CITY COUNCIL

Debbie Holland, Mayor
Anne Cano, Place 1
Tom Hines, Place 2
Ronnie Quintanilla-Perez, Place 3
Michael J. Smith, Place 4, Mayor Pro-tem
Lucio Valdez, Place 5
Max V. Yeste, Place 6

AGENDA

1. CALL SESSION TO ORDER

2. ROLL CALL

3. INVOCATION

4. PLEDGE OF ALLEGIANCE

5. PUBLIC COMMENT:
   5A. Remarks from visitors. (Three-minute time limit)

6. CONSENT AGENDA ITEMS:
   All items listed on the consent agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Council member in which event, the item will be removed from the consent agenda and considered as a regular agenda item.

   6A. Consideration and possible action on the second and final reading of an ordinance amending the City of Hutto fee schedule concerning Article A5.000 Utilities.

   6B. Consideration and possible action on the meeting minutes for the August 20, 2015 City Council Regular Meeting and the August 27, 2015 City Council Work Session.
7. **ORDINANCES:**

7A. Consideration and possible action on the first reading of an ordinance amending Chapter 2: Administration and Personnel; Article 2.03: Personnel; Section 2.03.002: Employee Policies and Procedures of the City of Hutto 2014 Code of Ordinances.

7B. Consideration and possible action on the second and final reading of an ordinance making appropriations for the support of the City of Hutto for the Fiscal Year October 1, 2015 through September 30, 2016, and adopting the annual budget of the City of Hutto for Fiscal Year 2015-16.

7C. Consideration and possible action on the second and final reading of an ordinance levying Ad Valorem taxes for the use and support of the municipal government for the City of Hutto for the Tax Year 2015.

7D. Consideration and possible action on the second and final reading of an ordinance ratifying an Ad Valorem tax increase for the 2015-16 Fiscal Year for the use and support of the municipal government for the City of Hutto for the Tax Year 2015.

8. **RESOLUTIONS:**

8A. Consideration and possible action on a resolution concerning the update of the 2035 Strategic Guide.

9. **EXECUTIVE SESSION:**

9A. Executive Session as authorized by §551.074, Texas Government Code, related to the discussion, deliberation, and/or negotiations regarding the semi-annual performance evaluation of the City Manager.

10. **ADJOURNMENT**

The City Council for the City of Hutto reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by the Texas Government Code Sections 551.071 [Litigation/Consultation with Attorney], 551.072 [Deliberations regarding real property], 551.073 [Deliberations regarding gifts and donations], 551.074 [Deliberations regarding personnel matters] or 551.076 [Deliberations regarding deployment/implementation of security personnel or devices] and 551.087 [Deliberations regarding Economic Development negotiations].

**CERTIFICATION**

I certify that this notice of the September 17, 2015 Hutto City Council meeting was posted on the City Hall bulletin board of the City of Hutto on Friday, the 9th day of September 2015 at 3:45pm.
The City of Hutto is committed to comply with the American with Disabilities Act. The Hutto City Council Chamber is wheelchair accessible. Request for reasonable special communications or accommodations must be made 48 hours prior to the meeting. Please contact the City Secretary at (512) 759-4033 or seth.gipson@hutto.tx.gov for assistance.
AGENDA ITEM NO.: 6A. AGENDA DATE: September 17, 2015

PRESENTED BY: Melanie Hudson, Director of Finance

ITEM: Consideration and possible action on the second and final reading of an ordinance amending the City of Hutto fee schedule concerning Article A5.000 Utilities.

STRATEGIC GUIDE POLICY: Fiscal and Budgetary

ITEM BACKGROUND:
Proposed changes to the amended fee schedule (Exhibit A):

Article A5.000 Utilities

The City of Hutto conducted a utility rate study in 2012 with HDR Engineering, Inc. Based on the recommendations generated by the rate study, water rates were increased 15% in May 2013. The rate model was updated in July 2014 to reflect actual growth, consumption expenditures, which resulted in Council approving a 5% water rate increase for FY 2015. After updating the rate model in July 2015, staff presented rate adjustment options to City Council during the FY 2016 budget worksession.

At the direction of City Council, the following is the proposed new rate structure effective October 1, 2015, reflecting a 5% increase for both water and wastewater rates:

Water
<table>
<thead>
<tr>
<th>Minimum Monthly Charge (Demand)</th>
<th>Meter Size</th>
<th>5/8' &amp; 3/4' meter</th>
<th>$23.87</th>
<th>$27.45</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1' meter</td>
<td>$35.82</td>
<td>$41.18</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1-1/2' meter</td>
<td>$59.69</td>
<td>$68.64</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2' meter</td>
<td>$119.38</td>
<td>$137.29</td>
<td></td>
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<tr>
<td></td>
<td>3' meter</td>
<td>$191.02</td>
<td>$219.67</td>
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<tr>
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<td>4' meter</td>
<td>$382.01</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>6' meter</td>
<td>$596.90</td>
<td>$686.44</td>
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<tr>
<td></td>
<td>8' meter</td>
<td>$1,193.81</td>
<td>$1,372.88</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Volume Rate (per 1,000 gallons)</th>
<th>Single-Family Residential</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly use between:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0 to 5,000 gals</td>
<td>$7.33</td>
<td>$8.43</td>
</tr>
<tr>
<td></td>
<td>5,001 to 12,000 gals</td>
<td>$8.03</td>
<td>$9.24</td>
</tr>
<tr>
<td></td>
<td>12,001 to 25,000 gals</td>
<td>$8.34</td>
<td>$9.58</td>
</tr>
<tr>
<td></td>
<td>25,001 gals or more</td>
<td>$9.16</td>
<td>$10.53</td>
</tr>
</tbody>
</table>

|                                | Non-residential, all        | $8.03 | $9.24 |
|                                | consumption                 |       |       |
|                                | Irrigation, all consumption  | $8.34 | $9.58 |
|                                | Construction, all consumption| $8.34 | $9.58 |

**Wastewater**
The first customer bill fully reflecting the new rate structure would be generated in November 2015. The rate change would result in a combined $5.53 increase ($3.64 water and $1.89 wastewater) in the average monthly residential bill, based on 7,000 gallons consumption.

### Minimum Monthly Charge (Demand)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>5/8' &amp; 3/4' meter</th>
<th>1' meter</th>
<th>1-1/2' meter</th>
<th>2' meter</th>
<th>3' meter</th>
<th>4' meter</th>
<th>6' meter</th>
<th>8' meter</th>
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<tr>
<td></td>
<td>$17.61</td>
<td>$20.25</td>
<td>$44.03</td>
<td>$88.04</td>
<td>$140.87</td>
<td>$281.75</td>
<td>$440.23</td>
<td>$880.46</td>
</tr>
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</table>

### Volume Rate (per 1,000 gallons)

<table>
<thead>
<tr>
<th></th>
<th>Residential*</th>
<th>Non-residential**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4.40</td>
<td>$5.06</td>
</tr>
<tr>
<td></td>
<td>$5.06</td>
<td>$5.82</td>
</tr>
</tbody>
</table>

### Monthly Rate (volume and demand)

| Flat Rate Customers | $42.00            | $48.30            |

The first customer bill fully reflecting the new rate structure would be generated in November 2015. The rate change would result in a combined $5.53 increase ($3.64 water and $1.89 wastewater) in the average monthly residential bill, based on 7,000 gallons consumption.

**BUDGETARY AND FINANCIAL SUMMARY:**
The water rate model estimates that a rate increase of 5% to water and wastewater rates will provide approximately $388,000 of additional utility fund revenue in FY 2016. This will assist with the increased payment schedule to Heart of Texas, as well as debt service for the Hutto South Wastewater Treatment Plant.

**RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS:**
None.

**CITY ATTORNEY REVIEW:**
Not applicable.

**STAFF RECOMMENDATION:**
Staff recommends approval of the second reading of the ordinance amending the City of Hutto's fee schedule.
SUPPORTING MATERIAL:
1. Ordinance Amending Fee Schedule
2. Exhibit A - Amended Fee Schedule
3. Exhibit B - Redlined Changes to Fee Schedule
ORDINANCE NO. ____________

AN ORDINANCE PRESCRIBING CERTAIN FEES FOR THE CITY HUTTO, AMENDING ALL APPLICABLE ORDINANCES AND OTHER INSTRUMENTS; PROVIDING FOR A SCHEDULE OF FEES AND CHARGES; PROVIDING A PUBLICATION CLAUSE; AND PROVIDING AN OPEN MEETINGS CLAUSE.

WHEREAS, a review has been made by the City Staff covering rates, fees and charges of the City of Hutto for certain services rendered or provided by the City of Hutto; and

WHEREAS, it is deemed advantageous to set out all of said rates, fees and charges in one ordinance for the convenience of the City of Hutto, its employees and the citizens of Hutto and the public in general; and

WHEREAS, it is the purpose and intent of this ordinance to adopt rate schedules, fees and charges for such utilities and services provided by the City of Hutto; and

WHEREAS, it is recognized that the existing ordinances covering the various rates, fees and charges are numerous and it is the purpose and intent of this ordinance to amend all of said prior ordinance so as to set forth the rate and fee schedules as provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION 1.0 Exhibit “A” which is attached to this Ordinance as a reference and is incorporated into this Ordinance as presented, lists each of the specific fees and charges authorized by the City Council.

SECTION 2.0 All fees and charges specified in Exhibit “A” shall be in effect as of October 1, 2015, unless otherwise noted in Exhibit “A”.

SECTION 3.0 All ordinances heretofore adopted by this City covering the fees and charges as set forth in the ordinance be and each of said ordinances is hereby amended so as to incorporate therein the applicable fees as set forth and contained in Exhibit “A” of this ordinance.

SECTION 4.0 If any sentence, phrase, paragraph or other part of this ordinance should be held to be invalid by a court of competent jurisdiction such holding of invalidity shall not effect the remainder of this ordinance and all portions of this ordinance not held to be invalid shall continue and remain in full force and effect.

SECTION 5.0 All other terms and conditions contained in the amended ordinances, except as amended herein and hereby shall continue and remain in full force and effect.

SECTION 6.0 Publication. The City Secretary of the City of Hutto, Texas is hereby authorized and directed to publish the caption of this ordinance in the manner and for the length of time prescribed by law.
SECTION 7.0  Open Meetings Clause. The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

READ and APPROVED on first reading on this the 3rd day of September, 2015, at a regular meeting of the City Council of the City of Hutto, Texas.

READ, APPROVED and ADOPTED on second and final reading on this the 17th day of September, 2015, at a regular meeting of the City Council of the City of Hutto, Texas.

CITY OF HUTTO, TEXAS

By: ____________________________
    Debbie Holland, Mayor
    Date Signed: __________________

ATTEST:

By: ____________________________  SEAL
    Seth Gipson, City Secretary
# EXHIBIT “A”

## FEE SCHEDULE

### OCTOBER 1, 2015

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1.000</td>
<td>Development Services, Engineering and Construction</td>
<td>A-3</td>
</tr>
<tr>
<td>A2.000</td>
<td>Public Safety</td>
<td>A-9</td>
</tr>
<tr>
<td>A3.000</td>
<td>Public Works</td>
<td>A-10</td>
</tr>
<tr>
<td>A4.000</td>
<td>Public Facility Rentals</td>
<td>A-11</td>
</tr>
<tr>
<td>A5.000</td>
<td>Utilities</td>
<td>A-13</td>
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<tr>
<td>A6.000</td>
<td>Business</td>
<td>A-19</td>
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<tr>
<td>A7.000</td>
<td>Library</td>
<td>A-19</td>
</tr>
<tr>
<td>A8.000</td>
<td>Miscellaneous</td>
<td>A-20</td>
</tr>
</tbody>
</table>
ARTICLE A1.000 DEVELOPMENT SERVICES, ENGINEERING AND CONSTRUCTION

(a) Zoning fees.

(1) Temporary use permits: $300.00.

(2) Zoning change: $500.00 up to 5 acres. $100.00 for each additional 5 acres.

(3) Planned unit developments (PUD): $1,750.00 up to 20 acres. $100.00 for each additional 5 acres.

(4) Zoning variance: $175.00.

(5) Development Agreements: $750.00.

(6) SmartCode Submittal: $500.00 up to 80 acres. $100.00 for each additional 5 acres.

(7) Annexation (voluntary); $500.00

(8) Specific use permit: $300.00.

(9) Zoning verification letter: $25.00.**

(10) Warrant (Historic District only): $25.00.**

(11) Traffic Impact Analysis: $200.00 + Engineer Review Fees at $150 per hour (rate will be higher if the City is billed at a higher rate).**

(12) Technology Fee: $25.00 except where indicated by **.

*Notices—Written notice of each public hearing before the Planning and Zoning Commission on a proposed change in a zoning classification or a specific use permit shall be sent to each owner, as indicated by the most recently approved municipal tax roll, of real property within a 200-foot radius of the affected area. All application fees include the initial notification fees. However, subsequent notifications will be charged to the applicant prior to making each additional notice at the rate of $5 per notice. For large scale projects with over 50 mailed notices, an additional fee of $1.00 per letter shall be charged for each mailing.

(b) Appeals.

(1) Administrative Appeal (Zoning Board of Adjustment): $500.00.**

(2) All other Appeals (City Council): $25.00.**

(c) Subdivision fees.

(1) Development assessment review: $1,100.00.

(2) Major subdivision preliminary plat: $1,550.00 plus $25.00 per lot; plus $20.00 per acre of right-of-way.

(3) Major subdivision final plat: $1,000.00 plus $25.00 per lot; plus $20.00 per acre of right-of-way.
(4) Plat vacation: $400.00.

(5) Amended plat of subdivision: $500.00 plus $25.00 per lot.

(6) Major/Minor plat recordation processing fee: $50 plus Williamson County plant recordation fees.**

(7) Minor/short form final plat: $500.00.

(8) Right of Way vacation/abandonment/license to encroach (public utility, right-of-way and drainage easement): $250.00* Requires amendment plat.

(9) GIS Fee: $25.00.**

(10) Subdivision public improvements/construction inspection fee: 3% of cost of public improvements.**

(11) Plan extension request (1 year extension): $150.00.**

(12) Subdivision public improvements/construction plan review: $100.00/acre.

(13) Legal lot determination: $25.00.**

(14) Subdivision variance: $175.00.

(15) Traffic Impact Analysis: $200.00 + Engineer Review Fees at $150 per hour (rate will be higher if the City is billed at a higher rate).**

(16) Technology Fee: $25.00 except where indicated by **.

(d) Development fees.

(1) Parkland development fee:

   (A) Residential: $500.00 per unit.

   (B) Non-residential: $800.00 (minimum); $800.00 per acre for 3 or more acres.

(2) Parkland fee-in-lieu of land dedication fees:

   (A) Residential:

       Single-Family: $300.00 per unit

       Multi-Family: $175.00 per unit

(e) Site plan fees.

(1) Site plan review fee: $1,000.00 plus $100.00 per acre. A resubmittal fee of $250 will be required for submittals received more than 45 days after comments were sent or after the third submittal for the project.

   (A) Technology fee: $25.00.
(2) Site Inspection fee: $200.00 plus $0.05/sq. ft. for impervious cover.

(3) Site inspection fee (public improvements only): 3% of cost of public improvements

(4) Minor deviations/design modifications: $200.00 plus $0.05/sq. ft. for impervious cover.

(5) Fire review fees shall be established by the Williamson County Emergency Services District No. 3.

(6) Right-of-way construction application fee:
   (A) $50.00 (driveway/flatwork/sidewalk/curb cut).
   (B) $50.00 (public improvements required).
   (C) Technology Fee: $5.00.

(7) Right-of-way construction inspection fee:
   (A) $25.00 (driveway/flatwork/sidewalk/curb cut).
   (B) 3% of cost of public improvements (public improvements required).

(f) Building plan review fees:

   (1) Residential: $25 per dwelling. Required for all new residential construction and residential addition permits.

   (2) Commercial: 65% of Commercial permit fee. Required for all new commercial construction and commercial addition permits.

   (3) Certificate of appropriateness (Historic District only): $25.00.

(g) Building permit fees. Fees for building permits double if work on the project begins prior to issuance of the permit. All permit fees are to be paid in advance by the licensed party who applies for the permit. Building Valuation is determined by the International Code Council (ICC) Building Valuation Data Table (BVD). This calculation takes the total square feet of a structure multiplied by the amount found on the BVD table for the Building Group and Construction Type.

   (1) New Residential/New Commercial/Residential Addition/Commercial Addition/Commercial Remodel permit fees: Includes required inspections, re-inspections are an additional fee.

<table>
<thead>
<tr>
<th>Estimated Valuation</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.00 to $5,000.00</td>
<td>$25</td>
</tr>
<tr>
<td>$5,001.00 to $10,000.00</td>
<td>$76.92</td>
</tr>
<tr>
<td>$10,001.00 to $25,000.00</td>
<td>$99.69 for the first $10,000 plus $7.70 for each additional $1,000</td>
</tr>
<tr>
<td>$25,001.00 to $50,000</td>
<td>$215.19 for the first $25,000 plus $5.56 for each additional $1,000</td>
</tr>
<tr>
<td>Value Range</td>
<td>Fee Structure</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>$50,001.00 to $100,000.00</td>
<td>$354.19 for the first $50,000 plus $3.85 for each additional $1,000</td>
</tr>
<tr>
<td>$100,001.00 to $500,000.00</td>
<td>$546.69 for the first $100,000 plus $3.08 for each additional $1,000</td>
</tr>
<tr>
<td>$500,001.00 to $1,000,000.00</td>
<td>$1,778.69 for the first $500,000 plus $2.62 for each additional $1,000</td>
</tr>
<tr>
<td>$1,000,001.00 and up</td>
<td>$3,088.69 for the first $1,000,000 plus $1.74 for each additional $1,000</td>
</tr>
</tbody>
</table>

(A) Re-inspections: $50 each.

(B) Technology fee

(1) Residential building permit: $10.00

(2) Commercial building permit: $20.00

(2) Miscellaneous permits/inspections by type.

(A) Technology fee: $5.00 for all miscellaneous permits, except where indicated by **.

(B) Move-in permit fee (modular structure): $100.00.

(C) Demolition:

(1) Residential: $25.00.

(2) Commercial: $100.00.

(D) Storage building (over 200 square feet); Water Softener; Water Heater; Irrigation; Spas; Hot Tubs; HVAC; Pool; Solar Panel; Wind Turbine; Patio; Deck permit: $25.00; plus required inspection(s) fees. Re-inspections are an additional fee.

(E) Fire safety inspection for commercial buildings is set by Williamson County Emergency Services District No. 3.

(F) Tree removal permit**

(1) Undeveloped or redevelopment site:

(i) Trees with a DBH of at least 6”, regardless of health: Permit required; no fee.

(ii) Nuisance, diseased, dangerous or dead trees: No permit required; no fee.

(2) Developed site:

(i) Trees with a DBH of at least 2.5”, regardless of health: Permit required; no fee.
(ii) Nuisance, diseased, dangerous or dead trees: No permit required; no fee.

(G) HUD-code manufactured home fees.

(1) Permit application fee: $100.00. (2004 Code, sec. 3.902)

(2) License application or renewal fees: $50.00.

(3) License transfer fee: $50.00.

(2004 Code, sec. 3.903)

(H) Sign permits.

(1) Regular signs (on buildings or freestanding).

(i) Signs meeting code requirements, fee due upon application: $5.00 per sq. foot of facing.

(ii) Sign master plan application fee: $100.00.

(2) Signs requiring variances.

(i) Processing fee: $50.00.

(ii) If variance approved: $10.00 per square foot of facing.

(iii) If variance approved for sign master plan: $5.00 per square foot of facing.

(3) Temporary signs.

(i) Temporary Commercial Signage, per sign: $30.00.

(i) A-Frame Sign: $30.00 (1 year).

(iii) Public Information Sign: Permit required; no fee.**

(iv) Political sign: No permit required; no fee.**

(I) Certificate of Occupancy (change of commercial tenant or ownership): $50.00.

(J) Temporary Certificate of Occupancy: $100.00 per issuance.

(K) Occupation of a structure prior to issuance of a Certificate of Occupancy: $100.00 per day of occupancy prior to issuance of a Certificate of Occupancy.

(L) Temporary job/construction trailer: $30.00.

(M) Remodel-Residential: $25.00 plus required inspection(s) fees. Re-Inspections are an additional fee. (No Plan Review fee required)
N) Inspection for habitable dwelling. Building or home 5 years or older: $25.00.

O) All inspections and re-inspections not listed above: $50.00 each.**

(h) Map and Plan Documents.

1) Printed map products.

A) Black and white or color map.
   i) 8.5" x 11": $2.00.
   ii) 11" x 17": $4.00.
   iii) 34" x 48": $15.00.

B) Map tube: $2.00.

C) Postage: $4.00 depending on additional postage fees.

D) 2-day request: $20.00.

E) As-built plans (24" x 36"): $3.00.

2) GIS/CD/e-mail products.

A) PDF file: No fee.

B) JPG file: No fee.

C) CD: $2.00.

D) DVD: $2.50.

E) Postage: $4.00 depending on additional postage fees.

F) Shape file.
   i) Each layer: $25.00.
   ii) Parcel layer: $50.00.

G) Aerial.
   i) Individual panels (per panel): $25.00.
   ii) All panels: $750.00.

H) As-built plans (electronic): No fee.

3) GIS custom maps: GIS is not authorized to prepare custom maps. However, should the preparation of a custom map be authorized by the Planning Director, the customer will be charged on a per hour basis. $75 for the first hour, $35 for each additional hour.
ARTICLE A2.000 PUBLIC SAFETY

(a) Police.

(1) Fingerprinting service, per set (voluntary fingerprinting of children is at no charge): $10.00.

(2) Accident reports, per report: $6.00.

(3) Hourly rate for police unit (vehicle) on security detail, per hour: $15.00.


(5) Business alarm permits (annual fee): $50.00.

(6) Residential alarm permits (annual fee): $25.00.

(b) Animal control. Ordinance 10-003-00. All fees set forth shall apply as adopted by the Williamson County Commissioner’s Court for the Regional Animal Shelter, as amended.

(1) Dog registration for sterilized animal, per tag: $5.00.

(2) Dog registration for unsterilized animal, per tag: $10.00.

(3) Impoundment fee, registered: $30.00.

(4) Impoundment fee, unregistered: $60.00.

(5) Return charge for loose livestock that are picked up, per occurrence: $65.00.

(6) Holding fee, per day: $10.00.

(7) Rabies vaccination, per animal: $15.00.

(8) Pick up deceased owner animal, per animal: $25.00.

(9) Fee for dropping off animal - owner surrender, per occurrence: $25.00.

(10) Additional drop-off fee with litter, per occurrence: $25.00.

(c) Traffic fines. The municipal judge has discretion to charge the maximum fee per state law depending on the violation. In addition to traffic fines, a person convicted of a misdemeanor shall pay court cost mandated by the state. Other fines charged are established in the Code of Ordinances and state law.

(1) Maximum fines. The maximum fine for most municipal court cases is as follows:

(A) Traffic Violations: $200

(i) $200 fines for traffic violations may be doubled for offenses in a construction or maintenance work zone when workers are present and if the construction or maintenance work zone is marked by a sign indicating construction or maintenance work zone.
(ii) Additional fee applies if speeding in a school zone.

(B) Penal Violations: $500

d) City Ordinances. As stated in Chapter 1, Section 1.01.009 of the Code, the City Council may establish the following penalties:

(1) A fine up to $2,000 in all cases arising under the ordinances, resolutions, rules or orders that govern: fire safety, zoning, public health and sanitation (including dumping of refuse); and

(2) A fine up to $500 for all other city violations.

e) Unlawful Passing of School Buses. Unlawfully passing a school bus is punishable by a fine of $500–$1250 for first offense, or $1,000–$2,000 for second or subsequent offense.

f) Failure to Maintain Motor Vehicle Liability Insurance. Conviction of this offense is a misdemeanor punishable by a fine of not less than $175 or more than $350; if a person has been previously convicted of this offense, it is punishable by fine of not less than $350 or more than $1000.

g) Parked in Handicap Zone. Conviction of this offense is a misdemeanor punishable by a fine of not less than $500 or more than $750; if a person has been previously convicted of this offense, it is punishable by fine of not less than $550 or more than $800; and if that person has been convicted three times of this offense, a fine of not less than $800 or more than $1100.

h) Time Payment Fee (Chapter 51 of Government Code Sec. 51.921). Municipal Court shall collect a fee of $25.00 from a person who has been convicted, pays any part of a fine, court cost or restitution on or after the 31st day after the date Judgment is entered.

(i) Photographic traffic enforcement system.

(1) Civil penalty: $75.00.

(2) Late payment fee: $25.00.

(3) Payment by credit or debit card: 2% of the total payment.

(Ordinance 06-012-01 adopted 6/19/08)

(j) Food sanitation fees (25 Texas Administrative Code Sec. 229.161-171, 229.173-175) Fees under this subsection are to be reviewed and regulated by the Williamson County and Cities Health District.

ARTICLE A3.000 PUBLIC WORKS

(a) Solid waste collection. The proposed rates would take effect December 1, 2008, if current provider contract is renewed. Includes $1.10 adjustable fuel surcharge

(1) Residential customers. Collected by city on monthly utility bill. Pickup once per week.

<table>
<thead>
<tr>
<th>Container Size or Number</th>
<th>Base Rate (includes billing)</th>
<th>Fees (effective 02/01/2012)</th>
<th>Total Monthly Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fuel Surcharge</td>
<td>Street Maint.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


(2) **Commercial customers with a cart.** Collected by city on monthly utility bill. Pickup once per week.

<table>
<thead>
<tr>
<th>Container Size or Number</th>
<th>Base Rate (includes billing)</th>
<th>Fuel Surcharge</th>
<th>Street Maint.</th>
<th>+ Sales tax (8.25%)</th>
<th>Recycle Cart</th>
<th>Total Monthly Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single 96-gallon cart</td>
<td>$21.63</td>
<td>$0.50</td>
<td>$1.37</td>
<td>$2.00</td>
<td>$0.75</td>
<td>$26.25</td>
</tr>
<tr>
<td>Each additional cart</td>
<td>$21.63</td>
<td>$0.50</td>
<td>$1.37</td>
<td>$2.00</td>
<td>$0.75</td>
<td>$26.25</td>
</tr>
</tbody>
</table>

(b) **Assessments.** Lot cleanup: Actual cost plus $100.00 administrative fee.

*(Ordinance 08-026-00 adopted 10/2/08)*

**ARTICLE A4.000 PUBLIC FACILITY RENTALS**

(a) **Facilities and equipment rental.** Rental procedures and forms will be set and made available through the Parks and Recreation department. Fees for facilities and equipment are set below.

(1) **Facilities.** Resident and non-resident individuals, clubs, organizations, or businesses may rent parks and recreation facilities, when available, for a fee per function as follows:

(A) **Pavilions:**

<table>
<thead>
<tr>
<th>City Park</th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full (120' x 60')</td>
<td>$100.00</td>
<td>$125.00</td>
</tr>
<tr>
<td>Half (60' x 30')</td>
<td>$50.00</td>
<td>$75.00</td>
</tr>
<tr>
<td>Neighborhood parks (18' x 36')</td>
<td>$25.00</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

(B) **Saul House Recreation Site:**

<table>
<thead>
<tr>
<th>Home Site/Meeting Facility (4 hours)</th>
<th>$200.00</th>
<th>$225.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Hours</td>
<td>$20/hour</td>
<td>$25/hour</td>
</tr>
</tbody>
</table>
A $100.00 deposit shall be required to rent the above listed facilities. Upon inspection and determination that facilities have not been damaged and clean up costs have not been incurred, the deposit shall be refunded.

(D) Hutto Gin

<table>
<thead>
<tr>
<th></th>
<th>Residents</th>
<th>Nonresidents</th>
<th>Local Non-profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Day (4+ hours)</strong></td>
<td>$500.00/day</td>
<td>$600.00/day</td>
<td>$300.00/day</td>
</tr>
<tr>
<td><strong>Half Day (1-3 hours)</strong></td>
<td>$100.00/hour</td>
<td>$200.00/hour</td>
<td>$50.00/hour</td>
</tr>
<tr>
<td><strong>Security Deposit</strong></td>
<td>$250.00</td>
<td>$350.00</td>
<td>$250.00</td>
</tr>
</tbody>
</table>

Upon inspection and determination that facilities have not been damaged and clean up costs have not been incurred, the deposit shall be refunded.

(2) **Equipment.**

<table>
<thead>
<tr>
<th></th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(A) Recreation kit</strong></td>
<td>$25.00</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

(3) **Athletic field rental rates.**

(A) **Deposit fees for all athletic field rentals:**

<table>
<thead>
<tr>
<th></th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bases/field markers, per field</td>
<td>$150.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Keys, per set</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Litter damage, per complex</td>
<td>$150.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Concession stand, per day</td>
<td>$25.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Light fees, per hour</td>
<td>$20.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Press Box</td>
<td>$25.00</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

(B) **Athletic rental fee schedule.**

(i) **Tournaments.**

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Residents - HISD</th>
<th>Nonresidents - Non-HISD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult tournaments, per field per day</td>
<td>$50.00</td>
<td>$75.00</td>
</tr>
<tr>
<td>Youth tournaments, per field per day</td>
<td>$25.00</td>
<td>$50.00</td>
</tr>
</tbody>
</table>
School tournaments, per field per day $25.00 $75.00

(ii) **Camps, clinics and practices.**

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports camps/clinics, per field per day</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult</td>
<td>$100.00</td>
<td>$125.00</td>
</tr>
<tr>
<td>Youth</td>
<td>$50.00</td>
<td>$75.00</td>
</tr>
<tr>
<td>Light fee</td>
<td>$20.00/hr.</td>
<td>$20.00/hr.</td>
</tr>
</tbody>
</table>

Practice field rental, per hour

<table>
<thead>
<tr>
<th>Rental Type</th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult</td>
<td>$20.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Youth</td>
<td>$20.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Light fee</td>
<td>$20.00/hr.</td>
<td>$20.00/hr.</td>
</tr>
</tbody>
</table>

(if available)

(iii) **PARD Staff Fee:** $25 per hour per staff member (if Parks and Recreation Staff is required to be available during use.)

(b) **Youth sports association facility fees.**

(1) All youth associations will be required to pay no less than a five dollar ($5.00) non-resident fee per season for each non-resident child in the association.

(2) All youth associations may be subject to a minimum individual player fee for each participant for each season of play. This fee may be no less than $1.00 per participant.

c) **Recreation program fees.**

(1) All recreation program fees are set by the director of parks and recreation and approved by the city manager on a case-by-case basis. Nonresidents shall pay a $5.00 surcharge per class or special event.

(2) All youth associations will be required to pay no less than a $5.00 non-resident fee per season for each non-resident child in the association.

*(Ordinance 08-026-00 adopted 10/2/08)*

**ARTICLE A5.000 UTILITIES**

(a) **Deposits for all water and wastewater accounts per connection.** If average monthly consumption is found to be in excess of the minimum, the customer may be assessed an additional deposit as determined by the city manager.

(1) **Water and wastewater, per customer:**

(A) Good payment history: $0.* Deposit may be waived with letter of good credit (Sec. 13.02.037) or through credit check.
(B) Average payment history: $150.**

(C) Poor payment history: $250.**

*$150 deposit will be charged for any customer without a deposit who is disconnected for non-payment.

** An additional $50 deposit will be charged to customers disconnected for non-payment.

*** Final determination of credit history to be made by the City Utility Billing Supervisor.

(2) Wastewater only:

(A) Good payment history: $0* Deposit may be waived with letter of good credit (Sec. 13.02.037) or through credit check.

(B) Average payment history: $100**

(C) Poor payment history: $200**

** An additional $50 deposit will be charged to customers disconnected for non-payment.

*** Final determination of credit history to be made by the City Utility Billing Supervisor.

(3) Non-residential:

Non-residential deposits are outlined in Article 13, Section 13.02.037 in the Code of Ordinances. The minimum non-residential deposit is equal to the residential deposit.

(4) Temporary meters, per meter: $1,500.00.

(b) Connection fees.

(1) Water:

(A) 5/8" and 3/4" meter: $600.00;

(B) 1" meter: $750.00;

(C) 1-1/2" meter: $900.00;

(D) 2" meters: $1,100.00;

(E) Above 2" meters: Actual meter costs plus $300.00.

(2) Wastewater:

(A) Up to 8" connection: $750.00 inside city; $300.00 developer installed.

(B) Above 8" meters: Actual materials and labor costs plus $500.00; $300.00 developer installed.
(c) **Other service charges.**

(1) New account charge/transfer account charge: $35.00.

(2) Disconnection/reconnection fee due to nonpayment: $50.00. (Jonah and Manville customers will be assessed an additional $50 fee).

(3) After-hours connection fee/reconnection fee: $50.00 in addition to above.

(4) Meter reread charge: $25.00.

(5) Tampering with a locking device: $250.00.

(d) **Impact fees.** For plats recorded prior to February 1, 2013.

(1) Water, per service unit equivalent: $4,363.00.

(2) Wastewater, per service unit equivalent: $1,068.00.

(e) **Impact fees.** For plats recorded after February 1, 2013.

(1) Water, per service unit equivalent: $3,625.00.

(2) Wastewater, per service unit equivalent: $2,128.00.

(f) **Retail water/wastewater rates.** Outside city rates are 1.15 times inside city rates.

### Water

**Minimum Monthly Charge (Demand)**

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Inside City</th>
<th>Outside City</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; &amp; 3/4&quot; meter</td>
<td>$23.87</td>
<td>$27.45</td>
</tr>
<tr>
<td>1&quot; meter</td>
<td>$35.82</td>
<td>$41.18</td>
</tr>
<tr>
<td>1-1/2&quot; meter</td>
<td>$59.69</td>
<td>$68.64</td>
</tr>
<tr>
<td>2&quot; meter</td>
<td>$119.38</td>
<td>$137.29</td>
</tr>
<tr>
<td>3&quot; meter</td>
<td>$191.02</td>
<td>$219.67</td>
</tr>
<tr>
<td>4&quot; meter</td>
<td>$382.01</td>
<td>$439.32</td>
</tr>
<tr>
<td>6&quot; meter</td>
<td>$596.90</td>
<td>$686.44</td>
</tr>
<tr>
<td>8&quot; meter</td>
<td>$1193.81</td>
<td>$1372.88</td>
</tr>
</tbody>
</table>

**Volume Rate (per 1,000 gallons)**
Single-Family Residential

<table>
<thead>
<tr>
<th>Monthly use between:</th>
<th>Inside City</th>
<th>Outside City</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5,000 gals</td>
<td>$7.33</td>
<td>$8.43</td>
</tr>
<tr>
<td>5,001 to 12,000 gals</td>
<td>$8.03</td>
<td>$9.24</td>
</tr>
<tr>
<td>12,001 to 25,000 gals</td>
<td>$8.34</td>
<td>$9.58</td>
</tr>
<tr>
<td>25,001 gals or more</td>
<td>$9.16</td>
<td>$10.53</td>
</tr>
</tbody>
</table>

Non-residential, all consumption

| Non-residential, all consumption | $8.03 | $9.24 |

Irrigation, all consumption

| Irrigation, all consumption    | $8.34 | $9.58 |

Construction, all consumption

| Construction, all consumption  | $8.34 | $9.58 |

**Wastewater**

Minimum Monthly Charge (Demand)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Inside City</th>
<th>Outside City</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; &amp; 3/4&quot; meter</td>
<td>$17.61</td>
<td>$20.25</td>
</tr>
<tr>
<td>1&quot; meter</td>
<td>$27.47</td>
<td>$30.38</td>
</tr>
<tr>
<td>1-1/2&quot; meter</td>
<td>$44.03</td>
<td>$50.63</td>
</tr>
<tr>
<td>2&quot; meter</td>
<td>$88.04</td>
<td>$101.26</td>
</tr>
<tr>
<td>3&quot; meter</td>
<td>$140.87</td>
<td>$162.00</td>
</tr>
<tr>
<td>4&quot; meter</td>
<td>$281.75</td>
<td>$324.00</td>
</tr>
<tr>
<td>6&quot; meter</td>
<td>$440.23</td>
<td>$506.27</td>
</tr>
<tr>
<td>8&quot; meter</td>
<td>$880.46</td>
<td>$1012.53</td>
</tr>
</tbody>
</table>

Volume Rate (per 1,000 gallons)

| Residential*                        | $4.40       | $5.06        |
| Non-residential**                   | $5.06       | $5.82        |

Monthly Rate (volume and demand)

| Flat Rate Customers                 | $42.00      | $48.30       |
*Based on winter water use average.

**Based on monthly water meter readings. Non-residential customers with a 5/8” or 3/4” water meter will continue to base their bill on winter water use average unless a separate irrigation meter is installed. Wastewater only customers must report monthly water readings. Late or underreported usage will be subject to late fees in accordance with Section 13.02.039 and disconnection for nonpayment.

(g) Unmetered fire protection systems per connection. Minimum charge per month, per service size:

1. 2-inch: $8.00.
2. 6-inch: $20.00.
3. 8-inch: $30.00.

(h) Bulk water rate. Per 1,000 gallons: $3.50.

(Ordinance 08-026-00 adopted 10/2/08)

(i) Drought contingency plan.

1. Water allocation surcharges for stage 6 response.

   (A) Single-family residential customers:

   i. $10.00 for the first 1,000 gallons over allocation.
   ii. $15.00 for the second 1,000 gallons over allocation.
   iii. $20.00 for the third 1,000 gallons over allocation.
   iv. $25.00 for each additional 1,000 gallons over allocation.

   (B) Master-metered multifamily residential customers:

   i. $10.00 for 1,000 gallons over allocation up through 1,000 gallons for each dwelling unit.
   ii. $15.00 thereafter for each additional 1,000 gallons over allocation up through a second 1,000 gallons for each dwelling unit.
   iii. $20.00 thereafter for each additional 1,000 gallons over allocation up through a third 1,000 gallons for each dwelling unit.
   iv. $25.00 thereafter for each additional 1,000 gallons over allocation.

   (C) Commercial customers:

   i. Customers whose allocation is 0 gallons through 3,000 gallons per month:

   a. $10.00 per thousand gallons for the first 1,000 gallons over allocation.
   b. $15.00 per thousand gallons for the second 1,000 gallons over allocation.
c. $20.00 per thousand gallons for the third 1,000 gallons over allocation.

d. $25.00 per thousand gallons for each additional 1,000 gallons over allocation.

(ii) Customers whose allocation is 3,000 gallons per month or more:

a. 3 times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.

b. 5 times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.

c. 7 times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.

d. 9 times the block rate for each 1,000 gallons more than 15 percent above allocation.

As used herein, “block rate” means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer’s allocation.

(D) Industrial customers:

(i) Customers whose allocation is 0 gallons through 3,000 gallons per month:

a. $10.00 per thousand gallons for the first 1,000 gallons over allocation.

b. $15.00 per thousand gallons for the second 1,000 gallons over allocation.

c. $20.00 per thousand gallons for the third 1,000 gallons over allocation.

d. $25.00 per thousand gallons for each additional 1,000 gallons over allocation.

(ii) Customers whose allocation is 3,000 gallons per month or more:

a. 3 times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.

b. 5 times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.

c. 7 times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.

d. 9 times the block rate for each 1,000 gallons more than 15 percent above allocation.

As used herein, “block rate” means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer’s allocation.
(2) Water reconnection charge following discontinuance of water service for conviction of three or more distinct violations of the plan: $35.00. (2004 Code, sec. 13.411)

ARTICLE A6.000 BUSINESS

(a) Wine and beer retailer permit: $25.00.

(b) Peddler, Solicitors, Distributors, Itinerant Vendors and Mobile Street Vendors

(1) Peddler/Solicitor: $25.00 for each person permitted.

(2) Distributor: $25.00 for each person or group of persons.

(3) Itinerant Vendors/Mobile Street Vendors

a) 14 day permit: $25.00 fee

b) 30 day permit: $35.00 fee

c) 90 day permit: $75.00 fee

d) 180 day permit: $100.00 fee

(Ordinance O-14-06-19-6A adopted 6/19/14)

ARTICLE A7.000 LIBRARY

(a) Library cards.

(1) Non-resident.

(A) Family: No family cards.

(B) Individual: People not living or owning property within the City of Hutto limits or Hutto ISD boundaries may obtain a library card for $10 annual fee. This will be effective April 1, 2015. This fee will be charged yearly at the time of renewal.

(Ordinance O-15-03-05-7D)

(2) Replacement.

(A) For 1st replacement: $1.00.

(B) All additional replacement cards: $5.00.

(b) Copies.

(1) Black and white, per impression: $0.10.
(2) Color, per impression: No color copies.

(c) Fines and fees.

(1) Overdue books, per day up to maximum cost to replace: $0.25 with a $10.00 maximum fine.

(2) Lost or damaged book fee: Cost of book + $5.00 processing fee + fines.

(d) Interlibrary loan: Cost of return postage.

(Ordinance 08-026-00 adopted 10/2/08)

ARTICLE A8.000 MISCELLANEOUS

(a) Special events permit application fee: $50.00. (Ordinance 2006-25 adopted 5/15/06)

(b) Street closure permit application fee: $25.00. (Ordinance 2006-24 adopted 5/15/06)

(c) Fireworks display permit application fee: $40.00. (2004 Code, sec. 5.105)

(d) Film application fee: $50.00 (Ordinance__________ adopted 7/2/15)

(1) Total or disruptive use (regular operating hours) of a public building, park, right-of-way, or public area: $500.00 per day.

(2) Partial, non-disruptive use of a public building, park, right-of-way, or public area: $250.00 per day.

(3) Total closure or obstruction of public street or right-of-way, including parking lots and on-street parking: $50.00 per block per day.

(4) Partial closure or obstruction of a public street or right-of-way, including parking lots and on-street parking: $25.00 per block per day.

(5) Use of City parking lots, parking areas, and City streets (for the purpose of parking film trailers, buses, catering trucks, and other large vehicles): $50.00 per block or lot per day.

(e) Brush collection by city after storm.

(1) Minimum: $15.00.

(2) Additional time in increments of five minutes: $5.00.

(2004 Code, sec. 6.311)

(f) Returned check fee (for any city payment): $30.00.

(g) Credit card processing fee, per transaction: $1.00.

(Ordinance 08-026-00 adopted 10/2/08)
## Water

**Minimum Monthly Charge (Demand)**

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Inside City</th>
<th>Outside City</th>
<th>Inside City</th>
<th>Outside City</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; &amp; 3/4&quot; meter</td>
<td>$22.74</td>
<td>$23.87</td>
<td>$26.44</td>
<td>$27.45</td>
</tr>
<tr>
<td>1&quot; meter</td>
<td>$34.14</td>
<td>$35.82</td>
<td>$39.22</td>
<td>$41.18</td>
</tr>
<tr>
<td>1-1/2&quot; meter</td>
<td>$56.85</td>
<td>$59.69</td>
<td>$65.37</td>
<td>$68.64</td>
</tr>
<tr>
<td>2&quot; meter</td>
<td>$113.70</td>
<td>$119.38</td>
<td>$130.75</td>
<td>$137.29</td>
</tr>
<tr>
<td>3&quot; meter</td>
<td>$181.92</td>
<td>$191.02</td>
<td>$209.21</td>
<td>$219.67</td>
</tr>
<tr>
<td>4&quot; meter</td>
<td>$363.82</td>
<td>$382.01</td>
<td>$418.40</td>
<td>$439.32</td>
</tr>
<tr>
<td>6&quot; meter</td>
<td>$568.48</td>
<td>$596.90</td>
<td>$653.75</td>
<td>$686.44</td>
</tr>
<tr>
<td>8&quot; meter</td>
<td>$1,136.96</td>
<td>$1,193.81</td>
<td>$1,307.51</td>
<td>$1,372.88</td>
</tr>
</tbody>
</table>

**Volume Rate (per 1,000 gallons)**

### Single-Family Residential

<table>
<thead>
<tr>
<th>Monthly use between:</th>
<th>Inside City</th>
<th>Outside City</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 5,000 gals</td>
<td>$6.98</td>
<td>$7.33</td>
</tr>
<tr>
<td></td>
<td>$7.65</td>
<td>$8.03</td>
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<tr>
<td>5,001 to 12,000 gals</td>
<td>$7.65</td>
<td>$8.03</td>
</tr>
<tr>
<td></td>
<td>$8.34</td>
<td>$9.12</td>
</tr>
<tr>
<td>12,001 to 25,000 gals</td>
<td>$7.94</td>
<td>$8.34</td>
</tr>
<tr>
<td></td>
<td>$9.12</td>
<td>$9.58</td>
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<tr>
<td>25,001 gals or more</td>
<td>$8.72</td>
<td>$9.16</td>
</tr>
<tr>
<td></td>
<td>$10.03</td>
<td>$10.53</td>
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</table>

### Non-residential, all consumption

- $7.65 $8.03 $8.80 $9.24

### Irrigation, all consumption

- $7.94 $8.34 $9.12 $9.58

### Construction, all consumption

- $7.94 $8.34 $9.12 $9.58
### Wastewater

#### Minimum Monthly Charge (Demand)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Inside City</th>
<th>Outside City</th>
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<tbody>
<tr>
<td>5/8&quot; &amp; 3/4&quot; meter</td>
<td>$16.77</td>
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<tr>
<td>1&quot; meter</td>
<td>$26.16</td>
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<tr>
<td>1-1/2&quot; meter</td>
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<tr>
<td>8&quot; meter</td>
<td>$838.53</td>
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#### Volume Rate (per 1,000 gallons)

<table>
<thead>
<tr>
<th></th>
<th>Inside City</th>
<th>Outside City</th>
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<tbody>
<tr>
<td>Residential*</td>
<td>$4.19</td>
<td>$4.82</td>
</tr>
<tr>
<td>Non-residential**</td>
<td>$4.82</td>
<td>$5.54</td>
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#### Monthly Rate (volume and demand)

<table>
<thead>
<tr>
<th>Flat Rate Customers</th>
<th>Inside City</th>
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<tbody>
<tr>
<td>$40.00</td>
<td>$42.00</td>
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AGENDA ITEM NO.: 6B.                  AGENDA DATE: September 17, 2015

PRESENTED BY: Seth Gipson, City Secretary

ITEM: Consideration and possible action on the meeting minutes for the August 20, 2015 City Council Regular Meeting and the August 27, 2015 City Council Work Session.

STRATEGIC GUIDE POLICY: Leadership

ITEM BACKGROUND: The City Council meeting minutes for the August 20, 2015 City Council Regular Meeting and the August 27, 2015 City Council Work Session have been drafted for the City Council’s review and consideration.

BUDGETARY AND FINANCIAL SUMMARY: Not applicable.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS: Not applicable.

CITY ATTORNEY REVIEW: Not applicable.

STAFF RECOMMENDATION: Staff recommends approval of the City Council meeting minutes for the August 20, 2015 City Council Regular Meeting and the August 27, 2015 City Council Work Session.

The Hutto City Council met in a regular session on Thursday, August 20, 2015, in the Hutto City Council Chamber, 401 W. Front Street, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Holland called the session to order at 7:00 p.m.

ROLL CALL

Members of the City Council that were present were Mayor Debbie Holland, Mayor Pro-tem Michael J. Smith, Councilmember Anne Cano, Councilmember Tom Hines, Councilmember Ronnie Quintanilla-Perez, Councilmember Lucio Valdez, and Councilmember Max Yeste.

Members of the city staff that were present were Karen Daly, City Manager, Micah Grau, Assistant City Manager, Charlie Crossfield, City Attorney, Melanie Hudson, Finance Director, Randy Barker, General Services Director, Helen Ramirez, Development Services Director, Earl Morrison, Chief of Police, Mike Hemker, Parks and Recreation Director, and Amy McGlothlin, Human Resources Director.

INVOCATION

Invocation was given Jerry Reynaga with La Hermosa Church of Hutto.

PLEDGE OF ALLEGIANCE

Mayor Holland led the Pledge of Allegiance.

PUBLIC COMMUNICATION

5A. Remarks from visitors.

There were no remarks from the visitors present.

PRESENTATIONS

6A. Ensuring Hutto’s Safety, Part 5 - Williamson County Emergency Services District #3.

Chief Scott Kerwood, Fire Chief for Williamson County Emergency Services District #3 gave the staff presentation. This was the fifth presentation in the City's Ensuring Hutto's Safety Series. Chief Scott Kerwood provided information on services provided by the
District and highlighted that the fire department is going to be named a best practices fire station by the Texas Fire Chief's Association.

Chief Kerwood introduced Chris Conneally, State Fire Marshall, Jesse Williams, Deputy State Fire Marshall, Phillip Bradley, manager from the Insurance Services Office, and Mike Peach, a local consultant. Each of the individuals spoke on the importance of the ISO report and the effect it can have on local insurance rates and economic development.

PUBLIC HEARINGS

7A. Open and conduct a public hearing to hear testimony regarding the proposed Fiscal Year 2015-16 Budget.

Mayor Holland opened the public hearing at 7:38pm. There being no testimony, the public hearing was closed at 7:38pm.

7B. Open and conduct the second public hearing to hear testimony regarding the proposed ad valorem tax rate.

Mayor Holland opened the public hearing at 7:38pm. There being no testimony, the public hearing was closed at 7:38pm.

CONSENT AGENDA ITEMS

All items listed on the consent agenda were considered to be routine by the City Council and was enacted by one motion. There was no separate discussion of the items listed and no items were removed from the consent agenda.

8A. Consideration and possible action on a resolution concerning the subdivision approval extension request for the Hutto Crossing Phase 1 Section 3 Final Plat, 2.049 acres, more or less, of land, 1 public roadway, located west of the intersection of FM 685 and the proposed extension of Carl Stern Drive.

8B. Consideration and possible action on a resolution concerning Outside Agency Funding allocations and authorizing the City Manager to execute all Interlocal Agreements established with Outside Agencies for the 2015-16 Fiscal Year.

8C. Consideration and possible action on a resolution concerning the renewal of the agreement with the Brazos River Authority for Operation and Maintenance of Wastewater Services.

8D. Consideration and possible action on a resolution concerning a professional fireworks show hosted by the City of Hutto on August 29, 2015.
8E. Consideration and possible action on a resolution regarding a Hotel Occupancy Tax agreement with the Hutto Chamber of Commerce for the 2015 OldeTyme Days Festival.

8F. Consideration and possible action on the meeting minutes for the July 11, 2015 City Council Work Session and the July 30, 2015 Special Called City Council meeting.

8G. Consideration and possible action on a resolution concerning the appointment of Hutto City Councilmember Tom Hines, Place 2 to the Capital Area Council of Governments General Assembly.

8H. Consideration and possible action on a resolution authorizing the City to engage the firm of Brockway, Gersbach, Franklin and Niemeier, PC for the City's independent financial audit for the fiscal year ending September 30, 2015.

Councilmember Tom Hines requested that item 8F be pulled from the consent agenda items and addressed during the regular meeting items.

MOTION: Councilmember Max Yeste moved to approve the consent agenda items as presented. Mayor Pro-tem Michael Smith seconded the motion. The motion carried with 7 ayes and 0 nays.

REGULAR AGENDA ITEMS

8F. Consideration and possible action on the meeting minutes for the July 11, 2015 City Council Work Session and the July 30, 2015 Special Called City Council meeting.

Councilmember Tom Hines stated that the minutes for the July 11, 2015 City Council Work Session are a broad overview and they do not capture the essence of why the council was at the work session.

MOTION: Councilmember Tom Hines moved to postpone the approval of the meeting minutes for the July 11, 2015 City Council Work Session and the July 30, 2015 Special Called City Council meeting until the next city council meeting. Mayor Pro-tem Michael Smith seconded the motion. The motion carried with 7 ayes and 0 nays.

ORDINANCES

9A. Consideration and possible action on the first reading of an ordinance amending the Fiscal Year 2014-15 Budget.

Melanie Hudson, Finance Director, gave the staff presentation. This amendment represents the third amendment of the FY15 Budget. The amendment includes adjustments to the City's operating, capital projects, and special revenue funds. The Fiscal & Budgetary Committee reviewed the draft budget amendment prior to the presentation of the amendment to Council.
Ms. Hudson, provided a brief overview of the following funds:
- General Fund
- General Debt Service Fund
- Utility Fund
- Impact Fees Fund
- CIP Fund

**MOTION:** Councilmember Tom Hines moved to approve the first reading of the ordinance amending the Fiscal Year 2014-15 Budget. Councilmember Ronnie Quintanilla-Perez seconded the motion. The motion carried with 7 ayes and 0 nays.

**RESOLUTIONS**

10A. Consideration and possible action on a resolution concerning an additional fee waiver for development fees associated with the Hutto Affordable Senior Housing Project, located at 300 Carl Stern, within the Hutto Crossing Phase I Section 2 development site in Hutto, Texas.

Helen Ramirez, Development Services Director gave the staff presentation. DMA Development Company, LLC made a request to the City of Hutto to grant an additional fee waiver for development fees associated with the Hutto Affordable Senior Housing Project located at 300 Carl Stern Drive, due to the redesign of water lines that has resulted in an increase in associated water and wastewater connection and water and wastewater impact fees. This redesign was a conversation that occurred between the developer and the city's engineering division. The Senior Affordable Housing project is a 61-unit Senior Apartment Complex comprised of six (6) one-story apartment buildings and (1) one two-story combination residential apartment and amenities building totaling 91,451 square feet. Approval of the request would grant DMA Development Company, LLC an additional development fee waiver in the amount of $32,098 for the “Hutto Affordable Senior Housing Project”.

Janine Sisak, Senior Vice President with DMA Companies was also present to answer any questions.

**MOTION:** Councilmember Anne Cano moved to approve the resolution concerning an additional fee waiver for development fees associated with the Hutto Affordable Senior Housing Project, located at 300 Carl Stern, within the Hutto Crossing Phase I Section 2 development site. Councilmember Max Yeste seconded the motion. The motion carried with 7 ayes and 0 nays.

10B. Consideration and possible action on a resolution concerning the issuance of a letter of support for the Brazos River Authority Region G Little River Off-Channel Reservoir project.

Helen Ramirez, Development Services Director, gave the staff presentation. The City of Hutto has been working with the Brazos G Regional Water Planning Group (RWPG) to
plan for future water needs of the area. The RWPG is charged with assessing projected population and water demands, assessing current supplies and calculating needs, and evaluating water management strategies and recommendations to meet these needs by drafting a Regional Water Plan. Part of this evaluation includes performing surveys of water user groups and wholesale water providers while taking into consideration projected population growth in Region G. The deadline for written comments to the Draft 2016 Brazos G Regional Water Plan is August 24, 2015. The City of Hutto believes that Williamson County and the entire Brazos basin will be enhanced by the inclusion of the Little River Off-Channel Reservoir project. Every reasonable water resource that can be developed within the Brazos basin is a resource that will provide for sustained growth and long term regional planning. It is for this reason that the City of Hutto believes that maintaining a diverse set of identified resources, such as the Little River Off-Channel Reservoir project, is an important component of water management. County Judge Dan Gattis has requested letters of support for the inclusion of this project in the Regional Plan because of its important role in meeting future water demands of the area.

**MOTION:** Councilmember Tom Hines moved to approve the resolution concerning the issuance of a letter of support for the Brazos River Authority Region G Little River Off-Channel Reservoir project. Councilmember Ronnie Quintanilla-Perez seconded the motion. The motion carried with 7 ayes and 0 nays.

10C. Consideration and possible action on a resolution concerning an agreement with Documation for managed print services for City staff and Library patrons.

*Randy Barker, General Services Director, gave the staff presentation. The City currently has separate contracts with Xerox for six multi-function hub printers. Five of the machines are generating overage charges each month, with two of them averaging twice the amount of the lease payment. Most of the machines do not possess current features and technology. City staff identified a need for managed print services and invited Documation to visit City facilities and talk with staff on three different occasions to review usage levels and needs of each department and location. The City has received a proposal from Documation through the Purchasing Solutions Alliance of Brazos Valley to replace all six current Xerox printers with a combination of Ricoh and Konica Minolta best of class multi-function machines. In addition, the proposal includes a seventh machine (a Ricoh) for the Library which will include a cash vending attachment for patrons to purchase printing services. The City of Hutto is a member of the Purchasing Solutions Alliance and is able to procure through the cooperative purchasing method. Image allowances will be pooled among all machines, and the overage review frequency will be semiannually to allow for peak usage periods without generating overage charges. The agreement includes delivery, installation, materials and labor for maintenance of the machines, as well as unlimited training for staff. Documation will review and analyze usage periodically and meet with city staff to make adjustments to the equipment and/or agreement when mutually acceptable. The agreement will be effective October 1, 2015, and the term is 63 months. Documation will subsidize the amount to satisfy the six current Xerox leases and replace the machines.*
MOTION: Councilmember Tom Hines moved to approve the resolution concerning an agreement with Documation for managed print services for City staff and Library patrons. Councilmember Ronnie Quintanilla-Perez seconded the motion. The motion carried with 7 ayes and 0 nays.

10D. Consideration and possible action on a resolution terminating the Interlocal Agreement for School Resource Officers with Hutto Independent School District.

Earl Morrison, Chief of Police, gave the staff presentation. In 2010, the City entered into an interlocal agreement with Hutto Independent School District (HISD) to provide police officers to the schools to coordinate all security efforts, address incidents which require law enforcement intervention, maintain crime data and provide education programs. Since that initial agreement, many factors have changed including the construction of an elementary school outside the city limits, the addition of security guards and a school marshal hired by HISD, and the legal ruling that police officers no longer have access to video data because of federal student privacy laws. The interlocal agreement requires the ISD to reimburse the City for 100% of the officers salary when working for the district. The agreement does not cover the vehicle, equipment, benefits and vacation and sick leave. This agreement has left the City providing 50% of the cost to support the officers but only having the officers work for the City for three weeks out of the entire year. The rest of their time is dedicated to the schools and to specific school training. Earlier this year, a conversation began with the school district about the inequity in the funding of the SRO interlocal agreement, and the City was informed that the ISD was going to create a separate Police Department. It was acknowledged that the agreement needed to change, and meetings were held prior to the development of budgets to ensure that equitable funding formulas were included in the financial preparation. After numerous attempts to meet and negotiate an equitable agreement, the City and ISD have failed to reach an agreement on an equitable funding strategy. Due to the need for additional officers to be added to Patrol in order to increase the safety of all of our residents, it is recommended that the City proceed with terminating the current interlocal agreement with the ISD for School Resource Officers.

Chief Morrison, provided information on standard School Resource Officer (SRO) agreements and presented the proposed SRO agreement for the 2015-2016 school year.

Following the proposal, the Council discussed the obstacles that prevented an agreement between the City and school district, which included:

- End dates for the contract
- The number of SRO’s
- HISD providing a vehicle for SRO’s
- Increase in contract costs

Doug Gaul, Hutto ISD Boardmember, spoke on behalf of the school board, stating that Hutto ISD is okay with having 2 SRO’s. The only issue is paying $55,000 for a vehicle,
when the school district is beginning to develop their own police department. He added that the school board approved an SRO agreement to show the board opinion.

Dr. Doug Killian, Hutto ISD Superintendent, also spoke briefly on some concerns of the current SRO’s.

**MOTION: Councilmember Max Yeste moved to take no action the resolution that terminates the current interlocal agreement with the Hutto Independent School District for School Resource Officers. Mayor Pro-tem Michael Smith seconded the motion. The motion carried with 6 ayes and 1 nays.**

*The City Council directed the City Attorney to work with Hutto ISD’s Attorney to negotiate a fair and equitable agreement for both entities.*

10E. **Consideration and possible action on a resolution concerning an interlocal agreement with Hutto Independent School District for School Resource Officers.**

*There was no action taken on this item.*

*The City Council recessed at 9:09 pm.*

*The City Council reconvened into regular session at 9:25pm.*

**WORK SESSION**

*The work session was conducted for information and educational purposes. No action was taken by the Council on the item listed.*

11A. **Work session regarding the Development Services Process.**

*Helen Ramirez, Development Services Director gave the staff presentation. Ms. Ramirez provided best practices that are being considered and implemented and an overview of the current development process that applicants for major subdivisions and other new construction projects go through in order to obtain a certificate of occupancy.*

**ADJOURNMENT**

*There being no further discussion, the meeting adjourned at 10:06 p.m.*

CITY OF HUTTO, TEXAS

ATTEST: ____________________________

Debbie Holland, Mayor

Seth Gipson, City Secretary
The Hutto City Council met in a special work session on Thursday, August 27, 2015, in Room B213 of the East Williamson County Higher Education Center, 1600 Innovation Boulevard, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Holland called the session to order at 6:38 p.m.

ROLL CALL

Members of the City Council that were present were Mayor Debbie Holland, Mayor Pro-tem Michael J. Smith, Councilmember Anne Cano, Councilmember Tom Hines, Councilmember Lucio Valdez, and Councilmember Max Yeste. Councilmember Ronnie Quintanilla-Perez was absent.

Members of the city staff that were present were Karen Daly, City Manager and Micah Grau, Assistant City Manager.

WORK SESSION

3A. Discussion concerning the 2035 Strategic Guide.

The Hutto City Council met with Joe Gonzales, The Management Connection, to review the adopted 2035 Strategic Guide. The City Council reviewed and reaffirmed the vision, mission and values that were previously established. The council members were placed into groups to analyze each strategic guide policy to reaffirm or suggest improvements for the City Council to discuss.

ADJOURNMENT

There being no further discussion, the meeting adjourned at 8:48 p.m.

CITY OF HUTTO, TEXAS

Debbie Holland, Mayor

ATTEST:

Seth Gipson, City Secretary
AGENDA ITEM NO.: 7A.  
AGENDA DATE: September 17, 2015

PRESENTED BY: Amy McGlothlin, Human Resources Director

ITEM: Consideration and possible action on the first reading of an ordinance amending Chapter 2: Administration and Personnel; Article 2.03: Personnel; Section 2.03.002: Employee Policies and Procedures of the City of Hutto 2014 Code of Ordinances.

STRATEGIC GUIDE POLICY: Organizational Development

ITEM BACKGROUND: Periodically, it is necessary to amend the Employee Policies and Procedures Handbook to reflect changes in policy to ensure the fair and equitable treatment of employees as well as ensuring the overall operational efficiency of the organization.

Staff is recommending the changes to the City of Hutto Employee Policies and Procedures Handbook as attached in Exhibit A. Major changes include:

- Removal of Classification & Pay Plan policy
- Removal of Classified and Unclassified Service policy
- Removal of Compensation Plan policy
- Removal of Performance Evaluation System policy
- Removal of Reserve Personnel policy
- Addition of Classification & Compensation Administration policy
- Addition of Employee Volunteer Paid Leave policy
- Drug and Alcohol Use policy
- Family and Medical Leave Act policy
- Holidays policy
- Light Duty policy
- Overtime and Time Management policy
- Recruitment and Selection policy
- Sick Leave policy
- Weapons Control policy

Additional changes were made for housekeeping purposes.
BUDGETARY AND FINANCIAL SUMMARY:
Not applicable.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS:
Not applicable.

CITY ATTORNEY REVIEW:
Catherine Fryer, legal counsel for the City on employment matters, has reviewed the changes.

STAFF RECOMMENDATION:
Staff recommends the Council approve the Ordinance.

SUPPORTING MATERIAL:
1. Ordinance - Personnel Policy
2. Exhibit A
ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 2: ADMINISTRATION AND PERSONNEL; ARTICLE 2.03; PERSONNEL; SECTION 2.03.002: EMPLOYEE POLICIES AND PROCEDURES OF THE CITY OF HUTTO CODE OF ORDINANCES; TO AMEND AND UPDATE THE CITY OF HUTTO EMPLOYEE POLICIES AND PROCEDURES HANDBOOK; PROVIDING FOR A SEVERABILITY CLAUSE AND REPEALING CLAUSE.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION I.

Pursuant Section 13.04 Personnel Policy of the Hutto City Charter the administration of human resources of the city shall be governed by written rules and regulations to be known as “Personnel Policies.” The City Manager or his/her designee shall prepare such policies and recommend their adoption to the City Council. Such policies shall become effective when approved by the City Council.

SECTION II.

That the City Manager or his/her designee shall have power to recommend additions to, modifications of, or deletions from such policies to the City Council in the same manner used for adoption of the original policies. All policies adopted shall have the force and effect of law.

SECTION III.

A red-line copy of changes and additions to the Employee Policies and Procedures Handbook dated September 18, 2014 is attached as Exhibit “A.”

SECTION III.


SECTION III. Publication Clause

The City Secretary of the City of Hutto is hereby authorized and directed to publish the caption of this ordinance in the manner and for the length of time prescribed by law.
SECTION IV. Severability Clause

The provisions of this ordinance are severable, and if any sentence, section, or other parts of this ordinance should be found to be invalid, such invalidity shall not affect the remaining provisions, and the remaining provisions shall continue in full force and effect.

SECTION V. Repealing Clause

All ordinances and resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict.

SECTION VI.

This ordinance shall become effective on the date of its adoption by the Hutto City Council and shall become effective upon the final reading of the ordinance from which this section derives. Any other personnel policies adopted by the city council are no longer effective after the date of the final reading of the ordinance from which this section derives.

SECTION VII. Open Meeting Clause

The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject hereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

READ and APPROVED the first reading of the ordinance on the _____ day of September, 2015 at a meeting of the Hutto City Council.

By motion duly made, seconded and passed with an affirmative vote of all the Council members present, the requirement for reading this ordinance on two separate days was dispensed with.

READ, APPROVED, and ADOPTED this _____ day of September, 2015.

CITY OF HUTTO, TEXAS

__________________________
Debbie Holland, Mayor

ATTEST:

__________________________
Seth Gipson, City Secretary
City of Hutto
Employee Policies & Procedures Handbook

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CITY OF HUTTO
EMPLOYEE POLICIES & PROCEDURES HANDBOOK

This Employee Policies & Procedures Handbook is a general guide, and the provisions of this Handbook do not alter the at-will employment relationship or constitute an employment agreement, a contract, or a guarantee of continued employment. The City of Hutto reserves the right to change the provisions of this Handbook at any time and without prior notice. The provisions contained in this policy manual are applicable to all employees. Any promise which conflicts with the provisions in this policy manual are effective only if in writing and signed by the Mayor or City Manager.

The objectives of the Employee Policies & Procedures Handbook are as follows:

● To promote good and uniform personnel practices and administration in the management of the City’s human resources.

● To develop a program of recruitment, advancement and tenure that will make municipal employment attractive as a career and encourage each employee to render such employee’s best services to the citizens of the City.

● To provide equitable and adequate compensation based upon individual merit and the relative duties and responsibilities of positions in the service of the City.

● To promote high morale by the consistent administration of these policies and through consideration of the rights and interests of all employees.

● To provide that tenure of employees covered by these policies shall be subject to good behavior, satisfactory performance, necessity for the position, and availability of funds.

All City employees are required to comply with the Employee Policies and Procedures Handbook. Failure to comply may result in disciplinary action up to and including termination.
ACCIDENT REPORTING

All accidents and injuries, however slight or seemingly inconsequential, must be reported as soon as possible but no later than 24 hours after the accident or injury to the employee’s immediate supervisor and to the Human Resources Division. Failure to report any accident or injury within 24 hours of its occurrence may lead to disciplinary action, up to and including termination of employment. Such reports are necessary so that the City can remain in compliance with applicable laws and begin workers’ compensation benefit procedures where appropriate.

Employees who violate safety standards, who cause or exacerbate hazardous or dangerous situations, or who fail to report or, where appropriate, correct such situations, will be subject to immediate disciplinary action, up to and including termination of employment.

See the section entitled Employee Safety for further guidance.
ACCIDENTS INVOLVING CITY EQUIPMENT OR VEHICLES

Any employee involved in an accident while operating City equipment or vehicles shall report the accident immediately to his/her supervisor and to the proper law enforcement agency. The employee must immediately complete an accident report, no matter how minor the damage is to the vehicle or equipment and submit to his/her supervisor and to the Human Resources Division. The sections entitled Drug and Alcohol Policy for DOT Employees and Drug and Alcohol Use Policy may require alcohol and drug testing following an accident.

Drivers must obey all traffic rules and regulations prescribed by law and use every reasonable safety measure to prevent accidents. No one under the age of 17 may operate a City vehicle. Wearing of seat belts is mandatory.

Any traffic fines imposed upon a City employee while operating a City vehicle will be the personal responsibility of the employee and not the City. Any employee involved in any type of accident involving City equipment may be disciplined if, upon investigation, it is determined that the employee was negligent or through carelessness or recklessness contributed to the cause of the accident.

See the section entitled Employee Safety for further guidance.
**ADMINISTRATIVE LEAVE**

The City may grant administrative leave with pay to an employee, as a matter of discretion by the City Manager or Assistant City Manager following a recommendation by the employee’s Department Head, when no other paid leave category is available or applicable and leave without pay would not be appropriate. The City Manager may also authorize administrative leave without pay. This policy should be read in conjunction with the City’s Unpaid Leave and Separations Policies.

