



City Council
Budget Planning Worksession
For Fiscal Year 2020-2021

June 13, 2020



City Council Budget Planning Worksession June 13, 2020

PRESENTATION OVERVIEW

- City Council Initiatives & Priorities for 2021
- New Budget Needs By City Department (presented in alphabetical order)
- Preliminary Revenue Outlook
 - Property Tax
 - Sales Tax
 - Water Rate Increase
 - Wastewater Rate Increase
- Police Facility Bond Election in November 2020
- Key Dates for Budget Development
- City Council's Budget Directions for 2021



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NEW BUDGET NEEDS BY DEPARTMENT
FOR FISCAL YEAR 2021
(PRELIMINARY ESTIMATES)



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CITY COUNCIL PROGRAM PRIORITIES FOR 2021

1. Citywide Beautification Program
 - Gold Standard in Hays County for Keeping City Beautiful
 - Manicured Landscaping & Maintenance for All High Visibility Corridors
 - Burleson, Kohlers Crossing, Kyle Parkway, Marketplace, Lehman, Philomena, Center Street, Hwy 150 E (to Hill St), Hwy 150 W (Rebel Rd), City Square Park
 - City Facilities (Library, City Hall, Public Works, Police)
 - Colorful Flowers, Mulched Flower Beds, Trimmed Trees,
 - Right-of-Way Maintenance (Frequent Mowing, Weed Eating, Edging, etc.)
 - Median Maintenance (Frequent Mowing, Weed Eating, Edging, etc.)
 - Street Light Maintenance
 - Increased Frequency for Litter Pickup on Roads and Highways
 - Landscaping & Lighting Enhancements for Monument Signs
 - Elimination of Blight & Dilapidated Structures
 - Empowering Code Enforcement

Continued.....



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CITY COUNCIL PROGRAM PRIORITIES FOR 2021

2. Enhanced City Street Construction Capabilities & Projects Completed
 - High standards for Street Construction
 - Remove Any Obstacles for Public Works Department's Street Maintenance & Construction Operations to Meet City Council's Expectations
 - Increase Investment in City's Construction Crews & Heavy Equipment
 - Develop A 5-Year Street Construction Plan
 - Prioritize Top 4 Streets for Construction in 2021
 - Center Street/Stagecoach
 - Bunton Road (Lehman to PEC Substation)
 - Goforth Road (PEC Substation to Bebee Road)
 - Windy Hill Road (Cherrywood to IH-35 Frontage Road)

Continued.....



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CITY COUNCIL PROJECT PRIORITIES FOR 2021

| | | |
|---|------------------------|--------------------------------|
| 1. Uptown – Central Park | \$ 4,000,000 | |
| 2. Uptown – Cultural Trails | \$ 2,000,000 | |
| 3. Uptown – Heroes Memorial | \$ 5,000,000 | (increased from \$4.0 million) |
| 4. Kyle Fajita Fields | \$ 875,000 | |
| 5. Downtown Mixed-Use Building | \$ 1,200,000 | |
| 6. City Square Park Redevelopment | \$ 1,300,000 | |
| 7. Center Street/Stagecoach Road | \$ 1,500,000 | |
| 8. Bunton Road (Lehman to PEC/SS) | \$ 500,000 | |
| 9. Goforth Road (PEC/SS to Bebee Road) | \$ 1,250,000 | |
| 10. Windy Hill Road (Cherrywood to IH-35) | \$ 500,000 | |
| 11. Scott/Sledge Street Storm Drainage | \$ 450,000 | |
| 12. Anthem Water Tank Contribution | \$ 2,750,000 | (Lennar & Blanco River Ranch) |
| 13. Beautification Corridor Program | \$ TBD PER BIDS | |
| 14. Public Transportation Program | \$ 150,000 | (increased from \$85,000) |
| TOTAL: | <u>\$ 21,475,000</u> | |



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CITY COUNCIL PROJECT PRIORITIES FOR 2021

Current Funding Plan:

| | | |
|---|------------------------|---|
| 1. TDS – Cash Contribution | \$ 750,000 | |
| 2. TDS – Materials Contribution | \$ 750,000 | |
| 3. Reprioritization – GF/WWTP | \$ 8,500,000 | |
| 4. Reprioritization – GF/OSR | \$ 3,750,000 | |
| 5. Water Utility | \$ 2,750,000 | |
| 6. Storm Drainage Utility | \$ 450,000 | |
| 7. General Fund – Public Trans. | \$ 150,000 | |
| 8. General Fund – Beautification | \$ TBD PER BIDS | |
| 9. Kinder Morgan Settlement | \$ 2,500,000 | (initially borrowed from Rail Siding CIP) |
| 10. Future TIRZ #2 Property Tax Revenue | <u>\$ 1,875,000</u> | |
| TOTAL: | <u>\$ 21,475,000</u> | |



