

City of Weatherford
Municipal Utilities Program of Services
Year ending September 30, 2016 (FY16)



Municipal Utility Board Members

Mayor Dennis Hooks — Chair, Concurrent with City Council

Bob Glenn — Vice Chair

Ken Davis

James Dickason

Heidi Wilder — Concurrent with City Council

Howard McClurkin

Craig Swancy — Concurrent with City Council

City of Weatherford Facts & Figures

City Government

Year Founded	1855
Incorporated	1858
Charter Adopted	1918
Form of Government	Council-Manager

Physiographic

Land Area (sq. mi.)	26.52
Long/Lat Range	32.759 ° N / 97.797 ° W

Public Parkland

City Parks: Cartwright, Cherry, Holland Lake, Marshal, McGratton, Miller, Love Street, Soldier Springs

Trails: Town Creek Hike & Bike Trail

Lake Weatherford

Pool Elevation (ft)	896
Surface Area (acres)	1,158
Maximum Depth (ft)	39

Weather

Annual Rainfall (in)	39.72
Avg Low Temperature	50.7° F
Avg High Temperature	75.8° F
Record High (Jun 1980)	119° F
Record Low (Dec 1989)	-10° F

Demographic (2010 Census Bureau)

Population Totals

2000	19,000
2005	23,050
2010	25,250
2014 (Est.)	27,769
Change since 2010	10%

By Sex (2010)

Male/Female	48.1%/51.9%
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By Race/Ethnicity (2010)

White, non-Hispanic	81.2%
Hispanic or Latino	13.6%
Black	2.4%
Other	2.8%

Age Distribution (years)

0-4	7%
5-19	22.6%
20-64	54.5%
65+	15.9%

Income (2009-2013)

Median Household	\$49,899
Below Poverty Level	13.6%

Other (2009-2013)

Households	10,064
Persons per Household	2.47

Education

Weatherford ISD Enrollment (2014)

K-6	4,316
7-8	1,191
9-12	2,227

Weatherford College Enrollment

Total Enrollment	5,676
Male/Female (%)	39/61

Educational Attainment (25 years and older)

High School Graduates	89.4%
Bachelor's Degree or Higher	24.9%

Employment

Civilian Labor Force	12,822
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Unemployment Rate

Average Annual (2014)	4.2%
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Top Employers

Weatherford ISD	945
Weatherford Regional Medical Center	585
Parker County	485
City of Weatherford	356
Wal-Mart	350
Weatherford College	298
C.D. Hartnett	276

Economic

Business & Retail (2014)

Avg # of monthly Sales Tax Payers	2,383
Sales Tax Remitted	\$10.56m
Increase/Decrease from 2013	+6%
Retail sales tax per capita	\$406

Housing

Median value, owner-occupied home	\$150,702
Single-Family Building Permits (October 2013—September 2014)	177
Additions/Remodel/Residential Accessory Permits (October 2013—September 2014)	204

Tourism

Hotels and Beds & Breakfasts	23
Meeting/Event Spaces	8

Attractions: *Chandor Gardens, Clark Gardens, Greenwood Farm, Sheriff's Posse Rodeo, Farmer's Market, Doss Heritage & Cultural Center, Greenwood Cemetery, Museum of the Americas, First Monday Grounds*

Special Events: *Weatherford Blooms, Sheriff's Posse Rodeo, Peach Festival, Hometown Heritage Stampede, Christmas on the Square*

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FY16 Budget City Manager's Message

July 30, 2015 (some figures have been updated since budget proposal)

To: Board of Trustees of the Weatherford Municipal Utility System

In accordance with Article X, Section 4 of the Weatherford City Charter, the FY16 proposed budget is hereby submitted for review and consideration. The budget that follows will provide for operations and maintenance of the Weatherford Municipal Utility System from October 1, 2015, through September 30, 2016. It has been developed under the principles and guidance of sound budgeting practices. Said practices assure that revenues are realistically estimated to cover the cost of essential utility services while leaving a prudent amount of working capital for emergency or unforeseen circumstances.

Estimated revenues from the operation of the City's electric, water, and wastewater utility systems for FY16 are \$33.8 million, \$13.17 million, and \$5.43 million, respectively. This total of \$52.4 million in operating revenues is a decrease of 8.4% from the FY15 adopted budget, and a decrease of 8.8% from current end-of-year projections. This reflects primarily an expected decrease in the cost of purchased power from the FY15 budget, modest increases in customer count in accordance with historical figures, and substantial rate increases for the water and wastewater utilities. As with FY15, the City's electric, water, and wastewater systems are all self-sustaining entities, able to meet their full operating costs with their separate utility charges.

Normal system working capital balances should be no less than 90 days of operating expenditures, as determined by the Municipal Utility Board's action during FY14. The budget submitted herein places the ending working capital balance for September 30, 2016, at \$7,463,864, or 96 days of operations. This balance includes the mandated ninety-day target reserve of \$7,016,040.

Also at the Utility Fund's disposal are the following reserves:

- Electric Substation Reserve of \$300,000 (from FY15 contributions)
- Lake Lot License Reserve of approximately \$471,000 (including FY15 contributions) *
- Electric Vehicle Reserve of \$225,000 (including FY15 contributions)

Additionally, four line items contain budgets that, if they are not expensed in FY16, will be held in reserve.

Those are:

- Lake Lot License Capital reserve of \$200,000*
- Electric Vehicle Reserve of \$150,000
- Electric West Substation Reserve of \$300,000
- Water Capital Reserve of \$717,000.*

The total proposed budget for the Weatherford Municipal Utility is \$52.4 million, including \$539,000 in various non-recurring expenses. This document details the breakdown of the fund's operational departments,

*Both of these reserves exist as a result of dedicating the Lake Lot Licenses (approximate revenue amount of \$915,000). Previously, a portion of these revenues were dedicated to any possible costs of pumping water from the Tarrant Regional Water District. Because the Water Utility is now passing those costs through directly to its customers, it is assumed that the entire Lake Lot License revenue will be reserved for Lake Lot Capital expenses and other Water Capital expenses.

including organizational charts, mission statements, objectives, performance measures, and budget detail by expense category. Adjustments were made to create a cleaner budgeting process and help place the utility fund in a position to better plan for long-term sustainability. Additionally, this budget also includes new and expanded programs which will provide better services, more efficient operations, and improved morale among staff members. Among those changes are:

- Continued adjustments related to the use of lake lot license fees (100% of those fees will remain reserved in the following manner: \$200,000 for lake capital projects and the remainder for general capital expenses)
- A 2% compensation package for employees, effective October 1, 2015;
- Modest increases in reserve funding for large capital electric system projects and vehicle/equipment replacement;
- Reserving approximately \$1.7 million and \$300,000 in water and wastewater revenue from the second round of rate adjustments for system improvements
- Needed maintenance to important water/wastewater systems, and
- Servicing new debt issued for all utilities.

A little less than one year ago, the Utility Board and City Council approved a three-year rate adjustment plan for water and wastewater utilities. While each separate rate class carries with it different adjustments, below is an approximation of the total increases the adjustments are anticipated to bring in (holding consumption constant):

	FY15	FY16	FY17
Water	21.5%	15.5%	17.5%
Wastewater	13%	7.5%	16%

Board direction was to reserve the incremental revenue from these adjustments for two purposes: new debt service and cash-funding the water/wastewater capital improvement plan. At the end of FY16, it is projected that the water utility will have set aside a total of \$2.31 million and the wastewater utility will have set aside \$705,000, both from the first two years of rate adjustments. While stark consumption decreases in the past year have made it difficult to set dollars aside, the current five-year forecast included in this document projects close to \$25 million collected for the water utility and \$7 million for the wastewater utility by FY20. These projections assume only modest increases in consumption, and also reflect a substantial debt issuance being paid off in FY18.

As with FY15, the City’s electric, water, and wastewater systems are all self-sustaining entities, able to meet their full operating costs with their separate utility charges.

FY16 Budget City Manager's Message

In conclusion, I wish to thank each department director and supervisor who spent many hours in the preparation of this budget. I especially wish to thank Assistant City Manager James Hotopp, who provided invaluable assistance during this process. The Weatherford Municipal Utility has achieved great things during the current fiscal year. With the leadership of the Municipal Utility Board, each utility is continuing to be self-sufficient, and the Utility Fund is closer to being set up for greater long-term success for our customers. Overall, this budget represents significant steps in the right direction toward providing outstanding services at the best possible cost.

Respectfully submitted,

Sharon Hayes
City Manager

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Schedule of Changes

On July 30, 2015, the City Manager's Office presented the FY16 Proposed Municipal Utility Fund Program of Services to the Utility Board. The Board has held one work session and one public hearing to discuss any modifications to the budget. There were no substantial changes made to the Utility Fund's FY16 Proposed budget during that time.

FY16 Budget Calendar

1

Budget Kickoff

Staff meeting to outline the budget process and methodology, provide target budgets, and distribute forms.

Mar. 25,
2015

2

Departmental Budget Submissions

Department budget items submitted to Office of Management & Budget (OMB).

Apr. 15,
2015

3

Budget Development

Administration and staff begin discussing budget submissions and, incorporating City Council priorities, develop the proposed budget.

May-Jun.

4

Budget Submission

The City Manager's proposed FY16 budget is presented to the Utility Board.

Jul.
30

5

Budget Work Sessions Held

Several public work sessions are held to discuss the proposed budget and incorporate any changes recommended by the Board .

Aug.
Sep.

6

Adopt Utility Fund Budget

Following extensive discussion in August and September, the Utility Board adopts the budget for the following year.

Sept. 27

7

The Fiscal Year Begins.

Oct. 1

Budget Process & Methodology

Overview

This budget document serves as the annual operating plan for the Weatherford Municipal Utility during the fiscal year beginning October 1, 2015, and ending September 30, 2016 (FY16). The funding choices made for FY16 were the result of hundreds of hours of deliberation at various levels: from each individual department to the City Manager and his executive team to the Utility Board and the people. This budget reflects not just the specific financial controls, management information, and policy development information it contains. It is a reflection of the values and goals of the community of Weatherford, Texas. The process by which it was developed was designed to produce a forward-thinking, results-oriented plan for the coming year.

Purpose of the Budget Process

The purpose of the budget process is to identify and assure compliance with policies dictated by State law, the City Charter, City Ordinances, and administrative procedures. The aim of these policies is to achieve long-term growth and stability within a positive financial condition. These guidelines give direction to administration and staff in planning and directing the Utility's day-to-day financial affairs and in developing financial and management recommendations to the Utility Board. They provide a strategic framework for evaluating both current and proposed activities by preserving the long-standing principles, traditions, and practices of the City of Weatherford.

Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. Being an annual process, budgets are influenced by many factors, including current and projected economic conditions, decisions made in prior budgets, current needs, and long-term goals.

The Municipal Utility Budget is adopted on a **modified accrual basis** consistent with general accepted accounting principles as promoted by the Governmental Accounting Standards Board, with exceptions including that depreciation is not included in the budget, capital purchase are budgeted within the year of appropriation, and debt principal is included. Modified accrual basis means that revenue is recognized at the time it becomes measurable and available, and expenses are recognized when they are measurable, a fund liability is incurred, and the liability will be liquidated with resources included in the budget (this includes principle and interest on long-term debt). Revenues are included in the budget in the year they are expected to become measurable and available. Expenses are included in the budget when they are measurable, a fund liability is incurred, and the liability will be liquidated with resources included in the budget. This is in contrast to the audit basis of the Utility Fund, which utilizes **full accrual**. Under this method, revenues are recognized when measurable and expenses are recognized in the year in which the liability has occurred.

The budget process establishes levels of control as well. Once approved, department staff has the ability to adjust their budgets by transferring funds from one line-item to another within appropriated levels by submitting a budget transfer request, which is reviewed by the Office of Management & Budget (OMB) and the City Manager. However, any revisions which alter the total appropriation level for a department must be approved by the Utility Board.

Objectives of All Budgets

While every year brings different goals and challenges, all budgets are developed with the following shared objectives:

Realistically Estimated Revenues: Each revenue source has been analyzed and estimated realistically to ensure that the practice of conservatism in revenue projections is maintained.

Efficient, Equitable, and Adequate Funding for Services: Each service receiving funding should be given adequate resources to provide quality levels of service. To achieve this goal, some proposals or programs requested by departments are not recommended in the budget. In some cases, alternative requests may be funded at a lesser amount or delayed while utilizing existing services where possible.

Sound Financial Planning: Maintenance of adequate unallocated fund balances and reserves for unanticipated events or future allocations is important. Sufficient resources should exist for maintaining adequate balances and for meeting cash-flow requirements while providing the ability to respond to unforeseen circumstances. To achieve this goal, some expenditure requests are not recommended for funding, or are recommended at a lower level than requested. Reserve requirements for each fund are specified in the Financial Management Policy Statements.

Objectives Specific to This Budget

Addressing Asset-Related Issues

The FY13 and FY14 Municipal Utility budgets represented transition years, in that all three utilities were able to collect enough revenue to cover their operational expenses, eliminating any cross-subsidization. The third and final year of rate adjustments (occurring in FY13) helped to achieve this goal. FY15 marked the beginning of the second round of rate adjustments, and FY16 will be the second of a three-year cycle. Building on the elimination from cross-subsidization that occurred before our FY11-FY13 rate cycle, the current one seeks to build sufficient funding for capital outlay in the City's utilities.

The Weatherford Municipal Utility currently maintains approximately 208 miles of sanitary sewer lines, 275 miles of water mains, and 342 miles of electric distribution lines. In addition to this widespread infrastructure network, the utility is also responsible for maintaining:

- one wastewater treatment plant,
- 10,547 sewer service connections,
- 11,450 water service connections,
- 1,450 fire hydrants, and
- 14,344 electric service connections

Budget Process & Methodology

- one water treatment plant
- 4 electric substations
- 24 wastewater lift stations
- 7 water pump stations

Every utility system runs on a large network of assets such as these, and thus must budget ongoing repair and replacement costs to keep the system functioning properly. As with any asset-rich enterprise, the utility’s infrastructure has been subject to routine wear and tear, sometimes leading to costly repair or replacement costs.

A summary of the repair and replacement costs budgeted in the operating fund and water/wastewater repair and replacement funds can be found below. Note that this does not include revenues garnered from water and wastewater’s new rate structure, which will be available for maintenance costs as well. For information on this, please see “New Rate Revenue/Capital Program on the next page.

		<u>Water</u>	<u>Wastewater</u>	<u>Electric</u>	<u>Total</u>
Please note that the nature of these costs differ from large-scale capital improvements, which are covered by utility revenue bonds. For more information on those, please see the Appendix.	Specialized Equipment	\$ 141,608	\$ 10,000	\$ 732,000	\$ 883,608
	Vehicles/Equipment	\$ 30,000	\$ -	\$ 150,000	\$ 180,000
	Utility Lines	\$ 292,000	\$ 245,000	\$ 1,236,000	\$ 1,773,000
	Meters	\$ 89,000	\$ 11,000	\$ 60,000	\$ 160,000
	Land/rights of Way	\$ -	\$ -	\$ 20,000	\$ 20,000
	Transformers	\$ -	\$ -	\$ 325,000	\$ 325,000
		\$ 552,608	\$ 266,000	\$ 2,523,000	\$ 3,341,608

Specific items included for replacement are lift station pumps, chlorine analyzers, SCADA equipment, as well as increased maintenance on utility lines.

Automated Meter Infrastructure Program

The Automated Meter Infrastructure (AMI) program will continue in FY16. Budgeted funds in FY14 and FY15 were not able to be completely expensed during that fiscal year, and so the project will continue through this fiscal year.

West Substation Reserve

Much like the water utility, growth and development in the city will result in increased electric customer demand, which will eventually necessitate the construction of a new substation. In order to reduce the utility’s need to issue debt, the electric utility began setting aside \$250,000 each year in anticipation of constructing the substation and purchasing substation equipment during FY13. This practice will continue in FY16, although the annual contribution has been increased to \$275,000.

Staff Compensation

For the FY15 budget, the Utility Board approved a 2% across-the-board pay increase for employees. This is estimated to cost the Utility Fund approximately \$112,000 in ongoing dollars for salaries and associated benefits. Additional promotional increases within the utility fund amounts to just shy of \$25,000.

New Rate Revenue/Capital Program

While the Utility Fund has come a long way in the past several years to a point of stability for all three utilities, there are still some issues that need to be addressed. FY15 was the first year in a new round of rate adjustments designed to provide funding for Water and Wastewater repairs and replacements as well as larger-scale capital needs. This will be done with a combination of cash-funding and debt-funding the capital improvement program. Total projected new rate revenue available to cash fund capital improvements and R/R needs:

Available Revenue from New Rates	FY15 Projected	FY16 Projected	FY17 Projected
Water (\$)	\$916k	\$1.7m	\$3.8m
Wastewater (\$)	\$484k	\$300k	\$1.15m
Total (\$)	\$1.4m	\$2m	\$4.95m

For more information on this, please see the Utility’s 5-Year Forecast featured in this document.

Additionally, the fund has already incorporated new debt service costs for the newest bond proceeds as well as remaining proceeds from prior issues (featured below and on the following page):

Electric Utility	
Bond Proceeds	
Old Bond Proceeds (7/8/2015)	\$ -
Projected New Bond Proceeds	\$ 5,000,000
Cumulative Bond Proceeds	\$ 5,000,000
Planned Use of Capital Resources	
West Substation	\$ 5,000,000
Total Planned Use of Resources	\$ 5,000,000

Budget Process & Methodology

Water Utility		
Bond Proceeds		
Old Bond Proceeds (7/8/2015)	\$	1,450,000
Projected New Bond Proceeds	\$	9,250,000
Cumulative Bond Proceeds	\$	10,700,000
Planned Use of Capital Resources		
WTP PLC Upgrades	\$	400,000
12" Along I-20 to Deerfield	\$	900,000
Wastewater Reuse System Design	\$	1,250,000
Oak Street - 30" Water Line	\$	3,000,000
BB Fielder - Water Line	\$	1,500,000
Bethel Road - Water Line	\$	1,000,000
WTP Expansion - Pilot/Design	\$	350,000
Mineral Wells Transmission Main	\$	1,300,000
W'ford Loop Transmission Main	\$	600,000
Bond Project Contingency	\$	400,000
Total Planned Use of Resources	\$	10,700,000

Wastewater Utility		
Bond Proceeds		
Old Bond Proceeds (7/8/2015)	\$	1,550,000
Projected New Bond Proceeds	\$	4,750,000
Cumulative Bond Proceeds	\$	6,300,000
Planned Use of Capital Resources		
Black Warrior Creek	\$	1,400,000
Lift Station #25	\$	1,500,000
Bethel Road — WW Line	\$	750,000
WWTP PLC Upgrades	\$	800,000
FW Hwy, Bankhead, Bullard Line	\$	470,000
Town Creek WW Extension	\$	980,000
Bond Project Contingency	\$	400,000
Total Planned Use of Resources	\$	6,300,000

Lake Lot Licenses*

FY16 will mark the second year in which all lake lot license revenue (estimated at \$917,000 annually) will be reserved for specific purposes, and not able to be used for operational income. Those purposes are as follows:

1. To reserve up to \$200,000 for lake improvement projects;
2. To reserve the remainder for general Water and Wastewater capital projects.

Use of the revenue outside of the above purposes will require action from the Utility Board.

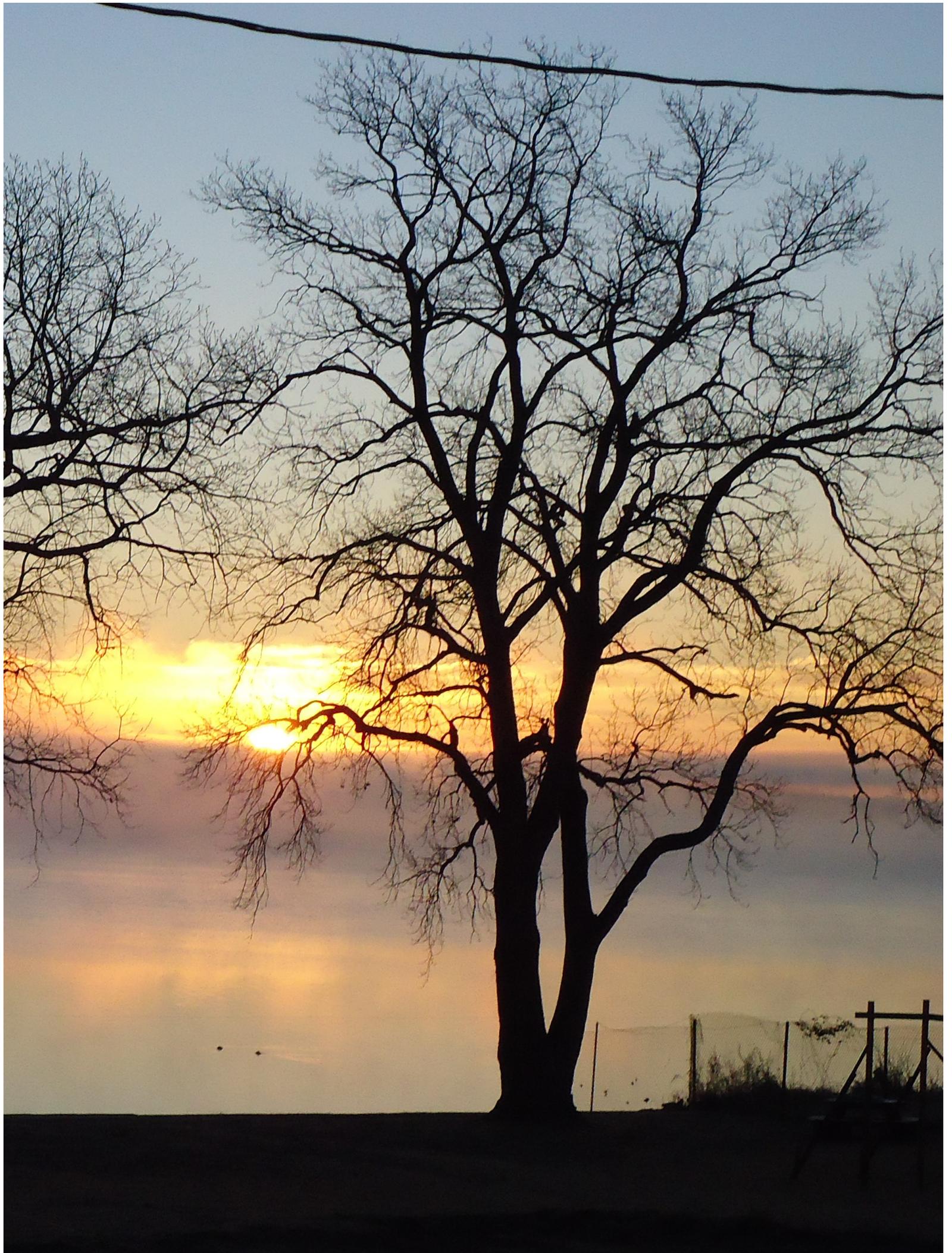
Future Budget Processes

The growth in the system has and will continue to result in increased demand on the utility system, requiring the system to expand to accommodate. As previously noted, this fiscal year's budget includes several areas where the utility is preparing for this expansion, including reserving money for the West Sub Station, continuing to reserve Lake Lot License revenue for specific purposes, continuing water and wastewater rate adjustments to provide for increased repair and replacement of assets and debt service, and continuing the automated metering infrastructure program. Additionally, the system is working with a consulting firm to help guide staff and the board in goal setting, benchmarking, and overall strategic planning.

In several ways, FY16 is a year that focuses on strategic planning, capital investment, and integrating comprehensive benchmarking and reporting to help affect future decisions. For the next few years, the city's utility customers can expect prudent service enhancements to make for a stronger, more stable and forward-thinking utility system. This will ensure long-term success and consistent, quality service to those who depend on Weatherford.

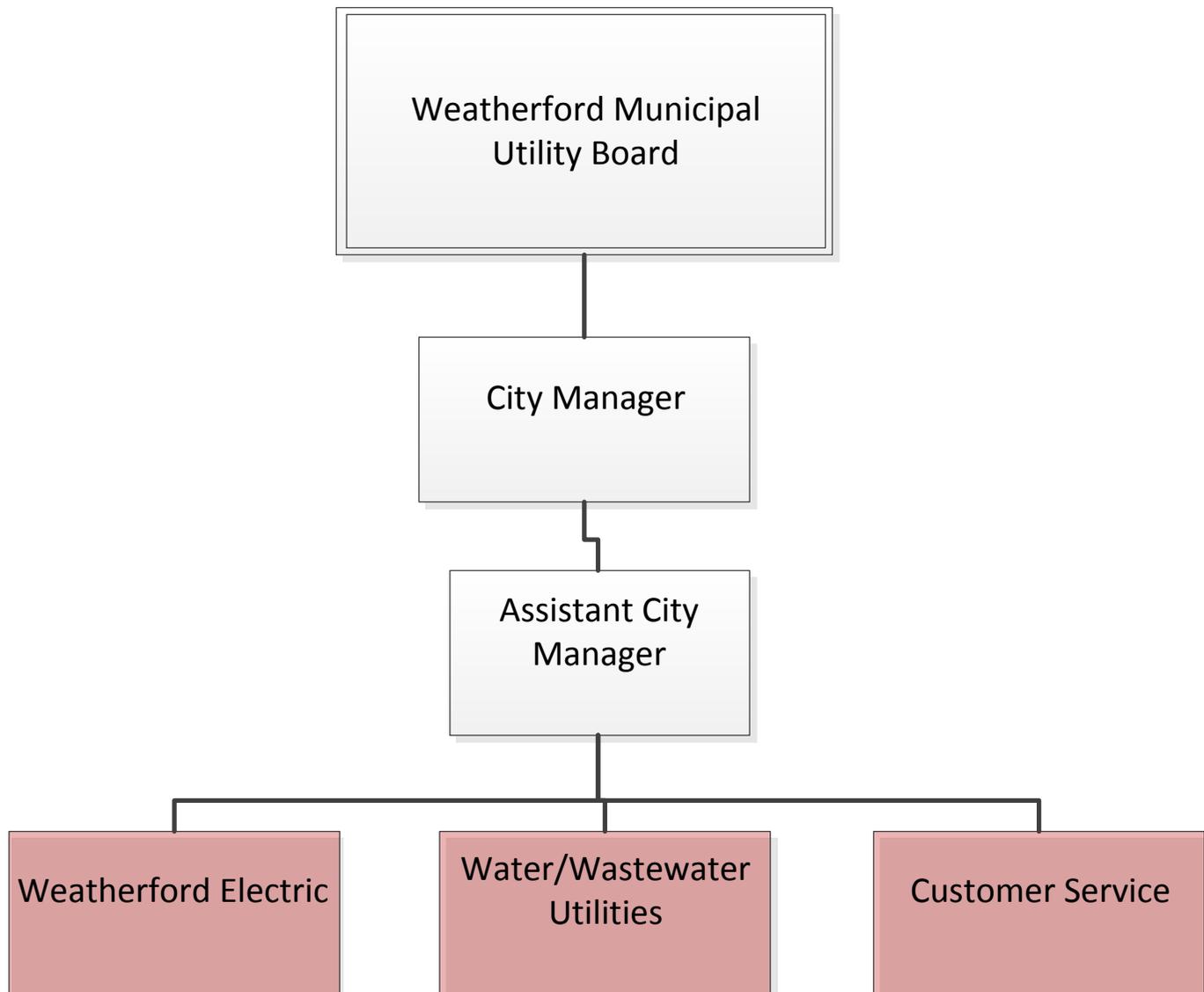
*In previous years, this revenue was also used for the cost of pumping water. While that option is still available, the new rate increases allow for \$500,000 in new water sales revenue to help pay for pumping costs. Therefore, the Lake Lot License revenue will be designated for capital improvements. They are also available to pay for additional debt service.





