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Commission  
Meeting  
July 27, 2023

# CALL TO ORDER

*Welcome*  
We're Glad You're Here

- Open Forum (3-minute time limit)



# CONSENT AGENDA

1. Consider approval of the July 11, 2023, Regular Commission Meeting minutes as recorded.

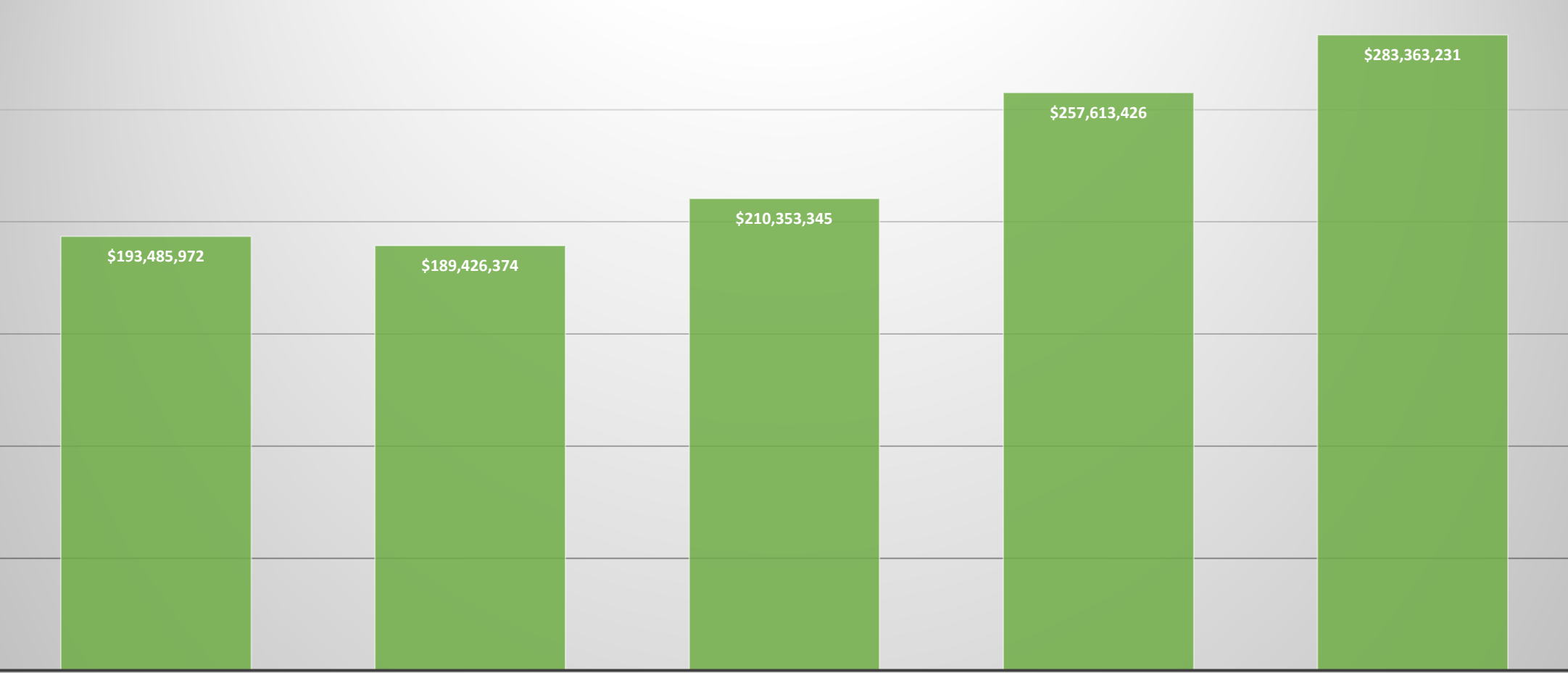


# WORKSHOP ITEMS

- Discussion of the 2023/2024 draft budget based on Certified property values



# History of Certified Values - COB



2019

2020

2021

2022

2023



**TRUTH IN  
TAXATION  
PROCESS\***



**Draft a Budget**



**Calculate Tax  
Rate**



**Publish Notices**



**Hold Public  
Hearings**



**Adopt a Budget**

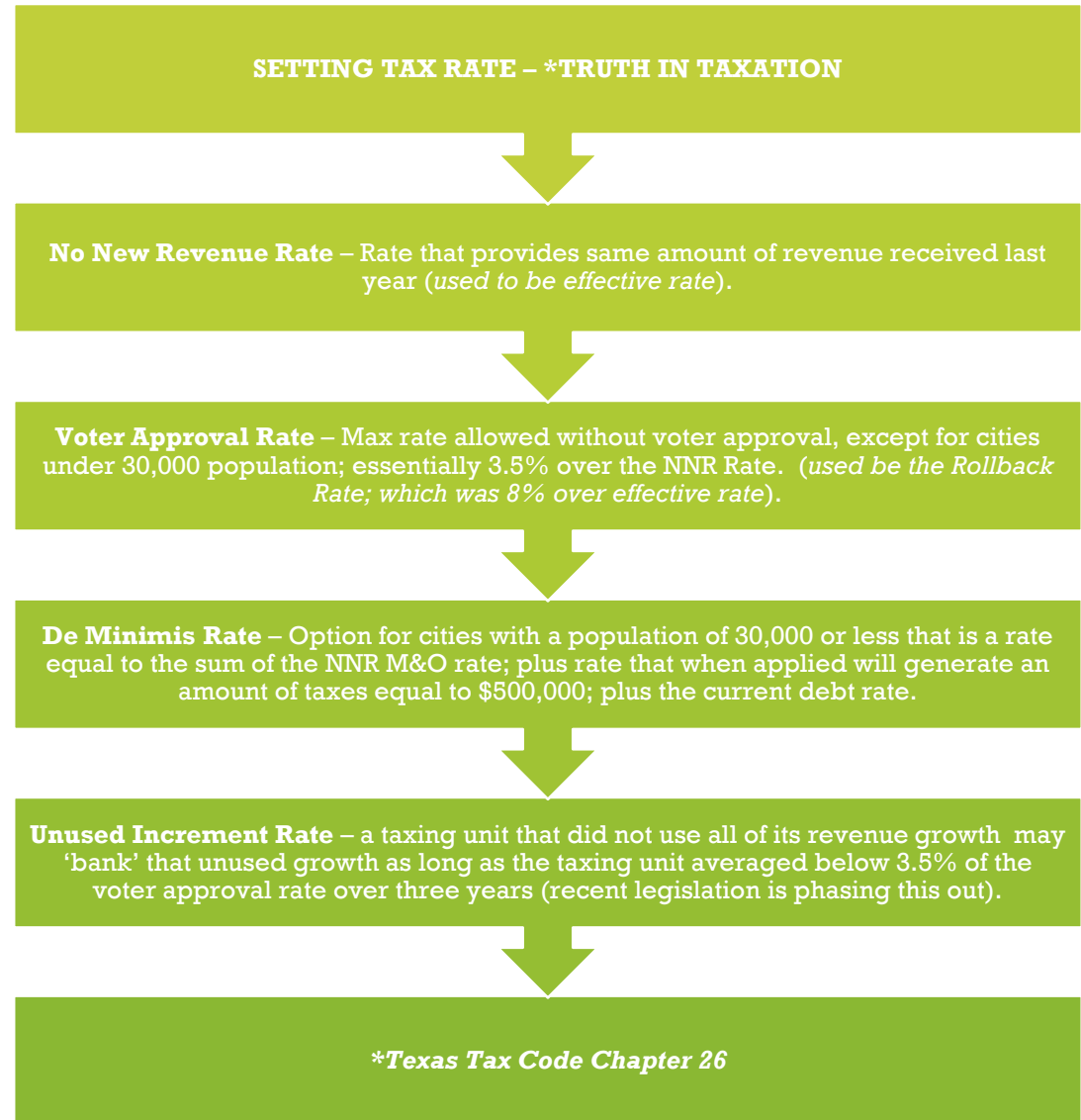


**Adopt a Tax Rate**



***\*Texas Tax Code  
Chapter 26***

# SETTING TAX RATE



No New Revenue Rate -	<b>\$.91750</b>
Voter Approval Rate M&O -	<b>\$.84599</b>
Debt Rate -	<b>\$.25510</b>
Voter Approval Rate (adj. for sales tax) -	<b>\$.97818</b>
DeMinimis Rate -	<b>\$1.16224</b>

