



SPECIAL CALLED

MEETING OF THE

TEMPLE CITY COUNCIL

MUNICIPAL BUILDING

2 NORTH MAIN STREET
CITY COUNCIL CHAMBERS – 2ND FLOOR
TEMPLE, TX

FRIDAY, AUGUST 24, 2018

8:30 A.M.

AGENDA

I. CALL TO ORDER

1. Invocation
2. Pledge of Allegiance

II. BUDGET ITEMS

3. [2018-9252-R](#): PUBLIC HEARING – Conduct a public hearing regarding the City’s budget for fiscal year beginning October 1, 2018 and ending September 30, 2019 and consider adopting a resolution:
 - (A) Adopting the City’s budget for fiscal year beginning October 1, 2018 and ending September 30, 2019, including the Operating Budget for 2018-2019, Capital Improvement Plan, General Government Pay Plan, Fiscal & Budgetary Policy, and Investment Policy.
 - (B) Ratifying the property tax increase reflected in the budget – “This budget will raise more total property taxes than last year’s budget by \$1,034,826 a 3.78% increase and of that amount, \$727,677 is tax revenue to be raised from new property added to the tax roll this year.”
4. [2018-4926](#): SECOND & FINAL READING –Consider adopting an ordinance approving the tax roll and authorizing calculation of the amount of tax that can be determined for all real and personal property in the City for the tax year 2018 (fiscal year 2019).

5. [2018-4927](#): SECOND & FINAL READING - Consider adopting an ordinance setting a tax rate of \$0.6612 per \$100 valuation, comprised of \$0.2982 for maintenance and operations and \$0.3630 for debt service, for Fiscal Year 2019 (Tax Year 2018), making the appropriation for the regular operation of the City.

III. REGULAR AGENDA

6. [2018-9253-R](#): Consider adopting a resolution setting the collection charges for solid waste services.
7. [2018-9254-R](#): Consider adopting a resolution amending the drainage fees for residential customers to ratify the waiver of the drainage fee for residential customers that use less than 2,000 gallons of water in a billing cycle.
8. [2018-9255-R](#): Consider adopting a resolution authorizing a professional services agreement with Kasberg, Patrick and Associates, of Temple, in an amount not to exceed \$93,800 for professional services for the Ferguson Park Neighborhood Planning District utility schematic and concept design project.

City Council will recess the meeting and convene the executive sessions in the 3rd Floor Conference Room.

IV. EXECUTIVE SESSION

9. Discuss the employment, duties, and work plan of the City Secretary.

Texas Government Code § 551.074 – The City Council will meet in executive session to discuss the hiring process, appointment, employment, and duties of the City Secretary. No final action will be taken.

10. Discuss the employment, duties, and work plan of the City Attorney.

Texas Government Code § 551.074 – The City Council will meet in executive session to discuss the hiring process, appointment, employment, and duties of the City Attorney. No final action will be taken.

The City Council reserves the right to discuss any items in executive (closed) session whenever permitted by the Texas Open Meetings Act.

I hereby certify that a true and correct copy of this Notice of Meeting was posted in a public place at 2:45 pm, on Friday, August 17, 2018.



City Secretary, TRMC

SPECIAL ACCOMMODATIONS: *Persons with disabilities who have special communication or accommodation needs and desire to attend this meeting should notify the City Secretary's Office by mail or telephone 48 hours prior to the meeting date.*

I certify that this Notice of Meeting Agenda was removed by me from the outside bulletin board in front of the City Municipal Building at _____ on the _____ day of _____ 2018. _____



COUNCIL AGENDA ITEM MEMORANDUM

08/24/18
Item #3
Special Agenda
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DEPT./DIVISION SUBMISSION & REVIEW:

Brynn Myers, City Manager
Traci L. Barnard, Director of Finance

ITEM DESCRIPTION: PUBLIC HEARING – Conduct a public hearing regarding the City's budget for fiscal year beginning October 1, 2018 and ending September 30, 2019 and consider adopting a resolution:

- (A) Adopting the City's budget for fiscal year beginning October 1, 2018 and ending September 30, 2019, including the Operating Budget for 2018-2019, Capital Improvement Plan, General Government Pay Plan, Fiscal & Budgetary Policy, and Investment Policy.
- (B) Ratifying the property tax increase reflected in the budget – "This budget will raise more total property taxes than last year's budget by \$1,034,826, a 3.78% increase, and of that amount, \$727,677 is tax revenue to be raised from new property added to the tax roll this year."

STAFF RECOMMENDATION: Adopt resolution as described in item description.

ITEM SUMMARY: This item is to conduct a public hearing and adopt the 2018-2019 proposed budget. Attached is a list of changes, for all funds, that have been made since the budget was filed with the City Secretary on June 22, 2018. The changes are a result of Council work sessions, receipt of the certified tax roll, public input and updated information since the Council last reviewed the budget.

The ad valorem tax rate is proposed at \$0.6612. This proposed tax rate is comprised of a decrease to the maintenance and operation rate of \$0.160 and no change to the debt service rate. The proposed Maintenance and Operation rate (M&O) is \$0.2982 and the Interest and Sinking fund rate (I&S) is \$0.3630 for a total rate of \$0.6612. The proposed rate is 2.77% above the effective tax rate of \$0.6434.

The proposed Budget with the subsequent changes as listed on the attached page remains balanced with the use of Undesignated Fund Balance-Capital Projects and meets the operational needs as requested.

FISCAL IMPACT:

The budget is summarized below by fund.

FY 2019 Proposed Annual Budget

(As Compared to Adopted FY 2018 Budget)

Revenues/Other Sources	Adopted Budget FY 2018	PROPOSED Budget FY 2019	% Increase/ (Decrease)
General Fund	\$ 70,460,686	\$ 74,038,158	5.08%
Water & Wastewater Fund	34,428,191	35,917,181	4.32%
Debt Service Fund	16,598,413	17,429,889	5.01%
Hotel/Motel Tax Fund	1,903,300	2,028,000	6.55%
Federal/State Grant Fund	431,615	536,232	24.24%
Drainage Fund	2,300,050	2,754,500	19.76%
Reinvestment Zone No. 1 Fund	16,107,144	16,990,273	5.48%
Total Revenues/Other Sources	\$ 142,229,399	\$ 149,694,233	5.25%

Expenditures/Transfers	Adopted Budget FY 2018	PROPOSED Budget FY 2019	% Increase/ (Decrease)
General Fund	\$ 73,281,539 ⁽¹⁾	\$ 77,358,633 ⁽³⁾	5.56%
Water & Wastewater Fund	34,428,191	35,917,181	4.32%
Debt Service Fund	16,740,207	17,450,971	4.25%
Hotel/Motel Tax Fund	1,924,000 ⁽²⁾	2,131,200	10.77%
Federal/State Grant Fund	431,615	536,232	24.24%
Drainage Fund	2,300,050	2,754,500	19.76%
Reinvestment Zone No. 1 Fund	17,253,914	11,542,276	-33.10%
Total Expenditures/Transfers	\$ 146,359,516	\$ 147,690,993	0.91%

⁽¹⁾ Includes the use of \$2,438,453 in Undesignated Fund Balance - Capital Projects to fund Capital of \$1,529,182, TEDC Matrix allocation of \$221,146, Strategic Investment Zone of \$162,000, Capital Replacement - Sanitation Vehicles of \$273,575 and Capital Replacement - Public Safety P25 Radios of \$252,550. Also includes the use of \$382,400 in Designated Fund Balance for General Government Compensation Plan.

⁽²⁾ Includes the use of \$20,700 in Designated Fund Balance for General Government Compensation Plan.

⁽³⁾ Includes the use of \$3,320,475 in Undesignated Fund Balance - Capital Projects to fund Capital of \$1,833,739, TEDC Matrix allocation of \$863,236, Strategic Investment Zone of \$100,000, and Debt Service for Capital Replacement - Sanitation Vehicles of \$274,000 and for Capital Replacement - Public Safety P25 Radios of \$249,500.

ATTACHMENTS:

Budget Transmittal Letter

Schedule of Adjustments (to the proposed budget filed with City Secretary on June 22, 2018)

General Government Pay Plan

Fiscal & Budgetary Policy

Investment Policy

Resolution

BUDGET MESSAGE



Message from the City Manager

June 22, 2018

Honorable Mayor and City Council,

It is my privilege to present to you my proposed Fiscal Year 2019 Budget for the City of Temple. The annual budget guides the City's plan for providing the services, facilities, and infrastructure that has helped make Temple a community of choice. The development and adoption of the annual budget is a task of primary importance for the City Manager and the City Council.

This is an exciting time to be part of this incredible community as we prepare for the future ahead. The strategic and fiscally sound management by Temple's elected officials over the course of many years has served this community well. I'm fortunate to be Temple's city manager at a great time. The City continues to implement the largest capital improvement program in the history of the community while we also prepare the big plans that will help us remain a city of choice to live, work, and play.

Great things are happening right now. The City of Temple has excellent, dedicated staff and 2018 has brought new city leadership and a new strategic plan will soon be developed that will lay the foundation for a bright future.

For Fiscal Year 2019, my proposed budget totals \$147,853,668 for all funds. This proposed annual budget has been developed with the goal of providing a wide range of high-quality services while maintaining fiscal soundness as the foundation of all that we do.

The proposed property tax rate remains steady at 67.72¢ per \$100 valuation.

This year's budget has been developed within the framework of the strategic plan priorities adopted by the City Council and the budget parameters that I briefed the Council on at the May 17, 2018 budget work session. Those parameters are:

- maintain fiscal soundness;
- focus on core mission and activities;
- maintain or improve services and service levels;
- continue to improve infrastructure;
- continue to support and develop our workforce; and
- align strategic, financial, and staff work plan.



Great things are happening right now. The City continues to implement the largest capital improvement program in the history of the community while we also prepare the big plans that will help us remain a city of choice to live, work, and play.

FY 2019 Focus Areas

The focus of the FY 2019 Proposed Budget is on providing services that our residents request while responding to the growth of our community. I believe this proposed budget reflects a fiscally responsible approach to improving the City's infrastructure and maintaining quality City services to a growing population.

The Proposed FY 2019 Budget focuses on six (6) areas:

**Manage
Strategically**



**Protect our
Public Safety**



**Enhance our
Quality of Life**



**Deliver High
Quality Services**



**Invest in our
Infrastructure**



**Build Strong
Neighborhoods**



Manage Strategically

The first area of focus in the FY 2019 Proposed Budget is strategic management. Temple is committed to continuing our history of being a well-run, financially stable city as evidenced by our strong fund balance, conservative budgeting practices, and AA bond rating from Standard & Poor's.

Focus on the Future

Extensive planning processes are underway to ensure the successes of the past are carried forward into the future and that we are able to identify and act on strategic decisions. This year, we are in the process of updating our Water & Wastewater Master Plan as well as conducting a Drainage Study and Comprehensive Modeling Assessment. Also planned for later this year is a facilitated update to our Strategic Plan to establish the Council's goals and major priorities that will guide the organization as we make decisions and plan for the City's future.

The FY 2019 Proposed Budget recommends an update to the City's Comprehensive Plan, which was last updated in 2008.

The City's leaders are focused on enhancing the quality of life in Temple and guiding the growth of our community. As Temple continues to grow, an

updated Comprehensive Plan will lay the groundwork for the future development of our community. Extensive community engagement with our stakeholders and citizens is a central part of this important planning process.

The FY 2019 Proposed Budget also recommends an update to the Parks Master Plan, the Trails Master Plan, and the Bend of the River Master Plan.

Investing in our Economy

The City's diverse economy generates high-quality, well paying jobs that strengthen the sales and property tax base and contribute to an exceptional quality of life. In order for us to continue to meet the demands for current service, and in order for us to meet the needs of projected growth and development, it is critical that we continue to invest in expanding our tax base.

For over 10 years, the City of Temple has committed to fund an incentive pool through the Temple Economic Development Corporation (TEDC). This incentive pool provides funding for economic development incentives for new and/or expanding businesses.

The FY 2019 Proposed Budget continues that commitment and includes a \$863,236 placeholder to maintain and replenish the incentive pool funding level, as well as \$1,330,554 for the operations and maintenance component of TEDC.

Strategic Partnerships

Successful partnerships within the community help the City leverage service delivery and funding levels and offer the ability to respond to the needs of our growing community. In alignment with the Council's Outside Service Agency Funding Policy, the FY 2019 Proposed Budget recommends continued funding for all of our Strategic Partner agencies and includes an allocation of \$100,000 for Community Enhancement Grants.



The City's leaders are focused on enhancing the quality of life in Temple and guiding the growth of our community. As Temple continues to grow, an updated Comprehensive Plan will lay the groundwork for the future development of our community.

Unified Development



Comprehensive Plan

Protecting our public safety is a top priority for the City of Temple in providing a community where businesses can thrive and residents want to call home. One of the primary focus areas for the FY 2019 Proposed Budget is on enhancing public safety services by investing in positions, equipment, and technology.



Protect our Public Safety

Protecting our public safety is a top priority for the City of Temple in providing a community where businesses can thrive and residents want to call home. One of the primary focus areas for the FY 2019 Proposed Budget is on enhancing public safety services by investing in positions, equipment, and technology.

Positions

The FY 2019 Proposed Budget includes funding for additional positions within the Police Department including two new Crime Scene Technicians and a Communications Specialist position.

Additionally the budget recommends funding the second and third staffing phases for the new Proactive Enforcement/Violent Crime Squad in the Police Department. This new squad will allow a dedicated unit to routinely perform proactive strategies that are designed to reduce violent crime and apprehend criminal offenders.

The first staffing phase, which was funded in FY 2018, consisted of 2 police officers (1 addition and 1 reassignment) to establish the squad. The FY 2019 Proposed Budget recommends adding a sergeant and 2 additional police officers to the unit. The sergeant position is an addition to the force and the police officer positions would be reassigned as a result of the addition of the two non-sworn Crime Scene Technicians and the Communications Specialist position. Future staffing phases will include the addition of 2 police officers to bring the unit to full staffing.

The allocation to fund these additional positions is included in the base budget, with no tax rate impact, based on revenue estimates developed using the preliminary appraised value appraisal roll for Ad Valorem taxes. The certified roll will not be available from the Appraisal District of Bell County until late July. Therefore, the proposal is based on assumptions and may require adjustments prior to the final adoption of the budget.



Equipment

The FY 2019 Proposed Budget also recommends funding for the replacement of 11 marked and 1 unmarked police vehicles.

The FY 2019 Budget also includes a \$1,350,000 allocation to purchase a new ladder truck and new rescue truck for the Fire Department.

As our community continues to experience significant growth, several multi-story buildings have been built in the past few years and several more are being planned. An additional aerial ladder truck is needed to serve the south portion of the City of Temple. An additional rescue fire truck is also recommended to be added to the fleet.

Technology

The FY 2019 Proposed Budget also recommends funding for a cloud-based evidence management software system and connected devices for the Police Department.

The system includes TASER devices, in-car and body-worn video devices, a centralized digital evidence management system with unlimited video storage, and signal technology that automatically turns on in-car and body-worn cameras when a police officer performs certain events, such as drawing their TASER or sidearm or activating their vehicle's light bar.

Enhance our Quality of Life

Quality of life, the characteristics of our community that make it an attractive place in which to live and raise a family, is an important priority for the City of Temple and is another of the primary focus areas for the FY 2019 Proposed Budget. Recreational and leisure opportunities add to the City's excellent quality of life and the FY 2019 Proposed Budget proposes several areas of additional funding in our Parks & Recreation Department as well as our Library.

In May of 2015, voters approved a \$27,675,000 Parks bond package that includes 24 projects ranging from neighborhood park improvements, new community parks, new and upgraded athletic facilities, facility upgrades, water recreation projects, and linkage trails.

The largest project in the bond, Crossroads Community Park and Athletic Complex, is scheduled to be completed later this year and will open during FY 2019.

The FY 2019 Proposed Budget includes funding for a contract for services for maintenance expenses associated with Crossroads Park as well as other neighborhood and community parks in West Temple including Freedom Park, West Temple Park, Von Rosen Park, and Freedom Village Park.

