

City of Pilot Point, Texas
Minutes of the June 2, 2018
Special City Council Meeting
Budget Workshop

The City Council of the City of Pilot Point, Texas met on this date at 9:00 a.m. for a special City Council meeting. City Council members present were Mayor Shea Dane-Patterson, Andy Singleton, Whitney Delcourt, and Jim Porter. City Staff members present were City Manager Alan Guard, Development Service Director Kelly Carpenter, Police Chief Tim Conner, Finance Supervisor Lana Ensminger, Public Works Director Mario Cisneros, and City Secretary Alice Holloway.

AGENDA

A. ROLL CALL/CALL TO ORDER

Mayor Dane-Patterson announced a quorum and called the meeting to order at 9:03 a.m.

B. Budget Workshop

The following items were reviewed and discussed during the Budget Workshop:

1. FY 2019 General Fund

- Historical background-Where did we end for FY 2017?
 - Total Revenues \$3,114,636
 - Total Expenditures \$3,517,190
 - Ending Undesignated Fund Balance \$1,053,087
 - Fund Balance as a percentage 29.94%
- FY 2018 Adopted Budget
 - Budgeted Revenue \$3,132,654
 - Budgeted Expenditures \$3,565,965
 - Net Change from Budget -(\$432,911)
- FY 2018 Projections
 - Projected Revenue \$3,713,371
 - Projected Expenditures \$3,764,442
 - Net Change from Budget -(\$51,701)
 - Est. Unassigned Fund Balance \$1,001,386
 - Fund Balance as a Percentage 26.6%
- Change in GF Budget
 - Delete \$400,000 transfer to Utility Fund
 - Add the Home Program expense and revenue (no cost to city) (\$171,000).
- GF Property Taxes
 - City Manager estimated value guess is \$278,000,000
 - New construction - \$6,000,000
 - Average residential taxable value since 2012 increased 31.4%
 - From 2012 to 2017, taxes levied decreased 3.3%. In FY 2018 taxes levied on an average house increased \$4.47 per month, the first increase in 7 years.
- City Manager Alan Guard presented the following policy questions regarding what to do with the increase in value for the council to consider:
 - Same tax rate - \$162,720, 11.6%
 - Effective Rate- 4 cents reduction – Only \$24,710 new revenue
 - Same amount of taxes, decrease rate .04-need to cut \$138,049

- Or somewhere in between, rollback rate around \$0.55295
 - City Manager recommends go to minimum of roll back rate
- FY 2019 Other GF Revenues

	FY 2018	FY 2019	% Difference
Sales Tax	\$774,595	\$805,579	4.0%
Franchise Fees	\$286,415	\$304,897	6.5%
Licenses & Permits	\$87,213	\$183,630	110.6%
Municipal Court	\$164,000	\$174,000	6.1%
Charges for Services	\$380,907	\$531,602	39.6%
Grants	\$342,600	\$419,000	22.3%
Other Revenues	\$164,466	\$131,466	-20.1%

- FY 2019 proposed revenues, property values, property tax scenarios, expenditures, and issues for consideration.
 - Sales tax grows by 4.0% (2% CPI plus 300 new homes)
 - Franchise fees grow 6.5% based on historical growth on historical growth and new homes
 - Charges for services increase 39% due to recreation programming and second SRO with PPISD
 - Grants are budgeted as if we receive the SAFER grant for FY 2019
 - Licenses and Permits budgeted for 300 housing starts
- GF Expenditures-Increases
 - Base budget includes Phase 2 for Public Safety Raises. Non-sworn staff 2% raise, increase TMRS from 55 to 6% + \$62,300.
 - Plan Review Technician + \$61,000
 - Additional SRO for PPISD + \$4,400
 - Recreation Coordinator + \$11,000
 - Safer Grant-3 additional firefighter positions + \$41,600
- Direction from Council
 - Property taxes – What level is Council comfortable with?
 - Funding priorities- How do you feel about the additions?
 - What services didn't Council see that they would like to see?
 - What other information on GF is Council interested in?

