this document.

Respectfully Submitted,



Greg Vick
City Manager

BUDGET MESSAGE FOR FY 2015-16

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 FY2015-16, the City's budget provides for continued programs and services, while including an increase in the tax rate of a little less than 2.8 cents. The proposed rate increases the tax rate from \$0.591216/100 valuation to \$0.618718/100 to provide necessary funding to cover the increases in certain operating expenses such as medical insurance, transfer of personnel from other funds into the General Fund, wage adjustments for public safety and general employees, funding of equipment replacement needs, funding of one additional code enforcement officer and other general cost increases such as Jail/Dispatch Shared Services, etc.

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 FY2015-16 has been developed and constructed in such a way as to balance revenues to expenditures with minimal use of fund balances. Typically, fund balances are used to allow for one-time needs or liabilities that have accrued over long periods of time. 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 2015/2016 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

BUDGET MESSAGE FOR FY 2015-16

4.2% compared to FY2013/2014. In FY2015/2016, property valuations certified by Tarrant Appraisal District came in at a .72% increase over prior year.

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 several years, the City, along with the DFW Metroplex and the State of Texas, in general, experienced an increase in sales tax revenues. In FY2015-16, sales tax revenues have increased by 6% over prior year actuals, and we are forecasting a modest increase in the FY2015-16 budget of 4% over current year projections.

BUDGET HIGHLIGHTS – ALL FUNDS

The total budget for FY2015/16, including transfers between funds, is \$40,893,021. This represents a decrease of \$471,380 when compared to FY2014/2015. This is due primarily to a decrease in capital projects funded this year in comparison to last year, a decrease in departmental transfers, and a decrease in debt service requirements due to the Parks Development debt service being completed last fiscal year. Funding for planned capital projects this fiscal year is \$10.8 million. 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 3% cost of living adjustment for all employees to include civil service, non-civil service full-time and part-time employees.
 - Provide funding for a salary compensation and classification survey to be conducted as a tool to assess and evaluate the City's compensation plan in comparison to the market and also to ensure fair and accurate job classification.
- The City's Employee Retirement (TMRS) rate is forecast to be 13.32%, down .17% from last Fiscal Year.
- The medical health insurance budget experienced a large increase this fiscal year due to an initial health insurance increase of over 27%. This amounts to an estimated additional increase of \$260,000 per year. Due to this alarming increase, City Administration had to find ways to reduce healthcare costs while balancing both the City's and employees' needs. After further negotiations with Aetna and by re-evaluating plan structures, the City was able to reduce the City's impact to the budget to a 15% increase. However, this involved significant plan design changes and requires that both employees and the City absorb part of the increase. Design changes include higher deductibles and requiring employee contributions towards the employee premiums for two of the three health

BUDGET MESSAGE FOR FY 2015-16

insurance programs offered. Dependent coverage is 100% covered by the employees. This Fiscal Year, appropriations have been made in the amount of \$40,000 for one-time matching contributions for employees Health Savings Accounts.

Personnel Changes

- There are **five unfunded** positions this year:
 - (3) Maintenance Worker I - Parks
 - (1) Maintenance Worker I - Storm Drain
 - (1) Maintenance Worker I - Sewer

- There are **two new positions funded** this year in the General Fund that were not funded last year:
 - (1) Administrative Assistant – City Secretary *
 - *Note: This position replaces the Assistant City Secretary position that was unfunded last fiscal year.

 - (1) Code Compliance Officer – Code Compliance and Inspections

- There is one additional part time position funded this year:
 - (1) Maintenance Worker I – Storm Drain (seasonal)

- There are various position reclassifications this year that were proposed for current positions due to either changes in job duties, or changes within the position structure over time. These reclassification requests are preliminarily funded, but are on hold pending the salary compensation and classification survey to be completed this fiscal year.

- Personnel transfers of 1.3 FTEs were necessary from the Traffic Safety Fund to the General Fund this fiscal year due to decreased revenues in the Traffic Safety Fund. The movement of personnel from the Traffic Safety Fund is seen as a long-term fiscal sustainability measure as the red light camera program may not continue in future years due to possible legislative changes.

- There is a proposed shift in the Municipal Court from a Warrant Officer and Bailiff Position classification to a Marshal's Division. This move would reclass the Warrant Officer/Bailiff to Marshal/Deputy Marshal. The reasons for this shift includes:
 - ❖ Separation of duties (Move citation collection activity from the Police Department to the Marshal Division); and

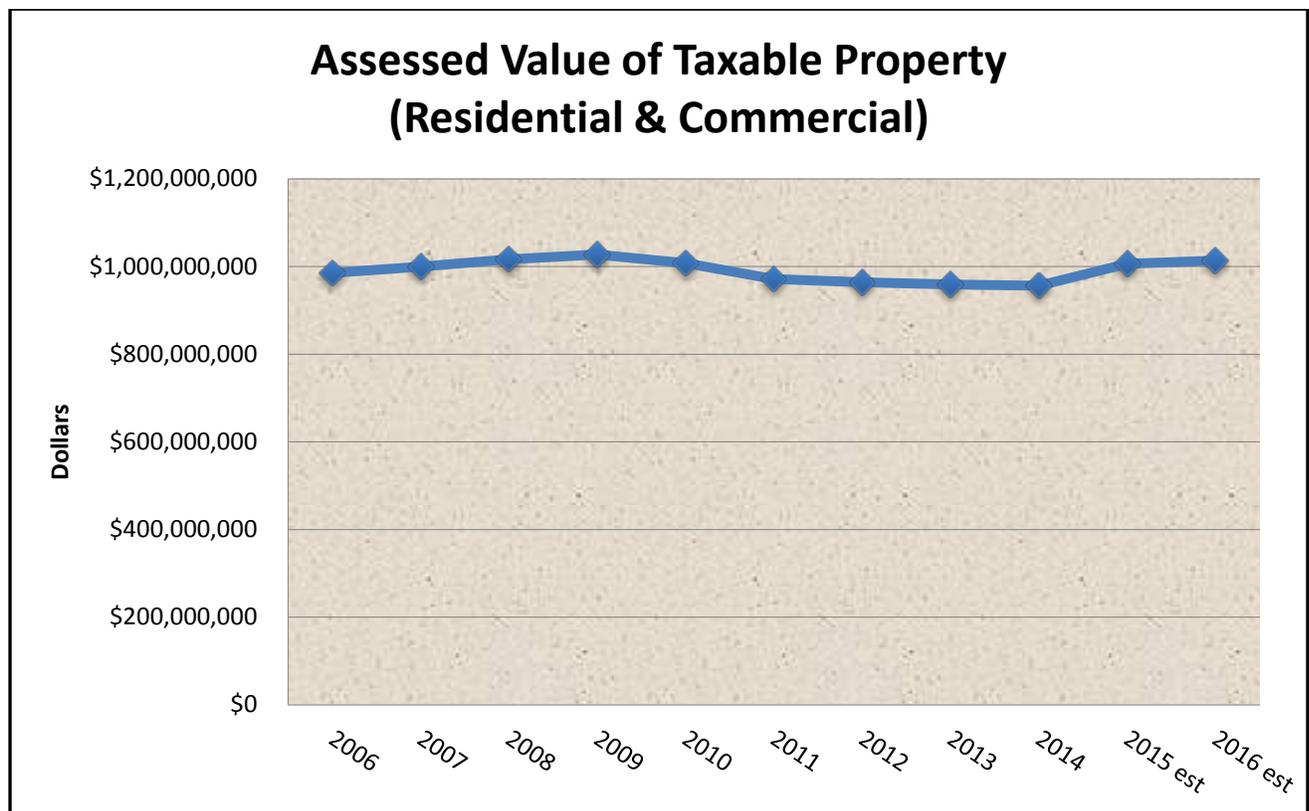
BUDGET MESSAGE FOR FY 2015-16

- ❖ Allow for more accurate classification of the scope of duties for the existing personnel.

General Fund

General Fund Revenues The proposed budget provides funding for continuation of all current program and services. Revenue projections for FY2015/2016 total \$11,857,599, an increase of \$663,199, or 6% over the FY2014/2015 budget. Increases have been projected for property tax, sales tax, franchise fees 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 FY2015/2016, valuations increased by only .72% compared to 4.2% in FY2014/2015. In the FY2015/2016 budget, we have proposed that we adopt a tax rate of \$0.618718/100 valuation, up \$0.027502 from last year's rate of \$0.591216/\$100 valuation. This will ensure that we can maintain the same quality service levels and programs and cover operational cost increases.



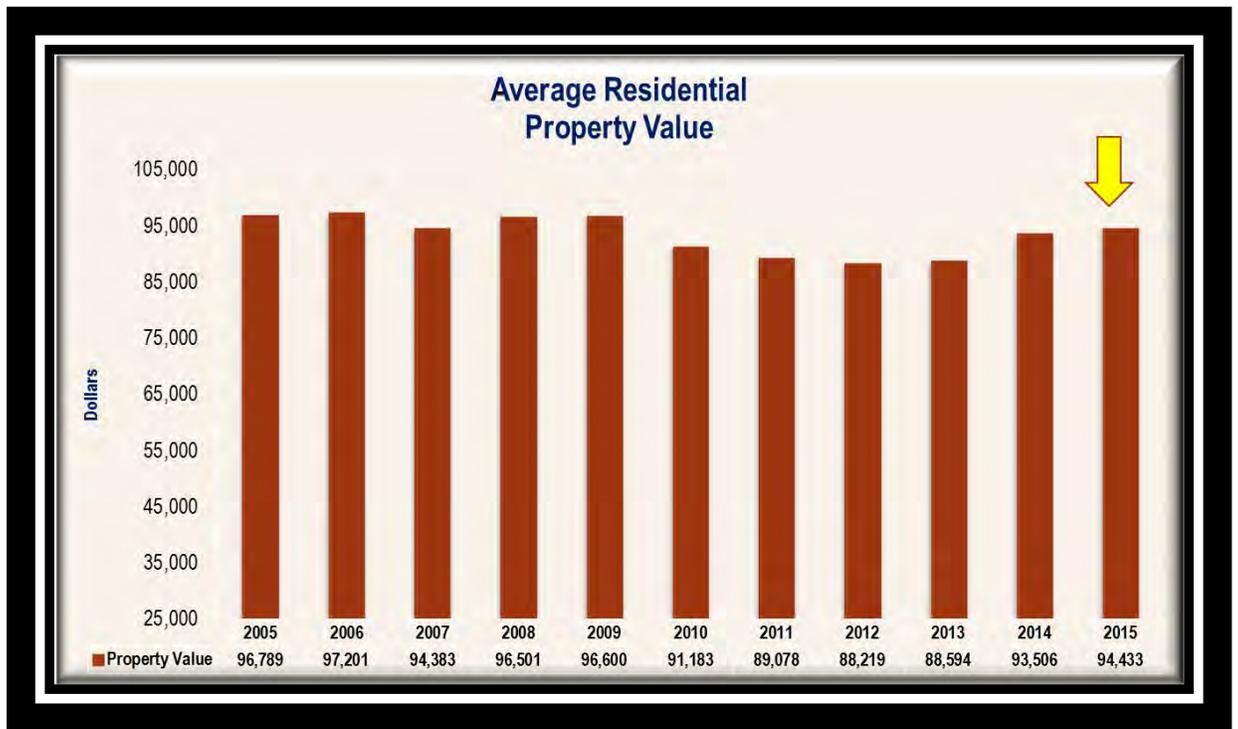
BUDGET MESSAGE FOR FY 2015-16

- The proposed tax rate for FY2015/2065 is **\$0.618718/\$100** of valuation. The tax rate distribution for FY20154/2016 compared to FY2014/2015 is as follows:

	<u>FY2014-15</u>	<u>FY2015-16</u>
Operations:	\$0.412887/\$100	\$0.440171/\$100
Interest & Sinking	\$0178329/\$100	\$0.178547/\$100
TOTAL TAX RATE:	\$0.591216	\$0.618718

Total property tax receipts are expected to be \$6.14M in FY2014/2015 compared to anticipated receipts of \$5.86M in FY2014/2015.

The average taxable value of a home in Watauga this year is \$94,433, an increase of approximately 1%, or \$927 from last year's average taxable value of \$93,506. The amount of annual City property tax on the average home at the proposed tax rate of \$.618718/\$100 is \$584.27, up from \$552.82 last year. This is an annual increase of \$31.45. The average taxable value on a Watauga home today is similar to what it was in 2007.

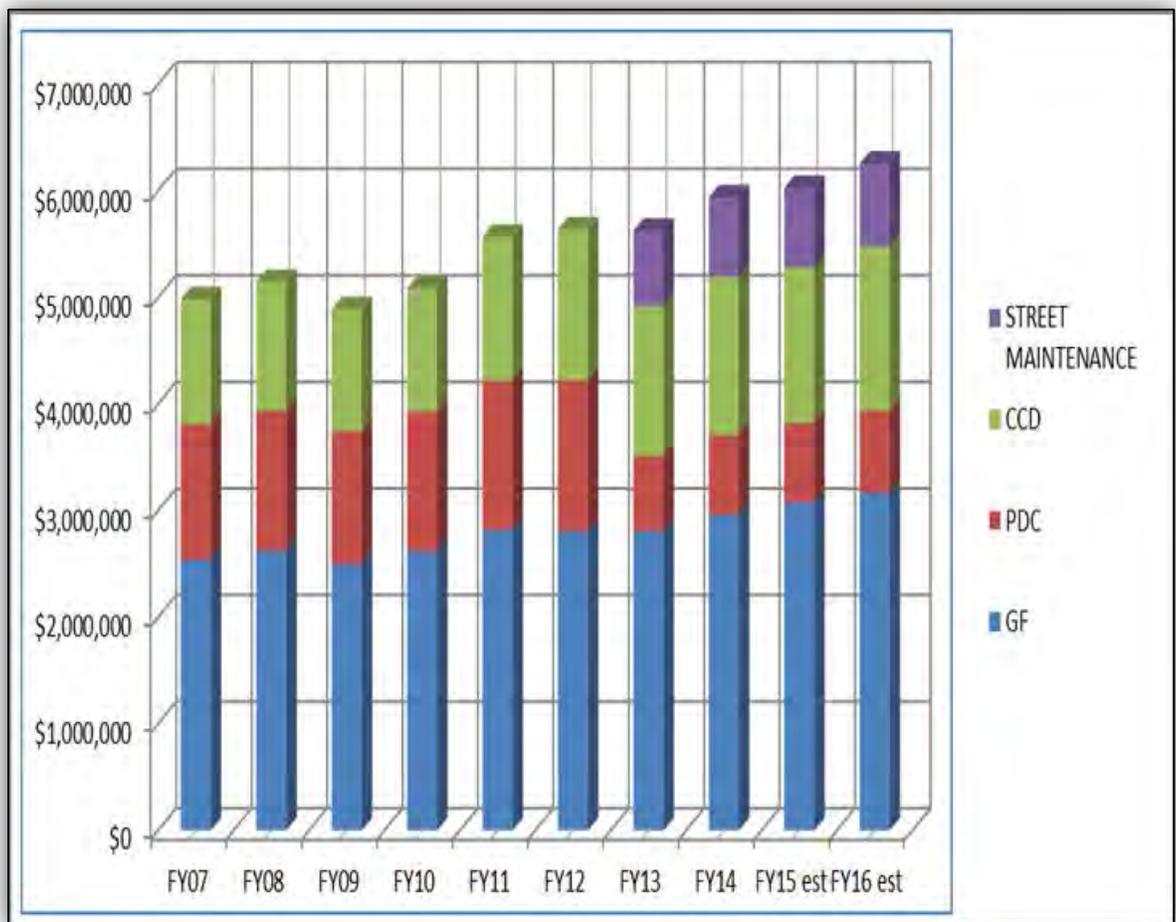


BUDGET MESSAGE FOR FY 2015-16

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 27% of General Fund (GF) revenues. We are forecasting a modest increase in the FY2015/2016 budget of 4.2% over current year.

Sales Tax Collections FY2007-FY2016



BUDGET MESSAGE FOR FY 2015-16

General Fund Expenditures

The operating expenditures including transfers for the General Fund are proposed at \$12,641,480. This is a \$710,030, or 6.0% increase over last year's budgeted expenditures. Cost increases in the City's medical insurance, jail/dispatch consolidation, and other general cost increases have impacted the budget this year. Also, it was necessary to transfer 1.3 FTEs from the Traffic Safety Fund into the General Fund this year as a long-term fiscal sustainability measure since the future of the red light camera program is uncertain. Expenditures include one-time expenditures of \$249,500 to include separation pay, beautification and maintenance items, one-time Health Savings Account contributions for employees, and miscellaneous furniture and minor equipment.

In addition, the general fund 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 this fiscal year. The 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 \$546,000 that will help foster sustainability include:

- ❖ A transfer to the Equipment Replacement Fund for FY2015/2016 capital purchases is proposed in the amount of \$190,000.
- ❖ In addition, a transfer to the Equipment Replacement Fund for the Legacy Program 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. This is a continuation of this program from FY2014/2015.
- ❖ A transfer in the amount of \$150,000 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 \$783,881 proposed for this year for the transfers and one-time expenditures mentioned previously. The ending FY2015/16 fund balance is forecast as \$4,471,759, which is above the minimum target policy of twenty-five percent (25%) of operations or \$2,971,370. The projected fund balance equates to 39% of operating expenditures in reserves.

General Fund Debt Service Fund

The debt service requirement for principal and interest payments for Fiscal Year 2015/2016 totals \$1,760,410. Approximately \$75,000 of debt service fund balance has been used to reduce the amount of tax receipts necessary to meet debt service. Thus,

BUDGET MESSAGE FOR FY 2015-16

the debt service tax rate is based on debt service requirements from tax payments of \$1,685,410. The ending fund balance is projected to be \$211,827.

General Capital Projects Fund

The following projects will be funded this year:

- ✓ The Sidewalk program will be funded by remaining 2011 Certificate of Obligation funds for the next two years. This year the sidewalk program will be funded at \$100,000.
- ✓ Engineering design has been funded at \$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 \$1.8 million and will be funded by the 2014 bond proceeds and fund balance, if needed.
- ✓ The Bursey Road Street Project commenced in FY2014/15 and will continue this Fiscal Year. This project is estimated at \$1.7M and is funded by the 2014 bond proceeds.

General capital expenses for this year are proposed at \$3.612 million. The ending Fund Balance is forecast to be \$183,186. See General Capital Projects Fund for a detailed description.

Oil/Gas Fund

There are no expenditures in this fund this Fiscal Year due to the conclusion of the vacation buy-back program that was phased out last year. Over the past couple of years, this fund helped to begin the enhanced use of the Equipment Replacement Fund in order to provide for funds to adequately cover equipment replacement needs City-wide. It is anticipated that this fund will be closed out next year.

Strategic Initiative Fund

The Strategic Initiative Fund was created in FY2014/2015 in order to fund the strategic initiatives identified as priorities by Council. The funding source for this fund is through General Fund transfers. This year, the transfer amount was \$150,000. Expenditures in this fund include \$150,000 for the Watauga Improving Neighborhoods (WIN) home revitalization program and the remaining \$125,000 is appropriated for other Council identified strategic projects such as the Comprehensive Plan and the Strategic Planning Consultant.

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,

BUDGET MESSAGE FOR FY 2015-16

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 four (4) percent higher than last year. The total sales tax revenue estimate for PDC is \$772,262 for FY2015/FY2016.

The proposed budget for this fund includes all park items and maintenance expenditures, which are proposed at \$795,463. This year, 3 parks maintenance positions were unfunded due to a shift to contract labor. This shift provided for a balanced budget, and will provide additional funds to be used for parks projects in the future. The ending fund balance is projected to be \$513,202. The established minimum fund balance requirement is fifteen-percent (15%) of expenditures or \$111,969.

Debt was paid off in FY2014/2015, so there is no debt service in FY2015/2016. The PDC Capital Fund Budget includes \$40,000 for a playground shade structure at Capp Smith Park and irrigation at Foster Village Park. The projected ending fund balance is \$493,768.

➤ **Street Maintenance Fund**

This fund was established in FY2012-13 to account for ¼ cent sales tax reallocated from the Parks Development Corporation. This allocation was effective October 1, 2012. This ¼ cent sales tax will expire in October, 2016 unless reapproved by the voters in May, 2016. We expect sales tax revenues collected for the year to total \$779,834. Street maintenance projects funded for the year total \$610,000, leaving an ending fund balance of \$740,946.

➤ **Crime Control and Prevention District Fund**

Sales tax revenues are generated from a ½ cent sales tax and are expected to be \$1,544,525. Total revenues are forecast to be \$1,583,025, generating total available resources of \$2,671,529.

The FY2015-16 budget is \$1,729,200 which includes a transfer of \$85,000 to the Equipment Replacement Fund for the purchase of two (2) vehicles. The ending Fund Balance is projected to be \$942,329.

➤ **Library Donation Fund**

Estimated revenues for this fund are expected to be \$8,040. Revenues represent donations made by customers as part of utility bill payment. The proposed budget expenditure of \$13,830 will leave an estimated ending fund balance of \$5,022.

BUDGET MESSAGE FOR FY 2015-16

➤ **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 \$60,220 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 proposed Deputy Marshal position (currently Bailiff). The total budget for this year is \$43,440, leaving combined fund balances of \$271,680.

➤ **Traffic Safety Fund**

Revenues come from a \$75 per citation civil penalty fee. Total revenues are expected to be \$615,000 of which 50%, after allowable expense, is due to the State for allocation to the Regional State Trauma Fund. Expected traffic safety expenses are \$572,560 including \$205,500 to the State Trauma Fund. This fiscal year, a transfer of 1.3 traffic officer positions was made from this fund to the General Fund. 1.5 traffic officer positions still remain funded in the Traffic Safety Fund along with expenses related to the Traffic Safety Program. The ending fund balance is expected to be \$42,440.

Proprietary Funds

➤ **Storm Drainage Fund**

Total charges for services are forecast to be \$1,415,000 for service charges, with total revenues of \$1,416,500.. The proposed expenditure budget is \$2,213,700, which includes \$1.3M for the Watauga Heights Phase I drainage project that began in FY2014/2105 and \$50,000 for the Culvert Safety Program. Proposed ending fund resources are \$2,303,809. The storm drain fee was increased in FY2011-12 to make this fund sustainable and provide funding for storm drain projects.

Water and Sewer Fund

Total charges for services are forecast to be \$8,053,000, with total revenues of \$8,464,000. Total available resources are proposed to be \$9,661,289. 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, Phase I of a pass-through increase was implemented in September, 2015, and Phase II pass-through will be implemented in January, 2016 in order to offset increases from the City of Ft. Worth for wastewater treatment and North Richland Hills for water purchases. This increase will be a "pass through" on the volume rate billed to citizens. The last rate increase to our

BUDGET MESSAGE FOR FY 2015-16

Citizens was effective December 1, 2011 to ensure adequate fund balances were available to meet required service and debt levels.

Expenditures for water purchases and sewer treatment services also vary based on customer usage and weather. Total expenses are estimated as \$8,764,967 which includes a \$140,000 transfer for maintenance of water and sewer lines and a \$50,000 transfer to the Equipment Replacement Fund for Phase III of the Meter Replacement Program. Other transfers include transfers for the debt service and transfers to the Water Sewer Construction fund. The ending Fund Balance is expected to be \$896,322. In FY2014/2015, the City experienced Wastewater treatment expenditures of approximately \$400,000 above forecast due to the excessive rainfall experienced in the City through June, 2015. Although this fund balance is below the 20% reserve policy at the end of FY2014/15 and FY2015/16, this is a short term occurrence, with fund balance increasing next year to policy requirements due to a debt service drop off of \$1.275M. The final payment for this debt service is in March, 2016.

➤ **Water and Sewer Debt Service Funds**

Our debt service requirement for FY 2015-16 is \$2,031,167 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 \$10,101. This fiscal year will be the final payment for the Water and Sewer Certificates of Obligation originally issued in 1996 for the acquisition, improvement of the water/sewer system. \$1.275M in debt service will drop off in March, 2016 and provide a debt opportunity for funding of needed water and wastewater improvements.

➤ **Water and Sewer Capital Projects Funds**

Total available resources are \$5,297,765 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, and \$225,000 in Water Tower Improvements. The ending fund balance will be \$143,163 in this fund if all projects are completed by September 30, 2016. Approximately \$9.0 million in water line improvements have been identified for future projects and a Sanitary Sewer Evaluation Study is underway to identify wastewater improvements needed in the North part of the City. The identification of these projects will allow for the completion of the 5-year Capital Improvement Plan Update.

BUDGET MESSAGE FOR FY 2015-16

➤ Joint Use Facility Fund

The City of Watauga and City of North Richland Hills jointly maintain a transfer station for water. 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 \$483,000. 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, and Storm Drain fund totaling \$132,000. The forecasted ending Fund Balance is \$1,084,423.

This City Manager Budget Message is a summary of the major highlights of the Proposed 2015/2016 Fiscal Year Budget document. The following pages summarize the significant budget changes and new and expanded requests submitted by departments this fiscal year. The summaries by fund and departmental detail can be found in the fund sections of this document.

BUDGET MESSAGE FOR FY 2015-16

Below are the significant budget increases (all funds) in FY2015-16 in when compared to FY2014-15:

SIGNIFICANT BUDGET INCREASES IN FY2015-16 FROM FY2014-15 = \$939,000

CATEGORY	ONE-TIME	ON-GOING
PERSONNEL WAGE ADJUSTMENTS CITY-WIDE & CIVIL SERVICE STEP		\$ 440,000
PERSONNEL – MEDICAL INSURANCE (BLENDED 15% INCREASE) ONE-TIME MATCHING HSA CONTRIBUTIONS	\$40,000	\$ 144,000
PERSONNEL – CODE COMPLIANCE OFFICER ASST. TO CITY SECRETARY		\$ 68,000
JAIL/DISPATCH CONSOLIDATION COSTS (SOFTWARE & ESTIMATED SHARED SERVICES COSTS INCREASES)	\$25,000	\$ 54,000
WHOLESALE WASTEWATER COSTS		\$ 50,000
CONTRACTUAL PAYMENTS	\$20,000	\$ 30,000
ELECTRICITY		\$ 28,000
STRATEGIC INITIATIVES (REVITALIZATION, OTHER)	\$15,000	\$ 25,000
	<u>\$100,000</u>	<u>\$ 839,000</u>

The chart above does not include smaller category increases below \$20,000. The departmental significant budget changes are listed on the following pages:

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 Samuel, 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 23,560.

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. There 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, and May 7, 2005. In June 1980, a new Municipal Complex was opened. The complex was dedicated to the memory of Merle Caudle, Fire Chief, who was killed in the line of duty.

THE CITY OF WATAUGA, TEXAS

On September 10, 1988, the citizens of Watauga passed a bond election for the construction of a Library. In 2003, the City opened a Community and Recreation Center on Indian Springs. During the winter of 2005-2006, the City opened its new City Hall and, in October of 2006, the City 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.

The Veteran's Memorial located in the Capp Smith Park Area of the City was dedicated in November, 2014 and serves as a proud tribute to Veterans of all five military branches of the United States of America.



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 170 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 144-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.

THE CITY OF WATAUGA, TEXAS

Culture and Entertainment

Within a 30-minute drive of the city are the Kimbell Art Museum, Modern Art Museum of Fort Worth, Nancy Lee and Perry R. Bass Performance Hall, Amon Carter Museum, and the Fort Worth Museum of Science and History.

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

A variety of major sporting franchises including the five time Super Bowl champion Dallas Cowboys, the three time American League West Divisional Champion Texas Rangers, the 2011 NBA Championship Dallas Maverick basketball franchise, the 1999 Stanley Cup Champion Dallas Stars hockey club, Dallas Sidekicks soccer, PGA Colonial National Golf Tournament and Byron Nelson Classic are based in the Metroplex area. In addition, the City of Grand Prairie established the 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, TEXAS

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 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	23,560
Area (Square Miles)	4
Percent Developed/Undeveloped (Estimated 2015)	96%/4%
Unemployment Rate (September 2015)	
Tarrant County	4.0%
State	4.4%
Median Age (2010 Census)	
Average Household Size (2010 Census)	3.05
Mean Household Income (2010 Census)	\$62,131

THE CITY OF WATAUGA, TEXAS

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 2015)	\$101,477
Average Parcel Taxable Value (Tarrant Appraisal District Jul 2015)	\$94,433
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 2015-16	\$3,249,500
Operating Budget for FY2015-2016	\$40,893,021

Top Ten Employers in Watauga, Texas

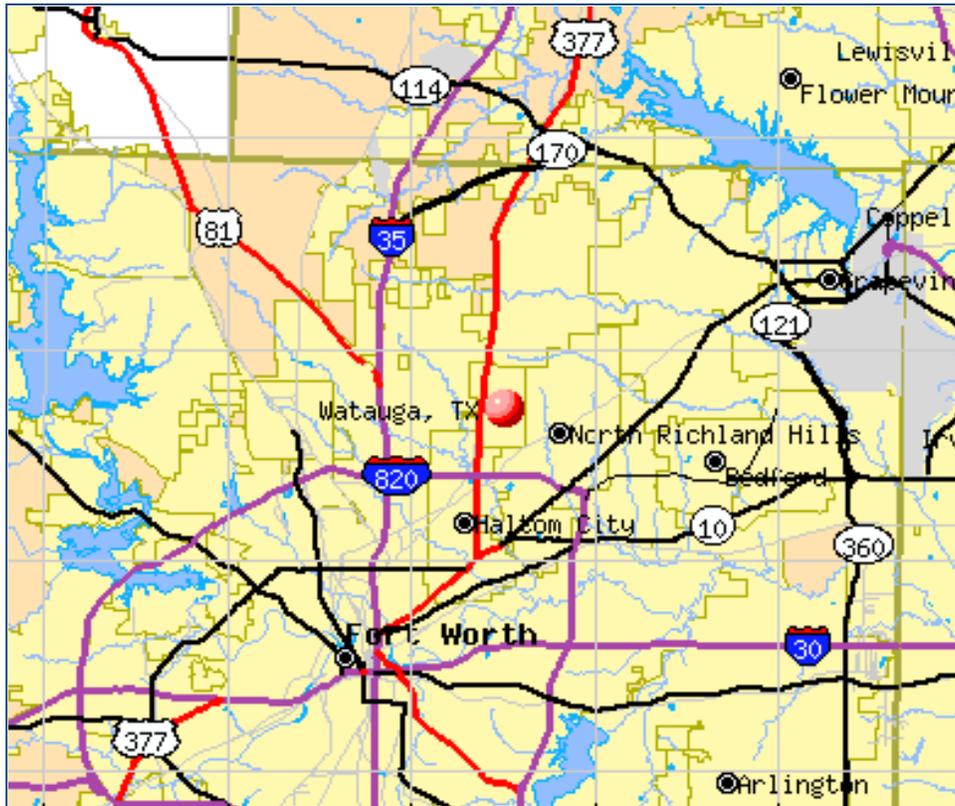
Name	Employees
Target	208
Birdville ISD	211
City of Watauga	199
Albertson's	190
North Pointe Health & Rehab	100
Harvest Baptist Church	95
Fresco's Cocina	75
Keller ISD	61
Cotton Patch Café	57
Chili's Grill & Bar	54

Top Ten Employers in 16-County NCTCOG Region

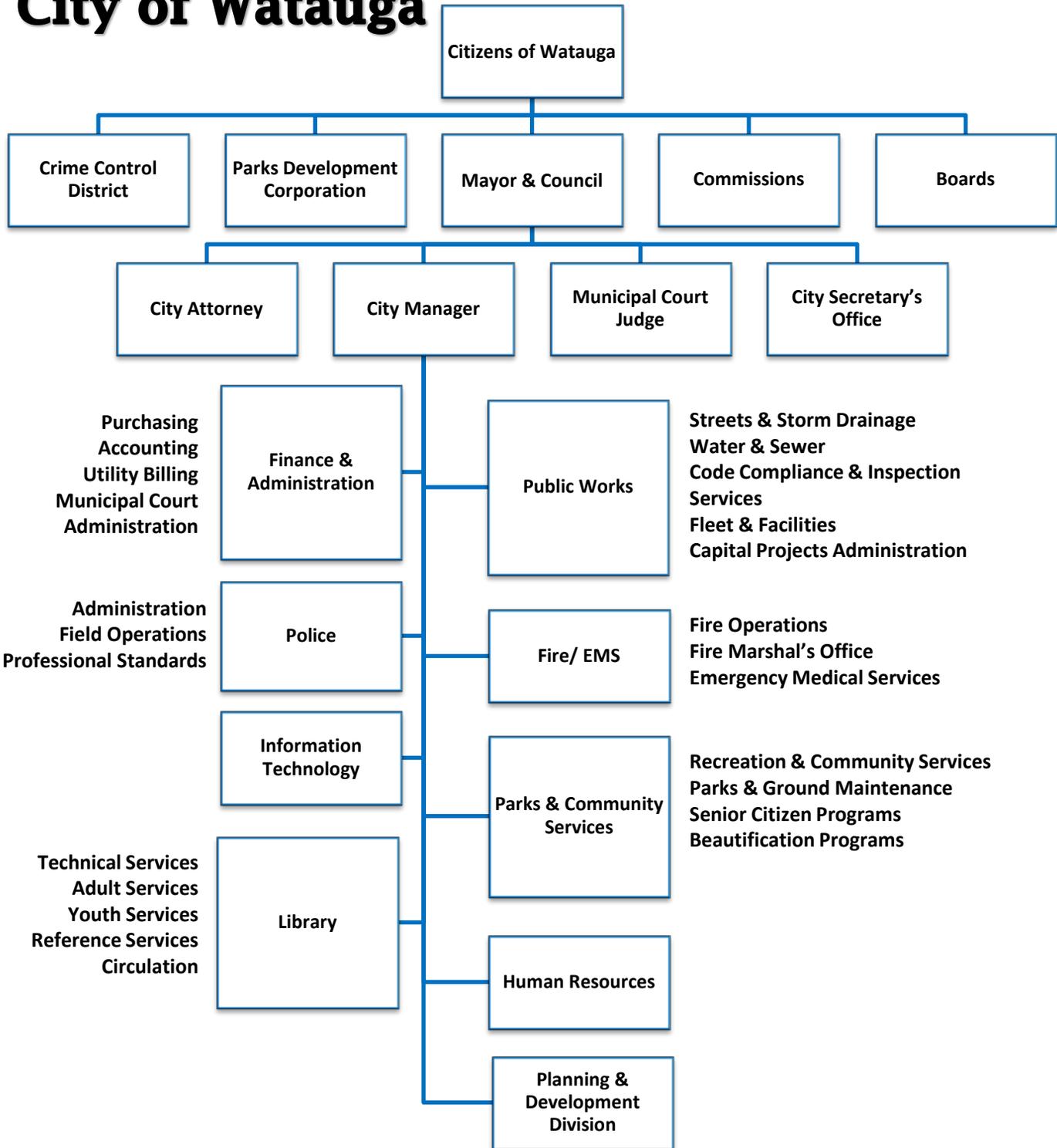
Name	Employees*
UT Southwestern Medical Center North Campus, Dallas	12,600
UT Southwestern Medical Center at Dallas, Dallas	10,794
Lockheed Martin Aeronautics Company, Fort Worth	10,500
NAS Fort Worth Joint Reserve Base, Fort Worth	10,500
HP Enterprise Services LLC, Plano	10,000
Texas Instruments, Dallas	9,000
University of North Texas, Denton	8,887
UT Southwestern Medical Center, Dallas	8,545
Parkland Health & Hospital System, Dallas	6,900
Medical City Dallas Hospital, Dallas	6,000

*Source: NCTOG

THE CITY OF WATAUGA, TEXAS



City of Watauga

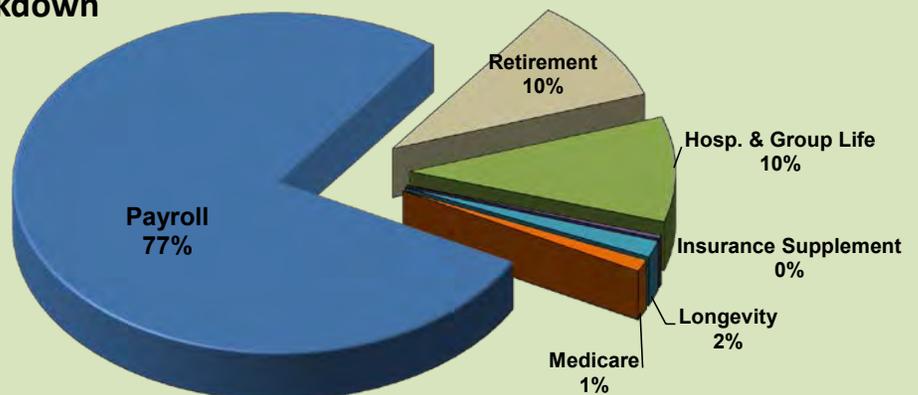


PERSONNEL POSITIONS (Budgeted)

	FY 2012 BUDGET		FY2013 BUDGET		FY2014 BUDGET		FY2015 BUDGET		FY2016 BUDGET	
	Full Time	Part Time	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		2.50	
Human Resources	1.50		1.50		1.50		1.50		1.50	
Planning & Zoning Division									3.00	
Code Enforcement/Inspection Services					4.75		6.50		3.50	
Finance and Administration	7.50	0.75	9.50		9.50		9.00		8.95	
Information Technology	2.50		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	8.00	4.00
Recreation and Community Services	5.50	5.00	6.50	3.75	5.50	3.75	4.50	4.25	4.50	4.00
Police Division	44.50	4.25	33.50	3.25	31.50	3.25	31.70	3.25	32.50	3.25
Fire / EMS Division	21.00	0.25	21.00	0.25	21.00		21.00		21.00	
Public Works	15.50		13.75		9.00		9.00		9.00	
Fleet Services	3.00		3.00		3.00		3.00		3.00	
Buildings	8.00		8.00		7.00		7.00		7.00	
Total General Fund	121.50	15.00	109.75	12.25	106.75	12.00	105.20	12.00	106.95	11.25
ENTERPRISE FUNDS										
Drainage Utility	8.50	1.00	8.50	1.00	9.25	1.00	9.00	1.00	8.00	1.00
Water/Sewer Fund										
Administration	1.75		1.75		1.75		1.75		1.75	
Billing and Collections	7.50		7.50		7.50		7.50		7.50	
Information Technology	0.50		0.50		0.50		0.50		0.50	
Water Distribution	7.75		7.50		7.50		7.25		7.25	
Sewer Collections	8.00		8.50		8.50		8.25		7.25	
Total Water/Sewer Fund	25.50		25.75		25.75		25.25		24.25	
Total Enterprise Funds	34.00	1.00	34.25	1.00	35.00	1.00	34.25	1.00	32.25	1.00
REVENUE FUNDS										
Parks Development Corp	11.50		11.50	0.50	11.50	0.50	11.50	0.25	8.50*	0.25
Crime Control District	9.00		12.00		12.00		12.00		12.00	
Traffic Safety	3.00		3.00		3.00		2.90		2.10	
Municipal Court Security		0.25		0.25		0.25	0.35		0.30	
Municipal Court Juvenile Case Mgr	0.25		0.25		0.25		0.30		0.40	
Total Revenue Funds	23.75		26.75	0.75	26.75	0.75	27.05	0.25	23.30	0.25
GRAND TOTAL	179.25	16.00	170.75	14.00	168.50	13.75	166.50	13.25	162.50	12.50
Est. Population	24,500		23,497		24,000		24,500		23,560	
Personnel Per Capita	0.0080		0.0079		0.0076		0.0073		0.0074	

Personnel Budget Breakdown

\$12,185,370



*In the Parks Department, the personnel decreased by three (3) full-time maintenance worker positions due to the use of a Parks Maintenance Contract put into place in FY14-15. Other decreases in personnel include one (1) position in the Drainage Utility and one (1) position in the Sewer Operations.

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 \$10,171,684

Fund	Beginning Fund Balance	Ending Fund Balance	Difference	Comments
General Fund	\$5,255,640	\$4,471,759	(\$783,881)	Drawdown is primarily for transfer to Equipment Replacement Fund and Council identified priority projects. Ending fund balance exceeds financial policy minimum target.
Strategic Initiative Fund	\$150,000	\$25,000	(\$125,00)	This fund is primarily for high-impact projects identified by Council.
W/S Utility Fund	\$1,197,289	\$896,322	(\$300,967)	Drawdown is primarily for transfer to Equipment Replacement Fund. Ending fund balance exceeds financial policy minimum target.
PDC Sales Tax Fund	\$535,903	\$513,202	(\$22,701)	Ending fund balance exceeds financial policy minimum target. The fund is currently in maintenance mode.
CCD Sales Tax Fund	\$1,088,504	\$942,329	(\$146,175)	Ending fund balance exceeds financial policy minimum target.
Storm Drain Utility Fund	\$3,085,341	\$2,303,809	(\$781,532)	Capital Projects identified in City infrastructure.
Street Maintenance Fund	\$571,112	\$740,946	\$169,834	No minimum target fund balance policy. Street Maintenance projects are scheduled as needed.
General Capital Projects Fund	\$3,571,686	\$183,186	(\$3,388,500)	Continuation of major capital projects Bursey Road street project and Senior Center facility.
W/S Constr. Fund	\$5,297,765	\$143,163	(\$5,154,602)	\$5.2M in water/sewer projects to continue in FY2015-16.
Internal Service (Equipment Repl. Fund)	\$782,913	\$1,084,423	\$301,510	Increase in fund balance due to the 3 rd year of enhancing use of this fund. Legacy program to help fund future purchases implemented this year.
Traffic Safety	\$0	\$42,440	\$42,440	No minimum target fund balance policy.
G.O. Debt Service	\$295,077	\$312,467	\$17,390	No minimum target fund balance policy.

**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ALL CITY FUNDS FOR FISCAL YEAR 2015-2016**

	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
Estimated Beginning Resources	\$5,255,640	\$1,040	\$150,000	\$1,197,289	\$535,903	\$1,088,504	\$3,085,341	\$571,112	\$3,571,686
Estimated Revenues									
Taxes / Assessments	4,471,186								
Sales Tax	3,249,500				772,262	1,544,525		779,834	
Licenses and Permits	291,000								
Franchise Fees	1,060,000								
Intergovt Revenue	496,500					-			
Charges for Service	747,000			8,053,000			1,415,000		
Fines & Forfeitures	736,700								
Interest on Investments	8,000	-		5,000	500	500	1,500	-	3,500
Oil Lease/Royalty Revenue		-							
Miscellaneous	232,600			406,000		38,000		-	
Operating Transfer In	565,113		150,000	-	-			-	220,000
Revenues	11,857,599	-	150,000	8,464,000	772,762	1,583,025	1,416,500	779,834	223,500
Total Available Resources	17,113,239	1,040	300,000	9,661,289	1,308,665	2,671,529	4,501,841	1,350,946	3,795,186
Estimated Expenditures									
City Manager/City Secretary	265,500			247,200					
Building	826,400							-	-
Human Resources	149,400								
Code Compliance & Insp.	275,950								
Planning and Development	254,800								
Strategic Initiative Projects			275,000						
Finance	750,380								
Library	904,600								
Rec & Comm Svc	597,600								
Parks					693,200				
Police	3,420,050					1,614,200		-	-
Fire / EMS	2,170,800							-	-
Public Works	594,950						586,700	-	35,000
Fleet Services	184,300							-	-
Non-Departmental	1,195,050	-		573,000	14,650		123,500		
Information Technology	385,700			69,500				-	-
Billing & Collection				481,000					
Water Operations				2,677,550					
Wastewater Operations				2,014,550					
Operating Transfer Out	666,000	-	-	2,702,167	87,613	115,000	103,500	-	-
Sub Total Operating	12,641,480	-	275,000	8,764,967	795,463	1,729,200	813,700	-	35,000
Capital Projects/Equip							1,384,332	610,000	3,493,000
Debt Service									
Principal Payments									84,000
Interest Payments									
Fiscal Agent Fees									
Sub Total Debt Service	-	-	-	-	-	-	-	-	84,000
Total Expenditures	12,641,480	-	275,000	8,764,967	795,463	1,729,200	2,198,032	610,000	3,612,000
Change in Fund Balance	(783,881)	-	(125,000)	(300,967)	(22,701)	(146,175)	(781,532)	169,834	(3,388,500)
Est. Ending Resources	\$4,471,759	1,040	25,000	\$896,322	\$513,202	\$942,329	\$2,303,809	\$740,946	\$183,186
\$ Requirement	\$2,971,370	\$0	\$0	\$1,742,993	\$111,969	\$191,840	\$110,740	\$0	\$0
%Policy Requirement	25.00%	0.00%	0.00%	20.00%	20.00%	20.00%	20.00%	0.00%	0.00%
OVER/UNDER REQUIRE	\$1,500,389	\$ 1,040	25,000	(\$846,671)	\$401,233	\$750,489	\$2,193,069	\$740,946	\$183,186
FUND BALANCE CHANGE %	-14.9%	0.0%	-83.3%	-25.1%	-4.2%	-13.4%	-25.3%	29.7%	-94.9%

**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ALL CITY FUNDS FOR FISCAL YEAR 2015-2016**

	W/S Const Fund 45	Internal Service Fund 22	W/S Joint Use Facility Fund 46	PDC Capital Projects 05	Library Donation Fund 23	Municipal Court Funds 25/26/27	Traffic Safety Fund 28	GO Debt Service Fund 03	W/S Sewer Debt Service 42/44	Combined Total All Funds
Estimated Beginning Resources	\$5,297,765	\$782,913	\$1,041,794	\$533,568	\$10,812	\$254,900	\$0	\$295,077	\$30,321	\$23,710,530
Estimated Revenues										
Taxes / Assessments								1,777,000		6,248,186
Sales Tax										6,346,121
Licenses and Permits										291,000
Franchise Fees										1,060,000
Intergovt Revenue		-								496,500
Charges for Service		256,010								10,471,010
Fines & Forfeitures						60,000	615,000			1,411,700
Interest on Investments	-	500	1,000	200	40	220	-	800	1,180	22,940
Oil Lease/Royalty Revenue										-
Miscellaneous					8,000					684,600
Operating Transfer In	140,000	528,000	75,000	-				-	2,011,167	3,689,280
Revenues	140,000	784,510	76,000	200	8,040	60,220	615,000	1,777,800	2,012,347	30,721,337
Total Available Resources	5,437,765	1,567,423	1,117,794	533,768	18,852	315,120	615,000	2,072,877	2,042,668	54,431,867
Estimated Expenditures										
City Manager/City Secretary										512,700
Building		46,000								872,400
Human Resources										149,400
Code Compliance & Insp.										275,950
Planning and Development										254,800
Strategic Initiative Projects										275,000
Finance		15,000				54,910	-			820,290
Library					13,830					918,430
Rec & Comm Svc		42,000								639,600
Parks		49,000								742,200
Police		85,000					163,060			5,282,310
Fire / EMS		32,000								2,202,800
Public Works		44,000								1,260,650
Fleet Services										184,300
Non-Departmental	-	30,000		-			409,500			2,345,700
Information Technology		50,000								505,200
Billing & Collection		90,000								571,000
Water Operations										2,677,550
Wastewater Operations										2,014,550
Operating Transfer Out	-		-			15,000	-		-	3,689,280
Sub Total Operating	-	483,000	-	-	13,830	69,910	572,560	-	-	26,194,110
Capital Projects/Equip	5,294,602	-	-	40,000						10,821,934
Debt Service										
Principal Payments								1,390,000	1,730,000	3,204,000
Interest Payments								367,110	301,167	668,277
Fiscal Agent Fees								3,300	1,400	4,700
Sub Total Debt Service	-	-	-	-	-	-	-	1,760,410	2,032,567	3,876,977
Total Expenditures	5,294,602	483,000	-	40,000	13,830	69,910	572,560	1,760,410	2,032,567	40,893,021
Change in Fund Balance	(5,154,602)	301,510	76,000	(39,800)	(5,790)	(9,690)	42,440	17,390	(20,220)	(10,171,684)
Est. Ending Resources	\$143,163	\$1,084,423	\$1,117,794	\$493,768	\$5,022	\$245,210	\$42,440	\$312,467	\$ 10,101	\$13,538,846
\$ Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,128,913
%Policy Requirement	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OVER/UNDER REQUIRE	\$143,163	\$1,084,423	\$1,117,794	\$493,768	\$5,022	\$245,210	\$42,440	\$312,467	\$ 10,101	\$8,409,933
FUND BALANCE CHANGE %	-97.3%	38.5%	7.3%	-7.5%	-53.6%	-3.8%	0.0%	5.9%	-66.7%	-42.9%

COMBINED SUMMARY OF REVENUES AND EXPENDITURES (3 YEAR)
ALL CITY FUNDS

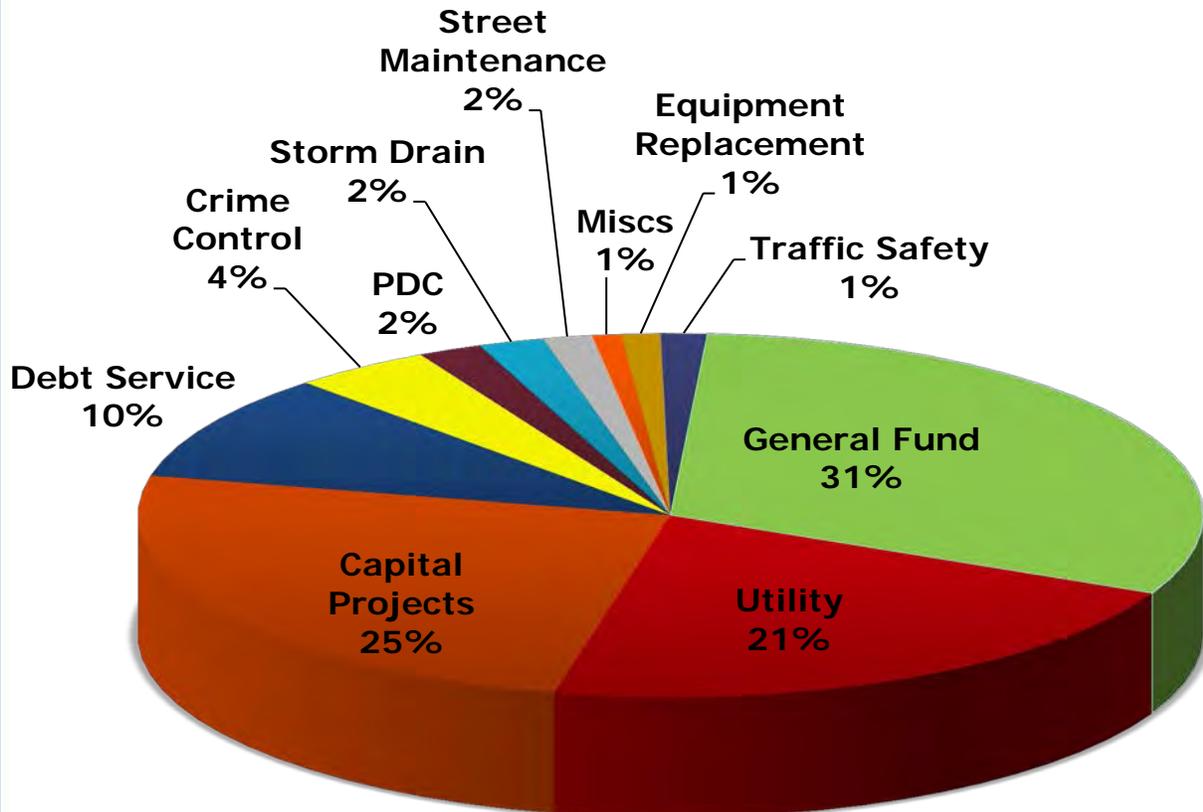
	GENERAL FUND (Oil/Gas&Strategic)			UTILITY FUNDS (W&WW) (JUF)			STORMDRAIN UTILITY FUND			CAPITAL PROJECTS FUNDS		
	FY2014 ACTUAL	FY2015 ESTIMATED	FY2016 BUDGET	FY2014 ACTUAL	FY2015 ESTIMATED	FY2016 BUDGET	FY2014 ACTUAL	FY2015 ESTIMATED	FY2016 BUDGET	FY2014 ACTUAL	FY2015 ESTIMATED	FY2016 BUDGET
Estimated Beginning Resources	\$5,541,490	\$5,959,785	5,406,680	\$3,378,475	\$3,167,821	\$2,243,163	\$1,943,403	\$2,554,741	\$3,085,341	\$10,630,044	\$12,476,854	\$9,403,019
Estimated Revenues												
Taxes / Assessments	3,952,259	4,183,000	4,471,186									
Sales Tax	2,959,094	3,151,350	3,249,500									
Licenses and Permits	309,592	288,000	291,000									
Franchise Fees	1,100,271	1,062,000	1,060,000									
Intergovt Revenue	469,219	475,000	496,500									
Charges for Service	777,746	729,600	747,000	7,480,392	7,550,000	8,053,000	1,416,053	1,415,000	1,415,000			
Fines & Forfeitures	737,435	717,126	736,700									
Interest on Investments	5,107	5,600	8,000	1,060	5,000	6,000	1,325	1,500	1,500	4,822	3,200	3,700
Oil Lease/Royalty Revenue	32,906	15,000	-									
Miscellaneous	253,867	213,550	232,600	420,898	414,600	406,000	30,100			3,742,064	-	-
Operating Transfer In	532,569	763,500	715,113	75,813	75,813	75,000				240,000	240,000	360,000
Revenues	11,130,065	11,603,726	12,007,599	7,978,163	8,045,413	8,540,000	1,447,478	1,416,500	1,416,500	3,986,886	243,200	363,700
Total Available Resources	16,671,555	17,563,511	17,414,279	11,356,638	11,213,234	10,783,163	3,390,881	3,971,241	4,501,841	14,616,930	12,720,054	9,766,719
Estimated Expenditures												
City Manager/City Secretary	237,552	223,824	265,500	220,079	242,212	247,200						
Building	744,977	761,232	826,400									
Human Resources	131,504	146,196	149,400									
Development/Code/Revital	294,418	446,588	530,750									
Strategic Projects/Revital	-	125,000	275,000									
Finance	644,713	711,229	750,380									
Library	816,226	846,946	904,600									
Rec & Comm Svc	548,625	575,741	597,600									
Parks	-	-	-									
Police	2,961,167	3,135,397	3,420,050									
Fire / EMS	2,040,351	2,106,101	2,170,800									
Public Works	522,815	569,150	594,950				633,375	707,400	586,700	6,893	35,000	35,000
Fleet Services	152,965	163,100	184,300									
Non-Departmental	1,075,027	1,233,400	1,195,050	615,872	563,100	573,000	367,464	-	123,500	88,461	-	-
Information Technology	341,430	375,736	385,700	63,393	66,092	69,500						
Billing & Collection	-	-	-	436,474	456,550	481,000						
Water Operations	-	-	-	2,467,713	2,632,872	2,677,550						
Wastewater Operations	-	-	-	1,775,654	2,361,742	2,014,550						
Operating Transfer Out	200,000	752,000	666,000	2,609,632	2,571,503	2,702,167	155,500	103,500	103,500		-	-
Sub Total Operating	10,711,770	12,171,640	12,916,480	8,188,817	8,894,071	8,764,967	1,156,339	810,900	813,700	95,354	35,000	35,000
Capital Projects/Equip										1,384,332	1,961,870	8,827,602
Debt Service												
Principal Payments										82,852	83,150	84,000
Interest Payments												
Fiscal Agent Fees												
Sub Total Debt Service	-	-	-	-	-	-	-	-	-	82,852	83,150	84,000
Total Expenditures	10,711,770	12,171,640	12,916,480	8,188,817	8,894,071	8,764,967	1,156,339	885,900	2,198,032	2,140,076	3,317,036	8,946,602
Change in Fund Balance	418,295	(567,914)	(908,881)	(210,654)	(848,658)	(224,967)	291,139	530,600	(781,532)	1,846,810	(3,073,836)	(8,582,902)
Est. Ending Resources	5,959,785	5,391,871	\$4,497,799	\$3,167,821	\$2,319,163	\$2,018,196	\$2,234,542	\$3,085,341	\$2,303,809	\$12,476,854	\$9,403,018	\$820,117
\$ Requirement	\$2,463,142	\$2,810,660	\$2,971,370	\$1,637,763	\$1,778,814	\$1,742,993	\$179,268	\$110,180	\$110,740	\$0	\$0	\$0
%Policy Requirement	25%	25%	25%	20%	20%	20%	20%	20%	20%	0%	0%	0%
OVER/UNDER REQUIRE	\$3,496,643	2,581,211	\$1,526,429	\$1,530,058	\$540,349	\$275,203	\$2,055,274	\$2,975,161	\$2,193,069	\$12,476,854	\$9,403,018	\$820,117
FUND BALANCE CHANGE %	7.5%	-9.5%	-16.8%	-6.2%	-26.8%	-10.0%	15.0%	20.8%	-25.3%	17.4%	-24.6%	-91.3%

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		
	FY2014 ACTUAL	FY2015 ESTIMATED	FY2016 BUDGET	FY2014 ACTUAL	FY2015 ESTIMATED	FY2016 BUDGET	FY2014 ACTUAL	FY2015 ESTIMATE	FY2016 BUDGET	FY2014 ACTUAL	FY2015 ESTIMATE	FY2016 BUDGET
Estimated Beginning Resources	\$686,793	\$739,666	\$328,183	\$238,820	\$326,703	\$782,913	\$2,470,318	\$2,560,664	\$2,461,231	\$24,889,343	\$27,786,234	\$23,710,530
Estimated Revenues												
Taxes / Assessments	1,737,192	1,779,000	1,777,000							5,689,451	5,962,000	6,248,186
Sales Tax							2,972,160	2,977,520	3,096,621	5,931,254	6,128,870	6,346,121
Licenses and Permits										309,592	288,000	291,000
Franchise Fees										1,100,271	1,062,000	1,060,000
Intergovt Revenue		-								469,219	475,000	496,500
Charges for Service				162,360	196,660	256,010				9,836,551	9,891,260	10,471,010
Fines & Forfeitures							716,127	679,000	675,000	1,453,562	1,396,126	1,411,700
Interest on Investments	886	2,002	1,980	511	550	500	1,180	1,270	1,260	14,891	19,122	22,940
Oil Lease/Royalty Revenue										32,906	15,000	-
Miscellaneous							9,289	45,000	46,000	4,456,218	673,150	684,600
Operating Transfer In	2,232,532	2,041,659	2,011,167	200,000	651,000	528,000				3,280,914	3,771,972	3,689,280
Revenues	3,970,610	3,822,661	3,790,147	362,871	848,210	784,510	3,698,756	3,702,790	3,818,881	32,574,829	29,682,500	30,721,337
Total Available Resources	4,657,403	4,562,327	4,118,330	601,691	1,174,913	1,567,423	6,169,074	6,263,454	6,280,112	57,464,172	57,468,734	54,431,867
Estimated Expenditures												
City Manager/City Secretary				10,000	-	-				467,631	466,036	512,700
Building				19,025	-	46,000				764,002	761,232	872,400
Human Resources				-	-	-				131,504	146,196	149,400
Development/Code/Revital				-	-	-				294,418	446,588	530,750
Strategic Projects/Revital				-	-	-				-	125,000	275,000
Finance				-	-	15,000	35,774	56,522	54,910	680,487	767,751	820,290
Library				-	-	-	6,231	13,830	13,830	822,457	860,776	918,430
Rec & Comm Svc				7,000	20,000	42,000	-	-	-	555,625	595,741	639,600
Parks	-	-	-	-	18,000	49,000	662,073	689,200	693,200	662,073	707,200	742,200
Police	-	-	-	134,300	75,000	85,000	1,553,453	1,686,160	1,777,260	4,648,920	4,896,557	5,282,310
Fire / EMS				-	43,000	32,000				2,040,351	2,149,101	2,202,800
Public Works				60,500	25,000	44,000				1,223,583	1,336,550	1,260,650
Fleet Services				-	-	-				152,965	163,100	184,300
Non-Departmental	-	-	-	76,577	30,000	30,000	443,916	410,800	424,150	2,667,317	2,237,300	2,345,700
Information Technology				-	5,000	121,000	50,000			409,823	562,828	505,200
Billing & Collection				38,000	60,000	90,000				474,474	516,550	571,000
Water Operations				-	-	-				2,467,713	2,632,872	2,677,550
Wastewater Operations				-	-	-				1,775,654	2,361,742	2,014,550
Operating Transfer Out	-	-	-	-	-	-	376,300	343,900	217,613	3,341,432	3,770,903	3,689,280
Sub Total Operating	-	-	-	350,402	392,000	483,000	3,077,747	3,200,412	3,180,963	23,580,429	25,504,023	26,194,110
Capital Projects/Equip							530,832	600,000	610,000	2,492,702	6,678,934	10,821,934
Debt Service												
Principal Payments	3,130,000	3,455,000	3,120,000							3,212,852	3,539,000	3,204,000
Interest Payments	786,037	773,249	668,277							786,037	773,249	668,277
Fiscal Agent Fees	1,700	5,200	4,700							1,700	5,200	4,700
Sub Total Debt Service	3,917,737	4,233,449	3,792,977	-	-	-	-	-	-	4,000,589	4,316,599	3,876,977
Total Expenditures	3,917,737	4,233,449	3,792,977	350,402	392,000	483,000	3,608,579	3,800,412	3,790,963	30,073,720	33,694,508	40,893,021
Change in Fund Balance	52,873	(410,788)	(2,830)	12,469	456,210	301,510	90,177	(97,622)	27,918	2,501,109	(4,012,008)	(10,171,684)
Est. Ending Resources	\$739,666	\$328,878	\$325,353	\$251,289	\$782,913	\$1,084,423	\$2,560,495	\$2,463,042	\$2,489,149	27,390,452	23,774,226	13,538,846
\$ Requirement	\$219,946	\$219,946	\$0	\$0	\$0	\$0	\$245,030	\$276,380	\$303,809	4,745,149	5,195,980	5,128,913
%Policy Requirement	0%	0%	0%	0%	0%	0%	0.00%	0.00%	0.00%	0%	0%	0.00%
OVER/UNDER REQUIRE	\$519,720	\$108,932	\$325,353	\$251,289	\$782,913	\$1,084,423	\$2,315,465	\$2,186,662	\$2,185,340	21,115,245	18,578,246	8,409,933
FUND BALANCE CHANGE %	7.7%	-55.5%	-0.9%	5.2%	139.6%	38.5%	3.7%	-3.8%	1.1%	10.0%	-14.4%	-42.9%

(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.