**Using DeMinimis Rate rules: Proposed tax rate - \$1.05471**

*Must be lower than the DeMinimis Rate and doesn't exceed  
8% over Voter Approval Rate (\$1.05643)*





10-YR History of Tax Rate - COB





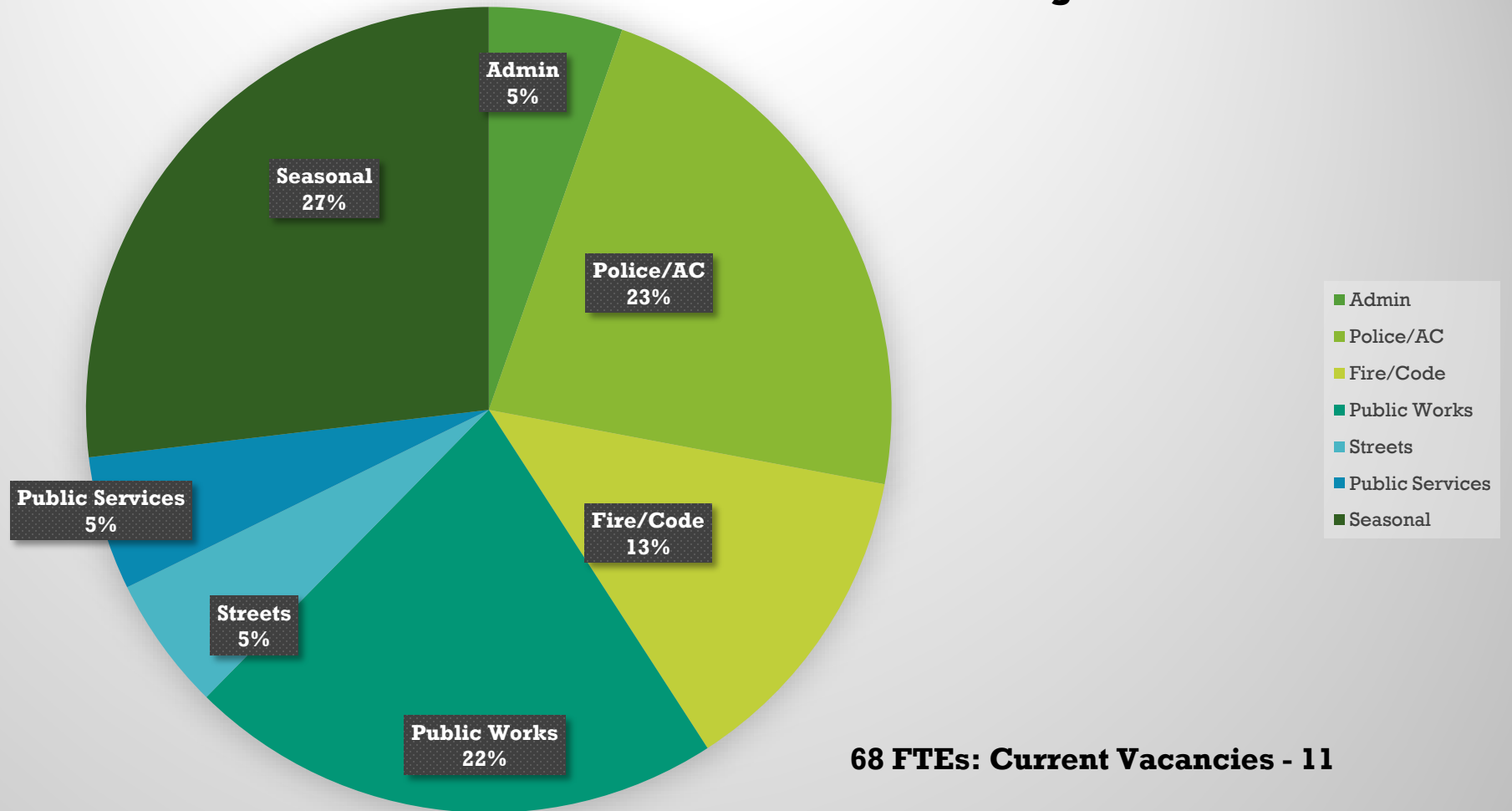
**\$81.00**  
**Average Tax Increase**



<b>W/WW Fund Debt</b>	<b>DESCRIPTIONLE</b>	<b>FY 2023-2024 Payment</b>	<b>OUTSTANDING PRINCIPLE/DEBT*</b>
			<i>*after 9.15.2023 + extra \$1,469,000 pymt</i>
<b>2012</b>	Water Plant & System Improvements	\$74,864	\$585,000/\$316,823
<b>2013</b>	Wastewater Plant & System Improvements	\$36,965	\$640,000/\$152,626
<b>2014</b>	Water Plant, Lake Daniels & System Improvements	\$138,894	\$2,020,000/\$1,081,414
<b>2017A</b>	Parks/Lindsey – Streets& Drainage	\$35,342	\$726,000/\$432,000
<b>2017B</b>	Parks/Lindsey – Water & Sewer	\$178,525	\$3,329,000/\$2,178,062
<b>2022A (CWSRF)</b>	Wastewater System Improvements	\$123,292	\$2,935,000/\$824,980
<b>2022B (DWSRF)</b>	Water Treatment Plant & System Improvements	\$95,662	\$2,325,000/\$587,120
<b>TOTAL</b>		\$683,544	

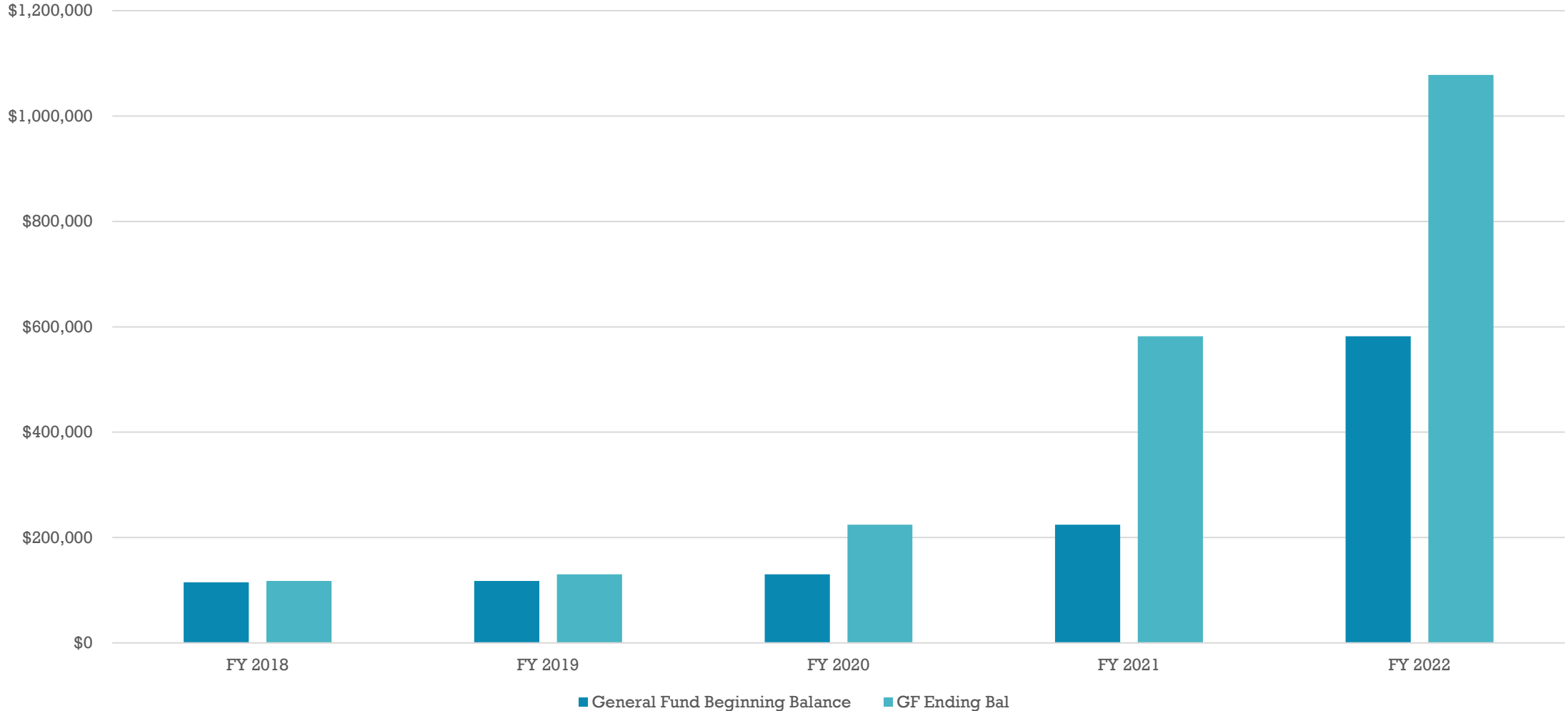
<b>Cert of Obligation 2023</b>	<b>DESCRIPTION</b>
<b>Streets: Underway</b> <i>*Primarily sales tax</i>	Various Intersections, plus W. Elliott, N. Rose, W. 7 <sup>th</sup>
<b>Streets: 2 – 5 yrs</b>	S. Harvey, Hullum, W. Elm, E. Gaddis, E. Elm, E. Dyer, N. Shelton, N. Butte, E. Wheeler, N. Oakwood, N. Flint, N. Payne, N. Harvey, S. Pecan, S. Stoker, W. 3 <sup>rd</sup> , S. Harding, W. 4 <sup>th</sup> , S. Harvey
<b>Streets: 5 – 10 yrs</b>	W. 2 <sup>nd</sup> , 1 <sup>st</sup> , N. McAmis, W. Williams
<b>Parks</b>	Replace playground equipment, install sand volleyball court, Foundation Park Improvements, Booker T. Park lights, dog park, pool filter install, tarp, generator, move electric transformer, mower
<b>PW Facilities</b>	Remove/Replace current equipment carport from bottom shop area to top shop area
	<i>*draft list based on pricing and w/ww line replacement project</i>

