

Summary of Significant Increases

2007-08 Amended	2008-09			
	Proposed Budget	Prog. Change	Total	% Chng Prior Year

General Fund

Executive

Mayor and City Council

Total Dept.	\$ 61,638	\$ 61,163	0	\$ 61,163	-0.8%
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No significant changes - includes \$30,000 for Civic Programs

Admin. - City Manager

Supplies and Materials

Minor Supplies	\$ 15,000	\$ 16,541	-	\$ 16,541	10.3%
Office Supplies	\$ 13,431	\$ 21,458	-	\$ 21,458	59.8%

Increases mostly due to HR Services supplies

Total Dept.	\$ 882,682	\$ 967,069	0	\$ 967,069	9.6%
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Admin. - Information Technology

<i>Salaries and Benefits</i>	\$ 84,855	\$ 136,298	0	\$ 136,298	60.6%
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Total Dept.	\$ 118,056	\$ 161,972	0	\$ 161,972	37.2%
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Increase includes one additional full time position (IT Tech) for complete year.

Finance

Financial Services

Total Dept.	\$ 383,678	\$ 396,803	0	\$ 396,803	3.4%
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No significant changes

Municipal Court

Total Dept.	\$ 196,076	\$ 212,664	0	\$ 212,664	8.5%
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No significant changes

Utility Billing

Total Dept.	\$ 278,451	\$ 263,335	0	\$ 263,335	-5.4%
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Expected decrease based on new efficiencies in processing and lower IT maint./Licensening costs.

Parks and Recreation

Administration

Total Dept.	\$ 105,469	\$ 106,919	\$ 212,389	100.0%
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New Division - Program change includes addition of Administrative Asst. and Facilities O&M Manager.

Parks Maintenance

Total Dept.	\$ 822,246	\$ 529,005	\$ 47,480	\$ 576,485	-29.9%
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Formerly included admin and recreation programming. Admin. moved to new Division, Recreation moved to separate fund.

2007-08 Amended	2008-09			
	Proposed Budget	Prog. Change	Total	% Chng Prior Year

Parks and Recreation (Cont.)

Facilities Maint. (Formerly) Maint./Beautification

Salaries and Benefits \$ 209,593 \$ 124,683 \$ - \$ 124,683 -41%
Reduction based on transfer out to Park and Rec Maintenance Division of a Crew Leader and Maintenance Tech position.

Services

PEC Electric \$ 18,528 \$ 43,218 \$ - \$ 43,218 133%

Increase represents centralization of energy and other utility charges in this Division. These were formerly charged to the City Manager's Budget and spread out among various other departments. Still represents approximately 10% increase overall.

Total Dept.	\$ 392,313	\$ 351,130	\$ 26,000	\$ 377,130	-4%
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Library

Total Dept.	\$ 249,816	\$ 245,071	\$ 32,311	\$ 277,382	11%
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Program change reflects addition of one new Library Assistant.

Street Construction and Maint.

Salaries and Benefits \$ 239,396 \$ 243,906 \$ 69,829 \$ 313,736 31%

Addition of 2.35 authorized positions which include 1/3rd of Public Works Director's position with the other 2/3rds being charged to the Utility Department; a new Street Superintendent and an Equipment Operator's position.

Supplies and Materials

Fuel & Oil \$ 9,328 \$ 10,727 \$ 2,000 \$ 12,727 36%

Fuel and Oil increases are based on increased gas prices over the last several months that are expected to continue through the new year.

Gravel, Sand and Asphalt \$ 16,500 \$ 18,500 \$ 10,000 \$ 28,500 73%

With addition of management staff for the Street Department, attention to routine maintenance of streets will be enhanced which will require additional materials being used.

Services and Other Charges

PEC Electric \$ 130,060 \$ 141,715 \$ - \$ 141,715 9%

Reflects cost of energy for street lights.

Total Dept.	\$ 470,794	\$ 456,904	\$ 124,629	\$ 581,533	24%
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Police Department

Operations

Salaries and Benefits \$ 1,388,690 \$ 124,683 \$ 303,048 \$ 2,013,093 45%

With addition of management staff for the Street Department, attention to routine maintenance of streets will be enhanced which will require additional materials being used.

