



CITY OF WATAUGA, TEXAS by
..... ANNUAL BUDGET

Filed
Tarrant County Clerk
12:26 pm, Feb 05 2025
Mary Louise Nicholson
County Clerk
ngorena



October 1, 2023 – September 30, 2024

City of Watauga

Fiscal Year 2023-2024

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,154,329, which is a 12.34 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$6,946.

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

FOR:

Patrick Shelbourne, Place 1

Tom Snyder, Place 2

Lovie Downey, Place 3

Andrew Neal, Place 4

Malissa Minucci, Place 5

Mark Taylor, Place 6

Jan Hill, Mayor Pro Tem, Place 7

AGAINST:

PRESENT and not voting: Arthur Miner, Mayor

ABSENT:

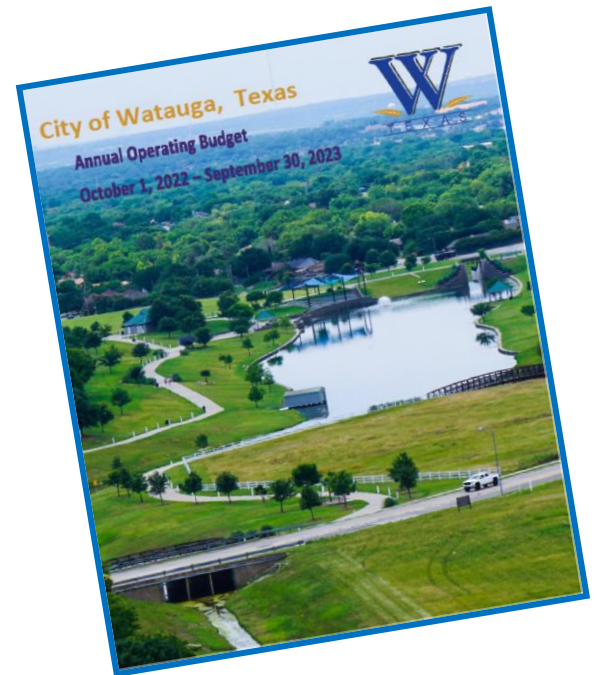
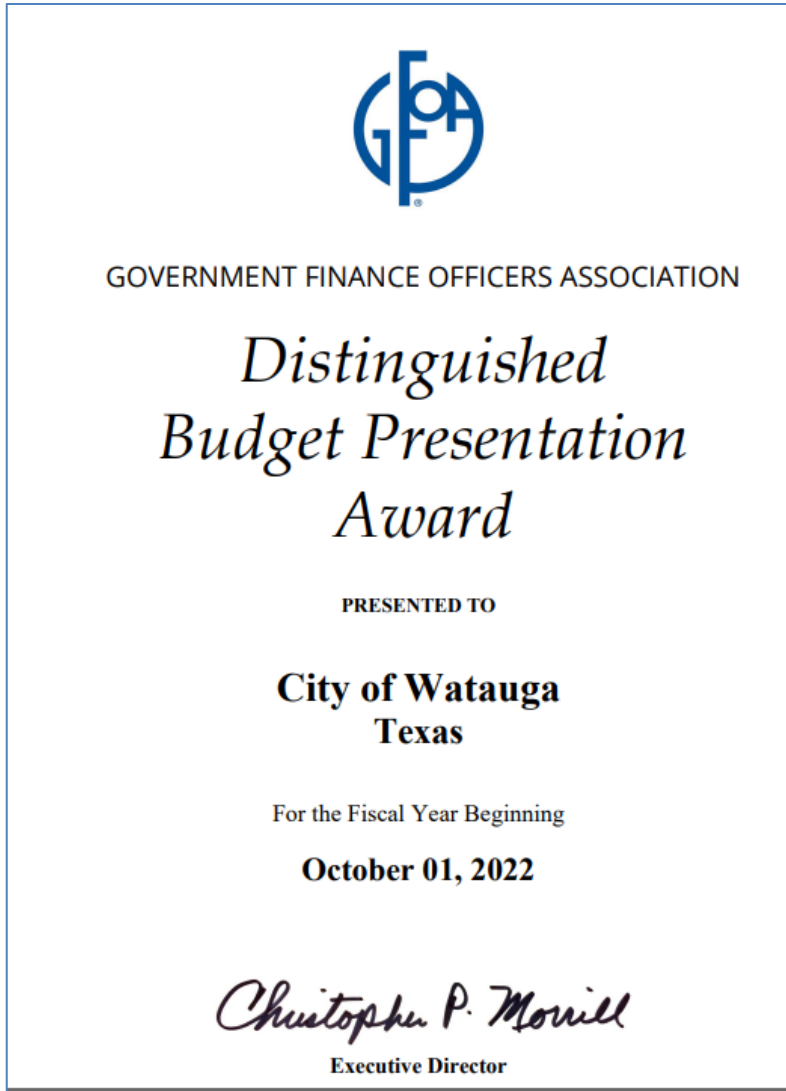
Property Tax Rate Comparison

| | 2023-2024 | 2022-2023 |
|---|------------------|------------------|
| Property Tax Rate: | \$0.570200/100 | \$0.570200/100 |
| No-New-Revenue Tax Rate: | \$0.507081/100 | \$0.530859/100 |
| No-New-Revenue Maintenance & Operations Tax Rate: | \$0.334281/100 | \$0.362500/100 |
| Voter-Approval Tax Rate: | \$0.605718/100 | \$0.584200/100 |
| Debt Rate: | \$0.210490/100 | \$0.195013/100 |

Total debt obligation for City of Watauga secured by property taxes: \$48,650,000, of which \$17,875,000 is considered to be self-supporting debt and is paid by revenues from the Utility System.

DISTINGUISHED BUDGET PRESENTATION AWARD

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, 2022.



The award represents a significant achievement by the City of Watauga. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the award, the City of Watauga had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the budget document serves as a policy document, a financial plan, an operations guide, and a communications device. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other government entities. Each year, the City of Watauga's staff incorporates recommendations from the reviewers for continuous improvement of our budget document.

This is the 34th consecutive year that the City has received this Award. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. The City has received this award since 1989.



for

FISCAL YEAR ENDING SEPTEMBER 30, 2024

SUBMITTED BY:

**JOSHUA JONES
INTERIM CITY MANAGER**

AND

**SANDRA GIBSON, CGFO, CGFM
DIRECTOR OF FINANCE**

AS ADOPTED ON SEPTEMBER 11, 2023

THE WATAUGA CITY COUNCIL

MAYOR ARTHUR L. MINER

| | |
|--|---------------------------|
| MAYOR PRO TEM COUNCIL MEMBER PLACE 7: | JAN HILL |
| COUNCIL MEMBER PLACE 1: | PATRICK SHELBOURNE |
| COUNCIL MEMBER PLACE 2: | TOM SNYDER |
| COUNCIL MEMBER PLACE 3: | LOVIE DOWNEY |
| COUNCIL MEMBER PLACE 4: | ANDREW NEAL |
| COUNCIL MEMBER PLACE 5: | MALISSA MINUCCI |
| COUNCIL MEMBER PLACE 6: | MARK TAYLOR |



**Patrick
Shelbourne
Place 1**



**Tom Snyder
Place 2**



**Lovie Downey
Place 3**



Watauga City Council



**Arthur Miner
Mayor**



**Jan Hill
Mayor Pro Tem, Place 7**



**Andrew Neal
Place 4**



**Malissa Minucci
Place 5**



**Mark
Taylor
Place 6**

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INTRODUCTION



October 1, 2023 – September 30, 2024

HOW TO USE THIS BUDGET DOCUMENT

The City of Watauga's Budget Document provides comprehensive information about City policies, goals, objectives, financial structure, operations, and an organizational framework that shows how City services are to be provided in FY2023-2024. A main objective of the budget document is to communicate this information to readers in a manner that is clear, concise, and understandable. At the front of the budget is a Table of Contents that will aid the reader in finding specific information quickly. The budget is divided into the major sections as described below:

Introductory Information

The Table of Contents should aid a user of this document as a guide to the organization of this book. The City Manager's Budget Message should be read first as it provides an overview of policy decisions made during the preparation process that influenced the FY2023-2024 budget. The message summarizes the contents of the budget with goals and objectives clearly outlined. The Introductory Section contains a City Organizational Chart followed by information about the City. The reader can read about physical location of the City, the history of Watauga, services offered by the City and significant demographic and graphical information about the City.

Long Term Strategic Plan

This section details the long-term strategic plans developed by the City Council and City Management. The City Council is committed to setting priorities, values, and policies that are in the best interest of the citizens of Watauga. Strategic planning is an essential component of the annual budget and multi-year financial planning processes that allow the City to maintain a plan that addresses current and future economic impacts. The multi-year financial projections estimate revenues and expenditures for the major operating funds. Projections are made for the General Fund, General Obligation Debt Service Fund, and Water and Sewer Fund, which comprise most of the City's revenues and expenditures (excluding capital funds). Other long-term financial plans included in this section are a Five-year personnel improvement plan to identify personnel needs in the current budget and future years, and a Five-year capital outlay plan that identifies equipment and vehicles that will need to be replaced with the year of planned replacement and estimated cost.

Budget Summary

The budget summary section for all funds discusses the budget preparation process that begins the first of every year and formally ends in September, with numerous steps in between. An explanation of the financial structure of the City shows how revenues and expenditures are reported by fund and their uses. A summary of all funds draws the operating funds and capital funds together.

Fund and Departmental Information

The fund sections include a summary of each fund level and information on the departmental budgets within those funds.

HOW TO USE THIS BUDGET DOCUMENT

General Fund – This major section of the budget will show the reader how the General Fund receives a greater variety of revenues and finances a wider range of governmental activity than any other fund.

Enterprise Funds – This section includes the major Water and Wastewater Fund that encompasses the operations of the City’s water and wastewater system. Much like a private business, the revenues generated are to cover all operating and capital expenses of the fund. The Storm Drainage Utility Fund operates in the same manner; however, capital improvements are budgeted in this fund versus a separate fund. The Storm Drainage Utility fund will provide significant improvements to the City’s drainage system in the current and future years. The Internal Service Fund is used as an equipment and vehicle replacement fund for capital outlay items identified for replacement in the current year. These items are further described in the City’s long-term strategic plan section in the Five-Year Capital Outlay Plan.

Special Revenue Funds – This section provides information on the special revenue funds that provide an extra level of accountability and transparency that the revenues are being used for the intended purpose. These funds include the Crime Control and Prevention District Fund, the Economic Development Fund, Municipal Court Revenue Funds, the Library Donation Fund, the PEG fund, and the Grant Funds

Capital Improvement Funds – The reader can obtain an overview of all City capital improvement projects that have been approved and planned future projects as part of the City’s Capital Improvement Program (CIP). Additional information is provided to the reader primarily on current year projects that are generally managed by the Public Works department or Parks and Community Services. The funding source for each project is identified, including cash (pay-as-you-go), grants, and sale of long-term bonds. Future years identify proposed funding, but do not provide a guarantee as all projects, even in the current budget, will require additional council approval.

Debt Service Funds

This section summarizes current debt issuances and their purpose, as well as payment schedules for current and future years for the General Obligation Debt Service and the Utility Debt Service.

Appendix

The appendix contains ordinances adopting the tax rate and revenue, including the Truth in Taxation Calculation. The appendix also includes the budget glossary to aid the reader in verbiage used throughout the budget 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

HOW TO USE THIS BUDGET DOCUMENT

prospective citizens and businesses may use this document to learn about the City and its plans for the future.

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, and City Library. It can also be accessed through the Internet at <https://www.cowtx.org/841/Budgeting>.



BUDGET MESSAGE FOR FY2023-2024



September 11, 2023

To the Honorable Mayor Arthur L. Miner, Members of the City Council and the Citizens of Watauga:

The City Manager's Annual Budget for the Fiscal Year beginning October 1, 2023, and ending September 30, 2024, is presented for your review and comment, as required by the City of Watauga's Home Rule Charter. It presents, in summary form, the revenues and expenditures for each of the City's Funds, departmental highlights, accomplishments and expenditures, as well as the five-year Capital Improvement Plan (CIP). The Annual Operating Budget represents the single most crucial management tool of the governing body and staff. The Annual Operating Budget reflects the general short-term policies and incorporates the City Council's long-term Strategic Plan. The **Budget Summary** section that follows this message provides a concise summary of the Budget with summaries of revenues, expenditures, and fund balance.

During FY2022-2023, the economy continued to improve, but was greatly impacted by inflationary pressures and supply chain issues. The City experienced significant staffing shortages, most notably in the Public Works and Police Department.

In preparing the FY2023-2024 fiscal year budget, we strived to provide funding for continued excellent service to our citizens and the retention of our talented and skilled workforce while addressing inflationary pressures.

Highlights of the budget are presented below:

- Property tax revenue has been based on maintaining or reducing the City's current tax rate of \$0.5702 per \$100 of assessed valuation. Senate Bill 2 adopted during the 2019 legislative session limited the growth of property tax revenues but allows a city to "bank" the portion of the tax rate that is less than the voter approved rate calculation. This amount can be banked for each year for three years and the three-year rolling sum can be added to the voter-approval rate. The 2023-2024 recommended tax rate of \$0.5702 includes \$0.014 of the unused increment. This property tax rate allows the City to bring in more revenue in the operating budget to cover cost increases and debt service payments, to include the 2023 Certificates of Obligation that will fund street projects and public safety equipment.
- Sales tax growth is forecasted at a moderate increase of 2.0% over FY2022-2023 forecast. Through May, sales tax receipts are trending approximately 4% above prior year and 2.5% over original budget expectations due to economic recovery

BUDGET MESSAGE FOR FY2023-2024

and increases in prices for goods and services. Sales tax is influenced by economic trends, and the higher revenues are in part due to higher prices on goods due to inflation.

- Other revenue increases in the budget include charges for service revenues. This budget assumes a return to pre-Covid recreation operations and events that will be made possible by restoring programs and positions associated with those programs. Additional programs are included in this budget for the summer camp and pre-school programs that had been eliminated during Covid. Interest earnings have increased substantially during 2023 and are reflected in this budget across the majority of the City's funds. This increase is due to the current high interest rate environment and policies set by the Federal Reserve.
- Several positions that were reduced during the pandemic back were restored to appropriate staffing levels in the 2022-2023 fiscal year. 7 full-time equivalent positions were funded by the American Rescue Act Plan (ARPA) grant funds, which was later amended to fund 6 full-time equivalents. In this year's budget, it is recommended that 3.5 full-time equivalent positions for the parks and recreation department be moved into the General Fund. The remainder of the ARPA funded positions will be absorbed by the General Fund in the 2024-2025 Fiscal Year in order to meet the spending timeline for these funds. Funds that are not expended on personnel are proposed to be transferred to planned infrastructure projects.
- An addition of 3.75 full-time equivalents (15 seasonal positions) are included this fiscal year in the Community Services and Recreation department. The cost of these positions will be recovered through user fees for the summer camp and pre-school programs. Other personnel changes recommended in this budget include a Library Assistant position moving from part-time to full-time, and several reclassifications of existing positions.
- A cost-of-living increase is included in the amount of 5% for all employees and the step program continues to be funded for public safety personnel. A merit program for general government employees was implemented in FY2022-2023 and is funded in this budget.
- The City's portion of the retirement rate (TMRS) increased this budget year by 1.8%. This budget includes an increase in medical insurance costs from the City's medical insurance provider in the amount of 8% due to high claims the City experienced in prior years.
- This budget will continue to utilize American Rescue Plan Act (ARPA) funding to implement projects approved in the Spending Plan Framework in July 2022. These projects include water and wastewater and storm drain projects, the restoring of positions, the leave liability program, and equipment purchases. Several projects

BUDGET MESSAGE FOR FY2023-2024

were completed in FY2022-2023 and the lead pipe identification and Park Vista Storm Drain project are expected to kick-off in the current fiscal year.

- Utility rate adjustments are anticipated to be necessary for the second quarter of the fiscal year due to a combination of increases in rates from the City of Ft. Worth and increases in wastewater volume treated over the last couple of fiscal years. A rate study update is currently in progress.
- Other user fees are proposed to be adjusted, as deemed necessary, based on increased costs of service and for new or reinstated programs.
- Recommended capital improvement project funding is included in this budget. These include continuation of infrastructure projects (streets, water, sewer, drainage), sidewalks, fleet facility expansion, and parks improvements. A food business park at Capp Smith is included in partnership with the Economic Development Corporation. The majority of the City's capital project funding is through debt issuance. A 2023 debt issuance in the amount of \$8.950 million is included to help fund these projects and capital outlay needs. The Capital Improvement Summary is included in this budget document.
- Critical capital outlay items such as vehicles, equipment, and technology are funded by the equipment replacement fund, cash reserves, and the 2023 Certificates of Obligation issuance. The 5-year capital outlay plan is included in this budget document.

This spending plan reflects our commitment to provide quality services and amenities to our residents, while enhancing our organization's long-term financial sustainability. The objectives used in developing this budget were to present a balanced budget with prudent revenue and expenditure estimates and aligns with the City Council's Strategic Plan priorities and initiatives.

The Budget for the Fiscal Year 2023-2024 connects the priorities and financial planning as outlined in the Council Strategic Planning Session held in May 2023. The primary concerns while preparing this budget were continuing as many programs and services for our citizens as feasible within budgetary constraints while maintaining reserve levels in accordance with the City's fiscal policies. Services provided by the City include fire and police protection, emergency medical services, planning and zoning, economic development, code compliance, street maintenance, water and wastewater services, parks, recreation, library, and senior citizen services.

BUDGET MESSAGE FOR FY2023-2024

Strategic Direction

Setting long-term priorities for the City is one of the most important responsibilities for Watauga's elected officials. In May 2023, Council met to discuss top priority goals for the City. By focusing on goals and strategic initiatives, Council and staff are able to position the community in a positive direction. These goals guide financial and operational decisions to achieve community excellence. Following are the City Council's goals and strategic initiatives, which are supported in the budget:

Policy Issues, Goals, and Objectives for FY2023-2024

The FY2023-2024 budget is designed to continue the City's programs to (a) provide efficient operations, (b) maintain basic and essential service levels, and (c) achieve City Council Goals. 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.

Additionally, the FY2023-2024 Budget includes an emphasis on the following priorities:

- Managing inflationary pressures;
- Retaining and attracting employees by seeking to be competitive in the municipal employment market;
- Continuing the replacement of capital outlay that has reached the end of life;
- Ensuring focus on community and restoring parks and community services programs eliminated during the pandemic.

To ensure that City Council Goals are achieved, performance-based programs were implemented and are monitored. 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 FY2023-2024 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 FY2022-2023 the General Fund ending balance is projected to be at 54% of operating expenses at year-end. We expect to end FY2023-2024 with a balance of 44% of operating expenses.

BUDGET MESSAGE FOR FY2023-2024

City Council Goals

Watauga continues to move at a healthy pace toward its strategic goals and objectives with regards 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 that **“The City is focused on building an inclusive community that delivers an exceptional quality of life with access to amenities and programs through good governance, fiscal responsibility, and transparency.”**

The FY2023-2024 Budget will provide funding for City Council goals and related strategic Initiatives:

- Goal #1: *Maintain the Financial Strength of the City* – this includes maintaining sound fiscal management practices, ensuring the City’s bond rating is maintained or improved on an annual basis, developing an internal audit committee, evaluating the feasibility of participating in the Opportunity Zones program, and seeking grant opportunities.
- Goal #2: *Expand public safety through non-enforcement efforts* – Safety improvements for Watauga residents and visitors.
- Goal #3: *Develop a sustainable economic development effort* –The City will continue efforts and develop policies and plans to reinvest, revitalize, and improve aging shopping center sites and foster economic development, redevelopment, business retention and attraction.
- Goal #4: *Strengthen Future Planning* – The Comprehensive Plan was updated in FY2018-2019 to include economic development.
- Goal #5: *Improve Community Involvement* – this goal includes initiatives to develop more volunteer opportunities for citizens and identify technological options that encourage citizen participation. Funding is included for a citizen survey every three years and the annual Watauga 101 Citizens academy.
- Goal #6: *Improve the City Brand* – The City is focusing on developing a marketing strategy to promote the City.
- Goal #7: *Attract, retain, and motivate qualified staff* – a Personnel Improvement Plan identifies areas of staffing needs for all City departments. With continued staffing challenges, a review of the City’s recruitment and retention strategy will be conducted, and employee satisfaction surveys will be conducted every two years.

BUDGET MESSAGE FOR FY2023-2024

- Goal #8: Evaluate Technology and workplace solutions highlighted by COVID-19: Staff is currently researching the cost and benefits of shifting to AMI technology in the next 5 years.

Planning for the Future

The City's financial condition remains strong, and the City has proven flexible to adapt to changing conditions. Fiscal Year 2023 showed continued economic recovery with an unprecedented demand for housing and strong retail sales. Through sound fiscal management over the years, the City has positioned itself to create a positive atmosphere for economic development. Planned development includes a 67-home single family residential development that is underway on Hightower Drive. The development will add significant benefit to the City by adding new quality housing with improved streetscapes, new sidewalks, and greenspace. An additional residential development along Bursey Road will include 61 single family homes. Future growth includes a 132-home residential development at Capp Smith Park, two package liquor stores, a new office park, and a new retail pad site.

Over the last few years, the City has experienced property valuation increases and Fiscal Year 2024 (Tax Year 2023) shows property valuation growth of 13% (including pending ARB accounts). Fiscal Year 2023 (Tax Year 2022) reflected growth of 11% in net taxable property values and Fiscal Year 2022 (Tax Year 2021) provided for an increase of 7% growth in the City's net taxable property values. The continued growth is a combination of an extremely active real estate market in recent years but is expected to slow down in future years.

There are numerous variables that merit a cautious approach when developing the current year budget with a long-term outlook. These include:

- The near build-out status of the City requires a strategic approach to attracting new development and revitalization of existing businesses. The City is mindful of two primary objectives when pursuing development opportunities: maximizing economic benefit to the City while enhancing the quality of life enjoyed by our residents.
- The City must account for continued inflationary pressures to include the increasing cost of salaries, benefits, health costs, and supplier increases.
- Changes adopted by the Texas State Legislature continue to impact this budget and future budgets, most notably Senate Bill 2 that imposed a revenue cap of 3.5%.

The City continues a long-term approach through various planning tools. These include the following:

BUDGET MESSAGE FOR FY2023-2024

- ❖ **A Comprehensive Land Use Plan** was adopted by City Council to be used as a tool in the development of the City. As the City approaches full build out, planning initiatives for re-development and improvement of certain aging corridors in the City are of primary focus.
- ❖ **The Equipment Replacement Fund** put into place a few years ago continues to be assurance that certain equipment, technology, and vehicle needs will be met in the future.
- ❖ **The Capital Outlay Plan** provides for a 5-year format to identify timing of replacement and sources of funding for major equipment, vehicles, and technology City-wide.
- ❖ **5-year Capital Improvement Plan** is a long-range financial planning document that revolves around several major street projects, water/sewer system infrastructure projects as well as significant improvements to our storm water drainage system, and various equipment and vehicles outlined in the Capital Outlay Program.
- ❖ **The Parks Master Plan** identifies various parks improvement projects throughout the City of Watauga. Many of these projects are incorporated into the 5-year Capital Improvement Plan with funding sources identified.
- ❖ **A Personnel Improvement Plan** identifies needed personnel positions to provide quality services and programs to our Citizens.

Summary

The FY2023-2024 Budget totals \$66,870,591 which includes \$27.6 million in capital projects and equipment. The focus this year is to continue and improve on our program of services while addressing inflationary impacts and future sustainability.

The budget document truly represents a collective effort by City Council and City Staff to develop a plan that spends within its means while we together serve, enhance, and transform our community. We recognize the need to balance service demands to maintain a sustainable operational and financial position that adheres to our strategic priorities and protects the City's fiscal health, while preserving those things that make Watauga "A Great Place to Live".

I would like to thank City Council for their strong leadership and willingness to make very complex and sometimes difficult decisions which will have lasting positive impacts on our City. I look forward to working with the Council throughout the budget adoption process.

BUDGET MESSAGE FOR FY2023-2024

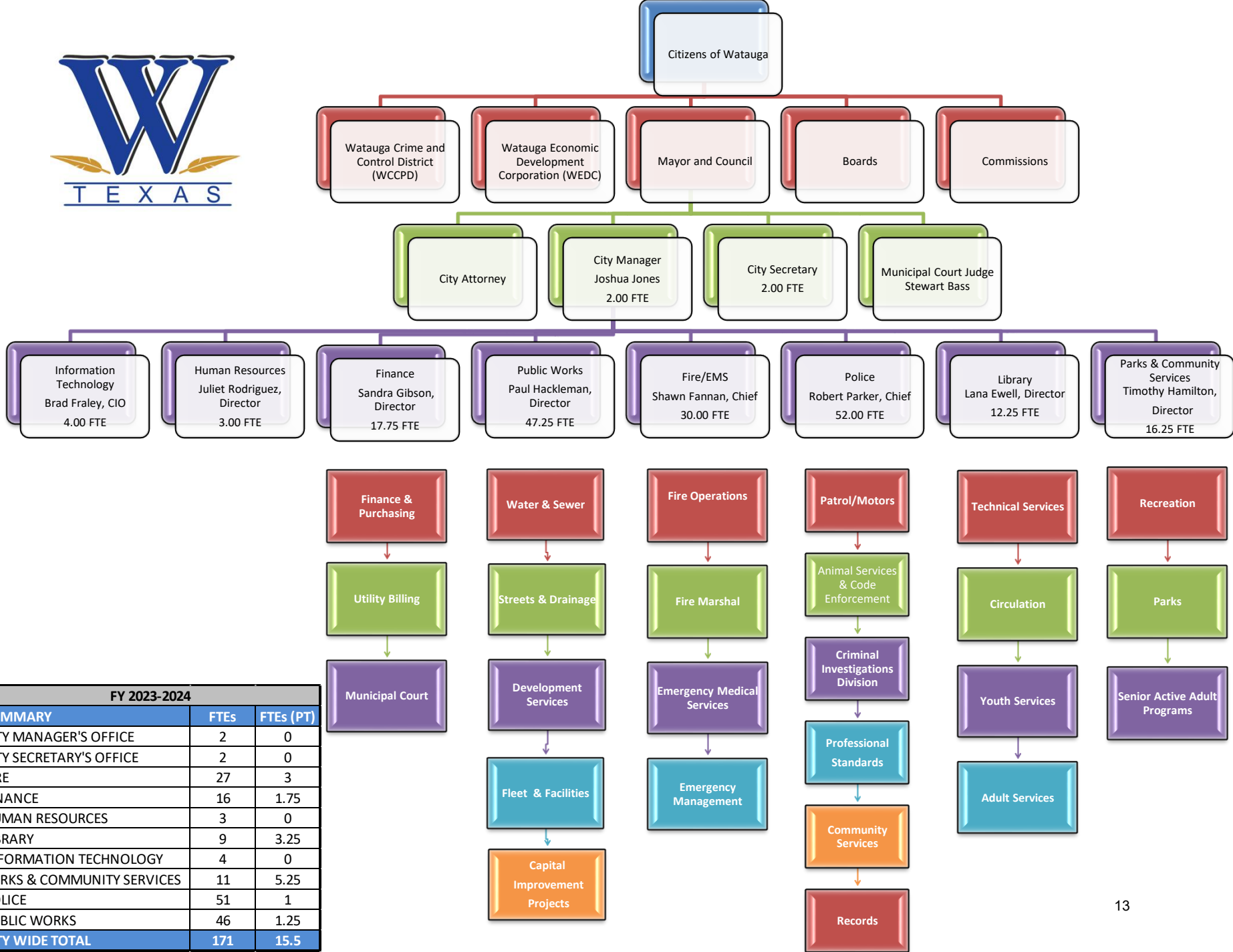
In addition, I wish to thank the dedicated team of City employees who contributed their time and efforts in the development of this document.

Respectfully Submitted,

Joshua Jones

Joshua Jones
Interim City Manager





| FY 2023-2024 | | |
|----------------------------|------------|-------------|
| SUMMARY | FTEs | FTEs (PT) |
| CITY MANAGER'S OFFICE | 2 | 0 |
| CITY SECRETARY'S OFFICE | 2 | 0 |
| FIRE | 27 | 3 |
| FINANCE | 16 | 1.75 |
| HUMAN RESOURCES | 3 | 0 |
| LIBRARY | 9 | 3.25 |
| INFORMATION TECHNOLOGY | 4 | 0 |
| PARKS & COMMUNITY SERVICES | 11 | 5.25 |
| POLICE | 51 | 1 |
| PUBLIC WORKS | 46 | 1.25 |
| CITY WIDE TOTAL | 171 | 15.5 |

THE CITY OF WATAUGA, TEXAS

Brief History of Watauga



The Cherokee Indians were the first settlers in Watauga. Watauga comes from the Cherokee word whose meaning has been lost, but has been variously interpreted as "Village of Many Springs," "River of Plenty," and "Beautiful Water." They were in search of bountiful game, fertile fields, and clear spring waters.

Around 1843, hardy settlers from Tennessee first arrived in the village. Among some of the first settlers were: W.A., Margaret and James Walker, Jane Weir,

Willie Potts, William Samual, Martha and Nancy Evans, William, Julia and Mary Carlton, Syrena Stowel, and Sarah Henderson.

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

In 1876, the railroad came to Texas, linking the two coasts for transporting people and cattle to the Fort Worth area. However, in 1930, the Watauga Depot was moved to Hodge, causing growth to come to a standstill. At this time, Watauga's population was 50. Thirty-four years later, in 1964, the population was 300. However, Watauga grew rapidly in the late 70's and early 1980's, and currently has a population of 23,770.

DID YOU KNOW?

"Watauga" is interpreted as Beautiful Water

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.



Thirteen mayors have served the City. These are John Ransburger, Farris Jones, John Smith, Mack N. Burke, Jr., Mildred Morris, Noel Meadows, Mrs. Noel Meadows, Virgil R. Anthony, Sr., Anthony W. Girtman, Henry J. Jeffries, Hector F. Garcia, Patrick Shelbourne, and Arthur L. Miner is presently serving as Mayor.

Watauga was incorporated on September 24, 1958 and recently celebrated its 65th Anniversary. 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

THE CITY OF WATAUGA, TEXAS

8, 1987, August 11, 1990, January 15, 1994, August 10, 1996, August 8, 1998, September 14, 2002, May 7, 2005, November 6, 2007, and November 5, 2019.

In June 1980, a new Municipal Complex was opened. The complex was dedicated to the memory of Merle Caudle, Fire Chief, who was killed in the line of duty. On September 10, 1988, the citizens of Watauga passed a bond election for the construction of a Library. In 2003, the City opened a Community and Recreation Center on Indian Springs. This Community Center was expanded in 2017 to provide for a Senior Activity Center. 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 police facility was adjusted in 2011 with the transfer of the jail and dispatch facilities to the City of North Richland Hills as a consolidation agreement between the cities of Watauga, North Richland Hills, Haltom City, and Richland Hills.



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.

THE CITY OF WATAUGA, TEXAS

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 200 classroom teachers. Six elementary, six middle, and three high schools serve 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

Medical City North Hills is a modern, private 164-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, four other main health systems serve the area. They are Texas Health, Baylor Scott & White, Medical City, and county-funded John Peter Smith (JPS) Hospital, the only Level-1 Trauma facility in Tarrant County.



Culture and Entertainment

Within a 30-minute drive of the city are the Kimbell Art Museum, Modern Art Museum of Fort Worth, 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.

See <https://www.fortworth.com/about/neighborhoods-districts/cultural-district/>.

THE CITY OF WATAUGA, TEXAS

A variety of major sporting franchises including the Texas Rangers, who won the World Series on November 1, 2023, five time Super Bowl champion Dallas Cowboys, the 2011 NBA Championship Dallas Mavericks 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 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 Community Center was expanded in 2017 to include a Senior Center in order to better provide for the needs of senior citizens in the community.

THE CITY OF WATAUGA, TEXAS

- **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. In 2020 and 2021 the festival was cancelled due to the global pandemic but reinstated in 2022.



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 in 2008 "Where homes are affordable." The study stated that the median home price was \$117,000, with a median family income of \$73,203.

Realtor.com ranked Watauga as the hottest market in the country in both 2016 and 2017 due to homes selling quickly--just 17 days on average.

Opendoor ranked Watauga as the 5th most family friendly city in the U.S. Opendoor's second annual "[Family-Friendly Cities](#)" list focuses on local communities that offer plenty of recreational outdoor activities that are suitable for families of any age. Watauga was the only city in Dallas-Fort Worth to make the new list and the only Texas city to make the top 10. (Bellaire, near Houston, ranks No. 12.)



There's lots for families to do in Watauga. Facebook/Watauga Parks and Recreation

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 estimated population as of January 2023 is 23,653 as reported by the North Central Texas Council of Governments (NCTCOG).

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 8.3 million people. The economy of the area is based upon banking, commerce, insurance, technology, energy, healthcare, medical research, transportation, and logistics. Dallas-Ft. Worth is home to 24 Fortune 500 companies. The region boasts a GDP of just over \$472.33 billion. The 11 county Dallas-Fort Worth Metroplex has been designated as one Consolidated Metropolitan Statistical Area (CMSA) and is the most populous area in both Texas and the Southern United States.

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 49th anniversary in January 2023, covers approximately twenty-eight square miles and currently ranks as the 4TH largest airport in the world based on operations and the 12th largest based on passengers served. The airport is so large that it has its own zip code and emergency services.



THE CITY OF WATAUGA, TEXAS

WATAUGA BY THE NUMBERS

| | |
|--|--------------|
| Population | 23,320 |
| Area (Square Miles) | 4 |
| Percent Developed/Undeveloped | 96%/4% |
| Unemployment Rate (September 2022) | |
| Tarrant County | 3.9% |
| State | 4.0% |
| Median Age | 36.77 |
| Average Household Size | 2.89 |
| Mean Household Income | \$82,686 |
| Educational Level (%) | |
| High School Diploma | 89.20% |
| Post High School Degree | 10.80% |
| Housing | |
| Number of Housing Units – | 8,051 |
| Average Household Size | 2.89 |
| Average Parcel Market Value (Tarrant Appraisal District Jul 2023) | \$270,259 |
| Average Parcel Taxable Value (Tarrant Appraisal District Jul 2023) | \$226,383 |
| City Property Tax Rate (Per \$100) | \$0.570200 |
| Percent Owner Occupied | 78% |
| Percent Renter Occupied | 22% |
| Sales Tax Revenue Projection General Fund for FY2023-2024 | \$5,038,000 |
| Operating Budget for FY2023-2024 | \$66,870,591 |

THE CITY OF WATAUGA, TEXAS

| <i>Top Ten Employers in Watauga, Texas</i> | |
|---|------------------|
| Name | Employees |
| Birdville ISD | 269 |
| Target | 215 |
| City of Watauga | 185 |
| Albertson's | 90 |
| North Pointe Health \$ Rehab | 85 |
| Keller ISD | 70 |
| Chili's | 54 |
| Cotton Patch Café' | 52 |
| Fresco's | 40 |
| Newman Academy | 26 |

| <i>Top Ten Principal Employers in Tarrant County</i> | |
|---|-------------------|
| Name | Employees* |
| AMR Corp/ American Airlines | 40,600 |
| Lockheed Martin Aeronautics | 18,200 |
| Texas Health Resources | 12,776 |
| Fort Worth Independent School District | 10,683 |
| NAS Fort Worth JRB | 10,500 |
| Arlington Independent School District | 8,344 |
| University of Texas at Arlington | 7,562 |
| JPS Health Network | 7,132 |
| City of Fort Worth | 7,129 |

*Source: Tarrant County Annual Comprehensive Financial Report (ACFR)

THE CITY OF WATAUGA, TEXAS





LONG TERM STRATEGIC PLAN



October 1, 2023 – September 30, 2024

STRATEGIC PLANNING PROCESS

INTRODUCTION

The strategic plan guides the City's budget process and serves as a road map for the upcoming fiscal year. The City Council's strategic planning process begins with an annual strategic planning meeting. The Council reviews the plans and discusses key objectives for the upcoming annual budget. The financial plan is reviewed, and a strategy is developed to focus on financial sustainability. Key challenges are discussed and how they can be addressed with the budget. The City Manager then works with each department to follow the Council's direction to define service levels, update short-term divisional objects, and develop budget requests during the budget process.

The 2023-2024 review defined what we want to focus on as an organization: maintaining the City's overall strong financial position; opportunities to achieve greater recreational opportunities for our residents, addressing the retention and recruitment of employees; and continuing public infrastructure investments and capital equipment replacements.

The following documents continue to be reviewed, evaluated, and updated on an annual basis to remain focused on our mission to be a vibrant and connected community that offers response services and effective programs.





CITY OF WATAUGA STRATEGIC PLAN 2022-2032

Acknowledgements

The City of Watauga would like to recognize the members of the governing body and the following employees for contributing to the development of the City's Strategic Plan.

Governing Body

Arthur L. Miner—Mayor
Pat Shelbourne—Council Member, Place 1
Tom Snyder—Council Member, Place 2
Lovie Downey—Council Member, Place 3
Andrew Neal—Council Member, Place 4
Malissa Minucci—Council Member, Place 5
Mark Taylor—Council Member, Place 6
Jan Hill—Mayor Pro-Tem, Council Member, Place 7

Members of City Staff

Joshua Jones—City Manager
Robert Parker—Chief of Police
Shawn Fannan—Fire Chief
Sandra Gibson—Director of Finance
Lana Ewell—Library Director
Juliet Rodriguez—Human Resources & Civil Service Director
Bradley Fraley—Chief Information Officer
Paul Hackleman—Public Works
Timothy Hamilton—Parks & Community Services Director

Executive Summary

“Planning is bringing the future into the present so that you can do something about it now.”

—Alan Lakein

Strategic planning is a systematic and continuous process where people make decisions about intended future outcomes, how those outcomes are to be accomplished and how success is measured and evaluated. This executive summary is intended to provide an overview of the City of Watauga’s Strategic Planning process.

Prior to 2022, the governing body met to review the City’s Strategic Plan during the first quarter of the new calendar year. To provide greater guidance and encompass new ideas discussed at the annual retreat, the Council now completes the strategic planning process between the spring and fall of each fiscal year, which sets the priorities for future budgets. The Council also changed the plan from a five-year plan to ten-year plan. The strategic planning process includes goals and action items for upcoming fiscal years. During the first quarter of the current fiscal year, the governing body finalizes the City’s Strategic Plan by approval through a resolution.

Vision

The City of Watauga remains focused on building an inclusive community that delivers an exceptional quality of life with access to amenities and programs through good governance, fiscal responsibility, and transparency.

Mission

Develop programs to attract and support businesses to our community and provide a safe and secure community for all.

City Goals

The goals approved by the governing body are:

1. Maintain the financial strength of the City.
2. Expand public safety through non-enforcement efforts.
3. Develop a sustainable economic development effort.
4. Strengthen future planning.
5. Improve community involvement.
6. Improve the City brand.
7. Attract, retain, and motivate qualified staff.
8. Evaluate technology & workplace solutions highlighted by COVID-19

Strategic Initiatives

Strategic Planning Goal:

Maintain financial strength of the City

Strategic Initiatives:

1. Maintain sound fiscal management practices and review those practices, policies, and procedures to ensure the City's bond rating is maintained or improved on an annual basis.
2. Continue to review and evaluate the City's potential to participate in the Opportunity Zones program on an annual basis.
3. Continue to seek grant opportunities for programs and projects on an annual basis.

Strategic Planning Goal:

Develop a sustainable economic development effort

Strategic Initiatives:

1. Develop a tax abatement policy within two years.

Strategic Initiatives (Cont.)

Strategic Planning Goal:

Expand public safety through non-enforcement efforts

Strategic Initiatives:

1. Evaluate lighting options that will create improvements in safety for Watauga residents and visitors within ten years.
2. Continue to review and evaluate the need for the Police Department to respond to calls for enforcement versus service annually.
3. Evaluate the need for appropriate response staff or enhanced officer training to sufficiently respond to the growing need for service type calls (i.e.. mental health) annually.

Strategic Planning Goal:

Strengthen future planning

Strategic Initiatives:

1. Complete an update to the Comprehensive Plan every ten years.
2. Conduct an annual review of City ordinances and present an annual schedule for proposed updates with a complete code review being completed prior to 2026.
3. Complete ordinance rewrites prior to October 2026.
4. Obtain public input on the police and library facility needs, to include project budget requirements, prior to May 2024.
5. Prepare and submit for Council consideration a permit process and any required ordinance revisions for Short Term Rental properties.
6. Prepare for further review a phase-in approach for a Street Maintenance Program and associated fee prior to October 2023.

Strategic Initiatives (Cont.)

7. Develop an on-line (website link) for a street maintenance program within seven years.
8. Improve the carbon footprint in the City within 10 years.
9. Review expansion options for the animal control facilities and operations within six years.
10. Improve the walkability and bicycling options in the City within ten years.
11. Evaluate the transition to hybrid or electric vehicles within ten years.
12. Continue to evaluate code compliance processes to improve the overall beautification of the City within three years.

Strategic Planning Goal:

Improve community involvement

Strategic Initiatives:

1. Conduct a citizen survey every three years.
2. Continue the Watauga 101 Citizens Academy annually.
3. Enhance citizen volunteer opportunities within six years.
4. Identify technological options that encourage citizen participation within 10 years.

Strategic Planning Goal:

Improve the City Brand

Strategic Initiatives:

1. Develop a marketing strategy prior to October 2023.

Strategic Initiatives (Cont.)

Strategic Planning Goal:

Attract, retain and motivate qualified staff

Strategic Initiatives:

1. Continue to review and revise the recruitment and retention strategy annually.
2. Evaluate the need to add personnel in the Information Technology Department during each annual budget cycle and Personnel Improvement Plan update.
3. Conduct an employee survey every three years.
4. Implement a Phased Approach for transition to Paid Time Off program

Strategic Planning Goal:

Evaluate technology and workplace solutions highlighted by COVID-19

Strategic Initiatives:

1. Evaluate the need for the Library and Information Technology Departments to partner on identifying a method to expand broadband access to the citizens and students of Watauga in support of the need identified by COVID-19 and proposed legislation during the 87th Legislative Session prior to May 2023.
2. Research the need and identify positions and costs/savings associated with implementing telecommuting for specific job functions prior to October 2023.
3. Implement AMI Technology in the City prior to a specified January 2025.



Veterans Memorial located at 5800 Robin Drive and dedicated to the men and women who honorably served their country, the Watauga Veterans Memorial was designed as a testament to sacrifice, courage and the true American Spirit.



*MULTI-YEAR FINANCIAL
FORECAST*



MULTI-YEAR FINANCIAL FORECAST

INTRODUCTION

Each year the city conducts an evaluation of future planning years for primary operating funds which comprise the majority of our annual budget. They also deal with the major revenue sources of property tax, sales tax, water sales and sewer sales. The following spreadsheets illustrate a brief history of each fund's revenues and expenditures including a three-year projection for the same revenues and expenditures.

Any budgeting exercise that projects future budgets is based upon changing variables outside the City's control. Federal and state legislative changes can impact future budget projections, as well as unforeseen events such as the COVID-19 pandemic. Elections at all levels of government can affect revenues and expenditures that range from federal economic policies all the way down to local elections that can change the Council's priorities year over year.

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 rate increases are also presented. The three-year projections include a mix of assumed variables in both revenues and expenditures as provided in summary on the following pages and discussed by fund below.

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, based on trend data. Revenues have recovered and increased from pre-pandemic levels in both property tax and sales tax. Many positions that were eliminated during the pandemic were restored in FY2022 and FY2023. Positions that were previously funded through American Rescue Plan Act grant funds in 2023 were moved to the General Fund in FY2024 and the remaining positions will move in FY2025. Property tax valuations have increased substantially in the past few years ranging from a 7% to 13% increase. Valuation increases are expected to continue, but at a slower pace in future years. Assumed property tax revenue growth is assumed to be limited to the state mandated 3.5% revenue growth. Sales tax growth is assumed to increase at 2% as a conservative assumption as this revenue stream is volatile and fluctuates and is beyond the City's control. Operational expenditures are generally projected to increase at 2% across the board on

MULTI-YEAR FINANCIAL FORECAST

assumptions that inflation will moderate, especially in the cost of labor and growth in the municipal market. Additional debt service for future debt issuance in the general obligation debt service fund is only built into the model if the actual debt issuance and project has been evaluated and is included in the 5-year capital improvement plan approved by City Council.

Departmental expenditures include an increase of a conservative 2% increase with annual increases for salary plan adjustments and health insurance increases reflected in the non-departmental category. The benefit plan increases are based on a 10% increase for medical and salary increases are included at 3% across the board. The City's 5-year Personnel Improvement Plan includes positions requested by all departments. These positions have not been included in the projections as the plan is reviewed annually during the budget process.

General Obligation Debt Service

The debt component of the tax rate includes debt service requirements for all general debt currently outstanding and projected over the next few years. Under the multi-year capital plan, debt issuance is proposed in years in which previous debt falls off for major projects such as street projects and parks projects. This section is included to consider the future debt planning impact on the debt portion of the tax rate.

Water and Wastewater Enterprise 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 the City of Fort Worth and North Richland Hills as well as baseline increases for the city's operations, including salary plan adjustments and health insurance increases. Future projected rate increases for both water and wastewater are shown. Departmental operational expenditures are assumed to increase 2% across the board on assumptions that inflation will moderate.

The operating budget includes funding for the outstanding water and wastewater debt issuances and projected additional funding based on the City's 5-year Capital Improvement Plan in order to continue the annual water and wastewater infrastructure improvements. A water and sewer rate study is conducted annually to ensure future revenues will be sufficient to cover operation and capital costs.

CLOSING COMMENTS

MULTI-YEAR FINANCIAL FORECAST

This document is a plan for the future. Many things will certainly change and this document will need to be adjusted accordingly. Future capital 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.

MULTI-YEAR FINANCIAL FORECAST

General Fund Five Year Plan Revenue and Expenditure Assumptions

| Revenue Source | Assumptions |
|---------------------------|--|
| Property Taxes | Projections are based on 3.5 % capped revenue increase due to legislative changes. |
| Penalties & Interest | Remain Flat |
| Sales Tax | Based on 2% increase with additional revenue for new development |
| Franchise Fees | Remain Flat – slight increase due to solid waste franchise fee increases |
| Fines & Fees | Projected 3% increase due to increased staffing after 2024 . |
| Licenses & Permits | Projected a 2% increase over next few years due to redevelopment and increase in fees |
| Interest Income | Projected interest rates increase through 2024 to decline in 2025 and beyond |
| Charges for Services | Project increase of 3% average growth due to program increases and fee increases |
| 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%. |
| Expenditure | Assumptions |
| Departmental expenditures | Projections are based on a 2% increase per year except for the non-departmental category where estimated medical benefits and salary increases are reflected. An average of 3% of salary increases and 10% medical increase per year is projected. |
| Non-Departmental Category | Includes estimated salary and benefit increases based on historical trends as outlined above. |
| Transfers to capital | Based on anticipated engineering needs in the Capital projects funds |
| | |

MULTI-YEAR FINANCIAL FORECAST

General Fund Multi-Year Financial Plan

| | Budget 2022-2023 | Estimated 2022-2023 | Budget 2023-2024 | Planning 2024-2025 | Planning 2025-2026 | Planning 2026-2027 |
|---|---------------------|------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| BEGINNING BALANCE | 7,274,688 | 8,276,216 | 8,430,927 | 7,982,657 | 7,376,802 | 6,547,064 |
| REVENUES | | | | | | |
| Ad valorem taxes ⁽¹⁾ | 6,516,720 | 6,597,500 | 7,135,000 | 7,397,919 | 7,675,070 | 7,953,402 |
| Delinquent taxes | 30,000 | 30,000 | 30,000 | 30,300 | 30,603 | 30,909 |
| Penalties | 25,000 | 25,000 | 29,500 | 29,795 | 30,093 | 30,394 |
| Sales taxes | 4,820,000 | 4,890,400 | 4,983,000 | 5,082,660 | 5,184,313 | 5,287,999 |
| Mixed Beverage | 50,000 | 50,000 | 55,000 | 56,650 | 58,350 | 60,100 |
| Franchise taxes | 877,500 | 891,500 | 889,500 | 889,500 | 889,500 | 889,500 |
| Fines and fees | 630,600 | 469,400 | 559,500 | 576,285 | 593,574 | 611,381 |
| Licenses and permits | 502,300 | 713,800 | 762,700 | 777,954 | 793,513 | 809,383 |
| Interest Income | 50,000 | 300,000 | 300,000 | 285,000 | 270,750 | 257,213 |
| Charges for Services | 1,047,500 | 1,067,000 | 1,203,000 | 1,239,090 | 1,276,263 | 1,314,551 |
| Miscellaneous | 377,500 | 470,600 | 439,700 | 452,891 | 466,478 | 480,472 |
| Intergovernmental Revenue | 503,000 | 503,000 | 503,000 | 577,167 | 603,923 | 603,923 |
| Operating Transfer In - Other Funds | 818,000 | 818,000 | 861,000 | 1,074,802 | 1,074,802 | 1,074,802 |
| Total Revenues | 16,248,120 | 16,826,200 | 17,750,900 | 18,470,012 | 18,947,231 | 19,404,029 |
| EXPENDITURES | | | | | | |
| City Manager/City Secretary/City Attorney | (478,230) | (570,530) | (657,480) | (670,630) | (684,042) | (697,723) |
| Human Resources | (222,600) | (215,630) | (248,030) | (252,991) | (258,050) | (263,211) |
| Information Technology | (615,760) | (608,739) | (683,240) | (696,905) | (710,843) | (725,060) |
| Finance & Municipal Court | (1,009,770) | (992,155) | (1,059,320) | (1,080,506) | (1,102,117) | (1,124,159) |
| Police Protection | (4,673,400) | (4,534,200) | (5,073,500) | (5,174,971) | (5,278,473) | (5,384,040) |
| Fire Protection | (3,742,380) | (3,741,320) | (4,096,490) | (4,178,420) | (4,261,988) | (4,304,608) |
| Library | (1,077,200) | (1,039,200) | (1,175,200) | (1,198,704) | (1,222,678) | (1,247,132) |
| Public Works - Fleet/Buildings | (1,366,550) | (1,291,250) | (1,431,550) | (1,460,181) | (1,489,385) | (1,519,172) |
| Parks/Recreation & Community Services | (1,024,740) | (1,069,740) | (1,648,305) | (1,681,272) | (1,714,898) | (1,749,196) |
| Development Services | (223,510) | (225,170) | (291,860) | (297,698) | (303,652) | (309,725) |
| Public Works - Street Division | (653,380) | (656,180) | (719,780) | (734,177) | (748,860) | (763,837) |
| Non-Departmental - Operating | (892,375) | (742,375) | (879,415) | (1,214,413) | (1,566,982) | (1,937,866) |
| Transfers to Capital Project Fund - Operating | (85,000) | (85,000) | (85,000) | (35,000) | (35,000) | (35,000) |
| Operating Expenditures | (16,064,895) | (15,771,489) | (18,049,170) | (18,675,868) | (19,376,969) | (20,060,730) |
| Total Expenditures | (16,064,895) | (15,771,489) | (18,049,170) | (18,675,868) | (19,376,969) | (20,060,730) |
| Designated Reserves | - | - | - | - | - | - |
| Recommended Reserves per Policy | (4,016,224) | (3,942,872) | (4,512,293) | (4,668,967) | (4,844,242) | (5,015,182) |
| Available for Supplemental | 183,225 | 1,054,711 | (298,270) | (205,856) | (429,738) | (656,701) |
| Remaining Supplemental | 183,225 | 1,054,711 | (298,270) | (205,856) | (429,738) | (656,701) |
| Additional Available for Capital | 3,258,464 | 4,333,344 | 3,918,635 | 3,313,690 | 2,532,560 | 1,531,882 |
| Total Available for Capital | 3,441,689 | 5,388,055 | 3,620,365 | 3,107,835 | 2,102,822 | 875,181 |
| Proposed Equip Replacement | - | (500,000) | - | - | - | - |
| Proposed Capital Projects | (400,000) | (400,000) | (150,000) | (400,000) | (400,000) | - |
| Proposed Personnel - 5 year plan | - | - | - | - | - | - |
| Remaining Funds Available | 3,441,689 | 4,888,055 | 3,470,365 | 2,707,835 | 1,702,822 | 875,181 |
| ENDING FUND BALANCE | 7,057,913 | 8,430,927 | 7,982,657 | 7,376,802 | 6,547,064 | 5,890,364 |
| % OPERATING | 44% | 53% | 44% | 39% | 34% | 29% |
| Tax Rate Variable | | | | | | |
| Assessed Taxable Value/\$100 | 16,248,453 | 16,248,453 | 18,423,407 | 18,976,109 | 19,545,392 | 20,131,754 |
| Amount generated by 1¢ tax | 159,235 | 159,235 | 180,549 | 185,966 | 191,545 | 197,291 |
| SR TAX FREEZE | 551,000 | 551,000 | 578,550 | 607,478 | 646,964 | 679,312 |
| I&S Rate | 0.195013 | 0.195013 | 0.210490 | 0.182211 | 0.189347 | 0.202002 |
| General Fund | 0.375187 | 0.375187 | 0.395228 | 0.361456 | 0.363211 | 0.364974 |
| Total Tax Rate | 0.570200 | 0.570200 | 0.570200 | 0.543668 | 0.552558 | 0.566976 |
| Voter Approval I&S | 0.195013 | 0.195013 | 0.210490 | 0.182211 | 0.189347 | 0.202002 |
| Voter Approval M&O | 0.389187 | 0.389187 | 0.395228 | 0.361456 | 0.363211 | 0.364974 |
| Total Voter approval rate | 0.584200 | 0.584200 | 0.605718 | 0.543668 | 0.552558 | 0.566976 |
| Total Voter Approval Levy | 6,260,450 | 6,260,450 | 7,208,632 | 6,790,441 | 7,028,107 | 7,274,091 |
| Staffing Variable | | | | | | |
| Full-time positions | 120.10 | 120.10 | 124.60 | 128.85 | 128.85 | 128.85 |
| Part-time positions | 7.25 | 7.25 | 7.25 | 7.25 | 7.25 | 7.25 |

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

*Additional positions requested in City's Personnel Improvement Plan

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

(2) Proposed Capital will only be funded if excess reserves are available. The City's Sidewalk program is funded by this transfer.

(3) In FY2020-2021, positions were unfunded/frozen that resulted in a decrease of personnel. Fiscal Year 2022 and Fiscal 2023 and FY 2024 restores some positions previously unfunded. Safer Grant Fire/EMS personnel (6) are counted in these numbers, but are partially grant funded in FY2021 through FY2023

(4) Positions funded from PIP but may be adjusted to balance budget

Sales tax election held 5/2021 that moved 1/4 cent sales tax to General Fund for Streets and other needs. Additional 1/4 cent was effective 10/1/2021

Personnel Improvement Plan proposed positions to be reviewed and adjusted based on funding. Future years does not include any additional position funding until the budget year discussions are complete

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

| | Budget 2022-2023 | Estimate 2022-2023 | Budget 2023-2024 | Planning 2024-2025 | Planning 2025-2026 | Planning 2026-2027 |
|---|---------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|
| BEGINNING BALANCE | 782,055 | 782,055 | 827,043 | 1,036,226 | 889,649 | 913,741 |
| REVENUES | | | | | | |
| Ad valorem taxes | 3,400,000 | 3,450,000 | 4,149,000 | 3,721,388 | 3,971,111 | 4,342,453 |
| Delinquent taxes | 11,000 | 8,000 | 11,000 | 13,000 | 13,000 | 13,000 |
| Penalties | 11,000 | 15,000 | 11,000 | 12,000 | 12,000 | 12,000 |
| Interest Income | 2,000 | 35,000 | 40,000 | 38,000 | 36,100 | 34,295 |
| Transfer from EDC/Fund Balance Reserves | 153,200 | 153,200 | 149,000 | 324,852 | 324,852 | 324,852 |
| Total Revenues | 3,577,200 | 3,661,200 | 4,360,000 | 4,109,240 | 4,357,063 | 4,726,600 |
| EXPENDITURES | | | | | | |
| Principal | (2,845,000) | (2,910,000) | (3,180,000) | (3,135,000) | (3,435,000) | (3,735,000) |
| Interest | (770,348) | (704,612) | (968,817) | (1,118,817) | (895,972) | (970,972) |
| Bank Charges | (1,400) | (1,600) | (2,000) | (2,000) | (2,000) | (2,000) |
| Total Expenditures | (3,616,748) | (3,616,212) | (4,150,817) | (4,255,817) | (4,332,972) | (4,707,972) |
| Recommended Reserves per Policy | (361,675) | (361,621) | (318,000) | (313,500) | (343,500) | (373,500) |
| ENDING FUND BALANCE | 742,507 | 827,043 | 1,036,226 | 889,649 | 913,741 | 932,369 |
| Tax Rate Variable | | | | | | |
| Assessed Taxable Value/\$100 | 16,248,453 | 16,248,453 | 18,423,407 | 18,976,109 | 19,545,392 | 20,131,754 |
| Amount generated by 1¢ tax | 160,860 | 160,860 | 182,392 | 187,863 | 193,499 | 199,304 |
| SR Tax Ceiling | 2,519,073 | 2,519,073 | 3,031,512 | 3,122,457 | 3,216,131 | 3,312,615 |
| SR Tax Freeze \$ | 270,000 | 270,000 | 289,613 | 298,301 | 307,250 | 316,468 |
| I&S Rate | 0.195013 | 0.195013 | 0.210490 | 0.182211 | 0.189347 | 0.202002 |
| General Fund | 0.375187 | 0.375187 | 0.359710 | 0.361456 | 0.363211 | 0.364974 |
| Total Tax Rate | 0.570200 | 0.570200 | 0.570200 | 0.543668 | 0.552558 | 0.566976 |
| Voter Approval I&S | 0.195013 | 0.195013 | 0.210490 | 0.182211 | 0.189347 | 0.202002 |
| Voter Approval M&O | 0.389187 | 0.389187 | 0.395228 | 0.361456 | 0.363211 | 0.364974 |
| Total Voter approval rate | 0.584200 | 0.584200 | 0.605718 | 0.543668 | 0.552558 | 0.566976 |
| Total Voter Approval Levy | 6,260,450 | 6,260,450 | 7,208,632 | 6,790,441 | 7,028,107 | 7,274,091 |
| CHANGE IN TAX RATE | (0.010200) | (0.010200) | 0.000000 | (0.026532) | 0.008891 | 0.014418 |
| Debt Issuance Variable: | | | | | | |
| Beginning debt outstanding** | 24,670,000 | 24,670,000 | 30,710,000 | 34,618,000 | 41,627,000 | 48,789,000 |
| Principal Retired | (2,845,000) | (2,910,000) | (3,180,000) | (3,135,000) | (3,435,000) | (3,735,000) |
| Principal Issued (Proposed)* | 8,950,000 | 8,950,000 | 7,088,000 | 10,144,000 | 10,597,000 | 11,241,000 |
| Ending debt outstanding | 30,775,000 | 30,710,000 | 34,618,000 | 41,627,000 | 48,789,000 | 56,295,000 |

*Proposed debt issuances based on Capital Improvement Plan and Capital Outlay Plan

Debt M&O and M&O Rollback amount calculated at 99% collection rate

Voter approval rate allows for 3.5% increase

MULTI-YEAR FINANCIAL FORECAST

Water & Wastewater Fund Revenue and Expenditure 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 |
| Service Charges | Based on average growth of 2%. |
| EPA fees | Based on average growth of 2%. |
| Miscellaneous | Based on average growth of 3%. |
| Penalties | Flat Year 2024-2025 with projected average growth of 2% Year thereafter. |
| Expenditure | Assumptions |
| Departmental expenses | Forecasted 2% for departmental operating expenses. Non-departmental includes forecasted medical and salary increases. Medical is anticipated to rise 10% annually based on historical trends and salary increases are projected to rise 3% annually. |
| Transfers – Capital | These transfers for maintenance of water and sewer lines are expected to remain flat in budgeted year and projected 2024-2025, with a 2% increase thereafter. |
| Franchise Fees | This amount reflects a 5% of water and wastewater revenue transfer to general fund for street rental. |
| Debt Transfer | Debt service transfers are projected to remain flat until 2025-2026. Increased debt service will result from the debt issuance planned in 2025. |
| | |

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

| | Budget 2022-2023 | Estimate 2022-2023 | Budget 2023-2024 | Projected 2024-2025 | Projected 2025-2026 | Projected 2026-2027 |
|--|---------------------|-----------------------|---------------------|------------------------|------------------------|------------------------|
| BEGINNING BALANCE | 2,734,712 | 3,068,334 * | 2,804,570 | 2,457,546 | 1,917,183 | 1,668,195 |
| REVENUES | | | | | | |
| Water Service | 4,900,000 | 5,000,000 | 4,950,000 | 5,150,000 | 5,407,500 | 5,623,800 |
| Wastewater Service | 4,140,000 | 4,050,000 | 4,350,000 | 4,466,310 | 4,734,289 | 5,018,346 |
| Proposed Increase in Revenues | | | 3.00% | 6% | 5% | 6% |
| Service Charges | 65,000 | 65,000 | 65,000 | 66,300 | 67,626 | 67,626 |
| EPA Fees | 160,000 | 161,000 | 161,000 | 164,220 | 167,504 | 167,504 |
| Penalties | 175,000 | 176,000 | 175,000 | 175,000 | 178,500 | 182,070 |
| Miscellaneous | 55,000 | 50,000 | 50,000 | 51,500 | 53,045 | 54,636 |
| Interest Income/Transfers In JUF | 20,000 | 117,000 | 120,000 | 121,200 | 122,412 | 123,636 |
| Total Revenues | 9,515,000 | 9,619,000 | 9,871,000 | 10,194,530 | 10,730,876 | 11,237,619 |
| EXPENSES | | | | | | |
| Utility Billing | (585,760) | (577,360) | (615,410) | (627,718) | (640,273) | (653,078) |
| Non-Departmental - Operating | (745,280) | (760,580) | (794,980) | (810,880) | (827,097) | (843,639) |
| Information Technology | (112,990) | (111,790) | (126,990) | (129,530) | (132,120) | (134,763) |
| Administration | (170,100) | (170,000) | (185,200) | (188,904) | (192,682) | (196,536) |
| Water Distribution | (2,818,615) | (2,747,220) | (2,865,830) | (3,062,875) | (3,148,003) | (3,235,549) |
| Sewer Collection | (2,745,114) | (3,099,814) | (3,284,614) | (3,149,553) | (3,212,544) | (3,276,795) |
| Transfers - Capital | (140,000) | (140,000) | - | (140,000) | (142,800) | (142,800) |
| Transfers - JUF | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) |
| G&A/Franchise Fee | (440,000) | (440,000) | (440,000) | (503,667) | (530,423) | (555,699) |
| W&WW Debt | (1,726,000) | (1,726,000) | (1,800,000) | (1,801,572) | (2,047,572) | (2,022,572) |
| Proposed Positions - PIP | - | - | - | (45,000) | (46,350) | (47,741) |
| Operating Expenses | (9,543,859) | (9,832,764) | (10,173,024) | (10,519,698) | (10,979,864) | (11,169,171) |
| Capital Expenses (carryover) | - | - | - | - | - | - |
| Total Expenses | (9,543,859) | (9,832,764) | (10,173,024) | (10,519,698) | (10,979,864) | (11,169,171) |
| Recommended Reserves per Policy | (2,385,965) | (2,458,191) * | (2,543,256) | (2,629,925) | (2,744,966) | (2,792,293) |
| Available for Supplemental Current Year | (28,859) | (213,764) | (302,024) | (325,168) | (248,988) | 68,447 |
| Proposed Supplemental | - | - | - | - | - | - |
| Remaining Supplemental | (28,859) | (213,764) | (302,024) | (325,168) | (248,988) | 68,447 |
| Additional Available for Capital w/ Fund bal requirement | 348,747 | 610,143 | 261,314 | (172,379) | (827,783) | (1,124,098) |
| Total Available for Capital* | 319,888 | 396,379 | (40,710) | (497,547) | (1,076,771) | (1,055,651) |
| Proposed Equip Repl/Capital⁽¹⁾ | (50,000) | (50,000) | (45,000) | - | - | (50,000) |
| Remaining Funds Available | 269,888 | 346,379 | (85,710) | (497,547) | (1,076,771) | (1,105,651) |
| ENDING FUND BALANCE | 2,655,853 | 2,804,570 * | 2,457,546 | 1,917,183 | 1,668,195 | 1,686,642 |
| % of operating | 28% | 29% | 24% | 18% | 15% | 15% |
| Staffing Variable | | | | | | |
| Full-time Positions (2) | 23.75 | 23.75 | 25.75 | 26.75 | 26.75 | 26.75 |
| Part-time positions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

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



CAPITAL OUTLAY PLAN

FY 2024 – FY 2028





City of Watauga

Capital Outlay Plan Summaries

Summary by Category/Type

Summary by Funding Source

**CITY OF WATAUGA
CAPITAL OUTLAY SUMMARY - CATEGORY/TYPE
FY 2024-2028**

| CATEGORY/TYPE | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
|---------------------------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|------------------|------------|---------------------|
| | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| VEHICLES | | | | | | | | | | | | |
| AMBULANCE | 1 | 390,000 | | | | | 2 | 810,000 | | | 3 | 1,200,000 |
| ATV | | | | | | | | | | | | |
| EMERGENCY CAR | | | 6 | 400,000 | 6 | 355,000 | 1 | 60,000 | 1 | 40,000 | 14 | 855,000 |
| FIRE TRUCK | | | | | | | | | 1 | 1,750,000 | 1 | 1,750,000 |
| LIGHT DUTY TRUCK | 4 | 246,000 | 5 | 275,000 | 2 | 112,000 | 5 | 322,000 | 1 | 40,000 | 17 | 995,000 |
| HEAVY DUTY TRUCK | | | 2 | 285,000 | 3 | 406,000 | | | | | 5 | 691,000 |
| MEDIUM DUTY TRUCK | | | | | | | 1 | 65,000 | | | 1 | 65,000 |
| MOTORCYCLE | 1 | 44,000 | | | | | | | | | 1 | 44,000 |
| PASSENGER CAR | 1 | 45,000 | 1 | 40,000 | 1 | 40,000 | | | | | 3 | 125,000 |
| MACHINERY/MOTORIZED EQUIPMENT | | | | | | | | | | | | |
| HEAVY EQUIPMENT | | | 2 | 330,000 | | | 1 | 45,000 | 2 | 200,000 | 5 | 575,000 |
| LIGHT EQUIPMENT | 2 | 150,000 | 3 | 130,000 | 2 | 80,000 | 1 | 25,000 | | | 8 | 385,000 |
| SMALL ENGINE EQUIPMENT | | | | | 1 | 13,000 | 1 | 8,000 | | | 2 | 21,000 |
| BOAT | | | | | | | | | | | | |
| TRAILER | 1 | 10,000 | 1 | 6,000 | 2 | 38,000 | | | | | 4 | 54,000 |
| COMMUNICATIONS EQUIPMENT | | | | | | | | | | | | |
| RADIO SYSTEMS | | | | | | | | | | | | |
| COMPUTERS/ELECTRONIC EQUIPMENT | | | | | | | | | | | | |
| SERVERS | | | | | | | | | | | | |
| HARDWARE | 7 | 24,000 | 5 | 75,700 | 3 | 303,300 | 5 | 106,000 | 2 | 98,600 | 22 | 607,600 |
| COMPUTERS | | | 1 | 19,700 | 1 | 15,200 | 1 | 13,800 | | | 3 | 48,700 |
| SOFTWARE | 1 | 20,000 | 1 | 8,000 | | | 2 | 98,000 | | | 4 | 126,000 |
| OTHER EQUIPMENT | | | | | | | | | | | | |
| FITNESS EQUIPMENT | 6 | 35,600 | 9 | 41,900 | 11 | 38,700 | 3 | 18,900 | | | 29 | 135,100 |
| OFFICE EQUIPMENT | | | | | | | | | | | | |
| FURNITURE | | | | | | | | | | | | |
| PUBLIC SAFETY EQUIP | | | 3 | 195,000 | | | | | 4 | 160,500 | 7 | 355,500 |
| FACILITIES | | | | | | | | | | | | |
| HVAC | 18 | 112,337 | 1 | 24,526 | | | 3 | 8,140 | 1 | 2,961 | 23 | 147,964 |
| FIRE ALARMS | 1 | 43,750 | 1 | 31,750 | 1 | 45,750 | | | | | 3 | 121,250 |
| GENERATOR | | | | | | | 1 | 22,000 | 1 | 15,000 | 2 | 37,000 |
| TOTALS | 43 | \$ 1,120,687 | 41 | \$ 1,862,576 | 33 | \$ 1,446,950 | 27 | \$ 1,601,840 | 13 | 2,307,061 | 157 | \$ 8,339,114 |

| FUND TOTALS | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
|----------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|------------------|------------|---------------------|
| | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| GENERAL FUND | 39 | 910,687 | 31 | 1,067,576 | 23 | 709,950 | 23 | 1,443,840 | 11 | 2,267,061 | 127 | 6,399,114 |
| WATER AND SEWER FUND | 1 | 45,000 | 3 | 355,000 | 3 | 252,000 | 1 | 65,000 | | | 8 | 717,000 |
| STORM DRAIN | 2 | 120,000 | | | 1 | 145,000 | 2 | 33,000 | 1 | | 6 | 298,000 |
| TRAFFIC SAFETY | | | | | | | | | | | | |
| CCD | 1 | 45,000 | 7 | 440,000 | 6 | 340,000 | 1 | 60,000 | 1 | 40,000 | 16 | 925,000 |
| PEG | | | | | | | | | | | | |
| TOTALS | 43 | \$ 1,120,687 | 41 | \$ 1,862,576 | 33 | \$ 1,446,950 | 27 | \$ 1,601,840 | 13 | 2,307,061 | 157 | \$ 8,339,114 |

| FUNDING SOURCE | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
|----------------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|------------------|------------|---------------------|
| | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| CERTIFICATES OF OBLIGATION | 1 | 390,000 | | | | | 2 | 810,000 | 1 | 1,750,000 | 4 | 2,950,000 |
| TAX NOTES | | | | | | | | | | | | |
| EQUIPMENT REPLACEMENT FUND | 26 | 596,087 | 17 | 1,271,276 | 9 | 708,750 | 13 | 564,140 | 4 | 313,461 | 69 | 3,453,714 |
| CCD FUND | 1 | 45,000 | 7 | 440,000 | 6 | 340,000 | 1 | 60,000 | 1 | 40,000 | 16 | 925,000 |
| PEG | | | | | | | | | | | | |
| OTHER GENERAL FUNDING | 15 | 89,600 | 17 | 151,300 | 18 | 398,200 | 11 | 167,700 | 7 | 203,600 | 68 | 1,010,400 |
| TOTALS | 43 | \$ 1,120,687 | 41 | \$ 1,862,576 | 33 | \$ 1,446,950 | 27 | \$ 1,601,840 | 13 | 2,307,061 | 157 | \$ 8,339,114 |

**CITY OF WATAUGA
CAPITAL OUTLAY SUMMARY - Funding Source
FY2024 - FY2028**

| General Fund | | | | | | | | | | | | |
|----------------------------|-----------|-------------------|-----------|---------------------|-----------|-------------------|-----------|---------------------|-----------|---------------------|------------|---------------------|
| | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
| Funding Source | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| Certificates of Obligation | 1 | 390,000 | | | | | 2 | 810,000 | 1 | 1,750,000 | 4 | 2,950,000 |
| Tax Note | | | | | | | | | | | | |
| ERF | 23 | 431,087 | 14 | 916,276 | 5 | 311,750 | 11 | 474,140 | 3 | 313,461 | 56 | 2,446,714 |
| PEG | | | | | | | | | | | | |
| Other | 15 | 89,600 | 17 | 151,300 | 18 | 398,200 | 10 | 159,700 | 7 | 203,600 | 67 | 1,002,400 |
| TOTALS | 39 | \$ 910,687 | 31 | \$ 1,067,576 | 23 | \$ 709,950 | 23 | \$ 1,443,840 | 11 | \$ 2,267,061 | 127 | \$ 6,399,114 |

| Water & Sewer | | | | | | | | | | | | |
|----------------------------|----------|---------------------|----------|-------------------|----------|-------------------|----------|------------------|-------------|-------------|----------|-------------------|
| | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
| Funding Source | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| Certificates of Obligation | | | | | | | | | | | | |
| Tax Note | | | | | | | | | | | | |
| ERF | 1 | 45,000 | 3 | 355,000 | 3 | 252,000 | 1 | 65,000 | | | 8 | 717,000 |
| Other | | | | | | | | | | | | |
| TOTALS | 1 | \$ 45,000.00 | 3 | \$ 355,000 | 3 | \$ 252,000 | 1 | \$ 65,000 | \$ - | \$ - | 8 | \$ 717,000 |

| Storm Drain | | | | | | | | | | | | |
|----------------------------|----------|-------------------|-------------|-------------|----------|-------------------|----------|------------------|----------|-------------|----------|-------------------|
| | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
| Funding Source | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| Certificates of Obligation | | | | | | | | | | | | |
| Tax Note | | | | | | | | | | | | |
| ERF | 2 | 120,000 | | | 1 | 145,000 | 1 | 25,000 | 1 | | 5 | 290,000 |
| Other | | | | | | | 1 | 8,000 | | | 1 | 8,000 |
| TOTALS | 2 | \$ 120,000 | \$ - | \$ - | 1 | \$ 145,000 | 2 | \$ 33,000 | 1 | \$ - | 6 | \$ 298,000 |

| Traffic Safety | | | | | | | | | | | | |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
| Funding Source | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| Certificates of Obligation | | | | | | | | | | | | |
| Tax Note | | | | | | | | | | | | |
| ERF | | | | | | | | | | | | |
| Other | | | | | | | | | | | | |
| TOTALS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| CCD | | | | | | | | | | | | |
|----------------------------|----------|---------------------|----------|-------------------|----------|----------------------|----------|---------------------|----------|------------------|-----------|-------------------|
| | 2023-24 | | 2024-25 | | 2025-26 | | 2026-27 | | 2027-28 | | Total | |
| Funding Source | # | COST | # | COST | # | COST | # | COST | # | COST | # | COST |
| Certificates of Obligation | | | | | | | | | | | | |
| Tax Note | | | | | | | | | | | | |
| ERF | | | | | | | | | | | | |
| CCD Fund | 1 | 45,000 | 7 | 440,000 | 6 | 340,000 | 1 | 60,000 | 1 | 40,000 | 16 | 925,000 |
| Other | | | | | | | | | | | | |
| TOTALS | 1 | \$ 45,000.00 | 7 | \$ 440,000 | 6 | \$ 340,000.00 | 1 | \$ 60,000.00 | 1 | \$ 40,000 | 16 | \$ 925,000 |

| | | | | | | | | | | | | |
|---------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|------------|---------------------|
| TOTALS | 43 | \$ 1,120,687 | 41 | \$ 1,862,576 | 33 | \$ 1,446,950 | 27 | \$ 1,601,840 | 13 | \$ 2,307,061 | 157 | \$ 8,339,114 |
|---------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|------------|---------------------|

CLASS CODE CHART

| CLASS CODE | REPLACEMENT THRESHOLD YEAR/MILES OR HOURS | DESCRIPTIONS |
|---------------------|--|--|
| EMERGENCY CAR | 5 YEAR/100K MILES | MARKED EMERGENCY RESPONDERS |
| PASSENGER CAR | 8 YEAR/120K MILES | CARS NON-EMERGENCY |
| LT TRK | 8 YEAR/120K MILES | LIGHT DUTY PICK-UPS |
| MED TRK | 8 YEAR/150K MILES | MEDIUM DUTY PICK-UPS (DIESEL) |
| HD TRK | 10 YEAR/150K MILES | HEAVY DUTY TRUCKS (DUMP TRUCKS, VECTOR TRUCK) |
| LT EQUIP | 12 YEAR/6K HOURS | LIGHT EQUIPMENT (SMALL TRACTORS, CONCRETE SAWS, CRACK SEALERS, ROLLERS, LIFTS, SANDERS, SKID STEERS) |
| HD EQUIP | 10 YEAR/7K HOURS | HEAVY DUTY EQUIPMENT (LARGE TRACTORS, BACK HOE, LOADERS, MOTOR GRADER, DOZERS, SWEEPER) |
| MOWERS | 6 YEAR/3K HOURS | ZERO TRUNS |
| ATV | 12 YEARS/6K HOURS | GATOR, MULES, HUMVEE |
| MEDIC | 8 YEAR/80K MILES | AMBULANCES |
| FIRE TRK | 10 YEAR FRONT LINE/10 YEAR RESERVE | FIRE TRUCKS (ENGINE, PUMPER, QUINT, RESCUE) |
| GEN/COM | 12 YEAR/6K HOURS | GENERATORS, COMPRESSORS |
| TRAILERS | 8 YEAR MIN | ALL TRAILERS |
| BOAT | 12 YEAR/6K HOURS | BOAT AND MOTORS |
| MOTORCYCLE | 5 YEAR/100K MILES | MOTORCYCLE |
| PUBLIC SAFETY EQUIP | 5 YEAR | BALLISTIC VESTS |
| PUBLIC SAFETY EQUIP | 10 YEAR | DRONE, WEAPONS SYSTEM, NARCOTICS TESTING |
| FURNITURE | 7-10 YEAR | OFFICE, PUBLIC |
| HVAC | 15 YEAR | HEATING, VENTILATION, AIR CONDITIONING |
| FIRE ALARMS | 15-18 YEAR | FACILITIES FIRE ALARMS |
| FITNESS EQUIPMENT | 8-10 YEAR | CARDIO AND WEIGHT |



City of Watauga

Capital Outlay

Plan Detailed

List by Year

Sorted by Fund and
Department

Water and Sewer Fund

CAPITAL OUTLAY SUMMARY - WATER/SEWER

| VEHICLE | ODO | MAKE | MODEL | TYPE | FUND | LIFE EXPECTANCY | REPLACEMENT YEAR | FUNDING SOURCE | ESTIMATED REPLACEMENT COST |
|---------|---------|---------------|-------------------------|-------------------|-------------|--------------------|------------------|----------------------------|----------------------------|
| 811 | 1175093 | FORD | F150 | LIGHT DUTY TRUCK | WATER/SEWER | 8 YEAR/120K MILES | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 45,000 |
| 810 | 1175094 | FORD | F150 | LIGHT DUTY TRUCK | WATER/SEWER | 8 YEAR/120K MILES | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 45,000 |
| 420 | 4999 | CAT | 430E BACKHOE LOADER | EQUIPMENT - HEAVY | WATER/SEWER | 10 YEAR/7K HOURS | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 170,000 |
| 419 | 43090 | INTERNATIONAL | TANDEM DUMP TRUCK | HEAVY DUTY TRUCK | WATER/SEWER | 10 YEAR/150K MILES | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 140,000 |
| 407 | 32552 | INTERNATIONAL | 7400 SBA 6X4 DUMP TRUCK | HEAVY DUTY TRUCK | WATER/SEWER | 10 YEAR/150K MILES | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 140,000 |
| 400 | 22996 | FORD | F150 4X4 * | LIGHT DUTY TRUCK | WATER/SEWER | 8 YEAR/120K MILES | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 56,000 |
| 405 | 28896 | FORD | F150 4X4 * | LIGHT DUTY TRUCK | WATER/SEWER | 8 YEAR/120K MILES | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 56,000 |
| 404 | 3276 | FORD | F450 CAMERA | MED DUTY TRUCK | WATER/SEWER | 8 YEAR/150K MILES | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 65,000 |



City of Watauga

Capital Outlay Plan

Detailed List by Year

Sorted by Fund and Department

General Fund

CAPITAL OUTLAY SUMMARY - GENERAL FUND

| VEHICLE | ODO | MAKE | MODEL | TYPE | DEPARTMENT | FUND | LIFE EXPECTANCY | REPLACEMENT YEAR | FUNDING SOURCE | ESTIMATED REPLACEMENT COST |
|---------|--------|-----------------|---------------------|---------------------|--------------|--------------|-------------------|------------------|----------------------------|----------------------------|
| | | SILENT KNIGHT | 5700 | FIRE ALARM | CITY HALL | GENERAL FUND | 15-18 YEAR | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 43,750 |
| | | COMP AIR MAKO | 5000 PSJ_ACI 04 E1 | EQUIPMENT-LIGHT | FIRE | GENERAL FUND | 15 YEAR | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 110,000 |
| | | TRUE FIT | ELLIPTICAL MACHINE | FITNESS EQUIPMENT | FIRE | GENERAL FUND | 10 YEAR | 2023-24 | GENERAL FUND | \$ 6,000 |
| | | TRUE FIT | TLC1100 TREADMILL | FITNESS EQUIPMENT | FIRE | GENERAL FUND | 10 YEAR | 2023-24 | GENERAL FUND | \$ 6,000 |
| 55 | | CONCEPT2 PM3 | ROWING MACH | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2023-24 | GENERAL FUND | \$ 3,200 |
| 56 | | CONCEPT2 PM3 | ROWING MACH | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2023-24 | GENERAL FUND | \$ 3,200 |
| 52 | | LIFE FITNESS | TREADMILL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2023-24 | GENERAL FUND | \$ 8,600 |
| 67 | | LIFE FITNESS | TREADMILL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2023-24 | GENERAL FUND | \$ 8,600 |
| 777 | 52436 | FORD | F250 | LIGHT DUTY TRUCK | FLEET | GENERAL FUND | 8 YEAR/120K MILES | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 65,000 |
| 6 | 127185 | FORD | FORD F350 | AMBULANCE | FIRE | GENERAL FUND | 8 YEAR/80K MILES | 2023-24 | DEBT ISSUANCE 2023 | \$ 390,000 |
| 633 | 0 | TEXAS TRAILER | TRAILER | TRAILERS | PARKS | GENERAL FUND | 8 YEAR MIN | 2023-24 | GENERAL FUND | \$ 10,000 |
| 69 | 9,294 | HARLEY DAVIDSON | FLHP | MOTORCYCLE | POLICE | GENERAL FUND | 5 YEAR | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 44,000 |
| | | CARRIER | 48TMD009-501 | 8.5 TON | LIBRARY | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 10,962 |
| | | CARRIER | 48TFE004-A-511 | 3 TON | LIBRARY | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 6,761 |
| | | LENNOX | TGA120H2BM1Y | 10 TON | LIBRARY | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 11,595 |
| | | CARRIER | 48TMD012-A-501 | 10 TON | LIBRARY | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 10,527 |
| | | CARRIER | 48TFD006-A-511 | 5 TON | LIBRARY | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 7,642 |
| | | LENNOX | TGA120H2BM1Y | 10 TON | LIBRARY | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 11,595 |
| | | LENNOX | CB17-135V-2 | 10 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 3,958 |
| | | LENNOX | CB17-135V-2 | 10 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 3,958 |
| | | LENNOX | HS29-120-2Y | 10 TON | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 5,136 |
| | | LENNOX | CBH17-135V-2 | 10 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 4,041 |
| | | LENNOX | HS29-120-2Y | 10 TON | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 5,136 |
| | | LENNOX | CB17-95V-2 | 7 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 3,556 |
| | | LENNOX | CBH17-95V-2 | 7 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 3,556 |
| | | LENNOX | CBH17-185-1 | 20 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 5,473 |
| | | LENNOX | HS29-180-2Y | 20 TON | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 7,150 |
| | | LENNOX | CB17-95V-2 | 7 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 3,556 |
| | | LENNOX | CB17-95V-2 | 7 TON AIR HANDLER | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 3,556 |
| | | LENNOX | HS29-290-2Y | 7 TON | REC CENTER | GENERAL FUND | 15 YRS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 4,179 |
| 324 | 29418 | FORD | F150 4X4 | LIGHT DUTY TRUCK | STREETS | GENERAL FUND | 8 YEAR/120K MILES | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 56,000 |
| | | TRUE FIT | TLC1100 TREADMILL | FITNESS EQUIPMENT | FIRE | GENERAL FUND | 10 YEAR | 2024-25 | GENERAL FUND | \$ 6,000 |
| | | PHYSIO CONTROL | LP15 | PUBLIC SAFETY EQUIP | FIRE | GENERAL FUND | 10 YEAR | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 65,000 |
| | | PHYSIO CONTROL | LP15 | PUBLIC SAFETY EQUIP | FIRE | GENERAL FUND | 10 YEAR | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 65,000 |
| | | PHYSIO CONTROL | LP15 | PUBLIC SAFETY EQUIP | FIRE | GENERAL FUND | 10 YEAR | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 65,000 |
| 700 | 42126 | FORD | F250 | LIGHT DUTY TRUCK | FLEET | GENERAL FUND | 8 YEAR/120K MILES | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 60,000 |
| 634 | 700 | KUBOTA | KX41-3VR1 EXCAVATOR | EQUIPMENT-LIGHT | PARKS | GENERAL FUND | 12 YEAR/6K HOURS | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 50,000 |
| 629 | 1388 | JOHN DEERE | 3320H TRACTOR | EQUIPMENT-LIGHT | PARKS | GENERAL FUND | 12 YEAR/6K HOURS | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 40,000 |
| TL2 | 0 | STAR AMERICA | TRAILER | TRAILERS | POLICE | GENERAL FUND | 8 YEAR MIN | 2024-25 | GENERAL FUND | \$ 6,000 |
| 201 | 51633 | FORD | F150 4X4 | LIGHT DUTY TRUCK | PUBLIC WORKS | GENERAL FUND | 8 YEAR/120K MILES | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 55,000 |
| 207 | 37281 | FORD | F150 4X4 | LIGHT DUTY TRUCK | PUBLIC WORKS | GENERAL FUND | 8 YEAR/120K MILES | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 55,000 |
| 77 | | MATRIX | CABLE CROSS | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 15 YEAR | 2024-25 | GENERAL FUND | \$ 1,200 |
| 106 | | LIFE FITNESS | HIP ADDUCT/ABDUCT | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2024-25 | GENERAL FUND | \$ 2,000 |
| 1 | | LIFE FITNESS | RECUMBENT BIKE | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2024-25 | GENERAL FUND | \$ 4,600 |
| 2 | | LIFE FITNESS | RECUMBENT BIKE | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2024-25 | GENERAL FUND | \$ 4,600 |
| 3 | | LIFE FITNESS | RECUMBENT BIKE | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2024-25 | GENERAL FUND | \$ 4,600 |
| 6 | | LIFE FITNESS | POWERMILL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2024-25 | GENERAL FUND | \$ 6,300 |
| 9 | | LIFE FITNESS | ELLIPTICAL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2024-25 | GENERAL FUND | \$ 6,300 |
| 10 | | LIFE FITNESS | ELLIPTICAL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2024-25 | GENERAL FUND | \$ 6,300 |

CONTINUED

CAPITAL OUTLAY SUMMARY - GENERAL FUND CONTINUED

| VEHICLE | ODO | MAKE | MODEL | TYPE | DEPARTMENT | FUND | LIFE EXPECTANCY | REPLACEMENT YEAR | FUNDING SOURCE | ESTIMATED REPLACEMENT COST |
|---------|-------|-----------------------|---|---------------------|-------------------|--------------|------------------------------------|------------------|----------------------------|----------------------------|
| 302 | 78462 | FORD | TRUCK | LIGHT DUTY TRUCK | STREETS | GENERAL FUND | 8 YEAR/120K MILES | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 60,000 |
| 304 | 5792 | CAT | 430F BACKHOE | EQUIPMENT - HEAVY | STREETS | GENERAL FUND | 10 YEAR/7K HOURS | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 160,000 |
| 305 | 63168 | INTERNATIONAL | 7400 SBA DUMP TRUCK | HEAVY DUTY TRUCK | STREETS | GENERAL FUND | 10 YEAR/150K MILES | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 145,000 |
| 324-A | 0 | HENDERSON | FSP2 SANDER | EQUIPMENT-LIGHT | STREETS | GENERAL FUND | 12 YEAR/6K HOURS | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 40,000 |
| | | AAON | RN-020-8-0-EB0A-12A | 20 TON | FIRE DEPT | GENERAL FUND | 15 YRS | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 24,526 |
| | | FIRE LITE | MSSUD | FIRE ALARM | ANIMAL CONTROL | GENERAL FUND | 15-18 YEAR | 2024-25 | EQUIPMENT REPLACEMENT FUND | \$ 31,750 |
| NL | | Bibliotheca | DVD/Blu-Ray tags & Mobile DLA upgrade | COMPUTER | LIBRARY | GENERAL FUND | 5 YEAR | 2024-25 | GENERAL FUND | \$ 19,700 |
| NL | | Awe Acquisitions | 2 ea. Early Literacy Stations & 2 ea. After School Edge | COMPUTER | LIBRARY | GENERAL FUND | 5 YEAR | 2025-26 | GENERAL FUND | \$ 15,200 |
| 1300 | 59988 | FORD | CROWN VIC | EMERGENCY CAR | MARSHAL | GENERAL FUND | 5 YEAR/100K MILES | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 55,000 |
| 337 | 0 | LINELAZER | IV3900 PAINT STRIPER | EQUIPMENT-LIGHT | STREETS | GENERAL FUND | 12 YEAR/6K HOURS | 2025-26 | GENERAL FUND | \$ 10,000 |
| 637 | 0 | BIG TEX | TRAILER | TRAILERS | PUBLIC WORKS | GENERAL FUND | 8 YEAR MIN | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 20,000 |
| 610 | 914 | BOBCAT | T180 TRACKLOADER | EQUIPMENT-LIGHT | PARKS | GENERAL FUND | 12 YEAR/6K HOURS | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 70,000 |
| 618 | 273 | SCAGG | STT61V27CH MOWER | MOWERS | PARKS | GENERAL FUND | 6 YEAR/3K HOURS | 2025-26 | GENERAL FUND | \$ 13,000 |
| 102 | 0 | STALKER | SPEED SENSOR & TRAILER | TRAILERS | POLICE | GENERAL FUND | 12 YEAR/6K HOURS | 2025-26 | GENERAL FUND | \$ 18,000 |
| 101 | | LIFE FITNESS | LEG EXTENSION | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,600 |
| 102 | | LIFE FITNESS | SEATED LEG PRESS | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 4,600 |
| 103 | | LIFE FITNESS | LEG CURL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,500 |
| 104 | | LIFE FITNESS | TORSO ROTATION | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,500 |
| 105 | | LIFE FITNESS | CHEST PRESS | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,500 |
| 108 | | LIFE FITNESS | TRICEPS PRESS | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,000 |
| 109 | | LIFE FITNESS | SHOULDER PRESS | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,000 |
| 110 | | LIFE FITNESS | ABDOMINAL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,000 |
| 111 | | LIFE FITNESS | PULLDOWN | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,500 |
| 112 | | LIFE FITNESS | DUAL ADJUSTABLE PULLEY | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 4,500 |
| 113 | | LIFE FITNESS | SYNRGY 360 | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 10 YEAR | 2025-26 | GENERAL FUND | \$ 3,000 |
| | | FORD | F550 BUCKET TRUCK | HEAVY DUTY TRUCK | STREETS | GENERAL FUND | 8 YEAR/120K MILES | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 121,000 |
| | | FARADAY | MPC-6000 | FIRE ALARM | FIRE STATION | GENERAL FUND | 15-18 YEAR | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 45,750 |
| 11 | 32535 | FORD | EXPEDITION XL | LIGHT DUTY TRUCK | FIRE | GENERAL FUND | 8 YEAR/120K MILES | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 75,000 |
| 12 | 59450 | RAM | RAM 4500 | MEDIC | FIRE | GENERAL FUND | 8 YEAR/80K MILES | 2026-27 | DEBT ISSUANCE 2026 | \$ 400,000 |
| 210 | 14400 | FORD | F150 4X4 * | LIGHT DUTY TRUCK | BUILDING OFFICIAL | GENERAL FUND | 8 YEAR/120K MILES | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 56,000 |
| 13 | 26495 | CHEVY | TAHOE SSV 4X4 | LIGHT DUTY TRUCK | FIRE | GENERAL FUND | 8 YEAR/80K MILES | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 75,000 |
| 16 | 25310 | RAM | RAM 4500 | MEDIC | FIRE | GENERAL FUND | 8 YEAR/80K MILES | 2026-27 | DEBT ISSUANCE 2026 | \$ 410,000 |
| 728 | 0 | GENIE-SCISSOR | AWP-30DC GENERATOR | GEN/COM | FLEET | GENERAL FUND | 12 YEAR/6K HOURS | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 22,000 |
| NL | | PATRON LAPTOPS - (6) | DeII XPS 13 9310 | COMPUTER | LIBRARY | GENERAL FUND | 5 YEAR | 2026-27 | GENERAL FUND | \$ 13,800 |
| 67 | | Bibliotheca & ELM USA | VARIOUS | COMPUTER | LIBRARY | GENERAL FUND | 5-10 YEAR | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 77,000 |
| 5 | | LIFE FITNESS | POWERMILL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2026-27 | GENERAL FUND | \$ 6,300 |
| 11 | | LIFE FITNESS | ELLIPTICAL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2026-27 | GENERAL FUND | \$ 6,300 |
| 12 | | LIFE FITNESS | ELLIPTICAL | FITNESS EQUIPMENT | RECREATION | GENERAL FUND | 8 YEAR | 2026-27 | GENERAL FUND | \$ 6,300 |
| 300 | 22953 | FORD | F150 4X4 * | LIGHT DUTY TRUCK | STREETS | GENERAL FUND | 8 YEAR/120K MILES | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 56,000 |
| 311 | 876 | CRAFCO | CRACK SEALER | EQUIPMENT - HEAVY | STREETS | GENERAL FUND | 10 YEAR/7K HOURS | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 45,000 |
| 338 | 18853 | FORD | F250 | LIGHT DUTY TRUCK | STREETS | GENERAL FUND | 8 YEAR/120K MILES | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 60,000 |
| | | LENNOX | CBX25UH-024-230-1 | INSIDE EVAP A COIL | PARKS | GENERAL FUND | 15 YEAR | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 3,004 |
| | | LENNOX | 13ACX-024-230-18 | 2 TON SPLIT | PARKS | GENERAL FUND | 15 YEAR | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ - |
| | | LENNOX | TZAA-120CA757 | 10 TON | REC CENTER | GENERAL FUND | 15 YEAR | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 5,136 |
| 7 | 61735 | PIERCE FIRE | FIRE TRUCK | FIRE TRK | FIRE | GENERAL FUND | 10 YEAR FRONT LINE/10 YEAR RESERVE | 2027-28 | DEBT ISSUANCE 2027 | \$ 1,750,000 |
| NL | N/A | Stryker | Lucas 2.0 | PUBLIC SAFETY EQUIP | FIRE | GENERAL FUND | 10 YEAR | 2027-28 | GENERAL FUND | \$ 20,000 |
| NL | N/A | Stryker | Lucas 2.0 | PUBLIC SAFETY EQUIP | FIRE | GENERAL FUND | 10 YEAR | 2027-28 | GENERAL FUND | \$ 20,000 |
| NL | N/A | Covert Armor | BALLESTIC HELMET & VEST | PUBLIC SAFETY EQUIP | FIRE | GENERAL FUND | 10 YEAR | 2027-28 | GENERAL FUND | \$ 10,000 |
| NL | N/A | MSA | G1 SCBA Breathing Apparatus | PUBLIC SAFETY EQUIP | FIRE | GENERAL FUND | 10 YEAR | 2027-28 | EQUIPMENT REPLACEMENT FUND | \$ 110,500 |
| 335 | 121 | WEILER | P385 PAVER | EQUIPMENT - HEAVY | STREETS | GENERAL FUND | 10 YEAR/7K HOURS | 2027-28 | EQUIPMENT REPLACEMENT FUND | \$ 200,000 |
| 415 | 338 | SULLAIR | 185DPQ-JD AIR COMPRESSOR | GEN/COM | STREETS | GENERAL FUND | 12 YEAR/6K HOURS | 2027-28 | GENERAL FUND | \$ 15,000 |
| 170 | 8264 | FORD | F150 | LIGHT DUTY TRUCK | POLICE | GENERAL FUND | 8 YEAR/120K MILES | 2027-28 | GENERAL FUND | \$ 40,000 |
| | | GIBSON | GBSSM-T30K-A | A COIL | OLD SR CENTER | GENERAL FUND | 15 YEAR | 2027-28 | EQUIPMENT REPLACEMENT FUND | \$ 2,961 |

* Public Works & Library Going Green - Emission Reduction with Incorporating Hybrid &/or Electric Light Duty Trucks/Vehicles.

