CITY COUNCIL

Doug Gaul, Mayor
Anne Cano, Place 1
Tom Hines, Place 2
Nathan Killough, Place 3
Michael J. Smith, Place 4, Mayor Pro-tem
Lucio Valdez, Place 5
Bettina Jordan, Place 6

AGENDA

1. CALL SESSION TO ORDER

2. ROLL CALL

3. INVOCATION

4. PLEDGE OF ALLEGIANCE

5. PROCLAMATIONS:
   5A. Proclamation declaring Saturday, September 17, 2016, as Get Outdoors Hutto Day.

6. PUBLIC COMMENT
   6A. Remarks from visitors. *(Three-minute time limit)*

7. WORK SESSION:
   A work session is conducted for information or educational purposes. No action is taken by the Council on items listed.
   
   7A. Work session to discuss the proposed charter election.

8. 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.

8A. Consideration and possible action on the meeting minutes for the August 4, 2016 City Council Regular Meeting and the August 11, 2016 Joint City Council and ESD Board of Directors meeting.

REGULAR AGENDA ITEMS

9. ORDINANCES:

9A. 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, 2016 through September 30, 2017, and adopting the annual budget of the City of Hutto for Fiscal Year 2016-17.

9B. 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 2016.

9C. Consideration and possible action on the second and final reading of an ordinance ratifying an Ad Valorem tax increase for the 2016-17 Fiscal Year for the use and support of the municipal government for the City of Hutto for the Tax Year 2016.

9D. Consideration and possible action on the first reading of an ordinance regarding the proposed annexation of the Malone Tract, 63.46 acres more or less, of land located on CR 136, southwest of the intersection of FM 1660 South and CR 163.

10. RESOLUTIONS:

10A. Consideration and possible action on a resolution concerning an Interlocal Facilities Use Agreement with Hutto Independent School District.

10B. Consideration of a public hearing and possible action on a resolution concerning the submittal of an application for grant funds to the Texas Parks and Wildlife Department for Creekside Park improvements.

11. EXECUTIVE SESSION:


12. ACTION RELATIVE TO EXECUTIVE SESSION:

12A. Action relative to executive session item 11A.

13. 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 15, 2016 Hutto City Council meeting was posted on the City Hall bulletin board of the City of Hutto on Friday, the 9th day of September 2016 at 3:35pm.

Seth Gipson, City Secretary

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.
Official Proclamation

Whereas, the City of Hutto recognizes the long lasting benefits of hosting environmental and conservation educational programs emphasizing awareness, appreciation and understanding of our abundant wildlife and natural resources, and

Whereas, the diverse landscapes of forests, deserts, lakes, rivers, mountains and plains serve as places where families and friends create long lasting memories; and

Whereas, the value of opportunities for camping, hunting, fishing, birdwatching, archery, and hiking continue to enrich our lives; and

Whereas, the Hutto Parks and Recreation Department is hosting a free community event celebrating the outdoors at Hutto Lake Park on Saturday, September 17, 2016, from 8 am to 12 pm.

Now, Therefore, I, DOUG GAUL, MAYOR, of the City of Hutto, do hereby proclaim Saturday, September 17, 2016, as

“GET OUTDOORS HUTTO DAY”

In the City of Hutto, I call upon residents to join me in recognizing the contributions of all who work diligently to protect and conserve our wildlife and natural resources for the enjoyment of current and future generations, and I ask that you join me at Hutto Lake Park this Saturday to explore and learn more about the great outdoors.

Proclaimed this the 15th day of September 2016.

CITY OF HUTTO, TEXAS

_________________________________________
Doug Gaul, Mayor
AGENDA ITEM NO.: 7A. AGENDA DATE: September 15, 2016

PRESENTED BY: Seth Gipson, City Secretary

ITEM: Work session to discuss the proposed charter election.

STRATEGIC GUIDE POLICY: Leadership

ITEM BACKGROUND: The purpose of the work session is so that the City Council can provide direction to the recently appointed Charter Review Commission.

BUDGETARY AND FINANCIAL SUMMARY: Not applicable.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS: Not applicable.

CITY ATTORNEY REVIEW: Not applicable.

STAFF RECOMMENDATION: Not applicable.

SUPPORTING MATERIAL: There are no supporting documents.
AGENDA ITEM NO.: 8A.  AGENDA DATE: September 15, 2016

PRESENTED BY: Seth Gipson, City Secretary

ITEM: Consideration and possible action on the meeting minutes for the August 4, 2016 City Council Regular Meeting and the August 11, 2016 Joint City Council and ESD Board of Directors meeting.

STRATEGIC GUIDE POLICY: Leadership

ITEM BACKGROUND: The City Council meeting minutes August 4, 2016 City Council Regular Meeting and the August 11, 2016 Joint City Council and ESD Board of Directors meeting 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 4, 2016 City Council Regular Meeting and the August 11, 2016 Joint City Council and ESD Board of Directors meeting.

SUPPORTING MATERIAL:
1. Draft - August 4, 2016 City Council Meeting Minutes
2. Draft - August 11, 2016 Joint City Council and ESD Board Meeting Minutes
The Hutto City Council met in a regular session on Thursday, August 4, 2016, in the Hutto City Council Chamber, 401 W. Front Street, Hutto, TX 78634.

CALL SESSION TO ORDER

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

ROLL CALL

Members of the City Council that were present were Mayor Doug Gaul, Mayor Pro-tem Michael J. Smith, Councilmember Anne Cano, Councilmember Tom Hines, Councilmember Nathan Killough, Councilmember Lucio Valdez, and Councilmember Bettina Jordan.

Members of staff that were present were Micah Grau, Interim City Manager, Charlie Crossfield, City Attorney, Helen Ramirez, Development Services Director, Earl Morrison, Chief of Police, Melanie Melancon, Finance Director, Randy Barker, General Services Director, Scot Stomsness, Public Works Director, Amy McGlothlin, Human Resources Director, and Seth Gipson, City Secretary.

INVOCATION

The invocation was given by Chief of Police, Earl Morrison.

PLEDGE OF ALLEGIANCE

Mayor Gaul led the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENT

5A. Remarks from visitors

There were no remarks from visitors.

PUBLIC HEARINGS

6A. Open and conduct the first public hearing regarding the proposed annexation of the Malone Tract, located on 63.46 acres more or less, of land located on CR 136, southwest of the intersection of FM 1660 South and CR 163.

Mayor Gaul opened the public hearing at 7:03p.m.
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.

7A. Consideration and possible action on a resolution concerning the proposed Riverwalk Phase 3 Section 4 Final Plat, 18.02 acres, more or less, of land, 83 single family lots, located at Comal Run and Garcitas Creek Lane.

7B. Consideration and possible action on a resolution concerning the proposed Riverwalk Phase 3 Section 5 Final Plat, 20.77 acres, more or less, of land, 83 single family lots, located at Garcitas Creek Lane and Armano Bayou Way.

7C. Consideration and possible action on the meeting minutes for the June 16, 2016 City Council Regular Meeting and the June 17-18, 2016 City Council Annual Work Session.

7D. Consideration and possible action on a resolution concerning an Interlocal Agreement with Hutto Independent School District for the construction of fiber optics lines under the Riverwalk Bridge.

7E. Consideration and possible action on the second and final reading of an ordinance continuing Chapter 14 Offenses and Additional Provisions, Division 2 Curfew, of the City of Hutto Code of Ordinances regarding juvenile curfew regulations.

7F. Consideration and possible action on the second and final reading of an ordinance concerning the adoption of the Hutto Economic Development Corporation Fiscal Year 2016-17 Budget.

MOTION: Councilmember Tom Hines moved to approve items 7A-7F on the consent agenda as presented. Councilmember Nathan Killough seconded the motion.

VOTE:  

Ayes:  
Mayor Doug Gaul  
Mayor Pro-tem Michael Smith  
Councilmember Anne Cano  
Councilmember Tom Hines  
Councilmember Nathan Killough  
Councilmember Lucio Valdez  
Councilmember Bettina Jordan

Nays:  None

Abstain:  None

Absent:  None

ACTION: The motion carried with 7 ayes and 0 nays.
ORDINANCES

8A. Consideration and possible action on the first reading of an ordinance adopting the Downtown Facade Improvement Grant Program.

Helen Ramirez, Development Services Director, gave the staff presentation. At the meeting on May 24, 2016, the Historic Preservation Commission voted to recommend approval of three proposed financial incentives for the Historic District. On June 2, 2016, the proposed incentives were presented to City Council for final approval. At that meeting, the Council voted to approve the proposed amendment to the Tax Rebate Program and the proposed Historic Preservation Tax Freeze Program. However, Council noted some questions regarding the proposed Façade Improvement Grant Program and voted to table the proposal pending more information.

Since that time, staff has prepared additional guidelines for the Façade Improvement Grant Program, which we hope will address the Council’s concerns. Changes to the proposed program were presented to the Historic Preservation Commission on June 28th and include amending the review committee to include a member of the Historic Preservation Commission.

The program will continue to be structured as a 50/50 matching grant for building improvements that are visible from a public street. This incentive would also continue to be available to all properties located within the Historic District, including both commercial and residential properties. Eligible facade improvement expenses would include major facade restoration, such as repointing brick or restoring original wood windows, as well as fresh paint and signage.

Lastly, staff is proposing to implement an application deadline, which will allow the review committee to more equitably evaluate the grant requests when making decisions regarding how the funds will be distributed. Decisions about how funds will be allocated will be based primarily on the greatest overall need and/or urgency of a proposed project. Other factors that will be considered in the decision making process include whether the property is contributing structure, whether it is occupied by the owner, whether there are any outstanding code violations, and whether the applicant is currently receiving any other City initiated financial incentives.

If approved, the proposed facade improvement grant program would be a three-year pilot program, which may either be renewed or discontinued at the end of three years. The Historic Preservation Committee recommended that funds be increased on an annual basis, beginning with $10,000, with an increase to $12,500 the second year and $15,000 the third year. The Commission also reviewed the possibility of creating a Mega project or larger project that would be allocated once a year.

MOTION: Mayor Pro-tem Michael Smith moved to approve the first reading of an ordinance adopting the Downtown Facade Improvement Grant Program. Councilmember Anne Cano seconded the motion.

VOTE: Ayes: Mayor Doug Gaul

3 August 4, 2016 – City Council Meeting Minutes
ACTION: The motion carried with 7 ayes and 0 nays.

8B. Consideration and possible action on an Ordinance Authorizing the Issuance of City of Hutto, Texas Limited Tax Refunding Bonds, Series 2016; authorizing the levy of an ad valorem tax in support of the bonds; approving an official statement, a paying agent/registrar agreement, a purchase agreement and an escrow agreement; establishing procedures for selling and delivery of the bonds; and authorizing other matters relating to the bonds.

Melanie Melancon, Finance Director, made the staff presentation. The City has an opportunity to refund a portion of existing debt at a lower interest rate in order to reduce future debt service payments.

Dan Weggmiller, with Specialized Public Finance, explained the refinancing options and the negotiated sale process.

MOTION: Councilmember Anne Cano moved to approve the ordinance authorizing the Issuance of City of Hutto, Texas Limited Tax Refunding Bonds, Series 2016; authorizing the levy of an ad valorem tax in support of the bonds; approving an official statement, a paying agent/registrar agreement, a purchase agreement and an escrow agreement; establishing procedures for selling and delivery of the bonds; and authorizing other matters relating to the bonds. Councilmember Tom Hines seconded the motion.

VOTE: Ayes: Mayor Doug Gaul
Mayor Pro-tem Michael Smith
Councilmember Anne Cano
Councilmember Tom Hines
Councilmember Nathan Killough
Councilmember Lucio Valdez
Councilmember Bettina Jordan

Nays: None
Abstain: None
Absent: None

ACTION: The motion carried with 7 ayes and 0 nays.

RESOLUTIONS
9A. Consideration and possible action on a resolution concerning a contract for Engineering Services with DCS Engineering, LLC for design of the Front Street Waterline Replacement.

Emily Truman, City Engineer, made the staff presentation. The Front Street Waterline Replacement project is a 2016 CIP design project that will install approximately 8,800ft of waterline along US 79 and Front Street to replace an existing 8” water line. The new waterline will be designed and constructed to meet future water demands as per the City’s 2016 Water Master Plan. The design will be performed with the 2016 CIP budget and the construction will be part of the upcoming 2017-2021 CIP budget. The project is expected to bid for construction in spring of next year.

A Request for Qualifications for design services was advertised in April 2016 and eight (8) Statement of Qualifications (SOQ) were received on April 22, 2016. The SOQs were scored by an evaluation committee consisting of representatives from Development Services and Public Works Department. The SOQ rankings are included with this item. DCS Engineering, LLC was ranked highest. DCS Engineering, LLC references were contacted and all were satisfactory.

MOTION: Councilmember Anne Cano moved to approve the resolution concerning a contract for Engineering Services with DCS Engineering, LLC for design of the Front Street Waterline Replacement. Mayor Pro-tem Michael Smith seconded the motion.

VOTE: Ayes: Mayor Doug Gaul
Mayor Pro-tem Michael Smith
Councilmember Anne Cano
Councilmember Tom Hines
Councilmember Nathan Killough
Councilmember Lucio Valdez
Councilmember Bettina Jordan

Nays: None
Abstain: None
Absent: None

ACTION: The motion carried with 7 ayes and 0 nays.

9B. Consideration and possible action on a resolution adopting the Fiscal Year 2017-2021 Capital Improvements Plan.

This item was pulled from the agenda.

9C. 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, 2016.

Melanie Hudson, Finance Director, made the staff presentation. City Charter requires the engagement of an outside Certified Public Accountant to audit the City’s financial
information. The City has used the firm Brockway, Gersbach, Franklin and Niemeier, PC from Temple, TX, since 2006.

The firm has also prepared the City's Comprehensive Annual Financial Report (CAFR) during this time, helping the City earn the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association since 2007.

**MOTION:** Councilmember Tom Hines moved to approve the 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, 2016. Councilmember Anne Cano seconded the motion.

**VOTE:**

| Ayes: | Mayor Doug Gaul  
|       | Mayor Pro-tem Michael Smith 
|       | Councilmember Anne Cano 
|       | Councilmember Tom Hines 
|       | Councilmember Nathan Killough 
|       | Councilmember Lucio Valdez 
|       | Councilmember Bettina Jordan |

| Nays: | None |
| Abstain: | None |
| Absent: | None |

**ACTION:** The motion carried with 7 ayes and 0 nays.

9D. **Consideration and possible action on a resolution expressing official intent to reimburse certain expenditures related to Front Street waterline replacement project.**

Melanie Hudson, Finance Director made the staff presentation. The proposed FY17 Budget includes funding for the Front Street waterline project. This reimbursement resolution allows the City to use existing cash on hand in the Utility Fund to pay for project expenses and then reimburse the funds once debt is issued. City staff, the City advisor, and the City’s bond attorney are completing the preliminary work to issue certificate of obligation bonds in 2017.

**MOTION:** Councilmember Anne Cano moved to approve the resolution expressing official intent to reimburse certain expenditures related to Front Street waterline replacement project. Nathan Killough seconded the motion.

**VOTE:**

| Ayes: | Mayor Doug Gaul  
|       | Mayor Pro-tem Michael Smith 
|       | Councilmember Anne Cano 
|       | Councilmember Tom Hines 
|       | Councilmember Nathan Killough 
|       | Councilmember Lucio Valdez 
|       | Councilmember Bettina Jordan |

| Nays: | None |

ACTION: The motion carried with 7 ayes and 0 nays.
Abstain: None
Absent: None

ACTION: The motion carried with 7 ayes and 0 nays.

9E. Consideration and possible action with respect to a Resolution Authorizing Proceeding with Issuance of one or more Series of Obligations for the City’s Capital Improvement Programs and Refinancing for Debt Services Savings; and other matters related thereto.

Melanie Hudson, Finance Director, made the staff presentation. The General Obligation bonds will be backed by the City’s property taxes, and are the final bond issuance for projects approved by voters in the 2009 Bond Election.

The City also has an opportunity to refund a portion of existing debt at a lower interest rate in order to reduce future debt service payments.

Dan Weggmiller, with Specialized Public Finance, provided an overview of the process and how the City can issue this debt without it effecting the tax rate, due to the increase in appraisal rolls coupled with low interest rates.

