

City Council
Budget Worksession No. 2
For Fiscal Year 2022-2023

July 7, 2022



City Council Budget Worksession No. 2 July 7, 2022

PRESENTATION OVERVIEW

1. Objectives for Council Budget Worksession No. 2
2. Overview and Status of City Manager's Proposed Operating & Capital Budget Under Development for Fiscal Year 2023
3. Key Dates for Budget Development
4. Bond Election in November 2022 for Road Projects
 - a) Timeline, Key Dates, and Milestones for Bond Election (Norton Rose Fulbright)
 - b) Identification of Roads and Segments (K-Friese & Associates)
 - c) Highlights of Road Design Elements and Features (K-Friese & Associates)
 - d) Cost Estimate for Each Road (K-Friese & Associates)
 - e) Timeline for Engineering, Design, and Construction (K-Friese & Associates)
 - f) Property Tax Rate Impact Analysis of Road Bonds (SAMCO Capital)
5. City Council's Feedback and Direction on Budget Priorities and Bond Election



City Council Budget Worksession No. 2 July 7, 2022

BUDGET PRIORITIES FOR 2023

1. Expedite Engineering, Design, & Construction of Capital Projects (CIPs)
2. Investment in Citywide Beautification Program
 - Maintain Gold Standard in Hays County for Keeping City Beautiful
 - Manicured Landscaping & Maintenance for All High Visibility Corridors
 - Colorful Flowers, Mulched Flower Beds, Trimmed Trees,
 - Right-of-Way & Median Maintenance (Frequent Mowing, Weed Eating, Edging, etc.)
 - Street Light Maintenance
3. Elimination of Blight & Dilapidated Structures
 - Empowering Code Enforcement
 - Safety & Code Compliance Inspections
4. Investment in the City Workforce
 - Employee Training & Retention
 - Meet & Confer Compensation Implementation for Civil Service Employees (New Contract: Year 1 of 3)
 - Pay Parity Study & Implementation for Non-Civil Service Employees
 - CPI Based General Wage Adjustment for Non-Civil Service Employees



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OVERVIEW & STATUS OF CITY MANAGER'S PROPOSED BUDGET FOR FISCAL YEAR 2023

- Under development and work-in-progress.
- Prioritizing departmental requests to balance the budget.
- Balancing competing priorities and funding availability.
- Maintaining City Council's program and service priorities.
- Proposed budget, at this stage, is all preliminary estimates and will drastically change by release on July 28th (Budget Worksession #3).
- Because budget is under development and will change considerably, I want City Council to spend time today on the proposed bond election and the roads to be considered.
- Preliminary budget information is included in the agenda packet.



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NEXT STEPS FOR BUDGET DEVELOPMENT

- **May 12, 2022:** Budget Worksession #1: New Budget Needs
(Thursday, Special Called Meeting)
- **July 7, 2022:** Budget Worksession #2: Preliminary Draft Budget
(Thursday, Special Called Meeting)
- **July 25, 2022:** Certified Property Valuations Due From HaysCAD
- **July 28, 2022:** Budget Worksession #3: City Manager's Proposed Budget
(Thursday, Special Called Meeting)
- **August 16, 2022:** Budget Worksession #4: Public Hearings, 1st Reading
Budget & Property Tax Rates
(Tuesday, Regular Meeting)
- **August 25, 2022:** Budget Worksession #5: Public Hearings, 2nd Reading
Budget & Property Tax Rates
(Thursday, Special Called Meeting)

City of Kyle

2022 Road Bond
Program Update

July 7, 2022





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BOND ELECTION – TIMETABLE

Stephanie Leibe, City's Bond Counsel
Norton Rose Fulbright US LLP

General Bond Election Timetable

Event	Time Required	Date
City confers with financial advisor/bond counsel	At least 4 weeks before calling election	July 7, 2022 (Thurs.) – Budget and Bond Workshop
City explores possible polling locations and joint election agreement with election official	At least 3 weeks before calling election	July 2022
City Council adopts an ordinance calling the election	Not more than 90 days or less than 78 days before election	Not earlier than August 10, 2022 (Wed.) and not later than August 22, 2022 (Mon.)
Bond counsel orders translations (Spanish, etc.)	Immediately after calling the election	To be determined
Bond counsel delivers ballot language to election official	Deadline determined by the election official	Estimated August 24, 2022 (Wed.)
Bond counsel delivers notice of election to the county election official	Not later than 60 days prior to election	Not later than September 9, 2022 (Fri.)
City Staff <u>publishes</u> first notice of election in English and Spanish	Not more than 30 days nor less than 14 days prior to election	Not earlier than October 9, 2022 (Sun.) and not later than October 25, 2022 (Tues.)
Last day to register to vote	30 days prior to election	October 11, 2022 (Tues.)
City Staff <u>posts</u> notice of election (all applicable languages) prominently on the City's website	Not later than 21 days prior to election until after election day	Not later than October 17, 2022 (Mon.)