Municipal Utility Fund

The Municipal Utility Fund has more budgeted expenditures than any other fund in the city. Enterprise funds are accounting units that operate similarly to private business entities. The intent of the governing body is to finance the provision of goods or services to the public on a continuing basis through user charges. Funding for utility system operations comes from monthly billing to customers for the utility services delivered. In addition to the three utility services (electric, water, and wastewater), this fund also includes operational costs for Weatherford's internal services: Finance, Information Technology, Human Resources, City Attorney, City Administration, and Lake Maintenance. The governing board is responsible for providing oversight and setting service rates such that ongoing operations, capital repair and expansion, and reserves are all maintained at an adequate level.



FY16 Allocations of Administrative Functions

Shared or administrative functions are allocated to each utility for the purpose of showing the total cost of operating each utility. These allocated functions include Customer Service and Information Technology.

<u>Administrative Function</u>	<u>Cost Center</u>	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>
Customer Service	205	38.3%	30.3%	27.9%	3.5%

In FY16, Customer Service will be located in a separate fund.

The water & wastewater utilities are tightly connected, sharing resources and personnel. Some of the costs for these two utilities are located in the same cost center. In order to correctly account for the total cost of providing each utility, portions of those cost centers are allocated to either utility. The FY16 allocations for these cost centers is below.

Water/Wastewater Administration: Cost Center 402

Water is allocated 50% of the 100s, 68% of the 200s, and 50% 300s accounts.

Wastewater is allocated 50% of the 100s, 32% of the 200s, and 50% of the 300s accounts.

Water/Wastewater Maintenance: Cost Center 405

Water is allocated 50% of the 100s accounts, 55% of the 200s accounts, 51% of the 300s accounts, and 79% of the 400s accounts. Wastewater is allocated 50% of the 100s accounts, 45% of the 200s accounts, 49% of the 300s accounts, and 21% of the 400s accounts.

Water/Wastewater Rehabilitation: Cost Center 406

Water is allocated 50% of the 100s, 200s, and 300s accounts, and 49% of the 400s accounts, and wastewater is allocated 50% of the 100s, 200s, and 300s accounts, and 51% of the 400s accounts.

Engineering: Cost Center 427

Water and wastewater are each allocated 50% of the 100s, 200s, and 300s accounts.

**Municipal Utility Fund
Revenue and Expense Summary**

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Beginning Available Working Capital	14,861,059	13,274,899	10,518,224	10,518,224	7,939,832
Revenue					
Electric Utility					
Sale of Power	30,651,340	37,460,703	36,242,288	35,495,949	32,739,592
Interest & Other	890,419	795,989	845,592	1,165,014	885,000
<i>Subtotal Electric</i>	<i>31,541,758</i>	<i>38,256,692</i>	<i>37,087,880</i>	<i>36,660,963</i>	<i>33,624,592</i>
Water Utility					
Sale of Water - Retail	8,884,689	8,673,334	9,781,635	10,100,000	11,865,000
Sale of Water - Wholesale	169,731	59,664	150,000	61,588	60,000
Lake Lot Licenses	922,856	922,210	915,000	915,000	917,000
Water Taps	2,199	3,665	3,500	1,933	3,500
Interest & Other	104,185	724,624	88,272	488,346	124,500
<i>Subtotal Water</i>	<i>10,083,660</i>	<i>10,383,496</i>	<i>10,938,407</i>	<i>11,566,868</i>	<i>12,970,000</i>
Wastewater Utility					
Service Fees - Retail	4,466,060	4,360,033	4,530,000	4,800,000	5,199,775
Service Fees - Wholesale	161,192	132,441	160,000	118,049	130,000
Wastewater Tap Fees	1,270	2,540	1,200	1,200	1,200
Pre-Treatment Fees	28,740	23,622	26,000	26,000	26,000
Interest & Other	69,818	14,487	11,372	15,084	10,245
<i>Subtotal Wastewater</i>	<i>4,727,081</i>	<i>4,533,122</i>	<i>4,728,572</i>	<i>4,960,334</i>	<i>5,367,220</i>
Total Revenue	46,352,499	53,173,310	52,754,859	53,188,165	51,961,812
Expenses					
Electric					
Administration	293,389	280,291	278,124	267,397	237,831
Fiber	-	285	138,808	151,352	179,400
Distribution	6,681,133	5,708,676	6,728,581	6,693,302	5,900,245
Production	8,128	7,589	21,850	21,850	11,850
Warehouse	183,760	246,542	387,588	363,178	444,353
Non Departmental	23,122,012	31,089,332	29,762,015	29,220,209	26,148,635
<i>Subtotal Electric</i>	<i>30,288,422</i>	<i>37,332,715</i>	<i>37,316,967</i>	<i>36,717,288</i>	<i>32,922,314</i>
City Administration					
Customer Service	1,089,439	1,175,970	1,236,426	1,243,866	1,144,657
<i>Subtotal Finance</i>	<i>1,089,439</i>	<i>1,175,970</i>	<i>1,236,426</i>	<i>1,243,866</i>	<i>1,144,657</i>
Information Technology					
Information Technology	186	512	-	-	-
<i>Subtotal Information Technology</i>	<i>186</i>	<i>512</i>	<i>-</i>	<i>-</i>	<i>-</i>
Water					
Administration	294,398	294,092	387,647	385,241	436,315
Water Treatment Plant	2,589,842	3,179,194	2,654,138	2,558,858	2,699,846
Water/WW Maintenance	1,246,906	1,189,580	1,146,878	1,117,292	1,115,710
Water/WW Rehabilitation	269,622	348,230	402,020	372,983	403,950
Engineering	234,357	215,857	364,619	314,624	311,142
Non Departmental	4,834,925	4,726,732	4,713,956	4,666,041	5,233,792
<i>Subtotal Water</i>	<i>9,470,050</i>	<i>9,953,685</i>	<i>9,669,257</i>	<i>9,415,040</i>	<i>10,200,755</i>

**Municipal Utility Fund
Revenue and Expense Summary**

Wastewater					
Administration	294,398	294,092	387,647	385,241	406,226
Water/WW Maintenance	1,153,035	1,446,745	1,095,090	1,046,556	968,334
Water/WW Rehabilitation	640,973	375,562	411,020	393,091	412,950
Engineering	234,357	215,857	364,619	314,624	311,142
SIB Loan*	-	-	-	-	-
Wastewater Treatment Plant	870,845	951,803	928,022	903,765	938,343
Non Departmental	1,470,556	1,525,733	1,466,142	1,434,086	1,766,059
Subtotal Wastewater	4,664,166	4,809,792	4,652,539	4,477,365	4,803,054
Total Expenses	45,512,264	53,272,674	52,875,190	51,853,558	49,070,780
Revenue Over/(Under) Expenses	840,235	(99,364)	(120,331)	1,334,607	2,891,032
Inter-Fund Transactions and Balance Sheet Adjustments*					
GAAP & Change in Non Budgetary					
Working Capital Adjustments	164,654	-	-	-	-
Release Reserved Fund Balance	305,597	-	500,000	500,000	-
Transfer from Bond Fund	-	-	1,250,000	1,250,000	-
Contributions to Capital/Lake Lot Reserves	(2,896,646)	(907,311)	(1,641,834)	(2,926,985)	(3,367,000)
Contribution to AMI (Electric)	-	(875,000)	(777,000)	(777,000)	-
Contributions to AMI (Water)	-	(875,000)	(709,014)	(709,014)	-
Transfer to Bond Fund	-	-	(1,250,000)	(1,250,000)	-
Ending Working Capital	13,274,899	10,518,224	7,770,046	7,939,832	7,463,864
Ending Days	171.70	136.05	100.50	102.70	96

Non-Operating Revenues	3,367,000
Non-Operating Costs	539,479
Operating Revenues	48,594,812
Operating Costs	48,531,301
Ongoing Surplus	63,511

90 Day Target Reserve (7,016,040)

Available Working Capital 447,824

One Day Cost (Ongoing Costs/365) 77,956

Total Working Days 96

Target Reserve 90

Available Working Capital 6

*Most of these costs are budgeted in the various non-departmental divisions.

**Municipal Utility Fund
Electric Utility FY16 Operating Position**

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Revenue					
Electric Utility					
Sale of Power	30,651,340	37,460,703	36,242,288	35,495,949	32,739,592
Interest & Other	890,419	795,989	845,592	1,165,014	885,000
Total Revenue	31,541,758	38,256,692	37,087,880	36,660,963	33,624,592
Expenses					
Electric					
Administration	293,389	280,291	278,124	267,397	237,831
Fiber	-	285	138,808	151,352	179,400
Distribution	6,681,133	5,708,676	6,728,581	6,693,302	5,900,245
Production	8,128	7,589	21,850	21,850	11,850
Warehouse	183,760	246,542	387,588	363,178	444,353
Non Departmental	23,122,012	31,089,332	29,762,015	29,220,209	26,148,635
<i>Subtotal Electric</i>	<i>30,288,422</i>	<i>37,332,715</i>	<i>37,316,967</i>	<i>36,717,288</i>	<i>32,922,314</i>
Allocated Functions					
Customer Service	435,776	470,388	494,571	497,546	454,429
Information Technology	62	171	-	-	-
<i>Subtotal Allocated Functions</i>	<i>435,838</i>	<i>470,559</i>	<i>494,571</i>	<i>497,546</i>	<i>454,429</i>
Total Expenses	30,724,260	37,803,274	37,811,537	37,214,834	33,376,743
OTHER ITEMS					
Contribution to AMI		(875,000)	(777,000)	(777,000)	-
Contribution to Capital Reserves	(325,000)	(450,000)	(350,000)	(350,000)	(450,000)
Release of Reserved Fund Balance (Substation)			500,000	500,000	
Contribution to PCAF Reserve	(1,000,000)				
Revenue Over/(Under) Expenses	(507,502)	(871,581)	(1,350,657)	(1,180,871)	(202,151)

One-Time Expenses	688,235
Ongoing Revenues	33,174,592
Ongoing Expenses	33,138,508
Net Operating Gain/(Loss)	36,084
Days Cost	35,783.80
90-Day Reserve	3,220,542

Municipal Utility Fund
Water Utility FY16 Operating Position

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Revenue					
Water Utility					
Sale of Water - Retail	8,884,689	8,673,334	9,781,635	10,100,000	11,865,000
Sale of Water - Wholesale	169,731	59,664	150,000	61,588	60,000
Lake Lot Licenses	922,856	922,210	915,000	915,000	917,000
Water Taps	2,199	3,665	3,500	1,933	3,500
Interest & Other	104,185	724,624	88,272	488,346	124,500
Total Revenue	10,083,660	10,383,496	10,938,407	11,566,868	12,970,000
Expenses					
Water					
Administration	294,398	294,092	387,647	385,241	436,315
Water Treatment Plant	2,589,842	3,179,194	2,654,138	2,558,858	2,699,846
Water/WW Maintenance	1,246,906	1,189,580	1,146,878	1,117,292	1,115,710
Water/WW Rehabilitation	269,622	348,230	402,020	372,983	403,950
Engineering	234,357	215,857	364,619	314,624	311,142
Non Departmental	4,834,925	4,726,732	4,713,956	4,666,041	5,233,792
<i>Subtotal Water</i>	<i>9,470,050</i>	<i>9,953,685</i>	<i>9,669,257</i>	<i>9,415,040</i>	<i>10,200,755</i>
Allocated Functions					
Customer Service	337,726	364,551	383,292	385,598	359,422
Information Technology	62	171	-	-	-
<i>Subtotal Allocated Functions</i>	<i>337,788</i>	<i>364,721</i>	<i>383,292</i>	<i>385,598</i>	<i>359,422</i>
Total Expenses	9,807,838	10,318,406	10,052,549	9,800,638	10,560,177
OTHER ITEMS					
Transfer to Bond Fund	-	-	(1,250,000)	(1,250,000)	-
Transfer From Bond Fund	-	-	1,250,000	1,250,000	-
Contribution to AMI	-	(875,000)	(709,014)	(709,014)	-
Contribution to CIP/R&R	(1,500,000)	-	(296,834)	(916,372)	-
Contribution Lake Lot Reserve	(71,646)	(200,000)	(715,000)	(715,000)	(717,000)
Lake Lot Contribution to CIP	-	(257,311)	(200,000)	(200,000)	(200,000)
Contribution to TRWD Reserve	-	-	-	(260,834)	(1,700,000)
Revenue Over/(Under) Expenses	(1,295,825)	(1,267,221)	(1,034,990)	(1,034,990)	(207,177)
			Non-Operating Expenses	218,497	
			Non-Operating Revenues	2,617,000	
			Ongoing Revenues	10,353,000	
			Ongoing Expenses	10,341,680	
			Net Operating Gain/(Loss)	11,320	
			Days Cost	28,333	
			90 Day Reserve	2,550,003	

**Municipal Utility Fund
Wastewater Utility FY16 Operating Position**

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Revenue					
Wastewater Utility					
Service Fees - Retail	4,466,060	4,360,033	4,530,000	4,800,000	5,199,775
Service Fees - Wholesale	161,192	132,441	160,000	118,049	130,000
Wastewater Tap Fees	1,270	2,540	1,200	1,200	1,200
Pre-Treatment Fees	28,740	23,622	26,000	26,000	26,000
Interest & Other	69,818	14,487	11,372	15,084	10,245
Total Revenue	4,727,081	4,533,122	4,728,572	4,960,334	5,367,220
Expenses					
Wastewater					
Administration	294,398	294,092	387,647	385,241	406,226
Water/WW Maintenance	1,153,035	1,446,745	1,095,090	1,046,556	968,334
Water/WW Rehabilitation	640,973	375,562	411,020	393,091	412,950
Engineering	234,357	215,857	364,619	314,624	311,142
Wastewater Treatment Plant	870,845	951,803	928,022	903,765	938,343
Non Departmental	1,470,556	1,525,733	1,466,142	1,434,086	1,766,059
<i>Subtotal Wastewater</i>	<i>4,664,166</i>	<i>4,809,792</i>	<i>4,652,539</i>	<i>4,477,365</i>	<i>4,803,054</i>
Allocated Functions					
Customer Service	315,937	341,031	358,564	360,721	330,806
Information Technology	62	171	-	-	-
<i>Subtotal Allocated Functions</i>	<i>316,000</i>	<i>341,202</i>	<i>358,564</i>	<i>360,721</i>	<i>330,806</i>
Total Expenses	4,980,165	5,150,994	5,011,103	4,838,086	5,133,860
OTHER ITEMS					
Contribution to CIP/R&R			(80,000)	(484,779)	(300,000)
Revenue Over/(Under) Expenses	(253,084)	(617,872)	(362,531)	(362,531)	(66,640)
				Non-Operating Expenses	82,747
				Non-Operating Revenues	300,000
				Ongoing Revenues	5,067,220
				Ongoing Expenses	5,051,113
				Net Operating Gain/(Loss)	16,107
				Days Cost	13,839
				90 Day Reserve	1,245,480

Customer Service Fund
Customer Service FY16 Operating Position

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Beginning Available Working Capital	-	-	-	-	-
Revenue					
Charge-backs					
Electric	-	-	-	-	454,429
Water	-	-	-	-	359,422
Wastewater	-	-	-	-	330,806
Solid Waste	-	-	-	-	41,298
Total Revenue	-	-	-	-	1,185,955
Expenses					
Personnel	-	-	-	-	674,056
Supplies	-	-	-	-	40,100
Contractual	-	-	-	-	471,799
Capital Outlay	-	-	-	-	-
Total Expenses	-	-	-	-	1,185,955
Revenue Over/(Under) Expenses	-	-	-	-	-

*For FY16, the Customer Services division will be reporting directly to the Assistant City Manager, and will be located in its own fund. Resources to fund the division will come from inter-fund transfers from all Weatherford Utilities.

**Water Utility R&R/Capital Fund
FY16 Operating Position**

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Beginning Balance	-	-	-	-	619,445
Revenue					
Water Utility Sale of Water - Retail	-	-	1,437,493	916,372	1,700,000
Total Revenue	-	-	1,437,493	916,372	1,700,000
Expenses					
Water Repair/Replacements	-	-	296,927	296,927	2,319,445
Total Expenses	-	-	296,927	296,927	2,319,445
Revenue Over/(Under) Expenses	-	-	1,140,566	619,445	(619,445)
Ending Balance	-	-	1,140,566	619,445	-

**Wastewater Utility R&R/Capital Fund
FY16 Operating Position**

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Beginning Balance	-	-	-	-	404,872
Revenue					
Wastewater Utility					
Sale of Water - Retail	-	-	612,566	484,779	300,000
Total Revenue	-	-	612,566	484,779	300,000
Expenses					
Wastewater					
Repair/Replacements	-	-	79,907	79,907	704,872
Total Expenses	-	-	79,907	79,907	704,872
Revenue Over/(Under) Expenses	-	-	532,659	404,872	(404,872)
	-	-	532,659	404,872	-

**Municipal Utility Fund
AMI Funds FY16 Operating Positions**

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Revenue					
Electric					
Transfer from Electric Utility			1,652,000	1,652,000	-
Total Revenue	-	-	1,652,000	1,652,000	-
Expenses					
Electric					
AMI Capital Costs			1,652,000	1,652,000	-
Total Expenses	-	-	1,652,000	1,652,000	-
Revenue Over/(Under) Expenses	-	-	-	-	-

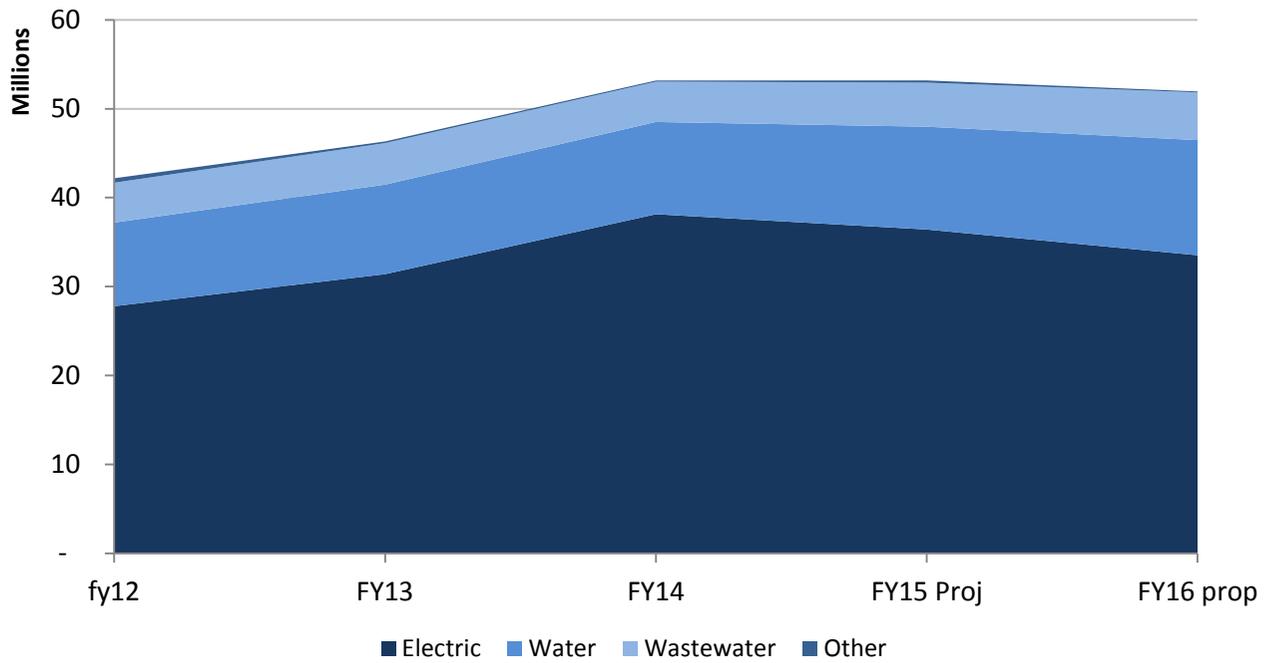
*Note: Any capacity in this fund will be rolled over into the next fiscal year until it is exhausted.

	Actual FY13	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Revenue					
Water					
Transfer from Water Utility			1,584,014	1,584,014	-
Total Revenue	-	-	1,584,014	1,584,014	-
Expenses					
Water					
AMI Capital Costs			1,584,014	1,584,014	-
Total Expenses	-	-	1,584,014	1,584,014	-
Revenue Over/(Under) Expenses	-	-	-	-	-

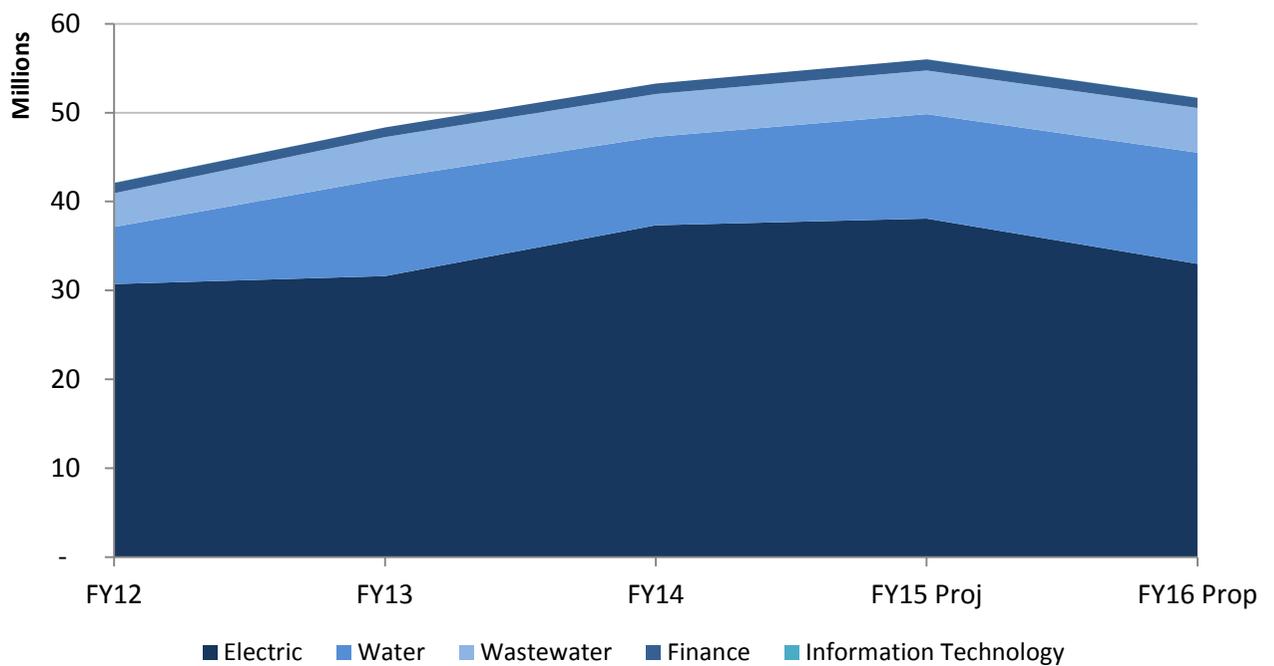
*Note: Any capacity in this fund will be rolled over into the next fiscal year until it is exhausted.