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REPRIORITIZATION OF STAGECOACH CIP FUNDS \$7,000,000

FOR STREET CONSTRUCTION & BEAUTIFICATION PROGRAM

| | | |
|----|---|---------------------|
| 1. | 11 New Street Construction Positions | \$ 589,087 |
| 2. | 3 Beautification/Litter Abatement Positions | \$ 193,496 |
| 3. | 1 Engineer Position | \$ 130,594 |
| | Sub-Total: New Positions | <u>\$ 913,177</u> |
| 4. | Street Construction Equipment (\$2,249,829) | \$ 2,178,823 |
| 5. | Beautification/Litter Abatement Equipment | \$ 158,000 |
| | Sub-Total: Equipment | <u>\$ 2,336,823</u> |
| 6. | Center Street/Stagecoach Road | \$ 1,500,000 |
| 7. | Bunton Road (Lehman to PEC/SS) | \$ 500,000 |
| 8. | Goforth Road (PEC/SS to Bebee Road) | \$ 1,250,000 |
| 9. | Windy Hill Road (Cherrywood to IH-35) | \$ 500,000 |
| | Sub-Total: New CIPs | <u>\$ 3,750,000</u> |
| | TOTAL: | <u>\$ 7,000,000</u> |



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REPRIORITIZATION OF STAGECOACH CIP FUNDS \$7,000,000

FOR STREET CONSTRUCTION & BEAUTIFICATION PROGRAM
TRANSITION OF OPERATING COSTS TO GENERAL FUND BUDGET

For Illustration Purposes Only – Actual Amounts Are Subject to Change

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | 3-Year Total |
|-------------------------------|-------------|-------------------|-------------------|-------------------|--------------|
| General Fund – New Budget | \$ 0 | \$ 200,000 | \$ 350,000 | \$ 363,177 | \$ 913,177 |
| General Fund – Prior Budget | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 200,000</u> | <u>\$ 550,000</u> | \$ 913,177 |
| General Fund – Total | <u>\$ 0</u> | <u>\$ 200,000</u> | <u>\$ 550,000</u> | <u>\$ 913,177</u> | \$ 913,177 |
| Reprioritized Funds - Balance | \$ 913,177 | \$ 713,177 | \$ 363,177 | \$ 0 | \$ 0 |



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CITY COUNCIL – FY 2020 APPROVED BUDGET



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| <u>City Council Budget Line Item</u> | <u>Current Total Budget</u> | <u>Expenditures thru 6-12-2020</u> | <u>Budget Remaining</u> |
|--------------------------------------|---------------------------------|--|-----------------------------|
| 1 Temporary/Seasonal Wages | \$ 87,600.00 | \$ 57,391.00 | \$ 30,209.00 |
| 2 FICA/Social Security | 6,701.00 | 3,793.73 | 2,907.27 |
| 3 State Unemployment Taxes | 88.00 | - | 88.00 |
| 4 Personnel Services Total: | <u>\$ 94,389.00</u> | <u>\$ 61,184.73</u> | <u>\$ 33,204.27</u> |
| 5 | | | |
| 6 | | | |
| 7 Travel - City Business | \$ 36,000.00 | \$ 28,970.59 | \$ 7,029.41 |
| 8 Travel - P & Z Commission | 25,788.00 | 10,102.74 | 15,685.26 |
| 9 Memberships and Dues | 2,750.00 | - | 2,750.00 |
| 10 Subscription and Books | 250.00 | - | 250.00 |
| 11 Wireless Data Services | - | 153.31 | (153.31) |
| 12 Legal Services | 10,000.00 | 3,758.95 | 6,241.05 |
| 13 Advertising | 4,000.00 | 1,771.00 | 2,229.00 |
| 14 Services - KAYAC | 17,000.00 | 19,812.38 | (2,812.38) |
| 15 COVID-19 | - | 139.64 | (139.64) |
| 16 Contractual Services Total: | <u>\$ 95,788.00</u> | <u>\$ 64,708.61</u> | <u>\$ 31,079.39</u> |
| 17 | | | |
| 18 | | | |
| 19 General Office Supplies | \$ 1,500.00 | \$ 481.99 | \$ 1,018.01 |
| 20 Food/Meals | 4,500.00 | 2,976.52 | 1,523.48 |
| 21 Computer Hardware | 3,000.00 | 6,083.86 | (3,083.86) |
| 22 Commodities Total: | <u>\$ 9,000.00</u> | <u>\$ 7,897.05</u> | <u>\$ (542.37)</u> |
| 23 | | | |
| 24 Mayor & Council Total: | <u>\$ 199,177.00</u> | <u>\$ 133,790.39</u> | <u>\$ 63,741.29</u> |



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CHIEF OF STAFF - FACILITIES

1. Reclassification of Facility Custodian to Lead Facility
Custodian w/support costs \$ 3,711

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CHIEF OF STAFF – SPECIAL EVENTS

| | | |
|-------------------------------|----------|------------|
| 1. Pie in the Sky - Expenses: | | \$ 139,000 |
| 1. Marketing | \$20,000 | |
| 2. Operations | \$40,000 | |
| 3. Kids Zone | \$ 8,000 | |
| 4. Hot Air Balloons | \$30,000 | |
| 5. Entertainment | \$31,000 | |
| 6. Volunteers/Staff | \$ 5,000 | |
| 7. Miscellaneous | \$ 5,000 | |
| 2. Pie in the Sky - Revenue: | | \$ 102,000 |
| 1. Vendors | \$13,000 | |
| 2. Parking Sales | \$ 5,000 | |
| 3. Ticket Sales | \$65,000 | |
| 4. Sponsors | \$10,000 | |
| 5. Tethered Ride Sales | \$ 5,000 | |
| 6. Hot Air Balloons | \$ 2,000 | |
| 7. ATM/Bar | \$ 2,000 | |

Continued.....



