

CITY COUNCIL

BUDGET RETREAT

August 4, 2023

SCHERTZ  
COMMUNITY. SERVICE. OPPORTUNITY.

# RETREAT OVERVIEW

- Budget Timeline
- Legislative Updates
- Tax Rate Discussion
- FY 2023-24 Budget Development & Highlights
- Cut Line Discussion
- City Holiday Discussion
- Action Item – Set Prelim Tax Rate (and accept rates)
- CIP & Project Updates

# BUDGET TIMELINE



## August 4

- Accept the state defined tax rates
- Vote to set the Preliminary Tax Rate



## August 15

- 1st Public Hearing on Budget & Tax Rate
- 1st Vote on Budget & Adoption
- 1st Vote on Tax Rate & Adoption
- Approve Fee Schedule



## September 5

- 2nd Public Hearing on Budget & Tax Rate
- 2nd Vote on Budget & Adoption
- Ratify Tax Increase in Budget
- 2nd Vote on Tax Rate & Adoption



## October 1

- New budget in effect

# Legislative Update

## Key Bills

- H.B. 1613 – DVHS Bill - *Did NOT pass*
  - Supported by our representatives
- H.B. 2127 – Preemption Bill
  - Unknown impact/headed to the courts
- H.B. 3 – School Safety Measures

## Other Bills

- Annexation, Engineering Fees, TikTok Ban, Broadband

# Legislative Update

- **Special Sessions**
  - Summer 2023
    - School Property Tax Relief Plan (goes to voters in Nov. election)
  - Future special session is anticipated to begin this Fall
    - School vouchers
    - Teacher pay raises
- **Next session**
  - Land Use

# School Safety / Security

- **On June 14, 2023, Tx Legislation passed HB3**
  - **This bill mandates armed security at school campuses but doesn't provide the funding**
- **SCUC ISD has asked for 5 additional officers for the 2023-24 school year**
  - **Currently provide 6**
  - **Off-duty officers will be used in the interim to fulfill the mandate (SCUC will pay)**
- **Projected timeline to staff with full-time police officers is school year 2024-25**

# TAX RATE DISCUSSION

# 2023 Property Values

<b>2022 Taxable Value</b>	<b>\$4,889,011,389</b>
<b>2023 Equivalent Taxable Value</b>	<b>\$5,326,877,888</b>
<b>2023 New Taxable Development</b>	<b><u>+\$113,763,340</u></b>
<b>2023 Adjusted Taxable Value</b>	<b>\$5,440,641,228</b>
<b>Difference Between Adjusted Taxable Values</b>	<b>\$551,629,839</b>



# DVHS Update

DVHS	2020	2021	2022	2023
Total Exempt	\$436,800,000	\$550,500,000	\$694,200,000	\$834,200,000
Increase %	22.0%	26.0%	26.1%	20.2%
Increase \$	\$78,800,000	\$113,700,000	\$143,700,000	\$140,000,000
Tax Rate w/o DVHS	\$0.4548	\$0.4428	\$0.4234	\$0.4126

- 19% of Homesteads have a DVHS Exemption for 2023
- 51% of Homesteads have some sort of DV Exemption for 2023

# TAX RATE DEFINITIONS

No New Revenue

The tax rate which will generate the same revenue for the city from property on the previous year's tax roll.

Voter Approval Rate

The rate if exceeded triggers an automatic election on the tax rate.

Current

The rate currently adopted by the City.

Proposed Tax Rate

The maximum rate set at which the final adopted rate cannot exceed.

# TAX RATE

Current	\$0.4950
No New Revenue	\$0.4554
Voter Approval	\$0.4872
Voter Approval – Unused Increment	\$0.0000
Proposed Tax Rate	\$0.4872

Proposed Budget Assumes This Rate

\$0.01 is equal to \$544,000 revenue or \$32.46 on the average home

# TARGET TAX RATE

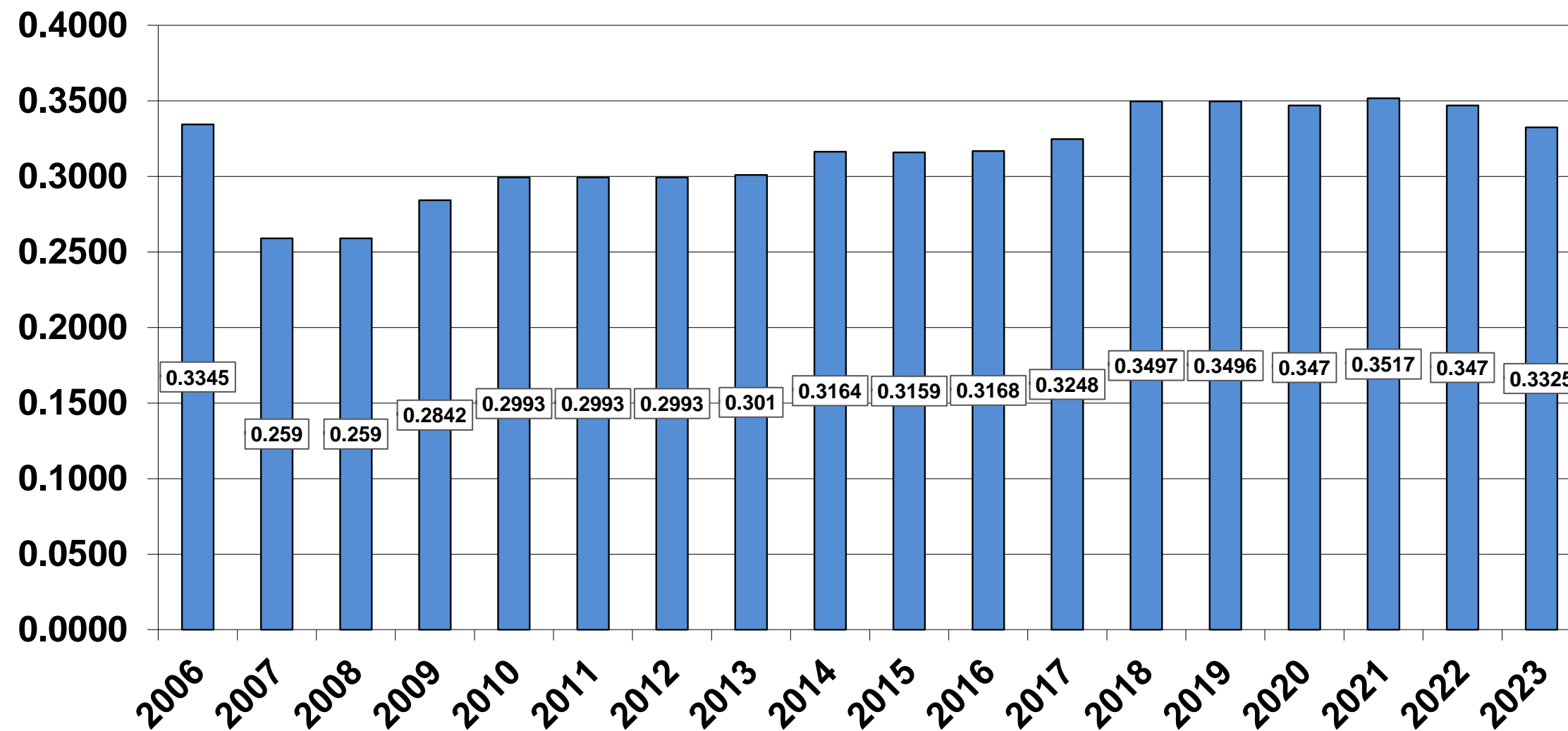
TAX RATE	CURRENT	PROPOSED TAX RATE	
M&O	\$0.3470	\$0.3324	For day-to-day operations
I&S	\$0.1480	\$0.1548	To pay the City's debt
<b>TOTAL</b>	<b>\$0.4950</b>	<b>\$0.4872</b>	

