AGENDA

CITY OF TAYLOR, TEXAS
SPECIAL CALLED CITY COUNCIL MEETING
CITY HALL, COUNCIL CHAMBERS, 400 PORTER STREET

AUGUST 1, 2019, 6:00 P.M.

CALL TO ORDER AND DECLARE A QUORUM

REGULAR AGENDA; REVIEW/DISCUSS AND CONSIDER ACTION

1. Conduct Budget Workshop II.
2. Discuss 2019-20 CIP (Capital Improvement Project) list, including the Project 1006 West 2nd Street.
3. Discuss and consider drafting an Ordinance increasing the over 65 property tax exemption.

ADJOURN

The Council may vote and/or act upon each of the items listed in this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act including: Section 551.071 (Consult with attorney); Section 551.072 (Real Property); Section 551.073 (Gifts and Donations); Section 551.074 (Personnel Matters); Section 551.076 (Security Devices); and Section 551.087 (Economic Development). I certify that the notice of meeting was posted in the Taylor City Hall Lobby before 6:00 p.m. on July 29, 2019 and remained posted for at least 72 hours continuously before the scheduled time of said meeting. I further certify that the following news media was notified of this meeting: Taylor Press.

In compliance with the ADA the City Hall and Council Chambers is wheelchair accessible. Reasonable accommodations will be provided for persons attending city council meetings in need of special assistance. Please contact the City Clerk at least 24 hours prior to the meeting for special assistance.

Posted By: Dianna Barker Date 7-29-19

Dianna Barker, City Clerk

City Council Meeting
August 1, 2019
Transmittal Letter

STRATEGIC PILLAR

☒ Streets/Infrastructure

☒ Quality of Life

☒ Economic Vitality

Agenda Item #: 1

Agenda Title: **Conduct Budget Workshop 2**

Council Action to be taken: Discuss budget items

Department Submitted: City Management

Staff Contact: Brian LaBorde, City Manager
Jeff Wood, Director of Finance

1. PURPOSE/DESCRIPTION

This agenda item is to conduct the second FY2019-20 Budget Workshop.

2. STAFF ANALYSIS (How and Why)

City Council will receive any updated budget documents at this meeting and staff will discuss some of the highlights within the budget, note any changes to the budget since the first budget workshop, continue the discussion regarding the recent changes to the property tax law, review the 2019-20 Capital Improvement Plan, and answer any questions Council may have with regard to the budget.

3. RECOMMENDATION

N/A

4. FUNDING SOURCE

N/A

5. TIMELINE

N/A

6. PRIOR COUNCIL ACTIONS TAKEN

N/A

7. OTHER OPTIONS (In order of preference)

N/A

8. ATTACHMENTS

1a. Funded and Unfunded ATB list

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - FUNDED ITEMS

100 - General Fund

100 - General Fund	Description		Expenditure
100-310-111 (Revenue)	Over 65 Property Tax Exemption Increase ($17,500 to $25,000)	$	75,000
100-592-835	Conversion from [1.5 : 1] to [2 : 1] TMRS Contribution Rate	$	63,000
100-592-835	3% Pay Increase - Salary & Benefits	$	215,000
		$	**353,000**

501-City Manager	Description		Expenditure
100-501-261	Clerk King File Cabinet	$	4,500
100-501-219	City Council Strategic Retreat	$	5,000
100-501-219	Department Director Strategic Retreat	$	5,000
		$	**14,500**

504-HR	Description		Expenditure
100-504-519	Employee Assistance Program	$	3,000
		$	**3,000**

512-Finance	Description		Expenditure
100-512-261	Director - Office Furniture	$	1,500
100-512-144	GFOA CPFO Materials and Testing	$	1,600
		$	**3,100**

516-Municipal Courts	Description		Expenditure
100-516-141	INCODE - Remote Training	$	3,120
		$	**3,120**

522-Development Svc.	Description		Expenditure
100-522-539	Comprehensive Plan Update Consultant (Partial Funding)	$	100,000
		$	**100,000**

524-Main Street	Description		Expenditure
100-524-235	Downtown Shop Small Shop Local Promotion	$	1,500
		$	**1,500**

532 - Public Library	Description		Expenditure
100-532-269	Copier/Printer	$	6,704
100-532-719	Library Furniture - Option 2 w/ Option 1 Tables	$	17,250
		$	**23,954**

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - FUNDED ITEMS

552-Police	Description		Expenditure
100-552-269	Secure Police ID Card Maker	$	3,695
100-552-819	WILCO Children's Advocacy Center - Additional Contribution	$	3,000
100-552-269	High Volume Copy Machine/Scanner/Fax	$	3,444
100-552-144	Lexus Nexus Legal Updates	$	400
100-552-144	IACP.Net	$	1,625
		$	**12,164**

558-Animal Control	Description		Expenditure
100-558-1**	Convert PT ACO and PT Kennel Tech to (1) FT ACO Position (Net Cost)	$	7,317
		$	**7,317**

563-Streets/Grounds	Description		Expenditure
100-563-1**	3 FT Employees - Equipment Op 1 - Turn-Key (Accela)	$	137,193
		$	**137,193**

565-Parks	Description		Expenditure
100-565-1**	2 FT Employees - Field Technician - Turn-Key	$	87,924
100-565-271	John Deere Field Groomer / Bunker Rake	$	14,500
100-565-271	Power Broom	$	5,106
		$	**107,530**