Administrative leave granted to an employee will be put in writing and forwarded to the Human Resource Division for proper payroll processing and placement in the employee’s personnel file.
AMENDMENT OF POLICIES

Amendments to the Employee Policies & Procedures Handbook must be approved by ordinance. The City Council makes all personnel policies while the City Manager is responsible for the implementation of the policies.
To ensure compliance with the Americans with Disabilities Act and Americans with Disabilities Act as Amended (ADAAA), the City offers equal employment opportunity to qualified individuals and strictly prohibits discrimination against qualified individuals on the basis of disability. Any employee seeking a reasonable accommodation for a disability that affects the employee’s ability to perform the essential functions of the position shall make either a verbal or written request. Any verbal request for a reasonable accommodation must be followed by a written application on a form provided by the Human Resources Division.

The City will provide a reasonable accommodation to the known physical or mental impairments of an otherwise qualified individual with a disability if such reasonable accommodation will enable the individual to perform the essential functions of the position at issue. The City will not deny employment opportunities on the basis of the need to provide reasonable accommodation to the individual’s physical or mental impairments, unless it would cause an undue hardship to the City, or constitute a threat to the safety of the disabled person or other persons.

Employees who have a complaint involving potential violations of the Americans with Disabilities Act or ADAAA, including but not limited to harassment, discrimination, or failure to provide a reasonable accommodation, must immediately report such complaint as outlined in the City’s Sexual and Other Unlawful Harassment Policy which is contained in the Employee Policies & Procedures Handbook.
APPLICATION OF POLICIES

The Employee Policies & Procedures Handbook shall apply consistently and uniformly to all City employees, provided that the provisions may be varied in the case of an employee with a written employment agreement approved by the City Council. All employees must become familiar with and abide by these policies. The City reserves the right to revise or rescind any policy at any time. The City also reserves the right to make final decisions as to the interpretation and intent of all information contained in the Employee Policies & Procedures Handbook.

The City Council reserves the rights to interpret, change, suspend, or cancel, without notice, all or any part of these policies, procedures or benefits discussed herein.
ATTENDANCE AND WORK HOURS

A. Regular Work Hours – Non-exempt employees of the City normally work 40 hours in a seven-day work week. Exempt employees may be required to work in excess of 40 hours in certain weeks and are required to work a minimum of 80 hours in a two week pay period. The work week begins at 12:01 a.m. on Monday and ends at 12:00 (midnight) on Sunday. The regular workday normally begins at 8:00 a.m. and ends at 5:00 p.m. although employees in some departments may have different work hours. (For example, most non-exempt police officers work a 12-hour shift.) In times of disaster or emergency, work hours shall be determined by the City Manager.

B. Adjustment to Work Hours - In order to assure the continuity of City services, it may be necessary for Department Directors to establish other operating hours for their departments. Work hours and work shifts must be arranged to provide continuous service to the public. Employees are expected to cooperate when asked to work overtime or a different schedule. Acceptance of work with the City includes the employee’s acknowledgement that changing shifts or work schedules may be required and includes that he/she will be available to do such work. If an employee works a schedule that is different than the standard eight-hour work day (excluding police officers in the Patrol Division who work shifts), that schedule must be submitted in writing to the Department Director for consideration. Upon Department Director consideration, the request is forwarded to the City Manager for approval on a case-by-case basis focusing on providing enhanced service to the customers. A copy of the approved schedule must be forwarded to the Human Resources Division to be placed in the employee’s personnel file.

C. Meal Periods - Full-time employees (excluding most non-exempt police officers) are normally provided a one-hour unpaid meal break near the middle of the work day. Meal periods may be staggered by the Department Director in order to minimize departmental interruption. Supervisors will provide employees with the starting and ending times for their specific meal periods. Employees will be relieved from work responsibilities during unpaid meal breaks. Employees may not extend meal breaks beyond their assigned period.

D. Breaks - Employees who work a minimum of eight hours per day may, depending on individual departmental work schedules and at the discretion of their supervisor, take up to two fifteen minute paid breaks each day, one during the first part of the work day and the other during the latter part of the work day. Part-time employees who work a minimum of four hours per day may, depending on individual departmental work schedules and at the discretion of their supervisor, take one fifteen minute paid break each day.

E. Attendance

1. Attendance Records - Employees are expected to be at their workstations and ready to work at their scheduled start time. All employees are required to record the number of hours worked each day.

2. Attendance and Punctuality - To maintain a safe and productive work environment, the City expects employees to be reliable and punctual in reporting to work. Absenteeism and
tardiness are disruptive and place a burden on the City and on coworkers. Either may lead to
disciplinary action, up to and including termination of employment. In the rare instance when an
employee cannot avoid being late to work or is unable to work as scheduled, the employee must
notify his/her supervisor (or designee) as soon as possible in advance of the anticipated tardiness
or absence in accordance with Departmental procedures. The employee must disclose to his/her
supervisor the reason for the absence or tardiness and the date and time of his/her anticipated
arrival. For absences of a day or more the employee must notify his/her supervisor (or designee)
on each day of his/her absence unless the supervisor expressly waives this requirement. The
requirement of the employee to notify his/her supervisor (or designee) may only be waived in a
situation deemed to be a medical emergency or in a situation where the employee is physically
unable to give such notification. The supervisor is required to submit documentation of such a
waiver to the Human Resources Division to be included in the employee’s personnel file.

In most instances, an employee who fails to properly notify his/her supervisor in advance of an
absence or tardy will be subject to disciplinary action up to and including termination of
employment. An employee who fails to notify the City of an absence of five days or more will
have voluntarily resigned his/her employment.

F. Absent From Work in excess of 180 Days – Any employee who is absent from work on
a leave of absence for a period of 180 calendar days, regardless of the reason, and is unable to
return to work after 180 calendar days will be terminated. See the Unpaid Leave of Absence
Policy. This policy will be administered consistently with the City’s obligations under the
Americans with Disabilities Act and USERRA.

Also see the section entitled Separations, paragraph (C) (2).
AT-WILL EMPLOYMENT

Employment with the City is for no fixed or definite term. All employment by the City has been and continues to be at-will, except for those positions that may have a written contract approved by the City Council. That means that both the employee and/or the City have the right to terminate employment at any time, with or without notice, and with or without cause. This Employee Policies & Procedures Handbook does not constitute a contract of employment. Nothing in this handbook is intended to alter the continuing at-will status of employment with the City.

Although adherence to these polices is considered a condition of continued employment, nothing in these policies alters an employee’s status and shall not constitute nor be deemed a contract or promise of employment. Employees remain free to resign their employment at any time for any or no reason, without notice, and the City retains the right to terminate any employee at any time, for any or no reason.
CELL PHONE USE IN THE WORKPLACE

The City recognizes that many employees have cell phones that they bring to work. Cell phones may belong to the employee or be provided for the employee’s use by the City. The use of cell phones, including those with a camera, at work must not interfere with job duties or performance. Employees must not allow cell phone use to become disruptive or interfere with their own or a coworker’s ability to do their jobs. Employees who use cell phones to violate City policy, including the City’s Sexual and Other Unlawful Harassment Policy, will be subject to disciplinary action, up to and including termination.

Employees with City-issued cell phones are allowed to use City cell phones for personal phone calls but must reimburse the City for all personal use.

Use of personal cell phones while operating City vehicles or equipment is prohibited.

For more guidance regarding the proper use of wireless telecommunication equipment, please see the City of Hutto Administrative Policy Number AP-F-08-29-05.
CITY PROPERTY/EQUIPMENT USE

The City attempts to provide employees with adequate tools, equipment, vehicles and facilities for the City job being performed, and the City requires all employees to observe safe work practices and lawful, careful and courteous operation of vehicles and equipment. Any City-provided safety equipment must be used at all times.

From time to time, the City may issue various pieces of equipment or other property to employees, e.g., credit cards, keys, tools, security passes, manuals, written materials, telephone cards, uniforms, mobile telephones, computers, and computer-related equipment. Employees are responsible for items formally issued to them by the City, as well as for items otherwise in their possession or control or used by them in the performance of their duties. At the time of issuance, employees may be required to sign certain forms or other documentation evidencing their receipt of property and/or equipment and authorizing a payroll deduction for the cost of lost, damaged, or unreturned items. In addition to payroll deductions, the City may take any other action it deems appropriate or necessary to recover and/or protect its property.

Employees must notify their supervisor immediately if any vehicle, equipment, machine, tool, etc. appears to be damaged or defective, or is in need of maintenance or repair. The appropriate supervisor can answer questions about an employee’s responsibility for maintenance and care of equipment used on the job. The improper, careless, negligent, destructive, or unsafe use or operation of equipment will likely result in disciplinary action, up to and including termination of employment.

A. Personal Use Prohibited - City property, materials, supplies, tools, equipment or vehicles may not be used for personal business.

B. Tobacco Use Prohibited - The use of all tobacco products (including smokeless) is prohibited while operating and/or being a passenger in City owned vehicles and/or equipment.

C. Vehicle Allowance - An employee may be given a monthly allowance for consistently using such employee’s own vehicle for City business if the use is deemed necessary by the City Manager. The amount of the allowance shall be determined by the City Manager.

D. Take Home Vehicles - A City vehicle may be assigned to a position or employee when it is more economical than payment of a car allowance or mileage reimbursement. To be eligible for assignment of a take-home vehicle, an employee must be subject to emergency call back during off duty hours to locations other than the employee’s normal work station. No personal use of a take-home vehicle is permitted except to commute to and from home or work. A City vehicle is not to be used for personal business such as going to the bank, grocery store, etc. without prior written approval of the Department Director. No passengers may be transported in take-home vehicles except as required by official duties. No alcoholic beverages are allowed in City vehicles. As indicated in the Drug & Alcohol Use Policy, Police Department employees may be required to be in possession of alcohol and/or drugs in carrying out their job duties. Such employees will be exempted from certain portions of this policy under certain limited conditions. Additional guidelines may be established by Police Department operating procedures.
If approved by the City Manager, use of a City owned vehicle may be authorized and exempt from this policy if included in the offer of employment letter.

The City’s vehicles are classified as either “exempt” or “non-exempt” as prescribed by law. Employees to whom a “non-exempt” vehicle is assigned for take-home will likely incur a federal income tax liability for the fringe benefit of commuting to and from work. Most pickups, vans and automobiles are classified as “non-exempt” vehicles. Police vehicles used by employees on call 24-hours are normally exempt from the fringe benefit tax liability.

E. Use of City Vehicles - City-owned or leased vehicles may only be used for official City business. City owned or leased vehicles may only be driven by authorized City employees. If an employee drives his/her own, or a City-owned, rented or leased vehicle on the job or while carrying out City-related business, the employee must comply with the following:

1. Drivers must have a valid State of Texas driver’s license appropriate for the vehicle operated, must maintain a satisfactory driving record, and must inform their supervisor of any change in status.

2. Always observe all posted laws and speed limits and comply with all motor vehicle laws and regulations.

3. Always wear seat belts when the vehicle is in operation.

4. No passengers other than City employees or others on City business may ride in a City vehicle unless otherwise approved in advance by the Department Director.

5. All maintenance and use records for City vehicles must be completed as directed by the employee’s supervisor.

6. Report any broken, missing, or worn parts, tires, etc., or any needed maintenance of City vehicles to the appropriate supervisor immediately.

7. All drivers must be eligible for coverage under the City’s insurance policy.

8. Drivers covered by Department of Transportation regulations must comply with them at all times.

9. At no time may an employee under the influence of alcohol or illegal drugs drive a City vehicle or a personal vehicle while conducting City business.

10. Employees involved in an accident while operating a City vehicle, or while operating a personal vehicle on City business, must immediately notify the proper law enforcement agency (if applicable) and the appropriate Supervisor, Department Director, and/or City Manager. Accident reports, along with any law enforcement report, must be filed by the employee with the Department Director and the Human Resources Division.
11. Employees whose job duties require driving either a City vehicle or a personal vehicle as a job function must maintain the driver’s license required for performance of the employee’s duties and must maintain a satisfactory driving record. If an employee has three moving violations within a two-year period or is convicted of, pleads guilty or nolo contendere to, or accepts deferred adjudication for a DWI or DUI offense at any time, this will be considered a failure to maintain a satisfactory driving record. Failure to maintain a required driver’s license or failure to maintain a satisfactory driving record will result in discipline up to and including termination of employment.

12. The City may, at any time, check the driving record of a City employee who drives as part of his/her job duties to determine that he/she maintains the necessary qualifications as a City driver. Employees agree that they will cooperate in giving the City whatever authorization is required for this purpose.

The above is not a complete and exhaustive list of vehicle use policies. Violations of any of the specific items listed, as well as the improper, careless, negligent, destructive, or unsafe use or operation of a vehicle, may result in disciplinary action, up to and including termination of employment. Please see paragraph G under Employee Conduct and Work Rules/Disciplinary Action requiring employees to immediately notify their supervisor regarding violations of law.

F. Personal Property - All employees shall be solely responsible for their personal property at all times.
CLASSIFICATION & PAY PLAN

All employees in the classified service shall be included by position in the Classification & Pay Plan.

Each position shall be categorized by letter-number based on similar or comparable responsibilities, duties, type of work and required qualifications.

The Classification & Pay Plan may be revised from time to time as changing circumstances and conditions require and upon recommendation by the City Manager and approval by the City Council. Such revisions may consist of the addition, deletion, abolishment, consolidation, division or amendment of existing positions.

Incentive pay, such as certification pay or educational incentives, may be awarded to employees to compensate employees who obtain special licensing or who have achieved educational goals that are required for their position and ultimately benefit the City. Incentive pay will be addressed as part of the annual budget process and must be approved by the City Council.
CLASSIFICATION & COMPENSATION ADMINISTRATION

A. Purpose

These procedures for classification and compensation administration have been prepared for the City of Hutto in order to organize and encourage fair and orderly decision making for personnel matters.

Specific objectives of the classification and compensation plan are to:

1. Properly determine the duties, responsibilities, and necessary qualifications for each position with the City.
2. Assist employees and job applicants in understanding each job and the relationships between and among jobs.
3. Place positions into pay groups with other positions that should be similarly compensated.
4. Provide an organized system of pay groups and ranges to be used to (1) assure equity across departmental lines, and (2) reward employees for performance through pay for performance; and
5. Establish procedures for administering and updating the plan.

B. Definitions

For the purpose of classification and compensation administration, definitions are as follows:

1. A position is an organizational slot consisting of a group of duties or responsibilities requiring the full-time or part-time employment of one person.
2. A job description is a written description of the duties, responsibilities, reporting relationships and requirements for the position.
3. A classification plan is a system used to group positions according to duties and responsibilities; education, knowledge, skills, ability and experience. The objectives are to (1) recruit and retain employees, and (2) provide salary administration guidelines.
4. A reclassification of a position is a reassignment of a position to a different (lower, higher, or equivalent) pay group or job title, based on an evaluation of the current duties and responsibilities of the position. Such changes are made necessary by the reorganization of a department, the assignment of new duties to certain positions, or changes of work responsibilities or market data.
5. A compensation plan is a system that assigns dollar values to each position, groups positions into pay groups, arrays pay groups on a pay schedule showing salary and
wage ranges for each group, and sets forth procedures for administering the pay schedule.

6. A general government employee is any employee of the City, excluding the City Manager and sworn police employees. For purposes of this policy, the Chief of Police is classified as a general government employee.

7. A sworn-police employee is any certified peace officer. For purposes of this policy, the Chief of Police is not classified as a sworn-police employee.

C. Types of Positions

1. Classified Position: A classified position is an authorized and budgeted full-time position that is assigned to a pay group of the city’s compensation plan.

2. Unclassified (Special) Position: An unclassified position is an authorized and budgeted position for which the pay is set by individual determination. Unclassified positions for the city are (1) positions funded from non-city funds, (2) position(s) for which the terms and conditions of employment are set out in a contract, and (3) hourly, part-time, or seasonal positions which should not be placed in a regular classified position.

D. Classification and Compensation Administration

1. Availability of Funds: All of the following procedures are subject to each department having funds available within its budget. If funds are not available, a budget amendment or transfer is required to be approved by the City Council.

2. Hiring: New employees are typically hired between the entry and mid-point or step 4, depending on department, in the appropriate pay group without specific written approval from the City Manager. The City Manager’s approval to hire above the mid-point or step 4 will be conditioned upon the following:
   a. The prospective employee’s qualifications and/or level of experience requirements posted for the position or the labor market value has been determined to be higher than mid-point or step 4 of the pay group;
   b. Hiring above the mid-point or step 4 will not disrupt current internal salary relationships;
   c. Funds are available in the City’s and the department’s personnel budget to finance the higher pay rate for the remainder of the fiscal year; and
   d. The action is in the best interest of the City.
The department director must submit justification based on the above criteria to the Director of Human Resources who, after careful review, submits a recommendation to the City Manager.

3. **Hiring at a Lower Pay Group**: A new employee, or existing employee being considered for promotion, whose qualifications or experience do not meet the requirements of the position, may be placed at the pay group below the position. An employee will be advanced to the proper pay group after proper qualifications and/or experience are obtained. Typically, an employee is not held in a lower pay group for more than six months.

4. **Performance-Based Increases – All General Government Employees**: A performance-based increase is advancement to a higher salary within the range of the pay group and is granted to recognize performance in the position. A performance-based increase cannot increase an employee’s salary beyond the maximum of the range of the pay group of the position. In the event that an employee is at the maximum of the range, a lump sum payment will be made in lieu of a salary increase. The lump sum payment will be equal to the annual amount (excluding overtime) of the salary increase that the employee would have received had they not been at the maximum of their range. Performance-based increases are not used to recognize increased duties and responsibilities (a promotion) and should be granted without regard to cost-of-living factors. Performance-based increases recognize performance and thus will be granted in conjunction with the employee’s annual performance evaluation. In order to receive an annual performance evaluation, employees must have at least six months of service. The evaluation period is based on performance during the fiscal year. Increases will be effective the first pay period of the calendar year. Performance-based increases are made only if funds are budgeted for and approved by the City Council. Employees will not receive catch-up increases to compensate for any year(s) in which funds for performance-based increases are not approved in the budget.

5. **Performance-Based Increases – Sworn-Police Employees (Reference General Order 4.1, Sections VI and VII)**: A performance-based increase is advancement to the next step of the pay group and is granted to recognize performance in the position. If an employee is currently at the top step of the pay group for their position, the employee will not be eligible for an increase. The employee will remain frozen at the top step of the pay group unless an adjustment is made to the step plan based on a cost of living or market adjustment or if the employee promotes to a new pay group. Performance-based increases recognize performance and thus will be granted in conjunction with the employee’s annual performance evaluation. In order to receive
an annual performance evaluation, employees must have at least six months of service. The evaluation period is based on performance during the fiscal year. Movement to the next step will take effect the first pay period of the calendar year, only if the employee has completed one full year of service by the end of the evaluation period. Performance-based increases are made only if funds are budgeted for and approved by the City Council. Employees will not receive catch-up increases (movement past more than one step) to compensate for any year(s) in which funds for performance-based increases are not approved in the budget.

6. **Promotion:** A promotion is a change in the duty assignment of an employee from their current position to another position in a higher pay group. A promotion recognizes advancement to a higher position requiring higher qualifications and involving greater responsibility. A typical promotional increase is five percent or movement to the entry of the new pay group, whichever is higher. In the event that a non-exempt employee transfers to exempt status (no longer eligible for overtime), the employee will receive a twelve percent increase or move to the entry of the new pay group, whichever is higher. (For exceptions involving marginally qualified current employees, see prior section on “Hiring at a Lower Pay Group”).

For police positions, a promotional increase will be movement to the entry step of the new pay group.

7. **Demotion:** A demotion is a change in duty assignment of an employee from their current position to another position in a lower pay group. Demotions may be made for the purpose of voluntary assumption of a less responsible position as a result of a reclassification of the employee’s position or as a disciplinary measure due to unsatisfactory performance in a higher position. An employee who is demoted normally will have his or her pay reduced to a rate at least five percent below the rate received before demotion. Demotions are made on the recommendation of the employee’s department director with the concurrence of the Director of Human Resources and the City Manager.

8. **Lateral Transfer:** A lateral transfer is the movement of an employee between positions in the same pay group within the City workforce. Lateral transfers may be made within the same department or between departments. Lateral transfers may be requested by the employee or by the department head to whose department the employee will be transferred and must be approved by the Director of Human Resources and the City Manager. An employee who makes a lateral transfer will retain the same effective employment date and all accrued vacation and sick leave.
9. **Reclassification of Positions:** A reclassification is a reassignment of a position to a lower, higher, or different pay group or job title based on current duties and responsibilities of the position. An employee whose position is reclassified upward does not automatically receive a pay increase unless an increase occurs to place the employee at the entry of the pay range. Reclassifications are recommended by the Human Resource Department and approved and implemented by the City Manager within budget limitations.

10. **Revised Job Descriptions:** A revised job description is one which includes additions to, deletions from, or amendments to current duties and responsibilities, but does not change the job so substantially as to require a reclassification or creation of a new job title and job description. (See the section on “Development of a Job Description” for the process to be followed to create a new job description).

11. **Cost-of-Living Adjustment to Pay Schedules:** The City of Hutto has a pay schedule with open ranges (an entry, mid-point, and maximum) for general government employees and step pay schedules for sworn-police employees.

   Overall increases or decreases to the pay schedule are authorized only upon approval by the City Council. When a cost-of-living increase has been approved in the budget, every number on each pay schedule is adjusted by the percentage increase authorized. Cost-of-living adjustments will be based on the (1) percentage change of the Consumer Price Index (CPI) and the Employee Cost Index (ECI) and (2) market data from benchmark cities.

**E. Maintenance of the Compensation Plan**

On an annual basis, the Director of Human Resources will review the classification and compensations plans and may recommend changes.

The review and, where appropriate, recommendations will include:

- Reclassification of positions to lower, higher, or different pay groups based on changes in the duties and responsibilities of the position or if changes in the market render the original placement of a position obsolete;

- Percentage changes in the entire pay schedule, to adjust pay rates to be comparable with other organizations in the market or to recognize changes in the cost of living; and
• The continuing validity of the procedures for classification and pay administration.

Any major departmental reorganizations or changes affecting jobs within a department should be addressed during the preparation of the department’s annual budget. Changes will become effective at the beginning of the next fiscal year.

F. Development of a Job Description

It will become necessary to develop new job descriptions when:

• A new position is created;

• A current position is divided into two positions, or two positions are combined into one; or

• A job description no longer accurately reflects the actual duties and responsibilities of a position.

To develop a job description, a present employee and his or her supervisor should describe the new job by completing a Job Data Collection Form (JDCF). In the event that a new position has been created and there is no incumbent in the position, the supervisor should complete the JDCF. The information from the JDCF should be used by the Director of Human Resources to write the new job description using the current job description format. The new description then should be reviewed by the appropriate department director. Any new positions created should be included in the annual budget process.
CLASSIFIED AND UNCLASSIFIED SERVICE

All offices and positions of the City shall be divided into classified and unclassified service.

The unclassified service shall include all officials and members of citizen boards, councils and commissions, the City Manager, volunteer personnel and personnel appointed to serve without pay, consultants and counsel rendering temporary professional service, those positions involving seasonal employment, reserve personnel and other unclassified positions that are identified in the Classification & Pay Plan.

The classified service shall include all other full-time positions in the City service that are not specifically placed in the unclassified service by this policy.
COMPENSATION PLAN

The Total Rewards System (TRS) is a compensation plan developed specifically for the City of Hutto. TRS was developed through an inclusive process utilizing employee focus groups to create a compensation and evaluation process based on Accomplishments, Credentials, Enthusiasm, and Service (ACES).

A market study was conducted in 2008 to compare Hutto salaries with other like cities.

A. Pay Grade – Each position is assigned a Pay Grade based on the individual job factors related to each position. Points are assigned based on characteristics of the position including: formal education, experience, skills, supervision, responsibilities for results, creativity/process improvement, organizational impact, customer service, physical demands, and work environment. Pay grades are listed as “A - O”. Pay grades “N” and “O” are unclassified positions, which are positions appointed by the City Council.

“Market Level” is defined as the 50% level of each pay grade. The City desires to provide competitive wages in order to attract and retain high performing individuals that provide outstanding service.

B. Market Adjustments - The Pay Grade was established by comparing existing City of Hutto positions with like cities known as the “Benchmark Cities which have similar growth patterns, locations, and other characteristics that make them similar to Hutto.

The City will conduct a “Market Update” by comparing key positions with other positions in the benchmark cities every three years (at a minimum). The City Manager will recommend pay grade adjustments to the City Council based on differences between the current pay grades and the Market Update results. Pay grade adjustments do not automatically result in market pay increases. The City Manager will present market pay adjustment recommendations to the City Council each year through the budget process.

C. New Hires – Vacant positions will be advertised as an average between the 0-25% and 25%-50% levels of the pay grade. New hires will typically be hired at the 25% level of the pay grade. Employees may be hired at a higher pay than entry level pay, based upon qualifications, and job related experience, if the City Manager approves employment at the higher pay.

D. Merit Adjustments – The Total Rewards System uses the “ACES” tool to regularly provide performance feedback to employees. ACES was developed based on employee input and provides evaluation based on employee accomplishments, credentials, enthusiasm, and service. Merit adjustments are based on a matrix developed in conjunction with the ACES tool. The matrix takes into consideration the individual’s score on their performance evaluation, their pay grade, and their location within their pay grade.

Merit adjustments are based on the “Target” which is the average of the past 3 years Consumer Price Index + 1 (CPI+1). The City Council may amend the Target value through the annual budget process.
COMPENSATORY TIME

The City Manager may, on a case-by-case basis, grant compensatory time to employees in lieu of overtime payment for irregular or occasional overtime work that is not part of an employee’s regularly scheduled workweek.

Employees and their supervisors shall strive to flex an employee’s work schedule to minimize hours worked in a work week in excess of 40 hours (see “Flex-time Work Schedule”).

A. Non-Exempt Employees are entitled to compensatory time in accordance with Section 207 of the Fair Labor Standards Act of 1938. Employees, at the City Manager’s discretion, may grant compensatory time at a rate not less than one and one-half hours for each hour of employment for which overtime compensation would have been earned.

B. Accrual Rates - Compensatory time will be earned at a rate of one and one-half hours for each hour of employment for which overtime compensation would have been required.

1) The employee may accrue no more than 80 hours of compensatory time for hours worked.

2) The City Manager may grant additional compensatory time not addressed in this policy at his discretion.

C. Use of Compensatory Time - An employee who has accrued compensatory time and requests use of the time shall be permitted to use the time off within a “reasonable period” of time after making the request if it does not unduly disrupt departmental operations and has prior supervisory approval. Employees will be required to submit a “Leave Request” in order to use any accrued time.

A supervisor may require an employee to use accrued compensatory time. In addition, the City may pay out accrued compensatory time at any time.

D. Expiration and Pay for Compensatory Time

1) Expiration - Compensatory time shall expire on September 30th of each year. Employees shall be permitted by the employee’s supervisor to use such time within a reasonable period after making the request so long as the compensatory time does not unduly disrupt the operations of the city. Any unused compensatory time will be paid out to the employee on September 30th of each year.

The City Manager, on a case-by-case basis, may grant an extension or one-time payment of unused compensatory time if an employee is prevented from using earned time.

2) Pay Out - Employees who leave employment with the city shall be paid for any unused compensatory time at a rate of compensation not less than:
a) The average regular rate received by such employee during the last 3 years of the employee’s employment, or the final regular rate received by such employee, whichever is higher.

b) Compensatory time will be reviewed at the time of a promotion. When being promoted to an exempt position, the compensatory bank will be paid-out at the employee’s rate of pay prior to the promotion.
COMPLAINT RESOLUTION

This Complaint Resolution Procedure is available to an employee who is the subject of a disciplinary action involving a suspension of one day (or one shift) or more or a demotion or to an employee who is complaining about an alleged improper interpretation and/or application of City or departmental policies, procedures, or practices. The City encourages all employees to attempt to resolve complaints informally through discussions with the employee’s immediate supervisor.

If an employee is unable to resolve a complaint subject to this policy with his or her immediate supervisor, the employee may submit a written complaint to the employee’s Department Director. A written complaint to a Department Director must be made within 30 days of the event or action complained of.

If an employee’s complaint is not resolved to his or her satisfaction within 10 days of filing a written complaint with the Department Director, the employee may present his/her written complaint to the Human Resources Division, who will forward the written complaint to the City Manager.

The decision of the City Manager may be conveyed to the employee orally or in writing and is final.
CONFIDENTIALITY OF MEDICAL INFORMATION

Federal law requires that the City maintain all employee medical information in separate, confidential files. Therefore, in addition to personnel files, the City maintains a separate medical file for each employee. The Human Resources Division maintains these confidential medical files.

Examples of information that may be provided to the City by an employee’s health care provider, and maintained in the confidential medical file, include:

- a note to justify an absence;
- a note to request a leave;
- a note to verify the employee’s ability to return to work;
- medical records to support a claim for sick pay or disability benefits;
- insurance records; and
- workers’ compensation records.

It is important that employees understand that the records are confidential but that the confidentiality may be waived when the employee provides medical information to his/her supervisor or the Human Resources Division. When an employee provides information to his/her supervisor, the supervisor is expected to share the information only on an “as needed” basis to other members of management.

In addition to protecting their own confidential medical information, employees must also respect the privacy and confidentiality of their coworkers’ medical information. Employees are expected to use discretion and judgment when dealing with such information and are to refrain from passing along information, gossip, rumors or anything else that may constitute an invasion of a coworker’s privacy or breach of confidence.
CONFLICT OF INTEREST

No employee of the City may:

- Have any financial or other interest, directly or indirectly, in any proposed or existing contract, purchase, work, sale or service to, for, with or by the City;

- Use City employment, authority, or influence in any manner for his/her personal betterment, financial or otherwise;

- Have any financial interest, directly or indirectly, in the sale to the City of any land, materials, supplies or services;

- Have discussions or participate in decisions of any City agency, board, commission or instrumentality if the employee has any personal economic interest or is employed, directly or indirectly, by the person or entity that is the subject of the discussion or decision;

- Accept other employment or engage in outside activities incompatible with the performance of duties and responsibilities as a City employee or that might impair independent judgment in the performance of duties to the City. For additional information regarding outside employment, refer to the Outside Employment section of this Handbook; or

- Accept remuneration or provide services for compensation, directly or indirectly, to a person or organization requesting an approval, investigation, or determination from the City.

An employee may not knowingly participate in a decision of any matter involving a business entity or real property with which he/she has substantial interest, if the decision on the matter will have a special economic effect on the business entity or real property which is distinguishable from the general public. A “substantial interest in a business entity” is defined as an employee owning 10% or more of the voting stocks or shares of the business entity, the employee owns either 10% or more or $15,000 or more of the fair market value of the business entity or the funds received by the employee exceeds 10% of the employees gross income for the previous year. A “substantial interest in real property” is defined as an employee owning $2,500 or more in real property and/or if a person related to the employee in the first degree has a substantial interest.

Violations of this policy may result in disciplinary action up to and including termination of employment. Employees should direct questions regarding the prohibitions imposed by this policy to your Department Director, the Human Resources Division, or the City Manager’s office.

For additional guidance regarding ethics, see Section 13.03 of the Home Rule Charter.
CORE VALUES

The City of Hutto, Texas embraces these core values:

**Fairness** – Consistent just treatment while allowing for due consideration of unique circumstances.

**Role Modeling/Mentoring** – Provide leadership that develops individuals who understand the decision-making processes which inspire achievement and growth.

**Open Communication** – The authority and responsibility of individual employees to identify issues and propose actions up, down and parallel within the organizational structure.

**Service Minded** – Commitment to long-term success through a willingness to sacrifice for the public good through achievement of organizational goals.

**Trust** – Trust must be valued, earned and demonstrated at all levels of the organization every day.
DRESS, APPEARANCE AND UNIFORMS

Employees must, at all times, dress appropriately and professionally and present a clean and neat appearance while at work and while representing the City or conducting City business. The City allows business casual dress in the workplace year-round, in accordance with this policy. This policy applies to all employees except those who are required to wear uniforms. Department Directors are strongly encouraged to allow their employees to participate in business casual dress, as practical. Department Directors and supervisors are responsible for enforcing this policy in their respective departments in order to maintain acceptable dress and appearance.

Professional business attire or a required uniform is to be worn when there is a need to present a more formal professional appearance for meetings or special events. Clean and presentable attire that is typical for the job function (i.e. suits or dresses for the City Manager’s Office, polo with city logo and slacks for Parks & Recreation) are proper attire for personnel scheduled for City Council meetings, receptions, etc., unless otherwise directed by the City Manager for the occasion.

Employees must remember that they are professional 100% of the time and are dressing for business, not for pleasure. All clothing must be clean, neatly pressed and in good repair and appropriate to the work setting. Attire must always reflect a professional business attitude and presence. Provocative, suggestive articles or other inappropriate dress are not allowed in the workplace. When there is a question on whether or not an item of clothing is prohibited, please err in favor of being conservative and assume that it is not acceptable attire.

The City Manager may designate a specific day in which casual attire may be worn. However, it is at the City Manager’s discretion and the attire worn on “casual days” should still reflect an appropriate professional appearance. Department Directors may occasionally allow employees to wear casual attire if a specific work assignment dictates that casual attire is appropriate and to ensure the safety of an employee.

A. Standards for Business Casual Work Attire

- Jeans, T-shirts and athletic shoes are not acceptable during normal work hours unless a special day is declared by City management or as specifically approved by the appropriate Department Director as work assignment dictates.
- Sweatshirts, sweat pants and hoodies of any type are not acceptable unless a special casual wear or festive occasion is declared by City management.
- Shorts shall not be worn unless they are part of a City Department’s approved uniform and worn with a shirt that identifies them as an employee of a particular City Department or Division or approved by the Department Director as special circumstances warrant.
• **Women:** Camisoles or t-tops are required to be worn with low cut blouses/tops. Clothing with thin or spaghetti straps or tank tops need to be worn with an acceptable jacket. Skirts and dresses shall be worn no shorter than 2 inches above the top of the knee. Ankle length and Capri dress slacks are appropriate. Dress shoes or dress sandals are appropriate. No more than 3 earrings in each ear may be worn, provided the earrings are not unprofessional in appearance.

• **Men:** Knit shirts with collar, banded collar shirts, short sleeve or long sleeve dress shirts without a tie are acceptable. All shirts are to be tucked in unless specifically designed to be worn outside trousers. Dress shoes, boots or loafers are acceptable footwear. No more than 3 earrings in each ear may be worn, provided the earrings are not unprofessional in appearance. Men are not to wear earrings at Council presentations or formal city events.

### B. Examples of Inappropriate Attire

The following are always inappropriate for the work place:

- Provocative or revealing attire including low cut, bare backs, midriffs, body-hugging, see-through garments, or excessively loose or tight fabrics;

- Bare shoulders and tube tops;

- Stirrup pants, spandex pants, casual cargo pants, leggings, form fitting or tight slacks/trousers;

- Clothing with unclear or obscene messages or that endorses alcohol, tobacco products, drugs, pornography, or offensive material of any kind;

- Unpressed, soiled, ripped and tattered clothing;

- Visible tattoos which could be deemed offensive;

- Nose rings, eyebrow rings, tongue studs, lip piercings, gauge piercings, or similar type facial jewelry.

### C. Jewelry - All jewelry worn by employees must be appropriate so it does not detract from a professional appearance or conflict with department uniform guidelines.
D. **Hair and Facial Hair** – Hair styles and hair colors must be appropriate to the employee’s position and extremes of any type are unacceptable. For example, green hair, Mohawk style haircuts, and severely spiked hair are not allowed. The length of hair must not pose a safety hazard for employees working around machinery and moving objects. Hair, including facial hair, must be clean and neatly groomed at all times.

E. **Perfume and Cologne** – While at work, employees should minimize the use of scented aftershaves, colognes, perfumes, and lotions as these products may impact the health of chemically-sensitive customers and other employees.

F. **Personal Hygiene** – It is necessary that all employees maintain a clean, presentable appearance. Personal hygiene includes a regular bath/shower, use of deodorant, and appropriate oral hygiene.

G. **Uniforms** – The City supplies many Police, Parks and Recreation, and Public Works personnel with appropriate uniforms. Employees in jobs that require a uniform will be told how and where the uniforms can be obtained. The City will provide replacement uniforms as necessary. Uniforms must be clean and neat. City-owned or authorized uniforms may not be used outside of work, for personal use or by any third party. City uniforms may be used by City employees in connection with outside employment only with the Department Director’s prior written authorization.

Employees who are provided with uniforms are required to wear their uniforms when on duty and keep them in good, clean and serviceable condition. No part of the uniform shall be worn by itself. An employee must wear the entire uniform when on duty. No part of the uniform shall be worn when off duty, except to and from work, unless in connection with outside employment with the Department Director’s authorization.

When an employee terminates, uniforms and any other City equipment which the employee possesses must be returned in good condition before final pay will be authorized. The cost of lost or damaged City property and unreturned uniforms will be deducted from the employee’s final pay check.

H. **Employee Purchasing of City Logo Clothing** – Employees who work primarily in offices are not eligible to receive uniforms. However, employees are permitted to purchase City logo apparel at their own expense and at the City’s contract price with selected vendors.

I. **Exceptions** – Employees having a conflict with any aspect of this policy, based on cultural or religious traditions or medical reasons, may request an exemption. The employee must place the request in writing to his/her Department Director. The Department Director and the Human Resources Division shall review the request and determine whether an exception will be granted.

J. **Enforcement** – Employees and supervisors are responsible for ensuring compliance with the City’s dress code standards. In all cases, the City will make the determination as to
acceptable dress, appearance and grooming. Employees should direct questions about appropriate appearance or dress to your supervisor, Department Director or the Human Resources Division.

Department Directors shall specify requirements for uniforms and other work attire. Departments may impose special dress and grooming requirements necessary for employee safety, including use of appropriate personal protective equipment, shoes and clothing.

Supervisors are responsible for ensuring that employees know, understand and adhere to this policy as well as any department specific dress policy. Managers and supervisors shall counsel employees’ whose dress, personal hygiene or grooming is inappropriate.

Each employee is expected to adhere to the clothing, uniform and personal appearance guidelines set forth in this policy. Each employee must use good judgment and common sense in selecting clothing that fits with the function of his/her position, while also promoting a professional image. In order to avoid bringing discredit to the City, employees shall exercise caution in their conduct when wearing uniforms or other apparel bearing the name or logo of the City of Hutto.

Employees in violation of this policy may be sent home. Under such circumstances, non-exempt employees will not be paid for work time missed, and exempt employees will be required to make up the work time missed. Employees whose grooming or personal appearance violates this policy may be disciplined, up to and including termination of employment.

The Department Director, with approval of the City Manager’s office, may make departmental exceptions to this policy when deemed necessary for business reasons or implement a more restrictive dress and appearance policy.
## Dress Guidelines

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| **Appropriate** | - Knit shirts with collar and banded collars  
- Short sleeve or long sleeve dress shirts  
- Dress shoes, boots and loafers | - Camisoles or t-tops worn with low cut blouses/tops  
- Thin or spaghetti straps and tanks tops worn with jacket  
- Skirts and dresses no shorter than 2 inches above top of knee  
- Ankle length and Capri dress slacks |
| **Inappropriate** | - Provocative or revealing attire  
- Excessively loose or tight fabrics  
- Bare shoulders  
- Clothing with unclear or obscene messages or that endorses alcohol, tobacco products, drugs, pornography, or offensive material of any kind.  
- Stirrup pants, spandex pants, casual cargo pants and leggings  
- Form fitting or tight slacks/trousers  
- Visible tattoos which could be deemed offensive.  
- Unpressed, soiled, ripped and tattered clothing. | |

*Listing of inappropriate apparel is not intended to be exhaustive and all-inclusive and is provided to establish a guideline for what is acceptable in the work place.*
DRUG AND ALCOHOL POLICY FOR DOT EMPLOYEES

A. Employees/Applicants Subject To Testing – City employees who drive a commercial motor vehicle (CMV) requiring a Commercial Driver’s License (CDL) as part of their job duties are subject to alcohol and drug testing as required by the U.S. Department of Transportation (DOT) and the Federal Motor Carrier Safety Administration and as outlined in this policy. The employee’s supervisor or the Human Resources Division will advise the employee if he or she is subject to DOT testing and the terms of this policy. Employees who are not required by DOT to hold a CDL are not subject to this policy. Applicants for employment for a position requiring a CDL are also subject to testing under this policy.

Employees covered by this policy are also required to comply with the City’s Drug and Alcohol Use Policy. In other words, this DOT Drug and Alcohol Policy is in addition to, not in lieu of, the provisions of the City’s general Drug and Alcohol Use Policy. DOT tests will be completely separate from non-DOT tests in all respects. DOT tests take priority and will be conducted and completed before a non-DOT test is begun. All drug and alcohol testing performed under this DOT Policy will comply with applicable DOT procedures. If this policy conflicts with DOT regulations in any way, the DOT regulations will govern.

An employee subject to the provisions of this policy may be a person employed by the City, a contractor engaged by the City or an employee of such contractor. When applicable, refer to Attachment A for a listing of City positions currently subject to the testing provisions of this policy. The list of job titles on Attachment A may change as job responsibilities change or as new jobs are added to the City’s work force. Employees required by DOT to hold a CDL, due to the type of equipment they operate, are subject to this policy whether or not this list is immediately updated to include their job titles. Employees who hold these jobs are required to carry their CDLs when they are at work or are operating City equipment.

B. Prohibited Alcohol Use

1. On-duty and Pre-duty Use – Reporting for, or remaining on, duty requiring the performance of safety-sensitive functions is prohibited under the following conditions:
   - While having a breath alcohol concentration of 0.04 or more as indicated via breath test;
   - While using alcohol; or
   - Within 4 hours after using alcohol.

2. Use Following An Accident – An employee required to take a post-accident alcohol test pursuant to this policy is prohibited from using alcohol for 8 hours following the accident, or until undergoing a post-accident alcohol test, whichever occurs first.

C. Prohibited Drug Use – Illicit use of drugs by safety sensitive drivers is prohibited both on and off duty. An employee may not report for duty or remain on duty when he/she uses any controlled substances, except when the use is pursuant to the instructions of a licensed medical practitioner who has advised the employee that the substance will not adversely affect his/her
ability to safely operate a CMV. An employee may not report for duty, remain on duty or perform a safety sensitive function if the employee tests positive for controlled substances or has adulterated or substituted a test specimen.

D. Required Alcohol and Drug Tests – DOT requires the following testing for covered drivers: pre-employment, post-accident, random, reasonable suspicion, return-to-duty and follow-up testing. Before conducting any required DOT testing, the City will notify the driver that the alcohol or drug test is required by DOT regulations.

1. Pre-employment Testing – Drug and alcohol tests will be conducted after a conditional offer of employment is made, but before actually performing safety-sensitive functions for the first time. These tests are also required when employees are promoted, demoted or transferred into a safety sensitive driver position.

2. Post-accident Testing – Drug and alcohol tests will be conducted after accidents in which the driver’s performance could have contributed to the accident (as determined by a citation for a moving traffic violation) and for all fatal accidents even if the driver is not cited for a moving traffic violation. Post-accident testing must be conducted as soon as practicable on all surviving drivers following an occurrence involving a CMV operating on a public road in commerce, as follows:

- When the employee is issued a moving traffic violation citation and one or more of the vehicles involved is disabled and must be towed from the scene;
- When the employee is issued a moving traffic violation citation and any person involved in the accident is injured to the extent that he/she requires and receives immediate medical treatment away from the scene of the accident; or
- In an accident involving a fatality, testing will be performed on anyone who was performing safety sensitive functions with respect to the vehicle.

An employee subject to post-accident testing must remain readily available for such testing or will be deemed by the City to have refused to test. Nothing in this policy shall be construed to require the delay of necessary medical attention for injured people following an accident or to prohibit an employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary medical care.

In post-accident situations, the City may substitute a blood or breath alcohol test for a urine drug test, so long as the test is performed by state or local law enforcement officials using procedures required by their jurisdictions, provided such test results are received directly from the local jurisdiction or the driver. A positive post-accident test administered by law enforcement will result in the same action as a positive post-accident test performed at the City’s behest.

a. Post-Accident Alcohol Testing – If alcohol testing cannot be administered within 2 hours of one of the above listed occurrences, a written statement explaining why the alcohol test was not promptly administered must be provided to the Human Resources Division by the
appropriate supervisor. If alcohol testing cannot be administered within 8 hours after the occurrence, the City will cease attempts to administer an alcohol test and document the reasons the alcohol test was not administered. This report must be promptly forwarded to the Human Resources Division.

b. Post Accident Drug Testing – A driver will be drug tested as soon as practicable but not later than 32 hours after one of the above listed occurrences. If the driver is not drug tested within 32 hours, the appropriate supervisor must prepare a report documenting the reason why and promptly forward the report to the Human Resources Division.

3. Reasonable Suspicion Testing – Reasonable suspicion drug and alcohol testing is conducted when a trained supervisor has reason to believe that an employee is in violation of this policy. The reasonable suspicion must be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the employee; the observations may also include indications of the chronic and withdrawal effects of controlled substances. The supervisor must consult with the Department Director (or designee) and affirm the basis of his/her suspicion. If the Department Director concurs, he/she may order the employee to undergo testing only after consultation with the Human Resources Division. A written report of the reasonable suspicion observations must be prepared by the supervisor(s) who made the observation within 24 hours of the observed behavior or before the results of tests are released, whichever is earlier. This report must be promptly forwarded to the Human Resources Division.

a. Reasonable Suspicion Alcohol Testing – Reasonable suspicion alcohol testing is permitted only if the reasonable suspicion observation is made during, just before, or just after, the period of the work day the employee is required to be in compliance with this policy. An employee may be directed to undergo reasonable suspicion testing only while the employee is performing, just before he/she is to perform, or just after he/she stopped performing, safety sensitive functions. If alcohol testing cannot be administered within 2 hours after the reasonable suspicion observation, a written statement that explains why the alcohol test was not promptly administered must be given to the Human Resources Division. If alcohol testing cannot be administered within 8 hours after the observation, the City will cease attempts to administer an alcohol test and the appropriate supervisor must immediately document the reasons that the alcohol test was not administered; this report must be promptly forwarded to the Human Resources Division. Notwithstanding the absence of a reasonable suspicion alcohol test under this policy, an employee may not report for duty or remain on duty requiring the performance of safety sensitive functions while the employee is under the influence of or impaired by alcohol, as shown by the behavioral, speech and performance indicators of alcohol misuse. In such instances, the employee will not be permitted to perform or continue to perform safety sensitive functions until:

- An alcohol test measures the employee’s alcohol concentration at less than 0.02; or
- 24 hours have elapsed since the reasonable suspicion observation was made.
b. Reasonable Suspicion Drug Testing – A driver will be drug tested as soon as practicable but not later than 32 hours after the reasonable suspicion observation. If the driver is not drug tested within 32 hours, the appropriate supervisor must prepare a report documenting the reason why and promptly forward the report to the Human Resources Division.

4. Random Testing – Drivers are selected for random, unannounced drug and alcohol testing using a scientifically valid method, such as a random number table or a computer-based random number generator that is matched with the employee’s Social Security number, payroll identification number, or other comparable identifying numbers. Each driver subject to this policy will have an equal chance of being tested each time random selections are made. The number of drivers randomly selected will be in accordance with applicable DOT regulations. Each driver randomly selected for testing will be tested during the selection period. Dates and times for random testing are unannounced and spread reasonably throughout the calendar year. Each driver selected for random testing must proceed to the test site immediately after notification; if, however, the driver is performing a safety-sensitive function, other than driving a CMV, at the time of notification, the City will instead ensure that the driver ceases to perform the safety-sensitive function and proceeds to the testing site as soon as possible. A driver will be randomly tested for alcohol just before, during, or just after performing, safety sensitive functions; random testing for drugs does not have to be conducted in immediate time proximity to performing safety sensitive functions.

E. Return-to-duty and Follow-up Testing – Return-to-duty tests are conducted when a driver who has violated DOT’s prohibited drug and alcohol standards returns to performing safety sensitive duties. Follow-up tests are unannounced, and at least 6 tests must be conducted in the first 12 months after a driver returns to duty; follow-up tests may be extended for up to 60 months following a driver’s return to duty. Drug tests must be negative and alcohol tests must demonstrate a breath alcohol level of less than 0.02. The driver will pay all costs associated with return-to-duty testing. When applicable, the City will follow all applicable DOT regulations in requiring return-to-duty and follow-up testing. The City is not, however, required to hire an applicant or continue the employment of a driver who has violated DOT drug and alcohol regulations or this policy and it is the policy of the City not to do so. Thus, return-to-duty and follow-up tests are generally applicable only for those seeking assistance as set out below and, based on individual circumstances, for those who may have had an alcohol concentration of 0.02 or greater, but less than 0.04.

F. Refusal to Test – An employee who refuses to be tested in any of the above circumstances, who obstructs the testing process, or who tampers/alters a specimen, will not be permitted to perform or continue to perform safety sensitive functions and will likely be terminated. An applicant who does one of these prohibited acts will not be hired. Except in the case of pre-employment testing, a refusal to test includes the failure to appear for testing within a reasonable time, as well as failure to remain at the testing site until the testing process is complete. Failure to test also includes the failure to provide the required sample with no adequate medical explanation, and the failure to cooperate with any part of the testing process (e.g., refusing to empty pockets when asked to do so, behaving in a confrontational way that disrupts the collection process, or failure to undergo a medical exam or evaluation as directed by the physician medical review officer (MRO) as part of the verification process).
G. Additional Information About Alcohol Testing.

1. Consequences of a Positive Alcohol Test – An employee who is tested and has an alcohol concentration of 0.04 or greater will be removed from safety sensitive functions and will be terminated. An employee who is tested and has an alcohol concentration of .02 to .039 will not be permitted to perform safety sensitive functions for a minimum of 24 hours and will be disciplined, up to and including termination. If the employee is not terminated, then he/she will receive a mandatory referral to a substance abuse professional. Any non-compliance with the treatment recommendations of the substance abuse professional will result in disciplinary action, up to and including termination. (The employee will be placed on administrative leave without pay during the treatment period. That employee may use accrued sick leave during the treatment period.)

2. Alcohol Testing Procedures – A trained breath alcohol technician will conduct alcohol tests. If the alcohol concentration is 0.02 or greater, a second confirmation test will be conducted in accordance with DOT regulations, the results of which will determine any actions taken. Any result of less than 0.02 alcohol concentration is considered a “negative” test. The second, confirmation test results determine if the employee is in violation of this policy. Testing procedures that ensure accuracy, reliability and confidentiality of test results will be followed pursuant to DOT regulations.

H. Additional Information About Drug Testing.

1. Drug Testing Procedures – Drug testing is conducted by analyzing a driver’s urine specimen at a lab certified by the U.S. Department of Health and Human Services. The driver provides a specimen in a location that affords privacy and the “collector” seals and labels the specimen, completes a chain of custody document, and prepares the specimen and accompanying paperwork for shipment to a drug-testing lab. “Split” urine specimens provide drivers with an opportunity for a second test, if needed. If the driver challenges the validity of the test, then he/she has 72 hours to request that the split specimen be sent for testing to another certified lab approved by the City’s Human Resources Division. The second test will be at the driver’s own expense.

2. Drugs Tested For – DOT requires testing for the following drugs:

- Marijuana (THC)
- Cocaine
- Amphetamines
- Opiates
- Phencyclidine (PCP)

A screening test is performed first. If it is positive for one or more of these drugs, then a confirmation test is performed. Whenever the terms “drug,” “drugs” or “controlled substances” are used in this policy, they refer to the substances listed above. The City will not test for any
other substances under this policy. The City may, however, test for other controlled substances pursuant to its general Drug and Alcohol Use Policy.

3. Review of Drug Test Results – All drug test results are reviewed and interpreted by a physician medical review officer (MRO) before they are reported to the City. If the lab reports a positive result to the MRO, the MRO will contact the driver (either in person or by phone) and will conduct an interview to determine if there is an alternative medical explanation for the drug(s) found in the driver’s urine specimen. If the driver provides appropriate documentation and the MRO determines that it is a legitimate medical use of the prohibited drug(s), the drug test result is reported as a negative to the City.

4. Consequences of a Positive Drug Test – A driver will be removed from safety sensitive duties and placed on administrative leave if he/she tests positive for drugs. The removal cannot take place until the MRO has interviewed the driver and determined that the positive test resulted from the unauthorized use of a controlled substance. A confirmed positive drug result will result in termination of employment.

5. Confidentiality – Test results may be released only to the driver, designated City officials, a substance abuse professional, laboratory officials or a medical review officer. Records will also be made available to a subsequent employer or other identified person upon the driver’s specific written request. Test results will not be released to others except as required by law or expressly authorized in the applicable DOT regulations (e.g., the decision maker in a lawsuit, appeal or administrative proceeding initiated by or on behalf of the driver and arising from a positive DOT drug or alcohol test or refusal to test; this includes workers’ compensation and unemployment proceedings.) All test results will be kept in a confidential file by the Human Resources Division. Management and supervisory personnel who are authorized to have access to alcohol and drug testing results must maintain complete confidentiality regarding this information. City employees who make a reasonable suspicion observation or who witness an accident must also maintain confidentiality. Breach of confidentiality relating to test results, or any other related matters, will likely result in disciplinary action, up to and including termination of employment.

I. Information From Prior Employers – For new hires, promoted and transferred employee-drivers seeking to perform safety sensitive functions for the first time, the City is required, with the driver’s written consent, to obtain information from previous employers regarding alcohol test results of 0.04 or greater, verified positive drug test results, refusals to test (including verified adulterated or substituted drug test results), and any other violation of DOT drug and alcohol testing regulations within the two years prior to the date of the driver’s application, promotion or transfer. Affected individuals must sign a Breath Alcohol and Drug Testing Results Request. The City will obtain and review the information before allowing the person to perform safety sensitive functions. If the City receives any such information about an applicant-driver, the applicant will not be hired; if such information is received about an employee seeking promotion or transfer, the employee will not be promoted or transferred to the driver position and may also receive disciplinary action, up to and including termination of employment. The City will maintain a written, confidential record of the information it obtains and/or the good faith efforts it made to obtain the information. This information will be retained
for a minimum of 3 years. The City will also ask the person if he/she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the driver applied for, but did not obtain, safety sensitive transportation work covered by a DOT agency drug and alcohol testing rules during the past 2 years. If the person admits to such conduct, the person will not be allowed to perform safety sensitive functions for the City. If the driver refuses to provide the City with the required written consent, the driver will not be permitted to perform safety sensitive functions and will likely be disciplined (up to and including termination of employment) if employed, or not hired if applying for employment.

J. Record Retention – The City will maintain and retain records under this policy as mandated by DOT regulations. See 49 C.F.R. §382.401, Retention of Records.

K. Notification to Applicants/Employees of Positive Test Results – The City will notify applicants of the results of a pre-employment drug test if the applicant requests such results within 60 calendar days of being notified of the disposition of the employment application. The City will notify an employee of the results of random, reasonable suspicion and post-accident drug tests if the test results are verified positive, and also which controlled substance(s) verified positive. The City will also make reasonable efforts to contact and request each driver who tested positive to contact and discuss the results of their drug test with a MRO who has been unable to contact the driver. The City will immediately notify the MRO that the driver has been notified to contact the MRO within 72 hours.

L. Employee Admission of Drug/Alcohol Use – An employee who admits to alcohol misuse or drug use must do so in accordance with the City’s general Drug and Alcohol Use Policy; provided, however, the employee may not self-identify in order to avoid the testing requirements of this DOT policy. Further, the employee must make the admission prior to performing a safety sensitive function, i.e., prior to reporting for duty. The employee may not perform a safety sensitive function until the City is satisfied that the employee has been evaluated and has successfully completed educational or treatment requirements in accordance with the City’s general Drug and Alcohol Use Policy. A drug and alcohol abuse evaluation expert, i.e., an EAP professional, a substance abuse professional or a qualified drug and alcohol counselor, will determine successful completion. Prior to the employee performing safety sensitive functions, the employee must undergo a return to duty alcohol test with a result of less than 0.02 and/or a return to duty drug test with a negative test result.

M. Safety Sensitive Functions – For purposes of this policy, safety sensitive function or duty means from the time a driver begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work. Safety sensitive functions/duties include:

- All time at a City, facility, or other property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the City;
- All time inspecting equipment as required by applicable DOT regulations or otherwise inspecting, servicing, or conditioning any CMV at any time;
- All time spent at the driving controls of a CMV in operation;
• All time, other than driving time, in or upon any CMV;
• All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and
• All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

N. Transportation to Testing Site – With the exception of pre-employment testing, employees will be driven to the testing facility by a supervisor. The supervisor will remain with the employee during the testing process. The City will make arrangements to have the employee transported back to the City or home, as appropriate, after the testing is complete.

O. Questions – Anyone with questions regarding this policy should contact the Human Resources Division.
DRUG AND ALCOHOL USE POLICY

It is the desire of the City to provide a drug-free, healthful and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory and safe manner.

A. Prohibition Against Alcohol and Illegal and Unauthorized Drugs – While on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment, no employee may use, possess, distribute, sell, or be under the influence of alcohol (except under the limited circumstances described below), inhalants, illegal drugs, including drugs which are legally obtainable but which were not legally obtained, and prescribed or over-the-counter drugs which are not being used as prescribed or as intended by the manufacturer.

B. Prohibition Against Illegal and Unauthorized Drug-Related Paraphernalia – This policy also prohibits the use, possession, distribution and sale of drug-related paraphernalia while on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment. Drug-related paraphernalia includes material and/or equipment designed for use in testing, packaging, storing, injecting, ingesting, inhaling or otherwise introducing illegal or unauthorized drugs into the body.

C. Permissive Use of Prescribed and Over-The-Counter Drugs – The legal use of prescribed and over-the-counter drugs is permitted while on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment only if it does not impair an employee’s normal mental and physical abilities to perform the essential functions of the job (or operate the vehicle, property or other equipment) effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion, or feeling shaky.

D. Permissive Use of Alcohol - The use of alcohol by a City employee during a business lunch is prohibited even though the person with whom the employee is having lunch may be consuming alcohol. At no time may an employee under the influence of alcohol drive a City-owned or leased vehicle or operate or use other City-owned or leased property or equipment. Further, an employee on duty or conducting City business, including City-related business entertainment, may not drive his or her own personal vehicle while under the influence of alcohol. No employee in his or her work-related capacity should ever be impaired due to the introduction of an alcoholic beverage into the body. Absent specific approval by the City Manager, City employees may not bring alcoholic beverages on City premises, including parking lots adjacent to City work areas, and may not store or transport alcohol in a City-owned or leased vehicle.
E. **Police Department Employees** - Police Department employees may be required to be in possession of alcohol and/or drugs in carrying out their job duties. Such employees will be exempted from certain portions of this policy under certain limited conditions. Additional guidelines may be established by Police Department operating procedures.

F. **Mandatory Disclosure by Employees** - Employees taking prescription medication and/or over-the-counter medication must report such use to either their Department Director or to the Human Resources Division if there is a reasonable likelihood the medication will impair the employee’s ability to perform the essential functions of his or her job (or operate a vehicle, property or other equipment, if applicable) effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion, or feeling shaky.

G. **On-Call Employees** - Employees scheduled to be on call are expected to be fit for duty upon reporting to work. Any employee scheduled to be on call, which is called out, is governed by this policy. Sometimes, an employee who is not scheduled to be on call may nevertheless be called out. If this or any other situation occurs where the employee called out is under the influence of drugs and/or alcohol, such that reporting to work would result in a violation of this policy, the employee must so advise the appropriate supervisor on duty. The employee will not be required to report to work.

H. **Mandatory Reporting of Convictions** - Employees must notify their immediate Supervisor and the Human Resources Division, in writing, of any criminal drug conviction, driving while intoxicated (DWI), driving under the influence (DUI), vehicle homicide (including a plea of nolo contendere) or deferred adjudication for a violation occurring off duty and/or in the workplace no later than five calendar days after the conviction.

I. **Off-Duty Conduct** - The City may take disciplinary action, up to and including termination of employment, if an employee’s off-duty use of or involvement with drugs or alcohol is damaging to the City’s reputation or business, is inconsistent with the employee’s job duties, or when such off-duty use or involvement adversely affects the employee’s job performance.

J. **Rehabilitation/Treatment.**

1. It is the City’s desire to assist employees who voluntarily request assistance with their alcohol or drug dependency. For City support and assistance, however, an employee must acknowledge his or her problem and seek and accept counseling and/or rehabilitation before it impairs his or her job performance and/or jeopardizes his/her employment.

2. Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take a leave of absence to participate in a rehabilitation or treatment program. (An employee may not enroll in a rehabilitation or treatment program in lieu of disciplinary action.) The leave of absence may be granted in the City’s sole discretion. Factors considered by the City in deciding whether to grant leave include: the length of the employee’s employment with the City; the employee’s prior
work and disciplinary history; the employee’s agreement to abstain from the use of the problem substance and follow all other requirements of the rehabilitation/treatment program; the reputation of the program and the likelihood of a successful outcome; the employee’s compliance with City policies, rules, and prohibitions relating to conduct in the workplace; and the resulting hardship on the City due to the employee’s absence. Unless otherwise required by law, it is the City’s policy to grant such a leave of absence only once during the course of an employee’s employment with the City.  Note: Under certain conditions, treatment for substance abuse may be covered under the City’s Family Medical Leave Act Policy.

3. The cost of any rehabilitation or treatment may be covered under the City’s group health insurance policy. In any case where rehabilitation or treatment is not covered by the City’s group health insurance policy, the employee is responsible for all costs associated with any rehabilitation or treatment program. Should an employee need assistance in determining coverage of rehabilitation or treatment, he/she may seek assistance from the City’s Human Resource’s Division.

4. During time off for a City-approved rehabilitation or treatment program, the employee must use any available vacation leave, sick leave, compensatory time off, or other accrued paid leave time. If the employee has no paid time off available, the time away from work will be unpaid. Where applicable, any time off for rehabilitation or treatment under this policy will also be designated as leave under the City’s Family and Medical Leave Act policy.

5. If the employee successfully completes his or her prescribed rehabilitation or treatment, the City will make reasonable efforts to return the employee to his or her prior position or one of similar pay and status. However, employment with the City following a City-approved leave for rehabilitation or treatment is conditioned on the following:

● Initial negative test for drugs and/or alcohol before returning to work;

● A written release to return to work from the City-approved rehabilitation or treatment facility/program;

● Periodic and timely confirmation of the employee’s on going cooperation and successful participation in any follow-up or ongoing counseling, testing, or other treatment required in connection with the City-approved rehabilitation or treatment program, if applicable. In addition to any testing required in connection with the employee’s ongoing treatment or follow-up to treatment, all employees who participate in rehabilitation or treatment under this section will also be required to submit to periodic and/or random testing by the City during the two years following the employee’s return to work following treatment;

● The employee must sign a formal written agreement to abide by the above conditions, as well as any other conditions deemed appropriate by the Human Resources Division. The employee must meet with the Human Resources Division to discuss the terms of his or her continued employment and sign a formal agreement before returning to work.
6. This policy will be administered in accordance with the City’s Family Medical Leave Act policy when applicable.

K. **Policy Violations** - Violations of this policy will generally lead to disciplinary action, up to and including immediate termination of employment and/or required participation in a substance abuse rehabilitation or treatment program. The Police Department may have stricter disciplinary rules regarding violation of this policy. Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor or the Human Resources Division to receive assistance or referrals to appropriate resources in the community.

L. **Testing**

1. **Types of Tests.** Testing may include one or more of the following: urinalysis, hair testing, portable breath test, intoxilyzer, or other generally-accepted testing procedure.

2. **Testing of Applicants.** All applicants to whom a conditional offer of employment has been made for a safety sensitive position will be required to submit to testing for alcohol and illegal and unauthorized drugs. A positive test result, refusal to test, or attempts to alter or tamper with a sample or any other part of the test, will render the applicant ineligible for consideration of employment or future employment with the City.

3. **Testing of Employees.**

   a. **ALL employees** will be tested for alcohol and/or illegal and unauthorized drugs after a workplace injury or accident or “near miss,” or in connection with any required treatment or rehabilitation. An employee who is injured by an “external process” during the course of his/her official duties is exempt from mandatory drug and alcohol testing unless a supervisor has reasonable suspicion to believe that the use of drugs or alcohol by the employee contributed to the accident. “External process” means insect bites or stings, animal bites or scratches, and falling objects which the employee had no contact with prior to the injury. An on-duty police officer who is injured in the course of subduing a suspect is also exempt from mandatory drug and alcohol testing unless a supervisor has reasonable suspicion to believe that the officer has used drugs or alcohol.

   b. **Police Department employees** are also subject to any applicable departmental rules and regulations regarding illegal and unauthorized drug and alcohol testing.

   c. **For purposes of this policy, reasonable suspicion** is a belief based on facts and circumstances (e.g., observation of alcohol or drug use, apparent physical state of impairment, incoherent mental state, changes in personal behavior that are otherwise unexplainable, deteriorating work performance that is not attributable to other factors, a work-related accident or injury, evidence of possession of substances or objects which appear to be illegal or unauthorized drugs or drug paraphernalia) sufficient to lead a supervisor to suspect that the employee is under the influence of illegal or unauthorized drugs or alcohol. Supervisors who refer an employee for
reasonable suspicion testing must document the specific facts and circumstances that support reasonable suspicion testing (e.g., the who, what, when, where of the employee’s behavior and other symptoms, statements from other employees or third parties, and other evidence supporting the reasonable suspicion testing).

d. For purposes of this policy, alcohol and drug testing is required when an employee is involved in an accident while on duty if the accident results in bodily injury or property damage of any type. An employee will not be considered to be “involved” in an accident if the employee is not present during the accident. Also, if an employee is involved in a “near miss” that gives rise to a concern regarding the employee’s sobriety or ability to exercise good judgment or control of a vehicle or equipment because of the influence of drugs or alcohol, testing is required.

e. Tests will be paid for by the City. To the extent possible, testing will normally be done during the employee’s normal work time.

f. Any employee who refuses to be tested, or who attempts to alter or tamper with a sample or any other part of the testing process, will be subject to disciplinary action up to and including termination.

g. A positive test result is a violation of the City’s Drug and Alcohol Use Policy and may result in disciplinary action up to and including termination of employment. Any employee who is terminated for violation of the City’s Drug and Alcohol Use Policy is ineligible for future employment with the City.

h. The City has additional obligations when testing for controlled substances and alcohol for those employees regulated by the U.S. Department of Transportation. Please see the City’s Drug and Alcohol Policy for DOT Employees for additional information.

M. Testing Procedures.

1. All testing must normally be authorized in advance by both the employee’s Department Director and the Human Resources Division. If the Department Director is unavailable within a reasonable period of time, the Human Resources Division may, in his or her sole discretion, authorize the testing of an employee. If the Human Resources Division is unavailable within a reasonable period of time, the Department Director may, in his or her sole discretion, authorize the testing of an employee. For reasonable suspicion testing, testing may not be authorized without the supervisor’s documentation of the articulable factors which led him or her to suspect that the employee is under the influence of illegal or unauthorized drugs or alcohol. Testing should be arranged as soon as possible after the supervisor’s documentation of facts and circumstances.

2. If an employee’s conduct resulted in a work place accident, injury or “near miss,” or reasonable suspicion exists to believe that the employee has violated the City’s Drug and Alcohol Use Policy, the employee will be provided with transportation to the testing facility. A supervisor or other designated City representative may be required to stay with the employee.
during the testing process. The City may, in its discretion, reassign the employee or put him or her on administrative leave until the test results are received. The City will make arrangements to have the employee transported home after the testing.

3. All substance abuse testing will be performed by an approved laboratory or healthcare provider chosen by the City. All positive test results will be subject to confirmation testing.

4. Test results will be maintained in a confidential file separate and apart from the employee’s personnel file. Any medical-related information will be confidential and accessible only by the Human Resources Division; supervisors and managers on a need to know basis, including those who have a need to know about necessary restrictions on the work or duties of an employee and any necessary accommodation; first aid and safety personnel when appropriate; government officials; insurance companies as may be necessary to provide health or life insurance to employees; by court order or as otherwise legally mandated; and as necessary to protect the interests of the City.
EDUCATION REIMBURSEMENT PROGRAM

It is a policy of the City to encourage employee development through formal education in order for an employee to maintain and improve job-related skills or prepare for advancement within the City. Therefore, the City shall reimburse the cost of tuition, mandatory fees and required books for courses which an employee takes through a school or institution that is approved by the Texas Education Agency (TEA) or other nationally recognized board of accreditation, and as provided in this policy.

A. Procedure/Rule - This policy applies to a regular, full-time employee with at least twelve consecutive months of service with the City. An employee is required to submit a City of Hutto Education Reimbursement Program form prior to enrollment for classes.

1. A course which is eligible for reimbursement shall, in the opinion of the Department Head, increase an employee’s competence in his/her present job, prepare him/her for advancement in the City or culminate in a certificate or degree.

2. The maximum benefit for reimbursement per applicant shall be equal to the cost of tuition, mandatory fees and required books not to exceed $2,500 per fiscal year (10/1-9/30).

