

**FRITCH, TEXAS**  
**ANNUAL OPERATING**  
**BUDGET**  
**FY2016-2017**



ANNUAL BUDGET  
OF THE  
CITY OF FRITCH, TEXAS  
FISCAL YEAR BEGINNING OCTOBER 1, 2016

**City Council**

Kelly Henderson	Mayor
Richard Hein	Mayor Pro-Tem
Denise Campbell	Council Member
Arlin Audrain	Council Member
Arturo Gutierrez	Council Member
Dwight Kirksey	Council Member

CITY OF FRITCH, TEXAS

Texas Local Government Code Section 102.007 Notice

This budget will raise more revenue from property taxes than last year's budget by an amount of \$2,034, which is a 0.42 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$8,077.

The record vote of each members of the governing body by name voting on the adoption of the budget as follows:

***FOR: Mayor Pro-Tem Richard Hein, Council Member Denise Campbell, Council Member Dwight Kirksey, Council Member Arturo Gutierrez, Council Member Arlin Audrain***

***AGAINST: None***

***PRESENT and not voting: None***

***ABSENT: None***

The municipal property tax rates for the 2015-2016 year and 2016-2017 year are as follows:

	Fiscal Year	Fiscal Year
	2015-2016	2016-2017
Property Tax Rate	\$0.72623	\$0.712625
Effective Tax Rate	\$0.636658	\$0.712625
Rollback Tax Rate	\$0.726231*	\$0.793676*

\* Calculated rollback rates adjusted for sales tax collected to offset property taxes

The total amount of debt obligation secured by property taxes for the City of Fritch is \$2,810,000.



# CITY OF FRITCH

P.O. BOX 758, FRITCH, TX 79036 806/857-3143

February 21, 2017

To: The Mayor, City Council and Citizens of Fritch

From: Jeffrey Howell, Interim City Manager

Subject: Transmittal of a Budget Document

Presented herewith is the adopted 2016-2017 Fiscal Year Budget, somewhat reformatted, and included within a Budget Document. A typical transmittal letter should provide a synopsis of the major revenue sources for the budget and highlight certain key features of the driving factors affecting the proposed budget. This letter will address more about the contents of this particular document.

A budget should be viewed as presenting the plan for the ensuing fiscal year. The document should contain Organizational and Departmental Mission Statements, Goals & Objectives and methods for measuring accomplishment of goals.

This document includes community information, plans, policies, organizational structure, staffing levels, debt requirements and more.

On the individual departmental Mission and Goals statements there are places for comparing actual prior year expenses to the current year and proposed budget year. This is a statutory requirement. Other statutory requirements may require a review of the pertinent chapter of the Local Government Code. In some cases, the department head crafted the departmental Mission and Goals and in others I crafted the statement and goals to provide additional samples. There are blanks that would need to be filled in if, for instance, a goal measurement was selected.

On the supporting detail sheets, those following departmental Mission and Goals statements, some information has been filled in about how certain values are calculated primarily in the personal services categories. Information has been provided about major items or typical items included in certain accounts. This was not done for all accounts as some account titles are fairly self-explanatory. Some notes have been included for certain items that should not be in the budget.

February 21, 2017

To: The Mayor, City Council and Citizens of Fritch

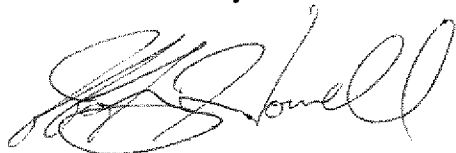
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Page 2 of 2

This document was created to provide a pattern for future budget documents, as well as, provide details about what the current budget contains. Suggestions have been made as to what should be included. A more definitive source for what a proper budget document should contain may be obtained from the Government Finance Officers Association.

Most Sincerely

A handwritten signature in black ink, appearing to read "Jeffrey Howell". The signature is stylized and cursive, with the first name "Jeffrey" written in a larger, more prominent script than the last name "Howell".

Jeffrey Howell, MBA, CPM

# BUDGET DOCUMENT

FY2016-2017



Administration

Municipal Court

Public Safety

Public Works

Streets and Parks

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# COMMUNITY INTRODUCTION

## THE COMMUNITY

Fritch is located in the middle of the Texas panhandle and is a quiet community perched on the banks of Lake Meredith. In the Summer, one can enjoy world-class fishing, camping or boating. Among the areas to explore are the historic Alibates Flint Quarries National Monument and the Lake Meredith National Recreation Area. Just a short distance south is Palo Duro Canyon, the second largest canyon in the United States.



The community was founded in an area owned in part by three ranchers: J. M. Sanford, J. H. Johnson, and Roy B. Wright. It was named for H. C. (Fred) Fritch of Chicago, a vice president of the Rock Island Railroad, who arranged for the purchase of the right-of-way in 1924. After the line was opened, Fritch established a depot at his townsite and in 1933 he laid out the streets parallel with the railroad, which ran from northwest to southeast. In the wake of the 1926 oil boom, five major gas companies located in the vicinity. The growth of Fritch was slow during its first thirty years; in 1940 it had a store, a post office, and an estimated population of seventy-five. However, the construction of Sanford Dam on the Canadian River prompted Fritch to incorporate in 1959. By the time of the dam's completion in 1965 the city had a population of 2,800, two schools, six churches, a bank, and retirement homes. This growth was attributed mainly to the recreation areas at **Lake Meredith**, in addition to ranching, farming, and the oil and gas industry.



In the late 1960s, growth waned due to lagging oil and gas production. The population was 1,778 in 1970. In 1972 the Rock Island abandoned the line through Fritch. However, the energy crisis of the early 1970s fostered increased oil and gas activities. By 1980 Fritch had thirty-one businesses and a population of 2,299. The Lake Meredith Aquarium and Wildlife Museum, opened in 1976, features wildlife exhibits and live fish specimens from the lake. The town is also known for its flatland **irrigation** system, which uses treated wastewater.

Fritch is located just 35 miles Northeast of Amarillo on State Highway 36 and 15 miles west of Borger in an area where the typically flat High Plains are broken up into canyons and draws by the Canadian River. The city itself sits on a flat piece of land surrounded by undulating terrain due to this phenomenon.



## **DEMOGRAPHICS**

The City of Fritch has 2,117 residents according to the 2010 Census, but recent American Community Survey (ACS) data has that number closer to 2,743. The water utility serves a population of approximately 5,500 using well water drawn from the Ogallala Aquifer for its municipal water supply. While the community enjoys a relatively low unemployment rate under 7%, the per capita income of \$23,340 falls well below national averages. Only 15% of the community's population falls below the poverty line in the past 12 months.

The population of Fritch is predominately White/Non-Hispanic, but that is shifting towards a more diverse population in the half decade since the last Census. There are 1,080 housing units in the community with an average value of \$88,790 according to the 2014 ACS with only 135 of those units being renter occupied. According to ESRI Community Analyst, there are 71 private businesses in Fritch with over 40% of those being in the service industry. Almost 60% of those working in Fritch are employed in the Educational Services industry making the school the largest employer in the community.

According to the United States Census Bureau, the city has a total area of 1.2 square miles.

The estimated median income for a household in the city in 2013 was \$56,909 and the median income for a family was \$71,606. The estimated per capita income for the city in 2013 was \$23,246.

The city of Fritch is primarily a bedroom community with the majority of citizens commuting to nearby Borger and Amarillo for work. Major employers in the area include Pantex, ConocoPhillips and Agrium, all located with a short distance of Fritch. Due to its nature as a commuting town, Fritch differs from most small towns in the region which rely more on agriculture as their economic base. Though there are several large ranches adjacent to the town, there is little to no farming due to the uneven topography and the town has no agriculture-related services to speak of.

The estimated median house or condo value in 2013 was \$72,196 and in March 2016 the cost of living index in Fritch was 78.8 which is low based upon the U.S. average at 100.

## GOVERNANCE & ORGANIZATION

The City of Fritch was incorporated in 1959, under Chapter 1-20, Revised Civil Statutes of Texas, which is now found in the Local Government Code, Title 2. Organization of Municipal Government, Subtitle A. Types of Municipalities, Chapter 6. Type A General-Law Municipality.

The city operates under a Council/Manager form of government.



Fritch City Hall

The Council consists of the Mayor and five Aldermen all elected at large and serving staggered two year terms. The Council appoints a professional City Manager who is responsible for the implementation of City Council policy and the day-to-day operations of the organization.



The City has 15 full-time employees and 11 part-time employees. The annual operating budget is \$3.9 million, including the general fund, water & sewer and debt service. The ad valorem tax rate is \$0.712625 per \$100 of valuation. Municipal services provided by the City include police, animal control, municipal court, planning/development services, street & park maintenance, museum, sanitation/recycling, water treatment & distribution

and wastewater collection and treatment. Property tax is the City's largest revenue source with Sales Tax and/or Franchise Fees running a close second. Fire protection is supplemented by the city but provided by the Fritch Volunteer Fire Department.

The city also has a Type B Economic Development Corporation funded by 1/8¢ sales tax, a Crime Control District funded by a 1/8¢ sales tax and collects a 1/8¢ sales tax for street improvements to offset ad valorem tax.



## LEADERSHIP & INNOVATION

The relatively new City Council has made great strides to improve the City of Fritch. The City Council appoints a City Manager. This position serves as the administrative head of the City and is responsible for daily operations.

The City Council makes policy, gives directions and sets objectives. Focus is placed working to enhancing the quality of life for all citizens.



Veteran's Monument

# Reserved for a Strategic Plan

A Strategic Plan should

contain

the organizations

Vision

Mission

& Goals

## Sample of Outstanding Policy Issues

- Continue to strive to achieve threshold of 25% of operating budget as undesignated fund balance/retained earnings.
- Begin planning for replenishing meter deposit funds to match what should be in the account per the billing system.
- Plan for settling up with Bond Counsel on the City of Fritch Water & Sewer System Revenue Certificates of Obligation, Series 2011.
- Continue budgeting sufficient funds for utility system replacement at an amount approximately equal to annual depreciation.
- As early as practical seek to restructure/combine debt issues, lowering interest and shorten term.
- Actively pursue Water & Wastewater cost of service analysis for proper rate-making. Make small annual adjustments, as necessary, to avoid large increases.
- Regrade all dirt/gravel roads in the City, opening bar ditches to re-establish proper drainage and properly shaping a crowned roadway in preparation for penetration pavement.
- Seek assistance from the County for penetration paving dirt/gravel streets

## Introduction to the City of Fritch Budget

The City of Fritch is a political subdivision and municipal corporation of the State, located in Hutchinson and Moore Counties of the Texas Panhandle. Fritch is 40 miles northeast of Amarillo. The City is a Type-A General Law city operating under the laws of the State of Texas. The City operates under a Council/Manager form of government with the governing body consisting of the Mayor and five City Council Members elected for staggered two-year terms. The City Council formulates operating policy for the City and appoints a City Manager for day-to-day operations. The 2010 Census population for the City was 2,117. The City covers approximately 1.2 square miles.

- The 2016-2017 Budget for the City of Fritch is a financial plan for the City for the next fiscal year.
- The budget projects the revenues the City anticipates collecting and the expenditures it expects to incur in the next year.
- The budgeted expenditures for the general operating funds are as follows:
  - General Fund \$1,222,150
- The budgeted expenditures for enterprise funds are as follows:
  - Water Utility Fund \$2,288,073
- Some of the municipal services this budget provides its citizens include:
  - Police Protection
  - funding for the Fritch Volunteer Fire Department
  - Street & Parks Maintenance
  - Animal Control
  - Sanitation Services
  - Museum
  - Water and Sewer Service

### **Fund Structure of the Budget**

To accurately account for where the money comes from to operate the City of Fritch and where the money is spent, the budget is divided into separate funds. There are two types of funds used in the budget process by the City of Fritch — governmental and enterprise (or proprietary) funds.

Governmental funds are those through which most governmental functions of the City are financed. Governmental funds focus on financial position or fund balance and changes in financial position, rather than on net income.

Enterprise funds are used to account for governmental activities operated in a manner similar to a business enterprise. Their focus is on net income.

### **Budget Process**

The City of Fritch's Budget process should begin in early spring when the City Manager prepares "budget packets" consisting of general budget instructions, forms

and definitions. These should be distributed at a "budget kick-off" to each department head with directions to begin the planning with the base budget provided. Using these general guidelines, each department formulates and submits budgetary estimates based on trends and known values to the City Manager.

The resulting requests and recommendations should consist of either (1) components of the base budget necessary to maintain existing service levels, or (2) service enhancements intended to improve existing service levels or to provide capabilities and programs not currently available at the base budget level. The departmental requests are compiled into a comprehensive working draft. Priority ranking of improvements is done to determine what can be funded with projected revenues.

Under the guidance of the City Manager, the Mayor and City Council participate in "budget workshops" to analyze the requested budget and to make recommendations on courses of action presented to the Council. The purpose of these workshops is to blend together programs the City has embarked on during current and prior periods with new goals and programs the Mayor, the City Council, the City Manager and department heads see as necessary to deliver desired services to the citizens of the City of Fritch. During these workshops, funding strategies are developed to deliver the anticipated programs and services to assure the overall cost of services fits within the parameters specified by the Council on behalf of the citizenry.

The budgets for the General and Debt Service Funds (i.e. governmental funds) are prepared on a budgetary basis similar to the modified accrual basis of accounting. Under this basis, revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are generally recognized when the related fund liability is incurred. However, there is one fundamental difference between the basis used to report the City's financial plan (i.e. budget) versus the basis used to report the historical results of financial operations (the Financial Statements prepared at year end).

The difference between the modified accrual basis used for financial reporting and the budget is the way capital purchases are handled. Each governmental fund must budget the full cost of all capital purchases for a fiscal year, while the City's financial statements record the capital purchase as an addition to fixed assets in its General Fixed-Asset Account Group rather than within the individual governmental funds. Capital items are recorded as assets and depreciated over their useful lives. Each year, an amount of depreciation is recorded as an expense so the cost of the asset is spread over the life of the asset even though the full cost is recorded in the budget during the period in which the item was purchased. This accelerates the recognition of the cost and forces the City to officially identify and appropriate funding at the earliest possible stage.

The budget may be amended by the City Council through the passage of a supplemental appropriation ordinance. The City Manager may at any time with the approval of the council transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency. The Council may, by budget adjustment ordinance, transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another, with some restrictions. No funds may be transferred from the Interest and Sinking Funds for operations.

The following is typical Budget Calendar listing specific actions and deadlines required in the budget process. Always review the Local Government Code and Tax Code for changes from year to year

#### April

Budget Kick-off: budget preparation materials and information delivered to department heads

#### May

EOM **Deadline for Budget Request for submittal to City Manager**

#### June

Early City Manager reviews budget requests, meets with Department Heads as necessary and prepares materials for Council budget workshop

Mid to late **Council Budget Workshop**

#### July

Early **Council Budget Workshop**

Mid Regular City Council Meeting - Possible additional budget workshop

Late **Possible final Council Budget Workshop**

#### August

8/1 (flex) Manager files proposed budget with the City Secretary and posts on the web-site (30 days before tax levy and 15 days before public hearing)

Publish effective and rollback tax rates week before Council meeting, if possible (Needs to be to the newspaper by Monday; Talk with Hutchinson CAD 3<sup>rd</sup> week of July) {Certified tax roll deadline is 7/25}

Friday before **Post Notice regarding discussion of proposed tax rate (i.e. Council Agenda)**

Third Tuesday **Regular City Council meeting** Discuss proposed tax rate; take record vote (to place a proposal to adopt the rate on the agenda of a future meeting — adopted rate cannot exceed that which is proposed at this meeting) and schedule public hearing. Submit budget and schedule public hearing in accordance with LGC Sec. 102.006.