TECHNOLOGY CAPITAL OUTLAY PLAN - GENERAL FUND

| MAKE | MODEL | TYPE | LOCATION | FUND | REPLACEMENT YEAR | FUNDING SOURCE | ESTIMATED REPLACEMENT COST |
|--------------------------------|-----------|----------|---------------|--------------|------------------|----------------|----------------------------|
| SECURITY CAMERA | TRENDNET | HARDWARE | PW | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 1,000 |
| SECURITY CAMERA | TRENDNET | HARDWARE | CITY HALL | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 2,000 |
| SECURITY CAMERA | TRENDNET | HARDWARE | FIRE | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 1,000 |
| SECURITY CAMERA | TRENDNET | HARDWARE | LIBRARY | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 2,000 |
| SECURITY CAMERA | TRENDNET | HARDWARE | POLICE | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 2,000 |
| SECURITY CAMERA | TRENDNET | HARDWARE | CAMERAS | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 9,000 |
| CCURE UPGRADE | CCURE | SOFTWARE | POLICE | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 20,000 |
| CCURE UPGRADE | FARGO | HARDWARE | IT | GENERAL FUND | 2023-24 | GENERAL FUND | \$ 7,000 |
| FIRE MDT - LAPTOPS (11) | DELL | HARDWARE | | GENERAL FUND | 2024-25 | GENERAL FUND | \$ 31,000 |
| FIRE MDT - KEYBOARDS | DELL | HARDWARE | | GENERAL FUND | 2024-25 | GENERAL FUND | \$ 3,900 |
| SERVER REPLACEMENT | DELL | HARDWARE | FINANCIAL | GENERAL FUND | 2024-25 | GENERAL FUND | \$ 16,500 |
| SERVER REPLACEMENT | DELL | HARDWARE | I.T. | GENERAL FUND | 2024-25 | GENERAL FUND | \$ 16,500 |
| SERVER REPLACEMENT | DELL | HARDWARE | LIBRARY | GENERAL FUND | 2024-25 | GENERAL FUND | \$ 7,800 |
| WINDOW SERVER LICENSE | MICROSOFT | SOFTWARE | | GENERAL FUND | 2024-25 | GENERAL FUND | \$ 8,000 |
| NAS - NETWORK ATTACHED STORAGE | TBD | HARDWARE | | GENERAL FUND | 2025-26 | GENERAL FUND | \$ 20,000 |
| WORKSTATION REPLACEMENT | DELL | HARDWARE | ALL LOCATIONS | GENERAL FUND | 2025-26 | GENERAL FUND | \$ 276,300 |
| SERVER REPLACEMENT | DELL | HARDWARE | | GENERAL FUND | 2025-26 | GENERAL FUND | \$ 7,000 |
| SERVER REPLACEMENT | DELL | HARDWARE | CITY HALL | GENERAL FUND | 2026-27 | GENERAL FUND | \$ 16,500 |
| SERVER REPLACEMENT | DELL | HARDWARE | POLICE | GENERAL FUND | 2026-27 | GENERAL FUND | \$ 7,000 |
| SERVER REPLACEMENT | DELL | HARDWARE | CITY HALL | GENERAL FUND | 2026-27 | GENERAL FUND | \$ 16,500 |
| SERVER REPLACEMENT | DELL | HARDWARE | CITY HALL | GENERAL FUND | 2026-27 | GENERAL FUND | \$ 49,500 |
| SERVER REPLACEMENT | DELL | HARDWARE | POLICE | GENERAL FUND | 2026-27 | GENERAL FUND | \$ 16,500 |
| WINDOW SERVER LICENSE | MICROSOFT | SOFTWARE | | GENERAL FUND | 2026-27 | GENERAL FUND | \$ 21,000 |
| POLICE MDT - LAPTOP (16) | TBD | HARDWARE | | GENERAL FUND | 2027-28 | GENERAL FUND | \$ 73,000 |
| POLICE MDT - DOCK (16) | TBD | HARDWARE | | GENERAL FUND | 2027-28 | GENERAL FUND | \$ 25,600 |



City of Watauga

Capital Outlay Plan

Detailed List by Year

Sorted by Fund and Department

Crime Control and Prevention District Fund

CAPITAL OUTLAY SUMMARY - CCD FUND

| VEHICLE | ODO | MAKE | MODEL | TYPE | FUND | LIFE EXPECTANCY | REPLACEMENT YEAR | FUNDING SOURCE | ESTIMATED REPLACEMENT COST |
|---------|--------|-------|----------|---------------|----------|-------------------|------------------|----------------|----------------------------|
| 150 | 138040 | CHEVY | TAHOE | PASSENGER CAR | CCD FUND | 8 YEAR/120K MILES | 2023-24 | CCD FUND | \$ 45,000 |
| 161 | 35990 | CHEVY | SUBURBAN | PASSENGER CAR | CCD FUND | 8 YEAR/120K MILES | 2024-25 | CCD FUND | \$ 40,000 |
| 165 | 57499 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2024-25 | CCD FUND | \$ 60,000 |
| 166 | 49365 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2024-25 | CCD FUND | \$ 60,000 |
| 167 | 51364 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2024-25 | CCD FUND | \$ 60,000 |
| 168 | 38067 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2024-25 | CCD FUND | \$ 60,000 |
| 169 | 46284 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2024-25 | CCD FUND | \$ 60,000 |
| 176 | 50500 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2024-25 | CCD FUND | \$ 100,000 |
| 164 | 81146 | FORD | ESCAPE S | PASSENGER CAR | CCD FUND | 8 YEAR/120K MILES | 2025-26 | CCD FUND | \$ 40,000 |
| 172 | 42780 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2025-26 | CCD FUND | \$ 60,000 |
| 173 | 38403 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2025-26 | CCD FUND | \$ 60,000 |
| 174 | 27071 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2025-26 | CCD FUND | \$ 60,000 |
| 175 | 37507 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 5 YEAR/100K MILES | 2025-26 | CCD FUND | \$ 60,000 |
| 162 | 54000 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 8 YEAR/120K MILES | 2025-26 | CCD FUND | \$ 60,000 |
| 177 | 8570 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 8 YEAR/120K MILES | 2026-27 | CCD FUND | \$ 60,000 |
| 171 | 40882 | CHEVY | TAHOE | EMERGENCY CAR | CCD FUND | 8 YEAR/120K MILES | 2027-28 | CCD FUND | \$ 40,000 |



City of Watauga

Capital Outlay Plan

Detailed List by Year

Sorted by Fund and Department

Storm Drain Fund

CAPITAL OUTLAY SUMMARY - STORM DRAIN

| VEHICLE | ODO | MAKE | MODEL | TYPE | FUND | LIFE EXPECTANCY | REPLACEMENT YEAR | FUNDING SOURCE | ESTIMATED REPLACEMENT COST |
|---------|-------|---------------|-------------------------|-------------------|-------------|--------------------|------------------|----------------------------|----------------------------|
| 501 | 64720 | FORD | F350 DUMP BODY - DIESEL | LIGHT DUTY TRUCK | STORM DRAIN | 8 YEAR/120K MILES | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 80,000 |
| 500-A | 0 | HENDERSON | FSP2 SANDER | EQUIPMENT - LIGHT | STORM DRAIN | 12 YEAR/6K HOURS | 2023-24 | EQUIPMENT REPLACEMENT FUND | \$ 40,000 |
| 510 | 58696 | INTERNATIONAL | 7400 SBA 6X4 DUMP TRUCK | HEAVY DUTY TRUCK | STORM DRAIN | 10 YEAR/150K MILES | 2025-26 | EQUIPMENT REPLACEMENT FUND | \$ 145,000 |
| 314 | 20649 | JOHN DEERE | TRACTOR | EQUIPMENT - LIGHT | STORM DRAIN | 8 YEAR MIN | 2026-27 | EQUIPMENT REPLACEMENT FUND | \$ 25,000 |
| 525 | 1352 | SCAG | MOWER | MOWERS | STORM DRAIN | 6 YEARS/3K HOURS | 2026-27 | STORM DRAIN FUND | \$ 8,000 |
| 310 | 64814 | HOLT CAT | 924H FRONT END LOADER | EQUIPMENT - HEAVY | STORM DRAIN | 10 YEAR/7K HOURS | 2027-28 | EQUIPMENT REPLACEMENT FUND | \$ - |



CITY OF WATAUGA

**PERSONNEL
IMPROVEMENT PLAN**

FY 2023 – FY 2027

PERSONNEL IMPROVEMENT PLAN

The following pages present the City of Watauga’s Personnel Improvement Plan (PIP) for FY2023-2027. The purpose of this Personnel Improvement Plan is to identify current and future personnel needs, justify these needs and develop a plan to fund these positions. City administration will continue to rely on planning tools and documents such as the Personnel Improvement Plan to ensure sufficient staffing numbers exist to maintain quality services to our residents.

The PIP provides a five (5) year staffing plan created as a result of department directors’ requests. It is used as a tool for the annual budgeting process. Although 11.75 FTEs (Full-Time Equivalent Employees) were requested for the FY2023-2024 budget year, only 4.5 positions were funded due to budget constraints. Of these positions, 3.75 FTEs are funded by revenue producing programs at the Recreation Center.

Approved Positions

| Department | Request | Cost | Total FTE |
|--|------------------|----------------------|------------|
| Library | | | |
| Librarian Assistant PT to FT | PT to FT | \$ 35,396.00 | 0.75 |
| Parks and Community Services | | | |
| Assistand Director of Parks and Community Services | Promotion | \$ 26,809.00 | 0 |
| Rec lass Rec Programmer to Rec Programmer II | Reclassification | \$ 9,606.00 | 0 |
| Rec lass Rec Programmer to Rec Coordinator | Reclassification | \$ (5,579.00) | 0 |
| Rec lass 2 Rec Attendants to Rec Coordinators | Reclassification | \$ 11,158.00 | 0 |
| Summer Camp Coordinator - 1 PT Seasonal | New Position | \$ 10,875.00 | 0.25 |
| Summer Camp Leader- 6 PT Seasonal | New Position | \$ 18,450.00 | 1.5 |
| Summer Camp Counselor - 6 PT Seasonal | New Position | \$ 16,050.00 | 1.5 |
| Pre-school Teacher - 2 PT Seasonal | New Position | \$ 12,890.00 | 0.5 |
| Police | | | |
| Promote Code Enforcement Officer to Senior | Promotion | \$ 9,185.00 | 0 |
| Public Works | | | |
| Rec lass P&Z to Planner I | Promotion | \$ 14,689.00 | 0 |
| Promote Signs & Signal Tech to Senior | Promotion | \$ 15,059.00 | 0 |
| General Fund Totals | | \$ 174,588.00 | 4.5 |

Additionally, a previously authorized but unfunded position (Maintenance Worker I) is included in the FY2023-2024 budgeted positions, bringing the total number of positions to 186.5.

Additional details on the City’s number of FTEs by department can be found in the Budget Summary section of this document. The requests that were submitted for FY2023-24 that were not funded will be reevaluated during the next budget cycle. Through the PIP process department directors also submitted requests for the reclassification of existing positions. These reclassifications are due to an increase in responsibilities, as well as the creation of promotional paths within the departments to supplement the City’s Succession Plan and promote employee retention. Reclassifications do not affect the number of FTEs.

CMO PIP Changes/Requests

| FY 2022-2023 | | Current Year | Cost |
|--------------|--|---------------------------------|-----------|
| CMO | | Economic Development Specialist | \$ 29,331 |
| Genera Fund | | Total | \$ 29,331 |
| FY 2023-24 | | Phase 1 | Cost |
| CMO | | None | |
| | | Total | \$ - |
| FY 2024-25 | | Phase 2 | Cost |
| CMO | | None | |
| | | Total | \$ - |
| FY 2025-26 | | Phase 3 | Cost |
| CMO | | None | |
| | | Total | \$ - |
| FY 2026-27 | | Phase 4 | Cost |
| CMO | | None | |
| | | Total | \$ - |

CSO PIP Changes/Requests

| FY 2022-2023 | | Current Year | Cost |
|--------------|--|--------------|------|
| CSO | | None | |
| Total | | | \$ - |

| FY 2023-24 | | Phase 1 | Cost |
|--------------|--|---------|------|
| CSO | | None | |
| Total | | | \$ - |

| FY 2024-25 | | Phase 2 | Cost |
|---------------------|--|--|------------------|
| CSO | | Promote Assistant to City Secretary to Deputy City Sec | \$ 9,632 |
| CSO | | Administrative Assistant - New | \$ 55,737 |
| General Fund | | Total | \$ 65,369 |

| FY 2025-26 | | Phase 3 | Cost |
|--------------|--|---------|------|
| CSO | | None | |
| Total | | | \$ - |

| FY 2026-27 | | Phase 4 | Cost |
|--------------|--|---------|------|
| CSO | | None | |
| Total | | | \$ - |

FINANCE PIP Changes/Requests

| FY 2022-23 | Current | Cost |
|-----------------------------|--------------------------------------|---------------------------------|
| FIN | Financial Services Tech I to Tech II | \$ 5,200 |
| MC | PT Court Assistant 20 hrs to 25 hrs | \$ 5,642 |
| General Fund | | Total \$ 10,842 |
| MC | PT Deputy Marshal | \$ 26,429 |
| Special Revenue Fund | | Total \$ 26,429 |
| | | Combined Total \$ 37,271 |
| | | |
| FY 2023-24 | Phase 1 | Cost |
| FIN/MC/UB | Increase PT Deputy Marshal Hours | \$ 14,547 |
| General Fund | | Total \$ 14,547 |
| | | |
| FY 2024-25 | Phase 2 | Cost |
| MC | Court Assistant | \$ 30,919 |
| General Fund | | Total \$ 30,919 |
| | | |
| FY 2025-26 | Phase 3 | Cost |
| FIN/MC/UB | None | |
| | | Total \$ - |
| | | |
| FY 2026-27 | Phase 4 | Cost |
| FIN/MC/UB | None | |
| | | Total \$ - |

FIRE DEPARTMENT PIP Changes/Requests

| FY 2022-23 | Current | Cost |
|---------------------|---------------------------|-------------------|
| FD | Administrative Assistant | \$ 50,994 |
| General Fund | Total | \$ 50,994 |
| | | |
| FY 2023-24 | Phase 1 | Cost |
| FD | Firefighter/Paramedic (3) | \$ 101,362 |
| General Fund | Total | \$ 304,086 |
| | | |
| FY 2024-25 | Phase 2 | Cost |
| | None | |
| | Total | \$ - |
| | | |
| FY 2025-26 | Phase 3 | Cost |
| FD | Firefighter/Paramedic (3) | \$ 103,896 |
| General Fund | Total | \$ 311,688 |
| | | |
| FY 2026-27 | Phase 4 | Cost |
| | None | |
| | Total | \$ - |

HR PIP Changes/Requests

| FY 2022-23 | Current | Cost |
|--------------|---------|------|
| HR | None | |
| Total | | \$ - |

| FY 2023-24 | Phase 1 | Cost |
|--------------|---------|------|
| HR | None | |
| Total | | \$ - |

| FY 2024-25 | Phase 2 | Cost |
|---------------------------|-------------------|------------------|
| HR | FT HR Coordinator | \$ 64,246 |
| General Fund Total | | \$ 64,246 |

| FY 2025-26 | Phase 3 | Cost |
|---------------------------|------------------|------------------|
| HR | HR Generalist II | \$ 11,207 |
| General Fund Total | | \$ 11,207 |

| FY 2026-27 | Phase 4 | Cost |
|--------------|---------|------|
| HR | None | |
| Total | | \$ - |

IT PIP Changes / Requests

| FY 2022-23 | Current | Cost |
|--------------|---------|------|
| IT | None | |
| Total | | \$ - |

| FY 2023-24 | Phase 1 | Cost |
|--------------|---------|------|
| | None | |
| Total | | \$ - |

| FY 2024-25 | Phase 2 | Cost |
|---------------------|--|------------------------|
| IT | Media Specialist promotes to Comm Specialist II/Public Information Officer | \$ 30,268 |
| General Fund | | Total \$ 30,268 |

| FY 2025-26 | Phase 3 | Cost |
|---------------------|---|------------------------|
| IT | IT Support Specialist promotes to Systems Administrator | \$ 15,245 |
| General Fund | | Total \$ 15,245 |

| FY 2026-27 | Phase 4 | Cost |
|--------------|---------|------|
| | None | |
| Total | | \$ - |

LIBRARY PIP Changes/Requests

| FY 2022-23 | Current | Cost |
|--------------|---------|------|
| LIB | None | |
| Total | | \$ - |

| FY 2023-24 | Phase 1 | Cost |
|---------------------------|------------------------------------|-------------------|
| LIB | Librarian | \$ 70,766 |
| LIB | Library Assistant Youth - PT to FT | \$ 35,396 |
| General Fund Total | | \$ 106,162 |

| FY 2024-25 | Phase 2 | Cost |
|--------------|---------|------|
| | None | |
| Total | | \$ - |

| FY 2025-26 | Phase 3 | Cost |
|---------------------------|------------------------------------|------------------|
| LIB | Library Assistant - Adult Services | \$ 48,661 |
| General Fund Total | | \$ 48,661 |

| FY 2026-27 | Phase 4 | Cost |
|--------------|---------|------|
| LIB | None | |
| Total | | \$ - |

PACS PIP Changes/Requests

| FY 2022-23 | Current | Cost |
|---------------------|--------------------------------------|-------------------------|
| Parks | Irrigation Technician | \$ 64,942 |
| Parks | Summer Parks Maintenance Worker | \$ 12,590 |
| Parks | Maintenance Worker I | \$ 47,808 |
| Recreation | Recreation Attendant | \$ 45,983 |
| Recreation | Recreation Attendant (2 - part time) | \$ 25,180 |
| General Fund | | Total \$ 196,503 |

| FY 2023-24 | Phase 1 | Cost |
|---------------------|---|-------------------------|
| Parks & Recreation | Assistant Director of Parks & Community Services | \$ 26,809 |
| Recreation | Special Events Coordinator | \$ 64,683 |
| Recreation | Reclassified Rec Programmer to Rec Programmer II | \$ 9,606 |
| Recreation | Reclassified Rec Programmer to Recreation Coordinator I | \$ (5,579) |
| Recreation | Reclassified Rec Attendant to Recreation Coord. I | \$ 5,579 |
| Recreation | Reclassified Rec Attendant to Recreation Coord. I | \$ 5,579 |
| General Fund | | Total \$ 106,677 |

Summer Program

| | | |
|---------------------|--|----------------------------------|
| Recreation | Summer Camp Coordinator | \$ 10,875 |
| Recreation | Summer Camp Leader (6 Seasonal PT Positions) | \$ 18,450 |
| Recreation | Summer Camp Counselor (6 seasonal PT positions) | \$ 16,050 |
| Recreation | Seasonal Preschool Teacher (2 Seasonal PT positions) | \$ 12,890 |
| General Fund | | Total \$ 58,265 |
| | | Combined Total \$ 164,942 |

| FY 2024-25 | Phase 2 | Cost |
|---------------------|-----------------------|-------------------------|
| Parks | Landscape Gardner | \$ 63,344 |
| Recreation | Recreation Specialist | \$ 58,243 |
| General Fund | | Total \$ 121,587 |

| FY 2025-26 | Phase 3 | Cost |
|------------|---------|-------------------|
| PACS | none | |
| | | Total \$ - |

| FY 2026-27 | Phase 4 | Cost |
|------------|---------|-------------------|
| PACS | None | |
| | | Total \$ - |

PD - PIP Changes/Requests

| FY 2022-23 | Current | Cost |
|-----------------|------------------------------|------------------------|
| PD | Mental Health Police Officer | \$ 87,163 |
| CCD Fund | | Total \$ 87,163 |

| FY 2023-24 | Phase 1 | Cost |
|---------------------|--|-------------------------|
| PD | Promote Code Enforcement Officer to Senior Code Enf. | \$ 9,185 |
| PD | Code Enforcement Officer | \$ 95,301 |
| General Fund | | Total \$ 104,486 |

| FY 2024-25 | Phase 2 | Cost |
|-----------------|----------------------------------|----------------------------------|
| PD | Police Officer (2) | \$ 203,228 |
| General | | Total \$ 412,200 |
| PD | Mental Health Police Officer (1) | \$ 101,864 |
| CCD Fund | | Total \$ 101,864 |
| | | Combined Total \$ 514,064 |

| FY 2025-26 | Phase 3 | Cost |
|---------------------|--------------------|-------------------------|
| PD | Police Officer (3) | \$ 312,411 |
| General Fund | | Total \$ 312,411 |

| FY 2026-27 | Phase 4 | Cost |
|---------------------|--------------------|-------------------------|
| PD | Police Officer (3) | \$ 320,205 |
| General Fund | | Total \$ 320,205 |

PW - PIP Changes/Requests

| FY 2022-23 Phase 1 | | Cost |
|--------------------|--|-------------------|
| P&D | Permit Technician | \$ 56,780 |
| PW | Maintenance Worker II - Wastewater | \$ 52,152 |
| Fleet | Mechanic II | \$ 73,114 |
| PW | Maintenance Worker I - Streets | \$ 52,202 |
| PW | Wastewater Equipment Operator - Wastewater | \$ 58,656 |
| PW | Facilities Maintenance Tech | \$ 60,581 |
| Total | | \$ 353,485 |

| FY 2023-24 Phase 2 | | Cost |
|---------------------|---------------------------------------|-------------------------|
| P&D | Reclass P&Z to Planner I | \$ 14,689 |
| PW | Assistant Director of Public Works | \$ - |
| PW | Senior Sign and Signal Tech Promotion | \$ 15,059 |
| P&D | Building Official | \$ 185,626 |
| General Fund | | Total \$ 215,374 |

| FY 2024-2025 Phase 3 | | Cost |
|------------------------|---------------------------------------|-------------------------|
| PW | Environmental Compliance Officer | \$ 73,223 |
| PW | Administrative Assistant | \$ 58,986 |
| PW | Crew Leader (4 Crew Leader Positions) | \$ 527,563 |
| General Fund | | Total \$ 659,772 |
| PW | Reclass Summer MWI to FT PW MWI | \$ 22,268 |
| PW | Maintenance Worker I - Storm Drain | \$ 57,987 |
| PW | Maintenance Worker I - Wastewater | \$ 57,987 |
| PW | Maintenance Worker II - Wastewater | \$ 62,912 |
| Enterprise Fund | | Total \$ 201,154 |
| Combined Total | | \$ 860,926 |

| FY 2025-2026 Phase 3 | | Cost |
|----------------------|------|-------------|
| PW | None | |
| Total | | \$ - |

| FY 2026-2027 Phase 4 | | Cost |
|----------------------|------|-------------|
| PW | None | |
| Total | | \$ - |

FY Totals by Fund

| Totals FY 23-24 | Cost |
|------------------------------|----------------------|
| CMO | \$ - |
| CSO | \$ - |
| Finance | \$ 14,547.00 |
| Fire | \$ 304,086.00 |
| HR | \$ - |
| IT | \$ - |
| Library | \$ 106,162.00 |
| Parks and Community Services | \$ 164,942.00 |
| Police | \$ 104,486.00 |
| Public Works | \$ 215,374.00 |
| Grand total | \$ 909,597.00 |

| Totals FY 24-25 | Cost |
|------------------------------|------------------------|
| CMO | \$ - |
| CSO | \$ 65,369.00 |
| Finance | \$ 30,919.00 |
| Fire | \$ - |
| HR | \$ 64,246.00 |
| IT | \$ 30,268.00 |
| Library | \$ - |
| Parks and Community Services | \$ 121,587.00 |
| Police | \$ 514,064.00 |
| Public Works | \$ 860,926.20 |
| Grand total | \$ 1,687,379.20 |

| Totals FY 25-26 | Cost |
|------------------------------|----------------------|
| CMO | \$ - |
| CSO | \$ - |
| Finance | \$ - |
| Fire | \$ 311,688.00 |
| HR | \$ 11,207.00 |
| IT | \$ 15,245.00 |
| Library | \$ 48,661.00 |
| Parks and Community Services | \$ - |
| Police | \$ 312,411.00 |
| Public Works | \$ - |
| Grand total | \$ 699,212.00 |

| Totals FY 26-27 | Cost |
|------------------------------|----------------------|
| CMO | \$ - |
| CSO | \$ - |
| Finance | \$ - |
| Fire | \$ - |
| HR | \$ - |
| IT | \$ - |
| Library | \$ - |
| Parks and Community Services | \$ - |
| Police | \$ 320,205.00 |
| Public Works | \$ - |
| Grand total | \$ 320,205.00 |

23-24 Total Requests

| Department | Request | Cost | Total FTE |
|---|-------------------|----------------------|--------------|
| Finance | | | |
| PT Deputy City Marshal | Increase PT Hours | \$ 14,547.00 | 0.25 |
| Fire | | | |
| Firefighter/Paramedic FT | New Positions | \$ 304,086.00 | 3 |
| Library | | | |
| Librarian FT | New Position | \$ 70,766.00 | 1 |
| Librarian Assistant PT to FT | PT to FT | \$ 35,396.00 | 0.75 |
| Parks and Community Services | | | |
| Assistand Director of Parks and Community Services | Promotion | \$ 26,809.00 | 0 |
| Special Events Coordinator - FT | New Position | \$ 64,683.00 | 1 |
| Reclass Rec Programmer to Rec Programmer II | Reclassification | \$ 9,606.00 | 0 |
| Reclass Rec Programmer to Rec Coordinator | Reclassification | \$ (5,579.00) | 0 |
| Reclass 2 Rec Attendants to Rec Coordinators | Reclassification | \$ 11,158.00 | 0 |
| Summer Camp Coordinator - 1 PT Seasonal | New Position | \$ 10,875.00 | 0.25 |
| Summer Camp Leader - 6 PT Seasonal | New Position | \$ 18,450.00 | 1.5 |
| Summer Camp Counselor - 6 PT Seasonal | New Position | \$ 16,050.00 | 1.5 |
| Pre-school Teacher - 2 PT Seasonal | New Position | \$ 12,890.00 | 0.5 |
| Police | | | |
| Promote Code Enforcement Officer to Senior Code Enforcement Officer | Promotion | \$ 9,185.00 | 0 |
| | New Position | \$ 95,301.00 | 1 |
| Public Works | | | |
| Reclass P&Z to Planner I | Promotion | \$ 14,689.00 | 0 |
| Reclass Assistant Director of Public Works paygrade | New Pay Grade | \$ - | 0 |
| Promote Signs & Signal Tech to Senior Building Official - FT | Promotion | \$ 15,059.00 | 0 |
| | New Position | \$ 185,626.00 | 1 |
| Totals | | \$ 909,597.00 | 11.75 |

Approved Positions

| Department | Request | Cost | Total FTE |
|--|------------------|----------------------|------------|
| Library | | | |
| Librarian Assistant PT to FT | PT to FT | \$ 35,396.00 | 0.75 |
| Parks and Community Services | | | |
| Assistand Director of Parks and Community Services | Promotion | \$ 26,809.00 | 0 |
| Reclass Rec Programmer to Rec Programmer II | Reclassification | \$ 9,606.00 | 0 |
| Reclass Rec Programmer to Rec Coordinator | Reclassification | \$ (5,579.00) | 0 |
| Reclass 2 Rec Attendants to Rec Coordinators | Reclassification | \$ 11,158.00 | 0 |
| Summer Camp Coordinator - 1 PT Seasonal | New Position | \$ 10,875.00 | 0.25 |
| Summer Camp Leader - 6 PT Seasonal | New Position | \$ 18,450.00 | 1.5 |
| Summer Camp Counselor - 6 PT Seasonal | New Position | \$ 16,050.00 | 1.5 |
| Pre-school Teacher - 2 PT Seasonal | New Position | \$ 12,890.00 | 0.5 |
| Police | | | |
| Promote Code Enforcement Officer to Senior | Promotion | \$ 9,185.00 | 0 |
| Public Works | | | |
| Reclass P&Z to Planner I | Promotion | \$ 14,689.00 | 0 |
| Promote Signs & Signal Tech to Senior | Promotion | \$ 15,059.00 | 0 |
| General Fund Totals | | \$ 174,588.00 | 4.5 |



BUDGET SUMMARY



October 1, 2023 – September 30, 2024

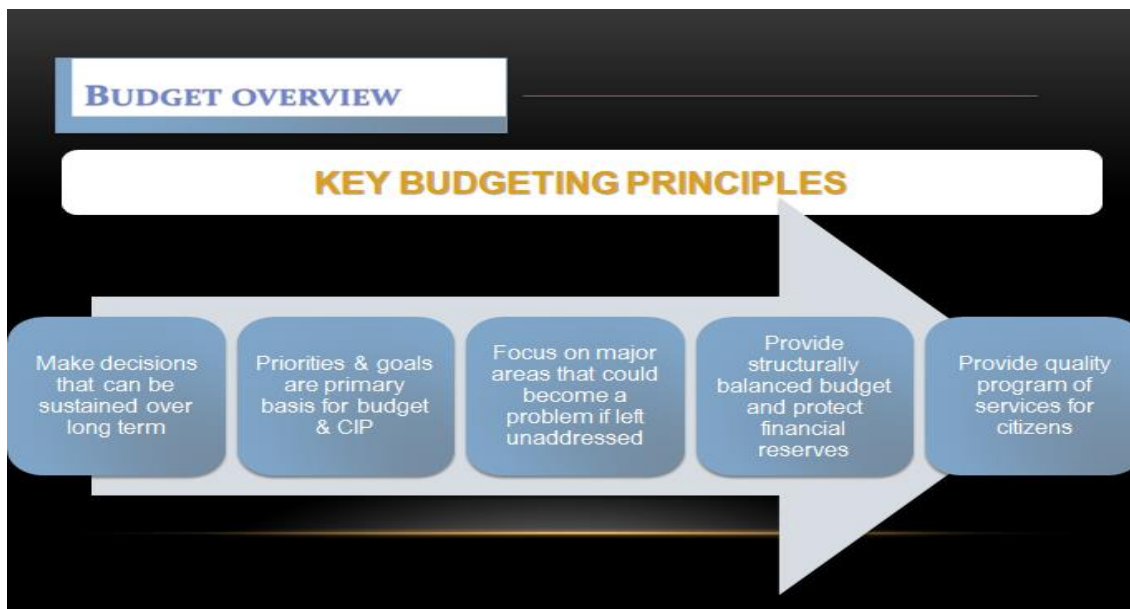
ANNUAL BUDGET PROCESS

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 on the following pages.

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 Economic 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.

During the budget cycle, key budgeting principles are considered throughout the process as shown below. These principles ensure the long-term vision and fiscal sustainability is a priority throughout the budget process.



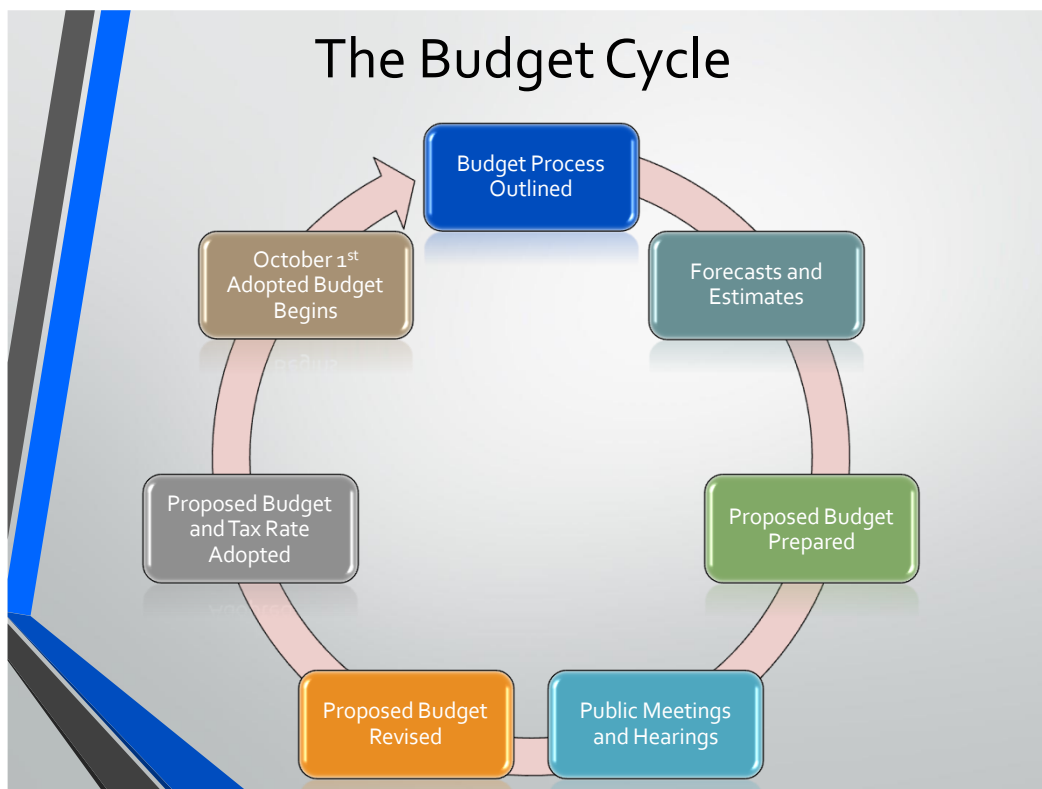
ANNUAL BUDGET PROCESS

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 annual budget process includes considerable staff participation from all departments and City Council direction concerning key policy areas. The public has the opportunity to participate with comments, concerns, or budget requests during public meetings and a public hearing prior to adoption of the budget and proposed tax rate. The budget cycle below depicts the process and a monthly calendar follows that summarizes the 2024 budget schedule:



ANNUAL BUDGET PROCESS

March

- Distribute budget instructions to staff & provide training sessions
- Review and update Personnel Improvement Plan

April

- Capital Improvement Plan Committee Meeting

May

- Council Strategic Planning/Budget priorities
- Executive Team Strategic Planning
- Departments submit 2023 projections
- Deadline for submittal of 2024 department budget requests
- Economic Development Corporation Budget Development and presentation to Board

June

- City manager/budget officer review of budgets
- City manager/departmental meetings on budget requests
- City manager/City Council budget retreat
- Crime Control and Prevention District Budget presentation to Board and Public Hearing
- Capital Improvement Plan Presentation and Updates

July

- Finance updates revenue estimates, all funds
 - July 25th Certified Rolls receipted from Appraisal District
 - Economic Development Corporation Budget Public Hearing and Budget Adoption

August

- By August 1st, distribute proposed budget to Council and City Secretary
- Present Proposed Budget/Tax Rate to Council and Citizens
- Public Hearing on Proposed Budget

ANNUAL BUDGET PROCESS

- Council Workshop on planning documents (Capital Outlay, Personnel Improvement Plan)

September

- Public Hearing on the 2024 Tax Rate
- 2024 budget appropriation ordinance and tax rate adoption

October •

- Finalize and distribute final budget and budget implementation.



DETAILED BUDGET CALENDAR 2023-2024

| Date | Group Affected | Action Needed | Requirement |
|-------------------------|-----------------------------|--|---|
| City Wide Budget | | | |
| Thu, Mar 16, 2023 | Bond/COP Committee | Update COP needs and estimates | Due date April 12, 2023 - Meet May 10th |
| April- May 2023 | Bond/CIP Committee/Engineer | Update CIP projects and estimates | Due date May 8, 2023 |
| Mon, Apr 10, 2023 | Directors/FD/CM | Budget Kick-off documents sent to Departments | |
| Wed, Apr 12, 2023 | Directors / FD / CM | Budget training (As needed on individual basis) | Optional Refresher (contact Finance) |
| April - May 2023 | Directors/FD/CM | Personnel Improvement Plan Update | |
| Fri, May 12, 2023 | Directors / FD | Baseline Budgets & Year End Projections Due | |
| Sat, May 13, 2023 | CM/CC | Strategic Planning Meeting - Council | |
| Fri, May 19, 2023 | Directors/FD | New & Expanded Requests Due | |
| April - May 2023 | TAD / FD | Preliminary TAD Taxable Values are received (Finance Department begins Tax Rate Analysis) | Tarrant Appraisal District submits preliminary tax values to cities |
| Fri, May 26, 2023 | FD | Preliminary Revenue Estimates | |
| Fri, Jun 9, 2023 | FD/CM | Finance Department submits preliminary consolidated budget to CMO | |
| 6/14-6/21 2023 | Directors/FD/CM | Budget Request Discussions | Meeting with City Manager & Directors (Finance Director to allow departments to present budget) |
| Mon, Jun 26, 2023 | CM/CC/Directors | CIP, COP, Debt | Workshop and meeting if needed for debt issuance |
| Tue, Jul 25, 2023 | TAD / FD | Certified Appraisal Roll Received Tax Rate Calculations and Revenue estimates (revisions to the Budget are made as necessary) | |
| Wed, Jul 26, 2023 | CM | Final Decisions & Budget Message Prepared | |
| Tue, Aug 1, 2023 | FD / CM | Submit Preliminary Budget to CSO/Council | Required by August 1st - Article IX Sec. 9.02B. Home Rule Charter |
| Tue, Aug 1, 2023 | CSO for CC | Publish Notice of Availability of the proposed budget document for public inspection | 8/1/2023 Article IX Sec. 9.02C. Home Rule Charter |
| Mon, Aug 7, 2023 | CC/Directors/CM | Budget Presentations Workshop (Budget Highlights & Tax Rate and Department Budgets) | |
| Mon, Aug 7, 2023 | CC | Meeting of City Council to discuss tax rate (if above no new revenue rate, take record vote and schedule public hearing) | The designated officer or employee must submit the no-new-revenue and voter-approval tax rates to the city council by this date, or as soon thereafter as practicable. TEX. TAX CODE § 26.04(e) |
| Fri, Aug 11, 2023 | CSO for CC | Publish Public Hearing Notice for Budget | TEX. LOC. GOV'T CODE § 102.0065 (not later than 10th day before the budget hearing). |
| Fri, August 25, 2023 | CSO for CC | Publish Public Hearing Notice for Tax Rate | TEX. LOC. GOV'T CODE § 102.0065 (not later than 10th day before the budget hearing). Note that the notice may not be published earlier than the 30th day before the hearing. |
| Mon, Aug 28, 2023 | CC | Public Hearing on Budget - Must be 15 days after submission to CSO | Article IX Sec. 9.02E. Home Rule Charter Chapter 26 Sec.26.06(a) Property Tax Code SB2 new requirement - over 3.5% (Must be 78 days before November election) |
| Mon, Sep 11, 2023 | CC | Public Hearing on Tax Rate (Reading of Ordinance to Adopt Budget) Meeting to adopt tax rate (Taxing unit must adopt tax rate by the later of September 29, or the 60th day after receiving certified appraisal roll) | By September 15th by City Ordinance |
| Sun, Oct 1, 2023 | ALL | Budget Implementation | |

BUDGET CALENDAR 2023-2024

| Date | Group Affected | Action Needed | Requirement |
|---|----------------|--|--|
| Crime Control District | | | |
| Fri, May 12, 2023 | Directors / FD | Baseline Budgets due | |
| Fri, May 12, 2023 | Directors / FD | New & Expanded Requests Submitted | |
| Fri, May 19, 2023 | FD | Finance Dept. submits budget requests to CMO | |
| Tue, May 23, 2023 | CM/Director/FD | Discussion of Budget | |
| Mon, Jun 5, 2023 | CCD | Crime Board Workshop Meeting (Set the date for Public Hearings on proposed WCCPD Budget) | Meeting at 5:30PM |
| Fri, Jun 9, 2023 | CSO for CCD | Publish Notice of Public Hearing | Sec. 363.204(b) Local Government Code (Not later than 10th day before hearing) 10 days |
| Mon, Jun 19, 2023 | CCD | Public Hearing (meeting at 5:30PM) | Sec. 363.204(a) Local Government Code (Not later than 100th day before fiscal year begins) 102 days |
| Mon, Jul 10, 2023 | CCD | Budget Adoption (meeting at 5:30PM) | Sec. 363.204(d) Local Government Code (Not later than 80th day before the fiscal year begins) 80 days |
| Mon, Jul 10, 2023 | CC | Budget Acceptance | Sec. 363.204(e) Local Government Code (Not later than 10th day after CCD Adopts) 0 days |
| Fri, Jul 28, 2023 | CSO for CC | Publish Notice of Public Hearing | Sec. 363.205(b) Local Government Code (Not later than 10th day before hearing -must allow 10 days before PH) 11 days |
| Mon, Aug 14, 2023 | CC | Public Hearing | Sec. 363.205(a) Local Government Code (Not later than 45th day before fiscal year begins) 46 days |
| Mon, Aug 14, 2023 | CC | Budget Adoption | Sec. 363.205(d) Local Government Code (Not later than 30th day before fiscal year begins) 46 days |
| Sun, Oct 1, 2023 | ALL | Budget Implementation | |
| Economic Development Corporation | | | |
| Thu, May 4, 2023 | CM / FD | Baseline Budgets submitted | |
| Thu, May 4, 2023 | CM / FD | New & Expanded Requests Submitted | |
| Mon, May 8, 2023 | CM/FD | Finance Dept. submits budget draft to CM | |
| Tue, May 16, 2023 | EDC | Budget Workshop (Submit Budget to Board) | Set Public Hearing and Adoption dates |
| Fri, Jun 9, 2023 | CSO for EDC | Publish Notice of Public Hearing | 11 days before PH (no requirement) |
| Tue, Jun 20, 2023 | EDC | Public Hearing | |
| Tue, Jul 18, 2023 | EDC | Budget Adoption | 60 days after submitted to Board (63 days) and allow 30 days before Council Adoption (34 days) |
| Thu, Jul 20, 2023 | FD/CSO | Submit EDC Budget to CSO for Council agenda | 30 days prior to Council adoption (32 days) |
| Mon, Aug 14, 2023 | CC | Budget Acceptance | Set Public Hearing and Adoption dates |
| Thu, Aug 10, 2023 | CSO for CC | Publish Notice of Public Hearing | 10 days |
| Mon, Aug 28, 2023 | CC | Public Hearing & Budget Adoption | At least 30 days after Board submits budget to City Secretary (32 days) |
| Sun, Oct 1, 2023 | ALL | Budget Implementation | |
| City Council Dates | | | Deliverables by Area of Responsibility |
| Mon, May 8, 2023 | | | DEPARTMENTAL |
| Mon, May 22, 2023 | | | CITY SECRETARY |
| Mon, Jun 12, 2023 | | | CITY COUNCIL |
| Mon, Jun 26, 2023 | | | FINANCE |
| Mon, Jul 10, 2023 | | | WEDC BOARD |
| Mon, Jul 24, 2023 | | | WPCCD BOARD |

BUDGET SUMMARY

BUDGETARY FINANCIAL POLICY GUIDELINES

Numerous financial policy guidelines are followed for the fiscal management of the City and enable the City to maintain financial stability. The financial policy statements are reviewed annually and provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Watauga.

The benefits of a financial policy are:

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

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

The following are the fiscal objectives of this policy:

- **Revenues:** Design, maintain, and administer revenues that will ensure reliable, equitable, and sufficient amounts to support desired services.
 - **Balance and Diversify Revenue Sources:** Maintain a balanced and diversified revenue system to avoid adverse fluctuations in any one source due to changes in economic conditions.
 - **Property Tax Revenues:** Strive to reduce reliance on property tax revenues by implementation of user fees, economic development, and revenue diversification.
 - **User fees:** Establish and collect fees to recover the costs for services that benefit specific users. When feasible, the City shall recover full direct and indirect costs. These fees should be reviewed on a regular basis to calculate full-cost recovery 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

BUDGET SUMMARY

- Enterprise Funds for overhead and staff support. The Enterprise Fund shall pay the General Fund for direct services rendered when appropriate.
- Revenue Estimates for Budgeting: A conservative, objective, and analytical approach shall be used when preparing revenue estimates. This should include an analysis of probable economic changes, historical collection rates, and trends in revenues. This should maintain a stable level of services and reduce the probability of actual revenues being short of budget estimates.
 - Revenue Collection: The revenue system should be as simple as possible in order to expedite payments. Since revenue should exceed the cost of producing it, administrative costs should be controlled and reduced as much as possible. The City shall pursue, to the full extent allowed by law, all delinquent taxpayers, and others overdue in their payments to the City.
- **Expenditures:** Prioritize services, establish appropriate levels of service, and administer the resources to ensure that fiscal stability is attained and maintained, and that services are delivered in an effective, efficient manner.
 - Current Funding Basis: Expenditures shall be budgeted and controlled to not exceed current revenues plus the planned use of fund balance accumulated through prior year saving. (Use of fund balance is discussed in another section).
 - Operating Deficits: Take immediate corrective action if expenditures are projected to be greater than projected revenues at year-end. Corrective actions could include, but are not limited to, expenditure reductions, fee increases, or use of fund balances. Short-term loans, use of one-time revenue sources, or expenditure deferral to the following fiscal year should be avoided.
 - Capital Asset Maintenance: As resources are available each year, capital assets and infrastructure should be maintained at sufficient levels to minimize future replacement and repair costs, to continue prescribed service levels, and to protect the City's investment in the assets.
 - Program Reviews: Make periodic staff and third-party reviews of programs to ensure efficiency and effectiveness. Consider privatization and contracting with other governmental agencies as alternative approaches for service delivery. Eliminate programs that are determined to be inefficient or ineffective. Use of performance management and performance measurement techniques is encouraged.
 - Purchasing: Every effort should be made to maximize discounts offered by vendors. Competitive bidding should be used to receive the most advantageous prices on goods 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.

BUDGET SUMMARY

- **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 Economic Development Corporation and Crime Control and Prevention District Fund should maintain positive fund balances and each respective Board should approve the amount to be retained each year.
- **Use of Fund Balance/Retained Earnings:** Fund Balance/Retained Earnings should be used only for emergencies, major capital purchases, or non-recurring expenditures that cannot be provided by savings in the current year. Should the use reduce the balance below the appropriate level, recommendations will be made by management on how to restore the balance to its designated level.
- **Capital Expenditures and Improvements:** Review and monitor the condition of capital equipment and infrastructure, establish priorities for replacement and repair based on needs and availability of resources.
 - **Capital Improvement Program (CIP):** An annual review of the need for capital improvements and equipment should be conducted. This review should evaluate the status of infrastructure, its replacement and repair, and any potential new projects. Prioritize all projects, both on-going and proposed, based on an analysis of current needs and resource availability. All operations, maintenance, and replacement costs should be listed for every capital project.
 - **Scheduled Replacement of Capital Assets:** An annual schedule shall be prepared for the replacement of non-infrastructure capital assets. As resources are available, these assets shall be replaced according to the schedule.
 - **Capital Expenditure Financing:** There are three methods of financing capital requirements:
 - Current revenues.
 - Fund balance/retained earnings, as allowed.
 - Debt.

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

BUDGET SUMMARY

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 SUMMARY

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 \$0.570200/\$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 SUMMARY

FINANCIAL PLAN

PURPOSE OF FINANCIAL PLAN

The main purpose of a financial plan is to guide the City in financing cost effective services, programs and capital needs, while focusing on a stabilized tax levy and appropriate levels for fees and service charges as prescribed by approved financial objectives. The annual audit, internal audits, and review of Monthly Financial Reports assure the compliance of financial objectives.

Basis of Accounting and Budgeting

Basis of Accounting

The city's accounting records for general governmental operations are maintained on a modified accrual basis according to Generally Accepted Accounting Principles (GAAP). 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.

Proprietary funds use the accrual basis of accounting. Under this method, revenues are recorded when earned (for example, water & sewer and 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).

Basis of Budgeting

Basis of budgeting refers to the methodology used to include revenues and expenditures in the budget. The City of Watauga budgets on a cash basis. The City does not budget for non-cash items such as depreciation. The revenues and expenditures are assumed to be collected or spent during the period appropriated. Using this assumption, the current year revenues are compared to expenditures to ensure that each fund has sufficient revenues to cover a revenue shortfall. The City's operating budget is adopted on an annual basis (the fiscal year begins with the first day in October and ends on the last day of September), with all appropriations lapsing at fiscal year-end. Capital project funds and grant funds have multi-year budgets. Outstanding encumbrances at fiscal year-end are re-appropriated by Council ordinance and carry-over to the following fiscal year.

BUDGET SUMMARY

Basis of Budgeting vs. Basis of Accounting

The basis of budgeting differs from the basis of accounting only by the assumptions that are made in regard to the timing of recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when they become both measurable and available when incurred. Cash is not necessarily received and expended at the same time.

Each year the City of Watauga completes its annual audit and presents the Annual Comprehensive Financial Report (ACFR). The Annual Comprehensive Financial Report (ACFR) shows the status of the City's finances on the basis of "generally accepted accounting principles" (GAAP). We develop our budget to follow this basis of accounting to provide greater efficiency during our annual audit.

Basis of Presentation– Fund Accounting

For financial reporting purposes, all City accounts are organized based on funds, or account groups, 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. Using these accounts, the revenues and expenditures are budgeted and approved before the beginning of each fiscal year by an ordinance passed by the City Council.

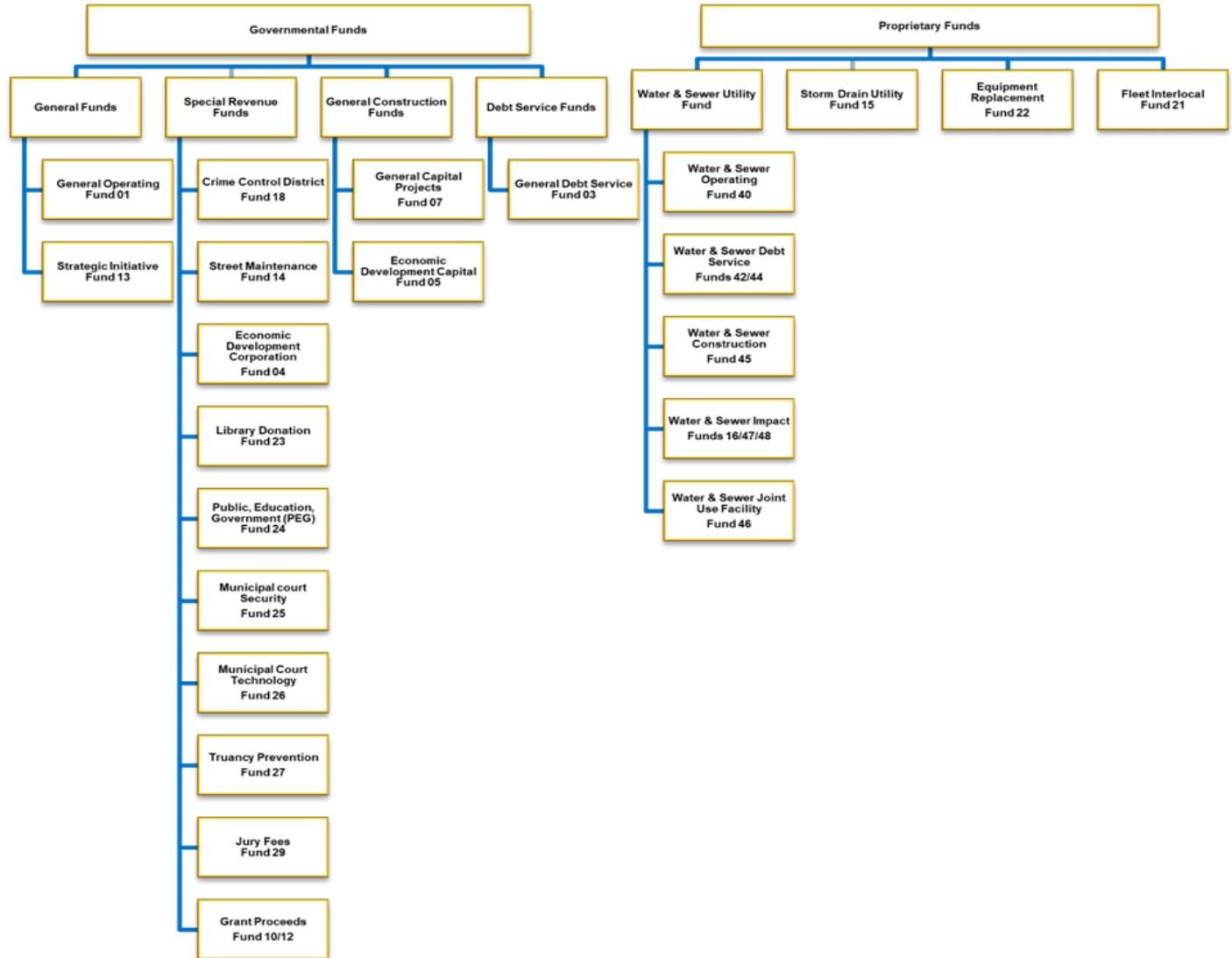
Understanding the fund structure is an important part of understanding the City's finances. The City funds can be divided into two categories: governmental funds and proprietary funds. The City's major funds are the General Fund and the Water and Sewer Fund.

The various funds are primarily grouped into two types, governmental fund and proprietary fund types. Governmental funds finance most of the City's functions and include, but are not limited to, the General Fund, Debt Service Fund, Special Revenue Fund, and Capital Projects Funds. Proprietary funds are used to account for the City's organizations and activities which are like those often found in the private sector.

The Financial Structure of the City is shown on the following page and is followed with a description of each fund.

BUDGET SUMMARY

FINANCIAL OPERATING STRUCTURE



Governmental Fund Types

These funds are used to account for the majority of the City’s activities. Governmental funds finance most of the City’s functions and include the General Fund, the Debt Service Fund, Special Revenue Funds, and Capital Projects Funds. The following are the City’s governmental funds:

BUDGET SUMMARY

General Fund

The General Fund is the primary operating fund of the City and is used to track the revenues and expenditures associated with the basic City services that are not required to be accounted for in other funds. These services include police, public works, parks, and recreation, library, and administrative support services. 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 FY2018-2019 the corporation's name was changed to Economic Development Corporation and the focus was redirected to economic development.

In May 2012, voters approved a reallocation of ¼ cent sales tax from the Parks Development Corporation to the Street Maintenance Fund to provide for the maintenance of existing city streets. The reallocation was effective October 1, 2012, and reauthorized by voters in May 2016. In November 2020 voters chose not to reallocate the tax and as a result the street maintenance dedicated sales tax was abolished effective January 1, 2021.

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 and again in November 2020.

Other special revenue funds include the court funds, library donation fund, and the PEG fund.

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 and through cash transfers from the General Fund. The 5-year Capital

BUDGET SUMMARY

Improvement Plan lists approved and anticipated capital projects of the City and is located in the Capital Improvement section of this budget document.

Debt Service Fund

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

Proprietary Fund Type

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The Water and sewer fund is the City's main proprietary fund. 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.

Balanced Budget

It is the policy of the City to prepare a balanced budget. A balanced budget is one where 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.

BUDGET SUMMARY

The following table shows the City's Departments and the funds used to support that department's operations.

| CITY OF WATAUGA FUND/DEPARTMENT RELATIONSHIP | | | | | | | | | | | | | | | | |
|--|---------|-----------|-----------------|----------------------|--------------|---------|-------------------|-------------|-------------|-------------|-------------|------------------|--|--------------------------|----------------------|--------------------------------|
| FUNDS | | | | | | | | | | | | | | | | |
| DEPARTMENT/FUNCTION | GENERAL | | SPECIAL REVENUE | | | | | | | PROPRIETARY | | | | CAPITAL | | |
| | GENERAL | STRATEGIC | CRIME CONTROL | ECONOMIC DEVELOPMENT | STREET MAINT | PEG FEE | LIBRARY DONATIONS | GRANT FUNDS | COURT FUNDS | UTILITY | STORM DRAIN | FLEET INTERLOCAL | INTERNAL SERVICE (EQUIPMENT REPLACEMENT) | GENERAL CAPITAL PROJECTS | UTILITY CONSTR. FUND | ECONOMIC DEV. CAPITAL PROJECTS |
| CITY MANAGER | X | | | | | | | | | | | | | | | |
| CITY SECRETARY | X | | | | | | | | | | | | | | | |
| NON-DEPARTMENTAL | X | | | | | | | | X | | | | | | | |
| HUMAN RESOURCES | X | | | | | | | X | | | | | | | | |
| DEVELOPMENT SERVICES | X | X | | | | | | | | | | | | | | |
| ECONOMIC DEVELOPMENT | X | X | | X | | | | | | | | | | | | X |
| FINANCE | X | | | | | | | X | X | | | | | | | |
| FINANCE COURTS | X | | | | | | | | X | | | | | | | |
| INFORMATION TECHNOLOGY | X | | | | | X | | X | | X | | X | | | | |
| LIBRARY | X | | | | | | X | | | | | | | | | |
| PARKS/RECREATION | X | | | | | | | | | | | | | | | |
| POLICE DEPARTMENT | X | | X | | | | | X | | | | | | | | |
| ANIMAL CONTROL (POLICE) | X | | | | | | | | | | | | | | | |
| FIRE/EMS DEPARTMENT | X | | | | | | | X | | | | | | | | |
| PUBLIC WORKS | X | | | | X | | | X | | X | X | | X | X | | |
| FLEET | X | | | | | | | | | | | X | X | | | |
| FACILITIES | X | | | | | | | | | | | | X | | | |
| UTILITY BILLING/FINANCE | | | | | | | | | | X | | | | | | |
| WATER | | | | | | | | | | X | | | | | | X |
| WASTEWATER | | | | | | | | | | X | | | | | | X |
| DEBT SERVICE | X | | | | | | | | | X | | | | | | |

LEGEND:

- GENERAL FUND
- SPECIAL REVENUE FUNDS
- PROPRIETARY FUNDS
- CAPITAL FUNDS

REVENUES AND EXPENDITURES SUMMARY

ALL FUNDS

| All Funds - Revenues | Combined Total All Funds |
|--------------------------------------|-----------------------------|
| Estimated Beginning Resources | \$36,388,330 |
| <u>Estimated Revenues</u> | |
| Taxes / Assessments | 11,365,500 |
| Sales Tax | 8,011,000 |
| Licenses and Permits | 762,700 |
| Franchise Fees | 917,500 |
| Intergovt Revenue | 503,000 |
| Charges for Service | 12,185,660 |
| Fines & Forfeitures | 606,800 |
| Interest on Investments | 1,950,700 |
| Grant Revenue | 7,200,000 |
| Miscellaneous | 9,866,200 |
| Operating Transfer In | 3,280,000 |
| Revenues | 56,649,060 |
| Resources | 93,037,390 |

Total Revenues include ARPA Grant Funds and Tarrant

County Grant funds for Street Projects.

| All Funds - Expenditures | Combined Total All Funds |
|--------------------------------------|-----------------------------|
| <u>Estimated Expenditures</u> | |
| City Manager | 314,230 |
| City Secretary/Admin | 433,450 |
| City Attorney | 105,000 |
| Public Works Bldg. Maint. | 1,069,900 |
| Human Resources | 248,030 |
| Public Works - Dev. Svcs. | 291,860 |
| Economic Development | 77,250 |
| Strategic Initiative Projects | - |
| Finance | 603,210 |
| Municipal Court | 546,960 |
| Library | 1,185,200 |
| Rec & Comm Svc | 700,520 |
| Parks | 947,785 |
| Police | 7,080,300 |
| Fire / EMS | 4,096,490 |
| Public Works | 1,665,200 |
| Public Works - Fleet | 457,150 |
| Non-Departmental | 1,849,391 |
| Information Technology | 810,230 |
| Billing & Collection | 615,410 |
| Water Operations | 2,865,830 |
| Wastewater Operations | 3,284,614 |
| Grant Expenditures | 700,000 |
| CARES/CLFRF Grant xfer | - |
| Operating Transfer Out | 3,280,000 |
| Sub Total Operating | 33,228,010 |
| Capital Projects/Equip | 27,642,150 |
| Debt Service | |
| Principal Payments | 4,420,500 |
| Interest Payments | 1,586,931 |
| Fiscal Agent Fees | 3,000 |
| Sub Total Debt Service | 6,010,431 |
| Total Expenditures | 66,870,591 |

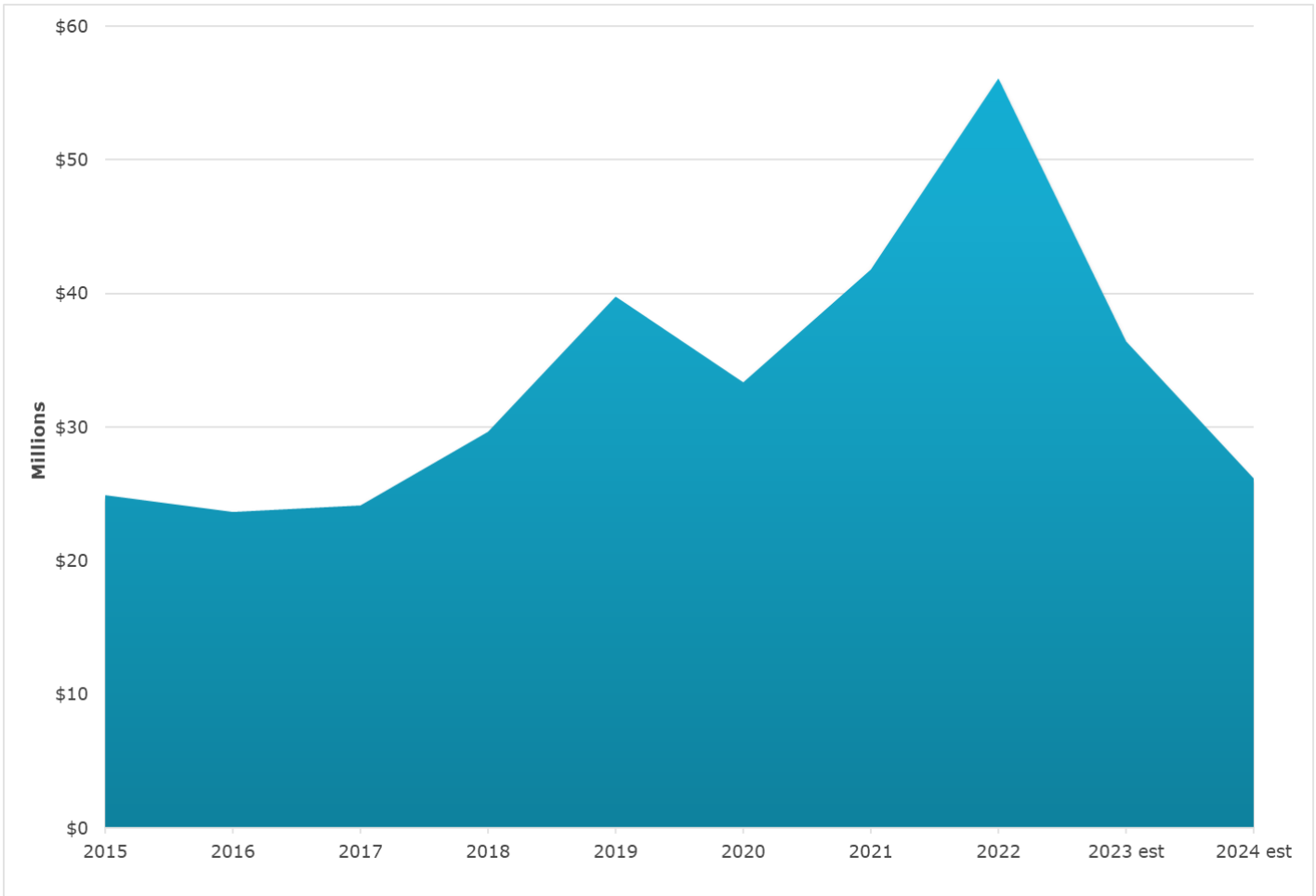
**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ALL CITY FUNDS FOR FISCAL YEAR 2023-2024**

| All Funds - | General Fund | Strategic Initiative Fund 13 | W/S Utility Fund 40 | EDC Sales Tax Fund 04 | Crime Control District Sales Tax Fund 18 | Storm Drain Utility Fund 15 | Street Maintenance Fund 14 | Capital Projects Fund 07 | W/S Constr Fund 45 | Internal Service Fund 22 |
|--------------------------------------|---------------------|-------------------------------------|----------------------------|------------------------------|---|------------------------------------|-----------------------------------|---------------------------------|---------------------------|---------------------------------|
| Estimated Beginning Resources | \$8,430,927 | \$35,735 | \$2,804,570 | \$2,260,280 | \$1,367,852 | \$4,319,700 | \$63,016 | \$8,342,306 | \$3,982,133 | \$2,050,649 |
| Estimated Revenues | | | | | | | | | | |
| Taxes / Assessments | 7,194,500 | | | | | | | | | |
| Sales Tax | 5,038,000 | | | 996,000 | 1,977,000 | | - | | | |
| Licenses and Permits | 762,700 | | | | | | | | | |
| Franchise Fees | 889,500 | | | | | | | | | |
| Intergovt Revenue | 503,000 | | | | - | | | | | - |
| Charges for Service | 1,203,000 | | 9,300,000 | | | 1,485,000 | | | | 87,660 |
| Fines & Forfeitures | 559,500 | | | | | | | | | |
| Interest on Investments | 350,000 | - | 110,000 | 55,000 | 60,000 | 160,000 | - | 600,000 | 500,000 | 65,000 |
| Grant Revenue | | | | | | | | 3,200,000 | | |
| Miscellaneous | 389,700 | | 451,000 | 3,500 | 66,000 | | - | 8,950,000 | - | |
| Operating Transfer In | 861,000 | - | 10,000 | - | - | | - | 235,000 | - | 165,000 |
| Revenues | 17,750,900 | - | 9,871,000 | 1,054,500 | 2,103,000 | 1,645,000 | - | 12,985,000 | 500,000 | 317,660 |
| Total Available Resources | 26,181,827 | 35,735 | 12,675,570 | 3,314,780 | 3,470,852 | 5,964,700 | 63,016 | 21,327,306 | 4,482,133 | 2,368,309 |
| Estimated Expenditures | | | | | | | | | | |
| City Manager | 314,230 | | - | | | | | | | |
| City Secretary/Admin | 248,250 | | 185,200 | | | | | | | |
| City Attorney | 95,000 | | | 10,000 | | | | | | |
| Public Works Bldg. Maint. | 1,069,900 | | | | | | - | - | | - |
| Human Resources | 248,030 | | | | | | | | | |
| Public Works - Dev. Svcs. | 291,860 | | | | | | | | | |
| Economic Development | - | | | 77,250 | | | | | | |
| Strategic Initiative Projects | | - | | | | | | | | |
| Finance | 603,210 | | | | | | | | | |
| Municipal Court | 456,110 | | | | | | | | | |
| Library | 1,175,200 | | | | | | | | | |
| Rec & Comm Svc | 700,520 | | | | | | | | | - |
| Parks | 947,785 | | | - | | | | | | - |
| Police | 5,073,500 | | | | 2,006,800 | | - | - | | - |
| Fire / EMS | 4,096,490 | | | | | | - | - | | - |
| Public Works | 719,780 | | | | | 825,420 | - | 120,000 | | - |
| Public Works - Fleet | 361,650 | | | | | | - | - | | - |
| Non-Departmental | 879,415 | | 794,980 | - | | 111,980 | 63,016 | | - | - |
| Information Technology | 683,240 | | 126,990 | | | | - | - | | - |
| Billing & Collection | | | 615,410 | | | | | | | - |
| Water Operations | | | 2,865,830 | | | | | | | |
| Wastewater Operations | | | 3,284,614 | | | | | | | |
| Grant Expenditures | | | | | | | | | | |
| CARES/CLFRF Grant xfer | | | | | | | | | | |
| Operating Transfer Out | 235,000 | 30,000 | 2,345,000 | 428,000 | 38,000 | 194,000 | - | - | - | - |
| Sub Total Operating | 18,199,170 | 30,000 | 10,218,024 | 515,250 | 2,044,800 | 1,131,400 | 63,016 | 120,000 | - | - |
| Capital Projects/Equip | | | | | 212,100 | 1,331,300 | - | 17,725,450 | 3,998,100 | 1,011,200 |
| Debt Service | | | | | | | | | | |
| Principal Payments | | | | | | | | 60,500 | | |
| Interest Payments | | | | | | | | | | |
| Fiscal Agent Fees | | | | | | | | | | |
| Sub Total Debt Service | - | - | - | - | - | - | - | 60,500 | - | - |
| Total Expenditures | 18,199,170 | 30,000 | 10,218,024 | 515,250 | 2,256,900 | 2,462,700 | 63,016 | 17,905,950 | 3,998,100 | 1,011,200 |
| Change in Fund Balance | (448,270) | (30,000) | (347,024) | 539,250 | (153,900) | (817,700) | (63,016) | (4,920,950) | (3,498,100) | (693,540) |
| Est. Ending Resources | 7,982,657 | 5,735 | \$2,457,546 | \$2,799,530 | \$1,213,952 | \$3,502,000 | \$0 | \$3,421,356 | \$484,033 | \$1,357,109 |
| % operating expenditures | 44% | | 24% | | | | | | | |
| \$ Requirement | \$4,549,793 | \$0 | \$2,554,506 | \$100,150 | \$408,960 | \$226,280 | \$0 | \$0 | \$0 | \$0 |
| %Policy Requirement | 25.00% | 0.00% | 25.00% | 20.00% | 20.00% | 20.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| OVER/UNDER REQUIRE | \$3,432,865 | 5,735 | (\$96,960) | \$2,699,380 | \$804,992 | \$3,275,720 | \$0 | \$3,421,356 | \$484,033 | \$1,357,109 |
| FUND BALANCE CHANGE % | -5.3% | -84.0% | -12.4% | 23.9% | -11.3% | -18.9% | -100.0% | -59.0% | -87.8% | -33.8% |

**COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ALL CITY FUNDS FOR FISCAL YEAR 2023-2024**

| All Funds - | W/S Joint Use Facility Fund 46 | EDC Capital Projects 05 | Fleet ILA Fund 21 | Library Donation PEG Fee Fund 23 | PEG Fee Fund 24 | Municipal Court Funds 25/26/27/29 | Traffic Safety Fund 28 | Grant Funds 10, 12 | GO Debt Service Fund 03 | W/S Sewer Debt Service 42/44 | Combined Total All Funds |
|--------------------------------------|--------------------------------|-------------------------|-------------------|----------------------------------|------------------|-----------------------------------|------------------------|--------------------|-------------------------|------------------------------|--------------------------|
| Estimated Beginning Resources | \$1,305,993 | \$21,146 | \$57,971 | \$66,126 | \$106,220 | \$248,174 | \$34,293 | \$7,920 | \$827,043 | \$49,396 | \$36,388,330 |
| Estimated Revenues | | | | | | | | | | | |
| Taxes / Assessments | | | | | | | | | 4,171,000 | | 11,365,500 |
| Sales Tax | | | | | | | | | | | 8,011,000 |
| Licenses and Permits | | | | | | | | | | | 762,700 |
| Franchise Fees | | | | | 28,000 | | | | | | 917,500 |
| Intergovt Revenue | | | | | | | | | | | 503,000 |
| Charges for Service | | | 110,000 | | | | | | | | 12,185,660 |
| Fines & Forfeitures | | | | | | 47,300 | - | | | | 606,800 |
| Interest on Investments | - | 100 | - | 100 | 3,000 | 7,500 | - | - | 40,000 | - | 1,950,700 |
| Grant Revenue | | | | | | | | 4,000,000 | | | 7,200,000 |
| Miscellaneous | | | | 6,000 | | | - | | | | 9,866,200 |
| Operating Transfer In | 60,000 | - | - | | | | | | 149,000 | 1,800,000 | 3,280,000 |
| Revenues | 60,000 | 100 | 110,000 | 6,100 | 31,000 | 54,800 | - | 4,000,000 | 4,360,000 | 1,800,000 | 56,649,060 |
| Total Available Resources | 1,365,993 | 21,246 | 167,971 | 72,226 | 137,220 | 302,974 | 34,293 | 4,007,920 | 5,187,043 | 1,849,396 | 93,037,390 |
| Estimated Expenditures | | | | | | | | | | | |
| City Manager | | | | | | | | | | | 314,230 |
| City Secretary/Admin | | | | | | | | | | | 433,450 |
| City Attorney | | | | | | | | | | | 105,000 |
| Public Works Bldg. Maint. | | | | | | | | | | | 1,069,900 |
| Human Resources | | | | | | | | | | | 248,030 |
| Public Works - Dev. Svcs. | | | | | | | | | | | 291,860 |
| Economic Development | | | | | | | | | | | 77,250 |
| Strategic Initiative Projects | | | | | | | | | | | - |
| Finance | | | | | | | | | | | 603,210 |
| Municipal Court | | | | | | 90,850 | | | | | 546,960 |
| Library | | | | 10,000 | | | | | | | 1,185,200 |
| Rec & Comm Svc | | | | | | | | | | | 700,520 |
| Parks | | | | | | | | | | | 947,785 |
| Police | | | | | | | | | | | 7,080,300 |
| Fire / EMS | | | | | | | | | | | 4,096,490 |
| Public Works | | | | | | | | | | | 1,665,200 |
| Public Works - Fleet | | | 95,500 | | | | | | | | 457,150 |
| Non-Departmental | | | | | | | | | | | 1,849,391 |
| Information Technology | | | | | | | | | | | 810,230 |
| Billing & Collection | | | | | | | | | | | 615,410 |
| Water Operations | | | | | | | | | | | 2,865,830 |
| Wastewater Operations | | | | | | | | | | | 3,284,614 |
| Grant Expenditures | | | | | | | | 700,000 | | | 700,000 |
| CARES/CLFRF Grant xfer | | | | | | | | | | | - |
| Operating Transfer Out | 10,000 | | | | | | | | | | 3,280,000 |
| Sub Total Operating | 10,000 | - | 95,500 | 10,000 | 10,000 | 90,850 | - | 700,000 | - | - | 33,228,010 |
| Capital Projects/Equip | 10,000 | 10,000 | - | - | 10,000 | - | 34,000 | 3,300,000 | - | - | 27,642,150 |
| Debt Service | | | | | | | | | | | |
| Principal Payments | | | | | | | | | 3,040,000 | 1,320,000 | 4,420,500 |
| Interest Payments | | | | | | | | | 1,108,768 | 478,163 | 1,586,931 |
| Fiscal Agent Fees | | | | | | | | | 2,000 | 1,000 | 3,000 |
| Sub Total Debt Service | - | - | - | - | - | - | - | - | 4,150,768 | 1,799,163 | 6,010,431 |
| Total Expenditures | 10,000 | 10,000 | 95,500 | 10,000 | 10,000 | 90,850 | 34,000 | 4,000,000 | 4,150,768 | 1,799,163 | 66,870,591 |
| Change in Fund Balance | 50,000 | (9,900) | 14,500 | (3,900) | 21,000 | (36,050) | (34,000) | - | 209,232 | 837 | (10,221,531) |
| Est. Ending Resources | \$1,355,993 | \$11,246 | \$72,471 | \$62,226 | \$127,220 | \$212,124 | \$293 | \$7,920 | \$1,036,275 | \$ 50,233 | \$26,166,799 |
| % operating expenditures | | | | | | | | | | | |
| \$ Requirement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$7,920 | \$264,000 | \$0 | \$8,103,689 |
| %Policy Requirement | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| OVER/UNDER REQUIRE | \$1,355,993 | \$11,246 | \$72,471 | \$62,226 | \$127,220 | \$212,124 | \$293 | \$7,920 | \$772,275 | \$ 50,233 | \$18,063,111 |
| FUND BALANCE CHANGE % | 3.8% | -46.8% | 25.0% | -5.9% | 19.8% | -14.5% | -99.1% | 0.0% | 25.3% | 1.7% | -28.1% |

AVAILABLE RESOURCES AT FISCAL YEAR END



Total estimated resources at the end of FY2023-2024 are expected to be \$26.1 million if all capital projects are completed. Of this amount, \$8.1 million is required fund balance per the City's financial fund balance policies. The drawdown of fund balance planned for this year totals \$10.2 million and will be used for various capital projects and equipment replacement needs. More information on these projects can be found in the Capital Projects Fund tab in this budget document.

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 \$10,221,531. The largest decreases are due to planned capital project spending in the General Capital Project Fund and Water/Sewer Utility Project Fund.

| Fund | Beginning Fund Balance | Ending Fund Balance | Difference | Comments |
|---|------------------------|---------------------|---------------|--|
| General Fund | \$8,430,927 | \$7,982,657 | (\$448,270) | Drawdown is primarily for one-time equipment and transfer to Capital Projects fund. Projected ending fund balance exceeds financial policy minimum target of 25%. |
| Strategic Initiative Fund | \$35,735 | \$5,735 | (\$30,000) | This fund is primarily for high-impact projects identified by Council. Drawdown is for revitalization efforts in the City. This fund is combined with General Fund for reporting purposes in the Annual Report and will be closed out in FY2025. |
| W/S Utility Fund | \$2,804,570 | 2,457,546 | (\$347,024) | Drawdown due to one-time equipment. Ending fund balance is at financial policy minimum target. |
| Economic Development Corp. Sales Tax (formerly Parks Development) | \$2,260,280 | \$2,799,530 | \$539,250 | Increase due to shift of focus to Economic Development. Fund balance to be used for future projects. Ending fund balance exceeds financial policy minimum target. |
| Crime Control District | \$1,367,852 | \$1,213,952 | (\$153,900) | Decrease due to vehicle one time purchases (capital outlay). Ending fund balance complies with financial policy. |
| Storm Drain Utility Fund | \$4,319,700 | \$3,502,000 | (\$817,700) | Drawdown is due to Capital Projects paid from storm drain fees that were identified in 5-year CIP. Ending fund balance exceeds financial policy minimum target. |
| General Capital Projects Fund | \$8,342,306 | \$3,421,356 | (\$4,920,950) | Continuation of major capital projects, which include major street project, parks projects, and trails throughout the City. |
| W/S Constr. Fund | \$3,982,133 | \$484,033 | (\$3,498,100) | Water/sewer projects are planned this fiscal year to continue as identified in 5-year CIP. |
| Internal Service (Equipment Repl. Fund) | \$2,050,649 | \$1,357,109 | (\$693,540) | Decrease in fund balance due to purchases using legacy funds this fiscal year for equipment. |
| EDC Capital Projects | \$21,146 | \$11,246 | (\$9,900) | Economic Development project fund use of fund balance for contingency projects. |
| Fleet ILA | \$57,971 | \$72,471 | \$14,500 | No minimum target fund balance policy. Services to surrounding cities are anticipated to increase this fiscal year, resulting in additional revenues. |
| Library Donation Fund | \$66,126 | \$62,226 | (\$3,900) | No minimum target fund balance policy. |
| Street Maintenance Fund | \$63,106 | \$ 0 | (\$63,106) | Street Maintenance tax discontinued in 2021. Fund balance is being used for continued street maintenance projects until fund is depleted. |

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

| | GENERAL FUND (&Strategic) | | | UTILITY FUNDS(W&WW)(JUF) | | | STORM DRAIN UTILITY FUND | | | CAPITAL PROJECTS FUNDS | | |
|--------------------------------------|---------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|------------------------|---------------------|---------------------|
| | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET |
| Estimated Beginning Resources | \$7,012,568 | 8,341,951 | 8,466,662 | \$3,954,724 | \$4,333,964 | \$4,114,521 | \$3,321,060 | \$4,035,700 | \$4,319,700 | \$20,994,942 | \$24,053,824 | \$12,345,585 |
| Estimated Revenues | | | | | | | | | | | | |
| Taxes / Assessments | 6,446,896 | 6,652,500 | 7,194,500 | | | | | | | | | |
| Sales Tax | 4,705,981 | 4,940,400 | 5,038,000 | | | | | | | | | |
| Licenses and Permits | 741,399 | 713,800 | 762,700 | | | | | | | | | |
| Franchise Fees | 791,372 | 891,500 | 889,500 | | | | | | | | | |
| Intergovt Revenue | 502,600 | 503,000 | 503,000 | | | | | | | | | |
| Charges for Service | 1,024,127 | 1,067,000 | 1,203,000 | 9,307,277 | 9,050,000 | 9,300,000 | 1,479,826 | 1,485,000 | 1,485,000 | | | |
| Fines & Forfeitures | 638,906 | 469,400 | 559,500 | - | - | | | | | | | |
| Interest on Investments | 55,418 | 300,000 | 350,000 | 35,234 | 117,000 | 110,000 | 29,222 | 140,000 | 160,000 | 163,463 | 1,200,800 | 1,100,100 |
| Grant Revenue | - | - | - | - | - | - | 27,400 | | | - | 800,000 | 3,200,000 |
| Miscellaneous | 381,082 | 470,600 | 389,700 | 452,361 | 452,000 | 451,000 | - | | | 5,057,504 | - | 8,950,000 |
| Operating Transfer In | 779,300 | 818,000 | 861,000 | 34,760 | 60,000 | 70,000 | | | | 1,460,000 | 625,000 | 235,000 |
| Total Current Year Revenues | 16,067,081 | 16,826,200 | 17,750,900 | 9,829,632 | 9,679,000 | 9,931,000 | 1,536,448 | 1,625,000 | 1,645,000 | 6,680,967 | 2,625,800 | 13,485,100 |
| Total Available Resources | 23,079,649 | 25,168,151 | 26,217,562 | 13,784,356 | 14,012,964 | 14,045,521 | 4,857,508 | 5,660,700 | 5,964,700 | 27,675,909 | 26,679,624 | 25,830,685 |
| Estimated Expenditures | | | | | | | | | | | | |
| Administration (CM,CS,CA) | 419,463 | 570,530 | 657,480 | 144,958 | 170,000 | 185,200 | | | | | | |
| Building | 801,409 | 999,300 | 1,069,900 | | | | | | | | | |
| Human Resources | 203,559 | 215,630 | 248,030 | | | | | | | | | |
| Development Services | 168,679 | 225,170 | 291,860 | | | | | | | | | |
| Economic Dev./Strategic Inn. | - | 30,000 | - | | | | | | | | | |
| Finance/Municipal Court | 907,999 | 992,155 | 1,059,320 | | | | | | | | | |
| Library | 865,205 | 1,039,200 | 1,175,200 | | | | | | | | | |
| Rec & Comm Svc | 287,369 | 407,610 | 700,520 | | | | | | | | | |
| Parks | 579,228 | 662,130 | 947,785 | | | | | | | | | |
| Police | 4,417,806 | 4,534,200 | 5,073,500 | | | | | | | | | |
| Fire / EMS | 3,196,643 | 3,741,320 | 4,096,490 | | | | | | | | | |
| Public Works | 429,590 | 656,180 | 719,780 | | | | 435,378 | 617,600 | 825,420 | 25,000 | 40,000 | 120,000 |
| Fleet Services | 203,258 | 291,950 | 361,650 | | | | - | | | | | |
| Non-Departmental | 646,611 | 742,375 | 879,415 | 762,761 | 760,580 | 794,980 | 113,480 | 198,500 | 111,980 | 122,639 | - | - |
| Information Technology | 495,879 | 608,739 | 683,240 | 92,524 | 111,790 | 126,990 | - | | | | | |
| Billing & Collection | - | - | - | 534,874 | 577,360 | 615,410 | - | | | | | |
| Water Operations | - | - | - | 2,639,706 | 2,747,220 | 2,865,830 | - | | | | | |
| Wastewater Operations | - | - | - | 2,786,489 | 3,099,814 | 3,284,614 | - | | | | | |
| Grant Expenditures | - | - | - | - | - | - | | | | | | |
| Operating Transfer/Grant | 1,115,000 | 985,000 | 265,000 | 2,304,759 | 2,416,000 | 2,355,000 | 73,500 | 73,500 | 194,000 | | | |
| Sub Total Operating | 14,737,698 | 16,701,489 | 18,229,170 | 9,266,071 | 9,882,764 | 10,228,024 | 622,358 | 889,600 | 1,131,400 | 147,639 | 40,000 | 120,000 |
| Capital Projects/Equip | - | - | - | | | | 158,399 | 451,400 | 1,331,300 | 3,506,001 | 14,227,039 | 21,733,550 |
| Debt Service | - | - | - | | | | | | | | | |
| Principal Payments | - | - | - | | | | | | | 63,068 | 67,000 | 60,500 |
| Interest Payments | - | - | - | | | | | | | | | |
| Fiscal Agent Fees | - | - | - | | | | | | | | | |
| Sub Total Debt Service | - | - | - | - | - | - | - | - | - | 63,068 | 67,000 | 60,500 |
| Total Expenditures | 14,737,698 | 16,701,489 | 18,229,170 | 9,266,071 | 9,882,764 | 10,228,024 | 780,757 | 1,341,000 | 2,462,700 | 3,716,708 | 14,334,039 | 21,914,050 |
| Change in Fund Balance | 1,329,383 | 124,711 | (478,270) | 563,561 | (203,764) | (297,024) | 755,691 | 284,000 | (817,700) | 2,964,259 | (11,708,239) | (8,428,950) |
| Est. Ending Resources | 8,341,951 | \$8,466,662 | \$7,988,392 | \$4,518,285 | \$4,130,200 | \$3,817,497 | \$4,076,751 | \$4,319,700 | \$3,502,000 | \$23,959,201 | \$12,345,585 | \$3,916,635 |

Non-major funds include Economic Development Corporation Sales tax Fund, Crime Control District Sales Tax Fund, Library Donation Fund, Street Maintenance Fund, Municipal Court Funds, Traffic Safety Fund and Grant Funds.

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

| | DEBT SERVICE FUNDS | | | INTERNAL SERVICE FUND | | | NON MAJOR GOVT FUNDS | | | ALL CITY FUNDS TOTAL | | |
|--------------------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|----------------------|---------------------|---------------------|
| | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET | FY2022 ACTUAL | FY2023 ESTIMATE | FY2024 BUDGET |
| Estimated Beginning Resources | \$785,608 | \$914,399 | \$879,239 | \$1,741,325 | \$1,497,989 | \$2,050,649 | \$4,585,272 | \$4,204,409 | \$4,211,974 | \$42,395,499 | \$47,382,236 | 36,388,330 |
| Estimated Revenues | | | | | | | | | | | | |
| Taxes / Assessments | 3,012,232 | 3,473,000 | 4,171,000 | | | | | | | 9,459,128 | 10,125,500 | 11,365,500 |
| Sales Tax | | | | | | | 2,775,771 | 2,914,000 | 2,973,000 | 7,481,752 | 7,854,400 | 8,011,000 |
| Licenses and Permits | | | | | | | - | - | - | 741,399 | 713,800 | 762,700 |
| Franchise Fees | | | | | | | 28,977 | 27,000 | 28,000 | 820,349 | 918,500 | 917,500 |
| Intergovt Revenue | - | | | - | - | | - | - | - | 502,600 | 503,000 | 503,000 |
| Charges for Service | | | | 87,721 | 87,660 | 87,660 | 90,503 | 100,000 | 110,000 | 11,989,454 | 11,789,660 | 12,185,660 |
| Fines & Forfeitures | | | | | | | 52,003 | 45,300 | 47,300 | 690,909 | 514,700 | 606,800 |
| Interest on Investments | 5,113 | 35,000 | 40,000 | 10,168 | 55,000 | 65,000 | 32,735 | 111,700 | 125,600 | 331,353 | 1,959,500 | 1,950,700 |
| Grant Revenue | | | | | | | 861,768 | 2,250,403 | 4,000,000 | 889,168 | 3,050,403 | 7,200,000 |
| Miscellaneous | | | | | | | 104,199 | 93,000 | 75,500 | 5,995,146 | 1,015,600 | 9,866,200 |
| Operating Transfer In | 1,907,078 | 1,879,200 | 1,949,000 | 109,999 | 550,000 | 165,000 | - | - | - | 4,291,137 | 3,932,200 | 3,280,000 |
| Total Current Year Revenues | 4,924,423 | 5,387,200 | 6,160,000 | 207,888 | 692,660 | 317,660 | 3,945,956 | 5,541,403 | 7,359,400 | 43,192,395 | 42,377,263 | 56,649,060 |
| Total Available Resources | 5,710,031 | 6,301,599 | 7,039,239 | 1,949,213 | 2,190,649 | 2,368,309 | 8,531,228 | 9,745,812 | 11,571,374 | 85,587,894 | 89,759,499 | 93,037,390 |
| Estimated Expenditures | | | | | | | | | | | | |
| City Manager/City Secretary | | | | | | | 10,000 | 10,000 | 10,000 | 574,421 | 750,530 | 852,680 |
| Building | | | | | | | | | | 801,409 | 999,300 | 1,069,900 |
| Human Resources | | | | | | | | | | 203,559 | 215,630 | 248,030 |
| Development Services | | | | | | | | | | 168,679 | 225,170 | 291,860 |
| Economic Dev./Strategic Inn. | | | | | | | 63,670 | 66,265 | 77,250 | 63,670 | 96,265 | 77,250 |
| Finance | | | | | | | 42,292 | 62,650 | 90,850 | 950,291 | 1,054,805 | 1,150,170 |
| Library | | | | | | | - | 4,000 | 10,000 | 865,205 | 1,043,200 | 1,185,200 |
| Rec & Comm Svc | | | | | | | | | | 287,369 | 407,610 | 700,520 |
| Parks | | | | | | | - | - | - | 579,228 | 662,130 | 947,785 |
| Police | | | | | | | 1,605,803 | 1,832,060 | 2,006,800 | 6,023,609 | 6,366,260 | 7,080,300 |
| Fire / EMS | | | | | | | | | | 3,196,643 | 3,741,320 | 4,096,490 |
| Public Works | | | | 160,176 | | | | | | 1,050,144 | 1,313,780 | 1,665,200 |
| Fleet Services | | | | | | | 51,585 | 95,500 | 95,500 | 254,843 | 387,450 | 457,150 |
| Non-Departmental | | | | | | | 6,205 | 10,000 | 63,016 | 1,651,696 | 1,711,455 | 1,849,391 |
| Information Technology | | | | | | | | | | 588,403 | 720,529 | 810,230 |
| Billing & Collection | | | | | | | | | | 534,874 | 577,360 | 615,410 |
| Water Operations | | | | | | | | | | 2,639,706 | 2,747,220 | 2,865,830 |
| Wastewater Operations | | | | | | | | | | 2,786,489 | 3,099,814 | 3,284,614 |
| Grant Expenditures | | | | | | | 861,768 | 1,850,403 | 700,000 | 861,768 | 1,850,403 | 700,000 |
| Operating Transfer Out | | | | | | | 797,878 | 457,700 | 466,000 | 4,291,137 | 3,932,200 | 3,280,000 |
| Sub Total Operating | | | | 160,176 | - | - | 3,429,201 | 4,388,578 | 3,519,416 | 28,363,143 | 31,902,431 | 33,228,010 |
| Capital Projects/Equip | | | | 453,160 | 140,000 | 1,011,200 | 887,621 | 1,145,250 | 3,556,100 | 5,005,181 | 15,963,689 | 27,632,150 |
| Debt Service | | | | | | | | | | | | |
| Principal Payments | 3,670,000 | 4,195,000 | 4,360,000 | | | | | | | 3,733,068 | 4,262,000 | 4,420,500 |
| Interest Payments | 1,122,623 | 1,225,360 | 1,586,931 | | | | | | | 1,122,623 | 1,225,360 | 1,586,931 |
| Fiscal Agent Fees | 3,010 | 2,000 | 3,000 | | | | | | | 3,010 | 2,000 | 3,000 |
| Sub Total Debt Service | 4,795,633 | 5,422,360 | 5,949,931 | | | | | | | 4,858,701 | 5,489,360 | 6,010,431 |
| Total Expenditures | 4,795,633 | 5,422,360 | 5,949,931 | 613,336 | 140,000 | 1,011,200 | 4,316,822 | 5,533,828 | 7,075,516 | 38,227,025 | 53,355,480 | 66,870,591 |
| Change in Fund Balance | 128,790 | (35,160) | 210,069 | (405,448) | 552,660 | (693,540) | (370,866) | 7,575 | 283,884 | 4,965,370 | (10,978,217) | (10,221,531) |
| Est. Ending Resources | \$914,398 | \$879,239 | \$1,089,308 | \$1,335,877 | \$2,050,649 | \$1,357,109 | \$4,214,406 | \$4,211,984 | \$4,495,858 | 47,360,869 | 36,404,019 | 26,166,799 |

BUDGET SUMMARY



Fiscal Year 2023-2024 Financial and Economic Outlook

The financial plan as presented in the 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 7.6 million people. The City of Watauga encompasses 4 square miles of which 96% is developed. The 2023 population estimate from North Central Texas Council of Governments is 23,653.

This section is intended to provide highlights of the City of Watauga's fiscal year budget for the period of October 1, 2023 through September 30, 2024. It describes the fund structure used by the City and summarizes the source and use of City funds and describes recent trends in revenues and expenditures.

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 FY2023-2024, the City's budget provides for continued programs and services and maintains the tax rate of \$0.570200/\$100 valuation. The tax rate will also provide additional funding for capital improvement and equipment needs.

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 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, emergencies and unforeseen events can necessitate a budget amendment.

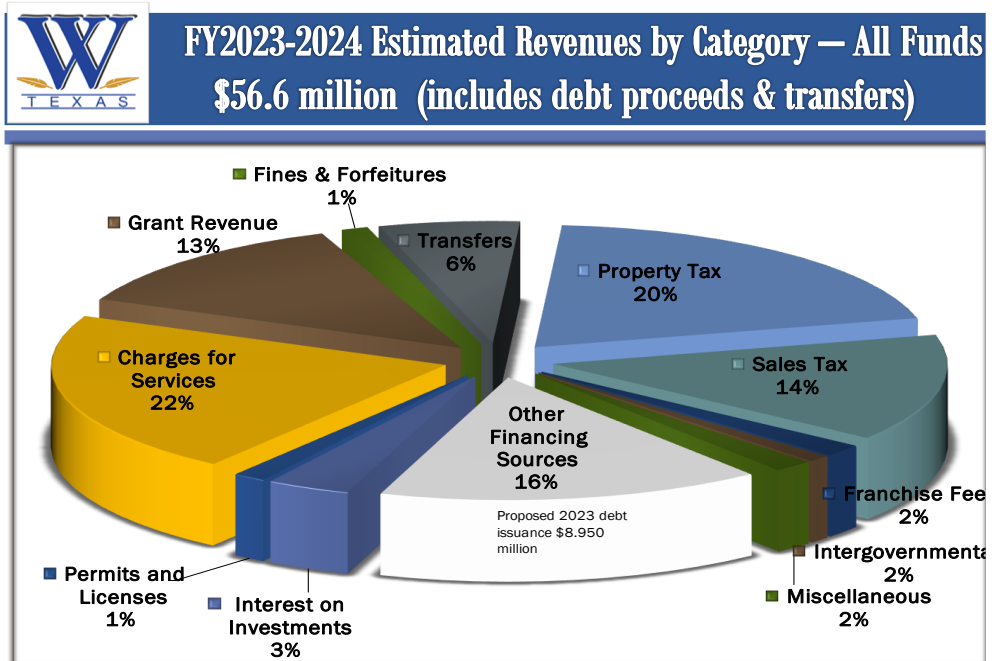
This budget document and financial plan for FY2023-2024 has been developed and constructed in such a way as to balance revenues to expenditures with minimal use of fund balances. Typically, fund balances are used to allow for one-time needs or liabilities that have accrued over long periods of time. When fund balances are used, the remaining

BUDGET SUMMARY

fund balances are well above the minimums approved by Council. These balances throughout the various City’s Funds are used to provide as much economic relief to our citizens as possible, while still providing a financially sound and strong municipal organization.

