

City of Kyle, Texas

City Manager's Presentation of
Proposed Budget for Fiscal Year 2018-2019

July 28, 2018



Presentation Outline

Proposed Budget Fiscal Year 2018-2019

- Guiding Principles & Priorities for Budget Development
- Overview of Proposed Budget (All City Funds)
 - Highlights & Significant Changes
 - New Positions
 - New Equipment & Vehicles
- Budget Summary & Highlights
 - General Fund
 - Water Utility Fund
 - Wastewater Utility Fund
 - Storm Drainage Utility Fund
- Capital Improvements Program (CIP)
- Debt Position
- All Other City Funds
- Next Steps & Key Dates



Guiding Principles & Priorities For Proposed Budget Fiscal Year 2018-2019

1. Budget aligned with citizen priorities identified in the 2018 Community Survey:
 - Roadway & street repairs, crime prevention, parks, recreation, and infrastructure improvements
2. No reduction in City services
3. Beef-up Street Maintenance Division in Public Works
4. Strategic investments in equipment, vehicles, and infrastructure (CIP)
5. Increase economic development efforts to attract large employers and retail businesses to Kyle
6. Accelerate final design, construction plans, and bidding process for the City's wastewater treatment plant expansion
7. No increase in property tax rates, water service rates, and drainage fees
8. Minimize rate increase for wastewater service
9. Minimize increase in fees and charges for various City services



Budget Highlights (All Funds) Proposed Budget Fiscal Year 2018-2019

- \$84.9 million total proposed budget for all City Funds
- \$45.4 million in planned CIP spending in FY 2019
- \$7.0 million dedicated to accelerate Stagecoach Road reconstruction project
- \$10.0 million provided in 2019 for WWTP expansion project construction
- \$1.3 million provided for new equipment and vehicles
- \$778,000 for 16 new full-time equivalent positions
 - Police (3), public works (8), parks (3), utility billing (1), and information technology (1)
- \$441,511 for technology improvements
 - Police, planning, building, parks, public works, financial services, utility billing, municipal court
- \$324,201 increase provided for employee benefit costs
 - Health insurance increase assumed at 10% (\$263,652)
 - Performance evaluation based merit pay at 3.5% average (\$30,237)
 - Longevity pay rate adjustment to \$15.00 (\$30,312)
 - Designation of Good Friday as a City Holiday (\$0)

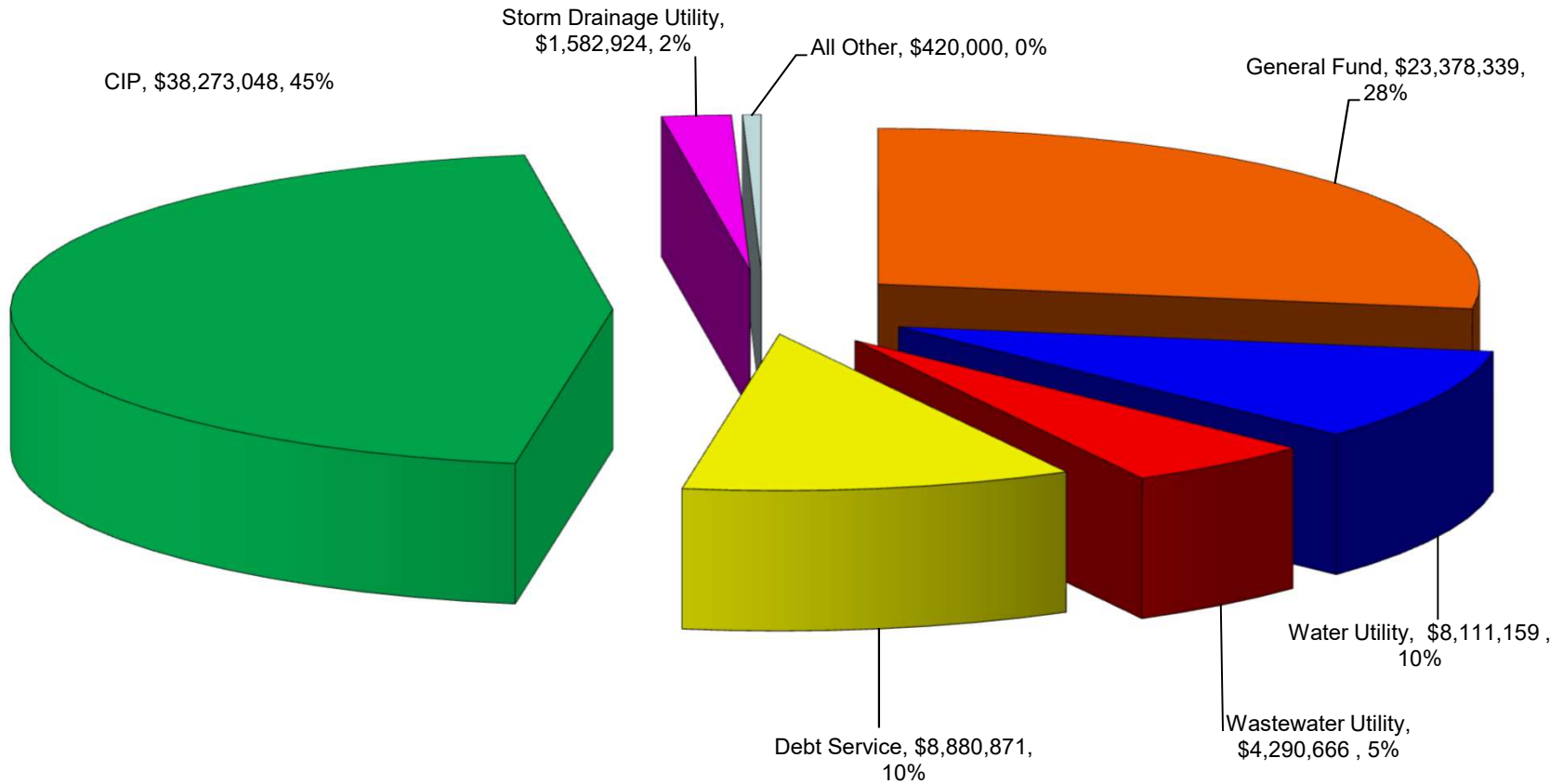


Budget Highlights (All Funds) Proposed Budget Fiscal Year 2018-2019

- No change in total property tax rate
- No change in water service rates
- No change in storm drainage fees
- 10.0% increase in wastewater service rates
 - 3.5% increase in average monthly household bill
- 3.95% increase in solid waste rates per contract with TDS
- Limited increase in fees and charges for various City services
 - Parkland dedication fee, increased from \$600 per LUE to \$750.00 per LUE
 - Jubilee event fees eliminated, program replaced by Pie in the Sky
 - False alarm fee, reduced by \$2.50 to \$5.00 based on number of violations (fee ranges from \$50 to \$100)
 - Online crash report fee added, \$6.00 per report
 - Bacteria testing fee for additional sample, increased from \$17.00 to \$25.00 per sample



All City Funds Budget Summary: Total \$84.9 Million Proposed Budget Fiscal Year 2018-2019





New Positions

Proposed Budget Fiscal Year 2018-2019

Total: \$777,974

<u>Department</u>	<u>Position Title</u>	<u>FTEs</u>	<u>Budget Amount</u>	<u>Funding Source</u>
Police	Telecommunicator	2	\$123,581	General Fund
Police	Records Compliance Specialist	1	\$52,899	General Fund
Public Works	Street Construction Technician	2	\$94,328	General Fund
Public Works	ROW Technician	2	\$95,710	Storm Drainage Utility Fund
Public Works	Utility Technician	2	\$103,010	Water & Wastewater Utility Fund
Public Works	Assistant SCADA Technician	1	\$60,675	Water Utility Fund
Public Works	Assistant Water Quality Technician	1	\$60,675	Water Utility Fund
Parks & Recreation	Parks Maintenance Technician	2	\$47,855 (6-months funding)	General Fund
Parks & Recreation	Facility Maintenance Technician (converted 2 part-time positions)	1	\$18,011 (net increase from \$26,362 to \$44,373)	General Fund
Information Technology	IT Administrator	1	\$72,839	General Fund
Financial Services	Meter Technician	1	\$48,391	Water Utility Fund
	TOTAL:	16	\$777,974	



New Equipment & Vehicles

Proposed Budget Fiscal Year 2018-2019

Total: \$1,239,500

<u>Department</u>	<u>Description of New Equipment/Vehicle</u>	<u>Units</u>	<u>Budget Amount</u>	<u>Fund Source</u>
Public Works	Dump Truck	2	\$260,000	General/Utility Funds
Public Works	Asphalt Zipper	1	\$200,000	General Fund
Public Works	Street Sweeper	1	\$250,000	Storm Drainage Fund
Public Works	Broom Roller	1	\$49,500	General/Utility Funds
Public Works	Tub Grinder	1	\$65,000	Storm Drainage Fund
Public Works	Concrete Mixer	2	\$30,000	General Fund
Public Works	Trench Shoring Box	1	\$12,000	W/WW Utility Fund
Public Works	Radio System		\$110,000	GF, W, WW & DU
Public Works	Litter Abatement Equipment (Various)		\$18,000	Storm Drainage Fund
Parks	Equipment Trailer	1	\$20,000	General Fund
Parks	Parks Equipment (Various)		\$25,000	General Fund
Parks	Security System (City Hall, Police & Library)		\$85,000	General Fund
Parks	Carpet Replacement (City Hall & Police)		\$115,000	General Fund
	TOTAL:	10	\$1,239,500	



Capital Improvements Spending Plan (CIP)

Proposed Budget Fiscal Year 2018-2019

Total: \$45,366,430

<u>Funding Source</u>	<u>Planned Spending FY 2018-2019</u>
General Fund	\$4,575,000
ARWA	\$8,183,385
Water Utility Fund	\$300,000
Water Impact Fee	\$1,800,000
Wastewater Utility Fund	\$925,000
Wastewater Impact Fee	\$8,220,631
TDA Grant Fund	\$62,414
Road Bonds	\$9,700,000
WWTP Bonds (New)	\$10,000,000
Park Development Fund	\$1,350,000
Storm Drainage Utility Fund	\$250,000
TOTAL:	\$45,366,430

