

Fiscal Year 2016/2017

Budget Highlights

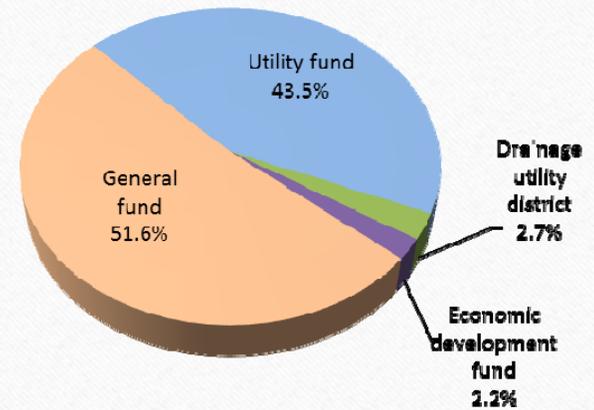
Combined Operating Budget

The proposed fiscal year 2016-2017 combined operating budget for the City organization totals \$23,928,387. Major operating funds are comprised of the General Fund, the Utility Fund, the Drainage Utility District and the Economic Development Fund. To fund the proposed fiscal year 2016-2017 budget, we are proposing the following rate increases:

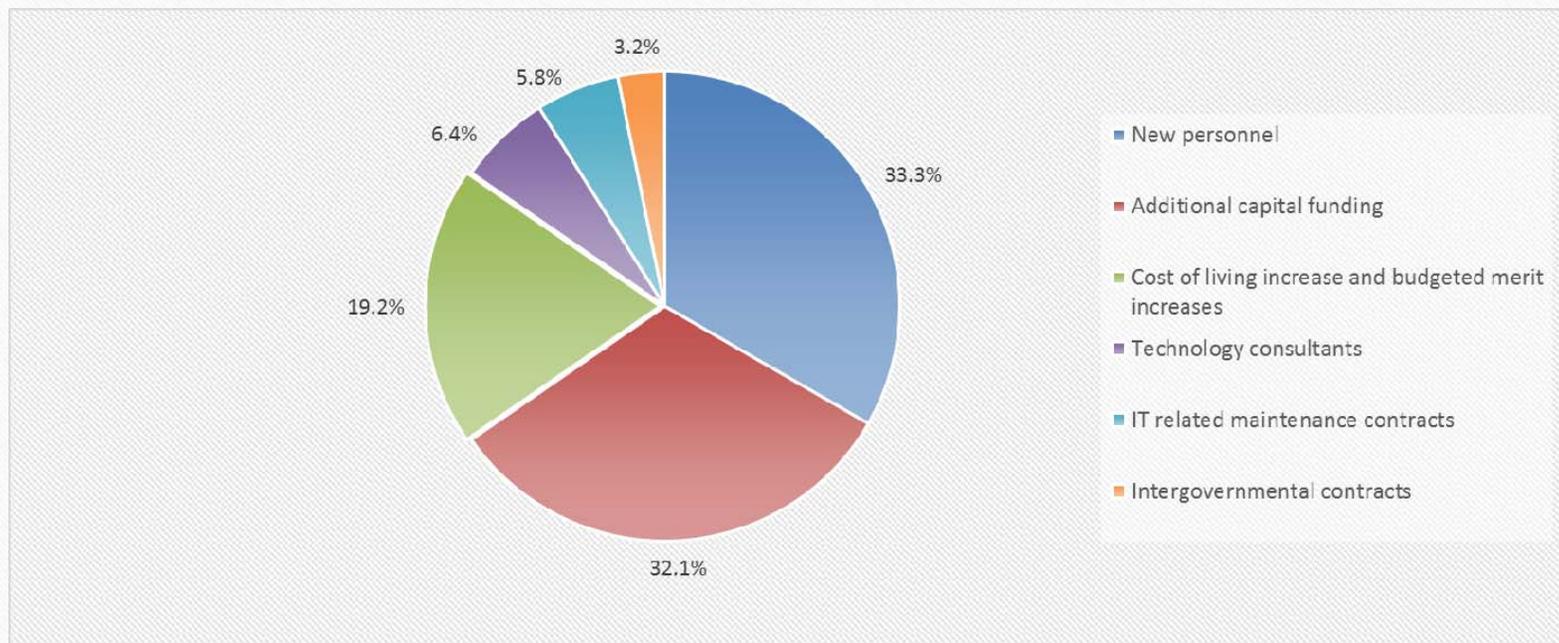
- a slight increase (+\$0.0067) in property taxes, which is less than the \$0.0153 increase communicated on the 2015 bond election literature;
- 5% increase in wastewater rates to fund a rate increase from CCMA;
- 3.1% increase in solid waste collection rates, passed-through from Bexar Waste; and
- \$1/LUE increase in drainage fees to aid in funding a portion of a major drainage project.

