

Budget Workshop

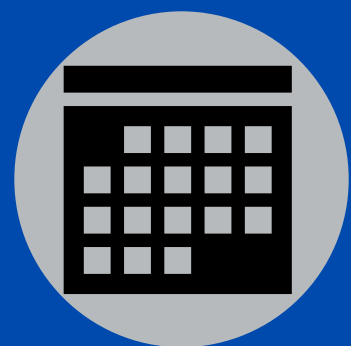
- *Proposed - FY 24-25* •

“Planning for Today and Tomorrow”
Managing the Impact of Growth



Agenda

Friday, June 07, 2024
Community Center
9:00 a.m. to 2:00 p.m.



Budget

Budget Overview
Debt Update
General Fund & Utility Fund
Capital Improvement Plan

2



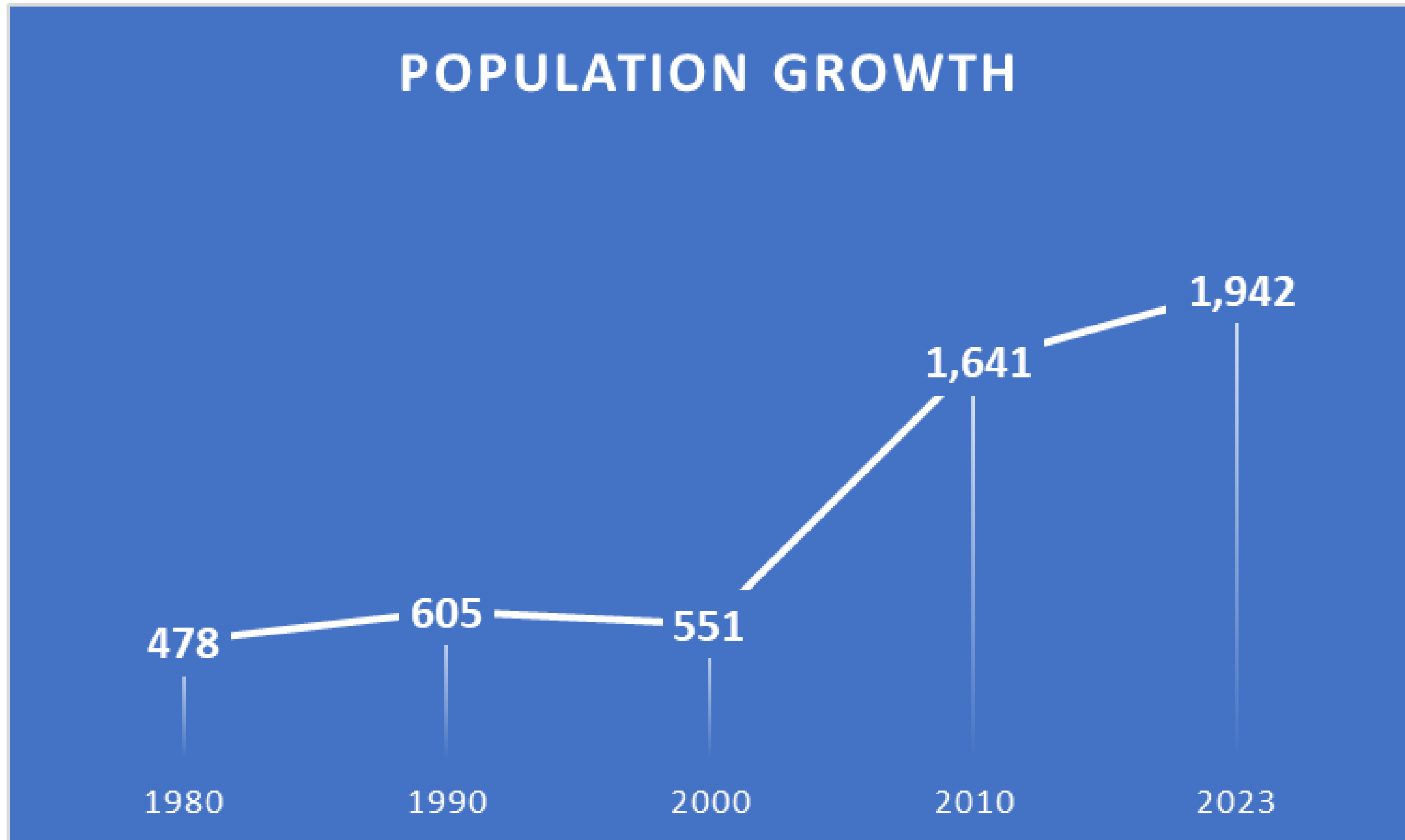
Direction

Council Feedback
Next Steps

State of the City – Fast Facts

- 1935 = Incorporated as a Type C General Law City
- 1940 = Became a Type A General Law City
- 5 square miles = City Limits
- 19 square miles = w/Extra Territorial Jurisdiction (ETJ)
- 1935 made application to construct water system
- 1967 constructed first sewer plant
- 2006 built elevated water tank
- 611 = approximate number of homes
- 5 = named subdivisions currently in city limits
- 2 = named subdivisions in ETJ (Bluestem & Reunion)
- 1 = named subdivision – future (Prairie Point)
- \$90,474 = Average Household Income
- \$78,365 = Median Household Income
- 34 = Median age of residents
- 1,453 = approx. number of residents over 18 yo
- 489 = approx. number of residents under 18 yo
- 5 = number of churches in city limits
- 44 = approx. number of businesses in city limits
- 7K to 10K = homes being built in PMB development

State of the City – Fast Facts, cont.



CITIZENS OF RHOME

MAYOR AND CITY COUNCIL

Advisory Boards
& Committees

City Attorney
City Secretary
Muni. Court Judge

CITY ADMINISTRATOR

POLICE CHIEF

PUBLIC WORKS DIRECTOR

FIRE – EMS CHIEF

ADMINISTRATION

Sergeant(s)

Police
Officers

Reserve
Officers

Admin.
Asst.

Wastewater
Operator

Water
Operator

Technician

Full Time
Firefighters

Volunteer
Firefighters

Assistant
Fire Chief

Part Time
Firefighters

Municipal
Court
Clerk

Admin.
Asst.

Utility
Billing &
Permitting

Senior
Finance

This is a visual depiction of staffing levels, current positions and the manner in which work is distributed within the City of Rhome organization.

It is also meant to be a tool to help improve transparency with our community members.

Economic Development

QuikTrip (QT)

- **Open for business**

Reunion & Bluestem (ETJ)

- **Residential development being built by PMB**
- **In city's ETJ area**
- **Has commercial component**
- **Residents living in homes already**

Economic Development, cont.

Prairie Point

- **Future residential subdivision - Hwy 114 and near Crown Point**
- **Approx. 300 acres of developable land**
- **Mix of residential and commercial**
- **No timeline for construction**

Various Projects

- **Property near Love's, City Hall, By Well Estates**
- **Urgent Care Center (no new updates)**
- **Hickory homes project**
- **Townhome project**
- **Ace Hardware**

Debt / Loans / Bond Rating = A+

Series	Original Amount	Outstanding as of Jan. 2023	Purposes (as described in legal documents)
1991 GO Bonds	\$ 325,000	-	Water system improvements
2000 Combo CO's	\$2,285,000	-	Improvement to water supply/collection system; rehab wastewater collection system
2005 Combo CO's	\$1,550,000	-	Water, sewer, and street improvements
2007 Tax Notes	\$ 435,000	-	Complete construction of elevated storage tank
2007 GO Refunding	\$2,085,000	-	Refunded 1991 (\$120K) and 2000 CO (\$1.7M)
2010 Tax Notes	\$ 580,000	-	Improvements to water/sewer system
2016 GO Refunding	\$ 1,617,000	\$ 577,000	Refunded 2007 GO Refunding
2017 Tax Notes	\$ 699,000	\$ 146,000	City Hall renovations, auto meter readers, warning sirens, improvements to water/wastewater system, removal of asbestos & demo Old City Hall
2019 GO Bonds	\$2,620,000	<u>\$2,475,000</u>	Water/sewer system improvements (E-WWTP)
	TOTAL	\$3,198,000	

2022 W/WW Revenue Bond

- **2019/2020** - The Water/Wastewater Master Plans identified several short and long-term capital improvement projects
- **2021** - Staff/consultants developed three projects to submit to Texas Water Development Board for low interest rate loans:
 - Short-term Wastewater project (s) (\$3,875,906) – Not selected
 - Short-term Water project (s) (\$1,945,650) – Not selected
 - Long-term Water projects (\$26,545,000) - Selected. However, it was discovered that pre-planning was not included and was required (project needed to be shovel ready and under contract with Upper Trinity) to accept so we weren't able to utilize.
- **2021** – Council approved a W/WW Revenue Bond for the (2) Short-term Water/Wastewater projects
- **2021** – Applied for and received a Texas Department of Agriculture CDBG that will fund bringing Well #6 back online.
- **2022** – Revenue bond approved (not issued at this time) for West Plant minimum upgrades

2024 Ad Valorem - General Fund Bonds

➤ **Proposition A – Water Wells**

- Will be contacting Upper Trinity Ground Water Conservation District – location, test wells

➤ **Proposition B – West Wastewater Treatment Plant**

- Engineering work to begin project

➤ **Proposition C – Sanitary Sewer Lines**

- Engineering work to begin project

General Fund



Main Revenue Sources

Property Tax (ad valorem)

- Ad valorem means 'according to value' in Latin
- Amount due depends on value of the property & the rate set by the taxing entity
- May be assessed by school districts, cities, counties, hospitals, special districts, and community colleges
- Most Stable - reliable

Exemptions/Exceptions

- Homestead
- Over 65 or Disabled
- Disabled veterans
- Armed services members and First Responders (killed in the line of duty)
- Religious Use

Rhome Tax Rate for 23-24 FY = .335372 (rollback rate)

Property Value	\$200,000/\$100
Tax Rate	<u>x 0.335372</u>
Taxes Due	\$ 670.75

*less any exemptions

Main Revenue Sources, cont.

Sales & Use Taxes (Sales Tax)

- State rate = 6.25 percent
- Local rate = up to 2 percent
- Often significant revenue source
- Imported revenue
- Very volatile (changes each month)
- May be levied on all goods sold in the city limits.

Rhome uses full 2 % of sales & use tax allowed by the State

- General revenue = 1 %
- Property Tax Reduction (local) = a half percent
- Property Tax Reduction (county level) = a half percent

Main Revenue Sources, cont.

Fines & Fees (permits, mixed beverages, court fines, etc.)