MOTION: Councilmember Tom Hines moved to approve the resolution authorizing proceeding with Issuance of one or more Series of Obligations for the City’s Capital Improvement Programs and Refinancing for Debt Services Savings; and other matters related thereto. Councilmember Lucio Valdez seconded the motion.

VOTE: Ayes: Mayor Doug Gaul
Mayor Pro-tem Michael Smith
Councilmember Anne Cano
Councilmember Tom Hines
Councilmember Lucio Valdez
Councilmember Bettina Jordan

Nays: Councilmember Nathan Killough
Abstain: None
Absent: None

ACTION: The motion carried with 6 ayes and 1 nay.

9F. 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 2016-17 Fiscal Year.

Melanie Hudson, Finance Director, made the staff presentation. The Outside Agency Committee, made up of Mayor Doug Gaul, Councilmember Anne Cano, and Councilmember Nathan Killough, met on July 11, 2016, to hear presentations from outside agencies that submitted funding requests to the City of Hutto for FY 2016-17. The Committee made the following recommendations for funding based on available funds:
<table>
<thead>
<tr>
<th>Organization</th>
<th>2016-17 Requested</th>
<th>2016-17 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hutto Has Heart</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Hope Alliance</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Hutto Area Chamber of Commerce</td>
<td>$17,500</td>
<td>$10,500</td>
</tr>
<tr>
<td>Hutto Community Food Pantry</td>
<td>$15,000</td>
<td>$9,000</td>
</tr>
<tr>
<td>Round Rock Area Serving Center</td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Williamson County Children’s Advocacy Center</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Weekend Lunchbox Program</td>
<td>$15,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Hutto Education Foundation</td>
<td>$10,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>Hutto Family YMCA – Annual</td>
<td>$5,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>Hutto Family YMCA – FNL</td>
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<td>$2,500</td>
</tr>
<tr>
<td>Hutto Family YMCA – MEND</td>
<td>$7,500</td>
<td>$2,500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$130,000</strong></td>
<td><strong>$85,500</strong></td>
</tr>
</tbody>
</table>

The Committee stipulated that Hutto Has Heart funding in the amount of $15,000 cannot be used for ongoing expenses and salaries.

**MOTION:** Councilmember Anne Cano moved to approve the resolution concerning Outside Agency Funding allocations and authorizing the City Manager to execute all Interlocal Agreements established with Outside Agencies for the 2016-17 Fiscal Year. Mayor Pro-tem Michael Smith seconded the motion.

**VOTE:**

- **Ayes:** Mayor Doug Gaul
- Mayor Pro-tem Michael Smith
- Councilmember Anne Cano
- Councilmember Tom Hines
- Councilmember Nathan Killough
- Councilmember Lucio Valdez
- Councilmember Bettina Jordan

- **Nays:** None
- **Abstain:** None
- **Absent:** None

**ACTION:** The motion carried with 7 ayes and 0 nays.

**WORK SESSION**

10A. Presentation and discussion of the Proposed 2016-17 Annual Operating Budget.

*Micah Grau, Interim City Manager, made the staff presentation. The Hutto City Charter requires that the City Manager present a proposed annual operating budget prior to August 15th.*
Mr. Grau provided a high-level look at the budget process, charter requirements, Fiscal and Budgetary policies, comparative staff ratio of our benchmark cities, and the City Council priorities.

Melanie Melancon, Finance Director, provided an overview of the revenues and expenses of the General Fund, Utility Fund, Red Light Camera Fund, Solid Waste Fund, Hotel Occupancy Tax Fund, Court Fund, and the PEG Fund, proposed FY 17 staff, projects, and equipment.

Gretchen Doty, Budget Analysis, provided information on the current tax rate, proposed tax rate, effective tax rate, and rollback tax rate and the process of a rollback tax rate election.

OTHER BUSINESS

11A. Consideration and possible action on the proposed Ad Valorem tax rate, including taking a record vote on the proposed rate, and setting dates, times, and places for a public hearing and adoption of the tax rate.

Melanie Melancon, Finance Director, made the staff presentation. Consideration of the Ad Valorem tax rate for the 2016-17 Budget began with the overview of the City Manager’s proposed budget. The amounts estimated for Property Tax revenue were based on decreasing the overall Property Tax rate to $0.520443.

The tax rates, per $100 of taxable value, are as follows:

2015-16 (current year) tax rate: $0.528500
2016-17 (upcoming year) effective rate: $0.480395
2016-17 (upcoming year) rollback rate: $0.520443
2016-17 (upcoming year) proposed rate: $0.520443.

This year’s proposed rate is $0.429335 (O&M) plus $0.091108 (I&S).

Truth in taxation requires that the Council take a record vote if a tax increase above the effective rate rollback is being considered and a ¼ page notice be published in the newspaper and on the website at least 7 days before the tax hearing. This notice will include the maximum tax rate increase that the Council is considering. The two required tax hearings are proposed to be held, if necessary, on August 18 and August 25.

This decision must be considered through a record vote of the City Council (individual role call and vote). The notice must publish the maximum tax rate that the City Council will consider; however, the Council may choose to adopt a lower rate later in the budget process.
The rate selected to support the Interest and Sinking portion of the rate may not be altered after this evening without starting the tax rate process over.

**MOTION:** Councilmember Tom Hines moved that the proposed 2016-17 tax rate for the City of Hutto be published at $0.558500 per $100 of assessed valuation, that a public tax hearing be scheduled for August 18 and August 25 and that the vote on the tax rate ordinance be scheduled for September 1, 2016. Councilmember Lucio Valdez seconded the motion.

**VOTE:**

**Ayes:**
- Mayor Doug Gaul
- Mayor Pro-tem Michael Smith
- Councilmember Anne Cano
- Councilmember Tom Hines
- Councilmember Nathan Killough
- Councilmember Lucio Valdez
- Councilmember Bettina Jordan

**Nays:**
- None

**Abstain:**
- None

**Absent:**
- None

**ACTION:** The motion carried with 7 ayes and 0 nays.

11B. Consideration and possible action on the appointment of a City Council Member to represent the City of Hutto on the Clean Air Coalition of the Capital Area Council of Governments.

**MOTION:** Councilmember Tom Hines moved to appoint Mayor Doug Gaul to represent the City of Hutto on the Clean Air Coalition of the Capital Area Council of Governments. Councilmember Nathan Killough seconded the motion.

**VOTE:**

**Ayes:**
- Mayor Doug Gaul
- Mayor Pro-tem Michael Smith
- Councilmember Anne Cano
- Councilmember Tom Hines
- Councilmember Nathan Killough
- Councilmember Lucio Valdez
- Councilmember Bettina Jordan

**Nays:**
- None

**Abstain:**
- None

**Absent:**
- None

**ACTION:** The motion carried with 7 ayes and 0 nays.

EXECUTIVE SESSION
12A. Executive Session, as authorized by Texas Government Code §551.071, to seek legal advice regarding the Police Department's internal affairs and personnel appeals processes.

The Hutto City Council recessed into executive session at 9:01 pm.

The Hutto City Council reconvened into regular session at 10:21 pm.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:21 pm.

CITY OF HUTTO, TEXAS

__________________________
Doug Gaul, Mayor

ATTEST:

__________________________
Seth Gipson, City Secretary
The Hutto City Council and Williamson County ESD #3 Board met in a special session on Thursday, August 11, 2016, in the Hutto City Council Chamber, 401 W. Front Street, Hutto, TX 78634.

CALL SESSION TO ORDER

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

ROLL CALL

Members of the City Council that were present were Mayor Doug Gaul, Mayor Pro-tem Michael J. Smith, Councilmember Tom Hines, Councilmember Nathan Killough, and Councilmember Bettina Jordan. Councilmember Anne Cano and Councilmember Lucio Valdez were absent.

Members of the Williamson County ESD #3 Board that were present were Bill Brown, President, Butch Miller, and Mike Cooper, Vice Treasurer.

Members of staff that were present were Micah Grau, Interim City Manager, Scott Kerwood, Fire Chief, MaryAnn Buchanan, Administrator, and Seth Gipson, City Secretary.

AGENDA ITEMS


Micah Grau, Interim City Manager, made the staff presentation. He highlighted the modifications to the task force report since it was first reviewed by both governing bodies including call volume, response times, and the benchmark comparison chart.

Discussion ensued about future funding mechanisms, facilities, and partnerships. The governing bodies directed staff to begin working on an action plan that will be presented in mid-November 2016.


VOTE: Ayes: Mayor Doug Gaul
Mayor Pro-tem Michael Smith
Councilmember Tom Hines
Councilmember Nathan Killough
Councilmember Bettina Jordan
Nays: None
Abstain: None
Absent: Councilmember Lucio Valdez
          Councilmember Anne Cano

ACTION: The motion carried with 5 ayes and 0 nays.

MOTION: Vice President Butch Miller moved to accept the Council/ESD Task Force Final Report. Vice Treasurer Mike Cooper seconded the motion. The motion carried with 3 ayes and 0 nays.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:43 p.m.

CITY OF HUTTO, TEXAS

__________________________
Doug Gaul, Mayor

ATTEST:

__________________________
Seth Gipson, City Secretary
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, 2016 through September 30, 2017, and adopting the annual budget of the City of Hutto for Fiscal Year 2016-17.

**Strategic Guide Policy:** Fiscal and Budgetary

**Item Background:**
The proposed Fiscal Year 2016-17 Budget was presented to the City Council on August 4, 2016. Since the presentation, work sessions were held on August 18th and August 25th to review priorities and revenue assumptions. The required budget Public Hearing was held on September 1, 2016. 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 2016-17 Budget establishes appropriations for the 2016 Fiscal Year. Exhibit A details fund summaries based on the proposed tax rate of $0.520443 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 first reading of the ordinance. Adoption must be made through a roll call vote.

**Supporting Material:**
1. [Budget Adoption Ordinance](#)
2. FY17 Proposed Budget Document
ORDINANCE NO. ____________

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF HUTTO FOR THE FISCAL YEAR OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017 AND ADOPTING THE ANNUAL BUDGET OF THE CITY OF HUTTO FOR THE 2017 FISCAL YEAR; PROVIDING FOR A PUBLICATION CLAUSE, SEVERABILITY CLAUSE, AND OPEN MEETING CLAUSE.

WHEREAS, the budget for the fiscal year October 1, 2016 through September 30, 2017, 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, 2016 through September 30, 2017 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 2017 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, 2016 through September 30, 2017.

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 1st day of September, 2016 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 15th day of September, 2016 at a regular meeting of the City Council of the City of Hutto, there being a quorum present.

CITY OF HUTTO, TEXAS

________________________
Doug Gaul, Mayor

ATTEST:

________________________
Seth Gipson, City Secretary
Mayor and City Council,

It is my honor to present to you the 2016-17 Budget for your consideration. The 2016-17 Budget was carefully crafted to meet the growing needs of the Hutto community. The 2016-17 Budget continues Hutto’s conservative financial approach while balancing the demands associated with growth, aging infrastructure, and the desire to grow and expand programs and services.

Hutto is at a crossroad in its development. The decisions made today will have long lasting impacts on the community and will affect future generations of Hutto residents. Choices made today on topics such as economic development, leadership, public safety, infrastructure, and growth will shape the future of Hutto. It is no wonder that the City Council identified these topics as their highest priorities. This proposed budget and work plan was crafted to work towards solutions to these pressing topics and to set the City of Hutto on a course for future prosperity.

Driving these issues is Hutto’s phenomenal growth. Hutto is in the midst of its largest economic boom in its 105 year history. Since 2013, the City has issued 17 new commercial construction permits and 53 commercial certificates of occupancy. The City has added over 1,500 homes within the last five years and expects to add over 400 in 2016 alone. These 400 homes will add approximately 1,200 new residents that need services. This remarkable residential expansion is not expected to slow as new subdivisions are continuing to develop. While this growth results in many positives, it also brings challenges. Our roadways are becoming congested. There are increased demands on our infrastructure. There are more people in need of services from our Public Safety, Library, Parks and Recreation, and the Williamson County Regional Animal Shelter. New subdivisions brought on by development have increased the workload of the Development Services and Public Works staff who is responsible for the upkeep of the City’s infrastructure. Support service staff are also being stretched as there are more grants, projects, and accounts to manage.

Before we can consider growing and expanding our infrastructure, it is imperative that we develop long term strategies and funding sources to take care of what we already have. With the exception of Farley Street and East Street in the near future, much of the infrastructure in Hutto’s historic downtown has not been updated. Infrastructure in subdivisions that have sprung up in the last 10-15 years are now in need of maintenance. This budget works towards this need by adding critical staff, increasing the repair and maintenance budgets for City equipment and infrastructure, and continues the implementation of infrastructure master plans.

While the community continues to grow, the City has not kept pace with staffing levels needed to serve the expanding population. The City of Hutto currently staffs 93.75 FTEs or “full-time equivalents” which gives Hutto a staffing ratio of 4.12 staff per 1,000 residents. This is the lowest staffing ratio of all of Hutto’s benchmark cities, with the average ratio being 7.28 per 1,000 residents. To keep up with the growing needs of the community, the City will need to add staff and resources to support the programs and services in the community as well as maintain the City’s investment in its infrastructure. To this end, this budget will add 7 FTEs including a full time Building Inspector, Accountant, School...
Resource Officer Sergeant Replacement, two Police Officers, and a Water/Wastewater Utility Tech. The budget also includes the addition of two part time positions, a Recreation Assistant to assist with the Parks and Recreation programs and a part time Marketing and Events Coordinator to help continue to build quality programs and events for residents and visitors to Hutto.

<table>
<thead>
<tr>
<th>City</th>
<th>Population Estimate</th>
<th>Full Time Equivalents (FTE) 2016</th>
<th>FTE Ratio per 1,000 Citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>7.28</td>
</tr>
<tr>
<td>Hutto</td>
<td>22,722</td>
<td>93.75</td>
<td>4.12</td>
</tr>
<tr>
<td>Belton</td>
<td>20,547</td>
<td>166</td>
<td>8.07</td>
</tr>
<tr>
<td>Cedar Park</td>
<td>65,945</td>
<td>445.5</td>
<td>6.75</td>
</tr>
<tr>
<td>Cibolo</td>
<td>26,637</td>
<td>129.95</td>
<td>4.87</td>
</tr>
<tr>
<td>Georgetown</td>
<td>63,716</td>
<td>670.75</td>
<td>10.52</td>
</tr>
<tr>
<td>Kyle</td>
<td>35,733</td>
<td>206.5</td>
<td>5.77</td>
</tr>
<tr>
<td>Leander</td>
<td>37,889</td>
<td>230.5</td>
<td>6.08</td>
</tr>
<tr>
<td>Little Elm</td>
<td>34,355</td>
<td>227.4</td>
<td>6.61</td>
</tr>
<tr>
<td>Pflugerville</td>
<td>57,122</td>
<td>339</td>
<td>5.93</td>
</tr>
<tr>
<td>Round Rock</td>
<td>113,968</td>
<td>891.25</td>
<td>7.82</td>
</tr>
<tr>
<td>Schertz</td>
<td>37,938</td>
<td>377</td>
<td>9.93</td>
</tr>
<tr>
<td>Seguin</td>
<td>27,864</td>
<td>264</td>
<td>9.47</td>
</tr>
<tr>
<td>Taylor</td>
<td>16,702</td>
<td>146.25</td>
<td>8.75</td>
</tr>
</tbody>
</table>

**Economic Outlook**

Hutto is positioned for a prosperous future. Hutto’s location at the intersection of US Hwy 79 and State Highway 130 makes Hutto a convenient location and easily accessible. Because of this, Hutto also benefits from growth that is occurring regionally. The recently announced Kalahari Resort in Round Rock is a mere 2 miles from Hutto’s border and is expected to have a positive impact on Hutto businesses. Job growth in the Austin-San Marcos MSA is strong each month and unemployment is a low 2.9% as of May 2016.

The economic indicators in Hutto point towards a vibrant local economy. The phenomenal residential growth was previously mentioned, and commercial growth is occurring at its fastest rate in history. The opening of the new HEB Plus and the surrounding retail in the Star Ranch limited purpose annexation area, will boost Hutto’s sales tax revenues and will spur further economic growth in the area. Other development sites such as the Crossings of Carmel Creek and Townwest Commons offer great opportunities for future retail and commercial growth.