CIP details on slides 41-44



Proposed Budget Fiscal Year 2018-2019

GENERAL FUND

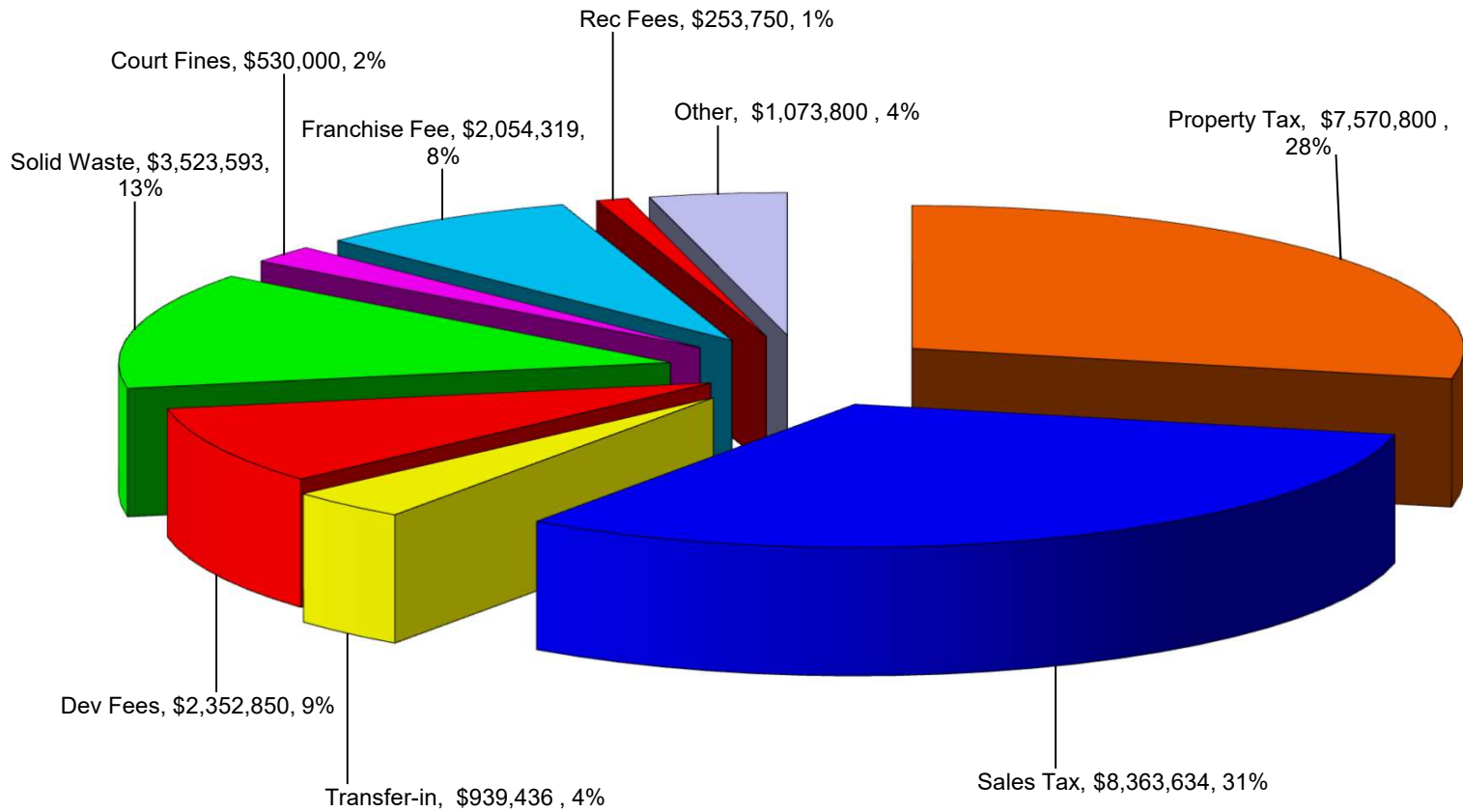
Budget Summary & Highlights



General Fund

Sources of Funds: Total \$26.7 Million

Proposed Budget Fiscal Year 2018-2019





2018 Certified Assessed Valuation Proposed Budget Fiscal Year 2018-2019

For All Property Use Category

- 2018 taxable assessed valuation = \$2,990,580,047
- 2017 taxable assessed valuation = \$2,705,123,445
- \$ increase in 2018 taxable assessed valuation = \$ 285,457,042
- % increase in 2018 taxable assessed valuation = 10.55%

For Residential Use Category

- 2018 taxable assessed valuation = \$2,121,689,693
- 2017 taxable assessed valuation = \$2,011,653,281
- \$ increase in 2018 taxable assessed valuation = \$ 110,036,412
- % increase in 2018 taxable assessed valuation = 5.47%



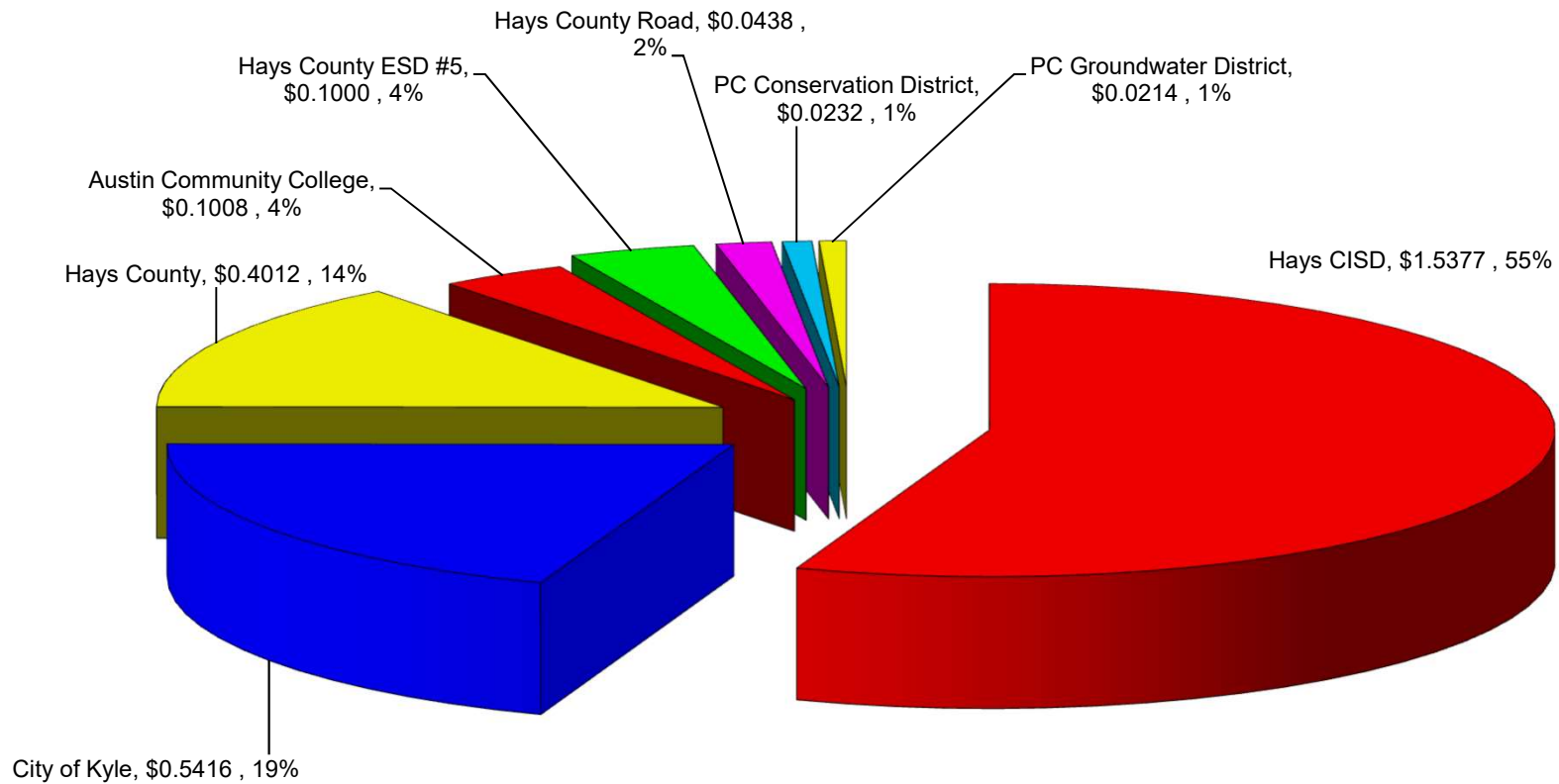
2018 Property Tax Rates Proposed Budget Fiscal Year 2018-2019

2018 Proposed, Effective & Rollback Tax Rates

	<u>2017 Current</u>	<u>2018 Proposed</u>	<u>Effective Tax Rate</u>	<u>Rollback Tax Rate</u>
Maintenance & Operations (M&O) Rate	\$0.2548	\$0.2883	\$0.2702	\$0.2787
Interest & Sinking (I&S) Rate	\$0.2868	\$0.2533	\$0.2533	\$0.2533
Total Property Tax Rate Per \$100/AV	\$0.5416	\$0.5416	\$0.5235	\$0.5320

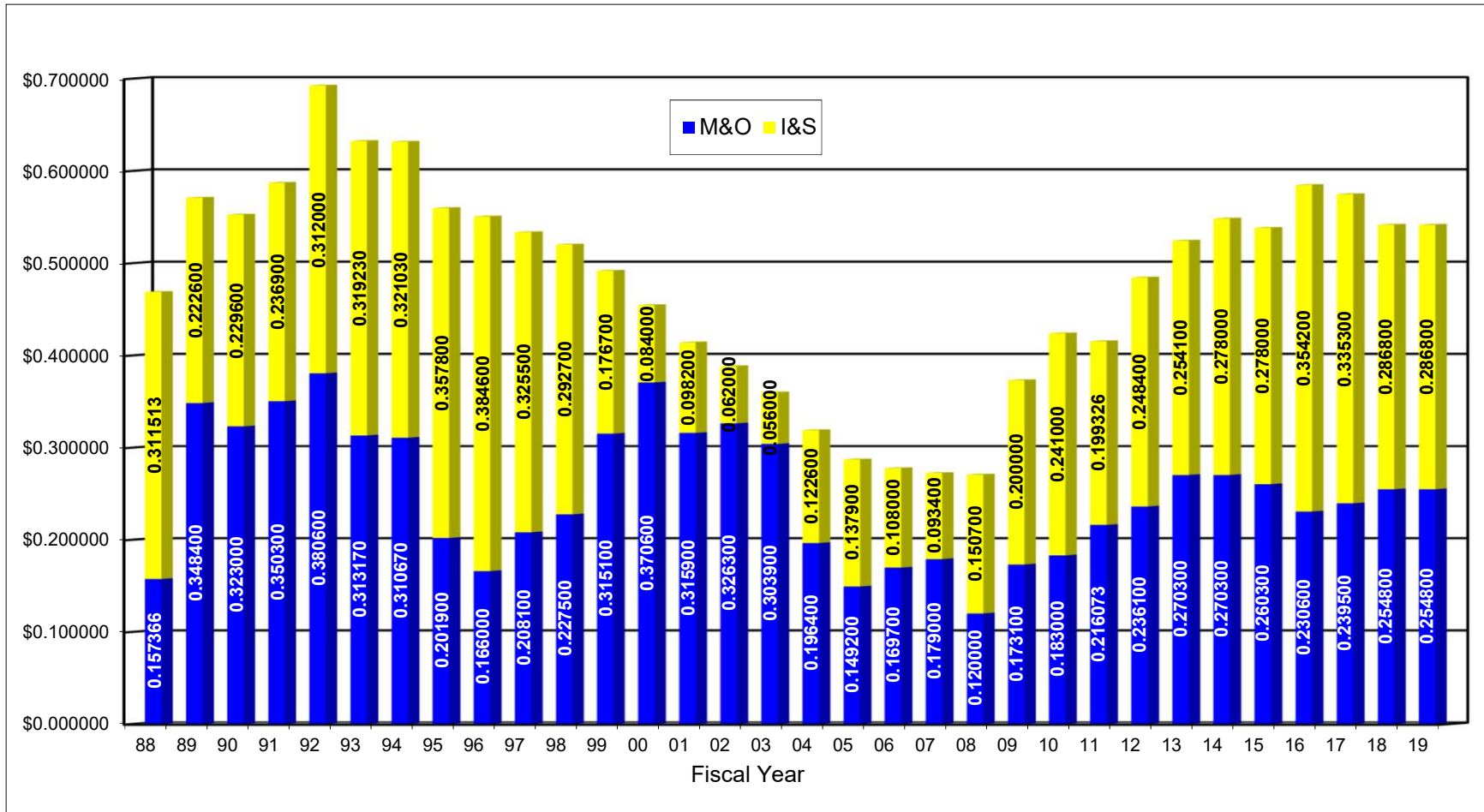


Current Property Tax Rates Within City of Kyle (\$2.7697)



