

AGENDA
FISCAL COMPONENTS – COMPREHENSIVE PLAN
FOCUS WORKGROUP MEETING
June 28, 2022

- Current Revenue Streams

- Sources of present revenue

▪ Ad Valorem Taxes	<u>\$349,000 for FY 2021-2</u>
▪ Franchise Agreement Revenues	<u>\$195,700 for FY 2021-2</u>
• PEC	\$34,000
• Cable	\$30,000
• TWCPEG	\$6,000
• AQUA	\$100,000
• Waste	\$25,000
• Phone	\$200
• Golf	\$500
▪ Sales Taxes	<u>\$80,000 for FY 2021-2</u>
▪ Other Revenues:	<u>\$57,700 for FY 2021-2ⁱ</u>

- Potential Sources for Additional Revenues –

- Increased Sales Taxes
 - sales taxes may not be collected from businesses in the ETJ without an annexation of the property.
- Hotel Occupancy Taxes – Short Term Rentals, small hotel in the City, restaurant within City limits
 - These must be weighed against citizens’ response to the survey and past events. City of Woodcreek attempted to collect HOT in the ETJ in the past – was not successful.
- Annexation would yield additional ad valorem taxes –
 - Current law prohibiting annexation other than voluntary
- Grants
 - Match requirements – most grants require a match of 20 to 25%

- Revenue Issues to Consider :
 - Ad Valorem Taxes Impact. As a residential community with little land left for development within city limits, any future activities that require funding would impact ad valorem taxes and could represent a financial burden on some of our citizens
 - ✓ *Must look for options for additional revenue sources.*
 - Sales Tax Revenue. Considering the citizens' responses to CP Survey regarding development in the ETJ with "none" being the #2 answer, what are our options to introduce opportunities for additional sources of income, preferably from a source other than ad valorem taxes?
 - ✓ *would the citizens reconsider their position if we were to propose low-impact businesses that preserve the character of the City? *If the business is in the ETJ, the revenue from sales taxes would be limited unless the business were to seek voluntary annexation of the property to the City. This option would require negotiations, including certain concessions from the City.**
 - ✓ *If yes, to above, should part of the fiscal/financial portion of the CP include or propose a plan to encourage small business development? *This could include some small businesses within the City limits that do not affect the character of the community. We already have some small home-based businesses within City limits that are collecting sales taxes.**
 - Hotel occupancy taxes (HOT). Both in the Survey and during meetings and public hearings held in 2020, residents expressed opposition to short-term rentals within the City of Woodcreek.
 - ✓ *Considering HOT as a potential source of additional revenues must take into consideration the citizens' expressed disapproval of short-term rentals.*
 - Other Funding Sources. What other funding sources may be available to the City? Annexation of areas in our ETJ where sales tax revenues are already available (lodge, swimming hole, others?). How would we go about it?
 - ✓ *We are further limited in the area of annexation as a result of last session's legislation - in the past cities could approach areas in the ETJ to discuss annexation. Now, the communication must begin with those in the area approaching the city.*

- Desired Improvements Identified on Comprehensive Plan Survey:
 - Physical Systems - #1 concern is the City streets. This includes drainage, traffic calming, walking safety (sidewalks, trails)
 - Others?

 - Parks and Green Areas
 - More parks, including parks with amenities for children and adults
 - More green areas – protect natural resources
 - Trails
 - Others?

 - Roads – *it is necessary to explore financing options as the current reserves and revenues are insufficient to fund the required repairs and improvements. In the earlier meetings of the Fiscal Systems Focus Workgroup, the group reviewed options available for financing and impact on citizens' ad valorem taxes.*
 - *Some of the financing options reviewed by the focus workgroup included tax notes and a bond issue. The workgroup considered that a bond may be the best alternative, if approved by the citizens, to repair (and in some cases replace) the roads.*
 - *Others?*

 - Parks and Green Spaces – *the workgroup discussed options to finance, including grants that may be available and donations. Some of these include:*
 - *Texas Parks & Wildlife Opportunities*
 - *Lower Colorado River Authority – community grants offered every six months with ceiling of \$50,000 per grant.*
 - *Donations – consider the formation of a 501(c)(3) “Friends of the Parks” organization to raise funds and receive donations.*
 - *Others?*

Ultimate Goal for Focus Workgroup: To meet future requirements and improvements Identified by citizens the Fiscal Systems Workgroup must develop a budget that includes an estimate of needed or desired improvements and features, potential sources of revenue or funding options. This budget is dependent on input from other focus groups.

Next Steps and Goals:

1. Set a plan for next steps of this focus group.
2. Continue participation in Comprehensive Plan workgroup – obtain additional data from focus groups to begin financial analysis.
3. Update this outline to incorporate input received at this session.
4. Anything missing?

¹ Other revenues include new home permits other permits and fees, and donations and, as such are less predictable.