



FY 2018-19 BUDGET WORKSHOP

August 2, 2018

Bert Lumbreras, City Manager

Steve Parker, Assistant City Manager/CFO

Collette Jamison, Assistant City Manager

Heather Hurlbert, Finance Director

Melissa Neel, Assistant Finance Director

AGENDA

TONIGHT

General Fund

Hotel Motel

Airport

CIP Projects

Vote to set tax rate

Break: 5:30 to 6 p.m.



STRATEGIC INITIATIVES

KEY PRIORITIES



Workforce Housing



Public Transit



Stormwater Management



Community Partners



City Facilities



General Fund FY 2018-2019



GENERAL FUND

PROPERTY TAX
UPDATE

- Tax rolls certified on July 25th
- Certified tax rolls came in lower than preliminary tax rolls due to a Freeport exemption filed after the April preliminary reports were issued
 - Total preliminary appraised value - \$5.094B
 - Total certified appraised value - \$5.062B
- As a result, no additional capacity was created in the General Fund
- Once cent on the tax rate generates \$506,200 in General Fund revenue



GENERAL FUND

COMMUNITY
ENHANCEMENT
FEE

- Community Enhancement Fee (CEF) established December 1, 2015
- Established to enhance the cleanliness and beautification of the City by providing services related to litter and nuisance abatement
- Beautification and cleanliness activities include but are not limited to:
 - Litter and nuisance abatement
 - Street cleaning
 - Mowing and landscaping
 - Dead animal removal
 - Building improvement grant programs



Over \$1.1M has been generated by the CEF to fund ongoing and one-time activities since FY2016.

Ongoing Activities

- Increased mowing and trash pick up on IH-35 and major gateway roads
- Increased trash pick up at City parks during tubing season
- Citizen Education
 - Signage
 - River Video
- Dumpster enclosure program

One-Time Activities

- Sweeper and trailer for downtown bike lanes and parking spaces
- Sweeper and trailer for sidewalks
- Trailers for parks trash collection
- Animal proof trash and recycling containers for City parks and sports fields
- Pet Waste stations, supplies and signage
- Neighborhood Beautification trailer
- Craddock Median project



\$430,000 available for one-time and ongoing CEF activities in FY 19 at current rate

Ongoing Activities

- Mowing and trash pick up
- Dumpster Enclosure Program
- Citizen Education
- Neighborhood Beautification trailer
- Maintenance and replacement of existing equipment

One-Time Activities

- Final year of animal proof trash and recycling containers for City parks and sports fields
- Showcase Project-capacity for one
 - Hopkins Gateway landscape update
 - Update Craddock median from Bishop to Wonder World
- Iris Garden renovation



Areas of Responsibility/Oversight-Public and Private Property

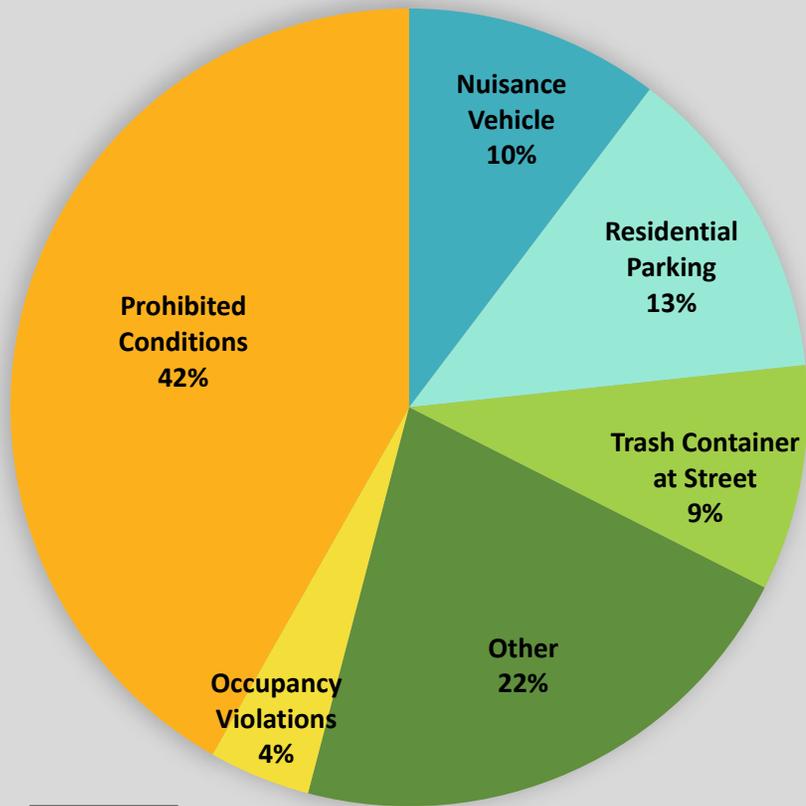
- Public nuisances-High weeds, Trash/rubbish, mosquito/pests
- Prohibited parking-front/side yard, large vehicles/boats, street/alley
- Junk vehicles
- Accessory building occupancy and issues such as set backs, construction, unauthorized occupancy
- Construction without a permit
- Illegal dumping and bulky waste
- Violation of land use, home occupation, single family occupation
- Unsafe/non-conforming/dangerous structures
- Prohibited sign type and locations
- Swimming pool complaints
- MS4 stormwater violations
- Sidewalk/alley obstruction and maintenance
- News rack violations
- Homeless camps and cleanup
- Short term rental registration and violations
- Long term rental registration and violations
- Rental registration
- Residential permit parking program