# FY 2023-24 City Tax Rate

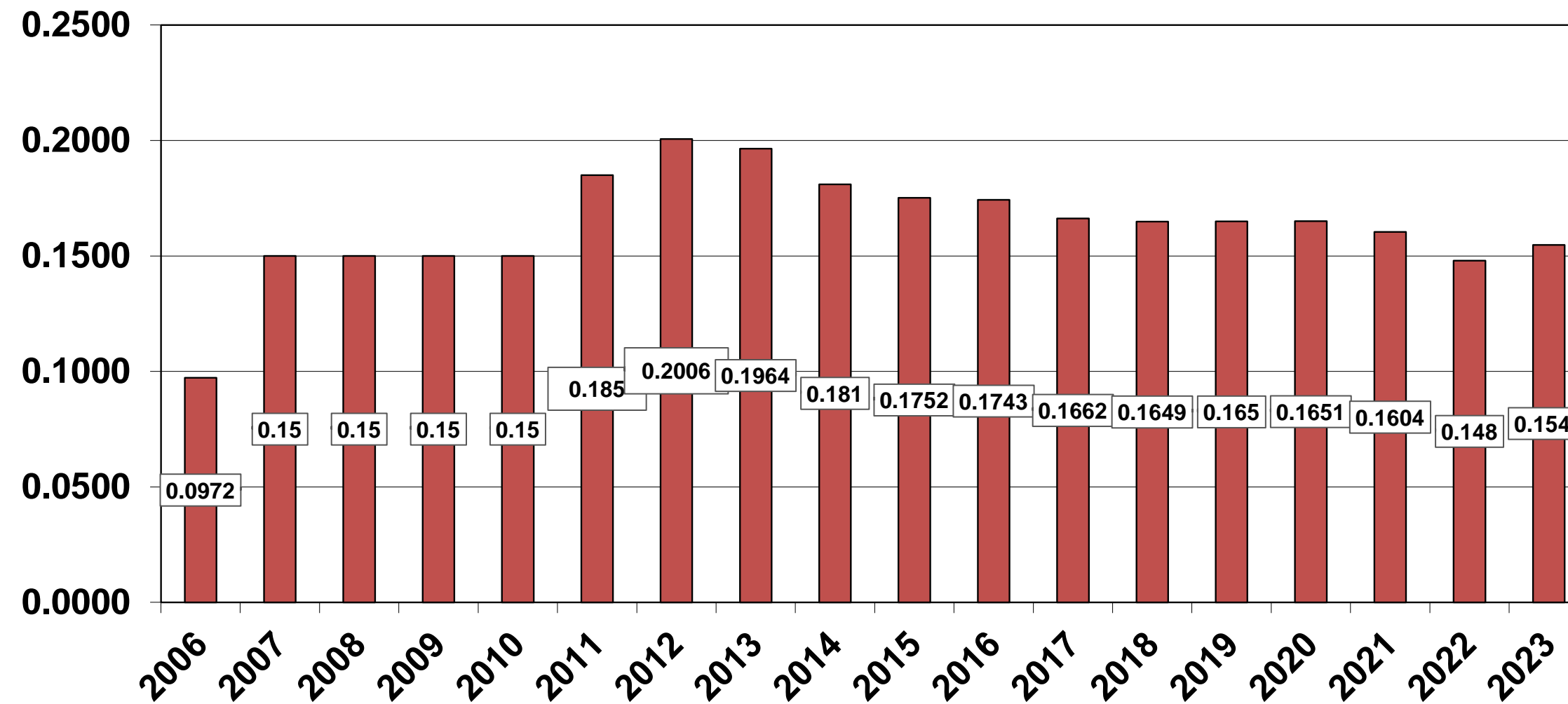
Tax Rate Name	Tax Rate per \$100	Est. Tax Bill	Bill Increase	% Increase
No New Revenue	\$0.4554	\$1,478.22	--	--
Voter Approval	\$0.4872	\$1,582.00	\$103.78	7.0%
Proposed	\$0.4872	\$1,582.00	\$103.78	7.0%
Current	\$0.4950	\$1,606.89	\$128.67	8.7%
School Tax Bill Change			-\$850.00	

- **\$103.79 is about \$8.65 on the monthly escrow**
- **Tax bills are based on average taxable value of homes for 2023 of \$324,600**
- **Estimated Tax Bills and Bill Increases are annual amounts**

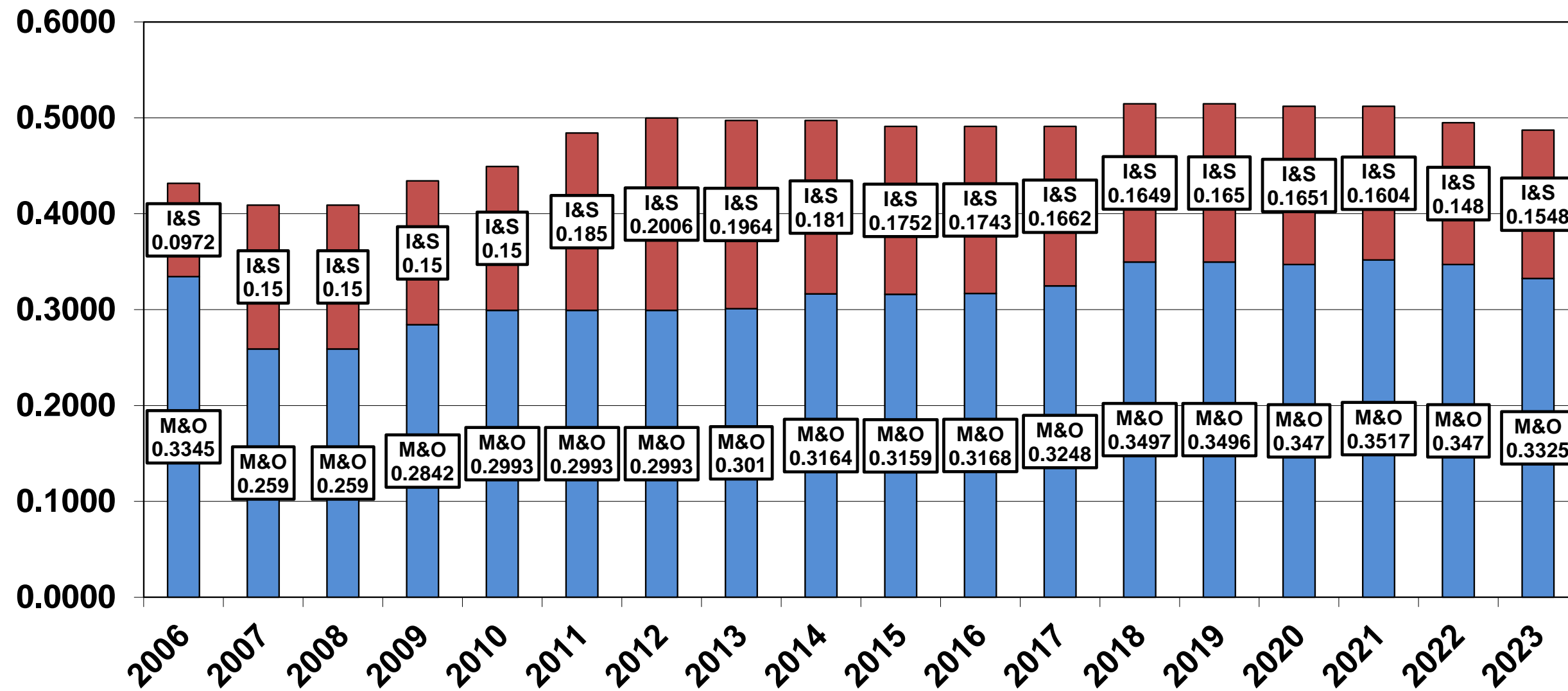
# Historic Tax Rates – M&O



# Historic Tax Rates – I&S



# Historic Tax Rates – Total





FY 2023-24  
Proposed Budget

# Budget Priorities

**Established 5 Goals from the Pre-Budget workshop discussion**

- **Goal 1: Staff Compensation**
- **Goal 2: Infrastructure**
- **Goal 3: Consolidated CIP Document**
- **Goal 4: Increase Staffing Levels**
- **Goal 5: New/Remodeled Facilities**