Supplies and Materials

Fuel & Oil \$ 59,321 \$ 68,220 \$ 9,303 \$ 77,522 31%

Additional patrol time with added staff plus increase in gas prices for entire year.

Minor Tools & Equipment \$ 14,103 \$ 30,000 \$ 28,238 \$ 28,238 100%

(2) Radio Operated ,field deployable Crime Detection Systems - (2) @ \$4,500 = \$9,000

(10) VE149 Vehicle Mic Extender @19.99ec = \$199.90

(10) Sets 4-Corner Strobe Kits for Patrol Fleet @ 500. ea. = \$5,000.00

(2) Handheld LIDAR Laser Radar Units @\$2,900ea. = \$5,800.00

(2) Handheld Field -grade Breath Test Instruments for DWI Investigation @ \$160.00 ea. = \$320.00

(1) Animal Control Dog Trap = \$275.00 (4) Tru-Catch Cat Traps @ \$75. ea.= \$300.00

(4) Tru-Catch Carriers for Feral Cats @ \$42.00ea. = \$168.00 (1) Hoop Bag Trap Device = \$75.00

(2) Portable Covert IP Surveillance Cameras @ \$2800ea = \$5,600.00

(1) Crimes Scene Digital SLR Camera Kit \$1,500.00

2007-08 Amended	2008-09			
	Proposed Budget	Prog. Change	Total	% Chng Prior Year

**Police Department (cont.)
Operations (Cont.)**

<i>Supplies and Materials Total</i>	\$ 140,813	\$ 18,500	\$ 54,589	\$ 184,161	31%
<i>Services and Other Charges</i>		\$ 141,715			
Printing/Photo Services	\$ -	\$ -	\$ 5,000	\$ 5,000	100%
					Recruiting brochures, public safety awareness & crime prevention literature, annual reports.
Vehicle Maintenance	\$ 24,292	\$ 26,721	\$ 7,500	\$ 34,221	41%
					(3) Update three low-mileage patrol cruisers to new scheme. \$7,500.00
Insurance	\$ 21,960	\$ 23,424	\$ 3,194	\$ 26,618	21%
Travel & Training	\$ 12,500	\$ 14,000	\$ 24,000	\$ 38,000	204%
					CAPCOG Basic Police Recruit Academy, 12 X \$2,000 \$24000.00
					In-Service training goal 20 training hours each per existing employee \$14,000.00
Total Services Charges	\$ 199,834	\$ 168,503	699,641	4,307,477	7%
Total Dept.	\$ 1,994,235	\$ 2,180,491	\$ 503,869	\$ 2,684,360	35%

Support Services

<i>Salaries and Benefits</i>	\$ 280,340	\$ 279,543	\$ 122,364	\$ 401,907	43%
					Three new positions proposed (2 Dispatchers and one Property Clerk.)
Total Dept.	\$ 285,403	\$ 283,513	\$ 123,555	\$ 407,068	43%

Public Safety

Total Dept.	\$ 164,636	\$ 180,094	\$ -	\$ 180,094	9%
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Non-departmental

Transfer Out	\$ -	\$ 270,608	\$ -	\$ 270,608	100%
					Support for Recreation Programming
Total Dept.	\$ 852,499	\$ 1,157,836	\$ -	\$ 1,157,836	36%

Total General Fund	\$ 7,366,642	\$ 7,552,518	\$ 964,764	\$ 8,517,281	16%
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2007-08 Amended	2008-09			
	Proposed Budget	Prog. Change	Total	% Chng Prior Year

Planning and Development Fund

Building/Inspection

Greater Austin HBA Legal Services	\$ 250,000	\$ -	\$ -	\$ -	-100%
Total Dept.	\$ 712,575	\$ 461,663	\$ -	\$ 461,663	-35%

Reduction in legal defense fund.

Planning

<i>Salaries and Benefits</i>	\$ 180,138	\$ 234,534	\$ 47,733	\$ 282,267	57%
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Addition of 2 new positions for a total of four. (Add Planning Tech and GIS Technician.)

Services and Other Charges

Comprehensive Master Plan	\$ -	\$ 60,000	\$ -	\$ 60,000	100%
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Cost of first phase of consulting services - Comprehensive Plan.

