

FISCAL YEAR 2017/2018

BUDGET BOOK



THE CITY OF HARKER HEIGHTS, TEXAS

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This budget will raise more revenue from property taxes than last year’s budget by an amount of \$887,371 which is a 7.8% increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$254,864.

CITY COUNCIL RECORD VOTE

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

FOR: Steve Carpenter, Place 2; Jackeline Soriano Fountain, Place 3; John Reider, Place 4; Jody Nicholas, Place 5; and Hal Schiffman, Mayor Protem

AGAINST: None

PRESENT and not voting: Spencer H. Smith, Mayor

ABSENT: None

PROPERTY TAX RATES

	<u>FY 2018</u>	<u>FY 2017</u>
Property Tax Rate	0.6770	0.6770
Maintenance & Operations Rate	0.5285	0.5198
Debt Rate*	0.1485	0.1572
Effective Tax Rate*	0.6416	0.6683
Effective Maintenance & Operations Rate*	0.8576	0.8988
Rollback Tax Rate*	0.7175	0.7502

*This rate is calculated by Bell County Appraisal District.

The total amount of municipal debt obligation secured by property taxes for the City of Harker Heights is \$37,584,735.

(Required per Texas Senate Bill 656, passed during the 83rd Legislative Session.)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Harker Heights
Texas**

For the Fiscal Year Beginning

October 1, 2016

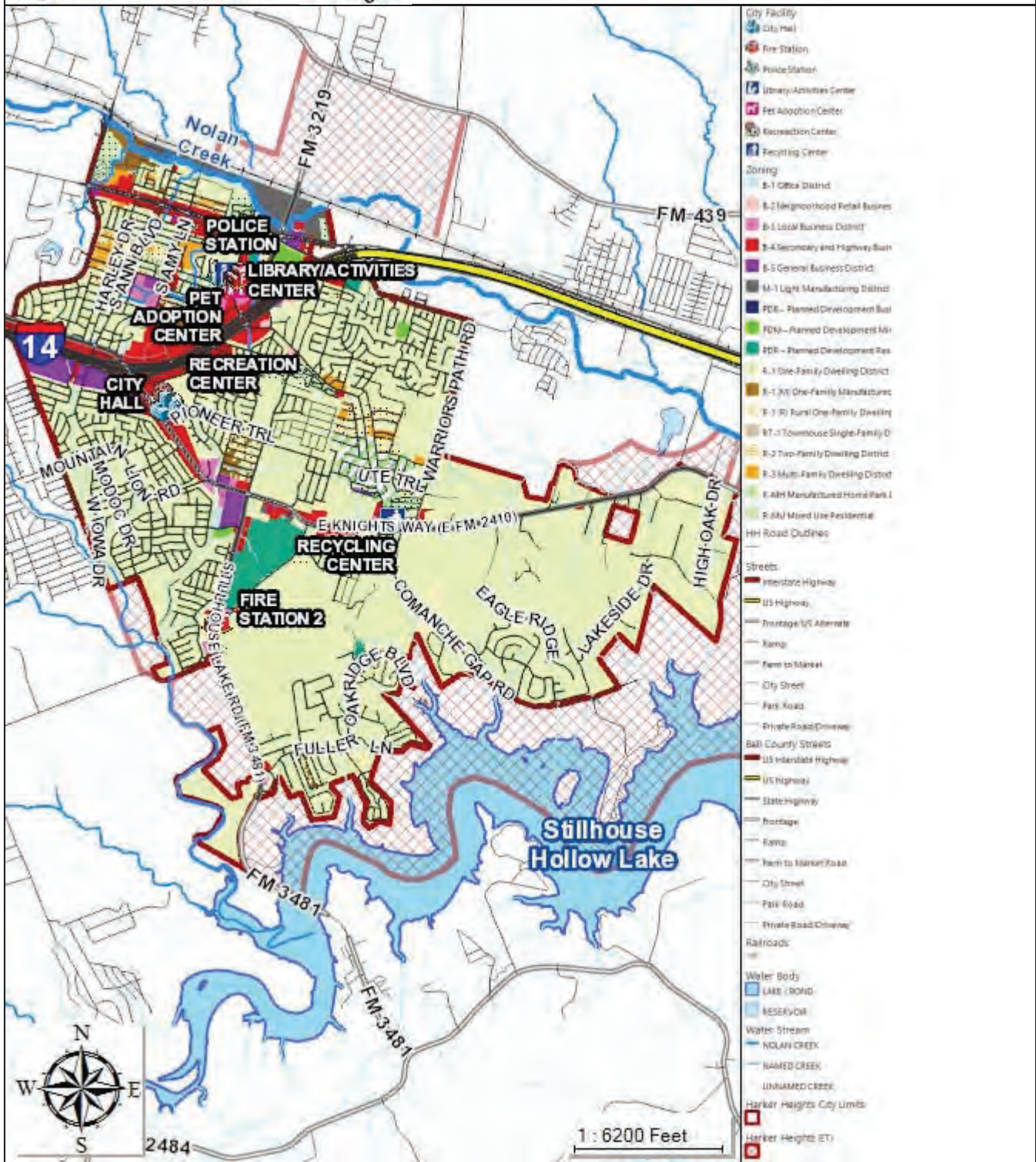
Executive Director



(Left to Right): Steve Carpenter – Place 2; Jackeline Soriano Fountain – Place 3; Hal Schiffman – Mayor Pro Tem; Spencer H. Smith – Mayor; David Mitchell – City Manager; John Reider – Place 4; and Jody Nicholas – Place 5.

CITY OF HARKER HEIGHTS VISION STATEMENT

*Providing public services that empower people to focus on what matter most:
their goals, hopes and dreams.*



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BUDGET MESSAGE



The City Of Harker Heights

305 Miller's Crossing

Harker Heights, Texas 76548

Phone 254/953-5600

Fax 254/953-5614

Mayor

Spencer H. Smith

Mayor Protem

Hal Schiffman

City Council

Steve Carpenter

Jackeline Soriano Fountain

John Reider

Jody Nicholas

September 12, 2017

Dear Mayor and City Council Members:

The fiscal year 2017-2018 budget is submitted to you in accordance with the City of Harker Heights' Charter and has been filed with the City Secretary. The 2018 fiscal year budget, which begins on October 1, 2017, and ends on September 30, 2018, provides the resources needed to maintain a high level of service to citizens and businesses.

The budget is a plan of action that addresses which resources of the City will be used to accomplish objectives that the City Council believes necessary. The budget meets present challenges and helps accomplish opportunities recognized by the City Council, staff, and citizens.

Staff began working on the 2017-2018 budget in March with the distribution of request forms for fixed assets, capital improvements, and personnel to all departments. Department Heads were then asked to produce a proposed budget for their departments' operating line items. Department expenditures/expenses were discussed in meetings held with the City Manager, Assistant City Manager, Finance Director, and Department Head in order to provide guidance in the preparation of the budget.

Revenues were discussed in separate meetings and included a look at the City's five-year long range plan which depicts projected revenues and expenses for the next five fiscal years and the projected fund balance for the General, Utility, Drainage, and Sanitation Funds. The long-range plans for Capital Improvement funding and expenditures were also reviewed to ensure that money would be available for the projects planned to continue or begin during the 2018 fiscal year. The Capital Improvement long-range plan is also reviewed during the fiscal year in case changes need to be made to funding sources and/or expenditures for projects.

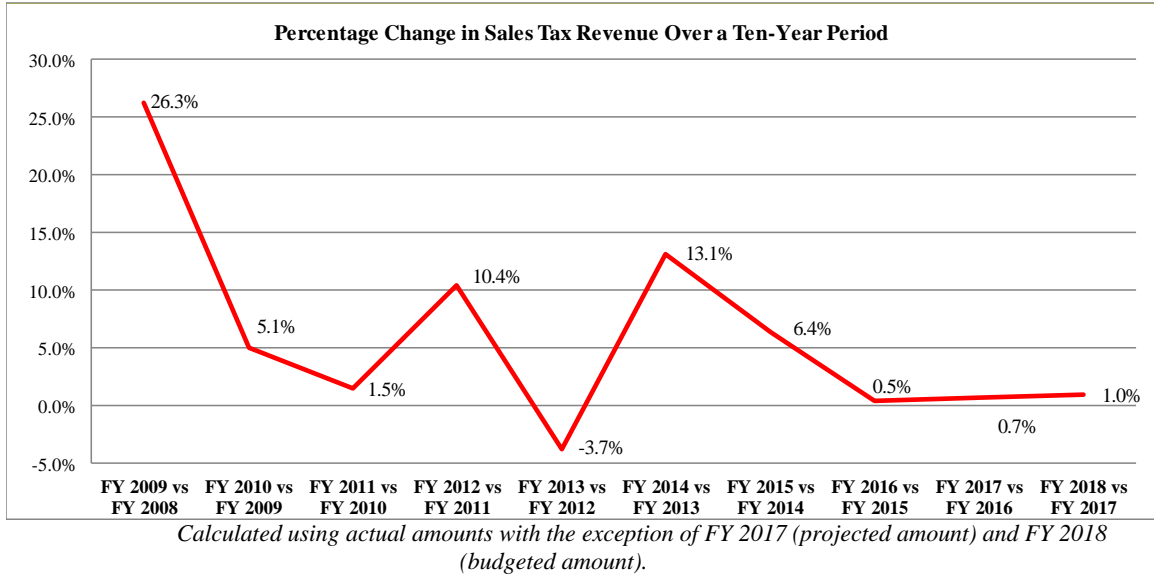
Principal Issues and/or Challenges

The following are some of the items that affect planning and impact the budget process:

- Sales Tax Revenues – As new businesses open in Harker Heights, sales tax revenues are expected to increase. The challenge in planning this line item is determining for how long and how much. The following graph depicts the change in sales tax revenue over the last ten fiscal years. "FY 2009 vs. FY 2008" depicts the change in actual revenue between those fiscal years and this continues until "FY 2018 vs. FY 2017" which depicts the change in the FY 2017-2018 budgeted amount from the FY 2016-2017 projected amount.

FY 2016-2017 projections for sales tax revenues of \$6,500,000 are equal to the budgeted amount meaning we are right on track for the current year. This amount is only \$48,257 more than the actual amount received in FY 2015-2016. We have

remained conservative in budgeting sales tax at a \$6,565,000 for fiscal year 2017-2018; a 1% increase over the current year's projection.



- Residential and Commercial Growth – Residential and commercial growth impacts our building permit revenue positively because each project within the City is required to have a permit (see schedule for more information on how fees are charged). With the continued construction of new homes in The Evergreens and Tuscany Meadows subdivisions, there have been 139 permits issued for single family homes at \$36,112,945 total valuation from the period of October 1, 2016 to July 27, 2017. At the end of FY 2015-2016, single family home permits totaled 195 with a total valuation of \$47,256,764.

Two family dwellings, or duplexes, have become a practical option for many of our residents who are living in the area for a short time or may not be ready to buy a home. Twenty (20) permits were issued for duplexes during FY 2015-2016 with a total valuation of \$3,508,800. From the period of October 1, 2016 to July 27, 2017, 20 permits have been issued with a \$3,493,600 total valuation.

There have been eight commercial permits issued through July 27, 2017, with a total valuation of \$3,133,288. One of these permits is for an Express ER. At the end of the 2015-2016 fiscal year, there were seven permits issued with a total valuation of \$3,438,179. Permits for an automotive supply store, retail store and fast food restaurant are included in these numbers.

Growth is expected to decline which is shown in changes in the building permit line item. In FY 2015-2016, an actual amount of \$258,201 was received after budgeting \$300,000 for the year. For FY 2016-2017, \$250,000 was budgeted and the projections for the year has been lowered to \$200,000, a reduction of \$50,000. We have continued to remain conservative by budgeting \$200,000 for FY 2017-2018.

- Health Insurance –For FY 2017-2018, health insurance premiums for the City have decreased by just 2.16% while dental insurance premiums and vision insurance premiums have remained flat. \$1,195,200 has been budgeted in the General, Utility, Drainage and Sanitation Funds for health insurance coverage which covers the City's cost of employee coverage. Absorbing the cost of health insurance as it continues to rise will become even more challenging once growth within the City stabilizes and revenues become more constant. Currently the City goes out every year for

Requests for Proposals in hopes that rates will remain competitively low as our employees have to pay for the cost to cover their spouses and children.

Strategic Goals

Below are the strategic goals that allow us to improve service and facilities to citizens and businesses of the City and the planning processes that assist us in ensuring these goals are met each year. Planning processes are described in more detail in the following section.

STRATEGIC GOAL

PLANNING PROCESS

Foster the image of Harker Heights as a clean, safe, well-maintained and progressive City	➔	Parks & Recreation Master Plan Comprehensive Plan
Stimulate creation and growth of locally owned businesses	➔	Comprehensive Plan Exploring New Heights Capital Improvement Plan Comprehensive Plan Water Master Plan
Enhance and extend infrastructure in anticipation of further planned growth	➔	Residential Drainage Prioritization Sewer Rehabilitation Mobility 2030 (Thoroughfare Plan)
Expand street maintenance and sewer rehabilitation projects throughout the City	➔	Long-Range Budget Plan Capital Improvement Plan Comprehensive Plan Sewer Rehabilitation
Maintain a long-range Capital Improvement Plan	➔	Capital Improvement Plan
Maintain a multi-year equipment replacement program	➔	Long-Range Budget Plans
Determine and implement methods to better communicate with citizens	➔	Exploring New Heights

Description of Planning Processes

	Description	Purpose	Budget Impact
Long-Range Budget Plans	Includes the current year’s revenue and expenditure or expense projections and future projections.	To facilitate planning for the General, Utility, Drainage and Sanitation Funds.	Guides budget planning to ensure required reserves can be held in the future.
Capital Improvement Plan	Five-year plan that includes expenditures for projects by type and their funding sources.	To identify and record expenditures and funding sources for capital projects.	Planning device for City’s revenues and expenditures to complete planned and projected projects.
Parks & Recreation Master Plan	Ten-year master plan for parks and recreation facilities.	To provide guidelines for future decisions for city-wide parks system; for the acquisition/development of park land to meet current and future needs;	Establishes operating and capital expenses required to maintain new and existing facilities.

	Description	Purpose	Budget Impact
		establish priorities; and identify possible funding.	
Comprehensive Plan	Presents historical data on population, information on natural resources, and goals and objectives of various City departments.	Framework for obtaining the goals and objectives of the City focusing on Land Use, Urban Design, Stormwater Management, Public Safety and Culture & Recreation.	Reminder of goals and objectives set for the future of the City.
Water Master Plan	Identifies the needs of the water and wastewater system.	Makes recommendations of ways to satisfy the needs specified for the water and wastewater system.	Assists in planning water improvement projects. Used in conjunction with the Capital Improvement Plan.
Residential Drainage Prioritization	Lists residential addresses with known drainage issues.	Records areas of the City that have problems with drainage and an estimated cost to correct the issue(s).	Assists in planning drainage projects for upcoming fiscal years. It is used in conjunction with the Capital Improvement Plan.
Sewer Rehabilitation Program	Ten-year plan that includes costs for manhole rehabilitation, line replacement and various construction costs related to these repairs.	Serves as a guide to rehabilitate the sewer lines within the City.	Long-range plan for sewer improvements within the City. It is used in conjunction with the Capital Improvement Plan.
Exploring New Heights	Citizen focus group.	Citizen developed goals and objectives in the areas of quality of life, business & economic development, and infrastructure.	Reminder of goals and objectives to accomplish throughout the City.
Mobility 2030 (Thoroughfare Plan)	Multi-modal update to the thoroughfare plan that includes the street network, sidewalk network, on-street and off-street bicycle network, and mass transit.	Transportation planning document to identify current transportation needs and project future requirements for vehicular and pedestrian mobility within and without the City.	Identified and prioritizes transportation goals and objectives for the current and future needs of the City.

Examples of long and short-term objectives that have been created using the planning processes described above include:

Long-Range Budget Plans/Capital Improvement Plan

Short-Term: Continue funding of a multi-year street maintenance program from current revenues.

Long-Term: Plan infrastructure for future annexations in the City’s extraterritorial jurisdiction.

Parks and Recreation Master Plan/Capital Improvement Plan

Short-Term: Multi-year funding of park improvements from current revenues.

Comprehensive Plan

Long-Term: Ensure the most appropriate land use for all areas of the city.

Water Master Plan

Short-Term: Complete water and wastewater projects to improve storage and processing capabilities.

Long-Term: Establish a long-range water improvement plan based on the Water Master Plan.

Residential Drainage Prioritization

Short-Term: The FEMA Phase 2 Study, completed in September 2014, identified the need to reduce storm water flooding in the north part of the City. Work will include widening drainage channels, culvert improvements, and storm drainage improvements. Staff is proposing to issue 2018 Certificate of Obligation to fund the top priority of projects.

Long-Term: Establish a long-range drainage improvement plan based on the drainage criteria manual and listing of drainage problem areas within the City. Utilize the FEMA Phase 2 Study to plan future drainage improvements along the north side of US Highway 190.

Sewer Rehabilitation Program

Long-Term: As a final step in the ten-year Sanitary Sewer Overflow Initiative Agreement, a flow monitoring study was conducted this past spring in the eighteen wastewater basins. The City's engineer is preparing the final report which will be submitted to the Texas Commission on Environmental Quality (TCEQ) in December 2017. It is anticipated that TCEQ will request the City enter into another ten-year agreement in 2018.

Exploring New Heights

Short-Term: The City is currently holding a new Exploring New Heights session to revise the Exploring New Heights goals and actions.

Long-Term: Implement suggestions from past and current Exploring New Heights committees in an effort to maintain and/or improve services and the quality of life for our citizens.

Thoroughfare Plan

Short-Term: Create and prioritize multi-modal transportation networks integrating streets, sidewalks, on-street and off-street bicycle trails, and mass transit.

Long-Term: Implement street, sidewalk, and bicycle network construction/renovation based on established and periodically updated priority list.

The Budget at a Glance section on the next several pages will go into further details on how different factors guided the development of the 2018 fiscal year budget.

FY 2017-2018 BUDGET AT A GLANCE

GOVERNMENTAL FUNDS

General Fund

General Fund revenues are budgeted at \$20,443,800 with the primary revenue sources as follows:

- 1) Ad Valorem Tax is the largest revenue source in the General Fund. The certified taxable value is \$1,806,143,195 which is an increase of \$106,372,382 or 6.3% from the 2016 certified value of \$1,699,770,813. No tax rate increase is included so the budget is prepared based on maintaining the current tax rate of \$0.6770 which will provide \$9,173,000 in maintenance and operation tax revenue. A one cent increase in the tax rate will provide approximately \$173,000 in additional ad valorem revenue. Of that \$173,000, the general fund increase would be \$135,000.

2017 Tax Rates	
Proposed Tax Rate	.6770
Effective Rate	.6416
Rollback Rate	.7175

#

The effective 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 if applied to the same properties taxed in both years. Since the tax rate of \$0.6770 is higher than the effective tax rate, per the Truth in Taxation guidelines, two public hearings are required. The following is a comparison of the 2017 proposed property tax rates of surrounding cities:

Belton	.6598
Harker Heights	.6770
Temple	.6772
Killeen	.7498
Copperas Cove	.797908

- 2) Franchise Fees of \$1,340,000 represents approximately 6% of the total General Fund revenues.
 - a. Cable franchise fees are budgeted at \$314,000, a slight increase over the current year projections;
 - b. Electricity franchise fees are proposed at \$900,000, a slight increase over the current year projections;
 - c. Gas franchise fees are proposed to be \$80,000, up from the \$77,900 projected; and
 - d. Telephone franchise fees are budgeted at \$46,000 for this next year, the same as projected for the current year.
- 3) Sales tax revenue is budgeted at \$6,565,000 which is a 1% or a \$65,000 increase over the \$6,500,000 projected for FY 2016-2017. In the long range projections, the City anticipated and projected sales tax revenues to level off once Market Heights and other large retail establishments came in and sales tax receipts became steady.
- 4) The Court Fine revenue line item is budgeted at \$800,000 for FY 2017-2018. The current year projection is lower than budgeted by \$245,000 due to lower ticket volume and collections.
- 5) Ambulance revenues are budgeted at \$600,000 for this next year and is the same as projected for the current year. Rates and fees are proposed to change to match those within the region.
- 6) Interest Income is budgeted at \$115,000 for FY 2017-2018 which is the same amount as projected for the current fiscal year and is based on current rates.

- 7) The FY 2017-2018 budget includes the reimbursement from the Texas Department of Transportation (TxDOT) for the completion of the turnaround bridge at US 190 and Knight's Way which is part of the pass through funding program. The City will be reimbursed at \$.20 per vehicle based on the traffic counts during the past year. The minimum to be reimbursed is \$85,000 and the maximum is \$170,000 annually. Based on the traffic counts, the City should receive the maximum reimbursement.
- 8) Transfers that are budgeted to come in from other funds (\$838,000) are as follows:
 - a. Utility Fund - \$450,000;
 - b. Sanitation Fund - \$300,000; and
 - c. Restricted Courts Fund - \$88,000. This transfer increase is from the restricted Child Safety Fund to implement a Juvenile Case Manager Program Specialist position.

Expenditures are budgeted at \$20,400,900 which is an increase of \$659,400 over the \$19,741,500 projected for the current year. Major expenditures are as follows:

- 1) Salaries and benefits total \$15,299,700 and includes:
 - a. A salary adjustment of 2% is included for employees;
 - b. The following new positions have been added to FY 2017-2018 budget:
 - i. The Pet Adoption Center will add a Veterinarian Technician beginning mid-year;
 - ii. An Evidence Technician will be added to the Police Department in the last quarter of the fiscal year;
 - iii. In Municipal Courts a Juvenile Case Manager Program Specialist will be added effective October and the part time Customer Service Clerk will be reclassified as a full time position in October as well; and
 - iv. A Battalion Chief of Training will be added to the Fire Department in the last quarter of the fiscal year.
 - c. Health Insurance premiums are budgeted to increase for FY 2017-2018 by \$132,800; and
 - d. The Texas Municipal Retirement System (TMRS) line item is budgeted at \$1,721,800, an increase of \$37,500, and includes the 2% salary adjustment and new positions.
- 2) Supplies are proposed at \$750,800 in total. Fuel costs are reflected in the vehicle supply category which is proposed at \$232,100. General supplies are budgeted at \$141,100 which is slightly less than the \$142,900 projected in the current year. Equipment supplies are budgeted at \$74,300, an increase of \$12,000 over the current year projection but is consistent with the FY 2015-2016 expenditures for this line item. Chemical supplies are being held at \$12,200. Animal Care supplies at the Pet Adoption Center is proposed to increase \$16,500, however, these costs are partially offset with donations. In total the supply category is proposed to increase \$38,600 over the current year projection.
- 3) The maintenance category is proposed at a total of \$699,200 which is up from the prior year's projection of \$675,600. The vehicle maintenance category is budgeted at \$128,800 which is slightly lower than the current year projection. Building maintenance is being held flat. The equipment maintenance category is increasing by \$14,000 over the current year projections mainly due to the server support, and miscellaneous equipment repairs, but it also includes maintenance fees for the software and hardware used in Finance, Courts, and Code Enforcement.
- 4) Utility costs are budgeted at \$562,200 a slight increase from the FY 2016-2017 projected amount of \$558,700.
- 5) Travel and training expenses are budgeted at \$160,900 which is an increase of \$13,900 over the projected amount for FY 2016-2017.
- 6) Contract labor, within the services category, totals \$466,100, an increase of \$52,100 from the \$414,000 current year projection. A major expense in contract labor is the cost of public safety communications, budgeted at \$427,400, which covers Harker Heights' portion of the Bell County Communications Center. This is an increase of approximately \$50,000 from the previous year.
- 7) Parks and Recreation programs are being budgeted at \$46,000, an increase of \$3,000 over the current year projection.

- 8) Nuisance abatement is budgeted at \$55,000 and allows for demolition of dilapidated houses that are uninhabitable and unsafe.
- 9) State Tax Payments are budgeted at \$275,000 and are in direct correlation to the Court Fine revenue.
- 10) Legal fees are budgeted at \$124,000 an increase of \$10,000 from the current year projection which is for the anticipated legal cost related to Lynn Drive.
- 11) Advertising is set at \$44,200 for the upcoming fiscal year which includes the cost of printing recreation brochures and advertising new and vacant positions within the City.
- 12) A total of \$268,100 is budgeted for Professional Fees up \$25,900 from the current year's \$242,200 projection. The majority of expenditures in the Professional Fee category includes the following:
 - a. Engineering fees - \$27,000;
 - b. Employee benefit consulting - \$32,000;
 - c. Arbitrage consulting - \$10,000;
 - d. GASB 45 consulting - \$11,000;
 - e. Oncor/Atmos steering committee participation fees - \$4,500;
 - f. Codification of ordinances - \$10,000;
 - g. Drug screens, background checks, polygraph exams, etc. - \$15,000;
 - h. Misc. filing, web hosting fees, and renewals - \$10,000;
 - i. Veterinary services to spay/neuter animals at the Pet Adoption Center - \$52,000;
 - j. Aerial photography of \$12,000; and
 - k. Bell County Health Department - \$75,000.
- 13) Outside Agency funding totals \$217,200 in the FY2017-2018 budget which is approximately 1% of total expenditures. Below is the funding for each organization:
 - a. Transportation (HOP) expenditures of \$43,200 are included in the proposed budget for operations and maintenance of the Hill Country Transit Authority's transit service.
 - b. The proposed budget for FY 2017-2018 includes \$17,000 for the Heart of Texas Defense Alliance which is the same amount budgeted and projected for the end of the current fiscal year.
 - c. Chambers of Commerce expenditures total \$47,500 which is made up of the following:
 - i. \$35,000 is allocated to the Harker Heights Chamber of Commerce; and
 - ii. \$12,500 to the Killeen Chamber of Commerce.
 - d. The proposed budget includes \$25,000 for a contribution to Texas A&M for scholarships.
 - e. The contribution of \$50,000 to the Boys & Girls Club is to support their after-school programs at Union Grove Middle School and Eastern Hills Middle School.
 - f. \$9,500 to the Greater Killeen Free Clinic is included in the proposed budget.
 - g. The proposed budget includes \$25,000 to the National Mounted Warfare Foundation.
- 14) The Youth Task Force line item is budgeted at \$13,000.
- 15) Economic Development expenditures total \$23,500 for FY 2017-2018 which includes the Retail Coach program.
- 16) \$589,000 is budgeted to be expensed to Seton Medical Center based on an incentive agreement to reimburse 100% of property taxes collected for seven years. This budget year will be year five of the seven and the last reimbursement payment will be made during the 2019-2020 fiscal year.
- 17) Transfers out to other funds total \$100,000 to the Debt Service Fund.

The proposed budget reflects adding \$42,900 to the fund balance for a total of \$9,807,611 which exceeds the three months of operating reserve requirement of \$5,075,200.

Debt Service Fund

Revenues in the Debt Service Fund total \$2,785,500 which is derived mainly from the interest and sinking portion of the ad valorem taxes (\$2,577,500). Expenditures total \$2,781,700 which includes \$2,751,500 in principal and interest payments on debt. A detail of outstanding debt is included in the “Debt Service” section.

The City’s current Standard and Poor’s (S&P) rating is “AA”. S&P views the outlook for this rating as stable and their assessment of the City is based on the following factors:

- 1) Adequate economy;
- 2) Strong management, with “good” financial policies and practices under our Financial Management Assessment methodology;
- 3) Very strong budgetary flexibility with an available fund balance in fiscal 2015 of 51% of operating expenditures.
- 4) Strong budgetary performance, with balanced operating results in the general fund and an operating surplus at the total governmental fund level in fiscal 2015;
- 5) Very strong liquidity, with total government available cash of 82.0% of total governmental fund expenditures and access to external liquidity we consider strong;
- 6) Adequate debt and contingent liability profile, with debt service carrying charges at 11.6% of expenditures and net direct debt that is 138.4% of the total governmental fund revenue, as well as rapid amortization, with almost 68.2% of debt scheduled to be retired in 10 years; and
- 7) Strong institutional framework score.

Fixed Asset Fund

Fiscal year 2017-2018 budgeted expenditures for fixed asset purchases total \$1,094,000. Some of the major items include:

1) Computer Lease	\$43,800
2) Phone System for City Hall	\$72,800
3) Servers	\$62,400
4) Coban Lease	\$94,400
5) Vehicle (van) with cages	\$37,800
6) Patrol Vehicles [(1) new and (1) replacement]	\$99,700
7) Fire Engine/Pumper Lease	\$100,500
8) Lifepak 15 Cardiac Monitor/Defibrillator	\$36,400
9) Library Books & Processing	\$88,000
10) Sprayer John Deere (200 gallon)	\$36,400
11) Van	\$28,200
12) Case Backhoe	\$102,000
13) Robicon Variable Frequency Drive (VFD)	\$33,800
14) Mechanical Bar Screen	\$117,600

The FY 2017-2018 Budget reflects a total of \$714,200 as transfers into the Fixed Asset Fund and expenditures of \$1,094,000 which will leave an ending balance of \$84,252.

Capital Improvement Fund

Total revenues budgeted in the Capital Improvement Fund for FY 2017-2018 is \$13,688,692 and expenditures are at \$12,431,400. The following is a breakdown of the budgeted expenditures:

2017 Certificates of Obligation:

1) Birchwood water project	\$36,100
2) Ground Storage & Pump Station Rehab.	\$652,500
3) Central Station Renovation	\$2,820,000
4) Pet Adoption Center Expansion	\$929,600
5) Bathrooms at Carl Levin Park	<u>\$200,000</u>
Total 2017 Certificate of Obligation Projects	\$4,638,200

2018 Certificates of Obligation PROPOSED:

1) Drainage Master Plan Priority #2 projects	\$1,690,700
2) Street Projects	<u>\$3,090,000</u>
Total 2018 Certificate of Obligation Projects	\$4,780,700

KTMPPO Grant Funding:

1) Commercial Drive Traffic Flow Roundabout	\$391,400
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Non-Bond Revenue Projects:

1) Completion of the Birchwood water project	\$17,800
2) Completion of the Ground Storage & Pump Station Rehab.	\$104,000
3) Rummel Road Lift Station Ferrous Chloride Dosing System	\$89,000
4) Thoroughbred Lift Station abandonment	\$58,000
5) Central Station Renovation	\$511,700
6) Pet Adoption Center Expansion	\$518,000
7) Park Improvements	\$100,000
8) Commercial Drive Traffic Flow Roundabout	\$159,500
9) Turn Lane on FM2481 at Fuller Lane	\$325,000
10) Mountain Lion Road Retaining Wall	\$225,100
11) Street Projects	<u>\$513,000</u>
Total Non-Bond Revenue Projects	\$2,621,100

The above projects are funded from transfers in from other funds.

PROPRIETARY FUNDS

Utility Fund

Utility Fund revenues are budgeted at \$9,959,700. This FY 2017-2018 budget includes a rate increase of 3% and an increase of 1% in growth. Amounts shown below for Harker Heights include this increase.

Water and Sewer Rate Comparison			
	3,000 gallons	10,000 gallons	25,000 gallons
Harker Heights	\$39.53	\$85.01	\$134.51
Killeen	\$34.63	\$83.42	\$130.97
Copperas Cove	\$51.16	\$107.86	\$168.61
Temple	\$30.70	\$84.60	\$200.10
Belton	\$37.70	\$98.60	\$179.10

- 1) Water Income is budgeted at \$5,985,500 based on the anticipated growth and usage. Water sales for the current year are projected at \$5,755,300 an increase of \$215,100 over the \$5,540,200 budgeted for the current year.
- 2) \$3,685,700 is budgeted for sewer income and is charged based on water consumption.

- 3) Connect Fees is budgeted at \$100,000 to reflect the continued construction in the area.
- 4) The water supply agreement line item of \$25,000 reflects payments received from Dog Ridge per an agreement that went into effect October 2009. Payments received to date cover the fixed costs incurred by the City. Once meters and waterlines are in place, additional costs will be charged to cover maintenance and operations.
- 5) Penalties have been budgeted at \$90,000 for FY 2018 which is the same amount as the current year projection.
- 6) Online payment fees are budgeted at \$65,000 and are based on the website usage.
- 7) Interest Income is budgeted at \$15,000 which is based on current rates and is the same as the current year projection.

Expenses for FY 2017-2018 are budgeted at \$9,844,300 which is \$270,600 higher than the \$9,573,700 projected for FY 2016-2017. The major expense items are as follows:

- 1) Salaries and benefits total \$1,281,800 which includes:
 - a. A salary adjustment of 2% effective in October;
 - b. At mid-year, a Water Operations Maintenance Crew Leader is being added to Water Operations Department in the Utility Fund;
 - c. Health Insurance is budgeted at \$111,400, an increase of \$24,000 from the current year projected; and
 - d. The Texas Municipal Retirement System (TMRS) line item is budgeted at \$141,900 which is a slight increase over the \$136,400 projected for the current year.
- 2) The Supply category is budgeted at \$116,500, which is less than the current year budget of \$126,300 which is mainly from the office and vehicle supply line items.
- 3) The proposed budget includes \$479,600 in maintenance expenses. The major expense in this category is in the repair and maintenance line item which is budgeted at \$160,000 to allow for repairs to pump stations, lift stations, and water and sewer lines. Equipment maintenance is budgeted at \$119,600 for utility billing and collection programs. Another major expense in this category are new service meters which will maintain a budget of \$110,000 for new meter installation and continuing with the City's meter replacement program.
- 4) Insurance is budgeted at \$22,100 for FY 2017-2018 and includes supplemental sewage backup coverage. This coverage is designed to reimburse private property owners for damages caused by sewage that backs up from facilities owned or controlled by the City when the sewage backup was not caused by City actions and the City had no prior notice.
- 5) Utilities are budgeted at \$480,000 which is the same amount projected for the current year.
- 6) Contract Labor is budgeted at \$251,000. This line item includes expenses for bacteriological testing, the outsourcing of the printing and mailing of utility bills, and contract labor for lift station repairs, maintenance, etc.
- 7) Bond Expense is budgeted at \$1,918,000 to cover principal and interest payments on outstanding debt.
- 8) A total of \$2,400,000 is budgeted for water purchases. This expense is based on projected water usage and WCID #1 debt payments.
- 9) The major expenses included in the miscellaneous category are as follows:
 - a. \$60,000 for bad debt;
 - b. Audit fees for the Utility Fund at \$27,400;
 - c. Professional fees total \$30,000 for engineering costs related to the Utility Fund; and
 - d. A total of \$63,500 for amortization on advanced refundings related to the Utility Fund.
- 10) Transfers to other funds total \$2,600,000. They comprise of \$450,000 to the General Fund, \$100,000 to the Debt Service Fund, \$450,000 to the Fixed Asset Fund, and \$1,600,000 to the Capital Projects Fund.

The FY 2017-2018 budget reflects increasing the fund balance by \$115,400 for a total fund balance of \$3,766,196 which exceeds the three month operating reserve requirement of \$1,811,100.

Sanitation Fund

Revenues in the Sanitation Fund are budgeted at \$2,169,700 for FY 2017-2018. No rate increase is proposed for residential garbage. Centex Waste Management continues to handle the billing of commercial garbage pickup.

FY 2018 Residential Garbage Rate Comparison	
Temple	\$18.89
Copperas Cove	\$17.00*
Harker Heights	\$18.33
Killeen	\$21.41
Belton	\$15.49**

*includes brush pickup, recycling, and bulky item pickup
 **includes recycling

Expenses for FY 2017-2018 are budgeted at \$2,211,800.

- 1) The salary adjustment of 2% also applies to the position funded by the Sanitation Fund.
- 2) The major expense within this fund is the Garbage Contract line item used to pay Centex Waste Management for residential pickup which is budgeted at \$1,527,500.
- 3) The roll off dumpster line item is budgeted at \$160,000 and charged by Centex Waste Management for the pickup of those dumpsters.
- 4) Transfers to other funds total \$400,000 which includes \$100,000 to the Fixed Asset Fund and \$300,000 to the General Fund.

A projected fund balance of \$58,425 will be left in the Sanitation Fund at the end of the 2018 fiscal year.

Drainage Fund

Drainage Fund revenues are budgeted at \$810,000 for FY 2017-2018. No rate increase is proposed for the 2018 budget.

Expenses for the FY 2017-2018 budget total \$791,200, which includes the following:

- 1) Bond expense totals \$236,000 which reflects our annual amortization of the drainage certificates of obligations principal and interest payments. Also, included is an interest payment for the proposed 2018 Certificate of Obligation.
- 2) Operating expenses of \$205,200 which includes the 2% salary adjustment for all employees and \$40,000 for ground maintenance.
- 3) Transfers total \$350,000 – a transfer of \$150,000 to the Fixed Asset Fund and \$200,000 to the Capital Projects Fund.

A projected fund balance of \$71,233 will be left in the Drainage Fund at the end of FY 2017-2018.

RESTRICTED FUNDS

Hotel/Motel Fund

The Hotel/Motel Fund revenues are budgeted at \$75,300 and expenditures for FY 2017-2018 are budgeted at \$20,000 which is comprised of the following:

- 1) Advertising expense of \$7,500 and \$2,500 for promotion of the arts expenses related to the Annual Food and Wine Festival. These expenses total \$10,000 which will cover the cost of reimbursement to the Harker Heights Chamber of Commerce for holding the festival.
- 2) \$5,000 for advertising of other Chamber events which will be treated as a reimbursement to the Harker Heights Chamber of Commerce.
- 3) \$5,000 is budgeted for sporting event expenses.
- 4) The design phase of the Comanche Gap Historical Park is complete and expensed in FY 2016-2017. However, \$20,300 is under contract to be paid to the engineers once construction of the park is underway.
- 5) The Harker Heights Chamber of Commerce made a request of \$45,000 to supplement the cost of promotional material and advertising of their events. This request has not been included in the proposed FY 2017-2018 Budget.

The projected ending fund balance for FY 2017-2018 is budgeted at \$155,118. These funds are restricted and may be used only to promote tourism, conventions, and the hotel industry.

Restricted Court Fund

These funds are collected through the municipal court and are restricted for child safety, building security, juvenile case management, administration of justice, and technology for this department. Budgeted revenues for FY 2017-2018 are \$100,400. Expenditures are budgeted at \$102,700 which is reimbursement to the General Fund for bailiff services, a juvenile case manager and a juvenile case manager program specialist positions, technology, training expenses and child safety expenditures of \$500.

The proposed ending fund balance for the Restricted Court Fund is \$215,597 for FY 2017-2018.

Employee Benefits Fund

The Employee Benefits Fund was created for the purpose of reducing the premium tax that the City must pay to an insurance carrier for eligible lines of coverage. This fund is a pass through for the collection and payment of insurance premiums. Revenues reflect interest income of \$300 for an ending fund balance of \$1,218.

Summary

Harker Heights' citizens and businesses have a choice in where to live or locate. In all we do, we desire to honor that choice by providing outstanding service. The fiscal year 2017-2018 budget is a reflection of that desire. It provides the resources for each City department to provide high levels of service. Personnel and equipment have been added to ensure we maintain focus on providing extraordinary service. The fiscal year 2017-2018 budget continues to provide for a quality compensation and benefits package for our employees. We are excited to present the 2017-2018 budget as it is the result of a passion to serve our citizens and businesses.

Revenues for FY 2017-2018 for all funds total \$39,280,000 and expenditures total \$49,677,000. The operating budgets are conservatively developed based on the current economy and expected trends.

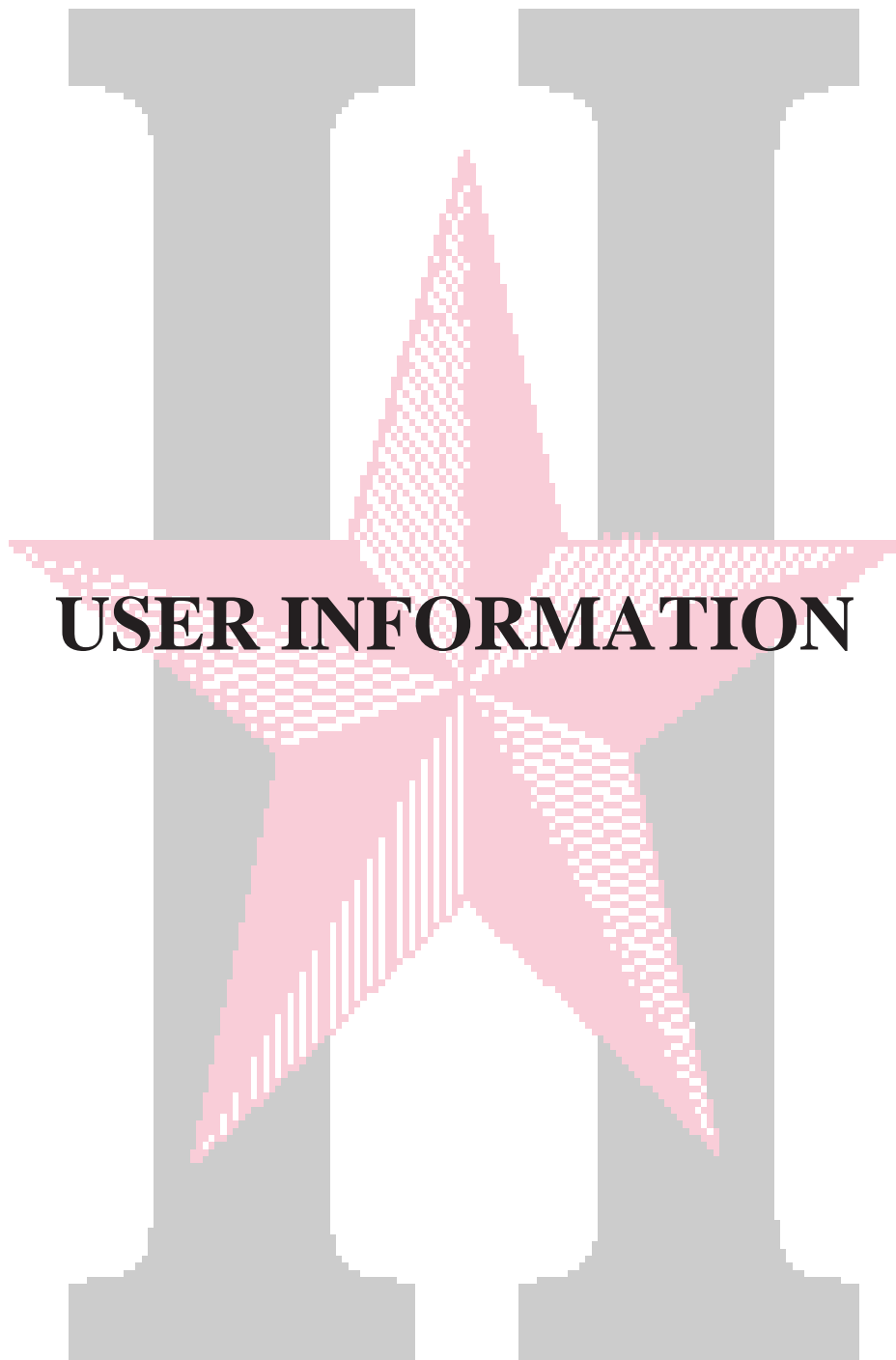
Final adoption of the budget and tax rate will be September 12, 2017.

I would like to thank the City Staff and City Council for their dedication in preparing this budget document. Staff looks forward to working with the Council, citizens and businesses in realizing the City's potential.

Sincerely,

A handwritten signature in black ink, appearing to read "David R. Mitchell". The signature is fluid and cursive, written over the printed name.

David R. Mitchell
City Manager



USER INFORMATION

USER INFORMATION

BUDGET CONTENTS

The annual budget for the City of Harker Heights is comprised of a table of contents and fourteen sections. The book, in its entirety, can be grouped into three broad categories as follows:

Introduction and Information

- The *Table of Contents* indicates the topic, page number location and, in some cases, provides a brief summary.
- The *Budget Message* section includes the letter that accompanies the budget when it is submitted to the City Council. The *Budget at a Glance* that follows provides information about each fund and the significant changes or events affecting that fund.
- The *User Information* section describes what the budget book contains, the City as an organization, and the budget process to include a budget calendar. A summary of City policies are also included here.
- The *Historical/Demographics* section provides a synopsis of the City of Harker Heights' history. It also contains City and area demographic information.
- The *Personnel* section includes the City's organizational chart; a listing of city-wide personnel; and a listing of City officials, staff, boards, and commissions.
- The *Trends and Forecasts* section provides information on what some of the major revenues and expenditures in the City have been and how they are calculated for future fiscal years.

Financial

- The *Budget Summaries* section provides a summary of the budget totals for all budgeted funds for the City.
- The *General Fund, Utility Fund and Other Funds* sections contain detailed budget information for the various Funds and Departments of the City. Included, where applicable, are narratives of the Departments which provide a mission statement or underlying purpose of the Departments, a description of the types of activities or work performed, achievements made during the prior year, objectives for the coming fiscal year, and budget highlights for the various Departments.
- The *Debt Service* section provides payment schedules as well as principal and interest information for the City's general obligation debt (tax supported) and revenue debt (water, wastewater, and drainage).
- The section on the *Fixed Asset Fund* includes a schedule of fixed assets (equipment, vehicles, etc.) contained in the budget listed by Department.
- The *Capital Outlay and Improvements* section provides a schedule of capital improvements (infrastructure) to be made during the coming fiscal year.

Supporting Information

- The *Fee Schedule* is a detailed listing of fees and/or charges for services in effect for the coming fiscal year.
- Copies of the ordinances generated by the budget process can be found in the *Ordinance* section. This includes:
 - Ordinance #2017-23: Adopting and Approving the Budget for Fiscal Year 2017-2018,
 - Ordinance #2017-24: Levying a Tax Rate for the Tax Year 2017, and
 - Ordinance #2017-25: Prescribing and Setting the Fiscal Year 2017-2018 Rates and Charges.
- The *Glossary* provides a listing of some of the words and acronyms in the annual budget book and their meanings.

THE CITY ORGANIZATION

The City of Harker Heights is a home rule City which operates under a Council-Manager form of government. All powers of the City shall be vested in the elective Council which enacts local legislation, adopts budgets, determines policies and employs the City Manager. The City Council consists of a Mayor and five council members who elect one of their members to serve as Mayor-Protempore. The City Manager shall execute the laws and administer the government of the City.

At the end of the next section are the demographics and miscellaneous statistics for the City of Harker Heights.

The City government provides a broad range of goods and services to its citizens. The activities and personnel required to provide these goods and services are organized into broad managerial areas called Funds. Funds are separate fiscal and accounting entities with their own resources and budgets necessary to carry on specific activities and attain certain objectives.

Funds are further organized into functional groups called Departments. A Department is a group of related activities aimed at accomplishing a major City service or program (e.g. Administration). A Department may be further divided into smaller areas called Divisions. Divisions perform specific functions within the Department (e.g. Human Resources is a Division of the Administration Department).

At the head of each Department is a Director who is an officer of the City. Directors have supervision and control of a Department and the Division within it, but are subject to supervision and control of the City Manager. A Department Head may supervise more than one Department.

THE BUDGET PROCESS

In planning the annual budget the City is not only governed by the Truth-in-Taxation guidebooks but also the City Charter. Our City Charter states that the fiscal year shall begin the first day of October and end the last day of September of each calendar year. The fiscal year constitutes the budget and accounting year.

In March, Department Heads receive a copy of the fixed asset items, capital projects, and positions that have been approved as part of the long range plans. They also receive forms to complete to officially request these items. If they have additional items to request that are not a part of the long range plans they may do so with these forms. Each form within each request category is prioritized by the Department Head.

In April, the Finance Department sends out Proposed Budget Worksheets. These worksheets contain information about the Department including historical expenditure amounts, current expenditure and budget amounts, and estimated expenditure amounts for the upcoming fiscal year. This information will aid the Department Heads in increasing or decreasing their line items (i.e. general supplies, vehicle maintenance) for the next fiscal year however, the Department cannot exceed the total budget from the previous year. If the Department feels an increase is necessary, a justification must be provided.

After receiving all budget requests from the Departments, the City Manager and Finance Director conduct a series of meetings with each Department Head to review and discuss them. These meetings, held in May, also assist the City Manager to formulate his priorities.

Budget workshops with the City Council are held during the months of June and July. These workshops are open to the public and are posted per the Open Meeting Law. The workshops allow the City Council to receive input on the budget from the City Manager as well as the Department Heads. It is through these workshops that the City Council forms its priorities for the proposed budget. After these workshops the City Manager formulates a proposed budget with guidance from the Council.

In accordance with the City Charter the proposed budget is presented to the City Council in column format. Opposite the revenue and expenditure items, the actual amount of each item for the last completed fiscal year, the estimated amount for the current fiscal year and the proposed amount for the ensuing fiscal year shall be shown. It is at this meeting that the dates for the Public Hearings and the Adoption of the budget are set. The proposed budget is sent to the Library for patrons to view, is available by request in the Administration office, and is published on the City’s website.

Notices of Public Hearing are published in the newspaper and on the City website at least five days before the hearing. The hearing provides an opportunity for citizens to express their ideas and opinions about the budget to their elected officials. Two public hearings were held for the planning of this budget per Truth-in-Taxation guidelines.

Following the public hearings the budget is ready to adopt. Per the City Charter, “the budget shall be adopted by the favorable vote of a majority of the members of the whole council”. If the budget is not adopted before September 27 the budget submitted by the City Manager shall be deemed to have been finally adopted by the council.

The budget calendar that follows outlines the budget process.

FY 2017-2018 BUDGET AND TAX CALENDAR

Date Due	Event/Requirement/Action
February 01	IT Deadline for Technology Related Fixed Asset Requests
March 22	Budget Kickoff Meeting/Top 5 Fixed Asset Request Presentations by Department Heads
March 31	Fixed Asset Planning Forms Due
April 07	Capital Improvement and Personnel Planning Forms Due
April 21	Line Item Worksheets and Data Input Due
May - June	Meet with Department Heads separately on their budgets
May 31	New Outside Agency Applications and All Outside Agency Funding Requests Due
June 13	Presentations by Outside Agencies
August 01	Present Proposed Budget to the Council
August 04	Budget Workshop and Discussion
August 08	Record Vote on Tax Rate
August 22	Public hearing on budget and tax rate
September 05	Public hearing on budget and tax rate
September 12	Meeting to adopt the budget, fee schedule, and tax rate

NOTE: The City’s Charter requires one public hearing on the budget. In the event that the City’s proposed tax rate will not raise more property taxes than the prior year’s tax rate, the City is not required to hold two public hearings or publish a notice of tax increase. The City does, however, hold one public hearing on the tax rate in conjunction with the required public hearing on the budget even though it is not required.

AMENDING THE BUDGET: The Council may adopt a budget amendment by ordinance and by a favorable vote of a majority of the members of the whole council. In May, a workshop is conducted with

the City Council to discuss mid-year budget adjustments. The City budget may be amended and appropriations altered by ordinance at this time also.

CITY FUNDS

As previously stated, the City is organized into Funds. For financial purposes, a fund is a separate accounting entity with revenues and expenses segregated for the purpose of carrying out a specific purpose or activity. The following table provides additional information about each fund.

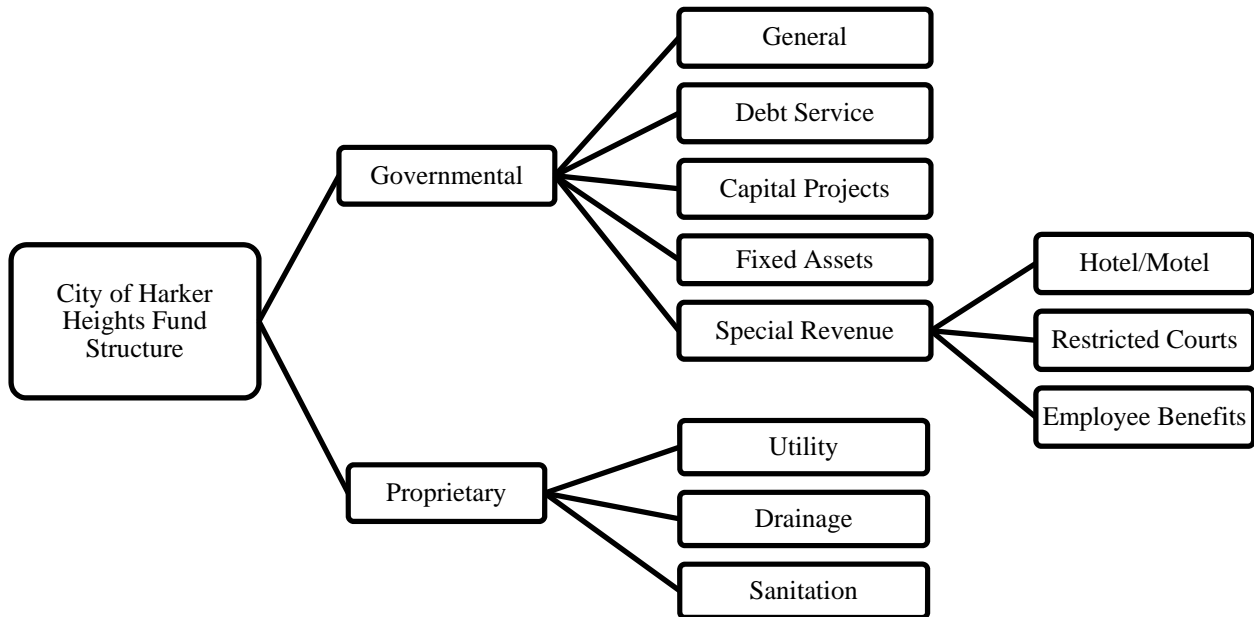
FUND/ FUND TYPE	DESCRIPTION	A	M	B	C
General/ Governmental	Accounts for all transactions not required to be accounted for in any other Fund.	Y	Y	Y	Y
Debt Service/ Governmental	Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.	Y	Y	Y	Y
Fixed Assets/ Governmental	Accounts for the acquisition of items that cost \$1,000 or more each.	Y	N	Y	N
Capital Projects/ Governmental	Accounts for the acquisition and construction of major capital facilities.	Y	Y	Y	Y
Hotel/Motel/ Special Revenue	Accounts for the levy and utilization of the hotel/motel occupancy tax.	Y	N	Y	Y
Restricted Court/ Special Revenue	Accounts for revenues generated from court fines that are restricted for a specific purpose.	Y	N	Y	Y
Employee Benefits/ Special Revenue	Accounts for the collection and payment of insurance premiums.	Y	N	Y	N
Utility/ Proprietary	Accounts for operations related to providing water and wastewater service to the citizens.	Y	Y	Y	Y
Drainage/ Proprietary	Accounts for operations related to providing drainage service to the citizens.	Y	Y	Y	Y
Sanitation/ Proprietary	Accounts for operations related to providing sanitation service to the residential community.	Y	Y	Y	Y
Fiduciary	Account for resources that are held by the government as a trustee or agent for parties outside the government and cannot be used to support the government's own programs.	N/A	N/A	N/A	N/A

A = Appropriated; M = Major Fund; B = Included in Budget; C = Included in CAFR

The following table shows the funds in which the different departments and functions are located.

GOVERNMENTAL FUNDS		PROPRIETARY FUNDS		
GENERAL	SPECIAL REVENUE	UTILITY	DRAINAGE	SANITATION
City Council City Manager Assistant City Manager/ City Secretary Administration: Human Resources Information Services Municipal Court (80%) Records Management Finance: Accounts Payable Accounts Receivable Auditing Budget Cash Management & Investments Grant Reporting Payroll Purchasing Water Admin (30%) Police: Administration Community Services Criminal Investigations Patrol Planning/Development: Building Inspection Code Enforcement Geographical Information System Planning Fire: Administration Prevention Operations Library Parks & Recreation: Athletic Activities Recreation Activities Parks and Public Grounds Special Events Public Works: Drainage (17%) Streets (85%)	Restricted Courts: Municipal Court (20%)	Public Works: Streets (10%) Water Admin (70%) Water Operations Wastewater	Public Works: Drainage	Public Works: Sanitation

The following provides another view of how the City’s funds are structured:



BUDGET BASIS

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses.

Governmental Funds (General, Special Revenue, Debt Service and Capital Projects) are prepared on a modified accrual basis. This means that revenues are recognized as they are received and expenses are recognized in the period in which the liability is incurred. All of the City’s obligations are budgeted as expenses.

Proprietary Funds (Utility, Drainage, and Sanitation) are budgeted on a full accrual basis. Not only are expenses recognized when a commitment is made, but revenues are also recognized when they are obligated to the City.

The Comprehensive Annual Financial Report (CAFR) shows the status of the City’s finances on the basis of “generally accepted accounting principles” (GAAP). In most cases, this conforms to the way the City prepares its budget. An exception is the treatment of capital outlay in the Proprietary Fund. The budget shows capital outlays as an expense and does not show depreciation expense. The CAFR, however, does not show the capital outlay as an expense in the year of purchase, but rather depreciates the outlay over a number of years.

The City’s Comprehensive Annual Financial Report shows fund expenditures and revenues on both a GAAP basis and budget basis for comparison purposes.

FINANCIAL AND BUDGET POLICIES

The purpose of developing a written financial management policy is to provide the City Manager and staff with guidance in an area that is of prime importance to the citizens of Harker Heights. Following is a brief summary of each of the City's policies.

Budgeting – The City Council shall provide the City Manager with guidance prior to budget preparation as to priority programs that it may want to add, change, or delete. The City Manager shall prepare a proposed budget based on these priorities. The annual budget document shall be comprised of all City funds; each fund shall contain a detailed listing of revenues and expenditures. The departmental budgets within each fund shall contain a list of all personnel positions, proposed expenditures, estimated current year expenditures and actual previous year expenditures by line item.

Balanced Budget – A balanced budget for the City is one where current revenues plus available unreserved fund balances are equal to or greater than current expenditures.

Revenues & Reserves – The City shall budget revenues by analyzing historic revenue amounts for a five year period taking into account the City's current economic development status. The City's fee schedule will be reviewed annually to ensure that fees are consistent with the surrounding areas and that they cover costs incurred by the City to provide specific services. The fund reserve shall be counted as revenue carried forward starting with the next fiscal year budget. A contingency reserve shall be maintained in the major funds at a level sufficient to provide for emergency expenditures and unanticipated revenue shortfalls. They shall also provide a five-year projection for future fiscal years.

Expenditures – The City's expenditures shall be budgeted based on historic expenditure analysis and new expenses. The ten-year long range plan will be used as a focus point for personnel, fixed assets/capital equipment, and capital improvements; revisions will be made as needed. Each department shall look at their operations in relation to historical expenses and planned new costs. The Finance Director shall project positions to include proposed new positions and proposed cost of living adjustments to show what effect it will have on the budget. Benefits shall be projected using the rate changes provided by Texas Municipal Retirement System, Scott & White Health Plan, Internal Revenue Service, etc. Modifications and adjustments will be made as necessary in order to ensure a balanced budget is achieved.

Fund Balance – The minimum fund balance should be 90 days of operating expenditures for the General Fund and the Utility Fund. The intent is for each fund to be self-sufficient; interfund transfers should primarily involve reimbursement for cost or services.

Purchasing – City departments have the responsibility to see that their budget accounts are not overspent. The City utilizes a centralized purchasing system. All purchase requisitions (\$150 - \$499.99) and purchase orders (\$500+) are to be submitted to and approved by the Finance Department. The Finance Director has the authority to approve expenditures of up to \$499.99 for goods, services or public improvements where funds have been appropriated in the current budget. Purchases \$500 or more require approval of the Finance Director and City Manager. Items over \$1,000 require at least three written quotes obtained by the department; items over \$50,000 will be bid out by the Finance Department with assistance from the requesting department.

Cash Management – The Finance Director is responsible for the design and implementation of reliable and effective cash-flow forecasting. The City shall deposit its funds only in a deposit account that is insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized by securities which are authorized by law to be used to collateralize the City's deposits. Depositories shall be selected in accordance with state statutes.

Investment – The Finance Director will be responsible for investing City funds in such a manner that the absolute return on invested capital may be maximized while the risk to invested capital is minimized. It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act. The City’s investments will be reviewed annually by the city’s auditor as part of the annual audit process. It is the policy of the City that all funds shall be managed and invested using the following priorities:

- *Suitability.* Any investment eligible in the investment policy is suitable for all City funds.
- *Safety of Principal.* This is the foremost objective of the City. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
- *Liquidity.* Portfolio maturities will be structured to meet the obligations of the City first, and then to achieve the highest return of interest consistent with the objectives of this policy.
- *Marketability.* Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement.
- *Diversification.* Diversification will include diversification by maturity and market sector as well as the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used and the suitability of each investment decision will be made on the basis of the other objectives.
- *Yield.* The City’s investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City’s risk constraints and the cash flow of the portfolio.
- *Public Trust.* All participants in the City’s investment process shall seek to act responsibly as custodians of the public trust.

Debt Management – Debt shall not be used for current operational expenses. The repayment of debt shall not exceed the useful life of the project or item purchased. Interest earned on revenue obtained from the issuance of debt obligations shall be credited to the benefit of the fund to complete the project or to the benefit of the fund responsible for repayment of the debt. In order to maintain the financial reputation of the City of Harker Heights, the City Council shall seek the assistance of a financial advisor concerning all debt that exceeds one year.

Audit – An independent audit will be conducted annually. The city will produce annual financial statements in accordance with generally accepted accounting procedures as outlined by the Governmental Accounting Standards Board (GASB). The City will produce a Comprehensive Annual Financial Report which meets the requirements for the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The City has received ten consecutive Certificates of Achievement. The City will also produce an annual budget document, which meets the criteria for GFOA’s Distinguished Budget Presentation Award. The City has received the award for the past fifteen years.



**HISTORY/
DEMOGRAPHICS**

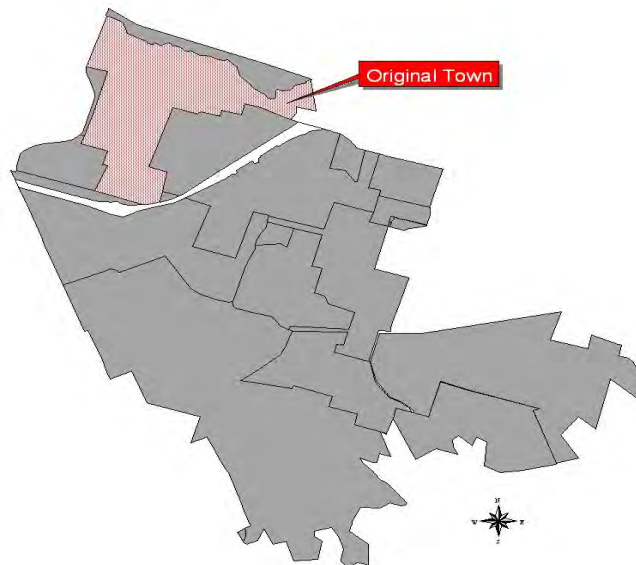
HISTORY OF HARKER HEIGHTS

The land on which the current City of Harker Heights is located drew inhabitants long before the City was incorporated. Native Americans were prevalent in the area long before the first settlers arrived here. No doubt the Native Americans were drawn to the area because of its' natural beauty, just as those who come today. The influence of the Native Americans is seen in street names today, such as Comanche Gap Road. Comanche Gap Road is named for the natural "gap" in the hills that the Native Americans utilized in their travels. This "gap" in the hills was utilized by Native Americans as late as 1870. Indian campsites in the area have been dated to as far back as 200 years. Later in history, cattle drives were said to have commonly come through the City along portions of what is our current FM 2410.

The land comprising the original City of Harker Heights was utilized in the 1940's for its agricultural benefits. However, the original owners of the property, Pinckney R. Cox and Harley Kern, envisioned a town evolving from where their agricultural interests then stood. In 1955, the creation of the Water Control and Improvement District #4 set the stage for water improvements to the 400 acres Cox and Kern owned. The roots of the new city grew further when in 1957 Cox began subdividing the lands and selling lots. Mr. Kern became ill in 1957 and was unable to participate in the subdividing and died later that year. Individuals who purchased lots wanted a water system. Pinckney R. Cox took leadership in getting a water system established for the residents. The water system was in place by 1960. Sometime before the completion of the water system, residents of the area filed a petition for an incorporation election. On September 24, 1960, voters approved the incorporation and the Town of Harker Heights was born. The town took part of its name from one of its' two founders, **Harley Kern**. In October of 1963, Harker Heights officially designated its' name as a city.

The City has been influenced significantly by Fort Hood, a military base that began as Camp Hood back in 1942. In 1951 the Camp received Fort status.

The city at its inception was approximately 950 acres in size. Through various annexations, the city grew from 945 acres to its current size of 9,064 acres. Due to annexations and growth, population increased from a projected 600 in 1960 to today's estimate of over 26,000 residents.



City of Harker Heights
w/ Original Town Identified and Future Annexations in Grey

CITY AND AREA DEMOGRAPHICS

LOCATION

Harker Heights is located in Bell County just off of U.S. Highway 190 approximately 15 miles west of Interstate 35. The cities of Killeen and Nolanville border the city; however, Fort Hood is just a few miles away. The City of Harker Heights is located 60 miles north of Austin, 150 miles northeast of San Antonio, 190 miles northwest of Houston, 65 miles southwest of Waco, and 162 miles southwest of Dallas/Ft. Worth.

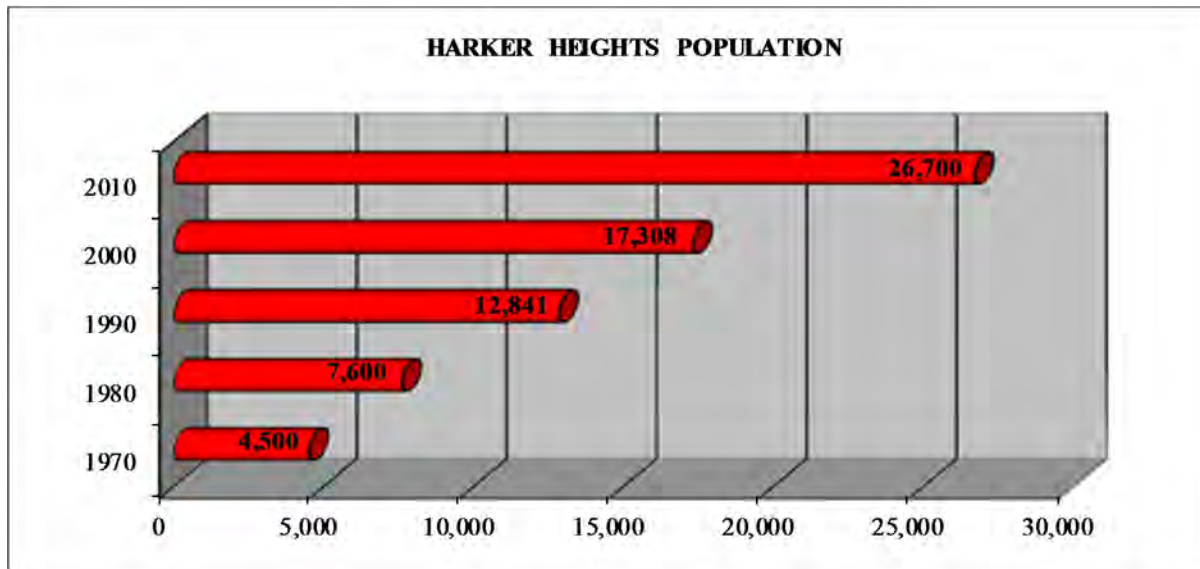


(Source: Mapquest and AltaMap)

CLIMATE

Annual Average High Temperature (degrees Celsius)	96.8
Annual Average Low Temperature (degrees Celsius)	35.5
Annual Rainfall (inches)	34.3
Annual Snowfall (inches)	0.4
Elevation (feet).....	748

The population growth and dynamics of Harker Heights have been shaped by various factors from the natural beauty of the area to the military reservation, Fort Hood, just a few miles away.



Harker Heights' population increased 9,392 people since the last Census was taken.

