



City of Kyle, Texas

City Manager's Presentation of  
Proposed Budget for Fiscal Year 2017-2018

Saturday, July 29, 2017



# Presentation Outline

## Proposed Budget Fiscal Year 2017-2018

- Guiding Principles & Objectives for Budget Development
- 2017 Household Survey Results
- Overview & Budget Highlights – All City Funds
- General Fund Summary & Highlights
  - Sources & Uses of Funds
  - Property Tax
  - Sales Tax
- Water & Wastewater Utility Fund Summary & Highlights
  - Sources & Uses of Funds
  - Significant Changes
- Storm Drainage & Flood Risk Mitigation Utility Fund Summary & Highlights
  - Sources & Uses of Funds
  - Significant Changes
- New Positions
- Equipment and Vehicles (Non-CIP Capital)
- Capital Improvements Program (CIP)
- Debt Service Requirements
- All Other City Funds
- Budget Timeline



## Guiding Principles & Objectives For Proposed Budget Fiscal Year 2017-2018

1. Budget was developed with the needs and desires of the citizens of Kyle and the long-term needs of the City prioritized by:
  - 2017 Household Survey
  - Council directives for quality of life, public safety, infrastructure improvements
  - Water & wastewater models and transportation master plan
2. Balanced budget for all major City Funds
3. Reduction in property tax rate
4. No increase in water and wastewater service rates
5. No increase in storm drainage fees
6. No increase in fees and charges for City services except for solid waste collection (TDS contract)
7. Fast track design and construction of wastewater CIPs
8. Increased tourism promotion of Kyle as the *"Pie Capital of Texas"*
9. Strategic investments in equipment, vehicles, and infrastructure (CIP)
10. Capital preservation to minimize future debt issuances



## 2017 City of Kyle Household Survey Results

Percentage of survey respondents identified the following “high priority” programs and service areas for City resources and budget spending:

91.5%	Routine street maintenance and repairs
78.1%	Water and sewer infrastructure improvements
77.7%	Storm water drainage system improvements
65.3%	Development of additional water sources
65.0%	Hiring additional police officers
63.3%	Paying down the City’s debt
40.0%	Development of the I-35 corridor
33.7%	Citywide multi-use recreational trail system
33.1%	Downtown improvements
28.2%	Creating destination events
23.6%	Construction of a new police station



## 2017 City of Kyle Household Survey Results

Percentage of survey respondents highly satisfied with City services:

93.8%	Kyle Public Library
93.7%	Kyle Municipal Court
90.9%	Sewer services
89.8%	Appearance of City maintained parks
84.0%	Trash & recycling collection
79.7%	Quality of parks & recreation programs
79.6%	Animal control services
73.9%	Enforcement of traffic laws
72.3%	Online services
70.4%	Code enforcement
61.8%	Crime prevention
57.1%	Drinking water
43.2%	Routine street maintenance and repair



## 2017 City of Kyle Household Survey Results

Percentage of survey respondents indicated City provides too many services, too few services, or the right amount of services for the amount paid in City taxes:

49.6%	Right amount of services
45.8%	Too few services
4.7%	Too many services



## 2017 City of Kyle Household Survey Results

Percentage of survey respondents indicated City's Property Tax is too much, too little or the right amount:

49.9%	Right amount
25.7%	Too much
24.5%	Too little



## Budget Highlights Proposed Budget Fiscal Year 2017-2018

- Balanced budget for major City Funds
- Maintain all current City programs and services
- \$74.8 million total proposed budget for all City Funds
- \$36.8 million in planned CIP spending in FY 2018
- No change in water and wastewater service rates
- No change in storm drainage fees
- No change in fees and charges for City services except solid waste collection services (4.02% increase per contract)
- Addition of three (3) full-time equivalent positions
  - Building inspection (1), engineering (1), municipal court (1)
  - Total 224.5 positions
- 12.8% increase in 2017 certified taxable property valuations



## Budget Highlights - Continued Proposed Budget Fiscal Year 2017-2018

- Funding provided for Council initiatives:
  - Community Health \$ 20,000
  - 1<sup>st</sup> Year On Us Tax Rebate \$ 50,000
  - Sidewalk Repairs \$ 50,000
  - Veterans' Memorial \$ 10,000
  - Community Gardens \$ 12,000
  - Land - Community Gardens \$ 35,000
  - Dog Park \$ 50,000
  - Recreation Pavilion \$ 250,000
  - Skate/Splash Park Ph 1 \$ 130,000
  - Beautification Improvements \$ 100,000
  - Gateway Signage \$ 200,000
  - Way-Finding Signage \$ 50,000
  - WW Line to Edwards Drive \$ 200,000
  - Relocation of Overhead Utilities \$ 250,000
  - Kyle Vista Park \$1,000,000



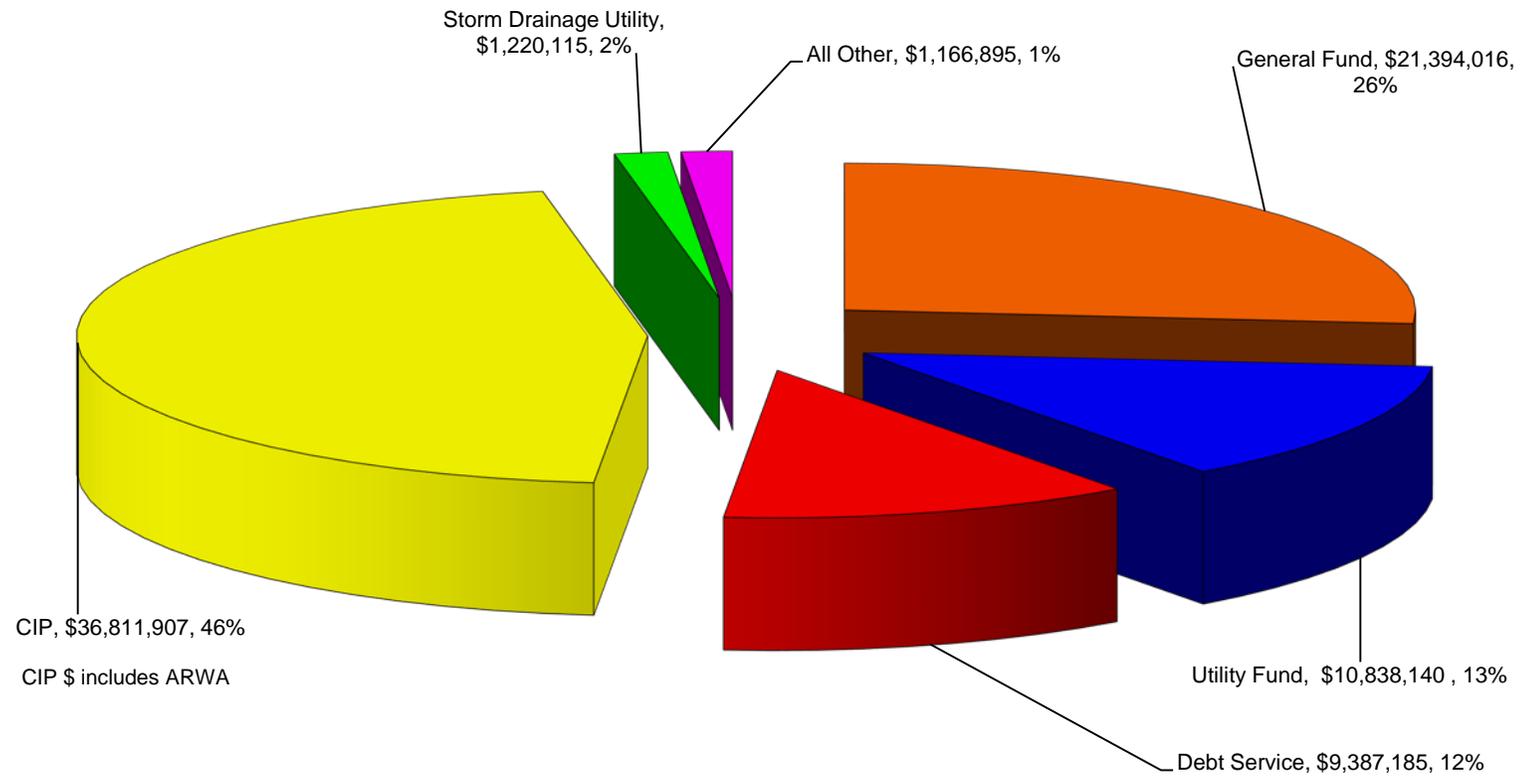
## Budget Highlights - Continued

### Proposed Budget Fiscal Year 2017-2018

- \$650,000 reduction of transfer from Wastewater Utility to General Fund
- \$243,700 funding for special events moved from HOT Fund to General Fund
- \$835,400 provided for new equipment and vehicles
- \$263,011 for three (3) new positions and associated equipment
- \$140,081 increase from current budget for personnel benefit costs
  - Medical insurance 10% rate increase estimated (\$69,347)
  - Average 3.5% merit increase (\$29,398)
  - Longevity pay rate adjustment to \$12.00 (\$41,336)
- \$5.0 million reservation of General Fund balance for contribution toward wastewater treatment plant expansion to minimize debt issuance
  - General Fund to be reimbursed as funds are received from developers
- \$15.0 million bond issue planned for wastewater treatment plant expansion
- \$6.0 million bond issue included in HOT Fund for economic development project
  - Current negotiations, if successful, will defer the issuance of bonds to future years