575 - IT	Description		Expenditure
100-575-267	(1) PowerEdge R640 Server	$	18,803
100-575-539	Microsoft Office 365 Business	$	16,000
		$	**34,803**

592 - Non-Dept.	Description		Expenditure
100-592-539	Back-Up Disaster Recovery - IT Systems - City Hall & Library	$	23,951
100-592-539	**Municipal Drainage Utility System (MDUS) Study**	$	175,000
	* Total MDUS Study Cost: $250,000	**$**	**198,951**
	** Remaining Cost of MDUS Study [$75,000] will be allocated in the FY 20-21 Budget		

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - FUNDED ITEMS

125 - Municipal Court Special Fee

625 - Security	Description		Expenditure
125-625-217	Security Technology	$	500
		$	**500**

626 - Technology	Description		Expenditure
125-626-267	Zoom Software	$	149
125-626-267	Zoom Software - (Computer & iPad)	$	2,200
125-626-532	Tyler Software and Related Services - Initial Cost	$	18,002
125-626-714	Tyler Software and Related Services - Scanners (4)	$	5,320
		$	**25,671**

200 - Roadway Impact Fee

631 - Roadway Impact	Description		Expenditure
200-631-539	Roadway Imact Fee Study	$	30,000
		$	**30,000**

340 - Utility Fund

340 - Utility Fund	Description		Expenditure
340-709-835	Conversion from [1.5 : 1] to [2 : 1] TMRS Contribution Rate	$	9,400
340-709-835	3% Pay Increase - Salary & Benefits	$	29,600
		$	**39,000**

345 - Utility Impact Fee

592 - Non - Dept.	Description		Expenditure
345-592-539	Utility Impact Fee Study	$	25,000
345-592-539	Land Use Study	$	100,000
		$	**125,000**

350 - Airport

350 - Airport	Description		Expenditure
350-732-835	Conversion from [1.5 : 1] to [2 : 1] TMRS Contribution Rate	$	600
350-732-835	3% Pay Increase - Salary & Benefits	$	2,000
		$	**2,600**

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - FUNDED ITEMS

370 - Cemetery

370 - Cemetery	Description		Expenditure
370-761-835	Conversion from [1.5 : 1] to [2 : 1] TMRS Contribution Rate	$	700
370-761-835	3% Pay Increase - Salary & Benefits	$	2,500
		$	**3,200**

382 - Internal Service-Fleet Operation Services

382-Fleet Services	Description		Expenditure
382-517-835	Conversion from [1.5 : 1] to [2 : 1] TMRS Contribution Rate	$	1,100
382-517-835	3% Pay Increase - Salary & Benefits	$	4,100
		$	**5,200**

Summary

Fund Allocation		Expenditure
100 - General Fund	$	1,000,132
125 - Municipal Court Special Fee	$	26,171
200 - Roadway Impact Fee	$	30,000
340 - Utility Fund	$	39,000
345 - Utility Impact Fee	$	125,000
350 - Airport	$	2,600
370 - Cemetery	$	3,200
382 - Fleet Operations	$	5,200
Total	**$**	**1,231,303**

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - UNFUNDED ITEMS

100 - General Fund

501-City Manager	Description		Expenditure
	Administrative Assistant - City Hall (Increase hours from 25-29)	$	5,519
		$	**5,519**

504-HR	Description		Expenditure
	Retiree Vision and Dental Coverage	$	1,550
	EEOC Compliance Training	$	2,500
	Customer Service Training	$	6,000
	DOT Drug Testing Compliance	$	1,000
		$	**11,050**

512-Finance	Description		Expenditure
	One New Office Space Adjacent to Finance Director	$	17,000
	Purchasing Specialist / Accountant (Turn-Key)	$	88,090
		$	**105,090**

516-Municipal Courts	Description		Expenditure
	LT Systems, Inc	$	25,400
	Reclassification of Deputy Municipal Court Clerk to Warrant Clerk	$	7,535
	Copier/Printer	$	3,000
	Additional Deputy Municipal Court Clerk (Salary & Benefits)	$	44,560
	Warrant Officer/Bailiff (Turn-Key)	$	116,095
	Tyler Software and Related Services - Reoccuring Cost	$	2,281
	Office Furniture	$	4,000
		$	**202,871**

522-Development Svc.	Description		Expenditure
	Remodel of Development Services Offices	$	50,000
		$	**50,000**

524-Main Street	Description		Expenditure
	Adobe InDesign	$	1,600
		$	**1,600**

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - UNFUNDED ITEMS

527-Moody Museum	**Description**	**Expenditure**
	Part-Time Curator - 24 hrs/wk at $12/hr	$ 13,248
		$ 13,248
532 - Public Library	**Description**	**Expenditure**
	Library Furniture - Option 1	$ 20,753
	Library Furniture - Option 3	$ 12,419
	Regular PT - 29 hrs/wk	$ 19,176
		$ 52,348
542-Fire	**Description**	**Expenditure**
	(3) Firefighters with Benefits	$ 182,952
	(1) Training Officer/Captain	$ 79,000
	Staff Vehicle	$ 57,000
		$ 318,952
552-Police	**Description**	**Expenditure**
	Staffing - 4 Additional Patrol Officers and 2 Additional Patrol Vehicles	$ 433,702
	Training Officers/Civilians	$ 8,374
	Conferences Officers/Civilians	$ 9,272
		$ 451,348
558-Animal Control	**Description**	**Expenditure**
	Promotional Items	$ 2,500
		$ 2,500
563-Streets/Grounds	**Description**	**Expenditure**
	APWA Accredidation	$ 20,000
	3 PW Employee Upgrades	$ 15,370
	Street Repair Materials	$ 12,762
	2 Year PW Academy for PW Superintendent	$ 994
	PW Front Gate Automated	$ 15,758
		$ 64,884