Following meeting **Publish "Notice of Public Hearings on Tax Increase"** Tax Code Sec. 26.06 (if necessary) **seven (7) days before the public hearing on (9/6)** (from Hutchinson CAD) **not less than a quarter page ad — Also place on the web-site.** (need to be to the newspaper morning after meeting)

Following meeting **Publish "Notice of Public Hearing on Proposed Budget"** in accordance with LGC Sec. 102.006 **(Not earlier than 30 days nor less than 7 days prior to hearing date) - Also place on the web-site.** (need to be to the newspaper within parameters above)

#### September

Friday before **Post Notice for Public Hearing on proposed tax rate (i.e. Council Agenda)**

First Tuesday **Special City Council meeting 1st PUBLIC HEARING** on proposed tax rate Tax Code Sec. 26.05.(d)

Following meeting **Publish "Notice of Tax Revenue Increase & Date for Vote on Tax Rate"** (if necessary) (Needs to be to the newspaper by next morning)

Friday before **Post Notice for Public Hearing on proposed tax rate (i.e. Council Agenda)**

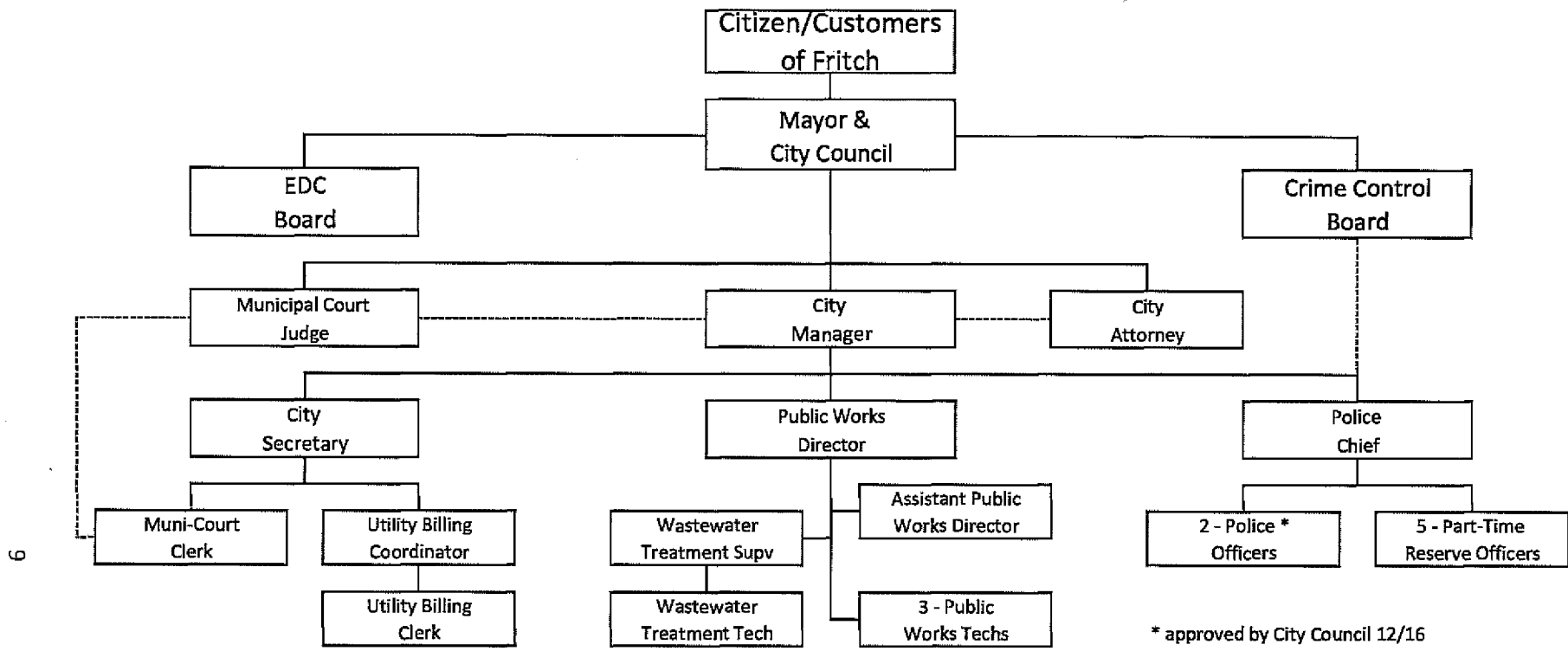
Second Tuesday **Special City Council meeting — 2nd PUBLIC HEARING** Tax Code Sec. 26.05.(d) and Sec. 26.06 **not less than 3 days after the first public hearing on** (first Tuesday) on proposed tax rate.

Following meeting **Publish "Notice of Tax Revenue Increase & Date for Vote on Tax Rate"** {if necessary} (Needs to be to the newspaper by next morning)

Friday before **Post Notice for Public Hearing on Budget and Adoption of Tax Rate and Budget** (i.e. Council Agenda)

Third Tuesday Regular City Council meeting - **PUBLIC HEARING** on proposed budget in accordance with LGC Sec. 102.006. Action: Adoption of Tax Rate, Budget and Ratify Budget Adoption, if necessary.





## Authorized Position Summary

	2015	2016	2017
<b>General Fund</b>			
<b>Administration</b>			
City Manager	1.00	1.00	1.00
City Secretary	1.00	1.00	1.00
<b>Animal Ctrl/Code Enf</b>			
ACO/Code Enf	1.00	1.00	1.00
<b>Municipal Court</b>			
Court Clerk	1.00	1.00	1.00
<b>Museum</b>			
Director	0.50	0.50	0.50
<b>Police</b>			
Chief	1.00	1.00	1.00
Sergeant	1.00	1.00	-
Police Officer			2.00 <sup>1</sup>
	2.00	2.00	3.00
PT Reserve Officer <sup>2</sup>	5.00	5.00	5.00
 <sup>1</sup> Change approved by Council 12/20/16			
<sup>2</sup> Variable hours equates to 2.65 FTE			
<b>Street Maintenance</b>			
PT - Public Works Tech <sup>3</sup>	0.15	0.15	0.15
<b>Public Works</b>			
<b>Solid Waste/Recycle</b>			
Center Attendant	0.50	0.50	0.50
<b>Wastewater</b>			
WW Treatment Supv	1.00	1.00	1.00
WW Treatment Tech	1.00	1.00	1.00
PT - Public Works Tech <sup>3</sup>	0.24	0.24	0.24
<b>Water</b>			
Public Works Director	1.00	1.00	1.00
Asst Public Works Dir	1.00	1.00	1.00
Public Works Tech	3.00	3.00	3.00
Utility Billing Coord	1.00	1.00	1.00
Utility Billing Clerk	1.00	1.00	1.00
PT - Public Works Tech <sup>3</sup>	0.24	0.24	0.24

<sup>3</sup> Budgeted as contract labor equates to 0.6 FTE

## GLOSSARY OF TERMS

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

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

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

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

**Capital Outlay:** Type of expenditure within the budget which results in the acquisition of an asset which has a value of at least \$5,000 and a useful life of three years or more.

**Capital Projects Fund:** A fund set up to specifically account the revenues and expenditures incurred to construct Infrastructure projects with significant costs and a long useful life.

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

**Debt Service Fund:** A fund setup specifically to account for the liability of a debt incurred and the subsequent payments made to settle that obligation.

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

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources along with all related liabilities and residual equities or balances and related changes. These accounts are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. In governmental accounting, all funds are classified into fund types: General, Special Revenue, Debt Service, Capital Projects, Enterprise and Internal Service.

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

**General Fund:** The fund used to account for operations of the governmental entity.

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

**Internal Service Fund:** A fund set-up specifically to account for cost of operations provided to other departments within the organization.

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

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

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

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

**Proprietary Fund:** A fund to account for activities that focus on operating income and cash flows. Such activities are often business-like, such as the water and sewer fund.

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

**Revised Budget:** A department's authorized budget as modified by City Council action, through new or decreased appropriation or appropriation transfers from an established contingency account, or transfers from or to another department or fund.

**Special Revenue Fund:** A fund to account for revenue and sometimes expenditures that are restricted by the source of the revenue.

**Tap Fees:** Fees charged to join to an existing utility system.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. The term does not include specific charges made for services rendered only to those paying such charges as, for example, water and/or sewer service charges.

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

## City of Fritch Financial Management Policy Statements

To establish and document a policy framework for fiscal decision-making, the City Manager has developed and presented for the City Council's consideration a comprehensive set of Financial Management Policy Statements. The aim of these policies is to ensure financial resources are available to meet the present and future needs of the citizens of Fritch. Specifically, this policy framework mandates the pursuit of the following fiscal objectives:

1. *Revenues:* Design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.
2. *Expenditures:* Identify priority services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.
3. *Fund Balance/Retained Earnings:* Maintain the fund balance and retained earnings of the various operating funds at levels sufficient to protect the City's creditworthiness, as well as, its financial position from emergencies.
4. *Capital Expenditures and Improvements:* Annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.
5. *Debt:* Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.
6. *Investments:* Invest the City's operating cash to ensure its safety, provide for necessary liquidity and optimize yield.
7. *Intergovernmental Relations:* Coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support favorable legislation at the state and federal level.
8. *Grants:* Seek, apply for and effectively administer federal, state and foundation grants-in-aid which address the City's current priorities and policy objectives.
9. *Economic Development:* Initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy.
10. *Fiscal Monitoring:* Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.
11. *Financial Consultants:* With available resources, seek out and employ the assistance of qualified financial advisors and consultants in the management and administration of the City's financial functions.
12. *Accounting, Auditing and Financial Reporting:* Comply with prevailing federal, state and local statutes and regulations. Conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

**City of Fritch**  
**Financial Management Policy Statements**

**I. Revenues**

To design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

**A. *Balance and Diversification in Revenue Sources***

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions which adversely impact that source.

**B. *User Fees***

For services that benefit specific users the City shall establish and collect fees to recover the costs of those services. The City Council shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

**C. *Property Tax Revenues/Tax Burden***

The City shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees and economic development. The City shall also strive to minimize the property tax burden on Fritch citizens.

**D. *Utility/Enterprise Funds User Fees***

Utility rates and enterprise funds user fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements, and provide adequate levels of working capital. The City shall seek to eliminate all forms of subsidization to utility/enterprise funds from the General Fund.

**E. *Administrative Services Charges***

The City shall establish a method to determine annually the administrative services charges due the General Fund from enterprise funds for overhead and staff support. Where appropriate, the enterprise funds shall pay the General Fund for direct services rendered.

**F. *Revenue Estimates for Budgeting***

To maintain a stable level of services, the City shall use a conservative, objective and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and should avoid mid-year service reductions.

**G. *Revenue Collection and Administration***

The City shall maintain high collection rates for all revenues by keeping the revenue system as simple as possible to facilitate payment. In addition, since a revenue should exceed the cost of producing it, the City shall strive to control and reduce administrative costs. The City shall pursue to the full extent allowed by state law all delinquent taxpayers and others overdue in payments to the City.



**City of Fritch  
Financial Management Policy Statements**

**II. Expenditures**

To assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

**A. *Current Funding Basis***

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year savings. (The use of fund balance shall be guided by the Fund Balance/Retained Earnings Policy Statements.)

**B. *Avoidance of Operating Deficits***

The City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance within the Fund Balance/Retained Earnings Policy. Expenditure deferrals into the following fiscal year, short-term loans or use of one-time revenue sources shall be avoided to balance the budget.

**C. *Maintenance of Capital Assets***

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue service levels.

**D. *Periodic Program Reviews***

The City Manager shall undertake periodic staff and third-party reviews of City programs for both efficiency and effectiveness. Privatization and/or contracting with other governmental agencies will be evaluated as alternative approaches to service delivery. Programs which are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.

**E. *Purchasing***

The City shall make every effort to maximize any discounts offered by creditors/vendors. Staff shall also use competitive bidding in accordance to State law to attain the best possible price on goods and services.

**III. Fund Balance/Retained Earnings**

To maintain the fund balance and retained earnings of the various operating funds at levels sufficient to protect the City's creditworthiness, as well as, its financial positions from unforeseeable emergencies.

**A. *General Fund Undesignated Fund Balance***

Fund balance is the difference between fund assets and fund liabilities of governmental and similar trust funds. The City shall strive to maintain the General Fund undesignated fund balance at 25 percent of current year budget expenditures. After completion of the annual audit, if the undesignated fund balance exceeds twenty-five (25) percent, the City Council will be provided the option of transferring the excess to a Capital Projects Fund (undesignated).

<p><b>City of Fritch</b> <b>Financial Management Policy Statements</b></p>
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**B. *Retained Earnings of Other Operating Funds***

In enterprise operating funds, the City shall strive to maintain positive retained earnings positions to provide sufficient reserves for emergencies and revenue shortfalls. Specifically, in the Water and Sewer Enterprise Fund, an operating reserve will be established and maintained at twenty-five (25) percent of the current year's budget appropriation for operation and maintenance, which is defined as the total budget less debt service and capital project expenditures.

**C. *Use of Fund Balance/Retained Earnings***

Fund Balance/Retained Earnings shall be used only for emergencies, not recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective for that fund, recommendations will be made on how to restore it.

**D. *Retained Earnings of Internal Service Funds***

The City shall not regularly maintain positive retained earnings in internal service funds with the exception of a Capital Equipment Replacement Fund, should one be established. When an internal service fund builds up retained earnings, the City shall transfer it to other operating funds.

**IV. Capital Expenditures and Improvements**

To annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding, alternatives, and availability of resources.

**A. *Capital Improvement Planning Program***

The City shall annually review the needs for capital improvements and equipment, the current status of the City's infrastructure, replacement and renovation needs, and potential new projects. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability.

**B. *Replacement of Capital Assets on a Regular Schedule***

The City shall annually prepare a schedule for the replacement of its non-infrastructure capital assets. Within the resources available each fiscal year, the City shall replace these assets according to the aforementioned schedule.

**C. *Capital Expenditure Financing***

The City recognizes there are three basic methods of financing its capital requirements. The options are: 1) budget the funds from current revenues; 2) take the funds from operating fund balance/retained earnings as allowed by the Fund Balance/Retained Earnings Policy; or 3) borrow money through debt. Debt financing includes general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements and local bank notes. Guidelines for assuming debt are set forth in the Debt Policy Statements.

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**V. Debt**

To utilize debt financing which will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

**A. *Use of Debt Financing***

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements and bank notes shall only be used to purchase capital assets that cannot be financed from either current revenues or fund balance/retained earnings and to fund infrastructure improvements and additions. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes.

**B. *Assumption of Additional Debt***

The City shall not assume more tax-supported general purpose debt than it retires each year without conducting an objective analysis as to the community's ability to assume and support additional debt service payments. The City's debt paid by ad valorem taxes is limited to 2.5% of the taxable appraised value within the City.

**C. *Affordability Targets***

The City shall use an objective analytical approach to determine whether it can afford to assume new general purpose debt beyond what it retires each year. This process shall compare generally accepted standards of affordability to the current values for the City. These standards shall include debt per capita, debt as a percent of taxable value, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The process shall also examine the direct costs and benefits of the proposed expenditures. The decision on whether or not to assume new debt shall be based on these costs and benefits and on the City's ability to "afford" new debt as determined by the aforementioned standards. The City shall strive to achieve and/or maintain these standards at a low to moderate classification.

**D. *Debt Structure***

The City shall structure its debt payment schedules for general purpose debt to ensure relatively level principal & interest repayment schedules. The City shall not assume any debt with 'balloon' repayment schedules which consist of low annual payments and one large payment of the balance due at the end of the term. While balloon payment structures minimize the size of debt payments during the period, they force a large funding requirement on the budget of the final year. Given the uncertainties of the future, level payment schedules improve budget planning and financial management.