FY 2023-24

# Budget Highlights

## Expanded Programs Proposed to Fund

- **Wage Adjustments**
- **New Personnel**
- **Additional SPAM Funding**
- **Police Equipment**
- **Additional Programs/Equipment**

# FY 2023-24

## Budget Highlights

### Wage Adjustments – All Funds

- **ECI Adjustment (4.7%) effective Oct. 7, 2023 - \$1,400,000**
- **Class & Comp. Adjustment – effective Dec. 30, 2023 - \$2,600,000 (\$1.9 million in FY 2023-24)**
  - **Primary focus on salaries; will also review benefits, supplemental pay and career progression opportunities**
- **Cover Cost of Increases to Insurance Premiums - \$344,700**

FY 2023-24

# Budget Highlights

## **New Personnel – General Fund**

- **Fire – 3 Firefighters (for Station 4) - \$315,000**
- **Engineering – Administrative Assistant - \$60,000**

FY 2023-24

# Budget Highlights

## **Additional SPAM Funding**

- **FY 23/24 base has \$650,000**
- **Propose one-time Street Funding of \$1 million**

FY 2023-24

## Budget Highlights

### **Police Equipment**

- **Purchase of in-car cameras, body worn cameras and TASERs (to replace all current equipment)**
- **5-year phase-in - \$550,000 per year**

FY 2023-24

# Budget Highlights

## Additional Programs – General Fund

- **Library - Library Materials - \$15,000**
- **IT**
  - **ArcGIS Indoor Maps Extension - \$6,525**
  - **Implementation of vSphere servers for Public Safety - \$87,000**
- **Court - Court Security Plan funding - \$16,450**



# FY 2023-24

## Budget Highlights

### **Additional Equipment – General Fund**

- **Fleet**
  - **Hydraulic Hose Crimper - \$6,350**
  - **Hose Reels for Bulk Fluid Delivery System - \$23,400**
- **Facility Services**
  - **Tablets - \$12,000**
  - **Multi-use Drop Deck Trailer - \$19,000**
- **Fire**
  - **Opticom system for intersection light system - \$33,800**
  - **Hurst Strong Arm Multi-purpose E Tool - \$30,000**
- **Streets**
  - **Pothole Truck - \$80,000**
  - **Laydown Machine - \$140,000**

FY 2023-24

# Budget Highlights

## EMS Fund

- **Medic 5 – 2 EMT positions (overnight) - \$106,300**
- **2 F/T positions to staff peak hours - \$110,600**

FY 2023-24

# Budget Highlights

## **Drainage Fund**

- **Zero Turn Mower - \$24,000**

# FY 2023-24

## Budget Highlights

### Water & Sewer Fund

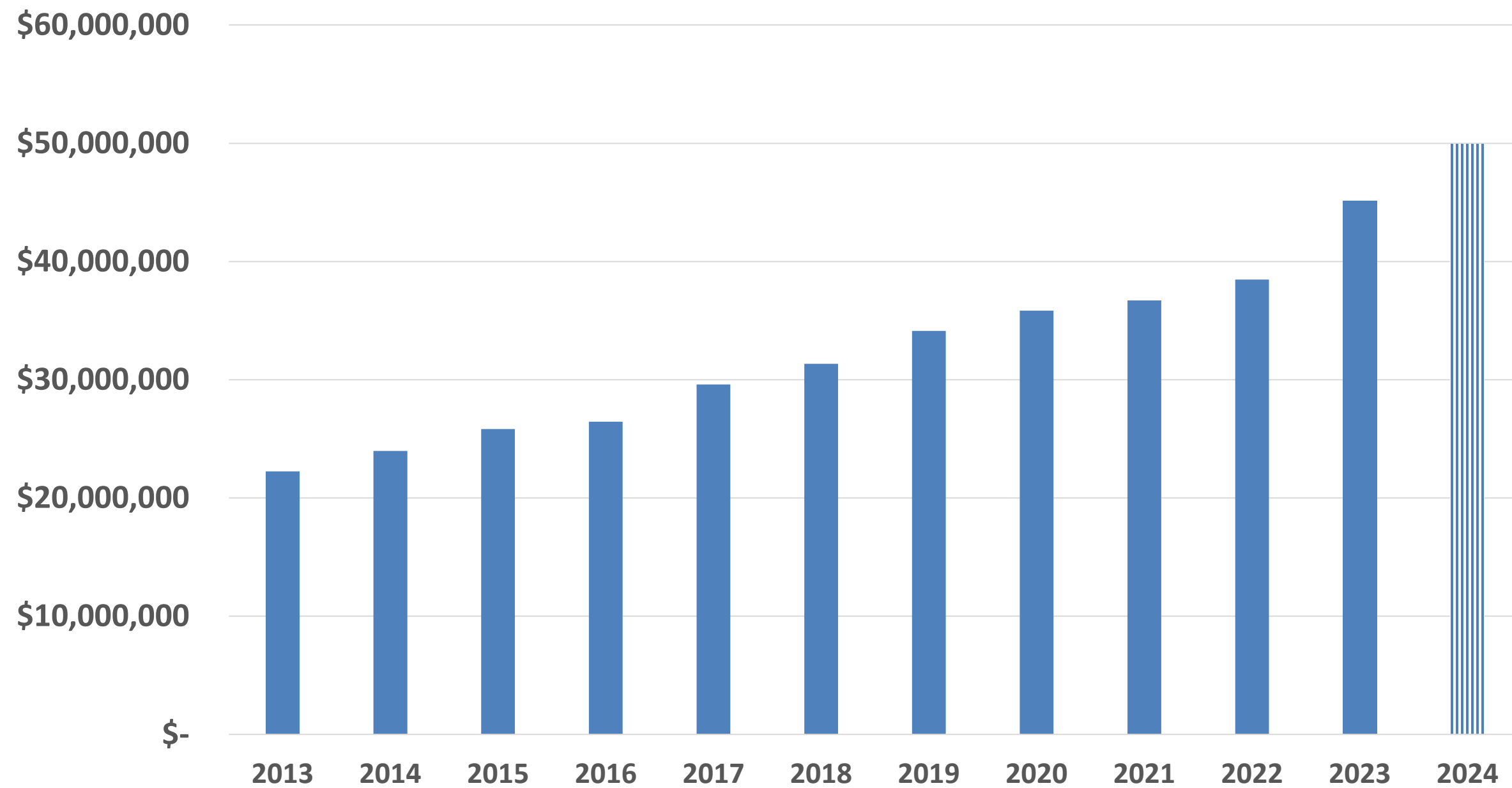
- **Utility Billing**
  - **Position: Lead Clerk - \$58,000**
  - **Automated Phone Payment System - \$12,000**
- **Water/Wastewater**
  - **Combination Vacuum Truck - \$675,000**
  - **Fire Hydrant and Valve Replacement Program (initial funding) - \$50,000**