3. This program is subject to available funding on a fiscal year basis, as determined by the annual budget process.

4. The City shall not pay the cost of tuition and mandatory fees which are paid by other sources, such as scholarships, grants, veterans programs, U.S. Military Reserves, aid programs or other subsidies.

5. Whenever possible, classes should be scheduled during non-working hours. If a course is available only during working hours, supervisors are encouraged to allow flexible scheduling of work to allow completion of the employee’s normally scheduled work hours per week. Final approval on flexible scheduling will be at the discretion of the Department Head.

6. While educational assistance is expected to enhance an employee’s performance and professional abilities, the City cannot guarantee that participation in formal education will entitle the employee to automatic advancement, a different job assignment or a pay increase.

7. Employees will not be paid for time attending class, and such time will not be considered hours worked for purposes of calculating overtime.

B. Reimbursement Process - An employee shall submit a written request for education reimbursement to his/her immediate supervisor, who shall request approval from the Department Director. Upon approval of the Department Director, the supervisor shall then forward the request to the Human Resources Division for review and approval. Enrollment in a class does not guarantee reimbursement if it has not been approved by the Department Director and Human Resources.
1. The program reimburses the cost of tuition, mandatory fees and required books only and does not include the costs for supplies, travel or late fees.

2. An employee must receive a grade of "C" or better to be reimbursed.

3. The employee shall obtain and submit to the Human Resources Department receipts for tuition, mandatory fees and required books along with the employee’s official school grade report for reimbursement.

4. The program does not apply to training or courses that are required by the City. It also does not cover professional licensing and professional development seminars. Any course, training, licensing or certification required by the City shall be covered by the training funds within each department.

5. Upon completion of a course in which an employee receives reimbursement, an employee must provide at a minimum, one year of service to the City. If an employee discontinues employment for any reason prior to providing one year of service, the employee is required to reimburse the City for those funds.

6. The City Manager or designee retains ultimate discretion to approve requests for reimbursement.

C. Mandatory Training/Education -- Whenever an employee is required by the City to attend training, education courses, seminars, or conferences, time spent in attending such activities will be considered to be work hours for which the employee is paid his or her regular compensation or overtime, if applicable. Also, reasonable expenses incurred in connection with attending such activities will be reimbursed pursuant to the City’s expense reimbursement policies.
ELECTRONIC COMMUNICATIONS AND SYSTEMS ACCESS USE

The City provides access to a computer network, Internet service, email, telephones, pagers, digital cameras, voice mail and fax communication systems for use by City employees in the performance of their job duties. These communication devices are referred to collectively in this policy as “electronic communications systems” or “systems.” These electronic communications systems are designed to support and enhance the communication, research and information capabilities of City employees and to encourage work-related communication and sharing of informational resources within the City. This policy governs user behavior pertaining to access and usage of the City’s electronic communications systems. This policy applies to all City employees, contractors, volunteers and other affiliates who use the City’s electronic communications systems. The City’s electronic communications systems access must be used in a professional, responsible, efficient, ethical and legal manner.

A. Internet and Email Access - Users desiring Internet and/or email access must obtain written permission from their Department Director and provide it to the IT Division. Users must acknowledge an understanding of this policy and its guidelines as a condition of receiving an Internet and/or email access account. Failure to adhere to this policy and its guidelines may result in suspending or revoking the offender’s privilege of access and/or other disciplinary action under City policies, up to and including termination of employment.

B. Acceptable Use - Acceptable uses of the City’s electronic communication systems are limited to those activities that support reference, research, internal/external communication and conducting City business in line with the user’s job responsibilities. Network users are encouraged to develop uses which meet their individual needs and which take advantage of the City’s internal network function. The City prohibits connection to sites or forwarding of information that contain materials that may be offensive to others including, but not limited to, sites or information containing sexually explicit material.

Users must understand that use of any City-provided, publicly accessible computer network such as the Internet and email is a privilege. Minimal personal use of the Internet or email and other electronic communications systems, whether it be from city owned or personally owned devices, is allowed under this policy as long as such use is not excessive and does not impede job performance or the performance of City business. The City is not responsible for personal communications sent on its electronic communications systems.

C. Unacceptable Uses of Electronic Communications Systems include:

- Using profanity, obscenity or other language which may be offensive or harassing to other coworkers or third parties.

- Accessing, displaying, downloading or distributing sexually explicit material (excluding an official police criminal investigation authorized by the Chief of Police).

- Accessing, displaying, downloading or distributing profane, obscene, harassing, offensive or unprofessional messages or content.
• Posting unfavorable comments related to work or business that would reflect negatively upon the City.

• Copying or downloading any commercial software is strictly prohibited.

• Using the systems for financial gain or for any commercial activity unrelated to City business.

• Using the systems in such a manner as to create a security breach of the City network.

• Looking or applying for work or business opportunities other than for internal City postings.

• Accessing any site, or creating or forwarding messages with derogatory, inflammatory, or otherwise unwelcome remarks or content regarding race, religion, color, sex, national origin, age, disability, physical attributes or sexual preferences.

• Transmitting or sharing information regarding a coworker’s health status without his/her permission.

• Expressing opinions or personal views that could be misconstrued as being those of the City.

• Expressing opinions or personal views regarding management of the City or other political views.

• Using the electronic communication systems for any illegal purpose or in any way that violates City policy or is contrary to the City’s best interest.

D. Filtering - The City uses software to filter inappropriate Internet sites. The City will review this filtering on a periodic basis and may modify prohibited sites without notification to City employees, contractors, volunteers or other affiliates. The City Manager (or designee) may grant exceptions and exemptions to Internet and instant messaging filtering only after a review of the requested information has been conducted and a determination that the City’s current filtering practice impedes the requestor’s ability to perform his/her job duties.

E. Responsibility - The person in whose name a City–provided Internet, email or other electronic communications system account is issued is responsible at all times for its proper use, regardless of the user’s location. Exchanges that occur in the course of conducting City business on the City’s electronic communications systems will be considered a communication of the City and held to the same standards as formal letters.

F. No Right of Privacy/Monitoring. Users of City electronic communications systems may not assume they are provided any degree of anonymity and employees have no right to
privacy with regard to such systems. Personal passwords are not an assurance of confidentiality. The Internet itself is not secure. To ensure proper use of its electronic communications systems, the City will monitor their use. Management staff has the ability and will, with or without advance notice, monitor and view usage, including but not limited to: employee email, voice mail and instant messages, information and material transmitted, received or stored using City systems and user Internet access and usage patterns to assure that the City’s Internet resources are devoted to maintaining the highest levels of productivity, as well as proper use and compliance with this policy.

**G. Restrictions** – No software can be downloaded into the City’s terminal services servers unless authorized by the appropriate City representative (Assistant City Manager, and/or City Manager) and approved by the City’s IT service provider as to compliance with any copyright restrictions, annual licensing and maintenance agreements and compatibility to the City’s operating systems. Under no circumstances will the City allow any software or other material relating to music, entertainment software or games to be downloaded.
EMPLOYEE ASSISTANCE PROGRAM (EAP)

The City’s Employee Assistance Program (EAP) is available to provide assistance to employees who may be experiencing personal or family problems with alcohol or drug abuse, financial burdens, marital or other family problems. All employees who feel they may have an alcohol or drug problem are encouraged to utilize the program’s resources before the problem adversely affects their job performance or employment status. Participation in this program is typically voluntary and confidential. However, a supervisor may make a mandatory referral when some aspect of an employee’s personal life negatively affects his or her performance on the job.
EMployee Conduct and Work Rules/Disciplinary Action

All city employees are public servants and, as such, should conduct themselves professionally and courteously while on duty or when wearing any article of clothing or accessory that identifies them with the city. All employees must avoid the appearance of illegal or unethical conduct at all times.

Any conduct of an employee, whether or not that individual is on duty, that has the impact or potential impact of any of the following, may result in discipline up to and including termination of employment:

- Creating a conflict or discord in the workplace
- Interfering with the individual’s own work or that of another employee
- Creating a harassing, demeaning, or hostile work environment at the city
- Harming the goodwill or reputation of the city with its citizens or with the community at large
- Disclosing confidential information of the city or of another when the information was obtained by virtue of employment with the city

Employee “conduct” includes verbal communications, internet or electronic communication of any kind, and physical behavior.

An employee who uses any form of social media or the internet to post the city’s confidential information or to post unfavorable comments about city officials, supervisors, or co-workers when those comments constitute a form of discrimination or harassment or result in disruption of city business or harm to the city’s reputation will be disciplined up to and including termination of employment. Such conduct is prohibited whether or not the posting is made by use of city equipment and whether or not the posting is made during work hours. This prohibition is not intended to prevent an employee from discussing the wages, hours, and working conditions of employment with co-workers.

A. Progressive Discipline – In certain instances, the City will use a progressive disciplinary system. The City is not obligated to use all of the progressive disciplinary steps available to it, and may begin the disciplinary process at any level, up to and including immediate discharge, depending upon the severity of the conduct, the employee’s work performance and prior disciplinary history, the employee’s length of service, and any mitigating circumstances. Depending on the circumstances of each individual case, disciplinary action may consist of one or more of the following:

- oral warning
- letter of counseling
- written reprimand
- probation
- suspension (without pay)
- demotion
- termination
B. Documentation – All forms of discipline must be documented and will be placed in the employee’s personnel file. In the event a Supervisor or Department Director recommends an employee be discharged, the Supervisor or Department Director shall forward a copy of the dismissal documentation to the Human Resources Division and the City Manager for review. The City Manager will make the final decision regarding the termination of an employee. No employee who was involuntarily discharged is eligible for rehire unless the discharge was a result of a Reduction in Force or a reorganization resulting in elimination of the employee’s job.

C. Supervisory Responsibility – All employees with the responsibility and authority to supervise and direct employees under their control shall administer policies and procedures within their scope of authority; document their subordinates’ job performance, conduct, and behavior as appropriate; properly conduct evaluations of subordinates in a timely manner; discipline their subordinates as required under their departmental and/or City policies and procedures as well as address performance appeals submitted to them as provided by policy in a professional manner, in an attempt to resolve such issues at the lowest possible supervisory level.

D. Review by Human Resources Division – Any proposed disciplinary action in excess of an oral warning must be reviewed by the Human Resources Division prior to being given to the employee.

E. Appeal Rights – Where a disciplinary action involves a suspension of 1 day (or 1 shift) or more or a demotion, the employee may follow the City’s Complaint Resolution Procedure. For additional information, see the Complaint Resolution Policy section of this Handbook. However, positions classified as director level and above are employed at the will and pleasure of the City Manager and have no right of appeal for any type of disciplinary action.

F. Prohibited Activities. Disciplinary action will be imposed for violations of City or departmental policies and procedures, codes of conduct, rules and regulations, either written or verbal. In addition, acts which are not specifically addressed in policies and procedures, codes of conduct, and rules and regulations, yet may adversely affect the City or put the health and safety of fellow employees, citizens or other third parties, at risk, may also result in disciplinary action. It is impossible to list all the forms of behavior that are considered unacceptable in the workplace. The following are some examples of conduct that will likely result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or use of City property or other property not belonging to the employee.
- Falsification of timekeeping or other records, including employment application.
- Working under the influence of alcohol or illegal drugs.
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty or while operating City-owned equipment except in the performance of official police duties.
● Violation of City’s policy regarding sexual or other unlawful harassment.
● Interfering with work schedules or another employee’s ability to work.
● Misuse of City telephones, computers, mail systems, etc.
● Excessive or unscheduled absenteeism, tardiness in reporting for work or returning from lunch and breaks or absence without notice and/or approval.
● Breaks in excess of the allotted time allowed.
● Violation of smoking policy.
● Violation of safety or health rules and failure to immediately report an on-the-job injury/accident.
● Profanity, abusive language, or racial slurs.
● Unauthorized disclosure of confidential information.
● Violation of any provision of the City Charter.
● Violation of City or departmental policies, codes of conduct, rules and procedures.
● Coercion, intimidation, or threats against citizens, supervisors, co-workers, City officials, or others.
● Making or publishing false, vicious, or malicious statements about the City, or a City employee or citizen, or others.
● Unsatisfactory performance or conduct.
● Inefficiency, incompetence or neglect of duty.
● Fighting, provoking or instigating a fight, or threatening violence.
● Disruptive activity in the workplace.
● Engaging in a work stoppage.
● Conduct which results in waste or damage of a coworker’s, City, or citizen-owned property.
● Insubordination or other disrespectful or unprofessional conduct.
● Discourteous treatment of the public.
• Possession of weapons on City time, City premises, or while on City business except for licensed peace officers required to carry a weapon as part of their job duties.

• Violation of local, state or federal law.

• Conviction of a felony, including reasonable belief employee has committed a crime under Texas Penal Code or Class A or B misdemeanor, or repeated conviction of Class C misdemeanor charges.

• Failure to timely return to work upon conclusion of authorized leave or disciplinary suspension.

• Outside employment that conflicts with, or potentially conflicts with, City interests.

• Acceptance of payment of any kind for activities related to City employment.

• Failure or refusal to follow lawful orders.

• Sleeping on the job.

• Dishonesty, including misrepresentation during the hiring process.

• An accumulation of minor infractions.

G. Felonies and Misdemeanors – Employees must immediately notify their Supervisor and/or Department Director if they are arrested, charged, indicted, convicted, receive deferred adjudication, or plead nolo contendere to any misdemeanor or felony. Whenever the criminal charge relates to the employee’s duties for the City, the City will conduct its own investigation and take appropriate action.

An employee arrested, charged, or indicted for a felony or misdemeanor involving a crime of moral turpitude, or accused by information of official misconduct or other serious criminal violation will be placed on administrative leave (without pay) until the charge, indictment or information is dismissed or fully adjudicated without trial, and, if tried, until the trial and appeal (if any) are completed and all related administrative matters are concluded. In the event the matter is dismissed or the employee is adjudged not guilty of the charge, the employee will be entitled to receive back pay from the date of commencement of administrative leave without pay through the date the matter becomes final by dismissal or final, non-appealable, judgment up to a maximum of twelve months pay. An employee on administrative leave may, in the City’s sole discretion, be reinstated to the position held before being placed on administrative leave (if the position is open at the time), if the indictment or information is dismissed, the employee is acquitted, or the conviction is reversed on appeal. Notwithstanding the foregoing, if the City, based upon its own investigation of the matter, determines that the employee should no longer be employed by the City, the employee may be discharged regardless of the pendency of criminal proceedings. In such event, no back pay will be paid even if the criminal charge is dismissed or
the employee is ultimately determined to be innocent of the criminal charge. At the discretion of the City Manager, an employee will not be required to take administrative leave under this section if the criminal offense is a misdemeanor unrelated to and not impacting the employee’s position with and duties for the City.

H. Disciplinary Conference – A disciplinary conference will be scheduled at the time of the imposition of a disciplinary suspension of 1 day (or 1 shift) or more, demotion, or termination. The Department Director, the affected employee, the Human Resources Division and anyone else deemed necessary by the Department Director typically attend the disciplinary conference. During the conference, the affected employee will be given an opportunity to present an explanation of the conduct leading up to the proposed disciplinary action. Employees may, in the City’s sole discretion, be placed on administrative leave without pay prior to, during, or after the disciplinary conference. The employee will be notified of the City’s determination following the conference.

I. Administrative Leave – During an investigation into alleged offenses or violations of City policies, the City may, in its sole discretion, place the employee on administrative leave without pay.
EMPLOYEE SAFETY

The City is interested in your safety and well-being. Accordingly, the City has developed safety rules and regulations. Each and every employee is required to obey safety rules and to exercise caution in all work activities. From time to time you will be updated and reviewed on safety procedures in an effort to increase your awareness of the importance of safety on the job. You can do much to prevent accidents and injuries by obeying the safety rules of your job, by remaining alert, and by THINKING SAFETY at all times. If you see something that you believe is an unsafe act or an unsafe condition, you should immediately report it to your supervisor or to management at once.

A. General Guidelines - The following safety rules apply at all times and some specific job descriptions may contain additional operational safety guidelines. Each employee must be familiar with such rules and apply them at all times. It is the policy of the City of Hutto to investigate all work-related accidents or incidents that result in or could potentially have resulted in injury or property damage. As nearly all accidents and incidents have their own unique characteristics, only general rules and procedures can be outlined here.

- Use prescribed protective equipment such as eye protection, hearing protection, hard hats, safety shoes, gloves, shields, etc. when those items are appropriate to the task being performed.

- Walk, do not run. Wipe spills and pick up fallen objects and debris. Keep floor surfaces clear of hazards and other obstacles, electric cords, etc. For your comfort and safety, wear shoes with non-slip soles, in good condition and with enclosed toes. Do not wear sandals, sneakers, moccasins or tennis shoes on any job site where feet could be injured.

- To avoid back injuries, use correct lifting methods. Get someone to help you with heavy (or difficult to handle) items.

- Be aware of sharp tools. Use safety devises where provided, and do not alter or remove them in any way. Report hazards to management immediately.

- Material Safety Data Sheets (MSDS Sheets) - You will be shown the location of the City’s Material Safety Data Sheets. MSDS sheets provide valuable information about various chemicals and other agents that you may encounter in your work. They will explain possible reactions to exposure, and steps you should take if it occurs. Review this information from time to time.

- Fire - Be alert for causes and report smoke, heat or unusual odors immediately. Alert other people in the area to the possibility of danger in order to evacuate, if necessary. Try to verify the location and call the Fire Department or 911. Use proper portable extinguishers for small fires.

- Do not put fingers, hands, feet or clothing in moving machinery.
● Do not carry items in a manner that obscures your vision.
● Do not block access to fire extinguishers.
● Do not touch open or loose electrical circuits.
● Report unusual vibrations, smells, or noises coming from equipment.
● Do not wear rings or jewelry while operating machinery.
● Do not perform maintenance or repairs on running equipment.
● Do not remove or alter warning tags or safety devices.
● Never leave nails or spikes protruding from planks or boards.
● Perform routine maintenance at all scheduled intervals.
● Do not use compressed air for cleaning clothing or floors.

B. Responsibilities - Employees must immediately report to their supervisor any on-the-job injury or illness they sustain, or suspect they have sustained, no matter how minor. They must also report any incidents that had the potential for injury to employees or third parties and any instances where property damage occurred.

Supervision shall first respond to the immediate medical needs of any injured persons. Then, they should begin reporting and investigate activities as described in this policy.

Witnesses to the event that resulted in the accident or incident will provide statements about what they observed. The witnesses may also be asked to participate in the initial and/or final investigations.

C. Procedures

1. Initial Notification – Employees are responsible for reporting all injuries, illnesses or incidents as described earlier in this policy. Failure to report any injury or incident may be cause for disciplinary action. In the event of a serious or disabling injury, fellow employees must assume this reporting responsibility.

2. Initial Treatment – Any injury shall be treated by the supervisor or other available personnel in accordance with their individual abilities and the injury severity. Treatment should be provided by any qualified physician who participates in the City’s worker’s compensation network, the Political Subdivision Worker’s Compensation Alliance. A list of participating physicians may be accessed online at http://www.pswca.org/directory/. Medical treatment is mandatory for any of the following:
- Severe chest pains
- Traumatic injuries
- Loss of consciousness or severe dizziness
- Seizures
- Difficulty breathing
- Severe animal bite
- Injury requiring sutures or tetanus shot

The first responders to any incident scene will be responsible for securing the area to prevent further damage or injury and also protecting the integrity of the incident scene until an investigation can be initiated.

Any incident involving possible exposure to blood borne pathogens, communicable diseases or any other contagious substances shall be handled by a qualified medical professional. Any incident involving an employees’ possible exposure to blood borne pathogens, communicable diseases or any other contagious substances, that employee is required to seek immediate medical assistance and report the situation as soon as practical or within 48 hours to their immediate supervisor and the Human Resources Division.

Injured employees are to be transported for medical treatment either by ambulance or another person depending on the severity of the injury. Injured employees should never be allowed to transport themselves for initial medical treatment, but they may transport themselves for follow-up visits if the injury does not impair their driving abilities.

3. Initial Report – An initial report will be completed for all accidents and incidents. The immediate supervisor of the employee will complete the initial investigation and report as soon as possible after the occurrence. The initial report will be turned in to Human Resources Division with a copy to the Department Director. The Human Resources Division is responsible for receiving and reviewing the initial reports of injury or property damage and forwarding them to the appropriate insurance representatives in a timely manner.
EMPLOYEE VOLUNTEER PAID LEAVE POLICY

The City of Hutto recognizes its responsibility to engage in and strengthen the Hutto community. This policy is designed to support community service and volunteerism as an integral part of our core values and motto to *passionately serve* the Hutto community.

A. Purpose: The purpose of the City of Hutto Employee Volunteer Policy is to encourage city employees to participate in community service related activities or through a city-sponsored event.

B. Effective Date: This policy will apply to any volunteer time that was completed in conjunction with a community event or organization located in the city of Hutto, starting February 1, 2015 at which time the City Manager, acting on authority to grant paid leave, instituted this policy.

C. Terms of Participation: Employees may volunteer independently or as a division/team. Participation is open to all full-time City of Hutto employees. Employees must be in good standing, regularly fulfilling the requirements of his/her job at the expected performance level. Volunteer time must be an activity unrelated to the employee’s job duties. Any employee who is compensated by outside agencies/organizations for work performed that is not required by their City of Hutto job duties (although the work may be similar) may substitute volunteer time in lieu of compensation from the outside agency/organization, provided that written approval is obtained in advance by the employee’s supervisor and documentation is provided by the outside agency/organization showing that the work was not paid.

Employees volunteering on an individual basis must coordinate plans of participation with his/her supervisor. When requesting time off, an employee must submit a brief description of the volunteer activity in writing to his/her supervisor for approval (*Employee Volunteer Request Form*). Participation hours must be recorded on employee time sheet.

Employees volunteering with a division/team must determine a worthy cause or with a service group in the community and requires approval by supervisor(s) before volunteer activity commences.

The City of Hutto will grant four (4) hours of paid leave per fiscal year to qualifying employees for the purpose of participating in volunteer activities within the Hutto community. Whenever possible, employees should flex their time. Volunteer paid leave hours will not be counted as hours worked for purposes of determining overtime.
D. Procedures:

a. Employees must schedule and have advanced approval with his/her supervisor before volunteer activities commence. Supervisors have the discretion to deny approval depending on the staffing needs of the department.

b. Employees must submit *Employee Volunteer Request Form* to supervisor before volunteer activities commence.

c. Employees will reflect the appropriate payroll code on their timesheet.

d. Employees are encouraged to volunteer above and beyond the four (4) hours of paid volunteer leave time. This additional unpaid time should be recorded in the appropriate payroll code.

e. Employees should wear the *City of Hutto Volunteer Shirt* when completing volunteer activities, unless specific uniform attire is required.

E. Compliance: Any employee found to have falsely requested time off for volunteering activities or who acts in an inappropriate way while carrying out volunteering activities may be subject to disciplinary action, up to and including termination.

F. Disclaimer: Nothing in this policy should be construed as an endorsement by the City of Hutto of any charitable volunteer activity. The City of Hutto shall not be responsible for the outcome of the activity or any injury or damage that occurs to any party as a result of the volunteer activity. Volunteer activity is not within the course and scope of an employee’s duties for the City of Hutto, and injuries resulting from, arising out of, or exacerbated by any volunteer activity will not be an on-the-job injury for purposes of the City’s workers’ compensation benefits.

G. Examples of appropriate volunteer activities (not limited to this list):

a. Donating your time at the Hutto Food Pantry
b. Donating your time with the Weekend Lunchbox Program
c. Cleaning up a city owned park, ROW, or Adopt-A-Spot location
d. Volunteering at a city-sponsored special event, i.e., “The Big Event”
e. Forming/participating with a team for a local charity event, i.e., “Relay for Life”
f. Volunteering through the United Way Day of Caring
g. HISD Mentoring Program
h. Story Time at the Library
EMployment Status

The City classifies City employees for the purpose of employment status and benefit eligibility as follows:

A. Regular full-time - An employee in a budgeted position with an officially scheduled work week of 30 hours or more each work week (except for certain Police shift personnel who have different work cycles). Generally, regular full-time employees are eligible for the City’s full benefits package, subject to the terms, conditions, and waiting periods of each benefit program. Regular full-time employees are required to participate in the Texas Municipal Retirement System (TMRS)

B. Regular part-time - An employee in a budgeted position with an officially scheduled work week of less than 30 hours who has successfully completed 6 months of active service with the City. Regular part-time employees receive all legally mandated benefits (such as workers’ compensation insurance coverage), but are not eligible for other City sponsored employment benefits. Regular part-time employees who are regularly scheduled to work 1,000 hours or more per year are required to participate in the Texas Municipal Retirement System (TMRS).

C. Temporary/Seasonal - An employee who is employed for only a specific time period, for a special assignment, or as an interim replacement. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary and seasonal employees retain that status unless and until notified of a change in writing by the Human Resources Division. Temporary and seasonal employees receive all legally mandated benefits (such as workers’ compensation insurance coverage), but are not eligible for the City’s other employment benefits. Temporary employees who are placed with the City but who are actually employed by a temporary staffing agency must look to the temporary staffing agency to determine what benefits they are provided. Such employees are not eligible for benefits from the City and are not eligible for participation in TMRS.

D. Appointed - An employee who is appointed by the City Manager to perform work on an “as needed” hourly basis.

E. Reserve Personnel - The City of Hutto may engage in hiring reserve personnel for specific positions that require identifiable staffing requirements to maintain service levels. Reserve personnel are employees of the City of Hutto and, as such, are subject to all of the same recruitment, hiring and personnel policies as all other City employees including, without limitation, criminal background checks and drug screenings. The services of Reserve Personnel are performed on an “as-needed” basis as determined by the Department Director.

F. Volunteers - Volunteers are not employed by the City in any capacity. Volunteers elect to donate their time and services as a volunteer for the City without any expectation of compensation. Volunteers are generally not paid and are generally not entitled to any benefits.
G. **FLSA Designation** - In addition to being in one of the above categories, each employee is also designated as either exempt or non-exempt from federal and state wage and hour laws. Employees are informed of their status as exempt or non-exempt at the time of their initial employment, or subsequently if their classification changes for any reason. An employee’s exempt or non-exempt classification may be changed only upon written notification by the Human Resources Division.
EQUAL EMPLOYMENT OPPORTUNITY

The City is an equal opportunity employer. Discrimination against any person in recruitment, examination, selection, appointment, rate of pay, promotion and transfer, retention, daily working conditions, testing and training, awards, compensation and benefits, disciplinary measures or any other aspect of employment or personnel management because of age, race, religion, sex, color, national origin, citizenship, disability, veteran’s status, genetic information, or other unlawful basis, is prohibited.
EXIT INTERVIEWS

The City usually provides separating employees with an exit interview prior to their last day of work. The purpose of the exit interview is to finalize all compensation due, return City equipment, provide explanation of any continuing benefits, review employment history, discuss the reason(s) for the separation, and solicit constructive feedback to improve the City. The Human Resources Division shall complete an Exit Interview Form. Exit interviews are conducted confidentially by the Human Resources Division. Information discussed during the exit interview may be shared with the City Manager’s office and acted upon as deemed appropriate by the City. The Department Director (or designee) is responsible for promptly notifying the Human Resources Division of all separations, arranging for the exit interview and providing documentation of receipt of all departmental and/or City property from the exiting employee.

Final payment of compensation may be withheld pending return of City property, completion of necessary paperwork, and other requirements of separation.
FAMILY AND MEDICAL LEAVE ACT

The City provides leave to eligible employees in accordance with the Family and Medical Leave Act (FMLA). Under the FMLA, eligible employees may take up to 12 weeks of unpaid leave each calendar year for specified family and medical reasons. Eligible employees may take up to 26 weeks of leave to care for a covered servicemember with a serious injury or illness during a single 12-month period which begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date.

All governmental entities are covered by FMLA, regardless of the number of employees. However, an employee is eligible to take FMLA leave only if employed by an employer that has 50 or more employees within a 75 mile radius. The City of Hutto employed 50 employees on March 20, 2006 so as of this date, City of Hutto employees may take FMLA leave if they meet all eligibility requirements as set out herein.

A. FMLA Leave Runs Concurrently With Other Types of Leave - If an employee has any available accrued sick leave, it must be used concurrently with any available FMLA leave, provided the employee’s absence is covered by the City’s sick leave policy. Accrued sick leave taken for the purposes of FMLA for the employee or employee’s immediate family will follow the guidelines set out in the sick leave policy. If the absence is not covered by the City’s Sick Leave Policy or if an employee exhausts accrued sick leave, an employee on FMLA leave will be required to exhaust any accrued vacation leave concurrently with the FMLA leave. Disability leave also runs concurrently with FMLA leave, but if the employee is receiving short or long term disability benefits while on leave, the employee will not be required to exhaust accrued sick and/or vacation leave at the same time. FMLA leave will also run concurrently with any time off from work covered by workers’ compensation when the on-the-job injury qualifies as FMLA leave. Whenever an employee is substituting paid leave for FMLA leave, the employee must comply with the City’s existing notice and procedural requirement for the type of paid leave being used. Employees are not allowed to work from home or to perform work for any other employer while on FMLA leave. Any employee on FMLA leave will have access to their City email and computer accounts disabled. Access will be restored after the employee returns to work at the conclusion of FMLA leave.

B. Employee Eligibility - To be eligible for FMLA leave, an employee must have worked for the City:

- For at least 12 months, and
- For at least 1,250 hours during the 12 months preceding the start of the leave.

An employee’s 12 months of service with the City need not be consecutive months. However, the City will not recognize employment that preceded a 7-year break in service except in limited circumstances required by the FMLA.

The protections afforded by the Uniformed Services Employment and Reemployment Rights Act (USERRA) extend to all military members (covered active duty and reserve), and all periods of
absence from work due to or necessitated by USERRA covered service is counted in determining an employee’s eligibility for FMLA leave.

C. Leave Entitlement - Eligible employees may take FMLA leave for one or more of the following reasons:

- for the birth or placement of a child for adoption or foster care;
- to care for the employee’s spouse, son, daughter, or parent with a serious health condition;
- when the employee is unable to perform the functions of his/her position because of his/her own serious health condition;
- because of any qualifying exigency arising out of the fact that the employee’s spouse, son, daughter, or parent is a military member on covered active duty (or has been notified of an impending call or order to covered active duty). Covered active duty requires deployment to a foreign county; or
- to care for a covered servicemember with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the servicemember.

To determine eligibility for leave for most qualifying events, the 12-month period used by the City is the calendar year starting in January. Leave to care for a covered servicemember with a serious injury or illness is determined by a 12-month period that begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date.

D. Employee’s Notice Requirements - In order for the City to accommodate an employee’s workload during his/her absence, an employee seeking to take FMLA leave must provide both his/her Department Director and the Human Resources Division with at least 30 days advance notice when the leave is foreseeable for an expected birth, placement for adoption or foster care, planned medical treatment for a serious health condition of the employee or of a family member of the employee, or the planned medical treatment for a serious injury or illness of a covered servicemember. If 30 days notice is not practicable (for example, because of a medical emergency), then notice must be given as soon as practicable. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, notice should be provided the same day or the next business day. If requested to do so, the employee must provide an explanation of why 30 days notice of foreseeable leave could not be given. If the leave is not foreseeable, an employee is expected to provide both his/her Department Director and the Human Resources Division with as much advance notice as possible. In the event of medical leave for planned medical treatment for the employee or for the employee’s spouse, child or parent, the employee is required to make a reasonable effort to schedule the treatment so as not to disrupt unduly the City’s operations.

Absent unusual circumstances, employees must comply with the City’s normal notice and procedural requirements for requesting leave. In requesting leave, the employee must provide sufficient information for the City to reasonably determine whether the FMLA applies to the leave request.
All supervisors must immediately notify both their Department Director and the Human Resources Division if they have reason to believe an employee’s absence is due to an FMLA-covered reason. (Note: Under the FMLA, an employee requesting paid or unpaid leave for an absence covered by the FMLA is not required to expressly mention FMLA. If the employee states a reason that qualifies for FMLA leave, the employee will likely have met the FMLA’s notice requirements.)

E. Medical Certification and Other Required Documentation - An employee must provide the City with a medical certification supporting the need for FMLA leave due to a serious health condition affecting the employee or the employee’s spouse, son, daughter, or parent or due to a qualifying exigency or to care for a covered servicemember with a serious injury or illness. The medical certification form must be filled out in all material respects and must be complete and sufficient to allow the City to make a determination of the need for leave. In addition, the certification must set forth the beginning and expected ending dates of the leave. In the case of intermittent leave, the certification must also provide the dates and duration of the treatments necessitating the intermittent leave. In some cases, the City may require a second or third medical certification (at the City’s expense) and periodic recertification of the serious health condition. Forms are available from the Human Resources Division.

An employee must also provide periodic reports during FMLA leave as to his/her status and intent to return to work, and will be required to submit a “fitness-for-duty” certification before the employee can return to work when the absence was due to the employee’s own serious health condition. A fitness for duty certification must certify that the employee is able to resume work and must specifically address the employee’s ability to perform the essential functions of the employee’s job. A list of the essential functions of the employee’s job will be provided by the City. Restoration to employment may be delayed until the required fitness-for-duty certification is submitted. If an employee fails to provide any required certification within 15 days, the City may deny leave until the certification is provided. If an employee elects to take FMLA leave in order to care for a family member, the employee may be required to provide reasonable documentation confirming a family relationship.

When leave is taken to care for a covered servicemember with a serious injury or illness, a special medical certification form must be completed by the servicemember’s health care provider. The City will provide the appropriate form. A servicemember’s health care provider may be a United States Department of Defense (“DOD”) health care provider, a United States Department of Veterans Affairs (“VA”) health care provider, a DOD TRICARE network authorized private health care provider, a DOD non-network TRICARE authorized private health care provider, or a health care provider not affiliated with the DOD, VA, or TRICARE. Second and third opinions regarding a covered servicemember’s serious injury or illness and recertifications may be required for certifications that are completed by health care providers who are not affiliated with DOD, VA, or TRICARE. An employee may be required to provide confirmation of covered family relationship to the seriously injured or ill servicemember. Invitational travel orders (ITOs) or Invitational Travel Authorizations (ITAs) will be accepted in lieu of medical certification.
F. **Intermittent Leave** - An eligible employee may take FMLA leave on an intermittent or reduced schedule basis only in those situations required by the FMLA or otherwise approved by the Department Director. When intermittent leave is needed, the employee must try to schedule the leave so as not to unduly disrupt the Department’s operations. The City may temporarily transfer the employee to an alternative position (with equivalent pay and benefits) in order to better accommodate an employee’s intermittent or reduced leave schedule.

Employees may not be required to take more FMLA leave than necessary to address the circumstances that cause the need for FMLA leave. FMLA leave, as with all other types of paid leave, may be taken in quarter-hour increments.

G. **Leave for a Qualifying Exigency** – When the need for leave because of a qualifying exigency arises out of the covered active duty or call to covered active duty status of a military member, the employee requesting leave must provide a copy of the military member’s covered active duty orders or other documentation issued by the military which indicates that the military member is on covered active duty or a contingency operation, and the dates of the military member’s covered active duty service. An employee requesting leave for a qualified exigency will be required to provide a certification on DOL Form WH-384 which will be provided by the City. This certification must be complete and sufficient to enable the City to determine the need for leave.

A “qualifying exigency” includes:

- **Short-notice deployment.** To address any issue that arises from the fact that a military member is notified of an impending call or order to covered active duty in support of a contingency operation seven or less calendar days prior to the date of deployment. Leave taken for this purpose can be used for a period of seven calendar days beginning on the date a military member is notified of an impending call or order to covered active duty in support of a contingency operation;

- **Military events and related activities.** To attend any official ceremony, program, or event sponsored by the military that is related to the covered active duty or call to covered active duty status of a military member and to attend family support or assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross that are related to the covered active duty or call to covered active duty status of a military member;

- **Childcare and school activities.** To arrange for alternative childcare, provide childcare, enroll in or transfer child(ren) to a new school or day care facility, or to attend meetings with school or daycare staff as authorized by the FMLA;

- **Parental care:** Eligible employees may take leave to care for a military member’s parent who is incapable of self-care when the care is necessitated by the member’s covered active duty. Such care may include arranging for alternative care, providing care on an immediate need basis, admitting or transferring the parent to a care facility, or attending meetings with staff at a care facility;
• **Financial and legal arrangements.** To make or update financial or legal arrangements to address the military member’s absence while on covered active duty or call to covered active duty status;

• **Counseling.** To attend counseling provided by someone other than a health care provider for oneself, for the military member, or for the biological, adopted, or foster child, a stepchild, or a legal ward of the military member, or a child for whom the military member stands in loco parentis, who is either under 18 or 18 or older and incapable of self-care because of a mental or physical disability at the time that FMLA leave is to commence, provided that the need for counseling arises from the covered active duty or call to covered active duty status of a military member;

• **Rest and recuperation.** To spend time with a covered military member who is on short-term, temporary, rest and recuperation leave during the period of deployment. Eligible employees may take up to 15 calendar days of leave for each instance of rest and recuperation. A copy of the military member’s Rest and Recuperation leave orders, or other documentation issued by the military setting forth the dates of the military member’s leave is required certification for a qualifying exigency;

• **Post-deployment activities.** To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of 90 days following the termination of the military member’s covered active duty status; and to address issues that arise from the death of a military member while on covered active duty status;

• **Additional activities.** To address other events which arise out of the military member’s covered active duty or call to covered active duty status provided that the City and employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

A “military member” is the employee’s spouse, son, daughter, or parent on covered active duty or call to covered active duty status.

**H. Leave to Care for a Servicemember with a Serious Injury or Illness**—An eligible employee is entitled to 26 workweeks of leave to care for a covered servicemember with a serious injury or illness during a single 12-month period which begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date. If an eligible employee does not take all 26 workweeks during the 12-month period, the remaining part of the 26 weeks is forfeited. An eligible employee is entitled to a combined total of 26 workweeks of leave for any FMLA-qualifying reason during the “single 12-month period” described in this section provided that the employee is entitled to no more than 12 weeks of leave for one or more of the following qualifying events: because of the birth of a son or daughter of the employee and in order to care for such son or daughter; because of the placement of a son or daughter with the employee for adoption or foster care; in order to care for the spouse, son, daughter, or parent with a serious health condition; because of the employee’s own serious health condition; or because of a qualifying exigency.
A husband and wife who are both employed by the City and who are both eligible for FMLA leave are limited to a combined total of 26 workweeks of leave during the “single 12-month period” described in this section if the leave is taken for birth of the employee’s son or daughter or to care for the child after birth, for placement of a son or daughter with the employee for adoption or foster care or to care for the child after placement, to care for the employee’s parent with a serious health condition, or to care for a covered servicemember with a serious injury or illness.

The “serious injury or illness” of a covered servicemember is an injury or illness incurred in the line of duty on covered active duty that may render the servicemember medically unfit to perform the duties of his or her office, grade, rank or rating. This also includes injuries or illnesses that existed before the beginning of the member’s active duty and were aggravated by service in the line of duty on active duty in the Armed Forces.

A “serious injury or illness” for a covered veteran (see definition in subsequent paragraph) means an injury or illness that was incurred or aggravated by the member in the line of duty on active duty in the Armed Forces and manifested itself before or after the member became a veteran, and is:

- A continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember’s office, grade, rank, or rating; OR
- A physical or mental condition for which the covered veteran has received a Veterans Affairs Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; OR
- A physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would do so absent treatment; OR
- An injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

A “covered servicemember” is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient therapy, or is otherwise on the temporary disability retired list, for a serious injury or illness. “Covered servicemember” also includes covered veterans who are undergoing medical treatment, recuperation, or therapy for a serious injury or illness. A “covered veteran” is an individual who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran. The City may require the employee giving notice of the need for leave to provide reasonable documentation or statement of family relationship.
I. Benefits During FMLA Leave - During any period of FMLA leave, the City will continue to pay its portion, if any, of any group health insurance coverage for the employee on the same terms as if the employee had continued to work. Where applicable, the employee must timely pay his or her share of health insurance premiums while on FMLA leave. The City may recover premiums it paid to maintain health coverage for an employee who fails to return to work from FMLA leave, unless the employee is unable to return due to a serious health condition or something else beyond the employee’s control. Medical certification is required under such circumstances.

The employee’s use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee’s leave, and seniority will not be affected. However, benefit accruals, such as vacation and sick leave, will be suspended during any unpaid leave.

J. TMRS - Employee contributions to TMRS may be made on a voluntary basis through a special arrangement with the City while an employee is in a leave without pay status. It is the employee’s responsibility to initiate such an arrangement by timely contacting the City’s Human Resources Division and completing the necessary paperwork.

K. Job Restoration After FMLA Leave - Upon return from FMLA leave, an employee will be restored to his/her original job or to an equivalent job with equivalent pay, benefits, and other terms and conditions.

L. Leave Due To Birth/Adoption - FMLA leave for birth or placement for adoption or foster care must conclude within 12 months of the birth or placement. In addition, if an employee and the employee’s spouse are both employed by the City, both are jointly entitled to a combined total of 12 work weeks of family leave for the birth or placement of a child for adoption or foster care, or to care for a parent (but not a parent-in-law) who has a serious health condition.

M. FLSA Considerations. Salaried executive, administrative, professional and other employees of the City who meet the Fair Labor Standards Act (FLSA) criteria for exemption from overtime do not lose their FLSA-exempt status by using any unpaid FMLA leave.

N. Other Employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, or workers’ compensation leave engage in outside employment as defined in the Outside Employment Policy.

O. Other Provisions. The FMLA does not affect any federal or state law prohibiting discrimination. This policy is intended to explain benefits available to eligible employees under the FMLA. It is not intended to create any rights to leave beyond those created by the FMLA. If additional information is needed on the FMLA, please contact the Human Resources Division. When an employee gives notice of the need for FMLA leave, the employee will be given additional information as to his or her rights and responsibilities under the FMLA. Employees on FMLA leave are required to check-in to the Human Resources Division on a weekly basis to
keep the City informed of an employee’s situation unless the employee is medically unable to call-in.

P. Definition of Serious Health Condition. For purposes of this policy, incapacity refers to the inability to work, attend school or perform other regular daily activities due to a serious health condition, treatment therefore, or recovery therefrom. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves:

1. **Inpatient care**, which is an overnight stay in a hospital, hospice, or residential medical-care facility and includes any period of incapacity or any subsequent treatment in connection with such inpatient care; or

2. **Continuing treatment by a health care provider**, which includes any one or more of the following:
   - **(A) Incapacity and treatment**, which is a period of incapacity of **more than three consecutive, full calendar days** and any subsequent treatment or period of incapacity relating to the same condition that also involves:
     - (i). Treatment two or more times, within 30 days of the first day of incapacity, unless extenuating circumstances exist, by a health care provider, by a nurse under direct supervision of a health care provider, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, a health care provider; or
     - (ii). Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider. A regimen of continuing treatment includes, for example, a course of prescription medication (e.g., an antibiotic) or therapy requiring special equipment to resolve or alleviate the health condition (e.g., oxygen); Or
   - **(B) Any period of incapacity due to pregnancy** or for prenatal care. For example, an employee who is pregnant may be unable to report to work because of severe morning sickness.
   - **(C) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition.** A chronic serious health condition is one which:
     - (i) Requires periodic visits (at least twice per year) for treatment by a health care provider, or by a nurse under direct supervision of a health care provider;
     - (ii) Continues over an extended period of time (including recurring episodes of a single underlying condition); and
(iii) May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.).

(D) A period of incapacity which is **permanent or long-term due to a condition for which treatment may not be effective**. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples include Alzheimer’s, a severe stroke, or the terminal stages of a disease.

(E) Any period of absence to receive **multiple treatments** (including any period of recovery there from) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive full calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), kidney disease (dialysis).

(F) Substance abuse may be a serious health condition if the conditions of this section are met. However, FMLA leave may only be taken for treatment for substance abuse by a health care provider or by a provider of health care services on referral by a health care provider. On the other hand, absence because of the employee’s use of the substance, rather than for treatment, does not qualify for FMLA leave.

(G) Absences attributable to incapacity for pregnancy or prenatal care are for chronic conditions even though the employee or the covered family member does not receive treatment from a health care provider during the absence, and even if the absence does not last more than three consecutive, full calendar days. For example, an employee with asthma may be unable to report for work due to the onset of an asthma attack or because the employee’s health care provider has advised the employee to stay home when the pollen count exceeds a certain level. An employee who is pregnant may not be able to report to work because of severe morning sickness.

Q. **Examples of Situations that are NOT Serious Health Conditions.**

1. Conditions for which cosmetic treatments are administered (such as most treatments for acne or plastic surgery) are not “serious health conditions” unless inpatient hospital care is required or unless complications develop.

2. Ordinarily, unless complications arise, the common cold, the flu, ear aches, upset stomach, minor ulcers, headaches other than migraine, routine dental or orthodontia problems, periodontal disease, etc., are examples of conditions that do not meet the definition of a serious health condition and do not qualify for FMLA leave.

3. A regimen of continuing treatment that includes the taking of over-the-counter medications such as aspirin, antihistamines, or salves; or bed-rest, drinking fluids,
exercise, and other similar activities that can be initiated without a visit to a health care provider, is not, by itself, sufficient to constitute a regimen of continuing treatment for purposes of FMLA leave.

4. “Treatment” does not include routine physical examinations, eye examinations, or dental examinations.

5. Restorative dental or plastic surgery after an injury or removal of a cancerous growth would be considered a serious health condition if all other conditions of this policy are met.

R. Notice -- In addition to this policy, please read the following notice of Employee Rights and Responsibilities Under the Family and Medical leave Act:
EMPLOYEE RIGHTS AND RESPONSIBILITIES
UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement
FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee’s child after birth, or placement for adoption or foster care;
- To care for the employee’s spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee’s job.

Military Family Leave Entitlements
Eligible employees whose spouse, son, daughter or parent on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*, or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

*The FMLA definitions of “serious injury or illness” for current servicemembers and veterans are distinct from the FMLA definition of “serious health condition”.

Benefits and Protections
During FMLA leave, the employer must maintain the employee’s health coverage under “group health plan” on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee’s leave.

Eligibility Requirements
Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

*Special hours of service eligibility requirements apply to airline flight crew employees.

Definition of Serious Health Condition
A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave
An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer’s operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave
Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer’s normal paid leave policies.
Employee Responsibilities
Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer’s normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities
Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees’ rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee’s leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers
FMLA makes it unlawful for any employer to:
• Interfere with, restrain, or deny the exercise of any right provided under FMLA;
• Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement
An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

FMLA section 109 (29 U.S.C. § 2619) requires FMLA covered employers to post the text of this notice. Regulations 29 C.F.R. §825.300(a) may require additional disclosures.
FITNESS FOR DUTY AND HEALTH/MEDICAL EXAMINATIONS

The City endeavors to provide a safe work environment for all employees. It is the responsibility of each employee to maintain the standards of physical and mental health fitness required for performing the essential functions of his or her position, either with or without reasonable accommodation.

A. Serious Health Condition/Disabilities - The City recognizes that employees with a potentially life-threatening and/or infectious illness or physical and/or mental disabilities may wish to continue to engage in as many of their normal pursuits as their condition allows, including their employment. As long as these employees are able to perform the essential functions of their job, with or without a reasonable accommodation, without creating an undue hardship, and medical evidence indicates that their condition is not a direct threat to themselves or others, the City will treat them consistently with other employees.

B. Medical Exams for Current Employees - The Human Resources Division may require a current employee to undergo a medical and/or psychological examination to determine fitness for continued employment; as may be necessary in order for the City to provide a reasonable accommodation; following an injury or accident; and as otherwise permitted in accordance with the Americans with Disabilities Act.

C. Time Off From Work - Time away from work under this policy will normally be coded to paid administrative leave but may be retroactively changed to sick leave, Family Medical Leave Act leave, and/or other leave as circumstances warrant.

D. Return to Work/Fitness for Duty – Whenever an employee has been away from work for more than five (5) consecutive days due to a physical or mental condition, the employee is required to provide the Human Resources Division with a doctor’s statement that he or she is fit to return to duty without restrictions or listing any restrictions. Before returning to work following a medical and/or psychological examination under this policy, the employee must coordinate his/her return through the Human Resources Division.
FRAUD PREVENTION

It is the intention of the City of Hutto to establish standards and requirement for employees with respect to fraud prevention and detection, and to respond to allegations of fraud in connection with City programs, functions or activities. City management and all City employees share responsibilities to maintain a fair, honest and ethical business environment for employees, suppliers, citizens and persons that have a business relationship with the City. This cooperative effort is intended to eliminate fraud form the City’s business operations.

This policy applies to any fraud, or suspected fraud, involving employees, supervisors, managers, elected officials, consultants, vendors, contractors, any outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the City.

All employees are expected to maintain a high level of personal and professional conduct on the job. As a public service organization and stewards of public funds, the City holds its employees to a high standard of ethical conduct relating to the use of City resources. All employees shall avoid fraud and are expected to report possible fraudulent activity or any internal/external practices that may allow for or facilitate fraudulent activity. Reports can be made to the City’s Finance Director, City Manager, or the employee’s supervisor or Division Director (“City Officer”).

Supervisors and managers have a greater responsibility to uphold this policy. They are expected to initiate appropriate preventative measures, implement the necessary controls and initiate investigations by promptly reporting allegations to the City’s Finance Director or City Manager. In addition, they are responsible for determining and enforcing disciplinary action with the assistance of Human Resources.

Employees should be aware of the City’s “zero tolerance” policy regarding fraud. This includes the individual committing fraud or those with knowledge of a fraudulent act who does not act in accordance with this policy.

An employee shall immediately report concerns of possible fraud to his or her supervisor for appropriate action. Immediately shall mean as soon as the employee has the means to make a report but no longer than 24 hours after the employee becomes aware of the suspected fraud.

A City employee who is contacted by citizens with evidence or written allegations of fraud shall immediately report it to a City Officer.

Department Directors or supervisors will immediately report allegations or concerns of fraud to the Finance Director or City Manager prior to taking any action to investigate the allegations or to discipline an employee.
FUNERAL/BEREAVEMENT LEAVE

The City provides regular full-time employees paid time off, up to a maximum of 3 work days per calendar year in the event of a death(s) in the family, for the purpose of attending the funeral. For the purpose of authorizing funeral/bereavement leave “family” is defined as current spouse, child, parent, brother, sister or grandparents by blood or marriage. An employee may be required to provide proof of death/funeral/family relationship in support of bereavement leave.

The Department Director may, under special circumstances and on a case by case basis, grant bereavement leave for other than immediate family members.

Bereavement leave pay is paid at the employee’s base rate at the time of absence. It does not include overtime or any special forms of compensation. Paid time off for bereavement leave is not counted as hours worked for purposes of determining overtime. Employees who are on approved funeral/bereavement leave will continue to accrue vacation and sick leave.

Employees who wish to take bereavement leave must notify their supervisor immediately. and all bereavement leave time taken must be requested on the City’s Leave Request form.

Employees who require leave beyond the 3 work days per calendar year of funeral/bereavement leave must use either accrued sick or vacation time and acquire approval of the Department Director.
GIFTS

The City strives to treat employees, citizens and individuals conducting business with the City in a fair and equitable manner. An employee (and his/her relatives and significant others) may not accept an honorarium or receive any income or other material gain from anyone outside the City for services provided by the employee because of the employee’s position or official duties with the City.

Individual City employees are prohibited from soliciting for personal gain, accepting or agreeing to accept any gift, gratuity, favor, benefit or anything else of value from any person, organization, or other entity who has done business, is doing business, or seeks to do business, with the City. However, an employee who accepts the following types of gifts will not be in violation of the prohibition on accepting any gift or thing of value:

- an award publicly presented in recognition of public service
- an occasional meal where public business is discussed
- tee-shirts, caps and other similar promotional material
- any gift which conferred on account of a personal, professional, or business relationship independent of the employee’s status as a city employee

Routine food coupons, frequent flier awards, discounts and other promotional items awarded to employees while carrying out City business may be accepted by employees and will not be considered a violation of this policy due to the administrative difficulty and cost involved in recapturing the discount or award for the City. If the item is non-routine, or of more than minimal value, the employee must check with his or her supervisor to see if the item should be returned, or in the alternative, turned over to the City.

Employees may not give their supervisor or anyone else in City management any gift or other item of more than a minimal value. If offered, supervisors may not accept such gifts or other items. Giving and accepting cards, food items (such as cakes and cookies) or token gifts for birthdays, Bosses’ Day, holiday celebrations, bereavement or similar events is not a violation of this policy.

The City takes this policy very seriously and violations may result in disciplinary action up to and including termination of employment. Any questions regarding the prohibitions imposed by this policy generally, or in connection with a specific situation, should be directed to the Human Resources Division.
GROUP HEALTH CONTINUATION COVERAGE

COBRA is a federal law that requires most employers who sponsor group health plans to offer employees and their families the opportunity to temporarily extend their group coverage at group rates in certain instances where coverage under the employer’s group health plan would otherwise terminate. The employee is responsible for paying for the cost of any such continuation coverage, plus a small administration fee that will not exceed 2% of premium.

Under COBRA, employees may elect COBRA continuation coverage for up to 18 months after termination of employment (unless the employee is terminated due to gross misconduct), or if an employee’s hours are reduced to such an extent that the employee no longer qualifies for participation in the group health plan. Under other circumstances, COBRA coverage is available for up to 36 months following a qualifying event. Employees must notify the City within 60 days of the occurrence of the employee’s legal separation or divorce and of a covered dependent ceasing to qualify as a dependent under the medical plan.

Detailed COBRA notices are given to employees when an employee becomes eligible for participation in the City’s group health plan and again when a qualifying event occurs. For more complete information on COBRA and your health plan, you should contact the Human Resources Division.
HOLIDAYS

The City provides paid holidays to regular part-time and regular full-time employees. Every other employee is extended the official holiday, but without pay. The following official holidays will be observed:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
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<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 1</td>
</tr>
<tr>
<td>Martin Luther King Day</td>
<td>Third Monday in January</td>
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<tr>
<td>Presidents Day</td>
<td>Third Monday in February</td>
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<tr>
<td>Good Friday</td>
<td>Friday before Easter</td>
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<tr>
<td>Memorial Day</td>
<td>Last Monday in May</td>
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<tr>
<td>Independence Day</td>
<td>July 4</td>
</tr>
<tr>
<td>Labor Day</td>
<td>First Monday in September</td>
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<tr>
<td>Veteran’s Day</td>
<td>November 11</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Fourth Thursday in November</td>
</tr>
<tr>
<td>Thanksgiving Friday</td>
<td>Fourth Friday in November</td>
</tr>
<tr>
<td>Christmas Eve Day</td>
<td>December 24</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>December 25</td>
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</tbody>
</table>

**Holidays** - A holiday is a period of 8 hours, paid at the employee’s regular rate in the case of a regular full-time employee. For a regular part-time employee, a holiday is a period of 4 hours, paid at the employee’s regular rate.

**Scheduling of Holiday** - Holidays occurring on Saturday normally will be observed on the preceding Friday and holidays occurring on Sunday will normally be observed on the following Monday.

**Eligibility for Holiday Pay** - Regular full-time employees are eligible for holiday pay.

**Regular Part-time Employees** - Regular part-time employees who work 48 20 hours or more per week are eligible to receive holiday pay in the amount of 4 hours.

**Temporary and Seasonal Employees** - Temporary and seasonal employees will be paid their regular hourly rates for a holiday only if required to work on a holiday. No holiday pay is authorized for seasonal or temporary employees who do not work on a holiday.

**Employees required to work on a Holiday** – Regular full-time non-exempt employees required to work on a holiday will be paid 8 hours for the holiday at their regular rate of pay in addition to the hours worked.

**Sworn Personnel and Banking Holidays** – Non-exempt, sworn personnel in the Police Department may opt either for holiday pay or for the time equivalent to the holiday to be added to their accrued holiday bank. Banked holiday time shall expire on September 30th of each year. Employees shall be permitted by the employee’s supervisor to use such time within a reasonable period after making the request, provided the banked holiday time does not unduly...
disrupt the operations of the city. Any unused banked holiday time will be paid out to the employee on September 30th of each year.

**Employees Scheduled “Off Duty” on a Holiday** - When a holiday and an employee’s regularly scheduled day off occur on the same day, regular full-time employees will be paid 8 hours for the holiday at their regular rate of pay and regular part-time employees will be paid 4 hours at their regular rate of pay.

**Ineligibility for Holiday Pay** - Employees on unpaid leave are not eligible for holiday pay. Likewise, non-exempt employees who are absent without authorized leave on the day immediately preceding or following a scheduled holiday will not be paid for the holiday.

**Holiday Occurring During Vacation Leave** - A holiday that falls within an employee’s vacation period will be counted as holiday in lieu of a day of vacation.

**Separating Employees** - Except in extraordinary situations, separating employees will not be allowed to use a holiday as their final day of employment. Exceptions must be scheduled and authorized in advance by the Department Director.

**Paid Leave Status** - An employee on a paid leave status will normally be paid holiday pay in lieu of the leave status pay they would ordinarily receive at the time of the holiday.

**Other Religious Holidays** - To be supportive and respectful of diversity in the workplace, employees may request to substitute a designated holiday and opt to observe alternate holidays for religious purposes.

**Holiday Pay During Workers’ Compensation Leave** - An employee on worker’s compensation leave will not receive holiday pay. However, an employee on injury leave will receive holiday pay.
INCLEMENT WEATHER/EMERGENCY CLOSING

Except for extraordinary circumstances, City offices DO NOT CLOSE. All City employees, whether exempt or non-exempt, are expected to make a sincere effort to report to work during inclement weather conditions or other emergency situations.

If an employee determines that the weather conditions constitute a danger to life and/or property, the employee must notify his/her immediate supervisor and/or Department Director and make arrangements to report to work if weather conditions improve. Any leave taken due to inclement weather can be flexed or charged to vacation. Regular full-time and part-time non-exempt employees who are unable to flex their time and who have no accrued vacation time available will not be paid for the time missed.

The Department Director/immediate supervisor is responsible for seeing that City services are staffed while City offices are open for business during inclement weather or emergency conditions. Any City service that cannot be provided during inclement weather or other emergency conditions must be immediately reported to the City Manager’s Office.

When weather or other conditions are such that the City Manager declares certain City offices/departments officially closed, all affected personnel, i.e., those non-essential employees who were scheduled to work during the time of closure, will be granted “paid administrative leave” for the time the office/department is closed. Essential personnel must report to work even when other City departments are officially closed due to weather or other type of extraordinary circumstances. Essential personnel required to be on the job regardless of adverse weather or other conditions are designated by the Department Director and/or the City Manager. Essential personnel who fail to report to work may be subject to disciplinary action up to and including termination of employment. The City Manager may authorize emergency pay at the rate of one and one-half times the employee’s regular rate of pay for non-exempt essential personnel.
INJURY LEAVE (ON THE JOB)

An employee injured in the line of duty shall receive workers’ compensation or injury leave benefits under the terms and conditions prescribed in the applicable programs and as required by law.

A. Procedures - Injury leave will run concurrently with FMLA leave (see the section entitled Family and Medical Leave). An employee must report any job-related injury, however minor, to his/her supervisor as soon as possible, but no later than 24 hours (see the section entitled Accident Reporting). Time lost because of a substantiated and documented work related injury sustained during the course of employment shall not be charged against the employee’s sick leave. During such absence, sick leave and vacation shall continue to accumulate.

The Human Resources Department shall contact the employee’s physician to determine whether the injury will allow an employee to perform modified work or other duties.

B. Programs

1. Workers’ Compensation - Workers’ Compensation Law provides that an employee who suffers a disability that results in lost duty days due to an injury while in the course of their employment is entitled to “Income Benefits.” These income benefits are calculated at a rate of at least 70% of the employee’s weekly income prior to the injury. The worker must be disabled by the injury for at least seven (7) days to be eligible for income benefits.

2. City Injury Leave Benefit - This benefit provides employees injured on the job the added security of receiving no reduction or interruption in salary for 13 weeks. Injury leave granted to an employee will be put in writing and forwarded to the Human Resource Division for proper payroll processing and placement in the employee’s confidential medical file. Injury leave benefits will begin from the time an employee begins to lose time due to an on-the-job injury and will continue for 91 calendar days (13 weeks). An employee on injury leave will continue to collect full salary payment from the City. An employee on injury leave may be required to undergo regular examinations by a physician of the City’s choice. The employee may be assigned to light duty. An employee on injury leave is required to turn over to the city all checks paid to him/her for income benefits from Workers’ Compensation. The City will monitor payments made to the employee by the workers’ compensation insurance carrier to insure that all disbursed salary related checks have been turned over to the City.

Any failure by the employee to turn over the checks paid to him/her for workers’ compensation income benefits while receiving the City injury leave benefit will result in the City withholding any injury leave pay due the employee and the employee will, by such action, forfeit any and all further injury leave pay or benefits.
INSURANCE

It is the goal of the City to provide full-time employees with a comprehensive benefits package that may include, medical, dental, disability and life insurance for each full-time employee. The Human Resources Division will evaluate the benefits being provided on an annual basis as part of the budget process and make recommendations to the City Manager. This insurance is effective so long as the employee remains on the full-time payroll.

Insurance coverage for an employee’s eligible dependents will be made available at the employee’s expense.

The City also carries a workers’ compensation insurance policy. In cases of job related injuries, provisions and benefits available under workers’ compensation are activated.

The City shall offer its retirees, age 64 and under, who were participating in the City’s health plan at the time of their retirement, the option to purchase continued health benefits coverage at a retiree calculated rate. Currently, retirees are allowed to participate in the City’s health care plan at the same premium rates as active employees. If this benefit is revised to require that active employee and retiree insurance premiums be separately determined, the retiree premiums could increase significantly and the City will require that retirees pay for their insurance at the higher rate.

Retirees, age 65 and older, will not be eligible to continue the City’s health plan.

The City reserves the right to alter, reduce, or eliminate any benefit at any time.
JURY DUTY

The City provides paid administrative leave to regular full-time employees required to serve on jury duty or requested to testify as a witness by the City in a City-related civil, criminal, legislative, or administrative proceeding. Court appearances for testimony, investigation, and court preparation as a result of official duties as a City employee (e.g., police, inspections, animal control, etc.) are compensated as actual hours worked and are not classified as paid administrative leave.

In all other cases, employees are required to schedule vacation; otherwise a non-exempt employee’s time off will be considered a leave without pay.

The employee must provide documentation of the requirement for jury duty, subpoena compliance, etc., with his/her leave request. Employees must submit a Leave Request form, along with supporting documentation to their supervisor as soon as possible so that arrangements can be made to accommodate the absence.

Employees on jury duty leave should keep up with their job responsibilities if possible. An employee who is on jury duty typically must report for City duty for the remainder of the day upon completion of court or jury service or request approval for use of other available paid time off. Any payment for jury duty received by the employee may be retained by the employee.

Jury duty leave is paid at the employee’s base rate at the time of leave and does not include overtime or any other special forms of compensation. Jury duty leave will not be counted as hours worked for purposes of calculating overtime.
LIGHT DUTY ASSIGNMENTS

The City may make light duty assignments available to ill or injured employees who are unable to perform their regular job duties. The decision to offer an employee a light duty assignment is made in the City’s sole discretion. A light duty assignment may be in the employee’s own or another department in the City. Factors considered by the City in making its decision include, but are not limited to: the nature of the employee’s illness or injury; the medical release provided in support of light duty; the risk that a light duty assignment may result in aggravation of the employee’s injury or illness; the type of light duty work available; the length of the employee’s employment with the City; the employee’s performance and disciplinary history; and whether the illness or injury occurred on or off duty. In making light duty assignments, the City will normally give priority to employees whose injury or illness is work-related.

Employees who are released for and given a light duty assignment may not perform work duties in violation of their medical release. An employee who violates the terms of his/her medical release while on a light duty assignment may lose the light duty assignment and, in addition, may be disciplined up to and including termination of employment.

Light duty will not extend beyond sixty (60) calendar days from the date of injury without an evaluation by the employee’s treating physician and a recommendation from the Department Director and Human Resources Division to the City Manager. Only the City Manager may approve an extension of a light duty assignment. Employees still unable to return to regular duty within sixty (60) calendar days from the date of injury must re-qualify for limited duty through evaluation by their treating physician or revert to workers’ compensation indemnity payment, accumulated sick leave, Family Medical Leave Act (FMLA) or vacation benefits, if available.

An employee who is released for and offered light duty by the City, but who elects not to accept such an assignment, will be ineligible for paid sick leave benefits under the City’s Sick Leave Policy and salary continuation benefits under workers’ compensation, but may still be entitled to unpaid leave under the City’s FMLA policy.

During a light duty assignment, employees will typically work an 8-hour workday, Monday through Friday. This means those 24-hour shift employees, as well as other employees who work a non-traditional schedule, will usually be temporarily reassigned to an 8-hour workday, Monday through Friday, for the duration of their light duty assignment. An employee’s salary during any light duty assignment shall be at the same rate as the salary received prior to the injury. An employee on light duty assignment may not work on-call or overtime.

All light duty requests and assignments will be reviewed by and coordinated through the Human Resources Division. The Human Resources Division will work with the employee’s department in making its decision whether light duty work will be offered. Before returning to regular job duties following a light duty assignment, the employee must coordinate his/her return through the Human Resources Division.
LONGEVITY PAY

The City provides regular full-time employees longevity pay. Longevity pay begins after a regular, full-time employee has completed one year of service. Longevity will be computed by multiplying the number of months of service completed on December 31st of each year, times the monthly longevity rate accrued. The monthly longevity rate is determined by the schedule below.

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Rate per Month</th>
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<tbody>
<tr>
<td>0-4</td>
<td>$5</td>
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<tr>
<td>5-9</td>
<td>$7</td>
</tr>
<tr>
<td>10+</td>
<td>$9</td>
</tr>
</tbody>
</table>

Longevity pay will be paid annually during the first quarter of the City’s fiscal year on a date to be determined by the Finance Department. Longevity pay is not an accrued benefit payable upon termination of employment. The person must be an employee of the City at the time the annual longevity payment is made in order to receive the payment.
MANAGEMENT AUTHORITY

General and final authority for personnel administration rests with the City Manager with the exception of matters reserved to the City Council by State law or the City Charter.

A. Management Authority - The City may modify, revoke, suspend, interpret, terminate, or change any or all of its policies and procedures, in whole or in part, at any time. The issuance of these policies and procedures does not constitute a contract between the City and its employees for any duration of employment. There is no specified length of employment, and either the City or the employee can terminate the employment relationship at any time, for any reason. Policy administration rests with City management and City management reserves sole authority to administer City operations.

B. Departmental Policy and Procedural Requirements - Individual City departments may develop policies and procedures that are consistent with City policies and procedures. Department policies and procedures that are operational and that do not relate to those in this handbook, or other approved operational manuals, do not need to be reviewed and approved by the Human Resources Division. All others, however, are subject to approval by the City Manager. Department Directors are responsible for obtaining the necessary review and approval prior to issuing such departmental policies and procedures. Departmental policies and procedures will not become effective unless they have been reviewed and approved in accordance with this policy.

C. Miscellaneous - Policies and procedures apply to all employees of the City, both on and off duty where applicable, unless otherwise indicated, restricted by proper authority, or prohibited by State and/or Federal law.

Only the City Manager has the authority to enter into an employment agreement, promise, or commitment contrary to these policies and procedures, and all such agreements, promises, and/or commitments entered into by the City Manager must be contained in an express written employment contract signed by both the City Manager and the affected employee.

Any statement in a policy and/or procedure found to be illegal, incorrect, and/or inapplicable will not affect the validity and intent of the remaining content of such policy or procedure. Titles utilized do not govern, limit, modify, or affect the scope of meaning or intent of any provision.

Any conflicts, questions, or ambiguities in City or departmental policies and procedures will be decided by the City Manager.

The City Manager may delegate rights and powers granted under these polices and procedures to management level staff or to others as deemed appropriate in the City Manager’s sole discretion.
MEDIA POLICY STATEMENT

From time to time, as an employee of the City of Hutto, you may receive inquiries from the media (e.g., newspapers, television stations, radio stations, magazines, or other periodicals). To ensure that the City of Hutto maintains the appropriate public image and that communications to the media are accurate and in line with applicable City policy, if you are contacted by the media, you should refer the individual making the inquiry to the City Manager. In some cases, the City Manager may give specific authorization to a particular employee to respond to the media. Unless such authorization is specifically given by the City Manager, no employee other than the City Manager may give statements to any representative of the media. The City Manager has authorized those positions that are considered Department Directors and above to provide information to the media in their area of expertise and advise the City Manager of the communication that transpired.
MILITARY LEAVE

The City complies with all state and federal laws relating to employees in reserve or active military service and does not discriminate against employees who serve in the military. Temporary employees who have brief or non-recurrent positions with the City and who have no reasonable expectation that their employment with the City will continue indefinitely or for a significant period of time are generally ineligible for extended paid military leave in excess of 15 days, reemployment rights, or any other military leave benefits under this policy.

