CITY OF FAIR OAKS RANCH

CITY COUNCIL REGULAR MEETING

Thursday, July 07, 2022 at 6:30 PM
Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch
Live Stream: https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live

AGENDA

OPEN MEETING

1. Roll Call - Declaration of a Quorum
2. Pledge of Allegiance

CITIZENS and GUEST FORUM

To address the Council, please sign the Attendance Roster located on the table at the entrance in the foyer of the Public Safety Training Room. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.

3. Citizens to be heard.

PRESENTATIONS

4. Presentation of a 5-Year Employee Service Award to Summer Fleming, Accounting Manager

   Joanna Merrill, IPMA-SCP, Director of Human Resources and Communications

5. Introduction of new employees: Timothy Flynn, Maintenance Technician and Mark Kosta, Maintenance Technician

   Joanna Merrill, IPMS-SCP, Director of Human Resources and Communications

6. Recognition of the Employee of the Quarter (Q3 - April 2022 thru June 2022): Yvonne Medina - Administrative Assistant - Police Department.

   Joanna Merrill, IPMA-SCP, Director of Human Resources and Communications

7. Water/Wastewater/Reuse Rate Study Council Presentation.

   Grant Watanabe, P.E., Director of Public Works and Engineering Services

CONSENT AGENDA

All of the following items are considered to be routine by the City Council, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Council Member by making such request prior to a motion and vote.

8. Approval of the June 16, 2022 Regular City Council meeting minutes.

   Christina Picioccio, TRMC, City Secretary

CONSIDERATION / DISCUSSION ITEMS

9. Consideration and possible action to approve a Cost-of-Living Adjustment (COLA) due to recent market trends and inflationary costs.

Joanna Merrill, IPMA-SCP, Director of Human Resources and Communications

REPORTS FROM STAFF AND COMMITTEES

10. FY 2022-23 General Fund Budget Overview.

Scott Huizenga, Assistant City Manager, Administrative Services

REQUESTS AND ANNOUNCEMENTS

11. Announcements and reports by Mayor and Council Members.
12. Announcements by the City Manager.
13. Requests by Mayor and Council Members that items be placed on a future City Council agenda.

CONVENE INTO EXECUTIVE SESSION

Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body hereby convenes into closed session:

Sec. 551.071 (Consultation with Attorney) the City Council will meet in private consultation with legal counsel to seek the advice of its attorneys about pending or contemplated litigation, a settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551 of the Government Code; to wit:

14. To receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.
15. To receive legal advice from the City Attorney regarding severability language utilized by the City in adopted ordinances.
16. Cause No. 2022CI01978; Boerne Ranch Estates, LLC v. The City of Fair Oaks Ranch.
17. Case No. 22-090-451; Vincent A. Caldarola, MD vs. City of Fair Oaks Ranch, Texas.

Sec. 552.071 (Deliberation regarding real property)

18. The City Council will meet in closed session to deliberate the purchase, exchange, lease, or value of real property that may be considered for future location of water and wastewater system improvements.

RECONVENE INTO OPEN SESSION

Discussion and possible action on items discussed in Executive Session.

ADJOURNMENT

Signature of Agenda Approval: s/Scott Huizenga

Scott Huizenga, Assistant City Manager, Admin. Services

I, Christina Picioccio, TRMC, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 6:30 PM, July 4, 2022 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to Texas Government Code Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

RAFTELIS

City of Fair Oaks Ranch, TX

Water/Wastewater/Reuse Rate Study Council Presentation

July 7, 2022

Agenda

- **Opening Questions**
- **Focus on Fixing Wastewater**
  - Current rates & structure
  - Cost of Service
  - Proposed Rate Scenarios
  - Comparison to other Utilities
- **Discussion and Way Ahead**
  - Additional analysis, presentations, timeline, etc.
  - Proposed timeline
  - WWTP Feasibility Study update

Opening Questions

Water

- Although we run a combined utility, should water customers subsidize wastewater?
- Do we want to maintain or change current water tiers/rates?
- Are we okay with water surplus going towards Water Capital Reserve?

Wastewater

- Although we run a combined utility, should wastewater customers be subsidized by water?
- Should wastewater revenue cover its own cost of service?
- Are we okay with increasing wastewater rates?

Current Wastewater Rates & Structure

Service Availability Charge

Meter Size	Monthly Charge $ per bill
All Meters	$40.86

Wastewater Service Fees

Fee	$ per bill
TCEQ Fee	$0.05
Debt Service Fee	$2.30
Capital Reserve Fund	$4.12
Total	$6.47

Monthly Wastewater Bill $47.33

Wastewater Cost of Service

In total, existing rates are insufficient to cover costs therefore revenue from each class is insufficient to cover costs with the residential class having the greatest shortfall

Class	Current Revenue	Cost of Service	Variance
Residential	$1,177,670	$1,944,342	$766,672
Commercial	$6,332	$20,100	$13,769
Total	$1,184,002	$1,964,442	$780,441