	1980	1990	2000	2010
Harker Heights	7,600	12,841	17,308	26,700
Belton	10,660	12,476	14,623	18,216
Bell County	157,889	191,144	237,924	310,235

ECONOMIC STATISTICS

Census 2010, Harker Heights:

White	14,145
Black/African American	5,084
American Indian/Alaska Native	136
Asian	1,004
Native Hawaiian/Other Pacific Islander	224
Hispanic/Latino (of any race)	4,920
Two or more races	1,142
Some other race	45
Median Age	31.6

LMCI TRACER/TX Workforce Commission, Killeen-Temple-Fort Hood Metropolitan Statistical Area:

2015 Total Income	\$17,343,480,000
2015 Per Capita Income	\$40,237

LMCI TRACER/TX Workforce Commission, Harker Heights:

2016 Average Unemployment Rate	4.5%
--------------------------------	------

Bell County Appraisal District, Harker Heights:

2017 Market Value	\$2,112,780,764
2017 Net Taxable Value	\$1,799,010,684
2017 Net Taxable Value, New Property	\$37,646,037
2017 Tax Rate	\$0.6770

EDUCATION

Harker Heights is included in the Killeen Independent School District, which has thirty-two elementary schools, ten middle schools, four high schools, an Early College High School, two alternative schools, the KISD Career Center and several specialized campuses. Located within the boundaries of Harker Heights are three elementary schools, two middle schools and one high school.

In 2012, the Texas Education Agency worked with advisory committees to develop a new rating system based on the State of Texas Assessments of Academic Readiness (STAAR) and a new distinction designations system.

School Name	2017 Accountability Rating	Number of Distinction Designations Earned	Class of 2016 Graduation Rate
Harker Heights Elem.	Met Standard	1 of 7	-
Mountain View Elem.	Met Standard	2 of 7	-
Skipcha Elem.	Met Standard	1 of 7	-
Eastern Hills Middle	Met Standard	0 of 7	-
Union Grove Middle	Met Standard	1 of 7	-
Harker Heights High	Met Standard	0 of 7	95.7%

(Source: TEA Website)

Area Colleges and Universities include:

- Central Texas College – Killeen: A public open-admission community college offering associate degrees and certificate programs in academic, professional and vocational/technical fields. Campuses include the Main Campus in Killeen and campuses in Fort Hood, the Pacific Far East, Europe, and a Continental Campus that provides services at 25 military installations, and participates in a Navy College Program.
- Texas A&M University – Central Texas: Born in the spirit of community cooperation in September 1999 as Tarleton University – Central Texas, Texas A&M University – Central Texas became a standalone university on May 27, 2009 as a member of the Texas A&M University System. It is an upper-level institution offering bachelors and masters degrees; undergraduate degrees in 38 areas and graduate degrees in 26 areas.
- University of Mary Hardin-Baylor – Belton: A Christ-centered institution of higher learning operating in affiliation with the Baptist General Convention of Texas and offering numerous undergraduate and graduate programs.
- Temple College – Temple: A public community college that offers a baccalaureate or higher degree and is a point of access for numerous professional fields such as medicine, law, and education. Campuses include the Main Campus in Temple and centers in Taylor and Cameron.
- University of Texas – Austin: A major research university offering more than 100 undergraduate and 170 graduate degree programs in order to provide superior and comprehensive educational opportunities at the baccalaureate through doctoral and special professional educational levels.

School Name	Enrollment		Degrees	
	Fall 2015	Fall 2016	2014-15	2015-16
Central Texas College (Killeen)*	15,969	15,355	3,219	3,220
Texas A&M Central Texas	2,522	2,619	685	771
University of Mary Hardin-Baylor	3,898	3,906	754	929
Temple College	5,257	5,139	563	598
University of Texas, Austin	50,950	51,331	13,887	14,676

*Enrollment is Killeen campus only; degrees is all campuses

(Source: School's website, Public Relations and/or Research Departments)

MAJOR EMPLOYERS

<u>Employer</u>	<u>Number of Employees</u>
Killeen Independent School District (Harker Heights Campuses)	722
Wal-Mart Supercenter	537
City of Harker Heights	273
HEB Grocery Store	243
Indian Oaks Retirement Center	186

MAJOR TAXPAYERS (TAX YEAR 2016)

<u>Taxpayer</u>	<u>Taxable Value</u>
HH/Killeen Health System LLC	\$49,662,758
Cole MT Harker Heights TX LLC	\$33,493,000
HH/Killeen Health System LLC	\$28,500,000
Wal-Mart Real Estate Business Trust	\$15,400,210
Oncor Electric Delivery Co LLC	\$12,253,537
HH/Killeen Health System LLC	\$9,094,219
Sam’s East Inc.	\$7,953,137
HEB Grocery Company LP	\$6,301,579
Target Corporation	\$5,797,403
Sam’s Real Estate Business Trust	\$5,737,827

UTILITIES

Electric: The Transmission and Distribution Utility for Harker Heights is Oncor Electric Delivery Company. Oncor is responsible for delivering electricity, reading the meters, and maintaining poles and wires. Residents of Harker Heights have the ability to choose their Retail Electric Providers. This is the company who sells and bills for the electricity as well as provides customer service. The website www.powertochoose.org allows residents to research these providers along with their rates for free.

Natural Gas: Supplier Atmos Energy

Water Supply: Supplier City of Harker Heights
 Water Source WCID #1-Surface Water
 Maximum Daily Capacity 13.5 Million Gallons
 Daily Average Consumption 4.2 Million Gallons

Sewer System: Operator City of Harker Heights
 Treatment Plant Activated Sludge
 Maximum Daily Capacity 3.0 Million Gallons
 Daily Average Treatment 2.0 Million Gallons

TRANSPORTATION

Highways – U.S. Highway 190, recently renamed Interstate 14, passes through Harker Heights. I-14 enables easy travel to the neighboring cities to the west. Traveling east on I-14 will take you to Interstate Highway 35. IH-35 links the City to some of Texas’ larger cities such as Austin, San Antonio, and the Dallas/Fort Worth area.

Air – Killeen/Fort Hood Regional Airport is located in the heart of Texas, adjacent to Fort Hood. It offers direct, non-stop commercial airline service daily to/from Dallas/Fort Worth International Airport, George Bush Intercontinental Airport in Houston, and Hartsfield-Jackson International Airport in Atlanta, Georgia.

**CITY OF HARKER HEIGHTS
MISCELLANEOUS STATISTICS**

Date of Incorporation: 1960

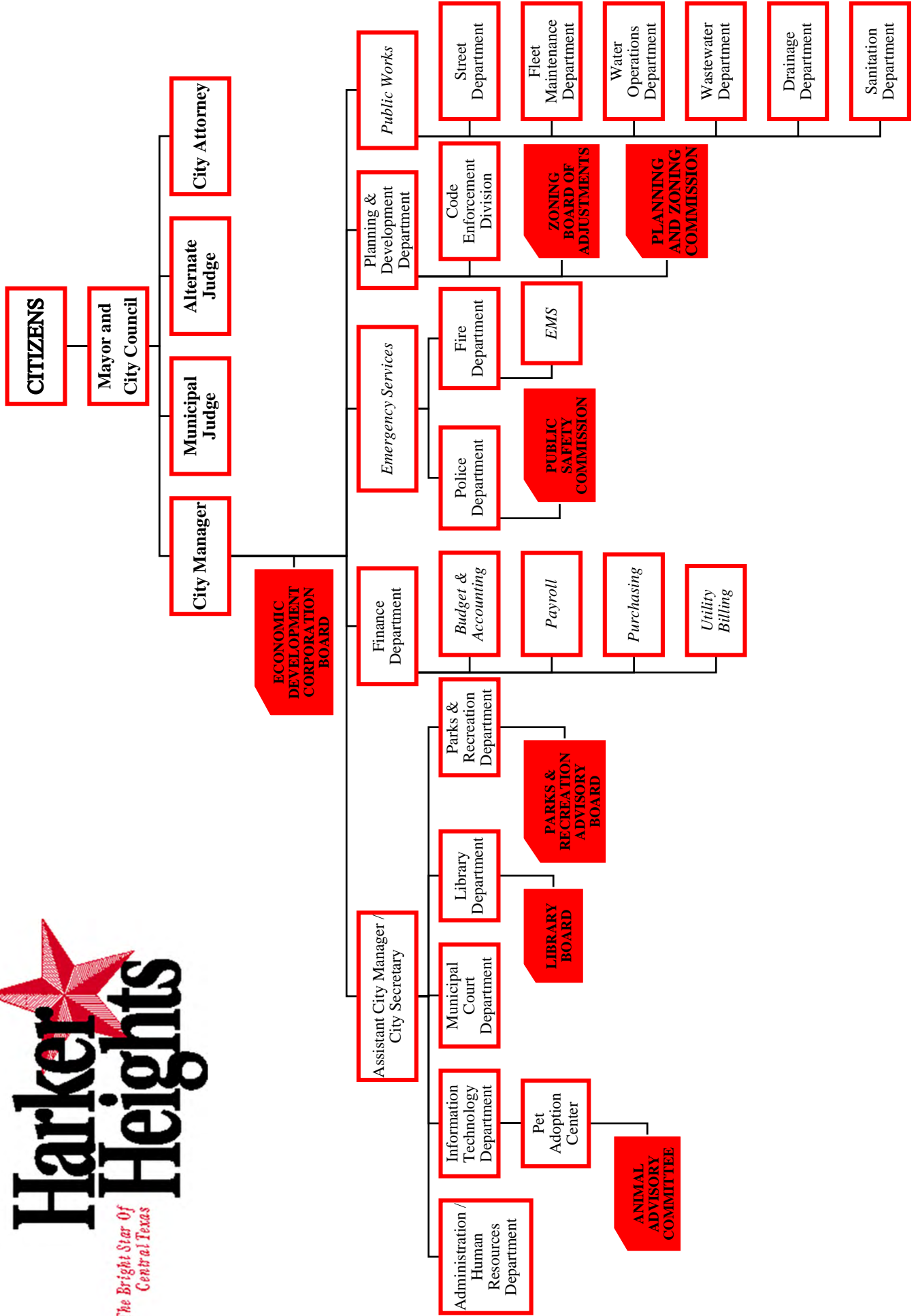
Form of Government: Home Rule

	Sep 2017	Sep 2016	Sep 2015	Sep 2014	Sep 2013
Number of employees (excluding police and fire):					
Classified	109	107	105	100	99
Exempt	19	19	19	18	18
Area in square miles	15.7	15.7	15.4	15.4	15.4
Name of Government Facilities and Services:					
Miles of streets	145.28	145.40	145.64	144.16	140.00
Number of street lights	1,480	1,470	1,445	1,438	1,141
Culture and Recreation:					
Recreation Center	1	1	1	1	1
Parks	8	8	8	8	7
Park acreage	194	194	194	194	194
Swimming pools	1	1	1	1	1
Library:					
Annual Circulation	164,372	176,788	199,529	166,256	165,405
Fire Protection:					
Number of stations	2	2	2	2	2
Number of fire personnel and officers	45	45	45	44	44
Number of calls answered	3,970	3,930	4,049	3,547	3,627
Number of inspections conducted	500	444	600	800	933
Police Protection:					
Number of stations	1	1	1	1	1
Number of police personnel and officers	62	62	61	63	63
Number of patrol units	21	20	20	20	17
Number of trailers	3	3	3	3	3
Number of law violations:					
Physical arrests	1,168	2,386	1,173	1,496	1,320
Traffic violations	4,127	2,979	3,916	8,126	8,800
Parking violations	43	27	42	27	58
Sewage System:					
Miles of sanitary sewers	132.07	131.33	130.36	125.92	121.43
Miles of storm sewers	9.6	9.5	9.5	9.5	9
Number of treatment plants	1	1	1	1	1
Number of service connections	9,486	9,228	8,959	8,842	8,586
Daily average treatment in gallons	1,990,000	2,780,000	1,940,000	1,790,000	1,880,000
Maximum daily capacity of treatment plant in gallons	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Water System:					
Miles of water mains	183.77	187.10	179.13	177.55	172.66
Number of service connections	10,887	10,638	10,384	10,006	9,666
Number of fire hydrants	1,181	1,102	1,102	1,101	1,090
Daily average consumption in gallons	4,207,000	4,162,500	4,000,000	3,953,600	4,325,315
Maximum daily capacity of plant in gallons	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Facilities and services not included in the primary government:					
Education:					
Number of elementary schools	3	3	3	3	3
Number of elementary school instructors	181	179	178	170	115
Number of secondary schools	3	3	3	3	3
Number of secondary school instructors	239	243	243	243	236



PERSONNEL

FISCAL YEAR 2017-2018 ORGANIZATIONAL STRUCTURE



SUMMARY PERSONNEL LISTING
Three Year Comparison of Number of Position and Full-Time Equivalents

	FY 2015-16		FY 2016-17		FY 2017-18		Increase/ Decrease # of Positions	Increase/ Decrease # of FTEs
	# of Positions	Full Time Equivalent	# of Positions	Full Time Equivalent	# of Positions	Full Time Equivalent		
Municipal Services								
Administration	10.0	10.0	11.0	11.0	11.0	11.0	0.0	0.0
Finance	8.0	8.0	8.0	8.0	8.0	8.0	0.0	0.0
Pet Adoption Center	6.0	6.0	8.0	8.0	9.0	9.0	1.0	1.0
Municipal Courts	10.0	9.5	10.0	9.5	11.0	11.0	1.0	1.5
Subtotal Municipal Services	34.0	33.5	37.0	36.5	39.0	39.0	2.0	2.5
Planning and Building								
Planning and Development	4.0	4.0	4.0	4.0	4.0	4.0	0.0	0.0
Code Enforcement	5.0	5.0	5.0	5.0	5.0	5.0	0.0	0.0
Subtotal Planning and Building	9.0	9.0	9.0	9.0	9.0	9.0	0.0	0.0
Public Safety								
Police	62.0	61.0	62.0	61.0	63.0	62.0	1.0	1.0
Fire	45.0	44.5	45.0	44.5	46.0	45.5	1.0	1.0
Subtotal Public Safety	107.0	105.5	107.0	105.5	109.0	107.5	2.0	2.0
Culture and Recreation								
Library	15.0	10.5	15.0	10.5	15.0	10.5	0.0	0.0
Parks and Recreation	66.0	47.5	64.0	46.0	64.0	46.0	0.0	0.0
Subtotal Culture and Recreation	81.0	58.0	79.0	56.5	79.0	56.5	0.0	0.0
Public Works								
Streets	7.0	7.0	7.0	7.0	7.0	7.0	0.0	0.0
Water and Sewer	18.0	18.0	18.0	18.0	19.0	19.0	1.0	1.0
Drainage	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0
Sanitation	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Total City of Harker Heights	267.0	242.0	268.0	243.5	273.0	249.0	5.0	5.5

The Fiscal Year 2018 includes the following changes to personnel:

- ¹ Addition of a Veterinary Technician in March 2018.
- ² Upgrade part-time Customer Service Clerk to full-time and addition of Juvenile Case Manager Program Specialist.
- ³ Addition of Evidence Technician in July 2018.
- ⁴ Addition of Battalion Chief of Training in July 2018.
- ⁵ Addition of Crew Leader in March 2018.

DETAILED PERSONNEL LISTING
Three Year Comparison of the Number of Positions

FY 2015-16 FY 2016-17 FY 2017-18

ADMINISTRATION DEPARTMENT

Full-Time:

City Manager	1	1	1
Assistant City Manager/City Secretary	1	1	1
Human Resource Director	1	1	1
Information Services Director	1	1	1
Information Technology Analyst	1	1	1
System Support Technician	1	1	1
System Support Coordinator	0	1	1
Administrative Assistant	1	1	1
Human Resource Coordinator	1	1	1
Records Management Coordinator	1	1	1
Human Resource Clerk	1	1	1
Total Administration Department	10	11	11

FINANCE DEPARTMENT

Full-Time:

Finance Director	1	1	1
Assistant Finance Director	1	1	1
Finance Coordinator	1	1	1
Payroll Specialist	1	1	1
Account Clerk	1	1	1
Utility Billing Clerk	2	2	2
Customer Service Clerk	1	1	1
Total Finance Department	8	8	8

PET ADOPTION CENTER

Full-Time:

Pet Adoption Center Manager	1	1	1
Pet Adoption Center Supervisor	1	1	1
Pet Adoption Center Coordinator	1	1	1
Animal Services Officer	3	3	3
Veterinary Technician	0	0	1
Kennel Technician	0	1	1
Maintenance Specialist	0	1	1
Total Pet Adoption Center Department	6	8	9

POLICE DEPARTMENT

Full-Time:

Police Chief	1	1	1
Deputy Police Chief	1	1	1
Lieutenant	3	3	3
Detective	4	4	4
Sergeant	7	7	7
Corporal	6	6	6
Police Officers	29	29	29

DETAILED PERSONNEL LISTING
Three Year Comparison of the Number of Positions

	FY 2015-16	FY 2016-17	FY 2017-18
POLICE DEPARTMENT, continued			
Social Worker	1	1	1
Evidence Technician	0	0	1
Call Taker	5	5	5
Administrative Assistant/Clerk	2	2	2
Records Clerk	1	1	1
Subtotal	60	60	61
Part-Time:			
Call Taker (PT)	2	2	2
Total Police Department	62	62	63

MUNICIPAL COURTS DEPARTMENT

Full-Time:			
Municipal Judge	1	1	1
Alternate Judge	1	1	1
Court Administrator	1	1	1
Clerk of the Court	1	1	1
Juvenile Case Manager	1	1	1
Deputy Court Clerk	2	2	3
Juvenile Case Manager Program Specialist	0	0	1
City Marshal	1	1	1
Warrant Officer	1	1	1
Subtotal	9	9	11
Part-time:			
Customer Service Clerk	1	1	0
Total Municipal Courts Department	10	10	11

PLANNING & DEVELOPMENT DEPARTMENT

Full-Time:			
Planning & Development Director	1	1	1
Planner/GIS System	1	1	1
Planner	1	1	1
Secretary	1	1	1
Total Planning & Development Department	4	4	4

CODE ENFORCEMENT DEPARTMENT

Full-Time:			
Building Official	1	1	1
Building Inspector	1	1	1
Code Enforcement Officer	2	2	2
Secretary	1	1	1
Total Code Enforcement Department	5	5	5

DETAILED PERSONNEL LISTING
Three Year Comparison of the Number of Positions

FY 2015-16 FY 2016-17 FY 2017-18

FIRE ADMINISTRATION DEPARTMENT

Full-Time:

Fire Chief	1	1	0
Deputy Fire Chief/Fire Marshal	1	1	0
Fire Inspector/Investigator	1	1	0
Administrative Assistant	1	1	0
Subtotal	4	4	0

FIRE ADMINISTRATION DEPARTMENT, continued

Part-Time:

Billing Clerk (PT)	1	1	0
Total Fire Administration Department	5	5	0

FIRE OPERATIONS DEPARTMENT

Full-Time:

Fire Chief	0	0	1
Deputy Fire Chief	1	1	1
Deputy Fire Chief/Fire Marshal	0	0	1
Fire Inspector/Investigator	0	0	1
Captain - Firefighter/Paramedic	3	3	3
Battalion Chief of Training	0	0	1
Lieutenant - Firefighter/Paramedic	3	3	3
Firefighter/Paramedic/EMT	27	27	27
Firefighter/Paramedic/EMT Driver/Pump Operator	6	6	6
Administrative Assistant	0	0	1
Subtotal	40	40	45

Part-Time:

Billing Clerk (PT)	0	0	1
Total Fire Operations Department	40	40	46

LIBRARY DEPARTMENT

Full-Time:

Library Director	1	1	1
Children's Librarian	1	1	1
Reference Librarian	2	2	2
Library Clerk	2	2	2
Subtotal	6	6	6

Part-Time:

Library Clerk (PT)	5	5	5
Library Page (PT)	2	2	2
Subtotal	7	7	7

Seasonal:

Summer Library Page	2	2	2
Total Library Department	15	15	15

DETAILED PERSONNEL LISTING
Three Year Comparison of the Number of Positions

FY 2015-16 FY 2016-17 FY 2017-18

PARKS & RECREATION DEPARTMENT

Full-Time:

Parks & Rec Director	1	1	1
Recreation Superintendent	1	1	1
Parks & Public Grounds Supervisor	1	1	1
Administrative Assistant	1	1	1
Recreation Services Specialist/Event Coordinator	1	1	1
Athletic Coordinator	2	2	2
Activities Coordinator	1	1	1
Activities Specialist	1	1	1
Crew Leader - Athletics	1	1	1
Crew Leader - Parks/Public Grounds	1	1	1
Light Equipment Operator - Athletics	3	3	3
Light Equipment Operator - Parks/Public Grounds	10	10	10
Custodian	5	4	4
Subtotal	29	28	28

Part-Time:

Recreation Aide (PT)	5	5	5
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Seasonal:

Spring Break Day Camp Worker	3	3	3
Summer Day Camp Leader	2	2	2
Summer Day Camp Assistants	8	8	8
Ball Crew	3	2	2
Water Safety Instructor	2	2	2
Swimming Pool Lifeguards	10	10	10
Aquatic Supervisor	2	2	2
Aquatic Cashier	2	2	2
Subtotal	32	31	31
Total Parks & Recreation Department	66	64	64

PUBLIC WORKS DEPARTMENT

Full-Time:

Public Works Director	1	1	1
Utilities Superintendent	1	1	1
Customer Relations Supervisor	0	1	1
Administrative Assistant	1	0	0
Total Public Works Department	3	3	3

STREET DEPARTMENT

Full-Time:

Sign Supervisor	1	1	1
Heavy Equipment Operator	3	3	3
Light Equipment Operator	3	3	3
Total Street Department	7	7	7

DETAILED PERSONNEL LISTING
Three Year Comparison of the Number of Positions

FY 2015-16 FY 2016-17 FY 2017-18

MAINTENANCE DEPARTMENT

Full-Time:

Maintenance Supervisor	1	1	1
Welder	1	1	1
Mechanic	1	1	1
Mechanic's Helper	1	1	1
Total Maintenance Department	4	4	4

WATER OPERATIONS DEPARTMENT

Full-Time:

Water Field Supervisor	1	1	1
Crew Leader	1	1	2
Maintenance Technician I	3	3	3
Water Service Worker	4	4	4
Inventory/Line Locator	1	1	1
Total Water Operations Department	10	10	11

WASTEWATER DEPARTMENT

Full-Time:

Chief Plant Operator	1	1	1
FOG Collection/Field Supervisor	1	1	1
Collections Operator	1	1	1
Maintenance Technician I	5	5	5
Total Wastewater Department	8	8	8

DRAINAGE DEPARTMENT

Full-Time:

Drainage/Street Supervisor	1	1	1
Light Equipment Operator	2	2	2
Total Drainage Department	3	3	3

SANITATION DEPARTMENT

Full-Time:

Maintenance Technician I	1	1	1
Total Sanitation Department	1	1	1

TOTAL ALL DEPARTMENTS

267 268 273

**CITY OF HARKER HEIGHTS
LIST OF PRINCIPAL OFFICIALS**

CITY COUNCIL

Spencer H. Smith Mayor
Hal Schiffman Mayor Protempore
Steve Carpenter Council Member
Jackeline Soriano Fountain Council Member
John Reider Council Member
Jody Nicholas Council Member

APPOINTED OFFICIALS

David R. Mitchell City Manager
Burk Roberts City Attorney
Billy R. Hall, Jr. City Judge
Patricia Brunson Assistant City Manager/City Secretary
Alberta S. Barrett Finance Director
Michael Gentry Police Chief
Paul Sims Fire Chief
Jerry Bark Parks & Recreation Director
Lisa Youngblood Library Director
Mark Hyde Public Works Director
Joseph Molis Development & Planning Director

PLANNING & ZONING COMMISSION / BUILDING STANDARDS COMMISSION

<u>Name</u>	<u>Term Expires</u>
Jeff Petzke.....	2018
Darrel T. Charlton.....	2018
Stephen Watford.....	2018
Jan Anderson.....	2019
Noel Webster.....	2019
David L. Kingsley.....	2019
D. Austin Ruiz.....	2019
Larry Robison.....	2020
Jeff Orlando.....	2020

Dustin King – Alternate #1

Daniel Ray Northingto II – Alternate #2

Klint Dailey – Alternate #3

Ken Cox – Alternate #4

VACANT – Alternate #5

ZONING BOARD OF ADJUSTMENT

<u>Name</u>	<u>Term Expires</u>
David L. Brown.....	2018
Chris Diem.....	2018
Brian Brannock.....	2018
David A. McClure.....	2019
Charles P. Sweeney.....	2019

Raymond Hamden – Alternate #1

Paul J. Perugini – Alternate #2

VACANT – Alternate #3

VACANT – Alternate #4

PUBLIC SAFETY COMMISSION

<u>Name</u>	<u>Term Expires</u>
John Footman.....	2018
Jennifer McCann.....	2018
Jerris Mapes.....	2019
Louis Best.....	2020
Jack Palmer.....	2020

Chris McClure – Alternate #1

Shane Hodyniak II – Alternate #2

LIBRARY BOARD

<u>Name</u>	<u>Term Expires</u>
Richard D. Lamb.....	2018
Julianna Greene.....	2019
Peggy L. Murphey	2019
Cheryl Lyn Sandbakken.....	2019
Ursula Pirtle	2020
Krystal Arriola	2020
Consuelo Samarripa.....	2020

Jessica Casey – Alternate #1

VACANT – Alternate #2

PARKS & RECREATION ADVISORY BOARD

<u>Name</u>	<u>Term Expires</u>
Margaret A. Cleghorn	2018
Angie Wilson	2018
Jennifer McCann.....	2018
Patrick W. Kerr	2018
Branden C. Mann	2019
Eva Keagle.....	2019

VACANT – Alternate #1

VACANT – Alternate #2

ANIMAL ADVISORY COMMITTEE

<u>Name</u>	<u>Term Expires</u>
Alberta Musgrove	2018
Dr. Brad Buckley	2018
Sue Wilson.....	2018
Jessica Giese	2019
Dr. Patricia Darnell	2020

Mary Brandt – Alternate #1
George N. Grahams – Alternate #3

Susan Mooney – Alternate #2
Finni Dirr – Alternate #4

ECONOMIC DEVELOPMENT CORPORATION BOARD

<u>Name</u>	<u>Term Expires</u>
Jeff Orlando	2018
Steve Carpenter.....	2018
Jim Wright	2018
Hal Schiffman.....	2019
Spencer H. Smith	2019
Mike Aycok.....	2019
David R. Mitchell	2019



BUDGET SUMMARIES

COMBINED SUMMARY OF ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES
(shown in thousands)

	GOVERNMENTAL FUNDS			PROPRIETARY FUNDS			SPECIAL REVENUE FUNDS				ALL FUNDS			
	General	Debt Service	Fixed Asset	Capital Improv	Total	Utility	Sanitation	Drainage	Total	Hotel/Motel	Restricted Courts	Employee Ben Trust	Total	Grand Total
Unallocated Reserve as of 9/30/2016	9,810	55	977	12,496	23,338	3,634	44	67	3,745	85	172	1	258	27,341
<u>PROJECTED:</u>														
2016-17 Revenues	19,696	2,750	620	1,893	24,959	9,590	2,121	802	12,513	75	100	0	175	37,647
2016-17 Expenditures	19,741	2,793	1,133	4,101	27,768	9,574	2,065	817	12,456	60	54	0	114	40,338
Addition to (Use of) Fund Balance	(45)	(43)	(513)	(2,208)	(2,809)	16	56	(15)	57	15	46	0	61	(2,691)
Estimated Unallocated Reserve as of 9/30/2017	9,765	12	464	10,288	20,529	3,650	100	52	3,802	100	218	1	319	24,650
<u>ADOPTED:</u>														
2017-18 Revenues	20,444	2,786	714	2,221	26,165	9,960	2,170	810	12,940	75	100	0	175	39,280
2017-18 Expenditures	20,401	2,782	1,094	12,431	36,708	9,844	2,212	791	12,847	20	102	0	122	49,677
Addition to (Use of) Fund Balance	43	4	(380)	(10,210)	(10,543)	116	(42)	19	93	55	(2)	0	53	(10,397)
Estimated Unallocated Reserve as of 9/30/2018	9,808	16	84	78	9,986	3,766	58	71	3,895	155	216	1	372	14,253
Less Restricted Funds:														
Restricted										(155)	(216)	(1)	(372)	(372)
Reserve Requirement	(5,075)				(5,075)	(1,811)			(1,811)					(6,886)
Total Unrestricted Funds	4,733	16	84	78	4,911	1,955	58	71	2,084	0	0	0	0	6,995

The table above shows projected revenues and expenditures for the current year, budgeted revenues and expenditures for the budget year, and their effect on the City's unallocated reserves (or fund balance). The City's current restricted fund amounts and reserve requirements are then deducted from the estimated unallocated reserve for the total unrestricted funds remaining.

SUMMARY OF SOURCES AND USES

(Graphs displaying the percentage of total budget for each category are on the next page.)

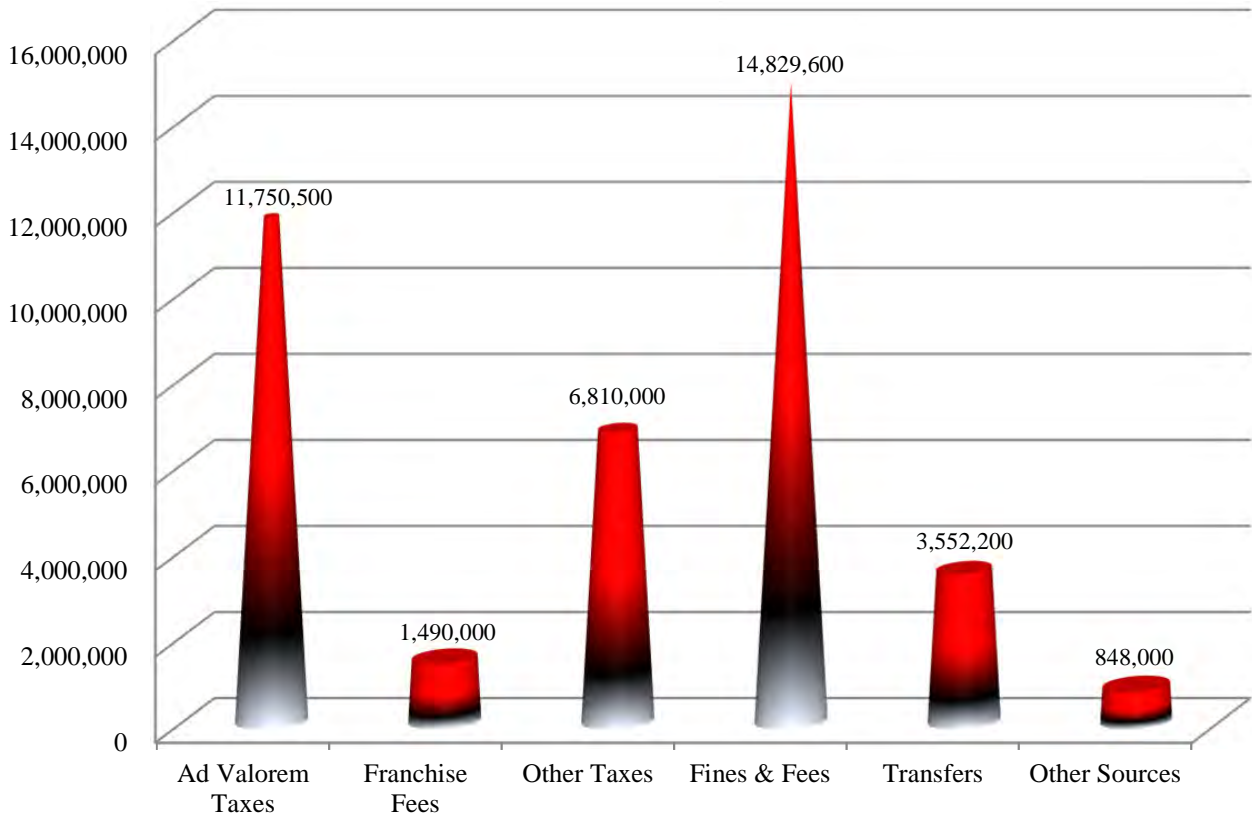
	GOVERNMENTAL FUNDS			PROPRIETARY FUNDS			SPECIAL REVENUE FUNDS			ALL FUNDS	
	General	Debt Service	Fixed Asset	Capital Improv	Utility	Sanitation	Drainage	Hotel/Motel	Restricted Courts	Employee Ben Trust	Grand Total
BEGINNING FUND BALANCE PROJECTED AS OF 9/30/17	9,764,711	12,668	464,252	10,288,109	3,650,796	100,525	52,433	99,818	217,897	918	24,652,127
SOURCES:											
Ad Valorem Taxes	9,173,000	2,577,500	0	0	0	0	0	0	0	0	11,750,500
Franchise Fees	1,340,000	0	0	0	0	150,000	0	0	0	0	1,490,000
Other Taxes	6,735,000	0	0	0	0	0	0	75,000	0	0	6,810,000
Licenses & Permits	256,000	0	0	0	0	0	0	0	0	0	256,000
Fines & Fees	1,705,000	0	0	0	9,941,200	2,018,200	809,600	0	99,600	0	14,573,600
Interest	115,000	8,000	0	30,000	15,000	500	400	300	800	300	170,300
Transfers	838,000	200,000	714,200	1,800,000	0	0	0	0	0	0	3,552,200
Grants	0	0	0	391,400	0	0	0	0	0	0	391,400
Miscellaneous	281,800	0	0	0	3,500	1,000	0	0	0	0	286,300
TOTAL SOURCES	20,443,800	2,785,500	714,200	2,221,400	9,959,700	2,169,700	810,000	75,300	100,400	300	39,280,300
USES:											
Personnel Service	15,299,700	0	0	0	1,281,800	54,600	134,300	0	0	0	16,770,400
Supplies	750,800	0	0	0	116,500	1,200	9,500	0	500	0	878,500
Maintenance	699,200	0	0	0	479,600	2,000	45,500	0	0	0	1,226,300
Insurance	163,400	0	0	0	22,100	700	1,900	0	0	0	188,100
Services	2,083,800	0	0	0	841,400	1,691,300	4,900	0	0	0	4,621,400
Miscellaneous	1,294,000	30,200	0	0	2,584,900	62,000	9,100	20,000	0	0	4,000,200
Capital Improvement Projects	0	0	0	12,431,400	0	0	0	0	0	0	12,431,400
Reserves/Transfers	110,000	0	1,094,000	0	2,600,000	400,000	350,000	0	102,200	0	4,656,200
Debt Services	0	2,751,500	0	0	1,918,000	0	236,000	0	0	0	4,905,500
TOTAL USES	20,400,900	2,781,700	1,094,000	12,431,400	9,844,300	2,211,800	791,200	20,000	102,700	0	49,678,000
ESTIMATED ADDITION (USE) OF FUND BALANCE	42,900	3,800	(379,800)	¹ (10,210,000)	115,400	(42,100)	18,800	55,300	³ (2,300)	300	(10,397,994)
PROJECTED ENDING FUND BALANCE AS OF 9/30/18	9,807,611	16,468	84,452	78,109	3,766,196	58,425	71,233	155,118	215,597	1,218	14,254,427

¹ Since transfers into the Fixed Asset Fund are less than the expenses planned, the City will use \$379,800 of the Fixed Asset Fund's fund balance to purchase equipment and vehicles.

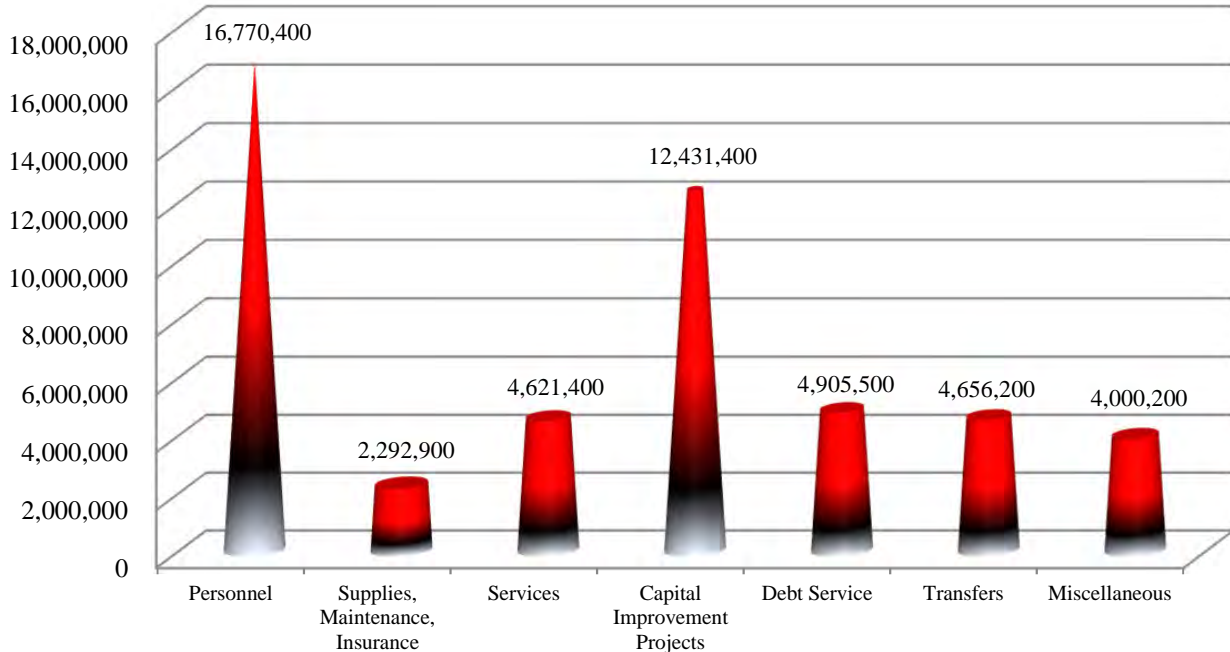
² The renovation of Fire Station #1 and the Pet Adoption Center are major projects that will utilize the Capital Improvement Fund's fund balance. See the Capital Outlay and Improvements tab for more.

³ As development on the Comanche Gap Historical Park slows, the Hotel/Motel Fund is adding over half it's beginning fund balance back at the end of the fiscal year.

TOTAL REVENUES FOR ALL FUNDS
 Total Fines & Fees exceed Ad Valorem Taxes by \$3,079,100.



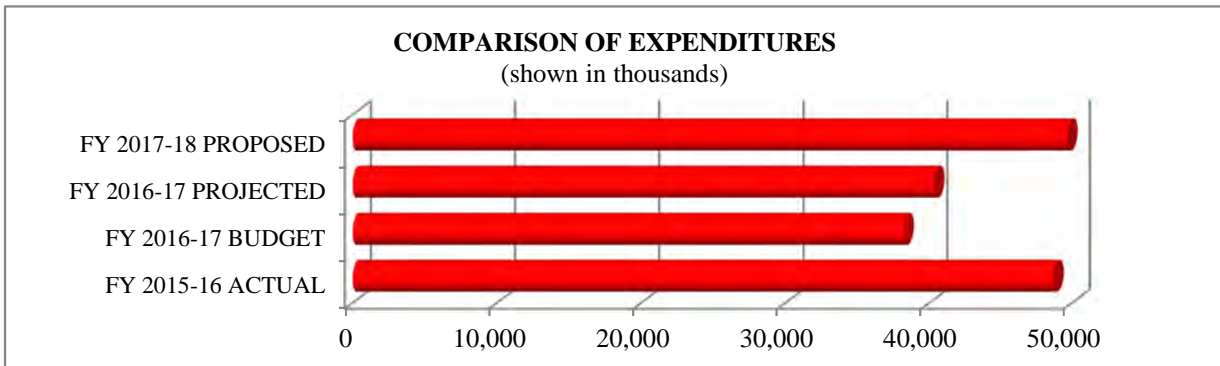
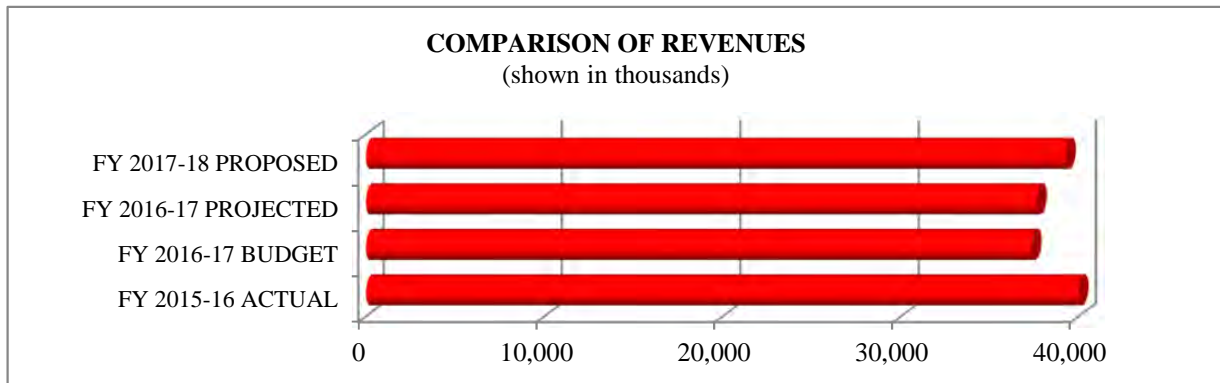
TOTAL EXPENDITURES FOR ALL FUNDS
 Personnel and Capital Improvement Projects are major expense categories for the City.



BUDGET SUMMARY - ALL FUNDS

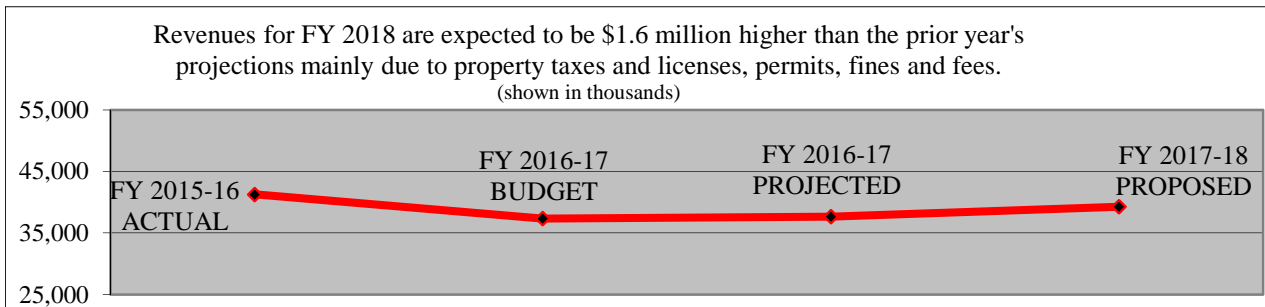
	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
REVENUES				
General Fund	20,466,949	19,864,700	19,696,100	20,443,800
Debt Service Fund	4,773,005	2,670,900	2,749,900	2,785,500
Fixed Asset Fund	1,145,119	729,400	619,600	714,200
Capital Improvement Fund	2,472,402	1,735,000	1,892,500	2,221,400
Utility Fund	9,369,507	9,277,300	9,590,000	9,959,700
Sanitation Fund	2,102,850	2,125,500	2,120,500	2,169,700
Drainage Fund	797,502	799,800	802,200	810,000
Hotel/Motel Fund	75,661	70,300	75,300	75,300
Restricted Courts Fund	79,982	78,900	100,200	100,400
Employee Benefits Trust Fund	193	200	300	300
TOTAL REVENUES	41,283,170	37,352,000	37,646,600	39,280,300

EXPENDITURES				
General Fund	19,609,665	19,854,900	19,741,500	20,400,900
Debt Service Fund	4,825,308	2,703,600	2,792,700	2,781,700
Fixed Asset Fund	1,521,395	1,046,100	1,133,400	1,094,000
Capital Improvement Fund	10,560,532	2,289,500	4,100,900	12,431,400
Utility Fund	9,057,700	9,269,000	9,573,700	9,844,300
Sanitation Fund	2,162,464	2,142,700	2,064,700	2,211,800
Drainage Fund	795,781	814,000	816,900	791,200
Hotel/Motel Fund	97,317	20,000	60,225	20,000
Restricted Courts Fund	75,540	54,900	54,025	102,700
Employee Benefits Trust Fund	0	0	0	0
TOTAL EXPENDITURES	48,705,702	38,194,700	40,338,050	49,678,000



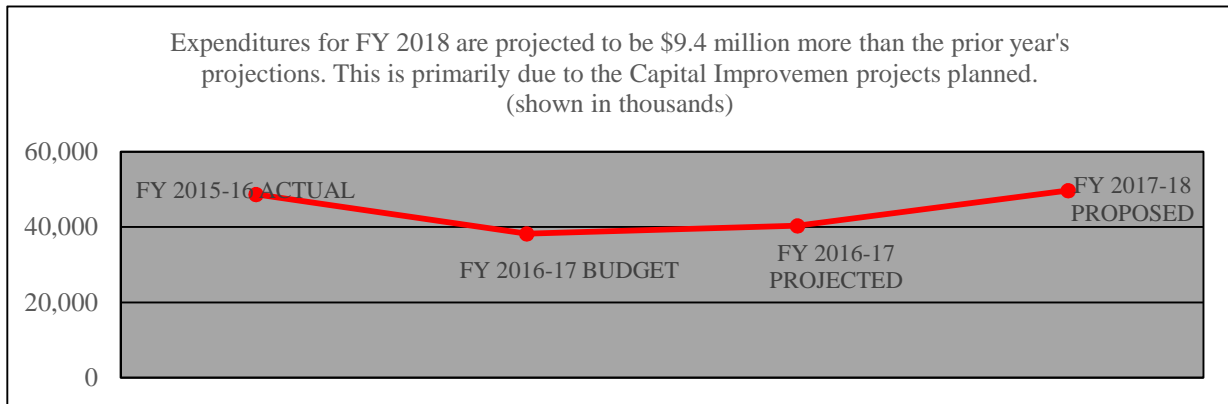
DETAILED COMPARISON OF REVENUES

	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
AD VALOREM TAX				
General Fund	8,322,400	8,491,200	8,491,200	9,173,000
Debt Service Fund	2,567,015	2,567,900	2,567,900	2,577,500
	10,889,415	11,059,100	11,059,100	11,750,500
FRANCHISE FEES				
General Fund	1,297,446	1,327,000	1,318,900	1,340,000
Sanitation Fund	160,891	160,000	150,000	150,000
	1,458,337	1,487,000	1,468,900	1,490,000
OTHER TAXES				
General Fund	6,614,752	6,665,000	6,664,200	6,735,000
Special Revenue Funds	75,361	70,000	75,000	75,000
	6,690,113	6,735,000	6,739,200	6,810,000
LICENSES, PERMITS, FINES & FEES				
General Fund	1,975,853	2,268,000	1,913,000	1,961,000
Utility Fund	9,348,340	9,260,300	9,571,500	9,941,200
Sanitation Fund	1,940,142	1,964,000	1,969,000	2,018,200
Drainage Fund	796,111	799,400	801,600	809,600
Special Revenue Funds	79,510	78,500	99,500	99,600
	14,139,956	14,370,200	14,354,600	14,829,600
INTEREST INCOME				
General Fund	68,932	60,000	115,000	115,000
Debt Service Fund	2,385	3,000	7,000	8,000
Capital Improvement Fund	18,370	10,000	26,700	30,000
Utility Fund	16,602	15,000	15,000	15,000
Sanitation Fund	516	500	500	500
Drainage Fund	433	400	400	400
Special Revenue Funds	965	900	1,300	1,400
	108,203	89,800	165,900	170,300
TRANSFERS & MISCELLANEOUS				
General Fund	2,187,566	1,053,500	1,193,800	1,119,800
Debt Service Fund	55,000	100,000	175,000	200,000
Fixed Asset Fund	1,145,119	729,400	619,600	714,200
Capital Improvement Fund	2,454,032	1,725,000	1,865,800	2,191,400
Utility Fund	4,565	2,000	3,500	3,500
Sanitation Fund	1,301	1,000	1,000	1,000
Drainage Fund	958	0	200	0
Special Revenue Funds	0	0	0	0
	5,848,541	3,610,900	3,858,900	4,229,900
BONDS ISSUED				
Debt Service Fund	2,148,605	0	0	0
	2,148,605	0	0	0
TOTAL REVENUES	41,283,170	37,352,000	37,646,600	39,280,300



DETAILED COMPARISON OF EXPENDITURES

	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE				
General Fund	14,117,359	14,940,200	14,825,300	15,299,700
Utility Fund	1,243,969	1,237,100	1,216,100	1,281,800
Sanitation Fund	56,187	52,000	55,900	54,600
Drainage Fund	127,969	132,900	133,600	134,300
	15,545,484	16,362,200	16,230,900	16,770,400
SUPPLIES & MAINTENANCE				
General Fund	1,287,587	1,390,600	1,387,800	1,450,000
Utility Fund	562,038	564,700	582,300	596,100
Sanitation Fund	4,388	3,500	4,300	3,200
Drainage Fund	52,067	56,000	56,300	55,000
	1,906,080	2,014,800	2,030,700	2,104,300
INSURANCE & SERVICES				
General Fund	1,902,273	2,164,800	2,152,000	2,247,200
Utility Fund	877,155	829,300	898,100	863,500
Sanitation Fund	1,643,190	1,637,200	1,647,500	1,692,000
Drainage Fund	4,484	7,600	6,800	6,800
	4,427,102	4,638,900	4,704,400	4,809,500
DEBT SERVICE				
Debt Service Fund	2,694,814	2,703,600	2,792,700	2,781,700
Utility Fund	1,802,367	1,725,400	1,744,600	1,918,000
Drainage Fund	157,996	158,500	161,200	236,000
	4,655,177	4,587,500	4,698,500	4,935,700
BOND ESCROW & ISSUANCE				
Debt Service	2,130,494	0	0	0
	2,130,494	0	0	0
TRANSFERS, MISCELLANEOUS & RESERVES				
General Fund	2,302,446	1,359,300	1,376,400	1,404,000
Debt Service Fund	0	0	0	0
Fixed Asset Fund	1,521,395	1,046,100	1,133,400	1,094,000
Capital Improvement Fund	10,560,532	2,289,500	4,100,900	12,431,400
Utility Fund	4,572,171	4,912,500	5,132,600	5,184,900
Sanitation Fund	458,699	450,000	357,000	462,000
Drainage Fund	453,265	459,000	459,000	359,100
Special Revenue Fund	172,857	74,900	114,250	122,700
	20,041,365	10,591,300	12,673,550	21,058,100
TOTAL EXPENDITURES	48,705,702	38,194,700	40,338,050	49,678,000





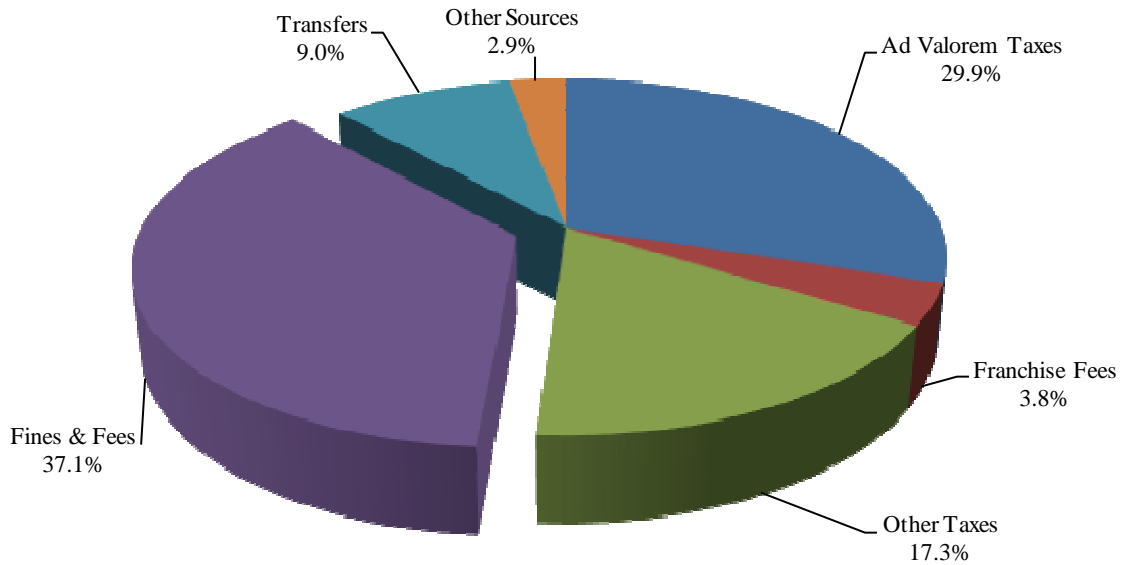
**TRENDS AND
FORECASTS**

TRENDS AND FORECASTS

REVENUES

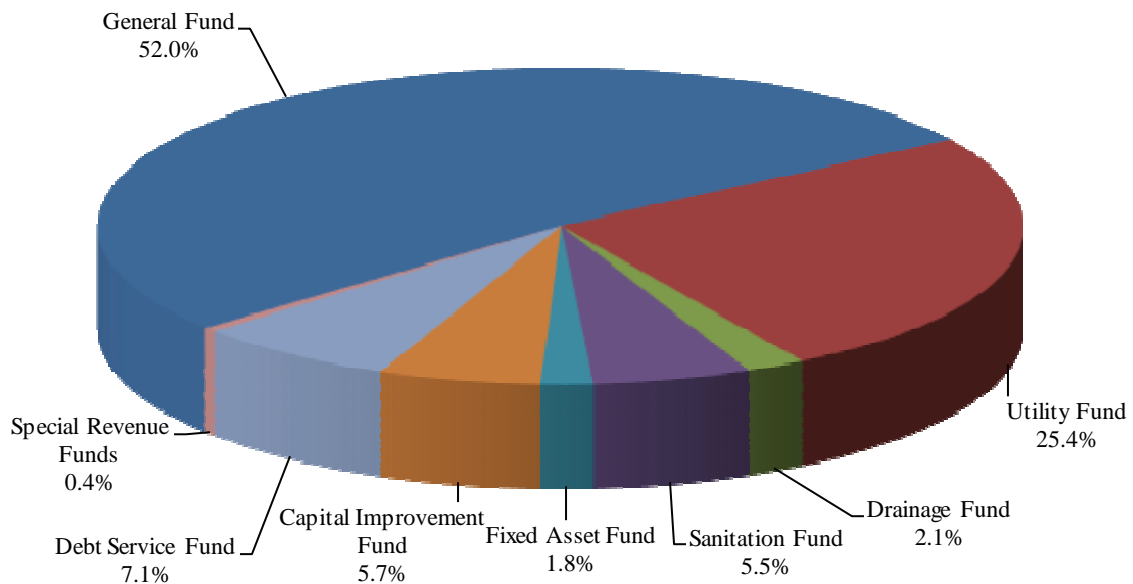
The graph below depicts the percentage of each major revenue source compared to the total revenues for all funds of \$39,280,300. Major revenue sources for the City are fines and fees (37.1%), ad valorem taxes (29.9%), and other taxes (17.3%).

FY 2017-2018 Budgeted Revenue Sources - All Funds



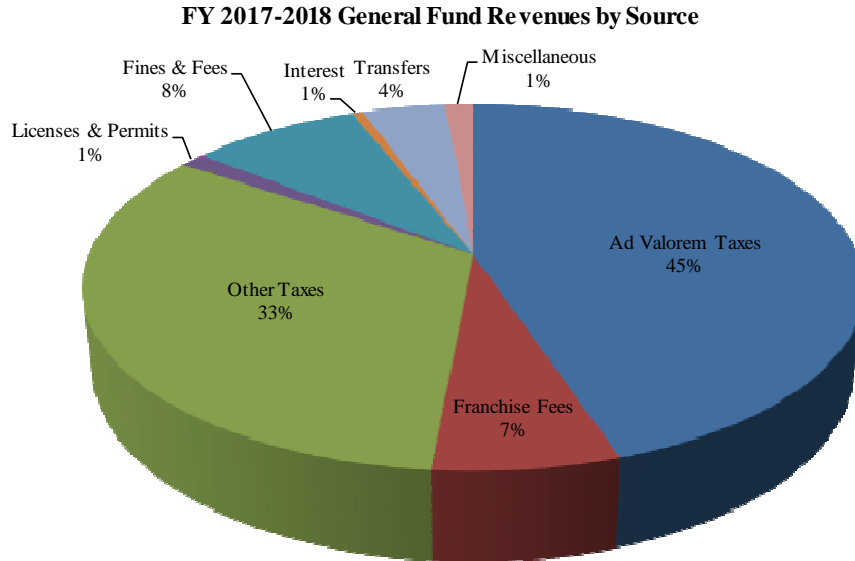
The General and Utility Funds have the greatest amount of revenues budgeted at 52.0% and 25.4% of total revenues respectively. The following pages discuss major revenue sources within the two funds as well as their underlying assumptions and trends.

FY 2017-2018 Budgeted Revenues - Percentage of Total Revenues



GENERAL FUND REVENUES

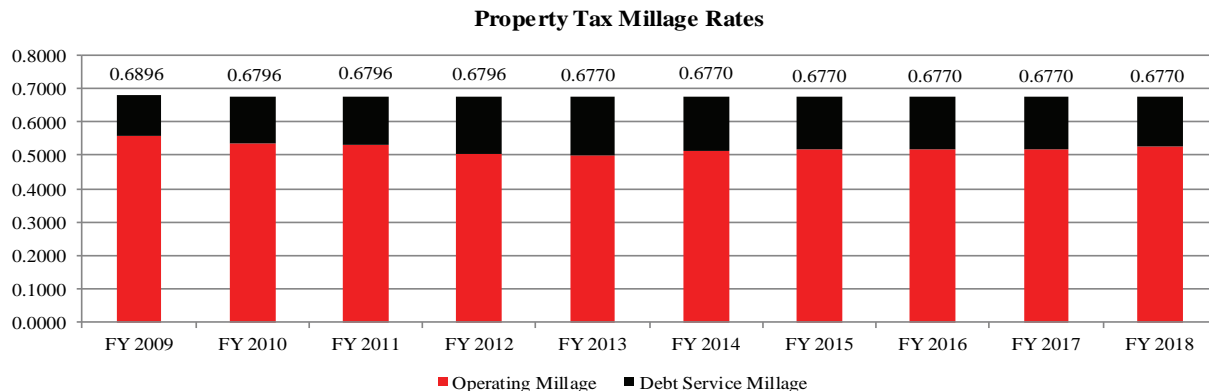
General Fund revenues at \$20,443,800 make up 52.0% of the City’s total revenues (\$39,280,300) for the 2017-2018 fiscal year. Major revenue sources for the City of Harker Heights in the General Fund are ad valorem taxes (45.0%), other taxes (33.0%), fines and fees (8.0%) and franchise fees (7.0%) as shown in the graph below.



Ad Valorem Tax

Ad valorem or property tax is the largest revenue source of the General Fund at 45.0% of the total revenue. The City works closely with Bell County Tax Appraisal District (BCAD) in setting a tax rate for the year. They help to ensure that our publications are published and public hearings are held in accordance with the Texas Local Government Code and Texas Tax Code. BCAD is also responsible for sending out tax statements and collecting tax payments on our behalf. Debt payments that will be made during the fiscal year are part of the calculation to determine the Interest and Sinking part of the tax rate which covers those payments. The maintenance and operations rate must be enough to sustain operations and services for the upcoming year.

The City of Harker Heights has been able to maintain the same total tax rate for eight years, lowering it from \$0.6996 to \$0.6896 in FY05-06, to \$0.6796 in FY06-07 and to \$0.6770 in FY09-10. The overall benefit is to the citizens of Harker Heights who continue to receive the same quality services that they have become accustomed to without an increase in the tax rate.



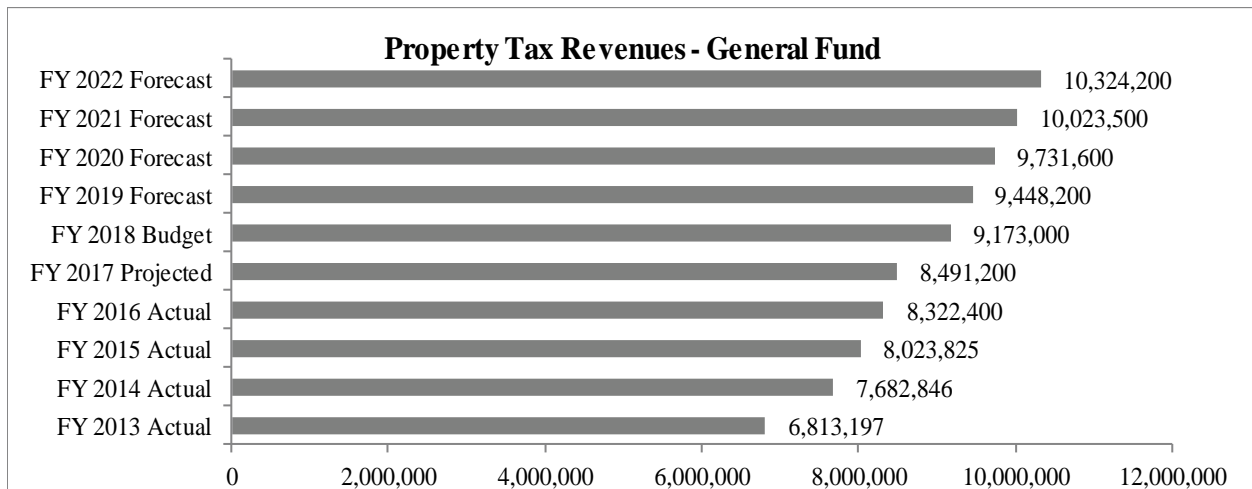
The certified 2017 taxable value per BCAD is \$1,806,143,195 which is an increase of \$106,372,382 or 6.3% from the 2016 taxable value. The current tax revenue was calculated using a maintenance and operations tax rate of \$0.5285 per \$100 of taxable value and a collection rate of 96% as follows:

Total Taxable Value	\$ 1,806,143,195
Proposed Tax Rate per \$100 valuation	<u>0.6770</u>
Gross Revenues from Taxes	12,227,589
Estimated Percentage of Collections	<u>96%</u>
Estimated Funds from Tax Levy	11,738,485
Estimated Delinquent Tax Collections	12,000
Total Estimated Tax Collections	<u>\$ 11,750,485</u>

	Tax Rate	Total
Distribution of Tax Revenue		
Maintenance and Operations	0.5285	\$ 9,173,016
Interest and Sinking	<u>0.1485</u>	<u>2,577,469</u>
Total	<u>0.6770</u>	<u>\$ 11,750,485</u>

Property tax revenue forecasts are determined using an estimate of three percent for growth each year. In April, BCAD holds an annual meeting to discuss preliminary values, which are normally very conservative, and City Staff adjusts its calculations accordingly. Each BCAD regional appraiser also discusses what developments occurred during the year, what will be completed next year, and the property sales for their respective regions.

The following graph shows the history of property tax revenues in the General Fund, what is budgeted for Fiscal Year 2018, and the current projections for the future.



Estimated continued growth is the reason behind the increase in property tax revenue projections over the next four years.

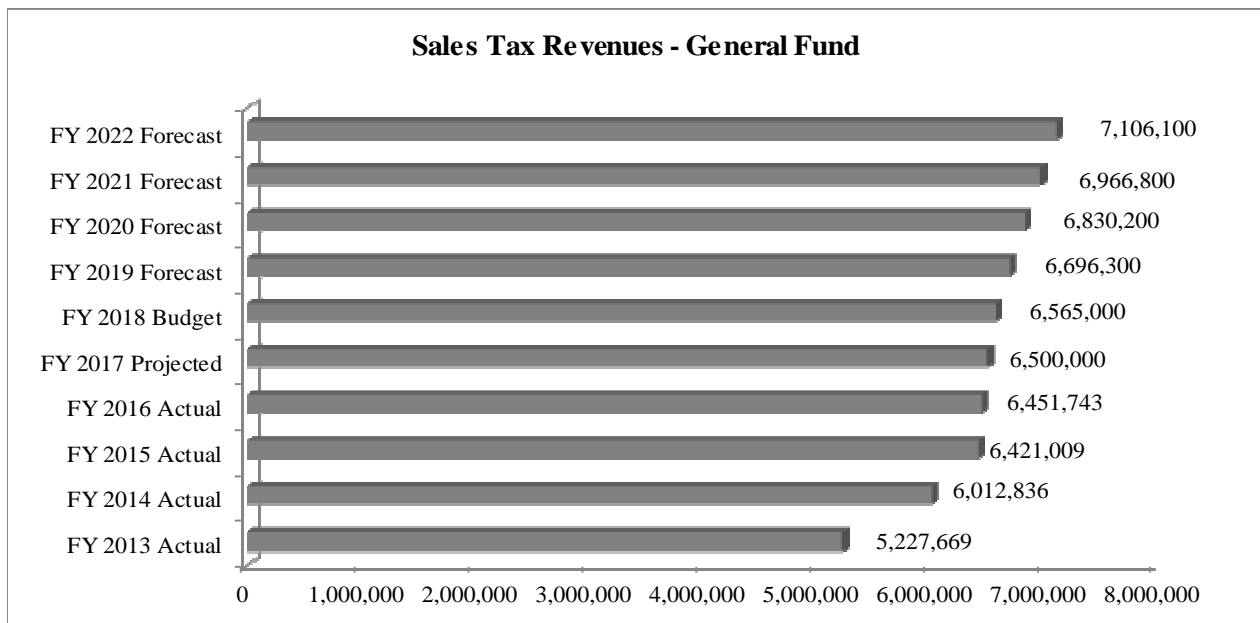
The Interest and Sinking portion of the tax rate is budgeted in the Debt Service Fund. As stated earlier, this portion of taxes received by the City is used to make payments on the debt obligations it has issued. See the “Debt Service” section for detailed information on the City’s debt.

Other Taxes

The Other Taxes category consists of Sales Tax, Mixed Drink Tax, and Bingo Tax.

Sales Tax – The State of Texas imposes a state sales and use tax of 6.25%. Cities, counties, transit authorities, and special purpose districts can impose an additional local sales and use tax of up to 2% for a combined state and local tax rate of up to 8.25%. The City of Harker Heights has imposed this additional local sales tax option and receives its portion of sales and use tax revenues from the Texas Comptroller’s Office on a monthly basis.

When budgeting sales tax revenue for the upcoming budget year, the prior year’s projections as well as any permits issued for upcoming commercial businesses are taken into consideration. During the 2015-2016 fiscal year there was construction of an auto parts store, clubhouse, and the start of three other commercial properties. Fiscal year 2017 added an Express ER, Great Clips, and Sylvan Learning Center. Forecasts for sales tax properties for FY 2019 to FY 2022 are projected to increase at 2%.



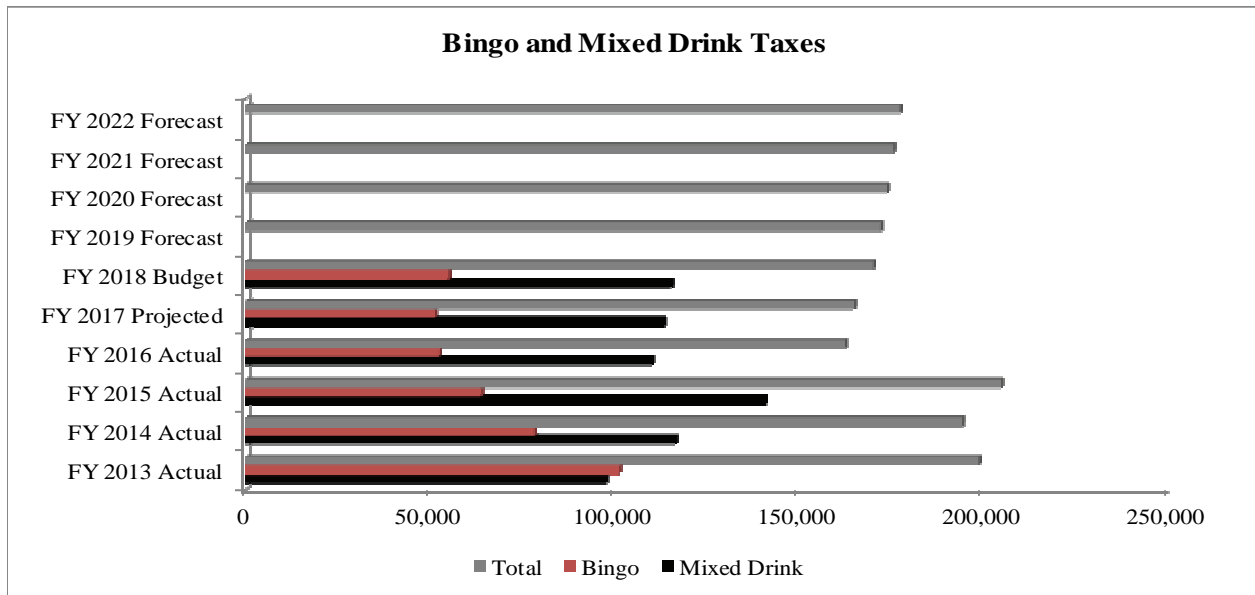
Sales tax revenues are projected to increase by 8% between FY 2018 and FY 2022.