This policy covers employees who serve in the uniformed services in a voluntary or involuntary basis, including active duty, active duty for training, initial active duty for training, inactive duty training, and full-time National Guard duty.

A. Notice to City of Need for Leave - Employees must provide as much advance written or verbal notice to the City as possible for all military duty (unless giving notice is impossible, unreasonable, or precluded by military necessity). Absent unusual circumstances, such notice must be given to the City no later than 24 hours after the employee receives the military orders. To be eligible for paid military leave, employees must complete and submit a City of Hutto Leave Request form along with the official documents setting forth the purpose of the leave and, if known, its duration. The Leave Request Form must be turned into the Department Director and the Human Resources Division as far in advance of the leave as possible.

B. Paid Leave & Benefits for Training and Duty

1. Full Pay For Up to 15 Days - Employees will be paid for military absences of up to a maximum of 15 work days per federal fiscal year. This leave may be used when an employee is engaged in National Guard or U.S. armed forces reserve training or duty ordered or approved by proper military authority. The paid leave days may be consecutive or scattered throughout the year.

2. Other Paid Leave - Employees who have exhausted all available paid military leave may, at their option, use any other available paid leave time (i.e., vacation leave, holiday leave and compensatory time) to cover their absence from work.

3. Unpaid Leave - After an employee has exhausted all available paid military leave (including any other paid leave time that the employee chooses to use to cover a military absence), the employee will be placed on leave without pay.

4. Benefits - The City will continue to provide employees on paid military leave with most City benefits.

   a. Medical and Dental. While an employee is on paid military leave (or any military leave of less than 31 days), the City will continue to pay its portion of the monthly premium for group health benefits. When military leave is unpaid, the employee may elect to continue group health coverage for up to 24 months following separation of employment or until his/her reemployment rights expire, whichever event occurs first, for him/her and
eligible dependents. Employees must pay 102% of the applicable premium to cover the cost of elective continuation coverage under the City’s group health plan.

Upon an employee’s return to employment following military service, the City will provide health insurance coverage immediately, even if a waiting period is normally required for new or returning employees. In addition, a returning employee will not be subjected to exclusions from coverage unless the exclusions apply to injuries or conditions that were incurred as a result of military service.

b. Other Benefits. While on paid military leave, employees continue to accrue vacation, sick leave and other benefits provided to other employees on paid leave. The City will also continue to pay the premium for any City-provided life insurance while the employee is on paid military leave. While on unpaid military leave, employees are generally ineligible for most City-provided benefits. Benefits, such as vacation and sick leave, do not accrue while an employee is on unpaid leave, including unpaid military leave. While on unpaid military leave, benefit accruals will be suspended and will resume upon the employee’s return to active employment. Once an employee returns to work following an unpaid leave, he/she will be treated as though he/she was continuously employed for purposes of determining benefits based on length of service, such as vacation accrual and longevity pay.

c. TMRS. Typically, an employee’s period of uniformed service is deemed to constitute service for purposes of vesting and benefit accrual. Thus, employees earn service credit for time spent on active duty military leave. Service time is credited when an employee returns to work. To qualify for service credit, an employee must: return to work for the City within 90 days after discharge; receive an honorable discharge; and timely complete the necessary application. In order to receive monetary credit, an employee has the lesser of 5 years or 3 times the length of the military service to make up any TMRS contributions that were missed while on military leave.

D. Returning from Leave

1. Reemployment Rights - Employees who complete their military service will be re-employed in accordance with federal law.

2. Deadline to Notify City of Intent to Return to Work - The deadline for an employee to return to work and/or notify the City that he/she intends to return to work following military leave is ninety (90) days from the date of discharge. This deadline may be extended for 2 years or more when an employee suffers service-related injuries that prevents him/her from applying for reemployment or when circumstances beyond the employee’s control make reporting within the time limits impossible or unreasonable.

3. Required Documentation - To qualify to return to work, an employee returning from leave must provide documentation of the length and character of his/her military service. Also, evidence of discharge or release under honorable conditions must be submitted to the City if the military leave lasted more than 31 calendar days.
NEPOTISM

In order to prevent conflicts of interest, to avoid accusations and perceptions of biased conduct, and to maintain the confidentiality of restricted information, it is the policy of the City that:

A. Applicants

- An applicant related to the City Manager by blood or marriage within the first or second degree according to common law shall not be employed by the City.

- An applicant related by blood or marriage within the first or second degree according to common law to any member of the City Council shall not be employed by the City.

- Under no circumstances will an applicant be employed in a department in which he or she may directly or indirectly supervise or be supervised by a member of his or her immediate family. Immediate family includes spouse, parents, children, brother or sister.

First Degree:  
- Mother  
- Father  
- Sister  
- Brother  
- Son  
- Daughter  

Second Degree:  
- Uncle  
- Aunt  
- Nephew  
- Niece  
- Grandfather  
- Grandmother  
- Granddaughter  
- Grandson  
- 1st Cousin

B. Promotion - In the event of a proposed promotion, any employed family member of a person considered for promotion must agree to immediately tender his/her written, conditional resignation before the candidate will be formally considered for the proposed promotion if said promotion would create a violation of the Nepotism policy. If the candidate is selected for and chooses to accept the promotion, the conditional resignation becomes final. Normally, once final, any such resignation will not become effective until ninety (90) days after the promotion takes effect.

C. Reorganization - In the event of a reorganization, or any other situation (other than a promotion) giving rise to a relationship prohibited by this section of the policy, the lower ranking employee will be required to immediately resign his/her employment. If both employees are of
an equal rank, one of them will be required to immediately resign his/her employment. Normally, any such resignation will not be effective until ninety (90) days after the engagement, reorganization, etc., occurs.

D. Other Restrictions - The following restrictions apply on the employment of any relative, including those defined as family members under this policy:

- No employee in the relationship will supervise, review or process the work of the other;
- The employees’ relationship must not create a conflict between employees/ City interests; and
- There must be no interdependence or relationship between the jobs of the individuals concerned which could be potentially detrimental to the interests of the City.

Relatives will not normally be permitted to work in the same department with each other without prior written authorization from the City Manager (or designee). In addition, written authorization must also be obtained from the City Manager (or designee) to employ any relative of a current City employee.

E. Marriage of Current Employees - In the event of a marriage between two City employees, a promotion, reorganization, or any other situation giving rise to a relationship prohibited by this policy, one or both of the affected employees must immediately seek a transfer to another available position within the City for which he or she is qualified and that meets the requirements of this policy. If a suitable transfer cannot be made within ninety (90) days of the event giving rise to a relationship prohibited by this policy, one or both of the affected employees will be required to resign from employment.

F. Grandfather Clause - The City is aware that, as of the effective date of this policy, there are City employees that are related, by blood or by marriage, to other City employees. These employees will be “grandfathered” under this policy, meaning they will be permitted to continue their employment with the City as long as the requirements set out in subsection B of this policy are met. Please be informed that the grandfather provision is for family relationships as they exist as of the revision date of this policy. Any future changes to the family relationship and/or the employment status of the affected employee(s) will be governed by the requirements of this policy.

G. Periodic Review - Periodically, the City Manager (or designee) will review the job descriptions and interrelationship between the affected jobs and determine whether they meet the requirements set out in this policy. If one or more of these requirements are not met, one or both of the affected employees must immediately seek a transfer to another available position within the City for which he or she is qualified. If a suitable transfer cannot be made within ninety (90) days, one or both of the affected employees will be required to resign from employment.
H. Application of Policy - This policy applies to all full-time, part-time and temporary seasonal employees of the City.
ON-CALL & CALL BACK COMPENSATION
(Non-exempt Employees)

The City provides for after-hour service needs by allowing some departmental operations to designate certain non-exempt employees to be on-call. Employees designated to be on-call are expected to respond to departmental after-hour service needs as required by procedures established by their Department.

For a non-exempt employee to be designated as officially on-call:

- The employee must wear a digital pager and/or cell phone for City communication purposes.
- The employee must respond within the established response time for their Department.
- The employee must be designated as on-call personnel on a schedule approved by their Department Director.

A. Return to work provisions - After regularly scheduled working hours, on-call employees are free to pursue personal activities but must respond to a call back (via paging, telephone, or radio) within designated guidelines set by their Department. Employees designated as on-call must be fit, both mentally and physically, to accomplish on-call services needed within the time frame required.

B. Compensation - On-call status is not considered time worked, however a daily stipend of $25.00 per day shall be paid to those employees designated as on-call employees. For holidays observed by the City, a daily stipend of $40.00 per day shall be paid to those employees designated as on-call employees. Should the holiday fall on a weekend day, the designated on-call employee shall receive a $40.00 a day stipend for the actual holiday as well as the day observed by the city.

On-call employees called back to the workplace will be paid at their regular rate of pay for actual hours worked. Time worked immediately after regularly scheduled working hours at the request or approval of the supervisor will not be considered call-back and is paid at the employee’s regular rate of pay until overtime requirements are met. Continuing work on a call-back that extends beyond the one hour minimum and into a day off does not entitle the employee to additional premium pay. Travel time to and from a call-back is compensable under this policy if the call-back is due to situation that requires immediate attention and is unscheduled. Travel time to and from the work site performing regularly scheduled rounds is not compensable. On-call procedures will be conducted in accordance with departmental policy and such policy must be approved by the City Manager. On-call employees who do not return to the workplace but who handle a workplace issue by phone will be paid for actual time spent on the phone. In all cases, employees must report their actual hours worked on their time sheets. Employees exempt from overtime are not eligible for compensation under the provisions of this policy. The City will pay overtime as required by the Fair Labor Standards Act or other City policies regulating overtime.
C. Departmental Policies - Each Department has its own internal procedures for handling on-call services. Departments may establish guidelines for varying levels of response to callback situations depending upon the nature and importance of the services to be completed.
OUTSIDE AND SELF-EMPLOYMENT

City employees may engage in outside or self-employment provided they receive prior written approval from the City Manager (or designee) on the City’s Outside and Self-Employment Form. Department Directors must also receive written approval from the City Manager prior to engaging in outside or self-employment.

Employees may not accept outside or self-employment that conflicts with the effective performance of the employee while on duty with the City, or conflict in any way with the best interests of the City. Other outside activities, such as volunteer activities, that might similarly distract from an employee’s ability to perform his or her job with the City are also prohibited.

An employee will not be covered by the City’s workers’ compensation insurance while working for another employer or while self-employed unless the employee is required to perform official City employment activities while engaged in such outside or self-employment.

Approval for outside or self-employment as set out in this policy does not authorize an employee on FMLA leave, sick leave, disability leave, workers’ compensation leave, or an unpaid leave of absence, to engage in any outside or self-employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, workers’ compensation leave, or an unpaid leave of absence, engage in outside or self-employment.

For purposes of this policy, outside or self-employment includes a job, activity or enterprise (including self-employment) which constitutes a form of employment or business outside the responsibilities of employment with the City. This policy is not intended to cover volunteer work with a non-profit organization such as United Way, Girl Scouts, American Heart Association, faith based activities or similar activities where compensation is neither expected nor paid in the ordinary course of operations.
OVERTIME AND TIME MANAGEMENT

Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour requirements. Exempt employees are not paid overtime compensation.

A. Non-Exempt Employees - When the City’s operating requirements or other needs cannot be met during regular working hours, non-exempt employees may be scheduled to work overtime, at the request of their supervisor. When possible, advance notification of mandatory overtime assignments will be provided. Overtime assignments will be distributed as equitably as practical to all non-exempt employees qualified to perform the required work. Refusal or other failure to work mandatory overtime may result in disciplinary action up to and including termination of employment. Overtime work is otherwise subject to the same attendance policies as straight time work.

Non-exempt employees may not access city emails on a personal mobile phone. Supervisors are prohibited from sending work-related emails to a non-exempt employee’s personal email account (Gmail, Yahoo, etc…).

All non-exempt employees must receive their supervisor’s and Department Director’s prior authorization before performing any overtime work. This means employees may not begin work prior to their scheduled work day, and may not continue working beyond the end of their scheduled workday, without prior authorization from the appropriate supervisor. Similarly, employees may not work through their lunch break without prior authorization from the appropriate supervisor. On the employee’s time sheet, the appropriate supervisor must also approve any overtime before the time sheet is submitted for processing and payment. Non-exempt employees shall not remain on the work premises without authorization unless they are on duty or are scheduled to begin work within a short period of time. Non-exempt employees who work overtime without receiving proper authorization will likely be subject to disciplinary action, up to and including possible termination of employment.

Generally, overtime pay for non-exempt employees is at the rate of time and one half the “regular rate of pay for hours actually worked in excess of 40 in the City’s work week. (The work week begins at 12:01 a.m. on Monday and ends at 12:00 (midnight) the following Sunday. The City’s work week begins at 12:00 (midnight) on Sunday and ends at 12:00 (midnight) the following Sunday.)” The “regular rate” is defined as the hourly equivalent of all straight time compensation received by an employee for work including all pay incentives, such as longevity, assignment pay, certification, etc. The FLSA formula is that an employee’s regular rate is the total “straight time” compensation received by the employee “for work,” divided by the number of hours that money is intended to compensate. Police officers are paid overtime based on the work cycle adopted by their Department under Chapter 142 of the Texas Local Government Code.

Paid vacation and paid holiday leave are not included as hours worked for purposes of determining eligibility for overtime pay. Time off on account of sick leave, jury duty leave, witness duty leave, bereavement leave, or any other leave of absence is not considered time worked for purposes of performing overtime calculations.
C. Flex-time Work Schedule - In situations where overtime payment is not feasible due to budgetary constraints, the Department Director or supervisor must consider flexing the employee’s work schedule in an effort to minimize the need for overtime compensation. Flexing must be completed within the same workweek or work cycle that the overtime was worked and must be accurately reflected on the affected employee’s time record.

D. Exempt Employees - Exempt employees are those who are not covered by the overtime requirements of the FLSA. Accordingly, exempt employees are not entitled to overtime compensation for work performed beyond 40 hours in a workweek. Exempt employees are expected to work at least forty (40) hours in each work week. In addition, exempt employees are expected to put in the hours necessary to complete their assignments with an acceptable level of quality in a timely manner. Exempt employees may be required to work in excess of 40 hours in certain weeks and are required to work a minimum of 80 hours in a two week pay period.

“Docking” an exempt employee’s pay for a partial day’s absence will be permitted only as authorized by law and approved by the Human Resources Division. Absent accrued paid leave time, an exempt employee need not be paid for any workweek in which he or she performs no work. For reasons of public accountability, the City will reduce an exempt employee’s pay or place an exempt employee on leave without pay for absences for personal reasons or because of illness or injury of less than one work day when vacation leave or sick leave is not used by the employee either because the employee did not request to use paid leave, has exhausted paid leave, or chooses not to use paid leave.

It is the policy of the City not to make improper deductions from an exempt employee’s pay. Any exempt employee who believes he/she has been, or likely will be, subject to an improper pay deduction, must immediately notify the Human Resources Division. The City will promptly reimburse an exempt employee for any improper deduction(s) and will make a good faith commitment to comply in the future.

E. Nursing Mothers — The City supports the practice of expressing breast milk and will make reasonable accommodations for the needs of employees who express milk. The City will provide reasonable break time for an employee to express milk for her nursing child for one year after the birth of the child each time the employee needs to express milk. A place shielded from view and free from intrusion will be provided for this purpose. Breaks for nursing mothers will be compensated time but will not be considered to be “hours worked” for purposes of calculating overtime. An employee will not be discriminated against because she has asserted her right to express milk.
PAYROLL

A. Payroll Deductions - The following deductions are authorized for payroll deductions:

- Social Security and Medicare contributions;

- Federal income tax withholding;

- Contributions to the Texas Municipal Retirement System;

- Contributions to the United Way;

- Contributions to the established deferred compensation (457) plan;

- Contributions to the established defined contribution 401(a) plan;

- Presently authorized medical insurance premiums;

- Presently authorized “other insurance” premiums;

- Hutto Police Officer Association (HPOA) membership dues;

- Wage garnishments

No other payroll deduction privileges are authorized at this time and no future payroll deduction privilege will be granted without the approval of the City Manager, except as otherwise provided by law.

B. Payroll Errors - Errors regarding payroll, including vacation and sick usage, must be reported to Finance in writing within 60 days after pay day. Corrections will be made effective the next regular pay date following report of error(s). If the error is not reported to Finance within the 60-day period, no correction will be made. The Finance Department reserves the right to make any necessary correction to payroll at any time to ensure accurate accounting records.

C. Direct Deposit Required - Employees are required to complete and deliver to the Finance Department the City’s direct deposit form so that payroll can be credited to the employee’s bank account to facilitate an efficient and accurate payroll process. Any changes to an employee’s direct deposit will be processed the next payroll after Finance has received the updated form.
PERFORMANCE EVALUATION SYSTEM

The City uses a thorough performance evaluation system for assisting supervisors in communicating job expectations, measuring the employee’s level of past performance, recognizing employee achievements and exemplary performance, and strengthening the supervisor-employee relationship. The performance evaluation system provides necessary information for management decisions including career development and training, assignments, advancements, transfers, disciplinary actions, retention, compensation, etc. The purpose of the performance evaluation system as outlined herein is to achieve optimum employee performance resulting in outstanding citizen service.

—A. Schedule—Regular full and part-time employees hired are eligible for:

1. An annual performance review for performance rendered during the fiscal year (October 1st—September 30th).

2. Newly transferred or promoted employees will receive a performance review after completing six months of service in their new position.

—B. Supervisory Responsibilities—All performance evaluation information must be written where required and forwarded to the Human Resources Division for retention in the employee’s official personnel file. An evaluation is considered complete at the time the employee signs and dates the evaluation document or the Supervisor and/or Department Director has a witness acknowledge the employee’s refusal to sign the evaluation document.

Supervisors will strive to clearly communicate all elements of job performance, key result areas, performance standards, measures, goals, strengths and areas of development needed by completing the Improvement Plan section of the evaluation. Each employee will sign and date a copy of his/her Performance Evaluation when it is reviewed, and the supervisor will forward the original performance evaluation to the Human Resources Division for filing in the employee’s official personnel file.

—C. Department Director Responsibilities—Department Directors are expected to ensure compliance with this policy and ensure that evaluating supervisors under their direction are adequately trained in the performance evaluation process. Department Directors are encouraged to review all Performance Evaluation documents for validity prior to the department supervisor conducting the performance evaluation with the affected employee, in order to correct any obvious errors or rating bias.
D. **Human Resources Division Responsibilities** – The Human Resources Division will review all evaluation documents for obvious errors and return them to the Department Directors for any clarifications or procedural corrections. The Human Resources Division is responsible for maintaining original evaluation documents in official personnel files and for timely processing of evaluations for any compensation due.

E. **City Manager Responsibilities** – The City Manager and/or designee will review all performance evaluation documents prior to the department supervisor conducting the performance evaluation with the affected employee to ensure the fair and equitable treatment of all City of Hutto Employees.

F. **Employee Responsibilities** – Employees are expected to be knowledgeable of their essential job functions and key result areas and maintain established performance standards and requirements as outlined. The Employee is requested to complete an Employee Performance Input Form which is an integral part of the evaluation process. Employees are encouraged to address issues and concerns regarding their annual performance evaluation with their evaluating supervisor. If the employee is unable to resolve his/her issues and concerns with the evaluating supervisor, the employee may address them with the Department Director; if the Department Director is the evaluating supervisor, the employee may go to the City Manager to address his/her concerns.
POLITICAL ACTIVITY

City employees will not be appointed or retained on the basis of their political support or activities. City employees are encouraged to vote and to exercise other prerogatives of citizenship consistent with state and federal law and these policies. City employees may not:

- During the time that the employee is on duty or making a public appearance in his/her capacity as a City employee, publicly endorse or campaign in any manner for any person seeking a City public office except that this policy does not prohibit a city employee from placing a yard sign on private property or from placing a bumper sticker on a private vehicle.

- Use his/her position or office to coerce political support from employees or citizens.

- Use his/her official authority or influence to interfere with or affect the result of a campaign issue, an election or nomination for public office.

- Use working hours or City property to be in any way concerned with soliciting or receiving any subscription, contribution or political service to circulate petitions or campaign literature on behalf of an election issue or candidate for public office in any jurisdiction.

- Contribute money, labor, time or other valuable thing to any person for City election purposes.

- Hold an appointive or elective office of public trust where service would constitute a direct conflict of interest with City employment, e.g. City of Hutto City Council and Williamson County Commissioner. Upon becoming a candidate or otherwise deciding to seek or assume such an office, an employee must immediately resign or will be dismissed upon failure to do so. Appointive or elective office may be held by an employee provided that: 1) it is a non-paid position; 2) the time required for the office held is not unreasonable; 3) the position held would not create a negative impact on the employee’s job performance; and 4) City Manager approval is obtained.

- Use the City’s internal mail system to distribute political advertising.
PRIVATE TELEPHONE

All supervisory personnel and service personnel must have a telephone number at which they can be reached during off-hours. No reimbursement shall be made to the employee for use of such employee’s private telephone.
PROMOTIONS

Positions to be filled shall be filled with City employees currently on the payroll when possible. This shall not prohibit the City Manager or other supervisory personnel from filling positions with persons not employed by the City.

Promotions shall be made upon the recommendation of the Department Directors with the approval of the City Manager.

Promotions shall be based on qualifications, proven performance, merit, and the ability to perform the duties and responsibilities of the position.

A promotion should not be deemed completed until a period of six months shall have elapsed. Should a promoted employee not successfully complete the six-month period, the employee is eligible to return to the previous position held, if available. If no position is available for which the employee is qualified, the employee will be terminated.
RECRUITMENT AND SELECTION

The City hires employees based solely on their knowledge, skills and abilities, experience, and other qualifications as they relate to the duties and responsibilities of a position without regard to race, national origin, religion, color, sex, age, citizenship, political affiliation, disability, or any other characteristic protected by law. City residents shall be given preference for employment, if all other considerations are equal. It is the desire and intent of management to provide promotional opportunities for employees of the City by offering assistance to interested employees in developing career plans and making applicable training and educational opportunities available.

A. Recruitment Requirements - The recruitment process is initiated by a Department Director or direct supervisor submitting a request of staffing to the Human Resources Division. Job vacancies will normally be posted internally for the benefit of any qualified employee. External recruitment may also be conducted during an internal posting.

After making a decision to hire, the hiring department must submit the appropriate paperwork to the Human Resources Division. Offers for City employment will be communicated by the Human Resources Division upon receipt of the hiring recommendation and all related paperwork.

The recruitment method for vacant director level positions may be determined by the City Manager on a case by case basis.

The Police Department uses a separate recruitment process for police officers.

B. Applications – Anyone (including individuals who have been previously employed by the City and are eligible for rehire) seeking employment with the City must complete and submit an official City application for the position desired. City employees seeking another position must also complete an official City application. Resumes will not be accepted in lieu of the official application and applications will only be accepted for posted vacancies. All information set forth on an application is subject to verification. Applications will normally be considered active until the vacancy is filled. Applications for employment will be received and reviewed by the Human Resources Division.

C. Hiring Process - Applicants for employment shall be required to participate in an interview and may be required to submit to a post-offer physical examination, drug and alcohol examination (safety sensitive positions only), and may be required to submit to a pre-employment investigation.

D. Disqualification - Applicants will be disqualified from consideration for one or more of the following:

- Failure to meet the minimum qualifications necessary for performance of the duties for the position;
• If they previously worked for the City and were terminated, or resigned in lieu of termination, due to unsatisfactory performance or conduct and/or violation of a City policy or procedure;

• If their employment will result in a violation of the City’s Nepotism Policy;

• Failure to meet minimum age requirement for the position;

• False statements or material omissions on the application form or during the application process;

• Failing any of the City’s background and employment requirements including, but not limited to, drug testing;

• The applicant commits or attempts to commit a fraudulent act at any stage of the selection process;

• The applicant is not legally permitted to work in the United States;

• The applicant is unable to perform the essential functions of the job applied for with or without a reasonable accommodation; or

• Any other reason deemed to be in the best interests of the City.
RESERVE PERSONNEL

The City of Hutto may engage in hiring reserve personnel for specific positions that require identifiable staffing requirements to maintain service levels. The request to establish reserve personnel is generated by the Department Director in written format and sent to Human Resources for approval. The request must contain the following information:

- Position
- Effective Date
- Number of Reserve Personnel Requested
- Operational Necessity for Request

Reserve personnel are employees of the City of Hutto and, as such, are subject to all of the same recruitment, hiring, and personnel policies as all other City employees including, without limitation, criminal background checks and drug screenings.
RESIDENCY REQUIREMENT

There is no absolute residence requirement for City employment. However, pursuant to Section 150.021 of the Texas Local Government Code, Ordinance No. O-11-12-15-VI9 was adopted on December 15, 2011 requiring the City Manager of Hutto, Texas to reside within the Hutto city limits or its extraterritorial jurisdiction while serving as City Manager.

Employees who are likely to be called to work in cases of civil emergency may be required to reside within reasonable response commuting ranges of their places of work. For these purposes, the City Council has established that for employees hired after May 15, 2006, a reasonable response time to a civil emergency is 30 minutes.
RETIREMENT

The City participates in the Texas Municipal Retirement System, which provides retirement benefits to eligible employees. A deduction of seven percent from the employee’s gross salary is made and supplemented by the City on a two-to-one matching basis. Participation by every full-time regular employee and regular part-time employees who are regularly scheduled to work 1,000 hours or more per year is a condition of employment.

The City Council reserves the right to amend the retirement plan at anytime, as it deems necessary. All amendments and additions to such system enacted by the City Council are continued in full force and effect, and are incorporated herein by reference and are on file in the office of the City Secretary.

The City participates in the Federal Social Security and Medicare Programs which provide benefits upon retirement. A deduction from the employee’s salary is matched by the City for this benefit. Effective January 24, 2014, participation by every new employee is a condition of employment.
SEARCHES

The City may conduct unannounced searches or inspections of the work site, including but not limited to City property used by employees such as lockers, file cabinets, desks, and offices, computer and electronic files, whether secured, unsecured or secured by a lock provided by the employee. The City may also conduct reasonable searches or inspections of the employee’s personal property located on City premises, including vehicles parked on City parking lots.

NOTE: The City’s authority to conduct unannounced searches is not limited to situations involving reasonable suspicion of possession and/or use of drugs/alcohol.

All searches must be authorized and conducted under the direction of the Human Resources Division. Employees who refuse to cooperate with a search may be subject to disciplinary action up to and including termination.
SEPARATIONS

The City designates all employee separations as one of the following types:

A. Resignation - An employee who intends to resign is requested to notify his/her supervisor and/or the Human Resources Division in writing at least 2 weeks prior to the last day of work. Employees who fail to give a two-week notice are typically not eligible for rehire. The supervisor is responsible for immediately notifying the Human Resources Division.

B. Retirement - An employee who intends to retire must notify his/her immediate supervisor, Department Director and the Human Resources Division in writing, 30 days prior to the date of retirement. This 30 day requirement is necessary to ensure that the required paperwork is timely submitted to Texas Municipal Retirement System (TMRS). The City shall offer employees retiring with the City the option to purchase continued health benefits coverage, as outlined in Texas Local Government Code §§ 175.001 et seq., as amended.

C. Dismissal/Termination – City employees are at-will employees. Employment may be terminated by the employee or by the City for any reason or for no reason. At its discretion, the City may terminate an employee’s employment as a result of unsatisfactory performance or conduct and/or violation of City policies or procedures. City employees who are terminated or who resign in lieu of termination due to unsatisfactory performance or conduct and/or violation of City policies or procedures, are not eligible for rehire without approval of the City Manager.

Dismissal may also occur for the following:

1. Job Abandonment - If an employee fails to properly notify the City of his/her absence from work or if an employee is absent without authorization and/or notification for three or more consecutive days, the City will consider the employee to have abandoned his/her employment, and he/she will be terminated.

2. Long-Term Absence - Any employee who is unable to return to full-time work after an absence of six months will be terminated from employment with the City. Brief appearances at work during an overall absence of six months will not prevent the City from terminating an employee if determined to be in the City’s best interest. Likewise, any employee who reports to work but is unable to perform the duties of his or her actual position after a period of 180 calendar days will be terminated. The City may elect to end the employee’s employment before the expiration of six months if it is unlikely that the employee will be able to return to full-time active duty at the end of six months or if the employee advises the City that he or she will be unable to return to full-time active duty at the end of six months. An employee who has a paid leave balance remaining at the end of six months will be terminated and paid for accrued leave balances. This policy will be administered consistently with the City’s obligations under the Americans with Disabilities Act.
3. **Reductions-in-Force/Reorganization** - An employee may be separated from City service when it is deemed necessary by reason of shortage of funds or work, the abolition of the position, or other material change in the duties of the organization, or for other reasons which are outside the employee’s control and which do not reflect discredit upon the service of the employee.

D. **Death** - If a City employee dies, his/her estate will be paid all earned pay and payable benefits.
SEXUAL AND OTHER UNLAWFUL HARASSMENT

The City is an equal opportunity employer. Employment discrimination on the basis of race, religion, color, sex, national origin, age, disability, marital status, veteran status, citizenship, genetic information, or any other characteristic protected by law, is prohibited. All City employees are entitled to a workplace free of unlawful discrimination or harassment by management, supervisors, co-workers, citizens, and vendors. City employees are also prohibited from harassing citizens, vendors, and all other third parties.

A. Sexual Harassment - One form of unlawful discrimination is sexual harassment. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, or

2. Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or

3. Such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Conduct prohibited by this policy includes, but is not limited to sexual advances; requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual’s body, sexual prowess, sexual preference, or sexual deficiencies; leering, whistling, or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal, or visual conduct of a sexual nature.

B. Other Prohibited Harassment - In addition to the City’s prohibition against sexual harassment, discrimination or harassment on the basis of any other legally protected characteristic is also strictly prohibited. This means that verbal or physical conduct that singles out, denigrates, or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, veteran status, citizenship, or any other characteristic protected by law is also prohibited. Prohibited conduct includes, but is not limited to, epithets, slurs and negative stereotyping; threatening, intimidating, or hostile conduct; denigrating jokes and comments; and writings or pictures, that single out, denigrate, or show hostility or aversion toward someone on the basis of a protected characteristic. Conduct, comments, or innuendoes that may be perceived by others as offensive are wholly inappropriate and are strictly prohibited. This policy also prohibits sending, showing, sharing, or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including but not limited to via facsimile, e-mail, and/or the Internet. Discrimination or harassment of any nature, when based on race, religion, color, sex, national origin, age or disability, will not be tolerated. This policy applies to City employees, citizens, vendors, and other visitors to the workplace.
In furtherance of this policy, the City prohibits supervisors and managers from dating any subordinate. Such relationships can be disruptive to the work environment, create a conflict or the appearance of a conflict of interest, and lead to charges of favoritism, discrimination, and claims of direct or indirect sexual harassment. While the City has no desire to interfere with the private lives of its employees, where their conduct impacts upon the work environment in a negative manner, such as noted above, the City reserves the right to take whatever action is appropriate, in its discretion, to protect the City’s interests.

C. Mandatory Reporting - The City requires that employees report all perceived incidents of discrimination or harassment, regardless of the offender’s identity or position. Any employee who observes or otherwise learns of possible discrimination or harassment in the workplace or who feels that he or she has been subjected to conduct prohibited by this policy must report it immediately to:

- his or her Department Director;
- the Human Resources Division;
- the Assistant City Manager; or
- the City Manager.

Any supervisor, manager, or Department Director who becomes aware of possible conduct prohibited by this policy must immediately advise his/her Department Director and the Human Resources Division.

Under this policy, an employee may report to and/or contact the Human Resources Division directly without regard to the employee’s normal chain of command. Any employee who observes or otherwise learns of possible discrimination or harassment in the workplace or who feels that he or she has been subjected to conduct prohibited by this policy must report it immediately and may leave voice messages or transmit e-mails to the Human Resources Division at any time regarding the harassment.

In addition, the City encourages employees who believe they are being subjected to conduct prohibited by this policy and who feel comfortable doing so, to promptly advise the offender that his or her behavior is unwelcome and request that it be discontinued. Often this action will resolve the problem.

D. Investigation - All reports of prohibited conduct will be investigated promptly by management in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with the investigation.

E. Retaliation Prohibited - Retaliation against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited. Acts of retaliation must be reported immediately as set out above.
F. **Responsive Action** - Misconduct constituting discrimination or harassment or retaliation will be dealt with appropriately. Discipline, up to and including dismissal, will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were fabricated or exaggerated.
SICK LEAVE

Sick leave is paid time away from work due to an employee’s bona fide illness or injury that prevents him/her from working, for visits to the doctor or dentist, or to care for certain family members who are ill or injured. Employees who are unable to work due to illness or injury or other situations covered by this policy must immediately notify the appropriate supervisor in accordance with the procedures adopted by their Department.

A. Eligibility - All full-time employees begin accruing paid sick leave on the date of hire. Part-time, temporary and seasonal employees do not accrue sick leave. An employee who is released for and offered light duty by the City, but who elects not to accept such assignment, will not be eligible for paid sick leave benefits unless otherwise required by law.

B. Accrual Rate - Sick leave for employees shall be computed on the basis of 96 hours annually which is 3.69 hours per pay period. Sick leave accrues only during pay periods in which the employee works or is otherwise on an approved paid leave status for 80 hours.

C. Maximum Accrual. The maximum sick leave time which may be accumulated by any employee shall be 1,040 hours.

D. Authorized Use of Sick Leave.

1. For the employee - Accrued sick leave may be used for absences due to the employee’s bona fide personal illness, accident, or injury that prevents him/her from working, or birth of a child (if the employee physically gave birth; otherwise use of sick leave for child birth falls under the section below).

2. For the employee’s immediate family - Sick leave may also be used for absences when the employee is needed to care for a member of his or her immediate family who is ill or injured. For purposes of this policy, “immediate family” is defined as the employee’s parent, current spouse, and children/stepchildren. In the event of a life-threatening illness or injury of the employee’s family member who does not meet the definition of “immediate family,” the Department Director (and in the case of Department Directors, the City Manager) may allow the employee to use accrued sick leave. Sick leave may also be used by employees for their own and/or their immediate family’s scheduled doctor and dentist appointments.

E. Minimum Increments - Sick leave must be taken in minimum increments of one hour. If less than one hour is required, the time should be made up within the same work week instead of using sick leave.

F. Failure to Report Absence/Abuse of Sick Leave – Supervisors are required to monitor the use of sick leave. It is anticipated that employees using paid City sick time for their own illness/injury or that of a family member will use their sick leave time to recuperate or care for their family member. Trips to the doctor or hospital stays/visits, which take the employee away from the home, are acceptable, but other personal pursuits during paid sick leave will be considered an abuse of this policy. Abuse of sick leave, including use of sick leave for anything
other than an illness, injury, or doctor/dentist appointment as provided for in this policy, may result in immediate disciplinary action, up to and including termination of employment, and may also render the employee ineligible for paid sick leave benefits. Similarly, employees who fail to timely report an absence or tardiness due to illness, injury, or doctor/dentist appointment may be disqualified from using sick leave for their absence. Requesting to use sick leave when the requested time off is not actually needed for a bona fide personal illness, accident, injury, or medical or dental appointment is an abuse of sick leave.

G. Other Employment During Sick Leave - Employees on sick leave, whether paid or unpaid, may not work a second job, including self-employment or participate in volunteer work, during the period of leave, even if they have written authorization from the City Manager to work a second job. See Outside Employment Policy for additional guidance.

H. Use of Other Leave - If approved by the Department Director (and in the case of Department Directors, by the City Manager), employees may use accrued vacation leave or leave of absence without pay if an employee has no accrued sick leave time. Official holidays observed by the City while an employee is on approved paid sick leave will be treated as a paid holiday, rather than a day of sick leave, if the employee is eligible for the paid holiday. Under certain circumstances and with the approval of the Department Director/supervisor, the employee may flex his/her work schedule to attend to medical or dental appointments. This is acceptable provided that work time is accurately recorded on the time sheet. For non-exempt employees, flexing the work schedule must be accounted for within the same work week. For exempt employees, flexing the work schedule must be accounted for within the same work cycle or pay period. Under no circumstances (1) can flexing the work schedule extend beyond the affected work week for non-exempt employees or pay period for exempt employees and (2) the total of a non-exempt employee’s sick leave time plus hours worked cannot exceed forty (40) hours within the same work week.

I. Documentation - Employees requesting paid sick leave must complete a Leave request form and submit it to their supervisor for approval. An employee must present satisfactory proof of illness/injury that prevents him/her from working whenever the employee uses sick leave for 3 or more consecutive work days, and at any other time if requested by the City. An employee may also be required to present satisfactory proof of family relationship and/or satisfactory proof of a family member’s illness, injury, and/or doctor/dentist appointment if the employee wishes to use accrued sick leave to care for a family member. If the employee fails to present such proof in a timely manner, use of sick leave will be disallowed and no other paid leave may be used for the absence. Whenever an employee has been away from work for more than five (5) days due to a physical or mental condition, the employee is required to provide the Human Resources Division with a doctor’s statement that he or she is fit to return to duty without restrictions or listing any restrictions. Abuse of sick leave may result in discipline up to and including termination of employment.

J. Family and Medical Leave Act Leave - Any absence that qualifies for both Family and Medical Leave Act leave and sick leave will follow the guidelines set out in this policy and will typically be counted as both and run concurrently.
K. Payment For Unused Sick Leave - No employee shall be entitled to payment in lieu of using sick leave time.

L. Disability and Accumulated Sick Leave – The City of Hutto does not provide paid disability leave but makes disability insurance benefits available to its employees. The City of Hutto prohibits an employee from receiving both sick leave and disability benefits simultaneously. Payment of disability benefits is done in accordance with the terms of the disability policy. It will be at the employee’s discretion whether or not to utilize accumulated sick leave or receive disability funds in the amount of 60% of their salary if the employee is eligible for disability benefits.

M. Sick Leave Pool -- The City of Hutto Sick Leave Pool provides a benefit to eligible employees who have exhausted accrued vacation and sick leave by virtue of a Catastrophic Injury or Illness of their own or that of an Immediate Family Member. The Sick Leave Pool will be administered by the Human Resources Department of the City.

1. Eligibility for Participation in the Sick Leave Pool.
   A. All full-time regular employees who have been employed by the City for six months or longer are eligible to participate in the Sick Leave Pool. Only employees contributing at least eight (8) hours during the Open Enrollment period (as defined below) are eligible to make withdrawals from the Sick Leave Pool.
   B. Employees who are out on leave due to a work-related injury and who are receiving workers’ compensation benefits and those who are on disability leave for any reason and receiving disability benefits may not withdraw leave from the Sick Leave Pool if the combination of sick leave and benefits (workers’ compensation or disability) exceeds the employee’s pre-injury or pre-illness compensation.

2. Contributions to the Sick Leave Pool.
   A. Contributions to the Sick Leave Pool may be made only during the Open Enrollment Period(s) at any time on a strictly voluntary basis.
   B. Eligible employees desiring to donate time to the Sick Leave Pool must complete a Sick Leave Pool Donation form, which will be provided by Human Resources. Employees must communicate in writing to the Human Resources Division, indicating the amount of sick leave to be donated. The Open Enrollment Periods will be held during the first two weeks of February and August each year. However, the inaugural Open Enrollment period will be October 5, 2015 to October 16, 2015.
   C. All donations to the Sick Leave Pool must be in increments of one full day of employee’s regularly scheduled work day, eight (8) hours and may not exceed five (5) days forty (40) hours per fixed 12 month period except in accordance with subparagraph 2.E below. Example, if an employee donates forty (40) hours in February, the employee would not be eligible to make another donation until February of the following year.
   D. After a written statement Sick Leave Pool Donation form is received by Human Resources Department, the number of days hours donated will be credited to the Sick Leave Pool and deducted from the accrued sick leave of the employee making the contribution.
E. When an employee is retiring from the City or voluntarily terminating his or her employment with the City, the employee may contribute up to ten hours of accrued sick leave to the Sick Leave Pool.

F. Contributions to the Sick Leave Pool may not be earmarked for the benefit of a particular employee.

3. Withdrawals from the Sick Leave Pool.

A. An employee may obtain leave from the Sick Leave Pool if the employee or an employee’s Immediate Family Member has experienced a Catastrophic Injury or Illness resulting in the exhaustion of all of the employee’s accrued vacation and sick leave.

B. An employee requesting leave from the Sick Leave Pool must complete a Sick Leave Pool Withdrawal Request form, which may be obtained from Human Resources. If an employee is unable to make a written request complete a Sick Leave Pool Withdrawal Request form due to the employee’s own catastrophic injury or illness, the employee’s Department Director may submit the request form to Human Resources on behalf of the employee. An exception may be made given the circumstances, as determined by the City Manager and the Human Resources Division. In the event the employee has not previously provided the City with a Medical Certification supporting the Catastrophic Injury or Illness underlying the need for the leave, such a Medical Certification must be submitted with the Withdrawal Form. All medical information obtained pursuant to this Policy will be maintained as confidential information by the City to the extent allowed by law.

C. A determination that an employee or an employee’s Immediate Family Member has a Catastrophic Injury or Illness under the Sick Leave Policy does not mean that the employee or the employee’s Immediate Family Member has a “serious health condition” under the FMLA or a “disability” under the ADA. The City Manager and the Human Resources Division will make the final decision regarding approval or denial of a request by any employee to make withdrawals from the Sick Leave Pool. If an employee’s request to make withdrawals from the Sick Leave Pool is denied by Human Resources, the employee may make an appeal to the City Manager. The appeal must be made in writing to the City Manager within five (5) business days after the denial decision is made by Human Resources. The City Manager will have up to five (5) business days to approve or deny the employee’s appeal. The City Manager’s decision is final and will be communicated in writing to the employee and Human Resources.

D. An employee is limited to one withdrawal request per fixed 12 month period and may not withdraw an amount of sick leave that exceeds the lesser of sixty (60) work days or one-third (1/3) of the total amount of time in the Sick Leave Pool. Example, if an employee makes a withdrawal request from the Sick Leave Pool in February, the employee would not be eligible to make another withdrawal until February of the following year (eligibility for participation in the Sick Leave Pool will apply).

E. Employees who have contributed leave to the Sick Leave Pool may not withdraw donated time unless they become eligible to withdraw leave from the Sick Leave Pool pursuant to this Policy and are approved to withdraw time.

F. Employees are limited to one withdrawal request per calendar year.

G. Employees do not accrue any form of paid leave while using leave from the Sick Leave Pool. An employee who is out on leave from the Sick Leave Pool will be treated in all other respects as an employee who is out on regular sick leave.
H. Requests for withdrawal of leave time from the Sick Leave Pool should be submitted as soon as the need for such leave is realized by the employee. Requests for withdrawal of leave are handled by Human Resources on a first come, first serve basis with all decisions being made within ten (10) working days of receipt of the written request.

I. If an employee returns to work without having used all of the leave time obtained from the Sick Leave Pool, all unused leave time must be returned to the Sick Leave Pool.

J. The estate of a deceased employee is not entitled to payment for unused time withdrawn by the employee from the Sick Leave Pool.

K. Leave time to which the employee is entitled (ADA and FMLA) is not extended by the availability of paid leave from the Sick Leave Pool.

4. Definitions.
   A. “Catastrophic Injury or Illness” means a severe serious health condition or combination of conditions affecting the mental or physical health of the employee or the employee’s Immediate Family Member which is unanticipated, non-job related, not self-inflicted, individual that requires the services of a licensed practitioner medical doctor for a prolonged period of time, and that forces the employee to exhaust all of the employee’s accrued leave time. A catastrophic Injury or Illness must be an illness or accident that requires confinement in a hospital for at least one full 24-hour period. Cancer will be considered to be a Catastrophic Injury or Illness even if no hospital confinement is required. The uncomplicated delivery of a child at the conclusion of a pregnancy, unforeseeable medical care rendered as a result of something other than injury or disease, and elective surgery are not considered to be a Catastrophic Injury or Illness.

   B. “Immediate Family Member” means parent, child, or spouse of the employee and includes step-parents and step-children as well as foster children certified by the Texas Department of Child Protective and Regulatory Services.
SMOKING

The City of Hutto prohibits its employees from smoking and using any and all smokeless tobacco products while in City-owned buildings, facilities, or vehicles. Smoking and use of any and all smokeless tobacco products is authorized in an area at least fifteen (15) feet away from an entrance to a City building.

The City of Hutto acknowledges the serious documented health hazards from exposure to environmental tobacco smoke; therefore, it will be the policy of the City of Hutto to provide a smoke free environment for every employee and visitor.
SOCIAL SECURITY: PARTICIPATION AND NON-PARTICIPATION

Any employee who is actively employed by the City of Hutto as of January 23, 2014 and participates in the Texas Municipal Retirement System as of January 23, 2014 will vote in an individual choice referendum election on April 23, 2014 to determine if they will continue to participate in Social Security or if they will opt out of Social Security participation. The individual choice referendum shall be conducted in accordance with the provisions set forth by the State of Texas’ State Social Security Administrator. Any employees hired on or after January 24, 2014 must participate in Social Security.

Employees who vote in the individual choice referendum election on April 23, 2014 must choose one of the following options:

1. Continue to participate in Social Security:
   • Employee’s wages will be deducted for defined contribution rate to Social Security. The City of Hutto will continue to make defined contribution to Social Security on behalf of employee at a one-to-one matching rate.
   • Employees choosing this option will not have the option to discontinue Social Security contributions in the future.

2. Opt out of Social Security and participate in a 401(a) Defined Contribution Plan:
   • In lieu of contributions to Social Security, employee’s wages will be deducted and deposited in a 401(a) defined contribution plan. The deposit to the defined contribution plan will be equal to the amount that would have been paid to Social Security. The City of Hutto, in lieu of contributions to Social Security on behalf of employees, will make deposit to employee’s 401(a) defined contribution plan at a one-to-one matching rate.
   • This will be a one-time opportunity for employees. If an employee chooses to stop contributions to a defined contribution plan, they may not begin contributing to Social Security.

3. Opt out of Social Security and have normal deductions added to employee wages:
   • Employee’s wages will not be deducted for Social Security contributions. Employees who elect this option will not receive an associated employer benefit.

Employees who vote in the individual choice referendum election on April 23, 2014 are required to stay with the option they elect while employed at the City of Hutto.
SOLICITATION

Solicitation of funds or anything of value for any purpose whatsoever shall not be permitted of or by City employees on the job except with the express approval of the City Manager. No employee may be required to make any contribution nor may an employee be penalized in any way concerning his or her employment according to his or her response to a solicitation.

No employee shall personally accept or solicit property, service, or other thing of value in excess of $50 from a person, business entity or other organization regulated by, contracting with, or having any other business relationship with the City department of which the employee is a member. No employee shall personally accept or solicit cash or a negotiable instrument regardless of the amount.

Please refer to the Gifts Policy for further limitations on gifts to City employees.
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Currently, the City of Hutto provides retirement benefits to its employees through the Texas Municipal Retirement System (TMRS). The Employee contributes 7% of gross compensation and the City matches the employees contribution on a 2 to 1 ratio with the City’s contribution being calculated using a variety of factors such as length of service, age, etc. Employees are vested when they earn five years of service which means they are eligible to receive the City’s contribution upon retirement. All regular full-time and regular part-time employees who are regularly scheduled to work 1,000 hours or more per year are required to participate in the Texas Municipal Retirement System.
TRAVEL

The City shall pay actual necessary transportation and living expenses for an employee or City official traveling on City business. It is the City’s policy to pay for, or reimburse, all reasonable and necessary expenses incurred by an employee when the employee travels on City-related business in accordance with this policy. Travel reimbursement and per diem will be made in accordance with the current travel and relocation policy of the United States General Services Administration (GSA).

A. Transportation - The most efficient and economical mode of travel must be used. Air travel arrangements are to be made by each department. Air travel must be booked at the most discounted fare basis whenever possible. When authorized, an employee using a personal vehicle on City business shall be paid an amount per mile, equivalent to the current rate paid by the State to its employees, or shall be paid the equivalent of a coach airline fare, whichever results in the lower cost to the City. Reimbursement for mileage will be determined based on the distance from the employee’s home or office, whichever is closer to the travel destination. Employees shall submit a map demonstrating travel distance in order to receive reimbursement for mileage.

In instances of approved private vehicle use, reimbursement will also be made for mileage tolls and parking fees. Receipts are required for toll and parking fees, as well as for taxi cabs, limos, and other modes of transportation. The City will pay for rental vehicles upon written approval of the City Manager (or designee).

When employees travel on the same dates with the same itinerary, they must coordinate travel. When four or fewer employees travel on the same itinerary, only one may be reimbursed for mileage. When more than four employees travel on the same itinerary, only one out of every four may be reimbursed for mileage, unless authorized in writing by the City Manager.

B. Travel Approval and Cash Advances – All travel and cash advances must be approved in advance by the employee’s Department Director (or designee), unless otherwise stated in this policy. Requests for travel advances should be submitted in writing to the Finance Department at least 10 calendar days prior to departure.

C. Lodging - Lodging is allowed only for multi-day events where the travel status would exceed 12 hours.

Expenses for lodging are to be at the single room rate, unless an employee is approved in advance for double occupancy. Extra charges for room service will not be paid by the City. An itemized hotel receipt must be provided including an itemization for any room service charges to be paid/ reimbursed by the City.

D. Meal Allowance - Expenses for meals shall either be reimbursed at actual cost as supported by receipts or by per diem allowance. If an employee is requesting to be reimbursed for actual costs, a detailed receipt (a credit card receipt listing the total amount due is not considered a detailed receipt) must accompany the request for reimbursement. In lieu of
itemized receipts for meals, a base per diem allowance is authorized. Employees may reference www.gsa.gov/perdiem to determine per diem rates based on the area of travel. If your seminar or training event includes the provision for a meal, the appropriate deduction will be made from your per diem or allowable reimbursement.

Meals may be reimbursed using the actual expense method if meals are procured at a prearranged place where a meeting, conference or training session is held or if approved by the City Manager.

Meal and lodging per diem will only be paid to employees whose travel status exceeds 12 hours in a given day. Only ¾ of meal per diem will be paid on the first and last day of travel.

E. Non-Allowable Expenses - Expenses or charges for the following will normally not be reimbursed and must be paid for by the employee:

1. In-hotel pay television and movies;
2. Dry cleaning and laundry;
3. Health club and spas;
4. Expenses of a spouse or any person not on City business;
5. Alcoholic beverages;
6. Personal long distance telephone calls;
7. Excess baggage charge for personal belongings; and
8. Other items of a personal nature.

F. Request for Reimbursement and Return of Unexpended Funds - Upon return to the City, the employee may submit a reimbursement for parking and other authorized charges. A detailed receipt must accompany the request for reimbursement. Any receipts for charges applied to the city procurement card must be detailed and submitted to Finance.

Any advance funds received by an employee for travel purposes must be immediately reimbursed to the City if the trip is cancelled for any reason. The employee is also required to reimburse any allowance received for a meal which was provided by the seminar or training event. If a City P-Card is used to pay for meals, the employee shall reimburse any amount charged in excess of the allowable amount for that meal.

G. Travel to Training - The current mileage reimbursement will be paid to employees who must use their personal vehicles to travel to a training destination further than their designated work location or other City locations and/or facilities unless the employee receives a vehicle allowance. Reimbursement will be made only for the difference in miles from the normal work location to the further training location.

H. Expenses Not Covered in Policy - The City Manager’s approval must be obtained prior to any expenditure of funds for items or changes which are not specifically addressed in the travel policy.
I. Compliance - Abuse of this policy, including falsifying expense reports or submitting false claims, will result in disciplinary action, up to and including termination of employment.

J. Vehicle Allowance – At the discretion of the City Manager, certain employees may be eligible to receive a monthly vehicle allowance in lieu of receiving actual mileage reimbursement. The monthly vehicle allowance is intended to cover expenses of driving a vehicle on City business in the Hutto/Austin area. For travel outside of the Hutto area (50 mile radius from City Municipal Building to destination and 50 mile radius from destination to City Municipal Building), mileage will be reimbursed at the rate paid to state employees.

K. FLSA “Hours Worked”—For purposes of computing the total number of hours worked by an employee during a single work week:
   - Time spent commuting to and from work are not “hours worked.”
   - Any time spent traveling during the employee’s normal work day is “hours worked.”
   - When an employee is requested to travel from his or her normal workplace during a single business day, all of the time spent in travel and work on that day is counted as “hours worked” except for the lunch hour (unless work is actually performed at that time) and time spent in commuting to and from the normal workplace if the employee is required to begin and/or end the day trip at the normal workplace.
   - When an employee makes an overnight trip for the City, time spent traveling to and from the airport or other means of public transportation as well as time spent as a passenger in traveling on an airplane, train, boat, bus, or automobile will not count as “hours worked” unless the time spent is during the employee’s normal work day.
   - If an overnight trip requires the employee to travel on a Saturday or Sunday, hours spent in travel during what would be the employee’s normal working hours will be considered “hours worked.” For example, if an employee normally works from 8:00 a.m. to 5:00 p.m. Monday through Friday and is required to travel during those hours on a Saturday or Sunday in order to go to or return from an overnight trip for the City, travel time during those hours will be counted as “hours worked” on the Saturday or Sunday.
   - If an employee requests to be able to drive a personal vehicle instead of taking public transportation when requested to travel away from home, the City will count as “hours worked” the same amount of time that would have been counted as “hours worked” if the employee had taken the public transportation.
   - If an employee makes an overnight trip to a destination for which there is no public transportation available, time spent driving to and from the destination that is outside of the employee’s normal work day will be counted as “hours worked.” Time spent traveling as a passenger in a personal automobile is not counted as “hours worked” unless the hours are within the normal work day.
UNPAID LEAVE OF ABSENCE

In extraordinary circumstances, the City may grant employees an unpaid leave of absence (LOA). All requests for LOA must be submitted on the Leave Request form and must be authorized by the City Manager. The employee may seek extensions of leave, up to a maximum of six months away from work. This policy will be administered consistently with the City’s obligations under the Americans with Disabilities Act. A LOA will not be authorized unless there is a reasonable expectation that the employee will return to employment with the City at the end of the approved leave period.

A. Use of All Other Available Leave – All accrued leave, compensatory time, and FMLA leave (if applicable) must be exhausted and runs concurrently with an authorized Leave of Absence. The six-month maximum absence includes all paid and unpaid days of leave.

B. Criteria - Factors considered by the City in granting a LOA include the reason for the leave; departmental work requirements; the employee’s length of service, work performance and disciplinary history.

C. Reasons for LOA - A LOA may be considered in the following circumstances:

1. Recovery from extended illness, injury or temporary disability.
2. Extended care for immediate family members.
3. Educational purposes when successful completion will contribute to the work of the City.
4. Public service assignment.
5. Personnel exchange programs which emphasize intergovernmental relations.

D. Documentation - Requests for LOA without pay must be made in writing to the employee’s Department Director as far in advance as possible prior to the requested leave date. Requests for an extension of leave must also be in writing and submitted to the Department Director, who will forward the request to the City Manager’s office and the Human Resources Division. The need for a medical LOA must be supported by documentation acceptable to the City, including but not limited to a doctor’s explanation of why the employee cannot perform his/her duties, when he/she is expected to return to work, and periodic updates regarding the employee’s ability or inability to return to work. The Department Director and/or City Manager may require that the employee on leave periodically contact a designated supervisor to report on his/her condition or status. Before returning to work from a medical LOA, the employee may be required to submit a letter from his or her doctor stating that the employee is able to resume his or her normal job duties. The City may also impose additional return to work requirements as set out in the City’s Health/Fitness policy.
E. Other Employment During Leave - Under no circumstances may an employee on an authorized LOA without pay work another job, whether for pay, as a volunteer or as self-employment, unless expressly authorized in writing by the Department Director and the Human Resources Division.

F. Reinstatement - Employees returning from a LOA will be reinstated to their same position if the position is available. If the employee’s previous position is not available, the City will use its best efforts to place the employee in a position of similar pay and status. If the same job or one of similar pay and status is not available, reinstatement may, at the City’s discretion, be deferred until a position is available. If reinstatement to an employee’s previous position is required by law, the City will comply with the law. An employee who fails to return to work at the conclusion of an approved LOA will be considered to have voluntarily resigned his or her employment with the City.

G. Benefits/Premium Payments - All LOA’s are unpaid except for any period in which accrued, paid leave is used during the LOA. Vacation, sick leave, holiday pay, and other benefits do not accrue during an unpaid LOA. Any benefit continuation during a LOA must be approved in advance by the Human Resources Division and the City Manager.

Any insurance premiums, or partial premiums, normally paid on behalf of the employee by the City will not be paid by the City beginning the first day of the month following the starting date of a LOA. Employees who have group health or any other kind of insurance through the City continue to be responsible for paying their portion of the premiums while on a LOA. An employee’s failure to pay either his or her or the City’s portion of insurance premiums during a LOA may result in cancellation of coverage.

H. Revocation - The City Manager may revoke authorized leave without pay at any time. Failure to return to work after the expiration of an authorized LOA or failure to provide required medical status reports, physician’s statements, or to contact the City per the required schedule, will likely result in revocation of the LOA and/or disciplinary action up to and including dismissal.
VACATION LEAVE

Regular full-time employees accrue vacation leave each pay period at a rate of 3.08 hours for each pay period worked which yields 80 hours or 10 work days annually.

After five years of employment, regular full-time employees shall earn 4.62 hours each pay period worked which yields 120 hours or 15 work days annually.

After ten years of employment, regular full-time employees shall earn 5.23 hours each pay period worked which yields 136 hours or 17 work days annually.

After fifteen years of employment, regular full-time employees shall earn 6.15 hours each pay period worked which yields 160 hours or 20 work days annually.

Employees may not “borrow” unearned vacation time; employees shall not receive payment of vacation in lieu of taking time off, except as provided below.

Regular part-time, temporary, and seasonal employees do not earn vacation leave. Official City-observed holidays occurring while an employee is on approved paid leave are considered paid holidays and do not affect vacation leave balances. Paid vacation leave is not considered hours worked for purposes of performing overtime calculations. Only scheduled working days taken off shall be counted as vacation days.

A. Use and Scheduling of Vacation Leave - Vacation leave is an earned benefit intended to provide employees with paid time away from the work environment to pursue activities that will promote the well being of the individual. Vacation leave may also be used for purposes of attending to personal business, extension of sick leave when sick leave is exhausted, inability to get to work because of inclement weather, or for other purposes, and may be taken in hourly increments. Employees must schedule their annual vacation leave in accordance with their Department’s guidelines governing vacation scheduling and utilizing the Leave Request form. Whenever possible, vacation time will be scheduled at the convenience of employees. However, Department Directors must be certain that vacations do not interfere with the normal functions and activities of department operations. Whenever possible, employees are encouraged to submit their preferred vacation schedule to the appropriate supervisor as far in advance as possible to relieve any scheduling problems that may develop. To ensure proper payment of vacation pay, employees must make sure they have an approved vacation request on file before leaving for vacation. No more than ten consecutive work days of vacation time may be taken off, unless the City Manager grants an exception. Non-exempt employees may not be paid over 40 hours including the vacation leave within the same work week.

B. Maximum Accruals – For employees with fewer than 5 years of service to the City, the maximum number of vacation days that may be accumulated from one calendar year to the next is twenty days (160 hours). For employees with 5 or more but less than 10 years of service to the City, the maximum number of vacation days that may be accumulated from one calendar year to the next is twenty-five days (200 hours). For employees with 10 or more years of service to the City, the maximum number of vacation days that may be accumulated from one calendar year to
the next is thirty days (240 hours). All days in excess of maximum accumulation are lost on December 31st of each calendar year (except as otherwise provided for in this policy). Employees will not be paid for vacation in excess of the maximum accrual or for vacation that is “lost” on December 31st of each calendar year. If the needs of the City and/or Department preclude the taking of a scheduled vacation, the Department Director may defer an employee’s scheduled vacation leave. In such cases, the Department Director may seek approval from City Manager to pay an employee for “deferred” vacation (vacation that was unable to be taken by the employee due to an operational necessity of the City) but this is determined on a case by case basis and at the sole discretion of the City Manager.

C. **Compensation for Vacation Leave** - Vacation is paid at the employee’s base rate at the time of vacation. It does not include overtime or any special forms of compensation. Vacation time is paid only for hours the employee would ordinarily have worked. Employees will not be paid for any unused vacation, except upon separation of employment, or if an employee is precluded from taking a scheduled vacation due to City and/or department needs as set out above. Upon termination, retirement, or resignation an employee shall be paid for accrued vacation leave up to a maximum of 160 hours at the rate of pay the employee was receiving at the time of separation. Upon the death of an employee, the accrued vacation will be paid to the employee’s estate.

D. **Definitions**

1. **Compensable Hours** - The hours worked or taken in a pay period must equal 80 hours for full-time employees before vacation hours will be accrued. Employees who work less than 80 hours in a pay period will accrue vacation hours on a prorated basis.

2. **Vacation Day** – A “vacation day” is defined as an 8-hour period for employees who are regularly scheduled to work 8 hours per day, a 10-hour period for employees who are regularly scheduled to work 10 hours per day and a 12-hour period for employees who are regularly scheduled to work 12 hours per day. Employees are not required to take a full day of vacation; they may take vacation in one hour increments.
VALID DRIVER'S LICENSE

The City requires that every employee who operates a City owned [or leased] vehicle, or who drives a privately owned vehicle while carrying out job duties, must maintain a current valid Texas driver's license and an acceptable driving record as determined by the City.

Driving records will be checked prior to employment and periodically throughout the course of employment. Applicants and employees are required to provide the City with any authorizations necessary for the City to perform such a check. More than 3 moving traffic violations that result in final convictions in a 36 month period is considered excessive and will result in failure to hire in the case of prospective employees, and will likely result in disciplinary action, up to and including termination, of an active employee. The Police Department may have stricter standards imposed.

When a special classification of driver's license is required to operate City equipment, it is the employee’s responsibility to maintain the required license.
VOLUNTEERS

All City volunteers are subject to this Employee Policies & Procedures Handbook except that volunteers are not entitled to any employee benefits including paid leave and may not utilize the Complaint Resolution process.
WEAPONS CONTROL

The City strives to provide a safe and secure working environment for its employees. This policy is designed to help prevent incidents of violence from occurring in the workplace and to provide for the appropriate response when and if such incidents do occur.

A. Zero Tolerance - Harassment, intimidation, threats, threatening behavior, violent behavior or acts of violence between employees or such action between an employee and another person that arises from or is in any manner connected to the employee’s employment with the City, whether the conduct occurs on duty or off duty, is prohibited.

B. City’s Response to Threats or Acts of Violence - The City will attempt to respond appropriately to any person who threatens use of force or violence or threatens an unlawful act, exhibits threatening behavior, or engages in violent acts. The City’s response will normally be coordinated by the Human Resources Division, and where applicable, the City’s Police Department or other appropriate law enforcement agency. The Human Resources Division will evaluate the severity of the situation and the need for additional resources (e.g., law enforcement, Emergency Medical Services) to minimize risk and further violence, and will work with the appropriate Department Director(s) in an effort to ensure that appropriate administrative actions are taken. If such conduct occurs on City property, the offending person will typically be removed from the premises pending the outcome of an investigation. The City may also suspend and/or terminate the employment relationship, reassign job duties, mandate counseling with a psychologist or other mental health care provider of the City’s choosing, initiate criminal prosecution of the person or persons involved, and/or other actions as determined by the City to be appropriate under the circumstances.

No existing City policy, practice, or procedure will be interpreted to prohibit decisions designed to prevent a threat from being carried out, a violent act from occurring or a life-threatening situation from developing.

C. Weapons Control - Unless specifically authorized by the City Manager, no employee, other than a City licensed peace officer, shall carry or possess a firearm or other weapon on City property. Employees licensed by State of Texas to carry a concealed weapon may have a permitted weapon only on the City parking lot if it is locked in the employee’s vehicle. Employees licensed to carry concealed weapons must report to the Human Resources Division their identity and license plate numbers of all vehicles that employee may park in City parking lots. Employees are also prohibited from carrying a weapon while on duty or at any time while engaging in City-related business. Prohibited weapons include firearms, clubs, explosive devices, knives with blades exceeding 5 ½ inches, switchblades, etc. Employees do not have an expectation of privacy and the City retains the right to search for firearms or other weapons on City property.

D. Mandatory Reporting - Each City employee must immediately notify his/her supervisor, Department Director, the Human Resources Division and/or the Police Department of any act of violence or of any threat involving a City employee that the employee has witnessed, received, or has been told that another person has witnessed or received. Even without an actual threat,
each City employee must also report any behavior that the employee regards as threatening or violent when that behavior is job-related or might be carried out on City property, a City-controlled site or City job site, or when that behavior is in any manner connected to City employment or activity. Each employee is responsible for making this report regardless of the relationship between the individual who initiated the threat or threatening behavior and the person or persons threatened or the target of the threatening behavior. A supervisor who is made aware of such a threat or other conduct must immediately notify his/her Department Director and the Human Resources Division.

E. Protective Orders - Employees who apply for or obtain a protective or restraining order which lists City locations as being protected areas must immediately provide to the Human Resources Division and the City’s Police Department a copy of the petition and declarations used to seek the order, a copy of any temporary protective or restraining order which is granted, and a copy of any protective or restraining order which is made permanent. City employees must immediately advise their Department Director and the Human Resources Division of any protective or restraining order issued against them.

F. Confidentiality - To the extent possible, while accomplishing the purposes of this policy, the City will respect the privacy of reporting employees and will treat information and reports confidentially. Such information will be released or distributed only to appropriate law enforcement personnel, City management, and others on a need-to-know basis and as may otherwise be required by law.

G. City Property - For purposes of this policy, City property includes but is not limited to owned or leased vehicles, buildings and facilities, entrances, exits, break areas, parking lots and surrounding areas, recreation centers, swimming pools, and parks.

H. Documentation - When appropriate, threats and incidents of violence will be documented. Documentation will be maintained by the Human Resources Division and/or the Police Department.

I. Policy Violations - Violations of this policy may lead to disciplinary action, up to and including termination of employment. Policy violations may also result in arrest and prosecution.
AGENDA ITEM NO.: 7B.  AGENDA DATE: September 17, 2015

PRESENTED BY: Melanie Hudson, Finance Director

ITEM: Consideration and possible action on the second and final reading of an ordinance making appropriations for the support of the City of Hutto for the Fiscal Year October 1, 2015 through September 30, 2016, and adopting the annual budget of the City of Hutto for Fiscal Year 2015-16.

STRATEGIC GUIDE POLICY: Fiscal and Budgetary

ITEM BACKGROUND: The proposed Fiscal Year 2015-16 Budget was presented to the City Council on July 30, 2015. Prior to the presentation, a work session was held to review priorities and revenue assumptions. The required budget Public Hearing was held on August 20, 2015.

According to the City Charter, the City Council must adopt the budget on or before the last day of the last month of the current fiscal year.

BUDGETARY AND FINANCIAL SUMMARY: The ordinance to adopt the Fiscal Year 2015-16 Budget establishes appropriations for the 2015-16 Fiscal Year. Total revenues and expenses will depend on the tax rate the City Council chooses to adopt. Exhibit A details fund summaries based on the proposed tax rate of $0.528500 per $100 of valuation as proposed by staff.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS: Not applicable.

CITY ATTORNEY REVIEW: Not applicable.

STAFF RECOMMENDATION: Staff recommends the Council approve the second reading of the ordinance. Adoption must be made through a roll call vote.

SUPPORTING MATERIAL:
1. Ordinance - FY16 Budget Adoption
2. FY 16 Draft Budget Document
ORDINANCE NO.

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF
THE CITY OF HUTTO FOR THE FISCAL YEAR OCTOBER 1, 2015
THROUGH SEPTEMBER 30, 2016 AND ADOPTING THE ANNUAL
BUDGET OF THE CITY OF HUTTO FOR THE 2015 FISCAL YEAR;
PROVIDING FOR A PUBLICATION CLAUSE, SEVERABILITY
CLAUSE, AND OPEN MEETING CLAUSE.

WHEREAS, the budget for the fiscal year October 1, 2015 through September 30, 2016,
was duly presented to the City Council and a public hearing was ordered by the City Council and
a public notice of said hearing was caused to be given by the City Council and said public hearing
was held according to said notice;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY
OF HUTTO, TEXAS:

SECTION I.

That the appropriations for the fiscal year October 1, 2015 through September 30, 2016 for
the support of the general government of the City of Hutto be fixed and determined for said terms
in accordance with the expenditures shown in the City’s 2016 fiscal year budget, a summary of
which is appended hereto as Exhibit A.

SECTION II.

That the budget, as shown in words and figures in Exhibit A, is hereby approved in all
respects and adopted as the City’s budget for the fiscal year October 1, 2015 through September
30, 2016.

SECTION III.

That there is hereby appropriated the amount shown in said budget the required funds to
provide for a Interest and Sinking Fund for the payment of the principal and interest and the
retirement of the bonded debt of said City.

SECTION IV. Publication Clause

The City Secretary of the City of Hutto is hereby authorized and directed to publish the
caption of this ordinance in the manner and for the length of time prescribed by law.