The City is working closely with the Hutto Economic Development Corporation (HEDC) to ramp up the community’s efforts to create jobs and further expand the community’s commercial tax base.

Sales tax collections continue to climb and new records are established each year. Sales tax collections are conservatively projected to rise 5% in FY17.

Home values have also experienced steady increases in appraised values which are confirmed by strong sales numbers and a low inventory. Average home values in Hutto have steadily risen from $145,495 in FY15 to $164,745 in FY16 and now $183,267 in FY17.
Budget Overview

The proposed 2016-17 Budget totals $32,449,462 in expenses, of which $26,356,944 is for operations, $6,092,518 is for new capital projects, and $5,192,195 is for debt services associated with past and proposed capital projects. Revenue for the budget totals $28,795,536 and includes a proposed $2.5 million in new bonds to support proposed capital projects. The total proposed budget exceeds revenues as the budget proposes to draw down on fund balances to fund one time capital expenditures. The ongoing operating revenues exceed the proposed ongoing expenses of the City making the proposed FY17 Budget a balanced budget.

Budget Priorities

During the City Council retreat held in June of 2016, the Council discussed the current state of the City. Mayor Gaul facilitated an exercise to determine the strengths, weaknesses, opportunities, and challenges facing the community. The City Council also had an opportunity to discuss their highest priorities. The priorities, the corresponding Strategic Guide policy, and the actions proposed in the 2017 Budget are listed below.

<table>
<thead>
<tr>
<th>Priority</th>
<th>Strategic Guide Policy</th>
<th>Action Steps</th>
</tr>
</thead>
</table>
| Economic Development| 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. | • Continue work with Hutto EDC on developing economic development strategies.  
• Conduct a retail assessment survey and develop a recruitment strategy.  
• Develop a strategy for development of the Co-Op site.  
• Pursue a sales tax sharing agreement with WCEDS#3.  
• Complete intersection signalizations for the HEB Star Ranch access. |
| Leadership          | 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. | • Hire a new city manager.  
• Facilitate a Council review of strategic planning documents.  
• Conduct a Charter revision election. |
| Public Safety       | 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. | • Hire two additional Police Officers including vehicles and equipment.  
• Replace aging Police vehicles.  
• Develop and take action related to the Fire Task Force Report and Council direction. |
| 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. | • Complete the capital projects included in the FY17 Budget.  
• Update the Wastewater Master Plan.  
• Conduct a Mobility Master Plan.  
• Conduct a bond referendum election.  
• Bring the new wastewater treatment plan online.  
• Complete recommended pavement rehabilitation projects.  
• Hire an additional Utility Technician.  
• Replace (3) auto ammonia/monochloramine analyzers for the water distribution system. |
Growth Guidance

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.

- Revise and update the Future Land Use Map based on the Comprehensive Plan 2040.
- Evaluate and revise development codes as needed.
- Review and consider for adoption the 2015 ICC codes.
- Hire an additional Building Inspector to ensure inspections are completed in a timely and efficient manner.

General Fund

The General Fund is the largest fund of the City and accounts for the general service and operations. The General Fund is where services such as Police, Planning, Public Works, Parks and Rec, and Administration are budgeted. The majority of the City's employees are funded out of the General Fund.

The General Fund budget totals $11.7 million, which is an increase over the prior year's adopted budget of $10.8 million. The General Fund budget is based on the rollback ad valorem rate of $0.520443 per $100 of valuation. The proposed rate of $0.520443 is the rollback tax rate (the highest rate that the City may propose without risk of an election petition), yet the proposed rate is lower than the prior year's rate of $0.5285.

Utility Fund

The Utility Fund is the second major operating fund of the City. It accounts for the City’s water and wastewater system. Utility Fund revenues total $11.9 million and includes $2.3 million in proposed certificates of obligation to fund capital improvement projects. A utility rate study update is currently underway. No water or wastewater rate changes are proposed at this time, but changes may be brought forward once the study is complete.

Utility Fund expenses are proposed to total $10.4 million. Additionally, there is a transfer out of $3.9 million to the Utility Debt Service Fund to cover the City's debt obligations related to water and wastewater infrastructure. The majority of expenses in the Utility Fund are for contracted services related to the City’s water supply contracts with Heart of Texas Water Suppliers LLC, Manville WSC, and the City of Taylor. The cost for these contracts has increased due to rate and volume increases. The City contracts operation and maintenance of the wastewater treatment plants with the Brazos River Authority. The cost of wastewater treatment is increasing as the new 2.0 mgd South Wastewater Treatment Plant is expected to become operational this fall.

Capital Projects

The FY17 Budget includes $6 million for capital projects including $3.6 million in tax supported projects and $2.4 million in utility supported projects. These projects were vetted through other commissions such as the Parks Advisory Board and were included in the Capital Improvements Plan that was recommended by the Planning and Zoning Commission. The projects, and their funding source, are included in the table below.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Project</th>
<th>Cost</th>
<th>Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>General CIP</td>
<td>East St. Reconstruction</td>
<td>$899,000</td>
<td>2016 GO Bonds</td>
</tr>
<tr>
<td></td>
<td>Pavement Management</td>
<td>$990,000</td>
<td>2016 GO Bonds</td>
</tr>
<tr>
<td></td>
<td>Limmer Loop Improvements Agreement</td>
<td>$100,000</td>
<td>Cash</td>
</tr>
<tr>
<td></td>
<td>Railroad Quiet Zones</td>
<td>$75,000</td>
<td>Cash</td>
</tr>
<tr>
<td></td>
<td>Limmer Loop Sidewalk</td>
<td>$1,200,000</td>
<td>Grant/Cash</td>
</tr>
<tr>
<td></td>
<td>Brushy Creek Gap Trail</td>
<td>$90,000</td>
<td>Cash</td>
</tr>
<tr>
<td></td>
<td>Animal Shelter Expansion</td>
<td>$214,000</td>
<td>Cash</td>
</tr>
<tr>
<td>Utility</td>
<td>Front St. Waterline Replacement</td>
<td>$1,490,000</td>
<td>Bonds</td>
</tr>
</tbody>
</table>
Lakeside Estates Abandon Lift Station | $50,000 | Cash
Avery Lake Wastewater Interceptor | $731,000 | Bonds
Carmel Crossings Wastewater Interceptor | $181,851 | Cash

The City Council has formed a bond selection committee that will be recommending future projects for a proposed May 2017 bond election.

Design and construction of a future fire station is not included at this time as staff is awaiting direction from the City Council. The City Council formed a Fire Task Force last October that includes representatives from the City and the Williamson County Emergency Services District #3 (WCESD#3). The Task Force will be presenting the results of that study to the City Council and WCESD#3 at an upcoming joint meeting.

Conclusion

The Budget document establishes the direction and focus for the upcoming year as it connects resources to the priorities identified by the City Council and the previously adopted strategic planning documents. I look forward to the challenges and opportunities that the next year will present.

2017 will be a transitional year for the City of Hutto as new leadership and members on the City Council lead the City of Hutto. A new city manager is also expected to be named later this fall. It will be their responsibility to fulfill and complete many of the objectives identified in this budget. I believe that the resources and strategies are in place to help that individual succeed.

Lastly, I would like to thank the City Council and the City staff, especially the Finance staff, for their countless hours spent preparing and discussing the proposed 2017 Annual Budget. Your thoroughness and thoughtfulness results in a greater product.

It is an honor to continue to serve this great community!

Sincerely,

Micah Grau
Interim City Manager
**READER’S GUIDE**

The intention of the Reader’s Guide is to provide an overview of the City of Hutto’s budget process and procedures so that the reader may better understand the document.

**Overview**

The Overview section of the budget is intended to give the reader a comprehensive understanding of the City of Hutto. Type of government, organizational structure, and services provided are all important items to consider when reading the budget. The Budget Transmittal Letter provides an overview of the budget as it relates to economic outlook, items to be addressed in the coming fiscal year, and a highlight of revenues and expenses.

**Strategic Planning**

The annual budget is the operationalization of the City’s strategic planning elements. The Strategic Planning section of the budget allows the reader to gain an understanding of the planning tools used in creating the annual budget. It connects the budget with the long-range priorities identified by the City Council. Summaries of important planning documents are included, allowing the reader to understand the impact the budget has on strategic priorities and on future initiatives.

**Financial Summary**

The Financial Summary section provides an overview of the City’s budget by providing fund summaries for each of the City’s funds. Revenues and expenses are grouped by type and offer the reader a comprehensive view of the City’s finances. Narrative is provided in this section to provide insight on trends and assumptions as well as explain variances between fiscal years. The General Fund and Utility Fund are provided with greater detail as they are the two major operating funds of the City.

**Departmental Budgets**

This section provides a detailed look at each division of the City. A division description is provided to enable the reader to understand the role the division plays within the organization. Five year goals are from the Five Year Plan and Fiscal Forecast and are used to connect short-term initiatives with long-range priorities. Fiscal Year Objectives reflect annual objectives related to the five year goals and operational improvements.

Performance measures are included as indicators of service demand, output, efficiency, and effectiveness. Only key indicators are reported as they relate to the five year goals or to the provision of service. Targets have been added to measures where appropriate to identify service level goals.

Expenditures are broken into five different categories, and personnel are listed by position. Major budget changes explain variances between the different fiscal years. Enhancements are new programs or the expansion of services that require additional funding. New programs, staff, and capital equipment purchases are included under this section.

**Capital Projects**

As the City continues to grow, new infrastructure is required to provide utilities and services to Hutto residents. This section includes capital projects for the upcoming fiscal year.

**Debt Analysis**

This section provides an analysis of debt service requirement for the fiscal year. A summary of existing and proposed debt is included.

**Statistical and Reference**

The Statistical and Reference section includes information that impacts the budget. Tax rate information, applicable laws and charter requirements, policies, ordinances, and other information are included in this section.

**Glossary**

The Glossary provides a definition for terms and acronyms used throughout the budget document.
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 as well as the updated Strategic Guide 2035.

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.
2016-17 Budget Overview

The 2016-17 Budget totals $32,449,462 in expenses and $26,295,536 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 FY17. Of the amount budgeted for total expenses, $20,264,426, is for operations. The remaining budget is related to capital projects and debt service.

CITY TAX IMPACT

<table>
<thead>
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<th>Avg. Home Value</th>
<th>Avg. Tax Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
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</tr>
<tr>
<td>$120,000</td>
<td>$675</td>
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<td>$140,000</td>
<td>$725</td>
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<tr>
<td>$160,000</td>
<td>$775</td>
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<tr>
<td>$200,000</td>
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<tr>
<td>$200,000</td>
<td>$925</td>
</tr>
<tr>
<td>$200,000</td>
<td>$975</td>
</tr>
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</table>

## ALL FUNDS SUMMARY

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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>5,886,422</td>
<td>6,546,215</td>
<td>6,649,211</td>
<td>6,095,403</td>
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<td>1,313,698</td>
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<tr>
<td>Sales Taxes</td>
<td>2,389,009</td>
<td>2,334,339</td>
<td>2,464,649</td>
<td>2,586,764</td>
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<td>-</td>
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<tr>
<td>Franchise Fees</td>
<td>894,810</td>
<td>861,718</td>
<td>877,506</td>
<td>767,944</td>
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<td>-</td>
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<tr>
<td>Building &amp; Development</td>
<td>1,064,134</td>
<td>748,400</td>
<td>698,172</td>
<td>728,150</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines</td>
<td>561,569</td>
<td>474,100</td>
<td>474,100</td>
<td>307,092</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Trash Collection</td>
<td>1,253,506</td>
<td>1,297,973</td>
<td>1,259,760</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other</td>
<td>3,689,807</td>
<td>2,508,029</td>
<td>2,948,040</td>
<td>833,375</td>
<td>556,800</td>
<td>36,273</td>
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<tr>
<td>Connection Fees</td>
<td>178,586</td>
<td>216,154</td>
<td>216,154</td>
<td>-</td>
<td>226,600</td>
<td>-</td>
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<td>Impact Fees</td>
<td>1,224,365</td>
<td>900,000</td>
<td>1,362,743</td>
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<td>-</td>
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<td>Water Revenues</td>
<td>4,129,547</td>
<td>4,988,006</td>
<td>4,988,006</td>
<td>-</td>
<td>4,921,629</td>
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<tr>
<td>Wastewater Revenues</td>
<td>3,168,889</td>
<td>3,348,861</td>
<td>3,348,861</td>
<td>-</td>
<td>3,967,591</td>
<td>-</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>24,420,644</td>
<td>24,223,795</td>
<td>25,287,202</td>
<td>11,318,727</td>
<td>9,672,620</td>
<td>1,349,971</td>
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<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>City Administration</td>
<td>1,943,299</td>
<td>2,109,753</td>
<td>2,156,252</td>
<td>2,148,479</td>
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<td>492,426</td>
<td>551,161</td>
<td>551,161</td>
<td>635,186</td>
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<td>Development Services</td>
<td>1,147,317</td>
<td>1,216,959</td>
<td>1,162,021</td>
<td>1,643,983</td>
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<td>-</td>
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<td>Public Works</td>
<td>6,004,137</td>
<td>6,761,885</td>
<td>7,085,692</td>
<td>1,206,244</td>
<td>7,217,339</td>
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<td>Police</td>
<td>3,290,253</td>
<td>3,629,625</td>
<td>3,692,787</td>
<td>3,718,046</td>
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<td>-</td>
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<td>Parks &amp; Recreation</td>
<td>849,494</td>
<td>922,235</td>
<td>936,411</td>
<td>987,860</td>
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<td>General Services</td>
<td>2,599,632</td>
<td>2,975,842</td>
<td>3,495,351</td>
<td>1,274,844</td>
<td>668,301</td>
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<td>4,075,984</td>
<td>4,235,526</td>
<td>4,235,526</td>
<td>-</td>
<td>-</td>
<td>5,192,195</td>
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<td>Capital Improvements</td>
<td>6,911,287</td>
<td>8,083,120</td>
<td>27,453,761</td>
<td>-</td>
<td>2,452,851</td>
<td>-</td>
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<td>Non-Departmental</td>
<td>746,961</td>
<td>514,656</td>
<td>448,427</td>
<td>89,149</td>
<td>50,080</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
<td>28,660,790</td>
<td>31,000,762</td>
<td>51,217,389</td>
<td>11,701,791</td>
<td>10,388,571</td>
<td>5,192,195</td>
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<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Net Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(11,169)</td>
<td>(2,603,564)</td>
<td>3,552,416</td>
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<tr>
<td>Bond Proceeds</td>
<td>22,828,400</td>
<td>6,560,000</td>
<td>6,560,000</td>
<td>-</td>
<td>2,300,000</td>
<td>-</td>
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<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>22,828,400</td>
<td>6,560,000</td>
<td>6,560,000</td>
<td>(161,169)</td>
<td>(303,564)</td>
<td>3,552,416</td>
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<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>18,588,254</td>
<td>(216,967)</td>
<td>(19,370,187)</td>
<td>(394,233)</td>
<td>(1,021,115)</td>
<td>(289,808)</td>
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<td>6,959,130</td>
<td>445,849</td>
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<td>10,848,695</td>
<td>3,017,611</td>
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<td>Reserves</td>
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<td>4,551,002</td>
<td>4,746,706</td>
<td>2,925,448</td>
<td>2,381,196</td>
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<td><strong>ENDING FUND BALANCE</strong></td>
<td>24,689,089</td>
<td>4,911,984</td>
<td>6,101,989</td>
<td>92,163</td>
<td>3,556,819</td>
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## All Funds Summary