- Building permits
- Court revenue from citations
- Credit card fees
- Notary / copy fees
- Charges for open records requests

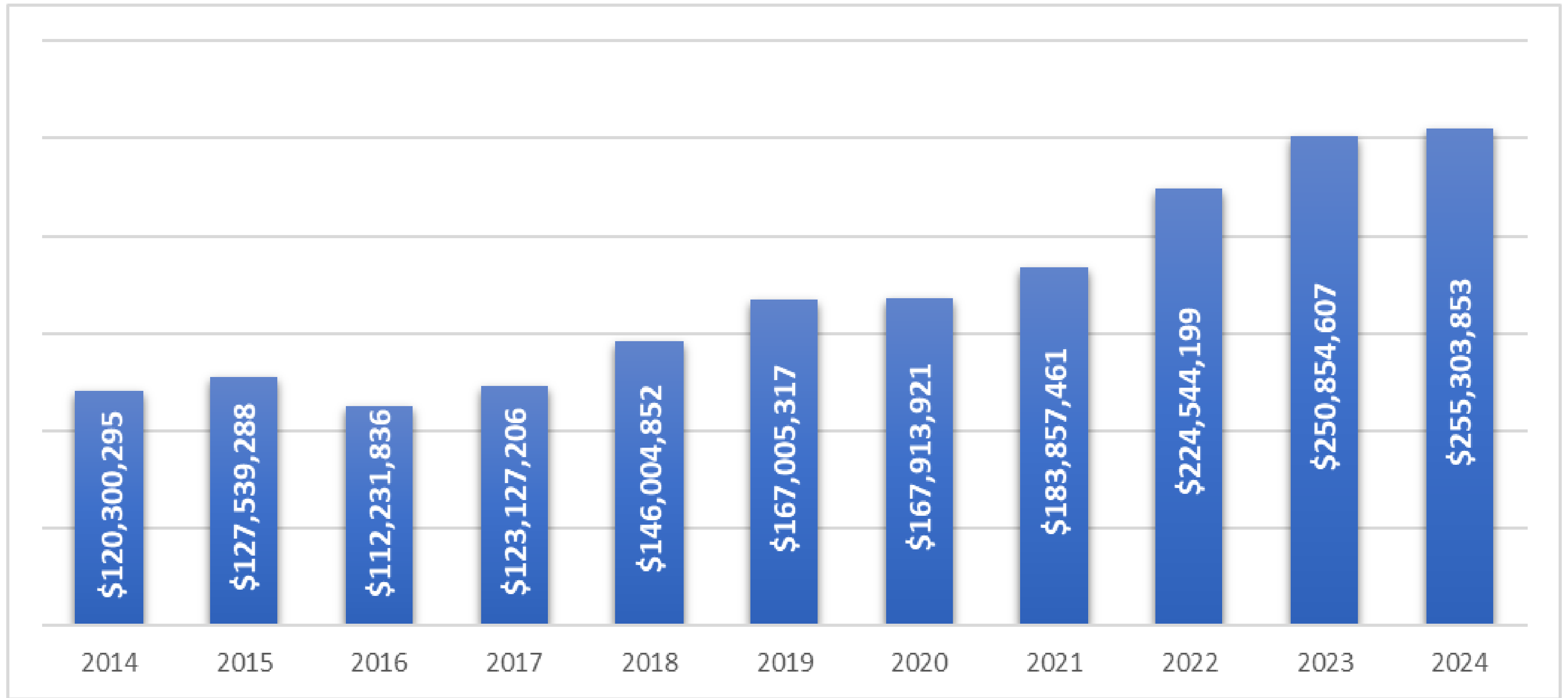
Grants

- Rhome has benefited from several grants
- Currently use Grant Works to help us prepare applications

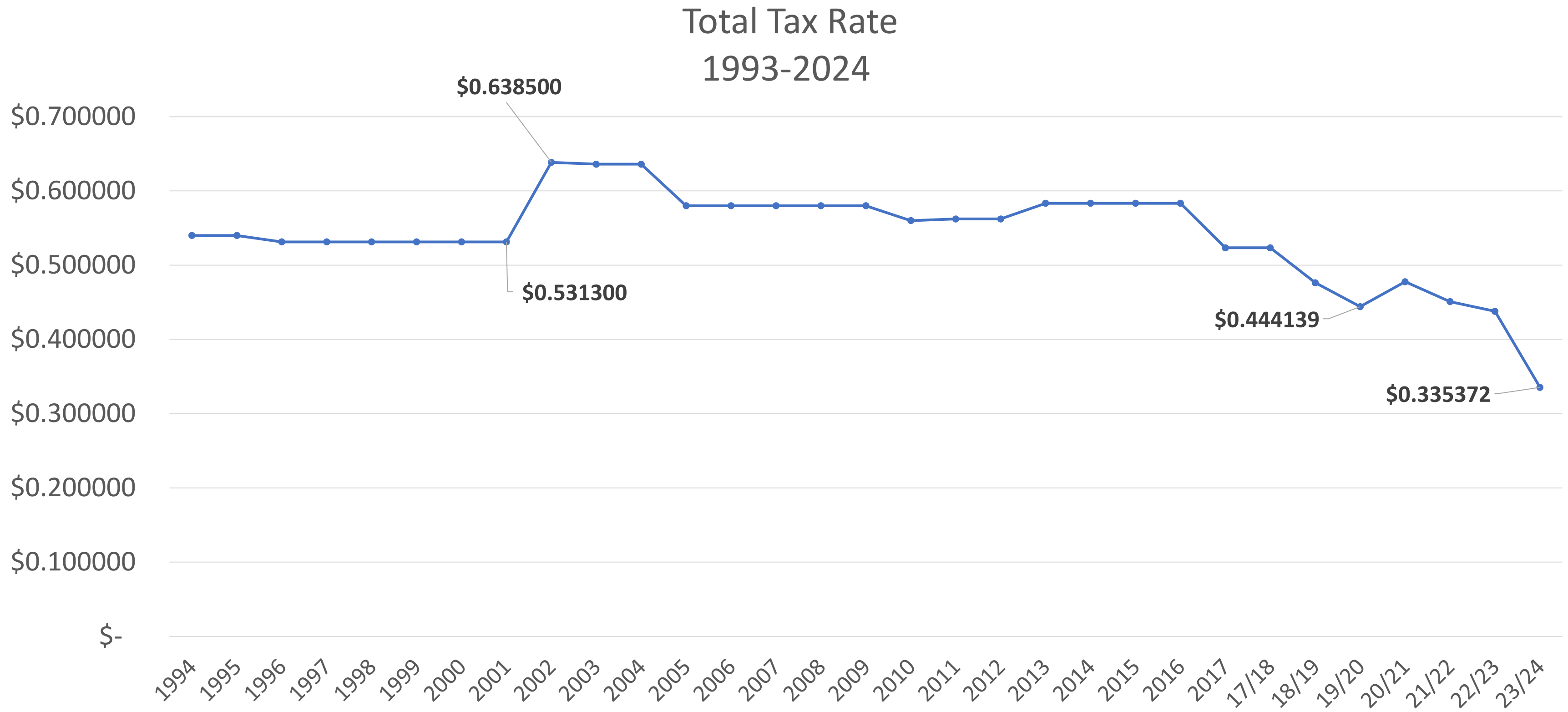
Hotel Occupancy Taxes (HOT Taxes)

