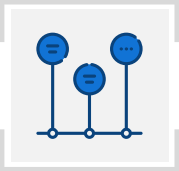
FY2020 Budget Workshop
August 1, 2019

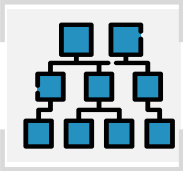
City of San Marcos | Finance

Budget Workshop

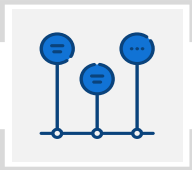
General Fund



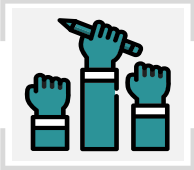
Other Major Funds



Enterprise Funds



CIP Update



Questions & Discussion

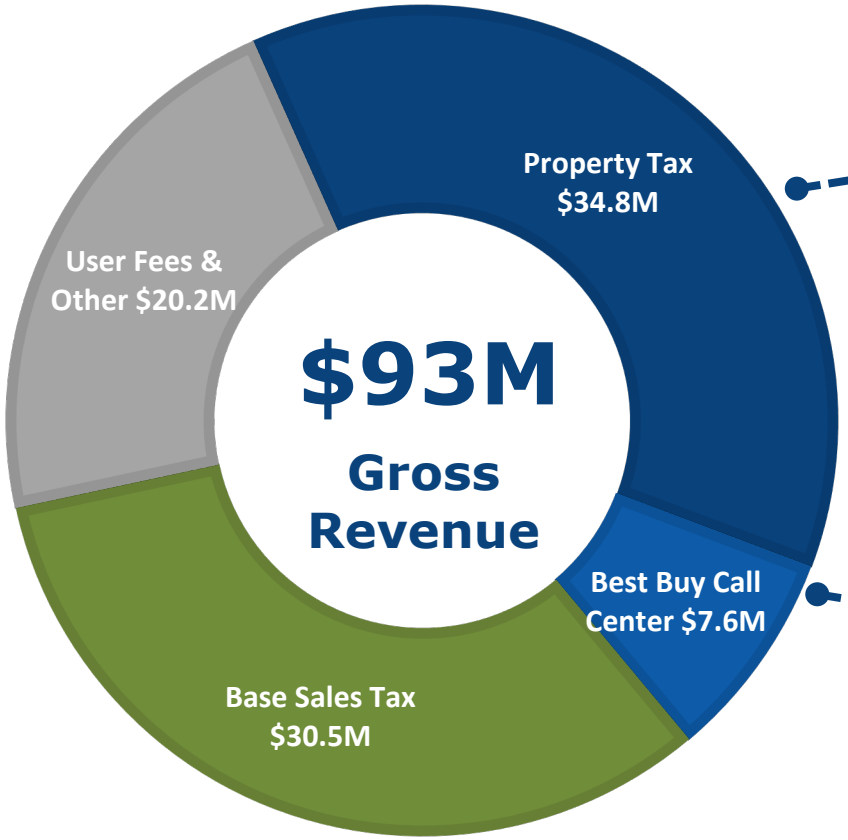
General Fund

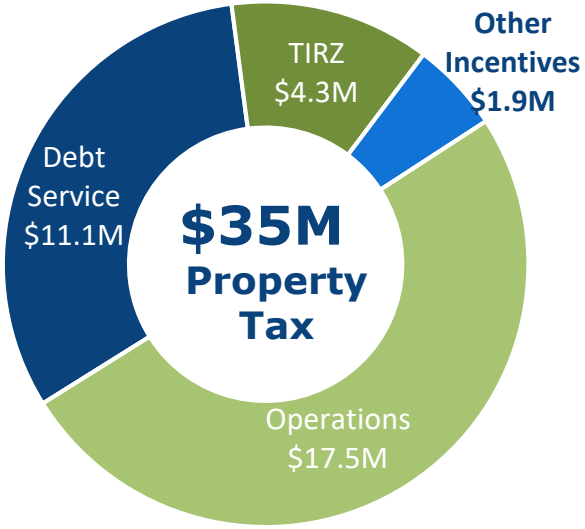
Revenue Updates

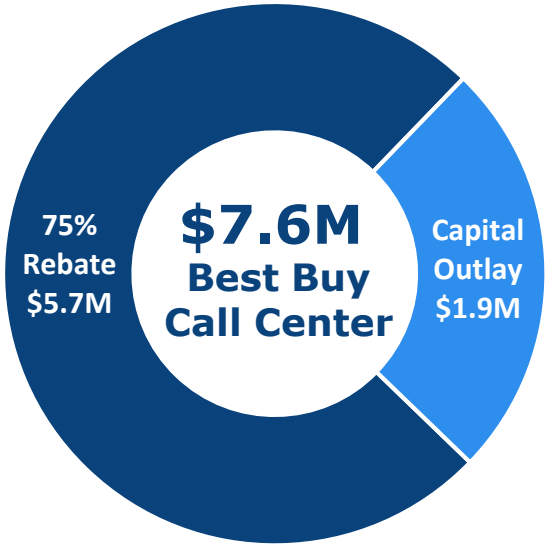
Certified tax rolls resulted in $250K net revenue over prior forecast

Revenue from plant sales and other activities $40K moved to General Fund to align with expenditures

