

Proposed Budget

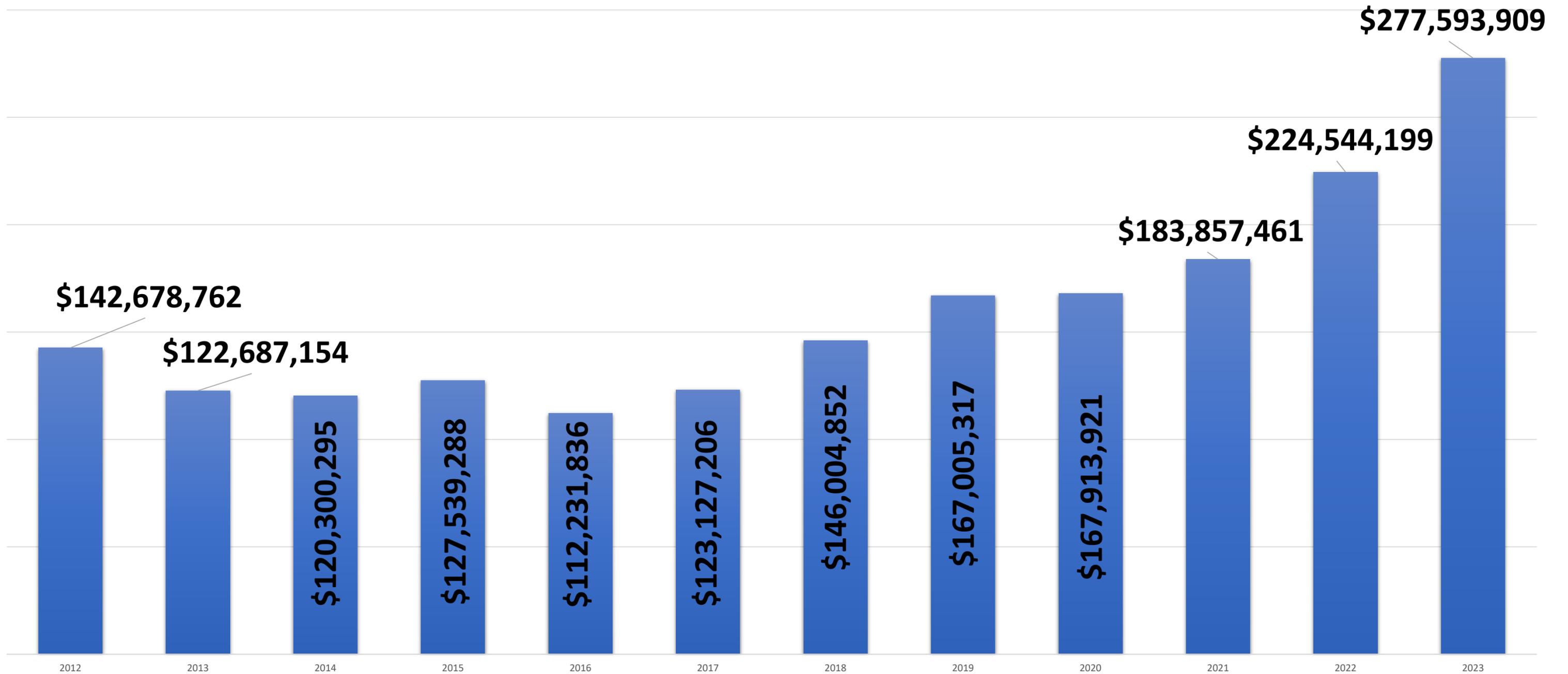
• FY23-24 •

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

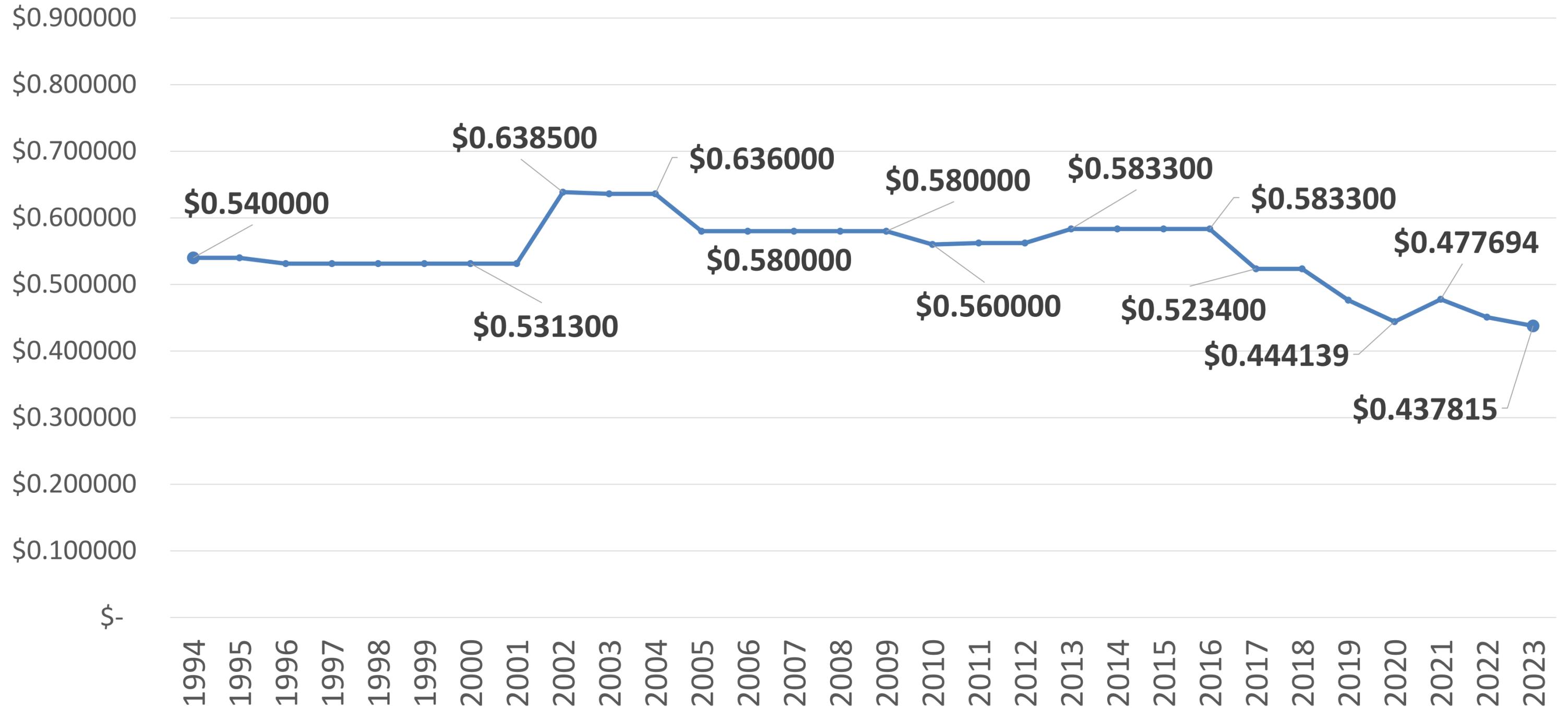
Budget Assumptions & Notes

- Updates to binder and website (Fire-EMS numbers and Budget-to-actuals corrected)
- Building maintenance funds reverted to \$1,000 per facility
- No use of fund balance in budget projections
- Fund reserves still being reviewed with pre-audit accounting team
- Budget neutral revenues/expenditures in budget
- Increase in worker compensation & health insurance rates
- Options presented for Council on compensation for current staff
- New position requests
- Capital Improvement Projections need review by Council
- Debt for General Fund significantly reduced in the next fiscal year