General Bond Election Timetable (cont.)

Event	Time Required	Date
City Staff <u>posts</u> sample ballot on the City's website	Not later than 21 days prior to election until after election day	Not later than October 17, 2022 (Mon.)
City Staff <u>posts</u> notice of election (all applicable languages) at City Hall on the bulletin board used for posting meeting notices	Not later than 21 days prior to election until after election day	Not later than October 17, 2022 (Mon.)
City Staff <u>posts</u> notice of election (all applicable languages) at three public places within the City	Not later than 21 days prior to election until after election day	Not later than October 17, 2022 (Mon.)
City Staff <u>publishes</u> the second notice of election (all applicable languages)	Exactly one week after first publication	One week following first publication
Early voting begins	17 days prior to election	October 24, 2022 (Mon.)
Early voting ends	4 days prior to election	November 4, 2022 (Fri.)
Election day	1 st Tuesday after the 1 st Monday in November	November 8, 2022 (Tues.)
City Council canvasses election results	Not later than 14 days after election and not earlier than the later of: (1) the 3rd day after election; (2) the date the provisional ballots have been counted; or (3) the date that all timely cast overseas ballot have been counted	November 11, 2022 (Fri.) through November 22, 2022 (Tues.)
End of election contest period	Later of 30 days after canvassing or 15 days after electronic records available	Determined by canvass date (no later than December 19, 2022 (Mon.))



