



NOTICE OF MEETING
STRATEGIC PLANNING & FINANCE COMMITTEE
OCTOBER 16, 2013 AT 6:30 P.M.

Notice is hereby given that a meeting of the Strategic Planning and Finance Committee of the City of Kyle, Texas will be held on **Wednesday, October 16, 2013 at 6:30 p.m.**, in the Minerva Falcon Conference Room, at Kyle City Hall, 100 West Center Street, Kyle, TX 78640. The following subjects will be considered at the meeting and possible action may be taken.

NOTE: There may be a quorum of the City Council of Kyle, Texas present at the meeting who may participate in the discussion. No official action will be taken by the City Council members in attendance.


Posted this 9th day of October 2013 prior to 6:00 p.m.

MEETING AGENDA

1. Call Meeting to Order
2. Citizen Communications
3. Overview and Observations of the FY 2013-14 Budget Development and Review Process
4. Update by the City's Director of Finance on the Following Items:
 - Adopted Budget for Fiscal Year 2013-14
 - Closing on \$5.52 Million General Obligations Bonds, Series 2013
 - Request for Proposals (RFP) Planned for Actuarial Services for the Determination of Other Post Employment Benefit (OPEB) Liability
5. Next Meeting: Wednesday, January 15, 2014
6. Adjourn

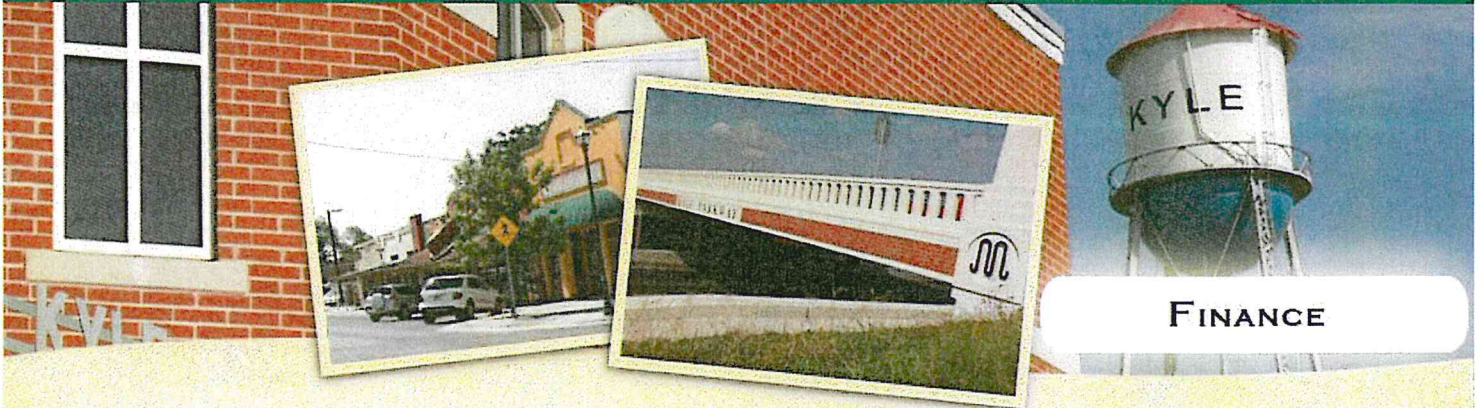
City of Kyle, Texas
Strategic Planning & Finance Committee

Attendance Sheet
Committee Meeting: October 16, 2013

	<u>NAME</u>	<u>ORGANIZATION / CONTACT INFO</u>
1	Greg Blackwell	
2	Alyson	
3	David C. Robertson	
4		
5	PERWEZ MOHEET	
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Contact Information

Financial
Services Department

[Perwez A. Moheet, CPA,](#)
Director of Finance

[Click here for full contact info](#)

Upcoming Meetings

[Strategic Planning & Finance Committee Meeting](#)
Wed, Oct 16th 6:30pm
Minerva Falcon
Conference Room, City Hall

[Strategic Planning & Finance Committee Meeting](#)
Wed, Jan 15th 6:30pm
Minerva Falcon
Conference Room, City Hall

[City Home](#) » [Kyle City Council Approves 2013-2014 City Budget](#)

Kyle City Council Approves 2013-2014 City Budget



The Kyle City Council approved the City's Budget for Fiscal-Year 2013-14 at their Special Called meeting on September 4, 2013. The \$45.36 million budget allows for all City programs and services to continue at their current levels and includes a new street maintenance program, but does not provide for any new employees or facilities.

"I am very pleased with the work of the council and city staff in the development of this budget," said Kyle Mayor Lucy Johnson. "We've come a long way in terms of getting our fiscal house in order over the past couple of years and I think this budget provides a great value of services for our citizens."