TOTAL EXPENDITURES BY FUND FY 2015-2016 - \$40,893,021



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 2015-16 budget document continues a focus that represents service and goals the City Council wishes to achieve for the City. The FY2016 budget preparation focused on services provided by the City and building a foundation of sustainability that will last. 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 February, 2015, the City Council continued evaluating the long term vision and goals established in 2014 for preparation of the City's forward advancement of addressing the many challenges facing the City in the future. The Council's established top priority goals for the City are:

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. Revitalization Efforts- Residential, targeting neighborhoods, code enforcement (property maintenance), volunteer programs, rental registration enforcement, single family registration, and inspection	<ul style="list-style-type: none"> A. Residential rehabilitation B. Rental registration improvements C. Volunteer element D. Report Card Process (CE) E. Targeting neighborhoods for infrastructure improvements F. All SF inspections
2. Water & Waste Water CIP	<ul style="list-style-type: none"> A. Develop 5-year CIP blending with D/S reduction
3. Economic Development – Redevelopment, targeting areas, incentives	<ul style="list-style-type: none"> A. Redevelopment programs- created marketing, quick sheets & demographics B. Target areas corridor focused Tools & Incentives – create& identify incentives
4. Library Expansion & Technology	<ul style="list-style-type: none"> A. Technology enhancement B. Building expansion
5. Update of Parks and Recreation Open Space Master Plan, Trails Master Plan	<ul style="list-style-type: none"> A. Update Parks Master Plan
6. Capitalize on Capp Smith Park	<ul style="list-style-type: none"> A. Plans with Church & School B. Land use planning in and around C. Needed infrastructure D. Land title
7. Comprehensive Land Use Plan	<ul style="list-style-type: none"> A. Consultant chosen B. Plan development and implementation
8. Storm Drain	<ul style="list-style-type: none"> A. Develop 5-year CIP and possibility of blending with D/S to reduce rate (finance option)
9. Fee schedule evaluation	<ul style="list-style-type: none"> A. Departmental and financial review of all user fees to include ambulance, recreational, and permit and license fees.
10. Labor management strategies/ Meet & Confer	
11. Shade structure, Park Trail Development	
12. Citizen communication methods/options	
13. Pre-City Council Sessions	

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 is approximately 23,560.

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 7,000,000 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 41st anniversary in January 2015, 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 Public Information, Human Resources, and Information Technology Services); Recreation and Community Service; Public Works (including code enforcement, storm drain, water and sewer field operations, fleet and building operations); Planning and Development; Police; and Fire and Emergency Medical Services. In Fiscal Year 2014-15 the Planning and Development Division was added to the functional areas of the City. Services provided by the City include police and fire protection, emergency medical services, street maintenance, building

BUDGET OVERVIEW

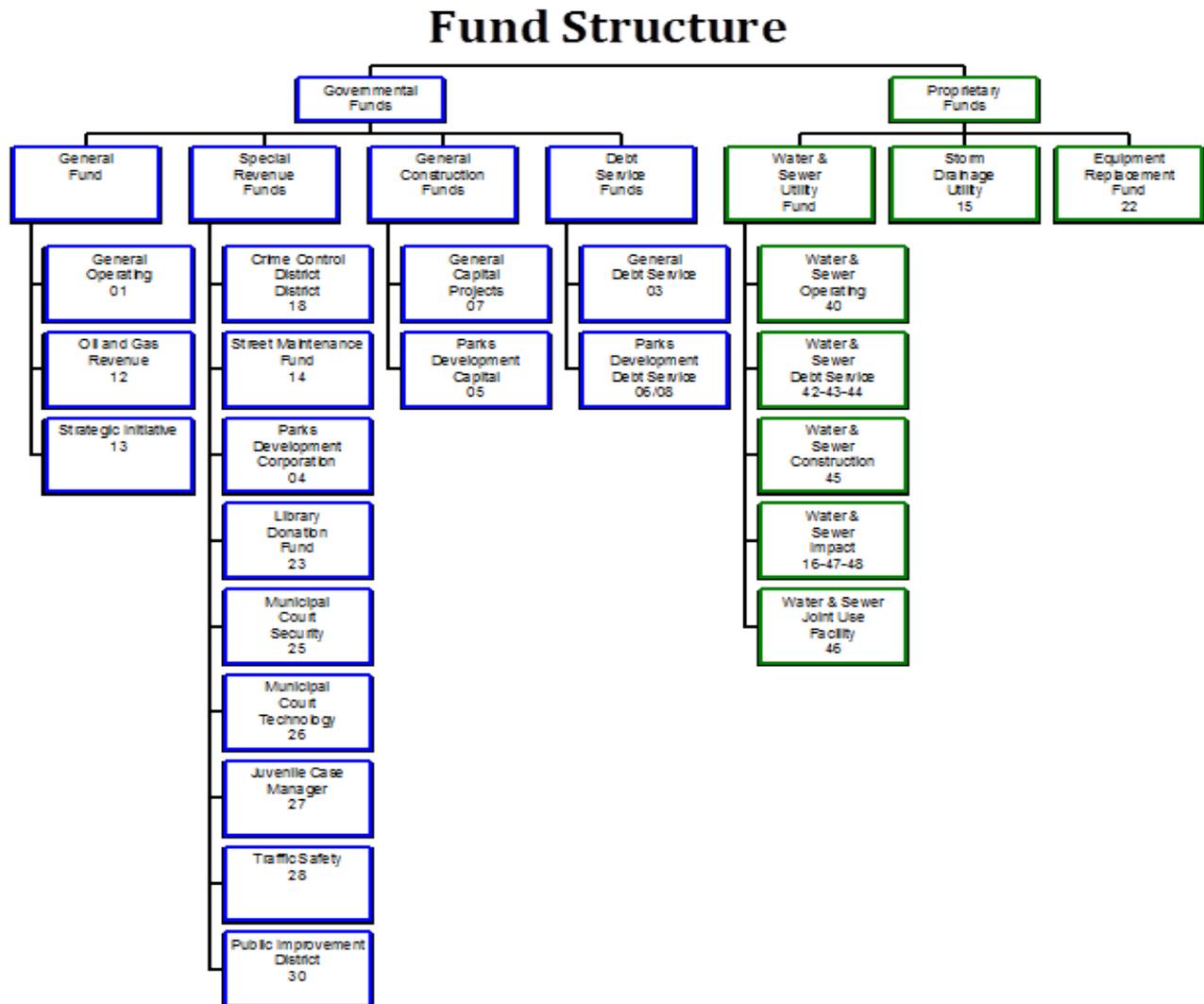
inspection services, library services, recreation, parks operation and maintenance, maintenance and operation of City-owned buildings, and storm drain maintenance and construction. In Fiscal Year 1999, the City of Watauga began the water and sewer operations, but does not own treatment facilities. A 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.

BUDGET OVERVIEW

Proprietary Fund Type

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

Enterprise Funds

The 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

BUDGET OVERVIEW

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.

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 38% of estimated General Fund revenue in FY 2016. 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.

DID YOU KNOW?

*The City of Watauga's tax base is
comprised of 74% Residential and 26%
Commercial properties.*

BUDGET OVERVIEW

TAX RATE DISTRIBUTION HISTORY



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 5.10% increase in ad valorem taxes this year, which can be attributed to both the increase in the tax rate this year and a slight increase of .72% in property valuations for residential and commercial establishments within the City.

BUDGET OVERVIEW

As shown in the table below and the Assessed Value of Taxable Property Graph on the opposite page, City valuations in 2012, 2013, and 2014 remained relatively flat. In FY2014-15 fiscal year, the City experienced an increase in valuations of 5.2%. In FY2015-16, the City had only a slight increase in property valuations of .72%. The City adopted the tax rate of \$0.618718/\$100 valuation, which was a \$0.275 increase in the tax rate adopted in FY2014-15 in order to meet the increase in expenditures that can be attributed to medical cost increases and personnel cost increases.

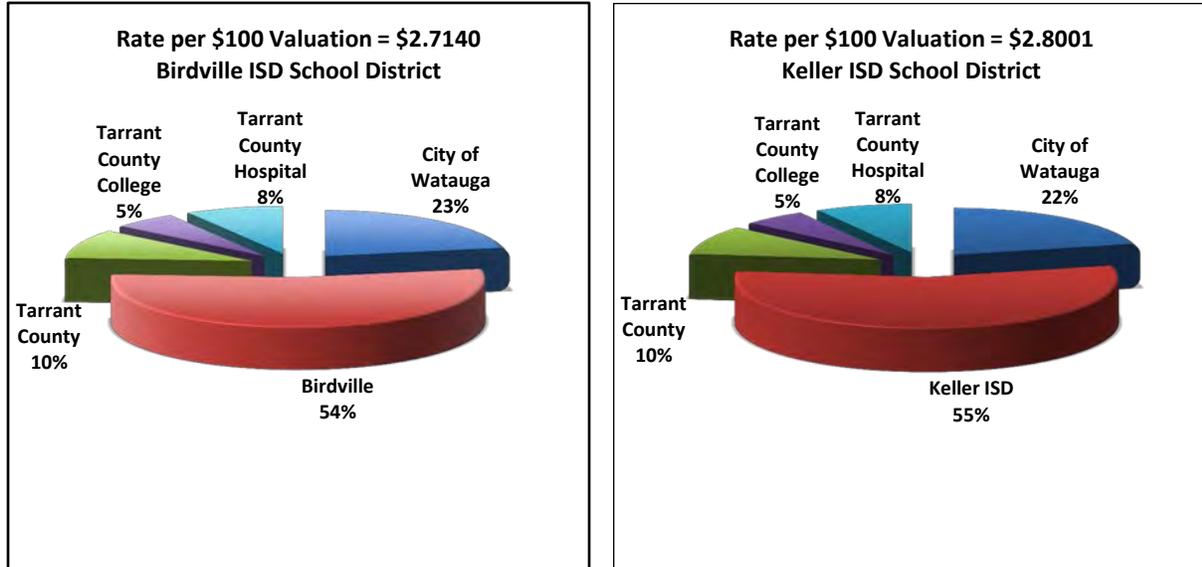
TABLE OF TRENDS IN ASSESSED VALUES, RATES AND LEVIES

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
2006	\$ 985,648,634	0.580763	\$ 5,743,401.00	\$ 5,678,457	98.49%
2007	\$ 999,944,177	0.580763	\$ 5,792,266.00	\$ 5,710,069	97.95%
2008	\$ 1,016,310,353	0.580763	\$ 5,909,897.00	\$ 5,846,780	98.93%
2009	\$ 1,027,284,114	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	\$ 971,784,583	0.580763	\$ 5,650,305.82	\$ 5,567,194	98.53%
2012	\$ 964,172,471	0.589001	\$ 5,678,985.50	\$ 5,607,998	98.75%
2013	\$ 959,370,713	0.591216	\$ 5,671,953.15	\$ 5,601,054	98.75%
2014	\$ 956,468,332	0.591216	\$ 5,654,793.81	\$ 5,584,109	98.75%
2015 est	\$ 1,006,204,685	0.591216	\$ 5,948,843.09	\$ 5,889,355	99.00%
2016 est	\$ 1,013,449,359	0.618718	\$ 6,270,393.61	\$ 6,207,690	99.00%

The City's property valuations are on a slow recovery, and the forecast for next year remains optimistic that the City will experience a higher increase in valuations than was seen this Fiscal Year. The real estate market in the North Tarrant County region in which Watauga is located continues to remain strong.

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 top ten principal taxpayers in the City include:

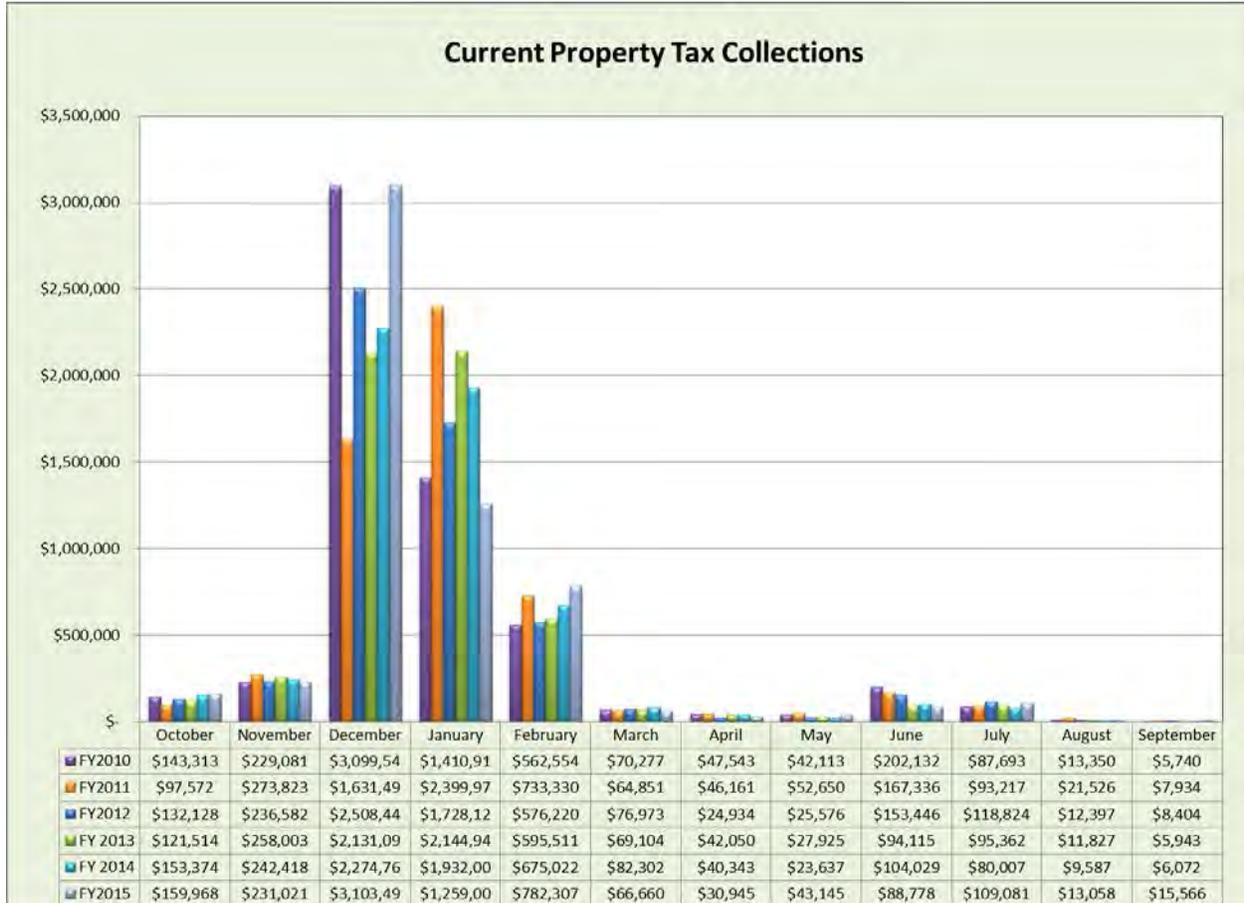
NAME	TYPE OF BUSINESS/PROPERTY	NET TAXABLE ASSESSED VALUE	% OT TOTAL ASSESSED VALUATION
Inland Western	Shopping Mall	\$31,436,219	3.09%
Watauga Town	Retail Center	\$24,219,560	2.38%
Dayton Hudson	Retail Center	\$10,140,000	1.00%
SCI Watauga	Retail Center	\$9,660,000	0.95%
ParkVista Townhomes	Apartments	\$8,800,000	0.87%
Oncor Electric	Electric Utility	\$7,586,175	0.75%
Southwestern Bell	Telephone Utility	\$5,425,910	0.53%
Watauga All Storage	Storage Facility	\$5,344,600	0.53%
Watauga Assoc.	Nursing Home	\$4,374,452	0.43%
Target Stores	Retail	\$4,252,171	0.42%

TOP TEN TOTAL % OF CITY'S ASSESSED VALUATION:

10.94%

BUDGET OVERVIEW

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.



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 27% of total revenue for the General Fund. Our economic outlook is conservative for the upcoming fiscal year. In FY2014-15, sales collections were approximately 6% over FY2013-14 collections. We expect this increasing trend to continue during the next year. We are predicting approximately 4% increase from FY2014-15 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,

BUDGET OVERVIEW

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. This revenue source is only estimated to bring in 2% of General Fund revenues for fiscal year 2016.

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.

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 6% 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 Municipal Judge for misdemeanor offenses occurring with the City and those collected on citations issued for code enforcement and on overdue library 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 2015-16.

BUDGET OVERVIEW

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 1/2% for the Watauga Parks Development for 1/4% to go towards Street Maintenance and Repair of City streets. This reallocation will be effective October 2012.

The remaining 1/4% 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 are forecasting a four percent increase over 2015-16 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.

Street Maintenance Fund Revenue – A 1/4% 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 in existence on the date of the election to adopt the tax. This tax expires in four (4) years unless reauthorized by the voters at a special election.

Watauga Crime Control and Prevention District Sales Tax Revenue - A 1/2% 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

DID YOU KNOW?

In May, 2012 voters approved a Street Maintenance Tax that provides \$780,000 annually for maintenance and repair of Watauga streets.

BUDGET OVERVIEW

approximately 99% of total revenue for the Watauga Crime Control and Prevention District Fund.

Original budget sales tax projections show a 4% 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 99.8% 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% 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 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 Safety 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.

BUDGET OVERVIEW

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.

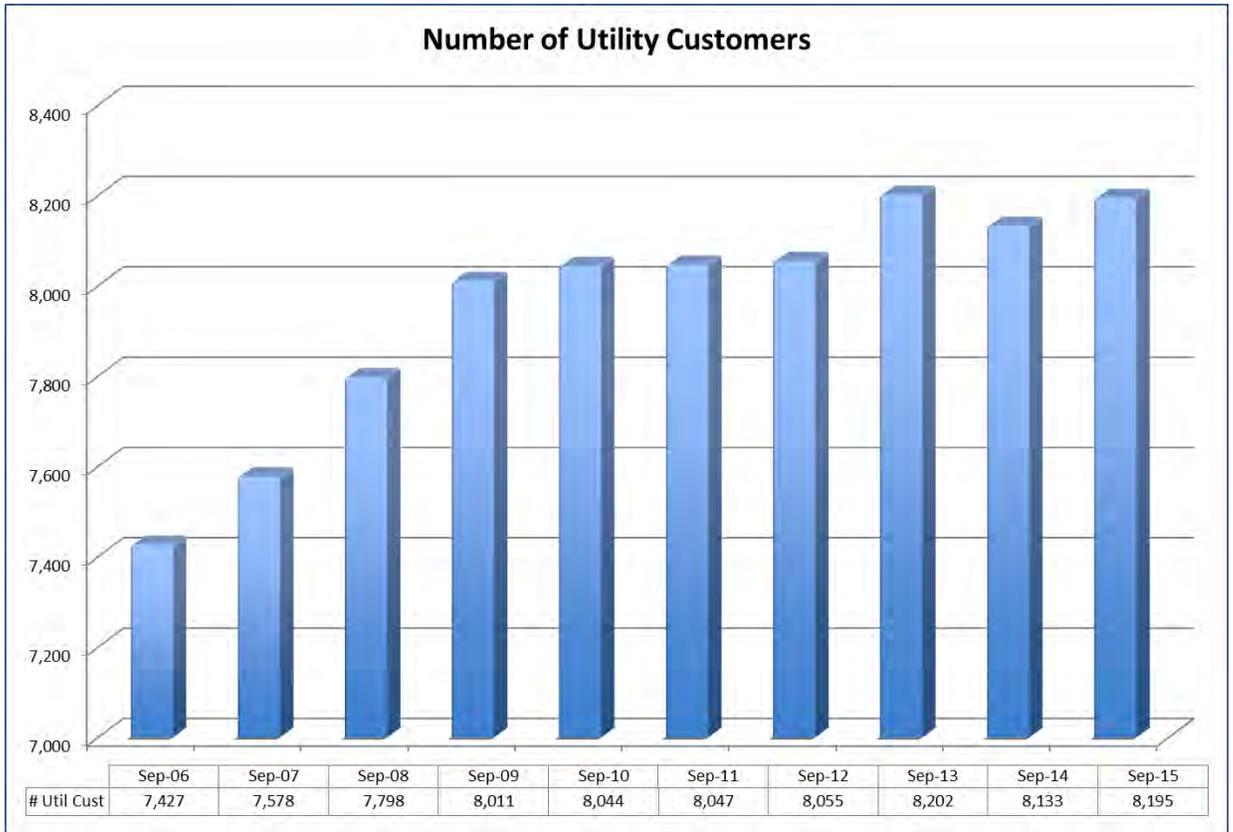
Miscellaneous revenue - Includes interest earned on the investment of each fund's cash and other various revenues.

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 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 95% of the Water and Sewer Utility Fund revenues. Other revenues such as penalty revenue and service charges make up 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:

BUDGET OVERVIEW



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 1.8% 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

CITY OF WATAUGA FUND/DEPARTMENT RELATIONSHIP													
	FUNDS												
DEPARTMENT/FUNCTION	GENERAL	STRATEGIC	OIL/GAS PERSONNEL	CRIME CONTROL	PARKS DEVELOPMENT BOARD	STREET MAINTENANCE	COURT FUNDS	UTILITY	STORM DRAIN	INTERNAL SERVICE (EQUIPMENT REPLACEMENT)	GENERAL CAPITAL PROJECTS	UTILITY CONSTR. FUND	PARKS CAPITAL PROJECTS
CITY MANAGER/CITY SECRETARY	X												
NON-DEPARTMENTAL	X		X					X					
HUMAN RESOURCES	X												
CODE ENFORCEMENT/INSPECTION SVCS.	X	X											
PLANNING & DEVELOPMENT	X	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					

LEGEND:

- 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 FY2015-16 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

BUDGET OVERVIEW

indirect costs. These fees should be reviewed on a regular basis to calculate full-cost recovery levels, compare them with current structures, and recommend adjustments when necessary.

- 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.

BUDGET OVERVIEW

- Purchasing: Every effort should be made to maximize discounts offered by vendors. Competitive bidding should be used to receive the most advantageous prices on good and services.
- **Fund Balances:** Maintain fund balances in the various funds at sufficient levels to protect the creditworthiness of the City and protect the financial position from emergencies.
 - 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.

BUDGET OVERVIEW

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 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."

BUDGET OVERVIEW

Thus, the maximum rate of tax for the City is \$2.50/\$100 of value of the taxable property in the municipality. The current City Tax rate is \$0.618718/\$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. 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).

BUDGET OVERVIEW

POLICY ISSUES, GOALS AND OBJECTIVES FOR FY 2015-16

The FY2015-16 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 achieved, performance-based programs were implemented in FY1999 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 FY2015-16 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 2014-15, the General Fund ending balance is projected to be at 44% of operating expenses. We expect to end fiscal year 2015-16 with a balance of 38% of operating expenses.

BUDGET OVERVIEW



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.

The drawdown of fund balance planned for this year for various capital projects totaling \$10.8 million. These projects are underway and include the Senior Citizen center, the Bursey Road Project and various water and sewer fund capital projects. More information on these projects can be found in the Capital Projects Fund tab in this budget document.

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 2015-16 Budget		
Operating Supplemental	One-Time Capital	Policy Direction (CSS# and W#)
	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 – Burse 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).
Establish Marshal’s Office		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).
Code Compliance Officer		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#!).
	Weight 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).
	Parks Vehicle – Dump Truck	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 2015-16 Budget		
	Fire Department Vehicle	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).
	Playground Shade Structure	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).
Park Walkway Repairs and Living Plant Supplies		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).
	Security System Upgrade	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.
	Crime Control Equipment Replacement	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).
	Water/Sewer Projects (Various) & Repair/Meter 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 OVERVIEW

The Cost of City Services

Based on average home value of \$94,433 each household will pay \$584.27 in city taxes for the year, or \$48.69 per month, to support these city services:

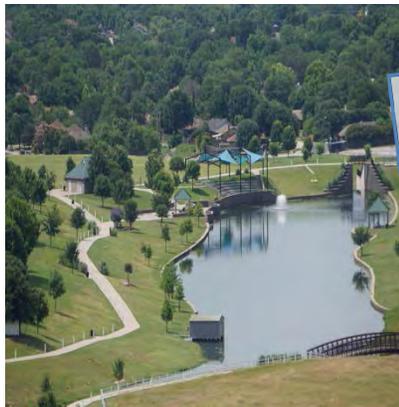


Emergency Services

Animal Control Services



Library Services



Park & Recreation Services

Building & Permit Services



Public Works Services



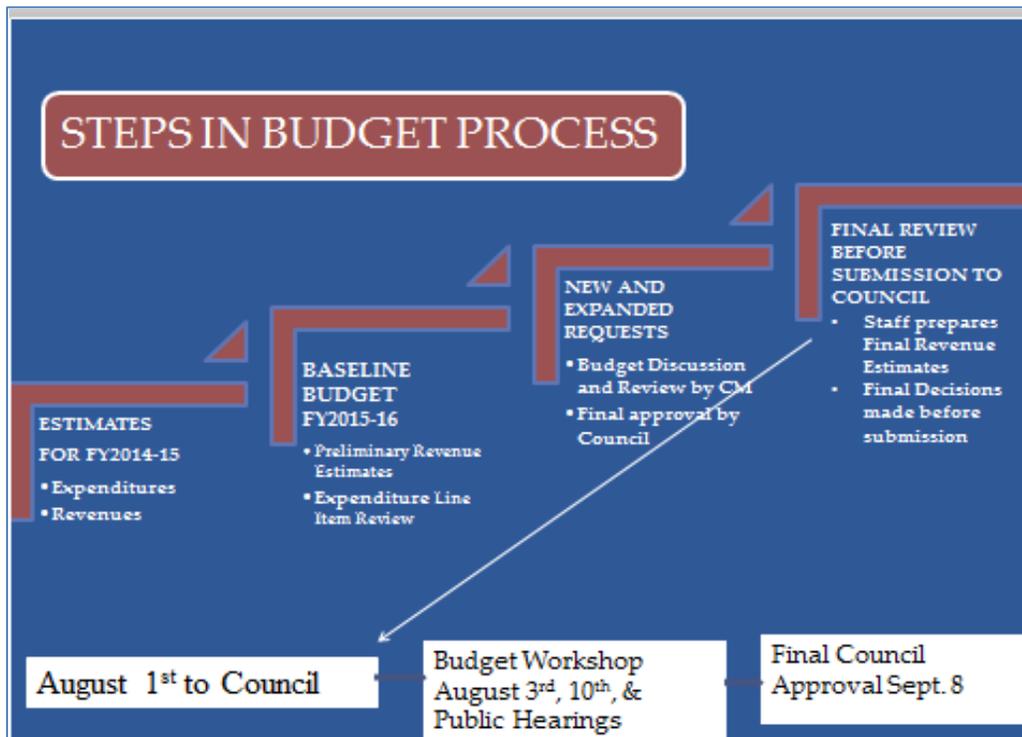
BUDGET CALENDAR

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. In addition, the 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.



To the left is a summary of the steps staff must complete before Council begins their budget review. The FY2015-16 budget calendar can be found on the following pages.

FY 2015-2016 Budget Calendar

Date	Group Affected	Action Needed	Requirement
City Wide Budget			
Tues. Feb 3- Wed. Feb 4, 2015	CM/ CC/Directors	Strategic Planning - City Council directs City Manager on Budget Objectives for FY 2015-16	
Wed., Mar. 18, 2015	Directors / FD / CM	Budget Kick-Off	
Wed, Apr 8, 2015	Directors / FD	Baseline Budgets & End of Year Projections Due	
Wed, Apr 15, 2015	Directors / FD	New & Expanded Requests Due	
April-May, 2015	FD/CM/PW Director	Capital Improvement Plan Development	CIP Development with Engineer based estimates.
Fri, May 15, 2015	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
Fri, May 22, 2015	FD	Preliminary Revenue Estimates	
Fri, May 29, 2015	FD / CMO	Finance Department submits consolidated budget to CMO	
Mon, Jun 8, 2015	CM/CC/Directors	Budget Workshop - (After CCD Meeting)	General Overview & 5 Year CIP
Mon. 6/8/2015- Wed.6/10/2015& Mon. 6/17-Tues. 6/16	Directors/FD/CM	Budget Request Discussions	Meeting with City Manager - Directors - Finance Director to allow departments to present budget requests
Fri, Jul 24, 2015	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 24, 2015	TAD / FD	Revenue estimates updated and revisions to the Budget Book are made as necessary.	
Mon, Jul 27, 2015	CM	Final Decisions & Budget Message Prepared	
Fri, Jul 31, 2015	FD / CM	Submit Preliminary Budget to Council	Article IX Sec.9.02B. Home Rule Charter
Fri, Jul 31, 2015	CSO for CC	Publish Notice of Availability of the proposed budget document for public inspection, as well as the time and place of public hearing for the proposed budget.	Article IX Sec9.02C. Home Rule Charter
Mon, Aug 3, 2015	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 3, 2015	CC/Directors/CM	Budget Presentation - Budget Highlights	
Fri, Aug 7, 2015	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.	Chapter26 Sec.26.06(b) Property Tax Code
Mon, Aug 10, 2015	CC/Directors/CM	Budget Presentation (If needed)	
Mon, Aug 17, 2015	CC	1st Public Hearing on Budget/Tax Rate - Announce date, time, and place of the meeting it will vote on proposed tax rate.	Chapter26Sec.26.06(a) Property Tax Code
Tue, Aug 25, 2015	CC	2nd Public Hearing Announce date, time, and place of the meeting it will vote on tax rate (3-14 days from this date)	Chapter26Sec.26.06(a) Property Tax Code
Tue, Sep 8, 2015	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 Chapter26 Sec.26.05(a)
Thu, Oct 1, 2015	ALL	Budget Implementation	
Crime Control District			
Wed, Apr 8, 2015	Directors / FD	Baseline Budgets due	
Wed, Apr 15, 2015	Directors / FD	New & Expanded Requests Submitted	
Thu, May 7, 2015	FD	Finance Dept. submits budget requests to CMO	

FY 2015-2016 Budget Calendar

Date	Group Affected	Action Needed	Requirement
Fri, May 15, 2015	CM/Director	Discussion of Budget	
Mon, Jun 8, 2015	CCD	Crime Board Workshop Meeting (Set the date for Public Hearings on proposed WCCPD Budget)	
Fri, Jun 12, 2015	CSO for CCD	Publish Notice of Public Hearing	Sec. 363.204(b) Local Government Code
Mon, Jun 22, 2015	CCD	Public Hearing	Sec. 363.204(a) Local Government Code
Mon, Jun 22, 2015	CCD	Budget Adoption	Sec. 363.204(d) Local Government Code
Mon, Jun 22, 2015	CC	Budget Acceptance	Sec. 363.204(e) Local Government Code
Mon, Aug 3, 2015	CSO for CC	Publish Notice of Public Hearing	Sec. 363.205(b) Local Government Code
Mon, Aug 10, 2015	CC	Public Hearing	Sec. 363.205(a) Local Government Code
Mon, Aug 17, 2015	CC	Budget Adoption	Sec. 363.205(d) Local Government Code
Parks Development Corporation			
Wed, Apr 8, 2015	Directors / FD	Baseline Budgets submitted	
Wed, Apr 15, 2015	Directors / FD	New & Expanded Requests Submitted	
Thu, May 7, 2015	FD/CM	Finance Dept. submits budget requests to CMO	
Fri, May 15, 2015	CM/Director	Discussion of Budget	
Fri, Jun 19, 2015	CSO for PDC	Publish Notice of Public Hearing	
Tue, Jul 14, 2015	PDC	Public Hearing	
Tue, Jul 14, 2015	PDC	Budget Adoption	
Mon, Jul 27, 2015	CC	Budget Acceptance	
Fri, Aug 7, 2015	CSO for CC	Publish Notice of Public Hearing	
Tue, Aug 25, 2015	CC	Public Hearing	
Tue, Sep 8, 2015	CC	Budget Adoption	
City Council Dates			Deliverables by Area of Responsibility
Mon, May 18, 2015			DEPARTMENTAL
Mon, Jun 22, 2015			CITY SECRETARY
Mon, Jul 27, 2015			CITY COUNCIL
Mon, Aug 17, 2015			FINANCE
Tue, Sep 8, 2015			WPDC BOARD
			WPCCD BOARD



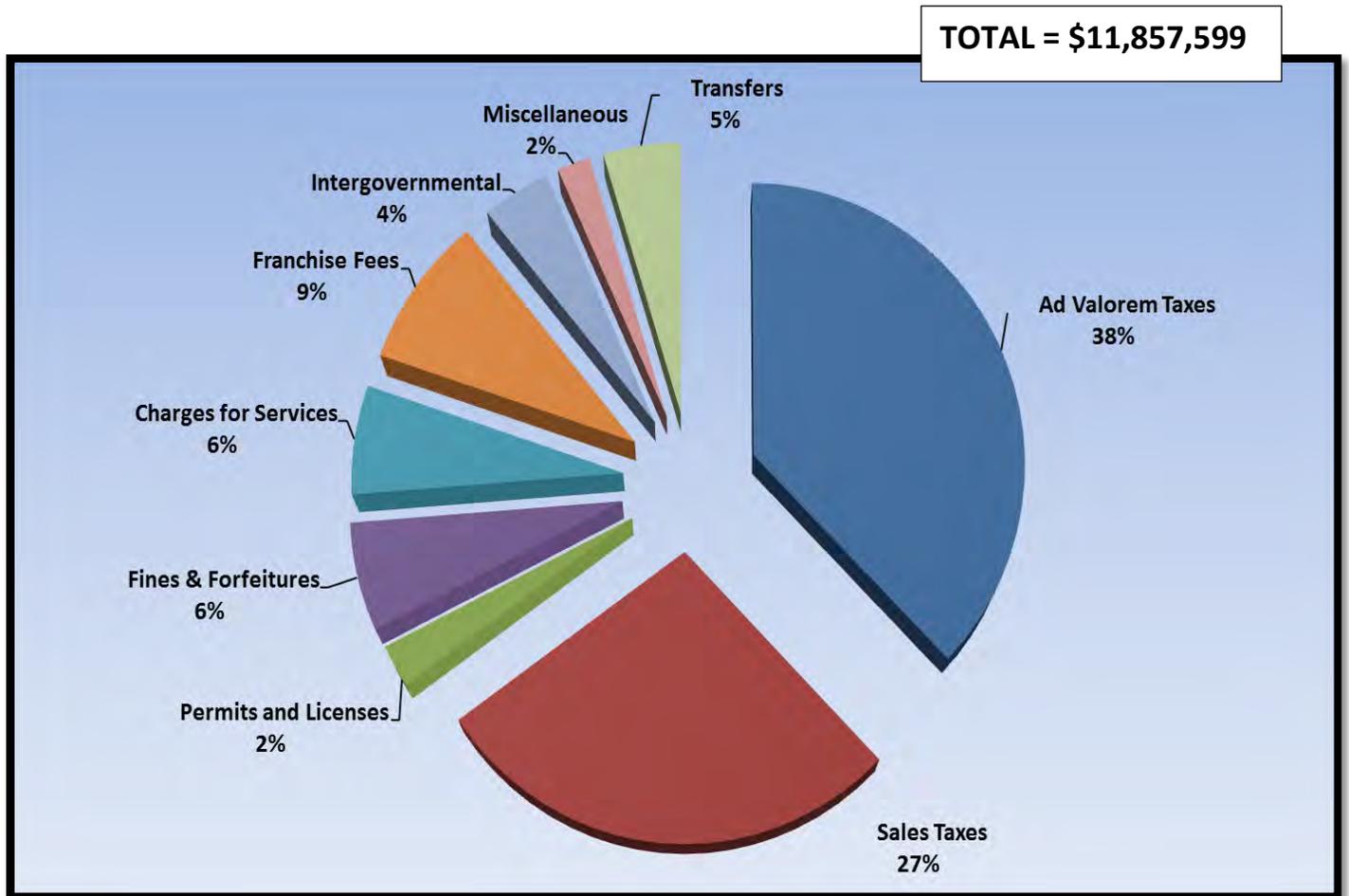
GENERAL FUND
OIL AND GAS FUND
STRATEGIC INITIATIVE FUND

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 of taxes and other revenues and finances a wider range of governmental activities than other funds. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable and expenditures are recorded when the liability is incurred.

Where does the money come from?

GENERAL FUND REVENUES



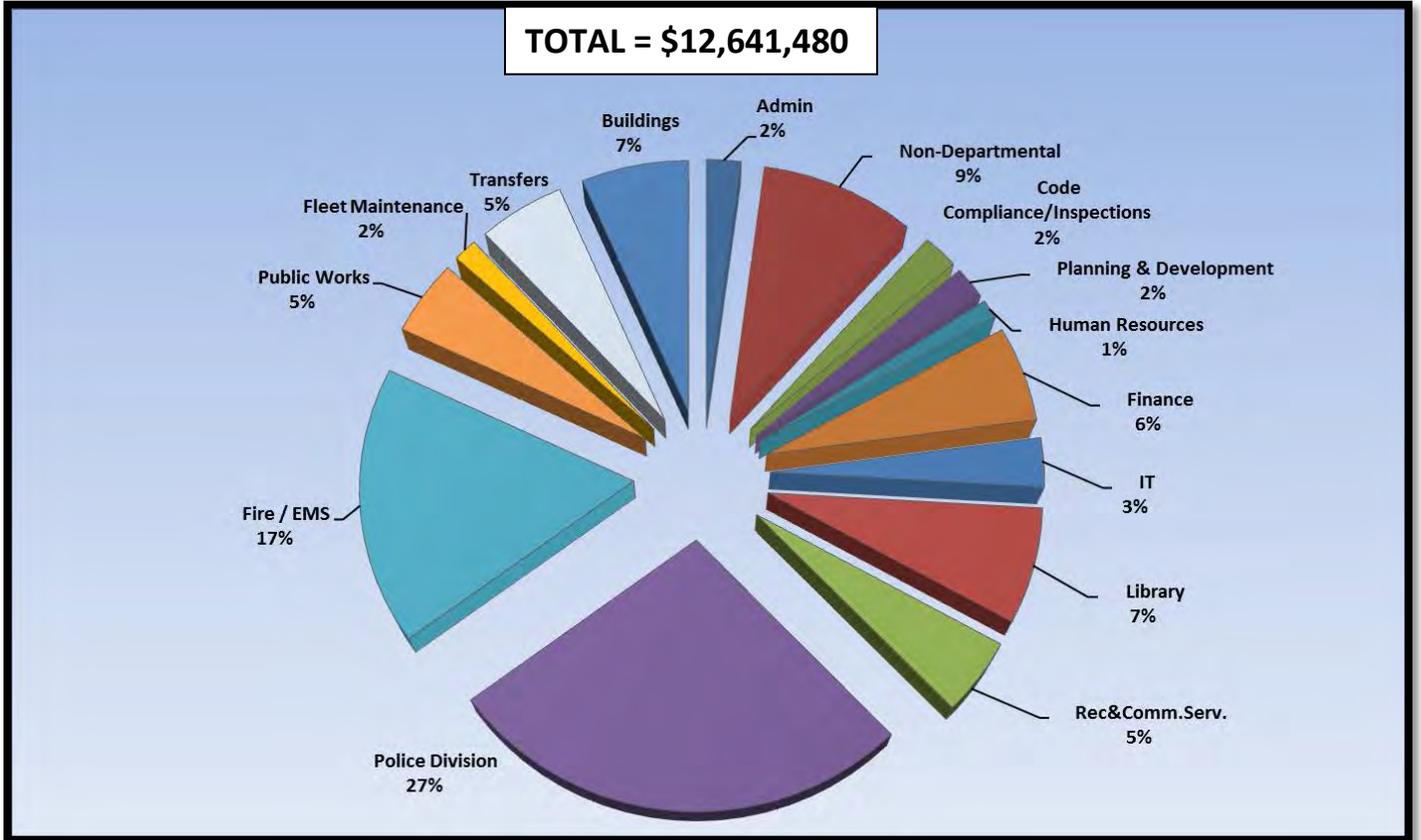
Revenues are forecasted at 6% over prior year, or \$663,199 which include increases in the following revenue categories:

❖ Property Tax Revenues (Proposed)	\$283,000
❖ Sales Tax	\$249,000
❖ Franchise Fees	\$ 40,000
❖ Fines and Forfeitures	\$ 46,200

GENERAL FUND

Where does the money go?

GENERAL FUND EXPENDITURES BY DEPARTMENT



General Fund expenditures have increased by 6% from FY2014-15, or \$710,030. This year General Fund Expenditures include the following increased funding levels from the prior year:

- ❖ Wage Adjustments \$215,000
- ❖ Transfer 1.3 Traffic Officer FTE from Traffic Safety \$109,000
- ❖ Medical Insurance Premium \$ 92,000
- ❖ Jail/Dispatch Consolidation \$ 54,000
- ❖ Compensation and Classification Study, Reclassifications, and Management Comp. \$ 60,000
- ❖ Civil Service Step Increases \$ 65,000
- ❖ Code Compliance Officer \$ 47,000
- ❖ Equipment Replacement Amortization \$ 27,000
- ❖ Admin. Asst. (partial funded in 2014-15) \$ 21,000

Decreases in expenditure levels include:

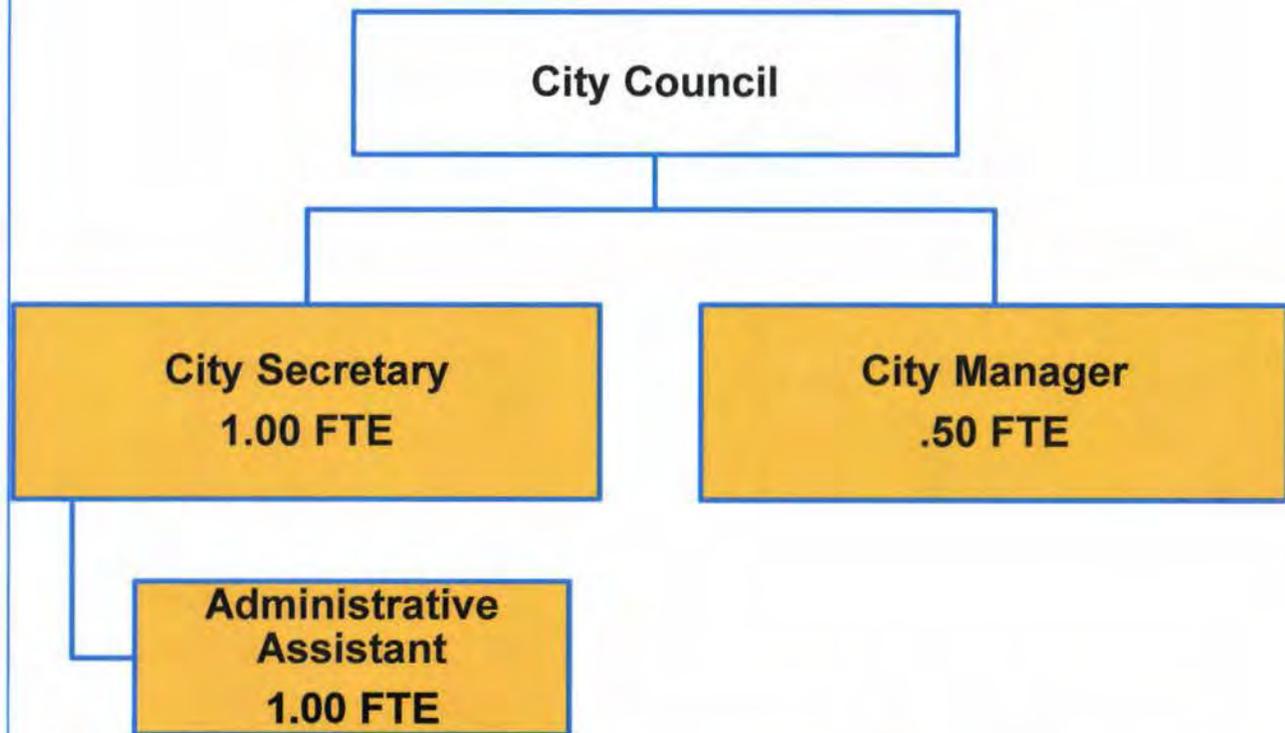
- ❖ Transfers to other funds: \$ 36,00

GENERAL FUND BUDGET SUMMARY

	HISTORY		PROJECTED YEAR		BUDGET	CHANGE	
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS. FY2014-15	
						\$	%
Fund Balance, October 1	\$5,220,240	\$5,075,350	\$5,420,999	\$5,739,754	\$5,255,640		
Revenues:							
Property Taxes	3,950,737	3,952,259	4,188,000	4,183,000	4,471,186	\$ 283,186	6.8%
Sales Taxes	2,877,455	2,959,094	3,001,000	3,151,350	3,249,500	\$ 248,500	8.3%
Permits and Licenses	250,793	309,592	285,000	288,000	291,000	\$ 6,000	2.1%
Fines & Forfeitures	625,614	737,435	693,800	717,126	736,700	\$ 42,900	6.2%
Charges for Services	699,037	777,746	755,000	729,600	747,000	\$ (8,000)	-1.1%
Franchise Fees	1,040,175	1,100,271	1,020,000	1,062,000	1,060,000	\$ 40,000	3.9%
Intergovernmental Revenue	471,721	469,219	496,500	475,000	496,500	\$ -	0.0%
Lease Revenue(Now Fund 12)	0	0	0	0	0	\$ -	0.0%
Miscellaneous	226,631	258,787	194,400	218,950	240,600	\$ 46,200	23.8%
Operating Revenues	\$ 10,142,163	\$ 10,564,404	\$ 10,633,700	\$ 10,825,026	\$ 11,292,486	\$ 658,786	6.2%
Operating Transfers-In:							
Transfers from Other Funds	534,221	532,569	560,700	513,500	565,113	\$ 4,413	0.8%
Total Available Resources	\$ 15,896,624	\$ 16,172,322	\$ 16,615,399	\$ 17,078,280	\$ 17,113,239	\$ 663,199	4.0%
Expenditures:							
City Manager & City Secretary	205,319	237,552	231,800	223,824	265,500	\$33,700	14.5%
Non-Departmental	1,186,274	895,825	1,075,900	1,059,400	1,195,050	\$119,150	11.1%
Human Resources	137,260	131,504	147,200	146,196	149,400	\$2,200	1.5%
Code Compliance & Inspection	0	294,418	455,400	446,588	275,950	(\$179,450)	-39.4%
Planning and Development	0	0	0	0	254,800	\$254,800	
Finance and Administration	690,829	644,713	720,300	711,229	750,380	\$30,080	4.2%
Information Technology	328,462	341,430	377,000	375,736	385,700	\$8,700	2.3%
Library	793,562	816,226	864,600	846,946	904,600	\$40,000	4.6%
Recreation & Community Serv.	619,730	548,625	580,100	575,741	597,600	\$17,500	3.0%
Police Division	2,961,167	2,961,167	3,144,500	3,135,397	3,420,050	\$275,550	8.8%
Fire / EMS	1,865,670	2,040,351	2,130,500	2,106,101	2,170,800	\$40,300	1.9%
Public Works	792,370	522,815	579,850	569,150	594,950	\$15,100	2.6%
Fleet Maintenance	165,068	152,965	165,000	163,100	184,300	\$19,300	11.7%
Buildings	763,363	744,977	765,300	761,232	826,400	\$61,100	8.0%
Operating Expenditures	10,509,074	10,332,568	11,237,450	11,120,640	11,975,480	\$ 738,030	6.6%
Operating Transfers-Out							
To Capital Project Fund	312,200	100,000	120,000	120,000	120,000	\$0	0.0%
Operating Surplus/(Deficit)	(\$144,890)	\$664,404	\$ (163,050)	\$ 97,886	\$ (237,881)		
Transfers to Sustainability Funds							
To Equipment Repl. - Legacy	0	0	106,000	106,000	106,000	\$0	0.0%
To Strategic Initiative Fund	0	0	250,000	250,000	150,000	(\$100,000)	0.0%
To Capital Project Fund Sr. Center	0	0	0	0	100,000	\$100,000	
To Equipment Repl. - Current Year	0	0	226,000	226,000	190,000	(\$36,000)	0.0%
Total Transfers to Sustainability Funds	0	0	582,000	582,000	546,000	\$ (36,000)	0.0%
TOTAL OPERATING & TRANSFERS	\$ 10,821,274	\$ 10,432,568	\$ 11,939,450	\$ 11,822,640	\$ 12,641,480	\$ 702,030	5.9%
Fund Balance, September 30	\$5,075,350	\$5,739,754	\$ 4,675,949	\$ 5,255,640	\$ 4,471,759		
CHANGE IN FUND BALANCE	(\$144,890)	\$664,404	(\$745,050)	(\$484,114)	(\$783,881)		
% OF EXPENDITURES	47%	55%	39%	44%	38%		

REQUIRED FUND BALANCE	2,971,370.00
AMOUNT OVER REQUIREMENT	\$1,500,389

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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Conducted General and Special Elections.
- Digitized Vehicle Records, Proclamations, Contracts, and Mixed Beverage Permit Files.
- Implemented new City Code of Ordinances.
- 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".
- Implemented online Application for Boards/Committees/Commissions.
- Appointed as Member of North Texas Municipal Clerks Association-Bylaws Committee and Membership Committee.
- Provided daily administrative support to Mayor, Council, City Manager, and other City Departments as needed.
- Implemented "Frequently Requested Information Page" on City Website.