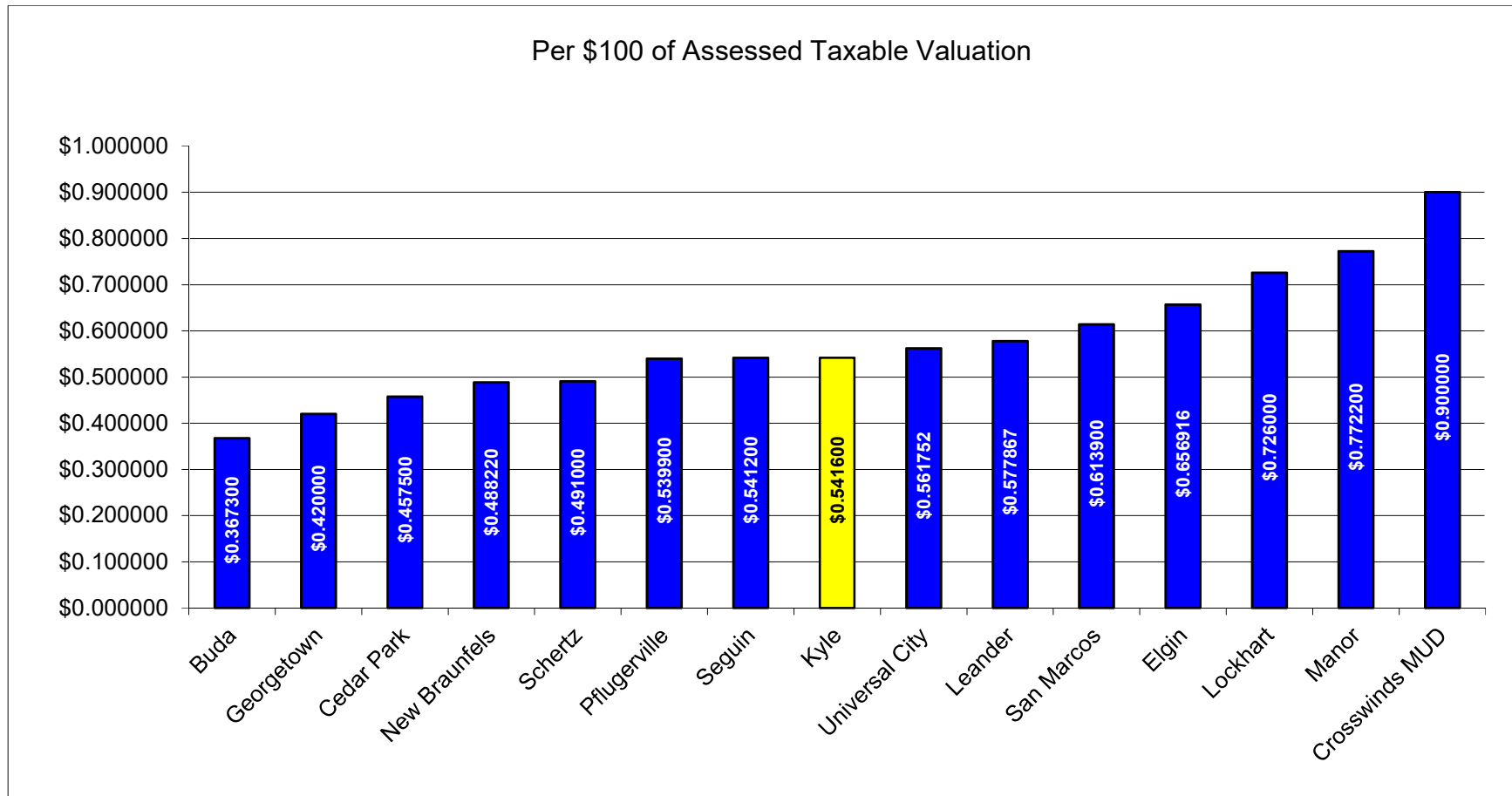


City of Kyle Property Tax Rate History Fiscal Years 1988 - 2019





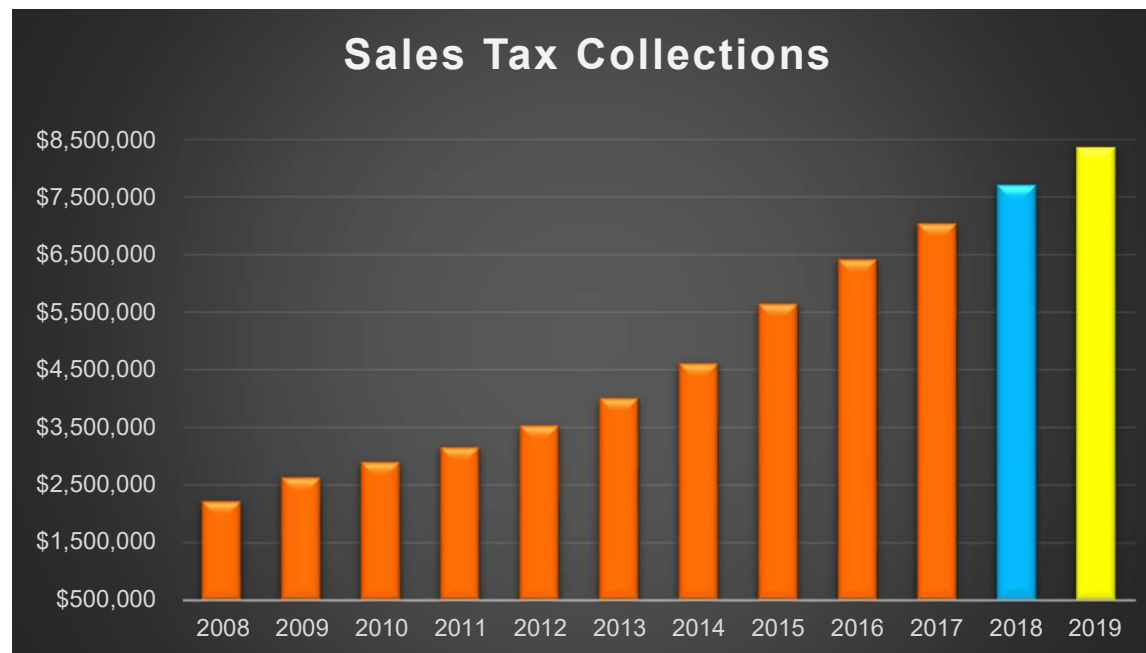
Comparison of Current Property Tax Rates





Sales Tax Revenue Proposed Budget Fiscal Year 2018-2019

- 8.5% increase assumed in FY 2019 from current year collections
- \$8,363,634 projected sales tax revenue for FY 2019
- \$655,216 or 8.5% increase from current year estimate for FY 2018