SECTION V. Severability Clause

The provisions of this ordinance are severable, and if any sentence, section, or other parts
of this ordinance should be found to be invalid, such invalidity shall not affect the remaining
provisions, and the remaining provisions shall continue in full force and effect.
SECTION VI. Repealing Clause

All ordinances and resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict.

SECTION VII. Open Meeting Clause

The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject hereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION VIII.

This ordinance shall take effect and be in force from and after its passage.

READ and APPROVED the first reading on the 3rd day of September, 2015 at a regular called meeting of the City Council of the City of Hutto, there being a quorum present.

READ, APPROVED and ADOPTED on the second reading this 17th day of September, 2015 at a regular meeting of the City Council of the City of Hutto, there being a quorum present.

CITY OF HUTTO, TEXAS

________________________
Debbie Holland, Mayor

ATTEST:

___________________________
Seth Gipson, City Secretary
This coversheet is submitted in compliance with Chapter 102 of the Local Government Code and Senate Bill 656 of the 83rd Texas Legislature:

This budget will raise more revenue from property taxes than last year’s budget by an amount of $833,009, which is a 14.3 percent increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is $344,038.

PROPERTY TAXES

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<td>Previous Year Rate</td>
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<td>2015-16 Adopted Rate</td>
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<td>Effective Maintenance and Operations Rate</td>
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<td>Debt Rate (Interest and Sinking)</td>
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TOTAL MUNICIPAL DEBT OBLIGATIONS

As of September 30, 2015, the City of Hutto has an outstanding principal balance of $.

RECORD VOTE ON ADOPTION OF THE BUDGET

The Hutto City Council read and approved the 2015-16 Budget on September 3, 2015 and September 17, 2015, through a record vote of the Hutto City Council.

Mayor Debbie Holland
Anne Cano, Place 1
Tom Hines, Place 2
Ronnie Quintanilla-Perez, Place 3
Mayor Pro Tem Michael J. Smith, Place 4
Lucio Valdez, Place 5
Max Yeste, Place 6
City of Hutto

Budget and Financial Plan
2015-16
Annual Budget for Fiscal Year
October 1, 2015 through September 30, 2016

MAYOR
Debbie Holland

MAYOR PRO TEM
Michael J. Smith, Place 4

COUNCIL MEMBERS
Anne Cano Place 1
Tom Hines Place 2
Ronnie Quintanilla-Perez Place 4
Lucio Valdez Place 5
Max Yeste Place 6

CITY MANAGER
Karen Daly

ASSISTANT CITY MANAGER
Micah Grau

STAFF
Seth Gipson City Secretary
Melanie Hudson Finance Director
Randy Barker General Services Director
Helen Ramirez Development Services Director
Amy McGlothlin Human Resources Director
Michael Hemker Parks & Recreation Director
Earl Morrison Chief of Police
Scot Stromsness Public Works Director

CITY ATTORNEY
Charlie Crossfield
Sheets and Crossfield, LLP
Budget Transmittal Letter

July 30, 2015

Mayor and Council,

I am pleased to present the proposed 2015-16 Annual Operating Budget. This budget continues to address the community growth that Hutto is experiencing while striving to maintain the high quality of service that our residents and customers have become accustomed. In addition to maintaining the City’s 25% reserve fund requirement, the fiscal condition and economic outlook for the City is improving. Hutto’s tax base continues to grow and the City took advantage of the prevailing low interest rates to save over $1M in future debt payments. The City’s AA bond rating was also reaffirmed by Standard & Poor’s.

The emphasis for the development of the FY16 Budget is keeping up with the growth. We continue to see an expanding interest in retail development in Hutto. As Hutto develops, the needs of our community change so this budget begins to address the repair and replacement of our pavement infrastructure in a more robust effort while protecting our neighborhood quality by adding a rental inspection program. Much of what we need to prepare Hutto for increased growth will occur through continued expansion of our commercial tax base. The City has prepared itself for the increase in commercial growth through an independent grocery store study, economic analysis software, the first Comprehensive Plan, development agreements for the Frameswitch Mega-site, and the construction of a new two million gallon per day wastewater treatment plant.

ECONOMIC OUTLOOK

One of Hutto’s best assets, after our excellent employees, is the City’s ample water supply. Hutto continues to boast available water at a time when many communities are struggling to meet existing demand. The diverse water sources and the long-term planning puts Hutto in an enviable position for the future. Hutto is able to serve industries and other commercial development looking to expand in the Central Texas market.

In 2015, the City adopted its first Comprehensive Plan which maps future growth in the area of quality of life, mobility, resiliency and community. The next phase of planning will be to ensure that the Future Land Use Map reflects the City Council’s desire to have the residential assessed value equal to the commercial value of the tax base. This goal will shift the tax burden and the utility rates into a more equitable situation when additional commercial properties are developed in Hutto. Another trend that changed in 2015 is the single family home permits growth. Hutto’s single family home growth slowed in FY15 to an average of almost 30 single family home building permits a month.
With Hutto’s population approaching 25,000, we anticipate a renewed interest in retail growth. The Carmel Creek development has begun construction of the Carl Stern extension which will serve the soon-to-be-completed Trails at Carmel Creek affordable senior housing project. In 2014, Hutto had three new commercial improvements with an average value of $1 million per property. The commercial growth will more than compensate for the slower residential growth. In 2015, five new retail businesses opened their doors to serve Hutto. FY16 will see the City actively soliciting a development partner for the city-owned 20 acre Co-Op site where the renovation of the Hutto Gin will serve as a focal point for community events, celebrations and festivals.

2015-16 BUDGET OVERVIEW

The proposed FY16 Budget totals $30,929,194 in expenses and $30,803,795 in revenues. Savings from previous fiscal years, along with strong revenue growth, has increased the City’s beginning fund balances. The City will utilize a portion the projected fund balance that exceeds the reserve requirement to pay for one time purchases in the current fiscal year as well as in FY16. Of the amount budgeted for total expenses, $22,846,074, is for operations. The remaining budget is related to capital projects. The operating budget is projected to increase 6% above the FY15 Amended Budget.

General Fund Revenues

General Fund revenues are expected to total $10,215,108, an increase of 4.5% above the FY15 Projected Annual Revenues. Property taxes make up the bulk of the increase in revenues. 2014 saw a 15.44% increase in assessed valuations, thus increasing property tax revenue even with a slight lowering of the tax rate.

Sales tax collections exceeded expectations in FY15 and are budgeted to increase approximately 4% above collections. Sales tax revenues are budgeted at a conservative 4% growth in FY16 as no major sales tax generators are currently under construction. Sales tax growth projections are based on current trends, improving economy, and population growth.

Property tax revenue is expected to total $5,388,840, a strong increase of 15.8% above the FY15 Budget, based on lowering the tax rate to $0.5285 per $100 of taxable value. Property tax revenue makes up 53% of General Fund revenues. The average taxable value of a home in Hutto has risen from $145,495 in FY15 to $158,576 in FY16 providing further evidence of a strong local economy.
The split between the two portions of the tax rate is shifting but will still allow the City to issue all of its authorized general obligations from the 2009 Bond Election. This will complete the Parks and Street projects that were approved by the voters and lower the tax rate by $0.00019.

<table>
<thead>
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<th>FY14</th>
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<th>Proposed FY16</th>
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<tr>
<td>Total Tax Rate</td>
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<td>0.052869</td>
<td>0.5285</td>
<td>(0.00019)</td>
</tr>
</tbody>
</table>

Development revenues are expected to increase 8.5% above the Amended FY15 Budget as a result of a new fee structure and new residential and retail developments coming to Hutto. Development revenues include building permits, inspections, and zoning related fees.

Franchise fees include franchise payments for private electric, gas, telephone, cable, and commercial waste collection companies that operate in the City’s rights-of-way. Commercial Waste franchise fees are anticipated to increase when an exclusive solid waste franchise is approved during FY16. This is not reflected in the proposed budget but will be amended when the franchise is approved by the City Council.

General Fund Expenses

General Fund expenses are budgeted to total $10,700,337, which is an increase of 2.7% above the FY15 Amended Budget. The major expense changes are listed below.

A merit pool of 2.5% has been included in the FY16 Budget as well as the Step Pay Plan adjustment for sworn personnel. In conjunction, health insurance rates will increase slightly due to healthcare cost increases. Four new positions (2 Police Cadets, a Rental Inspector and a Management Assistant) are budgeted for FY16. The City’s retirement contribution rate through the Texas Municipal Retirement System (TMRS) is decreasing from 13.52% to 13.25%. The rate decrease is based on the City contribution required to fully fund the City’s obligation.

Additional expenditures include five patrol vehicles, a new backhoe, and a vehicle for the Rental inspector. Capital outlay is increasing 320% from the FY15 Amended Budget due to the issuance of the remaining bond authority from the 2009 Bond Election. Within the Transfers Out category, $50,000 will be transferred to the General Capital Re-
placement Fund to finance the future replacement of assets.

Utility Fund Revenues

Utility revenues total $9 million which is 15% above the FY15 Budget. The increase is a result of customer growth. The Budget also includes a 5% water rate and a 5% wastewater increase effective in October.

The projected housing growth will add new water and wastewater customers to the City’s utility system, though a portion of new homes will be serviced by Jonah SUD and Manville WSC as they are outside of the City’s water service area. The number of accounts is expected to grow at approximately 3.5% for wastewater and 3% for water during the next year.

Utility Fund Expenses

Utility Fund expenses are the costs associated with the provision of water and wastewater services to the Hutto customers. In FY16, the Utility Fund will include the Utility Billing Division as well as eight full-time employees whose salary and benefit costs are split evenly between the Water and Wastewater Divisions.

The category, Other Services and Charges, makes up the majority of Utility expenses. Included in this section are the water supply contracts with the City of Taylor, Manville Water Supply Corporation, and Heart of Texas as well as the Wastewater Treatment Agreement with the Brazos River Authority. The City’s water purchase from Heart of Texas increased from 1.6 mgd to 2.0 mgd beginning in August 2015. The remaining expenditures are allocated to the debt service payments for utility infrastructure as well as the new South Wastewater Treatment Plant which is currently under construction.

Other Funds

There are six funds that comprise a very small percentage of the City’s budget and operation. They are the Public Education and Government (PEG) Cable Channel, Hotel Occupancy Tax, Court, Red Light Camera, Solid Waste and Impact Fee Funds. Each of these funds is accounted for separately as the majority of the revenues and expenditures are regulated by State Law.

CONCLUSION

With much of the City’s investment being in people, it is indeed all of the City staff that has made this budget submission possible. Thank you for the opportunity to serve this community and work with the City staff and the City Council to present this proposed FY16 Annual Operating Budget.

Respectfully,

Karen Daly
City Manager
Organizational Structure
The City of Hutto is nestled on the rich black lands of southwestern Williamson County. Located at the intersection of US 79 and SH 130, Hutto is approximately seven miles east of Round Rock, 15 miles south of the county seat of Georgetown, and twenty-two miles from Austin, making it an attractive place to live. While the local economy has agrarian roots, the booming Central Texas economy now includes many high-tech, manufacturing, and service jobs. The small-town charm of Hutto is balanced with quality schools, growing parks, expanding retail opportunities, and a strong workforce.

The City of Hutto has experienced tremendous growth during the last decade, growing from a population of 1,250 in 2000, to an estimated 21,648 today. This estimate is based on the number of dwelling units times the average number of residents per home. Hutto’s tremendous growth has made it one of the fastest growing cities in Texas. Hutto continues to experience growth as new residential and commercial developments are added each year. Hutto Independent School District is one of the fastest growing school districts in the state. The school district includes one high school, two middle schools, and six elementary schools. Hutto ISD is the largest employer in the City.

The City contains a number of family friendly park facilities including Fritz, Creekside, Hutto Lake, and Country Estates Parks in addition to numerous ball fields. Hutto Lake Park includes an 18-acre lake available for fishing and non-motorized boating in addition to a one-mile trail, basketball court, covered picnic structures, and interactive educational areas. The City is currently working to develop existing parkland and adding additional parkland and ball fields.

Aided by affordable land, proximity to major cities, and its small town charm, Hutto continues to attract new residents. Many new mixed-use developments are planned for the community that will add housing diversity, office space, and increased retail opportunities. The City has received praise for the recently adopted SmartCode zoning, Unified Development Code, as well as the City’s Downtown Plan.

The community’s roots are grounded in strong values and work ethics held by the farming families that built Hutto. Hutto has one of the lowest crime rates in the Central Texas area, and is known for friendly neighborhoods, great schools, and strong community pride. Each year, the Hutto Chamber of Commerce hosts the Olde Tyme Days as an opportunity for long-time residents, new residents, and visitors to celebrate the heritage and future of this great community.
The City of Hutto was incorporated in 1911. In 2004, the City of Hutto adopted a home-rule charter with a Council-Manager form of government. The City Council is comprised of a mayor and six councilmembers, all elected at large. The City Council, at their discretion, hires a City Manager to act as the Chief Administrative Officer of the City.

The City Manager administers the day-to-day operations of the City including the City's personnel. The City Manager is also responsible for annually drafting a balanced operating budget and for administering the budget after its adoption by the Council. The proposed budget must be submitted to the City Council on or before the 15th day of August of each fiscal year.

The budget document includes fund summaries for fourteen funds including multiple governmental funds (i.e. the general and other special revenue funds). Two proprietary funds are used to account for the City's utility system.

The Police Seizure Fund is a special fund used to account for restricted funds. While appearing on the City's financial statements, the City does not budget for these funds as monies collected are restricted to specific uses.

The City is broken into nine departments including Administration, Finance, General Services, Development Services, Public Works, Police, Parks and Recreation, and Non-Departmental. Within each department are a number of divisions that perform different functions within the department and City.

<table>
<thead>
<tr>
<th>Top Employers¹</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hutto Independent School District</td>
<td></td>
</tr>
<tr>
<td>Lowe's Home Improvement</td>
<td></td>
</tr>
<tr>
<td>Home Depot</td>
<td></td>
</tr>
<tr>
<td>Covert</td>
<td></td>
</tr>
<tr>
<td>Trim Tech of Austin Inc.</td>
<td></td>
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<tr>
<td>City of Hutto</td>
<td></td>
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<tr>
<td>Texas Fixtures &amp; Interiors</td>
<td></td>
</tr>
<tr>
<td>Pi-Co Precision Fabrication</td>
<td></td>
</tr>
<tr>
<td>Triple Crown Dog Academy</td>
<td></td>
</tr>
<tr>
<td>A.R. Machining, Inc.</td>
<td></td>
</tr>
</tbody>
</table>

¹Top Taxpayer information for 2015 is provided by the Williamson County Appraisal District

<table>
<thead>
<tr>
<th>Top Taxpayers¹</th>
<th>Taxable Value of Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowes Home Center Inc</td>
<td>$10,571,735</td>
</tr>
<tr>
<td>Matthews-Barnes Brother4,079,789,s Inv. LP</td>
<td>$9,589,064</td>
</tr>
<tr>
<td>Oncor Electric Delivery Company</td>
<td>$8,366,168</td>
</tr>
<tr>
<td>HD Development Properties LP</td>
<td>$7,468,083</td>
</tr>
<tr>
<td>Cube HHF Limited Partnership</td>
<td>$6,766,272</td>
</tr>
<tr>
<td>Lowes Home Center #2670</td>
<td>$5,147,210</td>
</tr>
<tr>
<td>Continental Homes of Texas LP DBA DR Horton</td>
<td>$4,277,927</td>
</tr>
<tr>
<td>A-S 64 CR 119-HWY 79 LP</td>
<td>$4,224,301</td>
</tr>
<tr>
<td>Covert Ford of Taylor, Inc.</td>
<td>$4,079,789</td>
</tr>
<tr>
<td>Covert Chev-Olds-Buick</td>
<td>$3,913,457</td>
</tr>
</tbody>
</table>

¹Top Taxpayer information for 2015 is provided by the Williamson County Appraisal District

Hutto provides a number of services to Hutto citizens including police services, parks, recreational programs, water and sewer service, and sanitation services. Fire protection services are provided by Emergency Services District No. 3 and EMS services are provided by Williamson County.

Many city services are provided through the management of contracts with private and other public service providers. Contracting out certain services enables the city to provide superior service at lower costs. Cost-benefit analyses are continually performed to determine the best option for providing the service. Currently, the City of Hutto purchases treated water from the City of Taylor, Manville, and Heart of Texas. The wastewater treatment plant is operated by the Brazos River Authority. The residential garbage collection and curbside recycling program is provided by Clawson Disposal.

²Top Employers information is provided by the Hutto Economic Development Corporation.
Budget Process

The City of Hutto uses a performance-based budgeting process.

The City of Hutto annually budgets operating revenues and expenditures by two types of funds, the Governmental and Proprietary funds. The City uses a total of fourteen separately and independently budgeted funds to carry out the day-to-day operations of the City. A fund is generally defined as a fiscal and accounting entity that has its own self-balancing set of accounts recording cash and other financial resources, as well as any liabilities or residual equities or balances. Normally funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Governmental funds are used for tax supported general government activities and include the General Fund, General Debt Service Fund, Special Revenue Funds, and the General Capital Projects Fund. Proprietary funds, funds that operate more like a business enterprise, include the Utility Fund, Impact Fee Fund, and Utility Debt Service Fund.

Each fund is budgeted separately and includes its own financial statement. The Hutto Economic Development Corporation (HEDC) is the City’s 4A Economic Development Corporation. The HEDC budget is adopted by both the seven member board and the City Council. The financial information for the HEDC is included in the annual financial report for the City.

Basis of Accounting

All funds are budgeted on the modified-accrual basis of accounting. Under this basis, revenues are recognized when they become both measurable and available to finance expenditures within the current period. Expenditures are recognized when the related fund liability is incurred except for: (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earning on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.

Gather Information

The City Council is consulted throughout the year. Their response and feedback are considered during budget review and analysis of budget requests. The Council annually adopts budget priorities. Following the Council elections, the City Council holds a retreat to discuss the budget priorities and strategic issues important to Hutto’s future. The Budget Priorities are incorporated where possible in the adopted budget. The Budget Priorities for the upcoming fiscal year are addressed in the opening pages of this document and in the Budget Transmittal Letter section.

Update Strategic Plans

Each year staff reviews and updates strategic plans used to properly plan for the City’s growth. One of these documents is the Five Year Strategic Plan and Fiscal Forecast. This document connects short-term initiatives with long-term strategic priorities identified by the City Council. Adjustments are made as needed based on service demands and assessments. Future budget requests are guided by goals and priorities identified in the strategic plans. Costs for capital improvements are updated with the help of the City Engineer. Fiscal Forecast projections and estimates are updated based on trend analysis, expected growth due to commercial expansion, and other anticipated factors.

Revenue Projections

Revenue projections for the new fiscal year begin mid-year of the current fiscal year. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff. Although beginning earlier, revenue projections occur concurrently with departmental budget development and extends until the budget is adopted based upon the receipt of new information.

Budget Development

The budget is prepared to promote fiscal responsibility and ensure superb service delivery to Hutto citizens. In preparing the budget, departments are asked to review existing programs, make cuts where appropriate, and to calculate the resources needed to provide the current or base level service in the next fiscal year. These base budgets do not include any new programs, but costs may fluctuate from year to year due to inflation and other market conditions. After establishing base budget requests, departments were asked to factor in budget enhancements to the budget requests based on the budget priorities adopted by the City Council. Budget enhancements are costs related to new or expanded programs including new personnel, supplies, and equipment.
During the budget development stage, the City Manager and Finance Department work with department and division managers to analyze requests, provide advice and lend assistance. Program goals, objectives, and measures are evaluated during the budget development to determine the effectiveness and efficiency of program activities to determine appropriate levels of funding. Staff work sessions are held to discuss goals and performance indicators, as are one-on-one consultations for the development of cost estimates. As the City encourages a participatory style of leadership, input is gathered from each employee, the leadership team, and appropriate employee committees during the budget development process.

The budget is drafted in accordance with the City’s Charter, state law, and also the City’s Fiscal and Budgetary Policy. The Fiscal and Budgetary Policy provides additional guidelines in regards to Financial Planning, the Budget Preparation Process, Revenue and Expenditure Management, Staffing, Economic Development, Intergovernmental Relations, Capital-Asset Management, Financial Reporting, and Debt Management.

**Budget Workshops and Public Hearings**

Budget work sessions are held with the City Council in open meetings to review and discuss the proposed budget. Citizen input is gathered through public hearings.

**Budget Adoption and Maintenance**

Budget adoption occurs in September after City Council deliberations and public hearings. The City Council may take action to modify the proposed budget per its discretion. The City Council also adopts a tax rate to support the adopted funding levels.

An adopted budget is compiled and published during the first months of the new fiscal year. Budget maintenance is a year-round activity of department and division directors, the City Manager, and the Finance Department. Mid-year program evaluations use performance measures to identify poorly performing programs so that adjustments may be made accordingly. Control mechanisms include monthly review of expenditures by the City Manager and Finance Department, and authorization to purchase from the City’s Finance Department. The City Manager may move appropriations from account to account; however, budget amendments resulting in a decrease or increase of total appropriations must be approved by ordinance by the City Council.
Strategic Planning

Strategic planning is an important part of any successful government agency, business, or non-profit organization as it outlines a plan to connect resources with goals to meet the demands and expectations of those served. The City of Hutto uses a number of strategic planning methods to properly plan for the deliverance of city services, development of land, and construction and maintenance of infrastructure.

In 2008, the City Council established long-term strategic priorities to guide the City’s development. Using these long-term priorities, City staff creates shorter-term strategic planning documents to prioritize and develop city services.

The diagram illustrates how each of the strategic planning documents influences one another. The top of the diagram represents the long-term priorities identified by the City Council, while the bottom of the diagram represents the annual operating budget. It is in the annual budget that services and strategic priorities are actualized or brought to life as resources are tied to annual goals and objectives.

STRATEGIC GUIDE 2035

The Strategic Guide acts as the long-term strategic plan for the City of Hutto. It was adopted by the City Council following workshops aimed at developing a vision for the future. Included is a mission statement and values for the community followed by thirteen policies.

Vision

“To passionately serve the public through innovation, sustainability, and diversity for the enrichment of current and future generations.”

Mission

“Maintain an effective organization that supports and meets the needs of the community.”

Values

We believe in…

◊ Protecting our neighborhoods
◊ Being good stewards of natural resources
◊ Enhancing community’s appearance
◊ Embracing diversity
◊ Preserving a special quality of life for our citizens
◊ Providing a positive experience for our visitors
◊ Encouraging economic development
◊ Respecting the heritage of our community
◊ Treating everyone fairly and with respect

Council Relations Policy

The Council Relations Policy, including the Leadership Expectations Framework, reflects the expectations of the Hutto City Council in defining the behaviors, manners, and courtesies that are suitable for various occasions. It is also designed to make public meetings and the process of governance run more smoothly.

Leadership Expectations Framework:

Council to Council Expectations

◊ Respect each other when giving and receiving honest and constructive feedback
◊ Be professional and show proper decorum on and off the Dais
◊ Have scheduled opportunities to discuss significant policies, issues and projects
◊ Establish and follow a social media and public communication policy

Council Expectations of the City Manager

◊ Continue to use the current model of communication
◊ Blunt and honest communication
◊ The Council desires preparation of change before it happens in order to educate and inform the public
◊ Be visible in involvement at City events and organizations
Provide the council with sufficient information and advice to help the Council chart the best direction for the City and the Council

**City Manager Expectations of the Council**

- Provide a clear direction through the Strategic Guide
- Give the City Manager the opportunity to answer Council's questions and concerns
- Support staff through respectful dialogue and questions
- Represent the Council to residents, customers and the world

**Leadership Policy**

It is the desire of the City Council to provide honest, ethical, and effective guidance in the development and structure of leadership for the City.

**Strategic Goals:**

- Pre-election orientation for prospective candidates
- Establish a qualified group of community leaders
- Maintain a mentoring program for new Council members
- Utilize ongoing continuing education opportunities, on an annual basis, to strengthen leadership and governance skills
- Create Council Committee Structure

**Quality of Life Policy**

It is the desire of the City Council to create a city that engages citizens by providing programs and services beyond their basic needs.

**Strategic Goals:**

- 100% recycling rate by 2035
- City-wide tree planting and care program
- Preservation of green space
- Environment that encompasses safe, friendly, and entertaining atmosphere for all ages
- Support and encourage beautification efforts within the City
- Create and maintain a world-class system of parks, trails, and recreation programs
- Develop a new City brand

**Organization Development Policy**

It is the desire of the City Council to maintain a qualified staff that will continue to move the City in a positive, progressive, and productive direction.

**Strategic Goals:**

- Provide continuing education opportunities
- Provide competitive compensation packages
- Implement effective Succession Planning process
- Create and maintain a positive and inspired workforce through recruitment, environment, and development

**Service Delivery Policy**

It is the desire of the Hutto City Council to deliver programs and services in a manner that best reflects the makeup of the community and the needs of the citizens.

**Strategic Goals:**

- Ensure quality city-wide customer service program
- Provide on-going and consistent citizen communication
- Embrace the use of technology to enhance or reduce the cost of service delivery
- Coordinate with HOAs to improve the quality of neighborhood communication and support
- Ensure City's permit process is consistent, especially with Fire Inspection Permits

**Fiscal and Budgetary Policy**

It is the desire of the Hutto City Council to achieve and maintain a long-term, stable, and positive financial condition and provide guidelines for the day-to-day planning and operations of the City's financial affairs.
Strategic Goals:
- Provide responsible fiscal stewardship
- Make the City economically competitive to draw and sustain businesses through competitive rates, taxes, and user fees
- Provide funding for infrastructure to sustain growth
- Stabilize and control program costs
- Increase reserves to recognized standards
- Improve bond rating
- Continue to recognize and fund all long-term liabilities
- Acquire a new financial software system

Public Safety Policy
It is the desire of the Hutto City Council to ensure the safety and well-being of the residents, businesses, and visitors in the city.

Strategic Goals:
- Maintain a well-trained, highly effective police force
- Ensure that citizens have access to quality Fire and EMS Services
- Maintain strong relationships between the Police Department and the community
- Maintain strong relationships with other public safety organizations

Mobility Policy
It is the desire of the City Council to ensure the safe mobility of citizens through various modes of transportation.

Strategic Goals:
- Develop, maintain and follow the Transportation Master Plan
- Maintain and follow the Pedestrian Mobility Master Plan
- Integrate the Thoroughfare Master Plan with regional partners
- Work in conjunction with regional transportation entities to plan for public transportation
- Explore non-traditional funding mechanisms

Education Policy
It is the desire of the City Council to develop a cooperative relationship with Hutto Independent School District, East Williamson County Higher Education Center, and other education entities to enhance the quality of education.

Strategic Goals:
- Proactively support educational needs for the community
- Increase awareness of educational programs
- Nurture and sustain strategic educational partnerships
- Pursue cooperative agreements with educational entities

Growth Guidance Plan
It is the desire of the Hutto City Council to achieve the orderly growth and development of the City by maintaining and following the Comprehensive Plan which promotes beneficial and appropriate land uses and supporting infrastructure.

Strategic Goals:
- Develop a Comprehensive Plan specifically designed to meet Hutto’s current and future needs
- Engage the community in developing and maintaining the Comprehensive Plan
- Pursue innovation, sustainability, and diversity
- Pursue a Rental Inspection Program

Infrastructure Policy
It is the desire of the Hutto City Council to provide and maintain a quality infrastructure system to meet the vision as set out in the Comprehensive Plan.

Strategic Goals:
- Proactively expand infrastructure system to optimize cost saving opportunities and funding partnerships
- Continue to develop high quality standards in conjunction with regional partners
- Design and select materials to minimize on-going maintenance and replacement costs
Pursue the demolition of dilapidated, unsafe structures
Invest in Pavement Management Software to assess and monitor road conditions

Economic Development Policy
It is the desire of the Hutto City Council to develop business diversity consistent with the Comprehensive Plan to maintain an economic base that is sustainable and adaptable.

Strategic Goals:
◇ Recruit, retain and expand desired businesses that will continue to enhance the quality of life for the Hutto community
◇ Attract higher-skilled, higher waged jobs
◇ Encourage business development that promotes quality of place
◇ Invest to revitalize under-utilized areas for business opportunities
◇ Define a competitive framework for attracting economic development

Legislative Agenda Policy
It is the desire of the Hutto City Council to actively pursue legislative agenda(s) related to our city, county, region, state and federal levels for the benefit of our community.

Strategic Goals:
◇ Nurture and sustain strategic partnerships with county, state and neighboring local government officials/staff to address common issues
◇ Review/amend legislative agenda at least annually to decide which issues need to be addressed
◇ Advocate for Hutto’s legislative agenda

GROWTH GUIDANCE PLAN

The 10-year Growth Guidance Plan (GGP) provides a strategic approach for the physical build out of the City to identified growth boundaries through 2015. The intent of this planning effort is to achieve the orderly growth and development of the City to promote beneficial and appropriate land uses and supporting infrastructure.

Our purpose for the City’s Growth Guidance Plan is to provide information, policy guidance and action strategies for effectively managing future development, protecting neighborhoods, conserving valuable natural resources, enhancing the community’s appearance, providing for adequate municipal facilities and services, making fiscally responsible decisions regarding future capital investments, and preserving a special quality of life for our citizens and a positive experience for visitors to Hutto.

Additionally, The Growth Guidance Plan represents consensus among citizens and community leaders on Hutto’s future and approved by the Comprehensive Plan Steering Committee. Mayor and City Council, Planning and Zoning Commission, Parks Advisory Board, Economic Development Corporation, Historic Preservation Commission, the development community, and citizens provided direction and advice in forming the Growth Guidance Plan. Adopting the Growth Guidance Plan ratifies the document to perform multiple functions necessary for planning and growth management policies as well as satisfying the need for plan documents identified in existing City codes and ordinances. These functions and roles include the following:

◇ Official baseline population projection (2000-2030)
◇ General Land Use Plan for annexation, future zoning and rezoning, extra-territorial jurisdiction (ETJ), and land use assumptions
◇ Establishment of six geographic growth areas for planning purposes
◇ Authorized land use categories for designating preferred development within growth areas
◇ Water infrastructure improvements plan
◇ Wastewater improvements plan
◇ Roadway improvements plan
◇ Basis for additional planning processes and documents to include the Capital Improvements Program and area improvement efforts such as a Downtown Plan

The Growth Guidance Plan also performs the role of any of the following plan descriptions: “Comprehensive Plan”, “Future Land Use Plan”, “Comprehensive Master Plan”, “Roadway Plan”, and the like in official city documents such as the Charter and Code of Ordinances.
The purpose of this Parks, Recreation, Open Space, and Trails Master Plan is to guide planning and development of the City’s park system through the year 2016. It is recommended that this plan be subsequently updated annually through 2016. At that time, it is recommended that a new parks master plan be initiated to keep it current and within the guidelines of the Texas Parks and Wildlife Department (TPWD) to allow for the maximum possibility of grant funding for assistance in the development of the City’s parks and trails.

The Parks Master Plan was prepared with community input and review through the use of city-wide mail out surveys, public meetings, and citizen focus groups. This input combined with a city wide inventory of existing parks and trails facilities, undeveloped parkland, and an analysis of current recreational trends formed the basis for establishing the goals that guided the development of this master plan. This process identified the following programmatic priorities:

### Outdoor Recreational Facilities
1. Trails
2. Playgrounds
3. Picnic Areas
4. Pavilions
5. Fresh Water Aquatic Recreation
6. Soccer
7. Baseball/Softball
8. Splash pad

### Indoor Recreation Facilities
1. Swimming/Aerobics Pool
2. Senior Activities
3. Exercise Facilities
4. Basketball
5. Badminton
6. Chess/Checkers/Cards
7. Meeting Rooms/Classrooms
8. Yoga/Tai Chi

One of the primary purposes of this master plan is to guide the growth and development of Hutto’s park and recreation system in light of the City’s recent rapid growth. A series of goals and objectives were established to ensure that a guided and focused development occurs that addresses the needs and desires of the citizens of Hutto.

**Goal One (Years 1-5)**

To develop park facilities to serve the existing, as well as the impending growth of the community.

**Objectives:**

- Develop a dialogue between citizens and city planners to assess the evolving recreational needs in Hutto.
- Identify parcels of land that could be immediately utilized for parkland within the City’s jurisdictional boundaries.
- Acquire by dedication, or purchase appropriate properties for the development of parks.
- Develop park facility plans to meet the identified needs of the community. Refer to the Pedestrian Mobility Plan for guidance in the development of trails and sidewalks.
- Develop and coordinate programs within the community to help raise funds and build playgrounds within the community parks.

**Goal Two**

To plan park facilities meeting the projected population growth.

**Objectives:**

- Acquire and monitor available data to determine reasonable expectations for population growth in Hutto.
- Establish dialogue within the community between governmental entities to ensure maximum efficiency in planning and development of the community’s recreational facilities.
- Update and enforce the Parkland Dedication Ordinance to acquire appropriate sites for park development and/or accumulate financial resources to purchase such sites.

**Goal Three**

To determine potential locations for future parkland.

**Objectives:**

- Conduct a study of potential properties that deserve protection as parkland in the form of open space or developed recreational facilities.
- Coordinate with real estate developers to ensure appropriate acquisition of parkland through the Parkland Development Ordinance.
- Identify existing vacant lots in the City for potential development of small neighborhood parks.
- Designate all floodplain sites within the Hutto’s E.T.J. as potential parkland. This would include Cottonwood Creek and Brushy Creek drainage corridors.
Goal Four (Years 5-20)
To preserve adequate open space for the long-term population growth of Hutto.

Objectives:
◊ Identify sites to be preserved as open space that are of significant historical, environmental, or aesthetic value to the community.
◊ Develop the necessary resources to successfully preserve primary parkland sites within the E.T.J.
◊ Negotiate with developers within the City’s E.T.J., to adopt the updated parkland dedication guidelines designated in the City’s Parkland Dedication Ordinance.

Goal Five (Years 1-20)
To plan development of recreational facilities with the health safety and well being of the community as a primary consideration.

Objectives:
◊ Incorporate any community-wide health and safety objectives into the planning of any recreational project. When feasible, design projects that improve the health and safety of the community at large.
◊ Engage in an ongoing dialogue between the City and the community regarding any existing or predictable health and safety concerns.

Priorities for Improvement (in phases)
Note: Years given are those projected to implement the activity. Many objectives are open-ended and require continuing action.

Activities to begin within the first year of adoption of this plan:
◊ Establish a dialogue with citizens/stakeholders and city planners to assess the nature of recreational needs in Hutto.
◊ Identify property that could be immediately utilized for parkland within the jurisdictional boundaries
◊ Acquire by dedication or purchase any appropriate property for parkland development.
◊ Develop park facility plans to satisfy the identified needs of the community.
◊ Develop and coordinate programs within the community that generate funds and assist in the development of playgrounds in community parks.
◊ Acquire all available data to assess reasonable expectations for the population growth in the Hutto area.
◊ Update and enforce the Parkland Dedication Ordinance to facilitate acquisition of appropriate sites for parks and trails development.
◊ Establish the financial resources necessary to purchase such sites suitable or targeted for future parkland development.
◊ Designate floodplain sites within the Hutto E.T.J. as potential parkland. This includes all Cottonwood Creek and Brushy Creek drainage corridors.
◊ Incorporate any community-wide health and safety objectives into the planning of future recreational facility.
◊ Develop, when possible, design projects that improve the health, safety, and welfare of the community-at-large.
◊ Engage with the City and community regarding any existing or predictable health and safety concerns. Determine if adaptable solutions to such concerns can be incorporated into existing or planned recreational facilities.

Activities to begin in the fourth year after adoption:
◊ Acquire by dedication, or purchase any appropriate properties for the development of parks and trails.
◊ Establish ongoing dialogues with governmental entities to ensure coordinated and efficient planning and development with other recreational facilities.
◊ Develop intergovernmental participation in developing and operating recreational facilities that can serve the mutual benefit of the participating activities.
◊ Identify and acquire properties that require protection as parkland in the form of open space or developed recreational facility.
◊ Identify vacant lots in the City for development of small neighborhood parks.
◊ Aggressively negotiate with developers within the City E.T.J. to adopt the parkland dedication guidelines designated in the updated Parkland Dedication Ordinance.

Activities to be implemented in the fourth year:
◊ Identify potential sites to be preserved and acquired as open spaces that are significant for historical, environmental, or aesthetic value to the community.
Activities to be implemented in the fifth year:

◇ Target and develop the resources necessary to acquire and/or preserve suitable parkland sites within the E.T.J. for future use.

**FIVE YEAR PLAN AND FISCAL FORECAST**

Hutto is a home-rule City located in Central Texas that, much like the rest of Williamson County, has blossomed from a population of 1,250 in 2000 to approximately 21,000 today. The sensational growth has earned Hutto the distinction as one of the fastest growing cities in the State of Texas. In 2014, Hutto was named one of the top places to live in Texas by Movoto.

Hutto’s origins date back to 1876 when James Emory Hutto sold land to the International Great Northern Railroad to create a train station. A rail-town quickly grew and Hutto incorporated as a city in 1911. Hutto remained a small agrarian based community until an economic boom in the Central Texas community brought new residents to the area. Conveniently located at the crossroads of US Highway 79 and State Highway 130, Hutto is within minutes of Round Rock, Georgetown, downtown Austin, and Austin-Bergstrom International Airport. Despite the rapid new growth, Hutto maintains a small town feel built on strong family values.

**PURPOSE OF FIVE YEAR PLAN**

The Five Year Strategic Plan creates an action plan to accomplish the strategic goals established by the City Council by connecting forecasted revenues against expenditures based on financial trends, growth, and other issues. The City uses a goal-based approach to strategic planning by analyzing programs and services. Goals are then created and strategies for reaching those goals drafted. Strategies are put into action each year through the budget process when resources are provided to accomplish each item.

The Financial Forecast section projects revenues and expenses based on local economic indicators and the current services provided. The Departmental Service Plans section identifies new services and programs to be added over the next five years to accomplish the strategic goals.

The Five Year Strategic Plan is not a budget. The City Council and staff, however, use the Five Year Plan to develop annual budget requests. The Five Year Plan does not include capital projects as anticipated capital projects are outlined in the Capital Improvements Plan.

**STRATEGIC PLANNING**

The City of Hutto uses a number of strategic planning elements to properly plan for the City’s growth and development. The City Council developed a Strategic Guide to guide the City through the year 2035. This long-range planning document outlines specific policies and strategic goals for the future of Hutto.

The Growth Guidance Plan (GGP) is also a long-range planning document that plans the geographic development of the City based on expected growth and land-use assumptions. The Capital Improvements Plan and Five Year Plan are shorter-scoped plans that operationalize the strategic goals of the Strategic Guide and the Growth Guidance Plan. The annual operating budget ties actual resources to objectives to accomplish the strategic goals identified in the long-range planning documents.

**PLANNING INDICATORS AND FOCUS**

*Economy*

The Central Texas economy is booming with Hutto receiving a fair share of new growth. New housing starts peaked in 2006 when 779 new building permits were issued. Permits fell to 412 in 2008 and 249 in 2009. New residential permits have increased again in 2013 and 2014 totaling over 350 new residential permits in both years.

Hutto’s sales tax numbers dipped slightly in FY10 but have exceeded projections in FY11-FY14 as Hutto has set new records in sales tax collections. Retail growth is a result of new shopping opportunities and residential growth. Future growth will be largely driven by the commercial development in the Carmel Crossings development and through the 2nd phase of the Town West Commons development.

One of the largest challenges for Hutto in the coming years is local job creation. Currently, Hutto ISD is the largest employer in the community. The City is working with the Hutto Economic Development Corporation to create jobs in Hutto in order to become a sustainable community. To this end, future tax incentives and rebates may be offered.
**Personnel Development**

Demand for programs and services continue to rise as the City’s population grows. New revenues are not sufficient to fund expanding and new services. As a result, City employees are forced to look for creative solutions that improve efficiency and effectiveness to meet citizen needs while minimizing cost increases. In order to accomplish this, the City of Hutto is devoted to the development of its employees to maximize their potential so that the City may deliver quality programs and services.

**Capital Improvements**

Capital projects are outlined in the Capital Improvements Plan (CIP). The five-year planning document is revised annually to reflect priority changes and updates. Projects may be delayed due to the slowdown in new growth. Infrastructure needs continue to be a concern as development expands in previously un-serviced areas requiring new and straining existing infrastructure.

In February 2010, the City purchased the existing wastewater treatment plant from the Lower Colorado River Authority. The 1.7 mgd plant has been expanded to its maximum size and is operating at approximately 70% of capacity. The City recently completed a Wastewater Master Plan and will begin construction on the 2.0 mgd Hutto South Wastewater Treatment Plant in early 2015 in order to expand service capacity.

Hutto held its first ever general obligation bond election in November 2009. Three of the four propositions passed totaling $16.8 million. The projects included street and drainage improvements, upgrades to Fritz Park, and a Recreation Center that will be operated by the YMCA. The City has spent a portion of the proceeds on improvements to Farley Street, Mager Lane, the FM 1660 S Sidewalk, and the construction of the Hutto Family YMCA. Using the remaining funds will be prioritized annually through the CIP process based on need and the tax rate impact.

**Downtown and Co-Op Development**

Hutto developed and adopted the Heart of Hutto downtown plan in 2008 to guide the development of downtown for the next fifty years. The plan encompasses all of the original 1911 incorporated city limits including downtown and the Co-Op site.

The plan calls for future civic buildings including City Hall to be located on the Co-Op site. The City contracted with Antenora Architects in 2009 to begin planning for future facilities. Antenora first completed a facility needs assessment to determine current and future space needs. Antenora, with community input, developed the Co-Op master plan to provide a framework for the site’s future mixed-use development. The first construction on the site will begin in late 2014 and will include the restoration of the southern cotton gin building to be used as an open-air events center. A civic green space and plaza is also planned to provide a central location for events including farmer’s markets, craft shows, concerts, etc.

The City is currently searching for a private developer partnership in order to begin development of the site.

The City Council enacted the Downtown Incentive Policy in 2011 to foster development and commercial growth in downtown Hutto. The incentives include property and sales tax rebates and development fee reductions.

**HUTTO MOVING FORWARD**

Hutto has grown from a small agrarian town to a blossoming suburban community. The influx of new citizens brings new challenges. The next years in Hutto will require careful planning and management to ensure that expected service delivery is balanced with available resources.

Hutto’s unique character, low crime rate, excellent schools, and high quality of life will continue to make Hutto an attractive place to live. Because of the strong central Texas economy, Hutto will continue to prosper well into the future.

**FINANCIAL SUMMARY**

**Background**

With the City of Hutto named as one of the fastest growing city in Texas, a plan to address future programs and services in an affordable manner is critical to the financial planning of the community. The Five Year Plan includes strategic long-range goals identified by the City Council, five year goals and strategies for attaining the goals, and also planning indicators for each department.

The City Manager and Department Directors developed departmental strategic plans to identify new programs for the
upcoming five years, as well as estimate costs and staffing requirements to meet the needs of a growing population. Revenues based upon trend analysis, known upcoming commercial projects and residential growth projections were estimated for the five year period.

**Purpose**

The Five Year Strategic Plan takes a forward look at the City's two major operating funds. The General Fund is a governmental fund type used for typical governmental tax-supported services such as public safety and streets, and the Utility Fund is a proprietary enterprise fund, that operates more similarly to a business, for water and wastewater services. While the General Fund is largely tax supported, the Utility Fund receives its funding through the collection of user fees. Fees are set to recover the cost necessary to operate and maintain the utility system.

The plan's purpose is to identify financial trends, shortfalls, and issues so the City can proactively prepare. It does so by projecting out into the future the fiscal results of continuing the City's current service levels and policies, as well as a proposal for future programs and costs to manage the intense growth. The plan is intended to set the stage for each year's budget process, but it is subject to change based upon available resources, changes in the economic and social environment and City Council's direction. The Five Year Strategic Plan and Fiscal Forecast facilitates discussions and decisions of staff, the City Manager, and Council in establishing priorities and allocating resources appropriately.

**Fiscal Forecast - General Economic Outlook**

Hutto's location, 30 miles from downtown Austin and 10 miles from Round Rock, provides quick and easy access to job centers. State Highway 130 links Hutto to Austin and is expected to lead to additional residential and commercial development. Hutto is located in the Austin Metropolitan Statistical Area Economy and Labor Market, which has experienced over 47% growth over the past ten years. Citizens of Hutto enjoy above state average wealth and income levels, along with more affordable home prices than in surrounding cities. The assessed valuation has grown substantially from $33 million in 2000 to over $1 billion in 2014. The property tax base will continue to increase over the new few years due to residential and commercial growth. Sales tax has increased 110% over the past five years, largely due to additional retail opportunities. Sales tax numbers stagnated beginning in FY08 with the weakened economy. Sales tax collections have rebounded in FY11 with new records set annually. Sales tax growth in future years will depend on the growth of new opportunities. A challenge of the community will be to attract new commercial growth in order to capture sales tax dollars that are spent in other communities because the product is not available locally. A 2011 study conducted by the Hutto Economic Development Corporation found that there is over $500 million in lost sales that occur outside of Hutto.

**General Fund**

General Fund revenues are expected to grow around 49% over the next five years. Property tax will continue to grow as a result of new residential and commercial growth. Sales tax is also expected to grow as a result of increased citizens and new retail opportunities. The projected growth depends heavily on market conditions which control the rate of new development.

Expenses are expected to grow in response to the population growth and the increased demands for services. Expenses are anticipated to grow faster in years 2014-15 and 2016-17 as the City adds staff and replaces equipment that was delayed during the recession. Staffing levels remained flat between 2009 and 2014 with new positions added only as other vacant positions were eliminated.

The revenue growth and existing tax rate will sustain on-going operations of the City at the existing level, with inflationary increases in operational expenses, as well as expected increases in salary and benefit costs. However, as the City issues debt, builds new infrastructure, and adds new programs and services and the staff to match, expenses could outpace revenues. City leadership will need to evaluate service levels annually based on available resources. The City may need to identify new revenue sources or increase existing sources to pay for expanded services.

For the next few years, the City will need to make difficult decisions on which services to emphasize during this period, as funding will not be available to fund all new staff positions and other costs related to workload that were outlined in each department's operating plan. Other strategies include controlling other costs, reviewing and revising program timing in the plan, and identification of other revenue streams and opportunities. An option for Council consideration during this period is to increase property taxes in order to fund the increased costs for new programs being implemented. The Council may also cut existing programs and services or delay.

A model of the General Fund is included at the back of this document, providing the fund's condition should the City implement new programs as well as a "base" model, reflecting only inflationary increases over the next five years with no
new staff or programs.

Utility Fund

The City completed a Utility Rate Model in 2007 to ensure the financial sustainability of the utility system. The model used growth assumptions based on the growth rates that the City was experiencing and anticipated for the upcoming years. The slowdown in new growth beginning in 2008 had a significant impact on utility operations as the customer demand decreased while our water supply and take-or-pay contracted amounts increased. In response to the slowdown in growth, the City delayed planned utility infrastructure projects like the south wastewater treatment plant. The Utility Rate Model was re-calibrated in 2013 to adjust for new growth assumptions, updated water supply contracts, and new capital projects.

Customer growth is expected to grow at a rate of 3 horizon.

Demands and Growth Indicators

The Texas Commission on Environmental Quality (TCEQ) requires a minimum supply per residential connection. Because of this requirement, the City and other water providers are required to have enough water available to supply its customers on peak day usage. If the City’s peak usage during a hot summer day is 2.0 million gallons, then the City is required to have this much water available on a daily basis, even during winter months when water usage is minimal. City staff continues to work with TCEQ on minimum capacity requirements and has filed alternative calculations based on actual demands.

Average daily and peak demands fluctuate based on growth and weather conditions. Much of Texas was under severe drought conditions throughout 2011 and 2012 causing an increase in water usage.

Growth in Hutto will continue to place higher demands on the City’s water supply. Developed land areas will both increase and become a higher percentage of overall land uses. Projected residential land uses are expected to increase to 41% of total potential service land area and commercial/retail land use is expected to increase to 21% of total land use. Undeveloped land has shrunk to only 35% of the total future service area.

Water demand was forecast using population forecasts from the City Planning Department, meter count/LUE estimates from the City Utility Billing Section, and a dry-year per capita water use statistic used by the City in their water supply and treatment facility planning efforts. Wastewater demand was forecast using historical data and technical studies of the City’s system. Table 1 shows the current population as well as the projected future population for both the water and wastewater utilities’ service area.

With the anticipated growth of the City and surrounding area, the City is planning to construct additional water transmission mains. Additional facility needs were also identified for wastewater treatment, pumping and interceptors within the future 10-year period.

Water

To meet the needs of Hutto’s growing population, the City entered into three water supply agreements. Because the City does not own the rights to its own water supply, the agreements are on a take-or-pay basis, meaning that the City pays for a set level of water whether it used or not. Take-or-pay contracts are the primary means that cities use to secure adequate water supply to meet current and future needs. Paying for the set level of water reserves it for the City’s future growth.

City of Taylor

The wholesale water agreement with the City of Taylor was entered into in 2002. The City currently receives 175,000 gallons per day (GPD) at $2.04 per 1,000 gallons under a take-or-pay agreement. This surface water supply is pumped from Granger Lake through the Brazos River Authority. The contract with the City of Taylor expires in 2042.

Heart of Texas

The wholesale water agreement with Heart of Texas, Inc. was entered into in 2004. It serves as the City’s primary water supply contract. Ground water from this contract comes from the Carrizo-Wilcox Aquifer located in Lee County. Amendment #1 was approved in 2007 in which the City purchased the 26-mile transmission line in exchange for a lowered wholesale water rate. Through this amendment, the City has saved approximately $2.5 million per year to offset additional water rate increases. Amendment #2 was approved in 2010. In this amendment, the City enacted a five year “freeze” clause defined in the original contract. Through this, the City was able to maintain the contracted take-or-pay
volume of 1.6 million gallons per day (MGD) between 2010 - 2015. Without implementing the deferral, the City’s take or pay amount would have jumped to 3 million gallons per day by 2015. The deferral was put in place in response to the slowdown in new growth as a result of the weakened national economy.

The increases in water volume were estimated to be able to meet future demands based on growth. The contract with Heart of Texas incrementally increases. The contract expires in 2056.

**Manville WSC**

The Manville Water Service Corporation wholesale water agreement was entered into in 2003. The City currently receives 500,000 gallons per day at $3.50 per 1,000 gallons under a take-or-pay contract. This is a ground water source. The contract expires in 2043.

Table 3 below includes the anticipated water revenue rate increases that will be needed to maintain utility operations with the 25% fund balance requirement. Rates will be analyzed and evaluate annually as part of the budget process.

**Wastewater**

The estimated customer base is expected to expand at a faster pace than water, due to the limitations on the City’s water service area. Rate increases will be needed to help finance the cost of major infrastructure projects including the Brushy Creek Wastewater Force Main and the South Wastewater Treatment Plant.

Table 4 below includes the anticipated wastewater revenue rate increases that will be needed to maintain utility operations with the 25% fund balance requirement. Rates will be analyzed and evaluate annually as part of the budget process.

**Summary**

City staff and elected officials are continually evaluating options to lessen the impact of rate increases on customers. The City Council proactively voted to increase water rates 15% effective June 1, 2013, in order to collect additional water revenues sooner in hopes of delaying the 30% water rate increase as proposed by the study. Other options are also under consideration. Staff is also discussing water strategies with surrounding providers to see what regional opportunities exist.

A wastewater master plan was completed in 2013 to identify long-term strategies for the City’s wastewater system. It identifies and prioritizes future projects that will be required to meet future service demands. A similar study should be completed on the water system in order to better plan and prioritize water projects, evaluate potential interconnects with other water providers, and identify other factors that could help reduce future rate increases.
Capital Improvements Plan

City of Hutto Capital Improvement Plan

The City of Hutto Capital Improvement Plan (CIP) is a planning document that identifies anticipated infrastructure needs and/or opportunities during the planning period. The plan contains five elements – Water, Wastewater, Transportation and Drainage, Parks & Recreation, and Municipal Facilities.

A sound Capital Improvement Plan should include the following:

- Prioritization of projects according to established goals
- Project cost estimates
- Project schedules
- Project financing
- Cost/Benefit analysis
- Analysis of future operating and maintenance costs (fiscal impact)
- A well-defined and consistent process

Past Accomplishments. There have been several projects developed in the CIP that have been completed over the last few years. They include the following:

- Hutto Family YMCA
- Mager Lane Reconstruction
- FM 1660 South Sidewalk
- Farley Streetscape Improvements
- Front Street/Jim Cage Intersection Improvements
- CR 108 Waterline
- Brushy Creek Interceptor: Phase II
- Wastewater Master Plan
- Jonah Water Service Tier I
- Fencing Along Major Arterials: Phase I
- FM 1660 South Pedestrian Improvements
- Cottonwood Trail: Phase II
- Hutto Lake Park

Strategic Policies. The City Council adopted a Strategic Guide in 2008 and revised it in 2014 to guide the City’s development through the year 2035. As a growing city, many of the policies directly impact the Capital Improvements Plan as new infrastructure is put in place for future development.

Mobility Policy

It is the desire of the Hutto City Council to ensure the safe mobility of citizens through various modes of transportation.

Growth Guidance Policy

It is the desire of the Hutto City Council to achieve the orderly growth and development of the City by maintaining and following the Comprehensive Plan which promotes beneficial and appropriate land uses and supporting infrastructure.

Infrastructure Policy

It is the desire of the Hutto City Council to provide and maintain a quality infrastructure system to meet the vision as set out in the Comprehensive Plan.

Economic Development Policy

It is the desire of the Hutto City Council to develop business diversity consistent with the Comprehensive Plan to maintain an economic base that is sustainable and adaptable.

Quality of Life Policy

It is the desire of the Hutto City Council to create a city that engages citizens by providing programs and services beyond their basic needs.

Public Safety Policy

It is the desire of the Hutto City Council to ensure the safety and well-being of the residents, businesses and visitors in
Fiscal and Budgetary Policy

It is the desire of the Hutto City Council to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City’s financial affairs.

Strategic Plans. The City has adopted several strategic plans to assist in the selection and prioritization of CIP projects. Adopted/Revised plans include:

- Wastewater Master Plan 2013
- Water Master Plan 2015
- Pedestrian Mobility Plan 2012
- Thoroughfare Plan 2011
- Parks Master Plan 2009
- Old Town Master Plan 2006
- Hutto Facility Needs Assessment 2010

Process. The City Council annually adopts a Capital Improvements Plan (CIP) as part of the annual budget process. The City’s Home Rule Charter stipulates that the Planning & Zoning Commission will annually recommend a five-year Capital Improvement Plan to the City Council. The following schedule outlines the annual Capital Improvements Plan review process:

- January-March: Development and analysis of potential projects. City departments submit potential projects to the Finance Department. The Parks Department shall involve the Parks Advisory Board during this process.
- March-April: CIP Committee reviews and prioritizes projects.
- April: Preliminary workshop with the City Council and Planning & Zoning Commission.
- May: Planning & Zoning Commission reviews the CIP at its regular meeting.
- June: Planning & Zoning Commission delivers its recommendations to the City Council.
- September: The City Council adopts the recommended CIP as part of the budget process.

Priorities. Hutto is one of the fastest growing communities in Central Texas and in one of the fastest growing counties in Texas. Consequently, there may be numerous projects worthy of consideration that cannot be funded during the five-year planning period. In addition, some projects may depend upon the actual pace of future development. Others may escalate in priority with the advent of outside funding sources.

To differentiate between projects, the following basis for prioritization is recommended.

1) Public health and safety
2) Available funding
3) Economic development
4) Service and operational impact
5) Strategic alignment
6) Recreation and aesthetics

Growth and Demand Assumptions. During the planning period, the City’s population is expected to increase to 25,000 by the end of the five year planning horizon. Many of the projects, especially on the utility side, will be driven by growth and the need to increase and extend capacity.

While single-family permits declined to an average of roughly 200 per year from 2009 to 2012 after averaging between 600-800 per year between 2004-2008, permit numbers have particularly increased in 2013 and 2014, reflecting an improvement in the housing and development industry. A total of 367 residential permits were issued in 2013 and that number is expected to be surpassed in 2014. Multi-family and commercial permits are also beginning to increase with greater market interest and the completion of the Eastern Williamson County Higher Education Center.

Water accounts have been steadily increasing over the last year. Connections went from 4,206 in January 2013 to 4,367 in January 2014 and are expected to continue increasing with new development. Average water consumption increased slightly over the last year. Records show an average daily consumption of just over 1.11 million gallons per day (MGD) for fiscal year 2012 and just under 1.21 MGD for fiscal year 2013. The City’s water supply is ample to cover the demand. Current water contracts allow the City to purchase 2,275,000 gallons per day from third party suppliers.

Wastewater accounts are expected to increase with new development as well. There were 6,173 wastewater connections in January 2013 and 6,492 connections in January 2014. Average flows to the Central Hutto Wastewater Treatment Plant held steady over the last year at about 1.1 million gallons per day (MGD) and are expected to increase with
the coming development. The current plant can treat 1.5 MGD and is nearing capacity. The City is currently designing a
new wastewater treatment facility with a capacity of 2.0 MGD. The facility is scheduled to be complete by the summer of
2015.

The City’s tax base has increased significantly, rising from $126 million in 2003 to over $1 billion in 2015. New residen-
tial and commercial growth is on the rise and has picked back up to pre-recession levels. Property values have in-
creased over 18% between 2013 and 2014. Diversification of the City’s tax based is a growing challenge. Hutto expects
strong commercial growth in the coming years to support the growing Hutto population.

The construction of the Eastern Williamson County Higher Education Center began in 2012 at the site located on Coun-
ty Road 108. The City in partnership with the Hutto Economic Development Corporation funded construction of water
and wastewater improvements to serve the area. The improvements will also serve further development of the CR 108
corridor.

Townwest Commons is a planned unit development comprising of 50.88 acre, sixteen lot commercial development
located northwest of the intersection of US 79 and CR 119/Ed Schmidt Boulevard. This project is being developed by
New Quest Properties. Lowes, Walgreens, and Holiday Inn Express have already been constructed. The Hutto Family
YMCA was recently constructed as part of Phase 2. A Hampton Inn Suites is being constructed near the Holiday Inn
site. Carmel Crossing, formerly known as The Crossings of Carmel Creek, has an approved Planned Unit Development
(PUD) comprising of 466.23 acres along the southwest side of Highway 79 and SH 130. The project is being developed
by Hutto Mezz Holdings, LCC. The first phase of the plan is to move forward with extending Carl Stern westward across
FM 685, and the construction of a senior multi-family housing complex comprised of 61 units. Future phases will in-
clude a mix of residential, commercial, and a significant parks and trails component.

The City of Hutto was awarded the Sustainable Places Project grant by HUD via the Capital Area Council of Govern-
ments (CAPCOG) in 2011 which provided free consultation work and an analytical software tool to essentially help im-
plement the CAMPO Plan’s “activity centers” concept. The plan looked specifically at the area that includes Old Town,
the Eastern Williamson County Higher Education Center, and the land in between these two areas. Various components
including transportation infrastructure and connectivity, land use, economic development, and a housing-jobs balance
were incorporated. City Council adopted the plan in December 2013.

Water. To better plan utility infrastructure, the City has developed a ten-year utility capital improvements plan.
This will enable staff to better plan for future improvements as they relate to development. The timing of many utility
projects can only be estimated as many of the projects are related to service extension and are dependent on the timing of
development. The City is currently developing a Water Master Plan to assist in identifying projects to be included in the
CIP.

Wastewater. To better plan utility infrastructure, the City has developed a ten-year utility capital improvements plan.
This will enable staff to better plan for future improvements as they relate to development. Just like with water pro-
jects, the timing of wastewater improvements are difficult to estimate as most projects are related to service extension
and up-sizing due to increased demand. Project timing is subject to change depending on the timing of development.
The City recently adopted a Wastewater Master Plan which identified several projects included in the CIP.

Transportation and Drainage. The Transportation and Drainage Element of the Capital Improvements Plan out-
lines projects related to traffic-flow/mobility, pedestrian mobility, intersection improvements, roadway rehabilitation
and drainage improvements. Projects may be funded through a number of mechanisms including the general fund, develop-
er participation, inter-agency cooperation, debt proceeds, etc. In 2009, the citizens of Hutto approved $8.5 million in
bonds for transportation projects. To date, the City has issued $5.24 million in bonds to fund several projects including
Farley Street Reconstruction, FM 685 Road Widening, FM 1660 S Sidewalk, Mager Lane, CR 165/Alliance Blvd. Pav-
ing, and Arterial Fencing - Phase 1. There is $3.26 million remaining for future projects.

Parks and Recreation. The Parks and Recreation Element of the Capital Improvements Plan outlines future
parkland and park improvements based on the Parks, Recreation, Open Space and Trails Master Plan. Athletic field
development and improvement were included in the November 2009 Bond Election with voters only approving park ren-
ovations and improvements for the facilities at Fritz Park. Projects may receive supplemental funds through a combina-
tion of grants, Parkland Fees, and operating revenue when the projects qualify for such funding. The Master Plan is
scheduled for a formal update in FY2015 as it has an immediate need to stay current with the community’s parks and
recreation facility needs. The Library also has a master plan which took an interim step to creating a complete facility.
Funds from the Friends of the Hutto Public Library were used to complete interior renovations to make the former fire
truck bays now complete with walls, shelves and HVAC so that the space could fully utilize the entire facility. The library
master plan calls for more extensive renovations in order to fulfill Hutto’s ultimate population growth. This program was
used to guide the growth of the library relative to the useful life of the existing building and site, but also vetted against
the needs and requirements of maintaining or improving the current state of the accreditation of the Hutto Library. Keep-
ing the library facility accredited is a priority, only basic status has been achieved. The full plan calls for a facility which meets higher levels of accreditation.

**Municipal Facilities.** The Municipal Facilities Element of the Capital Improvements Plan includes the renovation and upkeep of existing facilities in addition to the construction of new facilities. As Hutto grows, so will the need for additional staff and office space. Operating revenue, debt proceeds, and other revenue sources will be considered to fund facility developments. During the planning period, it is anticipated that the existing City Hall will not be adequate to accommodate the office and meeting space needs of the City. Therefore, the Municipal Facilities element of the CIP plan consists of a new city hall to be located at the Co•Op site. A comprehensive municipal facility study was conducted by Antenora Architects in 2009. The information provided will enable staff to identify space needs based on projected growth and service delivery expectations. The City is also working to identify a private development partner to assist with development of the Co•Op site.

**Financing Plan.** The City has a number of potential funding sources available in order to finance Capital Improvement Projects. These include:

- Operating revenues
- Fund Balance (reserves)
- Dedicated fees, e.g., water and wastewater impact fees and parkland dedication fees
- Grants, e.g., CDBG, TWDB, Texas Parks & Wildlife, various state/federal highway programs
- Debt
- Partnerships, e.g., Williamson County

Legally, before the City can award a contract for any phase of a Capital Improvement Project, it must have sufficient funds on hand and appropriate those funds to satisfy its funding obligation or commitment. Consequently, a sound financing plan relies heavily upon realistic project scheduling. The City’s prioritization on the use of local funding sources is as follows:

- Dedicated fees e.g., impact fees, parkland dedication fees, etc.
- Operating revenues
- Fund Balance (reserves) as long as balances exceed financial policy benchmarks
- Debt

A sound financing plan also attempts to minimize the impact of infrastructure funding on the ratepayer and/or taxpayer as well as minimize the Capital Improvement Plan’s overall cost. The Finance and management staff must work closely with each project’s design professional and the City’s financial advisor to achieve these objectives. This CIP has been
The 2015-16 Budget totals $30,932,294 in expenses and $30,803,795 in revenues. Savings from previous fiscal years, along with strong revenue growth, has increased the City's beginning fund balances. The City will utilize a portion of the projected fund balance that exceeds the reserve requirement to pay for one time purchases in the current fiscal year as well as in FY16. Of the amount budgeted for total expenses, $22,849,174, is for operations. The remaining budget is related to capital projects. The operating budget is projected to increase 6% above the FY15 Amended Budget.
## All Funds Summary

### REVENUES

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### EXPENDITURES

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<td>-</td>
<td>4,235,524</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>7,049,109</td>
<td>21,326,248</td>
<td>25,551,814</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-Departmental</td>
<td>258,130</td>
<td>333,055</td>
<td>282,837</td>
<td>489,991</td>
<td>54,665</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>25,805,517</td>
<td>43,044,135</td>
<td>47,666,848</td>
<td>10,712,337</td>
<td>6,210,120</td>
<td>4,235,524</td>
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### OTHER FINANCING SOURCES (USES)

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</thead>
<tbody>
<tr>
<td>Net Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>300,240</td>
<td>(2,372,766)</td>
<td>2,840,915</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>-</td>
<td>21,740,000</td>
<td>21,740,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>-</td>
<td>21,740,000</td>
<td>21,740,000</td>
<td>300,240</td>
<td>(2,372,766)</td>
<td>2,840,915</td>
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</table>

### NET CHANGE IN FUND BALANCE

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</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>16,380,673</td>
<td>9,279,776</td>
<td>11,487,596</td>
<td>2,805,185</td>
<td>5,593,411</td>
<td>352,671</td>
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<tr>
<td>ENDING FUND BALANCE</td>
<td>11,487,596</td>
<td>8,577,076</td>
<td>8,387,790</td>
<td>2,678,196</td>
<td>6,019,732</td>
<td>151,494</td>
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<td>Reserves</td>
<td>3,988,924</td>
<td>4,244,005</td>
<td>4,368,015</td>
<td>2,678,084</td>
<td>1,863,036</td>
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<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>7,498,672</td>
<td>4,333,071</td>
<td>4,019,775</td>
<td>112</td>
<td>4,156,696</td>
<td>151,494</td>
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</table>
The All Funds Summary depicts all budgeted funds for the City, including capital improvements, bond proceeds, and special revenue funds, which are restricted for specific purposes. Individual fund schedules, descriptions and variances follow in this section. Ending Fund Balance refers to current assets less current liabilities in all fund types. The Actual 2013-14, Adopted and Amended 2014-15 and 15-16 Budgets have been included for multi-year comparisons.

Hutto uses fourteen independently budgeted funds to account for the total Budget. Of the funds, the General and Utility Fund are the largest. The General Fund is the governmental fund used to provide general government services to the Hutto community. The Utility Fund is a proprietary fund as the City’s Water and Wastewater services operate more like a business.

A separate fund is used to track impact fees collected from new development for the expansion of utility infrastructure. The debt service funds are used to pay the City’s debt issuances. A debt service fund exists for both general and utility use.
REVENUES

Revenues total $30,803,795 including $6.5 million in bonds. Operating revenues total $24,243,795, a 6.21% increase over the FY15 Amended amounts. The increase is largely related to a 66.5% increase in connection fees and a 26.4% increase in general fines. Property tax revenue saw a 13.6% increase over the FY15 Amended amounts. Sales tax, building development fees reflected a 11% and 8.5% increase respectively, over the FY15 Amended amounts due to new population growth.

A greater in-depth analysis of revenues is provided in the individual fund summaries.

EXPENSES

Operational expenses are projected to increase 3.3% from the Amended 2014-15 Budget for a total of $22,849,174. All expenses, including capital projects, total $30,932,294 including $8,083,120 for general and utility capital projects and $4.2 million in debt service payments.

A greater in-depth analysis of expenses is provided in the individual fund summaries and in the department and division sections.

BUDGET VARIANCES

A merit pool of 2.5% has been included in the FY16 Budget as well as the Step Pay Plan adjustment for sworn personnel. In conjunction, health insurance rates will increase slightly due to healthcare cost increases. Four new positions including two Police Cadets, a Rental Inspector, and a Management Assistant are budgeted for FY16.

The Budget also includes a 5% water rate and a 5% wastewater increase effective October 1, 2015.

The budget maintains contingency reserves at 25% in the General Fund and maintains reserves at 30% in the Utility Fund. More information regarding fund variances can be found on the individual fund summaries on the following pages.
The General Fund is the general operating fund and the largest fund of the City as it includes all traditional government services such as public safety, street and drainage maintenance, parks and recreation, library services, and general administration. The General Fund uses tax revenue, fees, fines, and other revenues to fund these services. It functions as a governmental fund, which is accounted for using a modified accrual basis of accounting.

REVENUES

General Fund revenues are budgeted to total $10,285,108, a increase of 5.2% from FY15 Projected and a 16% increase from the FY15 Adopted Budget. Property taxes make up the bulk of the revenues followed by sales tax. A diverse revenue base is essential for maintaining a sound financial system. Increased commercial development is...
anticipated in the coming years to reduce the City’s reliability on residential property tax revenue as more sales tax is collected and the tax base continues to diversify.

**Property Tax** is based on lowering the tax rate to $0.528500 per $100 of valuation. The split between the two portions of the tax rate is shifting (Operations and Maintenance - $0.436464 + Interest and Sinking - $0.092036) but will still allow the City to issue all of its authorized general obligations from the 2009 Bond Election. The effective tax rate, which is the rate required to levy the same amount of taxes on the same properties as the year before, is $0.487877 per $100 valuation. The average home taxable value has increased for the third year in a row, rising from $145,495 to $158,866 in 2015. Property Tax makes up the largest percentage of General Fund revenues at 52%. A total of $5,388,840 is budgeted for collection, which is an 13.5% increase over the FY15 Projections. The increase is due to an overall increase in appraised value and from $65 million in new property added to the tax rolls.