The approved budget does not raise the Maintenance & Operations portion of the property tax rate that funds the operations of the city. The portion on the property tax that

funds debt payments will increase from \$0.2541 per \$100 of assessed taxable valuations to \$0.2780.

The increase in property taxes will raise approximately \$349,000 to cover debt obligations for the fiscal year. These debt obligations include the first series of six bonds contemplated for the \$36 million road bond package approved by Kyle voters in the May general election.

"We worked very hard to be able to present a budget with no increase in the operations portion of the property tax rate," said Kyle City Manager Lanny Lambert. "Our city continues to grow and generate new revenue through that growth, which is a key factor in allowing us to be able to keep our property tax rates steady."

The total property tax rate in the approved budget will increase from \$0.5244 per \$100 of taxable valuation to \$0.5483, an increase of \$0.0239. The increase in property taxes is expected to cost the average homeowner in Kyle \$30.15 per year, or \$2.51 per month.

The proposed budget also includes a 20% increase in water rates and a 10% increase in wastewater rates. These rate increases represent the third year of a three-year plan to bring revenues from the City's water and wastewater utility into balance with the utility's expenses. Other rates that the city charges for various services will also increase approximately 5% in order to keep up with rising costs for those services.

The City Council conducted a total of 5 budget workshops that included public hearings where citizens were able to communicate their concerns about the budget to the council. The council also

Strategic Planning & Finance Committee Meeting
Wed, Apr 16th 6:30pm
Minerva Falcon
Conference Room, City Hall

[View all upcoming meetings](#)

heard presentations from City staff on each department's proposed budgets.

"Approving a city budget that is responsive to the needs and expectations of our citizens is probably the most important job of the city council," said Johnson. "By making this budget process as open and transparent as possible, I think we were able to achieve that goal."

The City of Kyle Budget for FY 2013-2014 will be available on the city's website at CityofKyle.com and can also be viewed at the Kyle City Hall and Public Library.

Supporting Documents

-  [Approved Budget FY 2013-14](#)
-  [Budget Development Calendar for FY 2013-2014](#)
-  [City Manager's Budget Message](#)
-  [Budget - Presentation FY2014 8-1-2013](#)
-  [Budget Notice #1, Tax Rate Public Hearing](#)
-  [Budget - Notice #2 Property Tax Rates 2014](#)
-  [Budget - Notice #3 for Public Hearing on Tax Increase 2013](#)
-  [Budget - Notice #4 for Public Hearing on Tax Revenue Increase 2014](#)
-  [Amendments to Proposed Budget FY 2013-14](#)
-  [Fee Schedule FY 2013-14](#)

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<p>COMMUNITY</p> <ul style="list-style-type: none"> Photo Gallery Volunteer Opportunities Kyle's History 	<p>CITY DEPARTMENTS</p> <ul style="list-style-type: none"> Administration Building Communications Economic Development Finance Fire / EMS Human Resources Information Technology Library Municipal Court Parks & Recreation Planning/Maps Police Public Works Utility Billing 	<p>CITY LEADERSHIP</p> <ul style="list-style-type: none"> Mayor and Council Boards and Commissions Council Appointed Committees 	<p>ONLINE SERVICES</p> <ul style="list-style-type: none"> A to Z Services Agendas & Minutes Bids and RFPs Public Notices Calendar City Code Code Red Financial Transparency Forms, Permits, and Applications Key City Documents News Payment Options Surplus Property Kyle Alert Network
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Design by aHa Consulting

FirstSouthwest 

August 20, 2013

City of Kyle, Texas

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FirstSouthwest 



City of Kyle, Texas
\$5,520,000 General Obligation Bonds, Series 2013

Pricing Report

City of Kyle, Texas

August 20, 2013

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Participants

Proceeds from the sale of the Bonds will be used to pay for professional services to plan, design, the acquisition for rights-of-way and the construction and improvement of the following City Streets: Bunton Creek Road, North Burleson Street, Goforth Road, Lehman Road, and Marketplace Avenue, and for the payment of costs of issuance of the Bonds.