# All City Funds Budget Summary: Total \$74.8 Million Proposed Budget Fiscal Year 2017-2018





# Proposed Budget Fiscal Year 2017-2018

## GENERAL FUND

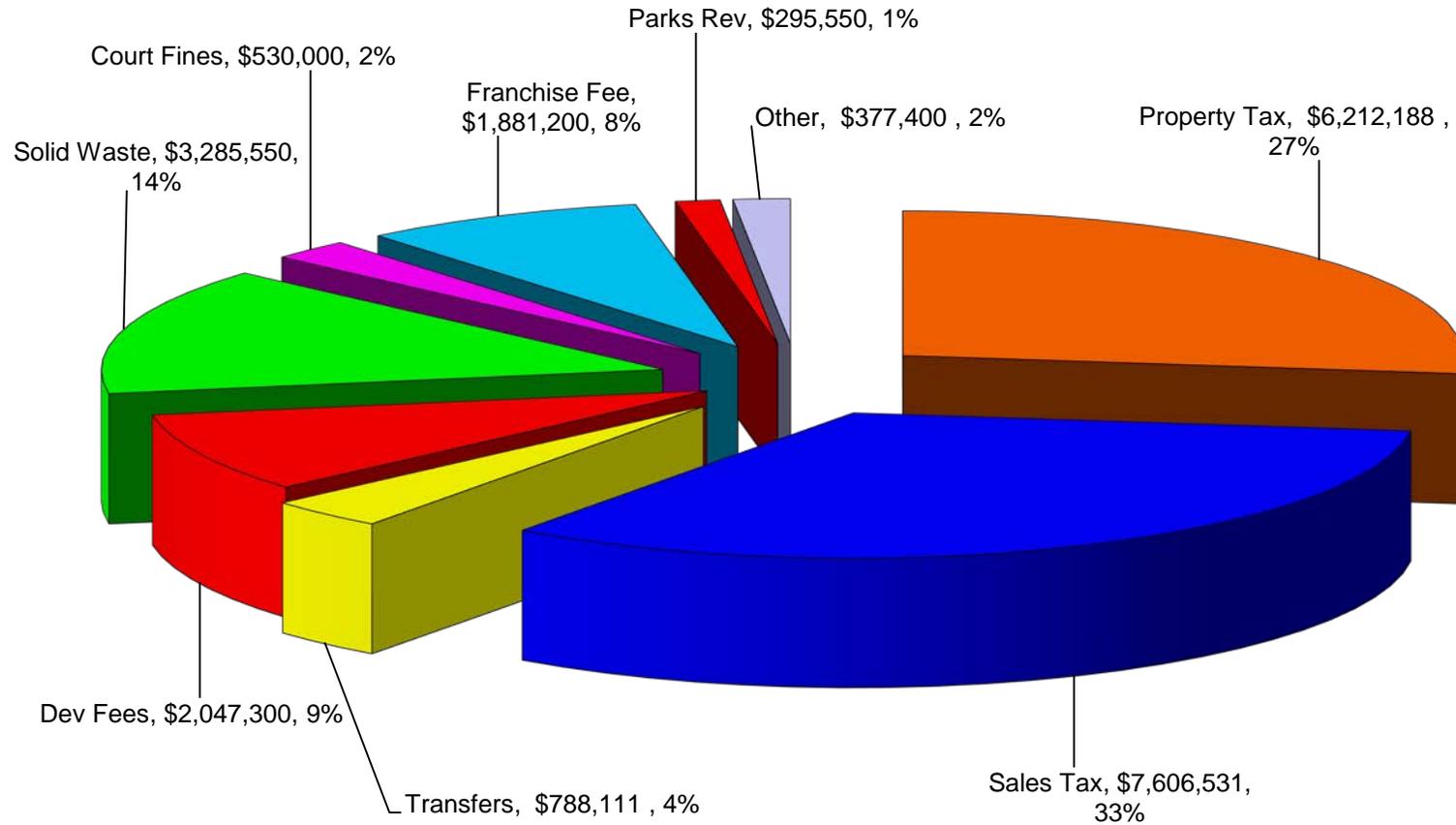
### Budget Summary & Highlights



# General Fund

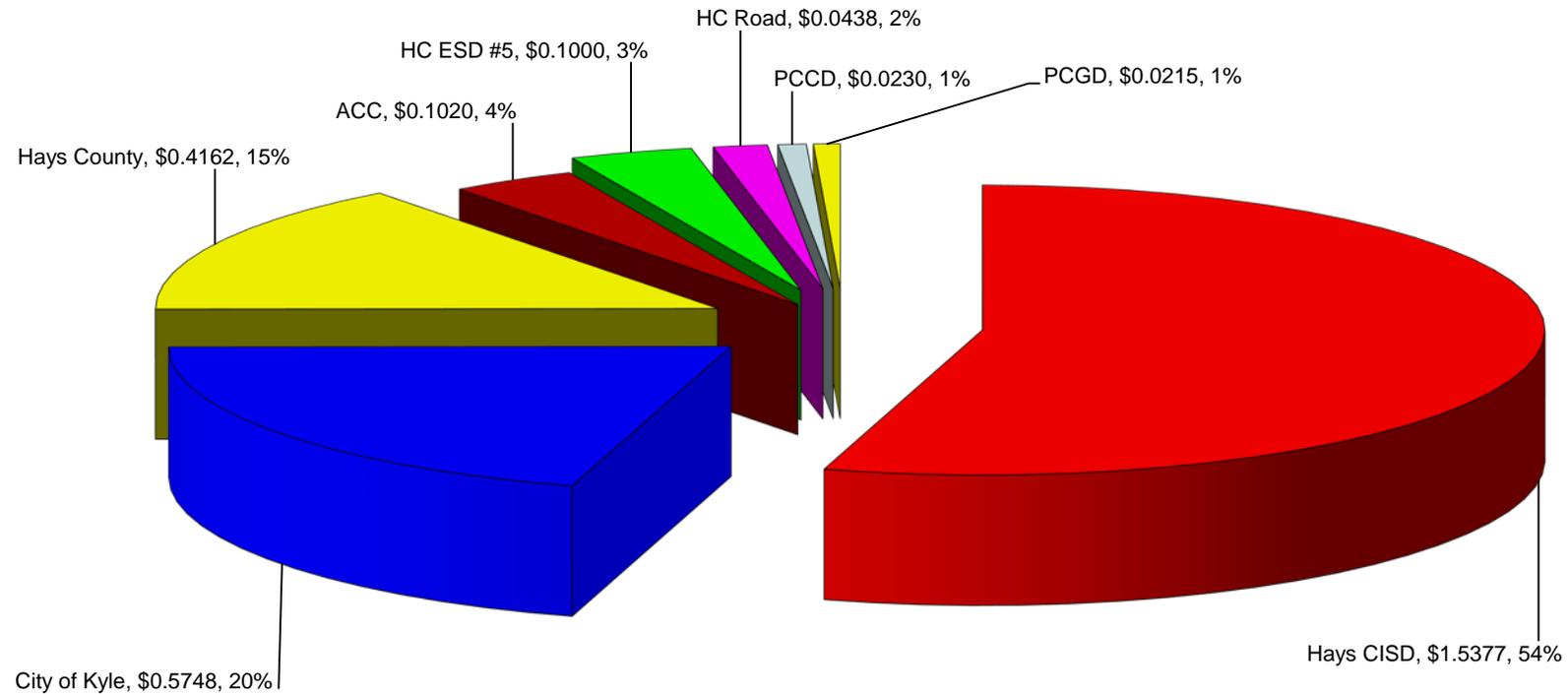
## Sources of Funds: Total \$23.0 Million