FY2014-2015 GOALS/ OBJECTIVES:

- Conduct General and Special Election as required.
- Digitize historical documents.
- Process all public information requests according to State statutes.
- 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.
- Implement online Claim Form.

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	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$223,216	\$196,239	\$222,553	\$213,600	\$205,624	\$246,100
Supplies	\$2,080	\$251	\$842	\$1,500	\$1,500	\$1,000
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$12,655	\$8,828	\$14,157	\$16,700	\$16,700	\$18,400
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$237,951	\$205,319	\$237,552	\$231,800	\$223,824	\$265,500

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
Administrative Assistant	0.00	0.00	0.00	0.00	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	2.50	2.50

PERFORMANCE MEASURES / SERVICE LEVELS

<i>Input / Demand</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
City Council Meetings Held	24	35	35	35
Board/Commisson/Committee Meetings Held	53	60	60	65

<i>Output/Workload</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
City Council Agenda Packets Prepared	24	35	30	30
City Council Minutes Prepared	24	35	30	30
Boards & Commission Agenda Packets Prepared	53	60	60	65
Boards & Commission Minutes Prepared	53	60	60	65
Resolutions Processed	29	42	37	35
Ordinances Processed	45	35	40	40
"Contact Us/Citizen Concerns" Requests Processed	301	350	315	325
Public Information Requests Processed	202	270	230	235
Property Claims Processed	4	15	15	15
Liability Claims Processed	10	10	10	10
Application for Board/Commt	17	20	20	20
Alcohol Beverage Permits Processed	36	36	36	36

<i>Efficiency Measures / Impact</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O Budget Per Capita	\$10.11	\$9.46	\$9.14	\$11.27
M & O Budget Percentage of City Budget	0.78%	0.56%	0.54%	0.64%

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</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 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: ADMINISTRATION				
DIVISION / ACTIVITY: CITY MANAGER/CITY SECRETARY – FUND 01-010				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		\$20,500 \$3,500 \$1,000 \$7,500	Administrative Assistant Position Salary Increase Overtime Increase Insurance Increase
Communications	Contractual/Sundry		\$1,500	Increased Stipends/lpads
Net Misc. Budget Changes	Various		(\$300)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$33,700	

\$33,700 NET INCREASE/DECREASE

Human Resources Fund 01-011

**Director of Human Resources
& Civil Service
0.50 FTE**

**Human Resources Specialist
1.00 FTE**



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 <i>Watauga A Great Place to Work.</i></p>	
FY2014-15 HIGHLIGHTS/ACCOMPLISHMENTS: <ul style="list-style-type: none"> • Implementation of NEOGOV online employment application system. • Revision to Personnel, Administration and Financial Policies and Procedures Manual and conversion to online platform. • Successful negotiation and execution of Meet and Confer Agreement between the City of Watauga and Watauga Firefighters’ Association. • Increased Employee Health and Wellness Initiatives (Biggest Loser Contest, Lunch and Learns, etc.). • Began updating job descriptions in new format. • Implemented use of Accident Review Committee. • Archived personnel files by scanning into laser fiche in compliance with Texas Records Retention Schedule. • Destruction of personnel files in compliance with the Texas Records Retention Schedule. 	
FY2015-16 GOALS/ OBJECTIVES: <ul style="list-style-type: none"> • Complete revision of Personnel, Administration and Financial Policies and Procedures Manual. • Continue to update job descriptions in new format. • Continue archiving personnel files in compliance with the Texas Records Retention Schedule. • Implement a Safety Reward and Recognition Program. 	
MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS: <ul style="list-style-type: none"> • Increasing healthcare premium costs. 	

GENERAL FUND

DEPARTMENT: ADMINISTRATION						
DIVISION / ACTIVITY: HUMAN RESOURCES - FUND 01-011						
EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$102,110	\$103,115	\$103,698	\$110,000	\$109,696	\$113,600
Supplies	\$1,217	\$783	\$573	\$2,100	\$1,600	\$1,300
Maintenance	\$0	\$0	\$300	\$500	\$500	\$500
Contractual/Sundry	\$35,063	\$33,362	\$26,932	\$34,600	\$34,400	\$34,000
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$138,390	\$137,259	\$131,503	\$147,200	\$146,196	\$149,400
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						
Input / Demand			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Number of Human Resources Employees			2	2	2	2
Number of City Employees Budgeted (FTEs)			182.25	181.25	179.50	179.50
Output / Workload			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Number - internal promotions and transfers processed			8	5	10	8
Job vacancies filled (includes seasonal)			45	40	30	30
Employment applications processed			904	1,000	1,200	1,200
Number of worker's compensation claims processed			16	15	12	12
Number of equipment and vehicle accidents processed			20	15	12	12
Number of family medical leave requests processed			18	15	12	12
Payroll / Benefit transactions performed			570	800	800	800
Efficiency Measures / Impact			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
M & O budget per capita			\$5.60	\$6.01	\$5.97	\$6.34
M & O budget percentage of City budget			0.43%	0.36%	0.35%	0.36%
Effectiveness Measures / Outcomes		Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Employee turnover rate (FT Positions)		4, 5	14%	14%	14%	14%
Number of employee complaints		1, 4, 5	2	1	1	1

GENERAL FUND

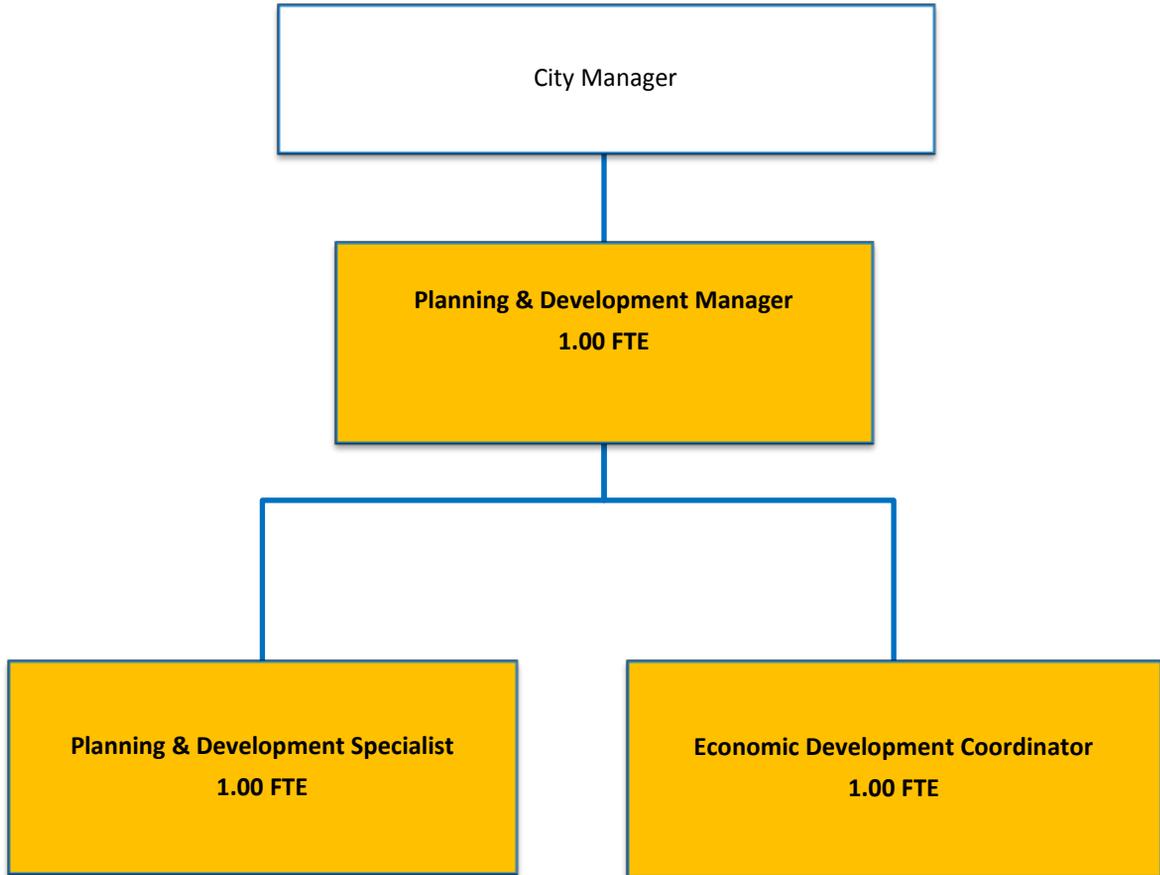
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: ADMINISTRATION				
DIVISION / ACTIVITY: HUMAN RESOURCES - FUND 01-011				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		\$2,100 \$1,500	Salary Increase Insurance Increase
Net Misc. Budget Changes	Various		(\$1,400)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$2,200	

\$2,200 NET INCREASE/DECREASE

Administration Planning & Development Division Fund 01-012



GENERAL FUND

DEPARTMENT: ADMINISTRATION

DIVISION / ACTIVITY: PLANNING & DEVELOPMENT DIVISION – FUND 01-012

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:

The Planning and Development Division is responsible for both Planning and Economic Development functions within the City.

The Planning functions within the Division promote the health, safety, and welfare of the community by utilizing planning principals. These efforts protect and maintain property values and ensure land uses are properly situated in relation to one another.

The Economic Development functions to implementing a program of activities that works to improve Watauga's well-being and quality of life. Emphasis is placed on improving the business climate through specific efforts by way of the following projects and activities: new development, redevelopment, workforce development, business retention and expansion, and small business development.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Training provided for the first time to Planning and Zoning Commission and Zoning Board of Adjustment.
- Updated language on Planning and Zoning and Zoning Board of Adjustment Applications.
- Amended Zoning Ordinance for an update to definition of masonry.
- Creation of Property Specific Quick Sheets to market properties.
- Small Business Week Program May 4-9 which included speakers and free resources.
- Monthly Significant Business Anniversary visits.
- Presentations to local Civic Organizations such as Northeast Richland Lions Club and Northeast Tarrant Chamber of Commerce.
- Approval by Council on Economic Development Strategic Plan.

FY2015-2016 GOALS/ OBJECTIVES:

- Comprehensive Land Use Plan Adoption – Development Strategy.
- Execution of the Economic Development Strategic Plan.
- Continue to update the existing Zoning Ordinance.
- Continue to provide training to Planning and Zoning Commission and Zoning Board of Adjustment.
- Enhance the Watauga Small Business Week Program.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

This Division has only been in existence for 6 months and therefore there is no historical trend for both the budget and operations. This Division was moved from the Public Works Department to the Administration Department.

The Comprehensive Land Use Plan will be a long term project, which may take up to 18 months for adoption by Council. The funding for this program has been identified in the Strategic Initiatives Fund.

GENERAL FUND

DEPARTMENT: ADMINISTRATION

DIVISION / ACTIVITY: PLANNING & DEVELOPMENT DIVISION - FUND 01-012

EXPENDITURES						
	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 BUDGET	2014-15 ESTIMATED	2015-16 BUDGET
Personnel						\$220,900
Supplies			This department functioned under			\$2,000
Maintenance			01-090 until FY2014-15			\$0
Contractual/Sundry						\$31,900
Capital Outlay						\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$254,800
PERSONNEL						
Planning & Zoning Manager			This department functioned under			1.00
Planning/Development Specialist			Code Compliance until FY2014-15			1.00
Economic Development Coordinator						1.00
TOTAL	0.00	0.00	0.00	0.00	0.00	3.00
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Gross Retail Square Footage					1,819,615	1,819,620
Labor Force			This department functioned			13,958
Number of Total Businesses			under Public Works			325
Zoning Applications to Ordinance			until FY2014-15			1
						2
<i>Output/ Workload</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Commerical Remodel Values						
Number of New Businesses					33	35
Rezoning			This department functioned			1
Specific Use Permits			under 01-090 until FY2014-15			1
Text Amendments - Staff Reports/Ordinances					0	2
Platting					1	2
<i>Efficiency Measures / Impact</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O percentage of City budget			N/A	N/A	N/A	0.62%
M & O budget per Capita			N/A	N/A	N/A	\$10.81
<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>		<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Taxable Sales per Capita						
Taxable Sales per Business			This department functioned			
Single family appraised property value			under 01-090 until FY2014-15			
Average days applications (Zoning) to Ordinance					30	30

GENERAL FUND

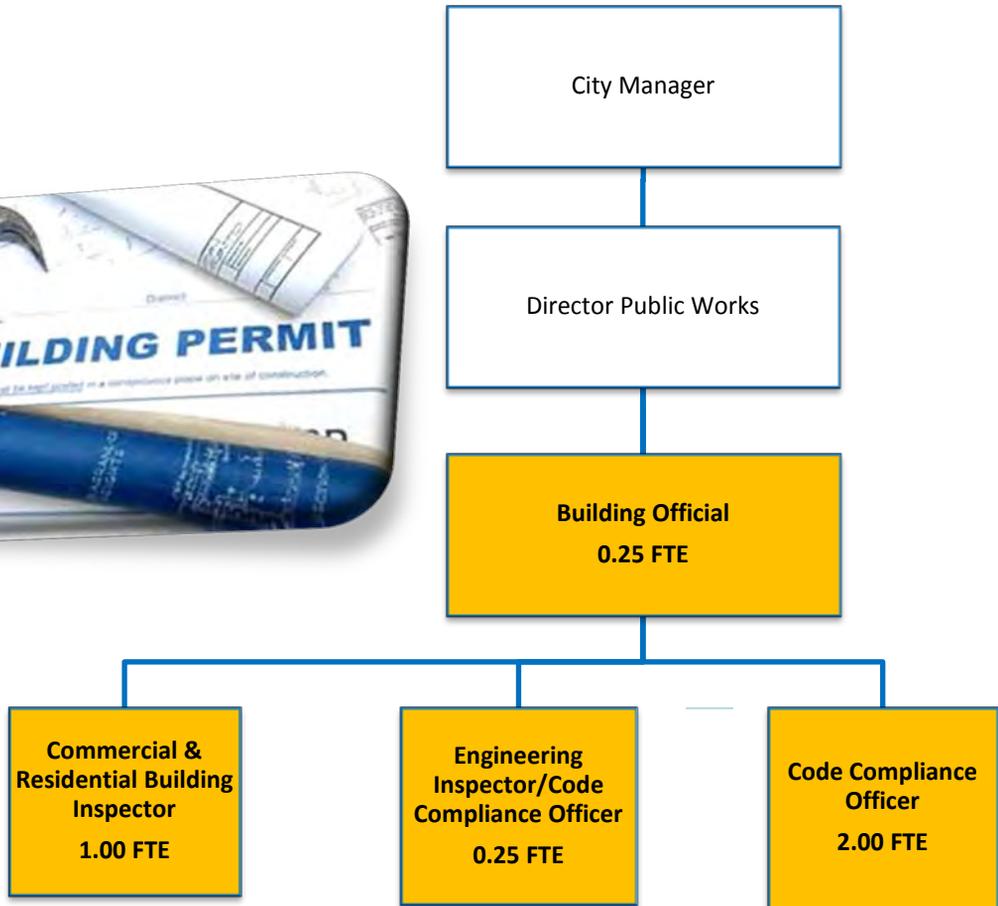
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: ADMINISTRATION				
DIVISION / ACTIVITY: PLANNING & DEVELOPMENT DIVISION - FUND 01-012				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		\$215,400 \$5,500	New Division - Move from Code Compliance Salary Increase
Publications	Supplies		\$1,000	New Division - Move from Code Compliance
Wearing Apparel	Supplies		\$500	New Division
Office Supplies	Supplies		\$500	New Division
Communications	Contractual/Sundry		\$1,400	New Division - Cell Phone Stipends
Special Services	Contractual/Sundry		\$2,500	Shops QA - Reallocated from Code Compliance
Advertising	Contractual/Sundry		\$2,000	New Division - Move from Code Compliance
Travel Expense	Contractual/Sundry		\$3,000	New Division - Move from Code Compliance & Increase
Dues & Subscriptions	Contractual/Sundry		\$2,000	New Division - Move from Code Compliance & Increase
Training	Contractual/Sundry		\$3,000	New Division - Move from Code Compliance & Increase
Board Training	Contractual/Sundry		\$1,000	New Division
Printing & Binding	Contractual/Sundry		\$1,000	New Division - Move from Code Compliance
Family 4th Event	Contractual/Sundry		\$9,000	Reallocated from Code Compliance & Reduction
Research/Analytics	Contractual/Sundry		\$7,000	New Division - was Economic Development
TOTALS:		\$0	\$254,800	

\$254,800 NET INCREASE/DECREASE

Public Works Code Compliance & Inspection Services Fund 01-013



GENERAL FUND

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: CODE COMPLIANCE & INSPECTION SERVICES – 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 enhance the economic development goal of the city by offering residential revitalization programs to citizens in need of assistance in the upkeep of their properties.
- Code Compliance & Inspection Services consists of several different sections, which includes residential revitalization, code compliance, engineering and building inspections.
- Code Compliance personnel will ensure property owners comply with the Code of Ordinances.
- Engineering and Building inspection will ensure that all plans and projects submitted meet our city specification through plan review and field inspections.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Increased code compliance inspections by approximately 28% overall.
- Completed construction of the Skate Park.
- From the inception of the Single Family Rehabilitation efforts 17 properties have been revitalized with 13 properties during Fiscal Year 2014-15.

FY2015-2016 GOALS/ OBJECTIVES:

- Ensure Code of Ordinance compliance by property owners.
- Assist with the identification of properties and volunteers for the Watauga Improving Neighborhoods (WIN) and Tarrant County Home programs.
- Ensure that all plans and projects submitted meet City specifications through plan review and field inspections.
- Ensure that all construction/remodel/alteration plans and projects submitted meet City, State and Federal specifications through plan review and field inspections.
- Maximize revitalization efforts within the city to allow for the most effective use of funds allowed for repairing and maintaining housing.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

GENERAL FUND

DEPARTMENT: PUBLIC WORKS

DIVISION / ACTIVITY: CODE COMPLIANCE & INSPECTION SERVICES - FUND 01-013

EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel			\$244,768	\$400,500	\$399,288	\$246,400
Supplies	This division functioned under General Fund - PW until FY2013-14		\$2,572	\$3,100	\$3,100	\$5,000
Maintenance			\$0	\$3,700	\$1,400	\$1,700
Contractual/Sundry			\$47,078	\$48,100	\$42,800	\$22,850
Capital Outlay			\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$294,418	\$455,400	\$446,588	\$275,950
PERSONNEL						
Planning & Zoning Manager			0.00	0.00	1.00	0.00
Building Official			0.25	0.25	0.25	0.25
Building Inspector	This division functioned under General Fund - PW until FY2013-14		1.00	1.00	1.00	1.00
Code Enforcement Officer/Engineer			0.25	0.25	0.25	0.25
Code Enforcement Officer			2.00	2.00	2.00	2.00
Planning/Development Specialist			0.00	0.00	1.00	0.00
Administrative Supervisor			0.25	0.25	0.00	0.00
Economic Development Coordinator			1.00	1.00	1.00	0.00
TOTAL	0.00	0.00	4.75	4.75	6.50	3.50
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Number of full time employees:						
Building Official			0.25	0.25	0.25	0.25
Building Inspector			1.00	1.00	1.00	1.00
Code Enforcement Officer/Engineering Inspector			0.25	0.25	0.25	0.25
Code Enforcement Officer			2.00	2.00	2.00	2.00
Output/ Workload			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Commercial plan reviews			41	12	45	30
Residential plan reviews			86	13	25	25
New single family permits			6	13	7	1
Single family additions/remodels			28	25	25	18
New commercial buildings			1	2	7	6
Commercial remodel			3	37	25	15
Rental registrations			1,191	855	1,271	1300
Vacant structure registrations			39	111		
Value of CIP/CDBG projects completed			\$3,022,721	\$2,929,926.00	\$2,929,926.00	\$935,132.06
Street overlays inspected			4	4	4	4
Request tracker complaints received			470	300	460	450
Court cases			244	113	300	400
Efficiency Measures / Impact			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
% of inspections responded to within 24 hours				98%	98%	98%
M & O percentage of City budget			0.97%	1.10%	1.08%	0.67%
M & O budget per capital			13	\$18.59	\$18.23	\$11.71
Effectiveness Measures / Outcomes			Goals	Actual 13-14	Budget 14-15	Estimated 14-15
% - residential plans reviewed -7 working days			1, 3, 4, 5	100%	100%	100
% - commercial plans reviewed -15 working days			1, 2, 3, 4, 5	95%	95%	95%

GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PUBLIC WORKS				
DIVISION / ACTIVITY: CODE COMPLIANCE & INSPECTON SERVICES - FUND 01-013				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		(\$215,400)	New Division - Moved to Planning & Development
			\$1,500	Overtime Increase
			\$5,000	Salary Increase
			\$6,800	Insurance Increase
			\$46,500	New Expanded Funding - Code Officer
Vehicle Fuels & Lubricants	Supplies		\$2,000	Reallocated from Hardware Maintenance & Reduction
Hardware Maintenance	Maintenance		(\$2,300)	Reallocated to Vehicle Fuels & Reduction
Advertising	Contractual/Sundry		(\$1,500)	New Division - Moved to Planning & Development
Travel Expense	Contractual/Sundry		(\$5,000)	New Division - Moved to Planning & Development & Reduction
Training	Contractual/Sundry		(\$2,000)	New Division - Moved to Planning & Development
Printing & Binding	Contractual/Sundry		(\$1,000)	New Division - Moved to Planning & Development
Debris Disposal	Contractual/Sundry		\$1,500	Historical Usage Adjustment
Family 4th Event	Contractual/Sundry		(\$10,000)	New Division - Moved to Planning & Development
Economic Development	Contractual/Sundry		(\$6,000)	New Division - Moved to Planning & Development
Net Misc. Budget Changes	Various		\$450	Net Small Dollar Budget Adjustments
TOTALS:		\$0	(\$179,450)	

(\$179,450) NET INCREASE/DECREASE

Non-Departmental Fund 01-020

Administration

Non-Departmental



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

FY2014-15 HIGHLIGHTS / ACCOMPLISHMENTS:

- Funded the Northeast Tarrant Leadership Program with two participants.
- Funded Employee Appreciation Dinner.
- Funded a 2.5% pay increase.

FY2015-16 GOALS/ OBJECTIVES:

- Provide funding for the Equipment Replacement Program.
- Provide increased funding for the Employee Tuition Reimbursement Program.
- Provide funding for 3% salary increase.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

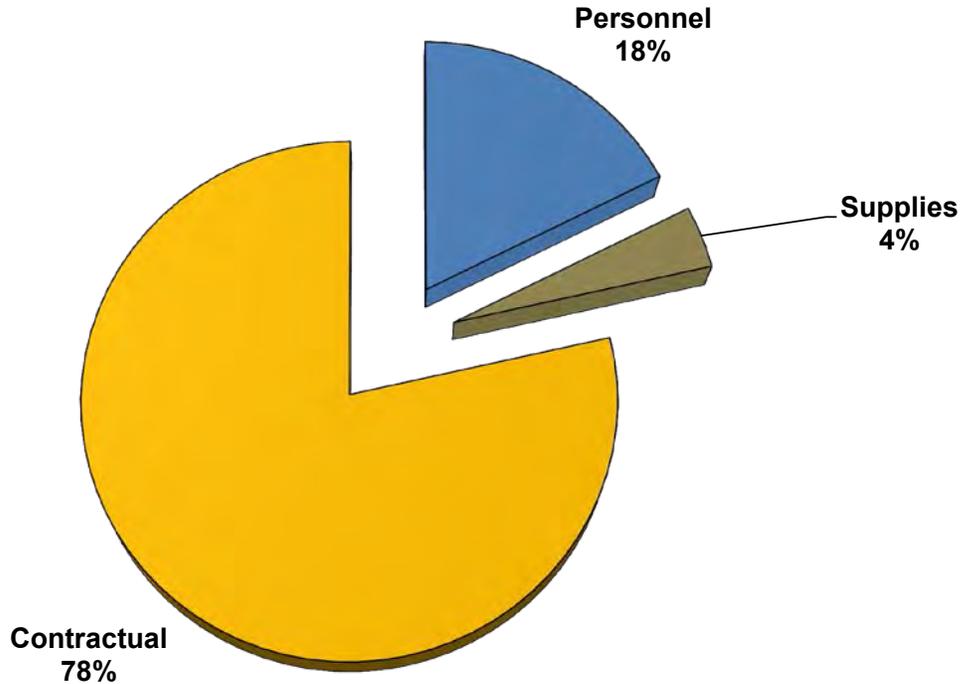
- It has been more difficult to control costs in this department as costs increases are realized annually for many line items such as City Attorney fees (due to increase of hours), unemployment, and worker's compensation costs. The City will continue to look for ways to control costs.

GENERAL FUND

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

EXPENDITURES	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 BUDGET	2014-15 ESTIMATED	2015-16 BUDGET
Personnel	\$526,436	\$254,516	\$0	\$125,000	\$125,000	\$210,000
Supplies	\$36,750	\$35,061	\$32,973	\$40,500	\$38,500	\$46,500
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$920,118	\$896,509	\$862,850	\$910,400	\$895,900	\$938,550
Capital Outlay	\$199,921	\$0	\$0	\$0	\$0	\$0
TOTAL	\$1,683,224	\$1,186,086	\$895,822	\$1,075,900	\$1,059,400	\$1,195,050
PERSONNEL						
TOTAL	0	0	0	0	0	0

**GENERAL FUND NON-DEPARTMENTAL
2015-16 Budget**



GENERAL FUND

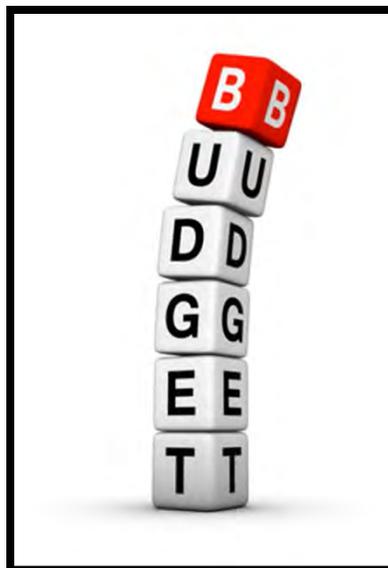
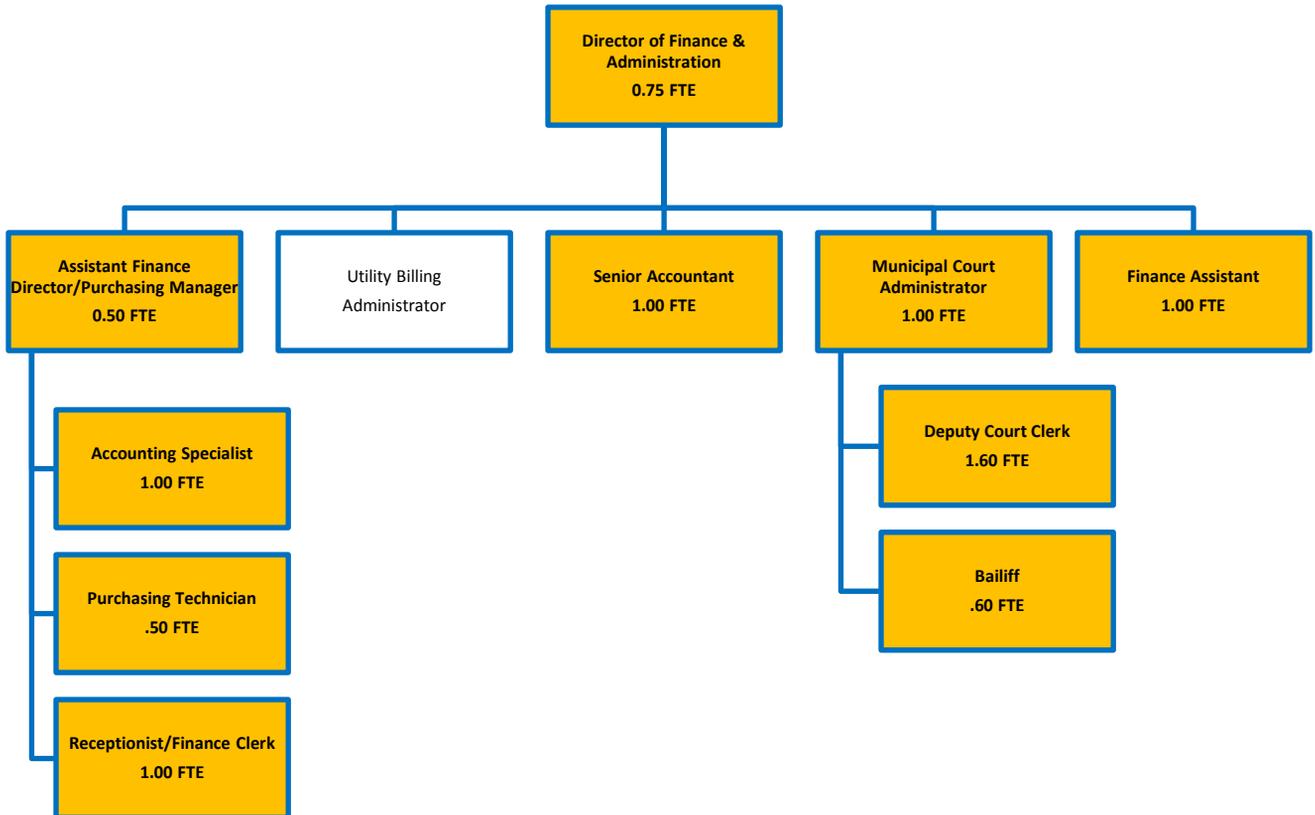
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: ADMINISTRATION				
DIVISION / ACTIVITY: NON-DEPARTMENTAL - FUND 01-020				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services	\$20,000 \$40,000	\$25,000	Separation Increase Salary Survey/Evaluation Heath Savings Accounts Funding
Events/Refreshments	Supplies		\$6,000	Reallocated from Special Services & CCD
Council Communications	Contractual/Sundry		\$6,000	Funding from FY14-15
Rental of Equipment	Contractual/Sundry		(\$3,000)	Decreased Need Historical Adjustment
Special Services	Contractual/Sundry		\$16,100	Add Charter/Verizon - Reallocated from Various
Special Services	Contractual/Sundry		(\$4,000)	Reallocated to Events/Refreshments
Special Services	Contractual/Sundry	\$20,000		New Expanded Funding - Comp. Study
ACA Mandates	Contractual/Sundry		(\$29,000)	Reallocated to Personnel Services
Bank Charges	Contractual/Sundry		\$5,000	Increased Costs
Civil Service Litigation	Contractual/Sundry		\$5,000	Reallocated from Litigation Expense
Audit	Contractual/Sundry		(\$5,000)	Audit Contract Adjustment
Litigation Expense	Contractual/Sundry		(\$5,000)	Reallocated to Civil Service Litigation
Payment to Internal Services	Contractual/Sundry		\$27,050	Equipment Replacement Amortization FY15-16
Workers Compensation	Contractual/Sundry		\$2,000	Reallocated from Public Official Liability
Public Liability	Contractual/Sundry		(\$1,000)	Decreased Need Historical Adjustment
Unemployment Insurance	Contractual/Sundry		\$1,000	Reallocated from Surety Bonds
Surety Bonds	Contractual/Sundry		(\$1,000)	Reallocated to Unemployment Insurance
Public Official Liability	Contractual/Sundry		(\$2,000)	Reallocated to Workers Compensation
Ambulance Services	Contractual/Sundry		(\$4,000)	Contract Adjustment
Contract/Outsource Services	Contractual/Sundry		\$5,000	Grounds Maintenance Outsource Contract
Newsletter	Contractual/Sundry		(\$2,500)	Historical Adjustment
Contingency	Contractual/Sundry		(\$15,000)	Adjustment
Beautification	Contractual/Sundry	\$7,500	\$5,000	Adjustment/ New Expanded Funding - Holiday Decorations
TOTALS:		\$87,500	\$31,650	

\$119,150 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.

FY2014-2015 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 expansion of the Purchasing Card Program.
- Improved Reporting to Council.

FY2015-2016 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:

GENERAL FUND

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

EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$500,168	\$532,811	\$493,285	\$546,500	\$543,529	\$575,080
Supplies	\$4,868	\$4,839	\$4,183	\$5,900	\$5,300	\$6,400
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$154,572	\$153,177	\$147,246	\$167,900	\$162,400	\$168,900
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$659,608	\$690,826	\$644,714	\$720,300	\$711,229	\$750,380

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	0.90
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	0.60	0.60	0.60
Administrative Assistant	0.00	0.00	1.00	0.50	0.50	0.50
Finance Assistant	0.75	0.75	0.75	1.00	1.00	1.00
TOTAL	8.00	8.00	8.75	9.10	9.10	8.95

PERFORMANCE MEASURES / SERVICE LEVELS

<i>Input / Demand</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Number of citations entered annually	8,650	6,900	8,500	8,500
Number of contested cases set for trial	590	600	600	600
Number of warrants issued	2,846	2,500	2,625	2,750
Number of manual journal entries processed	1,103	1,045	1,090	1,100

<i>Output/Workload</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Cases disposed	7,714	5,000	7,000	7,200
Warrants cleared	2,353	3,000	3,000	3,000
Number of quotes, bids, qualifications prepared	47	50	50	50
Number of purchase orders issued	2,472	2,500	2,450	2,500
Number of newcomer packets compiled	500	800	800	800
Number of accounts payable checks issued	3,874	7,500	3,900	4,000
Number of employee direct deposits processed	6,934	7,000	7,000	7,000

<i>Efficiency Measures / Impact</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per capita	\$27.44	\$29.40	\$29.03	\$31.85
M & O budget percentage of City budget	2.13%	1.74%	1.72%	1.81%
Average number of business days to close month	4	4	4	4
Average citations processed per court clerk FTE - per month	240	185	200	225
Number of audit adjustments	3	3	3	3

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</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

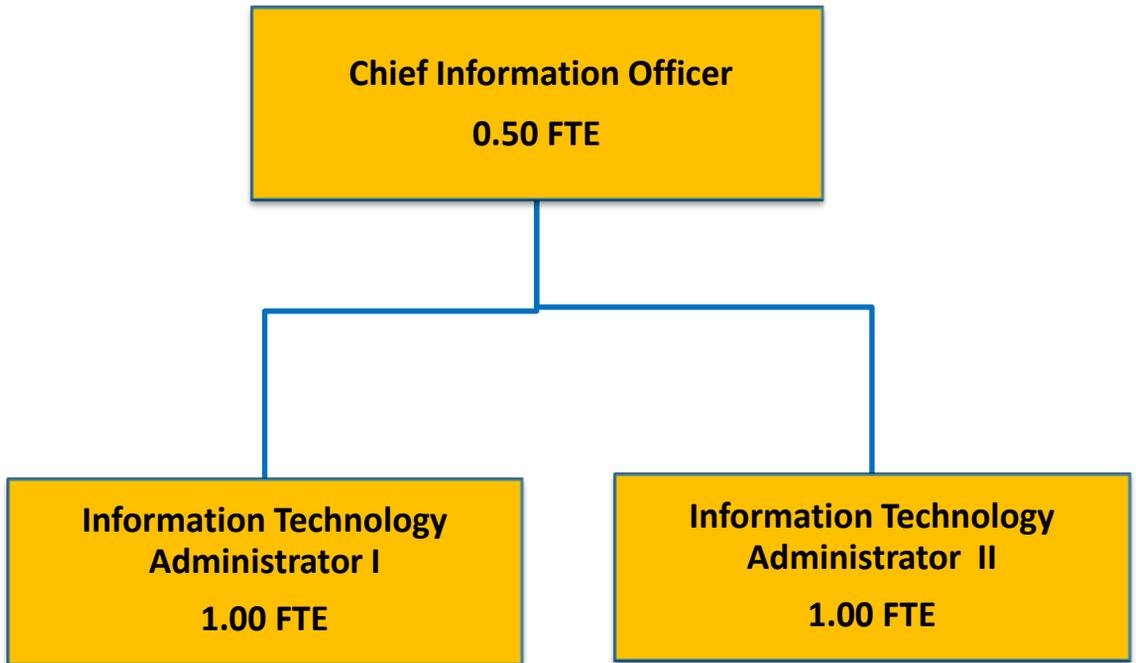
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: FINANCE & ADMINISTRATION				
DIVISION / ACTIVITY: FINANCE & ADMINISTRATION - FUND 01-040				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$9,280 (\$3,000) \$500 \$5,500 \$16,300	New Expanded Funding - Position Reclassifications Reallocated Position % to Juvenile Case Manager Fund Overtime Increase Insurance Increase Salary Increase
Travel Expense	Contractual/Sundry		(\$1,000)	Budget Reduction
Tax Collection	Contractual/Sundry		\$2,000	Historical Adjustment
Net. Misc.Budget Changes	Various		\$500	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$30,080	

\$30,080 **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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Segmented Police network from City network (CJIS Compliancy).
- Rolled out new anti-virus solution.
- Moved Police software installation to new server.
- Installed and implemented new SPAM Firewall.
- Installed and implemented new Firewalls for Police and City.
- Upgraded Netmotion Mobility server.
- Re-imaged Library PAC terminals.
- Rebuilt IT utility server.
- Converted old dispatch center to Work Room for Police software implementation.
- Replaced primary file server.
- Downsized and consolidated server farm.
- Replaced camera controller in Council Chambers audio-visual system.
- Implemented Windows distribution server.
- Rebuilt offline servers as disaster recovery servers.
- Developed Information Technology Disaster Recovery Plan.
- Documented all Information Technology resources.
- Installed new servers for the financial system.
- Deployed new PCs to Police, Administration and Library Public network.
- Reconfigured file storage and drive mappings.
- Rebuilt the main distribution frame at City Hall.
- Implemented Laserfiche in Court.
- Produced several departmental videos.

FY2015-2016 GOALS/ OBJECTIVES:

- Equalize departmental salaries to be appropriate with actual responsibilities.
- System-wide maintenance.
- Increase video development and output.
- Finish PC replacements in Public Works, Recreation, Fire, Library and Council.
- Re-evaluate and redesign the web-site and procedures.
- Move the financial software server back to in-house.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Salary discrepancies.
- Increasing maintenance costs across the board.
- Aging A/V equipment.

GENERAL FUND

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

EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$161,379	\$174,418	\$177,716	\$184,000	\$183,736	\$198,400
Supplies	\$34,586	\$42,077	\$38,499	\$43,600	\$42,800	\$43,600
Maintenance	\$62,266	\$81,663	\$102,867	\$121,300	\$121,500	\$123,500
Contractual/Sundry	\$26,439	\$27,529	\$22,346	\$28,100	\$27,700	\$20,200
Capital Outlay	\$0	\$2,775	\$0	\$0	\$0	\$0
TOTAL	\$284,670	\$328,463	\$341,428	\$377,000	\$375,736	\$385,700

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 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
PC workstations	165	143	146	146
LAN servers	24	20	20	20
Printers	80	80	83	80
Laptops	52	52	52	62
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	127	129	130

<i>Output / Workload</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Number of help desk calls	1,247	1,500	1,760	1,500
Number of other service calls	1,519	1,400	1,350	1,400

<i>Efficiency Measures / Impact</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per Capita	\$14.53	\$15	\$15.34	\$16.37
M & O budget percentage of city budget	1.13%	0.91%	0.91%	0.93%

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Survey satisfaction rate	1, 3, 4, 5	95%	95%	95%	95%
Problem resolution / repair of systems:	1, 3, 4, 5				
% completed within 1 business day	1, 3, 4, 5	90%	90%	90%	90%
% completed in more than 1 business day	1, 3, 4, 5	10%	10%	10%	10%
% priority service calls closed within 4 hrs	1, 3, 4, 5	99%	99%	99%	99%
Public safety dispatch system up time	1, 3, 4, 5	99%	99%	98%	99%
Computer systems & networks up time	1, 3, 4, 5	99%	99%	98%	99%

GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: ADMINISTRATION				
DIVISION / ACTIVITY: INFORMATION TECHNOLOGY - FUND 01-050				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$5,300 \$2,400 \$1,900 \$5,500	New Expanded Funding - Position Reclass Insurance Increase Overtime Increase Salary Increase
Vehicle Maintenance	Maintenance		(\$1,000)	Budget Reduction
Hardware Maintenance	Maintenance		\$3,200	New Expanded Funding - Line Increase
Special Services	Contractual/Sundry		(\$9,000)	Reallocated to Non-Departmental Special Services
Net Misc. Budget Changes	Various		\$400	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$8,700	

\$8,700 NET INCREASE/DECREASE

Library Services 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.

- FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:**
- “Achievement of Excellence Award” received from the Texas Municipal Directors Association for 2014.
 - Added a Seed Exchange Library and a Spanish-language computer class.
 - Added *Britannica Encyclopedia*, Pronunciator language and Mitchell 1 online databases.
 - Added *Sesame Street* eBooks and *Signing Savvy* Sign Language Dictionary Resource.
 - Added *Zinio* eMagazines.
 - Aided 26 local families teaming with the Friends of the Watauga Public Library during the Annual Holiday Food Drive.
 - Approved revision of Library Patron Behavior Policy, Teacher Card Policy and Library Unattended or Disruptive Child Policy.
 - Approval of City Council for Watauga Public Library MetroPAC Interlocal Polaris Agreement;
 - Awarded Targets grants.
 - Celebrated 4th year of GED Class.
 - Collaborated with a wide variety of Tarrant County non-profits to provide a Possibility Fair.
 - Collaborated with IT Department creating two Library focused information videos.
 - Completed a Library EDGE Impact Survey.
 - Conducted off-site Library Card Sign-Up events and online technology survey.
 - Continued to foster relationship with Center for Home Education by hosting programs at the Library.
 - Created and performed the Annual Library Mystery and held British Regency Fashion Show.
 - Displayed youth and teen artwork to celebrate Keller ISD’s Reaching Out with Character Kindness program.
 - Held the 1st Edible Book Festival and 4th Watauga Winter Read Event and multiple school art shows.
 - Hosted a *Job Search 101 Seminar* and a *Handwriting Analysis Class*.
 - Hosted a lecture and plant exchange with the Tarrant County Master Gardeners.
 - Hosted a lecture by thriller author Julia Heaberlin.
 - Hosted performances by Harp Essence, Havana NRG, The North Central Ballet, Gladys & Maybelle.
 - Hosted a Small Business Class provided by Tarrant Small Business Development Center.
 - Hosted the 3rd and 4th Adult Writers Workshop series.
 - Hosted Star Wars, Doctor Who, and Star Trek events.
 - Hosted two health- themed class series presented by Tarrant County Public Health Service.
 - Launched e-Blast version of the Monthly Library Newsletter.
 - Maintained the outreach library at the Watauga Senior Center.

- Provided staff development training opportunities.
- MetrOPAC Consortium migrated to Polaris system.
- Organized a successful Youth, Teen, and Adult Summer Reading Program with 1,880 participants.
- Organized the 2nd Big Vehicle Day event, in cooperation with other City Departments, and local schools and businesses.
- Partnered with BISD school libraries and community libraries for the Summer Reading Club Video Contest. Mentioned in Texas Library Journal, and local newspaper.
- Presented Bi-Lingual Story times for children.
- Presented 6th Annual Art Show by Watauga Middle School.
- Presented 8th Annual Costume Creation Workshop.
- Presented 13th *Annual Wake Up the Walls! Community Art Show & Contest*.
- Presented the *Library Assessment Report of the Watauga Public Library: The Watauga Public Library as the Center of the Community* to the City Manager in January 2015.
- Provided a community wide holiday event in December to an overflow crowd.
- Provided space and volunteer staff for multiple adult classes and Homework Help Center.
- Provided space for a monthly Library Art Class for the children of the community.
- Provided Pokémon League with meeting space for the 6th year.
- Provided Ventures (ESL) Tutor Training workshops.
- Successful Adult Volunteer Program and Teen Volunteer Program.
- Supported established adult programs (Adult Chess, Bridge, Genealogy, Knitting /Crocheting, Quilting/Needlework, Scrapbooking Groups, & Thursday Night Book Club).
- Supported established youth programs (Chess, Yu-Gi-Oh, Pokémon, Story times, Summer Reading Club).
- Supported, in cooperation with the Parks and Recreation Department and the Watauga Friends, the Little Free Library at Capp Smith Park.
- Supported outreach efforts to Park Vista Townhomes after School Program.

FY2015-2016 GOALS/ OBJECTIVES:

- Watauga Public Library will have a strong commitment to exemplary customer service.
- 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.
- Residents will have safe and welcoming physical places to meet and interact with others or to sit quietly and read and will have open and accessible virtual spaces that support networking.
- Residents will have the resources they need to explore topics of personal interest and continue to learn throughout their lives.
- Residents will have a central source for information about the wide variety of programs, services, and activities provided by community agencies and organizations.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Increase in materials budget to address diversity in informational formats (Books, Downloadable material).
- Staff increase to maintain the excellent customer service that attracts citizens to our library. Current staffing levels make it difficult for staff to attend training, schedule leave, etc. since public desks must be covered.
- Expansion and updating of current Library building to maintain usage demands.
- Possible state funding elimination of the TexShare databases (51) that patrons use.

GENERAL FUND

DEPARTMENT: LIBRARY							
DIVISION / ACTIVITY: LIBRARY SERVICES - FUND 01-060							
EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET	
Personnel	\$581,596	\$570,562	\$587,258	\$612,500	\$610,796	\$643,000	
Supplies	\$123,962	\$129,994	\$133,632	\$140,800	\$137,400	\$143,400	
Maintenance	\$9,550	\$15,753	\$21,089	\$19,200	\$18,900	\$19,400	
Contractual/Sundry	\$69,306	\$77,197	\$74,246	\$92,100	\$79,850	\$90,400	
Capital Outlay	\$71,137	\$56	\$0	\$0	\$0	\$8,400	
TOTAL	\$855,551	\$793,562	\$816,226	\$864,600	\$846,946	\$904,600	
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	
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	
Administrative Assistant - Library	0.00	0.00	0.00	0.00	1.00	1.00	
Library Asst. II-Tech. Services	1.00	1.00	1.00	1.00	0.00	0.00	
Library Asst. II - Circulation	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. I (5 perm. part-time, 2 temp)	3.50	3.50	3.50	3.00	3.00	2.50	
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	12.50	12.50	12.00	
PERFORMANCE MEASURES / SERVICE LEVELS							
Input / Demand			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16	
Registered borrowers			18,196	17,500	18,696	19,196	
Current holdings			108,726	111,833	114,587	119,500	
Total library visits			126,265	125,000	126,400	127,000	
ESL students enrolled			124	85	113	130	
GED students enrolled			59	60	60	60	
Summer Reading Club participants			4,675	3,800	4,400	4,550	
Volunteer hours			6,032	5,000	5,060	5,200	
Output/Workload			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16	
Items circulated - Migration to new ILS affected statistic as of Jan. 2015			377,436	392,000	370,700	375,000	
Items added			10,229	10,700	9,700	10,500	
Items withdrawn			3,333	3,500	4,500	4,500	
Effectiveness Measures / Impact			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16	
Circ per capita			16.06	16.68	15.73	15.92	
Collection turnover rate			3.47%	3.51%	3.24%	3.14%	
Materials expenditure per capita			\$6.08	\$5.97	\$5.97	\$6.00	
Reference transactions per capita			0.98	0.94	0.98	0.99	
Program attendance per capita			1.22	1.09	1.09	1.13	
Library visits per capita			5.37	5.32	5.37	5.39	
M & O percentage of city budget			2.70%	2.09%	2.05%	2.19%	
M & O budget per capita			\$34.74	\$35.29	\$34.57	\$3.84	
Effectiveness Measures / Outcomes			Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Annual library visits per capita			1, 2, 3, 5	5	5	5	5
Annual library visits per registered borrower			1, 2, 3, 5	7	7	7	7
% of population who are registered borrower			1, 2, 3, 5	77%	74%	79%	81%

GENERAL FUND

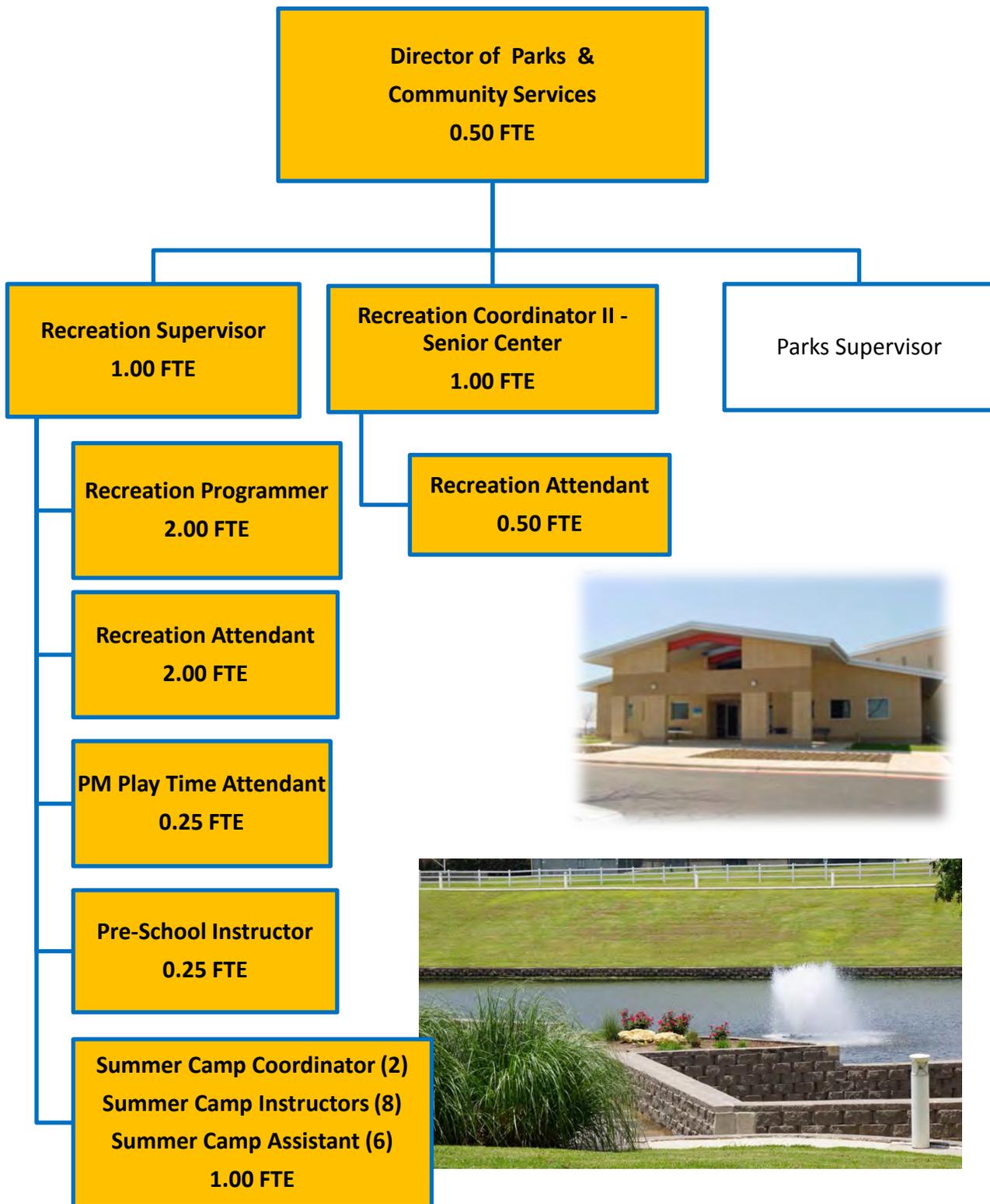
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: LIBRARY				
DIVISION / ACTIVITY: LIBRARY SERVICES - FUND 01-060				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$2,100 \$4,000 \$18,500 \$5,000	New Expanded Funding - Position Reclass New Expanded Funding - Seasonal Assistants Salary Increase Insurance Increase
Educational Supplies	Supplies		\$1,500	Historical Adjustment
Ft Worth Contract	Contractual/Sundry		(\$4,000)	Contract Adjustment
Advertising	Contractual/Sundry		\$1,000	Increased Program Advertisement
Travel Expense	Contractual/Sundry		\$1,000	Reallocated from Training
Dues & Subscriptions	Contractual/Sundry		\$1,000	Increased Subscription Costs
Training	Contractual/Sundry		(\$1,000)	Reallocated to Travel
Furniture & Fixtures	Capital Outlay	\$8,400		New Expanded Funding - Furniture
Net Misc. Budget Changes	Various		\$2,500	Net Small Dollar Budget Adjustments
TOTALS:		\$8,400	\$31,600	

\$40,000 NET INCREASE/DECREASE

Recreation & Community Services Fund 01-070



GENERAL FUND

DEPARTMENT: PARKS & RECREATION

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.