**Sales tax** is the second largest revenue source for the General Fund, accounting for 23% of revenues. Sales tax is budgeted at $2,334,339, a 4% increase over the FY15 Projected amount. Sales tax collections have remained strong as a result of new construction numbers and a growing population.

**Franchise fees** totaling $729,104 are fees collected for private utilities such as electricity, gas, and telecommunications located in the public right-of-way. The fee is generally based on a percentage of a company’s gross revenues collected within the City’s limits. Franchise fees are expected to increase 2% over FY15 Projections due to customer growth.

**Interlocal revenue** represents funds paid from Hutto ISD to the City for the School Resource Officer program. Through this partnership, Hutto ISD pays for salaries and benefits of two officers while school is in session. The City covers the costs during the summer. As a result, interlocal revenues will total $206,320 in FY16.

**Development fees** are budgeted to total $748,400. Development fees account for 6% of revenues. FY16 revenue increased 16.1% over the FY Budget due to the additional revenue for the Rental Inspection Program and anticipated growth in residential and commercial permits.

**Transfers In** are transfers from different funds into the General Fund. A portion of the Utility Fund is transferred into the General Fund to offset the administrative costs associated with managing the operations including General Services, Finance, and Public Works. The transfer from the Utility Fund has decreased from $744,000 to $200,000 with the relocation of Utility Billing to the Utility Fund. $78,240 will be transferred from the Hotel Occupancy Tax Fund to offset salary and expenses incurred by the Downtown and Tourism Division. An additional $92,000 will be transferred from the Solid Waste Fund for expenses and pavement replacement.

**Parks revenue** is budgeted to increase due to more activity in recreation programs, league play and rentals. Parks revenue includes payments for pavilion rentals, Saul House use, recreational programming, and the Library.

**Other revenue** includes interest, miscellaneous fees and taxes, donations, grants, and other minor revenue sources. Other revenue is budgeted to total $464,575 in FY16. The FY16 budget includes funding for capital lease proceeds from the purchase of replacement equipment.

## EXPENSES

General Fund expenses include costs related to general government operations such as administration, police, planning and development, streets and drainage, library services, and parks and recreation. General fund expenses total $10,712,337 which is an increase of 2.8% over the Amended 2014-15 Budget.

Police, with the majority of employees including twenty-seven sworn officers, makes up the largest percentage of General Fund expenses with a total budget $3.4 million. Administration, Public Works and Development Services make up the next largest percentages at 18% and 11% respectively.

Salaries and benefits make up the majority of General Fund expenses at 61% of the budget. All Hutto employees, except for the for the seven Utility employees, are paid from the General Fund. This category includes salaries, insurance, and retirement expenses. A total of $543,474 is included for additions, replacements and enhancements.
Enhancements include new or expanded programs or services. $55,101 is budgeted to hire a Planning Management Assistant to meet the growing needs in Development Services due to new construction and continued planning. A Rental Inspector is also budgeted for FY16 at the cost of $82,241, including vehicle to facilitate a growing need in the community. Two Police Cadet positions were created in FY16 to advance the growth and efficiency of the Hutto Police Department. The total for the new positions including salary and benefits totals $115,632.

Other additions to the FY16 budget include a backhoe and trailer for Public Works, an addition to the mowing contract to allow for more right-of-way mowing along Hwy 79 and other areas of the City, and five replacement vehicles for the Police Department. Funds are being set aside in Non-Departmental in the amount of $200,000 for facility improvements.

**BUDGET VARIANCES**

This section explains differences between the 2014-15 Amended Budget and the 2014-15 Budget. Expenses are broken into five categories.

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</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>5,701,437</td>
<td>6,319,194</td>
<td>6,370,720</td>
<td>6,164,099</td>
<td>6,326,319</td>
<td>6,324,724</td>
<td>6,558,792</td>
<td>3.0%</td>
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<td>Supplies &amp; Materials</td>
<td>576,788</td>
<td>546,340</td>
<td>760,201</td>
<td>600,057</td>
<td>-</td>
<td>600,357</td>
<td>-</td>
<td>-21.0%</td>
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</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>204,722</td>
<td>222,950</td>
<td>222,950</td>
<td>222,800</td>
<td>259,075</td>
<td>-</td>
<td>259,075</td>
<td>16.2%</td>
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</tr>
<tr>
<td>Other Services &amp; Charges</td>
<td>3,231,173</td>
<td>2,537,380</td>
<td>2,536,380</td>
<td>2,345,934</td>
<td>151,500</td>
<td>2,498,234</td>
<td>-</td>
<td>-1.5%</td>
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<tr>
<td>Capital Outlay</td>
<td>276,654</td>
<td>526,159</td>
<td>526,111</td>
<td>627,776</td>
<td>227,779</td>
<td>550,000</td>
<td>777,779</td>
<td>47.8%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>9,990,774</td>
<td>10,152,023</td>
<td>10,416,362</td>
<td>10,534,991</td>
<td>9,759,163</td>
<td>933,974</td>
<td>10,694,237</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(125,000)</td>
<td>(210,000)</td>
<td>(483,000)</td>
<td>(690,000)</td>
<td>(70,000)</td>
<td>(70,000)</td>
<td></td>
<td>-85.5%</td>
<td></td>
</tr>
</tbody>
</table>

**Salaries and benefits** are expected to increase 3.0% from the FY15 Amended Budget. A merit pool/step pay adjustment of 2.5% has been included. In conjunction, health insurance rates will increase slightly due to changes in healthcare and benefits. The City’s contribution rate for the Texas Municipal Retirement System (TMRS) will decrease 0.27% to ensure fund stability.

**Supplies and materials** are budgeted to decrease 21% from the FY14 Amended Budget. The decrease is directly related to moving Utility Billing Division from General Fund to Utility Fund.

**Repairs and maintenance** are budgeted to increase 16.2%. The increase is for ongoing maintenance of city equipment, vehicles, roadways/sidewalks, parks, etc.

**Other services and charges** will decrease 1.5% largely due to reduced Contract Labor fees for third party inspections in Inspections and Code Enforcement Division.

**Capital outlay** is increasing 47.8% from the FY15 Amended Budget due to equipment purchases including five replacement vehicles for the Police Department.

**Transfers out** include transfers to other funds. $50,000 will be transferred to the General Capital Replacement Fund to finance the future replacement of assets; an additional $20,000 will be transferred to the General Capital Replacement Fund to finance the maintenance and replacement costs associated with the YMCA Recreation Center per agreement.
REVENUES

Property Taxes 829,252 1,065,540 1,065,540 1,065,540 1,157,375
Interest and Other 15,861 15,004 34,832 34,832 35,557
Total Revenues 845,113 1,080,544 1,100,372 1,100,372 1,192,932

EXPENDITURES

Debt Service
Principal Reduction 298,373 600,350 600,350 600,350 622,900
Interest 594,422 571,461 571,461 571,461 593,266
Paying Agent Fees 1,932 1,750 1,750 1,750 1,750
Total Debt Service 894,727 1,173,561 1,173,561 1,173,561 1,217,916

Total Expenditures 894,727 1,173,561 1,173,561 1,173,561 1,217,916

Excess Revenues over Expenses (49,614) (93,017) (73,189) (73,189) (24,984)

NET CHANGE IN FUND BALANCE (49,614) (93,017) (73,189) (73,189) (24,984)

BEGINNING FUND BALANCE 249,281 190,813 199,667 199,667 126,478
ENDING FUND BALANCE 199,667 97,796 126,478 126,478 101,493

General Debt Service Fund Summary

The General Debt Service fund tracks revenue from the ad valorem property tax levy for the payment of debt issued for general governmental functions, such as streets, parks, and facilities. The payment of principal and interest are paid through this fund.

REVENUES

Revenues comprise of property tax collections based on the interest and sinking portion of the City’s tax rate. The Fiscal Year 2016 Interest and Sinking (I&S) portion of the tax rate will be $0.092036 per $100 valuation. This rate will generate $1,157,375 in property tax revenue, and increase over the FY15 levels due to an increase in taxable property. The Interest and Sinking tax rate is calculated based on annual debt service requirements.

Interest and other revenue includes Hutto Economic Development Corporation lease payments. The City and EDC entered into an agreement in 2012 for the City to purchase the office space that the EDC was leasing. In exchange, the EDC pays a pro rata share of the 2013 COs that were used to purchase the space.

EXPENSES

Expenditures include principal and interest payments for the bond obligations. For a full list of debt service, turn to the Debt Section of the budget. $6,560,000 in general fund supported debt is proposed in Fiscal Year 2016.

FY16 expenses include $622,900 for principal, $593,266 for interest and $1750 for paying agent fees. The City refunded all of the 2004 and portions of the 2006 and 2007C Certificates of Obligation in FY15, thus saving more than $1 million in debt service payments. Debt service payments will increase in coming years as a result of bonds issued in the past two years.

BUDGET VARIANCES

Expenses exceed revenues for this fund as the City will use $60,541 in fund balance to cover a portion of debt service payments. The I&S rate needed to fully cover the debt service requirements is $0.096851 per $100 of valuation. Increases in future taxable values will offset debt service payments in future years as well as increases to the City’s I&S rate when necessary.
The Capital Replacement Fund was created in Fiscal Year 2010 to begin setting aside funds to replace aging equipment and worn capital assets including vehicles and equipment. Proceeds from the sale of capital assets will be deposited in this fund for the replacement of future capital assets. A portion of asset’s value is set aside each year to build up the cost of replacing the asset. The amount reserved for replacement is based on the asset’s cost and useful lifespan. The total replacement cost of assets is approximately $1,450,000.

The Capital Replacement Fund was created in Fiscal Year 2010 to begin setting aside funds to replace aging equipment and worn capital assets including vehicles and equipment. Proceeds from the sale of capital assets will be deposited in this fund for the replacement of future capital assets. A portion of asset’s value is set aside each year to build up the cost of replacing the asset. The amount reserved for replacement is based on the asset’s cost and useful lifespan. The total replacement cost of assets is approximately $1,450,000.

### FUND DESCRIPTION

The Capital Replacement Fund was created in Fiscal Year 2010 to begin setting aside funds to replace aging equipment and worn capital assets including vehicles and equipment. Proceeds from the sale of capital assets will be deposited in this fund for the replacement of future capital assets. A portion of asset’s value is set aside each year to build up the cost of replacing the asset. The amount reserved for replacement is based on the asset’s cost and useful lifespan. The total replacement cost of assets is approximately $1,450,000.

#### REVENUES

Revenues represent transfers in from the General Fund. The City has been setting aside $50,000 annually since 2010 when the fund was established. In 2014 an additional $20,000 was set aside for YMCA Capital Replacement per agreement.

#### EXPENSES

No funds will be used from the Capital Replacement Fund as the City plans to build up the fund balance to be used to replace aging and worn capital assets.

#### BUDGET VARIANCES

Fund balance is expected to increase over the next few years as the City sets aside funds to replace older assets. The General Capital Replacement Fund has a higher unfunded replacement cost than the utility due to the City’s Police fleet. Staff has plans for the newly formed Fiscal and Budgetary Committee to look at our existing policies to ensure that we have appropriate contributions for future needs. Remaining funds from the YMCA construction (approximately $20,000) were deposited in FY14 to fund future facility repairs and maintenance at the facility in accordance with the City’s agreement with the YMCA of Greater Williamson County.
The General CIP Fund is a minor governmental fund used by the City to account for the City’s general capital improvement projects including streets, facilities, and park improvement projects. Projects are funded through a combination of transfers in from the General Fund, interest, and bonds.

### General Capital Improvements Fund Summary

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<tr>
<td><strong>REVENUES</strong></td>
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<tr>
<td>Interest and Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25</td>
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<tr>
<td>Bond Interest</td>
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<td>Contributions</td>
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<td>Grants</td>
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<td>Sidewalk Fees</td>
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<td>2,480</td>
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<tr>
<td>Bond Proceeds</td>
<td>-</td>
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<td>6,560,000</td>
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<td><strong>Total Revenues</strong></td>
<td>866,120</td>
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<td>1,372,249</td>
<td>1,372,754</td>
<td>7,565,000</td>
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<td><strong>EXPENDITURES</strong></td>
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<tr>
<td>Administration</td>
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<tr>
<td>Co-Op/Facility Study</td>
<td>184,193</td>
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<td>150,044</td>
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<td>YMCA Rec Center</td>
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<td>Gin Building Improvements</td>
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<td>754,000</td>
<td>953,000</td>
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<td>Public Works</td>
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<td>Sidewalk Program</td>
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<td>Farley/Taylor Street</td>
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<td>33,608</td>
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<td>Mager Lane</td>
<td>341,218</td>
<td>-</td>
<td>36</td>
<td>671</td>
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<tr>
<td>Fencing</td>
<td>218,515</td>
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<td>5,678</td>
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<td>236,000</td>
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<td>22,959</td>
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<td>FM 685</td>
<td>1,458,554</td>
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<td>1,097,529</td>
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<td>636,349</td>
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<td>PW Facility Improvements</td>
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<td>East St. Reconstruction</td>
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<td>-</td>
<td>1,234,000</td>
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<td>Pavement Management</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>990,000</td>
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<tr>
<td>Limmer Loop Improvements</td>
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<td>100,000</td>
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<td>Railroad Quiet Zones</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
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<tr>
<td>Parks</td>
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<tr>
<td>Fritz Park Improvements</td>
<td>-</td>
<td>-</td>
<td>70,512</td>
<td>80,512</td>
<td>2,775,000</td>
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<td>Engineering</td>
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<td>FM 1660 N Sidewalks</td>
<td>63,732</td>
<td>-</td>
<td>79,803</td>
<td>79,803</td>
<td>1,252,000</td>
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<tr>
<td>Emory Farms Detention Structure</td>
<td>16,800</td>
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<tr>
<td><strong>Other Services and Charges</strong></td>
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<tr>
<td>Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>250,000</td>
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<td>Animal Shelter Expansion</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Transfers In</td>
<td>65,000</td>
<td>260,000</td>
<td>593,000</td>
<td>800,000</td>
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<tr>
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<td>260,000</td>
<td>593,000</td>
<td>800,000</td>
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<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
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<td>-</td>
<td>42,761</td>
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</table>
REVENUES

Revenues include Bond Proceeds of $6.5 million and TxDOT grant funding totaling just over $1 million to finance multiple projects in FY16. Other revenues include interest, bond interest, and parkland fees.

EXPENSES

The City will continue to work on a number of projects from FY15 including:

◊ FM 685 Improvements
◊ FM 1660 N Sidewalks

Multiple projects are budgeted for FY16 including:

◊ Arterial Fencing
◊ Fritz Park & Parkland Acquisition
◊ East Street
◊ Pavement Rehabilitation
◊ Rail Road Quiet Zones
◊ Limmer Loop Rehabilitation
◊ Animal Shelter Design
◊ Public Works Yard Paving

Other project balances remaining at the end of the fiscal year are transferred into the new budget through a budget amendment. Visit the “Capital Projects” section of the budget to learn more about the planned improvements.

BUDGET VARIANCES

Fund balance for this fund will fluctuate depending on the timing of projects and bond issuances.
Solid Waste Fund Summary

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<thead>
<tr>
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<td><strong>REVENUES</strong></td>
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<td>Recycling Cart Fee</td>
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<td>60,156</td>
<td>60,156</td>
<td>60,156</td>
<td>62,631</td>
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<td>-</td>
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<td>Waste Management</td>
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<td>1,222,604</td>
<td>1,223,196</td>
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<td>7,500</td>
<td>7,500</td>
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<td>26,000</td>
<td>26,592</td>
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<td>44,497</td>
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<td>Transfers In</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Transfers Out</td>
<td>-</td>
<td>(135,000)</td>
<td>(105,000)</td>
<td>(105,000)</td>
<td>(92,000)</td>
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<tr>
<td><strong>Total Transfers</strong></td>
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<td>(135,000)</td>
<td>(105,000)</td>
<td>(105,000)</td>
<td>(92,000)</td>
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<td>3,702</td>
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</table>

**FUND DESCRIPTION**

The Solid Waste Fund was created in the 2014-15 Budget to account for the City’s solid waste services. All expenses associated with the City’s garbage and recycling services are included in the fund. The revenues and expenses were previously included in the City’s General Fund.

**REVENUES**

Revenues for the fund include monthly fees charged to customers for the provision of curbside garbage and single-stream recycling services. This expense is collected as part of a resident’s utility bill each month. In addition, the City charges a franchise fee to refuse collection companies that offer commercial services to businesses in Hutto. Late fees represent a 10% charge applied to late customers payments. The recycling cart fee was added in 2012 to recover the cost of the City owned 95-gallon single-stream recycling carts.

**EXPENSES**

Expenses for the fund represent expenditures associated with providing refuse and recycling services. The largest expense is the payment to the City’s provider Al Clawson Disposal. $27,000 is budgeted to purchase approximately 500 new recycling carts to replace damaged ones and to keep pace with the City’s residential growth. The capital lease payment will expire in 2018 and is for the 6,000 recycling carts that were purchased in 2012 for the single-stream recycling program.

**BUDGET VARIANCES**

The Solid Waste Fund was created in FY16. The revenues and expenses were previously accounted for in the General Fund.

The fund was established to keep better track and represent the City’s revenues and expenses with providing the service. $92,000 was budgeted in FY16 in Transfers Out to offset the expenses still incurred in General Fund for Public Works Streets and Drainage Pavement rehabilitation per franchise agreement.
FUND DESCRIPTION

The Utility Fund accounts for the City’s Water and Wastewater Enterprise. It functions as a proprietary fund which operates more like a business. The budget for the Utility Fund, however, uses a modified accrual basis of accounting. The City created a new Utility Capital Projects Fund in the FY15 Budget in order to better account for utility capital projects and to better reflect the true operational cost of providing water and wastewater services. The impact of this change is detailed in the following sections.

Reserves for the Utility Fund are maintained at 30% of the operating budget.

REVENUES

Utility operational revenues total $9 million which is 3.7% above the FY15 Projected Budget. The increase is a result of customer growth due to the new homes and business under construction. The Budget also includes a 5% water...
and wastewater rate increase effective in October to offset increases in the City's water supply costs. The rate adjustment is less than the 10% water rate increase that was recommended in the City's Utility Rate Model. The wastewater rate is slightly higher than the recommended 3% increase, but levels out future increases in the rate that will be needed when the Hutto South Wastewater Treatment Plant comes on-line and debt services payments reach their maximum amounts.

The current housing boom will add new water and wastewater customers to the City's utility system, though a portion of new homes will be serviced by Jonah SUD and Manville WSC as they are outside of the City's water service area. The number of accounts is expected to grow at approximately 3.5% for both water and wastewater during the next year.

**Water revenues** make up the majority of the Utility Fund operating revenue, totaling $4,988,006. Water revenue is revenue collection for the provision of water to utility customers. This is an increase of 23.2% over the FY15 Projected Budget and is due to anticipated customer growth, average use, and a 5% rate increase that is planned to take affect in October 2015.

**Wastewater revenues** are budgeted to total $3,348,861, a 10.3% increase over FY15 Projected Budget. The increase is related to new customer growth, as well as a 5% increase in the wastewater rate. The City has more wastewater connections than water connections because water may be provided by Manville Water Supply or Jonah SUD depending on service location. The City also acts as a wholesale wastewater provider to customers located in Jonah’s service area north of Limmer Loop.

**Impact Fees (shown as “Transfers In”)** help cover new growth’s impact on the utility system. Impact fees are collected in the Impact Fee Fund and are transferred to the Utility Fund to help offset debt service payments. Impact fees help shift the financial burden of constructing new infrastructure for new growth from existing customers to the new growth that is prompting the infrastructure improvements. Collections are expected to total $900,000 based on new construction trends, anticipated growth and rate model.

**Connection fees** represent the cost of connecting new customers to the City’s utility system. The fee is calculated based on the cost of the meter and the end point in addition to time and equipment needed to set the meter. Connection fees are conservatively budgeted to increase over the FY15 Amended Budget but fall below the FY15 Projected Budget. Connection fees are only collected when the City of Hutto provides service to the home. Water connection fees would not be collected for homes that are constructed in the Jonah SUD or Manville WSC service areas.

**Other revenue** is made up of interest, miscellaneous income, and account administrative and late fees. The City receives $100,000 annually from the Hutto Economic Development Corporation from an agreement that led to the extension of water and wastewater utilities along the eastern SH 130 corridor. Interest revenue will remain low as long as the Federal Reserve rate remains in the 0-0.25% range. Other revenues will decrease significantly from the FY15 Projected Budget due a reduction in Capital Contributions for the Mesquite Waterline construction and the over/under fee recovery from Brazos River Authority being absorbed to reduce operations contract.

**Customer Trends**

The number of City water customers has grown an average of 4.72% over the past five years. The number of total accounts is expected to grow a conservative 3.5% in FY16 as a result of new customers. The number of accounts grew by 6.61% in 2015. The City continues to provide wholesale wastewater service to the approximately 800 wastewater customers north of Limmer Loop. This number continues to grow as both the Hutto Highlands and Hutto

**EXPENSES**

Utility Fund expenses are the costs associated with the provision of water and wastewater services to the Hutto customers. The Utility Fund includes seven full-time water and wastewater employees whose salary and benefit costs are evenly split between the two divisions. New to FY16 is the addition of five full-time Utility Billing employees whose salary and benefits were previously included in General Fund expenses. The 2015-16 Utility Fund Operating Budget totals $6,210,119. When including the net transfers to account for the debt service expense, Utility Fund ex-
expenses total $8,582,885.

Water services, totaling $4.1 million, makes up the bulk of operating expenses because of water supply agreements. The FY16 Water Service budget will decrease 3.3% from the FY15 Projected Budget due to the completion of an upgrade to the City’s automatic meter reading system. The majority of the Utility Fund’s budget is appropriated towards Other Services and Charges because of its water supply contracts and the contract with Brazos River Authority to operate the wastewater treatment plant. The City currently purchases treated water from the City of Taylor, Manville, and Heart of Texas.

Operational expenses are expected to total $3.72 million, a decrease of 37.2% over the 2015 Amended Budget. Major variances are explained on the following page.

**BUDGET VARIANCES**

This section explains the difference between the FY16 Budget and the FY15 Amended amounts.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>AMENDED</td>
<td>PROJECTED</td>
<td>BASE</td>
<td>ENHANCE</td>
<td>BUDGET</td>
<td>AMENDED</td>
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<td>Salaries &amp; Benefits</td>
<td>424,883</td>
<td>440,748</td>
<td>440,748</td>
<td>457,124</td>
<td>742,475</td>
<td>-</td>
<td>742,475</td>
<td>68.5%</td>
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<td>Supplies &amp; Materials</td>
<td>234,338</td>
<td>515,300</td>
<td>515,300</td>
<td>502,050</td>
<td>236,000</td>
<td>-</td>
<td>236,000</td>
<td>-54.2%</td>
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<tr>
<td>Repairs &amp; Maintenance</td>
<td>152,748</td>
<td>363,000</td>
<td>389,752</td>
<td>239,752</td>
<td>276,200</td>
<td>26,500</td>
<td>302,700</td>
<td>-22.3%</td>
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<tr>
<td>Other Services &amp; Charges</td>
<td>3,797,353</td>
<td>4,249,847</td>
<td>4,404,767</td>
<td>4,368,612</td>
<td>4,810,911</td>
<td>55,000</td>
<td>4,865,661</td>
<td>10.5%</td>
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<td>Capital Outlay</td>
<td>361,449</td>
<td>117,770</td>
<td>128,879</td>
<td>128,329</td>
<td>23,284</td>
<td>40,000</td>
<td>63,284</td>
<td>-50.7%</td>
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<td><strong>TOTAL OPERATIONS</strong></td>
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<td>5,686,665</td>
<td>5,879,446</td>
<td>6,088,869</td>
<td>121,500</td>
<td>6,210,119</td>
<td>5.6%</td>
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<td>CIP Water/Wastewater</td>
<td>1,560,413</td>
<td>-</td>
<td>1,400,524</td>
<td>885,756</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-100.0%</td>
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<td>Net Transfers</td>
<td>3,199,291</td>
<td>3,814,399</td>
<td>3,814,399</td>
<td>3,789,399</td>
<td>3,272,766</td>
<td>-</td>
<td>3,272,766</td>
<td>-14.2%</td>
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<td><strong>TOTAL EXPENSES</strong></td>
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<td>3,814,399</td>
<td>5,214,923</td>
<td>4,675,155</td>
<td>3,272,766</td>
<td>-</td>
<td>3,272,766</td>
<td>-37.2%</td>
</tr>
</tbody>
</table>

**Salaries and benefits** Will increase 62.4% or about $301,727 over the FY15 Amended Budget. The increase includes an average 2.5% merit increase, as well as the addition of the Utility Billing Division to the Utility Fund. In conjunction, health insurance rates will increase slightly due to changes in healthcare and benefits. The City’s contribution rate for the Texas Municipal Retirement System (TMRS) will decrease 0.27% to ensure fund stability.

**Supplies and materials** are budgeted at $236,000, which is a decrease of 54.2% over FY15 Amended Budget. The decrease is largely due to the completion of an upgrade to the City’s automatic meter reading system.

**Repairs and maintenance** costs include an enhancement for $26,500 to clean ground storage and elevated tanks per the Water Master Plan. Overall repairs and maintenance will see a decrease in expense of 22.3% over the FY15 Amended budget due to completion of Country Estates lift station improvements and upgraded Glenwood lift station pumps.

**Other services and charges** make up the majority of Utility expenses. Included in this section are the water supply contracts with the City of Taylor, Manville, and Heart of Texas as well as the wastewater treatment agreement with Brazos River Authority. The increase is largely due to the relocation of the Utility Billing Division into the Utility Fund, as well as a slight increase in the Heart of Texas contract. The City’s take-or-pay contract with Heart of Texas will increased to 2.0 mgd in August 2015. The cost increase is related to an increase in the cost per thousand gallons from $3.17 to $3.91 effective August 2016. The FY16 budget includes additional funding for a new Water Rate Model and Water CAD software.

**Capital outlay** is costs related to new capital costs such as vehicles, facilities, and equipment. This number fluctuates annually depending on the capital needs. The number is decreasing 50.7% due to one-time purchases for water and wastewater equipment in FY15. The FY16 budget includes $40,000 for SCADA for all lift stations.

**CIP** expenses for new projects was moved to the Utility CIP Fund in FY15 to better track capital project expenses. Moving the costs associated with the projects provides a clearer cost of the operating and maintenance of the utility system.
Transfers out are decreasing 14.2% over the FY15 Amended Budget. The transfer from the Utility Fund to the General Fund was reduced to $200,000 for administrative costs, and the $50,000 transfer to the Utility Capital Replacement Fund has been included. The debt service transfer is decreasing due to Utility Debt Service Fund balance offsetting total amount needed to cover the debt service payments in FY16.
Utility Debt Service Fund Summary

<table>
<thead>
<tr>
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<tbody>
<tr>
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<tr>
<td>Interest and Other</td>
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<td>1,000</td>
<td>500</td>
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<td>500</td>
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<td><strong>Total Revenues</strong></td>
<td>368</td>
<td>1,000</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
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<tr>
<td>Debt Service</td>
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<tr>
<td>Principal Reduction</td>
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<td>1,199,650</td>
<td>1,237,100</td>
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<td>Interest</td>
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<td>1,816,750</td>
<td>1,816,750</td>
<td>1,775,508</td>
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<td>Paying Agent Fees</td>
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<td>5,000</td>
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<td><strong>Total Debt Service Expenditures</strong></td>
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<td>3,021,400</td>
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<tr>
<td>Transfers Out</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
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<td>50,000</td>
<td>226,694</td>
<td>226,193</td>
<td>50,000</td>
</tr>
</tbody>
</table>

**FUND DESCRIPTION**

The Utility Debt Service Fund tracks the revenue set aside for the retirement of certificates of obligation issued for utility improvements. The fund also tracks the payment of principal and interest for outstanding bond obligations. Utility Debt Service is paid using revenues generated by the provision of water and sewer service. The approximate amount needed to pay principal and interest related to the City's indebtedness is transferred in from the Utility Fund.

**REVENUES**

Revenues are transferred in from the Utility Fund totaling $2,840,915 which is a decrease from the FY15 Budget. A portion of the debt service is paid using impact fees that are used for debt service payments for eligible capital projects. Debt service requirements are paid using water and wastewater user fees and other collected revenue.

**EXPENSES**

Debt service payments are generally made in February and August of each year. Expenses include principal reduction ($1,237,100) and interest ($1,816,749) on existing certificates of obligation. Debt service for the 2015 Refunding Certificate of Obligation is estimated at $265,476 for FY16. The TWDB Certificates of Obligation are still scheduled to increase to approximately $1 million annually in FY17.

See the section titled "Debt" to learn more about the outstanding and proposed bonds.

**BUDGET VARIANCES**

Only the annual debt service requirement is transferred to the Utility Debt Service Fund each year. The Debt Analysis Section provides more information regarding the City's outstanding and proposed debt issuances.
Utility Capital Replacement Fund Summary

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<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>AMENDED</td>
<td>PROJECTED</td>
<td>BUDGET</td>
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<tr>
<td>Sale of Assets</td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
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</tr>
<tr>
<td>Vehicles</td>
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<td>Machinery and Equipment</td>
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<td>-</td>
<td>-</td>
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<tr>
<td><strong>TRANSFERS</strong></td>
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<td>50,000</td>
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</tr>
<tr>
<td>Transfers Out</td>
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</tr>
<tr>
<td>Total Transfers</td>
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</table>

**FUND DESCRIPTION**

The Capital Replacement Fund was created to track the cost of replacing aged and worn capital assets including vehicles and equipment, and begin setting aside funds to replace aging equipment. A portion of asset’s value is set aside each year to build up the cost of replacing the asset. Proceeds from the sale of capital assets will be deposited in this fund for the replacement of future capital assets. The amount reserved for replacement is based on the asset’s cost and useful lifespan. The total unfunded replacement cost is approximately $500,000.

**REVENUES**

Revenues represent transfers in from the Utility Fund. A transfer of $50,000 from the Utility Fund to the Utility Capital Replacement Fund is budgeted for FY16.

**EXPENSES**

Expenses would include replacement equipment and machinery used by the City’s utility system. No expenses are planned for the Capital Replacement Fund in 2015-16. The City plans to build up the fund balance to be used to replace aging and worn capital assets.

**BUDGET VARIANCE**

This fund was created in Fiscal Year 2010. Fund balance is expected to increase over the next few years as the City sets aside funds to replace aging assets.
Utility Capital Improvement Fund

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<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
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<tr>
<td>Bond Interest</td>
<td></td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
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<tr>
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<td><strong>EXPENDITURES</strong></td>
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<tr>
<td><strong>Water Capital Outlay System</strong></td>
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</tr>
<tr>
<td>Front St. Waterline</td>
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<td>-</td>
<td>68,000</td>
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<tr>
<td><strong>Wastewater Capital Outlay System</strong></td>
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<tr>
<td>Hutto South WWTP</td>
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<td>4,164,314</td>
<td>4,356,254</td>
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<tr>
<td>Carmel Crossings Wastewater Interceptor</td>
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<td>-</td>
<td>-</td>
<td>181,851</td>
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<tr>
<td><strong>Other Services and Charges</strong></td>
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<tr>
<td>Debt Services</td>
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<td><strong>Total - Utility Capital Improvements</strong></td>
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<td>20,572,248</td>
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<tr>
<td>Transfers In</td>
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<td>Transfers Out</td>
<td>-</td>
<td>(1,167,752)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Transfers</strong></td>
<td>-</td>
<td>(1,167,752)</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>-</td>
<td>10,000</td>
<td>151,640</td>
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<td>151,640</td>
<td>151,640</td>
<td>83,640</td>
</tr>
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</table>

**FUND DESCRIPTION**

The Utility CIP Fund is a minor governmental fund used by the City to account for the City’s utility capital improvement projects including water and wastewater capital outlay systems. Projects are funded through a combination of transfers in from the Utility Fund, interests, and bonds.

**REVENUES**

The capital projects budget fluctuates from year-to-year. Revenues can include a combination of transfers, interest, bond proceeds, or capital contributions.

**EXPENSES**

The City will continue to work on the following projects from FY15:

- Hutto South WWTP
- Enclave Pump Force Main

Projects budgeted for FY16 include:

- Front St. Waterline
- Carmel Crossings Wastewater Interceptor (reimbursement)

Other project balances remaining at the end of the fiscal year are transferred into the new budget through a budget amendment. Visit the “Capital Projects” section of the budget to learn more about the planned improvements.

**BUDGET VARIANCES**

Fund balance for this fund will fluctuate depending on the timing of projects and bond issuances.
The Impact Fees Fund is used to manage the collection and use of impact fees for the City's Water and Wastewater Capital Improvement Projects. The City began collecting impact fees in the fall of 2006. The Impact Fee Study was updated in early 2013. The City transfers collected Impact Fees to the Utility Fund to help pay for debt service related to capital projects. Any fund balance left at the end of the year is due to the timing of collections.

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<tr>
<td>Water Impact Fees</td>
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<td>502,936</td>
<td>502,936</td>
<td>572,850</td>
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<td>Wastewater Impact Fees</td>
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<td>259,706</td>
<td>461,918</td>
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<td>Total Revenues</td>
<td>1,432,290</td>
<td>762,642</td>
<td>762,642</td>
<td>1,034,768</td>
<td>900,000</td>
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<table>
<thead>
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<tbody>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(1,432,290)</td>
<td>(762,642)</td>
<td>(762,642)</td>
<td>(1,054,868)</td>
<td>(900,000)</td>
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<tr>
<td>Total Transfers</td>
<td>(1,432,290)</td>
<td>(762,642)</td>
<td>(762,642)</td>
<td>(1,054,868)</td>
<td>(900,000)</td>
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<td>20,100</td>
<td>-</td>
<td>20,100</td>
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</table>

The Impact Fees Fund was created in 2008 to appropriately account for revenues and expenses related to impact fees under Chapter 395 of the Texas Water Code. Collected impact fees are transferred to the Utility Fund for eligible expenses.

Revenues are calculated based on anticipated development of subdivisions and commercial sites. Impact fees are assessed at the time a property is platted and paid at the time the building permit is issued. Impact fee collections are expected to increase in line with the increase in new growth currently occurring in Hutto. The City currently assesses the following impact fees:

For lots platted prior to February 2013:
- Water - $4,363 per service unit equivalent
- Wastewater - $1,068 per service unit equivalent

For lots platted after February 2013:
- Water - $3,625 per service unit equivalent
- Wastewater - $2,128 per service unit equivalent

Eligible Impact Fee collections will be transferred to the Utility Fund to support eligible debt service payments.
The Court Fees special revenue fund tracks fees that are allowed to be collected on certain Class C Misdemeanors in Municipal Court. These fees must only be used for specific purposes outlined in the law, including Court Security, Court Technology and Court Training.

### REVENUES

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Court Technology Fees</td>
<td>6,267</td>
<td>6,700</td>
<td>6,700</td>
<td>7,000</td>
<td>7,000</td>
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<td>Court Security Fees</td>
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<tr>
<td>Court Training Fees</td>
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<td>450</td>
<td>485</td>
<td>500</td>
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<td>12,250</td>
<td>12,250</td>
<td>12,585</td>
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### EXPENDITURES

#### General Services

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<tr>
<td>Court Technology</td>
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<td>7,460</td>
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<td>7,024</td>
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<td>25,553</td>
<td>25,553</td>
<td>10,750</td>
<td>28,652</td>
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<td>-</td>
<td>450</td>
<td>450</td>
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<td>1,939</td>
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### NET CHANGE IN FUND BALANCE

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<tbody>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
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<td>(21,213)</td>
<td>(21,213)</td>
<td>(5,165)</td>
<td>(25,015)</td>
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### BEGINNING FUND BALANCE

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</thead>
<tbody>
<tr>
<td><strong>BEGINNING FUND BALANCE</strong></td>
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<td>21,213</td>
<td>30,180</td>
<td>30,180</td>
<td>25,015</td>
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### ENDING FUND BALANCE

<table>
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<tr>
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<tbody>
<tr>
<td><strong>ENDING FUND BALANCE</strong></td>
<td>30,180</td>
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<td>8,967</td>
<td>25,015</td>
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</table>

### FUND DESCRIPTION

The Court Fees special revenue fund tracks fees that are allowed to be collected on certain Class C Misdemeanors in Municipal Court. These fees must only be used for specific purposes outlined in the law, including Court Security, Court Technology and Court Training.

### REVENUES

Court fees are special Municipal Court revenues collected in accordance with state law to enhance Court security, technology, and training. A total of $12,600 has been budgeted for FY16.

### EXPENSES

The special revenues may only be used for expenses related to Court technology, security, and training. Expenses include maintenance FEES FOR THE City’s Court technology applications. The budget reflects using the full balance of each of the funds each year to give the staff the flexibility to use the funds as needed. Court Security Fund was used in 2014 to implement a Warrant Officer program. This program was designed to raise fine collections and reduce the cost of outside resources.

### BUDGET VARIANCES

The Court Fee Funds summary includes Court Technology, Security, and Training Funds. Fund balance will fluctuate depending on the timing of projects.
Hotel Tax Fund Summary

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<tr>
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<td><strong>REVENUES</strong></td>
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<tr>
<td>Hotel Occupancy Tax</td>
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<td>180,000</td>
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<tr>
<td>Interest and Other</td>
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</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>103,577</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>180,000</td>
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<td><strong>EXPENDITURES</strong></td>
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<tr>
<td>Downtown/Tourism</td>
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<td>82,863</td>
<td>22,863</td>
<td>13,840</td>
<td>104,050</td>
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<td>Chamber of Commerce</td>
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<td>20,000</td>
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<td><strong>Total Expenditures</strong></td>
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<td>94,863</td>
<td>34,863</td>
<td>25,840</td>
<td>124,050</td>
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</tr>
<tr>
<td>Transfers In</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Transfers Out (General Fund)</td>
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<td>(194,000)</td>
<td>(254,000)</td>
<td>(254,000)</td>
<td>(78,240)</td>
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<tr>
<td><strong>Total Transfers</strong></td>
<td>(37,351)</td>
<td>(194,000)</td>
<td>(254,000)</td>
<td>(254,000)</td>
<td>(78,240)</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>(50,570)</td>
<td>(188,863)</td>
<td>(188,863)</td>
<td>(179,840)</td>
<td>(22,290)</td>
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<tr>
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<td>202,130</td>
<td>22,290</td>
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<td>13,267</td>
<td>22,290</td>
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</tr>
</tbody>
</table>

**FUND DESCRIPTION**

The Hotel Occupancy Tax Fund was created in 2008 to better manage revenue and expenses related to the Hotel Occupancy Tax collected by the City of Hutto. State law stipulates special restrictions for the expenditure of Hotel Occupancy Tax revenue. The City Council adopted a Hotel Tax Use Policy in 2009 defining how hotel tax revenues may be used. The Policy stipulates that funds may be used for any of the follow functions so long as the action aids in bringing overnight tourists to Hutto:

- 1) Convention and Visitor’s Bureau functions - 15%
- 2) Promotion of the Arts - 15%
- 3) Historical Restoration and Museums - No limit
- 4) Sporting Event Promotion - No limit
- 5) Enhancement of Existing Sports Facilities - No limit
- 6) Signage (directional signage for tourists) - No limit

**REVENUES**

Revenues represent the 7% Hotel Occupancy Tax allowed by state law. The City’s first major hotel opened in 2008. A second hotel opened in 2015, increasing the City’s hotel tax collections.

**EXPENSES**

The City implemented a Hotel Tax Use Policy in 2009 to outline how hotel/motel tax revenues may be used in accordance with state law. In 2014 the Hotel Tax Use Policy was amended to allow for businesses intending to promote the City of Hutto to visitors through a public project or event to also apply for funding. The application process has been revised to have applicants apply during a designated time annually rather than throughout the year allowing for improved budgetary planning and further clarification to applicants. The application packet has also been modified to include a cover letter, overview, checklist, application revisions, a copy of Chapter 351 of the Texas Tax Code, and a lodging directory. Funding is at the discretion of the City Council. The Downtown and Tourism Manager oversees the use of the funds in accordance with state law and city policy.

A breakdown of expenses was added with the 2014-15 Budget to allow the reader to see how much is available within each category. Unencumbered funds from previous fiscal years are also available for use.
Fund balance is budgeted at zero giving Council the ability to use as much of the revenues as possible. Actual expenses will be based on applications from community organizations for use of the funds.
### Red Light Camera Fund Summary

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</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Red Light Cameras</td>
<td>171,034</td>
<td>177,000</td>
<td>177,000</td>
<td>215,000</td>
<td>200,000</td>
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<tr>
<td>Total Revenues</td>
<td>171,034</td>
<td>177,000</td>
<td>177,000</td>
<td>215,000</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
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<tr>
<td>Red Light Cameras (ATS)</td>
<td>166,092</td>
<td>175,000</td>
<td>175,000</td>
<td>140,000</td>
<td>150,000</td>
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<tr>
<td>Remittance to State</td>
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<td>-</td>
<td>7,000</td>
<td>8,000</td>
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<tr>
<td>Total Expenses</td>
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<td>175,000</td>
<td>147,000</td>
<td>158,000</td>
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<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
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<td>3,325</td>
<td>6,942</td>
<td>72,942</td>
<td>114,940</td>
</tr>
</tbody>
</table>

### FUND DESCRIPTION

The Red Light Cameras Fund tracks revenues and expenses associated with the City’s red light cameras. The fund was created in the 2009-10 Budget.

### REVENUES

Revenues represent collections from the City’s red light cameras. The City contracted with American Traffic Solutions in 2008 to install red light monitoring cameras at key intersections to reduce traffic accidents. Revenues are expected to increase with growth, but remain flat over time as a result of drivers being more cautious at red light camera intersections.

### EXPENSES

As per the contract with American Traffic Solutions (ATS), the City pays $3,750 per approach each month to ATS for the cost of the equipment, administration, and maintenance of the system. Half of remaining funds are transferred to the state in accordance with Chapter 7 of the Texas Transportation Code. Any remaining funds are to be used by the Police Department to purchase equipment.

### BUDGET VARIANCES

The Red Light Camera fund was created in FY2010 to better manage revenues and expenses related to the red light cameras. Funds generated through red light cameras may be used to enhance traffic enforcement.
**PEG Fund Summary**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PEG Capital Fees</td>
<td>27,196</td>
<td>28,560</td>
<td>28,560</td>
<td>28,560</td>
<td>29,131</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>27,196</td>
<td>28,560</td>
<td>28,560</td>
<td>28,560</td>
<td>29,131</td>
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<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Technology Equipment and Supplies</td>
<td>5,497</td>
<td>19,311</td>
<td>57,000</td>
<td>21,356</td>
<td>38,000</td>
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<td>Professional Services</td>
<td>900</td>
<td>40,000</td>
<td>23,338</td>
<td>25,918</td>
<td>24,190</td>
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<td>Communication Services</td>
<td>-</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
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<td><strong>Total Expenditures</strong></td>
<td>6,397</td>
<td>79,311</td>
<td>80,338</td>
<td>47,274</td>
<td>62,190</td>
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<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>20,799</td>
<td>(50,751)</td>
<td>(51,778)</td>
<td>(18,714)</td>
<td>(33,059)</td>
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<td>Beginning Fund Balance</td>
<td>30,979</td>
<td>50,751</td>
<td>51,778</td>
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<td><strong>ENDING FUND BALANCE</strong></td>
<td>51,778</td>
<td>-</td>
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<td>33,060</td>
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</tbody>
</table>

**FUND DESCRIPTION**

The Public, Education and Government Channel Fund (PEG Fund) accounts for cable franchise fee payments used for the provision of a public, educational and governmental access channel in accordance with state law.

**REVENUES**

The City of Hutto, through a state franchise agreement, receives franchise fees equal to 1% of gross cable provider revenues to support certain expenses in providing a public access channel. The estimated 2015-16 revenue of $29,131 is based on gross revenue received by Time Warner Cable.

**EXPENSES**

Use of PEG revenues is regulated by state law. In short, the franchise fee may be used to pay capital costs associated with operating a public access channel. The City of Hutto, in partnership with Hutto ISD, launched the Hutto Cable Access Channel in early 2014 on Time Warner Cable Channel 10. The City budgets all available resources in order to pay for expenses throughout the year.

The City will begin broadcasting City Council Meetings in September 2015 and all associated expenses will be paid for with PEG funds.

**BUDGET VARIANCES**

The PEG Fund was created through a budget amendment in FY2014 to account for revenues and expenses in accordance with the state franchise agreement.
City Administration

Department Description

The City Administration Department includes the elected and appointed officials as well as the management and administrative staff of the City. While the elected officials develop the policies that govern the city, management designs ways for implementation of these policies. This Department provides oversight, guidance, and support for all the departments as they each carry out and provide a variety of services to the citizens of Hutto. The City’s boards and commissions are also included in the Department as they provide policy guidance to the City.

Divisions: City Council, City Manager’s Office, City Secretary, Human Resources, Downtown and Tourism, and Geographical Information Systems.

Major Accomplishments

- Completed and implemented the Market Pay Study and Compensation Policy
- Created employee on-boarding program
- Conducted an employee engagement survey
- Instituted a volunteer program for employees
- Started quarterly HOA meetings
- Partnered with Williamson County for repairs to Limmer Loop
- Completed reconstruction of the Gin
- Updated the Tax Abatement Ordinance
- Participated in the Target Industry Study
- Completed the Grocery Store Study and met with prospective grocers
- Implemented Council Committees
- Adopted the Council Protocol Policy
- Utilized ICMA Insights system for benchmarking and tracking data.

Strategic Guide Policies and Objectives

Council Relations Policy – The Council Relations Policy, including the Leadership Expectations Framework, reflects the intentions of the Hutto City Council in defining the behaviors, manners and courtesies that are suitable for various occupations. It is also designed to make public meetings and the process of governance run more smoothly.

2015-16 Objectives:

- Leadership Policy – It is the desire of the City Council to provide honest, ethical, and effective guidance in the development and structure of leadership for the City.

2015-16 Objectives:

- Quality of Life Policy – It is the desire of the Hutto City Council to create a city that engages citizens by providing programs and services beyond their basic needs.

2015-16 Objectives:

- Service Delivery Policy – It is the desire of the Hutto City Council to deliver programs and services in a manner that best reflects the makeup of the community and the needs of the citizens.

2015-16 Objectives:

- Fiscal and Budgetary Policy – It is the desire of the Hutto City Council to achieve and maintain a long-term, stable, and positive financial condition and provide guidelines for the day-to-day planning and operations of the City’s financial affairs.

2015-16 Objectives:

- Organizational Development Policy – It is the desire of the Hutto City Council to maintain a qualified staff that will con-
continue to move the city in a positive, progressive and productive direction.

**2015-16 Objectives:**

饪

**Education Policy** – It is the desire of the Hutto City Council to develop a cooperative relationship with Hutto Independent School District, East Williamson County Higher Education Center, and other educational entities to enhance the quality of education.

**2015-16 Objectives:**

饪

**Economic Development Policy** – It is the desire of the City of Hutto to develop business diversity consistent with the Comprehensive Plan that will maintain an economic base that is sustainable and adaptable.

**2015-16 Objectives:**

饪

**Legislative Agenda Policy** – It is the desire of the Hutto City Council to actively pursue legislative agenda(s) related to our city, county, region, state and federal level for the benefit of our community.

**2015-16 Objectives:**

饪

Planning Indicators and Focus

The Department’s planning and focus is guided by the Comprehensive Plan and the City Council’s 2035 Strategic Guide which establishes policy direction guiding Hutto’s future. Hutto continues to develop both internally, through staff development, as well as externally, as evidenced by the new construction throughout the area. To continue the leadership development of the Mayor and Councilmembers, Council committees have been created to facilitate feedback to staff as well as the review of Council policies and roles. The City will continue its efforts to promote and participate in the Hutto Leadership Academy and continue offering the Hutto Citizens’ University.
City Manager’s Office

Division Description

The City Manager serves under the policy direction of the City Council, acting as the Chief Administrative Officer, and is responsible for making recommendations to the Council concerning policies and programs while developing methods to ensure the efficient operation of city services. The Division coordinates and administers the implementation of ordinances, policies and procedures that will provide for the orderly, positive, planned growth and development of the City of Hutto. The Division coordinates various City events and serves as the primary point of contact and liaison to the City Council, City Attorney, the community, the press, boards and commissions, area agencies, and other governmental bodies. It is the duty of the office of the City Manager to ensure the effective and efficient operations of the entire organization to best meet the needs of the citizens by providing continual oversight of city staff, management of the City’s contracts, and mitigation of claims to reduce the City’s liability. The Division works to develop a productive relationship with the Council to encourage policy development, strategic planning, and effective communication.

Division Goals

1. Strengthen the internal structure and nurture a culture supportive of organizational excellence to increase operational effectiveness.
2. Enhance citizen engagement through public relations programs to provide better communication with citizens and ensure a constructive relationship with the media.
3. Develop structured media campaigns and work with community partners to develop a marketing/branding strategy unique to Hutto.
4. Provide comprehensive leadership development to the citizens of Hutto to advance the knowledge of those who seek positions on the City Council or boards and commissions.
5. Strengthen relationships with governmental entities and community agencies in support of building a strong, unified community.
6. Oversee the accomplishment of the goals identified in the FY16 Strategic Work Plan.

FY 2015 Accomplishments

-完成了对超市的分析，证明了在胡托开设超市的盈利性，并与潜在的超市进行了谈判
-将城市的绩效数据迁移到ICMA Insights程序
-新任议员的就职仪式
-招聘了一名公共信息官
-与社区领导举行了季度会议
-实施了各个议会任务委员会的结果和建议
-开发了一个新的标志
-为胡托PEG频道购买并安装了新设备
-胡托在首都的日子
-管理了胡托 Gin 的重建
-对组织的改进服务进行了再结构化
-建立了员工团队来解决组织的需求
-修订了年度员工评估系统以更好地反映组织的期望
-修订了员工认可流程
-通过员工感恩周展示了员工的感谢
-进行了员工满意度调查
-帮助胡托 EDC 与目标行业分析的开发

FY 2016 Objectives

-进行2016年公民调查
-与公共-私人合作就胡托 Co-op 进行谈判
-管理 FY16 战略工作计划
-与公共-私人合作就胡托 Co-op 进行谈判
<table>
<thead>
<tr>
<th>PERFORMANCE MEASURES</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>TARGET</th>
</tr>
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<tbody>
<tr>
<td>Percentage of citizens satisfied with usefulness of information from the City</td>
<td>N/A</td>
<td>73.3%</td>
<td>N/A</td>
<td>N/A</td>
<td>80%</td>
</tr>
<tr>
<td>Percentage of citizens satisfied with the City’s customer service</td>
<td>N/A</td>
<td>76.4%</td>
<td>N/A</td>
<td>N/A</td>
<td>80%</td>
</tr>
<tr>
<td>Percentage of HOAs attending Quarterly HOA meetings</td>
<td>-</td>
<td>-</td>
<td>50%</td>
<td>75%</td>
<td>75%</td>
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### Expenditures

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<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>AMENDED</td>
<td>PROJECTED</td>
<td>BASE</td>
<td>BUDGET</td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>414,850</td>
<td>420,366</td>
<td>429,280</td>
<td>403,233</td>
<td>439,085</td>
<td>439,085</td>
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<td>Supplies and Materials</td>
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<td>17,600</td>
<td>12,700</td>
<td>15,600</td>
<td>15,600</td>
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<tr>
<td>Other Services and Charges</td>
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<td>114,800</td>
<td>135,800</td>
<td>111,846</td>
<td>105,100</td>
<td>105,100</td>
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<td><strong>Division Total</strong></td>
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<td>$582,680</td>
<td>$527,779</td>
<td>$559,785</td>
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</table>

### Major Budget Changes
- None

### FY 2016 Enhancements
- None

### Personnel

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>AMENDED</td>
<td>PROJECTED</td>
<td>BASE</td>
<td>BUDGET</td>
</tr>
<tr>
<td>City Manager</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Assistant City Manager</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Public Information Officer</td>
<td>0</td>
<td>1</td>
<td>1</td>
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<td>1</td>
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<tr>
<td>Chief of Staff</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Intern</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total Personnel</strong></td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
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</tr>
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</table>
City Council

Division Description

The City Council is comprised of a Mayor and six council members, all elected at large. Hutto is a Home-Rule City, which means that the Council is free to enact legislation, adopt budgets, and determine policies, subject only to the limitations imposed by the Texas Constitution, state statutes and City Charter. The Council appoints a City Manager, who serves as the chief executive officer of the City and coordinates and implements activities to effectively accomplish the City Council’s goals and objectives. The Council also appoints citizens to serve on boards, commissions, and committees.

Division Goals

1. Evaluate existing partnership and interlocal agreements.

FY 2015 Accomplishments

- Established Council Committees to streamline the governance process
- Updated the Fiscal and Budgetary Policy and Council Protocol Policy
- Adopted a new Tax Abatement Ordinance and Board and Commission Ordinance
- Participated in community partnerships such as Hutto Day at the Capitol and the Quarterly Coordination Committee
- Conducted “Ensuring Hutto’s Safety” series
- Held joint meeting with boards and commissions to discuss strategic alignment and purpose
- Conducted joint meetings with Hutto EDC to discuss economic development in Hutto
- Refinanced existing bonds resulting savings of $1 million
- Met 25% financial reserves goal as established in the Fiscal and Budgetary Policy
- Created the new Building and Standards Commission
- Established new benchmark cities through Compensation study

FY 2016 Objectives

- Complete Community Marketing initiative through partnership with EDC, EWCHEC, and Hutto ISD
- Continue conversations with Williamson County EMS and ESD#3 on future needs
- Support the expansion of the Williamson County Regional Animal Shelter
- Form a Charter Review Committee to assess the City’s Charter
- Approve a new solid waste franchise agreement
- Amend the Council Relations Policy
- Evaluate establishing a Youth Advisory Commission

<table>
<thead>
<tr>
<th>PERFORMANCE MEASURES</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>TARGET</th>
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<tr>
<td>Bond Rating (Standards &amp; Poor's)</td>
<td>A+</td>
<td>A+</td>
<td>AA-</td>
<td>AA-</td>
<td>AAA</td>
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<td>Percentage of citizens satisfied or very satisfied with overall quality of life</td>
<td>58.8%</td>
<td>N/A</td>
<td>84.7%</td>
<td>N/A</td>
<td>80%</td>
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Expenditures

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<tbody>
<tr>
<td>Supplies and Materials</td>
<td>20,298</td>
<td>25,850</td>
<td>25,850</td>
<td>27,950</td>
<td>25,950</td>
<td>25,950</td>
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<td>Other Services and Charges</td>
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<td>642,766</td>
<td>653,140</td>
<td>677,396</td>
<td>677,396</td>
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<td>Division Total</td>
<td>$ 491,466</td>
<td>$ 668,726</td>
<td>$ 668,726</td>
<td>$ 681,090</td>
<td>$ 703,346</td>
<td>$ 703,346</td>
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</tbody>
</table>

Major Budget Changes

- None

FY 2016 Enhancements

- None
City Secretary

Division Description

The City Secretary Division provides administrative assistance and performs duties as required by the City Manager and the City Council. Responsibilities include the posting of all notices for meetings held by the City Council and Boards and Commissions in accordance with the Texas Open Meeting Act. Prepares and preserves the actions and records of the City Council. Serves as the Records Management Officer for the City. Coordinates all City elections and issues City Alcoholic Beverages permits to establishments within the city limits.

Division Goals

1. Employ new technology to build a more efficient and customer friendly environment that reduces operational costs.
2. Assist with leadership development of boards and commissions by providing training on effective governance.
3. Deliver ongoing assistance and training to departments on records retention and management.

FY 2015 Accomplishments

- Conducted board and commission training on open meetings, procedures, and governance.
- Implemented Swag-It for streaming of City Council meetings.
- Conducted City Council election.
- Transitioned portion of boards and commissions to electronic packet process.
- Conducted an audit and created log of all permanent records of the City.
- Created a board and commission manual to educate and guide board and commission members.
- City Secretary earned certification through the Texas Municipal Clerks Association.

FY 2016 Objectives

- Update procedures related to open records request and records retention.
- Work with IT Division to create guidelines for electronic records.
- Assist with the Charter Review Committee.
- Provide administrative support to other departments as needed.

PERFORMANCE MEASURES

<table>
<thead>
<tr>
<th>Percentage of official records logged, scanned, and filed</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>TARGET</th>
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<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>95%</td>
<td>100%</td>
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</table>

<table>
<thead>
<tr>
<th>Percentage of HCU alumni serving on board or commission</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>30%</td>
<td>40%</td>
<td>45%</td>
<td>&gt;50%</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Percentage of City Council minutes approved within one month of the meeting</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td>100%</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of registered voters voting in elections</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>TARGET</th>
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<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>6%</td>
<td>7%</td>
<td>&gt;10%</td>
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Expenditures

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>103,995</td>
<td>112,033</td>
<td>112,033</td>
<td>116,944</td>
<td>118,455</td>
<td>118,455</td>
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<td>Supplies and Materials</td>
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<td>3,633</td>
<td>2,330</td>
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<td>Other Services and Charges</td>
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<td>34,500</td>
<td>39,050</td>
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<td>Division Total</td>
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<td>$ 154,763</td>
<td>$ 155,077</td>
<td>$ 159,835</td>
<td>$ 159,835</td>
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Major Budget Changes

- None

FY 2016 Enhancements

- None
**Personnel**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>AMENDED</td>
<td>PROJECTED</td>
<td>BASE</td>
<td>BUDGET</td>
</tr>
<tr>
<td>City Secretary</td>
<td>0.5</td>
<td>0.5</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Assistant City Secretary</td>
<td>1</td>
<td>1</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
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<td>Total Personnel</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Human Resources

Division Description

The Human Resources Division promotes a work environment that embraces the contributions of each employee and encourages the professional development and success of its workforce. This Division is responsible for the development of policies that ensure the fair and equitable treatment of the City’s employees while maintaining a focus on compliance with State and Federal employment laws. It provides support to departmental leaders with the recruitment and retention of talent and acts as a resource in finding solutions to employment-related issues. The Human Resources Division also ensures and administers a competitive employee benefits package.

Division Goals

1. Enhance the new hire orientation and onboarding programs.
2. Continue to evaluate the City’s evaluation system on an organization-wide basis by shadowing employee positions, and consulting with benchmark cities on various matters.
3. Assist insurance broker with marketing benefits plans, reviewing employee benefit package and offering wellness initiatives.
4. Establish core competencies for supervisors, coordinate bi-monthly supervisor training meetings, and enhance all employee training requirements.
5. Nurture organization culture through the development and advancement of City employees.

FY 2015 Accomplishments

- Completed and implemented a market compensation study
- Worked with Police Department to establish a step pay system for sworn officers
- Updated evaluation system to include annual goal development process and mid-year assessment
- Instituted new Classification & Compensation, and Volunteer policies and procedures
- Implemented a comprehensive new employee orientation process
- Selected new broker for negotiating employee benefits and insurance packages
- Implemented online employee benefits enrollment

FY 2016 Objectives

- Assist the Wellness Team and benefits consultant with establishing city wide Wellness Program.
- Work with benefits consultant to formulate short-term and long-term benefits strategies, and to ensure compliance with health care reform reporting requirements.

<table>
<thead>
<tr>
<th>PERFORMANCE MEASURES</th>
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Expenditures

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Major Budget Changes

- None
FY 2016 Enhancements

- None

### Personnel

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Downtown and Tourism

Division Description

The Downtown and Tourism Division oversees revitalization of the City’s commercial core within the 1911 Historic District through coordination with local businesses, administration of the downtown incentives program, organization of special events, and partnerships with stakeholders such as the Downtown Businesses, Economic Development Corporation and Hutto Area Chamber of Commerce. The Downtown and Tourism Division also directs Convention and Visitor’s Bureau activities including advertising, production of brochures, promotion of local events and attractions, and marketing Hutto as a visitor destination through efficient use of Hotel Occupancy Tax revenue.

Division Goals

1. Create an economically stable, diverse, and appropriate business base for Hutto’s downtown that creates local jobs and increases the City’s tax base.
2. Expand downtown community events to create a “buzz” of activity that draws residents from the surrounding areas to visit and shop in downtown Hutto.
3. Serve as a liaison between the downtown businesses and partners such as the Hutto Area Chamber of Commerce, Economic Development Corporation, and the City.
4. Encourage residents to support local businesses and retain tax dollars in Hutto.
5. Evaluate other funding mechanisms for downtown redevelopment and business improvements.
6. Program and market the Co-op Gin building to be a regional attraction for special events.

FY 2015 Accomplishments

- Worked with downtown property owners and realtors to market properties, resulting in 5 property sales in 1-year
- Grew the Christmas Fair and Home & Garden Show events
- Re-launched the Farmers Market as new expanded Co-op Market Nights
- Created Visit Hutto brochures to mail to potential Hutto visitors and display at local hotels and businesses
- Hosted new special events – Reds, Whites, & Brews and Sunset Music Series
- Developed rental policies and brochure for the Co-op Gin building
- Worked with GIS to create a self-paced hippo tour

FY 2016 Objectives

- Work with downtown property owners/realtors on leasing to new businesses with recruitment efforts and site visits
- Expand the Christmas Fair Event during the month of December
- Develop strategies to increase public art and cultural features in Downtown and Old Town District
- Increase event recruitment and rentals for the Co-op Gin building
- Expand the Sunset Music Series to create a spring and fall series
- Work with Engineering to design and construct East Street Improvements

Expenditures

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63
Major Budget Changes

- None

FY 2016 Enhancements

- None

Personnel

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Geographic Information Systems (GIS)

Division Description

The Geographic Information Systems (GIS) Division of the Community Development Department manages, updates, and maintains the geospatial database for the City. A geographic information system (GIS) integrates hardware, software, and data for capturing, managing, analyzing, and displaying all forms of geographically referenced information. This Division offers support and provides information to both internal and external customers.

Division Goals

1. Work with the Public Works Department to integrate GIS coordinates of physical assets.
2. Complete spatial analysis of the City using GIS technologies to help plan for and provide services.
3. Incorporate a web based GIS client onto the City’s website for an efficient, user-friendly way of displaying and viewing geographic data.
4. Use GIS to support internal and external customers through capturing, managing, analyzing, and displaying geographically referenced information

FY 2015 Accomplishments

- Updated map layers to reflect the 2014 Williamson County Appraisal District data
- Worked with the Downtown Division to create a virtual Hippo Tour using ESRI StoryMaps tool
- Updated parks maps for use in the Parks Master Plan update
- Published ArcGIS online maps to be viewable using ESRI Explorer application
- Assisted Public Works in loading ESRI Collector tool on mobile devices to provide updates on asset locations from the field
- Partnered with Hutto Police Department to create a Police Blotter map
- Added new subdivisions to GIS system
- Worked with Google Maps to update and correct mislabeled points

FY 2016 Objectives

- Add new layers for other utilities and infrastructure in the City of Hutto
- Utilize StoryMaps tool to create virtual tour or historic structures
- Audit water infrastructure to ensure water model matches data in GIS model
- Implement ArcGIS server for enhanced user mapping capabilities
- Create a GIS Users Group to help departments integrate GIS into their operations
- Integrate pavement management data into GIS database

Expenditures

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Major Budget Changes

- None

FY 2016 Enhancements

- None

Personnel

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Finance

Department Description

The Finance Department manages the City’s financial resources and provides decision support services to City management. The Department plans and directs the City’s financial activities including accounting, payroll, tax collections, financial reporting, debt management, financial policy development, and investment management. The Department directs the annual budget process, as well as the Five-Year Strategic Plan, and administers the City’s financial risk management and treasury functions. The Department manages expenses related to capital projects including debt issuances and bond rating agency presentations.

Divisions: Accounting and Financial Planning

Major Accomplishments

- Standard & Poor’s Ratings Services reaffirmed the City’s AA-bond rating
- Earned Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting
- Received Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award
- Issued refunding bonds in order to capitalize on current low interest rates and reduce future debt service payments.

Strategic Guide Policies and Objectives

Fiscal and Budgetary - Fiscal and Budgetary Policy enables the City to achieve and maintain a long-term, stable, and positive financial condition and provide guidelines for the day-to-day planning and operations of the City’s financial affairs.

2015-16 Objectives:
- Adhere to all necessary financial reporting and audit requirements
- Provide support and consult with all City departments and management for excellent financial management

Planning Indicators and Focus

The Finance Department provides support to the rest of the organization. Growth in the Department largely depends on the needs of other departments.

Finance is focused on strengthening financial controls and procedures, increasing fiscal transparency, providing financial analysis, and evaluating opportunities to strengthen the City’s fiscal condition.

The Department works with City Administration to identify financing strategies to finance capital improvements, fund new programs and services, and incentivize economic development. As a growing City, Hutto faces the challenge of increased service demands with limited additional resources. Long-range financial planning and balancing needs with available resources will be important in meeting the Council’s Strategic Goals and making Hutto successful.
Accounting and Financial Planning

Division Description

The Accounting and Financial Planning Division oversees the daily financial activities of the City, which include, accounting, budgeting, forecasting, accounts payable, accounts receivable, payroll, revenue collection, reporting, debt and investment management, and management of city-wide internal controls. The Division utilizes best practices and industry standards to provide accountable, transparent, and prudent fiscal stewardship. The Division annually directs the budget process as well as the preparation and publication of the Comprehensive Annual Financial Report that meets standards set by the Government Finance Officers Association (GFOA).

Division Goals

1. Plan for the City’s future financial growth to pursue and accomplish strategic initiatives.
2. Maintain competitive fees that ensure adequate cost recovery to sustain the City’s financial integrity and explore additional revenue opportunities that encourage development.
3. Improve records management and transparency through the establishment of a structured file system, better records storage, and increase availability of financial information on the website.
4. Coordinate a city-wide effort to develop meaningful performance measures that report efficiency and effectiveness of City initiatives.
5. Provide ongoing training and support for financial operations to all departments.

FY 2015 Accomplishments

- Maintained AA- bond rating
- Completed Comprehensive Annual Financial Report and was awarded the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the ninth consecutive year
- Awarded the GFOA Distinguished Budget Presentation Award for the ninth consecutive year
- Received the Gold Level Leadership Award for Fiscal Transparency from the State of Texas Comptroller (upgraded from the Silver Level Award)
- Revised the Fiscal and Budgetary Policy to ensure alignment with the Strategic Guide
- Implemented “positive pay” fraud prevention measure for checks issued on the City’s operating account
- Selected First Southwest Asset Management as the City’s investment advisor through a request for proposals
- Worked with the Financial Software Team to select new financial software that will meet the current needs of the City, can accommodate growth, and integrates well with other software

FY 2016 Objectives

- Transition to new financial software
- Update the City’s utility rate model
- Conduct a franchise audit for garbage and electric providers
- Maximize the City’s return on investments in accordance with the adopted investment policy
- Update five year plan and fiscal forecast
- Review and update department policies and procedures to ensure they are relevant, consistent, and comprehensive
- Implement an accounting and reporting process for development agreements
- Request proposals for banking service contract
Expenditures

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Major Budget Changes

♦ None

FY 2016 Enhancements

♦ None

Expenditures

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Development Services

Department Description

The Development Services Department is comprised of the following three divisions: Planning, Building & Code Enforcement and Engineering. The Department is responsible for the development of a healthy and vibrant city with a strong economic base, superior job opportunities, multiple types of commercial areas, and a wide range of diversified housing and transportation opportunities for the citizens of Hutto. In addition, the Department is charged with planning, managing, and inspecting projects identified in the City's Capital Improvements Program, and responsible for planning and managing the City's water supply and wastewater treatment capacity. Each division of the department does its part to ensure development occurs in the proper manner.

The Department coordinates inter-departmental review of building plans and prepares reports for the City Council, Planning and Zoning Commission, Historic Preservation Commission, Building and Standards Commission and Zoning Board of Adjustment. The Department also monitors and maintains official records of approved land development activities, and manages the City's comprehensive planning processes.


Major Accomplishments

- Drafted and adopted the City's first Comprehensive Plan with high community input
- Drafted New Rental Inspection Program for FY16
- Implemented Adopt a Spot
- Completed design and obtained TWDB funding for the Hutto South Wastewater Treatment Plant and associated Enclave Lift Station and Force Main projects
- Began construction of South Wastewater Treatment Plant
- Completed construction of the Central Wastewater Plant Interceptor project
- Completed Water Master Plan
- Completed construction of FM 1660 South Sidewalk

Strategic Guide Policies and Objectives

Comprehensive Plan - It is the desire of the Hutto City Council to achieve the orderly growth and development of the City by maintaining and following the Comprehensive Plan which promotes beneficial and appropriate land uses and supporting infrastructure.