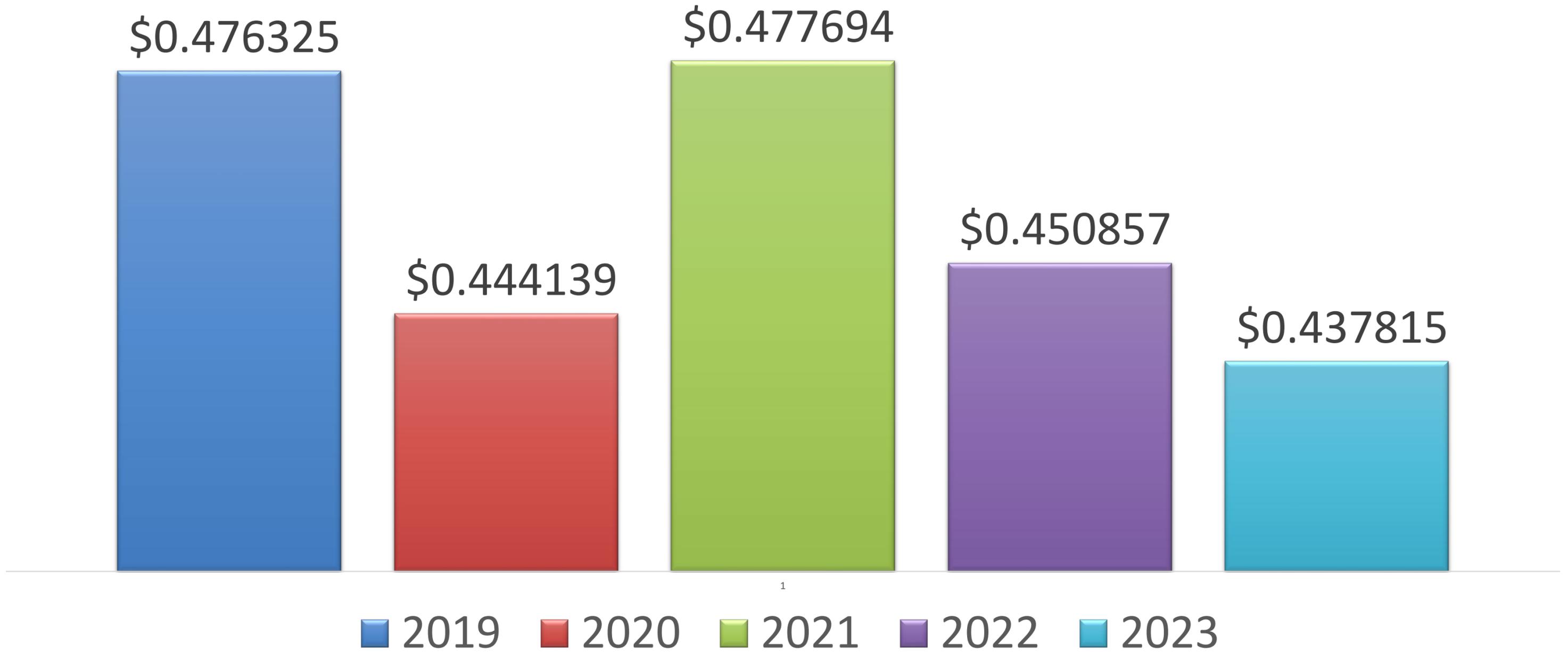
Tax Base – Certified Taxable Values



Tax Rate History – 1994 to 2023



Tax Rate History



Tax Rate Definitions

No-new-revenue rate (NNR)

- Takes last year's levy (revenue) minus lost property levy divided by current total value minus new property values.

Voter-approval tax rate (VATR)

- Takes NNR maintenance & operations tax rate times 1.035 plus current debt plus the unused increment rate.

Tax Rate Definitions

De minimis rate (DMR)

- Is equal to our NNR maintenance & operations rate which is then applied to a taxing current total.
- Would provide an additional \$500K
- Could be dedicated to streets, infrastructure repairs

Unused increment rate (UI)

- Banked tax rate number may be used by city if averaged below 3.5% growth of VATR over past three years.