Mixed Drink Tax & Bingo Tax – The mixed drink tax is a gross receipts tax imposed on the amount received from the sale, preparation or service of mixed beverages. It is paid to the Texas Comptroller of Public Accounts who in turn remits a portion back to the City. Prior to January 2014, the mixed beverage gross receipts tax was 14%. Beginning on January 1, 2014, the tax was lowered to 6.7% and a mixed beverage sales tax rate of 8.25% was implemented and passed on to the consumer.

Bingo taxes are collected by the Texas Lottery Commission and distributed on a quarterly basis by their Charitable Bingo Operations Division. Each authorized organization collects a fee in the amount of 5 percent of the value of a prize worth more than \$5. A county or municipality is entitled to 50% of the prize fee paid to the Texas Lottery Commission unless both the county and municipality have imposed a bingo tax. In this instance, both the county and municipality receive 25% of the fee collected.

When forecasting, the mixed drink and bingo tax line items are looked at as one piece because they are the smaller of our tax revenue line items in the General Fund. A one percent increase is added each year to the actual of both taxes combined and then, based on prior year activity, that increase is distributed accordingly between them.

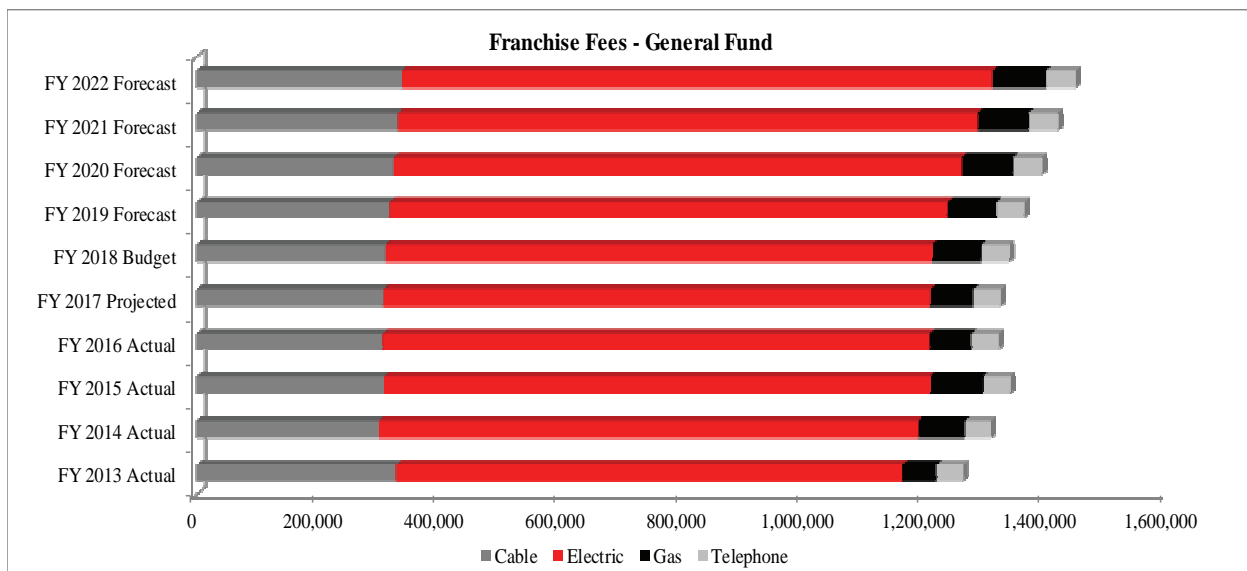
The graph below shows how the prior year actuals, FY 2017 projection and FY 2018 budgeted amounts compare. Forecasts are shown in total amounts only because it has not been decided how the 1% increases will be allocated between the two line items.



Franchise Fees (*Cable, Gas, Telephone, and Electricity*)

A franchise fee is an agreed upon reimbursement amount paid by utility and/or cable companies to the city for usage of the city’s right of way. The current electric franchise fee is paid based on the number of kilowatt hours whereas as those for gas, telephone and cable are based on a percentage of gross receipts. (The Sanitation Fund also has franchise fee revenue for garbage which is based on a percentage of gross receipts.)

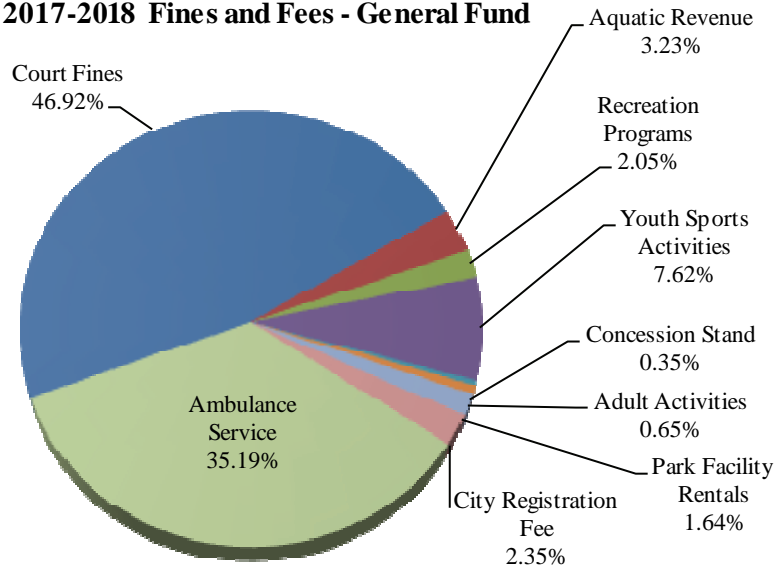
As Harker Heights continues to experience growth, we can also assume that usage of utilities will also increase in the area. Two percent is added to the prior year’s amount each year in order to project future revenues for this category. The following graph depicts the FY 2018 budgeted amount as well as actual revenues prior to and projections for future years.



Fines and Fees

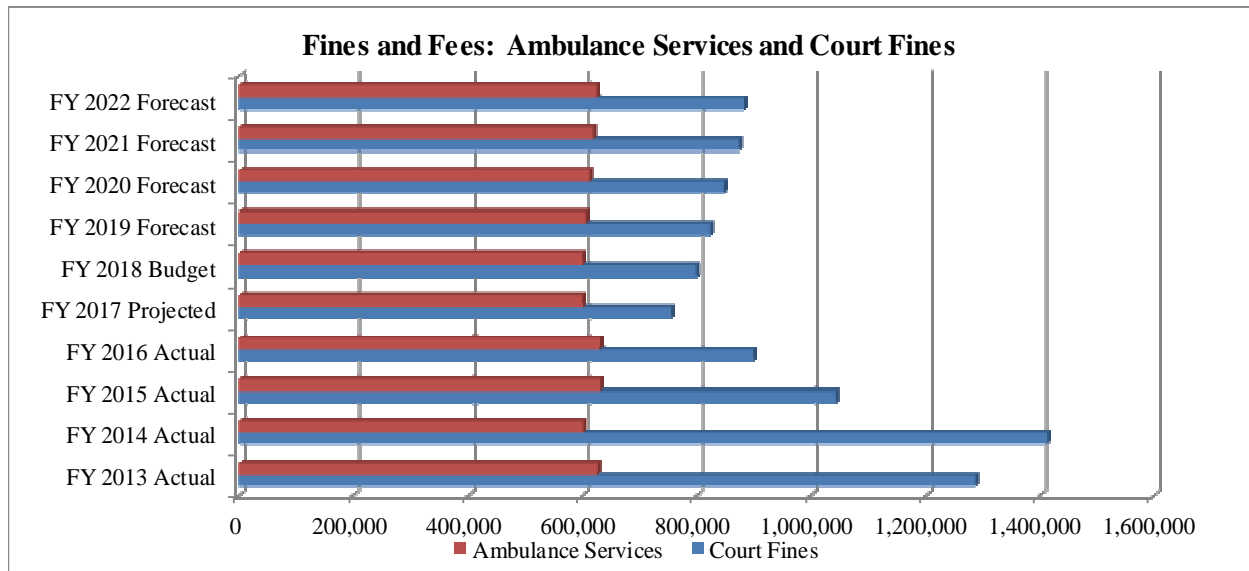
The Fines and Fees category consists of Court Fines, Ambulance Service, Parks & Recreation Fees and City Registrations.

FY 2017-2018 Fines and Fees - General Fund



Court Fines – The FY 2016-2017 budget totaled \$1,000,000 and is projected to be \$755,000 at fiscal year-end due to lower ticket volume and collections. \$800,000 is budgeted for the 2018 fiscal year. This line item is forecasted to increase by one percent each year. The number of active police personnel and number of tickets written greatly influence this line item.

Ambulance Service – This line item is being lowered from the \$650,000 budgeted in FY 2016-2017 to \$600,000 for FY 2017-2018. Collections for ambulance services have been more consistent over the past three fiscal years and the City has projected a one percent increase for each fiscal year that follows.



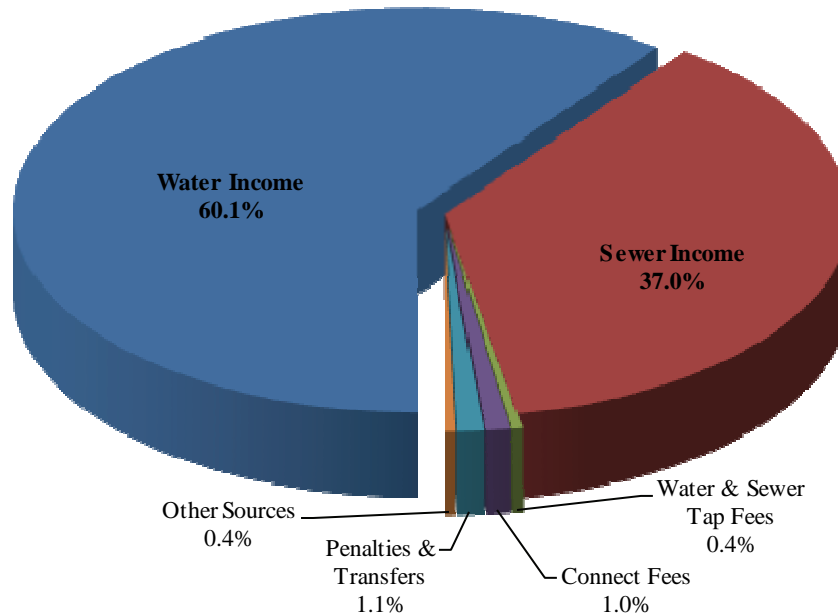
Actual, projected, budgeted and forecasted amounts for the ambulance services and court fines line items.

A listing of all revenue sources in the General Fund can be found in the “General Fund” section.

UTILITY FUND REVENUES

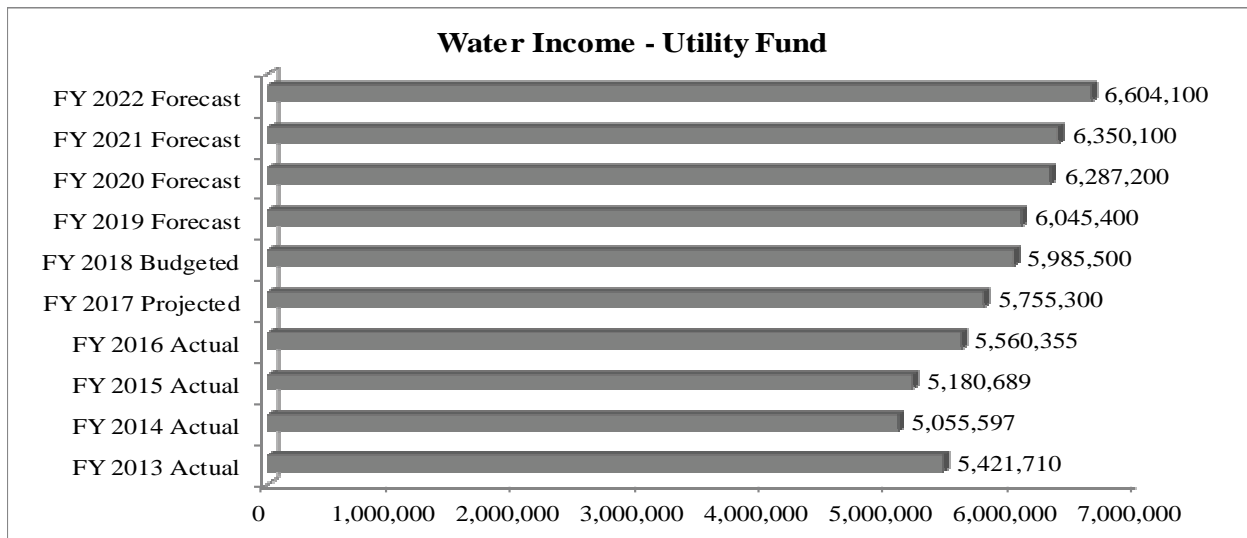
Utility Fund revenues at \$9,959,700 make up 25.4% of the City’s \$39,280,300 in total revenues for FY 2017-2018 with the major revenue sources water income (60.1%) and sewer income (37.0%) as shown in the graph below.

FY 2017-2018 Utility Fund Revenues by Source



Water Income

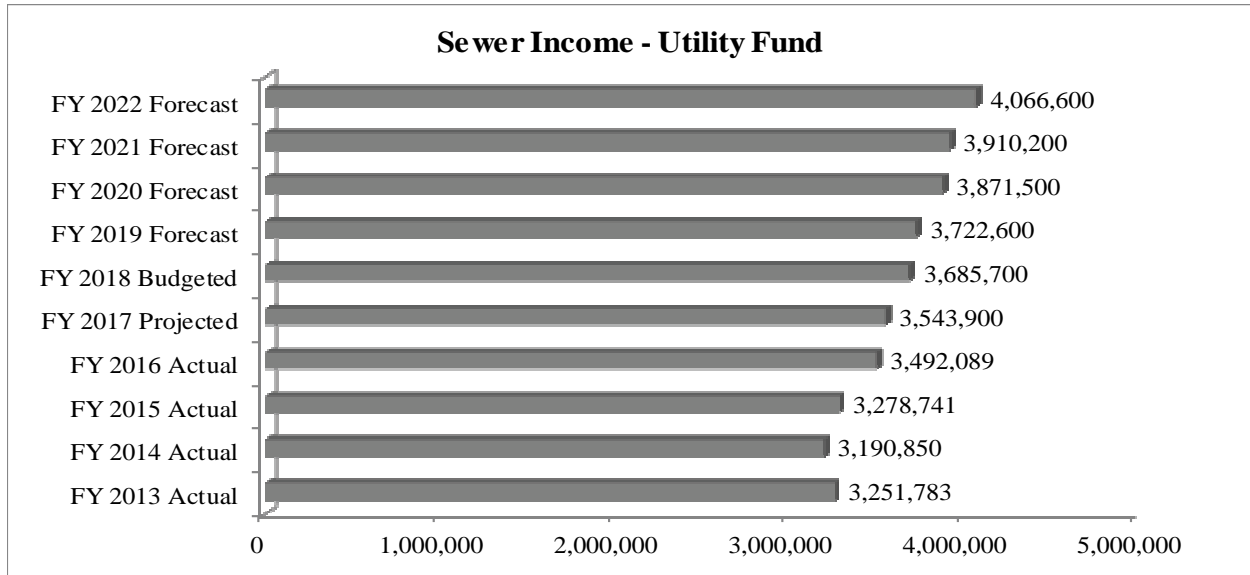
Water income is very elastic and depends a great deal on what the weather does. A target for water income has been developed using historical income data. For the 2018 fiscal year, there is a three percent increase in water rates. In projecting the revenues, a 1% growth rate adjustment was also made to assist in the calculation of the budgeted amount. Future forecasts for water income include a flat one percent growth rate and a rate increase of three percent every other year. If a rate increase is deemed unnecessary (i.e. revenues are appropriately covering the expenses), then the alternating rate increases are adjusted for the following years.



Water Income is projected to increase by 10% (\$618,600) between FY 2018 and FY 2022.

Sewer Income

Billable gallons for sewer are computed based on water consumption. A three percent rate increase was also made to sewer fees and a 1% growth rate adjustment was made to assist in the calculation of the budgeted amount. Sewer income is forecasted in the same way as water income, with a one percent increase for growth each year and a three percent alternating rate increase. As in water income, if a rate increase is deemed unnecessary, the alternating years are adjusted accordingly.



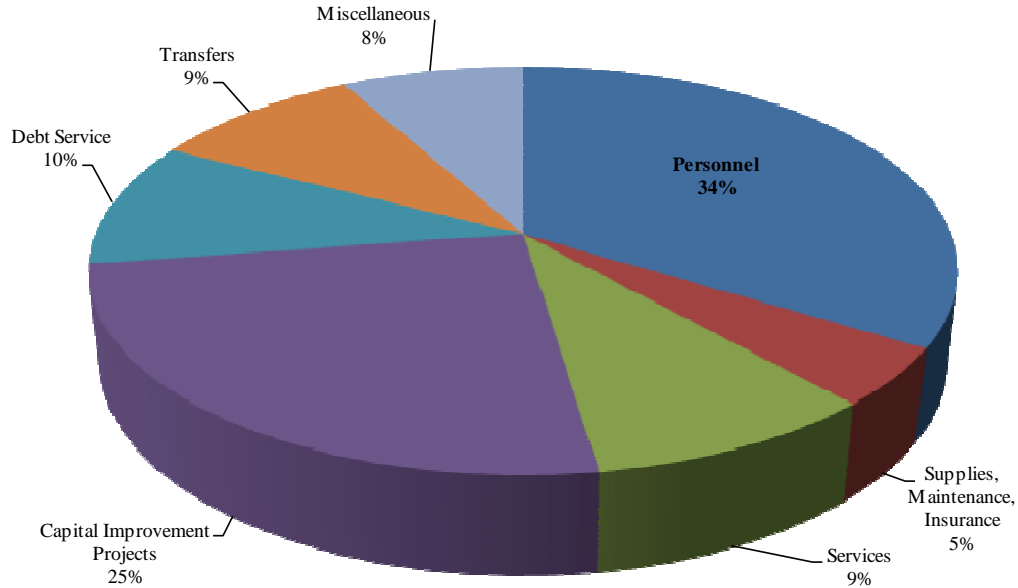
Sewer Income is expected to increase by 10% (\$380,900) between FY 2018 and FY 2022.

A complete listing of all revenue sources in the Utility Fund can be found in the “Utility Fund” section.

EXPENDITURES/EXPENSES

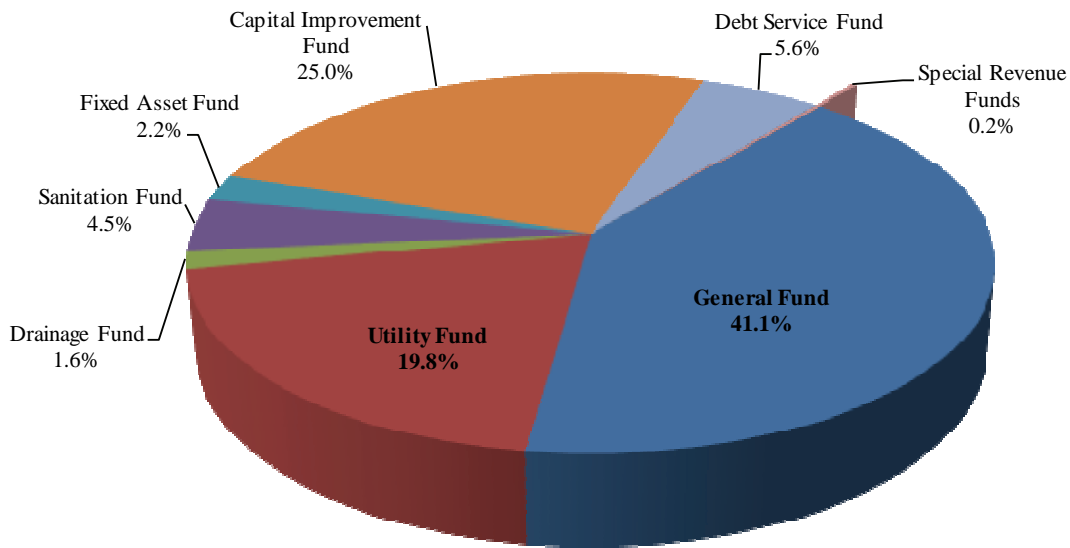
The graph below depicts the percentage of each expenditure/expense for all funds compared to the total expenditures/expenses (“use”) of \$49,678,000. The largest use of City funds is personnel expenses at 34% (\$16,770,400) followed by Capital Improvement Projects at 25% (\$12,431,400).

FY 2017-2018 Budgeted Expenditures/Expenses - All Funds



The General, Utility, and Capital Improvement Funds have the greatest amount of expenditures/expenses budgeted at 41.1%, 19.8% and 25.0% of the budget respectively. The General and Utility Fund’s major uses will be discussed on the following pages; Capital Improvement Fund projects are discussed in detail in the “Capital Outlay and Improvements” section.

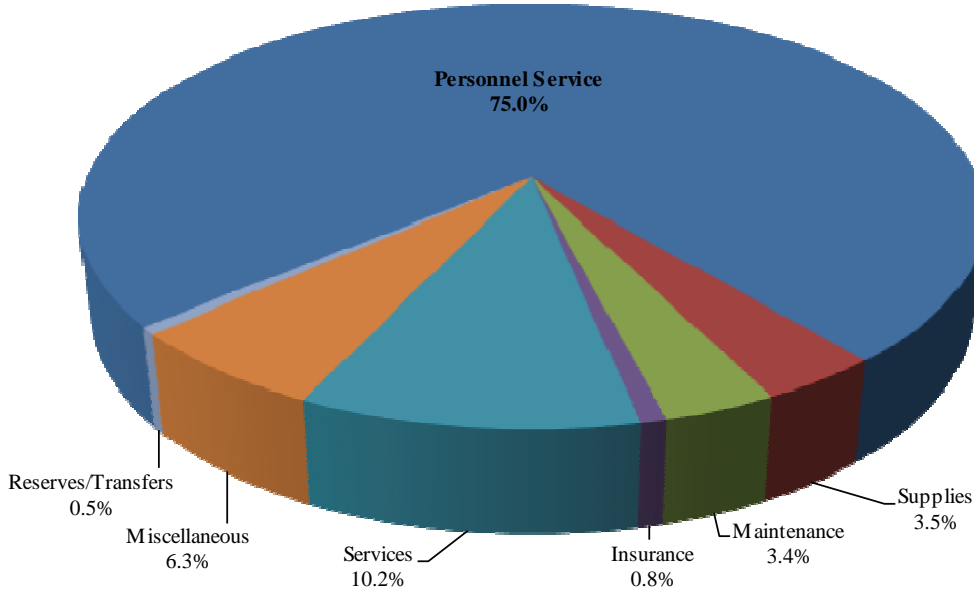
FY 2017-2018 Budgeted Expenditures/Expenses - Percentage of Total



GENERAL FUND EXPENDITURES

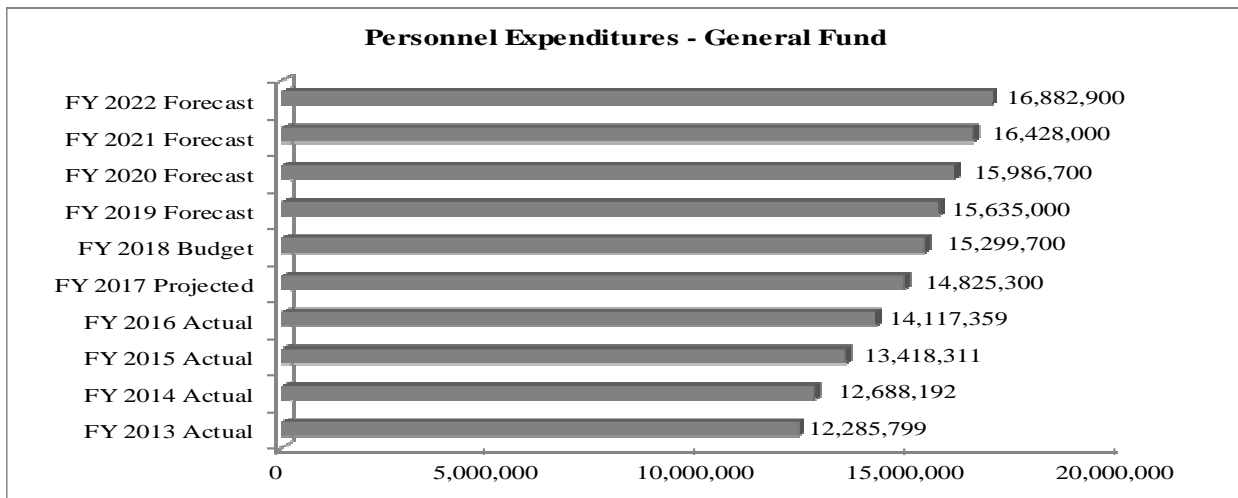
At \$20,400,900, General Fund expenditures make up 41.1% of the City's total uses. Major uses, as indicated in the graph below, are personnel service (75.0%) and services (10.2%).

FY 2017-2018 General Fund Expenditures by Use



Personnel Service

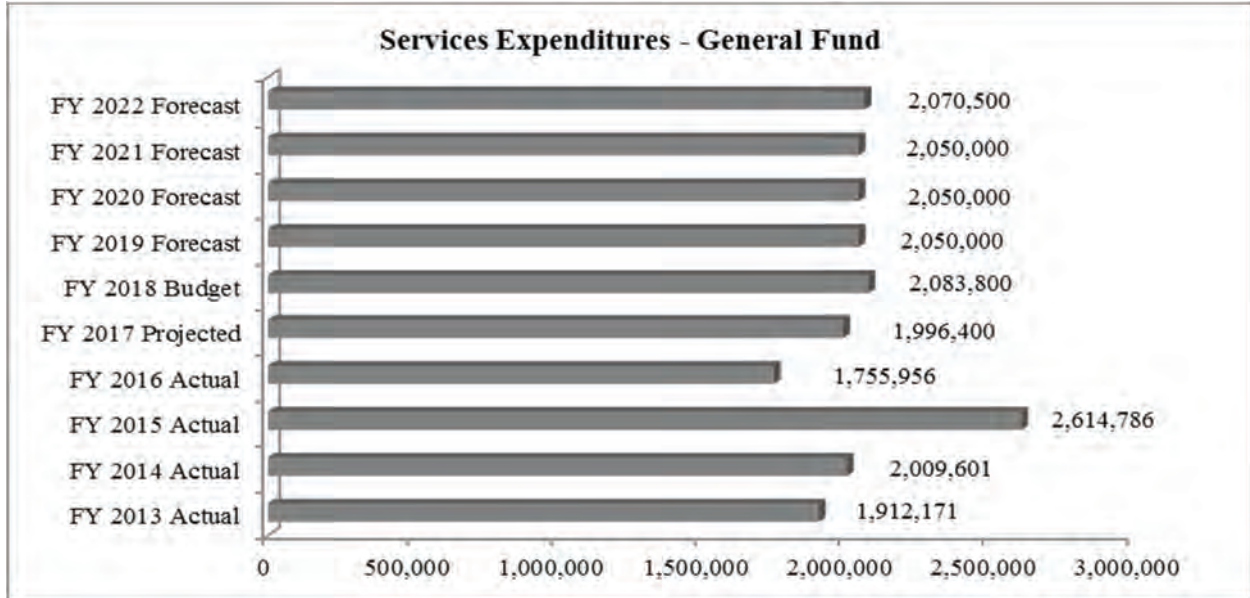
Total personnel services for the 2018 fiscal year are budgeted at \$15,299,700, an increase of \$474,400 or 3% over the prior year's projection. This increase is due to a 2% percent salary adjustment for all employees as well the addition of a Juvenile Case Manager Program Specialist in October 2017; Veterinarian Technician and Crew Leader in March 2018; an Evidence Technician and Battalion Chief of Training in July 2018; and the upgrade of the Customer Clerk position in Courts from part-time to full-time. In forecasting for personnel service a two percent increase is added to the prior year's total. This is adjusted later during budget planning as it is confirmed whether a salary adjustment will be given, new employees will be hired, worker's compensation and retirement rates will increase, and based on changes to the health insurance coverage.



FY 2018's budgeted personnel expenditures show an increase of 25% in this line item since FY 2013.

Services

The Services category at a total of \$2,083,800 for the 2018 fiscal year contains many different line items the largest of which are Utilities (\$562,200) and Contract Labor (\$466,100). For forecasting purposes, the category of Services is projected to increase 1% each fiscal year. Adjustments are made as needed to keep in line with the projection or increase/decrease it if necessary.

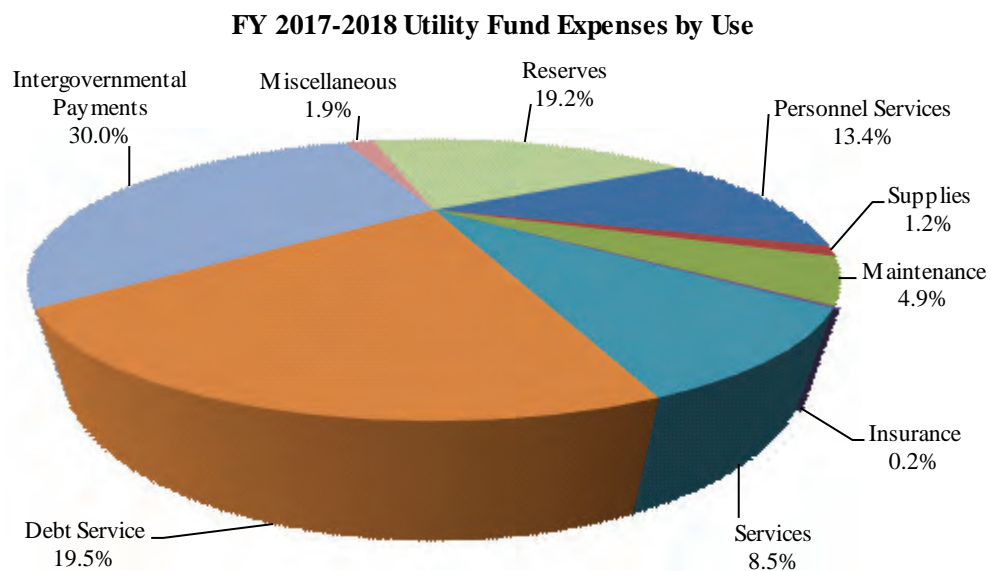


Depicts how the Services category may grow over the next four fiscal years.

A listing of all expenditures in the General Fund can be found in the “General Fund” section.

UTILITY FUND EXPENSES

At \$9,844,300, Utility Fund expenses make up 19.8% of the City’s total uses. Major uses, as indicated in the graph below, are Intergovernmental Payments (30.0%), Debt Service (19.5%), and Reserves (19.2%).



Intergovernmental Payments

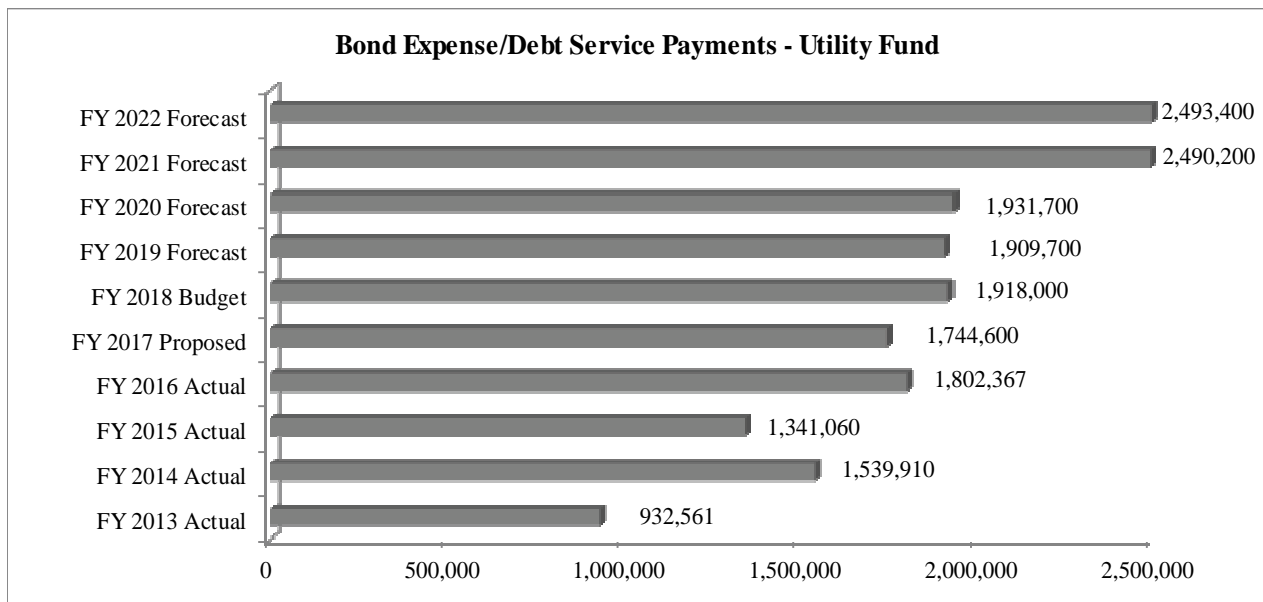
Intergovernmental Payments includes a transfer to the General Fund in the amount of \$450,000, a transfer to the Debt Service Fund in the amount of \$100,000 and water purchases of \$2,400,000. Transfers are forecasted at a flat amount and are adjusted during budget planning based on the needs of the City. Water purchases are planned based on payments scheduled to be made to the Water Control and Improvement District #1 (WCID #1) as the City’s portion of the debt they’ve incurred to improve the water system. It also includes purchases to the Brazos River Authority and WCID #1 for water consumption.

Reserves

Reserves total \$2,050,000 in the Utility Fund and include transfers to the Fixed Asset (\$450,000) and Capital Project (\$1,600,000) Funds. Transfers are forecasted at a flat amount and are adjusted during budget planning based on the needs of the City.

Debt Service

Debt principal and interest payments for the 2017 fiscal year are projected at \$1,744,600, an increase of \$19,200 from the budgeted amount of \$1,725,400. This is due to the issuance of Series 2017 Combination Tax & Utility System Revenue Certificates of Obligation in December 2016. The FY 2017-2018 bond expense line item is budgeted at \$1,918,000. See the “Debt Service” section for additional details on the City’s debt.



A complete listing of all expenses in the Utility Fund can be found in the “Utility Fund” section.



GENERAL FUND

**REVENUE SUMMARY
GENERAL FUND**

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
TAXES						
700 Tax Receipts	8,251,000	8,278,894	8,491,200	8,404,829	8,491,200	9,173,000
701 Discounts	0	43,506	0	0	0	0
TOTAL TAXES	8,251,000	8,322,400	8,491,200	8,404,829	8,491,200	9,173,000
FRANCHISE FEES						
080 Cable Franchise Fees	310,000	310,406	311,000	156,032	311,000	314,000
081 Electricity Franchise Fees	918,000	872,255	900,000	505,598	884,000	900,000
082 Gas Franchise Fees	90,000	68,200	70,000	33,747	77,900	80,000
083 Telephone Franchise Fees	46,000	46,585	46,000	22,166	46,000	46,000
TOTAL FRANCHISE FEES	1,364,000	1,297,446	1,327,000	717,543	1,318,900	1,340,000
OTHER TAXES						
707 Mixed Drink Tax	141,000	110,880	110,000	57,933	113,200	115,000
708 Bingo Tax	70,000	52,129	55,000	25,343	51,000	55,000
709 Sales Tax	6,800,000	6,451,743	6,500,000	3,258,059	6,500,000	6,565,000
TOTAL OTHER TAXES	7,011,000	6,614,752	6,665,000	3,341,335	6,664,200	6,735,000
LICENSES AND PERMITS						
022 Platting and Rezoning	10,000	32,014	30,000	11,688	30,000	30,000
051 Building Permits	300,000	258,201	250,000	91,549	200,000	200,000
052 Contractor's Registration	25,000	19,300	20,000	8,025	20,000	20,000
053 Fire Permit Revenue	0	1,960	1,000	2,665	6,000	6,000
TOTAL LICENSES AND PERMITS	335,000	311,475	301,000	113,927	256,000	256,000
FINES AND FEES						
016 Court Fines	1,100,000	739,950	1,000,000	353,565	755,000	800,000
036 Aquatic Revenue	40,000	42,986	52,000	0	52,000	55,000
037 Recreation Programs	35,000	25,388	35,000	10,731	35,000	35,000
038 Youth Sports Activities	150,000	138,225	130,000	66,839	130,000	130,000
039 Concession Stand	5,000	5,518	5,000	1,191	6,000	6,000
040 Adult Activities	30,000	9,294	25,000	754	11,000	11,000
041 Park Facility Rentals	25,000	28,929	25,000	11,844	28,000	28,000
050 City Registration Fee	45,000	40,669	45,000	18,703	40,000	40,000
101 Ambulance Service	630,000	633,419	650,000	189,610	600,000	600,000
TOTAL FINES AND FEES	2,060,000	1,664,378	1,967,000	653,237	1,657,000	1,705,000
MISCELLANEOUS						
010 Credit Card Fees	(45,000)	(34,599)	(40,000)	(14,651)	(30,000)	(35,000)
011 Technology Fee - My Permit Now	14,000	1,149	10,000	1,159	3,000	4,000
015 Cash Over (Short)	0	10	0	(33)	0	0
020 Interest Income	30,000	68,932	60,000	46,737	115,000	115,000
021 Miscellaneous Income	20,000	16,768	20,000	11,141	20,000	23,000
023 Taxable Income	12,000	13,535	13,000	6,775	14,000	14,000
025 Miscellaneous A/R Income	0	0	0	0	0	0
030 Insurance Proceeds	0	188,332	0	3,786	16,500	0
031 Settlement of Claim	0	677	0	885	1,500	0
032 Gain on Sale of Asset	0	0	0	0	0	0
042 Discounts - Youth Sports	0	(5)	0	(25)	0	0
055 Street Paving Payments	0	0	0	0	0	0
056 Public Nuisance Assmt Pmt	0	18,369	0	2,757	11,100	0
058 False Alarm Fees	0	1,925	0	1,475	2,200	0
070 Grant Revenue	13,200	12,278	73,900	14,846	76,400	72,800
071 Contributions	0	0	0	0	0	0
100 Ambulance Collection Fees	(90,000)	(71,542)	(48,400)	(13,540)	(34,500)	(45,000)
102 Reimburse Bell County	3,000	5,095	5,000	5,741	5,700	5,000
103 Central Texas Trauma Council	0	0	0	3,183	3,200	3,000

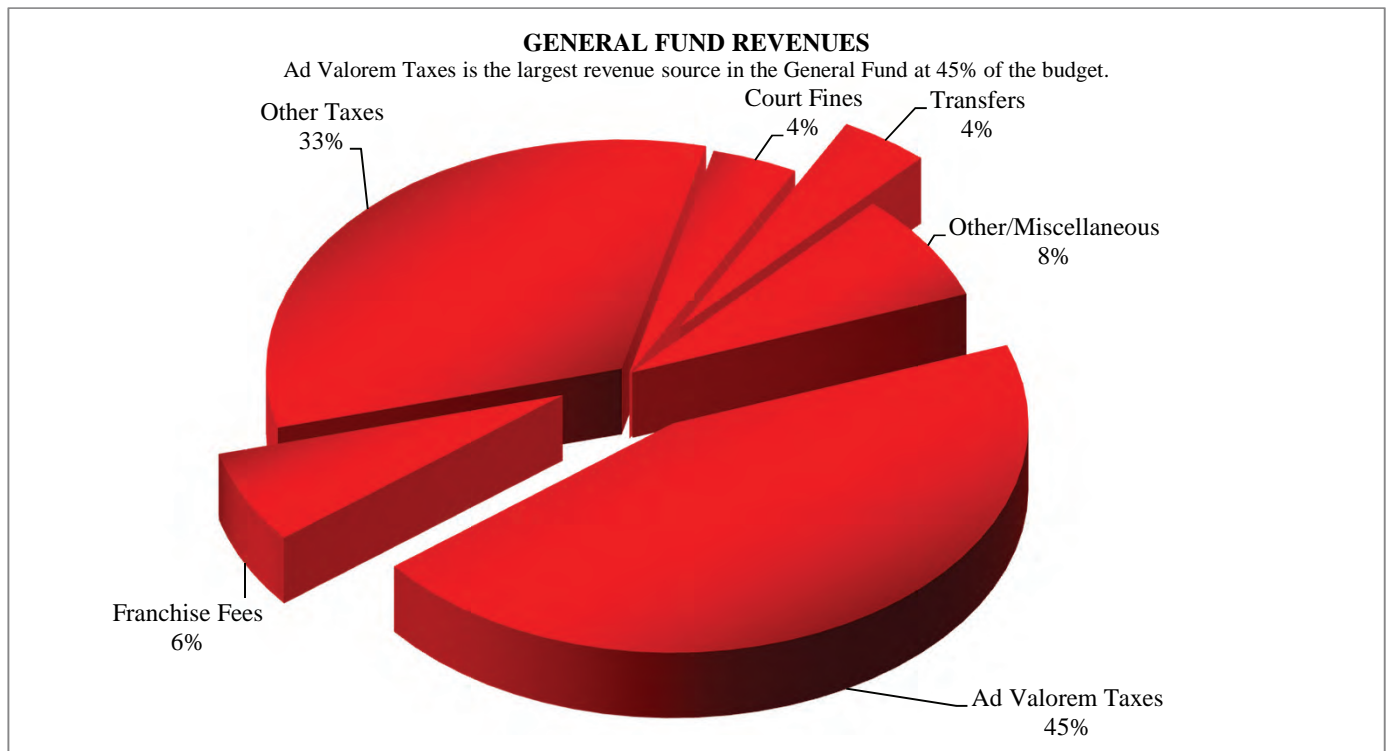
**REVENUE SUMMARY
GENERAL FUND**

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
112 Animal Control	16,000	39,320	30,000	25,900	50,000	50,000
113 Auction Abandoned Property	0	0	0	21,718	21,700	0
114 Child Safety Fund	40,000	1,810	0	0	0	0
116 State Seizure Funds	0	0	0	0	0	0
201 Net Value of Investments	0	1	0	0	0	0
400 Donations	0	670	0	750	800	0
401 Donations - Police	0	779,253	0	1,805	1,800	0
403 Donations - Library	0	305	0	100	100	0
404 Donations - Parks & Recreation	0	7,466	0	2,964	5,000	0
405 Donations - Nat'l Night Out	0	0	0	0	0	0
406 Donations - Pet Adoption Center	0	23,749	20,000	9,713	20,000	20,000
600 Lease Agreement Proceeds	0	208,000	0	0	0	0
601 TxDOT Reimbursement	0	0	0	35,296	35,300	0
602 Reimb from TxDOT PTF Program	170,000	170,000	170,000	0	170,000	170,000
802 Transfer from Water	450,000	450,000	450,000	50,000	450,000	450,000
803 Transfer from Drainage	0	0	0	0	0	0
804 Transfer from Sanitation	300,000	300,000	300,000	0	300,000	300,000
812 Transfer from Restricted Courts	55,000	55,000	50,000	5,000	50,000	88,000
TOTAL MISCELLANEOUS	988,200	2,256,498	1,113,500	223,482	1,308,800	1,234,800
TOTAL REVENUES	20,009,200	20,466,949	19,864,700	13,454,353	19,696,100	20,443,800
BEGINNING FUND BALANCE	8,514,687	8,952,827	9,076,752	9,810,111	9,810,111	9,764,711
INCREASE/DECREASE	11,400	857,284	9,800	3,168,287	(45,400)	42,900
ENDING FUND BALANCE	8,526,087	9,810,111	9,086,552	12,978,398	9,764,711	9,807,611

FUND BALANCE REQUIREMENT

5,075,200

(Three Months Operating Expense)



**EXPENDITURE SUMMARY
GENERAL FUND**

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	10,447,000	10,258,549	10,809,300	5,251,777	10,775,900	11,082,400
002 Overtime	371,400	413,684	382,400	253,430	427,900	419,900
003 Worker's Compensation	171,800	152,332	149,600	143,515	149,400	132,000
004 Health Insurance	1,044,100	977,809	1,069,700	441,371	930,600	1,063,400
005 Social Security	827,700	780,285	856,300	406,182	857,200	880,200
006 Retirement	1,616,200	1,534,700	1,672,900	807,060	1,684,300	1,721,800
TOTAL PERSONNEL SERVICE	14,478,200	14,117,359	14,940,200	7,303,335	14,825,300	15,299,700
SUPPLIES						
010 Office	94,200	81,723	89,700	40,279	89,800	91,000
011 Vehicle	291,000	211,690	218,400	113,667	226,100	232,100
012 General	147,400	148,804	144,600	75,886	142,900	141,100
013 Equipment	83,900	74,303	72,100	25,391	62,300	74,300
014 Uniforms	85,100	81,457	90,600	45,668	89,400	94,000
015 Recreational	5,000	3,648	6,000	1,811	6,000	6,000
016 Chemical	12,200	14,158	12,200	3,988	12,200	12,200
019 K-9 Supplies	6,000	5,414	4,000	3,426	5,500	4,600
028 Pet Adoption Center	12,000	23,991	15,000	10,116	23,000	39,500
029 Medical	53,900	51,277	56,500	25,500	55,000	56,000
TOTAL SUPPLIES	790,700	696,465	709,100	345,732	712,200	750,800
MAINTENANCE						
020 Vehicle	118,500	142,223	114,800	57,710	129,600	128,800
021 Building	100,000	96,065	109,100	57,434	112,600	113,100
022 Equipment	153,800	177,490	268,900	181,344	254,600	268,600
023 Ground	178,700	175,344	188,700	90,291	178,800	188,700
TOTAL MAINTENANCE	551,000	591,122	681,500	386,779	675,600	699,200
INSURANCE						
030 Property/Liability	153,800	146,317	149,500	149,725	155,600	163,400
TOTAL INSURANCE	153,800	146,317	149,500	149,725	155,600	163,400
SERVICES						
033 Contingency	0	0	0	0	0	0
035 Unemployment Payments	0	5,640	0	865	900	0
036 Election Expense	10,000	413	10,000	227	7,800	10,000
040 Utilities	549,000	541,684	522,200	271,363	558,700	562,200
041 Dues and Subscriptions	46,500	38,691	45,100	28,515	46,200	45,400
042 Travel and Training	159,800	116,457	155,100	75,517	147,000	160,900
043 Impound Expense	400	385	400	120	1,000	1,000
045 Telephone	69,700	63,473	66,400	36,162	70,700	72,300
046 Equipment Rental	39,700	38,073	39,300	11,939	36,000	38,900
047 Contract Labor	432,100	392,064	416,500	202,138	414,000	466,100
051 Online Transaction Fees	6,000	6,565	6,300	2,766	6,100	6,100
059 Adaptive Sports	10,000	8,393	10,000	2,128	7,000	10,000
060 Tree City USA	10,000	4,834	10,000	2,498	7,000	10,000
061 Reimburse by Donations	3,000	3,416	4,500	1,326	4,500	4,500
065 Trophies and Awards	19,700	16,951	19,700	6,975	19,700	20,500
066 Uniforms and Equipment (Rec)	57,000	55,479	57,000	14,764	57,000	57,000
067 Parks and Recreation Programs	43,000	36,198	43,000	23,815	43,000	46,000
068 Team Travel	2,400	1,300	3,000	0	3,000	3,000
069 Adult Sports	6,000	2,267	6,000	1,388	6,000	6,000
070 Other Expense (Grants)	34,200	13,498	90,000	77,619	91,000	70,800
075 LEOSE Training	5,000	3,853	5,000	519	5,000	5,100
081 Bank Fees	5,000	680	1,000	722	1,500	1,500
083 Audit Fees	27,500	27,400	27,500	25,950	27,500	27,500

**EXPENDITURE SUMMARY
GENERAL FUND**

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
084 Tax Appraisal Contract	97,400	95,354	96,100	48,056	96,900	98,000
086 Nuisance Abatement	60,000	19,049	55,000	7,159	27,400	55,000
087 State Tax Payments	407,000	248,413	275,000	124,790	275,000	275,000
102 Medical Director Contract	10,300	6,600	28,400	6,600	25,500	12,500
104 Fire Prevention	5,700	5,679	6,700	110	4,900	7,500
105 Safety Training	1,000	555	1,100	985	1,100	1,000
400 Public Awareness	20,000	2,592	15,000	538	5,000	10,000
TOTAL SERVICES	2,137,400	1,755,956	2,015,300	975,554	1,996,400	2,083,800
MISCELLANEOUS						
090 Legal Fees	81,000	94,383	99,000	58,187	114,000	124,000
091 Advertising	43,400	42,776	40,400	14,296	40,400	44,200
092 Professional Fees	205,000	231,789	215,200	161,873	242,200	274,000
093 Medical Expense	0	0	0	0	0	0
094 Lawsuit Settlement	0	0	0	0	0	0
103 State Seizure	0	229	0	0	0	0
401 Transportation (HOP)	32,600	32,600	36,900	36,939	36,900	43,200
402 Heart of TX Defense Alliance	17,000	17,000	17,000	17,000	17,000	17,000
403 Chambers of Commerce	53,500	53,500	53,500	29,875	53,500	47,500
404 Youth Task Force	13,000	10,500	13,000	10,000	13,000	13,000
405 Economic Development	38,500	36,000	25,000	22,673	25,000	23,500
406 Texas A&M Contribution	50,000	50,000	50,000	0	50,000	25,000
408 Boys & Girls Club Contribution	50,000	50,000	50,000	50,000	50,000	50,000
409 Greater Killeen Free Clinic	5,000	5,000	5,000	5,000	5,000	9,500
410 Nat'l Mounted Warfare Found.	25,000	25,000	25,000	25,000	25,000	25,000
600 Pitney Bowes Lease	2,200	2,196	2,200	1,098	2,200	2,200
601 Xerox Lease - Int	0	0	0	0	0	0
602 Xerox Lease - Prin	0	0	2,700	0	0	0
615 Xerox Rental	0	0	13,900	0	3,300	6,900
TOTAL MISCELLANEOUS	616,200	650,973	648,800	431,941	677,500	705,000
RESERVES/TRANSFERS						
007 Reserve for Personnel	15,000	7,825	10,000	4,117	10,000	10,000
252 Reimb: Market Heights	0	0	0	0	0	0
254 Reimb: Seton Medical	600,500	588,648	600,500	588,883	588,900	589,000
259 Reimb: YMCA Parking Lot	0	0	0	0	0	0
260 Reimb: Texas Mattress	0	0	0	0	0	0
800 Transfer to Fixed Assets	300,000	500,000	0	0	0	0
805 Transfer to Capital Projects	300,000	500,000	100,000	100,000	100,000	0
806 Transfer to Debt Service	55,000	55,000	0	0	0	100,000
TOTAL RESERVES/TRANSFERS	1,270,500	1,651,473	710,500	693,000	698,900	699,000
GRAND TOTAL	19,997,800	19,609,665	19,854,900	10,286,066	19,741,500	20,400,900

CITY COUNCIL

The City of Harker Heights is a home rule city which operates under a Council-Manager form of government. All powers of the City shall be vested in the elective Council which enacts local legislation, adopts budgets, determines policies and employs the City Manager. The City Council consists of a Mayor and five Council Members who elect one of their members to serve as Mayor-Protempore.

The City government provides a broad range of goods and services to its citizens. The activities and personnel required to provide these goods and services are organized into broad managerial areas. The primary objective of City government is to provide services to the citizens at the lowest reasonable cost.

MISSION STATEMENT

To create a positive atmosphere which encourages meaningful involvement and participation of all citizens and community groups; to demonstrate community leadership through effective and ethical local government; and to encourage high quality and cost effective services and facilities to meet the needs of our citizens.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Conduct a joint meeting with Killeen Independent School District.
 - Dr. John Craft briefed Council on KISD issues on October 17, 2017.
- Hold a Council Retreat.
 - Council retreat held on August 4, 2017.

FY 2017-2018 OBJECTIVES

- Conduct a joint meeting with Killeen Independent School District.
- Hold a Council retreat.
- Receive and Discuss Exploring New Heights report.

CITY COUNCIL

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	6,000	6,000	6,000	3,000	5,900	6,000
005 Social Security	500	459	500	230	500	500
TOTAL PERSONNEL SERVICE	6,500	6,459	6,500	3,230	6,400	6,500
SUPPLIES						
010 Office	0	38	0	0	0	0
012 General	12,000	14,505	14,000	8,036	15,000	15,000
TOTAL SUPPLIES	12,000	14,543	14,000	8,036	15,000	15,000
SERVICES						
036 Election Expense	10,000	413	10,000	227	7,800	10,000
041 Dues and Subscriptions	1,000	723	1,000	113	1,000	1,000
042 Travel and Training	15,000	3,039	15,000	5,332	15,000	15,000
TOTAL SERVICES	26,000	4,175	26,000	5,672	23,800	26,000
MISCELLANEOUS						
090 Legal Fees	6,000	4,395	6,000	2,145	6,000	6,000
401 Transportation (HOP)	32,600	32,600	36,900	36,939	36,900	43,200
402 Heart of TX Defense Alliance	17,000	17,000	17,000	17,000	17,000	17,000
403 Chambers of Commerce	53,500	53,500	53,500	29,875	53,500	47,500
406 Texas A&M Contribution	0	0	50,000	0	50,000	25,000
408 Boys & Girls Club Contr	50,000	50,000	50,000	50,000	50,000	50,000
409 Greater Killeen Free Clinic	5,000	5,000	5,000	5,000	5,000	9,500
410 Nat'l Mounted Warfare Found.	25,000	25,000	25,000	25,000	25,000	25,000
TOTAL MISCELLANEOUS	189,100	187,495	243,400	165,959	243,400	223,200
FIXED ASSET TRANSFERS						
701 Land and Improvements	0	0	0	0	0	0
702 Building and Improvements	0	0	0	0	0	0
705 Equipment	0	0	25,000	11,608	16,100	0
706 Furniture and Fixtures	0	0	0	0	0	0
TOTAL FIXED ASSET TRANSFERS	0	0	25,000	11,608	16,100	0
GRAND TOTAL	233,600	212,672	314,900	194,505	304,700	270,700

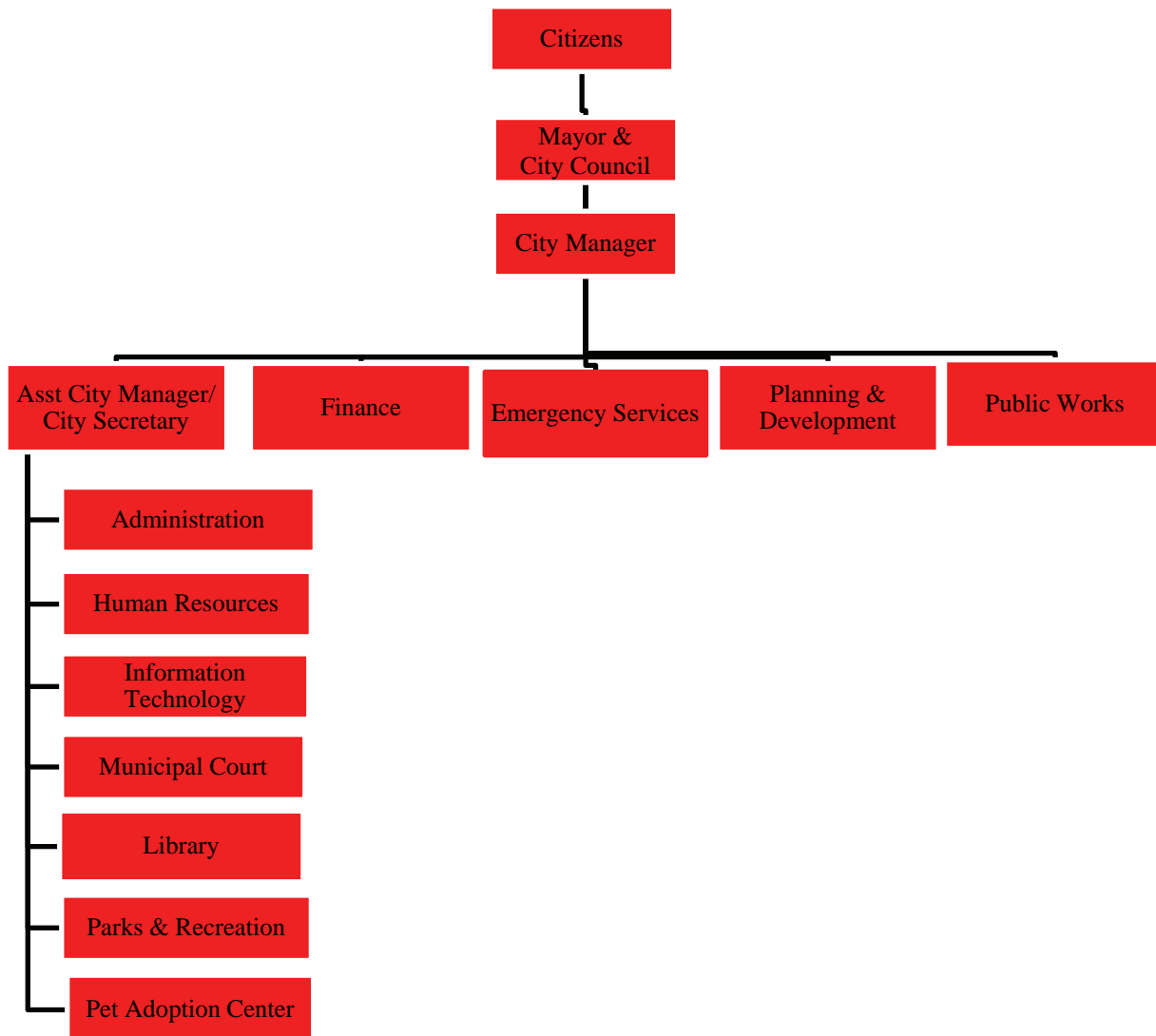
ADMINISTRATION

The City Administration Department includes the City Manager, Assistant City Manager, Human Resource Director, Technology Director, System Support Technician, Assistant City Secretary, Human Resource Coordinator, Records Management Coordinator, Human Resource Clerk and all Pet Adoption Center personnel.

The City Manager is responsible for the operation of the City. This includes planning, budgeting, supervision of employees and providing quality services to residents of the City. He is appointed by the City Council and accountable to that body.

The Assistant City Manager supervises the Administrative Department staff, Parks and Recreation, Library, Court, Human Resources, Information Technology, Pet Adoption Center, and is responsible for City Secretary functions.

ORGANIZATIONAL CHART



PROGRESS ON FY 2016-2017 OBJECTIVES

- Complete the City Hall and Recreation Center renovations.
 - City Hall and Recreation Center renovations were completed.
- Oversee engineering/architecture and the beginning of construction of Central Fire Station.
 - Engineering/architecture of Central Fire Station completed and project is underway.
- Test the use of tablets for agendas/Council meetings.
 - Staff is currently testing the procedure for Council to use tablets during Council meetings.
- Work with The Retail Coach to recruit retail businesses to the City.
 - Staff continued to work with The Retail Coach to update the City’s demographic information and to recruit retail businesses to the City.
- Hold an Exploring New Heights session.
 - Exploring New Heights update was begun in 2016-2017.

FY 2017-2018 OBJECTIVES

- Oversee completion of the construction of Central Fire Station.
- Oversee the completion of the Pet Adoption Center addition/renovation.
- Provide Council with tablets for paperless agendas.
- Work with The Retail Coach to recruit retail businesses to the City.
- Hold a staff retreat.
- Present Council with the Exploring New Heights report.

PERFORMANCE MEASURES - ADMINISTRATION

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
Number of full time employees	16	17	20	20	21
OUTPUTS:					
Agenda minutes prepared	28	26	27	25	25
Ordinances published, codified	25	38	35	33	35
Resolutions processed	35	46	48	33	30
Requests for information processed	300	524	600	672	750
# of Council workshops held	26	17	20	16	16
# of Council meeting held	28	26	27	25	25
# of Developer Agreements signed	1	1	1	0	0
EFFECTIVENESS/EFFICIENCY:					
% of agenda packets delivered by Friday	100%	100%	100%	100%	100%
% of information requests satisfied	100%	100%	100%	100%	100%

PERFORMANCE MEASURES – INFORMATION TECHNOLOGY

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
OUTPUTS:					
# of servers supported	16	16	20	24	30
# of computers/laptops supported	175	170	175	175	185
# of users supported	200	190	200	205	210
# of printers/scanners supported	82	80	82	80	82
# of applications supported	32	32	34	34	34
# of specialty systems supported	14	15	15	15	15
EFFECTIVENESS:					
% of support hours	75	75	75	70	75
% of project hours	25	25	25	30	25
EFFICIENCY:					
Average month requests closed	190	189	200	240	260
# of work orders closed	2280	2269	2400	2880	3120

PERFORMANCE MEASURES – HUMAN RESOURCES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
OUTPUTS:					
# of job fairs participated in	2	2	2	5	4
# of criminal background checks	1,000	883	900	1,022	1,000
# of pre-employment drug screening	30	59	50	55	55
EFFECTIVENESS:					
# of exit interviews conducted	11	11	15	10	11
# of HR website hits	50,000	52,925	50,000	42,528	45,000
EFFICIENCY:					
Employee Turnover Rate	4%	4%	4%	4%	4%

ADMINISTRATION

FY 2017-18

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	723,500	739,057	778,500	383,514	795,400	818,900
002 Overtime	8,000	6,383	8,000	1,483	8,000	8,000
003 Worker's Compensation	8,300	7,324	7,400	7,068	7,400	6,500
004 Health Insurance	65,900	65,182	74,900	33,205	68,500	76,900
005 Social Security	56,000	52,860	60,200	25,568	61,500	63,300
006 Retirement	109,900	111,031	118,200	57,831	120,800	124,400
TOTAL PERSONNEL SERVICE	971,600	981,837	1,047,200	508,669	1,061,600	1,098,000
SUPPLIES						
010 Office	1,500	1,023	1,500	420	1,500	1,500
012 General	20,000	23,156	20,000	11,751	20,000	20,000
013 Equipment	1,500	0	1,300	134	1,300	1,300
TOTAL SUPPLIES	23,000	24,179	22,800	12,305	22,800	22,800
MAINTENANCE						
022 Equipment	15,800	62,878	80,000	61,910	65,000	76,400
TOTAL MAINTENANCE	15,800	62,878	80,000	61,910	65,000	76,400
INSURANCE						
030 Property/Liability	7,400	7,056	7,400	7,379	7,600	8,100
TOTAL INSURANCE	7,400	7,056	7,400	7,379	7,600	8,100
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
040 Utilities	40,000	31,728	39,200	11,341	35,000	35,000
041 Dues and Subscriptions	12,000	10,201	11,000	7,278	11,000	11,000
042 Travel and Training	14,000	14,514	14,000	3,198	14,000	14,000
045 Telephone	21,700	16,823	22,000	11,876	22,000	22,000
046 Equipment Rental	3,100	2,532	2,300	1,174	2,400	2,400
047 Contract Labor	0	0	0	0	0	0
070 Other Expense (Grants)	0	0	0	0	0	0
081 Bank Fees	5,000	680	1,000	722	1,500	1,500
400 Public Awareness	20,000	2,592	15,000	538	5,000	10,000
TOTAL SERVICES	115,800	79,070	104,500	36,127	90,900	95,900
MISCELLANEOUS						
090 Legal Fees	55,000	74,934	75,000	44,642	90,000	100,000
091 Advertising	20,000	18,814	15,000	5,914	15,000	15,000
092 Professional Fees	117,000	110,466	110,000	49,613	104,500	118,000
093 Medical Expense	0	0	0	0	0	0
094 Lawsuit Settlement	0	0	0	0	0	0
404 Youth Task Force	13,000	10,500	13,000	10,000	13,000	13,000
405 Economic Development	38,500	36,000	25,000	22,673	25,000	23,500
406 Texas A&M Contribution	50,000	50,000	0	0	0	0
600 Pitney Bowes Lease	2,200	2,196	2,200	1,098	2,200	2,200
601 Xerox Lease - Prin	0	0	0	0	0	0
602 Xerox Lease - Int	0	0	0	0	0	0
615 Xerox Rental	0	0	6,800	0	1,000	2,000
TOTAL MISCELLANEOUS	295,700	302,910	247,000	133,940	250,700	273,700
FIXED ASSET TRANSFERS						
603 Dell Computer Lease - Prin	0	41,600	41,600	41,600	41,600	41,600
604 Dell Computer Lease - Int	0	295	2,900	2,943	2,900	2,200
701 Land and Improvements	0	0	0	0	0	0
702 Building and Improvements	0	17,795	0	0	0	0
705 Equipment	153,400	263,456	88,600	31,118	83,800	135,200
706 Furniture and Fixtures	0	998	0	0	0	0
TOTAL FIXED ASSET TRANSFERS	153,400	324,144	133,100	75,661	128,300	179,000
GRAND TOTAL	1,582,700	1,782,074	1,642,000	835,991	1,626,900	1,753,900

FINANCE

The Finance Department is composed of a Finance Director, Assistant Finance Director, Finance Coordinator, Payroll Specialist, Account Clerk, two Utility Billing Clerks, and a Customer Service Clerk.

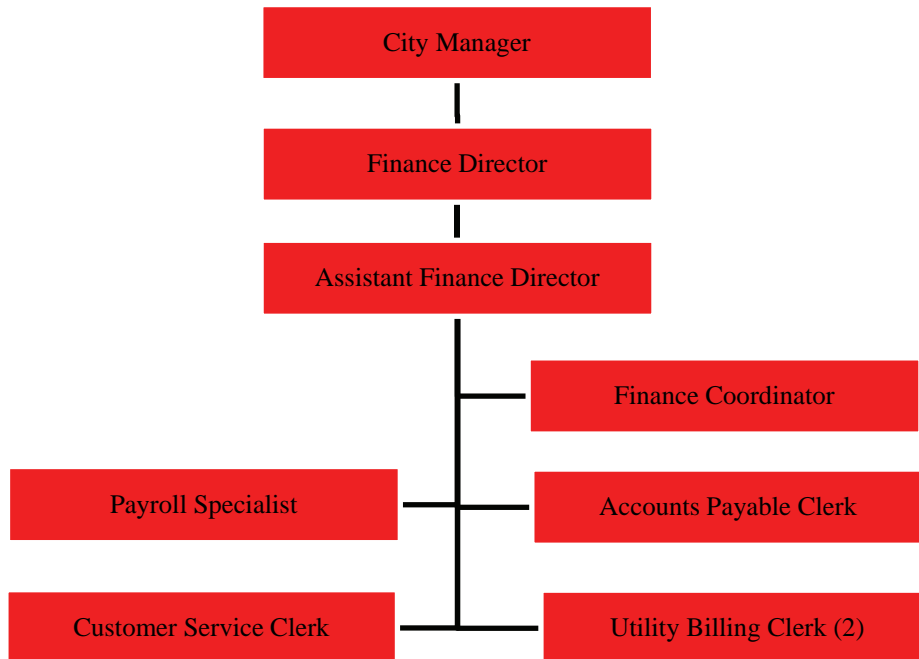
The responsibility of the Finance Department is to develop and implement financial accounting policies and procedures; to protect and optimize the financial resources of the City; and to provide a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions in a manner consistent with Generally Accepted Accounting Principles (GAAP) and legally mandated standards.

Included in the Finance Department are the utility accounting and collection, purchasing, accounts payable, accounts receivable, payroll, investments, cash management, budgeting and auditing functions.

GOALS AND OBJECTIVES

The primary goal of the Finance Department is to protect and optimize the financial resources of the City, and to provide a sound accounting system for safeguarding the City's assets. The department strives to achieve this through a collaborative effort with the other departments and staff. It is also a goal of the Finance Department to provide accurate and compliant budgeting, accounting and payroll services to City departments in order to manage the City's resources and meet federal, state and GASB requirements.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Received Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the twenty-second consecutive year.
- Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the twentieth-first consecutive year.
- Completed financing for the Series 2017 Refunding Obligation in the amount of \$6,000,000.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Clean-up the accounts payable vendor listing to ensure that there are no duplicate vendors on the list as well as deleting vendors that have not been used since September 30, 2009.
 - This will remain an objective for the 2018 fiscal year.
- Continue to implement internal auditing procedures.
 - Ongoing. This will remain as an objective for the Finance Department.
- Continue to audit department's fixed assets to ensure all assets are recorded.
 - Ongoing.
- Complete financial trend monitoring report.
 - Ongoing. Prior year data will need to be added to the data that has already been gathered. The next step will be to create graphs and prepare a narrative.
- Complete 2017 Issuance.
 - Completed and issued December 2016.