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - UNFUNDED ITEMS

565-Parks	Description		Expenditure
	Tennis Court Bench	$	1,000
	Park Benches	$	4,000
	Memorial Field House	$	15,000
	PT Recreation Supervisor (20 Hrs/Wk)	$	17,309
	National Recreation and Parks Association Conference (Director)	$	2,710
	Paint Mixer	$	2,000
	Zero-Turn Mower	$	8,500
	Playground Inspector Training/Testing	$	200
	Chain Link Fencing for BBQ Pits in Murpy Park	$	10,650
	Lighting for Pickleball Courts	$	3,000
	Skatepark Lighting	$	50,000
	TRPSC Parking Lot Striping	$	160,000
		$	**274,369**

566-Bldg. Maint.	Description		Expenditure
	City Hall Flooring - Hallways	$	5,000
	Increase PT Building Maintenance Tech to FT - Turn-Key	$	9,388
	ACO - Remove and Install Kennel Insulation.	$	2,000
	Fire Station 2 - Shed	$	2,000
	Public Works - Flooring/Painting/Bathroom Repairs	$	8,000
		$	**26,388**

575 - IT	Description		Expenditure
	(1) PowerEdge R640 Server	$	18,803
	Total Managed Services	$	48,800
		$	**67,603**

210 - Transportation User Fee (TUF)

210-TUF	Description		Expenditure
	Reclaimer (Mixer)	$	255,000
	Steel Wheel Roller	$	125,000
	Water Truck	$	60,000
	Pnuematic Roller	$	100,000
	Hot Mix Lay Down Machine	$	200,000
	Dedicated Street Crew (3 FT)	$	174,230
	Increase in Street Materials	$	300,000
		$	**1,214,230**

PROPOSED FY 19-20 ADJUSTMENT TO BASE (ATB) - UNFUNDED ITEMS

340 - Utility Fund

706 - WWTP	Description		Expenditure
	Channel A Bank 1 - 30 UV Bulb Replacements	$	11,700
		$	**11,700**

350 - Airport

350 - Airport	Description		Expenditure
	AWOS Preventative Maintenance & NADIN Costs	$	6,000
	Zero-Turn Radius (STR) Mower	$	5,000
		$	**11,000**

370 - Cemetery

370 - Cemetery	Description		Expenditure
	Portable Office Building Rental	$	14,400
	Street Repair Material	$	10,000
	Uniform Purchases	$	500
	Office Furniture	$	1,000
		$	**25,900**

382 - Internal Service-Fleet Operation Services

382-Fleet Services	Description		Expenditure
	Diagnostic Equipment	$	15,000
	Hunter Tire Mount	$	8,000
	Hunter Tire Balancer	$	8,000
		$	**31,000**

Summary

Fund Allocation		Expenditure
100 - General Fund	$	1,647,770
210 - TUF	$	1,214,230
340 - Utility Fund	$	11,700
350 - Airport	$	11,000
370 - Cemetery	$	25,900
382 - Fleet Operations	$	31,000
Total	**$**	**2,941,600**

City Council Meeting
August 1, 2019

STRATEGIC PILLAR

☒ Streets/Infrastructure

☒ Quality of Life

☒ Economic Vitality

Agenda Item #: 2

Agenda Title: **Review 2019-20 Capital Improvement Projects, including Project 1006 West 2nd Street**

Council Action to be taken: Review 2019-20 CIP and provide staff direction if needed

Department Submitted: Finance

Staff Contact: Jeffrey Wood, Director of Finance

1. PURPOSE/DESCRIPTION

Review the proposed Capital Improvement Plan for FY2019-20 and discuss the potential project at 1006 West 2nd Street

2. STAFF ANALYSIS (Why and How)

As part of the budgeting process, staff has proposed a Capital Improvement Project that reflects the expenditure of the recent bond proceeds

3. RECOMMENDATION

This is a review and update for Council on the FY2019-20 CIP. No formal action is required, but direction to staff may be required if Council wishes to amend the proposed Plan.

4. FUNDING SOURCE

N/A

5. TIMELINE

N/A

6. PRIOR COUNCIL ACTIONS TAKEN

N/A

7. OTHER OPTIONS (In order of preference)

N/A

8. ATTACHMENTS

City Council Meeting
August 1, 2019

STRATEGIC PILLAR

☐ Streets/Infrastructure

☐ Quality of Life

☒ Economic Vitality

Agenda Item #: 3

Agenda Title: **Discuss the Over 65 Property Tax Exemption**

Council Action to be taken: Discuss and Provide Staff Direction

Department Submitted: Finance

Staff Contact: Jeffrey Wood, Director of Finance

1. PURPOSE/DESCRIPTION

Based on previous discussions, staff has incorporated into the budget an increase in the over 65 exemption from the current $17,500 to $25,000. Staff needs direction as to Council's desire regarding this increase so that an ordinance can be prepared for the August 8 meeting if Council so desires to make this change.