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CHIEF OF STAFF – SPECIAL EVENTS

1. Kyle Fajita Festival - Expenses: \$ 130,000

- | | |
|-----------------------|----------|
| 1. Marketing | \$25,000 |
| 2. Operations | \$25,000 |
| 3. Kids Zone | \$ 6,000 |
| 4. BBQ Cook-Off | \$17,000 |
| 5. Entertainment | \$40,000 |
| 6. Volunteers/Staff | \$ 3,000 |
| 7. Miscellaneous | \$ 4,000 |
| 8. Historical Exhibit | \$10,000 |

2. Kyle Fajita Festival - Revenue: \$ TBD



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CITY SECRETARY

| | |
|---|------------------|
| 1. City Council Meeting Streaming System Replacement | \$ 18,690 |
| 2. Membership & Dues budget increase (\$150 to \$285) | \$ 135 |
| 3. Training budget increase (\$3,000 to \$4,000) | <u>\$ 1,000</u> |
| TOTAL: | <u>\$ 19,825</u> |



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COMMUNICATIONS DEPARTMENT

| | |
|--|--------------------|
| 1. Direct Mail Campaigns, Signage & Posters | \$ 7,000 |
| 2. Video Production, Graphic Design & Photography | \$ 12,000 |
| 3. Advertising: AJR Media, Social & Standard Media | \$ 21,572 |
| 4. Software & System Fees | \$ 23,701 |
| 5. Photographic Equipment | <u>\$ 2,025</u> |
| Sub-total: | \$ 66,298 |
| (Less) Current Funding: | <u>(\$ 25,900)</u> |
| TOTAL: | <u>\$ 40,398</u> |



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COMMUNITY DEVELOPMENT DEPARTMENT

- No New Budget Requests for FY 2021
 - ✓ Building Inspection Division
 - ✓ Planning & Zoning Division



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ECONOMIC DEVELOPMENT DEPARTMENT

| | |
|---|------------------|
| 1. Reclassify Economic Development Specialist position to Economic Development Program Manager | \$ 9,930 |
| 2. 5-Year Economic Development Strategic Plan | <u>\$ 55,000</u> |
| TOTAL: | <u>\$ 64,930</u> |



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ENGINEERING SERVICES DEPARTMENT

| | |
|---|-------------------|
| 1. 1 New Engineer Position to Support Public Works Department on Street Reconstruction Projects w/support costs | \$ 130,594 |
| 2. Reclassify Engineer-in-Training position to Engineer w/support costs | \$ 10,451 |
| 3. Master Plan for City's Reclaimed Water System | <u>\$ 150,000</u> |
| TOTAL: | <u>\$ 291,045</u> |



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FINANCIAL SERVICES DEPARTMENT

- No New Budget Requests for FY 2021
 - ✓ Budget & Accounting Division
 - ✓ Municipal Court Division
 - ✓ Utility Billing Division



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HUMAN RESOURCES DEPARTMENT

| | |
|---|-------------------|
| 1. Executime Time Recording System | \$ 9,607 |
| 2. Lighthouse Hotline System | \$ 650 |
| 3. New Employee Onboarding/Eforms System | \$ 13,528 |
| 4. Civil Service Promotional Assessment Center | \$ 40,000 |
| 5. Implementation of 2020 Parity Compensation Study Results for City Employees (non-sworn) | <u>\$ 150,000</u> |
| TOTAL: | <u>\$ 213,785</u> |



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INFORMATION TECHNOLOGY DEPARTMENT

- | | |
|---|----------|
| 1. Office Trailer, Setup, & Utility Connections | \$35,000 |
|---|----------|



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LIBRARY DEPARTMENT

- No New Budget Requests for FY 2021



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PARKS & RECREATION DEPARTMENT



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PARKS & RECREATION DEPARTMENT

Summary of New Budget Requests

| | |
|-------------------------------------|-------------------|
| • New Personnel & Reclassifications | \$ 369,247 |
| • New Equipment | <u>\$ 499,720</u> |
| TOTAL: | <u>\$ 868,967</u> |

Continued....