BUDGET HIGHLIGHTS – ALL FUNDS

Revenues from all funds total \$56.65 million in comparison to last year’s \$44.7 million. These numbers include \$8.950 million in anticipated proceeds from the 2023 Certificates of Obligation debt issuance, and grant funds (American Rescue Act Plan and Tarrant County Street Funding) of \$7.2 million. In FY2023-2024, Property and Sales tax make up 34% of all revenues, followed by charges for services at 22% of all revenues.



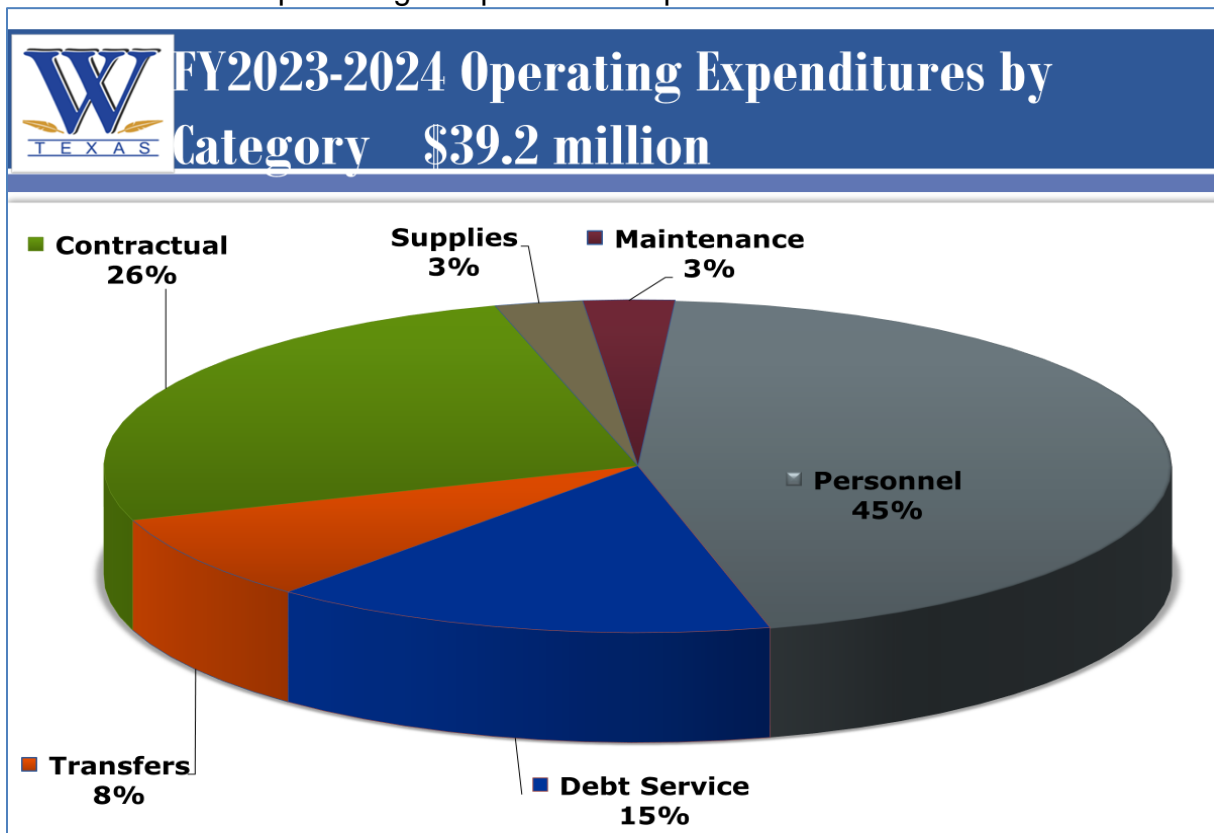
| | ALL CITY FUNDS TOTAL | | | | BUDGET VARIANCE EST FY2023 TO FY2024 |
|---------------------------|----------------------|-------------------|--------------------|-------------------|--|
| | FY2022 ACTUAL | FY2023 BUDGET | FY2023 ESTIMATE | FY2024 BUDGET | |
| Estimated Revenues | | | | | |
| Taxes / Assessments | 9,459,128 | 9,993,720 | 10,125,500 | 11,365,500 | 11% |
| Sales Tax | 7,481,752 | 7,647,000 | 7,854,400 | 8,011,000 | 2% |
| Licenses and Permits | 741,399 | 602,300 | 713,800 | 762,700 | 6% |
| Franchise Fees | 820,349 | 912,500 | 918,500 | 917,500 | 0% |
| Intergovt Revenue | 502,600 | 503,000 | 503,000 | 503,000 | 0% |
| Charges for Service | 11,989,454 | 11,760,160 | 11,789,660 | 12,185,660 | 3% |
| Fines & Forfeitures | 690,909 | 687,900 | 514,700 | 606,800 | 15% |
| Interest on Investments | 331,353 | 326,850 | 1,959,500 | 1,950,700 | 0% |
| Grant Revenue | 889,168 | 7,971,800 | 3,050,403 | 7,200,000 | 58% |
| Miscellaneous | 5,995,146 | 855,500 | 1,015,600 | 9,866,200 | 90% |
| Operating Transfer In | 4,291,137 | 3,442,200 | 3,932,200 | 3,280,000 | -20% |
| Revenues | 43,192,395 | 44,702,930 | 42,377,263 | 56,649,060 | 25% |

BUDGET SUMMARY

This summary contains 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. Recent trend data is also included for major revenues described in the following pages. Most projected revenues are based on assumptions of historical data with increases and decreases associated with economic conditions and rate changes.

The total budget for FY2023-2024, including transfers between funds and capital projects is \$66,870,591. This represents an increase of \$5,148,225 when compared to FY2022-2023, largely due to increases in capital project funding, debt service payments and increases in the personnel category in comparison to prior year.

A discussion of major expenses/expenditures for the City's major operating funds and assumptions used to project those expenses for this budget is included in this section. Personnel makes up the largest operational expenditure

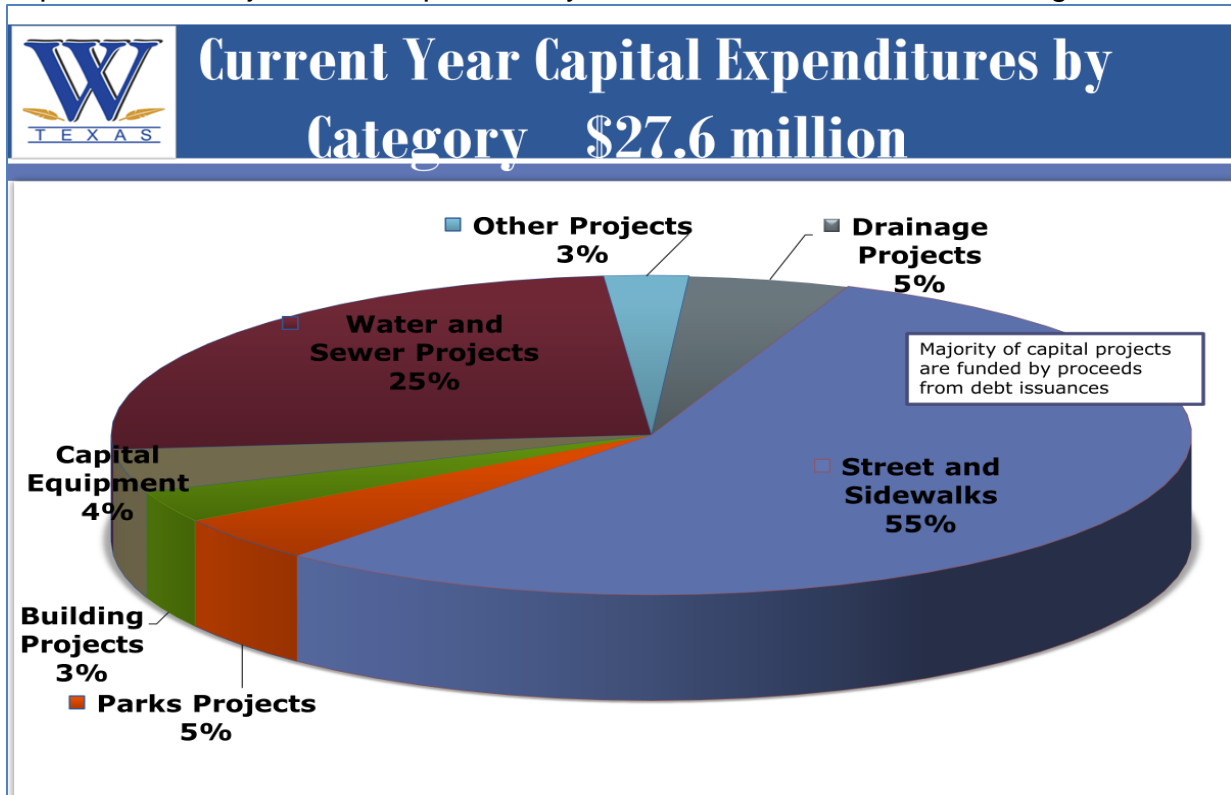


Total operating expenses (including transfers and debt service) increased 4.4% from Budget 2023 to Budget 2024. More detail by category can be found in the Expense Analysis discussion in this section.

BUDGET SUMMARY

| OPERATING EXPENSES/EXPENDITURES | | | | | |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|
| CATEGORY | 2022 ACTUAL | 2023 BUDGET | 2023 ESTIMATE | 2024 BUDGET | BUDGET VAR 2023 TO 2024 |
| PERSONNEL | \$ 13,248,970 | \$ 15,984,250 | \$ 15,117,634 | \$ 17,556,500 | 9.8% |
| PERSONNEL (ONE-TIME GRANT) | \$ 323,300 | \$ 1,334,000 | \$ 1,327,910 | \$ 60,000 | -95.5% |
| TOTAL PERSONNEL | \$ 13,572,270 | \$ 17,318,250 | \$ 16,445,544 | \$ 17,616,500 | 1.7% |
| SUPPLIES | \$ 774,618 | \$ 1,007,610 | \$ 908,182 | \$ 1,043,410 | 3.6% |
| MAINTENANCE | \$ 800,664 | \$ 1,156,910 | \$ 958,148 | \$ 1,085,526 | -6.2% |
| CONTRACTUAL - OTHER | \$ 4,551,734 | \$ 4,589,467 | \$ 5,311,967 | \$ 5,502,574 | 19.9% |
| WATER AND WASTEWATER | \$ 4,553,510 | \$ 4,300,000 | \$ 4,449,263 | \$ 4,700,000 | 9.3% |
| DEBT SERVICE | \$ 4,858,701 | \$ 5,281,359 | \$ 5,281,359 | \$ 6,010,431 | 13.8% |
| TOTAL CONTRACTUAL | \$ 13,963,946 | \$ 14,170,826 | \$ 15,042,589 | \$ 16,213,005 | 14.4% |
| TRANSFERS | \$ 4,431,136 | \$ 3,942,200 | \$ 3,942,200 | \$ 3,280,000 | -16.8% |
| TOTAL OPERATING EXPENSES | \$ 33,542,634 | \$ 37,595,796 | \$ 37,296,663 | \$ 39,238,441 | 4.4% |

Funding for planned capital projects and equipment this fiscal year is \$27.6 million in comparison to \$25.7 million last fiscal year. Detailed information on the Capital Improvement Projects and Capital Outlay Plan can be found within this budget document.



BUDGET SUMMARY

REVENUE DESCRIPTIONS, EVALUATIONS, AND PROJECTIONS

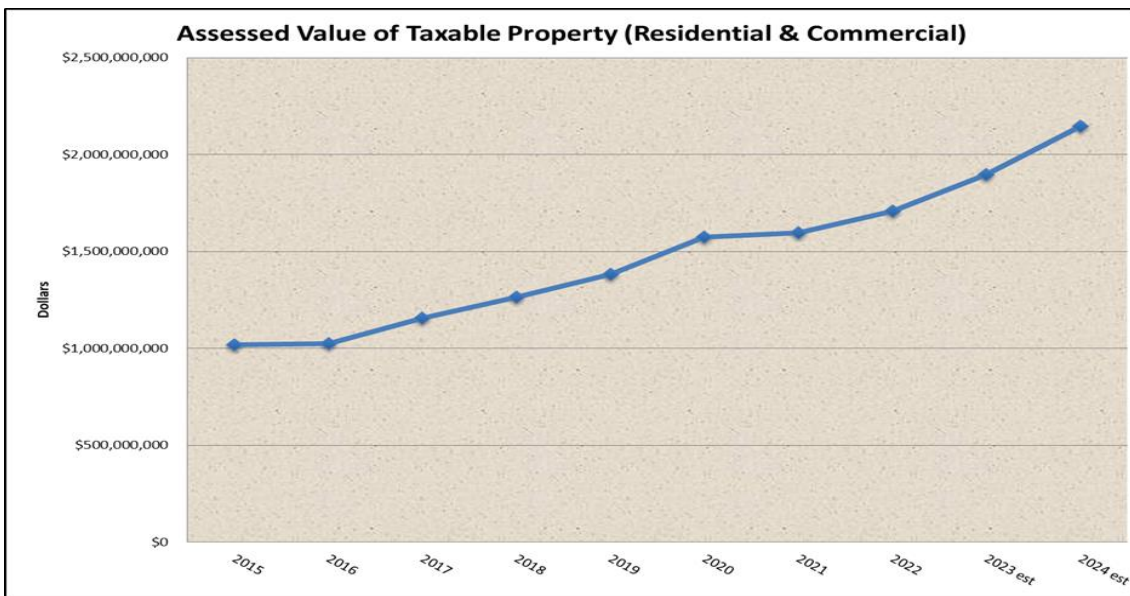
TAXES

The revenues from taxes are classified as general property taxes, sales taxes (consumer taxes), and franchise taxes in the General Fund Operating Budget. These taxes are levied to provide for general municipal services and benefits to the citizens. Sales taxes are also distributed to the Economic Development Corporation and Crime Control District, which are special revenue funds.

Property tax revenues are a major revenue category for the City's General Fund, comprising 41% of all revenues. This heavy reliance on property tax revenues is a significant challenge as the community is 96% built out. Since 2022, the City has seen substantial property valuation increases as shown below. This year's net taxable values with estimated ARB values as certified by Tarrant Appraisal District came in at \$2.147 billion, an increase of 13% over prior year.

All tax information relative to budgetary decisions is not available until July 25th of each year when the certified roll is received from the Chief Appraiser.

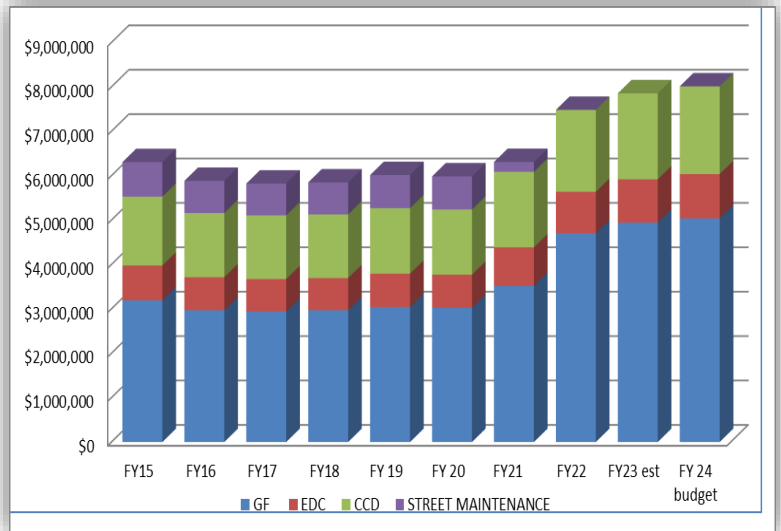
General Property taxes are assessed on real and personal property as of January 1 each year. The approved tax rate for FY2023-2024 was set by the City Council via ordinance at \$0.5702 per \$100 valuation. The portion of the tax rate that supports maintenance and operations in the General Fund is \$0.35971, or 63%. The remainder supports the debt service for payments on outstanding long-term debt and is budgeted in the General Obligation Debt Service Fund.



BUDGET SUMMARY

Sales Tax History

Sales taxes are collected by the State from the sale of goods and services. Goods and services are taxed at 8.25% in the City of Watauga, of which 6.25% is the state portion. The remaining 2% is received as follows: The General Fund receives 1.25% of each dollar taxed within the City. The Crime Control and Prevention District receives .5% and the Watauga Economic Development Corporation receives .25%. The Mixed Beverage Tax – 1.5% (or 10.7143% of the State’s 14%) of each dollar taxed within the City is allocated to the General Fund.



Sales tax is the second largest source of revenue for the general fund. A significant portion (28%) of the city’s general operating revenue is derived from sales tax. Sales taxes also fund the operations for the Crime Control and Prevention District and the Economic Development Corporation activities.

FY2022-2023 sales tax receipts were higher than anticipated and are trending 3% over budget and 4% over prior year actuals. We have conservatively estimated FY2023-2024 sales tax to be 2% over FY2022-2023 year-end projections. The conservative approach places the budget in the position to absorb economic losses without a reduction in service levels. The City continues its economic development and redevelopment strategic planning that is essential for the City to increase its sales tax revenues and reduce its dependency on property taxes to fund basic City services. The City’s economic development goals include attraction of quality visually appealing businesses, as well as revitalization and investment in areas that have seen some deterioration of economic activity. Efforts to maintain and grow our sales tax base continue to be a high priority.

Franchise taxes are collected primarily from utilities and fees charged for the privilege of continued use of public property and municipal rights of way. Most franchise fees are set by the State of Texas and the City of Watauga collects the amounts prescribed by law. However, our solid waste franchise fees are established in our contract with our solid waste hauler and are equal to 10% of gross revenues.

Licenses and permits revenues include fees charged by the City for business licenses and permits for general construction. Fees are charged for City inspection of electrical,

BUDGET SUMMARY

plumbing, and mechanical installations. Over the last few years, this revenue has fluctuated due to construction activity in the City; however, as the City is approximately 96% built out, this revenue is not expected to increase substantially. However, in FY2022 and 2023, the City has experienced an increase in construction permits related to renovations and building activity along Bursey Road and Hightower. These projects are expected to continue in FY2023-2024. An increase of 6% in FY2023-2024 from 2023 estimated revenue is expected from the permits remaining for these projects.

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 estimated to bring in 4% of General Fund revenues for FY2023-24.

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 and the storm drain system. This is similar to the fee charged to other utilities for the use of City rights-of-way except for City-owned utilities. Projections are based solely on revenues projections for those revenue generators. Such funds total 3% of General Fund revenues.

Charges for services – This category includes General Fund charges, as well as Water and Sewer and Storm Drain fees. The category makes up 22% of city-wide revenues.

General Fund - These charges for the General Fund include recreation fees, fees paid by developers as reimbursements for City services, charges for emergency medical service (EMS), and various other service charges. Service Charges account for about 7% of General Fund revenues. Projections are based on historical use of City services as well as rates charged by the City on such services. New recreation programs were added in FY2023-2024 that increased revenues in this category. EMS services have been outsourced to Emergicon, which handles all billing and initial collections. Ambulance revenues have experienced growth the past couple of years due to increased volume and collection activity due to the Fire Department running a second ambulance beginning in FY2020-2021. Increases in the General Fund are estimated at 14.8% due to fee increases and new program charges.

Water and Wastewater Fees are included under Charges for Services category and are received primarily from water sales to City utility customers and sewer charges. For FY2023-2024, Utility Fund Revenues account for 16% of all city-wide revenues. Water and Sewer revenues are projected to increase 2.5%. Other sources consist of penalties, service and miscellaneous fees, and investment earnings. The increase is due primarily to the City of Ft. Worth proposing a wholesale water and sewer rate increase. The financial objective of the water and sewer rates is to ensure that rates are adequate to meet all operating needs; cover existing debt service; and provide enough working capital levels to be fiscally responsible.

The Storm Drain Utility Fees are also included under Charges for Services Category and the fee is assessed on water bills and will generate funding for drainage projects and maintenance of the City's storm drain system.

BUDGET SUMMARY

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. Fines for overdue library books were discontinued in FY2020-21. Other fees are also included in this category for certain items relating to municipal court. Fines and forfeitures make up approximately 3% of General Fund revenues for fiscal year 2024.

Miscellaneous revenue – This revenue consists primarily of interest earnings from the investment of city funds, proceeds from the sale of surplus City property, cell phone tower rent revenues and other various revenues. Interest earnings are expected to increase in FY2023-24 due to the rising interest rates and comprise 3% of total revenues.

Transfers In – Transfers in are comprised of funds transferred from another fund for general and administrative fees or obligations that the General Fund provides. The contributing funds include the proprietary funds (Water and Sewer, Storm Drain) and special revenue funds (Crime Control and Economic Development Fund). These are projected at 5% of General Fund Revenues.

BUDGET SUMMARY

EXPENDITURE/EXPENSES DESCRIPTIONS, EVALUATIONS AND PROJECTIONS

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

Changes in operating expenditures vary in each fund based on the nature of the services provided in each fund.

Personnel Services

This category consists of personnel salaries and benefits. Salaries include base pay, overtime, step-up pay, certification pay, sick and vacation pay, and holiday pay. Benefits include healthcare, retirement, accrued sick and vacation leave, partial tuition reimbursement, longevity pay, and payout of certain leave accruals per policy guidelines. The City of Watauga participates in the Texas Municipal Retirement System (TMRS) for eligible employees.

Across all City of Watauga operations, personnel services increased approximately 9.8% (excluding one-time expenditures paid by grant funds). This increase is reflected in the changes outlined in the following pages.

Organizational Objectives: Retaining and attracting qualified staff is integral to our organization. Civil service and general government retention, hiring, and retirements have greatly impacted the City in the last few years.

The City must continue to develop strategies to retain current employees and recruit new employees.

Personnel Highlights

In FY 2021-2022, the City began to restore positions that were eliminated during the FY2020-2021 fiscal year due to budget constraints and the reorganization of the recreation center operations. Personnel positions in the City have declined since 2012 due to a shift in shared services (jail/dispatch) with surrounding cities, the implementation of contract labor for mowing services, and a reduction in staffing due to recreation center operations, elimination of positions, and the freezing/unfunding of positions in order to decrease spending.

In the FY2022-2023 budget, a total of 13.25 full-time equivalents were added to the budget. Of those positions, 7.25 full-time equivalent positions were restored and funded, and 6.0 positions were added as determined by the Personnel Improvement Plan. The American Rescue Plan Act grant funded 7 full-time equivalent positions.

BUDGET SUMMARY

In the FY2023-2024 budget, funding was concentrated on retention and recruitment of employees. In this budget, the following is included:

- Continued funding for civil service step increases.
- 1-3% merit increase for general government employees based on annual evaluations.
- 5% cost of living increase for all employees.

Personnel changes (not including reclassifications) are listed below:

➤ **Parks and Recreation Department –**

- (3.75) Full-time equivalents were funded:
 - 15 seasonal part-time positions were added for the preschool program (2 positions, .5 FTE) and the summer camp program (13 positions, 3.25 FTE).
- (3.5) Full time equivalents were moved from ARPA funding to the General Fund as listed below:
 - 2 Part-time and 1 Full-time Recreation Attendants (1.50 FTE)
 - 1 Maintenance Worker (1.00 FTE)
 - 1 Irrigation Technician (1.00 FTE)

➤ **Library –**

- .25 to 1.0 FTE Library Asst. (.75) FTE

➤ The **City's Employee Retirement (TMRS)** rate is forecast to be 16.84%, up 1.78% from last year's rate of 15.06%.

➤ **Health insurance** cost increases over the last few fiscal years have been a major concern in the City. This fiscal year, health insurance was originally forecast to come in at an 15% increase in the budget, but staff and the City's broker was able to negotiate the increase to 8%. The City will absorb the cost increases this year to aid in recruitment and retention efforts. The City contributes some funding to dependent insurance costs and matching contributions for employees' health savings accounts. The City rolled out a cost sharing model for insurance premiums in the current fiscal year to aid in the funding of medical increases in future years.

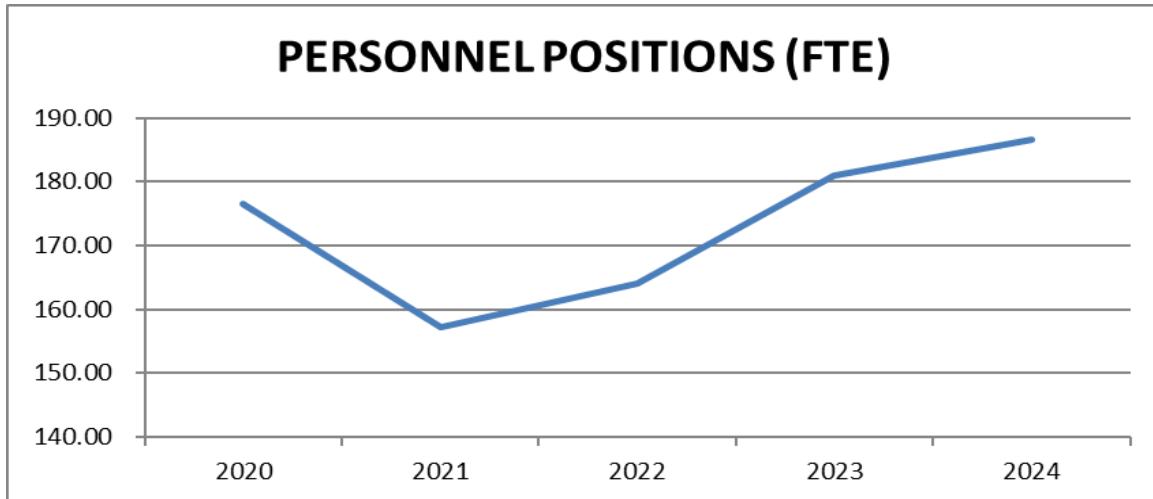
➤ **Employee Programs funded this year include:**

Employee engagement and events continue to be a priority this fiscal year and funding has been provided for programs that bring city employees together. The WataugaFit program continues to be funded this year. This is an employee wellness program to identify risk and provide avenues for behavior modification which reduces chronic disease, medical costs, and absenteeism. It is a priority of the City to continue Health and Wellness programs for City Employees. The employee tuition reimbursement continued to be funded this fiscal year.

BUDGET SUMMARY

Employee programs added this year include an employee award and an employee of the month program to recognize employees for excellent achievements and service. In addition, an employee referral program is funded that is designed to incentivize and encourage employees to market the City and help with recruitment.

Analysis of Full-Time Equivalent Positions



The chart above shows the total number of Full-time equivalent positions from FY2020 to the current FY2024 budget. The drastic reduction of employees in FY2021 is due to the cost saving measures put in place during the pandemic. The Recreation department was dramatically impacted by a reduction in personnel due to the elimination of many programs. Beginning in FY2022, the City began the restoring of the programs and personnel. The General Fund accounts for the majority of the FTE growth, due to the restoration of funding of positions as discussed previously. In FY2023, an increase of 3 FTEs for the Fire Department was funded in order to cover various shifts through the use of part-time personnel.

In FY2023-2024, additional recreation programs were reinstated that include the Summer Camp program and the pre-school program that facilitated the need for increased personnel. 3.75 FTEs were added that include 15 part-time positions to cover the program needs. In addition, a part-time Library position was converted to a full-time position. This movement increased the Library FTEs by .75. The sewer department gained 1.0 FTE for a Maintenance Worker position that restored that was previously not funded during the cost savings measures put in place during the pandemic.

The total number of authorized full-time equivalent positions in the 2023-2024 budget increased by 5.5 FTEs to 186.5.

BUDGET SUMMARY

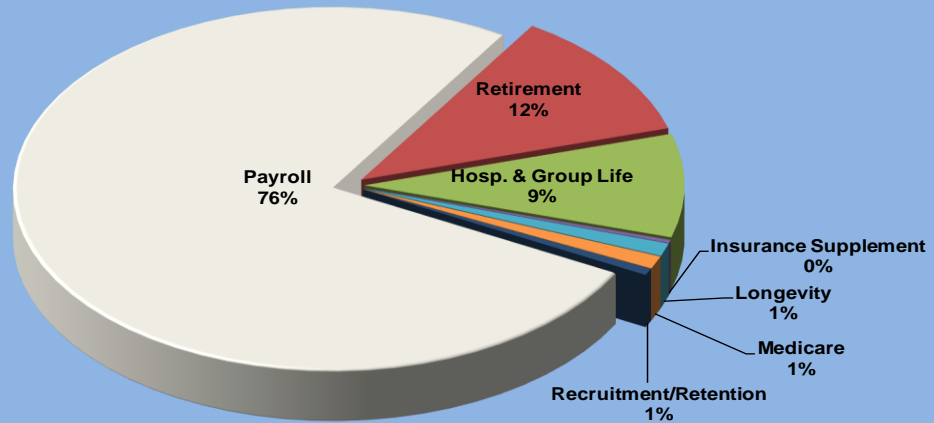
The following chart shows the budgeted positions by fund and department in a 3-year summary:

PERSONNEL POSITIONS (Budgeted)

| | FY2022 BUDGET | | FY2023 BUDGET | | FY2024 BUDGET | |
|-------------------------------------|---------------|-------------|---------------|--------------|---------------|--------------|
| | Full Time | Part Time | Full Time | Part Time | Full Time | Part Time |
| GENERAL FUND | | | | | | |
| City Secretary | 2.00 | | 2.00 | | 2.00 | |
| City Manager | 1.00 | | 2.00 | | 2.00 | |
| *Human Resources | 1.50 | | 2.50 | | 2.50 | |
| *Development Services Division | 2.50 | | 3.50 | 0.25 | 3.50 | 0.25 |
| Municipal Court Division | 3.60 | 0.25 | 3.60 | 0.50 | 3.60 | 0.50 |
| Finance | 4.75 | 0.25 | 3.75 | 0.75 | 3.75 | 0.75 |
| Information Technology | 3.50 | | 3.50 | | 3.50 | |
| Library | 8.00 | 3.75 | 8.00 | 3.50 | 9.00 | 3.25 |
| Recreation and Community Services | 2.50 | 1.75 | 4.50 | 1.25 | 4.50 | 5.00 |
| Parks | 4.50 | - | 6.50 | 0.25 | 6.50 | 0.25 |
| *Police Division | 39.00 | 0.50 | 39.00 | 1.00 | 39.00 | 1.00 |
| Fire / EMS Division | 27.00 | | 27.00 | 3.00 | 27.00 | 3.00 |
| Public Works - Streets Division | 7.25 | | 8.75 | | 8.75 | |
| Public Works - Fleet Services | 3.00 | | 4.00 | | 4.00 | |
| Public Works - Building Maintenance | 7.00 | | 8.00 | | 8.00 | |
| Total General Fund | 117.10 | 6.50 | 126.60 | 10.50 | 127.60 | 14.00 |
| ENTERPRISE FUNDS | | | | | | |
| Drainage Utility | 6.25 | 1.00 | 6.25 | 1.00 | 6.25 | 1.00 |
| Water/Sewer Fund | | | | | | |
| Administration | 1.25 | | 1.25 | | 1.25 | |
| Billing and Collections | 7.50 | | 7.50 | | 7.50 | |
| Information Technology | 0.50 | | 0.50 | | 0.50 | |
| Water Distribution | 7.25 | | 7.75 | | 7.75 | |
| Sewer Collections | 5.25 | | 6.75 | | 7.75 | |
| Total Water/Sewer Fund | 21.75 | | 23.75 | | 24.75 | |
| Total Enterprise Funds | 28.00 | 1.00 | 30.00 | 1.00 | 31.00 | 1.00 |
| SPECIAL REVENUE FUNDS | | | | | | |
| Crime Control District | 11.00 | | 12.00 | | 12.00 | |
| Traffic Safety | - | - | | | | |
| Municipal Court Security | - | | | 0.50 | | 0.50 |
| Municipal Truancy Prevention | 0.40 | | 0.40 | | 0.40 | |
| Total Revenue Funds | 11.40 | - | 12.40 | 0.50 | 12.40 | 0.50 |
| GRAND TOTAL | 156.50 | 7.50 | 169.00 | 12.00 | 171.00 | 15.50 |
| Est. Population | 23,770 | | 24,400 | | 23,653 | |
| Personnel Per Capita | 0.006899453 | | 0.007418033 | | 0.007884835 | |

Personnel Budget Breakdown

\$17,601,500



* Department FTE totals include ARPA Funded Positions

BUDGET SUMMARY

Supplies

This object classification is for expendable materials and operating supplies necessary to conduct departmental activity and is consumed through use. Supplies make up 3% of operating expenditures. Examples of these items include office and janitorial supplies, postage, publications, wearing apparel, vehicle parts and fuel, tools, and living plants. For all funds, this category increased over prior year by 4% due to inflationary pressures.

Maintenance

This object classification include services required to maintain assets of the City and 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. Maintenance makes up 3% of the operating expenditure budget. Overall, maintenance is budgeted to decrease 6.2% this fiscal year in comparison to last year's budget. This is due to some one-time maintenance projects budgeted in FY2022-2023, but not in FY2023-2024.

Contractual/Sundry

This category 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. This category also includes water distribution and wastewater treatment fees paid to the City's wholesale providers. Miscellaneous expenses include dues and subscriptions, travel, and training. This category also includes transfers between funds and debt service payments. An increase of 14.4% has been budgeted for this category. The contractual increases are generally driven by inflation in contracted services and other related items, but also include the below:

- Additional recreation programs and program enhancements were included this fiscal year. These include the reinstatement of the summer camp and pre-school programs, and enhanced funding for WataugaFest. These programs will bring in additional revenues to cover the cost of the programs.

BUDGET SUMMARY

- Water and Wastewater costs are estimated to increase 9.3% due to a sewer wholesale cost increase from our provider, the City of Ft. Worth.
- The Arts Program and funding for Concerts in the Park continues to be funded this fiscal year.
- Debt service payments increased this year due to the 2023 debt issuance and required payments budgeted for FY2024.

Capital Outlay

This classification is for the purchase or investment in items that are more than \$5,000 each that have a life of more than five years and that will be capitalized or considered a long-term asset of the City. The budget for these items fluctuates from year to year based on identified needs and funding availability. Examples include buildings, furniture, equipment, and vehicles. Infrastructure projects such as streets and water and sewer projects are included in this category.

The City plans for these high dollar items through the Capital Improvement Plan Committee and Capital Outlay Plan Committee process. The end results are the creation and continual updating of multi-year plans that help identify capital needs and possible funding sources. The capital expenditures can be found in the Capital Projects and Capital Outlay Sections of this budget document.

Various equipment and vehicle purchases will be funded this year and the majority of these items are listed in the 5-year Capital Outlay Plan with identified funding sources. Additionally, one-time capital items that have been requested are included in the General Fund budget. Some of the items are listed below:

- **Public Works Department**
 - Fleet vehicles (3)
 - HVAC and fire alarm equipment replacements
 - Community Center foundation repairs
 - School zone flasher upgrade
 - Fuel Island operating system update
 - Elevator modernization for Water Tower
- **Fire Department**
 - Breathing Air Compressor replacements
 - Training Prop
 - Fitness equipment and mattress replacements
- **Police Department**
 - Vehicle replacement
 - Motorcycle for traffic enforcement
 - Public safety equipment and rifle replacement program

BUDGET SUMMARY

- Software and policy update program
- Traffic safety enhancements
- **Finance Department**
 - Technology upgrades to provide for a mobile work order program for the Utility Billing
 - Vehicle replacement for Utility Billing
- **Information Technology**
 - Hardware and software replacements
 - Fire department tablet replacements
- **Parks and Recreation**
 - Trailer replacement
 - Public Announcement system equipment
 - Fitness equipment replacements
- **Library**
 - Furniture and equipment replacements

Capital Projects - The City's Capital Improvement Plan (CIP) is a 5-year plan for public physical improvements to include infrastructure such as streets, water and sewer and drainage improvements. In addition, parks and building improvements are included in the CIP. The CIP provides a forecast of funds available for capital projects and identifies all planned capital improvement projects and their estimated costs. A detail of these projects can be found in the Capital Improvement section of this document. Approximately \$24.8 million in planned capital projects are included in this year 's budget and include continuation of the Whitley Road Street project, the Hightower Road and Watauga Road street projects, and various water and sewer and storm drain infrastructure projects. Projects supported by the Economic Development Corporation include a food business park at Capp Smith Park. Some projects will carry over from FY2022-2023 and year-end projections are subject to change. Unused funds roll over each year until the projects are completed. Capital equipment identified needs include \$1.12 million in vehicles, equipment, facility, and technology needs. More information can be found in the Capital Outlay section of this document.

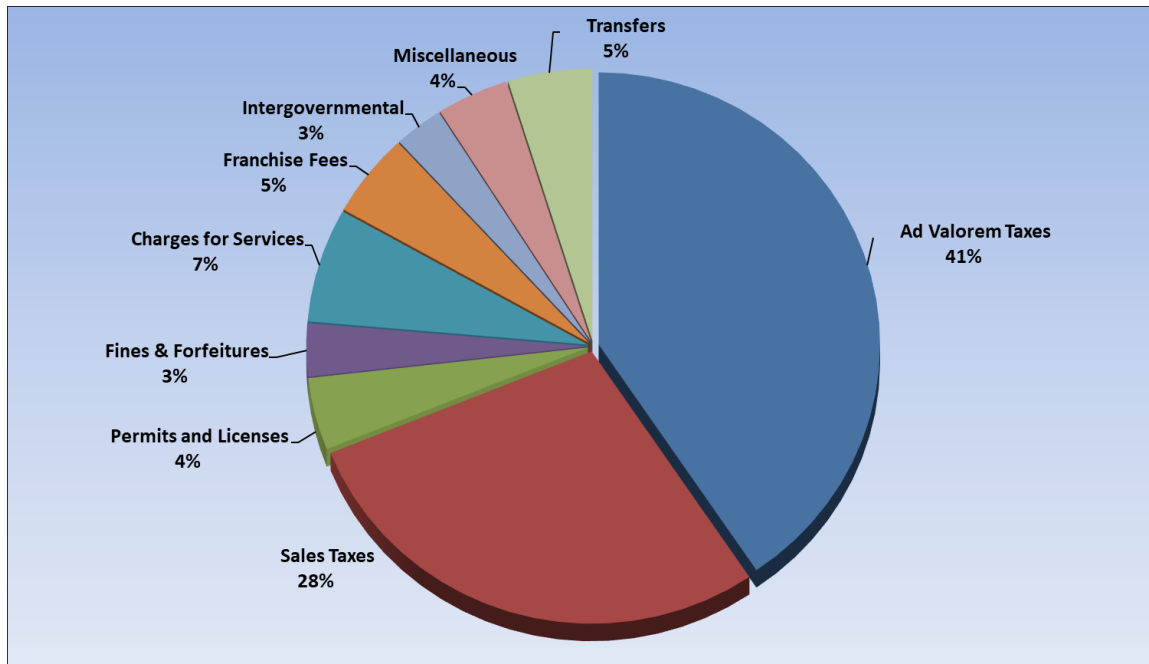


BUDGET SUMMARY

Revenues and Expenditures by Fund

General Fund

General Fund Revenues The budget provides funding for continuation of current programs and services. The recreation center programs were reduced in FY2021 and FY2022, but the City made substantial progress in restoring programs and events. Revenue projections for FY2023-2024 total \$17,750,900, an increase of \$1,502,780, or 9.2% from the FY2022-2023 original budget. Increases have been projected for property tax, sales tax, charges for services, and fines and forfeitures.



- Ad Valorem Property Taxes - Revenue collected from property taxes is the largest component of the General Fund, comprising 41% of revenues in FY2023-2024. This includes current and delinquent tax payments as well as penalties and interest. This revenue is calculated based on information from the Certified Tax Roll received July 25th from the Tarrant Appraisal District (TAD). The certified roll reflects all taxable property in the City as of January 1, 2023. 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 for the use and support of the General Fund.

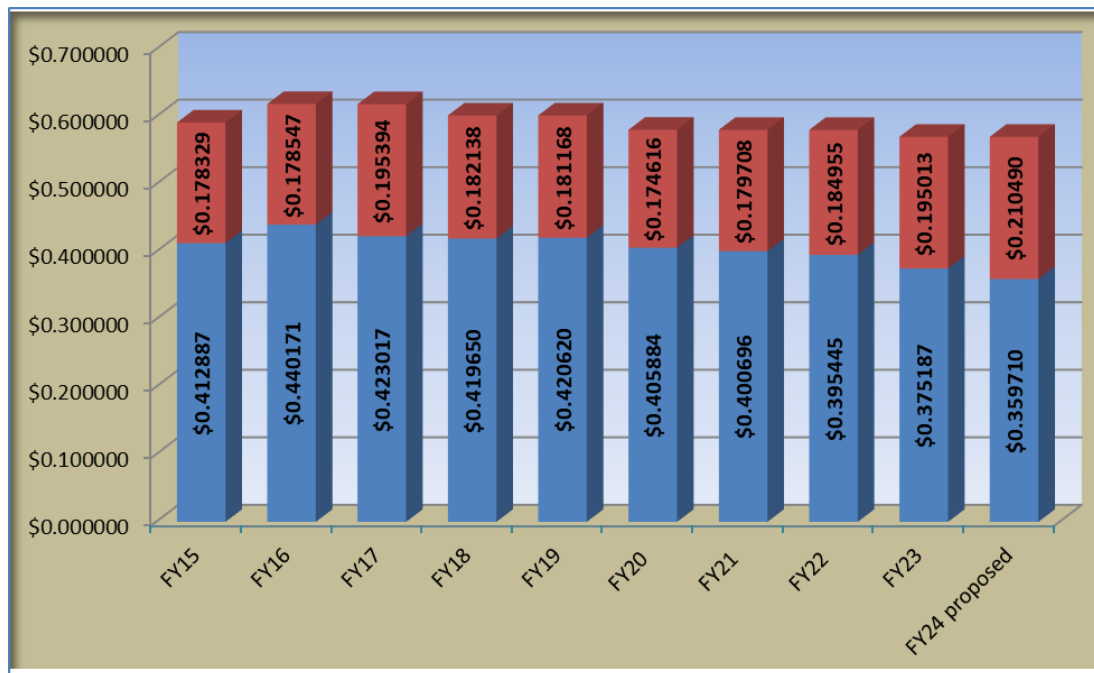
BUDGET SUMMARY

- In FY2023-2024, valuations increased by 13%, compared to an increase of 11% in FY2022-2023. In the FY2023-2024 budget, the tax rate of \$0.57020 per 100 of valuation maintains the current tax rate and includes an unused increment rate of \$.014 to bring in additional revenue to cover cost increases and the restoring of positions. The tax rate is a result of the higher valuations and will ensure that the quality service levels and programs are maintained, and new debt service requirements are met for capital projects in the City.
- The tax rate for FY2023-2024 is **\$0.5702/\$100** of valuation. The tax rate distribution for FY2023-2024 compared to FY2022-2023 is as follows:

| | <u>FY2023-24</u> | <u>FY2022-23</u> |
|-----------------------------|------------------------|-------------------------|
| Maintenance and Operations: | \$0.359710/\$100 | \$0.375187/\$100 |
| Interest & Sinking | \$0.210490/\$100 | \$0.195013/\$100 |
| TOTAL TAX RATE: | \$0.57020/\$100 | \$0.570200/\$100 |

Estimated collections for the current year have been computed at approximately 100% of net taxable value for the interest and sinking (I&S) portion of the tax rate. The City's historical tax rate and distribution is shown below:

PROPERTY TAX DISTRIBUTION HISTORY



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

BUDGET SUMMARY

10 YEAR HISTORY OF PROPERTY TAX RATES

Property Tax Rate History

| | M&O | I&S | TOTAL |
|---------------|------------|------------|------------|
| FY15 | \$0.412887 | \$0.178329 | \$0.591216 |
| FY16 | \$0.440171 | \$0.178547 | \$0.618718 |
| FY17 | \$0.423017 | \$0.195394 | \$0.618411 |
| FY18 | \$0.419650 | \$0.182138 | \$0.601788 |
| FY19 | \$0.420620 | \$0.181168 | \$0.601788 |
| FY20 | \$0.405884 | \$0.174616 | \$0.580500 |
| FY21 | \$0.400696 | \$0.179708 | \$0.580404 |
| FY22 | \$0.395445 | \$0.184955 | \$0.580400 |
| FY23 | \$0.375187 | \$0.195013 | \$0.570200 |
| FY24 proposed | \$0.359710 | \$0.210490 | \$0.570200 |



As shown in the table below and the Assessed Value of Taxable Property Graph, City valuations have experienced growth in the last ten years. In FY2021 values came in at 1.5% over prior year, in FY2022, valuations increased 7% over prior year, and in FY2023, valuations increased 13%.



In Tax Year 2023, Fiscal Year 2023-24, certified values from Tarrant Appraisal District came in at 13% over prior year. The City's collection rates for property taxes are strong at approximately 99% annually.

BUDGET SUMMARY

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 |
|----------------------|---|-----------------------------|---------------|--------------------------------|--------------------------|
| 2014 | \$ 956,468,332 | 0.591216 | \$ 5,699,054 | \$ 5,627,816 | 98.75% |
| 2015 | \$ 1,016,667,348 | 0.591216 | \$ 5,986,464 | \$ 5,926,599 | 99.00% |
| 2016 | \$ 1,024,630,104 | 0.618718 | \$ 6,325,757 | \$ 6,262,499 | 99.00% |
| 2017 | \$ 1,157,125,543 | 0.618411 | \$ 7,051,792 | \$ 6,969,084 | 98.83% |
| 2018 | \$ 1,265,325,039 | 0.601788 | \$ 7,487,384 | \$ 7,401,975 | 99.20% |
| 2019 | \$ 1,382,731,351 | 0.601788 | \$ 8,040,121 | \$ 8,014,638 | 99.68% |
| 2020 | \$ 1,573,355,021 | 0.580500 | \$ 8,780,923 | \$ 8,693,114 | 99.00% |
| 2021 | \$ 1,597,254,264 | 0.580404 | \$ 8,894,923 | \$ 8,810,156 | 99.05% |
| 2022 | \$ 1,708,914,183 | 0.580400 | \$ 9,440,143 | \$ 9,373,453 | 99.29% |
| 2023 | \$ 1,903,634,822 | 0.570200 | \$ 9,994,389 | \$ 9,979,926 | 99.86% |
| 2024 est | \$ 2,147,126,157 | 0.570200 | \$ 11,148,389 | n/a | n/a |

The average taxable value of a home in Watauga this year is \$226,383, an increase of 16%, or \$31,550 from last year's average taxable value of \$194,833. The amount of annual City property tax on the average home at the tax rate of \$0.5702/\$100 is \$1,290, up \$180 from prior year. This represents a monthly cost of \$107.5, or \$3.53/day for the City to provide services such as the day-to-day operations of the City including 24-hour police, fire and EMS Service, public works, parks and recreation, library services, building inspections, code compliance and other essential City services.

The City is landlocked and approximately 96% built out, however, in the City and surrounding area, there has been substantial growth in residential and commercial property valuations over the last several years. In future years, growth is forecasted to slow to 3-5% annually.

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.

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.

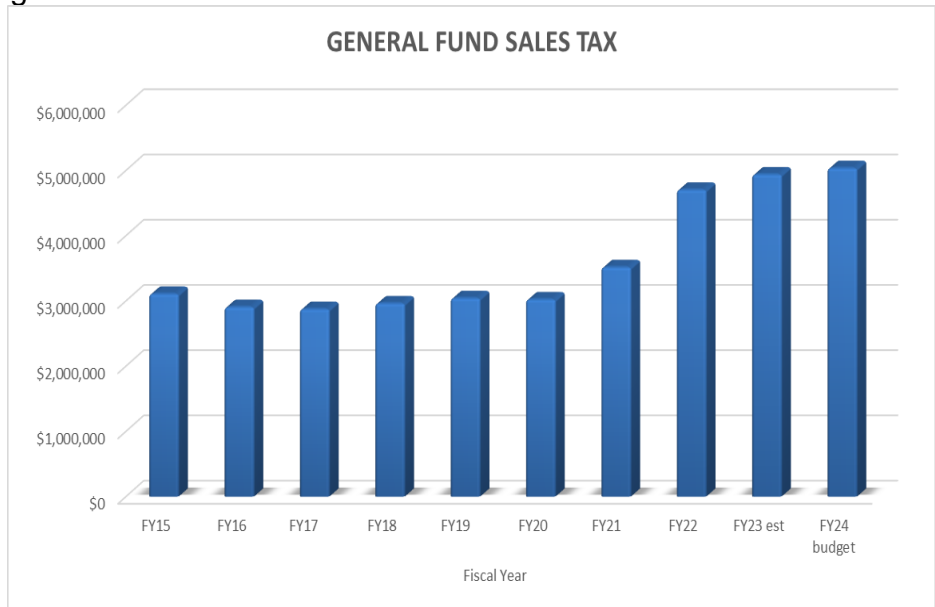
BUDGET SUMMARY

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. The City's 1.25% 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. Sales tax revenues comprise 28% of General Fund (GF) revenues. The City has experienced better than anticipated sales tax and this year and we are forecasting FY2022-2023 sales tax revenues to end the year approximately 2.5% over budget expectations and 5% higher than FY2021-2022 actuals. Sales Tax for FY2023-2024 is projected to be 2% above the current year forecast for the 1.25 cent sales tax.

In May, 2021, voters approved a one and one quarter cent sales and use tax for general government services. This allows for additional revenue to operate and provide public services. The additional ¼ sales tax is used for general government services and will provide funds for continuing street maintenance.

Sales Tax revenue for the City is subject to the general economic environment of the DFW Metroplex. The City continues to see growth in economic activity for current businesses, attraction of new businesses, and online sales tax growth. The gains from sales tax are also attributable to inflation with the higher cost of goods and services.



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

Utility Franchise Fees – This revenue category consists of 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. In addition, the Texas Legislature passed Senate Bill 1152 which

BUDGET SUMMARY

undercut the collection by cities of right-of-way rental fees from companies that provided both cable and telecom services. Beginning January 1, 2020, these companies now pay the greater of the two charges measured on a statewide basis, but not both and the City has seen a significant decline in these revenues as a result. These fees currently total 5% 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 has fluctuated due to construction activity in the City; however, as the City is approximately 96% built out, this revenue is not expected to increase substantially. However, the City has experienced an increase in construction permits related to renovations last year.

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 estimated to bring in 4% of General Fund revenues for FY2023-24.

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 and the storm drain system. This is similar to the fee charged to other utilities for the use of City rights-of-way except for City-owned utilities. Projections are based solely on revenues projections for those revenue generators. Such funds total 3% 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 7% of General Fund revenues. Projections are based on historical use of City services as well as rates charged by the City on such services. New recreation programs were added in FY2023-2024 that increased revenues in this category. EMS services have been outsourced to Emergicon, which handles all billing and initial collections. Ambulance revenues have experienced growth the past couple of years due to increased collection activity and the City running a second ambulance beginning in FY2020-21.

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. FY2023 Fines for overdue library books were discontinued in FY2020-21. Other fees are also included in this category for certain items relating to municipal court. Fines and forfeitures make up approximately 3% of General Fund revenues for fiscal year 2024.

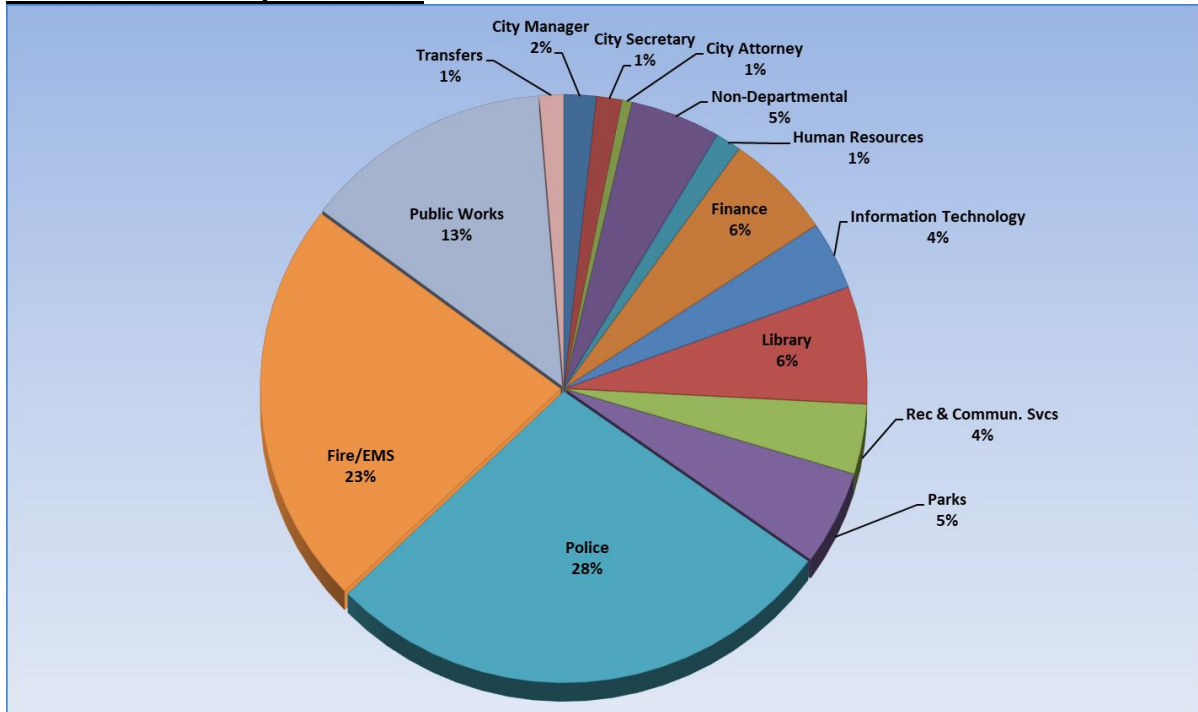
Miscellaneous revenue – This includes interest earned on the investment of General Fund cash, proceeds from the sale of surplus City property, cell phone tower rent revenues and other various revenues. Interest earnings are expected to increase in FY2023-24 due to the rising interest rates and comprise 4% of total revenues.

Transfers In – Transfers in are comprised of funds transferred from another fund for

BUDGET SUMMARY

general and administrative fees or obligations that the General Fund provides. The contributing funds include the proprietary funds (Water and Sewer, Storm Drain) and special revenue funds (Crime Control and Economic Development Fund). These are projected at 5% of General Fund Revenues.

General Fund Expenditures



The operating expenditures (including transfers) for the General Fund total \$18,199,170. This is a \$1,734,275, or a 13.7% increase over last year's budgeted expenditures, including transfers. Personnel expenditures make up 72% of the General Fund's budget. As mentioned previously, the City has been striving to restore positions that were unfunded as a cost saving measure in FY2019-20 and FY2020-21. A total of 7.75 full-time equivalent positions were added to the general fund this year, of which 3.5 full-time equivalents were moved into the General Fund that were previously funded by the ARPA grant. The additional 3.75 full-time equivalents were added due to the restoration of the summer camp and preschool programs at the Community Center. The fire SAFER grant was completed in the second quarter of fiscal year 2022-23 and all of the six positions funded by this grant have now been absorbed by the general fund. In the FY2023-24 budget, medical insurance costs were increased by 8%, and the City's TMRS (retirement funding) was increased by 1.8%. Also included is a 5% cost of living for all employees, civil service step increases, and a merit increase for general government employees. Police and Fire expenditures make up 51% of the General Fund Budget.

The General Fund expenditures include \$50,000 of contingency funds for unforeseen events or emergency purchases during the year. Transfers will be made this year to the Capital Projects Fund to pay for the debt service for the Rufe Snow Street Project, a joint

BUDGET SUMMARY

City of Watauga and City of North Richland Hills project. This will be the City's last year for this transfer and payment. Additionally, the transfer will cover miscellaneous engineering services. A transfer from General Fund to other funds include a transfer to the Capital Projects Fund for sidewalk replacements in the amount of \$150,000. Street Maintenance is funded this year by previous transfers to the General Capital Projects Fund.

There will be a utilization of fund balance for one-time expenditures and programs in the amount of \$448,270 for this year and the projected ending fund balance for FY2023-24 is \$7,982,657, which equates to 44% of operating expenditures in reserves. This is above the minimum target policy of twenty-five percent (25%) by approximately \$3.4 million which may be used in future budgets for one-time expenditures, such as funding of capital projects.

General Fund Debt Service Fund

As discussed in the General Fund section above, the City bases its ad valorem tax rate on the certified appraisal roll provided by the Tarrant Appraisal District (TAD). A combined tax rate is adopted each year by the City Council that funds 1) the use and support of the general fund (maintenance and operations rate) and 2) to finance the City's Debt Service Fund (referred to as Interest and Sinking, or 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. The fund receives a transfer-in from the Economic Development Corporation for their payment of various economic development and parks projects within the City.

The City has existing long-term debt issued for the construction of capital facilities, infrastructure, and vehicles and equipment. The debt service requirement for principal and interest payments and fiscal agent charges for totals \$4,150,767. This amount includes debt service for the 2023 Certificates of Obligation debt issuance for projects included in the General Capital Project Fund and listed below. The ending fund balance is projected to be \$1,036,276.

General Capital Projects Fund

The General Capital Projects Fund provide the basic resource for general government projects such as streets, parks, public facilities, equipment, and other infrastructure needs. Many of these projects are funded from debt issuance proceeds and the remaining are funded by a transfer in from the General Fund. Other revenues include interest income on investments, and proceeds of the sale of surplus property.

The following projects will be funded this year:

- ✓ This year the sidewalk program will be funded at \$150,000.
- ✓ Engineering costs have been funded at \$30,000 in anticipation of additional needs throughout the City.

BUDGET SUMMARY

- ✓ Continuation of the Whitley Road street projects, parks projects are funded by the 2018, 2020, 2021 Certificates of Obligation proceeds and Tarrant County Grant. These projects are continued from prior years.
- ✓ The Hightower Street Project continues this year with phase I of construction to be funded by the proposed 2023 Certificates of Obligation debt proceeds. The debt proposed will also fund engineering costs for the commencement of the Watauga Road Street Project.
- ✓ The continuation of the food business park project at Capp Smith Park is funded by the 2020 Certificates of Obligation debt issuance.
- ✓ The \$8.950 million proposed 2023 Certificates of Obligation will fund street projects, the fleet facility expansion project, and a replacement ambulance for the fire department.

General capital projects and equipment expenses for this year are projected at \$17,905,950. The ending Fund Balance is forecast to be \$3,421,356 if all projects are completed by fiscal year end. See the General Capital Projects Fund for a more detailed description.

Strategic Initiative Fund

The Strategic Initiative Fund was created in FY2015-2016 to fund the strategic initiatives identified as priorities by Council. The funding source for this fund is through General Fund transfers. This year, the City will close out the use of the Strategic Initiative Fund and move to the General Fund for future projects. The previous expenditures in this fund included \$30,000 for the home revitalization program through the Tarrant County HOME program. The General Fund will continue to fund Council initiatives in future years.

Special Revenue Funds

Economic Development Corporation

The Economic Development Corporation is funded by a ¼ cent sales tax and funds economic development activities and quality of life projects in the City. Voters approved a 1/2 cent sales tax under Section 4B of Article 5190.6, Vernon's Texas Civil Statutes with an effective date of October 10, 1994. In May, 2012, Voters approved a reallocation of 1/4 cent for the Watauga Parks Development Corporation to go towards Street Maintenance, effective October 2012. In FY2018-19, the Corporation was renamed to the Watauga Economic Development Corporation. Funds can only be used for economic development activities and projects and funds are administered under the supervision of the Economic Development Corporation Board of Directors. The City Council retains final oversight authority and must approve the EDC's programs and expenditures.

Sales tax revenues are projected to be \$996,000 for FY2023-FY2024. The ¼ cent share of all local taxable sales are remitted by merchants to the State Comptroller's Office and

BUDGET SUMMARY

then distributed to the City on a monthly basis. This represents approximately 99% of total revenue for the Economic Development Corporation Fund.

The budget for this fund includes funding for the completion of various economic development initiatives as guided by the Corporation's strategic plan that was developed in FY2019-20 and updated in FY2020-21. Expenditures are budgeted at \$515,250. The ending fund balance is projected to be \$2,799,530.

The EDC Capital Fund Budget includes \$10,000 in contingency funding for projects that may be considered for funding for the fiscal year. The projected ending fund balance is \$11,246.

Street Maintenance Fund

This fund was originally established on October 1, 2012, to account for ¼ cent sales tax reallocated from the Parks Development Corporation, now the Economic Development Corporation. At a special election on May 12, 2012, the voters approved this tax under Section Chapter 327 of the Tax Code.

In November 2020 a measure was presented to voters to reallocate the ¼ cent dedicated street maintenance sales tax to economic development. The voters chose not to reallocate the tax and as a result, the street maintenance dedicated sales tax was abolished effective January 1, 2021. The source of funding for streets will be cash flowed from the general fund in future years. Street maintenance projects funded for the year total \$63,016, bringing the fund balance to \$0.

Crime Control and Prevention District Fund

The Watauga Crime Control and Prevention District (WCCPD) was established in March 1996 under Local Government Code Chapter 363 and reauthorized most recently on May 1, 2021, to account for a one-half sales tax to fund officers and purchase additional equipment and supplies for law enforcement purposes. The fund is administered by a Board of Directors, which is current made up of the Mayor and all Council Members.

The sales tax represents 99% of total revenue for the WCCPD. Sales tax revenues generated from this ½ cent sales tax are projected at \$1,977,000, an increase of 5% over prior year budget and 2% over forecasted FY2023 receipts. Total revenues are forecast to be \$2,103,000. The FY2023-2024 operating budget is \$2,256,900 and ending fund balance is projected to be \$1,213,952. Public safety equipment and replacement vehicles are funded by the WCCPD this fiscal year.

Library Donation Fund

Revenues represent donations made by customers as part of utility bill payment. Funds are used to purchase additional library supplies such as books, audio and video,

BUDGET SUMMARY

periodicals, and other types of supplies. Projections are based on historical trend of donations, which have declined in the last several years.

Estimated revenues received by donations for this fund are expected to be \$6,000 and make up approximately 98% of the Library Donation's fund's total revenues. The proposed budget expenditure of \$10,000 will leave an estimated ending fund balance of \$62,226.

Public, Educational, and Governmental Access Channels Fund

This fund was created in FY2017-2018 to comply with SB1087 and to account for a 1% PEG (public, educational or governmental) fee received from Cable Providers operating in the City. Revenue estimates are conservative. Fees are estimated to be \$31,000 for FY2023-2024. Expenditures are budgeted at \$10,000 this fiscal year for capital projects. Expenditures can only be spent on capital items for the local access channel as described by federal law. Estimated ending fund balance is \$127,220.

Municipal Court Revenue Funds

Revenues for the Security Fund, Technology Fund, and Truancy Prevention, and Jury Fund come from a \$4.90, \$4.00, \$5.00, and \$0.10 fee, respectively, on each citation for which there is a conviction. Thus, as citations fluctuate up or down, these revenues are increased or decreased. For FY2023-24, forecasted revenues are \$54,800 for all of these funds combined.

For each municipal court fund, funds can be used for only specific purposes that are outlined under the provisions of the Code of Criminal procedures or changes under Senate Bill 346. Expenses are for technology improvements for the Court office, a portion of the Juvenile Case Manager salary, a part-time Deputy City Marshal and upgraded ticket writers. The total budget for this year is \$90,850, leaving combined fund balances of \$212,124.

Traffic Safety Fund

In June 2019, legislation passed by the 86th Texas Legislature (House Bill 1631) affected cities that have automatic photographic enforcement programs. The City's contract was terminated June 1, 2019, when the law to ban photo enforcement programs became effective. The City will use the remaining fund reserve balance to help fund a replacement motorcycle for the traffic program this fiscal year in the amount of \$34,000 and the fund will be closed out.

Grant Funds

In FY2019-2020, the City received a Staffing for Adequate Fire Emergency Response (SAFER) Grant Award that provides for 75% funding of six Fire/EMS positions for the first

BUDGET SUMMARY

2 years of the grant, and 35% of funding for the 3rd year of the grant. The SAFER Grant Fund was completed in February 2023, and grant funding reduced to 0% in FY2023-2024, thus increasing the general fund portion of funding for these positions.

The City received a **CARES Act** Grant for reimbursement of COVID-19 response expenditures in the amount of \$1,307,350 that was expended in fiscal years 2019-20 and 2020-21. The City earned and expended all of the funds by December 31, 2020, as outlined in the CARES Act funding guidelines.

The **American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds (CLFRF)** provides funding to local governments to broadly respond to the COVID-19 public health emergency and restore governments to pre-pandemic staffing levels and for the provision of general government services. Two tranches of payments were made to local governments serving populations under 50,000. The City received a total of \$6.072 million in CLFRF funding to be obligated by 2024 and fully expended by December 2026. In July 2022, the City Council approved the Spending Plan Framework for the ARPA funds. In FY2023-2024, \$4,000,000 has been budgeted in grant revenues and expenditures, which includes infrastructure projects that will continue over the next couple of years. These include the lead pipe identification project, enhanced funding for a water and sewer project, and the Park Vista drainage project. Additional funding is provided for personnel programs to target recruitment and retaining staff, and a generator for the water tower. The leave liability reduction program was completed in FY2022-2023.

Proprietary Funds

Storm Drainage Fund

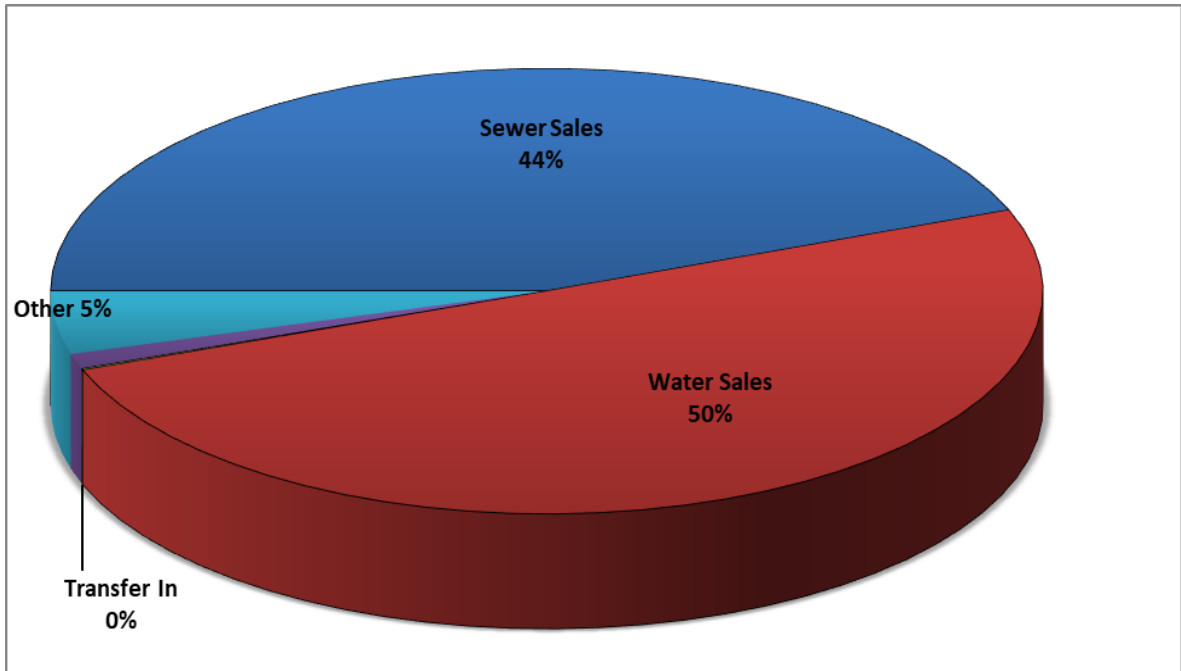
A \$11.00 fee per month per residential utility account was adopted through the Code of Ordinances, to enhance drainage of properties within the City. Commercial accounts are charged a uniform rate, but the amount charged is based on impervious area. The fee is billed and collected through the Utility Billing Office and is 99.8% of the Storm Drain Utility Revenues. Projections are based on the active accounts and rate charges. The last fee review was conducted in FY2020.

Total charges for services are forecast to be \$1,485,000 for service charges, with total revenues of \$1,645,000. Total expenditures are \$2,462,700. The operating expenditure budget is \$937,400, with additional transfers to other funds in the amount of \$194,000. This year, \$1,331,300 in capital projects are included in the budget to include the drainage portion of Whitley Road Phase 4 and 5. The projected ending fund resources will be \$3,502,000 if all budgeted capital projects are completed.

Water and Sewer Fund

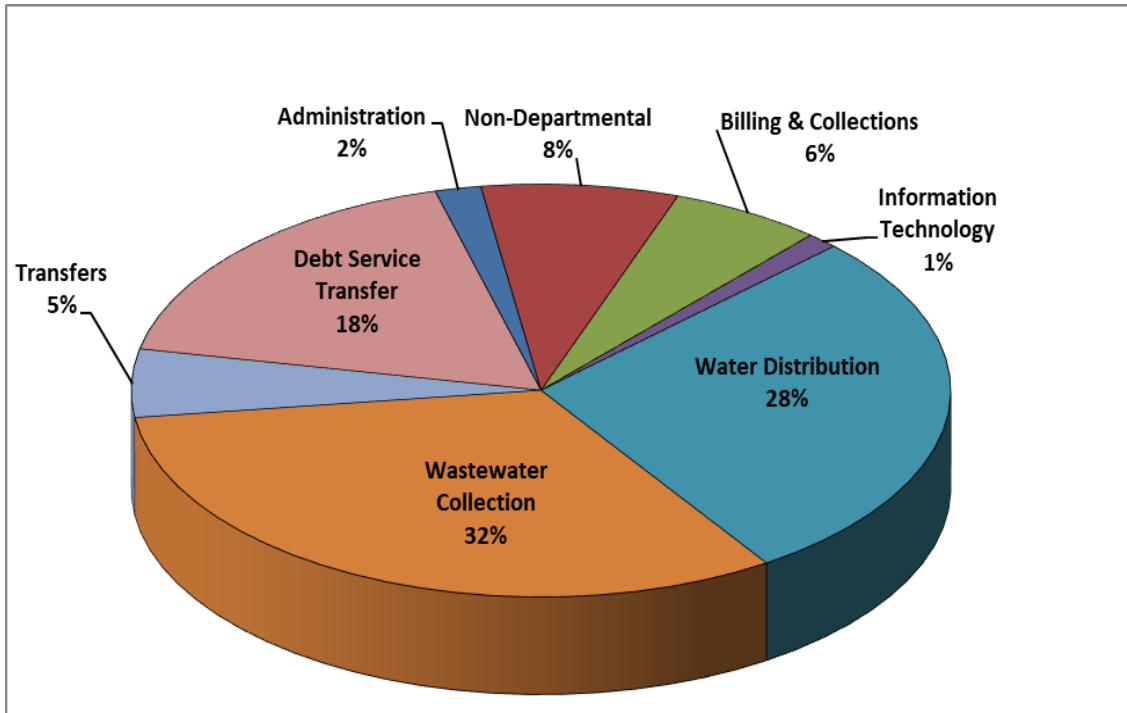
BUDGET SUMMARY

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. The City is 96% built out and increases in customer accounts are projected to remain fairly flat in future years. Water and sewer sales constitute 94% of the Water and Sewer Utility Fund revenues. Other revenues such as penalty revenue, service charges, interest and transfers make up 6% of the total revenues. Total charges for water and wastewater services are forecast to be \$9,300,000, with total revenues of \$9,871,000 and total available resources are \$12,675,570. A rate increase is anticipated for wastewater services and is included in this budget. A rate model review is underway, and a rate increase will be presented in the second quarter of Fiscal Year 2024. The City contracts with the City of Ft. Worth for wastewater treatment and the City of North Richland Hills for water purchases. Wastewater collection and treatment costs have risen drastically in the last two fiscal years.



Expenditures for water purchases and sewer treatment services also vary based on customer usage and weather. Total expenses are estimated as \$10,218,024. These expenditures include an increase in our wholesale wastewater costs by 20% by the City of Ft. Worth.

BUDGET SUMMARY



Transfers to the Debt Service Fund are included to cover debt service payments.

The fund is anticipated to be at the appropriate reserve level with the ending fund balance expected to be \$2,457,546 which is a 24% reserve level at the end of FY2023-2024. The City's reserve policy is to ensure a 25% reserve level in this fund.

Fleet Interlocal Agreement Fund

In FY2019-2020, the City contracted with three surrounding cities to provide fleet services. The City estimates revenues to be \$110,000 and estimates expenses to be at \$95,500. Ending fund resources are projected at \$72,471.

Water and Sewer Debt Service Fund

The Utility Fund debt service requirement for FY 2023-2024 is \$1,799,163 and will be funded by a transfer from the Water/Sewer operating fund and fund balance reserves. The fund balance at the end of the year is expected to be \$50,234. Debt service is paid for those issuances that fund wastewater improvements identified in the 5-year Capital Improvement Plan.

Water and Sewer Capital Projects Funds

Total available resources are projected at \$4,482,133 which includes remaining proceeds from the 2019 debt issuance for funding of various water and sewer infrastructure projects. These projects are currently underway and are expected to be substantially completed at the end of FY2023-24. Total expenditures are budgeted at \$3,998,100 and include the water and wastewater projects that were

BUDGET SUMMARY

identified and prioritized in the City's 5-year Capital Improvement Plan. An estimated \$177,000 in estimated water and sewer main repairs and street maintenance is budgeted this year. The ending fund balance will be \$484,033 in this fund if the planned projects are completed by September 30, 2024. Unused funds will roll over to the next fiscal year until the projects are completed.

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 \$60,000 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 enhanced the use of the Equipment Replacement Fund that had been reduced in FY2021. 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. These are reflected as transfers in from other funds and charges for services. This year we are utilizing this fund for the purchase of rolling stock, equipment, technology, and facility needs in the amount of \$1.01 million. Some of the items funded this year were carried over from prior year due to supply delays in FY2023.

The forecasted ending Fund Balance is \$1,357,109.

Conclusion

This summary provides the major highlights of the 2023-24 Fiscal Year Budget document. This budget contains 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.





GENERAL FUND
STRATEGIC INITIATIVE FUND



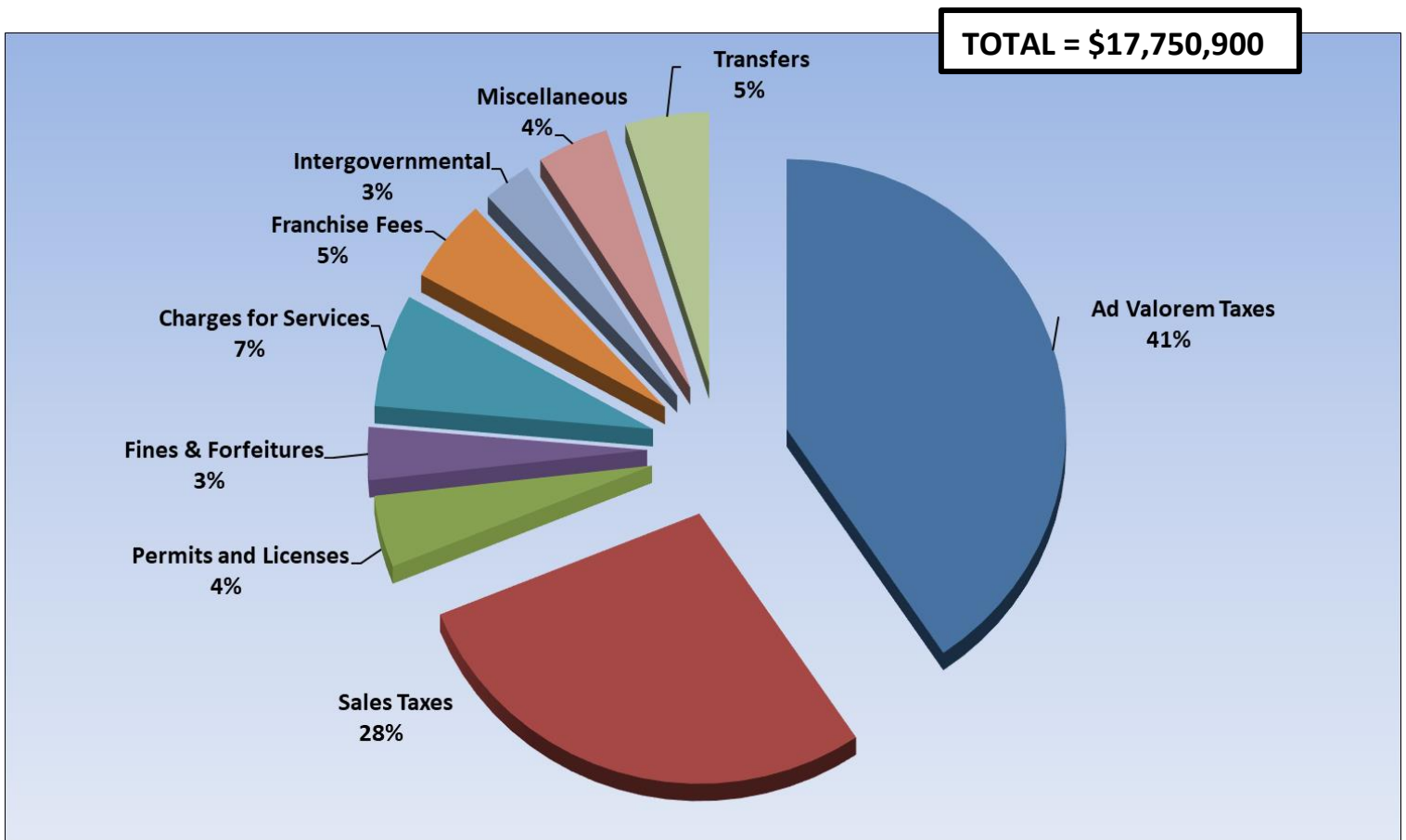
October 1, 2023 – September 30, 2024

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



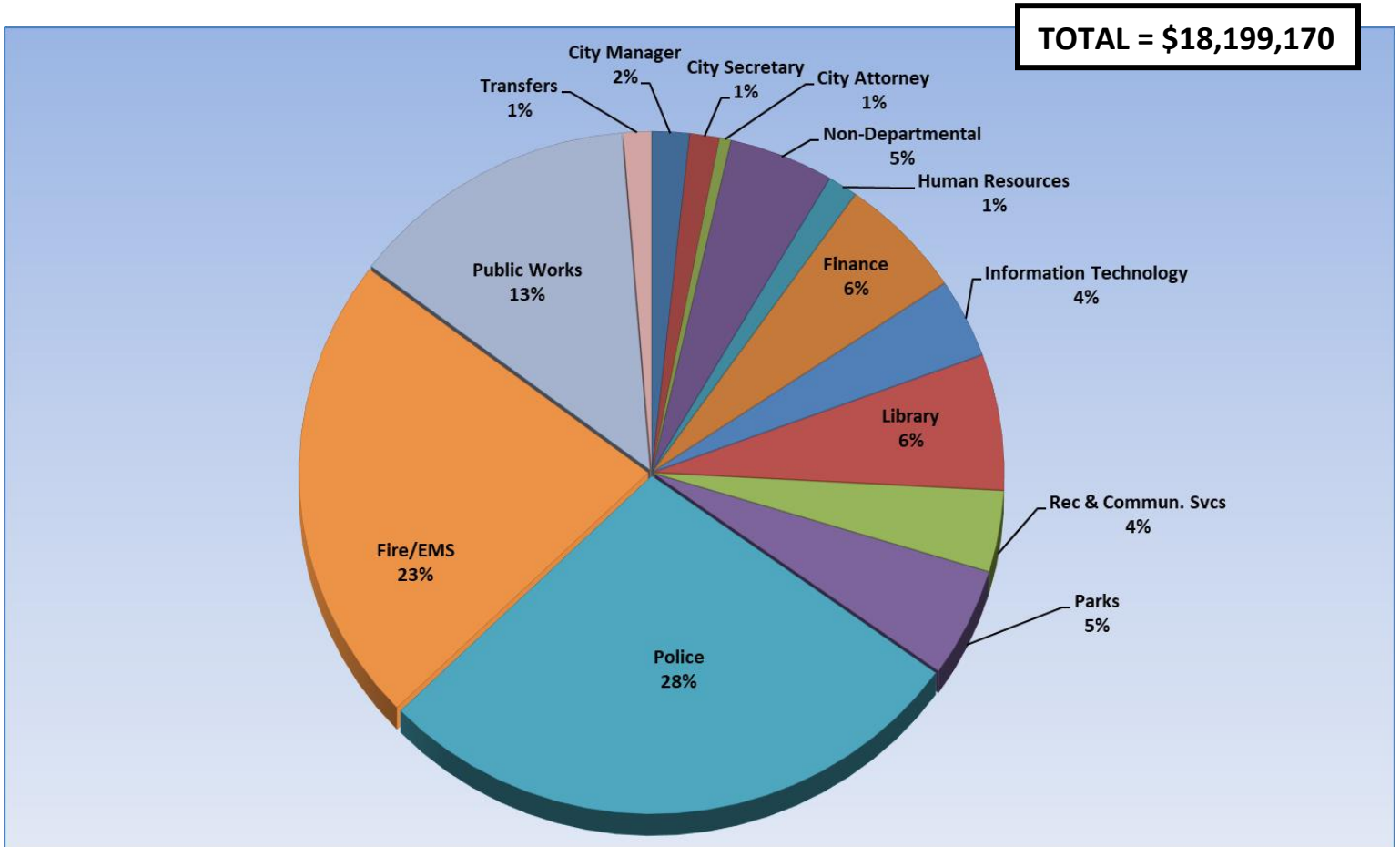
Revenues are forecasted at approximately 9.2% more than prior year, or by \$1,502,780 due in large part to property tax and sales tax increases. Other revenues such as charges for services, permits, and interest earnings are forecast to increase this year. Property tax revenue has been based on maintaining the City's current tax rate, and is expected to bring in approximately \$7.2 million at the FY2024 tax rate of \$0.570200/100 of valuation.

GENERAL FUND

Where does the money go?

GENERAL FUND EXPENDITURES BY DEPARTMENT

General Fund expenditures have increased by approximately 13.7% from prior year, or by \$1,734,275. A major component of this increase is the remaining movement of the Safer Grant positions into General Fund, restoring of various positions that were unfunded for the last several years as a cost saving measure, personnel increases for salary and benefits, and one-time capital purchases. Utilitization of fund balance this year is forecasted at \$448,270. Public Safety comprises 51% of the General Fund expenditures.



GENERAL FUND BUDGET SUMMARY

| | HISTORY | | | PROJECTED YEAR | | | BUDGET | | CHANGE | |
|--|----------------------|----------------------|----------------------|----------------------|--------------------------|--------------|--------|--|--------|--|
| | 2021-2022 | 2022-2023 | 2022-2023 | 2023-2024 | FY2022-2023 to 2023-2024 | | | | | |
| | Actual | Budget | Projected | Budget | \$ | % | | | | |
| Fund Balance, October 1 | \$ 6,947,251 | \$ 7,274,688 | \$ 8,276,216 | \$ 8,430,927 | \$ 1,156,239 | | | | | |
| Revenues: | | | | | | | | | | |
| Property Taxes | 6,446,896 | 6,571,720 | 6,652,500 | 7,194,500 | \$ 622,780 | 9.4% | | | | |
| Sales Taxes | 4,705,981 | 4,820,000 | 4,940,400 | 5,038,000 | \$ 218,000 | 4.5% | | | | |
| Permits and Licenses | 741,399 | 602,300 | 713,800 | 762,700 | \$ 160,400 | 26.6% | | | | |
| Fines & Forfeitures | 638,906 | 630,600 | 469,400 | 559,500 | \$ (71,100) | -11.3% | | | | |
| Charges for Services | 1,024,127 | 1,047,500 | 1,067,000 | 1,203,000 | \$ 155,500 | 14.8% | | | | |
| Franchise Fees | 791,372 | 877,500 | 891,500 | 889,500 | \$ 12,000 | 1.4% | | | | |
| Intergovernmental Revenue | 502,600 | 503,000 | 503,000 | 503,000 | \$ - | 0.0% | | | | |
| Miscellaneous | 436,082 | 377,500 | 770,600 | 739,700 | \$ 362,200 | 95.9% | | | | |
| Operating Revenues | \$ 15,287,363 | \$ 15,430,120 | \$ 16,008,200 | \$ 16,889,900 | \$ 1,459,780 | 9.5% | | | | |
| Operating Transfers-In: | | | | | | | | | | |
| Transfers from Other Funds | 779,300 | 818,000 | 818,000 | 861,000 | \$ 43,000 | 5.3% | | | | |
| Water/Sewer, Storm, EDC, Traffic Safety | | | | | | | | | | |
| Total Operating Revenues and Transfers-in | \$ 16,066,663 | \$ 16,248,120 | \$ 16,826,200 | \$ 17,750,900 | \$ 1,502,780 | 9.2% | | | | |
| Total Available Resources | \$ 23,013,913 | \$ 23,522,808 | \$ 25,102,416 | \$ 26,181,827 | \$ 2,659,019 | 11.3% | | | | |
| Expenditures: | | | | | | | | | | |
| City Manager | 149,847 | 279,280 | 280,280 | 314,230 | \$ 34,950 | 12.5% | | | | |
| City Secretary | 177,721 | 198,950 | 190,250 | 248,250 | \$ 49,300 | 24.8% | | | | |
| City Attorney* | 55,895 | 80,000 | 75,000 | 70,000 | \$ (10,000) | -12.5% | | | | |
| City Attorney - Prosecutor* | 36,000 | 30,000 | 25,000 | 25,000 | \$ (5,000) | -16.7% | | | | |
| Non-Departmental* | 646,611 | 782,375 | 742,375 | 879,415 | \$ 97,040 | 12.4% | | | | |
| Human Resources | 203,559 | 222,600 | 215,630 | 248,000 | \$ 25,430 | 11.4% | | | | |
| Development Services | 168,679 | 223,510 | 225,170 | 291,860 | \$ 68,350 | 30.6% | | | | |
| Finance - Municipal Court Division* | 369,707 | 424,960 | 414,510 | 456,110 | \$ 31,150 | 7.3% | | | | |
| Finance | 538,292 | 584,810 | 577,645 | 603,210 | \$ 18,400 | 3.1% | | | | |
| Information Technology | 495,879 | 615,760 | 608,739 | 683,240 | \$ 67,480 | 11.0% | | | | |
| Library | 865,205 | 1,077,200 | 1,039,200 | 1,175,200 | \$ 98,000 | 9.1% | | | | |
| Recreation & Community Serv. | 287,369 | 395,710 | 407,610 | 700,520 | \$ 304,810 | 77.0% | | | | |
| Parks** | 579,228 | 629,030 | 662,130 | 947,785 | \$ 318,755 | 50.7% | | | | |
| Police Division | 4,417,806 | 4,673,400 | 4,534,200 | 5,073,500 | \$ 400,100 | 8.6% | | | | |
| Fire / EMS | 3,196,643 | 3,742,380 | 3,741,320 | 4,096,490 | \$ 354,110 | 9.5% | | | | |
| Public Works - Street Division | 429,590 | 653,380 | 656,180 | 719,780 | \$ 66,400 | 10.2% | | | | |
| Fleet Maintenance | 203,258 | 324,250 | 291,950 | 361,650 | \$ 37,400 | 11.5% | | | | |
| Building Maintenance | 801,409 | 1,042,300 | 999,300 | 1,069,900 | \$ 27,600 | 2.6% | | | | |
| Operating Expenditures | 13,622,697 | 15,979,895 | 15,686,489 | 17,964,170 | \$ 1,984,275 | 12.4% | | | | |
| <i>*City Attorney and City Attorney budgeted in non-departmental and Court through FY2020-2021 and moved to City Attorney in FY2021-2022</i> | | | | | | | | | | |
| Operating Transfers-Out | | | | | | | | | | |
| To Capital Project Fund Debt&Eng | 0 | 85,000 | 85,000 | 85,000 | \$ - | 0.0% | | | | |
| Operating Surplus/(Deficit) | \$ 2,443,966 | \$ 183,225 | \$ 1,139,711 | \$ (298,270) | | | | | | |
| Transfers to Other Funds | | | | | | | | | | |
| To Capital Project Fund Projects | 1,115,000 | 400,000 | 400,000 | 150,000 | \$ (250,000) | 100.0% | | | | |
| To Equipment Repl. - Fund Year 1 | 0 | 0 | 500,000 | 0 | \$ - | 0.0% | | | | |
| Total Transfers to Other Funds | 1,115,000 | 400,000 | 900,000 | 150,000 | \$ (250,000) | | | | | |
| TOTAL OPERATING & TRANSFERS | \$ 14,737,697 | \$ 16,464,895 | \$ 16,671,489 | \$ 18,199,170 | \$ 1,734,275 | 13.7% | | | | |
| Fund Balance, September 30 | \$ 8,276,216 | \$ 7,057,913 | \$ 8,430,927 | \$ 7,982,657 | | | | | | |
| STRATEGIC INITIATIVE | | | | | | | | | | |
| CHANGE IN FUND BALANCE | \$ 1,328,966 | \$ (216,775) | \$ 154,711 | \$ (448,270) | | | | | | |
| % OF EXPENDITURES | 61% | 44% | 54% | 44% | | | | | | |

City Secretary Office



Mission Statement

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.

Department Overview

The City Secretary serves at the discretion of the City Council and attends all City Council Meetings. Also, serves as the City's Records Management Officer and is responsible for accurately recording, publishing, indexing, and maintaining City Council records to include minutes, ordinances, resolutions, contracts, agreements, and other legal documents. This office oversees a records management policy and records destruction policy to provide efficient, economical, and effective controls over the creation, distribution, organization, maintenance, and space allocation for all City records. It also handles requests made for City documents under the provisions of the Public Information Act. The City Secretary also serves as the Chief Election Officer and coordinates the election process for all City elections. This office coordinates daily communication and operations with the Mayor/Council, prepares and executes Council packets, processes alcohol and beverage registrations and reports, issues release of liens, and to respond to customer service complaints and issues.

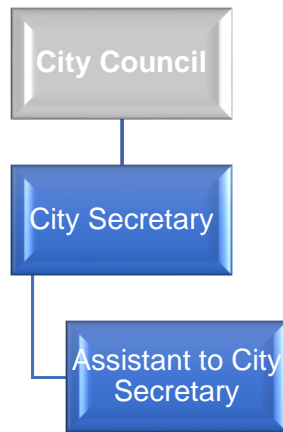
Highlights/Achievements for FY2023

- Successfully oversaw the May 2023 General and Special Election.
- Destroyed approximately 250 boxes of records that reached their retention threshold in compliance with State law and the City's Records Management Policy.
- Responded to 195 requests for Public Information in accordance with the Texas Public Information Act with an average response time of 4.35 days.
- The City Secretary received TMC Certification and started the International Institute of Municipal Clerks certification program.
- Streamlined and implemented the process of record retention and created a record naming convention to standardize and make locating records.
- Provided administrative support to the Council and all City Departments.

Goals/Objectives for FY2024

- Conduct General and other elections as required.
- Continue training for City Secretary and Assistant to the City Secretary.
- Create and implement a training program for records liaisons to ensure departments are complying with state records retention requirements.
- Audit and identify records in storage within all departments within the City.
- Process liens in a timely and efficient manner.
- Process alcohol beverage registrations and massage permits in a timely and efficient manner.
- Respond to requests for public information in a timely and efficient manner, and in accordance with State law.
- Coordinate the reappointment and appointment process for the City's Boards and Commissions and maintain accurate records in the City's files and the City's website.

Organizational Chart



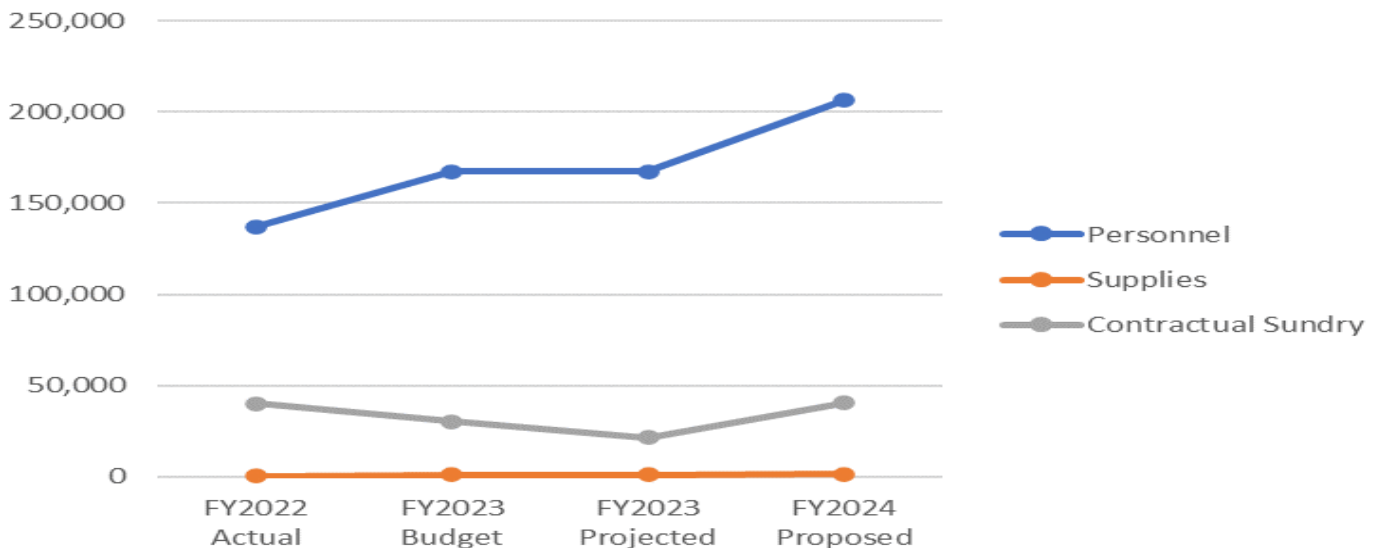
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| City Secretary | 1.00 | 1.00 | 1.00 |
| Assistant to City Secretary | 1.00 | 1.00 | 1.00 |
| Total City Secretary Office FTE | 2.00 | 2.00 | 2.00 |

Summary of Expenditures by Category

The City Secretary Office budget increased by \$49,300 mainly due to personnel cost increases. There was an increase in election expenses in anticipation of the upcoming election.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|
| Personnel | 136,961 | 167,350 | 167,350 | 206,200 |
| Supplies | 608 | 1,250 | 1,250 | 1,450 |
| Contractual Sundry | 40,152 | 30,350 | 21,650 | 40,600 |
| Total City Secretary | \$177,721 | \$198,950 | \$190,250 | \$248,250 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---|------------------|-------------------|---------------------|------------------|
| Produce meeting agendas | 112 | 109 | 89 | 97 |
| Prepare meeting minutes | 112 | 96 | 89 | 97 |
| Prepare resolutions | 40 | 40 | 32 | 35 |
| Prepare ordinances | 29 | 40 | 15 | 25 |
| Processed Contact Us/Citizen Concerns | 110 | 70 | 240 | 200 |
| Processed Public Information Requests | 213 | 230 | 250 | 250 |
| Processed property & liability insurance claims | 12 | 15 | 10 | 12 |
| Processed beverage & massage permits | 30 | 30 | 34 | 38 |
| Processed gross alcohol sales affidavits | 148 | 90 | 140 | 150 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Transcribe and publish city meeting minutes prior to the next scheduled meeting | # 1. Maintain the financial strength of the City # 4. Strengthen future planning | Efficiency | 100% | 97% | 100% | 84% | 100% |
| Provide prompt response to public information requests in 10 days or less | # 5. Improve community involvement | Efficiency | 100% | 100% | 100% | 100% | 100% |
| Provide prompt response to contact "contact us" submissions within 24 hours | # 5. Improve community involvement | Efficiency | 100% | 99% | 100% | 100% | 100% |
| Conduct annual destruction records which have met State retention requirements | # 1. Maintain the financial strength of the City | Effectiveness | 1 | 1 | 1 | 2 | 1 |
| Posting Notices of All meetings, and possible quorum notices. Within 72 hours of meeting online and outside boards. | # 5. Improve community involvement | Efficiency | 100% | 100% | 100% | 100% | 100% |

City Secretary Office at a Glance

| | | | | | |
|---|--|---|--|---|----------------------------------|
|  | Location: City Hall 7105 Whitley Road |  | FY2024 Budget: \$248,250 |  | Full-time Employees: 2 |
|---|--|---|--|---|----------------------------------|



CITY SECRETARY OFFICE

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------------|--------------------|-----------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$38,850 | benefits, retention, COLA/merit & TMRS adjustments |
| Wearing Apparel | Supplies | \$200 | | staff apparel purchase |
| Communications | Contractual/Sundry | | \$20 | rounding adjustment |
| Special Services | Contractual/Sundry | \$1,000 | | language interpretation services increase for election |
| Travel Expense | Contractual/Sundry | | \$700 | TMCA seminar location adjustment |
| Dues & Subscriptions | Contractual/Sundry | (\$100) | | Nagara membership adjustment |
| Dues & Subscriptions | Contractual/Sundry | \$35 | | Intl. Municipal Clerks membership adjustment |
| Dues & Subscriptions | Contractual/Sundry | \$225 | | ARMA records management adjustment |
| Training | Contractual/Sundry | (\$530) | | training needs and costs adjustment |
| Election Expenses | Contractual/Sundry | \$10,000 | | election expense estimate adjustment |
| Printing & Binding | Contractual/Sundry | | (\$100) | needs adjustment |
| Contractual Services | Contractual/Sundry | | (\$1,000) | ordinance codification adjustment |
| | | | | |
| TOTALS: | | \$10,830 | \$38,470 | |

\$49,300 NET INCREASE/DECREASE

Human Resources



Mission Statement

The Human Resources Department is committed to delivering the highest quality of service to all departments, employees, applicants, and citizens. It supports the City of Watauga through recruitment, training and retention of a diverse and high performing workforce and management of employee benefits and compensation. Our goal is to make Watauga A Great Place to Work.