Historical Fund Revenues by Utility (millions)

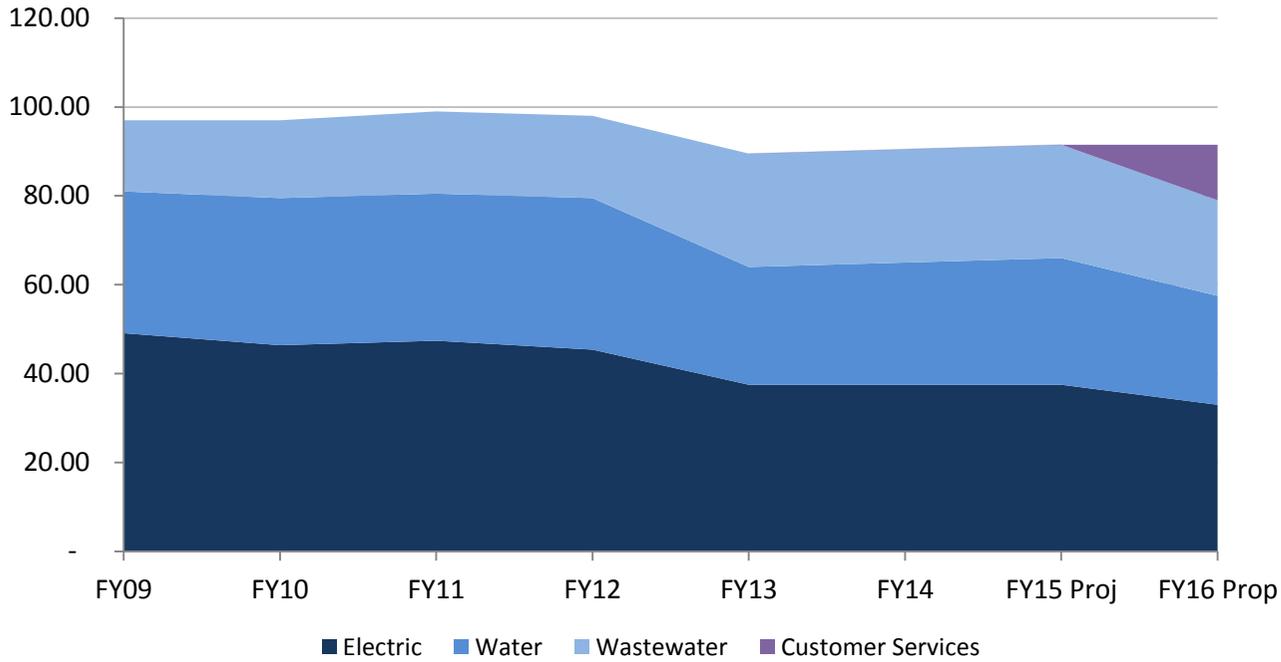


Historical Fund Expenses by Utility (millions)



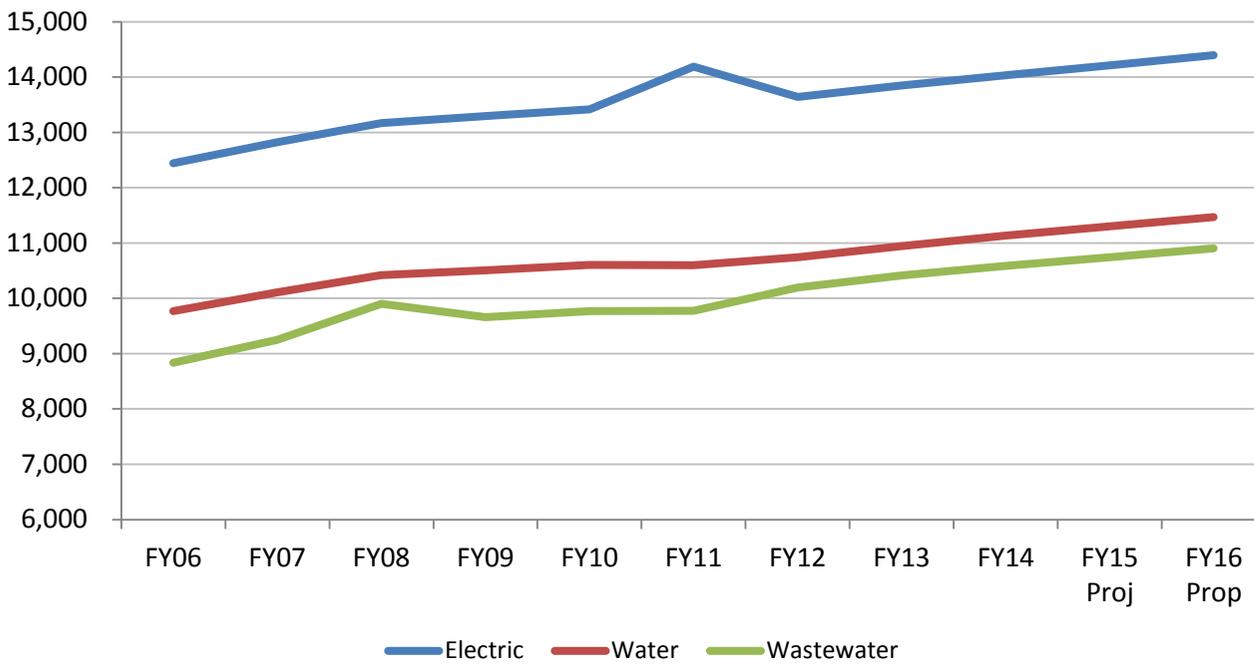
**Municipal Utility Fund
Charts and Graphs**

Historical Personnel (FTE) by Utility

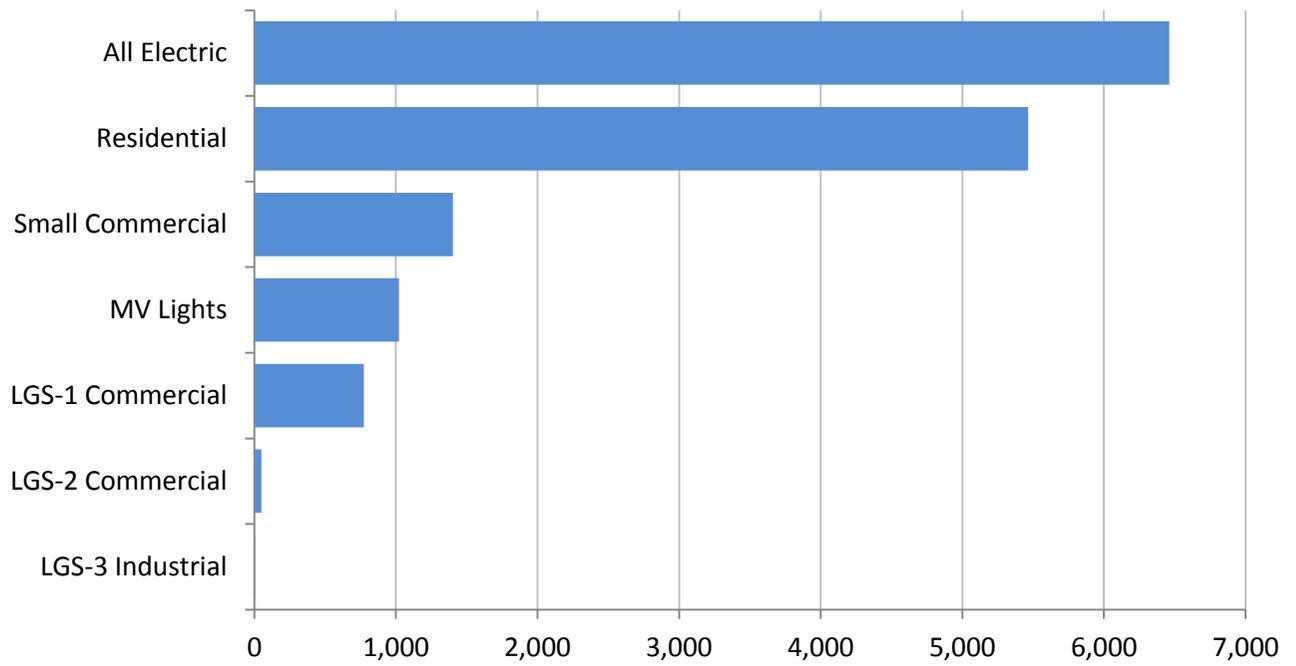


Note: Removal of Information Technology affects FY13 allocation & total position count.

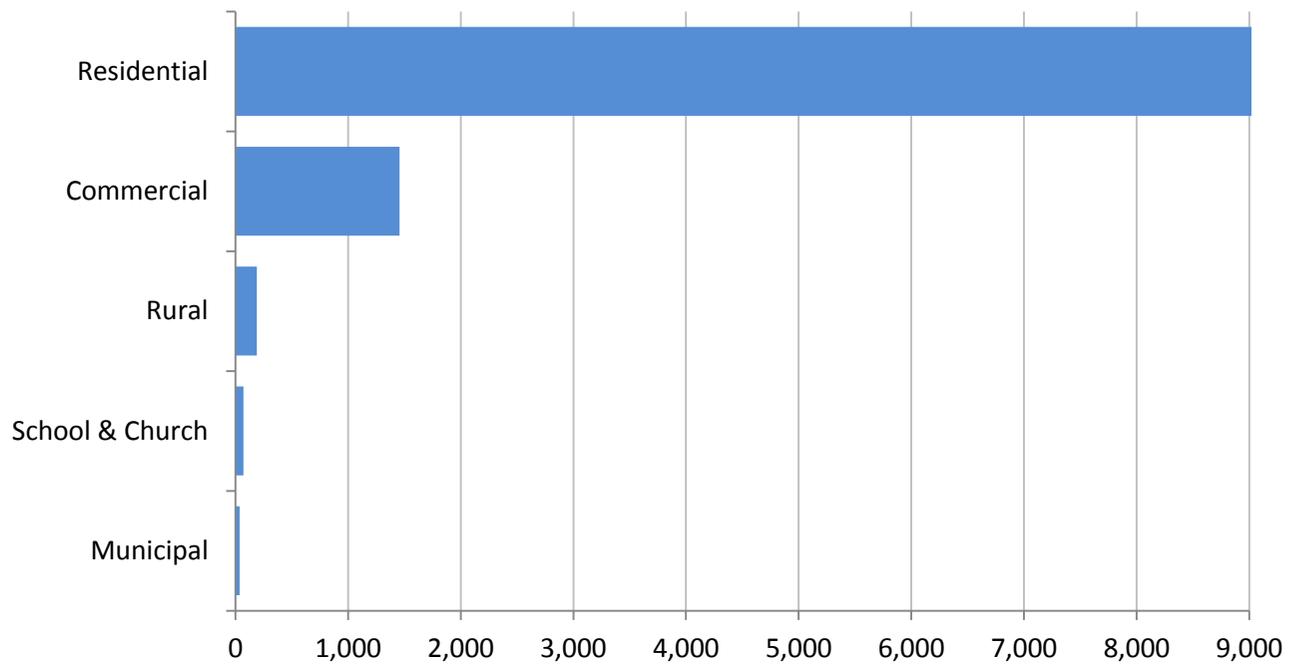
Historical Number of Customers by Utility



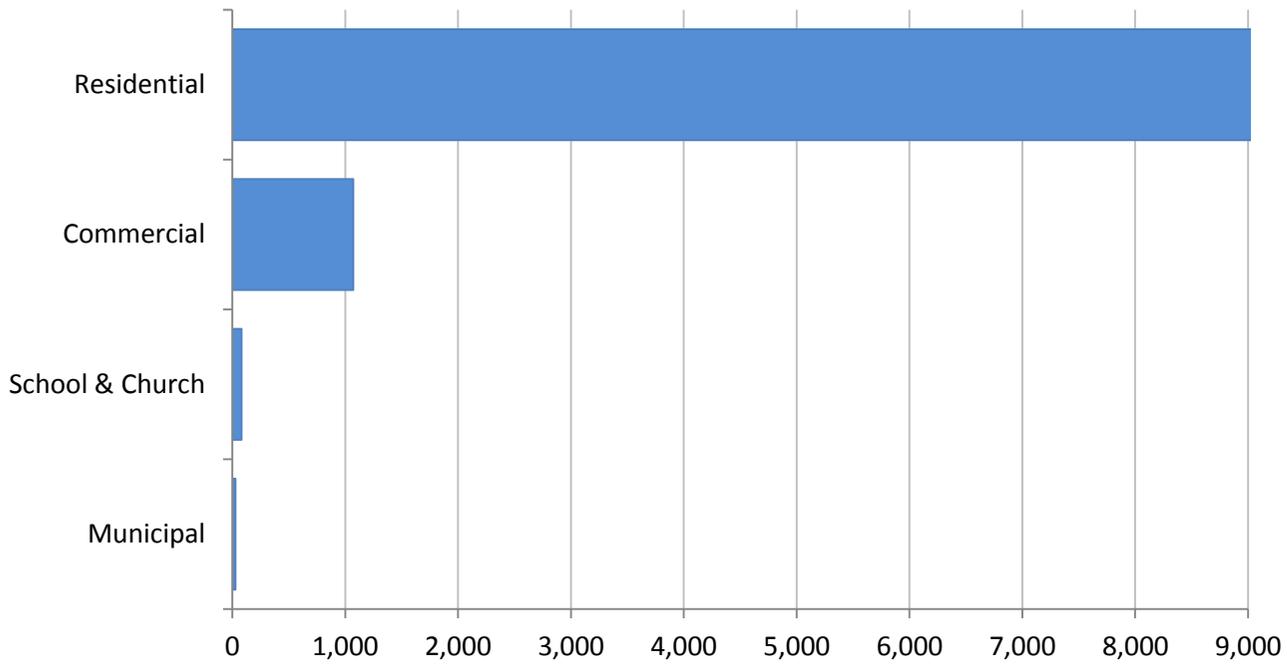
FY15 Electric Customers by Class (Through May)



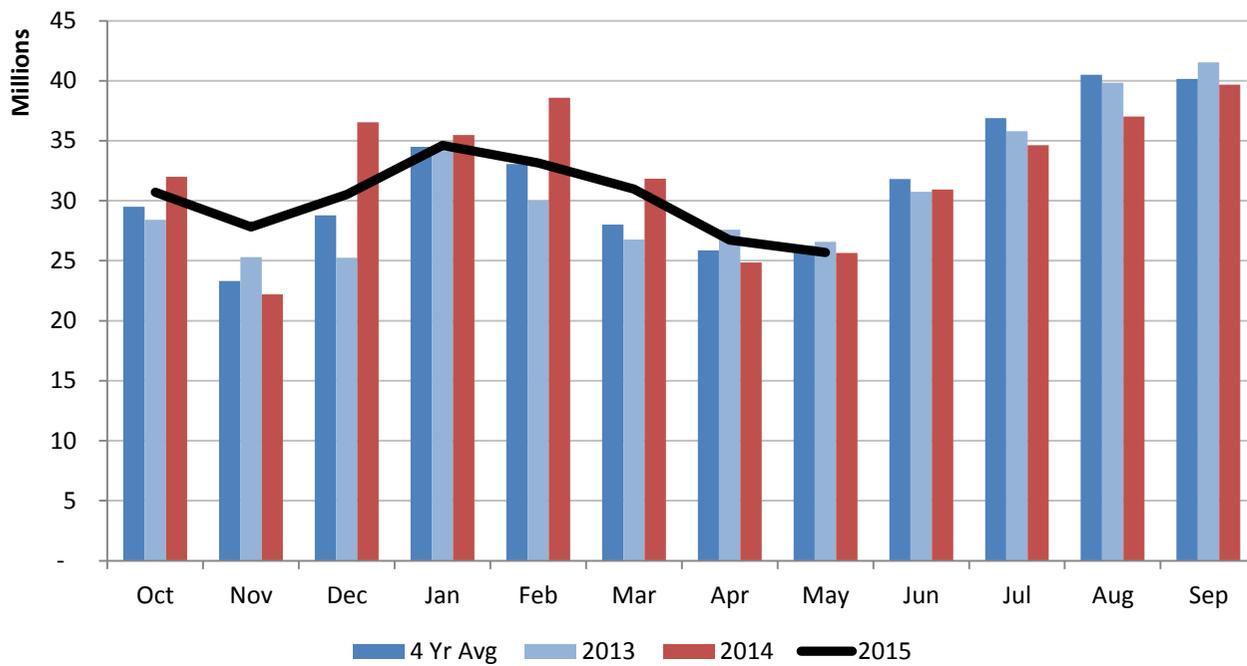
FY15 Water Retail Customers by Class (Through May)



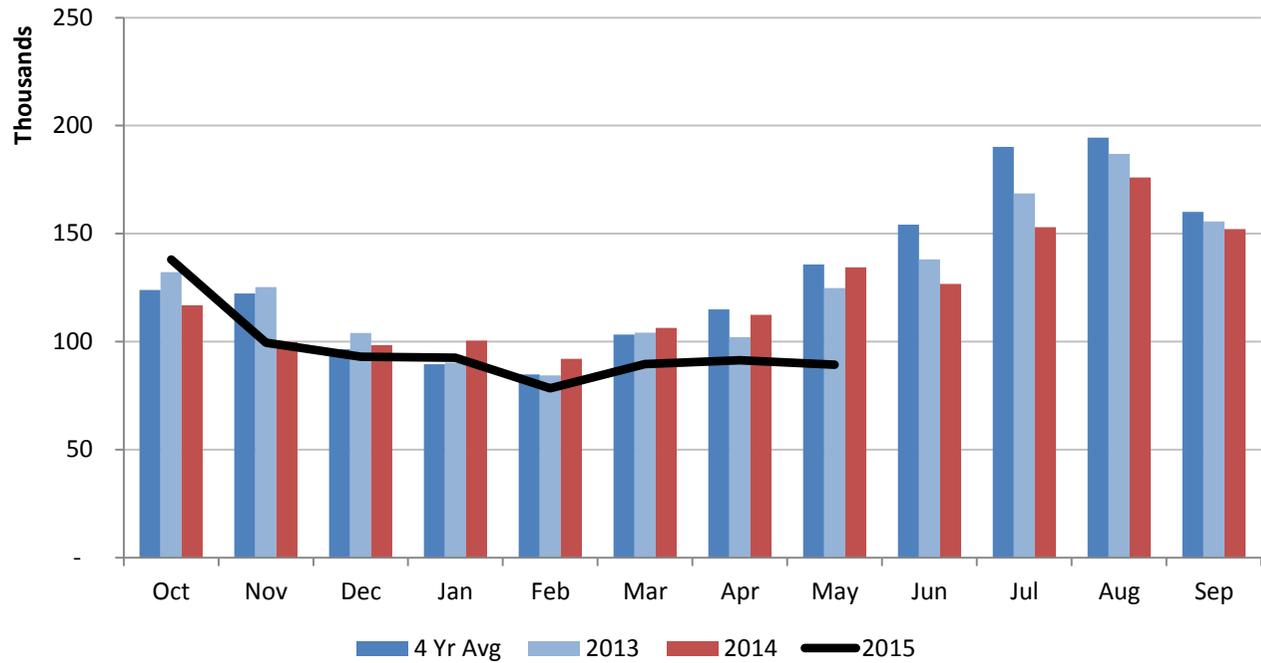
FY15 Wastewater Customers by Class (Through May)



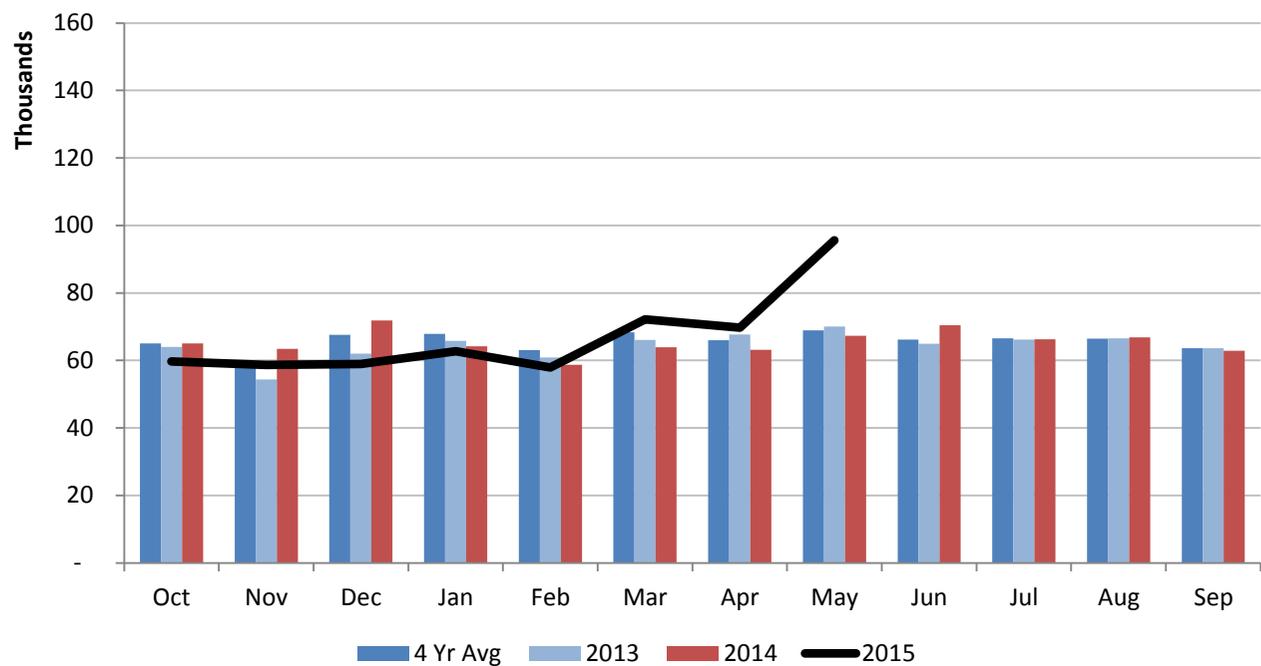
FY15 Electric Consumption vs. Historical (millions)



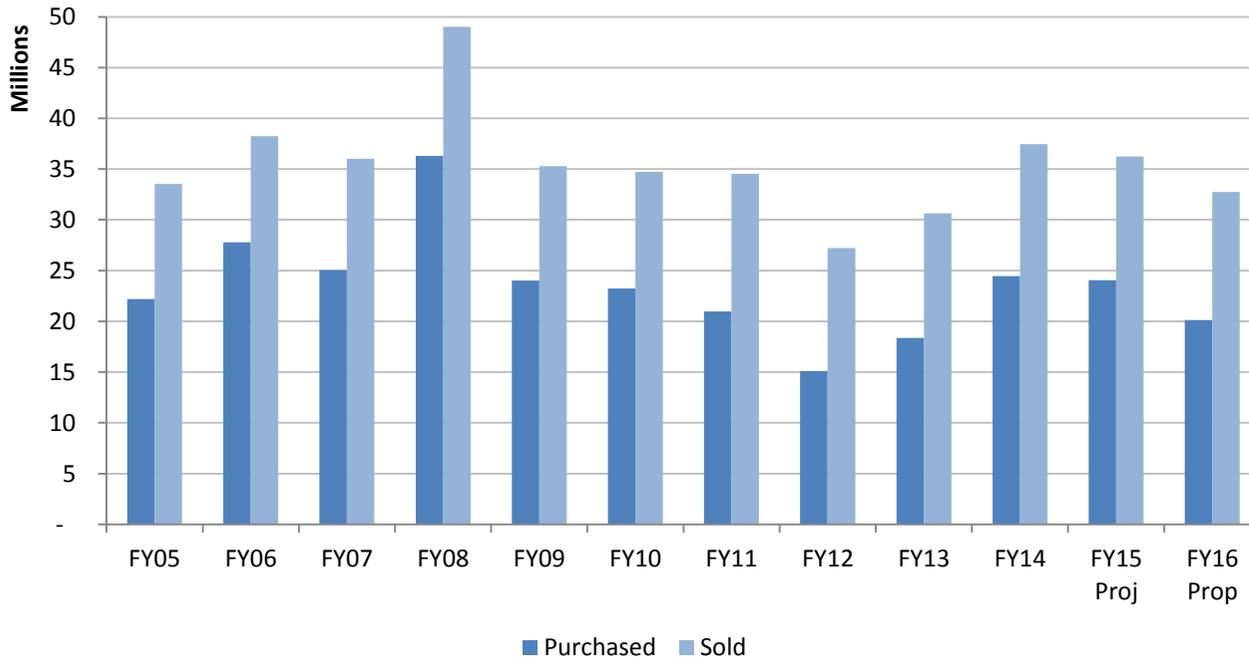
FY15 Water Consumption vs. Historical (thousands)



FY15 Wastewater Consumption vs. Historical (thousands)



Historical Electric Sales Revenue vs. Purchase Cost (millions)



The chart above shows the difference between the cost to purchase power and the revenue from power sold. The difference between these two items represents the bulk of the available operating revenue for the electric utility. Historically, these data have been shown in a manner that emphasized the percent margin between the costs and revenues. However, the percent margin is highly dependent upon a variety of items that do not affect revenue available for operations, most notably the price of gas.

The Weatherford Electric Utility has the ability to produce electricity for distribution, but it is often more cost effective to operate as a pass-through entity. As such, the electric rate is comprised primarily of two components: one portion represents the pass-through cost for purchasing power, and the other represents the operational costs of running and maintaining the utility.

The portion of the rate that acts as a pass-through fluctuates depending on the cost of purchasing power. When the purchase cost increases or decreases, the electric rate passes those costs or savings to the consumer. The other portion is used for operations of the utility, is set by the Municipal Utility Board, and largely remains constant throughout the year (although it may fluctuate slightly from month to month in order to stabilize the rate over the course of the year).

The most important variable that determines operating revenue is *actual* consumption of electricity versus *budgeted or expected* consumption. For that reason, this document emphasizes consumption and net operating revenue over percent margin.



Municipal Utility Fund Revenue Summary

The Municipal Utility Fund is an enterprise fund, and each utility is run similarly to a private business enterprise. As such, specific services are provided to customers, and revenues are generated based on charges for those services. In addition to direct service charges, there are a variety of other revenue sources available to each utility.

Electric Department revenues include service charges, interest income, pole rental charges, service initiation and transfer charges, late payment fees, and other miscellaneous items including transfers from other funds.

Water Department revenues include service charges for retail and wholesale customers, interest income, connection fees, lake lot leases, water tower license fees, and other miscellaneous items including transfers from other funds.

Wastewater Department revenues include service charges for retail and wholesale customers, interest income, tap fees, and other miscellaneous items including transfers from other funds.