- Levied on person who pays for a room at hotel

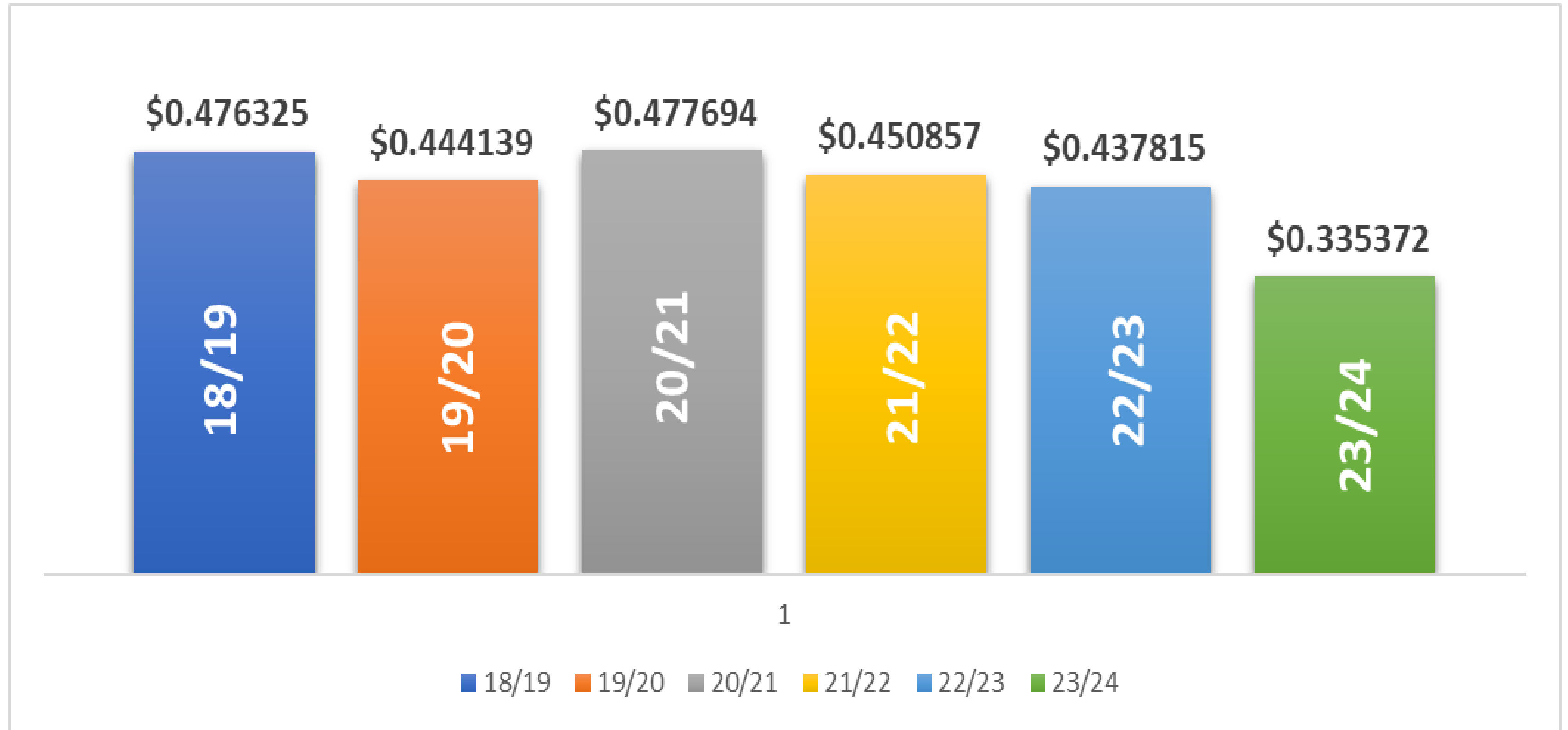
Tax Base - Certified Values



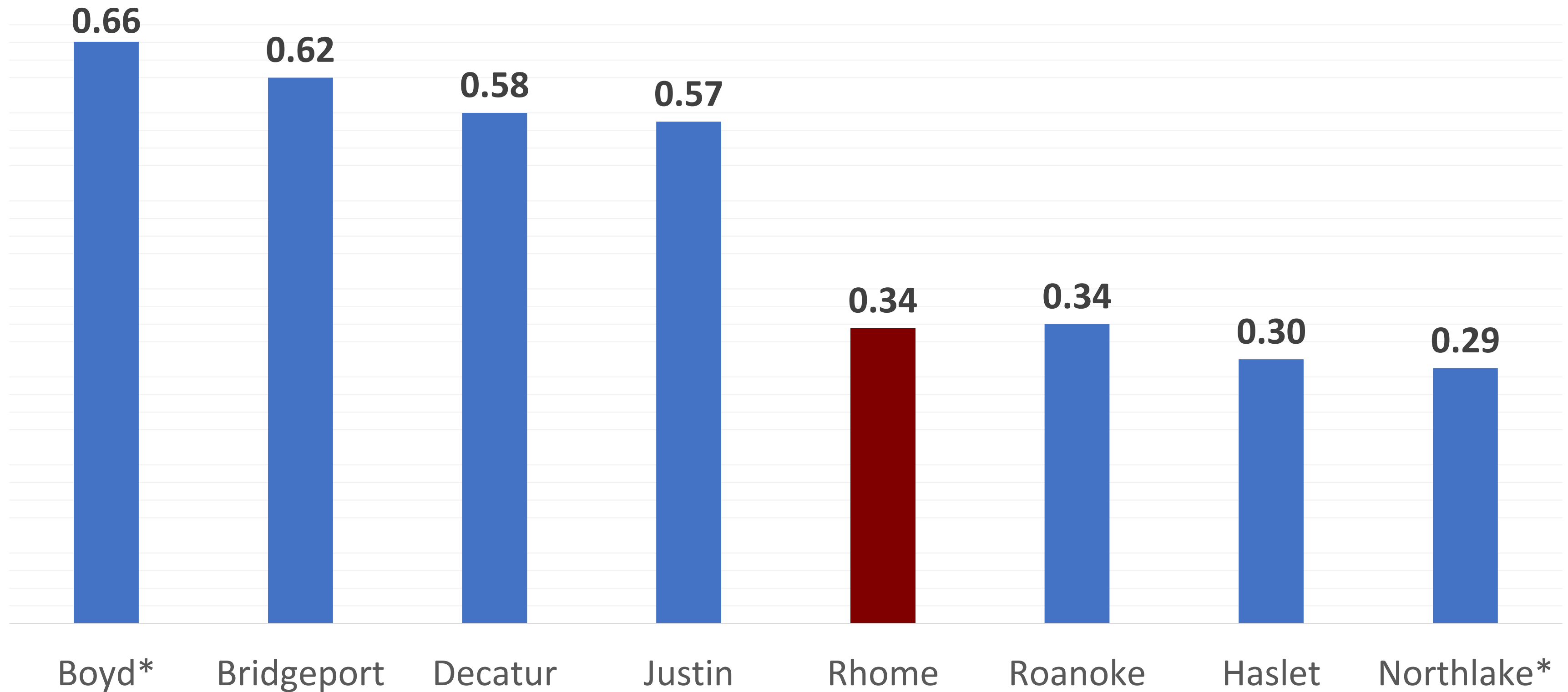
Tax Rate History – 20 years



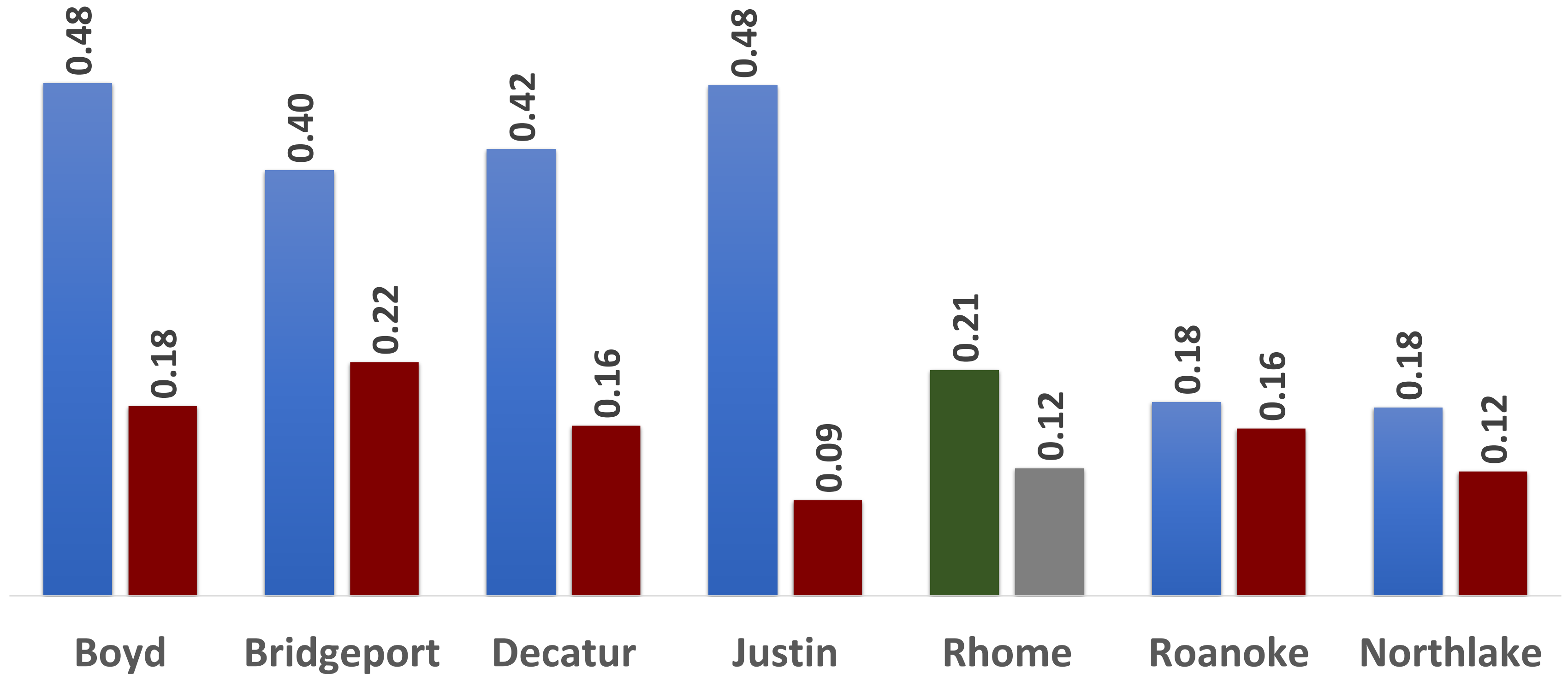
Tax Rate History – Five Years



Tax Rate Comparison – FY 23-24 Data



Tax Rate Comparison – M&O and I&S



Fund Types

General Fund