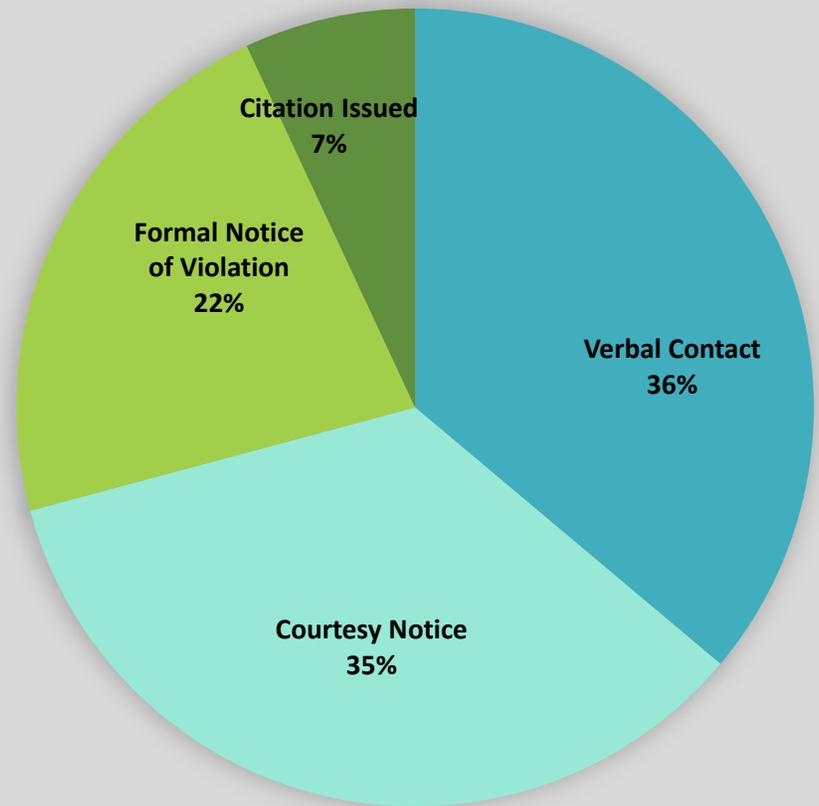
GENERAL FUND

CODE ENFORCEMENT

Code Enforcement Activity



Code Actions Taken



Proactive vs Reactive Approach

- Provide education and assistance to residents on code regulations
- Be a resource to assist residents and connect them with solutions when possible
- Develop a resource guide to offer options and rely on enforcement as a last resort
- Partner with neighborhood groups and stakeholders to reach out and work collectively with residents
- Create a new Neighborhood Liaison position with existing staff to be a direct contact, resource, advocate and problem solver in our community
- Assess existing staff resources to identify efficiencies in beautification, furniture/debris pickup and other programs.
- Work with Texas State and community to restart a program to collect furniture/debris left in the community and partner with non-profits to utilize in restore opportunities



Other Areas to Assess/Pursue

- Consider shifting zoning related code issues to Planning and Development Services
- Assess substandard buildings and explore creation of a new Building and Standards Commission
- Continue the work of the Rental Registration Council Sub-Committee to review life and safety concerns of rental properties
- Identify and evaluate technology solutions to improve staff efficiency and customer experience



Staff will continue to assess staffing needs to adequately provide the needed services and properly administer existing and new programs.

GENERAL FUND

COMMUNITY ENHANCEMENT FEE

	Customer Count	\$.50 Increase
Commercial Customers	1,675	\$ 10,050
Residential Customers	25,450	<u>\$152,700</u>
	Potential CEF Revenue:	\$162,750

Expenses Shifted to CEF	Amount
Trash pickup and mowing of right of ways, City owned lots, athletic fields park land	\$ 83,550
Maintenance of McCarty and Wonder World right of ways and gateways	\$ 41,800
Keep San Marcos Beautiful	\$ 20,000
Community Enhancement Technicians	<u>\$ 17,400</u>
Total	\$162,750

Shifted \$162,750 in qualifying expenses that were paid from other sources in the General Fund to the CEF



Proposed Code Program	Amount
Two Code Enforcement Officers	\$140,000
Increase Community Enhancement Technicians from 15 hours/week to 25 hours/week to provide community assistance	\$17,500
Supplies and educational and outreach materials	<u>\$5,250</u>
Total	\$162,750

Bond Election

Bond program was structured to include debt service for the infrastructure, staffing expense, and operational expenses for the projects.

- Bond election approved \$32.2M in bonds
- Estimated tax rate required to fund 100% of debt service and operational expenses was 9.85 cents
- Proposed a tax rate increase of 8.37 cents
 - Funds 85% of debt service on \$32.2M bonds
 - Funds 85% of \$1,950,000 increase in operational expenses

Tax Rate Breakdown

- Debt Service - estimated at 5.42 cents
 - Increased tax rate - 4.61 cents
 - From existing General Fund capacity - .81 cents
- Operating costs - estimated at 4.43 cents
 - Increase tax rate - 3.77 cents
 - From existing General Fund capacity - .66 cents



GENERAL FUND | FIRE STAFFING

- Operational capacity created by tax rate increase for FY19 is \$1,000,000
- Recommend adding additional Fire personnel:
 - Rescue squad of 8 fire fighters
 - 2 Fire Inspectors
- Addition of the firefighters will allow for an increase from 5 to 6 total units available to respond to calls during all shifts
- Addition of the fire inspectors will allow for more frequent inspections of multifamily and hotel establishments

		Amount
Additional Fire Staffing	8 – Fire Fighters & Equipment	\$605,000
	Fund Balance 25%	<u>\$151,250</u>
	Total	\$756,250
Additional Fire Marshal Staffing	2-Fire Inspectors	\$161,000
	Fund Balance 25%	<u>\$ 40,250</u>
	Total	\$201,250
	Grand Total	\$957,500