Department Overview

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, Employee Relations, Employment Verification, Employee Engagement, 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.

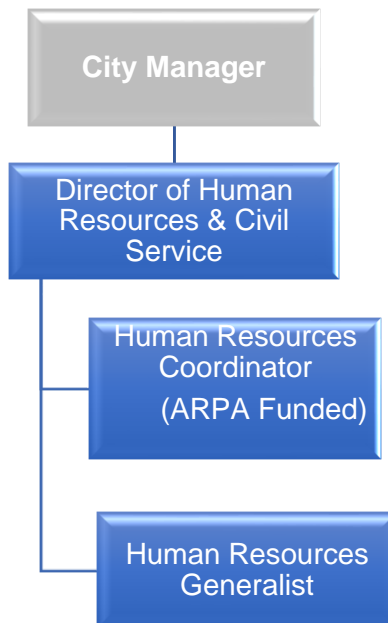
Highlights/Achievements for FY2023

- Managed city wide Covid Cases – communications, case tracking and follow up.
- Managed/tracked 17 Workers Comp cases, 47 first aid injuries and 10 FMLA, and 2 vehicle accidents.
- Marketed and recruited for increased number of vacancies throughout the year.
- Successfully onboarded 42 FT/PT employees, including newly ARPA and PIP budgeted positions.
- Processed 20 terminations.
- Completed Promotional Testing for Police Sergeant and Corporal as well as Entry Exams for 3 for Police and 2 for Fire.
- Transitioned and trained one new staff member in the department.
- Continued and enhanced the Annual Compliance training and set a quarterly schedule for completion.
- Successfully revised 9 Policies.
- Successfully completed Vacation Sell Back, Compensatory Time and Sick Leave Buy Back in an effort to reduce the City Leave Liability.
- Collected and tracked all Performance Evaluations for new year with a March due date.
- Significantly reduced Unemployment chargebacks in 2022-2023 in comparison to previous years.
- Implemented newly budgeted City events to improve employee morale.
- Successfully facilitated 1 flu shot clinic, 2 blood drives, and the United Way Campaign week.

Goals/Objectives for FY2024

- Continue Policy revisions Vehicle Use, Tuition Reimbursement, Performance Evaluations, Workers Compensation, and Harassment Policy.
- Implement Employee Referral Bonus' and Public Works Sign on Bonus programs to assist with recruitment.
- Reimplement a 2nd Orientation for new employees.
- Maintain Compliance in Employment Law and Civil Service, revise local rules for recruiting efforts.
- Implement Performance Management System for tracking employee performance and goal achievements as well as evaluations.
- Continue improvements on employee morale and making Watauga A Great Place to Work.
- Bring back the committee for Vehicle Accident reviews and Safety training.
- Create and conduct supervisor training.
- Compile a turnover reporting method to evaluate areas of concern for retention.

Organizational Chart



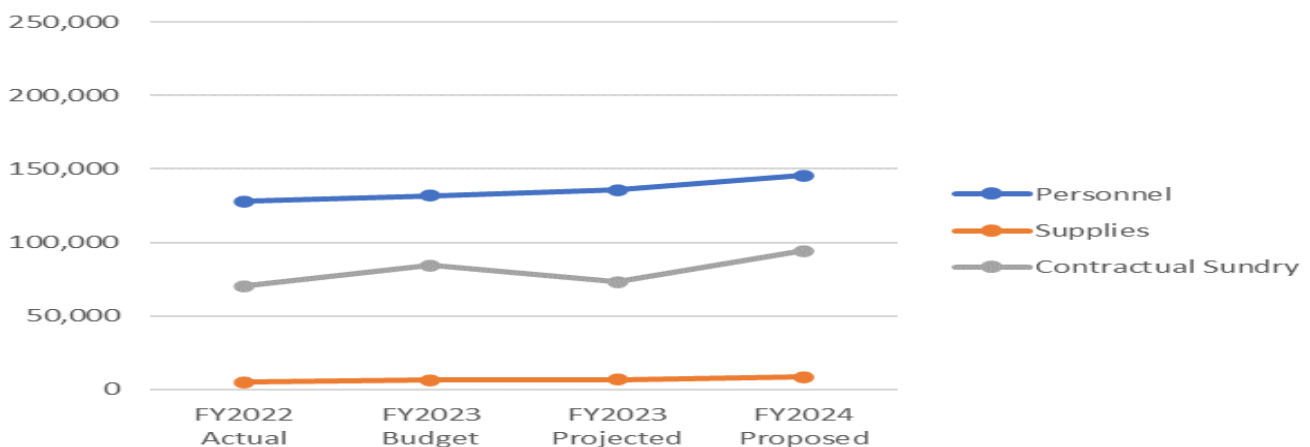
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|---|---------------|---------------|---------------|
| Director of Human Resources & Civil Service | 1.00 | 1.00 | 1.00 |
| Human Resources Generalist | 1.00 | 1.00 | 1.00 |
| Human Resources Coordinator (ARPA funded) | 0 | 1.00 | 1.00 |
| Total Human Resources FTE | 2.00 | 3.00 | 3.00 |

Summary of Expenditures by Category

Human Resources' budget increased by \$25,430 in large part due to personnel cost increases. There were several on-going New Requests implemented in an effort to increase employee morale and retention in this budget for a total of \$10,500 along with an anticipated increase in pre-employment expenses.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 128,066 | 131,900 | 135,800 | 145,400 |
| Supplies | 5,013 | 6,460 | 6,650 | 8,500 |
| Contractual Sundry | 70,480 | 84,240 | 73,180 | 94,130 |
| Total Human Resources | \$203,559 | \$222,600 | \$215,630 | \$248,030 |



Performance Measures




| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|------------------|-------------------|---------------------|------------------|
| Processed separations/retirements | 30 | 30 | 30 | 25 |
| Processed promotions/transfers | 23 | 18 | 18 | 16 |
| Performed payroll/benefit transactions | 749 | 700 | 700 | 700 |
| Onboarded new employees | 57 | 50 | 50 | 45 |
| Applications processed | 1,485 | 1,450 | 1,450 | 1,350 |
| Positions posted | 59 | 50 | 50 | 45 |
| Workers Compensation claims processed | 22 | 27 | 27 | 22 |
| Team building morale events held | 1 | 5 | 5 | 6 |
| Employee fundraising events | 2 | 2 | 1 | 1 |
| Wellness events/opportunities | 4 | 4 | 6 | 6 |



| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|---|--------------|---------|---------|---------|----------|---------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Increase the annual percentage of employees who pass probation to greater than 95% | # 7. Attract, retain, and motivate qualified staff. | Efficiency | 95% | 78% | 95% | 72% | 95% |
| Increase the time to fill vacant positions within the city. | # 7. Attract, retain, and motivate qualified staff. | Efficiency | 45 Days | 92 Days | 45 Days | 120 Days | 65 Days |
| % of performance reviews completed on time annually. | # 7. Attract, retain, and motivate qualified staff. | Efficiency | 95% | 49% | 95% | 99% | 100% |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Full-time employee turnover rate | # 7. Attract, retain, and motivate qualified staff. | Effectiveness | 18% | 13% | 10% | 23.1% | 12% |
| Increase participation in employee wellness events to impact benefits and employee well-being. | # 7. Attract, retain, and motivate qualified staff. | Effectiveness | 6 | 4 | 6 | 7 | 6 |
| Increase the annual employee compliance and development training. | # 2. Expand public safety through mom-enforcement efforts. # 7. Attract, retain, and motivate qualified staff. | Effectiveness | 6 | 5 | 6 | 6 | 6 |

Human Resources at a Glance

| | | | | | |
|---|--|--|--|---|--------------------------------------|
|  | Location: City Hall 7105 Whitley Road |  | FY2024 Budget: \$248,030 |  | Full-time Employees: 3 |
|---|--|--|--|---|--------------------------------------|



HUMAN RESOURCES

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|-------------------------|--------------------|--------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$13,500 | benefits, retention, COLA/merit & TMRS adjustments |
| Publications | Supplies | | \$40 | publications adjustments |
| Wearing Apparel | Supplies | | (\$100) | needs adjustment |
| Misc Equip/Furniture | Supplies | \$400 | | scanner for HR Coordinator |
| Awards/Recognitions | Supplies | | (\$200) | service awards reduction due to current staffing longevity |
| Awards/Recognitions | Supplies | | \$2,000 | employee of month program (on-going approved NR FY23-24) |
| Awards/Recognitions | Supplies | | \$1,000 | employee awards (on-going approved NR FY23-24) |
| Advertising | Contractual/Sundry | | \$200 | Neogov subscription increase estimate |
| Advertising | Contractual/Sundry | | \$7,500 | employee referral program (on-going approved NR FY23-24) |
| Dues & Subscriptions | Contractual/Sundry | | (\$380) | SGR subscription removal |
| Dues & Subscriptions | Contractual/Sundry | | \$250 | SHRM memberships adjustment |
| Dues & Subscriptions | Contractual/Sundry | | (\$80) | Ft Worth HR Association removal |
| Training | Contractual/Sundry | | (\$500) | training needs adjustment |
| Employee Relations | Contractual/Sundry | | \$300 | Christmas pies staffing needs adjustment |
| Employee Relations | Contractual/Sundry | | \$500 | Thanksgiving luncheon staffing needs adjustment |
| Employee Tuition Reimb. | Contractual/Sundry | | (\$1,800) | estimated needs adjustment |
| Investigation Expense | Contractual/Sundry | | \$1,000 | estimated needs & costs adjustment |
| Contractual Services | Contractual/Sundry | | (\$3,200) | first responders EAP removal |
| Contractual Services | Contractual/Sundry | | \$200 | insurance broker estimate adjustment |
| Contractual Services | Contractual/Sundry | | \$500 | employee hotline estimate adjustment |
| Pre-employment Expense | Contractual/Sundry | | \$4,300 | estimated needs & cost adjustment |
| REALLOCATIONS: | | | | |
| Awards/Recognitions | Supplies | | (\$2,500) | Christmas pies to Employee Relations |
| Employee Relations | Contractual/Sundry | | \$2,500 | Christmas pies from Awards/Recognition |
| Awards/Recognitions | Supplies | | (\$2,300) | Thanksgiving luncheon to Employee Relations |
| Employee Relations | Contractual/Sundry | | \$2,300 | Thanksgiving luncheon from Awards/Recognition |
| Awards/Recognitions | Supplies | | \$3,700 | Service Awards from Special Services |
| Special Services | Contractual/Sundry | | (\$3,700) | Service Awards to Awards/Recognition |
| TOTALS: | | \$400 | \$25,030 | |

\$25,430 NET INCREASE/DECREASE

Public Works – Development Services



Mission Statement

We lead by exceptional customer service in partnering with the citizens and development community of the City of Watauga in building and revitalizing our neighborhoods promoting quality development and planning services to enhance the quality of life for all citizens and visitors.

Department Overview

The Development Services Division consists of several different sections, including planning & zoning, engineering, building inspections, and permitting. The following are services provided within the Development Services Division of Public Works:

- Provide quality oversight of development, revitalization, ordinance administration and enforcement.
- Engineering and Building Inspection ensure that all plans and projects submitted meet the city specification through plan review and field inspections.
- Customer Service and attention to detail through the permit and inspection process.

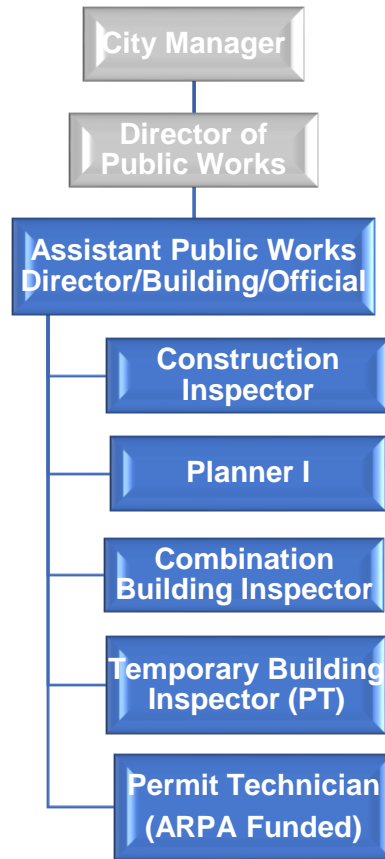
Highlights/Achievements for FY2023

- Completed 418 single family rental inspections.
- Completed 375 plumbing inspections.
- Completed 134 mechanical inspections.
- Completed 208 electrical inspections.
- Completed installation inspection of Hightower Estates utilities.
- Completed installation inspection of Bursey Road Townhome utilities.
- Completed Green Ribbon 2 beautification project.
- Completed Whitley Road Phase 3.

Goals/Objectives for FY2024

- Support the goals and objectives of the Comprehensive Land Use Plan.
- Provide timely and accurate plan review for contractors and developers.
- Enhance technical knowledge of staff through in-house and outside training sources.
- Engineering inspection will ensure that all plans and projects submitted meet the city specifications through plan review and field inspections.
- Building inspections will ensure that all construction, remodel, alteration plans, and projects submitted meet city, state, and federal specifications through plan review and field inspections.
- Continue to maximize revitalization efforts (Tarrant County Home Program) within the city to allow for the most effective use of funds allowed for repairing and maintaining housing.

Organizational Chart



Budgeted Positions

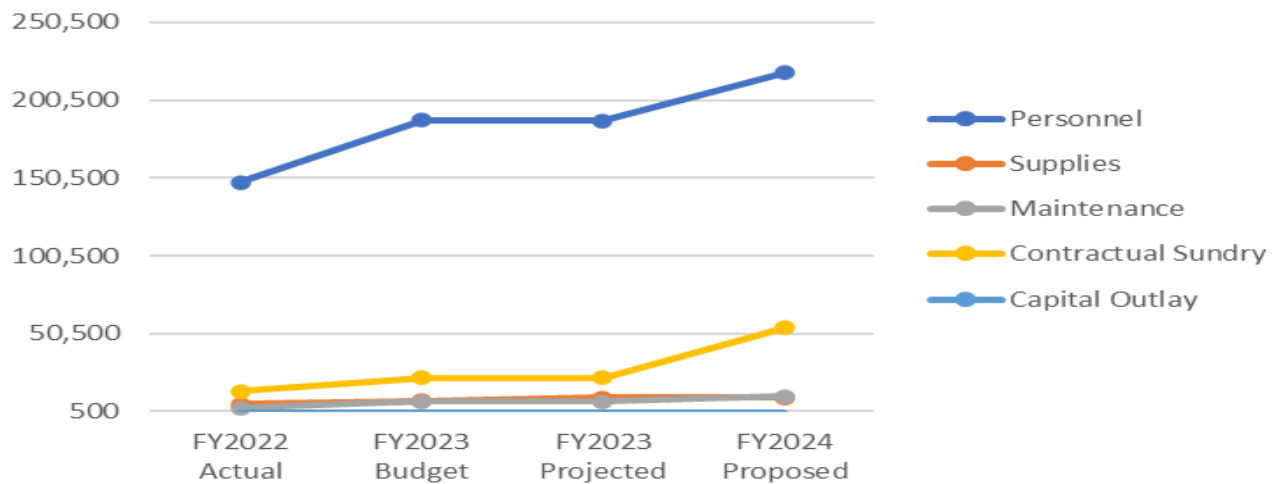
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Asst. Public Works Director/Bldg. Official | .25 | .25 | .25 |
| Construction Inspector | .25 | .25 | .25 |
| Planner I | | | 1.00 |
| Planning & Zoning Coordinator | 1.00 | 1.00 | |
| Combination Building Inspector | 1.00 | 1.00 | 1.00 |
| Temporary Building Inspector (PT) | .25 | .25 | .25 |
| Permit Technician (ARPA Funded) | 1.00 | 1.00 | 1.00 |
| Total PW – Development Services FTE | 3.75 | 3.75 | 3.75 |



Summary of Expenditures by Category

Public Works – Development Services Division budget increased by \$68,350 mainly due to personnel cost increases and the reallocation of the Home Program from the Strategic Initiative Fund. There was a Personnel Improvement Plan position reallocation included in this budget.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 147,464 | 187,440 | 187,000 | 218,100 |
| Supplies | 5,284 | 7,050 | 9,150 | 9,250 |
| Maintenance | 2,568 | 6,850 | 6,850 | 10,250 |
| Contractual Sundry | 13,363 | 22,170 | 22,170 | 54,260 |
| Total PW Development Services | \$168,679 | \$223,510 | \$225,170 | \$291,860 |




Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|---------------|----------------|------------------|---------------|
| Number of new single family permits | 14 | 90 | 15 | 90 |
| Number of single family additions/remodels | 18 | 30 | 12 | 15 |
| Number of new commercial buildings | 4 | 2 | 3 | 5 |
| Number of commercial remodels | 27 | 25 | 28 | 30 |
| Number of rental registrations | 642 | 700 | 650 | 700 |
| Number of vacant structure registrations | 11 | 15 | 4 | 7 |



| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of residential plans reviewed within 7 working days. | # 4. Strengthen future planning. | Efficiency | 100% | 100% | 100% | 100% | 100% |
| % of commercial plans reviewed within 30 working days. | # 3. Develop a sustainable economic development effort. # 4. Strengthen future planning. | Efficiency | 100% | 90% | 100% | 100% | 100% |
| % of rezoning cases reviewed by staff by designated deadline. | # 3. Develop a sustainable economic development effort. # 4. Strengthen future planning. | Efficiency | 100% | 100% | 100% | 100% | 100% |
| Maintain 95% or higher rating for building inspections completed within 3 days of request. | # 3. Develop a sustainable economic development effort. # 4. Strengthen future planning. | Effectiveness | 100% | 98% | 100% | 95% | 100% |
| % of permits with first review completed within 7 days. | # 3. Develop a sustainable economic development effort. # 4. Strengthen future planning. | Efficiency | 100% | 100% | 100% | 98% | 100% |
| % of capital projects started on time. | # 3. Develop a sustainable economic development effort. # 4. Strengthen future planning. | Efficiency | 100% | 95% | 100% | 100% | 100% |
| % of engineering inspections completed within 48 hours of notification. | # 3. Develop a sustainable economic development effort. # 4. Strengthen future planning. | Efficiency | 100% | 95% | 100% | 97% | 100% |
| % of permits completed according to timeframe. | # 3. Develop a sustainable economic development effort. # 4. Strengthen future planning. | Efficiency | 100% | 100% | 100% | 97% | 100% |

Public Works – Development Services at a Glance

| | | | | | |
|---|---|---|--|---|---|
|  | Location: Water Tower 7800 Virgil Anthony Blvd. |  | FY2024 Budget: \$291,860 |  | Full-time Employees: 3.75 |
|---|---|---|--|---|---|



PUBLIC WORKS - DEVELOPMENT SERVICES

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|--------------------------------|--------------------|------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$16,560 | benefits, retention, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$14,100 | PIP approved |
| Office Supplies | Supplies | | \$500 | estimated needs & costs adjustment |
| Publications | Supplies | | \$1,300 | Model Code books |
| Vehicle Fuels & Lubricants | Supplies | | \$400 | estimated needs & costs adjustment |
| Vehicle Maintenance | Maintenance | | \$3,400 | repaint vehicles |
| Special Services | Contractual/Sundry | | \$4,300 | plat filings adjustment (fee recapture) |
| Special Services | Contractual/Sundry | | (\$3,300) | GIS adjustment |
| Special Services | Contractual/Sundry | | \$500 | solicitor permit background checks |
| Travel Expense | Contractual/Sundry | | \$400 | estimated needs & costs adjustment |
| Dues & Subscriptions | Contractual/Sundry | | \$30 | TFMA estimated increase |
| Dues & Subscriptions | Contractual/Sundry | | \$110 | TSBPE plumbing license |
| Training | Contractual/Sundry | | \$50 | estimated training needs adjustment |
| REALLOCATIONS: | | | | |
| Revitalization - Single Family | Contractual/Sundry | | \$30,000 | Home Program reallocated from Fund 13 |
| TOTALS: | | \$0 | \$68,350 | |

\$68,350 NET INCREASE/DECREASE

City Manager Office



Mission Statement

The mission of the Watauga City Manager's office is to provide professional management of City operations and to promote quality service to all customers.

Department Overview

- The City Manager serves at the discretion of the City Council and is responsible for attending all City Council meetings and provides leadership and direction for the implementation of policies and priorities set by the City Council.
- The City Manager ensures City departments provide high quality services to the citizens of Watauga in the most efficient and effective manner possible, while maintaining accountability for the public funds used to provide such services.

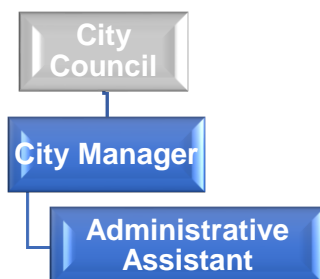
Highlights/Achievements for FY2023

- Facilitated continued Strategic Plan implementation for the city and Watauga EDC.
- Facilitated Annual Council Budget & Strategic Plan Review retreat.
- Conducted budget planning and personnel meetings with staff.
- Implemented and completed biweekly operations reporting for all city departments and the Watauga EDC.
- Recommended and implemented updated policies resulting in employee leave bank reduction via ARPA funding to reduce the city's overall financial liability.
- Recommended and implemented new and updated personnel policies to improve employee's work-life balance (Flex Schedules, Remote Work options, etc.) and the city's recruitment efforts.
- Recommended and implemented a formal employee evaluation process centered on Merit-based pay increases to acknowledge employee performance and to reduce wage compression within pay grades.

Goals/Objectives for FY2024

- Continue seeking grant funding opportunities.
- Continue researching opportunities to improve program efficiency and effectiveness.
- Support efforts to further new business attraction and business retention efforts of the Watauga EDC.
- Support efforts to finalize plans for City-sponsored food truck park in partnership with the WEDC.
- Assist the Mayor with and complete the annual State of the City Address.
- Facilitate the successful completion of the Watauga 101 Program. (subject to sufficient citizen enrollment)
- Ensure completion of Citizen and Employee Satisfaction Surveys.

Organizational Chart



Budgeted Positions

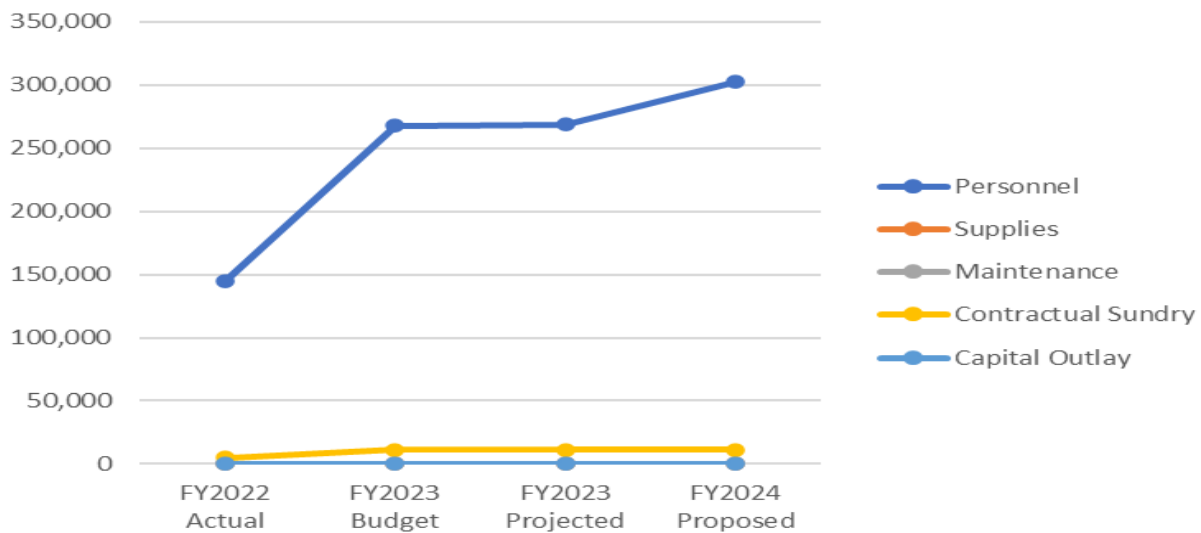
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--------------------------------------|---------------|---------------|---------------|
| City Manager | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 0 | 1.00 | 1.00 |
| Total City Manager Office FTE | 1.00 | 2.00 | 2.00 |



Summary of Expenditures by Category

The City Manager's budget increased by \$34,950 due to personnel cost increases for benefits, retention, COLA/merit, and TMRS adjustments.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|----------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 144,836 | 267,550 | 268,850 | 302,500 |
| Supplies | 233 | 300 | 300 | 300 |
| Maintenance | 0 | 0 | 0 | 0 |
| Contractual Sundry | 4,779 | 11,430 | 11,130 | 11,430 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total City Manager Office | \$149,847 | \$279,280 | \$280,280 | \$314,230 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|-------------------------------------|---------------|----------------|------------------|---------------|
| Council meetings/workshops attended | N/A | 30 | 30 | 30 |
| Public meetings held | N/A | 24 | 16 | 24 |
| Biweekly reports completed | N/A | 24 | 24 | 24 |

N/A = new measure

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Maintain an 80% or higher rating of citizens overall satisfaction | # 5. Improve community involvement. # 6. Improve the City brand | Effectiveness | 80% | N/A | 80% | N/A | 80% |
| Maintain an 80% or higher employee overall satisfaction | # 6. Improve the City brand. # 7. Attract, retain, and motivate qualified staff. | Effectiveness | 80% | N/A | 80% | N/A | 80% |

N/A = new measure

City Manager Office at a Glance

| | | | | | |
|---|--|---|--|---|---|
|  | Location: City Hall 7105 Whitley Road |  | FY2024 Budget: \$314,230 |  | Full-time Employees: 2.00 |
|---|--|---|--|---|---|



CITY MANAGER
BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------|--------------------|------------|-----------------|--|
| Personnel | Personnel Services | | \$34,950 | benefits, retention, COLA/merit & TMRS adjustments |
| TOTALS: | | \$0 | \$34,950 | |

\$34,950 NET INCREASE/DECREASE

Non- Departmental



Mission Statement

To provide and account for cost-effective programs that fall outside the functional responsibilities of other General Fund departments and divisions.

Department Overview

The Non-Departmental Division falls under control of the City Manager's Office and Finance Department staff. Expenditures in this division span a broad range of needs associated with the general operations of the City.

Examples of expenditures in this division include:

- Council expenses
- General liability insurance
- Copier costs
- Contingency
- Worker's compensation
- City-wide communications
- State of the City

Highlights/Achievements for FY2023

- Reinstated the Arts Program through the Northeast Arts Council.
- Continued funding for dependent health coverage assistance.
- Continued health insurance supplement.
- Reinstated employee benefit programs.
- Continued the Capital Outlay Plan enhancement.

Goals/Objectives for FY2024

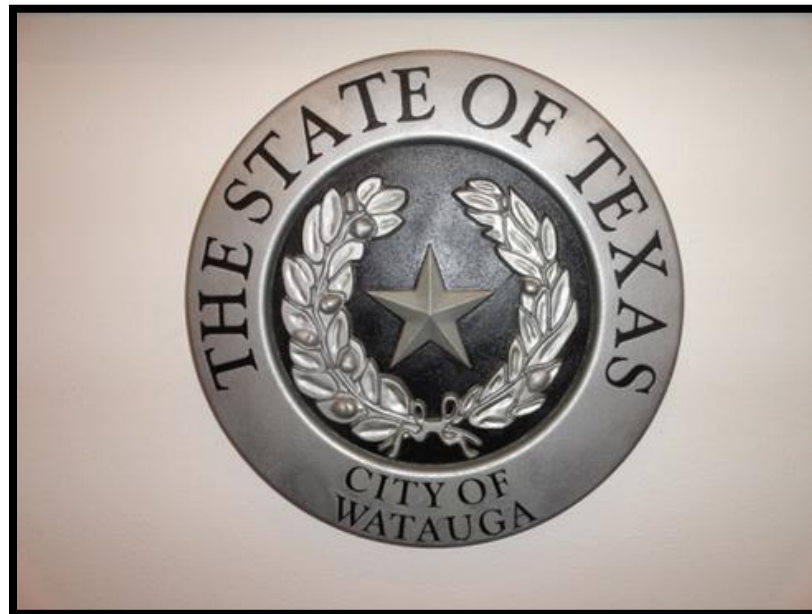
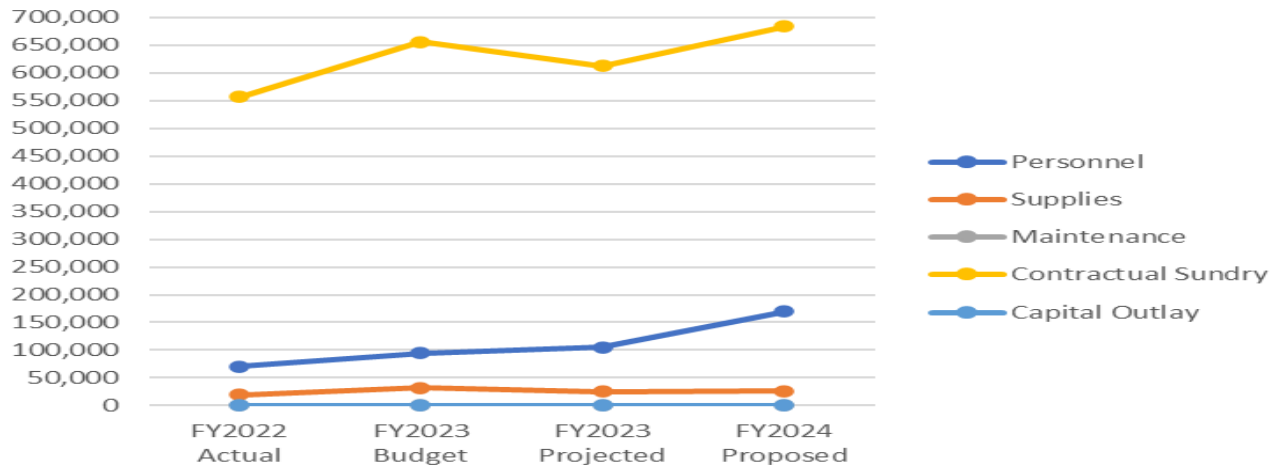
- Reinstatement of the Equipment Replacement Program and related lease payments and transfers.
- Review merchant agreement and seek ways to decrease costs.
- Fund vacation/comp time buyback program.
- Reinstatement of the Citizen's Academy.



Summary of Expenditures by Category

The Non-Departmental budget increased by \$97,040 mainly due to adjustments in personnel services for retirement and insurance benefits. There were also anticipated increases in Workers Compensation and liability insurances. Contingency was increased by \$25,000.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|-------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 70,245 | 95,000 | 104,900 | 170,000 |
| Supplies | 19,976 | 32,000 | 25,500 | 26,000 |
| Maintenance | 0 | 0 | 0 | 0 |
| Contractual/Sundry | 556,390 | 655,375 | 611,975 | 683,415 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Non-Departmental | \$646,611 | \$782,375 | \$742,375 | \$879,415 |





**NON-DEPARTMENTAL
SIGNIFICANT BUDGET CHANGES**

Fiscal Year 2023-24 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|---------------------------|--------------------|------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$75,000 | estimated retirement & insurance supplement adjustment |
| Postage | Supplies | | (\$3,000) | usage analysis adjustment |
| Copy Machine Supplies | Supplies | | (\$2,000) | analysis adjustment |
| Communications | Contractual/Sundry | | \$11,040 | AT & T cell |
| Advertising/Promotional | Contractual/Sundry | | (\$1,000) | usage analysis adjustment |
| Merchant/Bank Charges | Contractual/Sundry | | \$12,000 | estimated adjustment |
| Workers Compensation | Contractual/Sundry | | \$5,000 | estimated adjustment |
| Equip/Stock Insurance | Contractual/Sundry | | (\$5,000) | premium adjustment |
| Unemployment Insurance | Contractual/Sundry | | (\$30,000) | estimated adjustment |
| Building/Contents | Contractual/Sundry | | \$15,000 | estimated premium adjustment |
| Public Official Liability | Contractual/Sundry | | (\$5,000) | estimated premium adjustment |
| Contingency | Contractual/Sundry | | \$25,000 | estimated needs adjustment |
| TOTALS: | | \$0 | \$97,040 | |

\$97,040 NET INCREASE/DECREASE



Mission Statement

The mission of the City Attorney’s office is to provide professional legal services of the City and to represent the City in all matters under litigation.

Department Overview

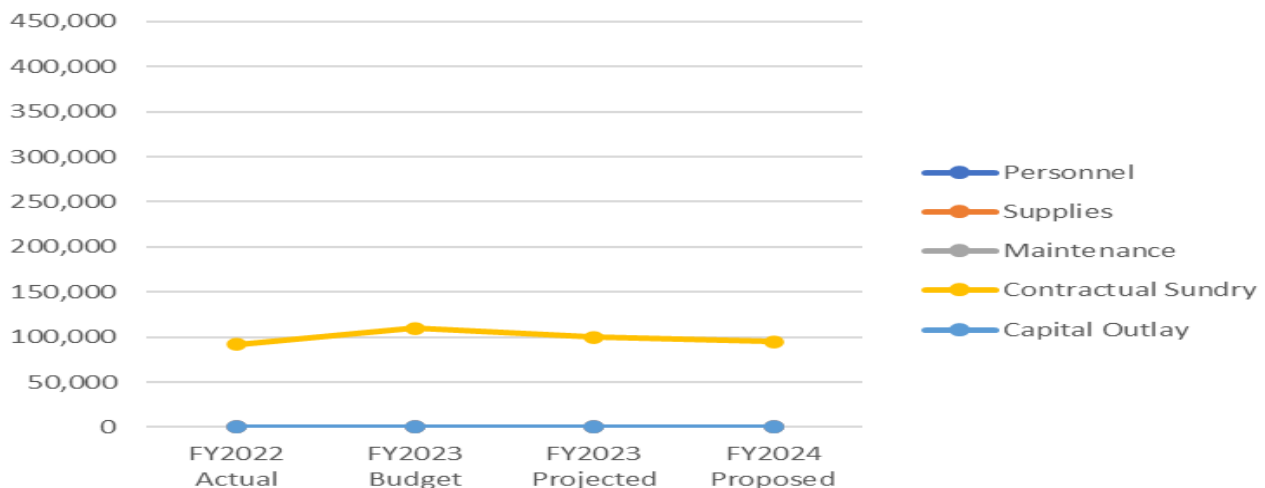
The City Attorney is not an employee of the City, and the services are provided by contract with a Municipal Law Firm.

- The City Attorney serves at the discretion of the City Council and is responsible for attending City Council meetings as directed by the Council.
- The City Attorney ensures all legal documents are reviewed and approved to legal form.
- Represents the City in municipal court prosecution in the most efficient and effective manner possible, while maintaining accountability for the public funds used to provide such services.
- Provides legal opinions to city officials and staff on city-related matters.

Summary of Expenditures by Category

The budget for legal services was captured in Non-Departmental and Municipal Court before FY2021-2022. The budget decreased by \$15,000 for FY2024 with the reduction of anticipated expenses for services.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|----------------------------|-----------------|------------------|------------------|-----------------|
| Personnel | 0 | 0 | 0 | 0 |
| Supplies | 0 | 0 | 0 | 0 |
| Contractual Sundry | 91,895 | 110,000 | 100,000 | 95,000 |
| Total City Attorney | \$91,895 | \$110,000 | \$100,000 | \$95,000 |



Finance – Municipal Court



Mission Statement

The mission of the Watauga Municipal Court is to provide fair and impartial justice to all persons having business before the Court.

Department Overview

The City of Watauga Municipal Court manages the filing and disposition of all Class C Misdemeanor cases filed by Police Officers, Code Officers, Animal Control Officers, and the Fire Marshal.

The goal of the Watauga Municipal Court is to serve all those who encounter the Court staff in a courteous manner while helping them efficiently and effectively manage their cases. The goals are accomplished by accurately processing and timely filing complaints, efficiently docketing cases, timely and courteous responding to requests for information from both internal and external customers, and responsibility collecting and accounting for all fines and court costs.

Highlights/Achievements for FY2023

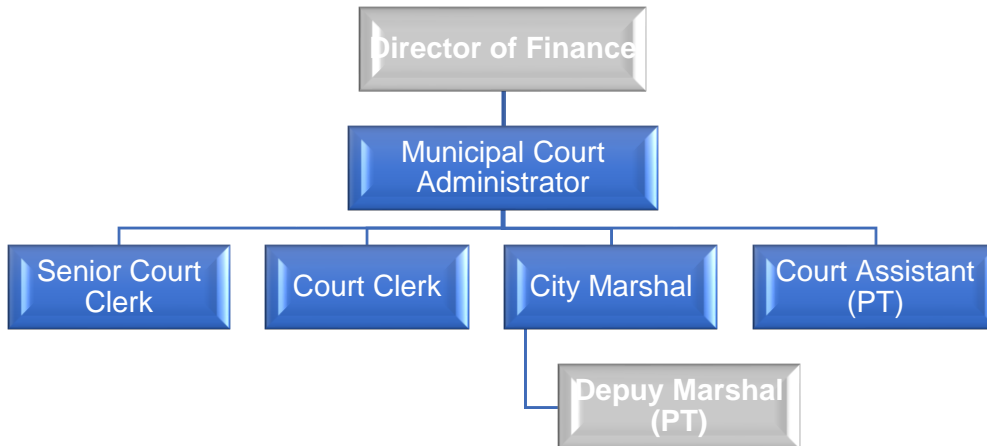
- Updated all court forms and complaints to Word documents as required to use Tyler Output Processor (TOP) and was the first phase of transitioning the court paperless court records storage from Laserfiche to Tyler Content Management (TCM). With the help of IT staff Tyler troubleshooted issues with TCM and TOPS to successfully complete the final implementation in the court offices as well as the courtroom.
- Streamlined the court check-in process by implementing the Tyler Municipal Justice 9 electronic docket check-in feature. This allows both the Judge and court staff to immediately know which defendants have check-in to a court session and in what order and what time they checked in and provides for efficiently and effectively manage multiple court dockets per day.
- Implemented Snap Engage, which installed a live chat that will be answered by a member of the court staff during normal business hours as well as a chat bot that can answer several questions when the court is closed. This allows court customers an easier and more efficient manner to contact the court.
- Implemented text messaging reminders for answer dates, court dates, and payment plan due dates to reduce failure to appear as well as failure to make scheduled payments.
- Implemented an Attorney Portal that allows attorneys to e-file documents to the Court.
- Received a 2023 Municipal Traffic Safety Award for our efforts to educate the community on the importance of traffic safety.
- A warrant resolution campaign will be conducted in September of 2023, with the assistance of our collection agency MVBA, to help customers manage their delinquent cases.

Goals/Objectives for FY2024

- Work with our current software provider to produce a hardware/software solution that would allow court customers to complete self-check-in for a court docket.
- Transition all open electronic cases from Laserfiche to Tyler Content Management
- Transition all court documents to allow for electronic signing by defendants at the window and in the courtroom.
- Continue to look for new and innovative ways to reach citizens and educate them on the importance of traffic safety.
- Update all policies and procedures to reflect 2023 Legislative changes as well as any necessary updates to fines or fees as required by Legislation.

- Focus on employee development by providing continuing education to maintain and upgrade clerk certification by providing training offered through the Texas Municipal Court Education Center and the Texas Court Clerks Association.

Organizational Chart



Budgeted Positions

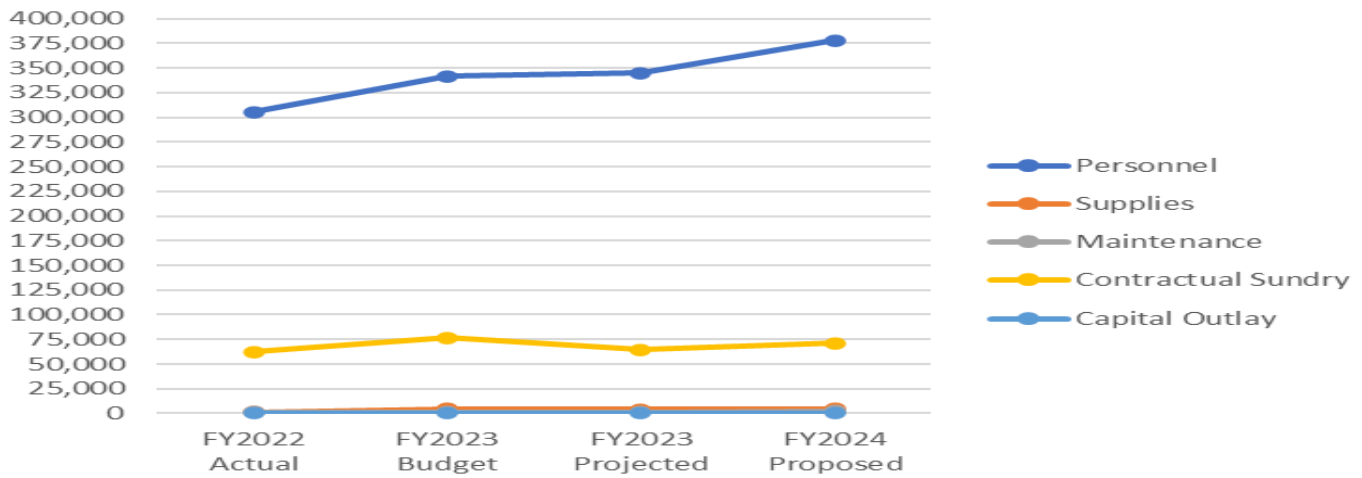
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|----------------------------------|---------------|---------------|---------------|
| Municipal Court Administrator | 1.00 | 1.00 | 1.00 |
| Senior Court Clerk | 1.00 | 1.00 | 1.00 |
| Court Clerk | .60 | .60 | .60 |
| City Marshal | 1.00 | 1.00 | 1.00 |
| Court Assistant (PT) | .25 | .50 | .50 |
| Total Municipal Court FTE | 3.85 | 4.10 | 4.10 |

Summary of Expenditures by Category

The Finance – Municipal Court Division budget increased by \$31,150 mainly due to personnel cost increases. There was a slight decrease in adjustment in court costs.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 305,351 | 341,900 | 345,100 | 378,100 |
| Supplies | 1,088 | 4,800 | 3,800 | 4,400 |
| Maintenance | 1,018 | 1,500 | 1,250 | 2,350 |
| Contractual Sundry | 62,250 | 76,760 | 64,360 | 71,260 |
| Total Municipal Court | \$369,707 | \$424,960 | \$414,510 | \$456,110 |





Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---|---------------|----------------|------------------|---------------|
| Cases filed | 5,134 | 5,000 | 4,000 | 4,000 |
| Warrants issued | 2,427 | 2,000 | 1,500 | 1,000 |
| Cases set on court docket | 4,847 | 4,500 | 4,800 | 4,500 |
| Payments processed | 5,217 | 5,000 | 4,000 | 4,000 |
| Time served and community service processed | 583 | 800 | 1,000 | 1,000 |
| Discovery requests processed | N/A | 120 | 120 | 120 |
| Phone calls/emails | N/A | 8,000 | 9,000 | 8,000 |
| Warrants cleared | 1,656 | 1,500 | 1,500 | 1,000 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Average ratio of cases filed per clerk | # 7. Attract, retain, and motivate qualified staff. | Efficiency | 100 | 135 | 100 | 95 | 100 |
| % of cases processed/disposed | # 8. Evaluate technology & workplace solutions | Effectiveness | 5% | 5% | 5% | 5% | 5% |
| % of payments made after text notification | # 8. Evaluate technology & workplace solutions | Effectiveness | 10 | 6 | 10 | 15 | 15 |
| Conduct annual destruction records which have met State retention requirements | # 1. Maintain the financial strength of the City | Effectiveness | 1 | 1 | 1 | 1 | 1 |

Finance – Municipal Court Division at a Glance

| | | | | | |
|---|--|---|------------------------------------|---|-------------------------------------|
|  | Location: City Hall 7105 Whitley Road |  | FY2024 Budget: \$456,110 |  | Full-time Employees: 4.10 |
|---|--|---|------------------------------------|---|-------------------------------------|



FINANCE - MUNICIPAL COURT

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|-----------------------|--------------------|----------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$34,700 | benefits, retention, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$1,500 | overtime adjustment |
| Office Supplies | Supplies | | \$200 | analysis adjustment |
| Wearing Apparel | Supplies | (\$1,000) | | New Judge Robe (one-time NR FY22-23) |
| Wearing Apparel | Supplies | | \$400 | analysis adjustment |
| Office Equipment | Supplies | \$600 | | scanners |
| Uniform Cleaning | Maintenance | | \$250 | inflation & needs adjustment |
| Special Services | Contractual/Sundry | | (\$100) | notary adjustment |
| Printing & Binding | Contractual/Sundry | | \$100 | analysis adjustment |
| Municipal Court Judge | Contractual/Sundry | | (\$5,000) | needs analysis adjustment |
| Court Cost | Contractual/Sundry | | (\$500) | analysis adjustment |
| TOTALS: | | (\$400) | \$31,550 | |

\$31,150 NET INCREASE/DECREASE

Finance



Mission Statement

To preserve the City's strong financial condition by creating a financial strategy, effectively managing the City's resources, and provide analysis and recommendations that ensure optimal economic results. Provide accurate financial information in a timely manner, produce, and generate information that is meaningful and in accordance with the generally accepted accounting principles and department procedures.

Department Overview

- Finance 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.

Highlights/Achievements for FY2023

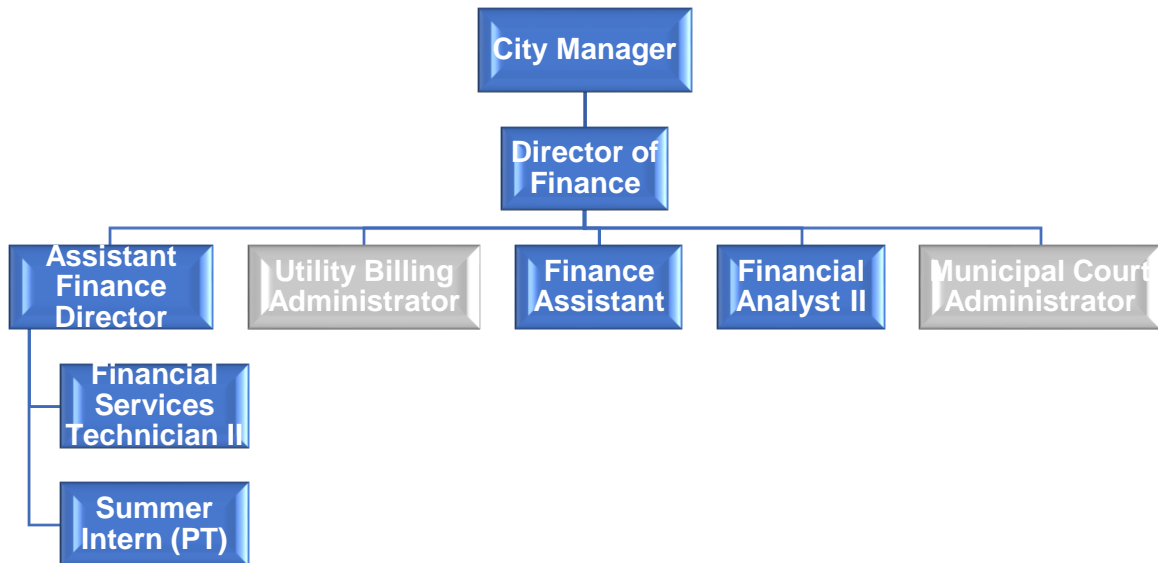
- Implemented Tyler Content Manager for digital document storage within the department.
- Researched and began the process of creating a digital budget book to be posted on the website that will be more user friendly for citizens and council.
- Received the Government Finance Officer's Distinguished Budget Award and the Certificate of Achievement for Excellence in Financial Reporting.
- Received the Government Treasurer's Officer's of Texas Distinguished Investment Policy Award.
- Implemented an electronic bidding platform and contract management software.
- Improved website to increase public transparency and ease of obtaining information.
- Created internal controls and tracking of projects for the SLFR Grant Funds and Reporting

Goals/Objectives for FY2024

- Complete digital budget book in the 2023-2024 final budget for publication to the website to share with the public to aid in citizen engagement.
- Continue succession plan and continue cross training staff.
- Implement budget platform for departments to enter budget requests and provide for on-line budget process for decision making and presenting budget information.
- Participate in the Transparency Stars program through the State Comptroller's Office.



Organizational Chart



Budgeted Positions

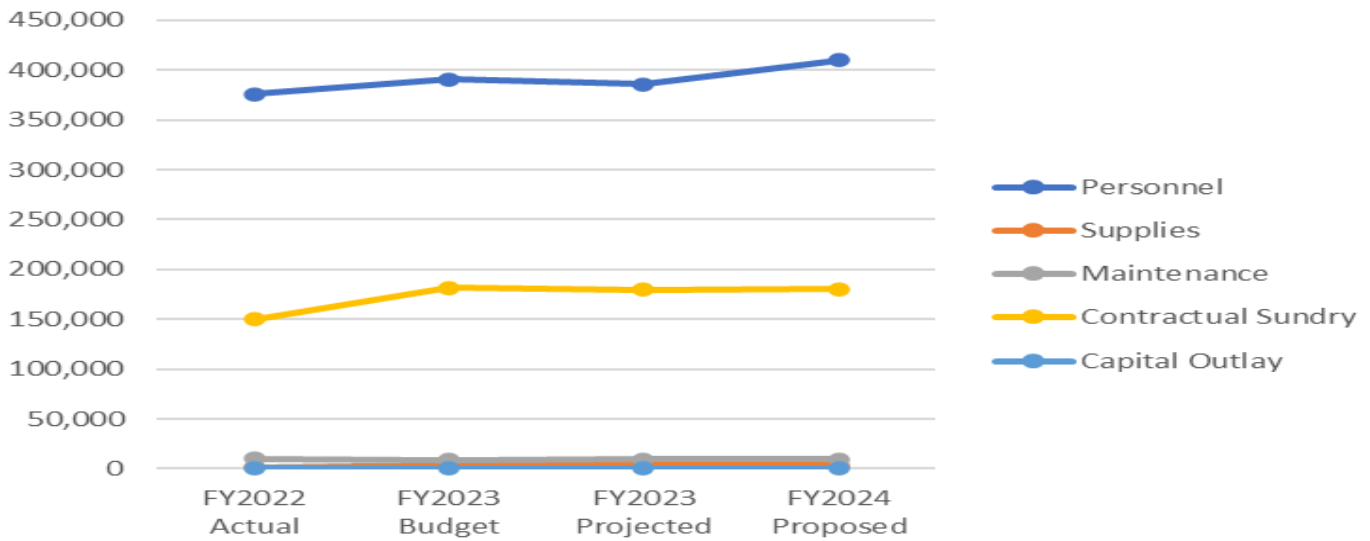
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|----------------------------------|---------------|---------------|---------------|
| Director of Finance | .75 | .75 | .75 |
| Assistant Finance Director | .50 | .50 | .50 |
| Finance Assistant | 1.00 | 0 | 0 |
| Finance Assistant (PT) | 0 | .50 | .50 |
| Financial Analyst II | 1.00 | 1.00 | 1.00 |
| Financial Services Technician II | 1.50 | 1.50 | 1.50 |
| Summer Intern (PT) | .25 | .25 | .25 |
| Total Finance FTE | 5.00 | 4.50 | 4.50 |

Summary of Expenditures by Category

The Finance Department budget increased by \$18,400 mainly due to personnel cost increases. There was a slight increase adjustment projected for the appraisal services.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|----------------------|------------------|------------------|------------------|------------------|
| Personnel | 375,904 | 390,600 | 385,750 | 410,000 |
| Supplies | 1,406 | 3,500 | 3,000 | 3,500 |
| Maintenance | 10,305 | 9,400 | 9,535 | 9,600 |
| Contractual Sundry | 149,995 | 181,310 | 179,360 | 180,110 |
| Capital Outlay | 683 | 0 | 0 | 0 |
| Total Finance | \$538,292 | \$584,810 | \$577,645 | \$603,210 |





Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|---------------|----------------|------------------|---------------|
| Number of manual journal entries processed | 1,267 | 1,450 | 1,225 | 1,250 |
| Number of competitive solicitations & quotes processed | 8 | 12 | 10 | 10 |
| Number of purchase orders issued | 1,260 | 1,400 | 1,300 | 1,200 |
| Number of receivable invoices issued | 41 | 45 | 40 | 50 |
| Number of payables processed | 6,926 | 8,000 | 6,500 | 7,000 |
| Number of employee payrolls processed | 5,688 | 4,400 | 6,000 | 6,000 |
| Number of audit adjustments | 7 | 2 | 5 | 5 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Number of days to close bank accounts. | # 1. Maintain the financial strength of the City. | Efficiency | 7 | 8 | 6 | 6 | 6 |
| Received unmodified audit opinion. | # 1. Maintain the financial strength of the City. | Efficiency | Yes | Yes | Yes | Yes | Yes |
| Received GFOA Certificate of Achievement Award. | # 1. Maintain the financial strength of the City. | Efficiency | Yes | Yes | Yes | Yes | Yes |
| Received GFOA Distinguished Budget Presentation Award. | # 1. Maintain the financial strength of the City. | Effectiveness | Yes | Yes | Yes | Yes | Yes |
| Maintain a Bond Rating of AA or greater. | # 1. Maintain the financial strength of the City. # 4. Strengthen future planning. | Efficiency | AA | AA | AA | AA | AA |
| Maintain 1% or less of disbursements voided due to error. | # 1. Maintain the financial strength of the City. | Efficiency | 1% | <1% | 1% | <1% | 1% |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|--|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Maintain no material error on ACFR. | # 1. Maintain the financial strength of the City. | Efficiency | None | None | None | None | None |
| Maintain a 99% timely payment to vendors within 30 days. | # 1. Maintain the financial strength of the City. # 7. Attract, retain, and motivate qualified staff. | Efficiency | 99% | 95% | 99% | 98% | 99% |

Finance Department at a Glance

| | | | | | |
|---|--|---|--|---|---|
|  | Location: City Hall 7105 Whitley Road |  | FY2024 Budget: \$603,210 |  | Full-time Employees: 4.50 |
|---|--|---|--|---|---|





FINANCE

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------------|--------------------|------------|-----------------|---|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$19,400 | benefits, retention, COLA/merit, TMRS & position adj. |
| Software Maintenance | Maintenance | | \$200 | bidding/contract management adjustment |
| Travel Expense | Contractual/Sundry | | (\$700) | GFOA conference adjustment |
| Training | Contractual/Sundry | | (\$2,000) | Tyler conference adjustment |
| Appraisal Services | Contractual/Sundry | | \$1,500 | projected increase per TAD |
| TOTALS: | | \$0 | \$18,400 | |

\$18,400 NET INCREASE/DECREASE

Information Technology



Mission Statement

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.

Department Overview

The Information Technology department handles all aspects of networking, hardware and software, telecommunications, web site management, cable channels, audio/video, building security, technical support, and public information.

Information Technology provides and supports desktop access to general purpose software tools, business applications and adapt across multiple computing platforms, and external services, data, or applications.

Provides “on demand” service and support for system and security administration, problem resolution or coordination, acquisition research and assistance, and information requests relative to tools, data, and applications.

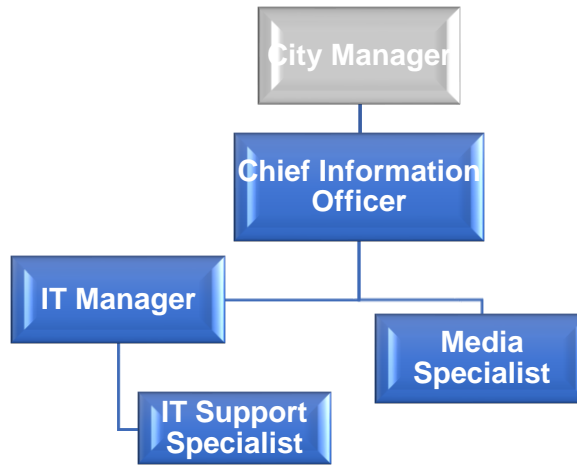
Highlights/Achievements for FY2023

- Website redesign.
- Switch replacements at City Hall, Police, Fire, Recreation, Library, and Animal Services Center.
- Animal Services Center firewall replacement.
- Police MDT replacement.
- Exchange to Cloud migration.
- Add/expand backup repositories.
- Upgrade the City Wi-Fi APs.
- Helpdesk upgrade.
- Enhanced City newsletter.
- Upgrade City Hall Council Chambers AV for virtual meetings.
- Replaced Police server.
- Increased video production.
- Enhanced social media feeds.

Goals/Objectives for FY2024

- Cyber security.
- Enhance backup.
- Upgrade security camera system.
- Consolidate DNS records.
- Replace medic laptops.
- Improve project management, internal controls, asset management.
- Continue to add/expand backup repositories.

Organizational Chart



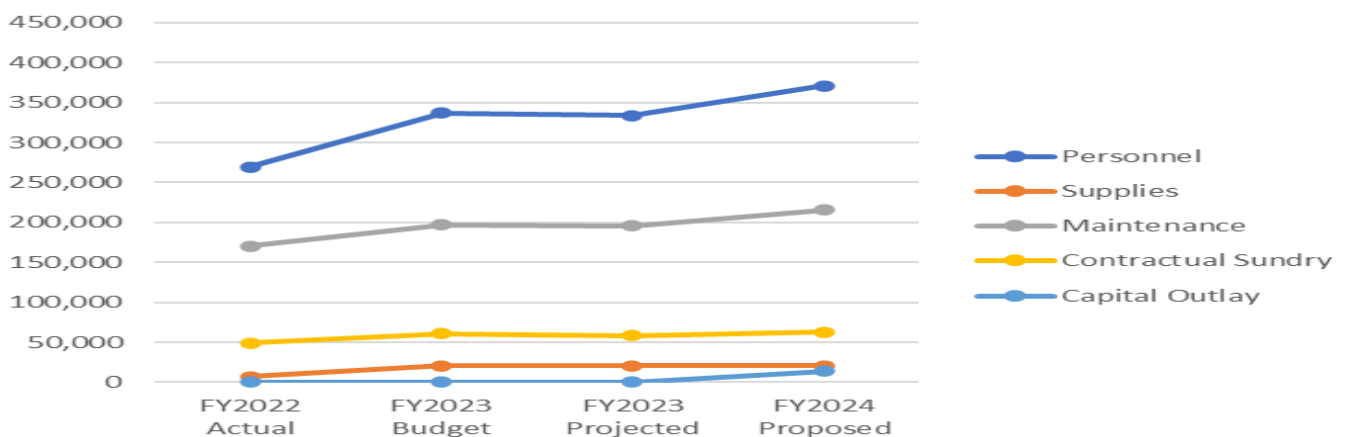
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|---|---------------|---------------|---------------|
| Chief Information Officer | .50 | .50 | .50 |
| IT Manager | 1.00 | 1.00 | 1.00 |
| IT Support Specialist | 1.00 | 1.00 | 1.00 |
| Media Specialist | 1.00 | 1.00 | 1.00 |
| Total Information Technology FTE | 3.50 | 3.50 | 3.50 |

Summary of Expenditures by Category

Information Technology's budget increased by \$67,480 mainly due to personnel cost increases. There is an approved one-time request for the purchase of medic tablets in this budget.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|-------------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 269,573 | 337,000 | 333,800 | 370,700 |
| Supplies | 6,753 | 20,800 | 20,800 | 20,800 |
| Maintenance | 170,205 | 196,830 | 195,939 | 215,490 |
| Contractual Sundry | 49,347 | 61,130 | 58,200 | 62,750 |
| Capital Outlay | 0 | 0 | 0 | 13,500 |
| Total Information Technology | \$495,879 | \$615,760 | \$608,739 | \$683,240 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|------------------|-------------------|---------------------|------------------|
| Respond to Help Desk calls | 5,819 | 5,100 | 7579 | 8,000 |
| Number of PC workstations maintained | 153 | 155 | 157 | 160 |
| Number of LAN servers | 15 | 12 | 18 | 17 |
| Number of laptops maintained | 74 | 62 | 90 | 90 |
| Number of digital signage or conference displays managed | 10 | 10 | 10 | 10 |
| Number of audio/video systems maintained | 3 | 2 | 3 | 3 |
| Number of telephones | 131 | 132 | 136 | 131 |



| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|--|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Provide a 90% or higher rating on employee IT requests resolved within 2 days. | # 1. Maintain financial strength of the City. # 2. Expand public safety through non-enforcement measures. | Effectiveness | 100% | 95% | 100% | 95% | 100% |
| Provide access to data/digital services to empower the community without downtime 95%. | # 5. Improve community involvement. | Efficiency | 100% | 98% | 100% | 99% | 100% |
| Provide public safety dispatch system uptime 95%. | # 2. Expand public safety through non-enforcement measures. | Efficiency | 100% | 99% | 100% | 99% | 100% |
| Provide uptime of computer systems/networks 95%. | # 1. Maintain the financial strength of the City. | Efficiency | 100% | 99% | 100% | 99% | 100% |

Information Technology at a Glance

| | | | | | |
|---|--|---|--|---|---|
|  | Location: City Hall 7105 Whitley Road |  | FY2024 Budget: \$683,240 |  | Full-time Employees: 3.50 |
|---|--|---|--|---|---|



INFORMATION TECHNOLOGY

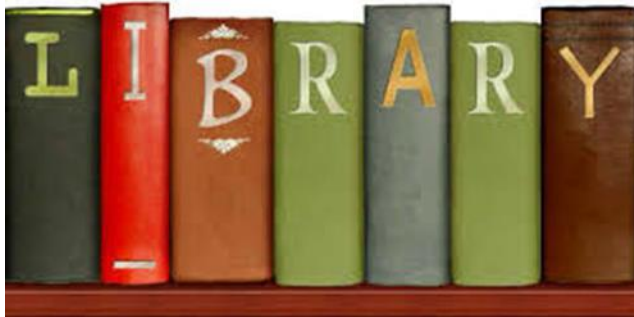
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------------|--------------------|-----------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$33,700 | benefits, retention, COLA/merit & TMRS adjustments |
| Hardware Maintenance | Maintenance | | \$1,850 | hardware maintenance additions & adjustments |
| Software Maintenance | Maintenance | | \$8,410 | software maintenance adjustments |
| Software Maintenance | Maintenance | | \$8,400 | Manage Engine AD360 (ongoing NR FY23-24) |
| Special Services | Contractual/Sundry | | (\$650) | Civic Clerk training reduction |
| Special Services | Contractual/Sundry | | \$1,500 | Archive Social increase |
| Special Services | Contractual/Sundry | | \$270 | Civic Engage & Civic Send adjustment |
| Special Services | Contractual/Sundry | | \$500 | domain hosting ,certs & registrations increase |
| Capital Outlay | Computer Hardware | \$13,500 | | medic tablets replacement (one time NR FY23-24) |
| TOTALS: | | \$13,500 | \$53,980 | |

\$67,480 NET INCREASE/DECREASE

Library



Mission Statement

The Watauga Public Library is committed to enriching the community through access to informational, educational, cultural, recreational, and lifelong learning materials in a variety of formats. The library anticipates and responds to the needs of the community and offers a variety of classes, presentations, workshops, and services in a professional, efficient, caring, and friendly manner.

Department Overview

The library is responsible for the day-to-day operation and technical services including acquisition of materials, cataloging and classification of materials, management of the collection, and management of the integrated library system. The library shares the vision of the nation's founders that liberty and learning are inseparable and that a democratic people must have free, open, and equal access to information.

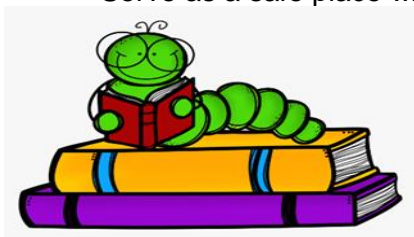
The four core purposes of public libraries are: 1) Learning, 2) Literacy, 3) Information, and 4) Community Spaces.

Highlights/Achievements for FY2023

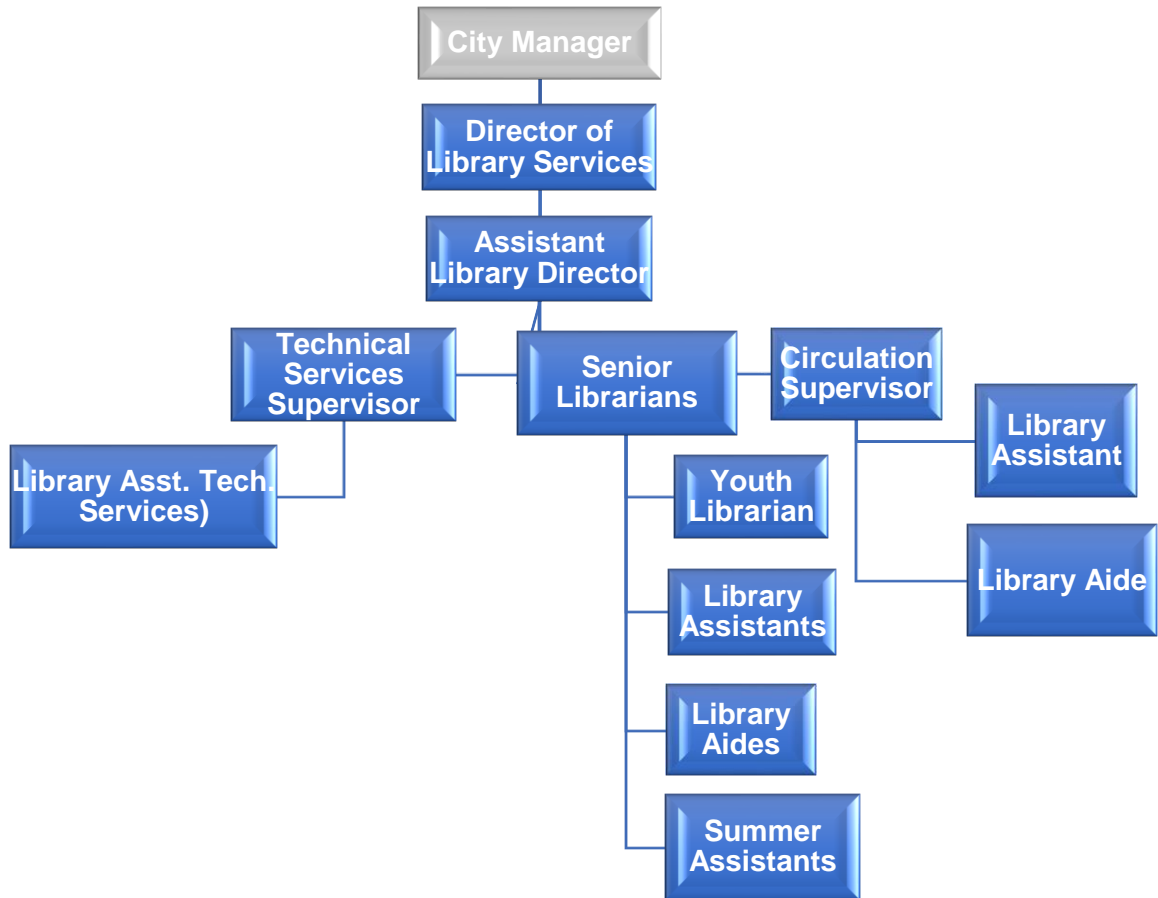
- Achievement of Excellence Award from the Texas Municipal Library Directors Association for 2023.
- Addition of a steaming service mid-year for library patrons.
- Approval of City Council & Library Board for revision of the "Circulation" and "Library Confidentiality" Policies.
- Adult, Circulation, Technical Services and Youth staff participate in various committees to improve communication and functionality of the MetroShare Community of Libraries.
- All staff completed required training for 501 (C)(3) Non-Profit group, MetroShare Community of Libraries, Watauga belongs to. This was a grant requirement.
- Staff members participated in research for Friends Bylaws revision.
- Staff submitted a proposal for formation of Watauga Youth Council, to be managed by an appointed Library Staff Liaison.
- Two Library Workshop presentations on October 9, 2023, and January 11, 2024.
- Youth Services staff applied for a grant from the Woll Memorial Fund through the Texas Library Association.
- Youth Services staff has created various "Clubs" that encourage improving learning and literacy skills.

Goals/Objectives for FY2024

- Expand and adapt to informational diversity.
- Continue a strong commitment to exemplary customer service.
- Examine the organization of the department to better address workflow.
- Seek diverse ways to provide professional services.
- Select high quality materials and formats to meet the informational, educational, and recreational needs of the users.
- Residents will have the resources they need to explore topics of personal interest and continue to learn throughout their lives.
- Serve as a safe place where people share a sense of community.



Organizational Chart



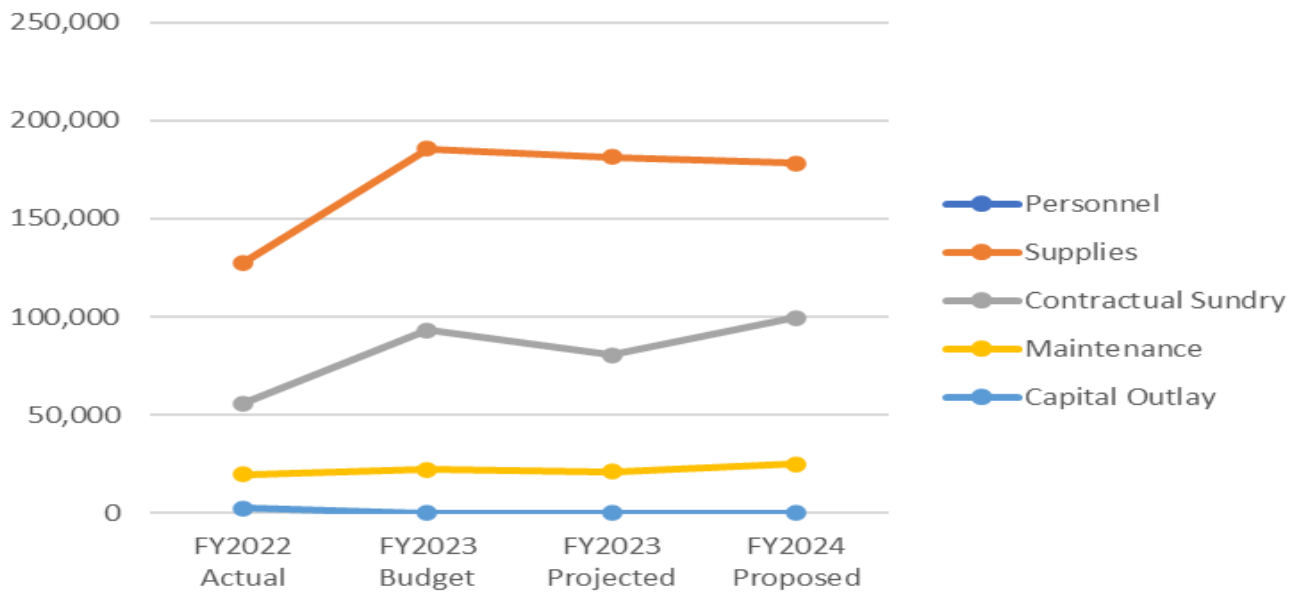
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|---|---------------|---------------|---------------|
| Director of Library Services | 1.00 | 1.00 | 1.00 |
| Assistant Library Director | 1.00 | 1.00 | 1.00 |
| Technical Services Supervisor | 1.00 | 1.00 | 1.00 |
| Senior Librarian | 0 | 2.00 | 0 |
| Youth Services Senior Librarian | 1.00 | 0 | 1.00 |
| Adult Services Senior Librarian | 1.00 | 0 | 1.00 |
| Librarian | 0 | 1.00 | 0 |
| Library Assistant – Technical Services | .75 | .50 | .50 |
| Library Assistant – Floater | 0 | 0 | 1.00 |
| Youth Librarian | 1.00 | 0 | 1.00 |
| Library Assistant – Youth | .75 | .50 | 1.25 |
| Circulation Supervisor | 1.00 | 1.00 | 1.00 |
| Summer Library Assistant – Youth Services | 0 | 0 | .25 |
| Summer Assistant | .25 | .50 | 0 |
| Librarian Assistant – Circulation | 0 | 0 | 1.00 |
| Library Assistant | 2.00 | 1.00 | 0 |
| Library Aide – Circulation | 0 | 0 | .50 |
| Library Assistant – Reference | .25 | 1.25 | 0 |
| Library Assistant – Adult Services | 0 | 0 | .25 |
| Library Aide – Adult Services | 0 | 0 | .25 |
| Library Aide | .75 | .75 | 0 |
| Summer Library Assistant – Adult Services | 0 | 0 | .25 |
| Total Library FTE | 11.75 | 11.50 | 12.25 |

Summary of Expenditures by Category

The Library budget increased by \$98,000 mainly due to personnel cost increases and Personnel Improvement Plan adjustments. There was an increase of \$10,200 for approved one-time New Requests to include the purchase of a laminator, furniture, and an RFID inventory device.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|----------------------|------------------|--------------------|--------------------|--------------------|
| Personnel | 659,191 | 776,100 | 756,400 | 872,500 |
| Supplies | 127,759 | 185,600 | 181,200 | 178,250 |
| Maintenance | 19,869 | 22,200 | 21,200 | 24,950 |
| Contractual Sundry | 55,856 | 93,300 | 80,400 | 99,500 |
| Capital Outlay | 2,530 | 0 | 0 | 0 |
| Total Library | \$865,205 | \$1,077,200 | \$1,039,200 | \$1,175,200 |



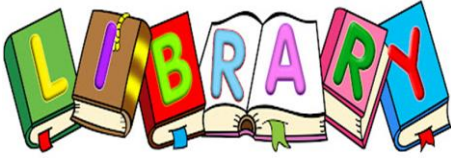
Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|---------------|----------------|------------------|---------------|
| Registered borrowers | 13,498 | 15,500 | 14,000 | 14,500 |
| Current holdings | 141,259 | 137,000 | 143,000 | 144,800 |
| Total library visits | 61,346 | 60,000 | 71,000 | 73,000 |
| Program attendance (includes virtual programs) | 17,664 | 20,000 | 25,000 | 28,000 |
| Curbside services | 1,560 | 1,000 | 1,600 | 1,500 |
| Summer reading club attendance | 4,709 | 5,000 | 5,200 | 5,400 |
| Volunteer hours logged | 1,639 | 1,000 | 1,300 | 1,400 |
| Reference transactions | 10,679 | 15,000 | 11,500 | 12,000 |
| Items circulated | 142,341 | 130,000 | 153,000 | 160,000 |
| Items added | 6,513 | 7,500 | 6,700 | 6,800 |
| Items withdrawn | 4,290 | 5,000 | 4,200 | 5,000 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--------------------------------------|---|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Total circulation per capita. | # 5. Improve community involvement. | Efficiency | 6.5 | 6 | 6.2 | 6.8 | 6.5 |
| Collection turnover rate per capita. | # 5. Improve community involvement. | Demand | 1 | 1 | 1.07 | | 1.10 |
| Materials expenditure per capita. | # 3. Maintain the financial strength of the City. | Efficiency | 7 | 6.06 | 6 | 6.09 | 7 |
| Operating revenue per capita. | # 3. Maintain the financial strength of the City. | Efficiency | 25.00 | 35.13 | 25.00 | | 25.00 |
| Program attendance per capita. | # 5. Improve community involvement. | Demand | | .57 | 1.02 | 1.14 | 1.13 |
| Visits per capita. | # 5. Improve community involvement. | Demand | | 2.49 | 2.88 | 3.24 | 2.96 |

Library at a Glance

| | | | | | |
|---|---------------------------------------|---|--------------------------------------|---|--------------------------------------|
|  | Location: 7109 Whitley Road |  | FY2024 Budget: \$1,175,200 |  | Full-time Employees: 12.25 |
|---|---------------------------------------|---|--------------------------------------|---|--------------------------------------|



LIBRARY SERVICES

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|---------------------------|--------------------|-------------------|------------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$61,000 | benefits, retention, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$35,400 | approved PIP FY23-24 |
| Vehicle Parts & Supplies | Supplies | | \$500 | vehicle reallocated to library |
| Vehicle Fuel & Lubricants | Supplies | | \$350 | vehicle reallocated to library |
| Minor Tools & Apparatus | Supplies | | \$900 | displays & dies - youth |
| Minor Tools & Apparatus | Supplies | \$3,600 | | laminator (one-time NR FY23-24) |
| Copy Machine Supplies | Supplies | | \$100 | costs & needs analysis adjustment |
| Event Refreshments/Meals | Supplies | | \$200 | costs & needs analysis adjustment |
| Educational Supplies | Supplies | | \$1,200 | increased events & costs adjustment |
| Computer Supplies | Supplies | \$4,100 | | RFID inventory device (one-time NR FY23-24) |
| Misc. Equip/Furniture | Supplies | (\$14,000) | | shelving (one-time NR FY22-23) |
| Misc. Equip/Furniture | Supplies | (\$6,800) | | youth furniture (one-time NR FY22-23) |
| Misc. Equip/Furniture | Supplies | \$2,500 | | mobile shelving (one-time NR FY23-24) |
| Office Equipment | Maintenance | | \$2,200 | AWE Learning warranty addition |
| Vehicle Maintenance | Maintenance | | \$250 | vehicle reallocated to library |
| Book Repair & Processing | Maintenance | | \$300 | costs & needs analysis adjustment |
| Library Consortium | Contractual/Sundry | | \$3,100 | Metroshare courier, Amigos courier & EBSCO adjustments |
| Special Services | Contractual/Sundry | | \$1,500 | classes & events costs & needs adjustments |
| Advertising | Contractual/Sundry | | \$700 | costs & needs analysis adjustment |
| Travel | Contractual/Sundry | | (\$400) | Classes/Events adjustment |
| Dues & Subscriptions | Contractual/Sundry | | \$800 | book subscriptions - large print increase |
| Dues & Subscriptions | Contractual/Sundry | | (\$1,200) | Book Continuations/Subscriptions Inflation Adjustment |
| Dues & Subscriptions | Contractual/Sundry | | \$1,000 | Databases/Ematerial increase |
| Dues & Subscriptions | Contractual/Sundry | | \$300 | Magazine/Newspaper increase |
| Dues & Subscriptions | Contractual/Sundry | | \$200 | canvas pro - teams |
| Dues & Subscriptions | Contractual/Sundry | | \$200 | Membership Dues increase |
| Printing & Binding | Contractual/Sundry | | \$600 | costs & needs analysis adjustment |
| Contractual Services | Contractual/Sundry | | (\$600) | Sesac Music license reallocation |
| TOTALS: | | (\$10,600) | \$108,600 | |

\$98,000 NET INCREASE/DECREASE

Community Services



Mission Statement

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.

Department Overview

The Community Services Division's 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 via the following opportunities:

- Health and fitness programs for active adults (Seniors), adults, and youth
- Daily meals provided for active adults
- Youth and adult athletic programs
- Fine art programs
- Summer camps
- Special events
- Facility rentals

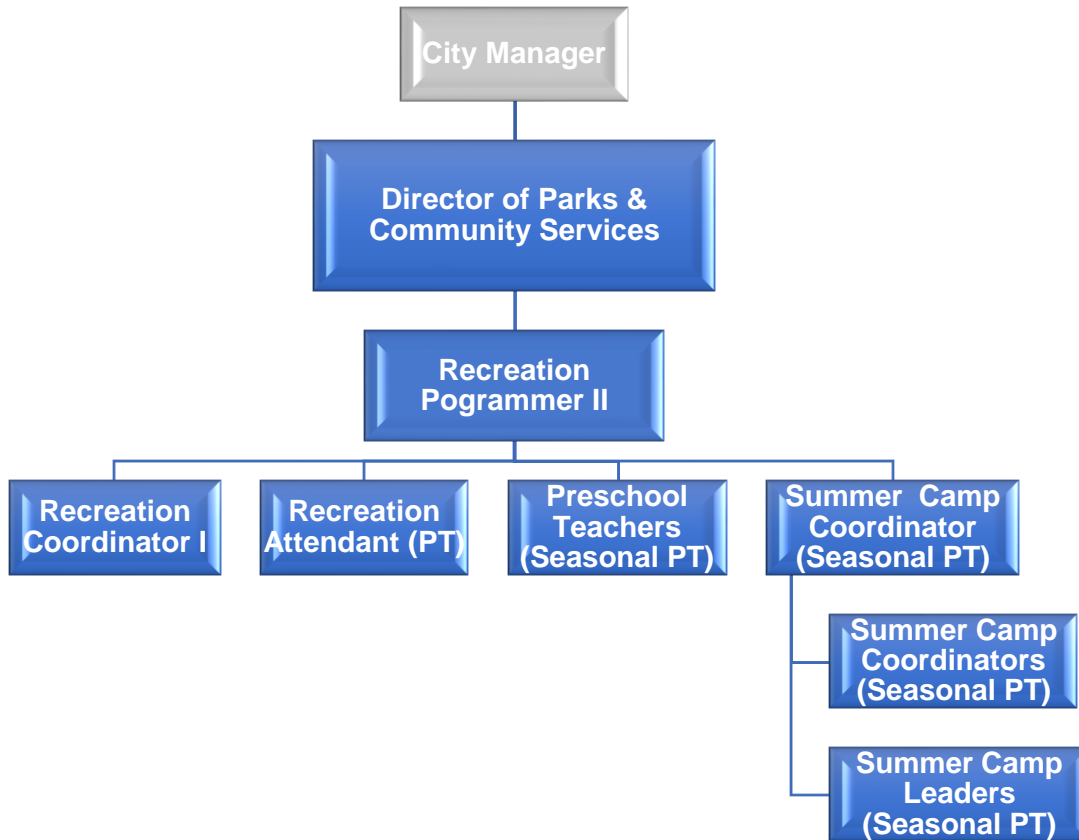
Highlights/Achievements for FY2023

- Continued Increase in Community and Active Adult Center memberships
- Increase in special events held, classes, and programs offered in direct correlation with staffing levels
- Increased community awareness of additional and existing Community Services Division offerings that add to citizens' and visitors' quality of life
- Maximize the City of Watauga's brand exposure in the community through the linking of local resources that are cost-efficient

Goals/Objectives for FY2024

- Continue to increase the Community and Active Adult Center memberships
- Increase the number & quality of special events
- Increase the variety of classes and programs offered to meet the community's needs
- Continue to increase community awareness of additional and existing Community Services Division offerings that add to citizens' and visitors' quality of life
- Maximize the City of Watauga's brand exposure in the community through the linking of local resources that are cost-efficient

Organizational Chart



Budgeted Positions

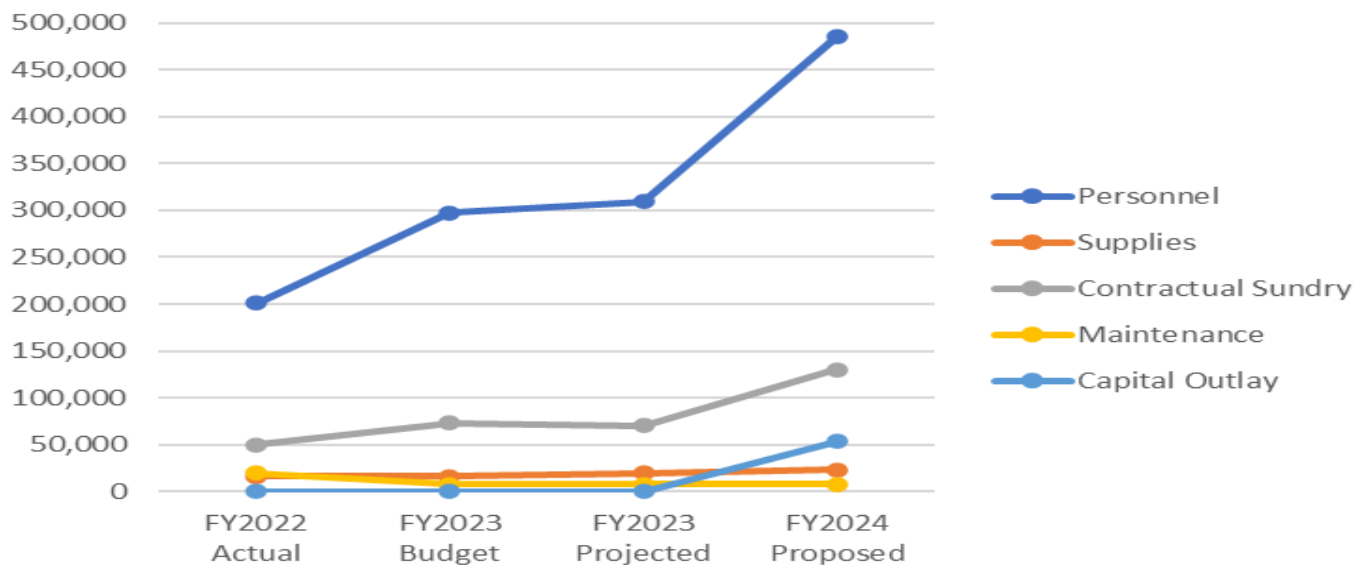
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Director of Parks & Community Services | .50 | .50 | .50 |
| Recreation Programmer II | 0 | 0 | 1.00 |
| Recreation Programmer | 1.00 | 1.00 | 0 |
| Recreation Programmer - Seniors | 1.00 | 1.00 | 0 |
| Recreation Coordinator I | 0 | 0 | 3.00 |
| Recreation Attendant | 0 | 1.00 | 0 |
| Recreation Attendant (ARPA funded) | | 1.50 | 0 |
| Recreation Attendant (PT) | 1.75 | .75 | 1.25 |
| Preschool Teachers (Seasonal PT) | 0 | 0 | .50 |
| Summer Camp Coordinator (Seasonal PT) | 0 | 0 | .25 |
| Summer Camp Coordinators (Seasonal PT) | 0 | 0 | 1.50 |
| Summer Camp Leaders (Seasonal PT) | 0 | 0 | 1.50 |
| Total Community Services FTE | 4.25 | 5.75 | 9.50 |



Summary of Expenditures by Category

Community Services budget increased by \$304,810 mainly due to personnel cost increases and the reinstated and expanded community programs that were suspended due to the pandemic. In addition, positions that were previously funded by ARPA funds were reallocated into the general budget. There are approved one-time purchase requests in the budget for a new intercom system and fitness equipment.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 200,864 | 297,300 | 309,200 | 484,700 |
| Supplies | 16,324 | 16,700 | 19,700 | 23,600 |
| Maintenance | 19,799 | 8,300 | 8,300 | 8,200 |
| Contractual Sundry | 50,382 | 73,410 | 70,410 | 130,420 |
| Capital Outlay | 0 | 0 | 0 | 53,600 |
| Total Community Services | \$287,369 | \$395,710 | \$407,610 | \$700,520 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---------------------------------------|---------------|----------------|------------------|---------------|
| Number of health and fitness programs | 6 | 12 | 10 | 15 |
| Number of fine arts programs | 9 | 15 | 9 | 12 |
| Number of athletic teams | 94 | 115 | 129 | 150 |
| Number of new memberships processed | 213 | 300 | 142 | 199 |
| Number of special events | 4 | 6 | 16 | 19 |
| Number of active members | 759 | 816 | 901 | 1,100 |



| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of residents satisfied with community programs. | # 5. Improve community involvement. | Effectiveness | 95% | 89% | 95% | 91% | 95% |
| % of returning vendors to WataugaFest. | # 1. Maintain the financial strength of the City. # 3. Develop a sustainable economic development effort. # 5. Improve community involvement. | Effectiveness | COVID | COVID | 90% | 85% | 90% |

Community Services at a Glance

| | | | | | |
|--|---|--|--|--|---|
| | Location: Hector F. Garcia Community Center 7901 Indian Springs Rd. | | FY2024 Budget: \$700,520 | | Full-time Employees: 9.50 |
|--|---|--|--|--|---|



COMMUNITY SERVICES SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------------------|--------------------|----------|-----------|---|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$38,300 | benefits, retention, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$74,100 | PIP approved (FY23-24) |
| Office Supplies | Supplies | | \$1,000 | department needs & costs adjustments |
| Wearing Apparel | Supplies | | \$1,000 | department needs adjustment |
| Recreation Supplies | Supplies | | \$1,000 | department needs& costs adjustment |
| Event Refreshments | Supplies | | \$2,000 | department analysis adjustment |
| Equipment Parts & Supplies | Supplies | | \$900 | department analysis adjustment |
| Misc. Equipment | Supplies | | \$700 | department needs & costs adjustments |
| Awards/Recognition | Supplies | | \$300 | department analysis adjustment |
| Furniture/Fixtures | Maintenance | | (\$100) | department analysis adjustment |
| Special Services | Contractual/Sundry | | \$11,500 | add programs -- cost offset by \$8,950 revenue recovery |
| Dues & Subscriptions | Contractual/Sundry | | \$160 | estimated costs adjustments |
| Training | Contractual/Sundry | | (\$350) | department analysis adjustment |
| WataugaFest | Contractual/Sundry | | \$24,000 | festival expansion - offset by revenues |
| HolidayFest | Contractual/Sundry | | \$3,000 | department analysis and program expansion adjustment |
| Summer Day Camp | Contractual/Sundry | | \$12,700 | program reinstated |
| Preschool Programs | Contractual/Sundry | \$4,000 | | program reinstated (one time startup expenses FY23-24) |
| Nature Programs | Contractual/Sundry | | \$2,000 | program expansion |
| Other Equipment | Capital Outlay | \$30,000 | | intercom system (one time NR FY23-24) |
| Other Equipment | Capital Outlay | \$23,600 | | fitness equipment (COP FY23-24) |
| REALLOCATIONS: | | | | |
| Personnel | Personnel Services | | \$75,000 | positions from ARPA budget (fund 10) - 1FT & 2PT |
| TOTALS: | | | | |
| | | \$57,600 | \$247,210 | |

\$304,810 NET INCREASE/DECREASE

Parks Services

Mission Statement

The mission of the City of Watauga Parks Division is to provide our citizens with an outstanding outdoor experience. We are focused on the quality and safety of our parks, which serve to enhance the quality of life for all citizens and visitors.

Department Overview

The Parks Division is responsible for the grounds maintenance of all parks, city buildings, and WEDC lots which total over 120 acres.

The Parks Division manages and maintains all aspects, such as:

- Landscape and lake maintenance contracts.
- Daily restroom cleaning and trash removal.
- Daily splashpad monitoring and operation in season.
- Playground inspections and repairs.
- Irrigation system monitoring for efficient operations to include inspections and repairs.
- Landscape and irrigation installations.
- Pesticide application as needed.
- Park facility and amenities repairs because of age and/or vandalism.
- Special events support of the Community Services Division.

Highlights/Achievements for FY2023

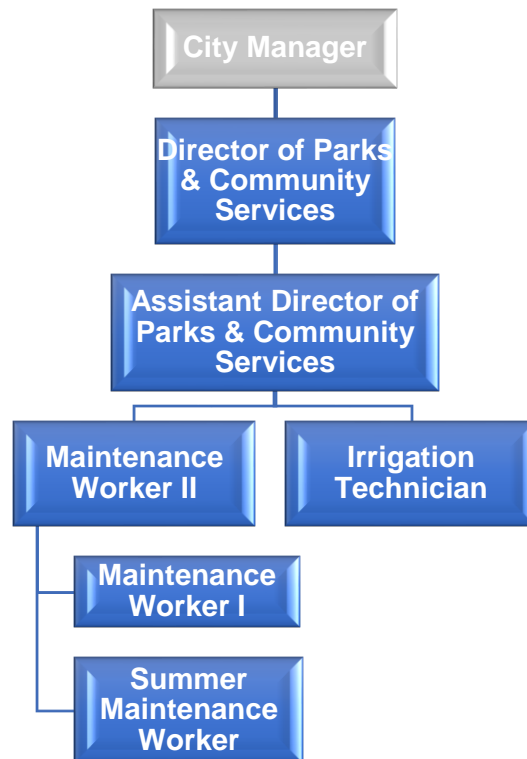
- Rental of new picnic tables by Splashpad.
- Continue to offer wildflower areas at Capp Smith Park.
- Continue to maintain park amenities to maximize safe and functional use.
- Adjust current levels of service as new, approved staff is onboarded and trained.
- Improve visual appeal of city parks and facilities through the implementation of best practices.

Goals/Objectives for FY2024

- Installation of replacement playgrounds at Indian Springs & Hillview Parks.
- Complete a Foster Village Park site plan.
- Continue to maintain park amenities to maximize safe and functional use.
- Improve turf quality at our athletic fields through the implementation of a turf maintenance program.
- Improve the visual appeal of city parks and facilities through landscaping enhancements in parks & around city buildings.