FY2015-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Summer camp attendance increase by 10% and revenue increase by 15%.
- Watauga Fest participation increase to approximate 25,000 in attendance over four days.
- TAAF Bronze Member city Award for Fiscal Year 2014-15.
- Summer youth track and field program participation increase by 27% over previous year.

FY2015-2016 GOALS/ OBJECTIVES:

- Involve senior population in more interactive programming.
- Increase the fit pass enrollment by 6% to average 60 participants per month.
- Continue to work closely with outside organizations to provide quality youth athletic programs.
- Strive to obtain the Bronze member city award for the 3rd consecutive year.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Replacement of cardio and weight room equipment.
- Increase funding for activity contractual instructors.
- Add funding for new TV screens for the weight and cardio rooms.

GENERAL FUND

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

EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$471,337	\$474,235	\$406,239	\$428,500	\$424,641	\$443,500
Supplies	\$31,211	\$39,018	\$31,710	\$34,100	\$34,100	\$33,100
Maintenance	\$4,502	\$4,707	\$3,937	\$4,000	\$4,000	\$4,000
Contractual/Sundry	\$90,298	\$97,601	\$106,741	\$113,500	\$113,000	\$117,000
Capital Outlay	\$45,747	\$4,165	\$0	\$0	\$0	\$0
TOTAL	\$643,094	\$619,727	\$548,627	\$580,100	\$575,741	\$597,600

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 Instructor	1.00	1.00	1.00	0.75	0.75	0.25
PM Playtime Attendant	0.00	0.00	0.00	0.00	0.00	0.25
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	8.50

PERFORMANCE MEASURES / SERVICE LEVELS

<i>Input / Demand</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Number of health and fitness programs	17	20	20	20
Number of fine arts programs	20	18	22	22
Number of athletic teams	118	126	130	130

<i>Output / Workload</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Number of new memberships processed	633	733	760	760

<i>Efficiency Measures / Impact</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per capita	\$23.35	\$23.68	\$23.50	\$25.37
M & O budget percentage of city budget	1.81%	1.40%	1.39%	1.45%

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
% program attendance increase	1, 3, 4, 5	3%	4%	4%	4%
Number of active members	1, 3, 4, 5	1,197	1,200	1,400	1,400

GENERAL FUND

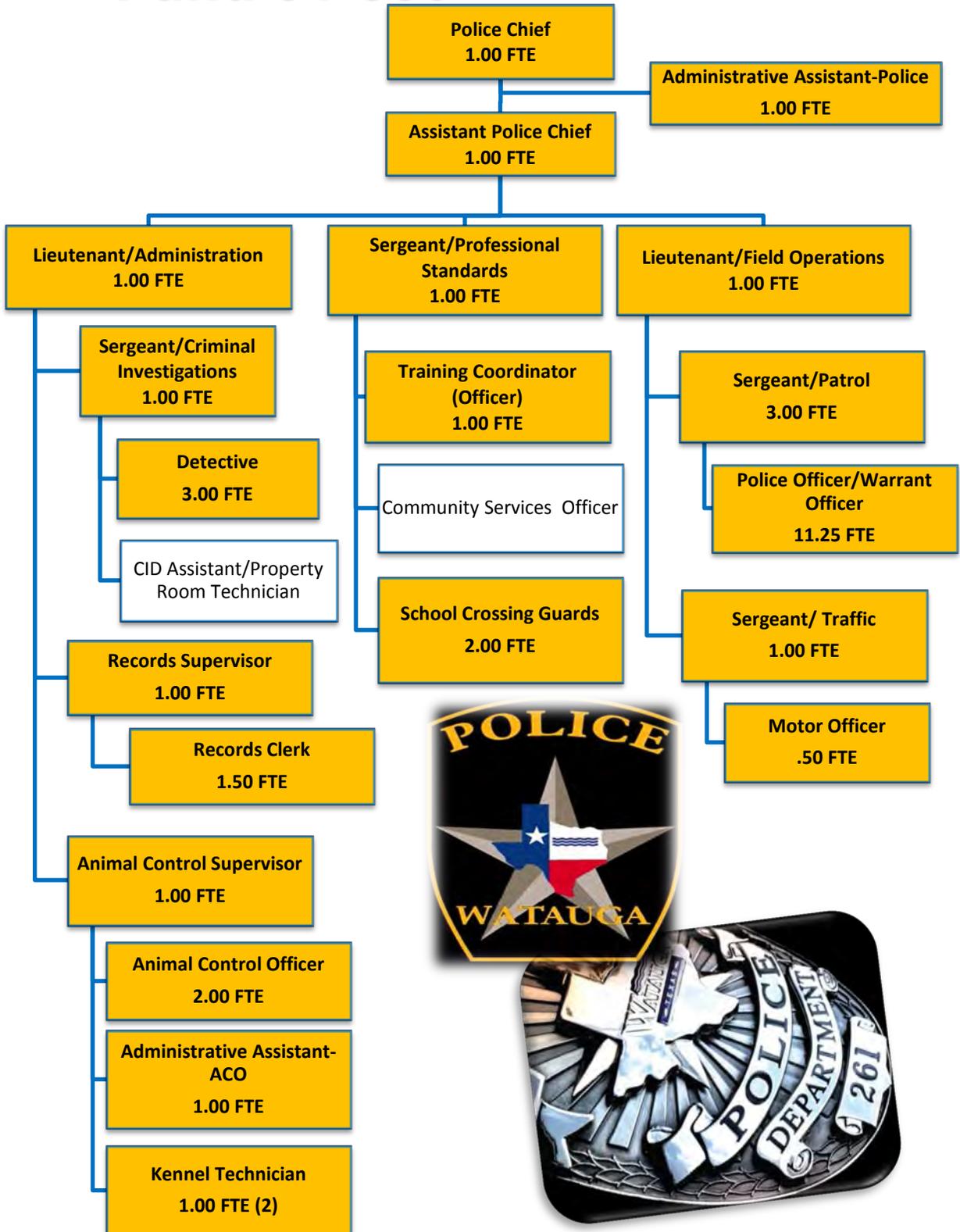
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PARKS & RECREATION				
DIVISION / ACTIVITY: RECREATION & COMMUNITY SERVICES - FUND 01-070				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$4,500 \$10,500	Insurance Increase Salary Increase
Vehicles Fuels & Lubs.	Supplies		(\$1,000)	Budget Reduction
Communications	Contractual/Sundry		\$1,000	Increased Cell Stipend
Contract Instructors	Contractual/Sundry		\$2,000	New Expanded Funding - Line Increase
Summer Day Camp	Contractual/Sundry		\$1,000	Increased Costs & Program Expansion
Net Misc. Budget Changes	Various		(\$500)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$17,500	

\$17,500 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Hired Chief Fowler to lead the organization.
- Completion of TPCA Recognition program in early summer.
- Assigned an officer to the Watauga Middle School as SRO.
- Completed executive level training for all first line supervisors.
- Successfully completed a Citizens Police Academy.
- Accrued close to 2,000 volunteer hours (VIPS).
- Utilized specially trained officers in crime enforcement and prevention such as Bike Patrol.
- The K-9 program continued to be a success in crime management and community relations.
- Developed positive relationships with community organizations (churches and businesses)
- Implemented Nextdoor.com
- Implemented Tip 411
- Adopted over 150 animals at mid-year 2015 and estimate total of close to 400.
- House/intake over 700 animals.

FY2015-2016 GOALS/ OBJECTIVES:

- Obtain full staffing to insure quick and effective response to community needs.
- Obtain and assign needed personnel to meet the increasing needs of our community.
- Continue to be good stewards of citizens tax dollars by examining and implementing the most effective and efficient system of service delivery and up to date technology.
- Continue succession planning and career development to identify and support employee and department goals.
- Create planned responses and prevention of crime using available resources and technology.
- Continue to promote encourage and teach safe and responsible pet ownership.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

Staffing levels continue to be an issue due to having fewer officers and fewer acceptable candidates applying. Employee pay in all areas is below market. Aging fleet and necessary equipment needing to be replaced in order to create a safer environment for the public and employees. Continuing building maintenance issues. A designated workout area to encourage healthy employees.

GENERAL FUND

DEPARTMENT: POLICE						
DIVISION / ACTIVITY: POLICE DIVISION - FUND 01-080						
EXPENDITURES	2011-12 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$2,976,225	\$2,526,458	\$2,532,260	\$2,649,000	\$2,634,897	\$2,872,300
Supplies	\$29,398	\$24,854	\$28,381	\$34,300	\$35,000	\$34,000
Maintenance	\$375	\$0	\$1,793	\$3,000	\$3,000	\$3,000
Contractual/Sundry	\$3,615	\$406,541	\$398,821	\$458,200	\$457,500	\$510,750
Capital Outlay	\$7,488	\$3,312	\$0	\$0	\$0	\$0
TOTAL	\$3,017,101	\$2,961,165	\$2,961,254	\$3,144,500	\$3,130,397	\$3,420,050
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	5.20	5.20	6.00
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	10.00	10.00	10.00
Motor Officer	0.00	0.00	0.00	0.00	0.00	0.50
Detective	5.00	5.00	5.00	3.00	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	34.95	34.95	36.25
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Total calls for service - priority one			315	378	338	400
Total calls for service - priority two			2,218	2,149	2,393	2,500
Total calls for service - priority three			1,361	1,922	1,664	2,000
Uniform crime reporting incidents - violent			195	236	193	200
Uniform crime reporting incidents - property			421	451	425	430
Traffic collisions - non injury			53	63	65	60
Traffic collisions - injury			56	73	68	60
Traffic collisions - fatality			0	0	0	1
Number of Sworn Officers			25.50	24.25	24.25	24.25
<i>Efficiency Measures / Impact</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per capita			\$0.10	\$0.08	\$0.08	\$0.08
M & O budget percentage of city budget			12602.69%	12834.69%	12777.13%	14516.34%
Number of sworn officers per 1000			0.0010	0.0010	0.0010	0.0010
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Response time-calls for service-priority one (min.)		1, 3, 4, 5	5.5	5.45	4.75	5.0
Response time-calls for service-priority two (min.)		1, 3, 4, 5	6.9	7.00	6.7	6.5
Response time-calls for service-priority three (min.)		1, 3, 4, 5	19	12.30	16.9	15.00
Municipal citations issued		1, 3, 4, 5		6,500	7,600	8,000
DWI enforcement arrests		1, 3, 4, 5	49	50	49	50.00
Animal Control - animals confined		1, 2, 3, 4, 5	701	650	785	800.00
Animal Control - animal licenses issued		1, 2, 3, 4, 5	431	450	343	375.00

GENERAL FUND

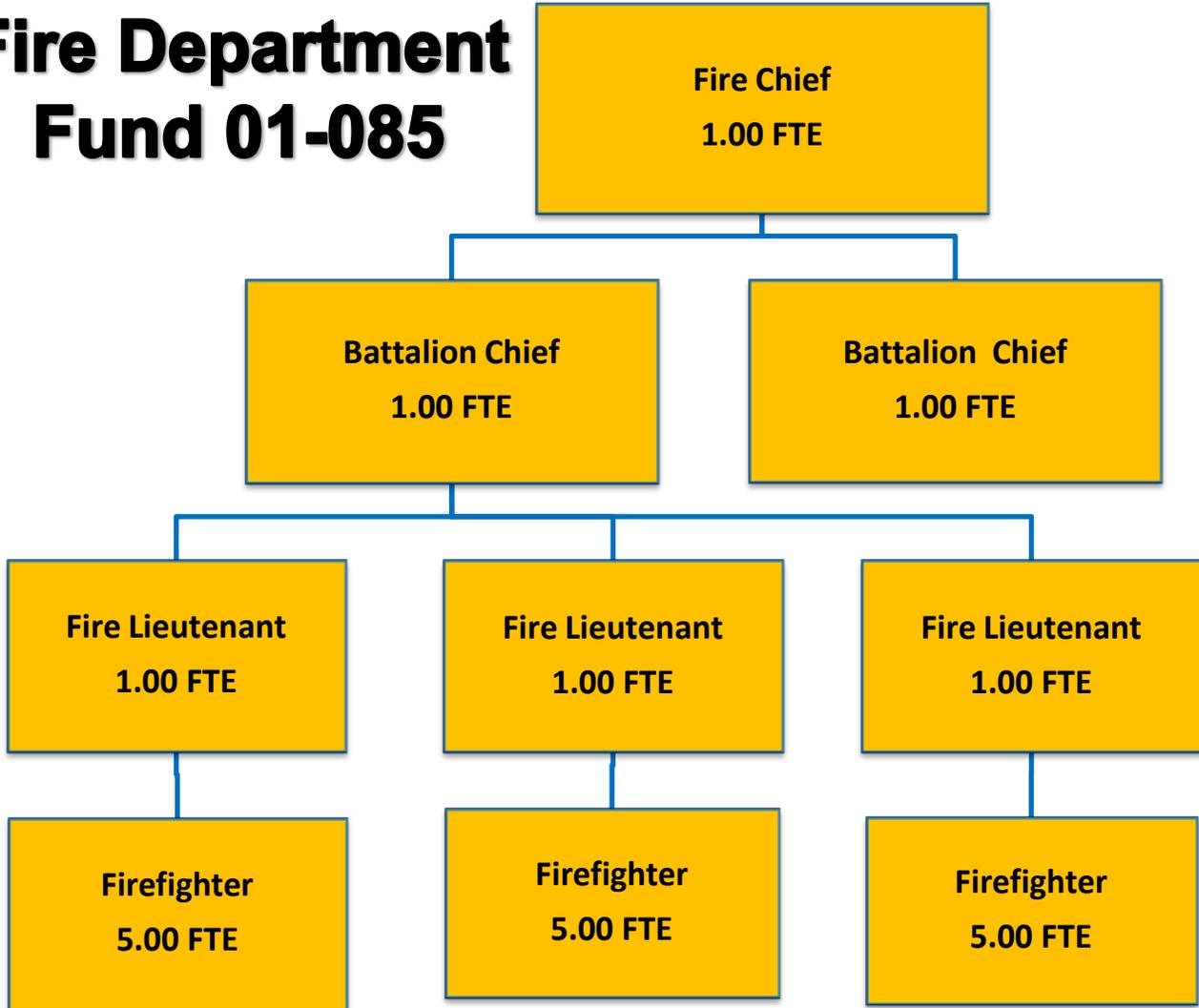
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: POLICE				
DIVISION / ACTIVITY: POLICE - FUND 01-080				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$109,200 \$5,000 \$17,600 \$75,000 \$16,500	Reallocated Positions from Traffic Safety Fund Step Up Pay Insurance Increase Salary Increase Step Increase
Vehicle Fuels & Lubs.	Supplies		(\$1,000)	Budget Review Adjustment
Contractual Payment	Contractural/Sundry		\$54,000	Consolidation Increase
Travel Expense	Contractural/Sundry		\$1,000	Reallocated from Training
Training	Contractural/Sundry		(\$1,000)	Reallocated to Travel Expense
Net Misc. Budget Changes			(\$750)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$275,550	

\$275,550 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Updated and exercised Emergency Management Plan.
- Implemented a smoke alarm give-away program.
- Increased commercial building inspections.
- Improved new officer training and education.
- Provided intensive hands-on apparatus operator training.
- Reduced dependency on mutual aid response.
- Increased inter-agency training participation.

FY2015-2016 GOALS/ OBJECTIVES:

- Continue and expand the smoke alarm program.
- Complete employee CPR training.
- Improve commercial inspections.
- Review/update policies and procedures.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

There is a continual national shortage of some required EMS drugs. Limited availability increases prices. Shortages are unpredictable and cause sudden budget adjustments. Cost of maintenance contracts, especially those involving medical devices continue to rise. Equipment and apparatus have reached, or are approaching end of warranty. An increase in maintenance is foreseeable. FLSA required overtime will increase to 134K. This assumes that all personnel will work the necessary hours. The AC unit at the fire station has just lost its fifth (5th) compressor unit. The system is only five (5) years old. The system is averaging a compressor replacement every year. The cost of a compressor is approximately \$5000. To date approximately \$25,000 has been expended in parts to keep the system functioning. It looks like the system may be defective. Replacing the system may loom necessary in the foreseeable future.

GENERAL FUND

DEPARTMENT: FIRE / EMS						
DIVISION / ACTIVITY: FIRE / EMS - FUND 01-085						
EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$1,648,901	\$1,668,739	\$1,812,811	\$1,890,500	\$1,872,928	\$1,927,900
Supplies	\$97,043	\$86,548	\$84,479	\$98,600	\$91,900	\$96,600
Maintenance	\$36,580	\$28,511	\$40,870	\$36,000	\$38,203	\$40,200
Contractual/Sundry	\$74,309	\$77,908	\$102,371	\$105,400	\$103,070	\$106,100
Capital Outlay	\$10,587	\$3,974	\$0	\$0	\$0	\$0
TOTAL	\$1,867,420	\$1,865,680	\$2,040,531	\$2,130,500	\$2,106,101	\$2,170,800
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	2.00
Battalion Chief/Fire Marshal	0.00	0.00	0.00	1.00	1.00	0.00
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 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Full-time personnel			21	21	21	21
Total calls for service:			1,846	1,893	1,932	2,023
--Fire calls			810	822	835	860
--Emergency medical service calls			1,036	1,037	1,097	1,163
<i>Output/Workload</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Ambulance transports			867	876	914	960
Mutual aid given			32	35	23	27
Mutual aid received			103	245	95	81
Fire inspections			321	400	400	400
<i>Efficiency Measures / Impact</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per capita			\$86.84	\$83.29	\$85.96	\$92.14
M & O budget percentage of city budget			6.74%	5.15%	5.09%	5.25%
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Fire emergency average response time (min.)		1, 3, 4, 5	4.5	< 5 min	< 5 min	<5 min
EMS emergency average response time (min.)		1, 3, 4, 5	3.6	< 8 min	< 8 min	< 8 min
% of Chute Time < 2 minutes		1, 3, 4, 5	93%	90%	90%	90%

GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: FIRE DEPARTMENT				
DIVISION / ACTIVITY: FIRE - FUND 01-085				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		(\$28,400)	Personnel Turnover/Insurance Increase
			\$3,000	Step Up Pay
			\$48,000	Salary Increase
			\$14,800	Step Increase
Bunker Gear	Supplies		(\$1,000)	Budget Review Reduction
Vehicle Maintenance	Maintenance		\$4,000	New Expanded Funding - Line Increase
Radio Maintenance	Maintenance		\$1,500	Increased Costs
Building Maintenance	Maintenance		(\$2,000)	Budget Review Reduction
Travel Expense	Contractual/Sundry		\$1,000	Line Item Capture
Net Misc. Budget Changes	Various		(\$600)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$40,300	

\$40,300 NET INCREASE/DECREASE

Public Works Fund 01-090

Director of Public Works
0.25 FTE

Administrative
Assistant-Storm
Drainage &
Permits
0.50 FTE

Administrative
Assistant-Utility

Public Works
Superintendent
0.25 FTE

Utility
Superintendent

Building Official

Public Works
Supervisor
1.00 FTE

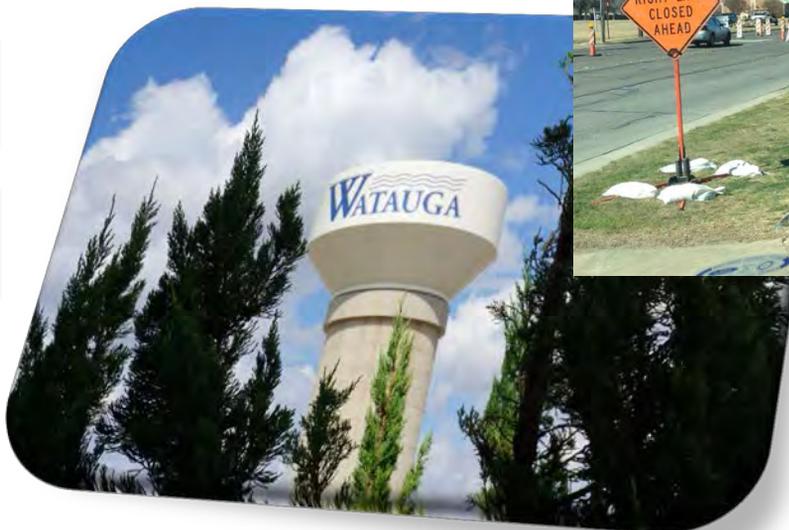
Storm Drainage
Supervisor

Equipment
Operator
1.00 FTE

Maintenance
Worker II-Streets
1.00 FTE

Maintenance
Worker I-Streets
4.00 FTE

Sign & Signal
Technician
1.00 FTE



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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Completion of the West end of Watauga Road.
- Installed video detection to traffic signals at the intersection of Watauga and Whitley Roads.
- Installed video detection to traffic signals at the intersection of Watauga Road and Maurie Drive.
- Resurfaced four streets.
- Installed 6,759 linear feet of curb and gutter including Watauga Road.
- Maintained 88 miles of roads, signs and traffic signals to an acceptable manner.
- Installed 200 new street name signs to comply with federal mandates for Retro-reflectivity.
- Replaced one electricity supplied school zone flasher powered with a solar power.

FY2015-2016 GOALS/ OBJECTIVES:

- Resurface West end of Watauga Road, Inwood Drive, Linda Drive, Dove Court and Ridgewood Drive.
- Upgrade remaining traffic signals to video detection.
- Continue Retro-reflectivity Program.
- 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.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Rising cost of asphalt and concrete.
- Rising cost of fuel and lubrication.
- The Retro-reflectivity Program will need to be increased due to rising costs in order to meet mandates set for 2018.
- Rising cost of dumping debris from repair projects.
- Rising costs of contractor fees.

GENERAL FUND

DEPARTMENT: PUBLIC WORKS						
DIVISION / ACTIVITY: PUBLIC WORKS - FUND 01-090						
EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$749,991	\$667,176	\$430,853	\$443,500	\$434,000	\$458,300
Supplies	\$61,915	\$61,584	\$51,979	\$68,100	\$68,100	\$68,100
Maintenance	\$31,654	\$40,112	\$21,377	\$40,500	\$40,500	\$38,200
Contractual/Sundry	\$22,126	\$23,496	\$18,605	\$27,750	\$26,550	\$28,550
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$1,800
TOTAL	\$865,686	\$792,369	\$522,814	\$579,850	\$569,150	\$594,950
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 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Capital Improvement Street Overlays			5	5	5	within budget
Linear feet of curb and gutter replacement or repair			6,759	6,950	6,950	within budget
Output/ Workload			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
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 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
M & O percentage of city budget			1.73%	1.40%	1.38%	1.44%
M & O budget per capita			\$22.25	\$23.67	\$23.23	\$25.25
Effectiveness Measures / Outcomes		Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
% of right-of-ways maintained city-wide		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 complaints answered within 3 1 day		1, 2, 3, 4, 5	95%	95%	95%	95%
% of street repairs made within 30 days		1, 2, 3, 4, 5	75%	75%	75%	75%
% of miles of roads in GOOD condition		1, 2, 3, 4, 5	58%	59%	60%	62%
% of miles of roads in AVERAGE condition		1, 2, 3, 4, 5	34%	34%	34%	34%
% of miles of roads in POOR condition		1, 2, 3, 4, 5	8%	8%	6%	6%

GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PUBLIC WORKS				
DIVISION / ACTIVITY: PUBLIC WORKS - FUND 01-090				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$11,000 \$9,500 (\$4,500)	Salary Increase Insurance Increase Personnel Turnover
Traffic Signal Maintenance	Maintenance		(\$2,000)	Budget Review Reduction
Debris Disposal	Contractual/Sundry		\$1,000	Increased Need
Radios	Capital Outlay	\$1,800		New Radios Purchase
Net Misc. Budget Changes	Various		(\$1,700)	Net Small Dollar Budget Adjustments
TOTALS:		\$1,800	\$13,300	

\$15,100 NET INCREASE/DECREASE

Public Works Fleet Services Fund 01-097

Fleet & Facilities Manager

Automotive Service
Writer
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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Maintained fleet availability with minimal staff for an extended period of time.
- Implemented an Inspection and Certification program for the vehicle lifts to reduce the risks of an accident.
- Continued certification and training for staff.

FY2015-2016 GOALS/ OBJECTIVES:

- Continue certifications and training 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 and simpler inventory accountability.

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	2011-2012 Actual	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$118,941	\$121,004	\$127,301	\$132,500	\$130,100	\$147,200
Supplies	\$26,056	\$37,302	\$15,537	\$18,500	\$19,000	\$18,800
Maintenance	\$3,136	\$1,542	\$3,062	\$2,500	\$2,500	\$2,500
Contractual/Sundry	\$4,049	\$5,221	\$7,066	\$11,500	\$11,500	\$11,800
Capital Outlay	\$15,434	\$0	\$0	\$0	\$0	\$4,000
TOTAL	\$167,615	\$165,068	\$152,966	\$165,000	\$163,100	\$184,300

PERSONNEL						
Automotive/Equipment Mechanic	0.00	0.00	1.00	1.00	1.00	1.00
General 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 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Work orders completed	912	800	900	900
Gallons of fuel dispensed	80,770	90,000	80,000	80,000

Output / Workload	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Number of preventative maintenance inspections per month	20	25	25	25
Number of vehicles and equipment maintained	240	240	240	240
Training classes attended	10	16	15	15

Efficiency Measures / Impact	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
M & O percentage of city budget	0.51%	0.40%	0.39%	0.45%
M & O budget per capita	\$6.51	\$6.73	\$6.66	\$7.82

Effectiveness Measures / Outcomes	Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Automotive Service Excellence certifications	1, 4	22	25	35	35
Emergency Vehicle Technician certifications	1, 4	7	12	14	14
% of auto repairs performed by in-house staff	1, 4	98	98%	98	98
% of auto repairs outsourced	1, 4	2	2%	2	2
Average fleet availability	1, 4	98	98%	98	98
Average fleet down-time waiting for parts	1, 4	2	2%	2	2

GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PUBLIC WORKS				
DIVISION / ACTIVITY: FLEET SERVICES - FUND 01-097				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$3,800 \$3,300 \$7,500	New Expanded Funding - Position Reclass Insurance Increase Salary Increase
Other Equipment	Capital Outlay	\$4,000		New Expanded Funding - Tire Balancer
Net Misc. Budget Changes	Various		\$700	Net Small Dollar Budget Adjustments
TOTALS:		\$4,000	\$15,300	

\$19,300 NET INCREASE/DECREASE

Public Works 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Repair deteriorated wall in the Recreation Center shower area.
- Outfit Police department's new command unit.
- Transform old Police Dispatch into a meeting room.
- Repair Police Department's utility room drop ceilings to compliance with City Code.
- Bring all buildings up to correct Fire Code with accurate inspections.

FY2015-2016 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:

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

GENERAL FUND

DEPARTMENT: PUBLIC WORKS
DIVISION / ACTIVITY: FACILITIES MAINTENANCE - FUND 01-098

EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$352,369	\$312,515	\$308,352	\$320,500	\$316,432	\$332,100
Supplies	\$24,448	\$23,405	\$20,818	\$28,500	\$28,500	\$29,000
Maintenance	\$78,139	\$92,384	\$55,442	\$87,800	\$87,800	\$96,600
Contractual/Sundry	\$307,898	\$335,058	\$360,367	\$328,500	\$328,500	\$360,700
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$8,000
TOTAL	\$762,855	\$763,362	\$744,980	\$765,300	\$761,232	\$826,400

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 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Number of facilities maintained	11	11	11	11
Pounds of refrigeration	15	15	15	15

<i>Output / Workload</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Square feet of facilities maintained	115,000	115,000	115,000	115,000
Work orders processed	687	650	800	800
Special projects	10	3	5	5

<i>Efficiency Measures / Impact</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O percentage of city budget	2.46%	1.85%	1.84%	2.00%
M & O budget per capita	\$31.71	\$31.24	\$31.07	\$35.08

<i>Effectiveness Measures / Outcomes</i>	<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</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 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PUBLIC WORKS				
DIVISION / ACTIVITY: FACILITIES MAINTENANCE - FUND 01-098				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$3,600 \$8,000	Insurance Increase Salary Increase
Building Maintenance	Maintenance		(\$3,200)	Budget Review Adjustment
City Hall Maintenance	Maintenance	\$12,000		New Expanded Funding - Fountain Repair & Upgrade
Special Services	Contractual/Sundry		\$3,200	Termite Annual Fee
Electricity	Contractual/Sundry		\$25,000	Increased Costs
Gas	Contractual/Sundry		\$2,000	Increased Costs
Street Lighting	Contractual/Sundry		\$2,000	Increased Costs
Other Equipment	Capital Outlay	\$8,000		New Expanded Funding - City Hall Doors
Net Misc. Budget Changes	Various		\$500	Net Small Dollar Budget Adjustments
TOTALS:		\$20,000	\$41,100	

\$61,100 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 was reported separately and a planned draw-down of fund balance by funding the vacation buy-back program that was ended in FY2014-15. No revenues were estimated this year and no appropriations are funded. This fund will be closed out next year.

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		BUDGET
	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget
Fund Balance, October 1	\$424,752	\$425,058	\$466,140	\$220,030	\$220,030	\$1,040
<u>Revenues:</u>						
Royalty & Lease Revenue	306	41,204	32,906	15,000	5,000	0
Miscellaneous	0	0	187	200	10	0
Operating Revenues	306	41,204	33,092	15,200	5,010	0
Transfers	0	0	0	0	0	0
Total Available Resources	425,058	466,262	499,232	235,230	225,040	1,040
<u>Expenditures:</u>						
Non-Departmental	0	0	179,202	174,000	174,000	0
Operating Expenditures	0	0	179,202	174,000	174,000	0
<u>Operating Transfers-Out</u>						
To Internal Service Fund	0	0	100,000	50,000	50,000	0
TOTAL OPERATING & TRANSFERS	0	0	279,202	224,000	224,000	0
Fund Balance, September 30	\$425,058	\$466,140	\$220,030	\$11,230	\$1,040	\$1,040
CHANGE IN FUND BALANCE	\$306	\$41,204	(\$246,110)	(\$208,800)	(\$218,990)	\$0

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. In Fiscal Year 2015-16, a Strategic Planning Consultant has been funded in the amount of \$15,000.

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
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget
Fund Balance, October 1	\$0	\$0	\$0	\$0	\$150,000
<u>Operating Transfers-In:</u>					
Transfers from General Fund	0	0	250,000	250,000	150,000
Total Available Resources	\$0	\$0	\$250,000	\$250,000	\$ 300,000
<u>Expenditures:</u>					
Home Revitalization Program	0	0	100,000	100,000	150,000
Strategic Initiatives	0	0	150,000	25,000	125,000
Operating Expenditures	0	0	100,000	100,000	275,000
TOTAL OPERATING & TRANSFERS	\$0	\$0	\$100,000	\$100,000	\$275,000
Fund Balance, September 30	\$0	\$0	\$150,000	\$150,000	\$25,000
CHANGE IN FUND BALANCE	\$0	\$0	\$150,000	\$150,000	(\$125,000)

SPECIAL REVENUE FUNDS

WATAUGA PARKS DEVELOPMENT CORPORATION (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

SPECIAL REVENUE FUNDS

WATAUGA PARKS DEVELOPMENT CORPORATION

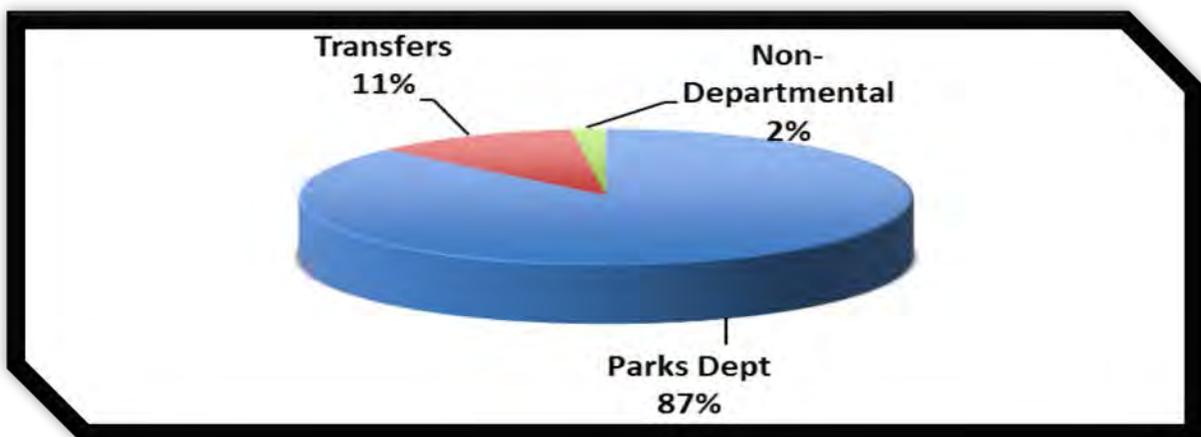
Voters established the Watauga Parks Development Corporation Sales Tax Fund to account for a ½ cent sales tax increase in May 1994 under the 4b Economic Development Legislation. The purpose of the increase in sales tax is to build city parks and improve existing parks under the supervision of the Watauga 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 FY2016 are expected to be \$772,800.

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 - FUND 04

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$1,919,108	\$899,539	\$637,619	\$729,743	\$535,903	
Revenues:						
Sales Taxes	706,662	747,898	714,000	742,560	772,262	8.2%
Other Transfers In	0.00	0.00	0.00	0.00	0.00	0.0%
Interest Earnings	1,694	444	500	500	500	0.0%
Operating Revenues	\$ 708,356	\$ 748,342	\$ 714,500	\$ 743,060	\$ 772,762	8.2%
Total Available Resources	\$ 2,627,464	\$ 1,647,881	\$ 1,352,119	\$ 1,472,803	\$ 1,308,665	4.3%
Expenditures:						
Non-Departmental	891	7,765	7,300	7,300	14,650	100.7%
Parks Department	668,398	662,073	736,200	689,200	693,200	-5.8%
Operating Expenditures	669,289	669,838	743,500	696,500	707,850	-4.8%
Operating Transfers-Out						
To General Fund	34,500	35,350	35,700	35,700	38,613	8.2%
To PDC Construction	810,000	0.00	0.00	0.00	0.00	0.0%
To Internal Service Fund	0.00	0.00	18,000	18,000	49,000	100.0%
To Debt Service	214,136	212,950	186,700	186,700	0.00	-100.0%
Total Operating Transfers-Out	1,058,636	248,300	240,400	240,400	87,613	0.0%
TOTAL OPERATING & TRANSFERS	\$ 1,727,925	\$ 918,138	\$ 983,900	\$ 936,900	\$ 795,463	-19.2%
Fund Balance, September 30	\$899,539	\$729,743	\$368,219	\$535,903	\$513,202	
CHANGE IN FUND BALANCE	(\$1,019,569)	(\$169,796)	(\$269,400)	(\$193,840)	(\$22,701)	

Parks Development Corporation Fund 04-075

Director of Parks & Community
Services
0.50 FTE

Parks Superintendent
1.00 FTE

Landscape Gardener
1.00 FTE

Irrigation/Chemical
Specialist
1.00 FTE

Maintenance Worker II-Parks
2.00 FTE

Maintenance Worker I-Parks
3.00 FTE *

Summer Maintenance I
Worker
.25 FTE



*In FY2014-15, there were 6.00 Maintenance Worker I positions budgeted. Due to the City entering into a Parks Maintenance Contract, the positions decreased by 3.00 FTEs in FY2015-16.

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. <ul style="list-style-type: none">• Maintain quality athletic fields for 220 youth and adult teams.• Maintain nine park properties totaling 119 acres.• Assist the Recreation Division with six annual special events.• Provide assistance to other City Departments as needed.	
FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS: <ul style="list-style-type: none">• Budget savings and cost transfers with the initiation of a contract mowing service for municipal facility grounds.• Completion and dedication of the Watauga Veterans Memorial.• Completion of the Hillview Park automatic control irrigation system.• Continued to identify and rectify hazardous areas in the park system.	
FY2015-2016 GOALS/ OBJECTIVES: <ul style="list-style-type: none">• Further reduce operation expenses through the expanded use of contractual services.• Continue efforts to identify and correct hazardous areas throughout the park system.• Continue efforts with surrounding communities in order to establish expanded pedestrian/ bicycle connections.• Expand annual landscape variety in park system.	
MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS: <ul style="list-style-type: none">• Funding for equipment and equipment replacements.• Funding for irrigation projects.• Funding for replacement of walkways throughout the parks.	

SPECIAL REVENUE FUNDS

DEPARTMENT: RECREATION AND COMMUNITY SERVICES						
DIVISION / ACTIVITY: PARKS DEVELOPMENT CORPORATION - FUND 04						
EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Non-Departmental	\$12,780	\$891	\$7,765	\$7,300	\$7,300	\$14,650
Personnel	\$488,904	\$523,164	\$529,435	\$557,600	\$510,800	\$485,300
Supplies	\$58,277	\$61,320	\$51,128	\$70,400	\$68,700	\$70,200
Maintenance	\$54,130	\$43,996	\$28,006	\$54,800	\$54,300	\$64,800
Contractual/Sundry	\$75,576	\$39,918	\$42,353	\$53,400	\$55,400	\$72,900
Capital Outlay	\$252,613	\$0	\$11,151	\$0	\$0	\$0
Transfers	\$531,880	\$1,058,636	\$248,300	\$240,400	\$240,400	\$87,613
TOTAL	\$1,474,160	\$1,727,925	\$918,138	\$983,900	\$936,900	\$795,463
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	3.00
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	8.75
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Athletic Fields maintained			10	10	10	10
Park Acres maintained			119	119	119	119
<i>Efficiency Measures / Impact</i>			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
M&O Budget per Capita			\$39.07	\$40.16	\$38.24	\$33.76
M&O Percentage of City Budget			3.03%	2.38%	2.26%	1.92%
Acres per FTE			10	10	10	14
<i>Effectiveness Measures / Outcomes</i>		Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Mow and maintain developed facilities weekly		1,2,3,5	95%	100%	95%	100%
Mow and maintain undeveloped facilities monthly		1,2,3,5	95%	100%	100%	100%
Hours of personnel training		1,2,4,5	60	60	60	60
Number of trees planted		1,2,3,5	25	25	10	10

SPECIAL REVENUE FUNDS
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2014-15 Compared to Fiscal Year 2015-16

DEPARTMENT: RECREATION AND COMMUNITY SERVICES				
DIVISION / ACTIVITY: PARKS DEVELOPMENT CORPORATION - FUND 04				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Pymt to Internal Services	Non-Departmental		\$7,350	New/expanded funding
Personnel Services	Personnel		(\$94,702)	Initiation of contract services
			\$10,202	New/expanded # 1 & 2 funding
			(\$2,000)	Elimination of vacation buyback program
			\$2,700	Net 25% insurance increase
			\$11,500	3% salary adjustment
Wearing Apparel	Supplies		(\$1,000)	Historical usage/staff adjustment
Vehicle Parts & Supplies	Supplies		\$1,000	Vehicle lifespan/out of warranty
Sign Maintenance	Maintenance		\$1,000	Increased park signage
Building Maintenance	Maintenance	(\$5,000)		One-time purchase - fiscal year 2014-15
Park Trail Repairs	Maintenance	\$14,000		New/expanded # 6 funding
Communications	Contractual/Sundry		\$1,500	Increased communication stipends
Electricity	Contractual/Sundry		\$3,000	Historical usage analysis
Contract/Outsource Services	Contractual/Sundry		\$15,000	Grounds maintenance outsource contract
Transfer to General Fund	Transfers	\$2,913		Transfer based on % of sales tax revenue
Transfer to Debt Service	Transfers	(\$186,700)		Debt Service internal transfer
Transfer to Internal Service	Transfers	(\$18,000)		Internal transfer - fiscal year 2014-15 purchase
Transfer to Internal Service	Transfers	\$49,000		Internal transfer - fiscal year 2015-16 purchase
Various minor adjustments	Various		(\$200)	Net small dollar budget adjustments
TOTALS:		(\$143,787)	(\$44,650)	

(\$188,437) NET INCREASE/DECREASE

SPECIAL REVENUE FUNDS

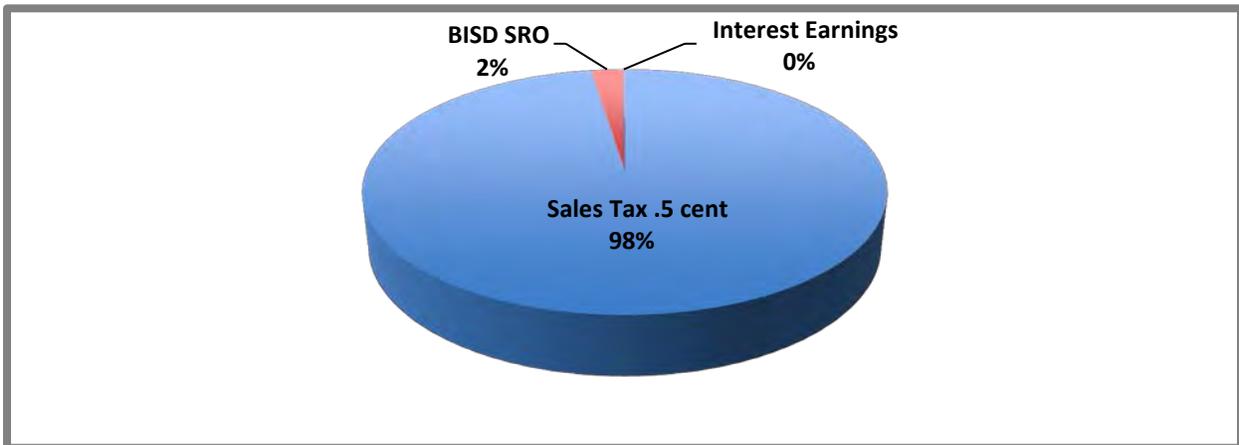
CRIME CONTROL DISTRICT – FUND 18

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.

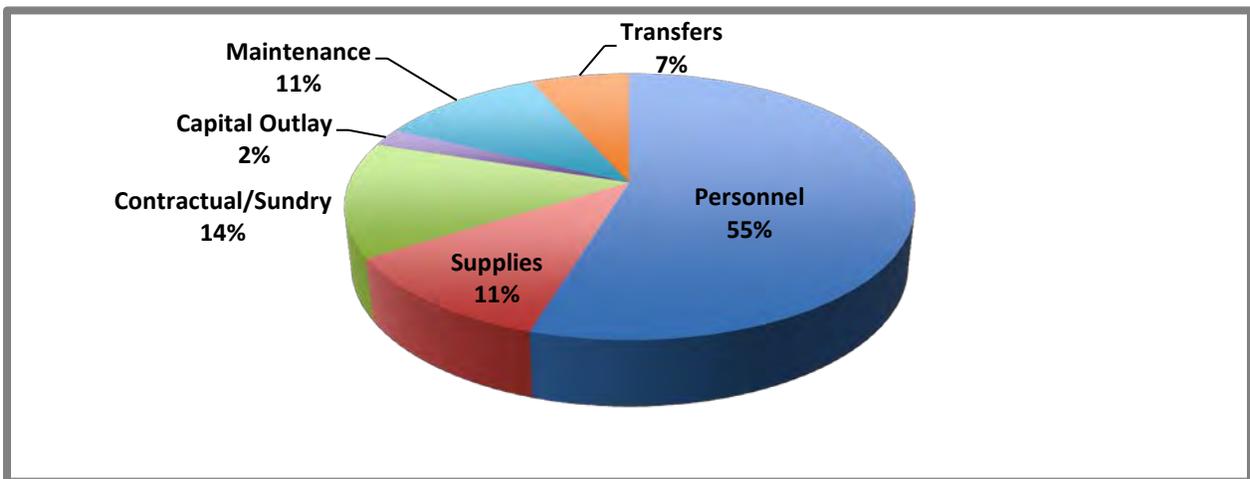
This is a Special Revenue Fund and is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when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

Sales tax revenue for FY2015-16 is expected to be \$1,544,525. Revenues are projected to be higher this year by approximately 4% over the FY2014-15 estimate.

Where Does the Money Come From?



Where Does the Money Go?



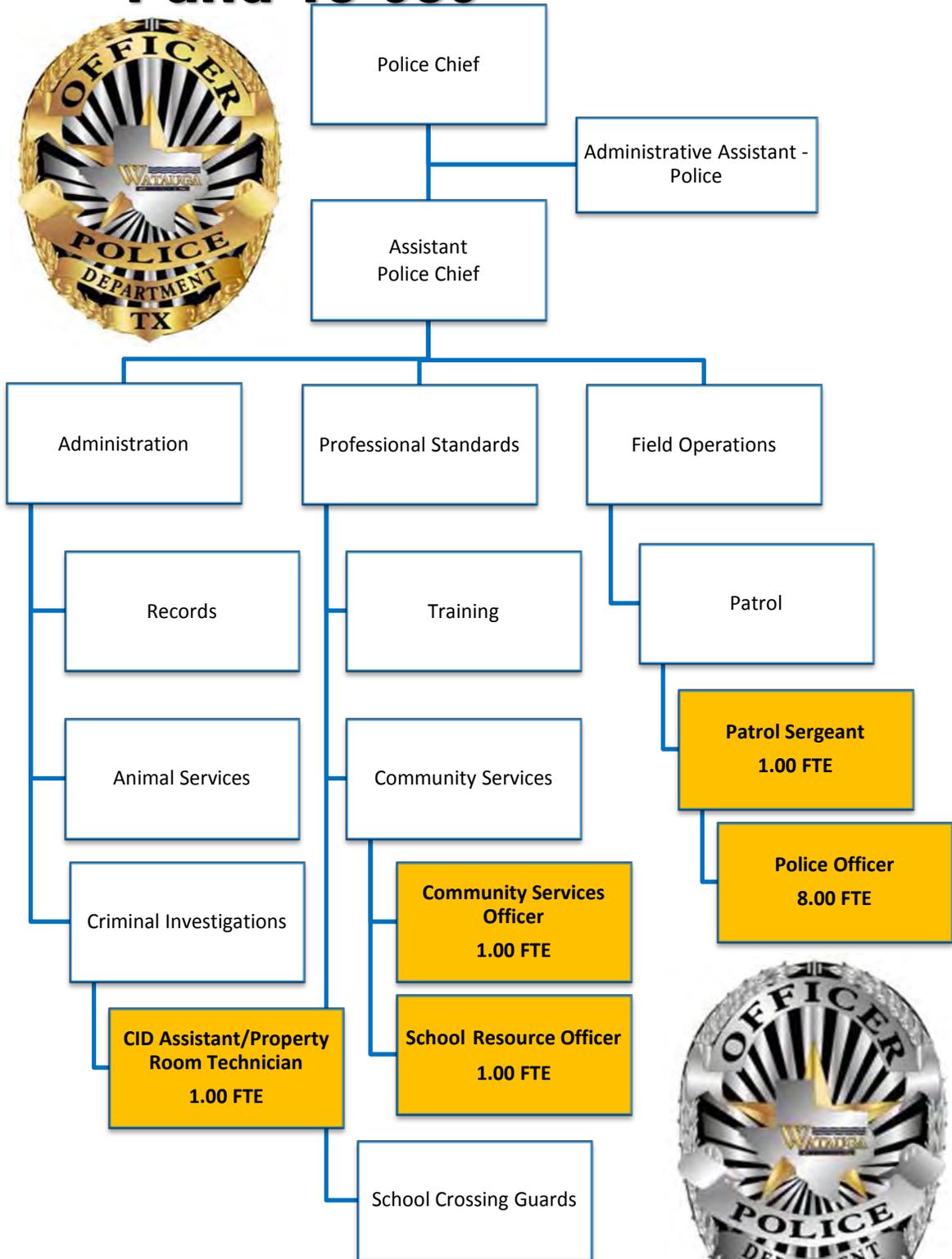
SPECIAL REVENUE FUNDS

CRIME CONTROL DISTRICT BUDGET SUMMARY - FUND 18

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$990,244	\$1,057,584	\$899,085	\$1,122,884	\$1,088,504	
<u>Revenues:</u>						
Sales Taxes	1,406,737	1,482,852	1,428,000	1,485,120	1,544,525	8.2%
BISD SRO	0.00	1,041	37,000	37,000	38,000	0.0%
Interest Earnings	1,165	419	500	500	500	0.0%
Operating Revenues	\$ 1,407,902	\$ 1,484,312	\$ 1,465,500	\$ 1,522,620	\$ 1,583,025	8.0%
Total Available Resources	\$ 2,398,146	\$ 2,541,896	\$ 2,364,585	\$ 2,645,504	\$ 2,671,529	5.0%
<u>Expenditures:</u>						
Operating Expenditures	1,071,961	1,261,337	1,435,300	1,423,500 *	1,576,200	9.8%
Capital Outlay	240,601	29,675	30,000	30,000	38,000	26.7%
Total Expenditures	1,312,562	1,291,012	1,465,300	1,453,500	1,614,200	10.2%
<u>Operating Transfers-Out</u>						
To General Fund	28,000	28,000	28,500	28,500	30,000	5.3%
To Capital Projects	0.00	0.00	0.00	0.00	0.00	0.0%
To Internal Service Fund	0.00	100,000	75,000	75,000	85,000	13.3%
Total Operating Transfers-Out	28,000	128,000	103,500	103,500	115,000	9.7%
TOTAL OPERATING & TRANSFERS	\$ 1,340,562	\$ 1,419,012	\$ 1,568,800	\$ 1,557,000	\$ 1,729,200	10.2%
Fund Balance, September 30	\$1,057,584	\$1,122,884	\$795,785	\$1,088,504	\$942,329	
CHANGE IN FUND BALANCE	\$67,340	\$65,300	(\$103,300)	(\$34,380)	(\$146,175)	

*One time overlap of \$25K for Crimes included this FY2015-16. Cancellation of contract anticipated May, 2016

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 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Hired new Police Chief to lead the organization
- Completion of the Texas Police Chiefs Association Recognition program
- Assigned an officer to the Watauga Middle School as School Resource Officer
- Completion of executive level training for all first line supervisors
- Successfully completed a Citizens Police Academy
- Accrued approximately 2,000 volunteer hours (VIPS)
- Expanded the specially trained officers in crime enforcement and prevention such as Bike Patrol
- Continued success of the K-9 program in crime management and community relations
- Developed positive relationships with community organizations
- Implemented Nextdoor.com
- Implemented Tip411

FY2015-2016 GOALS/ OBJECTIVES:

- Improve recruiting methods to fill authorized vacancies and insure prompt and effective response to community needs
- Evaluate the assignments of personnel to meet the increasing needs of our community
- Continue to be good stewards of citizens tax dollars by examining and implementing the most effective and efficient system of service delivery and current technology
- Continue succession planning and career development to identify and support employee and department goals
- Establish planned responses and prevention of crime using available resources and technology

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

Staffing levels continue to be an issue due to a shortage of officers and lack of acceptable candidate applications. Salaries are below market levels in all areas. The replacement of aging fleet and required equipment needed in an effort to create a safer environment for the public and employees.