- ✓ Administration
- ✓ Building & Development
- ✓ Court
- ✓ Police

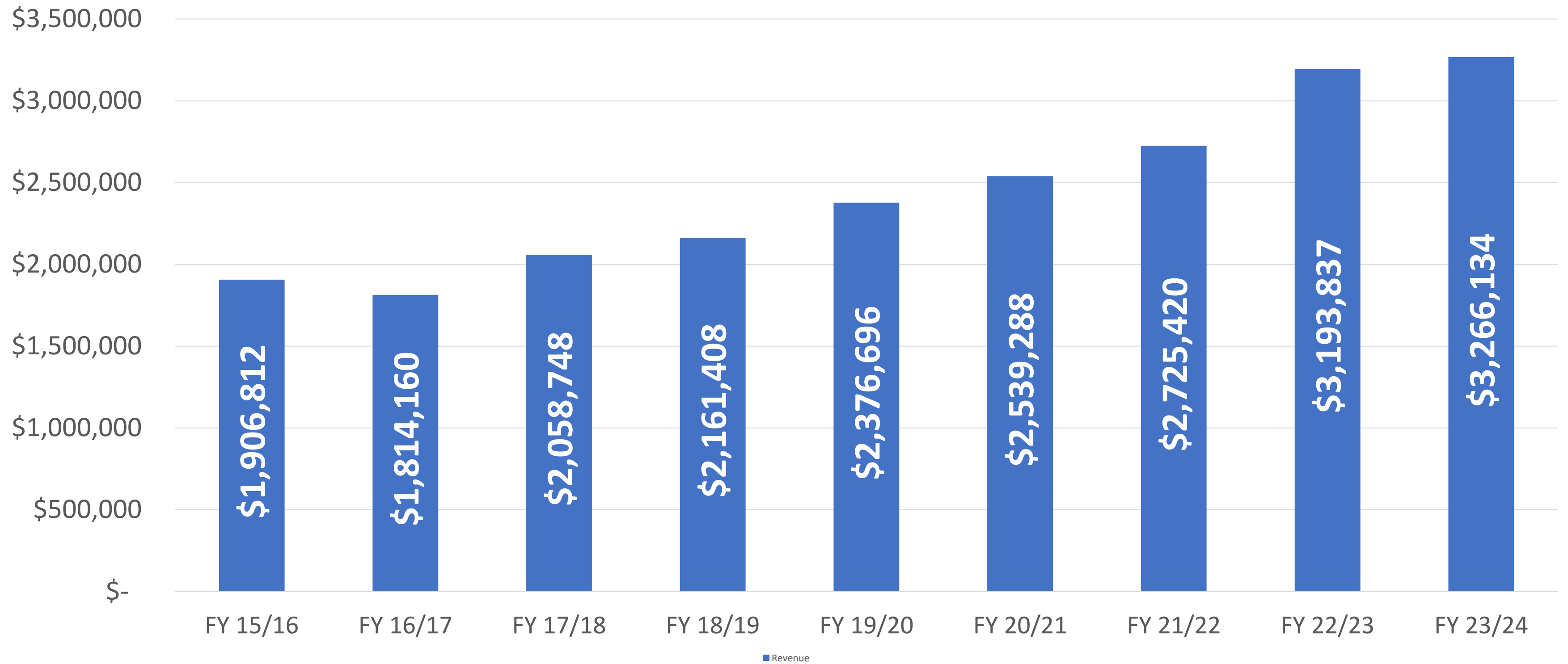
Utility Fund

- ✓ Water & Sewer

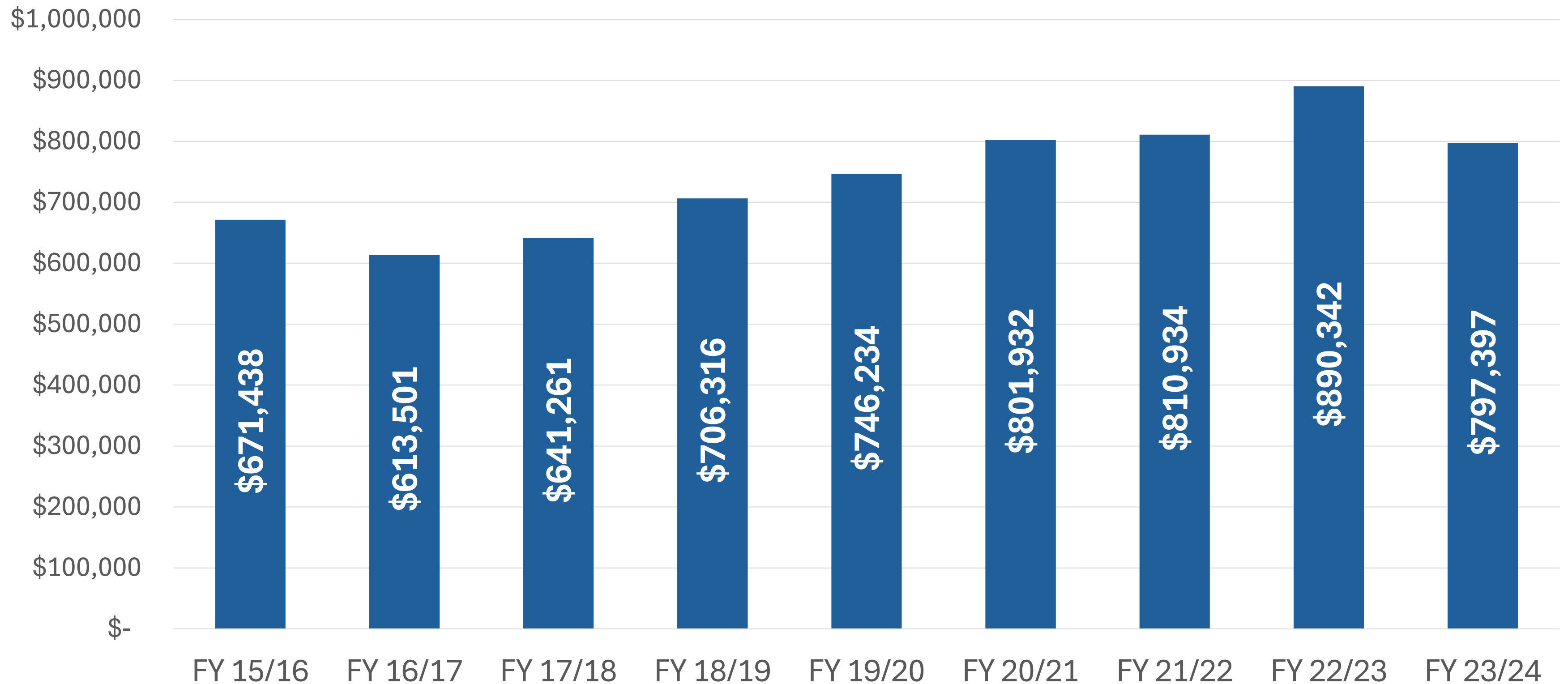
Fire Fund

Parks Fund

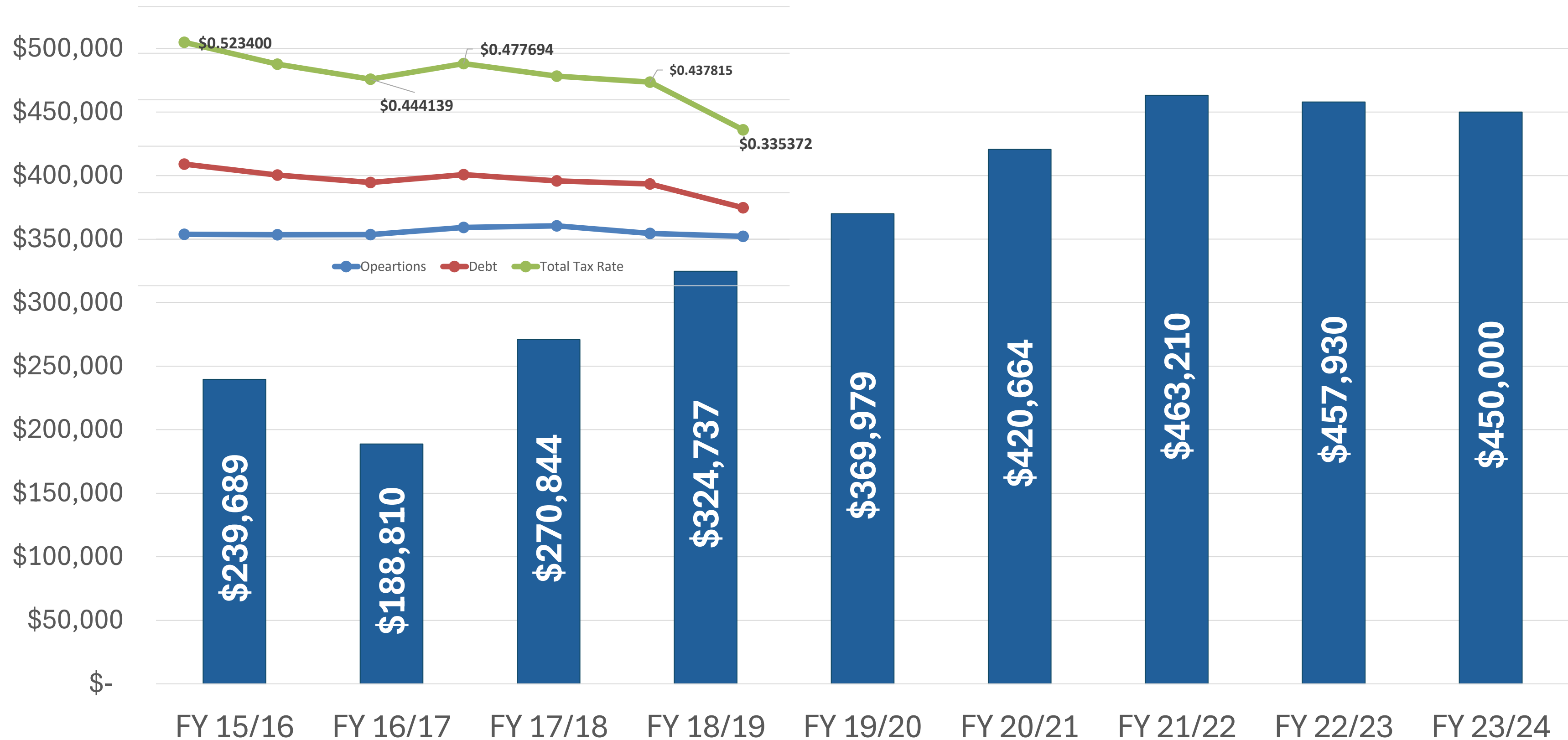
General Fund History - Revenue



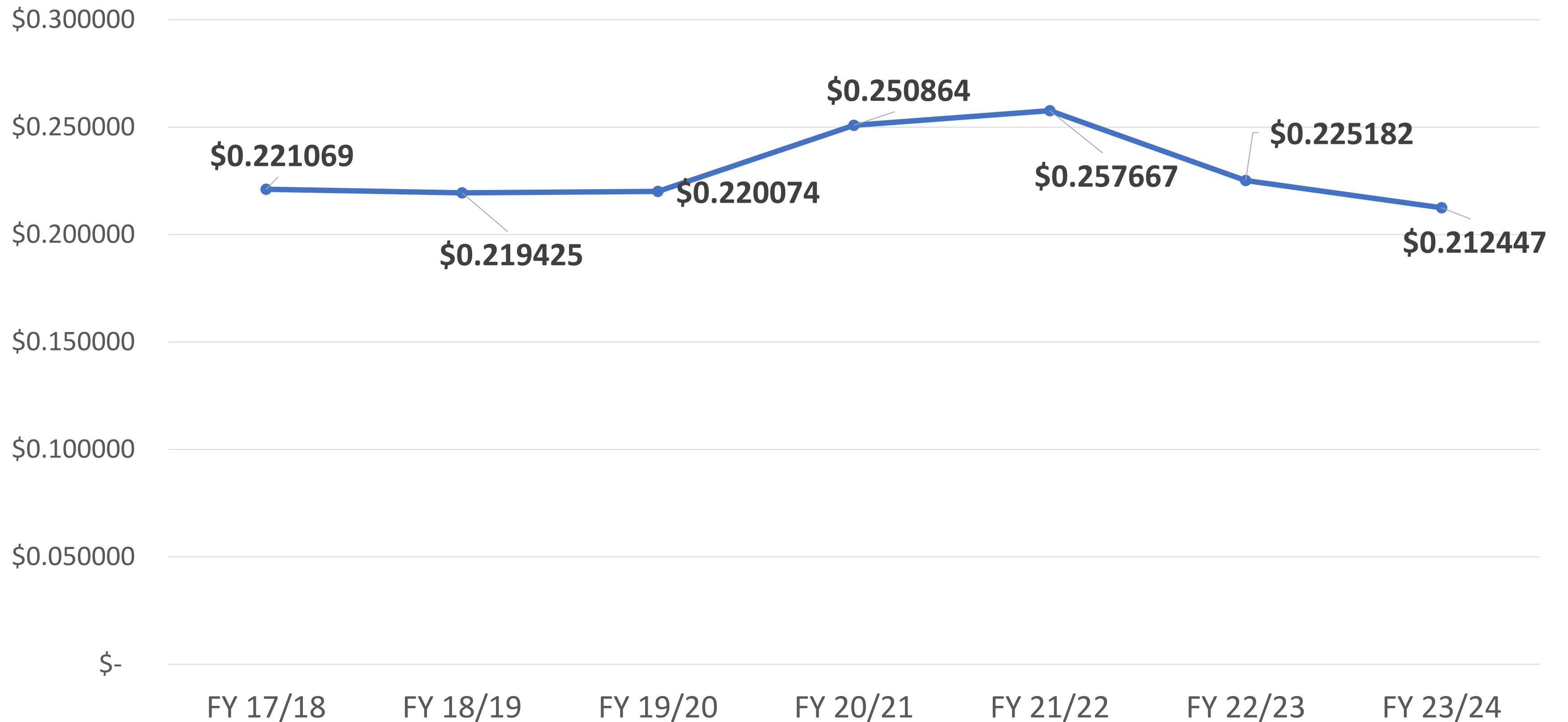
Property Tax – Revenue (included in GF slide)