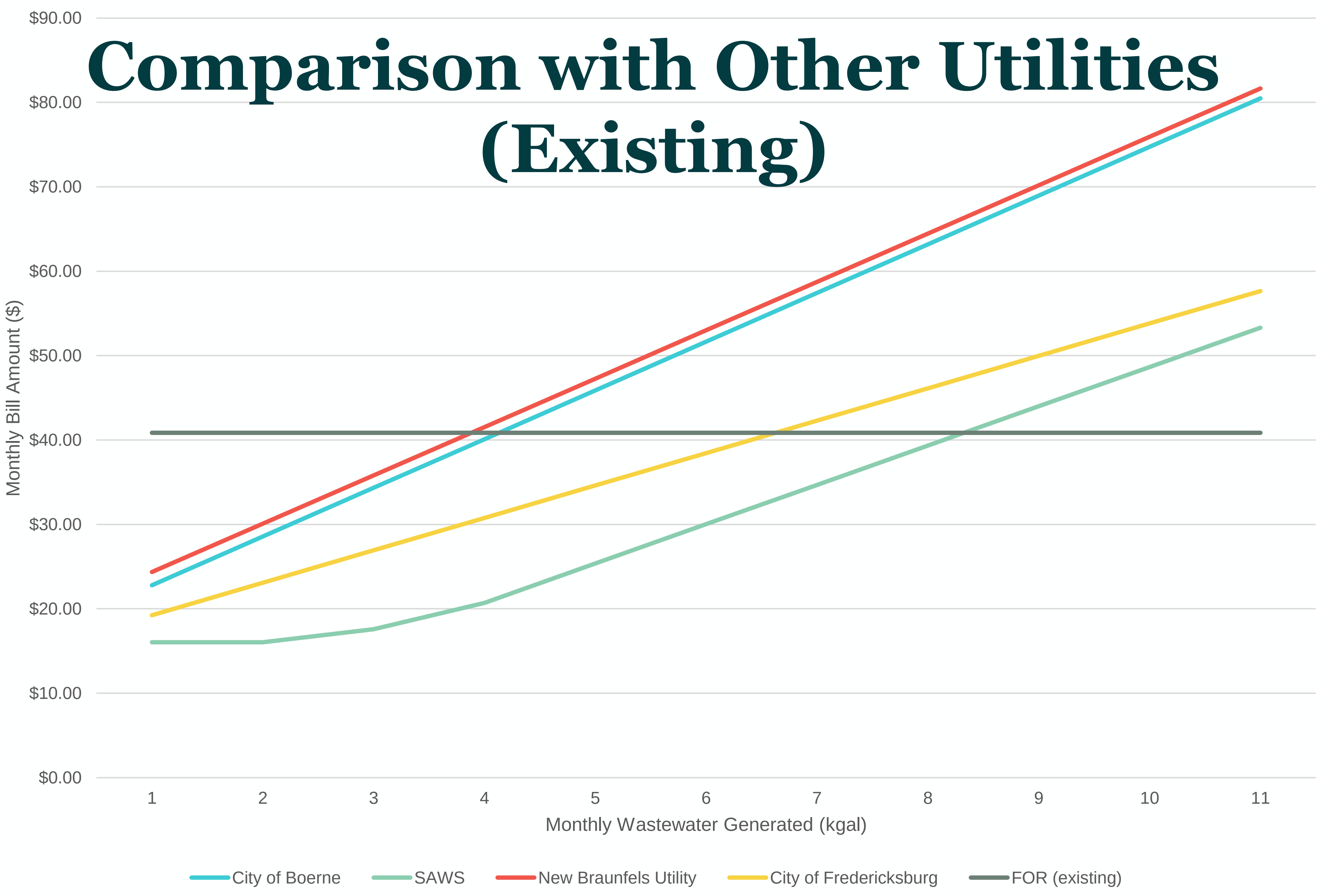
Target for Rate Design

Wastewater Rate Scenarios

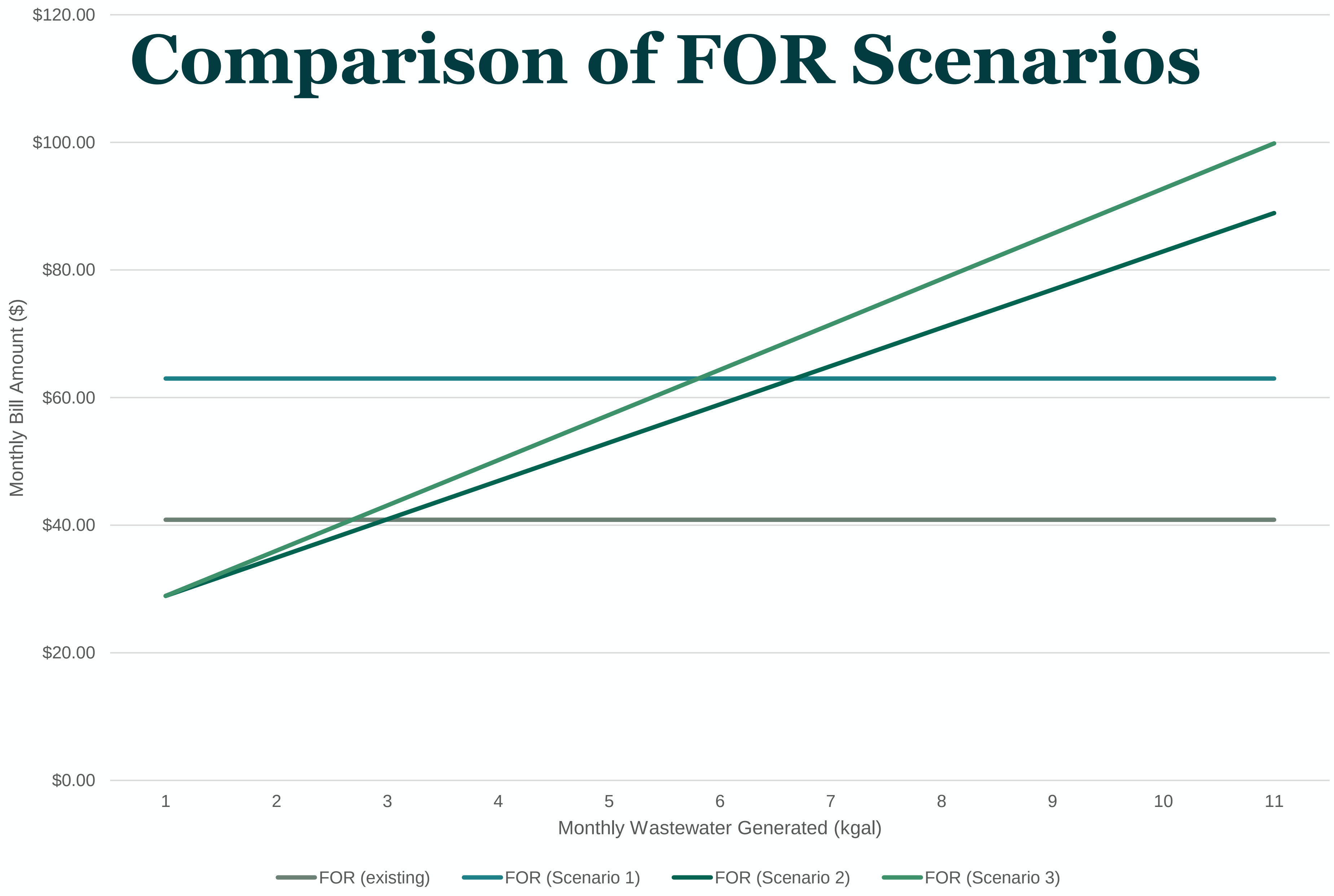
Wastewater Rates				
Scenarios	Existing	Scenario 1	Scenario 2	Scenario 3
Service Availability	$ 40.86	$ 62.99	$ 28.94	$ 28.94
Fees	$ 6.47	$ 6.47	$ 6.47	$ 0.05
Volumetric (Per Kgal)	$ -	$ -	$ 6.00	$ 7.09

- Fees Include TCEQ Fee, Debt Service Fee and Capital Reserve Fund Fee
- Volume based on Average Winter Consumption of December, January and February
- Rate Increase considers O&M reduction of $350,000 for Sludge Handling
- Average customer generates 5-6 kgal of wastewater each month

Comparison with Other Utilities (Existing)



Comparison of FOR Scenarios



Discussion & Way Ahead

- Information needed for future decision making
  - Additional analysis, presentations, etc.
  - Consideration of other rate scenarios
  - Rate Advisory Panel engagement
  - Ensure any changes and bill impacts are reasonable, understandable and explainable

- Way Ahead
  - Original plan was to implement rate changes on Oct 1st
  - Mid-year implementation possible (i.e. Jan 1st)
  - Community outreach still on hold pending further guidance
  - Amendment to Fee Schedule ordinance required
  - WWTP Feasibility Study presentations planned for Sept and Oct

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MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum

Council Present: Mayor Maxton and Council Members: Elizondo, Bliss, Koerner, Parker and Muenchow.

Council Absent: Council Member Stroup

With a quorum present, the meeting was called to order at 6:30 PM.

2. Pledge of Allegiance – The Pledge of Allegiance was recited in unison.

CITIZENS and GUEST FORUM

3. **No citizens signed up to be heard**

CONSENT AGENDA

4. **Approval of the May 12, 2022 City Council & Planning and Zoning Commission Joint Public Hearing meeting minutes.**
5. **Approval of the June 2, 2022 Regular City Council meeting minutes.**
6. **Approval of the second reading of an Ordinance amending ad valorem tax exemptions on residence homesteads.**
7. **Approval of the second reading of an Ordinance adopting Fiscal Year 2021-22 Budget Amendment for the Wastewater Treatment Plant Sludge Dewatering Project.**

MOTION: Made by Council Member Elizondo, seconded by Council Member Koerner, to approve the Consent Agenda.

VOTE: 6-0; Motion Passed.

CONSIDERATION/DISCUSSION ITEMS

8. **Consideration and possible action on selecting project(s) from the City of Fair Oaks Ranch's approved Roadway Capital Improvement Plan (CIP) for participation in the Federal-Aid Highway Safety Improvement Program (HSIP).**

MOTION: Made by Council Member Koerner, seconded by Council Member Muenchow, to approve the HSIP funds be used for the Post Oak Widening Project, and direct staff to move forward with the development of both the project and an Advance Funding Agreement (AFA) between TxDOT and the City.

MOTION TO AMEND: Made by Council Member Elizondo, seconded by Council Member Parker, to amend the motion by adding “and Static Chevrons Project” after Post Oak Widening Project.

The final amended motion is as follows:

To approve the HSIP funds be used for the Post Oak widening project and Static Chevrons Project, and direct staff to move forward with the development of both the project and an Advance Funding Agreement (AFA) between TxDOT and the City.

VOTE ON AMENDMENT: 6-0;

VOTE ON AMENDED MOTION: 6-0; Motion Passed.

REPORTS FROM STAFF AND COMMITTEES

9. Christina Picioccio, City Secretary, provided to Council a Boards and Commissions Update and received direction to follow through with the plans to publicize and solicit applications.

REQUESTS AND ANNOUNCEMENTS

10. **Announcements and reports by Mayor and Council Members.**

Council Member Elizondo urged people to look on Facebook to register for Active Shooter Preparedness training being conducted July 23, 2022 by the Kendall County Citizens Law Enforcement Academy Alumni Association together with sponsors Constable Brian Vaughn & Apache Rifle Works.

Council Member Bliss let staff know that she has heard a lot of excitement in the community about the upcoming July 4th fireworks.

Mayor Maxton announced a Special Council Meeting on July 13, 2022 from 5:00 PM – 9:00 PM for the purpose of holding a planning session regarding the City’s Strategic Action Plan. Mayor Maxton also informed all that the City went into a Stage Two Drought Contingency Plan as of June 15, 2022. He urged all residents to conserve water to avoid going into Stage Three which comes with more significant restrictions.

11. **Announcements by the City Manager.**

N/A

12. **Requests by Mayor and Council Members that items be placed on a future City Council agenda.**

Council Member Elizondo asked for a briefing of the findings from the Lemon Creek Traffic Analysis.

CONVENE INTO EXECUTIVE SESSION

City Council did not convene into Executive Session regarding:

Sec. 551.071 (Consultation with Attorney) the City Council will meet in private consultation with legal counsel to seek the advice of its attorneys about pending or contemplated litigation, a settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551 of the Government Code; to wit:

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RECONVENE INTO OPEN SESSION

N/A

ADJOURNMENT

Mayor Maxton adjourned the meeting at 7:49 PM.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC
City Secretary

CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
July 7, 2022

AGENDA TOPIC:	Consideration and possible action to approve a Cost-of-Living Adjustment (COLA) due to recent market trends and inflationary costs.
DATE:	July 7, 2022
DEPARTMENT:	Human Resources & Communications
PRESENTED BY:	Joanna Merrill, IPMA-SCP, Director of Human Resources and Comunications

INTRODUCTION/BACKGROUND:

In 2019, the City Council approved a comprehensive salary and benefit survey. Staff began work on this when the pandemic hit in 2020 not knowing how long the pandemic would last or what effects it might have on the future market.

The recent pandemic, along with several other factors including inflation, have created unprecedented challenges for employers to overcome including hiring new staff, retaining current staff, maintaining engagement and morale within the organization, and sustaining a competitive stance in the market.

Cost of housing, goods, and services are at significantly higher rates than in years past and the employment market is rapidly changing to compensate for these challenges. In order to be competitive within this market, we have conducted an internal survey of the Council's approved benchmark cities and pulled data from the Department of Labor in order to develop a plan to keep up with the ever-changing market.

Staff analyzed data from the Bureau of Labor Statistics including the Employment Cost Index (ECI) and the Consumer Price Index (CPI). As of the end of March 2022, the ECI increased by an average of 4.11% year over year across all sectors. The CPI increased by 8.5% year over year. This results in an aggregated average increase of 6.31%, which is the basis for a recommendation to provide enhanced Cost-of-Living Adjustments (COLAs) to City employees.

Staff has prepared three potential options to provide COLA's to maintain the City's competitive position and to adjust for inflationary pressures in the economy.