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Replacement Funds</th>
<th>General CIP</th>
<th>Solid Waste</th>
<th>Impact Fee</th>
<th>Court Fees</th>
<th>Misc Funds</th>
<th>2016-17 Total</th>
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<td>Property Taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>Sales Taxes</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,586,764</td>
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<td>Franchise Fees</td>
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<td>-</td>
<td>105,000</td>
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<td>-</td>
<td>-</td>
<td>905,138</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>728,150</td>
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<tr>
<td>Fines</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,600</td>
<td>-</td>
<td>-</td>
<td>349,692</td>
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<td>Solid Waste User Fees</td>
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<td>1,273,572</td>
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<td>-</td>
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<td>-</td>
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<td>Connection Fees</td>
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<td>-</td>
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<td>226,600</td>
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<td>Impact Fees</td>
<td>-</td>
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<td>1,248,852</td>
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<td>-</td>
<td>-</td>
<td>1,248,852</td>
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<td>Water Revenues</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,921,629</td>
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<tr>
<td>Wastewater Revenues</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,967,591</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,253,000</td>
<td>1,407,572</td>
<td>1,248,852</td>
<td>12,600</td>
<td>282,194</td>
<td>26,295,536</td>
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</tbody>
</table>

| EXPENDITURES                  |                   |             |             |             |            |            |               |
| City Administration          | 37,535            | -           | -           | -          | -          | -          | 2,311,864     |
| Finance                      | -                 | -           | -           | -          | -          | -          | 633,186       |
| Development Services         | -                 | -           | -           | -          | -          | -          | 1,643,983     |
| Public Works                 | -                 | -           | -           | -          | -          | -          | 8,423,983     |
| Police                       | -                 | -           | -           | -          | -          | -          | 3,753,046     |
| Parks & Recreation           | -                 | -           | -           | -          | -          | -          | 987,860       |
| General Services             | -                 | -           | 1,276,072   | -          | 51,181     | -          | 3,271,598     |
| Debt Service                 | -                 | -           | -           | -          | -          | -          | 5,192,195     |
| Capital Improvements         | -                 | 3,639,667   | -           | -          | -          | -          | 6,092,518     |
| Non-Departmental             | -                 | -           | -           | -          | -          | -          | 139,229       |
| **Total Expenditures**       | 37,535            | 3,639,667   | 1,276,072   | -          | 51,181     | 160,850    | 32,449,462    |

| OTHER FINANCING SOURCES (USES) |                   |             |             |             |            |            | 26,356,944   |
| Net Transfers                 | 120,000           | 479,000     | (90,000)    | (1,248,852) | -          | (197,831)  | -            |
| Bond Proceeds                 | -                 | 200,000     | -           | -          | -          | -          | 2,500,000    |
| **Total Other Financing Sources (USES)** | 120,000        | 679,000     | (90,000)    | (1,248,852) | -          | (197,831)  | 2,500,000    |

| NET CHANGE IN FUND BALANCE    | 82,465            | (1,957,667) | 41,500      | -          | (38,581)   | (76,487)   | (3,653,926)  |
| Beginning Fund Balance        | 691,535           | 1,957,667   | 71,991      | -          | 38,582     | 303,791    | 13,880,398   |
| Ending Fund Balance           | 774,000           | -           | 113,491     | -          | -          | 227,304    | 10,226,637   |
| Reserves                      | -                 | -           | -           | -          | -          | -          | 5,306,644    |
| Ending Fund Balance           | 774,000           | -           | 113,491     | -          | -          | 227,304    | 4,919,819    |
ALL FUNDS SUMMARY

FUND DESCRIPTION

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 2014-15, Adopted and Amended 2015-16 and 16-17 Budgets have been included for multi-year comparisons.

Hutto uses thirteen 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 operations.

The General Capital Improvements Plan (CIP) Fund contains general capital improvement projects including street and drainage, sidewalk, and facility projects.

The Court Fees column is a summary of three Municipal Court special revenue funds including the Court Technology, Court Security, and Court Training Funds. Miscellaneous Funds include the Hotel Occupancy Tax Fund, Red Light Camera Fund, and PEG Fund used to account for special revenues allowed under state law.

The General Capital Replacement Fund and the Utility Capital Replacement Funds are used to track monies reserved for the replacement of capital equipment, fleet vehicles, and facility maintenance.

REVENUES

Revenues total $28,795,536 including $2.5 million in bonds. Operating revenues total $26,295,536 a 4% increase over the FY16 Amended amounts. Property tax revenue saw an 11.4% increase over the FY16 Amended amounts. Wastewater Revenues, Sales tax, building development fees reflected an 18.5%, 5%, and 4.3% increase respectively, over the FY16 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 10.9% from the Amended 2015-16 Budget for a total of $26,356,944. All expenses, including capital projects, total $32,449,462 including $6,092,518 for general and utility capital projects and $5.2 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

An average merit pool increase of 3% has been included in the FY17 Budget. In conjunction, health insurance rates will increase slightly due to healthcare cost increases. Seven new FTE positions including two Police Officers, a School Resource Sergeant replacement, a Building Inspector, Accountant, Recreation Specialist, Utility Technician and a Marketing & Events Coordinator are budgeted for FY17.

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.
GENERAL FUND SUMMARY

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<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
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<td>PROPERTY TAXES</td>
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<td>5,388,840</td>
<td>5,491,836</td>
<td>5,546,699</td>
<td>6,095,403</td>
<td>-</td>
<td>6,095,403</td>
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<td>FRANCHISE FEES</td>
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<td>729,104</td>
<td>744,892</td>
<td>748,913</td>
<td>767,944</td>
<td>-</td>
<td>767,944</td>
</tr>
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<td>748,400</td>
<td>698,172</td>
<td>849,500</td>
<td>728,150</td>
<td>-</td>
<td>728,150</td>
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<td>281,500</td>
<td>307,092</td>
<td>307,092</td>
<td>-</td>
<td>307,092</td>
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<td>INTERLOCAL</td>
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<td>206,320</td>
<td>120,358</td>
<td>-</td>
<td>250,000</td>
<td>250,000</td>
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<tr>
<td>PARKS REVENUES</td>
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<td>132,030</td>
<td>132,030</td>
<td>135,500</td>
<td>135,500</td>
<td>-</td>
<td>135,500</td>
</tr>
<tr>
<td>OTHER</td>
<td>575,266</td>
<td>464,575</td>
<td>521,330</td>
<td>542,989</td>
<td>304,000</td>
<td>447,875</td>
<td></td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>10,168,858</td>
<td>10,285,108</td>
<td>10,454,767</td>
<td>10,678,299</td>
<td>10,764,727</td>
<td>554,000</td>
<td>11,318,727</td>
</tr>
</tbody>
</table>

| EXPENDITURES | CITY ADMINISTRATION | 1,854,120 | 1,923,513 | 1,943,725 | 1,885,333 | 2,054,256 | 94,324 | 2,148,479 |
| FINANCE | 492,426 | 551,161 | 551,161 | 504,045 | 556,444 | 76,743 | 633,186 |
| DEVELOPMENT SERVICES | 1,147,317 | 1,216,959 | 1,162,021 | 1,125,969 | 1,289,044 | 354,938 | 1,643,983 |
| PUBLIC WORKS | 1,080,154 | 1,190,773 | 1,223,469 | 1,215,578 | 1,206,244 | - | 1,206,244 |
| POLICE | 3,104,558 | 3,442,685 | 3,505,847 | 3,330,868 | 3,208,737 | 509,309 | 3,718,046 |
| PARKS & RECREATION | 849,494 | 922,235 | 936,411 | 926,265 | 949,316 | 38,544 | 987,860 |
| GENERAL SERVICES | 1,331,019 | 1,014,545 | 1,384,832 | 1,529,960 | 1,274,844 | - | 1,274,844 |
| NON-DEPARTMENTAL | 221,442 | 489,991 | 423,762 | 421,462 | 89,149 | - | 89,149 |
| TOTAL EXPENDITURES | 10,080,530 | 10,751,862 | 11,131,228 | 10,739,480 | 10,628,034 | 1,073,858 | 11,701,791 |

| OTHER FINANCING SOURCES (USES) | TRANSFERS IN | 918,000 | 370,240 | 370,240 | 370,240 | 537,831 | - | 537,831 |
| TRANSFERS OUT | (721,178) | (70,000) | (496,340) | (496,340) | (549,000) | - | (549,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | 196,822 | 300,240 | (126,100) | (126,100) | (11,169) | - | (11,169) |

| NET CHANGE IN FUND BALANCE | 285,150 | (166,514) | (802,561) | (178,281) | 125,524 | (519,858) | (394,233) |
| BEGINNING FUND BALANCE | 3,305,017 | 2,805,185 | 3,590,125 | 3,590,125 | 3,411,844 | 3,411,844 |
| ENDING FUND BALANCE | 3,590,125 | 2,678,196 | 2,787,564 | 3,411,844 | 3,537,368 | 3,017,931 |
| CONTINGENCY RESERVES | 2,520,133 | 2,687,966 | 2,782,807 | 2,684,870 | 2,657,008 | 2,925,448 |
| UNRESERVED ENDING FUND BALANCE | 1,070,034 | 111 | 4,757 | 726,974 | 880,360 | 92,160 |
| RESERVES | 25% | 25% | 25% | 25% | 25% | 25% |

FUND DESCRIPTION

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 $11,318,727 an increase of 5.9% from FY16 Projected and an 10% increase from the FY16 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 $0.520443 per $100 of valuation. The split between the two portions of the tax rate is decreasing (Operations and Maintenance - $0.429335 + Interest and Sinking - $0.091107) but will still allow the City to continue its existing service and programs, while adding additional staff. 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 $0.480395 per $100 valuation. The average home taxable value has increased for the third year in a row, rising from $164,745 to $183,267 in 2016. Property Tax makes up the largest percentage of General Fund revenues at 54%. A total of $6,095,403 is budgeted for collection, which is a 9.9% increase over the FY16 Projections. The increase is due to an overall increase in appraised value and from $53 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 $2,586,764, a 4.9% increase over the FY16 Projected amount. Sales tax collections have remained strong as a result of new construction, including HEB and Whataburger sites, and a still growing population.

**Franchise fees** totaling $767,944 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 2.5% over FY16 Projections due to customer growth.

**Interlocal revenue** represents funds paid from Hutto ISD and other local agencies to the City through this partnerships and agreements. Hutto ISD has agreed to contribute $125,000 in FY17 to assist the City in its construction of multiple sidewalk projects throughout the City. In late FY16 HISD and HPD began discussing creating a hybrid department that would include HISD police officers and City police department administration. This interlocal agreement outlines the terms for which HPD will provide administrative oversight with an Interim Chief of Police and one (1) Police Sergeant assigned to HISD. The District agrees to pay the City for the salary and benefits of one (1) Sergeant and an administrative fee to compensate for services provided by HPD Chief and staff. The total amount due to the City annually is $125,000.

**Development fees** are budgeted to total $728,150. Development fees account for 7% of revenues. FY17 revenue increased 4.3% over the FY16 Amended Budget due to additional building inspection staff 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. $94,981 will be transferred from the Hotel Occupancy Tax Fund to offset salary and expenses incurred by the Downtown and Tourism Division. An additional $90,000 will be transferred from the Solid Waste Fund for expenses and pavement replacement. The remaining Red Light Camera Fund balance, estimated at $102,850 for FY17, will be transferred to the General Fund to offset Police Department expenses related to traffic enforcement.

**Parks revenue** is budgeted to increase slightly due to more growth in winter, spring and summer camps. As well increased participation in indoor league sports such as basketball. Parks revenue includes payments for Gin Building, Saul House use, pavilion rentals, recreational programming, and Library fees.

**Other revenue** includes interest, miscellaneous fees and taxes, donations, grants, and other minor revenue sources. Other revenue is budgeted to total $447,875 in FY17. The FY17 budget includes funding for capital lease proceeds from the purchase of replacement equipment in the amount of $304,000 to offset the expense.
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 $11,701,791 which is an increase of 9% over the Amended 2015-16 Budget.

Police, with the majority of employees including thirty-one sworn officers, makes up the largest percentage of General Fund expenses with a total budget $3.7 million. Administration and Development Services make up the next largest percentages at 19% and 14% respectively.

Salaries and benefits make up the majority of General Fund expenses at 62% of the budget. All Hutto employees, except for the seven Utility employees, are paid from the General Fund. This category includes salaries, insurance, and retirement expenses. A total of $1,073,858 is included for additions, replacements and enhancements.

Enhancements include new or expanded programs or services. $76,743 is budgeted to hire an Accountant meet the growing needs in Finance due to growing demands and continued fiscal transparency. An additional Building Inspector is also budgeted for FY17 at the cost of $104,938 including vehicle to facilitate a growing need in the community. Two Police Officer positions were created in FY17 to meet the minimum staffing requirements and provide more efficiency of the Hutto Police Department. The total for the new positions including salary and benefits totals $141,910. Other new positions included in the General Fund for FY17 include two part-time positions to facilitate growing needs in both the Downtown & Tourism/Public Information and Recreation areas.

Other additions to the FY17 budget include a Retail/Co-Op Study, Transportation Mobility Plan, and equipment purchases that include two new and two replacement vehicles for the Patrol Division and a top dresser for the Parks Maintenance Division.

BUDGET VARIANCES

This section explains differences between the 2015-16 Amended Budget and the 2015-16 Budget. Expenses are broken into five categories

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<th>Expenses</th>
<th>2014-15 ACTUAL</th>
<th>2015-16 BUDGET</th>
<th>2015-16 AMENDED</th>
<th>2015-16 PROJECTED</th>
<th>2016-17 BASE</th>
<th>2016-17 ENHANCE</th>
<th>2016-17 BUDGET</th>
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<td><strong>10,739,480</strong></td>
<td><strong>10,628,034</strong></td>
<td><strong>1,073,858</strong></td>
<td><strong>11,701,791</strong></td>
<td><strong>5.1%</strong></td>
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</table>

Salaries and benefits are expected to increase 12.4% from the FY16 Amended Budget. An average merit pay adjustment of 3% has been included in the base budget, as well as an increased boot allowance for qualified employees. In conjunction, health insurance rates will increase a slight 4.5% due to changes in healthcare and benefits. In addition to merit pay, a restructured incentive pay program for all sworn officers has been included as an enhancement in the FY17 Proposed Budget. The majority of the increase is directly related to the (7) FTE positions requested in the FY17 Proposed Budget.

Supplies and materials are budgeted to decrease 7.1% from the FY16 Amended Budget

Repairs and maintenance are budgeted to decrease 3.3%. The decrease is for ongoing maintenance of city equipment, vehicles, roadways/sidewalks, parks, etc. The variance is a direct correlation to new vehicle/equipment purchases that help remove aging vehicles/equipment from the City fleet.

Other services and charges will increase 11.4% due to expenses related to the Transportation Mobility Plan and Retail/Co-Op Study, as well as increases to Attorney Services, Contracted Mowing Services, Facility Utilities and Streetlights.
Capital outlay is decreasing 46.7% from the FY16 Amended Budget due to completion of facility improvements in FY16. This category fluctuates on a year-to-year basis due to vehicle, machinery, equipment, and other building facility improvements.

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. An additional $479,000 will be transferred to the General CIP Fund to cash fund project-related expenses (see CIP Fund Summary).
GENERAL DEBT SERVICE FUND

FUND DESCRIPTION
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 2017 Interest and Sinking (I&S) portion of the tax rate will be $0.091108 per $100 valuation. This rate will generate $1,313,698 in property tax revenue, and increase over the FY16 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.

EXPENDITURES
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. $642,000 in general fund supported debt is proposed in Fiscal Year 2017.

FY17 expenses include $580,950 for principal, $730,998 for interest and $1750 for paying agent fees. Debt service payments will increase in coming years as a result of bonds issued in the past two years.

BUDGET VARIANCES
Revenues exceed expenses for this fund as the City will use additional revenue to maintain one-twelfth of debt service in fund balance per requirements. 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.

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<thead>
<tr>
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<td>35,557</td>
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<td>(24,985)</td>
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GENERAL CAPITAL REPLACEMENT FUND

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. An additional $20,000 was set aside for YMCA Building Repair and Maintenance per agreement.

EXPENSES

The only allocated expenses are related to the YMCA Building Repair and Maintenance. The entire amount is budgeted to give the staff the flexibility to use the funds as needed. No additional funds will be used from the Capital Replacement Fund as the City plans to build up the remaining 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.

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### General Capital Improvements Fund

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<td>7,610</td>
<td>1,957,667</td>
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**FUND DESCRIPTION**

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.

**REVENUES**

Revenues include Bond Proceeds of $200,000 and $1 million in TxDOT Grant funding for the TAP Limmer Loop project. An additional Transfer In of $479,000 from General Fund will be used to cash fund project such as Brushy Creek GAP Trail design, Limmer Loop Rehabilitation payment, and Railroad Quiet Zones. Other revenues include interest, bond interest, and parkland fees.