**E. *Sale Process***

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated bid. The City shall award bonds based on a true interest cost (TIC) basis, as long as, the financial advisor agrees the TIC basis can satisfactorily determine the lowest and best bid.

**F. *Bond Rating Agencies Presentations***

Full disclosure of operations and open lines of communication shall be made to the bond rating agencies. City staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the bond rating agencies.

**G. *Continuing Disclosure***

The City is committed to continuing disclosure of financial and pertinent credit information relevant to

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the City's outstanding securities.

**H. Debt Refunding**

City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3.5% of the refunded maturities.

**VI. Investments**

To invest the City's cash in such a manner to insure the absolute safety of principal and interest, to meet the liquidity needs of the City, and to achieve the highest possible yield. Interest earned from Investments shall be distributed to the City funds from which the money was provided. (Reference: Investment Policy required by the Public Funds Investment Act, Resolution 2017 - 4 adopted January 17, 2017, or most current)

**VII. Intergovernmental Relations**

To coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis, and support favorable legislation at the state and federal levels.

**A. Interlocal Cooperation in Delivering Services**

In order to promote the effective and efficient delivery of services, the City shall actively seek to work with other local jurisdictions in joint purchasing consortia, sharing facilities, sharing equitably the costs of service delivery, and developing joint programs to improve service to its citizens.

**B. Legislative Program**

The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding to implement them. Conversely, and as appropriate, the City shall support legislative initiatives that provide more funds for priority local programs.

**VIII. Grants**

To seek, apply for and effectively administer federal, state and foundation grants-in-aid that address the City's current priorities and policy objectives.

**A. Grant Guidelines**

The City shall apply, and facilitate the application by others, for only those grants that are consistent with the objectives and high priority needs previously identified by the City Council. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

**B. Indirect Costs**

The City shall recover full indirect costs unless the funding agency does not permit it. The City may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

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**C. Grant Review**

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified prior to application. An annual report on the status of grant programs and their effectiveness shall also be prepared.

**D. Grant Program Termination**

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified.

**IX. Economic Development**

To initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy.

**A. Positive Business Environment**

The City shall endeavor, through its regulatory and administrative functions, to provide a positive business environment in which local businesses can grow, flourish and create jobs. The City Council and City staff will be sensitive to the needs, concerns and issues facing local businesses.

**B. Commitment to Business Expansion, Diversification and Job Creation**

The City shall encourage and participate in economic development efforts to expand Fritch's economy and tax base and to increase local employment. These efforts shall not only focus on newly developing areas but also on other established sections of Fritch where development can generate additional jobs and other economic benefits.

**C. Tax Abatements**

The City Council may issue tax abatements, or tax rebates to encourage commercial growth and development throughout Fritch. The City shall use due caution in the analysis of any tax incentives used to encourage development. Factors considered in evaluating proposed abatements or rebates for development include the location of the project, its size, the number of temporary and permanent jobs created, the costs and benefits for the City and its impact on Fritch's economy. The City will periodically review tax abatement or rebate contracts to ensure the community is receiving promised benefits, and the Council may seek to renegotiate an abatement or rebate contract if it is determined that the firm receiving the abatement or rebate has failed to keep its part of the agreement.

**D. Increase Non-residential Share of Tax Base**

The City's economic development program shall seek to expand the nonresidential share of the tax base to decrease the tax burden on residential homeowners.

**E. Coordinate Efforts with Other Jurisdictions**

The City's economic development program shall encourage dose cooperation with other local jurisdictions, chambers of commerce and groups interested in promoting the economic well-being of this area.

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*F. Use of Other Incentives*

The City may use enterprise zones, public improvement districts, tax-increment reinvestment zones or other incentives as allowed by law to encourage business expansion. The City shall also coordinate with state and federal agencies on offering any incentive programs they may provide for potential economic expansion.

**X. Fiscal Monitoring**

To prepare and present regular reports which analyze, evaluate and forecast the City's financial performance and economic condition.

*A. Financial Status and Performance Reports*

Monthly reports comparing expenditures and revenues to current budget, projecting expenditures and revenues through the end of the year, noting the status of fund balances to include dollar amounts and percentages, and outlining any remedial actions necessary to maintain the City's financial position shall be prepared for review by the City Manager for the Council.

# CITY OF FRITCH, TEXAS

## INVESTMENT POLICY

### I. POLICY

The purpose of this document is to set forth specific investment policy and strategy guidelines for the City of Fritch to achieve the goals of safety, liquidity, yield, and public trust for all investment activity. This policy serves to satisfy the statutory requirements of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended.

The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act (the "Act"). The earnings from investment will be used in a manner that best serves the interests of the City.

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal
- Maintenance of sufficient **liquidity** to meet operating needs
- **Public trust** from prudent investment activities
- Optimization of **interest earnings** on the portfolio

### II. PURPOSE

The purpose of this investment policy is to comply with all applicable state statutes, City ordinances, resolutions and policies and Chapter 2256 of the Government Code ("Public Funds Investment Act"), which require the City to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

### III. SCOPE

This investment policy applies to all financial assets of the City of Fritch, Texas. These funds are accounted for in the City's Annual Financial Audit and include the following funds:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds
- Debt Service Funds
- Any new fund created by the City Council, unless specifically exempted

All deposits, to the extent possible, will be concentrated with one central depository. This maximizes the City's ability to pool cash for investment purposes and keeps banking relationships manageable. In addition, except as provided below, all uninvested City funds shall be deposited in the City's depository bank. To the extent such City funds in the depository bank are not insured by the Federal Deposit Insurance Corporation, they shall be secured by collateral pledged to the market value not insured in accordance with the Public Funds Collateral Act, Chapter 2257 of the Texas Government Code.

The City may consolidate cash balances from various funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in



accordance with generally accepted accounting principles.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs.

#### **IV. INVESTMENT OBJECTIVES**

The City shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The City shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum earnings on short-term investment of idle cash.

##### **Safety [PFIA 2256.005(B)(2)]**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- **Credit Risk** – The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
  - Limiting investments to the safest types of investments
  - Pre-qualifying the financial institutions and broker/dealers with which the City will do business
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized
  
- **Interest Rate Risk** – The City will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity.
  - Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

##### **Liquidity [PFIA 2256.005(b)(2)]**

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in shares of money market mutual funds or local government investment pools that offer same-day liquidity. In addition, a portion of the portfolio may consist of securities with active secondary or resale markets.

### **Public Trust**

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

### **Yield (Optimization of Interest Earnings) [PFIA 2256.005(b)(3)]**

The Investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

## **V. DELEGATION OF AUTHORITY**

In accordance with City resolution, policy and the Public Funds Investment Act, the City Council designates the City Manager as the primary Investment Officer and the City Secretary as secondary Investment Officer. The designated Investment Officers will attend such training and at such times as is necessary to maintain the State standard of competency for an Investment Officer. An Investment Officer is authorized to execute investment transactions on behalf of the City. No person may engage in an investment transaction or the management of City funds except as provided under the terms of this Investment Policy as approved by the City Council. The investment authority granted to the investing officers is effective until rescinded by the City Council.

### **Quality and Capability of Investment Management [PFIA 2256.005(b)(3)]**

The City shall provide periodic training in investments for the designated investment officers through courses and seminars offered by professional organizations, associations and other independent sources in order to insure the quality and capability of investment management in compliance with the Public Funds Investment Act.

### **Training Requirement (PFIA 2256.008)**

In accordance with City resolution, policy and the Public Funds Investment Act, designated Investment Officers shall attend one 10 hour training session relating to their responsibilities under the Public Funds Investment Act within 12 months after assuming duties and receive no less than 8 hours of instruction relating to investment functions every two year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date. The training must include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act. The investment training session shall be provided by an independent source approved by the City Council. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the City may engage in an investment transaction. Thus, these independent sources will be training sessions sponsored, accredited or endorsed by the Government Treasurers Organization of Texas (GTOT), Center For Public Management at the University of North Texas (UNT), Government Finance Officers Associations of Texas (GFOAT), Texas Municipal League (TML), Panhandle Regional Planning Commission (PRPC), Association of Public Treasurers United States & Canada (APT US & C), and Government Finance Officers; Association (GFOA).

### **Internal Controls (Best Practice)**

The City Investment Officers are responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance these objectives are met. The concept of

reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the City Investment Officers shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points.

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Clear delegation of authority to subordinate staff members
- Written confirmation for telephone (voice) transactions for investments and wire transfers.
- Development of a wire transfer agreement with the depository bank or third party custodian.

#### **Prudence (PFIA 2256.006)**

The standard of prudence to be applied by the Investment Officer shall be the “Prudent Person Rule.” This rule states that “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

Investment officers acting in accordance with the Investment Policy and exercising due diligence shall be relieved of personal responsibilities for an individual security’s credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the officer had responsibility rather than consideration as to the prudence of a single investment and whether the investment decision was consistent with the City’s Investment Policy.

#### **Indemnification (Best Practice)**

The Investment Officers, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment’s credit risk or market price changes, provided these deviations are reported immediately and the appropriate action is taken to control adverse developments.

#### **Ethics and Conflicts of Interest [PFIA 2256.005(i)]**

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City.

An Investment Officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

## VI. SUITABLE AND AUTHORIZED INVESTMENTS

### Investments [PFIA 2256.005(b)(4)(A)]

City funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of City funds in any instrument or security not authorized for investment under the Act is prohibited. The City will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

#### **I. Authorized**

1. Obligations of the United States of America, its agencies and instrumentalities.
2. Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the City.
3. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Master Repurchase Agreement must be signed by the bank/dealer prior to investment in a repurchase agreement. All repurchase agreement transactions will be on a delivery vs. payment basis. Securities received for repurchase agreements must have a market value greater than or equal to 100 percent at the time funds are disbursed. (Sweep Accounts and/or Bond Proceeds)
4. Money Market Mutual funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) rated AAA by at least one nationally recognized rating service, and 4) seek to maintain a net asset value of \$1.00 per share.
5. Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, 3) seek to maintain a \$1.00 net asset value, and 4) are authorized by resolution or ordinance by the City Council.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. (PFIA 2256.021)

#### **II. Not Authorized [PFIA 2256.009(b)(1-4)]**

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

## VII. INVESTMENT PARAMETERS

### Maximum Maturities [PFIA 2256.005(b)(4)(B)]

The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The City attempts to match its investments with anticipated cash flow requirements. The City will not

directly invest in securities maturing more than two (2) years from the date of purchase; however, the above described obligations, certificates, or agreements may be collateralized using longer dated investments.

Because no secondary market exists for repurchase agreements, the maximum maturity shall be 120 days except in the case of a flexible repurchase agreement for bond proceeds. The maximum maturity for such an investment shall be determined in accordance with project cash flow projections and the requirements of the governing bond ordinance.

The composite portfolio will have a weighted average maturity of 365 days or less. This dollar-weighted average maturity will be calculated using the stated final maturity dates of each security. [PFIA 2256.005(b)(C)]

#### **Diversification [PFIA 2256.005(b)(3)]**

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over concentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law),
- Limiting investment in investments that have higher credit risks (example: commercial paper),
- Investing in investments with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

### **VIII. SELECTION OF BANKS AND DEALERS**

#### **Depository**

At least every five years a Depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law.
- The ability to provide requested information or financial statements for the periods specified.
- The ability to meet all requirements in the banking RFP.
- Complete response to all required items on the bid form.
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
- The ability to provide on-line banking services.
- The credit worthiness and financial stability of the bank.

### **IX. SAFEKEEPING OF SECURITIES AND COLLATERAL**

#### **Safekeeping and Custodian Agreements (Best Practice)**

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the City shall be held in the City's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third-party custodian designated by the City and pledged to the City as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original

safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve bank or branch of a Federal Reserve bank, a Federal Home Loan Bank, or a third-party bank approved by the City.

### **Collateral Policy (PFCA 2257.023)**

Consistent with the requirements of state law, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 100% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the City may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The City Investment Officers are responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed monthly or soon thereafter to assure that the market value of the pledged securities is adequate.

### **Collateral Defined**

The City shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities
- Direct obligations of the state of Texas or its agencies and instrumentalities
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A
- A letter of credit issued to the City by the Federal Home Loan Bank

### **Subject to Audit**

All collateral shall be subject to inspection and audit by the City Investment Officers and the City's independent auditors.

## **IX. PERFORMANCE**

### **Performance Standards**

The City's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return though budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirement of the City.

### **Performance Benchmark (Best Practice)**

It is the policy of the City to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the City shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value.

## **XI. REPORTING (PFIA 2256.023)**

### **Methods**

The Investment Officer shall prepare an investment report on a quarterly basis summarizing the City's investments in the most recent quarter and describes the portfolio in terms of investment securities and maturities. The quarterly investment report will be prepared in a manner to allow the City Council to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the City Council.

### **Monitoring Market Value [PFIA 2256.005(b)(4)(D)]**

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

## **XII. INVESTMENT POLICY ADOPTION [PFIA 2256.005(e)]**

The City's investment policy shall be adopted by resolution of the City Council. It is the City's intent to comply with state laws and regulations. The City's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the City. The City Council shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.



## Budget Summary

GENERAL FUND					
	2015 - 2016 Revenues	2015 - 2016 Expenditures	2016 - 2017 Revenues	2016 - 2017 Expenditures	2016 - 2017 A.P.
General Fund Revenue	752,304.52		930,344.00		
Administration		309,222.77		360,064.00	2.0
Animal Control		51,312.50		56,975.00	1.0
Code Enforcement		3,369.00		3,600.00	
Court		120,824.76		119,577.00	1.0
Fire Department		92,666.00		122,465.00	
Museum		20,766.00		55,345.00	0.5
Police Department		383,623.85		420,726.00	2.0
Streets		69,945.00		83,400.00	
Transfer from Public Works	299,425.36		291,808.00		
<b>TOTAL</b>	<b>1,051,729.88</b>	<b>1,051,729.88</b>	<b>1,222,152.00</b>	<b>1,222,152.00</b>	<b>6.5</b>

Public Works Fund					
	2015 - 2016 Revenues	2015 - 2016 Expenditures	2016 - 2017 Revenues	2016 - 2017 Expenditures	2016 - 2017 A.P.
Public Works Revenue	2,255,995.93		2,456,104.00		
Trash/Recycle		342,036.49		347,343.00	0.5
Sewer		149,963.55		190,272.00	2.0
Water		751,335.68		1,750,458.00	7.0
<b>TOTAL</b>	<b>2,255,995.93</b>	<b>1,243,335.72</b>	<b>2,456,104.00</b>	<b>2,288,073.00</b>	<b>9.5</b>

Debt Service Fund				
	2015 - 2016 Revenues	2015 - 2016 Expenditures	2016 - 2017 Revenues	2016 - 2017 Expenditures
Debt Service Revenue	449,371.25		443,552.00	
Debt Service		449,371.25		443,552.00
<b>TOTAL</b>	<b>449,371.25</b>	<b>449,371.25</b>	<b>443,552.00</b>	<b>443,552.00</b>

	Revenues 2015 - 2016	Expenditures 2015 - 2016	Revenues 2016 - 2017	Expenditures 2016 - 2017	A.P. 2016 - 2017
<b>BUDGET TOTALS</b>					
General Fund	1,051,729.88	1,051,729.88	1,222,152.00	1,222,152.00	6.5
Public Works	2,255,995.93	1,243,335.72	2,456,104.00	2,288,073.00	9.5
Debt Service	449,371.25	449,371.25	443,552.00	443,552.00	
<b>TOTAL</b>	<b>3,757,097.06</b>	<b>2,744,436.85</b>	<b>4,121,808.00</b>	<b>3,953,777.00</b>	<b>16.0</b>

Money for matching grant  
projects, emergencies, etc.