FY 2017-2018 OBJECTIVES

- Clean-up the accounts payable vendor listing to ensure that there are no duplicate vendors on the list as well as deleting vendors that have not been used since September 30, 2009.
- Continue to implement internal auditing procedures.
- Continue to audit department's fixed assets to ensure all assets are recorded.
- Complete financial trend monitoring report.
- Complete Series 2018 Issuance.

PERFORMANCE MEASURES - FINANCE

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full-time personnel	5	5	5	5	5
OUTPUTS:					
CAFR prepared	Yes	Yes	Yes	Yes	Yes
Official Budget Book prepared	Yes	Yes	Yes	Yes	Yes
# of purchase orders processed	1,635	1,770	1,800	1,695	1,800
# of accounts payable transactions	14,200	14,323	14,500	13,325	14,100
# of vendors paid electronically	75	70	75	129	175
# of bid openings held	10	15	10	7	10
EFFECTIVENESS:					
Received GFOA's CAFR Award / Number of times	Yes	Yes / 21	Yes	Yes / 22	Yes
Received GFOA's Budget Award / Number of times	Yes	Yes / 20	Yes	Yes / 21	Yes
Standard & Poor's Rating	AA	AA	AA	AA	AA
Average # of days to process requisitions to purchase order status	1.5	1.0	1.0	1.0	1.0
EFFICIENCY:					
# of purchase orders per employee	327.0	354.0	360.0	339.0	360.0

PERFORMANCE MEASURES – UTILITY ADMINISTRATION

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full-time personnel*	3	3	3	3	3
OUTPUTS:					
# of active accounts	10,500	10,638	10,800	10,887	11,000
Total amount billed (in thousands)	\$11,500	\$11,797	\$12,000	\$12,082	\$12,500
# of utility bills outsourced	98,500	127,918	130,000	136,099	140,000
# of second notices mailed	21,000	25,826	27,000	24,321	25,000
# of e-bills sent	20,000	22,199	25,000	26,824	27,500
# of service orders processed	15,000	13,234	14,000	12,855	13,000
# of payments processed in-house	112,000	111,023	111,000	108,765	110,000
# of payments water related	105,000	105,227	107,000	106,019	107,000
# of payments processed via electronic submission to bank	28,000	22,562	23,000	22,360	23,000
# of payments made through website	30,000	29,382	32,000	32,615	35,000
# of payments processed as bank or credit card draft	18,000	19,717	21,000	21,794	24,570
# of payments made via IVR	5,000	5,615	8,000	10,274	11,000
# of past due phone notifications sent	18,000	17,640	18,000	11,456	12,000
# of successful notification deliveries	9,000	6,169	8,000	6,689	7,500

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
EFFECTIVENESS:					
% of bills processed as scheduled	100%	98%	100%	96%	100%
% of payments processed via electronic submission to bank	25%	20%	21%	21%	21%
% of payments processed made through website	27%	26%	29%	30%	32%
% of payments processed as bank or credit card draft	16%	18%	19%	20%	22%
% of payments made via IVR	4%	5%	7%	9%	10%
% of payments that are water related	94%	95%	96%	97%	97%
% of bills/second notices outsourced	82%	83%	83%	85%	85%
% of successful notification delivery	50%	35%	50%	58%	63%
EFFICIENCY:					
# of utility billing accounts per employee	3,500.0	3,546.0	3,600.0	3,629.0	3,666.7
# of service orders per billing clerk	7,500.0	6,617.0	7,000.0	4,285.0	4,333.3
# of in-house payments per Utility employee	37,333.3	37,007.7	37,000.0	36,255.0	36,666.7

FINANCE

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	341,600	346,656	356,800	180,725	367,200	366,700
002 Overtime	2,500	3,619	3,500	2,516	3,500	3,700
003 Worker's Compensation	4,600	4,028	4,100	3,887	4,100	3,300
004 Health Insurance	42,900	42,175	44,400	19,922	41,500	42,800
005 Social Security	26,300	25,234	27,600	14,000	28,400	28,300
006 Retirement	51,700	52,140	54,200	27,600	55,800	55,700
TOTAL PERSONNEL SERVICE	469,600	473,852	490,600	248,650	500,500	500,500
SUPPLIES						
010 Office	8,000	4,806	7,000	4,072	7,000	7,000
012 General	15,000	9,623	13,800	4,959	10,000	10,000
TOTAL SUPPLIES	23,000	14,429	20,800	9,031	17,000	17,000
MAINTENANCE						
022 Equipment	22,000	23,962	22,900	23,608	31,500	32,500
TOTAL MAINTENANCE	22,000	23,962	22,900	23,608	31,500	32,500
INSURANCE						
030 Property/Liability	4,300	3,999	4,300	4,111	4,300	4,200
TOTAL INSURANCE	4,300	3,999	4,300	4,111	4,300	4,200
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
041 Dues and Subscriptions	2,000	2,313	2,000	1,202	2,300	2,300
042 Travel and Training	10,000	5,805	9,000	1,598	9,000	9,000
045 Telephone	1,800	1,436	1,800	1,063	1,800	1,800
047 Contract Labor	3,500	3,432	3,500	1,716	3,500	3,500
083 Audit Fees	25,000	24,900	25,000	23,950	25,000	25,000
084 Tax Appraisal Contract	97,400	95,354	96,100	48,056	96,900	98,000
TOTAL SERVICES	139,700	133,240	137,400	77,585	138,500	139,600
FIXED ASSET TRANSFERS						
603 Dell Computer Lease - Prin	0	0	0	0	0	0
604 Dell Computer Lease - Int	0	0	0	0	0	0
702 Building and Improvements	0	0	0	0	0	0
705 Equipment	0	10,800	0	0	0	0
706 Furniture and Fixtures	0	0	0	0	0	0
TOTAL FIXED ASSET TRANSFERS	0	10,800	0	0	0	0
GRAND TOTAL	658,600	660,282	676,000	362,985	691,800	693,800

PET ADOPTION CENTER AND ANIMAL SERVICES

The City Pet Adoption Center is supervised by the Assistant City Manager. The Technology Director assists the Assistant City Manager in overseeing operations and personnel. In August of 2014 the Animal Control Unit was transferred from the Police Department Administration Division and placed under operational control of the Assistant City Manager. Fiscal Year 2015 the Animal Control Unit was reorganized as the Pet Adoption Center and Animal Services.

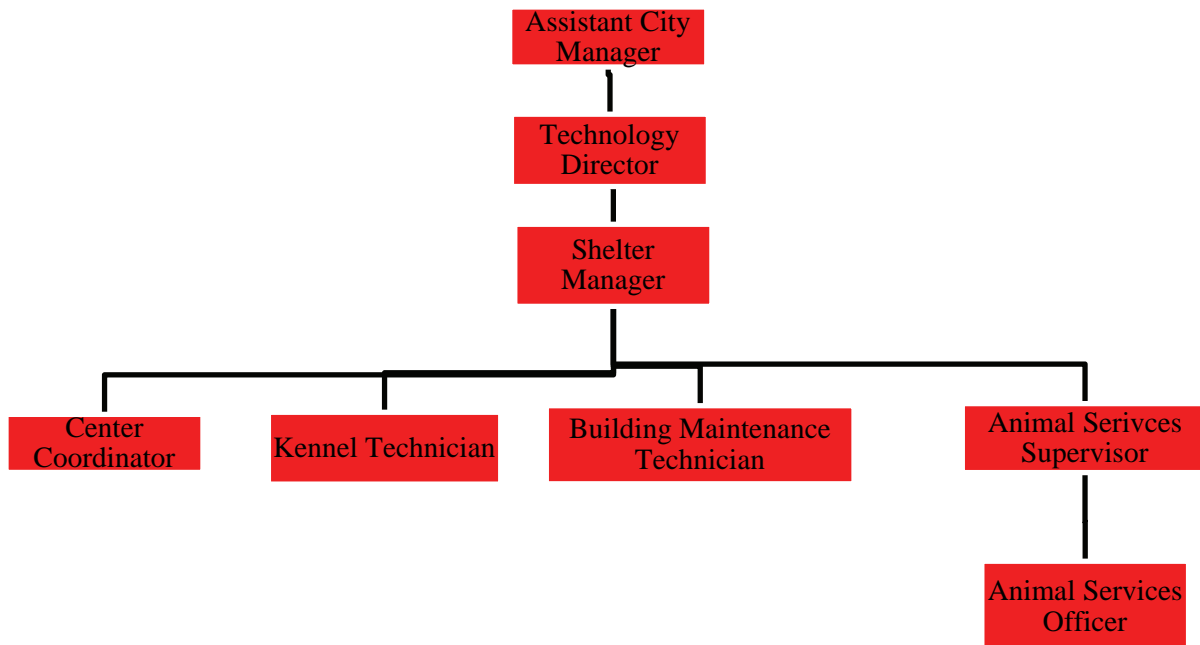
GOALS AND OBJECTIVES

The Pet Adoption Center and Animal Services has two primary functions:

- Center Operations – care, support, and adoption of animals located at the Center.
- Animal Services – helps residents and businesses located in the City with animal related issues. Additionally, Animal Services supports other City Departments with animal issues.

The Pet Adoption Center consists of six (8) personnel. This includes a Shelter Manager, Center Coordinator, Animal Services Supervisor, three (3) Animal Services Officers, Kennel Technician, and Building Technician.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- We raised more than \$16,982.00 in donations enabling the Pet Adoption Center to spay and neuter approximately 778 pets. This fiscal year was the first year that Pet Adoption Center spay or neutered 100 percent of the animals adopted out.
- A donation website has been provided for an easier way for donations to be made.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Start a remodel of the Pet Adoption Center which will include a surgery suite and additional workspace.
 - Architectural and engineering diagrams, plans and testing have been accomplished. Additionally, the contractor and subcontractors have been selected and appropriate permits have been requested. Onsite construction is planned to begin without delay.
- Replace the radio system used by the Animal Services Officers to ensure they have reliable communication.
 - The radio system has been replaced.
- Update the Pet Adoption Center website to include some mobile enhancements and improvements to the donation page.
 - New mobile friendly frameworks have been evaluated and selected. Backend development on the server, databases and supporting structure has been completed. Currently, researching and developing interconnection between other systems that support the Pet Adoption Center. A wireframe of the website has been completed and programming has begun to convert the wireframe into the frontend site.
- Enhance several of the City's Code of Ordinances with regard to animal and public safety.
 - Several ordinances have been researched and proposals have been written to amend the current city ordinances. Animal Services is currently working with legal counsel to ensure that the new ordinances are properly worded and will have the desired effect.

FY 2017-2018 OBJECTIVES

- Update the Pet Adoption Center website to include some mobile enhancements and improvements to the donation page.
- Provide additional services through the surgery suite to assist in reducing the overpopulation of unwanted animals in the community. This will include several outreach programs and wellness clinics.

PERFORMANCE MEASURES – ANIMAL CONTROL

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
Number of full-time personnel	6	6	7	8	9
OUTPUTS:					
Number Impounded:					
Dogs	1,000	1,204	1,000	1,056	1,000
Cats	600	1008	600	894	600
# of calls for service handled	2,850	2,761	2,850	3,301	2,850
EFFECTIVENESS/EFFICIENCY:					
Percentage Adopted:					
Dogs	70%	54%	70%	54.9%	70%
Cats	70%	44%	70%	53.6%	70%
Percentage Returned to Owner:					
Dogs	10%	32%	10%	41.6%	10%
Cats	5%	3%	5%	3%	5%
Percentage Euthanized:					
Dogs	10%	3%	10%	3.4%	10%
Cats	20%	16%	20%	23%	20%

PET ADOPTION CENTER

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	171,300	180,621	236,400	130,122	262,900	287,400
002 Overtime	7,800	19,782	18,000	6,702	11,900	13,000
003 Worker's Compensation	5,000	4,394	5,200	4,952	5,000	5,300
004 Health Insurance	26,800	17,167	23,200	11,072	25,500	37,700
005 Social Security	13,700	14,978	19,500	10,214	21,000	23,000
006 Retirement	26,900	29,537	38,200	20,553	41,300	45,200
TOTAL PERSONNEL SERVICE	251,500	266,479	340,500	183,615	367,600	411,600
SUPPLIES						
010 Office	2,000	2,938	3,700	1,882	3,700	4,900
011 Vehicle	8,000	8,059	8,900	3,144	8,000	8,600
012 General	4,200	12,616	4,000	4,304	5,400	6,600
013 Equipment	3,600	4,151	3,500	1,689	3,600	2,900
014 Uniforms	4,600	3,765	3,800	830	2,000	4,000
028 Animal Care Supplies	12,000	23,991	15,000	10,116	23,000	39,500
TOTAL SUPPLIES	34,400	55,520	38,900	21,965	45,700	66,500
MAINTENANCE						
020 Vehicle	2,000	572	1,000	1,203	2,000	2,800
021 Building	12,000	12,453	14,000	8,920	16,000	16,500
022 Equipment	2,700	2,331	5,500	90	4,300	4,300
TOTAL MAINTENANCE	16,700	15,356	20,500	10,213	22,300	23,600
INSURANCE						
030 Property/Liability	4,500	4,210	4,500	5,183	5,500	6,600
TOTAL INSURANCE	4,500	4,210	4,500	5,183	5,500	6,600
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
040 Utilities	25,000	22,344	18,000	11,386	23,000	25,000
041 Dues and Subscriptions	300	334	300	98	300	300
042 Travel and Training	9,700	3,025	9,700	1,554	4,000	6,000
045 Telephone	1,000	112	500	81	500	500
046 Equipment Rental	0	0	0	0	0	0
047 Contract Labor	0	0	0	0	0	0
051 Online Fees	0	78	300	6	100	100
070 Other Expense (Grants)	0	0	0	0	0	0
TOTAL SERVICES	36,000	25,893	28,800	13,125	27,900	31,900
MISCELLANEOUS						
091 Advertising	500	1,133	1,900	0	1,900	4,200
092 Professional Fees	7,000	39,591	18,000	27,088	50,000	52,000
TOTAL MISCELLANEOUS	7,500	40,724	19,900	27,088	51,900	56,200
FIXED ASSET TRANSFERS						
702 Building and Improvements	26,300	19,794	0	0	0	0
705 Equipment	15,800	7,380	22,900	30,077	30,100	0
706 Furniture and Fixtures	0	0	0	0	0	0
707 Vehicles	23,000	23,195	37,800	28,653	39,900	0
TOTAL FIXED ASSET TRANSFERS	65,100	50,369	60,700	58,730	70,000	0
GRAND TOTAL	415,700	458,551	513,800	319,919	590,900	596,400

POLICE DEPARTMENT

The Police Department is a service and community oriented law enforcement agency that strives to assure each citizen the opportunity to live and work peacefully in Harker Heights, free from criminal acts. The Department is responsible for the protection of life and property, the enforcement of City ordinances, State laws, some federal regulations, the apprehension of suspects, and the recovery and return of stolen property. Additionally, the Department is responsible for assisting prosecutors in the investigation and presentation of criminal cases. These efforts are administered through a community-oriented and problem-solving approach that endeavors to integrate every available resource toward identifying and solving crime related problems and issues.

The Police Chief directs an organization composed of fifty-one sworn personnel and twelve civilian employees. Additionally, the Department utilizes volunteers to serve as patrol augmentation through a "Citizens on Patrol" program as well as joint police-community problem solving teams. The Department is divided into three Divisions, each headed by a commander and other supervisors as required. Those Divisions are Patrol, Criminal Investigations, and Administration. The Police Chief directly supervises the Deputy Chief of Police, Professional Standards Sergeant, an Administrative Assistant and the Healthy Homes Coordinator.

The Administrative Division is responsible for the administration, control, support, and coordination of all Department Divisions. Additionally, the Communications and Records Sections are included in the Administrative Division as is the Community Services Section.

The Patrol Division is the largest within the Police Department and is responsible for routine patrol, initial call response, crime prevention and interdiction, traffic enforcement, motor vehicle accident investigation, home and business patrol, and problem identification and solution. The Division is managed by a Commander and consists of three patrol shifts, each headed by a Sergeant and a Corporal as well as a Special Operations Section headed by a Sergeant and a Corporal.

The Criminal Investigations Division is charged with the responsibility of investigating those crimes not prevented or interdicted. The Division is headed by a Commander and consists of the General Investigations Section and the Special Investigations Section, each supervised by a Sergeant. The Division handles the storage and maintenance of confiscated property and evidence, crime analysis and statistics as well as other traditional investigative responsibilities such as the interview of witnesses, victims and suspects, preparation of warrant affidavits and case files, and courtroom testimony.

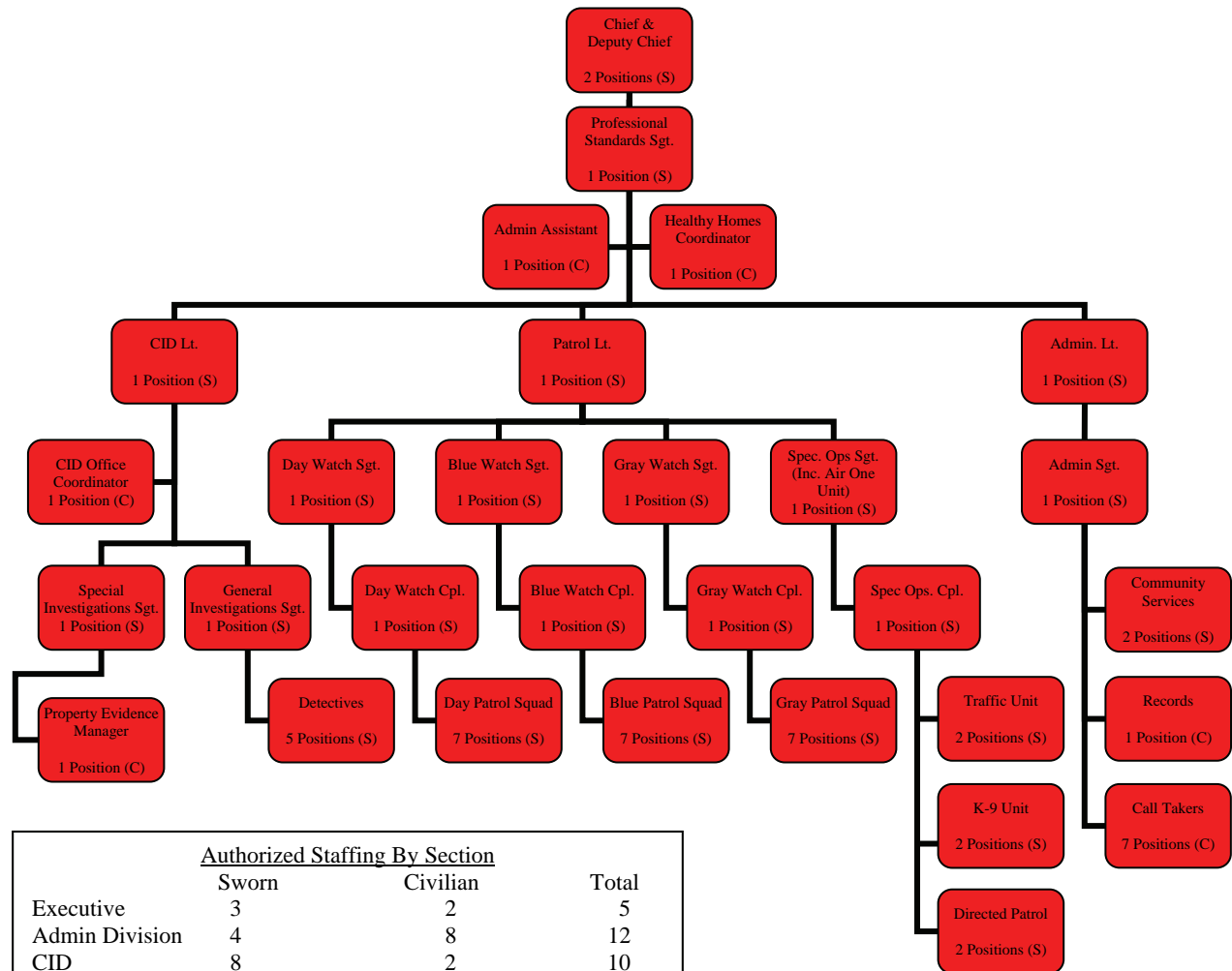
The Community Services Section, a part of the Administration Division, is overseen by a Commander and a Sergeant and consists of two additional officers. These officers are responsible for those functions which facilitate the community-oriented or problem-solving efforts of the Department. Specifically, the Section provides various crime prevention services such as crime prevention inspections and education programs. Additionally, the Division surveys the community, coordinates the Citizen's Police Academy, communicates with the schools, oversees neighborhood watch programs, and coordinates problem solving teams. These officers are also available to be assigned to shifts and serve to augment the Patrol forces after business hours if required.

The Department has a high level of training and specialized capabilities to better serve the community. Among the special abilities available are traffic accident reconstruction, special weapons and tactics, hostage negotiations, intoxilyzer operators, forensic and investigative hypnosis, forensic handwriting analysis, fingerprint classification and comparison, advanced crime scene investigations, bicycle and foot patrols, investigative statement analysis, and various other skills.

GOALS AND OBJECTIVES

The Department works to formulate programs that serve to improve the relationship and cooperation between the police and the citizenry. Citizen's Police Academy, National Night Out, Citizens on Patrol, problem solving teams, neighborhood watch, crime prevention and education programs, school liaisons, and similar efforts build a strong relationship and positive interface with the people of the community. These efforts, along with aggressive enforcement efforts to solve specific and detrimental crime problems, forge a partnership in the community.

HHPD Organizational Chart



<u>Authorized Staffing By Section</u>			
	Sworn	Civilian	Total
Executive	3	2	5
Admin Division	4	8	12
CID	8	2	10
Patrol Division	<u>36</u>	<u>0</u>	<u>36</u>
Total	51	11	63

FY 2016-2017 ACHIEVEMENTS

- Continued the “Healthy Homes Program” with success for the 6th year.
- Continued the National Night Out event for the 21st year.
- Provided a secure and safe shopping environment in retail areas during peak shopping periods through “Operation Safe Shopper” for the 9th year.
- Overcame most staffing shortages by filling all but one police officer vacancy during this year.
- Maintained the “Best Practices Recognition Program” by submitting an annual report after being re-recognized the previous year.
- Sought and attained a grant for the purchase of “Tasers” for Department wide deployment.
- Completed and submitted a grant for “rifle resistant” body armor with final approval anticipated in the upcoming year.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Update the Department’s radio inventory with the purchase of a series of P25 compatible hand held radios to move toward full P25 compliance.
 - Objective completed with the purchase of 13 hand held radios which are P25 compliant. Additional radio purchases will be required in upcoming years to reach full compliance.
- Update the Motor Units with the purchase of three new motorcycles and attendant equipment.
 - Objective completed.
- Continue the fleet replacement and enhancement program with the purchase of two new patrol vehicles.
 - Objective completed.
- Outfit the patrol forces with body worn camera systems through an awarded grant.
 - Objective completed.
- Purchase new firing range amenities with special “popper” style targets.
 - Objective completed.
- Purchase additional patrol rifles and handguns to enhance the inventory.
 - Objective completed with the purchase of 6 handguns and 2 patrol rifles with sights.
- Enhance the Criminal Investigations capability with the purchase of portable scene lighting, tenting for scene protection and diagramming software.
 - Objective partially completed with the purchase of tenting and arrangements to share portable lighting with another City Department.

FY 2017-2018 OBJECTIVES

- Replace all COBAN mobile video systems within the Department.
- Continue the fleet replacement and enhancement program with the purchase of two new patrol vehicles.
- Enhance CID capabilities with the addition of a civilian Evidence/Property Manager.
- Enhance Training capabilities with the purchase of specialized training munitions and equipment.
- Enhance investigative capabilities with the purchase of fingerprint and evidence collection kits for each patrol unit.

- Enhance patrol response with the purchase of hand held night optical devices.
- Purchase additional patrol rifles and optics.
- Replace entry door readers for building security.
- Purchase and train personnel for a replacement police working dog.

PERFORMANCE MEASURES – POLICE DEPARTMENT

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of sworn personnel authorized	51	51	51	51	51
# of non-sworn personnel authorized	11	11	11	11	12
OUTPUTS:					
# of CAD events handled	54,600	61,764	63,000	59,085	60,000
# of criminal cases investigated (UCR Part 1 & 2)	3,936	4,504	4,000	4,207	4,000
# of bookings (arrests not turned over to other agencies)	1,200	1,173	1,200	1,168	1,300
# of murder cases (raw numbers)	0	2	0	4	0
# of burglaries (raw numbers)	120	143	120	133	150
# of larcenies (raw numbers)	570	617	600	786	750
# of traffic stops	5,139	4,246	6,000	6,407	6,500
# of motor vehicle crashes	550	510	500	454	500
EFFECTIVENESS:					
Average Priority 1 call to dispatch time	1:30	2:16	1:30	1:59	1:30
Average Priority 1 dispatch to arrival time	5:00	4:42	5:00	4:43	5:00
# of community services events/ programs	200	150	200	108	150
# of neighborhood watch groups	10	9	10	13	10
EFFICIENCY:					
Part 1 Index Crimes per 100,000 population (UCR Crime Rate)	3,500	3,031	3,100	3,432	3,500
# of internal training classes	25	20	25	18	20
# of hiring processes	3	5	3	4	3
Sworn retention rate	96%	88%	95%	86%	95%
Civilian retention rate	88%	37%	75%	63%	75%
Sworn Staffing Level	92%	82%	95%	91%	95%
Civilian Staffing Level	95%	92%	95%	92%	95%

POLICE

FY 2017-18

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	3,479,200	3,313,053	3,593,000	1,732,515	3,466,800	3,600,500
002 Overtime	237,200	275,537	240,000	188,002	293,100	275,000
003 Worker's Compensation	51,100	45,407	45,700	43,821	45,700	36,700
004 Health Insurance	306,200	280,667	314,700	126,051	264,000	303,600
005 Social Security	284,300	261,572	293,200	141,757	287,600	296,500
006 Retirement	558,200	529,145	576,100	286,487	565,500	583,200
TOTAL PERSONNEL SERVICE	4,916,200	4,705,381	5,062,700	2,518,633	4,922,700	5,095,500
SUPPLIES						
010 Office	23,000	19,056	21,000	9,407	21,000	21,900
011 Vehicle	130,000	111,572	108,000	60,384	120,000	120,000
012 General	34,000	38,282	38,000	24,103	38,000	34,500
013 Equipment	32,000	31,002	22,900	9,455	22,900	29,300
014 Uniforms	17,000	23,525	23,000	10,213	23,000	21,000
019 K-9 Supplies	6,000	5,414	4,000	3,426	5,500	4,600
TOTAL SUPPLIES	242,000	228,851	216,900	116,988	230,400	231,300
MAINTENANCE						
020 Vehicle	45,000	68,732	50,000	31,915	62,000	60,000
021 Building	8,000	14,271	12,500	5,142	15,000	15,000
022 Equipment	3,200	7,984	56,500	55,690	57,400	57,600
TOTAL MAINTENANCE	56,200	90,987	119,000	92,747	134,400	132,600
INSURANCE						
030 Property/Liability	46,000	44,439	45,000	45,605	48,000	45,700
TOTAL INSURANCE	46,000	44,439	45,000	45,605	48,000	45,700
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
040 Utilities	40,000	35,913	30,000	17,136	35,000	35,000
041 Dues and Subscriptions	5,500	6,251	6,900	3,623	6,900	7,000
042 Travel and Training	35,000	34,981	38,000	25,936	38,000	40,000
043 Impound Expense	400	385	400	120	1,000	1,000
045 Telephone	22,000	25,470	20,000	11,965	25,000	25,000
046 Equipment Rental	2,200	1,426	2,200	871	2,200	2,200
047 Contract Labor	389,500	360,653	382,500	189,172	380,000	430,100
070 Other Expense (Grants)	20,700	12,553	84,000	71,619	84,000	70,800
075 LEOSE Training	4,000	2,943	4,000	519	4,000	4,000
083 Audit Fees	2,500	2,500	2,500	2,000	2,500	2,500
TOTAL SERVICES	521,800	483,075	570,500	322,961	578,600	617,600
MISCELLANEOUS						
091 Advertising	0	0	0	0	0	0
092 Professional Fees	7,700	10,395	14,400	9,691	14,400	8,000
103 State Seizure	0	229	0	0	0	0
601 Xerox Lease - Prin	0	0	2,700	0	0	0
602 Xerox Lease - Int	0	0	0	0	0	0
615 Xerox Rental	0	0	0	0	0	0
TOTAL MISCELLANEOUS	7,700	10,624	17,100	9,691	14,400	8,000
FIXED ASSET TRANSFERS						
609 COBAN Lease - Prin	89,500	89,483	0	0	0	90,000
610 COBAN Lease - Int	1,700	1,682	0	0	0	4,400
702 Building and Improvements	0	0	0	0	0	15,300
705 Equipment	29,000	43,500	36,000	35,452	36,900	12,400
706 Furniture and Fixtures	0	0	0	0	0	0
707 Vehicles	113,600	902,219	140,800	98	116,700	99,700
TOTAL FIXED ASSET TRANSFERS	233,800	1,036,884	176,800	35,550	153,600	221,800
GRAND TOTAL	6,023,700	6,600,241	6,208,000	3,142,175	6,082,100	6,352,500

MUNICIPAL COURT

The Municipal Court consists of two divisions: the Court and the Office of the Court Administrator. The Court consists of one part-time and one alternate Judge; the Office of the Court Administrator consists of the Court Administrator, a Court Clerk, three Deputy Court Clerks, a Juvenile Case Manager, a Juvenile Case Manager Program Specialist, a City Marshal and a Warrant Officer.

The Court enforces, fairly and efficiently, all alleged violations of the law filed with the Court by the Police Department, Code Enforcement, citizens and other law enforcement agencies. The Court also assesses all fines and collects court costs. The Court magistrates and arraigns all defendants and provides trials, both bench and jury, when requested. The Court also issues emergency protective orders in qualifying family violence cases and has the authority to conduct a marriage ceremony. Cases heard by the Court include: City Ordinance violations and Class C misdemeanor cases involving violation of the Transportation Code, Penal Code, Health and Safety Code, Alcohol Beverage Code and Family Code. Pre-Trial/Docket Call is held once every month, Trials are held approximately two times a month as required and arraignments are held weekly. Juvenile hearings are held weekly and Teen Court is held once a month in the evening. Defendants are arraigned and magistered at the Police Department, as required, approximately six to seven times weekly.

The Office of the Court Administrator maintains all court records; initiates and processes correspondence with defendants; serves as Court Clerk during trials and teen court; prepares complaints; issues warrants of arrest, subpoenas, and summons; and collects and accounts for all fees and fines.

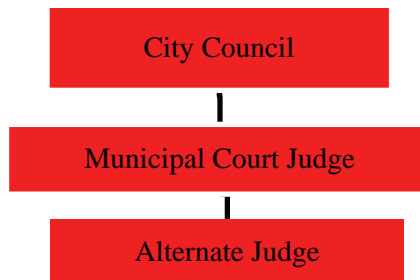
The City Marshal and Warrant Officer serve as bailiffs during arraignments, trials and teen court. They provide building security to ensure the safety of all citizens and employees. They serve all process issuing out of the Court to include warrants of arrest, subpoenas, and summons.

GOALS AND OBJECTIVES

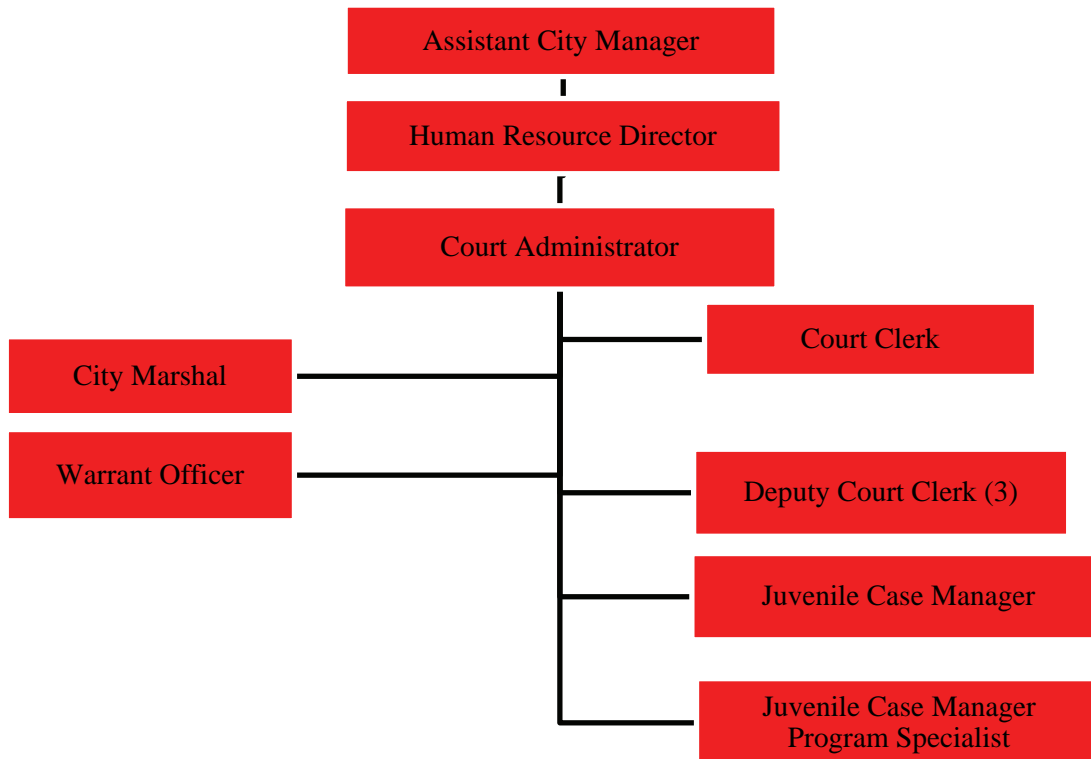
- Expedition and Timeliness – Develop and implement standard operating procedures for scheduling and the timely processing of cases.
- Equity, Fairness & Integrity – Develop court procedures that faithfully adhere to relevant laws, procedural rules and established policies that promote compliance with court orders.
- Independence and Accountability – Recruit and retain a professional, well-trained, customer service oriented workforce to better serve the needs of the public.

ORGANIZATIONAL CHARTS

The Court



Office of the Court Administrator



FY 2016-2017 ACHIEVEMENTS

- Received the 2017 Traffic Safety Award from the Texas Municipal Court Education Center for outstanding efforts toward traffic safety.
- The Texas Teen Court Association awarded the Harker Heights Municipal Court with the 2016 Spotlight Award for the Best Teen Court in the State and also awarded the Best Teen Court Website.
- The Court developed a successful community service park clean up opportunity to assist defendants comply with their court order.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Produce a Teen Court web page with helpful information for both volunteers and participants.
 - o Completed.
- Create a community service reference guide for defendants to increase compliance.
 - o Completed.
- Begin the process of utilizing a metal detector to strengthen court room security for trial and court hearings.
 - o Completed.

FY 2017-2018 OBJECTIVES

- Begin the process of implementing a video magistration system for prisoners at the jail facility.
- Develop an indigent screening procedure to assist defendants.
- Begin streamlining the court process to allow defendants more options at the counter.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
Number of full-time employees	7	7	7	7	8
Number of part-time employees	1	1	1	1	0
Number of judges	2	2	2	2	2
Number of temporary employees	New	New	New	1	0
# of training hours per employee	20	20	20	20	15
OUTPUTS:					
# of citations	5,000	3,006	3,000	5,603	4,000
# of cases disposed	5,500	4,674	3,500	4,783	4,000
# of code violations filed	800	870	800	866	800
Dismissed After Completion:					
# of driver safety courses	600	393	300	418	400
# of compliance dismissals	300	91	100	817	300
# of proof of financial responsibility	100	67	100	51	50
# of deferred dispositions	200	66	60	201	200
# of juveniles dismissed by teen court	30	33	40	18	30
EFFECTIVENESS:					
Collection Rate:					
# of cases satisfied by community service	80	92	100	87	90
# of cases satisfied by jail credit	400	412	400	573	400
# of cases waived for indigency	30	31	30	10	20
Collection Agency (MVBA):					
# of cases placed	New	14,867	800	1,291	800
# of cases resolved	New	688	500	1,292	800
# of cases paid in full	New	602	500	761	500
# of cases still in collection	New	14,179	13,000	14,528	14,000
EFFICIENCY:					
# of crime prevention reviews	8	10	15	18	15
# of attendees at reviews	300	995	500	779	500
Employee retention rate	100%	95%	100%	100%	100%
% of employees with formal professional development plan	100%	100%	100%	100%	100%
Average # of payments per day	50	27	30	18	25
Average # of online payments per month	130	69	100	64	60

COURTS

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	355,300	364,974	367,800	187,082	386,900	433,600
002 Overtime	10,000	6,558	10,000	4,118	7,300	10,000
003 Worker's Compensation	8,300	7,324	7,000	6,713	7,000	6,500
004 Health Insurance	38,700	38,805	40,500	16,931	36,100	50,700
005 Social Security	27,900	27,738	28,900	14,344	30,200	33,900
006 Retirement	54,900	45,224	56,800	23,497	59,300	66,800
TOTAL PERSONNEL SERVICE	495,100	490,623	511,000	252,685	526,800	601,500
SUPPLIES						
010 Office	8,000	7,615	9,000	4,679	9,000	10,000
011 Vehicle	7,000	2,751	5,000	1,627	3,300	5,000
012 General	13,500	13,633	12,000	5,311	12,000	12,000
014 Uniforms	2,000	1,784	3,300	1,340	3,300	3,300
TOTAL SUPPLIES	30,500	25,783	29,300	12,957	27,600	30,300
MAINTENANCE						
020 Vehicle	1,500	678	1,500	1,285	3,500	3,500
022 Equipment	23,900	20,711	24,800	7,422	21,000	21,800
TOTAL MAINTENANCE	25,400	21,389	26,300	8,707	24,500	25,300
INSURANCE						
030 Property/Liability	7,300	6,875	7,000	6,935	7,100	8,000
TOTAL INSURANCE	7,300	6,875	7,000	6,935	7,100	8,000
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
041 Dues and Subscriptions	1,000	864	1,000	971	1,000	1,000
042 Travel and Training	7,100	6,919	7,600	5,906	8,000	8,000
045 Telephone	2,000	1,434	2,000	1,055	2,000	2,000
087 State Tax Payments	407,000	248,413	275,000	124,790	275,000	275,000
TOTAL SERVICES	417,100	257,630	285,600	132,722	286,000	286,000
MISCELLANEOUS						
090 Legal Fees	20,000	15,054	18,000	11,400	18,000	18,000
092 Professional Fees	1,000	401	500	642	1,000	1,000
TOTAL MISCELLANEOUS	21,000	15,455	18,500	12,042	19,000	19,000
FIXED ASSET TRANSFERS						
609 COBAN Lease - Prin	3,900	3,986	0	0	0	0
610 COBAN Lease - Int	200	75	0	0	0	0
705 Equipment	0	0	4,400	3,525	3,500	14,200
706 Furniture and Fixtures	0	0	0	0	0	0
707 Vehicles	0	0	0	0	0	0
TOTAL FIXED ASSET TRANSFERS	4,100	4,061	4,400	3,525	3,500	14,200
GRAND TOTAL	1,000,500	821,816	882,100	429,573	894,500	984,300

PLANNING AND DEVELOPMENT – PLANNING DIVISION

The Planning and Development Department maintains a staff of nine (9) persons that are divided into two departments: Planning and Code Enforcement. These departments have three general areas:

- Planning and GIS – Zoning, GIS, land use regulations, comprehensive planning, transportation planning, economic development, commercial and residential development.
- Code Enforcement – helps residents and businesses learn about and comply with City ordinances.
- Building and Commercial Business Regulations – focused on educating builders, citizens, and contractors on the various local, state, and international codes adopted by the City Council.

Planning Division positions include the Director of Planning and Development, Planning Administrative Assistant, City Planner, and the Planner/GIS Coordinator. The Planning Staff is focused on establishing the highest level of service to the citizens of Harker Heights.

In addition to the tasks related to code enforcement and building inspection, the department is responsible for the following specific areas:

Zoning Administration

The zoning regulations and districts have been made in accordance with a comprehensive plan for the purpose of promoting health, safety, morals, and the general welfare of the city. They have been designed to lessen the congestion in the streets; to secure safety from fire, panic, or other dangers; to provide adequate light and air; to prevent the overcrowding of land; to avoid undesirable concentrations of populations; to facilitate the adequate provision of transportation, water, sewage, schools, parks, and other public requirements. They have been made with reasonable consideration, among other things, to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the city.

Typical zoning administration activities may include zoning changes, conditional use applications, variances, and special acceptances.

Subdivision Administration

The Subdivision Regulations are designed to ensure that all land is developed or redeveloped in an orderly fashion that is governed by quality engineering and design standards. A typical subdivision plat review will examine building lots, streets, alleys, easements, parks or other tracts intended to be dedicated for public use. Plat review is State regulated through the Texas Local Government Code.

Thoroughfares

The department is responsible for preparation of the Transportation Thoroughfare Plan. The department processes requests pertaining to the creation, abandonment, or closure of streets, alleys, sidewalks, easements, or public rights-of-way. City ordinances mandate that many of these require review and approval by the Planning and Zoning Commission and City Council.

Comprehensive Plan Development

A comprehensive plan defines the City's vision of the future. It not only identifies the physical future through land use and thoroughfare guidelines, but also the desired levels of future public facilities and services. The plan identifies issues and opportunities which may be translated into future policy guidelines. The plan is comprehensive because it includes the following elements: population, economy, land use and thoroughfare system, urban design, natural resources, storm-water management, fire protection, police protection, community development, library system, parks and recreation, water services, waste services, etc.

Data Management System

The department maintains information contained in several databases including Geographical Information Systems (GIS) data. Examples include information pertaining to activity/annexation history/demographic changes, etc.

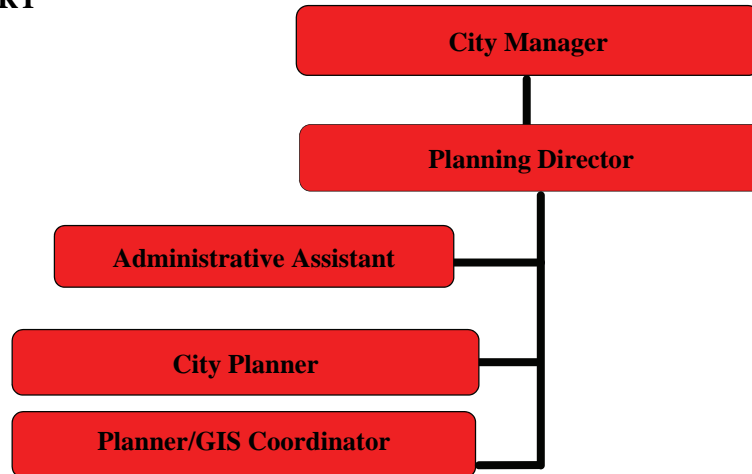
Other areas the Department is responsible for include:

- Ordinance preparations
- Food dealers permits
- Business registrations
- Annexation studies
- Solicitors' permits
- Taxicab/limousine permits
- Mapping
- Special events permits
- Alcohol licensing

GOALS AND OBJECTIVES

Planning and Development's primary goal is to oversee the safe and orderly development of the City. To achieve this, we strive to promote a welcoming atmosphere to citizens, builders, developers, city staff members, and anyone else with planning needs. Emphasis is placed on providing prompt customer service that is aligned with all applicable State and City code requirements.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Identified discrepancies in city ordinances; initiated a "Spring Cleaning" exercise for various sections; and amended the Garage Sales ordinance, the Sidewalk ordinance, and the R1-I Zoning ordinance.
- Completed and adopted the Donation Boxes ordinance.
- Completed and adopted a Small Cell Antenna ordinance.
- Held multiple workshops with the Planning & Zoning Commission for Northside Redevelopment Strategies and updates to the City's Comprehensive Plan.
- Significantly reduced errors in 9-1-1 GIS street data.
- Implemented a cross-training program among all staff members.
- Amended the Zoning Ordinance to establish the R1-I (Single Family Infill Dwelling District) zone, to conditionally allow R1-I lots in certain other zones, to modify the R-MU District to require larger setbacks and lot sizes, and to provide preliminary R1-R Zoning for newly annexed tracts.

- Continued conversion of exiting and legacy plats and plans to digital format.
- Began discussions for a new zoning ordinance.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Complete update of the Future Land Use Map.
 - Future Land Use Map update is ongoing and existing Land Use Map continuously updated.
- Amend the Zoning Ordinance to establish the R1-I (Single Family Infill Dwelling District) zone, to conditionally allow R1-I lots in certain other zones, to modify the R-MU District to require larger setbacks and lot sizes, and to provide preliminary R1-R Zoning for newly annexed tracts.
 - Completed.
- Complete conversion of exiting and legacy plats and plans to digital format.
 - Ongoing - significant progress has been made on this long-term project.
- Continue update to the 2007 Comprehensive Plan.
 - Ongoing – being done in sections. North side of the City is the first priority. Staff is coordinating with all stakeholders to create a sustainable and effective comprehensive plan update. Staff will extend the study to the east side in the spring of 2018.
- Continue adoption of other sections of Mobility 2030 document.
 - Ongoing – feasibility studies have been initiated for other sections with development of bicycle lanes being next on the project list.
- Update of the Sign section in the Code of Ordinances.
 - Research is ongoing to create a constitutionally compliant sign ordinance primarily due to the Supreme Court ruling on sign regulations in cities. Staff has so far had a conflict free year with interpreting the sign ordinance to the public and clients.
- Investigate a “Dark Skies” initiative and a hill preservation initiative.
 - Tabled pending further review.
- Develop and implement overlay districts for other parts of the City.
 - Work is ongoing. Staff has held successful workshops with the Planning and Zoning Commission and the general public on this agenda. A lot of positive feedback has been received for this initiative.
- Complete and adopt Donation Boxes ordinance.
 - Completed.
- Prioritize Side Walk Plan in Mobility 2030 Section II.
 - Completed.

FY 2017-2018 OBJECTIVES

- Amend zoning ordinance to create R2-I zoning (Two Family Infill Dwelling District).
- Study of east side of the city to assess density, infrastructure and future development capacity.
- Complete update of the Future Land Use Map.

- Amend the city ordinance to continue rectifying all conflicts identified during the “Spring Cleaning” of various sections of the Code of Ordinances.
- Continue conversion of exiting and legacy plats and plans to digital format.
- Utilize GIS for land and property analysis for potential annexation in the east and north side of the City.
- Upgrade and utilize GIS server for easy update of the city’s GIS webpage.
- Continue update to the 2007 Comprehensive Plan.
- Continue adoption of other sections of Mobility 2030 document.
- Update the Sign section in the Code of Ordinances.
- Investigate a “Dark Skies” initiative and a hill preservation initiative.
- Develop and implement overlay districts for other parts of the City.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
Number of full time employees	4	4	4	4	4
OUTPUTS:					
# of subdivision requests processed	30	22	20	20	20
# of zoning cases processed	15	23	25	16	20
# of conditional use requests processed	3	2	5	4	5
# of annexations processed	1	1	3	0	2
# of business licenses processed	100	97	95	70	80
EFFECTIVENESS:					
% of applications approved	100%	100%	100%	100%	100%
% applications completed w/in time limits	100%	100%	100%	100%	100%
EFFICIENCY:					
# of plan reviews	30	9	15	11	12

PLANNING & DEVELOPMENT

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	237,800	240,676	240,100	120,237	245,400	245,600
002 Overtime	900	630	900	319	600	900
003 Worker's Compensation	3,300	2,929	2,900	2,827	2,900	2,400
004 Health Insurance	22,300	21,846	23,500	10,354	21,500	22,800
005 Social Security	18,300	17,833	18,400	9,036	18,800	18,900
006 Retirement	35,900	35,975	36,200	18,109	37,000	37,100
TOTAL PERSONNEL SERVICE	318,500	319,889	322,000	160,882	326,200	327,700
SUPPLIES						
010 Office	6,000	5,237	4,000	1,907	4,000	4,000
012 General	5,400	3,657	4,000	1,054	2,000	4,000
TOTAL SUPPLIES	11,400	8,894	8,000	2,961	6,000	8,000
MAINTENANCE						
022 Equipment	3,100	3,100	3,100	0	4,100	4,100
TOTAL MAINTENANCE	3,100	3,100	3,100	0	4,100	4,100
INSURANCE						
030 Property/Liability	3,000	2,817	3,000	2,948	3,100	3,000
TOTAL INSURANCE	3,000	2,817	3,000	2,948	3,100	3,000
SERVICES						
035 Unemployment Payments	0	5,629	0	866	900	0
041 Dues and Subscriptions	1,500	1,518	1,500	165	1,500	1,500
042 Travel and Training	4,000	5,209	6,000	2,791	6,000	6,000
045 Telephone	1,500	1,401	1,500	1,036	1,800	1,800
TOTAL SERVICES	7,000	13,757	9,000	4,858	10,200	9,300
MISCELLANEOUS						
091 Advertising	3,500	4,246	4,000	1,561	4,000	4,000
092 Professional Fees	8,000	6,630	8,000	10,509	8,000	20,000
TOTAL MISCELLANEOUS	11,500	10,876	12,000	12,070	12,000	24,000
FIXED ASSET TRANSFERS						
705 Equipment	10,000	9,710	0	0	0	0
706 Furniture and Fixtures	0	0	0	0	1,800	0
707 Vehicles	0	0	0	0	0	0
TOTAL FIXED ASSET TRANSFERS	10,000	9,710	0	0	1,800	0
GRAND TOTAL	364,500	369,043	357,100	183,719	363,400	376,100

PLANNING AND DEVELOPMENT - CODE ENFORCEMENT AND BUILDING DIVISIONS

The Planning and Development Department maintains a staff of nine (9) persons that are divided into two departments: Planning and Code Enforcement. These departments have three general areas:

- Planning and GIS – Zoning, GIS, land use regulations, comprehensive planning, transportation planning, economic development, commercial and residential development.
- Code Enforcement – helps residents and businesses learn about and comply with City ordinances.
- Building and Commercial Business Regulations – focused on educating builders, citizens, and contractors on the various local, state, and international codes adopted by the City Council.

The Code Enforcement and Building Divisions of the Planning & Development Department are responsible for the enforcement of City ordinances governing public nuisance and construction practices within the City. The division is staffed by the Building Official, Building Inspector, two Code Enforcement Officers, and one secretary.

Permit Requests

The Building Official's secretary receives and reviews all permit requests, then forwards the completed applications to the Building Official for review. The Building Official reviews the permit applications to ensure that the activity or proposed construction complies with City ordinances. Upon approval, the permits are distributed to the applicants; in most cases, permits are processed within 24 hours. (The Building Official's secretary processes all solicitor permit requests.)

Inspections

The Building Official and Building Inspector perform all necessary building inspections within the City. The City maintains utilizes a web-based permitting system that is used to assist applicants in a timely manner. The permitting system is monitored by the Building Official's secretary; inspection requests made before 8:30 a.m. are placed on the morning inspection log (8:30 – 12:00 p.m.). Requests made before 1:30 p.m. are placed on the afternoon log (1:30 – 5:00 p.m.).

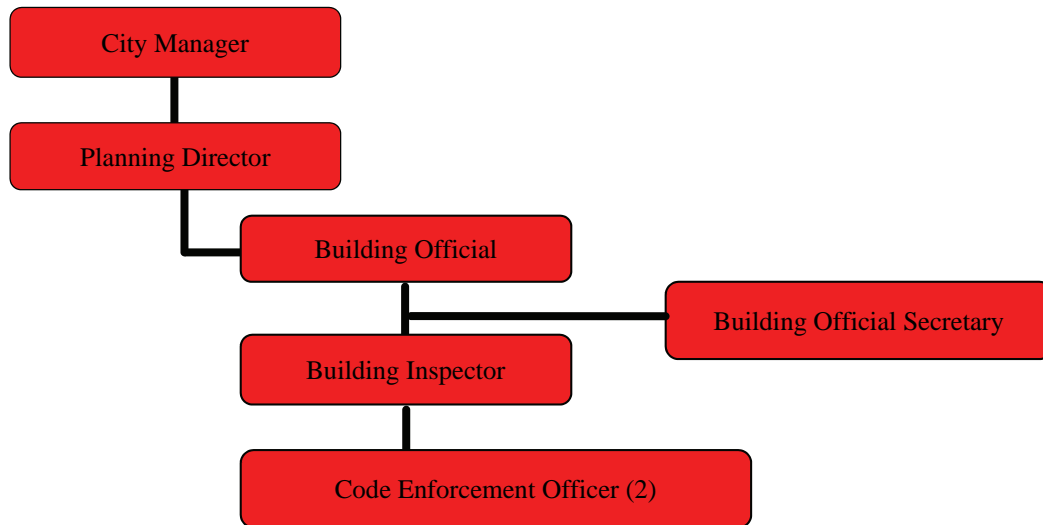
Variances

The Building Official is responsible for processing all variance requests and presenting the staff report to the Zoning Board of Adjustment (ZBA).

GOALS AND OBJECTIVES

Code Enforcement is charged with code compliance within the City. Code Enforcement Officers remain proactive by routinely patrolling the City and identifying code violations. Citizen complaints take precedent over routine patrols, and as such, are investigated immediately. The Code Enforcement and Building Division's primary goal is to ensure that the City's codes are observed for the safety and aesthetics of the City. While the Code Enforcement Officers remain primarily focused on existing residences and businesses, the Building Official and Building Inspector concentrate on new commercial and residential activities.

ORGANIZATIONAL CHART



FY 2016 – 2017 ACHIEVEMENTS

- Continued to implement aggressive enforcement of junked vehicles, tall grass and weeds, trash in yards, and other nuisances within the City.
- Utilized GIS to improve efficiency and effectiveness by locating and prioritizing substandard structures.
- Implemented a cross-training program among all staff members.
- Identified ten (10) structures as being substandard and not safe for habitation. Three were demolished and removed immediately. The remaining seven (7) were forwarded to the Building and Standards Commission for mitigation hearings.
- Created a Donation Box Ordinance.
- Continued the conversion of existing and legacy plans to digital format.
- Maintained a fast and efficient process for development reviews and inspections.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Continue conversion of existing and legacy plans to digital format.
 - Significant progress has been made in this long term project.
- Continue to aggressively identify and forward substandard structures to the Building and Standards Commission.
 - Ongoing - using GIS to strategically identify and investigate structures.
- Update backflow prevention ordinances.
 - Ongoing.
- Update and augment the Noise Ordinance.
 - Ongoing – staff is working on a draft ordinance.

- Create and enforce Water Use and Nuisance Ordinances.
 - Ongoing – City Attorney is developing a draft nuisance ordinance update.
- Create a Donation Box Ordinance
 - Completed.

FY 2017- 2018 OBJECTIVES

- Continue conversion of existing and legacy plans to digital format.
- Continue to aggressively identify and forward substandard structures to the Building and Standards Commission.
- Maintain a fast and efficient process for development review and inspection.
- Update backflow prevention ordinances.
- Update and augment the Noise Ordinance.
- Create and enforce Water Use and Nuisance Ordinances.
- Implement the “Yard of the Week” award.
- Begin aggressive monitoring of Manufactured Home Parks for safety and aesthetic compliance.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees	5	5	5	5	5
OUTPUTS:					
# of building permits reviewed	3,000	2,382	2,500	2,188	2,400
# of variance requests processed	1	2	2	2	2
# of food dealer permits processed	175	141	150	150	170
# of code violation notices	3,200	4,537	3,000	5,197	3,000
# of residential permits issued	190	214	200	165	200
# of commercial permits issued	60	9	25	11	20
Construction value (in thousands)	\$70,000	\$78,000	\$75,000	\$59,000	\$60,000
EFFECTIVENESS:					
# of days to review residential/commercial permits	1	1	1	1	1
# of days to review new commercial permits	14	14	14	14	14
# of structures found to be substandard	15	5	10	10	15
EFFICIENCY:					
% of substandard structures demolished	30%	80%	50%	70%	80%
% of inspections made on request date	100%	100%	100%	100%	100%

CODE ENFORCEMENT

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	293,100	292,511	299,700	147,097	306,500	305,500
002 Overtime	600	55	300	201	900	1,500
003 Worker's Compensation	4,000	3,662	3,700	3,589	3,700	3,000
004 Health Insurance	28,300	24,334	24,100	12,129	26,000	28,800
005 Social Security	22,500	21,544	23,000	10,939	23,500	23,500
006 Retirement	44,100	43,619	45,100	22,072	46,200	46,200
TOTAL PERSONNEL SERVICE	392,600	385,725	395,900	196,027	406,800	408,500
SUPPLIES						
010 Office	8,500	10,803	10,000	5,437	10,400	10,000
011 Vehicle	5,000	2,064	2,500	1,572	2,500	2,500
012 General	6,100	6,756	3,000	1,644	3,000	3,000
TOTAL SUPPLIES	19,600	19,623	15,500	8,653	15,900	15,500
MAINTENANCE						
020 Vehicle	2,000	1,686	2,000	205	1,500	2,000
022 Equipment	27,200	14,833	26,000	13,366	26,200	26,400
TOTAL MAINTENANCE	29,200	16,519	28,000	13,571	27,700	28,400
INSURANCE						
030 Property/Liability	3,700	3,522	3,500	3,682	3,800	3,700
TOTAL INSURANCE	3,700	3,522	3,500	3,682	3,800	3,700
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
041 Dues and Subscriptions	3,500	1,338	2,500	875	2,500	1,000
042 Travel and Training	8,100	8,577	8,100	7,295	8,100	9,700
045 Telephone	1,500	1,400	1,500	1,029	1,500	1,700
086 Nuisance Abatement	60,000	19,049	55,000	7,159	27,400	55,000
TOTAL SERVICES	73,100	30,364	67,100	16,358	39,500	67,400
MISCELLANEOUS						
092 Professional Fees	64,300	64,306	64,300	64,330	64,300	75,000
TOTAL MISCELLANEOUS	64,300	64,306	64,300	64,330	64,300	75,000
FIXED ASSET TRANSFERS						
705 Equipment	0	0	0	0	0	8,000
706 Furniture and Fixtures	0	0	0	0	0	0
707 Vehicles	0	0	22,600	0	20,000	0
TOTAL FIXED ASSET TRANSFERS	0	0	22,600	0	20,000	8,000
GRAND TOTAL	582,500	520,059	596,900	302,621	578,000	606,500

FIRE DEPARTMENT

The Fire Chief/Emergency Management Coordinator (EMC) leads an organization comprised of forty-five personnel. Through the commitment and dedication of these personnel the department is tasked with the management and oversight of four divisions consisting of; Administrative, Operations, Prevention and Training

The Administrative Division is responsible for the overall management, control, coordination, and support of all Divisions. These responsibilities encompass budget development and oversight, apparatus, equipment and facilities maintenance, Fire & EMS records management, Fire & EMS equipment management, Emergency Management and Risk Management

The Operations Division led by the Deputy Fire Chief of Operations, is tasked with providing an array of fire suppression and specialized rescue operations. Moreover, the suppression staff of thirty-nine (39) are responsible for providing Advanced Life Support (ALS) and basic emergency medical care to those who live, work and/or pass through of our community. These and other areas of service are provided twenty-four (24) hours a day, seven (7) days a week, with two front-line state-of-the-art mobile intensive care units and one reserve ambulance. As well as, one Quint “ladder” truck, one front-line Class “A” pumper, one Class “A” reserve pumper, two brush trucks, one boat for high water rescues, a mobile command center vehicle and one administrative vehicles. The Operation Division responds to more than 4,000 calls for service each year.

The Prevention Division is led by the Deputy Fire Chief/Fire Marshal, with one Deputy Fire Marshal. The duties of the Prevention Division is a multi-faceted responsibility that encompass the following items; fire prevention, fire education, fire and arson investigation, fire inspections, plan reviews of all new commercial construction and/or remodels, emergency management, and other community services. Moreover, it is our goal to inspect each of the cities approximately 1,100 existing businesses. Due to the challenges that this effort brings, we’ve created a matrix evaluation of high, medium and low risk locations throughout the city. This has permitted us to focus our inspection efforts on those identified high risk locations first, subsequently working our way through the matrix listing.

The Training Division will be led by the new Battalion Chief of Training that is due to be added to the department in the fourth quarter of the 2017/2018 budget year. Historically the training component was handled by the operations division but it has become a necessity to create its own division. The fire department works diligently to provide the best possible training for all of its personnel at the highest levels when possible and the creation of this division will afford us the opportunity to continue as well as enhance our internal and external educational goals as local, state and national training requirements and standards continue to increase. Furthermore, not only do we keep all employees mentally challenged we strive to maintain a high level of physical fitness through an established wellness program.

MISSION STATEMENT

The Harker Heights Fire Department will provide, with care and concern, the highest quality Fire/Rescue/EMS care and service to all persons for whom the City of Harker Heights is responsible.

OUR VISION

The vision for the Harker Heights Fire Department is intended to be dynamic in nature and for it to coincide with our organizational goals, therefore;

We Will:

- Endeavour to provide an environment of personal, professional and physical development through the progressive advancement of institutional knowledge, enhanced academic opportunities, and a defined wellness program.

- Maintain a state of readiness by staying abreast of industry standards.
- Address the evolving needs of our community through predetermined platforms such as risk assessments and pre-incident planning.
- Take an innovative approach to being a leader in our community, our county, our region and our state.

Our Values

You REAP what you sow!

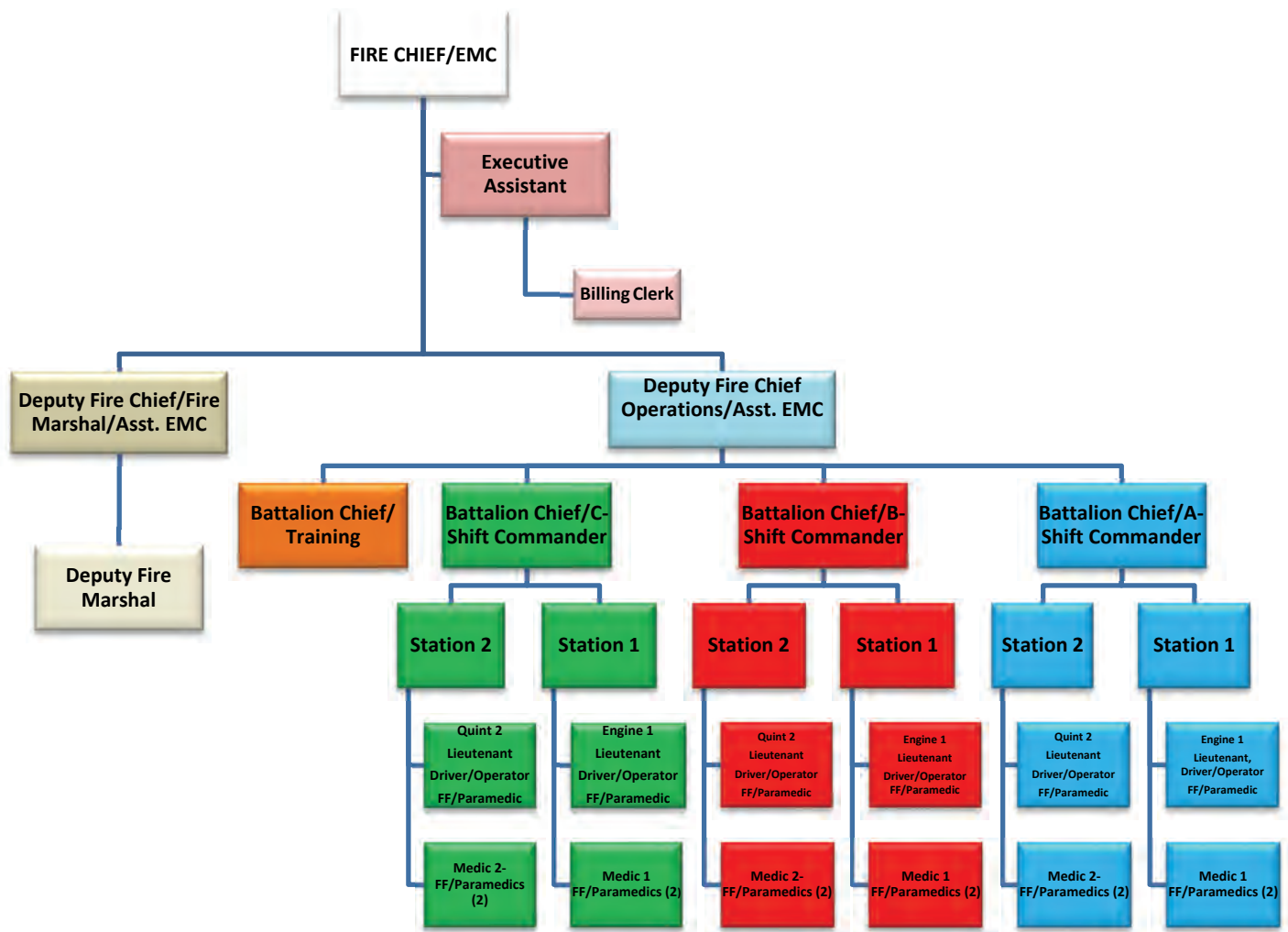
R- Responsibility to remain fiscally conscious as public servants with the resources we have been entrusted in order to protect and serve our community and department.

E- Embrace change by viewing it as an opportunity to bring about positive influence for us as individuals, as a department and for our community! "We must become the change we want to see" - Mahatma Gandhi

A- Accountability to our community, our supervisors, our peers and to ourselves each and every day in an extreme effort to be the absolute best we can be!

P- Proactive in our endeavours to prepare our personnel as they progress into and through their careers!

ORGANIZATIONAL CHART



STAFFING LEVELS AS OF JULY 1, 2017

Staffing	Central Station			Station 2	
	Battalion Chief	Engine 1	Medic 1	Quint 2	Medic 2
Maximum Staffing 13 Shift Personnel	Battalion Chief (1)	Lieutenant, Driver/Operator, (2) Firefighter/Paramedics	(2) Firefighter/ Paramedics	Lieutenant, Driver/Operator, (2) Firefighter/ Paramedics	(2) Firefighter/ Paramedics
Normal Staffing 11 Shift Personnel	Battalion Chief (1)	Lieutenant, Driver/Operator, (2) Firefighter/Paramedics	(2) Firefighter/ Paramedics	Lieutenant, Driver/Operator, (2) Firefighter/ Paramedics	(2) Firefighter/ Paramedics
Minimum Staffing 10 Shift Personnel	Battalion Chief (1)	Lieutenant, Driver/Operator, (2) Firefighter/Paramedics	(2) Firefighter/ Paramedics	Lieutenant, Driver/Operator, (2) Firefighter/ Paramedics	(2) Firefighter/ Paramedics

FY 2016-2017 ACHIEVEMENTS

- Received the American Heart Association’s Mission: Lifeline EMS Award year for the third consecutive year. This award recognizes its commitment and success in implementing specific quality improvement measures for the treatment of patients who suffer a severe heart attack.
- Hired Hill & Wilkinson as our Construction Manager at Risk (CMAR) for the Central Fire Station remodel and addition.
- Began construction on Central Fire Station renovation and addition.
- Purchased a new ambulance along with a new auto-load system for the new ambulance that allows for reduced back injuries to personnel thus reducing the risk of insurance claims by the city.
- Identified that the new patient care reporting system has increased the collection rate for the city.
- Worked with Army Corps of Engineers and the city GIS department to vastly improve the mapping and marking of trails with physical identifiers as well as identifying improved road access for emergency apparatus that included the improvement of the main entrance into Dana Peak hike and bike trails.
- Identified Fire Station #3 location with the assistance of the city GIS department.
- Increased minimum staffing to the department without having to hire additional personnel.