Option 1:

- 4.0 % COLA to be provided effective July 4, 2022, for the most impacted positions at the City
- 2.0% COLA to be provided effective July 4, 2022, for all other positions above pay grade 27
- 2.5% COLA to be provided to all employees during the 1st pay period of the new fiscal year in October 2022
- Merit (step) increase to be provided to eligible employees the 1st pay period of the new fiscal year in October 2022

Option 2:

- 6.31% COLA to be provided effective July 4, 2022, for all positions
- Merit (step) increase to be provided to eligible employees the 1st pay period of the new fiscal year in October 2022

Option 3:

- 3.2% COLA to be provided effective July 4, 2022 for all positions
- 3.2% COLA to be provided to all employees during the 1st pay period of the new fiscal year in October 2022
- Merit (step) increase to be provided to eligible employees the 1st pay period of the new fiscal year in October 2022

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1.) Sustains Council's desire to remain competitive in the market in order to recruit the highest quality candidates.
2.) Long term retention of employees has been shown to reduce hiring costs.
3.) Employee satisfaction, engagement, and morale have all been shown to increase productivity which has a direct impact on project completion.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

The overall personnel costs to implement these options are estimated as follows:

	Option 1	Option 2	Option 3
Mid-Year Adjustment	$181,718	$325,034	$164,835
FY 2022-23 Budget	$259,881	$129,993	$296,300
Total Cost	**$441,599**	**$455,027**	**$461,135**

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

I move to approve Option __ as the current fiscal year's Cost-of-Living Adjustment.

Recommended Compensation Adjustments

Effective July 4, 2022

Challenges in the Market

Hiring

Retention

Morale

Engagement

Market Competitiveness

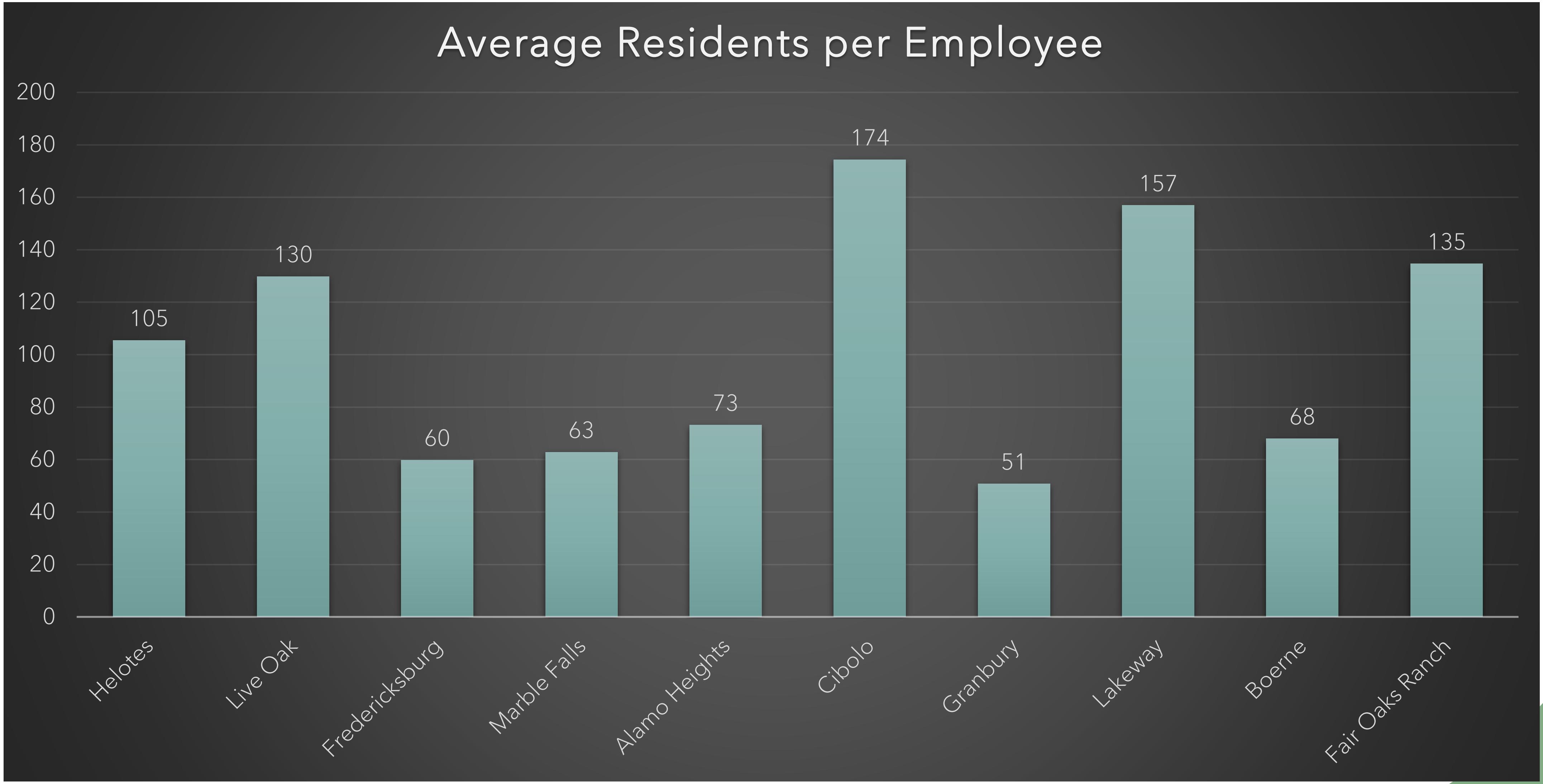
Several Cities in Texas have already implemented differing strategies to help with these challenges.

* Mid-year market adjustments
* Lump sum increases
* Proposing higher COLA’s
* Hiring Bonuses
* Increased Cert/Stipend Pay

Organizational Challenges

- Turnover
- Cost of Living
- Inflation
- Sustaining Integrity of the Compensation Plan
- Maintaining Competitiveness in the Market
- Morale / Engagement

Doing More with Less



** Estimates from United States Census as of July 2021

Turnover Rates – FY 2021-22

CFOR Average Monthly Turnover Rate – 1.88%

CFOR Annualized Turnover Rate – 22.57%

DOL Annualized Turnover Rate by Industry – 20.2%
(State & Local excl. Education)

DOL Annualized Turnover Rate by Industry– 52.4 %
(Total Private)

Month	Separations	New Hires	Total Vacancies
October	4	0	13
November	2	1	14
December	0	1	13
January	2	2	13
February	0	2	11
March	0	1	10
April	0	1	9
May	2	2	9

Cost of Living Data

Sourced M.I.T Study for Bexar County
March 2022

Living Wage – Bexar Co. & Comal Co.

	1 ADULT				2 ADULTS (1 WORKING)				2 ADULTS (BOTH WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
Living Wage	$15.88	$31.73	$39.23	$51.24	$25.02	$30.60	$35.70	$39.01	$12.51	$17.49	$22.23	$26.07
Poverty Wage	$6.19	$8.38	$10.56	$12.74	$8.38	$10.56	$12.74	$14.92	$4.19	$5.28	$6.37	$7.46
Minimum Wage	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25

Living Wage – Kendall Co.

	1 ADULT				2 ADULTS (1 WORKING)				2 ADULTS (BOTH WORKING)			
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children
Living Wage	$16.77	$33.03	$40.52	$52.41	$26.10	$31.90	$37.00	$40.02	$13.05	$18.14	$22.88	$26.66
Poverty Wage	$6.19	$8.38	$10.56	$12.74	$8.38	$10.56	$12.74	$14.92	$4.19	$5.28	$6.37	$7.46
Minimum Wage	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25	$7.25

Cost of Living Data

Sourced from the D.O.L

March 2022

Employee Cost Index

	Private Industry	State & Local	Civilian
Benefit Costs	4.1%	3.5%	4.1%
Wages & Salaries	5.0%	3.1%	4.7%
Total Compensation	4.8%	3.2%	4.5%

***Civilian – Includes Private Industry & State and Local Government

Consumer Price Index

	All Urban Consumers
All Items Indexed * Food, Energy (gasoline), Shelter, Commodities, Services	8.5% ↑