**Municipal Utility Fund
Revenue Summary**

Electric System Revenues

	Actual FY14	Adopted FY15	Projected FY15	Adopted FY16
Electric Utility	37,460,703	36,242,288	35,495,949	32,739,592
Returned Check Charges	7,050	10,000	7,050	8,000
Interest Income	79,395	25,000	200,000	90,000
Net Change In Fair Value - Invest	(60,990)	-	9,028	-
Sale Of Fixed Assets	4,000	-	2,000	-
Sale Of Salvage	1,770	5,000	1,770	-
Pole Rental - Cable TV	106,895	110,000	106,276	110,000
Late Payment Fees	181,670	160,000	161,735	160,000
Temp Connects & Reconnects	74,990	80,000	60,480	60,000
Service Initiation Fees	85,705	85,000	89,934	85,000
Service Transfer Fees	11,660	12,000	9,119	12,000
Electric Miscellaneous	28,527	120,000	120,000	120,000
Contrib In Aid Of Construction	72,377	100,000	211,898	100,000
Proceeds From Lease/Purchase Agr	-	-	-	-
Transfer From Utility Reserve	-	500,000	500,000	-
Electric Fiber Lease Fee	156,994	110,000	156,994	140,000
Proceeds from Insurance	17,622	-	138	-
Transfer From Solid Waste	28,324	28,592	28,592	-
Total Revenue	38,256,692	37,587,880	37,160,693	33,624,592

**Municipal Utility Fund
Revenue Summary**

Water System Revenues

	Actual	Adopted	Amended	Adopted
	FY14	FY15	FY15	FY16
Inspection Service Fee	10,686	-	23,774	15,000
Wholesale Water Sales	59,664	150,000	61,588	60,000
Water Utility	8,673,334	9,781,635	10,100,000	11,865,000
Raw Water Sales	2,678	2,500	5,000	2,500
TRWD Pumping Pass-Through	588,685	-	328,842	-
Water Taps	3,665	3,500	1,933	3,500
Water Connection Fee	22,900	15,000	46,033	45,000
Sale Of Fixed Assets	14,400	-	9,312	-
Sale Of Salvage	13,861	-	137	-
Lake Lot Leases	922,210	915,000	915,000	917,000
Lake Lot Transfers	8,050	5,000	8,050	9,000
Lake Concession Rental	12,297	9,500	12,226	12,000
Water Tower License Fee	40,375	34,375	41,836	35,000
Proceeds from Insurance	-	-	-	-
Shortages & Overages	2	-	1,076	-
Water Miscellaneous	1,564	15,770	5,933	6,000
Proceeds from Lease/Purch	(5,634)	-	-	-
Transfer From Other Funds	13,260	6,127	6,127	-
Total Revenue	10,383,496	10,938,407	11,566,868	12,970,000

Wastewater System Revenues

	Actual FY14	Adopted FY15	Amended FY15	Adopted FY16
Sewer Fees	4,360,033	4,530,000	4,800,000	5,199,775
Pre-Treatment Fees	23,622	26,000	26,000	26,000
Sewer Taps	2,540	-	-	1,200
Non System Wastewater Maint	-	-	-	-
Proceeds from Insurance	-	-	-	-
Inspection Service Fee	14,487	-	3,299	5,000
Contributions: Dedicated Assets	-	-	-	-
Non System Wastewater Svc Fee	132,441	160,000	118,049	130,000
Sewer Miscellaneous	-	5,245	5,245	5,245
State Infrastructure Bank Loan Proceeds	-	-	-	-
Transfer From Solid Waste	-	6,127	6,127	-
Transfer From General Fund	-	-	-	-
Total Revenue	4,533,122	4,728,572	4,960,334	5,367,220
Release of Reserved Fund Balance	303,597	16,362	16,362	-
Total System Revenue	46,656,096	50,732,216	53,575,723	52,343,224

**Municipal Utility Fund
Revenue Summary**

Revenue Worksheets

The calculations that follow were utilized to project revenue for the Electric, Water and Wastewater Utilities in conjunction with an updated cost of service model provided by SAIC (formerly RW Beck).

Electric Revenue Worksheet

Base Rate (not including \$.015 of PP)	
Industrial	\$305,522
All Other	\$14,364,741
Subtotal*	<u>\$14,670,263</u>
Fuel & Purchase Power (includes \$.015 of PP)	
Industrial	\$1,593,335
All Other	\$18,534,087
Subtotal**	<u>\$20,127,422</u>
Total Revenues	
Industrial	\$1,786,550
All Others	\$30,953,042
Total Retail Sales Revenue	<u><u>\$32,739,592</u></u>

* Net operating capital available for the Electric Utility
 ** Adopted FY16 subtotal is budgeted in 11-2-902-373

Water Revenue Worksheet

Retail Water Sales Worksheet

FY15 Projected Water Consumption (1,000s gallons)	1,140,000
Projected Growth Factor	17,100
FY16 Projected Water Consumption (1,000s gallons)	1,157,100
FY16 Effective Rate per 1,000 gallons	\$10.25
FY16 Total Projected Retail Revenue	\$11,865,000

Wastewater Revenue Worksheet

<u>Revenues</u>	<u>FY 2015</u>
Oct 2014	\$ 380,045
Nov 2014	\$ 416,747
Dec 2014	\$ 396,490
Jan 2015	\$ 375,729
Feb 2015	\$ 365,385
Mar 2015	\$ 385,074
Apr 2015	\$ 377,043
May 2015	\$ 388,352
Jun 2015	\$ 385,613
Jul 2015*	\$ 445,499
Aug 2015*	\$ 412,359
Sep 2015*	\$ 471,664
Total	\$ 4,800,000
Rate Increase	\$ 327,775
Customer Growth	\$ 72,000
FY16 Total Projected	\$ 5,199,775
Projected revenue	

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Departmental Summaries

Departments, Divisions, and Programs

Utility Fund

Department	Proposed Budget	Proposed FTE
<i>Electric</i>		
Administration (422)	237,831	5.0
Distribution (424)	6,350,245	24.0
Production (425)	11,850	-
Warehouse (426)	444,353	3.0
Fiber (440)	179,400	1.0
Non Departmental (902)*	26,603,064	-
	33,826,743	33.0
 <i>Water/Wastewater</i>		
Administration (402)	842,541	9.0
Water Treatment Plant (404)	2,699,846	8.0
Water/Wastewater Maintenance (405)	2,084,044	18.0
Water/Wastewater Rehabilitation (406)	816,900	5.0
SIB Loan (407)	-	-
Engineering (427)	622,284	4.0
Wastewater Treatment Plant (454)	938,343	5.0
Lake Maintenance (484)	-	-
Water Non Departmental (903)*	8,210,215	-
Wastewater Non Departmental (904)*	2,396,864	-
	18,611,037	49.0
 Utility Fund Total	52,437,780	82

Customer Service Fund

<i>City Administration</i>		
Customer Service (205)**	1,185,955	12.5
	1,185,955	12.5

*Budgeted in these divisions are several inter-fund transfers. These are separated out in our fund summaries, at the beginning of this document. The departmental summaries, however, will include a summary of all line-items budgeted herein. Therefore, the totals shown here will be greater than those listed in the fund summary.

**FY16 is the first year in which Customer Service will be in its own separate fund. This requires a structural change, whereby Water, Wastewater and Electric Non-Departmental budgets must plan to transfer their portions of the Customer Service budget in to the new fund. The funding sources for this department break down as follows: Electric (\$454,429), Water (\$359,422), Wastewater (\$330,806), and Solid Waste (shown in a



Water/Wastewater

Weatherford Water/Wastewater Utility is a municipal utilities provider for the City of Weatherford. It manages the treatment and distribution of water, the treatment of wastewater, and the maintenance of all water/wastewater assets owned by the Utility. Operating divisions include Administration, Water Treatment Plant, Water/Wastewater Maintenance, Water/Wastewater Rehabilitation, Engineering, Wastewater Treatment Plant, and Non Departmental. It is administered by the Director of Water/Wastewater Utilities, and overseen by the Weatherford Municipal Utility Board.



Water/Wastewater Administration (402)

The Water/Wastewater Administration Division is responsible for the supervision of all water and wastewater employees and the functions of these systems. This includes the management of the Electricians, Water Treatment Plant, the distribution system, and the Wastewater Treatment Plant and collection system, as well as operation, construction, maintenance, and inspection of these systems. This division also coordinates all construction projects on a day-to-day basis, oversees contractors, and ensures that all requirements of the EPA, TCEQ, and Texas Health Department are met. This division oversees collection and analysis of samples collected in the distribution system to ensure the quality of the city's drinking water and operates and maintains a superior Pretreatment Program for industrial and domestic discharges to the sewer system.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4273

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. To ensure that the distribution and collection systems operate in a proper manner to provide customers with an acceptable level of service.
4. To ensure customers are educated on both current and future water conservations.
5. To ensure the City maintains a good relationship with industries, so that the City and the industries meet both TCEQ and EPA guidelines.

FY15 Accomplishments:

1. Completed construction of all projects under design.
2. Continued to maintain distribution and collection system to meet customers' needs.
3. Expanded the role of Environmental Compliance and Regulatory Affairs in the organization.
4. Expanded water conservation education and awareness throughout the community.
5. Implemented a toilet rebate program to encourage water conservation in customer's homes.

FY16 Objectives:

1. To ensure that customers are provided with a safe supply of drinking water.
2. To ensure that wastewater is properly treated prior to discharge into the environment.
3. Complete construction under design.
4. Working with the public and area organizations on water conservation awareness.
5. Implement a toilet replacement program to encourage proper water conservation measures throughout the community.

Significant Budget Changes:

Increases over FY15 include:

1. Assistant Director Overlap of \$55,454
2. Pay Increases totaling \$27,372
3. Water Utilities Outreach totaling \$17,000
4. Specialized equipment and software totaling \$14,739

Specifics about these supplemental items can be found in the supplemental section in the back of this document.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	520,005	694,445	706,966	749,452
Supplies	25,423	51,825	39,872	55,973
Contractual	14,060	29,025	23,644	27,400
Capital Outlay	28,697	-	-	9,716
Total	588,185	775,295	770,483	842,541

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Assistant Director	36	1.00	1.00	1.00	1.00
Electric Technician	21	1.00	1.00	1.00	1.00
Environmental Regulatory					
Affairs Supervisor	20	1.00	1.00	1.00	1.00
Water/WW Const. Inspector	18	1.00	1.00	1.00	1.00
Field Services Supervisor	17	1.00	1.00	1.00	1.00
Assistant Electric Tech II	14	1.00	1.00	1.00	1.00
Assistant Electric Tech II	14	1.00	1.00	1.00	1.00
Administrative Secretary	15	-	1.00	1.00	1.00
Environmental Technician	13	1.00	1.00	1.00	1.00
Total		8.00	9.00	9.00	9.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Input				
Pretreatment inspections completed		7	8	8
Pretreatment programs		7	8	8
Output				
Number of water quality samples performed in the distribution system	4,300	4,886	4,836	4,786
Number of inspections performed each year	2,500	2,480	2,760	2,800
Effectiveness				
Pretreatment violations		20	2	0

Water Treatment Plant (404)

The Weatherford Water Purification Plant is responsible for safely treating water and delivering under sufficient pressure an adequate supply of water for the City of Weatherford customers. This includes meeting all current and proposed state and federal regulations and preparing appropriate reports.

Address: 118 W Lake Drive, Weatherford TX, 76086

Phone: (817) 598-4010

Hours of Operation: 24/7

Major Division Goals:

1. Provide quality water to our customers.
2. Meet and exceed EPA and TCEQ guidelines.
3. Provide maintenance to plant to ensure optimum operations.

FY15 Accomplishments:

1. Installed new variable frequency drives for the high service pumps
2. Installed new mag meter for the decant effluent discharge line
3. Repaired both front and rear gates
4. Repainted Chemical feed room
5. Put in new security features
6. Installed new heaters in filter gallery
7. Upgraded SCADA system
8. Completed engineering on the LPU replacement cabinet for the trident plant

FY15 Accomplishments:

1. Trident HSR pilot study
2. Install Excess Recirculation system for Membranes
3. Install a new decant pump
4. Begin trident and decant PLC upgrade
5. Finalize SCADA upgrade

Significant Budget Changes:

The Water Treatment Plant has some significant budgetary changes from FY15. Several one-time capital items are budgeted:

Excess Circulation	\$45,213
Truck	\$30,000

Additionally, the plant will complete a trident HSR pilot study in FY16 in the amount of \$39,955. Pay increases total \$16,626 for FY16.

Further details on funded supplemental items can be found in the appendix section of this document.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	396,188	447,748	450,687	490,589
Supplies	458,212	592,481	455,899	580,075
Contractual	2,093,350	1,405,705	1,444,206	1,504,906
Capital Outlay	231,443	208,204	208,066	124,276
Total	3,179,194	2,654,138	2,558,858	2,699,846

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Water Plant Manager	22	1.00	1.00	1.00	1.00
Chief Operator	19	1.00	1.00	1.00	1.00
Water Plant Operator II	16	1.00	1.00	1.00	1.00
Water Plant Operator I	12	4.00	4.00	4.00	5.00
Total		7.00	7.00	7.00	8.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Output				
Treated water (Million Gallons)	1,578,843MG	1,760,581MG	1,831,398MG	1,904,654MG
Efficiency				
Cost per thousand gallon treated	\$1.08	\$1.00	\$1.10	\$1.06
Effectiveness				
Violations to the City by TCEQ (#)		0	0	0

Water/Wastewater Maintenance (405)

The Water/Wastewater Maintenance division is responsible for the maintenance of 275 miles of water lines, 1 well system, 208 miles of wastewater lines, 1,450 fire hydrants, 24 lift stations, and over 400 grinder pumps. This division includes a pump and motor maintenance crew which is responsible for the preventative maintenance and repairs of the lift stations, raw water pump station, 7 distribution pump stations, the water and wastewater treatment plants. It also includes a water meter shop which is responsible for the installation, repair, and testing of 10,547 sewer and 11,450 water customers.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4171

Hours of Operation: Monday to Friday, 8 am to 5 pm (on call 24/7)

Major Division Goals:

1. Reduce sewer stop-ups, back-ups, and overflows.
2. Maintain water and wastewater systems to improve reliability.
3. Clean, inspect, and camera sewer mains to evaluate condition and plan repairs.
4. Upgrade water meters to implement electronic radio read and reduce labor cost.
5. Reduce water loss to reduce city cost.

FY15 Accomplishments:

1. Continued comprehensive sewer evaluation system.
2. Targeted problem areas in the Water/Wastewater System and made necessary corrections.
3. Provided responsive quality service to the rate payers of the Municipal Utility System.

FY16 Objectives:

1. Continue to replace aging water meters to improve accuracy and reduce water loss.
2. Continue to evaluate the wastewater system and target problem areas.
3. Implement a valve & hydrant program to ensure reliability of fire protection.
4. Study water system to minimize water loss (i.e. test meters).

Significant Budget Changes:

This division's FY16 budget includes a one-time supplemental expense of \$3,450 to purchase a new AC/Generator. Ongoing supplemental items that were funded include:

Pay Increases totaling \$33,974
Tuition reimbursement of \$2,400

Further details on funded supplemental items can be found in the appendix of this document.

As the Water /Wastewater system ages the frequency of problems increase, therefore funding and staffing for this division will need to be increased to properly address these issues.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	1,078,151	1,100,542	1,092,537	1,116,448
Supplies	509,447	449,724	424,156	431,850
Contractual	332,446	392,130	304,599	364,130
Capital Outlay	716,281	299,572	342,556	171,616
Total	2,636,325	2,241,968	2,163,848	2,084,044

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Water Utility Manager	20	1.00	1.00	1.00	1.00
Water Utility Supervisor	18	2.00	2.00	2.00	2.00
Pump & Motor Technician	11	1.00	1.00	1.00	1.00
Light Equipment Operator	11	2.00	2.00	2.00	2.00
Wastewater System Tech	11	1.00	1.00	1.00	1.00
Maintenance Worker III	10	1.00	1.00	1.00	1.00
Maintenance Worker II	10	2.00	2.00	2.00	2.00
Water Meter Technician	9	2.00	2.00	2.00	2.00
Maintenance Worker I	8	6.00	6.00	6.00	6.00
Total		18.00	18.00	18.00	18.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Input				
Number of water main breaks		44	84	40
Number of system overflows		3	0	0
Number of system stop-ups		266	213	100
Output				
Meter Change outs	250	467	786	3,000
Comprehensive sewer shed inspection/cleaning	48,538	33,758	39,711	35,000
Efficiency				
Percent of scheduled maintenance completed on time	100%	100%	100%	100%

Water/Wastewater Rehabilitation (406)

The Water/Wastewater Rehabilitation Division is responsible for the replacement of infrastructure in the water distribution and wastewater collection systems to improve the service and conveyance, for the customers of Weatherford Utilities in a cost efficient manner.

Significant Budget Changes:

The FY16 pay increases totaling \$5,108 are the only major changes to this budget.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4171

Hours of Operation: Monday to Thursday, 6 am to 4:30 pm

Major Division Goals:

1. Upgrade/replace aging infrastructure in the water distribution and wastewater collection system.
2. Minimize sanitary system overflows by replacing deteriorating and undersized mains.
3. Minimize I & I (Inflow & Infiltration) in the collection system.
4. Minimize water loss in the distribution system and improve fire protection.

FY15 Accomplishments:

1. Replaced problem areas of the water and wastewater system.

FY16 Objectives:

1. Continue to target problem areas in the water/wastewater system.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	256,811	265,230	256,531	263,090
Supplies	90,189	80,750	59,160	83,750
Contractual	36,677	36,060	30,491	39,060
Capital Outlay	340,114	431,000	419,892	431,000
Total	723,791	813,040	766,074	816,900

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Water/WW Construction					
Supervisor	16	1.00	1.00	1.00	1.00
Maintenance Worker II	10	1.00	1.00	1.00	1.00
Maintenance Worker I	8	3.00	3.00	3.00	3.00
Total		5.00	5.00	5.00	5.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/
Input				
Work orders from water breaks (#)		18	5	10
Work orders from wastewater problems (#)		67	7	50
Output				
Footage of wastewater mains replaced (#)		4,504	2,363	3,000
Footage of water mains replaced (#)		1,923	3,442	2,500
Efficiency				
Cost per foot of wastewater main replacements (\$)		\$171.53	\$156.89	\$160.00
Cost per foot of water main replacements (\$)		\$42.70	\$90.26	\$50.00
Effectiveness				
Work orders created on previously repaired lines (#)		0	0	0

Engineering (427)

The Engineering Division is responsible for providing engineering support to the Weatherford Municipal Utility System, Flood Plain Management and other departments within the City. Engineering provides the comprehensive system planning, engineering design, design review, and implementation systems in accordance with local, state, and federal rules and law and good engineering practices. The Engineering Division provides representation for utility system for all predevelopment, development, and preconstruction meetings.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4016

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Provide quality customer service to all internal and external customers.
2. Provide engineering design and assistance for utility and public works projects.
3. Provide timely review of all developer initiated projects.
4. Help provide assistance for the operation and maintenance water and wastewater facilities.

FY15 Accomplishments:

1. Worked with consultant to complete the Water Treatment Plant Master Plan
2. Provided improvements to decommission Deerfield Estates Public Water System
3. Revised Pumping Policy to incorporate automated valves to pump directly to water plant
4. Set monuments on dam of WWSR and monitored effects of seismic activity
5. Coordinated and administered design and construction for improvements to serve annexed areas

6. Provided assistance for the operation and maintenance of water and wastewater facilities
7. Reviewed plans for all developer-initiated projects

FY16 Objectives:

1. Work with consultants and contractors to recoat College ground storage tank
2. Work with consultant to prepare a Wastewater Collection System Master Plan
3. Revised and adopted pretreatment ordinance
4. Administer projects outlined on the Water Treatment Plant Master Plan
5. Administer projects outlined on the Wastewater Collection System Master Plan
6. Coordinate and administer design and construction for improvements to serve annexed areas.
7. Continue to provide assistance for the operation and maintenance of water and wastewater facilities

Significant Budget Changes:

The FY16 pay modifications will add a total of \$18,185 to this budget. Additionally, the division will purchase an autodesk infrastructure design suite for a one-time cost of \$14,116 and an ongoing cost of \$1,616.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	325,461	374,761	281,824	421,971
Supplies	1,903	7,140	6,338	22,662
Contractual	104,350	347,336	341,087	177,651
Capital Outlay	-	-	-	-
Total	431,714	729,237	629,249	622,284

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Director, Water/WW	39	1.00	1.00	1.00	1.00
Civil Engineer	35	1.00	1.00	1.00	1.00
Graduate Engineer	26	-	1.00	1.00	1.00
Engineering Technician	18	1.00	1.00	1.00	1.00
Total		3.00	4.00	4.00	4.00

Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Input				
Plan submittals (#)				New
Output				
Plan reviews (#)	196	542	544	310
Capital Projects Managed (#)		11	12	7
Efficiency				
% of first submittals reviewed within 15 days		100%	100%	100%
% of resubmittals reviewed within 10 days		100%	100%	100%

Wastewater Treatment Plant (454)

The Wastewater Treatment Plant is responsible for the treatment of wastewater collected from residences, businesses, and industries. Treatment includes the removal of suspended solids and organic contaminants as well as an ultra-violet disinfection process in order to meet Texas Commission on Environmental Quality discharge standards. Chemical and biological tests are performed by state certified plant personnel and contract laboratories to assure compliance with discharge permit limits.

Address: 1327 Eureka, Weatherford TX, 76086

Phone: (817) 598-4143

Hours of Operation: Sunday to Saturday, 7 am to 11 pm

Major Division Goals:

1. Protect the environment by adequately treating all wastewater received into the plant.
2. Remain in compliance with all TCEQ/EPA requirements.
3. Maintain a safe working environment.

FY15 Accomplishments:

1. Projected treatment of 773 m gallons of wastewater.
2. Replaced lab incubator
3. Had zero violations
4. Maintained a safe work place with no accidents
5. Replaced polymer machine
6. Repaired influent step screen
7. Added flow meter to new plant RAS

FY16 Objectives:

1. Upgrade UV system
2. Paint the inside of the Admin building
3. Replace the break room countertops
4. Upgrade SCADA system
5. Complete design of Wastewater Treatment Plant improvements to support phosphorous removal and reuse project.

Significant Budget Changes:

One-time costs added to the budget in FY16 include a U.V. upgrade of \$16,386 and updating the administration building for a cost of \$4,100. Ongoing increases include an additional \$23,100 in chemical costs, \$8,100 for state permitting, and pay increases totaling \$11,261.

Expenditure Summary (\$)				
	Actual	Approved	Projected	Adopted
Category	FY13	FY14	FY14	FY15
Personnel	302,249	305,120	308,751	308,955
Supplies	133,334	133,334	141,803	176,900
Contractual	406,414	465,223	409,795	452,488
Capital Outlay	109,806	24,345	43,416	-
Total	951,803	928,022	903,765	938,343

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY13	FY14	FY14	FY15
Wastewater Plant Manager	21	1.00	1.00	1.00	1.00
Wastewater Plant Operator	12	4.00	4.00	4.00	4.00
Total		5.00	5.00	5.00	5.00

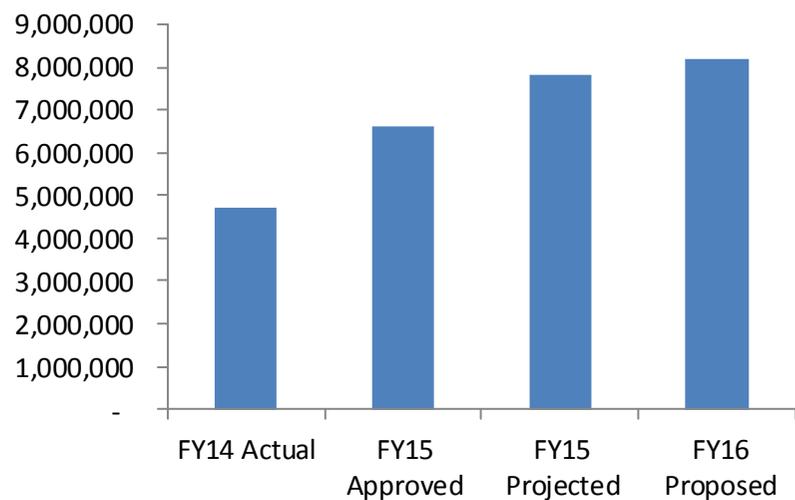
Performance Measures	FY12	FY13	FY14	FY15 Proj/Goal
Output				
Treated wastewater	778MG	772MG	784MG	801MG
Efficiency				
Treatment cost per 1,000 gallons	\$1.07	\$1.01	\$0.95	\$0.87
Effectiveness				
Fines to the City by TCEQ		0	0	0

Water Non Departmental (903)

Water Non Departmental includes transfers to other funds, principle and interest payments, and other general expenses for the Water Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	4,726,732	6,634,804	7,836,889	8,210,215
Capital Outlay	-	-	-	-
Total	4,726,732	6,634,804	7,836,889	8,210,215

When the current round of rate increases were implemented in FY15, the Utility Board stipulated that as much revenue from those increases as possible must go toward repair/replacements and capital, in a separate fund. Therefore, these revenues are expensed as a transfer in the non-departmental divisions, which accounts for the large increases seen in FY15 and FY16. Additionally, increased debt service in FY16 as well as restructuring the Customer Services Department that requires inter-fund transfers adds to the FY16 increase.

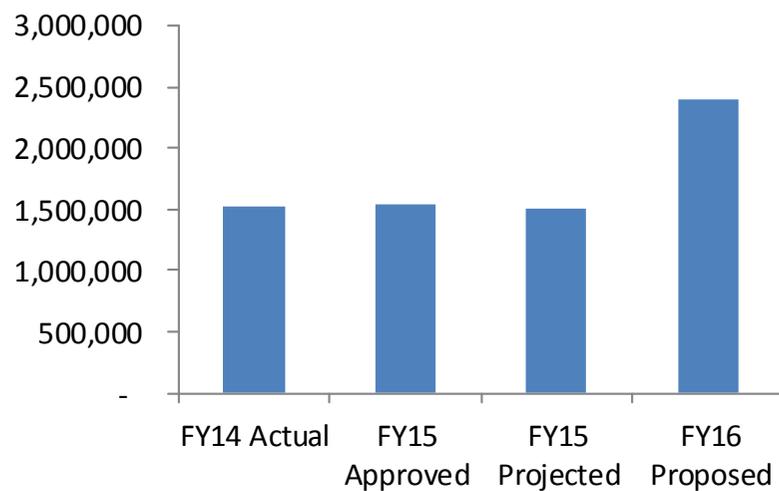


Wastewater Non Departmental (904)

Wastewater Non Departmental includes transfers, principle and interest payments, and other general expenses for the Wastewater Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY12	FY13	FY13	FY14
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	1,525,733	1,546,142	1,514,086	2,396,864
Capital Outlay	-	-	-	-
Total	1,525,733	1,546,142	1,514,086	2,396,864

When the current round of rate increases were implemented in FY15, the Utility Board stipulated that as much revenue from those increases as possible must go toward repair/replacements and capital, in a separate fund. Therefore, these revenues are expensed as a transfer in the non-departmental divisions, which accounts for the large increases seen in FY15 and FY16. Additionally, increased debt service in FY16 as well as restructuring the Customer Services Department that requires inter-fund transfers adds to the FY16 increase.