PROGRESS ON FY 2016-2017 GOALS & OBJECTIVES

- Work towards the development of a five year strategic plan.
 - This is an ongoing project and several elements of the program have been accomplished. The comprehensive plan will be submitted in FY 2017-2018.
- Enhance the current employee evaluation process to include training for supervisory personnel.
 - The evaluation process has been enhanced to coincide with the employees hire or promotional date. This has proven to be less cumbersome on the supervisors and easier to manage.
- Replace 2009 ambulance that was due to be remounted in the 2015-2016 FY.
 - Item not able to be funded during previous budget years due to financial constraints and will be resubmitted for FY 2018-2019.
- Beginning of the remodel/reconstruction process of Central Fire Station with approximately 75% completion by end of fiscal year.
 - The process was begun during the beginning of the fourth quarter of 2016-2017 FY and is approximately 30% complete.

- Identify and purchase land for Fire Station #3.
 - Land identified and is currently owned by the city.
- Continuation of the identifying of specific units within the aging fleet for future replacement.
 - The department utility vehicle was placed out of service due to age and maintenance issues and is due to be replaced in second quarter of FY 2017-2018. The current Quint is due for replacement during the 2020-2021 FY. An apparatus committee is being created to begin to evaluate our organizational needs prior to the purchase of this replacement unit.
- Increase the capabilities to perform more fire and life safety inspections by up to 50% with the use of shift personnel through specifically designed programs.
 - This remains a program of high priority. In addition, a pilot program was created during the third quarter of the 2016-2017 FY to address the ongoing needs of this program. Educational opportunities have been created to certify additional personnel that could be used in the pilot program as well as on-shift personnel.
- Revisit mid-budget year the possible purchase of inspection software, in order to provide a more modern approach to business inspection, data collection and business preplanning!
 - The mid-budget year purchase was not able to be accomplished for the fire inspection program due to budget constraint. This program will be revisited during the 2018-2019 budget request process.
- Work towards the creation of a new coloring contest to involve KISD 4th, 5th and 6th grade students.
 - This program is currently being performed for the 2017 Fire Prevention Month.
- Enhance inter agency cooperation between local hospitals and Harker Heights Fire Department to allow for the exchange of pertinent patient information in order to improve billing and quality assurance measures.
 - Ongoing measures are being addressed to continue to purchase of this software by the remaining agencies.
- Enhance the knowledge, skills and abilities of all department personnel through various mediums in order to better prepare them as they continue to progress in their careers and to also better prepare us as an organization for succession planning.
 - Created a new Acting Lieutenant Program for Driver/Operators, updated numerous departmental policies that creates a heightened understanding of roles and responsibilities, created a new Phase Training Program for new employees that incorporates previous programs into one year-long training platform.

FY 2017-2018 GOALS & OBJECTIVES

- Complete Central Fire Station remodel and hold a Grand Re-opening Ceremony.
- Provide enhanced training for current shift commanders to include Incident Command training, improved decision making processes, and advanced communication practices.
- Creation of new Battalion Chief of Operations roles, responsibilities and expectations.
- Implementation of new Battalion Chief of Training and the necessary job requirements as well as the corresponding expectations.
- Update of departmental uniforms to meet NFPA compliance.
- Enhance Driver/Operator promotional testing process.
- Enhance Lieutenant promotional process to include a written exam an assessment center.
- Create a Battalion Chief promotional process to include a written exam and assessment center.

- Addition of new administrative utility vehicle that we serve various areas throughout the department.
- Perform live burn exercises for all shifts in coordination with Fort Hood and the use of their burn facility.
- Continuation of previous pilot inspection program when available and create an on-duty fire inspection process that allows us to increase our inspection rates overall.
- Enhance the Computer Aided Dispatch (CAD) data through the addition of the APS alerting system for Central Fire Station
- Update the current fire reporting software (Fire Programs) to the latest version.
- Implementation of CAD interface with fire reporting system.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees – field	39	39	39	39	39
# of full time employees – administrative	5	5	5	5	5
# of part time employees – administrative	1	1	1	1	1
# of firefighter/paramedics	39	39	40	40	42
# of firefighter/EMTs	4	4	3	3	1
# of master/advanced/intermediate firefighters	2/14/15	2/15/12	2/16/11	2/15/12	2/16/11
OUTPUTS:					
# of fire incident responses	820	733	754	785	800
# of Emergency Medical Service responses	3,100	3,197	3,292	3,495	3,600
# of fire inspections	800	450	675	500	500
# of fire prevention presentations	65	63	65	54	60
Total attendance at fire prevention presentation	6,000	6,200	6,500	5,400	6,000
# of Fire Investigations	20	25	20	21	20
# Plans Reviews / Plats	New	New	22	53/15	45/10
EFFECTIVENESS:					
Average response time – fire rescue (include non-emergency)	5:15	4:54	5:00	5:22	5:00
Average response time – Emergency Medical Service	5:20	5:32	5:30	5:47	5:30
EFFICIENCY:					
% of ambulance billing collections	55%	43%	50%	49%	52%
% of budget compared to assessed property value	0.245%	0.238%	0.234%	0.238%	0.234%
Retention rate	93%	91%	93%	93%	95%
ISO Rating (1-10 with 1 being best rating)	3	3	3	3	3
ISO Rating comparison to other communities nationwide (Low percentage is desired)	Top 7%	Top 3%	Top 3%	Top 8%	Top 8%

FIRE & EMS ADMINISTRATION

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	325,200	306,569	330,100	161,102	331,900	0
002 Overtime	400	0	200	46	100	0
003 Worker's Compensation	4,000	3,662	3,300	3,179	3,300	0
004 Health Insurance	25,600	20,749	23,600	12,590	23,600	0
005 Social Security	24,900	22,481	25,300	12,154	25,400	0
006 Retirement	48,900	43,662	49,600	23,355	49,900	0
TOTAL PERSONNEL SERVICE	429,000	397,123	432,100	212,426	434,200	0
SUPPLIES						
010 Office	7,500	7,540	7,900	3,369	7,600	0
012 General	1,800	1,798	2,000	1,721	3,000	0
TOTAL SUPPLIES	9,300	9,338	9,900	5,090	10,600	0
MAINTENANCE						
021 Building	12,500	11,232	12,600	5,518	11,600	0
022 Equipment	200	110	100	60	100	0
023 Ground	0	0	0	0	0	0
TOTAL MAINTENANCE	12,700	11,342	12,700	5,578	11,700	0
INSURANCE						
030 Property/Liability	33,400	31,497	32,000	32,731	33,800	0
TOTAL INSURANCE	33,400	31,497	32,000	32,731	33,800	0
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
040 Utilities	32,000	29,452	26,000	15,044	31,200	0
041 Dues and Subscriptions	8,200	7,508	7,400	5,568	7,900	0
042 Travel and Training	9,500	3,430	9,000	2,405	8,300	0
045 Telephone	9,400	7,730	8,800	3,821	7,900	0
046 Equipment Rental	1,200	1,053	1,200	574	1,200	0
070 Other Expense (Grants)	0	0	0	0	0	0
075 LEOSE Training	1,000	910	1,000	0	1,000	0
102 Medical Director Contract	10,300	6,600	28,400	6,600	25,500	0
104 Fire Prevention	5,700	5,679	6,700	110	4,900	0
105 Safety Training	1,000	555	1,100	985	1,100	0
TOTAL SERVICES	78,300	62,917	89,600	35,107	89,000	0
MISCELLANEOUS						
601 Xerox Lease - Prin	0	0	0	0	0	0
602 Xerox Lease - Int	0	0	0	0	0	0
TOTAL MISCELLANEOUS	0	0	0	0	0	0
FIXED ASSET TRANSFERS						
702 Building and Improvements	0	0	0	0	0	0
705 Equipment	0	0	0	0	1,400	0
706 Furniture and Fixtures	0	0	0	0	0	0
707 Vehicles	0	0	0	0	0	0
TOTAL FIXED ASSET TRANSFERS	0	0	0	0	1,400	0
GRAND TOTAL	562,700	512,217	576,300	290,932	580,700	0

FIRE & EMS OPERATIONS

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	2,310,400	2,272,296	2,351,700	1,151,732	2,374,800	2,749,900
002 Overtime	85,000	85,679	85,000	42,714	85,000	90,000
003 Worker's Compensation	33,100	29,295	29,500	28,272	29,500	26,900
004 Health Insurance	226,100	215,791	236,800	96,176	201,900	249,600
005 Social Security	183,200	170,965	186,400	88,294	188,200	217,300
006 Retirement	359,800	350,186	366,300	179,429	370,000	427,300
TOTAL PERSONNEL SERVICE	3,197,600	3,124,212	3,255,700	1,586,617	3,249,400	3,761,000
SUPPLIES						
010 Office	0	0	0	0	0	7,600
011 Vehicle	45,000	31,721	35,000	18,859	36,300	37,000
012 General	6,500	7,939	6,200	2,463	6,000	8,000
013 Equipment	20,000	17,518	19,100	3,633	13,000	18,800
014 Uniforms	39,500	31,685	38,500	20,307	39,100	43,000
029 Medical	53,900	51,277	56,500	25,500	55,000	56,000
TOTAL SUPPLIES	164,900	140,140	155,300	70,762	149,400	170,400
MAINTENANCE						
020 Vehicle	30,800	28,111	25,000	12,505	25,000	24,900
021 Building	0	0	0	0	0	11,600
022 Equipment	15,700	15,186	14,000	5,956	9,100	11,000
TOTAL MAINTENANCE	46,500	43,297	39,000	18,461	34,100	47,500
INSURANCE						
030 Property/Liability	0	0	0	0	0	33,500
TOTAL INSURANCE	0	0	0	0	0	33,500
SERVICES						
040 Utilities	0	0	0	0	0	31,200
041 Dues and Subscriptions	0	0	0	0	0	8,500
042 Travel and Training	28,300	15,175	20,000	7,157	15,200	31,800
045 Telephone	0	0	0	0	0	9,300
046 Equipment Rental	0	7,000	0	0	0	1,500
070 Other Expense (Grants)	0	0	0	0	0	0
075 LEOSE Training	0	0	0	0	0	1,100
102 Medical Director Contract	0	0	0	0	0	12,500
104 Fire Prevention	0	0	0	0	0	7,500
105 Safety Training	0	0	0	0	0	1,000
TOTAL SERVICES	28,300	22,175	20,000	7,157	15,200	104,400
MISCELLANEOUS						
615 Xerox Rental	0	0	0	0	0	900
TOTAL MISCELLANEOUS	0	0	0	0	0	900
FIXED ASSET TRANSFERS						
613 Fire Truck Lease - Prin	92,400	92,423	94,000	93,985	94,000	95,600
614 Fire Truck Lease - Int	8,100	8,067	6,500	6,501	6,500	4,900
705 Equipment	12,500	18,320	36,900	38,646	40,000	35,600
707 Vehicles	133,000	369,434	0	0	0	25,400
TOTAL FIXED ASSET TRANSFERS	246,000	488,244	137,400	139,132	140,500	161,500
GRAND TOTAL	3,683,300	3,818,068	3,607,400	1,822,129	3,588,600	4,279,200

STEWART C. MEYER HARKER HEIGHTS PUBLIC LIBRARY

The Library is composed of one full-time Library Director, two full-time Reference Librarians, one full-time Children's Librarian, two full-time Library Clerks, five part-time Library Clerks, two Student Library Pages for 15 hours per week for the entire year, and two Summer Student Library Pages for 15 hours each per week for the ten weeks in the summer.

The Stewart C. Meyer Harker Heights Public Library has adopted the City's Vision as its Vision Statement: *Providing public services that empower people to focus on what matters most – their goals, hopes, and dreams.*

Mission Statement:

The Stewart C. Meyer Harker Heights Public Library is a dynamic resource for encouraging lifelong learning and reading enjoyment. Whether in the Library facility or through ever advancing technologies, the Library provides opportunities for patrons to enrich their lives and to pursue their aspirations.

Focus Areas:

The Harker Heights Public Library provides patrons with opportunities for personal growth through information, education, and recreation.

Encourage a Love for Learning

Residents will have the resources they need to explore topics of personal interest and to continue to learn throughout their lives. The Library will provide opportunities to spark the imagination and curiosity of patrons, to improve language skills, and to reach individual goals.

Support Family Literacy

Families come in all shapes, sizes, and configurations. The Library will provide materials, programs, and services for patrons in all stages of life and will encourage reading for recreation and information gathering.

Embrace Technology:

The Library will ensure that everyone can take advantage of the ever growing resources and services available through changing technologies. The Library will investigate new resources and make items available in a variety of formats.

Enrich the Community

The Library will provide a comforting, inviting, and supportive presence in the Library facility, online, and throughout the community. Outreaches and cooperative efforts improve our patrons' experiences.

Act As Information Center

The Library provides access to knowledge concerning local, national, and world affairs. Business owners and non-profit organization directors and their managers will have the resources they need to develop and maintain strong, viable organizations. Patrons will enjoy opportunities to research educational options, hone job skills, and learn new languages.

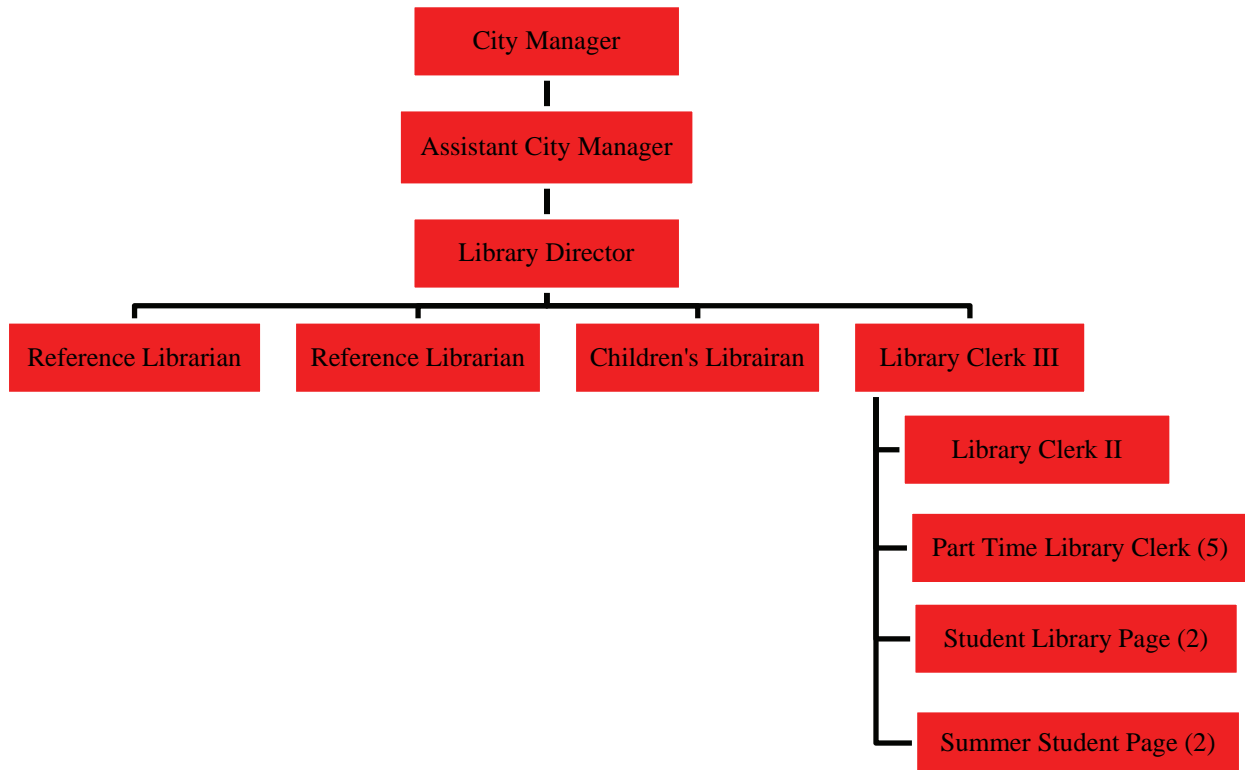
GOALS AND OBJECTIVES

In order to encourage literacy and lifelong learning, the Library selects, acquires, catalogs, organizes, and distributes print and non-print material for the residents of Harker Heights. The Library encourages its use among its patrons through provision of quality materials on a variety of subjects, through a large amount of programming on topics of interest to its patrons, through excellent reference and readers' advisory assistance to patrons of all ages, through provision of comfortable and inviting surroundings, and through publicity. The Library also strives to reach out to the community through involvement in committees, attendance at community functions, and outreach to schools, daycares, and organizations.

The Library is currently working to become a Family Place Library which looks at family literacy throughout its facility, its collections, and online.

The Library continues to hone its collections. Specific and careful collection development will give patrons access to the best materials in a wide variety of topics. Internet access assists the Library's ability to provide research capabilities. Included within these improved collections will be an expanded e-content that can be available to our patrons 24/7 and carefully planned monograph Reference Collections.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Received the 2016 Achievement of Excellence in Libraries Award from the Texas Municipal Library Director's Association
- Library Director represented the City of Harker Heights on the Texas Library Association's Lariat Committee
- Planned and implemented new programs such as "Full STEAM Ahead Science and Arts Festival," "Sewing Workshops," and Friday Morning Makers
- Continued cooperation with schools by hosting a summer Leadership Camp for a local elementary school, providing outreach, and attending local festivals
- Facilitated the Harker Heights High School and Knights of the Round Table Teen Job Fair
- Began process of becoming an official "Family Place" Library

PROGRESS ON FY 2016-2017 OBJECTIVES

- Continue to focus on improving the Library's online and social media presence.
 - Conducted a survey of current website pages, made significant changes to the Library's website, began directly working on the Library's Facebook, and provided training for Librarian's regarding social media.
- Investigate, implement, and publicize innovative "Family Place" programs, services, and collections.
 - Accepted "Family Place" grant from the Texas State Library and Archives Commission and sent Librarian's to "Family Place training; purchased toys and educational materials for use in the Library and for circulation; converted corner into a "Tina Isdale Read to Me" Corner and part of children's area into a "Friends and Family Learning Center"; and began providing "Family Place" programming such as "Stepping Stones," "Move, Groove It, Make It," and caregiver workshops.
- Institute a major reconfiguration of the Library facility and collections.
 - Moved all Young Adult Audiobooks into Adult Section, moved all Large Print Books for ease of access, and moved Board Books into Friends and Family Learning Center
- Institute a new parenting collection
 - Placed a parenting collection shelving unit in the Friends and Family Learning Center, moved parenting related materials into the Friends and Family Learning Center Parenting Collection, purchased 51 items for the parenting collection, and investigated and ordered pamphlets directly related to early literacy, early education, and parenting
- Provide new and innovative programs and services for businesses and entrepreneurs
 - Provided programming for local Chambers of Commerce, highlighted online databases and information available for businesses and entrepreneurs, and provided updated Virtual Library brochure that highlights business related resources.

FY 2017-2018 OBJECTIVES

- Produce a new and updated Strategic Plan for library services
- Continue to investigate and publicize innovative "Family Place" programs, services, and collections
- Provide improvements to the Library's programs for young adults

- Undertake a major weeding project for on-site materials
- Update patron's access to virtual information

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY17 Actual	FY18 Estimated
INPUTS:					
# of full time employees	6	6	6	6	6
# of part time employees	7	7	7	7	7
# of seasonal employees (summer)	2	2	2	2	2
OUTPUTS:					
# of patrons visiting the library	75,000	71,581	73,000	80,029	75,000
# of in-Library programs held	800	810	800	748	750
# of program attendance in-Library	23,000	22,365	23,000	25,205	25,000
# of electronic resources viewed*	50,000	18,151	20,000	7574	8000
# of print, audio, and video titles circulated	145,000	150,084	150,000	147,470	147,000
# of ebooks / eaudiobooks circulated	7,000	8,553	8,000	9328	10,000
Total circulation (usage)*	200,000	176,788	180,000	164,372	165,000
# of physical materials renewed	16,000	16,559	16,500	17,022	16,500
# of physical materials purchased	4,0500	5,448	5,000	4453	5,000
Donations added	800	901	900	766	900
Computer usage	45,000	51,878	50,000	49,917	50,000
# of times directional assistance given	6,000	8,373	8,000	10,943	8,000
# of reference questions	18,000	16,192	18,000	17,851	18,000
EFFECTIVENESS:					
% increase in total circulation	5.0%	11.3%	2.0%	-7.0%	2.0%
% increase in computer usage	5.0%	17%	5.0%	-3.7%	5.0%
% increase in reference assistance	2.0%	12.1%	2.0%	6.5%	2.0%
% increase in program attendance	3.0%	-10.8%	2.0%	12.6%	2.0%
EFFICIENCY:					
Average daily walk-in visits	250	237	240	267	250
# of in-house programs per FTE	75	77	80	71	75
# of reference/information transactions handled per FTE	2,000	2,339	2,000	2,742	2,300

*Data provided by vendors no longer catches all instances of database usage by Library patrons.

LIBRARY

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	373,800	368,342	384,600	189,572	382,800	394,400
002 Overtime	0	0	0	0	0	0
003 Worker's Compensation	10,800	9,521	7,700	7,411	7,700	6,200
004 Health Insurance	33,500	33,078	34,900	12,949	30,000	34,200
005 Social Security	28,600	27,606	29,400	14,173	29,300	30,200
006 Retirement	56,100	42,624	57,800	22,719	57,600	59,300
TOTAL PERSONNEL SERVICE	502,800	481,171	514,400	246,824	507,400	524,300
SUPPLIES						
010 Office	12,400	10,969	12,500	4,343	12,500	11,000
012 General	18,800	14,313	16,500	6,948	17,400	16,900
TOTAL SUPPLIES	31,200	25,282	29,000	11,291	29,900	27,900
MAINTENANCE						
021 Building	9,500	4,834	6,500	3,352	6,500	6,500
022 Equipment	3,500	2,062	2,500	1,033	3,200	3,100
023 Ground	400	191	400	0	400	400
TOTAL MAINTENANCE	13,400	7,087	9,400	4,385	10,100	10,000
INSURANCE						
030 Property/Liability	9,300	8,761	8,800	7,617	7,800	7,600
TOTAL INSURANCE	9,300	8,761	8,800	7,617	7,800	7,600
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
040 Utilities	30,000	28,049	27,000	13,396	27,000	28,000
041 Dues and Subscriptions	3,600	2,479	3,600	2,883	3,600	3,600
042 Travel and Training	3,100	2,954	3,200	1,758	3,200	3,200
045 Telephone	400	169	400	81	300	300
046 Equipment Rental	4,000	3,378	4,400	1,334	3,200	2,800
047 Contract Labor	6,500	6,000	6,500	888	6,500	6,500
070 Other Expense (Grants)	3,500	945	6,000	6,000	7,000	0
TOTAL SERVICES	51,100	43,974	51,100	26,340	50,800	44,400
MISCELLANEOUS						
091 Advertising	4,400	4,065	4,500	1,788	4,500	4,500
615 Xerox Rental	0	0	3,700	0	1,500	2,500
TOTAL MISCELLANEOUS	4,400	4,065	8,200	1,788	6,000	7,000
FIXED ASSET TRANSFERS						
701 Land and Improvements	0	0	0	0	0	0
702 Building and Improvements	10,000	9,818	0	0	0	0
705 Equipment	0	0	6,600	0	0	2,600
706 Furniture and Fixtures	0	0	0	0	0	0
708 Board Purchases	0	0	0	0	0	0
709 Books	90,000	88,262	87,000	49,685	87,000	88,000
TOTAL FIXED ASSET TRANSFERS	100,000	98,080	93,600	49,685	87,000	90,600
GRAND TOTAL	712,200	668,420	714,500	347,930	699,000	711,800

PARKS AND RECREATION

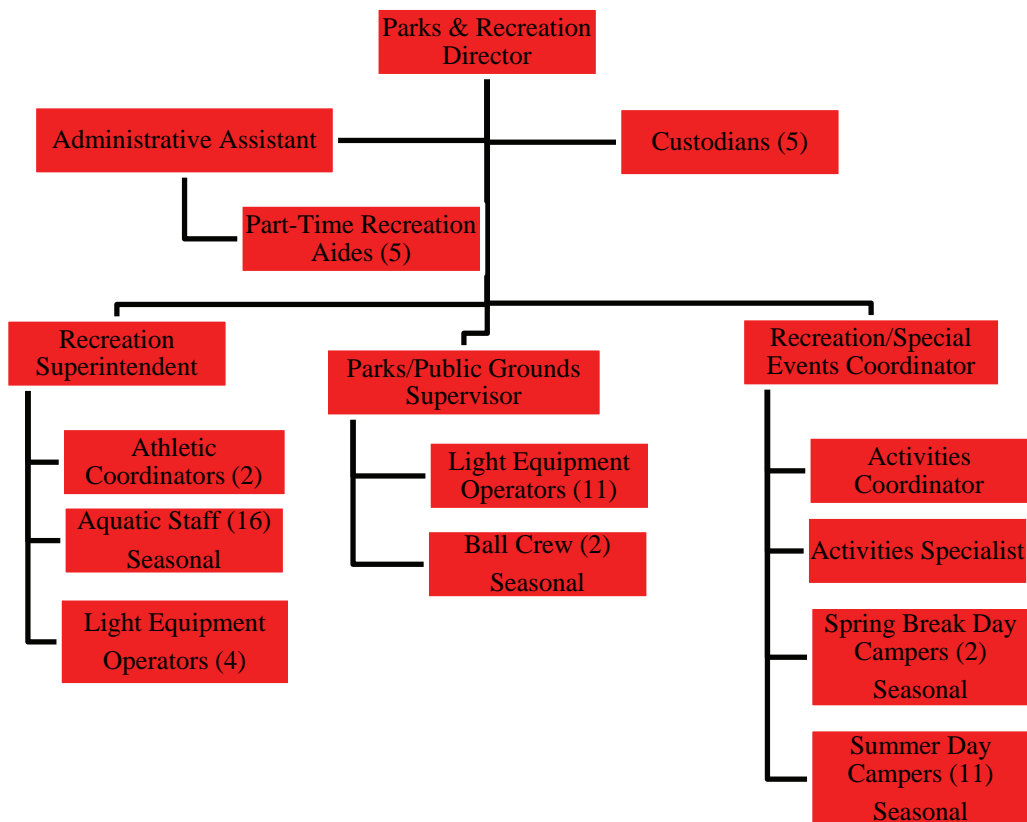
The Parks and Recreation Department is comprised of a Director of Parks and Recreation, an Administrative Assistant, a Recreation Superintendent, two Athletic Coordinators, a Recreation-Events Coordinator, an Activities Coordinator, an Activities Specialist, a Parks & Public Grounds Supervisor, fifteen Light Equipment Operators, and four Custodians. Numerous part-time employees are hired during the summer to assist with the summer day camps, aquatic programs, open swim, and athletic field maintenance.

GOALS AND OBJECTIVES

The responsibility of Parks and Recreation is to operate and maintain the Recreation and Athletic facilities and programs as well as mow and maintain right of ways, Recreation Center, Activity Center, City Hall, Library, Police Department, Fire Department, Booker green space, Cardinal green space, Kern Park, Goode-Connell Park, Carl Levin City Park, Skipcha Park, 2410 Community Park, Purser Park, and Summit Soccer Complex. The Department conducts and administers youth, senior, and adult programs/activities, youth and adult adaptive programs, maintains playgrounds and playing surfaces, and sponsors/co-sponsors numerous special events for the community.

The Department mission is “Creating community through people, parks, and programs.”

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Development of the construction documents for Comanche Gap Park.
- Development of conceptual plans for bathroom facilities at Carl Levin City Park.
- Streamlined volunteer and coaching applications.
- Increased employee course certification awards.
- Development of additional administration wing for the Recreation Center.
- Enhanced and created new landscape beds for municipal complex.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Develop Parks Master Plan Update.
 - Delayed until 17-18 budget process
- Develop policies for private partners utilization of public space
 - Ongoing, staff continues to collaborate with other agencies.
- Develop strategy and plan for replastering the swimming pool.
 - Completed
- Develop a marketing strategy for the department.
 - Completed

FY 2017-2018 OBJECTIVES

- Develop Parks Master Plan update.
- Develop policies for private partners utilization of public space.
- Develop strategy and plan for construction of additional bathroom facility.
- Develop a strategy to increase our brand within the Community.



PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees	29	29	29	29	28
# of part time employees	5	5	5	5	5
# of seasonal employees (summer)	30	30	30	30	30
OUTPUTS:					
# of municipal acres maintained	242	240	240	240	240
# of ROW acres maintained	90	90	90	90	90
# of medians maintained	11	12	12	14	14
# of acres irrigated	112	112	112	112	112
# of playground units	12	12	12	16	16
# of recreation program participants	1,800	1,833	1,850	2,064	2,250
# of youth recreation programs provided	14	19	19	18	18
# of adult/senior recreation programs provided	16 / 27	15 / 23	16 / 25	13 / 23	14 / 25
# of special events provided	32	28	28	28	24
# of spring/summer day camp sessions	8	8	8	9	9
# of spring/summer day camp attendees	195	182	188	209	216
# of youth leagues/participants	7 / 3,000	9 / 3,400	9 / 3,200	8 / 3,150	8 / 3,200
# of adult leagues/participants	2 / 1,000	2 / 1,400	2 / 1,000	4 / 1,040	2 / 1,100
# of sports camps/participants	3 / 250	6 / 326	3 / 325	4 / 272	4 / 300
# of 5ks held/participants	2 / 600	3 / 602	3 / 1,800	2 / 500	2 / 500
EFFECTIVENESS:					
# of park rentals	230	284	290	278	280
# of activity center rentals	830	1524	1550	1,479	1,500
# of pool rentals	18	25	30	21	25
Public swim attendance	18,000	14,469	14,000	11,953	12,000
Swim lesson attendance	230	235	230	218	225
# of dive ins held	4	1	1	1	1
Dive in attendance	600	80	80	115	100
EFFICIENCY:					
# of acres maintained per full time light equipment employee	22	21.82	21.82	21.82	21.82
% of youth recreation programs conducted compared to services offered	100%	100%	100%	100%	100%
% of adult/senior recreation programs conducted compared to services offered	100%	100%	100%	95%	100%

PARKS & RECREATION

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	1,232,100	1,253,367	1,264,900	576,981	1,264,700	1,268,000
002 Overtime	8,000	5,629	8,000	3,061	7,600	8,000
003 Worker's Compensation	28,100	24,900	23,200	22,254	23,200	27,200
004 Health Insurance	152,700	146,976	150,500	60,919	131,000	145,600
005 Social Security	94,900	94,138	97,400	43,592	97,300	97,700
006 Retirement	178,300	164,629	183,000	81,461	191,400	184,000
TOTAL PERSONNEL SERVICE	1,694,100	1,689,639	1,727,000	788,268	1,715,200	1,730,500
SUPPLIES						
010 Office	13,800	9,757	10,600	3,883	10,600	10,600
011 Vehicle	46,000	26,500	25,000	10,628	25,000	25,000
012 General	7,000	4,363	8,000	4,597	8,000	8,000
013 Equipment	12,800	11,779	10,000	2,671	10,000	10,000
014 Uniforms	12,000	11,133	12,000	7,082	12,000	12,700
015 Recreational	5,000	3,648	6,000	1,811	6,000	6,000
016 Chemical	12,200	14,158	12,200	3,988	12,200	12,200
TOTAL SUPPLIES	108,800	81,338	83,800	34,660	83,800	84,500
MAINTENANCE						
020 Vehicle	11,900	12,376	10,000	5,581	10,000	10,000
021 Building	55,000	49,564	60,500	32,974	60,500	60,500
022 Equipment	16,000	9,845	13,000	8,570	10,300	11,200
023 Ground	63,000	61,107	63,000	32,880	63,100	63,000
TOTAL MAINTENANCE	145,900	132,892	146,500	80,005	143,900	144,700
INSURANCE						
030 Property/Liability	24,800	23,580	24,000	23,584	24,300	33,000
TOTAL INSURANCE	24,800	23,580	24,000	23,584	24,300	33,000
SERVICES						
035 Unemployment Payments	0	11	0	(1)	0	0
040 Utilities	100,000	110,858	100,000	55,102	113,000	113,000
041 Dues and Subscriptions	6,300	4,554	6,300	3,875	6,300	6,300
042 Travel and Training	8,200	7,725	8,200	4,591	8,200	8,200
045 Telephone	1,500	761	1,000	421	1,000	1,000
046 Equipment Rental	9,200	6,869	9,200	3,355	7,000	10,000
047 Contract Labor	15,000	11,861	13,000	8,982	13,000	15,000
051 ActiveNet Transaction Fees	6,000	6,487	6,000	2,760	6,000	6,000
059 Adaptive Sports	10,000	8,393	10,000	2,128	7,000	10,000
060 Tree City USA	10,000	4,834	10,000	2,498	7,000	10,000
061 Living Legacy	3,000	3,416	4,500	1,326	4,500	4,500
065 Trophies and Awards	19,700	16,951	19,700	6,975	19,700	20,500
066 Uniforms and Equipment (Rec)	57,000	55,479	57,000	14,764	57,000	57,000
067 Parks and Recreation Programs	43,000	36,198	43,000	23,815	43,000	46,000
068 Team Travel	2,400	1,300	3,000	0	3,000	3,000
069 Adult Sports	6,000	2,267	6,000	1,388	6,000	6,000
070 Other Expense (Grants)	10,000	0	0	0	0	0
TOTAL SERVICES	307,300	277,964	296,900	131,979	301,700	316,500
MISCELLANEOUS						
091 Advertising	15,000	14,518	15,000	5,033	15,000	16,500
615 Xerox Rental	0	0	3,400	0	800	1,500
TOTAL MISCELLANEOUS	15,000	14,518	18,400	5,033	15,800	18,000
FIXED ASSET TRANSFERS						
701 Land and Improvements	0	0	0	0	0	0
702 Building and Improvements	0	0	0	0	0	0
705 Equipment	48,200	33,515	26,000	26,000	29,200	54,700
706 Furniture and Fixtures	0	0	0	0	0	0
707 Vehicles	0	0	35,800	0	31,700	28,200
TOTAL FIXED ASSET TRANSFERS	48,200	33,515	61,800	26,000	60,900	82,900
GRAND TOTAL	2,344,100	2,253,446	2,358,400	1,089,529	2,345,600	2,410,100

PUBLIC WORKS

The Public Works Department consists of a Director of Public Works, a Utility Superintendent, and an Administrative Assistant. The divisions that function under the Public Works Department include Streets and Fleet Maintenance, described in detail here; Water and Wastewater in the Utility Fund section; Drainage and Sanitation can be found in the Other Funds section.

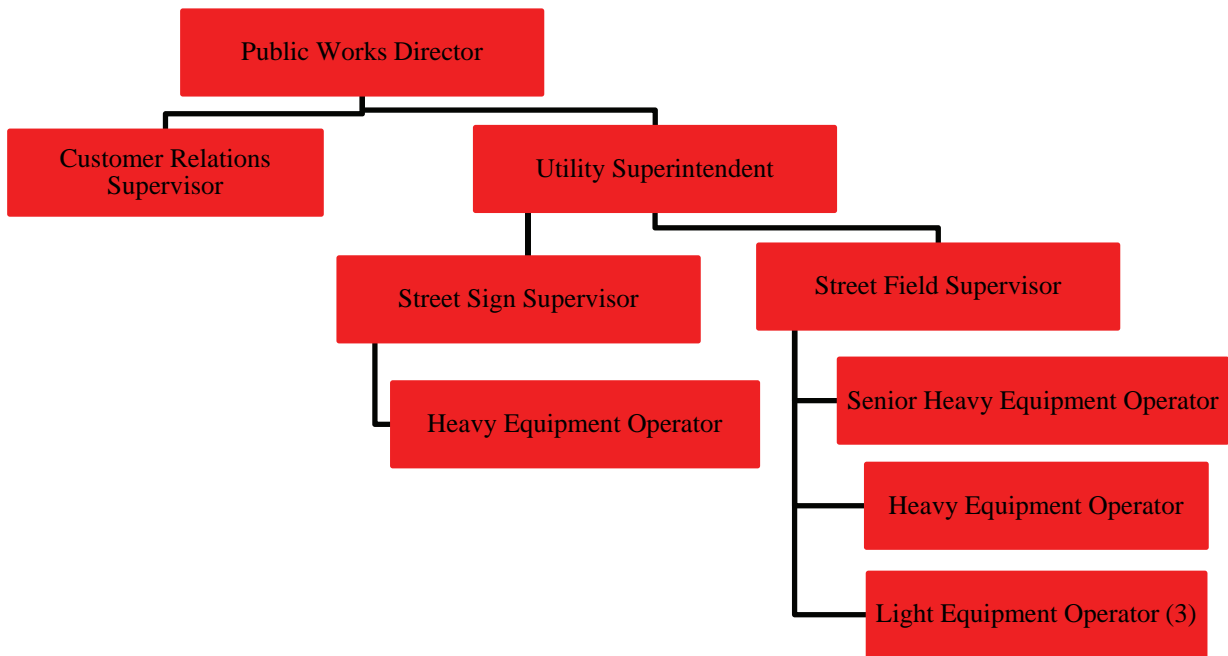
STREET DEPARTMENT

The Street Department makes minor repairs to City streets such as asphaltting potholes, replacing curb and gutter, repairing utility cuts, and blading non-hard surface streets. All major projects are contracted out. The Department consists of a Street Field Supervisor, Sign Supervisor, two Heavy Equipment Operators and four Light Equipment Operators.

GOALS AND OBJECTIVES

The Street Department strives to provide sufficient maintenance and improvements of pavements, curb and gutter, and traffic signs and markings to ensure structurally sound riding surfaces on streets and to provide that all streets in the City have hard surface pavement.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Completed one month of the annual Crack Seal Program (10 lane miles).
- Completed a one month Motor Grader Program.
- Helped prepare and inspect the 2016-2017 Street Capital Improvement Projects: Elmwood, Oakwood street programs and Ponderosa Drive and Lakota Lane Valley Gutters.

- Repaired 7,616 square yards of point repairs in Quail Hollow Estates.
- Maintained recycled asphalt streets: Waco Trace and Pueblo Drive.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Maintain recycled asphalt streets.
 - 10% complete, work is ongoing.
- In house reconstruction of roads.
 - 10% complete, work is ongoing.
- Repair damaged City sidewalks.
 - Identified 150 feet of sidewalk repair for the 2018 fiscal year. Work is ongoing.
- Repair driveway approaches and curbs.
 - 20% complete, work is ongoing.

FY 2017-2018 OBJECTIVES

- Continue the annual Crack Seal Program.
- Help prepare and inspect the 2017-2018 Street Improvement Program.
- In house maintenance of recycled asphalt streets, reconstruction of streets and repair damaged City sidewalks.
- Replace defective concrete valley gutters.
- Repair all Water and Sewer utility cuts, pot holes and asphalt level ups within 30 working days of receiving the work order.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees:	10	10	10	10	10
Public Works Administration	3	3	3	3	3
Street Department	7	7	7	7	7
OUTPUTS:					
# of street utility cuts	120	58	100	75	100
# of pot hole repairs	400	400	450	425	450
Miles of street reconstruction	3.0	3.4	3.0	0.54	2.0
Miles of crack sealing	15	10	13	12	12
Linear feet of sidewalk repair	75	0	50	0	150
EFFECTIVENESS:					
# of employees per square mile	4	4	4	4	4

SIGN SHOP

The Sign Shop is a branch of the Street Department responsible for street signs, road markings, street sweeping and herbicide application to streets and sidewalks. This branch is headed by the Sign Supervisor and also consists of a Heavy Equipment Operator II.

FY 2016-2017 ACHIEVEMENTS

- Removed graffiti from ditches and bridges, trimmed tree limbs obstructing signs, controlled algae in street intersections and applied herbicide to grass growing on joints in sidewalks and curb & gutters.
- Swept all city streets 4 times and passed out door hangers to keep grass off the street and out of storm water drains
- Replaced faded street signs and added raised pavement markers city wide.
- Replaced painted road markings with thermoplastic markings.
- Continued night time sign reflectivity program and began reporting street lights that are out. This improves city wide safety.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Street Sweeping.
 - Ongoing, 2,375 Miles were swept during the 2016-17 fiscal year.
- Herbicide Program.
 - Ongoing, 838 gallons were applied during the 2016-17 fiscal year.
- Night Time Reflectivity Program.
 - 100% complete.
- School Zone Lights and Crosswalks.
 - 100% complete.
- Street Light Operation check.
 - 100% complete.

FY 2017-2018 OBJECTIVES

- Continue removing graffiti from ditches and bridges, trimming tree limbs obstructing signs, control algae in street intersections and apply herbicide to grass growing on joints in sidewalks and curb & gutters.
- Continue sweeping all city streets on a regular schedule, passing out door hangers to keep grass off the street and out of storm water drains.
- Continue replacing raised pavement markers as needed and replacing painted road markings with thermoplastic markings city wide.
- Continue the night time sign reflectivity program and reporting street lights that are out city wide.
- Continue maintaining all TXDOT exit ramps, entrance ramps, turnarounds and islands.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
OUTPUTS:					
# of street signs installed	500	430	500	462	500
# of stop signs installed	25	23	26	20	26
# of yield signs installed	8	5	5	4	5
# of poles set	200	101	111	81	111
Linear feet of thermoplastic installed	80	50	75	50	75
Gallons of herbicide sprayed	1,000	1,172	1,000	838	1,000
Miles of street swept	1,728	2,370	2,400	2,375	2,400
Miles of residential street swept	1,256	1,765	1,256	1,765	1,256
Miles of arterial and collector miles swept	472	650	650	640	650
EFFICIENCY:					
# of residential street sweeping cycles per year. (288 miles/cycle)	6	6	6	6	6
# of arterial and collector street sweeping cycles per year	52	48	50	48	50

STREETS

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	414,600	415,031	431,300	203,481	411,500	431,600
002 Overtime	10,000	8,472	8,000	3,571	7,900	8,000
003 Worker's Compensation	7,900	6,957	7,000	6,715	7,000	5,600
004 Health Insurance	53,100	50,423	55,700	19,052	40,000	48,500
005 Social Security	32,500	30,760	33,600	15,381	32,100	33,600
006 Retirement	63,800	63,050	66,000	31,131	63,100	66,100
TOTAL PERSONNEL SERVICE	581,900	574,693	601,600	279,331	561,600	593,400
SUPPLIES						
010 Office	3,000	1,503	2,000	559	2,000	2,000
011 Vehicle	45,000	24,847	30,000	13,486	27,000	30,000
012 General	3,000	1,548	3,000	827	3,000	3,000
013 Equipment	8,000	6,435	9,300	5,389	8,000	6,000
014 Uniforms	7,000	6,961	7,000	4,269	7,000	7,000
TOTAL SUPPLIES	66,000	41,294	51,300	24,530	47,000	48,000
MAINTENANCE						
020 Vehicle	25,000	29,779	25,000	4,614	25,000	25,000
021 Building	2,500	3,410	2,500	1,528	2,500	2,500
022 Equipment	20,000	14,147	20,000	3,601	22,300	20,000
023 Ground	115,000	114,039	125,000	57,394	115,000	125,000
TOTAL MAINTENANCE	162,500	161,375	172,500	67,137	164,800	172,500
INSURANCE						
030 Property/Liability	7,100	6,732	7,000	6,996	7,200	7,000
TOTAL INSURANCE	7,100	6,732	7,000	6,996	7,200	7,000
SERVICES						
035 Unemployment Payments	0	0	0	0	0	0
040 Utilities	280,000	282,009	280,000	146,744	292,500	293,000
041 Dues and Subscriptions	1,400	438	1,400	1,689	1,700	1,700
042 Travel and Training	5,300	3,777	5,300	4,232	8,000	8,000
045 Telephone	4,300	4,528	4,300	2,328	4,300	4,300
046 Equipment Rental	20,000	15,815	20,000	4,631	20,000	20,000
047 Contract Labor	17,600	10,118	11,000	1,380	11,000	11,000
TOTAL SERVICES	328,600	316,685	322,000	161,004	337,500	338,000
FIXED ASSETS TRANSFERS						
701 Land and Improvements	0	0	0	0	0	0
702 Building and Improvements	0	0	0	0	0	0
705 Equipment	155,900	155,855	0	0	3,500	5,700
706 Furniture and Fixtures	0	0	0	0	0	0
707 Vehicles	0	45,541	106,600	0	113,000	0
TOTAL FIXED ASSET TRANSFERS	155,900	201,396	106,600	0	116,500	5,700
GRAND TOTAL	1,302,000	1,302,175	1,261,000	538,998	1,234,600	1,164,600

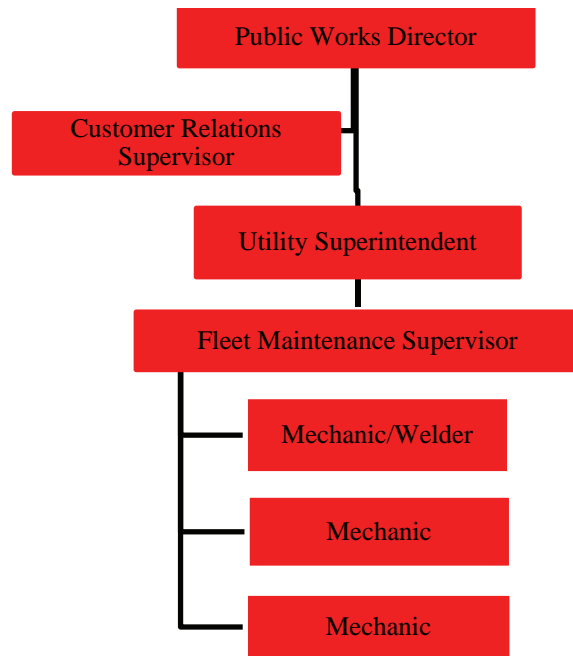
FLEET MAINTENANCE DEPARTMENT

The Fleet Maintenance Department provides welding, scheduled and unscheduled repairs on any city equipment, performs yearly safety inspections on all city vehicles, provides repair parts and petroleum products, emergency repairs and service to all departments. The Department consists of a Maintenance Supervisor, Welder/Mechanic, and two Mechanics.

GOALS AND OBJECTIVES

The Fleet Maintenance Department strives to provide timely support for all city vehicles and equipment which includes performing annual vehicle inspections and submitting purchase orders for parts and repairs for over \$250.00. The department assists with various bids as well by preparing vehicle and equipment specifications as needed to ensure we are purchasing the best product.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Purchased New Snapon Scanner for better diagnostics on City vehicles.
- Purchased Porta Cool unit for better working conditions in the shop.
- Mechanics continuing education.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Maintenance Building Extension.
 - 90% complete.
- Update test equipment, test large trucks and backhoes.
 - 10% complete.
- Build work bench in storage room and more storage cabinets for automotive manuals.
 - 25% complete.
- Continue automotive education and customer service training.
 - Ongoing.
- Continue annual inspection of all city vehicles.
 - 100% complete and will be a yearly objective.

FY 2017-2018 OBJECTIVES

- Begin construction of office addition, when funding is available in budget.
- Provide timely support for all city vehicles and equipment.
- Continue automotive education.
- Continue annual inspection of all city vehicles.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees	4	4	4	4	4
OUTPUTS:					
# of fleet serviced (vehicles/equipment)	418	1,508	1,520	1337	1,520
# of departments serviced	11	14	14	14	14
# of work orders completed	1,280	1,540	1,545	1337	1,545
EFFECTIVENESS:					
Fleet units in operation	98%	97%	98%	97%	98%
# of vehicles/equipment serviced per mechanic	110	377	380	334	386
EFFICIENCY:					
# of jobs completed per mechanic	320.0	385.0	386.0	334	386.0

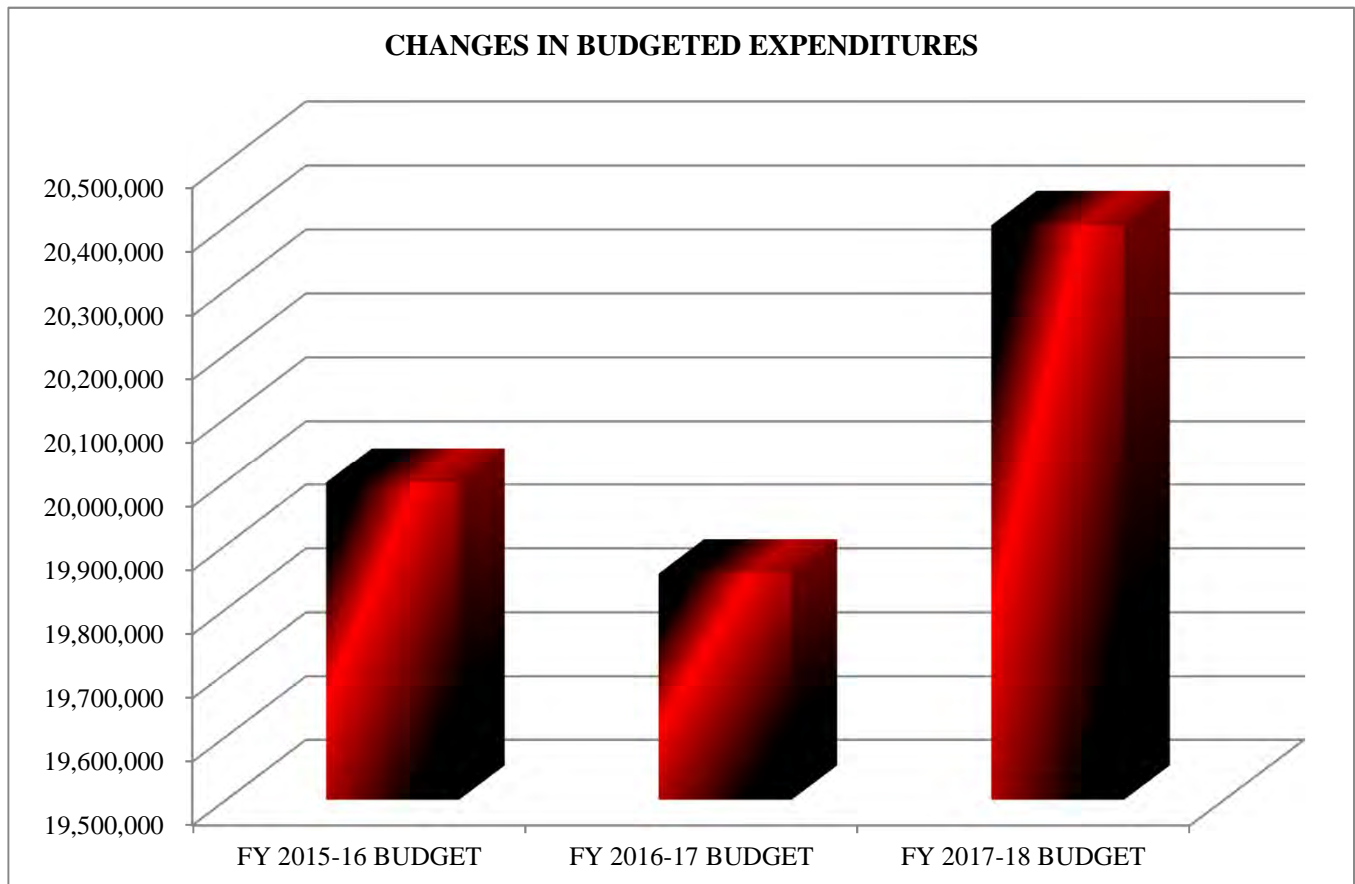
Note: Total # of Fleet vehicles/equipment serviced includes all Fleet vehicles/equipment worked on beginning with FY 16 Actual numbers.

MAINTENANCE

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICE						
001 Salaries	183,100	159,396	168,400	84,617	173,200	174,300
002 Overtime	1,000	1,340	500	697	2,000	1,800
003 Worker's Compensation	3,300	2,929	2,900	2,827	2,900	2,400
004 Health Insurance	22,000	20,616	22,900	10,021	21,000	22,200
005 Social Security	14,100	12,117	12,900	6,500	13,400	13,500
006 Retirement	27,700	23,878	25,400	12,816	26,400	26,500
TOTAL PERSONNEL SERVICE	251,200	220,276	233,000	117,478	238,900	240,700
SUPPLIES						
010 Office	500	438	500	321	500	500
011 Vehicle	5,000	4,176	4,000	3,967	4,000	4,000
012 General	100	(3,385)	100	(1,832)	100	100
013 Equipment	6,000	3,418	6,000	2,420	3,500	6,000
014 Uniforms	3,000	2,604	3,000	1,627	3,000	3,000
TOTAL SUPPLIES	14,600	7,251	13,600	6,503	11,100	13,600
MAINTENANCE						
020 Vehicle	300	289	300	402	600	600
021 Building	500	301	500	0	500	500
022 Equipment	500	341	500	38	100	200
023 Ground	300	7	300	17	300	300
TOTAL MAINTENANCE	1,600	938	1,600	457	1,500	1,600
INSURANCE						
030 Property/Liability	3,000	2,829	3,000	2,954	3,100	3,000
TOTAL INSURANCE	3,000	2,829	3,000	2,954	3,100	3,000
SERVICES						
040 Utilities	2,000	1,331	2,000	1,214	2,000	2,000
041 Dues and Subscriptions	200	170	200	175	200	200
042 Travel and Training	2,500	1,327	2,000	1,764	2,000	2,000
045 Telephone	2,600	2,209	2,600	1,406	2,600	2,600
047 Contract Labor	0	0	0	0	0	0
TOTAL SERVICES	7,300	5,037	6,800	4,559	6,800	6,800
FIXED ASSET TRANSFERS						
702 Building and Improvements	0	0	0	0	0	0
705 Equipment	0	0	0	0	0	0
707 Vehicles	0	0	0	0	0	0
TOTAL FIXED ASSET TRANSFERS	0	0	0	0	0	0
GRAND TOTAL	277,700	236,331	258,000	131,951	261,400	265,700

**GENERAL FUND
STATEMENT OF EXPENDITURES**

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
City Council	233,600	212,672	314,900	194,505	304,700	270,700
Administration	1,582,700	1,782,074	1,642,000	835,991	1,626,900	1,753,900
Finance	658,600	660,282	676,000	362,985	691,800	693,800
Pet Adoption Center	415,700	458,551	513,800	319,919	590,900	596,400
Police	6,023,700	6,600,241	6,208,000	3,142,175	6,082,100	6,352,500
Courts	1,000,500	821,816	882,100	429,573	894,500	984,300
Planning & Development	364,500	369,043	357,100	183,719	363,400	376,100
Code Enforcement	582,500	520,059	596,900	302,621	578,000	606,500
Fire & EMS Administration	562,700	512,217	576,300	290,932	580,700	0
Fire & EMS Operations	3,683,300	3,818,068	3,607,400	1,822,129	3,588,600	4,279,200
Library	712,200	668,420	714,500	347,930	699,000	711,800
Parks & Recreation	2,344,100	2,253,446	2,358,400	1,089,529	2,345,600	2,410,100
Streets	1,302,000	1,302,175	1,261,000	538,998	1,234,600	1,164,600
Maintenance	277,700	236,331	258,000	131,951	261,400	265,700
Reserve for Personnel	15,000	7,825	10,000	4,117	10,000	10,000
Reimbursement:						
Market Heights	0	0	0	0	0	0
Seton Medical Center	600,500	588,648	600,500	588,883	588,900	589,000
YMCA Parking Lot	0	0	0	0	0	0
Texas Mattress	0	0	0	0	0	0
Transfer to Fixed Assets	(716,500)	(1,757,203)	(822,000)	(399,891)	(799,600)	(763,700)
Transfer to Capital Projects	300,000	500,000	100,000	100,000	100,000	0
Transfer to Debt Service	55,000	55,000	0	0	0	100,000
GRAND TOTAL	19,997,800	19,609,665	19,854,900	10,286,066	19,741,500	20,400,900

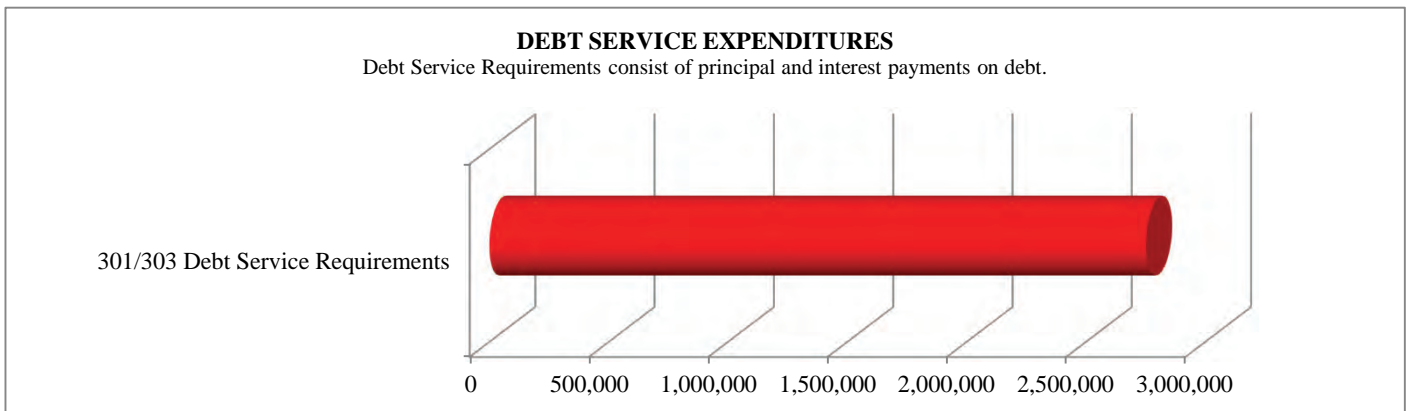
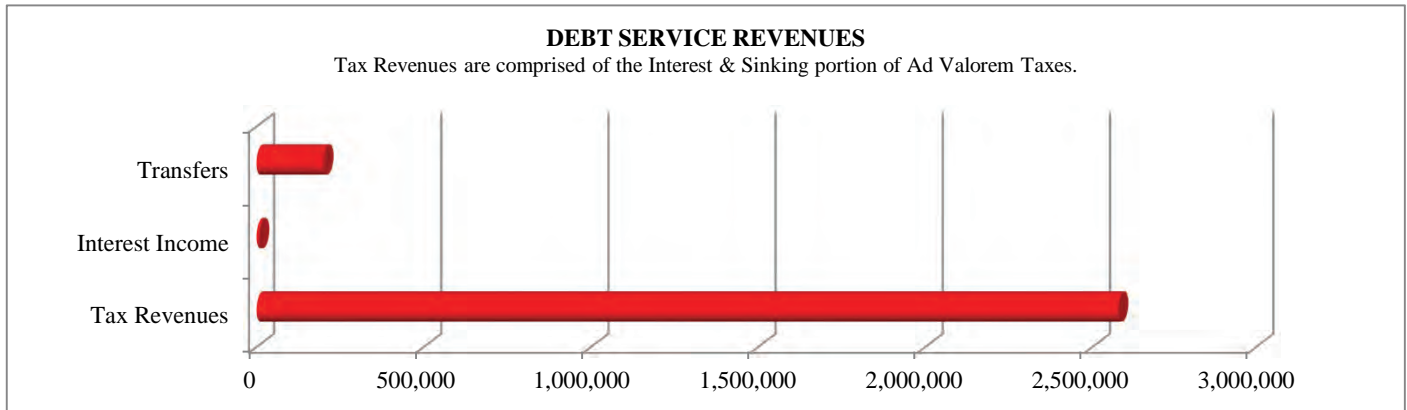




DEBT SERVICE

DEBT SERVICE FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
BEGINNING FUND BALANCE	82,725	107,771	38,371	55,468	55,468	12,668
REVENUES:						
020 Interest Income	800	2,385	3,000	3,349	7,000	8,000
021 Miscellaneous Income	0	0	0	0	0	0
200 Gain on Investments	0	0	0	0	0	0
301 Refunding Bonds Issued	0	2,148,605	0	0	0	0
700 Tax Revenues	2,545,100	2,567,015	2,567,900	2,434,394	2,567,900	2,577,500
801 Transfer from General Fund	55,000	55,000	0	0	0	100,000
802 Transfer from Utility Fund	0	0	100,000	0	175,000	100,000
803 Transfer from Drainage Fund	0	0	0	0	0	0
805 Transfer from Bond Fund	0	0	0	0	0	0
TOTAL REVENUES	2,600,900	4,773,005	2,670,900	2,437,743	2,749,900	2,785,500
EXPENDITURES:						
084 BCAD Fees	30,200	29,406	30,200	14,533	30,200	30,200
301/303 Debt Service Requirements	2,649,500	2,665,408	2,673,400	497,184	2,762,500	2,751,500
304 Refunded Bond Escrow Agent	0	110,858	0	0	0	0
305 Refunded Bond Escrow	0	1,995,000	0	0	0	0
320 Bond Issuance Cost	0	24,636	0	(533)	0	0
802 Transfer to Utility Fund	0	0	0	0	0	0
TOTAL EXPENDITURES	2,679,700	4,825,308	2,703,600	511,184	2,792,700	2,781,700
INCREASE/DECREASE	(78,800)	(52,303)	(32,700)	1,926,559	(42,800)	3,800
ENDING FUND BALANCE	3,925	55,468	5,671	1,982,027	12,668	16,468



BONDED DEBT

The cost of acquisition for large capital items and the construction of infrastructure sometimes exceed the amount of funding available from operating revenues and resources. When this occurs, the City may issue debt obligations called "bonds". The difference between a bond and a note payable is that bonds are issued for longer periods and require greater legal formality. Some bonds may also require voter approval.

The City of Harker Heights has two types of bonds outstanding: general obligation and revenue bonds.

General Obligation Bonds

General obligation bonds are backed by the full faith and credit of the City; in other words, the bonds are guaranteed by a pledge of taxes. A schedule of the City's outstanding general obligation bond issues will follow.

Revenue Bonds

Revenue bonds are payable from a specific source of revenue and do not affect the tax rate. Revenue bonds typically have a "coverage" requirement pursuant to the particular bond covenants. Coverage is the ratio of net pledged revenues to related debt service for a specific year. A schedule of outstanding revenue bond issues will follow.

Debt Limit

No direct funded debt limitation is imposed on the City under current State law or the City's Home Rule Charter. Article XI, Section 5 of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate of \$2.50 per \$100 assessed valuation for all City purposes. The City operates under a Home Rule Charter which adopts the constitutional provisions.

Debt Limitation Summary

• Constitutional Ad Valorem Tax Limitation (per \$100):	\$2.50 per \$100
• Attorney General Administrative Limitation on Ad Valorem Tax Debt/I&S Tax:	\$1.50 per \$100
• 2017 Taxable Assessed Valuation	\$1,806,143,195
• 2017 Total Tax Rate (per \$100)	\$0.6770
• 2017 I&S Tax Rate (per \$100)	\$0.1485
• Maximum Annual Ad Valorem Tax Debt Service, 2017	\$2,948,108*
• Equivalent I&S Tax Rate Required to Service Maximum Debt:	\$0.1633 per \$100
• Percentage of Ad Valorem Tax Debt Service Self-Supporting:	39.81%

*Excludes self-supporting debt

ACTUAL DEBT MARGIN

The certified 2017 taxable value per BCAD is \$1,806,143,195 which is an increase of \$106,372,382 or 6.3% from the 2016 taxable value. The current tax revenue was calculated using a maintenance and operations tax rate of \$0.5285 per \$100 of taxable value and a collection rate of 96% as follows:

Total Taxable Value	\$	1,806,143,195
Proposed Tax Rate per \$100 valuation		<u>0.6770</u>
Gross Revenues from Taxes		12,227,589
Estimated Percentage of Collections		<u>96%</u>
Estimated Funds from Tax Levy		11,738,485
Estimated Delinquent Tax Collections		<u>12,000</u>
Total Estimated Tax Collections	\$	<u><u>11,750,485</u></u>

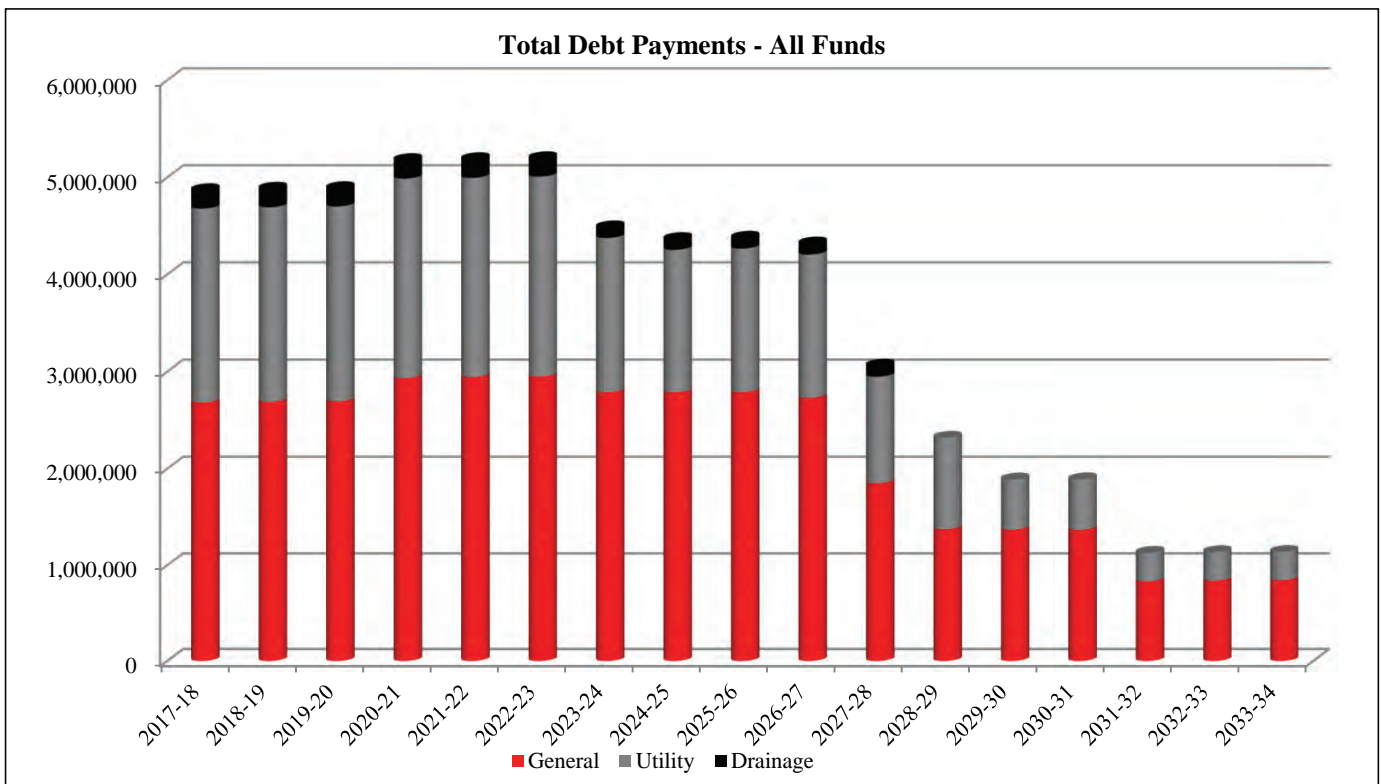
	Tax Rate	Total
Distribution of Tax Revenue		
Maintenance and Operations	0.5285	\$ 9,173,016
Interest and Sinking	<u>0.1485</u>	<u>2,577,469</u>
Total	<u><u>0.6770</u></u>	<u><u>\$ 11,750,485</u></u>

In February 2012, Standard & Poor’s raised the City of Harker Heights’ underlying rating from “AA-” to “AA” on our outstanding general obligation debt. The raised rating was based on the continued tax base growth, very strong financial position with healthy reserves, and low tax rate coupled with limited capital needs.

The following pages contain the City’s bond schedules. They provide detail for each issuance to include the ratings the City was issued at the time of issuance.