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2022 ROAD BOND PROGRAM

Joseph Cantalupo, City's Project Manager
K-Friese & Associates

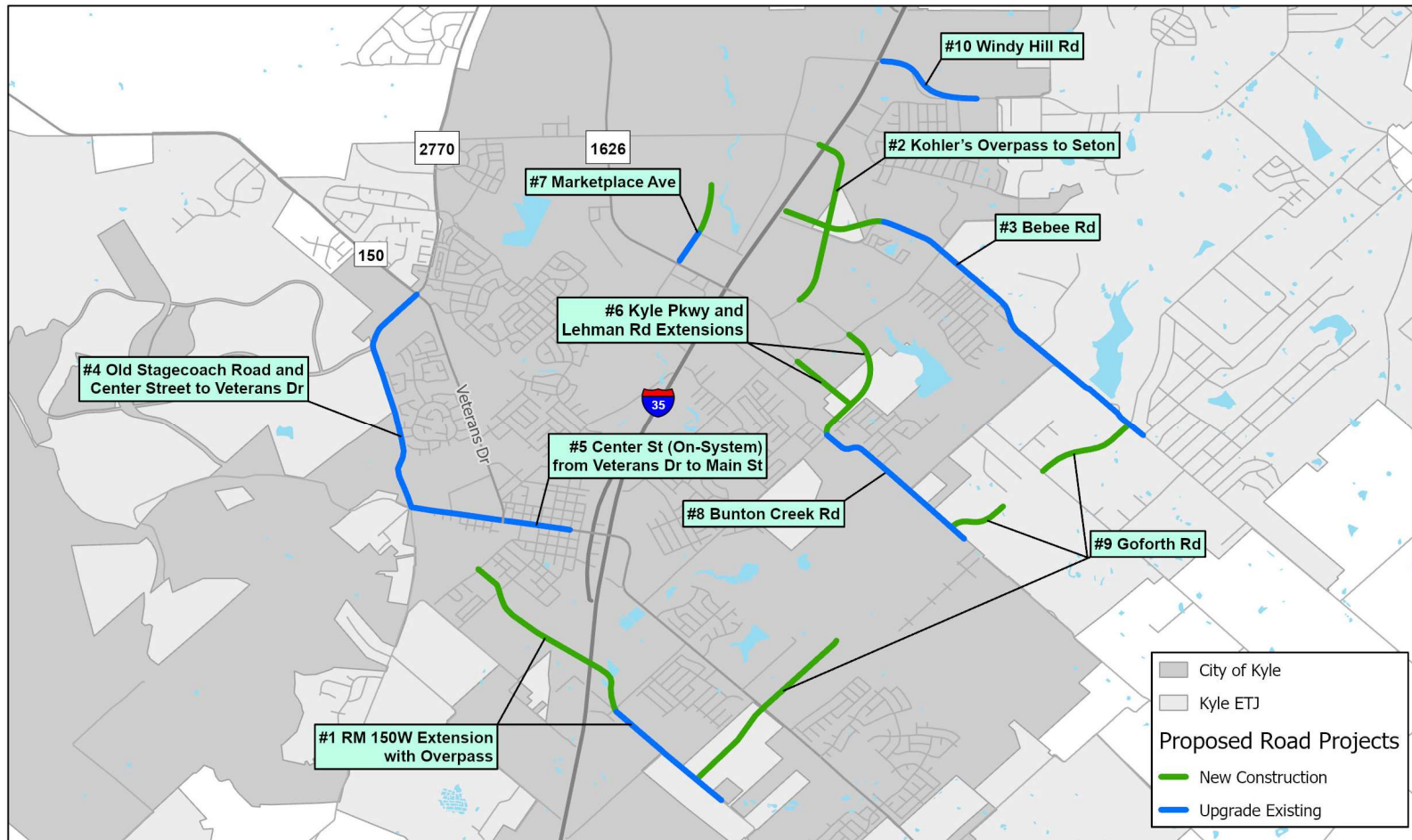
2022 Road Bond Program



Program At a Glance

- 10 roadway projects across Kyle
- 15.6 total miles of new location, reconstruction, and widening projects to improve the City's transportation network
- 9 design teams currently developing Preliminary Engineering Reports (PERs)

2022 Road Bond Program



2022 Preliminary Cost Estimates



ID	Project Name	Preliminary Engineering	ROW Acquisition	Utilities	Design	Construction	Total Cost	Time Frame
1*	RM 150W Extension with Overpass	\$ 358,650	\$ 3,415,493	\$ 4,494,000	\$ 4,895,880	\$ 79,984,826	\$ 93,148,849	49 months
2	Kohler's Overpass to Seton	\$ 2,300,000	\$ 2,540,000	\$ 500,000	\$ 2,600,000	\$ 52,100,000	\$ 60,040,000	42 months
3	Bebee Road	\$ 80,800	\$ 6,455,382	\$ 16,929,921	\$ 2,985,265	\$ 37,625,159	\$ 64,076,527	39 months
4*	Old Stagecoach Rd	\$ 36,400	\$ -	\$ 7,402,152	\$ 1,900,000	\$ 16,412,487	\$ 25,750,039	42 months
	Center Street	\$ 36,400	\$ -	\$ 3,135,713	\$ 821,500	\$ 6,507,739	\$ 10,501,352	
5	Center Street (On-System)	\$ 250,000	\$ 4,300,000	\$ 2,780,000	\$ 850,000	\$ 9,050,000	\$ 17,230,000	49 months
6	Kyle Pkwy / Lehman Ext.	\$ 210,000	\$ 7,651,921	\$ 4,473,197	\$ 1,378,997	\$ 10,420,871	\$ 24,134,986	38 months
7	Marketplace Ave	\$ 106,975	\$ 2,101,280	\$ 2,990,444	\$ 626,000	\$ 7,031,311	\$ 12,856,010	23 months
8	Bunton Creek Rd	\$ 374,000	\$ 2,264,000	\$ 16,074,000	\$ 3,239,000	\$ 8,845,000	\$ 30,796,000	37 months
9	Goforth Rd	\$ 1,536,000	\$ 6,305,000	\$ 15,607,000	\$ 9,212,000	\$ 37,954,000	\$ 70,614,000	38 months
10	Windy Hill Rd	\$ 225,000	\$ 1,755,000	\$ 4,004,239	\$ 375,000	\$ 8,707,714	\$ 15,066,953	38 months
Project Subtotal							\$ 424,215,716	
GEC Services							\$ 10,605,393	\$ 16,968,628
Program Total							\$ 434,821,109	\$ 441,184,344



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PROPERTY TAX RATE IMPACT ANALYSIS
2022 ROAD BOND PROGRAM

Mark McLiney, City's Financial Advisor
SAMCO Capital Markets, Inc.