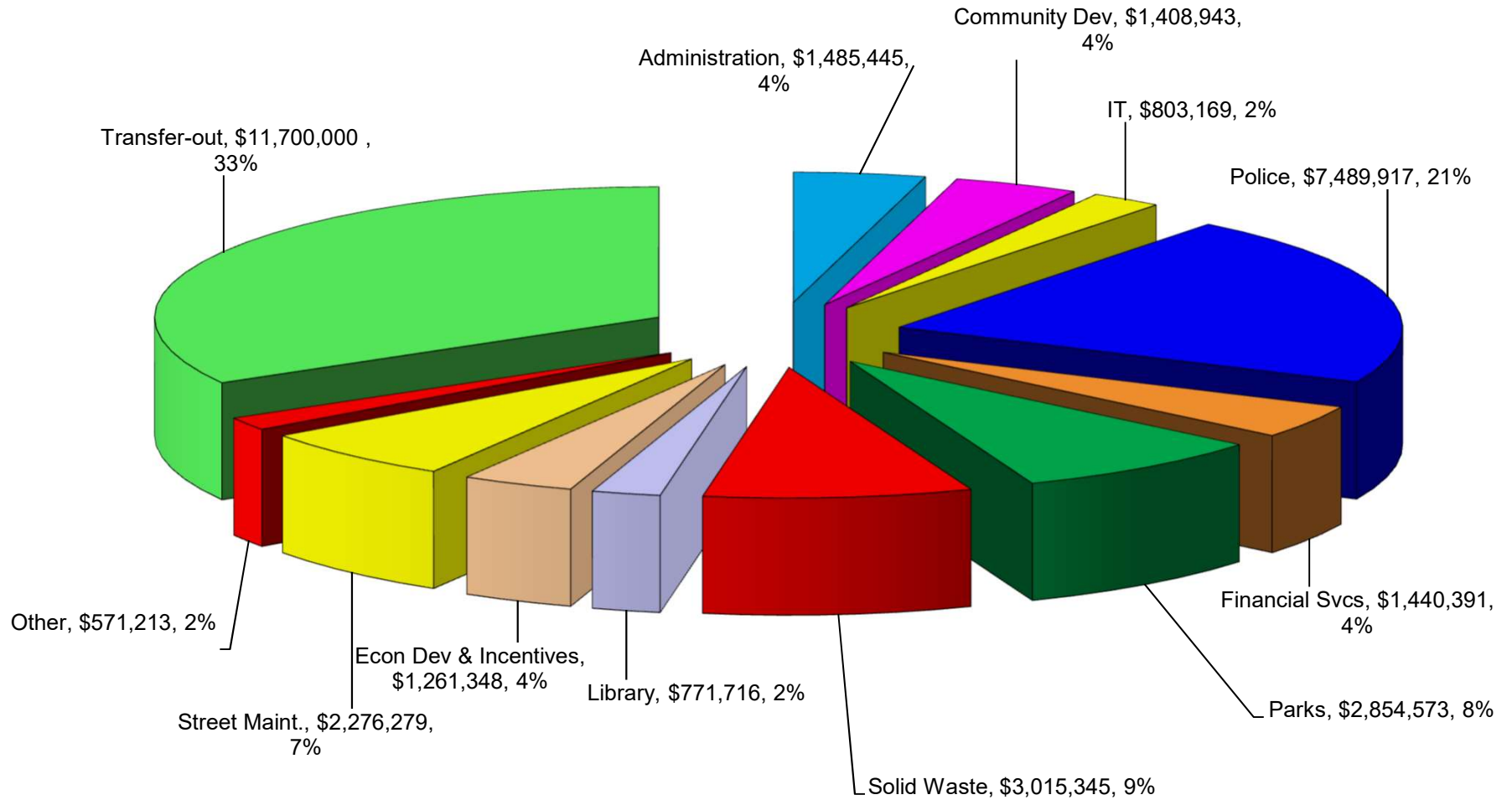




General Fund

Uses of Funds: Total \$35.1 Million

Proposed Budget Fiscal Year 2018-2019





General Fund – Budget Highlights Proposed Budget Fiscal Year 2018-2019

- \$25.7 million in projected revenues
- \$23.4 million in estimated expenditures
- \$11.6 million provided for one-time transfers to CIP
 - \$5.0 million for WWTP plant expansion
 - \$4.5 million for Stagecoach Road reconstruction
 - \$0.5 million for street micro-surface projects (details on slide 21)
 - \$1.6 million for other CIPs
- \$409,513 provided for 9 new positions
 - 2 Telecommunicators (Police)
 - 1 Records Compliance (Police)
 - 2 Street Construction Technicians (Public Works)
 - 2 Park Maintenance Technician (PARD)
 - 1 Facility Maintenance Technician (PARD)
 - 1 IT Technician (IT)
 - Funding provided for 2 authorized but unfunded police officer positions
 - Funding provided for 2 reclassifications; Communications Specialist & Accounting Technician
 - Funding provided for conversion of 2 grant funded positions in PD, Victims Coordinator & Juvenile Justice Officer



General Fund – Budget Highlights Proposed Budget Fiscal Year 2018-2019

- **\$344,623 increase for street maintenance division**
 - \$250,000 materials for road repairs
 - \$94,328 for two new positions
- **\$211,445 increase for solid waste services**
 - 3.95% rate increase in April 2019 per contract with TDS
- **\$649,000 provided for new equipment and vehicles**
- **\$500,000 provided for street micro-surface projects (details on slide 21 & 22)**



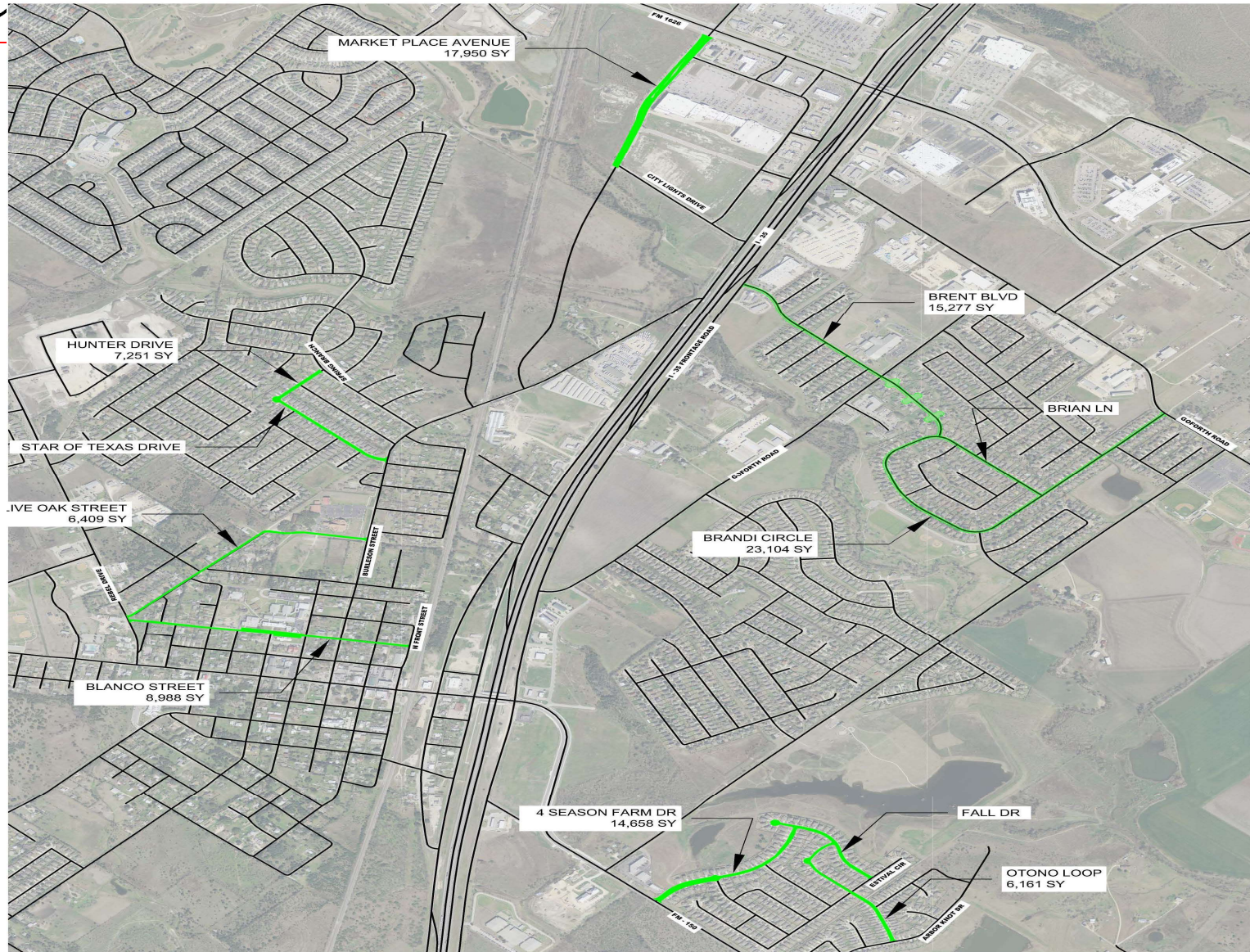
General Fund – Budget Highlights Proposed Budget Fiscal Year 2018-2019

Street Micro-Surface Projects for 2019

1. Marketplace Avenue
2. Hunter Drive & Star of Texas Drive
3. Live Oak Street
4. Brent Blvd., Brian Lane & Brandi Circle
5. Four Season Farm Drive & Fall Drive
6. Otono Loop