The FY 2019 Proposed Budget also recommends allocating \$20,000 for operational funding for Miller Springs Nature Center while we continue to assess long-term strategies for this important community amenity.

An additional part-time Youth Services Librarian is recommended in the FY 2019 Proposed Budget to expand youth programming offerings to the weekends to allow more families access to these important educational opportunities.

The FY 2019 Proposed Budget includes a new GPS technology for the golf carts at Sammons Golf Links as well as the replacement of the north

pump station which is critical infrastructure to allow us to continue watering the course without using potable, treated water.

An additional Irrigation Technician is proposed in the FY 2019 Budget to allow us to perform preventative maintenance and make needed repairs to our irrigation systems. The number of irrigation systems operated and maintained by the City has more than tripled since any additional staffing has been added in this area.

Repairs, replacements, and additions to amenities are proposed at several parks and facilities to include Sammons Indoor Pool, Lions Junction Family Aquatic Center, West Temple Community Park, and Lions Community Park.

Also proposed in the FY 2019 Budget is an additional Program Coordinator position to develop and coordinate events in Downtown Temple. The Santa Fe Plaza, Santa Fe Market Trail, and MLK Festival Grounds will all be completed and be open during FY 2019. This additional position will help attract visitors to Downtown Temple by planning and programming events at these venues as well as others.





Our citizens expect city services to be provided in an efficient, professional, and practical manner. Our employees are the drivers of our ability to deliver high quality services and so attracting and retaining the very best employees is a critical strategy to ensure we are providing the highest levels of service in the most efficient way possible.



Deliver High Quality Services

The City of Temple is committed to delivering exceptional services to our community. Providing service is at the heart of what we do. We are a service based organization. With few exceptions, we do not produce or sell products; we provide services. Our citizens expect those services to be provided in an efficient, professional, and practical manner. Our employees are the drivers of our ability to deliver high quality services and so attracting and retaining the very best employees is a critical strategy to ensure we are providing the highest levels of service in the most efficient way possible.

Responding to Growth

The FY 2019 Proposed Budget includes funding for additional positions in Solid Waste and Recycling, Animal Services, Drainage, and Facility Services intended to maintain service levels in the midst of the growth of our community. The FY 2019 Proposed Budget includes the following additional positions:

- Solid Waste Route Foreman;
- Recycling Maintenance Worker;
- Solid Waste Customer Service Representative (converting from part-time to full-time);
- Drainage Crew Leader;
- Drainage Equipment Operator II;
- Drainage Equipment Operator I;
- Animal Services Officer (converting from part-time to full-time)
- Facility Attendant/Custodian.

Also recommended in the FY 2019 Proposed Budget is the replacement of **X** solid waste trucks as part of a 10 year replacement plan.

Creating a Culture of Service

The FY 2019 Budget also includes an allocation to continue our performance pay program for general government employees, as well as a 1.5% market adjustment for general government employees.

The proposed budget also includes continued funding for a group health insurance plan with an estimated City contribution increase of 15%, employee retirement plan, and employee longevity program.

The FY 2019 Proposed Budget includes an allocation to replace the City's human resource management system and performance management system.



Invest in our Infrastructure

The City continues to implement the largest capital improvement program in the history of the community and the FY 2019 Proposed Budget recommends significant funding to continue the priority of investing in our infrastructure in order to prepare for growth and redevelopment as well as to preserve our assets and the investments made by the generations before us.

Transportation

The FY 2019 Proposed Budget includes the seventh year of a multi-year transportation capital improvement program. The Transportation CIP (TCIP) is a ten-year, \$140,258,343 effort to expand and maintain our major transportation infrastructure.

The FY 2019 Proposed Budget includes funding for the construction of the following projects:

- North Pea Ridge Phase 1
- Outer Loop South Phase 4
- Poison Oak
- Kegley Road Phase 3 & 4

The proposed budget also includes funding for design and right-of-way acquisition for South Pea Ridge.

Drainage

This year, we are in the process of conducting a Drainage Study and Comprehensive Modeling Assessment. The study is expected to be complete by the end of the year.

The FY 2019 Proposed Budget includes a placeholder to implement projects based on the completed study.

Water and Wastewater

The City has invested almost \$142,716,000 over the past 10 years in improving and extending our water and sewer infrastructure. We will be completing the Water and Wastewater Master

Plan update this year. The Master Plan will evaluate system demands and improvements through 2070.


The FY 2019 Proposed Budget includes an additional \$22,000,000 in capital funds to implement water and wastewater improvement projects. Highlights of projects recommended for funding in FY 19 include:

- Bird Creek Interceptor Phase 4
- Scott Elevated Storage Tank Rehabilitation
- Water Treatment Plant Disinfection Byproduct Reduction Initiative
- Gateway Center Area Utility Improvements

Also recommended for funding in the FY 2019 Proposed Budget is an additional Vector Crew and additional Camera Crew to enhance our wastewater system maintenance as well as an additional crew leader in Utility Services.

The FY 2019 Proposed Budget also includes an GIS Modeler position to maintain the water, wastewater, and drainage models that are being developed as part of the master planning work that is currently underway.

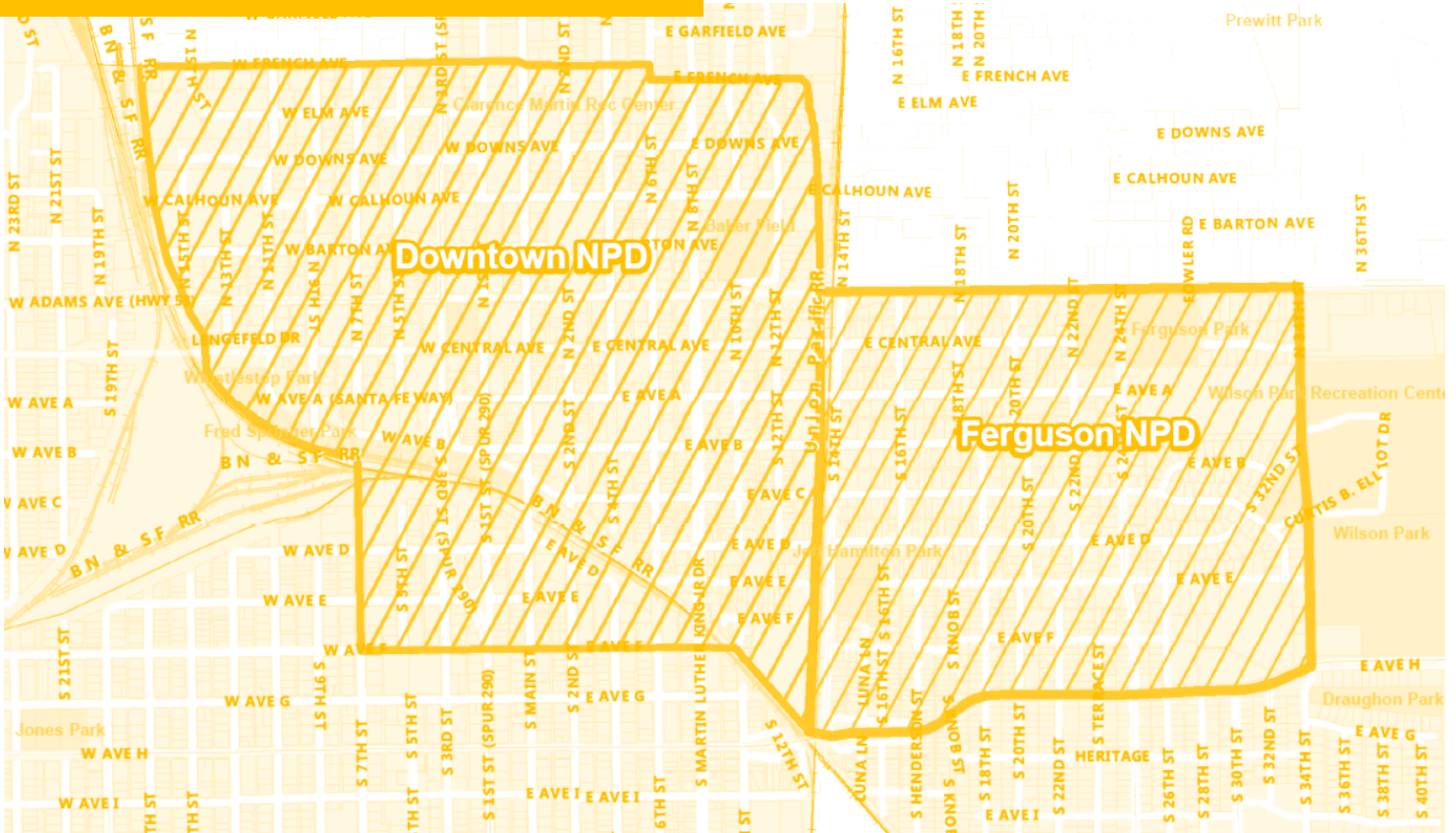




The FY 2019 Proposed Budget recommends significant funding to continue the priority of investing in our infrastructure in order to prepare for growth and redevelopment as well as to preserve our assets and the investments made by the generations before us.



Imagine This.



Build Strong Neighborhoods

The FY 2019 Proposed Budget continues to leverage our Community Development Block Grant (CDBG) funds to assist with the implementation of our efforts to build strong neighborhoods by reinvesting in East and North Temple. Programs proposed for funding include the housing improvement program, solution-oriented code compliance, infrastructure improvements, crime prevention, and the demolition program.

The FY 2019 Proposed Budget recommends targeting our resources to a specific area to generate greater impact and effectiveness in leveraging additional resources.

The current year budget includes an allocation of funding to begin a strategic plan for the redevelopment of the Ferguson Park neighborhood planning district. That project will begin very soon and the results of that plan should be used to guide the implementation of the programs proposed in the FY 2019 Budget.

The FY 2019 Proposed Budget includes an allocation of funding to provide grants to low and moderate income residents to repair or rebuild homes in our targeted area as well as provides incentives to developers to invest in housing in East Temple.

An additional police officer focused on crime prevention strategies in Downtown and the Ferguson Park neighborhood planning district is proposed in the FY 2019 Budget.

An allocation to design and construct infrastructure improvements including water, wastewater, and transportation improvements based on the Ferguson Park neighborhood planning district strategic plan is proposed in the FY 2019 Budget.

The FY 2019 Budget also includes converting the part-time Recreational Specialist position to a full-

time position to more effectively coordinate efforts in enhancing access to youth recreational opportunities in East Temple. This position will be based at the Wilson Recreation Center.

The FY 2019 Proposed Budget also includes an allocation of \$100,000 to continue our Strategic Investment Zone grant program which is focused on incentivizing redevelopment in our targeted neighborhoods and corridors including Downtown, Central, and Avenue C.



Financial Highlights

General Fund Revenues

Total revenues for the FY 2019 General Fund Budget are presented at \$74,509,833 an increase of 5.75% compared to the FY 2018 Adopted Budget. The three largest sources of revenue for the General Fund are sales tax, property tax, and solid waste charges.

Property Tax

In the FY 2019 Budget, property tax accounts for 19.20% of the General Fund budgeted revenues and is the second largest revenue source of the General Fund. The proposed property tax rate remains steady at 67.72¢ per \$100 valuation.

This rate is based on a preliminary appraised value of \$4,388,842,772 (net taxable value not adjusted for frozen values). The tax rate is comprised of two components, the Maintenance and Operations rate (M&O) and the Interest Sinking rate (I&S). This year's tax rate is 31.42¢ for the M&O rate and 36.30¢ for the I&S rate.

The certified appraisal roll for Ad Valorem taxes will not be available from the Appraisal District of Bell County until late July. Therefore, the proposed tax rate is based on assumptions and may require adjustments prior to the final adoption of the budget.

Sales Tax

While much attention is focused on the property tax rate number, our single largest source of revenue for the General Fund continues to be sales tax revenue. In the FY 2019 Budget, sales tax is projected to account for 30.24% of the General Fund budgeted revenues.

The FY 2019 Budget estimates \$22,530,000 in sales tax revenue, a 5.18% increase in sales tax revenue over budgeted FY 2018 sales tax revenue.

Solid Waste Rates

Charges associated with solid waste services represent the third largest source of revenue for the General Fund and are projected to account for 15.71% of total General Fund revenues. \$11,703,090 in solid waste revenue is projected for FY 2019, representing an 5.70% increase from the FY 2018 solid waste revenue adopted budget of \$11,072,295. A \$1.00 per month rate adjustment is proposed for residential solid waste services and a 5% rate adjustment is proposed for commercial solid waste services.



The proposed property tax rate remains steady at 67.72¢ per \$100 valuation.

General Fund Expenditures

Total expenditures for the FY 2019 General Fund Budget are presented at \$77,521,308, an increase of 5.79% compared to the FY 2018 Adopted Budget.

Water and Wastewater Fund

Total revenues for the FY 2019 Water and Wastewater Fund Budget are presented at \$35,917,181, an increase of 4.32% compared to the FY 2018 Adopted Budget. These revenues are based on rates that remain unchanged from current year.

Expenses, capital improvements, and debt service for the FY 2019 Water and Wastewater Fund Budget are presented at \$35,917,181, an increase of 4.32% compared with prior year.

Conclusion

Hotel/Motel Tax Fund

Total revenues for the Hotel/Motel Fund Budget are presented at \$2,028,000, an increase of 6.55% compared to the FY 2018 Adopted Budget. 18.10% of the Hotel/Motel revenues are from the operations of the Frank Mayborn Center. Expenditures for the Hotel/Motel Fund Budget are presented at \$2,131,200, an increase of 10.77% compared to the FY 2018 Adopted Budget.

Federal and State Grant Fund

Total revenues and expenditures for Federal and State Grant Fund Budget are presented at \$536,232, an increase of 24.24% compared to the FY 2018 Adopted Budget. Total revenues include the award of the Community Development Block Grant (CDBG). The proposed allocation of CDBG funds are as follows:

Demolition - \$14,175
Housing Improvement Program - \$284,377
Crime Prevention Program- \$80,434
Infrastructure Improvements- \$50,000
General Administration - \$104,246

Drainage Fund

Total revenues and expenditures are presented at \$2,754,500, a 19.76% increase from prior year.

This is only a brief synopsis of the Proposed Budget for FY 2019. Developing the budget is a team effort that requires participation and input by citizens, City Council, and City staff. I would like to extend my thanks to all of the Department and Division Heads who contributed to the development of this budget.

Finally, I want to extend a special word of appreciation to Director of Finance Traci Barnard and her staff for their many hours of work and effort. Of special note is the work done by Assistant Director of Finance Melissa Przybylski and Budget Manager Jennifer Emerson.

Without the commitment, dedication, and countless hours of work performed by Traci, Melissa, and Jennifer this document would simply not be possible.