# FY 2023-24 Budget

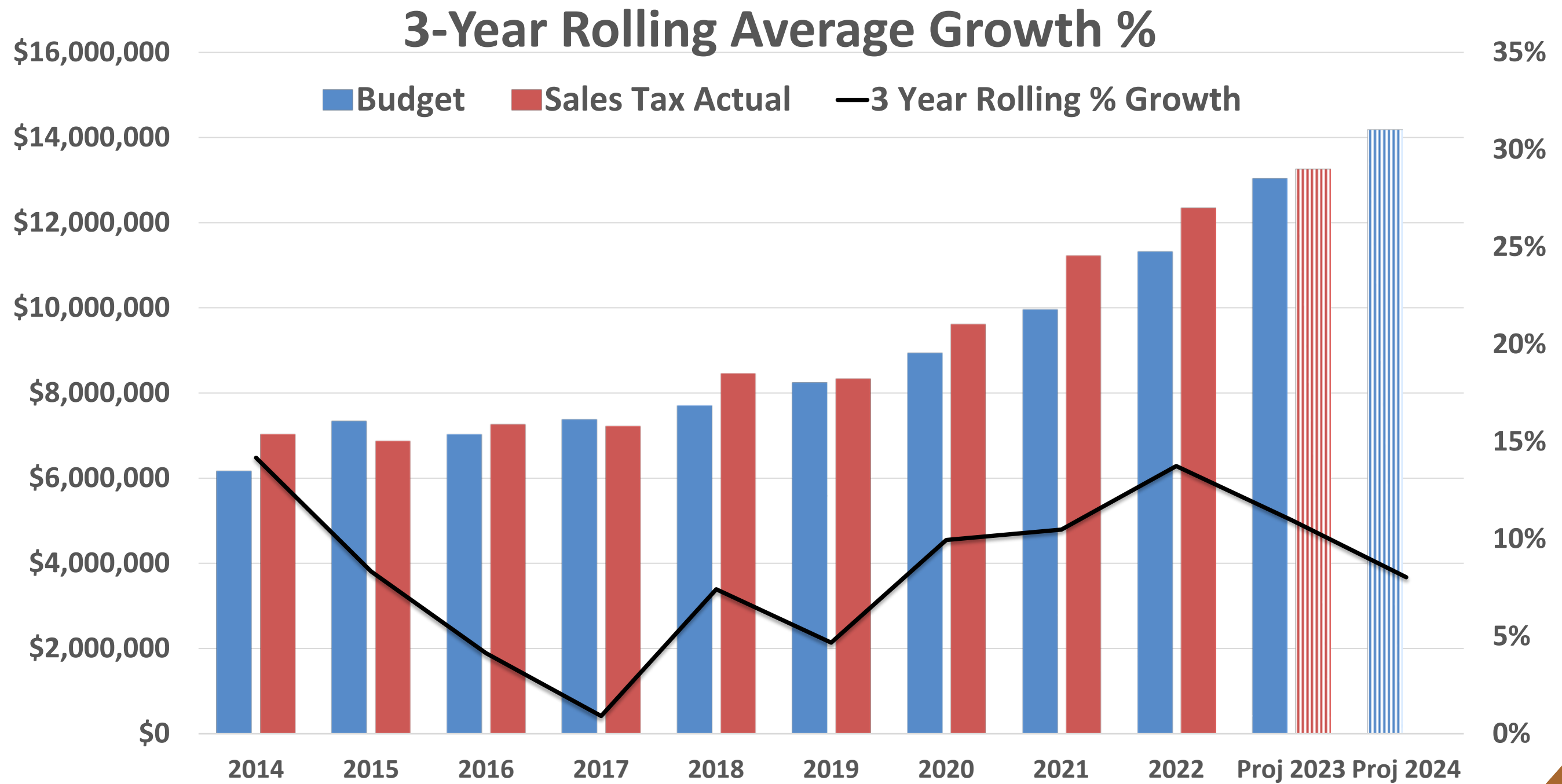
- **General Fund Proposed Budget  
\$49,927,113**
  - **Increase of \$4,810,888 or 10.7% from  
FY 2022-23 Adopted Budget, including  
infrastructure funding**
  - **Non-Personnel Budgets increased 9.6% due  
to police equipment, capital replacement,  
TIRZ contribution, and additional road  
maintenance funds**
  - **Personnel Budgets increased 11.3% for pay  
adjustments, insurance, ECI, and 4 new  
positions**