**City of Harker Heights
Debt Summary**

Fiscal Year	GENERAL			UTILITY			DRAINAGE		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017-18	1,695,800	986,937	2,682,737	1,397,399	598,815	1,996,214	136,802	53,630	190,432
2018-19	1,747,905	942,198	2,690,103	1,443,715	559,199	2,002,914	143,380	48,693	192,073
2019-20	1,799,747	895,118	2,694,865	1,484,242	521,813	2,006,055	146,010	43,499	189,509
2020-21	2,094,222	839,134	2,933,356	1,577,665	476,927	2,054,592	153,114	38,226	191,340
2021-22	2,171,064	772,126	2,943,190	1,623,192	428,791	2,051,983	160,744	32,681	193,425
2022-23	2,245,538	702,570	2,948,108	1,681,614	379,230	2,060,844	162,848	26,847	189,695
2023-24	2,165,000	622,326	2,787,326	1,265,000	324,135	1,589,135	90,000	20,950	110,950
2024-25	2,245,000	542,345	2,787,345	1,190,000	276,897	1,466,897	95,000	17,179	112,179
2025-26	2,325,000	463,252	2,788,252	1,245,000	233,667	1,478,667	100,000	13,198	113,198
2026-27	2,355,000	375,916	2,730,916	1,290,000	185,692	1,475,692	105,000	9,008	114,008
2027-28	1,565,000	287,347	1,852,347	960,000	136,040	1,096,040	110,000	4,609	114,609
2028-29	1,145,000	230,557	1,375,557	845,000	99,677	944,677			
2029-30	1,180,000	191,908	1,371,908	450,000	68,317	518,317			
2030-31	1,220,000	150,025	1,370,025	470,000	51,932	521,932			
2031-32	725,000	106,675	831,675	265,000	34,772	299,772			
2032-33	755,000	83,315	838,315	275,000	25,920	300,920			
2033-34	785,000	58,970	843,970	280,000	16,717	296,717			
2034-35	340,000	31,365	371,365	70,000	6,265	76,265			
2035-36	350,000	21,675	371,675	70,000	4,270	74,270			
2036-37	360,000	11,700	371,700	70,000	2,275	72,275			
	29,269,276	8,315,459	37,584,735	17,952,827	4,431,351	22,384,178	1,402,898	308,520	1,711,418



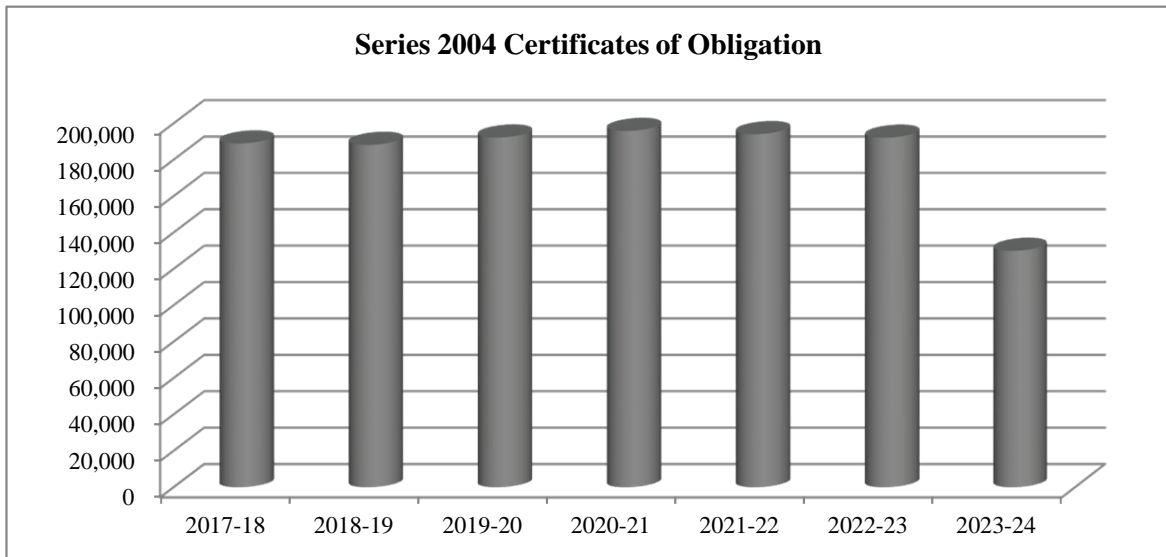
**Combination Tax & Utility System Revenue
Certificates of Obligation
Series 2004**

Dated: October 1, 2004
Original Value: \$2,000,000
Coupon Rate: 3.980%
Ratings at Issuance: "BBB+" Standard and Poor's

UTILITY

Fiscal Year	Principal	Interest	Total
2017-18	145,000	43,979	188,979
2018-19	150,000	38,208	188,208
2019-20	160,000	32,238	192,238
2020-21	170,000	25,870	195,870
2021-22	175,000	19,104	194,104
2022-23	180,000	12,139	192,139
2023-24	125,000	4,975	129,975
	1,105,000	176,513	1,281,513

Water and Sewer Improvements to include:
New Water Mains
Water Line Extensions
Water Line Rehab and Repair
Sewer Line Improvements



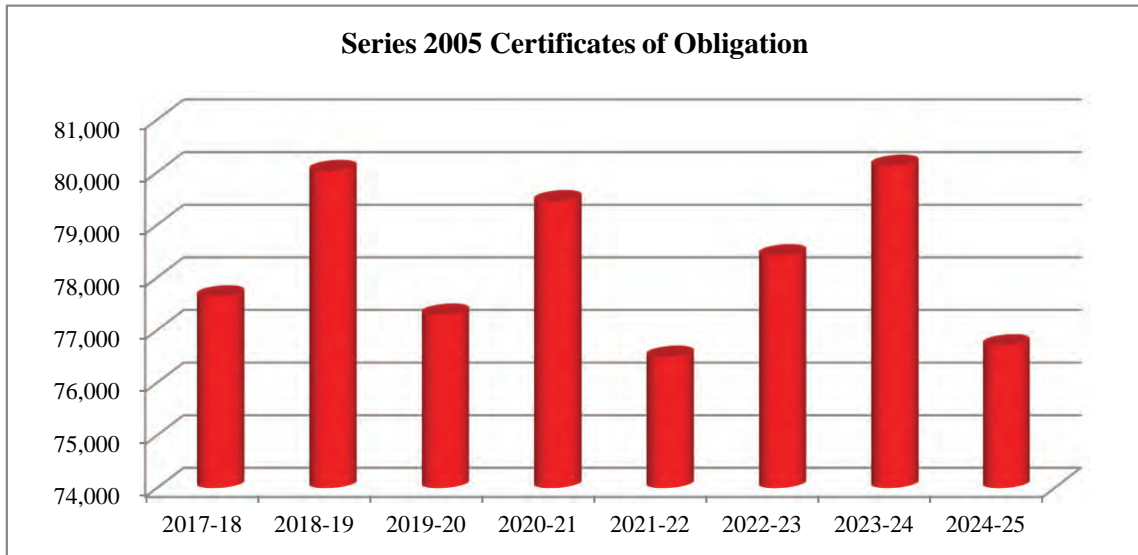
**Combination Tax & Utility System Revenue
Certificates of Obligation
Series 2005**

Dated: May 1, 2005
Original Value: \$1,000,000
Coupon Rate: 4.550%
Ratings at Issuance: "A-" Standard and Poor's

GENERAL

Fiscal Year	Principal	Interest	Total
2017-18	55,000	22,636	77,636
2018-19	60,000	20,020	80,020
2019-20	60,000	17,290	77,290
2020-21	65,000	14,446	79,446
2021-22	65,000	11,489	76,489
2022-23	70,000	8,418	78,418
2023-24	75,000	5,119	80,119
2024-25	75,000	1,706	76,706
	525,000	101,124	626,124

Construction of:
New Police Building
Library/Community Center Building
Senior Citizens' Building
Recreation Center
and land purchases relating thereto



**Combination Tax & Utility System Revenue
Certificates of Obligation
Series 2008**

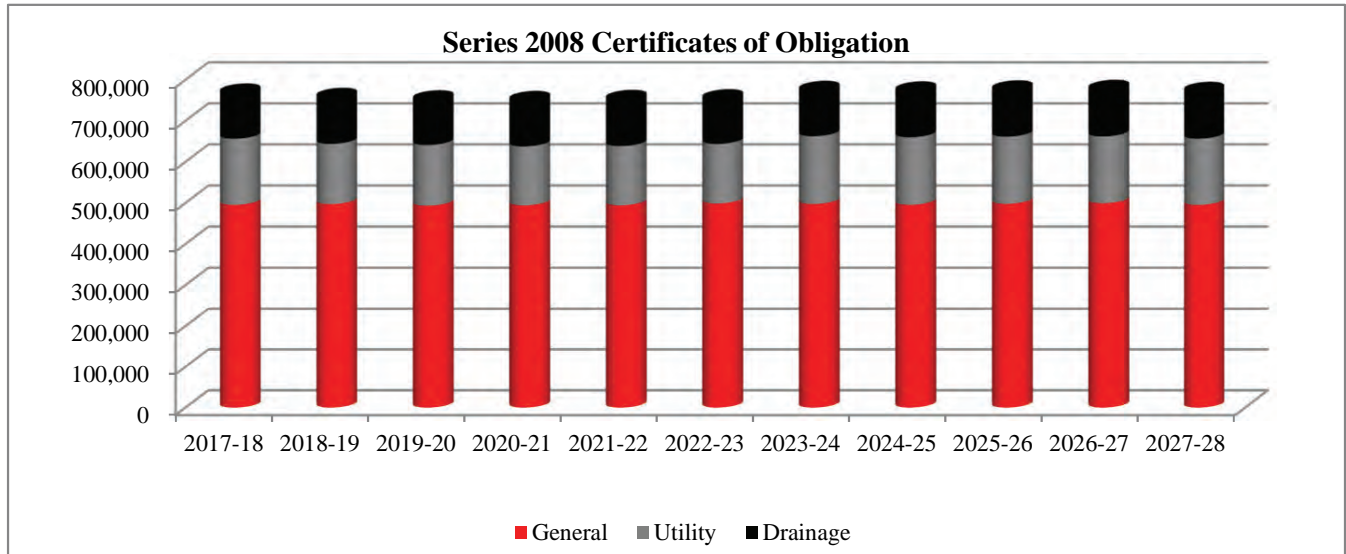
Dated: October 1, 2008
Original Value: \$9,500,000
Coupon Rate: 4.190%
Ratings at Issuance: "A+" Standard and Poor's

Fiscal Year	GENERAL			UTILITY			DRAINAGE		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017-18	315,000	180,170	495,170	105,000	56,146	161,146	70,000	40,643	110,643
2018-19	330,000	166,972	496,972	95,000	51,746	146,746	75,000	37,710	112,710
2019-20	340,000	153,145	493,145	100,000	47,766	147,766	75,000	34,568	109,568
2020-21	355,000	138,899	493,899	100,000	43,576	143,576	80,000	31,425	111,425
2021-22	370,000	124,024	494,024	105,000	39,386	144,386	85,000	28,073	113,073
2022-23	390,000	108,521	498,521	110,000	34,986	144,986	85,000	24,512	109,512
2023-24	405,000	92,180	497,180	135,000	30,378	165,378	90,000	20,950	110,950
2024-25	420,000	75,211	495,211	140,000	24,721	164,721	95,000	17,179	112,179
2025-26	440,000	57,612	497,612	145,000	18,855	163,855	100,000	13,198	113,198
2026-27	460,000	39,176	499,176	150,000	12,780	162,780	105,000	9,008	114,008
2027-28	475,000	19,902	494,902	155,000	6,495	161,495	110,000	4,609	114,609
4,300,000	1,155,812	5,455,812	1,340,000	366,835	1,706,835	970,000	261,875	1,231,875	

City Hall Annex
Athletic Complex Phase 2
Park Projects
Street Projects

Water Main Improvements
Waterline Extensions
Sewer Rehabilitation

Residential Drainage Projects

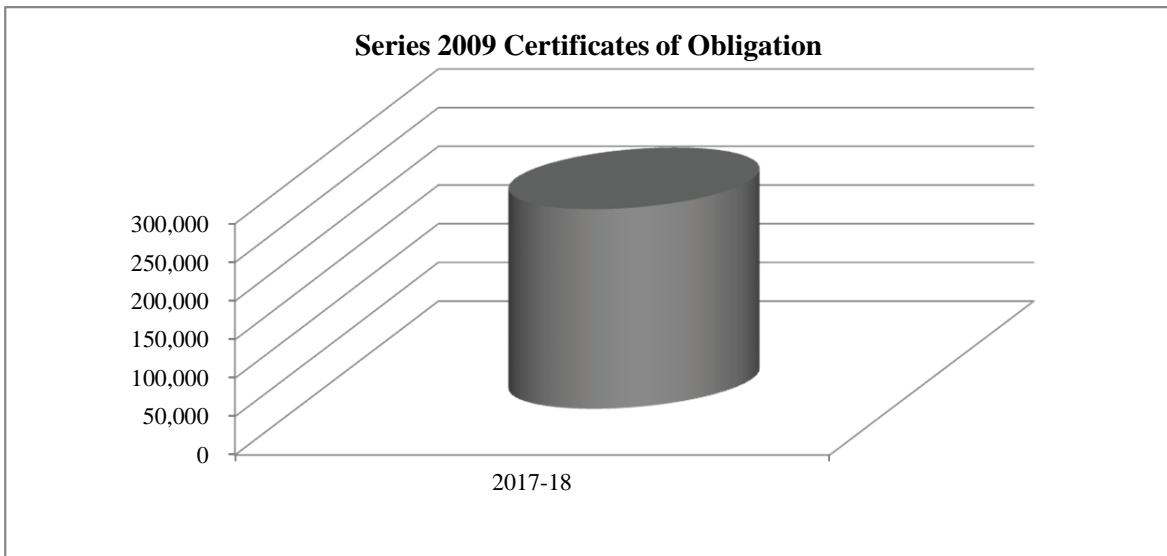


**Combination Tax & Utility System Revenue
Certificates of Obligation
Series 2009**

Dated: August 1, 2009
Original Value: \$5,000,000
Coupon Rate: 3.500% - 4.500%
Ratings at Issuance: "AA-" Standard and Poor's

Fiscal Year	UTILITY		
	Principal	Interest	Total
2017-18	250,000	8,750	258,750
	250,000	8,750	258,750

Maintenance Yard Pump Station
Water and Wastewater System Improvements

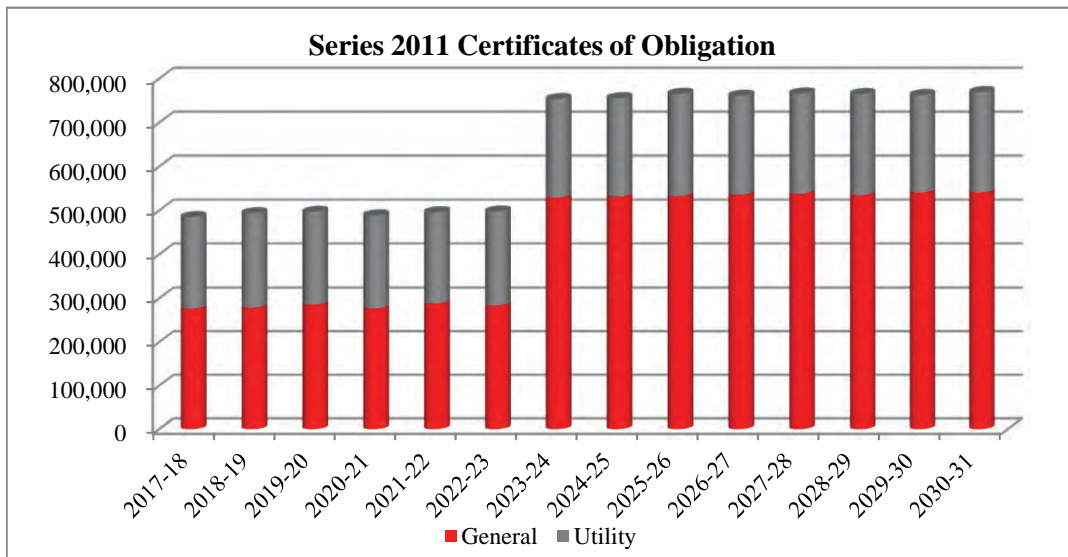


**Combination Tax & Utility System Revenue
Certificates of Obligation
Series 2011**

Dated: March 1, 2011
Original Value: \$8,000,000
Coupon Rate: 2.000% - 4.000%
Ratings at Issuance: "AA-" Standard and Poor's

Fiscal Year	GENERAL			UTILITY		
	Principal	Interest	Total	Principal	Interest	Total
2017-18	115,000	161,850	276,850	125,000	83,087	208,087
2018-19	120,000	158,975	278,975	135,000	79,963	214,963
2019-20	130,000	155,675	285,675	135,000	76,250	211,250
2020-21	125,000	151,775	276,775	140,000	72,200	212,200
2021-22	140,000	148,025	288,025	140,000	68,000	208,000
2022-23	140,000	143,825	283,825	150,000	63,800	213,800
2023-24	390,000	139,450	529,450	165,000	59,113	224,113
2024-25	405,000	126,775	531,775	170,000	53,750	223,750
2025-26	420,000	112,600	532,600	185,000	47,800	232,800
2026-27	440,000	95,800	535,800	185,000	40,400	225,400
2027-28	460,000	78,200	538,200	195,000	33,000	228,000
2028-29	475,000	59,800	534,800	205,000	25,200	230,200
2029-30	500,000	40,800	540,800	205,000	17,000	222,000
2030-31	520,000	20,800	540,800	220,000	8,800	228,800
	4,380,000	1,594,350	5,974,350	2,355,000	728,363	3,083,363

Street, Road & Highway Improvements Water & Sewer System Improvements
Park Project Improvements

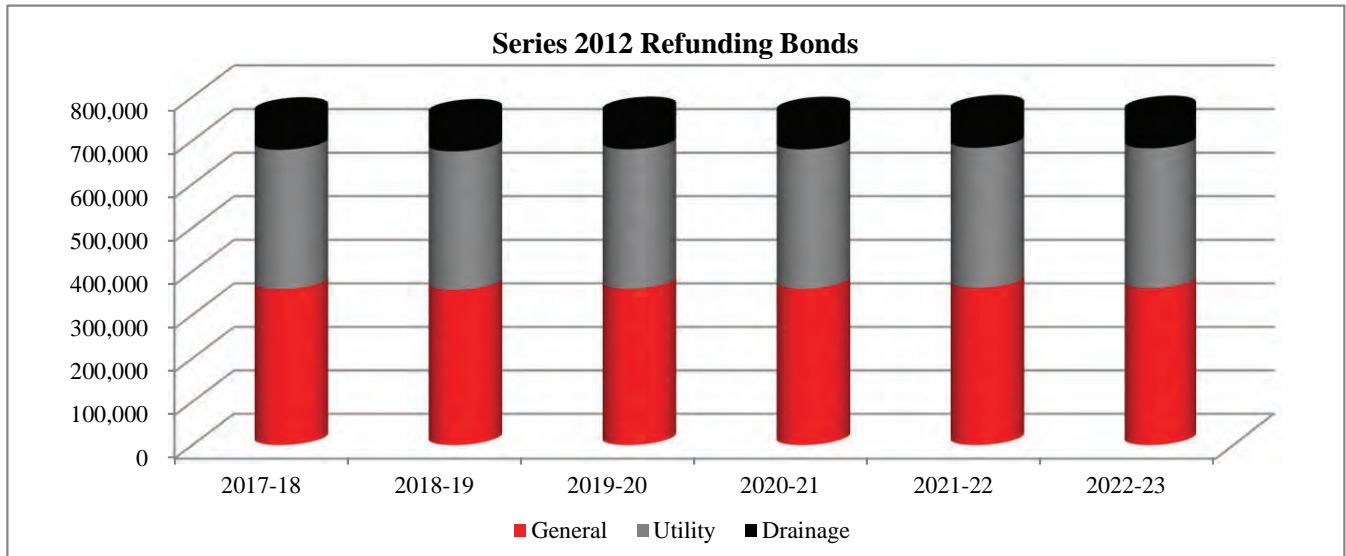


**General Obligation
Refunding Bonds
Series 2012**

Dated: February 1, 2012
Original Value: \$6,250,000
Coupon Rate: 0.350% - 3.000%
Ratings at Issuance: "AA" Standard and Poor's

Fiscal Year	GENERAL			UTILITY			DRAINAGE		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017-18	300,800	58,478	359,278	267,399	51,984	319,383	66,802	12,987	79,789
2018-19	307,905	49,454	357,359	273,715	43,963	317,678	68,380	10,983	79,363
2019-20	319,747	40,218	359,965	284,242	35,752	319,994	71,010	8,931	79,941
2020-21	329,222	30,624	359,846	292,665	27,224	319,889	73,114	6,801	79,915
2021-22	341,064	20,748	361,812	303,192	18,444	321,636	75,744	4,608	80,352
2022-23	350,538	10,516	361,054	311,614	9,348	320,962	77,848	2,335	80,183
	1,949,276	210,038	2,159,314	1,732,827	186,715	1,919,542	432,898	46,645	479,543

Advance Refunding on Outstanding Series 1999 Refunding Bonds
Partial Refunding of Series 2003 Certificates of Obligations and
Series 2003A General Obligation Refunding Bonds

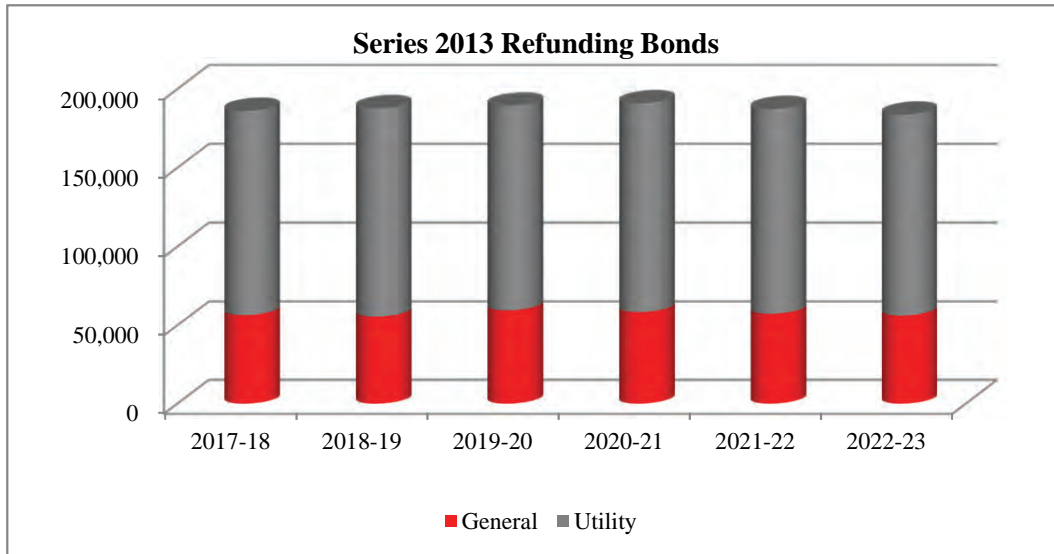


**General Obligation
Refunding Bonds
Series 2013**

Dated: May 15, 2013
Original Value: \$1,460,000
Coupon Rate: 1.500% - 2.000%
Ratings at Issuance: "AA" Standard and Poor's

Fiscal Year	GENERAL			UTILITY		
	Principal	Interest	Total	Principal	Interest	Total
2017-18	50,000	6,400	56,400	115,000	14,600	129,600
2018-19	50,000	5,400	55,400	120,000	12,300	132,300
2019-20	55,000	4,400	59,400	120,000	9,900	129,900
2020-21	55,000	3,300	58,300	125,000	7,500	132,500
2021-22	55,000	2,200	57,200	125,000	5,000	130,000
2022-23	55,000	1,100	56,100	125,000	2,500	127,500
	320,000	22,800	342,800	730,000	51,800	781,800

Refinance of the Series 2003 Certificates of Obligations and
Series 2003A General Obligation Refunding Bonds



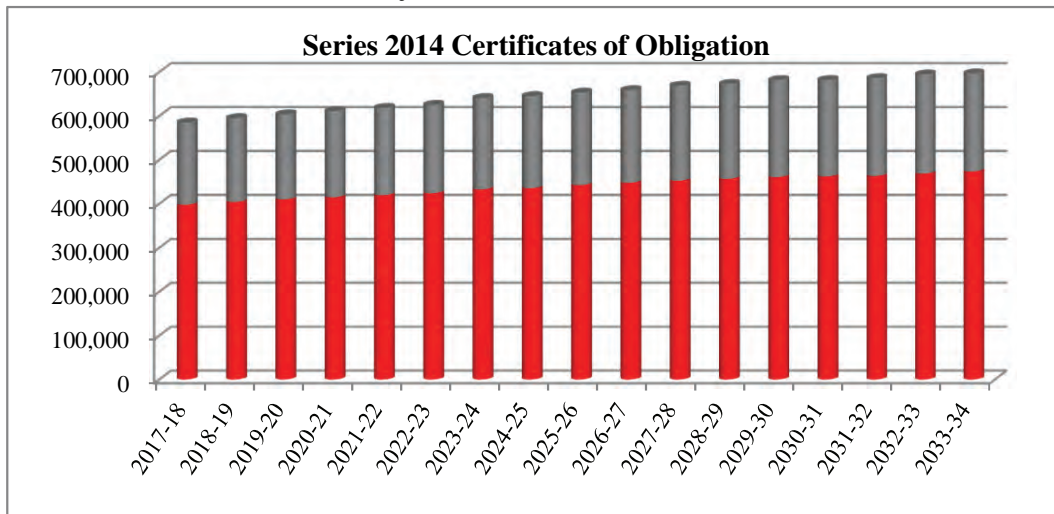
**Combination Tax & Utility System Revenue
Certificates of Obligation
Series 2014**

Dated: January 15, 2014
Original Value: \$9,000,000
Coupon Rate: 1.500% - 4.000%
Ratings at Issuance: "AA" Standard and Poor's

Fiscal Year	GENERAL			UTILITY		
	Principal	Interest	Total	Principal	Interest	Total
2017-18	235,000	162,513	397,513	110,000	77,456	187,456
2018-19	245,000	158,987	403,987	115,000	75,806	190,806
2019-20	255,000	154,700	409,700	120,000	73,794	193,794
2020-21	265,000	149,600	414,600	125,000	71,394	196,394
2021-22	275,000	144,300	419,300	130,000	68,894	198,894
2022-23	285,000	138,800	423,800	135,000	66,294	201,294
2023-24	300,000	132,387	432,387	145,000	63,256	208,256
2024-25	310,000	125,263	435,263	150,000	59,813	209,813
2025-26	325,000	117,125	442,125	155,000	55,875	210,875
2026-27	340,000	107,375	447,375	160,000	51,225	211,225
2027-28	355,000	97,175	452,175	170,000	46,425	216,425
2028-29	370,000	86,525	456,525	175,000	41,325	216,325
2029-30	385,000	75,425	460,425	185,000	36,075	221,075
2030-31	400,000	61,950	461,950	190,000	29,600	219,600
2031-32	415,000	47,950	462,950	200,000	22,950	222,950
2032-33	435,000	33,425	468,425	210,000	15,950	225,950
2033-34	455,000	18,200	473,200	215,000	8,600	223,600
	5,650,000	1,811,700	7,461,700	2,690,000	864,732	3,554,732

Street & Road Improvements
City Hall Expansion/Renovation
Park Projects

Water & Sewer System Improvements

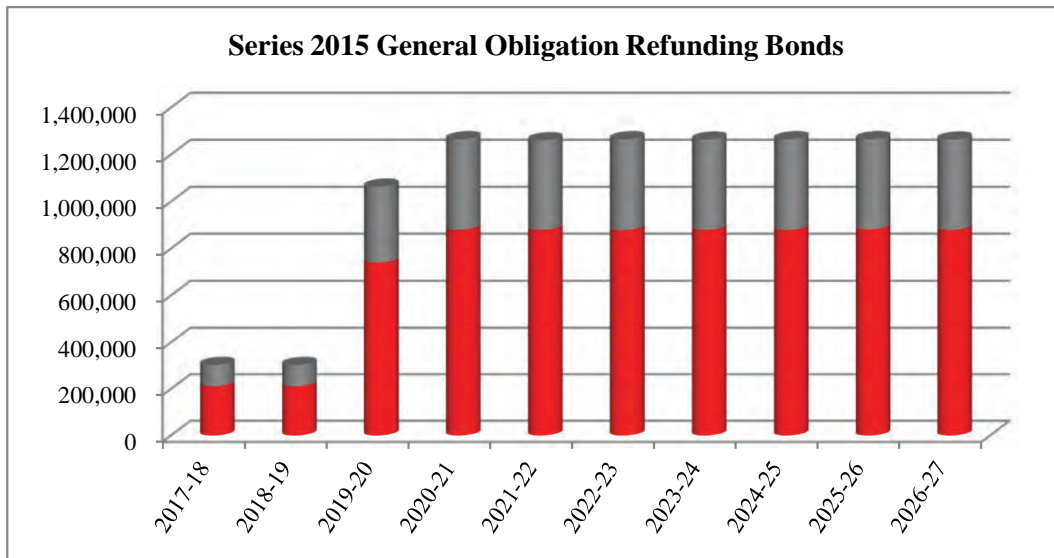


**General Obligation
Refunding Bonds
Series 2015**

Dated: February 15, 2015
Original Value: \$8,400,000
Coupon Rate: 3.000% - 4.000%
Ratings at Issuance: "AA" Standard and Poor's

Fiscal Year	GENERAL			UTILITY		
	Principal	Interest	Total	Principal	Interest	Total
2017-18		210,675	210,675		92,125	92,125
2018-19		210,675	210,675		92,125	92,125
2019-20	530,000	210,675	740,675	230,000	92,125	322,125
2020-21	685,000	194,775	879,775	300,000	85,225	385,225
2021-22	705,000	174,225	879,225	305,000	76,225	381,225
2022-23	725,000	153,075	878,075	320,000	67,075	387,075
2023-24	755,000	124,075	879,075	330,000	54,275	384,275
2024-25	785,000	93,875	878,875	345,000	41,075	386,075
2025-26	815,000	66,400	881,400	355,000	29,000	384,000
2026-27	845,000	33,800	878,800	370,000	14,800	384,800
	5,845,000	1,472,250	7,317,250	2,555,000	644,050	3,199,050

Partial refinance of the Series 2006 Combination Tax and Utility
System Revenue Certificates of Obligation.

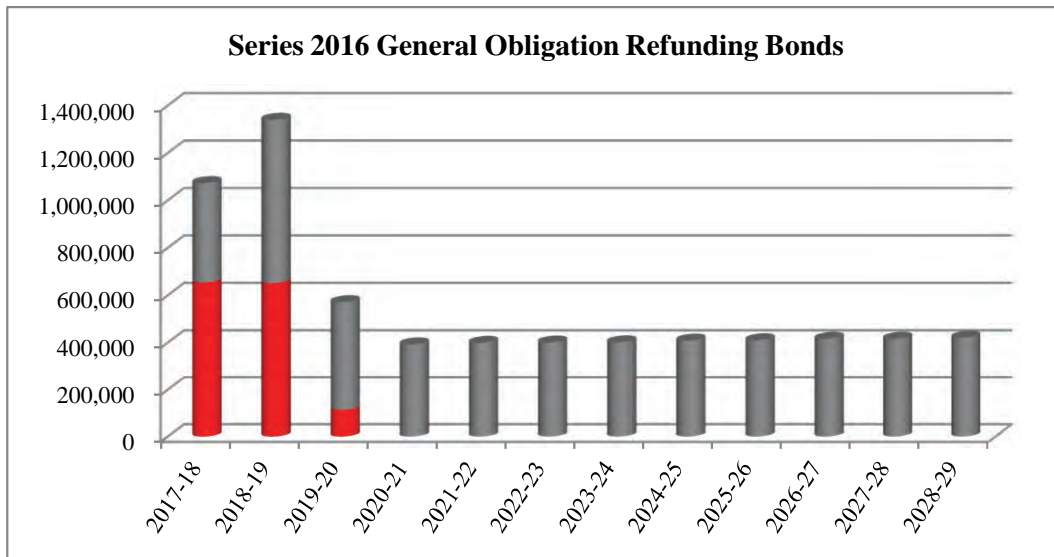


**General Obligation
Refunding Bonds
Series 2016**

Dated: March 1, 2016
Original Value: \$6,470,000
Coupon Rate: 2.000% - 4.000%
Ratings at Issuance: "AA" Standard and Poor's

Fiscal Year	GENERAL			UTILITY		
	Principal	Interest	Total	Principal	Interest	Total
2017-18	625,000	28,500	653,500	280,000	139,550	419,550
2018-19	635,000	16,000	651,000	555,000	133,950	688,950
2019-20	110,000	3,300	113,300	335,000	122,850	457,850
2020-21				280,000	112,800	392,800
2021-22				295,000	104,400	399,400
2022-23				305,000	95,550	400,550
2023-24				315,000	86,400	401,400
2024-25				335,000	73,800	408,800
2025-26				350,000	60,400	410,400
2026-27				370,000	46,400	416,400
2027-28				385,000	31,600	416,600
2028-29				405,000	16,200	421,200
	1,370,000	47,800	1,417,800	4,210,000	1,023,900	5,233,900

Refinance the Series 2006 and Series 2009 Combination Tax and Utility
System Revenue Certificates of Obligation.



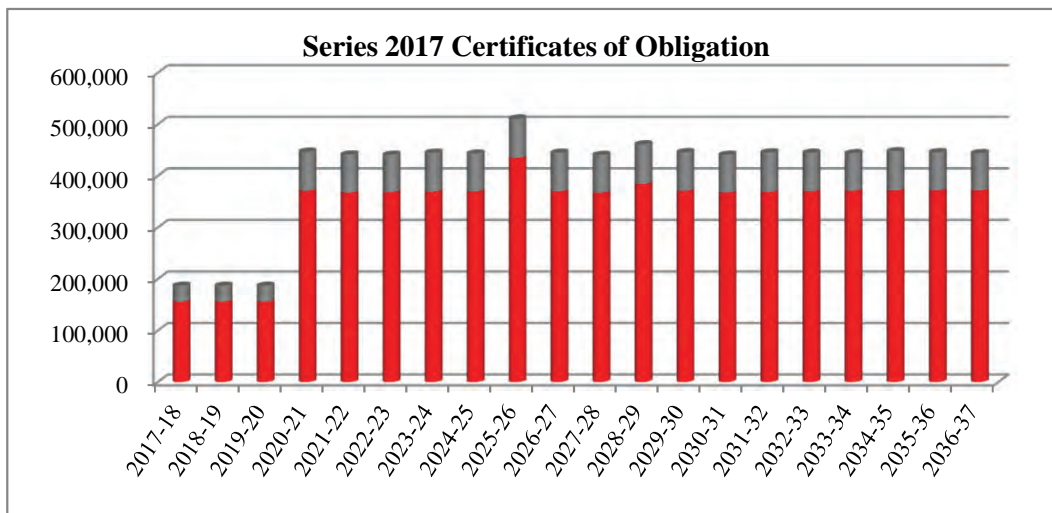
**Combination Tax & Utility System Revenue
Certificates of Obligation
Series 2017**

Dated: December 1, 2016
Original Value: \$5,915,000
Coupon Rate: 3.250% - 4.000%
Ratings at Issuance: "AA" Standard and Poor's

Fiscal Year	GENERAL			UTILITY		
	Principal	Interest	Total	Principal	Interest	Total
2017-18		155,715	155,715		31,138	31,138
2018-19		155,715	155,715		31,138	31,138
2019-20		155,715	155,715		31,138	31,138
2020-21	215,000	155,715	370,715	45,000	31,138	76,138
2021-22	220,000	147,115	367,115	45,000	29,338	74,338
2022-23	230,000	138,315	368,315	45,000	27,538	72,538
2023-24	240,000	129,115	369,115	50,000	25,738	75,738
2024-25	250,000	119,515	369,515	50,000	23,738	73,738
2025-26	325,000	109,515	434,515	55,000	21,737	76,737
2026-27	270,000	99,765	369,765	55,000	20,087	75,087
2027-28	275,000	92,070	367,070	55,000	18,520	73,520
2028-29	300,000	84,232	384,232	60,000	16,952	76,952
2029-30	295,000	75,683	370,683	60,000	15,242	75,242
2030-31	300,000	67,275	367,275	60,000	13,532	73,532
2031-32	310,000	58,725	368,725	65,000	11,822	76,822
2032-33	320,000	49,890	369,890	65,000	9,970	74,970
2033-34	330,000	40,770	370,770	65,000	8,117	73,117
2034-35	340,000	31,365	371,365	70,000	6,265	76,265
2035-36	350,000	21,675	371,675	70,000	4,270	74,270
2036-37	360,000	11,700	371,700	70,000	2,275	72,275
	4,930,000	1,899,585	6,829,585	985,000	379,693	1,364,693

Water & Sewer System Improvements
Fire Station Renovation

Park Project Improvements
Pet Adoption Center Renovation







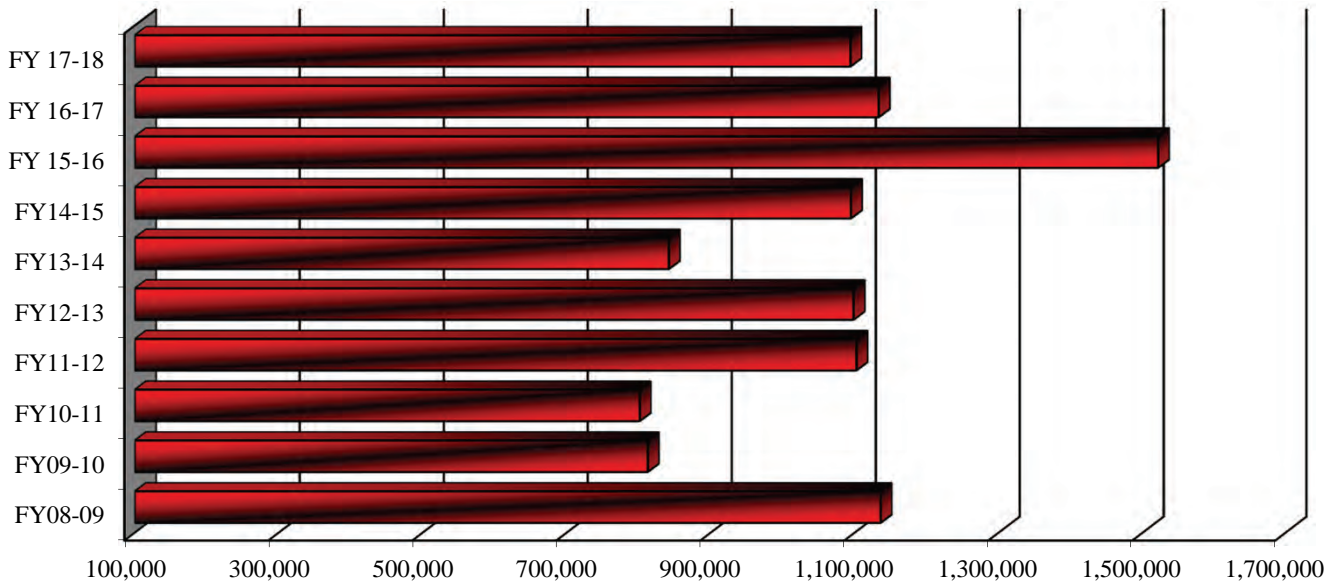
FIXED ASSET FUND

FIXED ASSET FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
BEGINNING FUND BALANCE	562,199	1,354,228	362,186	977,952	977,952	464,252
Transfer from General Fund	300,000	500,000	0	0	0	0
Transfer from Utility Fund	300,000	300,000	400,000	0	400,000	450,000
Transfer from Drainage Fund	200,000	200,000	200,000	50,000	200,000	150,000
Transfer from Sanitation Fund	125,000	125,000	100,000	25,000	0	100,000
Reimb from Restr Courts Fund	0	20,119	4,400	0	3,500	14,200
Reimb from Restr PEG Cable Fees	0	0	25,000	0	16,100	0
TOTAL TRANSFERS	925,000	1,145,119	729,400	75,000	619,600	714,200
Fixed Asset Purchases	(1,357,000)	(1,521,395)	(1,046,100)	(489,189)	(1,133,300)	(1,094,000)
TOTAL PURCHASES	(1,357,000)	(1,521,395)	(1,046,100)	(489,189)	(1,133,300)	(1,094,000)
ENDING FUND BALANCE	130,199	977,952	45,486	563,763	464,252	84,452

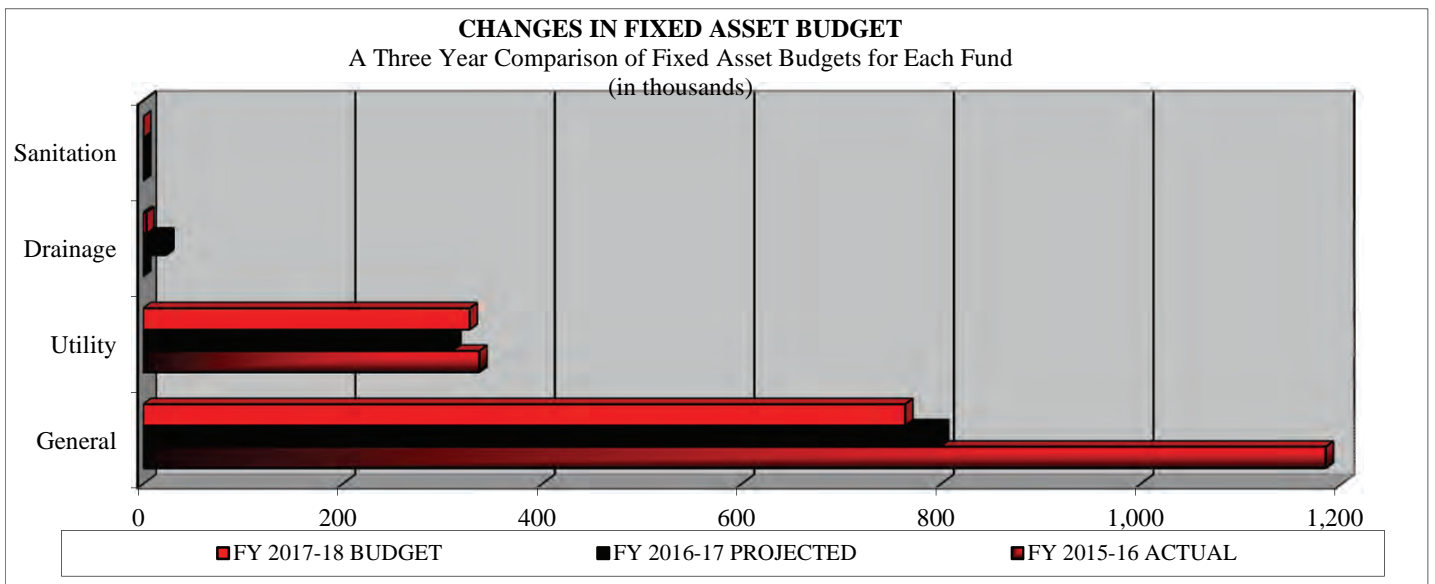
FIXED ASSET PURCHASES BY FISCAL YEAR

The 2018 budget proposes spending \$39,300 less than the projected amount for 2017.



FIXED ASSETS SUMMARY BY FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
GENERAL FUND						
City Council	0	0	25,000	11,608	16,100	0
Administration	153,400	115,539	133,100	75,661	128,300	179,000
Finance	0	10,800	0	0	0	0
Pet Adoption Center	65,100	50,369	60,700	58,730	70,000	0
Police	233,800	172,719	176,800	35,550	153,600	221,800
Courts	4,100	4,061	4,400	3,525	3,500	14,200
Planning & Development	10,000	9,710	0	0	1,800	0
Code Enforcement	0	0	22,600	0	20,000	8,000
Fire/EMS Administration	0	0	0	0	1,400	0
Fire/EMS Operations	246,000	488,244	137,400	139,132	140,500	161,500
Library	100,000	98,080	93,600	49,685	87,000	90,600
Parks & Recreation	48,200	33,515	61,800	26,000	60,900	82,900
Streets	155,900	201,396	106,600	0	116,500	5,700
Maintenance	0	0	0	0	0	0
TOTAL GENERAL FUND	1,016,500	1,184,433	822,000	399,891	799,600	763,700
UTILITY FUND						
Water Administration	6,700	7,208	3,400	3,365	3,400	0
Water Operations	10,300	10,445	127,100	0	107,600	135,800
Wastewater Operations	323,500	319,309	69,300	63,011	199,800	191,400
TOTAL UTILITY FUND	340,500	336,962	199,800	66,376	310,800	327,200
DRAINAGE FUND						
Drainage	0	0	24,300	22,922	22,900	3,100
TOTAL DRAINAGE FUND	0	0	24,300	22,922	22,900	3,100
SANITATION FUND						
Sanitation	0	0	0	0	0	0
TOTAL SANITATION FUND	0	0	0	0	0	0
GRAND TOTAL	1,357,000	1,521,395	1,046,100	489,189	1,133,300	1,094,000



FY 2017-2018 FIXED ASSET PURCHASES BY DEPARTMENT

ADMINISTRATION/INFORMATION TECHNOLOGY

Computer Lease	43,800
Phone System for City Hall	72,800
Servers	62,400
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	179,000

POLICE

COBAN Unites	94,400
Door Entry Readers	15,300
(2) Patrol Cars	99,700
K-9	7,900
(2) Commercial Freezers	4,500
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	221,800

COURTS

Video Arraignment System	14,200
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	14,200

CODE ENFORCEMENT

My Permit Now Account Increase	8,000
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	8,000

FIRE OPERATIONS

Pumper Fire Truck Lease	100,500
Cardiac Monitor	35,600
Vehicle (Administration)	25,400
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	161,500

LIBRARY

Books and Processing	88,000
Coin Changer	2,600
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	90,600

PARKS & RECREATION

Portable Pitching Mounds	14,700
John Deere Sprayer	36,400
Floor Scrubber	3,600
Van	28,200
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	82,900

STREETS

Herbicide Sprayer	5,700
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	5,700

GENERAL FUND SUBTOTAL **763,700**

WATER OPERATIONS

Case Backhoe	102,000
Robicon VFDs	33,800
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	135,800

WASTEWATER

Mechanical Bar Screen	117,600
Easement Machine and Trailer	61,200
Waste Activated Sludge Pump Replacement	12,600
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	191,400

UTILITY FUND SUBTOTAL **327,200**

DRAINAGE

Skid Steer Broom Attachment	3,100
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DRAINAGE FUND SUBTOTAL **3,100**

GRAND TOTAL FOR ALL FUNDS **1,094,000**





**CAPITAL OUTLAY
& IMPROVEMENTS**

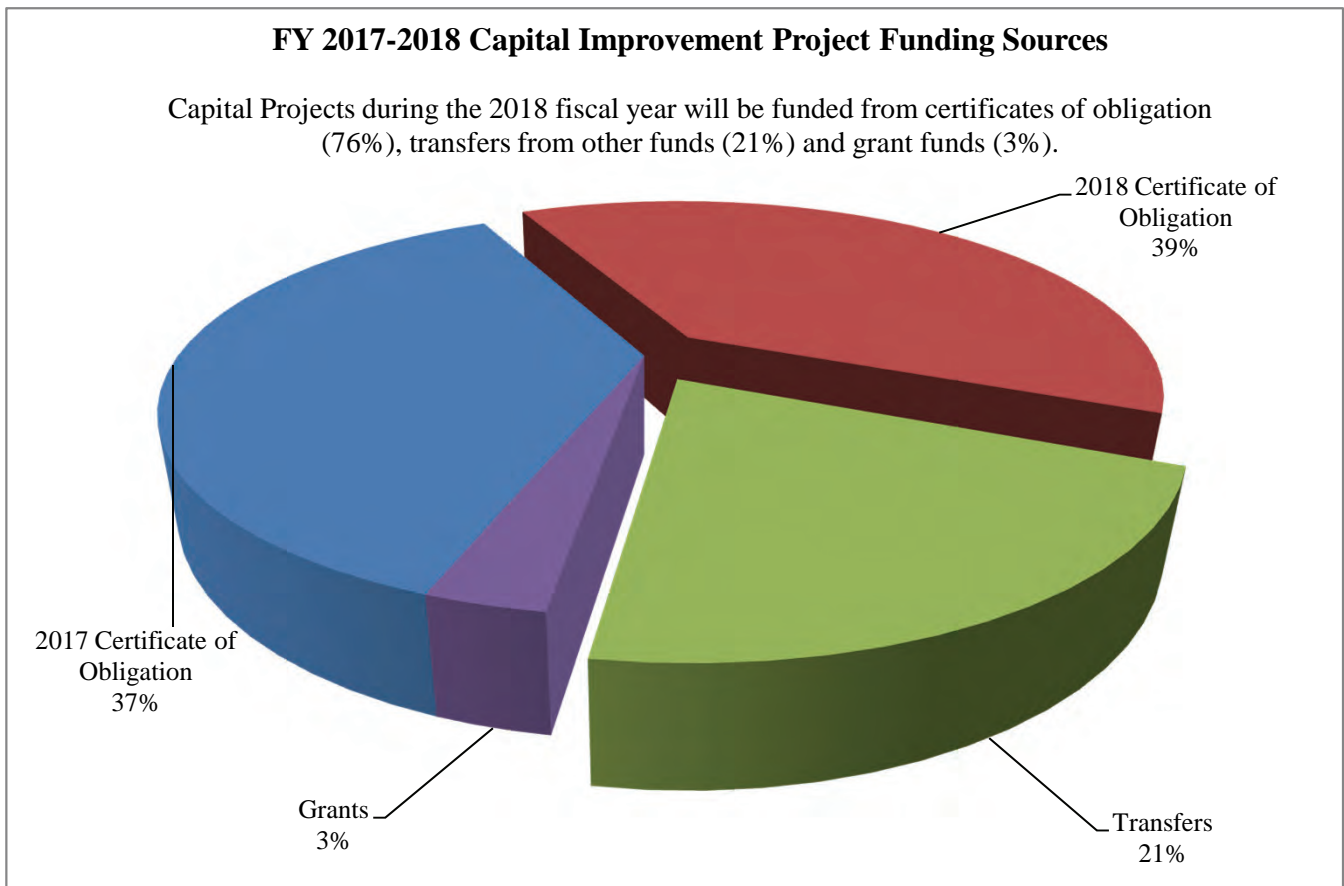
CAPITAL IMPROVEMENT PROGRAM

A capital improvement program is a multi-year plan identifying capital projects to be funded during the planning period. Capital improvements are assets which are considered major purchases or improvement programs that generally have a life span of ten or more years or improvements that are not normally funded through the operating budgets.

Capital improvement funds provide for items such as major construction or reconstruction of streets, libraries, parks or the purchase of major equipment. A capital project is major construction, acquisition, or renovation activities. Projects in the plan have included water distribution projects, wastewater collection projects, drainage projects, building improvements, parks projects, and street projects.

The capital improvement program budget is prepared and presented for approval at the same time as the operating budget in order to assess accurately the impact of a project on operating costs. The capital improvement fund is budgeted in a multi-year format however only the current year is formally adopted. The Finance Director projects capital improvement expenses based on the requests made by Department Heads. Revenue sources, shown in the chart below, include certificates of obligation, transfers in from other funds, and grant funds. (See “Debt Service” Section for details on the dollar amounts of bonds and the projects they are funding.)

Following is a project summary listing major capital projects planned for the City. A detailed summary of each project follows the summary listing and includes a description of the project, the funding source of the project, project appropriations and operating budget impact. A schedule detailing revenue sources and the projects they are funding ends this section.



CAPITAL IMPROVEMENT PROJECT SUMMARY

WATER PROJECTS

Birchwood Drive 6" Water Main Extension	53,900
Ground Storage & Pump Station Rehabilitation	756,500
TOTAL WATER PROJECTS	810,400

WASTEWATER PROJECTS

Rummel Road Lift Station Ferrous Chloride Dosing System	89,000
Thoroughbred Lift Station Abandonment	58,000
TOTAL WASTEWATER PROJECTS	147,000

DRAINAGE PROJECTS

Drainage Master Plan CIP #2	1,690,700
TOTAL DRAINAGE PROJECTS	1,690,700

BUILDING IMPROVEMENTS

Central Fire Station Renovation (Architectural and Design Phase)	3,331,700
Pet Adoption Center Renovation	1,447,600
TOTAL BUILDING IMPROVEMENTS	4,779,300

PARK PROJECTS

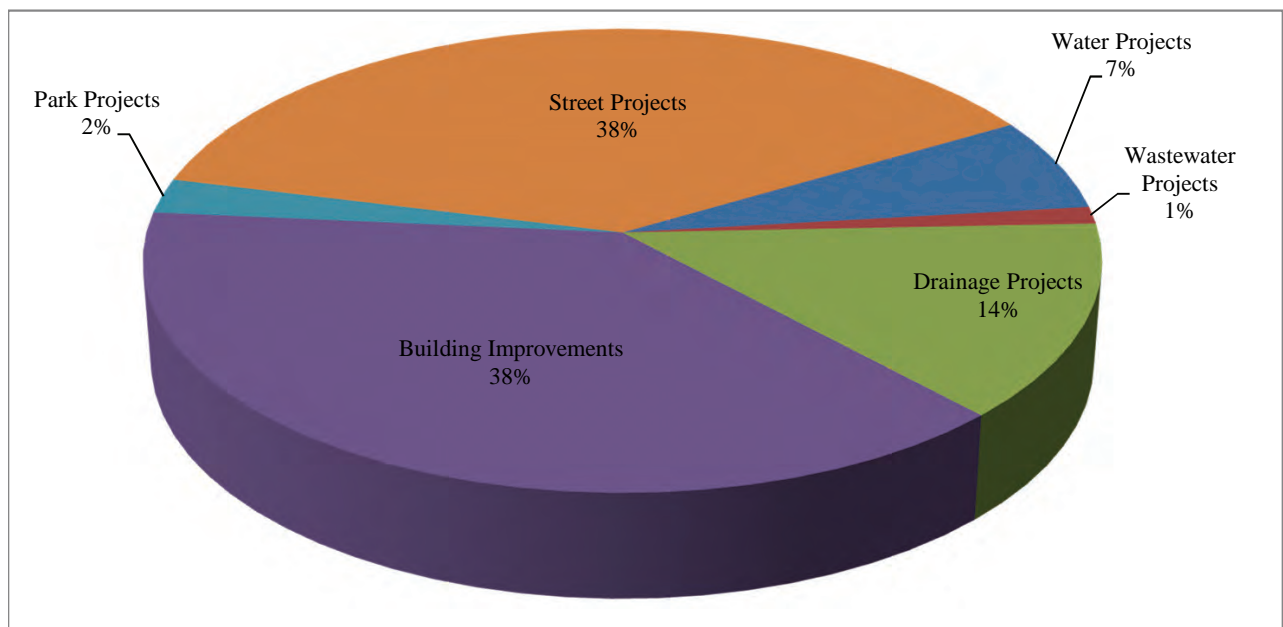
Park Improvement Projects	100,000
Bathrooms at Carl Levin Park	200,000
TOTAL PARK PROJECTS	300,000

STREET PROJECTS

Commercial Drive Traffic Flow Roundabout	550,900
Turn Lane on FM 3481 at Fuller Lane	325,000
Mountain Lion Road Retaining Wall	225,100
Miscellaneous Street Projects	3,603,000
TOTAL STREET PROJECTS	4,704,000

TOTAL CAPITAL IMPROVEMENT PROJECTS

12,431,400



Project Name: Birchwood Drive 6" Water Main Extension

Project Description: Replace the four inch water main with a six inch water main along with new fire hydrants. The thin wall class pipe was rupturing repeatedly in the curved areas of the street. The new six inch water main will also provide fire protection.

Project Code: Maintenance

Council Goal: Expand street maintenance and sewer rehabilitation projects throughout the City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	54,000	36,100	0	0	0	0	90,100
2018 Bond	0	0	0	0	0	0	0	0
Transfer	0	0	17,800	0	0	0	0	17,800
Grant	0	0	0	0	0	0	0	0
Total	0	54,000	53,900	0	0	0	0	107,900

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	0	0	0	0	0	0	0
Engineering	0	12,600	0	0	0	0	0	12,600
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	41,400	53,900	0	0	0	0	95,300
Total	0	54,000	53,900	0	0	0	0	107,900

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	(600)	(600)	(600)	(600)	(2,400)
	Operations	0	0	0	0	0	0
	Maintenance	0	(400)	(400)	(400)	(400)	(1,600)
	Utility Fund Debt Service	31,100	31,100	31,100	76,100	74,300	243,700
	Other	17,800	0	0	0	0	17,800
	Total	48,900	30,100	30,100	75,100	73,300	257,500

Once replaced, it is expected that personnel will not have to go out for maintenance on ruptures for this line.



Project Name: Ground Storage and Pump Station Rehabilitation

Project Description: Clean, sandblast and recoat the inside and outside of the Cedar Oaks 1 million gallon Stand Pipe, Cedar Knob 100,000 Ground Storage Tank, Verna Lee Ground Storage Tank 1.5 million gallon (inside only), and the Evergreen 150,000 Elevated Tank (spot repair only).

Project Code: Maintenance

Council Goal: Expand street maintenance and sewer rehabilitation projects throughout the City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	218,000	652,500	0	0	0	0	870,500
2018 Bond	0	0	0	0	0	0	0	0
Transfer	0	0	104,000	0	0	0	0	104,000
Grant	0	0	0	0	0	0	0	0
Total	0	218,000	756,500	0	0	0	0	974,500

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	0	25,000	0	0	0	0	25,000
Engineering	0	218,000	0	0	0	0	0	218,000
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	731,500	0	0	0	0	731,500
Total	0	218,000	756,500	0	0	0	0	974,500

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	0	0	0	0	0	0
	Maintenance	0	0	0	0	0	0
	Utility Fund Debt Service	31,100	31,100	31,100	76,100	74,300	243,700
	Other	104,000	0	0	0	0	104,000
	Total	135,100	31,100	31,100	76,100	74,300	347,700

Debt Service payments for the Utility Fund's portion of the 2017 Series Certificates of Obligation over the next five years are shown as well as the transfer that will be made to fund this project. Since this project is for maintenance of the current tanks, it is not expected that personnel, operations, or maintenance expenses in the operating budget will be impacted.

Project Name: Rummel Road Lift Station Iron Chloride Dosing System

Project Description: Iron Chloride is used in sanitary sewer lift stations to neutralize hydrogen sulfide gas in force mains which causes objectionable odors. The dosing system includes a 2,500 gallon bulk chemical tank and feed pump. Since the Rummel Road Lift Station pumps into the Evergreen Lift Station and Evergreen pumps into the Trimmier Lift Station, the chemical dosing system will be a benefit to all three.

Project Code: Enhancement

Council Goal: Enhance and extend infrastructure in anticipation of further planned growth.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	0	0	0	0	0	0
Transfer	11,000	0	89,000	0	0	0	0	100,000
Grant	0	0	0	0	0	0	0	0
Total	11,000	0	89,000	0	0	0	0	100,000

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
Planning/Design	11,000	0	4,000	0	0	0	0	15,000
Engineering	0	0	0	0	0	0	0	0
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	85,000	0	0	0	0	85,000
Total	11,000	0	89,000	0	0	0	0	100,000

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	85,000	120,000	120,000	120,000	120,000	565,000
	Maintenance	0	0	0	0	0	0
	Utility Fund Debt Service	0	0	0	0	0	0
	Other	89,000	0	0	0	0	89,000
	Total	174,000	120,000	120,000	120,000	120,000	654,000

The Odor Control Chemical line item is projected to increase \$60,000 in future years in order to supply the new system. An additional \$25,000 will be necessary in FY 2018 to supply the Rummel Road Lift Station with liquid ferrous chloride. Evergreen and Trimmier Lift Stations will be brought online in FY 2019 requiring an additional \$35,000 to purchase supplies of ferrous sulfate.

Project Name: Thoroughbred Lift Station Abandonment

Project Description: Abandon the Thoroughbred Lift Station by desining and extending a six inch gravity sewer main approximately 600 feet and install four manholes. This "temporary" lift station has served four residences although it was sized for one.

Project Code: Enhancement

Council Goal: Enhance and extend infrastructure in anticipation of further planned growth.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	0	0	0	0	0	0
Transfer	0	0	58,000	0	0	0	0	58,000
Grant	0	0	0	0	0	0	0	0
Total	0	0	58,000	0	0	0	0	58,000

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
Planning/Design	0	0	8,000	0	0	0	0	8,000
Engineering	0	0	0	0	0	0	0	0
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	50,000	0	0	0	0	50,000
Total	0	0	58,000	0	0	0	0	58,000

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	(1,500)	(1,500)	(1,500)	(1,500)	(6,000)
	Operations	0	(600)	(600)	(600)	(600)	(2,400)
	Maintenance	0	(1,200)	(1,200)	(1,200)	(1,200)	(4,800)
	Utility Fund Debt Service	0	0	0	0	0	0
	Other	58,000	0	0	0	0	58,000
	Total	58,000	(3,300)	(3,300)	(3,300)	(3,300)	(3,300)

This project eliminates a substandard lift station. Once the lift station is abandoned, personnel will no longer need to monitor it equating to lowered overtime costs. Electrical and SCADA communication will be lower because it is one less lift station that is online. Maintenance costs will also drop as we will no longer need to repair and replace pumps, floats and hardware.

Project Name: Drainage Master Plan CIP #2

Project Description: CIP #2 was identified in the FEMA Phase 2 Study to reduce storm water flooding in the north part of the City. This project will widen the drainage channel from Indian Oaks Drive to Clore Road. Culvert and concrete channel improvements at Clore Road, Beeline Road and Robin Lane will also be constructed along with storm drainage improvements at Cherokee Drive, Elbert Lane and Cardinal Lane.

Project Code: Maintenance

Council Goal: Expand street maintenance and sewer rehabilitation projects throughout the City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	1,690,700	0	0	0	0	1,690,700
Transfer	0	28,000	0	0	0	0	0	28,000
Grant	0	0	0	0	0	0	0	0
Total	0	28,000	1,690,700	0	0	0	0	1,718,700

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	28,000	32,000	0	0	0	0	60,000
Engineering	0	0	0	0	0	0	0	0
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	1,658,700	0	0	0	0	1,658,700
Total	0	28,000	1,690,700	0	0	0	0	1,718,700

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	0	0	0	0	0	0
	Maintenance	0	0	0	0	0	0
	Drainage Fund Debt Svc	50,500	130,000	154,100	177,400	199,800	711,800
	Other	0	0	0	0	0	0
Total	50,500	130,000	154,100	177,400	199,800	711,800	

General area of work for this project.



Project Name: Central Fire Station Renovation

Project Description: Central Fire Station was built in 1985. The planned renovation project would improve the overall aesthetics of the interior and exterior to match other City buildings recently built around Central Station.

Project Code: Enhancement

Council Goal: Foster the image of Harker Heights as a clean, safe, well-maintained and progressive City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	880,000	2,820,000	0	0	0	0	3,700,000
2018 Bond	0	0	0	0	0	0	0	0
Transfer	38,950	0	511,700	0	0	0	0	550,650
Grant	0	0	0	0	0	0	0	0
Total	38,950	880,000	3,331,700	0	0	0	0	4,250,650

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	0	0	0	0	0	0	0
Engineering	38,950	191,489	0	0	0	0	0	230,439
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	688,511	3,331,700	0	0	0	0	4,020,211
Total	38,950	880,000	3,331,700	0	0	0	0	4,250,650

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	2,500	2,600	2,700	2,700	2,800	13,300
	Maintenance	4,500	4,600	4,700	4,900	5,100	23,800
	General Debt Service	155,700	155,700	155,700	370,700	367,100	1,204,900
	Other	511,700	0	0	0	0	511,700
	Total	674,400	162,900	163,100	378,300	375,000	1,753,700



Original Central Fire Station located on Indian Trail.

Project Name: Pet Adoption Center Renovation

Project Description: The existing Pet Adoption Center was completed in 2010 with a total square footage of 6,527. The remodel and expansion will add 2,495 square feet which will include an office, three cat rooms with catios, a puppy room, puppy porch, exam room, prep area, surgery room and a recovery room for both cats and dogs.

Project Code: Enhancement

Council Goal: Foster the image of Harker Heights as a clean, safe, well-maintained and progressive City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	100,000	929,600	0	0	0	0	1,029,600
2018 Bond	0	0	0	0	0	0	0	0
Transfer	0	1,000	518,000	0	0	0	0	519,000
Grant	0	0	0	0	0	0	0	0
Total	0	101,000	1,447,600	0	0	0	0	1,548,600

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	0	0	0	0	0	0	0
Engineering	0	101,000	0	0	0	0	0	101,000
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	1,447,600	0	0	0	0	1,447,600
Total	0	101,000	1,447,600	0	0	0	0	1,548,600

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	24,000	26,000	28,000	30,000	32,000	140,000
	Maintenance	8,000	9,000	10,000	11,000	12,000	50,000
	General Debt Service	155,700	155,700	155,700	370,700	367,100	1,204,900
	Other	518,000	0	0	0	0	518,000
	Total	705,700	190,700	193,700	411,700	411,100	1,912,900

A Veterinary Technician position has already been budgeted in the FY 2018 Budget. Additional surgery and medical supplies, however, will need to be ordered once construction is complete totaling approximately \$24,000. This amount will increase each year as the programs operated by the Pet Adoption Center become more popular. Maintenance costs will also increase and Staff estimates this to be approximately \$8,000 in the first year of operations.

Project Name: Park Improvements

Project Description: This budget will be used to continue improvements and development to the parks, athletics, greenways, and other open space areas within the City of Harker Heights' parks system. Assessments are conducted yearly on the existing parks to help identify the necessity of renovations of current amenities as well as plans for new construction to enhance the parks.









































Project Code: Enhancement

Council Goal: Foster the image of Harker Heights as a clean, safe, well-maintained and progressive City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	0	0	0	0	0	0
Transfer	222,907	100,000	100,000	100,000	100,000	100,000	100,000	822,907
Grant	0	0	0	0	0	0	0	0
Total	222,907	100,000	100,000	100,000	100,000	100,000	100,000	822,907

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	20,000	0	0	0	0	0	20,000
Engineering	0	0	0	0	0	0	0	0
Site Improvement	222,907	80,000	70,000	50,000	50,000	50,000	30,000	552,907
Construction	0	0	30,000	50,000	50,000	50,000	70,000	250,000
Total	222,907	100,000	100,000	100,000	100,000	100,000	100,000	822,907

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	0	0	0	0	0	0
	Maintenance	5,000	5,000	5,000	5,000	5,000	25,000
	Debt Service	0	0	0	0	0	0
	Other	100,000	100,000	100,000	100,000	100,000	500,000
Total	105,000	105,000	105,000	105,000	105,000	525,000	

		Acreage	Park Type	Amphitheater	Restrooms	Pavilions	Picnic Units	Play Units	Swimming Pool	Open Play Area	Fishing Pond	Gazebo	Grills	Jogging/Walking	Basketball	Soccer	Baseball / Softball	Frisbee Golf	Dog Park
Booker Greenspace 503 N. Ann Blvd.		1	N																
Cardinal Greenspace 233 E. Cardinal		1	N																
Carl Levin Park 400 Miller's Crossing		35	C																
Harker Heights Community Park 1501 E. FM 2410		62	A/C																
Kern Field 220 E. Kathy Rd.		2	A																
Kern Park 400 S. Ann Blvd.		8	N																
Skipcha Park 515 Procopster Trail		5	J																
Summit Soccer Complex 491 N. Amy Lane		33	A																
Purser Family Park 100 West Mountain Lion Road		32	C																
Goode / Connell Park 110 East Beeline		15	N																
Total Acreage		194																	

A = Athletic / C = Community Park / J = Joint Use Park / N = Neighborhood Park

Current parks and their amenities.

Project Name: Bathrooms @ Carl Levin Park

Project Description: Project will consist of new restroom facility and adjoining sidewalks. The structure will be approximately 750 square feet and will have 2 urinals, 2 toilets, & 2 sinks in the Men's side; while on the Women's side there will be 4 toilets, & 3 sinks. The structure will be composed of CMU split face block that has a cultured stone veneer with a standing seam metal roof.