Respectfully submitted,



Brynn Myers
City Manager

FY 2019

GENERAL FUND PROPOSED BUDGET

SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 06-22-18	Current as of 08-24-18	
Projected Revenues	\$ 74,509,833	\$ 74,038,158	\$ (471,675) ^A
Proposed Budget Expenditures	76,014,508	75,851,833	(162,675) ^B
Excess Revenues Over (Under) Expenditures	(1,504,675)	(1,813,675)	(309,000)
Transfers In (Out):			
Less: Transfer Out To Debt Service Fund -			
LTN 2013 - Sanitation Vehicles, CNG Facility and Recycling Containers	(983,300)	(983,300)	-
CO 2017 - Sanitation Vehicles	(274,000)	(274,000)	-
CO 2017 - PS P25 Radios	(249,500)	(249,500)	-
Total Transfer In (Out)	(1,506,800)	(1,506,800)	-
Excess Revenues Over (Under) Expenditures for FY 2019	\$ (3,011,475)	\$ (3,320,475)	\$ (309,000)
Excess Revenues Over (Under) Expenditures for FY 2019			
- TEDC Matrix Funding	\$ 863,236	\$ 863,236	\$ -
- Strategic Investment Zone Funding	100,000	100,000	-
- Capital Funded with Fund Balance	1,524,739	1,833,739	309,000 ^C
- Capital Replacement - Sanitation Vehicles	274,000	274,000	-
- Capital Replacement - PS P25 Radios	249,500	249,500	-
	\$ 3,011,475	\$ 3,320,475	\$ 309,000

Explanation of Changes from Filed Budget to Proposed Budget @ 08/24/2018:

^A Revenue Changes:

Required adjustment from preliminary to certified tax roll	\$ (543,828)
Adjusted revenue estimates	72,153
Total Revenue Changes	\$ (471,675)

^B Expenditure Changes:

Various operational adjustments	\$ 167,325
Funding source change for Axon (O&M to Undesignated Fund Balance)	(330,000)
Total Expenditures Changes	\$ (162,675)

^C Fund Balance Changes:

Funding for Axon	\$ 330,000
Removal of replacement of unmarked until of Asset 12783	(21,000)
Total Expenditures Changes	\$ 309,000

Net Revenue Over (Under) Expenditures

\$ -

FY 2019
DEBT SERVICE FUND PROPOSED BUDGET
SCHEDULE OF ADJUSTMENTS AFTER FILING PROPOSED BUDGET

	Proposed Budget		Increase (Decrease)
	Filed Copy as of 06-22-18	Current as of 08-24-18	
Projected Revenues	\$ 15,578,295	\$ 15,658,920	\$ 80,625 ^A
Proposed Budget Expenditures	17,450,971	17,450,971	- ^B
Excess Revenues Over (Under) Expenditures	\$ (1,872,676)	\$ (1,792,051)	80,625
Transfers In (Out):			
Plus: Transfer In From General Fund -			
LTN 2013 - Sanitation Vehicles, CNG Facility and Recycling Containers	983,300	983,300	-
CO 2017 - Sanitation Vehicles	274,000	274,000	-
CO 2017 - PS P25 Radios	249,500	249,500	-
Plus: Transfer In From Drainage Fund -			
CO 2017 - Drainage CIP	264,169	264,169	
Total Transfer In (Out)	1,770,969	1,770,969	-
Excess Revenues Over (Under) Expenditures for FY 2019	\$ (101,707)	\$ (21,082)	\$ 80,625
Recommended Use of Undesignated Fund Balance	101,707	21,082	(80,625) ^A
	\$ -	\$ -	\$ -

Explanation of Changes from Filed Budget to Proposed Budget @ 08/24/2018:

^A **Revenue Changes:**

Required adjustment from preliminary to certified tax roll	\$ 80,625
Decrease in recommended use of Undesignated Fund Balance	(80,625)
Total Revenue Changes	\$ -

^B **Expenditure Changes:**

None	\$ -
Total Expenditures Changes	\$ -
Net Revenue Over (Under) Expenditures	\$ -

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Pay Grade	Pay Basis	Minimum	1st Quartile	Midpoint	3rd Quartile	Maximum	Position Title	Position Number
200	Annual	89,211.20	103,708.80	118,206.40	132,704.00	147,201.60	DIRECTOR OF HUMAN RESOURCES	27009
	Hourly	42.89	49.86	56.83	63.80	70.77	DIRECTOR OF INFORMATION TECHNOLOGY	19005
							DIRECTOR OF PARKS & RECREATION	32005
							DIRECTOR OF PLANNING	17002
201	Annual	93,683.20	108,908.80	124,113.60	139,339.20	154,564.80	DIRECTOR OF PUBLIC WORKS	39005
	Hourly	45.04	52.36	59.67	66.99	74.31	FIRE CHIEF	22005
							POLICE CHIEF	20005
202	Annual	98,363.20	114,337.60	130,332.80	146,307.20	162,302.40	ASSISTANT CITY MANAGER	11005
	Hourly	47.29	54.97	62.66	70.34	78.03		
300	Annual	37,668.80	42,868.80	48,048.00	53,227.20	58,406.40	MUSEUM CURATOR	70030
	Hourly	18.11	20.61	23.10	25.59	28.08		
301	Annual	39,166.40	45,510.40	51,875.20	58,240.00	64,604.80	ASSISTANT GOLF COURSE SUPERINTENDENT	31060
	Hourly	18.83	21.88	24.94	28.00	31.06	CRIME ANALYST	20023
							MUSEUM ARCHIVIST	70020
302	Annual	42,286.40	49,171.20	56,035.20	62,899.20	69,784.00	ASSISTANT DIRECTOR OF UTILITY BILLING	58015
	Hourly	20.33	23.64	26.94	30.24	33.55	DOWNTOWN DEVELOPMENT COORDINATOR	46010
							GRANT COORDINATOR	80010
							PUBLIC WORKS MANAGEMENT SPECIALIST	50035
							PARK PLANNER	35027
							PLANNER	17021
							PROGRAM COORDINATOR	32020
							PROJECT MANAGER- PUBLIC WORKS	39025
							SYSTEMS ANALYST I	19024
							WELLNESS COORDINATOR	32017
303	Annual	45,676.80	53,102.40	60,507.20	67,932.80	75,358.40	ACCOUNTANT	12027
	Hourly	21.96	25.53	29.09	32.66	36.23	ADULT SERVICES LIBRARIAN	40016
							ASSISTANT DIRECTOR OF GOLF	31015
							BUSINESS MANAGER-SOLID WASTE	
							DEPUTY CITY SECRETARY	14050
							ENVIRONMENTAL PROGRAMS MANAGER	54070
							GOLF COURSE SUPERINTENDENT	31019
							MUSEUM MANAGER	70011
							OPERATIONS MANAGER- AIRPORT	36020
							OPERATIONS MANAGER- CONVENTION CENTER	44020
							OPERATIONS MANAGER- SOLID WASTE	23015
							ORGANIZATION DEVELOPMENT MANAGER	60045
							PERMIT SUPERVISOR	48060
							NEIGHBOR REVITALIZATION MANAGER	37030
							TECHNICAL SERVICES SUPERVISOR- LIBRARY	40015
							TELECOM & NETWORK SPECIALIST	19039
							YOUTH SERVICES LIBRARIAN	40021
							WELLNESS CENTER MANAGER	32015
304	Annual	49,337.60	57,345.60	65,353.60	73,382.40	81,390.40	ASSISTANT DIRECTOR OF TRANSFORM TEMPLE	37025
	Hourly	23.72	27.57	31.42	35.28	39.13	DIRECTOR OF SPECIAL PROGRAMS	11033
							HUMAN RESOURCES GENERALIST	27020
							LEGAL ADMINISTRATIVE SUPERVISOR	16030
							NETWORK ANALYST	19027
							PROJECT ENGINEER	39016
							SENIOR ACCOUNTANT	12020
							SENIOR PLANNER	17015
							SYSTEM ANALYST II	19020
							SYSTEM/DATABASE ADMINISTRATOR	19023
							TRAFFIC SIGNAL MANAGER	28025
305	Annual	53,268.80	61,921.60	70,595.20	79,248.00	87,900.80	ANIMAL CONTROL MANAGER	21015
	Hourly	25.61	29.77	33.94	38.10	42.26	GIS MANAGER	19030
							PRINCIPAL PLANNER	
							PURCHASING MANAGER	13026
							RECYCLING MANAGER	23021
							SENIOR PROJECT MANAGER- IT	19037
							STREET & DRAINAGE SERVICES MANAGER	34021
							TREATMENT CHIEF OF OPERATIONS	51030
306	Annual	57,532.80	66,892.80	76,232.00	85,592.00	94,931.20	UTILITY SERVICES MANAGER	52022
	Hourly	27.66	32.16	36.65	41.15	45.64	ASSISTANT DIRECTOR OF PURCHASING & FACILITY SVCS	13022
	Hourly	27.66	32.16	36.65	41.15	45.64	DIRECTOR OF COMMUNICATIONS	11021
							FINANCIAL ANALYST	12010
							PARKS SUPERINTENDENT	35010
							RECREATIONAL SERVICES SUPERINTENDENT	44015
							SENIOR PROJECT ENGINEER	39014

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307	Annual	62,129.60	72,238.40	82,326.40	92,435.20	102,523.20	BUDGET MANAGER	12015
	Hourly	29.87	34.73	39.58	44.44	49.29	CHIEF BUILDING OFFICIAL	37015
							CONVENTION & VISITOR BUREAU MANAGER	32025
							COURT ADMINISTRATOR	18010
							DIRECTOR OF AIRPORT	36015
							DIRECTOR OF FLEET SERVICES	38015
							DIRECTOR OF GOLF	31010
							DIRECTOR OF LIBRARY	40005
							DIRECTOR OF SOLID WASTE SERVICES	23010
							DIRECTOR OF TRANSFORM TEMPLE	37010
							DIRECTOR OF UTILITY BILLING	58011
							DEPUTY UTILITY DIRECTOR	51025
							TREASURY & GRANTS MANAGER	12023
308	Annual	67,100.80	78,020.80	88,920.00	99,819.20	110,739.20	ASSISTANT DIRECTOR OF INFORMATION TECHNOLOGY	19015
	Hourly	32.26	37.51	42.75	47.99	53.24	ASSISTANT DIRECTOR OF PARKS & RECREATION	32006
							ASSISTANT DIRECTOR OF PLANNING	17005
							DEPUTY CITY ATTORNEY	16015
							DEPUTY CITY ENGINEER	39021
309	Annual	72,488.00	84,260.80	96,033.60	107,806.40	119,579.20	DIRECTOR OF PURCHASING & FACILITY SERVICES	13006
	Hourly	34.85	40.51	46.17	51.83	57.49	DIRECTOR OF TRANSPORTATION	34002
							DIRECTOR OF UTILITIES	50020
310	Annual	78,270.40	91,000.00	103,708.80	116,438.40	129,147.20	ASSISTANT CITY ATTORNEY	16005
	Hourly	37.63	43.75	49.86	55.98	62.09	ASSISTANT DIRECTOR OF FINANCE	12005
							CITY ENGINEER	39010
400	Annual	4,430.40	4,992.00	5,553.60	6,094.40	6,656.00	CART ATTENDANT	31995
	Hourly	2.13	2.40	2.67	2.93	3.20		
401	Annual	15,080.00	16,972.80	18,865.60	20,737.60	22,630.40	FOOD & BEVERAGE ATTENDANT-SEASONAL	32989
	Hourly	7.25	8.16	9.07	9.97	10.88	GOLF SHOP ATTENDANT	31996
							PLAYER ATTENDANT	31892
							PLAYER ATTENDANT	31992
							POOL CASHIER- SEASONAL	32987
402	Annual	16,286.40	18,324.80	20,363.20	22,401.60	24,440.00	BARTENDER	44999
	Hourly	7.83	8.81	9.79	10.77	11.75		
403	Annual	17,596.80	19,780.80	21,985.60	24,190.40	26,395.20	CREW WORKER	44895
	Hourly	8.46	9.51	10.57	11.63	12.69		
404	Annual	18,990.40	21,382.40	23,753.60	26,124.80	28,516.80	CIRCULATION TECHNICIAN	40870
	Hourly	9.13	10.28	11.42	12.56	13.71	ELECTION WORKER	14999
							FOOD & BEVERAGE ATTENDANT	31894
							FOOD & BEVERAGE ATTENDANT	31994
							LIFEGUARD- NON-EXEMPT FACILITY	32995
							LIFEGUARD- NON-EXEMPT FACILITY	32895
							LIFEGUARD- SEASONAL	32999
							RECREATION LEADER I	32897
							RECREATION LEADER I	32997
405	Annual	20,508.80	23,088.00	25,646.40	28,225.60	30,784.00	ASSISTANT POOL MANAGER- SEASONAL	32990
	Hourly	9.86	11.10	12.33	13.57	14.80	ASSISTANT POOL MANAGER-NON-EXEMPT FACIL	32890
							ASSISTANT POOL MANAGER-NON-EXEMPT FACIL	32991
							CONCESSION SUPERVISOR- SEASONAL	32988
							CUSTODIAN & MAINTENANCE TECHNICIAN I	89063
							CUSTODIAN & MAINTENANCE TECHNICIAN I- PT	89863
							FACILITY ATTENDANT/ CUSTODIAN	89080
							SENIOR CONVENTION CENTER STAFF	44891
							SENIOR CONVENTION CENTER STAFF	44991
406	Annual	22,152.00	24,939.20	27,705.60	30,472.00	33,259.20	OFFICE ASSISTANT I	80870
	Hourly	10.65	11.99	13.32	14.65	15.99	OFFICE ASSISTANT I	80970
							POOL MANAGER	32892
							POOL MANAGER - NON-EXEMPT FAC	32893
							POOL MANAGER - NON-EXEMPT FAC	32993
							POOL MANAGER - SEASONAL	32992

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407	Annual	23,920.00	26,915.20	29,931.20	32,926.40	35,921.60	COMMUNITY SERVICE RECORDS TECHNICIAN I	20060
		11.50	12.94	14.39	15.83	17.27	ENVIRONMENTAL PROGRAMS CLERK	56040
	Hourly						FOOD AND BEVERAGE SPECIALIST	44040
							LIBRARY OUTREACH ASSISTANT	40833
							MAINTENANCE WORKER- AQUATICS	35085
							MAINTENANCE WORKER- PARKS	35080
							MAINTENANCE WORKER- SOLID WASTE- PT	83960
							MAINTENANCE WORKER- STREETS	34072
							MAINTENANCE WORKER- GOLF COURSE	31085
							MAINTENANCE WORKER- SOLID WASTE	23072
							MUSEUM COORDINATOR	70040
							MUSEUM DEVELOPMENT ASSISTANT	70950
							PARKING ENFORCEMENT OFFICIAL	20070
							RECREATION LEADER II	32040
							RECREATION LEADER II- PT	32896
							RECREATION LEADER II- PT	32996
							TRANSFORM TEMPLE ASSISTANT	37065
408	Annual	25,854.40	29,078.40	32,323.20	35,547.20	38,792.00	AIRPORT OPERATIONS SPECIALIST	36067
		12.43	13.98	15.54	17.09	18.65	AIRPORT OPERATIONS SPECIALIST- PT	36956
	Hourly						CONNECT & DISCONNECT TECHNICIAN	53099
							COMMUNITY EDUCATION SPECIALIST	22340
							CREW LEADER- EVENTS	44070
							FLEET SERVICE COORDINATOR	20057
							LIBRARY ASSISTANT	40072
							LIBRARY ASSISTANT- PT	40872
							LIBRARY TECHNICIAN/CATALOGER	40071
							MAINTENANCE TECHNICIAN- PARKS	35076
							MECHANIC- GOLF COURSE	31080
							METER TECHNICIAN I	53063
							OFFICE ASSISTANT II	80060
							OFFICE ASSISTANT II- PT	80860
							PERMIT TECHNICIAN	37050
							UTILITY TECHNICIAN I	83057
409	Annual	27,913.60	31,408.00	34,902.40	38,396.80	41,891.20	ADMINISTRATIVE ASSISTANT I	80045
		13.42	15.10	16.78	18.46	20.14	ADMINISTRATIVE ASSISTANT I- PT	80845
	Hourly						ASSET MANAGEMENT TECHNICIAN	80024
							AUTOMOTIVE TECHNICIAN I	38050
							BUILDING MAINTENANCE WORKER	24060
							CHEMICAL TECHNICIAN	35070
							CREW LEADER - FACILITIES SERVICES	24050
							CUSTODIAN & MAINTENANCE TECHNICIAN II	89065
							CUSTOMER SERVICE REPRESENTATIVE I	58063
							CUSTOMER SERVICE REPRESENTATIVE I - PT	58863
							EQUIPMENT OPERATOR I- DRAINAGE	29050
							EQUIPMENT OPERATOR I- GOLF COURSE	31050
							EQUIPMENT OPERATOR I- PARKS	35050
							EQUIPMENT OPERATOR I- STREET	34050
							FORESTRY TECHNICIAN	35075
							INVENTORY SPECIALIST	80053
							INVENTORY SPECIALIST- PT	80953
							METER TECHNICIAN II	53061
							RECORDS SPECIALIST	14060
							TRANSFORM TEMPLE AGENT- ABATEMENT	37054
							UTILITY LOCATE TECHNICIAN	50040
							UTILITY TECHNICIAN II	83055
							WATER OPERATOR I	51055