SPECIAL REVENUE FUNDS

DEPARTMENT: POLICE						
DIVISION / ACTIVITY: WATAUGA CRIME CONTROL AND PREVENTION DISTRICT - FUND 18						
EXPENDITURES	2011-12 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$633,258	\$635,653	\$762,573	\$867,300	\$862,000	\$946,500
Supplies	\$203,897	\$181,491	\$202,178	\$181,500	\$181,000	\$196,000
Maintenance	\$99,910	\$125,255	\$127,430	\$152,500	\$152,500	\$192,500
Contractual/Sundry	\$156,936	\$129,562	\$169,156	\$234,000	\$228,000	\$241,200
Capital Outlay	\$459,761	\$240,601	\$29,675	\$30,000	\$30,000	\$38,000
Transfers	\$510,600	\$28,000	\$128,000	\$103,500	\$103,000	\$115,000
TOTAL	\$2,064,362	\$1,340,562	\$1,419,012	\$1,568,800	\$1,556,500	\$1,729,200
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 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Number of Sworn Police Officers			9	11	11	11
Efficiency Measures / Impact			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
M&O Budget per Capita			\$60.39	\$64.03	\$63.53	\$73.40
M&O Percentage of City Budget			4.69%	3.79%	3.76%	4.18%
Number of Sworn Officers Per 1000 Population from WCCPD			0.45	0.45	0.45	0.45
Effectiveness Measures / Outcomes						
	Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16	
SRO Presentations	1,3,5	0	18	1	7	
SRO Student Contacts	1,3,5	0	150	246	300	
Area School Events/Contacts	1,3,5	25	10	1	5	
Explorer Post Meetings	1,3,5	30	30	48	48	
Explorer Post Meetings Training Hours	1,3,5	400	600	720	720	
Crime Prevention Training - Community Svc.	1,3,5	24	8	45	50	
Business Contacts - Community Svc.	1,3,4,5	85	90	210	250	
Neighborhood Watch Mtgs - Community Svc.	1,3,5	4	6	21	20	
Inoperable Vehicle Warnings Issued	1,2,3,5	53	50	192	200	
Inoperable Vehicles Towed	1,2,3,5	11	10	18	25	
VIPS Hours	1,2,3,5	900	1,200	1,600	1,800	
Town Hall Meetings	1,2,3,4,5	2	2	0	1	

SPECIAL REVENUE FUNDS
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: POLICE				
DIVISION / ACTIVITY: WATAUGA CRIME CONTROL & PREVENTION - FUND 18				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$51,200 (\$5,000) \$26,000 \$7,000	Medical Increase/Step Increases Vacation Buyback Program Termination 3% salary Adjustment Step Up Pay Classification
Minor Tools/Apparatus	Supplies		\$1,500	Increasing Expenditures and Needs
Event Refreshments	Supplies		(\$2,000)	Reallocated to Non-Departmental
Miscellaneous Equip.	Supplies		\$15,000	CSI Equipment
Radio Maintenance	Maintenance		(\$5,000)	Expenditure /Historical Adjustment
Software Maintenance	Maintenance	\$25,000	\$20,000	Consolidation Software Increase
Investigation Expenses	Contractual/Sundry		\$1,500	Increasing Expenditures and Needs
ERF Amortization Costs	Contractual/Sundry		\$16,700	Add FLIR Spotlights/Radar/LIDAR/2 CID Vehicles
Sundry	Contractual/Sundry		(\$11,000)	Crime Victim Liaison Grant Partial Funding of Program
Computer Hardware	Capital Outlay	(\$8,000)		Expenditure /Historical Adjustment
Computer Software	Capital Outlay	(\$5,000)		Expenditure /Historical Adjustment
Other Equipment	Capital Outlay	\$21,000		One-time tactical gear
Internal Transfers	Transfer		\$1,500	General Fund Transfer Adjustment (2% of revenue)
Internal Transfers	Transfer	(\$75,000)		One-time FY14-15 equipment needs to Equip Repl. Fund
Internal Transfers	Transfer	\$85,000		One-time FY15-16 equipment needs to Equip Repl. Fund
TOTALS:		\$43,000	\$117,400	

\$160,400 NET INCREASE/DECREASE

SPECIAL REVENUE FUNDS

STREET MAINTENANCE – FUND 14

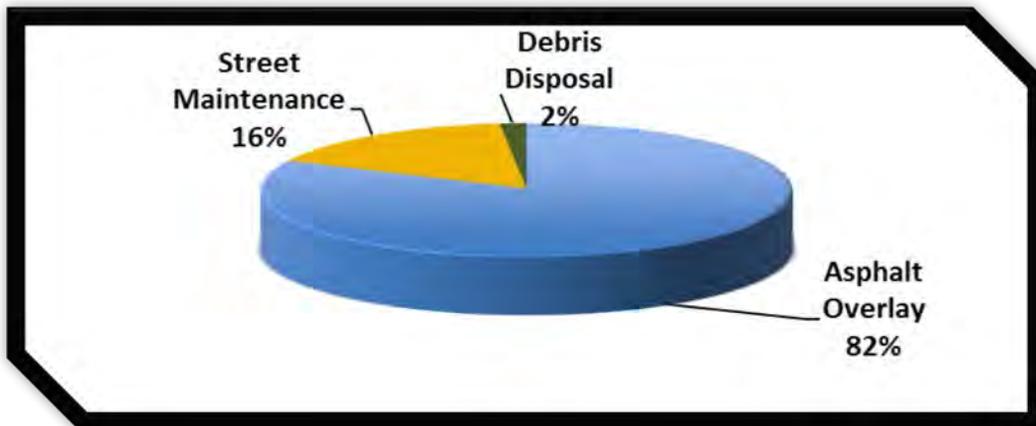
The Street Maintenance Fund was established in FY2013 to account for a ¼ cent sales tax approved by voters on May 12, 2012 for an initial four years effective October 1, 2012. The purpose of the sales tax is to provide for the maintenance and repair of municipal streets in existence at the time of the 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 FY2016 is expected to be \$779,834. This is approximately a four-percent increase from the FY2015 estimate.

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
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$0	\$210,287	\$317,287	\$421,172	\$571,112	
<u>Revenues:</u>						
Sales Taxes	709,566	741,410	721,000	749,840	779,834	8.2%
Interest Earnings	322	306	0	100	0	0.0%
Operating Revenues	\$709,888	\$ 741,717	\$ 721,000	\$ 749,940	\$ 779,834	8.2%
Total Available Resources	\$709,888	\$ 952,004	\$ 1,038,287	\$ 1,171,112	\$ 1,350,946	5.7%
<u>Expenditures:</u>						
Asphalt Overlay	385,175	458,835	500,000	500,000	500,000	0.0%
Street Maintenance	114,426	71,997	100,000	100,000	100,000	0.0%
Debris Disposal	0	0	0	0	10,000	100.0%
Operating Expenditures	499,601	530,832	600,000	600,000	610,000	0.0%
TOTAL OPERATING & TRANSFERS	\$499,601	\$ 530,832	\$ 600,000	\$ 600,000	\$ 610,000	1.7%
Fund Balance, September 30	\$210,287	\$421,172	\$438,287	\$571,112	\$740,946	
CHANGE IN FUND BALANCE	\$210,287	\$210,885	\$121,000	\$149,940	\$169,834	

SPECIAL REVENUE FUNDS

LIBRARY DONATION FUND – FUND 23

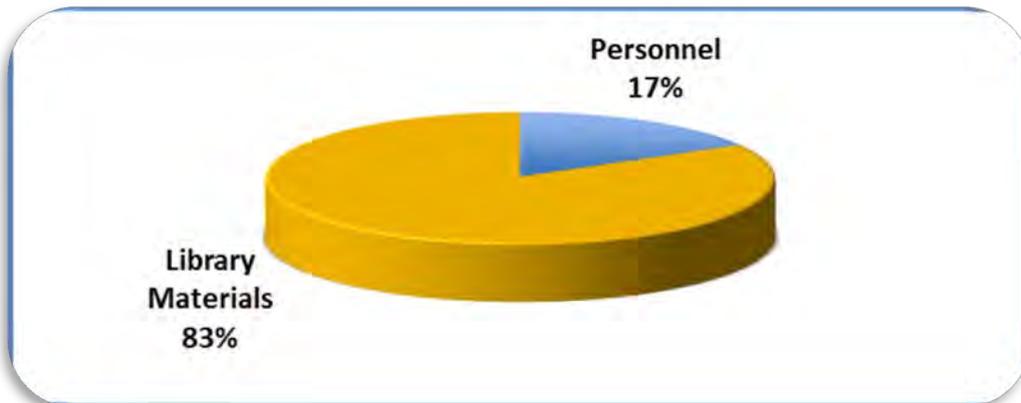
The Library Donation Fund is a Special Revenue Fund used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Library Donation Fund was established to give Watauga citizens the opportunity to assist the Library in purchasing supplies. Each month, citizens 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
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$14,353	\$14,565	\$12,380	\$16,592	\$10,812	
Revenues:						
Library Donations	10,383	8,248	11,000	8,000	8,000	-27.3%
Interest Earnings	37	11	40	50	40	0.0%
Operating Revenues	\$ 10,420	\$ 8,259	\$ 11,040	\$ 8,050	\$ 8,040	-27.2%
Total Available Resources	\$ 24,773	\$ 22,824	\$ 23,420	\$ 24,642	\$ 18,852	-12.8%
Expenditures:						
Personnel	1,369	1,494	2,330	2,330	2,330	0.0%
Library Materials	8,839	4,737	11,500	11,500	11,500	0.0%
Operating Expenditures	10,208	6,231	13,830	13,830	13,830	0.0%
TOTAL OPERATING & TRANSFERS	\$ 10,208	\$ 6,231	\$ 13,830	\$ 13,830	\$ 13,830	0.0%
Fund Balance, September 30	\$14,565	\$16,592	\$9,590	\$10,812	\$5,022	
CHANGE IN FUND BALANCE	\$212	\$2,027	(\$2,790)	(\$5,780)	(\$5,790)	

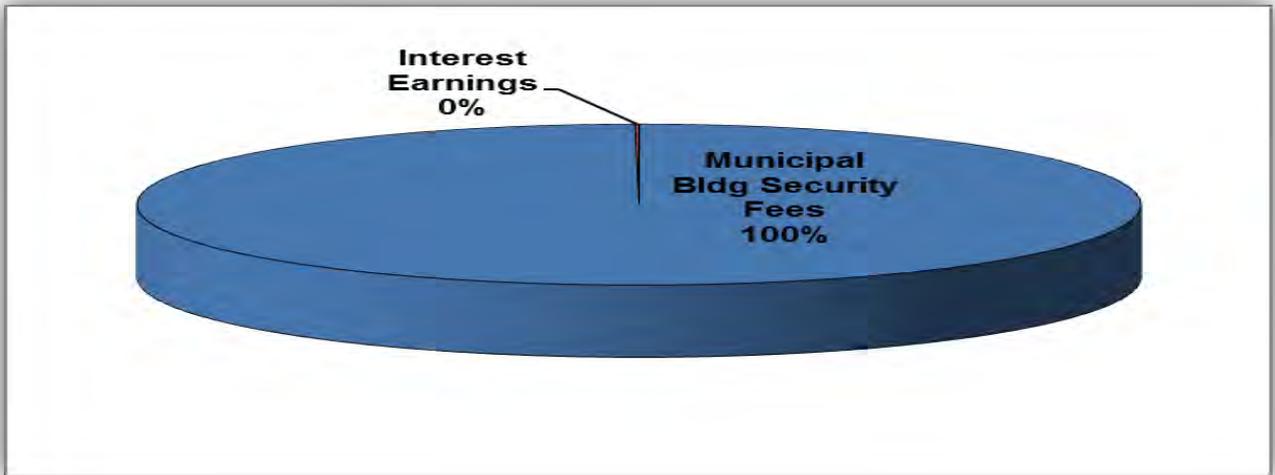
SPECIAL REVENUE FUNDS

MUNICIPAL COURT SECURITY – FUND 25

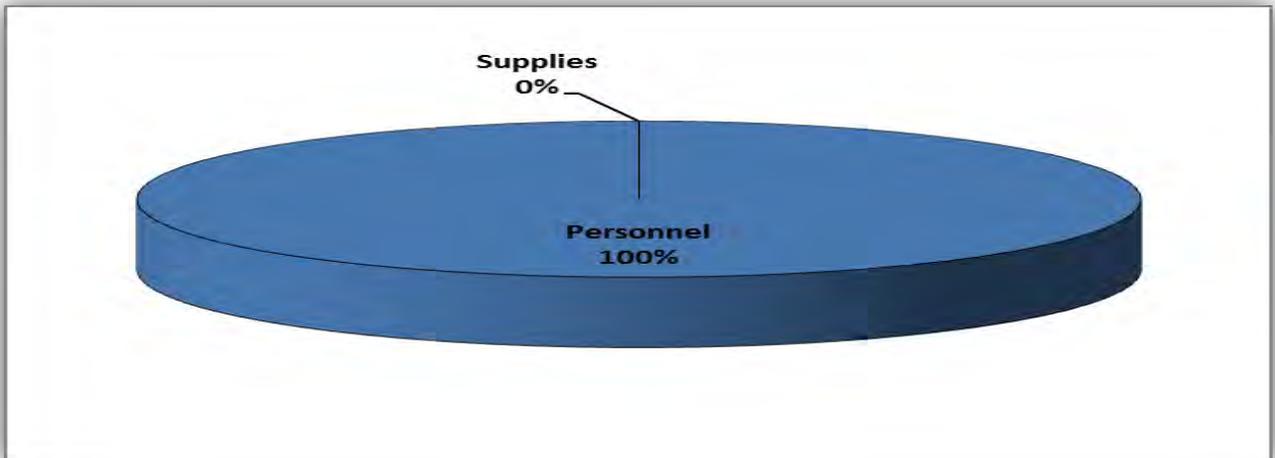
The Municipal Court Security Fund was established in the 1997 Texas Legislative Session to allow a \$3 assessment on all court fines paid. The assessment allows municipalities to purchase security equipment such as surveillance cameras, bulletproof glass, and Bailiff costs for Municipal Court areas.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

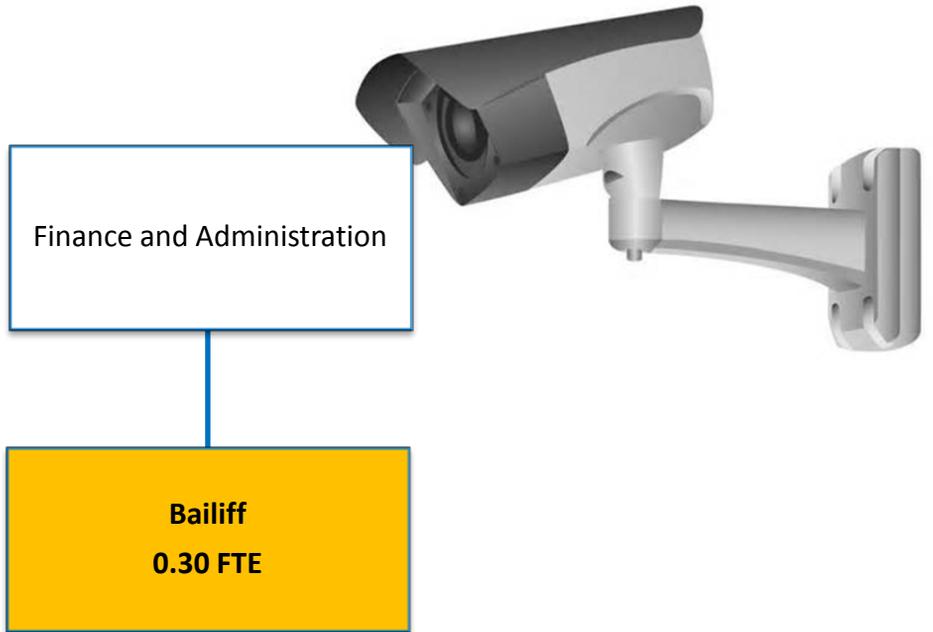


SPECIAL REVENUE FUNDS

**MUNICIPAL COURT SECURITY BUDGET SUMMARY
FUND 25**

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$ 52,599	\$ 51,220	\$51,050	\$40,888	\$39,336	
Revenues:						
Municipal Bldg Security Fees	10,812	13,359	18,000	16,000	16,000	-11.1%
Interest Earnings	68	32	0	20	20	0.0%
Operating Revenues	\$ 10,880	\$ 13,391	\$ 18,000	\$ 16,020	\$ 16,020	-11.0%
Total Available Resources	\$ 63,479	\$ 64,611	\$ 69,050	\$ 56,908	\$ 55,356	-2.9%
Expenditures:						
Personnel	11,971	23,723	17,000	16,672	15,200	-10.6%
Supplies	284	0	500	500	0	100.0%
Contractual/Sundry	4	0	400	400	2,250	100.0%
Capital	0	0	0	0	8,000	0.0%
Operating Expenditures	12,259	23,723	17,900	17,572	25,450	42.2%
Operating Transfers-Out						
To Internal Service Fund					15,000	
Total Operating Transfers-Out					15,000	
TOTAL OPERATING & TRANSFERS	\$ 12,259	\$ 23,723	\$ 17,900	\$ 17,572	\$ 40,450	126.0%
Fund Balance, September 30	\$51,220	\$40,888	\$51,150	\$39,336	\$14,906	
CHANGE IN FUND BALANCE	(\$1,379)	(\$10,332)	\$100	(\$1,552)	(\$24,430)	

Municipal Court Security Fund Fund 25



SPECIAL REVENUE FUNDS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: FINANCE & ADMINISTRATION				
DIVISION / ACTIVITY: MUNICIPAL COURT SECURITY - FUND 25				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		(\$2,500) \$700	Reallocated Position Portion to General Fund Salary Increase
Lease/Purchase Cost	Contractual/Sundry		\$2,250	ERF Amortization Cost
Other Equipment	Capital Outlay	\$8,000		New Expanded Funding - Security System/Camera
Transfer to Internal Service	Transfers	\$15,000		Internal Transfer
Net Misc. Budget Changes	Various		(\$900)	Net Small Dollar Budget Adjustments
TOTALS:		\$23,000	(\$450)	

\$22,550 NET INCREASE/DECREASE

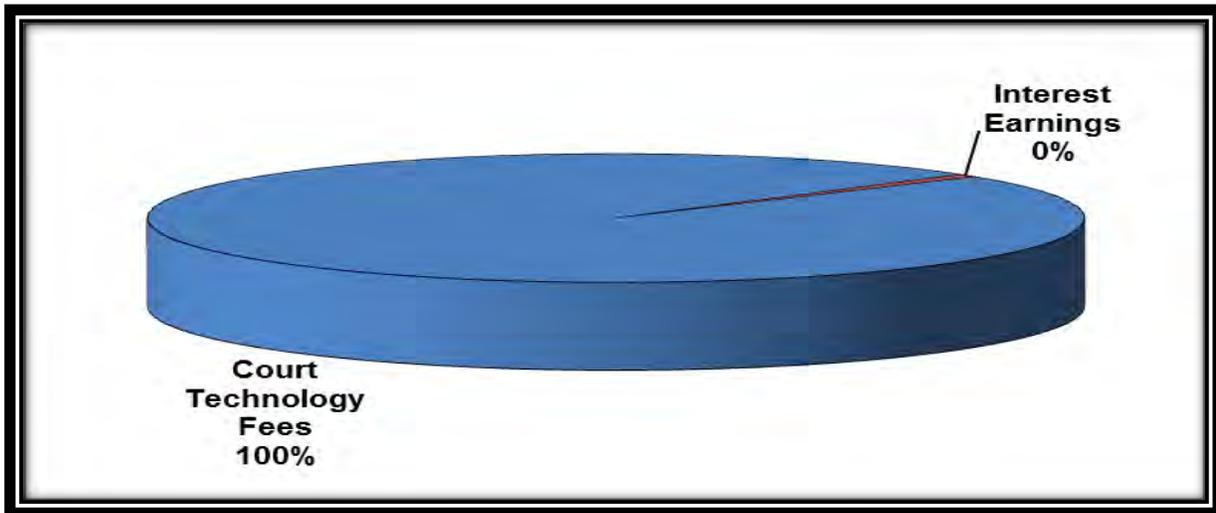
SPECIAL REVENUE FUNDS

MUNICIPAL COURT TECHNOLOGY- FUND 26

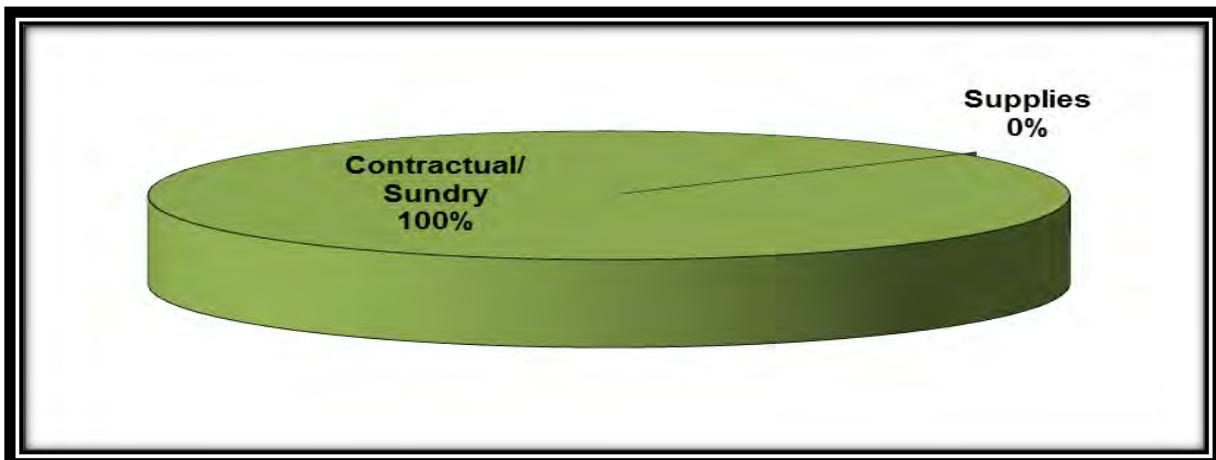
The Municipal Court Technology Fee was established in the 1997 Texas Legislative Session to allow a \$4 assessment on all court fines paid. The fees were assessed beginning October, 1999. The assessment allows municipalities to purchase and maintain technology equipment for Municipal Court areas. This 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
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$ 74,651	\$ 89,694	\$102,844	\$107,513	\$103,113	
Revenues:						
Municipal Court Technology Fee	15,435	19,735	20,900	18,000	19,000	-9.1%
Interest Earnings	127	68	150	100	100	0.0%
Operating Revenues	\$15,562	\$ 19,803	\$ 21,050	\$ 18,100	\$ 19,100	-9.3%
Total Available Resources	\$90,213	\$ 109,497	\$ 123,894	\$ 125,613	\$ 122,213	-1.6%
Expenditures:						
Supplies	0.00	0.00	1,500	0.00	0.00	-100.0%
Contractual/Sundry	93	1,984	2,500	2,500	7,500	200.0%
Capital	426	0.00	20,000	20,000	0.00	-100.0%
Operating Expenditures	519	1,984	24,000	22,500	7,500	-68.8%
TOTAL OPERATING & TRANSFERS	\$519	\$ 1,984	\$ 24,000	\$ 22,500	\$ 7,500	-68.8%
Fund Balance, September 30	\$ 89,694	\$107,513	\$99,894	\$103,113	\$114,713	
CHANGE IN FUND BALANCE	\$15,043	\$17,819	(\$2,950)	(\$4,400)	\$11,600	

SPECIAL REVENUE FUNDS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: FINANCE & ADMINISTRATION				
DIVISION / ACTIVITY: MUNICIPAL COURT TECHNOLOGY - FUND 26				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Special Services	Contractual/Sundry		\$5,500	Warranties
Other Equipment	Capital Outlay	(\$20,000)		One-Time Purchase
Net Misc. Budget Changes	Various		(\$2,000)	Net Small Dollar Budget Adjustments
TOTALS:		(\$20,000)	\$3,500	

(\$16,500) NET INCREASE/DECREASE

SPECIAL REVENUE FUNDS

MUNICIPAL COURT JUVENILE CASE MANAGER – FUND 27

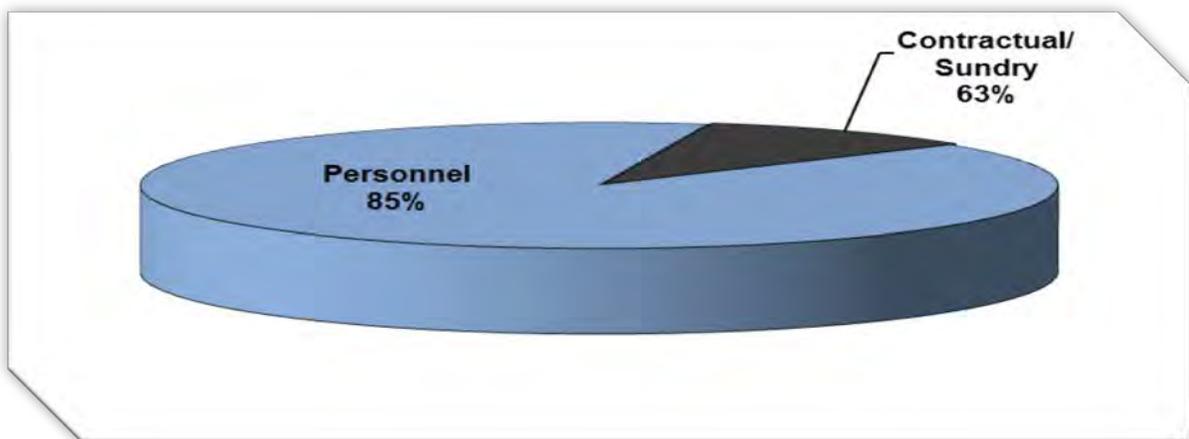
The Municipal Court Juvenile Case Manager Fee was established in the Texas Legislative session to allow a \$5 assessment on fines for misdemeanor offenses. The assessment allows municipalities to purchase and maintain technology equipment for Municipal Court areas. This equipment includes computer hardware 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?

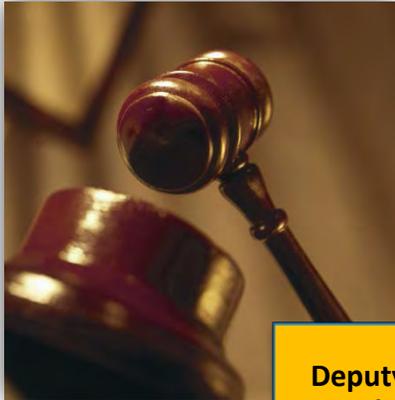


SPECIAL REVENUE FUNDS

**MUNICIPAL COURT JUVENILE CASE MANAGER BUDGET SUMMARY
FUND 27**

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$81,769	\$94,394	\$98,144	\$108,801	\$112,451	
Revenues:						
Juvenile Case Manager Fee	19,160	24,405	26,500	20,000	25,000	-5.7%
Interest Earnings	126	69	100	100	100	0.0%
Operating Revenues	\$ 19,286	\$ 24,474	\$ 26,600	\$ 20,100	\$ 25,100	-5.6%
Total Available Resources	\$ 101,055	\$ 118,868	\$ 124,744	\$ 128,901	\$ 137,551	-1.2%
Expenditures:						
Personnel	6,181	9,610	14,800	13,800	19,860	34.2%
Contractual/Sundry	480	457	2,700	2,650	2,100	-22.2%
Operating Expenditures	6,661	10,067	17,500	16,450	21,960	25.5%
TOTAL OPERATING & TRANSFERS	\$ 6,661	\$ 10,067	\$ 17,500	\$ 16,450	\$ 21,960	25.5%
Fund Balance, September 30	\$94,394	\$108,801	\$107,244	\$112,451	\$115,591	
CHANGE IN FUND BALANCE	\$12,625	\$14,407	\$9,100	\$3,650	\$3,140	

Juvenile Case Manager Fund 27-040



Finance and
Administration

Deputy Court
Clerk I
0.10 FTE

Deputy Court
Clerk II
0.30 FTE



SPECIAL REVENUE FUNDS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: FINANCE & ADMINISTRATION				
DIVISION / ACTIVITY: JUVENILE CASE MANAGER - FUND 27				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$4,065	Position Allocation Adjustment
			\$600	Salary Increase
			\$300	Insurance Increase
Net Misc. Budget Changes	Various		(\$505)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	\$4,460	

\$4,460 **NET INCREASE/DECREASE**

SPECIAL REVENUE FUNDS

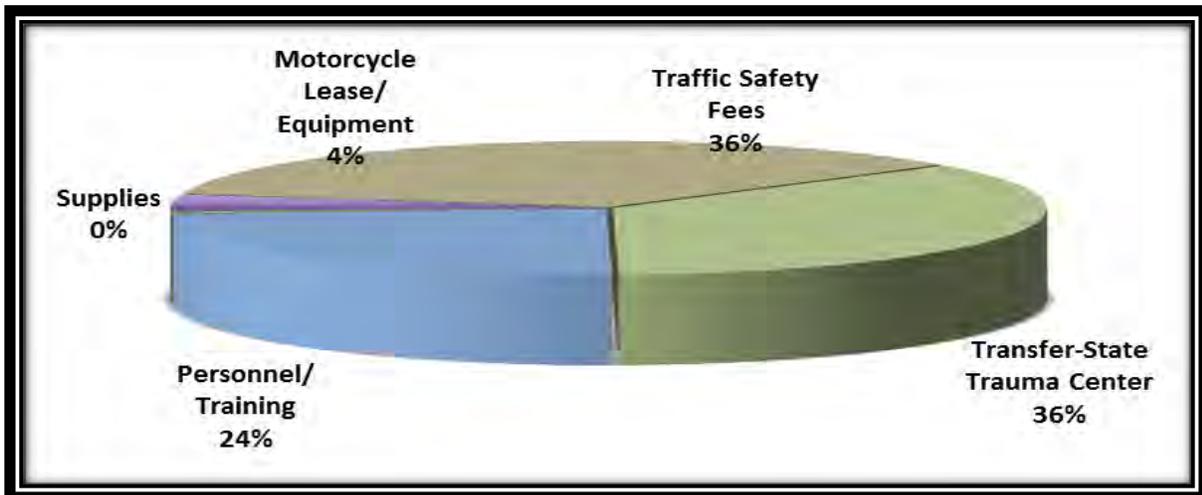
TRAFFIC SAFETY – FUND 28

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?

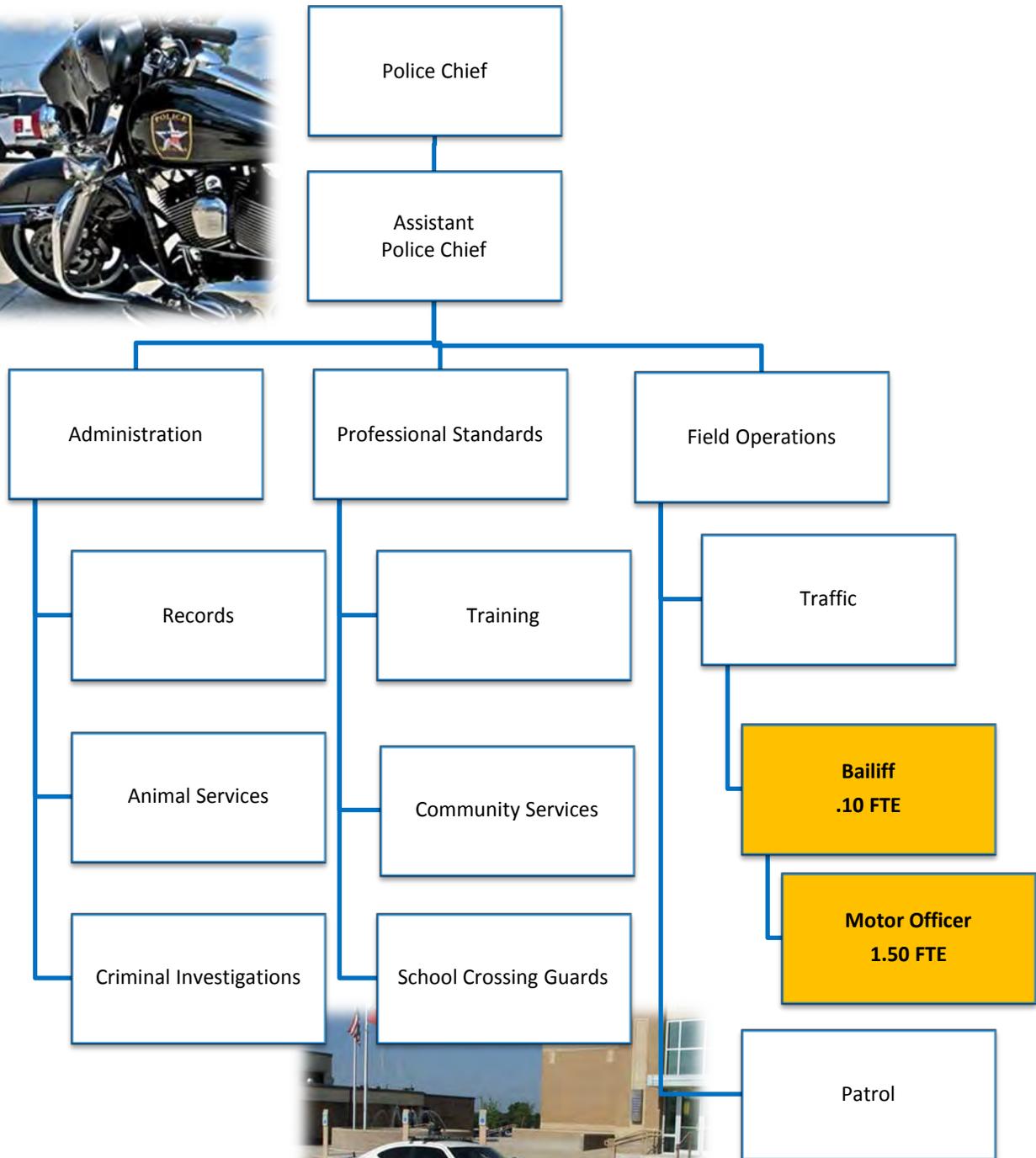


SPECIAL REVENUE FUNDS

**TRAFFIC SAFETY BUDGET SUMMARY
FUND 28**

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$23,220	\$ 53,035	\$36,735	\$13,071	\$0.00	
Revenues:						
Traffic Safety Fee	652,717	658,628	700,000	625,000	615,000	-12.1%
Interest Earnings	0.00	0.00	0.00	0.00	0.00	0.0%
Operating Revenues	\$652,717	\$ 658,628	\$ 700,000	\$ 625,000	\$ 615,000	-12.1%
Total Available Resources	\$675,937	\$ 711,663	\$ 736,735	\$ 638,071	\$ 615,000	-11.5%
Expenditures:						
Personnel/Training Expenses	189,061	244,762	249,200	240,600	139,000	-44.2%
Lease - Motorcycles/Equipment	0.00	17,679.00	22,000	22,060	24,060	9.4%
Traffic Safety Fees	228,000	222,177	228,000	218,500	204,000	0.0%
Total Operating Expenditures	417,061	484,618	499,200	481,160	367,060	-26.5%
Operating Transfers-Out						
To Gen Capital Projects	0.00	0.00	0.00	0.00	0.00	0.0%
To State Trauma Center	205,841	213,974	235,000	185,000	205,500	-12.6%
Total Operating Transfers-Out	205,841	213,974	235,000	185,000	205,500	-12.6%
TOTAL OPERATING & TRANSFERS	\$622,902	\$ 698,592	\$ 734,200	\$ 666,160	\$ 572,560	-22.0%
Fund Balance, September 30	\$ 53,035	\$13,071	\$2,535	(\$28,089)	\$42,440	
CHANGE IN FUND BALANCE	\$29,815	(\$39,964)	(\$34,200)	(\$41,160)	\$42,440	

Traffic Safety Fund 28-080



SPECIAL REVENUE FUNDS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: POLICE				
DIVISION / ACTIVITY: TRAFFIC SAFETY - FUND 28				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		(\$109,200)	Reallocate Partial Positions to General Fund
			\$3,000	Salary Increase
			(\$2,000)	Step Program
			(\$2,000)	Certification
			(\$2,000)	Vacation/Comp
			\$1,000	Step Up Pay
			\$4,700	Step Increase
Traffic Light Fees	Non-Departmental		(\$24,000)	Contract Adjustment
Wearing Apparel	Supplies		(\$1,000)	Budget Review Adjustment
Special Services	Contractual/Sundry		(\$29,500)	Decreased State Fees Based on Revenues
Travel Expense	Contractual/Sundry		(\$1,000)	Budget Review Adjustment
Training	Contractual/Sundry		(\$1,000)	Budget Review Adjustment
Lease/Purchase Cost	Contractual/Sundry		\$2,060	Motorcycle Lease
Net Misc. Budget Changes	Various		(\$700)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	(\$161,640)	

(\$161,640) NET INCREASE/DECREASE

PROPRIETARY FUNDS

STORM DRAIN

FUND 15

***WATER & SEWER UTILITY
ENTERPRISE***

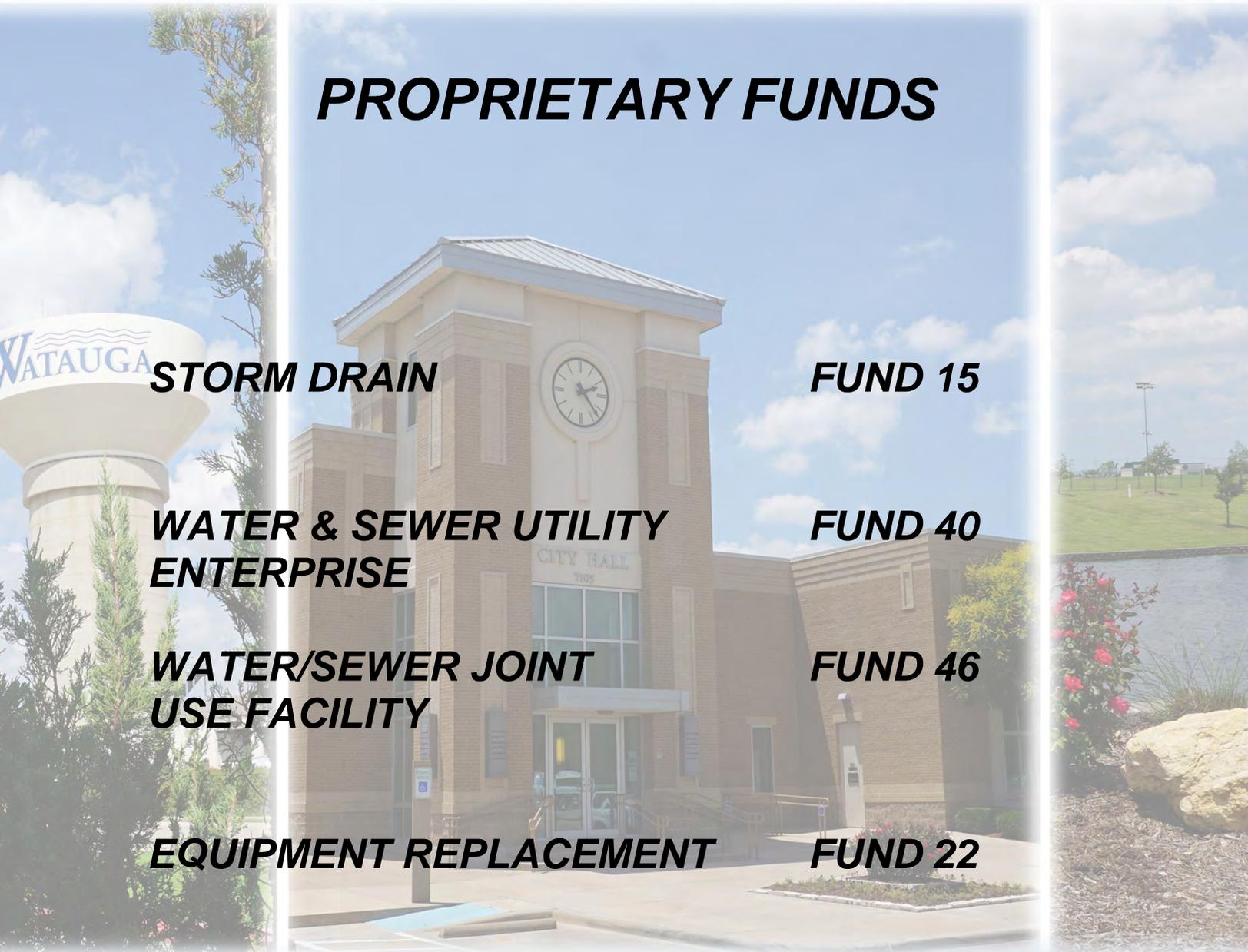
FUND 40

***WATER/SEWER JOINT
USE FACILITY***

FUND 46

EQUIPMENT REPLACEMENT

FUND 22



PROPRIETARY FUNDS

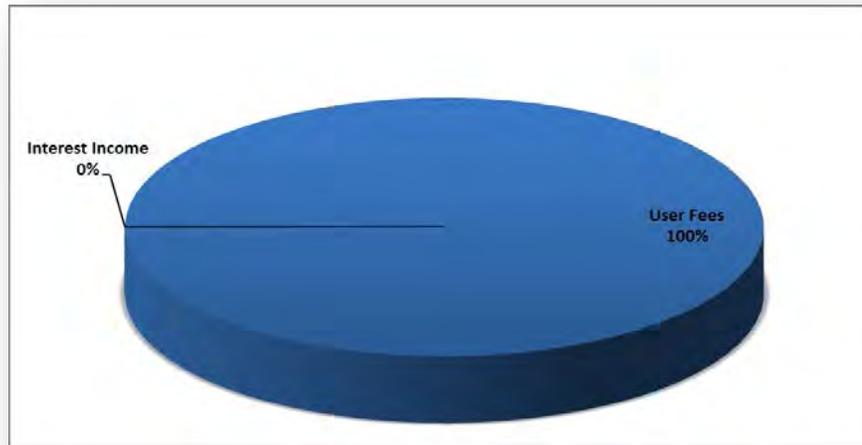
Storm Drain Utility Enterprise Fund

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.

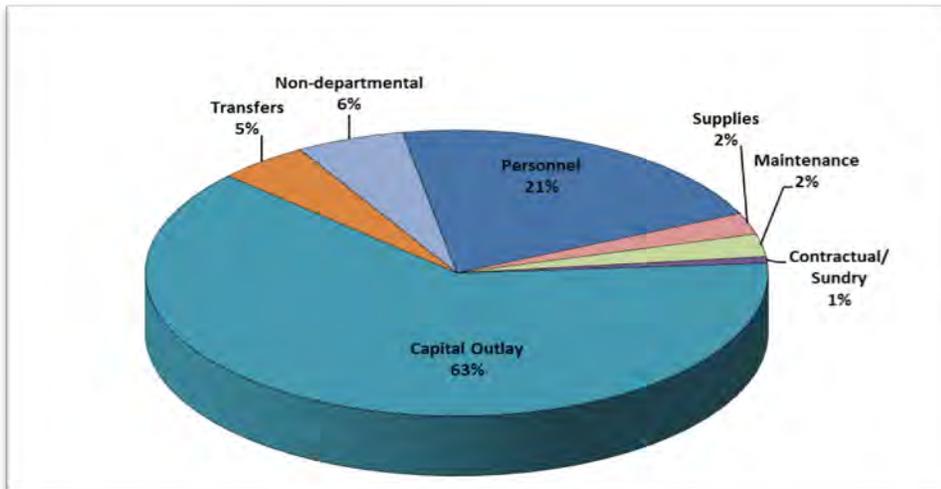
This fund is used to account for user fees charged per residential and commercial unit to enhance drainage of properties within the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations and maintenance.

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?



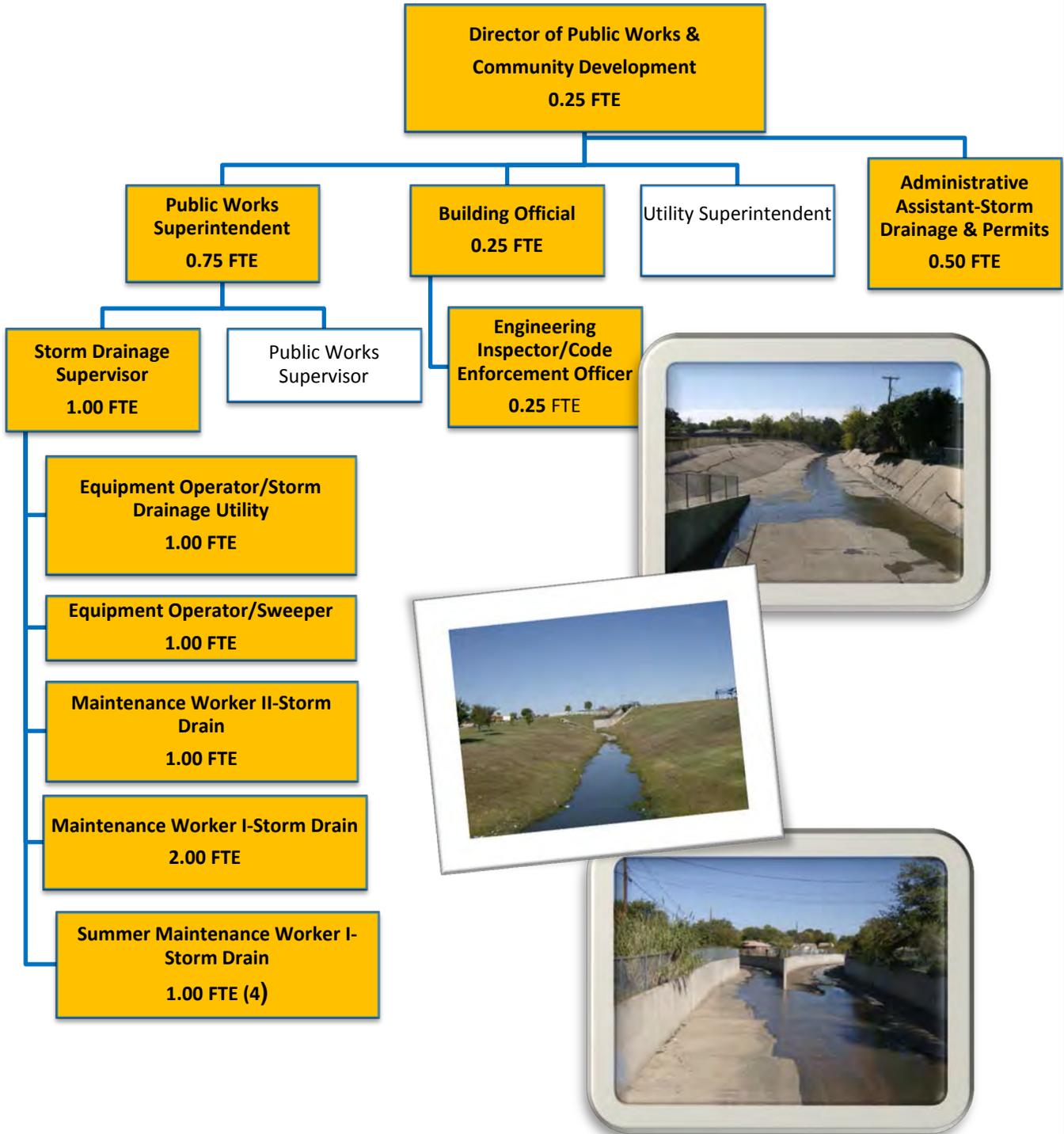
PROPRIETARY FUNDS

**STORM DRAIN UTILITY BUDGET SUMMARY
FUND 15**

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Working Capital, October 1	\$1,622,470	\$1,943,403	\$1,353,803	\$2,554,741	\$3,085,341	
Revenues:						
Operating Revenues	1,413,708	1,416,053	1,410,000	1,415,000	1,415,000	0.4%
Interest Income	2,603	1,325	1,500	1,500	1,500	0.0%
Other Revenue	0	30,100	0	0	0	0.0%
Total Revenues	\$ 1,416,311	\$ 1,447,478	\$ 1,411,500	\$ 1,416,500	\$ 1,416,500	0.4%
Total Available Resources	\$ 3,038,781	\$ 3,390,881	\$ 2,765,303	\$ 3,971,241	\$ 4,501,841	0.2%
Expenditures:						
Personnel	521,727	449,374	485,500	483,000	460,300	-5.2%
Supplies	49,135	46,914	55,700	46,300	53,600	-3.8%
Maintenance	45,744	46,416	61,500	46,500	56,500	-8.1%
Contractual/Sundry	66,626	90,671	134,150	131,600	139,800	4.2%
Capital Outlay	0	0	2,681,750	75,000	1,384,332	-48.4%
Depreciation	351,015	367,464	0	0	0	0.0%
Total Operating Expenditures	1,034,247	1,000,839	3,418,600	782,400	2,094,532	-38.7%
Operating Transfers-Out						
To General Fund	69,400	70,500	70,500	70,500	70,500	0.0%
To Internal Service Fund	118,000	85,000	33,000	33,000	33,000	0.0%
Total Operating Transfers-Out	187,400	155,500	103,500	103,500	103,500	0.0%
Operating Surplus/(Deficit)	\$194,664	\$291,139	(\$2,110,600)	\$ 530,600	(781,532)	
TOTAL OPERATING & TRANSFERS	\$ 1,221,647	\$ 1,156,339	\$ 3,522,100	\$ 885,900	\$ 2,198,032	-37.6%
Working Capital, September 30	\$ 1,817,134	\$2,234,542	(\$756,797)	\$3,085,341	\$2,303,809	
CHANGE IN NET ASSETS	\$ 194,664	\$291,139	(\$2,110,600)	\$530,600	(\$781,532)	

* Working Capital adjusted to CAFR first of year

Public Works 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Completed handicap ramp located at Bursey and Indian Springs
- Replaced drainage flume on Brookside Drive
- Street sweeping is scheduled and accomplished within appropriate frequencies
- Maintained 19 miles of right-of-ways
- Repaired or replaced approximately 3,500 linear feet of sidewalk
- Placed and retrieved mosquito traps for West Nile virus testing in coordination with Tarrant County Health Department
- 7 miles of City channels were maintained by mowing and weed eating
- Removed storm damage that impaired traffic or pedestrian traffic in street and sidewalks throughout the year
- Inspected the spillway valve at Capp Smith Lake on a monthly basis to insure proper operation in an effort to prevent dam damage during high water levels

FY2015-2016 GOALS/ OBJECTIVES:

- Maintain all channels, storm drains and ditches to protect the City from liability due to damage from flooding
- Continue to maintain City sidewalks, streets and major right-of-ways
- Continue to monitor West Nile virus in coordination with Tarrant County Health Department
- Replace or install approximately 1,300 linear feet of storm drain pipe on Bursey Road
- Replace or install approximately 2,200 linear feet of storm drain pipe on Saramac
- Maintain EPA compliance

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Increasing maintenance and operational costs
- Changes in Stormwater Phase II permit requirements

PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS						
DIVISION / ACTIVITY: STORM DRAIN UTILITY - FUND 15						
EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Non-Departmental	\$81,730	\$58,671	\$81,297	\$118,500	\$118,500	\$123,500
Personnel	\$412,121	\$521,727	\$449,374	\$485,500	\$483,000	\$460,300
Supplies	\$55,021	\$49,135	\$46,914	\$55,700	\$46,300	\$53,600
Maintenance	\$58,893	\$45,744	\$46,416	\$61,500	\$46,500	\$56,500
Contractual/Sundry	\$7,357	\$7,955	\$9,374	\$15,650	\$13,100	\$16,300
Transfers	\$182,801	\$187,400	\$155,500	\$103,500	\$103,500	\$103,500
Capital Outlay	\$347,496	\$351,015	\$367,464	\$2,681,750	\$1,347,418	\$1,384,332
TOTAL	\$1,145,419	\$1,221,647	\$1,156,339	\$3,522,100	\$2,158,318	\$2,198,032
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	0.25	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
PW Superintendent	0.50	0.50	0.50	0.75	0.75	0.75
Storm Drain Foreman	1.00	1.00	1.00	0.00	0.00	0.00
Storm Drain Supervisor	0.00	0.00	0.00	1.00	1.00	1.00
Equipment Operator	1.00	1.00	1.00	1.00	1.00	1.00
Equipment Operator / Sweeper	1.00	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	2.00
Maintenance Worker II / S. Drain	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant/Permits	0.50	0.50	0.50	0.50	0.50	0.50
Administrative Supervisor	0.00	0.00	0.00	0.25	0.00	0.00
Summer Temp. Help	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL	9.50	9.50	9.50	10.25	10.00	9.00
PERFORMANCE MEASURES / SERVICE LEVELS						
Input / Demand			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Number of right of way miles mowed / weeded			19 miles	19 miles	19 miles	19 miles
Miles of street cleaned			88	88	88	88
Number of miles of drainage channels mowed / weeded			7	7	7	7
Output / Workload			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Employee hours spent mowing and cutting weeds			4,900	4,900	5,000	5,000
Employee hours spent in repairing rock			200	200	250	250
Efficiency Measures / Impact			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
M & O percentage of city budget			4%	9%	5%	5%
M & O budget per capita			\$49.21	\$143.76	\$88.09	\$93.30
Effectiveness Measures / Outcomes		Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
% channels mowed/weeded-monthly basis		2, 3, 5	100%	100%	100%	100%
% right-of-ways completed within a month		2, 3, 5	100%	100%	100%	100%
% curb and gutters cleaned-monthly basis		2, 3, 5	100%	100%	100%	100%
% of sidewalks repaired within 7 days		1, 2, 3, 4, 5	100%	100%	100%	50%
% of sidewalks repaired within 30 days of insp.		1, 2, 3, 4, 5	100%	100%	100%	50%
Number of weed-abated sites		2, 3, 5	27	27	28	30

PROPRIETARY FUNDS
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PUBLIC WORKS				
DIVISION / ACTIVITY: STORM DRAIN - FUND 15				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Contingency	Non-Departmental			Budget Review Adjustment
Personnel	Personnel Services		-\$1,000 (\$42,000) \$13,000 \$4,800	Overtime Reduction Unfunded Position Salary Increase Insurance Increase
Contingency	Non-Departmental		\$5,000	Budget Review Adjustment
Vehicle Fuels/Lubricants	Supplies		(\$2,000)	Recent Historical Adjustment
Vehicle Maintenance	Maintenance		(\$5,000)	Recent Historical Adjustment
Storm Drain Improvements	Capital Outlay	(\$1,297,418)		One-Time Capital Projects Adjustment
Net Misc. Budget Changes	Various		\$550	Net Small Dollar Budget Adjustments
TOTALS:		(\$1,297,418)	(\$26,650)	

(\$1,324,068) NET INCREASE/DECREASE

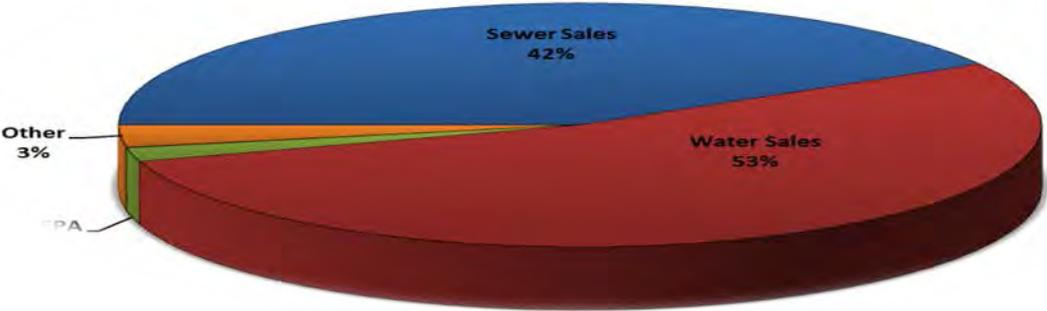
PROPRIETARY FUNDS

Water and Sewer Utility Operating Fund

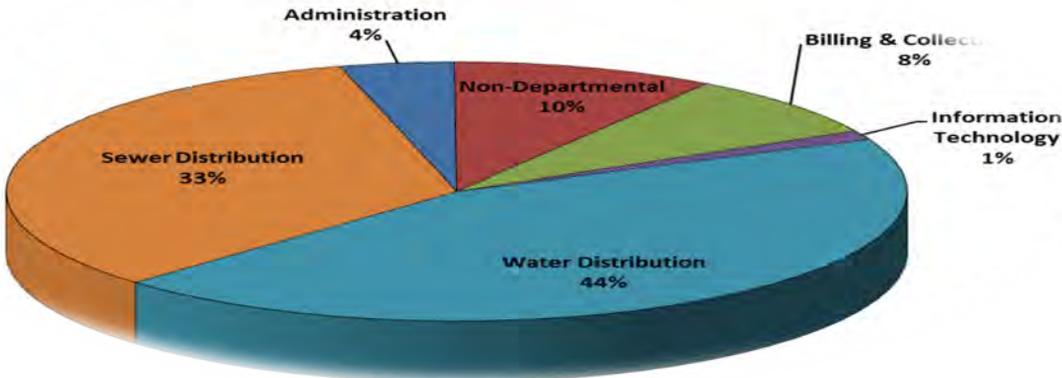
The Water and Sewer Utility Fund is one of two enterprise funds of the City. Its purpose is to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City Council is that cost of providing services to the general public on a continuing 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?