### Proposed Budget Fiscal Year 2017-2018



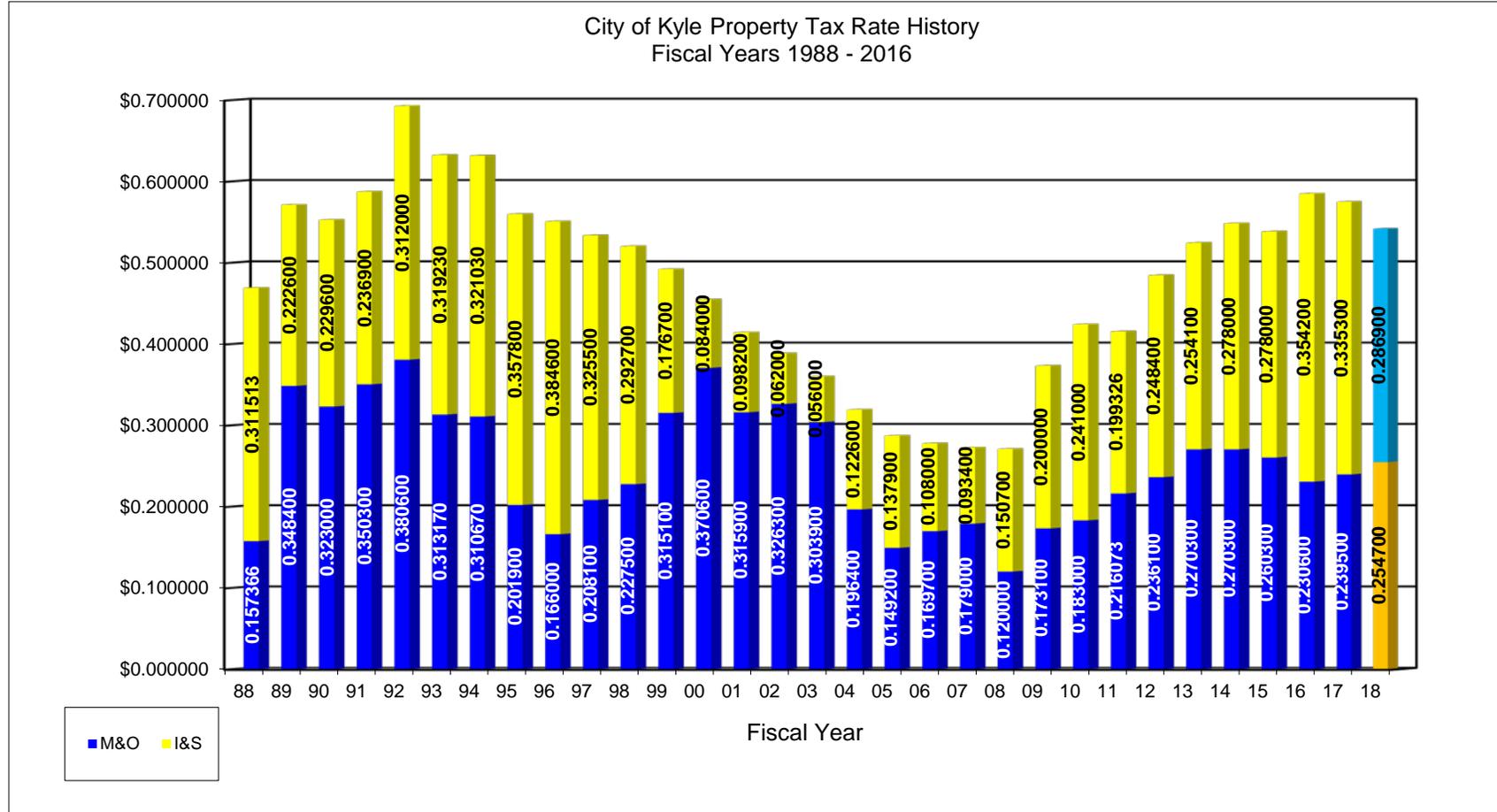


## 2016 Property Tax Rates Within City of Kyle (\$2.8190)



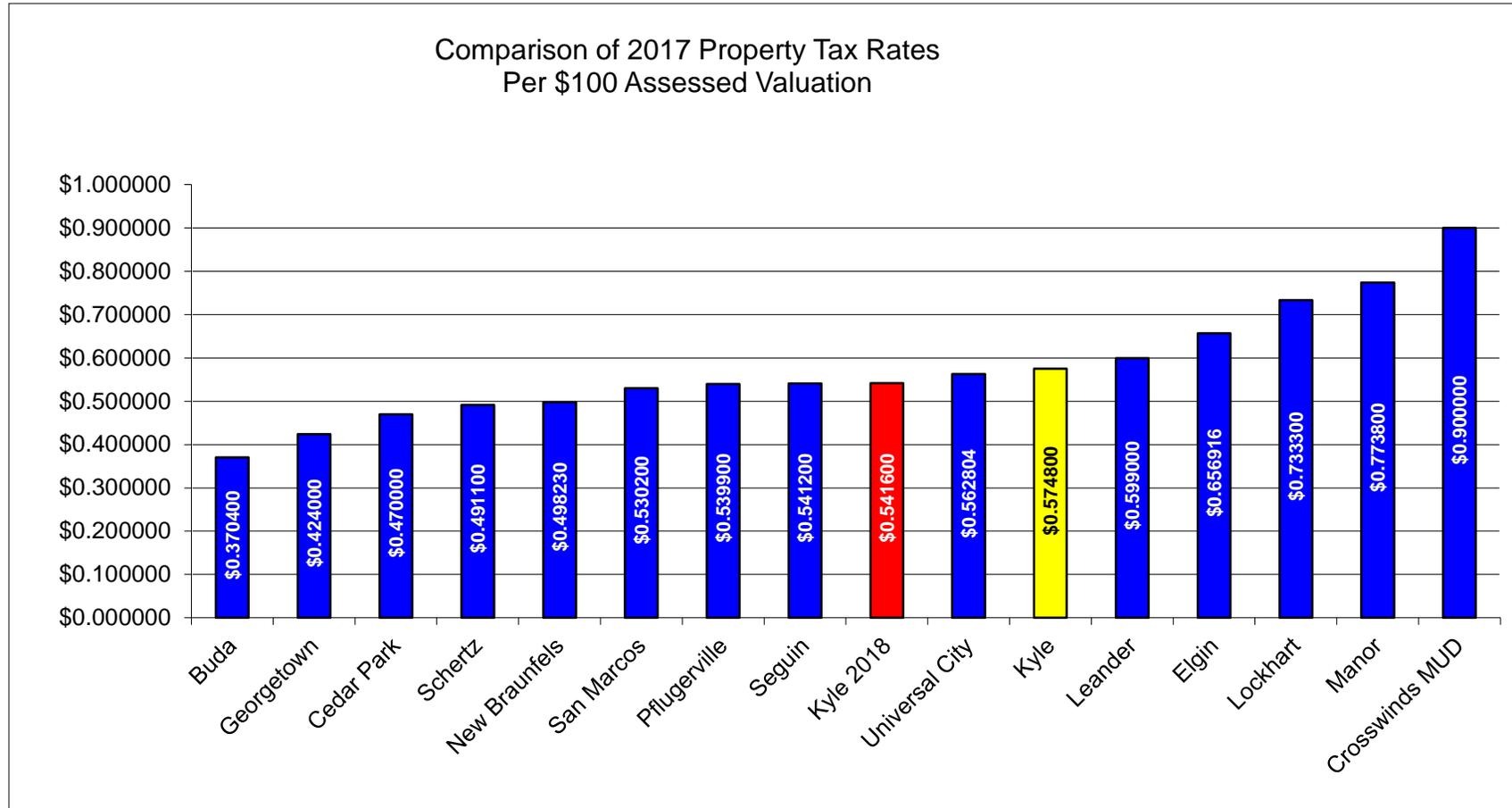


# City of Kyle Property Tax Rate History Fiscal Years 1988 - 2017





## Comparison of Current Property Tax Rates Fiscal Year 2016-2017





## Property Tax Proposed Budget Fiscal Year 2017-2018

- 12.8% net increase in 2017 based on certified taxable valuations as of 7/27/2017
- 2017 certified taxable valuations = \$2,642,953,534
- 2016 approved taxable valuations = \$2,343,541,270
- Proposed 2017 and current 2016 property tax rates:

	<u>2017</u>	<u>2016</u>	<u>Reduction</u>
Total Tax Rate:	\$0.5748	\$0.5416*	\$0.0332 per \$100/AV

\*2017 M&O and I&S tax rate components are subject to change after certified tax rate calculations completed by Hays County Tax Assessor-Collector.



