

**RESOLUTION # 1599**

**CITY OF MISSION, TEXAS  
RESOLUTION ESTABLISHING A POLICY GUIDELINE FOR  
UTILITY FUND TRANSFERS TO THE GENERAL FUND**

**WHEREAS**, the Utility Department has approximately one hundred and seven (107) employees and approximately twenty-seven thousand (27,000) customer accounts;

**WHEREAS**, the City of Mission provides the Utility Department with numerous administrative services from City departments and resources controlled by the City's General Fund;

**WHEREAS**, the City Council provides the Utility Department with services funded by the General Fund, including reviewing and deciding Utility items on city agenda; reviewing and approving reports, financials and budget; and responding to the community issues or concerns pertaining to the city's water system;

**WHEREAS**, the City Secretary provides the Utility Department with services funded by the General Fund, including keeping records and maintaining agreements, resolutions, ordinances, and agenda items; processing water payments when required; receiving phone calls and mail; and assist in distributing flyers and advising customers of payment options;

**WHEREAS**, the Human Resource Department provides the Utility Department with services funded by the General Fund, such as those related to hiring, including managing the interview process, conducting background checks and other employment screening tests; maintaining employee records, including preparing employee change of status, updating salary schedule and termination list, conducting exit interviews and processing unemployment claims; administering personnel and health files, including administering family and medical leave and employee benefits; and coordinating city events to include Utility employees;

**WHEREAS**, the Finance Department provides the Utility Department with services funded by the General Fund, such as those related to payroll, including issuing checks, administering and managing retirement benefits and other payroll related issues; cash management services, including billing collections; financial reporting, including reviewing Utility revenue and expense accounts, and monthly financial reporting to the City Council; investments, including managing, tracking and reporting all investment activity issued with Utility Department funds; vendor payments, including reconciling vendor statements, processing Utility refund checks, and tracking payments from third parties for Utility reimbursement agreements; and fixed assets, including tracking and auditing items that meet capitalization thresholds and other inventory needs;

**WHEREAS**, the Information Technology Department provides the Utility Department with services funded by the General Fund, including installing, maintaining and supporting all software, hardware, databases and networks and data; safeguarding information and data; and assisting the Utility staff with technology issues;

**WHEREAS**, the Purchasing Department provides the Utility Department with services funded by the General Fund, including aiding in the procurement process related to purchase orders and requests for purchase; managing requests for bids; performing contract awards and due diligence; and maintaining contracts;

**WHEREAS**, the Planning Department provides the Utility Department with services funded by the General Fund, including locating water and sewer lines; regulating new water meter services to commercial development and residential subdivision development; assigning addresses to new accounts; and assisting in processing payment for water bills;

**WHEREAS**, the Facilities Department provides the Utility Department with services funded by the General Fund, including providing support to the Waste Water Treatment Plant, the North and South Water Plants, Utilities Operations and Utilities Billing; and providing equipment electrical repair, installation and maintenance and aiding in general construction projects for the Utility Department as needed;

**WHEREAS**, the Fleet Department provides the Utility Department with services funded by the General Fund, including managing and maintaining fleet vehicles, including assisting in overall preventative maintenance and repairs and maintaining state inspections and renewals;

**WHEREAS**, the Streets Department provides the Utility Department with services funded by the General Fund, including assisting with the reconstruction of roads, streets, alleys and right-of-ways due to water and sanitary sewer line breaks, sanitary sewer manhole failures, infrastructure trench failures, and new construction; and providing materials, labor and equipment to complete necessary repairs;

**WHEREAS**, the Organizational Department provides the Utility Department with services funded by the General Fund, including paying staff membership and dues to organizations aiding city operations; paying for audit fees and professional services; and participating in community outreach;

**WHEREAS**, the Media Department provides the Utility Department with services funded by the General Fund, including answering press inquiries regarding Utility information or concerns; writing press releases and news reports about Utility programs; monitoring media coverage and photograph specific programs requiring media coverage or promotion; preparing public service announcements related to the Utility Department services;

**WHEREAS**, the Legal Department provides the Utility Department with services funded by the General Fund, including reviewing and preparing contracts; researching legal implications of various issues and concerns; drafting resolutions, ordinances, and other agenda items;

**WHEREAS**, the Fire Department provides the Utility Department with services funded by the General Fund, including conducting annual testing of all the city water hydrants and helping maintain water flow;

**WHEREAS**, the Police Department provides the Utility Department with services funded by the General Fund, including traffic control services during water system repairs; reporting water leaks, lift station alerts or damages to the water system and dispatch personnel and inform Utility Department about water system emergencies;

**WHEREAS**, an analysis revealed that the value of the administrative services provided by the City of Mission to the Utility Department represent ten percent (10%) of the General Fund;

**WHEREAS**, transfers to the General Fund from the Utility Fund reflect payments for these services as administrative fees a privately-owned utility would otherwise have to pay for the services received; and

**WHEREAS**, the administrative fees constitute no portion of funds received by the Utility Department of the City of Mission from the Economically Distressed Areas Program;

**NOW THEREFORE, BE IT RESOLVED** by the City Council of Mission, Texas, that the following policy guidelines regarding operating transfers for administrative fees from the Utility Fund is hereby adopted:

The City shall budget annually an Administrative Fee from the Utility Fund that represents payment for the services provided to the Utility Department and funded out of the City's General Fund. The Administrative Fee shall be in an amount equal to 10% of the General Fund budget and shall be paid out of Utility Fund revenue, excluding any funds received by the Utility Department from the Economically Distressed Areas Program. The Administrative Fee shall be reported as a transfer out of the Utility Fund and as a transfer into the General Fund.

Approved on this the 20th day of May, 2019.

Dr. Armando O'caña, Mayor

**ATTEST:**

Anna Carrillo, City Secretary