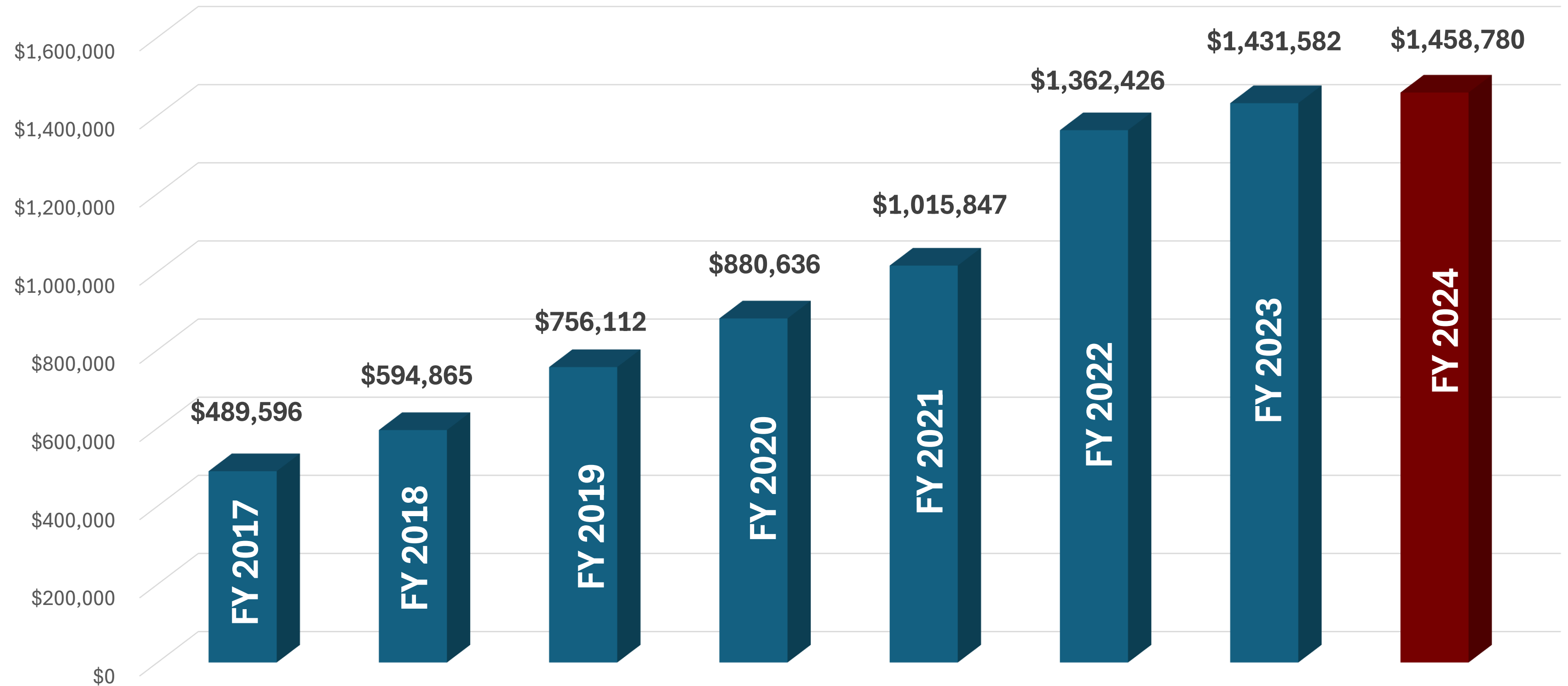
Property Tax – Operations



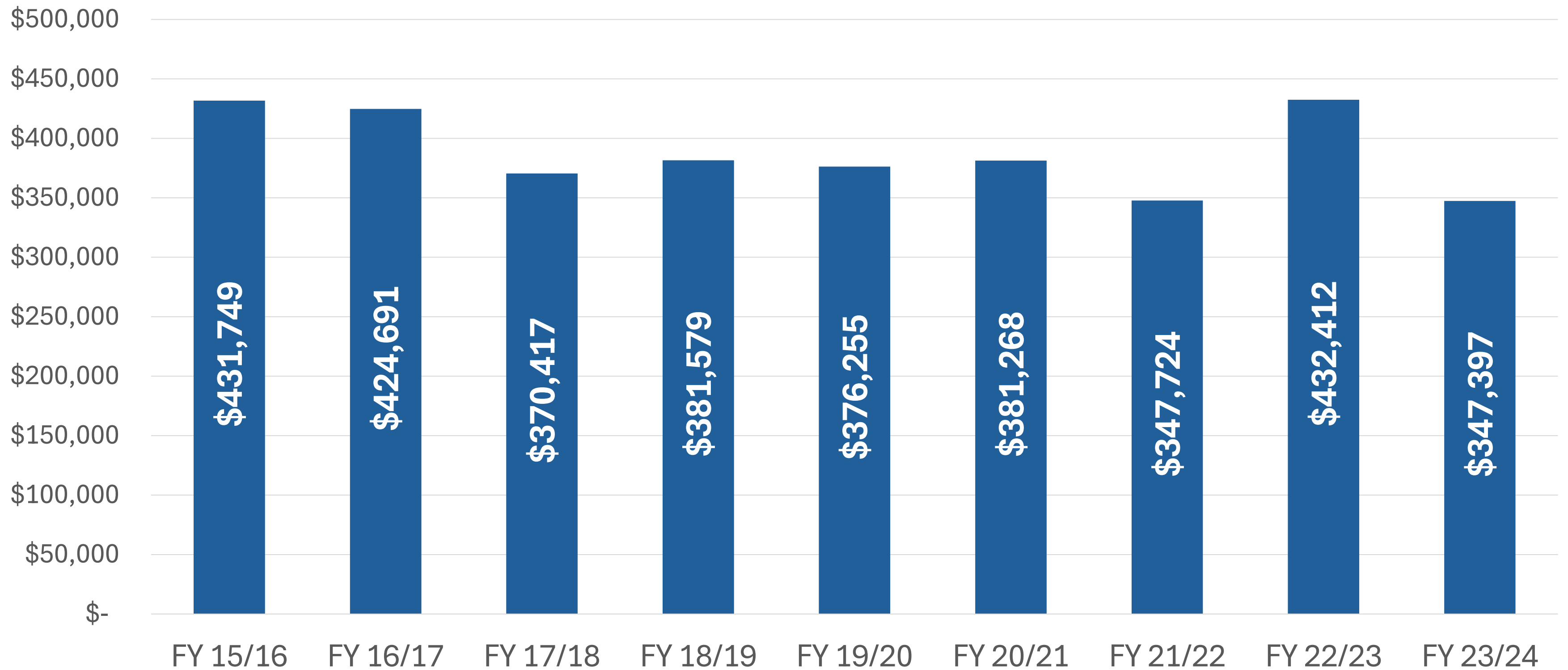
Property Tax Rate— FY 17/18 to Current



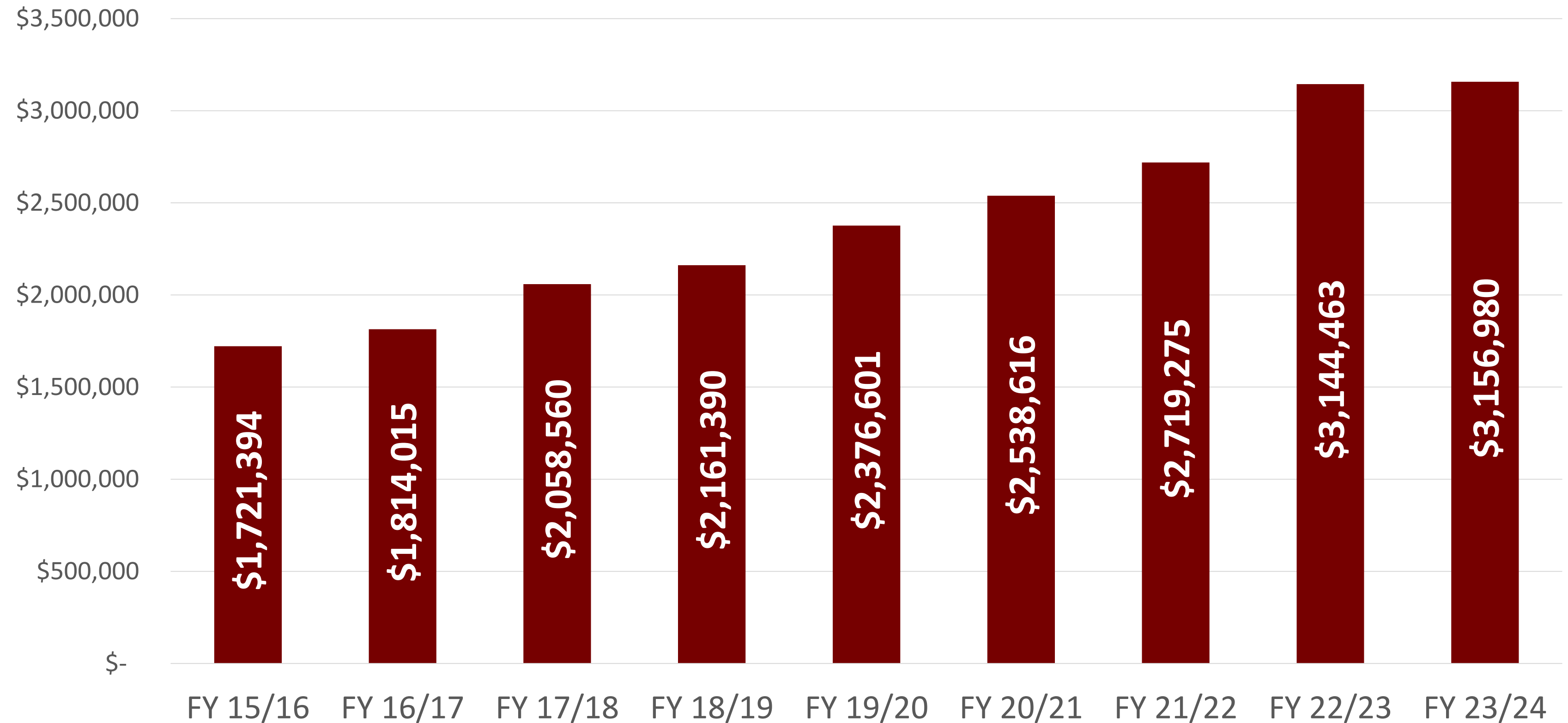
Sales Tax – Revenue (included in GF slide)



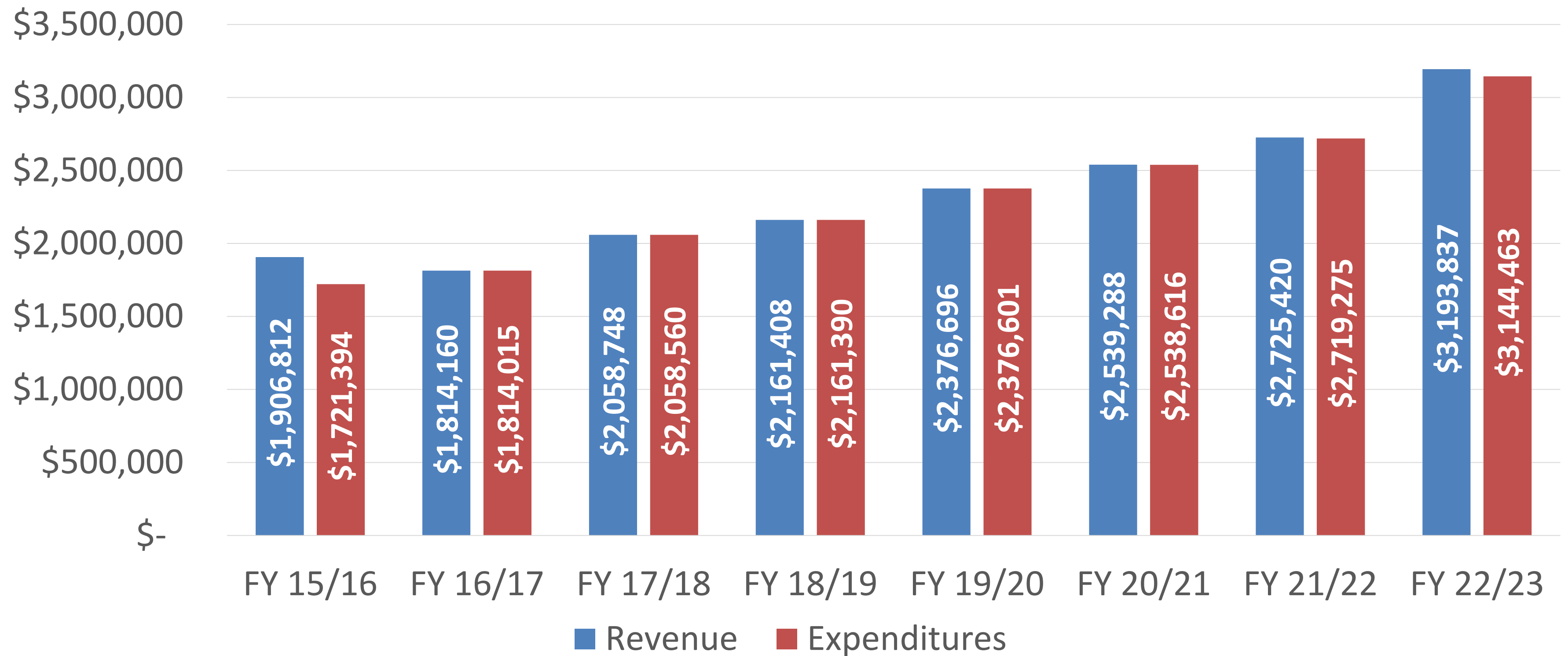
Property Tax – Debt Service



General Fund History - Expenditures



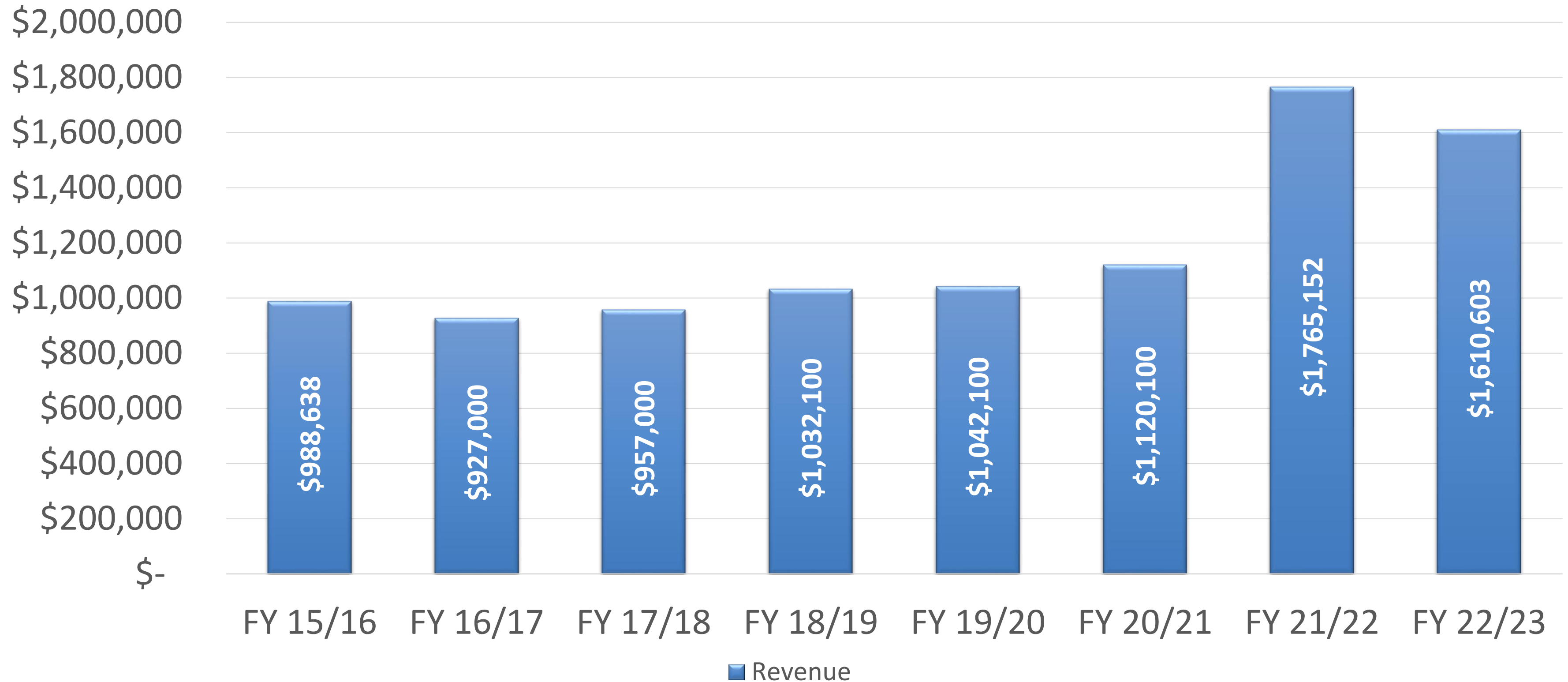
General Fund History (Revenue & Expenditures)