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PARKS & RECREATION DEPARTMENT

| | |
|--|-------------------|
| 1. 2 New Maintenance Techs. for Parks | \$ 94,621 |
| 2. 2 New Maintenance Techs. for Trails | \$ 94,621 |
| 3. 2 New Maintenance Techs. for Special Programs | \$ 94,621 |
| 4. 1 New Special Event Specialist (Part-time) | \$ 21,894 |
| 5. 1 New Office Assistant (Part-time) | \$ 17,621 |
| 6. Reclassify Office Assistant to Senior Office Assistant | \$ 8,166 |
| 7. Reclassify Office Manager to Assistant to the Director | \$ 7,991 |
| 8. Reclassify Park Maint. Tech. to Trails Coordinator | \$ 5,664 |
| 9. Reclassify Park Maint. Tech. to Outdoor Nature Specialist | \$ 5,664 |
| 10. Reclassify Rec. Programmer to Rec. Division Manager | \$ 15,823 |
| 11. Reclassify Maint. & Grounds Manager to Parks Division Manager | <u>\$ 2,561</u> |
| TOTAL: | <u>\$ 369,247</u> |

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PARKS & RECREATION DEPARTMENT

| | |
|--|------------|
| 1. 1 New Backhoe | \$ 120,000 |
| 2. 1 New Dump Truck | \$ 75,000 |
| 3. 1 New 16-ft. Trailer | \$ 6,500 |
| 4. 1 New Trail Dozer | \$ 8,500 |
| 5. 1 New Chipper for Tow Behind | \$ 2,500 |
| 6. 4 New Mowers | \$ 5,200 |
| 7. 4 New Trucks (leased – per year cost) | \$ 28,000 |
| 8. 4 New Weed Eaters | \$ 1,020 |
| 9. 1 New Striping Machine | \$ 2,500 |
| 10. 1 New Leveler/Groomer for Ballfields | \$ 3,000 |
| 11. 1 New Tough Cutter for Ventrac | \$ 3,500 |

Continued.....



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PARKS & RECREATION DEPARTMENT

| | |
|--|-------------------|
| 12. 1 New Mule for Rec/Admin/Events | \$ 7,000 |
| 13. 1 New Mini Roller for Mule | \$ 500 |
| 14. Christmas Tree (Cost \$55,000, \$30,000 provided in FY 2020) | \$ 25,000 |
| 14. Pool Replaster | \$ 75,000 |
| 15. Pool Slides | \$ 85,000 |
| 16. Pool Sand Replacement | \$ 11,500 |
| 17. Pool Spray Replacement | <u>\$ 40,000</u> |
| TOTAL: | <u>\$ 499,720</u> |



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POLICE DEPARTMENT



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POLICE DEPARTMENT

Summary of New Budget Requests

| | |
|-------------------------------------|-------------------|
| • New Personnel & Reclassifications | \$ 383,852 |
| • Meet & Confer Items | \$ 316,302 |
| • Animal Shelter Cost Increase | \$ 172,372 |
| • New Equipment | \$ 108,600 |
| • Other Services | <u>\$ 3,500</u> |
| TOTAL: | <u>\$ 984,626</u> |

Continued....



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POLICE DEPARTMENT

| | |
|--|------------|
| 1. 2020 Meet and Confer Pay Increase (year 2 of 3) | \$ 250,302 |
| 2. Annual Physical Assessments | \$ 12,000 |
| 3. Physical Fitness Incentive | \$ 54,000 |
| 4. Mobile Phones for All Police Officers (full year cost) | \$ 28,000 |
| 5. Animal Shelter 67% budget increase from \$256,547 in FY 2020 to \$428,919 in FY 2021 (details on slide 33) | \$ 172,372 |
| 6. 1 New Code Enforcement Supervisor w/support costs | \$ 92,130 |
| 7. 1 New Code Enforcement Officer w/support costs | \$ 86,050 |
| 8. 1 New Property & Evidence Technician w/support costs | \$ 70,111 |
| 9. 2 New Telecommunicator w/support costs | \$ 112,487 |
| (a total of 4 Telecommunicator positions will be assigned to the Hays County Co-Location Emergency Center) | |

Continued.....



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POLICE DEPARTMENT

| | |
|--|-------------------|
| 10. Reclassify 1 Records Specialist to Senior Records Specialist | \$ 11,311 |
| 11. Reclassify 1 Records Specialist to Crime Analyst | \$ 11,763 |
| 12. 2 New Police Tahoe (lease/insurance per year) | \$ 50,600 |
| 13. Investigative Service Fee (Google) | \$ 2,000 |
| 14. Computer Hardware | \$ 30,000 |
| 15. Voyce Interpretation Services | <u>\$ 1,500</u> |
| TOTAL: | <u>\$ 984,626</u> |

*Note: Police Department needs 20 additional police officer positions.