BOND COUNSEL: Bickerstaff Heath Delgado Acosta LLP

FINANCIAL ADVISOR: First Southwest Company

INITIAL PURCHASER: Robert W. Baird & Co. Incorporated

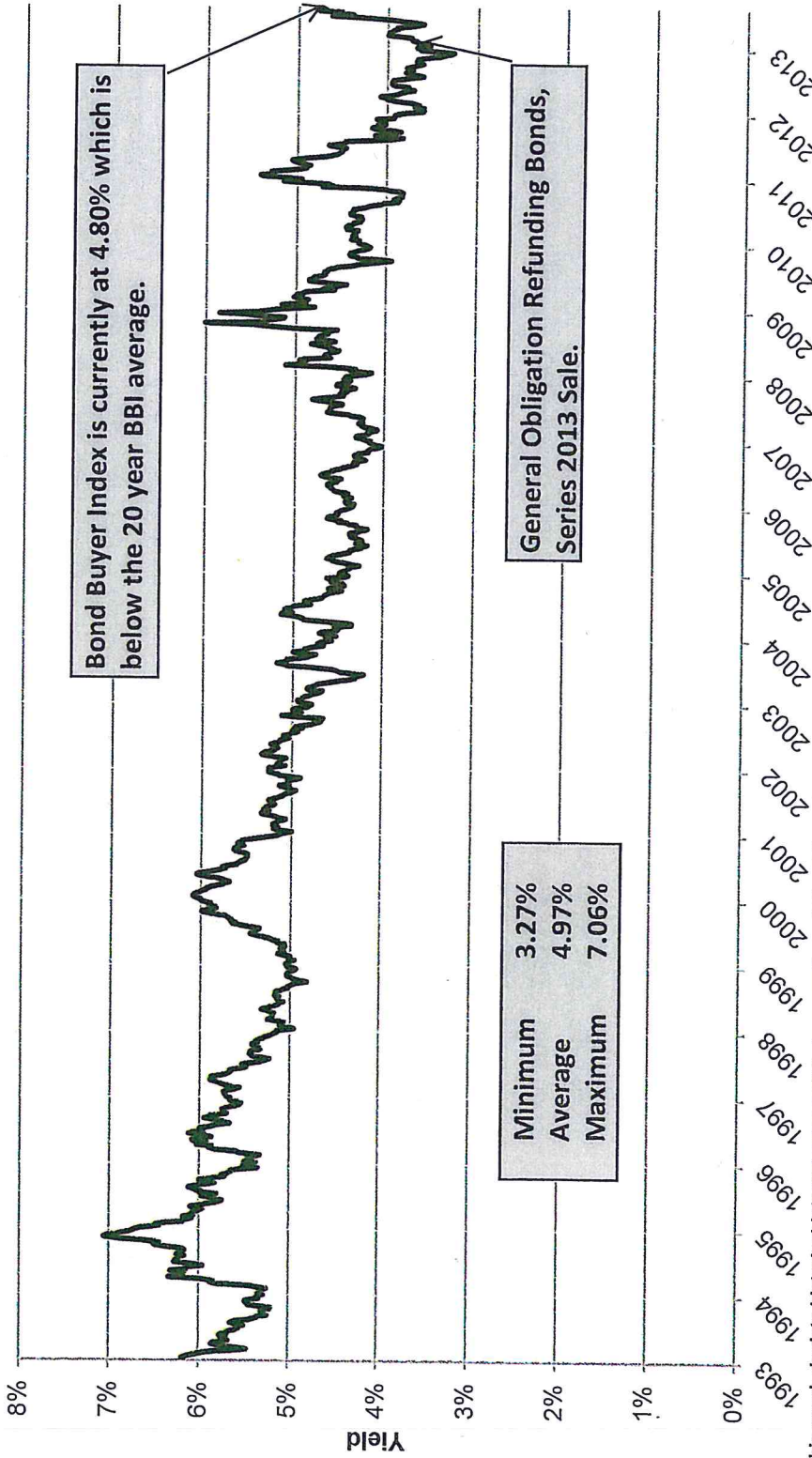
CREDIT RATINGS: Standard & Poor's - Insured: "AA"
Standard & Poor's - Underlying: "A+"

"Finances remain, in our opinion, very strong. Tax revenue growth and strong fiscal accountability throughout all departments have allowed Kyle to achieve general fund operating surpluses in four of the past five fiscal years."



Historical Interest Rates – Bond Buyer General Obligation Index

Bond Buyer General Obligation Index 20 Year History Weekly Actual as of August 15, 2013



This graph depicts historical interest rates and their respective relationships. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.

Municipal Market Calendar

NEGOTIATED

Week of	Amount	Issuer	State	Issue	Manager
August 19, 2013	\$ 6,750,000	Weslaco, City of	TX	Tax & Rev COs	Cabrera Cap Mkts
	\$ 2,090,000	Springtown, City of	TX	Comb Tax Rev	BOSC Inc
	\$ 32,335,000	Midway ISD	TX	Sch Bldg	Frost Bank
	\$ 164,355,000	Dallas, City of	TX	Wtnwks & Swr Sys	BA Merrill Lynch
	\$ 44,695,000	Denton ISD	TX	Sch Bldg	BOSC Inc
	\$ 103,290,000	Charlotte	NC	GO Ref	Wells Fargo Secs