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410	Annual	30,139.20	33,924.80	37,689.60	41,475.20	45,240.00	ACCOUNTS PAYABLE SPECIALIST	13060
							AIRPORT OPERATIONS SUPERVISOR	36062
	Hourly	14.49	16.31	18.12	19.94	21.75	ANIMAL CONTROL OFFICER	21050
							ANIMAL CONTROL OFFICER- PT	21860
							ASSISTANT YOUTH SERVICES LIBRARIAN	40051
							ASSISTANT YOUTH SERVICES LIBRARIAN - PT	40851
							AUTOMATED ROUTE OPERATOR	23070
							AUTOMOTIVE TECHNICIAN II	38060
							COMMUNITY SERVICE RECORDS TECHNICIAN II	20050
							CREW LEADER- ATHLETICS	35064
							CREW LEADER- HORTICULTURE	35060
							CREW LEADER- PARKS	35062
							DEPUTY COURT CLERK	18050
							EQUIPMENT OPERATOR II- CLEANER	83064
							EQUIPMENT OPERATOR II- SOLID WASTE	23075
							EQUIPMENT OPERATOR II- STREETS/DRAINAGE	83062
							INFORMATION TECHNOLOGY SPECIALIST	19055
							IRRIGATION TECHNICIAN	35073
							JUVENILE CASE MANAGER	18053
							PROCUREMENT SPECIALIST	13050
							RECREATION SPECIALIST	32030
							RECYCLING ASSISTANT	23080
							REFERENCE LIBRARIAN	40075
							REFERENCE LIBRARIAN- PT	40875
							SALES & MARKETING SPECIALIST	44043
							SIGNAL MAINTENANCE TECHNICIAN	28050
							TECHNOLOGY SUPPORT SPECIALIST I	19051
							TRANSFORM TEMPLE AGENT- PROJECTS	11055
							UTILITY TECHNICIAN III	83045
							WELLNESS CENTER SPECIALIST	32016
411	Annual	32,552.00	36,628.80	40,705.60	44,782.40	48,859.20	ACCOUNTING TECHNICIAN	12051
							ADMINISTRATIVE ASSISTANT II	80035
	Hourly	15.65	17.61	19.57	21.53	23.49	ASSET MANAGEMENT SPECIALIST	80021
							ASSISTANT AQUATICS COORDINATOR	32023
							AUTOMOTIVE TECHNICIAN III	38070
							CITIZEN REQUEST COORDINATOR	11037
							CODE COMPLIANCE OFFICER	37044
							COLLECTIONS COORDINATOR	58020
							COMMUNICATIONS SPECIALIST	19070
							COURT COORDINATOR	18030
							CREW LEADER- CONSTRUCTION	83022
							CREW LEADER- DRAINAGE	29060
							CREW LEADER- STREETS	34025
							CREW LEADER- UTILITY SERVICES	83030
							CRIME VICTIM LIASON	20033
							CUSTOMER SERVICE COORDINATOR	60060
							CUSTOMER SERVICE REPRESENTATIVE II	58065
							DEVELOPMENT COORDINATOR	17025
							EVIDENCE & PROPERTY TECHNICIAN	20055
							FOOD AND BEVERAGE COORDINATOR	44037
							GENERAL SERVICES COORDINATOR	60020
							GIS SPECIALIST	80020
							PLANNING TECHNICIAN	17030
							PROJECT INSPECTOR	39040
							PUBLIC RECORDS ADMINISTRATOR	14020
							SENIOR DEPUTY COURT CLERK	18045
							STORMWATER PROGRAM SPECIALIST	29040
							TRANSFORM TEMPLE AGENT LEAD	11050

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Pay Grade	Pay Basis	Minimum	1st Quartile	Midpoint	3rd Quartile	Maximum	Position Title	Position Number
412	Annual Hourly	35,152.00 16.90	39,561.60 19.02	43,971.20 21.14	48,360.00 23.25	52,769.60 25.37	ASSISTANT GOLF PROFESSIONAL	31030
							COLLECTION DEVELOPMENT LIBRARIAN	40030
							COLLECTION DEVELOPMENT LIBRARIAN-PT	40830
							DEPUTY COURT ADMINISTRATOR	18020
							ENVIRONMENTAL PROGRAMS TECHNICIAN	52042
							EVENTS COORDINATOR	44030
							EXECUTIVE ASSISTANT- CITY ATTORNEY	16026
							EXECUTIVE ASSISTANT- CITY MANAGER	11036
							EXECUTIVE ASSISTANT- CITY SECRETARY	14030
							EXECUTIVE ASSISTANT- FINANCE	12035
							MAINTENANCE COORDINATOR	23050
							OPERATIONS COORDINATOR	80041
							SENIOR ANIMAL CONTROL OFFICER	21020
							SENIOR BUYER I	13030
							TRAFFIC SIGNAL COMMUNICATIONS TECHNICIAN	28020
							TROUBLESHOOTER- FACILITY SERVICES	24070
							WATER OPERATOR II	51044
413	Annual Hourly	37,980.80 18.26	42,723.20 20.54	47,486.40 22.83	52,228.80 25.11	56,992.00 27.40	ACCOUNTING SPECIALIST	12030
							AIRCRAFT RESCUE & FUELING SPECIALIST	36045
							AIRCRAFT RESCUE & FUELING SPECIALIST- PT	36845
							AIRPORT SERVICES COORDINATOR	36025
							CIRCULATION SUPERVISOR	40018
							CITY ELECTRICIAN	24040
							FOREMAN- CUSTODIAL	89017
							HUMAN RESOURCES TECHNICIAN	27025
							LEAD AUTOMOTIVE TECHNICIAN	38040
							LIBRARY OUTREACH COORDINATOR	40035
							MANAGEMENT ANALYST	60030
							METER MAINTENANCE SUPERVISOR	53065
							RESOURCES COORDINATOR	60050
							SENIOR CODE COMPLIANCE OFFICER	37031
							SENIOR PROJECT INSPECTOR	
414	Annual Hourly	41,017.60 19.72	46,155.20 22.19	51,272.00 24.65	56,409.60 27.12	61,547.20 29.59	ASSET MANAGEMENT COORDINATOR	80015
							COMBINATION BUILDING INSPECTOR	47035
							CST SUPERVISOR	20019
							FLEET SERVICES INVENTORY SUPERVISOR	38030
							GIS MODELER	
							PAYROLL COORDINATOR	12041
							MEDIA RELATIONS SPECIALIST	20020
							TECHNOLOGY SUPPORT SPECIALIST II	19041
415	Annual Hourly	44,283.20 21.29	49,836.80 23.96	55,390.40 26.63	60,923.20 29.29	66,476.80 31.96	WATER OPERATOR III	51040
							AIRCRAFT RESCUE & FUELING SUPERVISOR	36030
							FOREMAN- DRAINAGE	29017
							FOREMAN- FACILITY MAINTENANCE	24017
							FOREMAN- FLEET SERVICES	38080
							FOREMAN- METERS	53017
							FOREMAN- PARKS	35017
							FOREMAN- SOLID WASTE	23017
							FOREMAN - STREET RECONSTRUCT	34030
							FOREMAN- STREET SERVICES	34017
							FOREMAN- TRAFFIC SIGNALS	
							FOREMAN- UTILITY SERVICES	83020
							LEAD WATER OPERATOR	51035

A photograph of a stack of three books with red covers and thick, aged pages, resting on a dark surface. A blue pen is visible in the background to the right. The image is partially covered by a dark teal overlay on the left side, which contains the title text and yellow decorative lines.

FISCAL

&

BUDGETARY

POLICY

I. STATEMENT OF PURPOSE

The broad purpose of the following Fiscal and Budgetary Policy Statements is to enable the City to achieve and maintain a long-term stable and positive financial condition. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, full disclosure and communication.

The more specific purpose is to provide guidelines to the Director of Finance in planning and directing the City's day-to-day financial affairs and in developing recommendations to the City Manager and City Council.

The scope of these policies generally spans, among other issues, accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, debt management, and planning concepts, in order to:

- A. present fairly and with full disclosure the financial position and results of the financial operations of the City in conformity to generally accepted accounting principles (GAAP) and;
- B. determine and demonstrate compliance with finance-related legal and contractual issues in accordance with provisions of the Texas Local Government Code and other pertinent legal documents and mandates.

The City Council will annually review and approve the Fiscal and Budgetary Policy Statements as part of the budget process.

II. OPERATING BUDGET

- A. **Preparation** – Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The “operating budget” is the City's annual financial operating plan. The annual budget includes all of the operating departments of the general fund, proprietary

fund, the debt service fund, special revenue funds, and capital project funds of the City. The budget is prepared by the City Manager and Director of Finance with the cooperation of all City Departments, on a basis which is consistent with generally accepted accounting principles. The City Manager presents the budget to the City Council and in accordance with Article 12 of the Charter, files a copy with the City Secretary and the Director of Finance. The budget should be presented to the City Council no later than the 1st day of August and should be enacted by the City Council on or before the fifteenth day of the last month of the preceding fiscal year.

1. **Proposed Budget** – A proposed budget shall be prepared by the City Manager with the participation of all the City's Department Heads within the provisions of the City Charter.
 - a. The budget shall include four basic segments for review and evaluation. These segments are: (1) revenues, (2) personnel costs, (3) operations and maintenance costs, and (4) capital and other (non-capital) project costs.
 - b. The budget review process shall include City Council participation in the development of each of the four segments of the proposed budget and public hearings to allow for citizen participation in the budget preparation.
 - c. The budget process shall span sufficient time to address policy and fiscal issues by the City Council.
 - d. A copy of the proposed budget shall be filed by the City Manager with the City Secretary and Director of Finance when it is submitted to the City Council in accordance with the provisions of the City Charter.
2. **Adoption** – Upon the presentation by the Director of Finance of a proposed budget

document to the City Council, the City Council shall call and publicize a public hearing. The City Council will subsequently adopt by Ordinance such budget, as it may have been amended, as the City's Annual Budget effective for the fiscal year beginning October 1st.

- B. **Balanced Budget** – The operating budget will be balanced with current revenues, which may include beginning fund balances less required reserves as established by City Council, greater than or equal to current expenditures/expenses.
- C. **Planning** – The budget process will be coordinated so as to identify major policy issues for City Council consideration several months prior to the budget approval date. This will allow adequate time for appropriate decisions and analysis of financial impacts.
- D. **Reporting** – Periodic financial reports will be prepared by the Director of Finance to enable the Department Managers to manage their budgets and to enable the Director of Finance to monitor and control the budget as authorized by the City Manager. Summary financial and budgetary reports will be presented by the Director of Finance to the City Council to understand the overall budget and financial status.
- E. **Control and Accountability** – The Department Heads of each department will be solely responsible to insure that their department budgets will not exceed budgeted amounts. In addition, each Department Head will be solely responsible to achieve budgeted revenues that are generated by activities of that department. Failure to achieve budgetary control of their individual expenditure and revenue budgets will be evaluated and investigated by the City Manager.
- F. **Expenditure Requests** – The Finance Department will evaluate expenditure requests from departments to ensure that the requests are in the amount and kind originally budgeted in those departments and

that adequate funds are available to comply with individual expense request. The Director of Finance will make every effort to assist departments in obtaining purchases to accomplish the goals and objectives delineated in the budget information for each department set forth in the current yearly adopted budget.

- G. **Contingent Appropriation** – The City Manager should establish an adequate contingent appropriation in each of the operating funds. Expenditures from this appropriation shall be made only in cases of emergency or an unforeseen/unusual need. A detailed account shall be recorded and reported. The transfer of this budget appropriation shall be under the control of the City Council. Any transfer of contingency must be expressly approved in advance by the City Council.

All transfers from the contingent appropriation will be evaluated using the following criteria:

1. Is the request of such an emergency nature that it must be made immediately?
2. Why was the item not budgeted in the normal budget process?
3. Why the transfer cannot be made within the division or department?

III. REVENUE POLICIES

- A. **Characteristics** – The City Finance Department will strive for the following optimum characteristics in its revenue system:
 1. **Simplicity** – The City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs for the taxpayer or service recipient. A corresponding decrease in the City's cost of collection and a reduction in avoidance to pay should result.

2. Certainty – A knowledge and understanding of revenue sources increases the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budgets and plans.
 3. Equity – The City shall make every effort to maintain equity in its revenue system structure; i.e., the City should seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities, and customer classes.
 4. Revenue Adequacy – The City should require that there be a balance in the revenue system; i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
 5. Administration – The benefits of a revenue source should exceed the cost of levying and collecting that revenue. The cost of collection should be reviewed annually for cost effectiveness as a part of the indirect cost of service analysis. Where appropriate, the City will use the administrative processes of State, Federal or Local Governmental collection agencies in order to reduce administrative cost.
 6. Diversification and Stability – A diversified revenue system with a stable source of income shall be maintained. This will help avoid instabilities in two particular revenue sources due to factors such as fluctuations in the economy and variations in the weather.
- B. Issues – The following considerations and issues will guide the City Finance Department in its revenue policies concerning specific sources of funds:

1. Cost/Benefit of Abatement – The City will use caution in the analysis of tax or fee incentives that are used to encourage development. Ideally, a cost/benefit (fiscal impact) and analysis should be performed as part of such caution.
2. Non-Recurring Revenues – One-time or non-recurring revenues should not be used to finance current ongoing operations. Non-recurring revenues should be used only for non-recurring expenditures and not be used for budget balancing purposes.
3. Property Tax Revenues – All real and business personal property located within the City shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the City by the Bell County Tax Appraisal District. Reappraisal and reassessment shall be done every third year.

Conservative budgeted revenue estimates result in a projected ninety-eight percent (98%) budgeted collection rate for current ad valorem taxes. Two percent (2%) of estimated current ad valorem taxes will be projected and used as the budget for delinquent ad valorem tax collections. The combined ad valorem tax collections budgeted each fiscal year will be no less than one hundred percent (100%) of the tax levy and should insure that ad valorem tax collection projections will not be over estimated.

The Finance Department will endeavor with the Tax Assessor Collector to collect ad valorem taxes in excess of ninety-seven percent (97%) of total ad valorem tax levy with a goal of one hundred percent (100%) collection of actual ad valorem taxes levied in each fiscal year.

All delinquent taxes shall be aggressively pursued each year by the Tax Assessor/Collector. Tax accounts

delinquent greater than 90 days shall be submitted for collection each year to an attorney selected by the Bell County Tax Appraisal District. A penalty shall be assessed on all delinquent property taxes, which shall include all court costs, as well as an amount for compensation of the attorney as permitted by State law and in accordance with the attorney's contract with the County. Annual performance criteria will be developed for the attorney and reported to the City Council.

4. Interest Income – Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the equity balance of the fund from which monies were provided to be invested.
5. User-Based Fees and Service Charges – For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be an annual review by all Department Heads of fees and charges to ensure that fees provide adequate coverage of cost of services for their respective departments.

The City Council will determine how much of the cost of a service should be recovered by fees and charges.

6. Enterprise Fund Rates – The Director of Utilities will review rates annually, and the City Council will adopt rates that will generate revenues sufficient to cover operating expenses, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital.

Additionally, enterprise activity rates and other legal funds of the City will include transfers to and receive credits from other funds as follows:

- a. General and Administrative Charges – Administrative costs should be charged to all funds for services of general overhead, such as administration, finance, customer billing, personnel, data processing, engineering, and legal counsel, and other costs as appropriate. The charges will be determined by the Director of Finance through an indirect cost allocation following accepted practices and procedures not to exceed 10%.
- b. Payment in-lieu-of costs – This transfer will be made in accordance with the following methods, not to exceed 5% of the total estimated operating revenues of the respective fund.
 - (1) *In-lieu-of franchise fee.* In-lieu-of franchise fee will be included as a part of the rate computation of gross sales consistent with the franchise rates charged to investor owned utility franchises to operate within the City. Currently, the City levies a 5% franchise fee.
 - (2) *Payment in-lieu-of ad valorem tax.* Rates will be calculated so as to include a fee equal to the ad valorem taxes lost as a result of municipal ownership of the various utility and other enterprise activities owned by the City. Net book value will be used as a basis, barring absence of known market value and applied only to capital assets actually within the incorporated City limits.
7. Intergovernmental Revenues (Federal/State/Local) – All potential grants will be examined for matching requirements and the source of the matching requirements. These revenue sources will be expended only for intended purpose of grant aid. It must be clearly understood that operational

requirements set up as a result of a grant or aid could be discontinued once the term and conditions of the project have terminated.