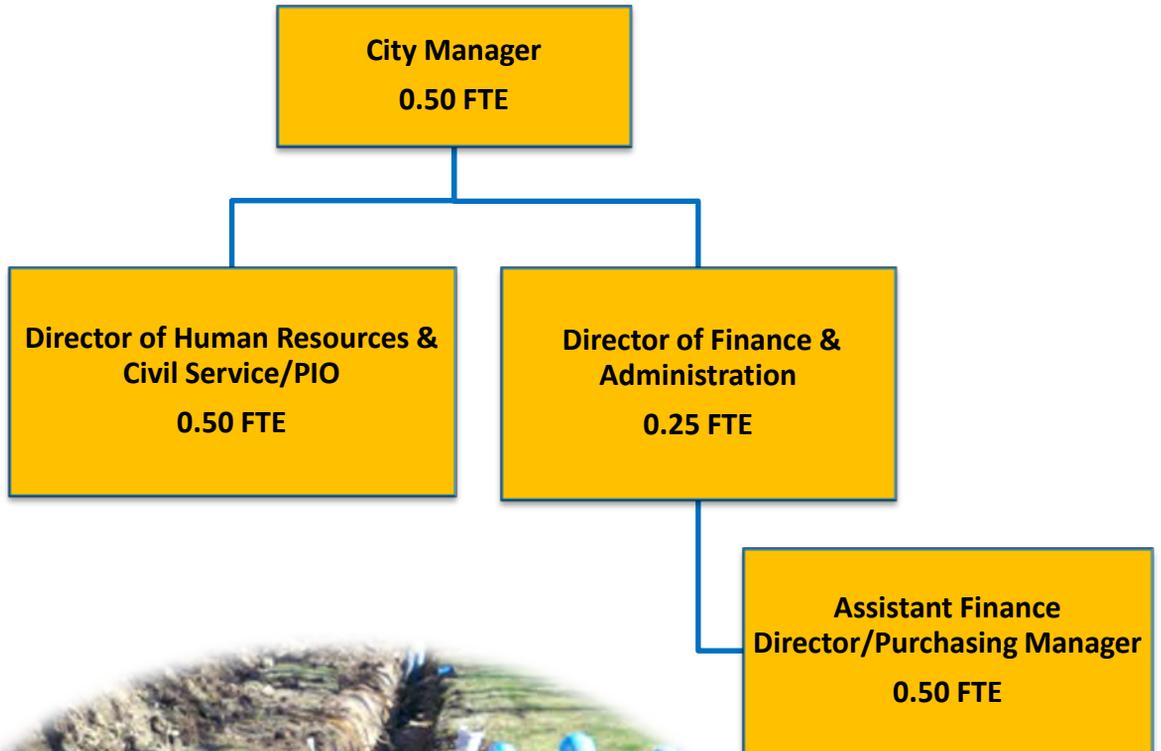


PROPRIETARY FUNDS

WATER SEWER UTILITY BUDGET SUMMARY - FUND 40

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2014-15 VS 2013-14
Retained Earnings, October 1	\$2,432,263	\$2,408,601	\$2,134,559	\$2,121,947	\$1,197,289	
Revenues:						
Water Sales	4,481,638	4,267,272	4,650,000	4,300,000	4,528,000	-2.6%
Sewer Sales	3,254,475	3,213,419	3,475,000	3,250,000	3,525,000	1.4%
Penalty Revenue	202,217	201,760	190,000	205,000	200,000	5.3%
Other Revenue	15,461	13,281	5,000	5,000	5,000	0.0%
Water Taps	3,300	4,648	0	3,500	0	0.0%
Sewer Taps	400	150	0	100	0	0.0%
Service Charges	44,880	43,940	43,000	45,000	45,000	0.0%
EPA Revenues	157,578	156,819	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	130	60	5,000	4,000	5,000	0.0%
Operating Revenues	\$ 8,160,079	\$ 7,901,350	\$ 8,524,000	\$ 7,968,600	\$ 8,464,000	-0.7%
Operating Transfers-In:						
Transfers from JUF	770	813	0	813	0	0.0%
Total Available Resources	\$ 10,593,112	\$ 10,310,764	\$ 10,658,559	\$ 10,091,360	\$ 9,661,289	-0.5%
Expenditures:						
Administration	194,840	220,079	241,200	242,212	247,200	2.5%
Non-Departmental	596,392	615,872	573,000	563,100	573,000	0.0%
Billing & Collections	430,899	436,474	469,100	456,550	481,000	2.5%
Information Technology	62,154	63,393	67,600	66,092	69,500	2.8%
Water Distribution	2,269,009	2,467,713	2,680,100	2,632,872	2,677,550	-0.1%
Wastewater Collection	2,010,763	1,775,654	2,023,850	2,361,742	2,014,550	-0.5%
Total Operating Expenditures	5,564,057	5,579,185	6,054,850	6,322,568	6,062,800	0.1%
Operating Transfers-Out						
To General Fund	402,321	398,719	426,000	380,000	426,000	0.0%
To Joint Use Facility Fund	33,632	51,426	75,000	60,000	75,000	0.0%
To CO Debt Service	1,699,089	1,678,825	1,686,125	1,552,825	1,685,863	0.0%
To Revenue Bond Debt Service	345,412	340,662	340,678	315,678	325,304	-4.5%
To Water/Wastewater Construction	140,000	140,000	140,000	120,000	140,000	0.0%
Total Operating Transfers-Out	2,620,454	2,609,632	2,667,803	2,428,503	2,652,167	-0.6%
Operating Surplus/(Deficit)	(\$23,662)	\$ (286,654)	(\$198,653)	\$ (781,658)	(250,967)	
Transfers to Sustainability Funds						
To Equipment Repl. - Current Year	0	0	221,000	143,000	50,000	0.0%
Total Transfers to Sustainability Funds	0	0	221,000	143,000	50,000	0.0%
Net Income	2,596,792	2,322,978	2,469,150	1,646,845	2,401,200	
TOTAL OPERATING & TRANSFERS	\$ 8,184,511	\$ 8,188,817	\$ 8,943,653	\$ 8,894,071	\$ 8,764,967	-2.0%
Retained Earnings, September 30	\$ 2,408,601	\$2,121,947	\$1,714,906	\$1,197,289	\$896,322	
CHANGE IN NET ASSETS	(\$23,662)	(\$286,654)	(\$419,653)	(\$924,658)	(\$300,967)	
% OF EXPENDITURES	29%	26%	19%	13%	11%	

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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

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

FY2015-2016 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: ADMINISTRATION
DIVISION / ACTIVITY: WATER AND SEWER - FUND 40-010

EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-15 BUDGET	2014-15 ESTIMATED	2015-16 BUDGET
Personnel	\$223,376	\$194,840	\$219,823	\$241,200	\$242,212	\$247,200
Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$0	\$0	\$256	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$223,376	\$194,840	\$220,079	\$241,200	\$242,212	\$247,200

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 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per capita	\$9.37	\$9.84	\$9.89	\$10.49
M & O percentage of city budget	0.73%	0.58%	0.59%	0.60%

PROPRIETARY FUNDS

WATER & SEWER FUND - ADMINISTRATION 40-010

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: ADMINISTRATION				
DIVISION / ACTIVITY: WATER & SEWER - FUND 40-010				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel	Personnel Services		\$6,000	Salary Increase
TOTALS:		\$0	\$6,000	

\$6,000 NET INCREASE/DECREASE

Water and Sewer Fund Non-Departmental Fund 40-020

Non-Departmental

Finance

Administration



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

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

Employee retention increased with a slight decrease in the amount of retirees and resignations. Eliminated the vacation sell-back program. Employee compensation increase of 3%.

FY2015-2016 GOALS/ OBJECTIVES:

Fund increase for employees in order to remain competitive in the current market.

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

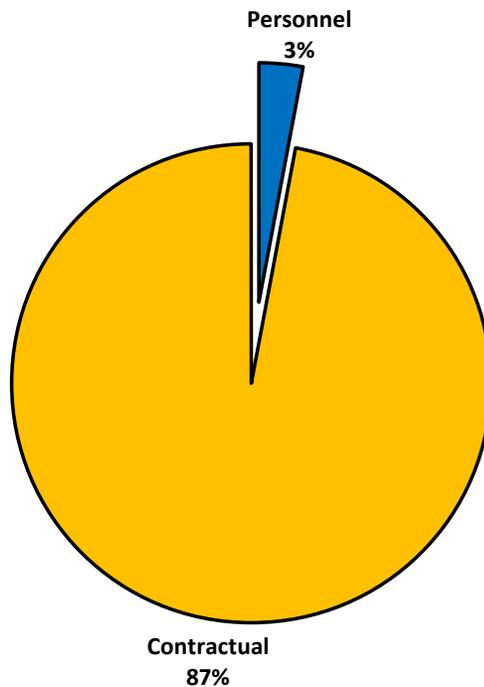
In order to recruit and retain a solid workforce, the City will continually review and revise the current employee pay plan.

PROPRIETARY FUNDS

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

EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$18,510	\$98,696	\$45,271	\$22,000	\$25,000	\$17,000
Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance	\$151	\$0	\$0	\$0	\$0	\$0
Contractual/Sundry	\$579,097	\$497,368	\$570,600	\$551,000	\$538,100	\$556,000
Capital Outlay	\$0	\$328	\$0	\$0	\$0	\$0
TOTAL	\$597,758	\$596,392	\$615,872	\$573,000	\$563,100	\$573,000
PERSONNEL						
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

PROPRIETARY FUND NON-DEPARTMENTAL 2015-2016 BUDGET



Finance & Administration 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Continued meter replacement program with a total of 700 residential water meters replaced.
- Continued cross-training staff.
- Prepared the Single family Rental Inspection Program Policies & Procedures.
- Prepared delinquent analytics.

FY2015-2016 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.
- Provide customer service training.

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	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$349,416	\$336,381	\$332,983	\$346,000	\$343,500	\$364,900
Supplies	\$70,011	\$65,008	\$72,884	\$84,000	\$76,500	\$77,800
Maintenance	\$3,128	\$4,122	\$3,785	\$5,000	\$5,000	\$5,000
Contractual/Sundry	\$27,023	\$25,388	\$26,823	\$34,100	\$31,550	\$33,300
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$449,578	\$430,899	\$436,474	\$469,100	\$456,550	\$481,000
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						
<i>Input / Demand</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Service orders			5,009	7,000	7,000	7,000
Number of water billings			98,000	97,500	98,200	98,200
Number of wastewater billings			97,000	97,000	97,500	97,500
Number of water account			8,100	8,150	8,250	8,250
Number of wastewater accounts			8,200	8,100	8,200	8,200
Meters read annually			98,000	98,000	98,000	98,000
<i>Output/Workload</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
New accounts			1,427	1,400	1,500	1,500
Transfers			50	50	50	50
Billing cycles			5	5	5	5
Meters replaced			439	1500 to 2000	403 +	1,000
Cu. Ft. billed - water			92,500,000	94,000,000	92,600,000	92,600,000
Cu. Ft. billed - wastewater			73,000,000	70,000,000	71,000,000	71,000,000
<i>Efficiency Measures / Impact</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per capita			\$18.58	\$19.15	\$18.63	\$20.42
M & O percentage of city budget			1.44%	1.13%	1.10%	1.16%
Delinquent cut-off water customer			1,669	1,700	1,600	1,650
Percentage of billings that go to bad debt			1%	1%	1%	1%
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
% of same day service		1, 2, 3, 4, 5	100%	100%	100%	100%
% of accurate readings		1, 4, 5	99%	100%	100%	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

FINANCE & ADMINISTRATION WATER & SEWER BILLING & COLLECTIONS - FUND 40-045

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: FINANCE AND ADMINISTRATION				
DIVISION / ACTIVITY: UTILITY BILLING & COLLECTIONS - FUND 40-045				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		\$8,500	Salary Increase
			\$8,000	Insurance Increase
Postage	Supplies		(\$8,000)	Budget Review Adjustment
Minor Tools & Apparatus	Supplies	\$1,800		One-Time Purchase (Locks)
Travel Expense	Contractual/Sundry		(\$1,000)	Budget Review Adjustment
Net Misc. Budget Changes	Various		\$2,600	Net Small Dollar Budget Adjustments
TOTALS:		\$1,800	\$10,100	

\$11,900 NET INCREASE/DECREASE

Information Technology Fund 40-050



City Manager

Chief Information Officer
0.50 FTE



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:

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

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Segmented Police Network from City Network (CJIS Compliancy)
- Rolled out new Anti-virus solution
- Moved PD Software installation to new server
- Installed and Implemented new SPAM Firewall
- Installed and Implemented new Firewalls (PD and City)
- Upgraded Netmotion Mobility Server
- Re-imaged Library PAC terminals
- Rebuilt IT Utility Server
- Converted old dispatch center to War Room for PD Software implementation
- Replaced primary file server
- Downsized and consolidated server farm
- Replaced camera controller in Council Chambers A/V
- Implemented Windows Distribution Server
- Rebuilt offline servers as disaster recovery servers
- Developed IT Disaster Recovery Plan
- Documented all IT resources
- Installed new servers for financial system
- Moved Incode back in house (upcoming)
- Deployed new PCs to PD, Admin and Library Public network (upcoming)
- Reconfigured file storage and drive mappings
- Rebuilt the Main Distribution Frame at City Hall
- Implemented Laserfiche in Court (upcoming)
- Produced several departmental videos

FY2015-2016 GOALS/ OBJECTIVES:

- Equalize departmental salaries to be in-line with actual responsibilities
- System-wide Maintenance
- Increase video development and output
- Finish PC replacements in Public Works, Recreation, Fire, Library and Council
- Re-evaluate web-site and procedures. Re-design

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

- Salary discrepancies
- Increasing maintenance costs across the board
- Aging A/V equipment
- Council Communications

PROPRIETARY FUNDS

DEPARTMENT: ADMINISTRATION						
DIVISION / ACTIVITY: INFORMATION TECHNOLOGY - FUND - 40-050						
EXPENDITURES	2011-2012 ACTUAL	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 BUDGET	2014-15 ESTIMATED	2015-16 BUDGET
Personnel	\$56,485	\$57,015	\$58,353	\$61,100	\$60,552	\$63,000
Supplies	\$292	\$0	\$0	\$500	\$500	\$500
Maintenance	\$5,040	\$5,040	\$5,040	\$6,000	\$5,040	\$6,000
Contractual/Sundry	\$0	\$99	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$61,817	\$62,154	\$63,393	\$67,600	\$66,092	\$69,500
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 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
PC workstations			165	143	146	146
LAN servers			24	20	20	20
Printers			80	80	83	80
Laptops			52	52	52	62
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	127	129	130
<i>Output / Workload</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Number of help desk calls			1,247	1,500	1,760	1,500
Number of other service calls			1,519	1,400	1,350	1,400
<i>Efficiency Measures / Impact</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O budget per capita			\$3	\$3	\$3	\$3
M & O budget percentage of city budget			0.21%	0.16%	0.16%	0.17%
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Survey satisfaction rate		1, 4, 5	95%	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	99%	99%	99%	99%
Public safety dispatch system up time		1, 3, 4, 5	99%	99%	98%	99%
Computer systems & networks up time		1, 4, 5	99%	99%	98%	99%

PROPRIETARY FUNDS

WATER & SEWER ADMINISTRATION INFORMATION TECHNOLOGY - FUND 40-050

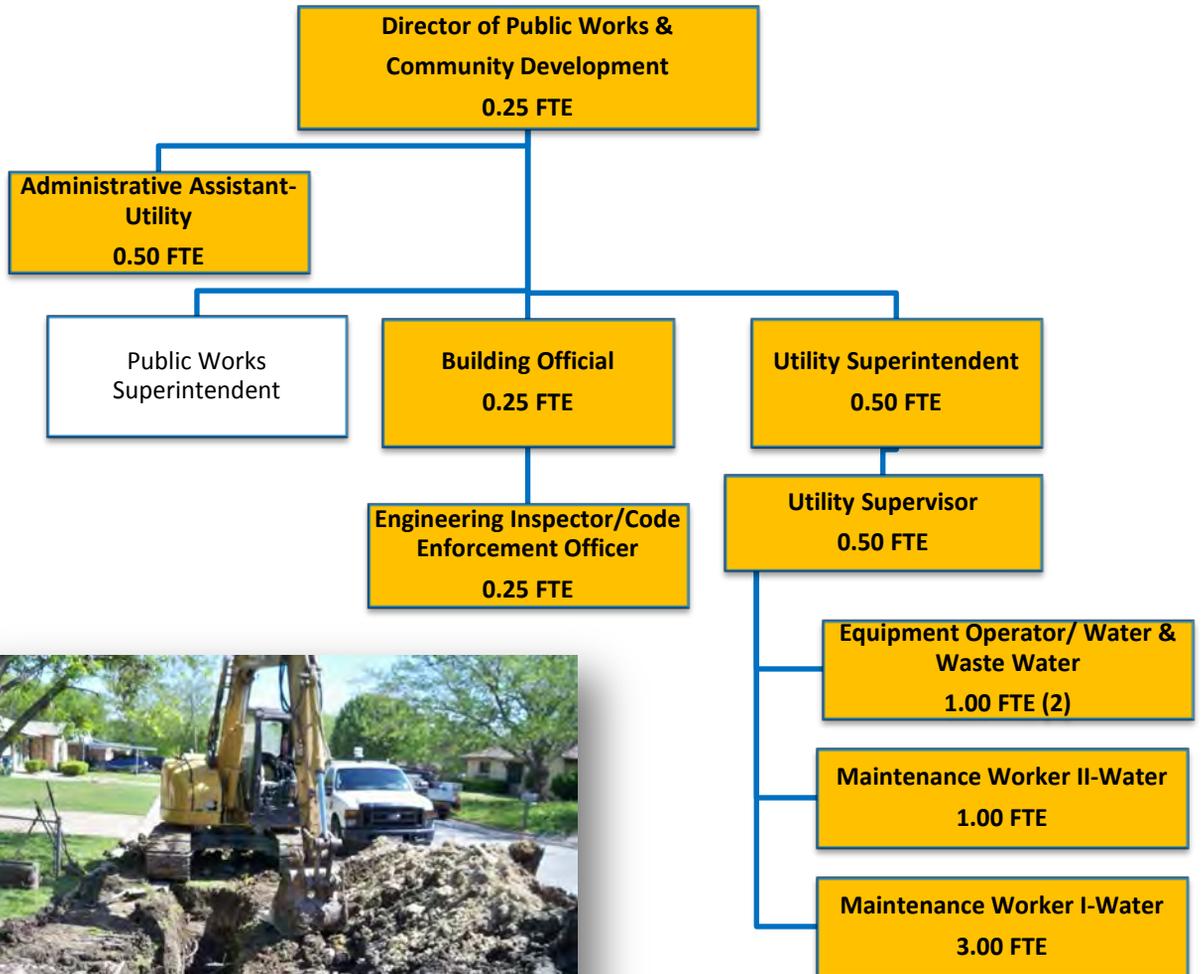
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: WATER & SEWER				
DIVISION / ACTIVITY: INFORMATION TECHNOLOGY - FUND 40-050				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		\$1,900	Salary Increase
TOTALS:		\$0	\$1,900	

\$1,900 NET INCREASE/DECREASE

Public Works 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Collected over 300 routine bacteriological water samples.
- Maintained 85 miles of water mains in the system.
- Flushed dead end water mains to ensure a high quality of water and exercised 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 (TCEQ) as well as provided customer service.
- Continued sampling for the Unregulated Contaminants Monitoring Rule (UCMR3) in order to remain in compliance with the Environmental Protection Agency.

FY2015-2016 GOALS/ OBJECTIVES:

- Replace 92 linear feet of water line for the Bursey Road expansion project.
- Replace 1,162 linear feet of water line for the Watauga Heights Drainage project
- The City of Watauga’s superior water system is regulated by the Texas Commission on Environmental Quality (TCEQ). Compliance with regulations will be through continued quarterly and annual operating reports, the Consumer Confidence Report, bacteriological water sampling, dead end water main flushing and valve exercising.
- 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 Texas Commission on Environmental Quality (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	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$365,193	\$377,704	\$358,563	\$385,200	\$371,372	\$390,600
Supplies	\$22,391	\$17,840	\$29,868	\$33,600	\$26,700	\$33,600
Maintenance	\$26,365	\$30,007	\$28,960	\$36,300	\$30,600	\$36,050
Contractual/Sundry	\$1,891,234	\$1,824,015	\$2,057,922	\$2,220,000	\$2,202,200	\$2,215,300
Capital Outlay	\$27,965	\$19,442	(\$7,599)	\$5,000	\$2,000	\$2,000
TOTAL	\$2,333,149	\$2,269,009	\$2,467,713	\$2,680,100	\$2,632,872	\$2,677,550
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 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Number of water service calls			320	385	300	300
Miles of water lines maintained			88	88	88	88
Number of fire hydrants maintained			649	649	649	649
Output / Workload			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
Percent of dead-end lines flushed monthly			100%	100%	100%	100%
Percent of fire hydrants inspected, lubricated, and tested			70%	75%	70%	70%
Percent of Fire hydrants in service			99%	100%	99%	100%
Number of water samples taken			300	300	300	300
Efficiency Measures / Impact			Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
M & O percentage of city budget			8.15%	6.48%	6.37%	6.48%
M & O budget per capital			\$105.02	\$109.39	\$107.46	\$113.65
Effectiveness Measures / Outcomes		Goals	Actual 13-14	Budget 14-15	Estimated 14-15	Budget 15-16
% water unaccounted for (water loss rate)		1, 3, 4, 5	6.31%	10%	8%	10%
% emergency calls responded - 30 min		1, 3, 4, 5	95%	98%	95%	95%
% non-emergency calls responded -1 hour		1, 3, 5	100%	100%	100%	100%
% main breaks repaired within 24 hours		1, 2, 3, 4, 5	99%	100%	100%	100%

PROPRIETARY FUNDS

PUBLIC WORKS

WATER DISTRIBUTION - FUND 40-093

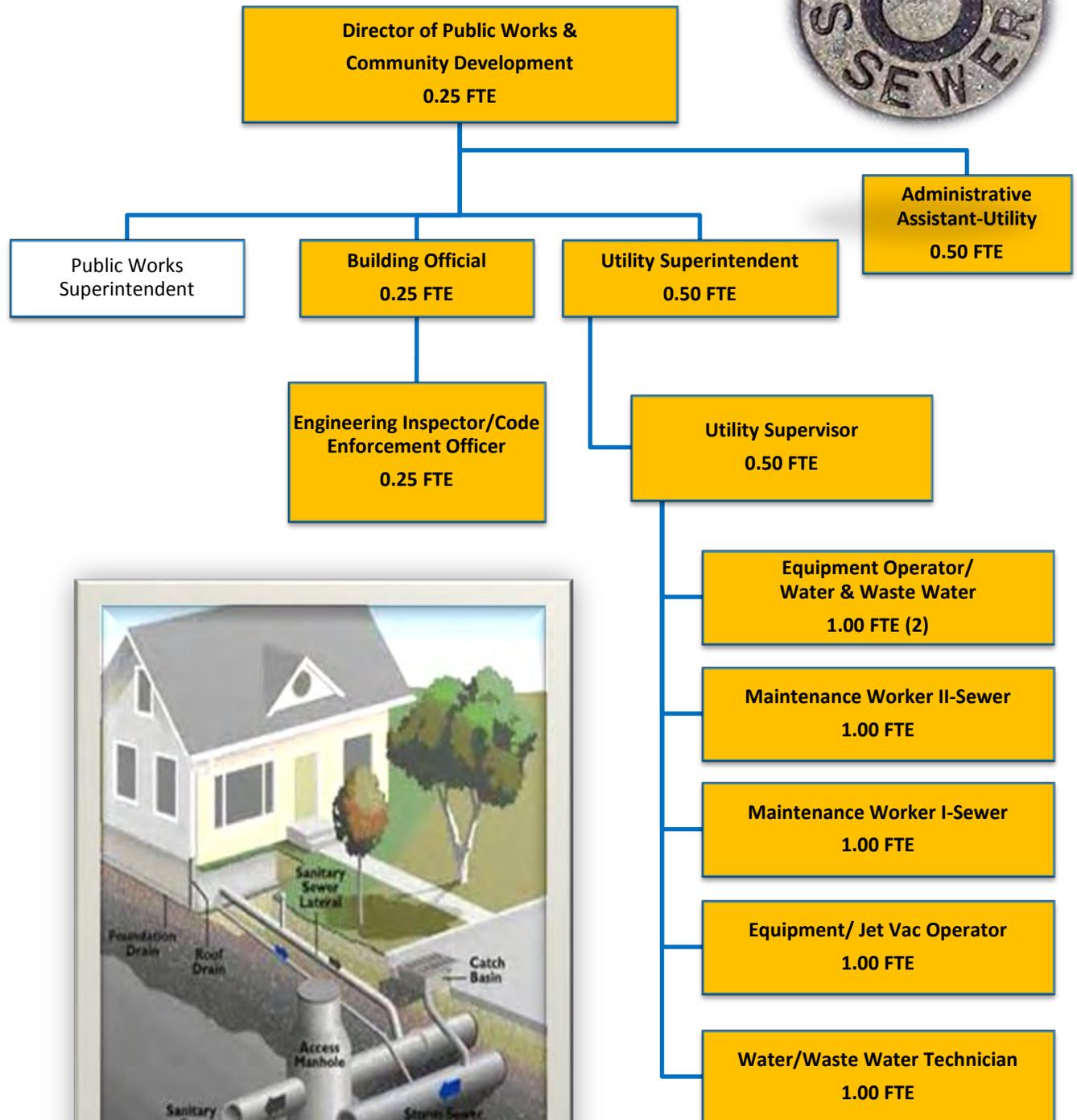
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PUBLIC WORKS				
DIVISION / ACTIVITY: WATER DISTRIBUTION - FUND 40-093				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		\$9,000 \$6,000 (\$9,600)	Salary Increase Insurance Increase Personnel Turnover
Printing & Binding	Contractual/Sundry		(\$1,500)	Budget Review Adjustment
Laboratory Testing	Contractual/Sundry		(\$3,000)	Budget Review Adjustment
Water Meters	Capital Outlay		(\$3,000)	Budget Review Adjustment
Net Misc. Budget Changes	Various		(\$450)	Net Small Dollar Budget Adjustments
TOTALS:		\$0	(\$2,550)	

(\$2,550) NET INCREASE/DECREASE

Public Works 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.

FY2014-2015 HIGHLIGHTS / ACCOMPLISHMENTS:

- Performed preventative flushing of sewer mains to prevent blockages and unauthorized sewage bypass.
- Video inspected 25,000 feet of sewer mains to locate problem areas to be repaired or replaced.
- Repaired and replaced numerous customer sewer service lines in streets and right-of-ways.
- Inspected grease and grit traps to ensure grease generators are cleaning their traps and remain in compliance with City Ordinance # 1060 to prevent Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) as well as unauthorized discharge.
- Provide world class customer service to our citizens.

FY2015-2016 GOALS/ OBJECTIVES:

- Smoke test sewer lines for future (CIP) sewer projects.
- Replace 878 linear feet of line for the Saramac Drainage (CDBG) project.
- Replace 28,569 linear feet of sewer line for the 2015 Wastewater Improvements (CIP) project.
- Continue video and manhole inspections for inflow/infiltration and preventative maintenance.
- Flushing sewer mains to unstop and prevent sewer main blockages as well as locate problem areas and repair as necessary.
- Identify areas with major problems to be included 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.
- Continue to provide world class customer service.

PROPRIETARY FUNDS

DEPARTMENT: PUBLIC WORKS						
DIVISION / ACTIVITY: WASTEWATER COLLECTION - FUND 40-094						
EXPENDITURES	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015 BUDGET	2014-2015 ESTIMATED	2015-2016 BUDGET
Personnel	\$334,379	\$405,839	\$385,059	\$433,100	\$384,860	\$403,400
Supplies	\$52,151	\$47,544	\$32,679	\$41,700	\$33,650	\$41,700
Maintenance	\$3,362	\$3,561	\$3,247	\$6,000	\$6,032	\$5,550
Contractual/Sundry	\$1,390,661	\$1,553,820	\$1,354,669	\$1,539,050	\$1,933,200	\$1,563,900
Capital Outlay	\$0	\$0	\$0	\$4,000	\$4,000	\$0
TOTAL	\$1,780,553	\$2,010,763	\$1,775,654	\$2,023,850	\$2,361,742	\$2,014,550
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	1.00
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	7.25
PERFORMANCE MEASURES / SERVICE LEVELS						
<i>Input / Demand</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Linear feet of sewer line fully inspected			25,000	30,000	30,000	40,000
Linear feet of sewer line cleaned			298,280	250,000	300,000	35,000
Number of manholes maintained			1,386	1,386	1,439	600
Miles of sewer lines maintained			88	88	88	88
<i>Output / Workload</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
Linear feet of sewer line repaired			600	250	500	1,000
Number of manholes set			0	5	50	100
Number of manholes repaired			20	5	20	20
Number of manholes cleaned			150	250	200	200
<i>Efficiency Measures / Impact</i>			<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
M & O percentage of city budget			0.54%	4.89%	5.71%	4.87%
M & O budget per capita			\$75.57	\$82.61	\$96.40	\$85.51
<i>Effectiveness Measures / Outcomes</i>		<i>Goals</i>	<i>Actual 13-14</i>	<i>Budget 14-15</i>	<i>Estimated 14-15</i>	<i>Budget 15-16</i>
% backup calls responded within 30 minutes		1, 3, 5	95%	95%	95%	95%
% manholes inspected		1, 2, 3, 5	90%	95%	90%	90%
% sewer lines cleaned		1, 2, 3, 5	50%	60%	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 2015-16 Compared to Fiscal Year 2014-15

DEPARTMENT: PUBLIC WORKS				
DIVISION / ACTIVITY: WASTEWATER COLLECTION - FUND 40-094				
DESCRIPTION	CATEGORY	ONE-TIME	ON-GOING	CHANGE EXPLANATION
Personnel Services	Personnel		(\$37,000) (\$2,000) \$3,200 (\$3,800) \$9,500	Unfunded Position Overtime Reduction New Expanded Funding - Position Reclass Personnel Turnover Salary Increase
Sewage Disposal Fees	Contractual/Sundry		\$1,200	Budget Review Adjustment
Laboratory Testing	Contractual/Sundry		(\$1,200)	Budget Review Adjustment
Sewer Costs	Contractual/Sundry		\$25,000	Increased Costs
Other Equipment	Capital Outlay	(\$4,000)		One-Time Purchase
Net Misc. Budget Changes	Various		(\$200)	Net Small Dollar Budget Adjustments
TOTALS:		(\$4,000)	(\$5,300)	

(\$9,300) NET INCREASE/DECREASE

PROPRIETARY FUNDS

WATER/SEWER JOINT USE FACILITY BUDGET SUMMARY- FUND 46

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$ 890,716	\$ 924,391	\$1,041,794	\$ 975,332	\$1,041,794	
Revenues:						
Transfer from W/S Utility Fund	33,632	51,426	75,000	51,426	75,000	0.0%
Interest Earnings	813	328	1,000	514	1,000	0.0%
Total Revenues	\$ 34,445	\$ 51,754	\$ 76,000	\$ 51,940	\$ 76,000	0.0%
Total Available Resources	\$ 925,161	\$ 976,145	\$ 1,117,794	\$ 1,027,272	\$ 1,117,794	0.0%
Expenditures:						
Engineering	0	0	0	0	0	0.0%
Construction Costs	0	0	0	0	0	0.0%
Transfer to W/S Operations 40	770	813	0	328	0	0.0%
Total Expenditures	\$770	\$813	\$0	\$328	\$0	0.0%
Fund Balance, September 30	\$ 924,391	\$ 975,332	\$1,117,794	\$1,026,945	\$1,117,794	
CHANGE IN FUND BALANCE	\$33,675	\$50,941	\$76,000	\$51,612	\$76,000	

PROPRIETARY FUNDS

EQUIPMENT REPLACEMENT FUND Internal Service Fund – 22 Budget Summary

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

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

	HISTORY		PROJECTED YEAR		BUDGET
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget
Working Capital, October 1	\$102,799	\$238,820	\$306,930	\$326,703	\$782,913
Revenues:					
Payment from General Fund	0	11,300	74,300	74,300	101,350
Payment from Water/Sewer	17,500	25,000	37,000	37,000	43,000
Payment from CCD	0	27,000	36,000	36,000	52,700
Payment from Storm Drain	118,000	85,000	43,000	43,000	43,000
Payment from Parks Development	0	0	2,300	2,300	9,650
Payment from Municipal Ct. Secur	0	0	-	-	2,250
Payment from Traffic Safety	0	4,060	4,060	4,060	4,060
Total Revenue Charges for Service	\$ 135,500	\$ 152,360	\$ 196,660	\$ 196,660	\$ 256,010
Other Revenues:					
Interest Income	397	511	500	550	500
Total Other Revenue	\$ 397	\$ 511	\$ 500	\$ 550	\$ 500
Transfers-In:					
Transfer from Oil Gas Fund	0	100,000	50,000	50,000	-
Transfer from CCD	0	100,000	75,000	75,000	85,000
Transfer from GF Current	0	0	226,000	226,000	190,000
Transfer from GF Legacy	0	0	106,000	106,000	106,000
Transfer from Municipal Ct. Sec.	0	0	-	-	15,000
Transfer from Parks Development	0	0	18,000	18,000	49,000
Transfer from Storm Drain Current	0	0	7,000	7,000	-
Transfer from Storm Drain Legacy	0	0	26,000	26,000	33,000
Transfer from W/WW Current	0	0	100,000	100,000	50,000
Transfer from W/WW Legacy	0	0	121,000	43,000	-
Total Transfers-In	\$0.00	\$200,000	\$729,000	\$651,000	\$528,000
Total Revenues	\$135,897	\$352,871	\$926,160	\$848,210	\$784,510
Expenditures:					
Motor Vehicles - CCD	0	114,000	75,000	75,000	42,000
Other Equipment - CCD	0	0	0	0	43,000
Motor Vehicles - Water/Sewer/PW	0	36,000	24,000	0	24,000
Storm Drain Equipment	0	0	7,000	7,000	0
Other Equipment - General Fund	0	0	0	0	46,000
Technology Replacement - GF	0	5,000	121,000	121,000	50,000
Technology Replacement - TS	0	20,300	0	0	0
Technology Replacement - FIN	0	0	0	0	15,000
Motor Vehicles - Fire	0	0	0	0	32,000
Fire Department Equipment	0	0	43,000	43,000	0
Sign Replacement Program	0	24,500	18,000	18,000	20,000
Motor Vehicles - Parks	0	0	0	0	49,000
Recreation Equipment	0	7,000	38,000	38,000	42,000
Water Meter Program	0	38,000	100,000	60,000	90,000
Codification Program	0	10,000	0	0	0
Bldg/HVAC Contingency	0	19,025	30,000	30,000	30,000
Depreciation Expense	80,003	76,577	0	0	0
Total Operating Expenditures	80,003	350,402	456,000	392,000	483,000
Operating Surplus/(Deficit)	\$55,894	\$ 2,470	470,160	456,210	301,510
Working Capital, September 30	\$158,693	\$241,290	\$777,090	\$782,913	\$1,084,423

CIP AND CAPITAL PROJECTS FUNDS

GENERAL CAPITAL

FUND 07

***WATAUGA PARKS DEVELOPMENT
CAPITAL***

FUND 05

UTILITY CONSTRUCTION

FUND 45



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 funded by this bond issuance.

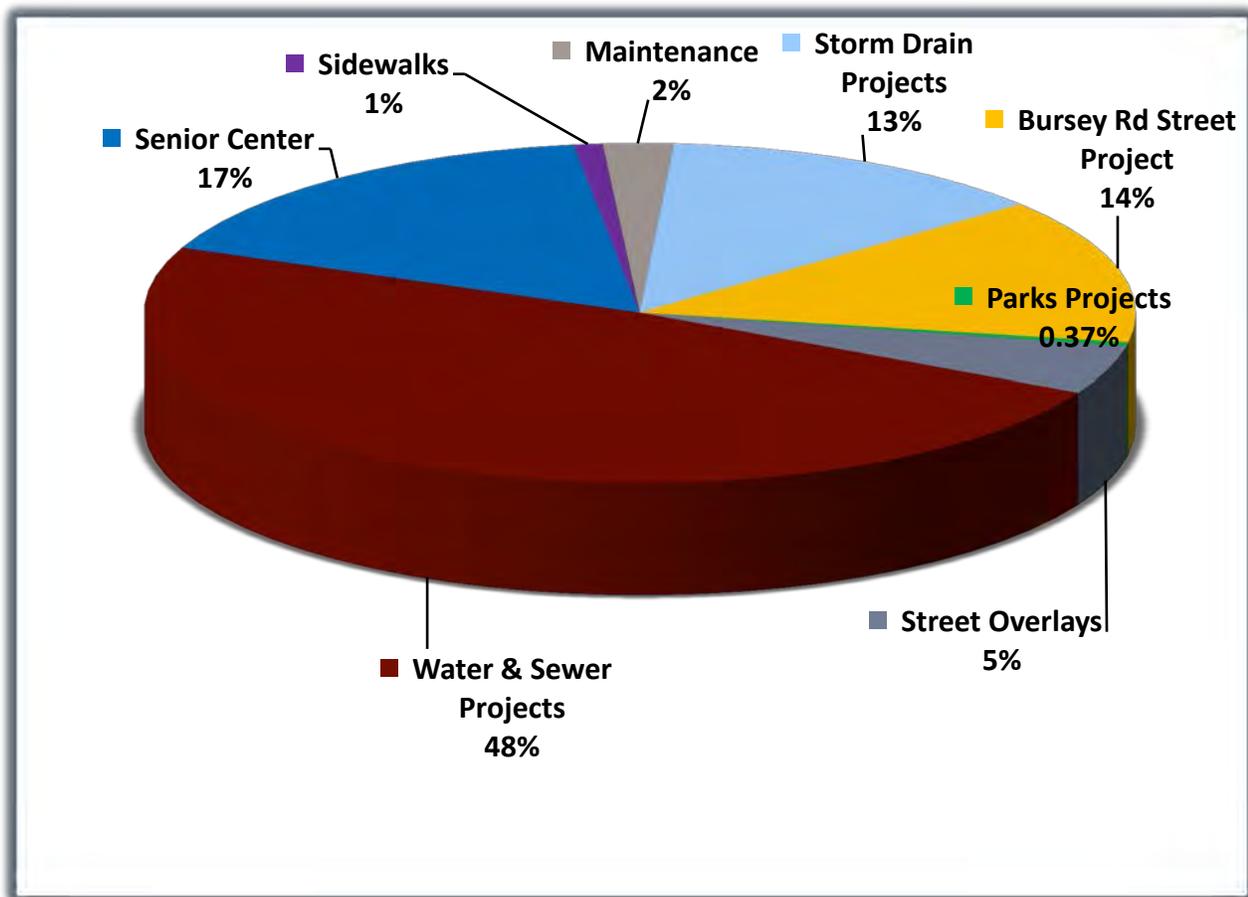
The CIP program for the current year is funded, along with projects that have been prioritized for the Utility System. However, the overall economy and projections of revenues for subsequent years will have a significant impact on the scope of our projects. The City has identified approximately \$20.2 million in street/street overlay projects and \$7.8M 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 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 \$53,108,600. Actual program expenditures may vary depending on changes in priority or addition or deletion of projects or emergencies.

CIP AND CAPITAL PROJECTS FUNDS

In the current schedule, there are projects for FY2015-16 totaling \$10.8 million. Included in this amount for the General Capital Projects Fund is \$1.5M funding to complete the Bursey Road Phase I project, \$1.3M for the Watauga Heights drainage project Phase I and \$50,000 for the Culvert Safety Program., \$500,000 for street overlays, and \$5.3M in Sewer Projects continuing from FY 2013/2014. In addition, there is \$100,000 of sidewalk repair/replacements scheduled this year. The Parks Development Corporation has projects in the amount of \$40,000 scheduled for shade structure and irrigation. projects. The Senior Center project is underway and is scheduled to begin this year. Funding for this project is anticipated to be \$1.8M. Current Projects this year are as follows:

CAPITAL IMPROVEMENT PROJECTS FY2015-16



CIP AND CAPITAL PROJECTS FUNDS

The following table shows the City's 5-year Capital Improvement Projects Plan:

CIP PROJECT PROJECTION

PROJECTS					FUNDING					
					SOURCE	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
PROJECTS	Location	Length	Size	Cost						
									&Future	
BUILDING & PARKS					\$3,420,000					
Shade Structure/Irrigation Proj	Capp Smith/Foster Village			\$40,000	PDC	\$40,000				
Library Expansion/Tech	Whitley Road			\$1,580,000	TBD - 2018 Bond	\$0	\$30,000		\$50,000	\$1,500,000
Senior Center	Indian Springs		5500 sf	\$1,800,000	2014 Bond/TBD	\$1,800,000				
DRAINAGE					\$7,865,000					
Watauga Heights, I	Whispering and Saramac	3,112		\$1,340,000	Storm Drain	\$1,340,000				
Watauga Heights, II	Whitley Road and Cathy	2,224		\$1,350,000	Storm Drain		\$1,350,000			
Bunker Hill		4,667		\$1,442,000	Storm Drain		\$134,000	\$1,308,000		
Channel Protection/Ped. Rails	Various			\$200,000	Storm Drain	\$50,000	\$50,000	\$50,000	\$50,000	
Sunny Brook South		7,407		\$2,820,000	Storm Drain					\$2,820,000
Astor Heights		5,550		\$713,000	Storm Drain					\$713,000
PROJECTS					\$21,569,000					
Watauga Road	Maurie to 377	4,225		\$0	2011 Bond					
Chapman Road-West	Chapman-377 - Whitley	2,551		\$2,900,000	TBD				\$600,000	\$2,300,000
Chapman-Middle	Chapman-Whitley-Brookdale	1,933		\$2,000,000	TBD					\$2,000,000
Chapman-Middle	Chapman-Brookdale - Bridge	1,237		\$1,200,000	TBD					\$1,200,000
Chapman-East	Chapman-Bridge to Rufe Sn	1,933		\$2,100,000	TBD					\$2,100,000
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 Watauga	2,345		\$2,016,000	TBD					\$2,016,000
Bursey Rd - West	Whitley Rd. to Willis	2,372		\$1,500,000	2014 Bond	\$1,500,000				
Bursey Rd - East	Willis to Rufe Snow	2,487		\$1,900,000	TBD - 2018 Bond		\$250,000	\$1,650,000		
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					\$20,254,602					
Various Sewer Projects	Southside Wastewater 2015			\$4,929,602	2012 Bond	\$4,929,602				
Saramac	Saramac	928LF		\$0	CDBG/Rev					
CDBG	TO BE DETERMINED			\$300,000	CDBG/Rev		\$150,000		\$150,000	
Water Tower Improvements	7901 Virgil Anthony			\$225,000	2012 Bond/Rev	\$225,000				
Various Sewer Projects	Northside Wastewater 2018			\$6,800,000	TBD - 2016 BOND		\$600,000	\$3,000,000	\$3,200,000	\$0
Water Line 16"	Whitley Road			\$3,000,000	TBD - 2016 BOND	\$300,000	\$2,700,000			
Various Water Projects	Multiple Locations			\$5,000,000	TBD - 2018 BOND				\$1,000,000	\$4,000,000
						\$10,784,602	\$5,864,000	\$6,608,000	\$3,200,000	\$4,000,000
REVENUE SOURCES FOR CIP										
CDBG/Revenues				\$300,000		\$0	\$150,000	\$0	\$150,000	\$0
2012 CO BONDS				\$4,929,602		\$4,929,602	\$0	\$0		\$0
2011 CO BONDS				\$100,000		\$100,000	\$0	\$0		\$0
2014 CO BONDS				\$3,300,000		\$3,300,000	\$0	\$0		\$0
STORM DRAIN REVENUES				\$7,865,000		\$1,390,000	\$1,534,000	\$1,358,000	\$50,000	\$3,533,000
PDC SALES TAX REVENUES				\$40,000		\$40,000	\$0	\$0	\$0	\$0
REVENUES	UTILITY & GF			\$625,000		\$225,000	\$100,000	\$100,000	\$100,000	\$100,000
TO BE DETERMINED(TBD)	Streets/Water & Wastewater/Lib			\$33,449,000		\$300,000	\$3,580,000	\$4,650,000	\$4,850,000	\$20,069,000
Street Maintenance ST				\$2,500,000		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CIP 2015-2019	CIP 2015-2019			\$53,108,602		\$10,784,602	\$5,864,000	\$6,608,000	\$5,650,000	\$24,202,000
MAINTENANCE W&S & STREETS	MAINTENANCE W&S & STREETS			\$810,000	W&S Revenues/ST	\$250,000	\$140,000	\$140,000	\$140,000	\$140,000
GRAND TOTAL CIP						\$11,034,602	\$6,004,000	\$6,748,000	\$5,790,000	\$24,342,000

DID YOU KNOW?

**Capital Project Expenditures
are 27% of the total budget for
FY2015-16.**

CIP AND CAPITAL PROJECTS FUNDS

CIP 2016-2020 PARKS/BUILDINGS			FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
				2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020
TYPE BUILDING/PARK	Location	Cost						
Park Shade Structure	Capp Smith	\$22,000	Revenues	\$22,000				
Park Irrigation	Foster Village	\$18,000	Revenues	\$18,000				
Library Expansion/Tech.	Whitley Road	\$1,580,000	TBD-2018 Bond		\$30,000		\$50,000	\$1,500,000
Senior Center	Indian Springs community Center	\$1,800,000	2014 Bond TBD	\$1,800,000				
Total		\$3,420,000		\$1,840,000	\$30,000	\$ - 0 -	\$50,000	\$1,500,000

FY2015-2016 PARKS PROJECTS DISCUSSION

Description: These projects provides for a shade structure in the Capp Smith Park and Irrigation in the Foster Village and Hillview Parks.

Justification: The shade structure will provide for the protective shad for citizens utilizing the parks, especially in the summer months due to sun exposure and excessive temperatures.

The irrigation and drainage project is designed to provide a means to effectively managing the water use and reduce expenses related to the maintaining of the current system. Drainage improvements will reduce soil erosion concerns and reduce the number of rainout games that occur during the year.

Operating Impact: A reduction of approximately \$3,000 per year in maintenance costs for the irrigation project is anticipated. Minimal impact to the operating budget is anticipated for the Park Shade Structure.

FY2015-2016 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. This project began in FY2014-15 and is expected to be completed by December, 2016.

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 (due to the aging current Senior Center in use) is expected of approximately \$2,000 annually when this project is complete. The new

CIP AND CAPITAL PROJECTS FUNDS

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 2016-2020 STREET/SIDEWALK PROJECTS			FUND SOURCE	YEAR OF PROPOSED CONSTRUCTION				
				2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020
STREET	Location	Cost						
Street Overlays	Various throughout City	\$2,500,000	¼ cent Sales Tax	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Street	Chapman Rd.	\$8,200,000	TBD				\$600,000	\$7,600,000
Street	Whitley	\$6,969,000	TBD					\$6,969,000
Street	Bursey Road, Phase I	\$1,500,000	2014 Bond TBD	\$1,500,000				
Street	Bursey Road Phase II	\$1,900,000	TBD		\$250,000	\$1,650,000		
Sidewalk	Various	\$500,000	CO 2011	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$21,569,000			\$2,100,000	\$850,000	\$2,250,000	\$1,200,000	\$15,169,000

FY2015-16 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.

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

FY2015-2016 BURSEY ROAD STREET PROJECT

Description: The Bursey Road Street Project, Phase I encompasses the area of Whitley road to Willis Lane 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.

CIP AND CAPITAL PROJECTS FUNDS

Justification: Burse 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.

FY2015-2016 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 and FY2016-FY2017. After FY2017, this project will be funded through general fund revenues.

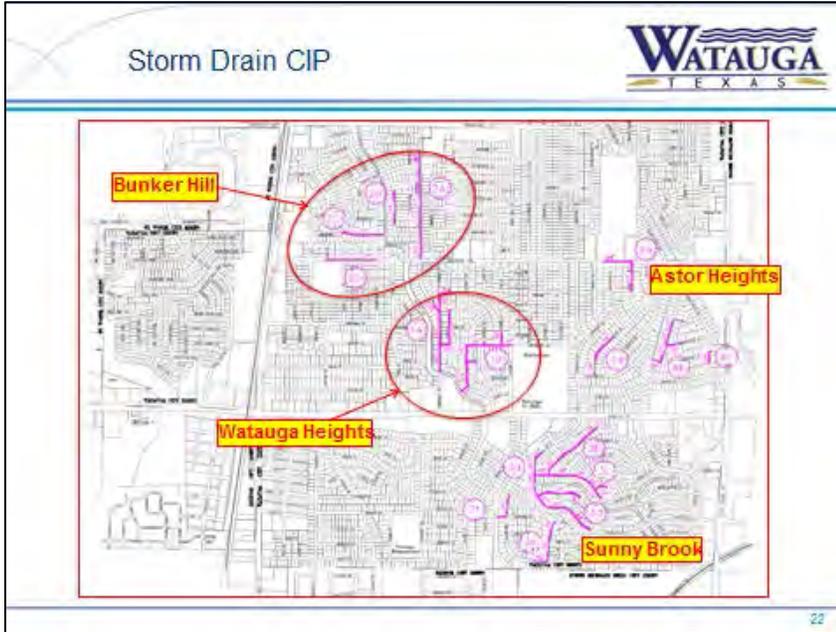
CIP 2016-2020 DRAINAGE PROJECTS			FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
				2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
LOCATION	Cost							
Watauga Heights, Phase I & II	\$2,690,000	Storm Drain Fee	\$1,340,000*	\$1,350,000				
Channel Protection Projects	\$200,000	Storm Drain Fee	\$50,000	\$50,000	\$50,000	\$50,000		
Bunker Hill	\$1,442,000	Storm Drain Fee		\$134,000	\$1,308,000			
Sunny Brook South	\$2,820,000	TBD						\$2,820,000
Astor Heights	\$713,000	TBD						\$713,000
Total	\$7,865,000		\$1,390,000	\$1,534,000	\$1,358,000	\$50,000		\$3,533,000

*Watauga Heights Phase I was originally budgeted in FY2013-14, but will be completed in FY2015-16. Per policy, appropriations for capital projects not used in the budgeted fiscal year will carry-over to the next budget year.

CIP AND CAPITAL PROJECTS FUNDS

FY2015-2016 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.

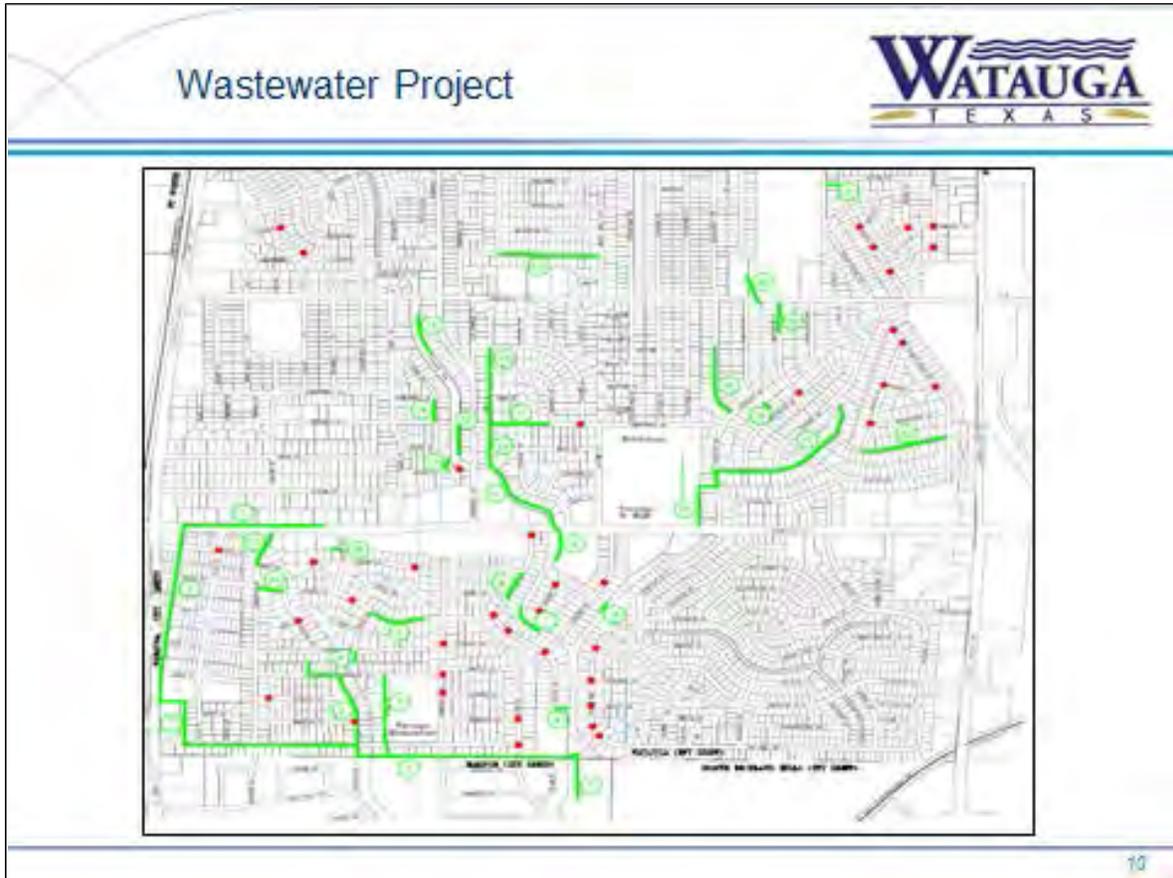
Description: **Channel Protection Projects** will include safety improvements to identified drainage channels City-wide. The Summit Ridge project is currently underway and will include channel improvements to include pedestrian railing.

CIP 2016-2020 WASTEWATER PROJECTS			FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
TYPE	LOCATION	Cost		2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020
SSSES1	City-Wide, TBD by Engineering/Design	\$4,929,602	CO Bonds 2012	\$4,929,602				
SSSES1	City Wide, TBD by Engineering/Design	\$6,800,000	TBD Bond		\$600,000	\$3,000,000	\$3,200,000	
	CDBG Sewer Projects	\$300,000	CDBG Revenues		\$150,000		\$150,000	
Total		\$12,029,602		\$4,929,602	\$750,000	\$3,000,000	\$3,350,000	

CIP AND CAPITAL PROJECTS FUNDS

FY2015-2016 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.