6.50%
Recommended COLA

Impact by Position

Based on Actual Salary Data

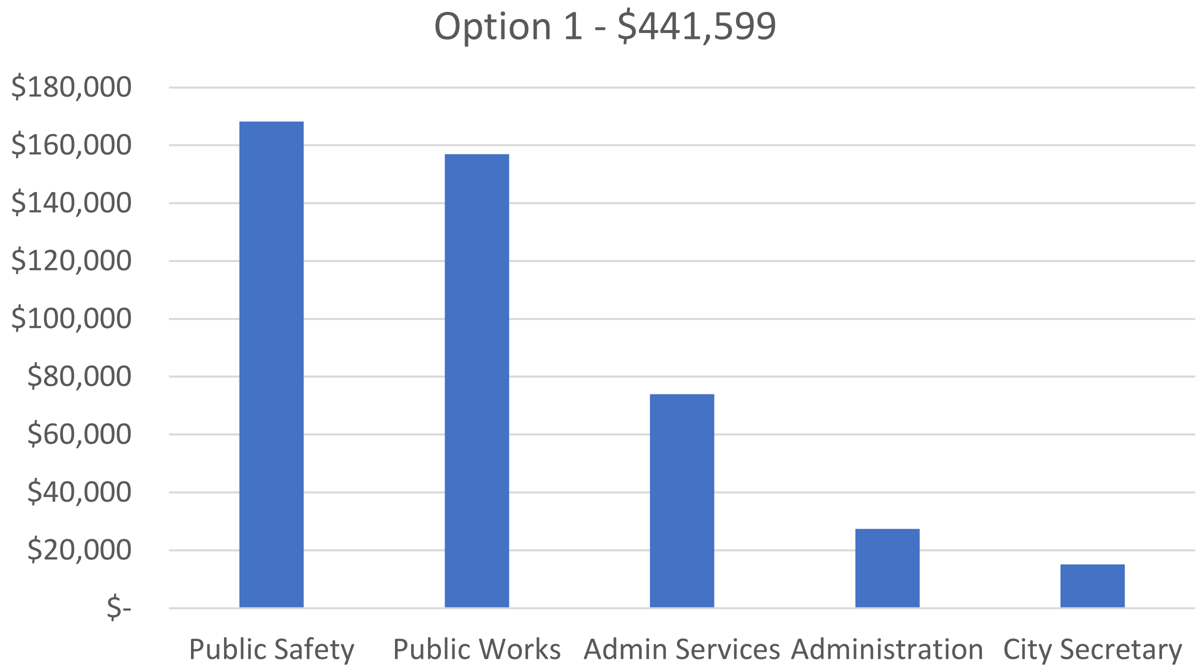
Most Impacted Positions

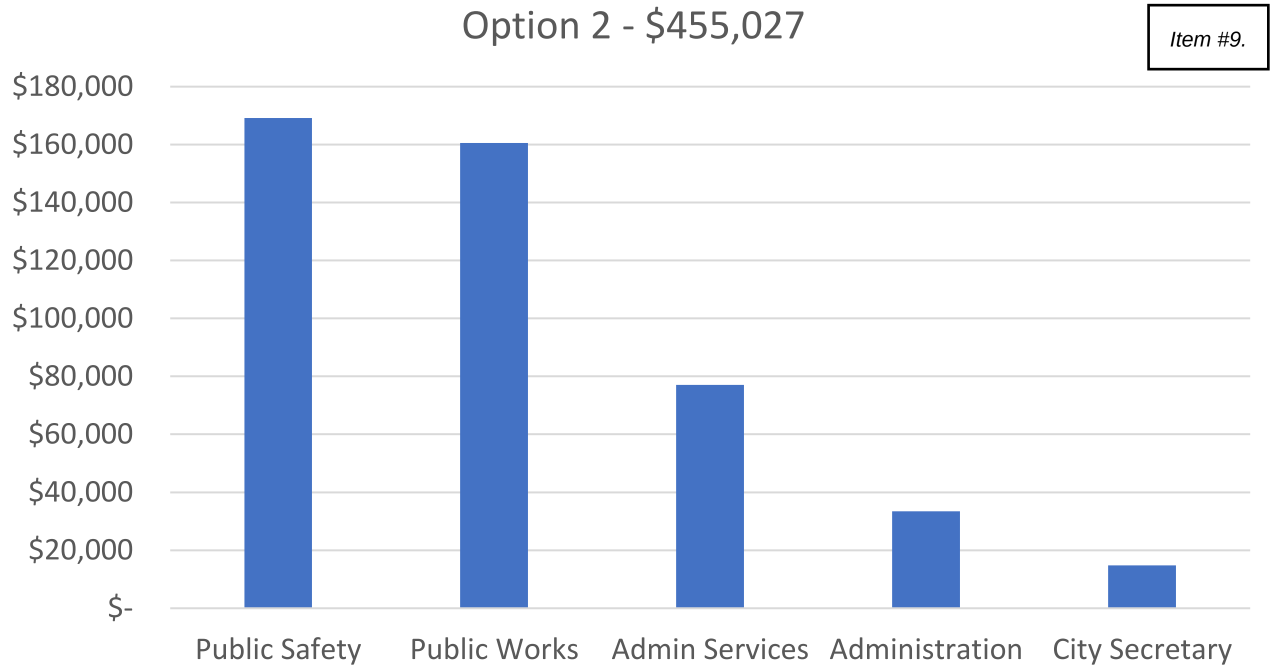
- Positions at or below Pay Grade 27
  - ❖ High Level Impact
    - ❖Animal Services Officer
    - ❖Code Compliance Officer
    - ❖Custodian/Maintenance Worker
    - ❖Police Officer – (25 FTE's)
    - ❖Water/Wastewater Operator I & II – (4 FTE's)
  - ❖ Mid Level Impact
    - ❖Administrative Assistant – (3 FTE's)
    - ❖Building Inspector
    - ❖GIS Technician
    - ❖Maintenance Technician – (4 FTE's)
    - ❖Utility Technician – (2 FTE's)
    - ❖Utility Clerk
    - ❖Water/Wastewater Operator III

All Other Positions

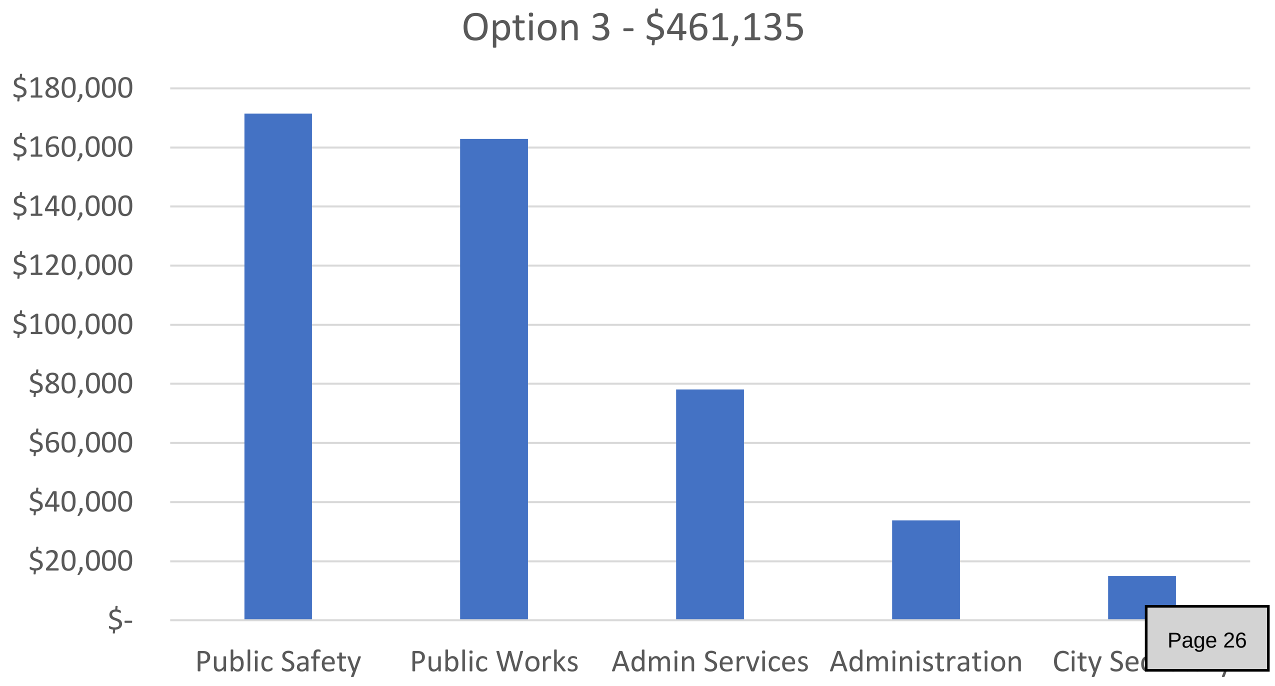
- Positions above Pay Grade 27
  - ❖ Low to Mid Level Impact
    - ❖Across all Positions in this category

Item #9.





Impact by Department FY 22 and 23



Implementation Options C.O.L.A & Step Increase

Breakdown by Option

Option # 1

Most Impacted Positions	4.0% COLA – mid-year adj. 2.5% COLA + Step – FY 2022-23
All Other Positions	2.0% COLA – mid-year adj. 2.5% COLA + Step – FY 2022-23

Implementation Options C.O.L.A & Step Increase

Breakdown by Option

Option # 2

Most Impacted Positions	6.31% COLA – mid-year adj. Step – FY 2022-23
All Other Positions	6.31% COLA – mid-year adj. Step – FY 2022-23

Implementation Options
C.O.L.A & Step Increase

Breakdown by Option

Option # 3

Most Impacted Positions	3.2% COLA – mid-year adj. 3.2% COLA + Step – FY 2022-23
All Other Positions	3.2% COLA – mid-year adj. 3.2% COLA + Step – FY 2022-23

Annualized Costs by Option

	Option 1	Option 2	Option 3
Mid-Year Adjustment	$181,718	$325,034	$164,835
FY 2022-23 Budget	$259,881	$129,993	$296,300
Total Cost	**$441,599**	**$455,027**	**$461,135**

*** Estimates based on current employee composition

*** Estimates include Wages, Social Security, Retirement, & Medicare

Tax Implications

- Current FY 2021-22 Taxable Valuation Rate
  0.3518 per $100
- Estimated BASE FY 2022-23 Taxable Valuation Rate
  0.3205 per $100

Option 1	Est. rate change of 0.0091 per $100 of valuation
Option 2	Est. rate change of 0.0108 per $100 of valuation
Option 3	Est. rate change of 0.0115 per $100 of valuation

Recommendation to Council

Adopt Option 3

Implementation Options

COLA & Merit

Option 1

(Most Impacted Positions)

- 4.0% COLA
  - Now as a mid-year adj.
- 2.5% COLA + Merit
  - FY 2022-23

(All Other Positions)

- 2.0% COLA
  - Now as a mid-year adj.
- 2.5% COLA + Merit
  - FY 2022-23

Option 2

(Most Impacted Positions)

- 6.31% COLA
  - Now as a mid-year adj.
- Merit
  - FY 2022-23

(All Other Positions)

- 6.31% COLA
  - Now as a mid-year adj.
- Merit
  - FY 2022-23

Option 3

(Most Impacted Positions)

- 3.2% COLA
  - Now as a mid-year adj.
- 3.2% COLA + Merit
  - FY 2022-23

(All Other Positions)

- 3.2% COLA
  - Now as a mid-year adj.
- 3.2% COLA + Merit
  - FY 2022-23

Questions?