168,031.00

A.P. - Authorized Positions

## **Governmental Funds**

### **The General Fund**

The General Fund is the Governmental fund used the most in the City of Fritch. It is used to account for resources devoted to financing general administration, public safety, community services, and health related services. It is used to account for all resources not accounted for in other funds.

### **General Fund Reserves**

The City recognizes, because we are a part of a national and regional economy and as such are not immune to trends and actions that lie beyond local control. Diligent care, planning and maintenance efforts cannot totally predict events that will impact the budget and expenditures in an accounting period. The City is carefully building in mechanisms to mitigate the impact of uncontrollable, unpredictable "emergency" situations. One way in which the City can safeguard its financial condition is to build and preserve a healthy fund balance.

In January 2017, The City Council adopted the comprehensive Financial Management Policy Statements. Contained within that policy is a goal to maintain a minimum unreserved fund balance of 25 percent of General Fund annual expenditures. Reserves are expected to be used only for emergencies or non-recurring expenditures. Balances can be reduced when their levels exceed the guideline minimum. The Fund Balance policy allows the City Council to transfer any excess to a Capital Improvements Fund.

**The beginning unreserved fund balance for fiscal year 2016-2017 is only 3.02% percent of the General Fund budgeted expenditures.**

### **General Fund**

The General Fund supports services that are fundamental to government. These services include the City Council, Municipal Court, Administration, Finance and Personnel. They also include Public Safety (Police, Fire and Code Enforcement), Maintenance of Streets and Parks, Museum operations, Building Inspections, and Planning/Zoning.

### **Revenues**

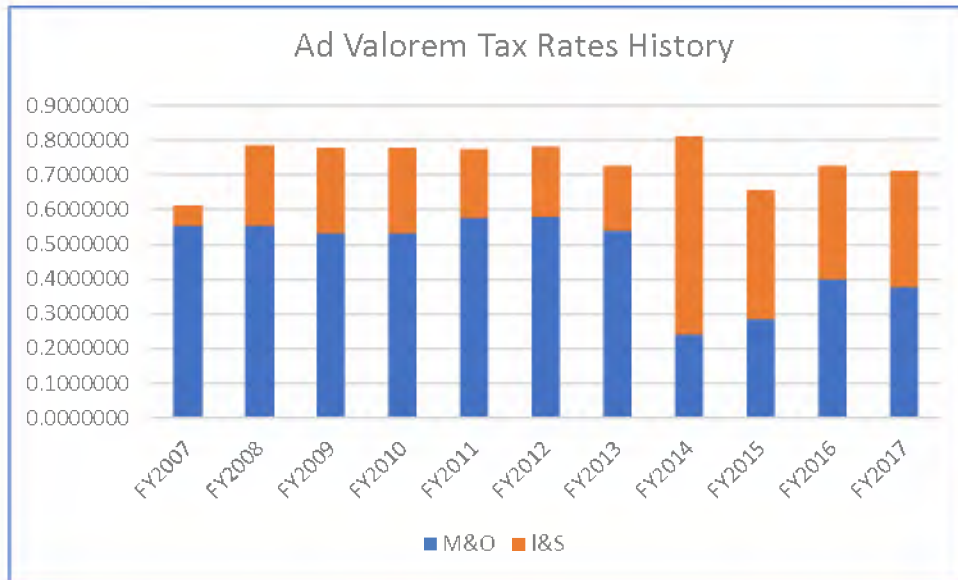
In developing a budget, the City should take a conservative approach to estimating revenues. Each major revenue category should be analyzed using historical data and trends along with current and projected values. The City FY2017 includes an easement buy-out for an existing cellular telephone tower. This one-time source boost the overall estimated revenue to 24% more than the prior year budget; however, it must be emphasized this is not a sustainable source.

The Sales tax revenue is estimated to increase by 9.74% percent, an indication was underbudgeted in the prior year. Fritch's sales taxes, like most other cities, continue to recover from the 2008-09 recession. The City's ability to provide quality services is not predicated, however, on sales tax expansion.

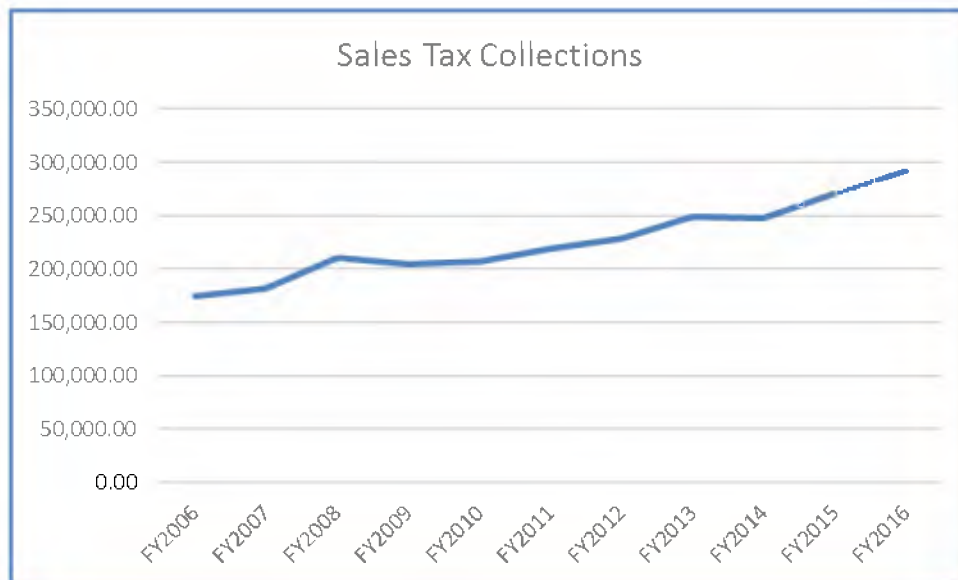
**Revenue Components**

**1. Taxes**

**a. Property Taxes** -The adopted ad valorem tax rate is \$0.712625/\$100 valuation. Of the total tax rate, \$0.377427 is designated for operations and maintenance. This is the portion of property tax that goes into the General Fund. The remainder rate of \$0.335198 is allocated to debt service. The budgeted total revenue from ad valorem taxes is expected to be more by approximately \$40,000 from the budgeted 2016 amount. This increase is an indication of underbudgeting in the prior year, because the adopted effective tax rate is supposed to bring in the same amount of revenue as the prior year. The City experienced a 105% collection rate in the 2016 fiscal year – another indication of underbudgeting. The FY2017 budget includes a conservative estimate of anticipated collections at a rate of 96.5%.



**b. Sales Tax**-The City has experienced fluctuations in the sales tax revenues from 2006 through the present; however, the overall trend is increasing. The FY2017 projection was conservatively budgeted at \$200,000, for the general sales tax which is an increase of approximately 9.4% over the amount budgeted in FY2016.



c. **Franchise Fees** — The City receives franchise fees from the electric, natural gas, telephone cable television providers and recommended from the water utility in exchange for the right to utilize the public rights-of-way to offer these services to the citizens of the City. Franchise fees are budgeted to be about \$214,000, which includes the cell tower easement buyout.

## **2. Fines and Forfeitures**

Court Fines are projected to grow as the City continues an aggressive enforcement of local laws including code enforcement. The projected amount for 2017 is \$150,000, including state court costs.

During FY2016, the City of Fritch collected and remitted over \$50,000 to the State of Texas for municipal court fees due to the State Comptroller,

## **3. Other Revenue**

Other revenue in the City of Fritch's budget consists primarily of various grants, interest revenue, and county support for the fire department.

## **Expenditures**

The cost of delivering adopted service levels are represented in the Budget as Expenditures. The City Council deliberates, keeping in mind the services the community has prioritized and their affordability, as well as, the impact that funding or deferring services and programs may have on future operations and service levels. In FY2016, total expenditures were budgeted at \$1,051,729.88. The FY2017 budgeted expenditures are \$1,222,512, which includes a \$291,808.00 transfer from the water funds for administrative support and street rental/franchise fee.

## **Personnel Costs**

For FY2017, no new positions were added. Temporary seasonal workers are added for summer time usage when the mowing season is in full swing. The General Fund has 6.5 authorized positions supplemented by part-time reserves for the police department. Cost of living raises and merit raises have not been granted for several years. Raises were included in the FY2017 budget to keep the City on a competitive pay scale with the local market.

Total personnel costs for FY2017 are \$580,040.00 compared to \$533,770.88 in FY2016. These amounts include salaries and benefit costs. Full-time positions accrue benefits whereas part-time positions do not.

## **Contractual Services**

Contractual Services includes those expenses for any entity providing services to the City. Utility service, contract labor, auditors, city attorney, insurance, lease/purchase, and technology support are examples of contractual services. Contractual Services are projected to increase by 3.52 percent or by \$12,103 in the upcoming year. The amount budgeted in FY2017 is \$355,725 compared to the amount budgeted in FY2016 as \$343,622.

## **Supplies Costs**

The budget for supplies costs is increasing by 58.31 percent in FY2017 compared to FY2016. The total supplies budget is \$240,687 for FY2017 compared to \$152,037 budgeted in FY2016. Roof repairs are the significant cost increase in the supplies budgets. The Supplies category also includes office supplies, motor vehicle fuel/oil/tires, chemical supplies, and repair supplies.

## **Capital Outlay**

Total Capital Outlay in the General Fund is budgeted at \$29,500. This represents an increase of approximately \$20,250 or 219 percent. This is the category of expenditures that includes new Capital equipment. For a few years now the City has forgone major capital expenditures in order to catch up on debt payments and other expenses. A breathing air compressor was included to be used primarily by the fire department for refilling the Self Contained Breathing Apparatus (SCBA air-bottles). This expenditure classification shows more variation from year to year than any other group of expenditures.



**General Revenues**

Revenue	Account Number	Description	Year-To-Date	Annual Budget	Adopted Budget
			Oct 2015 Jun 2016 Actual	Oct 2015 Sep 2016	Oct 2016 Sept 2017
	4404	Fire Department Donations		1,000.00	1,000.00
	4510	Insurance Settlements	35,192.63		
	4601	Misc. - Copies & Faxes	7.19	30.00	30.00
	4602	Police Reports	48.00	25.00	25.00
	4702	Park Contributions (Voluntary)		500.00	500.00
	4706	Museum Membership		100.00	100.00
	4708	Museum Donations & Memorials	788.75	300.00	500.00
	4712	Museum Sales	239.29	300.00	300.00
	4714	Donations - General Fund	120.00		100.00
	4715	Police Department Donations			
	4716	Donations - Animal Control	100.00		100.00
	4800	Election Receipts - Sanford	513.95		500.00
	4901	Admin Support For Utilities			
		360,064 X 50% = 180,032.00			
<b>TOTAL</b>			<b>751,527.87</b>	<b>752,304.52</b>	<b>930,344.00</b>

**DEPARTMENT:** Administration

**MISSION**

To provide effective general management of the daily operations of the city. To provide appropriate support for the City Council and all of their appointed boards, committees and/or commissions. To provide specific management and oversight for Human Resources, Records Management, Risk Management and Financial Management.

**DEPARTMENTAL OBJECTIVES**

- 1) Provide staff support for City Council, appointed boards, committees and commission meetings
- 2) Provide assistance for the recruitment and retention of employees, through proper orientation, benefits administration and records management
- 3) Provide for proper management of all official records of the city in accordance with the adopted Records Retention Schedule and responding appropriately to all open records requests
- 4) Provide for the proper management of all finances, including budgetary development and reporting, financial statement auditing and financial disclosures
- 5) Provide for all accounts payable and payroll processing

**DEPARTMENTAL MEASURES**

- 1) Develop and assemble packets for 12 regular and approximately 12 'as needed' meetings throughout the year.
- 2) Perform all Human Resource functions in a professional manner aiding department heads with their personnel needs.
- 3) Respond to all open records request in the time limits established by statutes.
- 4) Continue improvement of processes to facilitate annual audit of the financial statements.
- 5) Process payments to vendors within the requirements of the Prompt Payment Act and process 26 payrolls per year.

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$163,961	\$179,414
Contractual			150	150
Supplies			-	1,500
Capital			600	600
Sundry			100	250
<b>TOTAL</b>			<b>\$164,811</b>	<b>\$181,914</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
City Manager	1.00	1.00	1.00	1.00
Asst City Manager	1.00	0.00	0.00	0.00
City Secretary	1.00	1.00	1.00	1.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>



**Administration Dept**

<b>Expenses</b>	<b>Account Number</b>	<b>Description</b>	<b>Year-To-Date Oct 2015 Jun 2016 Actual</b>	<b>Annual Budget Oct 2015 Sep 2016</b>	<b>Adopted Budget Oct 2016 Sept 2017</b>
	5101	Salary/Wages 2 Full-Time Employees	73,575.16	126,323.12	135,000.00
	5110	Council Pay	420.00		420.00
	5112	Payroll Taxes 7.65% of direct compensation 135,672 x 7.65% = 10,378.91	5,430.69	9,328.83	13,518.00
	5114	Retirement (TMRs) 135,252 x 3.99% = 5,393.00	1,967.58	8,536.18	5,393.00
	5115	LTD, AD&D & Life Insurance	39.75		72.00
	5116	Unemployment Benefits 2.80% x 9000 x 2 = 2,520.06		6,000.00	5,000.00
	5118	Workers' Comp Insurance			719.00
	5120	Medical Insurance 428.75 x 2 x 12 = 10,290.00	7,304.15	10,124.64	10,290.00
	5121	Longevity \$4 per month for each year of service	164.00	148.00	252.00
	5122	Uniforms	194.36		1,000.00
	5130	Educational		1,500.00	1,500.00
	5131	Travel/Training		1,500.00	6,000.00
	5142	Physical Examinations		500.00	250.00
		<b>Personal Services</b>	<b>89,095.69</b>	<b>163,960.77</b>	<b>179,414.00</b>
	5201	Professional Fees Codification Update	1,082.71	5,000.00	5,000.00
	5202	Contract Labor Temporary/fill-in assistance	7,611.70	10,000.00	10,000.00
	5203	Legal Fees City Attorney	4,286.90	10,000.00	5,000.00
	5205	Dues/Subscriptions TML TCMA	1,674.94	1,500.00	2,000.00
	5206	Appraisal District Fees Hutchinson CAD 6,986.35 Moore CAD	6,622.93	8,000.00	8,000.00
	5208	Accounting Fees		7,500.00	7,500.00
	5220	Telephone/Communications	3,634.18	5,500.00	4,500.00
	5240	Advertising/Public Notice	666.38	2,000.00	1,500.00
	5246	Insurance & Bonds General Liability Insurance Fidelity bonds	5,464.92	6,212.00	6,500.00
	5250	Electricity City Hall	3,431.82	5,000.00	5,000.00
	5251	Gas City Hall	2,513.59	4,000.00	3,500.00

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5252	Internet		500.00	500.00
	5261	Vehicle Payment Debt Finance/Purchase Admin Support Vehicle ??? OR Ambulance Payment??			6,000.00
	5270	Tech Support		150.00	150.00
	5271	Technology Upgrade Copier/Printer/Scanner Lease Replacement of CM's computer 1,000		2,500.00	2,500.00
	5285	Election Expense		10,000.00	10,000.00
	5290	Ambulance Subsidy	31,500.00	42,000.00	42,000.00
		<b>Contractual Services</b>	<b>68,490.07</b>	<b>119,862.00</b>	<b>119,650.00</b>
	5301	Repair & Maint - Building Roof Repair/Replacement 13,500	1,814.24	1,500.00	27,500.00
	5302	Repair & Maint - Vehicle	14.50	500.00	600.00
	5303	Repair & Maint - Equipment		500.00	500.00
	5308	Repair & Maint - Computers	29.97	1,000.00	1,000.00
	5310	Community Service Supplies		500.00	500.00
	5316	Medical Supplies		150.00	150.00
	5318	Minor Tools & Apparatus		400.00	400.00
	5319	Computer Software Software for new CM computer	1,018.70		1,500.00
	5320	Software Maint. Agreement Maintenance for Accounting & Payroll Systems	10,354.00	5,700.00	10,500.00
	5325	Postage/Freight	331.94	600.00	600.00
	5326	Printing Expense	524.32	1,000.00	1,000.00
	5351	Fuel & Lubricants See 5261	265.34	1,500.00	1,500.00
	5375	Supplies	688.35	350.00	500.00
		<b>Supplies</b>	<b>15,041.36</b>	<b>13,700.00</b>	<b>46,250.00</b>
	5405	Capital Expenditure		3,750.00	1,500.00
		<b>Capital Expenditure</b>		<b>3,750.00</b>	<b>1,500.00</b>
	5538	Business Expense	176.42	100.00	250.00
	5554	Filing & Recording		100.00	100.00
	5562	Office Expense	5,023.67	4,250.00	6,900.00
	5564	Operating Expense		1,000.00	0.00
	5570	Senior Citizens Expense	1,311.93	1,000.00	1,500.00
	5572	EMS Expenses Electricity, Gas, Telephone & Internet	6,214.38	1,500.00	4,500.00
		<b>Sundry</b>	<b>12,726.40</b>	<b>7,950.00</b>	<b>13,250.00</b>
		<b>TOTAL</b>	<b>185,353.52</b>	<b>309,222.77</b>	<b>360,064.00</b>

**DEPARTMENT:** Animal Control

**MISSION**

To protect the health and safety of our residents from wild and domestic animals. To protect both wild and domestic animals in our care and promote their humane treatment

- DEPARTMENTAL OBJECTIVES**
- 1) To provide effective animal control services to protect the public from roaming animals that may be vicious or diseased.
  - 2) To enforce State, Federal and local animal related laws
  - 3) To provide temporary shelter for stray and unwanted animals

- DEPARTMENTAL MEASURES**
- 1) Utilize live traps where possible to reduce the need for tranquilizing animals
  - 2) Provide additional small animal trapping ability to control an estimated \_\_\_\_ wild animals per year.