Organizational Chart



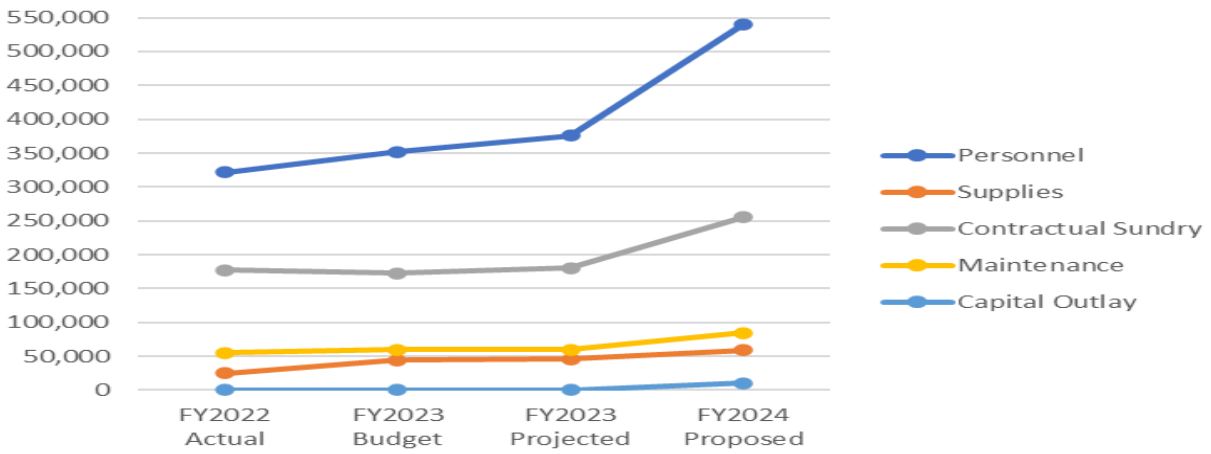
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Director of Parks & Community Services | .50 | .50 | .50 |
| Assistant Director of Parks & Community Services | 0 | 0 | 1.00 |
| Irrigation Technician (ARPA funded) | 0 | 1.00 | 0 |
| Irrigation Technician | 0 | 0 | 1.00 |
| Parks Superintendent | 1.00 | 1.00 | 0 |
| Maintenance Worker II | 2.00 | 2.00 | 2.00 |
| Maintenance Worker I | 1.00 | 1.00 | 2.00 |
| Maintenance Worker I (ARPA funded) | 0 | 1.00 | 0 |
| Summer Maintenance Worker (Seasonal PT) | 0 | .25 | .25 |
| Total Parks FTE | 4.50 | 6.75 | 6.75 |

Summary of Expenditures by Category

The Parks budget increased by \$318,755 mainly due to personnel cost increases and the Assistant Director position adjustment. In addition, positions that were previously funded by ARPA funds were reallocated into the general budget. There are approved one-time purchase requests in the budget for trip hazard mitigation, demolition of the old senior center building, and the purchase of a trailer.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|--------------------|------------------|------------------|------------------|------------------|
| Personnel | 321,703 | 352,100 | 376,000 | 539,300 |
| Supplies | 24,723 | 44,500 | 45,700 | 59,200 |
| Maintenance | 55,433 | 60,000 | 60,000 | 84,400 |
| Contractual Sundry | 177,368 | 172,430 | 180,430 | 254,885 |
| Capital Outlay | 0 | 0 | 0 | 10,000 |
| Total Parks | \$579,228 | \$629,030 | \$662,130 | \$947,785 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---|---------------|----------------|------------------|---------------|
| Athletic fields maintained | 12 | 12 | 12 | 12 |
| Park acres maintained | 88 | 88 | 88 | 88 |
| Number of pavilion reservations at city parks | 146 | 200 | 277 | 300 |
| Hours of personnel training | 15 | 45 | 50 | 72 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of residents satisfied with appearance, maintenance of parks. | # 5. Improve community involvement. # 6. Improve the City brand. | Effectiveness | 95% | 85% | 95% | 91% | 95% |
| Mow and maintain developed facilities per schedule. | # 5. Improve community involvement. # 6. Improve the City brand. | Effectiveness | 100% | 65% | 100% | 98% | 100% |
| Mow and maintain undeveloped facilities per schedule. | # 3. Develop a sustainable economic development effort. # 6. Improve the City brand. | Effectiveness | 100% | 50% | 100% | 95% | 100% |

Parks at a Glance

| | | | | | |
|---|------------------------------------|---|------------------------------------|---|-------------------------------------|
|  | Location: 5633 Linda Dr. |  | FY2024 Budget: \$947,785 |  | Full-time Employees: 6.75 |
|---|------------------------------------|---|------------------------------------|---|-------------------------------------|



PARKS SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|-----------------------------|--------------------|------------------|------------------|---|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$42,200 | benefits, retention, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$27,000 | PIP approved FY23-24 |
| Wearing Apparel | Supplies | | \$700 | department analysis - additional positions |
| Vehicle Parts & Supplies | Supplies | | (\$1,000) | department needs analysis |
| Vehicle Fuels & Lubricants | Supplies | | (\$1,000) | estimated needs adjustment |
| Janitorial Supplies | Supplies | | \$1,000 | department usage adjustment |
| Chemicals | Supplies | | (\$2,000) | splashpad chemicals estimate adjustment |
| Chemicals | Supplies | | \$14,500 | fertilizer/pesticides increase (ongoing NR FY23-24) |
| Agricultural/Botanical | Supplies | | \$500 | irrigation supplies increase |
| Agricultural/Botanical | Supplies | | \$2,000 | landscaping needs adjustment |
| Agricultural/Botanical | Supplies | | \$1,000 | mulch needs adjustment |
| Equipment Parts & Supplies | Supplies | | (\$1,000) | department needs analysis |
| Vehicle Maintenance | Maintenance | | (\$1,300) | department needs analysis |
| Sign Maintenance | Maintenance | | (\$1,000) | needs estimate adjustment |
| Park Trails Repairs | Maintenance | \$21,500 | | trip hazard mitigation (NR FY23-24) |
| Park Maintenance | Maintenance | | \$5,000 | department needs & costs analysis |
| Fencing | Maintenance | | \$200 | department needs & costs analysis |
| Communications | Contractual/Sundry | | \$1,100 | department usage analysis |
| Travel Expense | Contractual/Sundry | | \$200 | department needs analysis |
| Dues & Subscriptions | Contractual/Sundry | | \$555 | licenses analysis adjustment |
| Training | Contractual/Sundry | | \$600 | department needs analysis |
| Contract/Outsource Services | Contractual/Sundry | | \$1,000 | department needs & costs analysis |
| Contract/Outsource Services | Contractual/Sundry | \$70,000 | | demo old senior center (one time NR FY23-24) |
| Debris Disposal | Contractual/Sundry | | \$9,000 | needs and rates adjustment |
| Other Equipment | Capital Outlay | \$10,000 | | |
| REALLOCATIONS: | | | | |
| Personnel | Personnel Services | | \$118,000 | positions from ARPA budget (fund 10) - 2FT |
| TOTALS: | | \$101,500 | \$217,255 | |

\$318,755 NET INCREASE/DECREASE

Police Department



Mission Statement

The mission of the Watauga Police Department is to provide the highest quality police service while safeguarding individual liberties and building positive community relationships.

Department Overview

The Watauga Police Department provides services 24 hours a day 365 days a year to all the citizens of Watauga and those traveling in and out of the city.

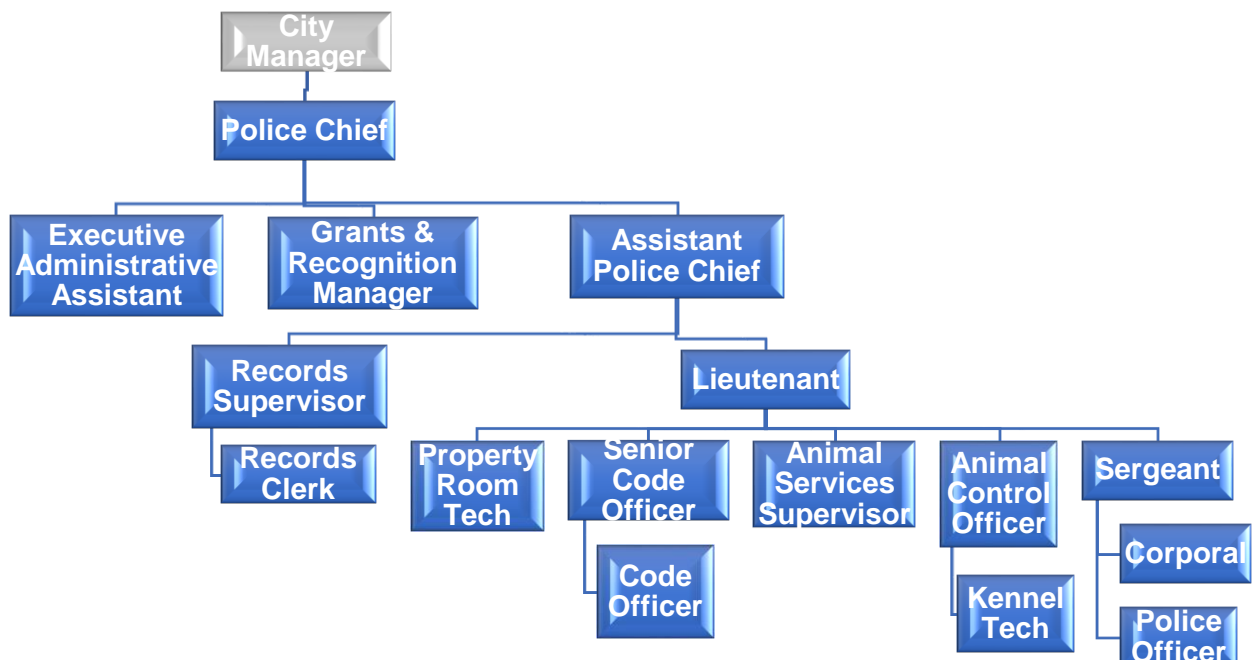
Highlights/Achievements for FY2023

- Transitioned to a new Weapons system for handguns.
- Maintained a low response time to calls with minimum staff.
- Redesigned the structure of the department from the Lieutenant position and responsibilities.
- Transitioned an Administration staff to Animal Control Officer.

Goals/Objectives for FY2024

- Fully staff both Code and Animal Services.
- Create a Code Enforcement position for commercial issues.
- Promote a Senior Code Officer.
- Recruit and fully staff sworn positions.
- Obtain Texas Police Chiefs Association Re-Recognition status.
- More positive presence on social media.
- Develop and participate in community policing and engagement events. Coffee with a Cop, National Night Out, Neighborhood Patrols and Block Meetings as an example.

Organizational Chart



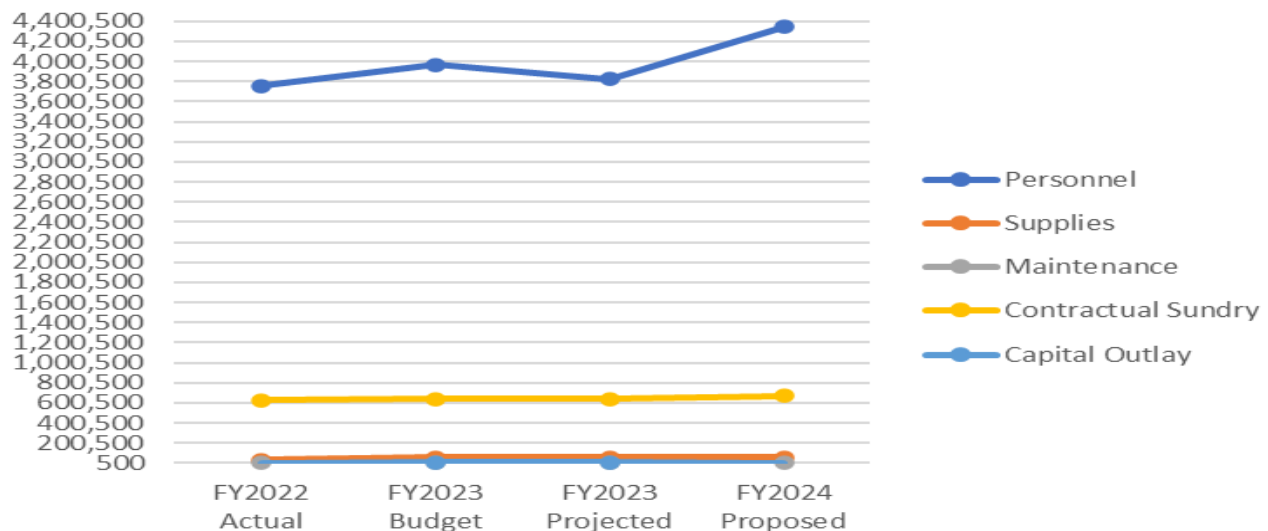
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Police Chief | 1.00 | 1.00 | 1.00 |
| Assistant Police Chief | 1.00 | 1.00 | 1.00 |
| Lieutenant | 2.00 | 2.00 | 2.00 |
| Records Supervisor | 1.00 | 1.00 | 1.00 |
| Records Clerk | 2.00 | 2.00 | 2.00 |
| Executive Administrative Assistant | 1.00 | 1.00 | 1.00 |
| Property Room Technician | 1.00 | 1.00 | 1.00 |
| Sergeant | 7.00 | 7.00 | 7.00 |
| Corporal | 5.00 | 5.00 | 5.00 |
| Police Officer | 10.00 | 10.00 | 10.00 |
| Animal Services Supervisor | 1.00 | 1.00 | 1.00 |
| Animal Control Officer | 3.00 | 3.00 | 3.00 |
| Kennel Technician (PT) | .50 | 1.00 | 1.00 |
| Senior Code Officer | 0 | 0 | 1.00 |
| Code Officer | 3.00 | 3.00 | 2.00 |
| Grants & Recognition Manager (.50 ARPA funded) | 0 | 1.00 | 1.00 |
| Total Police FTE | 39.50 | 40.00 | 40.00 |

Summary of Expenditures by Category

The Police Department budget increased by \$400,100 mainly due to personnel cost increases and an approved Personnel Improvement Plan position adjustment. The consolidated service agreement increased by \$33,000 and there was a one-time request added to the budget to improve the outdoor space at the Animal Services Center.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| Personnel | 3,757,281 | 3,967,200 | 3,828,000 | 4,342,000 |
| Supplies | 33,882 | 56,300 | 56,300 | 56,300 |
| Maintenance | 2,397 | 5,200 | 5,200 | 5,200 |
| Contractual Sundry | 624,246 | 636,700 | 636,700 | 670,000 |
| Capital Outlay | 0 | 8,000 | 8,000 | 0 |
| Total Police | \$4,417,806 | \$4,673,400 | \$4,534,200 | \$5,073,500 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---|---------------|----------------|------------------|---------------|
| Total calls for service | 9,494 | 10,000 | 10,472 | 11,000 |
| Total reports | 1,796 | 2,500 | 2,518 | 2,500 |
| Total traffic stops | 1,906 | 2,000 | 1,648 | 1,800 |
| Total citations | 5,337 | 6,000 | 5,278 | 4,500 |
| Total felony arrests | 258 | 300 | 428 | 400 |
| Total misdemeanor arrests | 689 | 800 | 888 | 900 |
| Crimes sent to investigations | 781 | 1,500 | 1,125 | 1,500 |
| Cases filed for prosecution | 698 | 1,000 | 760 | 1,000 |
| Number of animals taken in | 603 | 700 | 670 | 700 |
| Number of animals adopted | 233 | 300 | 300 | 300 |
| Number of animals returned to owner | 242 | 250 | 250 | 250 |
| Number of animals euthanized | 139 | 100 | 115 | 100 |
| Total number of ACO calls for service | 935 | 1,100 | 1,120 | 1,200 |
| Number of code violations reported/investigated | 5,223 | 700 | 3,220 | 5,000 |
| Number of code violations cited | 316 | 300 | 240 | 250 |
| Number of code violations voluntarily complied | 4,712 | 3,000 | 2,025 | 4,000 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|--|---------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % change in crime rate per population. | # 2. Expand public safety through non-enforcement efforts. | Effectiveness | -0.50 | -0.35 | -0.50 | +0.18 | -0.20 |
| Average response time to calls (priority 1-3). | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 1 5:00 2 6:00 3 7:00 | 1 5:25 2 6:33 3 7:46 | 1 5:00 2 6:00 3 7:00 | 1 7:16 2 7:05 3 8:53 | 1 6:00 2 7:00 3 8:00 |
| % of total code cases that concluded in voluntary compliance | # 2. Expand public safety through non-enforcement efforts. | Effectiveness | 90% | 90.22% | 90% | 86.15% | 80% |
| % of animals adopted or returned to owner | # 2. Expand public safety through non-enforcement efforts. | Effectiveness | 90% | 78% | 80% | 82% | 80% |

Police Department at a Glance

| | | | | | |
|---|--|---|--|---|--|
|  <p>WATAUGA POLICE DEPARTMENT EST. 1962 LIBERTY ★ COMMUNITY ★ SERVICE</p> | <p>Location: Police Station 7101 Whitley Road</p> |  <p>BUDGET</p> | <p>FY2024 Budget: \$5,073,500</p> |  | <p>Full-time Employees: 39.50</p> |
|---|--|---|--|---|--|



POLICE - GENERAL FUND

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2022-2023 Compared to Fiscal Year 2023-2024 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|-----------------------|--------------------|------------------|------------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$365,300 | benefits, retention, step, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$9,500 | PIP approved FY23-24 |
| Contractual Payments | Contractual/Sundry | | \$33,000 | estimated consolidated services adjustment |
| Special Services | Contractual/Sundry | | \$100 | notary adjustment |
| Special Services | Contractual/Sundry | | \$200 | solicitor background checks as needed |
| Building Improvements | Capital Outlay | (\$8,000) | | ACO Outdoor Space (one time NR FY22-23) |
| TOTALS: | | (\$8,000) | \$408,100 | |

\$400,100 NET INCREASE/DECREASE

Fire Department



Mission Statement

Protecting with Purpose and Serving with:

Professionalism

Respect

Integrity

Dedication

Excellence

Department Overview

- Provides fire suppression and emergency medical response, car seat checks, 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 (NEFDA).

Highlights/Achievements for FY2023

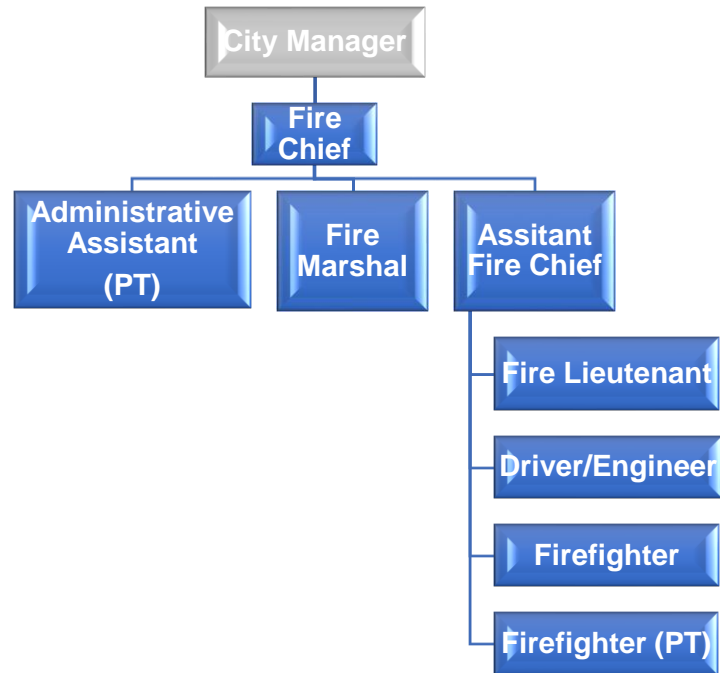
- Received the 2022 Texas Fire Marshal's Platinum Level award.
- Renewed Texas Fire Chief's Best Practice Department Recognition.
- Maintained ISO 1 Rating.
- Obtained Texas DSHS Continued Education Training Facility license.
- Received the Silver level Texas EMS Mission Lifeline award.

Goals/Objectives for FY2024

- Renewal of the Texas EMS Pediatric Readiness – Gold level.
- Maintain ISO 1 Rating.
- Maintain the Texas EMS Mission Lifeline Silver award or better.



Organizational Chart



Budgeted Positions

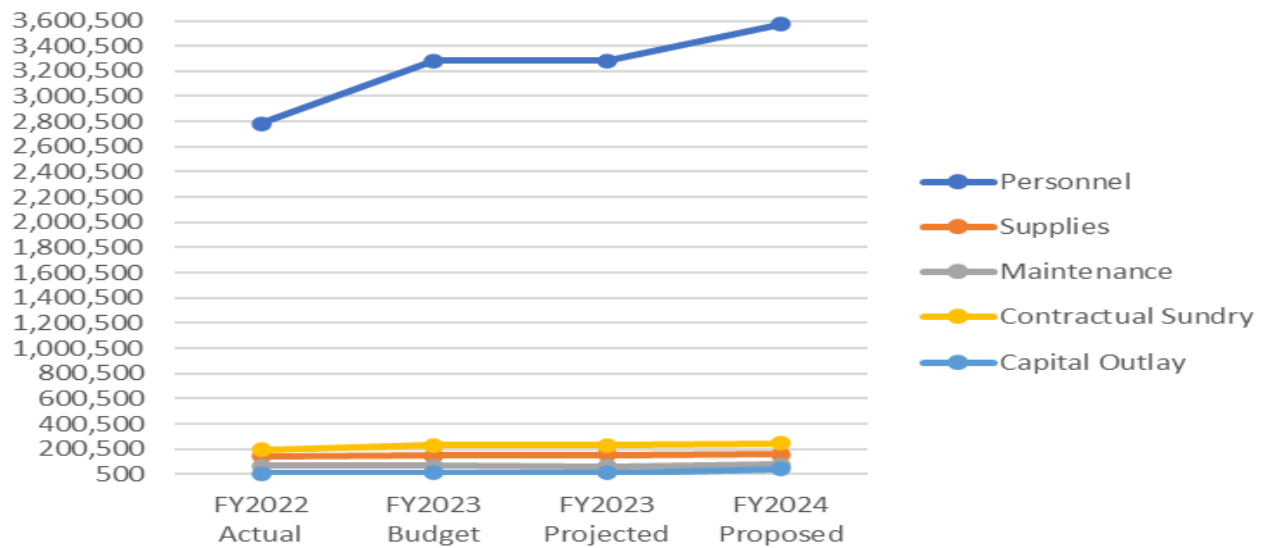
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|-------------------------------|---------------|---------------|---------------|
| Fire Chief | 1.00 | 1.00 | 1.00 |
| Assistant Fire Chief | 1.00 | 1.00 | 1.00 |
| Administrative Assistant (pt) | 0 | .50 | .50 |
| Fire Marshal | 1.00 | 1.00 | 1.00 |
| Fire Lieutenant | 3.00 | 3.00 | 3.00 |
| Driver/Engineer | 3.00 | 3.00 | 3.00 |
| Firefighter | 18.00 | 18.00 | 18.00 |
| Firefighter (PT) | 0 | 2.50 | 2.50 |
| Total Fire FTE | 27.00 | 30.00 | 30.00 |



Summary of Expenditures by Category

The Fire Department budget increased by \$354,110 mainly due to personnel cost increases. In addition, positions that were previously funded by the SAFER funds were reallocated into the general budget. There are approved one-time purchase requests in the budget for fire station mattress replacement, fitness equipment, and the continuation of the training prop program.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| Personnel | 2,782,957 | 3,284,100 | 3,285,000 | 3,573,200 |
| Supplies | 144,493 | 147,600 | 153,780 | 158,660 |
| Maintenance | 65,733 | 67,640 | 60,620 | 76,280 |
| Contractual Sundry | 195,960 | 233,040 | 231,920 | 244,350 |
| Capital Outlay | 7,500 | 10,000 | 10,000 | 44,000 |
| Total Fire | \$3,196,643 | \$3,742,380 | \$3,741,320 | \$4,096,490 |






Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---------------------------------------|------------------|-------------------|---------------------|------------------|
| Total fire calls | 839 | 1,350 | 1,000 | 950 |
| Total emergency medical service calls | 1,819 | 2,000 | 2,000 | 1,950 |
| Number of ambulance transports | 1,346 | 1,400 | 1,525 | 1,600 |
| Number of fire mutual aid provided | 44 | 50 | 40 | 50 |
| Number of fire mutual aid received | 17 | 50 | 40 | 50 |
| Number of EMS aid provided | 132 | 150 | 150 | 150 |
| Number of EMS aid received | 95 | 200 | 200 | 150 |
| Number of fire inspections | 488 | 700 | 800 | 800 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|----------------|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of Priority 3 or higher Fire calls in Watauga responded to in 6 minutes or less | Goal 2 | Effectiveness | 100% | 100% | 100% | 100% | 100% |
| % of Priority 3 or higher EMS calls in Watauga responded to 6 minutes or less | Goal 2 | Effectiveness | 100% | 100% | 100% | 100% | 100% |
| % of required fire inspections completed | Goal 2 | Effectiveness | 100% | 76.5% | 100% | 97.5% | 100% |

Fire Department at a Glance

| | | | | | |
|---|--|---|--|---|--|
|  | Location: Central Fire Station 5909 Hightower |  | FY2024 Budget: \$4,096,490 |  | Full-time Employees: 30.00 |
|---|--|---|--|---|--|



FIRE/EMS

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|--------------------------|--------------------|-----------------|------------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$289,100 | benefits, Safer grant, retention, step, COLA/merit & TMRS adj. |
| Office Supplies | Supplies | | \$50 | department needs analysis |
| Publications | Supplies | | \$30 | department needs analysis |
| Minor Tools & Apparatus | Supplies | | \$1,000 | department needs analysis |
| Janitorial Supplies | Supplies | | \$500 | department needs analysis |
| Chemicals | Supplies | | \$700 | department needs & cost adjustment |
| Event Refreshments | Supplies | | \$200 | department needs analysis |
| Educational Supplies | Supplies | | \$190 | fire prevention & public education adjustment |
| Educational Supplies | Supplies | | \$195 | kids camp adjustment |
| Educational Supplies | Supplies | | \$195 | open house adjustment |
| Medical Supplies | Supplies | | \$8,000 | department needs & cost adjustment |
| Misc. Equip. Maintenance | Maintenance | | \$900 | Cardiac Monitor Maintenance Increase |
| Misc. Equip. Maintenance | Maintenance | | \$180 | EMS Cot & Power Load Maintenance Adjustment |
| Misc. Equip. Maintenance | Maintenance | | \$200 | EMS Powerload Maintenance adjustment |
| Misc. Equip. Maintenance | Maintenance | | \$3,900 | Lucas Preventive Maintenance adjustment |
| Software Maintenance | Maintenance | | \$20 | Active 911 Software Increase |
| Software Maintenance | Maintenance | | \$200 | Emergency Reporting Software Increase |
| Software Maintenance | Maintenance | | \$600 | Netmotion Software Increase |
| Software Maintenance | Maintenance | | \$700 | PSTRAX Software Increase |
| Software Maintenance | Maintenance | | \$1,400 | ESO scheduling addition |
| Software Maintenance | Maintenance | | \$540 | Target Solutions Software Increase |
| Communications | Contractual/Sundry | | \$400 | additional medic unit cell service |
| Communications | Contractual/Sundry | | \$990 | cell stipend - Fire Marshal |
| Travel Expense | Contractual/Sundry | | \$2,400 | department analysis |
| Dues & Subscriptions | Contractual/Sundry | | \$25 | Heartsafe increase |
| Dues & Subscriptions | Contractual/Sundry | | \$5 | FIANT increase |
| Dues & Subscriptions | Contractual/Sundry | | \$20 | IAI increase |
| Dues & Subscriptions | Contractual/Sundry | | \$80 | NAEMT addition |
| Training | Contractual/Sundry | | \$5,000 | department needs analysis |
| State Certifications | Contractual/Sundry | | \$360 | TCCP certifications increase |
| Compliance Testing | Contractual/Sundry | | \$2,030 | mandated testing increases |
| Furniture | Capital Outlay | \$20,000 | | mattress replacement (NR FY23-24) |
| Other Equipment | Capital Outlay | \$12,000 | | fitness equipment (COP FY23-24) |
| Other Equipment | | (\$10,000) | | training prop program - 1st year (NR FY22-23) |
| Other Equipment | Capital Outlay | \$12,000 | | training prop program - 2nd year (NR FY23-24) |
| TOTALS: | | \$34,000 | \$320,110 | |

\$354,110 NET INCREASE/DECREASE

Public Works – Streets Division



Mission Statement

It is the mission of the Streets Division to enhance the safety and welfare of the traveling public by effectively and efficiently maintaining the City of Watauga's transportation infrastructure.

Department Overview

- Provide maintenance for Watauga streets, signs, traffic signals, traffic markings, crossing flashers and school zone flashers.
- Promote ease of mobility throughout the city by maintaining our streets in a timely, efficient, and cost-effective manner
- Manage annual overlay program to rehabilitate aging asphalt roads.
- Manage concrete repair contractors for annual sidewalk repair, general concrete road repairs and resident concern repair lists.

Highlights/Achievements for FY2023

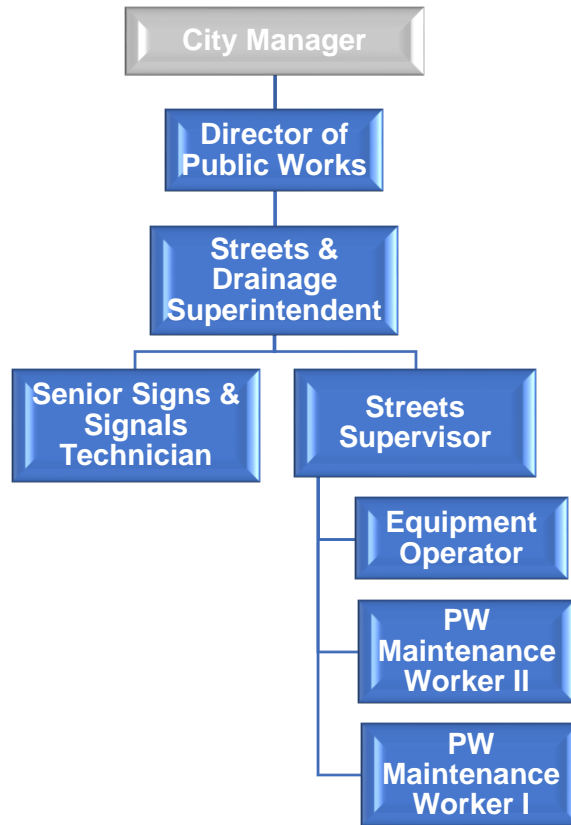
- Staffing shortages in Streets and Drainage Divisions presented the opportunity for cross training among all staff, making both divisions more effective and productive in time of staffing issues.
- Maintained 88 miles of roads, signs, traffic signals and road markings to an acceptable manner.
- Utilizing new methods of repair with equipment received from trade deal – Skid Steer with milling attachment makes small road repairs faster, using less materials saving time and money.
- Excellent Response to 2023 winter storm Mara 24/7, on call incident response for sanding and emergency response.
- Rehabilitated 5 residential streets in partnership with Tarrant County Precinct 3, including curb and gutter, drive approaches, sidewalk and subgrade and paving.

Goals/Objectives for FY2024

- Continued partnership with Tarrant County Precinct 3 to rehabilitate Chapman Road from Whitley Road to Denton Highway.
- Develop working relationships with 3 newly approved concrete repair vendors for multiple repairs.
- Resolve staffing issues to pre pandemic levels.
- Continue working with Storm Drain Division to complete larger projects for street and drainage issues.
- Traffic Division to continue to bring all school zone flashers to current AP21 timers, phasing out the older timers that are starting to fail.



Organizational Chart



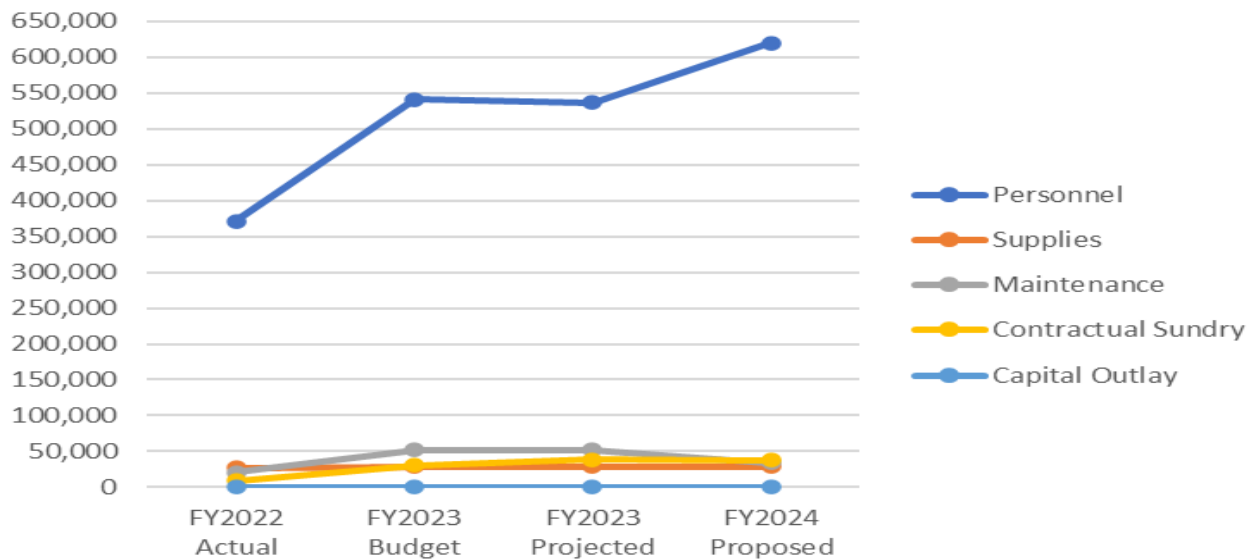
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Director of Public Works | .25 | .25 | .25 |
| Streets & Drainage Superintendent | .50 | .50 | .50 |
| Signs & Signals Technician | 1.00 | 1.00 | 0 |
| Senior Signs & Signal Technician | 0 | 0 | 1.00 |
| Streets Supervisor | 1.00 | 1.00 | 1.00 |
| Equipment Operator | .50 | 1.00 | 1.00 |
| Public Works Maintenance Worker II | 1.00 | 1.00 | 1.00 |
| Public Works Maintenance Worker I | 3.00 | 4.00 | 4.00 |
| Total Public Works - Streets Division FTE | 7.25 | 8.75 | 8.75 |

Summary of Expenditures by Category

Public Works – Streets Division budget increased by \$66,400 mainly due to personnel cost increases and the approved Personnel Improvement Plan position adjustment. There was a one-time approved request for a school zone flasher upgrade added to this budget.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---|------------------|------------------|------------------|------------------|
| Personnel | 371,252 | 541,100 | 536,600 | 619,400 |
| Supplies | 28,069 | 28,900 | 28,900 | 28,900 |
| Maintenance | 21,147 | 52,300 | 52,300 | 33,800 |
| Contractual Sundry | 9,122 | 31,080 | 38,380 | 37,680 |
| Total Public Works – Street Division | \$429,590 | \$653,380 | \$656,180 | \$719,780 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---|---------------|----------------|------------------|---------------|
| Miles of streets maintained | 88 | 88 | 88 | 88 |
| Miles of curb and gutter maintained | 176 | 176 | 176 | 176 |
| Square yards of street rehabilitation | 17,449 | 9,867 | 9,867 | 16,106 |
| Linear feet of curb and gutter replaced | 3,661 | 3,022 | 3,060 | 2,000 |
| Number of potholes repaired | 106 | 200 | 175 | 200 |
| Subgrade/street repairs | 77 | 70 | 70 | 75 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|----------------------------------|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Maintain an 80% or greater road miles in good condition. | # 4. Strengthen future planning. | Efficiency | 100% | 99% | 100% | 100% | 100% |
| Respond to street repairs within 5 business days from request. | # 4. Strengthen future planning. | Efficiency | 100% | 95% | 100% | 97% | 100% |
| Repair 90% or more of resident sidewalk concerns annually. | # 4. Strengthen future planning. | Efficiency | 90% | 100% | 90% | 100% | 100% |

Public Works – Streets Division at a Glance

| | | | | | |
|---|---|---|--|---|---|
|  | Location: Water Tower 7800 Virgil Anthony Blvd. |  | FY2024 Budget: \$719,780 |  | Full-time Employees: 8.75 |
|---|---|---|--|---|---|



PUBLIC WORKS

PUBLIC WORKS - STREETS DIVISION

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------------------|--------------------|-------------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$71,000 | benefits, retention, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$7,300 | PIP approved |
| Sign Maintenance | Maintenance | (\$12,000) | | street sign blanks (one time NY FY22-23) |
| Traffic Signal Maintenance | Maintenance | (\$10,000) | | traffic signals upgrade (one time NR FY22-23) |
| Traffic Signal Maintenance | Maintenance | \$3,500 | | school zone flasher upgrade (one time NR FY23-24) |
| Debris Disposal | Contractual/Sundry | | \$6,600 | needs & rate adjustments |
| TOTALS: | | (\$18,500) | \$84,900 | |

\$66,400 NET INCREASE/DECREASE

Public Works – Fleet Division



Mission Statement

To provide a comprehensive fleet management program, which responsibly fulfills the vehicle and equipment needs for the City of Watauga through cost-effective and dedicated personal service.

Department Overview

- Maintain city vehicles and equipment properly and to the highest standard with limited down time and costs.
- Coordinate new vehicle upfitting and emergency light installation.
- Maintain compliance with mandated state and federal program.
- Coordinate used vehicles and equipment auction within city and state guidelines.

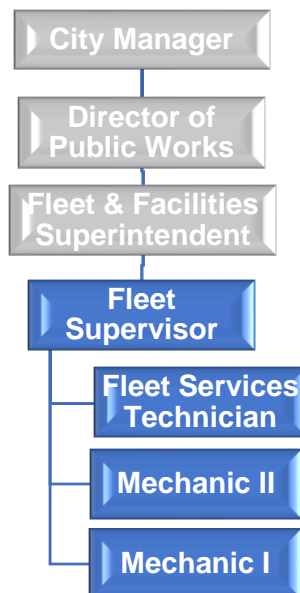
Highlights/Achievements for FY2023

- Expanded the ILA agreements from 3 to 5 municipalities covering fleet maintenance for multiple divisions within each municipality.

Goals/Objectives for FY2024

- Begin the fleet shop expansion to allow additional space to accommodate the City's and ILA agreement's needs.
- Continue with the purchasing of more fuel efficient vehicles and equipment in order to reduce fuel and maintenance costs.
- Take delivery of new fleet service truck.

Organizational Chart



Budgeted Positions

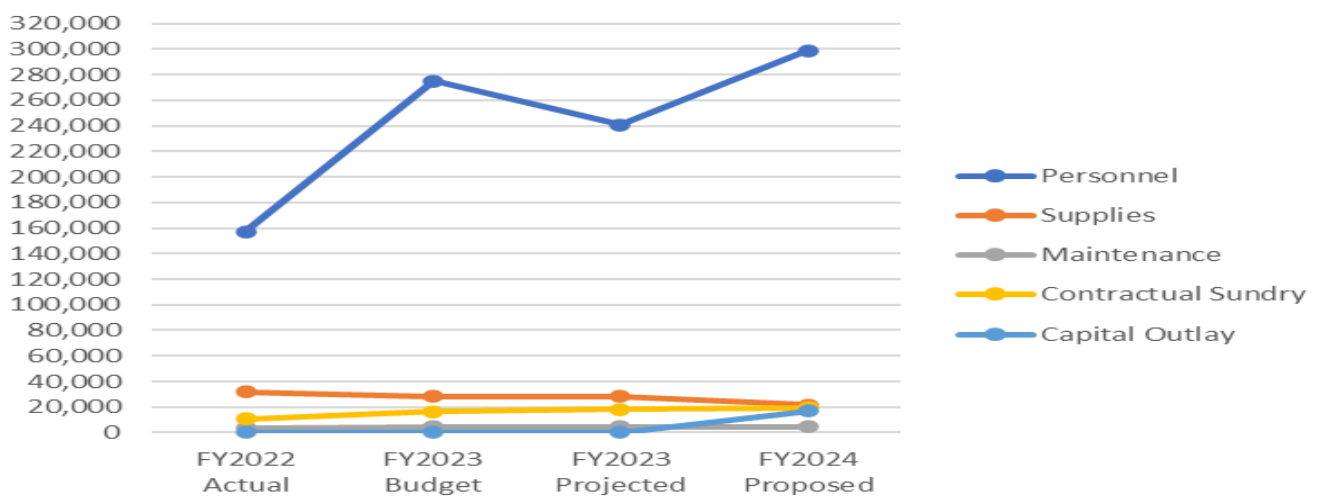
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Fleet Supervisor | 1.00 | 1.00 | 1.00 |
| Fleet Services Technician | 0 | 1.00 | 1.00 |
| Mechanic II | 1.00 | 1.00 | 1.00 |
| Mechanic I | 1.00 | 1.00 | 1.00 |
| Total Public Works - Fleet Division FTE | 3.00 | 4.00 | 4.00 |



Summary of Expenditures by Category

Public Works – Streets Division budget increased by \$37,400 mainly due to personnel cost increases. A one-time approved request for the fuel island upgrade was added to this budget.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|--|------------------|------------------|------------------|------------------|
| Personnel | 157,214 | 274,900 | 240,850 | 299,000 |
| Supplies | 31,713 | 28,250 | 28,300 | 21,800 |
| Maintenance | 3,599 | 4,500 | 4,500 | 4,500 |
| Contractual Sundry | 10,732 | 16,600 | 18,300 | 19,350 |
| Capital Outlay | 0 | 0 | 0 | 17,000 |
| Total Public Works – Fleet Division | \$203,258 | \$324,250 | \$291,950 | \$361,650 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---|------------------|-------------------|---------------------|------------------|
| Work orders completed | 623 | 700 | 700 | 700 |
| Gallons of fuel dispensed | 60,436 | 62,000 | 62,000 | 62,000 |
| Number of preventive maintenances performed per month | 30 | 35 | 32 | 35 |
| Number of city vehicles/equipment maintained | 855 | 850 | 900 | 900 |
| Number of training classes attended | 10 | 15 | 15 | 15 |



| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|---|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Increase annual number of inhouse fleet repairs completed by 1% each year. | # 1. Maintain the financial strength of the City. # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 97% | 100% | 96% | 100% |
| Maintain average life per policy for fleet. | # 1. Maintain the financial strength of the City. # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 100% | 100% | 100% | 100% |
| Increase the number of employee certifications by 1% annually. | # 7. Attract, retain, and motivate qualified staff. | Efficiency | 100% | 51% | 100% | 28% | 100% |

Public Works – Fleet Division at a Glance

| | | | | | |
|--|---|--|--|--|---|
| | Location: Water Tower 7800 Virgil Anthony Blvd. | | FY2024 Budget: \$361,650 | | Full-time Employees: 4.00 |
|--|---|--|--|--|---|



PUBLIC WORKS - FLEET SERVICES

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|------------------|--------------------|-----------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$24,100 | benefits, retention, COLA/merit & TMRS adjustments |
| Office Supplies | Supplies | | \$50 | department needs analysis |
| Minor Tools | Supplies | (\$6,500) | | freon machine (on time NR FY22-23) |
| Communications | Contractual/Sundry | | \$250 | department needs analysis |
| Special Services | Contractual/Sundry | | \$1,000 | department needs analysis |
| Waste Disposal | Contractual/Sundry | | \$1,500 | department needs & costs adjustments |
| Other Equipment | Capital Outlay | \$17,000 | | fuel island system upgrade (one time NR FY23-24) |
| TOTALS: | | \$10,500 | \$26,900 | |

\$37,400 NET INCREASE/DECREASE

Public Works – Facilities Maintenance Division



Mission Statement

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.

Department Overview

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 120,000 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.

Highlights/Achievements for FY2023

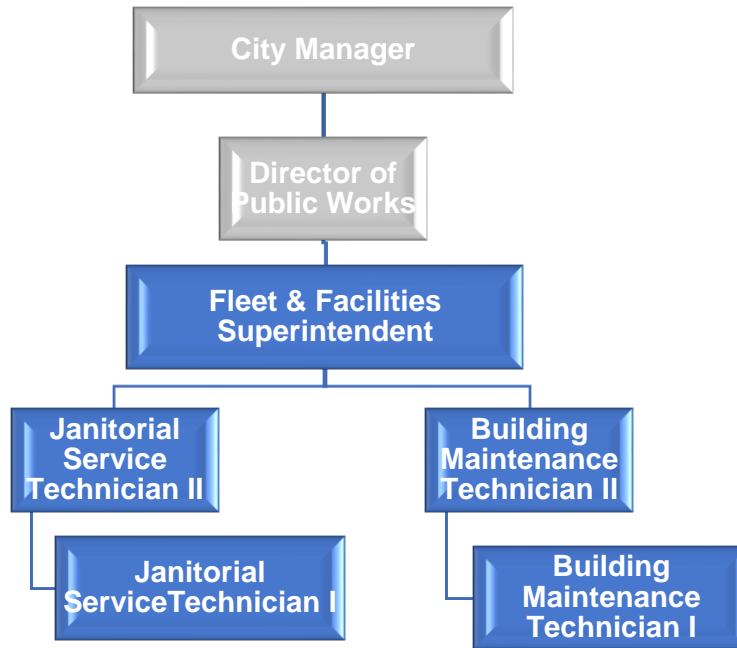
- Replaced police department HVAC units.
- Replaced water tower HVAC units.

Goals/Objectives for FY2024

- To provide safe and trouble free working environment for city personnel and citizens.
- Complete fleet shop expansion.
- Start water tower elevator modernization.
- Complete recreation center foundation repair.
- Installation of the water tower generator.



Organizational Chart



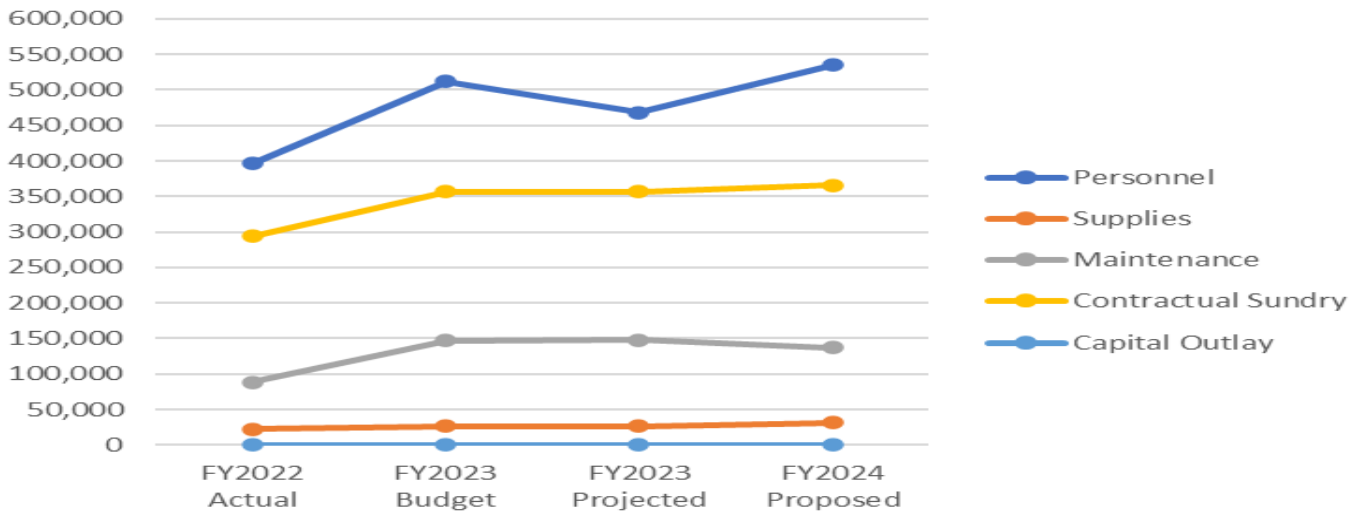
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|---|---------------|---------------|---------------|
| Fleet & Facilities Superintendent | 1.00 | 1.00 | 1.00 |
| Janitorial Service Technician II | 1.00 | 1.00 | 1.00 |
| Janitorial Service Technician I | 3.00 | 3.00 | 3.00 |
| Building Maintenance Technician II | 1.00 | 1.00 | 1.00 |
| Building Maintenance Technician I | 1.00 | 2.00 | 2.00 |
| Total Public Works – Facilities Maintenance Division FTE | 7.00 | 8.00 | 8.00 |

Summary of Expenditures by Category

Public Works – Facilities Maintenance Division budget increased by \$27,600 in part due to personnel cost increases. A one-time request was included in the budget for the water tower elevator upgrade.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---|------------------|--------------------|------------------|--------------------|
| Personnel | 396,536 | 511,300 | 467,700 | 534,700 |
| Supplies | 22,295 | 26,800 | 26,900 | 32,000 |
| Maintenance | 88,278 | 147,500 | 148,000 | 137,500 |
| Contractual Sundry | 294,300 | 356,700 | 356,700 | 365,700 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Public Works – Facilities Division | \$801,409 | \$1,042,300 | \$999,300 | \$1,069,900 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|---------------|----------------|------------------|---------------|
| Number of city facilities maintained | 11 | 11 | 11 | 11 |
| Number of repair requests completed | 397 | 400 | 415 | 415 |
| Square footage of city facilities maintained | 122,000 | 122,000 | 122,000 | 122,000 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|--|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of general maintenance work orders completed within 48 hours. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 60% | 95% | 70% | 100% |
| % of repairs completed in-house. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 90% | 100% | 90% | 100% |
| Change 100% of A/C filters at all facilities every quarter. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 100% | 100% | 100% | 100% |
| Test and exercise emergency generators 52 times year. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 100% | 100% | 50% | 100% |

Public Works – Facilities Maintenance Division at a Glance

| | | | | | |
|---|---|---|--------------------------------------|---|-------------------------------------|
|  | Location: Water Tower 7800 Virgil Anthony Blvd. |  | FY2024 Budget: \$1,069,900 |  | Full-time Employees: 8.00 |
|---|---|---|--------------------------------------|---|-------------------------------------|



PUBLIC WORKS - FACILITIES MAINTENANCE

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|---------------------|--------------------|-------------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$23,400 | benefits, retention, COLA/merit & TMRS adjustments |
| Janitorial Supplies | Supplies | | \$5,000 | department needs & costs analysis |
| Chemicals | Supplies | | \$200 | department needs & costs analysis |
| Bldg. Maintenance | Maintenance | (\$20,000) | | ACO Foundation Repairs (one time NR FY22-23) |
| Bldg. Maintenance | Maintenance | (\$40,000) | | Flooring Replacement (one time NR FY22-23) |
| Bldg. Maintenance | Maintenance | \$47,500 | | elevator upgrade (one time NR FY23-24) |
| HVAC Equipment | Maintenance | | \$1,500 | department needs & costs analysis |
| Plumbing Equipment | Maintenance | | \$1,000 | department needs & costs analysis |
| Gas | Contractual/Sundry | | \$6,000 | estimated analysis adjustment |
| Street Lighting | Contractual/Sundry | | \$3,000 | estimated analysis adjustment |
| | | | | |
| TOTALS: | | (\$12,500) | \$40,100 | |

\$27,600 NET INCREASE/DECREASE

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) revitalization opportunities;
- 2) capital improvements cash funding, plans (Land Use, Comprehensive, CIP,);
- 3) community enhancement projects;
- 4) funding of other one-time projects.

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

Funds are transferred to General Fund – Development Services in Fiscal Year 2023-2024.

STRATEGIC INITIATIVE FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET |
|--|---------------------|---------------------|---------------------|------------------------|-----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed |
| Fund Balance, October 1 | \$70,522 | \$65,317 | \$70,722 | \$65,735 | \$35,735 |
| <u>Operating Transfers-In:</u> | | | | | |
| Transfers from General Fund | 0 | 0 | 0 | 0 | 0 |
| Interest | 108 | 418 | 0 | 0 | 0 |
| Total Available Resources | \$ 70,629 | \$ 65,735 | \$ 70,722 | \$ 65,735 | \$ 35,735 |
| <u>Expenditures:</u> | | | | | |
| Home Revitalization Program | 0 | 0 | 30,000 | 30,000 | 0 |
| Strategic Initiatives | 5,313 | 0 | 0 | 0 | 0 |
| Operating Expenditures | 5,313 | 0 | 30,000 | 30,000 | 0 |
| Transfer to General Fund | | | | | 30,000 |
| TOTAL OPERATING & TRANSFERS | \$5,313 | \$0 | \$30,000 | \$30,000 | \$30,000 |
| Fund Balance, September 30 | \$65,317 | \$65,735 | \$40,722 | \$35,735 | \$5,735 |
| CHANGE IN FUND BALANCE | (\$5,205) | \$418 | (\$30,000) | (\$30,000) | (\$30,000) |



SPECIAL REVENUE FUNDS



October 1, 2023 – September 30, 2024

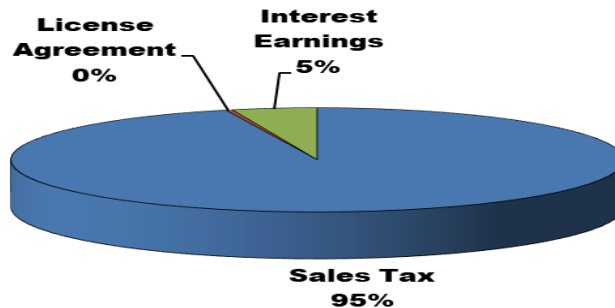
SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT CORPORATION (FORMERLY PARKS DEVELOPMENT CORPORATION)

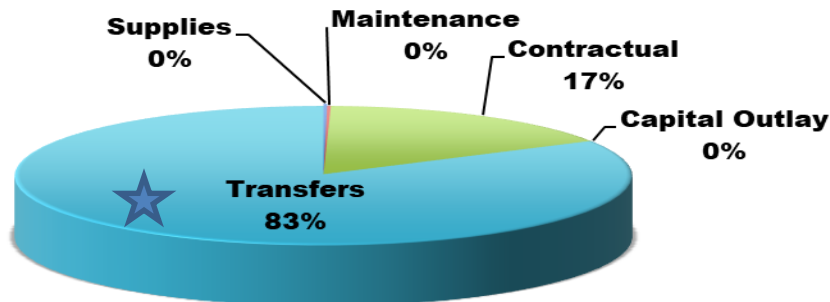
Voters established the Watauga Parks Development Corporation Sales Tax Fund to account for a ½ cent sales tax increase in May 1994 under the 4b Economic Development Legislation. The purpose of the increase in sales tax is to build city parks and improve existing parks under the supervision of the Watauga 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. In FY2018-2019 the corporation’s name was changed to Economic Development Corporation and the focus was redirected to economic development within the City. Sales tax revenues for FY2023-2024 are expected to be \$996,000.

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

Where Does the Money Come From?



Where Does the Money Go?



Note: Transfers to general fund cover personnel expenses and debt

ECONOMIC DEVELOPMENT CORPORATION BUDGET SUMMARY - FUND 04

| | HISTORY | | PROJECTED YEAR | | BUDGET | %CHANGE |
|--|---------------------|---------------------|------------------------------|------------------------|---------------------|-----------------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Original Budget | 2022-2023 Projected | 2023-2024 Budget | FY2023-2024 vs 2022-2023 |
| Fund Balance, October 1* | \$1,242,173 | \$1,631,094 | \$1,713,418 | \$1,733,255 | \$2,260,280 | |
| <u>Revenues:</u> | | | | | | |
| Sales Taxes | 865,622 | 929,538 | 952,000 | 976,000 | 996,000 | 4.6% |
| License Agreement - Property | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Proceeds From Sale of Assets | 850 | 0 | 0 | 0 | 0 | 0.0% |
| Interest Earnings | 1,207 | 13,921 | 2,500 | 44,000 | 55,000 | 2100.0% |
| License Agreement - Services | 0 | 250 | 5,000 | 3,000 | 3,500 | -30.0% |
| Operating Revenues | \$867,679 | \$943,709 | \$959,500 | \$1,023,000 | \$1,054,500 | 9.9% |
| | | | | | | |
| Total Available Resources | \$2,109,852 | \$2,574,803 | \$2,672,918 | \$2,756,255 | \$3,314,780 | |
| <u>Expenditures:</u> | | | | | | |
| Business Retention | 6,437 | 3,518 | 8,650 | 6,050 | 6,650 | -23.1% |
| Business Attraction | 28,493 | 25,650 | 24,200 | 22,050 | 24,300 | 0.4% |
| General Administration | 64,042 | 44,502 | 56,200 | 48,175 | 56,300 | 0.2% |
| Operating Expenditures | \$98,973 | \$73,670 | \$89,050 | \$76,275 | \$87,250 | -2.0% |
| | | | | | | |
| <u>Operating Transfers-Out</u> | | | | | | |
| To General Fund | 222,281 | 245,800 | 266,500 | 266,500 | 279,000 | 4.7% |
| To Internal Service Fund | 0 | 0 | 0 | 0 | 0 | 0.0% |
| To Capital Projects Fund | 0 | 375,000 | 0 | 0 | 0 | 0.0% |
| To Debt Service | 157,503 | 147,078 | 153,200 | 153,200 | 149,000 | -2.7% |
| Total Operating Transfers-Out | \$379,784 | \$767,878 | \$419,700 | \$419,700 | \$428,000 | 2.0% |
| | | | | | | |
| TOTAL OPERATING & TRANSFERS | \$478,757 | \$841,548 | \$508,750 | \$495,975 | \$515,250 | 1.3% |
| | | | | | | |
| Fund Balance, September 30 | \$1,631,096 | \$1,733,255 | \$2,164,168 | \$2,260,280 | \$2,799,530 | |
| | | | | | | |
| CHANGE IN FUND BALANCE | \$388,923 | \$102,161 | \$450,750 | \$527,025 | \$539,250 | |

*Includes debt service fund balance

Economic Development



Mission Statement

To make Watauga the best place to do business today and in the future by generating equitable economic growth opportunities, building strategic partnership, and maximizing resources.

Department Overview

To advance the economic strength of Watauga through business and community support programs, public education, and strategic partnerships. Economic Development provides emphasis on improving the business climate through new development, redevelopments, workforce development, business retention and expansion, and small business development.

To enhance the quality of life for residents and the sustainability of City businesses through the retention and revitalization of exiting business and neighborhoods, and promotion, recruitment, and coordination of new commercial and residential development in the City.

Highlights/Achievements for FY2023

- Successfully negotiated and passed a Chapter 380 Economic Development Agreement with Mr. Froze for a newly constructed retail commercial business to be located on Watauga Road.
- Assisted a private property owner with the recruitment of a development partner and facilitated the rezoning process of a large parcel of land for a 132-home townhome development that will bring an investment of approximately \$53M in the community, which will result in a significant increase in sales tax.
- FYE sales tax receipts for 2023 are forecasted to be higher than 2022 actual by 5%, with an increase of 2.5% from FY 2022-2023 budget.

Goals/Objectives for FY2024

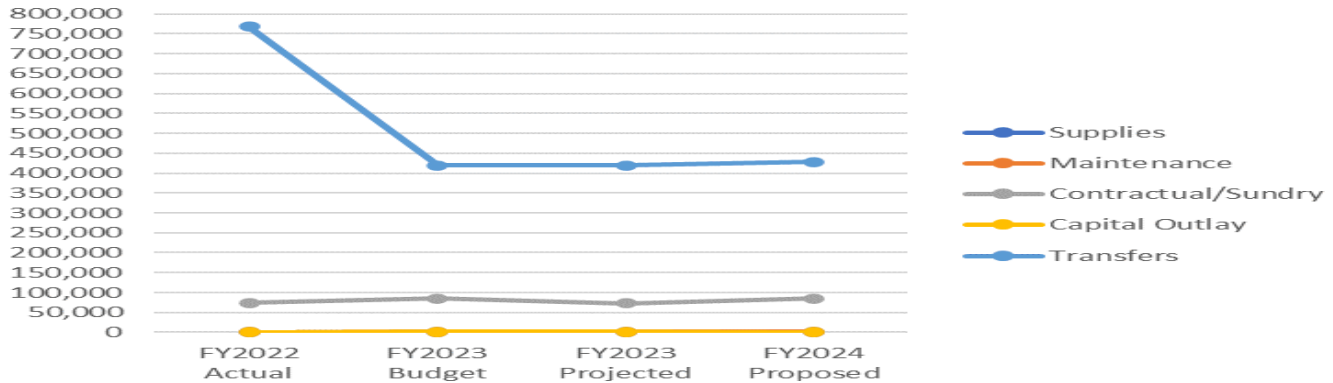
- Aid in the revitalization of obsolete facilities through redevelopment, rehabilitation, and other available means.
- Create outreach programs to facilitate and incentivize the revitalization of older residential neighborhoods.
- Positively influence growth and redevelopment of the City's business community.
- Improve the economic well-being of the City.
- Continue to maintain economic development related databases to meet the needs of the development community.
- Stimulate participation in shop local programs.
- Prepare projects for development which allow for continued economic growth in the City.



Summary of Expenditures by Category

The Economic Development budget increased by \$6,500 mainly due to the adjustment to transfers for debt and general. There was an increase in contractual services for community relations.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|----------------------------|------------------|------------------|------------------|------------------|
| Supplies | 0 | 900 | 400 | 1,000 |
| Maintenance | 0 | 2,000 | 1,000 | 1,000 |
| Contractual/Sundry | 73,683 | 84,950 | 72,875 | 85,250 |
| Capital Outlay | 0 | 1,200 | 2,000 | 0 |
| Transfers | 767,878 | 419,700 | 419,700 | 428,000 |
| Total Economic Dev. | \$841,548 | \$508,750 | \$495,975 | \$515,250 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---------------------------------|---------------|----------------|------------------|---------------|
| Project files opened | N/A | 10 | 3 | 10 |
| Jobs created | N/A | 35 | 35 | 35 |
| Responses submitted | N/A | 155 | 30 | 50 |
| Board meetings held | N/A | 12 | 12 | 12 |
| Business retention visits | N/A | 120 | 65 | 60 |
| Economic Development agreements | N/A | 5 | 3 | 3 |
| Redevelopment projects | N/A | 5 | 0 | 2 |
| New development projects | N/A | 5 | 2 | 2 |

N/A- new measure

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---------------------------------------|---|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Clients served | # 3. Develop a sustainable economic development effort. | Quantitative | N/A | N/A | 15 | 15 | 15 |
| Potential new business calls/contacts | # 3. Develop a sustainable economic development effort. | Efficiency | N/A | N/A | 100 | 30 | 50 |
| Small business development assistance | # 3. Develop a sustainable economic development effort. | Effectiveness | N/A | N/A | 5 | 4 | 2 |

N/A- new measure



ECONOMIC DEVELOPMENT CORPORATION

BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|---------------------------------|--------------------|----------------|----------------|---|
| Business Retention: | | | | |
| Contractual Services | Contractual/Sundry | | (2,000) | Bludot Subscription Budget Adjustment |
| Business Attraction: | | | | |
| Events | Contractual/Sundry | 100 | | Participation Increase - Tarrant Special Events |
| General Administration: | | | | |
| Events Refreshments/Meals | Supplies | | 100 | Needs Adjustment (Event Hosting) |
| Software Maintenance | Maintenance | | (1,000) | Adobe Suites License Adj. to IT Department |
| Dues & Subscriptions | Contractual/Sundry | | 200 | TRTC Increase |
| Training | Contractual/Sundry | | 1,500 | ISCS Conference Adjustment |
| Community Relations | Contractual/Sundry | | 5,000 | Community Relations Needs/Analysis Adj. |
| Contractual Services | Contractual/Sundry | | (4,500) | 3rd Coast Geo Deduction |
| Other Equipment | Capital Outlay | (1,200) | | Media Specialist Camera Purchase (one-time) |
| Transfers: | | | | |
| Transfer to General Fund | Transfers | 12,500 | | Allocation Adjustment |
| Transfer to Gen Obligation Debt | Transfers | (4,200) | | Debt Allocation Adjustment |
| TOTALS: | | \$7,200 | (\$700) | |

\$6,500 NET INCREASE/DECREASE

SPECIAL REVENUE FUNDS

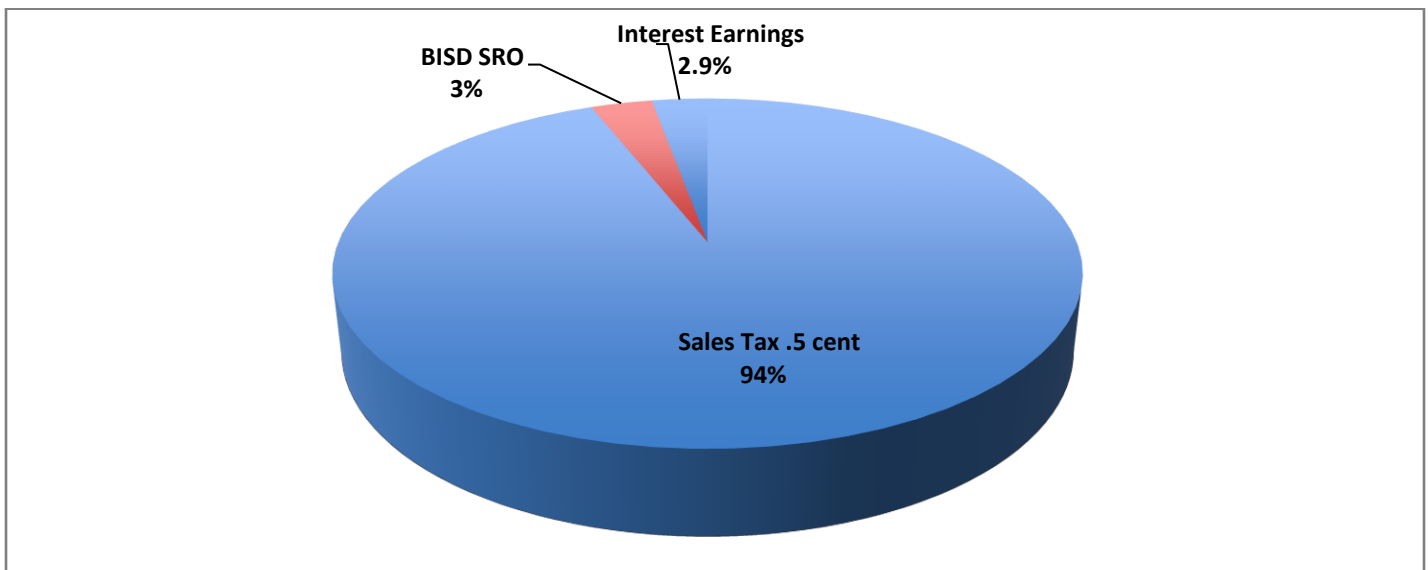
CRIME CONTROL DISTRICT – FUND 18

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 and extended by voters each ten years. On the most recent election, May 1, 2021, voters extended the sales tax collection for ten more years. The purpose of the increase in sales tax is to enhance law enforcement in Watauga. The additional funding is used to add officers and purchase additional equipment and supplies for law enforcement purposes.

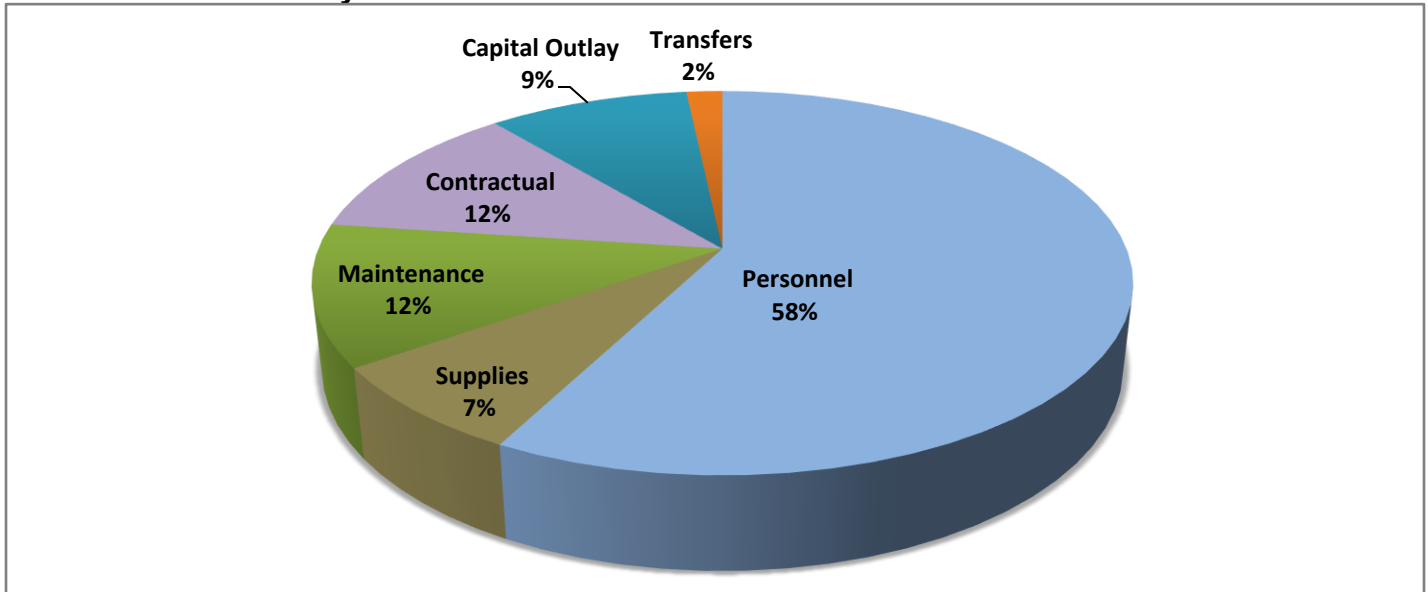
This is a Special Revenue Fund and is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when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

Sales tax revenue for FY2023-2024 is forecasted to be \$1,977,000. Sales Tax revenues are projected to be approximately 2% higher than the FY2022-2023 projected estimate.

Where Does the Money Come From?



Where Does the Money Go?



CRIME CONTROL DISTRICT BUDGET SUMMARY - FUND 18

| | HISTORY | | PROJECTED YEAR | | BUDGET | % CHANGE |
|--|---------------------|---------------------|------------------------------|------------------------|-----------------------|-----------------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Original Budget | 2022-2023 Projected | 2023-2024 Proposed | FY2023-2024 VS 2022-2023 |
| Fund Balance, October 1 | \$731,135 | \$1,010,402 | \$1,237,902 | \$1,329,162 | \$1,367,852 | |
| Revenues: | | | | | | |
| Sales Taxes | 1,701,405 | 1,846,233 | 1,875,000 | 1,938,000 | 1,977,000 | 5.4% |
| BISD SRO | 48,448 | 63,848 | 66,000 | 66,000 | 66,000 | 0.0% |
| Transfer In From ERF | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Interest Earnings/Other | 1,417 | 9,781 | 4,000 | 55,000 | 60,000 | 1400.0% |
| Proceeds From Sales of Assets | 38,324 | 34,701 | 0 | 0 | 0 | 0.0% |
| Operating Revenues | \$ 1,789,593 | \$ 1,954,563 | \$ 1,945,000 | \$ 2,059,000 | \$ 2,103,000 | 8.12% |
| Total Available Resources | \$ 2,520,728 | \$ 2,964,965 | \$ 3,182,902 | \$ 3,388,162 | \$ 3,470,852 | 9.0% |
| Expenditures: | | | | | | |
| Operating Expenditures | 1,469,939 | 1,605,803 | 1,854,400 | 1,832,060 | 2,006,800 | 8.2% |
| Capital Outlay | 10,388 | 0 | 150,250 | 150,250 | 212,100 | 41.2% |
| Total Expenditures | 1,480,327 | 1,605,803 | 2,004,650 | 1,982,310 | 2,218,900 | 10.7% |
| Operating Transfers-Out | | | | | | |
| To General Fund | 30,000 | 30,000 | 38,000 | 38,000 | 38,000 | 0.0% |
| To Capital Projects | 0 | 0 | 0 | 0 | 0 | 0.0% |
| To Internal Service Fund | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Total Operating Transfers-Out | 30,000 | 30,000 | 38,000 | 38,000 | 38,000 | 0.0% |
| TOTAL OPERATING & TRANSFERS | \$ 1,510,327 | \$ 1,635,803 | \$ 2,042,650 | \$ 2,020,310 | \$ 2,256,900 | 10.5% |
| Fund Balance, September 30 | \$1,010,402 | \$1,329,162 | \$1,140,252 | \$1,367,852 | \$1,213,952 | |
| CHANGE IN FUND BALANCE | \$279,267 | \$318,760 | (\$97,650) | \$38,690 | (\$153,900) | |
| Fund Balance Policy Min @ 20% | | | | | \$408,960 | |

Police – Crime Control District



Mission Statement

The mission of the Watauga Police Department is to provide the highest quality police service while safeguarding individual liberties and building positive community relationships.

Department Overview

The Watauga Police Department provides services 24 hours a day 365 days a year to all the citizens of Watauga and those traveling in and out of the city.

The Watauga Police Department provides leadership and support to all members of the public, as well as Police personnel through fiscal responsibility and modeling of the City's values. The department is committed to strengthening and maintaining an atmosphere of community partnership, providing transparency, supporting continued training and leadership development of personnel, and providing opportunities for career growth and employee retention.

While the primary focus of the department is to ensure a safe environment for residents and businesses, several programs and services exist to address community needs and foster partnerships with the community.

Highlights/Achievements for FY2023

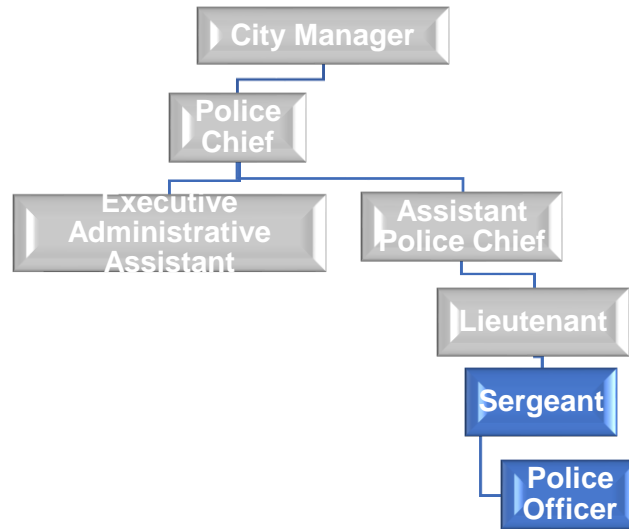
- Transitioned to a new weapons system for handguns.
- Maintained a low response time to calls with minimum staff.
- Redesigned the structure of the department from the Lieutenant position and responsibilities.

Goals/Objectives for FY2024

- Recruit and fully staff sworn positions.
- Obtain Texas Police Chiefs Association Re-Recognition status.
- More positive presence on social media.
- Develop and participate in Community Policing and engagement events. Coffee with a Cop, National Night Out, Neighborhood Patrols and Block Meetings as an example.



Organizational Chart



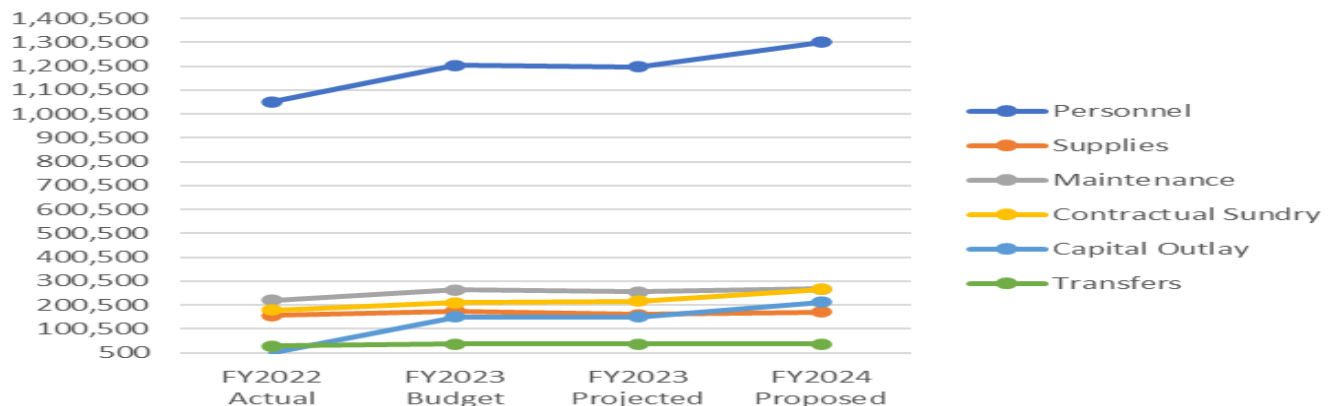
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|-------------------------------|---------------|---------------|---------------|
| Sergeant | 1.00 | 1.00 | 1.00 |
| Police Officer | 10.00 | 11.00 | 11.00 |
| Total Police – CCD FTE | 11.00 | 12.00 | 12.00 |

Summary of Expenditures by Category

The Police Department – Crime Control District budget increased by \$214,250 mainly due to one-time purchases and personnel cost increases. The addition of one-time approved purchase requests included a vehicle replacement purchase, rifle refresh program, drone purchase, flock safety program, portable radar speed signs purchase, and traffic safety data collectors purchase.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Personnel | 1,050,708 | 1,204,800 | 1,198,700 | 1,301,400 |
| Supplies | 155,824 | 175,600 | 161,100 | 170,500 |
| Maintenance | 220,139 | 264,200 | 256,400 | 268,700 |
| Contractual Sundry | 179,132 | 209,800 | 215,860 | 266,200 |
| Capital Outlay | 0 | 150,250 | 150,250 | 212,100 |
| Transfers | 30,000 | 38,000 | 38,000 | 38,000 |
| Total Police – CCD | \$1,635,803 | \$2,042,650 | \$2,020,310 | \$2,256,900 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|---|------------------|-------------------|---------------------|------------------|
| Total calls for service | 9,494 | 10,000 | 10,472 | 11,000 |
| Total reports | 1,796 | 2,500 | 2,518 | 2,500 |
| Total traffic stops | 1,906 | 2,000 | 1,648 | 1,800 |
| Total citations | 5,337 | 6,000 | 5,278 | 4,500 |
| Total felony arrests | 258 | 300 | 428 | 400 |
| Total misdemeanor arrests | 689 | 800 | 888 | 900 |
| Total crime victims assisted | 190 | 250 | 240 | 300 |
| Total SRO student contacts | 4,559 | 2,500 | 5,550 | 6,000 |
| Total SRO presentations | 2 | 4 | 7 | 10 |
| Number of area school events/contacts | 28 | 175 | 50 | 150 |
| Number of public safety cadet meetings | 8 | 40 | 16 | 40 |
| Number of public safety cadet unit training hours | 75 | 2,000 | 180 | 2,000 |
| Number of VIPs hours logged | 491 | 1,000 | 240 | 1,000 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|--|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| # of offenses known to law enforcement. | # 2. Expand public safety through non-enforcement efforts. | Quantitative | 500 | 459 | 500 | 500 | 400 |
| City population per census data. | # 2. Expand public safety through non-enforcement efforts. | Quantitative | | 23,050 | | 23,050 | 22,500 |
| Crime rate per capital. | # 2. Expand public safety through non-enforcement efforts | Quantitative | | 1.99% | | 2.17% | 1.80% |
| % change in crime rate per capital. | # 2. Expand public safety through non-enforcement efforts. | Quantitative | | -0.35% | | +0.18% | -0.37% |

Police - CCD at a Glance

| | | | | | |
|---|---|---|--|---|--|
|  | Location: Police Station 7101 Whitley Road |  | FY2024 Budget: \$2,256,900 |  | Full-time Employees: 12.00 |
|---|---|---|--|---|--|



CRIME CONTROL DISTRICT

BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|-------------------------|--------------------|-----------------|------------------|---|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$96,600 | step, benefits, retention & TMRS adjustments |
| Publications | Supplies | | \$200 | TDCAA Penal Code addition |
| Educational Supplies | Supplies | | (\$300) | Explorer troop adjustment |
| Computer Supplies | Supplies | | (\$5,000) | misc. computer supplies adjustment |
| Office Equipment | Maintenance | | (\$100) | needs/analysis adjustment |
| Vehicle Maintenance | Maintenance | (\$9,600) | | vehicles graphics refresh (New Request FY22-23) |
| Vehicle Maintenance | Maintenance | | (\$300) | needs/analysis adjustment |
| Software Maintenance | Maintenance | | \$9,000 | Axon maintenance adjustment |
| Software Maintenance | Maintenance | | \$1,500 | Shield Suite subscription increase |
| Software Maintenance | Maintenance | (\$17,000) | | CAD/RMS Spillman estimate adjustment (NRH) |
| Software Maintenance | Maintenance | | \$12,500 | ALPR safety cameras maintenance (New Request FY22-23) |
| Software Maintenance | Maintenance | | (\$2,000) | Cradlepoint in communications budget |
| Software Maintenance | Maintenance | | (\$2,000) | Brazos maintenance adjustment |
| Software Maintenance | Maintenance | | \$12,500 | flock safety (ongoing New Request FY23-24) |
| Communications | Contractual/Sundry | | (\$1,500) | hotspots/cradlepoints/lpads adjustments |
| Sundry | Contractual/Sundry | | \$1,500 | Crime Victim liaison increase |
| Sundry | Contractual/Sundry | | \$4,500 | Alliance for Children adjustment |
| Special Services | Contractual/Sundry | | (\$200) | Lexis Nexis adjustment |
| Special Services | Contractual/Sundry | | \$2,600 | Alliance for Children adjustment |
| Special Services | Contractual/Sundry | | \$900 | Water service adjustment |
| Special Services | Contractual/Sundry | | \$9,500 | Drone Program (ongoing New Request FY23-24) |
| Dues & Subscriptions | Contractual/Sundry | | \$4,400 | various dues & subscriptions adjustment |
| Dues & Subscriptions | Contractual/Sundry | | (\$6,900) | PowerDMS policy management removal |
| Dues & Subscriptions | Contractual/Sundry | \$15,200 | | policy management system (one time New Request FY23-24) |
| Dues & Subscriptions | Contractual/Sundry | | \$14,400 | policy management system (ongoing New Request FY23-24) |
| Administrative Training | Contractual/Sundry | | (\$2,000) | needs/analysis adjustment |
| Investigation Expense | Contractual/Sundry | | \$14,000 | increase |
| Motor Vehicles | Capital Outlay | (\$130,000) | | capital outlay items (3 vehicles) (one time FY22-23) |
| Motor Vehicles | Capital Outlay | \$45,000 | | 2013 Tahoe Unit 150 replacement (one time FY23-24) |
| Other Equipment | Capital Outlay | (\$6,000) | | crime scene barriers (one time New Request FY22-23) |
| Other Equipment | Capital Outlay | (\$14,250) | | safety cameras/ALPR (one time New Request FY22-23) |
| Other Equipment | Capital Outlay | \$85,000 | | rifle refresh (one time New Request FY23-24) |
| Other Equipment | Capital Outlay | \$19,500 | | Drone Program (one time New Request FY23-24) Partially CO funded |
| Other Equipment | Capital Outlay | \$15,000 | | flock safety (one time New Request FY23-24) |
| Other Equipment | Capital Outlay | \$9,000 | | armory storage (one time New Request FY23-24) |
| Other Equipment | Capital Outlay | \$22,600 | | portable radar speed signs (4) (one time New Request FY23-24) (Board) |
| Other Equipment | Capital Outlay | \$16,000 | | traffic safety data collectors (4) (one time New Request FY23-24) |
| TOTALS: | | \$50,450 | \$163,800 | |

\$214,250 NET INCREASE/DECREASE

SPECIAL REVENUE FUNDS

**CARES AND AMERICAN RESCUE PLAN (CLFRF) GRANT BUDGET SUMMARY
FUND 10**

The CARES Grant Interlocal Agreement with Tarrant County was approved in FY2019-2020 for Coronavirus Relief. The eligible expenses include COVID response payroll and benefit costs, public health, and safety, telework enhancement, and other expenses related to COVID-19 response. The City received \$1,307,350 in FY2019-2020 and closed out the fund 12/31/2020 as required.

In July 2022, the City Council adopted a Spending Plan Framework for the American Rescue Plan Funding. The City's allocation is \$6,066,048 and received the first half allocation in August 2021 and the second half is expected in August 2022.

This is a special revenue fund and revenues must be spent based on grant restrictions.

BUDGET SUMMARY

| | HISTORY | PROJECTED YEAR | | | BUDGET |
|---|-------------------|---------------------|--------------------------|---------------------|---------------------|
| | 2021-2022 | 2022-2023 | 2022-2023 Amended Budget | 2022-2023 Estimate | 2023-2024 |
| | Actual | Budget | Budget | Estimate | Budget |
| Fund Balance, October 1 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Revenues: | | | | | |
| Grant Proceeds | 383,725 | 4,108,200 | 5,042,200 | 2,223,253 | 4,000,000 |
| Interest Earnings | 0 | 0 | 0 | 0 | 0 |
| Operating Revenues | \$ 383,725 | \$ 4,108,200 | \$ 5,042,200 | \$ 2,223,253 | \$ 4,000,000 |
| Total Available Resources | \$ 383,725 | \$ 4,108,200 | \$ 5,042,200 | \$ 2,223,253 | \$ 4,000,000 |
| Expenditures: | | | | | |
| CARES COVID-19 Personnel, Supplies, Contractual & Capital | | 0 | 0 | 0 | |
| ARPA 6.1 | | | | | |
| Infrastructure | | 2,766,000 | 2,766,000 | 400,000 | 3,300,000 |
| Personnel Programs | 383,725 | 880,000 | 1,814,000 | 1,700,000 | 277,000 |
| Equipment | | 426,000 | 426,000 | 76,000 | 350,000 |
| Supplies | | 0 | 0 | 3,000 | 0 |
| Contractual | | 36,200 | 36,200 | 44,253 | 73,000 |
| TOTAL OPERATING & TRANSFERS | \$ 383,725 | \$ 4,108,200 | \$ 5,042,200 | \$ 2,223,253 | \$ 4,000,000 |
| Fund Balance, September 30 | \$0 | \$0 | \$0 | \$0 | \$0 |
| CHANGE IN FUND BALANCE | \$0 | \$0 | \$0 | \$0 | \$0 |

ARPA Grant
\$6,066,048 plus additional \$5,994 allocation to be spent by December 31, 2026 or returned to the Treasury

SPECIAL REVENUE FUNDS

SAFER GRANT REIMBURSEMENT – FUND 12

The Safer Grant Reimbursement Fund was established in FY2019-2020 to account for proceeds from the Safer Grant awarded to the City for a percentage of the fire personnel. The percentage of personnel reimbursement of six firefighters is at 75% of the first two years and 35% for the third year. This percentage will decline each fiscal year until all grant proceeds have been expended. FY2022-23 was the final year for the grant proceeds and the six firefighters have been reallocated to General Fund for FY2023-24.

BUDGET SUMMARY

| | HISTORY | HISTORY | HISTORY | PROJECTED YEAR | | BUDGET | %CHANGE |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------|-----------------------------|
| | 2019-2020 Actual | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Budget | FY2023-2024 vs 2022-2023 |
| Fund Balance, October 1 | \$5,729 | (\$11,287) | \$7,920 | \$7,920 | \$7,920 | \$7,920 | |
| Revenues: | | | | | | | |
| Grant Proceeds | 229,701 | 381,576 | 220,854 | 63,600 | 27,150 | 0 | -100.0% |
| Interest Earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Grant Revenues | \$229,701 | \$381,576 | \$220,854 | \$ 63,600 | \$ 27,150 | \$ - | -100.0% |
| Total Available Resources | \$235,430 | \$370,289 | \$228,774 | \$ 71,520 | \$ 35,070 | \$ 7,920 | -88.9% |
| Expenditures: | | | | | | | |
| Personnel | 246,717 | 362,369 | 220,854 | 63,600 | 27,150 | 0 | -100.0% |
| Grant Expenditures | 246,717 | 362,369 | 220,854 | 63,600 | 27,150 | 0 | -100.0% |
| TOTAL EXPENDITURES | \$246,717 | \$362,369 | \$220,854 | \$ 63,600 | \$ 27,150 | \$ - | -100.0% |
| Fund Balance, September 30 | (\$11,287) | \$7,920 | \$7,921 | \$7,920 | \$7,920 | \$7,920 | |
| CHANGE IN FUND BALANCE | (\$17,016) | \$19,206 | \$0 | \$0 | \$0 | \$0 | |

Note: Grant proceeds 75% of salary expenditures through February, 2022, and 35% through February, 2023
See 01-085 for remainder of fund 12 total expenditures

SPECIAL REVENUE FUNDS

STREET MAINTENANCE – FUND 14

The Street Maintenance Fund was established in FY2012-2013 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 ¼ cent sales tax was reauthorized by voters on May 2016 for another four years. 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.

Street Maintenance sales tax was abolished by voters in November 2020.

STREET MAINTENANCE FUND 14 BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET |
|--|---------------------|---------------------|---------------------|--------------------------|-----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projections | 2023-2024 Proposed |
| Fund Balance, October 1 | \$1,775,661 | \$1,501,910 | \$595,910 | \$640,016 | \$63,016 |
| <u>Revenues:</u> | | | | | |
| Sales Taxes | 220,958 | 0 | 0 | 0 | 0 |
| Interest Earnings | 2,026 | 6,335 | 0 | 18,000 | 0 |
| Operating Revenues | \$ 222,984 | \$ 6,335 | \$ - | \$ 18,000 | \$ - |
| Total Available Resources | \$ 1,998,645 | \$ 1,508,245 | \$ 595,910 | \$ 658,016 | \$ 63,016 |
| <u>Expenditures:</u> | | | | | |
| Asphalt Overlay | 408,709 | 798,730 | 400,000 | 400,000 | 0 |
| Street Maintenance | 85,360 | 63,294 | 185,000 | 185,000 | 63,016 |
| Debris Disposal | 2,665 | 6,205 | 10,000 | 10,000 | 0 |
| Operating Expenditures | 496,735 | 868,229 | 595,000 | 595,000 | 63,016 |
| TOTAL OPERATING & TRANSFERS | \$ 496,735 | \$ 868,229 | \$ 595,000 | \$ 595,000 | \$ 63,016 |
| Fund Balance, September 30 | \$1,501,910 | \$640,016 | \$910 | \$63,016 | 0 |
| CHANGE IN FUND BALANCE | (\$273,751) | (\$861,895) | (\$595,000) | (\$577,000) | (\$63,016) |

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.

LIBRARY DONATION FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET | % CHANGE |
|--|---------------------|---------------------|---------------------|------------------------|-----------------------|-----------------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed | FY2023-2024 VS 2022-2023 |
| Fund Balance, October 1 | \$50,489 | \$56,357 | \$51,757 | \$62,126 | \$66,126 | |
| Revenues: | | | | | | |
| Library Donations | 5,822 | 5,400 | 6,000 | 6,000 | 6,000 | 0.0% |
| Interest Earnings | 46 | 369 | 100 | 2,000 | 100 | 0.0% |
| Operating Revenues | \$ 5,868 | \$ 5,769 | \$ 6,100 | \$ 8,000 | \$ 6,100 | 0.0% |
| Total Available Resources | \$ 56,357 | \$ 62,126 | \$ 57,857 | \$ 70,126 | \$ 72,226 | 24.8% |
| Expenditures: | | | | | | |
| Personnel | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Library Materials | 0 | 0 | 10,000 | 4,000 | 10,000 | 0.0% |
| Maintenance | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Operating Expenditures | 0 | 0 | 10,000 | 4,000 | 10,000 | 0.0% |
| TOTAL OPERATING & TRANSFERS | \$ - | \$ - | \$ 10,000 | \$ 4,000 | \$ 10,000 | 0.0% |
| Fund Balance, September 30 | \$56,357 | \$62,126 | \$47,857 | \$66,126 | \$62,226 | |
| CHANGE IN FUND BALANCE | \$5,868 | \$5,769 | (\$3,900) | \$4,000 | (\$3,900) | |

SPECIAL REVENUE FUNDS PUBLIC, EDUCATION, GOVERNMENT (PEG) FUND FUND 24

In accordance with SB 1087, a municipality must set up a separate PEG fund to collect and account for the public, educational and government (PEG) fee collected through cable providers. The PEG fee is an additional 1% of gross revenue and can only be spent on capital items for the local access channel as described by federal law. A separate fund was established in FY2017-2018 to comply with SB 1087.

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

PEG FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET | % CHANGE |
|--|----------------------|----------------------|---------------------|------------------------|-----------------------|-----------------------------|
| | 2020-2021 Actuals | 2021-2022 Actuals | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed | FY2023-2024 VS 2022-2023 |
| Fund Balance, October 1 | \$44,152 | \$82,280 | \$90,630 | \$86,220 | \$106,220 | |
| <u>Revenues:</u> | | | | | | |
| PEG Fee | 38,057 | 28,977 | 35,000 | 27,000 | 28,000 | -20.0% |
| Interest Earnings | 71 | 560 | 1,000 | 3,000 | 3,000 | 200.0% |
| Transfer from General Fund | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Operating Revenues | \$ 38,128 | \$ 29,537 | \$ 36,000 | \$ 30,000 | \$ 31,000 | -13.9% |
| Total Available Resources | \$ 82,280 | \$ 111,817 | \$ 126,630 | \$ 116,220 | \$ 137,220 | 8.4% |
| <u>Expenditures:</u> | | | | | | |
| Capital Outlay | 0 | 25,597 | 10,000 | 10,000 | 10,000 | 0.0% |
| Operating Expenditures | 0 | 25,597 | 10,000 | 10,000 | 10,000 | 0.0% |
| TOTAL OPERATING & TRANSFERS | \$ - | \$ 25,597 | \$ 10,000 | \$ 10,000 | \$ 10,000 | 0.0% |
| Fund Balance, September 30 | \$82,280 | \$86,220 | \$116,630 | \$106,220 | \$127,220 | |
| CHANGE IN FUND BALANCE | \$38,128 | \$3,940 | \$26,000 | \$20,000 | \$21,000 | |

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. This fee was increased to \$4.90 during the 2020 Legislative Session with SB346. The assessment allows municipalities to purchase security equipment such as surveillance cameras, bulletproof glass, and Marshal cost 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.

MUNICIPAL COURT SECURITY FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET | %CHANGE |
|--|---------------------|---------------------|---------------------|------------------------|-----------------------|-----------------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed | FY2023-2024 VS 2022-2023 |
| Fund Balance, October 1 | \$ 11,245 | \$ 29,719 | \$ 47,769 | \$ 47,892 | \$59,592 | |
| Revenues: | | | | | | |
| Municipal Bldg Security Fees | 18,453 | 17,934 | 20,000 | 15,000 | 15,000 | -25.0% |
| Interest Earnings | 21 | 239 | 50 | 2,500 | 2,500 | 4900.0% |
| Operating Revenues | \$ 18,474 | \$ 18,173 | \$ 20,050 | \$ 17,500 | \$ 17,500 | -12.7% |
| Total Available Resources | \$ 29,719 | \$ 47,892 | \$ 67,819 | \$ 65,392 | \$ 77,092 | 13.7% |
| Expenditures: | | | | | | |
| Personnel | 0 | 0 | 26,500 | 5,800 | 27,800 | 4.9% |
| Supplies | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Contractual/Sundry | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Capital | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Operating Expenditures | 0 | 0 | 26,500 | 5,800 | 27,800 | 4.9% |
| Operating Transfers-Out | | | | | | |
| To Internal Service Fund | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Total Operating Transfers-Out | 0 | 0 | 0 | 0 | 0 | 0.0% |
| TOTAL OPERATING & TRANSFERS | \$ - | \$ - | \$ 26,500 | \$ 5,800 | 27,800 | 4.9% |
| Fund Balance, September 30 | \$29,719 | \$47,892 | \$41,319 | \$59,592 | \$49,292 | |
| CHANGE IN FUND BALANCE | \$18,474 | \$18,173 | (\$6,450) | \$11,700 | (\$10,300) | |

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.