City of Kyle, Texas

Proposed Bond Election Discussion

July 7, 2022

Mark M. McLiney
SENIOR MANAGING DIRECTOR



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\$350,000,000 General Obligation Bonds

- **Purpose: Transportation/Mobility**
 - Streets, bridges, sidewalks, etc.
 - Fully Funds Proposed Road Projects
 - Funds \$350,000,000 of Projects:
 - \$20,000,000, Series 2022 (issued in August 2022)
 - \$110,000,000, Series 2024 (issued in August 2024)
 - \$110,000,000, Series 2027 (issued in August 2027)
 - \$110,000,000, Series 2030 (issued in August 2030)
 - Required Tax Rate Increase (Estimated)
 - \$0.1378 (Current Tax Rate is \$0.5082 with a Future Rate of \$0.646)
 - Assumptions:
 - Taxable Value increases at 10% through 2027 and then 2% thereafter
 - Historical Growth Rate since 2012 = 15.12%
 - if 2022 is excluded, Growth Rate since 2012 = 13.12%
 - Interest Rate on new bonds estimated at 4.75%-5.00% (current bond market is 4%)
 - Tax Rate increase estimate is inclusive of the new \$40,000 homestead exemption
 - Additional information:
 - If growth rate exceeds expectations, bond issues can be upsized or pushed in early years resulting in projects completed sooner
 - If growth rate does not meet projections, bond issues can be downsized or delayed to remain within the proposed tax rate increase of \$0.1378
 - 10 years after the bond election, the amount of bonds unissued cannot be authorized due to City Charter restrictions



\$195,000,000 General Obligation Bonds – No Tax Increase

- **Purpose: Transportation/Mobility**
 - Streets, bridges, sidewalks, etc.
 - Council will need to choose Road Projects that fit to the bond sizing
 - Funds \$195,000,000 of Projects:
 - \$20,000,000, Series 2022 (issued in August 2022)
 - \$40,000,000, Series 2024 (issued in August 2024)
 - \$85,000,000, Series 2027 (issued in August 2027)
 - \$50,000,000, Series 2030 (issued in August 2030)
 - Required Tax Rate Increase (Estimated)
 - \$0.00 (Current Tax Rate is \$0.5082, Future Tax Rate remains \$0.5082)
 - Assumptions:
 - Taxable Value increases at 10% through 2027 and then 2% thereafter
 - Historical Growth Rate since 2012 = 15.12%
 - (if 2022 is excluded, Growth Rate since 2012 = 13.12%
 - Interest Rate on new bonds estimated at 4.75%-5.00% (current bond market is 4%)
 - Tax Rate increase estimate is inclusive of the new \$40,000 homestead exemption
 - Additional information:
 - If growth rate exceeds expectations, bond issues can be upsized or pushed into early years resulting in projects completed sooner
 - If growth rate does not meet projections, bond issues can be downsized or delayed so that the overall does not change
 - 10 years after the bond election, the amount of bonds unissued cannot be authorized due to City Charter restrictions





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PUBLIC INVOLVEMENT & COMMUNICATION PLAN
2022 ROAD BOND PROGRAM

Jeff Barton, City's Public Involvement Manager
Gap Strategies



Gap Strategies

**CITY OF KYLE
ROAD BOND 2022
PUBLIC EDUCATION**

YOUR TEAM



JEFF
BARTON, AICP



KARA
BISHOP BUFFINGTON



CALEB
ROBERTS



ANDRES
GONZALES

KEYS TO SUCCESSFUL PUBLIC EDUCATION



WEBSITE /
SOCIAL



ONLINE
VIDEOS



PRESS
RELATIONS



DIRECT
MAIL



EVENTS /
TOWN HALLS

WEBSITE AND VIDEOS



DYNAMIC SITE

Rich, easy-to-use website for public



VIDEOS

Visual content on site and YouTube

INTERACTIVE

A place to host a virtual town hall



TRUSTED SOURCE

Home to data and information



SOCIAL MEDIA CONTENT

A strategic plan and content for the City to post on their own successful social media channels



PRESS RELATIONS AND DIRECT MAIL

PRESS RELATIONS



Press packets with infographics, data, facts, and branding



A resource for media as questions arise

DIRECT MAIL



Jumbo postcards to reach all residents



Overprints to distribute at events around the City

PUBLIC OUTREACH

VIRTUAL TOWN HALL

Online interactive
virtual town hall



IN-PERSON TOWN HALL

Public in-person
meeting for info
and questions



COMMUNITY EVENTS

Presence at Skate
Night, Founders
Parade, etc.



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CITY COUNCIL'S FEEDBACK & DIRECTION
TO CITY MANAGER ON 2022 ROAD BOND PROGRAM



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