General Fund Revenue Sources

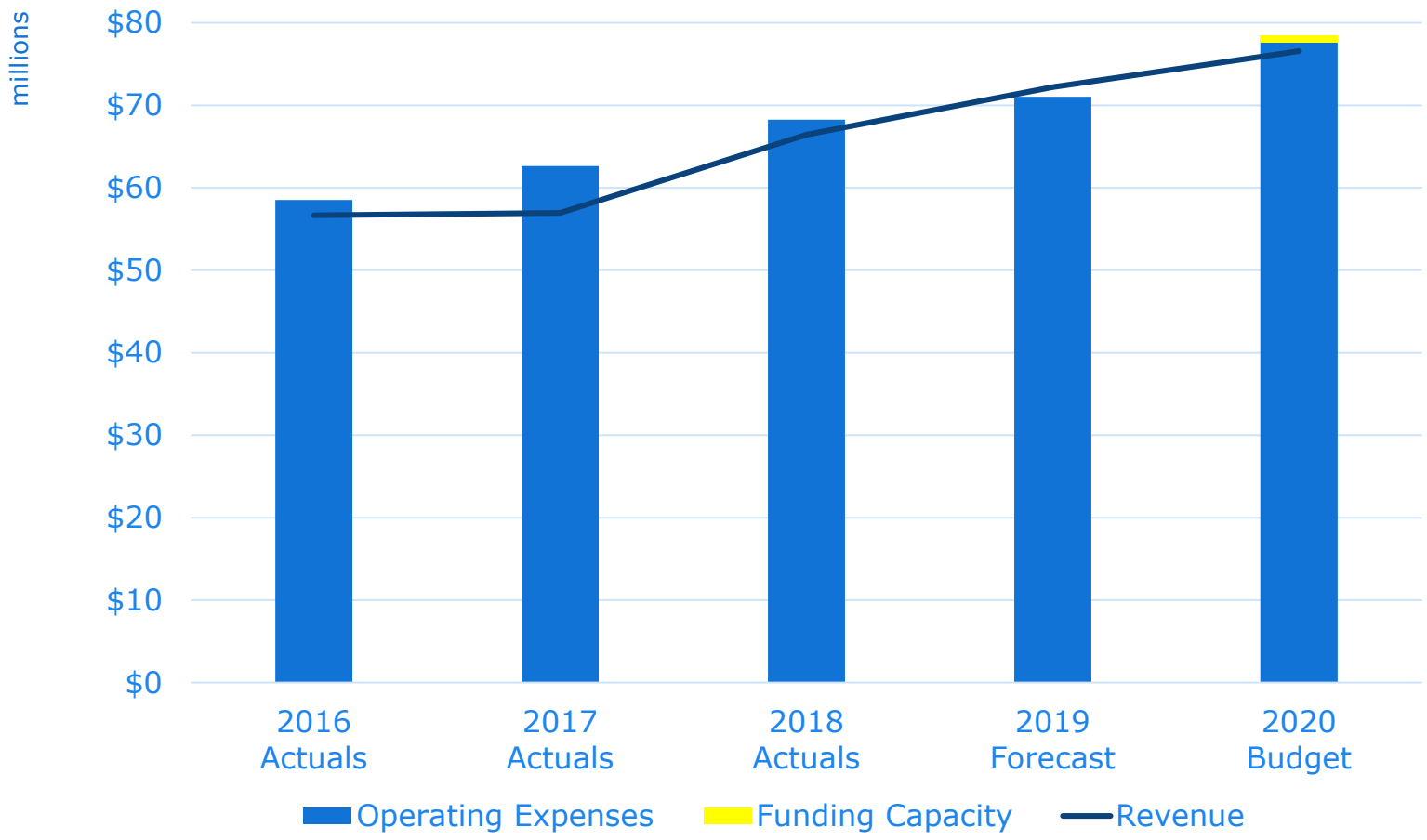






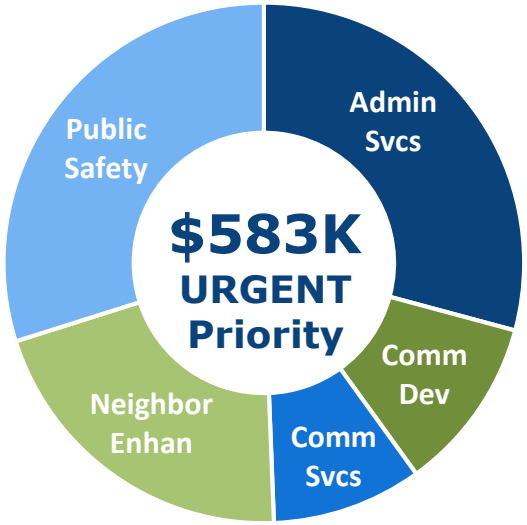
From gross revenue approximately 79% is utilized to fund recurring operations, with 21% allocated to debt service, economic development incentives & capital outlay

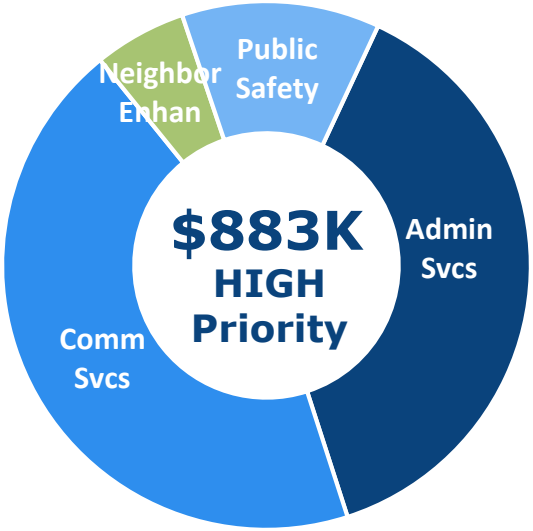
General Fund Capacity



Revised projections indicate $850,000 available capacity in the General Fund to fund core services and other additional expenditures.

General Fund Capacity





Revised capacity funds 10.6% of identified needs within core services and operations.