2. FY 2019 Utility Fund

- FY 2018 Current Budget
 - Budgeted Revenue \$2,396,761
 - Projected Revenue \$2,496,761
 - Budgeted Expense \$2,095,637
 - Projected Expense \$2,045,000
 - Budgeted Surplus \$301,124
 - Projected Surplus \$451,761
 - Higher than projected Water& Sewer Revenue \$100,000
 - On the expense side:
 - Salary savings
 - Everything else on target

- Valve installation
- Manhole rehabilitation
- New Personnel- one water and one sewer department personnel
- Salaries/benefits net increase + \$133,000
- Training +\$5,000 – continue higher level certifications/licenses
- Capital outlay reduced \$87,400
- Impact Fee Study - \$70,000
- Increase lease payments/debt service-continue equipment replacement and scheduled debt payment increase.
- Capital Equipment Needs:
 - Sewer Pumps (3) \$27,000
 - Pay as you projects:
 - Manhole Rehabilitation \$40,000 per year
 - Hydrastop Valves \$20,000 per year
- Capital Projects
 - Water Line Replacement \$250,000 per year
 - Sewer Line Replacement \$250,000
 - AMR/AMI – 7 year CO (proposed to do current budget year)
 - Each \$1 Million of Debt - \$75,000 per year of debt payment
 - 20 years at 4% interest

▪ Impact on Water Rates

<u>Water</u>	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Residential	22.08	24.73	27.70	31.02	34.12	37.54	39.04
Commercial	46.62	51.28	57.44	64.33	70.76	77.84	80.95
Per 1,000 Gal.		12%	12%	12%	10%	10%	4%

Revenue

Residential	437,184	493,504	632,492	806,665	897,569	998,586	1,050,240
Commercial	124,755	132,308	148,874	167,510	184,262	202,688	210,795
Per 1,000 Gal.	356,739	448,062	564,854	711,753	791,138	879,283	923,847
Total Rev.	918,678	1,073,874	1,346,219	1,685,928	1,872,968	2,080,557	2,184,883

▪ Impact on Sewer Rates

<u>Sewer</u>	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Residential	21.03	23.55	26.38	29.55	32.50	35.75	37.18
Commercial	44.40	53.28	59.67	66.83	73.52	80.87	84.10
Per 1,000 Gal.	2.58	3.14	3.52	3.94	4.33	4.77	4.96
		12%	12%	12%	10%	10%	4%

Revenue

Residential	416,394	470,036	602,414	768,305	854,885	951,099	1,000,297
Commercial	118,814	137,462	154,674	174,037	191,441	210,585	219,008
Per 1,000 Gal.	121,956	149,988	189,084	238,258	264,832	294,339	309,256
Total Rev.	657,165	757,486	946,172	1,180,600	1,311,158	1,456,022	1,528,561

▪ Stormwater Fee

- Fund two-person crew and equipment

- Dedicate to drainage maintenance
 - Provide flexibility for public works
 - Any excess would be reserved for drainage projects
 - Eventually conduct a drainage master plan (bond package)
- Direction
 - What water/sewer rates are council comfortable with?
 - The rate determines the projects-needed to support replacement projects and WWTP
 - Stormwater fee to continue to address drainage maintenance

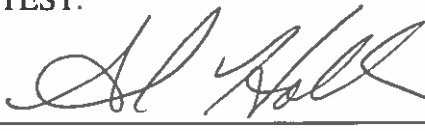
C. Adjourn.

Mayor Dane-Patterson moved to adjourn the meeting at 10:17 a.m. and Councilmember Porter seconded the motion. The motion passed unanimous.



Shea Dane-Patterson, Mayor

ATTEST:



Alice Holloway, City Secretary
Approved: June 11, 2018