MUNICIPAL COURT TECHNOLOGY FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET | % CHANGE |
|--|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 202-2023 Projected | 2023-2024 Proposed | FY2023-2024 vs 2022-2023 |
| Fund Balance, October 1 | \$ 126,372 | \$ 133,842 | \$138,492 | \$138,217 | \$135,117 | |
| Revenues: | | | | | | |
| Municipal Court Technology Fee | 15,590 | 14,984 | 17,000 | 13,000 | 15,000 | -11.8% |
| Interest Earnings | 153 | 870 | 100 | 5,000 | 5,000 | 4900.0% |
| Operating Revenues | \$ 15,743 | \$ 15,854 | \$ 17,100 | \$ 18,000 | \$ 20,000 | 17.0% |
| Total Available Resources | \$ 142,115 | \$ 149,696 | \$ 155,592 | \$ 156,217 | \$ 155,117 | -0.3% |
| Expenditures: | | | | | | |
| Supplies | 0 | 0 | 0 | 0 | 0.0 | 0.0% |
| Contractual/Sundry | 6,949 | 6,495 | 6,500 | 6,500 | 9,050 | 39.2% |
| Capital | 1,324 | 4,984 | 14,600 | 14,600 | 15,850 | 8.6% |
| Operating Expenditures | 8,273 | 11,479 | 21,100 | 21,100 | 24,900 | 18.0% |
| Transfer to Internal Service (Equipment) | 0 | 0 | 0 | 0 | 0 | |
| TOTAL OPERATING & TRANSFERS | \$ 8,273 | \$ 11,479 | \$ 21,100 | \$ 21,100 | \$ 24,900 | 18.0% |
| Fund Balance, September 30 | \$133,842 | \$138,217 | \$134,492 | \$135,117 | \$130,217 | |
| CHANGE IN FUND BALANCE | \$7,470 | \$4,375 | (\$4,000) | (\$3,100) | (\$4,900) | |

SPECIAL REVENUE FUNDS

MUNICIPAL COURT TRUANCY PREVENTION – 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 fund the salaries for a juvenile case manager. During the 2020 Legislative Session the name was changed to Truancy Prevention with SB346.

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.

MUNICIPAL COURT TRUANCY FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET | % CHANGE |
|--|---------------------|---------------------|---------------------|------------------------|-----------------------|-----------------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed | FY2023-2024 VS 2022-2023 |
| Fund Balance, October 1 | \$ 92,656 | \$ 82,556 | \$69,856 | \$71,002 | \$52,252 | |
| Revenues: | | | | | | |
| Truancy Prevention Fee | 19,461 | 18,734 | 20,000 | 17,000 | 17,000 | -15.0% |
| Interest Earnings | 71 | 524 | 0 | 0 | 0 | 0.0% |
| Operating Revenues | \$ 19,532 | \$ 19,259 | \$ 20,000 | \$ 17,000 | \$ 17,000 | -15.0% |
| Total Available Resources | \$ 112,188 | \$ 101,815 | \$ 89,856 | \$ 88,002 | \$ 69,252 | -22.9% |
| Expenditures: | | | | | | |
| Personnel | 20,010 | 21,157 | 24,610 | 24,250 | 26,650 | 8.3% |
| Contractual/Sundry | 9,622 | 9,656 | 11,500 | 11,500 | 11,500 | 0.0% |
| Operating Expenditures | 29,632 | 30,813 | 36,110 | 35,750 | 38,150 | 5.6% |
| TOTAL OPERATING & TRANSFERS | \$ 29,632 | \$ 30,813 | \$ 36,110 | \$ 35,750 | \$ 38,150 | 5.6% |
| Fund Balance, September 30 | \$82,556 | \$71,002 | \$53,746 | \$52,252 | \$31,102 | |
| CHANGE IN FUND BALANCE | (\$10,100) | (\$11,554) | (\$16,110) | (\$18,750) | (\$21,150) | |

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 allowed 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. In June, 2019 during the 86th Legislature, the traffic signal enforcement system was eliminated with HB1631. Funding for traffic safety programs are now covered by the City’s General Fund.

TRAFFIC SAFETY FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET |
|--|---------------------|---------------------|---------------------|------------------------|-----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed |
| Fund Balance, October 1 | \$353,613 | \$33,956 | \$33,956 | \$34,093 | \$34,293 |
| Revenues: | | | | | |
| Traffic Safety Fee | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 0 | 0 | 0 | 0 | 0 |
| Interest Earnings | 701 | 136 | 0 | 200 | 0 |
| Operating Revenues | \$ 701 | \$ 136 | \$ - | \$ 200 | \$ - |
| Total Available Resources | \$ 354,314 | \$ 34,093 | \$ 33,956 | \$ 34,293 | \$ 34,293 |
| Expenditures: | | | | | |
| Personnel/Training Expenses | 316,582 | 0 | 0 | 0 | 0 |
| Supplies & Equipment | 3,776 | 0 | 0 | 0 | 0 |
| Other Equipment | 0 | 0 | 0 | 0 | 34,000 |
| Traffic Safety Fees | 0 | 0 | 0 | 0 | 0 |
| Total Operating Expenditures | 320,358 | 0 | 0 | 0 | 34,000 |
| Operating Transfers-Out | | | | | |
| To Gen Fund | 0 | 0 | 0 | 0 | 0 |
| To State Trauma Center | 0 | 0 | 0 | 0 | 0 |
| Total Operating Transfers-Out | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING & TRANSFERS | \$ 320,358 | \$ - | \$ - | \$ - | \$ 34,000 |
| Fund Balance, September 30 | \$33,956 | \$34,093 | \$33,956 | \$34,293 | \$293 |
| CHANGE IN FUND BALANCE | (\$319,657) | \$136 | \$0 | \$200 | (\$34,000) |

SPECIAL REVENUE FUNDS

JURY FEES FUND – FUND 29

The Jury Fee Fund was established in FY2019-2020 with the passage of SB346 by Texas during the 86th Legislature Session taking effect January 1, 2020. The Senate Bill enacted changes to the fines, fees, and court costs landscapes. These fees are assessed upon conviction of any fine-only misdemeanor, including a parking or pedestrian offense.

This fee is used to fund juror reimbursements and otherwise finance jury services.

JURY FEE FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET | %CHANGE |
|-----------------------------------|---------------------|---------------------|---------------------|------------------------|-----------------------|-----------------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed | FY2023-2024 vs 2022-2023 |
| Fund Balance, October 1 | \$205 | \$562 | \$812 | \$913 | \$1,213 | |
| Revenues: | | | | | | |
| Jury Fees | 357 | 351 | 300 | 300 | 300 | 0.0% |
| Interest Earnings | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Total Revenues | \$357 | \$351 | \$300 | \$ 300 | \$ 300 | 0.0% |
| Total Available Resources | \$562 | \$913 | \$1,112 | \$ 1,213 | \$ 1,513 | 36.1% |
| Expenditures: | | | | | | |
| Juror Reimbursements | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Jury Services | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| TOTAL EXPENDITURES | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Fund Balance, September 30 | \$562 | \$913 | \$1,112 | \$1,213 | \$1,513 | |
| CHANGE IN FUND BALANCE | \$357 | (\$562) | \$300 | \$300 | \$300 | |



PROPRIETARY FUNDS



October 1, 2023 – September 30, 2024

PROPRIETARY FUNDS

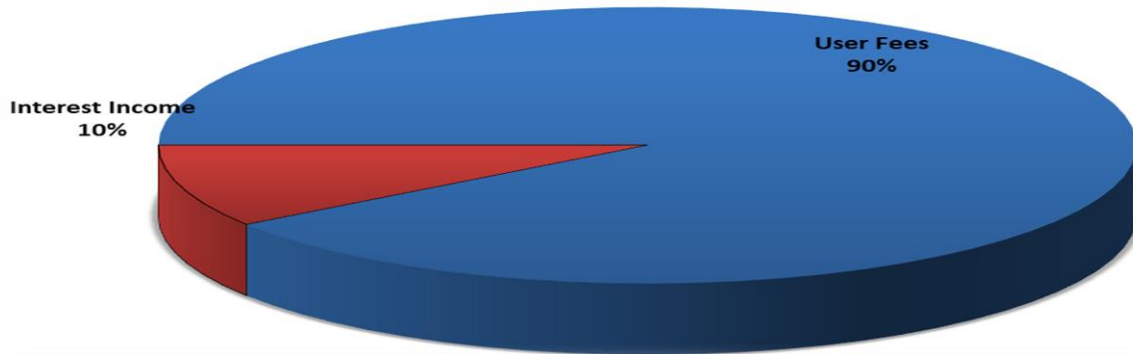
Storm Drain Utility Enterprise Fund

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.

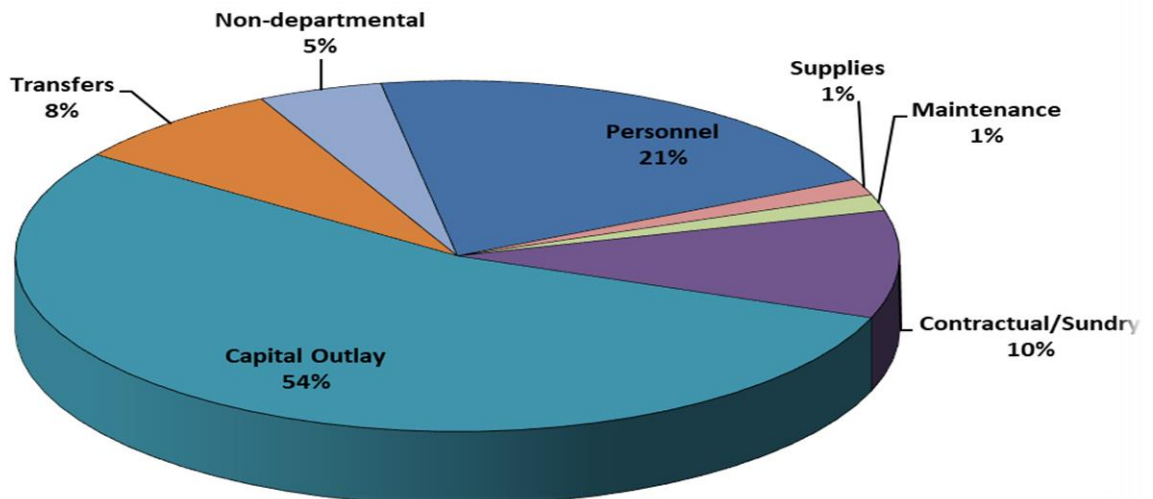
This fund is used to account for user fees charged per residential and commercial unit to enhance drainage of properties within the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations and maintenance.

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 |
|--|---------------------|---------------------|----------------------|------------------------|-----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed |
| Working Capital, October 1* | \$3,322,231 | \$3,321,060 | \$2,846,045 | \$4,035,700 | \$4,319,700 |
| Revenues: | | | | | |
| Operating Revenues | 1,475,731 | 1,479,826 | 1,480,000 | 1,485,000 | 1,485,000 |
| Interest Income | 7,324 | 29,222 | 2,000 | 140,000 | 160,000 |
| Other Revenue/Grant | 86,161 | 27,400 | 0 | 0 | 0 |
| Total Revenues | \$ 1,569,216 | \$ 1,536,448 | \$ 1,482,000 | \$ 1,625,000 | \$ 1,645,000 |
| Total Available Resources | \$ 4,891,447 | \$ 4,857,508 | \$ 4,328,045 | \$ 5,660,700 | \$ 5,964,700 |
| Expenditures: | | | | | |
| Personnel | 388,449 | 285,428 | 468,500 | 443,900 | 506,800 |
| Supplies | 18,570 | 18,188 | 37,400 | 37,400 | 37,400 |
| Maintenance | 8,964 | 10,284 | 37,000 | 37,000 | 37,000 |
| Contractual/Sundry | 109,078 | 139,331 | 198,500 | 297,800 | 356,200 |
| Depreciation (non-exp) | 416,924 | 444,350 | 0 | 0 | 0 |
| Total Operating Expenditures | 592,886 | 548,858 | 741,400 | 816,100 | 937,400 |
| Operating Transfers-Out | | | | | |
| To General Fund | 73,500 | 73,500 | 73,500 | 73,500 | 74,000 |
| To Internal Service Fund | 0 | 0 | 0 | 0 | 120,000 |
| Total Operating Transfers-Out | 73,500 | 73,500 | 73,500 | 73,500 | 194,000 |
| Operating Surplus/(Deficit) | \$902,830 | \$914,090 | \$ 667,100 | \$ 735,400 | \$ 513,600 |
| CAPITAL PROJECTS | 277,199 | 158,399 | 2,706,160 | 451,400 | 1,331,300 |
| TOTAL OPERATING & TRNSFRS&CAP | \$ 943,585 | \$ 780,757 | \$ 3,521,060 | \$ 1,341,000 | \$ 2,462,700 |
| Working Capital, September 30 | \$3,947,861 | \$4,076,750 | \$806,985 | \$4,319,700 | \$3,502,000 |
| CHANGE IN NET ASSETS | \$625,630 | \$755,690 | (\$2,039,060) | \$284,000 | (\$817,700) |

* Working Capital adjusted to CAFR first of year

Public Works – Storm Drain Division



Mission Statement

The mission of the Storm Drain division is to protect public health and safety by performing ongoing maintenance and repair of the storm water system, mosquito testing in partnership with Tarrant County Health and mosquito control utilizing multiple proven strategies.

Department Overview

- 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 MS4 Stormwater Management.
- Clean and maintain curb and gutters, storm drain inlets, junction boxes and underground storm system boxes.
- Operate Street Sweeper to sweep each street a minimum of 2 times annually.
- Place and retrieve mosquito traps for West Nile and Zika virus testing in coordination with Tarrant County Health Department.

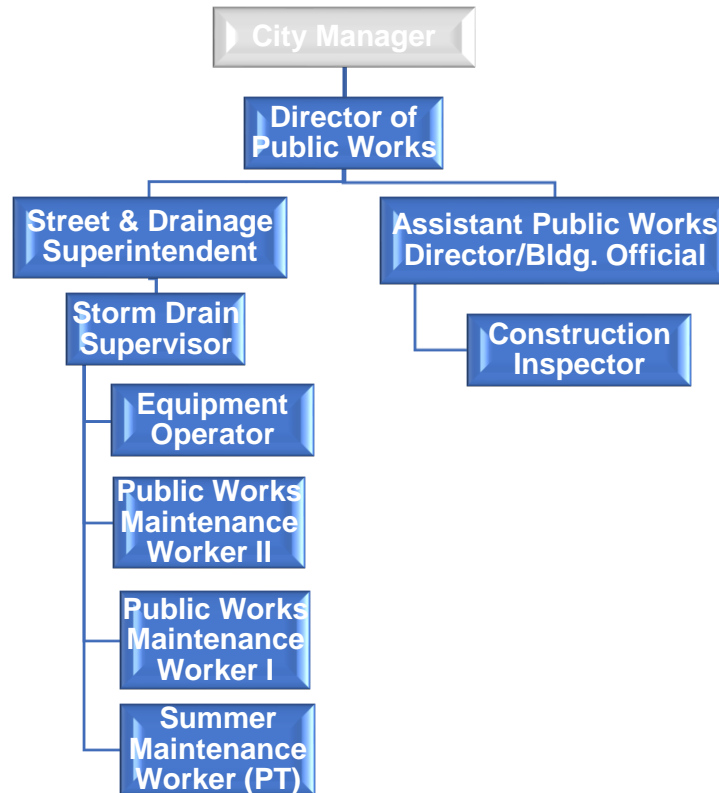
Highlights/Achievements for FY2023

- Swept all city streets 2 times annually in compliance with Stormwater Management Program
- Rebuilt failed sections of Gayle Channel (B2) walls to improve erosion issues affecting residents' property.
- Maintained city channels.
- Cleared all city flumes of overgrowth and vegetation, improving storm runoff, continuing maintenance.
- Placed and retrieved mosquito traps for West Nile and Zika virus testing in coordination with Tarrant County Health Department.
- Assisted in emergency response for 2023 winter storm – Street sanding and emergency response.
- Rebuilding phase of staff recruitment.

Goals/Objectives for FY2024

- Staff Recruitment for vacant positions and retention.
- Convert Part Time positions to Full time employee – PIP submitted.
- Add maintenance Worker I position to Division – PIP submitted.
- Sweep all City streets on an alternating monthly schedule.
- Maintain channels, repair erosion areas and coordinate repairs for damaged walls.
- Place and retrieve mosquito traps for West Nile and Zika virus testing in coordination with Tarrant County Health Department.
- Apply for grant opportunities for sidewalks such as Safe Routes to School.
- Assist Street Division with operational needs including emergency storm response.

Organizational Chart



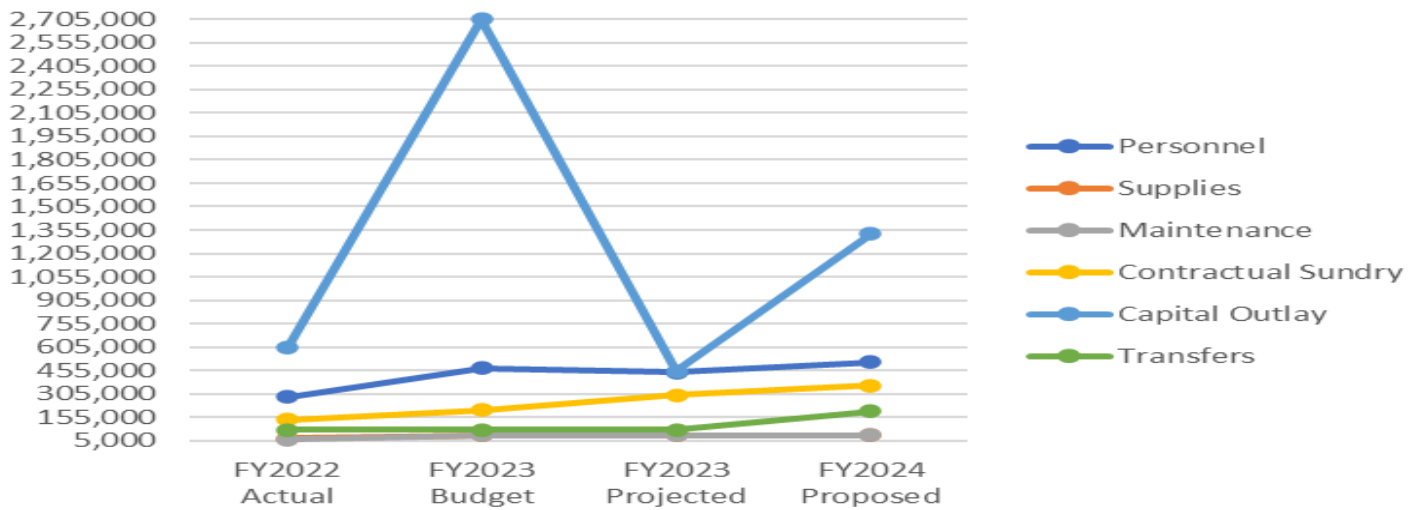
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Director of Public Works | .25 | .25 | .25 |
| Assistant Director of Public Works/Building Official | .25 | .25 | .25 |
| Construction Inspector | .25 | .25 | .25 |
| Streets & Drainage Superintendent | .50 | .50 | .50 |
| Storm Drain Supervisor | 1.00 | 1.00 | 1.00 |
| Equipment Operator | 2.00 | 2.00 | 2.00 |
| Public Works Maintenance Worker II | 1.00 | 1.00 | 1.00 |
| Public Works Maintenance Worker I | 1.00 | 1.00 | 1.00 |
| Summer Maintenance Worker (PT) | 1.00 | 1.00 | 1.00 |
| Total Public Works – Storm Drain Division FTE | 7.25 | 7.25 | 7.25 |

Summary of Expenditures by Category

Public Works – Storm Drain Division budget decreased by \$1,254,360 with the capital improvements adjustment. There was an increase in contract/outsource services for the channels and right of way mowing contract adjustment. An increase in personnel costs was also included in this budget.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|--|--------------------|--------------------|--------------------|--------------------|
| Personnel | 285,428 | 468,500 | 443,900 | 506,800 |
| Supplies | 18,188 | 37,400 | 37,400 | 37,400 |
| Maintenance | 10,284 | 37,000 | 37,000 | 37,000 |
| Contractual Sundry | 139,331 | 198,500 | 297,800 | 356,200 |
| Capital Outlay | 602,749 | 2,706,160 | 451,400 | 1,331,300 |
| Transfers | 73,500 | 73,500 | 73,500 | 194,000 |
| Total Public Works – Storm Drain Division | \$1,129,481 | \$3,521,060 | \$1,341,000 | \$2,462,700 |




Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|---------------|----------------|------------------|---------------|
| Number of city streets maintained (street sweeper) | 88 | 88 | 88 | 88 |
| Channels & Right of Way miles maintained/inspected | 23 | 23 | 22 | 22 |
| Weeks of mosquito testing | 32 | 31 | 31 | 31 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|---|--|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| Percentage of drainage channels maintained to satisfactory levels. | # 2. Expend public safety through non-enforcement efforts. | Efficiency | 100% | 60% | 100% | 98% | 100% |
| Percentage completed of Street Sweeping on all city streets 2 times annually. | # 2. Expend public safety through non-enforcement efforts. | Efficiency | 100% | 75% | 100% | 80% | 100% |
| Maintain 100% Mosquito sample turn in rate to Tarrant County Health Department for Vector testing season. | # 2. Expend public safety through non-enforcement efforts. | Efficiency | 100% | 100% | 100% | 100% | 100% |

Public Works – Storm Drain Division at a Glance

| | | | | | |
|---|--|---|--------------------------------------|---|-------------------------------------|
|  | Location: Water Tower 7800 Virgil Anthony Blvd. |  | FY2024 Budget: \$2,462,700 |  | Full-time Employees: 7.25 |
|---|--|---|--------------------------------------|---|-------------------------------------|



PUBLIC WORKS - STORM DRAIN

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|--------------------------|--------------------|----------------------|------------------|--|
| Personnel | Personnel | | \$38,300 | benefits, retention, COLA/merit & TMRS adjustments |
| Special Services | Contractual/Sundry | | (\$3,300) | GIS consulting services adjustment |
| Contract/Outsource Svcs | Contractual/Sundry | | \$161,000 | channel, right of ways mowing adjustment |
| Storm Drain Improvements | Capital Outlay | (\$1,374,860) | | capital projects adjustment |
| Transfers | Transfers | \$120,500 | | transfer to internal services fund |
| TOTALS: | | (\$1,254,360) | \$196,000 | |

(\$1,058,360) NET INCREASE/DECREASE

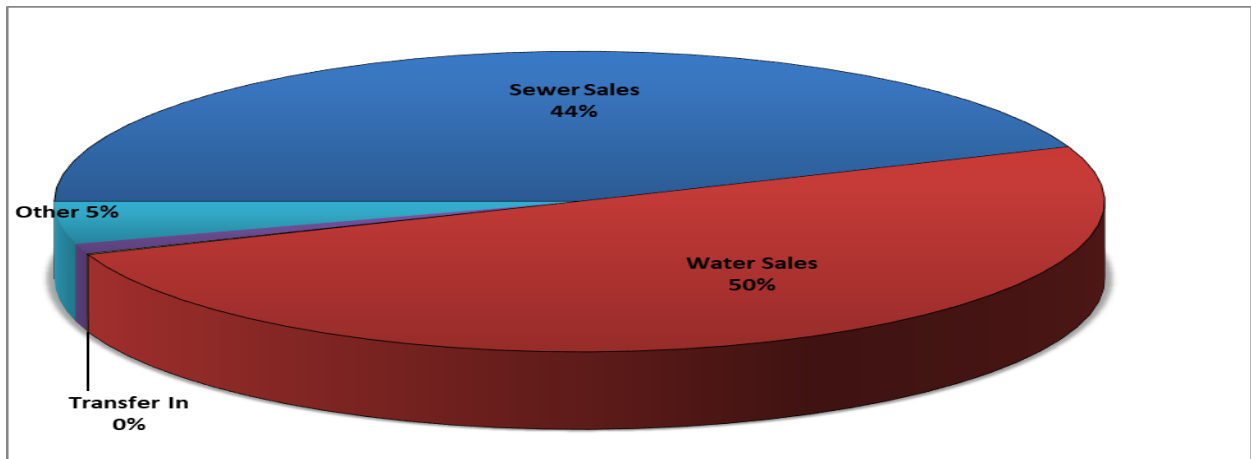
PROPRIETARY FUNDS

Water and Sewer Utility Operating Fund

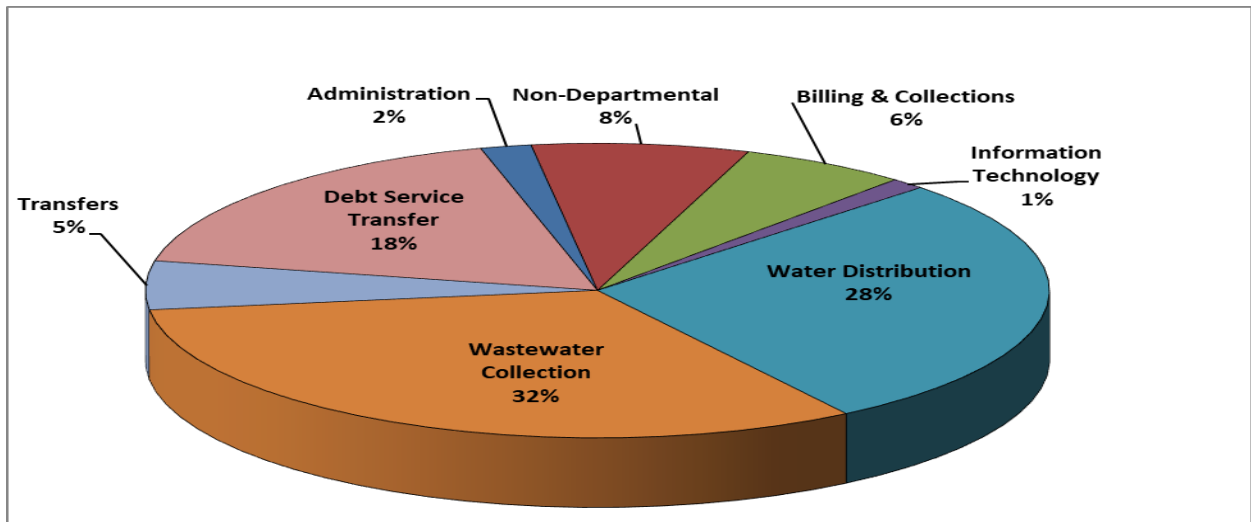
The Water and Sewer Utility Fund is one of two enterprise funds of the City. Its purpose is to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City Council is that cost of providing services to the general public on a continuing 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. A pass-through rate change was made effective in 2001 based on actual charges incurred by wholesalers. In December 2011, rates were increased in order to make this fund self-sustaining and to begin water and wastewater line improvements. A utility rate study was performed in FY2018-2019 that resulted in an increase to the water and sewer base rate and consumption charges.

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 | | CURRENT YEAR | | 2023-2024 Budget |
|--|----------------------|----------------------|----------------------|------------------------|----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2023-2024 Projected | |
| Retained Earnings, October 1 | \$ 1,571,504 | \$ 2,689,094 | \$ 2,734,712 | \$ 3,068,334 | \$ 2,804,570 |
| <u>Revenues:</u> | | | | | |
| Water Sales | 4,679,157 | 5,208,540 | 4,900,000 | 5,000,000 | 4,950,000 |
| Sewer Sales | 3,828,805 | 4,098,737 | 4,140,000 | 4,050,000 | 4,350,000 |
| Other Revenue | 432,958 | 452,361 | 451,000 | 452,000 | 451,000 |
| Interest Income | 4,587 | 24,451 | 10,000 | 107,000 | 110,000 |
| Operating Revenues | \$ 8,945,506 | \$ 9,784,090 | \$ 9,501,000 | \$ 9,609,000 | \$ 9,861,000 |
| <u>Operating Transfers-In:</u> | | | | | |
| Transfers In JUF - Other | 10,701 | 611 | 10,000 | 10,000 | 10,000 |
| Total Available Resources | \$ 10,527,711 | \$ 12,473,794 | \$ 12,245,712 | \$ 12,687,334 | \$ 12,675,570 |
| <u>Expenditures:</u> | | | | | |
| Administration | 152,952 | 144,958 | 170,100 | 170,000 | 185,200 |
| Non-Departmental | 644,034 | 762,761 | 745,280 | 760,580 | 794,980 |
| Billing & Collections | 491,846 | 534,874 | 585,760 | 577,360 | 615,410 |
| Information Technology | 92,068 | 92,524 | 112,990 | 111,790 | 126,990 |
| Water Distribution | 2,217,721 | 2,639,706 | 2,818,615 | 2,747,220 | 2,865,830 |
| Wastewater Collection | 2,088,525 | 2,786,489 | 2,745,114 | 3,099,814 | 3,284,614 |
| Total Operating Expenditures | 5,687,144 | 6,961,312 | 7,177,859 | 7,466,764 | 7,873,024 |
| <u>Operating Transfers-Out</u> | | | | | |
| To General Fund | 430,000 | 430,000 | 440,000 | 440,000 | 440,000 |
| To Joint Use Facility Fund | 34,149 | 34,149 | 60,000 | 60,000 | 60,000 |
| To CO Debt Service | 1,598,324 | 1,760,000 | 1,726,000 | 1,726,000 | 1,800,000 |
| To Revenue Bond Debt Service | 0 | 0 | 0 | 0 | 0 |
| To Water/Wastewater Construction | 0 | 140,000 | 140,000 | 140,000 | 0 |
| Total Operating Transfers-Out | 2,062,473 | 2,364,149 | 2,366,000 | 2,366,000 | 2,300,000 |
| Operating Surplus/(Deficit) | \$ 1,206,590 | \$ 459,239 | (32,859) | (213,764) | (302,024) |
| <u>Transfers to Sustainability Funds</u> | | | | | |
| To Equipment Repl. - Current Year | 89,000 | 79,999 | 50,000 | 50,000 | 45,000 |
| Total Transfers to Sustainability Funds | 89,000 | 79,999 | 50,000 | 50,000 | 45,000 |
| Net Income Before Transfers | 3,269,063 | 2,823,388 | 2,333,141 | 2,152,236 | 1,997,976 |
| TOTAL OPERATING & TRANSFERS | \$ 7,838,617 | \$ 9,405,460 | \$ 9,593,859 | \$ 9,882,764 | \$ 10,218,024 |
| Retained Earnings, September 30 | \$ 2,689,094 | \$ 3,068,334 | \$2,651,853 | \$2,804,570 | \$2,457,546 |
| CHANGE IN NET ASSETS | \$1,117,590 | \$379,240 | (\$82,859) | (\$263,764) | (\$347,024) |
| % OF EXPENDITURES | 33% | 32% | 27% | 28% | 24% |

Water/Sewer Fund- Administration



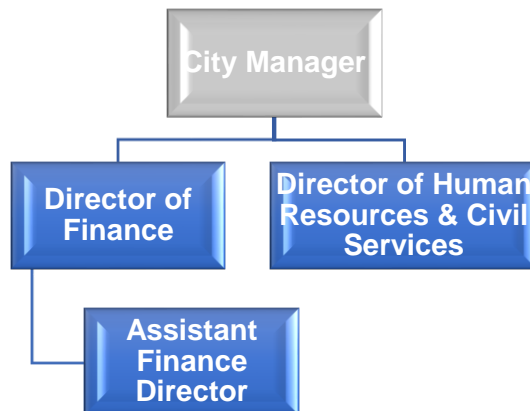
Mission Statement

To provide and account for cost-effective programs that fall outside the functional responsibilities of the Water/Sewer Fund departments and divisions.

Department Overview

Water/Sewer Fund Administration is responsible for the planning, development, programming, and management of activities and services provided to the citizens through the Human Resources and Finance departments. This budget consists of personnel costs associated with these services.

Organizational Chart



Water/Sewer Fund Non-Departmental



Mission Statement

To provide and account for cost-effective programs that fall outside the functional responsibilities of other Water/Sewer Fund departments and divisions.

Department Overview

The Non-Departmental Division falls under control of the City Manager's Office and Finance Department staff. Expenditures in this division span a broad range of needs associated with the general operations of the City.

Examples of expenditures in this division include:

- Personnel
- General liability insurance
- Copier costs
- Contingency
- Worker's compensation
- General administrative costs

Highlights/Achievements for FY2023

- Continued to address employee compensation issues.
- Continued to address employee retention issues.
- Continued to manage city COVID cases.
- Reduced unemployment chargebacks in comparison to previous years.

Goals/Objectives for FY2024

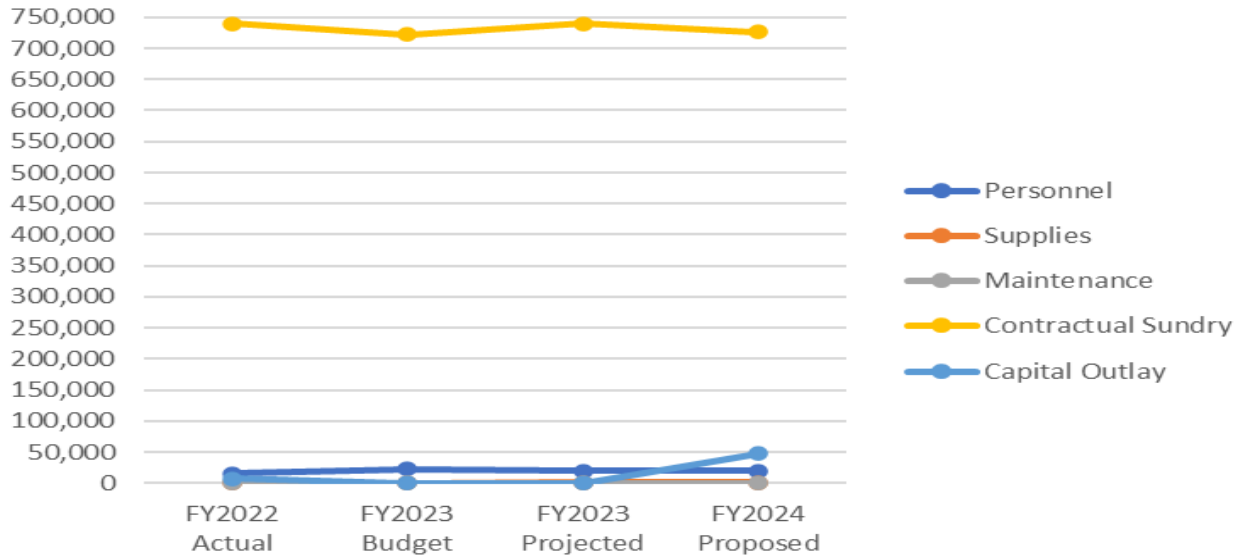
- Continue addressing employee compensation issues.
- Continue addressing employee retention issues.
- Implement employee referral bonus program.
- Maintain financial and employment law compliance.



Summary of Expenditures by Category

The Water/Sewer Fund Non-Departmental budget increased by \$49,700 mainly due to the one-time approved request for the elevator upgrade and a merchant/bank charges adjustment.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|-------------------------------|------------------|------------------|------------------|------------------|
| Personnel | 15,372 | 23,000 | 20,000 | 20,000 |
| Supplies | 461 | 500 | 900 | 1,000 |
| Maintenance | 0 | 0 | 0 | 0 |
| Contractual/Sundry | 739,316 | 721,780 | 739,680 | 726,480 |
| Capital Outlay | 7,612 | 0 | 0 | 47,500 |
| Total Non-Departmental | \$762,761 | \$745,280 | \$760,580 | \$794,980 |





WATER & SEWER FUND
NON-DEPARTMENTAL
SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|-----------------------|--------------------|-----------------|----------------|--|
| Personnel | Personnel Services | | (\$3,000) | dependent health adjustment |
| Event Refreshments | Supplies | | \$500 | costs & needs adjustment |
| Special Services | Contractual/Sundry | | (\$3,300) | GIS consulting adjustment |
| Special Services | Contractual/Sundry | | (\$2,000) | coffee service adjustment |
| Merchant/Bank Charges | Contractual/Sundry | | \$10,000 | estimated adjustment |
| Other Equipment | Capital Outlay | \$47,500 | | elevator upgrade (one time NR FY23-24) |
| TOTALS: | | \$47,500 | \$2,200 | |

\$49,700 NET INCREASE/DECREASE

Finance – Utility Billing Division



Mission Statement

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.

Department Overview

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.

Highlights/Achievements for FY2023

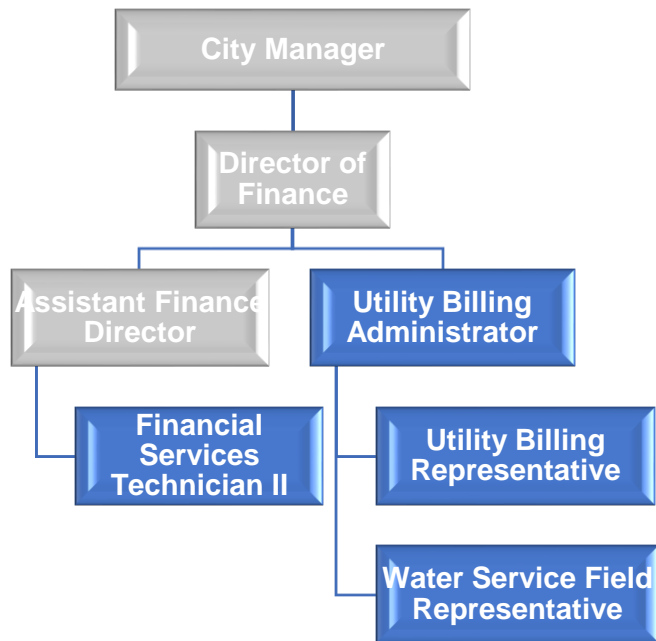
- Continued with the meter replacement program and meter lid replacement program.
- Continued focus on essential succession planning and cross training for personnel in the office and in the field.
- Transitioned to Tyler Content Manager for digital document storage.
- Researched automated meter technology for future application.

Goals/Objectives for FY2024

- Continue cross training for new personnel.
- Continue improvement of City website to ensure information is readily available for customers.
- Continue Tyler product enhancements within budget parameters.



Organizational Chart



Budgeted Positions

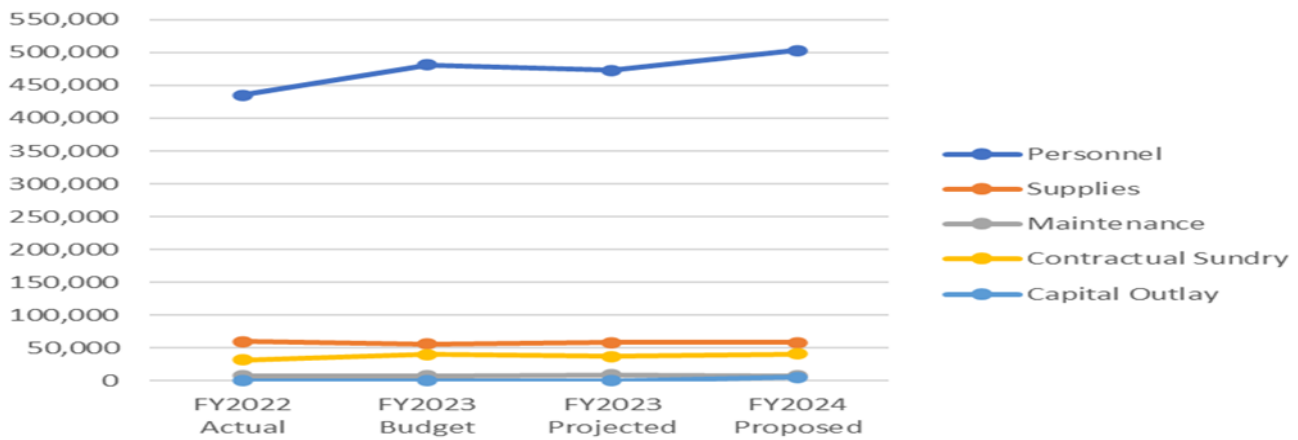
| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|---|---------------|---------------|---------------|
| Utility Billing Administrator | 1.00 | 1.00 | 1.00 |
| Utility Billing Representative | 2.00 | 2.00 | 2.00 |
| Water Service Field Representative | 4.00 | 4.00 | 4.00 |
| Financial Services Technician II | .50 | .50 | .50 |
| Total Finance – Utility Billing Division FTE | 7.50 | 7.50 | 7.50 |

Summary of Expenditures by Category

Finance - Utility Billing Division budget increased by \$29,650 mainly due to personnel costs increases and adjustments. There was a one-time approved new request added to the budget for the purchase of mobile work order app program.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---|------------------|------------------|------------------|------------------|
| Personnel | 435,354 | 481,400 | 472,700 | 503,050 |
| Supplies | 60,132 | 56,100 | 58,400 | 58,100 |
| Maintenance | 7,470 | 8,000 | 9,000 | 8,000 |
| Contractual Sundry | 31,918 | 40,260 | 37,260 | 40,760 |
| Capital Outlay | 0 | 0 | 0 | 5,500 |
| Total Finance – Utility Billing Division | \$534,874 | \$585,760 | \$577,360 | \$615,410 |





Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|-------------------------------------|---------------|----------------|------------------|---------------|
| Number of service orders processed | 3,758 | 5,000 | 5,000 | 5,000 |
| Number of water/wastewater billings | 99,846 | 100,000 | 100,000 | 100,000 |
| Number of water/wastewater accounts | 8,362 | 8,400 | 8,400 | 8,400 |
| Number of meters read | 101,796 | 101,000 | 104,000 | 104,000 |
| Number of new accounts processed | 1,167 | 1,200 | 1,200 | 1,200 |
| Number of accounts transferred | 16 | 25 | 25 | 25 |
| Number of meters replaced | 111 | 300 | 300 | 300 |
| Cubic feet billed for water | 88,988,819 | 92,000,000 | 92,000,000 | 92,000,000 |
| Cubic feet billed for wastewater | 63,574,239 | 75,000,000 | 75,000,000 | 75,000,000 |
| Number of delinquent water cut-offs | 1,257 | 1,500 | 1,500 | 1,500 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|--|---------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of work orders completed within 24 hours. | # 1. Maintain Financial Strength of the City | Efficiency | 100% | 95% | 100% | 98% | 100% |
| Maintain a 95% or greater average on accurate readings. | # 1. Maintain Financial Strength of the City | Effectiveness | 95% | 95% | 95% | 98% | 95% |
| % of revenues recorded within 24 hours. | # 1. Maintain Financial Strength of the City | Effectiveness | 100% | 100% | 100% | 100% | 100% |
| Maintain a 98% or greater average of complaints addressed within 2 days. | # 1. Maintain Financial Strength of the City | Efficiency | 98% | 99% | 98% | 100% | 98% |

Finance – Utility Billing Division at a Glance

| | | | | | |
|---|--|---|------------------------------------|---|-------------------------------------|
|  | Location: City Hall 7105 Whitley Road |  | FY2024 Budget: \$615,410 |  | Full-time Employees: 7.50 |
|---|--|---|------------------------------------|---|-------------------------------------|



FINANCE - UTILITY BILLING

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------------------|--------------------|----------------|-----------------|---|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$21,650 | benefits, retention, position, COLA/merit & TMRS adj. |
| Vehicle Fuels & Lubricants | Supplies | | \$2,000 | analysis adjustment |
| Printing & Binding | Contractual/Sundry | | \$500 | door hangers |
| Other Equipment | Capital Outlay | \$5,500 | | mobile work order app (one time NR FY23-24) |
| | | | | |
| TOTALS: | | \$5,500 | \$24,150 | |

\$29,650 NET INCREASE/DECREASE

Water/Sewer Fund- Information Technology



Mission Statement

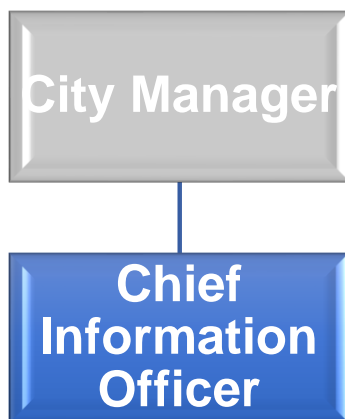
To provide for the operations and development of the City through the implementation and support of cost effective technologies which enhance the efficiencies of City staff while facilitating effective information flow between the City and its citizens.

Department Overview

Programs and Services include:

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

Organizational Chart



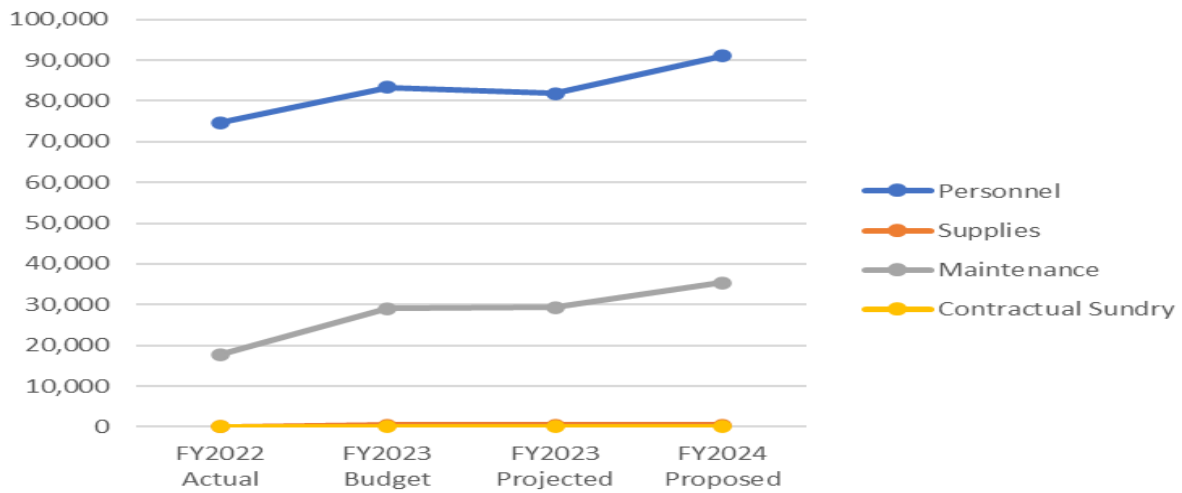
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|---|---------------|---------------|---------------|
| Chief Information Officer | .50 | .50 | .50 |
| Total Water/Sewer Information Techn. | .50 | .50 | .50 |

Summary of Expenditures by Category

The budget for Water/Sewer Fund Administration increased by \$14,000 for personnel costs and software subscription adjustments.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|-------------------------------|-----------------|------------------|------------------|------------------|
| Personnel | 74,706 | 83,400 | 81,900 | 91,100 |
| Supplies | 0 | 500 | 500 | 500 |
| Maintenance | 17,817 | 29,090 | 29,390 | 35,390 |
| Contractual Sundry | 0 | 0 | 0 | 0 |
| Total W/S Info. Techn. | \$92,524 | \$112,990 | \$111,790 | \$126,990 |





**WATER/SEWER FUND
INFORMATION TECHNOLOGY
SIGNIFICANT BUDGET CHANGES**

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------------|--------------------|------------|-----------------|--|
| Personnel | Personnel Services | | \$7,700 | benefits, retention, COLA/merit & TMRS adjustments |
| Software Maintenance | Maintenance | | \$2,300 | Microsoft subscription adjustment |
| Software Maintenance | Maintenance | | \$250 | output diector increase adjustment |
| Software Maintenance | Maintenance | | \$2,750 | TCM addition |
| Software Maintenance | Maintenance | | \$1,000 | exchange server increase adjustment |
| TOTALS: | | \$0 | \$14,000 | |

\$14,000 NET INCREASE/DECREASE

Public Works – Water Distribution Division



Mission Statement

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

Department Overview

- Maintain 111 miles of water mains in the system.
- Provides water quality that meets or exceeds requirements set forth by the Texas Commission on Environmental Quality (TCEQ).
- Repairs leaks on mains and service lines to prevent loss of water and revenues.
- Repairs on fire hydrants and main line valves.
- Provides the highest quantity of water.
- Perform preventive maintenance hydrant/valve exercising.
- Strive to provide a world class customer service attitude.

Highlights/Achievements for FY2023

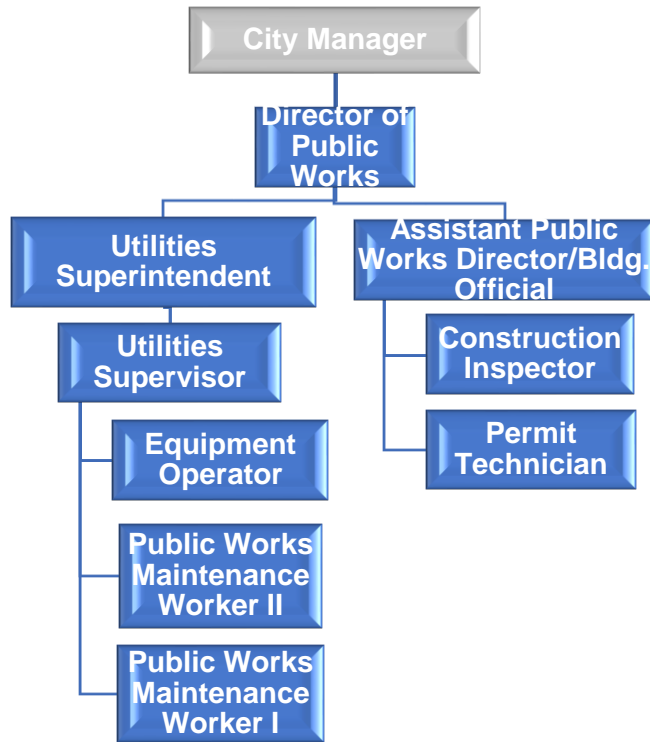
- Collected 300 routine bacteriological water samples.
- Collected quarterly nitrate/trihalomethane samples.
- Flush dead end water mains monthly to ensure a high quality of water.
- Delivered the Consumer Confidence Report to our citizens as well as posted in public places.
- Monitored disinfection levels daily as required by the Texas Commission on Environmental Quality (TCEQ), as well as, provided customer service to our citizens.

Goals/Objectives for FY2024

- Compliance with TCEQ regulations will be through continued quarterly and annual operating reports, the Consumer Confidence Report, bacteriological water sampling, tank inspection, dead end water main flushing and valve exercising.
- Water leaks will be repaired in a timely manner.
- Staffing recruitment and retention.
- Continue to provide the highest quality drinking water possible combined with world class customer service.



Organizational Chart



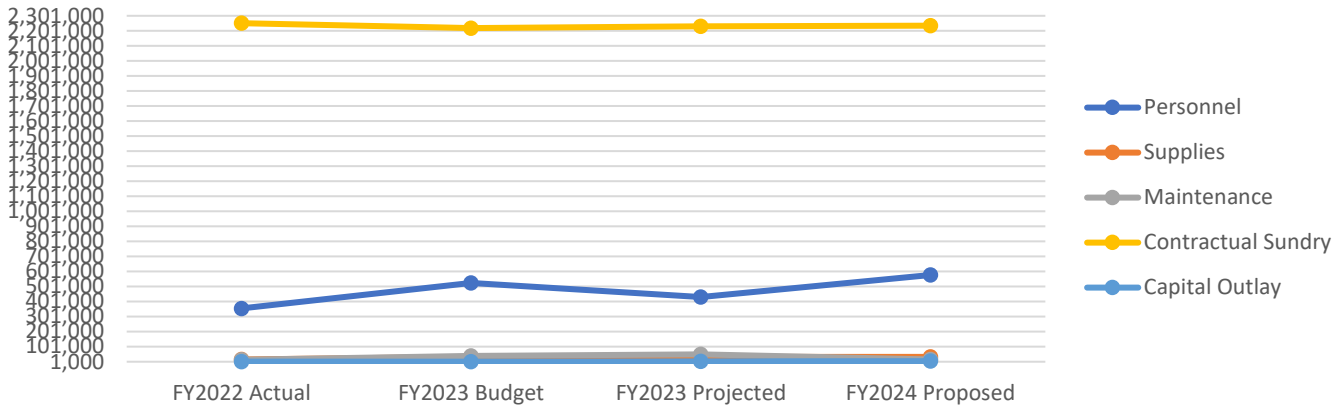
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|---|---------------|---------------|---------------|
| Director of Public Works | .25 | .25 | .25 |
| Assistant Director of Public Works/Building Official | .25 | .25 | .25 |
| Construction Inspector | .25 | .25 | .25 |
| Permit Technician | .50 | .50 | .50 |
| Utilities Superintendent | .50 | .50 | .50 |
| Utilities Supervisor | .50 | .50 | .50 |
| Equipment Operator | 1.00 | 1.50 | 1.50 |
| Public Works Maintenance Worker II | 1.00 | 1.00 | 1.00 |
| Public Works Maintenance Worker I | 3.00 | 3.00 | 4.00 |
| Total Public Works – Water Distribution Division FTE | 7.25 | 7.75 | 8.75 |

Summary of Expenditures by Category

Public Works – Water Distribution Division budget increased by \$47,215 mainly due to personnel costs increases and adjustments. There was an increase in lab testing for the environmental UCMR5 mandated testing. A reallocation adjustment to utility fund construction for street maintenance is within this budget.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---|--------------------|--------------------|--------------------|--------------------|
| Personnel | 355,636 | 524,500 | 430,400 | 577,700 |
| Supplies | 16,043 | 32,800 | 33,000 | 32,800 |
| Maintenance | 14,195 | 39,900 | 49,900 | 15,900 |
| Contractual Sundry | 2,251,882 | 2,219,415 | 2,230,420 | 2,234,430 |
| Capital Outlay | 1,950 | 2,000 | 3,500 | 5,000 |
| Total Public Works – Water Distribution Division | \$2,639,706 | \$2,818,615 | \$2,747,220 | \$2,865,830 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|------------------------------------|---------------|----------------|------------------|---------------|
| Number of water service calls | 133 | 115 | 110 | 110 |
| Miles of water lines maintained | 108 | 108 | 110 | 10 |
| Number of fire hydrants maintained | 667 | 667 | 675 | 680 |
| Number of line locate calls | 78 | 60 | 50 | 60 |
| Number of water turn on/off's | 29 | 40 | 35 | 40 |
| Number of water samples taken | 300 | 300 | 300 | 300 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|--|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of emergency calls responded within 30 minutes or less. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 95% | 100% | 95% | 100% |
| % of non-emergency calls responded within 24 hours or less. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 95% | 100% | 95% | 100% |
| % of main breaks repaired within 24 hours or less. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 95% | 100% | 98% | 100% |
| Maintain water samples complying with quality standards to 100%. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 100% | 100% | 100% | 100% |
| % water unaccounted for (water loss rate). | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 5% | 5% | 5% | 3% | 5% |

Public Works – Water Distribution Division at a Glance

| | | | | | |
|--|---|---|--------------------------------------|---|-------------------------------------|
|  | Location: Water Tower 7800 Virgil Anthony Blvd. |  | FY2024 Budget: \$2,865,830 |  | Full-time Employees: 7.75 |
|--|---|---|--------------------------------------|---|-------------------------------------|



PUBLIC WORKS - WATER DISTRIBUTION

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|-----------------------|--------------------|----------------|-----------------|--|
| CHANGES: | | | | |
| Personnel | Personnel Services | | \$53,200 | benefits, retention, COLA/merit & TMRS adjustments |
| Communications | Contractual/Sundry | | \$15 | rounding adjustment |
| Lab Testing | Contractual/Sundry | | \$1,500 | environmental UCMR5 testing - mandated increase |
| Lab Testing | Contractual/Sundry | | \$13,500 | testing increase costs |
| Water Meters | Capital Outlay | \$2,000 | | Bursey Road townhomes |
| Water Meters | | | \$1,000 | price increases |
| REALLOCATIONS: | | | | |
| Street Maintenance | Maintenance | | (\$24,000) | reallocated to fund 45-020 |
| TOTALS: | | \$2,000 | \$45,215 | |

\$47,215 NET INCREASE/DECREASE

Public Works – Wastewater Collection Division



Mission Statement

The mission of the wastewater collection division is to provide the most effective wastewater system by maintaining compliance with state and national agencies, performing routine preventive maintenance, reduce inflow/infiltration and the repair and replacement of sewer mains and service lines while providing world class customer service to our citizens.

Department Overview

- Maintain 113 miles of sewer mains.
- Maintain compliance with the Texas Commission on Environmental Quality (TCEQ) regulations in monitoring and reporting overflows.
- Perform preventive maintenance flushing of sewer mains to reduce blockages.
- Replace and repair sewer mains and service lines.
- Perform video inspections to locate deficiencies for repair or replacement.
- Perform manhole and main line inspections to identify and repair inflow infiltration.
- Inspect grease and grit traps to ensure customers are in compliance with City ordinances.
- Provide world class customer service to citizens.

Highlights/Achievements for FY2023

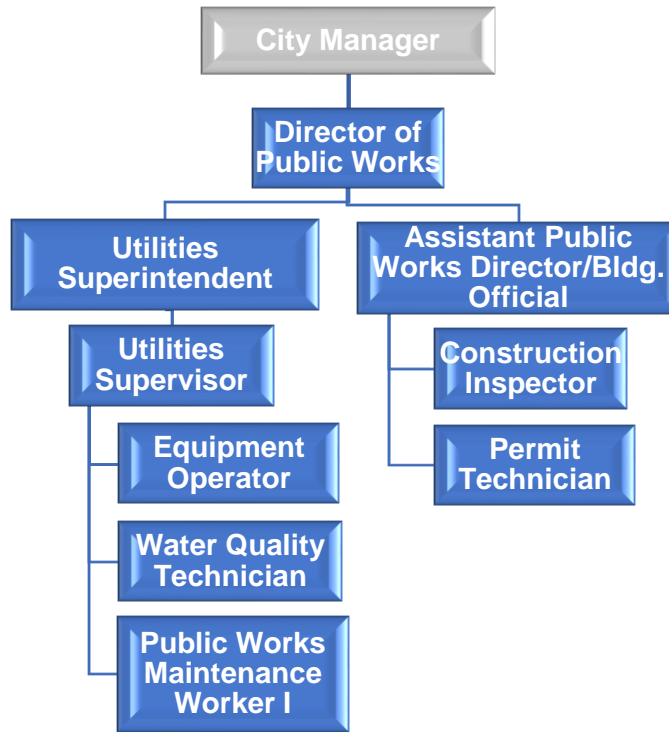
- Performed preventative flushing of sewer mains to prevent blockages and unauthorized sewage bypass.
- Video inspections, manhole inspections for inflow/infiltration.
- Repaired and replaced numerous customer sewer service lines in streets and rights-of-way.
- Inspected grease traps to ensure compliance with City Ordinance # 1060 to prevent Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) as well as unauthorized discharge.
- Quarterly BOD/TSS sampling.

Goals/Objectives for FY2024

- Continue video inspections, manhole inspections for inflow/infiltration and preventative maintenance flushing of sewer mains to unstop and prevent sewer main blockages as well as locate problem areas and repair as necessary.
- Major problem areas will be listed for inclusion in the Capital Improvement Plan.
- Grease traps will be inspected monthly to ensure compliance with City Ordinances.
- Continue to repair or replace old, deteriorated sewer mains.
- Staffing recruitment and retention.
- Continue to provide world class customer service.



Organizational Chart



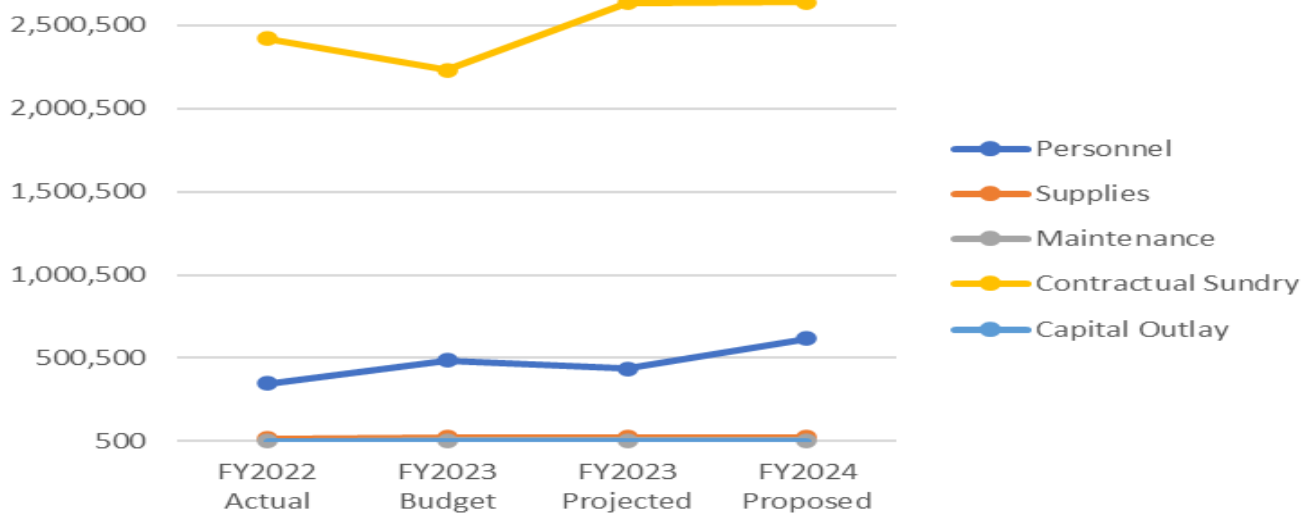
Budgeted Positions

| Position Title | FY2022 Actual | FY2023 Actual | FY2024 Budget |
|--|---------------|---------------|---------------|
| Director of Public Works | .25 | .25 | .25 |
| Assistant Director of Public Works/Building Official | .25 | .25 | .25 |
| Construction Inspector | .25 | .25 | .25 |
| Permit Technician | .50 | .50 | .50 |
| Utilities Superintendent | .50 | .50 | .50 |
| Utilities Supervisor | .50 | .50 | .50 |
| Equipment Operator | 1.00 | 2.50 | 3.50 |
| Water Quality Technician | 1.00 | 1.00 | 1.00 |
| Public Works Maintenance Worker I | 1.00 | 1.00 | 1.00 |
| Total Public Works – Wastewater Collection Division FTE | 5.25 | 6.75 | 7.75 |

Summary of Expenditures by Category

Public Works – Water Distribution Division budget increased by \$539,500 mainly due to sewer costs increases. There were personnel costs increases and adjustments also included within this budget. In addition, there was an increase in lab testing to due increased costs.

| | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Budget |
|---|--------------------|--------------------|--------------------|--------------------|
| Personnel | 348,197 | 486,000 | 435,200 | 619,000 |
| Supplies | 18,366 | 24,200 | 24,200 | 24,200 |
| Maintenance | 2,300 | 4,500 | 4,500 | 4,500 |
| Contractual Sundry | 2,417,626 | 2,230,414 | 2,635,914 | 2,636,914 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Public Works – Wastewater Collections Division | \$2,786,489 | \$2,745,114 | \$3,099,814 | \$3,284,614 |



Performance Measures

| Workload Indicators | FY2022 Actual | FY2023 Adopted | FY2023 Projected | FY2024 Target |
|--|---------------|----------------|------------------|---------------|
| Number of manholes maintained | 1,041 | 1,041 | 1,045 | 1,048 |
| Miles of sewer lines maintained | 82 | 85 | 85 | 87 |
| Number of sewer service lines repaired | 26 | 25 | 25 | 28 |
| Miles of sewer lines cleaned | 5 | 20 | 12 | 30 |
| Number of manholes inspected | 140 | 150 | 75 | 150 |
| Number of manholes repaired | 15 | 25 | 20 | 25 |

| Measurement | Strategic Goal | Measure Type | FY2022 | | FY2023 | | FY2024 |
|--|--|--------------|--------|--------|--------|--------|--------|
| | | | Goal | Actual | Goal | Actual | Goal |
| % of backup call responded within 30 minutes or less. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 90% | 100% | 90% | 100% |
| % of sewer line blockages repaired within 30 days or less. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 100% | 100% | 100% | 100% | 100% |
| % sewer lines inspected. | # 2. Expand public safety through non-enforcement efforts. | Efficiency | 10% | 5% | 10% | 7% | 10% |

Public Works – Wastewater Collection Division at a Glance

| | | | | | |
|--|---|---|--|---|---|
|  | Location: Water Tower 7800 Virgil Anthony Blvd. |  | FY2024 Budget: \$3,284,614 |  | Full-time Employees: 7.75 |
|--|---|---|--|---|---|



PUBLIC WORKS - WASTERWATER COLLECTION

SIGNIFICANT BUDGET CHANGES

Fiscal Year 2023-2024 Compared to Fiscal Year 2022-2023 Budget

| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
|----------------|--------------------|------------------|------------------|--|
| Personnel | Personnel Services | | \$42,000 | benefits, retention, COLA/merit & TMRS adjustments |
| Personnel | Personnel Services | | \$91,000 | positions adjustments |
| Lab Testing | Contractual/Sundry | | \$6,500 | testing costs increase |
| Sewer Costs | Contractual/Sundry | \$400,000 | | sewer costs adjustment |
| TOTALS: | | \$400,000 | \$139,500 | |

\$539,500 NET INCREASE/DECREASE

PROPRIETARY FUNDS

FLEET INTERLOCAL – FUND 21

The Fleet Interlocal fund was established during FY2019-2020 when Council approved a resolution to provide vehicle maintenance services for surrounding government entities.

The Interlocal agreement between the City and entities allows Watauga to provide vehicle maintenance services for a defined fee. This was established in an effort to achieve common objectives relating to the services regarding vehicle maintenance and in the interest of saving taxpayer funding.

Each year the rate schedule set forth in the agreements shall increase per the Consumer Price Index for All Urban Consumers (CPI-U).

FLEET INTERLOCAL FUND BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET |
|-----------------------------------|---------------------|---------------------|---------------------|------------------------|-----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed |
| Fund Balance, October 1 | (\$939) | \$14,552 | \$43,752 | \$53,471 | \$57,971 |
| Revenues: | | | | | |
| Other Revenue | 68,677 | 90,503 | 105,000 | 100,000 | 110,000 |
| Interest Earnings | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | \$68,677 | \$90,503 | \$105,000 | \$ 100,000 | \$ 110,000 |
| Total Available Resources | \$67,738 | \$105,055 | \$148,752 | \$ 153,471 | \$ 167,971 |
| Expenditures: | | | | | |
| Personnel | 8,982 | 10,774 | 25,000 | 15,000 | 15,000 |
| Supplies | 40,752 | 35,997 | 55,000 | 75,000 | 75,000 |
| Maintenance | 3,452 | 4,814 | 5,500 | 5,500 | 5,500 |
| Expenditures | \$53,186 | \$51,585 | \$85,500 | \$95,500 | 95,500 |
| TOTAL EXPENDITURES | \$53,186 | \$51,585 | \$ 85,500 | \$ 95,500 | \$ 95,500 |
| Fund Balance, September 30 | \$14,552 | \$53,471 | \$63,252 | \$57,971 | \$72,471 |
| CHANGE IN FUND BALANCE | \$15,491 | \$38,918 | \$19,500 | \$4,500 | \$14,500 |

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 FY2013-2014 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 FY2014-2015 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.

BUDGET SUMMARY

| | HISTORY | | PROJECTED YEAR | | BUDGET |
|--|---------------------|---------------------|---------------------|------------------------|-----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Proposed |
| Working Capital, October 1* | \$1,789,726 | \$1,741,325 | \$1,692,399 | \$1,497,989 | \$2,050,649 |
| <u>Revenues:</u> | | | | | |
| Total Revenue Charges for Service | \$ 92,890 | \$ 87,721 | \$ 87,660 | \$ 87,660 | \$ 87,660 |
| <u>Other Revenues:</u> | | | | | |
| Interest Income | 4,121 | 10,168 | 5,000 | 55,000 | 65,000 |
| Total Other Revenue | \$ 4,121 | \$ 10,168 | \$ 5,000 | \$ 55,000 | \$ 65,000 |
| <u>Transfers-In:</u> | | | | | |
| Total Transfers-In | \$89,000 | \$109,999 | \$50,000 | \$550,000 | \$165,000 |
| Total Revenues | \$186,011 | \$207,888 | \$142,660 | \$692,660 | \$317,660 |
| <u>Expenditures:</u> | | | | | |
| Gain/Loss on Equipment | 0 | (66,243) | 0 | 0 | 0 |
| Other Equipment - CCD | 0 | 0 | 0 | 0 | 0 |
| Motor Vehicles & Equip W&S | 0 | 0 | 0 | 0 | 45,000 |
| Storm Drain Vehicles and Equip | 39,413 | 0 | 0 | 0 | 40,000 |
| Motor Vehicles - General Fund | 0 | 176,684 | 0 | 0 | 10,000 |
| Other Equipment - General Fund | 0 | 0 | 0 | 0 | 156,200 |
| Technology Replacement - GF | 0 | 35,838 | 0 | 0 | 44,000 |
| Technology Replacement - FIN | 0 | 0 | 0 | 0 | 0 |
| Other Equipment - Fire | 0 | 0 | 0 | 0 | 110,000 |
| Public Works Heavy Equipment | 0 | 0 | 435,000 | 85,000 | 350,000 |
| Furniture and Fixtures/Office Equip | 0 | 4,193 | 0 | 0 | 0 |
| Public Works Vehicles | 94,223 | 116,203 | 0 | 0 | 201,000 |
| Motor Vehicles - Parks | 0 | 0 | 0 | 0 | 0 |
| Recreation and Parks Equipment | 0 | 0 | 0 | 0 | 0 |
| Water Meter Program | 0 | 29,875 | 50,000 | 25,000 | 25,000 |
| Bldg/HVAC/Contingency | 48,462 | 90,367 | 30,000 | 30,000 | 30,000 |
| Depreciation Expense/Transfers Out | 280,366 | 226,419 | | | |
| Total Operating Expenditures | 462,464 | 613,336 | 515,000 | 140,000 | 1,011,200 |
| Operating Surplus/(Deficit) | (276,453) | (405,448) | (372,340) | 552,660 | (693,540) |
| Working Capital, September 30* | \$1,513,273 | \$1,335,877 | \$1,320,059 | \$2,050,649 | \$1,357,109 |

*Adjusted to end of year actual Working Capital



CIP AND CAPITAL PROJECTS FUND



October 1, 2023 – September 30, 2024

CIP AND CAPITAL PROJECTS FUNDS

Overview

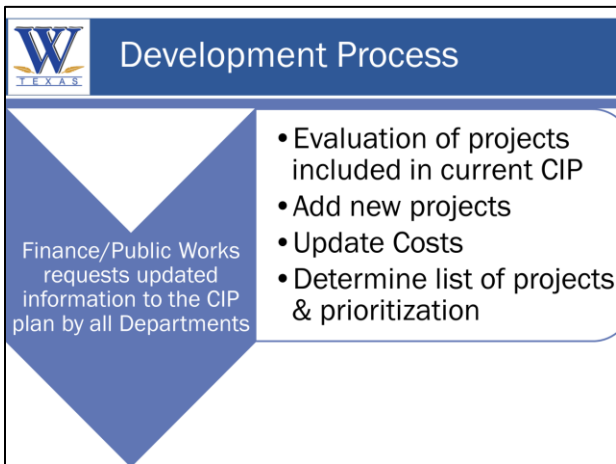
The Capital Improvement Plan (CIP) presents the City's plan for infrastructure development and improvements and is evaluated and updated annually by the City's leadership to determine the financial availability of resources for projects that will satisfy the City tax rate objectives. The Capital Improvements 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.

The goals of the CIP are as follows:

- Inform the employees, departments, elected officials and the public of the City's intent to invest in its infrastructure and community.
- Represents a long-term financial plan and identifies resources or financing strategies that the City plans to use to fund the plan. The CIP plan does not appropriate money, but current year forecasted spending is included in the current year budget summaries.
- Identifies projects by functionality to ensure a balanced approach to our reinvestment in the Community.
- Establishes priorities and serves as a planning document or blueprint for the investment in capital infrastructure for short term and long-term projects.

The Process



Each year, the CIP committee meets to update and evaluate the current projects and identify future projects. The process includes:

The City's Capital Project committee receives, and reviews requests submitted by departments. Projects are prioritized each year based on various considerations and criteria. Project costs for existing projects are updated based on current economic data. The resulting proposed updated plan is then presented to Council for consideration, and adoption.

The 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,

CIP AND CAPITAL PROJECTS FUNDS

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 317 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.

Parks Projects – Parks projects improve the quality of life of Watauga residents and projects in the Parks Master Plan such as trails and parks improvements are included in the 5-year Capital Improvement Plan.

Accounting for CIP Projects - 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. The Capital Projects Funds account 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, Economic Development Corporation Capital Fund, and the Water and Sewer Capital Projects Fund.

BRIEF HISTORY OF THE CITY'S CAPITAL IMPROVEMENTS PROGRAM (CIP)

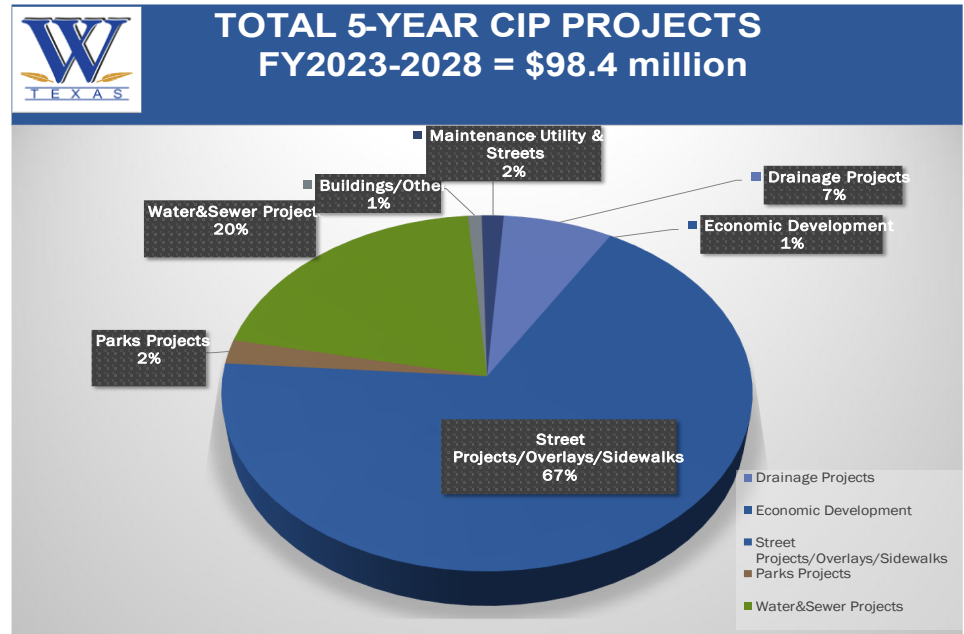
It has been the goal of the City of Watauga to have a Capital Improvements Program that is focused on adding value and extending the life of City infrastructure with no increase in operating costs or property tax. Consideration is given to debt issuance only if the overall tax rate remains unchanged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

CIP AND CAPITAL PROJECTS FUNDS

- ❖ FY2003-FY2011, the City was focused on an aggressive facilities campaign. During this time, we 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.
- ❖ FY2011-FY2021, 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 million in Combination and Limited Pledge Revenue Certificates of Obligation. This new issuance was designed to fund street improvements, water and sewer and drainage projects, purchase of new equipment, vehicles, machinery, and technology purchases. The issuance was timed to allow the City to maintain relatively the same amount of debt as prior years for both the General Fund and the Utility Fund. In July, 2012, the City issued \$7.73 million in new debt for the utility fund. With this issuance, the City embarked on major improvements in the City's water and sewer infrastructure. The projects began in FY2013 were completed in FY2018. In FY2013, certain projects were identified as priority needs such as street projects, infrastructure, parks, and a Senior Center that resulted in the issuance of \$3.50 million in Certificates of Obligation. These funds partially funded the expansion of the Community Center to include a Senior Center which was completed in FY2017. Also, the Bursey Road, Phase I street project, a major thoroughfare in the City, was funded by this debt issuance that was completed in FY2016. In FY2016, a \$5.885 million debt issuance provided for funding for street projects such as Bursey Road, Phase II and Whitley Road, and parks projects to enhance the quality of life for Watauga citizens. The Whitley Road project is ongoing and the funding provided by this issuance is expected to be expended this fiscal year. In the Spring of 2017, a \$7.325 million Certificates of Obligation was issued to provide funding for improvements to the City's utility system. Various wastewater and water projects began in FY2018 and will continue in future years utilizing these funds. In FY2018, a \$6.780 million Certificates of Obligation issuance provided funding for parks projects, street projects, and other improvements listed within the 5-year Capital Plan. In FY2019, \$8.85 million Certificates of Obligation issuance provided funding to continue the major utility infrastructure improvement projects and provide for some vehicle and heavy equipment replacements. \$8.0 million of the proceeds will fund projects such as replacements of water and sewer lines and manhole replacements throughout the City.
- ❖ FY2022 – FY2024 The City's CIP plan continues with infrastructure projects funded in prior years. Funding of street projects is a priority and funding was provided in FY2022 by a \$4.70 million issuance to fund streets and a large portion of the City's Capital Outlay Plan needs. In FY2023, the City's CIP plan continued with with the addition of new projects. Hightower Road and Watauga Road street construction projects were added to the 5-year Capital Improvement Plan to improve these streets and assist in attracting new businesses and development to the City. Certificates of Obligation were issued in the amount of \$4.9 million in FY2023 and \$8.8 million in FY2024 to fund these street projects, as well as capital outlay needs such as vehicles and public safety replacement equipment.

CIP AND CAPITAL PROJECTS FUNDS

As can be seen on the CIP summary schedule and detailed schedule on the following pages, the City will focus on major infrastructure upgrades, as well as continuing our street overlay program. Actual program expenditures may vary depending on changes in priority or addition or deletion of projects or emergencies. The 5-year Capital Improvement Plan includes projects that total \$98.4 million for FY2023 through FY2028. These



projects include \$20 million in water and wastewater projects. Revenues will have an impact on the scope of these projects. Within the 5-year CIP plan, \$66.2 million in street and street overlay projects and \$7.2 million in drainage projects have been identified. Parks projects and building improvement projects in the 5-year CIP total \$3.5 million which includes the Fleeting Building expansion project, the construction of a food business park, trail projects and lighting, parks equipment, and other park amenities.

The funding source of the many of the capital projects will include debt issuances and pay-as-you-go methods, and many projects are in a “to be determined” funding status at this time. Some projects will be grant funded, as indicated in the revenue source section of the plan.



In the current year schedule, projects for FY2023-2024 total \$24.8 million in capital projects (not including capital equipment). Many of these projects are continuation of projects that began in prior years. The \$24.8 million is comprised of \$15.3 million for street projects which include Whitley Road phase 4 and 5, Hightower Road, Watauga Road engineering, and various street overlays and sidewalks, \$1.3 million in drainage projects, and \$6.1 million in water and sewer projects. Other improvement projects include the continuation of the Green Ribbon Project which will beautify the 377 corridor. A food business park is funded by the Economic Development Corporation to spur economic development.

CIP AND CAPITAL PROJECTS FUNDS

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

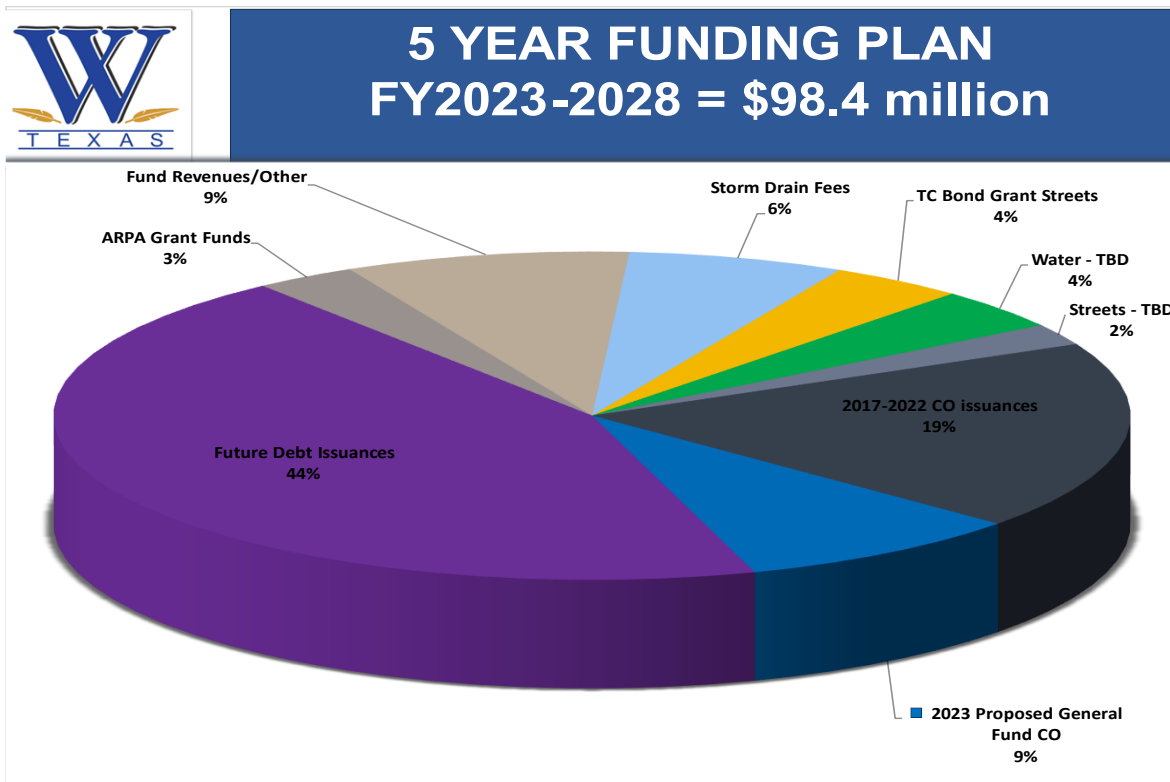
| | | | FUNDING SOURCE | | | | | | |
|---|----------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| PROJECTS | Location | REMAINING COST | | FY22-23 PROJECTED | FY23-24 BUDGET | FY24-25 FORECAST | FY25-26 FORECAST | FY26-27 FORECAST | FY27-28 FORECAST |
| PARKS | | \$2,144,000 | | \$640,000 | \$475,000 | \$1,029,000 | \$0 | \$0 | \$0 |
| Pole Barn - Parks | Parks Facility Linda Drive | \$180,000 | 2020 CO | | \$180,000 | | | | |
| Whitesbranch Creek Trail | Park Vista | \$250,000 | 2018 CO | \$250,000 | | | | | |
| Playground Equipment | Hillview, Hector Garcia, Capp Sm | \$160,000 | 2022 CO | \$160,000 | | | | | |
| | Foster Village Park | \$80,000 | 2022 CO | \$80,000 | | | | | |
| Park Vista - Site Project and Playground Equipment | Park Vista | \$529,000 | 2018 CO/REV | | | \$529,000 | | | |
| Foster Village Park Renovation & Eng/Needs Assessme | Foster Village Park | \$325,000 | 2022 CO/REV | \$30,000 | \$295,000 | | | | |
| Trail Lights (Solar) | City-wide | \$500,000 | TBD 2024 CO | | | \$500,000 | | | |
| Site Amenities Improvements | City-wide | \$120,000 | 2018 CO | \$120,000 | | | | | |
| BUILDING IMPROVEMENTS | | \$900,000 | | \$20,000 | \$880,000 | \$0 | \$0 | \$0 | \$0 |
| Fleet Bldg. Expansion & Parking Lot | Virgil Anthony | \$900,000 | 2022 CO | \$20,000 | \$880,000 | | | | |
| ECONOMIC DEVELOPMENT PROJECTS | | \$456,450 | | \$0 | \$456,450 | \$0 | \$0 | \$0 | \$0 |
| Food Business Site | Capp Smith Park | \$456,450 | 2020 CO | \$0 | \$456,450 | | | | |
| DRAINAGE | | \$7,213,200 | | \$1,251,400 | \$1,331,300 | \$1,355,800 | \$426,700 | \$2,848,000 | \$0 |
| Whitley Rd. 4 (Drainage Portion) | Concord to Oakhill | \$271,000 | Storm Drain | \$271,000 | | | | | |
| Bunker Hill | | \$1,559,100 | Storm Drain | | \$203,300 | \$1,355,800 | | | |
| Whitley Rd. 5 | Starnes to North Tarrant | \$1,128,000 | Storm Drain | | \$1,128,000 | | | | |
| Echo Hills Bristol Square (New) | | \$3,274,700 | Storm Drain | | | | \$426,700 | \$2,848,000 | |
| Park Vista Drainage/Ft. Worth Drainage Master Plan | Park Vista | \$800,000 | ARPA | \$800,000 | | | | | |
| | | \$180,400 | Storm Drain | \$180,400 | | | | | |
| STREET PROJECTS | | \$66,212,089 | | \$5,634,189 | \$15,278,000 | \$8,088,000 | \$11,414,900 | \$13,405,000 | \$12,392,000 |
| Hightower Road | Denton Hwy to Rufe Snow | | | | | | | | |
| Phase 1 | 377 to Echo | \$15,116,000 | TBD 2022/2023/2024 | \$1,700,000 | \$6,328,000 | \$7,088,000 | | | |
| Phase 2 - 5 (future) | | \$0 | TBD | | | | | | |
| Watauga Road Phase | | | TBD 2023-2028 CO | | | | | | |
| Phase 1 | W City Limits to W RR ROW | \$11,290,000 | TBD2023 | | \$2,232,000 | | \$9,058,000 | \$0 | |
| Phase 2 | East US377 ROW to 120' | \$10,613,000 | TBD2025/26 | | | | \$1,086,000 | \$9,527,000 | |
| Phase 3 | 120' West of Patsy Ln | \$1,070,000 | TBD2026/27 | | | | | \$1,070,000 | |
| Phase 4-5 (future) | Maurie to Skylark - to E City | \$11,442,000 | TBD2027/28 | | | | | | \$11,442,000 |
| Whitley Rd. 4 | Concord to Oakhill | \$2,934,189 | 2016/2018/2020 CO | \$2,934,189 | | | | | |
| Whitley Rd. 5 | Starnes to North Tarrant | \$5,718,000 | 2020, 2021 CO & TC | | \$5,718,000 | | | | |
| Echo Hill Bristol Square | | \$2,078,900 | TBD | | | | \$270,900 | \$1,808,000 | |
| Green Ribbon Project (2-7) | 377 Corridor (ANNUAL) | \$250,000 | ENG/GRANT FUNDING | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | |
| Sidewalks | Multiple Locations (ANNUAL) | \$900,000 | GF Revenues/CO | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| Overlays | Annual Determination | \$4,800,000 | Street Maint/Revenues | \$800,000 | \$800,000 | \$800,000 | \$800,000 | \$800,000 | \$800,000 |
| WATER & WASTEWATER PROJECTS | | \$20,067,778 | | \$7,025,278 | \$6,107,100 | \$2,250,000 | \$354,400 | \$4,281,000 | \$50,000 |
| CDBG Projects | Annual Determination | \$900,000 | CDBG/Rev | \$250,000 | \$50,000 | \$250,000 | \$50,000 | \$250,000 | \$50,000 |
| Whitley Rd. 4 (Water Portion) | Concord to Oakhill | \$1,554,600 | 2017 CO | \$1,554,600 | | | | | |
| Whitley Rd. 5 (W&WW) | Starnes to North Tarrant | \$1,643,000 | TBD - WATER | | \$1,643,000 | | | | |
| Group 1 W&S | Multiple Locations | \$2,472,630 | 2019 CO | \$2,472,630 | | | | | |
| Group 2 W&S | Multiple Locations | \$1,745,900 | 2019 CO | | \$1,745,900 | | | | |
| Group 3 W&S (\$1.393 ARPA) | Summertime | \$2,668,200 | ARPA/2019 CO | | \$2,668,200 | | | | |
| Group 4 W&S | Multiple Locations | \$1,909,150 | 2019 CO | \$1,909,150 | | | | | |
| Group 5 SSES | Multiple Locations | \$38,898 | 2019 CO | \$38,898 | | | | | |
| AMI Project - Estimate underway | City-wide | | | | | | | | |
| Echo Hills Bristol Square (New) | | \$2,335,400 | TBD - WATER | | | | \$304,400 | \$2,031,000 | |
| Various Water and/or Sewer Projects | Multiple Locations | \$2,000,000 | TBD - 2024 CO | | | \$2,000,000 | | | |
| Various Water and/or Sewer Projects | Multiple Locations | \$2,000,000 | TBD - 2026 CO | | | | | \$2,000,000 | |
| Lead Pipe Identification | City Wide | \$800,000 | ARPA | \$800,000 | | | | | |
| | | \$96,993,517 | | \$14,570,867 | \$24,527,850 | \$12,722,800 | \$12,196,000 | \$20,534,000 | \$12,442,000 |
| MAINTENANCE W&S & STREETS | | \$1,440,000 | W&S Rev/ST | \$240,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 |
| GRAND TOTAL | | \$98,433,517 | | \$14,810,867 | \$24,767,850 | \$12,962,800 | \$12,436,000 | \$20,774,000 | \$12,682,000 |

CIP AND CAPITAL PROJECTS FUNDS

The below summary lists the revenue sources for the five-year capital improvement plan. These include cash funding, grants, bond issuances (General Obligation (GO) or Certificates of Obligation (CO)). If funding is not currently in place, the possible funding sources include "TBD" to be determined. These are evaluated each year and updated in the CIP budget process.

SUMMARY OF REVENUE SOURCES FOR THE CAPITAL IMPROVEMENT PLAN

| REVENUE SOURCES FOR CIP | FUND | AMOUNT | FY22-23 | FY23-24 | FY24-25 | FY25-26 | FY25-26 | FY25-26 |
|------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| CDBG/Revenues | | \$900,000 | \$250,000 | \$50,000 | \$250,000 | \$50,000 | \$250,000 | \$50,000 |
| Tarrant County Bond Grant Streets | GENERAL FUND | \$4,000,000 | \$800,000 | \$3,200,000 | \$0 | \$0 | \$0 | \$0 |
| 2016 CO (6M) | GENERAL FUND | \$656,069 | \$656,069 | | | | | |
| 2017 CO (7.5M) | W&WW | \$1,554,600 | \$1,554,600 | | | | | |
| 2018 CO | GENERAL FUND | \$1,877,120 | \$1,348,120 | \$0 | \$529,000 | | | |
| 2019 CO | W&WW | \$6,166,578 | \$4,420,678 | \$1,745,900 | | | | |
| 2020 CO | GENERAL FUND | \$1,136,450 | \$500,000 | \$636,450 | | | | |
| 2021 CO | GENERAL FUND | \$2,518,000 | | \$2,518,000 | | | | |
| 2022 CO | GENERAL FUND | \$3,165,000 | \$1,990,000 | \$1,175,000 | | | | |
| 2023 CO (TBD) | GENERAL FUND | \$8,560,000 | | \$8,560,000 | | | | |
| 2024 CO (TBD) | GENERAL FUND | \$7,588,000 | | | \$7,588,000 | | | |
| 2024 CO (TBD) | W&WW | \$2,000,000 | | | \$2,000,000 | | | |
| 2025 CO (TBD) | GENERAL FUND | \$10,144,000 | | | | \$10,144,000 | \$0 | \$0 |
| 2026 CO (TBD) | GENERAL FUND | \$10,597,000 | | | | | \$10,597,000 | |
| 2026 CO (TBD) | W&WW | \$2,000,000 | | | | | \$2,000,000 | \$0 |
| 2027 CO (TBD) | GENERAL FUND | \$11,442,000 | | | | | | \$11,442,000 |
| STORM DRAIN REVENUES | STORM | \$6,413,200 | \$451,400 | \$1,331,300 | \$1,355,800 | \$426,700 | \$2,848,000 | \$0 |
| EDC SALES TAX REVENUES | TYPE B | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| REVENUES | UTILITY & GF | \$900,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| ARPA PROJECTS | ARPA FUNDS | \$2,993,000 | \$1,600,000 | \$1,393,000 | | | | |
| GENERAL FUND REVENUE/GRANT | GENERAL FUND | \$250,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$0 |
| TO BE DETERMINED(TBD) | WATER SEWER | \$5,253,600 | | \$2,918,200 | | \$304,400 | \$2,031,000 | |
| TO BE DETERMINED(TBD) | STREETS | \$2,078,900 | | | | \$270,900 | \$1,808,000 | \$0 |
| TO BE DETERMINED(TBD) | DRAINAGE | \$0 | \$0 | | | | | |
| MAINTENANCE W&S & STREETS | W&S REV/STREET MAINT | \$1,440,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 |
| STREET MAINTENANCE (SALES TAX& GF) | STREET MAINT-GF | \$4,800,000 | \$800,000 | \$800,000 | \$800,000 | \$800,000 | \$800,000 | \$800,000 |
| CIP 2023-2028 | | \$98,433,517 | \$14,810,867 | \$24,767,850 | \$12,962,800 | \$12,436,000 | \$20,774,000 | \$12,682,000 |



CIP AND CAPITAL PROJECTS FUNDS

GENERAL CAPITAL PROJECTS FUND CAPITAL PROJECTS SUMMARY

| FUND 07 | HISTORY | | CURRENT YEAR | | BUDGET |
|--|---------------------|---------------------|---------------------|------------------------|---------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Budget |
| Beginning Fund Balance* | \$11,546,950 | \$11,248,865 | \$11,482,374 | \$14,266,067 | \$8,342,306 |
| <u>Revenues:</u> | | | | | |
| Transfer from General Fund | 100,000 | 1,085,000 | 485,000 | 485,000 | 235,000 |
| Grants | 0 | 0 | 3,800,000 | 800,000 | 3,200,000 |
| 2021/2022 Certificates of Obligation/Tax Notes | 4,811,297 | 4,562,512 | 0 | 0 | 0 |
| 2023 Proposed Certificates of Obligation | 0 | 0 | 0 | 0 | 8,950,000 |
| Other financing sources | 0 | 0 | 0 | 0 | 0 |
| Interest Income / Misc. | 20,287 | 81,823 | 100,000 | 700,000 | 600,000 |
| Total Revenue: | \$4,931,584 | \$5,729,335 | \$4,385,000 | \$1,985,000 | \$12,985,000 |
| Total Available Resources | \$16,478,534 | \$16,978,200 | \$15,867,374 | \$16,251,067 | \$21,327,306 |
| <u>Expenditures:</u> | | | | | |
| Public Works: | | | | | |
| Bond Issuance | 111,297 | 114,078 | 0 | 0 | 0 |
| Building Improvements | 0 | 0 | 0 | 0 | 195,000 |
| Equipment (Misc) | 0 | 0 | 0 | 0 | 10,000 |
| Green Ribbon | 0 | 38,720 | 50,000 | 50,000 | 50,000 |
| Contingency | 0 | 0 | 10,000 | 10,000 | 80,000 |
| Engineering | 25,000 | 25,000 | 30,000 | 30,000 | 30,000 |
| Pmt to NRH for Rufe Snow | 82,583 | 63,068 | 67,000 | 67,000 | 60,500 |
| Sidewalk Replacement | 81,449 | 36,740 | 150,000 | 150,000 | 150,000 |
| Street Overlays | 0 | 0 | 0 | 0 | 800,000 |
| Capital Projects | 4,929,341 | 2,434,528 | 11,394,449 | 7,601,761 | 16,530,450 |
| Total Fund Expenditures: | \$5,229,669 | \$2,712,134 | \$11,701,449 | \$7,908,761 | \$17,905,950 |
| Ending Fund Balance | \$11,248,865 | \$14,266,067 | \$4,165,925 | \$8,342,306 | \$3,421,356 |

CIP AND CAPITAL PROJECTS FUNDS

ECONOMIC DEVELOPMENT CORPORATION BUDGET SUMMARY FUND 05 - CAPITAL PROJECTS

The Watauga Economic Development Construction fund accounts for construction projects in and for the Economic Development Corporation.

| | HISTORY | | PROJECTED YEAR | | BUDGET |
|---------------------------------------|---------------------|---------------------|------------------------------|------------------------|-----------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Original Budget | 2022-2023 Projected | 2023-2024 Proposed |
| Fund Balance, October 1 | \$38,835 | \$38,660 | \$33,760 | \$30,346 | \$21,146 |
| <u>Revenues:</u> | | | | | |
| Interest Earnings | 61 | 247 | 100 | 800 | 100 |
| Proceeds from Sale of Assets | 0 | 0 | 0 | 0 | 0 |
| Transfer from EDC Sales Tax Fun | 0 | 375,000 | 0 | 0 | 0 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 |
| Matching Grants | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | \$61 | \$375,247 | \$100 | \$800 | \$100 |
| Total Available Resources | \$38,896 | \$413,907 | \$33,860 | \$31,146 | \$21,246 |
| <u>Expenditures:*</u> | | | | | |
| Purchase of Property | 0 | 375,000 | 0 | 0 | 0 |
| Foster Village Improvements | 0 | 0 | 0 | 0 | 0 |
| Shade Structure - Indian Springs | 0 | 0 | 0 | 0 | 0 |
| Park Equipment (Picnic Pads, etc.) | 0 | 0 | 0 | 0 | 0 |
| Capp Smith Park Improvements | 236 | 0 | 0 | 0 | 0 |
| Capp Smith Improvements EDC | 0 | 0 | 0 | 0 | 0 |
| Contingency | 0 | 8,561 | 10,000 | 10,000 | 10,000 |
| Total Expenditures | \$236 | \$383,561 | \$10,000 | \$10,000 | \$10,000 |
| <u>Other Expenditures</u> | | | | | |
| Transfer to PDC Debt Service | 0 | 0 | 0 | 0 | 0 |
| Total Other Sources (Uses) | 0 | 0 | 0 | 0 | 0 |
| REVENUES OVER (UNDER) EXPENSES | (\$175) | (\$8,314) | (\$9,900) | (\$9,200) | (\$9,900) |
| Fund Balance, September 30 | \$38,660 | \$30,346 | \$23,860 | \$21,146 | \$11,246 |
| CHANGE IN FUND BALANCE | (\$175) | (\$8,314) | (\$9,900) | (\$9,200) | (\$9,900) |

CIP AND CAPITAL PROJECTS FUNDS

UTILITY CONSTRUCTION FUND 45 – CAPITAL PROJECTS BUDGET SUMMARY

The Utility Construction Fund accounts for the acquisition and construction of major capital projects and capital outlay for the Utility Fund.

| FUND 45 | HISTORY | | CURRENT YEAR | | BUDGET |
|--------------------------------------|---------------------|---------------------|---------------------|------------------------|---------------------|
| | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Budget | 2022-2023 Projected | 2023-2024 Budget |
| Working Capital, at October 1 | \$11,993,760 | \$9,707,417 | \$7,981,721 | \$9,757,411 | \$3,982,133 |
| <u>Revenue:</u> | | | | | |
| Interest Income | 66,116 | 81,393 | 150,000 | 500,000 | 500,000 |
| Bond Proceeds/premium | 76,050 | 294,127 | 0 | 0 | 0 |
| Transfer from Water Sewer Operating | 0 | 0 | 140,000 | 140,000 | 0 |
| Miscellaneous/Grant | 64,065 | 200,865 | 0 | 0 | 0 |
| Total Revenue/Other Sources | \$206,231 | \$576,385 | \$290,000 | \$640,000 | \$500,000 |
| Total Available Resources | \$12,199,991 | \$10,283,802 | \$8,271,721 | \$10,397,411 | \$4,482,133 |
| <u>Expenditures:</u> | | | | | |
| Bond Issuance Costs | 31,593 | 0 | 0 | 0 | 0 |
| Loss on Refunding | 0 | 0 | 0 | 0 | 0 |
| Building Improvements | 0 | 0 | 0 | 0 | 0 |
| Water & Sewer Mains | 27,589 | 72,498 | 80,000 | 80,000 | 117,000 |
| SSES Repairs | 48,813 | 56,690 | 60,000 | 60,000 | 60,000 |
| <u>Capital Outlay:</u> | | | | | |
| Heavy Equipment | 0 | 0 | 550,000 | 0 | 550,000 |
| Motor Vehicles | 0 | 0 | 0 | 0 | 0 |
| Water Tower Improvements | 0 | 0 | 0 | 0 | 0 |
| <u>Infrastructure</u> | | | | | |
| CDBG | 20,616 | 158,300 | 250,000 | 50,000 | 250,000 |
| Water & Wastewater Improvements | 2,363,963 | 333,525 | 6,006,911 | 6,225,278 | 3,021,100 |
| Total Expenditures | \$2,460,981 | \$621,013 | \$6,946,911 | \$6,415,278 | \$3,998,100 |
| Depreciation | \$575,454 | \$567,452 | \$0 | \$0 | \$0 |
| <u>Transfers:</u> | | | | | |
| Transfer | 0 | 0 | 0 | 0 | 0 |
| Total Transfers | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cash Balance, September 30 | \$9,707,417 | \$9,662,790 | \$1,324,810 | \$3,982,133 | \$484,033 |

CIP AND CAPITAL PROJECTS FUNDS

2023-2024 PARKS PROJECTS DISCUSSION



Description: Foster Village Park Renovation

A needs assessment is planned to help guide future renovations at Foster Village Park. The assessment will solicit community input, analyze community needs, and provide cost estimates. Renovations are also planned and budgeted for the Foster Village Cottage.