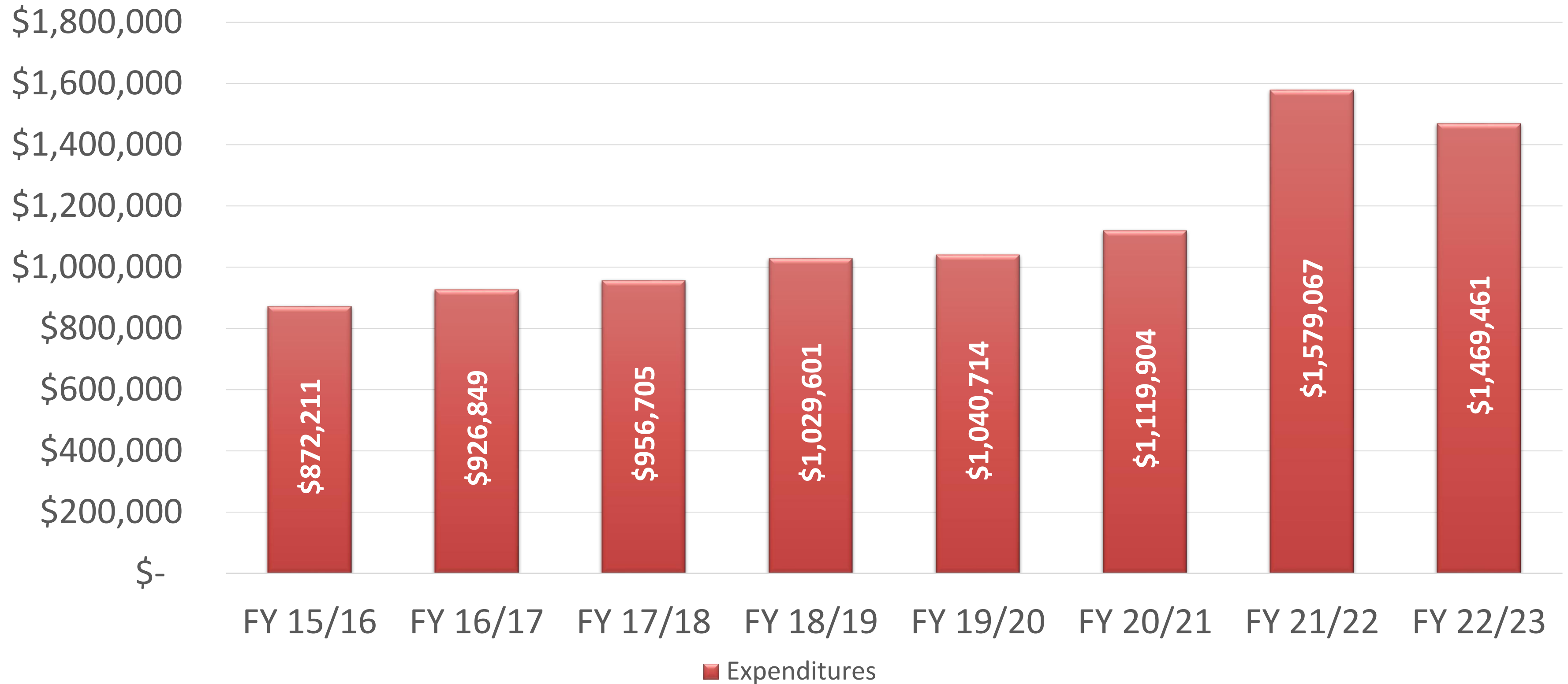
Utility Fund



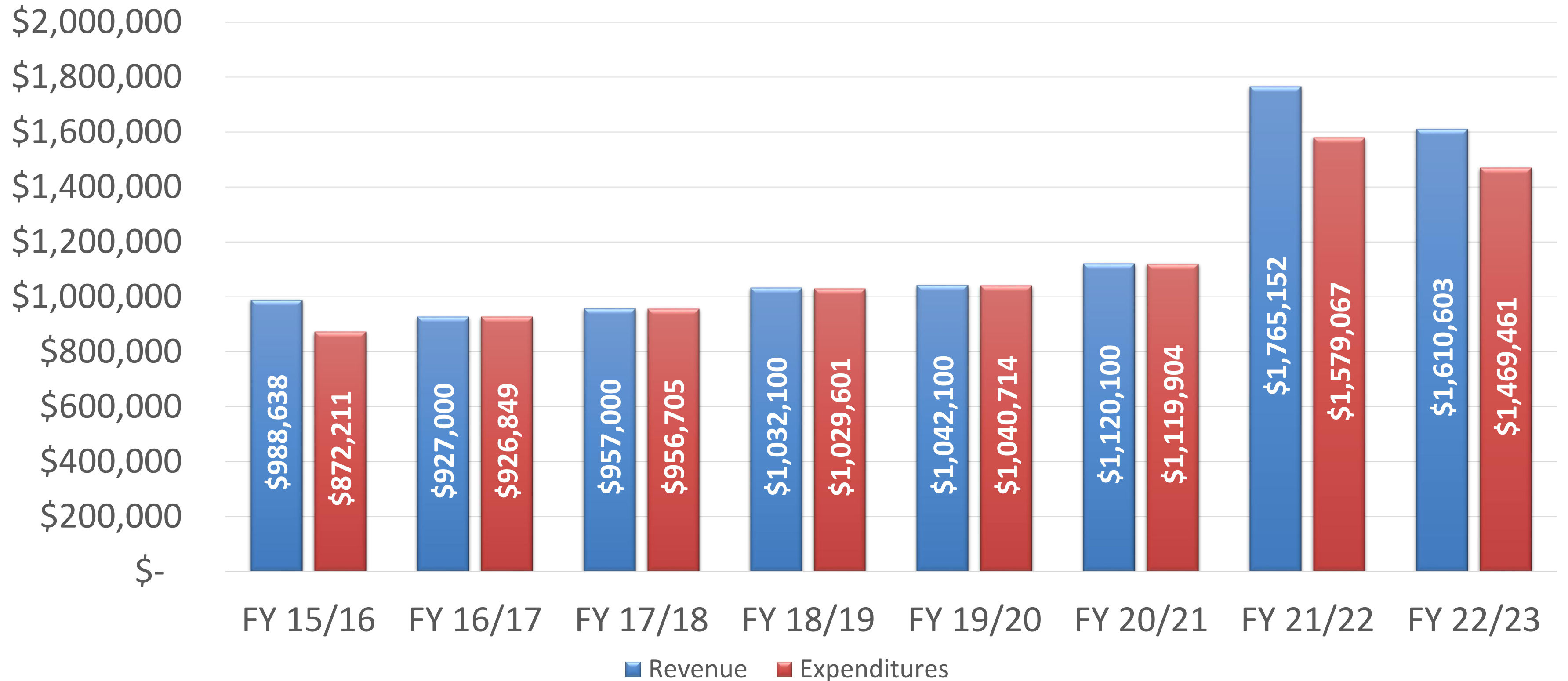
Utility Fund History - Revenue



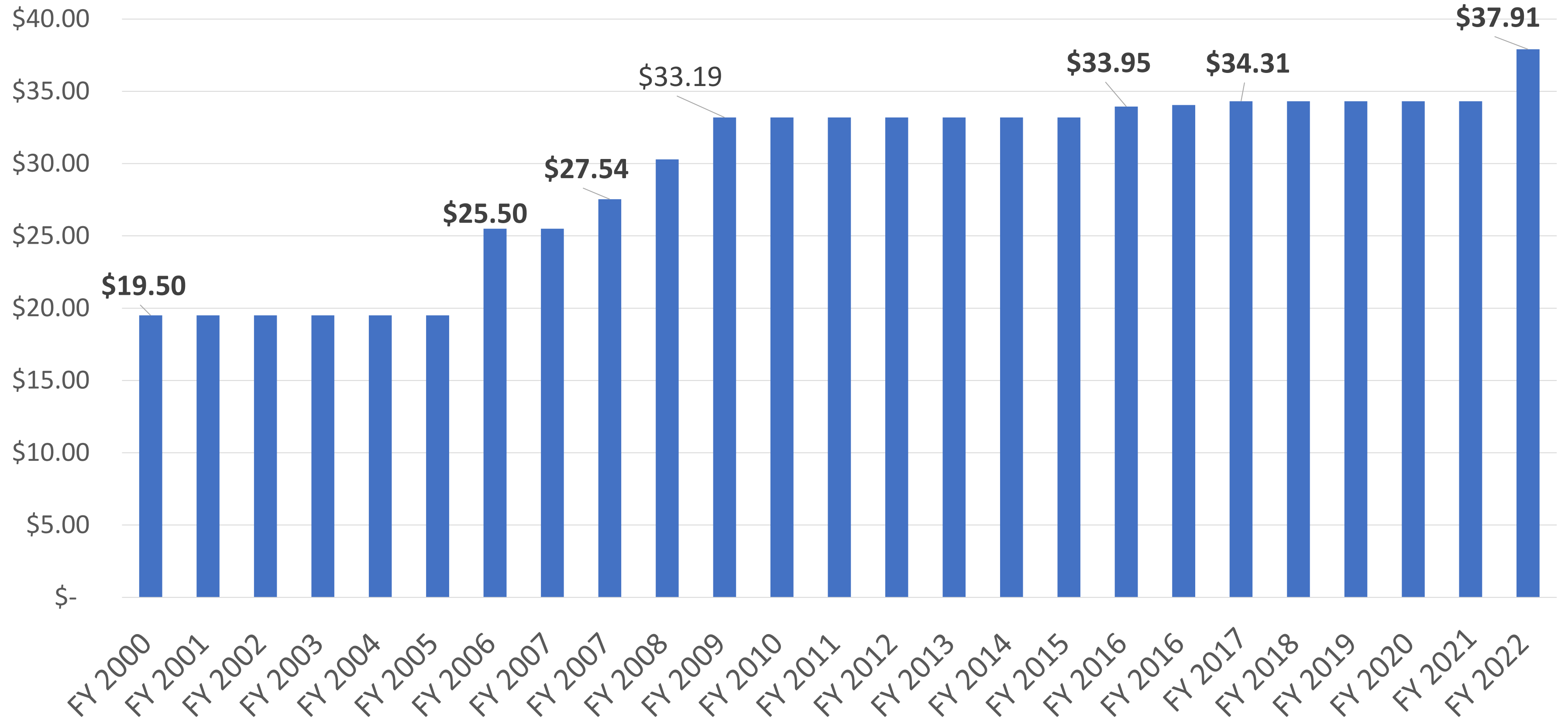
Utility Fund History - Expenditures



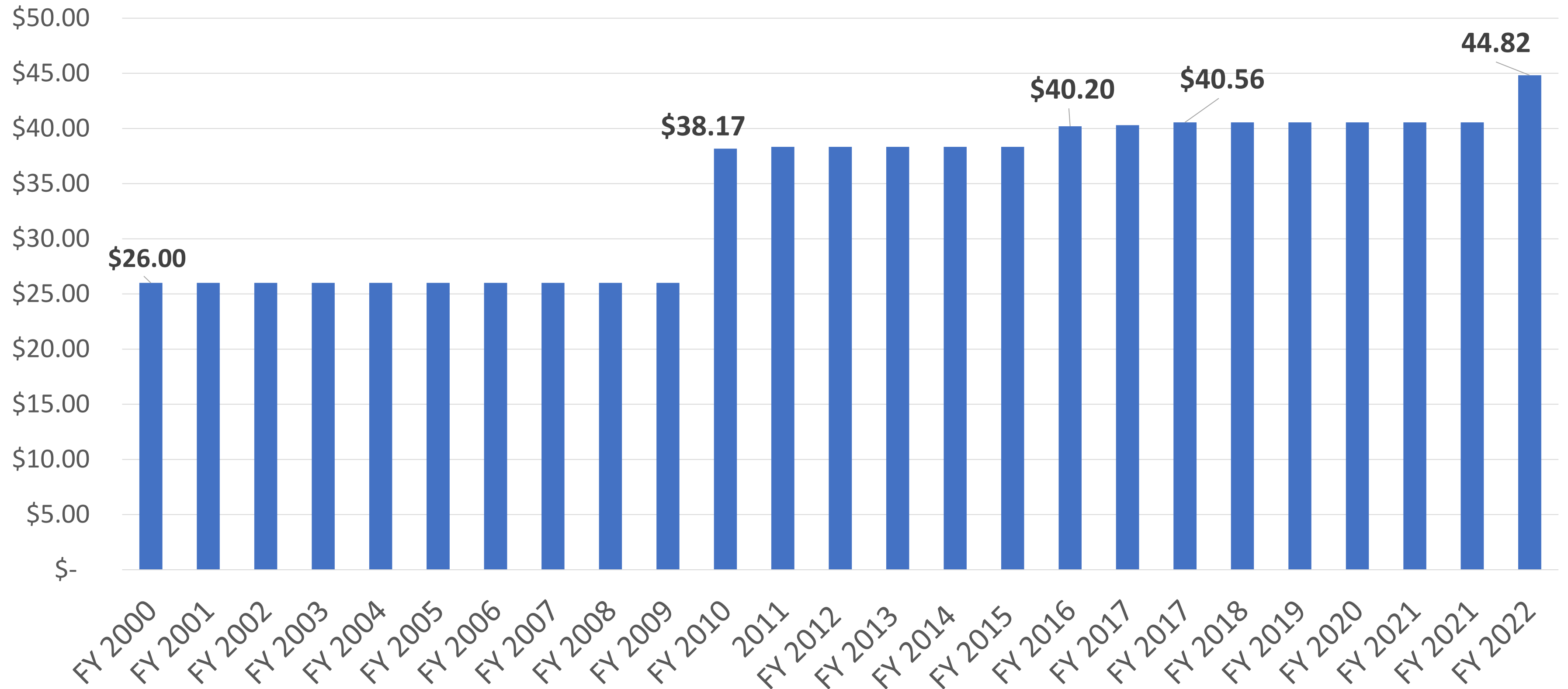
Utility Fund History (Revenue & Expenditures)