Street Micro-Surface Projects for 2019





Proposed Budget Fiscal Year 2018-2019

WATER UTILITY FUND

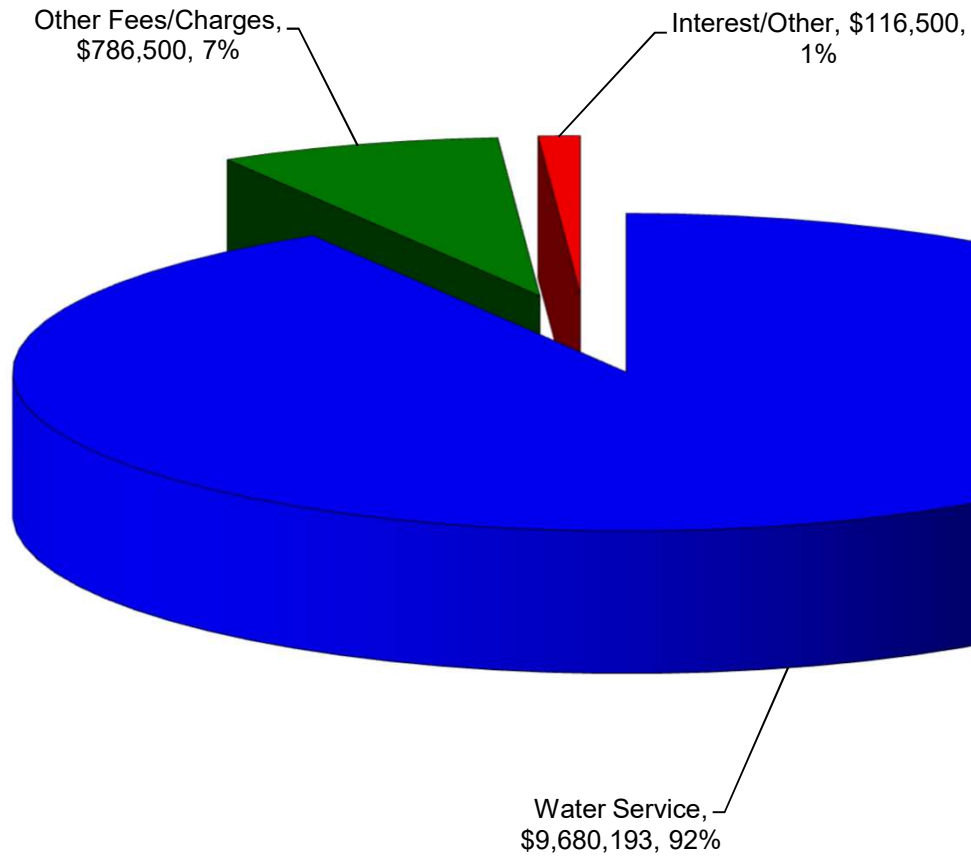
Budget Summary & Highlights



Water Utility Fund

Sources of Funds: Total \$10.6 Million

Proposed Budget Fiscal Year 2018-2019

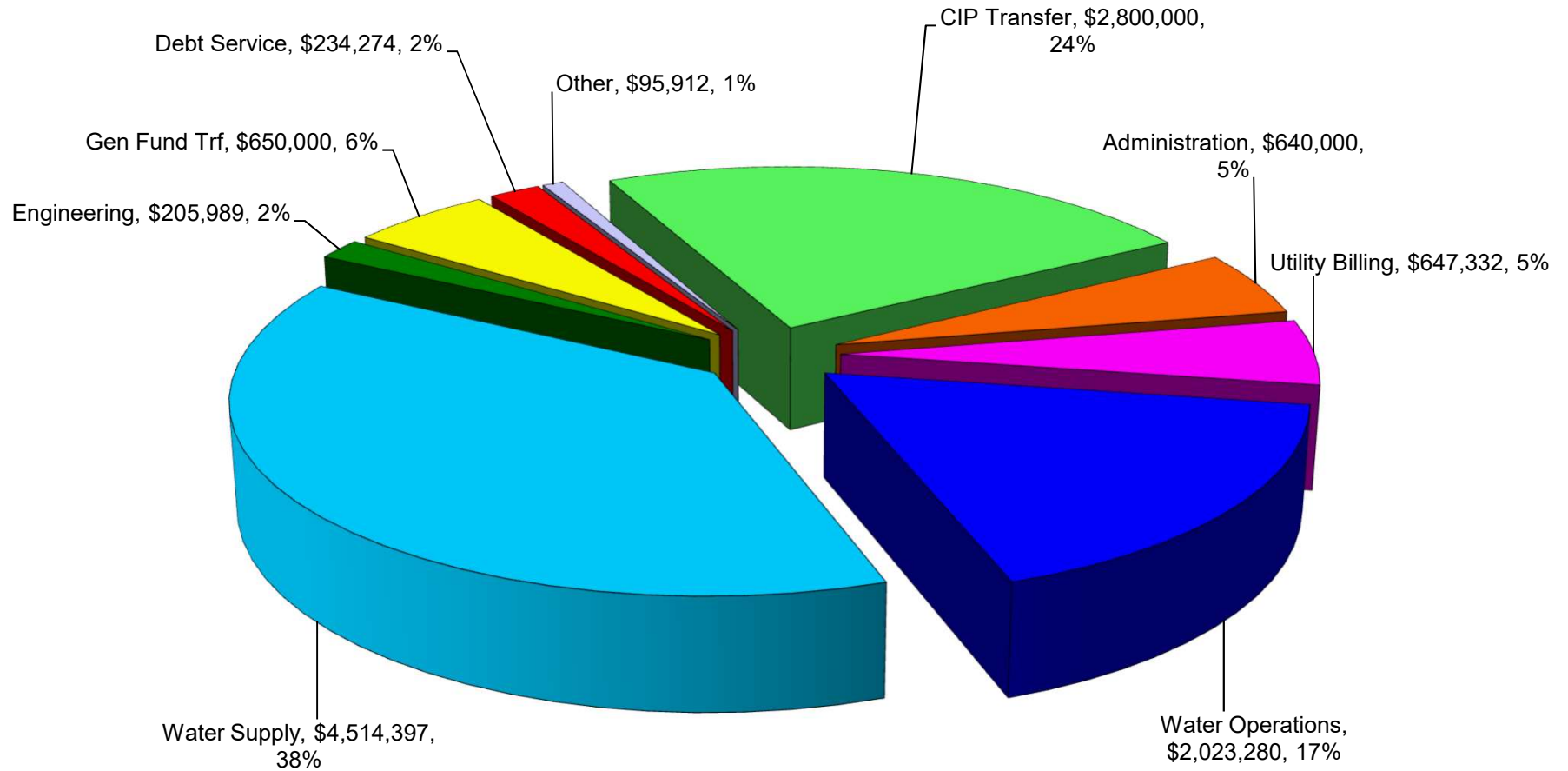




Water Utility Fund

Uses of Funds: Total \$11.8 Million

Proposed Budget Fiscal Year 2018-2019





Water Utility Fund - Budget Highlights Proposed Budget Fiscal Year 2018-2019

- No changes in the City's water service rates
- Rates to remain the same as in the current fiscal year
- \$3,374,868 overall net increase in total expenditures and transfers
- \$983,949 increase in O&M requirements
 - \$441,555 increase for water supply costs
 - \$320,124 increase for water operations
 - \$141,271 increase for utility billing
 - \$108,495 increase for engineering
- \$221,246 provided for 4 new positions
 - (1) Assistant SCADA Technician
 - (1) Assistant Water Quality Technician
 - (1) Water Utility Technician
 - (1) Water Meter Technician
 - Funding (50%) provided for 1 reclassification; Staff Accountant
- \$115,000 provided for purchase of new equipment and vehicles



Water Utility Fund - Budget Highlights Proposed Budget Fiscal Year 2018-2019

- \$100,000 provided for update to the water system model
- \$300,000 provided for water line upgrades (details on slide 28 & 29)
- \$2,800,000 provided for one-time transfer to CIP
 - Water infrastructure relocations/upgrades for Stagecoach Road project (\$2,500,000)
 - Water line replacements/upgrades (\$300,000)



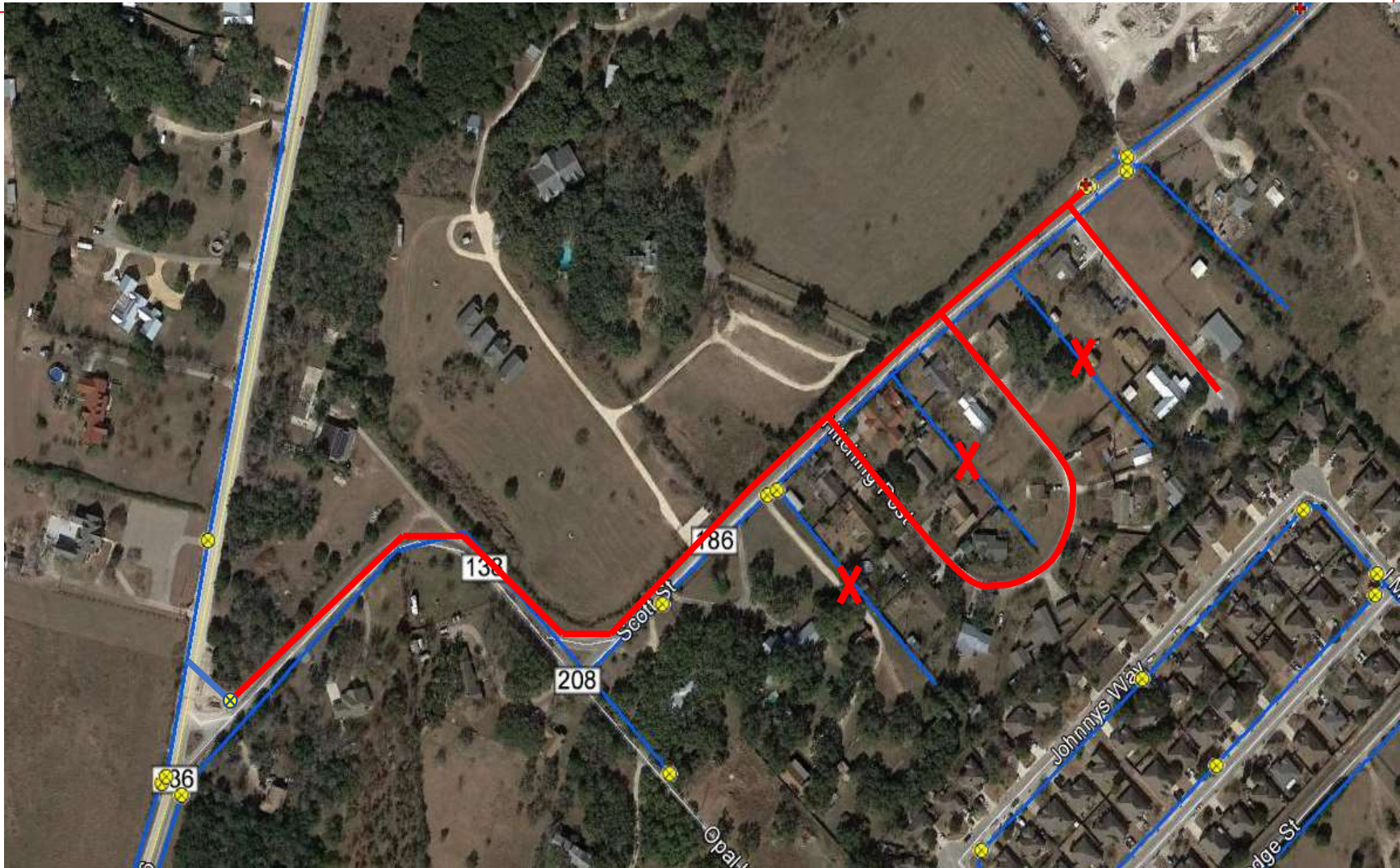
Water Utility Fund - Budget Highlights Proposed Budget Fiscal Year 2018-2019

Downtown Water Line Upgrade Project

- Replace water line on Scott Street
- Upgrading from a 3-inch to 8-12-inch water line
- \$300,000 estimated cost
- Eliminate service connections in backyards of Hitching Post, Park Place and move water meters to the front
- Will provide loop/redundancy by connecting to the 12-inch water line on Stagecoach Road