Combined Operating Budget

Fund Type	FY 2015-2016	FY 2016-2017	\$ Difference	% Difference
	Current Budget	Proposed Budget		
General Fund	\$11,127,188	\$12,351,500	\$1,224,312	11.0%
Utility Fund	10,153,572	10,410,831	257,259	2.5%
Drainage Utility District	<u>549,650</u>	<u>646,068</u>	<u>96,418</u>	<u>17.5%</u>
Subtotal	\$21,830,410	\$23,408,399	\$1,577,989	7.2%
Economic Development Fund	<u>550,817</u>	<u>519,988</u>	<u>(30,829)</u>	<u>(5.6%)</u>
Total Combined	\$22,381,227	\$23,928,387	\$1,547,160	6.9%



Of the overall increase of \$1,547,160 in the combined funds, the graph below highlights the most significant increases in the budget between fiscal year 2015-2016 and fiscal year 2016-2017. An increased level of capital acquisition and employment costs make up approximately 85% of the increase.



Increasing Personnel Costs

- Employee 2% cost-of-living increase proposed to remain competitive with neighboring cities
- Eligible merit increase up to 2.5% based on performance
- New positions proposed to be funded during fiscal year 2016-2017:
 - 3 firefighters to be funded mid-year
 - A property room/evidence technician to be funded mid-year within the police department
 - An accounting manager to be funded mid-year
 - A part-time file clerk/receptionist
 - A crew leader and maintenance worker in Utilities
 - Reclassification of 4 positions internally

Property Taxes

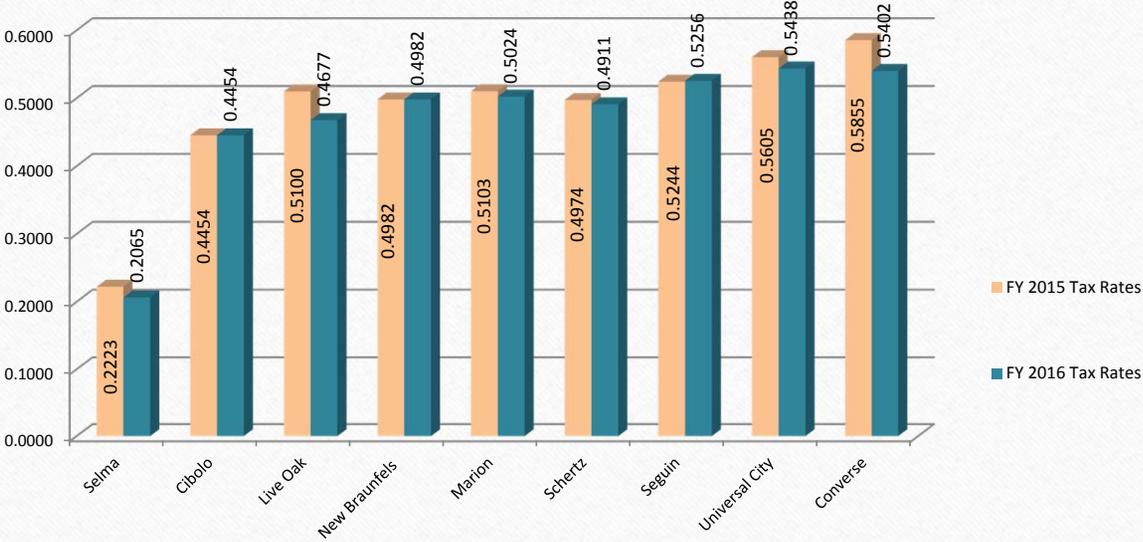
- The proposed budget is based on a tax rate of \$0.4474 per \$100 valuation, which is \$0.002 per \$100 valuation over the current tax rate of \$0.4454 per \$100 valuation and \$0.0067 per \$100 valuation over the calculated effective rate.
- The General Fund budget is based on a rate for maintenance and operations (M&O) of \$0.2653 which is the effective M&O rate and is less than the current M&O rate of \$0.2681. At the effective M&O rate, any new property tax revenue in the General Fund is essentially from new property on the tax roll.
- The Debt Service Fund budget is based on a rate for interest and sinking (I&S) of \$0.1821. The increase in our I&S rate is due to the recent issuance of bonds approved in the November 2015 election and issued in 2016. As previously mentioned, the combined M&O and I&S rate increase is less than the tax rate increase communicated to our citizens at the 2015 bond election.