# City Budgets – General Fund

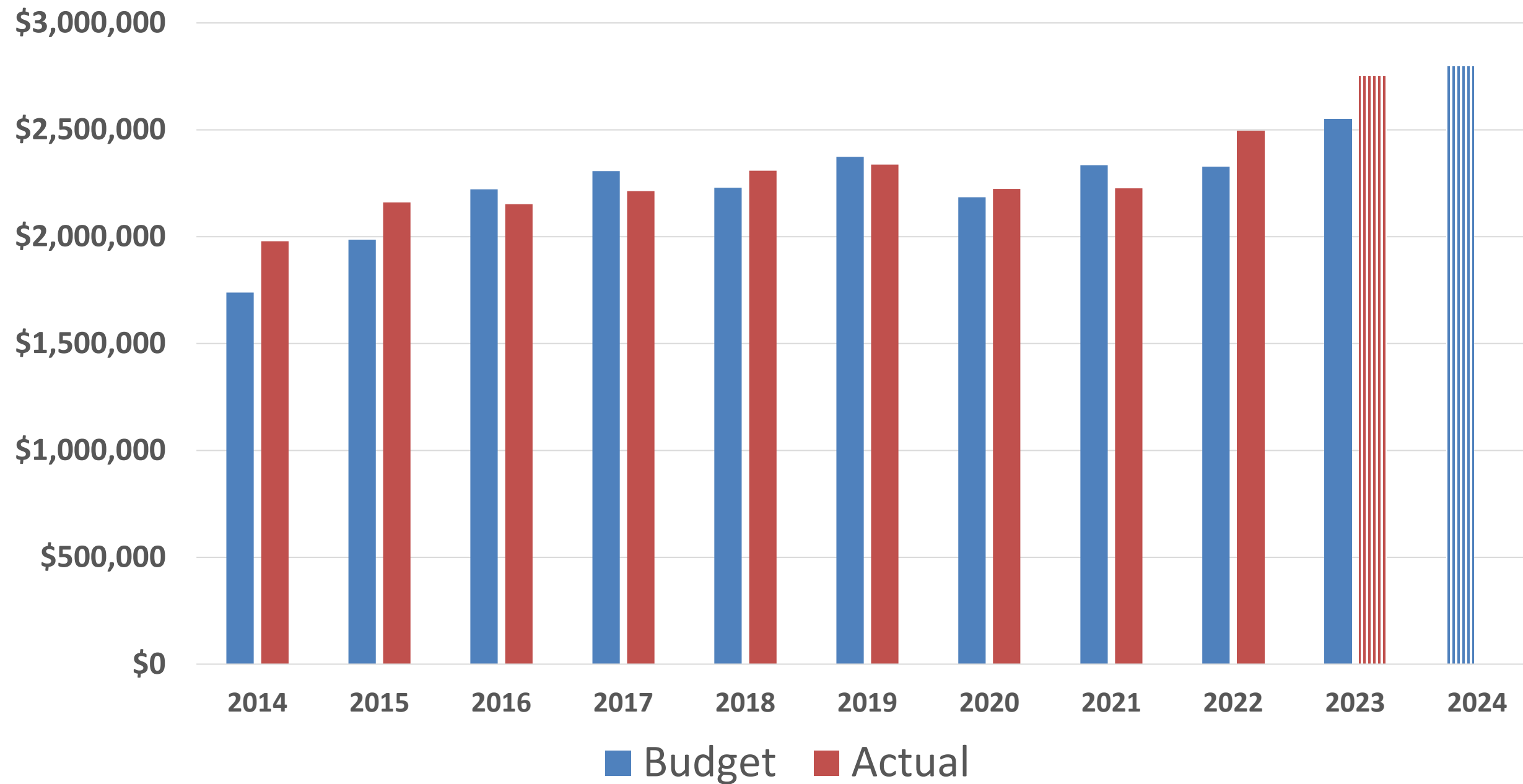
Final General Fund Budgets



# Sales Tax

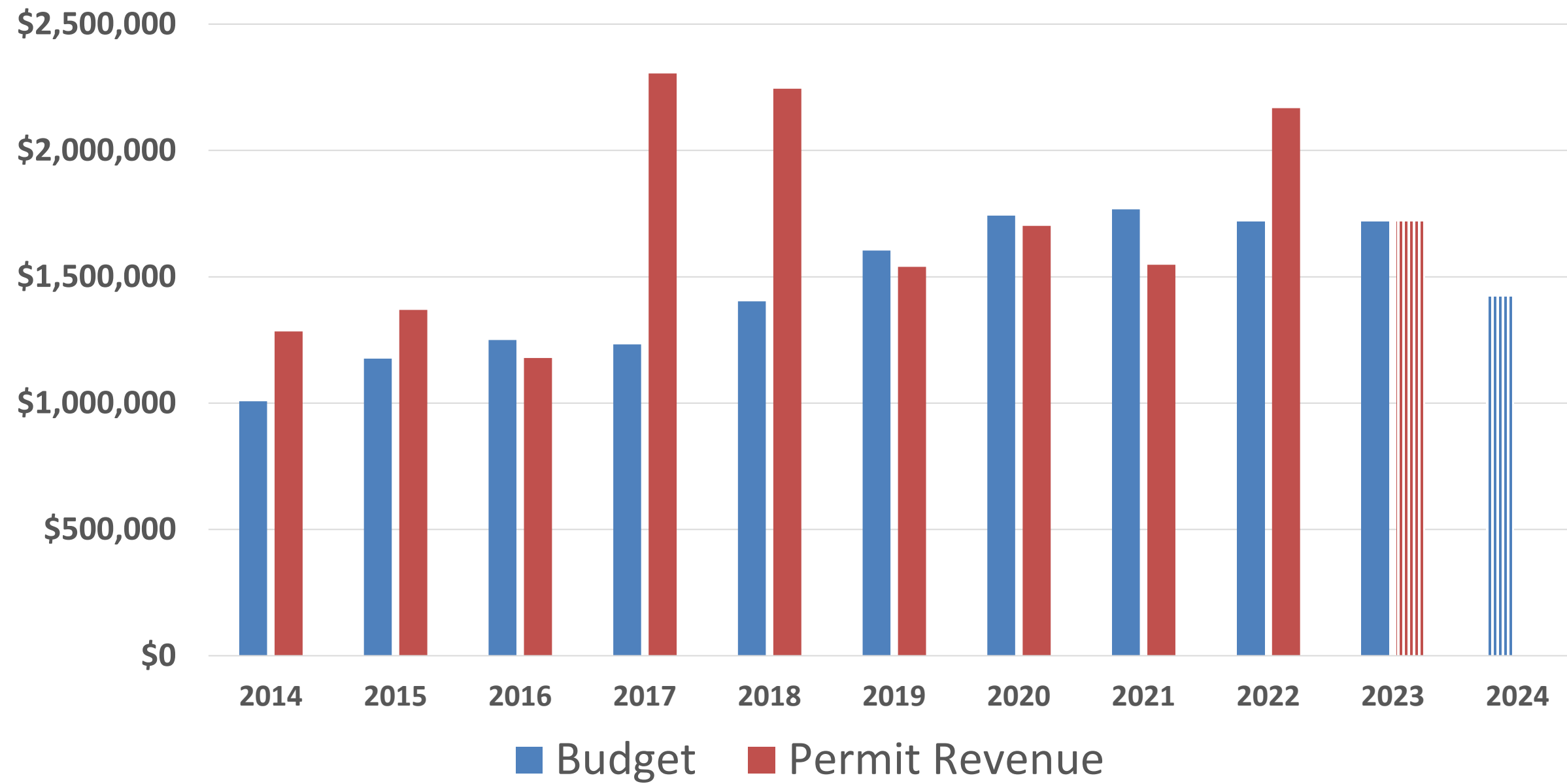


# Franchise

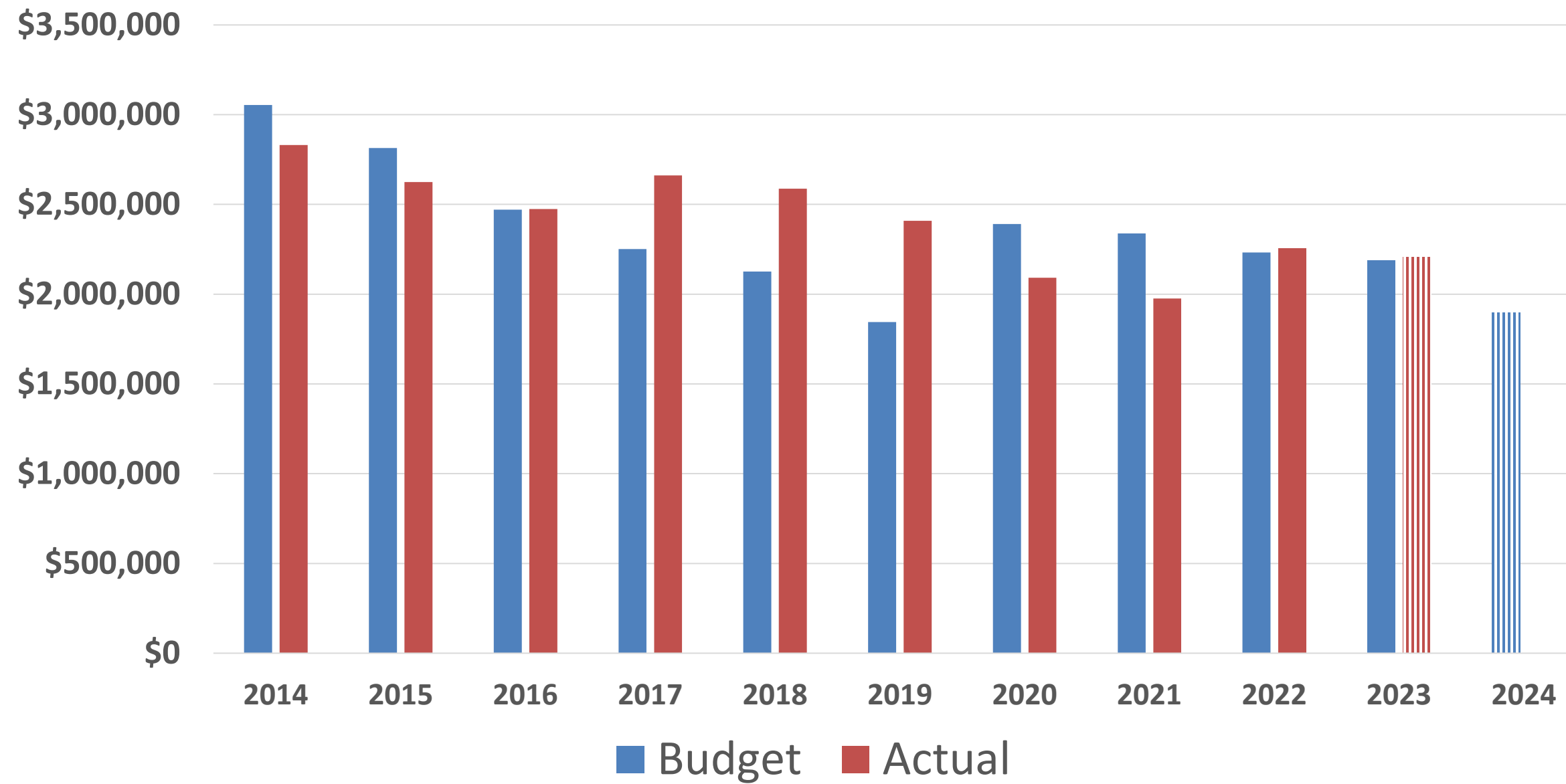




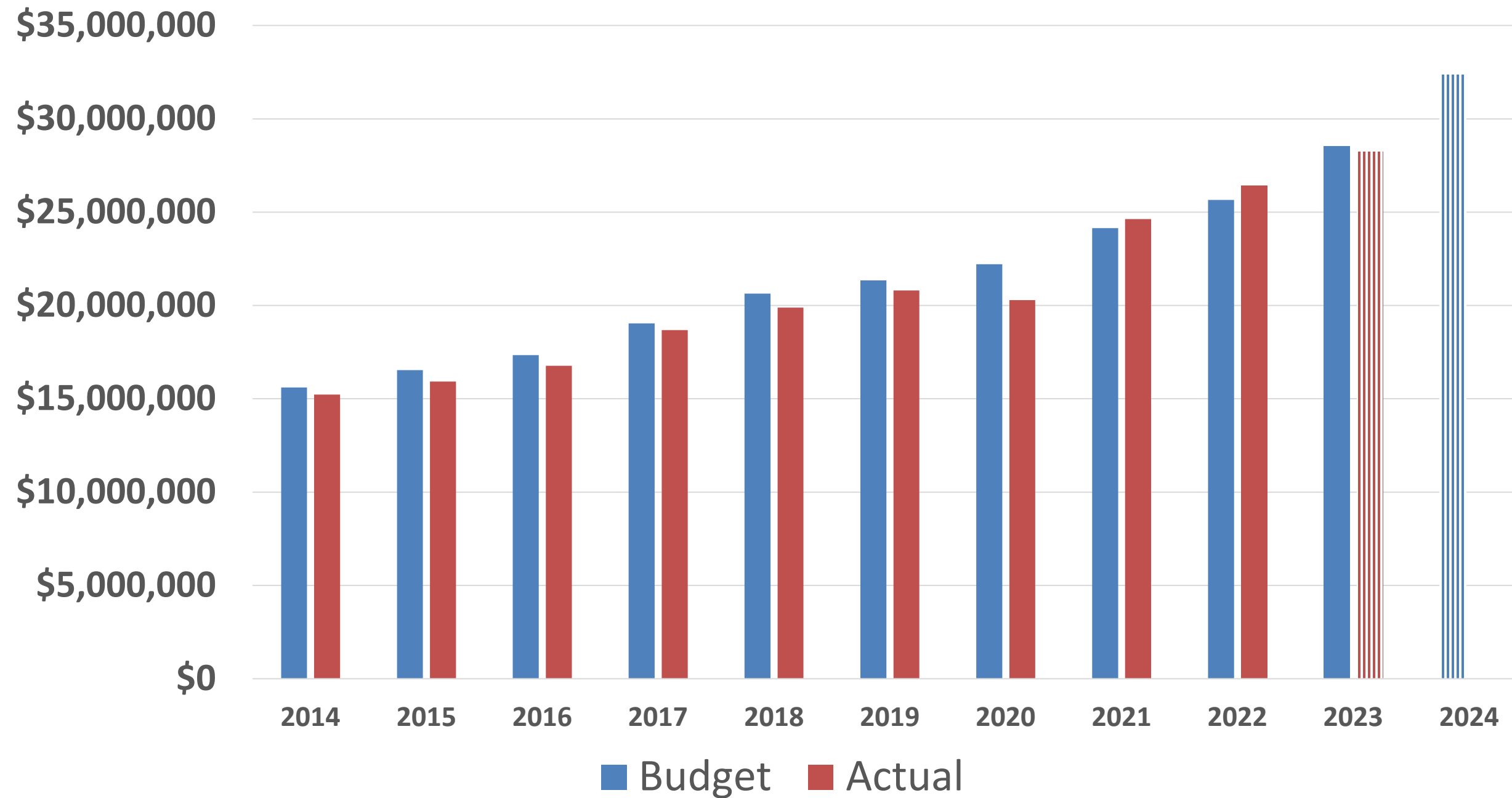
# Permit



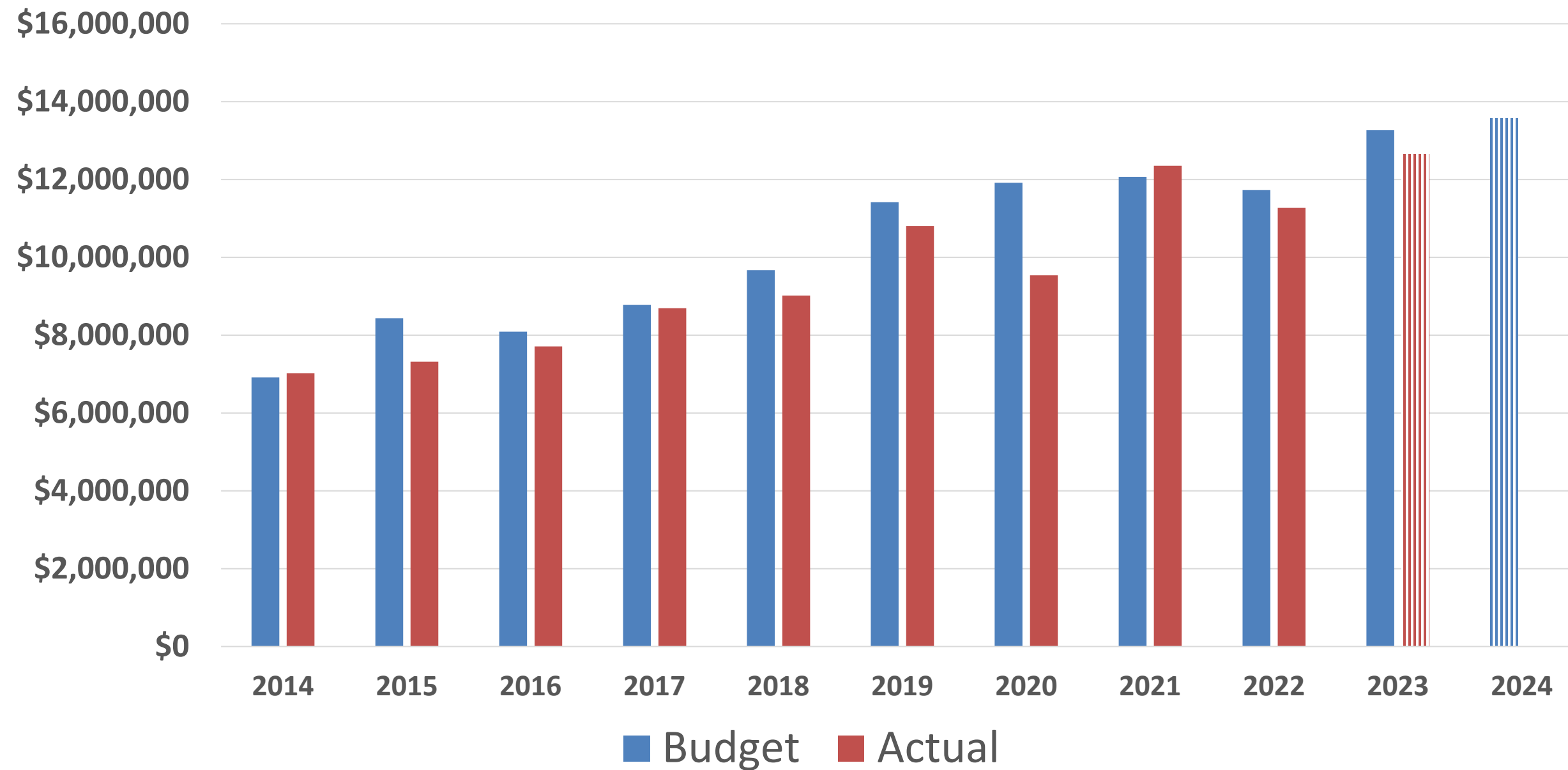
# Fees



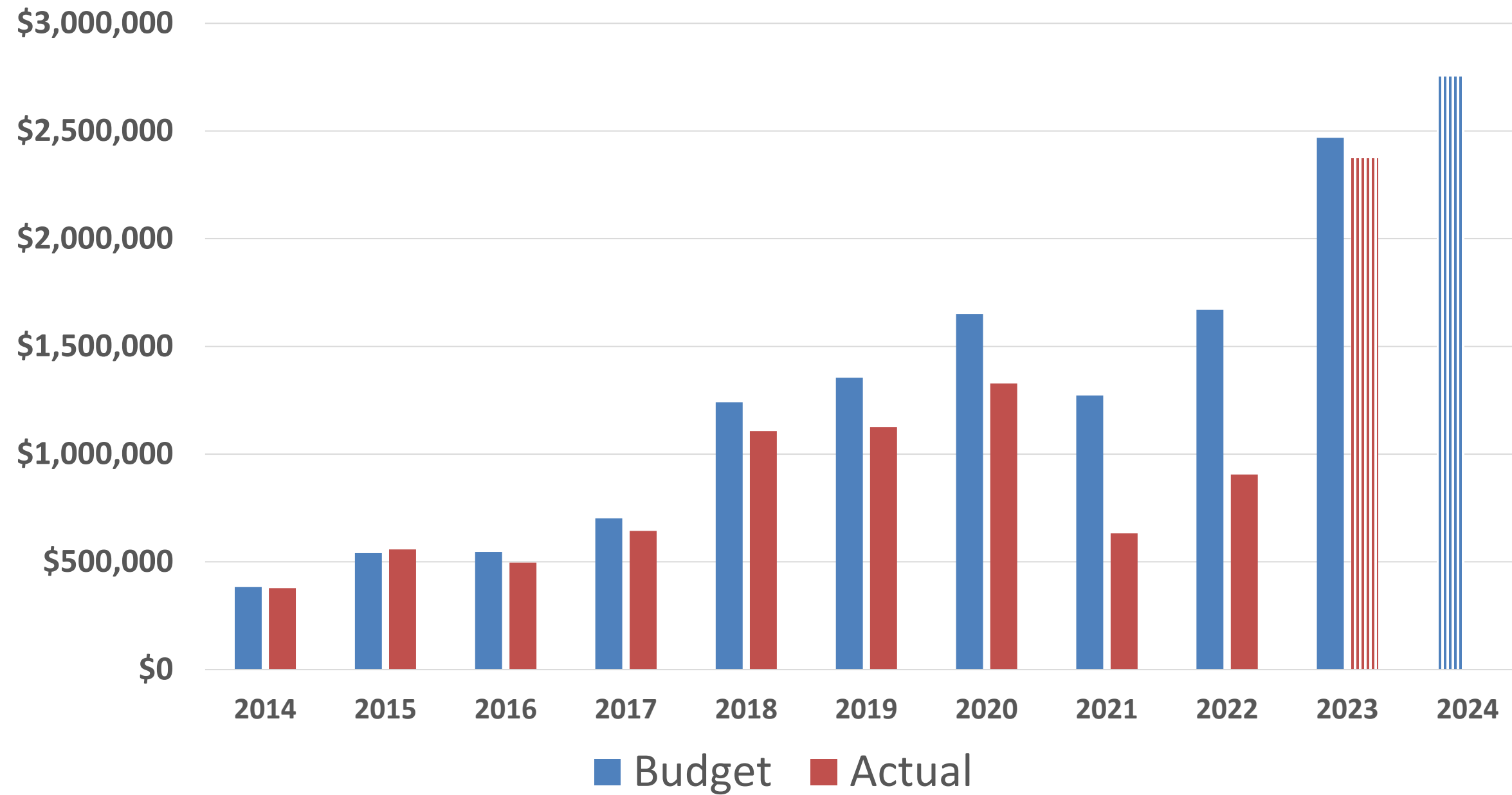
# Personnel



# Operating



# Capital Outlay



# Fee Schedule Update

- **Minimal changes**
- **Water/Sewer fee increase**
- **Will take to Council for approval on 8/15**