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POLICE DEPARTMENT - ANIMAL SHELTER PROGRAM

- 2019 we paid \$141,000 (\$386 per day) and impounded 411 impounds (that's 34.25 bats, cats, dogs, and injured wild animals per month) at a cost of over \$343 per animal.
- 2020 we paid \$256,547 (\$702.87 per day) and impounded only 99 animals this year (25 per month) at a cost of \$863.79 per animal.
- For 2021 it is proposed we are to pay \$428,918.69 (\$1,175.12 per day) and if we impound 35 animals per month (2019 number), that'll mean it will cost \$1,021.23 per animal.

| Fiscal Year | Total Shelter Cost | Our Share | Per Day Cost | No. of Animals Impounded | Animals Per Month | Cost Per Animal |
|-------------|--------------------|--------------|--------------|--------------------------|-------------------|-----------------|
| 2019 | \$1,079,590.00 | \$141,000.00 | \$ 386.30 | 411 | 34.25 | \$ 343.07 |
| 2020 | \$1,503,944.00 | \$256,547.00 | \$ 702.87 | 99 | 24.75 | \$ 863.79 |
| 2021 | \$2,561,439.00 | \$428,918.69 | \$1,175.12 | | 35.00 | \$1,021.23 |



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PUBLIC WORKS DEPARTMENT



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PUBLIC WORKS - STREET CONSTRUCTION DIVISION

2020-2021 Budget – Personnel Requests and Justifications

- **(1) New Street Superintendent** - This new position will be directly essential to the assistance of the Division Manager in day to day operations of the increased size of the Street Construction, Street Maintenance, Drainage, Right of Way, and Beautification/Litter Abatement divisions within the Street Department.
- **(6) New Street Construction Tech II's** - Continued development of this new division
- **(4) New Street Construction Tech I's** - Continued development of this new division
- **(1) New Drainage/Right of Way/Litter Abatement Foreman** - This new position will oversee the Drainage, Right of Way and Litter Abatement crews. We do not currently have a Foreman position for these crews, and we are attempting to make it the same as our existing Water/WW departments and Street Maintenance/Street Construction departments (which both have Foreman).
- **(2) New Litter Abatement Tech I's** - These two new positions will be responsible for trash pick up along roadways throughout the City and further enhance our beautification efforts

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PUBLIC WORKS - WWTP & TREATMENT OPERATIONS DIVISION

2020-2021 Budget – Personnel Requests and Justifications

- **(1) New Lead Operator** - This new position will assist the Chief Operator and oversee the existing plant operator and operator assistant. This position will allow for an additional operator at the plant, which is essential due to the pending expansion that is about to begin construction.
- **(1) Reclassification to Operator** - This reclassification is to make an existing assistant position into an operator position. The existing assistant has the same duties, capabilities and responsibilities as the existing operator, and the Division Manager is requesting that the assistant be changed to an operator and do away with the assistant position.

Continued.....



City Council Budget Planning Worksession
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PUBLIC WORKS DEPARTMENT

Summary of New Budget Requests

| | |
|--|---------------------|
| • Street Construction – New Personnel | \$ 589,087 |
| • Street Construction – New Equipment | \$ 2,249,829 |
| • ROW & Beautification Maint. – New Personnel | \$ 193,496 |
| • ROW & Beautification Maint.– New Equipment | \$ 158,000 |
| • Treatment Operations – New Personnel | \$ 72,202 |
| • Treatment Operations – New Equipment & Other | \$ 708,050 |
| • Water Utility – New Debt Service | \$ 1,775,000 |
| • Wastewater Utility – New Debt Service | <u>\$ 1,657,355</u> |
| TOTAL: | <u>\$ 7,403,019</u> |

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PUBLIC WORKS - STREET CONSTRUCTION DIVISION

| | |
|--|-------------------|
| 1. 1 New Street Superintendent w/support costs | \$ 94,756 |
| 2. 6 New Street Construction Technician II | \$ 305,843 |
| 3. 4 New Street Construction Technician I | <u>\$ 188,488</u> |
| TOTAL: | <u>\$ 589,087</u> |

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PUBLIC WORKS - STREET CONSTRUCTION DIVISION

| | | | |
|----|------------------------------------|----|---------|
| 1. | 1 New Milling Machine | \$ | 532,874 |
| 2. | 1 New Distributor | \$ | 180,000 |
| 3. | 1 New Chip Spreader | \$ | 280,000 |
| 4. | 1 New Density Gauge | \$ | 9,000 |
| 5. | 1 New Sheepsfoot Compacting Roller | \$ | 108,343 |
| 6. | 1 New Steel Wheel Roller | \$ | 100,452 |
| 7. | 1 New Pneumatic Roller | \$ | 100,000 |
| 8. | 1 New Finish Roller | \$ | 70,000 |
| 9. | 2 New Skid Steers | \$ | 230,000 |

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PUBLIC WORKS - STREET CONSTRUCTION DIVISION

| | |
|---|---------------------|
| 10. 1 New Water Truck | \$ 130,000 |
| 11. 2 New 16-Yard Dump Trucks (tandem) | \$ 235,000 |
| 12. 2 New 6-Yard Dump Trucks | \$ 200,000 |
| 13. 2 New 1-Ton Trucks for Construction Crews (leased – per year) | \$ 52,160 |
| 14. 1 New 1/2-Ton Truck for Superintendent (leased – per year) | <u>\$ 22,000</u> |
| TOTAL: | <u>\$ 2,249,829</u> |