**EXPENSES**

The City will continue to work on a number of projects from FY16 including:

- East St. Reconstruction - $899,000 Funded with FY16 Bonds
- Railroad Quiet Zones - $75,000 Cash Funded
- Pavement Rehabilitation - $990,000 Funded with FY16 Bonds

Multiple projects are budgeted for FY17 including:

- TAP Limmer Loop Sidewalks – $1,200,000 Bonds/Grant
- Animal Shelter Expansion – $214,000 Cash Funded
- Brushy Creek GAP Trail (design only) - $90,000 Cash Funded

Ongoing expenses in the amount of $100,000 for Limmer Loop Rehabilitation will continue to be cash funded from the General Fund.

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

REVENUES

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<tr>
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<td>1,522,227</td>
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<td>1,407,572</td>
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EXPENDITURES

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<td>1,230,341</td>
<td>1,230,341</td>
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<tr>
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<td>7,500</td>
<td>7,500</td>
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<td>OTHER EXPENSES</td>
<td>26,592</td>
<td>27,000</td>
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<td>CAPITAL LEASES</td>
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<td>44,497</td>
<td>175,620</td>
<td>175,620</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
<td>1,233,079</td>
<td>1,309,338</td>
<td>1,413,461</td>
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TRANSFERS

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</thead>
<tbody>
<tr>
<td>TRANSFERS IN</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TRANSFERS OUT</td>
<td>(105,000)</td>
<td>(92,000)</td>
<td>(92,000)</td>
<td>(92,000)</td>
<td>(90,000)</td>
</tr>
<tr>
<td><strong>TOTAL TRANSFERS</strong></td>
<td>(105,000)</td>
<td>(92,000)</td>
<td>(92,000)</td>
<td>(92,000)</td>
<td>(90,000)</td>
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NET CHANGE IN FUND BALANCE

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</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING FUND BALANCE</td>
<td>-</td>
<td>3,110</td>
<td>55,225</td>
<td>55,225</td>
<td>71,991</td>
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<td>ENDING FUND BALANCE</td>
<td>55,225</td>
<td>31,089</td>
<td>71,991</td>
<td>71,991</td>
<td>113,491</td>
</tr>
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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.

REVENUES

Revenues for the fund include the new (3) proposed rates per the negotiated contract for curbside and recycling services with Al Clawson Disposal, Inc. for current customers plus an additional 4% growth factor. In addition, the City charges a franchise fee to refuse collection companies that offer commercial services to businesses in Hutto that will not expire until July 2017.

EXPENSES

In December 2016 the City entered into contract with Al Clawson Disposal, Inc. to be the sole provider for Residential and Commercial garbage services. By shifting services to a single provider, the City is able to reduce costs for residential customers, and the City anticipates this will result in savings for most commercial accounts. The proposed contract will progress the City towards its strategic goal of 100% Recycling Participation by including commercial recycling services in the City as it offers weekly recycling pickup for residential customers and includes a variety of options for commercial accounts. In addition, the City will offer two different cart size options for residents in order to better meet their needs. ACDI reimbursed the City for previously purchased Recycle Carts in the amount of $131,123 in FY16, thus reducing the need for capital lease expenses in 2016-17.

BUDGET VARIANCES

The Solid Waste Fund was created in FY16. $90,000 was budgeted in FY17 in Transfers Out to offset the expenses still incurred in General Fund for Public Works Streets and Drainage Pavement rehabilitation per agreement.
UTILITY FUND SUMMARY

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. Reserves for the Utility Fund are maintained at 30% of the operating budget.
REVENUES

Utility operational revenues total $11.9 million which is 28.2% above the FY16 Projected Budget. The increase is a result of customer growth due to the new homes and business under construction, as well as $2.3 million in estimated bond proceeds. 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% for both water and wastewater during the next year.

Water revenues make up the majority of the Utility Fund operating revenue, totaling $4,921,629. Water revenue is revenue collection for the provision of water to utility customers. This is an increase of 3% over the FY16 Projected Budget and is due to anticipated customer growth and average use.

Wastewater revenues are budgeted to total $3,967,591, a 3% increase over FY16 Projected Budget. 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 $1,248,852 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 FY16 Amended 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. $2.3 million in bond proceeds are included in the FY17 budget for project related expenses.

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% in FY17 as a result of new customers. 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 Park subdivisions continue to expand and grow.

EXPENSES

Utility Fund expenses are the costs associated with the provision of water and wastewater services to the Hutto customers. The Utility Fund includes eight full-time water and wastewater employees whose salary and benefit costs are evenly split between the two divisions. As of FY16 is the five full-time Utility Billing employees whose salary and benefits were previously included in General Fund expenses are included in Utility fund expenses. The 2016-17 Utility Fund Operating Budget totals $10,390,171. When including the net transfers to account for the debt service expense, Utility Fund expenses total $14,242,588.
Water services, totaling $4.8 million, makes up the bulk of operating expenses because of water supply agreements. The FY17 Water Service budget will increase 11.6% from the FY16 Projected Budget due to increases in both the Heart of Texas and City of Taylor water contracts. 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.

Major variances are explained on the following page.

**BUDGET VARIANCES**

This section explains the difference between the FY17 Budget and the FY16 Amended amounts.

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; benefits</td>
<td>461,744</td>
<td>742,476</td>
<td>742,476</td>
<td>735,188</td>
<td>776,171</td>
<td>62,583</td>
<td>838,754</td>
<td>13%</td>
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<tr>
<td>Supplies &amp; materials</td>
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<td>236,000</td>
<td>285,373</td>
<td>255,015</td>
<td>237,350</td>
<td>850</td>
<td>238,200</td>
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<tr>
<td>Repairs &amp; Maintenance</td>
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<td>156,000</td>
<td>141,000</td>
<td>123,000</td>
<td>120,700</td>
<td>-</td>
<td>120,700</td>
<td>-14.4%</td>
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<td>Other services &amp; charges</td>
<td>4,847,737</td>
<td>4,865,661</td>
<td>5,034,618</td>
<td>5,085,890</td>
<td>6,280,766</td>
<td>176,860</td>
<td>6,457,626</td>
<td>28.3%</td>
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<tr>
<td>Capital outlay</td>
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<td>63,284</td>
<td>127,538</td>
<td>150,424</td>
<td>37,885</td>
<td>134,456</td>
<td>172,341</td>
<td>14.6%</td>
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<tr>
<td>Heart of Texas</td>
<td>94,754</td>
<td>146,700</td>
<td>216,326</td>
<td>132,326</td>
<td>109,700</td>
<td>-</td>
<td>109,700</td>
<td>-17.1%</td>
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<tr>
<td>Total Operations</td>
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<td>7,936,920</td>
<td>21.2%</td>
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<tr>
<td>CIP Water/Wastewater</td>
<td>3,618,847</td>
<td>249,851</td>
<td>19,204,670</td>
<td>19,336,670</td>
<td>181,851</td>
<td>2,271,000</td>
<td>2,452,851</td>
<td>-87.2%</td>
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<tr>
<td>Net Transfers</td>
<td>3,814,399</td>
<td>3,272,766</td>
<td>3,272,766</td>
<td>3,272,766</td>
<td>3,852,416</td>
<td>-</td>
<td>3,852,416</td>
<td>-17.7%</td>
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<td></td>
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<tr>
<td>Total Expenses</td>
<td>13,506,017</td>
<td>9,732,738</td>
<td>29,024,767</td>
<td>29,091,279</td>
<td>11,596,839</td>
<td>2,645,749</td>
<td>14,242,588</td>
<td>-50.9%</td>
<td></td>
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</tr>
</tbody>
</table>

Salaries and benefits will increase 13% or about $96,278 over the FY16 Amended Budget. The increase includes an average 3% merit increase, as well as the addition of a Utility Technician for the Water and Wastewater Division. In conjunction, health insurance rates will increase slightly due to changes in healthcare and benefits.

Supplies and materials are budgeted at $237,800, which is a decrease of 16.7% over FY16 Amended Budget. The decrease in largely due to the completion of an upgrade to the City’s automatic meter reading system.

Repairs and maintenance costs will see a decrease of 14.4% over the FY16 Amended budget due to completion elevated tank and ground storage tanks.

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 of 28.3% is largely due to increases in the Heart of Texas and City of Taylor water contracts, as well as the addition of the Hutto South Wastewater Treatment Plant to the Brazos River Authority contract.

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 increasing 14.6% due to one-time purchases for water and wastewater equipment in FY17. The FY17 budget includes $80,000 for a Ford F450 with crane attachment which will be purchased through a capital lease.

CIP.

Transfers out are increasing 17.7% over the FY16 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 increasing due to the initial principal payment for TWDB Certificates of Obligation.
UTILITY DEBT SERVICE FUND SUMMARY

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 $3,552,416 which is an increase from the FY16 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 ($2,204,050) and interest ($1,669,447) on existing certificates of obligation. The variance in the overall expense in FY17 includes the first principal payment towards the TWDB Certificates of Obligation of approximate $800,000.

See the section titled “Debt” to learn more about the outstanding and proposed bonds.

BUDGET VARIANCES

Remaining fund balance from FY16 will be used to offset the additional costs associated with the initial principal payment for the TWDB Certificates of Obligation. Additional fund balance was due to the late issuance of the 2015 General Obligation Refunding. 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**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Sale of Assets</td>
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<td>-</td>
</tr>
<tr>
<td>Interest &amp; Other</td>
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<td>-</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<tr>
<td><strong>Expenditures</strong></td>
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<tr>
<td>Vehicles</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>Machinery &amp; Equipment</td>
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<td>-</td>
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<td><strong>Transfers</strong></td>
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<tr>
<td>Transfer In</td>
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<tr>
<td>Transfers Out</td>
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<tr>
<td>Total Transfers</td>
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<td>50,000</td>
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<td>50,000</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
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<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>300,000</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>250,000</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
<td>350,000</td>
</tr>
</tbody>
</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 FY17.

**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 2016-17. The City plans to build up the fund balance to be used to replace aging and worn capital assets.

**Budget Variances**

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.
**IMPACT FEES FUND**

**FUND DESCRIPTION**

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 last conducted in 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.

**REVENUES**

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** - $3,625 per service unit equivalent
- **Wastewater** - $2,128 per service unit equivalent

**For lots platted after February 2013:**
- **Water** - $4,363 per service unit equivalent
- **Wastewater** - $1,068 per service unit equivalent

Included in the 2016-17 Budget is costs related to an Impact Fee Study update. Revenue may fluctuate in FY17 due to the findings associated with the Impact Fee Study.

**EXPENSES**

Eligible Impact Fee collections will be transferred to the Utility Fund to support eligible debt service payments.

**BUDGET VARIANCES**

The Impact Fee 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**

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<thead>
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</thead>
<tbody>
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<td>654,526</td>
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<tr>
<td><strong>Wastewater Impact Fees</strong></td>
<td>582,672</td>
<td>400,000</td>
<td>668,472</td>
<td>668,472</td>
<td>594,325</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,224,365</td>
<td>900,000</td>
<td>1,362,743</td>
<td>1,362,743</td>
<td>1,248,852</td>
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</tbody>
</table>

**Transfers**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Transfer In</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Transfer Out</strong></td>
<td>(1,244,465)</td>
<td>(900,000)</td>
<td>(1,362,743)</td>
<td>(1,362,743)</td>
<td>(1,248,852)</td>
</tr>
<tr>
<td><strong>Total Transfers</strong></td>
<td>(1,244,465)</td>
<td>(900,000)</td>
<td>(1,362,743)</td>
<td>(1,362,743)</td>
<td>(1,248,852)</td>
</tr>
</tbody>
</table>

**Net Change in Fund Balance**

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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
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<td><strong>Ending Fund Balance</strong></td>
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<td>-</td>
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</tr>
</tbody>
</table>

---
COURT FEES FUND

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 FY17.

EXPENSES

The special revenues may only be used for expenses related to Court technology, security, and training. 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 with great success. 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.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 ACTUAL</th>
<th>2015-16 BUDGET</th>
<th>2015-16 AMENDED</th>
<th>2015-16 PROJECTED</th>
<th>2016-17 BUDGET</th>
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<td>7,000</td>
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<td>COURT SECURITY FEES</td>
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<td>COURT TRAINING FEES</td>
<td>487</td>
<td>500</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>12,635</strong></td>
<td><strong>12,600</strong></td>
<td><strong>12,250</strong></td>
<td><strong>12,600</strong></td>
<td><strong>12,600</strong></td>
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<table>
<thead>
<tr>
<th></th>
<th>2014-15 ACTUAL</th>
<th>2015-16 BUDGET</th>
<th>2015-16 AMENDED</th>
<th>2015-16 PROJECTED</th>
<th>2016-17 BUDGET</th>
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</thead>
<tbody>
<tr>
<td>COURT TECHNOLOGY</td>
<td>6,727</td>
<td>7,024</td>
<td>7,024</td>
<td>693</td>
<td>13,730</td>
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<tr>
<td>COURT SECURITY</td>
<td>5,538</td>
<td>28,652</td>
<td>28,652</td>
<td>3,875</td>
<td>35,010</td>
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<tr>
<td>COURT TRAINING</td>
<td>-</td>
<td>1,939</td>
<td>1,939</td>
<td>-</td>
<td>2,441</td>
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<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>12,265</strong></td>
<td><strong>37,615</strong></td>
<td><strong>37,615</strong></td>
<td><strong>4,568</strong></td>
<td><strong>51,181</strong></td>
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<tr>
<th></th>
<th>2014-15 ACTUAL</th>
<th>2015-16 BUDGET</th>
<th>2015-16 AMENDED</th>
<th>2015-16 PROJECTED</th>
<th>2016-17 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>370</td>
<td>(25,015)</td>
<td>(25,015)</td>
<td>8,032</td>
<td>(38,581)</td>
</tr>
<tr>
<td>BEGINNING FUND BALANCE</td>
<td>30,180</td>
<td>25,015</td>
<td>30,550</td>
<td>30,550</td>
<td>38,582</td>
</tr>
<tr>
<td>ENDING FUND BALANCE</td>
<td>30,550</td>
<td>-</td>
<td>-</td>
<td>38,582</td>
<td>-</td>
</tr>
</tbody>
</table>
HOTEL TAX FUND

**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 transfer to General Fund allows for the City to act in a Convention and Visitor’s Bureau. Currently HOT funds are spent on a portion of the Downtown & Tourism Manager’s salary and other various expenses through an internal transfer. The fund supports expenses incurred on an annual webpage for Hutto on www.TourTexas.com which allows the City to receive visitor leads and mail brochures when requested. The Downtown & Tourism Manager utilizes the additional funding for printing brochures, online banner ads on Tour Texas, as well as other placed ads (such as in the Houston House & Home), to market events such as Christmas Fair/Old Town Christmas Weekend and the Home & Garden Show. In 2016-17 the Downtown & Tourism Division plans to utilize a portion of the funds to buy a full page in the Hill Country Trail Brochure. This brochure is printed and distributed around the state as well as online for downloading.

A full breakdown of expenses was added with the 2016-17 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.

**Budget Variances**

Actual expenses will be based on applications from community organizations for use of the funds.
**RED LIGHT CAMERA FUND**

### REVENUES

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RED LIGHT CAMERA</td>
<td>251,601</td>
<td>180,000</td>
<td>180,000</td>
<td>250,000</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>251,601</td>
<td>180,000</td>
<td>180,000</td>
<td>250,000</td>
<td>30,000</td>
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</table>

### EXPENDITURES

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>RED LIGHT CAMERA (ATS)</td>
<td>139,881</td>
<td>170,000</td>
<td>175,000</td>
<td>146,000</td>
<td>30,000</td>
</tr>
<tr>
<td>OTHER SUPPLIES &amp; MATERIALS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,000</td>
<td>-</td>
</tr>
<tr>
<td>REMITTANCE TO STATE</td>
<td>45,814</td>
<td>16,940</td>
<td>11,940</td>
<td>48,000</td>
<td>5,000</td>
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<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>185,695</td>
<td>186,940</td>
<td>186,940</td>
<td>213,000</td>
<td>35,000</td>
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### TRANSFERS

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<tbody>
<tr>
<td>TRANSMIT IN</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TRANSMIT OUT</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(102,850)</td>
</tr>
<tr>
<td><strong>TOTAL TRANSFERS</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(102,850)</td>
</tr>
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### NET CHANGE IN FUND BALANCE

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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING FUND BALANCE</td>
<td>4,942</td>
<td>6,942</td>
<td>70,850</td>
<td>70,850</td>
<td>107,850</td>
</tr>
<tr>
<td>ENDING FUND BALANCE</td>
<td>70,850</td>
<td>-</td>
<td>63,910</td>
<td>107,850</td>
<td>-</td>
</tr>
</tbody>
</table>

### FUND DESCRIPTION

The Red Light Cameras Fund tracks revenues and expenses associated with the City’s red light cameras.