# General Fund

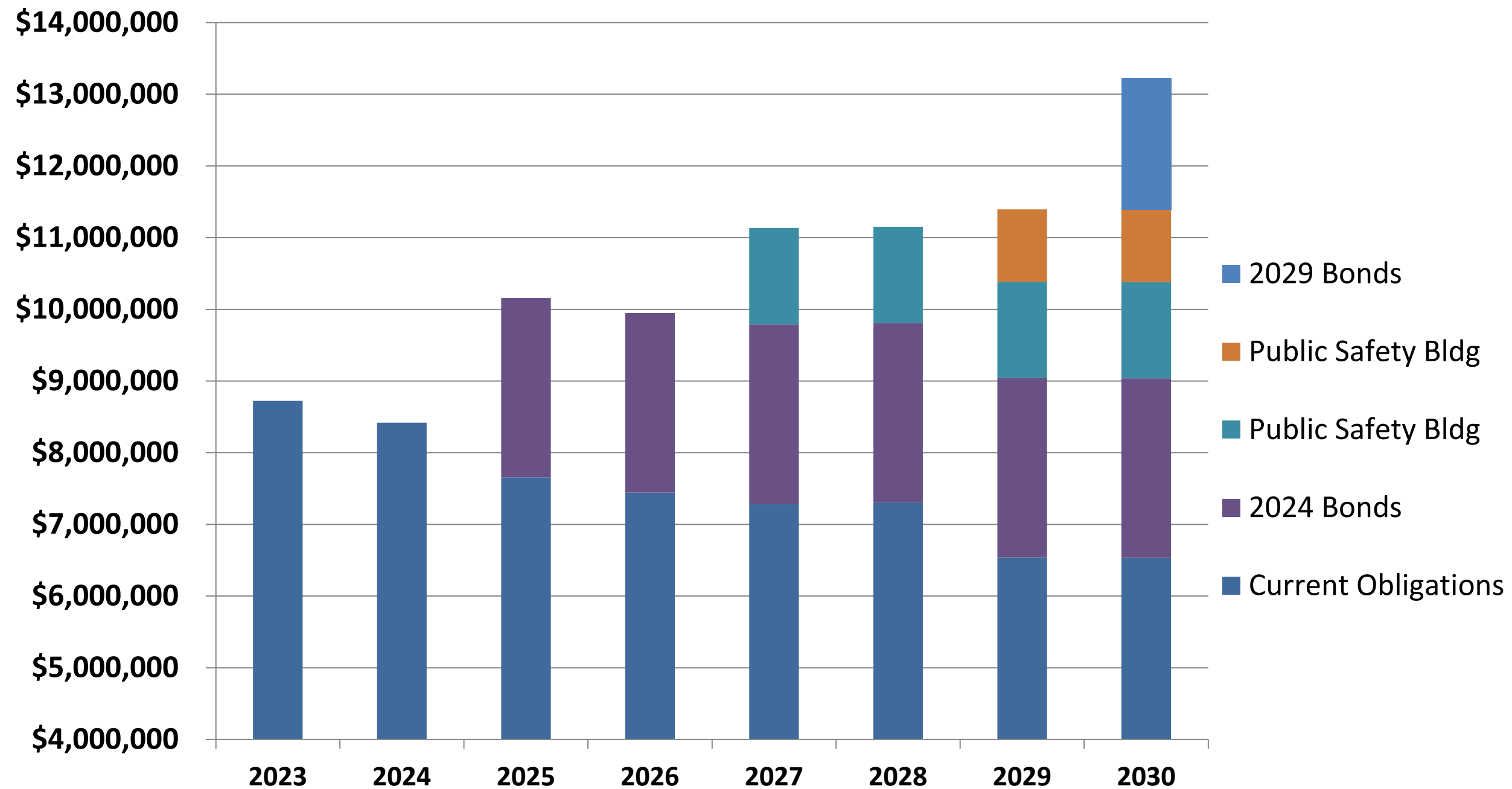
- **Proposed Budget meets the 26% Fund Balance requirement**
- **Utilize excess fund balance for street maintenance and repair over the next 5 years**

# 5 Year Summary – I&S Fund

- **At I&S Rate of \$0.1548:**  
Includes the following upcoming debt issuances:
  - **FY 23/24 - \$37,250,000**
  - **FY 25/26 - \$20,000,000**
  - **FY 26/27 - \$15,000,000**
  - **FY 28/29 - \$25,000,000**



# General Fund Debt Service



# CUT LINE DISCUSSION

# What's Below the Line: Summary

	<u>Requested</u>	<u>Funded</u>	<u>Unfunded</u>
<b>General Fund</b>	<b>\$8,093,000</b>	<b>\$5,144,500</b>	<b>\$2,948,500</b>
<b>EMS</b>	<b>\$1,294,770</b>	<b>\$1,076,900</b>	<b>\$217,870</b>
<b>Drainage</b>	<b>\$292,900</b>	<b>\$68,000</b>	<b>\$224,900</b>
<b>Water/Wastewater</b>	<b>\$1,714,064</b>	<b>\$996,500</b>	<b>\$717,564</b>

# What's Below the Line: General Fund

- Police
- Fleet
- Parks
- Police
- Fire
- Public Works - Streets
- Library
- HR
- Facilities Services
- Parks
- Public Works - Street
- Facilities Services
- Engineering
  