Recommended Compensation Adjustments

Effective July 4, 2022

FY 2022-23 General Fund Budget Overview

Presented by Scott Huizenga, Assistant City Manager

July 7, 2022

Major Assumptions

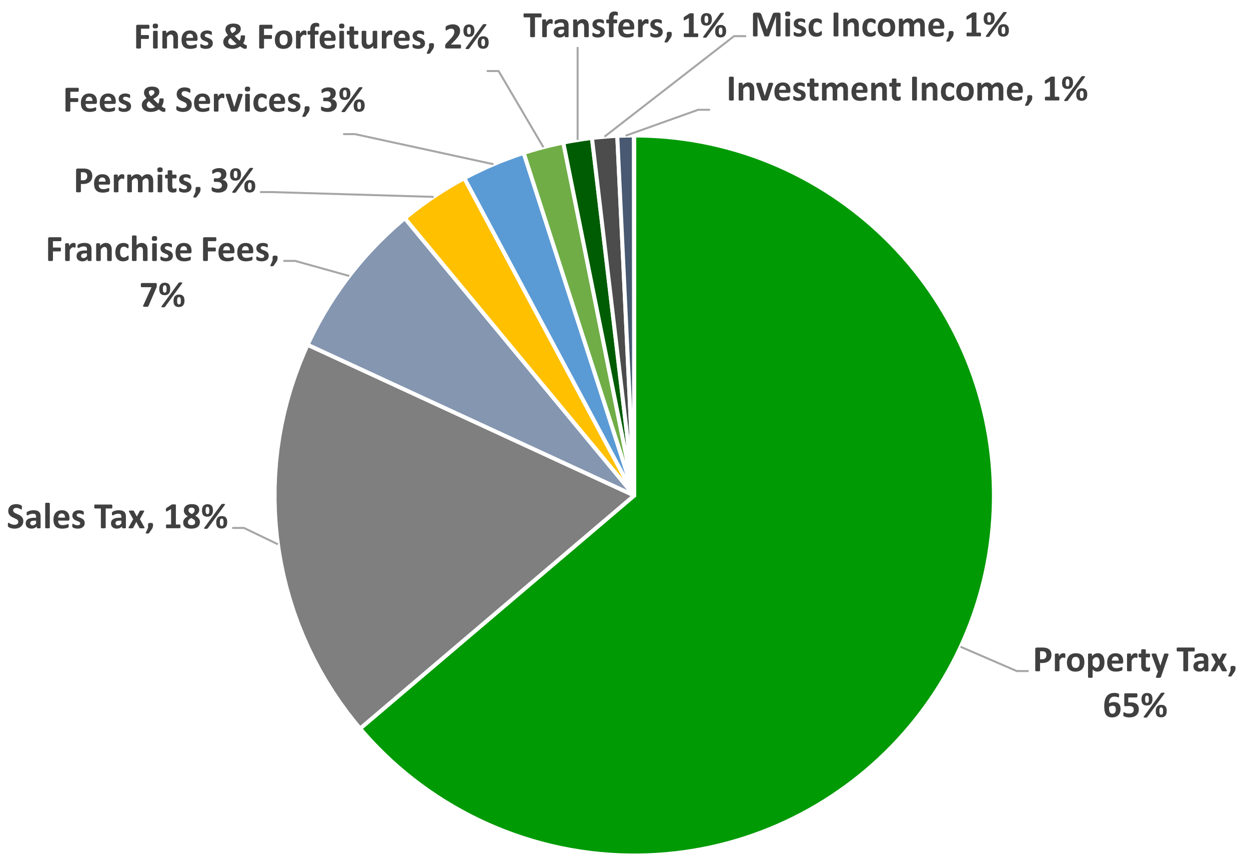
- 5.1% Increase to Operating Expenses
- Assumes 3.5% Property Tax Growth
- Includes COLA and Step Increases
- Uses unallocated fund balance to fund major capital projects
  - Includes ARPA and prior year surplus
- Maintains enhanced street maintenance funding
- Fully funds current operations with contractual growth
- Adjusts for inflation and fuel increases

General Fund Operating Budget - Draft
(before Transfers)