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.

CIP AND CAPITAL PROJECTS FUNDS

CIP 2016-2020 WATER SYSTEM PROJECTS				FUNDING SOURCE	YEAR OF PROPOSED CONSTRUCTION				
TYPE	LOCATION		Cost		2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020
W1	City-Wide, TBD by Engineering/Design		\$5,000,000	TDB Bond				\$1,000,000	\$4,000,000
W1	Water Line – Whitley Road		\$3,000,000	TBD Bond	\$300,000	\$2,700,000			
Total			\$8,000,000		\$300,000	\$2,700,000	0	\$1,000,000	\$4,000,000

OTHER UTILITY SYSTEM 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		\$225,000	2012 Bond/Rev	\$225,000				
WW	City-Wide		\$700,000	Utility Revenues	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000
Total			\$925,000		\$365,000	\$140,000	\$140,000	\$140,000	\$140,000

FY2015-2016 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.

CIP AND CAPITAL PROJECTS FUNDS

FY2015-2016 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.

GENERAL CAPITAL PROJECTS FUND CAPITAL PROJECTS SUMMARY

FUND 07	HISTORY			CURRENT YEAR		BUDGET
	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget
Beginning Fund Balance*	\$4,987,251	\$2,608,394	\$1,392,935	\$4,394,660	\$4,432,028	\$3,571,686
<u>Revenues:</u>						
Transfer from General Fund	210,000	312,200	100,000	120,000	120,000	220,000
Transfer from Crime Control District	477,900	0	0	0	0	0
Transfer from Traffic Safety	297,000	0	0	0	0	0
Grants	0	114,350	0	0	0	0
2011 Certificate of Obligation	0	0	200,000	0	0	0
2014 Certificate of Obligation			3,500,000	0	0	0
2011 Radio Lease	0	0	0	0	0	0
Interest Income / Misc.	8,732	11,008	3,016	3,000	3,000	3,500
Total Revenue:	\$993,632	\$437,558	\$3,803,016	\$123,000	\$123,000	\$223,500
Total Available Resources	\$5,980,883	\$3,045,952	\$5,195,951	\$4,517,660	\$4,555,028	\$3,795,186
Budget Adjustment - Fire House						
<u>Expenditures:</u>						
Public Works:						
Asphalt Maintenance	188,019	93,737	0	0	0	0
Bond Issuance	0	0	88,461	0	0	0
Building Improvements	0	0	0	57,949	58,000	193,000
Building Improvements - Fire House	0	0	0	0	0	0
CDBG 38th/39th/40th Year	0	183,652	0	0	0	0
CDBG 33rd /34th /35th /36th /37th Years	12,320	161,941	0	0	0	0
Contingency	16,285	2,901	400	10,000	10,000	10,000
Engineering	11,500	7,053	6,493	25,000	25,000	25,000
Pmt to NRH for Rufe Snow	82,852	82,852	82,852	85,000	83,150	84,000
Sidewalk Replacement	91,220	67,139	102,639	100,000	100,000	100,000
Street Overlays	240,751	254,797	218,496	481,500	350,000	0
Other Equipment-Tel. & Proximity Badge	14,793	78,397	52,808	57,192	57,192	0
Radios (Public Works)	64,982	0	0	0	0	0
Motor Vehicles - 2011 Bonds	167,660	0	0	0	0	0
Major Equip 2011 Bonds	514,347	148,229	162,503	0	0	0
Fuel Tank Barrier - 2011 Bonds	0	0	0	0	0	0
Fleet Maintenance - 2011 Bonds	13,692	0	0	0	0	0
Building Maintenance - 2011 Bonds						
Library Roof	84,500	0	0	0	0	0
Carpet/Painting	38,618	55,419	10,889	0	0	0
Motor Vehicles	22,382	0	0	0	0	0
Equipment - Video	0	0	0	0	0	0
MIS - Hardware/Software - 2011 Bonds	59,739	82,007	8,750	0	0	0
Police-Animal Shelter Software-2011 Bond	17,660	0	0	0	0	0
Equipment (Radios) Lease Pay-off	484,900	0	0	0	0	0
Fire/EMS - 2011 Bonds						
Motor Vehicles (Quint, Ambulance)	966,368	0	0	0	0	0
Equipment (Radios) Lease Pay-off	199,941	0	0	0	0	0
Traffic Signal/2011 Bonds&Traffic Safety	79,960	434,893	29,633	0	0	0
Bursey & Whitley/Whitley & Hightower/Opticom	0	0	0	0	0	0
2014 Bond Projects	0	0	0	3,500,000	300,000	3,200,000
Bursey Road						
Senior Center						
Total Fund Expenditures:	\$3,372,489	\$1,653,017	\$763,924	\$4,316,641	\$983,342	\$3,612,000
Ending Fund Balance	\$2,608,394	\$1,392,935	\$4,432,028	\$201,019	\$3,571,686	\$183,186

SPECIAL REVENUE FUNDS

**PARKS DEVELOPMENT CORPORATION BUDGET SUMMARY
FUND 05 - CAPITAL PROJECTS**

	HISTORY		PROJECTED YEAR		BUDGET	%CHANGE
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget	FY2015-16 VS 2014-15
Fund Balance, October 1	\$368,000	\$ 963,812	\$509,461	\$812,368	\$533,568	
<u>Revenues:</u>						
Interest Earnings	1,098	618	500	200	200	-60.0%
Proceeds from Sale of Assets	0.00	0.00	0.00	0.00	0.00	0.0%
Transfer from PDC Sales Tax Fund	810,000	0.00	0.00	0.00	0.00	
Other Financing Sources	0.00	0.00	0.00	0.00	0.00	
Matching Grants	95,000	0.00	0.00	0.00	0.00	0.0%
Total Revenues	\$ 906,098	\$ 618	\$ 500	\$ 200	\$ 200	-60.0%
Total Available Resources	\$ 1,274,098	\$ 964,430	\$ 509,961	\$ 812,568	\$ 533,768	-0.1%
<u>Expenditures:</u>						
Non-Departmental	0.00	13,921	0.00	0.00	18,000	0.0%
Skate Park	0.00	0.00	250,000	250,000	0.00	-100.0%
Building Improvement	30,304	0.00	0.00	0.00	0.00	
Capp Smith Park Improvements	39,340	0.00	0.00	0.00	22,000	0.0%
Veteran's Memorial	0.00	78,185	21,815	20,000	0.00	
Trail System Improvements	160,673	0.00	9,000	9,000	0.00	-100.0%
Playground Equipment	79,969	0.00	0.00	0.00	0.00	
Furniture & Fixtures	0.00	59,956	0.00	0.00	0.00	0.0%
Total Expenditures	310,286	152,062	280,815	279,000	40,000	6.4%
<u>Other Expenditures</u>						
Transfer to PDC Debt Service	0.00	0.00	0.00	0.00	0.00	0.0%
Total Other Sourses (Uses)	0.00	0.00	0.00	0.00	0.00	0.0%
REVENUES OVER (UNDER) EXPENSES	\$ 595,812	\$ (151,444)	\$ (280,315)	\$ (278,800)	\$ (39,800)	-85.8%
Fund Balance, September 30	\$ 963,812	\$812,368	\$229,146	\$533,568	\$493,768	
CHANGE IN FUND BALANCE	\$ 595,812	(\$151,444)	(\$280,315)	(\$278,800)	(\$39,800)	

Utility Construction Fund 45 - Capital Projects Budget Summary

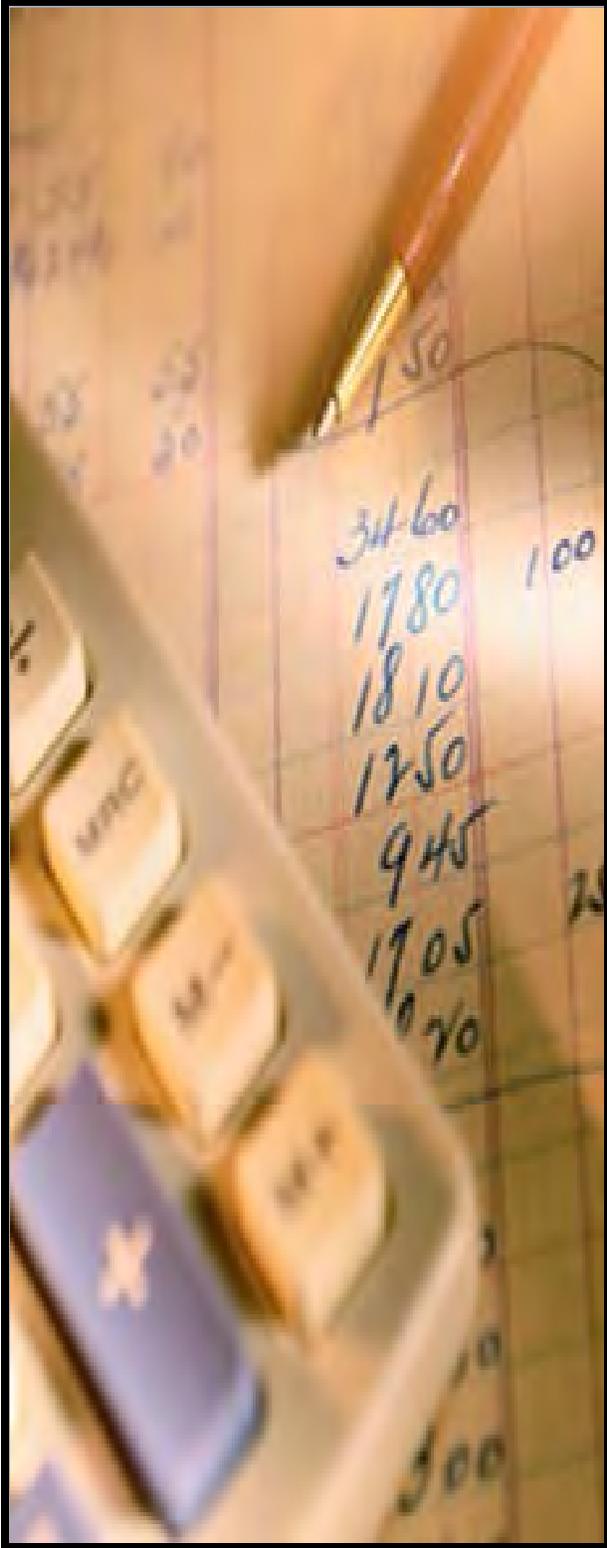
	HISTORY			CURRENT YEAR		BUDGET
	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget
Working Capital, at October 1	\$2,853,790	\$9,775,259	\$8,273,297	\$7,232,459	\$7,232,459	\$5,297,765
<u>Revenue:</u>						
Interest Income	231	875	1,188	0	0	0
Bond Proceeds	8,025,267	0	0	0	0	0
Transfer from Water Sewer Operating	140,000	140,000	140,000	140,000	120,000	140,000
Miscellaneous	0	42,064	42,064	0	0	0
Total Revenue/Other Sources	\$8,165,498	\$182,939	\$183,252	\$140,000	\$120,000	\$140,000
Total Available Resources	\$11,019,288	\$9,958,198	\$8,456,549	\$7,372,459	\$7,352,459	\$5,437,765
<u>Expenditures:</u>						
Building Improvements	0	0	48,064	0		0
Water & Sewer Mains	69,802	44,478	66,433	80,000	80,000	80,000
SSES Repairs	54,025	43,973	47,864	60,000	60,000	60,000
2011/2012 Bond Expenditures:						
Heavy Equipment	658,225	0	0	0	0	0
Motor Vehicles	106,648	0	0	0	0	0
Water Tower Improvements	0	0	0	180,000	21,000	225,000
CDBG Year 39	0	0	0	257,000	136,000	0
Water & Wastewater Improvements*	355,329	1,596,450	1,061,729	6,687,296	1,757,694	4,929,602
Total Expenditures	\$1,244,029	\$1,684,901	\$1,224,090	\$7,264,296	\$2,054,694	\$5,294,602
<u>Transfers:</u>						
Transfer	0	0	0	0	0	0
Total Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Cash Balance, September 30	\$9,775,259	\$8,273,297	\$7,232,459	\$108,163	\$5,297,765	\$143,163
Revenue over (under) Expense	\$6,921,469	(\$1,501,962)	(\$1,040,838)	(\$7,124,296)	(\$1,934,694)	(\$5,154,602)

*Budget rolls over each Fiscal Year until completion



FIVE-YEAR FINANCIAL FORECAST





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 2% to 3% growth factor. Property tax valuations are projected to increase 5% in FY2015-16 and 3% annually in the years FY2016-FY2020. Sales tax is projected to grow approximately 3% to 4% 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 3% to 4% annual increase beginning in FY2015-16.

Expenditures for this fund include personnel costs. No major projects are currently planned for the Parks Development Fund at this time, but as the Parks Master Plan is updated in FY2015-16, we anticipate the identification of projects for future years.

Street Maintenance Fund

The ¼ Cent Sales tax revenue has been calculated with a 3% to 4% annual increase beginning in FY2015-16.

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 was expanded in FY2013-14 and was 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 3%-5% increase in assessed values
Penalties & Interest	Remain Flat
Sales Tax	Based on 3% -4% increase with additional revenue for new development
Franchise Fees	Projected average growth of 1%.
Fines & Fees	Projected average growth of 3%.
Licenses & Permits	Projected a 2% increase over next few years due to redevelopment and increase in fees
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

	Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 4 Projected 2018-19
TAX RATE VARIABLE					
Tax Rate	\$0.6187	\$0.6187	\$0.6187	\$0.6187	\$0.6187
Tax Rate Change	\$0.0275	\$0.0000	\$0.0000	\$0.0000	\$0.0000
Assessed Value/\$100	\$ 10,038,350	\$ 10,540,267	\$ 10,856,476	\$11,182,170	\$ 11,405,813
Amount generated by 1¢	\$ 98,878	\$ 103,822	\$ 106,936	\$ 110,144	\$ 112,347
<hr/>					
Operating Revenues	\$ 10,795,986	\$ 11,215,004	\$ 11,554,566	\$12,080,669	\$ 12,365,559
Transfer from other funds	\$ 1,061,613	\$ 1,061,613	\$ 1,061,613	\$ 1,061,613	\$ 1,061,613
TOTAL REVENUES	\$ 11,857,599	\$ 12,276,617	\$ 12,616,179	\$13,142,282	\$ 13,427,172
<hr/>					
EXPENDITURES					
Departmental Expenditures	\$ 11,604,305	\$ 12,513,294	\$ 12,955,285	\$13,317,749	\$ 13,446,787
Infrastructure	\$ 150,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Insurance Increase	\$ 56,175	\$ 56,175	\$ 60,107	\$ -	\$ 64,315
Salary Package	\$ 285,000	\$ 293,550	\$ 302,357	\$ -	\$ 311,427
Capital Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 12,095,480	\$ 13,063,019	\$ 13,517,749	\$13,517,749	\$ 14,022,529
<hr/>					
Revenue over/(under)	\$ (237,881)	\$ (786,402)	\$ (901,570)	\$ (375,467)	\$ (595,356)
Proposed Supplemental	* \$ -	\$ -	\$ -	\$ -	\$ -
<hr/>					
Proposed Equip Repl.**	\$ 296,000	\$ 100,000	\$ -	\$ -	\$ -
<hr/>					
STAFFING VARIABLE					
Full-time Positions	105.20	105.20	105.20	0.00	105.20
Part-time Positions	12.00	12.00	12.00	0.00	12.00

FIVE YEAR FINANCIAL FORECAST

General Fund Multi-Year Financial Plan

	Base Year Budget 2015-16	Year 2 Budget 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	5,255,640	4,471,759	3,959,966	3,363,126	2,987,659
REVENUES					
Ad valorem taxes ⁽¹⁾	4,416,186	4,593,125	4,718,972	5,066,581	5,167,913
Delinquent taxes	30,000	30,000	30,300	30,603	30,909
Penalties	25,000	25,000	25,250	25,503	25,758
Sales taxes	3,189,500	3,317,080	3,449,763	3,553,256	3,659,854
Mixed Beverage	60,000	61,800	63,654	65,564	67,531
Franchise taxes	1,060,000	1,070,600	1,081,306	1,092,119	1,103,040
Fines and fees	736,700	758,801	781,565	805,012	829,162
Licenses and permits	291,000	299,730	308,722	314,896	321,194
Interest Income	8,000	20,000	25,000	25,000	25,000
Charges for Services	747,000	799,290	823,269	847,967	873,406
Miscellaneous	232,600	239,578	246,765	254,168	261,793
Payment in Lieu of Taxes from Funds	565,113	565,113	565,113	565,113	565,113
General & Administrative Charges	496,500	496,500	496,500	496,500	496,500
Total Revenues	11,857,599	12,276,617	12,616,179	13,142,282	13,427,172
EXPENDITURES					
Administration	(265,500)	(268,155)	(270,837)	(273,545)	(276,280)
Human Resources	(149,400)	(150,894)	(152,403)	(142,850)	(142,850)
IT	(385,700)	(389,557)	(393,453)	(371,100)	(371,100)
Finance	(750,380)	(757,884)	(765,463)	(773,117)	(780,848)
Police Protection	(3,420,050)	(3,454,251)	(3,488,793)	(3,523,681)	(3,558,918)
Fire Protection	(2,170,800)	(2,192,508)	(2,214,433)	(2,236,577)	(2,258,943)
Library	(904,600)	(913,646)	(922,782)	(932,010)	(941,330)
Fleet/Buildings	(1,010,700)	(1,020,807)	(1,031,015)	(1,041,325)	(1,051,738)
Recreation & Community Services	(597,600)	(603,576)	(609,612)	(615,708)	(621,865)
Community Development/Code	(530,750)	(536,058)	(541,418)	(546,832)	(552,301)
Public Works	(594,950)	(600,900)	(606,908)	(612,978)	(619,107)
Non-Departmental - Operating	(1,195,050)	(1,600,176)	(1,965,902)	(2,348,025)	(2,747,247)
Transfers to Capital Project Fund	(120,000)	(100,000)	(100,000)	(100,000)	(100,000)
Operating Expenditures	(12,095,480)	(12,588,410)	(13,063,019)	(13,517,749)	(14,022,529)
Total Expenditures	(12,095,480)	(12,588,410)	(13,063,019)	(13,517,749)	(14,022,529)
Designated Reserves	-	-	-	-	-
Recommended Reserves per Policy	(3,023,870)	(3,147,102)	(3,265,755)	(3,379,437)	(3,505,632)
Available for Supplemental	(237,881)	(311,793)	(446,840)	(375,467)	(595,356)
Proposed Supplemental	-	-	-	-	-
Remaining Supplemental	(237,881)	(311,793)	(446,840)	(375,467)	(595,356)
Additional Available for Capital	2,231,770	1,324,657	694,211	(16,311)	(517,973)
Total Available for Capital	1,993,889	1,012,864	247,371	(391,778)	(1,113,329)
Proposed Equip Replacement	(296,000)	(150,000)	(100,000)	-	-
Proposed Capital Projects	(100,000)	-	-	-	-
Proposed Strategic Initiative	(150,000)	(50,000)	(50,000)	-	-
Remaining Funds Available	1,447,889	862,864	147,371	(391,778)	(1,113,329)
ENDING FUND BALANCE	4,471,759	3,959,966	3,363,126	2,987,659	2,392,303
% OPERATING	37%	31%	26%	22%	17%
Tax Rate Variable					
Assessed Taxable Value/\$100	10,038,350	10,540,267	10,856,476	11,182,170	11,405,813
Amount generated by 1¢ tax	98,878	103,822	106,936	110,144	112,347
I&S Rate	0.178547	0.178547	0.178547	0.178547	0.178547
General Fund	0.440171	0.440171	0.440171	0.458830	0.458830
Total Tax Rate	0.618718	0.618718	0.618718	0.618718	0.618718
Rollback I&S	0.178329	0.178329	0.178547	0.178547	0.159888
Rollback M&O	0.456170	0.472212	0.472212	0.456020	0.490954
Total Rollback Rate	0.634499	0.650541	0.650541	0.634349	0.650842
M&O Rollback Amount	4,740,232	4,806,575	5,254,589	5,420,019	5,599,730

Staffing Variable					
Full-time positions	105.20	105.20	105.20	105.20	105.20
Part-time positions	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.

**General Obligation Debt Service
Multi-Year Financial Plan**

	Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	295,077	312,752	343,540	385,664	343,540
REVENUES					
Ad valorem taxes	1,750,000	1,688,994	1,698,561	1,787,895	1,823,653
Delinquent taxes	15,000	13,000	13,000	13,000	13,000
Penalties	12,000	12,000	12,000	12,000	12,000
Interest Income	800	***	3,000	3,500	3,500
Total Revenues	1,777,800	1,713,994	1,726,561	1,816,395	1,852,153
EXPENDITURES					
Principal	(1,390,000)	(1,350,000)	(1,390,000)	(1,415,000)	(1,455,000)
Interest	(367,109)	(330,190)	(291,420)	(351,812)	(351,812)
Bank Charges	(3,016)	(3,016)	(3,016)	(3,016)	(3,016)
Total Expenditures	(1,760,125)	(1,683,206)	(1,684,436)	(1,769,828)	(1,809,828)
Recommended Reserves per Policy	(146,677)	(140,267)	(140,370)	(147,486)	(150,819)
ENDING FUND BALANCE	312,752	343,540	385,664	432,231	385,864
Tax Rate Variable					
Assessed Taxable Value/\$100	10,038,350	10,540,267	10,856,476	11,182,170	11,405,813
Amount generated by 1¢ tax	99,380	104,349	107,479	110,703	112,918
I&S Rate	0.178547	0.160242	0.156456	0.159888	0.159888
General Fund	0.440171	0.458476	0.462262	0.458830	0.458830
Total Tax Rate	0.618718	0.618718	0.618718	0.618718	0.618718
Rollback I&S	0.178329	0.178329	0.156456	0.159888	0.159888
Rollback M&O	0.472212	0.456020	0.484005	0.484702	0.490954
Total Rollback Rate	0.650541	0.634349	0.640461	0.644590	0.650842
M&O Rollback Amount	4,740,232	4,806,575	5,254,589	5,420,019	5,599,730
	0.000000	0.000000	0.000000	0.000000	0.000000
Debt Issuance Variable:					
Beginning debt outstanding**	12,670,000	11,280,000	9,930,000	12,040,000	10,625,000
Principal Retired	(1,390,000)	(1,350,000)	(1,390,000)	(1,415,000)	(1,455,000)
Principal Issued (Proposed)	-	-	3,500,000		
Ending debt outstanding	11,280,000	9,930,000	12,040,000	10,625,000	9,170,000

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

	Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	535,903	513,202	503,579	502,996	548,098
REVENUES					
Sales taxes	772,262	803,152	835,279	860,337	886,147
Interest Income	500	500	500	500	500
Total Revenues	772,762	803,652	835,779	860,837	886,647
EXPENDITURES					
Parks	(693,200)	(714,321)	(735,653)	(757,625)	(779,816)
Transfer to Debt Service	-	-	-	-	-
Non-Departmental - Operating	(14,650)	(14,797)	(14,944)	(15,094)	(15,094)
Operating Expenditures	(707,850)	(729,118)	(750,598)	(772,719)	(794,909)
Transfers to other funds	(38,613)	(40,158)	(41,764)	(43,017)	(44,307)
Total Expenditures	(746,463)	(769,275)	(792,362)	(815,735)	(839,217)
Recommended Reserves per Policy	- (149,293) -	(153,855) -	(158,472) -	(163,147)	(167,843)
Available for Supplemental	64,912	74,535	85,181	88,118	91,738
Proposed Supplemental	-	-	-	-	-
Remaining Supplemental	64,912	74,535	85,181	88,118	91,738
Additional Available for Capital	347,997	319,189	303,343	296,832	335,947
Total Available for Capital	412,909	393,724	388,524	384,951	427,684
Proposed Capital:					
Proposed Capital	(49,000)	(44,000)	(44,000)	-	-
Remaining Funds Available	363,909	349,724	344,524	384,951	427,684
ENDING FUND BALANCE	513,202	503,579	502,996	548,098	595,528

Staffing Variable:					
Part-time positions	0.25	0.25	0.25	0.25	0.25
Full-time positions	8.50	8.50	8.50	8.50	8.50

**Crime Control & Prevention District
Multi-Year Financial Plan**

	Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2018-19	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	1,088,504	1,027,285	1,006,920	942,329	923,864
REVENUES					
Sales taxes	1,544,525	1,606,306	1,670,558	1,654,495	1,704,130
Other Income	38,500	39,655	40,845	42,070	43,332
Total Revenues	1,583,025	1,645,961	1,711,403	1,696,565	1,747,462
EXPENDITURES					
Police Protection	(1,576,200)	(1,596,200)	(1,642,550)	(1,643,941)	(1,693,113)
Transfers to other funds	(30,000)	(32,126)	(33,411)	(33,090)	(34,083)
Total Expenditures	(1,606,200)	(1,628,326)	(1,675,961)	(1,677,030)	(1,727,196)
Recommended Reserves per Policy	(321,240)	(325,665)	(335,192)	(335,406)	(345,439)
Available for Supplemental	(23,175)	17,635	35,442	19,535	20,266
Proposed Supplemental	-	-	-	-	-
Remaining Supplemental	(23,175)	17,635	35,442	19,535	20,266
Additional Available for Capital	767,264	701,620	671,728	606,923	578,425
Total Available for Capital	744,089	719,255	707,169	626,458	598,691
Proposed Equipment Replacement	(85,000)	(90,000)	(90,000)	(100,000)	(100,000)
Proposed Capital⁽¹⁾	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
Remaining Funds Available	706,089	681,255	669,169	588,458	560,691
ENDING FUND BALANCE	942,329	1,006,920	1,004,362	923,864	906,130

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

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

**Street Maintenance Fund
Multi-Year Financial Plan**

	Year 1 Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	571,112	740,946	740,946	751,973	820,746
REVENUES					
Sales Tax ⁽¹⁾	779,834	811,027	843,468	868,773	894,836
Other Income	-	-	-	-	-
Total Revenues	779,834	811,027	843,468	868,773	894,836
EXPENDITURES					
Asphalt Overlay	(500,000)	(700,000)	(700,000)	(700,000)	(700,000)
Street Maintenance	(110,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total Expenditures	(610,000)	(800,000)	(800,000)	(800,000)	(800,000)
Recommended Reserves per Policy	-	-	-	-	-
Available for Supplemental	169,834	11,027	43,468	68,773	94,836
Proposed Supplemental	-	-	-	-	-
Remaining Supplemental	169,834	11,027	43,468	68,773	94,836
Additional Available for Capital	571,112	740,946	740,946	751,973	820,746
Total Available for Capital	740,946	751,973	784,414	820,746	915,582
Proposed Capital	-				
Remaining Funds Available	740,946	751,973	784,414	820,746	915,582
ENDING FUND BALANCE	740,946	751,973	784,414	820,746	915,582

Staffing Variable:					
Full-time positions	0.0	0.0	0.0	0.0	0.0
Part-time positions	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 3%.
Penalties	Based on average growth of 1%.

**Water and Wastewater Fund
Executive Summary**

	Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
REVENUES					
Total Revenue W&S	8,464,000	8,678,460	8,753,589	9,026,686	9,152,191
EXPENSES					
Departmental Expenditures	6,146,150	6,372,134	6,561,080	6,747,087	6,918,412
Salary Package	56,650	56,650	58,350	60,100	61,903
Transfers	75,000	75,000	75,000	75,000	75,000
G&A/Franchise Fee	426,000	432,134	438,129	458,060	458,060
Debt Service	2,011,167	762,113	1,494,738	1,498,738	1,498,738
Non-Department - One Time	-	-	-	-	-
Total Expenses	8,714,967	7,698,030	8,627,296	8,838,984	9,012,112
Proposed Supplemental	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed Capital	\$ 50,000	\$ -	\$ -	\$ -	\$ -
STAFFING VARIABLE					
Full-time Positions	24.25	24.25	24.25	24.25	24.25
Part-time Positions	0.00	0.00	0.00	0.00	0.00

⁽¹⁾ Includes Proposed Water & Wastewater Rate Increase (pass-through)

**Water and Wastewater
Multi-Year Financial Plan**

	Year 1 Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	1,197,289	896,322	1,876,752	2,003,045	2,190,747
REVENUES					
Water Service	4,528,000	4,663,840	4,757,117	4,852,259	4,900,782
Wastewater Service	3,525,000	3,595,500	3,667,410	3,740,758	3,815,573
Service Charges	45,000	45,900	46,818	47,754	47,754
EPA Fees	156,000	159,120	162,302	165,548	165,548
Penalties	200,000	202,000	204,020	206,060	208,121
Miscellaneous	5,000	5,100	5,202	5,306	5,412
Interest Income	5,000	7,000	9,000	9,000	9,000
Total Revenues	8,464,000	8,678,460	8,753,589	9,026,686	9,152,191
EXPENSES					
Utility Billing	(481,000)	(483,405)	(485,822)	(488,251)	(490,692)
Non-Departmental - Operating	(573,000)	(634,215)	(697,486)	(762,876)	(796,708)
Information Technology	(69,500)	(69,848)	(70,197)	(70,548)	(70,548)
Administration	(247,200)	(248,436)	(249,678)	(250,927)	(250,927)
Water Distribution	(2,677,550)	(2,795,938)	(2,876,067)	(2,958,582)	(3,043,554)
Sewer Collection	(2,014,550)	(2,056,243)	(2,098,776)	(2,142,168)	(2,185,776)
Transfers - Capital	(140,000)	(140,700)	(141,404)	(142,111)	(142,111)
Transfers - JUF	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
G&A/Franchise Fee	(426,000)	(432,134)	(438,129)	(451,784)	(458,060)
W&WW Debt	(2,011,167)	(762,113) ²	(1,494,738) ³	(1,496,738)	(1,498,738)
Non-Departmental - Operating	-	-	-	-	-
Operating Expenses	(8,714,967)	(7,698,030)	(8,627,296)	(8,838,984)	(9,012,112)
Capital Expenses (carryover)	-	-	-	-	-
Total Expenses	(8,714,967)	(7,698,030)	(8,627,296)	(8,838,984)	(9,012,112)
Recommended Reserves per Policy	(1,744,531)	(1,539,606)	(1,725,459)	(1,767,797)	(1,802,422)
Available for Supplemental	(250,967)	980,430	126,293	187,703	140,079
Proposed Supplemental	-	-	-	-	-
Remaining Supplemental	(250,967)	980,430	126,293	187,703	140,079
Additional Available for Capital	(547,242)	(643,284)	151,293	235,248	388,325
Total Available for Capital	(798,209)	337,146	277,585	422,951	528,404
Proposed Equip Repl/Capital⁽¹⁾	(50,000)	-	-	-	-
Remaining Funds Available	(848,209)	337,146	277,585	422,951	528,404
ENDING FUND BALANCE	896,322	1,876,752	2,003,045	2,190,747	2,330,826
Staffing Variable					
Full-time Positions	24.25	24.25	24.25	24.25	24.25
Part-time positions	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

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

	Year 1 Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	149,106	149,106	149,106	153,232	153,232
REVENUES					
Transfer from W&WW Operations	2,031,167	761,713	1,498,463	1,496,550	1,498,025
Interest	1,400	400	400	400	400
Total Revenues	2,032,567	762,113	1,498,863	1,496,950	1,498,425
EXPENSES					
Principal	(1,730,000)	(505,000)	(755,000)	(770,000)	(785,000)
Interest	(301,167)	(256,713)	(739,338)	(726,338)	(713,338)
Bank Charges	(1,400)	(400)	(400)	(400)	(400)
Total Expenses	(2,032,567)	(762,113)	(1,494,738)	(1,496,738)	(1,498,738)
Recommended Reserves per Policy *	0	0	0	0	0
ENDING FUND BALANCE	149,106	149,106	153,232	153,444	152,919

Debt Issuance Variable:					
Beginning debt outstanding	10,655,000	8,925,000	17,420,000	16,665,000	15,895,000
Principal retired	(1,730,000)	(505,000)	(755,000)	(770,000)	(785,000)
Principal Issued (Proposed)		9,000,000	-	-	-
Ending debt outstanding	8,925,000	17,420,000	16,665,000	15,895,000	15,110,000

**Drainage Utility Fund
Multi-Year Financial Plan**

	Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING WORKING CAPITAL	3,085,341	2,303,809	1,378,246	600,311	459,796
REVENUES					
Drainage Fees	1,415,000	1,440,000	1,440,000	1,440,000	1,440,000
Penalties	-	-	-	-	-
Interest Income	1,500	1,500	1,500	1,500	1,000
Total Revenues	1,416,500	1,441,500	1,441,500	1,441,500	1,441,000
EXPENSES					
Operating Expenses	(710,200)	(729,563)	(757,935)	(765,514)	(773,169)
Transfers to Other Funds	(103,500)	(103,500)	(103,500)	(103,500)	(103,500)
Total Expenses	(813,700)	(833,063)	(861,435)	(869,014)	(876,669)
Recommended Reserves per Policy 20%	(142,040)	(145,913)	(151,587)	(153,103)	(154,634)
Available for Supplemental	602,800	608,437	580,065	572,486	564,331
Remaining Supplemental	602,800	608,437	580,065	572,486	564,331
Additional Available for Capital	2,943,301	2,157,896	1,226,659	447,208	305,163
Total Available for Capital	3,546,101	2,766,333	1,806,724	1,019,694	869,493
Capital Projects	A (1,384,332)	(1,534,000) B	(1,358,000) C	(713,000) D	(500,000)
Remaining Funds Available	2,161,769	1,232,333	448,724	306,694	369,493
ENDING WORKING CAPITAL	2,303,809	1,378,246	600,311	459,796	524,127
Rates					
Drainage Rate	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Staffing Variable:					
Full-time positions	8.00	8.00	8.00	9.00	8.00
Part-time positions	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

**Equipment Replacement Fund
Multi-Year Financial Plan**

	Base Year Budget 2015-16	Year 2 Projected 2016-17	Year 3 Projected 2017-18	Year 4 Projected 2018-19	Year 5 Projected 2019-20
BEGINNING BALANCE	782,913	1,084,423	1,376,633	1,750,643	1,986,043
REVENUES					
General Fund Transfer	296,000	150,000	100,000	-	-
General Fund Payment	101,350	101,350	101,350	84,300	84,300
Water Sewer Transfer	50,000	75,000	25,000	25,000	25,000
Water & Sewer Payment	43,000	47,000	49,500	52,000	54,500
CCD Transfer	85,000	100,000	100,000	75,000	-
CCD Payment	52,700	63,000	90,000	117,000	90,000
Storm Drain Transfer	33,000	-	-	-	-
Storm Drain Payment	43,000	43,000	43,000	-	-
PDC Transfer	49,000	10,000	18,000	10,000	10,000
PDC Payment	9,650	3,300	5,600	6,600	7,600
Municipal Court Security Pymnt	2,250	-	-	-	-
Traffic Safety Payment	4,060	4,060	4,060	-	-
Municipal Court Security	15,000	-	-	-	-
Interest Income	500	500	500	500	500
Total Revenues	784,510	597,210	537,010	370,400	271,900
EXPENSES					
Equipment Replacements/Purchases	(483,000)	(305,000)	(163,000)	(135,000)	(225,000)
Total Expenses	(483,000)	(305,000)	(163,000)	(135,000)	(225,000)
Available for Capital	1,084,423	1,376,633	1,750,643	1,986,043	2,032,943
Proposed Capital	-	-	-	-	-
ENDING FUND BALANCE	1,084,423	1,376,633	1,750,643	1,986,043	2,032,943

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 background of the page features a collage of images. The central focus is the Watauga City Hall, a large brick building with a prominent clock tower. To the left, a water tower is visible with the word 'WATAUGA' on its side. The bottom of the page shows a scenic view of a lake with a grassy bank, a gazebo, and a parking lot with a McDonald's sign in the distance.

DEBT SERVICE FUNDS

GENERAL DEBT SERVICE

FUND 03

***WATAUGA PARKS
DEVELOPMENT DEBT SERVICE***

FUND 06/08

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

FUND 44

***WATER AND SEWER
REVENUE BOND DEBT SERVICE***

FUND 42/43

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 \$0.618718 tax rate, an amount of \$0.178547 funds the property tax share of the 2015-2016 debt payment. This is 28.9% 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.

DEBT SERVICE

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

During FY 2004 the City was once again able to take advantage of low interest rates and refunded the General Obligation Debt Series 1994 and 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.

DEBT SERVICE

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,

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

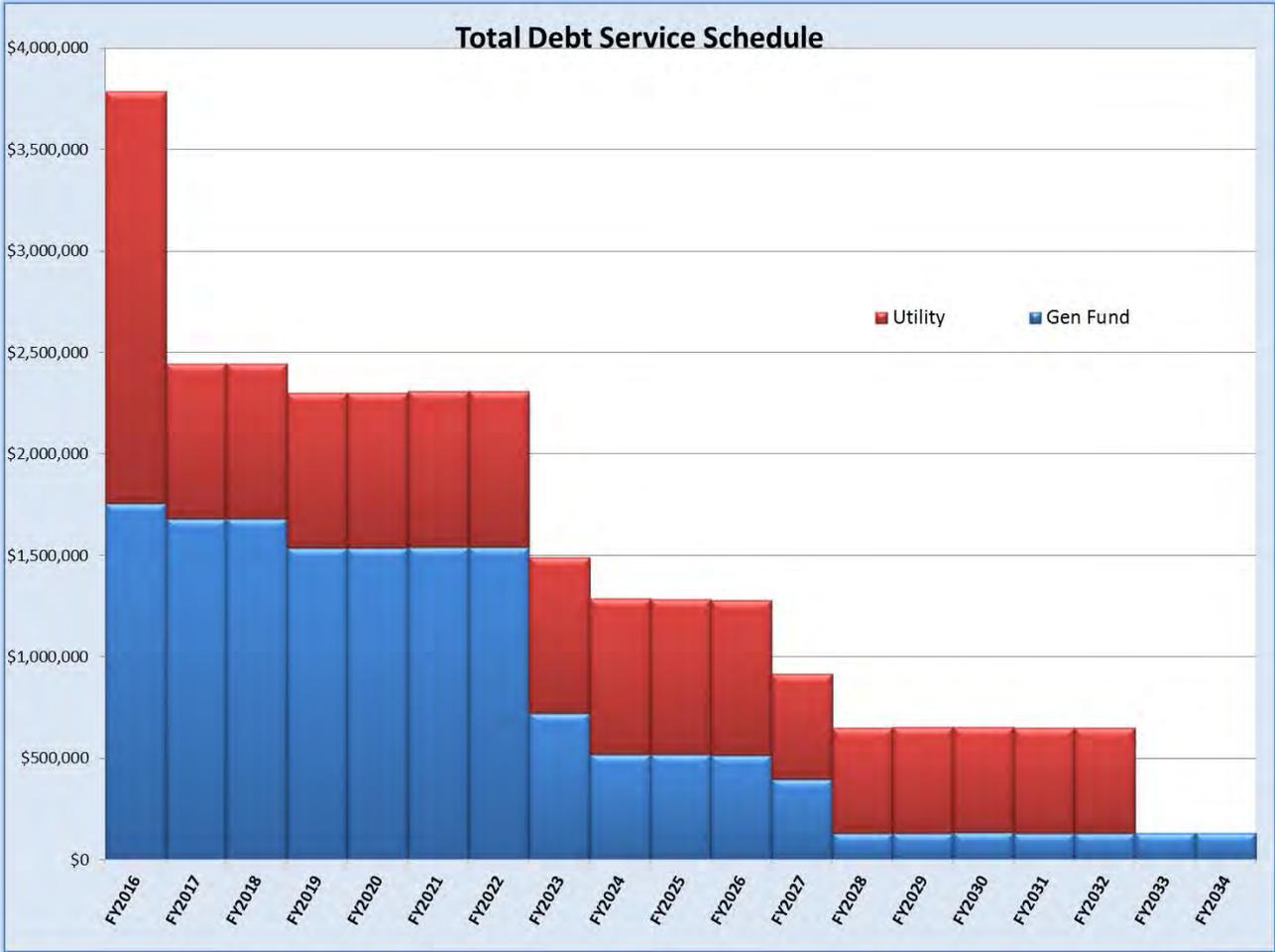
Moody's also assigned an Aa3 underlying rating to the City's \$7.36 million Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011. The Aa3 rating reflects the City's stable financial operations and healthy reserve position. In September 2011, Fitch Ratings affirmed the City's \$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, 2015.



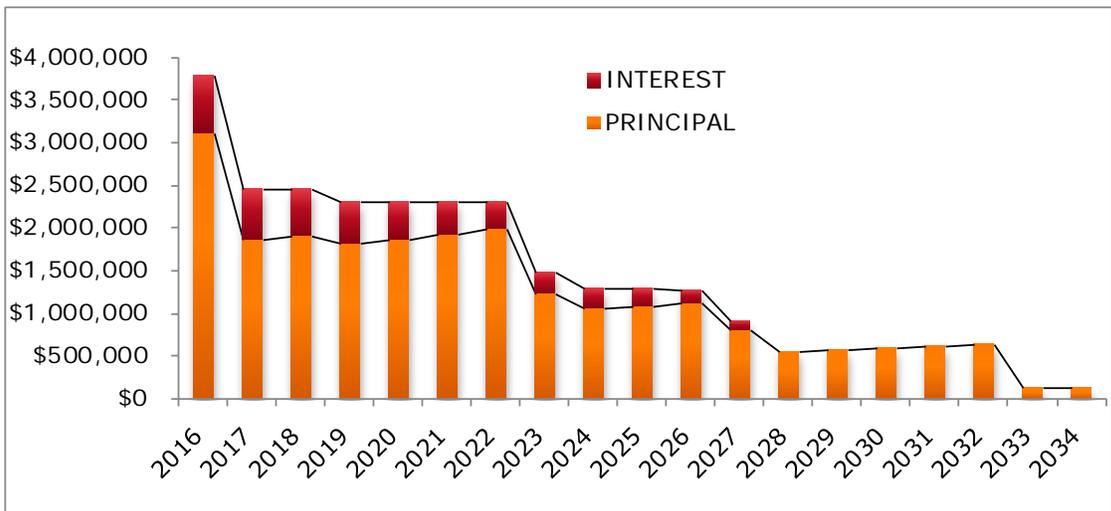
As you can see by the above graph, a significant portion, or \$1.2 million of the Utility Fund debt service will drop off in FY2016-17, allowing for the City to consider utility project funding by either issuing bonds or pay-as-you-go options.

DEBT SERVICE

All Debt Service Requirements to Maturity (GF, PDC, Water) as of October 1, 2015

YEAR ENDING SEPT. 30	DEBT			
	OUTSTANDING OCT. 1	PRINCIPAL	INTEREST	TOTAL
2016	\$23,340,000	\$3,120,000	\$668,276	\$3,788,276
2017	\$19,875,000	\$1,855,000	\$591,028	\$2,446,028
2018	\$18,020,000	\$1,905,000	\$539,508	\$2,444,508
2019	\$16,115,000	\$1,815,000	\$486,362	\$2,301,362
2020	\$14,300,000	\$1,870,000	\$430,671	\$2,300,671
2021	\$12,430,000	\$1,935,000	\$374,521	\$2,309,521
2022	\$10,495,000	\$1,990,000	\$319,032	\$2,309,032
2023	\$8,505,000	\$1,220,000	\$271,378	\$1,491,378
2024	\$7,285,000	\$1,055,000	\$233,845	\$1,288,845
2025	\$6,230,000	\$1,090,000	\$196,023	\$1,286,023
2026	\$5,140,000	\$1,125,000	\$155,553	\$1,280,553
2027	\$4,015,000	\$795,000	\$120,847	\$915,847
2028	\$2,400,000	\$555,000	\$97,551	\$652,551
2029	\$1,950,000	\$575,000	\$78,919	\$653,919
2030	\$1,485,000	\$595,000	\$59,626	\$654,626
2031	\$1,005,000	\$610,000	\$39,757	\$649,757
2032	\$885,000	\$630,000	\$19,313	\$649,313
2033	\$255,000	\$125,000	\$6,738	\$131,738
2034	\$130,000	\$130,000	\$2,275	\$132,275
		\$22,995,000	\$4,691,223	\$27,686,223

	Year	Total	Principal	Interest
This Year's Requirement	2016	\$3,788,276	\$3,120,000	\$ 668,276
Maximum Requirement	2016	\$3,788,276	\$3,120,000	\$668,276



DEBT SERVICE

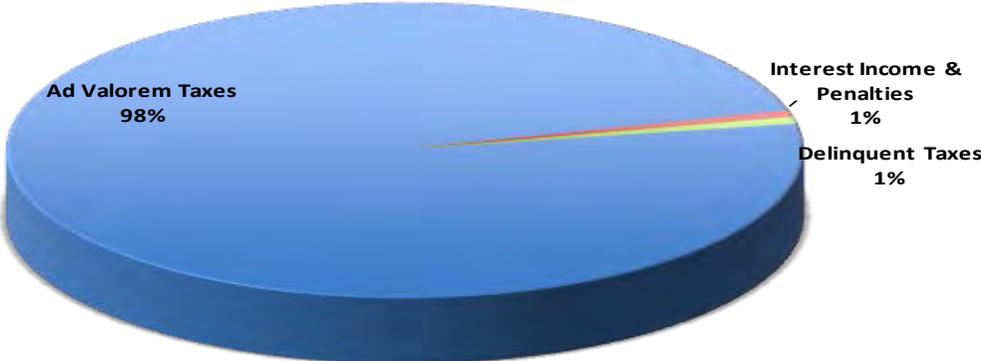
General Obligation Debt Service – Fund 03

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

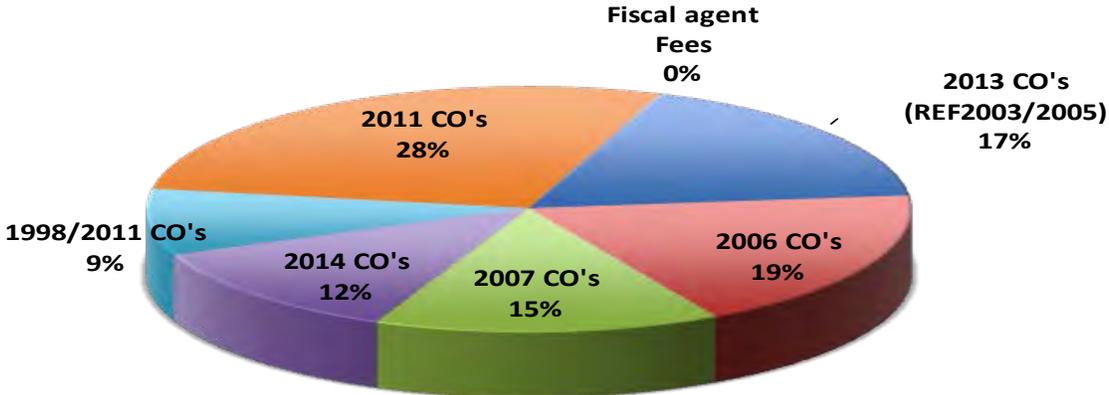
Where Does the Money Come From:

□



Where Does the Money Go:

□



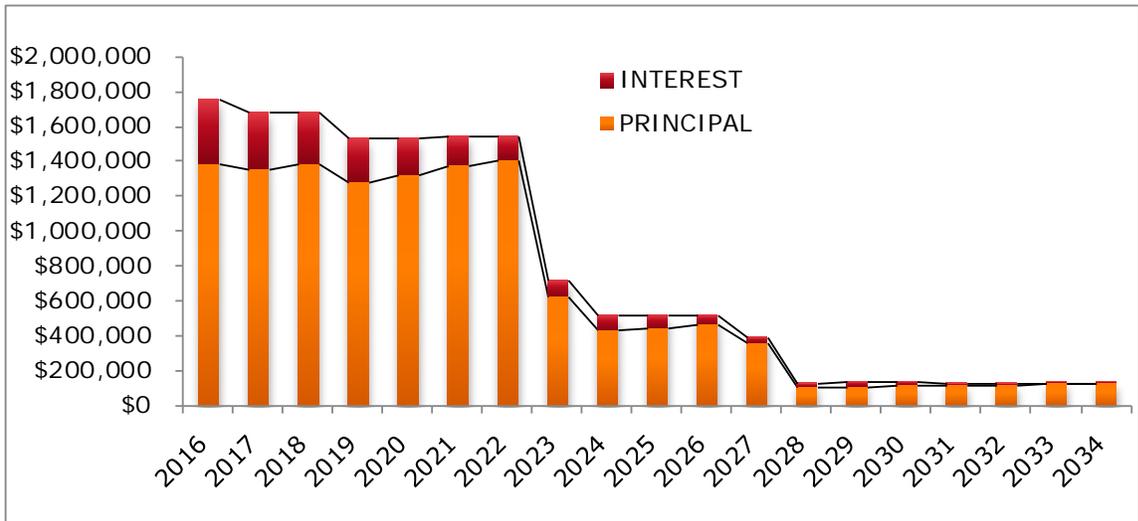
DEBT SERVICE

General Fund Debt Service Requirements to Maturity

as of October 1, 2015

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	INTEREST	TOTAL
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
	\$12,670,000	\$2,208,826	\$14,878,826	

	Year	Total	Principal	Interest
This Year's Requirement	2016	\$1,757,109	\$1,390,000	\$ 367,109
Maximum Requirement	2016	\$1,757,109	\$1,390,000	\$367,109



DEBT SERVICE

General Obligation Debt Service Fund 03

Budget Summary

	HISTORY		CURRENT YEAR		BUDGET
	2012-13 Actual	2013-14 Actual	FY2015 Budget	FY2015 Estimate	FY2016 Budget
Fund Balance, October 1*	\$233,599	\$249,238	\$268,849	\$300,972	\$295,077
Revenues:					
Ad Valorem Taxes	1,695,731	1,718,760	1,688,167	1,750,000	1,750,000
Delinquent Taxes	10,861	8,464	13,000	17,000	15,000
Penalty & Interest	9,960	9,968	12,000	12,000	12,000
Interest Income	541	361	800	800	800
Transfer from Drainage Impact Fees	0	0	0	0	0
Overpayment of Taxes	0	0	0	0	0
Proceed From Bond Sales	2,145,000	0	0	0	0
Current Year Resources	\$3,862,093	\$1,737,553	\$1,713,967	\$1,779,800	\$1,777,800
Total Available Resources	\$ 4,095,692	\$ 1,986,791	\$ 1,982,816	\$ 2,080,772	\$ 2,072,877
1998/2011 Certificates of Obligation					
Principal	135,000	140,000	145,000	145,000	150,000
Interest	15,927	13,245	10,481	10,481	7,605
2014 Certificates of Obligation					
Principal	0	0	130,000	130,000	100,000
Interest	0	0	90,713	90,713	89,563
2003 Certificate of Obligation					
Principal	150,000	125,000	0	0	0
Interest	23,038	43,371	0	0	0
2005/2013 Certificates of Obligation					
Principle	250,000	250,000	270,000	270,000	270,000
Interest	80,875	5,156	42,413	42,413	36,338
1999 / 2006 General Obligation Refunding					
Principle	250,000	255,000	270,000	270,000	280,000
Interest	81,314	71,896	62,105	62,105	51,847
2007 Certificates of Obligation					
Principle	120,000	150,000	155,000	155,000	165,000
Interest	116,724	111,176	104,908	104,908	98,332
2011 Certificates of Obligation					
Principal	370,000	420,000	410,000	410,000	425,000
Interest	107,975	100,075	91,775	91,775	83,425
Payment to Escrow	2,099,293	0	0	0	0
Issuance Costs	45,708	0	0	0	0
Fiscal Agent Charges	600	900	3,300	3,300	3,300
Total Debt Service Requirement	\$3,846,454	\$1,685,819	\$1,785,695	\$1,785,695	\$1,760,410
Fund Balance, September 30	\$249,238	\$300,972	\$197,121	\$295,077	\$312,467

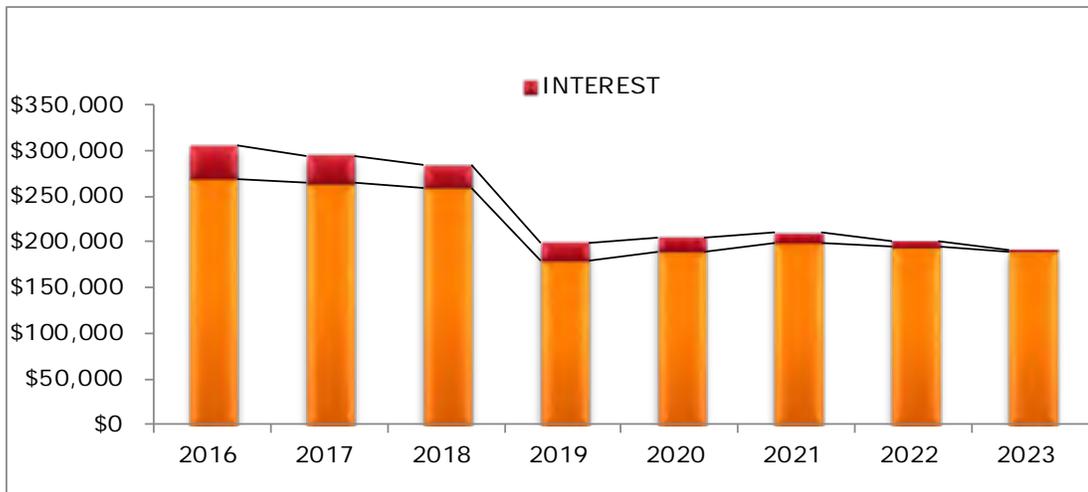
DEBT SERVICE

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			
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
		\$1,750,000		\$145,350	\$1,895,350

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2016	\$306,338	\$270,000	\$36,338
Maximum Requirement	2016	\$306,338	\$270,000	\$36,338
Total Outstanding Bonds		\$1,750,000		
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

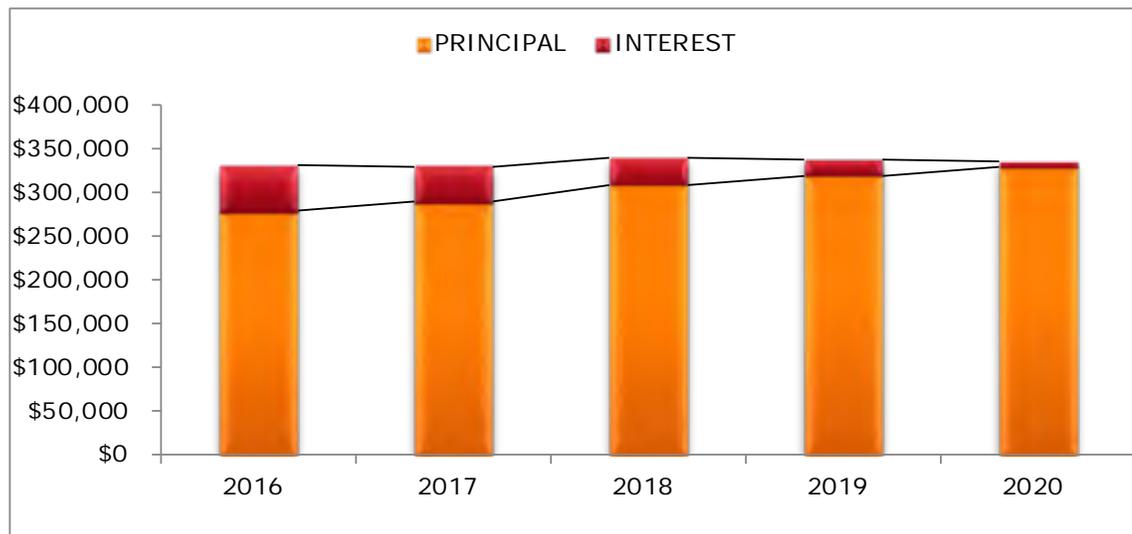
Annual Debt Service Requirement Series 2006 Refunding (\$2,855,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
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
		\$1,530,000		\$147,522	\$1,677,522

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2016	\$331,847	\$280,000	\$51,847
Maximum Requirement	2018	\$340,027	\$310,000	\$30,027
Total Outstanding Note		\$1,530,000		
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.