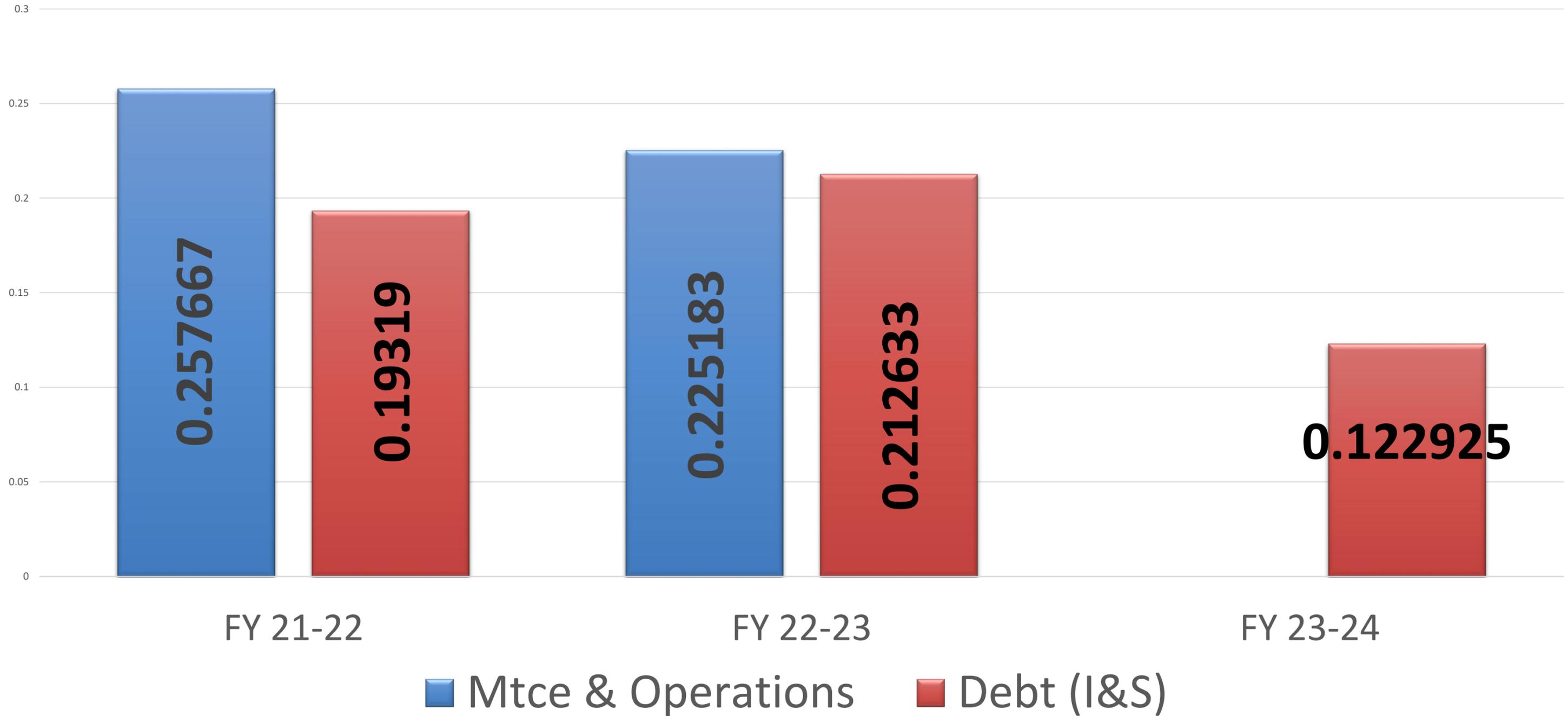
Tax Rate Calculations for FY 23 - 24

Current Tax Rate: 0.437815

*per \$100 valuation

	FY 23-24
No-new-revenue rate	0.354000
Voter-approval rate	0.335372
De minimis rate	0.504186

Mtce . & Operations and Interest & Sinking



All Funds Revenue & Expenditures

General Fund - Revenue	\$	3,074,436
General Fund - Expenditures	\$	<u>(2,682,924)</u>
Subtotal	\$	391,512
Fire - Revenue	\$	473,001
Fire - Expenditures	\$	<u>(473,361)</u>
Subtotal	\$	(360)
Parks - Revenue	\$	18,000
Parks – Expenditures	\$	<u>(18,000)</u>
Subtotal	\$	-
Utility Fund – Revenue	\$	1,519,100
Utility Fund – Expenditures	\$	<u>(1,518,663)</u>
Subtotal	\$	437
All Funds – Revenue	\$	5,084,537
All Funds – Expenditures	\$	(4,692,948)
Total	\$	391,589

Pay Scale Analysis

Pay Scales for Staff Positions

Pay Scales = minimum, mid-point, maximum salary

- ✓ Multiple steps involved in creating scales
- ✓ Data from peer cities
- ✓ Averaged the min/mid/max amounts
- ✓ Reviewed actual pay for positions
- ✓ Analyzed job responsibilities for consistency
- ✓ Established proposed scales for Council review

Police Pay Scales

Position	Min.	Mid-point	Max.	Current	Difference
Police Chief	\$111,480	\$131,640	\$152,649	\$85,995	-30%
Sergeant(s)	\$82,561	\$92,237	\$101,727	\$66,557*	-24%
Patrol Officer(s)	\$62,692	\$74,428	\$80,801	\$57,282	-10%
Admin. Asst.*	\$38,407	\$47,349	\$56,298	\$15.00	No change

* Indicates an average of the positions, needs position job description review, or title change to reflect current duties

Fire - EMS Pay Scales

Position	Minimum	Mid-point	Maximum	Current Salary	Difference
Fire Chief	\$93,349	\$109,325	\$125,301	\$79,500	-17%
Firefighter	\$59,425	\$62,595	\$65,762	\$50,003	-19%

* Indicates an average of the positions, needs position job description review, or title change to reflect current duties