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PUBLIC WORKS - ROW & BEAUTIFICATION MAINTENANCE

| | |
|---|-------------------|
| 1. 1 New ROW Foreman w/support costs | \$ 72,927 |
| 2. 2 New Litter Abatement Technicians w/support costs | \$ 120,569 |
| 3. 2 New Trucks (leased) | \$ 34,000 |
| 4. 1 15-ft. Batwing Mower & 1 8-ft. Deck Mower | \$ 80,000 |
| 5. 2 Zero Turn Mowers | \$ 24,000 |
| 6. Maintenance Equipment | <u>\$ 20,000</u> |
| TOTAL: | <u>\$ 351,496</u> |

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PUBLIC WORKS - TREATMENT OPERATIONS

| | |
|--|-------------------|
| 1. 1 New Lead Operator WWTP Operations w/support costs | \$ 70,460 |
| 2. Reclassify Asst. WW Operator to WW Operator w/support costs | \$ 1,742 |
| 3. 1 New Utility Mule (UTV) w/Truck Bed | \$ 10,000 |
| 4. 2 Laptops for SCADA/Telemetry Systems | \$ 6,400 |
| 5. Furniture for New WWTP Administration Building | \$ 27,000 |
| 6. SCADA Imps. for Rebel Road DFS Booster Pump Control | \$ 12,000 |
| 7. SCADA Imps. For Chlorine System Malfunction Alert | \$ 25,000 |
| 8. Engineering Services for WWTP Permit to 9 MGD | \$ 175,000 |
| 9. Aeration System Improvements for WWTP #1 & #2 | \$ 350,000 |
| 5. Increase to Light & Power Cost Budget Line Item | <u>\$ 102,650</u> |
| TOTAL: | <u>\$ 780,252</u> |



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ESTIMATED NEW REVENUE
(PRELIMINARY ESTIMATES)



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PROPERTY TAX MAJOR CHANGES EFFECTIVE 1-1-2020 PER SB 2 TAX RATE CALCULATIONS

OLD

~~#1 Effective Tax Rate~~

~~#2 Rollback Tax Rate~~

~~#3 Maintenance & Operations Rate~~

~~#4 Interest & Sinking Rate~~

#5 New Tax Rate Added

#6 New Tax Rate Added

NEW

No-New-Revenue Tax Rate

Voter-Approval Tax Rate

No-New Revenue M&O Tax Rate

Debt Tax Rate

De Minimus Tax Rate

Unused Increment Tax Rate

On the Spectrum of Process Complexity

From Complicated

=

To Complex





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PROPERTY TAX
MAJOR CHANGES IN TAX RATE CALCULATIONS (SB 2)

What Adopted Tax Rate Triggers An Election Or A Petition By Voters For An Election?

| <u>If Adopted Tax Rate Is</u> | <u>Requirement</u> |
|---|-------------------------------------|
| BELOW No-New-Revenue Tax Rate | No Election Required |
| BELOW Voter-Approval Tax Rate | No Election Required |
| ABOVE No-New-Revenue Tax Rate But EQUAL to or BELOW Voter-Approval Tax Rate | No Election Required |
| ABOVE Voter-Approval Tax Rate But BELOW the De Minimus Tax Rate | Voters Can Petition For An Election |
| ABOVE Voter-Approval Tax Rate | Election Required |
| ABOVE Voter-Approval Tax Rate and ABOVE the De Minimus Tax Rate | Election Required |



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PROPERTY TAX – MAJOR CHANGES (SB 2)

- SB 2 Reduced Tax Rate Cap From 8.0% to 3.5%
- A 5.0 % Reduction in Tax Cap = Approximately \$735,000 Reduction in Tax Revenue
- SB 2 Allows Deferral of 3.5% Tax Rate Cap During A Disaster Declared by the Governor or the U.S. President
- Staff Will Bring Forward a Resolution for City Council's Consideration to Direct City Manager and Director of Finance to Calculate the Voter-Approval Tax Rate Based on 8.0% Cap Instead of 3.5% Cap for FY 2021



City Council Budget Planning Worksession June 13, 2020

2020 PROPERTY VALUATIONS

(PRELIMINARY ESTIMATES) **

- 2020 Estimated Assessed Valuations (Net): \$ 3,674,932,233 **
- 2019 Estimated Assessed Valuations (Net): \$ 3,369,159,428 **
- Estimated Increase From 2019: \$ 305,772,805 **
- Estimated % Increase From 2019: 9.08% **

****** Information Based on 2020 Preliminary Certified Estimate and 2019 Assessment Roll Grand Totals (Supp #8) Provided by Hays County Appraisal District Dated April 13, 2020.



City Council Budget Planning Worksession June 13, 2020

NEW PROPERTY TAX REVENUE

(PRELIMINARY ESTIMATES)

- New Operating Tax Revenue @ Current Rate (\$0.3154): \$ 964,400 **
- New Debt Tax Revenue @ Current Rate (\$0.2262): \$ 691,700 **
- Estimated New Property Tax Revenue Increase @
Current Tax Rate (\$0.5416): \$ 1,656,100 **

****** Information Based on 2020 Preliminary Certified Estimate Provided by Hays County Appraisal District Dated April 13, 2020 and @ Current Property Tax Rates.