FY18 BUDGET
AMENDMENT

RECOMMENDATIONS

Temporary Office Space-Lease vs Buy

- Office space of 2,016 square foot with ADA bathroom and 4 offices built out. Should provide workspaces for up to 20 employees.
- Office space-new building which includes all building set up, technology, and furnishing costs
 - Lease-48 month term- \$162,000
 - Purchase-\$228,000
- **Recommend lease option**

City Hall Parking

- Parking Spaces Available: 190
- Parking Needed for Employees and Customers: 250-262
- Parking Needed does not account for pre-construction meetings, employee training, cross-departmental meetings, Council work sessions.
- **Recommend moving forward with addition of 24 parking spaces at a cost of \$137,000 to provide needed additional parking**



Hotel Motel Fund

FY 2018-2019



HOTEL MOTEL TAX FUND | REVENUE

- Fiscal Year 2018 Revenue is trending below budget and prior year’s collections
 - October through May collections are 5% below FY17 collections and \$213K below budget
- Hoping to see increased room rates over the summer months to produce revenue to somewhat reverse the trend. Do not believe the increased collections will be enough to make up budget deficit.
 - Will not receive June collections until the end of July
- Due to current trend, HOT program expenses will need to be reduced from FY18 levels.

Revenue Available for Programs	
FY17 Actual Revenue	\$2,292,000
FY18 Budgeted Revenue	\$2,449,000
FY18 Revenue Forecast	\$2,236,000
FY19 Proposed Revenue	\$2,233,000



HOTEL MOTEL TAX FUND

PROGRAM BUDGET

Program expense budgets need to be reduced by \$250,000 or 15.5% due to reduced revenue in FY19

Current Programs	FY18 Budgeted Expenses	FY18 Reduced Expenses	FY19 Recommendation (15.5% reduction)
CVB (excluding personnel)	\$ 975,800	\$ 852,600	\$ 815,900
Main Street (excluding personnel)	\$ 155,500	\$ 121,400	\$ 132,100
Tanger Marketing Program	\$ 150,000	\$ 150,000	\$ 126,750
Downtown Marketing Coop	\$ 30,000	\$ 30,000	\$ 25,350
Eco Tourism	\$ 40,000	\$ 40,000	\$ 33,800
Sports Tourism	\$ 60,000	\$ 60,000	\$ 50,700
Tourist/Transportation	\$ 10,000	\$ 0	\$ 0
Mural Program	\$ 35,000	\$ 35,000	\$ 29,580
Arts Project/Permanent Art	\$ 250,000	\$ 250,000	\$ 211,250
Conference Center Repairs	\$ 10,000	\$ 10,000	\$ 10,000
Total:	\$1,716,300	\$1,549,000	\$1,435,430



Airport
FY 2018-2019



AIRPORT

REVENUE AND EXPENSES

Revenue	FY19 Budget
FY18 Budgeted Revenue	\$584K
Hanger, Shelter, and Land Rentals	\$ 28K
Fuel Flowage Fee/Gross Receipts	\$ 34K
Total Budgeted Revenue	\$646K

Expenses	FY19 Budget
FY18 Budgeted Expenses	\$609K
TAP Contract/Incentive Expense	\$ 32K
Building Maintenance	\$ 4K
Total Budgeted Expenses	\$645K

- No transfer from the General Fund is required
- FY19 CIP includes \$100K for facility maintenance and repair
- Moved focus from pavement marking and signage to airport marketing in FY19
- No capacity to add additional expenses requested by TAP for the Airport Operations

Requests	
City Owned Facility Repair and Maintenance- Funded in CIP	\$100K
Airport Vehicle	\$ 35K
Runway Signage and Striping	\$ 15K
Airport Marketing- Included in FY19 budget	\$ 25K
Runway Pavement Crack Sealing	\$150K
Total	\$325K



PEG Funds
FY 2018-2019



PEG FUNDS

DEFINITION AND
USES

Public, Education and Governmental Access (PEG)

- 1% Fee collected by cable providers for the support of public, educational, and governmental access
- To be used for capital costs for PEG access facilities. Cannot be used for staffing or operating expenses.

Annual Collections

- The City receives approximately \$95,000 annually in PEG funds
- Currently have a balance of \$500,000 that can be used for current and future projects

Budget Recommendations

- Vehicle for Communication Department-\$13K
 - Communications does not have a dedicated vehicle for transport of equipment
 - Currently using employee's personal vehicle for transport
- Upgrade cameras and sound for council chambers and conference room-\$80K
 - Equipment can be utilized in any new facility
- Possible reconfiguration of council chambers to move ACM desk-\$5.5K