- Facilities Services

Crime Analyst  
Additional Fleet Mechanic  
Park Maintenance Career Ladder  
Senior Animal Services Officer  
Fire Prevention Administrative Assistant  
Additional crew truck  
Administrative Assistant  
Paid Parental Leave  
Administrative Assistant  
Trail Development Coordinator  
Street Worker 1  
2 replacement trucks  
Installation of formal pedestrian crossings on Savannah Drive and Homestead Parkway  
2 Facilities Technicians

# What's Below the Line: General Fund

- Fleet
- Public Works - Streets
- Facilities Services
- Engineering
- Fleet
- Parks
- City Secretary
- Public Works – Streets
- Engineering
- Parks
- Facilities Services
- Library
- Public Works - Streets
- Facilities Services

Replacement of generator at Emergency Services Building  
Street Worker II  
Truck for Electrical Journeyman  
MS4 and Floodplain Administrator Position  
Automatic Garage Door Openers for 11 bay doors at Building 27 Fleet Mechanic Shop.  
Irrigation Technician  
P/T Records Management Coord./Admin. Asst.  
Signal-Sign Tech II  
Outsourcing of Traffic Studies  
Marketing Specialist  
Combination building-sewer jetter/pressure sprayer trailer  
Outreach Librarian  
Sidewalk/Concrete Repair & Installation  
Irrigation contracts

# What's Below the Line: Enterprise Funds

## Drainage

- Drainage Dump Trailer
- Cibolo Creek Tree Removal
- Drainage UTV
- Drainage Worker I
- Drainage Worker II

## EMS

- Medic 3 – 12-hour conversion (2 personnel)
- Paramedic Floats (2 personnel)
- Full-time Supply Coordinator
- Field Training Officer
- Administrative Assistant for Billing

## Water & Sewer

- SCADA Service Truck
- Public Works Administrative Assistant
- Service Worker I - Two Positions
- Water/Wastewater Mini Dump Truck

# City Holidays

## Official City Holidays

• New Year's Day	• Martin Luther King, Jr. Day	• President's Day
• Memorial Day	• Independence Day	• Labor Day
• Columbus Day	• Veteran's Day	• Thanksgiving Day
• Christmas Eve	• Christmas Day	

- **Juneteenth Discussion**

ACTION ITEM – SET  
PRELIMINARY TAX RATE



# TAX RATE

Current	\$0.4950
No New Revenue	\$0.4554
Voter Approval	\$0.4872
Proposed Tax Rate	\$0.4872

# CIP & PROJECT UPDATES

# Water / Wastewater

## **FY 22-23 Completed**

- **Crest Oak Sewer Line: \$1.1M (construction costs)**
- **Northcliffe and NACO Generators Design: \$40,000**
- **Aviation Heights Waterline Replacement Phases 5-7: \$1.8M**
- **Fred Couples to Schwab Water Main: \$456,000**
- **Homestead Force Main Phase 2 Participation: \$322,000**

# Water / Wastewater

## FY 22-23 In Process

- Northcliffe and NACO Generators – ARP Funding: \$596,000
- Corbett GST – Water Impact Fees and Federal Appropriations Grant: \$7.5M (construction costs)
- SCADA Upgrades – ARP Funding: \$189,000
- FM 2252 Utility Relocations – ARP Funding: \$295,000
- East Live Oak to IH-35 24" Water Transmission Line – Engineering: \$1.2M
- Woman Hollering Creek Wastewater Project: \$12M (construction costs)
- Graytown and Ware-Seguin Loop Lines: \$4.4M
- Riata Lift Station Relocation – TxDOT Reimbursable: \$2.4M
- FM 1518 Utility Relocations: \$14.7M

# Water / Wastewater

## FY 23-24 Planned

- **East Live Oak to IH-35 24" Water Transmission Line – Easement Acquisition: \$1M**
- **Cibolo West Wastewater Trunk Main Route Study – Joint Project with GVSUD: \$205,000**
- **IH 35 NEX Utility Relocations – TxDOT Reimbursable: \$2.8M**
- **Greenshire Waterline replacement project – ARP Funding: \$3.3M**
- **Northcliffe Country Club Estates Water Main Replacements: \$3.2M**

# Drainage

## **FY 22-23 Completed**

- **FM 78 Drainage Channel Design Phase: \$36,700**

## **FY 23-24 Planned**

- **FM 78 Drainage Channel Construction Phase: \$350,000**
- **Riata Detention Reconfiguration - TxDOT  
Reimbursable: \$1M**

# Fa cilitie s

## **FY 22-23 Completed**

- **HVAC replacement at Library Server Room: \$49,000**
- **Parks Remodel (Building 10) – Designed: \$75,850**
- **Kramer House deck remodel: \$8,500**

## **FY 22-23 In Process**

- **Civic Center Insulation Improvement: \$25,000**
- **Kramer House landscaping & stone walkway: \$4,000**
- **Library Sound Mitigation: \$15,000**

# Fa cilitie s

## **FY 23-24 Planned**

- **City Hall (Building 1) Countertop Remodel: \$138,000**
- **Police Department (Building 6) HVAC Replacement: \$150,000**
- **Parks Remodel (Building 10)-Construction: \$750,000**
- **City Hall (Building 1) HVAC Replacement: \$250,000**
- **Fire Station 4: Construction: \$12M**



# Streets

## **FY 22-23 Completed**

- **2020 Fog Seal (fog seal over 2018 chip seal): \$147,000**
- **Elbel Storm Drain & Overlay: \$2.1M**
- **Tri County Parkway (EDC Funded): \$5.096M**
- **2020 SPAM (slurry seal): \$2.215M**
- **PCI Data Collection: \$123,000**

## **FY 22-23 In Process**

- **Lookout Road (EDC funded): \$5.25M**
- **Main Street: \$20M**

# Streets

## **FY 22-23 Planned**

- **Trainer Hale Repairs, FM 1518 – Weir: \$130,000**
- **Beck Street and Ashley Place Unit 1 (Resurface): \$195,000**
- **Windy Meadows Overlay, FM 1518-Oak Street: \$340,000**

# Streets

## FY 23-24 Planned

- **Schertz Parkway Resurfacing, Woodland Oaks to I-35: \$530,000**
- **2024 SPAM Resurfacing (5 subdivisions & 2 streets) : \$664,000**
- **2024 SPAM Rehabilitation (3 subdivisions & 1 street): \$2.17M**
- **Lower Seguin Rd Prelim Design and Environmental Clearance: \$1M**

# Parks

## **FY 22-23 Completed**

- **Wendy Swan Memorial Park Improvements: \$499,000**
  - **Splashpad, Basketball Court, Swing Set, Trees, Irrigation, Accessible Route, Picnic tables, BBQ pits, Fencing, Restroom renovation (in process)**
- **Cibolo Valley Drive Medians Landscaping & Irrigation: \$132,945**
- **New Christmas Tree: \$31,000**
- **Playground Safety Surfacing \$11,000**
- **Cypress Point Park 14 Trees with Irrigation: \$26,000**
- **Crescent Bend Nature Park Automatic Gate: \$11,000**

# Parks

## **FY 22-23 In Process**

- **Cypress Point Park Shade Structure & New Swing w/Shade: \$90,000 (\$57,500 Grant-Funded)**
- **Skate Park Light: \$10,000**
- **Heritage Oaks Park Pedestrian Bridge: Developer**
- **Senior Center Garden Addition: \$25,000**
- **Schertz Soccer Complex Irrigation Storage: \$138,000**
- **Great Northern Trail – Riata Segment: \$60,000**
- **Crescent Bend Nature Park Master Plan: \$49,000**
- **Dietz Creek Trail: \$1,250,000 (20% city match/80% AAMPO)**

# Parks

## **FY 23-24 Planned Projects**

- **Thulemeyer Park Renovation: \$300,000**
- **Dry Comal Creek Park and Trail \$300,000**
- **Permanent LED Holiday Lighting December 2025**
- **Holiday Trail of Lights Plan December 2025**

# Discussion