City Council Budget Planning Worksession
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NEW SALES TAX REVENUE
(PRELIMINARY ESTIMATES)

- 2021 estimated revenue increase: \$ 520,100 +5.5%
- 2020 sales tax budget: \$ 9,455,800
- Actual collections thru June 2020: \$ 7,061,110
- % of budget collected thru June 2020: 74.7%



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OTHER GENERAL FUND REVENUE/FEES
(PRELIMINARY ESTIMATES)

- 2021 estimated revenue increase: \$ 365,000 +5.5%



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WATER UTILITY

- **\$45,235,000 in additional new debt is scheduled to be issued by ARWA for Kyle's share of capital costs:**
 - \$34,530,000 in November 2020
 - \$1,775,000 estimated annual new debt service
 - \$10,705,000 in November 2021
 - \$568,300 estimated annual debt service

- **\$36,725,000 has already been issued by ARWA for Kyle's share.**
 - \$1,815,000 in annual debt service payments due from Water Utility

- **\$81,960,000 in total debt issuance by ARWA for Kyle's share of capital costs.**
 - \$4,158,000 in actual and estimated annual debt service payments due from Water Utility



City Council Budget Planning Worksession June 13, 2020

WASTEWATER UTILITY

- \$28,330,000 in new debt issued for City's wastewater treatment plant expansion project costs in June 2020.
 - \$1,657,355 in annual new debt service



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RATE INCREASE FOR WATER & WASTEWATER UTILITIES

- Water Rate Increase: 4-Year Plan for ARWA Costs
 - 10.0% rate increase in FY 2021
 - 10.0% rate increase in FY 2022
 - 10.0% rate increase in FY 2023
 - 8.5% rate increase in FY 2024
 - Contingent on final project costs, financing terms, & system growth
- Wastewater Rate Increase: 2-Year Plan
 - 10% rate increase in FY 2019 (Implemented)
 - 10% to 12% rate increase in FY 2021
 - Contingent on operating cost increases and system growth



City Council Budget Planning Worksession
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NEW WATER & WASTEWATER UTILITY REVENUE
(PRELIMINARY ESTIMATES)

- 2021 Estimated New Revenue
- 4.5% System Growth
- **10.0% Rate Increase**

| | |
|--------------------|--------------|
| Water Utility | \$ 1,500,000 |
| Wastewater Utility | \$ 1,000,000 |



City Council Budget Planning Worksession
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NEW STORM DRAINAGE UTILITY REVENUE

(PRELIMINARY ESTIMATES)

- 2021 estimated new revenue:

| | |
|-------------|-----------------|
| Residential | \$ 34,500 +4.5% |
| Commercial | \$ 40,500 +4.5% |



City Council Budget Planning Worksession
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SUMMARY OF NEW BUDGET REQUESTS &
NEW REVENUE FOR 2021
(PRELIMINARY ESTIMATES)



City Council Budget Planning Worksession
June 13, 2020

2021 NEW BUDGET REQUESTS – 28 NEW FTEs

| Department | General Fund | Utility Fund | Other Funds | Total |
|----------------------|--------------|--------------|-------------|-------------|
| Engineering Services | 1.0 | 0.0 | 0.0 | 1.0 |
| Parks & Recreation | 7.0 | 0.0 | 0.0 | 7.0 |
| Police | 5.0 | 0.0 | 0.0 | 5.0 |
| Public Works | 11.0 | 1.0 | 3.0 | 15.0 |
| TOTAL: | 24.0 | 1.0 | 3.0 | 28.0 |



City Council Budget Planning Worksession
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2021 NEW BUDGET REQUESTS - \$31,567,306

| Department | General Fund | Utility Fund | Other Funds | Total |
|------------------------|--------------|--------------|-------------|------------|
| Chief of Staff | \$ 170,711 | \$ 0 | \$ 0 | \$ 170,711 |
| City Secretary | \$ 19,825 | \$ 0 | \$ 0 | \$ 19,825 |
| Communications | \$ 40,398 | \$ 0 | \$ 0 | \$ 40,398 |
| Economic Development | \$ 64,930 | \$ 0 | \$ 0 | \$ 64,930 |
| Engineering Services | \$ 291,045 | \$ 0 | \$ 0 | \$ 291,045 |
| Human Resources | \$ 213,785 | \$ 0 | \$ 0 | \$ 213,785 |
| Information Technology | \$ 35,000 | \$ 0 | \$ 0 | \$ 35,000 |

Continued....