CITIZEN SCORECARD



Community
Enhancement
Fee-
\$.50/month



Water/
Wastewater-
\$3.30/month



Stormwater
Management-
\$1.58/month



Resource
Recovery-
\$.81/month

Total Monthly Impact to Average Citizen-\$6.19/month



CIP
FY 2018-2019



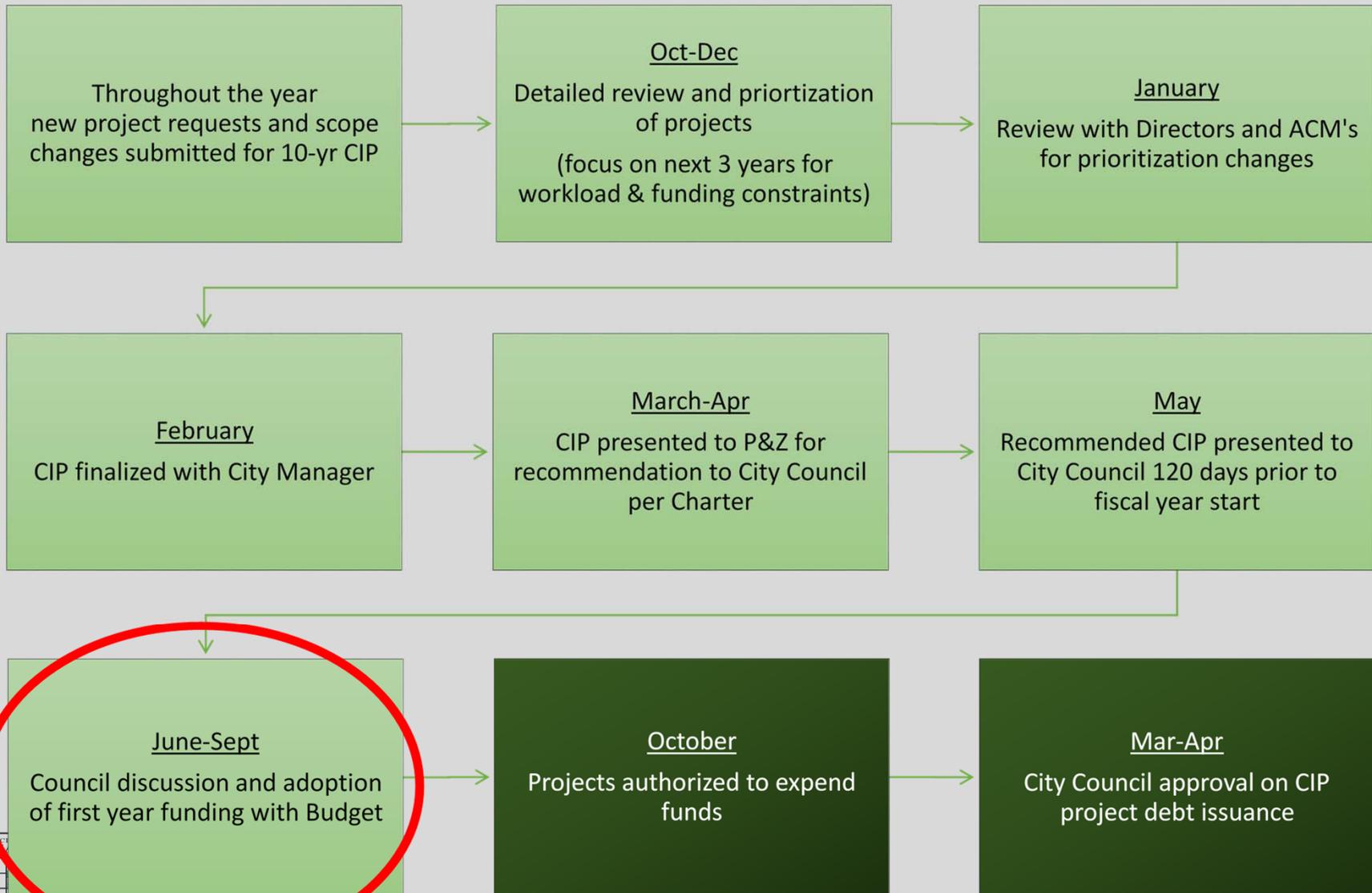
FY 2019-2028



10 year

Capital Improvements Program

CIP | PROCESS



CIP | 2019 PROJECT FUNDING

Fund Type	Amount
General Bonds Issued*	\$11,350,000
General w/o Bonds	\$ 8,033,000
Water	\$ 8,929,000
Water ARWA	\$24,000,000
Wastewater	\$ 7,367,000
Stormwater	\$ 9,183,800
Electric	<u>\$10,394,179</u>
Total FY19 Projects	\$82,136,979
Bonds Approved & Issued	\$11,350,000
Anticipated Debt Issuance	\$70,786,979