$9.6 million − $8.9 million = $700,000

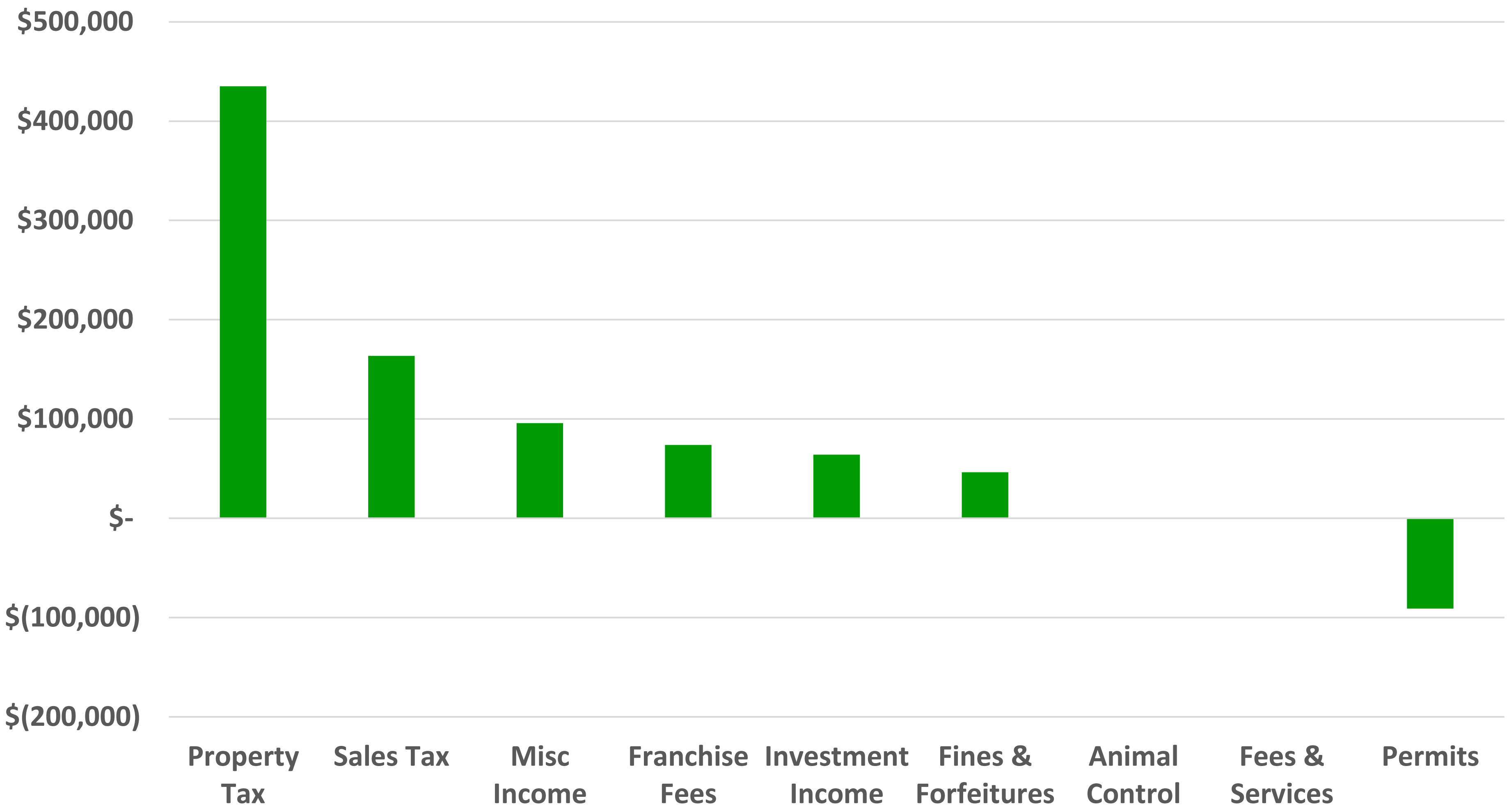
Revenue | Expenditures | Remaining*

General Fund Revenue

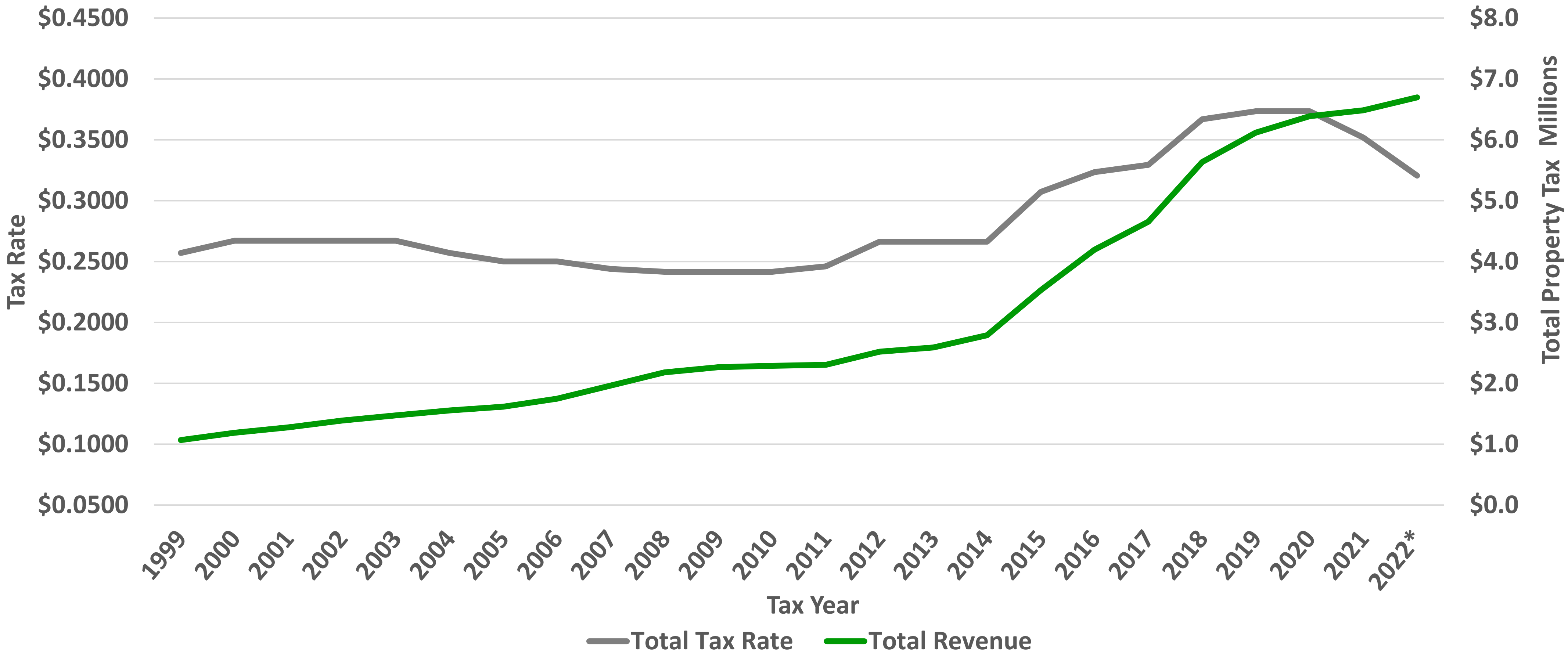


Item #10.