Project Code: Enhancement

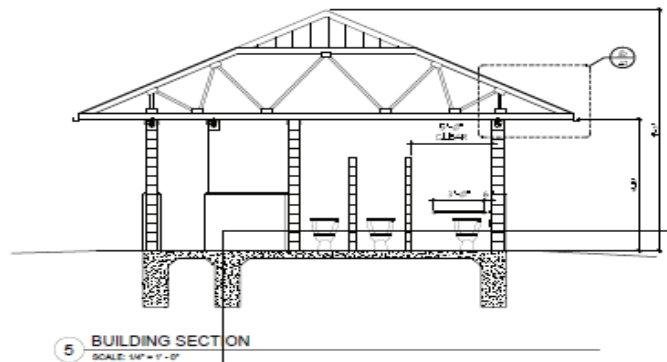
Council Goal: Foster the image of Harker Heights as a clean, safe, well-maintained and progressive City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	200,000	0	0	0	0	200,000
2018 Bond	0	0	0	0	0	0	0	0
Transfer	0	0	0	0	0	0	0	0
Grant	0	0	0	0	0	0	0	0
Total	0	0	200,000	0	0	0	0	200,000

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	0	0	0	0	0	0	0
Engineering	0	0	50,000	0	0	0	0	50,000
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	150,000	0	0	0	0	150,000
Total	0	0	200,000	0	0	0	0	200,000

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
Operations	800	1,500	1,500	1,500	1,500	6,800	
Maintenance	2,500	3,500	3,500	5,000	5,000	19,500	
General Debt Service	155,700	155,700	155,700	370,700	367,100	1,204,900	
Other	0	0	0	0	0	0	
Total	159,000	160,700	160,700	377,200	373,600	1,231,200	

Carl Levin Park is a 62 acre athletic/community park. It contains an amphitheater, pavilions, picnic units, swimming pool, open play area, fishing pond, gazebo, grills, jogging/walking trail, and basketball court. The pavilion, amphitheater, gazebo and swimming pool (during season) are all available for rental by residents and non-residents. This addition will increase operation and maintenance costs due to increased usage of electricity, toiletries, and cleaning supplies.



Design plans for the new bathroom facility.

Project Name: Commercial Drive Traffic Flow Roundabout

Project Description: Construction of a one lane traffic roundabout at the intersection of Commercial Drive and Heights Drive to reduce the traffic congestion on Commercial Drive. Easy access to this commercial area is vital for the surrounding businesses success. The City has been awarded Category 7 funding from the Texas Department of Transportation for the project.

Project Code: Enhancement

Council Goal: Enhance and extend infrastructure in anticipation of further planned growth.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	0	0	0	0	0	0
Transfer	147,590	25,000	159,500	0	0	0	0	332,090
Grant	0	0	391,400	0	0	0	0	391,400
Total	147,590	25,000	550,900	0	0	0	0	723,490

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	25,000	13,500	0	0	0	0	38,500
Engineering	147,590	0	0	0	0	0	0	147,590
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	537,400	0	0	0	0	537,400
Total	147,590	25,000	550,900	0	0	0	0	723,490

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	0	0	0	0	0	0
	Maintenance	1,500	1,500	1,500	1,500	1,500	7,500
	Debt Service	0	0	0	0	0	0
	Other	159,500	0	0	0	0	159,500
	Total	161,000	1,500	1,500	1,500	1,500	1,500

\$1,500 is projected to be necessary for electricity expense (street lights) and landscape maintenance.



Although the picture to the left is not the design for Commercial Drive, it provides an idea of what a roundabout is and how it functions for traffic flow.

Project Name: Turn Lane on FM3481 @ Fuller Lane

Project Description: Construct a left turn lane on FM 3481 for Gomer Lane, Fuller Lane and Del Ray Drive. According to the Texas Department of Transportation, the intersection at FM 3481 and Fuller Lane does not meet the warrant requirements for a traffic signal light and the proposed left turn lane will increase the safety of motorists.

Project Code: Enhancement

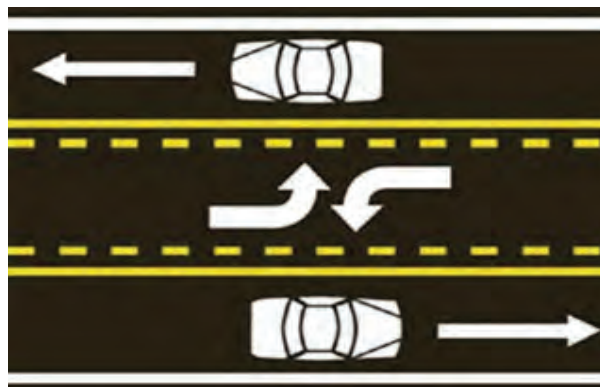
Council Goal: Enhance and extend infrastructure in anticipation of further planned growth.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	0	0	0	0	0	0
Transfer	0	0	0	0	0	0	0	0
Grant	0	0	325,000	0	0	0	0	325,000
Total	0	0	325,000	0	0	0	0	325,000

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	0	0	0	0	0	0	0
Engineering	0	0	0	0	0	0	0	0
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	325,000	0	0	0	0	325,000
Total	0	0	325,000	0	0	0	0	325,000

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	0	0	0	0	0	0
	Maintenance	0	0	0	0	0	0
	Debt Service	0	0	0	0	0	0
	Other	325,000	0	0	0	0	325,000
	Total	325,000	0	0	0	0	325,000

The Texas Department of Transportation would assume all future maintenance costs once the project is completed and accepted therefore this project will have no operating budget impact to the City other than the cost of the project.



Project Name: Mountain Lion Road Retaining Wall

Project Description: This project will include the relocation of 1,052 linear feet of eight inch water line; removal of 752 linear feet of wooden retaining wall and replacing with segmented block retaining wall; removal and replacement of 778 linear feet of wooden privacy fence; and the removal and replacement of a concrete driveway, concrete sidewalk and concrete drainage flume.

Project Code: Maintenance

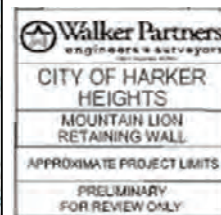
Council Goal: Expand street maintenance and sewer rehabilitation projects throughout the City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	0	0	0	0	0	0
Transfer	0	50,000	225,100	0	0	0	0	275,100
Grant	0	0	0	0	0	0	0	0
Total	0	50,000	225,100	0	0	0	0	275,100

Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	0	0	0	0	0	0	0	0
Engineering	0	50,000	0	0	0	0	0	50,000
Site Improvement	0	0	0	0	0	0	0	0
Construction	0	0	225,100	0	0	0	0	225,100
Total	0	50,000	225,100	0	0	0	0	275,100

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	0	0	0	0	0	0
	Maintenance	100	100	100	100	100	500
	Debt Service	0	0	0	0	0	0
	Other	225,100	0	0	0	0	225,100
	Total	225,200	100	100	100	100	225,600

The City anticipates having to remove graffiti in the future and is budgeting for that expense.



Project Name: Miscellaneous Street Projects

Project Description: Funds are budgeted annually to improve and maintain streets within the city. Street improvements include engineering, surveying and construction of designated streets. Street maintenance includes reconstruction, overlay or chip seal of designated streets.

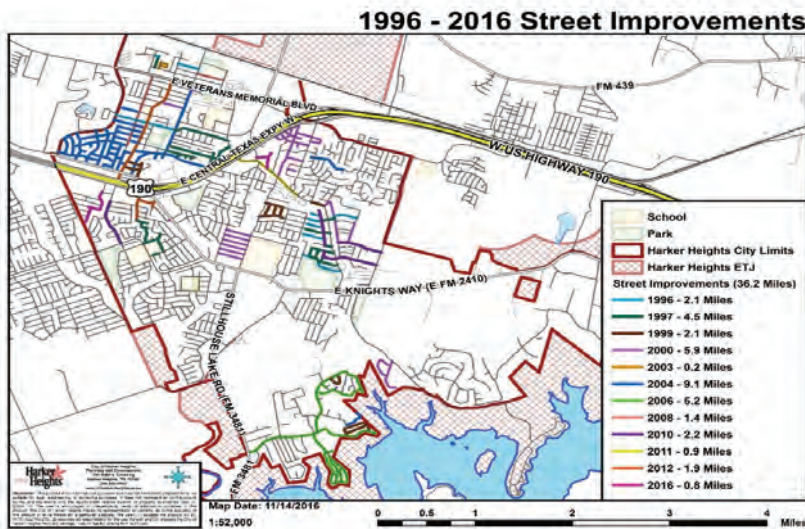
Project Code: Maintenance

Council Goal: Expand street maintenance and sewer rehabilitation projects throughout the City.

Funding Source	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Funding
2008 Bond	0	0	0	0	0	0	0	0
2014 Bond	0	0	0	0	0	0	0	0
2017 Bond	0	0	0	0	0	0	0	0
2018 Bond	0	0	3,090,000	0	0	0	0	3,090,000
Transfer	1,131,693	214,500	513,000	1,247,000	1,000,000	1,300,000	1,300,000	6,706,193
Grant	0	0	0	0	0	0	0	0
Total	1,131,693	214,500	3,603,000	1,247,000	1,000,000	1,300,000	1,300,000	9,796,193

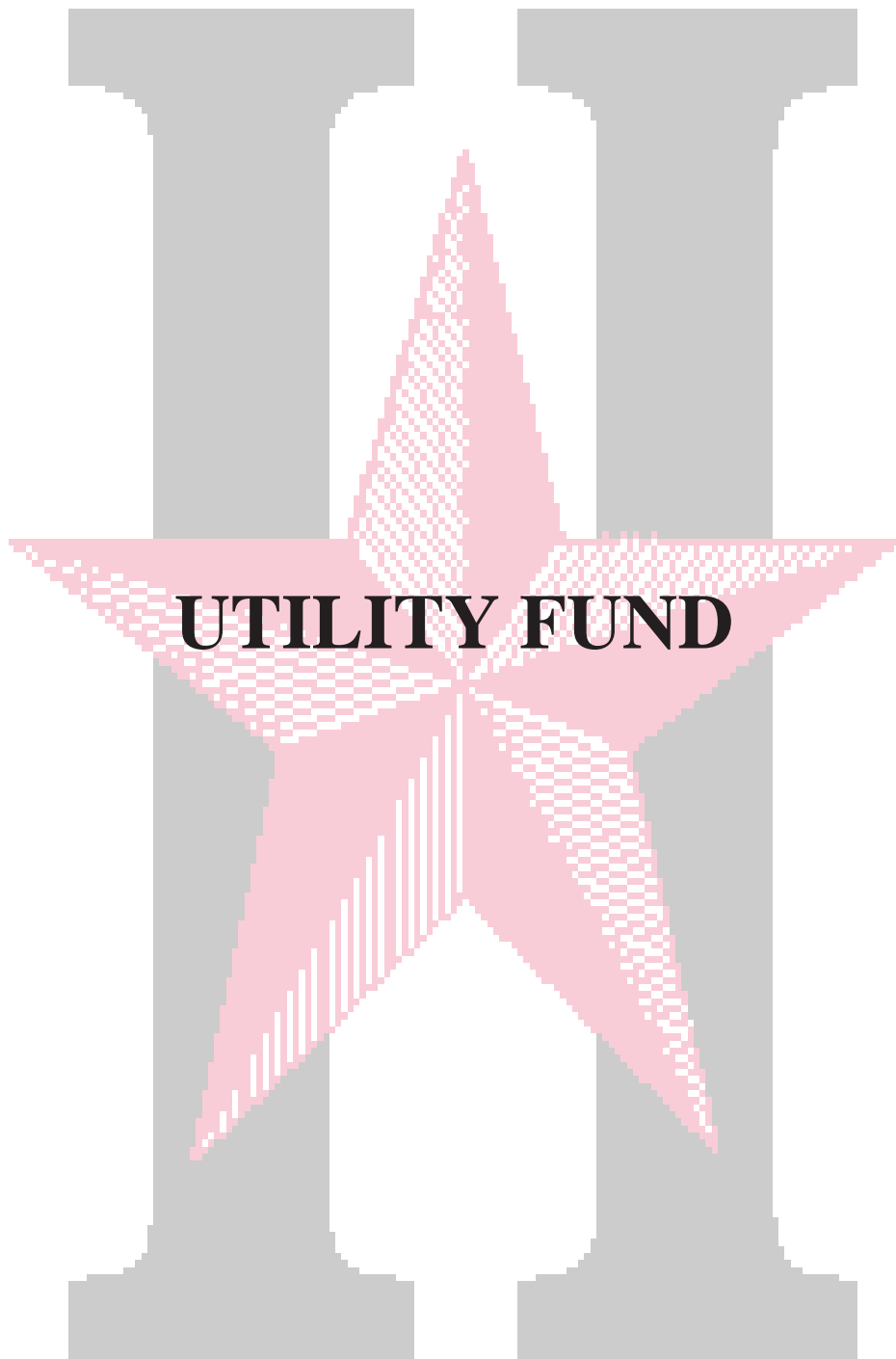
Project Costs	FY 2014 to FY 2016 Actual	FY 2017 Projections	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Project Costs
Planning/Design	200,000	214,500	400,000	200,000	150,000	300,000	300,000	1,764,500
Engineering	0	0	0	0	0	0	0	0
Site Improvement	0	0	0	0	0	0	0	0
Construction	931,693	0	3,203,000	1,047,000	850,000	1,000,000	1,000,000	8,031,693
Total	1,131,693	214,500	3,603,000	1,247,000	1,000,000	1,300,000	1,300,000	9,796,193

Operating Budget Impact	Line Item:	FY 2018 Budget	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Estimated Impact
	Personnel	0	0	0	0	0	0
	Operations	0	0	0	0	0	0
	Maintenance	0	0	0	0	0	0
	General Debt Service	50,500	175,000	162,600	205,500	206,800	800,400
	Other	0	0	0	0	0	0
Total	50,500	175,000	162,600	205,500	206,800	800,400	



Since 1996, the City has done approximately 36.2 miles of street improvements. The map to the left depicts the year and number of miles as well as the area in which work has been done. A five-year street improvement plan was approved by the City Council in January 2017.





UTILITY FUND

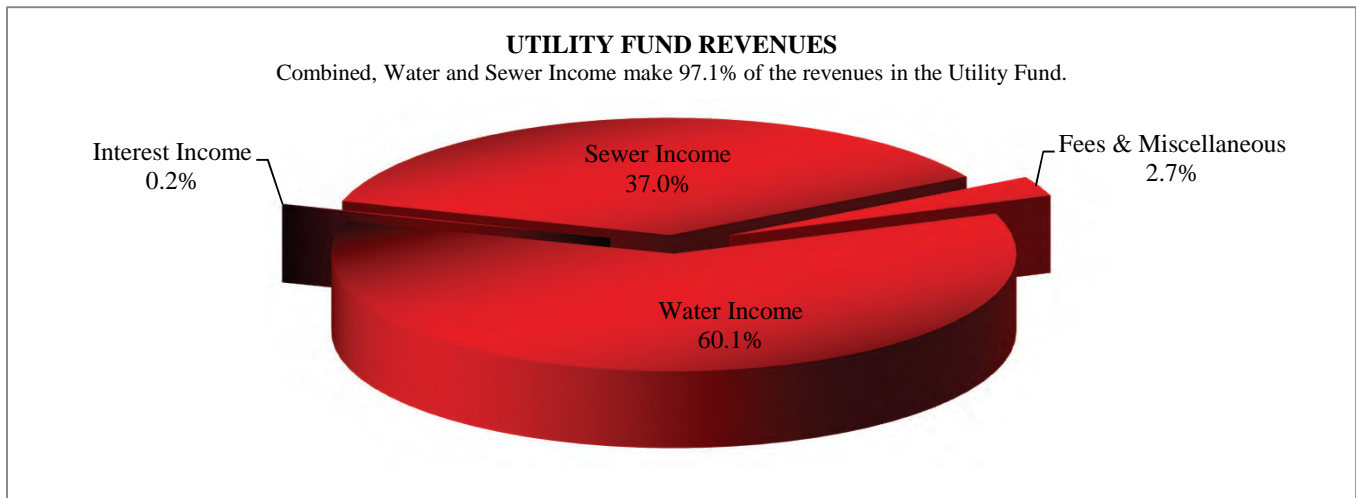
UTILITY FUND REVENUES

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
SALES						
001 Water Income	5,460,000	5,560,355	5,540,200	2,418,164	5,755,300	5,985,500
002 Sewer Income	3,419,500	3,492,089	3,462,100	1,672,296	3,543,900	3,685,700
007 Water Tap Fees	25,000	18,097	10,000	9,879	15,000	15,000
008 Sewer Tap Fees	15,000	19,555	5,000	26,622	27,000	25,000
009 Connect Fees	100,000	112,750	100,000	53,325	100,000	100,000
059 Water Supply Agreement	27,000	23,701	23,000	25,303	25,300	25,000
TOTAL SALES	9,046,500	9,226,547	9,140,300	4,205,589	9,466,500	9,836,200
MISCELLANEOUS						
005 Transfers, Turn On/Off	15,000	15,247	15,000	6,757	15,000	15,000
006 Penalties	100,000	98,355	100,000	42,525	90,000	90,000
010 Credit Card Fees	(45,000)	(50,848)	(50,000)	(31,235)	(65,000)	(65,000)
011 Online Payment Fees	50,000	59,128	55,000	32,676	65,000	65,000
015 Cash Over (Short)	0	(89)	0	23	0	0
020 Interest Income	10,000	16,602	15,000	5,913	15,000	15,000
021 Miscellaneous Income	5,000	3,966	2,000	1,777	3,500	3,500
022 Other Income	1,000	509	0	0	0	0
030 Insurance Proceeds	0	90	0	0	0	0
032 Gain on Sale of Assets	0	0	0	0	0	0
057 Assessment Income	0	0	0	0	0	0
201 Net Value of Investments	0	0	0	0	0	0
805 Transfer from Capital Projects	0	0	0	0	0	0
TOTAL MISCELLANEOUS	136,000	142,960	137,000	58,436	123,500	123,500
TOTAL REVENUES	9,182,500	9,369,507	9,277,300	4,264,025	9,590,000	9,959,700
BEGINNING FUND BALANCE	3,623,776	3,322,689	3,327,089	3,634,496	3,634,496	3,650,796
INCREASE/DECREASE	(3,500)	311,807	8,300	1,327,516	16,300	115,400
ENDING FUND BALANCE	3,620,276	3,634,496	3,335,389	4,962,012	3,650,796	3,766,196

FUND BALANCE REQUIREMENT

(Three Months Operating Expense)

\$ 1,811,100

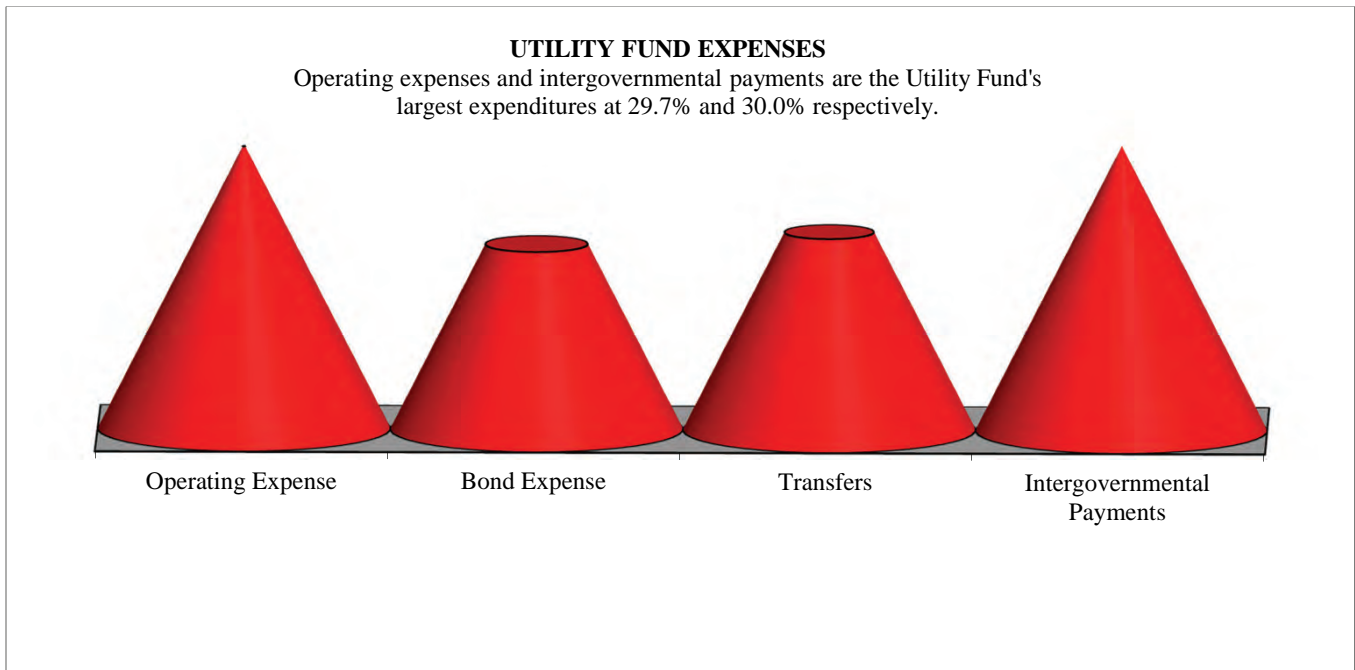


UTILITY FUND EXPENSE SUMMARY

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICES						
001 Salaries	820,400	812,032	839,100	409,505	826,300	866,100
002 Overtime	67,500	80,995	69,000	43,252	80,800	77,000
003 Workers Compensation	17,700	15,746	15,900	15,196	15,900	13,300
004 Health Insurance	112,500	109,047	107,200	40,873	87,400	111,400
005 Social Security	67,900	65,838	69,500	33,832	69,300	72,100
006 T.M.R.S.	133,400	160,311	136,400	68,043	136,400	141,900
TOTAL PERSONNEL SERVICE	1,219,400	1,243,969	1,237,100	610,701	1,216,100	1,281,800
SUPPLIES						
010 Office	39,300	36,319	39,300	12,589	28,500	33,500
011 Vehicle	60,000	39,599	45,000	15,698	37,000	40,000
012 General	12,000	9,773	12,000	7,082	10,500	11,000
013 Equipment	10,700	6,215	6,000	332	3,500	6,000
017 Belt Press	20,000	13,016	15,000	8,715	19,300	15,000
018 Lab	9,000	10,937	9,000	5,533	11,000	11,000
TOTAL SUPPLIES	151,000	115,859	126,300	49,949	109,800	116,500
MAINTENANCE						
020 Vehicle	32,000	57,356	32,000	31,076	52,200	35,000
021 Building	4,000	1,375	3,000	1,030	2,000	3,000
022 Equipment	91,400	93,937	91,400	57,700	109,300	119,600
023 Ground	2,000	349	2,000	385	1,000	2,000
024 Repair & Maintenance	155,000	144,585	150,000	41,264	170,000	160,000
025 New Service Meters	110,000	103,439	110,000	42,186	88,000	110,000
026 UV Lights	35,000	34,978	35,000	1,750	20,000	35,000
027 Odor Control Chemical	60,000	10,160	15,000	8,360	30,000	15,000
TOTAL MAINTENANCE	489,400	446,179	438,400	183,751	472,500	479,600
INSURANCE						
030 Property/Liability	21,700	21,121	21,700	21,919	22,800	22,100
TOTAL INSURANCE	21,700	21,121	21,700	21,919	22,800	22,100
SERVICES						
014 Uniforms	13,500	11,766	13,500	8,692	14,500	15,500
035 Unemployment	0	0	0	0	0	0
040 Utilities	475,000	492,136	475,000	235,907	480,000	480,000
041 Dues/Subscriptions	2,100	853	2,100	1,365	1,900	1,700
042 Travel & Training	16,100	16,449	15,300	8,394	17,000	16,000
045 Telephone	13,100	12,636	13,100	6,698	13,300	13,600
046 Equipment Rental	11,000	16,362	11,000	26,655	55,000	16,000
047 Contract Labor	225,000	260,526	230,000	126,598	248,000	251,000
085 State Fees	46,000	45,306	47,600	44,621	45,600	47,600
TOTAL SERVICES	801,800	856,034	807,600	458,930	875,300	841,400
BOND EXPENSE	1,785,800	1,802,367	1,725,400	259,410	1,744,600	1,918,000
INTERGOVERNMENTAL PMTS						
801 Transfer to General Fund	450,000	450,000	450,000	50,000	450,000	450,000
806 Transfer to Debt Service Fund	0	0	100,000	0	175,000	100,000
200 Water Purchases	2,400,000	2,109,504	2,400,000	1,028,264	2,400,000	2,400,000
TOTAL INTERGOVERNMENTAL	2,850,000	2,559,504	2,950,000	1,078,264	3,025,000	2,950,000

UTILITY FUND EXPENSE SUMMARY

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
MISCELLANEOUS						
080 Bad Debt	80,000	53,782	60,000	32,168	60,000	60,000
083 Audit Fees	25,000	27,400	27,400	23,950	27,400	27,400
091 Advertising	3,000	5,733	4,000	781	2,000	4,000
092 Professional Fees	110,000	116,295	30,000	23,505	42,000	30,000
32x Issuance Costs	0	57,113	0	10,125	10,100	0
306 Amortization Adv Refunding	48,900	52,344	66,100	33,056	66,100	63,500
TOTAL MISCELLANEOUS	266,900	312,667	187,500	123,585	207,600	184,900
RESERVES						
800 Transfer to Fixed Assets	300,000	300,000	400,000	0	400,000	450,000
805 Transfer to Capital Projects	1,300,000	1,400,000	1,375,000	150,000	1,500,000	1,600,000
Contingency	0	0	0	0	0	0
TOTAL RESERVES	1,600,000	1,700,000	1,775,000	150,000	1,900,000	2,050,000
TOTAL EXPENSES	9,186,000	9,057,700	9,269,000	2,936,509	9,573,700	9,844,300



UTILITY DEPARTMENT

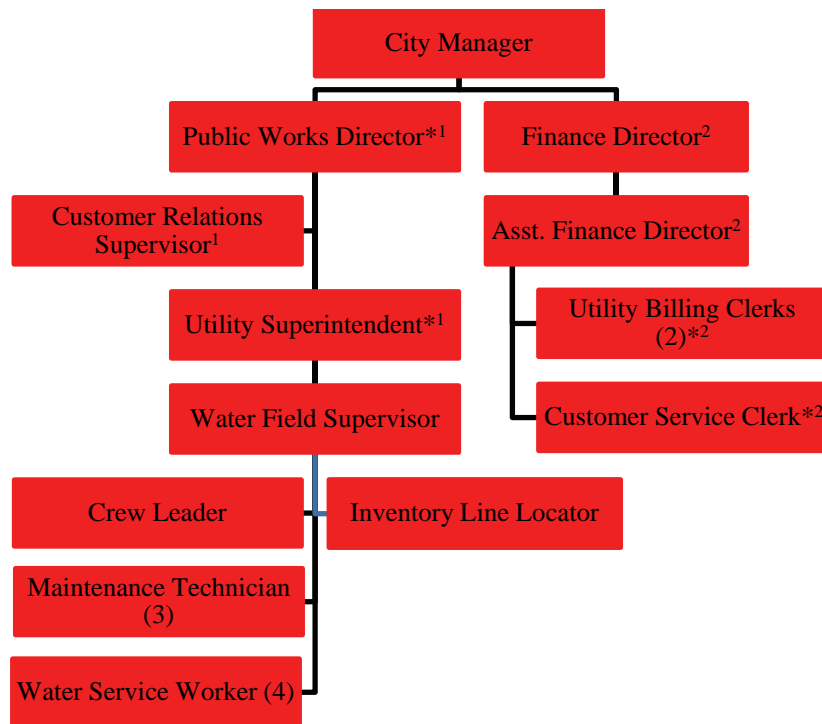
The Utility Department functions under the Public Works Department and consists of three sections – Water Administration, Water Operations and Wastewater. The *Administration* section consists of the Public Works Director, Utility Superintendent, two Utility Billing Clerks, and a Customer Service Clerk. They are responsible for the control, support, and coordination of all activities handled by the Utility Department. *Water Operations* is headed by a Water Field Supervisor with three Maintenance Crewmen, one Meter Reader Crew Leader, and four Meter Readers. A Chief Plant Operator is in charge of the *Wastewater Department* and has five Maintenance Technicians, a Collections Operator and a F.O.G. Collection/Field Supervisor on his staff. Maintaining the Wastewater Treatment Plant and Collection System is their major job duty.

WATER OPERATIONS

ORGANIZATIONAL CHART

*indicates Administration Section

¹indicates Streets Department, ²Finance Department



FY 2016-2017 ACHIEVEMENTS

- Continued annual water tank video inspections and cleaning as required.
- Maintained chlorine residuals by deep cycling tanks and flushing water mains to reduce water age.
- Painted the Verna Lee Pump Station ground storage tank and installed Liquid Ammonia Sulfate feed system.
- Relocated utilities on FM 2410 to be clear of the FM 2410 highway widening project.
- Changed out 1,200 old or inaccurate residential water meters within the city.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Continue to maintain the water distribution system.
 - 100% of leaks repaired to date.
- Continue meter change-out program with a goal of 100 change outs per month.
 - Ongoing; the north and south sides of the City are complete.
- Continue valve location and exercise program by updating maps using GPS technology and requisitioning valve exercising equipment and adding personnel.
 - Staffing only allows 10% of this to get done.
- Provide technical assistance to the community as needed by visiting with customers to answer any questions they might have. Also informing the community of changes in water availability or outages by door hangers, Public Service Announcements, and First Call System.
 - 100% complete.
- Continue to maintain and upgrade pump stations and water storage facilities by maintaining the appearance of the water yards by cutting the grass regularly, monitoring the pumps and motors daily and by draining, cleaning and inspecting the inside of the tanks annually.
 - 40% complete.

FY 2017-2018 OBJECTIVES

- Upgrade Verna Lee Pump Station VFD's. We have the last VFD scheduled to replace this year.
- The Inventory/Locator employee is working to upgrade the City distribution maps by locating valves, fire hydrants, and flush assemblies; improve inventory control and monthly reporting; and to maintain small equipment maintenance and control (e.g. trash pumps, generators, and tapping guns).
- Continue with our meter change out programs and continue testing meters for accuracy to help lower water loss in the water distribution system.
- Automate Verna Lee Chemical Feed system.
- Train new water distribution maintenance personnel on backhoe operation and leak repair.
- Continue to improve the inventory system as efficiently as we can by reducing the number of parts on hand and using suppliers to restock quicker.

PERFORMANCE MEASURES

Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees	10	10	10	10	10
OUTPUTS:					
# of water taps installed	50	26	50	11	50
# of sewer taps installed	10	8	10	15	10
# of water leaks repaired	100	64	100	77	100
# of Bac-T samples collected	415	360	415	360	415
# of utility lines located	1,800	2,085	2,500	1,632	2,000
# of meters read	118,000	125,338	126,000	145,476	150,000
EFFECTIVENESS:					
# of old meters changed out	1,200	1,238	1,200	1,268	1,300
# of new meter sets	250	216	250	232	250
Response to water line breaks within one hour	100%	100 %	100%	100 %	100%
EFFICIENCY:					
# of meters read weekly per employee	650	602	606	602	606
Average # of old meters changed out per month	100	103	100	103	100
Average # of new meter sets per month	20	18	21	18	21

WATER ADMINISTRATION

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICES						
001 Salaries	185,800	188,662	192,200	96,893	198,900	196,300
002 Overtime	1,500	2,954	3,000	1,196	2,800	3,000
003 Workers Compensation	2,900	2,563	2,600	2,474	2,600	2,100
004 Health Insurance	19,000	14,784	14,200	6,070	13,200	14,000
005 Social Security	14,300	14,253	14,900	7,355	15,400	15,200
006 T.M.R.S.	28,100	34,606	29,300	14,766	30,300	30,000
TOTAL PERSONNEL SERVICES	251,600	257,822	256,200	128,754	263,200	260,600
SUPPLIES						
010 Office	35,800	32,919	35,800	11,519	25,000	30,000
012 General	6,000	4,310	6,000	3,154	4,500	5,000
TOTAL SUPPLIES	41,800	37,229	41,800	14,673	29,500	35,000
MAINTENANCE						
022 Equipment	86,400	81,327	86,400	57,403	106,800	114,600
TOTAL MAINTENANCE	86,400	81,327	86,400	57,403	106,800	114,600
INSURANCE						
030 Property/Liability	2,500	2,270	2,500	2,489	2,500	2,400
TOTAL INSURANCE	2,500	2,270	2,500	2,489	2,500	2,400
SERVICES						
035 Unemployment	0	0	0	0	0	0
041 Dues & Subscriptions	300	170	300	430	400	400
042 Travel & Training	4,000	2,036	4,000	2,935	5,000	4,000
045 Telephone	1,500	1,413	1,500	1,040	1,700	2,000
047 Contract Labor	60,000	48,415	60,000	28,663	57,000	60,000
TOTAL SERVICES	65,800	52,034	65,800	33,068	64,100	66,400
BOND EXPENSE						
Principal Payments	1,156,600	1,156,600	1,205,800	0	1,205,807	1,397,400
301 Interest Expense	629,200	645,767	519,600	259,410	538,793	520,600
TOTAL BOND EXPENSE	1,785,800	1,802,367	1,725,400	259,410	1,744,600	1,918,000
INTERGOVERNMENTAL PMTS						
801 Transfer to General Fund	450,000	450,000	450,000	50,000	450,000	450,000
806 Transfer to Debt Service Fund	0	0	100,000	0	175,000	100,000
TOTAL INTERGOVERNMENTAL	450,000	450,000	550,000	50,000	625,000	550,000
MISCELLANEOUS						
080 Bad Debt	80,000	53,782	60,000	32,168	60,000	60,000
083 Audit Fees	25,000	27,400	27,400	23,950	27,400	27,400
091 Advertising	3,000	5,733	4,000	781	2,000	4,000
092 Professional Fees	110,000	116,295	30,000	23,505	42,000	30,000
306 Amortization Advance Refunding	48,900	52,344	66,100	33,056	66,100	63,500
330 Issuance Cost	0	57,113	0	10,125	10,100	0
TOTAL MISCELLANEOUS	266,900	312,667	187,500	123,585	207,600	184,900
TRANSFERS						
Transfer to Fixed Assets	6,700	7,208	3,400	3,365	3,400	0
TOTAL TRANSFERS	6,700	7,208	3,400	3,365	3,400	0
GRAND TOTALS	2,957,500	3,002,924	2,919,000	672,747	3,046,700	3,131,900

WATER OPERATIONS

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICES						
001 Salaries	343,900	335,068	350,600	160,935	335,500	375,400
002 Overtime	40,000	48,459	40,000	27,090	48,000	48,000
003 Workers Compensation	8,300	7,324	7,400	7,068	7,400	6,500
004 Health Insurance	50,600	48,418	47,200	16,709	36,200	52,900
005 Social Security	29,400	28,060	29,900	14,229	29,300	32,400
006 T.M.R.S.	57,700	68,837	58,700	28,245	57,700	63,700
TOTAL PERSONNEL SERVICES	529,900	536,166	533,800	254,276	514,100	578,900
SUPPLIES						
010 Office	1,000	900	1,000	138	1,000	1,000
011 Vehicle	40,000	23,661	30,000	9,540	22,000	25,000
012 General	1,000	806	1,000	615	1,000	1,000
013 Equipment	8,700	4,222	4,000	153	1,500	4,000
TOTAL SUPPLIES	50,700	29,589	36,000	10,446	25,500	31,000
MAINTENANCE						
020 Vehicle	17,000	24,674	17,000	22,639	37,200	20,000
021 Building	2,000	1,064	1,000	515	1,000	1,000
022 Equipment	2,000	9,039	2,000	1,093	1,500	2,000
023 Ground	1,000	0	1,000	0	0	1,000
024 Repair & Maintenance	75,000	60,078	70,000	14,137	55,000	70,000
025 New Service Meters	110,000	103,439	110,000	42,186	88,000	110,000
TOTAL MAINTENANCE	207,000	198,294	201,000	80,570	182,700	204,000
INSURANCE						
030 Property/Liability	7,400	7,025	7,400	7,316	7,500	8,100
TOTAL INSURANCE	7,400	7,025	7,400	7,316	7,500	8,100
SERVICES						
014 Uniforms	7,500	5,430	7,500	4,806	7,500	8,500
035 Unemployment	0	0	0	0	0	0
040 Utilities	185,000	185,146	185,000	90,245	185,000	185,000
041 Dues/Subscriptions	900	183	900	435	900	600
042 Travel & Training	6,300	6,252	6,300	2,905	7,000	7,000
045 Telephone	3,000	2,232	3,000	1,157	3,000	3,000
046 Equipment Rental	1,000	865	1,000	449	1,000	1,000
047 Contract Labor	40,000	60,728	40,000	38,533	61,000	61,000
085 State Fees	20,000	21,582	21,600	24,593	24,600	24,600
TOTAL SERVICES	263,700	282,418	265,300	163,123	290,000	290,700
INTERGOVERNMENTAL PMTS						
200 Water Purchases	2,400,000	2,109,504	2,400,000	1,028,264	2,400,000	2,400,000
TOTAL INTERGOVERNMENTAL	2,400,000	2,109,504	2,400,000	1,028,264	2,400,000	2,400,000
FIXED ASSETS						
Transfer to Fixed Assets	10,300	10,445	127,100	0	107,600	135,800
TOTAL FIXED ASSETS	10,300	10,445	127,100	0	107,600	135,800
GRAND TOTALS	3,469,000	3,173,441	3,570,600	1,543,995	3,527,400	3,648,500

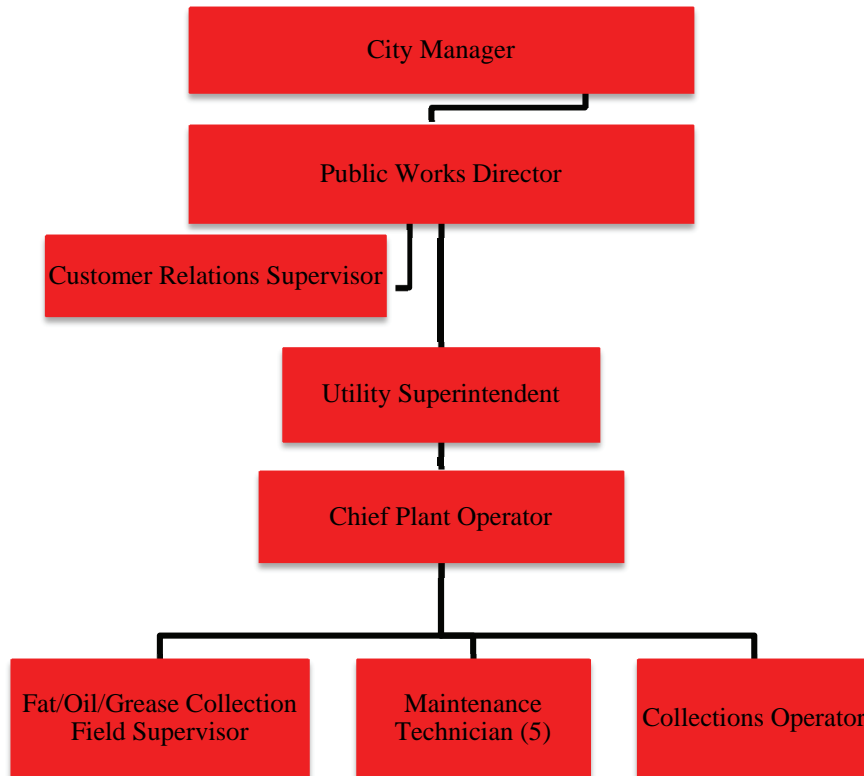
WASTEWATER TREATMENT PLANT AND COLLECTION SYSTEM

GOALS AND OBJECTIVES

The Wastewater Department works to ensure that the operation and maintenance of wastewater facilities, the use of materials, management practices, construction, and all record-keeping and reporting are economically and ethically sound and in the public's best interest. The department is charged with conducting sewer system evaluations, identifying excessive infiltration and inflow into the sanitary sewer system and implementing a timely construction improvement plan to mitigate infiltration and inflow into the collection system.

WASTEWATER TREATMENT PLANT

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Automated Fine Screens and Conveyors.
- Operator certifications are improving.
- Removed 344 metric tons of cake sludge.
- Installed SCADA system at WWTP.
- Passed all Biomonitoring tests.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Upgrade communications to radio based SCADA system.
 - 90% complete.
- Replace or repair overhead doors in maintenance bays, and overhead lighting.
 - 60% complete.
- Repair spare aerator and have ready to install if another unit fails.
 - Working on last one this year.
- Upgrade all operators' certifications to the next level and re-train all employees on confined space entry.
 - 80% complete.
- Upgrade all control panels at the treatment plant.
 - 40% complete.

FY 2017-2018 OBJECTIVES

- Drain and clean the A-Plant serpentine aeration basin.
- Install New Bar Screen and repair west Bar screen.
- Continue preventative maintenance systems.
- Replace all wiring running through underground conduit throughout plant and clean conduit to alleviate electrical problems we have been experiencing.
- Upgrade communications to radio based SCADA system.

WASTEWATER COLLECTION SYSTEM

FY 2016-2017 ACHIEVEMENTS

- Reached the goal of cleaning 15% of the sanitary sewer lines annually as outlined in the TCEQ Sanitary Sewer Overflow Initiative agreement.
- Videotaped 5300 feet of drainage and sewer pipe combined.
- Repaired sewer lines and MH in Basin 09 and 04 as part of our Annual Sanitary Sewer Overflow (SSO) program: Indian Trail, Valley, Buffalo, Randy and Cardinal sewer lines and Manholes.
- Inspected 2016-17 contracted sewer projects.
- Surveyed all restaurants in the City and have 20 with FOG Compliance goals.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Continue sanitary sewer surveys.
 - Sanitary sewer surveys were conducted by the City's consulting engineer.
- Continue cleaning maintenance sewer lines, and storm sewers.
 - Completed 100,000 linear feet of cleaning.
- Closed Circuit Television (CCTV) and Smoked Tested Sewer.
 - Videotaped 5,300 feet of line for the 2016-2017 fiscal year.

- Continue with manhole upgrades.
 - Identified fifteen manholes to upgrade in fiscal year 2017.
- Continue implementation of the ten-year Sanitary Sewer Overflow initiative.
 - Finished the ten-year Sanitary Sewer Overflow initiative.

FY 2017-2018 OBJECTIVES

- Continue cleaning maintenance sewer lines.
- Repair Ring and Lid on manholes and continue manhole upgrades.
- Locate and repair inflow/infiltration.
- Complete manhole rehabilitation and private service line cleanout repairs.
- Automate odor control on collections systems.

LIFT STATIONS

FY 2016-2017 ACHIEVEMENTS

- Automated grease control at lift stations.
- Started air relief valve maintenance program.
- Reconstructed Warriors Path Lift Station.
- Completed SCADA upgrades to 13 remaining lift stations.
- Trained Wastewater staff on SCADA system.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Continue camera lines throughout the City.
 - 60% complete.
- Clean all lift stations twice per year.
 - 100% complete.
- Meet or exceed annual line cleaning goals.
 - 100% complete.
- Reduce number of overflows on city mains.
 - 60% complete.
- Clean 76 storm water catch basins.
 - 70% complete.

FY 2017-2018 OBJECTIVES

- Rebuild each pump for all lift stations
- Clean grease from lift stations twice per year.
- Update electrical panels at lift station to better utilize radio based SCADA system.
- Install Wilo mixer and railing system at Fawn Valley Lift Station.
- Install by-passes at all lift stations.

PERFORMANCE MEASURES

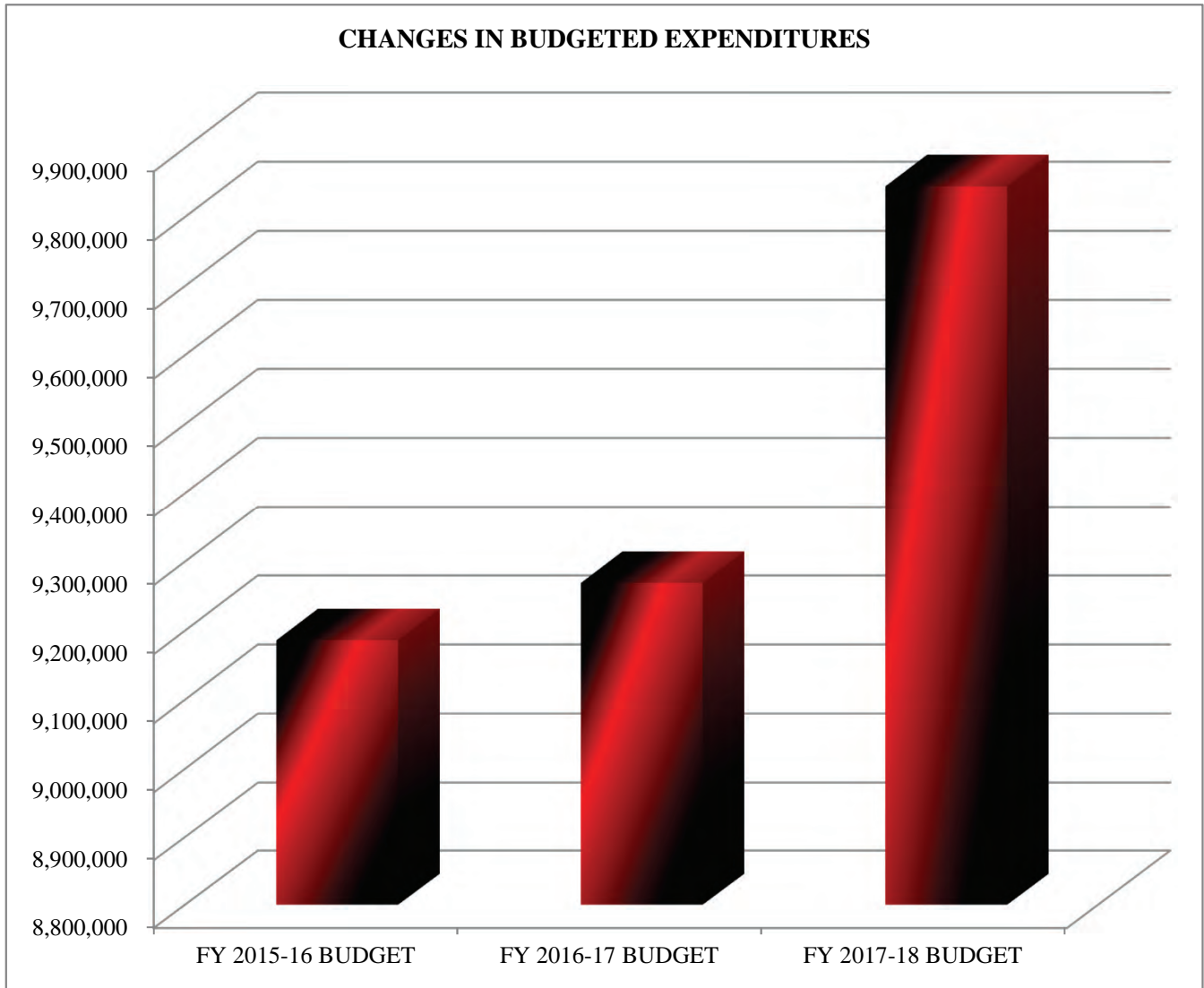
Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees	8	8	8	8	8
OUTPUTS:					
# of manholes repaired (in-house)	10	12	10	12	10
# of manholes repaired (contracted)	30	36	25	15	25
# of lift station repairs	5	5	5	5	5
# of lift stations cleaned	14	14	14	14	14
Feet of sewer lines cleaned	100,188	103,315	100,188	103,315	100,188
Camera of sewer lines (feet)	2,000	2,856	3,000	5,300	3,000
Feet of sewer lines repaired	1,400	2,978	2,500	3,000	2,500
# of storm water catch basins cleaned	50	50	50	50	50
EFFECTIVENESS:					
% compliance with all requirements	100%	100%	100%	100%	100%
% compliance with all water quality monitoring	100%	100%	100%	100%	100%
Feet of sewer line cleaned per day	425	315	450	315	450
# of wastewater overflows	25	32	25	25	25
Response to stoppages within one hour	100%	100%	100%	100%	100%
EFFICIENCY:					
% of manholes repaired in-house	20%	100%	20%	100%	20%
Lab costs per million gallons	\$5,500	\$5,300	\$5,500	\$5,300	\$5,500

WASTEWATER

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
PERSONNEL SERVICES						
001 Salaries	290,700	288,302	296,300	151,677	291,900	294,400
002 Overtime	26,000	29,582	26,000	14,966	30,000	26,000
003 Workers Compensation	6,500	5,859	5,900	5,654	5,900	4,700
004 Health Insurance	42,900	45,845	45,800	18,094	38,000	44,500
005 Social Security	24,200	23,525	24,700	12,248	24,600	24,500
006 T.M.R.S.	47,600	56,868	48,400	25,032	48,400	48,200
TOTAL PERSONNEL SERVICES	437,900	449,981	447,100	227,671	438,800	442,300
SUPPLIES						
010 Office	2,500	2,500	2,500	932	2,500	2,500
011 Vehicle	20,000	15,938	15,000	6,158	15,000	15,000
012 General	5,000	4,657	5,000	3,313	5,000	5,000
013 Equipment	2,000	1,993	2,000	179	2,000	2,000
017 Belt Press	20,000	13,016	15,000	8,715	19,300	15,000
018 Lab	9,000	10,937	9,000	5,533	11,000	11,000
TOTAL SUPPLIES	58,500	49,041	48,500	24,830	54,800	50,500
MAINTENANCE						
020 Vehicle	15,000	32,682	15,000	8,437	15,000	15,000
021 Building	2,000	311	2,000	515	1,000	2,000
022 Equipment	3,000	3,571	3,000	(796)	1,000	3,000
023 Ground	1,000	349	1,000	385	1,000	1,000
024 Repair & Maintenance	80,000	84,507	80,000	27,127	115,000	90,000
026 UV Lights	35,000	34,978	35,000	1,750	20,000	35,000
027 Odor Control Chemical	60,000	10,160	15,000	8,360	30,000	15,000
TOTAL MAINTENANCE	196,000	166,558	151,000	45,778	183,000	161,000
INSURANCE						
030 Property/Liability	11,800	11,826	11,800	12,114	12,800	11,600
TOTAL INSURANCE	11,800	11,826	11,800	12,114	12,800	11,600
SERVICES						
014 Uniforms	6,000	6,336	6,000	3,886	7,000	7,000
035 Unemployment	0	0	0	0	0	0
040 Utilities	290,000	306,990	290,000	145,662	295,000	295,000
041 Dues/Subscriptions	900	500	900	500	600	700
042 Travel & Training	5,800	8,161	5,000	2,554	5,000	5,000
045 Telephone	8,600	8,991	8,600	4,501	8,600	8,600
046 Equipment Rental	10,000	15,497	10,000	26,206	54,000	15,000
047 Contract Labor	125,000	151,383	130,000	59,402	130,000	130,000
085 State Fees	26,000	23,724	26,000	20,028	21,000	23,000
TOTAL SERVICES	472,300	521,582	476,500	262,739	521,200	484,300
FIXED ASSETS						
Transfer to Fixed Assets	323,500	319,309	69,300	63,011	199,800	191,400
TOTAL FIXED ASSETS	323,500	319,309	69,300	63,011	199,800	191,400
GRAND TOTALS	1,500,000	1,518,297	1,204,200	636,143	1,410,400	1,341,100

**UTILITY FUND
STATEMENT OF EXPENDITURES**

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
Water Administration	2,957,500	3,002,924	2,919,000	672,747	3,046,700	3,131,900
Water Operations	3,469,000	3,173,441	3,570,600	1,543,995	3,527,400	3,648,500
Wastewater	1,500,000	1,518,297	1,204,200	636,143	1,410,400	1,341,100
Reserve for Personnel	0	0	0	0	0	0
Vector Truck Lease Payment	0	0	0	0	0	0
Transfer to Fixed Assets	(40,500)	(36,962)	200,200	(66,376)	89,200	122,800
Transfer to Capital Projects	1,300,000	1,400,000	1,375,000	150,000	1,500,000	1,600,000
Contingencies	0	0	0	0	0	0
GRAND TOTAL	9,186,000	9,057,700	9,269,000	2,936,509	9,573,700	9,844,300





OTHER FUNDS

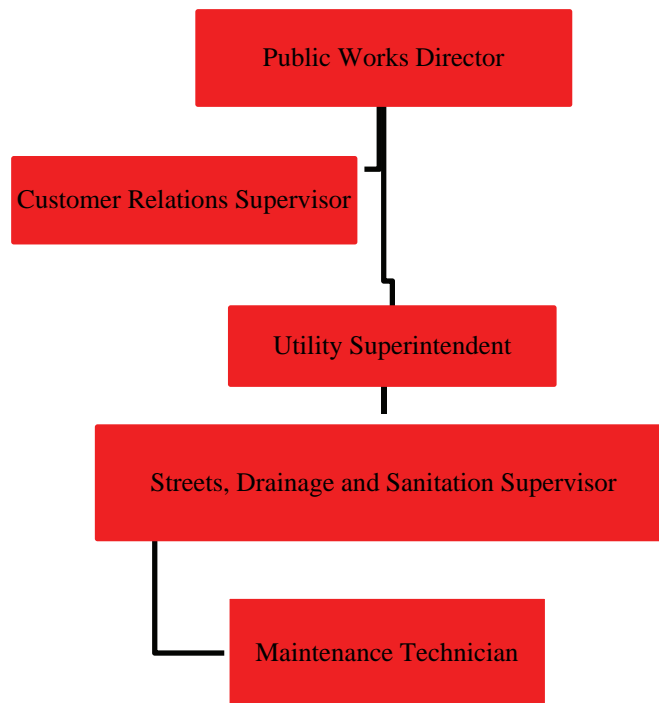
SANITATION DEPARTMENT

The Sanitation Department falls under the Public Works Director and the Utility Superintendent. The Street, Drainage and Sanitation Field Supervisor is in charge of the Sanitation Department which consists of one full-time Maintenance Technician. The Sanitation Department was created during the 2008-2009 fiscal year to take the place of curb side brush and bulky item pickup. The facility is open four days per week and includes recycling.

GOALS AND OBJECTIVES

The Drop Site & Recycling Facility receives brush, bulky items and recyclables from Harker Heights' residents. As a free service, the Drop Site encourages residents to keep their yards and curb lines free of brush and bulky items.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Maintained and organized an attractive site that is functional and cost effective.
- The usage of the Recycling Facility continues to grow.
- Grade the site to improve customer access and attractiveness.
- Continue contract brush grinding and hauling.
- Customer usage continues to increase.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Fence in the Drop Site/Recycling Center property.
 - 25% complete.

- Continue stock piling free brush mulch for public use.
 - 100% complete for the 2016 fiscal year.

FY 2017-2018 OBJECTIVES

- Begin using a laptop to track the type of use at the Drop Site.
- Install car ramps for recycling containers.
- Continue stock piling free brush mulch for public use.
- Improve customer service by training staff.
- Add a restroom for staff for sanitary reasons.

PERFORMANCE MEASURES

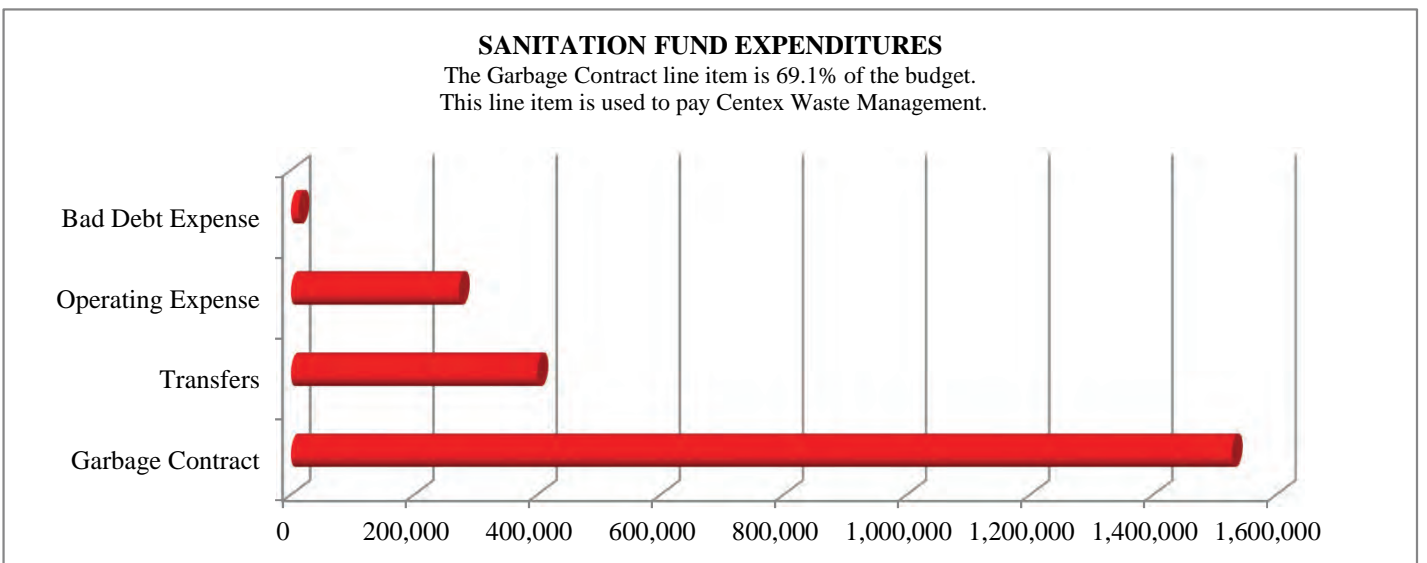
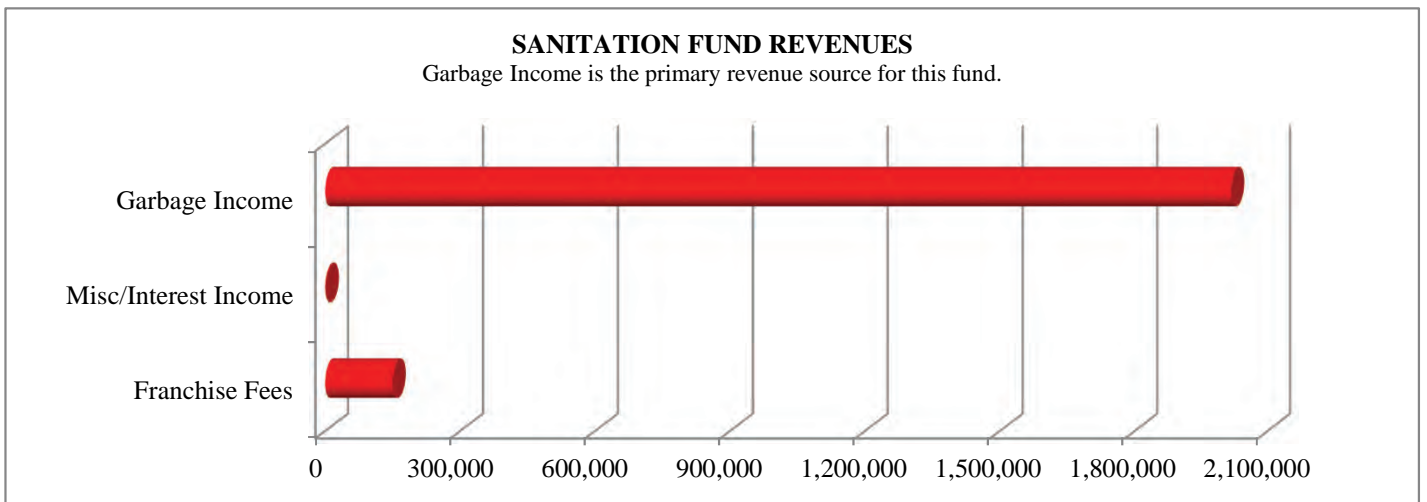
Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees	1	1	1	1	1
OUTPUTS:					
# of brush drop offs	7,500	7,065	7,500	9,216	9,500
# of bulky items dropped off	10,000	9,588	10,000	12,017	12,250
# of dumpsters recycled	250	252	260	2,414	2,500
# of dumpsters landfill	450	497	500	493	500
Tons of brush chipped	4,000	4,239	4,500	5,530	5,600
EFFECTIVENESS:					
% of Households using the Station	35%	34%	35%	34%	35%
EFFICIENCY:					
Average wait time per customer (minutes)	<5	<3	<5	<3	<5

SANITATION FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
BEGINNING BALANCE	107,841	104,339	68,639	44,725	44,725	100,525
REVENUES:						
004 Garbage Income	1,925,500	1,940,142	1,964,000	976,484	1,969,000	2,018,200
020 Interest Income	300	516	500	256	500	500
021 Miscellaneous Income	1,000	1,301	1,000	641	1,000	1,000
084 Franchise Fees	150,000	160,891	160,000	73,853	150,000	150,000
TOTAL REVENUES	2,076,800	2,102,850	2,125,500	1,051,234	2,120,500	2,169,700
OPERATING EXPENSES						
PERSONNEL SERVICES						
001 Salaries	31,400	31,014	31,700	15,583	32,600	32,700
002 Overtime	5,000	8,877	5,500	3,012	7,400	6,500
003 Workers Compensation	800	732	700	707	700	600
004 Health Insurance	5,400	5,690	5,700	3,035	6,100	5,900
005 Social Security	2,800	2,944	2,800	1,207	3,100	3,000
006 T.M.R.S.	5,500	6,930	5,600	2,793	6,000	5,900
TOTAL PERSONNEL SERVICE	50,900	56,187	52,000	26,337	55,900	54,600
SUPPLIES						
011 Vehicle	0	0	0	0	0	0
012 General	1,000	0	500	1,214	700	700
013 Equipment	1,000	462	1,000	238	500	500
TOTAL SUPPLIES	2,000	462	1,500	1,452	1,200	1,200
MAINTENANCE						
020 Vehicle	0	0	0	0	0	0
022 Equipment	2,000	3,926	2,000	1,441	2,100	2,000
023 Ground	0	0	0	0	1,000	0
TOTAL MAINTENANCE	2,000	3,926	2,000	1,441	3,100	2,000
INSURANCE						
030 Property/Liability	800	1,178	800	738	800	700
TOTAL INSURANCE	800	1,178	800	738	800	700
SERVICES						
014 Uniforms	800	498	800	319	800	800
040 Utilities	300	280	300	143	300	300
041 Dues & Subscriptions	0	0	0	0	0	100
042 Travel & Training	500	541	500	223	500	500
045 Telephone	800	805	800	475	1,000	1,000
046 Equipment Rental	1,100	1,043	1,100	483	1,100	1,100
048 Roll Off Dumpster	150,000	197,770	160,000	78,839	160,000	160,000
050 Garbage Contract	1,442,000	1,441,075	1,472,900	738,340	1,483,000	1,527,500
TOTAL SERVICES	1,595,500	1,642,012	1,636,400	818,822	1,646,700	1,691,300
MISCELLANEOUS						
049 Brush Grinding	20,000	15,500	20,000	14,000	30,000	30,000
052 Mulch Hauling	5,000	8,000	8,000	4,000	10,000	10,000
080 Bad Debt Expense	12,000	9,699	12,000	5,750	12,000	12,000
092 Professional Fees	10,000	500	10,000	0	5,000	10,000
TOTAL MISCELLANEOUS	47,000	33,699	50,000	23,750	57,000	62,000

SANITATION FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
RESERVES						
800 Transfer to Fixed Assets	125,000	125,000	100,000	25,000	0	100,000
801 Transfer to General Fund	300,000	300,000	300,000	0	300,000	300,000
805 Transfer to Capital Projects	0	0	0	0	0	0
TOTAL RESERVES	425,000	425,000	400,000	25,000	300,000	400,000
TOTAL EXPENSES	2,123,200	2,162,464	2,142,700	897,540	2,064,700	2,211,800
INCREASE/DECREASE	(46,400)	(59,614)	(17,200)	153,694	55,800	(42,100)
ENDING FUND BALANCE	61,441	44,725	51,439	198,419	100,525	58,425



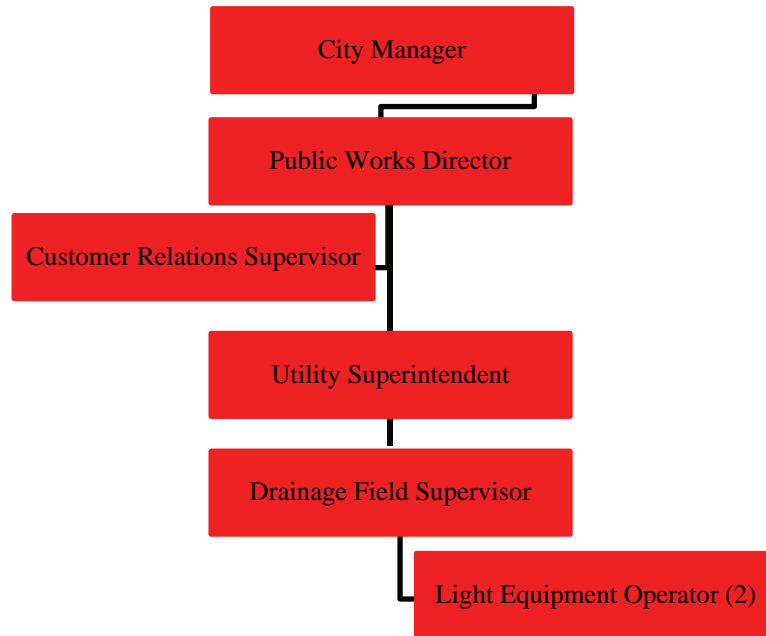
DRAINAGE UTILITY DEPARTMENT

The Drainage Utility Department is supervised by the Public Works Director and the Utility Superintendent. This Department is headed by the Street, Drainage and Sanitation Supervisor and also consists of two Light Equipment Operators.

GOALS AND OBJECTIVES

The Drainage Department works to provide sufficient maintenance and make improvements to drainage ways, channels, or streams so that run-off water will conform substantially to such water course. Erosion, silting, and flooding are important concerns in the maintenance of the City's drainage and storm sewer systems. The Department performs necessary maintenance whenever a potential problem is identified.

ORGANIZATIONAL CHART



FY 2016-2017 ACHIEVEMENTS

- Removed 182 yards of mud and silt from Ashwood and Wildwood ditch to improve drainage.
- Installed 70 feet of riprap wall in Quarry Trail drainage channel.
- Removed storm debris from Inlet boxes and cleaned concrete flumes.
- Completed Dry Weather screening for the Storm water program.
- Continued certifying herbicide applicator technicians.

PROGRESS ON FY 2016-2017 OBJECTIVES

- Assist with residential drainage problems.
 - 100% complete.
- Maintain all earthen retention ponds citywide as needed
 - 75% complete.
- Reconstruct earthen drainage channels.
 - 11% complete.
- Install concrete flumes on Modoc Drive, Mountain Lion Road and Cattail Circle drainage channels.
 - 11% complete.
- Increase the earthen channel cleaning city-wide.
 - 26% complete.

FY 2017-2018 OBJECTIVES

- Purchase or rent a motor grader for routine maintenance grading.
- Reshape earthen channels city-wide and increase the earthen channel cleaning program.
- Mow all earthen swales and drainage channels city wide at least twice each year.
- Install retaining walls in earthen channels as needed.
- Continue the Backhoe Training Program (certifications for multiple operators).

