



# PROPOSED BUDGET FY 2018/2019

August 14, 2018  
Boerne City Council Meeting



# ALTERNATIVE FUNDING SOURCES



# ALTERNATIVE FUNDING SOURCES

- The city is challenged with ever-increasing costs on many fronts including new, expanded or renovated roadways as well as the need for funding drainage and stormwater mitigation projects.
- Utilizing conventional means of funding from Ad Valorem taxes alone is challenging.
- The following alternative funding sources are in various stages of development:
  - *Proportionality for street and roadway improvements*
  - *Roadway Maintenance Fees for roadway improvements and construction*
  - *Street Impact Fees to provide new or upgraded roadways needed for new development*
  - *Stormwater Utility Fees for drainage and stormwater mitigation projects*

# PROPORTIONALITY

- The first effort is to complete a revision to our Traffic Impact Analysis (TIA) ordinance, updating it to include up to date regulations vetted throughout the state by other cities that will require improvements to affected streets and roadways per the required Traffic Impact Analysis but also apply to Border Streets as well. Utilizing conventional means of funding from Ad Valorem taxes alone is challenging.
- This concept is called “proportionality” and staff believes it will have the biggest immediate impact on providing for street and roadway improvements by new development vs. by the City of Boerne alone.
- Kimley-Horn has been hired to provide recommendations to modify our ordinance and are close to completion on the proposed revisions which will then be brought to City Council for review and approval in the coming weeks.

# ROADWAY MAINTENANCE FEES

- Some cities have initiated fees collected from residential and commercial accounts that are then reserved for needed roadway improvements and construction.
  - *Abilene, for example, plans to implement a fee of \$6.75 per month for each residence and \$25 to \$75 per month for each business to address their estimated \$379m in needed roadway projects and improvements.*
- Prior to implementing such a fee, the city would need to prepare a comprehensive roadway improvement assessment and plan to identify priorities and estimate costs.

# STREET IMPACT FEES

- A fee similar to Water and Wastewater impact fees can be implemented for streets and, as with all impact fees, have very specific calculation and collection criteria and uses for the funds.
- The city would need to prepare a comprehensive list of capital improvement needs to establish priorities and provide cost estimates.
- The fee can only be collected for development within the city limits.

# STORMWATER UTILITY FEES

- The city has hired Kimley-Horn to research and make recommendations regarding establishment of a Stormwater Utility which would have the ability to collect a monthly fee from all utility customers to be used for drainage and stormwater mitigation projects.
- A full city-wide analysis of impervious cover is required per state guidelines to implement such a fee.
- Typically, the resulting fee for a single-family residence is \$4-\$6 per month.
- The study and recommendations will be ready by the end of the calendar year.

# PARKLAND DEDICATION ORDINANCE

- The goal of this ordinance is to insure that new development pays its fair share in maintaining the current ratio of parkland to population (See attached spreadsheets).
- Staff has reviewed the current ordinance and identified needed updates this corresponds to the findings and recommendations of the Parks, Open Spaces, and Recreation Master Plan.
- Staff performed a survey of other cities and has developed a template for proposed updates to dedications and fees.



# PARKLAND DEDICATION ORDINANCE

- The ordinance will have three major provisions

1. *Parkland dedication requirement based on the number of units to be built*
2. *Improvements to parkland based on a per acre park development equation*
3. *Will provide for a “fee in lieu of” option that will be at City Council discretion*
  - ✓ This allows for funds to be collected and aggregated towards larger regional projects and capital expenditures