COMPETITIVE

Week of	Amount	Issuer	State	Issue	Manager
August 19, 2013	\$ 5,520,000	Kyle, City of	TX	GO	N/A
	\$ 66,305,000	Cobb County	GA	Wtr & Swr Ref	N/A
	\$ 3,000,000	Tupelo, City of	MS	GO	N/A
	\$ 3,690,000	Fort Bend Co MUD	TX	U/L Tax	N/A

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Competitive Bidding Results

General Obligation Bonds, Series 2013	
<u>Bidder Name</u>	<u>True Interest Cost (%)</u>
Robert W. Baird & Co. Incorporated	4.163%
Raymond James	4.173%
BOSC	4.180%
Southwest Securities	4.350%



General Obligation Bonds, Series 2013

General Obligation Bonds, Series 2013			
August 15	Principal	Coupon	Yield
2014	\$ 140,000	3.00%	0.45%
2015	185,000	2.00	0.65
2016	195,000	1.75	0.85
2017	200,000	3.00	1.10
2018	210,000	4.00	1.60
2019	220,000	4.00	2.00
2020	230,000	4.00	2.50
2021	240,000	4.00	2.90
2022	250,000	4.00	3.10
2023	265,000	4.00	3.30
2024	275,000	4.00	3.60
2025	285,000	4.00	4.00
2026	300,000	4.00	4.00
2027	315,000	4.00	4.15
2028	330,000	4.20	4.30
2029	345,000	4.25	4.40
2030	360,000	4.38	4.45
2031	375,000	4.50	4.50
2032	390,000	4.50	4.55
2033	410,000	4.50	4.60

True Interest Cost: 4.163%

City of Kyle, Texas
Request for Proposals (RFP)

Actuarial Services for Valuation of
Other Post-Employment Benefits (OPEB)

SOLICITATION & PROJECT SCHEDULE

The following timetable has been tentatively established to issue the Request for Proposal (RFP #2014-01-PM), for the review and evaluation of proposals received, and for the selection of a firm by the City Council.

<u>Key Dates</u>	<u>Project Milestone</u>
October 21, 2013	RFP posted on the City's website and distributed to prospective firms or firms that had made a request previously
November 14, 2013	Responses due 10:00 A.M. in the Financial Services Department
November 15, 2013	Proposals acknowledged
November 22, 2013	Proposal evaluations finalized
December 3, 2013	City Council's selection of firm and award of contract.
January 16, 2014	Report on Actuarial Valuation due to the Director of Finance

OTHER POSTEMPLOYMENT BENEFITS OFFERED BY THE CITY

The City of Kyle offers health insurance coverage for its retirees who have completed twenty-five (25) years or more of continuous service as a full-time employee. In 2009, the City amended its health insurance coverage benefits plan and as a result, three groups of employees for purposes of eligibility was established with different benefit coverage.

The three groups are as follows:

Group 1 Retirees:

All former full-time employees, who have retired from the City after twenty-five (25) years or more of continuous service as an officer or employee of the City. All current full-time employees who have completed five (5) or more years of continuous service as a full-time employee of the City of Kyle by 4-1-2009 and complete a total of twenty-five (25) years or more of continuous service as an officer or employee of the City.

For Group 1 retirees, the City pays 100% of the cost of providing health insurance coverage which is to be at the same level as all other regular employees. The City also pays 100% of the cost of providing dental and vision coverage for this group of retirees until they reach the age of 65. This benefit is for the retired City employee only and not for their spouse or family.

Under Group 1, the City currently has one retiree receiving benefits and potentially 18 current employees who could be eligible to receive benefits if they completed 25 years of continuous of service.

Group 2 Retirees:

All current full-time employees who have completed less than five (5) or more years of continuous service as a full-time employee of the City of Kyle by 4-1-2009 and complete a total of twenty-five (25) years or more of continuous service as an officer or employee of the City.

For Group 2 retirees, the City pays a maximum of \$300.00 per month towards the cost of providing health insurance coverage which is to be at the same level as all other regular employees. The \$300.00 per month amount was set in April 2009 (base year) and is to be adjusted annually each October 1st based on the change in consumer price index (CPI) during the preceding 12-month period April through March. This benefit is for the retired City employee only and not for their spouse or family.

The City does not provide dental and vision coverage at its cost to retirees in Group 2.

Under Group 2, the City currently does not have any retirees receiving benefits. There are potentially 46 current employees who could be eligible to receive health insurance coverage benefits if they completed 25 years of continuous of service.

Group 3 Retirees:

Any full-time employee hired after 4-1-2009 and subsequently completes twenty-five (25) years or more of continuous service as an employee of the City.

Currently, there are 82 employees who were hired after April 1, 2009.