One (1) penny in the proposed 2016/2017 budget generates approximately \$173,408, assuming a collection rate of 100%. The City's collection rate on current taxes is consistently over 98%.

	Rate/\$100 Valuation	2015	2016	Difference from prior year	Difference over effective rate
Taxable Value (adjusted for court ordered reductions)		1,643,055,848	1,734,072,894		
Taxes refunded		11,761			
<u>Total Effect on Property Tax Revenue</u>					
2015 Tax Rate	0.4454	\$ 7,329,931.75			
2016 Effective Rate	0.4407		\$ 7,642,059.24	\$ 312,127.50	
2016 Proposed Tax Rate	0.4474		\$ 7,758,242.13	\$ 428,310.38 5.84%	\$ 116,182.88 1.52%
<u>Total Effect on Maintenance and Operations</u>					
2015 M&O Tax Rate	0.2681	\$ 4,412,112.04			
2016 Effective M&O Rate	0.2653		\$ 4,600,495.39	\$ 188,383.35	
2016 Proposed M&O Tax Rate (effective M&O rate)	0.2653		\$ 4,600,495.39	\$ 188,383.35	\$ - 0.00%
<u>Total Effect on Interest and Sinking (Debt Service)</u>					
2015 I&S Tax Rate	0.1773	\$ 2,917,819.71			
2016 I&S Tax Rate at Effective Rate	0.1754		\$ 3,041,563.86	\$ 123,744.15	
2015 Proposed I&S Tax Rate	0.1821		\$ 3,157,746.74	\$ 239,927.03	\$ 116,182.88 3.82%

This budget will raise more total property taxes than last year's budget by \$428,311 (5.84%), and of that amount \$384,375 is tax revenue to be raised from new property added to the tax roll this year.