## Staffing Levels

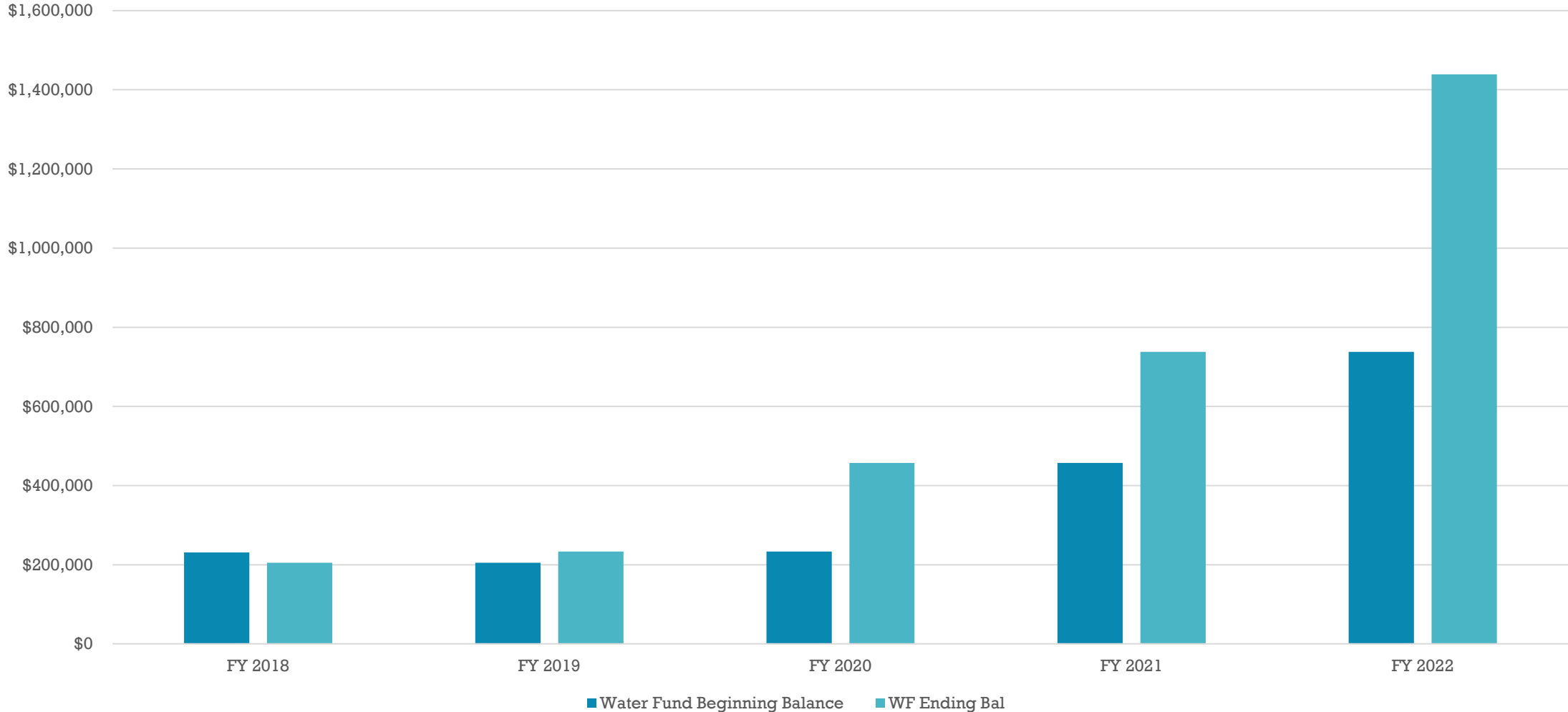




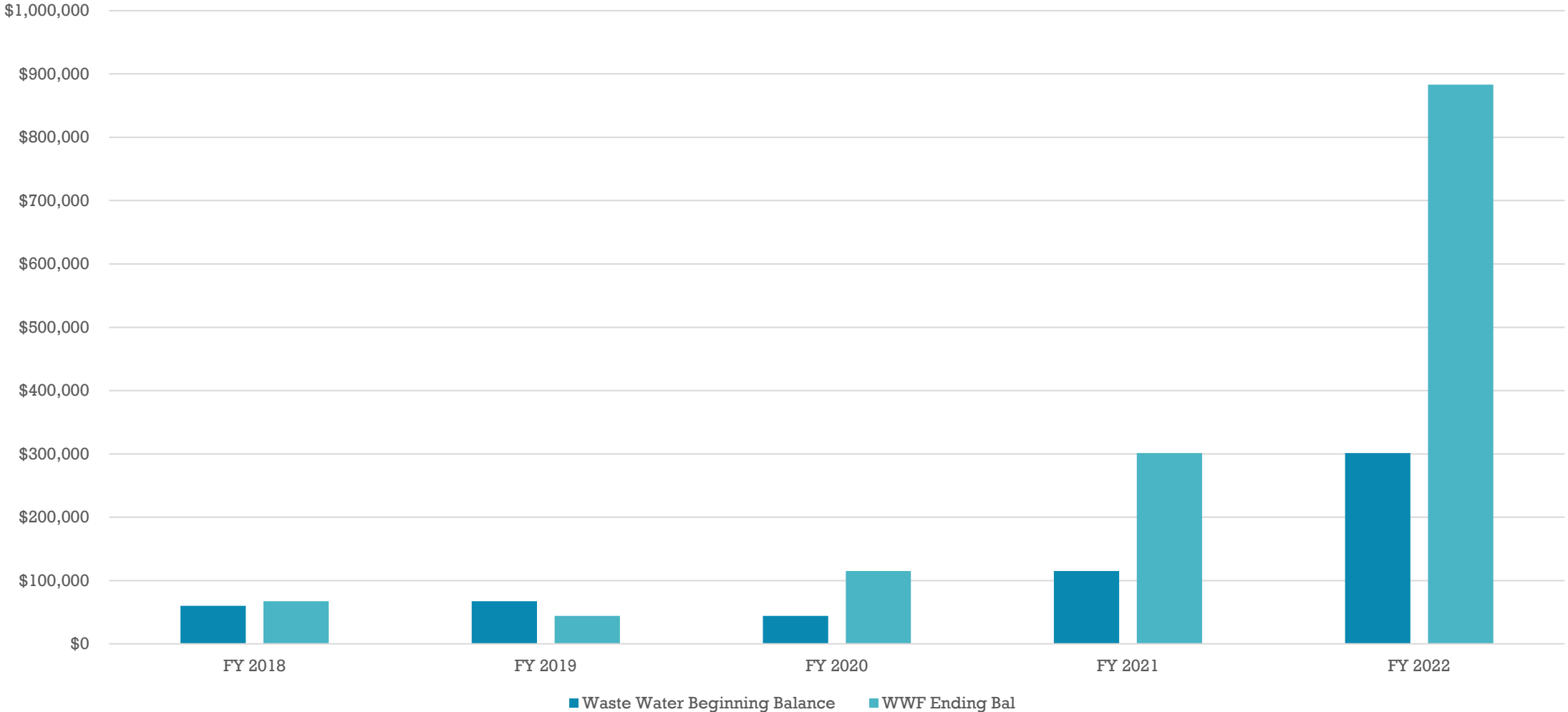
### GF Fund Balances



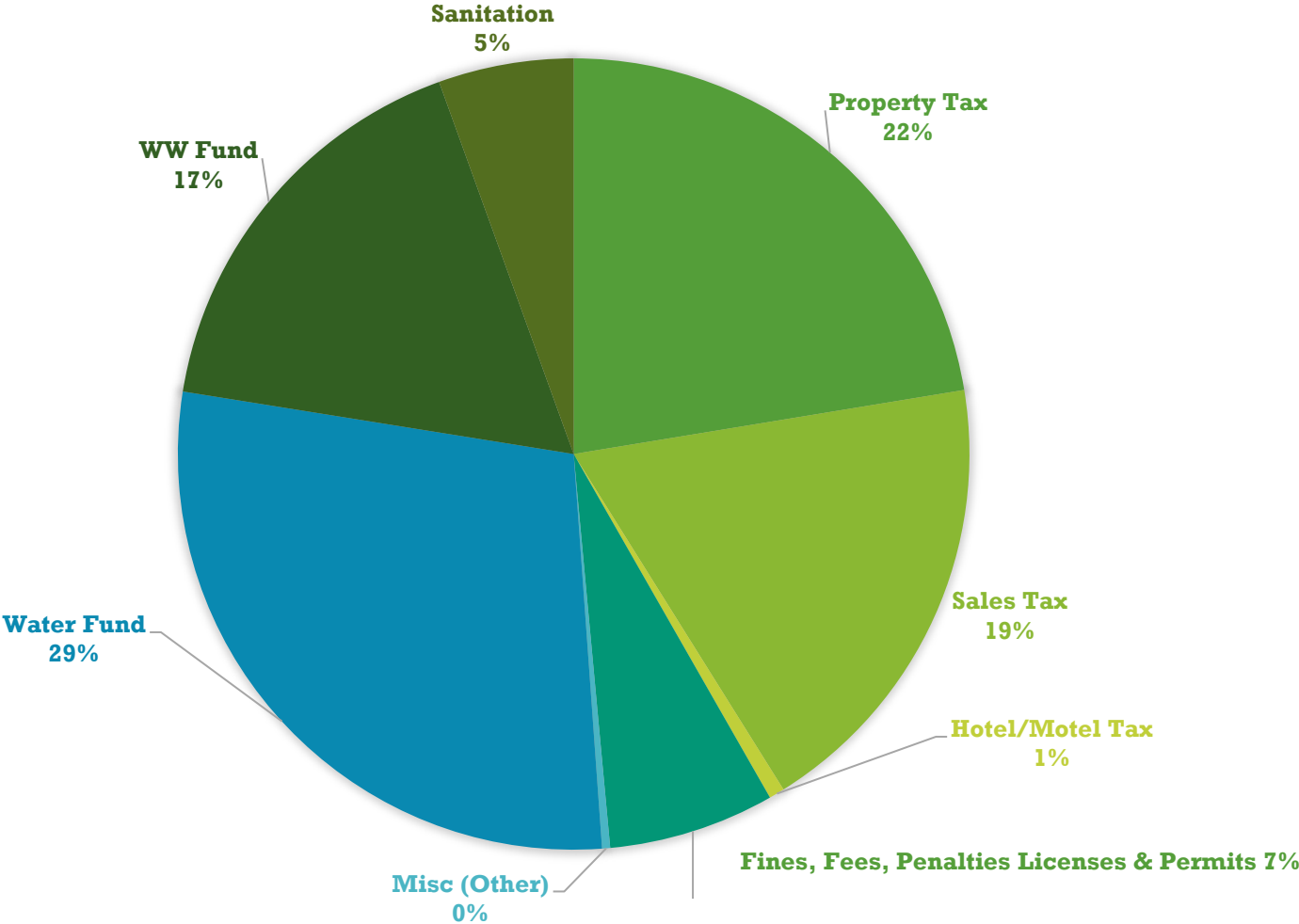
### WF Fund Balances



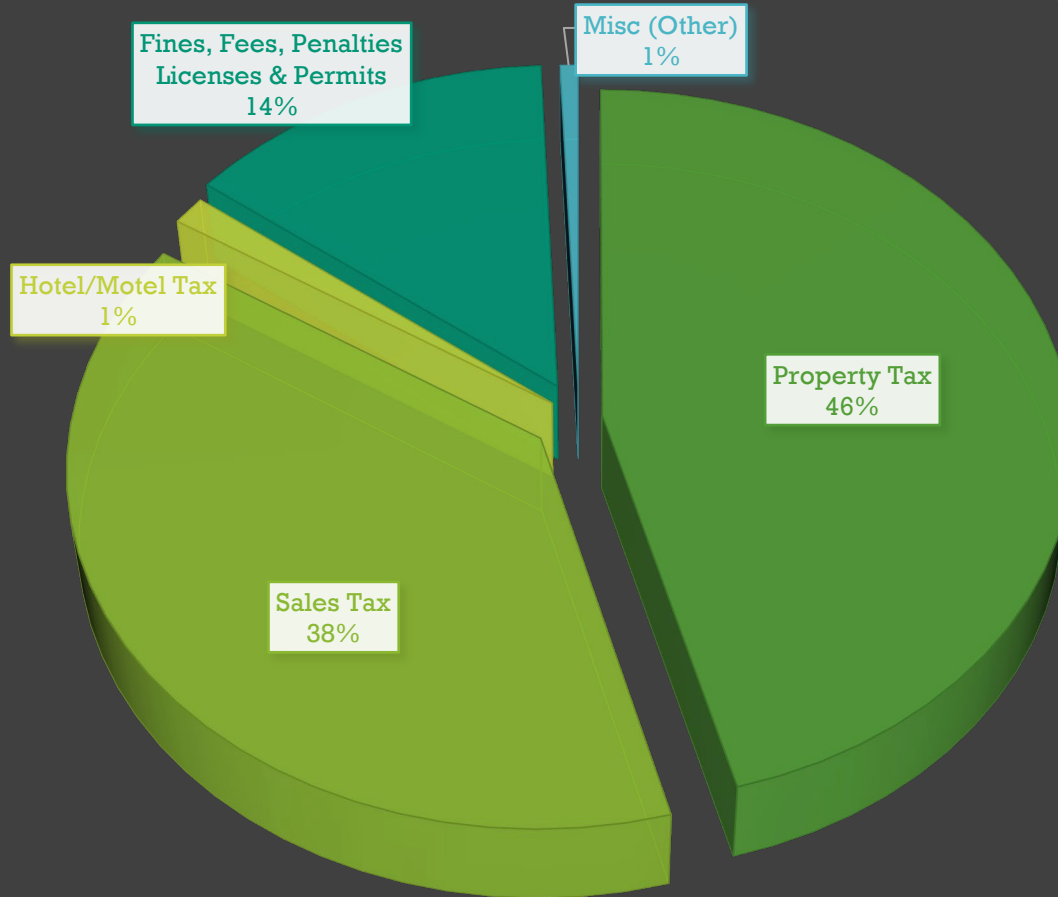
### WWF Fund Balances



# TOTAL REVENUE - ALL FUNDS

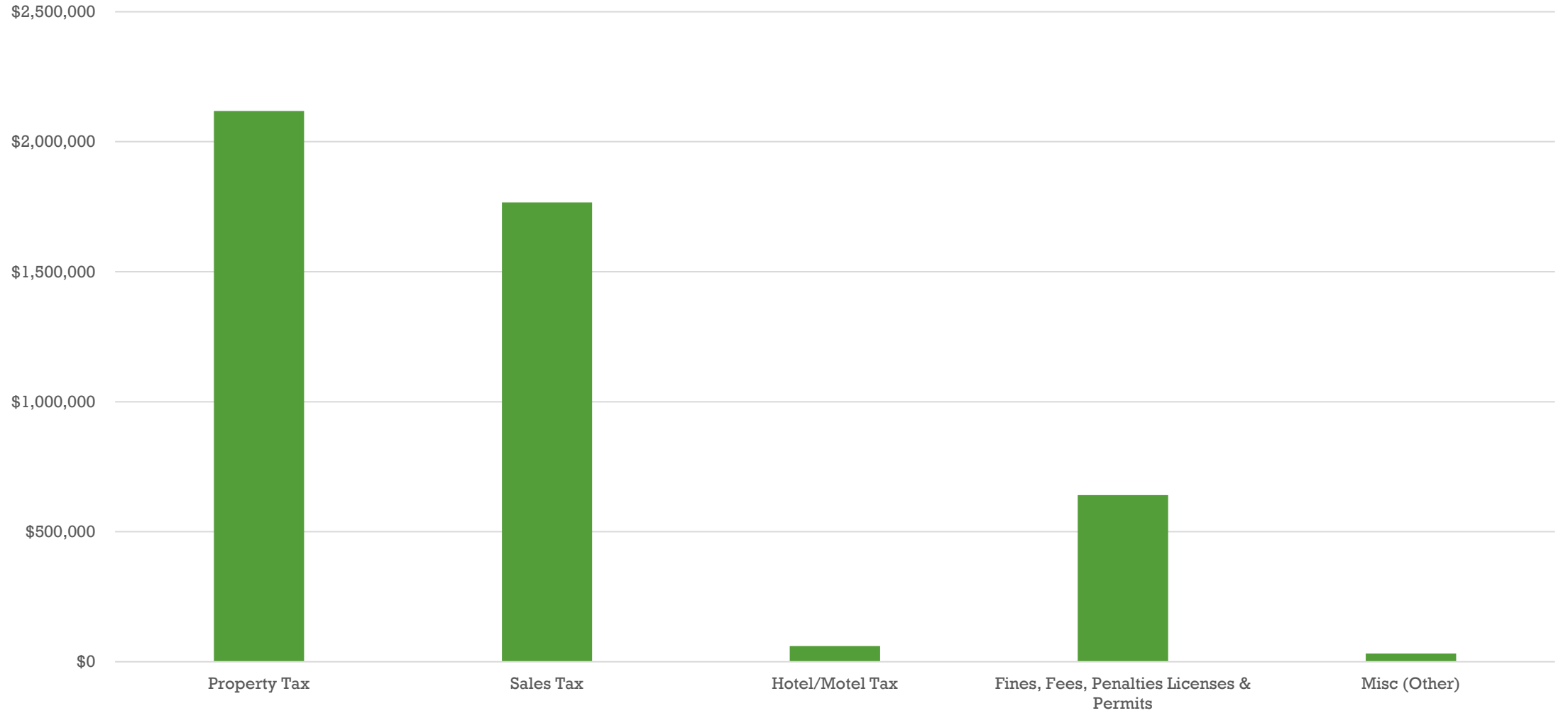