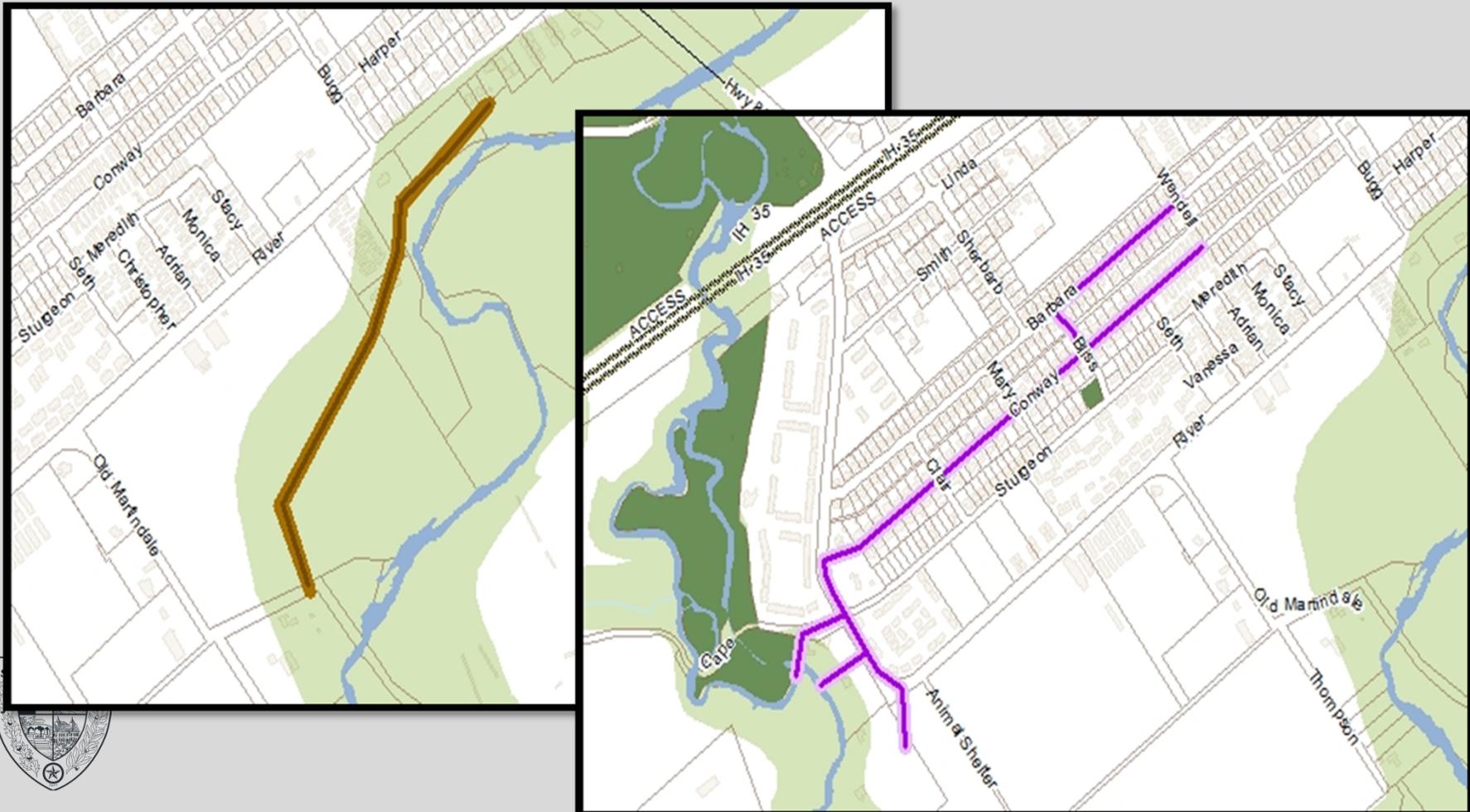
#72 Fire Dept. Relocation Station #2	\$4.60M
#106 Library Expansion & Renovation	\$6.75M

CIP

FY19
CONSTRUCTION
PROJECTS

Strategic Initiative - Stormwater

- #633 Blanco Riverine Project - \$2.6M
- #617 Blanco Gardens Stormwater - \$250k Electric

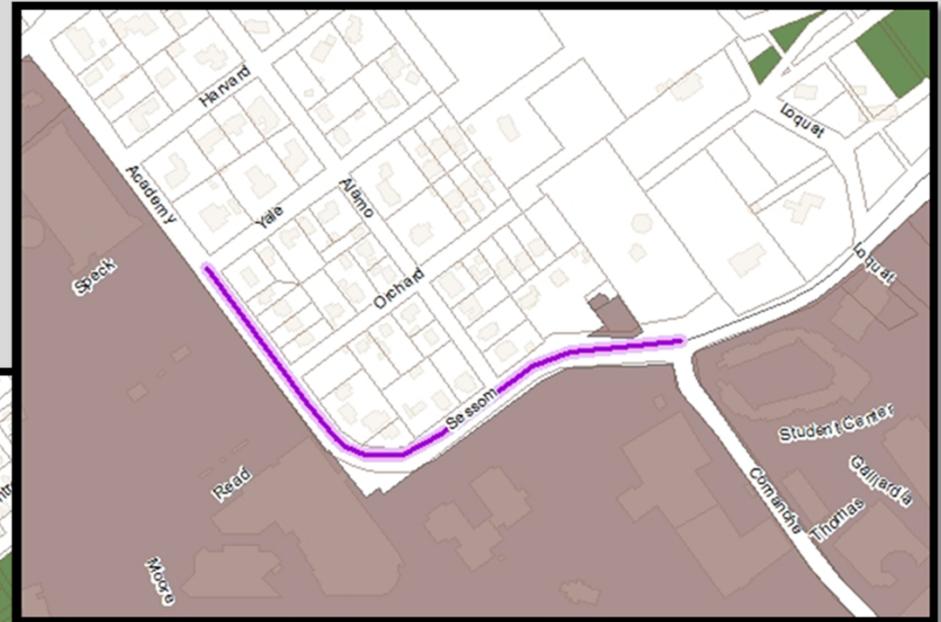
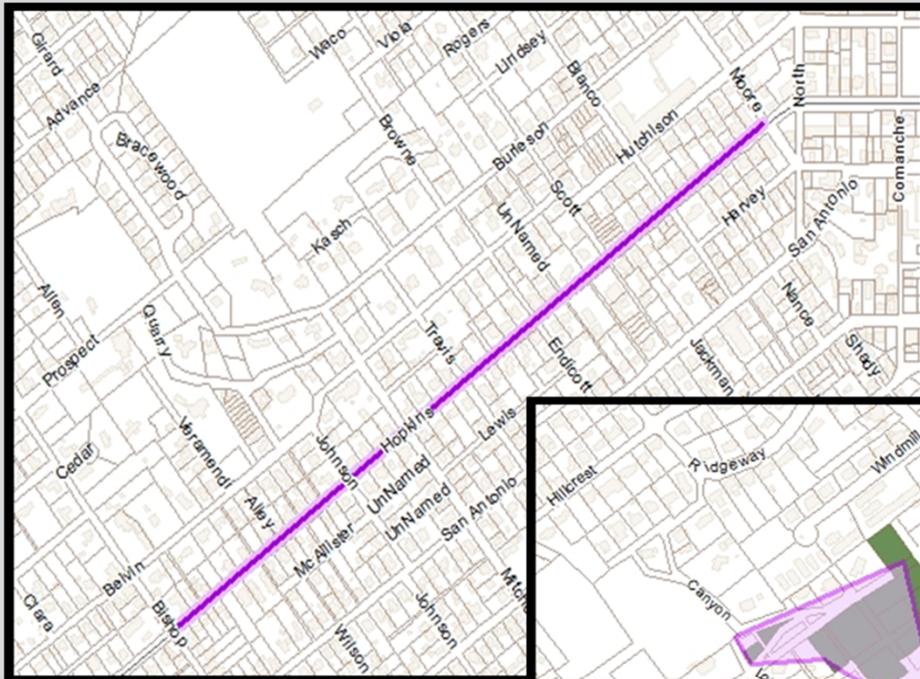