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$42,919	\$48,100
Contractual			4,419	4,500
Supplies			3,725	4,375
Capital				
Sundry			250	-
<b>TOTAL</b>			<b>\$51,313</b>	<b>\$56,975</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Animal Control	1.00	1.00	1.00	1.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**Animal Control**

<b>Expenses</b>	<b>Account Number</b>	<b>Description</b>	<b>Year-To-Date Oct 2015 Jun 2016 Actual</b>	<b>Annual Budget Oct 2015 Sep 2016</b>	<b>Adopted Budget Oct 2016 Sept 2017</b>
	5101	Salary/Wages 1 Full-Time Employee	21,120.80	32,302.40	36,462.00
	5112	Payroll Taxes 7.65% of direct compensation 36,754 x 7.65% = 2,811.68	1,608.78	2,471.13	3,317.00
	5114	Retirement (TMRS) 36,754 x 3.60% = 1,324.00	574.93	2,261.17	1,324.00
	5115	LTD, AD&D & Life Insurance	21.20	31.80	36.00
	5118	Workers' Comp Insurance			1,074.00
	5120	Medical Insurance 428.75 x 1 x 12 = 5,145.00	3,785.89	5,062.00	5,145.00
	5121	Longevity \$4 per month for each year of service	248.00	240.00	292.00
	5122	Uniforms			300.00
	5131	Travel/Training	99.00	500.00	100.00
	5135	Employee Licenses		50.00	50.00
		<b>Personal Services</b>	<b>27,458.60</b>	<b>42,918.50</b>	<b>48,100.00</b>
	5220	Telephone/Communications	457.12	675.00	650.00
	5246	Insurance & Bonds	1,243.50	2,594.00	2,000.00
	5250	Electricity	395.60	500.00	600.00
	5251	Gas	957.05	650.00	1,250.00
		<b>Contractual Services</b>	<b>3,053.27</b>	<b>4,419.00</b>	<b>4,500.00</b>
	5301	Repair & Maint - Building		500.00	500.00
	5302	Repair & Maint - Vehicle	15.00	200.00	200.00
	5312	Office Supplies	235.10	200.00	700.00
	5318	Minor Tools & Apparatus		100.00	100.00
	5321	Tire Expense		400.00	400.00
	5325	Postage/Freight		75.00	75.00
	5327	Sheltered Animal Expense	159.02	250.00	300.00
	5351	Fuel & Lubricants	1,026.10	1,500.00	1,500.00
	5375	Supplies	431.34	500.00	600.00
		<b>Supplies</b>	<b>1,866.56</b>	<b>3,725.00</b>	<b>4,375.00</b>
	5564	Operating Expense		250.00	0.00
		<b>Sundry</b>		<b>250.00</b>	<b>0.00</b>
		<b>TOTAL</b>	<b>32,378.43</b>	<b>51,312.50</b>	<b>56,975.00</b>

**DEPARTMENT:** Code Enforcement

**MISSION**

To ensure the citizens of Fritch are protected from conditions which are detrimental to health and safety. To provide for proper monitoring and enforcement of all property related ordinances/codes within the city

**DEPARTMENTAL OBJECTIVES**

- 1) Seek cooperation for compliance first for all property related codes, otherwise provide consistent and uniform enforcement
- 2) To abate health related nuisances such as houses with no water, open sewers, rodent harborages, smells and garbage
- 3) To aggressively abate code violations, such as dilapidated structures, high grass, junk vehicles and trash accumulation

**DEPARTMENTAL MEASURES**

- 1) \_\_\_\_\_ percentage of code violations settled through cooperative means
- 2) \_\_\_\_\_ health related nuisances identified and abated
- 3) \_\_\_\_\_ dilapidated structures eliminated, \_\_\_\_\_ high grass and weed violations identified and cleared, \_\_\_\_\_ junk vehicles eliminated and \_\_\_\_\_ trash accumulation violations eliminated

<b>DEPARTMENT BUDGET</b>				
	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$500	\$500
Contractual			844	850
Supplies			1,625	2,150
Capital				
Sundry			400	100
<b>TOTAL</b>			<b>\$3,369</b>	<b>\$3,600</b>

<b>PERSONNEL</b>				
	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
See Animal Control	0.00	0.00	0.00	0.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Code Enforcement

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5131	Travel/Training		500.00	500.00
		<b>Personal Services</b>		<b>500.00</b>	<b>500.00</b>
	5202	Contract Labor		400.00	400.00
	5203	Legal Fees		401.00	400.00
	5226	Roll-off Container Expense			0.00
	5234	Disposal Fees			0.00
	5246	Insurance & Bonds General Liability	25.50	43.00	50.00
	5263	Equipment Rentals			0.00
		<b>Contractual Services</b>	<b>25.50</b>	<b>844.00</b>	<b>850.00</b>
	5302	Repair & Maint - Vehicle		500.00	500.00
	5312	Office Supplies		200.00	500.00
	5318	Minor Tools & Apparatus		200.00	200.00
	5321	Tire Expense		200.00	400.00
	5325	Postage/Freight		25.00	50.00
	5351	Fuel & Lubricants		500.00	500.00
		<b>Supplies</b>		<b>1,625.00</b>	<b>2,150.00</b>
	5554	Filing & Recording		100.00	100.00
	5564	Operating Expense		300.00	0.00
		<b>Sundry</b>		<b>400.00</b>	<b>100.00</b>
		<b>TOTAL</b>	<b>25.50</b>	<b>3,369.00</b>	<b>3,600.00</b>

**DEPARTMENT:** Municipal Court

**MISSION**

The City of Fritch Municipal Court serves to provide an independent forum for the fair and impartial administration of justice, applying and enforcing the rules and laws of the United States and the State of Texas as well as the ordinances of the City of Fritch. The Court is committed to providing those we serve with courteous, prompt and efficient customer service, consistent with principles of due process and equality under the law.

**DEPARTMENTAL OBJECTIVES**

- 1) To provide fair, timely, and speedy resolution of cases involving violations, infractions, and crimes in a manner that is efficient both for the City and for the defendants / citizens
- 2) To ensure defendants' strict compliance with judicial orders, including the payment of court-ordered fines and fees and the completion of court-ordered time obligations such as jail time, special counseling or classes, or
- 3) To ensure timely processing of all monies received as well as the reconciliation of these accounts and forwarding of mandatory payments to the appropriate parties.
- 4) To provide a sufficient and randomly selected pool of jurors for those defendants who choose to exercise their right to trial by a jury of their peers and to ensure that those citizens who participate in this civil responsibility go away viewing this as having been a positive experience and with a better understanding of the judicial process

**DEPARTMENTAL MEASURES**

- 1) Provide City Council and City Manager with OCA monthly reports showing breakdown of what the court has done for the month.
- 2) Respond to all open records request in the time limits established by statutes.
- 3) Keep records up to date so we can continue to collect outstanding citations

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$36,049	\$43,765
Contractual			77,514	65,050
Supplies			7,262	10,012
Capital				
Sundry			-	750
<b>TOTAL</b>			<b>\$120,825</b>	<b>\$119,577</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Court Clerk	1.00	1.00	1.00	1.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
Municipal Court Judge - Contract PT				

Municipal Court

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5101	Salary/Wages 1 Full-time Employee	16,752.12	24,960.00	32,100.00
	5112	Payroll Taxes 7.65% of direct compensation 32,312 x 7.65% = 2,471.87	1,257.16	1,909.44	2,839.00
	5114	Retirement (TMRS) 32,312 x 3.51% = 1,133.00	438.91	1,747.20	1,133.00
	5115	LTD, AD&D & Life Insurance	21.87	31.80	36.00
	5120	Medical Insurance	3,890.98	5,062.32	5,145.00
	5121	Longevity	92.00	88.00	212.00
	5130	Educational		1,500.00	1,500.00
	5131	Travel/Training 2 - Court Training - Austin Dec 12-16 Registration 2@100.00 = 200 airlines Hotel Meals	16.42	750.00	750.00
	5140	Drug Testing	48.00		50.00
		<b>Personal Services</b>	<b>22,517.46</b>	<b>36,048.76</b>	<b>43,765.00</b>
	5202	Contract Labor Judge's compensation 700/month	6,300.00	2,500.00	4,500.00
	5203	Legal Fees		1,000.00	1,000.00
	5205	Dues/Subscriptions		250.00	250.00
	5209	Credit Card Fees		100.00	100.00
	5212	Collection Expense Should this be a subsidiary???	1,159.98	38,000.00	6,000.00
	5215	Court Costs	269.00	15,000.00	2,500.00
	5216	Court Monthly Online Fee		50.00	50.00
	5219	Fees-State Court This is not an expense for the City and should not be included. Monies collected for the State should be accumulated in a subsidiary account and dispursed to the State.	39,943.72	20,000.00	50,000.00
	5220	Telephone/Communications		250.00	250.00
	5246	Insurance & Bonds	321.45	364.00	400.00
		<b>Contractual Services</b>	<b>47,994.15</b>	<b>77,514.00</b>	<b>65,050.00</b>



**Municipal Court**

<b>Expenses</b>	<b>Account Number</b>	<b>Description</b>	<b>Year-To-Date Oct 2015 Jun 2016 Actual</b>	<b>Annual Budget Oct 2015 Sep 2016</b>	<b>Adopted Budget Oct 2016 Sept 2017</b>
	5309	Repair & Maint - CommunicEquip		250.00	250.00
	5312	Office Supplies	1,831.19	1,500.00	1,750.00
	5319	Computer Software	1,805.14		2,000.00
	5320	Software Maint. Agreement	5,182.46	5,012.00	5,012.00
	5325	Postage/Freight	453.36	500.00	500.00
	5375	Supplies	371.48		500.00
		<b>Supplies</b>	<b>9,643.63</b>	<b>7,262.00</b>	<b>10,012.00</b>
	5538	Business Expense	131.21		500.00
	5540	Fines & Penalties	150.00		250.00
	5564	Operating Expense	9.00		0.00
		<b>Sundry</b>	<b>290.21</b>		<b>750.00</b>
		<b>TOTAL</b>	<b>80,445.45</b>	<b>120,824.76</b>	<b>119,577.00</b>

**DEPARTMENT:** Fire Department

**MISSION**

To provide the highest quality fire service for the City of Fritch and surrounding area

**DEPARTMENTAL OBJECTIVES**

- 1) Furnish City and surrounding counties with superior fire suppression and fire prevention
- 2) Deliver top notch support for vehicular crashes and other EMS services
- 3) Produce professional and courteous department members
- 4) Offer high caliber apparatus for public service

**DEPARTMENTAL MEASURES**

- 1) Provide the best quality training following State Firefighters' and Fire Marshal's Association (SFFMA) of Texas guidelines
- 2) Instill in our membership esprit de corps
- 3) Conduct 22 regular business meetings and training per year
- 4) Tracking vehicle maintenance and routine inspections cycles

<b>DEPARTMENT BUDGET</b>				
	Actual	Actual	Budget	Budget
	FY2014	FY2015	FY2016	FY2017
Personnel			\$3,100	\$7,565
Contractual			5,000	3,500
Supplies			7,000	7,000
Capital			-	25,000
Sundry			-	25,000
TOTAL			\$15,100	\$68,065

<b>PERSONNEL</b>				
	Actual	Actual	Budget	Budget
	FY2014	FY2015	FY2016	FY2017
All Volunteer	0.00	0.00	0.00	0.00
AUTHORIZED POSITIONS (A.P.)	0.00	0.00	0.00	0.00

Fire Dept

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5118	Workers' Comp Insurance			1,065.00
	5130	Educational		600.00	1,500.00
	5131	Travel/Training	63.00	2,500.00	5,000.00
		<b>Personal Services</b>	<b>63.00</b>	<b>3,100.00</b>	<b>7,565.00</b>
	5201	Professional Fees	116.69		500.00
	5202	Contract Labor		5,000.00	3,000.00
	5203	Legal Fees	175.00		500.00
	5205	Dues/Subscriptions	786.00	1,000.00	1,000.00
	5210	Dispatch fees City of Borger - Centralized 911 Emergency Dispatch	2,202.00		8,000.00
	5220	Telephone/Communications	1,408.84	6,000.00	2,000.00
	5246	Insurance & Bonds General Liability & Vehicles	12,370.00	12,516.00	12,500.00
	5250	Electricity	2,662.56	5,000.00	3,500.00
	5251	Gas	3,051.36	5,000.00	5,000.00
		<b>Contractual</b>	<b>22,772.45</b>	<b>34,516.00</b>	<b>36,000.00</b>
	5301	Repair & Maint - Building	2,169.55	3,000.00	2,500.00
	5302	Repair & Maint - Vehicle	2,930.62	15,000.00	10,000.00
	5303	Repair & Maint - Equipment Bunker & Wildland Gear	26,413.41	15,000.00	15,000.00
	5308	Repair & Maint - Computers		2,000.00	2,000.00
	5309	Repair & Maint - Communic Equip	2,338.07		2,000.00
	5312	Office Supplies	512.47	2,500.00	2,250.00
	5313	Repair & Maint - Office Equip	16.15	1,000.00	1,000.00
	5315	Repair & Maint - Other Equip	450.00		1,000.00
	5318	Minor Tools & Apparatus Wildland tools, truck tools	19.99		500.00
	5319	Computer Software	169.00	500.00	600.00
	5320	Software Maint. Agreement ERS web-based 750 Who's Responding membership 800 Who's Responding hardware 400 1,950	1,937.00		2,000.00
	5321	Tire Expense	1,658.81	6,000.00	5,000.00
	5325	Postage/Freight	27.19	50.00	50.00
	5351	Fuel & Lubricants	3,499.19	7,000.00	7,000.00
	5375	Supplies	841.67	2,500.00	2,500.00
		<b>Supplies</b>	<b>42,983.12</b>	<b>54,550.00</b>	<b>53,400.00</b>
	5405	Capital Expenditure Breathing Air compressor for filling air-packs	16,096.39		25,000.00
		<b>Capital Expenditures</b>	<b>16,096.39</b>		<b>25,000.00</b>
	5531	Fire Grant Expenses		500.00	500.00
		<b>Sundry</b>		<b>500.00</b>	<b>500.00</b>
		<b>TOTAL</b>	<b>81,914.96</b>	<b>92,666.00</b>	<b>122,465.00</b>

**DEPARTMENT:** Museum

**MISSION**

To provide a historical and educational experience regarding the Fritch and Lake Meredith Area.