### 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 decrease after November 2016 with the assumption that the City Council will terminate the contract.

### 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. Expenses are expected to decrease after November 2016 with the expiration of the ATS contract. Any remaining funds will be transferred to General Fund to offset costs for Police Department equipment purchases related to traffic enforcement.

### 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. Effective with the cancellation of the ATS contract all remaining will be transferred to General Fund to offset ongoing expenses related to Police Department traffic enforcement.
PEG FUND

REVENUES

<table>
<thead>
<tr>
<th></th>
<th>2014-15 ACTUAL</th>
<th>2015-16 BUDGET</th>
<th>2015-16 AMENDED</th>
<th>2015-16 PROJECTED</th>
<th>2016-17 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEG Capital Fees</td>
<td>30,907</td>
<td>29,131</td>
<td>29,131</td>
<td>31,563</td>
<td>32,194</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>30,907</td>
<td>29,131</td>
<td>29,131</td>
<td>31,563</td>
<td>32,194</td>
</tr>
</tbody>
</table>

EXPENDITURES

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Technology Equipment &amp; Supplies</td>
<td>21,536</td>
<td>38,000</td>
<td>24,287</td>
<td>245</td>
<td>41,425</td>
</tr>
<tr>
<td>Professional Services</td>
<td>41,983</td>
<td>24,190</td>
<td>24,190</td>
<td>-</td>
<td>41,125</td>
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<tr>
<td>Total Expenditures</td>
<td>63,339</td>
<td>62,190</td>
<td>48,477</td>
<td>245</td>
<td>82,850</td>
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Net Change in Fund Balance

<table>
<thead>
<tr>
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<tr>
<td>Beginning Fund Balance</td>
<td>51,778</td>
<td>33,060</td>
<td>19,346</td>
<td>19,346</td>
<td>50,660</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>19,346</td>
<td>-</td>
<td>-</td>
<td>50,660</td>
<td>-</td>
</tr>
</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 2016-17 revenue of $32,194 is based on a 2% growth in the 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 began broadcasting City Council Meetings in September 2015 and all associated expenses for set up were paid 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.
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:
   a. 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 of 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 there from, 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.
FISCAL AND BUDGETARY POLICY

(ADOPTED APRIL 21, 2016)

OVERVIEW AND STATEMENT OF PURPOSE

The City of Hutto has 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 financial planning, operating and capital budgeting, revenue management, expenditure control, asset management, pay philosophy, accounting and financial reporting, debt management, and reserves. This is done in order to:

A. Demonstrate to the citizens of Hutto, the City's bond holders, 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 Principals (GAAP); and
D. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code, bond covenants and other legal mandates.

The Fiscal and Budgetary Committee will annually review the Fiscal and Budgetary Policy and make recommendations to City Council.

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 Capital Improvements Plan (CIP) outlines the major utility infrastructure, streets and drainage, facilities, parks and other improvements needed to serve the citizens, maintain existing infrastructure and facilities, 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 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 through website solicitation.
   • City Master Plans
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. Factors related to the issuance of debt will include the following: a.) legal constraints on debt capacity and financing alternatives, b.) essentiality of the proposed capital improvement and the economic cost of delay, c.) willingness and financial ability to pay for the capital improvement, d.) determine the ability to fund through a pay-as-you-go system, e.) assess current interest rate environment for borrowing and investment as well as other market conditions, e.) financial condition of the City, f.) the types, availability and stability of revenues to be pledged for repayment of the debt, g.) type of debt to be issued, and h.) the nature and asset life of the capital projects.

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 provided to Council.

B. **Operations Plan** – 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. Sensitivity analyses may be used in order to react to low-medium-high growth environments that would allow for more aggressive investment in infrastructure and conversely time to react to economic slowdown.

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 a part of the five year planning process and annual budget process to determine whether certain programs should continue to be funded. ICMA Insights program participation will be utilized to establish, track, and compare performance measures.

**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 ensuing 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 per the City 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 on the City website a general summary of the budget, as well as the times and places that the budget is available for public inspection, no less than two weeks after the publication.

c. A copy of the proposed budget will be filed with the City Secretary when it is submitted to the City Council, which must be at least 30 days prior to the vote.

2. **Adoption** – 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 GFOA for evaluation and consideration for the Distinguished Budget Presentation Award.

4. **Budget Calendar** – The timeline for budget adoption is guided by City Charter and state Truth in Taxation laws. The deadline for the chief appraiser to certify rolls to taxing units is July 25. After certification, City Council must discuss the tax rate, and if the maximum rate they will consider adopting will exceed the rollback rate or effective tax rate, they must take a record vote and schedule a public hearing. If required, Notice of Public Hearing on Tax Increase must be published at least 7 days before the first public hearing. If required, the second public hearing must be no earlier than 3 days after the first public hearing, and is also when the meeting to adopt tax rate will be scheduled and announced (must be 3-14 days from this date). Notice of Tax Revenue Increase must be published before the meeting to adopt tax rate (at least seven days, if available). The meeting to adopt tax rate must be held 3-14 days after the second public hearing, and the tax rate must be adopted before September 30.

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 Fiscal and Budgetary Committee and provided to 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.

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.

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.

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 anticipated but amount unknown expenditures, 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 0.75% 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. The City shall have the ability to review financial reports to monitor how public funds are utilized by an organization.
   c. Other items may be addressed by the City Council as specified in each organization’s Outside Agency Funding Agreement.

3. The Fiscal and Budgetary Committee will 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 prefers to allocate funding based upon the following guideline:
      - Education – 10%
      - Quality of Life – 30%
      - Social Services – 60%
      - Public Health and Safety – The City Council may provide additional funding above the designated 0.75% 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.

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. Any resulting service level reductions, including workforce reductions, will be addressed by the City Council.

REVENUE MANAGEMENT

A. Optimum Characteristics – The City will strive for the following optimum characteristics in its revenue system:

1. 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.

2. Realistic and Conservative Estimates - Revenues will be estimated realistically, and conservatively, taking into account the volatile nature of various revenue streams.

3. 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.

4. 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.

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 adequate level of working capital.

Additionally, enterprise activity rates will include transfers to and receive credits from other funds as follows:

6. Administrative Cost Recovery – 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.

7. Revenue Monitoring – Revenues as they are received will be regularly compared to budgeted revenues, variances will be investigated and any abnormalities will be included in the quarterly report to the City Council.

C. Funding Alternatives

1. Grants - The City shall seek to obtain grants which are consistent with the City’s current and future priorities and objectives. The City Council must authorize acceptance of any grant funding. Potential grants will be examined for any matching requirements and the source of those requirements identified. Grant applications will be reviewed by Finance to ascertain funding sources, outcomes and other
relevant information before the information is presented to the City Council. The City shall recover indirect costs to the maximum allowable by the funding source, and may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant. Grant-funded programs and associated positions will be terminated as directed by the City Council when grant funds are no longer available, unless alternate funding is identified.

2. **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.

3. **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 five years. All fees collected will fund projects identified within the Fee study and as required by state laws.

**D. 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.

**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 capital).

**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 departments 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 and report the changes to City Council no later than the next scheduled City Council meeting.

**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 or procured through an approved cooperative. 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 annually 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.

2. **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.

3. **Conflict of Interest** – The City will comply with all conflict of interest requirements as mandated by the Texas Government Code and Local Government Code.
E. **Prompt Payment** – All invoices approved for payment by the proper City authorities shall be paid within thirty (30) calendar 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.

**PAY PHILOSOPHY**

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 by the City Manager regularly to determine workloads. Workload allocation alternatives, such as contract labor and contracted services, will be explored before adding additional staff.

B. **Market Adjustments** – The City shall utilize 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. City Council identified benchmark cities based on parameters such as population, proximately to Hutto, growth rate, and tax base. The cities selected are: Belton, Cedar Park, Cibolo, Georgetown, Kyle, Leander, Little Elm, Pflugerville, Round Rock, Schertz, Seguin and Taylor.

C. **Merit Adjustments** – The City utilizes a merit based pay and step pay plan as a part of the overall compensation system. Council may fund merit increases annually during the budget process to aid in retaining and rewarding quality employees 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 warrant this type of increase, such as a reclassification due to additional job duties.

**CAPITAL MAINTENANCE AND REPLACEMENT**

The City shall maintain 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.

**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 GAAP and shall be presented annually to the 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.

**RISK AND ASSET MANAGEMENT**

A. **Risk Management** - The City will utilize programs 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. **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.

C. **Cash Management** - 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.

X. **DEBT MANAGEMENT**

The City of Hutto recognizes the primary purpose of capital facilities is to support provision of services and mobility 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 realizes 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, including equipment, 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 discretionary or nonessential even though it is routine in nature; or
   - When the project falls outside the normal bounds of projects the City has typically done.

2. **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; or
• When the project or capital item is determined to be nondiscretionary or essential to the City. Certificates of obligation 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.

3. **Self-supporting General Obligation Debt** – Refers to general obligation debt including CO’s 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.

4. **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.

5. **Short-term Borrowing** - The City may authorize the issuance of Public Property Finance Contractual Obligations (PPFCOs) or Limited Tax Notes (Notes) which are short-term obligations for the acquisition of personal public property, such as equipment. PPFCOs and Notes 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 and should be grouped in a single PPFCO or Note issue in order to develop economies of scale. Notes are limited to a 7 year term.

6. **Revenue Bonds** – Revenue bonds may 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.

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 sale. 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 and Director of Finance 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 overall level debt service and tax rate or revenue source stability 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. The City will maintain a minimum debt service coverage ratio of 1.0 times for these utilities as a whole.

H. **Reimbursement Resolutions** – The City may utilize reimbursement resolutions for debt financings 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.

XI. **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. **Operating Reserves** – In accordance with the Charter Section 8.04, the City will maintain emergency reserves at a minimum of 25% 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.

1. **General Fund** – The unobligated fund balance in the General Fund should equal at least 25%.

2. **Utility Fund** – Working capital reserves in these funds should be 25%.

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.

B. **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.

C. **Debt Service Funds for Ad Valorem Tax Obligations** – This fund holds receipts from ad valorem property taxes levied to pay debt service on outstanding ad valorem tax obligations. Due to the nature of the source of funds, monies held within this fund are stable. Balances are maintained in this fund to ensure that debt service payments may be made in a timely manner and to comply with ordinances authorizing such outstanding debt obligations.

D. **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.

E. **Sales Tax Excess** – Due to the volatile nature of sales tax revenue, collections over and above the estimated sales tax revenue amount should be used to fund non-recurring expenses, such as (but not limited to) equipment purchases, capital improvement projects, or transfers to the capital replacement fund.
**Hutto Boards & Commissions**

**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.

**Building and Standards Commission.** The Hutto Building and Standards Commission was created in 2015 to hear appeals and render decisions upon rulings by the building official when requests for modification or a variation have been made and denied. The commission will also serve as the fire code board of appeals.
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 of 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 spend-able 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 FORECAST. 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 force 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 enactmment 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-term 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.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>APA</td>
<td>American Planning Association.</td>
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<tr>
<td>AP</td>
<td>Accounts Payable.</td>
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<td>AR</td>
<td>Accounts Receivable.</td>
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<tr>
<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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<tr>
<td>CAPCOG</td>
<td>Capitol Area Council of Governments.</td>
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<tr>
<td>CCN</td>
<td>Certificate of Convenience and Necessity (water and wastewater).</td>
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<tr>
<td>CDBG</td>
<td>Community Development Block Grant.</td>
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<tr>
<td>CIP</td>
<td>Capital Improvements Plan.</td>
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<td>CMO</td>
<td>City Manager's Office Division.</td>
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<td>CO BOND</td>
<td>Certificates of Obligation Bond.</td>
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<td>COLA</td>
<td>Cost of Living Adjustment.</td>
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<td>CTLS</td>
<td>Central Texas Library System</td>
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<tr>
<td>CWSRF</td>
<td>Clean Water State Revolving Fund.</td>
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<tr>
<td>EECBG</td>
<td>Energy Efficiency &amp; Conservation Block Grant.</td>
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<tr>
<td>EIS</td>
<td>Executive Information Systems.</td>
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<td>ESD#3</td>
<td>Emergency Services District Number 3.</td>
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<td>ETR</td>
<td>The Effective Tax Rate.</td>
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<td>ETJ</td>
<td>The Extra-Territorial Jurisdiction.</td>
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<td>EWCHEC</td>
<td>Eastern Williamson County Higher Education Center.</td>
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<tr>
<td>FTE</td>
<td>Full-time Equivalent.</td>
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<tr>
<td>FY</td>
<td>Fiscal Year.</td>
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<td>GO BOND</td>
<td>General Obligation Bond.</td>
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<tr>
<td>GAAP</td>
<td>Generally Accepted Accounting Principles.</td>
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<td>GASB</td>
<td>Governmental Accounting Standards Board.</td>
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<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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<td>HEDC</td>
<td>Hutto Economic Development Corporation.</td>
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<td>HISD</td>
<td>Hutto Independent School District.</td>
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<td>HOT</td>
<td>Heart of Texas Water Supply.</td>
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<td>HPC</td>
<td>Historic Preservation Commission.</td>
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<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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<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>
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<tr>
<td>LS</td>
<td>Lift Station.</td>
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<tr>
<td>MGD</td>
<td>Million gallons per day.</td>
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<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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<td>ODP</td>
<td>Organizational Development Plan.</td>
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<td>P&amp;Z</td>
<td>Planning and Zoning Commission.</td>
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<tr>
<td>PO</td>
<td>Purchase Order.</td>
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<tr>
<td>RFP</td>
<td>Request for Proposal.</td>
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<td>RFQ</td>
<td>Request for Qualifications.</td>
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<tr>
<td>SCADA</td>
<td>Supervisory Control and Data Acquisition.</td>
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<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>
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<tr>
<td>TEA 21</td>
<td>The Transportation Equity Act for the 21st Century.</td>
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<tr>
<td>TIF/ TRZ</td>
<td>Tax Increment Financing or Tax Reinvestment Zone.</td>
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<tr>
<td>TLETS</td>
<td>Texas Law Enforcement Telecommunication System.</td>
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<td>TML</td>
<td>Texas Municipal League.</td>
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<td>TMLIRP</td>
<td>Texas Municipal League Intergovernmental Risk Pool.</td>
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<tr>
<td>TMRS</td>
<td>Texas Municipal Retirement System.</td>
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<tr>
<td>TRS</td>
<td>Total Rewards System.</td>
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<td>TSLA</td>
<td>Texas State Library Association.</td>
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<td>TWC</td>
<td>Texas Workforce Commission.</td>
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<td>TWDB</td>
<td>Texas Water Development Board.</td>
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<td>TXDOT</td>
<td>Texas Department of Transportation.</td>
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<td>UB</td>
<td>Utility Billing.</td>
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<tr>
<td>UCR</td>
<td>Uniform Crime Report.</td>
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<td>UDC</td>
<td>Unified Development Code.</td>
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<tr>
<td>WCCAC</td>
<td>Williamson County Children’s Advocacy Center.</td>
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<td>WCCHD</td>
<td>Williamson County and Cities Health District.</td>
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<tr>
<td>WILCO</td>
<td>Williamson County.</td>
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<tr>
<td>WWTP</td>
<td>Wastewater Treatment Plant.</td>
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<tr>
<td>YAC</td>
<td>Youth Advisory Commission.</td>
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</table>
AGENDA ITEM NO.: 9B. AGENDA DATE: September 15, 2016

PRESENTED BY: Melanie Melancon, 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 2016.

STRATEGIC GUIDE POLICY: Fiscal and Budgetary

ITEM BACKGROUND: 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 $0.429336 on each $100 valuation of property; debt service on bonds sold for the support of general government, a rate of $0.091107 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 $0.520443, which is effectively a 8.34 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 first reading of the Ordinance.

SUPPORTING MATERIAL:
1. 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 2016; 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.

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 $0.520443 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 $0.429366 on each $100.00 valuation of property and
2. For debt service on bond sold for the support of general government, a rate of $0.091107 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 RAISED BY 9.199% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 BY APPROXIMATELY $36.17.

SECTION III.