# GENERAL FUND REVENUE

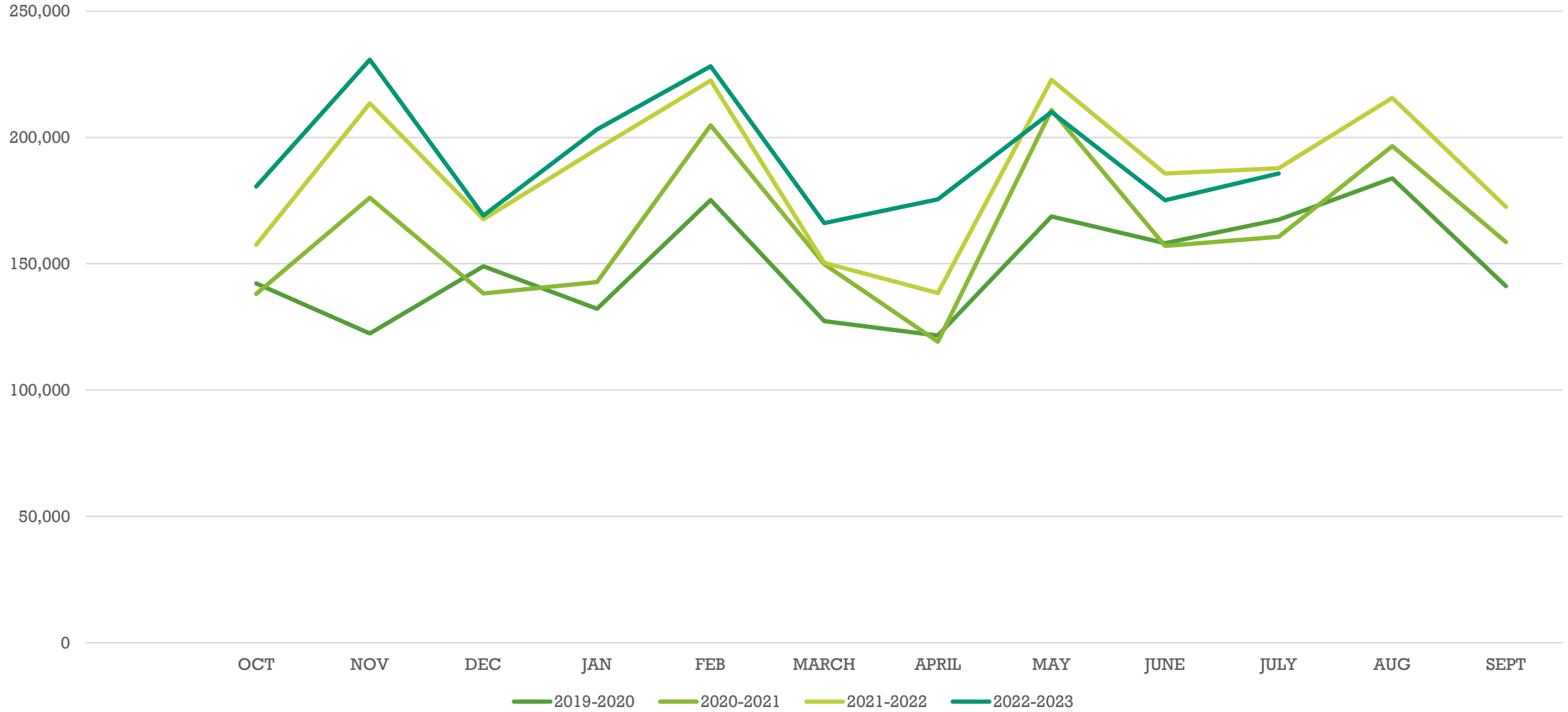




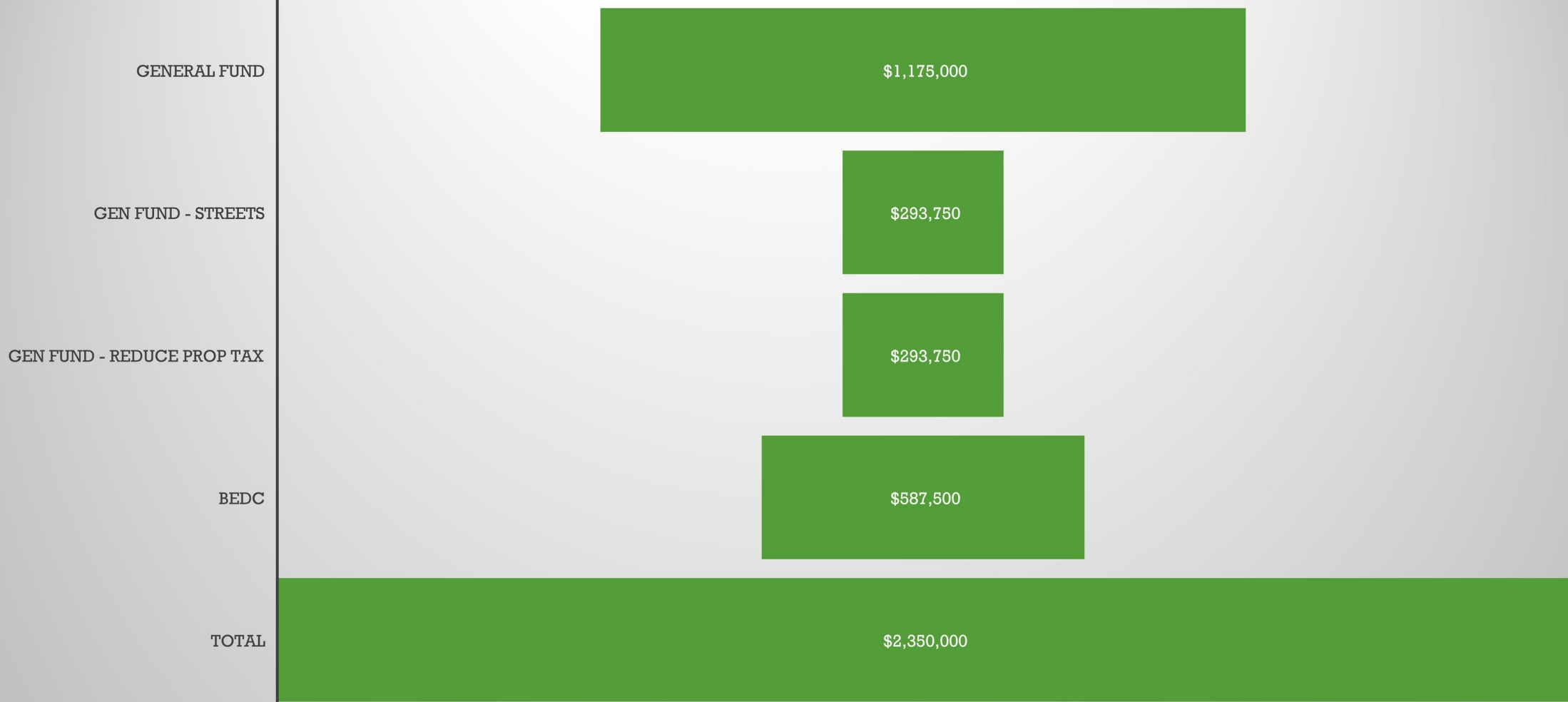
## General Fund Revenue



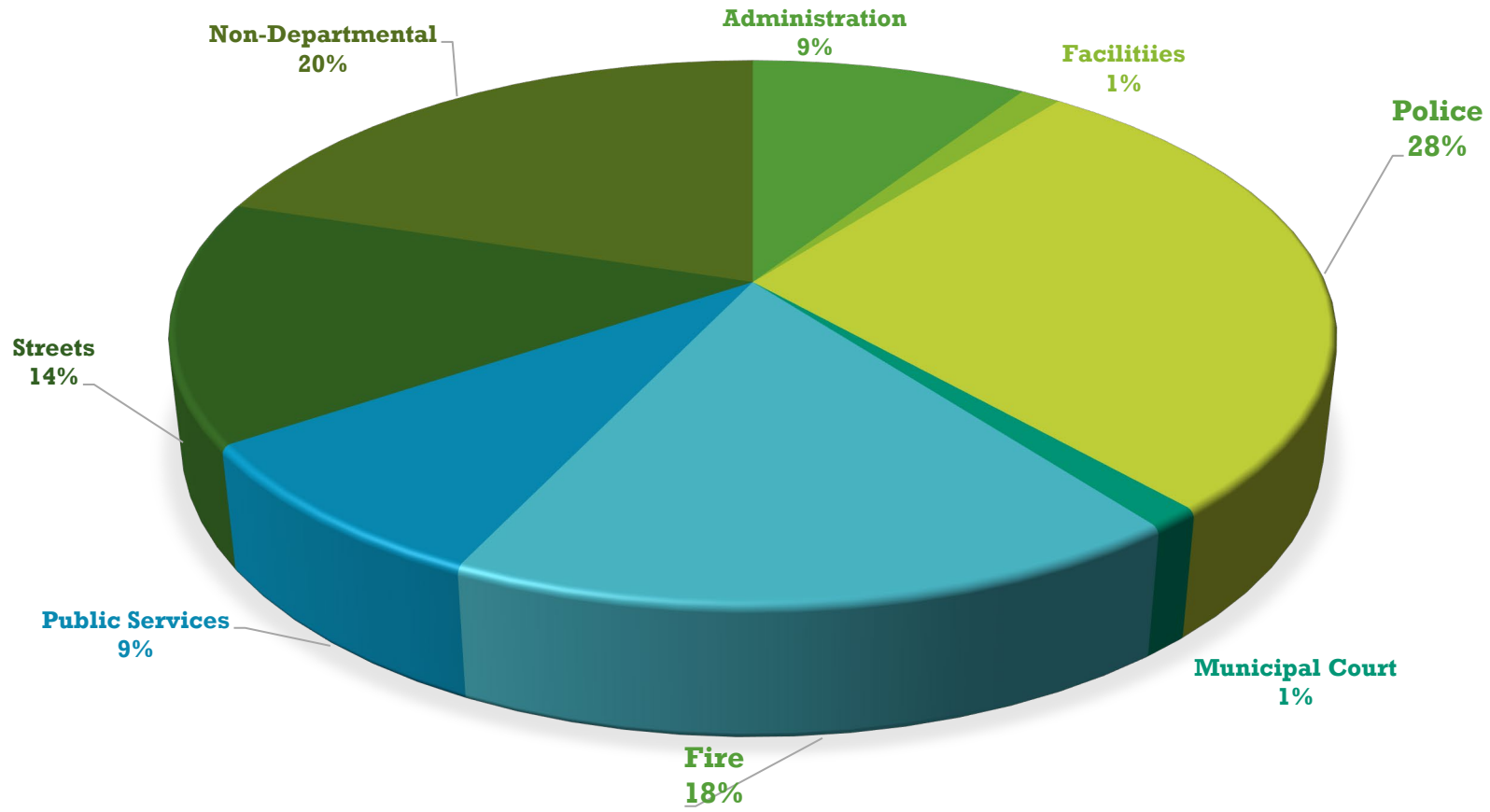
### Sales Tax History



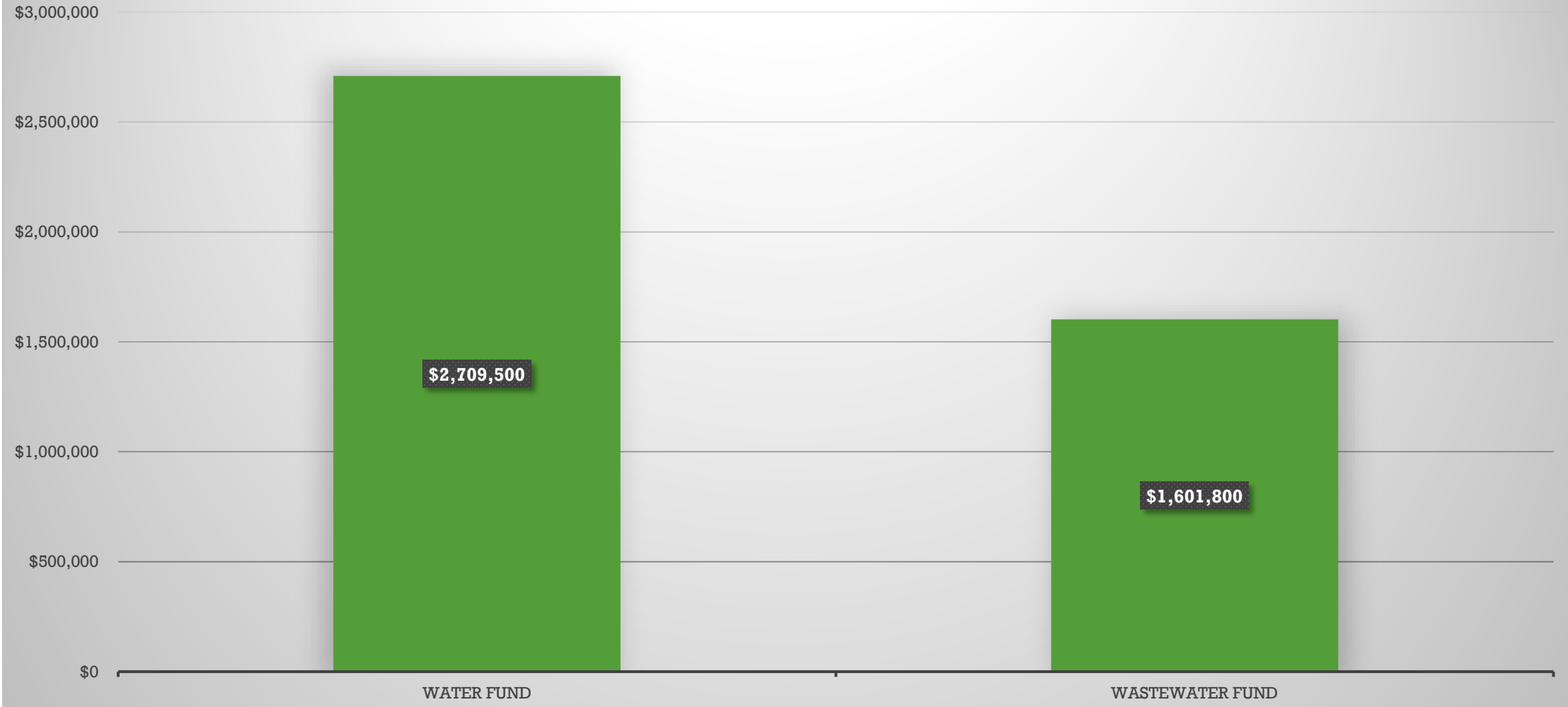
# Sales Tax Distribution



# GENERAL FUND EXPENDITURES BY FUNCTION

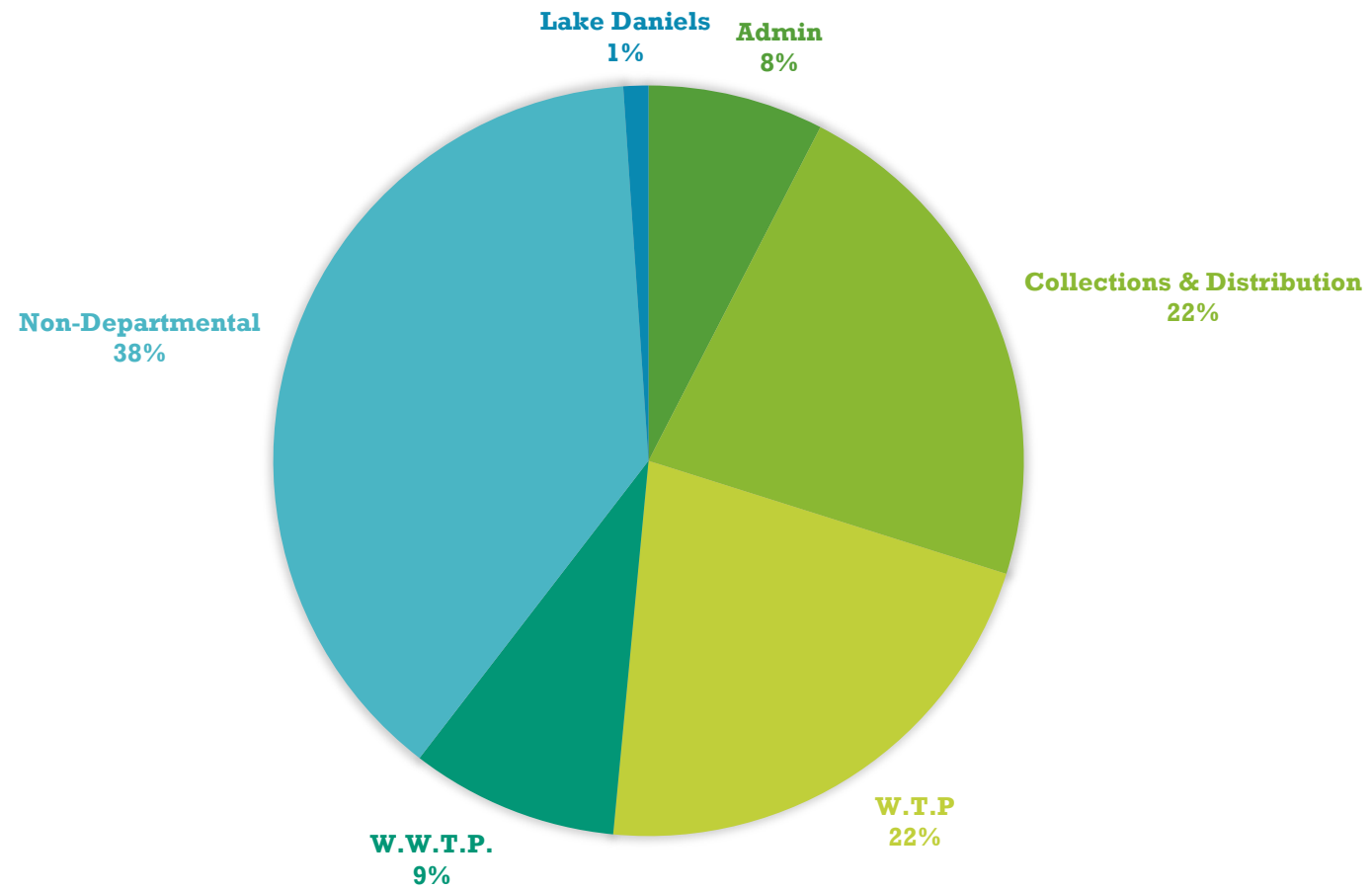