SIDEWALKS



# SIDEWALKS

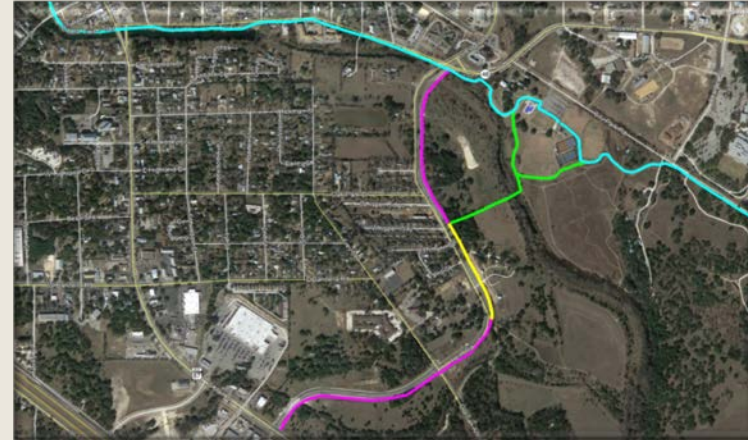
- Additional funding of \$150,000 from General Fund to complete
  - *Pedestrian Bridge at Bentwood and Greyhound Lane*
  - *West San Antonio from Latimore Blvd. to Main Plaza*
  - *806 E Blanco*
  - *Oversizing of sidewalk on Herff Road in front of the Herff Farm property*
  - *Engineering, design, and bid documents*
- Project designs will not be completed in time to construct this fiscal year
- Updated estimates will accompany final design

# Sidewalk Projects Staff Recommendations 2017/2018 Budget Year

- Bentwood bridge West (75' bridge) \$100,000
- W San Antonio from the bridge to School St (1,300') \$65,000 + \$150,000 Rd. Imp.
- W San Antonio from School St to Latimore (1,775') \$88,750
- E Blanco from Becker to Plant (100') \$5,000
- Oversizing of Herff Farm Sidewalk from 5' to 8' (1,300') \$31,000
- Engineering and Design \$150,000

Estimated total

\$589,750



# LED STREET LIGHTING CONVERSION



# LED STREET LIGHTING CONVERSION

- The City is once again exploring options for conversion of a high pressure sodium streetlight system to LED luminaires.
- Prices have dropped dramatically since the 2010 study
- There are now more options
- The ROI/Payback timeframes have improved
- Total estimated cost of the project is \$240,000 (if full change out option is selected)
  - *An additional \$40,000 (\$80,000 to \$120,000) is added to the budget to complete in 2 years rather than 3 years*