8. **Revenue Monitoring** – Revenues actually received will be compared to budgeted revenues by the Director of Finance and any variances considered to be material will be investigated. This process will be summarized in the appropriate budget report. The Director of Finance will report results of that investigation to the City Manager and City Council.

IV. EXPENDITURE POLICIES

- A. **Appropriations** – The point of budgetary control is at the department level budget for all funds. When budget adjustments among Departments and/or funds are necessary, they will be made in accordance with the City Charter. Budget appropriation amendments at lower levels of control shall be made in accordance with the applicable administrative procedures.
- B. **Central Control** – No recognized or significant salary or capital budgetary savings in any Department shall be spent by the Department Head without the prior authorization of the City Manager. This control will realize budget savings each year that will be recognized in the approved budget as “unexpended appropriations” or contingency “sweep” accounts. The City Manager is authorized, without further City Council action, to transfer appropriations within individual department budgets for each fund from line item to line item greater than \$5,000 provided that the total funds appropriated by the City Council for each individual department budget are neither increased nor decreased. The Director of Finance is authorized without further City Council action, to transfer appropriations within individual department budgets for each fund from line item to line item less than \$5,000 provided that the total funds appropriated by the City Council for each

individual department budget are neither increased nor decreased.

- C. **Purchasing** – All City purchases of goods or services will be made in accordance with the City’s current Purchasing Manual.
- D. **Prompt Payment** – All invoices approved for payment by the proper City authorities shall be paid by the Finance Department within thirty (30) calendar days of receipt in accordance with the provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

The Director of Finance shall establish and maintain proper procedures which will enable the City to take advantage of all purchase discounts, when possible, except in the instance where payments can be reasonably and legally delayed in order to maximize the City’s investable cash.

- E. **Reporting** – Quarterly reports will be presented by the Director of Finance in open Council meetings describing the financial and budgetary conditions of the City. Comparisons of actual to budget and actual to prior year, appropriate ratios and graphs to fully disclose and present meaningful information will be used whenever possible.

V. CAPITAL BUDGET AND PROGRAM

- A. **Preparation** – The City’s Capital Budget will include all capital project funds and all capital resources. The budget will be prepared annually and on a project basis. The Capital Budget will be prepared by the City Manager with the involvement of responsible departments.
- B. **Control** – All capital project expenditures must be appropriated in the Capital Budget. The Finance Department must certify the availability of resources before any capital project contract is presented to the City Council for approval.

- C. **Program Planning** – The Capital Budget will be taken from capital improvements plan for future years. The planning time frame for the capital improvements project plan should normally be five years, but a minimum of at least three years. The replacement and maintenance for capital items should also be projected for the next ten (10) years. Future maintenance and operational costs will be considered so that these costs can be included in the operating budget.

- D. **Financing Programs** – Where applicable, assessments, impact fees, pro rata charges, or other fees should be used to fund capital projects which have a primary benefit to specific, identifiable property owners.

Recognizing that long-term debt is usually a more expensive financing method, alternative-financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.

- E. **Timing** – The Financial Analyst will work with Department Heads during the budget preparation to schedule the timing of capital equipment purchases to insure funds availability. The final schedule of capital purchases will be given to Directors or Department Heads to assist them in timing purchase requests to the Purchasing Department.

- F. **Infrastructure Maintenance** – The City recognizes the deferred maintenance increases future capital costs. Therefore, a portion of all individual funds with infrastructure should be budgeted each year to maintain the quality of the City's infrastructure. Replacement schedules should be developed in order to anticipate

the deterioration and obsolescence of infrastructure.

- G. **Reporting** – Periodic financial reports will be prepared by the Director of Finance to enable the Department Heads to manage their capital budgets and to enable the Finance Department to monitor and control the capital budget as authorized by the City Manager.

VI. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. **Accounting** – The City Finance Department is solely responsible for the reporting of the financial affairs, both internally and externally. The Director of Finance is the City's Chief Fiscal Officer and, through responsibility delegated to the Assistant Director of Finance, is responsible for establishing the Chart of Accounts and for properly recording financial transactions.

B. **Auditing** –

1. **Qualifications of the Auditor** – In conformance with the City's Charter and according to the provisions of Texas Local Government Code, Title 4, Chapter 103, the City will be audited annually by outside independent accountants ("auditor"). The auditor must be a CPA that can demonstrate that it has the breadth and depth of staff to conduct the City's audit in accordance with generally accepted auditing standards and contractual requirements. The auditor must hold a license under Article 41a-1, Section 9, of the Civil Statutes of Texas, capable of demonstrating that it has sufficient staff which will enable it to conduct the City's audit in accordance with generally accepted auditing standards as required by the City Charter and applicable state and federal laws. The auditor's report on the City's financial statement will be completed within 120 days of the City's fiscal year end, and the auditor will jointly review the

management letter with the City Council within 30 days of its receipt by the staff.

In conjunction with their review, the Director of Finance shall respond within 100 days in writing to the City Manager and City Council regarding the auditor's Management Letter, addressing the issues contained therein. The City Council shall schedule its formal acceptance of the auditor's report upon the resolution of any issues resulting from the joint review.

2. **Responsibility of Auditor to City Council** – The auditor is retained by and is accountable directly to the City Council and will have access to direct communication with the City Council if the City Staff is unresponsive to auditor recommendations or if the auditor considers such communication necessary to fulfill its legal and professional responsibilities.

C. **Financial Reporting** –

1. **External Reporting** – The City Finance Department shall prepare a written Comprehensive Annual Financial Report (CAFR) which shall be presented to the City's auditor within 60 days of the City's fiscal year end. Accuracy and timeliness of the CAFR is the responsibility of the City staff. The CAFR will be prepared in accordance with generally accepted accounting principles (GAAP). If City staffing limitations preclude such timely reporting, the Director of Finance will inform the City Council of the delay and the reasons therefore. Upon the completion and acceptance of the CAFR, the City's auditor shall present the audited CAFR to the City Council within 120 days of the City's fiscal year end.
2. **Internal Reporting** – The Finance Department will prepare internal financial reports, sufficient to plan, monitor, and control the City's financial affairs. Internal financial reporting objectives are

addressed throughout these policies. As the Finance Department strives for excellence in financial reporting, the following Qualitative Characteristics of Accounting Information will be incorporated in all reports and policies that are prepared or implemented.

Definitions of Qualitative Characteristics of Accounting Information:

- **Bias** – Bias in measurement is the tendency of a measure to fall more often on one side than the other of what it represents instead of being equally likely to fall on either side. Bias in accounting measures means a tendency to be consistently too high or too low. Financial reporting will strive to eliminate bias in accounting data.
- **Comparability** – The quality of information that enables users to identify similarities in and differences between two sets of economic phenomena.
- **Completeness** – The inclusion in reported information of everything material that is necessary for faithful representation.
- **Conservatism** – A prudent reaction to uncertainty to try to insure that uncertainty and risks inherent in financial situations are adequately considered.
- **Consistency** – Conformity from period to period with unchanging policies and procedures.
- **Feedback Value** – The quality of information that enables users to confirm or correct prior expectations.
- **Materiality** – The magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it

probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

- **Neutrality** – Absence in reported information of bias intended to attain a predetermined result or to induce a particular mode of behavior.
- **Predictive Value** – The quality of information that helps users to increase the likelihood of correctly forecasting the outcome of past or present events.
- **Relevance** – The capacity of information to make a difference in a decision by helping users to form predictions about the outcomes of past, present, and future events or to confirm or correct prior expectations.
- **Reliability** – The quality of information that assures that information is reasonably free from error and bias and faithfully represents what it purports to present.
- **Representational Faithfulness** – Correspondence or agreement between a measure or description and the phenomenon that it purports to represent (sometimes called validity).
- **Timeliness** – Having information available to a decision-maker before it loses its capacity to influence decisions.
- **Understandability** – The quality of information that enables users to perceive its significance.
- **Verifiability** – The ability through consensus among measurers to insure that information represents what it purports to represent or that

the chosen method of measurement has been used without error or bias.

VII. ASSET MANAGEMENT

- A. **Investments** – The Director of Finance shall promptly deposit all City funds with the City's Depository Bank in accordance with the provisions of the current Bank Depository Agreement. The Director of Finance will then promptly invest all funds in any negotiable instrument that the Council has authorized under the provisions of the Public Funds Investment Act, and in accordance with the City Council approved Investment Policies.
- B. **Cash Management** – The City's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collections, where feasible, utility bills, building and related permits and licenses, and other collection offices as appropriate.

The Finance Department shall use the facsimile check-signing machine, bearing the signatures of the City Manager and Director of Finance.

The Director of Finance may transfer funds, via electronic transfer, through verbal or electronic instructions to the City's Depository only for payment of any obligation of the City under the conditions applicable to the use of the facsimile machine. Payment authorization shall be in accordance with the pay authorization criteria as defined in the current Bank Depository Agreement, approved by Council, stipulating the conditions and control procedures on such activity.

VIII. TREASURY

Cash/Treasury Management – Periodic review of each cash flow position will be performed to determine performance of cash management and investment policies. A detailed policy structure will be followed with respect to Cash/Treasury Management. The underlying theme will be that idle cash will be invested with

the intent to 1) safeguard assets, 2) maintain liquidity, and 3) maximize return. Where legally permitted, pooling of investments will be done.

The City will adhere to the investments authorized through the Public Funds Investment Act and any amendments to such act and will additionally establish comprehensive Investment Policies and Guidelines. Such policies will clarify acceptable investment securities, brokers, terms, and other pertinent investment information.

IX. DEBT MANAGEMENT

A. **Policy Statement** – The City of Temple recognizes the primary purpose of capital facilities is to support provision of services to its residents. Using debt financing to meet the capital needs of the community must be evaluated according to two tests – efficiency and equity. The test of efficiency equates to the highest rate of return for a given investment of resources. The test of equity requires a determination of who should pay for the cost of capital improvements. In meeting the demand for additional capital facilities, the City will strive to balance the load between debt financing and “pay as you go” methods. The City realizes failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects. Through the rigorous testing of the need for additional debt financed facilities and the means by which the debt will be repaid, the City Director of Finance will strike an appropriate balance between service demands and the amount of debt.

B. **Types of Debt** –

1. **General Obligation Bonds (GO's)** – General obligation bonds will be used only to fund capital assets of the general government, are not to be used to fund operating needs of the City and are backed by the full faith and credit of the

City as well as the ad valorem taxing authority of the City as prescribed by law. The term of a bond issue will not exceed the useful life of the asset(s) funded by the bond issue and will generally be limited to no more than twenty years. General obligation bonds must be authorized by a vote of the citizens of the City of Temple.

2. **Revenue Bonds (RB's)** – Revenue bonds will be issued to provide for the capital needs of any activities where the capital requirements are necessary for continuation or expansion of a service which produces a revenue and for which the asset may reasonably be expected to provide for a revenue stream to fund the debt service requirements. The term of the obligation may not exceed the useful life of the asset(s) to be funded by the bond issue and will generally be limited to no more than twenty years.
3. **Certificates of Obligation, Contract Obligations, etc. (CO's)** – Certificates of Obligations or Contract Obligations will be used in order to fund capital requirements which are not otherwise covered under either Revenue Bonds or General Obligation Bonds. Debt service for CO's may be either from general revenues or backed by a specific revenue stream or streams or by a combination of both. Generally CO's will be used to fund capital assets where full bond issues are not warranted as a result of cost of the asset(s) to be funded through the instrument. The term of the obligations may not exceed the useful life of the asset(s) to be funded by the proceeds of the debt issue and will generally be limited to no more than twenty years.
4. **Method of Sale** – The Director of Finance will use a competitive bidding process in the sale of bonds unless the nature of the issue warrants a negotiated bid. In situations where a competitive bidding process is not elected, the Director of

Finance will publicly present the reasons why, and the Director of Finance will participate with the financial advisor in the selection of the underwriter or direct purchaser.

C. **Analysis of Financing Alternatives** – Finance Staff will explore alternatives to the issuance of debt for capital acquisitions and construction projects. These alternatives will include, but are limited to: 1) grants-in-aid, 2) use of reserves/designations, 3) use of current revenues, 4) contributions from developers and others, 5) leases, and 6) impact fees.

D. **Conditions for Using Debt** – Debt financing of capital improvements and equipment will be done only when the following conditions exist:

- When non-continuous projects (those not requiring continuous annual appropriations) are desired;
- When it can be determined that future users will receive a benefit from the improvement;
- When it is necessary to provide basic services to residents and taxpayers (for example, purchase of water rights);
- When total debt, including that issued by overlapping governmental entities, does not constitute an unreasonable burden to the residents and taxpayers.

E. **Federal Requirements** – The City Finance Department will maintain procedures to comply with arbitrage rebate and other Federal requirements related to the issuance of bonds.

The City Finance Department will maintain post-issuance compliance written procedures for bonds and financed projects. The City will monitor the use of proceeds and expenditures from the Construction/Project Fund for all bond issues. The City will retain

various records with respect to each series of Bonds.

F. **Sound Financing of Debt** – When the City utilizes debt financing, it will ensure that the debt is soundly financed by:

- Conservatively projecting the revenue sources that will be used to pay the debt;
- Financing the improvement over a period not greater than the useful life of the improvement;
- Determining that the benefits of the improvement exceed the costs, including interest costs;
- Maintaining a debt service coverage ratio which ensures that combined debt service requirements will not exceed revenues pledged for the payment of debt; and
- Evaluating proposed debt against the target debt indicators.

G. **Financing Methods** – The City maintains the following policies in relation to methods of financing used to issue debt:

- An Ad Valorem tax rate of \$1.20 per \$100 of assessed value is the maximum municipal tax rate (by City Charter) that may be levied for all General Fund tax supported expenditures and debt service;
- Where possible, the City will use revenue or other self-supporting bonds in lieu of General Obligation Bonds;
- When appropriate, the City will issue non-obligation debt, for example, Industrial Development Revenue bonds, to promote community stability and economic growth; and
- Staff will maintain open communications with bond rating agencies about its

financial condition and whenever possible, issue rated securities.

H. **Elections** – The Charter also regulates which securities may be issued only after a vote of the electors of the City and approved by a majority of those voting on the issue.

1. **Election Required** – Securities payable in whole or in part from Ad Valorem taxes of the City except issues such as tax increment securities, certificates of obligation, and contractual obligations.

2. **Election Not Required** –

- Short-term notes (12 months or less) issued in anticipation of the collection of taxes and other revenues.
- Securities issued for the acquisition of water rights or capital improvements for water treatment.
- Securities payable solely from revenue other than Ad Valorem taxes of the City.
- Refunding securities issued to refund and pay outstanding securities.
- Securities for any special or local improvement district, such as a Public Improvement District (PID).
- Tax increment securities payable from Ad Valorem tax revenue derived from increased valuation for assessment of taxable property within a plan of development or other similar area as defined by applicable State Statutes.
- Securities issued for the acquisition of equipment or facilities pursuant to a lease-purchase contract.

X. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS

A. **Operational Coverage** – *(No Operating Deficits)* – The City's Proprietary Utility fund will comply with all bond covenants and maintain an operational coverage of at least 125%, such that current operating revenues will exceed current operating expenses.

Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used for emergencies or non-recurring expenditures, except when balances can be reduced because their levels exceed guideline minimums as stated in Paragraph B, following.

B. **Fund Balance Policies** – The City's Fund Balance is the accumulated difference between assets and liabilities within governmental funds, and it allows the City to meet its contractual obligations, fund disaster or emergency costs, provide cash flow for timing purposes and fund non-recurring expenses appropriated by Council. This policy establishes limitations on the purposes for which Fund Balances can be used in accordance with Governmental Accounting Standards Board (GASB) Statement Number 54.

The City's Fund Balance will report up to five components:

1. **Non-spendable Fund Balance** – amounts that are not in a spendable form or are required to be maintained intact. Assets included in this category are prepaid items, inventory, and non-financial assets held for resale.
2. **Restricted Fund Balance** – represents the portion of fund balance that is subject to legal restrictions, such as grants or hotel/motel tax and bond proceeds.
3. **Committed Fund Balance** – describes the portion of fund balance that is constrained by limitations that the Council has imposed upon itself, and

remains binding unless the Council removes the limitation.