2015-16 Objectives:
- Review and amend the Future Land Use Map to include different types of housing densities and address additional mobility and transportation needs.
- Increase outreach and participation to a diverse population.

Mobility - It is the desire of the Hutto City Council to ensure the safe mobility of citizens through various modes of transportation.

2015-16 Objectives:
- Review and amend the Future Land Use Map to incorporate additional mobility needs including potential commuter rail links, and other public transportation.
- Complete the Transit Development Plan in collaboration with CapMetro.
- Apply for transportation funding related different modes of transportation (vehicular, pedestrian, bike)

Public Safety Policy - It is the desire of the Hutto City Council to ensure the safety and well-being of the residents, businesses and visitors in the city.

2015-16 Objectives:
- Implement Rental Inspection Program for FY16
- Begin demolition process of two dilapidated unsafe structures
- Adopt the 2015 ICC Codes
Infrastructure - It is the desire of the Hutto City Council to provide and maintain a quality infrastructure system to meet the vision as set out in the Comprehensive Plan.

**2015-16 Objectives:**

- Substantial completion of the Enclave Lift Station and Force Main projects
- Begin construction of the FM 1660 N Trail project
- Design of Front Street 8” inch water line replacement
- Design and construct East Street Improvements
- Continue fencing along major arterials program
- Complete construction of Limmer Loop Rehabilitation
- Initiate and coordinate Railroad Quiet Zones
- Adopt the Water Master Plan

Planning Indicators and Focus

The Development Services Department takes care of the nuts and bolts of the municipal development process including annexation plans, transportation networks, special district designations, etc. Indicators are the number of development applications submitted; the number of phone calls, emails, office visits, meetings, etc., directed to this Department on a monthly basis.

To make certain that goals of the community are met, the Planning Division works closely with the Building and Code Enforcement Division and the Engineering Division by focusing on the key items that will drive proper development for every site and in alignment with the Comprehensive Plan, ensuring safe desirable living and working environments, helping to maintain property values and working toward neighborhood preservation, integrity and the enhancement of community values, while providing excellent customer service and maintaining a business friendly relationship with applicants.
Planning

Division Description

The Planning Division of the Development Services Department oversees development by working collaboratively with developers, planners and engineers. It also performs the review of all land development applications. These applications include: annexations, zoning, subdivisions, site plan review, and signs. This Division maintains the City’s data on subdivisions, zonings and annexations. It acts as the liaison to the Planning & Zoning Commission, Historical Preservation Commission and Zoning Board of Adjustment. It is responsible for the development and interpretation of development related ordinances to customers. It also provides census, demographic, growth and development information for projections, population, building and development trends and impacts. They provide regional roadway planning, traffic and pedestrian circulation analysis; and systems planning support for parks and recreation, and area-wide improvements.

Division Goals

1.

FY 2015 Accomplishments

- Drafted and adopted City’s first Comprehensive Plan with high community input
- Began Transit Development Planning Partnerships
- Reviewed CO OP architectural standards, processed change of zone and supported the RFI process
- Implemented Adopt a Spot
- Provided cross departmental training on street tree best practices in Right-of-ways

FY 2016 Objectives

- Amend Future Land Use Map to include additional Housing Choices and mobility needs
- Increase participation in traditional and nontraditional grant funding mechanisms
- Support the development of the CO OP site
- Continue to promote Adopt a Spot
- Process SmartCode and UDC amendments

Major Budget Changes

- None

FY 2016 Enhancements

- Planning Management Assistant
Inspections and Code Enforcement

Division Description
The Inspections and Code Enforcement Division of the Development Services Department performs and coordinates the review of all residential and commercial site plan and building plan applications, and helps to ensure code compliance by upholding the laws established by the City of Hutto and the State of Texas to maintain the health, safety and sanitation of our community. They issue residential and commercial construction related permits and perform on-site inspections. Our team of building inspectors visit all construction sites within the City to ensure compliance with building, energy, mechanical, environmental, drainage, erosion control, plumbing, electrical, refrigeration, and housing/zoning standards leading up to the final Certificate of Occupancy. They coordinate, supervise, and review commercial plan review and inspection services with contracted third party services. This Division maintains the City’s historical data on all residential and commercial permitted development. The Division maintains the Local Trades Registry and Licensing database, which ensures that contractors are eligible to perform work in the City of Hutto. Strong, consistent code enforcement ensures safe, desirable living and working environments, helps maintain property values, and works toward the goal of preserving neighborhood integrity and enhancement of community values.

Division Goals
1.

FY 2015 Accomplishments
♦ Drafted Rental Inspection Program for FY16
♦ Initiated Cross training between inspectors

FY 2016 Objectives
♦ Adopt 2015 ICC Codes
♦ Implement Rental Inspection Program
♦ Establish on-line inspection program
♦ Pursue the demolition of two dilapidated, unsafe structures

Major Budget Changes
♦ None

FY 2016 Enhancements
♦ None
Division Description

The Engineering Division is responsible for planning, design, and management of the City's capital infrastructure projects. Additionally, the Division is responsible for planning and managing the City's water supply and wastewater treatment capacity. Responsibilities also include review of subdivision, site construction, and construction inspection of the City's capital infrastructure projects, including monitoring and reviewing construction materials testing. Additionally, the Division assists in the review of subdivision, site construction plans, and other infrastructure construction plans where public improvements are involved. The Division supports the Public Works Department in the maintenance and operation of public improvements and provides engineering support for Parks and Recreation capital projects.

Lastly, as a Division of the Development Services Department, it participates in predevelopment meetings, site plan review, transportation planning and platting processes.

Division Goals

1. Develop long-term master plans for transportation, drainage, water, and wastewater infrastructure.
2. Evaluate existing design and construction standards and specifications to include best practices and technological improvements.
3. Develop and maintain all construction plans and documents including the conversion of plans to electronic formats.
4. Evaluate and revise existing storm water regulations to incorporate new requirements from the Texas Commission on Environmental Quality (TCEQ).
5. Maintain computer model of water and wastewater systems to monitor capacity needs and evaluate proposed development.
6. Coordinate with the Geographic Information Systems (GIS) Division in mapping the City's water, wastewater, and drainage infrastructure.
7. Inspect public infrastructure to ensure quality and minimize long term maintenance costs.

FY 2015 Accomplishments

- Completed design and obtained TWDB funding for the Hutto South Wastewater Treatment Plant and associated Enclave Lift Station and Force Main projects
- Completed construction of the Central Wastewater Plant Interceptor project
- Completed construction of FM 1660 South Sidewalk
- Completed Water Master Plan
- Completed design of the Emory Farms Detention Pond Structure repair
- Provided engineering services for Fritz Park Renovations.
- Completed design of the Shiloh Pump Station Improvements
- Completion of Arterial Fence Phase I
- Began Transit Development Planning Partnership; Applied for CAMPO grants
- Applied for CAMPO grant
- Partnered with WILCO for Limmer Loop repair

FY 2016 Objectives

- Complete design of the FM 1660 N Trail project
- Substantial completion of the Enclave Lift Station and Force Main projects
- Design of Front Street 8" inch water line replacement
- Design East Street Improvements
- Continue fencing along major arterials program
- Continue construction of Limmer Loop Rehabilitation
- Initiate and coordinate Railroad Quiet Zones
- Complete construction of the FM 685 Waterline
Major Budget Changes

- Budgeted as a department in FY15 and absorbed as a division of Development Services during transition

FY 2016 Enhancements

- None
Public Works

Department Description

The Public Works Department is responsible for animal control, janitorial services, streets and drainage and water and wastewater maintenance. Staff maintains and improves the City’s water, wastewater, roadway, and drainage infrastructure to ensure quality service and a long life span of public infrastructure. The Department assists with capital improvement projects and the City’s water, wastewater, and sanitation contracts. The Department works closely with the Engineering to review infrastructure. Animal Control works with pet owners to locate and reunite pets with their owners as well as enforcing City animal control ordinances. Our janitorial staff supports the entire organization by maintaining the appearance and cleanliness of offices and public spaces.

Divisions: Administration, Streets and Drainage, Facility Maintenance, Water and Wastewater.

Major Accomplishments

- Transferred Animal Control from PD to PW
- Hired senior animal control employee
- Successfully passed our animal shelter inspection
- Offered increased animal control services including participation in the Bark Walk Dog event with free chipping clinic (courtesy of Williamson County) and pet registration
- Participated in the library summer reading program
- Attended Animal Control Basic Class provided by Texas State Health Services
- Purchased and installed new animal control equipment including a freezer for deceased animals, and a washer and dryer for laundering animal blankets
- Updated animal control website
- Installed fencing panels on top of the kennels
- Purchased Tandem axle dump truck
- Repaired multiple street failures around manholes
- Amended FY15 mowing contract to include ______________________________
- Completed 200 feet of sidewalk repairs in Clarks Crossing
- Purchased one full matrix message board
- Swept all streets in Country Estates Subdivision
- Replaced over 6” street name signs with 9” sign blades in compliance with the Manual of Uniformed Traffic Control Devices “Nighttime Visibility Act”
- Contracted Carl Stern striping from FM685 to Front Street also Front Street from Carl Stern to FM1660 S
- Replaced on-call Ford F150
- Developed and implemented a Qualifications Manual for the Utility and Streets & Drainage divisions
- Completed FY15 Tank Inspections
- Installed (2) high service pumps at Shiloh facility
- Developed mobile maps access for utility crews
- Designed and implemented new career development plan
- Vacuumed water storage tanks to remove sediment
- Replaced Manville water feed line
- Improved water pressure concerns in Emory Farms Subdivision
- Signed Pavement Management Plan contract with ______________________________
- Developed Water Master Plan
- Implemented Itron conversion program

Strategic Guide Policies and Objectives

Service Delivery - It is the desire of the Hutto City Council to deliver programs and services in a manner that best reflects the makeup of the community and the needs of the citizens.

2015-16 Objectives:

- Continue to expand community events
- Host first time pet owners class
- Explore Pet registration options to include micro chipping
Planning Indicators and Focus

- Review animal control ordinances and make necessary changes
- Host Micro chipping and vaccination clinic
- Use increased time to clean all facilities on a daily basis
- Improve services with increased staff time
- Complete cleaning of all water storage tanks
- Reduction in iron related water issues
- Zero positive coliform bacteriological tests
- Implement maintenance programs based on water master plan recommendations

Mobility Policy - It is the desire of the Hutto City Council to ensure the safe mobility of citizens through various modes of transportation.

2015-16 Objectives:
- Use increased time to clean all facilities on a daily basis
- Improve services with increased staff time
- Complete cleaning of all water storage tanks
- Reduction in iron related water issues
- Zero positive coliform bacteriological tests
- Implement maintenance programs based on water master plan recommendations

Infrastructure Policy - It is the desire of the Hutto City Council to provide and maintain a quality infrastructure system to meet the vision as set out in the Comprehensive Plan.

2015-16 Objectives:
- Continue crack sealing in subdivisions during the fall and beginning of spring
- Remove more trip hazards in sidewalks in Hutto Park Subdivision
- Repair more street failures where subgrade settled over utility lines and around manholes
- Start cleaning ditch lines in Old Town to increase drainage flow
- Start replacing sections of sidewalks that need to have water valve cans adjusted
- Continue Inflow and Infiltration project
- Install SCADA controls on all lift stations
- Enclave interceptor construction and lift station upgrades
- Implement sewer line cleaning and maintenance program
- Utilize Pavement Management Plan

Planning Indicators and Focus

Public Works is working with the Engineering Division to revise construction standards and specifications to ensure best practices and longevity of infrastructure. The changes will keep the City up-to-date with industry changes and new technology, as well as ensure compliance with the Texas Commission on Environmental Quality (TCEQ).

Street maintenance will continue to be an important focus of the Department as staff utilizes the pavement management plan that identifies and ranks street maintenance projects. Mowing of rights-of-way and land (250 acres) has been contracted with two landscaping companies, due to cost savings generated by not purchasing mowing equipment or hiring additional staff.

The Department is working with the GIS Division to locate and GPS (Global Positioning System) infrastructure assets. Infrastructure including waterlines, fire hydrants, valves, storm drains, light poles, etc. are entered into the GIS system. This information is important for building maps, tracking assets, and tracking repairs and maintenance.

Staff is identifying ways to improve customer service and evaluating future space needs for storage and maintenance of supplies and equipment. The City’s automatic meter reading system (Itron) was installed in 2006. Staff is currently working with Itron and Utility Billing to install updated end-points in an effort to keep up with technology and ensure accurate metering.

Public works has a new animal control division and a new senior animal control specialist. We are excited about the new possibilities for animal control. Animal control’s main mission is reuniting pets with their owners. Animal control will continue to increase its presence in the community.

Hutto currently has approximately 7000 utility accounts. The Department is responsible for the maintenance of approximately 100 miles of utility lines, 535 fire hydrants, 778 valves and the automatic meter reading system. The City has five lift stations throughout Hutto and one wastewater treatment plant operated by the Brazos River Authority.
Public Works Administration

Division Description

The Public Works Department is dedicated to the implementation of strategies that promote progressive infrastructure planning and development. It further meets the needs of a rapidly developing community by addressing issues in a proactive and service-minded manner that promotes the welfare of its citizens. The Administration Division provides project management, administrative support, and Capital Improvement Project oversight to enhance the operational effectiveness of the Department and the City.

Division Goals

1. Evaluate future space needs and identify potential cross-departmental and cross-divisional training and cooperative opportunities.
2. Develop recruiting, training and safety programs to ensure a professional staff that is well equipped and licensed to provide services in a safe environment.
3. Develop a project management system to support the overall departmental objectives.
4. Utilize software to track work orders, hours worked, cost of materials, etc. to ensure work is performed effectively and efficiently.
5. Evaluate services currently provided by the Public Works Department to determine if it would be more effective to seek private service providers.

FY 2015 Accomplishments

Animal Control joined the public works department
Developed and implemented the Qualifications Manual for the utilities division and streets and drainage division
Performed Water Meter Audit
Transferred utility employee to Utility Billing
Performed Water Master Plan
Contracted with HVJ Pavement Maintenance Plan
Completed the transfer of all rights of way mowing
Moved public works supervisors out to the service center

FY 2016 Objectives

♦ Utilize the new pavement management plan
♦ Develop new programs for the animal control division
♦ Review and update ordinances for animal control
♦ Implement the qualifications manual for both utilities and streets and drainage divisions
♦ Focus on initiatives that support our goals and objectives while focusing on strategies that make an impact in the community

Major Budget Changes

♦ None

FY 2016 Enhancements

♦
Animal Control

Division Description

The goal of Animal Control is to reunite animals and their owners. Animal control is responsible for enforcing state laws and city ordinances regarding the care and keeping of domestic animals within the City. They investigate nuisance complaints such as barking dogs, aggressive animals, animal abuse complaints, and impound and quarantine animals as appropriate. Animal Control works with Hutto police department to issue citations as necessary in order to enforce laws and ordinances. Additionally, they educate the public in areas such as responsible pet ownership and proper care of domestic pets. Animal control removes deceased animals from roads and rights of way. The most

Division Goals

1. Establish a partnership with a provider for low cost micro chipping.
2. Maintain Hutto animal shelter, in compliance with Texas Department of Health standards.
3. Work with the Regional Animal Shelter and partners on shelter expansion.
4. Develop Animal Control policies consistent with best practices.
5. Provide community education and outreach on animal related topics.

FY 2015 Accomplishments

- Transferred Animal Control from PD to PW
- Hire new senior animal control employee
- Successfully passed our shelter inspection
- Offered increased services
- Installed washer and dryer for cleaning animal blankets
- Purchased freezer for deceased animals
- Participated in the Bark Walk dog event with a free chipping clinic (Wilco) and pet registration
- Participated in the library summer reading program
- Attended Animal Control Basic Class provided by Texas State Health Services
- Purchased new equipment
- Updated animal control website with new info
- Installed fencing panels on top of the kennels
- Facilitated a first time pet owners class

FY 2016 Objectives

- Pass the shelter inspection
- Utilize Social Media and develop natural partnerships that fosters a healthy atmosphere for animals.
- Seal the concrete flooring in the shelter
- Continue to expand community events
- Host first time pet owners class
- Explore Pet registration options to include micro chipping
- Review animal control ordinances and make necessary changes
- Host Micro chipping and vaccination clinic
- Replace shelter kennels
- Research shelter facility designs and associated costs
- Install plastic wall partitions between kennels

Major Budget Changes

- 

FY 2016 Enhancements
Streets and Drainage

Division Description

The Streets and Drainage Division is responsible for maintenance and repairs of City streets including preventive maintenance, asphalt repair, concrete curb and sidewalk construction, striping, traffic, managing mowing contracts, and street sign installation/replacement. Drainage is another key role for this Division, which includes maintenance of drainage areas, monitoring curb and gutter systems, as well as the installation and maintenance of culverts. This Division also ensures that the American’s with Disabilities Act requirements are met regarding ramp and sidewalk accessibility, in addition to addressing preventive maintenance issues. The Division supports the Utility Department by serving “on call” during weekends and holidays to monitor the City’s utility system.

Division Goals

Have current staff obtain their Class A CDL so they can operate new dump truck when needed.
Utilize the pavement management plan to budget and prioritize streets rehabilitation projects/CIP.
Continue implementing the signs and striping program to meet the Nighttime Visibility Act.
Identify and improve drainage right-of-way to promote better drainage of storm water in identified areas of the City.

FY 2015 Accomplishments

Tandem axle dump truck was purchased
Repaired multiple street failures around manholes
Contracted out the rest of the mowing this was areas that did not make the 2014 budget
Completed two sections of sidewalk about 200 feet in Clarks Crossing
We have one full matrix message board in-house
Swept all streets in Country Estates Subdivision
Replaced 225, 6” street name signs with 9” sign blades in compliance with the Manual of Uniformed Traffic Control Devices “Nighttime Visibility Act”
Contracted out the striping of Carl Stern from FM685 to Front Street also Front Street from Carl Stern to FM1660 S

FY 2016 Objectives

♦ Continue crack sealing in subdivisions during the fall and beginning of spring
♦ Remove more trip hazards in sidewalks in Hutto Park Subdivision
♦ Repair more street failures where subgrade settled over utility lines and around manholes
♦ Start cleaning ditch lines in Old Town to increase drainage flow
♦ Start replacing sections of sidewalks that need to have water valve cans adjusted
♦ Utilize data from the pavement management study to help select street maintenance projects using street bond funds as well as money from the general fund.

Major Budget Changes

♦ None

FY 2016 Enhancements
Water

Division Description

The Water Division is responsible for the efficient delivery of safe drinking water within the guidelines established by the Texas Commission on Environmental Quality (TCEQ). The Division maintains and operates the meters and lines within the City's water infrastructure to ensure adequate pressure and volume for all customers. Utility employees repair line breaks and correct service problems, including the flushing of dead-end water mains in accordance with TCEQ. Utility employees also perform preventative maintenance on existing water utility locations, such as tanks, pumps and motors, and electrical controls, in accordance with TCEQ.

The City of Hutto purchases treated water from the City of Taylor, Manville, and Heart of Texas. Utility expenses are budgeted in the Utility Fund.

Division Goals

1.

FY 2015 Accomplishments

2015 Tank Inspections
Two new high service pumps installed in Shiloh
Developed mobile maps access for utility crews
Designed and implemented new career development plan
Vacuumed water storage tanks to remove sediment
Manville water feed line replaced
Higher water pressure delivered to Emory Farms Subdivision
Water Master Plan developed
Itron conversion program

FY 2016 Objectives

Complete cleaning of all water storage tanks
Reduction in iron related water issues
Zero positive coliform bacteriological tests
Implement maintenance programs based on water master plan recommendations

Major Budget Changes

♦ Heart of Texas take or pay increase

FY 2016 Enhancements
Wastewater

Division Description

The Wastewater Division is responsible for the maintenance and operations of the City’s wastewater collection system including lift stations and other wastewater infrastructure within the guidelines established by TCEQ. The Division also tests the system to identify inflow and infiltration issues and respond to customer requests. The Wastewater Division maintains the mechanical and electrical equipment on the City’s lift stations. The lift station maintenance program assures system reliability by performing routine inspections of the systems wastewater lift stations. These routine inspections include the maintenance and repair of pumps, motors, electrical control systems and various control devices at each lift station.

The Brazos River Authority operates and maintains the City’s wastewater treatment plant. Utility expenses are budgeted in the Utility Fund.

Division Goals

1. 

FY 2015 Accomplishments

- Installed two new lift pumps at Glenwood lift station
- Installed 100 ft. of new sewer service in Old Town
- Upgraded control panel at Country Estates lift station
- Completed Inflow and Infiltration maintenance in Country Estates sewer basin
- Developed mobile maps access for utility crews
- Designed and implemented new career development plan

FY 2016 Objectives

- Continue Inflow and Infiltration project
- Install SCADA controls on all lift stations
- Enclave interceptor construction and lift station upgrades
- Implement sewer line cleaning and maintenance program

Major Budget Changes

- None

FY 2016 Enhancements
Department Description

The Hutto Police Department is committed to providing superior police service to businesses, community members, and visitors to the City of Hutto. We accomplish this through a community oriented policing philosophy that supports community partnerships and problem solving techniques that proactively address the conditions that give rise to public safety issues such as crime, fear of crime, social disorder, and decay. Our efforts focus on preventing crime and eliminating the atmosphere of fear it creates. Earning the trust of the community and making individuals proactively involved in their own safety ensures that we are better able to understand and address the needs of the community as well as the issues that give rise to crime.


Major Accomplishments

- Participated in a pay study using benchmark cities
- Replaced aging in-car video recording system
- Established and implemented a pay plan/scale for sworn officers
- Updated police website with current and accurate information
- Established a Citizen's Police Academy Alumni Association
- Completed 3rd year of Citizen's Police Academy
- Conducted a complete audit of the property and evidence room
- Developed and implemented a base line evaluation score for TRS reviews
- Developed and implemented a mandatory Defensive Tactics program
- Revamped the Field Training Program (new coaching model)
- Implemented an Officer's Advisory Board
- Established back-up crime scene techs and began their training
- Began development process for Sergeants by assigning administrative duties
- Began Leadership development for Lieutenants
- Conducted a manpower analysis and overtime analysis
- Developed a five (5) year staffing plan
- Changed hiring process to include non-sworn personnel (academy cadets)
- Hired one (1) sworn officer and two (2) academy cadets
- Implemented Coffee with a Cop
- Survived the Memorial Day Flood
- Implemented a new-hire mentoring program
- Implemented a Sgt. mentoring program
- Fifth safest city in Texas (fourth under 25,000 pop.)

Strategic Guide Policies and Objectives

Public Safety Policy - It is the desire of the Hutto City Council to ensure the safety and well-being of the residents, businesses and visitors in the city.

2015-16 Objectives:

- Replace three aging vehicles
- Increase staffing levels for patrol
- Continue to strengthen relationships/partnerships with community through NNO; HOA meetings; CPA; CPAAA; and proactive policing
- Evaluate future departmental staffing, communications, and property and evidence needs
- Maintain a well trained department and develop employees for future responsibilities/positions
Planning Indicators and Focus

Planning indicators include the number and type of reported crimes, the number of arrests and citations, the number of cases assigned for investigation, and the level of satisfaction with police and dispatch services.

The number of reported crimes reflects the number as tabulated under the F.B.I. Uniformed Crime Reports program for Part I and Part II crimes. These numbers are calculated monthly and reported annually, and provide a measure of the number of reported offenses as well as a general trend in terms of the various offenses.

Williamson County provides emergency dispatch services for the City of Hutto. The Department continues to work in partnership with Williamson County to ensure the quality of service is maintained, maintain the safety of officers, and to provide acceptable response times. Williamson County and the City of Hutto have successfully transitioned to a computer-aided dispatch system which has improved operational efficiencies and allows more time for self initiated activity as the administrative load is reduced.

The City of Hutto is also a member of the Williamson County Regional Animal Shelter. The original shelter opened in 2006 and is now looking at expansion options to keep up with population growth.

The City Council appointed a Public Safety Task Force in 2012 to look at long-term public safety related solutions for the community. Representatives from the Hutto Police Department, Emergency Services District #3, and Williamson County are assigned to this task force. The results of this task force are expected in the fall of 2014. Input from this task force will guide future initiatives of the City and Department.
Police Administration

Division Description

The Police Department’s administrative staff is responsible for the overall management of the City of Hutto law enforce-
ment and public safety efforts. This administration includes the Chief of Police, the Patrol Division Lieutenant, the Sup-
port Division Lieutenant, and administrative staff. The Chief of Police serves as the chief executive officer of the Police
Department and is responsible for personnel management, policy development, financial management, and operational
oversight. The Police Department’s administration serves as the primary point of contact and liaison with community
members and associations, businesses, non-profit service organizations, other governmental agencies and news me-
dia.

Division Goals

1. Continue to build strong partnerships between the community and the Police Department to identify and address
   community issues and concerns.
2. Maintain a safe city status by reducing crime through community oriented and directed policing efforts.
3. Measure efficiency of policing efforts to transition from a reactive system to a proactive system of policing.
4. Continue the process of updating policies and procedures to become a Texas Best Practices certified agency
   through the Texas Police Chief’s Association.
5. Conduct a departmental manpower/policing assessment and develop a future staffing plan.

FY 2015 Accomplishments

- Established a Citizen’s Police Academy Alumni Association
- Implemented an Advisory Board
- Established and implemented a pay plan/scale for sworn officers
- Changed hiring process to include academy cadets

FY 2016 Objectives

- Implement staffing plan
- Increase National Night Out participation
- Conduct a complete analysis of partnership with Williamson County Communications and determine future
  needs.
- Implement plan to become more proactive in policing efforts

Major Budget Changes


FY 2015 Enhancements


Patrol

Division Description

The Patrol Division is the largest division within the Police Department and represents the most visible form of law enforcement services that the Police Department provides to the citizens of Hutto. The Patrol Division provides uniformed police services within the incorporated City limits. Officers assigned to patrol services, in cooperation with other community members and organizations, work to actively resolve crime concerns and quality of life issues facing our community. By remaining actively involved with neighborhood associations and through partnerships with other community organizations, the Division seeks solutions to the challenges presented by the community’s rapid growth. The reduction of crime and the fear of crime, as well as improvement in the quality of police service, remain the primary focus.

Division Goals

1. Continue development of Sergeants and implement more leadership training.
2. Continue partnerships throughout the community to police more proactively.
3. Implement a mentoring program beginning with newly hired officers.
4. Gather enforcement data to aid in staffing/manpower analysis and deployment.
5. Develop leaders from all levels within the Division to prepare for future positions and needs: FTO’s, Mentor’s, Supervisors, Instructors, back-up positions, etc.

FY 2015 Accomplishments

- Replaced aging in-car video recording system
- Revamped the Field Training Program (new coaching model)
- Conducted a manpower analysis and overtime analysis
- Began development process for Sergeants

FY 2016 Objectives

- Create a well trained and developed Patrol Division
- Maintain and increase the current level of safety for the community.
- Recruit and train additional officers.
- Develop a list of problem areas within the community to target for enhanced patrol enforcement

Major Budget Changes

- None

FY 2016 Enhancements

-
Criminal Investigations Unit

Division Description

The Criminal Investigations Unit is responsible for reviewing, assigning, and investigating offense and incident reports received by the Police Department. Cases which are assigned typically require follow-up investigation; the processing of evidence; or processing of recovered property taken in by patrol officers and citizens; or evidence seized during the execution of search warrants. Detectives are responsible for filing all completed criminal cases with the Juvenile Detention Center, County Attorney, and District Attorney as well as serving as the Police Department’s liaison with each prosecuting agency. Additionally, the Detectives work closely with other partnership agencies, such as the Hope Alliance, the Child Advocacy Center, Crime Victim Services, and Child & Adult Protective Services.

Division Goals

Follow-up on all criminal investigations with victims/complainants within 72 hours.
Develop an on-going report to track current clearance rates against the national clearance rate as city growth continues.
Develop a criminal intelligence and crime analysis monitoring program.
Move property and evidence from its current location to a more secure, climate controlled location.
Maintain current clearance methods throughout the year.

FY 2015 Accomplishments

Full property and evidence audit
Began training on back-up crime scene officers
Implemented a report to track daily activity
Completed 3rd year of Citizen’s Police Academy

FY 2016 OBJECTIVES

✦ Schedule and conduct an annual evidence review/destruction
✦ Provide a more secure property and evidence storage area
✦ Manage case load to ensure all cases are current to within 60 day of incident date
✦ Train for back-up positions

Major Budget Changes

✦

FY 2016 Enhancements

✦ None
School Resource Unit

Division Description

The mission of the School Resource Officer Program is to continue the partnership between the Hutto Police Department, the Hutto Independent School District, and the community to prevent crime and delinquency by creating a positive image of police in the minds of youth. This is achieved by placing officers in the high school and middle schools to serve as a resource for students, families, faculty, the school district and community at large. The Hutto ISD reimburses the City for the officers assigned to the school district while school is in session.

Division Goals

Address crime and fear of crime on HISD campuses.
Participate in organized events, activities, and programs to increase communication with student.
Support community events
Assist HISD in start-up of HISDPD

FY 2015 Accomplishments

Conducted awareness training for bullying, drug abuse, dating violence and social media

FY 2016 Objectives

♦ Reduce level of staffing to two officers until the dissolution of HISD/HPD/City of Hutto SRO partnership in May 2016.

Major Budget Changes

FY 2016 Enhancements

♦ None
Parks and Recreation

Department Description

The Parks and Recreation Department provides key elements to improving the quality of life for Hutto citizens through development of the sense of community. This is accomplished through the provision of quality parks, green space, athletic fields and recreational opportunities. Major roles for the Department include maintaining existing parkland, long range park and facility planning, managing park improvement projects and providing programs and special events which bring people together in these spaces. The Department's activities include youth camps, adult and youth recreational sports, nature related educational opportunities, senior activities, and family oriented community wide special events.

Divisions: Administration, Recreation, and Parks Maintenance.

Major Accomplishments

- Revised Hutto Parks, Recreation, Open Space and Trails Master Plan; adoption set for October 205
- Continued to work with citizen interest groups on pursuit of new facilities, dog park, and other recreational and athletic facilities
- Complete design and prepare Fritz Park Master Plan project bid documents
- Worked with Development Services department to begin the Adopt-A-Spot program with Bike Hutto at Creekside Park
- Created a multi-day community wide Memorial Day Weekend event; however, many elements were cancelled due to adverse weather and flooding of Fritz Park.
- Increased registration in existing youth and adult athletic programs by increased public approval and quality of leagues offered.
- Diversified the athletic programs by adding youth flag football, youth summer basketball, and by strengthening partnerships with Round Rock, Taylor, and Manor youth associations in the winter youth basketball league.
- Increased public participation at special events through consistent advertisement and increased overall enjoyment at events.
- Increased Park Kids Summer camp registration to an all time high, with registration at a maximum of 98.6 % capacity for all 10 weeks of summer.
- Began using weekly checklists for routine tasks and special projects. This is the beginning of formalizing site specific park maintenance plans
- Began regular installation of irrigation following new tree planting
- Certify park maintenance personnel with irrigation technician and chemical applicator licensing
- Park Supervisor obtained a Landscape Irrigators’ license
- Established wild flower and native habitat planting areas in Fritz Park
- Began regular concrete trail repair process on Cottonwood Trail
- Replaced playground surfacing at Country Estates Park from pea gravel to engineered wood fiber (fibar)

Strategic Guide Policies and Objectives

Quality of Life - It is the desire of the Hutto City Council to create a city that engages citizens by providing programs and services beyond their basic needs.

2015-16 Objectives:

- Work with Williamson County to plan future park facilities which supplement Hutto’s parks and the development of leased acreage
- Adopt the Parks, Recreation, Open Space and Trails Master Plan and submit a Texas Parks & Wildlife Recreation Trails Grant application.
- Work to create a tree board, using the Parks Advisory Board and create a tree ordinance within the Tree City USA guidelines
- Work with Public Information Officer to create marketing strategies for department facilities, events and programs
Service Delivery - It is the desire of the Hutto City Council to deliver program and services in a manner that best reflects the makeup of the community and the needs of the citizens.

2015-16 Objectives:

- Certify park maintenance personnel with irrigation installation and chemical applicator licenses
- Acquire park land within the guidelines in the adopted Parks, Recreation, Open Space and Trails Mast Plan in order to serve the current and expanding population.

Planning Indicators and Focus

The City Council adopted the original Parks, Recreation, Open Spaces, and Trails Master Plan in 1995, updated in 2007 and is currently updating the plan with current community demographics and input processes. This plan serves as the baseline to fulfilling the City's park and facility quality of life elements. The current update to the plan is expected adoption in October 2015. Previous accomplishments from the plan created Fritz Park, Creekside Park, the Cottonwood Trail and Hutto Lake Park. The 2009 bond Fritz Park Improvements Project will begin construction in 2016. Together these projects are core elements in a growing park system.

Along with long range park and facility planning, core services provided by the Department include park and facility maintenance and recreation and special event programming.

Indoor space challenges have turned Departmental focus towards improving the existing special events and programs with available spaces. The master plan revision process has revealed the community’s desire to connect more with outdoor and nature related activities. Trails remain a highly desired element to the park system as well as special events. One expected implementation step will be improve the level the department promotes the park system, facilities, programs and services. Citizens like what the department has been offering the community but wants to know more about what is next in the way of facilities and how can they get more connected to what already exists.

Improving the overall community tree canopy and striving to meet a City Council goal of a city-wide tree planting and care program will begin through the pursuit of becoming a Tree City USA. This involves four major steps of which Hutto has completed two on a regular basis for years and two more that involve creation of a tree ordinance and the formation of a tree board through the Parks Advisory Board. The department has submitted for a Union Pacific Foundation grant to possibly aid this program.
Parks and Recreation Administration

Division Description

The Parks and Recreation Administration Division is responsible for strategic planning, financial management, recreational and special event programming, project and grant management, land acquisition, and supervision of personnel. The Administration Division provides oversight and support to Library, Recreation, and Parks Maintenance.

The Administration Division oversees the Parks Advisory Board and Keep Hutto Beautiful Commission. The Division also works in a support role as a liaison with the Library Division and the Library Advisory Board.

Division Goals

- Provide the public with guidance, resources and information as it relates to providing community services through parks, recreational programming and library services to Hutto.
- Implement planning and construction design processes for parks facilities as outlined and recommended in the City of Hutto Parks, Recreation, Open Space & Trails Master Plan, Library Master Plan, and 2009 Fritz Park bond referendum project.
- Promote the park facilities through actively promoting and marketing the benefits of departmental services through a complete marketing plan.
- Develop plan to acquire additional park land which meets the current master plan guidelines by using the 2009 bond referendum funds.

FY 2015 Accomplishments

- Revised Hutto Parks, Recreation, Open Space and Trails Master Plan; adoption set for October 2015
- Continued to work with citizen interest groups on pursuit of new facilities, dog park, and other recreational and athletic facilities
- Complete design and prepare Fritz Park Master Plan project bid documents
- Worked with Development Services department to begin the Adopt-A-Spot program with Bike Hutto at Creekside Park

FY 2016 Objectives

- Adopt revised Parks, Recreation, Open Space and Trails Master Plan and prepare TPWD Recreational Trails Grant application
- Complete design plans and begin initial phase of dog park construction on donated site with the donated funds
- Successfully bid the Fritz Park Renovation project
- Seek and obtain Tree City USA status for Hutto, Texas
- Work with Carmel Creek developer to build trail connections and convey park land

Major Budget Changes

- None

FY 2016 Enhancements
Recreation

Division Description

The Recreation Division offers recreational programs for youth, adults, and seniors as well as community-wide special events. This Division is responsible for planning, financial management of recreation and special event programming, and supervision of Recreation Division personnel. The Recreation Division will work closely with the Parks Advisory Board to increase volunteer opportunities for teens and adults.

Seasonal personnel are hired based on participant-to-staff ratios for each program. The Recreation Division produces most of the Parks and Recreation Department's revenue through user-fee based programs. Fees are based on related expenses incurred for each program. Programs and activities are created and evaluated based on community interest and feasibility.

Division Goals

- Create business plan for recreation services based on information outlined within the Parks, Recreation, open Space and Trails Master Plan.
- Increase volunteer community involvement and attendance/participation at community-wide special events by at least 5% above the previous year.
- Expand existing programming to include more adult and youth athletic opportunities.
- Increase divisional customer service satisfaction ratings of ‘above average’ and ‘excellent’ five percent each over the previous year.

FY 2015 Accomplishments

- Youth basketball program participation increased 23% from the FY14 to FY15
- Adult softball program participation increased 8% from the FY14 to FY15
- Diversified the athletic programs by offering youth summer basketball, youth flag football and the by strengthening partnerships with Round Rock, Taylor, and Manor youth associations during the winter youth basketball league.
- Increased public participation at special events through consistent advertisement and increased overall enjoyment at events.
- Increased Park Kids Summer camp registration to an all time high, with registration at a maximum of 98.6 % capacity for all 10 weeks of summer.
- Created a multi-day community wide Memorial Day Weekend event; however, many elements were cancelled due to adverse weather and flooding of Fritz Park.

FY 2016 Objectives

- Create alternate options for the sold out “Breakfast with Santa” event (i.e. multiple times or multiple dates).
- Continue to diversify youth athletic and recreational programs offered for the community, either through partnerships with local organizations or contracted services.
- Develop a monthly newsletter to promote facilities, programs and events through the ActiveNet system.
- Implement a “Counselor in Training” program for Summer of 2016 for teens 13-15 years old to develop leadership skills and future counselors and program staff
- Increase summer recreation program options for youth and teens by including outdoor & adventure, educational, and specialty camps and programs.
- Create partnerships with the HOAs with swimming pools to offer youth and adult swim programs and promote public swimming options.
- Implement a monthly active adult/senior citizen day trip program which offers opportunities for recreation and sight seeing.

Major Budget Changes

- None

FY 2016 Enhancements

- None
Park Maintenance

Division Description

The Park Maintenance Division is responsible for facility and playground maintenance, athletic fields and turf maintenance, irrigation, chemical treatment, trail maintenance, forestry and landscaping. Overall general maintenance, operation, and appearance of the City’s park facilities are the Division’s main focus.

General maintenance of several public buildings and areas including the downtown areas along East and Farley Streets, the library and the Gin landscaping are added responsibilities. In addition, the Division supports the Recreation Division for special events and programs, and local sports associations regarding athletic field maintenance. Partnerships between the division and new leadership from local athletic organizations have improved communication on facility maintenance items.

Division Goals

Maintain facilities and playground areas, landscaping and beautification of existing developed parkland areas. Annually complete athletic field preparation in conjunction with general public access, local youth sports organizations, and recreation division.

Ensure proper maintenance and upkeep of existing trails while preparing a clear timeline for undeveloped park land for future trail paths.

Assist with the implementation of the Capital Improvement Plan including renovation of parkland and athletic fields.

Formalize site specific park maintenance plans for each park facility and its amenities inventory.

FY 2015 Accomplishments

- Began using weekly checklists for routine tasks and special projects. This is the beginning of formalizing site specific park maintenance plans
- Began regular installation of irrigation following new tree planting
- Certify park maintenance personnel with irrigation technician and chemical applicator licensing
- Park Supervisor obtained a Landscape Irrigators’ license
- Established wild flower and native habitat planting areas in Fritz Park
- Began regular concrete trail repair process on Cottonwood Trail
- Replaced playground surfacing at Country Estates Park from pea gravel to engineered wood fiber (fibar)

FY 2016 Objectives

- Begin installation of irrigation to areas in Fritz Park adjacent to the pavilion and high use areas where existing trees currently grow
- Continue concrete trail repairs along Cottonwood Trail
- Create additional native habitat planting areas and beautification efforts in all parks
- Formalizing site specific park maintenance plans based on 2015 schedules and data
- Plan route and clear trail path from Hutto Lake Park to the Enclave for future trail project and grant application process
- Create a fitness/workout station along the Cottonwood Trail
- Revise the Arbor Day tree planting from just a park event to a community wide in an effort to increase the tree canopy

Major Budget Changes

- None

FY 2016 Enhancements

- Replacement Gator
General Services

Department Description

The General Services Department provides decision support and functional services to the City organization. The centralized department facilitates response to future growth, fosters a service-oriented atmosphere and ensures consistency in staff characteristics and expectations. The Department plans and directs the City’s procurement activities, provides access to facility maintenance services for City departments, administers information technology and utility billing services, and promotes enhanced customer service for citizens. The Utility Billing Division administers the City’s utility rate structure for customer accounts that include water, wastewater, garbage and recycling services. Additionally, General Services provides oversight and support to the City’s Municipal Court. The Library provides informational, educational, cultural, and recreational programs and services. The primary focus of the divisions is to provide services to both internal and external customers.

Major Accomplishments

♦ Addition of Purchasing Specialist, Information Technology Manager and Water Services Technician positions to departmental staff.
♦ Centralization of facility maintenance operations and increased cooperation with Hutto ISD.
♦ Oversight for successful completion of Gin Renovation Project.
♦ Issued 14 formal solicitations for six (6) CIP projects and Benefits Consulting Services, Investment Advisor Services, Itron Endpoint and Collector Installation, Garbage and Recycling Services, Grounds Maintenance and Right of Way Mowing, and Banking Services.
♦ Worked with Police Department to procure and install Video Capture and Data Storage System.
♦ Acquired and installed new terminal server and upgraded Storage Area Network.
♦ Worked with Public Works Department to upgrade of Automated Meter Read Information System.
♦ Secured grant funds to create Early Literacy Station at Hutto Public Library.

Strategic Guide Policies and Objectives

Service Delivery - It is the desire of the Hutto City Council to deliver programs and services in a manner that best reflects the makeup of the community and the needs of the citizens.

2015-16 Objectives
♦ Continue to seek improvement to processes that ensure excellent customer service while providing increased responsiveness to customer needs.
♦ Seek technology advancements to improve the cost of service delivery.

Fiscal and Budgetary – It is the desire of the Hutto City Council to achieve and maintain a long-term, stable, and positive financial condition and provide guidelines for the day-to-day planning and operations of the City’s financial affairs.

2015-16 Objectives:
♦ Provide accurate and timely administration of user fees.

Planning Indicators and Focus

The General Services Department provides support to the rest of the organization. Growth in the Department largely depends on the needs of other departments and citizenry.

Focus for the immediate future will be on utilizing technology to enhance customer service, strengthening procedures, and identifying opportunities to create efficiencies in service. The General Services Department will work with City Administration to develop strategies to address internal and external needs, initiate best practice standards as applicable, maximize revenue streams, and maintain high levels of customer service.

As a growing City, Hutto faces the challenge of increased service demands without additional resources. Balancing
needs and available resources will be important in meeting the Council’s Strategic Goals.

The majority of Hutto citizens’ current contact with the City of Hutto is through the Utility Billing Division. General Services strives to conduct these interactions with focus on an excellent customer service program that evaluates customer service, satisfaction, and payment options while streamlining communication and the service experience.

Municipal Court Division will continue working with the Police Department to improve programs and procedures aimed at increasing collection of outstanding fines and clearing local warrants.
Administration

Division Description

The General Services Administration Division oversees the daily procurement and program activities of the City, including purchasing, contract management, oversight and administration of communication and electronic equipment, management of the City’s property and liability insurance thru Texas Municipal League and vendor management. The Department utilizes best practices and industry standards to provide, accountable, transparent, and prudent fiscal stewardship. The Division provides oversight for Fleet and Facility Maintenance, Purchasing, Procurement Card Program, Contracts, Assets, Liability and Property Insurance, Information Technology, Utility Billing, Municipal Court and the Library.

Division Goals

1. Ensure responsible areas are in complete compliance with State and Local laws as well as City Charter.
2. Provide support and assistance for internal customers to facilitate the performance of their intended duties.
3. Conduct business with external customers in a professional, ethical and transparent manner.

FY 2015 Accomplishments

- Conducted inventory and created centralized list of Fixed and Mobile Assets
- Disposed of excess and obsolete items through online auction
- Centralized facility maintenance process through interlocal agreement with Hutto ISD
- Oversight for successful completion of Gin Renovation Project.
- Issued 14 formal solicitations for six (6) CIP projects and Benefits Consulting Services, Investment Advisor Services, Itron Endpoint and Collector Installation, Garbage and Recycling Services, Grounds Maintenance and Right of Way Mowing, and Banking Services

FY 2016 Objectives

- Develop and implement purchasing service surveys for internal and external users
- Develop policies and procedures to centralize fleet maintenance and replacement
- Project lead for space planning and renovation of City facilities
- Improve contract management process to ensure timeliness and accuracy
- Apply for and receive Achievement of Excellence in Procurement from National Purchasing Institute
- Expand vendor information capture to increase ability to issue electronic purchase orders

Major Budget Changes

- None

FY 2016 Enhancements

- None
Information Technology

Division Description

The Information Technology (IT) Division supplies, manages and standardizes the City’s use of technology, providing the City with the necessary tools to deliver services in a high growth environment. The Division manages and controls the City’s digital data and ensures a consistent, secure and reliable workspace. The Division is responsible for ensuring the resources are available for employees to effectively complete their duties in a timely manner. This is done by examining business processes and streamlining workflow with state of the art tools and applications.

Division Goals

Calibrate and implement IT Master Plan for the City's IT services and resources.
Provide courteous, professional, and expedient service to staff and citizens.
Maintain reliability, security, and efficiency of IT infrastructure and resources.

FY 2015 Accomplishments

- Upgraded network bandwidth for City Hall and Library
- Installed new security system on all Police Department Toughbooks
- Assisted Police with CJIS Audit
- Upgraded network host software (VMWare) and added RAM to servers
- Expanded network with new host that tripled storage capacity
- Upgraded ShoreTel VOIP system
- Conducted ShoreTel training for staff on both phone and software
- Extended voice and data network to modular building at PW Shop

FY 2016 Objectives

- Implement Office 365
- Develop and install Public Wi-Fi in Gin and Library areas
- Work with City administration and departments to prioritize and implement initiatives identified in IT Master Plan
- Centralize technology procurements by individual departments to ensure consistency and functionality within organization

Major Budget Changes

- None

FY 2016 Enhancements
Utility Billing

Division Description

The Utility Billing Division bills and collects for all City utility and sanitation services. The Division processes requests for new service connections, service disconnects, and transfers of service. Utility Billing works in partnership with Public Works to maintain automated meter reading system, meter reads, disconnects, and new service connections. Utility Billing staff ensures the timely and accurate billing of accounts and responds to customer requests for information and issues quickly and fairly. The Division assists Public Works, Building Inspections and Code Enforcement with new meter installations and certificate of occupancy.

Division Goals

Seek opportunities to utilize and implement technology, software and processes to enhance billing and customer service. Coordinate with other departments on utility processes and procedures to ensure cost recovery for utility services.

FY 2015 Accomplishments

- Implemented Desktop Deposit to increase efficiency and accuracy of check payments
- Implemented Online Utility Exchange Interface to expedite new service processes
- Ongoing process to promote Charitable Assistance Fund, E-Bills & ACH payments
- Worked with Public Works to upgrade Itron Automated Meter Reading Information System
- Coordinated with Public Works to add full-time Water Services Technician to Utility Billing staff
- Upgraded part-time Customer Service Representative to full-time position

FY 2016 Objectives

- Continue to work with Finance and General Services on implementation of financial software that will meet Utility Billing requirements
- Work with Purchasing to secure single vendor for commercial and residential garbage and recycling services
- Work with Development Services to incorporate Rental Inspection Program elements into customer accounting

Major Budget Changes

- None

FY 2016 Enhancements

- None
Municipal Court

Division Description

The Municipal Court Division ensures a fair and impartial judicial process for Class C misdemeanors that originate from traffic citations, citizen complaints, code violations, and misdemeanor arrests occurring within the City limits. The Division also provides information to citizens regarding state law and city ordinances. Case processing is predetermined by the Texas Code of Criminal Procedure and the Code of Judicial Conduct. The Court prepares dockets, schedules trials, processes juries, records and collects fine payments, and issues warrants for Violation of Promise to Appear and Failure

Division Goals

♦ Identify, implement and adhere to new Legislative laws that will apply to Municipal Court.
♦ Enter all outstanding warrants into RMS system to help increase collections and close outstanding cases.
♦ To ensure the highest level of customer service and uphold publics confidence by maintaining the standards of the Code of Judicial Conduct.

FY 2015 Accomplishments

♦ Worked with Police Department to offer overtime for off duty officer’s to enter all warrants into RMS so warrants would be available to Hutto PD
♦ Increased collections by working with Police Department to offer additional part-time work for off-duty officers to serve and collect warrants
♦ Utilized Tyler Incode software to increase court efficiency in progression towards a paperless environment

FY 2016 Objectives

♦ Continue participation in the state-wide Warrant Round Up
♦ Implement all new Legislative changes that apply to Municipal Court
♦ Review our outstanding warrants with the Judge and Prosecutor to have aged warrants with no collection possibility be dismissed
♦ Implement integrated voice response phone system to provide information to court defendant to decrease warrants issued per month

Major Budget Changes

♦ None

FY 2016 Enhancements

♦ None
Division Description

The Hutto Public Library is an accredited library through the Texas State Library & Archives Commission. It recognizes its responsibilities in accordance with the American Library Association’s guidelines. The Library provides informational, educational, cultural, and recreational programs and services. Text, audio, and multimedia are provided in a variety of formats to all ages. The Library provides a safe space where Hutto ISD residents may freely access computers, circulation materials, and reference assistance. The library’s focus is to promote the love of reading and literacy with the support of the City of Hutto, Friends of the Hutto Public Library and partnerships with local, state, and national organizations and businesses.

Division Goals

1. Improve patron accessibility to titles that they wish to checkout in the library and remotely.
2. Enhance the patron’s accessibility and skills to 21st century technology.
3. Enhance the energy efficiency and accessibility of the facility.
4. Apply for and receive a minimum of 2 grants/donations.
5. Maintain the library’s accreditation with the Texas State Library and Archives Commission and continue to expand strategies for higher standards in accordance with the Texas Library Association.

FY 2015 Accomplishments

- Recipient of the Edge Reimbursement Grant of $3,562.85 that included the addition of the AWE Early Literacy children’s computer, desk, and chairs from the U.S. Institute of Museum and Library Services through a grant to the Texas State Library & Archives Commission.
- Received $815.50 in donations from the Friends of the Hutto Public Library to purchase a new children’s rug, Dewey Decimal shelf markers for the junior non-fiction collection, a TV with HDMI cord for the information screen, along with the installation of the information screen located behind the Circulation Desk.
- Received prize donations and sponsorship of the Summer Reading Program from 10 local businesses.
- Enhanced programs by creating the new Artist Showcase Program and Movie Day Program.
- Eligible to receive the Texas State Library and Archives Commission’s Interlibrary Loan Reimbursement Grant for postage costs of materials shared and borrowed from other Texas libraries (reimbursement funds to be provided after August 2015).

FY 2016 Objectives

- Increase hours of operation open to the public
- Provide multiple copies of popular titles in the collection in a variety of formats.
- Purchase a laptop and barcode scanner for staff use to check materials out at the library to reduce wait time
- Install PC reservation and printer release software program to monitor and maintain patron computer use.
- Install a gateway wi-fi access software program to monitor wireless use.
- Insulate the main library area, install ceiling fans for main area, install handicap button to open main door, provide a diaper changer in the men’s restroom, and vertical handicap bars in each restroom.
- Apply for the Achievement of Library Excellence Award from the Texas Municipal Library Directors Association.
- Start and grow new programs such as the Reading Garden, a Teen Hot Spot space for middle and high school aged youth that includes access to 21st century technology to help them build skills, and an outreach bookmobile program to pre-K’s and daycares.

Major Budget Changes

FY 2016 Enhancements
Facility Maintenance

Division Description

The Facility Maintenance Division is responsible for the day-to-day maintenance of the buildings and property owned or leased by the City. The Division is responsible for the cleaning of most City facilities as well as performing basic routine maintenance.

Division Goals

1. Maintain and keep all assigned City facilities cleaned and in a presentable manner.
2. Follow guidelines for handling, processing and defining building maintenance and janitorial service requests.
3. Determine additional maintenance and custodial needs as additional facilities are added.

FY 2015 Accomplishments

♦ Cleans all facilities including new additions with a satisfactorily rating from employees

FY 2016 Objectives

Use increased time to clean all facilities on a daily basis
Improve services with increased staff time

Major Budget Changes

♦ None

FY 2016 Enhancements

♦ None
Non-Departmental

Department Description
The Non-Departmental budget includes city-wide expenses that do not belong to a particular department. Both the General and Utility Funds include a Non-Departmental Budget to cover general costs such as supplies, building repair and maintenance, janitorial services, property and liability insurance, claims and settlements, and fund transfers.

Budget Variances
General Fund Non-Departmental FY15 budget includes one-time costs related to necessary adjustments pending Compensation Market Study results [Compensation Market Study conducted in late FY14; results expected in early FY15 with implementation to begin shortly thereafter]. Janitorial Supplies FY15 expenses moved from General Fund Non-Departmental budget to Facility Maintenance Division. General Fund and Utility Fund Non-Departmental Property and Liability Insurance expenses experienced a 10% increase based on historical costs in FY15.
Non-Departmental (General Fund)

Division Description

The General Fund Non-Departmental budget accounts for shared General Fund expenses such as commonly used supplies, City Hall repair and maintenance, Property and liability insurance, and fund transfers. This division is used for accounting purposes and includes no staff.

FY 2015 Accomplishments

♦ None

FY 2016 Budget Changes

♦
Non-Departmental (Utility Fund)

Division Description
The Utility Fund Non-Departmental budget accounts for shared Utility Fund expenses such as commonly used supplies, property and liability insurance, and fund transfers. This division is used for accounting purposes and includes no staff.

FY 2015 Accomplishments

- None

FY 2016 Budget Changes

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ARTICLE 8
FINANCIAL ADMINISTRATION

Section 8.01. Fiscal Year.
The fiscal year of the City shall begin on October 1, each year and end on the following September 30. The fiscal year may be changed by the City Council by ordinance, provided that no change shall be effective until six (6) months after the passage of such ordinance.

Section 8.02. Submission of Budget and Budget Message.
On or before the 15th day of August of each fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year and an accompanying message.

Section 8.03. Budget Message.
The City Manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the adopted financial policies of the City for the ensuing fiscal year, describe the important features of the budget and indicate any major changes from the current year in financial policies, expenditures and revenues together with the reasons for such changes. The message shall also summarize the City's debt position and include such other material as the City Manager deems desirable.

Section 8.04. Budget.
The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this Charter, shall be in such form as the City Manager deems desirable or the City Council may require. The budget shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections as follows:

a) Goals and Objectives. The proposed goals, objectives and expenditures for current operations during the ensuing fiscal year, detailed for each fund by organization unit and program, purpose or activity, and the method of financing such expenditures;

b) Capital Budget. Proposed capital expenditures during the ensuing fiscal year, detailed for each fund by organization unit when practicable, and the proposed method of financing each capital expenditure; and

c) Enterprise Funds. The anticipated income and expense and profit and loss for the ensuing year for each public utility or other proprietary enterprise fund, as defined in this Charter, operated by the City. For any fund, the total of proposed expenditures shall not exceed the total of estimated income plus any fund balance carried forward, exclusive of reserves.

d) Appropriation. To ensure a higher quality of life and security for the citizens of Hutto, the following appropriations will be mandated in each and every Annual Budget:

1. Ten (10) percent of the Annual Budget shall be placed in a Contingency Fund to be used for Emergency Purposes as outlined in Section 8.05 of the Charter.

Section 8.05. City Council Action on Budget.

a) Notice and hearing. The City Council shall publish in one or more newspapers of general circulation in the City and as files available for download via the Internet, the general summary of the budget and a notice stating the times and places where copies of the message and budget are available for inspection the public, and the time and place, not less than two weeks after such publication, for a public hearing on the budget.

b) Amendment Before Adoption. After the public hearing, the City Council may adopt the budget with or without amendment. In amending the budget, the City Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than estimated income.

c) Adoption. The City Council shall adopt the budget on or before the last day of the last month of the current fiscal year. If the City Council fails to adopt the budget by this date, the budget proposed by the City Manager shall go into effect.

Section 8.06. Appropriation and Revenue Ordinances.
To implement the adopted budget, the City Council shall adopt the following prior to the beginning of the ensuing fiscal year:
a) **Ordinance Adopting Budget.** An ordinance shall be made adopting the budget and making the appropriations set forth therein by department or major organizational unit and authorizing a single appropriation for each program, capital project or activity.

b) **Tax Levy Ordinance.** A tax levy ordinance shall be made authorizing the property tax levy or levies and setting the tax rate or rates.

c) **Revenue Ordinances.** Any other ordinances required to authorize new revenues or to amend the rates or other features of existing taxes or other revenue sources shall be made.

Section 8.07. **AMENDMENTS AFTER ADOPTION.**

a) **Supplemental Appropriations.** If, during the fiscal year, the City Manager certifies that there are revenues available for appropriation that are in excess of those estimated in the budget, the City Council by ordinance may make supplemental appropriations for the year up to the amount of such excess.

b) **Emergency Appropriations.** To meet a public emergency affecting life, health, property, or the public peace, or to avoid a material cost or public expense, the City Council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of 3.15 of this Charter. To the extent that there are no available unappropriated revenues or a sufficient fund balance to meet such appropriations, the City Council may by emergency ordinance authorize the issuance of emergency notes. Such notes may be renewed from time to time; however, an emergency note and renewal for any fiscal year shall be paid not later than the last day of the fiscal year next succeeding that in which the emergency appropriation was made.

c) **Reduction of Appropriations.** If at any time during the fiscal year it appears probable to the City Manager that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the City Manager shall report to the City Council within no more than two weeks, indicating the estimated amount of the deficit, any remedial action taken by the City Manager and recommendations as to any other steps to be taken. The City Council shall then take such further action as it deems necessary to prevent or reduce any deficit and for that purpose it may by ordinance reduce one or more appropriations.

d) **Transfer of Appropriations.** At any time during the fiscal year the City Council may by resolution transfer part or all of the unencumbered appropriation balance from one department or major organizational unit to the appropriations for other departments or major organizational units. The City Manager may transfer part or all of any unencumbered appropriation balances among programs within a department or organizational unit and shall report such transfers to the City Council no later than the next regular City Council meeting.

e) **Limitations and Effective Dates.** No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of its unencumbered balance. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this Section may be made effective immediately upon adoption.

Section 8.08. **LAPSE OF APPROPRIATIONS.**

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until expended, revised or repealed. The purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

Section 8.09. **ADMINISTRATION OF THE BUDGET.**

The City Council shall provide by ordinance the procedures for administering the budget.

Section 8.10. **OVERSPENDING OF APPROPRIATIONS PROHIBITED.**

No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with authorized appropriations and unless the City Manager or his designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds are or will be available to cover the claim or meet the obligation when it becomes due and payable. Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment made shall be illegal. A violation of this provision shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such obligation. Such officer may also be liable to the City for any amount so paid. Except as prohibited by law, however, nothing in this Charter shall be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed in whole or in part by the issuance of bonds or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, but only if such action is made or approved by ordinance.

Section 8.11. **DEPOSITORY.**

All moneys received by any person, department or agency of the City for or in connection with affairs of the City shall be deposited daily in the City depository or depositories. The City Council shall designate depositories in accordance with regulations and subject to security requirements for deposits and accrued interest as may be established by ordinance. All checks,
vouchers, or warrants for the withdrawal of money from the City depositories shall be signed by the City Manager or by the Mayor in the absence of the City Manager and countersigned by a City official designated by the City Council. The City Council may by ordinance authorize the use of machine-imprinted facsimile signatures of the Mayor or City Manager on checks, vouchers and warrants. However, two original signatures shall be required for all checks in excess of $5,000.

SECTION 8.12. PURCHASE PROCEDURE.

All purchases made and contracts executed by the City shall be pursuant to requisitions from the heads of the offices, departments or agencies whose appropriations will be charged. No contract or order shall be binding upon the City unless the Finance Officer certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation to pay for the supplies, materials, equipment, or contractual services for which the contract or order is to be issued. All contracts or purchases of property shall be made in accordance with State law or ordinance provided that the City Council or the City Manager, in such cases as he/she is authorized to contract for the City, shall have the right to reject any and all bids. Contracts for personal or professional services are not required to be let on competitive bids.

SECTION 8.13. SALE OF REAL PROPERTY.

The sale of real property owned by the City of Hutto shall be limited by governed by State Law. In addition, all sales of real property owned by the City of Hutto shall be subject to the approval of the City Council.

Section 8.14. INDEPENDENT AUDIT.

At the close of each fiscal year and at other times as necessary, the City Council shall have a certified public accountant conduct an independent audit of all accounts of the City. The certified public accountant shall have no personal interest in the financial affairs of the City or its officers. A summary of the results of the completed audit shall be on file in the City Secretary’s office as a public record and as files available for download via the Internet.

ARTICLE 9
TAXATION

SECTION 9.01. TAXATION POWERS

The City Council shall have power to levy taxes to the extent and for all purposes authorized by the laws of the State of Texas, and by this Charter. The limitations thereon fixed by the Constitution of the State, and provide for the mode and manner of levying, assessing and collecting the same, and to apportion such taxes as in the discretion of the City Council shall be to the best interest of the city.

SECTION 9.02. DUTY TO LEVY

It shall be the duty of the City Council annually, to levy, assess and collect such taxes on the assessed valuation of all taxable property within the city as may be necessary for general purpose and current expenses of the city, provided that the rate of taxation shall never exceed the limit prescribed by the Constitution and laws of the State of Texas.

SECTION 9.03. SINKING FUND

The City Council shall have power to annually levy, assess and collect such taxes as may be necessary to pay the interest on, and create a sinking fund or funds for, the bonded or other indebtedness of the city now existing or hereafter to be created.

SECTION 9.04. TAX LIABILITIES

The property of all persons owing any taxes to the City of Hutto is hereby liable for all taxes, whether the same be due upon personal or real property, or both, and a lien is hereby expressly fixed upon all such property to secure the payment of said taxes; and the ad valorem taxes due on any one piece of property shall not be received by the collector from the owner or other person interested therein separately without paying the ad valorem taxes owing by him on other property.

SECTION 9.05. COLLECTION OF TAXES

The City Council shall have power to provide by ordinance for the prompt collection of taxes levied, assessed and imposed under this Charter and the ordinances of said city, and it is hereby authorized, and to that end shall have full power and authority to sell, or cause to be sold, all kinds of property, real and personal, and shall make such rules and regulations, ordain and pass such ordinances, as it may consider necessary to the levying, imposing, assessing and collecting of any and all taxes provided for in this Charter and unless otherwise provided by ordinance, all property in said city liable and subject to taxation shall be assessed, and said taxes shall be levied and collected, in accordance with the provisions of the general laws of the State of Texas.

SECTION 9.06. COLLECTIONS FOR BONDED AND OTHER INDEBTEDNESS

All moneys arising from the collection of taxes levied for the payment of interest on, and providing a sinking fund for, bonded or other indebtedness of the City, shall be maintained in a separate fund, to be designated "Interest and Sinking Fund," and a separate account shall be kept of the funds applicable to each series of indebtedness.

SECTION 9.07. FORCED COLLECTION OF TAXES

The city Council may provide by ordinance for the prompt collection by suit, sale or otherwise, of all taxes due the city, of every kind. The Council may also provide penalties for the failure to pay taxes by a given date, provided the penalty shall never exceed
that imposed by the State law. The city may proceed in the matter of the enforced collection of taxes in all things as provided by law for the collection of State and county taxes in this State, insofar as same is applicable, and the City Attorney shall receive for his services in tax suits the same fees allowed by law for county attorneys for like services.

ARTICLE 10

BONDS

SECTION 10.01 BORROWING FOR CAPITAL IMPROVEMENTS

Borrowing.
The City Council shall have the power, except as prohibited by law, to borrow money by whatever method it may deem to be in the public interest.

General Obligation Bonds and Certificates of Obligation.
The City shall have the power to borrow money on the credit of the City and to issue general obligation bonds and certificates of obligation for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the state of Texas, and to issue refunding bonds to refund outstanding bonds of the City previously issued. All such bonds or certificates of obligation shall be issued in conformity with the laws of the state of Texas and shall be used only for the purpose for which they were issued.

Revenue Bonds.
The City shall have the power to borrow money for the purpose of constructing, purchasing, improving, extending or repairing of public utilities, recreational facilities or any other self-liquidating municipal function not prohibited by the constitution and laws of the state of Texas, and to issue revenue bonds to evidence the obligation created thereby. Such bonds shall be a charge upon and payable from the properties, or interest therein pledged, or the income therefrom, or both. The holders of the revenue bonds shall never have the right to demand payment thereof out of monies raised or to be raised by taxation. All such bonds shall be issued in conformity with the laws of the state of Texas and shall be used only for the purpose for which issued.

Bonds Incontestable.
All bonds of the City having been issued and sold and having been delivered to the purchaser thereof, shall thereafter be incontestable and all bonds issued to refund in exchange for outstanding bonds previously issued shall and after said exchange, be incontestable.

The procedure for adoption of any ordinance relative to borrowing for capital improvements shall be:
A copy of the proposed ordinance shall be furnished to (1) each member of the City Council, (2) the City Attorney, and (3) any citizen of the City for inspection upon request to the City Secretary, at least three days before the date of the meeting at which the ordinance is to be considered.

Any ordinance relative to borrowing for capital improvements may be adopted and finally passed at the meeting at which it is introduced.
I. OVERVIEW AND STATEMENT OF PURPOSE

The City of Hutto assumes an important responsibility to its citizens and customers to carefully account for public funds, to manage City finances wisely and to plan for the adequate funding of services desired by the public.

The broad purpose of the Fiscal and Budgetary Policy is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City’s financial affairs. The City’s financial management, as directed by this Policy, is based upon the foundation of integrity, prudent stewardship, planning, accountability and full disclosure.

Policy scope generally spans areas of accounting and financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, debt management and planning and forecasting concepts. This is done in order to:

A. Demonstrate to the citizens of Hutto, the City’s bond holders and other creditors and the bond rating agencies that the City is committed to a strong fiscal operation;
B. Provide a common vision for financial goals and strategies for current and future policy-makers and staff;
C. Fairly present and fully disclose the financial position of the City in conformity to generally accepted accounting principles (GAAP); and
D. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other legal mandates.

The City Council will annually review and approve the Fiscal and Budgetary Policy as a part of the budget process.

II. FIVE YEAR FINANCIAL PLAN

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. Multi-year budgeting provides a means to identify the impact of implementing new programs and projects on future budgets. The Five Year Financial Plan is the City’s long range operations and capital plan. The plan includes all of the operating departments of the General Fund and Utility Fund as well as the capital improvement funds of the City. The plan is reviewed and updated annually.

A. Capital Improvements Program – The CIP plan outlines the major utility infrastructure, streets and drainage, facilities, parks and other improvements needed to serve the citizens, meet growth related needs and comply with state and federal regulations

1. Preparation – The City Engineer, with the support of the Finance Department, coordinates the annual update and adoption of the five-year Capital Improvement Plan (CIP) as a part of the annual budget process. In accordance with the City Charter (Charter, section 12.03), the CIP will be delivered to the Planning and Zoning Commission, so that P&Z recommendations may be presented to City Council. The CIP includes all costs associated with the design, rights of way, acquisition and construction of a project, as well as the estimated operating and maintenance costs, which impacts future operating budgets. The following guidelines will be utilized in developing the CIP:
   ♦ Needed capital improvements and major maintenance projects are identified through system models, repair and maintenance records and growth demands.
   ♦ A team approach will be used to prioritize CIP projects, whereby City staff from all operational areas provide input and ideas relating to each project and its effect on operations.
   ♦ Citizen involvement and participation will be solicited in formulating the capital budget.

2. Financing Programs – Where applicable, impact fees, assessments, pro-rata charges or other fees should be used to fund capital projects which have a primary benefit to specific, identifiable property owners. Recognizing that long-term debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives which equal or exceed the average life of the debt issue.

3. Control – All capital project expenditures must be appropriated in the capital budget. The Director of Finance or City Manager must certify the availability of resources before any right of way easement is negotiated or before any capital project contract is presented to the Council for approval.

4. Reporting – Periodic financial reports will be prepared to enable the Department Directors to manage their capital budgets and to enable the Finance Department to monitor and control the budget as authorized. Capital project status reports will be presented to Council.

B. Operations Plan – Each Department Director will provide a plan for each division in the department for each of the upcoming five years. The plan will include estimated operating expenses, the cost of new programs being contemplated and staffing needs for the five year period.
C. **Revenues and Financing Plan** - The Finance Department will develop conservative, five year revenue forecasts based upon current and known future revenue streams. The Plan will illustrate the impact of the Capital and Operations. Plan on the property tax rate, utility rates and other fees.

D. **Performance Measures** - Department Directors will develop program performance measures to evaluate the impact of new programs and growth on the departments. Existing programs will also be evaluated as part of the five year planning process and annual budget process to determine whether certain programs should continue to be funded.

III. **ANNUAL OPERATING BUDGET**

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The “operating budget” is the City’s annual financial operating plan. The annual budget includes all of the operating departments of the general fund, proprietary funds, debt service funds, special revenue funds, and capital improvement funds of the City.