## Property Tax Rates Proposed Budget Fiscal Year 2017-2018

### **PRELIMINARY ESTIMATE – SUBJECT TO CHANGE**

#### 2017 Effective & Rollback Tax Rates

	2016 Current Tax Rate	2017 Effective Tax Rate	2017 Rollback Tax Rate	2017 Proposed Tax Rate
M & O	\$0.2395	\$0.2518*	\$0.2548*	\$0.2547*
I & S	\$0.3353	\$0.2869*	\$0.2869*	\$0.2869*
TOTAL:	\$0.5748	\$0.5387*	\$0.5417*	\$0.5416*

\*2017 M&O and I&S tax rate components are subject to change after certified tax calculations completed by Hays County Tax Assessor-Collector.

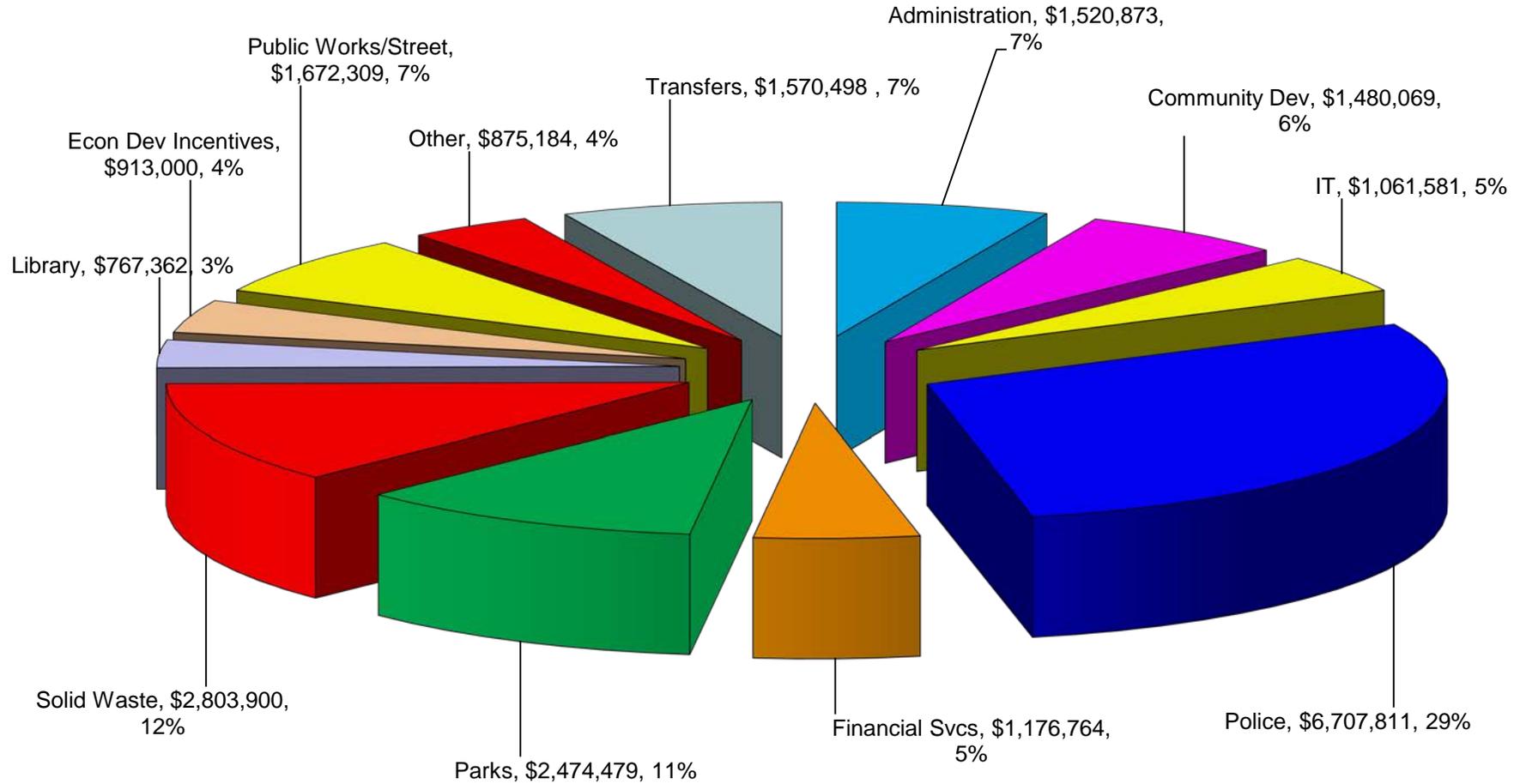


## Sales Tax Revenue Proposed Budget Fiscal Year 2017-18

- 8.0% increase assumed in FY 2018 based on current year collections
- \$7,606,531 projected sales tax revenue for FY 2018
- \$563,447 or 8.0% increase from current year estimate for FY 2017