CIP

FY19
CONSTRUCTION
PROJECTS

Strategic Initiative - Stormwater

- #90 Hopkins St. Imp Bishop to Moore - \$8.4M
- #521 Sessom Creek Bank Stabilization - \$2.67M
- #419 Sessom/Academy Intersection Imps - \$1.75M



CIP | FY19 CONSTRUCTION PROJECTS

Strategic Initiative – Transit

- #476 Sheltered Bus Stops - \$80k

Infrastructure

- #636 Aquarena Springs Waterline Replacement \$370k
- #142 Old Bastrop Hwy Water Rattler Rd to Centerpoint - \$1.6M
- #642 Rehab LS14 River Rd - \$100k
- #643 Rehab LS25 Hills of Hays - \$100k
- #207 SSES & Repairs - \$650k yearly
- #430 Staples Rd 12" Water - \$1.4M
- #638 Surface Water Treatment Plant Access - \$50k
- #388 Upgrade Redwood Substation Transformer RW-T2 \$3.1M

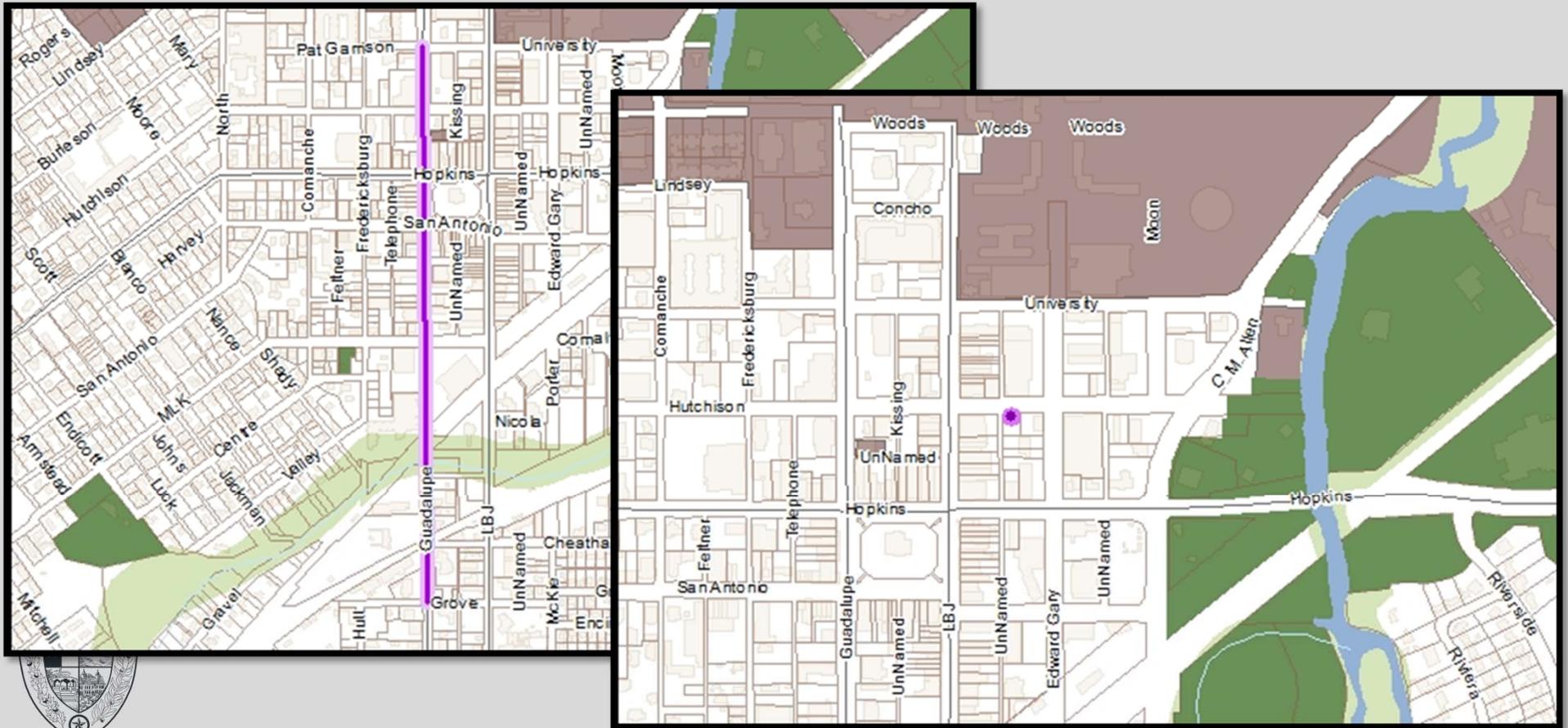


CIP

FY19 CONSTRUCTION PROJECTS

Downtown

- #477 Guadalupe St. Imp - \$2.1M
- #588 Hutchison St. Lot - \$155k



CIP | FY19 DESIGN
PROJECTS**Strategic Initiative – Stormwater Con't**

- #358 Downtown Water Quality Implementation - \$100k yearly
- #582 E. Aquarena Springs Drive Reconstruction - \$150k
- #629 IH35 Utility Relocations - \$125k
- #621 River Ridge Stormwater Imp - \$270k
- #618 Various Stormwater Imps - \$200k
- #33 Cottonwood Creek Detention Study - \$250k Analysis