Justification: A needs assessment/design for Foster Village Park is necessary to carefully

consider the possibilities for future renovation of the park. The goal is to meet the needs of the community while being mindful of impact to the environment and surrounding residences. The process will provide public meetings and utilize design graphics to depict possibilities.

The Foster Village cottage needs substantial remodeling and structural repairs in order to maintain the structural integrity. Estimated costs are approximately \$245,000.

Operating Impact: \$50,000 to the operating budget is anticipated for the needs assessment. The Foster Village Cottage renovation project will be paid for by the 2022 Certificates of Obligation proceeds and general fund revenues.

FY2023-24 BUILDING PROJECTS DISCUSSION

- ❖ **Description: Parks Facility Building Improvements, \$180,000** - This project provides for improvements to the Parks Facility, providing for replacement of the aging pole barn that houses equipment and vehicles and provides for material bins for storage.

Justification: The pole barn is in need of replacement due to its age and condition of disrepair. The barn will house parks equipment and provide protection for equipment and vehicles such as sun damage and severe weather events. The material bins will provide storage for topsoil, mulch, and rock. The bins will provide protection for loss of materials from storm runoff.

Operating Impact: This project will be funded through the 2018 Certificates of Obligation and the 2020 Certificates of Obligation Proceeds.

- ❖ **Description: Fleet Building Expansion Project, \$900,000** - This project provides for the expansion of the Fleet Building adding two additional fleet bays and associated fleet service lines for oil and air supplies. For safety and in accordance with the building code, a fire suppression system will be installed for the new and existing fleet building. The old

CIP AND CAPITAL PROJECTS FUNDS

vehicle wash bay will be reopened per code and the utility storage will be moved to the western portion of the new building.

Justification: The Fleet Division has expanded its operation serving the City and seven other cities in the last few years through Interlocal agreements. The additional bays will provide a means to efficiently serve the eight fleets and reduce equipment downtime. The fire suppression system will add safety for the building and firefighters.

Operating Impact: This project will be funded through the 2022 Certificates of Obligation Proceeds. Once completed, it is estimated that the increase to maintenance and utility costs will be approximately \$8,000/annually. The cost will be shared between the General Fund and the Interlocal Fund 21. The City contracts with surrounding cities to provide certain fleet services for emergency vehicles.

FY2023-2024 ECONOMIC DEVELOPMENT PROJECTS DISCUSSION

FY2023-2024 FOOD BUSINESS PARK PROJECT- \$456,000

- ❖ **Description:** This EDC project will provide for the construction of a food business park at Capp Smith Park. The site is planned to include a small entertainment stage with associated parking.

Justification: This project was designed to spur economic development activity in the city and surrounding region to help rebound from the impact of COVID-19. In addition, the private ownership of available parcels has caused the small restaurant entrepreneurs to seek other options outside of the cost City due to cost of real estate. The site will allow for mobile restaurants to support and promote economic activity within the City of Watauga with the objective to give restaurant owners the opportunity to build up a clientele in the Northeast Texas Mid-Cities area with minimal start-up costs.

Operating Impact: Funds will be provided by the 2020 Certificates of Obligation proceeds. The City anticipates the impact of the operating budget for maintenance of the food business park to be approximately \$3,000 per year after completion.

FY2023-24 STREETS/SIDEWALKS DISCUSSION

FY2023-2024 STREET OVERLAY \$800,000

CIP AND CAPITAL PROJECTS FUNDS

- ❖ **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: The street program is cash funded by a transfer from the General Fund to the Capital Projects fund.

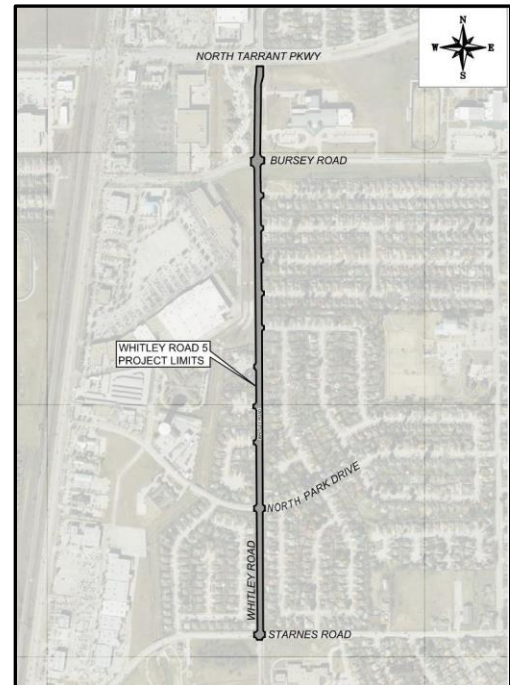


FY2023-2024 WHITLEY ROAD STREET PROJECTS – Whitley Road 4 and 5 \$13.4 million

- ❖ **Description:** The Whitley Road Street Project, Phases 1,2,3,4, and 5 encompass the area of Oakhill to Starnes (1), Watauga to Chapman (2), Chapman to Concord (3), Concord to Oakhill (4) and Starnes to North Tarrant Parkway (5), which is approximately 12,500 linear feet. Whitley Road is a thoroughfare listed on the Watauga Master Thoroughfare Plan. Whitley Road Phase 1-3 were completed in prior years. The improvements in all phases include underground storm drains and the rehabilitation or replacement of any water lines and sanitary sewer lines under Whitley Road as needed.

Justification: Whitley Road is a major thoroughfare of the City. The existing asphalt pavement is deteriorating. The traffic flow on Whitley Road will improve considerably with the improvements to this road.

Operating Impact: This project began in FY2016-2017 and will carry over into future years. The expected completion date for the final phase is August 2025. This street improvement will have little or no impact on operations. These projects are funded through multiple Certificates of Obligation proceeds, Storm Drain fees, and grants from Tarrant County. The City was awarded \$800,000 for Whitley Road 4 construction and \$3.197 million for Whitley Road 5 construction.



- ❖ **Description: Hightower Drive, Phase I** – This project includes a full concrete street reconstruction of Hightower Drive from Hwy 377 to Lyndale Drive, and asphalt mill and

CIP AND CAPITAL PROJECTS FUNDS

overlay of Hightower Drive from Lyndale Drive to Rufe Snow Drive. The project includes a center median, trail, and a shared use lane.



Justification: Hightower Drive is a major thoroughfare in the City. The existing asphalt pavement is deteriorating. We anticipate this will rejuvenate the area for commercial development.

Operating Impact: Hightower Drive is a major thoroughfare in the City. This street improvement project will have little or no impact on operations. It will be funded through developer fees, the 2018 Certificate of Obligation proceeds and Storm Drain fees.

- ❖ **Description: Watauga Road, Phase I, \$9,058,000** – This project includes a full concrete street reconstruction of Watauga Road from the western city limits to the western right-of-way of Union Pacific Railroad. The existing bridge near the Watauga Animal Control Building will be inspected but is anticipated to remain untouched. The project will also include conceptual engineering for the entire street from the west city limits to the east city limits.



Justification: Watauga Road is a major economic thoroughfare in the City. The existing asphalt pavement is deteriorating. We anticipate this will rejuvenate the area for commercial development.

CIP AND CAPITAL PROJECTS FUNDS

Operating Impact: This street improvement project will have little or no impact on operations. It will be funded through 2023 Certificate of Obligation proceeds.

FY2023-2024 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: The Sidewalk program this year is funded by a transfer from the General Fund to the General Capital Projects Fund.

FY2023-2024 STORM DRAIN PROJECTS DISCUSSION

- ❖ **Description:** The Whitley Road Phases 1-5 projects will make major storm drain improvements along Whitley Road. Currently, there are ditches along Whitley Road that carry the storm water. This storm water will be put under Whitley Road and carried by pipes.

Justification: When we widen Whitley Road, there won't be room within the right of way for the ditches to carry the storm water. Adding curbs and curb inlets allow us to carry the storm water underground.

Operating Impact: Little to no impact upon operations is anticipated. This project is paid for with storm drain revenues with the current level of user fee charges.

- ❖ **Description:** Bunker Hill Drainage project will improve drainage in the Bunker Hill subdivision with construction of curb inlets and an underground system along portions of Bunker Blvd and Yorkston Street.

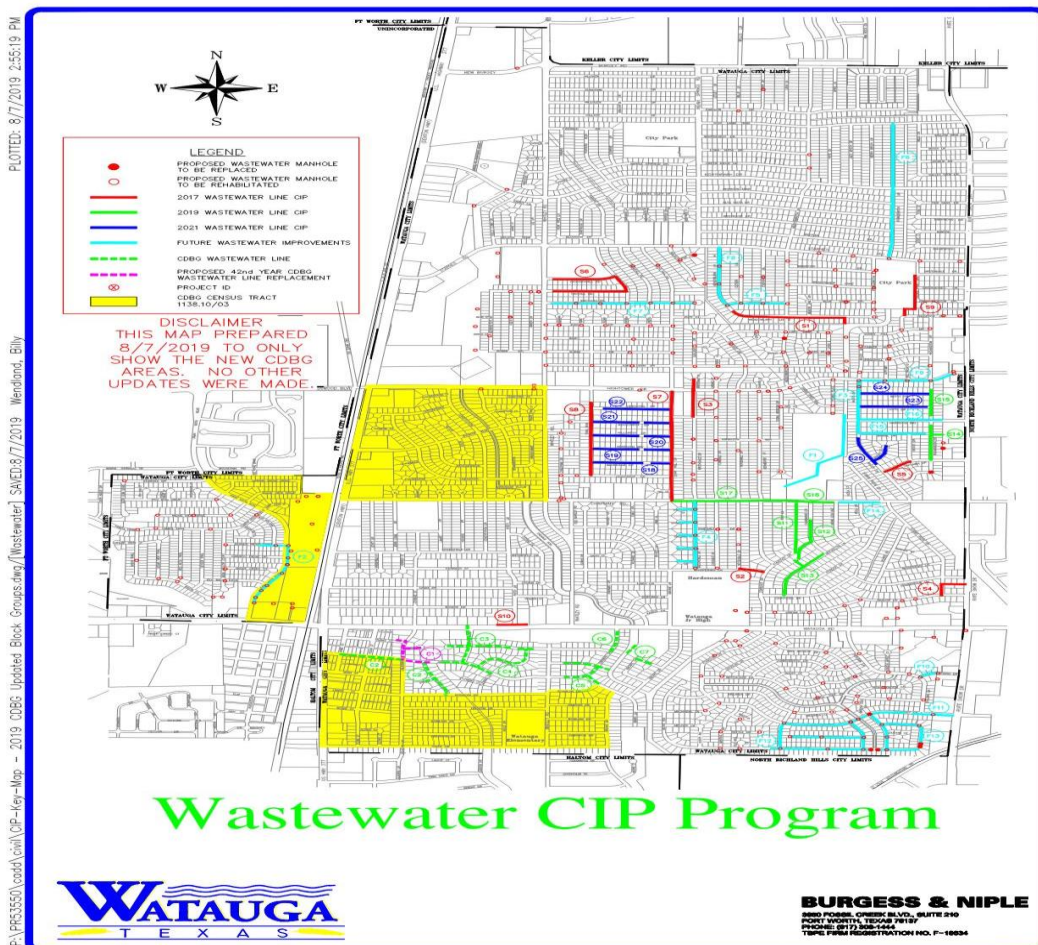
Justification: There is no existing system on the east side of the Bunker Blvd outfall and the system on the west side is undersized. Additionally, there is no existing underground system along this section of Yorkston Street that drains a large drainage area. The existing drainage system upstream at Declaration Street and Constitution Drive cannot adequately capture the flow which exacerbates the system's inadequacies at the Yorkston Street channel outfall.

Operating Impact: Little to no impact upon operations is anticipated. This project is paid for with storm drain revenues in the amount of \$203,300 for engineering in FY2024, and construction is anticipated to be \$1.4 million, with the project to commence in FY2025.

CIP AND CAPITAL PROJECTS FUNDS

FY2023-2024 WASTEWATER PROJECTS DISCUSSION

- ❖ **Description:** The 2019 Wastewater CIP will replace wastewater lines that were identified in the Sewer System Evaluation Survey (SSES) in 2015. These projects will include Sanitary Sewer Line Replacements throughout the City that have a high amount of inflow and infiltration and need to be replaced. This replaces the aging clay piping with Polyvinylchloride (PVC) piping in the older parts of the City. The 2019 Wastewater CIP and Certificates of Obligation proceeds will continue funding for these projects. A Sewer System Evaluation Survey (SSES) was completed in FY2018-2019 in another section of the city to identify additional high priority projects. Two separate projects will occur. The first one will rehabilitate wastewater lines along the following streets: Hickoryhill Road and Oakhill Road from Whitley Road to Maplehill Road; Echo Hill Drive from Hightower Drive to Chapman Road; and Quail Run from Herschel Drive to Highcrest Drive. The second project will rehabilitate wastewater lines along the following streets: Whispering Lane from Wooddale Drive to Stardust Drive; Brookdale Drive from Hightower Drive to Ridgecrest including Brookdale Court; Summit Ridge Drive from Rufe Snow Drive to Avalon Drive including Summertime Lane; Oaklawn Drive from Mickey Drive to McCoy Drive; Village Park Drive from Greendale Drive to Ridgetop Drive; and Watauga Road



CIP AND CAPITAL PROJECTS FUNDS

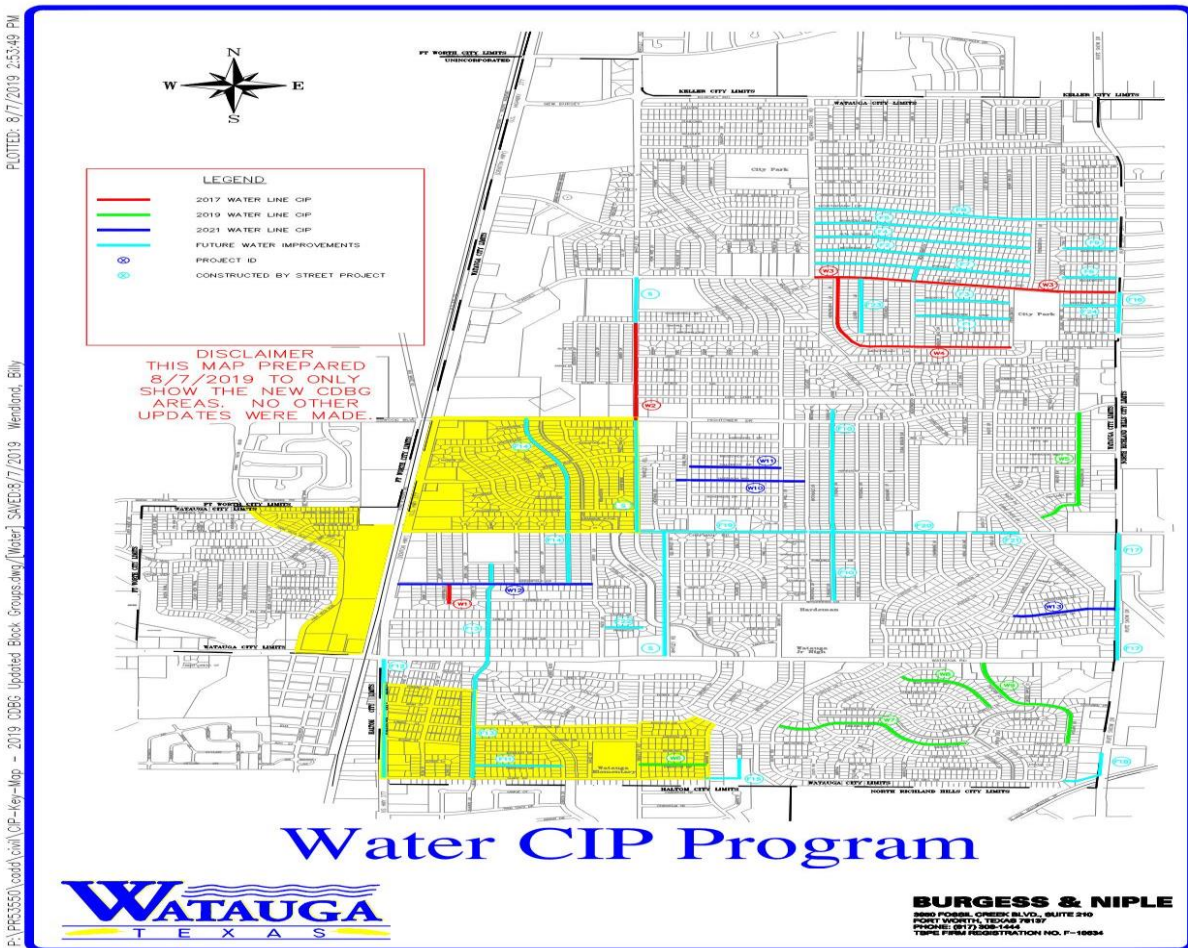
from Patsy Lane to Morris Boulevard. The project will also rehabilitate and repair various sanitary sewer manholes throughout the city.

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. Proactive replacement, instead of reactive replacement, will reduce maintenance costs and customer problems.

Operating Impact: Savings of approximately \$100,000 annually are expected in decreased wastewater fees paid due to prevention of inflow and infiltration into the system after completion of this project.

FY2023-2024 WATER PROJECTS DISCUSSION

- ❖ **Description:** The 2019 Water CIP water line projects are planned for Derek Drive from Whitley Road to Saramac Drive, Melinda Drive from Jackie Terrace to Marigold Drive, MacArthur Drive from Douglas Drive to Rebecca Lane and Hillcrest Drive from Quail Run to Echo Hill Drive. It is anticipated that these projects will be underway in FY2024.



CIP AND CAPITAL PROJECTS FUNDS

Justification: The aging water lines throughout the City are old and present frequent maintenance issues. Systematic replacement will reduce maintenance costs and customer problems.

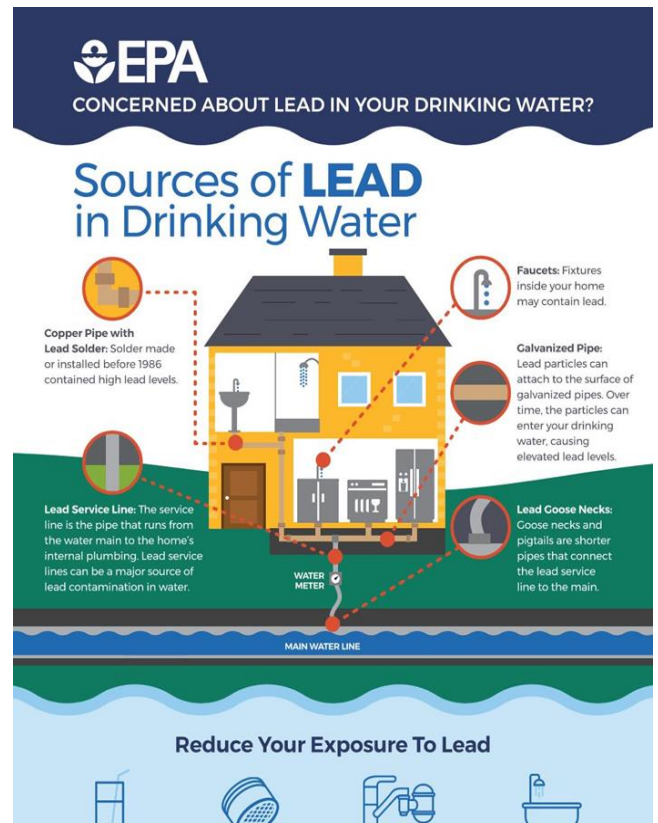
Operating Impact: Savings of approximately \$15,000 annually are expected in decreased maintenance issues for the system after completion of this project. The debt service to cover the 2017 bond issuance began in FY2018 and the debt service for the 2019 debt issuance began in FY2020.

FY2023-2024 LEAD WATER SERVICE LINE IDENTIFICATION PROGRAM

- ❖ **Description:** The EPA published a new rule where the City is required to develop and maintain a lead water service line inventory. The purpose of this project is to locate every water meter in the City and determine the service line material. While we are doing this, we will also locate all water valves and fire hydrants. We estimate there are 8,341 water meters, 1,703 water valves and 653 fire hydrants in the City. All information will be placed into the Watauga GIS maps for record purposes. Any lead water service lines will need to be replaced. We anticipate performing these replacements within a CIP project. This project includes small, previously unidentified wastewater and water line problems detected and repaired throughout the fiscal year.

Justification: Lead service lines have been identified as the primary contributor of lead in drinking water. This project will identify any lead pipe inventory in the system and address a plan for replacement of those pipes.

Operating Impact: This project is funded through the ARPA grant.



CIP AND CAPITAL PROJECTS FUNDS

OTHER UTILITY SYSTEM PROJECTS

FY2023-2024 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.

FY2023-2024 CDBG PROGRAM

- ❖ **Description:** Every even year, Watauga receives a Tarrant County Community Development Block Grant (CDBG) that varies in amount, which we use to help fund a project in a primarily (70% +) residential Census Block Group area that contains a defined percentage of low to moderate income. The typical process is the City submits an application to Tarrant County in January, holds a public hearing by March, prepares the design late in the year and then constructs the project in the next fiscal year. The 48th Year CDBG project started in 2023 and will be completed in December 2023. The grant project replaced the water line along the north side of Emerson Drive between Whitley Road and Maurie Drive. The 50th Year CDBG project will replace the water line starting where the 46th year Bunker Blvd project stopped and continue it through to the end of the neighborhood along Bunker Blvd from Constitution Drive to 5621 Bunker Blvd. This year, the City was also awarded a special CDBG-CV Round 4 grant via Cares Act funding from Tarrant County for a water main replacement on Plum Street.



Justification: Watauga uses these grants to supplement our funding to repair deficient utilities and/or streets in order to develop viable urban communities within the City. The

CIP AND CAPITAL PROJECTS FUNDS

Emerson Drive water main has been leaking and failing and needs replacement. The Bunker Boulevard water main has been leaking and failing and needs replacement. The Plum Street water line has experienced emergency breaks necessitating emergency repairs and needs replacement.

Operating Impact: The biannual CDBG program is annually funded by a transfer from the General Fund to the General Capital Projects Fund or by a transfer from the Water and Sewer Utility fund to the Utility Capital Project fund and/or through Certificate of Obligation proceeds. For Plum Street, as a stipulation of the CDBG-CV Round 4 grant award of \$358,875, the City must cover any project cost overruns and fully fund the engineering fee estimated at \$48,900. This will be funded by the Utility Construction Fund this budget year.



DEBT SERVICE FUNDS



October 1, 2023 – September 30, 2024

DEBT SERVICE

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. The FY2023-2024 tax rate was adopted at \$0.5702 per \$100 valuation, of which \$0.21049, or 37% funds the FY2023-2024 debt service payments. The Utility Debt Service fund is funded through a transfer from the Water and Sewer Operating fund from revenues received from residential and commercial utility customers.

Debt issuance finances the City's purchase of land, buildings, land improvements, parks, and the construction and reconstruction of streets and drainage facilities. In addition to infrastructure, debt issuance finances large dollar capital outlay items such as fire trucks and public works heavy equipment.

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.

Outstanding Debt Service by Issuance

During FY2006-2007, the City issued \$3,400,000 of Combination Tax and Limited Pledge Revenue Certificate of Obligation bonds, which are paid from property tax levies. This issuance funded the renovation of the City's public safety facilities, including police, fire, and emergency medical services, and various street improvements.

In FY2013-2014, the City issued \$3,500,000 of 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 FY2013-2014. 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 funded by this issuance. Both projects were completed by FY2016-2017.

DEBT SERVICE

In FY2015-2016, the City issued \$5,885,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation bonds, which will be paid from property tax levies. These funds were used for street improvements throughout the City and quality of life projects such as a splash pad, trails, and parking improvements. Whitley Road phase I was completed in FY2021-2022.

In FY2016-2017, \$1.2 million of the Utility Fund debt service dropped off due to the final payment being made in FY2015-2016 for the debt service associated with the purchase of the Water system from North Richland Hills. In the summer of 2017, the City Council considered and approved additional utility project infrastructure funding by issuing certificates of obligation in the amount of \$7.325 million. These funds were received in August 2017 and funded water and sewer projects identified in the City's 5-year Capital Improvements Project plan. Whitley Road, phase 3 was the final project funded by these proceeds and was completed in FY2022-2023.

In FY2017-2018, \$6.780 million Certificates of Obligation issuance was approved by Council. The proceeds will fund street projects, park projects, building equipment, signage throughout the City, and capital equipment items.

In August 2019, City Council approved an \$8.490 million Combination and Limited Pledge Revenue Certificates of Obligation issuance. Proceeds will fund water and sewer projects and equipment, and some general fund capital equipment. The majority of the debt, \$8.065 million, will be repaid with Utility system revenues and \$425,000 of the principal will be paid by the I&S component of the tax rate. Payments will begin in February 2020 at approximately \$70,000 annually for the General Fund portion of the debt, and approximately \$344,000 for the Utility Fund. Standard & Poor Rating Services assigned a 'AA' rating to this issuance.

In August 2020, a \$3.0 million Combination and Limited Pledge Revenue Certificates of Obligation issuance was issued. Proceeds will fund a Fire Station restroom renovation project, continuation of the Whitley Road Street Project, and construction of a restaurant food truck site at Capp Smith Park to spur economic development in the City. Additional projects funded are a roof replacement for the Library facility, construction of an equipment and vehicle storage facility (pole barn) for the Parks facility, and various capital outlay items.

During the fiscal year ended September 30, 2021, the City issued \$1,715,000 in General Obligation Refunding Bonds with an interest rate of 1.17%. \$560,000 was used to advance refund the outstanding Series 2011 Certification of Obligation Bonds in the General Debt Service Fund and \$1,125,000 was used to advance refund the outstanding Series 2011 Certification of Obligation Bonds in the Water and Sewer Fund. The refunding resulted in a gross savings of \$84,268.

Also, during FY2020-2021, the City Council approved the issuance of a \$4.7 million Combination and Limited Pledge Revenue Certificates of Obligation issuance to continue the street program funding and capital equipment funding for needs identified in the 5 year Capital Improvement Plan and the 5-year Capital Outlay Plan.

DEBT SERVICE

During FY2021-2022, the City issued \$4.2 million in General Obligation Refunding Bonds with an interest rate of 2 to 4% and was used to advance refund the outstanding Series 2012 Certification of Obligation Bonds in the debt service fund. This refunding resulted in a gross savings of \$419,775.

In August 2022, the City Council approved the issuance of \$4.93 million Combination and Limited Pledge Revenue Certificates of Obligation with an interest rate of 4% to fund street projects, building improvements, parks projects, and the Capital Outlay plan.

In September 2023, the City Council approved the issuance of \$8.93 million Combination and Limited Pledge Revenue Certificates of Obligation to fund street projects and an ambulance for the Fire Department.

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

In recent years, S&P Global Ratings assigned its 'AA' long-term rating to the 2019, 2020, 2021, 2022, and 2023 issuances and affirmed their 'AA' rating on the city's certificates outstanding. The rating is based on the City's very strong reserves combined with steady budgetary performance produced by a very strong financial management team. In addition, S&P cited expectations for the city to continue stable operations and the projection for assessed values in the city to continue growth.

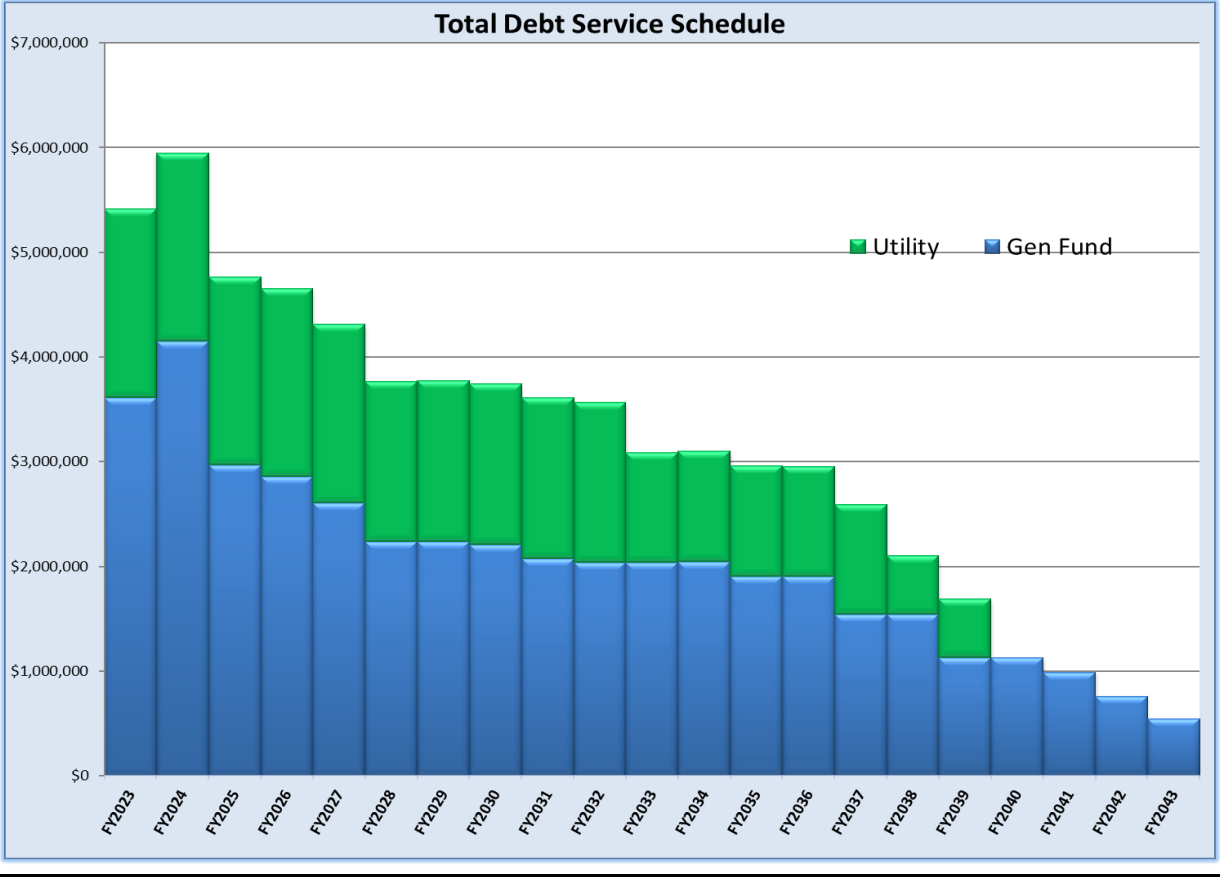
Moody's had assigned an Aa3 underlying rating to the City's 2011 and 2012 Certificates of Obligation issuances which have now been defeased through the refundings described above.

Debt Service and impact on operations:

The City's debt service schedule is shown below. The City continues planned debt service contributions to fund capital projects without tax increases when possible for General Fund projects. The Utility Fund capital projects are generally planned in the

DEBT SERVICE

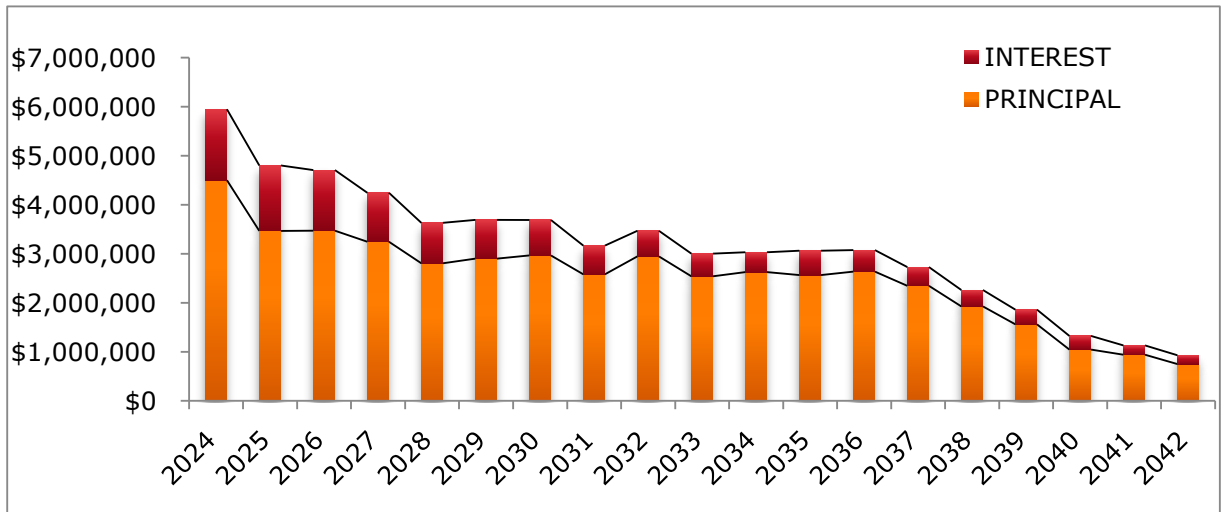
year or debt service declines in order to minimize the need to raise utility rates.



All Debt Service Requirements to Maturity (Gen. Fund & Water) as of October 1, 2023

| YEAR ENDING SEPT. 30 | DEBT | | | |
|-------------------------|-----------------------|---------------------|---------------------|---------------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | INTEREST | TOTAL |
| 2024 | \$48,650,000 | \$4,500,000 | \$1,446,980 | \$5,946,980 |
| 2025 | \$44,150,000 | \$3,465,000 | \$1,334,853 | \$4,799,853 |
| 2026 | \$40,685,000 | \$3,470,000 | \$1,236,519 | \$4,706,519 |
| 2027 | \$37,215,000 | \$3,245,000 | \$998,450 | \$4,243,450 |
| 2028 | \$33,960,000 | \$2,805,000 | \$825,588 | \$3,630,588 |
| 2029 | \$31,155,000 | \$2,900,000 | \$790,344 | \$3,690,344 |
| 2030 | \$28,255,000 | \$2,965,000 | \$723,216 | \$3,688,216 |
| 2031 | \$25,290,000 | \$2,580,000 | \$585,894 | \$3,165,894 |
| 2032 | \$22,710,000 | \$2,945,000 | \$522,275 | \$3,467,275 |
| 2033 | \$19,765,000 | \$2,540,000 | \$462,247 | \$3,002,247 |
| 2034 | \$17,225,000 | \$2,625,000 | \$404,664 | \$3,029,664 |
| 2035 | \$14,600,000 | \$2,565,000 | \$496,623 | \$3,061,623 |
| 2036 | \$12,035,000 | \$2,635,000 | \$438,957 | \$3,073,957 |
| 2037 | \$9,400,000 | \$2,345,000 | \$382,524 | \$2,727,524 |
| 2038 | \$7,055,000 | \$1,925,000 | \$334,578 | \$2,259,578 |
| 2039 | \$5,130,000 | \$1,560,000 | \$299,991 | \$1,859,991 |
| 2040 | \$3,570,000 | \$1,045,000 | \$278,600 | \$1,323,600 |
| 2041 | \$2,525,000 | \$940,000 | \$189,750 | \$1,129,750 |
| 2042 | \$1,585,000 | \$750,000 | \$179,200 | \$929,200 |
| | | \$47,805,000 | \$11,931,253 | \$59,736,253 |

| | Year | Total | Principal | Interest |
|-------------------------|------|-------------|-------------|--------------|
| This Year's Requirement | 2024 | \$5,946,980 | \$4,500,000 | \$ 1,446,980 |
| Maximum Requirement | 2024 | \$5,946,980 | \$4,500,000 | \$ 1,446,980 |

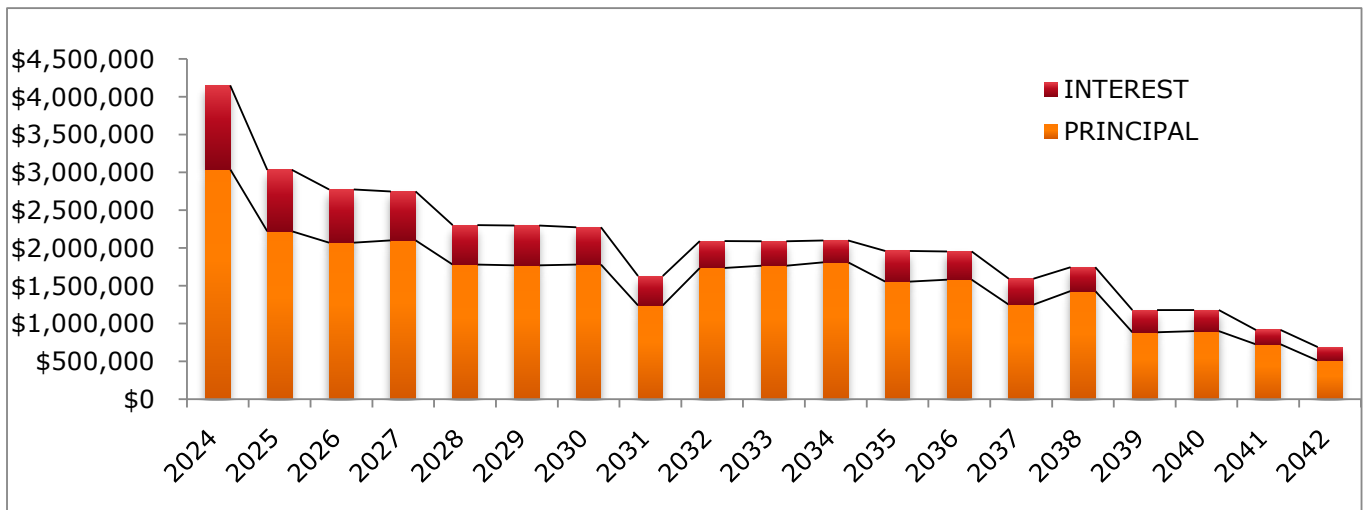


General Fund Debt Service Requirements to Maturity

as of October 1, 2023

| YEAR ENDING SEPT. 30 | DEBT OUTSTANDING OCT. 1 | PRINCIPAL | INTEREST | TOTAL |
|-------------------------|-------------------------------|---------------------|--------------------|---------------------|
| 2024 | \$30,775,000 | \$3,040,000 | \$1,108,817 | \$4,148,817 |
| 2025 | \$27,735,000 | \$2,220,000 | \$811,906 | \$3,031,906 |
| 2026 | \$25,515,000 | \$2,070,000 | \$703,397 | \$2,773,397 |
| 2027 | \$23,445,000 | \$2,100,000 | \$646,528 | \$2,746,528 |
| 2028 | \$21,345,000 | \$1,780,000 | \$521,941 | \$2,301,941 |
| 2029 | \$19,565,000 | \$1,770,000 | \$526,296 | \$2,296,296 |
| 2030 | \$17,795,000 | \$1,780,000 | \$493,244 | \$2,273,244 |
| 2031 | \$16,015,000 | \$1,240,000 | \$388,622 | \$1,628,622 |
| 2032 | \$14,775,000 | \$1,735,000 | \$356,153 | \$2,091,153 |
| 2033 | \$13,040,000 | \$1,765,000 | \$323,124 | \$2,088,124 |
| 2034 | \$11,275,000 | \$1,810,000 | \$288,729 | \$2,098,729 |
| 2035 | \$9,465,000 | \$1,555,000 | \$405,163 | \$1,960,163 |
| 2036 | \$7,910,000 | \$1,580,000 | \$372,959 | \$1,952,959 |
| 2037 | \$6,330,000 | \$1,250,000 | \$342,913 | \$1,592,913 |
| 2038 | \$5,080,000 | \$1,430,000 | \$314,925 | \$1,744,925 |
| 2039 | \$3,650,000 | \$885,000 | \$293,400 | \$1,178,400 |
| 2040 | \$2,765,000 | \$900,000 | \$278,600 | \$1,178,600 |
| 2041 | \$1,865,000 | \$725,000 | \$189,750 | \$914,750 |
| 2042 | \$1,140,000 | \$510,000 | \$179,200 | \$689,200 |
| 2043 | \$630,000 | \$4,000,000 | \$723,775 | \$4,723,775 |
| | | \$34,145,000 | \$9,269,441 | \$43,414,441 |

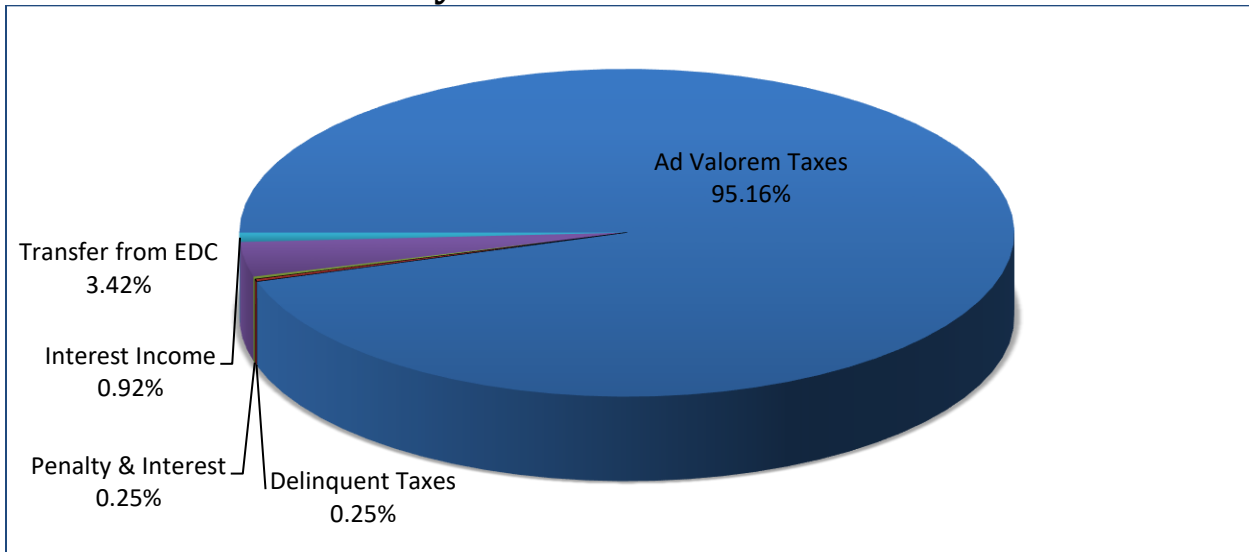
| | Year | Total | Principal | Interest |
|-------------------------|-------------|--------------------|--------------------|---------------------|
| This Year's Requirement | 2024 | \$4,148,817 | \$3,040,000 | \$ 1,108,817 |
| Maximum Requirement | 2024 | \$4,148,817 | \$3,040,000 | \$1,108,817 |



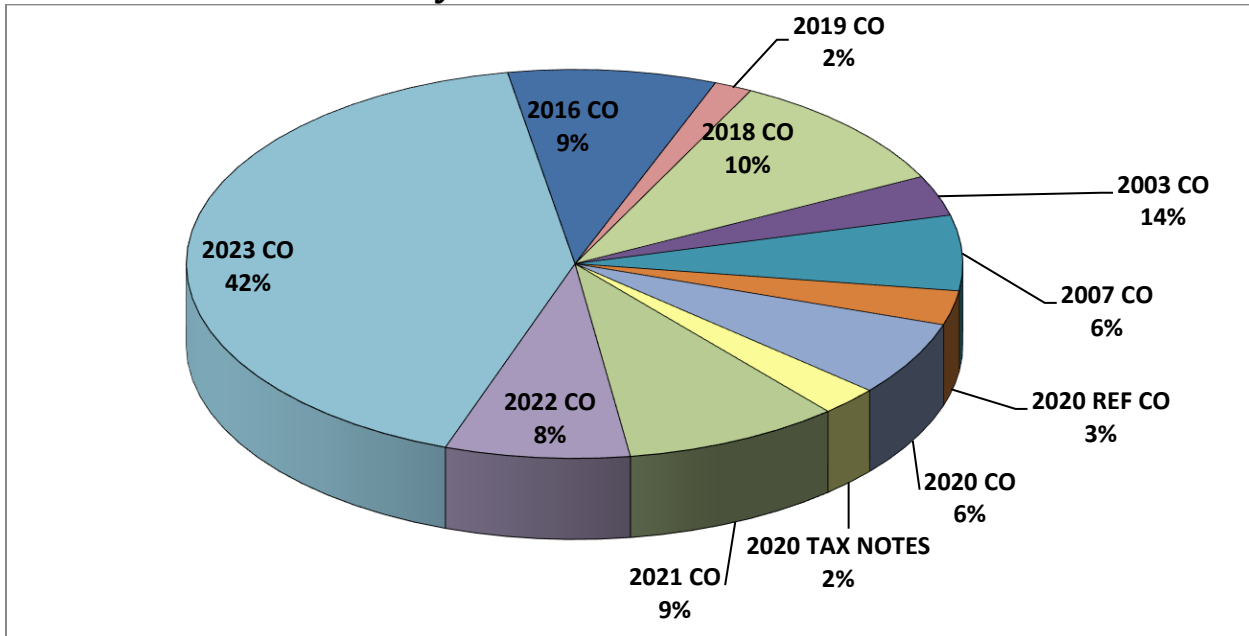
General Obligation Debt Service

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. The Economic Development Corporation (EDC) provides debt service payments for EDC related projects through a transfer to this fund. This fund is also used to provide for the payment of fiscal agent fees.

Where Does the Money Come From:

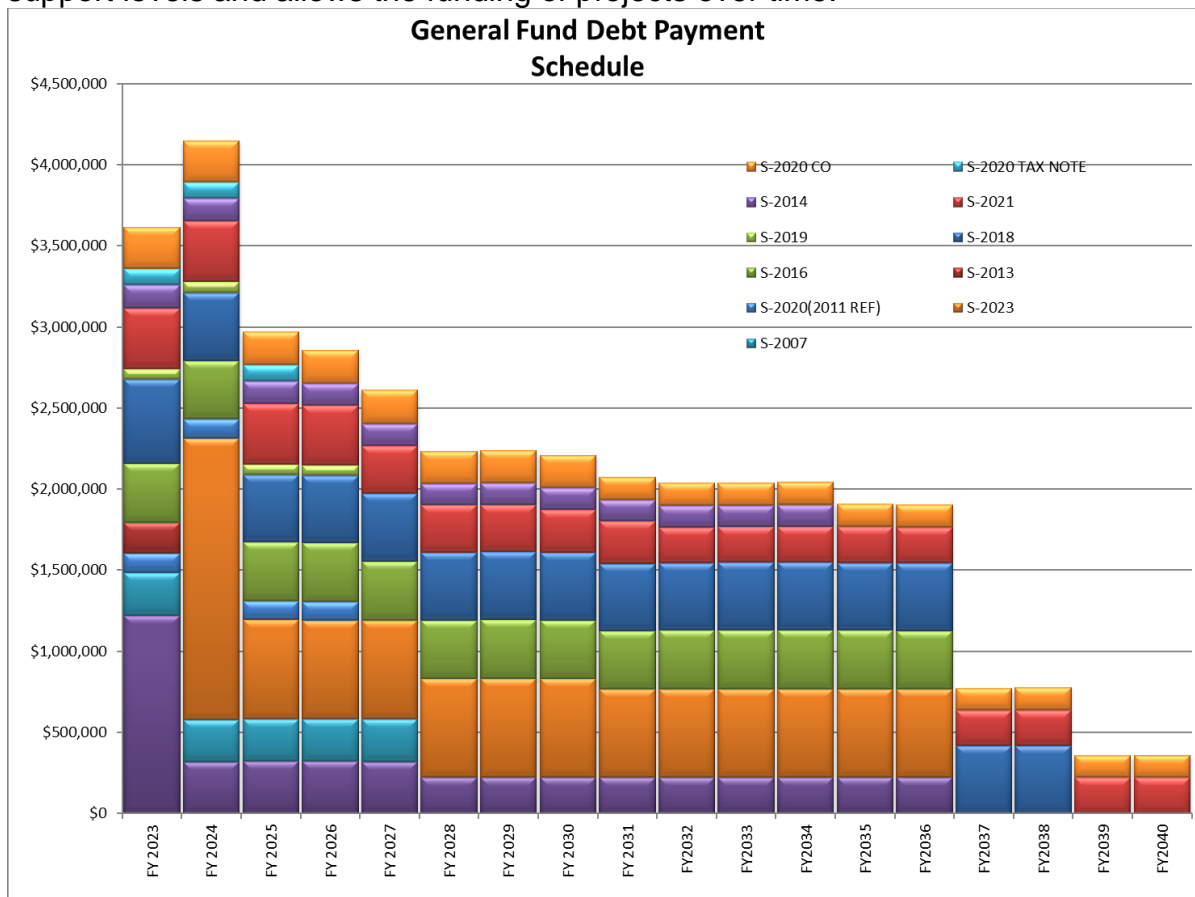


Where Does the Money Go:



The City is committed to fiscal sustainability by employing long-term financial planning efforts, maintaining appropriate reserve levels, and employing prudent practices in governance, management, budget administration and financial reporting. Below is the General Fund Debt Payment Schedule for all current issuances. As debt drops off, other projects may be funded through debt issuance that are identified in the City's 5-year Capital Improvement Plan and Capital Outlay Plan.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. A disciplined, thoughtful approach to debt management includes policies that provide guidelines for the City to manage its debt consistent with available and reasonably anticipated resources. The City's debt issuance is related to the Capital Improvement Plan and Capital Outlay Plan, as well as cash reserves, and possible grant funding for those programs. The City strives to maintain a level funding plan that will minimize the peaks and valleys in General Fund support levels and allows the funding of projects over time.



General Obligation Debt Service Fund 03

Budget Summary

| | HISTORY | | CURRENT YEAR | | FORECAST |
|--|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| | FY2020-21 Actual | FY2021-22 Actual | FY2022-23 Budget | FY2022-23 Estimate | FY2023-24 Budget * |
| Fund Balance, October 1* | \$765,068 | \$758,686 | \$782,055 | \$782,055 | \$827,043 |
| Revenues: | | | | | |
| Ad Valorem Taxes | 2,750,574 | 2,987,004 | 3,400,000 | 3,450,000 | 4,149,000 |
| Delinquent Taxes | 15,546 | 11,818 | 11,000 | 8,000 | 11,000 |
| Penalty & Interest | 13,221 | 13,410 | 11,000 | 15,000 | 11,000 |
| Interest Income | 1,262 | 5,113 | 2,000 | 35,000 | 40,000 |
| Transfer from EDC | 157,503 | 147,078 | 153,200 | 153,200 | 149,000 |
| Current Year Resources | \$2,938,106 | \$3,164,421 | \$3,577,200 | \$3,661,200 | \$4,360,000 |
| Total Available Resources | \$ 3,703,174 | \$ 3,923,108 | \$ 4,359,255 | \$ 4,443,255 | \$ 5,187,043 |
| 2016 Certificates of Obligation | | | | | |
| Principal | 245,000 | 255,000 | 265,000 | 265,000 | 270,000 |
| Interest | 114,869 | 106,144 | 98,344 | 98,344 | 90,319 |
| 2018 Certificates of Obligation | | | | | |
| Principal | 480,000 | 310,000 | 330,000 | 330,000 | 245,000 |
| Interest | 224,590 | 204,840 | 188,840 | 188,840 | 174,415 |
| 2014 Certificates of Obligation | | | | | |
| Principal | 515,000 | 900,000 | 100,000 | 100,000 | 100,000 |
| Interest | 72,669 | 55,625 | 42,875 | 42,875 | 39,875 |
| 2003/2013 Certificate of Obligation | | | | | |
| Principal | 200,000 | 195,000 | 190,000 | 190,000 | 0 |
| Interest | 10,913 | 6,469 | 2,138 | 2,138 | 0 |
| 2007 Certificates of Obligation | | | | | |
| Principal | 200,000 | 210,000 | 220,000 | 220,000 | 225,000 |
| Interest | 61,239 | 52,814 | 43,977 | 43,977 | 34,832 |
| 2011 Certificates of Obligation | | | | | |
| Principal | 455,000 | 0 | 0 | 0 | 0 |
| Interest | 24,341 | 0 | 0 | 0 | 0 |
| 2020 Refunding (2011) CO | | | | | |
| Principal | 0 | 115,000 | 115,000 | 115,000 | 115,000 |
| Interest | 0 | 6,044 | 4,709 | 4,709 | 3,364 |
| 2019 Certificates of Obligation | | | | | |
| Principal | 50,000 | 55,000 | 55,000 | 55,000 | 60,000 |
| Interest | 13,950 | 11,325 | 8,575 | 8,575 | 5,700 |
| 2020 TN Certificates of Obligation | | | | | |
| Principal | 75,000 | 90,000 | 90,000 | 90,000 | 95,000 |
| Interest | 22,138 | 11,550 | 8,400 | 8,400 | 5,163 |
| 2020 Certificates of Obligation | | | | | |
| Principal | 120,000 | 115,000 | 200,000 | 200,000 | 205,000 |
| Interest | 58,028 | 63,050 | 58,325 | 58,325 | 52,250 |
| 2021 Certificates of Obligation | | | | | |
| Principal | 0 | 265,000 | 275,000 | 275,000 | 285,000 |
| Interest | 0 | 111,050 | 100,250 | 100,250 | 89,050 |
| 2022 Certificates of Obligation | | | | | |
| Principal | 0 | 0 | 1,005,000 | 1,070,000 | 190,000 |
| Interest | 0 | 0 | 213,915 | 148,179 | 128,800 |
| 2023 Certificates of Obligation | | | | | |
| Principal | 0 | 0 | 0 | 0 | 1,390,000 |
| Interest | 0 | 0 | 0 | 0 | 345,000 |
| Fiscal Agent Charges | 1,750 | 2,143 | 1,400 | 1,600 | 2,000 |
| Total Debt Service Requirement | \$2,944,487 | \$3,141,053 | \$3,616,748 | \$3,616,212 | \$4,150,767 |
| Fund Balance, September 30 | \$758,686 | \$782,055 | \$742,507 | \$827,043 | \$1,036,276 |
| | -6381 | 23369 | -39548 | 44988 | 209233 |

General Obligation Debt Service Fund

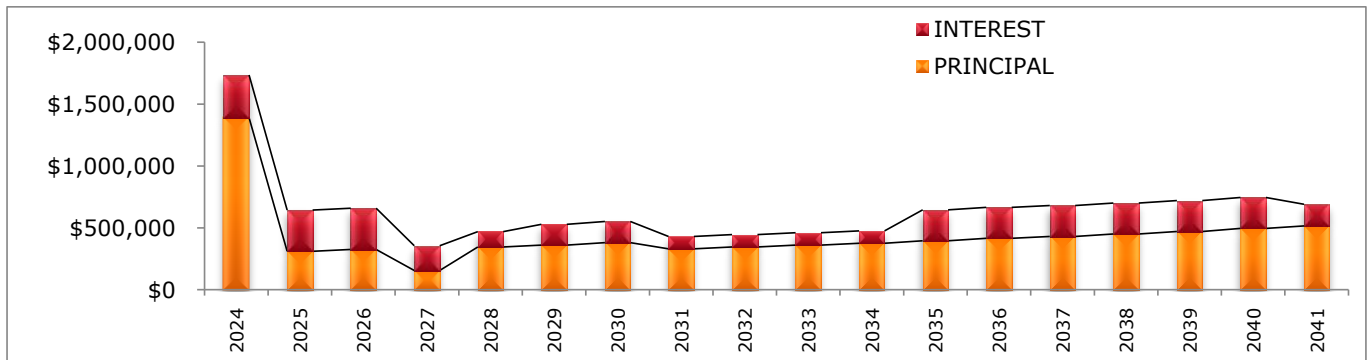
Annual Debt Service Requirement

Series 2023 Certificates of Obligation (\$8,950,000) *EST

| YEAR ENDING SEPT. 30 | DEBT OUTSTANDING | | Interest Rate | INTEREST | TOTAL |
|-------------------------|---------------------|--------------------|------------------|--------------------|---------------------|
| | OCT. 1 | PRINCIPAL | | | |
| 2024 | \$8,950,000 | \$1,390,000 | 4.5% | \$345,000 | \$1,735,000 |
| 2025 | \$7,560,000 | \$310,000 | 4.5% | \$333,225 | \$643,225 |
| 2026 | \$7,250,000 | \$325,000 | 4.5% | \$333,225 | \$658,225 |
| 2027 | \$6,925,000 | \$155,000 | 4.5% | \$200,000 | \$355,000 |
| 2028 | \$6,770,000 | \$345,000 | 4.5% | \$124,000 | \$469,000 |
| 2029 | \$6,425,000 | \$360,000 | 4.5% | \$168,000 | \$528,000 |
| 2030 | \$6,065,000 | \$380,000 | 4.5% | \$171,000 | \$551,000 |
| 2031 | \$5,685,000 | \$330,000 | 4.5% | \$100,000 | \$430,000 |
| 2032 | \$5,355,000 | \$345,000 | 4.5% | \$100,000 | \$445,000 |
| 2033 | \$5,010,000 | \$360,000 | 4.5% | \$100,000 | \$460,000 |
| 2034 | \$4,650,000 | \$375,000 | 4.5% | \$100,000 | \$475,000 |
| 2035 | \$4,275,000 | \$395,000 | 4.5% | \$250,000 | \$645,000 |
| 2036 | \$3,880,000 | \$415,000 | 4.5% | \$250,000 | \$665,000 |
| 2037 | \$3,465,000 | \$430,000 | 4.5% | \$250,000 | \$680,000 |
| 2038 | \$3,035,000 | \$450,000 | 4.5% | \$250,000 | \$700,000 |
| 2039 | \$2,585,000 | \$470,000 | 4.5% | \$250,000 | \$720,000 |
| 2040 | \$2,115,000 | \$495,000 | 4.5% | \$250,000 | \$745,000 |
| 2041 | \$1,620,000 | \$515,000 | 4.5% | \$175,000 | \$690,000 |
| 2042 | \$1,105,000 | \$540,000 | 4.5% | \$175,000 | \$715,000 |
| 2043 | \$565,000 | \$565,000 | 4.5% | \$175,000 | \$740,000 |
| | | <u>\$8,950,000</u> | | <u>\$4,099,450</u> | <u>\$13,049,450</u> |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|--------------------|--------------------|------------------|
| This Year's Requirement | 2024 | \$1,735,000 | \$1,390,000 | \$345,000 |
| Maximum Requirement | 2024 | \$1,735,000 | \$1,390,000 | \$345,000 |
| Total Outstanding Bonds | | \$8,950,000 | | |
| Total Original Issue | | \$8,950,000 | | |
| Issue Date | | 9/1/2023 | | |

Proceeds for contractual obligations of the City to be incurred for making permanent public improvements and purposes, to-wit: (1) constructing street improvements, curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's utility system and public works facilities; (3) designing, constructing, renovating, improving, and equipping the City's parks and recreational facilities, including playground equipment; (4) the purchase of materials, supplies, equipment, digital signage, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; (5) the purchase of fleet vehicles, technology improvements, HVAC improvements, public safety equipment, and a motorcycle; and (6) payment for professional and employee services relating to the design, construction, project management, inspection, consultant services, and financing of the aforementioned projects.



General Obligation Debt Service Fund

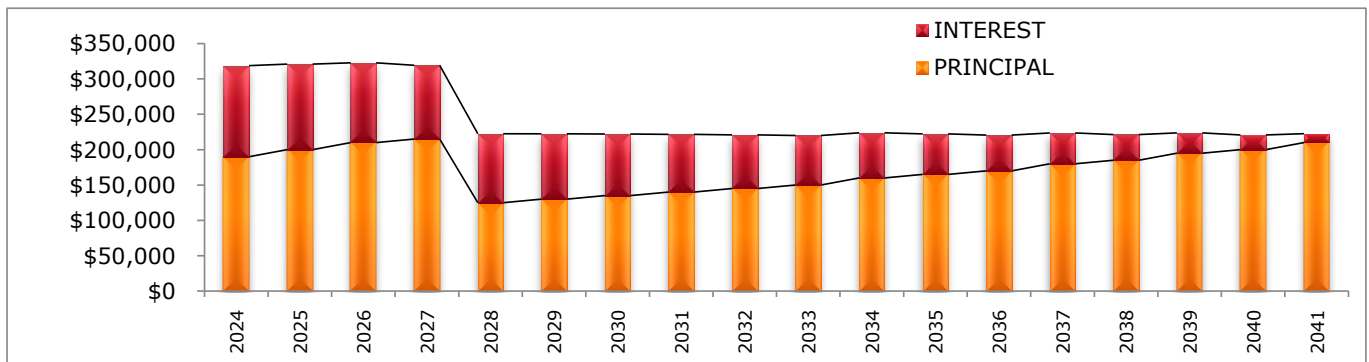
Annual Debt Service Requirement

Series 2022 Certificates of Obligation (\$4,385,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|--------------------|------------------|--------------------|--------------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$3,445,000 | \$190,000 | 4.0% | \$128,800 | \$318,800 |
| 2025 | \$3,255,000 | \$200,000 | 4.0% | \$121,000 | \$321,000 |
| 2026 | \$3,055,000 | \$210,000 | 4.0% | \$112,800 | \$322,800 |
| 2027 | \$2,845,000 | \$215,000 | 4.0% | \$104,300 | \$319,300 |
| 2028 | \$2,630,000 | \$125,000 | 4.0% | \$97,500 | \$222,500 |
| 2029 | \$2,505,000 | \$130,000 | 4.0% | \$92,400 | \$222,400 |
| 2030 | \$2,375,000 | \$135,000 | 4.0% | \$87,100 | \$222,100 |
| 2031 | \$2,240,000 | \$140,000 | 4.0% | \$81,600 | \$221,600 |
| 2032 | \$2,100,000 | \$145,000 | 4.0% | \$75,900 | \$220,900 |
| 2033 | \$1,955,000 | \$150,000 | 4.0% | \$70,000 | \$220,000 |
| 2034 | \$1,805,000 | \$160,000 | 4.0% | \$63,800 | \$223,800 |
| 2035 | \$1,645,000 | \$165,000 | 4.0% | \$57,300 | \$222,300 |
| 2036 | \$1,480,000 | \$170,000 | 4.0% | \$50,600 | \$220,600 |
| 2037 | \$1,310,000 | \$180,000 | 4.0% | \$43,600 | \$223,600 |
| 2038 | \$1,130,000 | \$185,000 | 4.0% | \$36,300 | \$221,300 |
| 2039 | \$945,000 | \$195,000 | 4.0% | \$28,700 | \$223,700 |
| 2040 | \$750,000 | \$200,000 | 4.0% | \$20,800 | \$220,800 |
| 2041 | \$550,000 | \$210,000 | 4.0% | \$12,600 | \$222,600 |
| 2042 | \$340,000 | \$210,000 | 4.0% | \$4,200 | \$214,200 |
| | | \$3,315,000 | | \$1,289,300 | \$4,604,300 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|--------------------|------------------|------------------|------------------|
| This Year's Requirement | 2024 | \$318,800 | \$190,000 | \$128,800 |
| Maximum Requirement | 2025 | \$321,000 | \$200,000 | \$121,000 |
| Total Outstanding Bonds | \$3,315,000 | | | |
| Total Original Issue | \$4,450,000 | | | |
| Issue Date | 8/15/2022 | | | |

Proceeds for contractual obligations of the City to be incurred for making permanent public improvements and purposes, to-wit: (1) constructing street improvements, curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's utility system and public works facilities; (3) designing, constructing, renovating, improving, and equipping the City's parks and recreational facilities, including playground equipment; (4) the purchase of materials, supplies, equipment, digital signage, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; (5) the purchase of fleet vehicles, technology improvements, HVAC improvements, public safety equipment, and a motorcycle; and (6) payment for professional and employee services relating to the design, construction, project management, inspection, consultant services, and financing of the aforementioned projects.



General Obligation Debt Service Fund

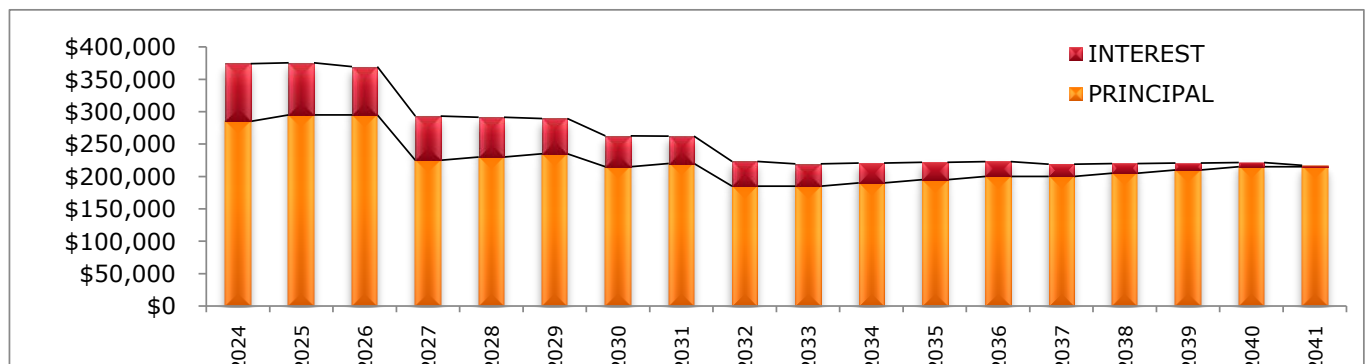
Annual Debt Service Requirement

Series 2021 Certificates of Obligation (\$4,540,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|-------------|------------------|-----------|-------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$4,000,000 | \$285,000 | 4.000% | \$89,050 | \$374,050 |
| 2025 | \$3,715,000 | \$295,000 | 2.000% | \$80,400 | \$375,400 |
| 2026 | \$3,420,000 | \$295,000 | 2.000% | \$74,500 | \$369,500 |
| 2027 | \$3,125,000 | \$225,000 | 3.000% | \$68,175 | \$293,175 |
| 2028 | \$2,900,000 | \$230,000 | 3.000% | \$61,350 | \$291,350 |
| 2029 | \$2,670,000 | \$235,000 | 3.000% | \$54,375 | \$289,375 |
| 2030 | \$2,435,000 | \$215,000 | 3.000% | \$47,625 | \$262,625 |
| 2031 | \$2,220,000 | \$220,000 | 2.000% | \$42,200 | \$262,200 |
| 2032 | \$2,000,000 | \$185,000 | 2.000% | \$38,150 | \$223,150 |
| 2033 | \$1,815,000 | \$185,000 | 2.000% | \$34,450 | \$219,450 |
| 2034 | \$1,630,000 | \$190,000 | 2.000% | \$30,700 | \$220,700 |
| 2035 | \$1,440,000 | \$195,000 | 2.000% | \$26,850 | \$221,850 |
| 2036 | \$1,245,000 | \$200,000 | 2.000% | \$22,900 | \$222,900 |
| 2037 | \$1,045,000 | \$200,000 | 2.000% | \$18,900 | \$218,900 |
| 2038 | \$845,000 | \$205,000 | 2.000% | \$14,850 | \$219,850 |
| 2039 | \$640,000 | \$210,000 | 2.000% | \$10,700 | \$220,700 |
| 2040 | \$430,000 | \$215,000 | 2.000% | \$6,450 | \$221,450 |
| 2041 | \$215,000 | \$215,000 | 2.000% | \$2,150 | \$217,150 |
| | | \$4,000,000 | | \$723,775 | \$4,723,775 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|--------------------|------------------|------------------|-----------------|
| This Year's Requirement | 2024 | \$374,050 | \$285,000 | \$89,050 |
| Maximum Requirement | 2025 | \$375,400 | \$295,000 | \$80,400 |
| Total Outstanding Bonds | \$4,000,000 | | | |
| Total Original Issue | \$4,540,000 | | | |
| Issue Date | 8/1/2021 | | | |

Proceeds for contractual obligations of the City to be incurred for making permanent public improvements and purposes, to-wit: (1) constructing street improvements, curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's utility system and public works facilities; (3) designing, constructing, renovating, improving, and equipping the City's parks and recreational facilities, including playground equipment; (4) the purchase of materials, supplies, equipment, digital signage, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; (5) the purchase of fleet vehicles, technology improvements, HVAC improvements, public safety equipment, and a motorcycle; and (6) payment for professional and employee services relating to the design, construction, project management, inspection, consultant services, and financing of the aforementioned projects.



General Obligation Debt Service Fund

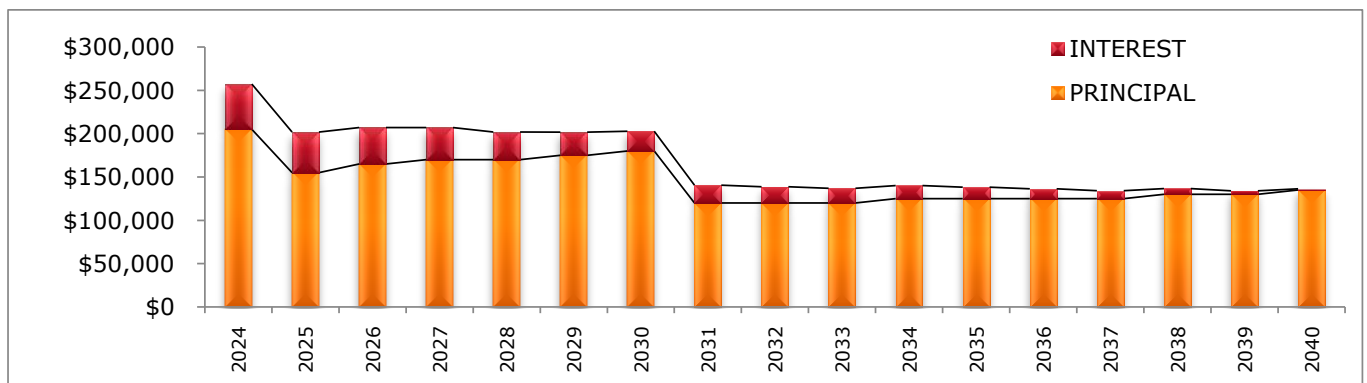
Annual Debt Service Requirement

Series 2020 Certificates of Obligation (\$2,910,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|-------------|------------------|-----------|-------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$2,475,000 | \$205,000 | 3.000% | \$52,250 | \$257,250 |
| 2025 | \$2,270,000 | \$155,000 | 3.000% | \$46,850 | \$201,850 |
| 2026 | \$2,115,000 | \$165,000 | 3.000% | \$42,050 | \$207,050 |
| 2027 | \$1,950,000 | \$170,000 | 3.000% | \$37,025 | \$207,025 |
| 2028 | \$1,780,000 | \$170,000 | 3.000% | \$31,925 | \$201,925 |
| 2029 | \$1,610,000 | \$175,000 | 3.000% | \$26,750 | \$201,750 |
| 2030 | \$1,435,000 | \$180,000 | 1.500% | \$22,775 | \$202,775 |
| 2031 | \$1,255,000 | \$120,000 | 1.500% | \$20,525 | \$140,525 |
| 2032 | \$1,135,000 | \$120,000 | 1.500% | \$18,725 | \$138,725 |
| 2033 | \$1,015,000 | \$120,000 | 1.500% | \$16,925 | \$136,925 |
| 2034 | \$895,000 | \$125,000 | 1.500% | \$15,088 | \$140,088 |
| 2035 | \$770,000 | \$125,000 | 1.500% | \$13,213 | \$138,213 |
| 2036 | \$645,000 | \$125,000 | 1.500% | \$11,338 | \$136,338 |
| 2037 | \$520,000 | \$125,000 | 2.000% | \$9,150 | \$134,150 |
| 2038 | \$395,000 | \$130,000 | 2.000% | \$6,600 | \$136,600 |
| 2039 | \$265,000 | \$130,000 | 2.000% | \$4,000 | \$134,000 |
| 2040 | \$135,000 | \$135,000 | 2.000% | \$1,350 | \$136,350 |
| | | \$2,475,000 | | \$376,538 | \$2,851,538 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|--------------|------------------|-----------------|
| This Year's Requirement | 2024 | \$257,250 | \$205,000 | \$52,250 |
| Maximum Requirement | 2024 | \$257,250 | \$205,000 | \$52,250 |
| Total Outstanding Bonds | | \$2,475,000 | | |
| Total Original Issue | | \$2,910,000 | | |
| Issue Date | | 8/24/2020 | | |

Proceeds to be used for Fire Station Building renovations, street improvements, vehicles and equipment, and technology enhancements, construction of an incubator restaurant site.



General Obligation Debt Service Fund

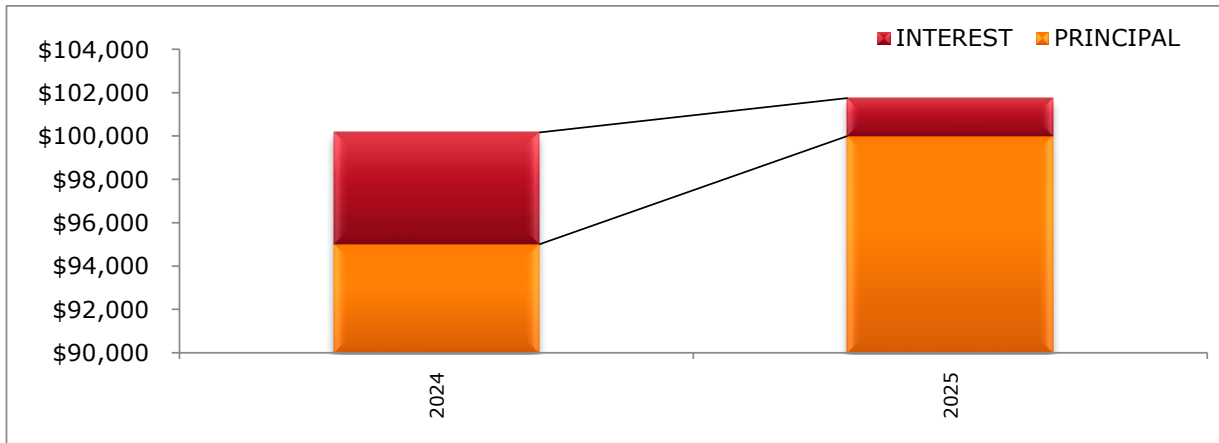
Annual Debt Service Requirement

Series 2020 Certificates of Obligation Tax Note (\$450,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|-----------|------------------|----------|-----------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$195,000 | \$95,000 | 3.500% | \$5,163 | \$100,163 |
| 2025 | \$100,000 | \$100,000 | 3.500% | \$1,750 | \$101,750 |
| | | \$195,000 | | \$6,913 | \$201,913 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|--------------|------------------|-----------------|
| This Year's Requirement | 2024 | \$100,163 | \$95,000 | \$5,163 |
| Maximum Requirement | 2025 | \$101,750 | \$100,000 | \$1,750 |
| Total Outstanding Bonds | | \$195,000 | | |
| Total Original Issue | | \$450,000 | | |
| Issue Date | | 2/5/2020 | | |

Proceeds to be used for design of Fire Station Restroom renovation and purchase of ambulance.



General Obligation Debt Service Fund

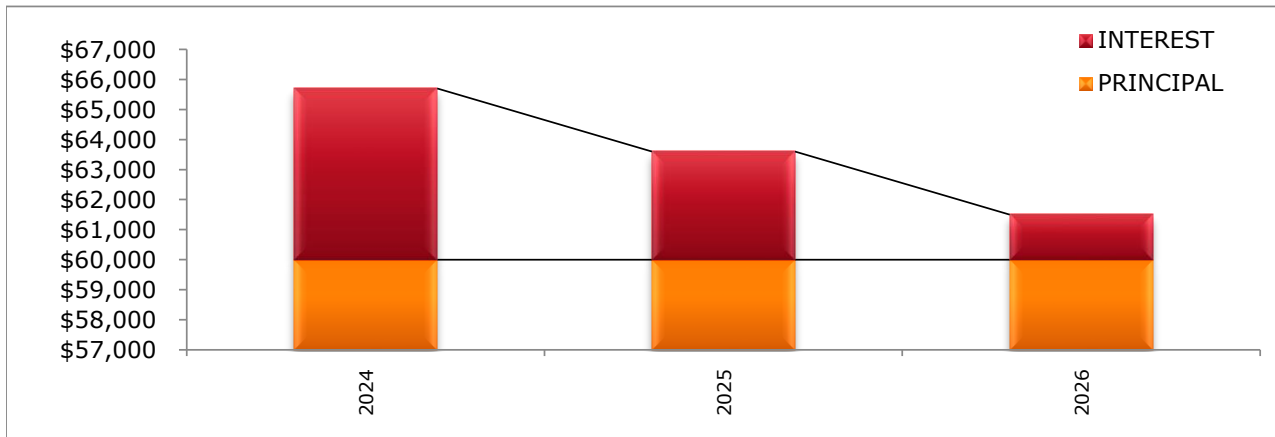
Annual Debt Service Requirement

Series 2019 Certificates of Obligation (\$425,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|-----------|------------------|----------|-----------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$180,000 | \$60,000 | 5.000% | \$5,700 | \$65,700 |
| 2025 | \$120,000 | \$60,000 | 2.000% | \$3,600 | \$63,600 |
| 2026 | \$60,000 | \$60,000 | 5.000% | \$1,500 | \$61,500 |
| | | \$180,000 | | \$10,800 | \$190,800 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|------------------|------------------|-----------------|
| This Year's Requirement | 2024 | \$65,700 | \$60,000 | \$5,700 |
| Maximum Requirement | 2024 | \$65,700 | \$60,000 | \$5,700 |
| Total Outstanding Bonds | | \$180,000 | | |
| Total Original Issue | | \$425,000 | | |
| Issue Date | | 8/15/2019 | | |

Proceeds to be used for capital equipment. Proceeds can also be used for: construct street improvements such as utilities repair, curb, gutters, sidewalk and drainage improvement. Construct, improve, renovate existing municipal facilities or parks projects. Purchase of materials, supplies, equipment and land for aforementioned capital improvements. Payment of professional services - design, construction, project management, inspection & consultation of such capital improvements.



General Obligation Debt Service Fund

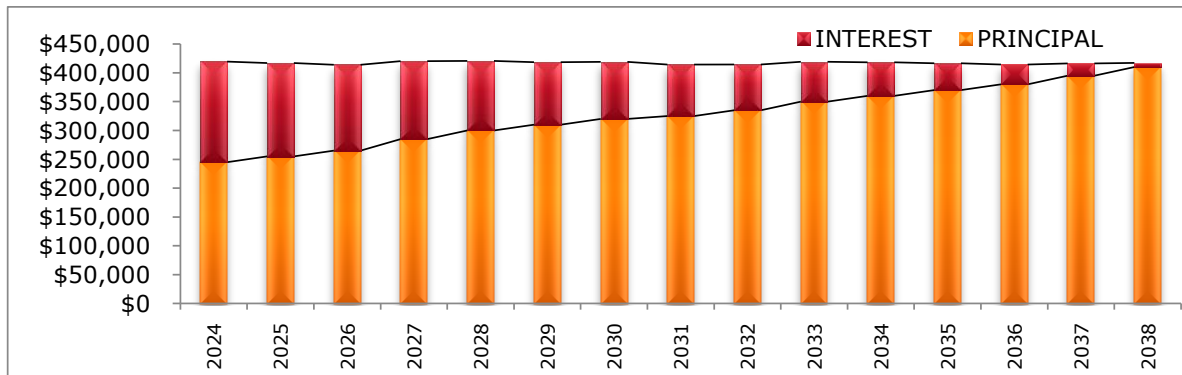
Annual Debt Service Requirement

Series 2018 Certificates of Obligation (\$6,780,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|-------------|------------------|-------------|-------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$4,905,000 | \$245,000 | 5.000% | \$174,465 | \$419,465 |
| 2025 | \$4,660,000 | \$255,000 | 5.000% | \$161,965 | \$416,965 |
| 2026 | \$4,405,000 | \$265,000 | 5.000% | \$148,965 | \$413,965 |
| 2027 | \$4,140,000 | \$285,000 | 5.000% | \$135,215 | \$420,215 |
| 2028 | \$3,855,000 | \$300,000 | 5.000% | \$120,590 | \$420,590 |
| 2029 | \$3,555,000 | \$310,000 | 3.000% | \$108,440 | \$418,440 |
| 2030 | \$3,245,000 | \$320,000 | 3.000% | \$98,990 | \$418,990 |
| 2031 | \$2,925,000 | \$325,000 | 3.000% | \$89,315 | \$414,315 |
| 2032 | \$2,600,000 | \$335,000 | 3.000% | \$79,415 | \$414,415 |
| 2033 | \$2,265,000 | \$350,000 | 3.000% | \$69,140 | \$419,140 |
| 2034 | \$1,915,000 | \$360,000 | 3.150% | \$58,220 | \$418,220 |
| 2035 | \$1,555,000 | \$370,000 | 3.250% | \$46,538 | \$416,538 |
| 2036 | \$1,185,000 | \$380,000 | 3.250% | \$34,350 | \$414,350 |
| 2037 | \$805,000 | \$395,000 | 3.500% | \$21,263 | \$416,263 |
| 2038 | \$410,000 | \$410,000 | 3.500% | \$7,175 | \$417,175 |
| | | \$4,905,000 | | \$1,354,045 | \$6,259,045 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|--------------------|------------------|------------------|
| This Year's Requirement | 2024 | \$419,465 | \$245,000 | \$174,465 |
| Maximum Requirement | 2028 | \$420,590 | \$300,000 | \$120,590 |
| Total Outstanding Bonds | | \$4,905,000 | | |
| Total Original Issue | | \$6,780,000 | | |
| Issue Date | | 9/18/2018 | | |

Construct street improvements such as utilities repair, curb, gutters, sidewalk and drainage improvement. Construct, improve, renovate existing municipal facilities including a splash pad and park trails. Purchase of materials, supplies, equipment and land for aforementioned capital improvements. Payment of professional services - design, construction, project management, inspection & consultation of such capital improvements.



General Obligation Debt Service Fund

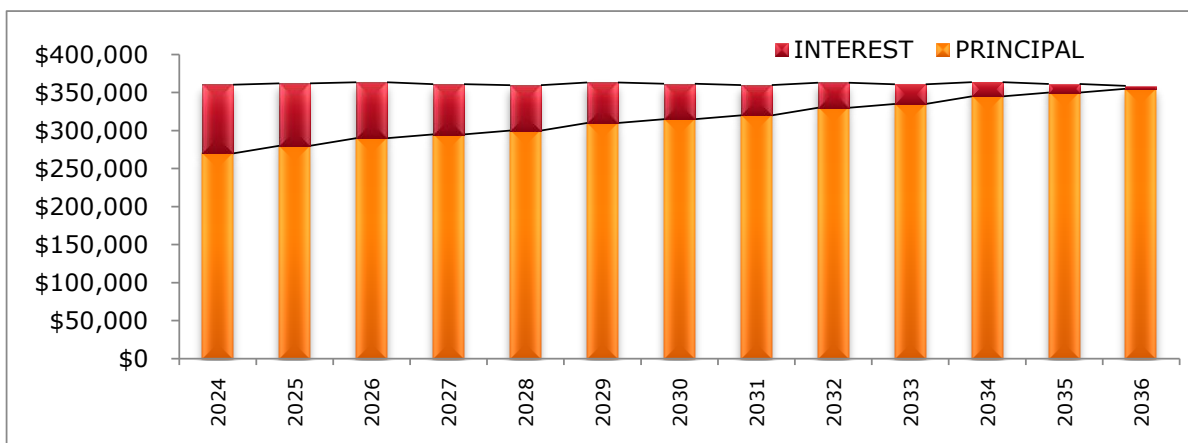
Annual Debt Service Requirement

Series 2016 Certificates of Obligation (\$5,885,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|-------------|------------------|-----------|-------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$4,095,000 | \$270,000 | 3.000% | \$90,319 | \$360,319 |
| 2025 | \$3,825,000 | \$280,000 | 3.000% | \$82,069 | \$362,069 |
| 2026 | \$3,545,000 | \$290,000 | 3.000% | \$73,519 | \$363,519 |
| 2027 | \$3,255,000 | \$295,000 | 2.125% | \$66,034 | \$361,034 |
| 2028 | \$2,960,000 | \$300,000 | 2.125% | \$59,713 | \$359,713 |
| 2029 | \$2,660,000 | \$310,000 | 2.125% | \$53,231 | \$363,231 |
| 2030 | \$2,350,000 | \$315,000 | 2.125% | \$46,591 | \$361,591 |
| 2031 | \$2,035,000 | \$320,000 | 2.125% | \$39,844 | \$359,844 |
| 2032 | \$1,715,000 | \$330,000 | 2.125% | \$32,938 | \$362,938 |
| 2033 | \$1,385,000 | \$335,000 | 2.125% | \$25,872 | \$360,872 |
| 2034 | \$1,050,000 | \$345,000 | 2.125% | \$18,647 | \$363,647 |
| 2035 | \$705,000 | \$350,000 | 2.125% | \$11,263 | \$361,263 |
| 2036 | \$355,000 | \$355,000 | 2.125% | \$3,772 | \$358,772 |
| | | \$4,095,000 | | \$603,809 | \$4,698,809 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|--------------------|------------------|-----------------|
| This Year's Requirement | 2024 | \$360,319 | \$270,000 | \$90,319 |
| Maximum Requirement | 2034 | \$363,647 | \$345,000 | \$18,647 |
| Total Outstanding Bonds | | \$4,095,000 | | |
| Total Original Issue | | \$5,885,000 | | |
| Issue Date | | 9/28/2016 | | |

Construct street improvements such as utilities repair, curb, gutters, sidewalk and drainage improvement. Construct, improve, renovate existing municipal facilities including a splash pad and park trails. Purchase of materials, supplies, equipment and land for aforementioned capital improvements. Payment of professional services - design, construction, project management, inspection & consultation of such capital improvements.



General Obligation Debt Service Fund

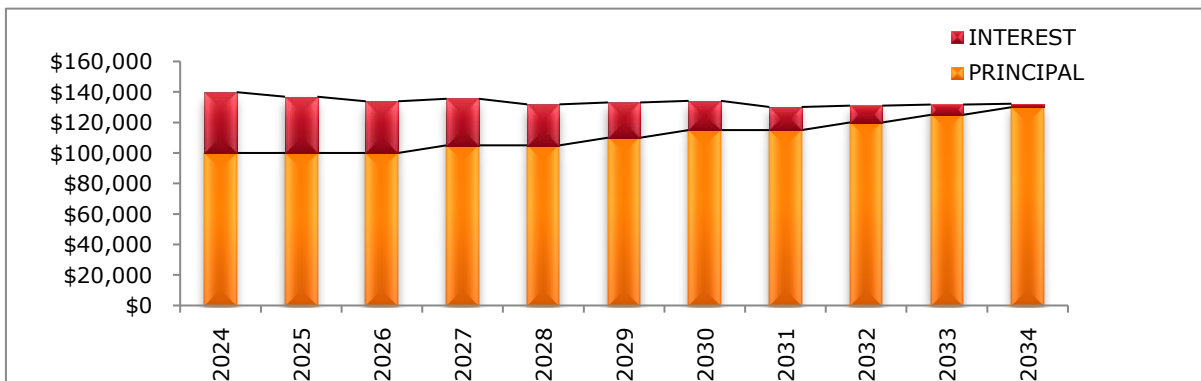
Annual Debt Service Requirement

Series 2014 Certificates of Obligation (\$3,500,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|-------------|------------------|-----------|-------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$1,225,000 | \$100,000 | 3.000% | \$39,875 | \$139,875 |
| 2025 | \$1,125,000 | \$100,000 | 3.000% | \$36,875 | \$136,875 |
| 2026 | \$1,025,000 | \$100,000 | 3.000% | \$33,875 | \$133,875 |
| 2027 | \$925,000 | \$105,000 | 3.500% | \$30,538 | \$135,538 |
| 2028 | \$820,000 | \$105,000 | 3.500% | \$26,863 | \$131,863 |
| 2029 | \$715,000 | \$110,000 | 3.500% | \$23,100 | \$133,100 |
| 2030 | \$605,000 | \$115,000 | 3.500% | \$19,163 | \$134,163 |
| 2031 | \$490,000 | \$115,000 | 3.500% | \$15,138 | \$130,138 |
| 2032 | \$375,000 | \$120,000 | 3.500% | \$11,025 | \$131,025 |
| 2033 | \$255,000 | \$125,000 | 3.500% | \$6,738 | \$131,738 |
| 2034 | \$130,000 | \$130,000 | 3.500% | \$2,275 | \$132,275 |
| | | \$1,225,000 | | \$245,465 | \$1,470,465 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|--------------|------------------|-----------------|
| This Year's Requirement | 2024 | \$139,875 | \$100,000 | \$39,875 |
| Maximum Requirement | 2024 | \$139,875 | \$100,000 | \$39,875 |
| Total Outstanding Bonds | | \$1,225,000 | | |
| 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 Senior Center Facility. Purchase of materials, supplies, equipment and land for Senior Center Facility. Payment of professional services related to design, construction, project management, inspection & consultation of Senior Center Facility.