# CONSULTING FEES

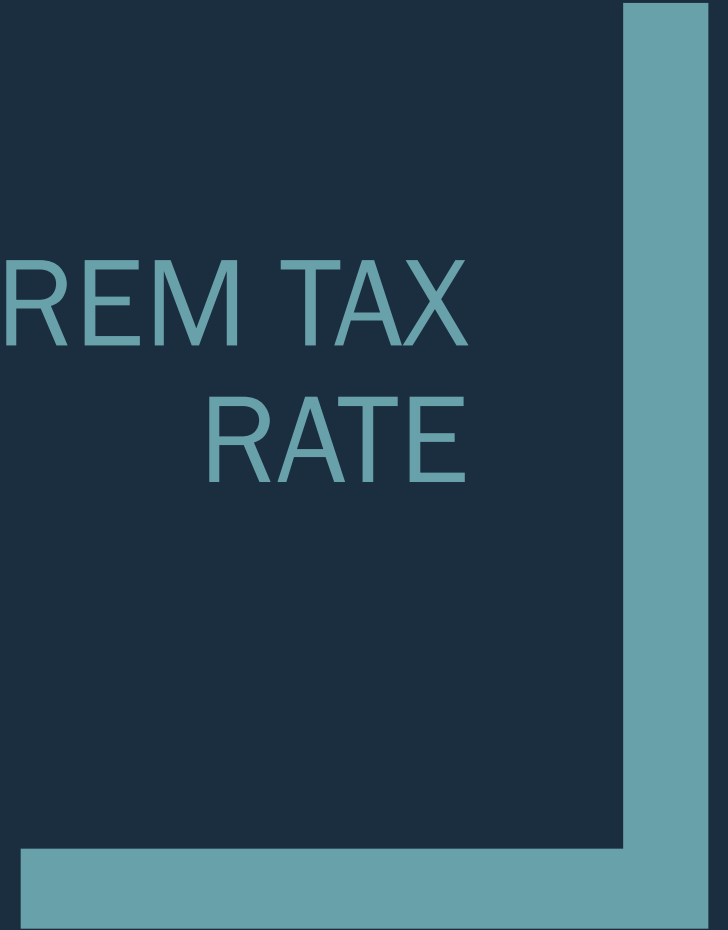


# CONSULTING FEES

- Additional funding of \$100,000 is being added to the budget to contract with consultants after the Master Plan is adopted for
  - *Updates to the subdivision ordinance*
    - This would include updates to the parkland dedication section
  - *Updates to the zoning ordinance resulting from the updated Master Plan*
  - *Updates to the Master Thoroughfare Plan*