Total Services and Other Charges	\$ 70,332	\$ 85,402	\$ -	\$ 85,402	21%
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Total Dept.	\$ 258,028	\$ 325,743	\$ 48,790	\$ 374,533	45%
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Economic Development

Total Dept.	\$ -	\$ 97,734	\$ 42,895	\$ 140,628	100%
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This Division is split off from the previous Planning and Economic Division so there is no previous history to compare with.

Plan/Develop Fund Total	\$ 970,603	\$ 885,139	\$ 91,685	\$ 976,824	0.6%
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2007-08 Amended	2008-09			
	Proposed Budget	Prog. Change	Total	% Chng Prior Year

Recreation Programming Fund

Recreation Programming

Total Dept.	\$ -	\$ 394,107	\$ -	\$ 394,107	100%
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This Division was formerly in the general fund combined with Park and Rec Administration and Parks Maintenance. There is no prior history of its own as a separate program.

Aquatics Program

Total Dept.	\$ 214,120	\$ 205,771	\$ 28,500	\$ 234,271	9%
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This Division was formerly in the general fund but as a stand alone program. The 07-08 estimate reflects the values in the General Fund for comparison only.

Recreation/Prog Fund Total

	\$ 214,120	\$ 599,878	\$ 28,500	\$ 628,378	
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2007-08 Amended	2008-09			
	Proposed Budget	Prog. Change	Total	% Chng Prior Year

Utility Fund

Administration

Total Dept.	-	\$ 472,189	36,257	508,446	100%
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This Division was previously included within the Water Operations account. There are 7.65 positions included in this new division.

Water Operating

<i>Salaries and Benefits</i>	\$ 218,427	\$ 128,078	\$ 109,125	\$ 237,203	9%
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<i>Capital Outlay</i>	\$ 19,327	\$ 60,000	\$ 70,000	\$ 130,000	573%
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Equipment acquisitions include a new backhoe and dump truck.

<i>Transfers Out</i>	\$ 700,501	\$ 858,306	\$ 215,000	\$ 1,073,306	53%
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Transfers to satisfy debt payments on Utility portions of the bonds increased \$158,000 and transfers to the General Fund increased \$200,000.

Total Dept.	\$ 1,301,506	\$ 1,321,421	\$ 402,187	\$ 1,723,608	32%
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Water Supply

<i>Services and Other Charges</i>	\$ 842,727	\$ 1,221,382	\$ -	\$ 1,221,382	45%
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Payment for the Carrizo Wilcox Study under the HCPUA is included in the "Services and Charges" for 2008-09. It was charged to Capital Outlay in 2007-08 see below.

<i>Capital Outlay</i>	\$ 340,019	\$ -	\$ -	\$ -	-100%
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Total Dept.	\$ 1,182,746	\$ 1,221,382	\$ -	\$ 1,221,382	3%
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Wastewater Operations

<i>Salaries and Benefits</i>	\$ 145,943	\$ 145,644	\$ 75,989	\$ 221,633	52%
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The maintenance staff was essentially doubled from three authorized positions to six.

<i>Transfers Out</i>	\$ 700,501	\$ 707,769	\$ 200,000	\$ 907,769	30%
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The transfer to the general fund was increased by \$200,000 to a total of \$675,000 for 2008-09.

Total Dept.	\$ 2,013,582	\$ 1,888,081	\$ 347,389	\$ 2,235,470	11%
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Utility Fund Total	\$ 4,497,833	\$ 4,903,073	\$ 785,833	\$ 5,688,907	26%
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SOLID WASTE COLLECTION FRANCHISE FEE

CURRENT RATES

	Monthly <u>Charge</u>	Sales <u>Tax</u>	<u>Total</u>	<u>Accounts</u>	Total Mo. <u>Revenue</u>	Annualized <u>Revenue</u>
Residential	11.15	0.92	\$12.07	7,465	90,102	1,081,219
Senior Citizens	10.04	0.83	\$10.87	57	619	7,434
Multi-Family	65.97	5.44	\$71.41	12	857	10,284
Commercial*	n/a	n/a	n/a	66	11,500	137,998
				7,600	\$ 103,078	\$ 1,236,934