Administration Pay Scales

Position	Minimum	Mid-point	Maximum	Current Salary	Percentage
City Secretary	\$72,455	\$86,363	\$100,315	\$65,936	-10%
Court Clerk*	\$64,215	\$78,683	\$93,151	\$51,252	-25%
Acctg. Specialist	\$46,423	\$55,216	\$67,450	\$45,573	-2%
UB/Permits*	\$57,943	\$70,849	\$84,743	\$60,632	4%

* Indicates an average of the positions, needs position job description review, or position title change to reflect current duties

Compensation Options – General Fund

Position	Option #1	Option #2	Option #3
Police Chief	\$15,149	\$10,500	\$5,240
Sergeant(s)	\$19,837	\$17,982	\$14,046
Officer(s)*	\$50,414	\$48,115	\$38,884
Admin Asst.	\$1,560	\$1,248	\$624

Compensation Options – General Fund

Position	Option #1	Option #2	Option #3
City Secretary	\$6,175	\$4,256	\$2,887
Court Clerk*	\$3,515	\$2,469	\$2,469
Accounting Specialist	\$3,185	\$2,178	\$2,178
Utility Billing / Permit Clerk*	\$838	\$804	\$804

Compensation Options – General Fund

Position	Option #1	Option #2	Option #3
Fire Chief*	\$7,951	\$7,951	\$3,780
Firefighter*	-	-	-
Total	\$110,687	\$96,257	\$70,650