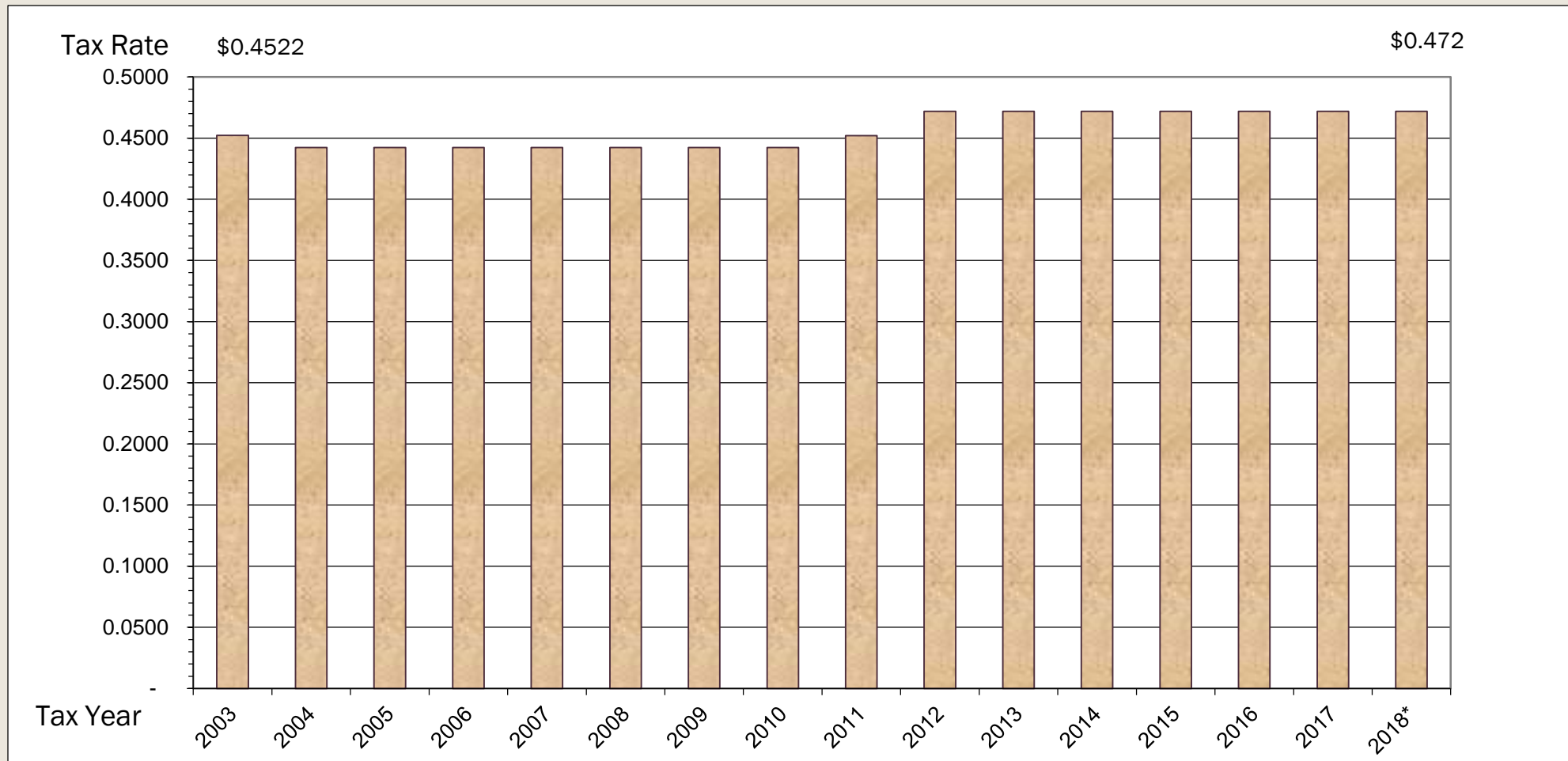


# CITY OF BOERNE AD VALOREM TAX RATE



# City of Boerne Property Tax Rate History

<2 cent increase in 15 years



# CITY OF BOERNE TAX RATE - COMPARISON

- Staff periodically reviews the TML Taxation Survey
- Efforts are made to compare with cities similar in population, cities with similar total net taxable values and cities that own their own electric utility (based on data from FY 2017)

# CITY OF BOERNE TAX RATE - COMPARISON

## ■ City of Boerne

- *Population is 15,000*
- *2018 Net Taxable Value is \$1.569*
- *Ad valorem tax rate is \$0.472*

## ■ Cities with population between 12,800 and 25,400

- *Average population is 18,077*
- *Average net taxable value is \$1.456 billion*
- *Average ad valorem tax rate is \$0.5478*

# CITY OF BOERNE TAX RATE - COMPARISON

## ■ City of Boerne

- *Population is 15,000*
- *2018 Net Taxable Value is \$1.569*
- *Ad valorem tax rate is \$0.472*

## ■ Cities with total net taxable values between \$1.170 billion and \$1.923 billion

- *Average population is 20,135*
- *Average net taxable value is \$1.536 billion*
- *Average ad valorem tax rate is \$0.4868*

# CITY OF BOERNE TAX RATE - COMPARISON

## ■ City of Boerne

- *Population is 15,000*
- *2018 Net Taxable Value is \$1.569*
- *Ad valorem tax rate is \$0.472*

## ■ Cities that own their own electric utility

- *Average population is 49,347*
- *Average net taxable value is \$3.549 billion*
- *Average ad valorem tax rate is \$0.5266*

# CONVENTION AND VISITORS BUREAU



# Convention and Visitors Bureau-Visitor's Center

## Project Costs

JM Lowe Construction	\$ 1,166,300
Impact & Connection Fees	\$ 1,235
Furniture, Fixtures & Equipment	\$ 20,000
Design Fees	\$ 93,050
Materials Testing	\$ 13,875
	<u>\$ 1,294,460</u>
Less cost of Parking Lot & Site	<u>\$ (341,840)</u>
CVB Visitors Center	<u><u>\$ 952,620</u></u>

## Funding Sources

Sale of current CVB Building	\$ 600,000
Funds from HOT	\$ 200,000
Utility Funds (Impact/Connection)	<u>\$ 1,235</u>
	<u>\$ 801,235</u>
Balance from General Fund	<u><u>\$ 151,385</u></u>



# ELECTRIC UTILITY FUND



# ELECTRIC UTILITY FUND

- The construction/re-construction of four feeder circuits extending from each substation and allowing them to be tied together has been an on-going project for several years.
  - *The purpose of the project is to provide feeder capacity extending out of each station and to allow for system redundancy.*
  - *“Redundancy” in the electric system allows us to continue to grow within our service area, to have a better and more reliable means of providing power to our customers even during isolated outages, and to handle additional power needs from existing customers.*
- In order to complete this project timely it will be necessary to use outside design professionals and contractor forces