Proposed Expenditures - Revised

	Department	Description
	Youth Services Specialist	Expanded role to Full-time
	Habitat Conservation Specialist	Promote to Coordinator
	Discovery Center Attendant	Expand role to Full-time
	Fire	Paramedic Program – 1 FTE
	Finance	Procurement Specialist
	Parks & Rec	Natural Area Maintenance Crew & Supplies
	Facilities & Grounds	Construction Tech (mid year hire)
	Total Proposed Funding:	**$257,500**

Proposed Capital Outlay

Department	Description	Amount
Various	Fleet Lease Vehicles	770,000
Various	Financed Equipment Payments	370,700
Various	Fleet Replacement Leases	100,000
Police	PD Pursuit Vehicles	550,000
General	HCWC Transitional Housing	150,000
Engineering	Vehicle	3,630
Fleet Services	Equipment – Tire Changer	14,000
Outdoor Pool	Pool filters ($105,000 needed)	15,000
Emergency Management	Radio station transmitter ($22,500 needed)	7,500
Fire	2nd set of personal protective gear ($32,400 needed)	$10,800
Animal Shelter	Equipment & Facility Maintenance (cost share w/ partners)	$51,500
	Total Proposed Funding:	**$2,043,130**

Proposed Funding - Revised

Council Direction

Funding Summary	Expense
Prior Proposed Funding	**$583,330**
Personnel	$318,120
Operating	$265,210
Additional Proposed Funding	
Personnel	$257,500
Grand Total Proposed Expenditures:	**$840,830**

Additional Considerations - Revised

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Council Direction

Proposed Community Enhancement - $430,000

- FY19 Funding - Unsafe Structures $200,000
- Downtown Arch $50,000
- Special Projects $110,000
- Operating Expenditures $270,000

HSAB Recommendation $500K

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Council Direction

Agency	Recommended
Hays County Food Bank	$52,000
San Marcos Housing Authority	27,000
San Marcos Youth Service Bureau	17,500
Southside Community Center	78,000
Hays Caldwell Women's Center	63,000
SMCISD Age Parenting Program	15,000
Combined Community Action	15,000
Scheib	41,000
Any Baby Can	14,500
Nosotros La Gente	9,000
Greater San Marcos Youth Council	57,000
Society of St. Vincent de Paul	18,000
Casa of Central Texas Inc.	17,500
Community Action	16,000
Cenikor Foundation	27,500
Hays County Child Protective Boards	15,000
Salvation Army	10,000
Hands of Hope	3,000
San Marcos Texas Community Radio Assoc	2,000
Central Texas Dispute Resolution Center	2,000

FY20 Economic Development

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Council Direction

Economic/Business Development Manager - $150,000

- GSMP Liaison
- Recruit new business
- Address local business needs

Economic Develop Program Funds - $50,000

- Program funds, professional development, and other needs

The $200K is included in the operational budgets of the General Fund, Electric Fund, and Water/Wastewater Fund

Economic Development

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Council Direction

Accrued Funding Prior Years - $800,000

- Downtown Vitality $200,000
- Multi Modal Transportation $200,000
- Workforce Housing $225,000
- Workforce Development $75,000
- One-time Economic/Business Development Incentives $100,000

Additional Considerations - New

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Council Direction

Demolition of Historic Buildings

- Propose a fee schedule for Historical Buildings
- Lower fee for structurally unsound
  Higher fee for structurally sound
- Work with Council Sustainability Committee to develop options
- Propose recommendation to Council after Budget Adoption

Additional Considerations - Revised

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Council Direction

HCWC Transitional Housing Funding

- Funding request $400,000
- FY19 proposed budget amendment $150,000
- FY20 Capital Outlay reallocation $150,000
- FY21 Funding subject to appropriations $100,000

Other Major Funds

Hotel/Motel Funds - Revised

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Council Direction

FY20 Funding Adjustments

- Tanger $50,000
- Conference Center Repairs $10,000
- Main Street/Downtown Special Events $30,000
- Arts Commission Funding: $64,500