**DEPARTMENTAL OBJECTIVES**

- 1) Increase attendance and use of the museum
- 2) Develop school aged programs to bring school tours back to the museum
- 3) Seek to improve and bolster tourism in Fritch

**DEPARTMENTAL MEASURES**

- 1) Seek to increase attendance by 10% over the prior year
- 2) Develop a new program each year for presentation to elementary aged school children
- 3) Keep and maintain brochures for area attractions, working with the Chamber of Commerce and Project Fritch America to improve tourism

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$13,418	\$21,320
Contractual			2,423	5,675
Supplies			3,375	26,600
Capital			500	500
Sundry			1,050	1,250
<b>TOTAL</b>			<b>\$20,766</b>	<b>\$55,345</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Museum Director	0.50	0.50	0.50	0.50
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

Museum

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5101	Salary/Wages 1 Part-Time Employee	5,857.75	12,000.00	18,000.00
	5112	Payroll Taxes 7.65% of direct compensation 18,000 x 7.65% = 1,377.00	448.13	918.00	1,820.00
	5130	Educational		500.00	500.00
	5131	Travel/Training	689.22		1,000.00
		<b>Personal Services</b>	<b>6,995.10</b>	<b>13,418.00</b>	<b>21,320.00</b>
	5201	Professional Fees	10.87		100.00
	5205	Dues/Subscriptions	170.00		350.00
	5220	Telephone/Communications	503.73	600.00	600.00
	5240	Advertising/Public Notice	238.69	300.00	500.00
	5246	Insurance & Bonds General Liability	268.50	473.00	475.00
	5250	Electricity	1,934.23	500.00	2,500.00
	5251	Gas	602.09	400.00	1,000.00
	5299	Sales Tax Assume sales tax collected on goods sold - this is not an expense simply the remittance of revenue collected for the State	5.33	150.00	150.00
		<b>Contractual Services</b>	<b>3,733.44</b>	<b>2,423.00</b>	<b>5,675.00</b>
	5301	Repair & Maint - Building roof repair/replacement -- see Police also	637.48	1,000.00	22,750.00
	5303	Repair & Maint - Equipment		350.00	250.00
	5312	Office Supplies	707.98	300.00	1,550.00
	5315	Repair & Maint - Other Equip		250.00	250.00
	5325	Postage/Freight		175.00	150.00
	5326	Printing Expense	26.24	300.00	150.00
	5375	Supplies	1,283.32	1,000.00	1,500.00
		<b>Supplies</b>	<b>2,655.02</b>	<b>3,375.00</b>	<b>26,600.00</b>
	5405	Capital Expenditure		500.00	500.00
		<b>Capital Expenditures</b>		<b>500.00</b>	<b>500.00</b>
	5510	Museum Resale items	516.91	300.00	500.00
	5538	Business Expense	1,500.00		750.00
	5564	Operating Expense		750.00	0.00
		<b>Sundry</b>	<b>2,016.91</b>	<b>1,050.00</b>	<b>1,250.00</b>
			<b>15,400.47</b>	<b>20,766.00</b>	<b>55,345.00</b>

**DEPARTMENT:** Police

**MISSION**

To enhance the quality of life in the community by providing a hospitable working environment wherein employees can pursue the goals of reducing crimes and the fears thereof by a commitment to excellence in the professional and courteous delivery of police services.

**DEPARTMENTAL OBJECTIVES**

- 1) Provide realistic departmental guidelines and policies
- 2) Recruit and retain the possible officers
- 3) Promote police conduct that is responsive and sensitive to the needs of our community
- 4) Stress the responsibility of employees being accountable for their actions/decisions to the department and the community we serve
- 5) Require a professional work ethic and professional work product by officers engaged in routine police duties and tasks

**DEPARTMENTAL MEASURES**

- 1) Have innovative, honest and responsive leadership. Staff should never be satisfied with the status quo, but always seek ways to improve the departments operations
- 2) Aggressive crime fighting to improve the utilization of patrol and investigative resources in the identification, arrest and conviction of individuals committing criminal activity within our jurisdiction
- 3) Enhance the role of the department personnel in the planning and development process
- 4) Recognize exceptional work by our officers and staff

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$273,825	\$278,476
Contractual			69,099	83,500
Supplies			32,800	55,900
Capital			5,000	2,500
Sundry			2,900	350
<b>TOTAL</b>			<b>\$383,624</b>	<b>\$420,726</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Police Chief	1.00	1.00	1.00	1.00
Police Sergeant	1.00	1.00	1.00	1.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
Part-Time Paid Reserve Officers (F.T.E.) ???		3.00	3.00	3.00

Police Dept

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5101	Salary/Wages 2 Full-Time Employees	159,712.85	224,097.20	117,153.92
	5102	Reserve Pay/Overtime 5 Part-Time paid Reserve Officers 81,000 Fill-in Reserves 890 81,890			106,846.08
	5112	Payroll Taxes 7.65% of direct compensation 224,412 x 7.65% = 17,167.52	11,822.47	13,815.61	21,811.00
	5114	Retirement (TMRS) 224,412 x 1.61% = 3,614.00	3,659.40	12,641.76	10,345.00
	5115	LTD, AD&D & Life Insurance	73.53		215.00
	5118	Workers' Comp Insurance			5,903.00
	5120	Medical Insurance 428.75 x 2 x 12 = 10,290.00	14,162.50	20,249.28	10,290.00
	5121	Longevity 44 per month for each year of service	552.00	521.00	412.00
	5122	Uniforms	903.31		1,500.00
	5131	Travel/Training	700.38	1,500.00	3,500.00
	5135	Employee Licenses		500.00	500.00
	5140	Drug Testing	45.00	500.00	0.00
		<b>Personal Services</b>	<b>191,631.44</b>	<b>273,824.85</b>	<b>278,476.00</b>
	5201	Professional Fees		7,000.00	2,500.00
	5202	Contract Labor	235.10	2,000.00	500.00
	5203	Legal Fees	962.50	1,500.00	1,500.00
	5205	Dues/Subscriptions	471.00	450.00	700.00
	5210	Dispatch fees City of Boring - Centralized 911 Emergency Dispatch	29,992.93		30,000.00
	5220	Telephone/Communications Air-Cards for in car access to CopSync	6,628.92	27,500.00	10,000.00
	5240	Advertising/Public Notice		250.00	100.00
	5246	Insurance & Bonds General Liability & Vehicles	7,776.75	10,299.00	10,000.00
	5249	Jail Fees	1,520.00	2,500.00	2,500.00
	5250	Electricity	1,867.46	500.00	2,500.00
	5251	Gas	602.09	2,000.00	1,000.00
	5252	Internet	467.28	1,000.00	1,000.00
	5253	Mobile Communication Fees Emergency Mass Notification system participation		200.00	200.00
	5261	Vehicle Payment 2015 Ford Explorer - Lease/Purchase 7,700 5 yr lease for additional vehicle ????	28,427.80	8,900.00	20,000.00
	5271	Technology Upgrade	9,669.64	5,000.00	1,000.00
		<b>Contractual Services</b>	<b>88,621.47</b>	<b>69,099.00</b>	<b>83,500.00</b>

Police Dept

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5301	Repair & Maint - Building Roof repair/replacement – see Museum also	112.70	1,500.00	21,250.00
	5302	Repair & Maint - Vehicle	8,662.07	7,500.00	7,500.00
	5303	Repair & Maint - Equipment	1,635.99	2,000.00	2,000.00
	5308	Repair & Maint - Computers	1,809.97		500.00
	5312	Office Supplies	2,723.16	4,000.00	6,500.00
	5313	Repair & Maint - Office Equip		500.00	500.00
	5318	Minor Tools & Apparatus	2,608.07	1,500.00	1,500.00
	5319	Computer Software		500.00	500.00
	5320	Software Maint. Agreement	209.48		250.00
	5321	Tire Expense This could be combined with 'Repair & Maint Vehicle'	234.10	2,000.00	2,500.00
	5325	Postage/Freight	107.54	400.00	400.00
	5326	Printing Expense		500.00	500.00
	5351	Fuel & Lubricants	6,664.84	10,000.00	10,000.00
	5360	Ammunition		500.00	0.00
	5375	Supplies	6,338.38	1,900.00	2,000.00
		<b>Supplies</b>	<b>31,106.30</b>	<b>32,800.00</b>	<b>55,900.00</b>
	5405	Capital Expenditure		5,000.00	2,500.00
		<b>Capital Expenditure</b>		<b>5,000.00</b>	<b>2,500.00</b>
	5538	Business Expense	54.57		100.00
	5554	Filing & Recording		400.00	250.00
	5564	Operating Expense		2,500.00	0.00
		<b>Sundry</b>	<b>54.57</b>	<b>2,900.00</b>	<b>350.00</b>
			<b>311,413.78</b>	<b>383,623.85</b>	<b>420,726.00</b>



**DEPARTMENT: Street Maintenance**

**MISSION**

To provide safe driving conditions through proper pavement, drainage and right-of-way maintenance, for the effective and efficient movement of people and goods. To provide proper signage and pavements markings.

**DEPARTMENTAL OBJECTIVES**

- 1) To maintain safe streets, both paved and unpaved, for the traveling public
- 2) Develop a program to assure proper maintenance of all types of street signage
- 3) To clean/clear obstructions from bar ditches to assure proper drainage

**DEPARTMENTAL MEASURES**

- 1) Fill potholes, as notified, within \_\_\_\_ hours
- 2) Regrade \_\_\_\_\_ linear feet of unpaved street segments annually or quarterly?
- 3) Replace \_\_\_\_ street name signs per year
- 4) Check culverts and regrade bar ditches to maintain proper storm flow

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$0	\$900
Contractual			34,945	40,500
Supplies			35,000	42,000
Capital				
Sundry				
<b>TOTAL</b>			<b>\$69,945</b>	<b>\$83,400</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
None (See Water Dept.)	0.00	0.00	0.00	0.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Streets**

<b>Expenses</b>	<b>Account Number</b>	<b>Description</b>	<b>Year-To-Date Oct 2015 Jun 2016 Actual</b>	<b>Annual Budget Oct 2015 Sep 2016</b>	<b>Adopted Budget Oct 2016 Sept 2017</b>
	5101	Salary/Wages			0.00
	5112	Payroll Taxes			0.00
	5114	Retirement (TMRS)			0.00
	5120	Medical Insurance			0.00
	5122	Uniforms			900.00
		<b>Personal Services</b>			<b>900.00</b>
	5202	Contract Labor Part-time Mowing -- See Water Dept** also	3,450.10	2,500.00	3,000.00
	5246	Insurance & Bonds General Liability	2,038.86	2,445.00	2,500.00
	5250	Electricity Street Lights	17,376.82	30,000.00	35,000.00
		<b>Contractual Services</b>	<b>22,865.78</b>	<b>34,945.00</b>	<b>40,500.00</b>
	5302	Repair & Maint - Vehicle	75.00	250.00	1,000.00
	5303	Repair & Maint - Equipment	1,025.53	1,500.00	6,500.00
	5311	Repair & Maint - Machinery	4,360.00	1,500.00	1,000.00
	5317	Equipment Purchase	10,000.00		0.00
	5321	Tire Expense This could be combined with 'Repair & Maint Vehicle'	48.00	6,000.00	6,000.00
	5341	Repair & Maint - Streets	24,271.31	5,000.00	10,000.00
	5342	Repair & Maint - Traffic Signs		2,000.00	2,500.00
	5351	Fuel & Lubricants	473.12	6,000.00	6,000.00
	5365	Chemicals		250.00	500.00
	5370	Street Improvement Difference between this account & 'Repair & Maint - Streets'??	4,386.22	7,500.00	6,000.00
	5372	Street Signs Combine with 5342??	450.64	5,000.00	2,000.00
	5375	Supplies	71.78		500.00
		<b>Supplies</b>	<b>45,161.60</b>	<b>35,000.00</b>	<b>42,000.00</b>
		<b>Total</b>	<b>68,027.38</b>	<b>69,945.00</b>	<b>83,400.00</b>

## **Enterprise or Proprietary Fund Overview**

An Enterprise or Proprietary Fund primary purpose is to account for the services provided to the citizen/customers of the City of Fritch. The City has one proprietary fund titled Public Works fund. It includes Garbage/Solid Waste, Water and Wastewater service provisions. These functions operate in a manner similar to a business; that is why it is referred to as enterprise or proprietary. Revenues are primarily derived from the rates charged to the customers for each service. The Proprietary Fund is accounted and budgeted for on a cost of service basis using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

### **Garbage/Solid Waste Services**

The City has an exclusive franchise agreement with a private company to provide garbage service inside the city limits. Currently the service provider is Republic Waste. All garbage service is accomplished with dumpster strategically placed in streets, alleys or other public right-of-way.

The Homeowners Association for Double-Diamond has their own solid waste agreement but contracts with and pays an administrative fee to the City for billing and collection service.

The City also operates a recycle center for those desiring to be environmentally conscience and prolong the life of landfill space. Roll-off dumpsters are available so residents can deliver and discard bulky waste items free of charge once a month by showing their utility bill. Non-residents are charged a fee for disposal of bulky waste items. The recycle center is open part-time Thursday through Saturday.

Total solid waste revenue is expected to be \$383,000. These revenues will be used to meet contract, maintenance and operations requirements. The budgeted expenditures are \$347,343. The difference pays for the billing and collection services and pays the governmental side of the City for road and right-of-way maintenance for use of the City streets and alleys.

### **Water and Sewer Fund**

The City owns and manages essentially two water sources (well-fields), treatment (disinfection) and distribution systems to provide water services to residents both inside and outside the city limits. The City is in the process of better integrating these two systems. The City owns and manages a wastewater (sanitary sewer) collection system and treatment plant to provide wastewater services primarily to residents of the City of Fritch. Total Water and Wastewater revenue is expected to be \$2,019,400. These revenues will be used to meet maintenance, operation and debt service requirements. Water and sewer expenditures and other uses are projected to be \$1,940,730. The difference includes funding earmarked for matching a grant for some pipeline replacement and improved fire protection capabilities.

### **Water Production and Sales**

At the beginning of Fiscal Year 2017, the City was operating 2 water wells with a combined capacity of 1,000 gallons per minute. The City is not able to meet the minimum production capacity required by the Texas Commission on Environmental Quality (TCEQ). A project included in this budget is to bring 3 additional wells back online doubling the capacity to 2,000 gallons per minute which will exceed the TCEQ requirement. and a 3.5 million gallon/day capacity surface water treatment facility. The water source is the Ogalla Aquifer. Total Water Sales are expected to be \$1,775,000. This includes residential, commercial and bulk water sales.

Currently the City's storage capacity exceeds the TCEQ minimum requirements of 567 thousand gallons. The total storage capacity is 900 thousand gallons with 600 thousand being elevated storage. An existing booster pump and hydropneumatics tank system is still required to meet pressure requirements in a small area of the distribution system.