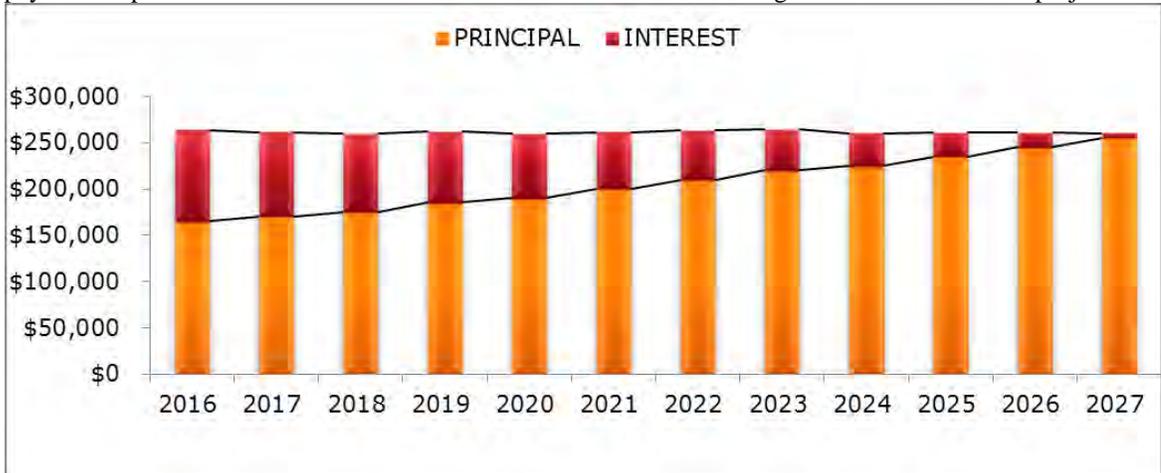
DEBT SERVICE

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

YEAR ENDING SEPT. 30	DEBT		Interest		
	OUTSTANDING OCT. 1	PRINCIPAL	Rate	INTEREST	TOTAL
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
		\$2,475,000		\$659,347	\$3,134,347

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2016	\$263,332	\$165,000	\$98,332
Maximum Requirement	2023	\$263,977	\$220,000	\$43,977
Total Outstanding Bonds		\$2,475,000		
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

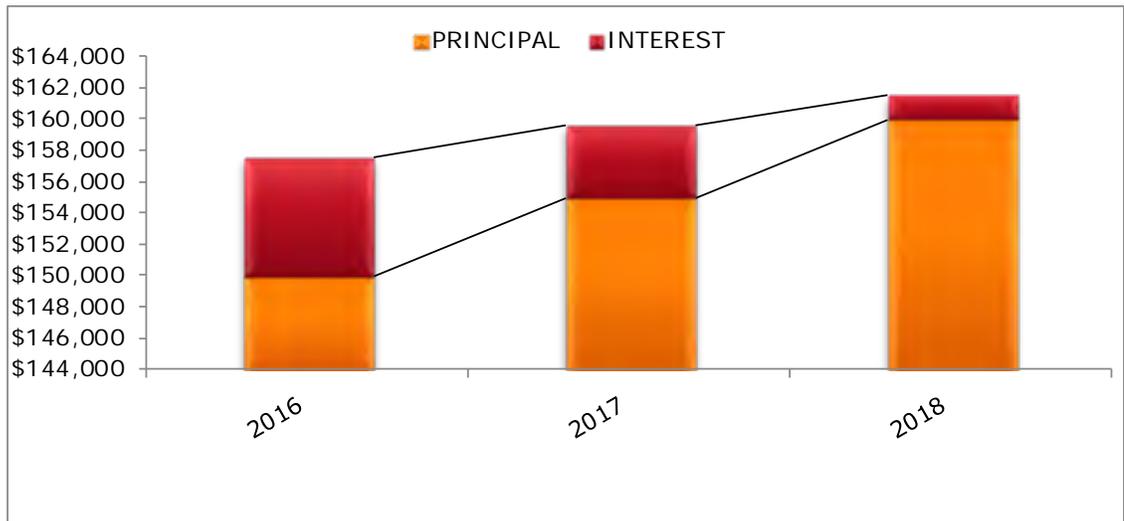
Series 2011 - Refunding (\$1,020,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
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
		\$465,000		\$13,796	\$478,796

Total Outstanding Bonds **\$465,000**
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	2016	\$157,605	\$150,000	\$7,605
Maximum Requirement	2018	\$161,560	\$160,000	\$1,560



DEBT SERVICE

General Obligation Debt Service Fund

Annual Debt Service Requirement - GF (03)

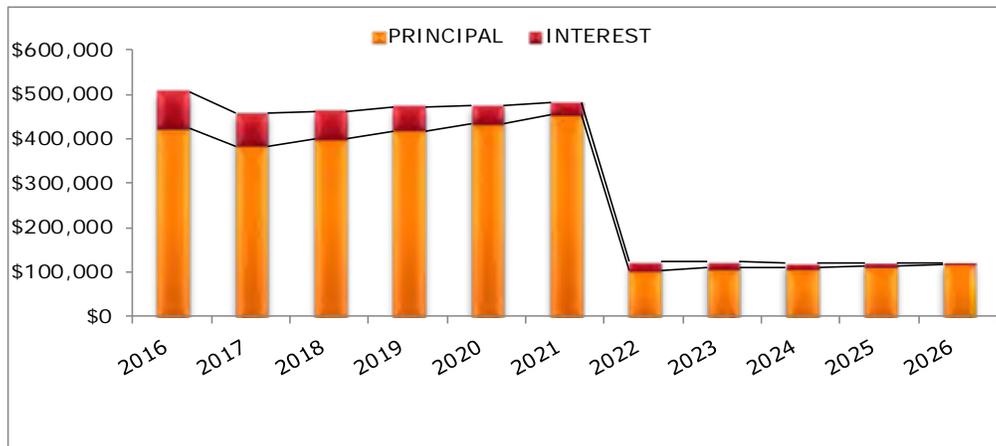
Series 2011 - Certificate of Obligation (\$7,365,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING		Interest		
	OCT. 1	PRINCIPAL	Rate	INTEREST	TOTAL
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
		<u>\$3,080,000</u>		<u>\$397,763</u>	<u>\$3,477,763</u>

Total Outstanding Bonds **\$3,080,000**
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	2016	\$508,425	\$425,000	\$83,425
Maximum Requirement	2016	\$508,425	\$425,000	\$83,425



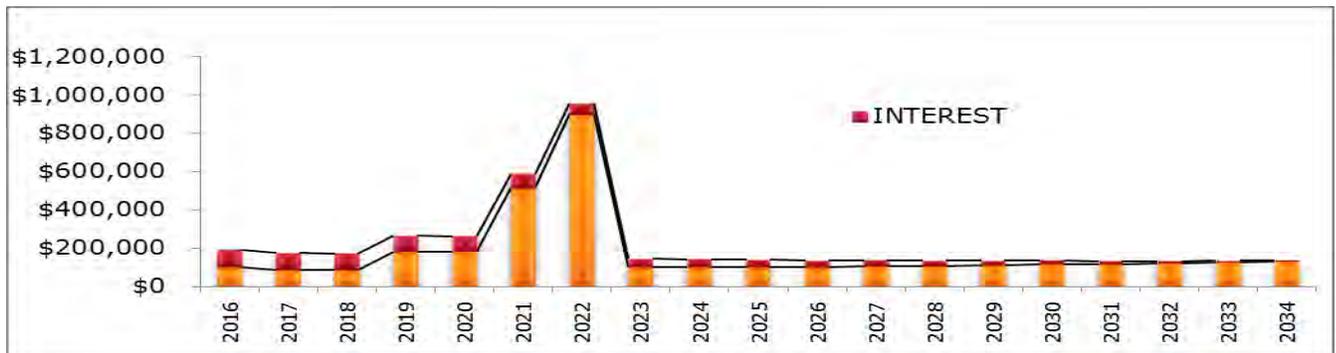
DEBT SERVICE

General Obligation Debt Service Fund Annual Debt Service Requirement Series 2014 Certificates of Obligation (\$3,500,000)

YEAR ENDING SEPT. 30	DEBT		Interest Rate	INTEREST	TOTAL
	OUTSTANDING OCT. 1	PRINCIPAL			
2016	\$3,370,000	\$100,000	2.673%	\$89,563	\$189,563
2017	\$3,270,000	\$85,000	2.673%	\$88,213	\$173,213
2018	\$3,185,000	\$85,000	2.673%	\$86,513	\$171,513
2019	\$3,100,000	\$180,000	2.673%	\$83,863	\$263,863
2020	\$2,920,000	\$180,000	2.673%	\$80,263	\$260,263
2021	\$2,740,000	\$515,000	2.673%	\$72,669	\$587,669
2022	\$2,225,000	\$900,000	2.673%	\$55,625	\$955,625
2023	\$1,325,000	\$100,000	2.673%	\$42,875	\$142,875
2024	\$1,225,000	\$100,000	2.673%	\$39,875	\$139,875
2025	\$1,125,000	\$100,000	2.673%	\$36,875	\$136,875
2026	\$1,025,000	\$100,000	2.673%	\$33,875	\$133,875
2027	\$925,000	\$105,000	2.673%	\$30,538	\$135,538
2028	\$820,000	\$105,000	2.673%	\$26,863	\$131,863
2029	\$715,000	\$110,000	2.673%	\$23,100	\$133,100
2030	\$605,000	\$115,000	2.673%	\$19,163	\$134,163
2031	\$490,000	\$115,000	2.673%	\$15,138	\$130,138
2032	\$375,000	\$120,000	2.673%	\$11,025	\$131,025
2033	\$255,000	\$125,000	2.673%	\$6,738	\$131,738
2034	\$130,000	\$130,000	2.673%	\$2,275	\$132,275
		<u>\$3,370,000</u>		<u>\$845,049</u>	<u>\$4,215,049</u>

	Year	Total	Principal	Interest
This Year's Requirement	2016	\$189,563	\$100,000	\$89,563
Maximum Requirement	2022	\$955,625	\$900,000	\$55,625
Total Outstanding Bonds		\$3,370,000		
Total Original Issue		\$3,500,000		
Issue Date		7/28/2014		

Constructing street improvements such as utilities repair, curb, gutters, sidewalk and drainage improvement. Demolish, construct, improve, renovate and enlarge parks and recreation projects such as the Sr. Center Facility. Purchase of materials, supplies, equipment and land for Sr. Center Facility. Payment of professional services related to design, construction, project management, inspection & consultation of Sr. Center Facility.



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.

In FY2014-15, the final payment was made in order to realize savings in interest costs. This final payment was paid out of the debt reserve fund.

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

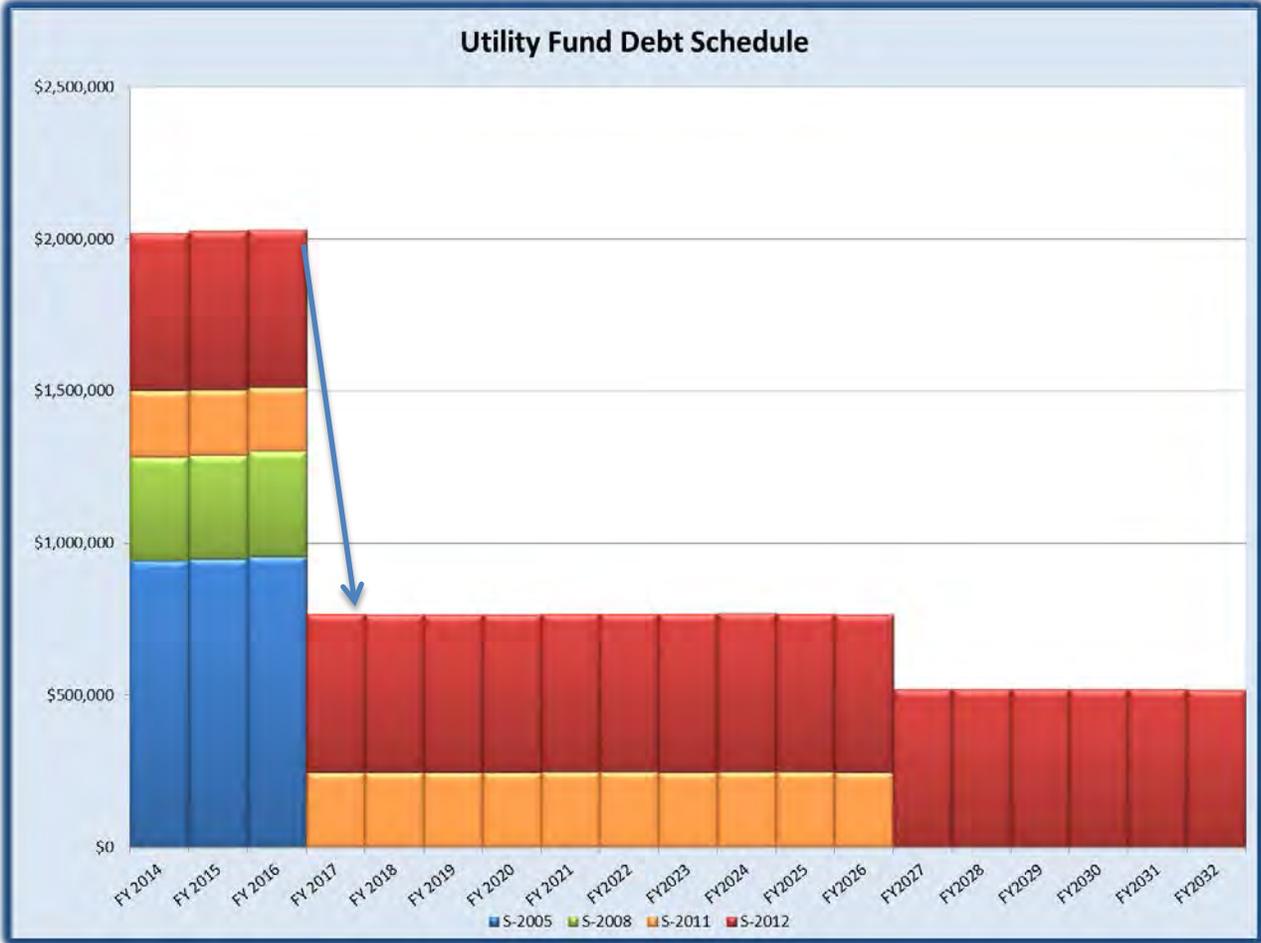
DEBT SERVICE

Watauga PDC Debt Service Fund

	HISTORY		CURRENT YEAR		BUDGET
	FY2013 Actual	FY2014 Actual	FY2015 Budget	FY2015 Estimate	FY2016 Budget
Fund Balance, October 1*	\$235,847	\$235,847	\$235,817	\$235,614	\$2,785
Revenues:					
Interest Income	400	167	470	22	-
Expenditures:					
Principal	190,000	195,000	415,000	415,000	-
Interest	24,136	17,950	7,520	4,051	-
Issuance Costs					
Payment to Escrow					
Transfer to PDC Operating					
Bank Charges	400	400	400	500	-
Total Expenditures:	\$214,536	\$213,350	\$422,920	419,551	\$0
Other Financing Sources:					
Bond Sale Proceeds					
Transfer In	214,136	212,950	186,700	186,700	-
Fund Balance, September 30	\$235,847	\$235,614	\$67	\$2,785	\$2,785

PDC Revenue Bonds were paid in November 2014 in advance of due date

DEBT SERVICE



WATER AND SEWER REVENUE BOND Debt Service Fund 42

DID YOU KNOW?

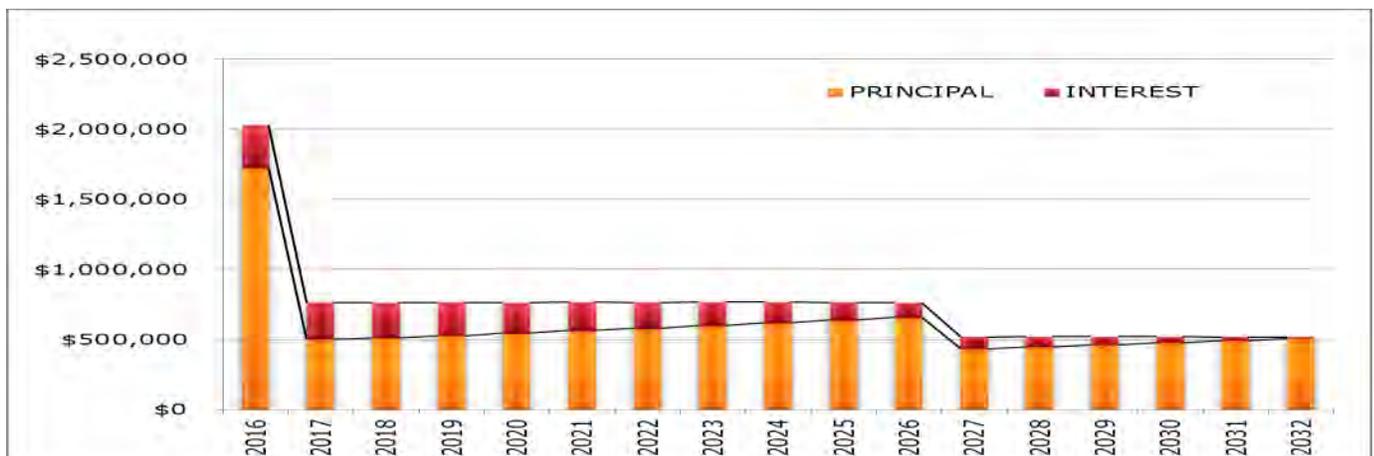
The Utility Fund Debt Service payments have been approximately \$2 million since the 2012 bond issuance to fund improvements to the City’s water and sewer system. In FY2015-16, a significant portion of the City’s Utility Fund debt, \$1.2 million, will be paid off. Funding for infrastructure projects are being evaluated at this time. Funding options include bond issuance proceeds and/or pay-as-you go options.

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
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
		\$10,325,000	\$2,482,397	\$12,807,397

	Year	Total	Principal	Interest
This Year's Requirement	2016	\$2,031,167	\$1,730,000	\$301,167
Maximum Requirement	2016	\$2,031,067	\$1,730,000	\$301,067



DEBT SERVICE

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. Current plans for other issues are being considered as a possible funding source for infrastructure projects identified in the 5 year Capital Improvement Plan.

Budget Summary

	HISTORY		CURRENT YEAR		BUDGET
	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget
Fund Balance, October 1	\$84,137	\$85,180	\$36,306	\$86,094	\$26,034
Revenue:					
Transfer from Construction Fund	0	0	0	0	0
Transfer from Operating Fund	345,412	340,662	340,678	280,678	325,304
Interest income	237	95	340	340	340
Total Revenue	\$345,649	\$340,757	\$341,018	\$281,018	\$325,644
Total Available Resources	\$429,786	\$425,937	\$377,324	\$367,112	\$351,678
Debt Service Requirements:					
Principal	310,000	315,000	325,000	325,000	340,000
Interest	34,606	24,843	15,678	15,678	5,304
Fiscal Agent Charges	0	0	400	400	400
Total Debt Service Requirements	\$344,606	\$339,843	\$341,078	\$341,078	\$345,704
Fund Balance, September 30	\$85,180	\$86,094	\$36,246	\$26,034	\$5,974

DEBT SERVICE

Utility Debt Service Fund - 42

Annual Debt Service Requirement

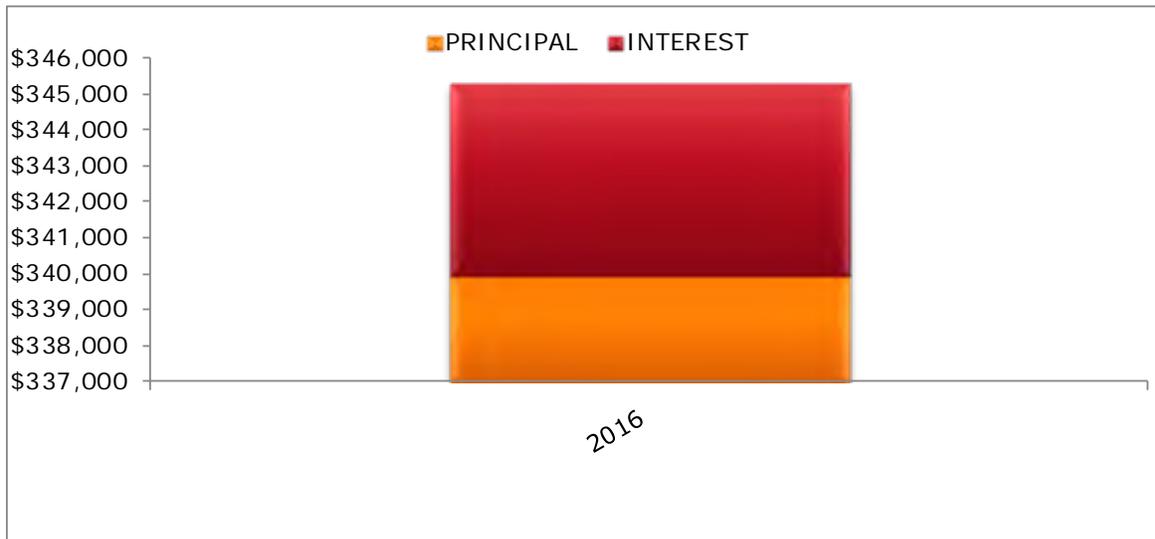
Series 2008 (\$2,430,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2016	\$685,000	\$340,000	3.120%	\$5,304	\$345,304
		<u>\$340,000</u>		<u>\$5,304</u>	<u>\$345,304</u>

Total Outstanding Bonds \$340,000
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	2016	\$345,304	\$340,000	\$5,304
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 and Sewer Certificates of Obligation Budget Summary FUND 44

	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Budget	2014-15 Estimate	2015-16 Budget
Fund Balance, October 1	\$133,357	\$116,300	\$116,528	\$116,140	\$116,291	\$4,287
<u>Revenue:</u>						
Transfer from W/S Op Fund	1,158,013	1,699,089	1,678,825	1,686,125	1,574,281	1,685,863
Transfer from W/S Constr. Fund	0	0	0	0	0	0
Interest income	947	628	263	840	840	840
Total Revenue	1,158,960	1,699,717	1,679,088	1,686,965	1,575,121	1,686,703
Total Available Resources	1,292,317	1,816,017	1,795,616	1,803,105	1,691,412	1,690,990
<u>Debt Service Requirements:</u>						
Series 1996 CO						
Principal	890,000	940,000	980,000	1,025,000	1,025,000	1,075,000
Interest	285,617	217,675	182,125	140,525	140,525	92,300
Series 2012 CO						
Principal		290,000	300,000	310,000	310,000	315,000
Interest		251,414	216,200	210,600	210,600	203,563
Fiscal Agent Charges	400	400	1,000	1,000	1,000	1,000
Total Debt Service Requirements	1,176,017	1,699,489	1,679,325	1,687,125	1,687,125	1,686,863
Fund Balance, September 30	\$116,300	\$116,528	\$116,291	\$115,980	\$4,287	\$4,127
Change in Fund Balance	(\$17,057)	\$228	(\$237)	(\$160)	(\$112,004)	(\$160)

DEBT SERVICE

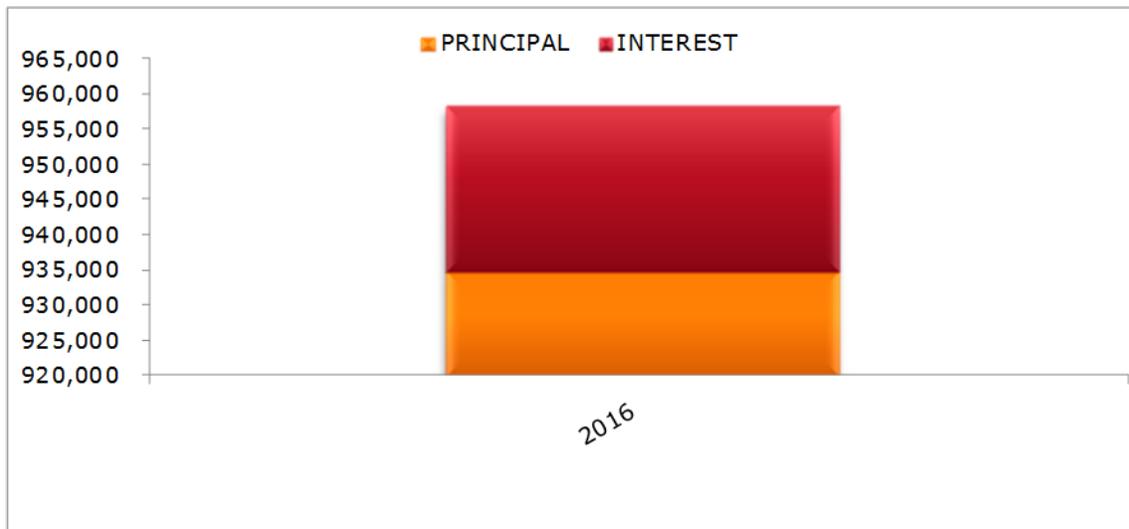
Water/Sewer Revenue Debt Service Fund - 44

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

YEAR ENDING SEPT. 30	DEBT OUTSTANDING OCT. 1	PRINCIPAL	Interest Rate	INTEREST	TOTAL
2016	\$935,000	\$935,000	5.00%	\$23,375	\$958,375
		<u>\$935,000</u>		<u>\$23,375</u>	<u>\$958,375</u>
Total Outstanding Bonds		\$935,000			
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	2016	\$958,375	\$935,000	\$23,375
Maximum Requirement	2016	\$958,375	\$935,000	\$23,375



DEBT SERVICE

W/S Debt Service Fund - 44

Annual Debt Service Requirement - Utility (44)

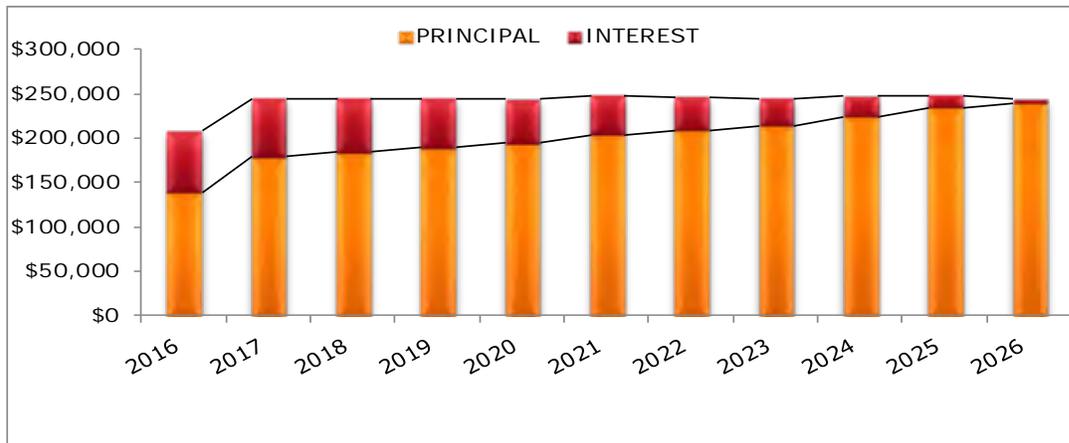
Series 2011 - Certificate of Obligation (\$7,365,000)

YEAR ENDING SEPT. 30	DEBT OUTSTANDING		Interest		
	OCT. 1	PRINCIPAL	Rate	INTEREST	TOTAL
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
		\$2,220,000		\$454,239	\$2,674,239

Total Outstanding Bonds **\$2,220,000**
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	2016	\$208,925	\$140,000	\$68,925
Maximum Requirement	2025	\$249,300	\$235,000	\$14,300



DEBT SERVICE

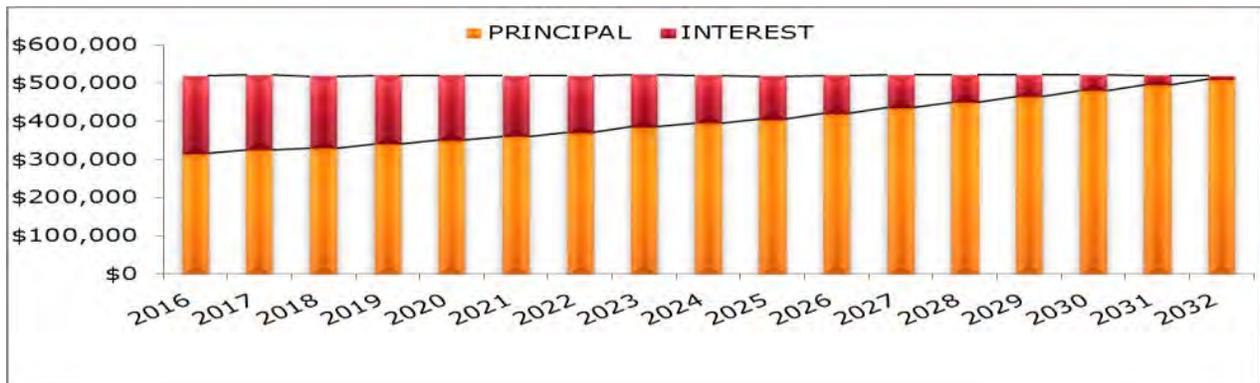
W/S Debt Service Fund 44 Annual Debt Service Requirement - Utility (44) Series 2012 - Certificate of Obligation (\$7,730,000)

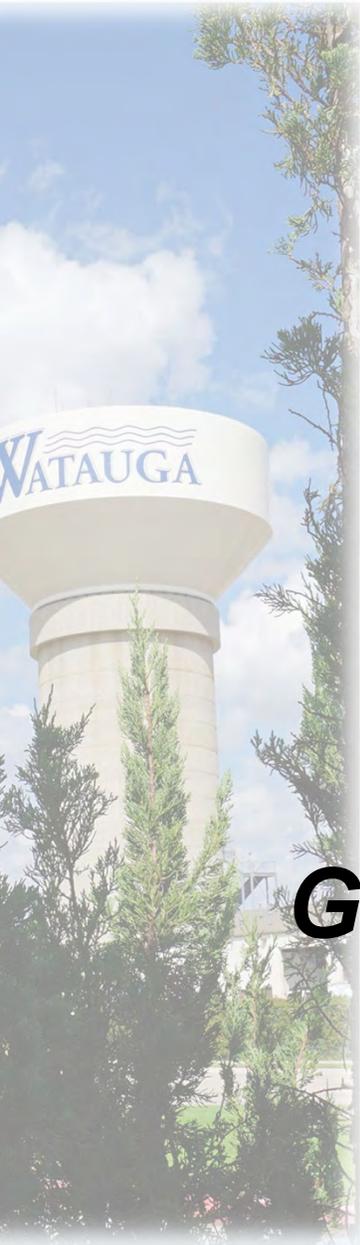
YEAR ENDING SEPT. 30	DEBT OUTSTANDING		Interest		TOTAL
	OCT. 1	PRINCIPAL	Rate	INTEREST	
2016	\$6,830,000	\$315,000	2.50%	\$203,563	\$518,563
2017	\$6,515,000	\$325,000	2.50%	\$195,563	\$520,563
2018	\$6,190,000	\$330,000	2.50%	\$187,375	\$517,375
2019	\$5,860,000	\$340,000	2.50%	\$179,000	\$519,000
2020	\$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
		<u>\$6,830,000</u>		<u>\$1,999,479</u>	<u>\$8,829,479</u>

Total Outstanding Bonds **\$6,830,000**
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	2016	\$518,563	\$315,000	\$203,563
Maximum Requirement	2023	\$521,575	\$385,000	\$136,575





GLOSSARY OF TERMS



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 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.

GLOSSARY OF TERMS

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.

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).

GLOSSARY OF TERMS

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 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.

GLOSSARY OF TERMS

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.

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.

GLOSSARY OF TERMS

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).

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.

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

GLOSSARY OF TERMS

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 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.

GLOSSARY OF TERMS

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 Overview
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
M&O	Maintenance and Operations
M.I.S.	Management Information Services

GLOSSARY OF TERMS

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



BUDGET ORDINANCES & NOTICES



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

BUDGET RESOLUTIONS

RESOLUTION 15-09-08-02 - Tax Assessment Roll

**RESOLUTION 15-09-08-01 – Continuation of Park Vista Public Improvement
District**

BUDGET ORDINANCES

ORDINANCE NUMBER 1608 – Fiscal Year 2016 Ad Valorem Tax Levy

**ORDINANCE NUMBER 1605 – Fiscal Year 2016 Levy Park Vista Public
Improvement Assessment Fee**

ORDINANCE NUMBER 1606 – October 1, 2015 Budget Adoption

ORDINANCE NUMBER 1607 – Property Tax Increase

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 15-09-08-02

A RESOLUTION APPROVING THE TAX ASSESSMENT
ROLL FOR 2015

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 2015 for the City of Watauga, Texas, based on appraised values provided by the Tarrant Appraisal District, is hereby approved.

II.

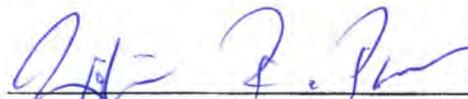
This Resolution shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council and upon approval thereof by the Mayor of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas on this the 8th day of September 2015.

APPROVED:

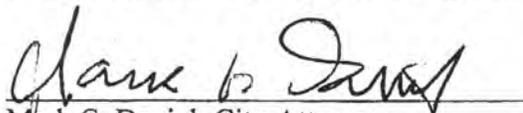

Hector F. Garcia

ATTEST:


Zolaina R. Parker, City Secretary



APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

CITY OF WATAUGA, TEXAS
RESOLUTION NO. 15-09-08-01

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.

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, adopting a service plan and budget for Fiscal Year 2013-2014.

WHEREAS, the City Council adopted Resolution 14-09-03-01 on September 3rd, 2014, adopting a service plan and budget for Fiscal Year 2014-2015.

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 2015-2016.
- (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 2015-2016

(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.
 - (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 2015-2016 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 2015-2016 is hereby adopted by the City Council.

III.

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

IV.

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

V.

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

VI.

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

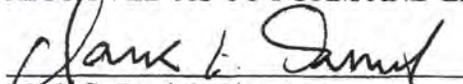
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas on this 8th day of September 2015.

ATTEST:


Zolaina R. Parker, City Secretary



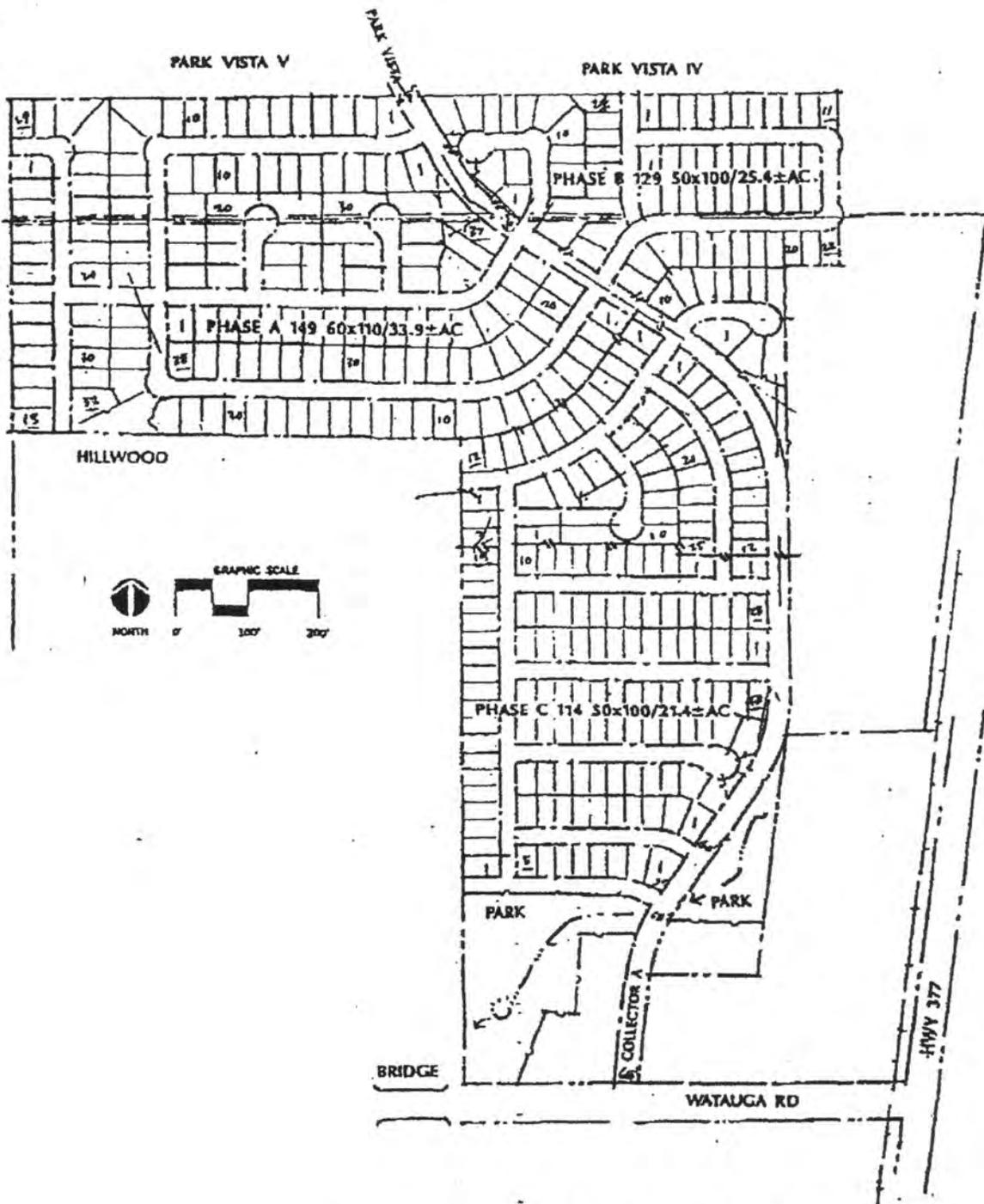
APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

APPROVED:


Hector F. Garcia, Mayor

Exhibit "A"



WATAUGA 80.7 ACRES ALTERNATE PLAN A-1D

392± LOTS IN 80.7± ACRES

71050 4-27-98

Exhibit "B"

LEGAL DESCRIPTION

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

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

THENCE S 89°38'32"E, 2345.71 feet;

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

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

THENCE S 00°21'28"W, 112.06 feet;

THENCE N 89°38'32"W, 136.05 feet;

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

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

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

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

THENCE S 07°33'43"W, 578.71 feet;

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

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

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

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

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

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

THENCE N 88°01'22"W, 157.00 feet;

THENCE S 06°50'00"W, 255.00 feet;

THENCE N 88°01'22"W, 81.00 feet;

THENCE S 23°38'16"W, 231.54 feet;

THENCE S 89°33'46"W. 140.00 feet;

THENCE N 00°41'33"E. 1940.84 feet

THENCE N 88°07'20"W, 1264.63 feet;

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

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1608

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF WATAUGA, TEXAS FOR THE 2015-2016 FISCAL YEAR; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; PROVIDING FOR THE STATEMENT REQUIRED BY SECTION 26.05(b) OF PROPERTY TAX 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 previously complied with all notice, publications 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 2015 Tax Year Proposed Property Tax Rate; and

WHEREAS, pursuant to Section 26.05(b) of the Property 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 2015-2016 fiscal year, upon all property, real, personal and mixed, within the corporate limits of said City subject to taxation, a tax of \$0.618718 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), \$0.440171 on each \$100.00 valuation of property; and
2. For the Interest and Sinking Fund, \$0.178547 on each \$100.00 valuation of property.

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

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.15 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$27.28.

II.

Taxes levied under the Ordinance shall be due October 1, 2015, and if not paid on or before January 31, 2016 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 2015-2016 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, if any, in such other Ordinance or Ordinances are hereby repealed.

VI.

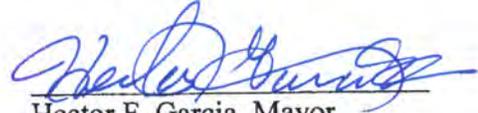
If any section, subsection, sentence, or clause or phrase of this Ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

VII.

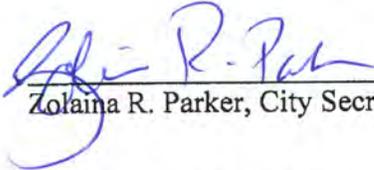
This Ordinance shall become effective and be in full force and effect from and after the date of passage and adoption by the City Council of the City of Watauga, Texas and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by the law and the City Charter.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas on this 8th day of September 2015.

APPROVED:

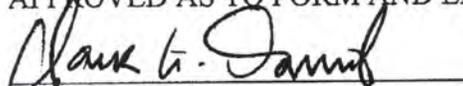

Hector F. Garcia, Mayor

ATTEST:


Zolaina R. Parker, City Secretary



APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1605

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 2015-2016 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

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 adopted Ordinance No. 1572 on September 3, 2014 levying assessments for use and support of the Park Vista Public Improvement District for the 2014-2015 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 2015-2016 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 2015-2016 fiscal year, the rates and amounts herein levied, and when such assessments are collected, and to distribute the collections to the Park Vista Public Improvement District in accordance with this Ordinance.

V.

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

VI.

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

VII.

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

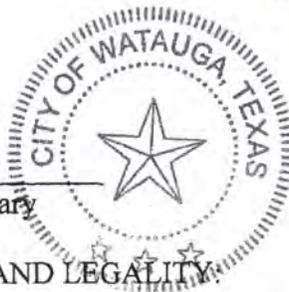
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, this 8th day of September 2015.

APPROVED:

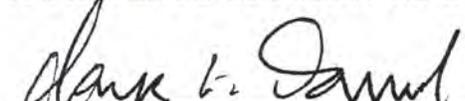

Hector F. Garcia, Mayor

ATTEST:


Zolaina R. Parker, City Secretary



APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1606

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS ADOPTING AND APPROVING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016 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, 2015 and ending September 30, 2016 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, 2015 and ending September 30, 2016 is hereby approved and adopted, and appropriations are made as follows:

1.	General Fund Operating Appropriations – Fund 01	\$12,641,480
2.	General Obligation Debt Service Fund – Fund 03	\$1,760,410
3.	Storm Drain Utility Enterprise Fund – Fund 15	\$2,198,032
4.	Parks Development Corporation Fund – Fund 04	\$795,463
5.	Capital Projects (Plus Prior Appropriations) – Fund 07	\$3,612,000
6.	Crime Control and Prevention District – Fund 18	\$1,729,200

7.	Park Development Corporation Capital Projects – Fund 05 (Plus Prior Appropriations)	\$40,000
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	\$5,294,602
13.	Water and Sewer Operating Fund – Fund 40	\$8,764,967
14.	Internal Service Fund – Fund 22	\$483,000
15.	Water and Sewer Certificates of Obligation Debt Service Fund – Fund 44	\$1,686,863
16.	Water and Sewer Revenue Bond Debt Service Fund – Fund 42	\$345,704
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	\$40,450
21.	Municipal Court Technology Fund – Fund 26	\$7,500
22.	Municipal Court Juvenile Fund – Fund 27	\$21,960
23.	Park Vista Public Improvement District – Fund 30	\$0
24.	Traffic Safety Fund – Fund 28	\$572,560
25.	Oil Gas Fund – Fund 12	\$0
26.	Street Maintenance Fund – Fund 14	\$610,000
27.	Strategic Initiative Fund – Fund 13	\$275,000

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 1607

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA ADOPTING AND APPROVING A PROPERTY TAX INCREASE REFLECTED IN THE BUDGET FOR THE CITY OF WATAUGA FOR FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016, 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, 2015 and ending September 30, 2016 will raise more total property taxes than last fiscal year's budget by \$283,157 or 5.10% and of that amount, \$10,779 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, 2015 and ending September 30, 2016 is hereby approved and adopted.

II.

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

III.

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

IV.

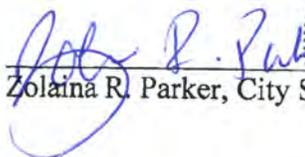
This Ordinance shall become effective and shall be in full force and effect after passage and adoption by the City Council of the City of Watauga, Texas, and upon approval thereof by the Mayor of the City of Watauga, Texas, and publication hereof as prescribed by law and the City Charter.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 8th day of September 2015.

Approved:

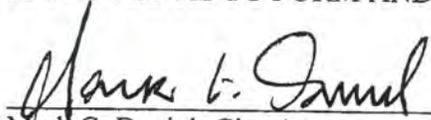

Hector F. Garcia, Mayor

Attest:


Zolaina R. Parker, City Secretary



APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

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 8th day of September 2015.

APPROVED:

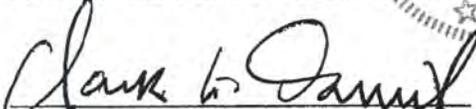

Hector F. Garcia, Mayor

ATTEST:


Zolaina R. Parker, City Secretary



APPROVED AS TO FORM AND LEGALITY:


Mark G. Daniel, City Attorney

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 5.10 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 17, 2015 at 6:30 p.m at City Hall, 7105 Whitley Road, Watauga, TX 76148.

The second public hearing will be held on August 25, 2015 at 6:30 p.m at City Hall, 7105 Whitley Road, Watauga, TX 76148.

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

FOR: Robert Davis, Mayor Pro Tem, Place 7 Hal Gerhardt, Place 1
Brandon Krausse, Place 2 Lee Griffin, Place 3
James Wright, Place 4 Melva Clark, Place 5
Patrick Shelbourne, Place 6

AGAINST:

PRESENT and not voting: Hector F. Garcia, Mayor

ABSENT:

The average taxable value of a residence homestead in City of Watauga last year was \$93,506. 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 \$552.82.

The average taxable value of a residence homestead in City of Watauga this year is \$94,433. If the governing body adopts the effective tax rate for this year of \$0.588718 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$555.94.

If the governing body adopts the proposed tax rate of \$0.618718 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$584.27.

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

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.	\$939,153,947
2. Last year's M&O tax rate. Enter Line 26 of the Rollback Tax Rate Worksheet.	\$0.412887/\$100
3. M&O taxes refunded for years preceding tax year 2014. Enter Line 28E of the Rollback Tax Rate Worksheet.	\$0
4. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3.	\$3,877,644
5. This year's total taxable value. Enter line 19 of the Effective Tax Rate Worksheet.	\$943,954,813
6. This year's proposed M&O tax rate Enter the proposed M&O tax rate approved by the Governing Body.	\$0.440171/\$100
7. This year's M&O tax levy. Multiply line 5 times line 6 and divide by 100.	\$4,155,015
8. M&O Tax Increase (Decrease). Subtract line 4 from line 7.	\$277,371
Comparison of Total Tax Rates	
9. Effective Total Tax Rate.	\$0.588718/\$100
10. This year's proposed total tax rate.	\$0.618718/\$100
11. This year's rate minus effective rate. Subtract line 9 from line 10.	\$0.030000
12. Percentage change in total tax rate. Divide Line 11 by line 9.	5.10%
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.	\$0.410784/\$100
14. This year's proposed M&O tax rate.	\$0.440171/\$100
15. This year's rate minus effective rate. Subtract line 13 from line 14.	\$0.029387
16. Percentage change in M&O tax rate. Divide line 15 by line 13.	7.15%
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.	\$0.412887/\$100
19. This year's proposed M&O tax rate.	\$0.440171/\$100
20. This year's raised M&O taxes. Subtract line 18 from line 19 and multiply result by line 17.	\$27.28

2015 Effective Tax Rate Worksheet

City of Watauga

Date: 7/25/2015 02:11 PM

1. 2014 total taxable value. Enter the amount of 2014 taxable value on the 2014 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). ¹	\$1,012,552,698
2. 2014 tax ceilings. Counties, cities and junior college districts. 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 2014 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$75,458,086
3. Preliminary 2014 adjusted taxable value. Subtract Line 2 from Line 1.	\$937,094,612
4. 2014 total adopted tax rate.	\$0.591216/\$100
5. 2014 taxable value lost because court appeals of ARB decisions reduced 2014 appraised value. A. Original 2014 ARB Values.	\$36,934,033
B. 2014 values resulting from final court decisions.	\$34,874,698
C. 2014 value loss. Subtract B from A. ³	\$2,059,335
6. 2014 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$939,153,947
7. 2014 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2014. Enter the 2014 value of property in deannexed territory. ⁴	\$0
8. 2014 taxable value lost because property first qualified for an exemption in 2015. 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.	
A. Absolute exemptions. Use 2014 market value:	\$0
B. Partial exemptions. 2015 exemption amount or 2015 percentage exemption times 2014 value:	\$1,584,300
C. Value loss. Add A and B. ⁵	\$1,584,300
9. 2014 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 2015. Use only properties that qualified in 2015 for the first time; do not use properties that qualified in 2014.	
A. 2014 market value:	\$0
B. 2015 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A. ⁶	\$0

10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$1,584,300
11. 2014 adjusted taxable value. Subtract Line 10 from Line 6.	\$937,569,647
12. Adjusted 2014 taxes. Multiply Line 4 by Line 11 and divide by \$100.	\$5,543,061
13. Taxes refunded for years preceding tax year 2014. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2014. 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 2014. This line applies only to tax years preceding tax year 2014. ⁷	\$4,833
14. Taxes in tax increment financing (TIF) for tax year 2014. 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 2015 captured appraised value in Line 16D, enter 0. ⁸	\$0
15. Adjusted 2014 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14. ⁹	\$5,547,894
16. Total 2015 taxable value on the 2015 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. ¹⁰	
A. Certified values:	\$980,506,743
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 2015 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2015 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. ¹¹	\$0
E. Total 2015 value. Add A and B, then subtract C and D.	\$980,506,743
17. Total value of properties under protest or not included on certified appraisal roll. ¹²	
A. 2015 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. ¹³	\$10,883,286
B. 2015 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 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. ¹⁴	\$30,924,219
C. Total value under protest or not certified: Add A and B.	\$41,807,505

18. 2015 tax ceilings. Counties, cities and junior colleges enter 2015 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 2014 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$78,359,435
19. 2015 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$943,954,813
20. Total 2015 taxable value of properties in territory annexed after Jan. 1, 2014. Include both real and personal property. Enter the 2015 value of property in territory annexed. ¹⁶	\$0
21. Total 2015 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2014. 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, 2014, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2015. ¹⁷	\$1,742,183
22. Total adjustments to the 2015 taxable value. Add Lines 20 and 21.	\$1,742,183
23. 2015 adjusted taxable value. Subtract Line 22 from Line 19.	\$942,212,630
24. 2015 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100. ¹⁸	\$0.588815/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2015 county effective tax rate. ¹⁹	

A county, city or hospital district that adopted the additional sales tax in November 2014 or in May 2015 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.

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(15)

⁵Tex. Tax Code Section 26.012(15)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.03(c)

⁹Tex. Tax Code Section 26.012(13)

¹⁰Tex. Tax Code Section 26.012(15)

¹¹Tex. Tax Code Section 26.03(c)

¹²Tex. Tax Code Section 26.01(c)

¹³Tex. Tax Code Section 26.04 and 26.041

¹⁴Tex. Tax Code Section 26.04 and 26.041

¹⁵Tex. Tax Code Section 26.012(6)

¹⁶Tex. Tax Code Section 26.012(17)

¹⁷Tex. Tax Code Section 26.012(17)

¹⁸Tex. Tax Code Section 26.04(c)

¹⁹Tex. Tax Code Section 26.04(d)

2015 Rollback Tax Rate Worksheet

City of Watauga

Date: 11/21/2015

26. 2014 maintenance and operations (M&O) tax rate.	\$0.412887/\$100
27. 2014 adjusted taxable value. Enter the amount from Line 11.	\$937,569,647
28. 2014 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$3,871,103
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2014. Enter amount from full year's sales tax revenue spent for M&O in 2014 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 2014: 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 2014. This line applies only to tax years preceding tax year 2014.	\$0
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 2015 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.	\$3,871,103
29. 2015 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$942,212,630
30. 2015 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.410852/\$100
31. 2015 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.443720/\$100

32. Total 2015 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: (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.	\$1,760,410
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.	
B. Subtract unencumbered fund amount used to reduce total debt.	\$75,000
C. Subtract amount paid from other resources.	
D. Adjusted debt. Subtract B and C from A.	\$0
	\$1,685,410
33. Certified 2014 excess debt collections. Enter the amount certified by the collector.	\$0
34. Adjusted 2015 debt. Subtract Line 33 from Line 32D.	\$1,685,410
35. Certified 2015 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
36. 2015 debt adjusted for collections. Divide Line 34 by Line 35	\$1,685,410
37. 2015 total taxable value. Enter the amount on Line 19.	\$943,954,813
38. 2015 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$0.178547/\$100
39. 2015 rollback tax rate. Add Lines 31 and 38.	\$0.622267/\$100
40. COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2015 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.