2. STAFF ANALYSIS (Why and How)

Previous Council discussions have entertained the idea of possibly increasing the over 65 property tax exemption. Staff has analyzed the cost of the proposed change from $17,500 to $25,000 to have a total cost of approximately $77,000 based on the certified tax values. The total cost is represented by an approximately $58,000 reduction in the M&O tax collections and an approximately $19,000 reduction in the I&S tax collections. The I&S reduction would require an offsetting increase in the I&S rate of approximately .0016 for FY2019-20.

3. RECOMMENDATION

Staff is seeking direction from Council as to their desire regarding a possible increase in this exemption so that an ordinance can be prepared if needed.

4. FUNDING SOURCE

N/A

5. TIMELINE

N/A

6. PRIOR COUNCIL ACTIONS TAKEN

Council set the over 65 exemption at $17,500 in August 2002

7. OTHER OPTIONS (In order of preference)

N/A

8. ATTACHMENTS

FISCAL YEAR 2019-20
PREPARING FOR GROWTH

Why Use The Rollback Rate?

TEXAS PROPERTY TAX REFORM AND TRANSPARENCY ACT OF 2019 – Senate Bill 2

- The Rollback tax rate will set the base for future years
- Future tax revenue increases will be limited by new legislation recently approved

SPENDING CAPACITY

- Budget prepares the City for rapid growth
- Maximizing tax revenues is important in providing the funding needed to meet the current demands
- Using the rollback rate will allow us to better address the goals and priorities of the Council

Texas Property Tax Reform And Transparency Act Of 2019 (SB 2)
and
Debt Overview

Bart Fowler and Jennifer Ritter

86th Regular Session of the Texas Legislature

Legislative Overview

Senate Bill 2

Senate Bill 2 Highlights

- Primary Objectives:

  - Lower the tax rate that can be adopted without voter approval

  - Mandatory elections if a tax rate is adopted in excess of authorized amount

Senate Bill 2 Highlights

- New Terms and New Formula:
  - Effective Tax Rate and Effective M&O Tax Rate are now "No-New-Revenue" Tax Rate and No-New-Revenue" M&O Tax Rate
  - Rollback Tax Rate is now "Voter-Approval" Tax Rate

Senate Bill 2 Highlights

- New Terms and New Formula:
  - Old Formula: Rollback Rate = (Effective M&O Tax Rate x 1.08) + Current Debt Service Tax Rate
  - SB 2 Formula: Voter-Approval Tax Rate= (No-New Revenue M&O Tax Rate x 1.035) + Current Debt Service Tax Rate

Senate Bill 2 Highlights

- Exceptions:
  - Junior College Districts and Hospital Districts
  - Taxing Units with a Proposed M&O Tax Rate of 2.5 cents or less per $100 of taxable value
  - Areas affected by a natural disaster

Senate Bill 2 Highlights

- Smaller City De Minimis Exception
  - City’s with populations less than 30,000
    1. Must calculate a “de minimis rate” which is a tax rate equal to $500,000 plus the “no-new revenue” M&O rate (ie. $500,000 of additional tax revenue)
    2. If the “de minimis rate” is higher than the “voter-approval tax rate”, and the adopted tax rate is equal to or lower than the “de minimis rate”, but would generate more than 8% of additional tax revenue, then 3% of registered voters ***may petition*** for an election to reduce the tax rate to the “voter-approval tax rate”.

Senate Bill 2 Highlights

- Smaller City De Minimis Exception
  - Examples

1. If the adopted rate exceeds the de minimis rate – ***Automatic election in November***
2. If the adopted rate is equal to or lower than the de minimis rate but would generate more than 8% additional tax revenue – ***Citizens may petition for an election***
3. If the adopted rate is lower than the de minimis rate but would not generate more than 8% additional tax revenue – ***No election required***