A. **Planning** – The budget process will include City Council participation in the identification of major policy issues. The budget process will be a part of an overall strategic planning process for the City. The process will also allow for citizen input.

B. **Preparation** – The Charter (Section 8.02) requires “On or before the 15th day of August each fiscal year, the City Manager shall submit to the City Council a budget for the ensuring fiscal year and an accompanying message.” The budget shall be adopted not later than the last day of the last month of the fiscal year.

1. **Proposed Budget** – A proposed budget shall be prepared by the City Manager with participation of all the City’s Department Directors within the provision of the Charter.
   
   a) In accordance with the Charter (Section 8.04,) the budget shall provide a complete financial plan for the ensuing fiscal year, in a form as the City Manager or Council deems desirable, and the budget shall include goals and objectives, a capital budget, enterprise funds and appropriations.
   
   b) In accordance with the Charter Section 8.05, the City will publish in a newspaper of general circulation in the City and as files available for download via the Internet a general summary of the budget, as well as the times and places that the budget is available for public inspection and the time and place, no less than two weeks after the publication, the time and place for a public hearing on the budget.

   c) A copy of the proposed budget will be filed with the City Secretary when it is submitted to the City Council.

2. **Adoption** – Upon finalization of the budget appropriations, the City Council will hold a public hearing, and subsequently adopt by Ordinance the final budget. The budget will be effective for the fiscal year beginning October 1st.

3. **Standards for publication** - The City will utilize the criteria outlined in the Government Finance Officers Association (GFOA) Distinguished Budget Program for the presentation of the budget document. The budget document will be submitted annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Distinguished Budget Presentation Award.

C. **Revenue Estimates** – In order to maintain a stable level of services, the City shall use a conservative, objective and analytical approach when preparing revenue estimates. The process shall include the analysis of probable economic changes and their impacts on revenues, historical collection rates and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year, which could otherwise result in mid-year service reductions.

D. **Balanced Budget** – The goal of the City is to balance the operating budget with current revenues, whereby, current revenues match and fund on-going expenditures/expenses. Excess balances in the operating funds from previous years may be used for non-recurring expenditures/expenses or as capital funds.

E. **Reporting** – Summary financial reports will be presented to the City Council quarterly, at a minimum. These reports will be in a format appropriate to enable the City Council to understand the overall budget and financial status. The City Manager will also present a mid-year report to the City Council with 60 days following the end of the second fiscal quarter which updates the status of projects and related financial goals set forth in the budget.

F. **Control and Accountability** – Each Department Director, appointed by the City Manager, will be responsible for the administration of his/her departmental budget. This includes accomplishing the Goals and Objectives adopted as part of the budget and monitoring each department budget for compliance with spending limitations. Department Directors may request a transfer of funds within a department budget. All transfers of appropriation or budget amendments require either City Council or City Manager approval as outlined in Section V.C. Further expenditure control guidance is located in Section V of this policy.

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G. **Budget Amendments** – The Charter (Section 8.07) provides a method to amend appropriations. The City Council may authorize:

1. **Supplemental Appropriations** – If the City Manager certifies that revenues are available in excess of those estimated in the budget, an amendment ordinance may be prepared for City Council approval. In general, the supplemental appropriations will be evaluated using the following criteria:
   - Is the request of such an emergency nature that it must be done immediately?
   - Why was the item not budgeted in the normal budget process?
   - Why can't a transfer be done within the Department to remedy the condition?

2. **Emergency Appropriations** – To meet public emergency affecting life, health, property or the public peace, or to avoid a material cost or public expense, the City Council may adopt an emergency appropriation.

3. **Reduction of Appropriations** – If at any time during the fiscal year it appears probable that expected revenues will be insufficient to finance expenditures for which appropriations have been authorized, the City Council may adopt an ordinance to reduce appropriations.

H. **Contingency Appropriations** – The budget may include contingency appropriations within designated operating department budgets. These funds are used to offset expenditures for unexpected maintenance or other unanticipated expenses that might occur during the year, including insurance deductibles, unexpected legal expenses and equipment repairs.

I. **Outside Agency Funding** – The City Council may fund a number of outside agencies and organizations that provide core services for the citizens of Hutto. The amount of funding received by each agency depends upon Council direction and the availability of funds. The City Council may fund up to 1% of the estimated General Fund revenues during the budget process.

1. **Funding Process** - All agencies shall have a standardized process for application, review, monitoring and reporting. All agencies are required to submit applications for funding to the City during the budget process. Applications will include the following:
   - a) Information about the organization including organization's purpose, charter, board of directors, etc.
   - b) Copy of organization's financial policies.
   - c) Copy of prior year’s tax filing demonstrating non-profit status.
   - d) Copy of prior year’s audit or financial review for organizations whose operating budget exceeds $100,000 annually.

2. Funding of non-profit agencies through public funds require enhanced guidelines for spending and operations which shall include:
   - a) Funding will typically be used for specific programs, rather than for general operating costs, and demonstrates the program’s sustainability beyond a three-year funding period.
   - b) Funded agencies are encouraged to post meeting agendas at least 72 hours in advance in the spirit of transparency. At the Council’s discretion, funded agencies may be asked to allow a Council Member or a Council appointed representative to be a member of its board of directors.
   - c) The City shall have the ability to review financial reports to monitor how public funds are utilized by an organization.
   - d) Other items may be addressed by the City Council as specified in each organization’s Outside Agency Funding Agreement.

3. An Outside Agency Funding Review Committee will be appointed by the Council to review requests from other agencies and develop a recommendation to Council based upon available funding. Applications will be evaluated on the following criteria:
   - a) Number of Hutto citizens served by the organization;
   - b) Type of service provided and whether other organizations in the community provide the service;
   - c) Availability of other funding sources for the organization;
   - d) Demonstration of ability to adhere to the guidelines outlined by this policy;
   - e) The City Council shall use the following guideline to allocate funding:
     1. Education – 10%
     2. Quality of Life – 30%
     3. Social Services – 60%
     4. Public Health and Safety – The City Council may provide additional funding above the designated 1% to support governmental organizations that provide public health and safety services to the Hutto Community. Examples include membership in the Williamson County and Cities Health District and financial support for Williamson County Emergency Services District #3.
     5. All funded agencies shall be required to submit quarterly reports with performance data unless otherwise specified.
J. Periodic Program Reviews – The City Manager and Department Directors will periodically review programs for efficiency and effectiveness. Programs not meeting efficiency or effectiveness objectives shall be brought up to required standards, or be subject to reduction or elimination.

K. Budget Contingency Plan – This policy is intended to establish general guidelines for managing revenue shortfalls resulting from factors such as local and economic downturns that affect the City’s revenue streams.

1. Immediate Action - Once a budgetary shortfall is projected, the City Manager will take the necessary actions to offset any revenue shortfall with a reduction in current expenses. The City Manager may:
   a) Freeze all new hire and vacant positions except those deemed to be a necessity.
   b) Review all planned capital expenditures.
   c) Delay all "non-essential" spending or equipment replacement purchases.

2. Further Action - If the above actions are insufficient to offset the revenue deficit and the shortfall continues to increase, the City Manager will further reduce operating expenses to balance the variance. The City Manager may ask Department Directors for recommendations on reductions of service levels in order to reduce expenditures to balance the budget.
   a) Any resulting service level reductions, including workforce reductions, will be addressed by the City Council.

IV. REVENUE MANAGEMENT

A. Optimum Characteristics – The City will strive for the following optimum characteristics in its revenue system:

1. Simplicity – The City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs for the taxpayer or service recipient.

2. Certainty – A knowledge and understanding of revenue sources increases the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budget and plans.

3. Equity – The City shall make every effort to maintain equity in its revenue system; i.e., the City should seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities, and customer classes.

4. Revenue Adequacy – The City should require there be a balance in the revenue system; i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.

5. Realistic and Conservative Estimates - Revenues will be estimated realistically, and conservatively, taking into account the volatile nature of various revenue streams.

6. Administration – The benefits of a revenue source should exceed the cost of levying and collecting that revenue. Where appropriate, the City will use the administrative processes of State, Federal or County collection agencies in order to reduce administrative costs.

7. Diversification and Stability – A diversified revenue system with a stable source of income shall be maintained. This will help avoid instabilities in two particular revenue sources due to factors such as fluctuations in the economy and variations in the weather.

B. Other Considerations – The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:

1. Non-Recurring Revenues – One-time or non-recurring revenues should not be used to finance current ongoing operations. Non-recurring revenues should be used only for non-recurring expenditures and not for budget balancing purposes.

2. Property Tax Revenues – All real and business personal property located within the City will be valued at 100% of the fair market value for any given year based on the current appraisal supplied by the Williamson County Appraisal District. Reappraisal and reassessment shall be done a minimum of once every three years. Conservative budgeted revenue estimates result in a projected ninety-six percent (96%) budgeted collection rate for current ad valorem taxes. Two percent (2%) of the current ad valorem taxes will be projected as the budget for delinquent ad valorem tax collection. For budgeting purposes, the City will forecast the current year’s effective tax rate at the current collection rate of 96%, unless directed otherwise.

3. Investment Income – Earnings from investments will be distributed to the funds in accordance with the equity balance of the fund from which the monies were provided to be invested.

4. User-Based Fees and Service Charges – For services associated with a user fee or charge, the direct or indirect costs of that service will be offset by a fee where possible. The City will review fees and charges no less than once every three years to ensure that fees provide adequate coverage for the cost of services. The City Council will determine how much of the cost of a service should be recovered by fees and charges.

5. Utility Fund Rates – The City will review and adopt utility rates as needed to generate revenues required to fully
cover operating expenses, meet the legal requirements of all applicable bond covenants, and provide for an ade-
quate level of working capital.

Additionally, enterprise activity rates will include transfers to and receive credits from other funds as follows:

General and Administrative Charges – Administrative costs should be charged to all funds for services of general overhead, such as administration, finance, customer billing, legal and other costs as appropriate. These charges will be determined through an indirect cost allocation following accepted practices and procedures.

6. Intergovernmental Revenues – All potential grants will be examined for matching requirements and must be ap-
proved by the City Council prior to making application of the grant. It must be clearly understood that operational requirements (on-going costs) set up as a result of a grant program could be discontinued once the term and con-
ditions of the program have been completed.

7. Revenue Monitoring – Revenues as they are received will be regularly compared to budgeted revenues and vari-
cances will be investigated, and any abnormalities will be included in the quarterly report to the City Council.

V. EXPENDITURE POLICIES

A. Appropriations – The point of budget control is at the department level budget for all funds. The Department Directors shall manage budgets to ensure that appropriations are not exceeded. Budgets are approved by the Council within a departmental or program budget category (personnel costs, supplies, maintenance, operations/maintenance and capi-
tal.

B. Central Control – No recognized or significant salary or capital budgetary savings in any Department shall be spent by the Department Head without prior authorization from the City Manager. This control will realize budget savings each year that will be available to be transferred by the City Manager, without further Council action.

C. Budget Transfers – The Charter (Section 8.06) provides that the City Manager may transfer balances within depart-
ments and programs. A Department Director may request a transfer between line items, or categories of items through the City Manager. Finance will make the adjustment upon approval from the City Manager.

D. Purchasing – All City purchases of goods or services will be made in accordance with the City’s current Purchasing Policy and with State law. In accordance with Texas Local Government Code, Subchapter B, Sections 252.021 and 252.043, the City shall make award to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality. Council may delegate authority to a designated representative in determining the appropriate method of purchase. State law requires any purchase of goods or materials over $50,000 be formally bid. The City’s Purchasing Policy follows State Law by requiring multiple quotes for most purchases over $3,000. The City’s Purchasing Policy requires all contracts greater than $50,000 be approved by the City Council. The following shows a summary of approval requirements for purchases.

   1. Local Preference - In accordance with Chapter 271.9051 of the Local Government Code, the City Council may choose to award a competitive bid of $100,000 or less to a bidder whose principal place of business is in the City limits, provided that this bid is within 5% of the lowest bid price received from the lowest bidder whose business is not within the City limits. The determination that the local bidder offers the City the best combination of contract price and additional local economic development opportunities will be made in writing.

E. Prompt Payment – All invoices approved for payment by the proper City authorities shall be paid within thirty (30) cal-
endar days of receipt of goods or services or invoice date, whichever is later in accordance with State law. The City will take advantage of all purchase discounts, when possible.

VI. STAFFING

The City’s goal as an employer is to attract and retain quality employees who provide exemplary public service to our community in an effective and efficient manner.

A. Adequate Staffing – Staffing levels will be adequate for the operations and programs of the City to be conducted efficiently and effectively. In order to provide continuing services to a growing population, as well as add new services, staffing levels will be evaluated regularly to determine workloads. Workload allocation alternatives, such as contract labor and contracted services, will be explored before adding additional staff.

B. Market Adjustments – Based on the Total Rewards System (TRS), the City shall utilize the Texas Municipal League (TML) salary survey data, as well as data from other benchmark cities, as a reference for making market-

based adjustments. Market based adjustments are based upon the job duties and job descriptions of the position, not on performance of the employee within the position.

C. Merit Adjustments – The City utilizes a merit based pay plan as a part of the overall compensation system. Coun-
cil may fund merit increases annually during the budget process to aid in retaining and rewarding quality employ-

ees for productivity and job performance. These merit based adjustments are recommended by the employee’s immediate supervisor and reviewed by both the Department Director and the City Manager. Employees may receive a merit increase upon approval of the City Manager based upon performance, or when other situations war-
rant this type of increase, such as a reclassification due to additional job duties.

VII. ECONOMIC DEVELOPMENT
The City shall initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base. The City is committed to the promotion of quality development in all parts of the City. Each economic development incentive will be considered separately by the City Council.

A. **Cost/Benefit of Incentives for Economic Development** - The City will use due caution in the analysis of any incentives that are used to encourage development. A cost/benefit (fiscal impact) analysis will be performed as part of the evaluation. Ideally, partnership agreements, such as Chapter 380 sales tax sharing arrangements will be utilized to reimburse certain desirable elements of development. Chapter 380 agreements will not ordinarily be considered for projects which would be developed without such incentives unless it can be demonstrated that higher development standards or other development and community goals will be achieved through the use of the abatement.

B. **Commitment to Expansion and Diversification** – The City shall encourage and participate in economic efforts to expand Hutto’s economy and tax base, to increase local employment and to invest when there is a defined, specific long-term return to the community. These efforts shall not only focus on new areas, but Downtown and other established sections of the City where economic development can generate additional jobs, sales tax, property tax and other economic benefits.

C. **Tax Abatements** - The City Council may authorize an abatement within the Code of Ordinances, Section 11.300. Tax abatements will not ordinarily be considered for projects which would be developed without such incentives unless it can be demonstrated that higher development standards or other development and community goals will be achieved through the use of the abatement.

D. **Increase Non-residential Share of Tax Base** – The City’s economic development program shall seek to expand the non-residential share of the tax base to decrease the tax burden on residential homeowners.

E. **Coordinate Efforts with Other Jurisdictions** – The City’s economic development program shall encourage close cooperation with other local jurisdictions to promote the economic well being of this area.

**VIII. INTERGOVERNMENTAL RELATIONS**

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

A. **Interlocal Cooperation in Delivery of Services** – In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an equitable basis the cost of services, to share facilities and to develop joint programs to improve service to its citizens.

B. **Legislative Program** – The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding necessary for implementation.

**IX. CAPITAL MAINTENANCE AND REPLACEMENT**

The City recognizes that deferred maintenance increases future capital costs. Therefore, a portion of all individual funds with infrastructure should be budgeted each year to maintain the quality within each system.

A. **Infrastructure Maintenance** - On-going maintenance and major repair costs are included as capital expenses within the departmental operating budgets. These costs are generally considered system repairs and are not capitalized for accounting purposes. They include such items as street seal coat, water line repairs and other general system maintenance.

B. **Streets capital maintenance and replacement** - It is the policy of the City to annually provide funding for the Streets Division to use for a street maintenance program. A fee based upon 6% of the City’s solid waste and recycling fees will be allocated toward street maintenance. Commercial solid waste franchise fees will also be utilized for street maintenance.

C. **Building capital replacement and maintenance** – It is the policy of the City to annually provide funding for major maintenance on its buildings such as air conditioning replacements, flooring, painting and other maintenance.
D. **Technology** – It is the policy of the City to fund the maintenance and replacement of its personal computers and network servers. Major replacements for computer systems will be anticipated for a five year period and included with capital project presentations in the annual budget process.

E. **Fleet and equipment replacement** – The City will anticipate replacing existing cars, trucks, tractors, backhoes, trailers and other equipment as necessary.
   1. **Capital Replacement Fund** - The City shall establish a Capital Replacement Fund to provide financial resources to replace aging fleet and equipment. Only fleet and equipment included on the City’s Fixed Assets inventory will be included on the replacement schedule.
      ♦ Funding will be set aside each year through the annual budget process to fund the future replacement of fleet and equipment.
      ♦ Sell of fleet vehicles and equipment - Any revenue generated from the sell of fleet and equipment may be deposited in the Capital Replacement Fund at the discretion of the City Manager.

X. **ACCOUNTING, AUDITING AND FINANCIAL REPORTING**

A. **Accounting** – The City is responsible for the recording and reporting of its financial affairs, both internally and externally. The Director of Finance is the City’s Chief Financial Officer and is responsible for establishing the structure for the City's Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City’s financial position.

B. **Audit of Accounts** – In accordance with the Charter Section 8.14, an independent audit of the City accounts will be performed every year. The auditor is retained by and is accountable directly to the City Council.

C. **External Reporting** – Upon completion and acceptance of the annual audit by the City’s auditors, the City shall prepare a written Comprehensive Annual Financial Report (CAFR) which shall be presented to the City Council within 180 calendar days of the City's fiscal year end. The CAFR shall be prepared in accordance with Generally Accepted Accounting Principals (GAAP) and shall be presented annually to the Government Finance Officer Association (GFOA) for evaluation and consideration for the Certificate of Achievement in Financial Reporting. If City staffing limitations preclude such timely reporting, the Director of Finance will inform the City Council of the delay and the reasons therefore.

D. **Internal Reporting** – The Finance Department will prepare internal financial reports, sufficient to plan, monitor and control the City’s financial affairs.

XI. **RISK AND ASSET MANAGEMENT**

A. **Risk Management** - The City will utilize a safety program, an employee wellness program and a risk management program to prevent and/or reduce the financial impact to the City due to claims and losses. Transfer of liability for claims through transfer to other entities through insurance and/or by contract will be utilized where appropriate. Prevention of loss through the safety program and the employee health program will be employed.

B. **Cash Management** - The City’s cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collections, where feasible, utility bills, building and related

C. **Investments** – The City Council has formally approved a separate Investment Policy for the City of Hutto that meets the requirements of the Public Funds Investment Act (PFIA), Section 2256 of the Texas Local Government Code. This policy is reviewed annually by the City Council and applies to all financial assets held by the City.
   1. **Statement of Cash Management Philosophy** - The City shall maintain a comprehensive cash management program to include the effective collection of all accounts receivable, the prompt deposit of receipts to the City’s depository, the payment of obligations, and the prudent investment of idle funds in accordance with this policy.
   2. **Objectives** – The City’s investment program will be conducted as to accomplish the following listed in priority order:
      ♦ Safety of the principal invested
      ♦ Liquidity and availability of cash to pay obligations when due
      ♦ Receive the highest possible rate of return (yield) consistent with the City’s investment policy
   3. **Safekeeping and Custody** – Investments may only be purchased through brokers/dealers who meet the criteria detailed in the investment policy, which also addresses internal controls related to investments.
   4. **Standard of Care and Reporting** – Investments will be made with judgment and care, always considering the safety of principal to be invested and the probable income to be derived. The Director of Finance is responsible for the overall management of the City’s investment program and ensures all investments are made in compliance with the investment policy. An investment report, providing both summary and detailed information, will be presented to the City Council quarterly.
5. **Authorized Investments** – The City can currently invest in the following:

- Certificates of Deposit
- U.S. Treasury and Agency securities
- Investment Pools that meet the requirements of the PFIA
- No-load Money Market Mutual Funds
- Commercial paper rated A-1 or P-1
- Other investments as approved by City Council and not prohibited by law

D. **Fixed Assets and Inventory** – These assets will be reasonably safeguarded and properly accounted for, and prudently insured.

1. **Capitalization Criteria** - For purposes of budgeting and accounting classification, the following criteria must be capitalized:

- The asset is owned by the City.
- The expected useful life of the asset must be longer than three years, or extend the life of an identifiable existing asset by more than one year.
- The original cost of the asset must be at least $5,000.
- The asset must be tangible.
- On-going repairs and general maintenance are not capitalized.

2. **New Purchases** – All costs associated with bringing the asset into working order will be capitalized as part of the asset cost. This will include start up costs, engineering or consultant type fees as part of the asset cost once the decision or commitment to purchase the asset is made. The cost of land acquired should include all related costs associated with its purchase.

3. **Improvements and Replacement** – Improvements will be capitalized when they extend the original life of an asset or when they make the asset more valuable than it was originally. The replacement of assets components will normally be expensed unless they are a significant nature and meet all the capitalization criteria.

4. **Contributed Capital** - Infrastructure assets received from developers or as a result of annexation will be recorded as equity contributions when they are received.

5. **Disposals** – A department that takes an asset out of service will promptly notify the Finance Department to determine the best method of disposal.

6. **Distributions Systems** - All costs associated with public domain assets, such as streets and utility distribution lines will be capitalized in accordance with the capitalization policy. Costs should include engineering, construction and other related costs including right of way acquisition.

7. **Reporting and Inventory** – The Finance Department will maintain the permanent records of the City’s fixed assets, including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life. Periodically, random sampling at the department level will be performed to inventory fixed assets assigned to that department. Responsibility for safeguarding the City’s fixed assets lies with the department supervisor or manager whose department has been assigned the asset.

D. **Computer System/Data Security** – The City shall provide security of its computer/network system and data files through physical and logical security systems that will include but not limited to, double back-to-back firewalls and two-tier spam/virus protection system.

1. **Physical location** – The location of computer/network systems shall be in locations inaccessible to unauthorized personnel.

2. **Access** – The Information Technology division will be responsible for setting up access to the City’s network and files. Certain files have limited access and shall only be accessed by employees who have the approval of the Assistant City Manager. The Director of Finance shall have responsibility for setting security levels for employees within the financial system for internal control purposes; however these levels may be administered by the IT division.

3. **Remote access** – The Information Technology division will set up employees for Virtual Private Network (VPN) access upon approval from their Department Director and the Assistant City Manager.

4. **Data backup** – Data backups will be conducted daily. The system will create daily backups of files. Files will be electronically submitted to an offsite back up.

5. **Inventory** – Records of all computer equipment purchased shall be the responsibility of the Information Technology division. Routine inventories will be conducted to ensure safeguarding of these assets.

XII. DEBT MANAGEMENT
The City of Hutto recognizes the primary purpose of capital facilities is to support provision of services to its residents. Using debt financing to meet the capital needs of the community must be evaluated according to efficiency and equity. Efficiency must be evaluated to determine the highest rate of return for a given investment of resources. Equity is resolved by determining who should pay for the cost of capital improvements. In meeting demand for additional services, the City will strive to balance the needs between debt financing and “pay as you go” methods. The City recognizes that failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects on the City’s long-range financial condition.

The City will issue debt only for the purpose of acquiring or constructing capital assets for the general benefit of its citizens and to allow it to fulfill its various purposes as a city.

A. **Usage of Debt** - Long-term debt financing will be considered for non-continuous capital improvements of which future citizens will benefit. Alternatives for financing will be explored prior to debt issuance and include, but not limited to:

- Grants
- Use of Reserve Funds
- Use of Current Revenues
- Contributions from developers and others
- Leases
- Impact Fees

When the City utilizes long-term financing, it will ensure that the debt is soundly financed by conservatively projecting revenue sources that will be used to pay the debt. It will not finance the improvement over a period greater than the useful life of the improvement and it will determine that the cost benefit of the improvement, including interest costs, is positive to the community.

B. **Types of Debt**

1. **General Obligation Bonds (GO’s)** – General obligation bonds must be authorized by a vote of the citizens of Hutto. They are used only to fund capital assets of the general government and are not to be used to fund operating needs of the City. The full faith and credit of the City as well as the City’s ad valorem taxing authority back general obligation bonds. Conditions for issuance of general obligation debt include:

   - When the project will have a significant impact on the tax rate;
   - When the project may be controversial even though it is routine in nature; or
   - When the project falls outside the normal bounds of projects the City has typically done.

2. **Revenue Bonds** – Revenue bonds will be issued to provide for the capital needs of any activities where the capital requirements are necessary for the continuation or expansion of a service. The improved activity shall produce a revenue stream to fund the debt service requirements of the necessary improvement to provide service expansion. The average life of the obligation should not exceed the useful life of the asset(s) to be funded by the bond issue and will generally be limited to no more than twenty (20) years.

3. **Certificates of Obligation, Contract Obligations (CO’s)** – Certificates of obligation or contract obligations may be used to fund capital requirements that are not otherwise covered either by general obligation or revenue bonds. Debt service for CO’s may be either from general revenues (tax-supported) or supported by a specific revenue stream(s) or a combination of both. Typically, the City may issue CO’s when the following conditions are met:

   - When the proposed debt will have minimal impact on future effective property tax rates;
   - When the projects to be funded are within the normal bounds of city capital requirements, such as for roads, parks, various infrastructure and City facilities; and
   - When the average life of the obligation does not exceed the useful life of the asset(s) to be funded by the issue.

   Certificates of obligation will be the least preferred method of financing and will be used with prudent care and judgment by the City Council. Every effort will be made to ensure public participation in decisions relating to debt financing.

4. **Self-supporting General Obligation Debt** – Refers to general obligation debt issued for a specific purpose and repaid through dedicated revenues other than ad valorem taxes. The annual debt requirements are not included in the property tax calculation. The Utility Fund issues this type of debt.

5. **Internal borrowing between City funds** – The City can authorize use of existing long-term reserves as “loans” between funds. The borrowing fund will repay the loan at a rate consistent with current market conditions. The loan will be repaid within ten (10) years. The loan will be considered an investment of working capital reserves by the lending fund.
6. **Short-term borrowing** - The City may authorize the issuance of Public Property Finance Contractual Obligations (PPFCOs) which are short-term obligations for the acquisition of personal public property, such as equipment. PPFCOs are payable from either ad valorem taxes or another dedicated revenue stream. Each issuance will be assessed to ensure cost effectiveness and the repayment schedule will not exceed the useful life of the asset. Multiple equipment acquisitions can be grouped in a single PPFCO issue in order to develop economies of scale.

C. **Method of Sale** – The City will use a competitive bidding process in the sale of bonds unless conditions in the bond market or the nature of the issue warrant a negotiated bid. In such situations, the City will publicly present the reasons for the negotiated sale. The City will rely on the recommendation of the financial advisor in the selection of the underwriter or direct purchaser.

D. **Disclosure** – Full disclosure of operating costs along with capital costs will be made to the bond rating agencies and other users of financial information. The City staff, with assistance of the financial advisor and bond counsel, will prepare the necessary materials for presentation to the rating agencies and will aid in the production of the Preliminary Official Statements. The City will take responsibility for the accuracy of all financial information released.

E. **Federal Requirements** – The City will maintain procedures to comply with arbitrage rebate and other Federal requirements.

F. **Debt Structuring** – The City will issue bonds with maturity not to exceed the useful life of the asset acquired. The structure should approximate level debt service unless operational matters dictate otherwise. Market factors, such as the effects of tax-exempt designations, the cost of early redemption options and the like, will be given consideration during the structuring of long term debt instruments.

G. **Debt Coverage Ratio** – Refers to the number of times the current combined debt service requirements or payments would be covered by the current operating revenues net of on-going operating expenses of the City’s Utility Fund). The City will maintain a minimum debt service coverage ratio of 1.0 times for these utilities as a whole.

H. **Bond Reimbursement Resolutions** – The City may utilize bond reimbursements as a tool to manage its debt issues, due to arbitrage requirements and project timing. In so doing, the City uses its capital reserve "cash" to delay bond issues until such time when issuance is favorable and beneficial to the City.

XIII. **OTHER FUNDING ALTERNATIVES**

When at all possible, the City will research alternative funding opportunities prior to issuing debt or increasing user-related fees.

A. **Grants** - All potential grants will be examined for any matching requirements and the source of those requirements identified. All applications will be reviewed by Finance to ascertain funding sources, outcomes and other relevant information before the information is presented to the Council. It must be clearly understood that any resulting operation requirements of the grant could be discontinued once the term and conditions of the project have been terminated. The City Council must authorize acceptance of any grant funding:

1. **Guidelines** – The City shall seek to obtain those grants consistent with the City’s current and future priorities and objectives.

2. **Indirect Costs** – The City shall recover indirect costs to the maximum allowable by the funding source. The City may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

3. **Grant Review** – The City Manager and Director of Finance shall review all grant submittals to determine in-kind match, as well as their potential impact on the operating budget, and the extent to which they meet the City’s objectives. If there is a cash match requirement, the source of funding shall be identified and approved prior to application. All grants above $50,000 in total funds (grant, cash match, in-kind match) will require Council approval before acceptance.

4. **Grant Program Termination** – The City shall terminate grant-funded programs and associated positions as directed by the City Council when grant funds are no longer available, unless alternate funding is identified.

B. **Use of Fund Balance and Reserve Funds** - The City may authorize the use of reserve funds to potentially delay or eliminate a proposed bond issue. This may occur due to higher than anticipated fund balances in prior years, thus eliminating or reducing the need for debt proceeds, or postpone a bond issue until market conditions are more beneficial or timing of the related capital improvements does not correspond with the planned bond issue. Reserve funds used in this manner are replenished upon issuance of the proposed debt. Unappropriated fund balance in excess of operating reserves may be used for one-time projects, but not on-going operating expenses.

C. **Developer Contributions** - The City will require developers who negatively impact the City’s utility capital plans offset those impacts.
D. **Leases** - The City may authorize the use of lease financing for certain operating equipment when it is determined that the cost benefit of such an arrangement is advantageous to the City.

E. **Impact Fees** - The City will impose impact fees as allowable under state law for both water and wastewater services. These fees will be calculated in accordance with statute and reviewed at least every three years. All fees collected will fund projects identified within the Fee study and as required by state laws.

XIV. **FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS**

The City of Hutto will maintain budgeted minimum reserves in the ending working capital/fund balances to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency, allow stability of City operations should revenues fall short of budgeted projections and provide available resources to implement budgeted expenditures without regard to actual timing of cash flows into the City.

A. **Operational Coverage** – The City’s goal is to maintain operations coverage of 1.00, such that operating revenues will at least equal or exceed current operating expenditures. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques.

B. **Operating Reserves** – In accordance with the Charter Section 8.04, the City will maintain emergency reserves at a minimum of 10% of net budgeted operating expenditures. Net budgeted operating expenditure is defined as total budgeted expenditures less interfund transfers and charges, general debt service (tax supported), direct cost for purchased power and payments from third party grant monies.


2. **Utility Fund** – Working capital reserves in these funds should be 25% or ninety (90) days. Reserve requirements will be calculated as part of the annual budget process and any additional required funds to be added to the reserve balances will be appropriated within the budget. Funds in excess of the minimum reserves may be expended for City purposes at the will of the City Council once it has been determined that use of the excess will not endanger reserve requirements in future years.

C. **Liabilities and Receivables** - Procedures will be followed to maximize discounts and reduce penalties offered by creditors. Current liabilities will be paid within 30 days of receiving the invoice. Accounts Receivable procedures will target collection for a maximum of 30 days of service. Receivables aging past 120 days will be sent to a collection agency. The Director of Finance is authorized to write-off non-collectible accounts that are delinquent for more than 180 days, provided proper delinquency procedures have been followed, and include this information in the annual report to the City Council.

D. **Capital Project Funds** – Every effort will be made for all monies within the Capital Project Funds to be expended within thirty-six (36) months of receipt. The fund balance will be invested and income generated will offset increases in construction costs or other costs associated with the project. Capital project funds are intended to be expended totally, with any unexpected excess to be transferred to the Debt Service fund to service project-related debt service.

E. **General Debt Service Funds** – Revenues within this fund are stable, based on property tax revenues. Balances are maintained to meet contingencies and to make certain that the next year’s debt service payments may be met in a timely manner. The fund balance should not fall below one month or 1/12th annual debt service requirements, in accordance with IRS guidelines.

F. **Investment of Reserve Funds** – The reserve funds will be invested in accordance with the City’s investment policy. Existing non-cash investment would be exempt through retirement of the investment.

XV. **INTERNAL CONTROLS**

A. **Written Procedures** – Wherever possible, written procedures will be established and maintained by the Finance Department for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

B. **Department Directors Responsibility** – Each Department Director is responsible for ensuring that good internal controls are followed throughout their department, that all Finance Department directives are implemented and that all independent auditor internal control recommendations are addressed. Departments will develop and periodically update written internal control procedures.

C. **Fraud Risk Assessment** – The City will conduct bi-annual fraud risk self assessment exercises with all departments. The exercise will include the identification of opportunities for the misappropriation of assets, which assets are susceptible to misappropriation, and how could the misappropriation of assets be hidden from management.
Hutto Economic Development Corporation. Voters approved the creation of the 4A Hutto Economic Development Board in May 1996. The Board makes recommendations to the Council on the use of a 1/2 cent 4A Sales Tax to support economic development. Board members are appointed by the Council. All corporate powers are under the authority of the Board of Directors. The Board shall consist of seven (7) persons, with terms of each director seat being for three (3) years.

Historic Preservation Commission. The Historic Preservation Commission makes recommendations to the Council in regard to designation of historic sites or districts within the City. Members are appointed by the Council. Five (5) members are appointed for staggered terms of two (2) years. A member of City staff, appointed by Council, shall serve as an ex-officio member and as secretary to the Commission and act as the Local Preservation Officer.

Keep Hutto Beautiful Commission. The Keep Hutto Beautiful Commission makes recommendations to the Council in regard to beautification of the City. It shall assist the City Council in establishing City-wide policies, decreasing the amount of loose refuse, enhancing and preserving the City’s natural beauty, and encouraging the use of landscaping and improvement of deteriorating features. Members are appointed by the Council. The Commission shall consist of seven (7) or more members for two year terms.

Parks Advisory Board. The Parks Advisory Board makes recommendations to the Council in regard to park and recreational developments. Members are appointed by the Council. The Board shall consist of seven (7) members.

Library Advisory Board. The Library Advisory Board makes recommendations to the Council in regard to the City’s Library operations.

Planning & Zoning Commission. The Planning and Zoning Commission makes recommendations to the Council in regard to zoning changes as well as the growth and development of the City. The Planning and Zoning Commission also annually makes recommendations to the City Council regarding the City’s Five Year Capital Improvements Plan. Members are appointed by Council. Seven (7) members serve on the Commission.

Hutto Youth Advisory Commission. The Youth Advisory Commission makes recommendations to the Council in regard to youth related issues. The City Council annually appoints a mix of sixteen (16) members from the Hutto Middle, High School, and public at large.

Zoning Board of Adjustments. The Board hears and decides appeals in regards to complaints made towards a City Administrative Officer, Department or Board. The Board also acts on applications submitted for variance or special exception to City zoning regulations. Five (5) members are appointed by the Council.

Hutto Ethics Commission. The Hutto Ethics Commission was created in 2007 to render advice and opinions on potential conflicts of interest or violations at the request of a City official. The Commission consists of five (5) members appointed by the City Council to staggered terms of two (2) years, all of whom shall reside in the City. All vacancies filled for the unexpired term and all members shall hold office until successor is appointed by the Council.
Glossary

This document contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader, a budget glossary follows:

ACCRUAL BASIS. The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

ACCRUED EXPENSES. Expenses incurred but not due until a later date.

AD VALOREM TAXES. (Current) All property, real personal, mixed tangible, intangible, annexations, additions, and improvements to property located within the taxing units jurisdiction that are subject to taxation on January 1 of the current fiscal year. Following the final passage of the appropriations ordinance, the City Council sets the tax rate and levy for the current fiscal year beginning October 1 and continuing through the following September 30.

AD VALOREM TAXES. (Delinquent) All taxes are due on receipt of bill and are delinquent if not paid before February 1st of the fiscal year in which it is imposed.

AD VALOREM TAXES. (Penalty and Interest) A delinquent tax incurs a penalty of six (6%) percent of the amount of the tax for the first calendar month it is delinquent, plus one (1%) percent for each additional month or portion of the month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSESSED VALUATION. A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Williamson County Appraisal District.)

ASSET. Resources owned or held which have monetary value.

AUDIT. A comprehensive review of the manner in which the government's resources were actually utilized. A certified public accountant issues an opinion over the presentation of financial statements, tests the controls over the safekeeping of assets and makes recommendations for improvements where necessary.

BASE BUDGET. The on-going expense for personnel, operating services and the replacement of supplies and equipment to maintain service levels. The base budget does not include new programs or projects, which are approved on an individual basis.

BOND. A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects (such as buildings, streets, and water and sewer improvements).

BUDGET. A financial plan of projected resources and proposed expenditures for a given period.

BUDGET CALENDAR. The schedule of key dates or milestones that the City follows in the preparation, adoption, and administration of the budget.

BUDGET CATEGORY. A group of expenses related by function. The City uses five budget categories including: Salaries and Benefits, Supplies and Materials, Repair and Maintenance, Other Services and Charges, and Capital Outlay.

BUDGET CONTINGENCY PLAN. The Fiscal and Budgetary Policy outlines operating procedures for managing revenue shortfalls resulting from factors such as local and economic downturns.

BUDGETED FUNDS. Funds that are planned for certain uses but have not been formally or legally authorized by the legislative body. The budget document that is submitted for Council approval is composed of budgeted funds.

CAPITAL EXPENDITURES. Outflows of spendable resources for the acquisitions of long-term assets.

CAPITAL IMPROVEMENTS PLAN. A five year planning document that outlines the capital projects within the next five years and includes information regarding funding, project description and scheduling, and status. The City Council annually adopts a CIP as part of the budget process.

CAPITAL OUTLAYS. Expenditures that result in the acquisition of or addition to fixed assets.

CASH BASIS. A basis of accounting under which transactions are recognized only when cash changes “hands”.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN). The jurisdictional boundary of the City’s water and/or wastewater service area.
CERTIFICATES OF OBLIGATION. See definition of bond.

CHARRETTE. A facilitated planning retreat process that brings together multiple parties to create initial ideas and designs for projects.

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

CONTINGENCY RESERVES. A portion of the budgeted ending fund balance or working capital that is not available for appropriation. The intent of the reserves is to provide flexibility, should actual revenues fall short of budgeted revenues and to provide adequate resources to implement budgeted expenditures without regard to the actual cash flow of the fund.

COST ACCOUNTING. That method of accounting that provides for assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operations, or to complete a unit of work or a specific job.

CURRENT TAXES. Taxes that are levied and due within the current year.

DEBT SERVICES. Principal and interest obligations for bonds and other debt instruments according to a predetermined payment schedule.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES. Taxes that remain unpaid on and after the date on which a penalty for non-payment is assessed.

DEPARTMENT. An administrative segment of the City consisting of multiple divisions that is organized by function and service provided.

DEPRECIATION. The process of estimating and recording the lost usefulness, expired useful life or diminution of service from fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset’s lost usefulness is the depreciation, or the reserve cost, in order to replace the item at the end of its useful life.

DIVISION. A separately budgeted segment of a department.

EFFECTIVE TAX RATE. The effective tax rate is the tax rate required to produce the same amount of taxes for the current year as the previous year. The rate is calculated by subtracting taxes on property lost this year from the prior year’s taxes total. This number is divided by the current value of property taxed in the prior year. Multiplying this number by 100 will produce the effective tax rate.

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services.

ENHANCEMENTS. Newly requested budgeted amounts that will result in a new or expanded level of service over the previous year.

ETJ. The Extra-Territorial Jurisdiction is the contiguous area just beyond the city limits where a city may apply its development standards and regulations. A city’s ETJ is determined by population.

ESD#3. Williamson County Emergency Services District #3 provide fire protection services to the Hutto area. The entity is independent of the City and levies a maximum ad valorem tax of $0.1 per $100 of property valuation. The organization is also referred to as “Hutto Fire and Rescue.” The City has an interlocal agreement with the organization for services provided to the Hutto citizens.

EXPENDITURE. This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure. An encumbrance reserves funds to be expended when goods or services are received.

EXPENSES. Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

FISCAL YEAR. The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Hutto has specified October 1 to September 30 as its fiscal year.

FIVE-YEAR DEPARTMENTAL STRATEGIC PLAN AND FISCAL FORCAST. A five year planning document that analyzes expected revenues and expenses based on forecasted revenues and expenditures as outlined by division. The document also contains the five year goals of each division and strategies for attainment of the goals.

FIXED ASSETS. Assets of a long-term character which are intended to continue to be held or used, such as land, building, and improvements other than buildings, machinery and equipment.
FRANCHISE FEE. This is a charge paid by businesses for the use of City streets and public right of way and is in lieu of all other municipal charges, fees, street rentals, pipe taxes or rentals, easement or other like franchise taxes, inspections fees, and/or charges of every kind except Ad Valorem and special assessment taxes for public improvements.

FULL-TIME EQUIVALENT. The numeric breakdown of city positions. A regular full-time employee (40 hours per week) equals one (1.0) full-time equivalent. Part-time positions are calculated as 0.5 full-time equivalents, and seasonal staff positions are considered 0.25 full-time equivalents.

FUND. An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. Eight commonly used funds in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

FUND BALANCE. Fund balance is the excess of assets over liabilities and is therefore also known as surplus funds.

GENERAL FUND. The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS. Bonds that finance a variety of public projects such as streets, building, and improvements. These bonds are backed by the full faith and credit of the issuing government.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards of and guidelines to financial accounting and reporting. These principles: govern the form and content of the basic financial statements of an entity; encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time; include not only broad guidelines of general application, but also detailed practices and procedures; and, provide a standard by which to measure financial presentations.

GOVERNMENTAL FUNDS. Funds, within a governmental accounting system, that support general tax supported governmental activities.

GRANTS. Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

GROWTH GUIDANCE PLAN. The Growth Guidance Plan includes a statement of strategic priorities/policies adopted by the City Council that are intended to guide the growth and development of the City until 2030.

HOTEL/MOTEL TAX. Pursuant to State law, a tax is levied upon the cost of occupancy of any room or space furnished by any hotel/motel. The current rate of taxation is 13% (7% of which is paid to the City and budgeted for limited uses and 6% of which is collected by the State).

IMPACT FEES. Fees assessed to developers to help defray a portion of the costs that naturally result from increased development. By Texas law, these fees must be used for capital acquisition or debt service relating to capital projects.

INTERFUND TRANSFERS. Amounts transferred from one fund to another.

INVESTMENTS. Securities and real estate held for the generation of revenue in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

LEVY. (Verb) To impose taxes, special assessments, or special charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or special charges imposed by a government.

LONG-TERM DEBT. Debt with a maturity of more than one year after the date of issuance.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under this basis, revenues are recognized when they become both “measurable” and “available to finance expenditures within the current period”. Expenditures are recognized when the related fund liability is incurred except for: (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earning on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.

ORGANIZATIONAL DEVELOPMENT PLAN (ODP). In 2005, the City set the goal to establish a well-trained that feels appreciated and valued to improve the efficiency and effectiveness of the organization.

OPERATING BUDGET. A plan of current year expenditures and the proposed means of financial acquisition, spending, and service delivery activities of government are controlled.
OPERATING TRANSFERS. All interfund transfers other than residual equity transfers.

ORDINANCE. A formal legislative enactment by the governing board of a municipality. If an ordinance is not in conflict with any higher form of law, such as a state statute of 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 is less formal and has a lower legal “status”. Ordinarily, statutes or characters will specify or imply those legislative actions that must be by ordinance and those which may be by resolution. Revenue raising measures such as these required for imposition of taxes, special assessments and service charges, universally require ordinances.

PERFORMANCE MEASURES. Performance measures are specific quantitative and qualitative indicators that report on the progress of activities and goals. Measures include inputs (the resources required to complete objectives), outputs (the number of units produced), efficiency measures (the number of units produced per input), and outcome measures (the end result of the objective).

PROGRAM DESCRIPTION. A description of the nature of service delivery provided at a particular level of funding.

PROGRAM GOALS. Goals identify the end result the department/division desires to achieve with its activities, but goals are often ongoing and may not be achieved in one year.

PROPERTY TAX. Property taxes are levied on both real and personal property according to the property’s valuation and the tax rate.

PROPRIETARY FUND. Funds, within a governmental accounting system, that operate like business entities. These funds are characterized as either enterprise or internal service funds.

RESERVE. A portion of fund restricted for a specific purpose and is, therefore, not available or recommended for general appropriation.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

REVENUE BONDS. Bonds for which principal and interest are payable exclusively from earnings from an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund’s property.

REVENUES. (1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-germ debt proceeds and operating transfers in are classified as “other financing sources” rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers in are classified separately from revenues.

SALES TAX. A general “sales tax” is levied on all persons and businesses selling merchandise in the City limits on a retail basis. The current sales tax rate for the City is 8.25% (with only 1.5% rebated to the City from the State).

SERVICE CHARGES. Service charges are allocated to all Enterprise Fund activities (e.g., water/sewer) for indirect management and administrative support provided by General Fund departments.

SURPLUS. The excess of the assets or resources of a fund over its liabilities or obligations.

TAXES. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the public. This 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).

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ). The Texas Commission on Environmental Quality monitors the City’s utility system for safety and compliance with state law.

TEA 21. The Transportation Equity Act 21 provided grant funding to the City for the Cottonwood Trail Phase II project.

TOTAL REWARDS SYSTEM (TRS). The City contracted with Management Connections in 2007 to conduct a compensation study and to develop an evaluation tool that ties compensation to performance. The study is expected to be completed in Fiscal Year 2008.

TEXAS WATER DEVELOPMENT BOARD (TWDB). The City of Hutto is seeking low-interest funding for the Brushy Creek Wastewater Interceptor capital project from the Texas Water Development Board’s Clean Water Program.

UNENCUMBERED BALANCE. The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.
**WORKLOAD MEASURES.** Workload measures reflect major activities of the division/department in terms of quantity of work accomplished. Workload measures should be able to be tracked with a reasonable amount of time and effort.

**UNIFIED DEVELOPMENT CODE (UDC).** The Unified Development Code is a comprehensive document that outlines all development related codes and ordinances for the City.
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<td>American Planning Association.</td>
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<td>AP</td>
<td>Accounts Payable.</td>
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<td>Accounts Receivable.</td>
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<td>AWWA</td>
<td>American Waterworks Association.</td>
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<td>BRA</td>
<td>Brazos River Authority.</td>
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<td>CAMPO</td>
<td>Capitol Area Metropolitan Planning Organization.</td>
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<td>CAPCOG</td>
<td>Capitol Area Council of Governments.</td>
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<td>CCN</td>
<td>Certificate of Convenience and Necessity (water and wastewater).</td>
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<td>CDBG</td>
<td>Community Development Block Grant.</td>
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<td>CWSRF</td>
<td>Clean Water State Revolving Fund.</td>
</tr>
<tr>
<td>EECBG</td>
<td>Energy Efficiency &amp; Conservation Block Grant.</td>
</tr>
<tr>
<td>EIS</td>
<td>Executive Information Systems.</td>
</tr>
<tr>
<td>ESD#3</td>
<td>Emergency Services District Number 3.</td>
</tr>
<tr>
<td>ETR</td>
<td>The Effective Tax Rate.</td>
</tr>
<tr>
<td>ETJ</td>
<td>The Extra-Territorial Jurisdiction.</td>
</tr>
<tr>
<td>EWCHEC</td>
<td>Eastern Williamson County Higher Education Center.</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-time Equivalent.</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year.</td>
</tr>
<tr>
<td>GO BOND</td>
<td>General Obligation Bond.</td>
</tr>
<tr>
<td>GAAP</td>
<td>Generally Accepted Accounting Principles.</td>
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<tr>
<td>GASB</td>
<td>Governmental Accounting Standards Board.</td>
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<tr>
<td>GFOA</td>
<td>Government Finance Officers Association.</td>
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<td>GGP</td>
<td>Growth Guidance Plan.</td>
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<tr>
<td>GIS</td>
<td>Geographic Information System.</td>
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<tr>
<td>GPD</td>
<td>Gallons per day.</td>
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<tr>
<td>GPS</td>
<td>Global Positioning System.</td>
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<tr>
<td>HEDC</td>
<td>Hutto Economic Development Corporation.</td>
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<tr>
<td>HISD</td>
<td>Hutto Independent School District.</td>
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<tr>
<td>HOT</td>
<td>Heart of Texas Water Supply.</td>
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<tr>
<td>HPC</td>
<td>Historic Preservation Commission.</td>
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<tr>
<td>HR</td>
<td>Human Resources.</td>
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<tr>
<td>I&amp;S</td>
<td>Interest and Sinking.</td>
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<tr>
<td>ICMA</td>
<td>International City Managers Association.</td>
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<td>IT</td>
<td>Information Technology.</td>
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<tr>
<td>Jonah SUD</td>
<td>Jonah Service Utility District</td>
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<tr>
<td>KHB</td>
<td>Keep Hutto Beautiful Commission.</td>
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<tr>
<td>LCRA</td>
<td>Lower Colorado River Authority.</td>
</tr>
<tr>
<td>LS</td>
<td>Lift Station.</td>
</tr>
<tr>
<td>MGD</td>
<td>Million gallons per day.</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding.</td>
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<tr>
<td>O&amp;M</td>
<td>Operations and Maintenance.</td>
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<tr>
<td>ODP</td>
<td>Organizational Development Plan.</td>
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<tr>
<td>P&amp;Z</td>
<td>Planning and Zoning Commission.</td>
</tr>
<tr>
<td>PO</td>
<td>Purchase Order.</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposal.</td>
</tr>
<tr>
<td>RFQ</td>
<td>Request for Qualifications.</td>
</tr>
<tr>
<td>SCADA</td>
<td>Supervisory Control and Data Acquisition.</td>
</tr>
<tr>
<td>SECO</td>
<td>State Energy Conservation Office.</td>
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<tr>
<td>TCEQ</td>
<td>Texas Commission on Environmental Quality.</td>
</tr>
<tr>
<td>TEA 21</td>
<td>The Transportation Equity Act for the 21st Century.</td>
</tr>
<tr>
<td>TIF/TRZ</td>
<td>Tax Increment Financing or Tax Reinvestment Zone.</td>
</tr>
<tr>
<td>TLETS</td>
<td>Texas Law Enforcement Telecommunication System.</td>
</tr>
<tr>
<td>TML</td>
<td>Texas Municipal League.</td>
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<tr>
<td>TMLIRP</td>
<td>Texas Municipal League Intergovernmental Risk Pool.</td>
</tr>
<tr>
<td>TMRS</td>
<td>Texas Municipal Retirement System.</td>
</tr>
<tr>
<td>TRS</td>
<td>Total Rewards System.</td>
</tr>
</tbody>
</table>
TSLA. Texas State Library Association.
TWC. Texas Workforce Commission.
TWDB. Texas Water Development Board.
TXDOT. Texas Department of Transportation.
UB. Utility Billing.
UCR. Uniform Crime Report.
UDC. Unified Development Code.
WCCAC. Williamson County Children’s Advocacy Center.
WCCHD. Williamson County and Cities Health District.
WILCO. Williamson County.
WWTP. Wastewater Treatment Plant.
YAC. Youth Advisory Commission.
AGENDA ITEM NO.: 7C. AGENDA DATE: September 17, 2015

PRESENTED BY: Melanie Hudson, Finance Director

ITEM: Consideration and possible action on the second and final reading of an ordinance levying Ad Valorem taxes for the use and support of the municipal government for the City of Hutto for the Tax Year 2015.

STRATEGIC GUIDE POLICY: Fiscal and Budgetary

ITEM BACKGROUND:
On July 30, 2015, the City Council took a record vote on the proposed ad valorem rate. While this vote did not establish the tax rate, it did establish a ceiling for tax rate consideration. The Council set a tax ceiling at of $0.528500 per $100 valuation. The City Council will need to adopt a tax rate that corresponds with the 2015-16 Budget. The impact of the tax rate was discussed as part of the budget presentations. The City Council hosted two public hearings on the proposed ad valorem rate in August.

The proposed rate is divided as follows to meet the debt service requirements of the City:

Maintenance and Operations of the general government (General Fund), a rate of $0.436464 on each $100 valuation of property; debt service on bonds sold for the support of general government, a rate of $0.092036 on each $100 valuation of property.

The State requires certain language be used in the motion to adopt the tax rate. The motion to adopt the recommended tax rate is as follows:

“I move that the property tax rate be increased by the adoption of a tax rate of $0.528500, which is effectively a 14.33 percent increase in the tax rate.”

Section 1 and 2 of the ordinance will be adjusted to reflect the rate adopted by the City Council.

BUDGETARY AND FINANCIAL SUMMARY:
The budget for the General Fund and Interest and Sinking Fund are funded in part based upon the above stated rates.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS:
Not applicable.

CITY ATTORNEY REVIEW:
Not applicable.

STAFF RECOMMENDATION:
Staff recommends the Council approve the second reading of the Ordinance.

SUPPORTING MATERIAL:
1. FY16 Tax Rate Ordinance
ORDINANCE NO.

AN ORDINANCE LEVYING AD VALOREM TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE CITY OF HUTTO FOR THE TAX YEAR 2015; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSE; AND, PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID; AND PROVIDING FOR A PUBLICATION CLAUSE, SEVERABILITY CLAUSE, AND REPEALING CLAUSE.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION I.

That there is hereby levied and there shall be collected for the use and support of the Municipal Government of the City of Hutto, upon all property, real personal and mixed, within the corporate limits of said City subject to taxation a tax of $0.528500 on each $100.00 valuation of property, said tax being levied and apportioned to the specific purpose herein set forth.

1. For the Maintenance and Operations of the general government (General Fund), a rate of $0.436464 on each $100.00 valuation of property and

2. For debt service on bond sold for the support of general government, a rate of $0.092036 on each $100.00 valuation of property.

SECTION II.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE A RAISED BY 15.61% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 BY APPROXIMATELY $5.

SECTION III.

That the Taxes levied under this ordinance shall be due October 1, 2015, and if not paid on or before January 31, 2016, shall become delinquent.

SECTION IV.

All Taxes shall become a lien upon the property against which assessed, and the City Tax Assessor and Collector of the City of Hutto is hereby authorized and empowered to enforce the collection of such Taxes according to the Constitution and Laws of the State of Texas and ordinances of the City of Hutto and shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property whether real or personal, for the payment of said taxes, penalty and interest, and the interest and penalty collected from such delinquent taxes shall be apportioned to the General Fund of the City of Hutto. All delinquent taxes shall bear interest from the date of delinquency at the rate as prescribed by State Law.

SECTION V. Publication Clause
The City Secretary of the City of Hutto is hereby authorized and directed to publish the caption of this ordinance in the manner and for the length of time prescribed by law.

SECTION VI. Severability Clause

The provisions of this ordinance are severable, and if any sentence, section, or other parts of this ordinance should be found to be invalid, such invalidity shall not affect the remaining provisions, and the remaining provisions shall continue in full force and effect.

SECTION VII. Repealing Clause

All ordinances and resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict.

SECTION VIII. Open Meeting Clause

The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject hereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION IX.

This ordinance shall take effect and be in force from and after its passage.

READ and APPROVED on first reading on this the 3rd day of September, 2015, at a regular called meeting of the City Council of the City of Hutto, there being a quorum present, by a record vote:
AYES: NAYS:

READ, APPROVED and ADOPTED on second reading this 17th day of September, 2015 at a regular meeting of the City Council of the City of Hutto, there being a quorum present, by a record vote and approved by the Mayor on the date set out above.
AYES: NAYS:

CITY OF HUTTO, TEXAS

Debbie Holland, Mayor

ATTEST:

Seth Gipson, City Secretary
AGENDA ITEM NO.: 7D.  
AGENDA DATE: September 17, 2015

PRESENTED BY: Melanie Hudson, Finance Director

ITEM: Consideration and possible action on the second and final reading of an ordinance ratifying an Ad Valorem tax increase for the 2015-16 Fiscal Year for the use and support of the municipal government for the City of Hutto for the Tax Year 2015.

STRATEGIC GUIDE POLICY: Fiscal and Budgetary

ITEM BACKGROUND: House Bill 3195 was adopted by the Texas Legislature during the 2007 legislative session. It requires a separate vote of the governing body to ratify the property tax increase in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

If the proposed tax rate of $0.528500 is adopted, this budget will raise more total property taxes than last year’s budget by $833,009 or 14.33%, and of that amount $344,038 is tax revenue to be raised from new property added to the tax roll this year.

BUDGETARY AND FINANCIAL SUMMARY: The budget for the General Fund and Interest and Sinking Fund are funded in part by the ad valorem tax.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS: Not applicable.

CITY ATTORNEY REVIEW: Not applicable.

STAFF RECOMMENDATION: Staff recommends the Council approve the second reading of the ordinance.

SUPPORTING MATERIAL: 1. FY16 Tax Ratification - Ordinance
ORDINANCE NO.

AN ORDINANCE RATIFYING A PROPERTY TAX INCREASE FOR THE FISCAL YEAR 2016 FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE CITY OF HUTTO; AND PROVIDING FOR A PUBLICATION CLAUSE, SEVERABILITY CLAUSE, AND REPEALING CLAUSE.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION I.

That this budget will raise more total property taxes than last year’s budget by $833,009 or 14.33%, and of that amount $344,038 is tax revenue to be raised from new property added to the tax roll this year based on an ad valorem rate of $0.528500 on each $100.00 valuation of property.

SECTION II.

That the 2015 taxable value on the 2015 certified appraisal roll totals $1,257,517,667 compared to $1,099,502,755 in 2014.

SECTION III.

That the proposed Fiscal Year 2016 Budget and tax levy shall be adopted in separate ordinances and will become effective October 1, 2015, and end September 30, 2016.

SECTION IV. Publication Clause

The City Secretary of the City of Hutto is hereby authorized and directed to publish the caption of this ordinance in the manner and for the length of time prescribed by law.

SECTION V. Severability Clause

The provisions of this ordinance are severable, and if any sentence, section, or other parts of this ordinance should be found to be invalid, such invalidity shall not affect the remaining provisions, and the remaining provisions shall continue in full force and effect.

SECTION VI. Repealing Clause

All ordinances and resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict.

SECTION VII. Open Meeting Clause
The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject hereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION VIII.

This ordinance shall take effect and be in force from and after its passage.

READ and APPROVED the first reading on the 3rd day of September 2015, at a special called meeting of the City Council of the City of Hutto, there being a quorum present, by __ “Ayes” and __ “Nays”.

READ, APPROVED and ADOPTED on the second reading this 17th day of September 2015, at a regular meeting of the City Council of the City of Hutto, there being a quorum present, by __ “Ayes” and __ “Nays”, and approved by the Mayor on the date set out above.

CITY OF HUTTO, TEXAS

________________________
Debbie Holland, Mayor

ATTEST:

________________________
Seth Gipson, City Secretary
AGENDA ITEM NO.: 8A.  
AGENDA DATE: September 17, 2015  

PRESENTED BY: Karen Daly, City Manager  

ITEM: Consideration and possible action on a resolution concerning the update of the 2035 Strategic Guide.  

STRATEGIC GUIDE POLICY: Leadership  

ITEM BACKGROUND:  
On August 27, 2015, the City Council convened for a planning retreat facilitated by The Management Connection. The retreat concentrated on reaffirming and updating the 2035 Strategic Guide for the City. The policies were discussed and reaffirmed and some goals were modified while others were deleted. The Strategic Guide for 2035 has incorporated all of those changes and is ready for Council consideration.  

BUDGETARY AND FINANCIAL SUMMARY:  
Not applicable.  

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS:  
Not applicable.  

CITY ATTORNEY REVIEW:  
Not applicable.  

STAFF RECOMMENDATION:  
It is recommended that the City Council approve the resolution adopting the 2035 Strategic Guide.  

SUPPORTING MATERIAL:  
1. 2035 Strategic Guide Resolution  
2. Hutto 2035 Strategic Guide
RESOLUTION NO.

WHEREAS, in 2007, the Hutto City Council began the development of a strategic guide that would provide direction for the community as it develops during the next twenty years; and

WHEREAS, the City Council reviews the 2035 Strategic Guide each year at their annual work session and, if necessary, revises or modifies the guide; and

WHEREAS, at the annual work session held on August 27, 2015, the Council made adjustments to the policy statements and objectives of the 2035 Strategic Guide,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS, hereby adopts the revised 2035 Hutto Strategic Guide dated September 17, 2015.

RESOLVED on this the 17th day of September, 2015.

CITY OF HUTTO, TEXAS

______________________________
Debbie Holland, Mayor

ATTEST:

______________________________
Seth Gipson, City Secretary
VISION

To passionately serve the public through innovation, sustainability, and diversity for the enrichment of current and future generations.

MISSION

Maintain an effective organization that supports and meets the needs of the community.

VALUES

We believe in...

- Protecting our neighborhoods.
- Being good stewards of natural resources.
- Enhancing community’s appearance.
- Embracing diversity.
- Creating a special quality of life for our citizens.
- Providing a positive experience for our visitors.
- Encouraging economic development.
- Respecting the heritage of our community.
- Treating everyone fairly and with respect.
2015 CITY COUNCIL

Mayor Debbie Holland
Michael J. Smith, Mayor Pro Tem
Anne Cano, Place One
Tom Hines, Place Two
Ronnie Quintanilla-Perez, Place Three
Lucio Valdez, Place Five
Max V. Yeste, Place Six
COUNCIL RELATIONS POLICY

The Council Relations Policy, including the Leadership Expectations Framework, reflects the expectations of the Hutto City Council in defining the behaviors, manners, and courtesies that are suitable for various occasions. It is also designed to make public meetings and the process of governance run more smoothly.

LEADERSHIP EXPECTATIONS FRAMEWORK

Council to Council Expectations
- Respect each other when giving and receiving honest and constructive feedback.
- Be professional and show proper decorum on and off the Dais.
- Have scheduled opportunities to discuss significant policies, issues and projects.
- Establish and follow a social media and public communication policy.

Council Expectations of the City Manager
- Provide daily updates of matters of importance.
- Blunt and Honest Communication.
- The Council desires preparation of change before it happens in order to educate and inform the public.
- Be visible in involvement at City events and organizations.
- Provide the council with sufficient information and advice to help the Council chart the best direction for the City and the Council.

City Manager Expectations of the Council
- Provide a clear direction through the Strategic Guide.
- Give the City Manager the opportunity to answer Council’s questions and concerns.
- Support the staff through respectful dialogue and questions.
- Represent the Council to residents, customers and the world.
LEADERSHIP
POLICY

It is the desire of the City Council to provide honest, ethical, and effective guidance in the development and structure of leadership for the City.

Strategic Goals:

- Pre-election orientation for prospective candidates.
- Establish a qualified group of community leaders.
- Utilize ongoing continuing education opportunities, on an annual basis, to strengthen leadership and governance skills.
- Create Council Committee Structure.
- Cultivate, maintain, and promote relationships with critical partners delivering services within the community.
QUALITY OF LIFE
POLICY

It is the desire of the Hutto City Council to create a city that engages citizens by providing programs and services beyond their basic needs.

Strategic Goals:

- Reach a 100% recycling rate by 2035.
- Continue efforts supporting City-wide tree planting and care program.
- Support the preservation of green space.
- Maintain an environment that encompasses a safe, friendly, and an entertaining atmosphere for all ages.
- Support and encourage beautification efforts within the City.
- Create and maintain a world-class system of parks, trails, and recreation programs.
- Explore a more robust cultural arts and historical preservation program.
ORGANIZATION DEVELOPMENT
POLICY

It is the desire of the Hutto City Council to maintain a qualified staff that will continue to move the City in a positive, progressive, and productive direction.

Strategic Goals:

- Provide continuing education opportunities.
- Provide competitive compensation packages.
- Implement effective Succession Planning process.
- Create and maintain a positive and inspired workforce through recruitment, environment, development, and retention.
SERVICE DELIVERY POLICY

It is the desire of the Hutto City Council to deliver programs and services in a manner that best reflects the makeup of the community and the needs of the citizens.

Strategic Goals:

- Ensure quality city-wide customer service program.
- Provide on-going and consistent citizen communication.
- Embrace the use of technology to enhance or reduce the cost of service delivery.
- Coordinate with HOAs to improve the quality of neighborhood communication and supports.
- Ensure the City’s permit process is consistent.
FISCAL AND BUDGETARY POLICY

It is the desire of the Hutto City Council to achieve and maintain a long-term, stable, and positive financial condition and provide guidelines for the day-to-day planning and operations of the City’s financial affairs.

**Strategic Goals:**

- Provide responsible fiscal stewardship.
- Make the City economically competitive to draw and sustain businesses through competitive rates, taxes, and user fees.
- Provide funding for infrastructure to sustain growth.
- Stabilize and control program costs.
- Increase reserves to recognized standards.
- Improve bond rating.
- Continue to recognize and fund all long-term liabilities.
- Explore non-traditional funding mechanisms.
PUBLIC SAFETY POLICY

It is the desire of the Hutto City Council to ensure the safety and well-being of the residents, businesses and visitors in the City.

Strategic Goals:

- Maintain a well-trained, highly effective police force.
- Ensure that citizens have access to quality and sufficient Fire and EMS services.
- Maintain strong relationships between the Police Department and the community.
- Maintain strong relationships with other public safety organizations.
MOBILITY POLICY

It is the desire of the Hutto City Council to ensure the safe mobility of citizens through various modes of transportation.

Strategic Goals:

- Develop, maintain, and follow the Transportation Master Plan.
- Maintain and follow the Pedestrian Mobility Master Plan.
- Integrate the Thoroughfare Master Plan with regional partners.
- Work in conjunction with regional transportation entities to plan for public transportation.
EDUCATION POLICY

It is the desire of the Hutto City Council to develop a cooperative relationship with the Hutto Independent School District, East Williamson County Higher Education Center, and other education entities to enhance the quality of education.

Strategic Goals:

- Proactively support educational needs for the community.
- Increase awareness of educational programs.
- Nurture and sustain strategic educational partnerships.
- Pursue cooperative agreements with educational entities.
GROWTH GUIDANCE
POLICY

It is the desire of the Hutto City Council to achieve the orderly growth and development of the City by maintaining and following the Comprehensive Plan which promotes beneficial and appropriate land uses and supporting infrastructure.

Strategic Goals:

➢ Maintain a Comprehensive Plan specifically designed to meet Hutto’s current and future needs.
➢ Engage the community in developing and maintaining the Comprehensive Plan.
INFRASTRUCTURE POLICY

It is the desire of the Hutto City Council to provide and maintain a quality infrastructure system to meet the vision as set out in the Comprehensive Plan.

Strategic Goals:

- Proactively expand infrastructure system to optimize cost saving opportunities and funding partnerships.
- Continue to develop high quality standards in conjunction with regional partners.
- Design and select materials to minimize on-going maintenance and replacement costs.
- Invest in technology to assess and monitor infrastructure conditions.
ECONOMIC DEVELOPMENT POLICY

It is the desire of the Hutto City Council to develop business diversity consistent with the Comprehensive Plan to maintain an economic base that is sustainable and adaptable.

Strategic Goals:

- Recruit, retain, and expand desired businesses that will continue to enhance the quality of life for the Hutto community.
- Attract higher-skilled, higher-waged jobs.
- Encourage business development that promotes quality of place.
- Invest to revitalize under-utilized areas for business opportunities.
- Define a competitive framework for attracting economic development.
LEGISLATIVE AGENDA
POLICY

It is the desire of the Hutto City Council to actively pursue legislative agenda(s) related to our city, county, region, state, and federal levels for the benefit of our community.

Strategic Goals:

➢ Nurture and sustain strategic partnerships with county, state and neighboring local government officials/staff to address common issues.
➢ Review/amend legislative agenda at least annually to decide which issues need to be addressed.
➢ Advocate for Hutto’s legislative agenda.
CITY OF HUTTO AWARDS & RECOGNITION 2014-15

Movoto named Hutto One of the Best and Safest Austin Suburbs to Live in

Government Finance Officers Association Distinguished Budget Presentation

Government Finance Officers Association Excellence in Financial Reporting

Texas Municipal League City Spirit Award (less than 25,000 in population)

Named 4th Safest Place in Texas by Value Penguin
2015 CITY STAFF

Karen Daly, City Manager
Micah Grau, Assistant City Manager
Randy Barker, General Services Director
Charlie Crossfield, City Attorney
Helen Ramirez, Development Services Director
Mike Hemker, Parks and Recreation Director
Melanie Hudson, Finance Director
Seth Gipson, City Secretary
Amy McGlothlin, Human Resources Director
Earl Morrison, Chief of Police
Scot Stromsness, Director of Public Works
Strategic Guide
Process facilitated and document designed by

The Management Connection, Inc.
Professional Facilitators
979.846.4481  www.profacilitator.com