# ELECTRIC UTILITY FUND

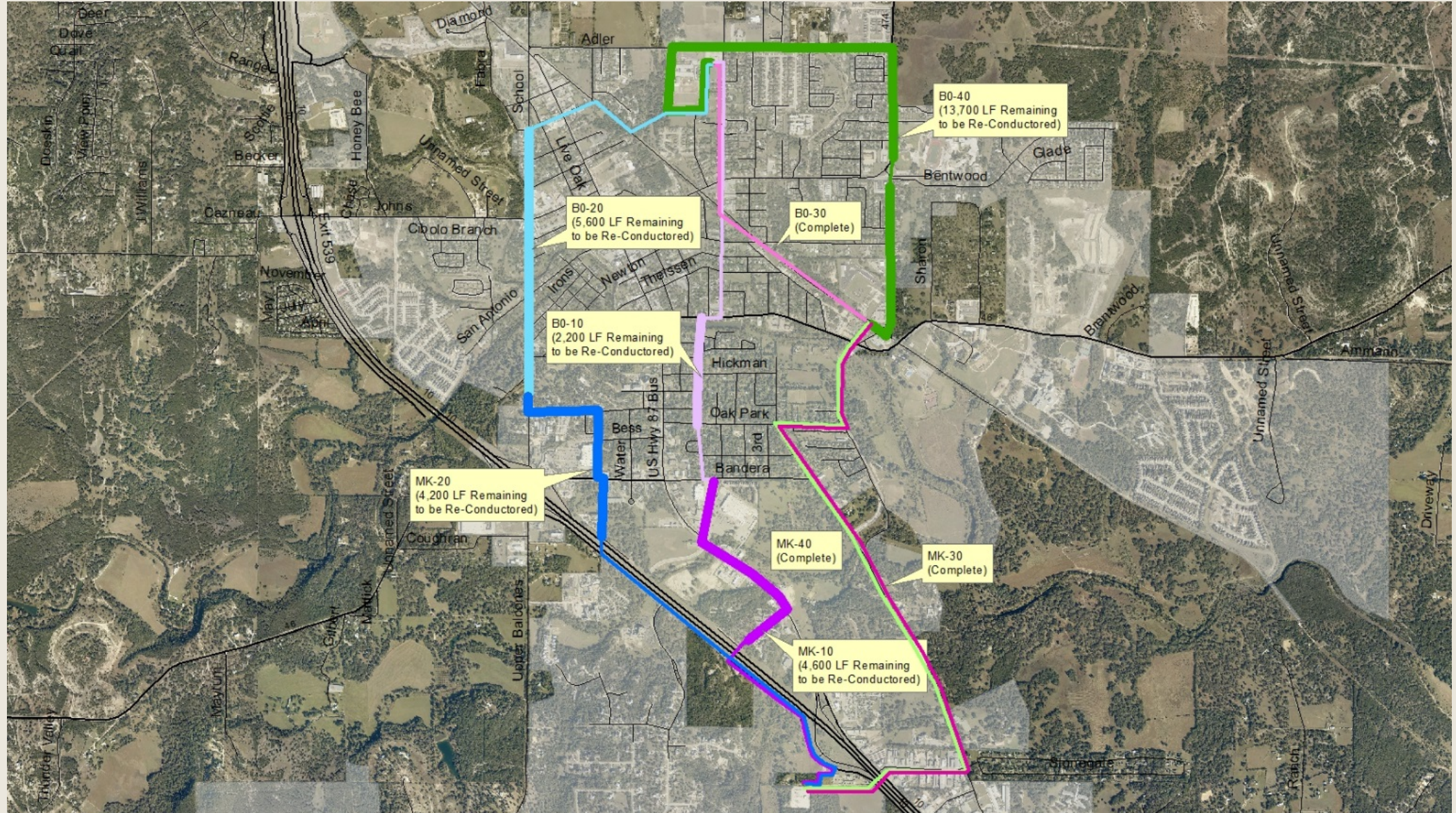
- Re-conductoring done by COB Electric Department 2005 – 2016
- Re-conductoring project in FY 2017 contracted for \$600,000
- Total cost to complete is currently estimated at \$900,000
- Propose splitting the project over 2 years with \$450,000 budgeted in FY 2019 to be funded by the Electric Utility Capital Reserve