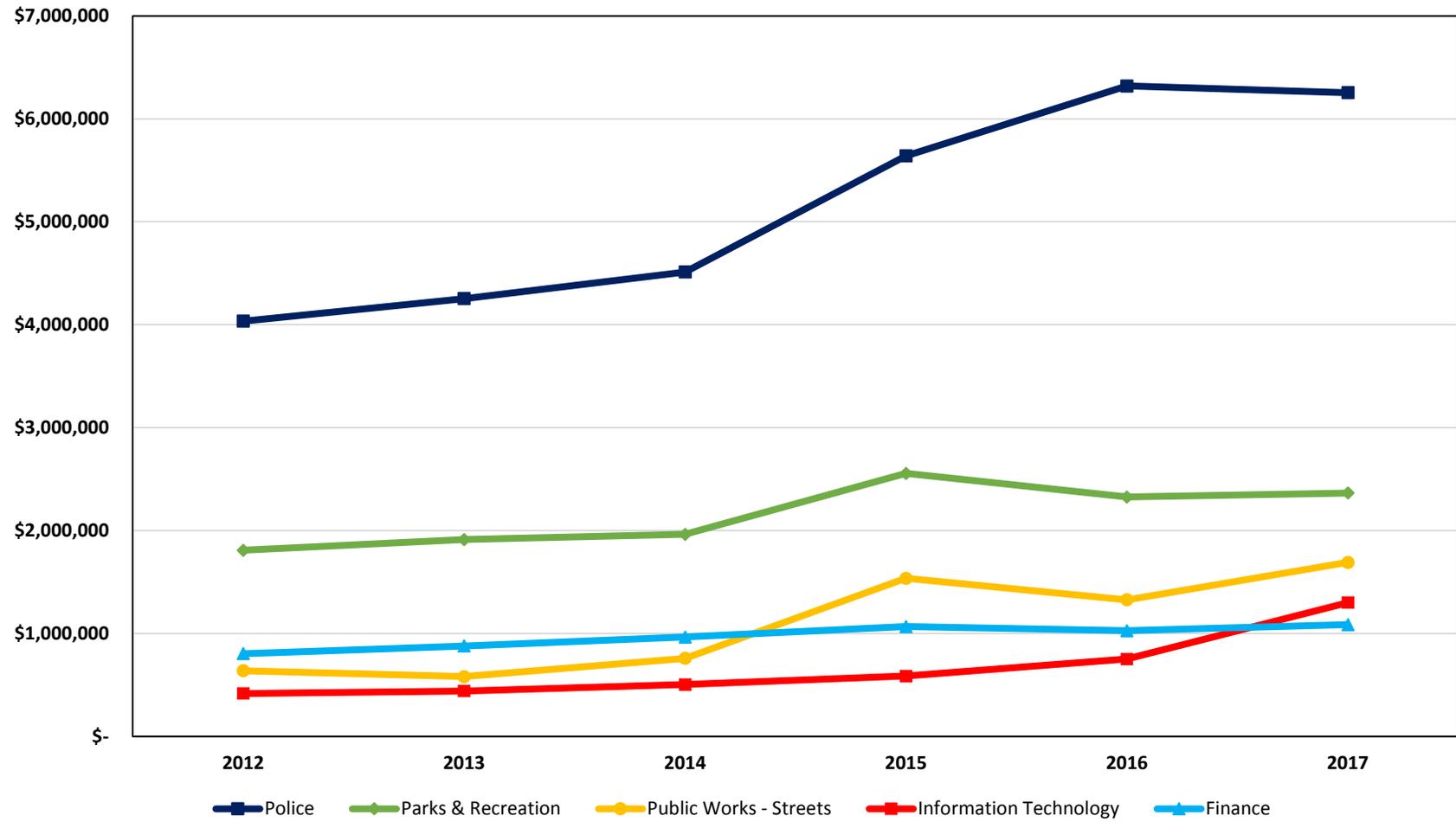


# General Fund Uses of Funds: Total \$23.0 Million Proposed Budget Fiscal Year 2017-2018



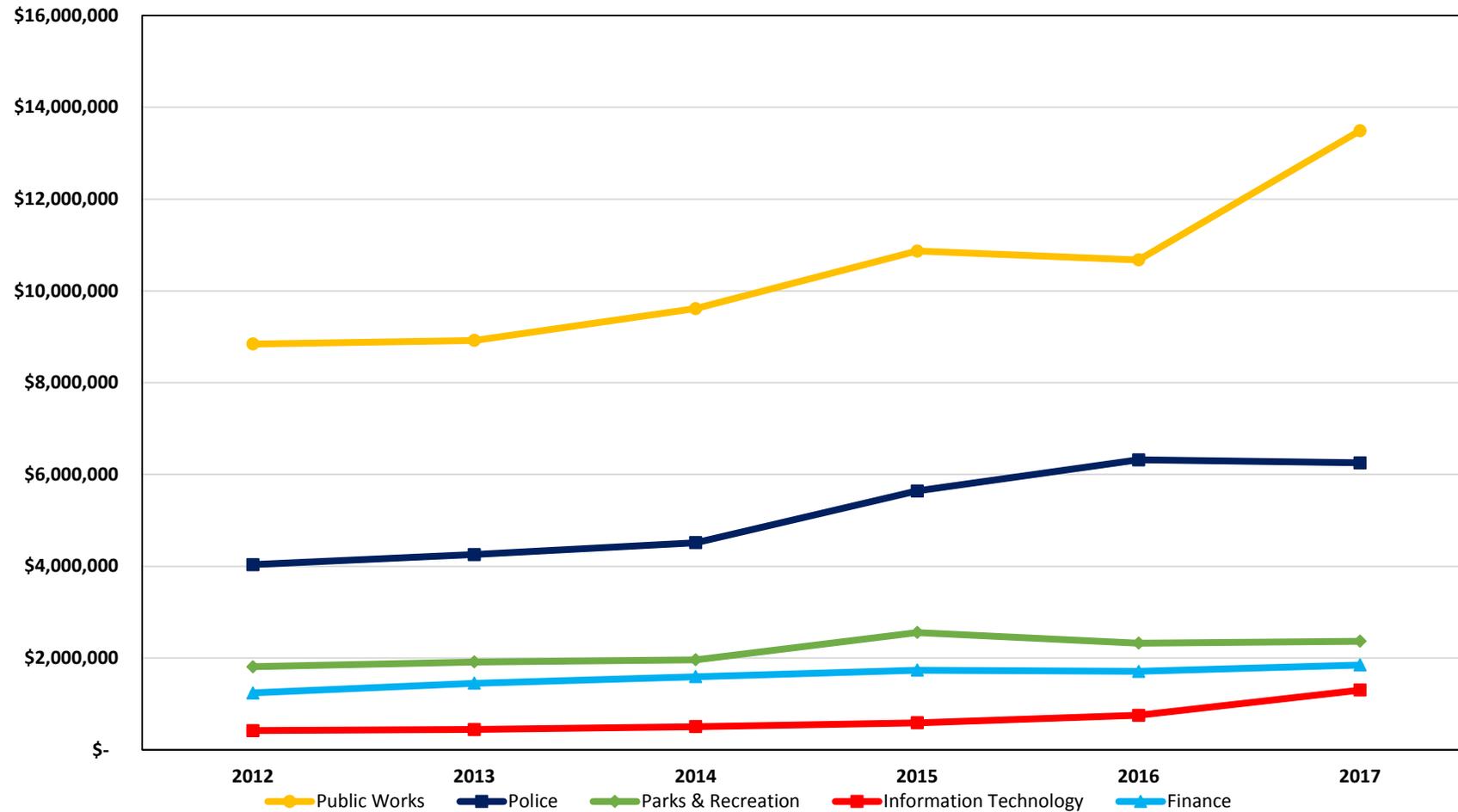


# General Fund 5-Year Historical Budget Allocations by Department Fiscal Years 2012 - 2017





## All Funds (GF, W, WW, SD) 5-Year Historical Budget Allocations by Department Fiscal Years 2012 - 2017





## General Fund - Significant Changes Proposed Budget Fiscal Year 2017-2018

- \$216,748 overall net increase in General Fund expenditures and transfers
- \$593,000 increase in PEC franchise fee (new agreement negotiated by City)
- \$1,445,498 for General Fund CIP projects or an increase of \$565,498
- \$335,400 for heavy equipment (laydown) and 2 vehicles
- \$650,000 reduction in transfer to General Fund from Wastewater Utility
- \$193,910 allocated to General Fund for software systems replacement for Finance, Municipal Court & Utility Billing (Total \$396,901)
- \$536,380 decrease for emergency medical services
- \$128,271 for police taser and body/vehicle camera system replacement
- \$236,200 increase for solid waste services (4.02% per TDS contract)
- \$179,844 for 2.0 new positions and 2 reclassifications
  - 1 Building Inspector & office equipment/vehicle (\$100,000)
  - 1 Municipal Court Clerk & office equipment (\$65,575)
  - 2 Accounting Techs reclassified to Staff Accountants (\$14,269)