5% RATE INCREASE

	Monthly <u>Charge</u>	5% <u>Increase</u>	Sales <u>Tax</u>	<u>Total</u>	Total Mo. <u>Increase</u>	<u>Accounts</u>	Total <u>Revenue</u>	Annualized <u>Revenue</u>	New Rev <u>for 08-09</u>
Residential	11.15	0.56	0.97	\$ 12.67	\$ 0.60	7,465	94,607	1,135,280	54,061
Senior Citizens	10.04	0.50	0.87	\$ 11.41	\$ 0.54	57	650	7,806	372
Multi-Family	65.97	3.30	5.71	\$ 74.98	\$ 3.57	12	900	10,798	514
Commercial*	n/a	574.99	n/a	n/a	* \$ 8.71	66	12,075	144,897	6,900
						7,600	\$ 108,232	\$ 1,298,781	\$ 61,847

10% RATE INCREASE

	Monthly <u>Charge</u>	10% <u>Increase</u>	Sales <u>Tax</u>	<u>Total</u>	Total Mo. <u>Increase</u>	<u>Accounts</u>	Total <u>Revenue</u>	Annualized <u>Revenue</u>	New Rev <u>for 08-09</u>
Residential	11.15	1.12	1.01	\$ 13.28	\$ 1.21	7,465	99,112	1,189,341	108,122
Senior Citizens	10.04	1.00	0.91	\$ 11.96	\$ 1.09	57	681	8,177	743
Multi-Family	65.97	6.60	5.99	\$ 78.55	\$ 7.14	12	943	11,312	1,028
Commercial*	n/a	1,149.98	n/a	n/a	* \$ 17.42	66	12,650	151,797	13,800
						7,600	\$ 113,386	\$ 1,360,628	\$ 123,693

15% RATE INCREASE

	Monthly <u>Charge</u>	15% <u>Increase</u>	Sales <u>Tax</u>	<u>Total</u>	Total Mo. <u>Increase</u>	<u>Accounts</u>	Total <u>Revenue</u>	Annualized <u>Revenue</u>	New Rev <u>for 08-09</u>
Residential	11.15	1.67	1.06	\$ 13.88	\$ 1.81	7,465	103,617	1,243,402	162,183
Senior Citizens	10.04	1.51	0.95	\$ 12.50	\$ 1.63	57	712	8,549	1,115
Multi-Family	65.97	9.90	6.26	\$ 82.13	\$ 10.71	12	986	11,826	1,543
Commercial	n/a	1,724.97	n/a	n/a	* \$ 26.14	66	13,225	158,697	20,700
						7,600	\$ 118,540	\$ 1,422,475	\$ 185,540

Tom Mattis

From: Tom Mattis [tmattis@cityofkyle.com]
Sent: Thursday, August 07, 2008 3:34 PM
To: 'Mike Gonzalez'
Cc: 'Charles Cunningham'
Subject: RE: Budget back-up items

Mayor –

Please see Charles follow-up to our correspondences yesterday. I think he does a little better job of clarifying some of the O&M Rate issues.

Basically there are two main points from the staff perspective as it relates to the proposed O&M Rate of \$.1500: (1) the rate should not go below \$.1500 just from a financial stability standpoint. It would have to be extremely rare for any full-service city with 150 employees in Texas to have an O&M rate lower than \$.1500 - and clearly it will have to go higher in the future; and, (2) most personnel/cost increase in the budget proposal are really about addressing service needs today or that have already existed – not so much about adding “new” services. It will be extremely difficult to maintain existing services without more help. KPD is an example: Are the new staff needed to improve services or is it really about adding staff to provide the services levels already assumed or expected?

I think your questions have initiated some good dialogue on this issue; I would like to share the discussion and copy the entire Council with this – I assume you are OK with that (?).

Tom

Thomas L. Mattis
City Manager
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From: Charles Cunningham [mailto:ccunningham@cityofkyle.com]
Sent: Thursday, August 07, 2008 11:51 AM
To: 'Tom Mattis'
Subject: FW: Budget back-up items

I will have a better analysis of the tax rate at the next budget workshop along the line I described on Tuesday night but I would like to comment on the Mayor's request as it relates to setting “baseline” tax rates.