Senate Bill 2 Highlights

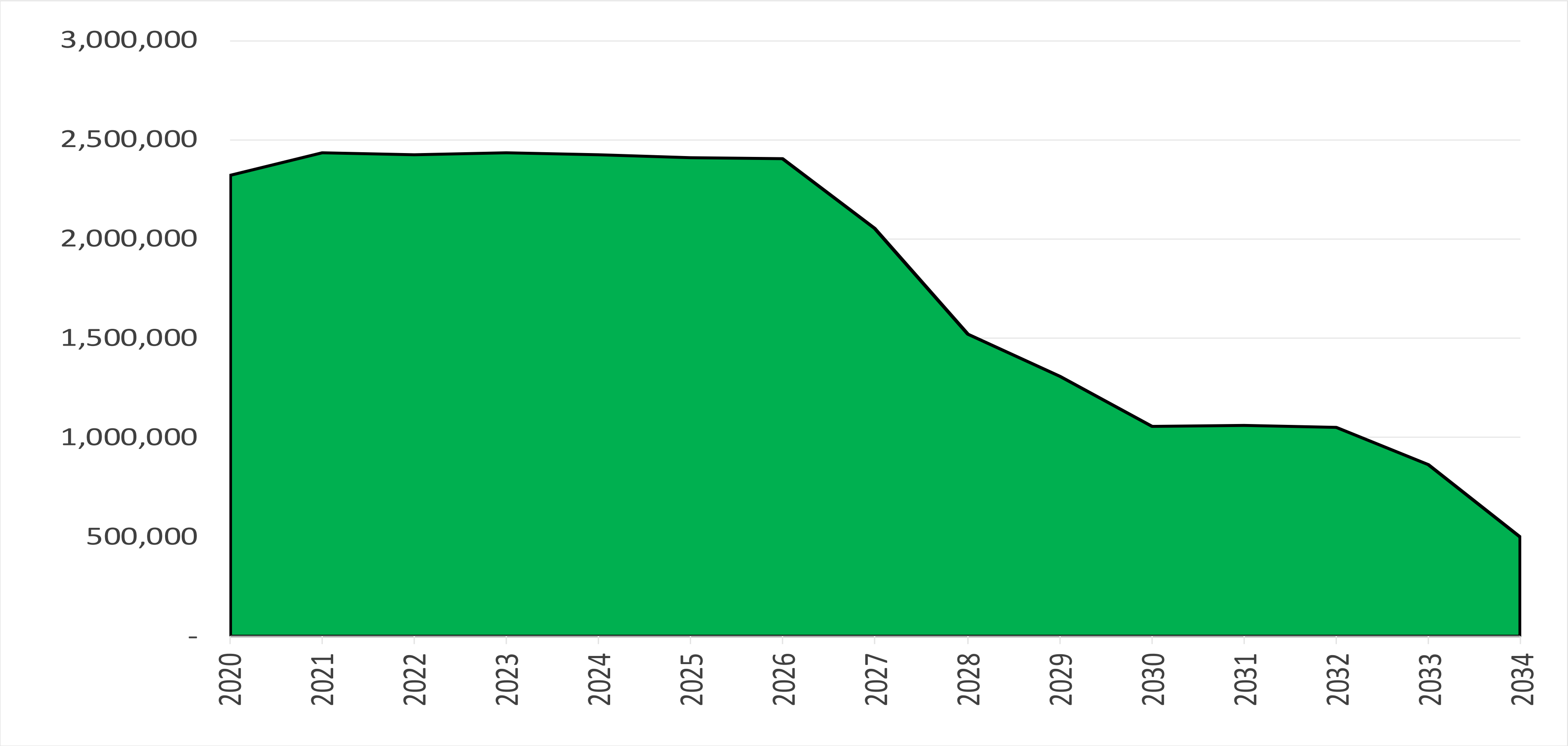
❖ Timing:

- ❖ The Tax Code still requires a city to adopt its tax rate before the later of September 30th or the 60th day after the certified appraisal roll is received by the city
- ❖ However, SB 2 moves up the date on which a city must adopt a tax rate ***that exceeds the voter-approval tax rate (even if it is lower than the de minimis rate)***
- ❖ If a city adopts a rate exceeding the voter-approval tax rate, it must do so no later than the 71st day before the November uniform election date

Taylor Outstanding Debt

- The City has prior outstanding bonds split between multiple purposes: tax-supported, water & sewer, airport, TIRZ, etc.
- The Interest & Sinking Fund tax rate (I&S) supports the bonds that are repaid from taxes
- The annual tax-supported bond payment in FY 2020 is $2,321,242

Taylor Tax-Supported Debt



Tax Rate Analysis

FYE 9/30	Assessed Valuation	Est. AV Growth	Existing Tax Debt	Total Tax Debt Service	*Est.* I&S Tax Rate
2019	**$ 1,118,679,288**		$ 2,141,803	$ 2,141,803	$ 0.1920
2020	**$1,202,126,925**	**7.46%**	2,321,242	2,321,242	0.1976
2021	1,262,233,271	5.00%	2,436,300	2,436,300	0.1960
2022	1,325,344,934	5.00%	2,426,158	2,426,158	0.1858
2023	1,391,612,181	5.00%	2,433,161	2,433,161	0.1775
2024	1,461,192,790	5.00%	2,424,072	2,424,072	0.1684
2025	1,468,498,754	0.50%	2,407,797	2,407,797	0.1665
2026	1,475,841,248	0.50%	2,402,635	2,402,635	0.1653
2027	1,483,220,454	0.50%	2,055,267	2,055,267	0.1407
2028	1,490,636,556	0.50%	1,518,830	1,518,830	0.1034
2029	1,498,089,739	0.50%	1,309,995	1,309,995	0.0888
2030	1,505,580,188	0.50%	1,057,515	1,057,515	0.0713
2031	1,513,108,089	0.50%	1,058,490	1,058,490	0.0710
2032	1,520,673,629	0.50%	1,053,120	1,053,120	0.0703
2033	1,528,276,997	0.50%	861,600	861,600	0.0572
2034	1,535,918,382	0.50%	499,200	499,200	0.0330
2035	1,543,597,974	0.50%	-	-	-
2036	1,551,315,964	0.50%	-	-	-
2037	1,559,072,544	0.50%	-	-	-
2038	1,566,867,907	0.50%	-	-	-
2039	1,574,702,246	0.50%	-	-	-
2040	1,582,575,757	0.50%	-	-	-
2041	1,590,488,636	0.50%	-	-	-
2042	1,598,441,079	0.50%	-	-	-
2043	1,606,433,285	0.50%	-	-	-
2044	1,614,465,451	0.50%	-	-	-
			$ 28,407,183	$ 28,407,183	

Bond Rating

- Taylor is rated AA- by Standard & Poor's.
- They cite your "operating surpluses in the General Fund" & "available fund balance in FY 2018 of 27% of operating expenditures."
- They say they could lower the rating if your "budgetary performance were to deteriorate, due to additional debt issuance or drawing on reserves over a sustained period of time."