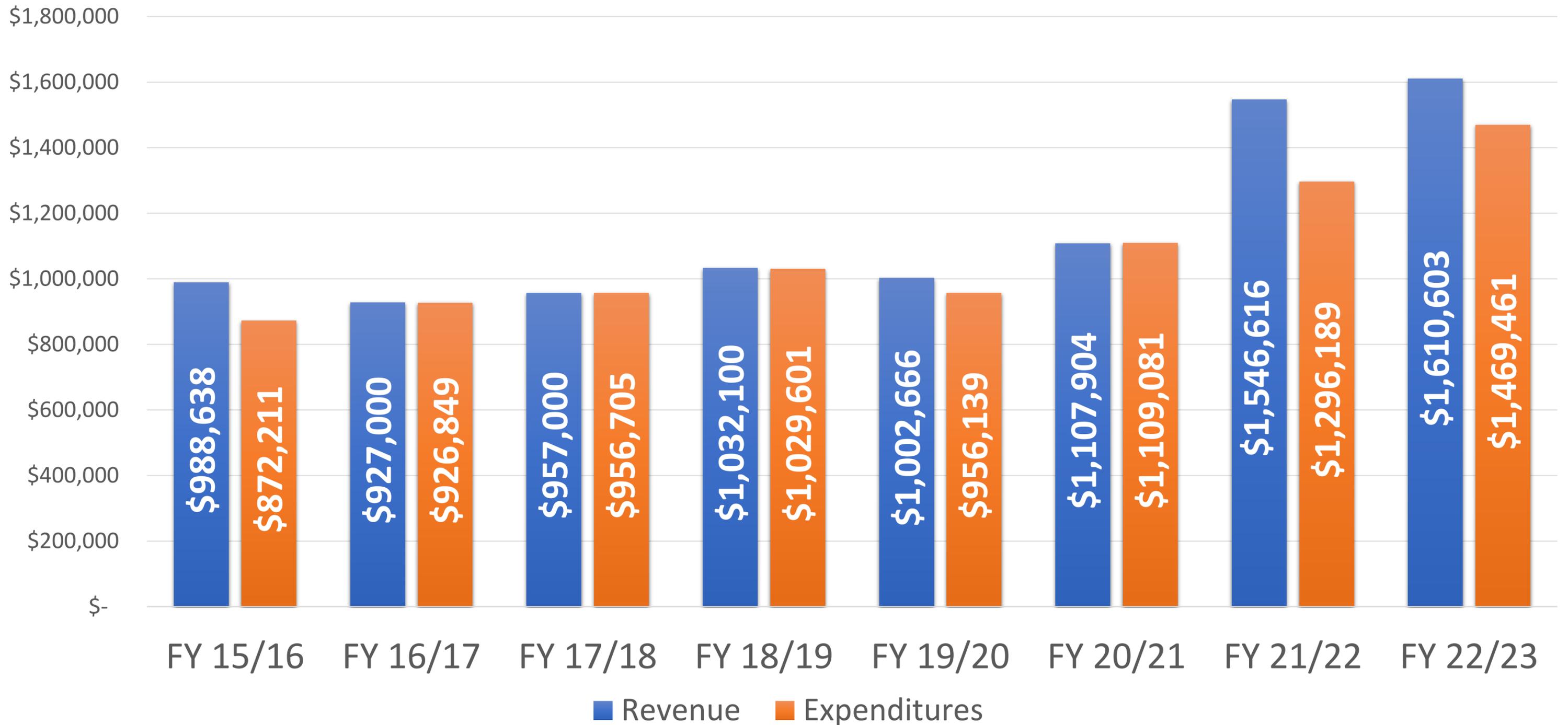
New Positions – General Fund

Position	Total
Firefighter(s)	\$146,000
Administrative Asst. (full-time)	\$48,500
Administrative Asst. (part-time)	-\$15,600
Total	\$178,900

Utility Fund Overview

Utility Fund History

(Revenue & Expenditures)



Public Works Pay Scales

Position	Minimum	Mid-point	Maximum	Current Salary	Difference
PW Director	\$85,028	\$108,602	\$117,283	\$85,995	1%
Water Operator	\$66,627	\$81,696	\$96,765	\$56,472	-18%
Sewer Operator	\$47,543	\$57,496	\$67,450	\$49,920	5%
PW Technician*	\$38,383	\$45,366	\$52,703	\$49,920	No change
UB/Permit Clerk	\$57,943	\$70,849	\$84,743	\$60,632	4%

* Indicates an average of the positions, needs position job description review, or title change to reflect current duties

Compensation Options – Utility Fund

Position	Option #1	Option #2	Option #3
Director	\$8,480	\$6,483	\$5,240
Water Operator	\$9,851	\$6,569	\$2,629
Sewer Operator	\$3,195	\$2,147	\$2,147
PW Technician	-	-	-
UB / Permit Clerk	\$3,938	\$3,767	\$3,767
Total	\$25,464	\$18,966	\$13,933

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

Projects for Funding

- West Wastewater Treatment Plant Improvements
 - TCEQ Minimum Requirements
 - TCEQ Minimum Requirements and Operation Efficiency
- West Wastewater I&I Improvements
- Water Improvements
 - FM 3433 Disinfection Booster
 - Ground Storage Tank Improvements
 - Water Well Disinfection Conversion

Debt Options

- WWTTP and WW I&I Improvements
 - TCEQ Minimum - \$1,580,640
 - Minimum + Efficiency - \$3,838,800
- Wastewater and Water Improvements
 - \$5,918,800

Capital Improvement Plan Overview

Capital Improvement Plan (CIP) Overview

Utility Fund

- Replace West Plant (existing)
- Clay tile lines (existing)
- Water wells (new)
- Rehab or replace ground storage tanks (existing)
- Lead and Copper Mandate
- Secondary water source or other options for future needs (new)
- Rehab and repaint elevated water tank
- Begin planning for second elevated water tank

General Fund

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

Discussion Points for FY 23 - 24

- ✓ Review the use of take home vehicles for select positions
- ✓ Title change for utility billing position and court clerk
- ✓ City cell phones for police sergeants
- ✓ Implementing software system to archive social media

Future Projects/Needs/Recommendations

Community Related/Communication

- ✓ Community event planning
- ✓ Parks expansion
- ✓ Upgrade website platform (allows for email communications)
- ✓ Revamp and print/email community newsletter
- ✓ Historical preservation
- ✓ Upgrade technology system/vendor for public meeting viewing
- ✓ Electronic signs (similar to Boyd) to help inform residents of city issues
- ✓ General City clean-up (dilapidated buildings, trash, junk vehicles)

Financial Stewardship

- ✓ Review the ½ percent local sales and use tax
- ✓ Evaluate the ½ percent county sales and use tax

Future Projects/Needs/Recommendations

Public Safety

- ✓ Future police dispatching service needs
- ✓ Plan and budget for Fire and Police staffing needs
- ✓ Funding Code Enforcement Officer position
- ✓ Extrication Tools for Fire Department use
- ✓ Emergency Management plan and coordination with County
- ✓ Generator for Fire Department
- ✓ Records Management system for Police – Handheld ticket writers
- ✓ CAD in vehicles
- ✓ Body cameras (in-vehicle and worn)

Utility System

- ✓ Stock replacement parts for water/sewer emergencies
- ✓ Generator for Public Works

Discussion Points for FY 23 - 24

Additional Staffing Related

- ✓ Consider funding part-time position to flex in court and utility billing
- ✓ Texas Municipal Retirement System enhancements

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	