



Media Release

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FOR IMMEDIATE RELEASE

City Manager Presents Proposed FY 2018 Budget to City Council

TEMPLE, TX – (June 23, 2017) Today, Brynn Myers, Interim City Manager, filed the Proposed 2017-2018 Fiscal Year Budget for the City of Temple.

Budget Overview

The FY 2018 Budget, which runs from October 1, 2017, through September 30, 2018, is a balanced budget that totals \$146,305,703.

Revenues/Other Sources	Adopted Budget FY 2017	Proposed Budget FY 2018	% Increase/ (Decrease)
General Fund	\$ 67,491,178	\$ 70,519,883	4.49%
Water & Wastewater Fund	34,029,828	34,428,191	1.17%
Debt Service Fund	14,599,530	16,740,207	14.66%
Hotel/Motel Tax Fund	1,900,800	1,903,300	0.13%
Federal/State Grant Fund	410,971	328,768	-20.00%
Drainage Fund	1,175,740	2,300,050	95.63%
Reinvestment Zone No. 1 Fund	22,212,397	16,107,144	-27.49%
Total Revenues/Other Sources	\$ 141,820,444	\$ 142,327,543	0.36%

Expenditures/Transfers	Adopted Budget FY 2017	Adopted Budget FY 2018	% Increase/ (Decrease)
General Fund	\$ 70,472,396 ⁽¹⁾	\$ 73,330,973 ⁽²⁾	4.06%
Water & Wastewater Fund	34,029,828	34,428,191	1.17%
Debt Service Fund	14,900,556	16,740,207	12.35%
Hotel/Motel Tax Fund	1,912,400	1,923,600 ⁽³⁾	0.59%
Federal/State Grant Fund	410,971	328,768	-20.00%
Drainage Fund	1,175,740	2,300,050	95.63%
Reinvestment Zone No. 1 Fund	20,222,490	17,253,914	-14.68%
Total Expenditures/Transfers	\$ 143,124,381	\$ 146,305,703	2.22%

(1) Includes the use of \$2,981,218 in Undesignated Fund Balance - Capital Projects to fund Capital of \$2,359,218, TEDC Matrix allocation of \$522,000, and Strategic Investment Zone of \$100,000.

(2) Includes the use of \$2,447,590 in Undesignated Fund Balance - Capital Projects to fund Capital of \$1,541,182, TEDC Matrix allocation of \$230,283, Strategic Investment Zone of \$150,000, Capital Replacement - Sanitation Vehicles of \$273,575 and Capital Replacement - Public Safety P25 Radios of \$252,550. Also includes the use of \$363,500 in Designated Fund Balance for General Government Compensation Plan.

(3) Includes the use of \$20,300 in Designated Fund Balance for General Government Compensation Plan.

Total revenues for the FY 2018 General Fund Budget are presented at \$70,519,883, an increase of 4.49% compared to the FY 2017 Adopted Budget. The three largest sources of revenue for the General Fund are sales tax, property tax, and solid waste charges. The FY 2018 Budget estimates \$21,350,000 in sales tax revenue, a 2.30% increase in sales tax revenue over budgeted FY 2017 sales tax revenue, \$11,072,295 in solid waste revenue is projected for FY 2018, representing an 11.64% increase from the FY 2017 solid waste revenue adopted budget of \$9,918,339. The increase is attributed to the growth in the customer base, commercial roll-off services, and the addition of gross revenues associated with the Recycling Processing Center. These revenues are based on rates that remain unchanged from current year.

Budget Highlights

Public Safety- The FY 2018 Budget includes several initiatives designed to enhance public safety services including funding for the replacement of 11 marked and 1 unmarked police vehicles, as well as the replacement of a van with equipment to be utilized for crash reconstruction sites. In addition, vehicles in Police support service and Fire administration functions and are also recommended for replacement.

The FY 2018 Budget also includes a \$1,200,000 allocation to purchase new public safety radios that will allow the City to transition from the traditional analog radio system to a wholly digital radio system based on P25 interoperability standards. P25 is a suite of standards for digital radio communications for use by federal, state, and local public safety agencies. P25 digital standards help ensure compatible and interoperable radio communication systems within our own organization and also among other departments and agencies in order to preserve and enhance our ability to effectively and safely respond to emergency events.

The proposed budget also includes an allocation to fund additional positions within the Police and Fire Department. The FY 2018 Budget recommends funding an additional Deputy Police Chief, an additional customer service supervisor position, and a Media Relations Specialist position in the Police Department. Additionally the budget recommends funding the first staffing phase for a new Proactive Enforcement/Violent Crime Squad in the Police Department. This proposed 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 consists of 2 police officers (1 addition and 1 reassignment) to establish the squad. Future staffing phases will include the addition of a sergeant and 4 additional officers to bring the unit to full staffing.

The FY 2018 Budget also recommends converting 3 existing firefighter overhire positions to permanent firefighter positions and adding 1 overhire position.

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.

Parks and Recreation- 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 FY 2018 Budget includes operating and maintenance expenses associated with bond improvements anticipated to come online during FY 2018. The additional operations and maintenance expenses associated with newly completed bond projects total \$46,159 for FY 2018.