New Bond Issuance

- The I&S tax rate will hold fairly steady next year (FY 2021) with no new bond issues in FY 2020. But if there is no debt issue in 2021, the tax rate will be forced to drop in FY 2022.
- This is based on a fairly conservative assumption of 5% growth in tax base.
- Greater growth could cause tax rate to drop sooner.

New Bond Issuance

- One additional penny of I&S tax rate currently generates an additional $120,000 of tax revenue.
- $120,000 annually could fund an approximately $2 Million new bond on a 20-year basis.

Spending Fund Balance

- In October 2015, the City requested bids to refinance existing bonds. No satisfactory bid was received. The comments received from banks were fairly consistent in their reluctance to lend based on the City's use of reserves to fund operations for the past three years.
- One bank listed their top concern as "continued reliance on reserves to cover budget shortfalls."

Spending Fund Balance

- Standard & Poor’s rating agency maintained the City’s “AA-“rating but noted in 2016 that, “The city has a formalized reserve policy of maintaining 25% of operating expenditures. The city is currently meeting its reserve policy; however, if reserves were to decrease below the city's formal target level, we could change the score.”

Spending Fund Balance

- In summary, spending down General Fund balance below policy can result in a bond rating downgrade and difficulty accessing the bond market for future borrowings.

Rollback Strategy

- Some cities are considering setting M&O tax rate at max 8% increase this year in anticipation of tighter revenues thereafter.
- In May, Moody's rating agency warned that homeowner savings will be minimal but "budgetary impact on governments would be significant."

Rollback Strategy

- The I&S portion of the tax rate is not subject to rollback cap created under SB2.
- One strategy to address spending restriction is to fund all capital projects on I&S side of ledger.
- For example: vehicles, equipment, HVAC, etc. that may be funded through cash or leases.

Texas Property Tax Reform And Transparency Act Of 2019
SB 2

So how would this change have affected us this year?

Current 8% Rollback Rate	$	616,672
3.5% Cap Amount	$	269,069
Under 30,000 Exception	$	500,000