# PROPOSED AND COMPLETED RE-CONDUCTORING PROJECT





# WASTEWATER UTILITY FUND



# WASTEWATER UTILITY FUND

- GBRA has requested the City of Boerne and City of Fair Oaks Ranch to participate in a Regional Wastewater Study
- Fair Oaks Ranch WWTP facing necessary upgrades and expansion
- COB WWTRC will need to be expanded to accommodate growth
- Plant location to the south of COB and FOR financially beneficial
- GBRA is being asked to provide retail sewer service to proposed developments in the area
  - *Total cost of the study - \$45,000*
  - *City of Boerne's portion - \$15,000*

# LEGISLATIVE CONTRACT





# LEGISLATIVE CONTRACT

- The City of Boerne is considering the idea of entering into an agreement to share costs with Fredericksburg and New Braunfels for a legislative consultant during the next legislative session in Austin
- Estimated cost of \$33,000 to be paid from General Fund and Utility Funds

# PROPOSED BUDGET AND PROJECTED FUND BALANCES



# PROPOSED BUDGET

- The Proposed FY 2018 – 2019 Budget is currently \$ 90,812,348
  - *General Government Budget - \$ 47,891,391*
  - *Enterprise (Utility) Funds Budget - \$ 42,920,957*

# PROJECTED FUND BALANCES

## ■ General Government

	GENERAL	HOTEL/MOTEL	PARKS	CEMETERY	LIBRARY	Total Govt. Funds
<b>Fund Balance Less Restricted @ 9/30/17</b>	\$ 10,503,769	\$ 385,598	\$ 1,326,589	\$ 231,297	\$ 414,465	\$ 12,861,718
<b>Minimum Required Reserve</b>	(5,673,283)	(156,505)	(517,639)	(27,421)	(323,712)	(6,374,848)
<b>Unrestricted Fund Balance @ 9/30/17</b>	\$4,830,486	\$229,093	\$808,950	\$203,876	\$90,753	\$6,072,405
<b>PROJECTED FY 2018 Change in Fund Balance</b>	4,897	18,780	135,563	139,791	(6,225)	299,031
<b>PROJECTED Unrestricted Fund Balance @ 9/30/18</b>	\$4,835,383	\$247,873	\$944,513	\$343,667	\$84,528	\$6,371,436
<b>PROJECTED FY 2019 Change in Fund Balance</b>	(647,398)	(210,000)	164	13,349	0	(843,885)
<b>PROJECTED Unrestricted Fund Balance @ 9/30/19</b>	\$4,187,985	\$37,873	\$944,677	\$357,016	\$84,528	\$5,527,551

# PROJECTED FUND BALANCES

## ■ Utility Funds

	ELECTRIC	WATER	WASTEWATER	GAS	Enterprise Funds
<b>Fund Balance Less Restricted @ 9/30/17</b>	\$ 7,408,696	\$ 4,398,492	\$ 2,134,185	\$ 402,197	\$ 14,343,570
<b>Minimum Required Reserve</b>	(3,668,649)	(1,197,501)	(1,094,033)	(546,449)	(6,506,632)
<b>Unrestricted Fund Balance @ 9/30/17</b>	\$3,740,047	\$3,200,991	\$1,040,152	(\$144,252)	\$7,836,938
<b>PROJECTED FY 2018 Change in Fund Balance</b>	76,827	506,024	(237,328)	103,360	448,883
<b>PROJECTED Unrestricted Fund Balance @ 9/30/18</b>	\$3,816,874	\$3,707,015	\$802,824	(\$40,892)	\$8,285,821
<b>PROJECTED FY 2019 Change in Fund Balance</b>	(467,519)	(20,124)	(9,060)	33,198	(463,505)
<b>PROJECTED Unrestricted Fund Balance @ 9/30/19</b>	\$3,349,355	\$3,686,891	\$793,764	(\$7,694)	\$7,822,316

# ADDITIONAL STAFF/COUNCIL MEMBER COMMENTS