## Proposed Budget Fiscal Year 2017-2018

### WATER & WASTEWATER UTILITY FUND

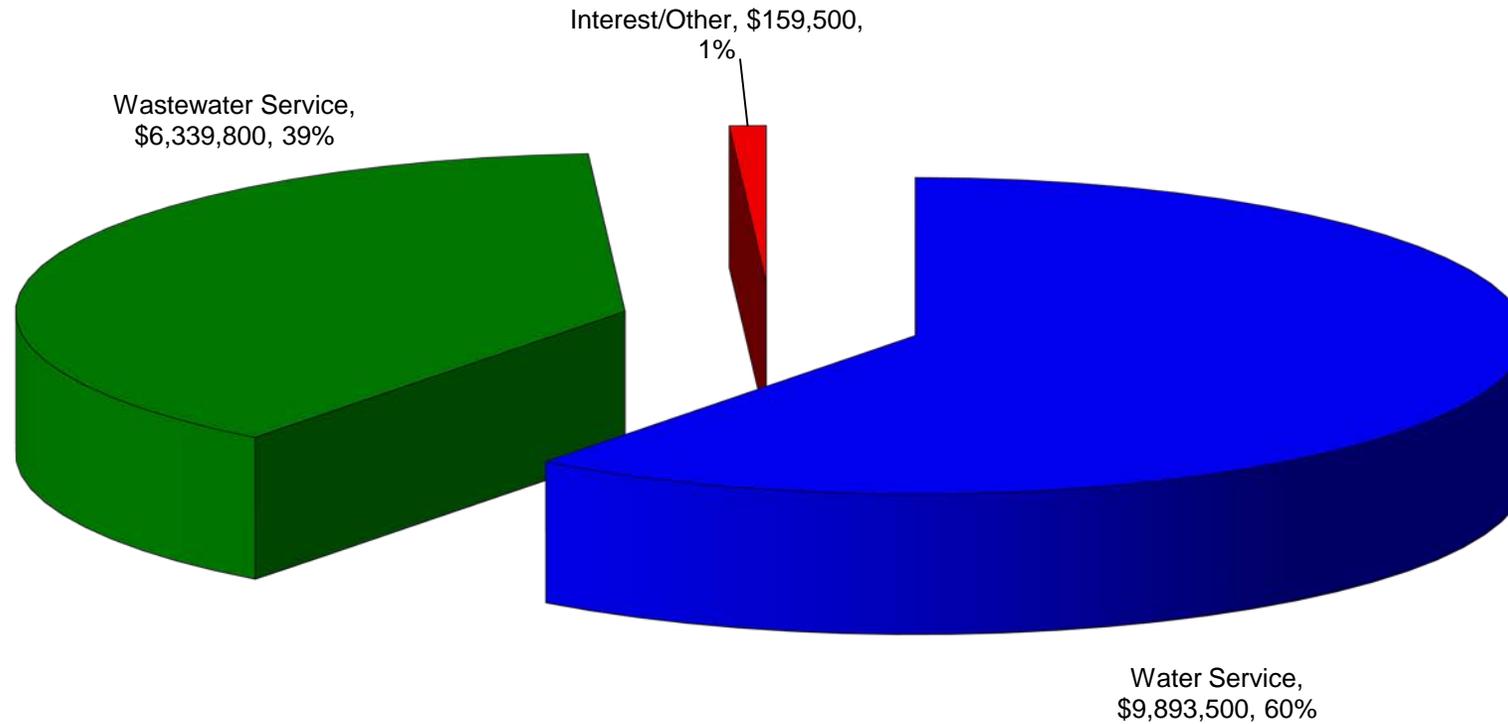
#### Budget Summary & Highlights



# Water & Wastewater Utility Fund

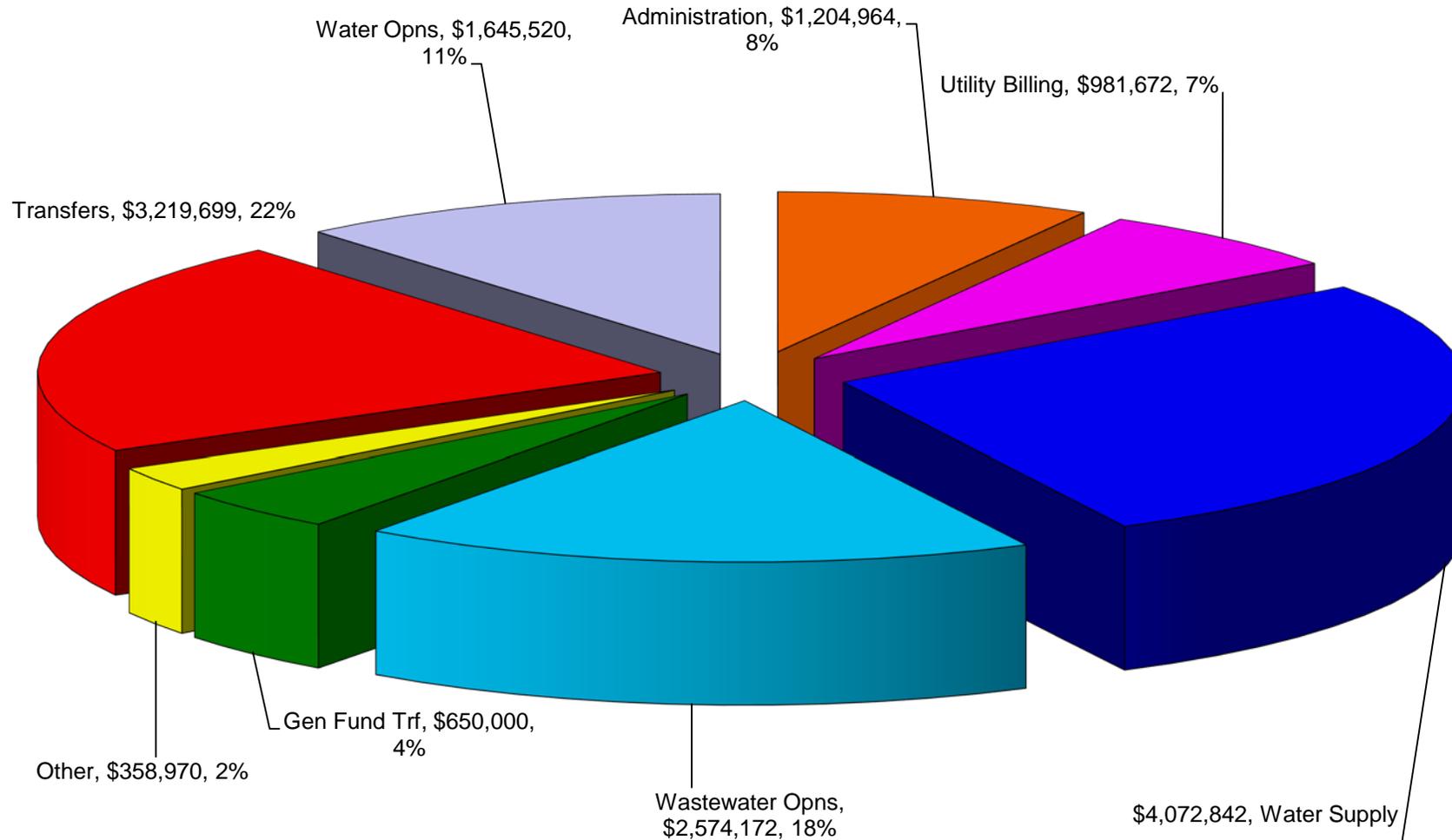
## Sources of Funds: Total \$16.4 Million

### Proposed Budget Fiscal Year 2017-2018





# Water & Wastewater Utility Fund Uses of Funds: Total \$14.7 Million Proposed Budget Fiscal Year 2017-2018





## Water & Wastewater Utility Fund Budget Highlights & Significant Changes Proposed Budget Fiscal Year 2017-2018

- No changes in the City's water and wastewater rates
- Rates to remain the same as in the current fiscal year
- \$635,254 overall net decrease in expenditures and transfers
  - \$242,007 decrease in total O&M expenditures
  - \$650,000 decrease in transfer to General Fund
  - \$611,201 decrease in transfer to CIP
  - \$867,954 increase in debt service
- \$25,000 for 1 replacement truck for meter reading and meter maintenance



## Proposed Budget Fiscal Year 2017-2018

### STORM DRAINAGE & FLOOD RISK MITIGATION UTILITY FUND

#### Budget Summary & Highlights

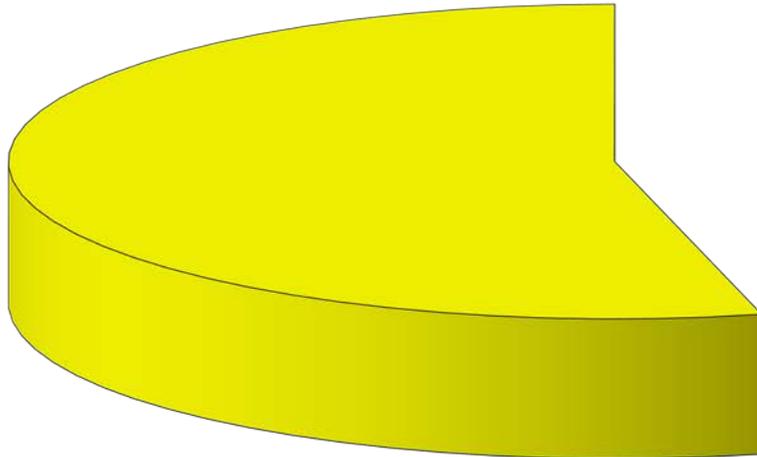


# Storm Drainage & Risk Mitigation Utility Fund

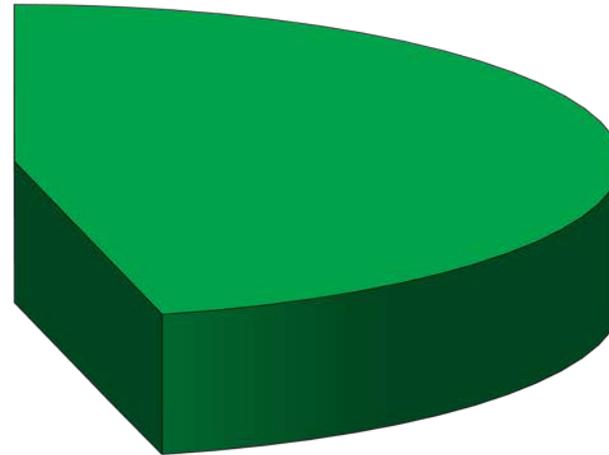
## Sources of Funds: Total \$1.41 Million