As everyone is aware the City has been growing at unprecedented rates over the last several years and it is almost impossible to establish a baseline of costs which can then be translated into a baseline tax rate. It is much easier to make these comparisons in a fully matured City with only small incremental increases in population growth and consequently only incremental increases in demands for services. In Kyle's case, we started somewhat behind the curve in terms of staffing up fully to meet the exponentially increasing demands of our residents mostly due to the enormous tasks of management having to keep up with day to day operations and at the same time, plan for the future, expand and improve services and most importantly absorb additional staff which requires training and modification of internal operating procedures, definition of tasks and assignment of those tasks on a constantly changing basis.

By adding staff at a cautious, deliberate rate, we have been able to keep costs down and consequently the tax rate artificially low but as can be seen with comparisons with other cities, it is unrealistic to think that the O&M rate will stay below even \$0.15 per \$100 assessed value when the average of other medium sized cities in central Texas is almost \$0.30. I think we are still a ways off from establishing a reasonable baseline O&M Tax Rate. As David Wilson pointed out at an earlier meeting, making comparisons with other cities might not be as straightforward as it may seem, there are in fact variations that need to be taking into account but at the same time, these comparisons do provide a general measuring stick to assess whether or not the City's rates are significantly out of line with others in similar circumstances.

The City is still in the midst of trying to cope with unprecedented growth in a measured and financially prudent manner. This will continue to be an issue for at least the next three to four years or until such point a plateau of consistent more manageable growth

is reached. For this reason, the tax rate will be in a state of flux and it will be difficult to determine with any specificity what is "new" as far as new or expanding programs are concerned and what costs are "new" because they are needed to catch us up to where need to be. It is possible to distinguish between costs we really have little control over if we want to maintain current levels of service, costs needed to add resources intended to get us where we should be such as the addition of the new police officers and truly discretionary items.

The Council has a right to expect us to layout these differences and options as best we can and we shall do our best to answer their questions in this regard.

Charles L. Cunningham
Director of Finance

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From: Tom Mattis [<mailto:tmattis@cityofkyle.com>]
Sent: Wednesday, August 06, 2008 4:42 PM
To: 'Mike Gonzalez'
Cc: 'Charles Cunningham'; 'davidw276@yahoo.com'; 'Michelle Lopez'
Subject: RE: Budget back-up items

Mayor -

(Assuming I understand correctly what you are asking for) I don't think gathering the information this will be difficult as it relates to the Debt portion, as we have already calculated that generally information in both the Budget and 5YRCP - but I think the O&M part is different. There aren't big ticket items driving the O&M rate - its just general, overall costs.

Part of Charles' model will enable Council to go through "what-if-we-cut-this - how-would-it-affect-the-rate" scenarios at the workshop next week, but to say what is driving the O&M rate most is obviously all the new personnel that's listed in the budget.

The budget as proposed contemplates \$360,000 in "new program" revenue (over and above normal growth) which we estimate to require the 3-cent increase in the O&M portion of the Tax Rate to \$.1500. That's just new money "added to the pot" to help offset overall costs increases - not any one or two things is particular.

So, there is not really a direct correlation between costs/new items and the O&M rate like there is on the debt side. The Debt position is specifically tied to debt service requirements and we can show a direct tie-in between (1) the projects we did or are doing, (2) what we borrowed to pay for said projects, (3) what the annual debt payment for next year is on the money we borrowed, and (4) what the debt rate needs to be to generate sufficient current-year tax funds to make said payments.

The O&M Rate doesn't have the same kind of direct tie-in to specific costs.

I guess I need a little more detail as to what information you are seeking on this one.

Tom

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From: Mike Gonzalez [<mailto:mayormikeinfo@yahoo.com>]
Sent: Wednesday, August 06, 2008 1:39 PM
To: tom mattis
Cc: Charles Cunningham; davidw276@yahoo.com; Michelle Lopez
Subject: Budget back-up items

I wanted to focus some of my comments for the back up I had requested.

Charles, you did a great job on trending our tax rate on your chart.

What would be helpful for us would be to show the O&M and Debt rates and then identify items that are driving these rates that would be considered new or above base line.

Nothing too detailed, one page would work best.

Let me know if this is clear or if I should call and speak directly.

Thanks,

MG