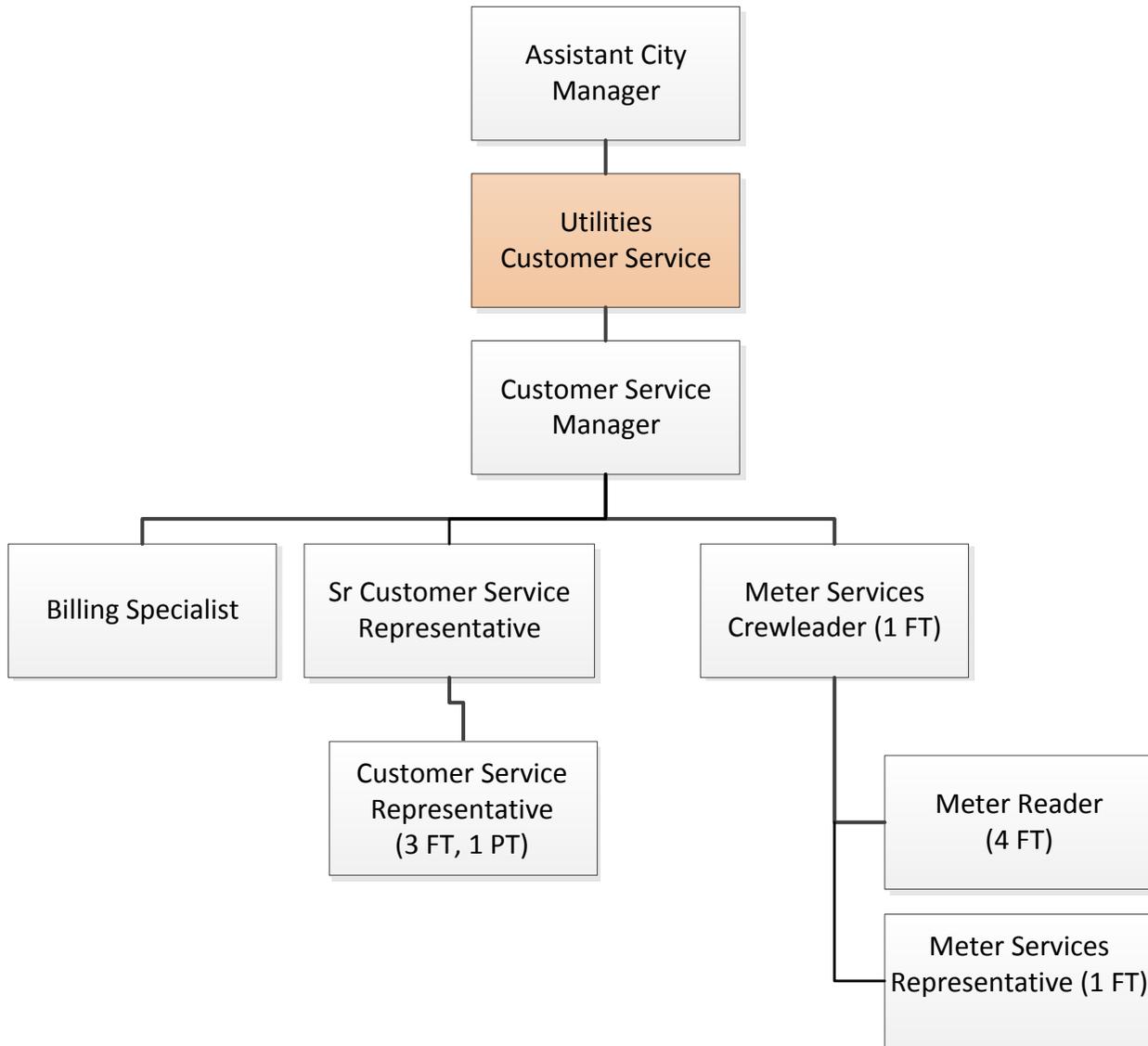




Customer Service

Managed directly by the Assistant City Manager, the Customer Services Department is responsible for the reading and billing of approximately 24,800 electric and water meters and timely and accurate billing of 14,635 accounts each month. Of the utility accounts billed, approximately 1,400 each month require some degree of collection action. The Customer Services Department issues approximately 12,500 work orders annually, not only for customer requested services (connects, disconnects, transfers, etc.), but repair/replacement of electric and water meters, water and sewer taps.

In FY16, the City restructured the Customer Service department to be located inside of a separate fund. Expenses in this fund will be paid for through inter-fund transfers from the City's Water, Wastewater, Electric, and Solid Waste Utilities.



Customer Service (205)

Address: 303 Palo Pinto, Weatherford TX, 76086

Phone: (817) 598-4102

Hours of Operation: Monday to Friday, 7:30 am to 5 pm

Major Division Goals:

1. We will work as a team to establish and maintain a positive relationship with our customers through communication, resourcefulness and dedication.
2. To prepare and mail correct and concise utility bills to all of our customers.
3. Respond to customer inquiries and issues timely and fairly with intentions of satisfying and educating each customer.

FY 15 Accomplishments:

1. Continued to provide exceptional customer service to the citizens of the City of Weatherford, while billing and collecting for services we provide in an accurate and efficient manner.
2. Awarded several employees with Weatherford merit coins.

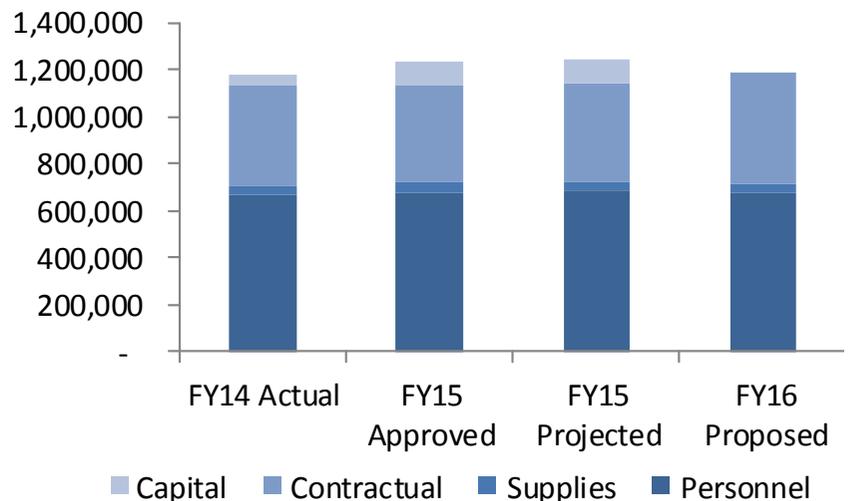
FY16 Objectives:

1. Continue cross training all of the customer service reps/cashiers.
2. Offer paperless statements to our customers.
3. Offer alternative payment methods.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	672,342	674,708	690,339	674,056
Supplies	36,532	47,415	37,189	40,100
Contractual	426,458	412,200	416,334	471,799
Capital Outlay	40,638	102,103	100,003	-
Total	1,175,970	1,236,426	1,243,866	1,185,955

Significant Budget Changes:

In FY16, the City implemented pay increases, \$10,976 of which are located in the Customer Service department. Additionally, the department budgeted one-time expenses of \$11,720 to hire an employee to train their own replacement.



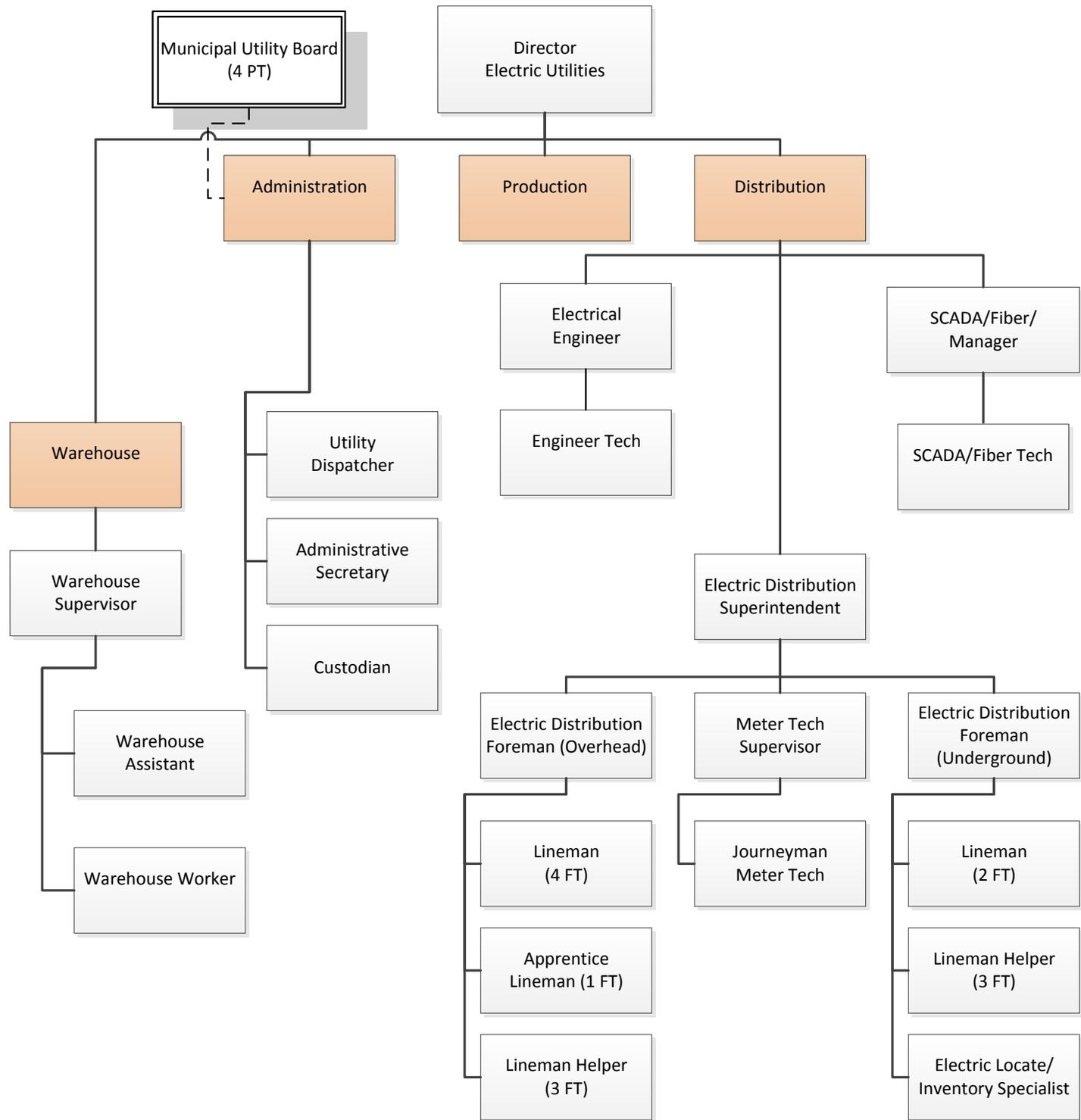
Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Customer Service Manager	24	1.00	1.00	1.00	1.00
Billing Specialist	18	1.00	1.00	1.00	1.00
Meter Services Crew Leader	14	1.00	1.00	1.00	1.00
Sr. Customer Service Rep	9	1.00	1.00	1.00	1.00
Customer Service Rep	9	3.00	3.00	3.00	3.00
P/T Customer Service Rep	9	0.50	0.50	0.50	0.50
Meter Reader	8	4.00	4.00	4.00	4.00
Meter Services Rep	8	1.00	1.00	1.00	1.00
Total					
		12.50	12.50	12.50	12.50

Performance Measures	FY12	FY13	FY14	FY15
Input				
Average Number of Electric Accounts	14,408	14,664	15,053	15,204
Average Number of Water Accounts	10,755	10,960	11,137	11,248
Average Number of Wastewater Accounts	9,875	10,090	10,251	10,354
Average Number of Recycling Accounts	1,100	1,239	1,300	1,400
Number of Work Orders	9,503	10,195	9,450	10,000
Output				
New Account Set-Ups	193	249	230	275
kWh Billed	371m	372m	388.8m	388.1m
Cubic Feet Billed	172m	164m	161m	153.8m
Number of Delinquent Notices Mailed	51,205	51,061	52,500	52,000
Number of Delinquent Cut-Offs	1,419	1,247	1,430	1,425
Efficiency				
Delinquent Cut-Offs per Notice Mailed	2.77%	2.44%	2.70%	2.70%



Electric Utility

Weatherford Electric is a municipal electric provider for the City of Weatherford. It manages the distribution and production of electricity, as well as the maintenance of all electric assets owned by the utility. Operating divisions include Administration, Distribution, Production, and Warehouse. It is administered by the Director of Electric Utilities, and overseen by the Weatherford Municipal Utility Board.



Electric Administration (422)

Electric Administration is responsible for the overall management and administration of water and wastewater treatment plants, water distribution and wastewater collection system, electric distribution and power generation, and other ancillary services.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4270

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Ensure that utility service meets and exceeds customers expectations.
2. Provide quality service at a reasonable price.
3. Adequately plan for the future to ensure that the system is in place to serve all customers.

FY15 Accomplishments:

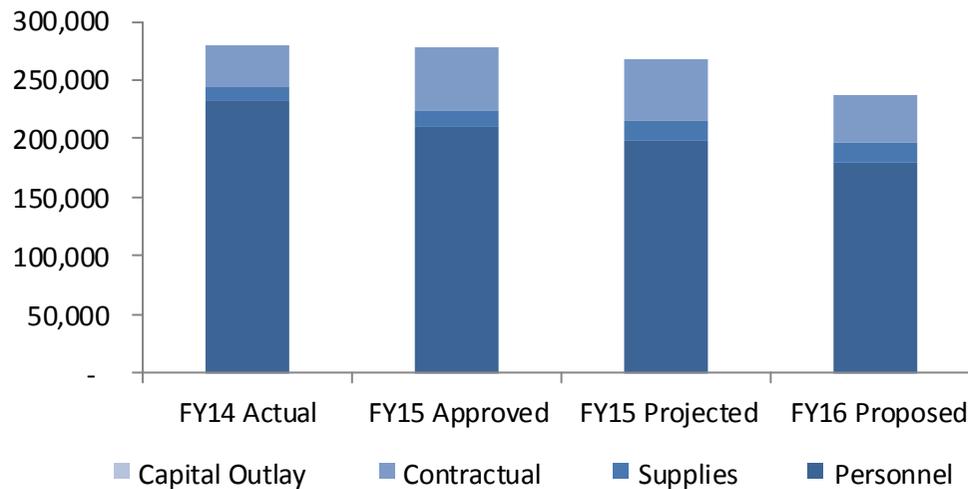
1. Completed implementation of a new work order program
2. Implemented mobile workforce solution for crew work orders.

FY16 Objectives:

1. Complete implementation of new work order program.
2. Incorporate unit tracking into work order program

Major Budget Changes:

Salary and benefit increases of \$4,700.



Expenditure Summary (\$)				
	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	232,032	210,064	198,059	179,771
Supplies	12,079	14,200	17,054	17,000
Contractual	36,180	53,860	52,284	41,060
Capital Outlay	-	-	-	-
Total	280,291	278,124	267,397	237,831

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Utility Board Member (PT)	UC	2.00	2.00	2.00	2.00
Administrative Secretary	18	1.00	1.00	1.00	1.00
Utility Dispatcher	13	1.00	1.00	1.00	1.00
Administrative Secretary	11	1.00	1.00	1.00	1.00
Custodian	6	1.00	1.00	1.00	1.00
Total		6.00	6.00	6.00	6.00

Electric Distribution (424)

The function of the Electric Distribution Division is to provide electricity to residential, commercial, and industrial customers. The Electric Distribution Division is charged with constructing, operating, and maintaining the electric system to ensure that its customers are provided the highest quality service at the most economical cost.

Address: 917 Eureka, Weatherford TX, 76086

Phone: (817) 598-4257

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Provide electricity at the most economical cost to our customers.
2. Provide reliable electric service with minimal outages.
3. Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the electric system.

FY15 Accomplishments:

1. Completed advanced metering system pilot project.
2. Provide reliable electric service with minimal outages.
3. Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the electric system.

FY16 Accomplishments:

1. Begin full deployment of advanced metering system electric meters.
2. Complete design and construction of the West Loop Substation.
3. Complete construction of new electric feeders on Ric Williamson Highway.

Significant Budget Changes:

Large one-time expenses for FY15 include:

Lineman Fall Arrest Equipment	\$10,000
Skid Loader	\$95,000
Substation Landscaping	\$10,000

Ongoing increases include strategic planning services (\$10,000), and increases of \$25,000 each to the ongoing vehicle equipment reserve and the substation reserve.

Ongoing cost-of-living increases result in an ongoing increase to salary and benefits of \$43,500.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	2,053,347	2,055,556	2,014,838	2,141,948
Supplies	480,789	541,043	470,234	555,276
Contractual	967,356	1,397,022	1,371,033	1,263,021
Capital Outlay	2,207,185	3,084,960	3,062,197	2,390,000
Total	5,708,676	7,078,581	6,918,302	6,350,245

Personnel Schedule (FTE)		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Director, Electric Utilities	38	1.00	1.00	1.00	1.00
Electrical Engineer	29	1.00	1.00	1.00	1.00
Distribution Superintendent	26	1.00	1.00	1.00	1.00
Distribution Foreman	24	2.00	2.00	2.00	2.00
Meter Technician Supervisor	24	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant Mgr	24	1.00	1.00	1.00	1.00
Senior Lineman	22	-	2.00	2.00	2.00
Lineman	21	6.00	4.00	4.00	4.00
Journeyman/Meter Technician	21	1.00	1.00	1.00	1.00
Lineman "B"	19	2.00	-	-	-
Engineer Tech	18	-	1.00	1.00	1.00
Electric Locate/Inventory Spc	15	1.00	1.00	1.00	1.00
Apprentice Lineman	11	1.00	1.00	1.00	1.00
SCADA/Fiber/Power Plant Tech	16	1.00	1.00	1.00	1.00
Lineman Helper I	10	2.00	2.00	2.00	2.00
Lineman Helper Trainee	8	3.00	5.00	5.00	5.00
Total		24.00	25.00	25.00	25.00

Performance Statistics	FY12	FY13	FY14
Input			
Electric System Peak (Summer)	89.7 MW	94.8 MW	94.6 MW
Electric System Peak (Winter)	90.3 MW	83.8 MW	99.7 MW
Output			
Power Purchased	384,428 MWh	390,623 MWh	408,450 MWh
Total Electric Customers	13,362	13,852	14,160
Efficiency			
System Electrical Losses	4.79%	4.45%	4.66%
System Electrical Losses	\$1,215,615	\$703,218	\$913,520
System Load Factor	49%	47%	47%
Effectiveness			
Average Monthly Residential Rate	10.5 ¢/kWh	8.8 ¢/kWh	10.0 ¢/kWh
Average Customer Outage Time	109 minutes	109 minutes	104 minutes
Average System Outage Time	25 minutes	23 minutes	46 minutes

Electric Production (425)

The Electric Production Plant is maintained and operated for the purpose of generating electricity.

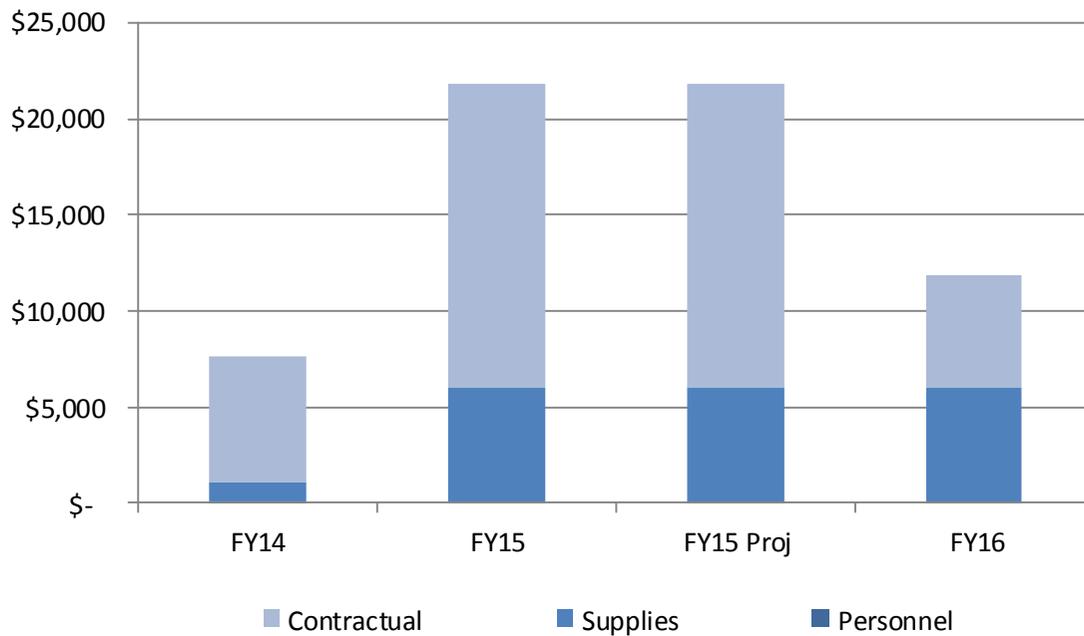
Address: 614 Fort Worth HWY, Weatherford TX, 76086

Phone: (817) 598-4164

Hours of Operation: Only as needed.

Major Division Goals:

1. Generate Electricity for emergency power.



Expenditure Summary	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	80	-	-	-
Supplies	1,025	6,000	6,000	6,000
Contractual	6,484	15,850	15,850	5,850
Capital Outlay	-	-	-	-
Total	7,589	21,850	21,850	11,850

Electric Warehouse (426)

The Weatherford Municipal Warehouse maintains utility and general fund inventories of materials and supplies. It requisitions, obtains quotes, issues purchase orders, and receives, stores, and transfers to all departments specific quantities as required. The warehouse and personnel are under the supervision of the Director of Electric Utilities.

Address: 917 Eureka Street, Weatherford TX, 76086

Phone: (817) 598-4169

Hours of Operation: Monday to Friday, 8 am to 5 pm

Major Division Goals:

1. Ensure the warehouse is stocked to meet customers' demands.

FY15 Accomplishments:

1. Complete implementation of new CityWorks inventory system.

FY16 Objectives:

1. Integrate stand alone material databases into new CityWorks software.

Significant Budget Changes:

Several one-time supplemental costs are included in this budget:

- Service Center Remodel totaling \$35,000
- Conference Room Remodel totaling \$15,000
- Polaris Ranger purchase for \$10,000
- Service Center Landscaping for \$10,000
- Environmental Tech Office Remodel for \$10,000

Additionally, salary and benefit increases add \$6,003, while other general increases add \$2,425.

Personnel Schedule		Actual	Approved	Projected	Adopted
Positions	Classification	FY14	FY15	FY15	FY16
Warehouse Supervisor	16	1.00	1.00	1.00	1.00
Warehouse Manager	18	1.00	1.00	1.00	1.00
Warehouse Worker	7	1.00	1.00	1.00	1.00
Total		3.00	3.00	3.00	3.00

Expenditure Summary	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	134,993	179,145	169,884	192,718
Supplies	11,253	102,800	87,424	100,175
Contractual	70,247	105,643	105,869	81,460
Capital Outlay	30,048	-	-	70,000
Total	246,542	387,588	363,178	444,353

Electric Fiber (440)

The function of the Fiber Optic Division is to provide dark fiber to the City, Utilities Department, WISD, and Parker County. The Fiber Optic Division is charged with constructing, operating, and maintaining the fiber optic system to ensure that its customers are provided the highest quality service at the most economical cost.

Address: 614 Fort Worth HWY, Weatherford TX, 76086

Phone: (817) 598-4164

Hours of Operation: Monday-Friday, 8:00 am to 5:00 pm

Major Division Goals:

1. Provide dark fiber at the most economical cost to our customers.
2. Provide reliable fiber optic service with minimal outages.
3. Construct all new infrastructure and maintain existing infrastructure according to industry standards to ensure the long-term reliability of the fiber optic system.

FY15 Projected/YTD Accomplishments:

1. Installed 8 miles of new fiber to connect facilities for the Water Department, Weatherford Regional Medical Center, and Nextlink

FY16 Objectives:

1. Create fiber optic path to the West Loop Substation on Ric Williamson Highway and to the Harberger Hill Community Center.

Significant Budget Changes:

General increase to Fiber budget for infrastructure replacement and supplies: \$20,000

Fiber OTDR Replacement (one-time): \$10,000

Ongoing salary increase: \$1,138

Personnel Schedule (FTE)					
Positions	Classification	Actual FY14	Approved FY15	Projected FY15	Adopted FY16
SCADA Fiber Tech		-	1.00	1.00	1.00
Total		-	-	-	-

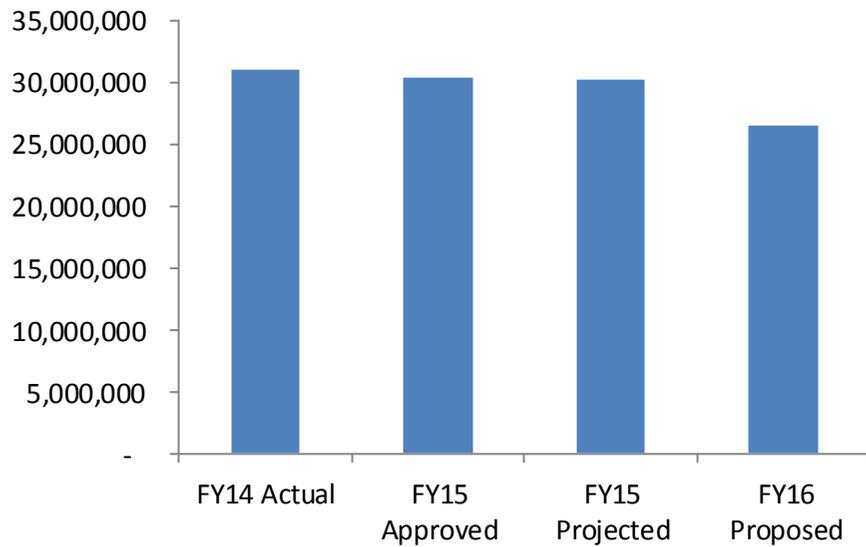
Expenditure Summary		Actual FY14	Approved FY15	Projected FY15	Adopted FY16
Category		FY14	FY15	FY15	FY16
Personnel	1	285	54,508	67,361	65,100
Supplies	2	-	11,450	11,740	21,450
Contractual	3	-	24,850	24,250	29,850
Capital Outlay	4	-	48,000	48,000	63,000
Total		285	138,808	151,352	179,400

Electric Non Departmental (902)

Electric Non Departmental includes Purchase Power costs, transfers, and other general expenses for the Electric Utility.