Property Tax Rate Comparison of the surrounding area

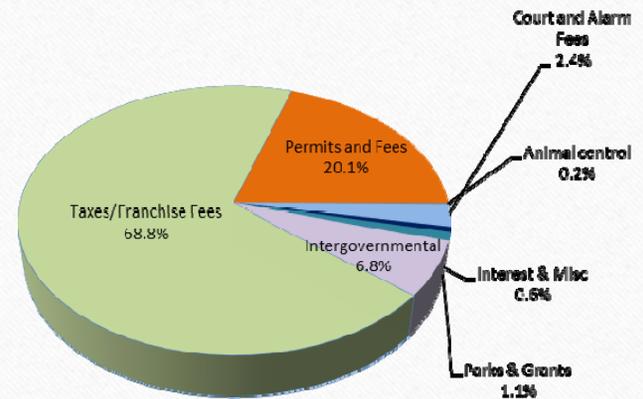


General Fund

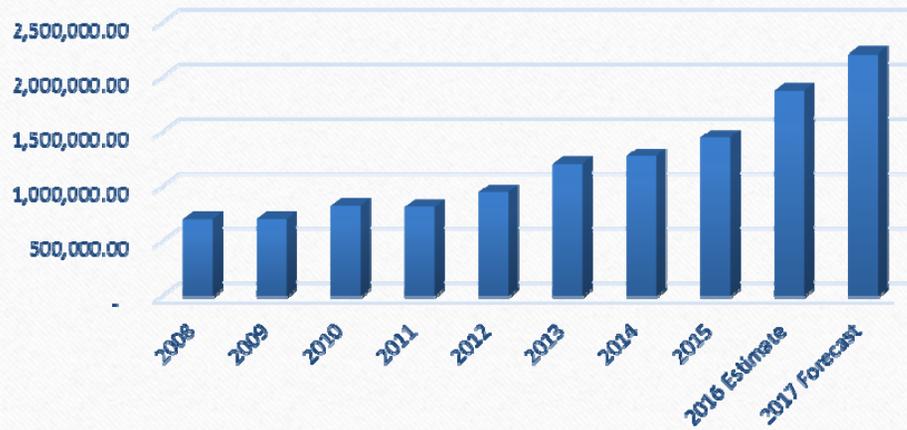
Budget Highlights

General Fund Revenue Highlights

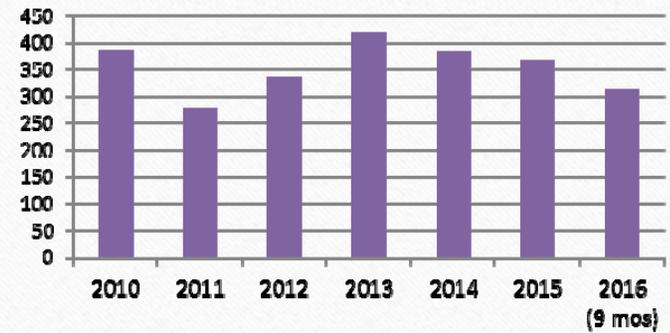
Revenue Category	FY 2015-2016	FY 2016-2017	\$ Difference	% Difference
	Current Budget	Proposed Budget		
Taxes and franchise fees	\$6,888,000	\$7,480,200	\$592,200	8.6%
Permits and fees	2,101,000	2,185,000	84,000	4.0%
Animal control	13,800	18,000	4,200	30.4%
Court and alarm fees	275,500	260,400	(15,100)	(5.5%)
Interest and miscellaneous	30,225	63,200	32,975	109.1%
Parks and grants	43,000	117,000	74,000	172.1%
Intergovernmental & Transfers	<u>447,031</u>	<u>743,493</u>	<u>296,462</u>	<u>66.3%</u>
Total Revenues	\$9,798,556	\$10,867,293	\$1,068,737	10.9%