That the Taxes levied under this ordinance shall be due October 1, 2016, and if not paid on or before January 31, 2017, 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 1st day of September, 2016, 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 15th day of September, 2016 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

________________________
Doug Gaul, Mayor

ATTEST:

________________________
Seth Gipson, City Secretary
AGENDA ITEM NO.: 9C. AGENDA DATE: September 15, 2016

PRESENTED BY: Melanie Melancon, Finance Director

ITEM: Consideration and possible action on the second and final reading of an ordinance ratifying an Ad Valorem tax increase for the 2016-17 Fiscal Year for the use and support of the municipal government for the City of Hutto for the Tax Year 2016.

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 $0.520443 is adopted, this budget will raise more total property taxes than last year’s budget by $815,839 or 12.2%, and of that amount $276,422 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 first reading of the ordinance.

SUPPORTING MATERIAL:
1. Tax Ratification Ordinance
ORDINANCE NO. ____________

AN ORDINANCE RATIFYING A PROPERTY TAX INCREASE FOR THE FISCAL YEAR 2017 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.

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 $815,839 or 12.20%, and of that amount $276,422 is tax revenue to be raised from new property added to the tax roll this year based on an ad valorem rate of $0.520443 on each $100.00 valuation of property.

SECTION II.

That the 2016 taxable value on the 2016 certified appraisal roll totals $1,441,914,509 compared to $1,265,563,641 in 2015.

SECTION III.

That the proposed Fiscal Year 2017 Budget and tax levy shall be adopted in separate ordinances and will become effective October 1, 2016, and end September 30, 2017.

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 1st day of September 2016, 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 15th day of September 2016, 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

________________________
Doug Gaul, Mayor

ATTEST:

________________________
Seth Gipson, City Secretary
AGENDA ITEM NO.: 9D.  
AGENDA DATE: September 15, 2016

PRESENTED BY: Helen Ramirez, AICP, Director, Development Services

ITEM: Consideration and possible action on the first reading of an ordinance regarding the proposed annexation of the Malone Tract, 63.46 acres more or less, of land located on CR 136, southwest of the intersection of FM 1660 South and CR 163.

STRATEGIC GUIDE POLICY: Growth Guidance

ITEM BACKGROUND: A Municipal Service Plan (MSP) has been drafted per the Council’s directive from their regularly scheduled meeting on July 21, 2016.

The next step in the annexation process, after this first reading, is to conduct the second and final reading of the annexation ordinance. An annexation ordinance requires a second reading prior to final approval.

BUDGETARY AND FINANCIAL SUMMARY: Not applicable.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS: Not applicable.

CITY ATTORNEY REVIEW: The City Attorney has approved the process as to form.

STAFF RECOMMENDATION: Staff recommends that the Council approve the first reading of the ordinance.

SUPPORTING MATERIAL:
1. Ordinance - Malone Tract Annexation
2. Exhibit A - Malone Tract Annexation Property Description
3. Exhibit B - Malone Tract Annexation Municipal Service Plan
ORDINANCE NO.

AN ORDINANCE ANNEXING CERTAIN HEREINAFTER DESCRIBED ADJACENT AND CONTIGUOUS TERRITORY TO THE CITY OF HUTTO, TEXAS, TO WIT: 63.46 ACRES, MORE OR LESS, OF LAND, DESCRIBED IN EXHIBIT “A”, ALL OF SAID PROPERTY BEING SITUATED IN WILLIAMSON COUNTY, TEXAS, AND ALL ADJACENT ROADWAYS BEING FOR ANNEXATION; EXTENDING THE BOUNDARY LIMITS OF HUTTO SO AS TO INCLUDE SAID PROPERTY WITHIN HUTTO’S CITY LIMITS; FINDING THAT ALL NECESSARY AND REQUIRED LEGAL CONDITIONS HAVE BEEN SATISFIED; PROVIDING THAT SUCH PROPERTY SHALL BECOME A PART OF THE CITY OF HUTTO AND THAT THE OWNERS AND INHABITANTS THEREOF SHALL BE ENTITLED TO THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BE BOUND BY THE ACTS, ORDINANCES, RESOLUTIONS AND REGULATIONS OF THE CITY NOW IN EFFECT AND THOSE WHICH ARE HEREINAFTER ADOPTED; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES OR RESOLUTIONS.

WHEREAS, the City of Hutto, Texas (the “City”) is a duly constituted home-rule municipality and, as such, is authorized to annex territory subject to the laws of the State of Texas and subject to its Charter, and;

WHEREAS, pursuant to Section 43.028 of the Texas Local Government Code, the owners of a tract of land containing 63.46 acres, more or less, of land, situated in the William Gatlin Survey, Abstract No. 271, in Williamson County, Texas (the “Property”), said Property being situated in Williamson County, Texas, and being more particularly described in Exhibit “A” attached hereto and made part hereof by reference for all purposes, have petitioned the City Council in writing to annex the Property, and;

WHEREAS, the procedures prescribed by the Charter of the City of Hutto and the applicable laws of the State of Texas have been duly followed with respect to the Property, and;

WHEREAS, the City Council of the City of Hutto by resolution directed the City’s Development Services Director to prepare a service plan that provided for the extension of full municipal services to the Property, and such service plan was duly prepared and described in Exhibit “B” attached hereto and made part hereof by reference for all purposes, and;

WHEREAS, such Property is (a) one-half mile or less in width; (b) contiguous to the City; and (c) vacant and without residents or on which fewer than three (3) qualified voters reside, and;

WHEREAS, after considering the public testimony received at each hearing, the City Council of the City of Hutto determines that annexation of the Property is proper in all respects and that such action is in the best interests of the community and its citizens, and;

WHEREAS, and every requirement set forth in Chapter 211, Sub-Chapter A., Texas Local Government Code, concerning public notices, hearings, and other procedural matters has been fully complied with, and;

WHEREAS, the City Council of the City of Hutto determines that the Property for annexation which is more fully described in Exhibit “A” should become annexed.

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

That all of the above recitations are found to be true and correct and are incorporated into the body of this ordinance.

SECTION II.

That the Property described in the attached Exhibit “A”, together with adjacent roadways, be and is hereby annexed and brought within the corporate city limits of the City of Hutto, Texas, and same is hereby made an integral part hereof; and that the boundary limits of the City of Hutto be the same are hereby extended to include the above described territory within the city limits of the City of Hutto, and the same shall hereinafter be included within the territorial limits of the City of Hutto, Texas.

SECTION III.

That the owners and present and future inhabitants of the area herein annexed be entitled to all rights and privileges of other citizens and property owners of the City of Hutto, and hereby bound by all acts, ordinances, resolutions and regulations of the City, and all other legal actions now in full force and effect and all those which may be hereafter adopted.

SECTION IV.

That the appropriate city official of the City of Hutto is hereby directed and authorized to perform or cause to be performed all acts necessary to correct the official maps and boundaries of the City of Hutto, heretofore adopted and amended, so as to include the aforementioned territory hereby annexed, be and are hereby amended as part of the City of Hutto, Texas, as required by law.

SECTION V.

That the Service Plan providing for extension of municipal services to the areas proposed to be annexed, attached hereto and incorporated herein as Exhibit “B”, is hereby approved.

SECTION VI.

That the City Secretary is hereby directed and authorized to file a certified copy of this ordinance in the Office of the County Clerk of Williamson County, Texas.

SECTION VII.

If any section, subsection, sentence, phrase, or word of this ordinance be found to be illegal, invalid or unconstitutional or if any portion of said Property is incapable of being annexed by the City, for any reason whatsoever, the adjudication shall not affect any other section, sentence, phrase, word, paragraph or provision of this ordinance or the application of any other section, sentence, phrase or provision of any other ordinance of the City. The City Council declares that it would have adopted the valid portions and applications of this ordinance and would have annexed the valid Property without the invalid part, and to this end the provisions of this ordinance are declared to be severable.
SECTION VIII.

A. All ordinances, parts of ordinances, or resolutions in conflict herewith are hereby expressly repealed.

B. The invalidity of any section or provision of this ordinance shall not invalidate other sections or provisions thereof.

C. That 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 thereof 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 15th day of September, 2016 at a meeting of the Hutto, Texas City Council; there being a quorum present.

READ, PASSED and ADOPTED on second reading of ordinance this 13th day of October, 2016 at a meeting of the Hutto, Texas City Council; there being a quorum present.

CITY OF HUTTO, TEXAS

________________________________________
Doug Gaul, Mayor

ATTEST:

_____________________________
Seth Gipson, City Secretary
DESCRIPTION OF A 63.46 ACRE TRACT PREPARED BY DELTA SURVEY GROUP INC., IN MAY 2016, LOCATED IN THE WILLIAM GATLIN SURVEY, ABSTRACT NUMBER 271, WILLIAMSON COUNTY, TEXAS, AND BEING A PORTION OF THE REMAINDER OF A CALLED 46.92 ACRE TRACT DESCRIBED IN VOLUME 601, PAGE 328, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, ALSO BEING A PORTION OF A REMAINDER OF 133.7 ACRES DESCRIBED IN VOLUME 466, PAGE 352, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, ALSO BEING ALL OF A CALLED 5.00 ACRE TRACT DESCRIBED IN VOLUME 1617, PAGE 572, OFFICIAL PUBLIC RECORDS, WILLIAMSON COUNTY, TEXAS, AND ALSO BEING ALL OF A CALLED SAID 63.46 ACRE TRACT AS SHOWN ON ATTACHED PLAT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½ inch iron rod with “Delta Survey” cap set for the northwest corner of said remainder of 46.92 acres, same being the southwest terminus of Swindoll Lane right-of-way (ROW)(ROW 60′), and also being in the east line of the remainder of the Second Parcel, Second Tract (26 ½ acres) described in Volume 612, Page 806, Official Public Records, Williamson County, Texas for the POINT OF BEGINNING;

THENCE with the north line of said remainder of 46.92 acres, same being the south line of said Swindoll Lane and the south line of a remainder of a called 15.01 acre tract described in Document Number 2006012928, Official Public Records, Williamson County, Texas, S82°00'41"E a distance of 902.56 feet to a ½ inch iron rod with “LENZ” cap found in the west ROW line of County Road 163 (ROW width unknown) same being the southeast corner of said remainder of 15.01 acres tract, and also being the northeast corner of said remainder of 46.92 acres tract;

THENCE with the west ROW line of said County Road 163, same being the east line of said remainder of 46.92 acres and said remainder of 133.7 acres tract, S07°53'51"W a distance of 2313.91 feet to a 5/8” iron rod found for the southeast corner of said remainder of 133.7 acres tract, same being the northeast corner of a called 10.00 acre tract described in Document Number 2008093458, Official Public Records, Williamson County, Texas;

THENCE leaving the west ROW line of said County Road 163, with a south line of said remainder of 133.7 acres tract, same being the north line of said 10.00 acre tract, N82°48'45"W a distance of 281.24 feet to a 3/8 inch iron pipe found for the northwest corner of said 10.00 acre tract, same being the northeast corner of a called 5.00 acre tract described in Volume 1617, Page 572, Official Public Records, Williamson County, Texas;

THENCE leaving the south line of said remainder of 133.7 acres tract, with the west line of said 10.00 acre tract, same being the east line of said 5.00 acre tract, S08°03'27"W a distance of 709.44
feet to a 3/8 inch iron pipe found for the southeast corner of said 5.00 acre tract, same being the northeast corner of a remainder of a called 10.00 acre tract described in Document Number 2014052238, Official Public Records, Williamson County, Texas;

**THENCE** leaving the west line of said 10.00 acre tract, with the south line of said 5.00 acre tract, same being the north line of said remainder of 10.00 acres tract, N82°50'01"W a distance of 313.44 feet to a 3/8 inch iron pipe found in the east line of a called 10.00 acre tract described in Volume 624, Page 263, Official Public Records, Williamson County, Texas, same being the southwest corner of said 5.00 acre tract, and also being the northwest corner of said remainder of 10.00 acres tract;

**THENCE** with the west line of said remainder of 10.00 acres tract, same being the east line of said 10.00 acre tract described in Volume 624, Page 263, S09°08'13"W a distance of 611.92 feet to a calculated point in the approximate centerline of Brushy Creek, same being the southeast corner of said 10.00 acre tract described in Volume 624, Page 263, and also being the southwest corner of said remainder of 10.00 acre tract;

**THENCE** with the called approximate centerline of Brushy Creek, same being the south line of said 10.00 acre tract described in Volume 624, Page 263, S77°35'39"W a distance of 330.12 feet to a calculated point for the southwest corner of said 10.00 acre tract described in Volume 624, Page 263, same being the southeast corner of a remainder of 43.251 acres tract described in Document Number 199961969, Official Public Records, Williamson County, Texas;
63.46 Acres
William Gatlin Survey

THENCE with the west line of said 10.00 acre tract described in Volume 624, Page 263, the west line of said remainder of 133.7 acres tract and the west line of said remainder of 46.92 acres tract, same being the east line of said remainder of 43.251 acres tract, the east line of a called 3.757 acre tract described in Document Number 2006110919, Official Public Records, Williamson County, Texas and the east line of said remainder of Second Tract, N08°09'18"E a distance of 3758.63 feet to the POINT OF BEGINNING and containing 63.46 acres of land, more or less.

BEARING BASIS: Texas State Plane Coordinate System (Central Zone) NAD83/CORS

I, John E. Brautigam, hereby certify that the foregoing description represents an on-the-ground survey performed under my direction and supervision during February 2016, and is true and correct to the best of my knowledge and belief.

05-25-16
Date

John E. Brautigam
Registered Professional Land Surveyor
No. 5057-State of Texas

Delta Survey Group, Inc.
8213 Brodie Lane, Suite 102
Austin, Texas 78745
TBPLS Firm No. 10004700
The City of Hutto, Texas will provide for the extension of full municipal services into the area proposed to be annexed in accordance with Texas Local Government Code §43.056.

**FIRE**

*Existing Services:* Williamson County Emergency Service District #3

*Services to be Provided:*
Provides fire suppression and emergency services to the area. Primary fire response will be provided by Williamson County Emergency Service District #3, located at the following address: 501 Exchange Boulevard. Fire code inspections and enforcement will be handled by Williamson County Emergency Services District #3 on behalf of the City of Hutto.

**POLICE**

*Existing Services:* Williamson County Sheriff’s Department

*Services to be Provided:*
Upon annexation, the City of Hutto Police Department will extend regular and routine patrols to the area. It is anticipated that the implementation of police patrol activities can be effectively accommodated within the current budget and staff appropriations.

**BUILDING INSPECTION**

*Existing Services:* None

*Services to be Provided:*
The Development Services Department will provide Building and Code Enforcement Services upon annexation. This includes issuing building, electrical and plumbing permits for any new construction and remodeling, and enforcing all other applicable codes that regulate building construction within the City of Hutto. Code Enforcement will also be handled by the City of Hutto so as to ensure that there is a safe, desirable living and working environment where property values are maintained. Fire code inspections and enforcement will be handled by Williamson County Emergency Services District #3 on behalf of the City of Hutto.

**PLANNING AND ZONING**

*Existing Services:* Review of subdivision development plans under City’s Subdivision Ordinance. No municipal zoning or land use controls except for those imposed by State Law.

*Services to be Provided:*
The Hutto Development Services Department has responsibility for regulating development and land use through the administration of the City of Hutto’s Unified Development Code (UDC) and SmartCode, and this will extend to the area on the effective date of the annexation. The UDC includes the City’s subdivision requirements. These services can be provided within the departments' current budget.
LIBRARY
Existing Services: None

Services to be Provided:
The Hutto Library currently serves everyone in the HISD at no cost. City Library privileges will be available to future residents in this area.

HEALTH DEPARTMENT - HEALTH CODE ENFORCEMENT SERVICE
Existing Services: Williamson Cities and County Health District

Services to be Provided:
Williamson Cities and County Health District will continue to implement enforcement of the health districts regulations on the effective date of annexation. Animal control services will also be provided to the area as needed by Hutto Animal Control Division of the Police Department.

STREET MAINTENANCE
Existing Services: Williamson County

Services to be Provided:
Maintenance and access to adjacent existing street facilities will be provided/overseen by appropriate City of Hutto departments.