Base Water Rate – Residential

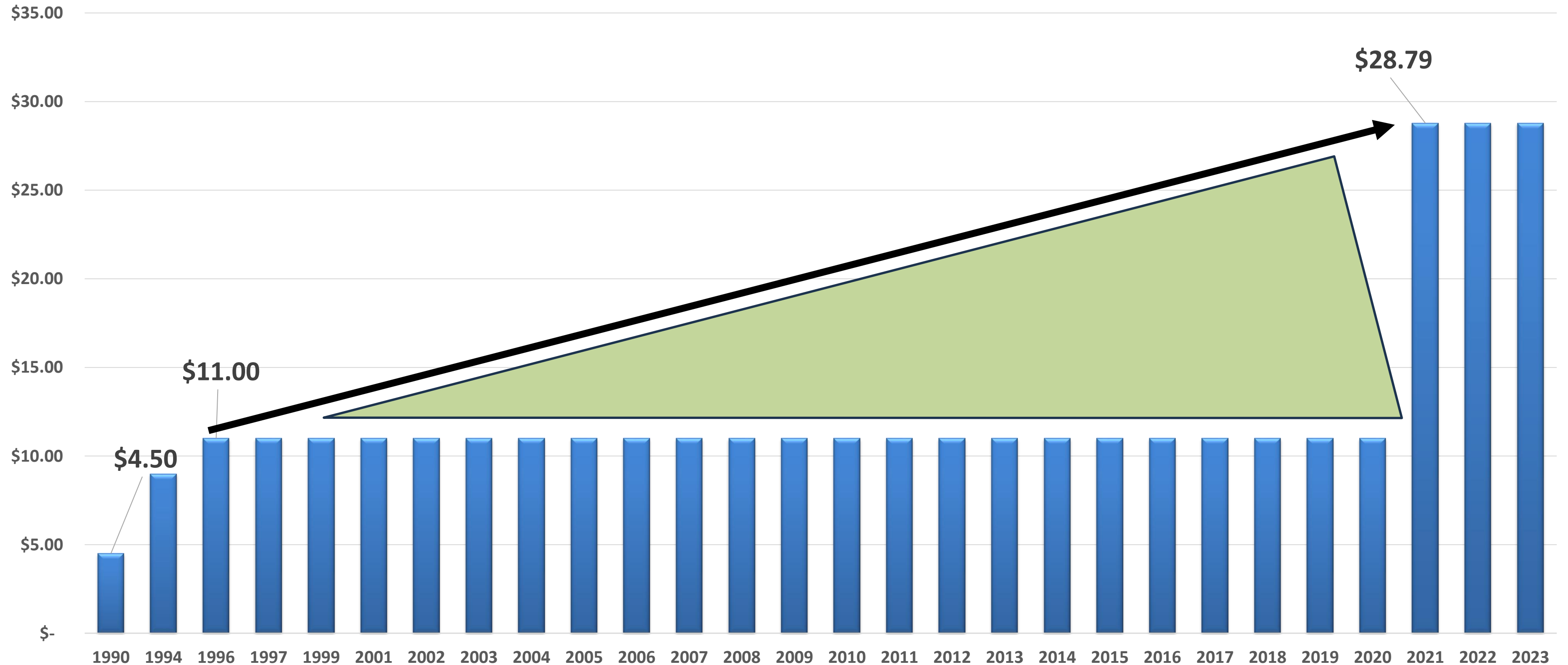


Base Water Rate – Commercial



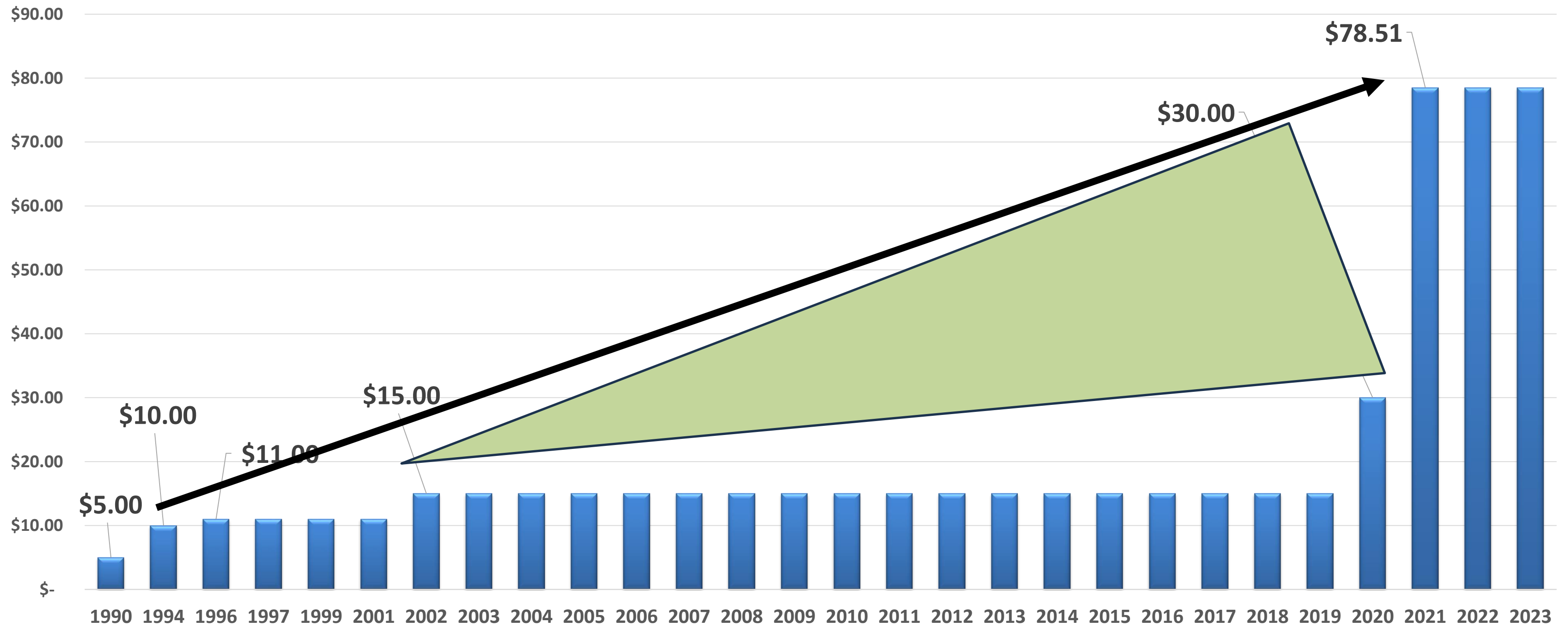
Wastewater Rate Review – Residential

Less than 4K gallons

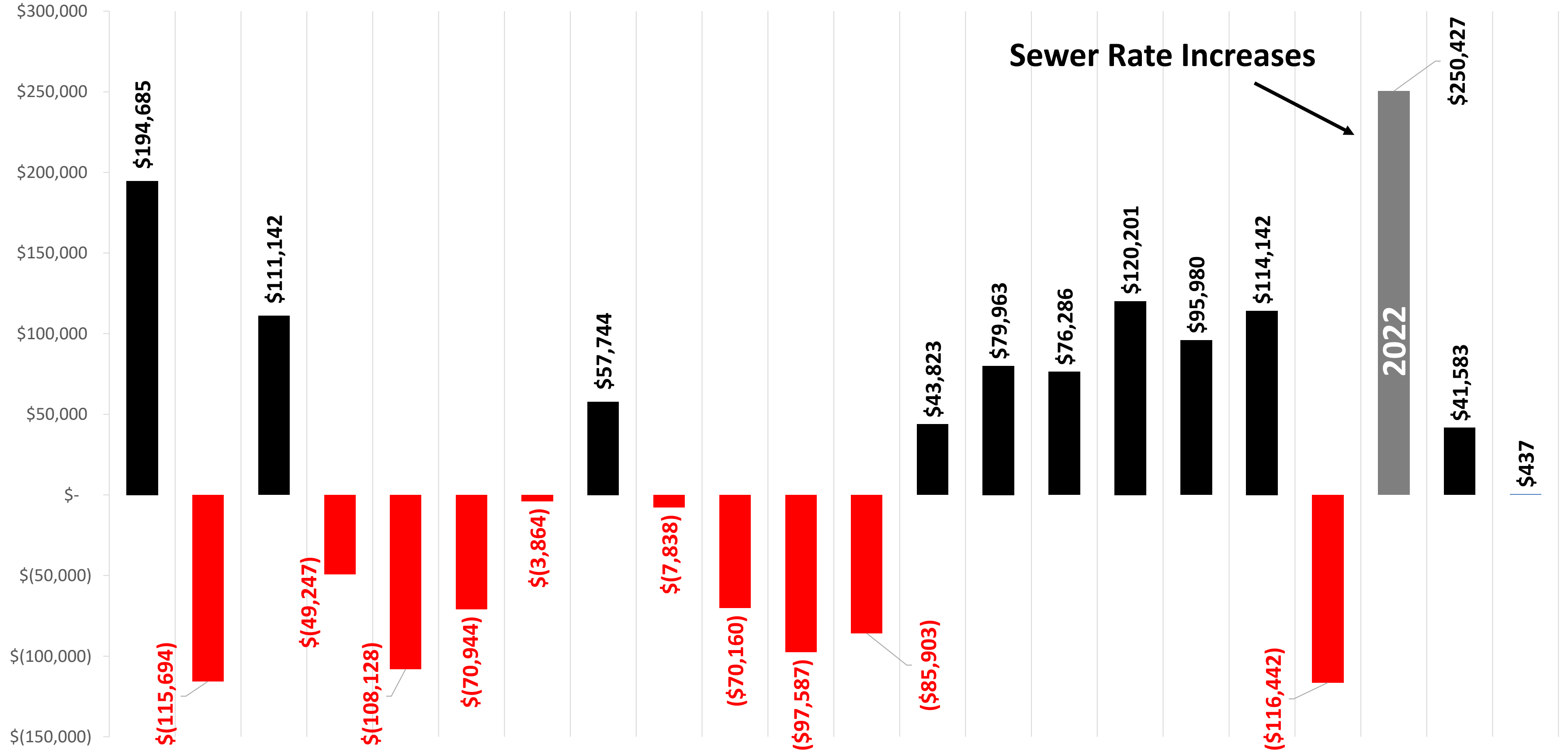


Wastewater Rate Review – Commercial

Less than 4K gallons

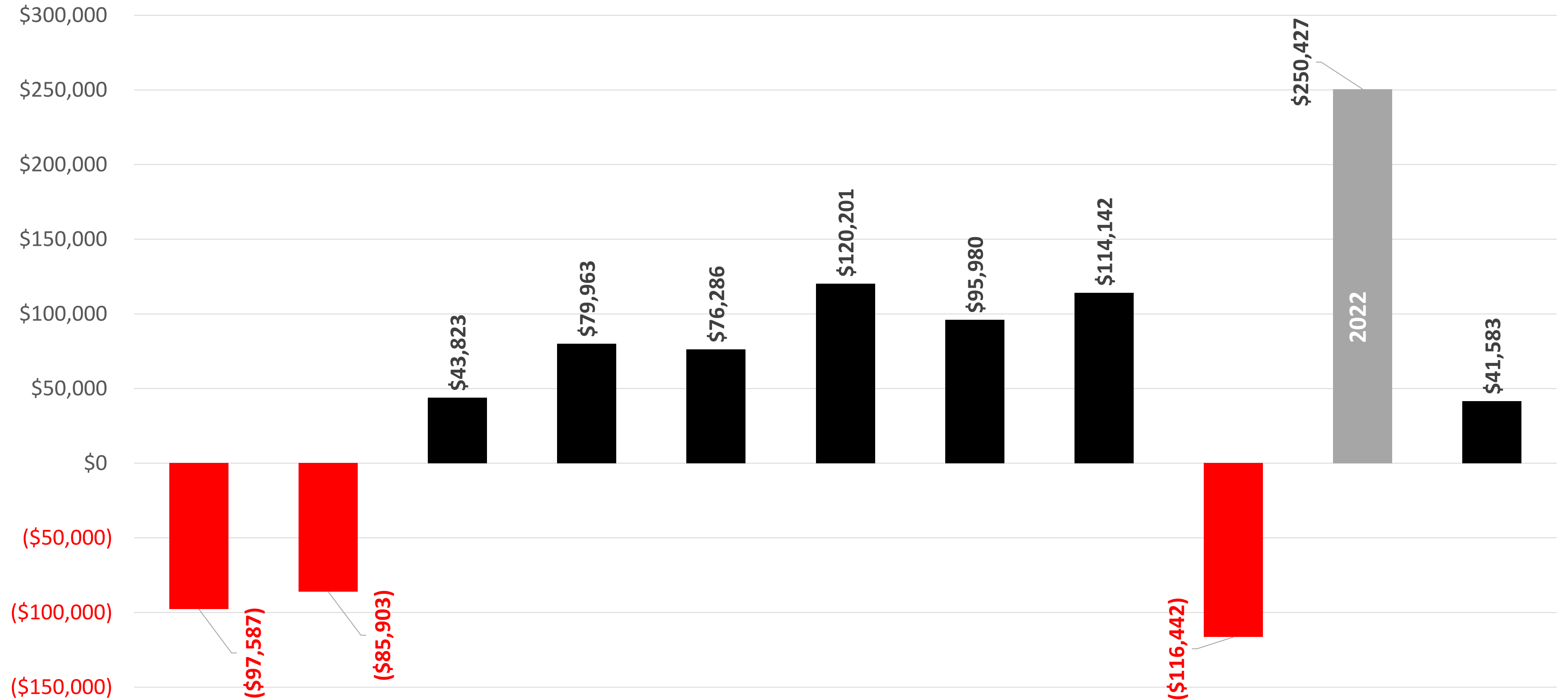


Fund Performance – FY 2003 to 2024



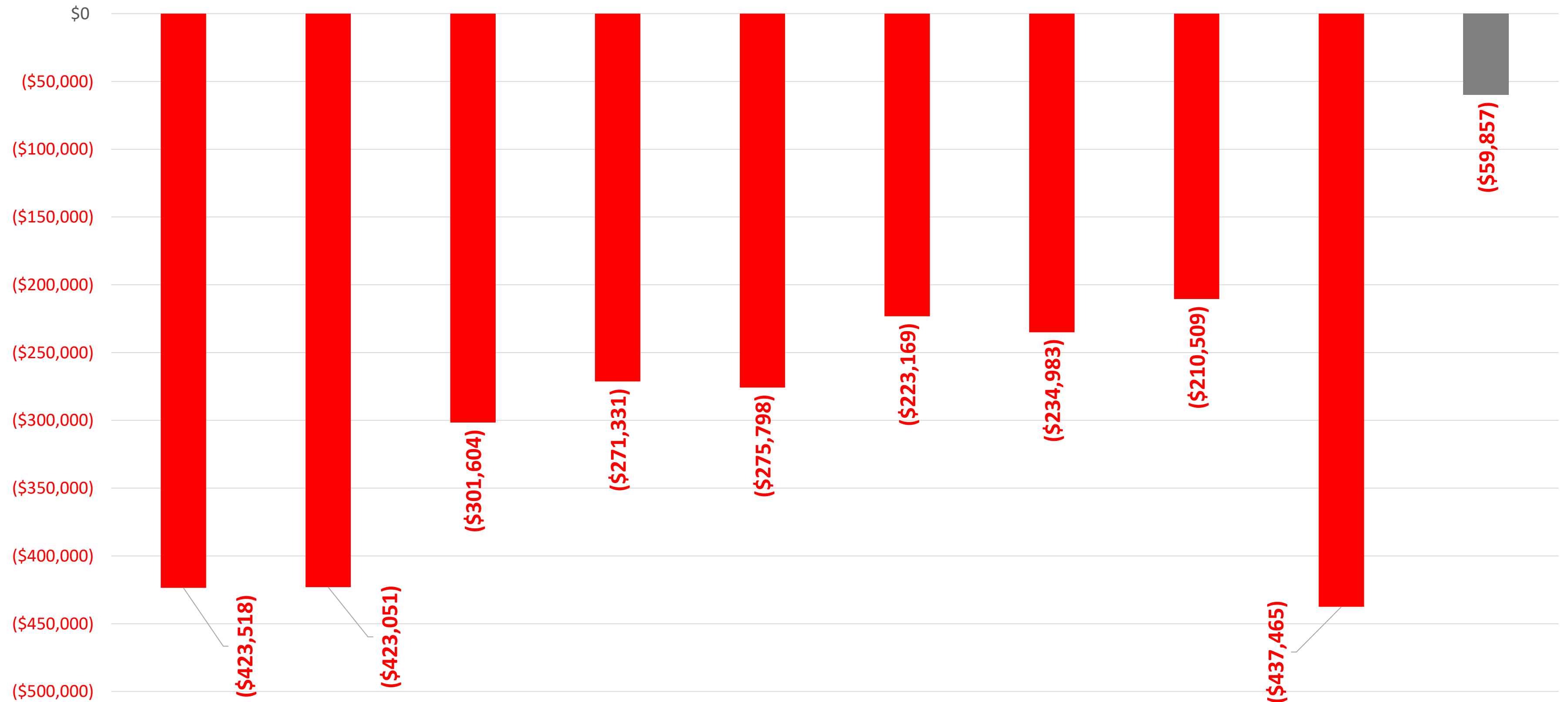
Revenue vs. Expenditures

FY 2013 to 2023

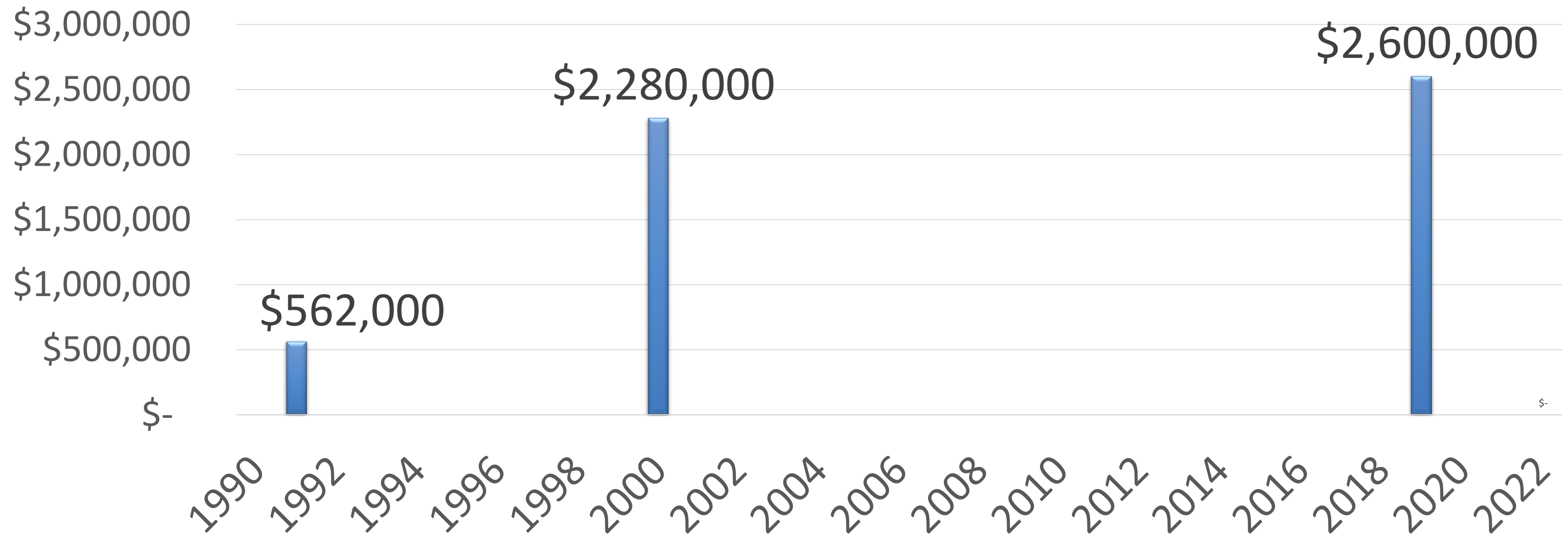


Rev. vs. Expend. w/Depreciation

FY 2013 to 2022



Utility Fund History – Bonds



Capital Improvement Plan (CIP)

Utility Fund

- Replace West Plant (approved by voters)
- Clay tile lines (approved by voters)
- Water wells (approved by voters)
- Rehab or replace ground storage tanks (existing)
- Lead and Copper Mandate (on-going)
- Secondary water source or other options for future needs (new)

General Fund

- Facilities (general replacement or rebuild)
- Senior Center rehab
- Street Repairs (need to inventory and prioritize)
- Apparatus Replacement for Fire-EMS

Future Needs – Administration

Community Related/Communication

- ✓ Upgrade website platform (allows for email communications)
- ✓ Electronic signs to help inform residents of city issues
- ✓ General City clean-up (dilapidated buildings, trash, junk vehicles)
- ✓ City owned facilities

Financial Stewardship

- ✓ Reallocate the ½ percent local sales and use tax to a CCD or MDD
- ✓ Evaluate the ½ percent county sales and use tax

Future Needs – Public Safety

Public Safety