Expenditure Summary (\$)	Actual	Approved	Projected	Adopted
Category	FY14	FY15	FY15	FY16
Personnel	-	-	-	-
Supplies	-	-	-	-
Contractual	31,089,332	30,469,015	30,174,535	26,603,064
Capital Outlay	-	-	-	-
Total	31,089,332	30,469,015	30,174,535	26,603,064

The most significant ongoing cost in Electric Non Departmental is purchased power. In FY16, this amounts to just over \$20 million, which is a decrease of approximately \$3.6 million from FY15 projected. Additionally, in the new structure for the Customer Service department requires a large inter-fund transfer to come from this division.





Utilities System Forecast and Capital Improvement Program

Prior to the beginning of FY15, the Weatherford City Council, on recommendation from the Weatherford Utility Board, approved a three-year rate adjustment for all utilities. These adjustments are designed to provide full funding for the utilities' annual repair and replacements target, cash fund a substantial portion of the respective capital improvement plans, and service new debt. While each separate rate class carries with it different adjustments, below is an approximation of the total increases the adjustments are anticipated to bring in (holding consumption constant):

	FY15	FY16	FY17
Water	21.5%	15.5%	17.5%
Wastewater	13%	7.5%	16%
Electric*	0%	0%	0%

*rate adjustments for the electric utility were designed to be neutral overall, although it did more correctly align costs to customer classes.

In order to strategically plan for repairs and replacements as well as large-scale improvements to the utility system while accounting for operational needs, staff has compiled a 5-year-forecast . This forecast is designed to simulate a possible financial and capital trajectory for all of Weatherford's utilities, giving policymakers and staff a roadmap to guide future decisions.

Methodology

This time frame of this forecast is from FY16 through FY20. As such, the current adopted FY16 budget provides the first year of this window. Operational expenses are projected out using several conservative inflationary mechanisms. While no outright salary increases are assumed, there are some minor increases to personnel costs incorporated. For the purposes of revenue projections, consumption is modestly assumed at an inflation rate of 1% - 1.5% annually. All rate increases for water and wastewater have been incorporated, and purchased power costs for the electric utility were forecasted utilizing natural gas prices and current contracts with power providers. For the Water and Wastewater Utilities, impact fees are projected annually. While these will develop sizeable balances over several years, use of the revenue is restricted to certain eligible projects, and may not be available for every capital item.

In terms of repair and replacement costs, the forecast uses a target of 2% of each utility's asset value per year. This value increases at rates commensurate with historical growth, although this can fluctuate significantly.

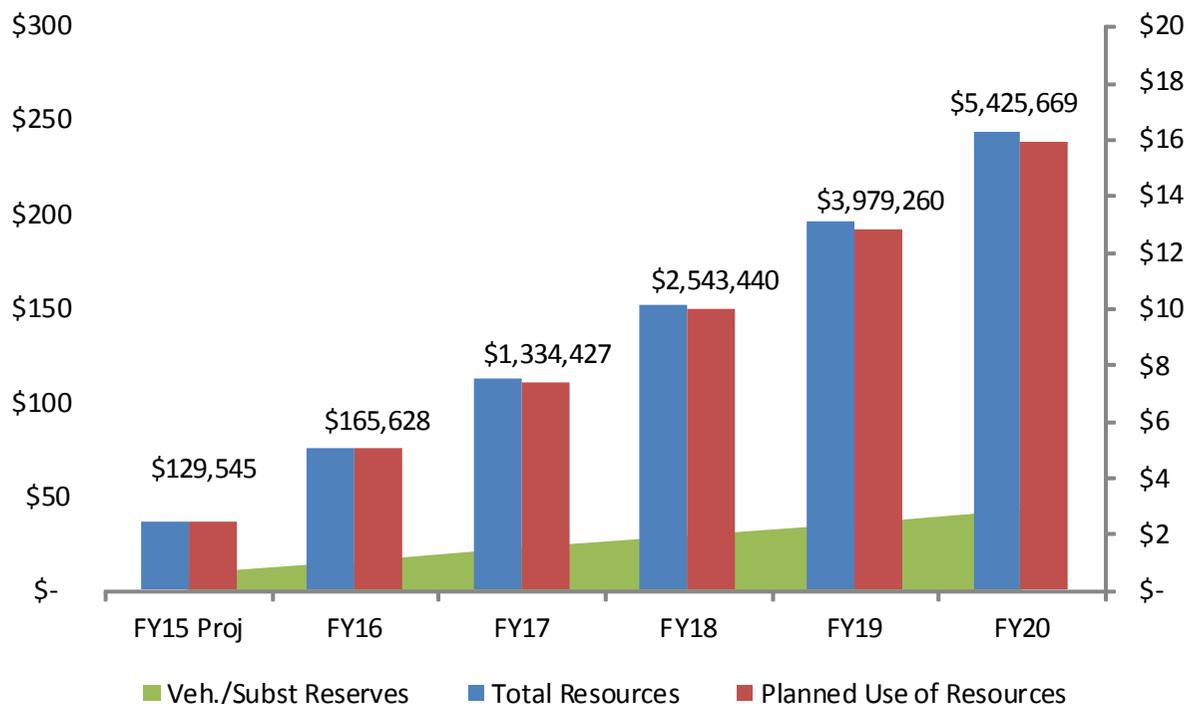
Additionally, contributions to reserves are annually budgeted in the line items for each utility, but staff has separated these in our forecasts for the sake of clarity. These accumulated reserves are available for use, pending availability and Utility Board discretion. Please note that because they are reserved per Board authorization, the Lake Lot License revenue is not included in total accumulated capital resources.

Old and new bond proceeds are listed in accordance with the Utilities' debt issuances, and the debt service is detailed under the Expenses sections. Only those projects identified for specific use of bond proceeds are listed in the pink highlighted sections. Each utility will have other major CIP projects identified for use of cash on hand and/or future debt proceeds as capacity increases. Because of this, any remaining capital resource totals listed at the bottom of each forecast will naturally represent accumulated cash from the City's utility rates and impact fees. These resources are considered available (pending project eligibility) for use. Again, Lake Lot Licenses are not currently included in this total, as they are reserved for purposes authorized by the Board.

Outlook

All utilities are projected to accumulate substantial capital resources over the five-year window, in spite of recent consumption pressures in water and wastewater. The rate adjustments authorized prior to FY15 as well as impact fees are projected to provide totals of \$5.4 million for electric, \$23.4 million for water, and \$8.6 million for wastewater over the course of five years. Additionally, an outstanding debt issuance is slated to be paid off in FY18, resulting in lower debt service payments and further accumulated cash in all three utilities for FY19 and FY20. Per Board direction, any of this capacity is available for debt or cash-funding CIP. The largest gain is felt in the Water Utility. The rate increases enacted here were particularly crucial, as the Utility has the need to complete a substantial number of projects not currently listed in the forecast.

Electric Utility

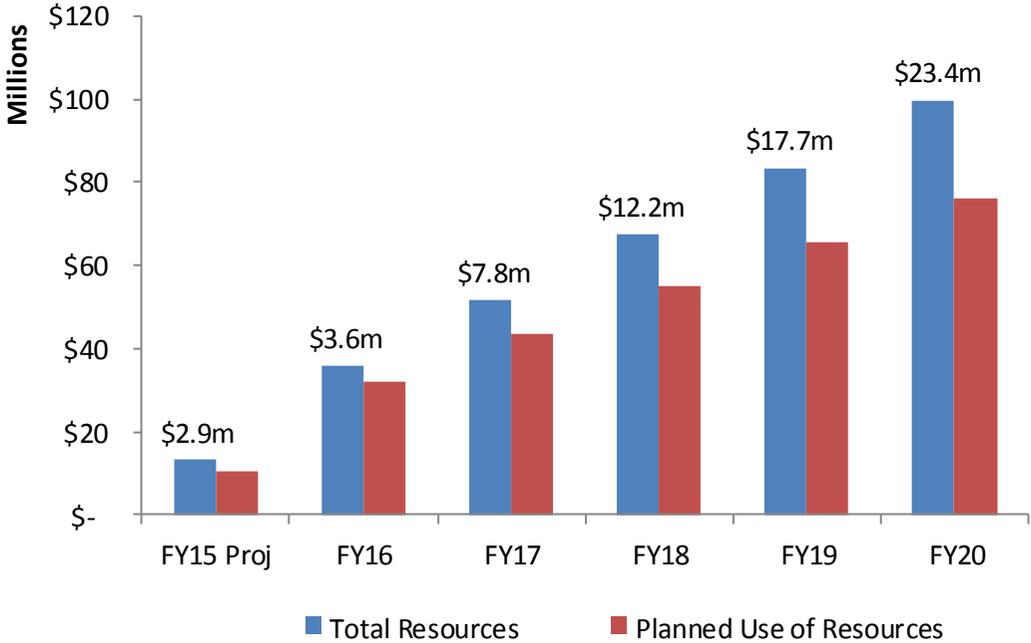


In the graph above, the blue bar represents total accumulated resources for the Electric Utility (cumulative, in millions), while the red bar represents total planned use of those resources (again, cumulative). The green area represents accumulated amounts in the utility’s vehicle and substation reserves. The dollars listed on the chart represent the cumulative difference between the red and blue bars, thus indicating resource availability.

Over the course of our forecast window, staff anticipates the Electric Utility to accumulate a total of \$2.85 million in its substation and vehicle/equipment reserves (\$1.77m for substation, \$1.075m for vehicle/equipment). Additionally, all operational and capital costs forecasted through this window amount to a cumulative total of \$237.9 million, while total cumulative resources amount to \$243.4 million. This leaves a cumulative \$5.4 million in resources available for further capital improvements or operational needs.

A large part of this availability hinges on the cost to purchase power, as fluctuations there can vary dramatically.

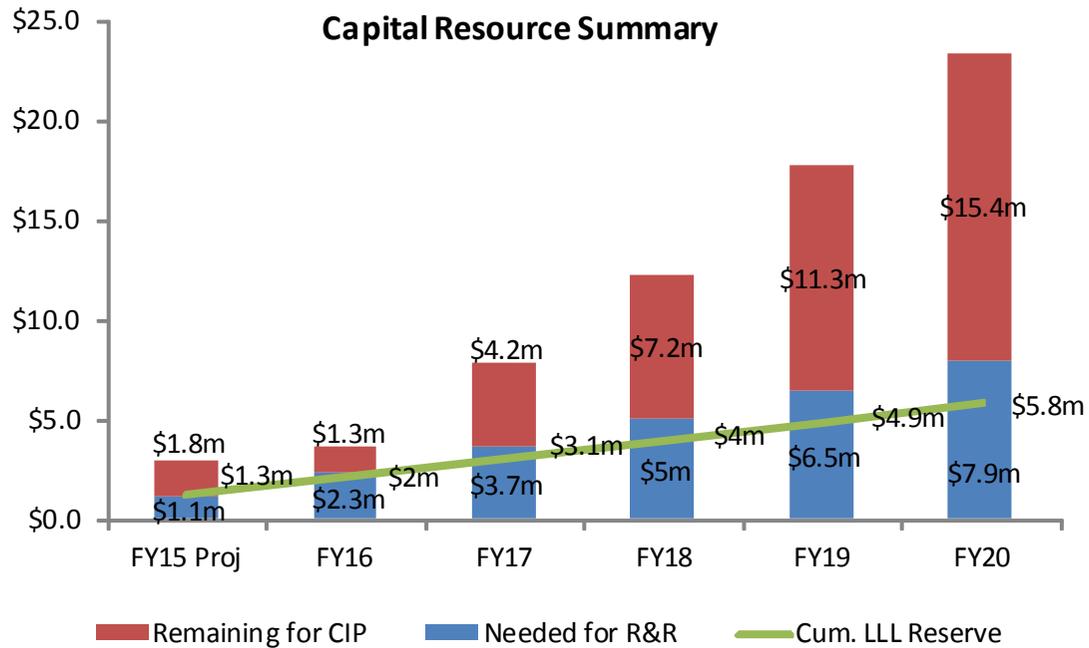
Water Utility



As with the previous graph, the blue bar represents total accumulated resources for the Water Utility (cumulative), while the red bar represents total planned use of those resources (again, cumulative).

Over the course of our forecast window, staff anticipates the Water Utility to accumulate a total of \$23.4 million in resources available for further capital improvements or operational needs. The substantial rate increases through FY17 are the biggest reason behind the accumulation of dollars, although reduced debt service beginning in FY18 contributes as well. However, to truly understand the needed use of that \$23.4 million, staff has prepared another graph, shown on the following page.

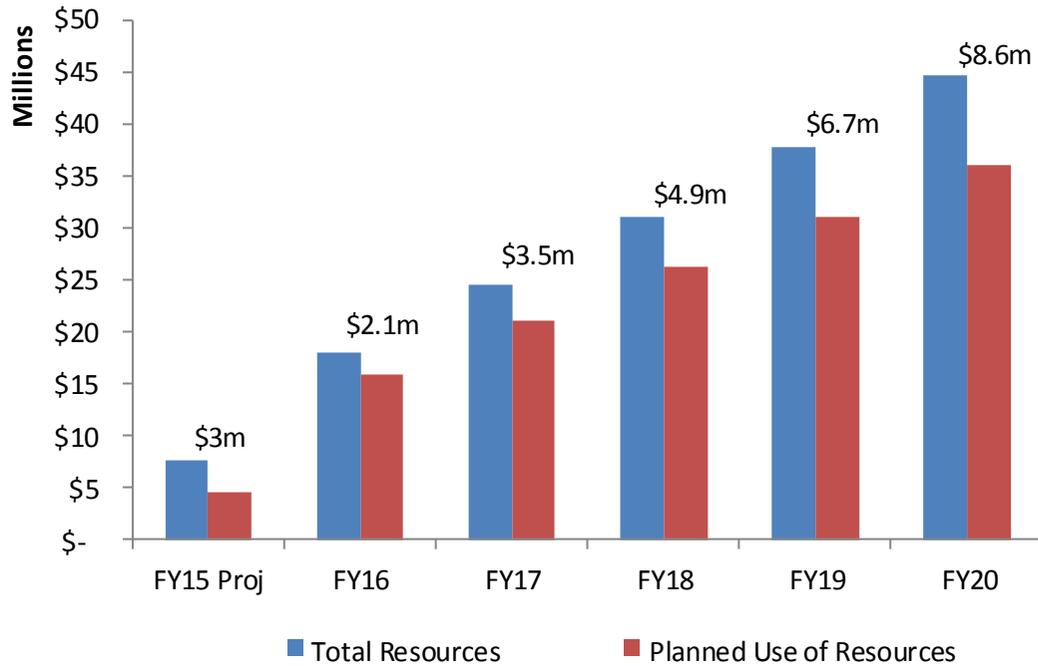
Water Utility (continued)



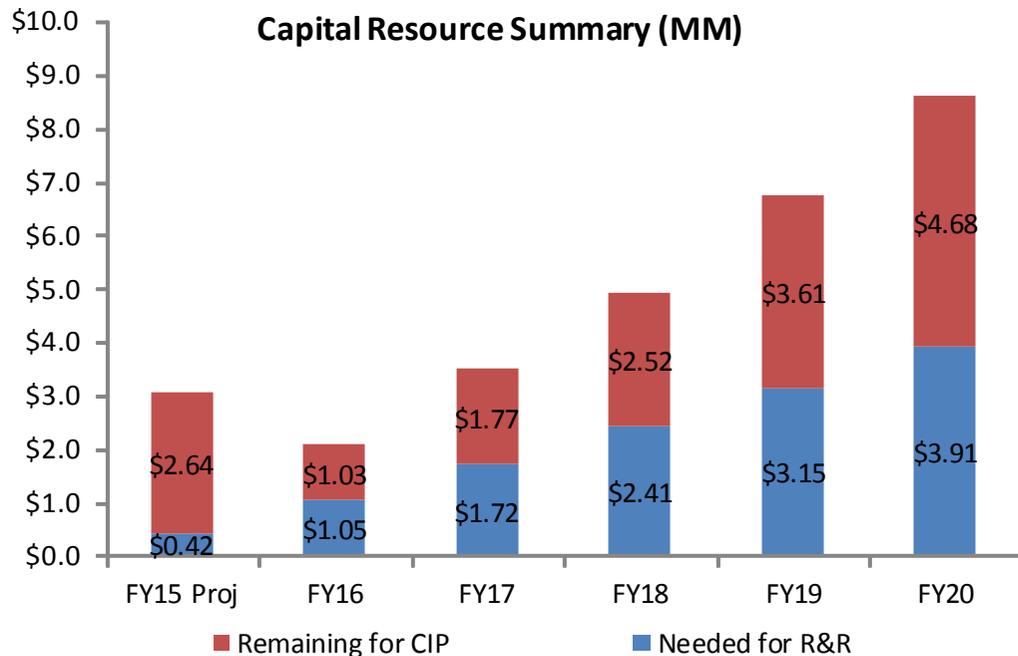
As noted on the forecast summary page, both the Water and Wastewater utilities need to utilize substantial portions of their capacity to properly fund the annual repair and replacement target of 2% of each utility’s asset value. Therefore, the aforementioned \$23.4 million the Water Utility is forecasted to produce must be split between repair and replacement dollars and available CIP dollars. The graph above shows this split, with the needed R&R (repair and replacement) dollars in blue and the remaining available dollars in red. For reference, also noted on the chart is the reserves accumulated from lake lot license fees. These fees are levied on homeowners residing on land owned by the City, surrounding Lake Weatherford. These revenues are currently being reserved for lake projects and general capital items, but the Board may change this at their discretion. It is possible they will be utilized for debt service in the near future.

As the graph depicts, the Water Utility is anticipated to accumulate \$15.4 million available for use on the CIP, while a total of \$7.9 must be utilized for repairs and replacements to existing lines. Over the forecast window, the lake lot licenses are anticipated to accumulate \$5.8 million.

Wastewater Utility



Over the course of our forecast window, staff anticipates the Wastewater Utility to accumulate a total of \$8.6 million in resources available for further capital improvements or operational needs. The substantial rate increases through FY17 are the biggest reason behind the accumulation of dollars, although reduced debt service beginning in FY18 contributes as well. Of that, approximately \$3.91 million will be needed to keep up with annual R&R targets, while the remaining \$4.68 million would be available for CIP.



Capital Improvements

All three utilities issued debt in FY15 in order to fund large-scale capital projects. A summary of projects to be completed is below. All of these projects have been incorporated into the five-year forecasts.

Water Utility Capital Improvements

Bond Proceeds

Old Bond Proceeds (7/8/2015)	\$ 1,450,000
Projected New Bond Proceeds	\$ 9,250,000

Cumulative Bond Proceeds **\$ 10,700,000**

Planned Use of Capital Resources

WTP PLC Upgrades	\$ 400,000
12" Along I-20 to Deerfield	\$ 900,000
Wastewater Reuse System Design	\$ 1,250,000
Oak Street - 30" Water Line	\$ 3,000,000
BB Fielder - Water Line	\$ 1,500,000
Bethel Road - Water Line	\$ 1,000,000
WTP Expansion - Pilot/Design	\$ 350,000
Mineral Wells Transmission Main	\$ 1,300,000
W'ford Loop Transmission Main	\$ 600,000
Bond Project Contingency	\$ 400,000

Total Planned Use of Resources **\$ 10,700,000**

Wastewater Utility Capital Improvements

Bond Proceeds

Old Bond Proceeds (7/8/2015)	\$	1,550,000
Projected New Bond Proceeds	\$	4,750,000

Cumulative Bond Proceeds **\$ 6,300,000**

Planned Use of Capital Resources

Black Warrior Creek	\$	1,400,000
Lift Station #25	\$	1,500,000
Bethel Road — WW Line	\$	750,000
WWTP PLC Upgrades	\$	800,000
FW Hwy, Bankhead, Bullard Line	\$	470,000
Town Creek WW Extension	\$	980,000
Bond Project Contingency	\$	400,000

Total Planned Use of Resources **\$ 6,300,000**

Electric Utility Capital Improvements

Bond Proceeds

Old Bond Proceeds (7/8/2015)	\$	-
Projected New Bond Proceeds	\$	5,000,000

Cumulative Bond Proceeds **\$ 5,000,000**

Planned Use of Capital Resources

West Substation	\$	5,000,000
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Total Planned Use of Resources **\$ 5,000,000**

Recent Project Activity

The project summary shown below details funding sources and expenses through August of FY15. All of these projects are related to growth and annexation within the City of Weatherford. Funding was available from excess 1999 and 2006 Revenue Bonds.

	Original Budget	Project 9/30/2013	Year-To Date	Project To-Date
Revenues				
2009 Tax Notes				
Sales of Bonds	\$ 690,000	\$ 690,000	\$ -	\$ 690,000
Bond Issuance Costs	\$ (23,000)	\$ (23,000)	\$ -	\$ (23,000)
2006 Revenue Bond Funds				
Sale of Bonds	\$ 20,000,000	\$ 20,000,000	\$ -	\$ 20,000,000
Original Issue Premium	\$ -	\$ 835,310	\$ -	\$ 835,310
Bond Issuance Costs	\$ -	\$ (357,319)	\$ -	\$ (357,319)
Change in Fair Value of Investments	\$ -	\$ (723)	\$ -	\$ (723)
Interest Earnings	\$ -	\$ 1,792,291	\$ 1,970	\$ 1,794,261
EPA Grant Funds (Elevat. Storage Tank)	\$ -	\$ 240,600	\$ -	\$ 240,600
Prior Funding Sources				
Utility Revenues	\$ 523,342	\$ 523,342	\$ -	\$ 523,342
1999 Revenue Bond Funds	\$ 905,894	\$ 905,894	\$ -	\$ 905,894
Capitalized Interest	\$ 20,952	\$ 628,810	\$ -	\$ 628,810
Transfer from Impact Fees	\$ 4,800,000	\$ 4,800,000	\$ -	\$ 4,800,000
Miscellaneous Revenues	\$ -	\$ -	\$ 19,045	\$ 19,045
Total Revenues	\$ 26,917,188	\$ 30,035,205	\$ 21,015	\$ 30,056,221
Project Expenditures				
Railroad Substation	\$ 1,178,008	\$ 1,178,008	\$ -	\$ 1,178,008
Water Purification Plant Expansion	\$ 6,173,465	\$ 6,173,465	\$ -	\$ 6,173,465
Elevated Water Tank & Lines	\$ 4,096,684	\$ 4,096,684	\$ -	\$ 4,096,684
Parallel Treated Water Line	\$ 6,609,496	\$ 6,609,496	\$ -	\$ 6,609,496
Parallel Sewer Line-S Main to WWTP	\$ 1,517,208	\$ 1,517,208	\$ -	\$ 1,517,208
Viaduct Relocation	\$ 139,849	\$ 139,849	\$ -	\$ 139,849
Western Loop Water Line	\$ 111,676	\$ 111,676	\$ -	\$ 111,676
SH 51 12" Water Line	\$ 175,781	\$ 175,781	\$ -	\$ 175,781
30" Water Transmission Line	\$ 273,947	\$ 175,981	\$ -	\$ 175,981
12" Waterline Tin Top/I-20/BB Fielder	\$ 283,100	\$ 36,184	\$ -	\$ 36,184
Deerfield Water Line	\$ 1,894,180	\$ 188,783	\$ 692,769	\$ 881,552
I-20 Bethel Rd./Tin Top Water Line	\$ 289,810	\$ 292,776	\$ 15,718	\$ 308,493
I-20 Bethel Rd./Tin Top WW	\$ 107,190	\$ 100,543	\$ 19,546	\$ 120,088
Lift Station #8, #6, and #25 relocation/improvements	\$ 3,830,638	\$ 2,723,809	\$ 464,039	\$ 3,187,848
Black Warrior Creek Improvements	\$ -	\$ -	\$ 401,346	\$ 401,346
Membranes—Water Treatment Plant	\$ -	\$ -	\$ 681,240	\$ 681,240
Wastewater Effluent Project	\$ -	\$ -	\$ 126,415	\$ 126,415
Interest Transfer to Utility System	\$ -	\$ 1,676,155	\$ -	\$ 1,676,155
Total Project Expenditures	\$ 26,681,030	\$ 25,196,399	\$ 2,401,072	\$ 27,597,471
Ending Balance	\$ 236,158	\$ 4,838,807	\$ (2,380,057)	\$ 2,458,750

Water/Wastewater Impact Fee Funds

The Weatherford Municipal Utility receives impact fee revenue annually, which are placed in two special revenue funds. Any balance in these funds is available for use on select capital projects. For more information, please see the 5-Year Forecast/CIP summary.