4. Assigned Fund Balance – is that portion of fund balance that reflects the City's *intended* use of the resource and is established in a less formal method by the City for that designated purpose.
5. Unassigned Fund Balance – represents funds that cannot be properly classified in one of the other four categories.

C. Operating Reserves/Fund Balances –

1. The General Fund's Unassigned Fund Balance should be at least 33% of the General Fund's annual operating expenditures. This percentage is the equivalent of four months operational expenditures. The General Fund's annual operating expenditures are defined as all personnel and operations expenditures less those related to the operation of the sanitation department, airport and golf course. Any expenditure funded with General Fund Balance is also excluded from this calculation.
2. The General Fund's Assigned for Technology Fund Balance is replenished each year at a level sufficient for the City's technology needs based on a recommendation by Management.
3. The General Fund's Assigned for Capital Projects Fund Balance is adopted by Council with the acceptance of the fiscal year end financial statements. At the end of each fiscal year, any available fund balance that is not restricted or allocated to technology is added to the balance of the General Fund's Assigned for Capital Projects Fund Balance.
4. The Enterprise Fund working capital should be maintained at 33% of total

operating expenses or the equivalent of four months.

- D. **Liabilities and Receivables** – Procedures will be followed to maximize discounts and reduce penalties offered by creditors. Current liabilities will be paid within 30 days of receiving the invoice. Accounts Receivable procedures will target collection for a maximum of 30 days from service. Receivables aging past 120 days will be sent to a collection agency. The Finance Director is authorized to write-off non-collectible accounts that are delinquent for more than 180 days, provided proper delinquency procedures have been followed. The Finance Director will make an annual report to the City Council of the status of delinquent write-offs of non-collectible accounts.

E. Capital and Debt Service Funds –

1. Monies in the Capital Projects Funds should be used within 24 months of receipt or within a reasonable time according to construction schedule. Balances will be used to generate interest income to offset construction cost. Any unused monies can be used to fund similar projects as outlined by bond covenants and remaining excess funds will be transferred to the Debt Service Fund, provided that this complies with the bond covenant.

Revenues in the Debt Service Fund are based on property tax revenues, interest earnings and transfers from other funds. Reserves in the Debt Service Fund are designed to provide funding between the date of issuance of new debt and the time that property tax levies are adjusted to reflect the additional debt. Reserve levels should not exceed one month of average annual debt service.

2. Revenue obligations will maintain debt coverage ratios as specified by the bond covenants.

F. **Ratios/Trend Analysis** – Ratios and significant balances will be incorporated into monthly, quarterly and financial reports. This information will provide users with meaningful data to identify major trends of the City's finances through analytical procedures. We have selected the following ratios/balances as key indicators:

- **Fund Balance/Equity (FB/E):**
Assets – liabilities
AL (acceptable level) $\geq 33.0\%$ of operations
- **Working Capital (CA-CL):**
Current assets less current liabilities
AL $\geq 33.0\%$ of operations
- **Current Ratio (CA/CL):**
Current assets divided by current liabilities
AL > 1.00
- **Quick Ratio (Liquid CA/CL):**
“Liquid” current assets divided by current liabilities
AL > 1.00
- **Debt/Assessed Ad Valorem Taxes (D/AV):**
Debt divided by assessed Ad Valorem value
AL < 5
- **Debt Ratio - % (CL+LTL / TA) :**
Current liabilities plus long term liabilities divided by total assets
AL < 1.00
- **Enterprise Operational Operating Coverage (OR/OE):**
Operating revenue divided by operating expense
AL > 1.25

Our goal is to develop minimum/maximum levels for the ratios/balances above through analyzing City of Temple historical trends and anticipated future trends. We will also analyze/compare City of Temple to other municipalities to develop these acceptable levels.

XI. INTERNAL CONTROLS

- A. **Written Procedures** – Wherever possible, written procedures will be established and maintained by the Director of Finance for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.
- B. **Department Heads Responsibilities** – Each Department Head is responsible to ensure that good internal controls are followed throughout their Department, that all Finance Department directives or internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

XII. STAFFING AND TRAINING

- A. **Adequate Staffing** – Staffing levels will be adequate for the fiscal functions of the City to operate effectively. Overtime shall be used only to address temporary or seasonal demands that require excessive hours. Workload allocation alternatives will be explored before adding staff.
- B. **Training** – The City will support the continuing education efforts of all financial staff members including the investment in time and materials for maintaining a current perspective concerning financial issues. Staff will be held accountable for communicating, teaching, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts.
- C. **Awards, Credentials, Recognition** – The Finance Department will support efforts and involvement which result in meeting standards and receiving exemplary recitations on behalf of any of the City's fiscal policies, practices, processes, products, or personnel. Staff certifications may include Certified Public Accountant, Management

Accountant, Certified Internal Auditor, and Certified Cash Manager.

The Finance Department will strive to maintain a high level of excellence in its accounting policies and practices as it prepares the CAFR. The CAFR will be presented annually to the Governmental Finance Officers Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting. The Budget will also be submitted to the GFOA for evaluation and consideration of the Distinguished Budget Presentation Award.

i. s

The image features a dark teal background with a vertical yellow line on the left and a horizontal yellow line at the bottom, forming a partial crosshair. The main visual is a photograph of a rolled-up US dollar bill standing upright in dark, rich soil. A black garden trowel with a red handle lies on the ground next to it. Another rolled-up dollar bill is partially visible in the background. The text 'INVESTMENT POLICY' is overlaid in white, bold, sans-serif capital letters.

INVESTMENT POLICY

The Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, (the “PFIA”) prescribes that each City is to adopt rules governing its investment practices and to define the authority of the investment officers. The following Investment Policy addresses the methods, procedures, and practices, which must be exercised to ensure effective and judicious fiscal management of the City’s funds.

The Director of Finance, the Assistant Director of Finance, the Treasury/Grants Manager, the Financial Analyst and the Senior Accountant are authorized as the Investment Officers of the City of Temple, Texas, and are responsible for all investment decisions and activities.

I. Scope

This policy applies to all investment activities of the City’s funds under its control, except those subject to other investment covenants, or excluded by contract. The Investment Policy will govern the activities of the Investment Officers and designated deputies in their management of all public funds covered by this Investment Policy.

To make effective use of the City’s resources, all funds shall be pooled for investment purposes, except for those funds required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, contracts or City policy. The pooled funds will include, but are not limited to, the funds of the General Fund, Water & Wastewater, GO Interest & Sinking, Hotel/Motel, Capital Projects, Federal/State Grant, Drainage, and Tax Increment Funds. Bond Proceeds may be invested in separate portfolios. The Firemen’s Pension Fund, Deferred Compensation Plans, and any investments donated to the City for a particular purpose, or under terms of use specified by the donor, are outside the scope of this Investment Policy.

This policy also requires the formal adoption of an Investment Strategy that specifically addresses each of the City’s fund groups. (See Attachment A)

II. Objectives

The primary objectives of the City investment activities, in order of priority, shall be:

- A. Safety – Investments shall be undertaken in a manner that seeks to ensure the preservation of principal.
- B. Liquidity – The City’s investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.
- C. Yield – The City’s investment strategy is conservative. Given this strategy, the benchmark used by the Director of Finance to determine whether market yields are being achieved shall be the average rolling 90-day T-bill rate. Weighted average yield to maturity shall be the portfolio performance standard. Return on investment is of least importance compared to the safety and liquidity objectives.

Each investment transaction shall seek to first ensure that principal losses are avoided, whether they are from issuer defaults or erosion of market value.

III. Delegation Of Authority

The Director of Finance may designate deputies to assist with the management of the investment portfolio, but only the City Council may designate Investment Officers.

The Investment Officers shall be responsible for all transactions, compliance with internal controls, and insuring that all safekeeping, custodial, and collateral duties are in compliance with this Investment Policy and other applicable laws and regulations.

IV. Standard Of Care

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the

person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. This investment principle shall be applied in the context of managing the overall investment portfolio.

The Investment Officers, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for an individual issuer's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner to the City Manager, and appropriate action is taken to control adverse developments.

V. **Ethics And Conflicts Of Interest**

The Investment Officers and designated deputies shall refrain from any personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. An Investment Officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement with the Texas Ethics Commission and the City Council disclosing that personal business interest. A disclosure statement will also be filed if an Investment Officer is related within the second degree by affinity of consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the City.

For the purpose of this section, an individual has a personal business relationship with a business organization if:

- A. The individual owns 10 percent or more of the voting stock or shares of the business organization, or owns \$5,000 or more of the fair market value of the business organization;
- B. Funds received by the individual from the business organization exceed 10 percent of the individual's gross income for the previous year; or

- C. The individual has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the individual.

VI. **Accounting/Reporting**

The Investment Officers shall, not less than quarterly, prepare and submit to the City Council a written report of investment transactions for all funds covered by this Investment Policy for the preceding reporting period. The report should:

- A. Describe the investment position of the entity on the date of the report;
- B. Be prepared and signed by the Investment Officers;
- C. Contain a summary statement that states the beginning market values, ending market value and fully accrued interest for the reporting period;
- D. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
- E. State the maturity date of each separately invested asset that has a maturity date;
- F. State the compliance of the investment portfolio as it relates to the City's Investment Policy, the City's Investment Strategy and the Public Funds Investment Act; and
- G. The reports should be formally reviewed at least annually by an independent auditor and the results of that audit reported to the City Council.

The method used to monitor the market price of acquired investments is to obtain market rates for the total portfolio from a recognized entity independent from the original transaction.

The City will seek to control the risk of loss due to failure of an investment issuer by monitoring the ratings of portfolio positions to ensure compliance with the rating requirements imposed by the Public Funds Investment Act. Not less than quarterly, the Investment Officers will obtain from a reliable source the current credit rating for each held investment that has a PFIA-required minimum rating and will include this information in the quarterly report. The City shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating.

VII. Diversification

The City will diversify use of investment types and issuers to avoid incurring unreasonable risks inherent in over-investment in specific instruments, individual issuers or maturities (when appropriate).

The investment portfolio shall not exceed the following guidelines without prior approval of the City Manager:

- A. With the exception of U.S. Treasury securities and authorized pools, no more than 80% of the total investment portfolio will be invested in a single investment type.
- B. Commercial paper shall not exceed more than 5% of the total investment portfolio.
- C. With the exception of U.S. Treasury securities and authorized pools, no more than 40% of the total investment portfolio shall be invested with a single issuer.
- D. The maximum maturity for each investment and the total portfolio will be timed to maturity to meet cash flow needs established by the cash flow analysis. The maximum maturity of any individual investment shall not exceed three (3) years.

- E. The maximum dollar-weighted average maturity of the total investment portfolio is 270 days.

Maturity schedules shall be timed according to anticipated liquidity needs. Investments, from time to time, may be liquidated before maturity for cash-flow or portfolio restructuring purposes. To meet these disbursement schedules, market gains or losses may be required. Any losses for early maturity liquidation should be minimized, and they should be reported as such to the City Manager in a timely manner. Actual risk of default shall be minimized by adequate collateralization, where applicable. Market risk shall be minimized by diversification of investment type and maturity.

The Investment Officers shall routinely monitor the contents of the investment portfolio, the available markets and the relative values of competing instruments, and shall adjust the investment portfolio accordingly, keeping in mind the overall objectives of the investments.

VIII. Cash Flow Analysis

The Director of Finance monitors cash flows for all of the City's fund types. The purposes will be to determine liquidity needs and the available funds for investing.

IX. Authorized Investments

The following is a list of authorized investments:

- A. Obligations issued, guaranteed, insured by, or backed by the full faith and credit of the United States or its agencies and instrumentalities (i.e. U.S. Treasury and Agency Issues), including obligations of the Federal Home Loan Bank, the Federal Deposit Insurance Corporation and U.S. Agency Letters of Credit.
- B. Obligations issued, guaranteed, insured by, or backed by the State of Texas. Obligations issued by counties, cities, and other political subdivisions of the State of Texas that are rated as to investment quality by a nationally recognized

investment rating firm not less than A or its equivalent.

- C. Deposits in Financial Institutions, which are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and are secured in compliance with Section XII Collateralization Requirements and placed in compliance with the PFIA.
- D. Fully collateralized repurchase agreements that have a defined termination date and are secured by cash or obligations of the United States or its agencies and instrumentalities. The securities purchased by the City must be pledged to the City, held in the City's account and deposited at the time the investment is made with the City's custodial bank. Repurchase agreements can only be placed through primary government securities dealers or financial institutions doing business in Texas.
- E. Commercial paper with a stated maturity of 270 days or less from the date of issuance. Commercial paper must be rated not less than A-1 or P-1, or an equivalent, by at least two nationally recognized credit rating agencies or rated by one credit rating agency plus fully secured by an irrevocable letter of credit issued by a domestic bank.
- F. Investment pools that are authorized by Council, invest only in investments approved by the Public Funds Investment Act, have an advisory board and are continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating agency. Investment pools must comply with all requirements of the Public Funds Investment Act and provide an offering circular,

investment transaction confirmations, and monthly reports.

- G. S.E.C. registered no-load money market mutual funds that comply with federal Securities and Exchange Commission Rule 2a-7 and the Public Funds Investment Act, and are continuously rated no lower than AAA or at an equivalent rating by at least one nationally recognized rating agency.

An investment that requires a minimum rating under this Policy does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Investment Officers will take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. The Investment Officers will not be required to liquidate investments that were authorized investments at the time of purchase.

The Investment Officers are specifically prohibited from investing in:

- a. Structured notes, investments with inverse-floaters, collateralized mortgage obligations, or any other form of derivatives;
- b. Any investment not authorized by this policy or the Public Funds Investment Act;
- c. Any investment pool in which the City would own more than 20% of the market value of the pool;
- d. Highly sophisticated investments not freely conducted in the marketplace (e.g., derivatives); and
- e. Any one mutual fund in which the City would own more than 10% of the total assets of the mutual fund.

The Investment Officers are also specifically prohibited from borrowing funds for the purpose of reinvesting the funds to leverage return.

X. Eligible Institutions

The following financial institutions are eligible for consideration for investment transactions by the Investment Officers:

- A. State or national banks with a main or branch office in the State of Texas;
- B. Savings banks with a main or branch office in the State of Texas;
- C. State or federal credit unions with a main or branch office in the State of Texas;
- D. Brokers approved and designated as primary dealers by the Federal Reserve Bank of New York;
- E. Secondary or regional brokers who meet the following requirements:
 - 1. Registered and in good standing with the Financial Industry Regulatory Authority (FINRA);
 - 2. Maintain Texas State Registration;
 - 3. Have net capital of \$1 million or more for Delivery Versus Payment investment transactions or net capital of \$50 million or more for Repurchase Agreement transactions; and
 - 4. Have at least five (5) years of operation.
- F. Local government investment pools, (i.e. Texpool, TexSTAR, etc.); and
- G. S.E.C. registered money market mutual funds.

A written copy of the City's Investment Policy shall be presented to any local government investment pool offering to engage in an investment transaction with the City. The qualified representative of the business organization (e.g. local government investment pool or discretionary investment management firm) shall execute an Investment Policy Certification substantially to the effect that the business organization or has:

- A. Received and reviewed the City's Investment Policy; and
- B. Agrees to comply with the requirements of the Public Funds Investment Act.

A list of individual qualified broker/dealers authorized to engage in investment transactions with the City shall, at least annually, be reviewed, revised, and adopted by the City Council. (See Attachment B)

All broker/dealers will have on file Trading Authorization Agreements, with the City.

XI. Investment Purchases/ Trades

The City will purchase investments on an "as needed" basis only. The City will determine investment requirements based on cash flow analysis and current cash positions. The City will create a competitive environment to evaluate available options best suited for the City's requirements.

Investment selections and term will be determined in accordance with, (1) safety of principal, (2) cash flow needs, (3) investment type as a percentage of total investment portfolio and (4) yield.

Brokers/dealers are not encouraged to contact the City on currently available securities that the broker/dealers believe are items of interest to the City.