- ✓ Future police dispatching service needs
- ✓ CAD/RMS System
- ✓ Police Sergeant
- ✓ Two (2) Patrol Officers
- ✓ Three (3) Firefighters
- ✓ Fund Code Enforcement Officer position
- ✓ Emergency Management plan and coordination with County
- ✓ Generator for Fire Department
- ✓ Handheld ticket writers
- ✓ Body cameras (in-vehicle and worn)

Future Needs – Public Works

Utility System – Public Works

- ✓ Generator(s) for water plants (required per TCEQ)
- ✓ Repair/replacement of GST
- ✓ Additional staff member for PW's
- ✓ Equipment purchases for the department
 - Replace the Vactor Unit
 - Hotbox for streets
 - Crack/seal machine
- ✓ Stock replacement parts for water/sewer emergencies
- ✓ Entrance improvement at Bobo Plant site

Potential Priority List

General Fund

- ✓ Adjust Salary for Current Employees (closer to salary ranges)
- ✓ Invest in Public Safety
 - ✓ Dispatch Direction
 - ✓ Police Officers
 - ✓ Firefighters
- ✓ CAD/RMS System for Police
- ✓ Facilities Review (City Hall lease is up this year)

- ✓ Code Enforcement Officer
- ✓ Body Worn Cameras

Potential Priority List

Utility System – Public Works

- ✓ Adjust Salary for Current Employees (closer to salary ranges)
- ✓ Additional Public Works Technician
- ✓ Infrastructure Projects

- ✓ Equipment purchases for the department
 - Replace the Vactor Unit
 - Hotbox for streets
 - Crack/seal machine
- ✓ Stock replacement parts for water/sewer emergencies
- ✓ Entrance improvement at Bobo Plant site

Next Steps



Budget
Discussions



Tax Rate
Analysis



Adoption of FY
24/25 Budget