Tax Revenue Impact of SB 2 Over 10 Years

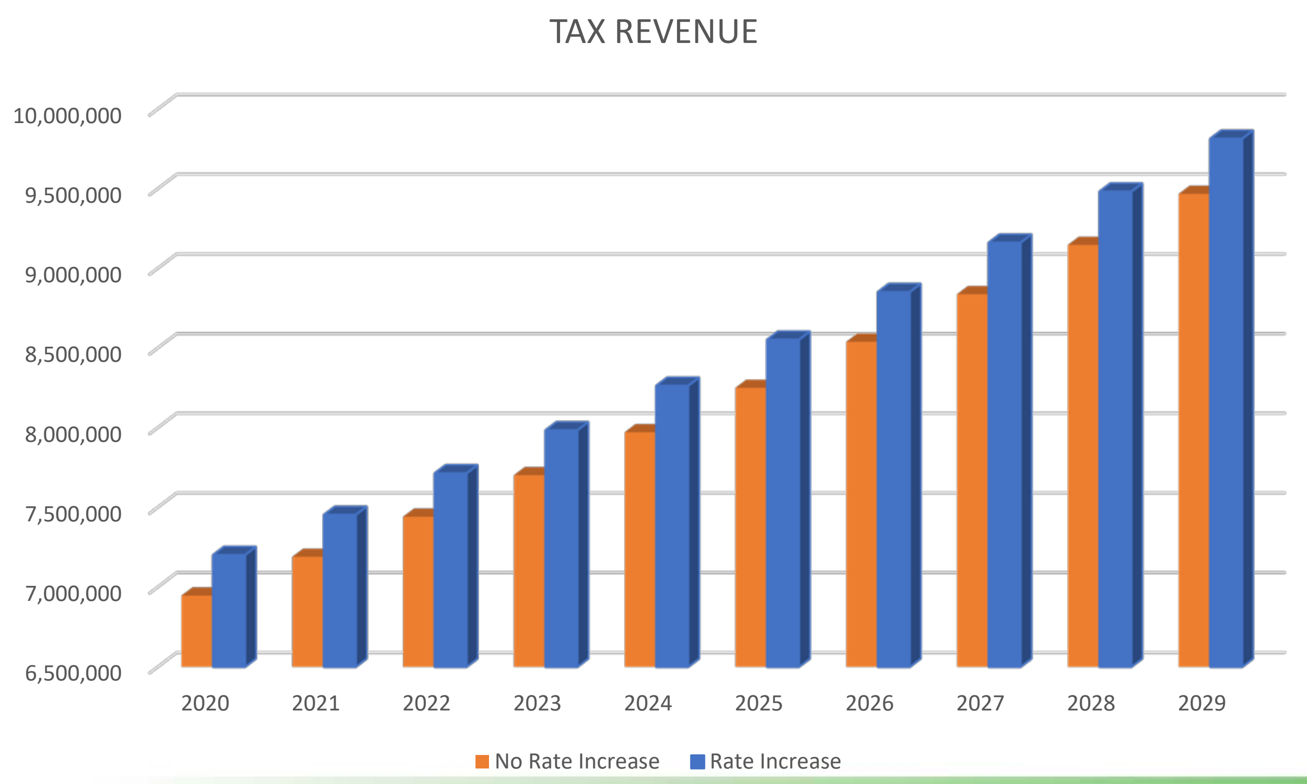
M & O Rate Only

	Current Rate	Proposed Rate	Difference
2020	6,946,000	7,200,000	254,000
2021	7,189,110	7,452,000	262,890
2022	7,440,729	7,712,820	272,091
2023	7,701,154	7,982,769	281,614
2024	7,970,695	8,262,166	291,471
2025	8,249,669	8,551,341	301,672
2026	8,538,407	8,850,638	312,231
2027	8,837,252	9,160,411	323,159
2028	9,146,556	9,481,025	334,469
2029	9,466,685	9,812,861	346,176
10 YEAR TOTAL	81,486,257	84,466,031	2,979,774

Assumes 3.5% growth in tax revenues

Tax Revenue Impact of SB 2 Over 10 Years

M & O Rate Only



2019 Tax Rates

• Effective Tax Rate*	$0.742109
• Rollback Tax Rate*	$0.809469
• 2018 Tax Rate	$0.788000
• Budgeted Tax Rate	$0.809469

*As calculated by the Williamson County Tax Assessor's Office

Rate is per $100 TV

Debt Service (I & S) Rate

- Debt Service Rate is calculated at .197664
  Current Rate is .192002
- .0040 increase due to less growth than projected and growth based on previous values that included the TIRZ captured values
- .0016 increase due to increase in Over 65 exemption from $17,500 to $25,000
- The increase in I & S rate is already included in the rate proposed in budget

Property Tax Revenue

	Calculated Tax Rate	Total Tax Levy	Using 98.5% Collection Rate	M & O	I & S	M&O Revenues over the Effective Rate
Effective	0.742109	$ 8,915,893	$ 8,782,155	$ 6,623,459	$ 2,320,591	
Rollback	0.809469	$ 9,725,174	$ 9,579,297	$ 7,240,131	$ 2,320,591	$ 616,672
Current	0.788000	$ 9,467,240	$ 9,325,231	$ 6,986,066	$ 2,320,591	$ 362,607

$1,201,426,404	in valuations is used to calculate generated revenues.
$ 7,200,000	is the amount included in the General Fund for maintenance and operation.
$ 2,321,230	is the amount needed for debt service (interest and sinking). Debt Rate is projected at .197664
$ 118,341	is the amount that one-cent will produce in M&O property tax revenues

	Taylor	Hutto	Round Rock	Georgetown	Leander
Taxable Value					
2019	1,209,480,876	2,058,903,982	13,894,945,962	8,691,478,656	4,880,576,017
2018	1,139,165,856	1,858,596,532	13,199,849,866	8,035,222,903	4,361,878,539
2017	1,049,258,292	1,650,803,334	12,130,102,464	7,313,302,722	3,654,787,415
2016	963,889,992	1,460,822,127	11,176,667,365	6,481,967,453	3,011,046,272
City Tax Rate					
2018	0.788000	0.515171	0.420000	0.420000	0.551867
2017	0.798000	0.515171	0.430000	0.420000	0.577867
2016	0.803893	0.520443	0.425000	0.424000	0.599000
2015	0.813893	0.528500	0.414700	0.434000	0.632920
Single Family Home Avg Taxable Value					
2019	146,351	216,888	274,638	277,840	273,379
2018	135,572	207,816	262,611	270,065	258,046
2017	121,455	192,464	251,583	261,807	241,596
2016	112,145	176,287	234,363	248,171	221,774
2015	102,419	158,960	216,203	230,511	199,614
City Tax on Avg Home					
2018	1,068	1,071	1,103	1,134	1,424
2017	969	992	1,082	1,100	1,396
2016	902	917	996	1,052	1,328
2015	834	840	897	1,000	1,263

2019-20 Budget Highlights

What Does The Rollback Tax Rate Provide

- Funding for the Comprehensive Plan
- Funding for Master Drainage Plan
- Three additional staff for the Street Department. The additional staff will provide for general street repair and maintenance, including improved Accela response
- Two additional staff for the Parks and Rec Department to assist in maintenance of the parks

2019-20 Budget Highlights

What Does The Rollback Tax Rate Provide

- Funding for four HOME Program houses
- One full-time Animal Control Officer to replace two part-time positions to provide additional public animal control as well as animal care in the shelter
- Reclassification of the full-time temporary position in the PIO with a full-time employee. This will assist in retaining current staff and provide consistency in the information disseminated to the public

2019-20 Budget Highlights

What Does The Rollback Tax Rate Provide

- Provide much needed technology upgrades to improve efficiency and protect against a loss of data:
  - ✓ Replacement of one of our two servers,
  - ✓ Upgrade of the Microsoft Office software, whose cost will be partially offset by the elimination of the Enterprise Server license fee
  - ✓ Portable computers for field work in the Development Services
  - ✓ A disaster recovery system.
- Increases the Over 65 Exemption to $25,000

