

FISCAL YEAR 2017-2018 PROPOSED BUDGET

Public Hearing – September 5, 2017

Notice of Public Hearing

(published August 23rd)

The City of Cibolo City Council will hold a public hearing on the budget on Tuesday, September 5, 2017 at 6:30 p.m. The public hearing will be held at Cibolo City Hall, 200 South Main, Cibolo, Texas, to hear public testimony concerning the proposed budget for FY 2017-2018. This budget will raise more total property taxes than last year's budget by \$445,623 (5.69%), and of that amount \$437,591 is tax revenue to be raised from new property added to the tax roll this year. The proposed budget is available for review at City Hall, Monday – Friday from 8 am to 5 pm and on the City website at www.cibolotx.gov.

Peggy Cimics
City Secretary

Required by Local Government Code 102.006 and our City Charter.

Proposed Budget and required notices are on the city website.

Public Hearing

- Special City Council meeting - September 5, 2017 @ 6:30pm

Adoption

- Regular City Council meeting – September 12, 2017 @ 6:30pm

REQUIREMENTS UNDER LGC §102.007

- A vote to adopt the budget must be a record vote.
- If the budget raises more revenue from property taxes than the previous year, a separate vote is required to ratify the property tax increase;
- Must include a cover page that contains:
 - A statement that describes the property tax revenue change from the previous year;
 - The record vote of each member;
 - A comparison of the property tax rates; and
 - The total amount of municipal debt obligations.

REQUIREMENTS
UNDER LOCAL
GOVERNMENT
CODE §102.007

City of Cibolo
Fiscal Year 2017–2018
Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$445,623, which is a 5.69 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$437,591.

The members of the governing body voted on the budget as follows:
FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2017-2018	2016-2017
Property Tax Rate:	\$0.4474/100	\$0.4474/100
Effective Tax Rate:	\$0.4357/100	\$0.4407/100
Effective Maintenance & Operations Tax Rate:	\$0.2584/100	\$0.2653/100
Rollback Tax Rate:	\$0.4538/100	\$0.4686/100
Debt Rate:	\$0.1748/100	\$0.1821/100

Total outstanding municipal debt obligations secured by property taxes is \$54,163,779 (including principal and interest). Of that, the total amount of outstanding debt obligations considered self-supporting is \$6,076,163. Sales taxes, utility revenues and public-private partnership agreements currently secure self-supporting debt. In the event such amounts are insufficient to pay debt service, the City will be required to assess an ad valorem tax to pay such obligations.

Budget Workshops

- August 8, 2017 – Proposed budget was delivered to Council. Budget overview was presented at Council meeting.
- August 15, 2017 – Budget workshop #1: Review of General Fund, Debt Service Fund and Property Tax Rate Calculations. Record vote on proposed tax rate for required publication.
- August 16, 2017 – Budget workshop #2: Review of Economic Development Fund, Utility Funds, Special Revenue Funds and Capital Projects.
- August 20, 2017 – Required tax notice published in the newspaper.
- August 22, 2017 – First public hearing on the tax rate.
- August 23, 2017 – Notice of Public Hearing on the Budget published in the newspaper.
- September 5, 2017 – Second public hearing on the tax rate. Public hearing on the budget.
- September 12, 2017 – Anticipated budget and tax rate adoption.

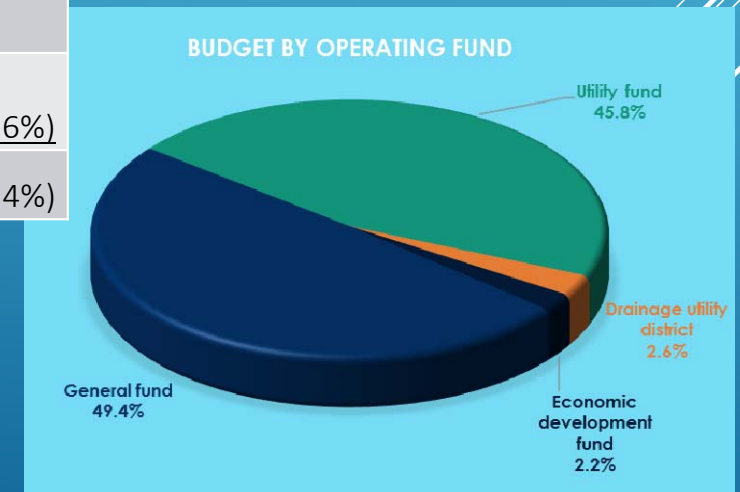
Combined Operating Budget

The proposed fiscal year 2017-2018 combined operating budget for the City organization totals \$24,216,489 after making changes discussed in budget workshops. 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 2017-2018 budget, we are proposing the following:

- An increase in property taxes of \$0.0117 over the effective tax rate, although the tax rate will remain at \$0.4474 per \$100 valuation;
- A change in our water rate structure that will generate additional water revenue to cover the rising cost of water supplied by Canyon Regional Water Authority;
- An increase to park rental fees which have not been adjusted in many years.