Water Impact Fee Fund (40)

	Actual FY12	Actual FY13	Actual FY14	Projected FY15	Proposed FY16
Beginning Fund Balance	\$ 2,328,981	\$ 2,604,851	\$ 3,013,772	\$ 590,272	528,814
<u>Revenues</u>					
Interest Income	\$ 2,952	\$ 2,705	\$ 536	\$ 150	150
Impact Fees	\$ 272,918	\$ 406,216	\$ 575,964	\$ 575,000	450,000
Total Revenues	\$ 275,870	\$ 408,921	\$ 576,500	\$ 575,150	450,150
Total Expenditures	\$ -	\$ -	\$ 3,000,000	\$ 636,608	-
Over/(Under)	\$ 275,870	\$ 408,921	\$ (2,423,500)	\$ (61,458)	450,150
Ending Fund Balance	\$ 2,604,851	\$ 3,013,772	\$ 590,272	\$ 528,814	978,964

Wastewater Impact Fund (41)

	Actual FY12	Actual FY13	Actual FY14	Projected FY15	Proposed FY16
Beginning Fund Balance	\$ 1,437,852	\$ 1,677,108	\$ 2,009,446	\$ 640,993	1,031,293
<u>Revenues</u>					
Interest Income	\$ 1,878	\$ 1,769	\$ 370	\$ 300	500
Impact Fees	\$ 237,378	\$ 330,570	\$ 431,176	\$ 390,000	250,000
Total Revenues	\$ 239,256	\$ 332,338	\$ 431,546	\$ 390,300	250,500
Total Expenditures	\$ -	\$ -	\$ 1,800,000	\$ -	-
Over/(Under)	\$ 239,256	\$ 332,338	\$ (1,368,454)	\$ 390,300	250,500
Ending Fund Balance	\$ 1,677,108	\$ 2,009,446	\$ 640,993	\$ 1,031,293	1,281,793

Appendices

Appendix A

Utility Debt Summary

The Municipal Utility currently maintains 208 miles of sanitary sewer, 275 miles of water mains, and 342 miles of electric distribution lines. This widespread infrastructure network depreciates over time, and must be repaired and replaced when necessary. While routine repairs are budgeted on an annual basis, large-scale improvements carry a much higher price tag, and it is not possible for the Municipal Utility to pay for those through the operating fund. For these expenses, the fund will issue revenue bonds.

Bonds are a debt-financing instrument whereby the principle of the bonds are amortized over a period of time (typically 20 years), during which time interest is charged annually. For utility revenue bonds, the annual principle and interest payments are covered through Water, Wastewater, and Electric utility fees, which are set by the Municipal Utility Board. All principle and interest payments are made out of the Utility Debt Service Fund. Limitations on the amount of debt allowed to be outstanding at any one time for the utility are governed by the availability of service charge revenue. Each bond issue carries with it a legally binding coverage ratio, whereby the utility's net revenue must be able to meet a coverage requirement for its annual debt principle and interest payments before it can issue additional debt. The utility's coverage ratio for its outstanding debt is 1.25 times the average annual debt requirement, and 1.10 times the maximum annual requirement. A summary of the FY14 debt service fund can be found below, and a detailed summary of each bond issue still outstanding follows.

Fund Balance 9/30/2014	457,886
Revenues Projected FY15	4,742,988
Expenses Projected FY15	4,743,638
Current Year-End Projection Fund Balance	457,236
Revenues Projected FY16	5,803,011
Expenses Projected FY16	5,803,011
Projected Year-End Fund Balance FY16	457,236

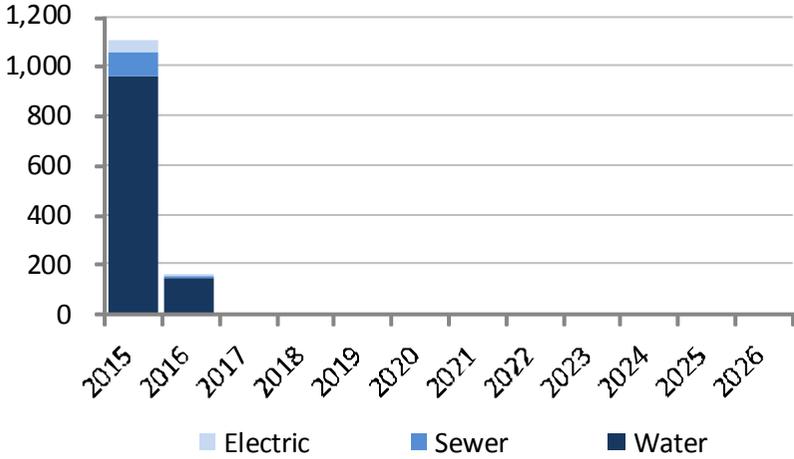
Appendix A—Utility Debt Summary

Utility System Revenue Bonds - Series 2006

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2026	160,000	-	-	160,000
Total	160,000	-	-	160,000

Series 2006 Debt Service by Utility (000's)



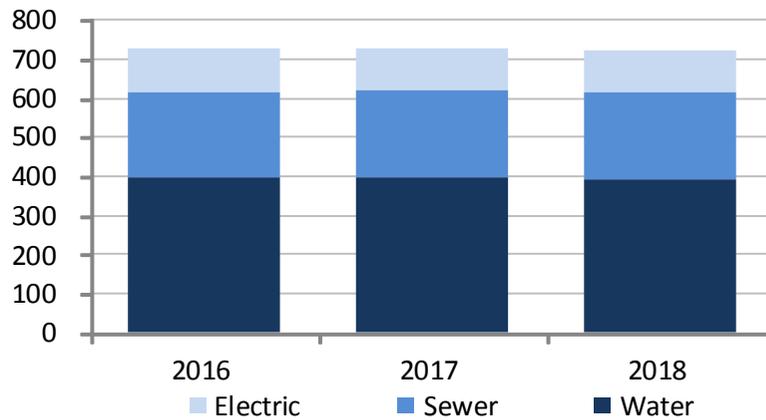
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2008

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2016	655,000	35,206	35,206	725,411
2017	680,000	23,874	23,874	727,748
2018	700,000	12,110	12,110	724,220
Total	2,035,000	71,190	71,190	2,177,379

Series 2006 Debt Service by Utility (000's)



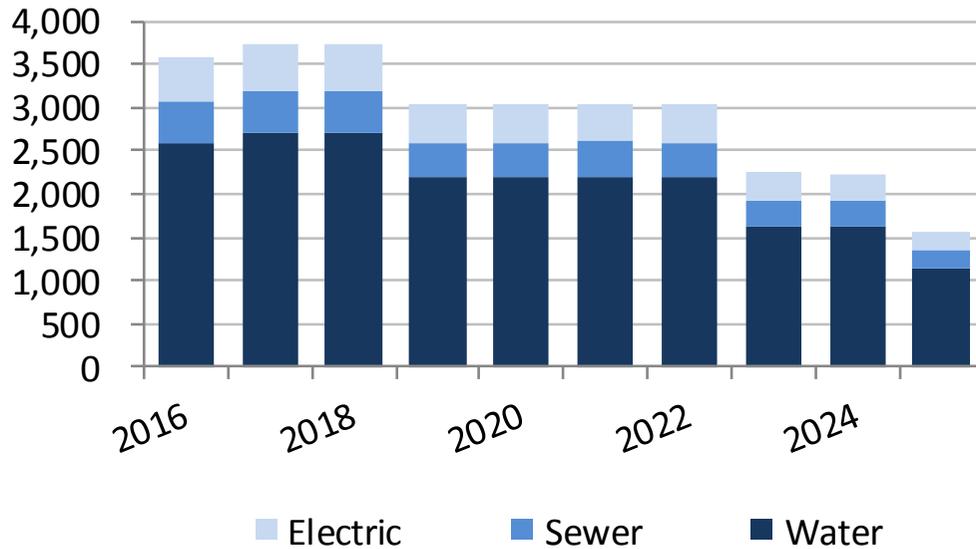
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2015

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2016	2,415,000	582,375	582,375	3,579,750
2017	2,705,000	522,000	522,000	3,749,000
2018	2,840,000	454,375	454,375	3,748,750
2019	2,275,000	383,375	383,375	3,041,750
2020	2,390,000	326,500	326,500	3,043,000
2021	2,510,000	266,750	266,750	3,043,500
2022	2,635,000	204,000	204,000	3,043,000
2023	1,965,000	138,125	138,125	2,241,250
2024	2,060,000	89,000	89,000	2,238,000
2025	1,500,000	37,500	37,500	1,575,000
	23,295,000	3,004,000	3,004,000	29,303,000

Series 2015 Debt Service by Utility (000's)



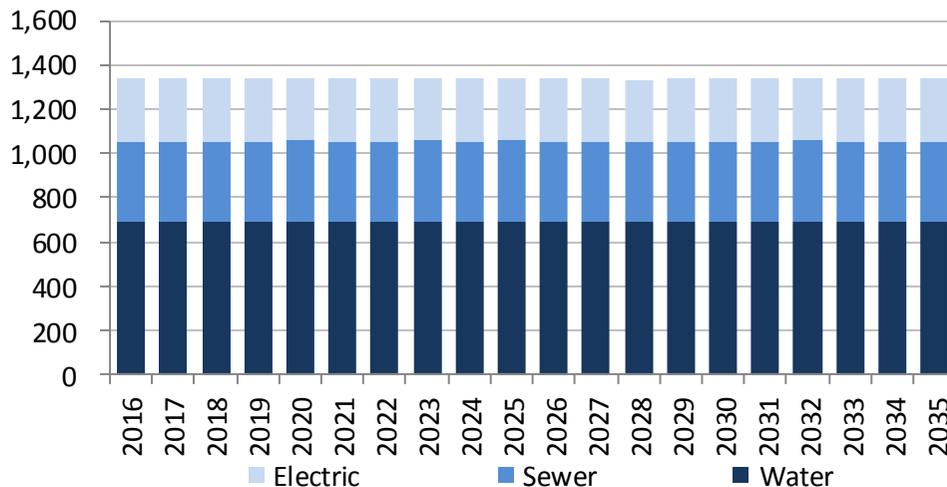
Appendix A—Utility Debt Summary

Utility System Revenue Refunding Bonds - Series 2015

Future Debt Requirements

Year Ending	Principal	Interest	Interest	Total
09/30	Due 09/01	Due 03/01	Due 09/01	Requirement
2016	550,000	393,925	393,925	1,337,850
2017	575,000	380,175	380,175	1,335,350
2018	605,000	365,800	365,800	1,336,600
2019	635,000	350,675	350,675	1,336,350
2020	670,000	334,800	334,800	1,339,600
2021	700,000	318,050	318,050	1,336,100
2022	735,000	300,550	300,550	1,336,100
2023	775,000	282,175	282,175	1,339,350
2024	810,000	262,800	262,800	1,335,600
2025	855,000	242,550	242,550	1,340,100
2026	895,000	221,175	221,175	1,337,350
2027	940,000	198,800	198,800	1,337,600
2028	975,000	180,000	180,000	1,335,000
2029	1,015,000	160,500	160,500	1,336,000
2030	1,055,000	140,200	140,200	1,335,400
2031	1,100,000	119,100	119,100	1,338,200
2032	1,145,000	97,100	97,100	1,339,200
2033	1,190,000	74,200	74,200	1,338,400
2034	1,235,000	50,400	50,400	1,335,800
2035	1,285,000	25,700	25,700	1,336,400
	17,745,000	4,498,675	4,498,675	26,742,350

Series 2015 Debt Service by Utility (000's)



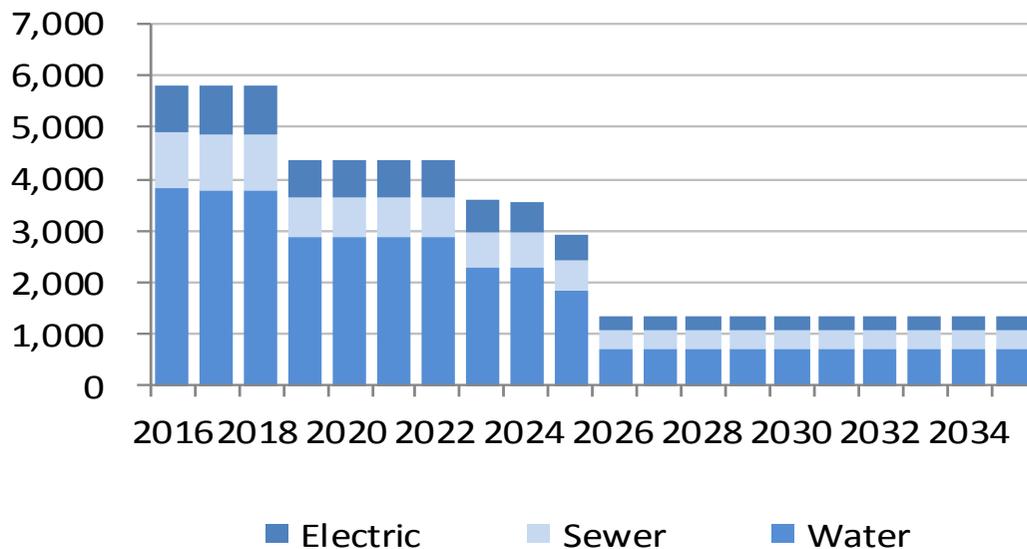
Appendix A—Utility Debt Summary

Utility System Revenue Bonds

Future Debt Requirements

Year Ending 09/30	Principal Due 09/01	Interest Due 03/01	Interest Due 09/01	Total Requirement
2016	3,780,000	1,011,506	1,011,506	5,803,011
2017	3,960,000	926,049	926,049	5,812,098
2018	4,145,000	832,285	832,285	5,809,570
2019	2,910,000	734,050	734,050	4,378,100
2020	3,060,000	661,300	661,300	4,382,600
2021	3,210,000	584,800	584,800	4,379,600
2022	3,370,000	504,550	504,550	4,379,100
2023	2,740,000	420,300	420,300	3,580,600
2024	2,870,000	351,800	351,800	3,573,600
2025	2,355,000	280,050	280,050	2,915,100
2026	895,000	221,175	221,175	1,337,350
2027	940,000	198,800	198,800	1,337,600
2028	975,000	180,000	180,000	1,335,000
2029	1,015,000	160,500	160,500	1,336,000
2030	1,055,000	140,200	140,200	1,335,400
2031	1,100,000	119,100	119,100	1,338,200
2032	1,145,000	97,100	97,100	1,339,200
2033	1,190,000	74,200	74,200	1,338,400
2034	1,235,000	50,400	50,400	1,335,800
2035	1,285,000	25,700	25,700	1,336,400
	43,235,000	7,573,865	7,573,865	58,382,729

Total Debt Service by Utility (000's)



Decision Packages

Each year, departments are asked to identify areas of critical need and submit requests, or decision packages, for additional funding to address those needs. In FY16, departments began the budget process with a target budget equal to their FY15 adopted budget minus all one-time expenses. They were asked to prioritize expenses within that total to address needs in current operations. For needs beyond the capacity of their existing budget, they were asked to submit one of the following types of supplemental requests:

Cost of Service Increases (COSI) - For additional funds related to the increased cost of providing existing services.

New/Expanded Programs (NEP) - For additional funds related to a program or service not currently being provided, or an expansion of an existing program.

Vehicle/Equipment Replacement (VER) - For additional funds related to the replacement or purchase of a new vehicle or piece of heavy equipment.

Departments were further asked to prioritize these requests based on their greatest areas of need. What follows is a summary of all decision packages including the department, name, rank, strategic goal, type, positions to be added, original requested cost, and whether it was recommended for funding. Decision packages are recommended for funding based on Utility Board and staff priorities and available funding. In some cases, the requests were funded at a different amount than originally requested.

Appendix B—Decision Packages by Department

Funded Supplemental Items for Customer Services

Desc/Title	Type	Total Request		Ongoing		One-Time
Employee Replacement Overlap	Personnel	\$	11,720	\$	-	\$ 11,720
Cost-of-Living Increase	Personnel	\$	10,976	\$	10,976	\$ -
		\$	22,696	\$	10,976	\$ 11,720
	Total					
	Personnel	\$	22,696	\$	10,976	\$ 11,720

Funded Supplemental Items for the Electric Utility

Desc/Title	Type	Total Request		Ongoing		One-Time
New Debt Service	Debt Issuance	\$	242,747	\$	242,747	\$ -
Economic Development Planning	Contractual	\$	50,000	\$	-	\$ 50,000
Cost-of-Living Increase	Personnel	\$	44,921	\$	44,921	\$ -
Service Center Remodel	Capital	\$	35,000	\$	-	\$ 35,000
Vehicle Reserve Increase	Capital	\$	25,000	\$	25,000	\$ -
Substation Reserve Increase	Capital	\$	25,000	\$	25,000	\$ -
Merit Increases	Personnel	\$	24,788	\$	24,788	\$ -
Fiber Setup	Supplies	\$	20,000	\$	20,000	\$ -
SCADA WebSurv Application	Supplies	\$	15,695	\$	365	\$ 15,330
Conference Room	Capital	\$	15,000	\$	-	\$ 15,000
SCADA Communication Conver-	Capital	\$	10,000	\$	-	\$ 10,000
Polaris Ranger	Capital	\$	10,000	\$	-	\$ 10,000
Service Center Landscaping	Contractual	\$	10,000	\$	-	\$ 10,000
Environmental Technician Office	Capital	\$	10,000	\$	-	\$ 10,000
Fiber OTDR Replacement	Capital	\$	10,000	\$	-	\$ 10,000
Sr. Engineering Tech Upgrade	Personnel	\$	7,608	\$	7,608	\$ -
Employee Replacement Overlap	Personnel	\$	4,420	\$	-	\$ 4,420
General Increase	Supplies	\$	1,800	\$	1,800	\$ -
Uniforms	Supplies	\$	375	\$	375	\$ -
Safety Boots	Supplies	\$	250	\$	250	\$ -
		\$	562,603	\$	392,853	\$ 169,750
	Total					
	Debt Issuance	\$	242,747	\$	242,747	\$ -
	Capital	\$	140,000	\$	50,000	\$ 90,000
	Personnel	\$	81,736	\$	77,316	\$ 4,420
	Supplies	\$	38,120	\$	22,790	\$ 15,330
	Contractual	\$	60,000	\$	-	\$ 60,000
		\$	562,603	\$	392,853	\$ 169,750

Appendix B—Decision Packages by Department

Funded Supplemental Items for the Water and Wastewater Utility

Desc/Title	Type	Total Request		Ongoing		One-Time
New Rate Transfer (Capital)	Capital	\$	2,000,000	\$	2,000,000	\$ -
New Debt Service	Debt Issuance	\$	932,356	\$	932,356	\$ -
Cost-of-Living Increase	Personnel	\$	56,311	\$	56,311	\$ -
Assistant Dir. Overlap	Personnel	\$	55,454	\$	-	\$ 55,454
Certification Pay	Personnel	\$	46,019	\$	46,019	\$ -
Excess Circulation	Capital	\$	45,213	\$	-	\$ 45,213
Trident HSR Pilot Study	Contractual	\$	39,955	\$	-	\$ 39,955
Water Treatment Plant Truck	Capital	\$	30,000	\$	-	\$ 30,000
Chemicals	Supplies	\$	23,100	\$	23,100	\$ -
Water Utilities Outreach	Supplies	\$	17,000	\$	17,000	\$ -
U.V. Upgrade	Capital	\$	16,386	\$	-	\$ 16,386
Autodesk Infrastructure Design Suite Pre- Cryptosporidium LT2 Rule Round 2 Testing	Capital	\$	15,732	\$	1,616	\$ 14,116
	Contractual	\$	12,844	\$	-	\$ 12,844
LuminUltra PhotonMaster Luminometer	Capital	\$	9,716	\$	-	\$ 9,716
State Permitting	Contractual	\$	8,100	\$	8,100	\$ -
Employee Replacement Overlap	Personnel	\$	6,714	\$	-	\$ 6,714
Senior Engineering Tech	Personnel	\$	6,154	\$	6,154	\$ -
Update Admin Building	Capital	\$	4,100	\$	-	\$ 4,100
Electrical / Electronic Tech	Personnel	\$	4,041	\$	4,041	\$ -
AC/Generator	Capital	\$	3,450	\$	-	\$ 3,450
SL1000 Portable Parallel Analyzer	Capital	\$	3,373	\$	-	\$ 3,373
Tuition Reimbursement	Personnel	\$	2,400	\$	2,400	\$ -
Adobe Photoshop Software	Supplies	\$	1,650	\$	550	\$ 1,100
		\$	3,340,069	\$	3,097,648	\$ 242,421
	Total					
	Debt Issuance	\$	932,356	\$	932,356	\$ -
	Capital	\$	2,127,970	\$	2,001,616	\$ 126,354
	Personnel	\$	177,094	\$	114,926	\$ 62,168
	Supplies	\$	41,750	\$	40,650	\$ 1,100
	Contractual	\$	60,899	\$	8,100	\$ 52,799
		\$	3,340,069	\$	3,097,648	\$ 242,421

Appendix B—Decision Packages by Department

Supplemental Items Eligible for New Rate Revenue (Capital/R&R Funds)

Desc/Title	Type	Total Request		Ongoing		One-Time	
Clarifier Skimmer Arms	Capital	\$	9,942	\$	-	\$	9,942
Chlorine Analyzers	Capital	\$	12,720	\$	-	\$	12,720
Lift Station SCADA Software Upgrades	Capital	\$	26,744	\$	-	\$	26,744
Replace Wonderware with Ignition Software	Capital	\$	14,401	\$	-	\$	14,401
Lift Station #15 Remodel	Capital	\$	34,535	\$	-	\$	34,535
SCADA Upgrades - SCADAPack	Capital	\$	88,025	\$	-	\$	88,025
Automatic CL2 Leak Detection System with Automatic Shut Off Valve	Capital	\$	13,775	\$	-	\$	13,775
A/C and Heat in Dewatering Building	Capital	\$	6,260	\$	-	\$	6,260
SCADA Upgrades - Devar Controller	Capital	\$	50,075	\$	-	\$	50,075
		\$	256,477	\$	-	\$	256,477
Total							
Debt Issuance		\$	-	\$	-	\$	-
Capital		\$	256,477	\$	-	\$	256,477
Personnel		\$	-	\$	-	\$	-
Supplies		\$	-	\$	-	\$	-
Contractual		\$	-	\$	-	\$	-
		\$	256,477	\$	-	\$	256,477

Appendix C

Transfer Calculations

Return on Investment Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	388,850,000	0.0056	2,177,560
Water Sales (1,000 gallons)	1,157,100	0.2469	285,688
Wastewater Treated (1,000 gallons)	790,000	0.2716	214,564

Gross Receipts Charge Transfer Calculations

	Est Volume	Unit Rate	Transfer
Electric kWh Sales	388,850,000	0.0044	1,710,940
Water Sales (1,000 gallons)	1,157,100	0.2223	257,223
Wastewater Treated (1,000 gallons)	790,000	0.1975	156,025

Water Transfer Calculations

	Est Volume	Unit Rate	Transfer
Commercial/Industrial Water (cu ft)	2,000,000	0.01	20,000

Administrative Transfer Calculations

Department	Proposed Budget	Percent Allocated	Amount Allocated	Transfer Allocation Based on System Costs &		
				Electric	Water	Wastewater
Administration	1,035,095	45%	465,793	293,450	130,422	41,921
OMB	122,913	50%	61,456	28,306	22,805	10,345
HR	357,423	40%	142,969	90,071	40,031	12,867
Finance	529,734	50%	264,867	187,431	53,126	24,310
City Attorney	151,490	33%	50,497	31,813	14,139	4,545
ED	240,796	50%	120,398	75,851	33,711	10,836
Fiber (credit)	(50,000)	100%	(50,000)	(50,000)	-	-
City Hall	(65,304)	100%	(65,304)	(41,142)	(18,285)	(5,877)
Graduate Engineer	(82,500)	33%	(27,500)	-	(13,750)	(13,750)
Lake Maintenance	280,000	100%	280,000	-	280,000	-
Information Technology	1,752,686	41%	724,984	421,865	152,360	150,759
Audit Svcs	66,500	40%	26,600	18,820	5,352	2,428
Total	4,338,834		1,994,761	1,056,465	699,911	238,384

Appendix C—Transfer Calculations

Summary of All Transfers

Type	Actual FY13	Actual FY14	Projected FY15	Adopted FY16	Increase/ (Decrease)
Gross Receipts Fee	2,105,277	2,134,226	2,153,025	2,124,188	(10,038)
Return on Investment	2,644,646	2,689,055	2,712,741	2,677,812	(11,243)
Street Maintenance Transfer	30,626	11,851	11,851	20,000	8,149
Administrative Services	1,854,567	1,924,860	1,961,917	1,994,761	32,844
	6,635,117	6,759,992	6,839,534	6,816,761	19,712

Glossary of Terms

100 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 1 (and thus, in the 100-199 range) are explicitly designated for personnel expenditures (such as salary and benefits).

200 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 2 (and thus, in the 200-299 range) are explicitly designated for supplies.

300 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 3 (and thus, in the 300-399 range) are explicitly designated for contractual expenditures.

400 Accounts

In the City of Weatherford's accounting system, expenditure accounts are designated by three numerical digits. Accounts beginning with 4 (and thus, in the 400-499 range) are explicitly designated for capital expenditures (such as the purchase of vehicles, land, and other infrastructure).

60-Day Target Reserve

The Utility's financial policies require the Utility Fund to maintain a financial reserve balance such that it could fund 60 days worth of operations without incoming revenue.

Administrative Services Charge

The Utility Fund and the General Fund share certain administrative departments, such as Human Resources, the Budget Office, and Information Technology. Because these administrative departments are located entirely in the General Fund, the Utility Fund must pay for portions of the administrative department expenses via an interfund transfer.

Accrual Accounting

A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

Ad Valorem Tax

A tax assessed against property (land, improvements, and personal property) for the purpose of financing general operations of the City and debt service requirements.

Advanced Refunding

A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and to pay the principal on the old debt either as it matures or at an earlier call date.

Allocation

A part of a lump-sum appropriation, which is designed for expenditures by specific organization units and/or for special purposes, activities or objects.

Appendix D—Glossary

Appraised Value

The market value of real and personal property located in the City as of January 1 each year, determined by the Parker County Appraisal District.

Appropriation

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

Appropriation Ordinance

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

Assessed Valuation

A value that is established for real or personal property for use as a basis for levying property taxes. The Parker County Appraisal District establishes property values in Weatherford.

Assessment Ratio

The ratio at which tax rate is applied to tax base. State Law currently sets the assessment ration at 100%.

Assets

Resources owned or held by the City, which have monetary value.

Available Working Capital

Available working capital refers to money in the Utility Fund balance that is available for appropriation for one-time expenses. This is essentially the Fund's total balance, less designations and reserves.