Water usage by the City's water customers is metered and charges for each customer are determined by the amount of water registered by the meter each month. Residential water rates:

	Inside City Limits	Outside City Limits
Customer service charge – includes the first 2000 gallons	47.00	50.00
Per thousand gallons for consumption 2001 - 12,000 gallons	3.68	3.68
Per thousand gallons for consumption 12,001 to 50,000	4.13	4.13
Per thousand gallons for consumption 50,001 to 80,000	4.43	4.43
Per thousand gallons for consumption over 80,000	4.88	4.88

### Wastewater Sales

The City operates a \_\_\_ million gallon/day capacity wastewater treatment plant. Total Sewer Revenues are budgeted at \$237,000.

Wastewater Rates per month are:

Residential	\$20.00
Commercial	\$40.00
Churches	\$40.00
Food Service	\$80.00
School	\$250.00
Hotel, Motel, Apartment	\$125.00

### Debt Service

Each bond issue of the Public Works Fund is accompanied by a formal set of bond covenants that detail the financial responsibility of the City of Fritch. As of October 1, 2016, the City has combined principal and interest outstanding balance of \$8,709,885 on a 2003 and a 2011 debt issuance. Principal in the amount of \$165,000 and interest in the amount of \$275,551 are due during FY 2017. A detail of the Bond Issues is included in this book behind the Debt Service tab.

**Public Works**

<b>Revenue</b>	<b>Account Number</b>	<b>Description</b>	<b>Year-To-Date Oct 2015 Jun 2016 Actual</b>	<b>Annual Budget Oct 2015 Sep 2016</b>	<b>Adopted Budget Oct 2016 Sept 2017</b>
	4001	Texpool - Texstar Interest		4.00	4.00
	4207	Returned Check Fee	665.00	1,000.00	700.00
	4210	Penalty Fee		3,000.00	3,000.00
		How are these different?			
	4210	Penalty Fee	35,276.70	8,500.00	45,000.00
	4250	Municipal Solid Waste Revenue	274,240.98	290,368.93	380,000.00
	4251	Collection Station Fees	1,278.00	6,000.00	1,500.00
	4252	Refuse Collect-Double Diamond	14,592.00	1,542.00	1,500.00
	4260	Reconnect Fees	760.00	2,500.00	800.00
	4600	Water Revenue	1,139,890.72	1,715,837.00	1,775,000.00
	4605	Water Turn On Fee	6,520.20	2,500.00	6,600.00
	4650	Sewer Revenue	179,811.74	222,594.00	235,000.00
	4651	Sewer Taps		150.00	2,000.00
	4652	Grazing Lease			3,000.00
	4701	Sale Of Recycleable Materials		2,000.00	2,000.00
			<b>1,653,035.34</b>	<b>2,255,995.93</b>	<b>2,456,104.00</b>

**DEPARTMENT:** Solid Waste and Recycle

**MISSION**

To provide proper garbage/refuse collection at the lowest possible cost and the opportunity for recycling materials to save on landfill space and protect the environment

**DEPARTMENTAL OBJECTIVES**

- 1) Garbage service is a franchised and contracted service currently provided by Republic Services
- 2) Provide for the recycle center to be open at least two days per week presenting the opportunity for Fritch residents to participate in recycling to protect the environment and save on landfill space

**DEPARTMENTAL MEASURES**

- 1) Compare cost and methods with surrounding cities to seek ways of minimizing cost to residents and businesses
- 2) Recycle center open \_\_\_\_\_ days per year.
- 3) \_\_\_\_\_ Tons of recycle materials collected

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$12,877	\$16,543
Contractual			310,884	312,000
Supplies			275	800
Capital				
Sundry			18,000	18,000
<b>TOTAL</b>			<b>\$342,036</b>	<b>\$347,343</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Part-time Recycle Attendant	0.50	0.50	0.50	0.50
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

Recycle/Trash Dept

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5101	Salary/Wages 1 Part-Time Employee	7,836.77	11,232.00	12,000.00
	5112	Payroll Taxes 7.65% of direct compensation 12,000 x 7.65% = 918.00	611.34	859.25	900.00
	5114	Retirement (TMRS) 12,000 x 8.33% = 1,000.00	218.15	786.24	1,000.00
	5118	Workers' Comp Insurance			2,643.00
	5120	Medical Insurance	421.95		0.00
	5122	Uniforms			0.00
		<b>Personal Services</b>	<b>9,088.21</b>	<b>12,877.49</b>	<b>16,543.00</b>
	5204	MSW Contract Republic	206,667.93	300,000.00	300,000.00
	5207	Audit		4,500.00	0.00
	5220	Telephone/Communications	503.73		500.00
	5226	Roll-Off Container Expense		2,000.00	6,000.00
	5246	Insurance & Bonds	2,713.50	1,384.00	3,000.00
	5250	Electricity	536.86	1,500.00	1,000.00
	5251	Gas	957.05	1,500.00	1,500.00
		<b>Contractual Services</b>	<b>211,379.07</b>	<b>310,884.00</b>	<b>312,000.00</b>
	5301	Repair & Maint - Building	257.72		500.00
	5312	Office Supplies	155.79	275.00	0.00
	5375	Supplies	12.78		300.00
		<b>Supplies</b>	<b>426.29</b>	<b>275.00</b>	<b>800.00</b>
	5563	Double Diamond MSW	9,548.09	18,000.00	18,000.00
		<b>Sundry ???</b>	<b>9,548.09</b>	<b>18,000.00</b>	<b>18,000.00</b>
		<b>Grand Total</b>	<b>230,441.66</b>	<b>342,036.49</b>	<b>347,343.00</b>

**DEPARTMENT:** Wastewater Treatment

**MISSION**

To provide the citizens of Fritch with proper treatment of their wastewater; to maintain compliance with the discharge permit issued by the Texas Commission on Environmental Quality

**DEPARTMENTAL OBJECTIVES**

- 1) To train operators obtaining and/or maintaining appropriate licensing for the position occupied
- 2) To meet or exceed all TCEQ permit requirements and standards
- 3) To make treatment process and limits lower than the state requires

**DEPARTMENTAL MEASURES**

- 1) To train operators for next level licensing for the position occupied
- 2) Assure effluent meets or exceeds established parameters for discharge
- 3) Reduction in dissolved oxygen DO & total suspended solids TSS to lowest levels possible within budgetary constraints

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$88,209	\$103,022
Contractual			124,724	171,424
Supplies			102,050	110,400
Capital			201,000	645,000
Sundry			3,000	4,000
<b>TOTAL</b>			<b>\$518,983</b>	<b>\$1,033,846</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Wastewater Treatment Supv	1.00	1.00	1.00	1.00
Wastewater Treatment Tech	1.00	1.00	1.00	1.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>



Sewer

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5101	Salary/Wages 2 Full-Time Employees	45,366.71	63,340.00	69,160.00
	5102	Overtime			10,000.00
	5112	Payroll Taxes 7.65% of direct compensation 79,344 x 7.65% = 6,069.82	3,456.81	4,967.52	6,294.00
	5114	Retirement (TMRS) 79,344 x 3.16% = 2,511.00	1,216.42	5,428.79	2,511.00
	5115	LTD, AD&D & Life Insurance	37.10	63.60	72.00
	5120	Medical Insurance 428.75 x 2 x 12 = 10,290.00	6,338.18	10,124.64	10,291.00
	5121	Longevity \$4 per month for each year of service	88.00	84.00	184.00
	5122	Uniforms	2,437.20	1,200.00	2,760.00
	5131	Travel/Training	1,028.69	2,000.00	1,000.00
	5135	Employee Licenses		500.00	500.00
	5140	Drug Testing		500.00	250.00
		<b>Personal Services</b>	<b>59,969.11</b>	<b>88,208.55</b>	<b>103,022.00</b>
	5202	Contract Labor	4,870.75	5,000.00	5,000.00
	5203	Legal Fees		1,500.00	0.00
	5214	Permit Fees TCEQ Discharge Permit	3,720.00	250.00	1,500.00
	5220	Telephone/Communications	68.00		250.00
	5240	Advertising/Public Notice	960.00		1,000.00
	5246	Insurance & Bonds General Liability	5,571.61	8,655.00	6,000.00
	5250	Electricity Pumps & Motors	15,286.99	25,000.00	22,000.00
	5251	Gas	1,802.69	2,000.00	2,500.00
	5275	Testing	2,993.00	2,500.00	3,000.00
		<b>Contractual Services</b>	<b>35,273.04</b>	<b>44,905.00</b>	<b>41,250.00</b>
	5301	Repair & Maint - Building	533.52	500.00	500.00
	5302	Repair & Maint - Vehicle	1,185.50	1,000.00	1,500.00
	5307	Repair & Maint - Lift Station	3,790.84	2,500.00	4,000.00
	5311	Repair & Maint - Machinery	4,327.57	2,500.00	5,000.00
	5312	Office Supplies	132.35	175.00	250.00
	5315	Repair & Maint - Other Equip	17.50	100.00	100.00
	5318	Minor Tools & Apparatus	119.85	1,000.00	1,500.00
	5321	Tire Expense Combine with 5302??	594.96	500.00	600.00
	5325	Postage/Freight	7.67		50.00
	5326	Printing Expense		150.00	0.00
	5339	Repair & Maint - Sewer System	1,755.26	125.00	2,500.00
	5345	Maint-Wells, Pumps & Rotors	10,667.00	2,500.00	10,000.00

**Sewer**

<b>Expenses</b>	<b>Account Number</b>	<b>Description</b>	<b>Year-To-Date Oct 2015 Jun 2016 Actual</b>	<b>Annual Budget Oct 2015 Sep 2016</b>	<b>Adopted Budget Oct 2016 Sept 2017</b>
	5351	Fuel & Lubricants	2,440.77	5,000.00	4,000.00
	5365	Chemicals	496.05	500.00	500.00
	5375	Supplies	2,202.55	300.00	500.00
		<b>Supplies</b>	<b>28,271.39</b>	<b>16,850.00</b>	<b>31,000.00</b>
	5490	Capital Improvement 1/2 of 3 yr loan for 2 vehicles (see water also)  Should budget amount approximately equal to depreciation expense for system replacement each year - at least \$100K			15,000.00
		<b>Capital Improvement</b>			<b>15,000.00</b>
	5562	Office Expense	10.56		0.00
		<b>Sundry</b>	<b>10.56</b>		<b>0.00</b>
		<b>Grand Total</b>	<b>123,524.10</b>	<b>149,963.55</b>	<b>190,272.00</b>

**DEPARTMENT:** Water Treatment, Distribution, Billing

**MISSION**

To provide the citizen/customers of Fritch utilities with an adequate supply of safe potable water from the water wells in an efficient, affordable and effective manner; to maintain storage and pumping facilities for adequate fire protection and system pressures. To provide efficient and accurate metering, billing and collection services, as well as, prompt, courteous customer services to the utility customers.

**DEPARTMENTAL OBJECTIVES**

- 1) To provide all monthly reporting in a timely manner
- 2) To sample and test to assure compliance with TCEQ requirements
- 3) To work within budgeted allocations
- 4) To train all maintenance workers and operators obtaining appropriate licensing for the position occupied
- 5) To ensure accurate meter readings

**DEPARTMENTAL MEASURES**

- 1) To complete all monthly reports for submittal by the 5th of the subsequent month
- 2) To complete all bacteriological samples by the 24th of each month
- 3) To maintain overtime in this department below the budgeted amount of \$\_\_\_\_\_.
- 4) To have all maintenance workers and operators licenses at a minimum level of a Grade C by \_\_\_\_\_
- 5) To change out dead and/or old meters to ensure accurate meter readings up to approximately 250 meters annually

**DEPARTMENT BUDGET**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Personnel			\$320,562	\$341,294
Contractual			124,724	171,424
Supplies			102,050	110,400
Capital			201,000	645,000
Sundry			3,000	4,000
<b>TOTAL</b>			<b>\$751,336</b>	<b>\$1,272,118</b>

**PERSONNEL**

	Actual FY2014	Actual FY2015	Budget FY2016	Budget FY2017
Public Works Directore	1.00	1.00	1.00	1.00
Asst Public Works Director	1.00	1.00	1.00	1.00
Public Works Techs	3.00	3.00	3.00	3.00
Utility Billing Supervisor	1.00	1.00	1.00	1.00
Utility Billing Clerk	1.00	1.00	1.00	1.00
<b>AUTHORIZED POSITIONS (A.P.)</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>

Water Dept

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5008	Transfer to Reserve Fund			0.00
	5010	Transfer to General Fund Admin Support 50% of Admin budget 180,032 Franchise Fee 4% of SW,WW & W Rev. 95,600			291,808.00
	5012	Transfer to 2011 Bond Debt Service P&I 191,890			186,532.00
		<b>Transfers Out</b>			<b>478,340.00</b>
	5101	Salary/Wages 7 Full-Time Employees	156,342.76	235,608.00	239,487.00
	5102	Overtime			20,000.00
	5112	Payroll Taxes 7.65% of direct compensation 261,163 x 7.65% = 19,978.97	11,807.06	19,434.40	23,613.00
	5114	Retirement (TMRS) 261,163 x 3.33% = 8,698.00	4,239.71	17,783.04	8,698.00
	5115	LTD, AD&D & Life Insurance	148.40		252.00
	5120	Medical Insurance 428.75 x 7 x 12 = 36,015.00	25,970.59	35,436.24	36,018.00
	5121	Longevity \$1 per month for each year of service	1,288.00	1,200.00	1,676.00
	5122	Uniforms	3,805.69	5,000.00	2,000.00
	5130	Educational		500.00	1,500.00
	5131	Travel/Training	1,830.36	4,000.00	6,500.00
	5135	Employee Licenses		1,000.00	1,000.00
	5140	Drug Testing	45.00	300.00	250.00
	5142	Physical Examinations		300.00	300.00
		<b>Personal Services</b>	<b>205,477.57</b>	<b>320,561.68</b>	<b>341,294.00</b>
	5201	Professional Fees		5,000.00	3,500.00
	5202	Contract Labor Part-time mowing	4,032.72	2,500.00	5,000.00
	5203	Legal Fees Rate Case Expense	50,970.41	5,000.00	50,000.00
	5205	Dues/Subscriptions		750.00	750.00
	5207	Audit Utility Share of Annual Audit	3,100.00	4,500.00	7,500.00
	5211	Engineer Fees Engineering for well-field projects		5,000.00	8,500.00
	5212	Collection Expense Fees paid to third party collection agency		500.00	500.00
	5214	Permit Fees TCEQ Drinking Water Permits & Inspections	7,037.18	1,000.00	5,000.00
	5220	Telephone/Communications	1,484.57	2,150.00	2,150.00
	5230	Administrative Fees ???????		100.00	100.00