General Obligation Debt Service Fund

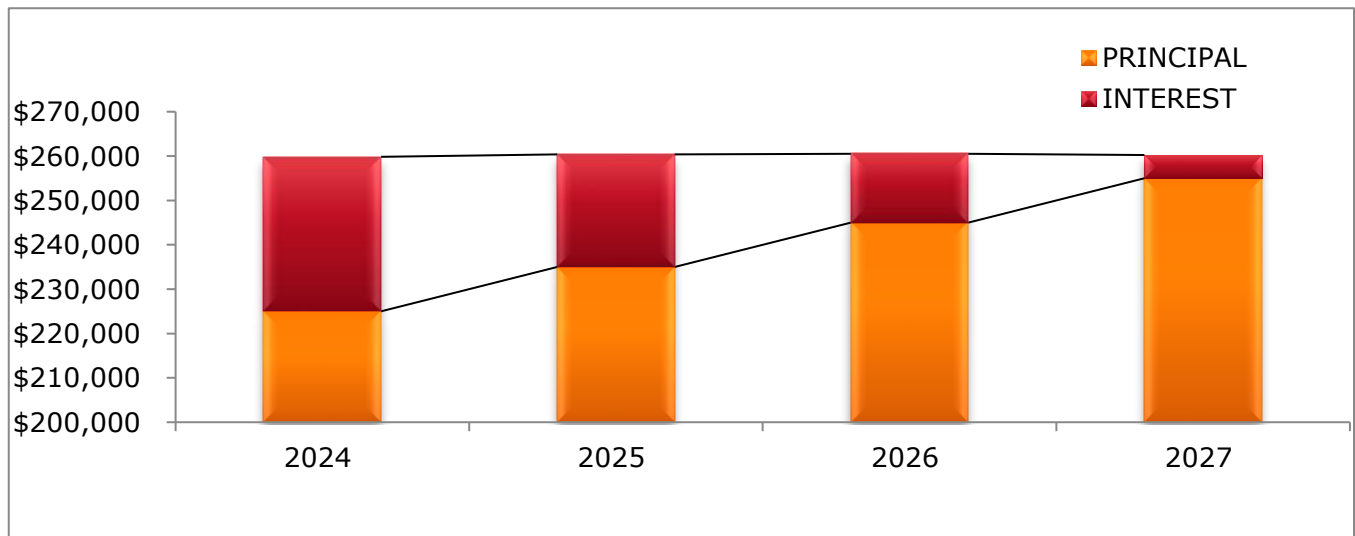
Annual Debt Service Requirement

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

| YEAR ENDING SEPT. 30 | DEBT OUTSTANDING OCT. 1 | PRINCIPAL | Interest Rate | INTEREST | TOTAL |
|-------------------------|-------------------------------|------------------|------------------|-----------------|--------------------|
| 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 |
| | | \$960,000 | | \$80,967 | \$1,040,967 |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------------------|-------------|--------------|------------------|-----------------|
| This Year's Requirement | 2024 | \$259,832 | \$225,000 | \$34,832 |
| Maximum Requirement | 2026 | \$260,515 | \$245,000 | \$15,515 |
| Total Outstanding Bonds | | \$960,000 | | |
| Total Original Issue | | \$3,400,000 | | |
| Issue Date | | 8/29/2007 | | |

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



DEBT SERVICE

Water and Sewer Certificates of Obligation Debt Service Fund

The Water and Sewer Certificates of Obligation Debt Service fund is used to account for Certificates of Obligation whose principal and interest are payable from earnings of the City of Watauga's Water and Sewer Enterprise Fund.

The 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 FY2001-2002 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 FY2004-2005 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. This issuance was refunded in November 2020, resulting in an interest savings of \$84,000 for the remaining bonds.

In July 2012, the City issued \$7,730,000 of Combination Tax and Limited Pledge Revenue Certificates of Obligation. These bonds financed Water and Sewer Projects that have been completed. Due to low interest rates, the City was able to refund the certificates in October 2021 for a significant savings of \$419,775 for the remaining bonds..

In FY2016-2017, \$1.2 million of the Utility Fund debt service dropped off due to the final payment being made in FY2015-2016 for the debt service associated with the purchase of the Water system from North Richland Hills. In the summer of 2017, the City Council considered and approved additional utility project infrastructure funding by issuing certificates of obligation in the amount of \$7.325 million. These funds were received in August 2017 and provided funding for several water and sewer projects identified in the City's 5-year Capital Improvements Project plan.

An \$8.490 million Combination Tax and Limited Pledge Revenue Certificates of Obligation was issued in August 2019. \$8.065 million of the issuance was dedicated

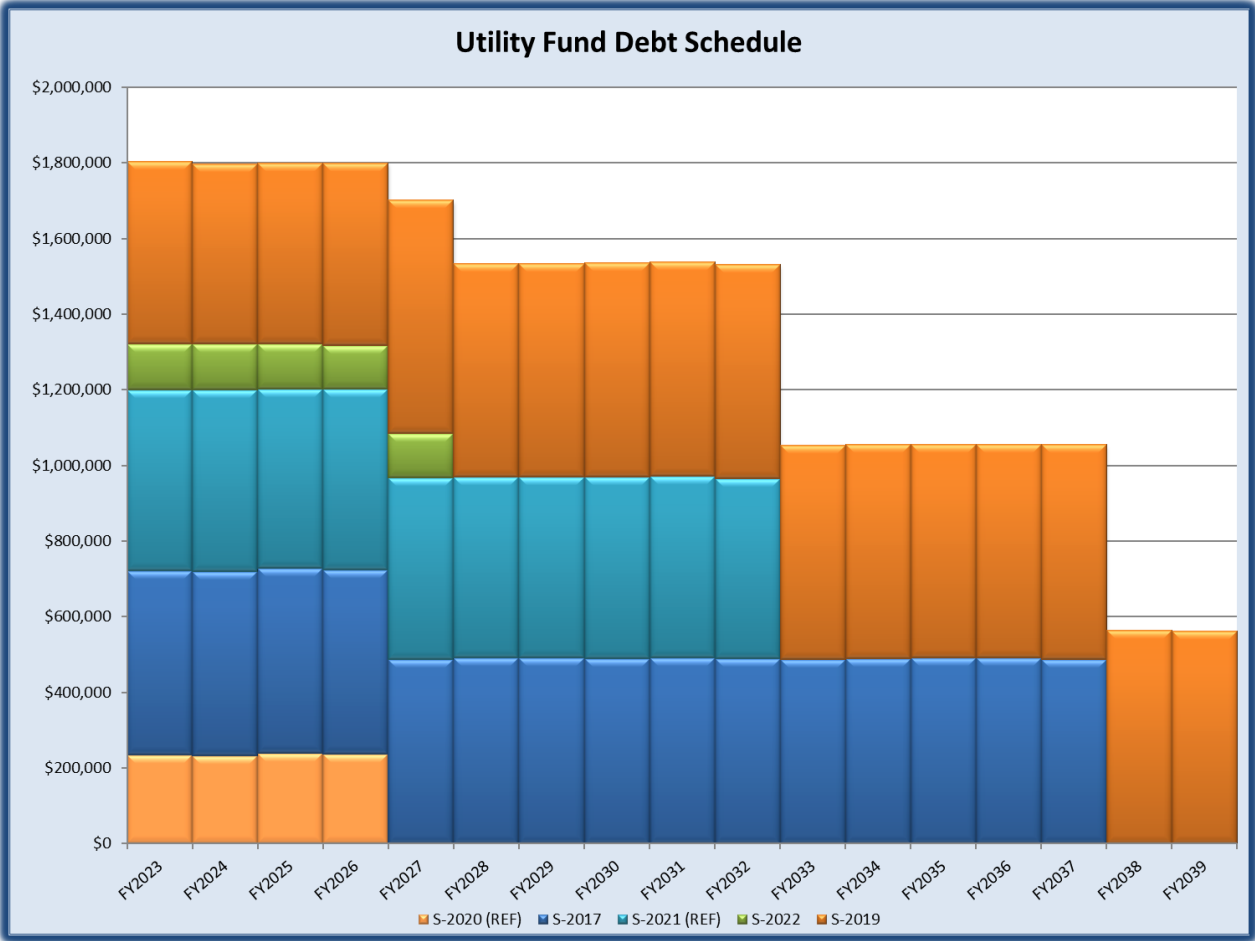
DEBT SERVICE

to water sewer projects and to fund capital equipment and the remaining amount will fund general capital equipment and projects. These Water and Sewer infrastructure projects will continue throughout the next several 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 remains level through 2026 at approximately \$1.8 million annually. Projects have been identified for a future debt issuance once the 2019 projects are substantially complete.



W/S Certificate of Obligation Bonds

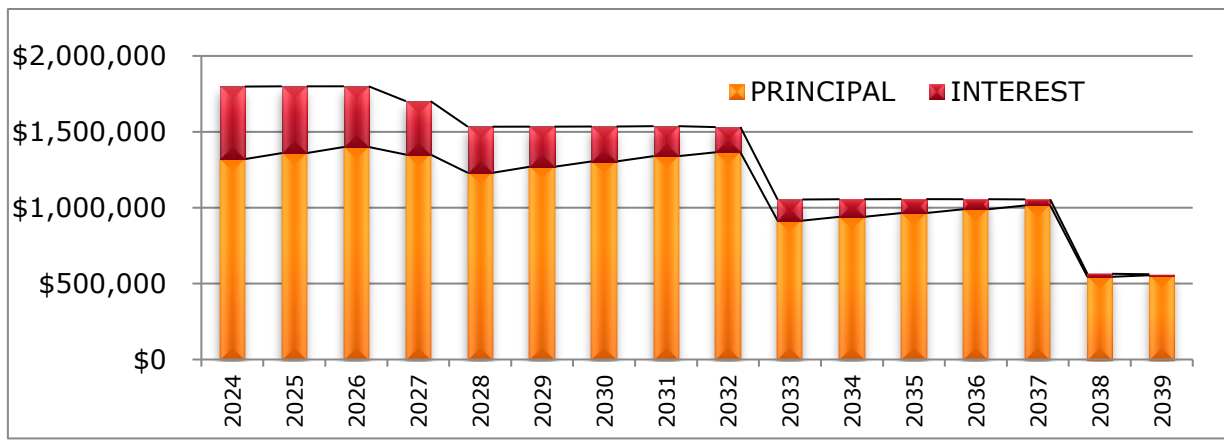
Debt Service Schedule

Requirements to Maturity

All Issues

| YEAR ENDING SEPT. 30 | DEBT OUTSTANDING OCT.1 | PRINCIPAL | INTEREST | TOTAL |
|-------------------------|------------------------------|---------------------|--------------------|---------------------|
| 2024 | \$17,875,000 | \$1,320,000 | \$478,163 | \$1,798,163 |
| 2025 | \$16,555,000 | \$1,360,000 | \$439,722 | \$1,799,722 |
| 2026 | \$15,195,000 | \$1,400,000 | \$399,897 | \$1,799,897 |
| 2027 | \$13,795,000 | \$1,350,000 | \$351,923 | \$1,701,923 |
| 2028 | \$12,435,000 | \$1,230,000 | \$303,648 | \$1,533,648 |
| 2029 | \$11,205,000 | \$1,270,000 | \$264,048 | \$1,534,048 |
| 2030 | \$9,935,000 | \$1,305,000 | \$229,973 | \$1,534,973 |
| 2031 | \$8,630,000 | \$1,340,000 | \$197,273 | \$1,537,273 |
| 2032 | \$7,290,000 | \$1,365,000 | \$166,123 | \$1,531,123 |
| 2033 | \$5,925,000 | \$915,000 | \$139,123 | \$1,054,123 |
| 2034 | \$5,010,000 | \$940,000 | \$115,935 | \$1,055,935 |
| 2035 | \$4,070,000 | \$965,000 | \$91,460 | \$1,056,460 |
| 2036 | \$3,105,000 | \$990,000 | \$65,998 | \$1,055,998 |
| 2037 | \$2,115,000 | \$1,015,000 | \$39,611 | \$1,054,611 |
| 2038 | \$1,100,000 | \$545,000 | \$19,653 | \$564,653 |
| 2039 | \$555,000 | \$555,000 | \$6,591 | \$561,591 |
| | | \$17,865,000 | \$3,309,137 | \$21,174,137 |

| | Year | Total | Principal | Interest |
|--------------------------------|-------------|--------------------|--------------------|------------------|
| This Year's Requirement | 2024 | \$1,803,433 | \$1,320,000 | \$478,163 |
| Maximum Requirement | 2026 | \$1,799,897 | \$1,400,000 | \$399,897 |



**Water and Sewer Certificates of Obligation
Budget Summary FUND 44**

| | HISTORY | | CURRENT YEAR | | FORECAST |
|---|-------------------|-------------------|-------------------|----------------------|---------------------|
| | 2020-21 Actual | 2021-22 Actual | 2022-23 Budget | 2022-23 Estimate* | 2023-24 Budget * |
| Fund Balance, October 1 | (\$39,947) | \$24,122 | \$129,544 | \$129,544 | \$49,396 |
| <u>Revenue:</u> | | | | | |
| Transfer from W/S Op Fund | 1,598,324 | 1,760,000 | 1,726,000 | 1,726,000 | 1,800,000 |
| Transfer from W/S CO | 0 | 0 | 0 | 0 | 0 |
| Interest income | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 1,598,324 | 1,760,000 | 1,726,000 | 1,726,000 | 1,800,000 |
| Total Available Resources | 1,558,377 | 1,784,122 | 1,855,544 | 1,855,544 | 1,849,396 |
| <u>Debt Service Requirements:</u> | | | | | |
| Series 2011 CO/Refunding | | | | | |
| Principal | 0 | 0 | 225,000 | 225,000 | 225,000 |
| Interest | 4,796 | (4,311) | 9,448 | 9,448 | 6,815 |
| Series 2012 CO | | | | | |
| Principal | 0 | 0 | 365,000 | 365,000 | 380,000 |
| Interest | 158,850 | 95,775 | 113,000 | 113,000 | 100,000 |
| Series 2017 CO | | | | | |
| Principal | 0 | 0 | 315,000 | 315,000 | 325,000 |
| Interest | 190,800 | 181,725 | 172,425 | 172,425 | 162,825 |
| Series 2019 CO | | | | | |
| Principal | 0 | 0 | 275,000 | 275,000 | 285,000 |
| Interest | 203,609 | 220,523 | 207,023 | 207,023 | 193,023 |
| Series 2022 (PROPOSED) | - | - | 105,000 | 105,000 | 105,000 |
| Transfer Principal to Utility Constructio | 975,000 | 1,160,000 | 18,852 | 18,852 | 15,500 |
| Transfer to W/S Rev | | | | | |
| Fiscal Agent Charges | 1,200 | 867 | 1,000 | 400 | 1,000 |
| Total Debt Service Requirements | 1,534,255 | 1,654,578 | 1,806,747 | 1,806,147 | 1,799,163 |
| Fund Balance, September 30 | \$24,122 | \$129,544 | \$48,796 | \$49,396 | \$50,234 |

*Fund 42 fund balance included

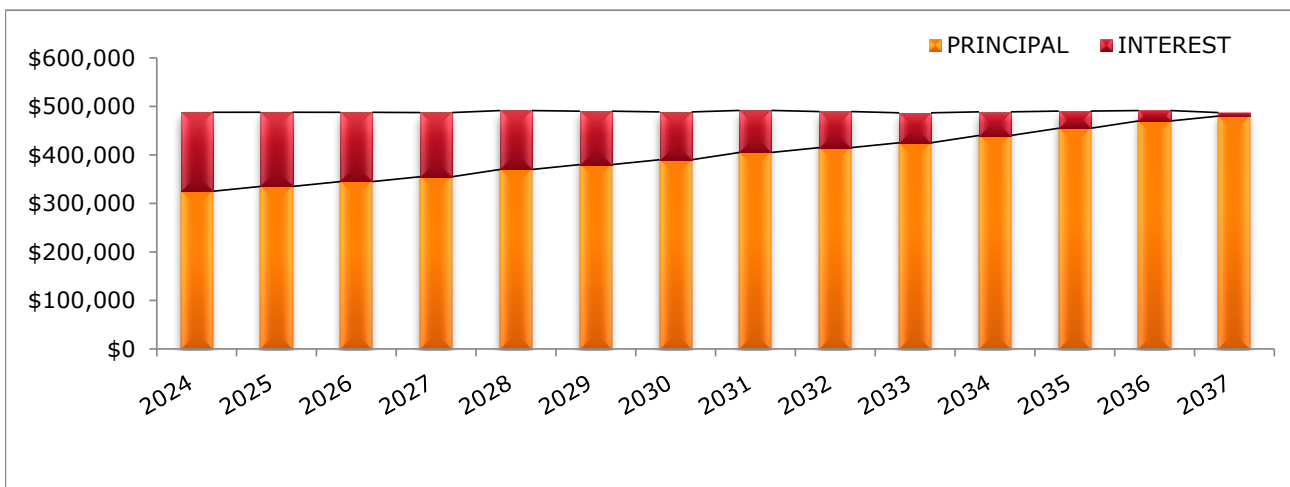
W/S Debt Service Fund 44
Annual Debt Service Requirement - Utility (44)
Series 2017 - Certificate of Obligation (\$7,325,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest | | TOTAL |
|-------------------------|-----------------------|--------------------|----------|--------------------|--------------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | Rate | INTEREST | |
| 2024 | \$5,590,000 | \$325,000 | 3.00% | \$162,825 | \$487,825 |
| 2025 | \$5,265,000 | \$335,000 | 3.00% | \$152,925 | \$487,925 |
| 2026 | \$4,930,000 | \$345,000 | 3.00% | \$142,725 | \$487,725 |
| 2027 | \$4,585,000 | \$355,000 | 3.00% | \$132,225 | \$487,225 |
| 2028 | \$4,230,000 | \$370,000 | 3.00% | \$121,350 | \$491,350 |
| 2029 | \$3,860,000 | \$380,000 | 3.00% | \$110,100 | \$490,100 |
| 2030 | \$3,480,000 | \$390,000 | 3.00% | \$98,550 | \$488,550 |
| 2031 | \$3,090,000 | \$405,000 | 3.00% | \$86,625 | \$491,625 |
| 2032 | \$2,685,000 | \$415,000 | 3.00% | \$74,325 | \$489,325 |
| 2033 | \$2,270,000 | \$425,000 | 3.00% | \$61,725 | \$486,725 |
| 2034 | \$1,845,000 | \$440,000 | 3.00% | \$48,750 | \$488,750 |
| 2035 | \$1,405,000 | \$455,000 | 3.00% | \$35,325 | \$490,325 |
| 2036 | \$950,000 | \$470,000 | 3.00% | \$21,450 | \$491,450 |
| 2037 | \$480,000 | \$480,000 | 3.00% | \$7,200 | \$487,200 |
| | | \$5,590,000 | | \$1,256,100 | \$6,846,100 |

Total Outstanding Bonds **\$5,590,000**
Total Original Issue **\$7,325,000**
Issue Date **6/1/2017**

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 | 2024 | \$487,825 | \$325,000 | \$162,825 |
| Maximum Requirement | 2031 | \$491,625 | \$405,000 | \$86,625 |



W/S Debt Service Fund 44

Annual Debt Service Requirement - Utility (44)

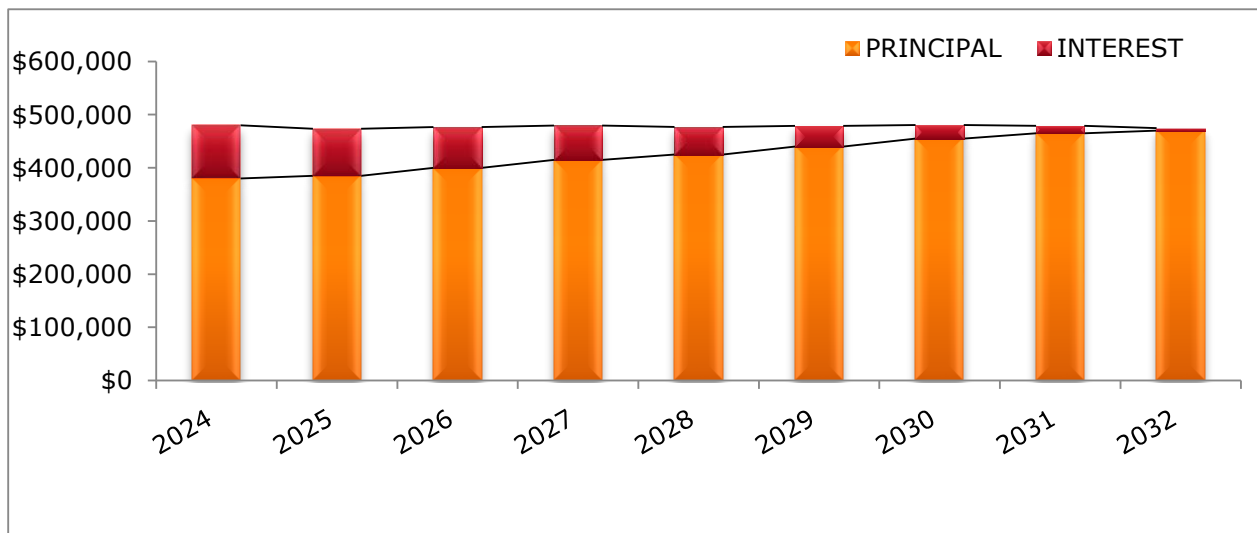
Series 2021 Certificate of Obligation (2012 REF) \$7,730,000

| YEAR ENDING SEPT. 30 | DEBT | | Interest | | TOTAL |
|-------------------------|-----------------------|--------------------|----------|------------------|--------------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | Rate | INTEREST | |
| 2024 | \$3,835,000 | \$380,000 | 3.00% | \$100,000 | \$480,000 |
| 2025 | \$3,455,000 | \$385,000 | 3.00% | \$88,525 | \$473,525 |
| 2026 | \$3,070,000 | \$400,000 | 3.00% | \$76,750 | \$476,750 |
| 2027 | \$2,670,000 | \$415,000 | 3.00% | \$64,525 | \$479,525 |
| 2028 | \$2,255,000 | \$425,000 | 3.00% | \$51,925 | \$476,925 |
| 2029 | \$1,830,000 | \$440,000 | 3.00% | \$38,950 | \$478,950 |
| 2030 | \$1,390,000 | \$455,000 | 3.00% | \$25,525 | \$480,525 |
| 2031 | \$935,000 | \$465,000 | 2.00% | \$14,050 | \$479,050 |
| 2032 | \$470,000 | \$470,000 | 2.00% | \$4,700 | \$474,700 |
| | | \$3,835,000 | | \$464,950 | \$4,299,950 |

Total Outstanding Bonds **\$3,835,000**
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 | 2024 | \$480,000 | \$380,000 | \$100,000 |
| Maximum Requirement | 2030 | \$480,525 | \$455,000 | \$25,525 |



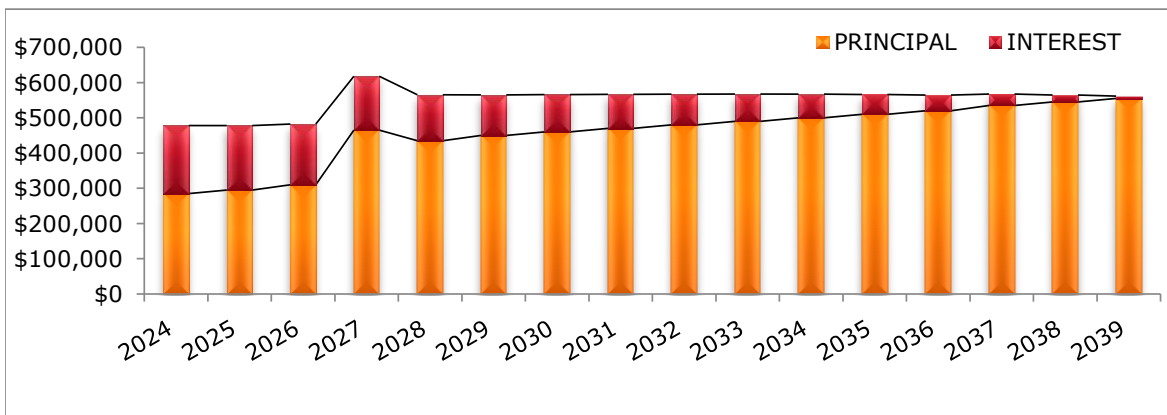
W/S Debt Service Fund 44
Annual Debt Service Requirement - Utility (44)
Series 2019 - Certificate of Obligation (\$8,065,000)

| YEAR ENDING SEPT. 30 | DEBT | | Interest Rate | INTEREST | TOTAL |
|-------------------------|-----------------------|--------------------|------------------|--------------------|--------------------|
| | OUTSTANDING OCT. 1 | PRINCIPAL | | | |
| 2024 | \$7,305,000 | \$285,000 | 5.00% | \$193,023 | \$478,023 |
| 2025 | \$7,020,000 | \$295,000 | 2.00% | \$182,948 | \$477,948 |
| 2026 | \$6,725,000 | \$310,000 | 5.00% | \$172,248 | \$482,248 |
| 2027 | \$6,415,000 | \$465,000 | 5.00% | \$152,873 | \$617,873 |
| 2028 | \$5,950,000 | \$435,000 | 5.00% | \$130,373 | \$565,373 |
| 2029 | \$5,515,000 | \$450,000 | 2.00% | \$114,998 | \$564,998 |
| 2030 | \$5,065,000 | \$460,000 | 2.00% | \$105,898 | \$565,898 |
| 2031 | \$4,605,000 | \$470,000 | 2.00% | \$96,598 | \$566,598 |
| 2032 | \$4,135,000 | \$480,000 | 2.00% | \$87,098 | \$567,098 |
| 2033 | \$3,655,000 | \$490,000 | 2.00% | \$77,398 | \$567,398 |
| 2034 | \$3,165,000 | \$500,000 | 2.13% | \$67,185 | \$567,185 |
| 2035 | \$2,665,000 | \$510,000 | 2.25% | \$56,135 | \$566,135 |
| 2036 | \$2,155,000 | \$520,000 | 2.25% | \$44,548 | \$564,548 |
| 2037 | \$1,635,000 | \$535,000 | 2.35% | \$32,411 | \$567,411 |
| 2038 | \$1,100,000 | \$545,000 | 2.38% | \$19,653 | \$564,653 |
| 2039 | \$555,000 | \$555,000 | 2.38% | \$6,591 | \$561,591 |
| | | \$7,305,000 | | \$1,539,973 | \$8,844,973 |

Total Outstanding Bonds **\$7,305,000**
Total Original Issue **\$8,065,000**
Issue Date **8/1/2019**

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 | 2024 | \$478,023 | \$285,000 | \$193,023 |
| Maximum Requirement | 2027 | \$617,873 | \$465,000 | \$152,873 |



General Obligation Debt Service Fund

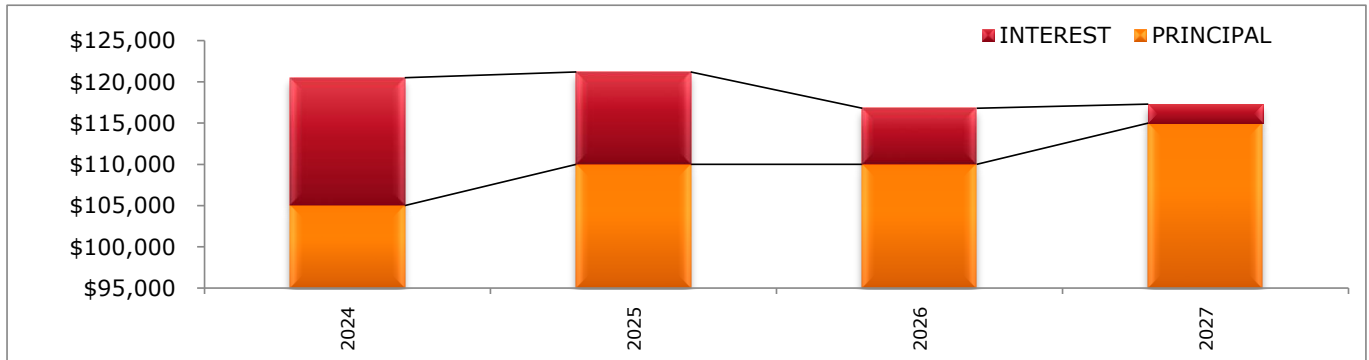
Annual Debt Service Requirement

Series 2022 Certificates of Obligation (\$545,000)

| YEAR ENDING SEPT. 30 | DEBT OUTSTANDING | | Interest Rate | INTEREST | TOTAL |
|-------------------------|---------------------|-----------|------------------|----------|-----------|
| | OCT. 1 | PRINCIPAL | | | |
| 2024 | \$450,000 | \$105,000 | 4.000% | \$15,500 | \$120,500 |
| 2025 | \$345,000 | \$110,000 | 4.000% | \$11,200 | \$121,200 |
| 2026 | \$235,000 | \$110,000 | 4.000% | \$6,800 | \$116,800 |
| 2027 | \$125,000 | \$115,000 | 4.000% | \$2,300 | \$117,300 |
| | | \$440,000 | | \$35,800 | \$475,800 |

| | Year | Total | Principal | Interest |
|--------------------------------|-----------|-----------|-----------|----------|
| This Year's Requirement | 2024 | \$120,500 | \$105,000 | \$15,500 |
| Maximum Requirement | 2025 | \$121,200 | \$110,000 | \$11,200 |
| Total Outstanding Bonds | | \$440,000 | | |
| Total Original Issue | | \$440,000 | | |
| Issue Date | 8/15/2022 | | | |

Proceeds for contractual obligations of the City to be incurred for making permanent public improvements and purposes, to-wit: (1) constructing street improvements, curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (2) constructing, acquiring, purchasing, renovating, enlarging, and improving the City's utility system and public works facilities; (3) designing, constructing, renovating, improving, and equipping the City's parks and recreational facilities, including playground equipment; (4) the purchase of materials, supplies, equipment, digital signage, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; (5) the purchase of fleet vehicles, technology improvements, HVAC improvements, public safety equipment, and a motorcycle; and (6) payment for professional and employee services relating to the design, construction, project management, inspection, consultant services, and financing of the aforementioned projects.





APPENDIX



October 1, 2023 – September 30, 2024

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.

Annual Comprehensive Financial Report (ACFR): 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.

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.

ARPA: Acronym for American Rescue Plan Act of 2021 a \$1.9 trillion economic stimulus bill passed to speed up the recovery from the COVID-19 pandemic and ongoing recession.

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.

Audit: An examination of an organizations' financial statements and utilization of resources.

Balanced Budget: Annual financial plan in which the operating budget is balanced with current revenues, exclusive of beginning resources, and is greater than or equal to current expenditures/expenses.

Baseline: The amount necessary to provide the same level of services as in the prior year.

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.

GLOSSARY OF TERMS

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 Adjustment: Legal procedure utilized by City staff and City Council to revise a budget appropriation.

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

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

Budget Message: The opening section of the document which provides the reader of the budget document with a general summary of the important aspects of the budget, including current and previous fiscal years and views of the City Manager.

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 Improvement Plan (CIP): An important planning tool that is used to link the City’s physical development planning with fiscal planning.

CARES: Acronym for Coronavirus Act, Relief and Economic Security Act of 2020 which is a \$2.2 trillion economic stimulus bill passed in response to the COVID-19 pandemic.

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.

CLFR: Coronavirus Local Fiscal Recovery Fund. Authorized by the American Rescue Plan Act (ARPA) of 2021. Provides funding to local governments to broadly respond to the COVID-19 public health emergency.

Community Development Block Grant (CDBG): Federal funds made available to municipalities specifically for community revitalization.

GLOSSARY OF TERMS

Contingency: A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted.

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).

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.

Distinguished Budget Presentation Award: A voluntary program administered by the Government Finance Officers Association to encourage governments to publish well organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

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

Economic Development Corporation (EDC): A corporation established for the focus of economic development within the City.

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

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.

GLOSSARY OF TERMS

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 ensure 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.

Exempt: Personnel not eligible to receive overtime pay and who are expected to work whatever hours are necessary to complete their job assignments.

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

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

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

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

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

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 (FTE): 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 Accounting: A governmental accounting system that is organized and operated on a fund basis.

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.

GLOSSARY OF TERMS

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.

Government Finance Officers Association (GFOA): Association whose mission is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

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.

Grant: A contribution by a government or other organization to support a particular function. Typically, these contributions are made to local governments from the state and federal governments.

Grant-Funded Program: Any program requiring any amount of State and/or Federal funds.

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

Infrastructure: The underlying permanent foundation or basic framework.

Interest and Sinking Fund (I & S): See Debt Service Fund.

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

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

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

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.

IVR: Acronym for Interactive Voice Response which allows customers to interact with a company's call center system via a telephone keypad or by speech recognition, after which they can service their own inquiries by following the IVR dialogue.

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.

GLOSSARY OF TERMS

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.

NEFDA: Acronym for Northeast Fire Department Association is an association developed for the purpose of combining manpower, ideas, and education for special operations.

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

No-New Revenue Tax Rate: The tax rate that would generate the same amount of revenue in the current year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

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

Non-exempt: Personnel eligible to receive overtime pay when overtime work has been authorized or requested by the supervisor.

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.

Operating Expense: Proprietary fund expenses that are directly related to the fund's primary service activities.

Operating Revenues: Proprietary fund revenues that are directly related to the fund's primary service activities.

Operating Transfers: All inter-fund transfers other than residual equity transfers.

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

GLOSSARY OF TERMS

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.

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.

Property Taxes: Used to describe all revenues received in a period from current taxes, delinquent taxes, penalties, and interest on delinquent taxes. Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

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.

Sales Tax: A general sales tax is levied on persons and businesses selling merchandise or services in the city limits on a retail basis.

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.

STEP: Acronym for Selective Traffic Enforcement Program whose goal is to reduce the number of crashes caused by excessive speed, disregard of traffic control devices, and alcohol.

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

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

GLOSSARY OF TERMS

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.

Taxable Value: Estimated value of taxable property to which the ad valorem tax rate is applied.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

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.

TXDOT: Acronym for the Texas Department of Transportation, a state government agency responsible for administering capital funds for street repairs.

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.

Voter Approval Tax Rate: Calculated maximum property tax rate allowed by law without voter approval.

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.

**CITY OF WATAUGA, TEXAS
RESOLUTION NO. 2023-013**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY
OF WATAUGA, TEXAS AMENDING THE
CLASSIFICATION PLAN FOR ALL POSITIONS
EFFECTIVE OCTOBER 1, 2023; PROVIDING FOR
REPEAL; PROVIDING A SAVINGS CLAUSE; PROVIDING
AN EFFECTIVE DATE.**

WHEREAS, Article III, Section 3.07(m) of the Home Rule Charter of the City of Watauga, Texas (hereinafter “the City”) provides that the City Council fix the salaries and compensation of the city officers and employees, and establish qualifications, rules and standards of and for all employees of the City; and

WHEREAS Policy 6.06 Position Classification and Evaluation of the Watauga Personnel, Administration and Financial Policies and Procedures Manual provides that the Classification Plan shall be approved by the City Council, as amended; and

WHEREAS, the Classification Plan provides for the position title, job code, grade and salary ranges for all employees (full-time, part-time, seasonal) and general government and civil service; and

WHEREAS, the proposed Classification Plan for General Government Employees does not include pay adjustments to the existing pay grades.

WHEREAS, the Police and Fire Step Plans were increased by 5% to include the Cost of Living Adjustment (COLA) approved in the FY2023-24 budget; and

WHEREAS, the General Government Classification Plan was amended as follows 1) the position of Assistant Parks and Community Services Director added a; (2) Recreation Programmer II added by reclassification; (3) the position of Recreation Coordinator added by reclassification

(4) PT Pre-School Instructor Added (5) Summer Camp Program positions including Summer Camp Coordinator, Summer Camp Leader and Summer Camp Counselor added (6) the position of Planner I added by reclassification (7) the position of Senior Signs & Signal Technician added for promotional ladder of existing Signs & Signal Technician (8) Job Code correction (9) Change Grade 9-12 to reflect as hourly positions only.

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

I.

The City Council of the City of Watauga hereby finds that the statements set forth in the recitals of this Resolution are true and correct and hereby incorporates such recitals as a part of this Resolution.

II.

Fiscal Year 2023-24 Classification Plan as set forth in Exhibit "A" attached hereto and incorporated by reference, is hereby adopted.

III.

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 Resolutions are hereby repealed.

IV.

If any section, sub-section, 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 the Resolution.

V.


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 and the City of Watauga, Texas.

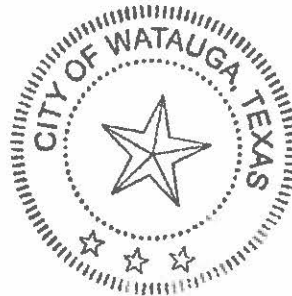
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 11th day of September 2023.

APPROVED:



ARTHUR L, MINER, Mayor

ATTEST:


LINDA PROSKEY, City Secretary



APPROVED AS TO FORM AND LEGALITY:


DAVID BERMAN, City Attorney
NICHOLS | JACKSON, LLP

CITY OF WATAUGA, TEXAS
CLASSIFICATION PLAN FISCAL YEAR 2023-24
GENERAL GOVERNMENT EMPLOYEES (Full Time, Part Time, Seasonal)

| Job Code | Position | LSA | Grade | Pay Basis | Min | Mid | Max |
|------------|--|-----|-------|-----------|-----------|-----------|-----------|
| ADM 00-101 | City Manager | E | 45 | Annual | \$129,042 | \$161,302 | \$193,563 |
| | | | | Monthly | \$10,753 | \$13,442 | \$16,130 |
| | | | | Hourly | \$62.0393 | \$77.5492 | \$93.0590 |
| FD 06-101 | Fire Chief | E | 42 | Annual | \$111,471 | \$139,339 | \$167,207 |
| PD 05-101 | Chief of Police | E | | Monthly | \$9,289 | \$11,612 | \$13,934 |
| PW 13-101 | Director of Public Works | E | | Hourly | \$53.5918 | \$66.9899 | \$80.3890 |
| FIN 01-101 | Director of Finance | E | 40 | Annual | \$101,108 | \$126,385 | \$151,661 |
| IT 02-101 | Director of IT and Communications | E | | Monthly | \$8,426 | \$10,532 | \$12,638 |
| HR 00-101 | Director of Human Resources and Civil Service | E | | Hourly | \$48.6094 | \$60.7618 | \$72.9142 |
| PCS 04-101 | Director of Parks and Community Services | E | | | | | |
| PD 05-124 | Assistant Chief of Police | E | 37 | Annual | \$87,341 | \$109,176 | \$131,011 |
| FD 06-108 | Assistant Fire Chief | E | | Monthly | \$7,278 | \$9,098 | \$10,918 |
| | | | | Hourly | \$41.9907 | \$52.4883 | \$62.9860 |
| FIN 01-102 | Assistant Director of Finance | E | 35 | Annual | \$79,220 | \$99,026 | \$118,831 |
| PW 13-118 | Assistant Public Works Director/Building Official | E | | Monthly | \$6,602 | \$8,252 | \$9,903 |
| ADM 00-103 | City Secretary | E | | Hourly | \$38.0865 | \$47.6087 | \$57.1303 |
| PCS 04-115 | Assistant Director of Parks and Community Services | E | | | | | |
| LIB 03-101 | Director of Library Services | E | | | | | |
| IT 02-104 | Information Technology Manager | E | 32 | Annual | \$68,434 | \$85,542 | \$102,650 |
| | | | | Monthly | \$5,703 | \$7,129 | \$8,554 |
| | | | | Hourly | \$32.9008 | \$41.1260 | \$49.3512 |
| FBM 08-101 | Fleet and Facilities Superintendent | E | 31 | Annual | \$65,175 | \$81,469 | \$97,762 |
| PW 07-101 | Streets and Drainage Superintendent | E | | Monthly | \$5,431 | \$6,789 | \$8,147 |
| PW 13-102 | Utilities Superintendent | E | | Hourly | \$31.3341 | \$39.1676 | \$47.0011 |
| LIB 03-104 | Assistant Library Director | E | 30 | Annual | \$59,116 | \$73,894 | \$88,673 |
| | | | | Monthly | \$4,926 | \$6,158 | \$7,389 |
| | | | | Hourly | \$28.4209 | \$35.5262 | \$42.6314 |
| FIN 01-106 | Municipal Court Administrator | E | 28 | Annual | \$56,301 | \$70,376 | \$84,451 |
| FIN 11-101 | Utility Billing Administrator | E | | Monthly | \$4,692 | \$5,865 | \$7,038 |
| | | | | Hourly | \$27.0676 | \$33.8344 | \$40.6013 |
| PCS 09-101 | Parks Superintendent | E | 27 | Annual | \$53,620 | \$67,024 | \$80,429 |
| FIN 01-112 | Financial Services Analyst II | E | | Monthly | \$4,468 | \$5,585 | \$6,702 |
| LIB 03-121 | Senior Librarian | E | | Hourly | \$25.7786 | \$32.2233 | \$38.6679 |
| PW 13-119 | Planner I | E | | | | | |
| PD 05-117 | Animal Services Supervisor | E | 26 | Annual | \$51,066 | \$63,833 | \$76,599 |
| FIN 11-108 | City Marshal | NE | | Monthly | \$4,256 | \$5,319 | \$6,383 |
| ADM 00-108 | Economic Development Specialist | E | | Hourly | \$24.5511 | \$30.6888 | \$36.8266 |
| PD 05-129 | Grant and Recognition Program Manager | E | | | | | |
| IT 02-105 | Media Specialist | NE | | | | | |
| PW 10-101 | Storm Drain Supervisor | NE | | | | | |
| PW 07-102 | Streets Supervisor | NE | | | | | |
| PW 13-103 | Utilities Supervisor | NE | | | | | |
| FIN 01-113 | Financial Services Analyst I | E | 25 | Annual | \$48,635 | \$60,793 | \$72,952 |
| FBM 08-102 | Fleet Supervisor | NE | | Monthly | \$4,053 | \$5,066 | \$6,079 |
| IT 02-103 | IT Support Specialist | NE | | Hourly | \$23.3820 | \$29.2275 | \$35.0730 |
| LIB 03-122 | Librarian | E | | | | | |
| HR 00-102 | Human Resources Generalist | E | 24 | Annual | \$46,319 | \$57,898 | \$69,478 |
| PD 05-110 | Police Records Supervisor | E | | Monthly | \$3,860 | \$4,825 | \$5,790 |
| PCS 04-114 | Recreation Programmer II | E | | Hourly | \$22.2685 | \$27.8357 | \$33.4028 |
| PW 07-105 | Combination Building Inspector | NE | 23 | Annual | \$44,113 | \$55,141 | \$66,169 |
| PW 07-110 | Construction Inspector | NE | | Monthly | \$3,676 | \$4,595 | \$5,514 |
| FIN 11-111 | PT - Deputy City Marshal | NE | | Hourly | \$21.7081 | \$26.5102 | \$31.8122 |
| PD 05-131 | Executive Administrative Assistant | E | 22 | Annual | \$42,012 | \$52,515 | \$63,018 |
| FIN 01-114 | Financial Services Technician II | NE | | Monthly | \$3,501 | \$4,376 | \$5,252 |
| FBM 08-105 | Mechanic II | NE | | Hourly | \$20.1982 | \$25.2478 | \$30.2973 |
| ADM 00-107 | Assistant to the City Secretary | NE | | | | | |
| PD 05-125 | Senior Code Enforcement Officer | NE | | | | | |
| PW 07-120 | Senior Signs & Signal Technician | NE | | | | | |
| FIN 11-110 | Senior Court Clerk | NE | | | | | |
| LIB 03-106 | Library Circulation Supervisor | NE | 21 | Annual | \$40,012 | \$50,015 | \$60,018 |
| FIN 01-115 | Financial Services Technician I | NE | | Monthly | \$3,334 | \$4,168 | \$5,001 |
| PCS 04-103 | Recreation Programmer | NE | | Hourly | \$19.2364 | \$24.0455 | \$28.8546 |
| LIB 03-119 | Technical Services Supervisor | NE | | | | | |
| PW 13-110 | Water Quality Technician/Operator | NE | | | | | |

| Job Code | Position | FLSA | Grade | Pay Basis | Min | Mid | Max |
|------------|--|------|-------|-----------|-----------|-----------|-----------|
| PD 05-126 | Code Enforcement Officer | NE | 20 | Annual | \$38,106 | \$47,633 | \$57,160 |
| PW 07-104 | Equipment Operator (Public Works) | NE | | Monthly | \$3,176 | \$3,969 | \$4,763 |
| FBM 08-106 | Mechanic I | NE | | Hourly | \$18,3204 | \$22,9005 | \$27,4806 |
| PD 05-127 | Reserve Police Officer - Part Time (Non Civil Service) | NE | | | | | |
| FD 06-110 | Firefighter/Paramedic - Part Time | NE | | | | | |
| FD 06-106 | Paramedic Part Time | NE | | | | | |
| PD 05-121 | Property Room Technician | NE | | | | | |
| PW 07-111 | Signs and Signals Technician | NE | | | | | |
| FIN 01-116 | Administrative Assistant | NE | 19 | Annual | \$36,292 | \$45,365 | \$54,438 |
| PD 05-118 | Animal Control Officer | NE | | Monthly | \$3,024 | \$3,780 | \$4,536 |
| FBM 08-108 | Building Maintenance Technician II | NE | | Hourly | \$17,4480 | \$21,8100 | \$26,1720 |
| PCS 09-105 | Chemical Applicator/Irrigation Technician | NE | | | | | |
| HR 00-103 | Human Resources Coordinator | NE | | | | | |
| FD 06-111 | Administrative Assistant - Part Time | NE | | | | | |
| PW 07-109 | Permit Technician | NE | | | | | |
| PCS 04-115 | Recreation Coordinator | NE | | | | | |
| PW 13-116 | Planning & Zoning Coordinator | NE | | | | | |
| PCS 09-102 | Parks Maintenance Worker II | NE | 18 | Annual | \$34,564 | \$43,205 | \$51,845 |
| PW 07-113 | Public Works Maintenance Worker II | NE | | Monthly | \$2,880 | \$3,600 | \$4,320 |
| PCS 04-116 | Summer Camp Coordinator | NE | | Hourly | \$16,6171 | \$20,7714 | \$24,9257 |
| FBM 08-103 | Building Maintenance Technician I | NE | 17 | Annual | \$32,918 | \$41,147 | \$49,377 |
| FIN 01-108 | Court Clerk/Juvenile Case Manager | NE | | Monthly | \$2,743 | \$3,429 | \$4,115 |
| PD 05-114 | Police Records Clerk | NE | | Hourly | \$15,8258 | \$19,7823 | \$23,7388 |
| FIN 11-103 | Utility Billing Representative | NE | | | | | |
| FBM 08-107 | Fleet Services Technician | NE | 16 | Annual | \$31,350 | \$39,188 | \$47,025 |
| FBM 08-109 | Janitorial Services Technician II | NE | | Monthly | \$2,613 | \$3,266 | \$3,919 |
| PCS 09-103 | Parks Maintenance Worker I | NE | | Hourly | \$15,0722 | \$18,8403 | \$22,6083 |
| PW 07-114 | Public Works Maintenance Worker I | NE | | | | | |
| FIN 11-105 | Water Service Field Representative | NE | | | | | |
| LIB 03-123 | Library Assistant | NE | 15 | Annual | \$29,857 | \$37,322 | \$44,786 |
| FBM 08-104 | Janitorial Service Technician | NE | | Monthly | \$2,488 | \$3,110 | \$3,732 |
| PCS 04-119 | Recreation Attendant | NE | | Hourly | \$14,3545 | \$17,9431 | \$21,5318 |
| PCS 04-117 | Summer Camp Leader | NE | | Hourly | \$14,3545 | \$17,9431 | \$21,5318 |
| LIB 03-124 | Library Assistant - Part Time | NE | 12 | Hourly | \$12,4000 | \$15,5000 | \$18,5999 |
| FIN 11-109 | Court Assistant - Part Time | NE | | | | | |
| LIB 03-116 | Summary Library Assistant - PT Seasonal | NE | | | | | |
| PCS 04-118 | Summer Camp Counselor | NE | | | | | |
| PCS 04-110 | Pre-School Program Instructor - Part Time | NE | | | | | |
| PD 05-119 | Kennel Technician - Part Time | NE | 10 | Hourly | \$11,2500 | \$14,0600 | \$16,8700 |
| FIN 01-111 | Summer Finance Intern | NE | | | | | |
| PW 10-106 | Summer Storm Drain Maintenance Worker PT Seasonal | NE | | | | | |
| PCS 09-106 | Summer Parks Maintenance Worker | NE | | | | | |
| LIB 03-112 | Library Aide - Part Time | NE | 9 | Hourly | \$10,7100 | \$13,3900 | \$16,0700 |
| PCS 04-106 | Recreation Attendant - Part Time | NE | | | | | |
| LIB 03-115 | Summer Library Aide -PT Seasonal | NE | | | | | |



CITY OF WATAUGA, TEXAS
STEP PLAN - POLICE DEPARTMENT

| JOB CODE | POSITION | FLSA | PAY FREQUENCY | PAY STEPS | | | | | | | |
|-------------------|-------------------|------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | | | | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 | |
| GRADE: CS1 | | | | | | | | | | | |
| PD 05-105 | Police Officer | NE | Annual | \$68,876 | \$70,943 | \$73,071 | \$75,263 | \$77,521 | \$79,847 | \$82,242 | |
| | | | Monthly | \$5,740 | \$5,912 | \$6,089 | \$6,272 | \$6,460 | \$6,654 | \$6,854 | |
| | | | Hourly (2080) | \$33.1137 | \$34.1071 | \$35.1303 | \$36.1842 | \$37.2697 | \$38.3878 | \$39.5394 | |
| | | | Hourly (2223) | \$30.9835 | \$31.9130 | \$32.8704 | \$33.8566 | \$34.8722 | \$35.9184 | \$36.9960 | |
| GRADE: CS2 | | | | | | | | | | | |
| PD 05-128 | Police Corporal | NE | Annual | \$86,354 | \$88,945 | \$91,613 | \$94,361 | | | | |
| | | | Monthly | \$7,196 | \$7,412 | \$7,634 | \$7,863 | | | | |
| | | | Hourly (2080) | \$41.5164 | \$42.7619 | \$44.0448 | \$45.3661 | | | | |
| | | | Hourly (2223) | \$38.8458 | \$40.0111 | \$41.2115 | \$42.4478 | | | | |
| GRADE: CS3 | | | | | | | | | | | |
| PD 05-103 | Police Sergeant | NE | Annual | \$99,080 | \$102,052 | \$105,114 | \$108,267 | | | | |
| | | | Monthly | \$8,257 | \$8,504 | \$8,759 | \$9,022 | | | | |
| | | | Hourly (2080) | \$47.6345 | \$49.0636 | \$50.5355 | \$52.0515 | | | | |
| | | | Hourly (2223) | \$44.5703 | \$45.9074 | \$47.2847 | \$48.7032 | | | | |
| GRADE: CS4 | | | | | | | | | | | |
| PD 05-102 | Police Lieutenant | NE | Annual | \$113,681 | \$117,091 | \$120,604 | \$124,222 | | | | |
| | | | Monthly | \$9,473 | \$9,758 | \$10,050 | \$10,352 | | | | |
| | | | Hourly (2080) | \$54.6541 | \$56.2937 | \$57.9826 | \$59.7220 | | | | |
| | | | Hourly (2223) | \$51.1984 | \$52.6725 | \$54.2527 | \$55.8803 | | | | |



CITY OF WATAUGA, TEXAS
STEP PLAN - FIRE DEPARTMENT

| JOB CODE | POSITION | FLSA | PAY FREQUENCY | PAY STEPS | | | | | | | |
|--------------------|-----------------------|------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| | | | | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 | |
| GRADE - CS1 | | | | | | | | | | | |
| FD 06-112 | Firefighter Recruit | NE | Annual | \$59,850 | | | | | | | |
| | | | Monthly | \$4,988 | | | | | | | |
| | | | Hourly (2080) | \$28,7740 | | | | | | | |
| | | | Hourly (2213) | \$26,9231 | | | | | | | |
| | | | Hourly (2920) | \$20,4966 | | | | | | | |
| FD 06-105 | Firefighter/Paramedic | NE | Annual | \$68,876 | \$70,943 | \$73,071 | \$75,263 | \$77,521 | \$79,847 | \$82,242 | |
| | | | Monthly | \$5,740 | \$5,912 | \$6,089 | \$6,272 | \$6,460 | \$6,654 | \$6,854 | |
| | | | Hourly (2080) | \$33,1137 | \$34,1071 | \$35,1303 | \$36,1842 | \$37,2697 | \$38,3878 | \$39,5394 | |
| | | | Hourly (2920) | \$23,5878 | \$24,2954 | \$25,0243 | \$25,7750 | \$26,5483 | \$27,3447 | \$28,1651 | |
| FD 06-109 | Driver/Engineer | NE | Annual | \$86,354 | \$88,945 | \$91,613 | \$94,361 | | | | |
| | | | Monthly | \$7,196 | \$7,412 | \$7,634 | \$7,863 | | | | |
| | | | Hourly (2080) | \$41,5164 | \$42,7619 | \$44,0448 | \$45,3661 | | | | |
| | | | Hourly (2920) | \$29,5733 | \$30,4605 | \$31,3743 | \$32,3156 | | | | |
| GRADE - CS2 | | | | | | | | | | | |
| FD 06-104 | Fire Lieutenant | NE | Annual | \$99,080 | \$102,052 | \$105,114 | \$108,267 | | | | |
| | | | Monthly | \$8,257 | \$8,504 | \$8,759 | \$9,022 | | | | |
| | | | Hourly (2080) | \$47,6345 | \$49,0636 | \$50,5355 | \$52,0515 | | | | |
| | | | Hourly (2920) | \$33,9315 | \$34,9494 | \$35,9979 | \$37,0778 | | | | |
| FD 06-102 | Battalion Chief | NE | Annual | \$113,680 | \$117,091 | \$120,603 | \$124,222 | | | | |
| | | | Monthly | \$9,473 | \$9,758 | \$10,050 | \$10,352 | | | | |
| | Fire Marshal | | Hourly (2080) | \$54,6540 | \$56,2936 | \$57,9824 | \$59,7219 | | | | |
| | | | Hourly (2920) | \$38,9316 | \$40,0996 | \$41,3026 | \$42,5416 | | | | |

Firefighters are not covered under Civil Service until one year of service following dual certification, both Basic Firefighter Certification and Paramedic License.

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 2023-016

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS LEVYING AD VALOREM TAXES FOR THE 2023 TAX YEAR FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF WATAUGA, TEXAS FOR THE 2023-2024 FISCAL YEAR; APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; PROVIDING THE DATE ON WHICH SUCH TAXES SHALL BE DUE AND TIMELY PAID; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council finds 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 providing for the consideration and adoption of the 2023 Tax Year Property Tax Rate; and

WHEREAS, the City Council finds ad valorem taxes should be levied and collected to provide a portion of the revenues necessary for the use and support of the City of Watauga, Texas municipal government.

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

I.

The facts and recitations set forth in the preamble of this ordinance are hereby found to be true and correct and are adopted herein for all purposes.

II.

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 2023-2024 Fiscal Year, upon all property, real, personal and mixed, within the corporate limits of the City subject to taxation, a tax of \$0.570200 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), \$0.359710 on each \$100.00 valuation of property; and
2. For the Interest and Sinking Fund, \$0.210490 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 7.61 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY -\$15.48.

III.

Taxes levied under the Ordinance shall be due October 1, 2023, and if not paid on or before January 31, 2024, shall immediately become delinquent.

IV.

All ad valorem taxes due the City of Watauga, Texas, and not paid on or before February 1 following the year for which they were levied shall bear penalty and interest as prescribed in the Texas Tax Code, as may be amended.

V.

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.

VI.

The City assessor and collector of the City of Watauga, Texas is hereby directed to assess for the 2023 Tax Year the rates and amounts herein levied and, when such taxes are collected, to distribute the collections in accordance with this Ordinance.

VII.

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.

VIII.

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.

IX.

This Ordinance 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 application of law and in accordance with Sections 3.11 and 3.13 of the Charter of the City of Watauga, Texas.

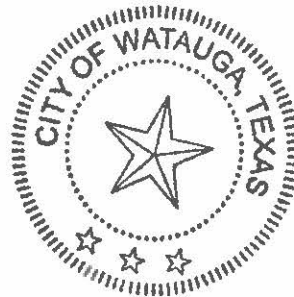
PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this 11th day of September 2023.

APPROVED:


ARTHUR L. MINER, MAYOR

ATTEST:


LINDA PROSKEY, CITY SECRETARY



APPROVED AS TO FORM AND LEGALITY:


DAVID BERMAN, CITY ATTORNEY

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 2023-017

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024; PROVIDING FOR THE APPROPRIATION OF FUNDS IN THE BUDGET; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council finds the budget officer of the City of Watauga filed a proposed budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024, with the City Secretary in accordance with state law; and

WHEREAS, the City Council finds the proposed budget was made available for public inspection; and

WHEREAS, the City Council finds the City Manager presented the proposed budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024, to the City Council in accordance with the City Charter; and

WHEREAS, the City Council finds 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 facts and recitations set forth in the preamble of this ordinance are hereby found to be true and correct and adopted herein for all purposes.

II.

The attached budget for the City of Watauga, Texas for the fiscal year beginning October 1, 2023, and ending September 30, 2024, is hereby approved and adopted, and appropriations are made as follows:

| | | |
|-----|---|--------------|
| 1. | General Fund Operating – Fund 01 | \$18,199,170 |
| 2. | General Obligation Debt Service Fund – Fund 03 | \$4,150,768 |
| 3. | Storm Drain Utility Enterprise Fund – Fund 15 | \$2,462,700 |
| 4. | Economic Development Corporation Fund – Fund 04 | \$515,250 |
| 5. | Capital Projects (Plus Prior Appropriations) – Fund 07 | \$17,905,950 |
| 6. | Crime Control and Prevention District – Fund 18 | \$2,256,900 |
| 7. | Economic Development Corporation Capital Projects – Fund 05 (Plus Prior Appropriations) | \$10,000 |
| 8. | Water Impact Fee – Fund 47 | \$0 |
| 9. | Sewer Impact Fee – Fund 48 | \$0 |
| 10. | Water/Sewer Joint Use Facilities – Fund 46 | \$10,000 |
| 11. | Water/Sewer Capital Projects (Plus Prior Appropriations) – Fund 45 | \$3,998,100 |
| 12. | Water and Sewer Operating Fund – Fund 40 | \$10,218,024 |
| 13. | Internal Service Fund – Fund 22 | \$1,011,200 |
| 14. | Water and Sewer Debt Service Fund – Fund 44 | \$1,799,163 |
| 15. | Water and Sewer Revenue Bond Debt Service Fund – Fund 42 | \$0 |
| 16. | Water and Sewer Debt Reserve Fund – Fund 43 | \$0 |
| 17. | Library Donation Fund – Fund 23 | \$10,000 |
| 18. | Bunker Hill Drainage Fund – Fund 16 | \$0 |
| 19. | Municipal Court Security Fee – Fund 25 | \$27,800 |

| | | |
|-----|---|-------------|
| 20. | Municipal Court Technology Fund – Fund 26 | \$24,900 |
| 21. | Municipal Court Truancy Prevention Fund – Fund 27 | \$38,150 |
| 22. | Park Vista Public Improvement District – Fund 30 | \$0 |
| 23. | Traffic Safety Fund – Fund 28 | \$34,000 |
| 24. | Grant Fund – Fund 10 | \$4,000,000 |
| 25. | Street Maintenance Fund – Fund 14 | \$63,016 |
| 26. | Strategic Initiative Fund – Fund 13 | \$30,000 |
| 27. | PEG Fund – Fund 24 | \$10,000 |
| 29. | SAFER Grant Fund – Fund 12 | \$0 |
| 30. | Fleet ILA Fund – Fund 21 | \$95,500 |

III.

The expenditures during the fiscal year beginning October 1, 2023, and ending September 30, 2024, shall be made in accordance with the budget by departmental allocation approved by this ordinance unless otherwise authorized by a duly enacted ordinance of the City of Watauga, Texas.

IV.

All budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2023-2024 are hereby ratified, and the budget ordinance for fiscal year 2023-2024, heretofore enacted by the City Council, be and the same is hereby amended to the extent of such transfers and amendments for all purposes.

V.

Upon approval of the budget, the budget officer shall file a true and certified copy thereof with the County Clerk of Tarrant County, Texas.

VI.

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.

VII.

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.

VIII.


This Ordinance 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 application of law and in accordance with Sections 3.11 and 3.13 of the Charter of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this 11th day of September 2023.

APPROVED:


ARTHUR L. MINER, MAYOR

ATTEST:


LINDA PROSKEY, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:


DAVID BERMAN, CITY ATTORNEY



**CITY OF WATAUGA, TEXAS
ORDINANCE NO. 2023-018**

**AN ORDINANCE BY THE CITY COUNCIL OF THE CITY
OF WATAUGA, TEXAS ADOPTING THE CAPITAL
OUTLAY PLAN FOR FISCAL YEARS 2024-2028;
PROVIDING FOR REPEAL; PROVIDING FOR
SEVERABILITY; AND PROVIDING AN EFFECTIVE
DATE.**

WHEREAS, the City Council finds the City of Watauga makes major investments, from time to time, in costly capital assets that improve the quality of service provided by the City; and

WHEREAS, the City Council finds each asset requires a long-term investment that should only take place after due consideration of the City's needs, service required to be provided by the City, and the City's ability to finance the asset; and

WHEREAS, the City Council finds the City has a number of funding resources at its disposal, including tax revenue, utility revenues, and financial aid from county, state, and federal agencies that can be used to replace and purchase capital assets; and

WHEREAS, the City Council finds the City desires to maintain a continuous process of planning for the replacement and purchase of capital assets; and

WHEREAS, the City Council finds that it, as the governing body, discussed the 2024-2028 Capital Outlay Plan and the capital items included in Fiscal Year 2023-2024 during a Workshop Meeting held on June 26, 2023; and

WHEREAS, the City Council finds the Fiscal Year 2023-2024 Budget has been submitted to the City Council by the City Manager in accordance with the City Charter including funded items identified in the Capital Outlay Plan.

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

I.

The City Council of the City of Watauga hereby adopts the Capital Outlay Plan (COP) for FY2024-2028, a copy of which is attached hereto as Exhibit A.

II.

Funded assets approved during the Fiscal Year 2023-2024 will be consistent with the approved COP. Any expenses substantively deviating from those authorized in the COP will require an amendment of the COP approved by the City Council.

III.

All ordinances appropriating funds for assets included in the approved or amended COP will include information citing the COP asset along with appropriate financial accounting information.

IV.

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.

V.

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

VI.


This Ordinance 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 application of law and in accordance with Sections 3.11 and 3.13 of the Charter of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas this the 11th day of September 2023.

APPROVED:


ARTHUR L. MINER, Mayor

ATTEST:


LINDA PROSKEY, City Secretary



APPROVED AS TO FORM AND LEGALITY:


DAVID BERMAN, City Attorney

CITY OF WATAUGA, TEXAS
ORDINANCE NO. 2023-014

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS APPROVING THE FISCAL YEAR 2023-2024 ANNUAL SERVICE PLAN UPDATE AND 2023 ASSESSMENT ROLL FOR THE PARK VISTA PUBLIC IMPROVEMENT DISTRICT OF THE CITY OF WATAUGA, TEXAS; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council finds 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 (the "District") as provided by Chapter 372 of the Local Government Code on December 14, 1998; and

WHEREAS, the City Council finds the City Council adopted Resolution No. 99-1-19-3 on January 19, 1999, adopting the original service plan and budget for the District; and

WHEREAS, the City Council finds the City Council adopted Ordinance No. 1035 on September 25, 2000, levying assessments for use and support of the Park Vista Public Improvement District; and

WHEREAS, the City Council finds that after the creation of the District and the adoption of the original service plan and the assessment levy, the City Council regularly reviewed the service plan for the purpose of determining the annual budget for improvements and for determining the annual assessment roll for the District in accordance with Chapter 372 of the Local Government Code; and

WHEREAS, the City Council finds, after each such review, the City Council regularly approved the annual service plan update, the annual budget and the annual assessment for the District, in accordance with Chapter 372 of the Local Government Code; and

WHEREAS, the City Council finds that the City Council has reviewed the proposed Fiscal Year 2023-2024 annual service plan and budget and the proposed 2023 assessment roll; and

WHEREAS, the City Council now desires to approve the Fiscal Year 2023-2024 annual service plan update and budget and the 2023 assessment roll, in accordance with Chapter 372 of the Local Government Code; and

WHEREAS, the City Council finds the passage of this Ordinance is required by Chapter 372 of the Local Government Code and is in the best interest of the residents of the City of Watauga.

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

I.

The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct and adopted herein for all purposes.

II.

The City Council of the City of Watauga, Texas does hereby approve and adopt the Fiscal Year 2023-2024 Annual Service Plan Update for the District, a copy of which is attached hereto as Exhibit 1 and is incorporated herein for all purposes.

III.

The 2023 Assessment Roll included in the Fiscal Year 2023-2024 Annual Service Plan Update is hereby accepted and approved pursuant to Chapter 372 of the Texas Local Government Code as the assessment roll of the District.

IV.

The method of apportioning the costs of the authorized improvements is set forth in the Fiscal Year 2023-2024 Annual Service Plan Update.

V.

The City Secretary is directed to cause a copy of this Ordinance, including the FY 2023-2024 Annual Service Plan Update and Assessment Roll and the notice form required by Section 5.014 of the Property Code be filed with the County Clerk of Tarrant County.

VI.

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.

VII.

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.

VIII.

This Ordinance 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 application of law and in accordance with Sections 3.11 and 3.13 of the Charter of the City of Watauga, Texas.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, this 11th day of September 2023.

APPROVED:


Arthur L. Miner, Mayor

ATTEST:


Linda Proskey, City Secretary



APPROVED AS TO FORM AND LEGALITY:

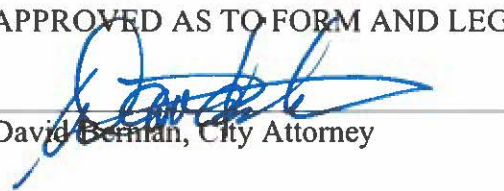

David Bernman, City Attorney

EXHIBIT 1

**CITY OF WATAUGA, TEXAS
PARK VISTA PUBLIC IMPROVEMENT DISTRICT
FY 2023-2024 ANNUAL SERVICE PLAN UPDATE**

**CITY OF WATAUGA, TEXAS
 PARK VISTA PUBLIC IMPROVEMENT DISTRICT
 FY 2023-2024 ANNUAL SERVICE PLAN UPDATE**

Section 372.013(d) of the Local Government Code requires an annual update of the Service Plan. The boundaries of the Park Vista Public Improvement District are set forth in Exhibits “A” and “B” attached hereto and incorporated herein for all purposes. Park Vista Public Improvement District will not provide services during the fiscal year 2023-2024. The City will furnish or pay for standard improvements and/or services in the Park Vista Public Improvement District at the same level as they would be provided to the taxpayers generally. The 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. The cost of an improvement and/or special services will be assessed against real property within the Park Vista Public Improvement District according to value of the property with improvements as determined by the Tarrant Appraisal District.

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.

All public improvement projects of the Park Vista Public Improvement District have been completed. The District has no obligations of indebtedness for public improvement projects.

FISCAL YEAR 2023-2024 BUDGET

| | |
|---|---------------|
| Cost of Maintenance & Operating Expense | \$0.00 |
| TOTAL | \$0.00 |

FIVE YEAR SERVICE PLAN

| | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Assessment Due Date | 1/31/2023 | 1/31/2024 | 1/31/2025 | 1/31/2026 | 1/31/2027 |
| Assessment Amount | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

2023 ASSESSMENT ROLL

\$0.00 on each \$100.00 valuation of property, upon all real property within the Park Vista Public Improvement District.

The following notice is required by section 372.013(e) of the Texas Local Government Code. NO ASSESSMENT IS BEING IMPOSED ON THE PROPERTY AS A RESULT OF THE 2023-2024 ANNUAL SERVICE PLAN UPDATE.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO CITY OF WATAUGA, TEXAS CONCERNING THE FOLLOWING PROPERTY: PARK VISTA ADDITION, PHASES I, II, III, AND IV

As the purchaser of the real property described above, you are obligated to pay assessments to City of Watauga, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the Park Vista Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Watauga, Texas. The exact amount of each annual installment will be approved each year by the City Council of the City of Watauga, Texas in the annual service plan update for the district . More information about the assessments, including the amounts and due dates, may be obtained from the City of Watauga, Texas .

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

Section 5.014 of the Texas Property Code requires "A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code . . . shall first give to the purchaser of the property the written notice prescribed by Subsection (a-1). . ." Subsection 5.014(a-1) of the Texas Property Code provides that the above referenced notice shall be executed by the seller of property and must read as provided above.

PASSED AND ADOPTED by the City Council of the City of Watauga, Texas, by Ordinance No. 2023-014 _____ approved on the 11th day of September 2023.

APPROVED:


Arthur L. Miner, Mayor

ATTEST:


Linda Proskey, City Secretary

Exhibit A



Exhibit B

Legal Description

80.651 acres situated in the WILLIAM EVANS SURVEY, Abst. No. 467 and the DAVID L. HALL SURVEY, Abst. No. 700, City of Fort Worth, City of Kalauga and Unincorporated Tarrant County, Texas, being a portion of that certain tract of land conveyed to Havener Rupert Limited Partnership, by deed recorded in Volume 12451, Page 1824, Deed Records, Tarrant County, Texas, said 80.651 acres being more particularly described, as follows:

Commencing at a 1/2" iron found in the north line of Kalauga Road (a 120 foot R.O.W.) at the southeast corner of that certain tract of land conveyed to Hillwood - Park Glen, Ltd. by deed recorded in Volume 9357, Page 3424, Deed Records, Tarrant County, Texas;

THENCE North 88 degrees 07 minutes 11 seconds East, along the north line of said Kalauga Road, 285.86 feet to a 1/2" iron found at the beginning of a curve to the right, whose radius is 2924.79 feet and whose long chord bears North 89 degrees 24 minutes 66 seconds East, 133.72 feet;

THENCE continuing along the north line of said Kalauga Road and along said curve in an easterly direction through a central angle of 02 degrees 37 minutes 11 seconds, a distance of 133.73 feet to a 1/2" iron set at the Point Of Beginning of the herein described tract;

THENCE North 06 degrees 11 minutes 23 seconds East, 387.72 feet to a 1/2" iron set at the beginning of a curve to the right, whose radius is 472.00 feet and whose long chord bears North 16 degrees 13 minutes 38 seconds East, 164.53 feet;

THENCE along said curve in a northerly direction, through a central angle of 20 degrees 04 minutes 28 seconds, a distance of 165.37 feet to a 1/2" iron set in a curve to the left, whose radius is 200.00 feet and whose long chord bears North 77 degrees 31 minutes 13 seconds West, 72.88 feet;

THENCE along said curve in a westerly direction, through a central angle of 20 degrees 59 minutes 45 seconds, a distance of 73.29 feet to a 1/2" iron set at the end of said curve;

THENCE North 88 degrees 01 minutes 06 seconds West, 443.97 feet to a 1/2" iron set in the west line of said Havener Rupert Limited Partnership tract and the east line of said Hillwood - Park Glen, Ltd. tract;

THENCE North 00 degrees 45 minutes 02 seconds West, along the common line of said Havener Rupert Limited Partnership and Hillwood - Park Glen, Ltd. tracts, 1355.51 feet to a 1/2" iron found;

THENCE North 89 degrees 30 minutes 17 seconds West, continuing along the common line of said Havener Rupert Limited Partnership and Hillwood - Park Glen, Ltd. tracts, 1264.52 feet to a 1/2" iron found at the most westerly southwest corner of said Havener - Rupert Limited Partnership tract in the east line of that certain tract of land conveyed to NPC - Basswood Development Corporation, by deed recorded in Volume 12172, Page 796, Deed Records, Tarrant County, Texas;

THENCE North 00 degrees 52 minutes 25 seconds West, along the common line of said Havener Rupert Limited Partnership and NPC - Basswood Development Corporation tracts, 973.19 feet to a 1/2" iron found at the northwest corner of said Havener Rupert Limited Partnership tract;

THENCE North 88 degrees 52 minutes 25 seconds East, continuing along the common line of said Havener Rupert Limited Partnership and NPC - Basswood Development Corporation tracts, passing the southeast corner of said NPC - Basswood Development Corporation tract, passing the southwest and southeast corners of PHASE IV, SECTION 2, PARK GLEN ADDITION, an Addition to the City of Fort Worth, Tarrant County, Texas according to Plat recorded in Plat Cabinet A, Slide 329, Plat Records, Tarrant County, Texas and passing the southwest corner of PHASE IV, SECTION 1, PARK GLEN ADDITION an Addition to the City of Fort Worth, Tarrant County, Texas, according to Plat recorded in Plat Cabinet A, Slide 376, Plat Records, Tarrant County, Texas and continuing, along the common line of said Havener Rupert Limited Partnership tract and said PHASE IV, SECTION 1, PARK GLEN ADDITION, in all, 2346.16 feet to a 1/2" iron set;

THENCE South 00 degrees 52 minutes 25 seconds East, 349.74 feet to a 1/2" iron found at the beginning of a non-tangent curve to the right, whose radius is 50.00 feet and whose long chord bears South 00 degrees 52 minutes 25 seconds East, 82.05 feet;

THENCE along said curve in a southwesterly direction, through a central angle of 110 degrees 16 minutes 36 seconds, a distance of 96.24 feet to a 1/2" iron set ;

THENCE South 00 degrees 52 minutes 25 seconds East, 106.02 feet to a 1/2" iron set;

THENCE North 89 degrees 38 minutes 32 seconds West, 141.72 feet to a 1/2" iron set;

THENCE South 00 degrees 21 minutes 28 seconds West, 359.00 feet to a 1/2" iron set at the beginning of a non-tangent curve to the right, whose radius is 60.00 feet and whose long chord bears South 00 degrees 21 minutes 28 seconds West, 60.00 feet;

THENCE along said curve in a southerly direction, through a central angle of 73 degrees 44 minutes 23 seconds, a distance of 64.35 feet to a 1/2" iron set;

THENCE South 00 degrees 21 minutes 28 seconds West, 847.63 feet to a 1/2" iron set at the beginning of a curve to the right whose radius is 468.31 feet and whose long chord bears South 17 degrees 22 minutes 26 seconds West, 274.10 feet;

THENCE along said curve in a southwesterly direction, through a central angle of 34 degrees 01 minutes 58 seconds, a distance of 278.17 feet to a 1/2" iron set at the end of said curve;

THENCE South 34 degrees 23 minutes 26 seconds West, 390.49 feet to a 1/2" iron set at the beginning of a curve to the left, whose radius is 404.00 feet and whose long chord bears South 20 degrees 17 minutes 24 seconds West, 196.86 feet;

THENCE along said curve in a southerly direction, through a central angle of 28 degrees 12 minutes 02 seconds, a distance of 198.85 feet to a 1/2" iron set at the end of said curve;

THENCE South 06 degrees 11 minutes 23 seconds West, passing the northwest corner of that certain tract of land conveyed to Martin and Martin Foundation Drilling Contractors, Co., by deed recorded in Volume 6986, Page 278, Deed Records, Tarrant County, Texas, and continuing, along the west line of said Martin & Martin Foundation Drilling Contractors, Co. tract, in all, 382.02 feet to a 1/2" iron found in the north line of said Kalauga Road, said point being in a curve to the left whose radius is 2924.79 feet and whose long chord bears North 86 degrees 36 minutes 24 seconds West, 68.24 feet;

THENCE along the north line of said Kalauga Road and along said curve, in a westerly direction, through a central angle of 01 degree 20 minutes 13 seconds, a distance of 68.24 feet to the **POINT OF BEGINNING** and containing 80.661 acres of land.

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 8 of the No-New-Revenue Tax Rate Worksheet. | \$1,627,192,205 |
| 2. Last year's M&O tax rate. Enter Line 28 of the Voter-Approval Tax Rate Worksheet. | \$0.375187/\$100 |
| 3. M&O taxes refunded for years preceding tax year 2022. Enter Line 31A of the Voter-Approval Tax Rate Worksheet. | \$49,523 |
| 4. TIF Adjustment. Enter Line 31B of the Voter-Approval Tax Rate Worksheet. | \$0 |
| 5. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3 and subtract line 4. | \$6,154,536 |
| 6. This year's total taxable value. Enter line 21 of the No-New-Revenue Tax Rate Worksheet. | \$1,842,340,668 |
| 7. This year's proposed M&O tax rate. Enter the proposed M&O tax rate approved by the Governing Body. | \$0.359710/\$100 |
| 8. This year's M&O tax levy. Multiply line 6 times line 7 and divide by 100. | \$6,627,084 |
| 9. M&O Tax Increase (Decrease). Subtract line 5 from line 8. | \$472,548 |
| Comparison of Total Tax Rates | |
| 10. No-New-Revenue Total Tax Rate. | \$0.507081/\$100 |
| 11. This year's proposed total tax rate. | \$0.570200/\$100 |
| 12. This year's rate minus No-New-Revenue rate. Subtract line 10 from line 11. | \$0.063119 |
| 13. Percentage change in total tax rate. Divide Line 12 by line 10. | 12.45% |
| Comparison of M&O Tax Rates | |
| 14. No-New-Revenue M&O Tax Rate. Enter line 39 of the Voter-Approval Tax Rate Worksheet. | \$0.334281/\$100 |
| 15. This year's proposed M&O tax rate. | \$0.359710/\$100 |
| 16. This year's rate minus No-New-Revenue rate. Subtract line 14 from line 15. | \$0.025429 |
| 17. Percentage change in M&O tax rate. Divide line 16 by line 14. | 7.61% |
| Raised M&O Taxes on a \$100,000 Home | |
| 18. This year's taxable value on a \$100,000 home. | \$100,000 |
| 19. Last year's M&O tax rate. | \$0.375187/\$100 |
| 20. This year's proposed M&O tax rate. | \$0.359710/\$100 |
| 21. This year's raised M&O taxes. Subtract line 19 from line 20 and multiply result by line 18. | \$-15.48 |

2023 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

| | |
|--|-------------------------------|
| City of Watauga | 817-514-5800 |
| Taxing Unit Name | Phone (area code and number) |
| 7105 Whitley Road, Watauga Texas 76148 | www.wataugatx.org |
| Taxing Unit's Address, City, State, ZIP Code | Taxing Unit's Website Address |

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

| Line | No-New-Revenue Tax Rate Worksheet | Amount/Rate |
|------|--|--------------------|
| 1. | 2022 total taxable value. Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹ | \$ 1,903,634,822 |
| 2. | 2022 tax ceilings. Counties, cities and junior college districts. Enter 2022 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 unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. ² | \$ 289,613,225 |
| 3. | Preliminary 2022 adjusted taxable value. Subtract Line 2 from Line 1. | \$ 1,614,021,597 |
| 4. | 2022 total adopted tax rate. | \$ 0.570200 /\$100 |
| 5. | 2022 taxable value lost because court appeals of ARB decisions reduced 2022 appraised value. | |
| | A. Original 2022 ARB values: | \$ 88,999,207 |
| | B. 2022 values resulting from final court decisions: | -\$ 80,252,715 |
| | C. 2022 value loss. Subtract B from A. ³ | \$ 8,746,492 |
| 6. | 2022 taxable value subject to an appeal under Chapter 42, as of July 25. | |
| | A. 2022 ARB certified value: | \$ 5,027,404 |
| | B. 2022 disputed value: | -\$ 603,288 |
| | C. 2022 undisputed value. Subtract B from A. ⁴ | \$ 4,424,116 |
| 7. | 2022 Chapter 42 related adjusted values. Add Line 5C and Line 6C. | \$ 13,170,608 |

¹ Tex. Tax Code §26.012(14)
² Tex. Tax Code §26.012(14)
³ Tex. Tax Code §26.012(13)
⁴ Tex. Tax Code §26.012(13)

| Line | No-New-Revenue Tax Rate Worksheet | Amount/Rate |
|------|---|------------------|
| 8. | 2022 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7. | \$ 1,627,192,205 |
| 9. | 2022 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2022. Enter the 2022 value of property in deannexed territory. ⁵ | \$ 0 |
| 10. | 2022 taxable value lost because property first qualified for an exemption in 2023. 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 due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value. A. Absolute exemptions. Use 2022 market value:..... \$ 0 B. Partial exemptions. 2023 exemption amount or 2023 percentage exemption times 2022 value:..... + \$ 2,579,563 C. Value loss. Add A and B. ⁶ | \$ 2,579,563 |
| 11. | 2022 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 2023. Use only properties that qualified in 2023 for the first time; do not use properties that qualified in 2022. A. 2022 market value: \$ 0 B. 2023 productivity or special appraised value: - \$ 0 C. Value loss. Subtract B from A. ⁷ | \$ 0 |
| 12. | Total adjustments for lost value. Add Lines 9, 10C and 11C. | \$ 2,579,563 |
| 13. | 2022 captured value of property in a TIF. Enter the total value of 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2022 taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0. | \$ 0 |
| 14. | 2022 total value. Subtract Line 12 and Line 13 from Line 8. | \$ 1,624,612,642 |
| 15. | Adjusted 2022 total levy. Multiply Line 4 by Line 14 and divide by \$100. | \$ 9,263,541 |
| 16. | Taxes refunded for years preceding tax year 2022. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2022. 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 2022. This line applies only to tax years preceding tax year 2022. ⁹ | \$ 72,448 |
| 17. | Adjusted 2022 levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰ | \$ 9,335,989 |
| 18. | Total 2023 taxable value on the 2023 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: \$ 2,024,432,843 B. Counties: Include railroad rolling stock values certified by the Comptroller's office:..... + \$ _____ C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:..... - \$ 0 D. Tax increment financing: Deduct the 2023 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2023 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² - \$ 0 E. Total 2023 value. Add A and B, then subtract C and D. | \$ 2,024,432,843 |

⁵ Tex. Tax Code §26.012(15)
⁶ Tex. Tax Code §26.012(15)
⁷ Tex. Tax Code §26.012(15)
⁸ Tex. Tax Code §26.03(c)
⁹ Tex. Tax Code §26.012(13)
¹⁰ Tex. Tax Code §26.012(13)
¹¹ Tex. Tax Code §26.012, 26.04(c-2)
¹² Tex. Tax Code §26.03(c)

| Line | No-New-Revenue Tax Rate Worksheet | Amount/Rate |
|------|---|--------------------|
| 19. | Total value of properties under protest or not included on certified appraisal roll. ¹⁷ | |
| | A. 2023 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 under protest. ¹⁴ | \$ 112,184,404 |
| | B. 2023 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 of property not on the certified roll. ¹⁵ | + \$ 8,874,634 |
| | C. Total value under protest or not certified. Add A and B. | \$ 121,059,038 |
| 20. | 2023 tax ceilings. Counties, cities and junior colleges enter 2023 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 unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁶ | \$ 303,151,213 |
| 21. | 2023 total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷ | \$ 1,842,340,668 |
| 22. | Total 2023 taxable value of properties in territory annexed after Jan. 1, 2022. Include both real and personal property. Enter the 2023 value of property in territory annexed. ¹⁸ | \$ 0 |
| 23. | Total 2023 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2022. 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, 2022 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2023. ¹⁹ | \$ 1,218,281 |
| 24. | Total adjustments to the 2023 taxable value. Add Lines 22 and 23. | \$ 1,218,281 |
| 25. | Adjusted 2023 taxable value. Subtract Line 24 from Line 21. | \$ 1,841,122,387 |
| 26. | 2023 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰ | \$ 0.507081 /\$100 |
| 27. | COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2023 county NNR tax rate. ²¹ | \$ _____ /\$100 |

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|--|--------------------|
| 28. | 2022 M&O tax rate. Enter the 2022 M&O tax rate. | \$ 0.375187 /\$100 |
| 29. | 2022 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,627,192,205 |

¹⁷ Tex. Tax Code §26.01(c) and (d)
¹⁴ Tex. Tax Code §26.01(c)
¹⁵ Tex. Tax Code §26.01(d)
¹⁶ Tex. Tax Code §26.012(6)(B)
¹⁷ Tex. Tax Code §26.012(6)
¹⁸ Tex. Tax Code §26.012(17)
¹⁹ Tex. Tax Code §26.012(17)
²⁰ Tex. Tax Code §26.04(c)
²¹ Tex. Tax Code §26.04(d)

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|---|--------------------|
| 30. | Total 2022 M&O levy. Multiply Line 28 by Line 29 and divide by \$100 | \$ 6,105,013 |
| 31. | Adjusted 2022 levy for calculating NNR M&O rate. | |
| | A. M&O taxes refunded for years preceding tax year 2022. 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 2022. This line applies only to tax years preceding tax year 2022. | + \$ 49,523 |
| | B. 2022 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 2023 captured appraised value in Line 18D, enter 0. | - \$ 0 |
| | C. 2022 transferred 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 D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. | +/- \$ 0 |
| | D. 2022 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. | \$ 49,523 |
| | E. Add Line 30 to 31D. | \$ 6,154,536 |
| 32. | Adjusted 2023 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,841,122,387 |
| 33. | 2023 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100. | \$ 0.334281 /\$100 |
| 34. | Rate adjustment for state criminal justice mandate. ²³ If not applicable or less than zero, enter 0. | |
| | A. 2023 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. | \$ 0 |
| | B. 2022 state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. | - \$ 0 |
| | C. Subtract B from A and divide by Line 32 and multiply by \$100. | \$ 0.000000 /\$100 |
| | D. Enter the rate calculated in C. If not applicable, enter 0. | \$ 0.000000 /\$100 |
| 35. | Rate adjustment for indigent health care expenditures. ²⁴ If not applicable or less than zero, enter 0. | |
| | A. 2023 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose. | \$ 0 |
| | B. 2022 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. | - \$ 0 |
| | C. Subtract B from A and divide by Line 32 and multiply by \$100. | \$ 0.000000 /\$100 |
| | D. Enter the rate calculated in C. If not applicable, enter 0. | \$ 0.000000 /\$100 |

²² [Reserved for expansion]

²³ Tex. Tax Code §26.044

²⁴ Tex. Tax Code §26.0441

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|---|---------------------------|
| 36. | <p>Rate adjustment for county indigent defense compensation. ²⁵ If not applicable or less than zero, enter 0.</p> <p>A. 2023 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose..... \$ <u>0</u></p> <p>B. 2022 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose..... \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ <u>0.000000</u> /\$100</p> <p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100..... \$ <u>0.000000</u> /\$100</p> <p>E. Enter the lesser of C and D. If not applicable, enter 0.</p> | \$ <u>0.000000</u> /\$100 |
| 37. | <p>Rate adjustment for county hospital expenditures. ²⁶ If not applicable or less than zero, enter 0.</p> <p>A. 2023 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. \$ <u>0</u></p> <p>B. 2022 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100..... \$ <u>0.000000</u> /\$100</p> <p>D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100..... \$ <u>0.000000</u> /\$100</p> <p>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p> | \$ <u>0.000000</u> /\$100 |
| 38. | <p>Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.</p> <p>A. Amount appropriated for public safety in 2022. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year \$ <u>0</u></p> <p>B. Expenditures for public safety in 2022. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100 \$ <u>0.000000</u> /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p> | \$ <u>0.000000</u> /\$100 |
| 39. | <p>Adjusted 2023 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p> | \$ <u>0.334281</u> /\$100 |
| 40. | <p>Adjustment for 2022 sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2022 should complete this line. These entities will deduct the sales tax gain rate for 2023 in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2022, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent \$ <u>0</u></p> <p>B. Divide Line 40A by Line 32 and multiply by \$100 \$ <u>0.000000</u> /\$100</p> <p>C. Add Line 40B to Line 39.</p> | \$ <u>0.334281</u> /\$100 |
| 41. | <p>2023 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.</p> <p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p> | \$ <u>0.345980</u> /\$100 |

²⁵ Tex. Tax Code §26.0442
²⁶ Tex. Tax Code §26.0443

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|--|---------------------|
| D41. | <p>Disaster Line 41 (D41): 2023 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or</p> <p>2) the third tax year after the tax year in which the disaster occurred</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. ²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p> | \$ 0.000000 / \$100 |
| 42. | <p>Total 2023 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes,</p> <p>(2) are secured by property taxes,</p> <p>(3) are scheduled for payment over a period longer than one year, and</p> <p>(4) are not classified in the taxing unit's budget as M&O expenses.</p> <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. ²⁸</p> <p>Enter debt amount \$ 4,148,817</p> <p>B. Subtract unencumbered fund amount used to reduce total debt. - \$ 0</p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) - \$ 0</p> <p>D. Subtract amount paid from other resources - \$ 0</p> <p>E. Adjusted debt. Subtract B, C and D from A. \$ 4,148,817</p> | \$ 4,148,817 |
| 43. | Certified 2022 excess debt collections. Enter the amount certified by the collector. ²⁹ | \$ 270,874 |
| 44. | Adjusted 2023 debt. Subtract Line 43 from Line 42E. | \$ 3,877,943 |
| 45. | <p>2023 anticipated collection rate.</p> <p>A. Enter the 2023 anticipated collection rate certified by the collector. ³⁰ 100.00 %</p> <p>B. Enter the 2022 actual collection rate. 99.69 %</p> <p>C. Enter the 2021 actual collection rate. 100.06 %</p> <p>D. Enter the 2020 actual collection rate. 100.58 %</p> <p>E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. ³¹</p> | 100.00 % |
| 46. | 2023 debt adjusted for collections. Divide Line 44 by Line 45E. | \$ 3,877,943 |
| 47. | 2023 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,842,340,668 |
| 48. | 2023 debt rate. Divide Line 46 by Line 47 and multiply by \$100. | \$ 0.210490 / \$100 |
| 49. | 2023 voter-approval tax rate. Add Lines 41 and 48. | \$ 0.556470 / \$100 |
| D49. | <p>Disaster Line 49 (D49): 2023 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.</p> | \$ _____ / \$100 |

²⁷ Tex. Tax Code §26.042(a)
²⁸ Tex. Tax Code §26.012(7)
²⁹ Tex. Tax Code §26.012(10) and 26.04(b)
³⁰ Tex. Tax Code §26.04(b)
³¹ Tex. Tax Code §526.04(h), (h-1) and (h-2)

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|---|---------------------|
| 50. | COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2023 county voter-approval tax rate. | \$ 0.000000 / \$100 |

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

| Line | Additional Sales and Use Tax Worksheet | Amount/Rate |
|------|---|---------------------|
| 51. | Taxable Sales. For taxing units that adopted the sales tax in November 2022 or May 2023, enter the Comptroller’s estimate of taxable sales for the previous four quarters. ³² Estimates of taxable sales may be obtained through the Comptroller’s Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2022, enter 0. | \$ 0 |
| 52. | Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³³ Taxing units that adopted the sales tax in November 2022 or in May 2023. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁴ - or - Taxing units that adopted the sales tax before November 2022. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95. | \$ 0 |
| 53. | 2023 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,842,340,668 |
| 54. | Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100. | \$ 0.000000 / \$100 |
| 55. | 2023 NNR tax rate, unadjusted for sales tax. ³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 0.507081 / \$100 |
| 56. | 2023 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2022 or in May 2023. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2022. | \$ 0.507081 / \$100 |
| 57. | 2023 voter-approval tax rate, unadjusted for sales tax. ³⁶ Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> . | \$ 0.556470 / \$100 |
| 58. | 2023 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57. | \$ 0.556470 / \$100 |

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit’s expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

| Line | Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet | Amount/Rate |
|------|--|---------------------|
| 59. | Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸ | \$ 0 |
| 60. | 2023 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,842,340,668 |
| 61. | Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100. | \$ 0.000000 / \$100 |
| 62. | 2023 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax). | \$ 0.556470 / \$100 |

³² Tex. Tax Code §26.041(d)
³³ Tex. Tax Code §26.041(i)
³⁴ Tex. Tax Code §26.041(d)
³⁵ Tex. Tax Code §26.04(c)
³⁶ Tex. Tax Code §26.04(c)
³⁷ Tex. Tax Code §26.045(d)
³⁸ Tex. Tax Code §26.045(i)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate adjusted to remove the unused increment rate for the prior three years.³⁹ In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;⁴⁰
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴¹ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴²

Individual components can be negative, but the overall rate would be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴³

| Line | Unused Increment Rate Worksheet | Amount/Rate |
|------|---|--------------------|
| 63. | Year 3 component. Subtract the 2022 actual tax rate and the 2022 unused increment rate from the 2022 voter-approval tax rate. | |
| | A. Voter-approval tax rate (Line 67)..... | \$ 0.584200 /\$100 |
| | B. Unused increment rate (Line 66)..... | \$ 0.014000 /\$100 |
| | C. Subtract B from A..... | \$ 0.570200 /\$100 |
| | D. Adopted Tax Rate..... | \$ 0.570200 /\$100 |
| | E. Subtract D from C..... | \$ 0.000000 /\$100 |
| 64. | Year 2 component. Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate. | |
| | A. Voter-approval tax rate (Line 67)..... | \$ 0.597593 /\$100 |
| | B. Unused increment rate (Line 66)..... | \$ 0.000000 /\$100 |
| | C. Subtract B from A..... | \$ 0.597593 /\$100 |
| | D. Adopted Tax Rate..... | \$ 0.580400 /\$100 |
| | E. Subtract D from C..... | \$ 0.017193 /\$100 |
| 65. | Year 1 component. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. | |
| | A. Voter-approval tax rate (Line 65)..... | \$ 0.612459 /\$100 |
| | B. Unused increment rate (Line 64)..... | \$ 0.000000 /\$100 |
| | C. Subtract B from A..... | \$ 0.612459 /\$100 |
| | D. Adopted Tax Rate..... | \$ 0.580404 /\$100 |
| | E. Subtract D from C..... | \$ 0.032055 /\$100 |
| 66. | 2023 unused increment rate. Add Lines 63E, 64E and 65E. | \$ 0.049248 /\$100 |
| 67. | Total 2023 voter-approval tax rate, including the unused increment rate. Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control). | \$ 0.605718 /\$100 |

³⁹ Tex. Tax Code §26.013(a)
⁴⁰ Tex. Tax Code §26.013(c)
⁴¹ Tex. Tax Code §§26.0501(a) and (c)
⁴² Tex. Local Gov't Code §120.007(d), effective Jan. 1, 2022
⁴³ Tex. Tax Code §26.063(a)(1)
⁴⁴ Tex. Tax Code §26.012(B-a)
⁴⁵ Tex. Tax Code §26.063(a)(1)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴⁴ This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴⁵

| Line | De Minimis Rate Worksheet | Amount/Rate |
|------|--|--------------------|
| 68. | Adjusted 2023 NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i> | \$ 0.334281 /\$100 |
| 69. | 2023 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,842,340,668 |
| 70. | Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 69 and multiply by \$100. | \$ 0.027139 /\$100 |
| 71. | 2023 debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> . | \$ 0.210490 /\$100 |
| 72. | De minimis rate. Add Lines 68, 70 and 71. | \$ 0.571910 /\$100 |

SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁶

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.⁴⁷

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

| Line | Emergency Revenue Rate Worksheet | Amount/Rate |
|------|---|--------------------|
| 73. | 2022 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 0.570200 /\$100 |
| 74. | Adjusted 2022 voter-approval tax rate. Use the taxing unit’s Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2022 and the taxing unit calculated its 2022 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2022 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2022 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2022, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2022 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. ⁴⁸ Enter the final adjusted 2022 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year’s worksheet. | \$ 0.000000 /\$100 |
| 75. | Increase in 2022 tax rate due to disaster. Subtract Line 74 from Line 73. | \$ 0.000000 /\$100 |
| 76. | Adjusted 2022 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,624,612,642 |
| 77. | Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100. | \$ 0 |
| 78. | Adjusted 2023 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,841,122,387 |
| 79. | Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁴⁹ | \$ 0.000000 /\$100 |

⁴⁴ Tex. Tax Code §26.042(b)
⁴⁵ Tex. Tax Code §26.042(f)
⁴⁶ Tex. Tax Code §26.042(d)
⁴⁷ Tex. Tax Code §26.042(b)

| Line | Emergency Revenue Rate Worksheet | Amount/Rate |
|------|--|--------------------|
| 80. | 2023 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate). | \$ 0.605718 /\$100 |

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. \$ 0.507081 /\$100

As applicable, enter the 2023 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).

Indicate the line number used: 26

Voter-approval tax rate. \$ 0.605718 /\$100

As applicable, enter the 2023 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax),

Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).

Indicate the line number used: 67

De minimis rate. \$ 0.571910 /\$100

If applicable, enter the 2023 de minimis rate from Line 72.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.⁵⁰

print here ▶

Sandra Gibson

Printed Name of Taxing Unit Representative

sign here ▶

Sandra Gibson

Taxing Unit Representative

7/31/2023

Date

⁵⁰ Tex. Tax Code §526.04(c-2) and (d-2)