STORM WATER MANAGEMENT
Existing Services: Williamson County Flood Plain Administrator

Services to be Provided
Developers will provide storm water drainage facilities as required of their development at their own expense and such will be inspected by the City’s engineers at time of completion. The City of Hutto will then maintain the drainage in public rights-of-way upon approval of construction. Property owners and/or Home Owner’s Associations or similar entities will maintain drainage facilities located on private property. All construction within the flood plain will be through the appropriate Hutto department(s) and will meet FEMA Flood Plain regulations.

STREET LIGHTING
Existing Services: Oncor Electric Delivery

Services to be Provided:
There are no existing street lights in this area. The Developer will be responsible for initial installation and maintenance of street lighting, if required, within the development until such time as any internal streets have been accepted by the City Council.

TRAFFIC ENGINEERING
Existing Services: None

Services to be Provided:
The City of Hutto, through its appropriate departments, will be able to provide any necessary additional traffic control devices after the effective date of annexation.

WATER SERVICE
Existing Services: None

Services to be Provided:
Water service to the properties will be provided by the City of Hutto.
SANITARY SEWER SERVICE

Existing Services: None

Services to be Provided:
Sanitary sewer service to the properties will be provided by the City of Hutto and will be provided in accordance with the current extension with applicable policies, codes and ordinances.

SOLID WASTE & RECYCLING SERVICES

Existing Services: None

Services to be Provided:
Solid waste and recycling collection shall be provided to the area of annexation in accordance with current ordinances. Service shall comply with existing City of Hutto policies, beginning with occupancy of structures.

PARKS AND TRAILS

Existing Service: None

Services to be Provided:
All City operated parks and trail systems will be available to the residents of this area upon annexation.

Private amenities will be maintained by the Home Owner’s Associations/ Property Owners.

MISCELLANEOUS

Existing Services: None

Services to be Provided:
All other applicable municipal services will be provided to the area in accordance with the City of Hutto’s established policies governing extension of municipal services to newly-annexed areas.

NOTE:
Capital improvements sufficient for providing municipal services for the annexed area are in place such that the costs associated with the extension of service lines to proposed building sites within the area will be borne by owners and/or developers.
AGENDA ITEM NO.: 10A.  AGENDA DATE: September 15, 2016

PRESENTED BY: Larry Foos, Director of Parks and Recreation

ITEM: Consideration and possible action on a resolution concerning an Interlocal Facilities Use Agreement with Hutto Independent School District.

STRATEGIC GUIDE POLICY: Quality of Life

ITEM BACKGROUND: The purpose of this agreement is to provide for the use by the City of certain facilities owned by Hutto Independent School District (HISD) and use by HISD of certain facilities owned by the City. The City of Hutto utilizes school gymnasiums and track facilities for sports programming purposes.

The initial term of the agreement shall be for one year. This agreement shall renew after the initial term for successive one year terms following a meeting of HISD and City of Hutto staff in June to review the impact of the contract.

BUDGETARY AND FINANCIAL SUMMARY: Both the City and HISD will pay the fees specified in the agreement.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS: Not applicable.

CITY ATTORNEY REVIEW: The City Attorney has reviewed and approved the agreement.

STAFF RECOMMENDATION: Staff recommends approving the resolution authorizing an interlocal agreement with HISD.

SUPPORTING MATERIAL:
1. Resolution
2. Interlocal agreement
RESOLUTION NO.

A RESOLUTION OF THE CITY OF HUTTO, TEXAS AUTHORIZING AN INTERLOCAL FACILITIES USE AGREEMENT BETWEEN THE CITY OF HUTTO, TEXAS AND THE HUTTO INDEPENDENT SCHOOL DISTRICT.

WHEREAS, Texas Government Code, Chapter 791, Texas Interlocal Cooperation Act, Sections 791.003(3)(E) and 791.003(4)(A) allow local governments to contract with one another to perform governmental functions and services, including for parks and recreation; and

WHEREAS, the Parties desire to contract with each other for the improvement, maintenance, and use of certain Hutto ISD facilities by the City and certain City facilities by Hutto ISD; and

WHEREAS, entry into this Agreement would be mutually beneficial and not detrimental to the Parties.

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

That the Mayor is hereby authorized and directed to execute an Interlocal Facilities Use Agreement with Hutto ISD on behalf of the City.

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution 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.

RESOLVED on this the 15th day of September 2016.

CITY OF HUTTO, TEXAS

______________________________
Doug Gaul, Mayor

ATTEST:

______________________________
Seth Gipson, City Secretary
INTERLOCAL AGREEMENT
BETWEEN THE CITY OF HUTTO, TEXAS AND
THE HUTTO INDEPENDENT SCHOOL DISTRICT
FOR USE OF SCHOOL PROPERTY

This Interlocal Agreement (the “Agreement”) is made and entered into by and between the CITY OF HUTTO, TEXAS (the “City”), a home rule municipal corporation of the State of Texas, and the HUTTO INDEPENDENT SCHOOL DISTRICT (the “HISD”), a political subdivision of the State of Texas. The City and HISD are herein referred to as the “Parties.”

WHEREAS, Texas Government Code, Chapter 791, Texas Interlocal Cooperation Act, Sections 791.003(3)(E) and 791.003(4)(A) allow local governments to contract with one another to perform governmental functions and services, including for parks and recreation; and

WHEREAS, the Parties desire to contract with each other for the improvement, maintenance and use of certain HISD facilities by the City and certain City facilities by HISD; and

WHEREAS, entry into this Agreement would be mutually beneficial and not detrimental to the Parties;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. AUTHORITY

This Agreement is entered into between the Parties pursuant to the authority contained in Texas Government Code, Chapter 791, Texas Interlocal Cooperation Act. The provisions of Chapter 791 of the Government Code are incorporated into this Agreement and this Agreement shall be interpreted in accordance with the Act.

2. PURPOSE

The purpose of this Agreement is to provide for the use by the City of certain facilities owned by HISD and use by HISD of certain facilities owned by the City.

3. TERM

The initial term of this Agreement shall be for One (1) years. Unless otherwise terminated hereunder, or if a new agreement is entered into by the Parties, this Agreement shall renew after the initial term for successive one (1) year terms following a meeting of HISD and City of Hutto staff in June to review the impact and implementation of this contract. This Agreement shall remain in full force and effect for such periods.
It is understood and expressly acknowledged by the Parties that this Agreement does not commit the Parties to renew this Agreement after the initial term unless approved by future action of their respective governing bodies.

4. OBLIGATIONS OF HISD

4.1 HISD shall pay the following fees for the use of specific city owned facilities:

4.1.1 Fritz Park Pavilion $ No fee
4.1.2 Hutto Lake Park Pavilion $ No fee
4.1.3 Athletic Fields $ 50/day
4.1.4 Saul House $ 50/day
4.1.5 Hutto Co-Op Gin Building $ 50/day
4.1.6 All security deposit fees waived for HISD

4.2 HISD will be charged for City staff to open and close facilities including the Saul House and Hutto Co-Op Gin Building when rented by the HISD. HISD agrees to abide by the general guidelines of use of facilities and subsequently will pay all additional custodial and maintenance costs outside normal operating procedures for each facility. HISD agrees to pay all personnel costs for use of these facilities during HISD usage. However, the City and the HISD agree to cooperate to reduce the number of City personnel present during HISD usage of the facilities.

5. OBLIGATIONS OF THE CITY

5.1 The City shall pay the following fees for the use of specific ISD owned facilities for youth programs:

5.1.1 Elementary School Gyms (weekdays) $ No fee
5.1.2 Elementary School Gyms (weekends) $ 20/hour
5.1.3 Middle School Gyms $ 30/hour
5.1.4 High School Gyms $ 40/hour
5.1.5 Middle School Track and storage $ 500/season
5.1.6 High School Track $ 500/day
5.1.7 Supervisor $ 30/hour
5.1.8 Custodial $ 25/hour
5.1.9 Tennis Court Public Usage $1,000/year
5.1.10 All security deposit fees waived for the City
5.1.11 The City will pay HISD Group 2 rates for all other rentals not expressly stated in this agreement.

5.2 The City shall provide access and use of the City’s Parks and Recreation Department’s pavilions, parks and athletic facilities for use by HISD for related sporting events, staff retreats and special programs. Additionally, HISD agrees to abide by the general guidelines of use of facilities and subsequently will pay all additional custodial and maintenance costs outside normal operating procedures for each facility. HISD agrees to pay all personnel costs for use of these facilities during HISD usage. However, the City and the HISD agree to cooperate to reduce the number of City personnel present during HISD usage of the facilities if HISD provides adequate personnel to supervise the activities.
5.3 The City will reserve events through the districts facility reservation process in advance of advertising the events or using the facilities. Use of facilities will be scheduled for a specific start and end time. Variation of these scheduled times shall be requested in advance of the event. The city will be granted the use of the same number of facilities as granted the previous year so as to allow other local Hutto organizations the opportunity to utilize the facilities. As facilities become available, consideration will be given for additional facility use based on program growth.

6. LIABILITY

The Parties expressly agree that nothing in this Agreement adds to or changes the liability limits and immunities for a governmental unit provided by the Texas Tort Claims Act, Chapter 101, Civil Practice and Remedies Code, or other law.

The Parties expressly agree that, in the execution of this Agreement, neither Party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its powers or functions or pursuant to the Texas Tort Claims Act or other applicable statutes, laws, rules, or regulations.

7. NOTICE

All notices, demands and requests, including invoices which may be given or which are required to be given by either Party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective when: (i) personally delivered to the intended recipient; (ii) three (3) days after being sent, by certified or registered mail, return receipt requested, addressed to the intended recipient at the address specified below; (iii) delivered in person to the address set forth below for the Party to whom the notice was given; (iv) deposited into the custody of a recognized overnight delivery service such as Federal Express Corporation, Emery, or Lone Star Overnight, addressed to such Party at the address specified below; or (v) sent by facsimile, telegram or telex, provided that receipt for such facsimile, telegram or telex is verified by the sender and followed by a notice sent in accordance with one of the other provisions set forth above. For purposes of this section, the addresses of the Parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

**City of Hutto**
Attention: City Manager

Attention: Director of Parks and Recreation

**Hutto Independent School District**

Attention: Douglas Killian, Superintendent

Attention: Ed Ramos, Deputy Superintendent

8. DISPUTE RESOLUTION
If a dispute arises under this Agreement, the Parties agree to first try to resolve the dispute by referring same to the senior management of the City and HISD.

9. MISCELLANEOUS PROVISIONS

No Third Party Beneficiaries. No term or provision of this Agreement is intended to, or shall, create any rights in any person, firm, corporation, or other entity not a party hereto, and no such person or entity shall have any cause of action hereunder.

No Other Relationship. No term or provision in this Agreement is intended to create a partnership, joint venture, or agency arrangement between and of the Parties.

Current Revenues. Pursuant to Section 791.011(d)(3) of the Texas Government Code, each Party performing services or furnishing aid pursuant to this Agreement shall do so with funds available from current revenues of the Party. No Party shall have any liability for the failure to expend funds to provide aid hereunder.

Amendment. Amendment of this Agreement may only be by mutual written consent of the Parties.

Governing Law and Venue. The Parties agree that this Agreement and all disputes arising thereunder shall be governed by the laws of the State of Texas, and that exclusive venue for any action arising under this Agreement shall be in Williamson County, Texas.

Force Majeure. Notwithstanding any other provisions of this Agreement to the contrary, no failure, delay or default in performance of any obligation hereunder shall constitute an event of default or a breach of this Agreement if such failure to perform, delay or default arises out of causes beyond the control and without the fault or negligence of the Party otherwise chargeable with failure, delay or default; including but not limited to acts of God, acts of public enemy, civil war, insurrection, riots, fires, floods, explosion, theft, earthquakes, natural disasters or other casualties, strikes or other labor troubles, which in any way restrict the performance under this Agreement by the Parties.

Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the subject matter contained herein. The Parties may not modify or amend this Agreement, except by written agreement approved by the governing bodies of each Party and duly executed by both Parties.

Approval. This Agreement has been duly and properly approved by each Party’s governing body and constitutes a binding obligation on each Party.

Assignment. Except as otherwise provided in this Agreement, a Party may not assign this Agreement or subcontract the performance of services without first obtaining the written consent of the other Party.

Non-Appropriation and Fiscal Funding. The obligations of the Parties under this Agreement do not constitute a general obligation or indebtedness of either Party for which such Party is obligated to levy,
pledge, or collect any form of taxation, and such obligations may be terminated at the end of a Party’s fiscal year if the governing body of such Party does not appropriate sufficient funds to continue the services provided under this Agreement.

**Non-Waiver.** A Party’s failure or delay to exercise a right or remedy does not constitute a waiver of the right or remedy. An exercise of a right or remedy under this Agreement does not preclude the exercise of another right or remedy. Rights and remedies under this Agreement are cumulative and are not exclusive of other rights or remedies provided by law.

**Paragraph Headings.** The various paragraph headings are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this Agreement or any section thereof.

**Severability.** The Parties agree that in the event any provision of this Agreement is declared invalid by a court of competent jurisdiction that part of the Agreement is severable and the decree shall not affect the remainder of the Agreement. The remainder of the Agreement shall be and continue in full force and effect.

**Open Meetings Act.** The Parties hereby represent and affirm that this Agreement was adopted in an open meeting held in compliance with the Texas Open Meetings Act (Tex. Gov. Code, Ch. 551), as amended.

**Counterparts.** This Agreement may be executed in multiple counterparts which, when taken together, shall be considered as one original.

**Effective Date.** This Agreement is made to be effective on the latest date accompanying the signatures below.

**APPROVED** by the City Council, City of Hutto, Texas, in its meeting held on the ___ day of __________, 2016, and executed by its authorized representative.

[Signatures on the following page.]
CITY OF HUTTO, TEXAS

By: ________________________________  
    Doug Gaul, Mayor

Date Signed: __________________________

ATTEST:

____________________________________  
Seth Gipson, City Secretary

APPROVED by the Hutto Independent School District in its meeting held on the ___ day of ___, 2016, and executed by its authorized representative.

HUTTO INDEPENDENT SCHOOL DISTRICT

By: ________________________________  
    Connie Gooding, Hutto ISD Board President

Date Signed: __________________________

ATTEST:

____________________________________  
Billie Logiudice, Hutto ISD Board Secretary
ITEM: Consideration of a public hearing and possible action on a resolution concerning the submittal of an application for grant funds to the Texas Parks and Wildlife Department for Creekside Park improvements.

STRATEGIC GUIDE POLICY: Quality of Life

ITEM BACKGROUND:
On September 1, 2016, Council received a presentation on athletic field improvements to Creekside Park. Park improvements presented to council included: fencing for two fields, new infield dirt, irrigation, parking lot, field lighting and a possible trail.

Staff was directed to proceed with pursuing the grant.

BUDGETARY AND FINANCIAL SUMMARY:
Texas Parks and Wildlife offers park development grants of up to $500,000 on a one to one match basis. By committing to the grant, the City commits future funds to project costs if the grant is approved by TPWD.

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS:
The Parks Advisory Board will discuss the project at the September 14, 2016 meeting.

CITY ATTORNEY REVIEW:
Not applicable.

STAFF RECOMMENDATION:
Staff recommends approval of the resolution.

SUPPORTING MATERIAL:
1. Local Park Grant Program Resolution
RESOLUTION NO.

A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR GRANT FUNDS TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR THE CREEKSIIDE PARK IMPROVEMENTS.

WHEREAS, the City of Hutto is fully eligible to receive assistance under the Local Park Grant Program; and

WHEREAS, the City of Hutto is desirous of authorizing an official to represent and act for the City in dealing with the Texas Parks and Wildlife Department concerning the Program.

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

That the City of Hutto hereby certifies that they are eligible to receive assistance under the Program, and that notice of the application has been posted according to local public hearing requirements.

That the City of Hutto hereby certifies that the matching share for this application is readily available at this time.

That the City of Hutto hereby authorizes and directs the Parks and Recreation Director to act for the City in dealing with the Department for the purposes of the Program, and is hereby officially designated as the representative in this regard.

The City of Hutto hereby specifically authorizes the City Manager to make application to Texas Parks and Wildlife concerning the site to be known as Creekside Park in the City of Hutto and is hereby dedicated for public park and recreation purposes in perpetuity.

RESOLVED this 15th day of September 2016.

CITY OF HUTTO, TEXAS

_________________________
Doug Gaul, Mayor

ATTEST:

_________________________
Seth Gipson, City Secretary