### Proposed Budget Fiscal Year 2017-2018

Commercial Fees,  
\$760,000, 54%



Residential Fees,  
\$650,000, 46%

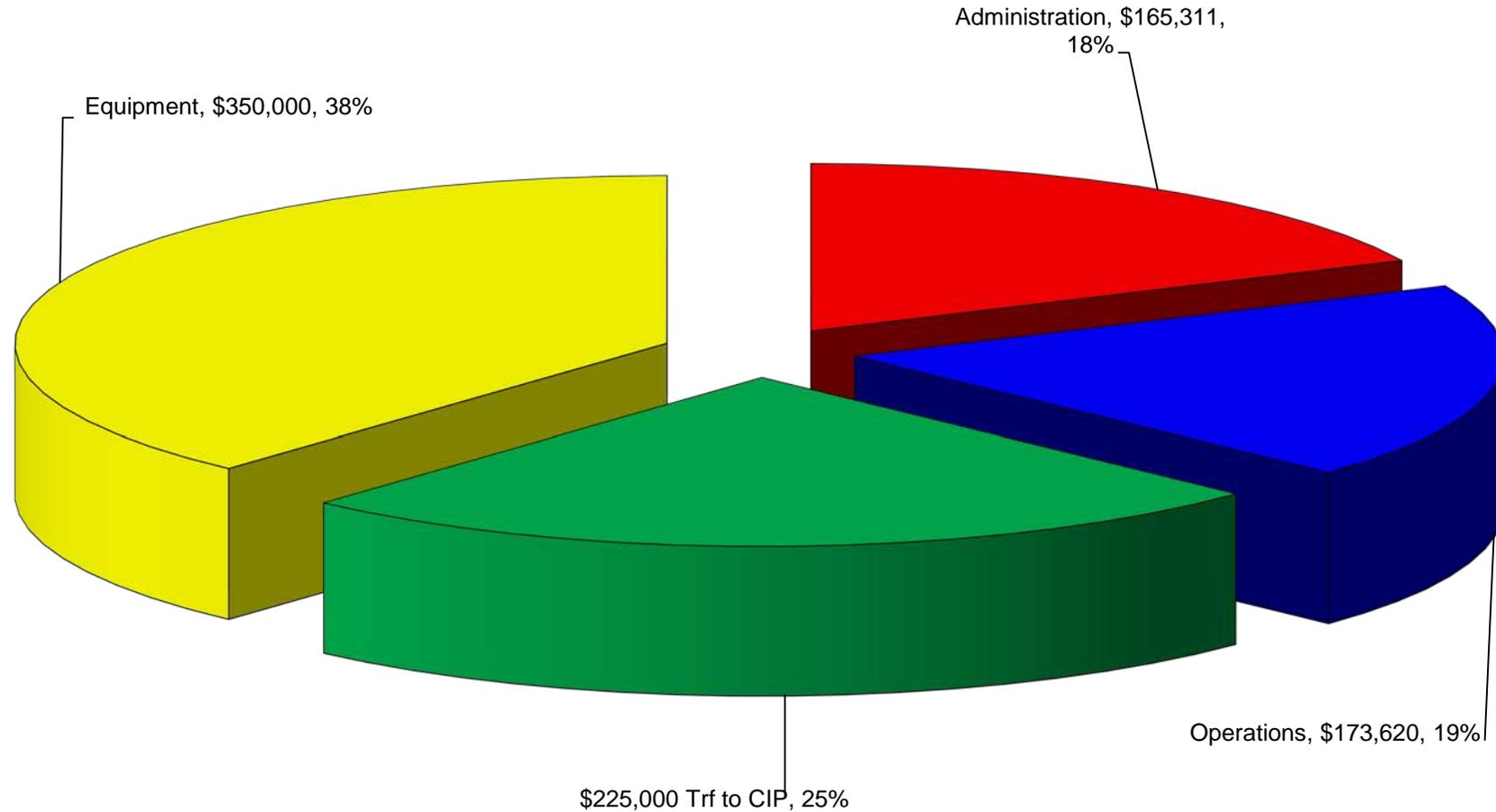




# Storm Drainage & Flood Risk Mitigation Utility Fund

## Uses of Funds: Total \$1.44 Million

### Proposed Budget Fiscal Year 2017-2018





## Storm Drainage & Flood Risk Mitigation Utility Fund Budget Highlights & Significant Changes Proposed Budget Fiscal Year 2017-2018

- No changes in the City's storm drainage fees
- Rates to remain the same as in the current fiscal year
- \$362,342 overall net decrease in expenditures and transfers
  - \$567,000 decrease in total equipment and vehicles
  - \$225,000 increase for transfer to CIP
  - \$20,342 decrease in net support costs
- \$250,000 for excavator
- \$100,000 for haul truck and trailer





## Proposed Budget Fiscal Year 2017-2018

### NON-CIP CAPITAL OUTLAY (EQUIPMENT & VEHICLES)

#### Summary & Highlights



## Non-CIP Capital for Equipment & Vehicles Proposed Budget Fiscal Year 2017-2018 Total: \$835,400

\$835,400 for non-CIP capital items is provided in the proposed budget for FY 2017-2018.  
These include:

Description	Amount	Department	Fund Source
1 Compact Cargo Van	\$25,000	Information Tech	General Fund
1 Compact SUV for New Inspector	\$25,000	Building Inspection	General Fund
1 Replacement Truck (F150 or similar)	\$25,000	Finance	2014 Tax Note
1 Laydown Machine	\$275,400	Public Works	General Fund
1 Haul Truck/Trailer	\$100,000	Public Works	Storm Drainage
1 Excavator	\$150,000	Public Works	Storm Drainage
1 Maintenance Shed	\$10,000	Parks	General Fund
Public Access Channel Improvements	\$125,000	Communication	PEG Fees
<b>TOTAL FY 2018 NON-CIP CAPITAL:</b>	<b>\$835,400</b>		



## Proposed Budget Fiscal Year 2017-2018

### CAPITAL IMPROVEMENTS PROGRAM

#### Summary & Highlights





## Capital Improvements Program (CIP) Proposed Budget Fiscal Year 2017-2018 Total: \$36.8 Million

\$36,811,907 for capital improvement projects is provided in the proposed spending plan for FY 2017-2018. The CIP Spending Plan for FY 2017 includes the following projects:

Project Name/Description	FY 2018 Spending Plan	Department	Funding Source
Veterans' Memorial	\$10,000	Public Works	General Fund
Street Maintenance/Resurfacing	\$500,000	Public Works	General Fund
Sidewalk Repair Program	\$50,000	Public Works	General Fund
Quiet Zone Design/Construction	\$100,000	Engineering	General Fund
Windy Hill Road – Preliminary Engineering	\$150,000	Engineering	General Fund
Citywide Beautification Projects	\$100,000	Public Works/Parks	General Fund
Dog Park	\$50,000	Parks	General Fund
Splash/Skate Park Ph 1	\$130,000	Parks	General Fund



## Capital Improvements Program (CIP) – Continued Proposed Budget Fiscal Year 2017-2018 Total: \$36.8 Million

Project Name/Description	FY 2018 Spending Plan	Department	Funding Source
Relocation of Above Ground Utilities	\$250,000	CMO/Public Works	General Fund
Way-Finding Signage	\$50,000	Public Works	General Fund
Community Gardens – Land Purchase	\$35,000	Library/Engineering	General Fund
Plum Creek/FM 2770 Drainage Improvements	\$225,000	Engineering	Storm Drainage Utility
Kyle Pool Lightning Protection/Grounding	\$9,000	Parks	Park Development Fund
Park Recreation Pavilion	\$250,000	Parks	Park Development Fund
Kyle Vista Park Improvements Ph 1	\$1,000,000	Parks	Park Development Fund
Community Garden Improvements	\$11,730	Parks	Park Development Fund
ARWA Water Supply CIP for Kyle	\$2,460,650	ARWA	ARWA Bonds
Water Imp – Line Upgrades & Replacements	\$300,000	Public Works	Water Utility
Quick Connect Power Ports – Pump Stations	\$15,250	Public Works	Water Utility
Water Tank Rehabilitation	\$300,000	Public Works	Water Impact Fee



## Capital Improvements Program (CIP) – Continued Proposed Budget Fiscal Year 2017-2018 Total: \$36.8 Million

Project Name/Description	FY 2018 Spending Plan	Department	Funding Source
County Line Water System Interconnect	\$150,000	Public Works	Water Impact Fee
Monarch Water System Interconnect	\$70,000	Public Works	Water Impact Fee
Wastewater Imp – Line Upgrades & Replacements	\$500,000	Public Works	Wastewater Utility
WW Treatment Plant Expansion – Engineering	\$1,413,201	Engineering	New Bonds/WW Utility
WW Treatment Plant Expansion – Construction	\$1,000,000	Engineering	New Bonds/WW Utility
Quick Connect Power Ports – Lift Stations	\$15,250	Public Works	Wastewater Utility
Wastewater Imp – Edwards Drive	\$200,000	Engineering	Wastewater Utility
Southside Wastewater Collection System	\$4,000,000	Engineering	Wastewater Impact Fee
Bunton Creek Interceptor Ph 3.1	\$1,700,000	Engineering	Wastewater Impact Fee
Bunton Creek Interceptor Ph 3.2	\$1,500,000	Engineering	Wastewater Impact Fee



## Capital Improvements Program (CIP) – Continued Proposed Budget Fiscal Year 2017-2018 Total: \$36.8 Million

Project Name/Description	FY 2018 Spending Plan	Department	Funding Source
Elliott Branch Interceptor Ph 1	\$1,500,000	Engineering	Wastewater Impact Fee
Elliott Branch Interceptor Ph 2	\$675,000	Engineering	Wastewater Impact Fee
Center Street Village Wastewater Imp	\$1,300,000	Engineering	Wastewater Impact Fee
Plum Creek Interceptor Ph 1	\$700,000	Engineering	Wastewater Impact Fee
Plum Creek Interceptor Ph 3	\$1,460,000	Engineering	Wastewater Impact Fee
North Trails Wastewater Interceptor Upgrade	\$75,000	Engineering	Wastewater Impact Fee
Indian Paintbrush Lift Station Improvement	\$50,000	Engineering	Wastewater Impact Fee
Lehman Road Construction	\$5,100,119	Engineering	Road Bonds
North Burleson Construction	\$4,121,707	Engineering	Road Bonds
North Burleson W&WW Service to Properties	\$175,000	Engineering	Water/Wastewater Utility
North Burleson/Marketplace Extension at Roundabout Construction	\$730,000	Engineering	Road Bonds



