

FY 2020-21 PROPOSED BUDGET

September 1, 2020



Agenda

- **FY21 Council Budget Policy**
- **Consolidated Fund Comparison**
- **Proposed Property Tax Rate**
- **General Fund**
- **Enterprise & Other Funds**
- **CIP**
- **Timeline**

FY21 Council Budget Policy

You asked:

We Delivered:

Maintain fund balance at 25%	<i>REDUCED TO 20% DUE TO PANDEMIC</i>
Tax rate not to exceed Voter Approval Rate	<i>ADOPTED SPECIAL TAXING UNIT CALCULATION of 8% GROWTH</i>
Zero based budgets for all department operating expenses (non-personnel)	<i>COMPLETED</i>
Social services, museums, city hosted events fully funded	<i>INCLUDED</i>
Refinance TIRZ #2 Blanco Vista	<i>IN PROCESS</i>
Parks & Rec fees effective Sept 1 st	<i>POSTPONED TO JANUARY 1, 2021</i>
Development Services cost of service study FY20	<i>POSTPONED TO FY21</i>
Other fees increased by Consumer Price Index (CPI)	<i>INCLUDED</i>

FY21 Council Budget Policy

You asked:

We Delivered:

Municipal Judge at full-time	<i>COMPLETED</i>
Merit, COLA, & health insurance adjustments	<i>FUNDING ALLOCATION PROPOSED INCREASE NO HEALTH INSURANCE INCREASE</i>
EMS expansion of service	<i>INCLUDED</i>
Youth services director (Community Action)	<i>INCLUDED</i>
CUAB recommended rate adjustments	<i>INCLUDED</i>

Consolidated Funds Comparison

The fiscal year 2021 proposed budget totals \$258,714,410. The budget is balanced and meets all criteria set forth in the City's Financial Policy.

	FY20 Adopted Budget	FY21 Proposed Budget	Proposed % Change	Proposed \$ Change
Revenue	\$239.8M	\$255.8M	6.6%	\$16.0M
Expenditure	\$239.1M	\$258.7M	8.2%	\$19.6M

GENERAL FUND

FY21 Proposed Tax Rate 59.30¢

Tax rate of 59.30¢ is 4.9% higher than the no new revenue tax rate of 56.50¢. The no new revenue tax rate is the rate that effectively generates the same amount of revenue on the same properties as last tax year. Tax rate of 59.30¢ will generate 7.9% more revenue than last year or \$2.7M, of that \$1.5M was from new property.

Historical Tax Rate Summary

	FY18	FY19	FY20	FY21
Tax Rate per \$100	61.39	61.39	61.39	59.30
Total Appraisal	\$ 4,577M	\$ 5,062M	\$ 5,644M	\$6,272M
Total Levy	\$ 28.1M	\$ 31.1M	\$ 34.6M	\$38.0M
Debt Service %	41.6%	36.8%	33.7%	30.3%
Operations %	58.4%	63.2%	66.3%	69.7%

FY21 Proposed Tax Rate Bill Impact

Home Values	2019 Tax Rate 61.39	Proposed Tax Rate 59.30	Annual Savings	Monthly Savings
\$100K	\$614	\$593	\$21	\$1.75
\$200K	1,228	1,186	42	3.50
\$300K	1,842	1,779	63	5.25

By lowering the proposed tax rate the average homeowner (\$200K valuation) will save \$42 per year on their tax bill .

General Fund Comparison

	FY20 Adopted Budget	FY21 Proposed Budget	Proposed % Change	Proposed \$ Change
Revenue	\$86.3M	\$91.1M	5.5%	\$4.8M
Expenditure	87.8M	93.9M	6.9%	6.1M
Fund Balance	18.0M	16.1M	-10.5%	-1.9M

Summary of What is Included in this Budget

General Fund includes:

- User Fee adjustment of 2.3% consumer price index (CPI increase from prior year)
 - Effective October 1, 2020: Neighborhood Enhancement, Library, Fire, Police.
 - Effective January 1, 2021: Parks and Recreation programs and services
- \$500K to sworn Fire and Police as agreed upon in the FY19 Meet & Confer
- \$700K allocation for all non-civil service employees effective Oct. 1st
- Additional Planner in Development Services allows for dedicated Historic Preservation Officer with existing staff