The FY 2018 Budget also includes an allocation of funding to continue our preliminary planning efforts associated with the Bend of the River project and \$344,000 in funding for replacement of capital equipment to allow us to continue to maintain our existing Parks and Recreational facilities.

Neighborhood Revitalization- The FY 2018 Budget continues to leverage our Community Development Block Grant (CDBG) funds to assist with the implementation of our Neighborhood Revitalization initiative. Programs proposed for funding include the housing improvement program, main street program, neighborhood revitalization program, infrastructure improvements, and the demolition program. The FY 2018 Budget also includes an additional part-time Recreational Specialist position to help coordinate efforts in enhancing access to youth recreational opportunities in East Temple.

Responding to Growth- Many of the new staffing and operating costs proposed in the FY 2018 Budget are intended to maintain service levels in the midst of the growth of our community. The FY 2018 Proposed Budget includes the following additional positions:

- a Technology Support Specialist I in Information Technology department;
- a part-time Collection Development Librarian for the Library division;
- an additional Traffic Signal Maintenance Technician for the Traffic Signal division;
- an additional Connect & Disconnect Technician for the Metering division;
- a Management Specialist in the Public Works Administration; and,
- a part-time Customer Service Representative I to the Utility Business Office division.

Transportation Infrastructure- This proposed budget includes the sixth year of a multi-year transportation capital improvement program (TCIP) and recommends expansion of the program in order to fund several additional projects that have been identified as high priority needs since the original program began as a result of changes within the community such as new developments, new school campus activities, changing traffic patterns, and condition of existing pavements.

The TCIP is a ten-year effort to expand and maintain our major transportation infrastructure. The TCIP is a result of our recent assessments and reports on both the condition of our transportation infrastructure and the need to improve our mobility. The project areas identified in the TCIP are

intended to address both the need to improve our existing transportation infrastructure and provide new capacity and connectivity. The funding for implementation of the TCIP program was established as a phased plan with an initial tax rate adjustment of 1.25 cents in FY 2013 and 3.50 cents in FY 2017. The FY 2018 Budget recommends an additional tax rate adjustment of 2.00 cents in order to expand and adjust the existing program to include:

- construction of Outer Loop Phase 4;
- preliminary engineering of Outer Loop Phase 5;
- matching funds to support sidewalk & trail grant opportunities;
- a placeholder for potential additional signals in future years; and
- design, right-of-way, and construction of Hartrick Bluff (Waters Dairy to FM 93).

These additions will expand the TCIP from the existing \$126,700,000 effort to a \$140,258,343 program.

Additional recommended adjustments to the program include:

- aligning funding with project readiness for construction of Prairie View Phase 2 and Outer Loop Phase 3B in fall 2017;
- accelerating the timing of Outer Loop Phase 4 (design & ROW), Poison Oak (design, ROW, & construction), Westfield Phase 2 (construction), and Kegley Phase 2, 3, & 4 (design, ROW, & construction);
- addressing improvements to South Pea Ridge later in the program;
- completing improvement to North 8th Street through overlay; and
- removing North Pea Ridge Phase 2 and East-West local collector from the program.

Utility Infrastructure- The City has invested almost \$142,716,000 over the past 10 years in improving and extending our water and sewer infrastructure. Our utility infrastructure, no less so than our transportation infrastructure, is extremely important to our ability to deliver services in one of our core mission areas. We will be completing the Water/Wastewater Master Plan update in FY 2018. The Master Plan will evaluate system demands and improvements through 2070. The scope includes assessment of current infrastructure, water and wastewater system analysis, and development of a plan for implementing future improvements.

Drainage Infrastructure- The FY 2018 Budget includes an allocation of \$4,000,000 for Drainage Capital Improvement Projects. Projects to be funded in FY 2018 include:

- Conner Park/Meadowbrook
- Azalea Drive
- 57th Street & Avenue T
- 49th / Avenue R / 43rd Street
- Avenue D & 14th Street
- Comprehensive Modeling Assessment

Property Tax Rate

The tax rate for FY 2018 is proposed at 67.72¢ per \$100 valuation, which includes the recommended 2.00¢ tax rate adjustment for the Transportation Capital Improvement Program. This rate is based on a preliminary appraised value of \$4,189,452,803 (net taxable value not adjusted for frozen values). 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.

FY 2018 Proposed Tax Rate

	<u>FY 2017</u>	<u>FY 2018</u>	<u>Change</u>
General (M&O)	31.42¢	31.42¢	0.00¢
Debt (I&S)	34.30¢	36.30¢	2.00¢
Total	65.72¢	67.72¢	2.00¢

The Proposed 2017-2018 Fiscal Year Budget is now in the hands of the City Council. Important upcoming dates include August 3, in which the City Council is scheduled to conduct a public hearing on the budget and set the preliminary tax rate. The City Council is scheduled to adopt the final budget and set the tax rate on August 25, 2017.

The FY 2018 Proposed Budget is available in its entirety on the City of Temple's website at www.templetx.gov/budget.

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