## Capital Improvements Program (CIP) – Continued Proposed Budget Fiscal Year 2017-2018 Total: \$36.8 Million

Project Name/Description	FY 2018 Spending Plan	Department	Funding Source
Gateway Signage (\$75,000 carried over)	\$200,000	Public Works	General Fund
Economic Development – Sunset Orange	\$3,500,000	Economic Development	New Bonds/HOT Fund
Kyle Crossing Imp Ph 1 (N. of Kohlers)	\$765,000	Engineering	Development Fees
<b>TOTAL FY 2018 CIP SPENDING PLAN:</b>	<b>\$36,811,907</b>		



# Debt Position Proposed Budget Fiscal Year 2017-2018

## ALL OUTSTANDING DEBT (PRINCIPAL ONLY)

### Summary & Highlights

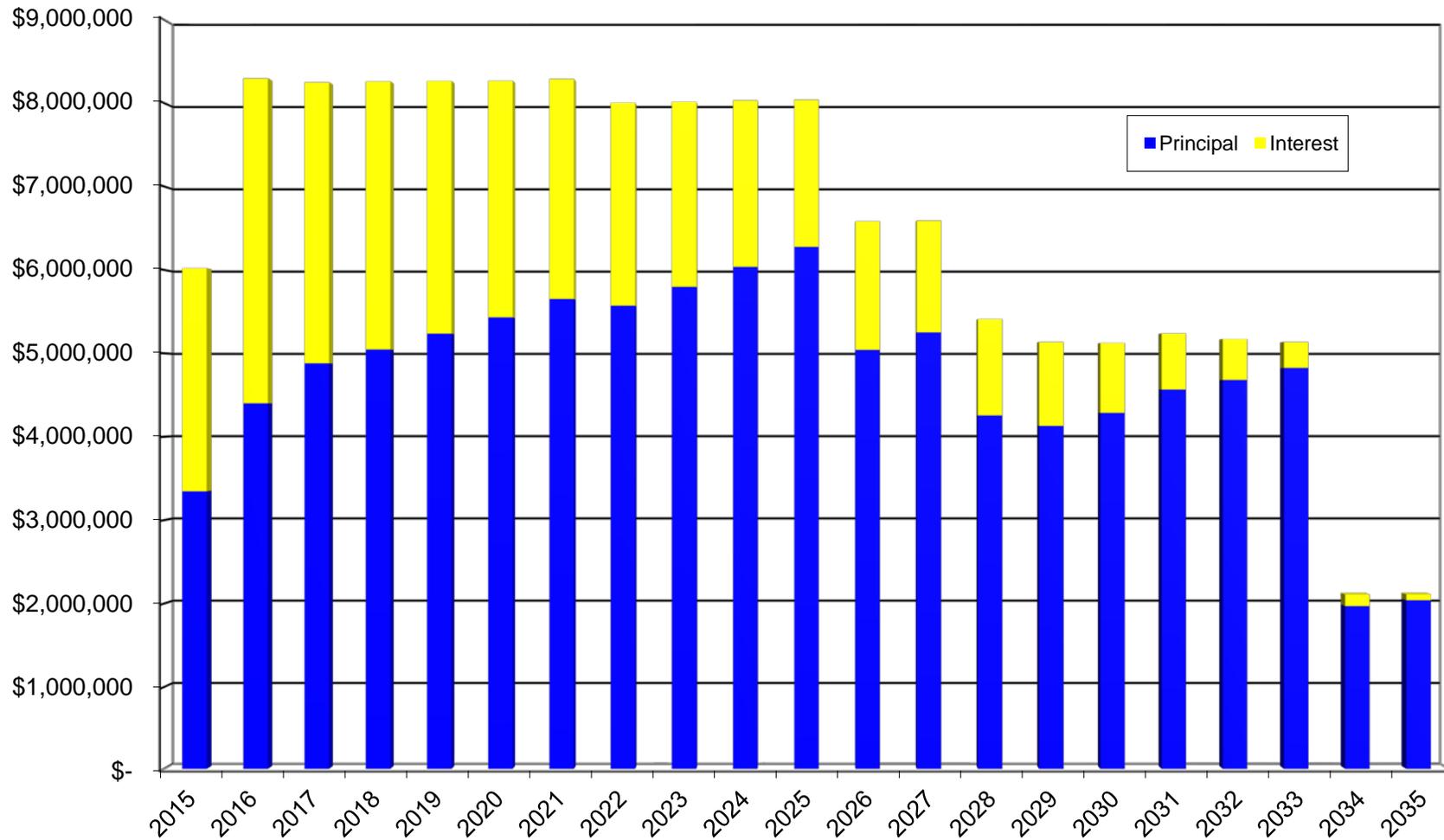


## Debt Position Proposed Budget Fiscal Year 2017-2018

- \$85.6 million total amount of debt outstanding (principal only) as of October 1, 2017
- Does not include debt planned to be issued by ARWA for City of Kyle's share of capital expenditures
- Does not include new debt planned for wastewater treatment plant expansion or for the economic development project
- Annual reduction in outstanding debt balance (principal only)
  - \$95.4 million on October 1, 2015
  - \$91.0 million on October 1, 2016
  - \$85.6 million on October 1, 2017



## Aggregate Existing Debt Service (P&I) by Fiscal Year (Excludes Planned Debt Issuance)





## New Debt Issuance #1 Proposed Budget Fiscal Year 2017-2018

### \$15,000,000 Wastewater Treatment Plant Expansion

1. Debt type: Contractual Obligations, Series 2019
2. Debt Amount: \$15,000,000 (Preliminary Estimate)
3. Term: 30 years
4. Purpose: For wastewater treatment plant expansion
5. Timing: July 2018
6. 1<sup>st</sup> Payment: February 2019: \$852,750
7. Avg. Debt Service: \$856,400 per year
8. Impact on WW Rates: 15% to 20% preliminary estimate of rate increase required; \$5.50 to \$7.00 average estimated monthly increase for inside city residential customers
9. Impact on G/F: If wastewater utility revenues are insufficient, G/F must meet obligations



## New Debt Issuance #2 Proposed Budget Fiscal Year 2017-2018

### \$6,005,000 For Economic Development Project

1. Debt type: Contractual Obligations, Series 2018
2. Debt Amount: \$6,005,000 (Preliminary Estimate)
3. Term: 30 years
4. Purpose: Land, design, and construction for Project Sunset Orange
5. Timing: October/November 2017
6. 1<sup>st</sup> Payment: February 2018: \$236,800
7. Avg. Debt Service: \$365,400 per year
8. Impact on G/F: If HOT funds are insufficient, G/F must meet obligations



# All Other City Funds Proposed Budget Fiscal Year 2017-2018

## ALL OTHER CITY FUNDS

### Budget Summary & Highlights



## All Other City Funds: Total \$41.4 Million Proposed Budget Fiscal Year 2017-2018

- \$41,363,811 in total expenditures for all other 25 City Funds
- Examples of other City Funds include:
  - Hotel Occupancy Fund
  - Street Improvement Fund
  - Debt Service Funds
  - Road Bonds
  - Water CIP Fund
  - Water Impact Fee Fund
  - Wastewater CIP Fund
  - Wastewater Impact Fee Fund
- A complete listing of all other City Funds and expenditure details are provided in the budget document



## Next Steps – Budget Timeline Proposed Budget Fiscal Year 2017-2018

- May 6: City Council Budget Workshop No. 1
- July 22: Proposed line item budget sent to City Council
- July 22: Proposed line item budget posted on City's website & made available at City Hall and Public Library
- July 29: [City Council Budget Workshop No. 2](#)
- August 15: 1<sup>st</sup> public hearing on budget and rates
- August 22: 2<sup>nd</sup> public hearing on budget and rates
- August 29: 1<sup>st</sup> reading of Ordinance to adopt budget  
1<sup>st</sup> reading of Ordinance to adopt property tax rate
- September 5: 2<sup>nd</sup> reading of Ordinance to adopt budget  
2<sup>nd</sup> reading of Ordinance to adopt property tax rate



## Proposed Budget Fiscal Year 2017-2018

### Detailed Budget Information Available

- PDF version of the proposed budget document is available on the City's website at:
  - [www.cityofkyle.com](http://www.cityofkyle.com)
- Copies of the City's proposed budget are also available for review at:
  - Kyle City Hall
  - Kyle Public Library



City Council Budget Workshop No. 2  
Proposed Budget Fiscal Year 2017-2018  
July 29, 2017

**CITY OF KYLE**  
***“THE PIE CAPITAL OF TEXAS”***