## Water/Wastewater Fund Revenue





## WATER/WASTEWATER FUND EXPENDITURES BY FUNCTION



**FY2023-2024 GENERAL FUND (DRAFT)**

	REVENUE			EXPLANATION
	2022-2023	2023-2024	DIFFERENCE	
<b>All Taxes</b>	\$ 3,558,500.00	\$ 3,650,569.00	\$ 92,069.00	Based on cert. value of \$292,393,231 - NFR (\$ 971/50) VAR (\$ 97918) On/Officer Rate of \$1,05471)
<b>Licenses &amp; Permits</b>	\$ 18,000.00	\$ 17,400.00	\$ (600.00)	Based on prior year actuals
<b>Charges for Services</b>	\$ 145,000.00	\$ 138,650.00	\$ (6,350.00)	Based on prior year actuals
<b>Franchise Fees</b>	\$ 453,000.00	\$ 445,000.00	\$ (8,000.00)	Based on prior year actuals
<b>Fines &amp; Penalties</b>	\$ 40,800.00	\$ 40,250.00	\$ (550.00)	Based on prior year actuals
<b>Other Revenues</b>	\$ 37,400.00	\$ 31,100.00	\$ (6,300.00)	Insurance reimbursement for claims
<b>Budgetary Transfers</b>	\$ 505,000.00	\$ 595,000.00	\$ 90,000.00	
<b>Total Revenues</b>	<b>\$ 4,757,700.00</b>	<b>\$ 4,917,969.00</b>	<b>\$ 160,269.00</b>	