Changes to Revenue

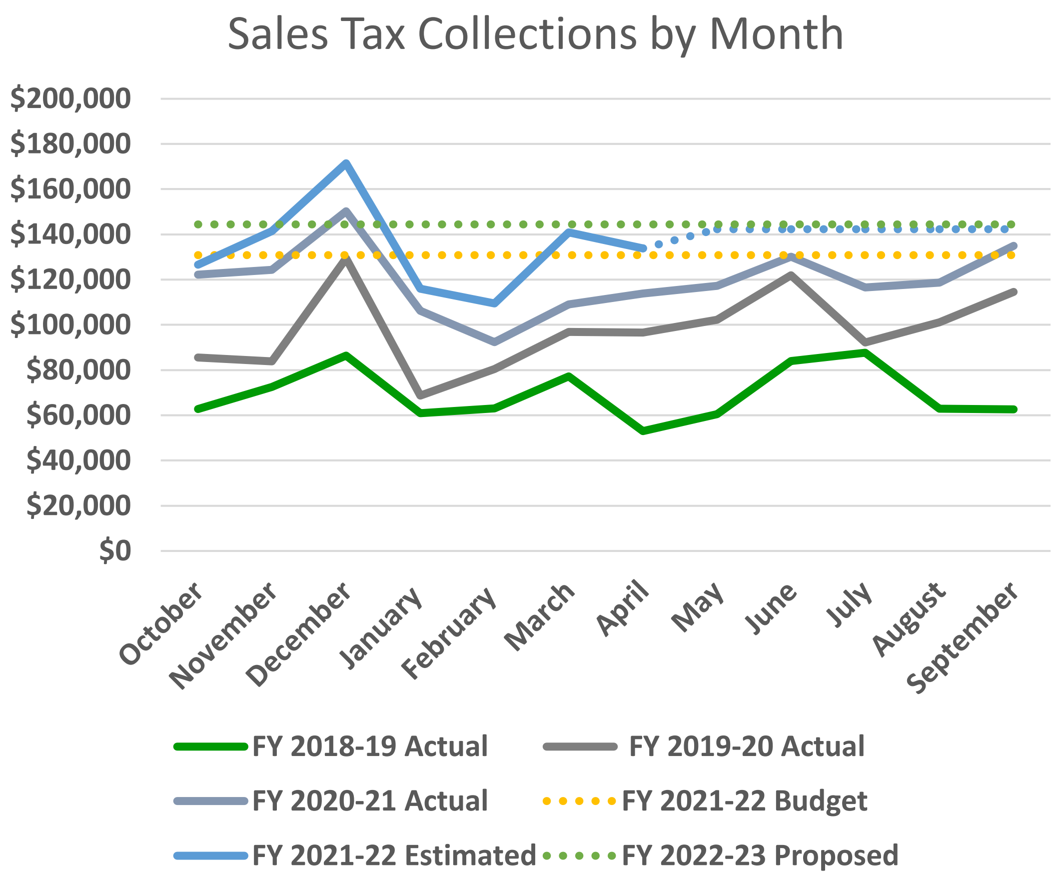


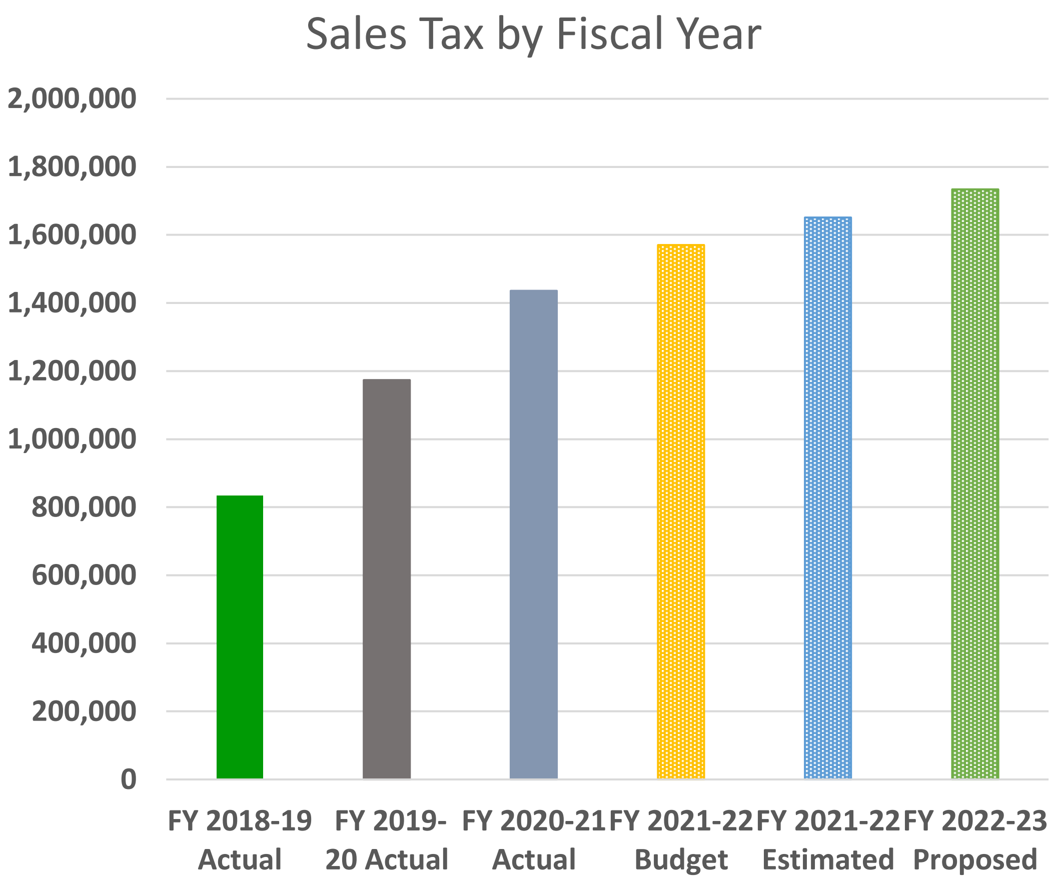
City property tax rates and revenue



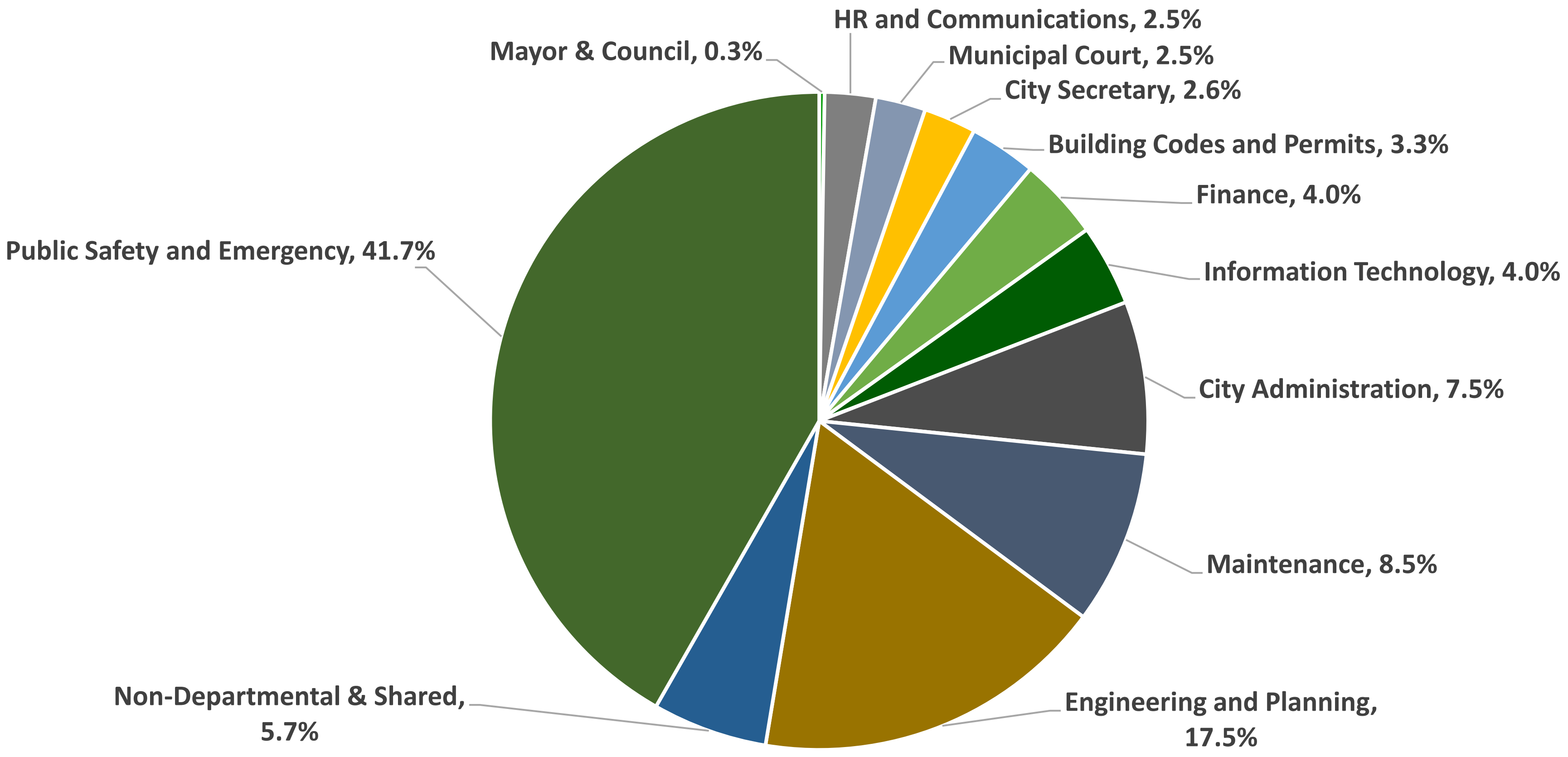
Item #10.

Sales Tax Revenue

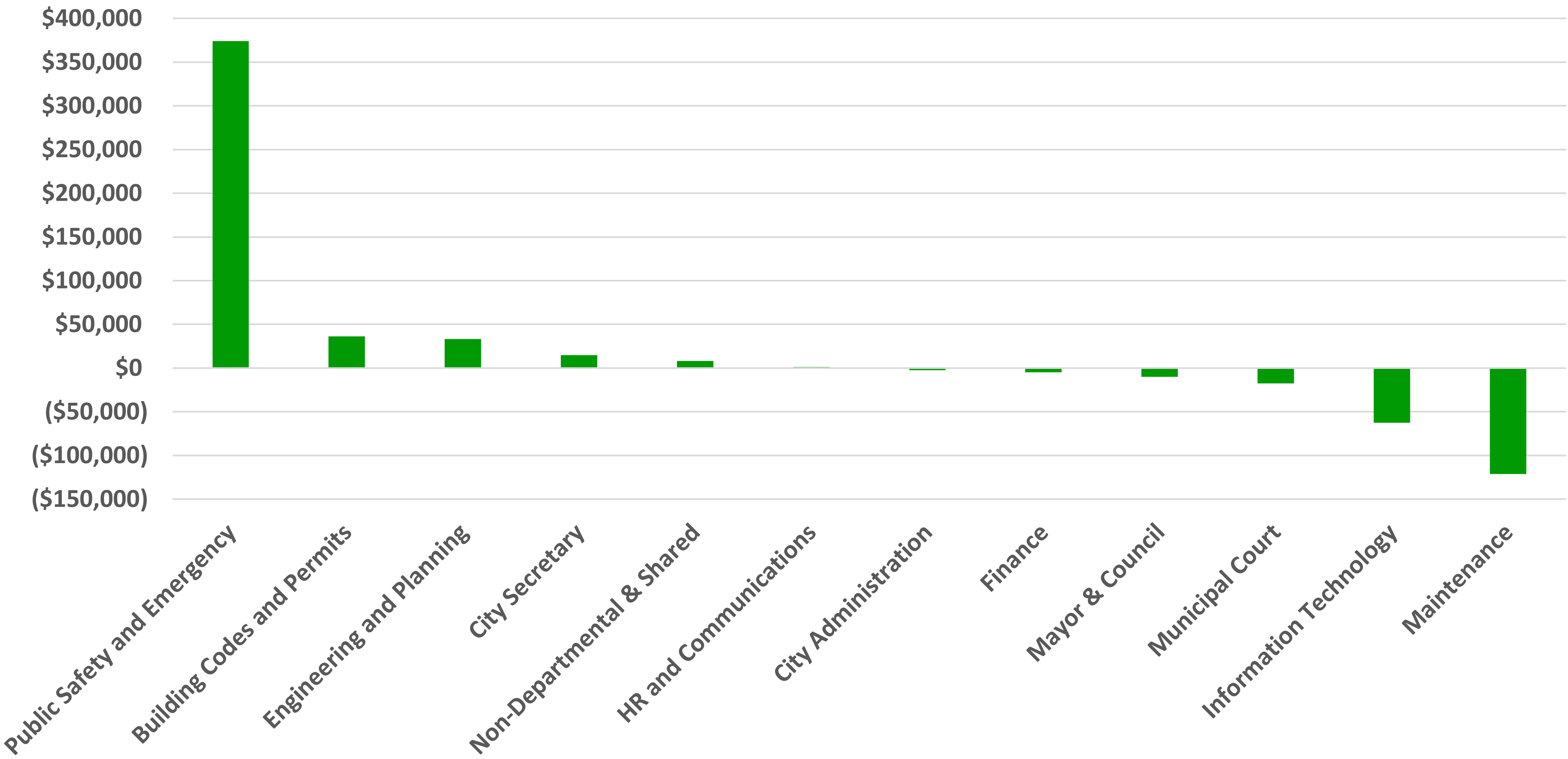




General Fund Expenditures
(before Transfers)



Changes to Expenditures



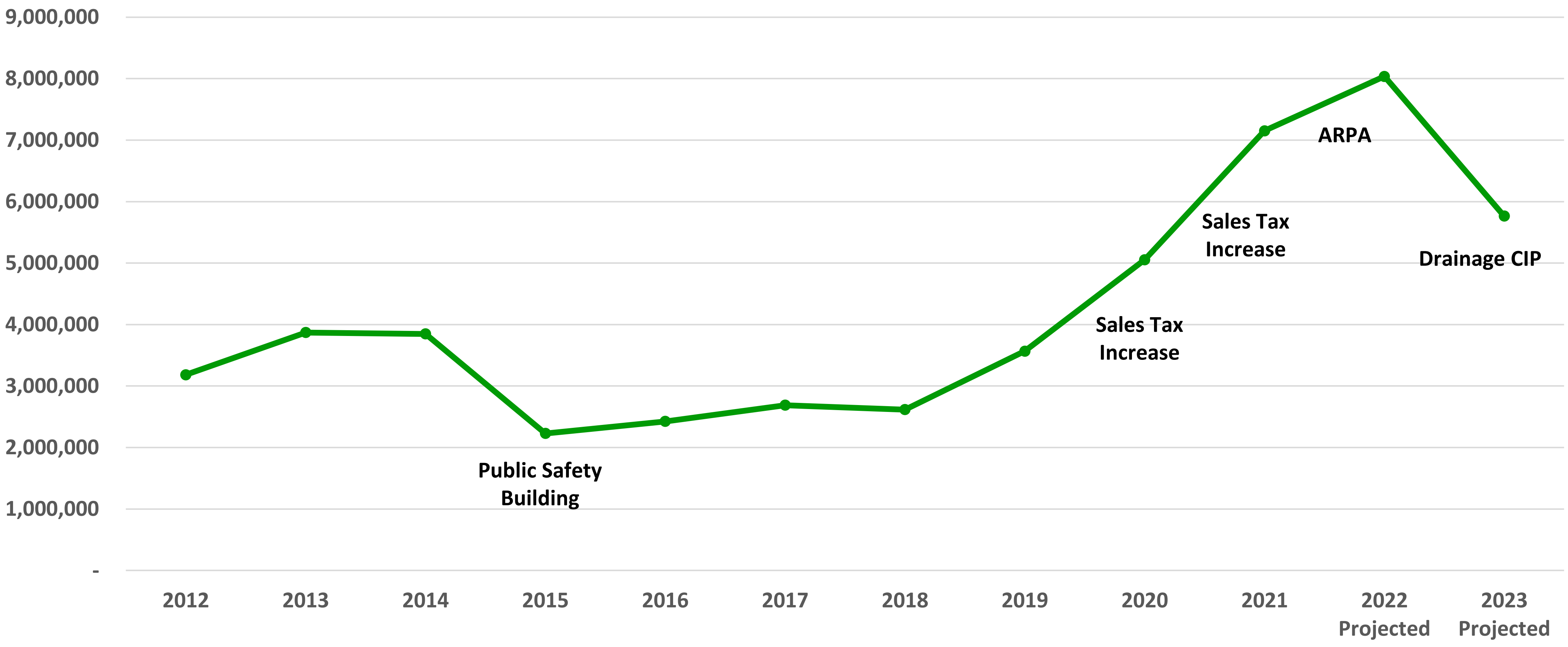
Major Movers

Increases/(Decreases) in Revenue	
Property Taxes	$434,957
Sales Taxes	$163,650
SRO Cost Share – BISD	$85,600
Franchise Fees	$73,850
Interest Earnings	$64,000
Court Fines	$46,000
Permits – Other	$25,000
School Guard and Grants	$6,700
Miscellaneous	$3,300
Permits-Commercial	($5,000)
Permits – Residential	($110,000)