Sales tax revenues from 2008

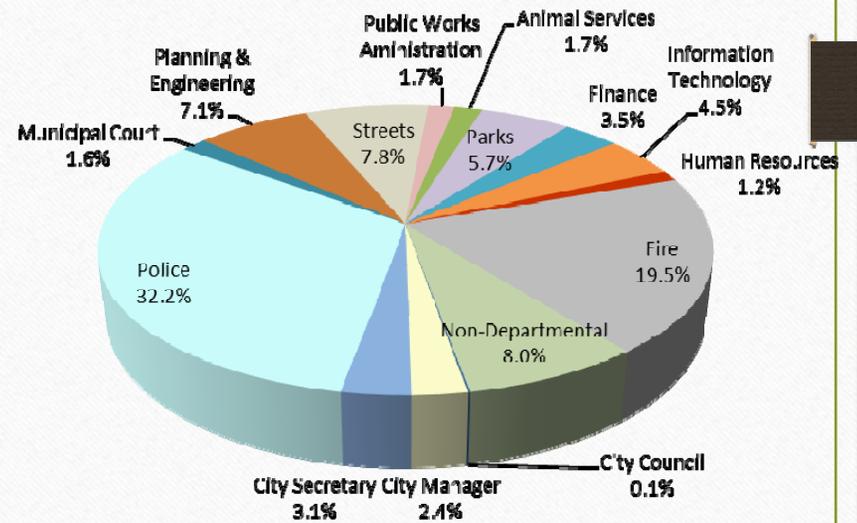


Building permits by fiscal year



General Fund Expenditure Highlights

Department	FY 2015-2016	FY 2016-2017	\$ Difference	% Difference
	Current Budget	Proposed Budget		
City Manager	\$ 281,529	\$ 301,398	\$ 19,869	7.1%
City Council	10,900	10,900	-	0.0%
City Secretary	397,563	377,255	(20,308)	-5.1%
Police	3,588,732	3,971,945	383,212	10.7%
Municipal Court	188,032	193,728	5,696	3.0%
Planning and Engineering Services	974,151	881,297	(92,854)	-9.5%
Public Works - Streets	1,023,884	962,347	(61,537)	-6.0%
Public Works Administration	0	203,881	203,881	
Animal Services	187,743	215,460	27,718	14.8%
Public Works - Parks	707,458	702,010	(5,448)	-0.8%
Finance	370,206	428,787	58,581	15.8%
Information Technology	413,413	557,147	143,734	34.8%
Human Resources	125,689	146,803	21,114	16.8%
Fire Department	2,133,827	2,409,158	275,331	12.9%
Non Departmental	724,061	989,385	265,324	36.6%
Total Expenditures	\$11,127,188	\$12,351,500	\$1,224,312	11.0%

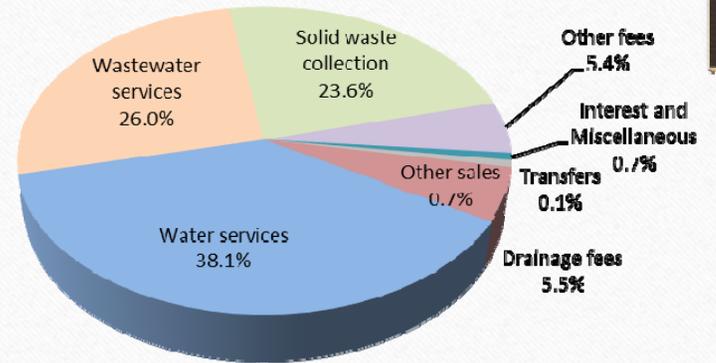


Utility Fund

Budget Highlights

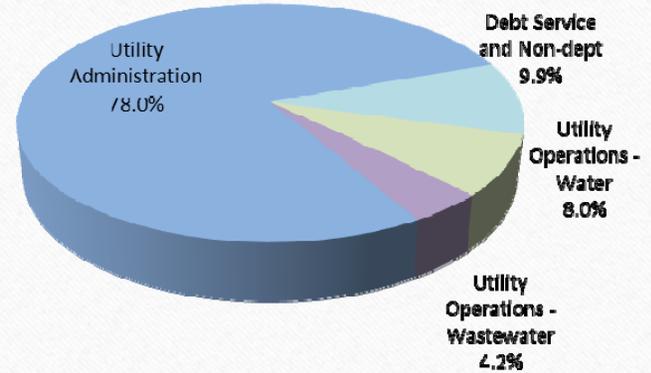
Combined Utility Fund Revenues

Revenue Category	FY 2015-2016	FY 2016-2017	\$ Difference	% Difference
	Current Budget	Proposed Budget		
Water services	\$3,862,920	\$4,267,000	\$404,080	10.5%
Wastewater services	2,648,398	2,910,000	261,602	9.9%
Solid waste collection services	2,214,000	2,639,000	425,000	19.2%
Other fees	607,550	603,250	(4,300)	0.7%
Interest and miscellaneous	60,800	82,600	21,800	35.9%
Other sales	1,800	6,000	4,200	233.3%
Intergovernmental and Transfers	<u>342,825</u>	<u>75,000</u>	<u>(267,825)</u>	<u>(78.1%)</u>
Total Utility Revenues	\$9,738,293	\$10,582,850	\$844,557	8.7%
<hr/>				
Drainage Services	\$490,800	\$616,500	\$125,700	25.6%
Interest and miscellaneous	<u>100</u>	<u>300</u>	<u>200</u>	<u>200.0%</u>
Total DUD Revenues	\$490,900	\$616,800	\$125,900	25.6%