2019-20 Budget Highlights
What Does The Rollback Tax Rate Provide

- A 3.0% salary and wage increase for all eligible employees. This will assist in maintaining the City's competitive position in the area labor market and is part of a strategy to reduce the employee turnover rate
- TMRS conversion to 2:1 match with 30% COLA
- Provide funding for equipment replacement including the purchase of a compact grader for the streets department
- Funding for Public Arts

Summary of Changes Since 1st Workshop

Estimated tax values were confirmed by certified roll – general fund tax revenues reduced by $58,000 to account for increase in Over 65 exemption

Shifted $75,000 of Drainage Master Plan to 2020-21 budget

Added TMRS conversion to 2:1 matching with Cola reduced to 30%

Changed effective date of employee pay raise to 10/1/19

Budget Summary

- Provides a master plan to guide future development
- Provides a master plan to guide drainage project decisions
- Provides additional street and parks maintenance
- Provides funding for housing rehabilitation through the Home program
- Provides technology upgrades to improve efficiencies and protect data
- Provides wage and retirement enhancements to retain staff and improve recruitment
- Provides an increase in the Over 65 exemption

Funded vs Unfunded ATBs

What Are The Next Steps

Aug 8

- Introduce Over 65 Exemption Ordinance
- Establish upper limit of tax rate and set two public hearings on rate and one public hearing on budget

Aug 22

- Consider adoption of Over 65 Exemption
- First Public Hearing on tax rate
- Public Hearing on budget
- Introduce budget ordinance
- Introduce tax rate ordinance
- Introduce ordinance establishing fees

What Are The Next Steps

Sept 5

- Second Public Hearing on tax rate

Sept 12

- Adoption of budget ordinance
- Adoption of tax rate ordinance
- Adoption of ordinance establishing fees

Capital Improvement Projects

GENERAL FUND

Project	Funding Source	Total Cost Estimate	Grants / Others	FY 19-20 [City Cost]
Gateway, Wayfinding Projects	TIF	$ 290,000		$ 145,000
Dickey-Givens Center	CDBG/ General Fund	$ 525,000	$ 375,000	$ 150,000
Master Drainage Study	General Fund	$ 250,000		$ 175,000
Animal Shelter	2019 Bond	$ 250,000		$ 250,000
	Total:	**$ 1,315,000**	**$ 375,000**	**$ 720,000**

Capital Improvement Projects

STREETS & SIDEWALKS

Project	Funding Source	Total Cost Estimate	Grants / Others	FY 19-20 [City Cost]
3rd Street (Shaw to Davis)	CDBG/2019 Bond	$ 1,576,250	$ 490,000	$ 1,086,250
N. Lynn Street (W. Lake to Gilmore)	2019 Bond	$ 1,570,000		$ 1,570,000
W. Lake Drive (Carlos Parker to Old Georgetown)	2019 Bond	$ 988,750		$ 988,750
Robinson Street (Railroad to Dead End)	2019 Bond	$ 1,722,476		$ 1,722,476
Annual Street Maintenance	TUF	$ 490,000		$ 490,000
CR 101 Widening	Wilco Bond/City Bond	$ 13,000,000	$ 11,700,000	$ 1,210,000
	Total:	**$ 19,347,476**	**$ 12,190,000**	**$ 7,067,476**

Capital Improvement Projects

UTILITY FUND

Project	Funding Source		Total Cost Estimate	Grants / Others	FY 19-20 [City Cost]
WWTP - Replace Influent Pumps & Valves	2019 Bond		$ 1,180,000		$ 1,180,000
W/WW -Trouble Areas and Point Repairs	2019 Bond		$ 550,000		$ 550,000
Fire Hydrant Replacement Program	Utility		$ 50,000		$ 50,000
WW-Lift Station Portable Generator	2019 Bond		$ 100,000		$ 100,000
		Total:	**$ 1,880,000**	**$ -**	**$ 1,880,000**

Capital Improvement Projects

AIRPORT FUND

Project	Funding Source	Total Cost Estimate	Grants / Others	FY 19-20 [City Cost]
Terminal Apron Construction	TxDOT Grant, C.O Bonds #1	$ 1,600,000	$ 1,440,000	$ 160,000
Old Apron Rehab-Engineering/Design	TxDOT Grant, C.O Bonds #1	$ 125,000	$ 112,500	$ 12,500
	Total:	**$ 1,725,000**	**$ 1,552,500**	**$ 172,500**

Capital Improvement Projects

DRAINAGE FUND

Project	Funding Source	Total Cost Estimate	Grants / Others	FY 19-20 [City Cost]
Edmonds Phase 2 (6th St. to Ceclia)	2019 Bond	$ 1,597,125		$ 798,563
Edmonds Phase 3 (Cecilia to Mclain)	2019 Bond	$ 1,626,250		$ 813,125
1st/Royal/Walnut	2019 Bond	$ 458,600		$ 229,300
Mclain (Contingent on Cost of Higher Priority Projects)	2019 Bond	$ 245,000		$ 122,500
	Total:	**$ 3,926,975**	**$ -**	**$ 1,963,488**

1006 West 2nd Street

- Discussion on possible drainage project

Long-Term Planning

- Valero funds
- Future capital improvement projects
- Sources of funding for capital improvement projects
- Debt scenarios and their impact on the debt service rate