PERFORMANCE MEASURES

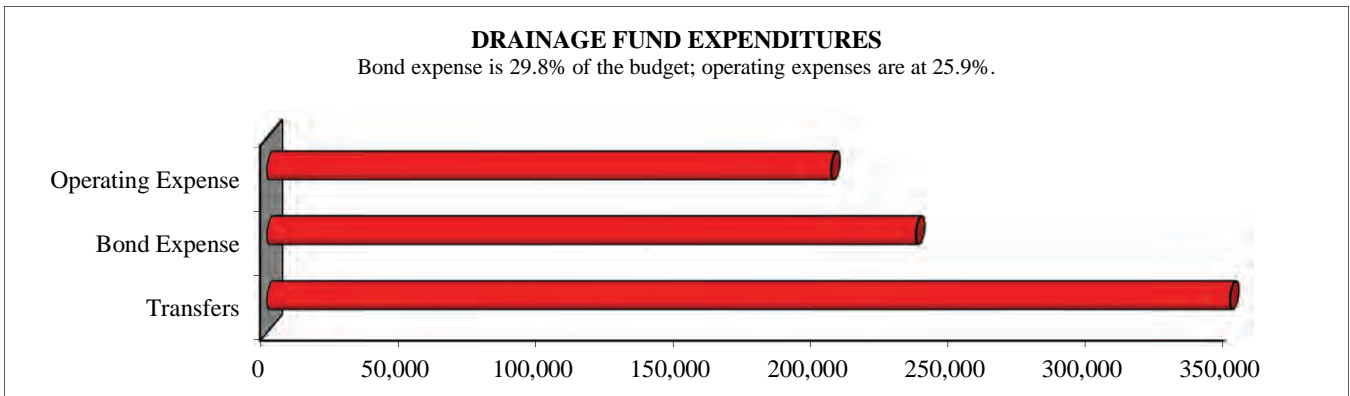
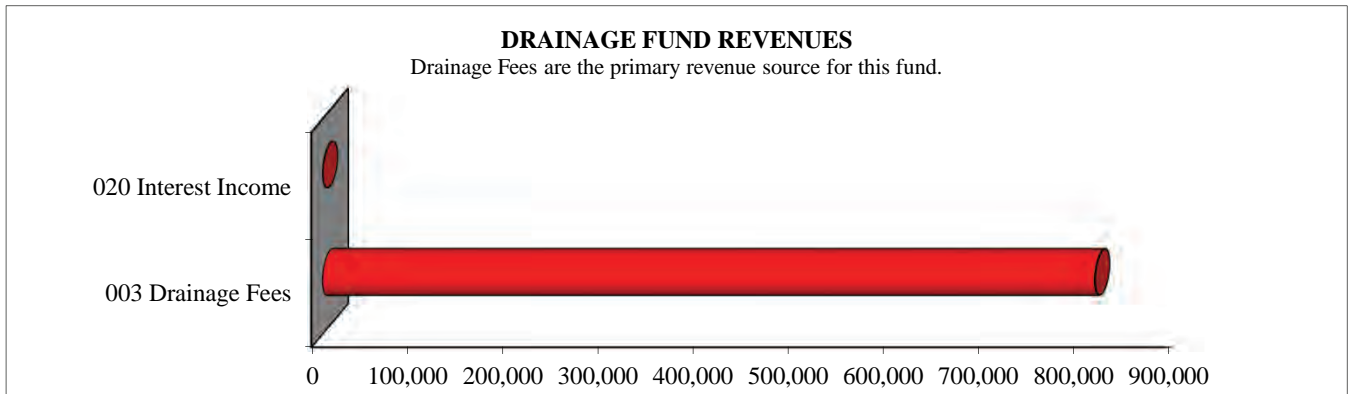
Type of Measure/Description	FY 16 Estimated	FY 16 Actual	FY 17 Estimated	FY 17 Actual	FY 18 Estimated
INPUTS:					
# of full time employees	3	3	3	3	3
OUTPUTS:					
# of catch basins cleaned and inspected	480	480	480	480	480
# of earthen channels reshaped (feet)	3,000	3,000	3,000	2,500	3,000
# of concrete valley gutters installed (in-house)	10	3	5	3	5
# of concrete valley gutters installed (contractor)	0	0	0	0	0
# of driveway culverts installed	7	4	3	3	3
# of storm/emergency responses	4	2	2	2	2
EFFECTIVENESS:					
EFFICIENCY:					
% of concrete valley gutters installed in-house	100%	100%	100%	100%	100%

DRAINAGE FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
BEGINNING BALANCE	91,309	65,412	93,112	67,133	67,133	52,433
REVENUES						
003 Drainage Fees	780,300	796,111	799,400	399,870	801,600	809,600
020 Interest Income	200	433	400	181	400	400
021 Miscellaneous Income	0	958	0	150	200	0
022 Other Income	0	0	0	0	0	0
030 Insurance Proceeds	0	0	0	0	0	0
TOTAL REVENUES	780,500	797,502	799,800	400,201	802,200	810,000
OPERATING EXPENSES						
PERSONNEL SERVICES						
001 Salaries	90,800	87,549	91,700	45,905	94,900	94,400
002 Overtime	2,500	1,913	3,000	766	2,000	2,000
003 Workers Compensation	2,100	1,831	1,800	1,767	1,700	1,500
004 Health Insurance	9,300	12,089	15,000	6,551	13,100	14,500
005 Social Security	7,100	6,339	7,200	3,309	7,400	7,400
006 T.M.R.S.	14,000	18,248	14,200	7,011	14,500	14,500
TOTAL PERSONNEL SERVICE	125,800	127,969	132,900	65,309	133,600	134,300
SUPPLIES						
011 Vehicle	9,000	3,933	6,000	1,840	4,000	4,000
012 General	500	322	500	544	600	500
013 Equipment	8,000	6,441	5,000	1,047	5,000	5,000
TOTAL SUPPLIES	17,500	10,696	11,500	3,431	9,600	9,500
MAINTENANCE						
020 Vehicle	5,000	1,540	3,000	4,019	5,000	4,000
021 Building	0	0	0	0	0	0
022 Equipment	1,500	1,133	1,500	6,690	11,700	1,500
023 Ground	40,000	38,698	40,000	9,671	30,000	40,000
TOTAL MAINTENANCE	46,500	41,371	44,500	20,380	46,700	45,500
INSURANCE						
030 Property/Liability	1,900	1,799	1,900	1,860	1,900	1,900
TOTAL INSURANCE	1,900	1,799	1,900	1,860	1,900	1,900
SERVICES						
014 Uniforms	2,300	1,240	2,300	1,350	2,500	2,500
035 Unemployment Expense	0	0	0	0	0	0
041 Dues/Subscriptions	400	170	400	240	300	300
042 Travel & Training	1,000	1,063	1,000	1,616	1,100	1,100
046 Equipment Rental	5,000	212	2,000	0	1,000	1,000
047 Contract Labor	0	0	0	0	0	0
TOTAL SERVICES	8,700	2,685	5,700	3,206	4,900	4,900
BOND EXPENSE						
Principal Payments	102,900	102,872	102,900	0	108,900	136,800
301 Interest Expense	61,200	61,212	61,200	28,865	57,700	104,100
330 Issuance Cost	0	0	0	0	0	0
306 Amortization Bond Issue	(5,600)	(6,088)	(5,600)	(2,679)	(5,400)	(4,900)
TOTAL BOND EXPENSES	158,500	157,996	158,500	26,186	161,200	236,000

DRAINAGE FUND

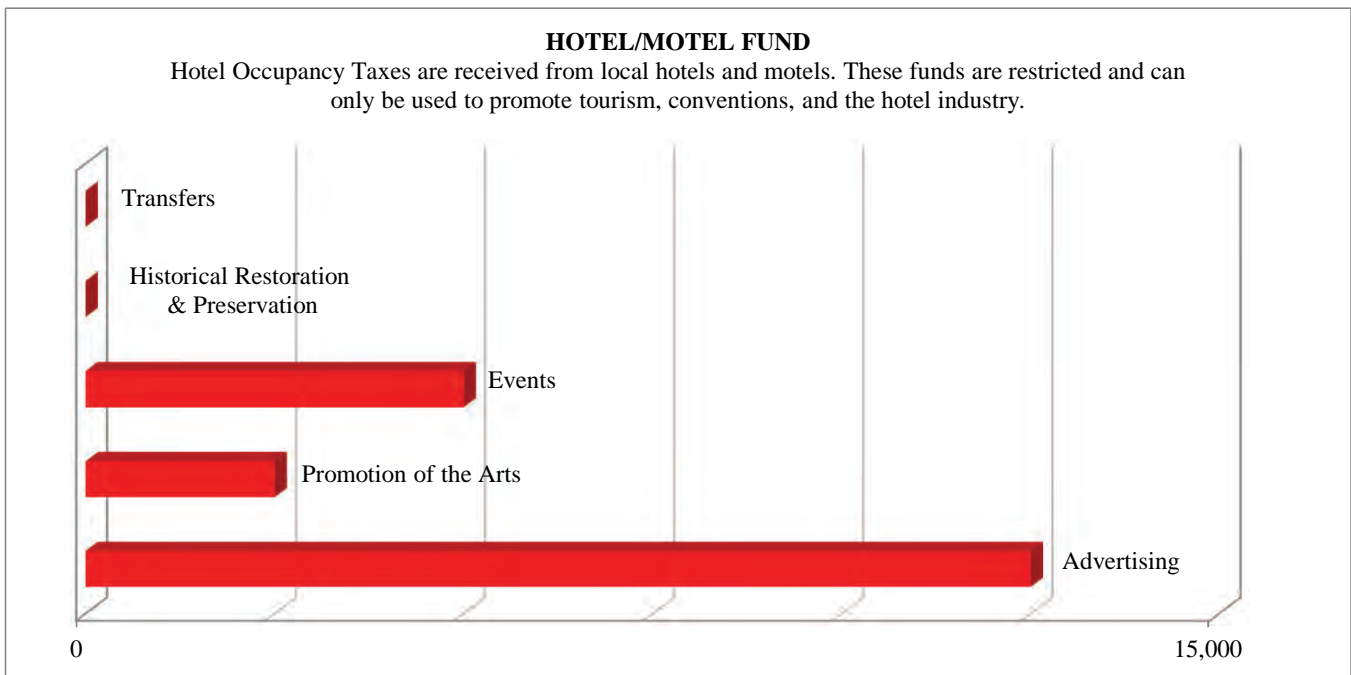
	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
MISCELLANEOUS						
080 Bad Debt	4,000	3,101	4,000	1,811	4,000	4,000
091 Advertising	500	164	0	0	0	0
092 Professional Fees	0	0	5,000	0	5,000	5,100
TOTAL MISCELLANEOUS	4,500	3,265	9,000	1,811	9,000	9,100
RESERVES						
800 Transfer to Fixed Assets	200,000	200,000	200,000	50,000	200,000	150,000
801 Transfer to General Fund	0	0	0	0	0	0
802 Transfer to Water	0	0	0	0	0	0
805 Transfer to Capital Projects	250,000	250,000	250,000	50,000	250,000	200,000
806 Transfer to Debt Service	0	0	0	0	0	0
TOTAL RESERVES	450,000	450,000	450,000	100,000	450,000	350,000
TOTAL EXPENSES	813,400	795,781	814,000	222,183	816,900	791,200
INCREASE/DECREASE	(32,900)	1,721	(14,200)	178,018	(14,700)	18,800
ENDING BALANCE	58,409	67,133	78,912	245,151	52,433	71,233





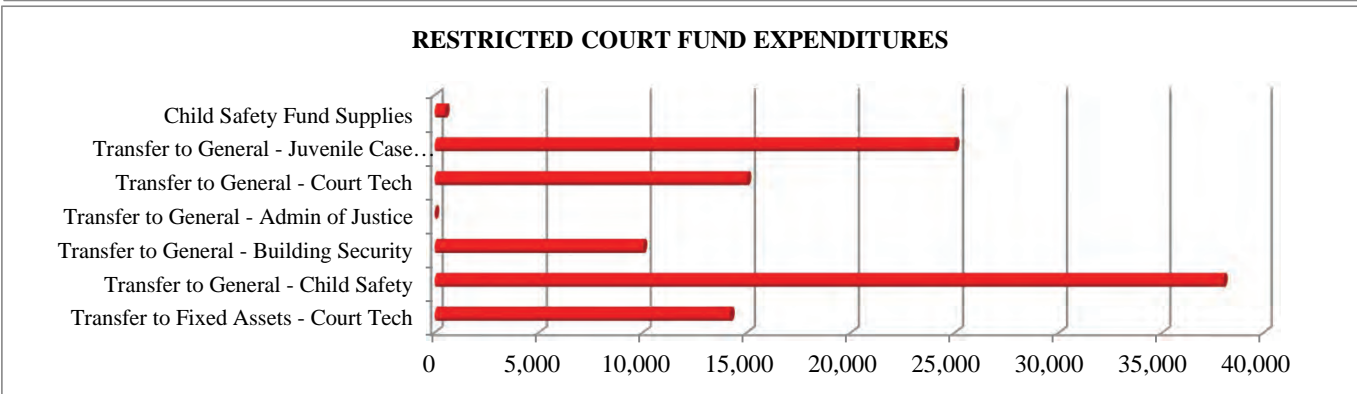
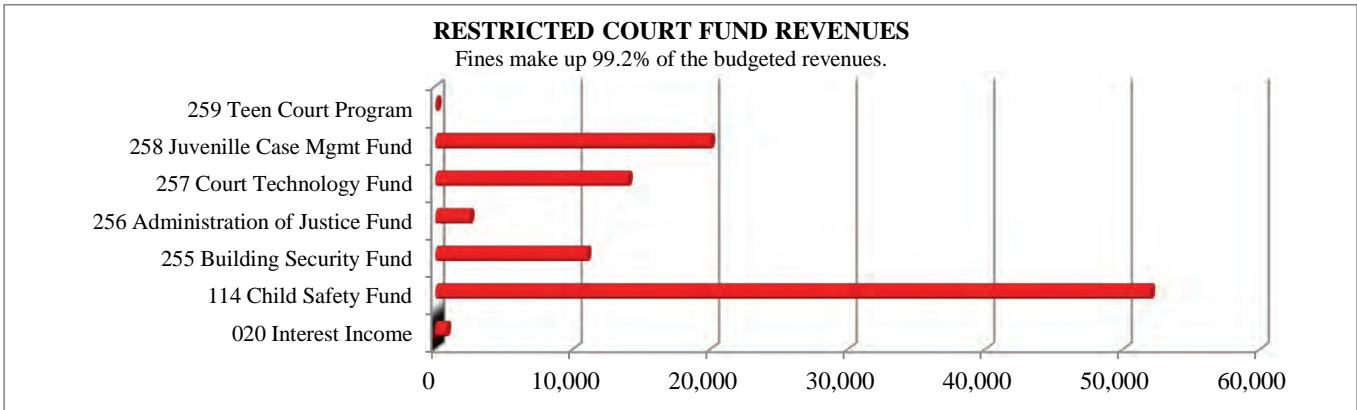
HOTEL MOTEL FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
BEGINNING FUND BALANCE	37,278	106,399	42,199	84,743	84,743	99,818
REVENUES:						
706 Hotel Tax Revenue	75,800	75,361	70,000	28,333	75,000	75,000
020 Interest Income	200	277	300	172	300	300
022 Other Income	0	0	0	0	0	0
201 Net Value of Investments	0	23	0	0	0	0
TOTAL REVENUES	76,000	75,661	70,300	28,505	75,300	75,300
EXPENDITURES:						
Chamber Events	5,000	4,950	5,000	0	5,000	5,000
Food & Wine Festival	7,500	7,500	7,500	6,225	7,500	7,500
Miscellaneous Advertising	0	0	0	0	0	0
091 Advertising	12,500	12,450	12,500	6,225	12,500	12,500
Tournaments	6,500	4,325	5,000	0	5,000	5,000
094 Events Total	6,500	4,325	5,000	0	5,000	5,000
Food & Wine Festival	2,500	2,550	2,500	1,275	2,500	2,500
095 Promotion of the Arts	2,500	2,550	2,500	1,275	2,500	2,500
092 Comanche Gap Hist Park Dev	0	7,853	0	11,625	40,225	0
701 Land	70,200	70,139	0	0	0	0
710 Other Improvements	0	0	0	0	0	0
Historical Restoration/Preservation	70,200	77,992	0	11,625	40,225	0
TOTAL EXPENSES	91,700	97,317	20,000	19,125	60,225	20,000
INCREASE/DECREASE	(15,700)	(21,656)	50,300	9,380	15,075	55,300
ENDING FUND BALANCE	21,578	84,743	92,499	94,123	99,818	155,118



RESTRICTED COURT FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
BEGINNING FUND BALANCE	170,378	167,280	191,080	171,722	171,722	217,897
REVENUES:						
020 Interest Income	200	472	400	335	700	800
114 Child Safety Fund	0	34,437	35,000	36,041	52,000	52,000
255 Building Security Fund	15,000	10,151	10,000	5,044	11,000	11,000
256 Administration of Justice Fund	4,000	2,452	2,500	1,071	2,500	2,500
257 Court Technology Fund	20,000	13,503	13,000	6,703	14,000	14,000
258 Juvenile Case Mgmt Fund	30,000	18,967	18,000	9,438	20,000	20,000
259 Teen Court Program	0	0	0	0	0	100
TOTAL REVENUES	69,200	79,982	78,900	58,632	100,200	100,400
EXPENDITURES						
Court Technology Fund	0	20,119	4,400	0	3,525	14,200
800 Transfers to Fixed Asset Fund	0	20,119	4,400	0	3,525	14,200
Child Safety Fund	0	0	0	0	0	38,000
Building Security Fund	10,000	10,000	10,000	5,000	10,000	10,000
Administration of Justice Fund	0	0	0	0	0	0
Court Technology Fund	15,000	15,000	15,000	0	15,000	15,000
Juvenile Case Management Fund	30,000	30,000	25,000	0	25,000	25,000
801 Transfers to General Fund	55,000	55,000	50,000	5,000	50,000	88,000
012 Child Safety Fund	0	421	500	0	500	500
TOTAL EXPENDITURES	55,000	75,540	54,900	5,000	54,025	102,700
INCREASE/DECREASE	14,200	4,442	24,000	53,632	46,175	(2,300)
ENDING FUND BALANCE	184,578	171,722	215,080	225,354	217,897	215,597



EMPLOYEE BENEFITS FUND

	FY 2015-16 BUDGET	FY 2015-16 ACTUAL	FY 2016-17 BUDGET	FY 2016-17 MID-YEAR	FY 2016-17 PROJECTED	FY 2017-18 ADOPTED BUDGET
BEGINNING FUND BALANCE	365	425	624	618	618	918
REVENUES						
Interest Income	100	193	200	141	300	300
TOTAL REVENUES	100	193	200	141	300	300
INCREASE/DECREASE	100	193	200	141	300	300
ENDING FUND BALANCE	465	618	824	759	918	1,218

The Employee Benefits Fund was created to reduce the premium tax paid by the City to an insurance carrier for eligible lines of coverage. It is a pass-through account for the collection and payment of insurance premiums.





FEE SCHEDULE

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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ADMINISTRATIVE FEES

Paper Copy (per page/side)	\$0.10
Nonstandard Copies.....	See Texas Administrative Code Rule §70.3
Franchise Fee for Taxicab (per vehicle, per year)	\$25.00
Garage Sale Permit (limited to 2 per year, per address)	FREE
Returned Check/Returned ACH/Credit Card Chargeback Fee.....	\$30.00
Sexually Oriented Business	
• Application (one-time fee).....	\$500.00
• Work Permit	\$25.00
• Replacement	\$10.00
• Renewal (annual)	\$250.00
Solicitor Permit.....	\$200.00
• Itinerate Merchant.....	additional \$50 per employee
Special Event Application Fee (non-refundable).....	\$15.00
Grass Cutting Private Property (Nuisance Abatement)	actual cost + \$100; \$200 minimum
Graffiti Abatement (per hour).....	\$50.00

ADMINISTRATIVE ABATEMENT OF SEDIMENTATION

Applies to individual homebuilders and requires them to have in place measures to prevent silt runoff into City streets per the erosion-sedimentation control ordinance.

Street Sweeper (per hour).....	\$100.00
Dump Truck (per hour)	\$50.00
Front Loader (per hour).....	\$50.00
Backhoe (per hour).....	\$50.00
Water Truck (per hour).....	\$50.00
Traffic Control (per hour; includes flagman, vehicle and traffic devices).....	\$50.00
Each additional flagman (per hour)	\$25.00

BUILDING PERMITS

Where construction is commenced before a permit is obtained, the permit fees may be doubled.

New Building Construction	
• One and Two Family Dwellings (per square foot under roof).....	\$0.10
Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$5.50
<i>Fee does not include permits for fences, irrigation, accessory buildings or swimming pools. Permits included are structure, electrical, mechanical, plumbing, flat work, plan review, and certificate of occupancy. Inspections included are t-electrical pole; plumbing rough-in; foundation; FMEP framing, mechanical, electrical and plumbing; two story water test; energy (insulation); conditional final; and final.</i>	
• Multi-family, Commercial, and Other Construction (per square foot under roof).....	\$0.15
Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$10.00
<i>Excludes shell buildings, warehouses and parking garages. Fee does not include permits for fences, signs, accessory buildings, irrigation or swimming pools. Permits included are structure, electrical, plumbing, flat work, certificate of occupancy, and landscaping and plan review. Inspections included are t-electrical pole; plumbing rough-in; foundation; FMEP framing, mechanical, electrical and plumbing; two story water test; energy (insulation); conditional final; landscaping inspection; parking requirements inspection; and final.</i>	
▪ Plan Reviews Requiring Outside Consultation	cost + \$25.00

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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▪ Projects requiring more than one inspection per phase (i.e. several plumbing inspections of the same type due to size of the project) (per inspection).....	\$10.00
• Multi-family (over four living units), Hotels, Motels, and Commercial Buildings with Multiple Tenants (excluding shell buildings).....	add \$40.00 to multi-family cost for added inspections
Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$10.00
Additions to Floor Area	
• One and Two Family Dwellings.....	same as for new construction, minimum of \$25.00
Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$5.00
• All Others	same as for new construction
Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$5.00
Shell Buildings	
<i>Fee is for shell buildings without interior finish, warehouses, and/or parking garages. Fee does not include fences, signs, accessory buildings, irrigation or swimming pools. Permits included are structure, flatwork, and landscaping and plan review.</i>	
• Per Square Foot Under Roof.....	\$0.08
Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$10.00
• Plan Reviews Requiring Outside Consultation.....	cost + \$25.00
• Projects requiring more than one inspection per phase (i.e. several plumbing inspections of the same type due to size of the project) (per inspection)	\$10.00
Any Remodeling, Alterations, Repairs, Replacements, Fences, Swimming Pools, Accessory Buildings, Irrigation and Signs, etc. <i>Projects not involving an addition to floor area.</i>	
Applicable Permit Fee Below Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$1.00
• Valuation up to \$1,000.....	\$25.00
• Valuation \$1,001 to \$2,000.....	\$35.00
• Valuation \$2,001 to \$3,000.....	\$45.00
• Valuation \$3,001 to \$4,000.....	\$55.00
• Valuation \$4,001 to \$5,000.....	\$65.00
• Valuation \$5,001 to \$6,000.....	\$75.00
• Valuation \$6,001 to \$7,000.....	\$85.00
• Valuation \$7,001 to \$8,000.....	\$95.00
• Valuation \$8,001 to \$9,000.....	\$105.00
• Valuation \$9,001 to \$10,000.....	\$115.00
• Per \$1,000 thereafter.....	additional \$10.00
Demolition/Move Structure Permits	
• Per structure	\$25.00
• Plus Technology/Convenience Fee – My Permit Now (per permit).....	\$1.00
Re-inspection Fees (per re-inspection)	\$50.00
Working Without Permits.....	\$250.00

EXAMINATIONS, LICENSES, PERMITS, SPECIAL INSPECTIONS, AND ADMINISTRATIVE FEES

Fees over 60 days late may be doubled to cover additional administrative costs.

Alcohol License (per year)	½ of TABC Fee
City Registration/Business License	\$25.00
Contractor Registration Fee (per year)	\$75.00
Flood Plain Development Permits.....	\$50.00
Food Dealer’s Permit (initial and renewals).....	\$50.00

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Manufactured Housing Park License.....	\$100.00
<i>(Replaces license fee for City Registration/Business License)</i>	
Manufactured Home Permits	
• Application for Certificate of Occupancy	inspection cost + \$50.00
• Replacement	inspection cost + \$50.00
Occupation Taxes (as authorized by State law)	
• Certificate of Occupancy inspection (existing buildings).....	\$50.00
• Special investigation.....	\$30.00
• Reports rendered pursuant to any special investigation.....	\$30.00
• Re-inspection of any failed inspection.....	\$50.00
Request to Zoning Board of Adjustment and Appeals	\$150.00
Plan Review	
• Done by City personnel	½ of base permit fee
• Done by other agencies.....	actual cost + handling fee of \$10.00
Planning and Zoning Fees	
• Rezoning Request	\$200.00
• Conditional Use Permit.....	\$200.00
• Development Concept Plan	\$50.00
• Site Preparation Permit.....	\$25.00
• All Other Plats (Replats, Development, Amendments, etc.).....	\$3.00/acre + \$150.00
• Subdivision Plat – Preliminary	\$25.00/lot + \$500.00
• Subdivision Plat – Final.....	\$150.00
• Sound Amplification Permit (per year).....	\$25.00
• Zoning Verification Letter.....	\$10.00
• Planning Maps (arc view)	
▪ 8 ½” x 11” maps.....	\$5.00
▪ 11” x 17” maps.....	\$10.00
▪ 17” x 22” maps to 22” x 40” maps.....	\$20.00
▪ 34” x 44” maps.....	\$25.00
Public Works Construction Inspection Fees	
• All inspections	\$25.00
• All inspections after regular business hours, weekends, and Holidays (per hour).....	\$50.00
Temporary Storage Unit Permit	\$25.00
Temporary Use Permits	
• Long Term Seasonal Sales	
▪ Administrative Fee.....	\$25.00
▪ Inspection Cost.....	\$10.00
▪ Re-inspection Cost	\$35.00
• Short Tem Seasonal Sales	
▪ Administrative Fee.....	\$10.00
▪ Inspection Cost.....	\$10.00
▪ Re-inspection Cost.....	\$35.00
Heavy Vehicle Residential Parking Permit	\$25.00
Heavy Vehicle Residential Parking Permit Renewal	\$10.00
Donation Box Permit Application	\$25.00

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LIBRARY

Copy Fee (per page)	\$0.10
Lost or Damaged Book.....	Price of Book + Processing Fee
New Card Replacement	\$3.00
Overdue Book (per day)	\$0.05
Printing Fee (per page)	\$0.10
Processing Fee	
• Hardback Book Replacement	\$5.00
• Paperback Book Replacement	\$1.00
Replacement Fee	
• CD Album, View Case, or Playaway Case	\$5.00
• DVD Case.....	\$1.00
• Spine or Barcode.....	\$1.00
• VIEW Cord.....	\$15.00

PARKS AND RECREATION

Youth Sports Registration	
• Resident	\$35.00
• Non-Resident	\$45.00
Multiple Registration Cost Incentive (Youth team registrations only; refers to permanent address, same day sign-up)	
• Resident	
▪ 1 st participant.....	\$35.00
▪ 2 nd participant.....	\$30.00
▪ 3 rd participant and every participant thereafter.....	\$25.00
• Non-Resident	
▪ 1 st participant.....	\$45.00
▪ 2 nd participant.....	\$40.00
▪ 3 rd participant and every participant thereafter.....	\$35.00
Facility Rentals	
• Recreation Center Daily Use (for use of amenities such as basketball and volleyball courts)	
▪ Resident	
○ Students (Age 17 and under).....	FREE
○ Adults (Age 18 – 54).....	FREE
○ Seniors (Age 55 and up).....	FREE
▪ Non-Resident	
○ Students (Age 17 and under).....	\$3.00
○ Adults (Age 18 – 54).....	\$5.00
○ Seniors (Age 55 and up).....	\$3.00
• Pavilion	
▪ Resident	
○ Refundable Deposit	\$100.00
○ Rental	\$25.00
▪ Non-Resident	
○ Refundable Deposit	\$100.00
○ Rental	\$65.00

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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- Gazebo
 - Resident \$15.00
 - Non-Resident \$25.00
- Amphitheatre
 - Resident
 - Refundable Deposit \$100.00
 - Rental \$25.00
 - Lights (2 hour block)..... \$15.00
 - Lights (each additional hour over 2 hours)..... \$10.00
 - Non-Resident
 - Refundable Deposit \$100.00
 - Rental \$65.00
 - Lights (2 hour block)..... \$25.00
 - Lights (each additional hour over 2 hours)..... \$10.00
- Athletic Fields
 - Resident
 - Refundable Deposit \$100.00
 - Rental \$25.00
 - Lights (per field)..... \$25.00
 - Field Attendant (per hour)..... \$15.00
 - Non-Resident
 - Refundable Deposit \$250.00
 - Rental \$50.00
 - Lights (per field)..... \$50.00
 - Field Attendant (per hour)..... \$30.00
- Athletic Fields – Tournament Package
 - Resident
 - Refundable Deposit \$200.00
 - Rental \$150.00
 - Field Attendant (per hour)..... \$100.00
 - Non-Resident
 - Refundable Deposit \$200.00
 - Rental \$150.00
 - Field Attendant (per hour)..... \$150.00
- Activities Center Meeting Rooms
 - Refundable Rental Deposit \$200.00
 - Room A
 - Military Sponsored Event (per hour)..... \$30.00
 - Non-Profit Organization (paperwork identifying Tax ID # required) (per hour) \$30.00
 - Community Services (per hour) \$40.00
 - For Profit Business (per hour) \$50.00
 - Room B
 - Military Sponsored Event (per hour)..... \$15.00
 - Non-Profit Organization (paperwork identifying Tax ID # required) (per hour) \$15.00
 - Community Services (per hour) \$15.00
 - For Profit Business (per hour) \$30.00

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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- Room C
 - Military Sponsored Event (per hour)..... \$15.00
 - Non-Profit Organization (paperwork identifying Tax ID # required) (per hour) \$15.00
 - Community Services (per hour) \$20.00
 - For Profit Business (per hour) \$30.00
- Room D
 - Military Sponsored Event (per hour)..... \$15.00
 - Non-Profit Organization (paperwork identifying Tax ID # required) (per hour) \$15.00
 - Community Services (per hour) \$20.00
 - For Profit Business (per hour) \$30.00

Aquatics

- Daily Admission Fees
 - Resident
 - Child (Age 2 – 17)..... \$2.00
 - Adult (Age 18 – 54) \$3.00
 - Senior (Age 55 and up) \$2.00
 - Non-Resident
 - Child (Age 2 – 17)..... \$3.00
 - Adult (Age 18 – 54) \$5.00
 - Senior (Age 55 and up) \$2.00
- Swimming Passes

Pass will be good for the current swimming season. Passes will not cover City Sponsored Special Events.

 - Resident
 - Individual \$40.00
 - Family (2 – 5 persons)..... \$60.00
 - Each additional pass over 5 persons \$5.00
 - Seniors (Age 55 and up)..... \$15.00
 - Replacement Pass \$5.00
 - Non-Resident
 - Individual \$60.00
 - Family (2 – 5 persons)..... \$125.00
 - Each additional pass over 5 persons \$5.00
 - Seniors (Age 55 and up)..... \$15.00
 - Replacement Pass \$5.00
- Swimming Lessons
 - Resident \$30.00
 - Non-Resident \$40.00
- Pool Rental \$100.00
 - Refundable Deposit..... \$50.00
 - Lifeguard(s) (per lifeguard, per hour) \$15.00

Lifeguard fee is payable to the lifeguard(s) on the night of pool rental.

Community Garden Plots

Plot lease begins from date fee is paid.

- Resident
 - Six Month Lease \$12.50
 - Twelve Month Lease..... \$25.00

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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- Non-Resident
 - Six Month Lease \$15.00
 - Twelve Month Lease..... \$30.00
 - ActiveNet Online Service Charges
 - Payments less than \$150.00 6.5% + \$0.50
 - Payments \$150.00 to \$499.99 3.5% + \$5.00
 - Payments \$500.00 or more 2.5% + \$10.00
- Minimum Service Charge of \$1.00*

PET ADOPTION CENTER

- Adoption Fees
 - Dogs and Cats (not spayed/neutered and without rabies vaccination)..... \$10.00
 - Dogs and Cats (spayed/neutered with rabies vaccination)..... \$35.00

Adoption fees will be waived during events approved by the City Manager up to four times per calendar year.
- Cremation Fee
 - Animals up to 50 pounds \$30.00
 - Animals 51 to 100 pounds \$60.00
 - Animals 101 pounds or more \$80.00
- Impound Fees (plus kennel fees)
 - Class A (dog or cat)
 - First Impound..... \$20.00
 - Second Impound (within one year from first)..... \$40.00
 - Third Impound (within one year from first)..... \$80.00
 - Class B (goats, sheep, labs, pigs or animals of same approximate size and weight)..... \$25.00
 - Class C (cattle, calves, horses, mules or animals of same approximate size and weight)..... \$40.00
 - Class D (wild or exotic animals) \$100.00
 - Class E (birds)..... \$20.00
- Kennel Fees (per day)
 - Class A (dog or cat)..... \$5.00
 - Class B (goats, sheep, labs, pigs or animals of same approximate size and weight) boarding costs + \$10.00
 - Class C (cattle, calves, horses, mules or animals of same approximate size and weight) boarding costs + \$20.00
 - Class D (wild or exotic animals) boarding costs + \$100.00
 - Class E (birds)..... \$5.00
- Microchipping Fee \$15.00
- Quarantine Fee \$10.00

PUBLIC SAFETY / FIRE DEPARTMENT

- Emergency Service Fees
 - Ambulance Calls
 - Basic Life Support\$ \$650.00 + \$ \$15.00/loaded mile
 - Advanced Life Support 1\$ \$750.00 + \$ \$15.00/loaded mile
 - Advanced Life Support 2\$ \$850.00 + \$ \$15.00/loaded mile
 - Out of City Calls\$ \$850.00 + \$ \$15.00/loaded mile
 - Ambulance Transport (per mile; mileage from leaving station to returning station)..... \$15.00
 - Treatment/No Transport – City Call \$125.00
 - Treatment/No Transport – Out of City..... \$850.00
 - Private Ambulance Registration Fee \$3,000.00

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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- Fire Response

For hazardous materials, fire and major incident responses to include controlled burns permitted or not permitted which the Fire Department considers to be out of control or fires as a result of arson.

▪ Pumper (per hour or part thereof, minimum 1 hour, not including personnel)	\$400.00
▪ Brush Truck/Tender (per hour or part thereof, minimum 1 hour, not including personnel)	\$300.00
▪ Support Vehicles (per hour or part thereof, not including personnel).....	\$200.00
▪ Personnel (per hour or part thereof to include fire, police, etc.).....	\$100.00
▪ Water – City Supplied (per 1,000 gallons; calculated by pumping time and rate).....	\$10.00
▪ Ambulance Standby (per hour or part thereof, minimum 1 hour, includes personnel)	\$300.00
Fire Report Copy (per copy).....	\$2.00
Fire Investigative Report (per report).....	\$5.00

PUBLIC SAFETY / FIRE PREVENTION

An additional \$5.00 fee per permit will be charged for the My Permit Now Technology/Convenience Fee.

Plan Review (Fire Code) – Construction of Multifamily, Commercial and Other	\$50.00
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Fee includes plan review, any necessary meetings, final inspection and approval.

Fire Protection System Permits

Fees include plan review, any necessary meetings, witnessing tests, final inspection and approval. For large projects done in phases, the initial permit fee will cover the first phase and each additional phase will be charged \$10.00.

- Fire Alarm System (maximum fee of \$1,000.00)
 - Up to 200 devices (flat fee)..... \$150.00
 - Each additional device over 200
 - First re-inspection or witnessed test.....no charge
 - Subsequent re-inspections or witnessed test 50% of the original permit fee
- Fixed Fire Suppression
 - Initial permit..... \$50.00
 - First re-inspection or witnessed test.....no charge
 - Subsequent re-inspections or witnessed test 50% of the original permit fee
- Fixed Piping Systems (sprinklers, standpipes, etc.)
 - 0 – 12,000 square feet
 - 12,001 + square feet..... \$200.00
 - First re-inspection or witnessed test.....no charge
 - Subsequent re-inspections or witnessed test 50% of the original permit fee

Fuel Storage Tanks

▪ Tank installation (per tank, includes pressure test)	\$75.00
▪ Line Pressure Test (per tank)	\$25.00
▪ Tank Removal (per tank)	\$25.00

Life and Fire Safety Evaluations/Fire Inspections (Annual)

- Business
 - Annual Inspection
 - First Re-inspection
 - Second Re-inspection..... \$50.00
 - Subsequent Re-inspections (each at the discretion of the officer)..... citation issued or \$50.00
- Licensed Facilities
 - Hospitals

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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- Nursing Homes, Group Homes, Day Cares, Assisted Living Centers, and Private Schools
 - Occupancy of up to 50 persons \$50.00
 - Occupancy of 50 + persons \$100.00
- Foster and Adoptive Homes
 - Annual Inspection no charge
 - First Re-Inspection no charge
 - Second Re-Inspection..... \$30.00
 - Subsequent Re-inspections (each at the discretion of the officer) citation issued or \$30.00

Operational Permits and Inspections

- Burn Permits (includes initial site inspection)
 - Commercial/Land Development \$150.00
 - Residential (annual permit) \$50.00
- Carnival/Circus Safety Inspections..... \$150.00
- Carbon Dioxide Systems \$25.00
- Fire Flows (conducted by the Fire Department) \$100.00
- Fireworks (Outdoor Public Display)
 - Permit Fee (requires insurance coverage of at least \$300,000)..... \$250.00
- Food Booth \$50.00
- Mobile Food Vendor..... \$100.00
- Hazardous Material Handling, Storage and/or Processing \$50.00
- Portable Outdoor Gas Fired Heating Appliances..... \$25.00
- Assembly Permit (annual permit) \$25.00
- Tent Permit
 - Occupancy of 0 – 100 persons \$50.00
 - Occupancy of 100 + persons \$100.00
- Tire Storage and/or Scraping (annual permit)..... \$50.00
- Welding/Cutting (Hot Work)..... \$50.00

Other permits and/or inspections not listed above that are required by the most currently adopted International Fire Code or its references will be assessed a minimum charge of \$25.00 plus the total amount of time utilized in plan reviews, code research, inspection(s) and documentation at the currently adopted response personnel rate.

PUBLIC SAFETY / POLICE DEPARTMENT

- Accident Reports \$6.00
- Copy of Police Report (per page) \$0.10
- Fingerprint Cards (per card) \$5.00
- Record Checks
 - Residents..... no charge
 - Non-Residents \$5.00
 - Recruiters/Federal Agencies no charge
- Taxicab Permits
 - Initial..... \$20.00
 - Renewal \$10.00
 - Duplicates (each) \$4.00
- Alarm Systems
 - False burglar alarm (per incident)..... \$50.00
 - False robbery alarm (per incident)..... \$75.00

**CITY OF HARKER HEIGHTS FEE SCHEDULE
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- False fire alarm (per incident)..... \$75.00
- False emergency medical alarm (per incident) \$75.00
- Failure to timely respond to alarm site (per incident)..... \$50.00
- Monitoring financial institution alarms (per month)..... \$50.00

Towing Fees

- Non- Consent Tow..... ~~\$90~~ \$130.00
- Incident Management Tow ~~\$90~~ \$130.00
- Winching/Overturn Fee ~~\$35.00/hour~~ \$75.00
- Dolly Use Fee \$50.00
- Storage Fee \$20.00
- Clean Up Fee \$25.00/hour
- Wait Fee..... \$65.00
- Fuel Surcharge..... 10% of total fees excluding storage and wait fee
- Drive Shaft Removal \$50.00
- Specialized Equipment Fees for Towing/Clean Up..... cost plus 35%

STREETS

Culvert Installation

- 10 – 12 yards base material (not including culvert)..... \$150.00
- Each additional yard base material (per yard) \$6.00

Curb Replacement (per linear foot) \$25.00

Road Boring (per linear foot) \$50.00

Street Cut Restoration (per linear foot) \$15.00

Street Cutting Permit \$50.00

UTILITY SERVICES

Water Services

Water Deposit

- Residential (single one-family dwellings and small commercial businesses with hand pick-up)..... \$55.00
Deposits will not be taken on new homes until the home is finalized. Residential deposits are refunded when the account is terminated or in the month of June with one year of good history, whichever comes first.
- Residential – Refusal to Give Social Security Number \$300.00
Deposits will not be taken on new homes until the home is finalized. Deposits will not be refunded until the account is terminated.
- Apartment Complexes on Master Meter..... \$200.00 per meter
Apartment complex deposits refunded when the account is terminated.
- Commercial \$200.00
Commercial deposits are refunded when the account is terminated.

Water Rates

These rates are applicable to all sales or service of water. All leakage between a meter and a building is the responsibility of the owner, tenant, or occupant of the building. Sprinkler meters on their own meter are charged the base fee plus the per 1,000 gallon usage charge; they are not charged for sewer.

- Inside Harker Heights CCN
 - Base Rate / Per 1,000 Gallons of Water Consumption \$10.59 / \$3.30
- Outside Harker Heights CCN
 - Base Rate / Per 1,000 Gallons of Water Consumption \$21.18 / \$6.60

**CITY OF HARKER HEIGHTS FEE SCHEDULE
OCTOBER 1, 2017 TO SEPTEMBER 30, 2018**

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Sewer Services

Anyone receiving City water service and connected to City sewer must pay sewer charges regardless of whether the building is occupied or not. There is a 10,000 gallon cap for residential customers for sewer services.

Sewer Rates

- Inside Harker Heights CCN
 - First 3,000 Gallons / Per 1,000 Gallons of Water Consumption..... \$19.09 / \$3.19
- Outside Harker Heights CCN
 - First 3,000 Gallons / Per 1,000 Gallons of Water Consumption..... \$38.18 / \$6.38

Other Utility Services Fees

Delinquent/Late Charge..... \$15.00

Fire Hydrant Meters

- Deposit..... \$750.00
- Monthly Fee..... \$50.00

Meter Accuracy Test Requests

- Meter Found to be Faulty.....no charge
- 5/8 inch X 3/4 inch and 3/4 inch X 3/4 inch meters..... \$60.00
- 1 inch meters..... \$60.00
- 1 ½ inch and 2 inch meters \$150.00
- 3 inch meters..... \$200.00
- 4 inch meters..... \$250.00

Online Bill Pay Convenience Fee..... \$2.00

Request for Services – Water/Sewer

These services include turn on/off at the customer’s request, checking for a leak per customer request, and sewer blockages on the customer’s side.

- During Working Hours (per trip)..... \$15.00
- Non-Duty Hours (per trip) \$30.00

Reread Requests

- Original Read Incorrectno charge
- Original Read Correct..... \$10.00

Sewer Overflow on Private Lines

- Vactor/Jetrodder (per hour) \$100.00
- Backhoe (per hour) \$50.00
- Dump Truck (per hour)..... \$50.00
- Front Loader (per hour) \$50.00
- Pickup Truck (per hour) \$50.00
- Each Additional Employee (per hour) \$25.00

Water Transfer..... \$15.00

Water Turn On

- New deposit or transfer of serviceno charge
- Second Trip Fee..... \$25.00

**CITY OF HARKER HEIGHTS FEE SCHEDULE
OCTOBER 1, 2017 TO SEPTEMBER 30, 2018**

The City of Harker Heights reserves the right to add a 25% administrative fee for any services provided by contract.

Water Distribution and Wastewater Collection System Connection Fees

Prior to the installation of a water or sewer tap the customer requesting same shall deposit with the City a sum equal to such actual cost as estimated by the City. A 3/4" water meter will be installed for new or existing property. Water meters larger than 3/4" will be installed on approved water demand information.

- New Property
 - Meter Tap..... \$275.00
 - Sewer Tap \$275.00
- Existing Property (In addition to the fees listed above for New Property)
 - 3/4" line diameter (water only) materials/street cut + \$300.00
 - 1" line diameter (water only) materials/street cut + \$300.00
 - 1 1/2" line diameter (water only) materials/street cut + \$400.00
 - 2" line diameter (water only) materials/street cut + \$500.00
 - 4" line diameter (water and sewer) materials/street cut + \$750.00
 - 6" line diameter (water only) materials/street cut + \$1,500.00
 - 8" line diameter (water only) materials + \$1,500.00

NOTE: Sewer lines above 4" will require a quote.

Drainage Rates

- Single Family Detached Dwellings (includes manufactured homes) \$6.00
- Other Residential Properties
 - Duplex (per unit)..... \$2.88
 - Triplex (per unit)..... \$2.74
 - Four Unit Dwelling (per unit) \$2.57
 - Five Unit Dwelling (per unit) \$2.30
 - Six Unit Dwelling (per unit) \$2.04
 - Seven Unit Dwelling (per unit)..... \$1.78
 - Eight Unit Dwelling (per unit)..... \$1.51
 - Nine Units or More (per unit) \$2.04
- Non-Residential Developed Property
 - Buildings Up to 2,500 sq. ft. \$7.20
 - Buildings 2,501 to 10,000 sq. ft. \$14.40
 - Buildings 10,001 to 50,000 sq. ft. \$28.80
 - Buildings 50,001 to 100,000 sq. ft. \$43.20
 - Buildings More Than 100,000 sq. ft. \$60.00

Sanitation Rates

- Residential Garbage Collection (per month) \$18.33
- Commercial Garbage Collection handled by Centex Waste Management



ORDINANCES

ORDINANCE NO. 2017-23

STATE OF TEXAS

COUNTY OF BELL

CITY OF HARKER HEIGHTS

AN ORDINANCE ADOPTING AND APPROVING A BUDGET FOR THE CITY OF HARKER HEIGHTS, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, TO SEPTEMBER 30, 2018.

WHEREAS, a budget for the Fiscal Year 2017-2018 has been prepared for the City of Harker Heights, Texas; and

WHEREAS, public notices of the public hearing(s) upon this budget have been duly and legally made as required by law; and

WHEREAS, the aforementioned public hearing(s) on the proposed budget were held in accordance with the published notices; and

WHEREAS, after full and final consideration and the public hearing on said budget, it is the consensus of opinion that the proposed budget should be approved.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Harker Heights, Texas:

SECTION I.

The Budget as filed with the City Secretary for the fiscal year beginning October 1, 2017, to September 30, 2018, is ratified, adopted, and approved.

SECTION II.

Total revenues are budgeted at \$39,280,300. Expenses including Capital Improvement Funds from previous years are budgeted at \$49,678,000.

SECTION III.

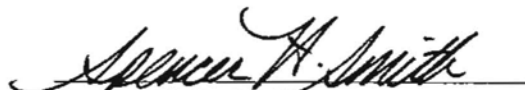
This budget will raise more revenue from property taxes than last year's budget by an amount of \$887,371 which is a 7.8% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$254,864.

SECTION IV.

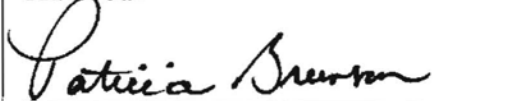
Table VIII of the Table of Special Ordinances, Code of Harker Heights, is hereby amended by adding the following entry:

<u>Ordinance No.</u>	<u>Date Passed</u>	<u>Description</u>
2017- 23	September 12, 2017	An Ordinance Adopting and Approving a Budget for the City of Harker Heights, Texas for the Fiscal Year Beginning October 1, 2017 to September 30, 2018.

PASSED AND APPROVED by the City Council of the City of Harker Heights this 12th day of September, 2017, at a meeting which the City Council finds to have been held in strict accordance with the requirements of the Texas Open Meetings Act.


Spencer H. Smith, Mayor

ATTEST:


Patricia Brunson, City Secretary

ORDINANCE NO. 2017-24

STATE OF TEXAS

COUNTY OF BELL

CITY OF HARKER HEIGHTS

AN ORDINANCE LEVYING A TAX RATE FOR THE CITY OF HARKER HEIGHTS, TEXAS FOR THE TAX YEAR 2017.

BE IT ORDAINED, by the City Council of the City of Harker Heights, Texas:

SECTION I.

That we the City Council of the City of Harker Heights do hereby levy or adopt the tax rate of \$0.6770 per \$100 valuation for the City for Tax Year 2017 as follows:

\$0.5285 for the purpose of maintenance and operation,
\$0.1485 for the payment of principal and interest, and
\$0.6770 for the total tax rate.

A \$10,000 exemption is adopted for residents who are at least sixty-five (65) years old and who are owners of an occupied homestead.

The tax assessor-collector is hereby authorized to assess and collect the taxes of the City of Harker Heights in accordance with this ordinance.

SECTION II.


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

SECTION III.

Table VIII of the Table of Special Ordinances, Code of Harker Heights, is hereby amended by adding the following entry:

<u>Ordinance No.</u>	<u>Date Passed</u>	<u>Description</u>
2017- 24	September 12, 2017	An Ordinance Levying a Tax Rate for the City of Harker Heights, Texas for the Tax Year 2017.

PASSED AND APPROVED by the City Council of the City of Harker Heights this 12th day of September, 2017 at a meeting which the City Council finds to have been held in strict accordance with the requirements of the Texas Open Meetings Act.


Spencer H. Smith, Mayor

ATTEST:


Patricia Brunson, City Secretary

(CITY SEAL)

ORDINANCE NO. 2017-25

STATE OF TEXAS

COUNTY OF BELL

CITY OF HARKER HEIGHTS

AN ORDINANCE PRESCRIBING AND SETTING THE FISCAL YEAR 2017-2018 RATES AND CHARGES OF THE CITY OF HARKER HEIGHTS, TEXAS; PENALTIES FOR NON-PAYMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, a fee schedule for the fiscal year 2017-2018 has been prepared for the City of Harker Heights, Texas; and

WHEREAS, the proposed fee schedule has been discussed during the public hearing held for the budget; and

WHEREAS, after full and final consideration it is the consensus of opinion that the proposed fee schedule should be approved.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Harker Heights, Texas:

SECTION I.

That the City Council approves the rates and charges proposed for Fiscal Year 2017-2018 which is attached hereto and incorporated herein as Attachment A.

SECTION II.

Penalty: Any person, firm or corporation who violates any provisions of this ordinance shall be guilty of a misdemeanor and, upon conviction, shall be fined in an amount not exceeding one thousand dollars (\$1,000). Each day on which a violation of, or failure to comply with, this ordinance shall constitute a separate violation and shall be punishable as such, the City also is entitled to pursue all other criminal and civil remedies to which it is entitled under the authority of other statutes or other ordinances.

SECTION III.

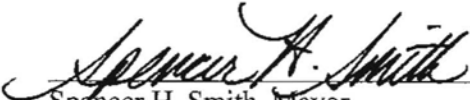
This ordinance shall become effective on October 1, 2017 and shall apply to all fees charged on or after that date. This ordinance shall not affect any charge prior to its effective date regardless of whether said fees have been paid in whole or in part.

SECTION IV.

Table VIII of the Table of Special Ordinances, Code of Harker Heights, is hereby amended by adding the following entry:

<u>Ordinance No.</u>	<u>Date Passed</u>	<u>Description</u>
2017- 25	September 12, 2017	An Ordinance Prescribing and Setting the Fiscal Year 2017 – 2018 Rates and Charges of the City of Harker Heights, Texas; Penalties for Non-Payment; and Providing an Effective Date.

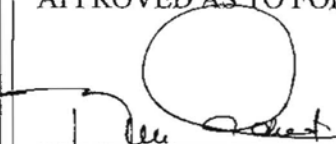
PASSED AND APPROVED by the City Council of the City of Harker Heights this 12th day of September, 2017 at a meeting which the City Council finds to have been held in strict accordance with the requirements of the Texas Open Meetings Act.


Spencer H. Smith, Mayor

ATTEST:


Patricia Brunson, City Secretary

APPROVED AS TO FORM:


Burk Roberts, City Attorney

Attachment A - City of Harker Heights Fee Schedule, which was incorporated as part of Ordinance No. 2017-25: An Ordinance Prescribing and Setting the Fiscal Year 2017-2018 Rates and Charges of the City of Harker Heights, Texas; Penalties for Non-Payment; and Providing an Effective Date, can be found in the Fee Schedule Section, page 187.



GLOSSARY

GLOSSARY OF TERMS AND ACRONYMS

800 MHZ SYSTEM – A system to receive all 911 emergency calls.

ACCRUAL BASIS – The basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

ACH – see Automated Clearing House.

ACTIVITY – Departmental efforts which contribute to the achievement of a specific set of program objectives; the smallest unit of the program budget.

AD VALOREM TAX – Also known as property taxes, they are levied on both real and personal property according to the property's valuation and the tax rate.

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. An advance refunding occurs before the maturity or call date of the old debt, and the proceeds of the new debt are invested until the maturity or call date of the old debt. Most advance refunding result in defeasance of debt.

AED – see automatic external defibrillator.

AGENCY FUNDS – One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resource to individuals, private organizations, or other governments.

ALLOT – To divide an appropriation into amounts which may be encumbered or expended during an allotment period.

ANNUALIZE – Taking changes that occurred mid-year and calculating their cost for the full year, for the purpose of preparing an annual budget.

APPROPRIATION – A legal authorization to incur obligations and to make expenditures for specific purposes.

ARBITRAGE – The simultaneous purchase and sale of the same or an equivalent security in order to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of the proceeds from the sale of tax-exempt securities in a taxable money market instrument that yields a higher rate, resulting in interest revenue in excess of interest costs.

ASSESSED VALUATION – The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

ASSESSMENT RATIO – The ratio at which the tax rate is applied to the tax base.

ASSET – Resources owned or held by a government which has monetary value.

ATTRITION – A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

AUDIT – An unbiased examination and evaluation of the financial statements of an organization.

AUTHORIZED POSITIONS – Employee positions in the adopted budget to be filled during the year.

AUTOMATED CLEARING HOUSE – The direct fund transfer authorization from one bank account to another.

AUTOMATIC EXTERNAL DEFIBRILLATOR – A device about the size of a laptop computer that analyzes the heart's rhythm for any abnormalities and, if necessary, directs the rescuer to deliver an electrical shock to the victim.

AVAILABLE (UNDESIGNATED) FUND BALANCE – This refers to the funds remaining from the prior year which are available for appropriation and expenditure in the current year.

BALANCED BUDGET – Budget in which income equals expenditure.

BASE BUDGET – Cost of continuing the existing levels of service in the current budget year.

BCAD – see Bell County Appraisal District.

BEGINNING FUND BALANCE – Cash available in a fund from the prior year after payment of the prior year's expenses and deductions for prior year encumbrances.

BELL COUNTY APPRAISAL DISTRICT – Appraisal District responsible for appraising all real and business personal property within Bell County. The district appraises property according to the Texas Property Tax Code and the Uniform Standards of Professional Appraisal Practices.

BOND – A long term I.O.U. or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

BOND, GENERAL OBLIGATION (G.O.) – Bond backed by the full faith, credit and taxing power of the government.

BOND, REVENUE – Bond backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.

BOND REFINANCING – The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

BONDED DEBT – The portion of indebtedness represented by outstanding bonds.

BRAC – Base Realignment and Closure.

BUDGET – A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

BUDGETARY BASIS – This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

BUDGET CALENDAR – Schedule of key dates which a government follows in the preparation and adoption of the budget.

BUDGETARY CONTROL – The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

BUDGET MESSAGE – Opening section of the Annual Budget that provides the City Council and public with an overview of the most important aspects of the budget.

CAD – Computer Aided Dispatch, method of dispatching emergency services through the use of a computer.

CADET – see Crimes Analysis, Directed Enforcement and Technology.

CAFR – see Comprehensive Annual Financial Report.

CAPITAL ASSETS – Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL BUDGET – The appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.

CAPITAL EXPENDITURE – A payment made or to be made for the acquisition of a long-term asset such as land, buildings, or equipment.

CAPITAL IMPROVEMENT FUND – The governmental fund that accounts for the acquisition and construction of major capital facilities.

CAPITAL IMPROVEMENTS – Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

CAPITAL IMPROVEMENT PROGRAM – A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

CAPITAL OUTLAY – Fixed assets which have a value of \$500 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

CAPITAL PROJECT – Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also known as capital improvements.

CAPITAL RESERVE – An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

CASH BASED ACCOUNTING – A basis of accounting in which transactions are recognized only when cash is increased or decreased.

CERTIFICATE OF OBLIGATION (C.O.) – This type of bond is backed by the full faith, credit and taxing power of the government.

CIP – see Capital Improvement Program.

CMP – Corrugated metal pipe.

CO – see Certificate of Obligation.

COLA – see Cost of Living Adjustment.

COLLECTIVE BARGAINING AGREEMENT – A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

COMMODITIES – Expendable items that are consumable or have a short life span. Examples include office supplies, gasoline, minor equipment, and asphalt.

COMPREHENSIVE ANNUAL FINANCIAL REPORT – A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed.

CONSTANT OR REAL DOLLARS – The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

CONSUMER PRICE INDEX – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in cost of living (i.e., economic inflation).

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CONTRACTUAL SERVICES – Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

COST OF LIVING ADJUSTMENT – An increase in salaries to offset the effect of inflation on compensation.

COUNCIL-MANAGER GOVERNMENT – Form of government where an elected city council is responsible for making policy, passing ordinances, voting appropriations, and having overall supervisory authority in the city government. In such a government, the mayor performs strictly ceremonial duties or acts as a member and presiding officer of the council.

CPI – see Consumer Price Index.

CRIME ANALYSIS, DIRECTED ENFORCEMENT AND TECHNOLOGY – The Property Crimes Interdiction Program started by the Harker Heights Police Department in 2008 to catch property criminals.

DEBT LIMIT – The maximum amount of gross net of debt which is legally permitted.

DEBT SERVICE – The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

DEBT SERVICE FUND – Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEDICATED TAX – A tax levied to support a specific government program or purpose.

DEFEASANCE – The netting of outstanding liabilities and related assets on the statement of position.

DEFERRED REVENUE – Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

DEFICIT – The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

DEPARTMENT – The basic organization unit of government which is functionally unique in its delivery of services.

DEPRECIATION – Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

DEVELOPED-RELATED FEES – Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

DISBURSEMENT – The expenditure of monies from an account.

DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM – A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

DRAINAGE FUND – Enterprise fund that accounts for operations related to providing drainage service.

ELECTRONIC TRANSACTION SYSTEMS CORPORATION – An international corporation supporting merchants in all forms of electronic processing to include credit and debit card processing.

EMPLOYEE BENEFITS – Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.

EMS – Emergency Medical Service.

EMT – Emergency Medical Technician.

ENCUMBRANCE – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

ENDING FUND BALANCE – The unencumbered cash remaining in a fund at the end of the fiscal year.

ENTERPRISE FUND – A proprietary fund used to report an activity for which a fee is charged to external users for goods or services.

ENTITLEMENTS – Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

ETS – see Electronic Transaction Systems Corporation.

EXPENDITURE – The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

EXPENSE – Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

FIDUCIARY FUNDS – Fund used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. This includes pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

FINANCIAL RESOURCES – Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments). Financial resources also may include inventories and prepaids because they prevent the need to expend current available financial resources.

FISCAL ACCOUNTABILITY – Government responsibility to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public moneys in the short term (usually one budgetary cycle or one year).

FISCAL POLICY – A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

FISCAL YEAR – A twelve-month period designated as the operating year for accounting and budgeting purposes. (October 1 thru September 30)

FIXED ASSETS – Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FRANCHISE FEES – A fee paid by public service businesses for use of City streets, alleys and property in providing their services to the citizens. Services include electricity, telephone, natural gas, taxicabs, ambulances, and cable television.

FRINGE BENEFITS – see Employee Benefits.

FTE – see Full-Time Equivalent Position.

FULL FAITH AND CREDIT – A pledge of a government's taxing power to repay debt obligations.

FULL-TIME EQUIVALENT POSITION – A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to .5 of a full-time position

FUNCTION – A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

FUND – A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

FUND BALANCE – The difference between assets and liabilities reported in a governmental fund.

FY – Fiscal Year.

GAAP – see General Accepted Accounting Principles.

GASB – see Governmental Accounting Standards Board.

GENERAL ACCEPTED ACCOUNTING PRINCIPLES – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GENERAL FUND – One of the five governmental fund types that typically serves as the chief operating fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BOND – Bond backed by the full faith, credit and taxing power of the government.

GEOGRAPHIC INFORMATION SYSTEM – System that combines maps with data and organizes them in useful and meaningful ways. This data could include, but is not limited to, city limits, zoning, or land use.

GFOA – see Government Finance Officer’s Association.

GIS - see geographic information system.

GO – see General Obligation Bond.

GOAL – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

GOVERNMENT FINANCE OFFICERS’ ASSOCIATION – An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local government since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD – Establishes and improves standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

GOVERNMENTAL FUNDS – Funds used to account for tax-supported activities. The five types of governmental funds are general, special revenue, debt service, capital projects and permanent funds.

GPS – Global Positioning System, a worldwide navigation system that uses information received from orbiting satellites.

GRANTS – A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

HOUSE BILL 3195 – House Bill passed during the 80th Legislative Session requiring the city council or county commissioner’s court to identify at the budget stage that the proposed budget anticipates raising

more total property taxes than the year before. The bill also requires a separate ratification vote to adopt a budget that raises more total property taxes than in the previous year.

HOME RULE – This status shifts responsibility for local government decisions from the state level to the local level.

HOTEL/MOTEL FUND – Special revenue fund that accounts for the levy and utilization of the hotel/motel occupancy tax.

HOURLY – An employee who fills a temporary or short-term position. Such employees provide contingency staffing for government operations during peak workloads, or to address temporary staffing needs. Hourly employees are paid on a per-hour basis, and receive limited benefits.

INDIRECT COST – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

INFRASTRUCTURE – The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

INTERFUND TRANSFERS – The movement of monies between funds of the same governmental entity.

INTERGOVERNMENTAL REVENUE – Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

INTERNAL SERVICE CHARGES – The charges to user departments for internal services provided by another government agency, such as data processing, or insurance funded from a central pool.

INTERNAL SERVICE FUND – A proprietary fund used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

KILLEEN INDEPENDENT SCHOOL DISTRICT – Local School District serving the cities of Killeen, Harker Heights, and Nolanville.

KISD – see Killeen Independent School District.

LAPSING APPROPRIATION – An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provide by law.

LEGAL DEBT MARGIN – The excess of the amount of debt legally authorized over the amount of debt outstanding.

LEVY – To impose taxes for the support of government activities.

LINE-ITEM BUDGET – A budget prepared along departmental lines that focuses on what is to be bought.

LMCI TRACER – The Labor Market & Career Information Department (LMCI) of the Texas Workforce Commission provides statistics and analyses on the dynamics of the Texas labor market and informational products designed to support informed educations and career decisions as well as provides a wide array of career and occupational information through software programs and printed publications.

LONG-TERM DEBT – Debt with a maturity of more than one year after the date of issuance.

MAJOR FUND – A fund whose total assets, liabilities, revenues or expenditures/expenses are at least 10 percent of the corresponding total assets, liabilities, revenues or expenditures/expenses for all funds of that category or type (governmental or enterprise).

MARKET RATE OF RETURN – The average yield of the current three-month US Treasury Bill.

MATERIALS AND SUPPLIES – Expendable materials and operating supplies necessary to conduct departmental operations.

MDT – Mobile Data Terminal.

MEMORIAL FUND – Special revenue fund that accounts for revenues generated for scholarships to high school graduates pursuing a career in law enforcement.

MILL – The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.

MODIFIED ACCRUAL BASIS OF ACCOUNTING – Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

NIGHT OPTICS – This is the brand name for the night vision units installed in patrol vehicles as part of the CADET program.

NET BUDGET – The legally adopted budget less all interfund transfers and interdepartmental charges.

NOMINAL DOLLAR – The presentation of dollar amounts not adjusted for inflation. Adjusting for inflation would be done to reflect the real purchasing power of money today.

NON-MAJOR FUND – A fund whose total assets, liabilities, revenues or expenditures/expenses is less than 10 percent of the corresponding total assets, liabilities, revenues or expenditures/expenses for all funds of that category or type (governmental or enterprise).

NOPTIC – see Night Optics.

OBJECT OF EXPENDITURE – Expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

OBJECTIVE – Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

OBLIGATIONS – Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

OPEN MEETING LAW – Law that states that every regular, special, or called meeting of a governmental body shall be open to the public. Written notice of the time, date, place, and subject of each meeting must be posted in an accessible place to the general public at least 72 hours before the meeting.

OPERATING EXPENSES – The cost for personnel, materials, and equipment required for a department to function.

OPERATING REVENUE – Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

ORDINANCE – A bylaw of a municipality enacted by the governing body of the governmental entity.

OUTPUT INDICATOR – A unit of work accomplished, without reference to the resources required to do the work (e.g., number of permits issued, number of refuse collections made, or number of burglary arrests made). Output indicators do not reflect the effectiveness or efficiency of the work performed.

PASS-THROUGH GRANTS – Grants and other financial assistance received by a governmental entity to transfer to or spend on behalf of a secondary recipient.

PAY-AS-YOU-GO BASIS – A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

PERFORMANCE BUDGET – A budget where expenditures are based primarily on measurable performance of activities and work programs.

PERFORMANCE INDICATORS – Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

PERFORMANCE MEASURE – Data collected to determine how effective or efficient a program is in achieving its objectives.

PERMANENT FUNDS – A fiduciary fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.

PERSONNEL SERVICES – Expenditures for salaries, wages, and fringe benefits of a government's employees.

PRIMARY GOVERNMENT – Term used in connection with defining the financial reporting entity; a state government or general purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entity.

PRIOR-YEAR ENCUMBRANCES – Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

PROGRAM – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

PROGRAM BUDGET – A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

PROGRAM PERFORMANCE BUDGET – A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

PROGRAM REVENUE (INCOME) – Revenues earned by a program, including fees for services, license and permit fees, and fines.

PROPRIETARY FUNDS – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PSI – pounds per square inch.

PURPOSE – A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

RESERVE – An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

RESOLUTION – A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

RESOURCES – Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

RESTRICTED COURT FUND – Special revenue fund that account for revenues generated from court fines and that are restricted for a specific purpose.

REVENUE – Sources of income financing the operations of government.

REVENUE BOND – Bond backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.

SANITATION FUND – Enterprise fund that accounts for operations related to providing sanitation service.

SCADA – Supervisory Controlled Acquisition Data Access, a software system.

SENATE BILL 656 – Senate Bill passed during the 83rd Legislative Session requiring the adopted budget contain a cover page that includes a statement that the describes the budget as either raising more or less revenue from property taxes than the prior year’s budget and by what dollar amount and percentage. It must also include the dollar amount of property tax revenue that is going to be raised from new property added to the tax roll.

SERVICE LEASE – A lease under which the lessor maintains and services the asset.

SERVICE LEVEL – Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

SINKING FUND – The sum set apart from the income of the City and allowed to accumulate in order to ultimately pay off a debt.

SITE-BASED BUDGETING – A decentralized budget process whereby budget preparation and development are based on individual school (and departmental) sites.

SOP – see Standard Operating Procedures.

SOURCE OF REVENUE – Revenues are classified according to their source or point of origin.

SPECIAL ASSESSMENT – A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

SPECIAL REVENUE FUND – A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

STANDARD OPERATING PROCEDURES – Step-by-step instructions on how to perform a task or job.

SUPPLEMENTAL APPROPRIATION – An additional appropriation made by the governing body after the budget year or biennium has started.

SUPPLEMENTAL REQUESTS – Programs and services which departments would like to have added (in priority order) over their target budget, or if revenue received is greater than anticipated.

TARGET BUDGET – Desirable expenditure levels provided to departments in developing the coming year's recommended budget. Based on the prior year's adopted budget, excluding one-time expenditures, projected revenues, and reserve requirements.

TAX ANTICIPATION NOTE – Short-term, interest-bearing note issued by a government in anticipation of tax revenues to be received at a later date. The note is retired from the tax revenues to which it is related.

TAX LEVY – The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

TAXABLE VALUE – The assessed value less allowable exemptions resulting in an amount to which the tax rate is applied to determine property taxes due.

TAXES – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

TCEQ – see Texas Commission of Environmental Quality.

TEXAS COMMISSION OF ENVIRONMENTAL QUALITY – Environmental agency for the state of Texas.

TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL – An interlocal agency offering worker's compensation, liability and property protection to Texas political subdivisions.

TEXAS MUNICIPAL RETIREMENT SYSTEM – Qualified retirement plan under Section 401 of the Internal Revenue Code, serving over 800 cities and 133,000 members, retirees, and beneficiaries.

TML or TML-IRP – see Texas Municipal League Intergovernmental Risk Pool.

TMRS – see Texas Municipal Retirement System.

TRANSFERS IN/OUT – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

UCR – Uniform Crime Report, a national program administered by the Department of Justice that counts crimes reported to the police.

UNENCUMBERED BALANCE – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

UNRESERVED FUND BALANCE – The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

USER CHARGES – The payment of a fee for direct receipt of a public service by the party who benefits from the service.

UTILITY FUND – Enterprise fund that accounts for operations related to providing water and wastewater.

VARIABLE COST – A cost that increases/decreases with increases or decreases in the amount of service provided such as the payment of a salary.

VFD – Variable frequency drive, an electrical panel that speeds and slows an electric motor's rpm's.

WCID #1 – see Water Control and Improvement District No 1.

WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 – Provides water to the residents of Harker Heights/Bell County.

WILO MIXER – A brand of mixer used to mix the wastewater in lift stations to keep grease and solids in suspension so they are pumped out.

WORKING CASH – Excess of readily available assets over current liabilities. Or cash on hand equivalents which may be used to satisfy cash flow needs.

WORKLOAD INDICATOR – A unit of work to be done (e.g., number of permit applications received, the number of households receiving refuse collection service, or the number of burglaries to be investigated).

WORK YEARS – The amount of personnel resources required for a program expressed in terms of the "full-time equivalent" number of employees. One "work year" is equal to one full-time, year-round employee. For most categories, this equals 2,080 hours year (40 hours per week times 52 weeks). The number of hours a part-time employee is budgeted to work during the year is divided by 2,080 to arrive at the equivalent number of "work years" for the position.