Enterprise Funds

Water / Wastewater Fund FY20

Water/Wastewater Fund

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Rate Recommendation

- Rate Study completed
- CUAB reviewed Rate Study and prepared a recommendation for City Council
- Rate adjustment will follow long term plan of 5% Water & 3% Wastewater
- All proposed expenses were included in modeling to evaluate effect on rates

Water/Wastewater Fund

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Debt Service and Potential Rate Adjustments from FY20 Rate Modeling

Council Direction

	FY20	FY21	FY22	FY23	FY24
Revenue	$45.7M	$48.3M	$51.0M	$54.0M	$56.9M
Expenses	43.5M	44.9M	47.9M	52.3M	55.5M
Ending Fund Balance	10.8M	11.1M	11.9M	13.0M	13.8M
Weather Stabilization Reserve	3.3M	3.5M	3.7M	3.9M	4.2M
Debt Coverage	1.19	1.24	1.20	1.10	1.08
Potential Rate Adjustment	5% W 3% WW	5% W 3% WW	5% W 3% WW	5% W 3% WW	5% W 2% WW

Debt Service and Potential Rate Adjustments from FY19 Rate Model

	FY20	FY21	FY22	FY23	FY24
Debt Coverage	1.16	1.36	1.19	1.23	1.18
Potential Rate Adjustment	5% W 2% WW	5% W 3% WW	5% W 3% WW	5% W 3% WW	3% W 2% WW

Water/Wastewater Fund

Proposed Personnel Expenditures (no change)

Description	
Equipment Op 2 (reclass) – 3 FTE	
Crew Leader	
Equipment Op 1 – 3 FTE	
Water Quality Tech	
Total Personnel Expenses:	**$369,050**

Water/Wastewater Fund - Revised

Proposed Operating Expenditures

Description	Annual Cost
Contracted Services	$6,800
Technology **(rounded)**	$47,500
Arborist Supplies	$25,000
Total Operating Expense:	**$79,300**

Water/Wastewater Fund - Revised

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Proposed Capital Expenditures

Description	Annual Cost
W/WW Systems SCADA	$250,000
CCTV Reel & Controller	$40,000
Tokay BFP upgrade	$25,000
MAPS trench box	$25,000
Road Trench Plates	$10,000
Sonetics wireless headsets	$18,000
Rover I Laser Profiler	$42,000
Track Steer Skid Loader	$85,000
SL-Rat	$30,000
Total Capital Expense:	**$525,000**

Water/Wastewater Fund - Revised

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Council Direction

Proposed Additional Expenditures

Funding Summary	Annual Cost
Personnel	$369,050
Operating	$79,300
Capital	$525,000
Total Waster/Wastewater Funding:	**$973,350**

Electric Fund FY20

Electric Fund

Rate Recommendation

- Rate Study completed
- CUAB reviewed Rate Study and prepared a recommendation for City Council
- No rate adjustment is recommended
- All proposed expenses were included in modeling to evaluate effect on rates

Electric Fund – New

Lineworker Career Progression Plan

- Employee retention & competitive salaries
- Create career progression for lineworkers
  Sr. Linework & Apprentice levels I – IV
- Increase headcount by 3 FTE at $440K
- Generates capacity for pole & line construction
  half the current contracted cost

Electric Fund – Revised

Proposed Personnel Expenditures

Description	
Senior Engineering Tech - reclass	
Senior Administrative Assistant - reclass	
Lineworker Career Progression Plan	
GIS Technician	
Total Personnel Expenses	**$522,000**

Electric Fund - Revised

Proposed Operating Expenditures

Description	Annual Cost
Technology	$63,000
Contracted Services	$605,000
Vehicle Lease & Maintenance	$35,300
Professional Development	$50,700
Arborist supplies	$25,000
Total Operating Expense:	**$778,400**

Electric Fund

Proposed Capital Expenditures (no change)

Description	Annual Cost
Manual Meter Reading System replacement	$10,000
Bucket Truck for Meter techs	$145,000
Locator	$6,500
Crew truck	$86,000
Cargo Trailer	$10,000
Total Capital Expenses:	**$257,500**