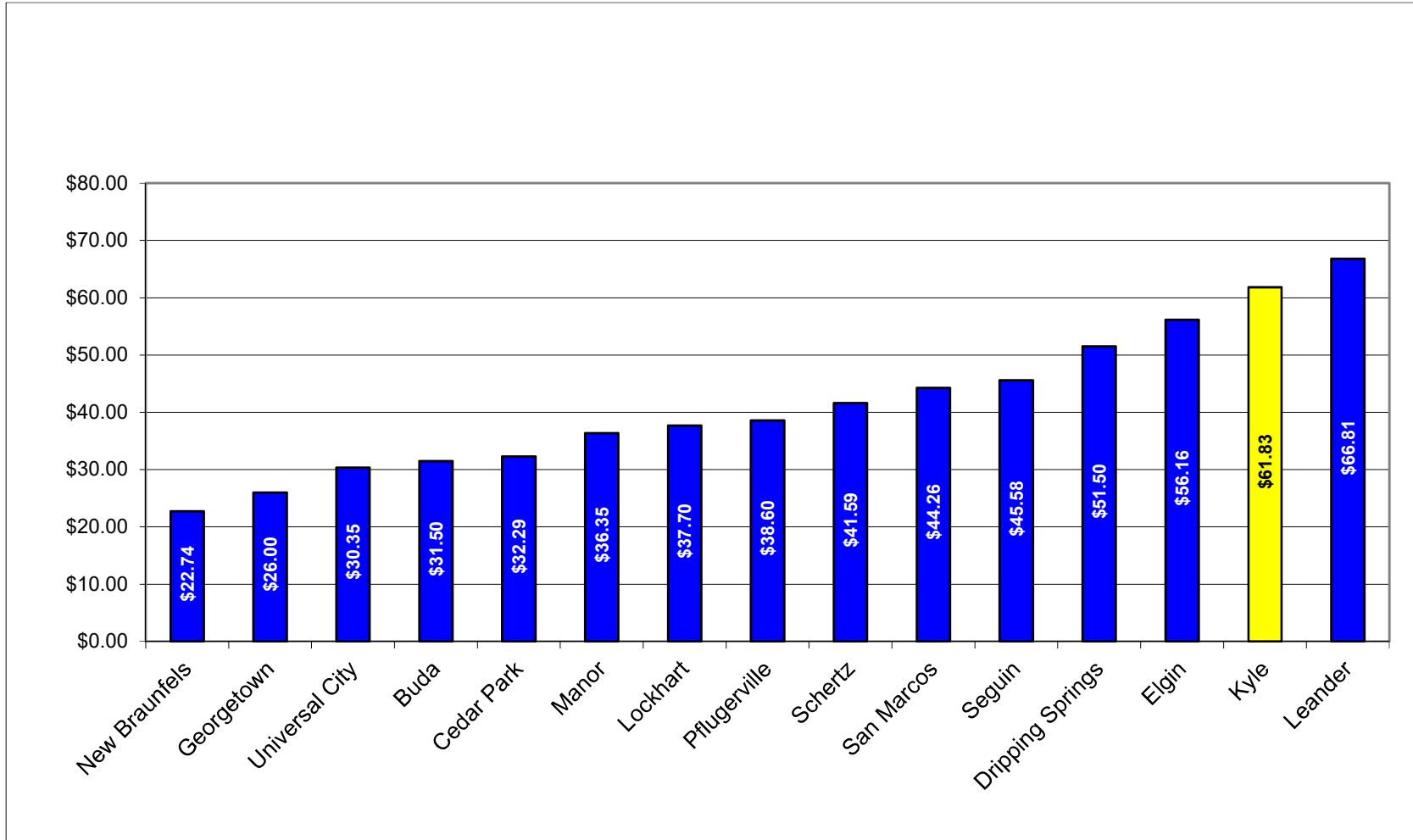


Downtown Water Line Upgrade Project





Comparison of Average Monthly Residential Bill - WATER





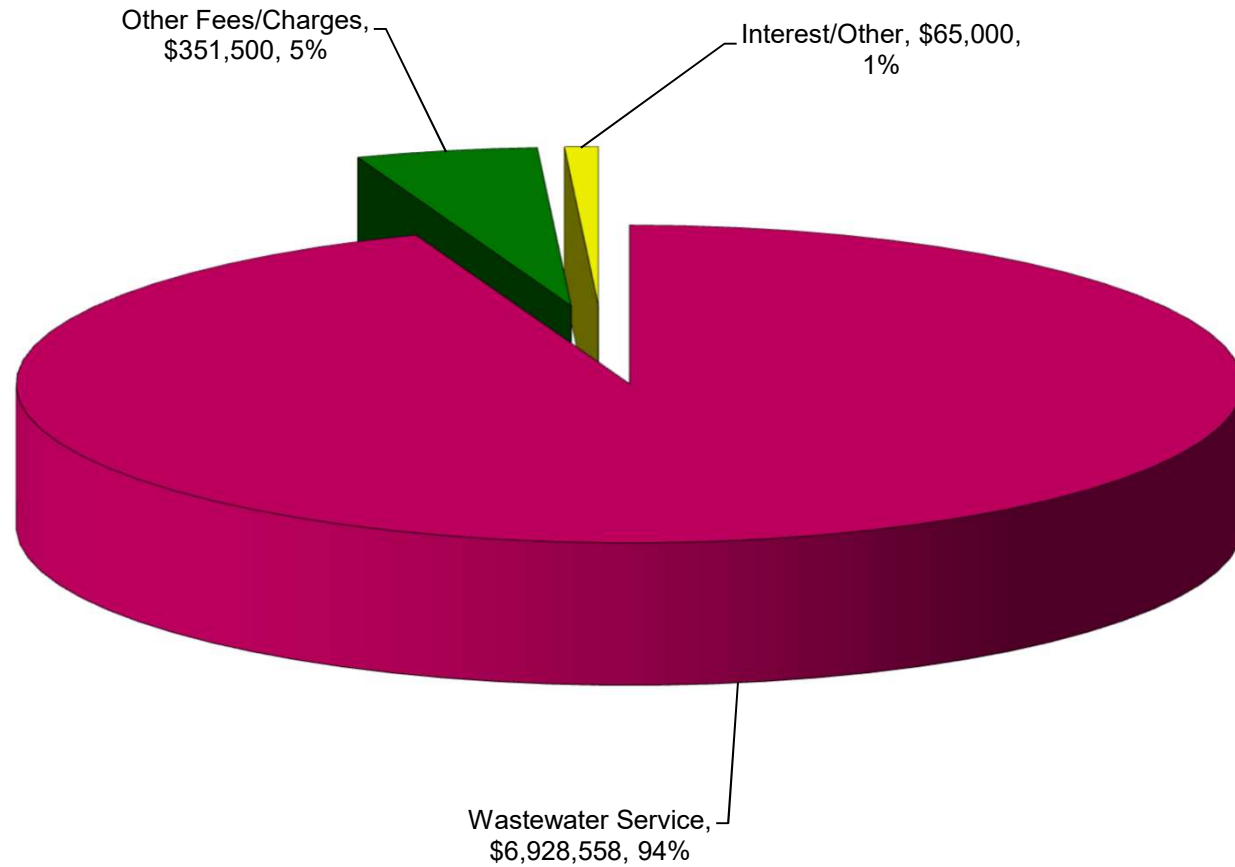
Proposed Budget Fiscal Year 2018-2019

WASTEWATER UTILITY FUND

Budget Summary & Highlights



Wastewater Utility Fund Sources of Funds: Total \$7.4 Million Proposed Budget Fiscal Year 2018-2019

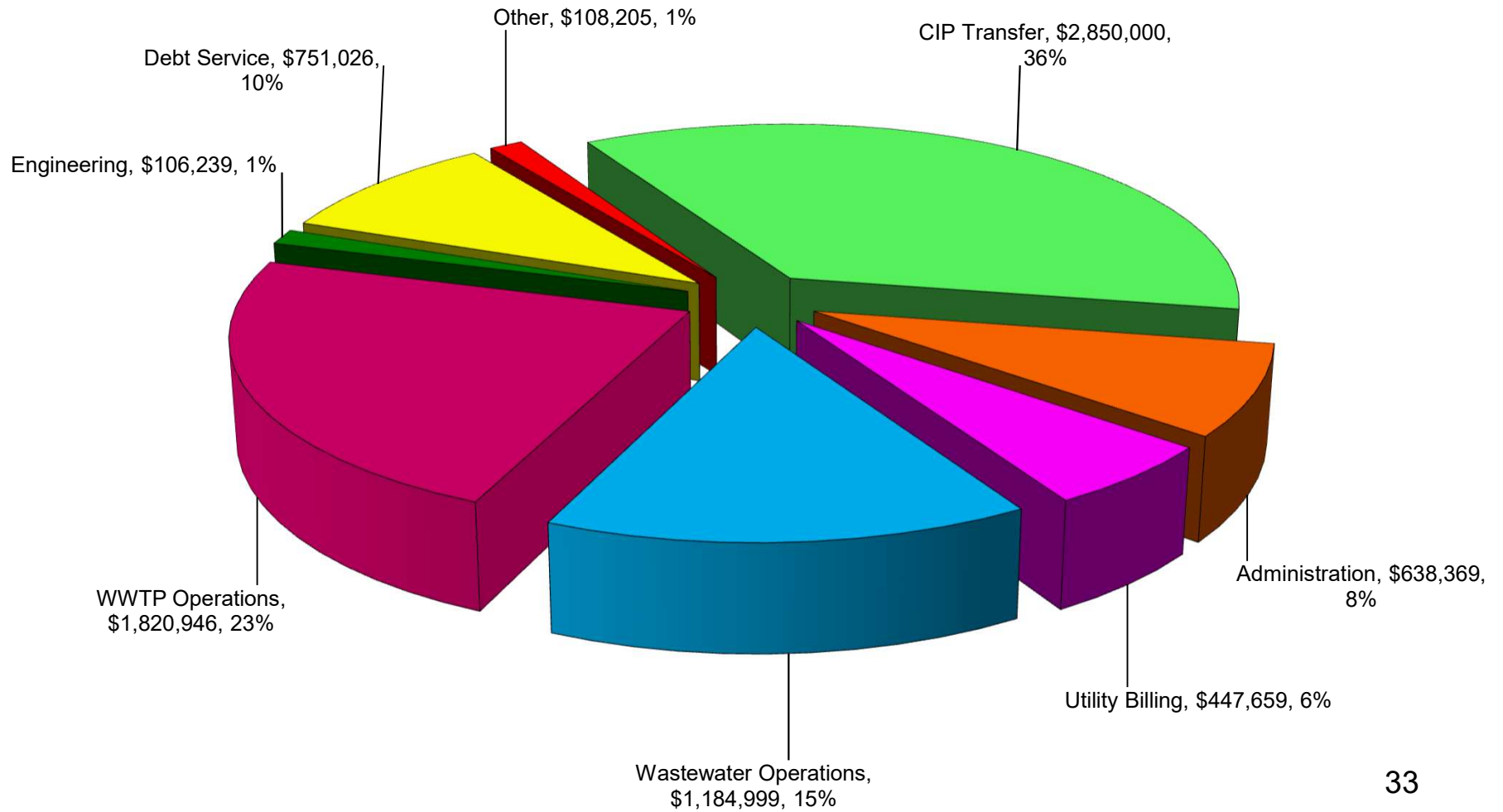




Wastewater Utility Fund

Uses of Funds: Total \$7.9 Million

Proposed Budget Fiscal Year 2018-2019





Wastewater Utility Fund - Budget Highlights Proposed Budget Fiscal Year 2018-2019

- \$9.5 million in new debt to be issued in 2019 for WWTP expansion
- \$1,377,915 overall net increase in total expenditures and transfers
- \$321,723 increase in O&M requirements
 - \$190,301 increase for wastewater operations
 - \$178,384 increase for WWTP operations
- \$51,505 provided for 1 new position
 - (1) Wastewater Utility Technician
 - Funding (50%) provided for 1 reclassification; Staff Accountant
- \$115,000 provided for purchase of new equipment and vehicles
- \$500,000 provided for wastewater line upgrades (details on slide 35)
- \$714,400 provided for debt service payments on new debt
- \$2,100,000 provided for one-time transfer to CIP
 - Elliott Branch interceptor Ph 1 & 2 (\$1,700,000)
 - Indian Paintbrush lftstation improvements (\$400,000)
- 10.0% increase in wastewater service rates for all customer classes
- 3.5% or \$3.54 estimated increase in average monthly household bill