Combined Operating Budget

Fund Type	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
General Fund	\$12,583,174	\$11,956,908	(\$626,266)	(5.0%)
Utility Fund	10,410,832	11,086,190	675,358	6.5%
Drainage Utility District	<u>646,067</u>	<u>641,347</u>	<u>(4,720)</u>	<u>(0.7%)</u>
Subtotal	\$23,640,073	\$23,684,445	\$44,372	(0.2%)
Economic Development Fund	<u>534,988</u>	<u>532,044</u>	<u>(2,944)</u>	<u>(0.6%)</u>
Total Combined	\$24,175,061	\$24,216,489	\$41,428	(0.4%)



Changes from Submitted Budget

Additional expenses:

➤ 1.5% COLA for regular full-time and part-time employees	\$121,850
➤ \$5,000 startup cost for Operation Lifesaver	5,000
➤ Communications and technology recommendations	<u>70,000</u>
	\$196,850

Funded by reduction of expenses and new revenue:

➤ Additional salary savings	\$ 37,000
➤ No increase in cost for dispatch services in the current year	12,000
➤ Additional transfer from court security	16,000
➤ Additional sales tax revenue anticipated	20,000
➤ Fund balance	<u>111,850</u>
	\$ 196,850

Changes from Submitted Budget - operating funds

	General Fund	Utility Fund	Drainage Utility	Economic Development
Revenues as submitted	\$11,307,603	\$11,082,400	\$656,350	\$513,300
<i>Adjustments</i>	30,000	0	0	3,500
Proposed Budget	\$11,337,603	\$11,082,400	\$656,350	\$516,800
Expenditures as submitted	\$11,816,561	\$11,086,387	\$636,351	\$529,339
<i>Adjustments</i>	140,347	(197)	4,996	2,705
Proposed Budget	\$11,956,908	\$11,086,190	\$641,347	\$532,044
Fund balance as submitted	\$ 4,117,618	\$ 2,925,628	\$368,322	\$173,585
<i>Change in Fund Balance</i>	(110,347)	197	(4,996)	795
Ending Fund Balance	\$ 4,007,271	\$ 2,925,825	\$363,326	\$174,380
<i>35% fund balance reserve</i>	\$ 3,981,717	\$ 3,880,167	\$210,996	\$142,115

Additional expenses:

- 1.5% COLA for regular full-time and part-time employees
- \$5,000 startup cost for Operation Lifesaver
- Communications and technology recommendations

Funded by reduction of expenses and new revenue:

- Additional salary savings
- No increase in cost for dispatch services in the current year
- Additional transfer from court security
- Additional sales tax revenue anticipated

Changes from Submitted Budget – special revenue funds

	Wastewater Impact Fees	Traffic Impact Fees	Street Impact Fees	Court Security Fund	Street Maintenance Fund
Fund balance 9/30/2016	\$1,398,195	\$ 648,757	\$ 293,189	\$ 23,599	\$ 725,116
FY 17 Revenue as submitted	637,481	338,146	1,902	4,360	366,859
<i>Adjustments</i>	0	0	0	0	0
FY 17 Expense as submitted	1,002,827	280,878	6,440	5,539	461,953
<i>Adjustments</i>	50,000	10,000	125,000	0	0
Fund balance 9/30/2017	\$ 982,849	\$ 696,025	\$ 163,651	\$ 22,420	\$ 630,022
FY 18 Revenue as submitted	540,417	437,990	2,000	4,515	393,100
<i>Adjustments</i>	0	0	(500)	0	3,500
FY 18 Expense as submitted	1,240,000	510,000	100,000	6,500	750,000
<i>Adjustments</i>	0	(20,000)	0	16,000	0
Fund balance 9/30/2018	\$ 283,266	\$ 644,015	\$ 65,151	\$ 4,435	\$ 276,622

Additional expenses:

- Additional legal fees associated with wastewater CCN acquisition
- Fund our share of completed Green Valley Road construction in the current year and remove from the following year
- Additional transfer from court security to general fund for contracted security
- Cover additional costs on Borgfeld Road construction

Additional revenue:

- Additional sales tax revenue anticipated

Changes from Submitted Budget – capital projects funds

	2011 GO Bonds – Town Creek	2012 Revenue Bonds – Water/Wastewater	2016 GO Bonds – Borgfeld Road
Fund balance 9/30/2016	\$3,715,539	\$6,282,158	\$3,355,274
FY 17 Revenue as submitted	37,610	63,837	472,928
<i>Adjustments</i>	0	0	2
FY 17 Expense as submitted	412,482	3,411,162	3,730,204
<i>Adjustments</i>	23,900	80,000	98,000
Fund balance 9/30/2017	\$3,316,767	\$2,854,833	\$ 0
Remaining revenue as submitted	18,000	30,000	2,002
<i>Adjustments</i>	0	0	(2,002)
Remaining expense as submitted	3,358,667	560,000	100,000
<i>Adjustments</i>	(23,900)	0	(100,000)
Fund balance 9/30/2018	\$ 0	\$2,324,833	\$ 0

Additional expenses:

- Increase in engineering services agreement for Hydraulic modeling and Conditional Letter of Map Revision
- Lighting of elevated water storage tank

- Additional Right-of-way acquisition along Borgfeld Road will deplete remaining funds in FY 2017.

QUESTIONS & COMMENTS

End

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