The Treasury/Grants Manager will obtain investment alternatives and get approval from an Investment Officer prior to making any investment decision. After the decision is made, execution will be on a competitive basis. All security purchases and trades conducted through the City will be settled with the City's third party custodial bank using Delivery versus Payment (DVP).

The Director of Finance, Assistant Director of Finance, Treasury/Grants Manager, Senior Accountant, City Manager, and City Secretary are the only individuals authorized to wire funds for the City. Dual authorization shall be used for all non-repetitive wire transfers.

The City's Investment Officer must approve any substitution of securities on repurchase agreements. The City will only enter repurchase agreements under the terms of the Public Securities Agreement (PSA) – Master Repurchase Agreement or similar format.

XII. Collateralization Requirements

Consistent with the requirements of the Public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended, the City will require full collateralization of all non-insured deposits with depository institutions. To anticipate market changes and provide a level of security, the collateralization level will be at least 102% of market value of principal and accrued interest on the ledger deposits less the amount insured by the Federal Deposit Insurance Corporation. Securities pledged as collateral shall be held in the City's account by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of pledge must be supplied to the City for retention. The City must approve any release and/or substitution of collateral before such action is taken. Collateral shall be reviewed at least monthly to assure that the market value of the securities pledged equals or exceeds the required amount.

Obligations authorized by the Public Funds Collateral Act are acceptable for collateralization purposes. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards deposits.

All financial institutions pledging securities as collateral shall be required to sign a collateralization agreement with the City. The agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement must be executed by the financial institution and the City contemporaneously with the deposit
- The agreement must be approved by the Board of Directors or designated committee of the financial institution and

a copy of the meeting minutes must be delivered to the City; and

- The agreement must be part of the financial institution's "official record" continuously since its execution.

Private insurance coverage is not an acceptable collateralization form.

XIII. Investment Training

The Investment Officers shall attend:

- A. At least one training session containing at least ten (10) hours of instruction relating to the Investment Officer's responsibilities within 12 months after taking office or assuming duties.
- B. Investment training sessions not less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date and receive not less than eight (8) hours of instruction relating to investment responsibilities.

Training must include education in investment controls, security risks, strategy risks, market risks, diversification of the investment portfolio, and compliance with the Public Funds Investment Act.

All training shall be from an independent source on the list of approved training seminar sponsors. (See Attachment C)

XIV. Conclusion

The Investment Officers will adhere to the Investment Policy in all investment decisions of the City.

All current investment activity, which does not comply with the above stated policy, will be allowed to mature, and all future investment activity will be performed under the terms of this Policy.

In conjunction with the annual financial audit, a compliance audit will be performed on

management controls and adherence to this Policy.

An annual review of the Investment Policy and Strategy will be conducted by the Director of Finance. The Investment Policy and Strategy, with any changes, will then be presented for the City Council to review and adopt. Formal adoption of the Investment Policy and Strategy will be documented in the minutes of the City Council meeting and the adopting ordinance.

INVESTMENT STRATEGY –***Attachment A***

The Investment Strategy of the City of Temple, Texas, is adopted to provide investment guidelines that will minimize the risk of loss of principal. To make effective use of the City's resources, all monies shall be pooled into one fund, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, contracts or City policy. Investment priorities (in order of importance) are as follows:

- A. Suitability – Any investment allowed by the Investment Policy is suitable. Maturity schedules shall be timed according to anticipated needs.
- B. Safety of Principal – All investments should be of high quality with no perceived default risk.
- C. Liquidity – Bank Deposits, local government investment pools and money market mutual funds shall provide daily liquidity. Fixed maturity investments shall provide liquidity as required by anticipated needs.
- D. Marketability – Investments should have an active and efficient secondary market to enable the City to liquidate investments prior to the maturity for unanticipated cash requirements.
- E. Diversification – The City will diversify use of security types, issuers and maturities as per the Investment Policy.
- F. Yield – The City's investment strategy is conservative. The benchmark shall be the average rolling 90-day T-bill rate.

LIST OF AUTHORIZED BROKERS/DEALERS–***Attachment B***

A list of Broker/Dealers that are authorized to engage in investment transactions with the City shall, at least annually, be reviewed, revised, and adopted. The following Broker/Dealers are authorized for use by the Investment Officer:

BBVA Securities, Inc.
Duncan Williams
FTN Financial
Hilltop Securities
Great Pacific Securities
MultiBank Securities, Inc.
Mutual Securities, Inc.
Raymond James
Rice Financial Products
Vining-Sparks IBG
Wells Fargo Securities

APPROVED TRAINING SEMINAR SPONSORS –***Attachment C***

All investment training shall be from an independent source approved by the City Council. The following sponsors are hereby approved:

- A. Government Finance Officers' Association (GFOA and GFOAT);
- B. Texas Society of Certified Public Accountants (TSCPA);
- C. Texas Municipal League (TML);
- D. Government Treasurers' Organization of Texas (GTOT);
- E. Sponsors approved by the TSCPA and GFOA, GFOAT, GTOT, to provide CPE credits; or
- F. University of North Texas



COUNCIL AGENDA ITEM MEMORANDUM

08/24/18
Item #4
Special Agenda
Page 1 of 2

DEPT./DIVISION SUBMISSION & REVIEW:

Traci L. Barnard, Director of Finance

ITEM DESCRIPTION: SECOND & FINAL READING – Consider adopting an ordinance approving the tax roll and authorizing calculation of the amount of tax that can be determined for all real and personal property in the City for the tax year 2018 (fiscal year 2019).

STAFF RECOMMENDATION: Adopt ordinance on second and final reading.

ITEM SUMMARY: The proposed ordinance will adopt the ad valorem property tax roll certified by the Tax Appraisal District of Bell County, in the amount of \$4,838,107,737. The total fiscal year 2019 taxable value is as follows:

Taxable Value –

	<u>Certified Taxable Value</u>	<u>% of +/- from Prior Year</u>
City of Temple	\$3,926,920,106	6.49%
Freeze Taxable*	<u>470,696,863</u>	<u>2.09%</u>
Total Adjusted Value	\$4,397,616,969	6.00%
 Tax Increment District (Reinvestment Zone No. 1)	 <u>440,490,768</u>	 <u>3.38%</u>
Total Taxable Value	<u>\$4,838,107,737</u>	<u>5.76%</u>

FISCAL IMPACT: The tax levy at the proposed tax rate of \$0.6612 in the 2018-2019 fiscal year is:

TAX RATE			TAX LEVY		
	FY 2019	FY 2018		FY 2019	FY 2018
Maintenance & Operations	\$ 0.2982	\$ 0.3142	Maintenance & Operations	\$ 11,710,076	\$ 11,586,407
Debt Service	0.3630	0.3630	Debt Service	14,254,720	13,385,951
	--	--	Frozen Taxes*	2,424,899	2,382,511
Total Tax Rate	<u>\$ 0.6612</u>	<u>\$ 0.6772</u>	Total Tax Levy	<u>\$ 28,389,695</u>	<u>\$ 27,354,869</u>
			Budget w/M&O at 99% Collection and I&S at 100% Collection	<u>\$ 28,248,345</u>	<u>\$ 27,215,180</u>
Tax Increment District (Reinvestment Zone No. 1)			Tax Increment District (Reinvestment Zone No. 1)		
Total Tax Rate	<u>\$ 0.6612</u>	<u>\$ 0.6772</u>	Total Tax Levy	<u>\$ 2,912,525</u>	<u>\$ 2,885,341</u>

* - Frozen value = \$470,696,863

ATTACHMENTS:

[2018 Certified Tax Roll Ordinance](#)

TAX APPRAISAL DISTRICT

Of
BELL COUNTY



P.O. Box 390
Belton, Texas 76513-0390

CHIEF APPRAISER
Marvin Hahn, RPA, RTA
DEPUTY CHIEF APPRAISER
Roger Chesser, RPA, RTA
BUSINESS/FINANCIAL MANAGER
Mary Lou David, RTC
CHIEF ACCOUNTANT
Vivian Mitchell, RTC
CHIEF COLLECTIONS
Tammy Hubnik, RPA, RTA
CHIEF MAPPING
Sarah Hejl
ADMINISTRATIVE ASSISTANT
Linda Hearell, RTA

BOARD MEMBERS
Royce Matkin, Chairman
Jared Bryan Vice Chairman / Secretary

DIRECTORS
Christopher Flor
Susan Jones
Hal Schiffman
Scott Morrow
Virginia Suarez

July 16, 2018

City of Temple
Tim Davis, Mayor
2 North Main Street, Ste 103
Temple TX 76501

Dear Mayor Davis

The enclosed information contains the certified values for the 2018 tax year for your entity. The Appraisal Review Board of Bell County certified the appraisal roll on the 13th of July 2018. The Appraisal District has certified a total net taxable value for your entity as \$4,838,107,737.

Sincerely

Marvin Hahn
Chief Appraiser

MH/Ih

2018 CERTIFIED TOTALS

Property Count: 38,098

TTE - CITY OF TEMPLE

Grand Totals

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Land		Value			
Homesite:		317,745,508			
Non Homesite:		386,236,835			
Ag Market:		62,631,137			
Timber Market:		0	Total Land	(+)	766,613,480
Improvement		Value			
Homesite:		2,524,646,724			
Non Homesite:		1,972,120,872	Total Improvements	(+)	4,496,767,596
Non Real		Count	Value		
Personal Property:	2,819		1,123,973,498		
Mineral Property:	0		0		
Autos:	936		10,190,642	Total Non Real	(+)
				Market Value	=
					1,134,164,140
					6,397,545,216
Ag		Non Exempt	Exempt		
Total Productivity Market:	62,110,608		520,529		
Ag Use:	3,744,402		34,964	Productivity Loss	(-)
Timber Use:	0		0	Appraised Value	=
Productivity Loss:	58,366,206		485,565		6,339,179,010
				Homestead Cap	(-)
				Assessed Value	=
				Total Exemptions Amount	(-)
				(Breakdown on Next Page)	1,496,982,486
				Net Taxable	=
					4,838,107,737

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	43,543,467	24,652,026	127,479.85	146,359.47	449		
DPS	285,300	108,507	590.93	881.21	3		
OV65	657,381,614	445,936,330	2,296,828.69	2,372,979.57	4,900		
Total	701,210,381	470,696,863	2,424,899.47	2,520,220.25	5,352	Freeze Taxable	(-)
Tax Rate	0.677200						470,696,863
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
DP	153,191	97,553	82,974	14,579	2		
OV65	1,408,421	1,060,796	824,526	236,270	9		
Total	1,561,612	1,158,349	907,500	250,849	11	Transfer Adjustment	(-)
						Freeze Adjusted Taxable	=
							4,367,160,025

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
 31,999,307.16 = 4,367,160,025 * (0.677200 / 100) + 2,424,899.47

Tif Zone Code	Tax Increment Loss
TETIF1	386,542,737
TETIF2	53,948,031
Tax Increment Finance Value:	440,490,768
Tax Increment Finance Levy	2,983,003.48

2018 CERTIFIED TOTALS

Property Count: 38,098

TTE - CITY OF TEMPLE
Grand Totals

7/14/2018

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Exemption Breakdown

Exemption	Count	Local	State	Total
AB	16	374,237,272	0	374,237,272
CH	28	17,687,267	0	17,687,267
CHODO	1	7,808,573	0	7,808,573
DP	487	4,313,607	0	4,313,607
DPS	6	50,000	0	50,000
DV1	241	0	1,967,050	1,967,050
DV1S	34	0	160,000	160,000
DV2	217	0	1,917,329	1,917,329
DV2S	17	0	120,000	120,000
DV3	273	0	2,606,000	2,606,000
DV3S	25	0	230,000	230,000
DV4	679	0	5,390,606	5,390,606
DV4S	94	0	792,000	792,000
DVHS	638	0	102,844,269	102,844,269
DVHSS	61	0	8,834,259	8,834,259
EX-XG	3	0	203,697	203,697
EX-XI	2	0	245,220	245,220
EX-XJ	6	0	9,119,927	9,119,927
EX-XL	31	0	2,763,026	2,763,026
EX-XR	5	0	202,652	202,652
EX-XV	2,786	0	474,845,401	474,845,401
EX-XV (Prorated)	9	0	24,320	24,320
EX366	51	0	13,691	13,691
FR	2	0	0	0
HS	14,357	393,613,812	0	393,613,812
LIH	2	0	3,424,376	3,424,376
MASSS	2	0	577,703	577,703
OV65	5,167	48,849,694	0	48,849,694
OV65S	354	3,263,002	0	3,263,002
PC	23	30,877,733	0	30,877,733
Totals		880,700,960	616,281,526	1,496,982,486

Bell County

2018 CERTIFIED TOTALS

As of Certification

Property Count: 38,098

TTE - CITY OF TEMPLE
Grand Totals

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State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	22,083		\$92,149,567	\$2,866,708,996
B	MULTIFAMILY RESIDENCE	1,026		\$1,949,900	\$293,256,538
C1	VACANT LOTS AND LAND TRACTS	2,814		\$1,650	\$52,320,535
D1	QUALIFIED AG LAND	490	12,208.8863	\$0	\$62,110,366
D2	IMPROVEMENTS ON QUALIFIED OPEN SP	52		\$4,272	\$583,432
E	FARM OR RANCH IMPROVEMENT	557	4,683.5656	\$985,601	\$64,111,349
F1	COMMERCIAL REAL PROPERTY	1,793		\$14,947,457	\$610,955,208
F2	INDUSTRIAL REAL PROPERTY	128		\$0	\$746,662,509
J1	WATER SYSTEMS	2		\$0	\$82,907
J2	GAS DISTRIBUTION SYSTEM	7		\$0	\$10,885,045
J3	ELECTRIC COMPANY (INCLUDING CO-OP	27		\$0	\$65,904,708
J4	TELEPHONE COMPANY (INCLUDING CO-	17		\$0	\$6,695,880
J5	RAILROAD	28		\$0	\$39,425,274
J6	PIPELINE COMPANY	56		\$0	\$3,928,124
J7	CABLE TELEVISION COMPANY	4		\$0	\$7,583,201
L1	COMMERCIAL PERSONAL PROPERTY	3,156		\$1,720,523	\$319,433,334
L2	INDUSTRIAL PERSONAL PROPERTY	312		\$0	\$634,610,590
M1	TANGIBLE OTHER PERSONAL, MOBILE H	413		\$118,083	\$3,954,210
O	RESIDENTIAL INVENTORY	2,548		\$22,988,177	\$61,648,479
S	SPECIAL INVENTORY TAX	51		\$0	\$30,346,381
X	TOTALLY EXEMPT PROPERTY	2,924		\$65,000	\$516,338,150
	Totals		16,892.4519	\$134,930,230	\$6,397,545,216

2018 CERTIFIED TOTALS

Property Count: 38,098

TTE - CITY OF TEMPLE
Effective Rate Assumption

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New Value

TOTAL NEW VALUE MARKET:	\$134,930,230
TOTAL NEW VALUE TAXABLE:	\$119,604,670

New Exemptions

Exemption	Description	Count	2017 Market Value	
EX-XL	11,231 Organizations Providing Economic Deve	1	2017 Market Value	\$0
EX-XV	Other Exemptions (including public property, r	123	2017 Market Value	\$2,835,060
EX366	HOUSE BILL 366	15	2017 Market Value	\$46,372
ABSOLUTE EXEMPTIONS VALUE LOSS				\$2,881,432

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	19	\$180,000
DV1	Disabled Veterans 10% - 29%	22	\$152,000
DV1S	Disabled Veterans Surviving Spouse 10% - 29%	2	\$10,000
DV2	Disabled Veterans 30% - 49%	16	\$142,500
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	3	\$22,500
DV3	Disabled Veterans 50% - 69%	36	\$376,000
DV3S	Disabled Veterans Surviving Spouse 50% - 69%	2	\$20,000
DV4	Disabled Veterans 70% - 100%	96	\$1,068,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100	7	\$60,000
DVHS	Disabled Veteran Homestead	56	\$8,158,003
HS	HOMESTEAD	900	\$31,109,043
OV65	OVER 65	327	\$3,132,416
PARTIAL EXEMPTIONS VALUE LOSS		1,486	\$44,430,462
NEW EXEMPTIONS VALUE LOSS			\$47,311,894

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount
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INCREASED EXEMPTIONS VALUE LOSS

TOTAL EXEMPTIONS VALUE LOSS \$47,311,894

New Ag / Timber Exemptions**New Annexations****New Deannexations****Average Homestead Value**

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
14,207	\$144,883	\$27,948	\$116,935

Category A Only

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
14,052	\$144,449	\$27,845	\$116,604

Bell County

2018 CERTIFIED TOTALS

As of Certification

TTE - CITY OF TEMPLE
Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
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DEPT./DIVISION SUBMISSION & REVIEW:

Traci L. Barnard, Director of Finance

ITEM DESCRIPTION: SECOND AND FINAL READING - Consider adopting an ordinance setting a tax rate \$0.6612 per \$100 valuation, comprised of \$0.2982 for maintenance and operations and \$0.3630 for debt service, for Fiscal Year 2019 (Tax Year 2018), making the appropriation for the regular operation of the City.