General Fund Summary

Summary	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$80.8M	\$90.9M	\$91.1M
Total Expenditures	\$79.7M	\$88.8M	\$93.9M
Fund Balance	\$17.2M	\$19.3M	\$16.1M
Fund Balance %	25.9%	28.2%	21.4%

ENTERPRISE FUNDS

Electric Fund Summary

	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$58.8M	\$62.3M	\$63.1M
Expenses	59.5M	62.5M	63.6M
Ending Fund Balance	10.9M	10.0M	9.5M
Debt Coverage	1.28	1.18	1.20
Ending Balance in Days of Operation	55	64	61

Water/Wastewater Fund Summary

	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$40.8M	\$46.0M	\$50.7M
Expenses	40.5M	45.3M	50.9M
Ending Fund Balance	13.2M	11.1M	10.9M
Weather Stabilization Reserve	2.8M	2.9M	3.7M
Debt Coverage	1.28	1.3	1.6
Proposed Rate Adjustment	5% W 3% WW	5% W 3% WW	5% W 3% WW

Rate adjustment average monthly bill impact \$3.75

Stormwater Fund Summary

	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$5.7M	\$6.0M	\$7.2M
Expenses	5.1M	6.6M	7.3M
Ending Fund Balance	1.6M	1.5M	1.9M
Fund Balance %	32.8%	23.9%	26.6%
Use of Cash Reserves		500K	500K

Recommended rate adjustment of 6.5% resulting in an average monthly bill impact of \$0.78

Resource Recovery Fund Summary

	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$4.6M	\$4.8M	\$5.0M
Expenses	4.4M	4.7M	5.1M
Ending Fund Balance	1.7M	1.7M	1.6M

Recommended rate adjustment for Solid Waste and Recycling of 3%
resulting in an average monthly bill impact \$0.78

Transit Fund Summary

	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$0.7M	\$2.1M	\$2.7M
Expenses	0.6M	1.9M	2.8M
Ending Fund Balance	0.1M	0.3M	0.1M

- Revenues include: CARES Act funding FY20 \$1.3M, FY21 \$2.5M
- FY21 Expenditures include: Increase in contract services \$840K, indirect cost allocation \$56K

Airport Fund Summary

	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$554K	\$636K	\$561K
Expenses	578K	548K	620K
Ending Fund Balance	0K	88K	29K

- FY20 Revenues include: \$116K CARES Act funding
- FY21 Expenditures include: Increase in contract services \$9.3K, indirect cost allocation \$69K offset by reduction of Other Charges

SPECIAL REVENUE FUNDS

Hotel Occupancy Tax Fund Summary

Summary	FY19 Actual	FY20 Estimated	FY21 Proposed
Revenue	\$4.2M	\$2.6M	\$3.0M
Total Expenditures	3.5M	3.0M	3.3M
Fund Balance	640K	530K	454K
Fund Balance %	31.8%	26.0%	20.3%
Use of Cash Reserves		200K	200K

CAPITAL IMPROVEMENT PROJECTS

FY 21 Recommended CIP Totals

FY21 CIP	Original CIP	Revised CIP	Difference
General Fund:	\$6,239,000	\$4,485,000	-\$1,754,000
Water Fund:	\$44,526,575	\$44,681,575	\$155,000
Wastewater Fund:	\$9,534,000	\$10,874,000	\$1,340,000
Stormwater Fund*:	\$9,560,000	\$9,720,000	\$160,000
Electric Fund:	\$10,065,421	\$10,460,421	\$395,000

* Reflects Council direction from June 30th workshop on stormwater rate

Budget Timeline

- **Sept 1st**
 - 1st reading of tax rate ordinance
 - 1st public hearing and reading of proposed budget, CIP, and utility rates
- **Sept 15th**
 - Public hearing on tax rate
 - 2nd public hearing on proposed budget, CIP, and utility rates
 - Vote to adopt budget, ratify tax roll, set tax rate