Strategic Initiative – Facilities

- #524 Airport – Taxiway System, Ramp Rehab Design - \$124k
- #542 City Hall Reconstruction - \$200k
- #713 Parks ADA Access to River - \$50k
- #678 Network Cabling Infrastructure for City Facilities Bond - \$100k



CIP | FY19 DESIGN PROJECTS

Downtown

- #712 Downtown Pedestrian Safety & Comfort Imp - \$435k

Infrastructure

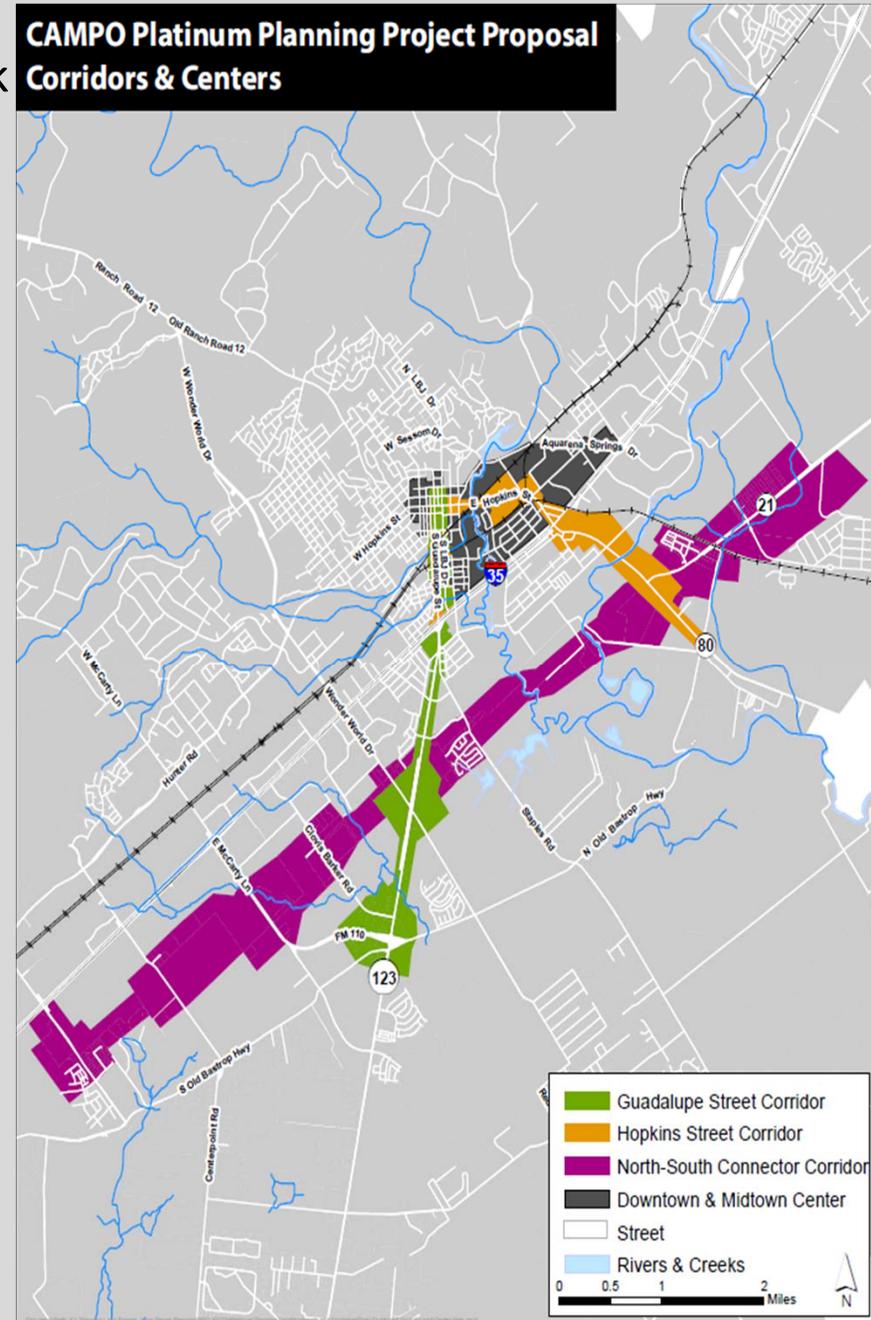
- #325 Briarwood Water Imp - \$50k
- #555 Hwy 80 Lift Station and 10 in Force Main - \$1M
- #480 Hopkins Sidewalk Widening CM Allen to Thorpe - \$75k
- #96 Hwy 123 12" Water AC Line Replacement - \$350k
- #649 SMEU Substation Feeder Breaker Upgrade - \$250k
- #648 SMEU System Power Factor Improvement - \$250k
- #288 Water Supply – HCPUA - \$24M
- #652 WWTP Electric Backup Feed - \$600k
- #100 IH 35S Water Wonderworld to Clovis Barker and Civic - \$125k PER