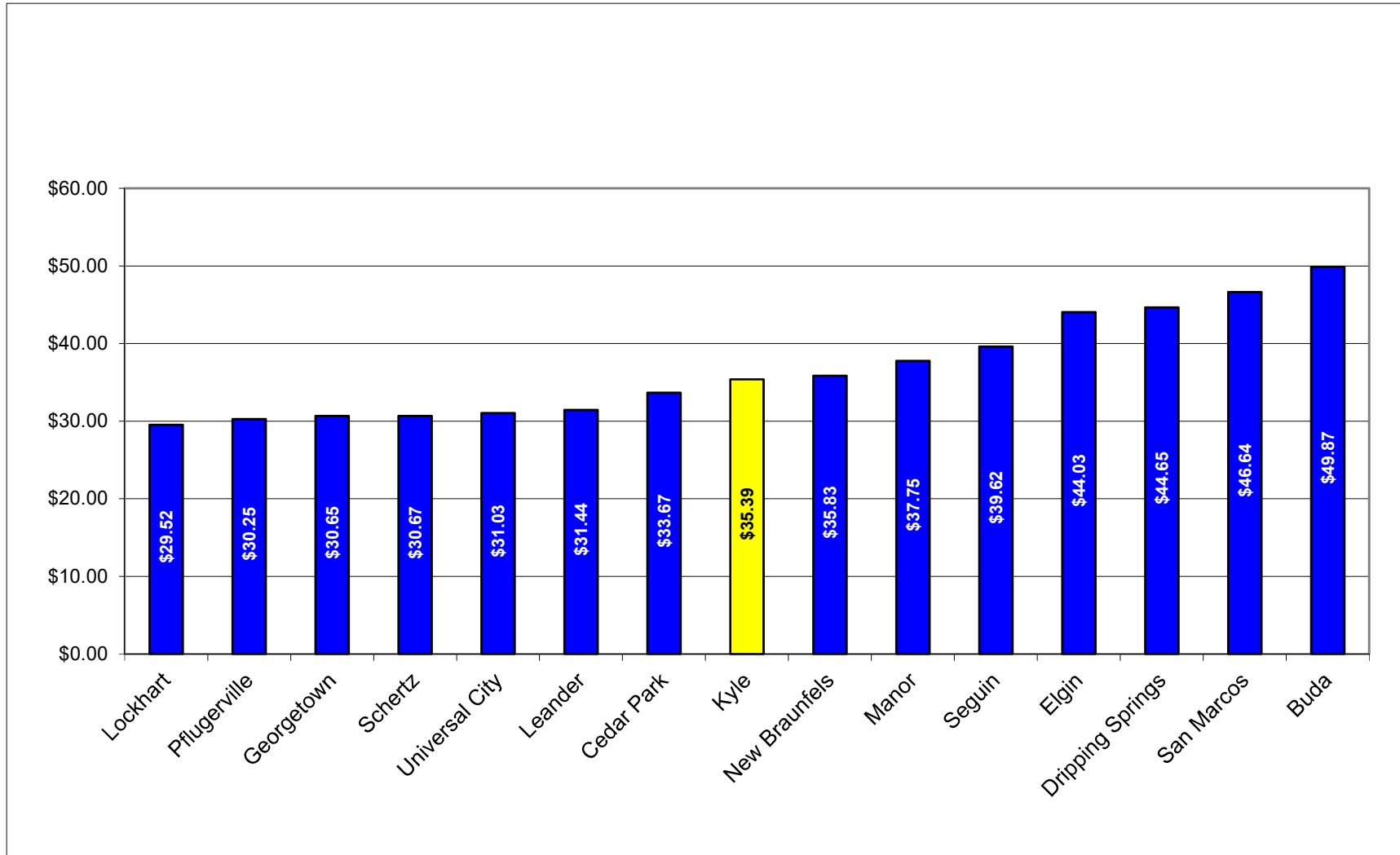
Wastewater Utility Fund - Budget Highlights Proposed Budget Fiscal Year 2018-2019

Downtown Wastewater Line Upgrade Project

- Schlemmer & Porter Streets Wastewater Line Upgrade Project
- \$500,000 estimated cost for phase I
- Along Front Street from Lockhart Street to Moreno Street
- Upgrading from a 6-inch to 12-15 inch wastewater line



Comparison of Average Monthly Residential Bill - WASTEWATER





Proposed Budget Fiscal Year 2018-2019

STORM DRAINAGE UTILITY FUND

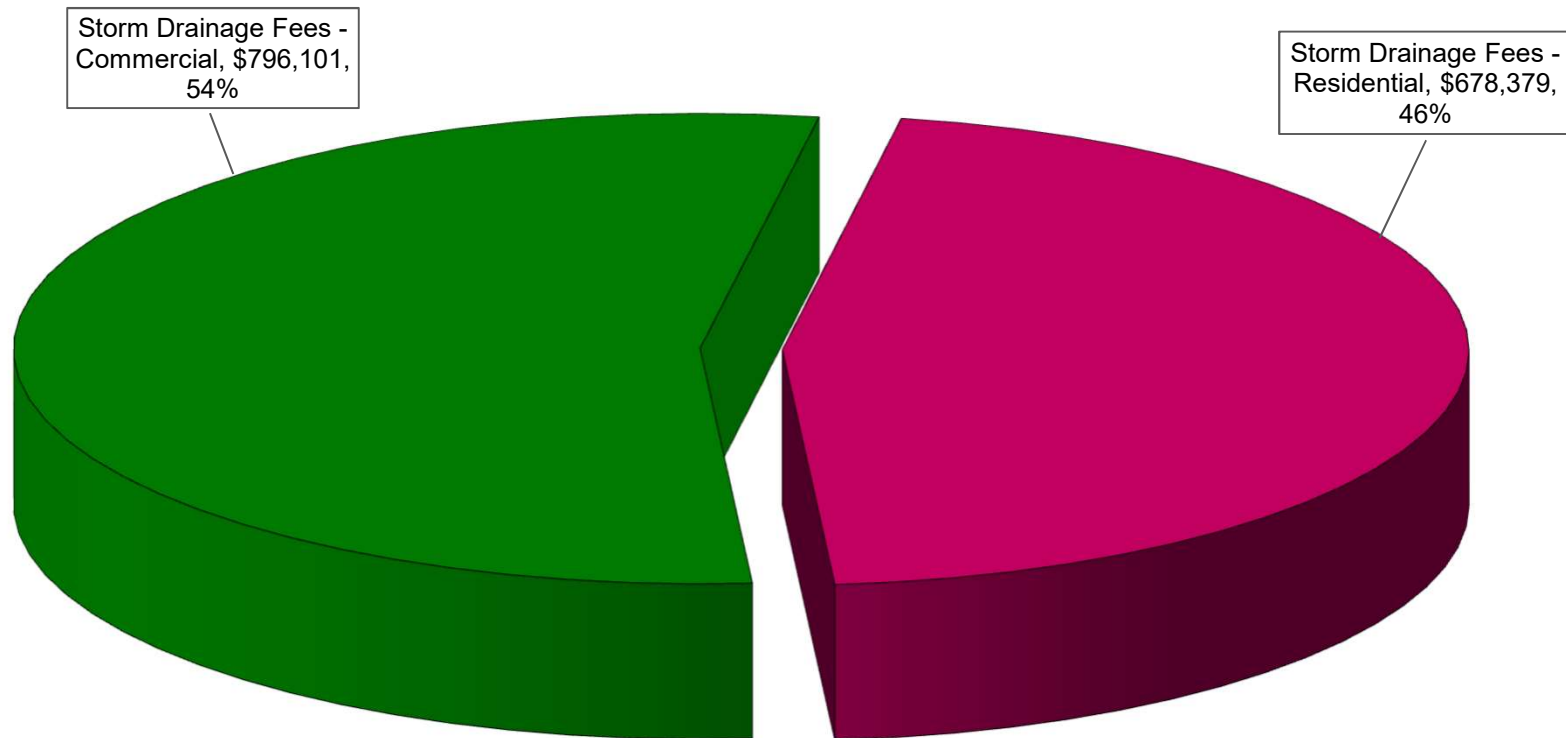
Budget Summary & Highlights



Storm Drainage Utility Fund

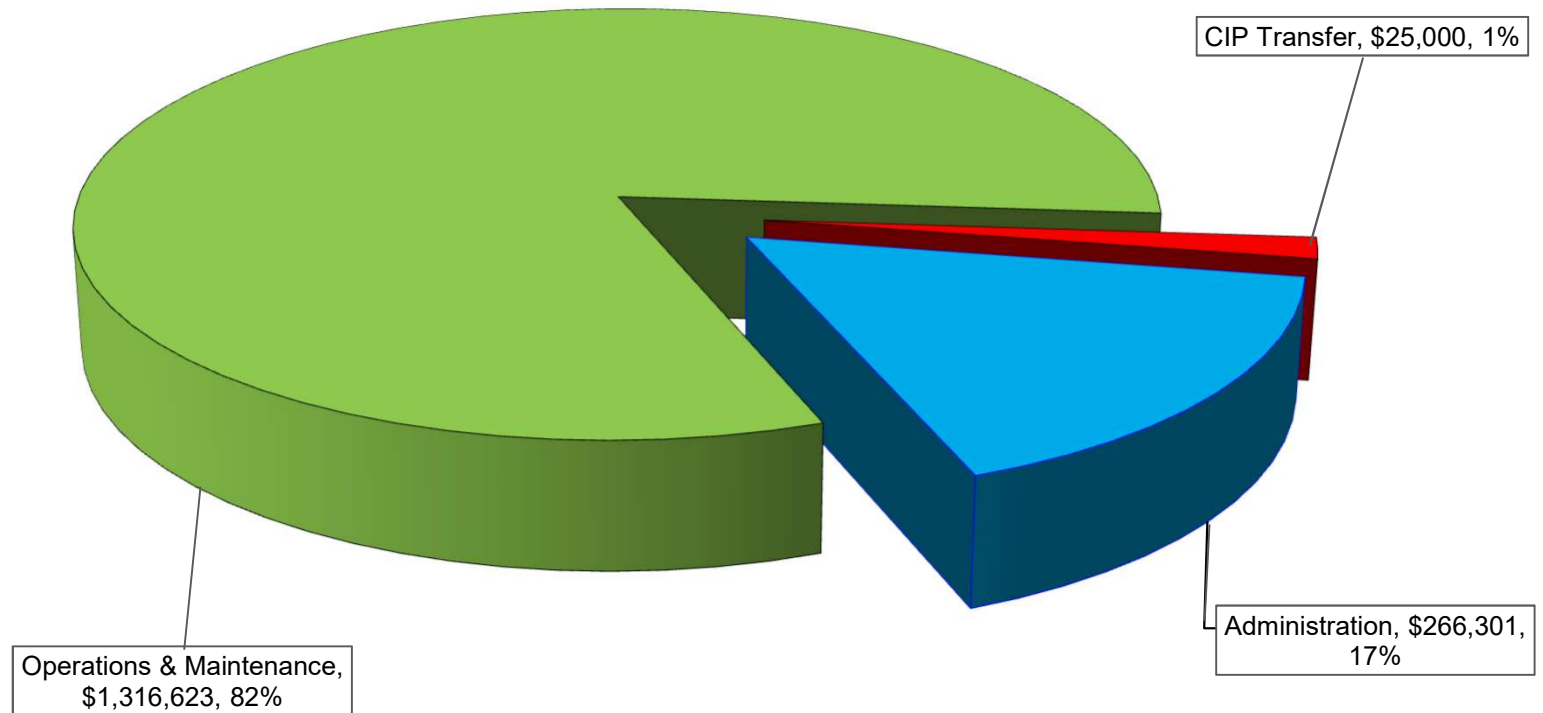
Sources of Funds: Total \$1.5 Million

Proposed Budget Fiscal Year 2018-2019





Storm Drainage Utility Fund Uses of Funds: Total \$1.6 Million Proposed Budget Fiscal Year 2018-2019





