



City of Kyle

FY2008-09 Annual Budget

BUDGET ADDENDUM

Additional Information and Analysis

Requested by City Council

Thomas L, Mattis, City Manager

Charles Cunningham, Director of Finance

August 22, 2008

PROPOSED FY2008-09 ANNUAL BUDGET
ADDITIONAL INFORMATION AND ANALYSIS REQUESTED BY CITY COUNCIL

Updated - August 19, 2008

A. (Mayor Gonzalez):

- (1) An analysis of what was the greatest increases; what departments, was significantly above last year's base line.
- (2) More detailed information regarding the new revenue for trash collection fee.
- (3) A significant amount of the General Fund is going for debt service. A significant amount of the General Fund is going for debt service. (Is there) another analysis for the actual debt service component of the tax rate? What estimations are you plugging in there? Is it the current 5 year plan?
- (4) Regarding the 5 year Capital Plan as proposed, what debt service is going to be on there?
- (5) Report showing the O&M and Debt rates and then identify items that are driving these rates that would be considered new or above base line.
- (6) Report from Police Department trending criminal activities and comparing key indicators with comparable cities.
- (7) Report from Police Department comparing staffing levels for police departments in cities comparable to Kyle. (civil service / non-civil service)

B. (Councilmember Salazar):

- (1) What kind of a difference is it going from up to 35 cents versus 39.71? Review long-term impact of "buying down" FY08-09 debt payments vs. adopting full tax rate required to meet debt requirements.

C. (Councilmember Lopez):

- (1) Regarding Economic Development and the strategic initiatives by TIP, what's going to be incorporated in there?
- (2) Additional detail on the new Recreation Fund, including general report and staff analysis on Park and Recreation fee structure as previously reviewed with Parks Board.

D. (Councilmember Bryant):

- (1) (Please provide additional information relative to the \$60M debt number that has been previously mentioned, providing a list of the actual projects and) . . . the total cost next to each one? Also if there are other projects not listed, please include them as well so that it adds up to the amount borrowed.
- (2) I would like to know what the \$.35 tax increase consist of.
- (3) Please break down the \$1M that was cut from the budget (include cost)
- (4) Please forward all job descriptions of new staff positions and annual salary.
- (5) What are we paying our current contracted engineer a (Bartle) and what is the anticipated salary for the new City Engineer position.

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E. (Councilmember Wilson):

- (1) I would like to see a schedule of hires for the whole list of new staff positions that the city plans to hire in the 2008 and 2009 budget. The budget should be modified to reflect that schedule of hires.
- (2) I want three random examples of police pay; with overtime included, so council, staff and the public can more fully understand how much a police officer is actually taking home versus the salary schedule. (2 year officer, 5 year officer and senior sergeant level police officer examples)
- (3) Do we believe our sales tax projections, which are part of the foundation for the budget, are going to match statewide projections? What comparisons have been made with comparison cities?
- (4) Where are the funds identified in the budget for the salary adjustment for market competitiveness? What is the upgrade amount and when in the budget cycle would it be adjusted?
- (5) I would like to see the compensation comparison data used for individual salary adjustments in the last fiscal year.
- (6) In our comparison cities for salary compensation, we did not include neighboring cities like Lockhart and Bastrop which appear to me to be of comparable size.
- (7) I question the contingency reserve of 25% of total budget. Is it necessary to have the full 25% as the charter suggests or can we reduce our proposed property tax rate a couple of cents by moving it to say 20%.
- (8) Questions related to other revenue: Parks and pool revenue projection? Animal control permits? Sign permits up only 4% with development along 1626 and Seton coming on in the next fiscal year?
- (9) I am having a problem with the 5 million dollar police station as a place holder in the 5 year Capital Improvement Plan even though it is projected in the 2010/2011 fiscal year. I would feel more comfortable with a \$2.5 million facility as a place holder for planning purposes and would not want to consider it unless we have a very strong uptrend in sales tax revenue in 2009/2010.
- (10) Are there purchases we can differ until 2009/2010 like vehicle fleet replacement? There are a couple of replacement trucks in particular that we need to review with a small tax savings in next fiscal year possible.
- (11) Did we purchase everything in the budget for 2007/2008 that we expected? We know we did not hire the 5 police officers but were there other expenditures or purchases that are yet to be executed? Is the Thin Client Server one of those purchases?

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E. (Councilmember Wilson):

- (12) Did the library director move from part time in the 2007/2008 budget to full time in the 2008/2009 budget?
- (13) Is it prudent to proceed with the full budget as written for Fiscal Year 2008/2009 with a downtrend in sales tax year over year for the first month and a lower valuation of property from the Hays County Tax Assess or Collector than we were expecting as a property tax base? Can city staff prioritize the hires in such a way we can reduce the number of new staff positions in the budget by 25%.I think it would certainly be smart to prepare for the contingency of continued reduction in sales tax revenue when compared to the same month last year.
- (14) Except for the 5 police positions from the last year budget, I think it would be smart to plan for holding all new positions until January when we will have a better handle on the sales tax decrease issue. The holding of the new positions could provide the property taxpayer an additional reduction of one to two cents in the tax rate.
- (15) While I am optimistic that sales tax will reverse the recent downtrend as the new business's opening along 1626 and Seton area come on line, I think we must prepare for the contingency that a down turn in the economy will have a negative impact on our sales tax revenue and place at risk our budget as written.