Expenses	Account Number	Description	Year-To-Date Oct 2015 Jun 2016 Actual	Annual Budget Oct 2015 Sep 2016	Adopted Budget Oct 2016 Sept 2017
	5232	Water Royalty Royalties paid for water from the original well-field	20,490.79	35,000.00	35,000.00
	5240	Advertising/Public Notice Official notices required by TCEQ	736.27	500.00	1,000.00
	5246	Insurance & Bonds General Liability	8,289.57	11,724.00	11,724.00
	5250	Electricity Pumps & Motors	29,454.90	45,000.00	35,000.00
	5251	Gas	858.69	1,500.00	1,200.00
	5275	Testing TCEQ required & Quality Assurance	3,347.67	4,500.00	4,500.00
		<b>Contractual Services</b>	<b>129,802.77</b>	<b>124,724.00</b>	<b>171,424.00</b>
	5301	Repair & Maint - Building	470.62	1,500.00	1,500.00
	5302	Repair & Maint - Vehicle	2,147.32	5,000.00	5,000.00
	5303	Repair & Maint - Equipment	4,647.92	2,500.00	5,000.00
	5306	Repair & Maint - Hydrant		5,000.00	7,000.00
	5308	Repair & Maint - Computers		250.00	250.00
	5312	Office Supplies	5,520.62	2,200.00	3,750.00
	5315	Repair & Maint - Other Equip	594.58	1,000.00	1,000.00
	5316	Medical Supplies		100.00	400.00
	5318	Minor Tools & Apparatus	2,238.53	750.00	1,500.00
	5319	Computer Software	866.98		1,000.00
	5320	Software Maint. Agreement Customer Information & Utility Billing Support	11,214.00	6,000.00	6,000.00
	5321	Tire Expense Combine w/ 5302 & 53037	1,014.48	2,000.00	2,000.00
	5325	Postage/Freight Postage required for sending utility bills	5,453.69	8,000.00	8,000.00
	5326	Printing Expense	783.01	750.00	1,000.00
	5338	Maint-Reservoirs & Tanks		1,000.00	1,000.00
	5340	Repair & Maint - Water Meter	1,611.32	5,000.00	5,000.00
	5343	Repair & Maint - Well	6,418.74	10,000.00	10,000.00
	5346	Repair & Maint - Water System	5,795.89	30,000.00	30,000.00
	5351	Fuel & Lubricants	5,517.96	15,000.00	15,000.00
	5365	Chemicals	3,729.23	5,000.00	4,000.00
	5375	Supplies	2,559.08	1,000.00	2,000.00
		<b>Supplies</b>	<b>60,583.97</b>	<b>102,050.00</b>	<b>110,400.00</b>
	5405	Capital Expenditure 1/2 of 3 yr loan for 2 vehicles (see sewer also)	2,061.70		15,000.00
	5425	Brinson Expenses former HI-Texas System Repairs <b>Grant match?</b> - otherwise no reason to separate this unless separating labor and equipment as well.	8,588.34	30,000.00	30,000.00

<b>Expenses</b>	<b>Account Number</b>	<b>Description</b>	<b>Year-To-Date Oct 2015 Jun 2016 Actual</b>	<b>Annual Budget Oct 2015 Sep 2016</b>	<b>Adopted Budget Oct 2016 Sept 2017</b>
	5490	Capital Improvement Well repairs #4 -- \$150,000 #3 -- \$150,000 #1 -- \$150,000 SCADA - 5 Wells & Ground Storage Units Pipeline to tie two systems together and land damage repair or other, as necessary \$130,000  Budget amount should approximately equal to depreciation expense for system replacement each year -- audit identified \$200K in FY2016	2,130.00	171,000.00	600,000.00
		<b>Capital Improvement</b>	<b>12,780.04</b>	<b>201,000.00</b>	<b>645,000.00</b>
	5538	Business Expense	1,393.62		1,500.00
	5540	Fines & Penalties		1,500.00	1,500.00
		Combine with 5230???			
	5564	Operating Expense	117.50		0.00
	5587	Regulatory Fees Difference between this & 5214		1,500.00	1,000.00
		<b>Sundry</b>	<b>1,511.12</b>	<b>3,000.00</b>	<b>4,000.00</b>
			<b>410,155.47</b>	<b>751,335.68</b>	<b>1,750,458.00</b>



SPECIAL SERIES 2003 TAX AND REVENUE CERTIFICATE OF OBLIGATION

Scheduled Payments

	Principal	Coupon	Interest	Total P&I	Fiscal Total
2/15/2003		3.000%			
2/15/2004		3.000%	183,873.75	183,873.75	
8/15/2004		3.000%	91,936.88	91,936.88	
					275,810.63
2/15/2005	70,000	3.000%	91,936.88	161,936.88	
8/15/2005		3.000%	90,886.88	90,886.88	
					252,823.75
2/15/2006	70,000	3.000%	90,886.88	160,886.88	
8/15/2006		3.000%	89,836.88	89,836.88	
					250,723.75
2/15/2007	70,000	3.000%	89,836.88	159,836.88	
8/15/2007		3.000%	88,786.88	88,786.88	
					248,623.75
2/15/2008	75,000	3.000%	88,786.88	163,786.88	
8/15/2008		3.000%	87,661.88	87,661.88	
					251,448.75
2/15/2009	75,000	3.375%	87,661.88	162,661.88	
8/15/2009		3.375%	86,396.25	86,396.25	
					249,058.13
2/15/2010	80,000	3.625%	86,396.25	166,396.25	
8/15/2010			84,946.25	84,946.25	
					251,342.50
2/15/2011	80,000	4.000%	84,946.25	164,946.25	
8/15/2011			83,346.25	83,346.25	
					248,292.50
2/15/2012	85,000	4.125%	83,346.25	168,346.25	
8/15/2012			81,593.13	81,593.13	
					249,939.38
2/15/2013	90,000	4.250%	81,593.13	171,593.13	
8/15/2013			79,680.63	79,680.63	
					251,273.75
2/15/2014	95,000	4.300%	79,680.63	174,680.63	
8/15/2014			77,638.13	77,638.13	
					252,318.75
2/15/2015	100,000	4.600%	77,638.13	177,638.13	
8/15/2015			75,338.13	75,338.13	
					252,976.25
2/15/2016	100,000	4.600%	75,338.13	175,338.13	
8/15/2016			73,038.13	73,038.13	
					248,376.25
2/15/2017	105,000	4.600%	73,038.13	178,038.13	
8/15/2017			70,623.13	70,623.13	
					248,661.25
2/15/2018	110,000	4.800%	70,623.13	180,623.13	
8/15/2018			67,983.13	67,983.13	
					248,606.25



## SPECIAL SERIES 2003 TAX AND REVENUE CERTIFICATE OF OBLIGATION

Scheduled Payments					
	Principal	Coupon	Interest	Total P&I	Fiscal Total
2/15/2019	120,000	4.800%	67,983.13	187,983.13	
8/15/2019			65,103.13	65,103.13	
					253,086.25
2/15/2020	125,000	5.000%	65,103.13	190,103.13	
8/15/2020			61,978.13	61,978.13	
					252,081.25
2/15/2021	130,000	5.000%	61,978.13	191,978.13	
8/15/2021			58,728.13	58,728.13	
					250,706.25
2/15/2022	140,000	5.000%	58,728.13	198,728.13	
8/15/2022			55,228.13	55,228.13	
					253,956.25
2/15/2023	140,000	5.000%	55,228.13	195,228.13	
8/15/2023			51,728.13	51,728.13	
					246,956.25
2/15/2024	150,000	5.250%	51,728.13	201,728.13	
8/15/2024			47,790.63	47,790.63	
					249,518.75
2/15/2025	160,000	5.250%	47,790.63	207,790.63	
8/15/2025			43,590.63	43,590.63	
					251,381.25
2/15/2026	170,000	5.250%	43,590.63	213,590.63	
8/15/2026			39,128.13	39,128.13	
					252,718.75
2/15/2027	175,000	5.250%	39,128.13	214,128.13	
8/15/2027			34,534.38	34,534.38	
					248,662.50
2/15/2028	185,000	5.375%	34,534.38	219,534.38	
8/15/2028			29,562.50	29,562.50	
					249,096.88
2/15/2029	195,000	5.375%	29,562.50	224,562.50	
8/15/2029			24,321.88	24,321.88	
					248,884.38
2/15/2030	210,000	5.375%	24,321.88	234,321.88	
8/15/2030			18,678.13	18,678.13	
					253,000.00
2/15/2031	220,000	5.375%	18,678.13	238,678.13	
8/15/2031			12,765.63	12,765.63	
					251,443.75
2/15/2032	230,000	5.375%	12,765.63	242,765.63	
8/15/2032			6,584.38	6,584.38	
					249,350.00
2/15/2033	245,000	5.375%	6,584.38	251,584.38	
					251,584.38

**City of Fritch Water & Sewer System Revenue Certificates of Obligation - Series 2011**

<b>Period Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Fiscal Total</b>
02/01/12		48,260.36	48,260.36	
08/01/12	69,000	73,617.50	142,617.50	
09/30/12				190,877.86
02/01/13		71,720.00	71,720.00	
08/01/13	48,000	71,720.00	119,720.00	
09/30/13				191,440.00
02/01/14		70,400.00	70,400.00	
08/01/14	51,000	70,400.00	121,400.00	
09/30/14				191,800.00
02/01/15		68,997.50	68,997.50	
08/01/15	54,000	68,997.50	122,997.50	
09/30/15				191,995.00
02/01/16		67,512.50	67,512.50	
08/01/16	57,000	67,512.50	124,512.50	
09/30/16				192,025.00
02/01/17		65,945.00	65,945.00	
08/01/17	60,000	65,945.00	125,945.00	
09/30/17				191,890.00
02/01/18		64,295.00	64,295.00	
08/01/18	63,000	64,295.00	127,295.00	
09/30/18				191,590.00
02/01/19		62,562.50	62,562.50	
08/01/19	67,000	62,562.50	129,562.50	
09/30/19				192,125.00
02/01/20		60,720.00	60,720.00	
08/01/20	70,000	60,720.00	130,720.00	
09/30/20				191,440.00
02/01/21		58,795.00	58,795.00	
08/01/21	74,000	58,795.00	132,795.00	
09/30/21				191,590.00
02/01/22		56,760.00	56,760.00	
08/01/22	52,000	56,760.00	108,760.00	
09/30/22				165,520.00
02/01/23		55,330.00	55,330.00	
08/01/23	56,000	55,330.00	111,330.00	
09/30/23				166,660.00
02/01/24		53,790.00	53,790.00	
08/01/24	60,000	53,790.00	113,790.00	
09/30/24				167,580.00
02/01/25		52,140.00	52,140.00	
08/01/25	64,000	52,140.00	116,140.00	
09/30/25				168,280.00
02/01/26		50,380.00	50,380.00	
08/01/26	68,000	50,380.00	118,380.00	
09/30/26				168,760.00

**City of Fritch Water & Sewer System Revenue Certificates of Obligation - Series 2011**

<b>Period Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Fiscal Total</b>
02/01/27		48,510.00	48,510.00	
08/01/27	73,000	48,510.00	121,510.00	
09/30/27				170,020.00
02/01/28		46,502.50	46,502.50	
08/01/28	78,000	46,502.50	124,502.50	
09/30/28				171,005.00
02/01/29		44,357.50	44,357.50	
08/01/29	83,000	44,357.50	127,357.50	
09/30/29				171,715.00
02/01/30		42,075.00	42,075.00	
08/01/30	89,000	42,075.00	131,075.00	
09/30/30				173,150.00
02/01/31		39,627.50	39,627.50	
08/01/31	95,000	39,627.50	134,627.50	
09/30/31				174,255.00
02/01/32		37,015.00	37,015.00	
08/01/32	97,000	37,015.00	134,015.00	
09/30/32				171,030.00
02/01/33		34,347.50	34,347.50	
08/01/33	104,000	34,347.50	138,347.50	
09/30/33				172,695.00
02/01/34		31,487.50	31,487.50	
08/01/34	112,000	31,487.50	143,487.50	
09/30/34				174,975.00
02/01/35		28,407.50	28,407.50	
08/01/35	119,000	28,407.50	147,407.50	
09/30/35				175,815.00
02/01/36		25,135.00	25,135.00	
08/01/36	128,000	25,135.00	153,135.00	
09/30/36				178,270.00
02/01/37		21,615.00	21,615.00	
08/01/37	137,000	21,615.00	158,615.00	
09/30/37				180,230.00
02/01/38		17,847.50	17,847.50	
08/01/38	146,000	17,847.50	163,847.50	
09/30/38				181,695.00
02/01/39		13,832.50	13,832.50	
08/01/39	156,000	13,832.50	169,832.50	
09/30/39				183,665.00
02/01/40		9,542.50	9,542.50	
08/01/40	167,000	9,542.50	176,542.50	
09/30/40				186,085.00
02/01/41		4,950.00	4,950.00	
08/01/41	180,000	4,950.00	184,950.00	
09/30/41				189,900.00

# City of Fritch

## FY 2016 – 17 Budget Ordinance Number 548

**AN ORDINANCE ADOPTING AND APPROVING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016 AND ENDING SEPTEMBER 30, 2017 AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT, AND ACCOUNT; AND PROVIDING FOR THE NECESSARY TRANSFERS OF FUNDS BETWEEN ACCOUNTS AND DEPARTMENTS, IF REQUIRED.**

WHEREAS, the City Council of the City of Fritch, Hutchinson County, Texas, acting in regular session on September 8, 2016:

WHEREAS, there is a requirement to establish a budget and file it in accordance with established statutes:

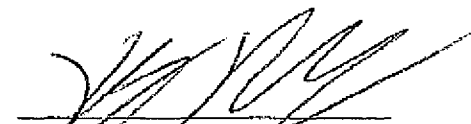
**Section 1:** The budget prepared by the City Manager of Fritch, Texas for the City of Fritch, Texas, for the fiscal year 2016 - 17, commencing October 1, 2016 and ending September 30, 2017 has been presented and a public hearing has been conducted as required by law.

**Section 2:** The City Secretary is hereby ordered to file a copy of said budget with the Hutchinson County Clerk at the Hutchinson County Courthouse in Stinnett, Texas.

**Section 3:** That this Budget Ordinance shall take effect and be in force on October 1, 2016.

NOW THEREFORE BE IT ORDAINED that the budget, as attached, for the FY 2016 -- 17 be passed by the City Council of the City of Fritch, Hutchinson County, Texas this 8<sup>th</sup> day of September 2016.

  
Cindy Cook, City Secretary

  
Mayor W. Kelly Henderson



# City of Fritch

## Ordinance Number 549

### AN ORDINANCE LEVYING TAXES FOR THE MAINTENANCE AND OPERATIONS OF THE MUNICIPAL GOVERNMENT OF THE CITY OF FRITCH, TEXAS AND PROVIDING FOR THE INTEREST AND SINKING FUND FOR THE FISCAL YEAR 2016 - 17 APPORTIONING EACH LEVY FOR THE SPECIFIC PURPOSE.

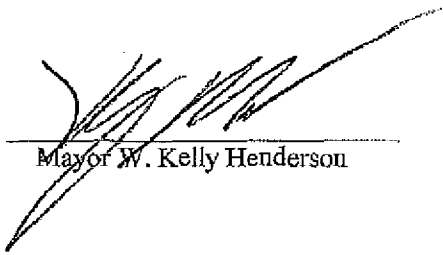
Section 1: There is hereby levied and there shall be collected for the maintenance and operation of the municipal government of the City of Fritch and to provide an interest and sinking fund for the Fiscal Year 2016 - 17, commencing October 1, 2016 through September 30, 2017, upon real property within the corporate limits of said City, a tax of \$0.712625 on each one hundred dollars (\$100) valuation of property, said tax being so levied and apportioned to the specific purposes herein set forth:

1. For maintenance and operation of the general government, \$0.377427 on each one hundred dollars (\$100) valuation of property, and;
2. For the interest and sinking fund, \$0.335198 on each one hundred dollars (\$100) valuation of property to service the long term debt obligations of the City.

Section 2: All money collected under this ordinance for the specific items therein named, be and same are hereby apportioned and set apart for the specific purpose indicated in each item and the Tax Collector and the City Treasurer shall keep these accounts so as to readily and distinctly show the amount collected, the amount expended and the amount on hand at any time, belonging to such funds. It is hereby made the duty of the Tax Collector and every person collecting money so indicated from what source the money is received. All receipts for the City not specifically apportioned by the ordinance are hereby made payable to the General Fund.

Section 3: All ordinances and said resolutions of the City of Fritch, Texas are hereby repealed to the extent that said ordinances, resolutions, or parts of either are in conflict herewith.

NOW THEREFORE BE IT ORDAINED that the Tax Levy, so stated, that the FY 2016 - 17 be passed by the City Council of the City of Fritch, Hutchinson County, Texas, this 8<sup>th</sup> day of September, 2016 and shall become effective October 1, 2016.

  
\_\_\_\_\_  
Mayor W. Kelly Henderson

  
\_\_\_\_\_  
Cindy Cook, City Secretary