	EXPENDITURES			EXPLANATION
	2022-2023	2023-2024	DIFFERENCE	
<b>City Commission</b>	\$ 2,500.00	\$ 2,500.00	\$ -	
<b>City Manager</b>	\$ 218,639.00	\$ 219,329.00	\$ 690.00	Salary increases
<b>City Secretary</b>	\$ 94,581.00	\$ 86,651.00	\$ (7,930.00)	Salary increases, moved software exp to non-departmental
<b>Public Works Director</b>	\$ 126,535.00	\$ -	\$ (126,535.00)	Moved to PW Fund 102, Dept 75
<b>Finance-Accounting</b>	\$ 187,611.00	\$ 141,690.00	\$ (45,921.00)	Salary increases, moved finance adv & software exp to non-departmental
<b>Code Enforcement</b>	\$ 68,169.00	\$ 11,850.00	\$ (56,319.00)	Salary expenses related to code are in Fire/Dept 25
<b>Facilities-City Offices</b>	\$ 51,550.00	\$ 56,050.00	\$ 4,500.00	Insurance reimbursement
<b>Facilities-Fire Station</b>	\$ 12,550.00	\$ 12,550.00	\$ -	
<b>Police</b>	\$ 1,184,895.00	\$ 1,309,022.00	\$ 124,127.00	Salary increases, vehicle maint. Decreases
<b>Animal Services</b>	\$ 141,180.00	\$ 128,737.00	\$ (12,443.00)	Salary increases, Bldg maint decreases
<b>Municipal Court</b>	\$ 70,546.00	\$ 62,911.00	\$ (7,635.00)	Salary increase, legal fee decrease
<b>Fire</b>	\$ 796,346.00	\$ 894,747.00	\$ 98,401.00	Salary increases, includes Code Enforcement
<b>Aging Services</b>	\$ 16,500.00	\$ 14,700.00	\$ (1,800.00)	Reduced repair and maint. Line items as NA
<b>Cemetery</b>	\$ 75,254.00	\$ 88,942.00	\$ 13,688.00	New mower
<b>Parks &amp; Recreation</b>	\$ 397,698.00	\$ 333,164.00	\$ (64,534.00)	Salary increase, capital purchase decreased, emergency repairs
<b>Streets</b>	\$ 456,256.00	\$ 446,618.00	\$ (9,638.00)	Salary increases and various line item decrease to match actual exp.
<b>Garage &amp; Warehouse</b>	\$ 83,182.00	\$ 10,000.00	\$ (73,182.00)	Moved employee to PW and deleted dept as cost savings (fleet maint. Program)
<b>Non-Departmental</b>	\$ 735,620.00	\$ 1,031,816.00	\$ 296,196.00	Combined GF software into one line item, CAD, Stephens Co. & fleet/vehicle replacement
<b>Total Expenditures</b>	<b>\$ 4,719,612.00</b>	<b>\$ 4,851,277.00</b>	<b>\$ 131,665.00</b>	
<b>Net Revenue/Expenditures</b>	<b>\$ 38,088.00</b>	<b>\$ 66,692.00</b>	<b>\$ 28,604.00</b>	



## FY2023-2024 WATER FUND

### REVENUE

	2022-2023	2023-2024	DIFFERENCE	EXPLANATION
<b>Charges for Services</b>	\$ 2,758,000.00	\$ 2,708,000.00	\$ (50,000.00)	Decrease from Stephens RWD
<b>Other Revenue</b>	\$ 1,000.00	\$ 1,500.00	\$ 500.00	
<b>Total Revenues</b>	<b>\$ 2,759,000.00</b>	<b>\$ 2,709,500.00</b>	<b>\$ (49,500.00)</b>	

### EXPENDITURES

	2022-2023	2023-2024	DIFFERENCE	EXPLANATION
<b>Water &amp; Sewer Comm.</b>	\$ 107,489.00	\$ 112,951.00	\$ 5,462.00	Salary Increase
<b>Water Meters</b>	\$ 133,215.00	\$ 80,844.00	\$ (52,371.00)	Reduced one FTE due to AMI
<b>Lake Daniel</b>	\$ 29,400.00	\$ 41,900.00	\$ 12,500.00	TCEQ required Maint.
<b>Water Treatment Plant</b>	\$ 858,414.00	\$ 842,959.00	\$ (15,455.00)	Reduced one FTE
<b>Water Distribution</b>	\$ 570,831.00	\$ 869,030.00	\$ 298,199.00	Combined Dept 76 sewer collection
<b>Public Works Director</b>		\$ 101,311.00	\$ 101,311.00	Moved to W/WW Fund from GF
<b>Non-Departmental</b>	\$ 739,000.00	\$ 556,579.00	\$ (182,120.00)	Includes transfers to GF and Water Fund debt
<b>Total Expenditures</b>	<b>\$ 2,438,349.00</b>	<b>\$ 2,605,574.00</b>	<b>\$ 167,526.00</b>	<b>Fleet Maint. Program costs and 2 backhoes (lease purch. pymts)</b>
<b>Net Revenue/Expenditures</b>	<b>\$ 320,651.00</b>	<b>\$ 103,926.00</b>	<b>\$ (216,725.00)</b>	<b>Comb 103-76 (FY 23 - \$515K), various line items cuts, Efleets savings</b>

## FY2023-2024 WASTE WATER FUND

### REVENUE

	2022-2023	2023-2024	DIFFERENCE
<b>Charges for Services</b>	\$ 1,394,200.00	\$ 1,601,000.00	\$ 206,800.00
<b>Other Revenue</b>	\$ 600.00	\$ 800.00	\$ 200.00
<b>Total Revenues</b>	<b>\$ 1,394,800.00</b>	<b>\$ 1,601,800.00</b>	<b>\$ 207,000.00</b>

### EXPENDITURES

	2022-2023	2023-2024	DIFFERENCE	EXPLANATION
<b>Sewer Collection</b>	\$ 513,043.00	\$ -	\$ (513,043.00)	Moved to Fund 102/Dept 74 Water Dist
<b>WW Treatment Plant</b>	\$ 410,127.00	\$ 348,542.00	\$ (61,585.00)	
<b>Non-Departmental</b>	\$ 441,600.00	\$ 942,913.00	\$ 501,313.00	
<b>Total Expenditures</b>	<b>\$ 1,364,770.00</b>	<b>\$ 1,291,455.00</b>	<b>\$ (73,315.00)</b>	
<b>Net Revenue/Expenditures</b>	<b>\$ 30,030.00</b>	<b>\$ 310,345.00</b>	<b>\$ 280,315.00</b>	



## WHERE ARE THE INCREASES?

### C.O.L.A, Merit, Equity Adjustments

(including benefit costs)	\$	313,426.00
<b>Fleet Maintenance</b>	\$	<b>226,000.00</b>
<b>Lake Daniels &amp; Gunsolus Cr. Maintenance</b>	\$	<b>51,500.00</b>
<b>Fire Department - Jaws of Life</b>	\$	<b>19,000.00</b>
<b>Cemetery - Mower</b>	\$	<b>12,197.00</b>
<b>TOTAL</b>	\$	<b>622,123.00</b>



## WHAT'S IN THE FISCAL YEAR 2023-2024 BUDGET?

Increase of \$.03471 on the Property Tax Rate.

Existing debt for W/WW moved to W/WW Fund from GF.

Available GF Debt Capacity to fund significant Street Improvements, Park Improvements and Facility Improvements:  
*Goals 1, 2, 3*

Increased pay for all existing employees to bring closer to market competitiveness. *Goal 2*

Vehicle Replacement program - EFleets. *Goal 1,2*

Public Works - Two Backhoes. *Goal 2*

Fire Department - Jaws of Life. *Goal 1*

Significant funding for contract mowing & Gunsolus Creek maintenance. *Goal 3*

*Reduction of 3 FTEs: Due to streamling and increasing efficiencies and transferring existing employees to other vacancies (Meter, Garage, WTP)*



Thank  
You