STAFF RECOMMENDATION: Adopt ordinance on second and.

ITEM SUMMARY: The Fiscal 2018-2019 Budget will require adoption of a property tax rate of \$0.6612 per \$100 of taxable assessed property value. The proposed tax rate will generate \$25,964,796 of property tax levy when applied to an ad valorem tax base of \$4,397,616,969 less \$470,696,863 of freeze taxable value. In addition, there will be \$2,424,899 in frozen tax levy for a total property tax levy of \$28,389,695. The proposed tax rate of \$0.6612 represents a 2.77% increase over the effective tax rate of \$0.6434.

The fiscal year 2018-2019 tax rate is comprised of the Maintenance and Operation rate and the Debt Service rate. These two components are as follows:

TAX RATE			TAX LEVY		
	FY 2019	FY 2018		FY 2019	FY 2018
Maintenance & Operations	\$ 0.2982	\$ 0.3142	Maintenance & Operations	\$ 11,710,076	\$ 11,586,407
Debt Service	0.3630	0.3630	Debt Service	14,254,720	13,385,951
	--	--	Frozen Taxes*	2,424,899	2,382,511
Total Tax Rate	<u>\$ 0.6612</u>	<u>\$ 0.6772</u>	Total Tax Levy	<u>\$28,389,695</u>	<u>\$27,354,869</u>
			Budget w/M&O at 99% Collection and I&S at 100% Collection	<u>\$28,248,345</u>	<u>\$27,215,180</u>
Tax Increment District (Reinvestment Zone No. 1)			Tax Increment District (Reinvestment Zone No. 1)		
Total Tax Rate	<u>\$ 0.6612</u>	<u>\$ 0.6772</u>	Total Tax Levy	<u>\$ 2,912,525</u>	<u>\$ 2,885,341</u>

* - Frozen value = \$470,696,863

The residential homestead exemption for property owners is \$5,000 or 20% of the assessed value whichever is greater. In addition to the homestead exemption, property owners 65 years of age or older will continue to receive an additional \$10,000 exemption and all disabled individual property owners will receive an exemption of \$10,000 in accordance with Texas Tax Code Section 11.13.

The ad valorem tax freeze on the residence homestead of a person who is disabled or sixty-five (65) years of age or older (as approved in an election held in the City of Temple on May 7, 2005) applies to Tax Year 2006 (FY 2007). The amount of the qualifying homeowners tax ceiling was determined on the Tax Year 2005 (FY 2006). Future city taxes on that homestead cannot exceed the 2005 tax amount (but may be less). The tax limitation, however, may be adjusted higher for an increase in improvements to the homestead, other than repairs and those improvements made to comply with governmental regulations.

The motion to adopt an ordinance setting a tax rate that exceeds the effective tax rate must be made in the following form: **"I move that the property tax rate be decreased by the adoption of a tax rate of \$0.6612, which is effectively a 2.77 percent increase in the tax rate."**

Pursuant to Section 11.20 of the City Charter, all taxpayers shall be allowed discounts for the payment of taxes due to the City if such taxes are paid in the year for which such taxes are due as follows: 3% in October; 2% in November; and 1% in December.

FISCAL IMPACT:

Example – Annual Property Tax - \$100,000 Taxable Value:

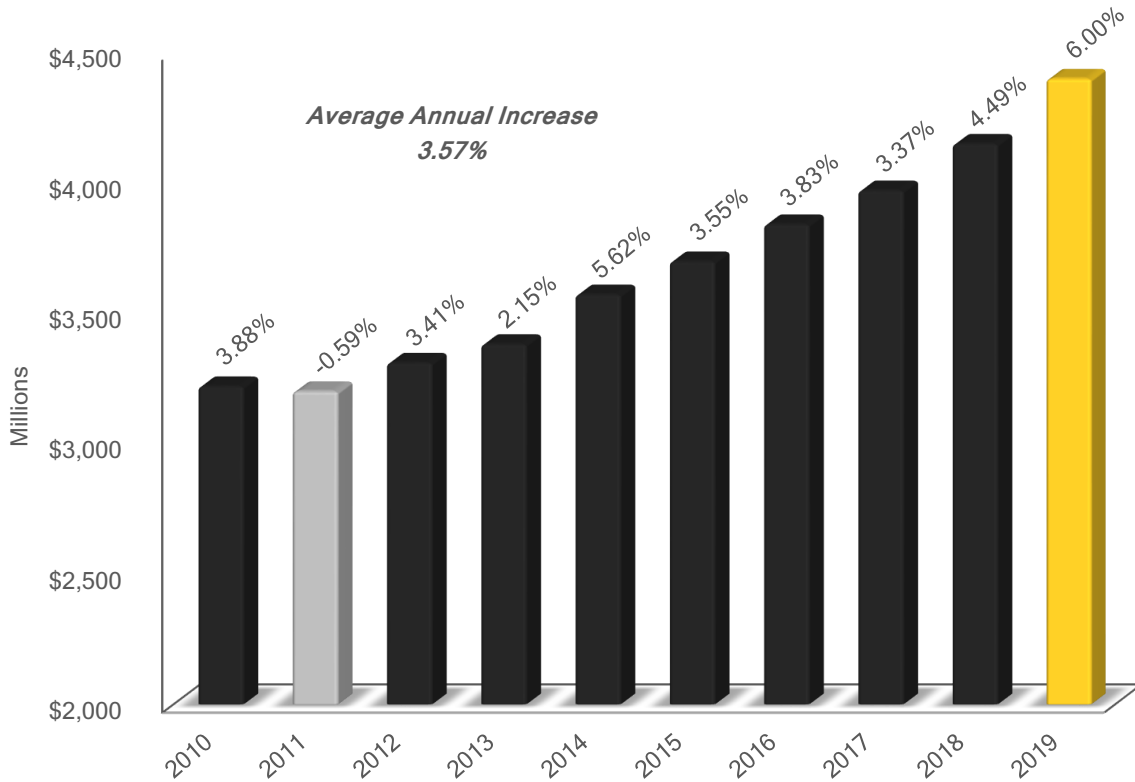
With the proposed tax rate of \$0.66122 per \$100 valuation, the cost to a homeowner with a taxable value of \$100,000 would decrease by \$16.00 per year (\$1.33 per month) if there was no change in taxable value from the prior year.

ATTACHMENTS:

[Assessed Value of Taxable Property Ordinance](#)

CITY OF TEMPLE, TEXAS
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ending September 30,	Taxable Property Valuation	Percent (%) Increase (Decrease)
2010	\$ 3,221,022,514	3.88%
2011	3,201,978,908	-0.59%
2012	3,311,259,863	3.41%
2013	3,382,401,984	2.15%
2014	3,572,423,141	5.62%
2015	3,699,245,668	3.55%
2016	3,840,746,157	3.83%
2017	3,970,340,738	3.37%
2018	4,148,669,011	4.49%
2019	\$4,397,616,969	6.00%
Average Annual Increase		3.57%





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DEPT./DIVISION SUBMISSION & REVIEW:

Nicole Torralva, Public Works Director
Kenny Henderson, Transportation Director

ITEM DESCRIPTION: Consider adopting a resolution setting the collection charges for solid waste services.

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

ITEM SUMMARY: This resolution will increase both residential rates and commercial rates. The rate increase is needed for continued support of maintenance and replacement of capital equipment.

Residential rates will increase by \$1.00 per month plus \$6.50 per extra container. Residential rates will change as follows:

CURRENT Residential Rates						
	Costs Per Month Per Quantity of Container(s)					
	1	2	3	4	5	6
Inside City *	\$ 17.45	\$ 22.95	\$ 28.45	\$ 33.95	\$ 39.45	\$ 44.95
Outside City **	\$ 21.80	\$ 28.70	\$ 35.55	\$ 42.45	\$ 49.30	\$ 56.15
Multifamily (Inside City)		\$ 34.90	\$ 52.35	\$ 69.80	\$ 87.25	\$ 104.70

*Additional container fee is based on base rate of \$17.45 plus \$5.50 per extra container

**Outside rate is 1.25x inside rates

PROPOSED Residential Rates						
	Costs Per Month Per Quantity of Container(s)					
	1	2	3	4	5	6
Inside City *	\$ 18.45	\$ 24.95	\$ 31.45	\$ 37.95	\$ 44.45	\$ 50.95
Outside City **	\$ 23.05	\$ 31.20	\$ 39.30	\$ 47.45	\$ 55.55	\$ 63.70
Multifamily (Inside City)		\$ 36.90	\$ 55.35	\$ 73.80	\$ 92.25	\$ 110.70

*Additional container fee is based on base rate of \$18.45 plus \$6.50 per extra container

**Outside rate is 1.25x inside rates

Commercial rates will increase approximately 5%. Commercial rates will change as follows:

CURRENT Commerical Rates								
Container Size/CuYds	Costs Per Month (Pick-Ups Per Week)						Reload Fee	Extra Pickup
	1	2	3	4	5	6		
1/2		\$ 29.20						
1 1/2	\$ 41.80	\$ 71.00					\$ 9.00	\$ 31.20
2	\$ 54.90	\$ 100.60	\$ 146.80	\$ 193.00			\$ 11.60	\$ 33.90
3	\$ 67.80	\$ 128.30	\$ 173.90	\$ 226.00	\$ 278.10	\$ 318.90	\$ 16.70	\$ 39.00
4	\$ 90.50	\$ 156.40	\$ 210.90	\$ 263.00	\$ 323.20	\$ 372.20	\$ 21.50	\$ 43.70
6	\$ 113.00	\$ 201.20	\$ 271.70	\$ 327.00	\$ 392.30	\$ 443.40	\$ 29.40	\$ 51.70
8	\$ 139.80	\$ 248.80	\$ 328.20	\$ 419.10	\$ 503.00	\$ 558.30	\$ 35.60	\$ 57.90

PROPOSED Commerical Rates								
Container Size/CuYds	Costs Per Month (Pick-Ups Per Week)						Reload Fee	Extra Pickup
	1	2	3	4	5	6		
1/2		\$ 30.65						
1 1/2	\$ 43.90	\$ 74.55					\$ 9.45	\$ 32.75
2	\$ 57.65	\$ 105.65	\$ 154.15	\$ 202.65			\$ 12.20	\$ 35.60
3	\$ 71.20	\$ 134.75	\$ 182.60	\$ 237.30	\$ 292.00	\$ 334.85	\$ 17.55	\$ 40.95
4	\$ 95.05	\$ 164.25	\$ 221.45	\$ 276.15	\$ 339.35	\$ 390.80	\$ 22.60	\$ 45.90
6	\$ 118.65	\$ 211.25	\$ 285.30	\$ 343.35	\$ 411.95	\$ 465.60	\$ 30.90	\$ 54.30
8	\$ 146.80	\$ 261.25	\$ 344.60	\$ 440.05	\$ 528.15	\$ 586.25	\$ 37.40	\$ 60.80

CURRENT Other Rates	
Industrial Size Roll-Off Container Charges:	
Initial Delivery Charge (one time set fee)	\$ 56.00
Pickup or Pull Charge *	\$ 123.00
* Plus 1.05x City of Temple landfill charge, plus the following monthly rental charge:	
Monthly Rental:	
20 Yard	\$ 92.00
30 Yard	\$ 98.00
40 Yard	\$ 113.00

PROPOSED Other Rates	
Industrial Size Roll-Off Container Charges:	
Initial Delivery Charge (one time set fee)	\$ 59.00
Pickup or Pull Charge *	\$ 130.00
* Plus 1.05x City of Temple landfill charge, plus the following monthly rental charge:	
Monthly Rental:	
20 Yard	\$ 97.00
30 Yard	\$ 103.00
40 Yard	\$ 119.00

Brush and bulk rates will remain the same.

FISCAL IMPACT: The proposed increase in residential minimum base rate of \$1.00 per month will generate approximately \$290,000 annually in additional revenue. The proposed 5% increase in the regular service rates for the commercial customer will generate approximately \$274,000 in additional revenue.

ATTACHMENTS:
[Resolution - to be provided](#)



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DEPT./DIVISION SUBMISSION & REVIEW:

Traci L. Barnard, Director of Finance

ITEM DESCRIPTION: Consider adopting a resolution amending the drainage fees for residential customers to ratify the waiver of the drainage fee for residential customers that use less than 2,000 gallons of water in a billing cycle.

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

ITEM SUMMARY: This resolution will amend the drainage system fees to continue to waive the fee for residential customers that use less than 2,000 gallons of water in a billing cycle. At the November 17, 2016, Council workshop, it was presented to Council that the fee would be waived for residential customers that used less than 2,000 gallons of water in a billing cycle.

Resolution 2016-8495-R was adopted by Council on December 15, 2016 with an effective date of January 1, 2017. The resolution did not contain the waiver of the drainage fee for residential customers that use less than 2,000 gallons of water in a billing cycle. Since the inception of the drainage fee, we have exempted that class of residential customers.

Below is the current fee structure for drainage fees. The only change to the fee structure is to ratify the waiver of the drainage fee for residential customers that use less than 2,000 gallons of water in a billing cycle.

Current Fee

Residential (> 2,000 gallons)	\$6.00 per month
Commercial (0 – 2,500 sf)	\$12.00 per month
Commercial (2,500 – 10,000 sf)	\$24.00 per month
Commercial (10,001 – 50,000 sf)	\$75.00 per month
Commercial (50,001 – 100,000 sf)	\$175.00 per month
Commercial (100,001+)	\$350.00 per month

FISCAL IMPACT: There is no fiscal impact related to this amendment. The residential drainage fee has not been charged to customers using less than 2,000 gallons of water per month.

ATTACHMENTS:

[Resolution - to be provided](#)



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DEPT. /DIVISION SUBMISSION & REVIEW:

Brynn Myers, City Manager

ITEM DESCRIPTION: Consider adopting a resolution authorizing a professional services agreement with Kasberg, Patrick and Associates, of Temple, in an amount not to exceed \$93,800 for professional services for the Ferguson Park Neighborhood Planning District utility schematic and concept design project.

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

ITEM SUMMARY: As part of our Neighborhood Revitalization Program, this project will develop schematic design for the water and wastewater utilities for the Ferguson Park Neighborhood Planning District to improve the infrastructure for water delivery to the District and review wastewater infrastructure. The Concept Design will explore options for improvements to the Ferguson Park District to enhance the District. Elements for pedestrian, bike and vehicular mobility will be explored as well as beautification elements such as intersection enhancements, landscaping, signage, monuments, etc. The final product will be a conceptual design for the full extents of project and include Concept and Schematic Design for amenities such as pedestrian and bike access, landscaping, signage, connectivity etc.

The cost for the Ferguson Park Neighborhood Planning District utility schematic design and concept plan project is \$93,800.

FISCAL IMPACT: Funding for the professional services agreement with Kasberg, Patrick and Associates in an amount not to exceed \$93,800 for the Ferguson Park Neighborhood Planning District utility schematic and concept design is available in account 561-5200-535-6974, project 101575, as follows:

Project Budget	\$	300,000
Encumbered/Committed to Date		-
Professional Services Agreement - KPA		(93,800)
Remaining Project Funds Available	\$	<u>206,200</u>

ATTACHMENTS:

[Resolution - to be provided](#)