Utility Fund Expenditures

Expenditure Category	FY 2015-2016	FY 2016-2017	\$ Difference	% Difference
	Current Budget	Proposed Budget		
Utility Administration	\$8,060,871	\$8,117,258	\$56,387	0.7%
Utility Operations - Water	1,098,804	833,928	(264,876)	(24.1%)
Utility Operations - Wastewater	0	433,077	433,077	
Non-department and Debt Service	993,897	1,026,567	32,670	3.3%
Total Utility Expenditures	\$10,153,572	\$10,410,831	\$257,259	2.5%



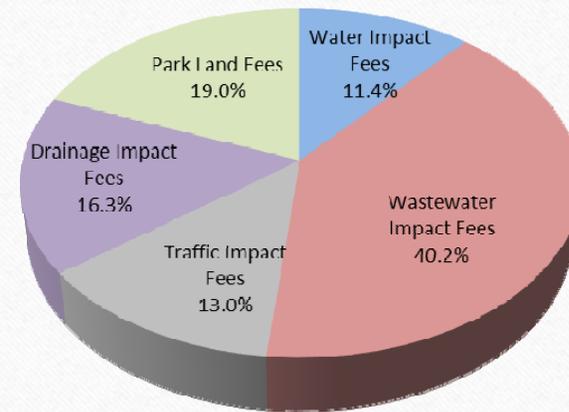
Impact Fees

Budget Highlights

Impact Fees

In the development process, the City imposes impact fees to recover costs related to the impact of new development on existing infrastructure. Those impact fees are calculated based on a professional engineering study contracted by the City and the fees were updated in 2014. Revenues are expected to decrease in traffic impact fees due to impact fee credits for traffic improvements made by the developer. Water impact fees are expected to increase due to new development expected to occur in our water CCN area at the latter part of 2017.

Impact Fee Revenue Distribution



Impact Fee Category	FY 2015-2016	FY 2016-2017	\$ Difference	% Difference
	Current Budget	Proposed Budget		
Water Impact Fees	\$ 71,900	\$ 154,585	\$ 82,685	115.0%
Wastewater Impact Fees	377,600	543,319	165,719	43.9%
Traffic Impact Fees	191,550	175,618	(15,932)	(8.3%)
Drainage Impact Fees	216,100	220,766	4,666	2.2%
Park Land & Improvement Fees	<u>240,000</u>	<u>256,800</u>	<u>16,800</u>	<u>7.0%</u>
Total Utility Expenditures	\$1,097,150	\$1,351,088	\$253,938	23.1%

Capital Programs

Budget Highlights

Capital Programs

The projects which are listed to the right outline this year's capital outlay program within operating funds.

Description	Department	Justification/ Replacement	Projected cost
<u>General fund:</u>			
(2) Police Units	Police-Patrol	Replacements	\$120,000
Police Unit	Police-Warrants	Replacement	47,300
Body Cameras	Police	Grant funded	36,600
Covered parking - Electrical connect	Police	Support body camera program	49,100
Community garden	Parks	Community enhancement	20,000
Network Storage Capacity	IT	Expand capacity	70,000
Records Management system	IT	Citywide records solution	54,500
Backup Solution	IT	Address growth	56,000
Facility construction	Fire Department	Upgrade facility	303,000
Pumper (lease finance)	Fire Department	Replacement	100,000
Admin vehicle	Non-Departmental	Replacement	22,000
Digital Marquee Sign	Non-Departmental	Communication	70,000
Facility improvement - Annex	Non-Departmental	Shortage of space	<u>450,000</u>
			\$1,398,500
<u>Utility Fund:</u>			
¾ Ton Truck	Utility Ops - Water	Replacement	\$28,690
1 Ton Service Truck	Utility Ops - WW	Replacement	<u>50,000</u>
			\$78,690
<u>Drainage Utility District:</u>			
Utility Tractor	Drainage	Tow flail head shredder	\$29,715
<u>Economic Development:</u>			
Old Town District enhancements	EDC	Enhance downtown	<u>\$50,000</u>
			\$1,556,905

* Footnote: Of the \$1,556,905 capital requested, \$753,000 are facilities improvements not expected to recur annually.

Questions & Comments

End