Electric Fund - Revised

Council Direction

Proposed Additional Expenditures

Funding Summary		Annual Cost
Personnel		$522,000
Operating		$778,400
Capital		$257,500
Total Electric Fund Expenses:		**$1,557,900**

Transit Fund FY20

Transit Fund –

Council Direction

Proposed Personnel Expenditures

Description	Annual Cost
Transit Support Specialist	$60,000
Total Personnel Expenses	**$60,000**

Budget Timeline

Budget Timeline

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Council Direction

Budget Policy Workshop
Feb 13

2 Adopt Budget Policy
Mar 19

3 Budget Work Session
May 7

4 **Budget Workshop**
June 26 - 27

Proposed Budget Workshop
Aug 1 5

6 **1st Reading Tax Rate**
Aug 20

7 **1st Budget Reading, 2nd Reading Tax Rate, Sept 3**

8 **2nd Reading & Budget Adoption, Sept 17**

CIP Update

FY2020 CIP Updates

- Revised general fund projects to handle extra debt of facilities
- Did not delay:
  - Victory Gardens construction
  - Sunset Acres
  - Hills of Hays
- Significant demand for General Funds
- Reviewed project list for Downtown TIRZ funding and potential 2022 Bond Election

Potential 2020 TIRZ Funded

Projects:

- Downtown Alley Reconstruction
  - Design funding
  - Kissing Alley to University
- Downtown Pedestrian and Safety Improvements
  - Smaller scale projects
  - Improve sidewalks and aesthetics
  - Benches, bike racks, lighting
  - Downtown Pattern Book guidelines
  - Involvement with Main Street & Downtown Association

Potential Bond Projects – 2020

- Funding for Design
  - Ensures good project scope/costs for bond election
  - Shovel ready projects for bond construction
- Potential Bond Projects with 2020 design funds:
  - Hopkins Street – Moore to Guadalupe
  - Old Ranch Road 12 Bike and Pedestrian Project (electric)
  - Purgatory Creek Bridge and Trail Improvements
- Additional projects have 2021 funding for design

2020 General Fund Projects Revised

- #745 – 40 acres Master Plan deleted
- #547 – Ed JL Green Improvements delayed 3 yrs.
- #438 – City Park ADA funding accelerated
- #739 – Dunbar Bldg. Rehab phased with design in 2020
- #336 – Gary Softball Complex phased. Add'l Phase 1 funding in 2020
- #740 – River Parks Restroom delayed 1 yr.
- #616 – Cemetery Land Acquisition revised to actual
- #62 – Replace Smeal Pumper delayed 1 yr.

General Fund Beyond 2020

- Complete 2017 bond projects
- Continue work on development of potential 2022 Bond Election projects
  - Establish Bond Committee - Summer 2021
  - Bond Election – May 2022
  - Issue bond debt – Spring 2023
- Continue seeking alternative funding through:
  - Grants
  - TxDOT
  - TWDB

FY20 Funded Projects

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Council Direction

Summarized by Strategic Initiative

Multi-Modal Transportation

- Bishop St. Imps
- Hopkins Sidewalk Widening
- Hopkins St. Imps – Moore to Guadalupe
- Kingwood and Sherwood Imp
- Old RR 12 Bike and Ped
- Purgatory Creek Imp Ph 1
- Sessom/Academy Intersection

Downtown Vitalization

- Downtown Alley Reconstruction
- Downtown Ped Safety & Comfort Imps

City Facilities

- Critical Facility Security
- Airport – City Facilities
- Airport Hanger Project
- City Facilities HVAC Replacements
- City Facility Parking Lots
- City Facility Renovations
- PARD Maintenance Facility
- Library Renovations
- Fire Training Facility
- Animal Shelter – Short Term Imps

Wrap Up

Questions

Discussion

Thank You

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City Manager

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