Balanced Budget

A budget whereby ongoing expenses are wholly covered by ongoing revenue.

Basis of Accounting

The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes.

Bond

A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future, called the maturity date, together with periodic interest at a specified rate. The most common types of bonds are general obligation and revenue bonds. They are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year.

Budget Calendar

The schedule of key dates or milestones, which the City departments follow in the preparation, adoption and administration of the budget.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

Appendix D—Glossary

Budget 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 revenue.

Capital Expense

A 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 more than one year.

Cost Center

In the City of Weatherford's accounting system, each division has its own three digit, numerical prefix to denote which division an account expense belongs to. This prefix is known as a cost center.

Capital Budget

A plan for the financing and completion of designated capital projects, financed for the most part with proceeds from general obligation bond issues. The "capital improvements program" is a multi-year plan, which includes the year covered by the "capital budget."

Capital Projects Fund

A fund created to account for financial resources to be used for the acquisitions or the construction of major capital facilities or equipment.

Capital Outlay

A 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 more than one year.

Certificate of Obligation

A type of municipal debt that is unconditionally backed that can be issued without voter approval, usually by a vote of the City Council. This type of bond is often used for smaller projects.

City Charter

The document of a home rule City similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

City Council

The Mayor and four (4) Council Members collectively acting as the legislative and policymaking body of the City.

Comprehensive Annual Financial Report

(CAFR) This report is published to provide to the Council, the representatives of financial institutions, our citizens and other interested persons detailed information concerning the financial condition of the City government.

Contractual Services

The cost related to services performed for the City by individuals, businesses, or utilities.

Current Refunding

A refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded.

Current Taxes

Property taxes that are levied and due within one year.

Appendix D—Glossary

Debt Service

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

Debt Service Fund

A fund established to account for the accumulation of resources for the payment of principal and interest on long-term debt. May also be called Interest and Sinking Fund.

Delinquent Taxes

Taxes that remain unpaid on and after the date which penalty for non-payment is attached.

Department

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more divisions.

Depreciation

The portion of the cost of a fixed asset charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset. Through this process, the entire cost of an asset is ultimately charged off as an expense.

Division

A major administrative organizational unit of the City, which indicates overall management responsibility for one or more activities. Some departments are divided up into different divisions.

Effectiveness

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

Effective Tax Rate

State law in Texas prescribes a formula for calculating the effective tax rate for cities. The net effect of the formula is to produce a tax rate that decreases when property values rise because of inflation and vice versa. The intent is to generate a rate that produces approximately the same revenue as the year before. The formula does make adjustments for newly annexed property and newly constructed property for the effective tax rate calculation; however, for notice and hearing requirements, the benefit of new growth is excluded.

Efficiency

The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources.

Encumbrance

Obligations in the form of purchase orders and contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved because the goods or services have not been received. When paid, the encumbrance is liquidated.

Enterprise Fund

A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenditures.

Appendix D—Glossary

Environmental Protection Agency

Usually shown as the acronym 'EPA', this represents a department of the national government that oversees environmental protection and quality law and enforcement.

Estimated Revenue

The amount of projected revenues to be collected during the fiscal year.

Expenditure

Decreases in net financial resources. Expenditures include current operating expenses require the present or future use of net current assets, debt service and capital outlay.

Expense

This term refers to the outflows or other using up of assets or incurrence of liabilities from rendering services or carrying out other activities that constitute the City's major operations.

Fiduciary Fund

A fund used to report and record assets held in trust or as in an agency capacity for others.

Fiscal Management Policy Statements

Financial policies are used to enable the City to achieve a sound financial position. They are in writing and are periodically updated and endorsed.

Fiscal Year

The 12-month period covered by the budget. For the City of Weatherford, the fiscal year begins on October 1 and ends September 30.

Fixed Assets

Assets of long-term character, which are intended to continue to be held or used, such as buildings, machinery and equipment.

Franchise Fee

A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.

Full-Time Equivalent

In the personnel system, a full-time equivalent (FTE) refers to any position scheduled to work at least 2080 hours in a given fiscal year.

Fund

An accounting entity with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balances, revenues and expenditures.

Fund Balance

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

Fund Type

In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

Appendix D—Glossary

GAAP

Generally accepted accounting principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

General Fund

The General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, park and recreation, library, public works, and general administration.

General Obligation Bonds

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

Governmental Accounting Standards Board

The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Governmental Fund

A fund used to account for mainly tax-supported activities.

Impact Fees

Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development.

Infrastructure

The underlying permanent foundation or basic framework.

Interest & Sinking

See Debt Service Fund.

Interest Earnings

The earnings from available funds invested during the year in investments authorized by the City of Weatherford Investment Policy.

Interfund Transfer

Amounts transferred from one fund to another.

Internal Service Fund

A fund used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis.

Investments

Securities, bonds and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in the normal course of governmental operations.

Lake Lot License Fees

This revenue item refers to the leases paid to the Utility by property owners on Lake Weatherford.

Lake Lot License Reserve

The Municipal Utility Board has decided to designate a portion of the lake lot license revenue for lake improvement projects.

Appendix D—Glossary

This reserve was subsequently set up to account for unspent lake lot license revenue that is subject to that designation.

Levy

To impose taxes, special assessments, or service charges for the support of the City services.

Liabilities

Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date.

Long-Term Debt

Debt with a maturity of more than one year after the date earmarked for its retirement.

Maintenance & Operations (M&O)

Represents the portion of taxes assessed for the maintenance and operations of the General Fund Services.

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental activity.

Modified Accrual Accounting

A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Municipal Utility Board

The Municipal Utility Board is a seven-member board tasked to govern the management, control, and operations of the electric, water, and wastewater systems of the City of Weatherford.

Net Bonded Debt

Gross bonded debt, less any cash or other assets available and earmarked for its retirement.

Non-Departmental Expense

Expenses that benefit the fund as a whole rather than a particular department within the fund.

Operating Budget

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

Operating Expenses

Operating expenses refer to those ongoing expenses that the Utility Fund expects to expend every fiscal year. See Balanced Budget.

Operating Revenues

Operating revenues refer to those ongoing revenues that the Utility Fund expects to receive every fiscal year. See Balanced Budget.

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.

Appendix D—Glossary

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.

Other Post-Employment Benefits Reserve

For employees hired before October 1, 2008, the City has agreed to fund post-retirement healthcare expenses. This reserve was set up to help fund those expenses in future years. During the FY13 budget process, the Utility Board has decided to keep this reserve at \$300,000.

Overlapping Debt

Proportionate share that property within a government must bear of the debts of other local governments located wholly or in part within the geographic boundaries of the reporting government.

Paying (Fiscal) Agent Fee

Fee paid to the financial institution that receives and disburses bond payments made on the City's debt obligations.

Per Capita Costs

The cost of services per person. Per capita costs are based on the population estimates provided by the North Texas Council of Governments.

Performance Measures

Specific, quantitative measures of work performed within a City department.

Personnel Services

The costs associated with compensating employees for their labor. This includes salaries and fringe benefits.

Proprietary Fund

A fund to account for activities that focus on operating income and cash flows. Such activities are often business-like, whether internal or external operations, to the organization.

Purchase Cost of Power

Although the Weatherford Electric Utility has the ability to generate electricity for distribution, it is often more cost-effective to purchase electricity (power) and subsequently pass it through to its rate payers. A portion of the electricity rates are designated to offset the cost of purchasing power.

Refunding

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

Reserve

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

Revenues

All amounts of money earned or received by the City from external sources.

Revenue Bonds

Bonds usually sold for constructing a project that will produce revenue for the governmental entity. All or part of the produced revenue is used to pay the principal and interest of the bond.

Appendix D—Glossary

SCADA

Supervisory Control and Data Acquisition is an automated system that is the normal daily means of water system operation. This automated system records flow data and operates pumps and valves.

Self-Sustaining

Because the electric, water, and wastewater systems are all located within the same fund, there have been years in which the revenue of one utility will pay for some of the expenses of another utility. In FY13, this cross-subsidization has been eliminated, and each utility can sustain its own expenses with its revenue.

Special Revenue Fund

A governmental fund that is used to account for activities in which a specific revenue sources is legally restricted for a specific activity.

State Infrastructure Bank Loan

The State Infrastructure Bank Loan (SIB) program refers to a state initiative whereby municipalities may enter into a loan with the state to fund infrastructure improvements. These loans are offered at below-market interest rates.

Tap Fees

Fees charged to join or extend an existing utility system.

Tarrant Regional Water District Reserve

The Tarrant Regional Water District is the regional water supplier for many municipal utilities in the State of Texas. This reserve was set up to offset annual costs above \$110,585 of pumping water into Lake Weatherford.

Tax Anticipation Notes

Short-term, interest-bearing notes issued by a government in anticipation of tax revenues to be received at a later date.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. The term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

Tax Levy

The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Tax Rate

An amount applied to the taxable value of assessed property, expressed as so many cents per \$100 of assessed property.

Tax Roll

The official list of taxable property for a given tax year and the amount of taxes levied against each taxpayer.

Texas Commission on Environmental Quality

The Texas Commission on Environmental Quality (TCEQ) is the agency that governs environmental quality standards within the State of Texas.

Texas Municipal Retirement System (TMRS)

An agent, multiple-employer public retirement system. Weatherford provides pension benefits for all permanent employees through a joint-contributory plan in the state-wide Texas Municipal Retirement System.

Appendix D—Glossary

Utility Franchise Tax

A tax paid by the utilities for a special privilege granted by the Weatherford City Council, permitting the continued use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Warrants

A legal writ authorizing an officer to make an arrest, seizure or search.

Financial Management Policy Statements

These policy statements were prepared to provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Weatherford.

The benefits of a financial policy are:

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

Financial policies should be reviewed periodically by the City Council and revised and updated as necessary.

The following are the fiscal objectives of this policy:

Revenues: Design, maintain, and administer revenues that will ensure reliable, equitable, and sufficient amounts to support desired services.

- A. **Balance and Diversify Revenue Sources:** Maintain a balanced and diversified revenue system to avoid fluctuations in any one source due to changes in economic conditions that adversely impact that source.
- B. **Property Tax Revenues:** Strive to reduce reliance on property tax revenues by implementation of user fees, economic development, and revenue diversification.
- C. **User fees:** Establish and collect fees to recover the costs for services that benefit specific users. When feasible, the City shall recover full direct and indirect costs. These fees should be reviewed on a regular basis to calculate full cost recovery levels, compare them with current structures, and recommend adjustments when necessary.
- D. **Utility/Enterprise Fund Service Fees:** Utility rates shall be set at sufficient levels to recover operating expenditures, meet debt obligations, provide funding for capital improvements, and provide an adequate level of working capital.
- E. **Administrative Service Charges:** An annual administrative service charges due to or from the General Fund from enterprise and special revenue funds for overhead and staff support shall be established.
- F. **Revenue Estimates for Budgeting:** A conservative, objective, and analytical approach shall be used when preparing revenue estimates. This should include an analysis of probable economic changes, historical collection rates, and trends in revenues. This should maintain a stable level of services, and reduce the probability of actual revenues being short of budget estimates.
- G. **Revenue Collection:** The revenue system should be as simple as possible in order to expedite payments. Since a revenue should exceed the cost of producing it, administrative costs should be controlled and reduced as much as possible. The City shall pursue to the full extent allowed by law all delinquent taxpayers and others overdue in their payments to the City.
- H. **One-Time and/or Unpredictable Revenues:** One-time and/or unpredictable revenues shall only be used for non-recurring capital equipment purchases or retained in fund balance or working capital balances. At no time may the funds be used for recurring costs (salaries, dues, etc...), except for cases of emergency as defined by City Council.

Appendix E—Financial Policies

Expenditures: Prioritize services, establish appropriate levels of service, and administer the resources to ensure that fiscal stability is attained and that services are delivered in an effective, efficient manner.

- A. **Current Funding Basis:** Expenditures shall be budgeted and controlled to not exceed current revenues plus the planned use of fund balance accumulated through prior year saving. (Use of fund balance discussed in another section).
- B. **Operating Deficits:** Immediate corrective action should be taken if at any time during a fiscal year expenditures are projected to be greater than projected revenues at year-end. Corrective actions could include, but are not limited to expenditure reductions, fee increases, or use of fund balances. Short-term loans, use of one-time revenue sources, or expenditure deferral to the following fiscal year should be avoided.
- C. **Capital Asset Maintenance:** As resources are available each year, capital assets and infrastructure should be maintained at sufficient levels to minimize future replacement and repair costs, to continue prescribed service levels and to protect the City's investment in the assets. Capitalization of capital asset shall only occur with assets that have a useful life of at least two years following the date of acquisition, are applied to individual items purchased only and only grouped like assets if it is a material portion of total capital assets, and is not less than \$5,000 for any individual item. Assets shall be reasonably safeguarded, properly accounted for, and prudently insured.
- D. **Program Reviews:** Periodic staff and third-party reviews of programs should be made to ensure efficiency and effectiveness. Privatization and contracting with other governmental agencies should be considered as alternative approaches for service delivery. Programs that are determined to be inefficient or ineffective should be eliminated.
- E. **Purchasing:** Every effort should be made to maximize discounts offered by vendors. Competitive bidding should be used to receive the most advantageous prices on good and services. All State and local purchasing policies and laws shall be followed. See City of Weatherford Purchasing Procedures under a separate cover. The use of co-ops and/or interlocal agreements that have already been competitively bid may be used and are even preferred methods of procurement at times.

Fund Balances/Working Capital: Maintain fund balances/working capital in the various funds at sufficient levels to protect the creditworthiness of the City, mitigate current and future risks, and to ensure stable rates.

- A. **Governmental Fund's Fund Balance Categories:** City fund balances are divided and designated into various categories based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in a fund can be spent.
 - 1. **Non-Spendable Fund Balance** are amounts of the City's fund balance that are:
 - i. not in a spendable form including inventory and prepaid items,
 - ii. cannot be converted to cash within the current period including long-term portion of loans receivable and non-financial assets held for resale, or
 - iii. are required to be maintained intact pursuant to legal or contractual requirements including an endowment or permanent fund.

The City has various amounts of non-spendable monies in various funds but only has one permanent fund and it is the Permanent Library Fund.

- 2. **Restricted Fund Balance** are amounts of the City's fund balance that reflect resources that are subject to ex-

Appendix E—Financial Policies

ternally enforceable legal restrictions including those imposed by:

- i. creditors (through debt covenants),
- ii. grantors,
- iii. contributors, and
- iv. other government's legislation or regulations.

City Special Revenue Funds that fall in this category shall maintain a positive restricted fund balance and those same funds that pay any personnel services shall maintain a target twenty percent (20%) of operating budget in restricted fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of unassigned funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Restricted special revenue funds of the City include State/Federal Forfeiture Funds, Hotel/Motel Tax Fund, Municipal Court Technology Fund, Municipal Court Building Security Fund, Juvenile Case Manager Fund, SFX Grant Fund, and Weatherford Aerospace Grant Fund. Other restricted funds include all capital bond issuance funds and the General Debt Service Fund.

3. Committed Fund Balance are the amounts of the City's fund balance that represent resources whose use is constrained by limitations of the City Council and that remain binding unless removed, modified, or rescinded by the City Council prior to the last day of the fiscal year for which the commitment is made.
 - i. Stabilization Arrangement for General Fund: It is the goal of the City to achieve and maintain a minimum of committed fund balance in the general fund of 90 days of the operating budget for that fiscal year. This amount is annually and formally, through this policy, set aside for use in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year.
 - ii. Other Post Employee Benefit Committed Fund Balance: This amount is annually and formally, through this policy, set aside by the amount appropriated through the budget ordinance, for each fund applicable for use to pay current and/or future other post employee benefits.
 - iii. Other Fund Committed Fund Balances: Funds created by the City for a specific service or purpose shall retain in each of those specific funds its remaining fund balance for use only in compliance with original purpose of the fund and/or revenue source. Any special revenue funds that pay any personnel services shall maintain a target twenty percent (20%) operating budget committed fund balance. This twenty percent (20%) fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise. Should the use reduce the balance below the appropriate level of committed funds, recommendations will be made on how to restore the balance to its appropriate level in a timely manner. The balance must be restored to its appropriate level within one fiscal year. Committed funds include Weatherford Beautification Fund, Chandor Gardens Fund, Library Fund, Animal Shelter Fund, General Capital Projects Fund, Park Development Fund, and Park Special Revenue Fund.
4. Assigned Fund Balance are those amounts of the City's fund balance that reflect the government's intended use of resources. This would include any future appropriation amounts of fund balance. The City Council has authorized the City Manager as the official authorized to assign fund balance to a specific purpose but retains the power of final appropriation of those funds.
5. Unassigned Fund Balance are those amounts of the City's fund balance that are excess of what can properly be classified in one of the previous four categories. These funds are available for any purpose. Unassigned fund balance shall be held to mitigate financial risk that can occur from unforeseen revenues fluctuations and unanticipated expenditures, and provide cash flow for the City's general operations. Annual amounts may

Appendix E—Financial Policies

vary pending tolerable risk associated with volatility of the economy or exposure to natural risks. Fund unassigned balance should be used only for emergencies, major capital purchases or non-recurring expenditures that cannot be provided by savings in the current year.

- B. Order of Expenditure of Fund Balance: When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds.
- C. If amounts in a non-spendable form would someday convert into a spendable form and those funds would then be restricted by one of the fund balance categories listed in this policy, those assets should always be classified into that category.
- D. Working Capital of Proprietary Funds: Positive working capital shall be maintained in enterprise operating funds in order to ensure that sufficient reserves are available for emergencies and revenue shortfalls. In the Municipal Utility Fund an operating reserve will be established and maintained at 60 days of the fiscal year's budget established for operations and maintenance (total budget less debt service and capital project expenditures). Consideration shall be made in the future to increase the number of days in the Utility Fund once rate structure is fully implemented. In the Solid Waste Enterprise Fund an operating reserve will be established and maintained at 90 days for the fiscal year's budget established for maintenance and operations. This reserve should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of ten percent (10%) of fund revenues arise or an unforeseen event occurs that costs the City more than five percent (5%) of budget appropriations. Should the reserve fall below the acceptable level, recommendations will be made on how to restore the reserve to its appropriate level in a timely manner. The reserve must be restored to its appropriate level within one fiscal year.

Capital Expenditures and Improvements: Review and monitor the condition of capital equipment and infrastructure, establish priorities for replacement and repair based on needs and availability of resources.

- A. Capital Improvement Planning Program: An annual review of the need for capital improvements and equipment should be conducted to evaluate the current status of the infrastructure, replacement and repair and any potential new projects. All projects, both ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. All operations, maintenance, and replacement costs should be listed for every capital project.
- B. Scheduled Replacement of Capital Assets: An annual schedule should be prepared for the replacement of non-infrastructure capital assets. As resources are available, these assets shall be replaced according to the schedule.
- C. Capital Expenditure Financing: There are three methods of financing capital requirements:
 - 1. Budget funds from current revenues.
 - 2. Use funds from fund balance/working capital as allowed.
 - 3. Borrow money through debt.Debt financing includes general obligations bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements. Guidelines for assuming debt are established in the Debt Policy Statements.
- D. Capital Projects Reserve Fund: A fund can be established and maintained to accumulate proceeds from the sale of real property, and transfers from the General Fund unassigned fund balance. This fund should be used to pay for capital improvements and equipment with an expected life of greater than 10 years.

Debt: Establish guidelines for debt financing that will provide capital equipment and infrastructure improvements while minimizing the impact of principal and interest payments on current revenues.

- A. Use of Debt Financing: Debt financing, including general obligation bonds, revenue bonds, certificates of obligation, tax notes, and lease/purchase agreements shall be used only when capital assets cannot be financed from current revenues or when the useful life of the asset or project exceeds the payout schedule of any debt.

Appendix E—Financial Policies

- B. **Assumption of Additional Debt:** Additional tax supported debt should not be assumed without conducting an analysis to determine the community's ability to support additional debt service payments.
- C. **Affordability Targets:** An objective analytical approach should be used to determine whether or not new general-purpose debt can be assumed beyond what is retired each year. Generally accepted standards of affordability should be used in the analysis. These include debt per capita, debt as a percent of taxable value or revenue source, debt service payments as a percent of current revenues and current expenditures, and the level of overlapping net debt of all local taxing jurisdictions. The direct costs and benefits of the proposed expenditures should be examined. The decision to assume new debt should be based on the costs and benefits plus the ability to assume the new debt without detriment to the City or its citizens.
- D. **Debt Structure:** Debt payments should be structured to ensure level repayment. Level payment schedules improve budget planning and financial management.
- E. **Bond Coverage Ratios and Reserves:** Bond covenant requirements shall be followed completely.
- F. **Competitive v. Negotiated:** The City will analyze on a per issue and market basis the desire to utilize competitive versus negotiated sale of bonds.

Budget: An annual strategic planning session at the start of the budget process in the early spring should occur. The City Manager shall prepare and submit to the governing body, prior to the beginning of each fiscal year, a budget of estimated income and proposed expenditures for the ensuing year, showing in as much detail as practicable the estimated amount required for the efficient operation of each department of the city government under his/her supervision and the reason for such estimated expenditures and be responsible for its administration after adoption. The submitted budget shall be a balanced budget with operating current revenues, exclusive of beginning resources, greater than or equal to operating expense / expenditures with consideration of previously stated use of one-time / unpredictable revenues, use of available fund balances, and the inclusion of sufficient fund balances as stated.

Investments: Invest the City's operating cash to ensure its safety, provide for necessary liquidity, insure public trust, and optimize yield. Funds of the City should be invested in accordance with the City of Weatherford Investment Policy, which is under a separate cover, so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City, insure public trust, and to optimize yield. Interest earned from investments shall be distributed to the operating and other City funds from which the money was provided.

Fiscal Monitoring: Prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

- A. **Financial Status and Performance Reports:** Monthly reports showing the cumulative income and expenditures of each department for the preceding months, and a comparison of such monthly expenditures by department with the monthly allowances made for such departments in the annual budget and outlining any remedial actions necessary to maintain the City's financial position shall be prepared for review by the City Manager and the City Council.

Financial Consultants: With available resources, employ the assistance of qualified financial advisors and consultants, as needed, in the management and administration of the City's financial functions. These areas include but are not limited to investments, debt administration, financial accounting systems, program evaluations and financial impact modeling. Advisors should be selected on a competitive basis using objective questionnaires and requests for proposals based on the scope of the work to be performed.

Accounting, Auditing and Financial Reporting: Comply with prevailing federal, state and local regulations. Conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

- A. External auditor rotation is not required but the City should circulate requests for proposals for audit services at least every five years.

Appendix E—Financial Policies

B. Internal auditing should be performed as necessary, as risks warrant, and expanded as resources permit.

Internal Controls: Provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition. At all times the City shall maintain an environment conducive to good internal controls. Each Department Manager is responsible to ensure that good internal controls are followed throughout his/her department, that any and all guidelines on accounting and internal controls are implemented, and that all auditor recommendations are addressed.

Appendix F—Budget Ordinance

Budget Ordinance

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016 AND MAKING APPROPRIATIONS FOR THE SEVERAL DEPARTMENTS FOR SAID YEAR IN ACCORDANCE WITH THE CHARTER AND ORDINANCES OF THE CITY OF WEATHERFORD, TEXAS, AND THE LAWS OF THE STATE OF TEXAS; REPEALING ALL RESOLUTIONS IN CONFLICT; AND PROVIDING A SAVINGS CLAUSE.

WHEREAS, the Board of Trustees finds that all provisions pertaining to the adoption of a budget contained in the City Charter and Ordinances of said City, and the laws of the State have been in all things complied with, and

WHEREAS, after full and final consideration, the Board of Trustees is of the opinion that the revised budget should be approved and adopted, and that appropriations for the several departments for said fiscal year should be amended as proposed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WEATHERFORD MUNICIPAL UTILITY SYSTEM OF THE CITY OF WEATHERFORD, TEXAS:

Section 1: That the budget estimate of the revenue of the Municipal Utility System of the City of Weatherford, Texas, and the expenses of conducting the affairs thereof for the fiscal year ending September 30, 2016 as submitted to the Board of Trustees by the Manager of said Municipal Utility System, be, and the same is, in all things adopted and approved as the budget estimate of all current expenses and fixed charges against said Municipal Utility System City for the fiscal year ending September 30, 2016.

Section 2: That there be, and hereby are appropriated the following sums of money for each of the designated departments, purposes, and uses for the current year ending September 30, 2016, being within and as provided in said budget, to-wit:

Utilities Fund	Adopted (\$)
Electric	
Administration	237,831
Fiber	179,400
Distribution	6,350,245
Production	11,850
Warehouse	444,353
Non Departmental	<u>26,603,064</u>
Total	33,826,743
Water	
Administration	436,315
Maintenance	1,115,710
Rehabilitation	403,950
Engineering	311,142
Treatment Plant	2,699,846
Non Departmental	<u>8,210,215</u>
Total	13,177,177

Utilities Fund

Wastewater	
Administration	406,226
Maintenance	968,334
Rehabilitation	412,950
Engineering	311,142
Treatment Plant	938,343
Non Departmental	<u>2,396,864</u>
Total	5,433,860

Total Utilities Fund **52,437,780**

Customer Services Fund

Customer Services	<u>1,185,955</u>
Total Customer Services Fund	1,185,955

Water/Wastewater/Electric Capital

Adopted (\$)

Electric AMI	-
Water AMI	-
Electric Capital	-
Water Capital	1,700,000
Wastewater Capital	<u>300,000</u>
Total Utilities Capital Funds	2,000,000

for the reasonable and proper expenditures of so much of each of said sum as aforesaid itemized, not in excess of the amounts designated, as may be necessary for the operation of said Departments, purposes and uses, by the persons and in the manner provided and authorized by law.

The above and foregoing resolution was passed, approved and adopted by the Board of Trustees of the Weatherford Municipal Utility System of the City of Weatherford, Texas, by the following vote: Ayes_____, Nays_____ at a meeting of the Board held on the 24th day of September.

Dennis Hooks, Mayor and Chairperson

ATTEST:

Malinda Nowell, City Secretary

APPROVED AS TO FORM:

Ed Zellers, City Attorney