City Council Budget Planning Worksession
June 13, 2020

2021 NEW BUDGET REQUESTS - \$31,567,306

| Department | General Fund | Utility Fund | Other Funds | Total |
|------------------------|----------------------|---------------------|---------------------|----------------------|
| Parks & Recreation | \$ 868,967 | \$ 0 | \$ 0 | \$ 868,967 |
| Police | \$ 984,626 | \$ 0 | \$ 0 | \$ 984,626 |
| Public Works | \$ 2,838,916 | \$ 4,564,103 | \$ 0 | \$ 7,403,019 |
| Transportation Program | \$ 150,000 | \$ 0 | \$ 0 | \$ 150,000 |
| CIPs Added | <u>\$ 12,250,000</u> | <u>\$ 3,200,000</u> | <u>\$ 5,875,000</u> | <u>\$ 21,325,000</u> |
| TOTAL: | <u>\$ 17,928,203</u> | <u>\$ 7,764,103</u> | <u>\$ 5,875,000</u> | <u>\$ 31,567,306</u> |
| | | | | |
| | | | | |
| | | | | |
| | | | | |



City Council Budget Planning Worksession
June 13, 2020

2021 NEW REVENUE/FUNDING ESTIMATES
(PRELIMINARY ESTIMATES)

| | General Fund | Utility Fund | Other Funds | Total |
|-------------------------|----------------------|---------------------|---------------------|----------------------|
| Property Tax* | \$ 964,400 | \$ 0 | \$ 0 | \$ 964,400 |
| Sales Tax | \$ 520,100 | \$ 0 | \$ 0 | \$ 520,100 |
| Water/Wastewater | \$ 0 | \$ 2,500,000 | \$ 0 | \$ 2,500,000 |
| Storm Drainage | \$ 0 | \$ 75,000 | \$ 0 | \$ 75,000 |
| Other Revenue | \$ 365,000 | \$ 0 | \$ 0 | \$ 365,000 |
| Future TIRZ #2 Tax | \$ 0 | \$ 0 | \$ 1,875,000 | \$ 1,875,000 |
| Contribution/Settlement | \$ 0 | \$ 0 | \$ 4,000,000 | \$ 4,000,000 |
| Reprioritization – GF | <u>\$ 15,500,000</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 15,500,000</u> |
| TOTAL: | <u>\$ 17,349,500</u> | <u>\$ 2,575,000</u> | <u>\$ 5,875,000</u> | <u>\$ 25,799,500</u> |



City Council Budget Planning Worksession
June 13, 2020

2021 ESTIMATED FUNDING GAP
(PRELIMINARY ESTIMATES)

| | General Fund | Utility Fund | Other Funds | Total |
|-------------------------|------------------------|-----------------------|-----------------------|------------------------|
| Estimated Funds Avail. | \$ 17,349,500 | \$ 2,575,000 | \$ 5,875,000 | \$ 25,799,500 |
| (Less) New Expenditures | <u>(\$ 17,928,203)</u> | <u>(\$ 7,764,103)</u> | <u>(\$ 5,875,000)</u> | <u>(\$ 31,567,306)</u> |
| Estimated Funding Gap: | <u>(\$ 578,703)</u> | <u>(\$ 5,189,103)</u> | <u>\$ 0</u> | <u>(\$ 5,767,806)</u> |

*Property Tax Revenue Increase Estimate Based on Current Tax Rates



City Council Budget Planning Worksession
June 13, 2020

PLANNED BOND ELECTION IN NOVEMBER 2020

- For A New Police Department HQ Facility
- \$35,000,000 Million Estimated Project Cost
- Buie & Co. Retained By City for Public Involvement & Education
- \$35,000,000 General Obligation Bonds
- \$2,500,000 Estimated Annual Debt Service Payment (Principal & Interest)
- \$0.0579 to \$0.0708 Per \$100/AV Estimated Property Tax Rate Increase in 2022



City Council Budget Planning Worksession
June 13, 2020

CITY COUNCIL'S BUDGET POLICY,
PRIORITIES, & DIRECTIONS FOR 2021

1. City services:
2. Property tax rates:
3. Water service rates:
4. Wastewater service rates:
5. Storm drainage fees:
6. Solid waste services (TDS):
7. Changes to Council's line item budget:
8. Council budget initiatives:

Continued....



City Council Budget Planning Worksession
June 13, 2020

CITY COUNCIL'S BUDGET POLICY,
PRIORITIES, & DIRECTIONS FOR 2021

9. Direction on new budget requests for:

- a) New positions
- b) New equipment/vehicles
- c) Other operating requests

10. Direction on new capital improvement projects (CIP)

11. Direction on bond election for:

- a) Road improvements
- b) Storm drainage improvements
- c) Police headquarters



City Council Budget Planning Worksession June 13, 2020

NEXT STEPS FOR BUDGET DEVELOPMENT

- **June 13, 2020**
(Saturday, Special Called Meeting) Budget Worksession #1: Budget Planning
- **July 25, 2020** Certified Property Valuations Due From HAYSCAD
- **August 1, 2020**
(Saturday, Special Called Meeting) Budget Worksession #2: Budget Presentation
- **August 18, 2020**
(Tuesday, Regular Meeting) Budget Worksession #3 : Public Hearing, 1st Reading
Budget & Tax Rates
- **August 25, 2020**
(Tuesday, Special Called Meeting) Budget Worksession #4 : Public Hearing, 2nd Reading
Budget & Tax Rates



City Council Budget Planning Worksession
June 13, 2020