CIP | FY19 PROJECTS

One time or Study

- #690 Fiber Optic Emergency Replacements - \$100k
- #69 Fiber Optic Infrastructure Expansions - \$351k
- **#31 Comprehensive Plan (5 year update) - \$200k**
- **#715 CAMPO Southwestern Hays Sub-Regional Study - \$200k**
- #689 AMI Generation 2 Upgrade - \$2.867M
- #711 Asset Management System Development - \$100k
- #40 Customer Extensions – New Service Electric \$471k
- #714 SCADA Replacement - \$900k
- #212 Street Light Replacement Program - \$500k
- #703 Traffic Signal Synchronization and Improvements - \$125k
- #708 Wastewater Oversizing \$500k



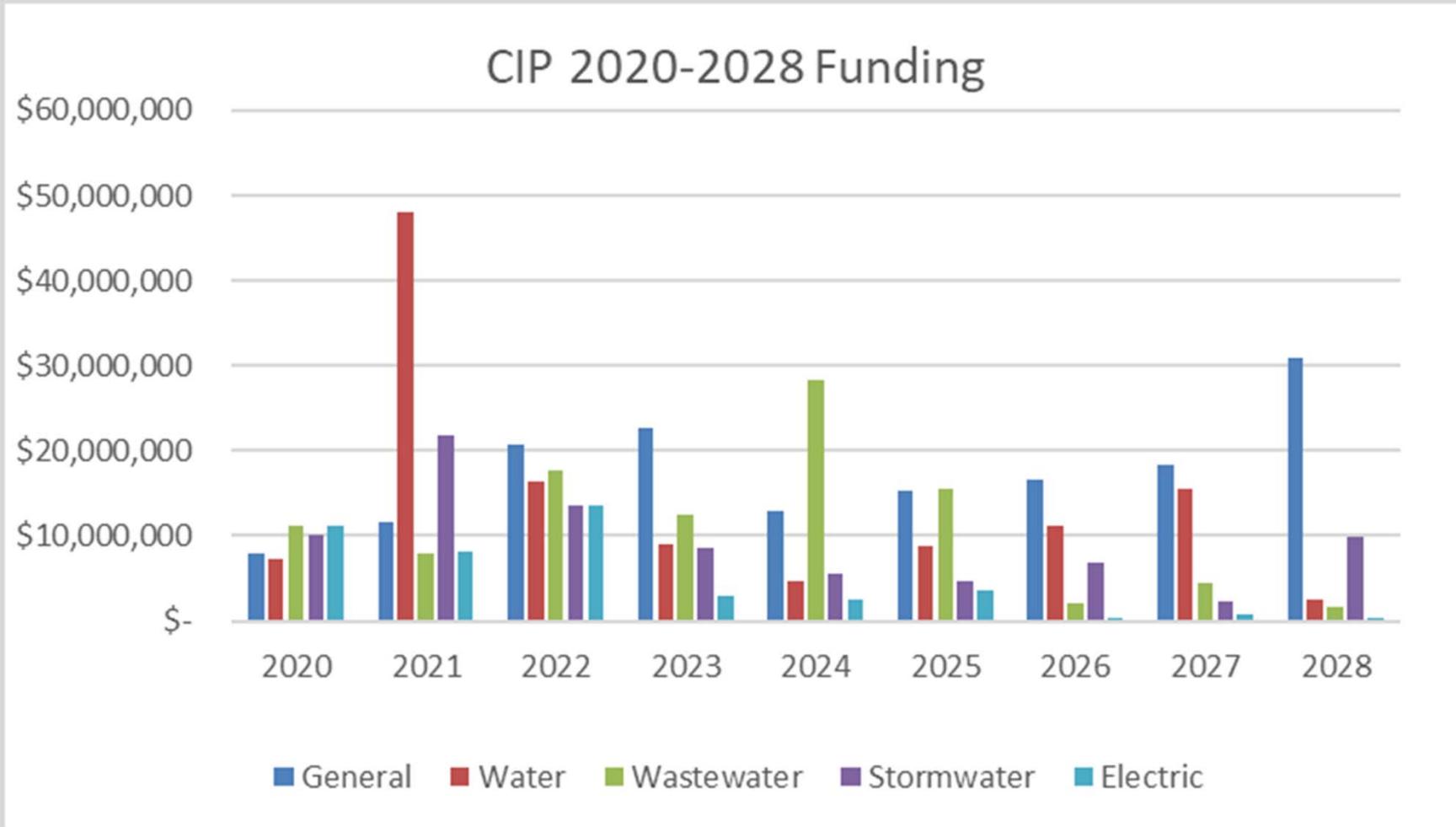
CIP | FY19 PROJECTS

Yearly funding – Typically Cash Funded

- #210 Stormwater System Imps - \$120k
- #667 Critical Utility Security - \$150k
- #710 Pole Replacement CIP Projects - \$200k
- #405 Pole Replacement Elect Power Poles - \$150k
- #583 Transportation Oversize - \$100k
- #232 URD Cable Replacement - \$100k
- #258 Wastewater Collection Imp - \$150k
- #244 Wastewater Imp - \$150k
- #245 Wastewater Lift Station Imp - \$150k
- #248 Water Imps - \$150k
- #249 Water Main Oversizing - \$150k
- #251 Water Pump Station Imp - \$150k
- #247 Water System Imps - \$150k



CIP | FY20-28
FUNDING TOTALS



Budget Timeline

FY 2018-2019



TIMELINE

BUDGET TIMELINE

- **August 2:** Workshop on Proposed Budget / Vote to set the tax rate
- **August 21:** Public hearing on the tax rate
- **September 4:** Public hearing on tax rate, budget, utility rates
- **September 18:** Budget and tax rate adoption