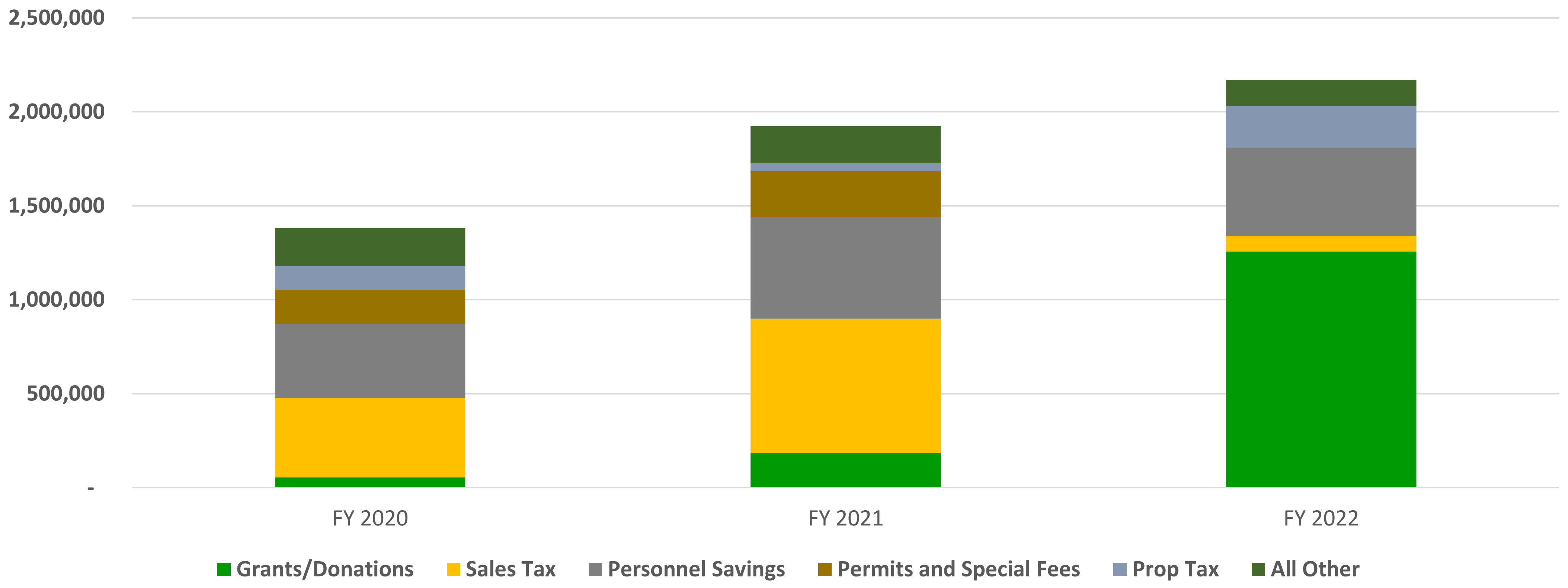
Increases/(Decreases) in Expenditures	
Personnel	$508,950
ESD #4	$55,000
Citywide Training	$20,500
Fuel	$13,700
Codification/Statutory Reporting	$12,600
Dilapidated Building Remediation*	$10,000
Technology and Phone	($6,300)
Renegotiated Copier Lease	($12,500)
Minor Equipment	($24,350)
Internal Control Audit	($26,000)
Elections	($31,000)
Lease of Portable Building	($67,100)

***New Item, has off-setting revenue**

Historical General Fund Reserves



Surplus Drivers



Funded/Under Review

Funded

Item for Discussion	Total Cost	Potential Funding Source: Unallocated Budget 420,803	Potential Funding Source: Unallocated Surplus 3,760,434
Phase 1 Stormwater Projects (Yr.2 Design and Construction)	$ 2,790,000	$ 110,638	$ 1,613,393
Roadway CIP 3.4.13 Post Oak Trail Widening (City Participation using TxDOT Grant)	$ 875,000		$ 875,000
2 new SRO positions (60% of cost reimbursed by BISD)	$ 165,774	$ 80,165	
Fund Operating Reserve to keep at 6mo. reserved	$ 230,000	$ 230,000	
	Total Funded	$ 420,803	$ 2,488,393
	Remaining surplus	$ -	$ 1,272,041

Items Under Review

Item for Discussion	Total Cost	Unallocated Budget	Unallocated Surplus
SAP 2.3.3 - Improve Access to Preserve and Park	$ 500,000		$ 500,000
Roadway CIP	$ 688,983		$ 688,983
SAP 5.3.3a - Digitization Program (Docuware) add'l over PY funded	$ 73,915		$ 47,915
SAP 5.3.3b - 3rd Party Scanning	$ 40,000		$ 40,000
SAP 5.3.13 - Recodification in Municode	$ 11,880		$ 11,880
SAP 5.5.39 - Increase SAN/Backup Efficiency and Storage Capacity for PD data files	$ 77,500		$ 77,500
Fuel station additional over PY funding	$ 65,000		$ 50,000
New Capital Equipment (Only funding GF cost share)	$ 139,450		$ 86,390
Engineering Study on Public Safety building HVAC unit	$ 30,000		$ 30,000
New Mechanic Costs (Only funding GF cost share)	$ 79,800		$ 39,900
Volunteer Appreciation Event	$ 14,000		$ 14,000
On-Call Building Inspector	$ 22,000		$ 22,000
	Total Not Funded		$ 1,608,568

Tax Rate Review and Considerations

Scenarios								
Proposed	<	Lower of: No New Revenue Voter Approval					Hearings, petitions, elections not applicable (Tax Code Section 26.061)	Tax Rate adopted on or before 9/30/2022
No New Revenue	<	Proposed	<	Greater of: Voter Approval 8% Increase Rate	<	De Minimis	Must have hearings. Petitions and elections not applicable	Tax Rate adopted on or before 9/30/2022
No New Revenue	<	Greater of: Voter Approval 8% Increase Rate	<	Proposed	<=	De Minimis	Voter petition option available (Tax Code Section 26.075)	If proposed exceed 3.5%, Tax Rate adoption required on or before 8/22/2022 (Tax Code Sec 26.05a)
No New Revenue	<	Voter Approval	<	De Minimis	<	Proposed	Automatic Election	Tax Rate adoption required on or before 8/22/2022 (Tax Code Sec 26.05a)

Proposed Rate	The Rate that the City Council is proposing to adopt
No New Revenue Rate	A calculated rate that would provide the taxing unit with approximately the same revenue that it received last year from property that was taxed in both years.
Voter Approval Rate	(No new revenue rate * 1.035) + debt service rate + unused increment rate
8% Increase Rate	Voter approval tax rate is calculated as if the taxing unit were a special taxing unit (No new revenue rate * 1.08) + debt service rate
De Minimis Rate	No new revenue rate + (rate that equals $500K) + debt service rate Exceeding this rate triggers an automatic election

Tax Rate Review and Considerations

Assumptions:

- 85% of Value Under Review will be Certified as Taxable Value.
- Tax Rate estimated to generate 3.5% increase in M&O Tax Levy.

Comparison of FY 21-22 to FY 22-23 Proposed Property Tax Revenue						Yr over Yr
		2021-22 Projected		**PROPOSED 22-23**		
Tax Rate/$100 Valuation						**Yr over Yr**
General Fund (M&O)		0.3223		0.2950		-0.0274
Debt Service Fund (I&S)		0.0295		0.0256		-0.0039
Total Tax Rate		0.3518		0.3205		-0.0313
Estimated Assessed Valuation		1,862,083,718		2,105,940,222		243,856,504
M&O Tax Rate/$100 Valuation		0.3223		0.2950		-0.0274
Total M&O Levy		6,001,496		6,211,471		209,975
Total Taxable Valuation		1,862,083,718		2,182,837,407		320,753,689
I&S Tax rate/$100 Valuation		0.0295		0.0256		-0.004
Total I&S Levy		549,223		557,715		8,492
Total Levy (100%)	$	6,550,718	$	6,769,186	$	218,467
Yr. over Yr. increase (decrease)			$	218,467		
Percent of Levy Collected		99.1%		99.1%		0.0%
DISTRIBUTION BY FUND						
General Fund		5,948,083		6,155,567		207,485
Debt Service Fund		544,335		552,696		8,361
Total Property Tax Collection	$	6,492,417	$	6,708,263	$	215,846
Yr. over Yr. Increase (decrease) in collections			$	215,846		

3.5% increase

FY 2022-23 General Fund Budget Overview

Presented by Scott Huizenga, Assistant City Manager

July 7, 2022