Storm Drainage Utility Fund - Budget Highlights Proposed Budget Fiscal Year 2018-2019

- No changes in storm drainage fees
- \$366,985 overall net decrease in total expenditures and transfers
 - Due to one-time expenditures and transfers provided in 2018 and not needed in 2019
- \$360,500 provided for purchase of new equipment and vehicles
- \$95,710 provided for 2 new positions
 - (2) ROW Technicians
- \$25,000 provided for one-time transfer to CIP



Proposed Budget Fiscal Year 2018-2019

CAPITAL IMPROVEMENTS PROGRAM (CIP)

Summary & Highlights



Capital Improvements Program (CIP) Proposed Budget Fiscal Year 2018-2019 Total: \$45.4 Million

\$45,366,430 for capital improvement projects is provided in the proposed spending plan for FY 2018-2019 and includes the following projects:

Project Name/Description	FY 2019 Spending Plan	Department	Funding Source
Street Maintenance/Resurfacing	\$500,000	Public Works	General Fund
Sidewalk Maintenance	\$50,000	Public Works	General Fund
Quiet Zone Design/Construction	\$100,000	Engineering	General Fund
Old Stagecoach Road Reconstruction	\$2,500,000	Public Works	General /Water Funds
Kyle Crossing Road Improvements	\$800,000	Public Works	General Fund
Citywide Beautification Projects	\$100,000	Public Works	General Fund
Land/Property Acquisition for ED Project	\$400,000	City Manager	General Fund
Historic City Hall Improvements	\$125,000	Parks	General Fund



Capital Improvements Program (CIP) Proposed Budget Fiscal Year 2018-2019 Total: \$45.4 Million

Project Name/Description	FY 2019 Spending Plan	Department	Funding Source
Storm Drainage Priority Projects From M/Plan	\$250,000	Public Works	Storm Drainage Fund
Ash Pavilion/Hockey Rink	\$250,000	Parks	Park Development Fund
Kyle Vista Park Improvements	\$1,000,000	Parks	Park Development Fund
Gregg-Clarke Park Pool Improvements	\$100,000	Parks	Park Development Fund
ARWA Water Supply Improvements	\$8,183,385	Public Works	ARWA Bond Debt
Water Line Upgrades/Replacements	\$300,000	Public Works	Water Fund – Operating
Water Tank Rehabilitation	\$300,000	Public Works	Water Fund – Impact Fee
FM 1626 Pump Station Improvements	\$1,500,000	Public Works	Water Fund – Impact Fee
Wastewater Line Upgrades/Replacements	\$500,000	Public Works	Wastewater Fund – Operating
Wastewater Imps – Edwards Drive	\$175,000	Engineering	Wastewater Fund – Operating
Southside Wastewater Collection System	\$3,800,000	Engineering	Wastewater Fund – Impact Fee
Bunton Creek WW Interceptor Ph 3.1	\$100,000	Engineering	Wastewater Fund – Impact Fee



Capital Improvements Program (CIP) Proposed Budget Fiscal Year 2018-2019 Total: \$45.4 Million

Project Name/Description	FY 2019 Spending Plan	Department	Funding Source
Bunton Creek WW Interceptor Ph 3.2	\$1,038,000	Engineering	Wastewater Fund – Impact Fee
Elliott Branch WW Interceptor Ph 1	\$1,500,000	Engineering	Wastewater Fund – Impact Fee
Elliott Branch WW Interceptor Ph 2	\$200,000	Engineering	Wastewater Fund – Impact Fee
Plum Creek WW Interceptor Ph 1	\$1,200,000	Engineering	Wastewater Fund – Impact Fee
Plum Creek WW Interceptor Ph 3	\$45,000	Engineering	Wastewater Fund – Impact Fee
Indian Paintbrush Liftstation Improvements	\$400,000	Engineering	Wastewater Fund – Impact Fee
WWTP 3.0 to 4.5 MGD Expansion	\$10,250,000	Engineering	2018 Bonds (New)
Lehman Road Reconstruction	\$5,000,000	Engineering	2013 & 2015 Road Bonds
North Burleson Street Reconstruction	\$4,000,000	Engineering	2013 & 2015 Road Bonds
Marketplace Avenue Extension at Burleson	\$700,000	Engineering	2013 & 2015 Road Bonds
TOTAL FY 2019 CIP SPENDING PLAN:	\$45,366,430		



Debt Position Proposed Budget Fiscal Year 2018-2019

ALL OUTSTANDING DEBT (PRINCIPAL ONLY)

Summary & Highlights

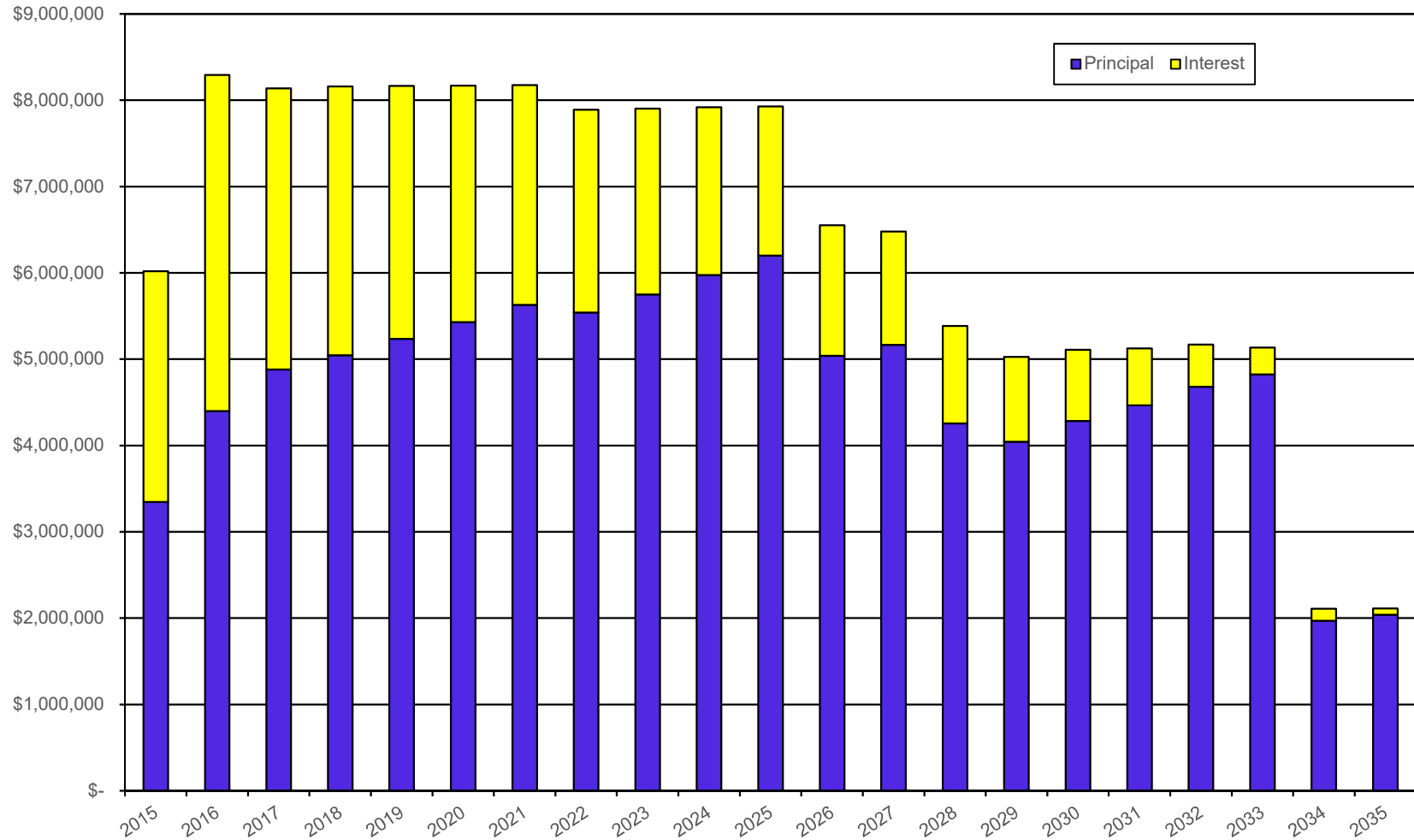


Current Debt Position Proposed Budget Fiscal Year 2018-2019

- \$80.5 million total amount of debt outstanding (principal only) on October 1, 2018
- Annual reduction in outstanding debt balance (principal only)
 - \$90.5 million on October 1, 2016
 - \$85.6 million on October 1, 2017
 - \$80.5 million on October 1, 2018
- Does not include \$9.5 million new debt planned for WWTP expansion project
- Does not include debt issued and or planned by ARWA for City's share of capital expenditures



Aggregate Debt Service by Fiscal Year (Without ARWA & WWTP Debt)





All Other City Funds Proposed Budget Fiscal Year 2018-2019

ALL OTHER CITY FUNDS

Budget Summary & Highlights



All Other City Funds: Total \$47.6 Million Proposed Budget Fiscal Year 2018-2019

- \$47,574,519 in total expenditures for all other 37 City Funds
- Examples of other City Funds include:
 - Debt Service Fund \$ 8,880,871
 - Park Development Fund \$ 1,350,000
 - Hotel Occupancy Fund \$ 328,576
 - Road Bonds \$ 9,700,000
 - Water CIP Fund \$ 300,000
 - Water Impact Fee Fund \$ 1,800,000
 - Wastewater CIP Fund \$ 925,000
 - Wastewater Impact Fee Fund \$ 8,220,631
 - Wastewater 2018 Bond Fund \$10,000,000
- A complete listing of all other City Funds and expenditure details are provided in the budget document



Next Steps – Budget Process Proposed Budget Fiscal Year 2018-2019

- July 23: Proposed line item budget sent to City Council
- July 28: City Council Budget Workshop #2**
- July 30: Proposed budget posted on City's website & made available at City Hall and Public Library
- August 14: 1st public hearing on budget and rates
- August 21: 2nd public hearing on budget and rates
- August 28: 1st reading of Ordinance to adopt budget, utility rates/fees
1st reading of Ordinance to adopt ad valorem tax rate
- September 4: 2nd reading of Ordinance to adopt budget, utility rates/fees
2nd reading of Ordinance to adopt ad valorem tax rate



Proposed Budget Fiscal Year 2018-2019

Budget Information Available

- 2019 proposed budget available on the City's website
 - www.cityofkyle.com
- City's proposed budget also available for review/inspection at:
 - City Hall
 - Public Library



Proposed Budget Fiscal Year 2018-2019

CITY OF KYLE, TEXAS

PROPOSED
BUDGET



FISCAL YEAR
2018-2019

