

**Spring Valley Village City Council
Agenda Item Data Sheet**

MEETING DATE: June 25, 2019

TOPIC:	DISCUSSION AND DIRECTION CONCERNING: Budget Policy Assumptions To Use In Development of Fiscal Year 2019-2020 Budget
---------------	---

BACKGROUND:	<p>City Treasurer Michelle Yi, Assistant City Treasurer Susan Thornhill, Assistant to the City Administrator Matthew Hitt and I have begun development of the City's Fiscal Year 2019-2020 Budget. However, before actual numbers are presented for the Council to review, it is important to review the budget policy assumptions that we are using to development the FY 2020 Budget to ensure that both Staff and the Council are on the same page.</p>
--------------------	--

Budget Policy Assumptions

Revenues

- To forecast revenues, use a conservative approach including trend analysis and take into account factors that may not be reflected in data yet such as legislative changes that will take effect on September 1, 2019 and impact different City revenues.
- Evaluate possible tax rate reduction after analyzing impacts of new legislation and, if possible, propose property tax rate reduction.
- Use 99% collection rate to estimate property tax revenues.
- Incorporate changes to Franchise Fees resulting from new legislation.
- Incorporate changes to Building Permit Fees resulting from new legislation.
- Eliminate ambulance fee revenue to allow Village Fire Department to retain that revenue to support the service.

Expenditures/Expenses

- To forecast expenditures/expenses, use a conservative approach including trend analysis and take into account factors that may not be reflected in data yet such as unfunded mandates, and specific needs of Departments in order to maintain and/or improve service levels to the residents.

ACTIONS TAKEN

APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO	READING PASSED	OTHER
---	-----------------------	--------------

**Spring Valley Village City Council
Agenda Item Data Sheet**

- Inclusion of 15% increase for health insurance. We will not know the increase until late August or early September.
 - For Police Department, 5% increase for salaries [approximately \$85,000] (includes other ½ of the market adjustment amount approved for FY 2019 related to Police Department employees and would allow for a combination of cost of living adjustments, market adjustments as needed, and merit increases based on performance evaluations).
 - For all other City Departments, 7.4% increase for salaries [approximately \$79,200] (includes the other ½ of the market adjustment amount approved for FY 2019 related to all non-Police Department employees and will allow for a combination of cost of living adjustments, market adjustments as needed, and merit increases based on performance evaluations).
 - Replacement of 4 Police Department vehicles
- Capital Improvement Projects
- 2019 Certificates of Obligation debt payment amount to be transferred from General Fund to Debt Service Fund instead of rolling into tax rate.
 - Continue with Capital Projects for the General Fund approved on October 23, 2018, a copy of which is provided with this agenda item.

RECOMMENDATION: Staff requests direction concerning the outlined Budget Policy Assumptions to be used in developing the FY 2020 Proposed Budget.

ATTACHMENTS:

- Copy of 5-Year General Fund Capital Improvement Projects List Adopted October 23, 2018

FUNDING ISSUES:

Not applicable – no dollars are being spent or received.

Full amount already budgeted in Acct/Project# _____

Not budgeted, if approved, the following will be included in the next Budget Amendment:

\$_____ from Acct/Project# _____ will be transferred to Acct/Project# _____

\$_____ from unassigned fund balance will be used and added to Acct/Project# _____

\$_____ will be added to Revenue Acct# __-____ and \$_____ added to Expenditure Acct/Project# _____

ACTIONS TAKEN

<p>APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO</p>	<p>READING PASSED</p>	<p>OTHER</p>
---	------------------------------	---------------------

Spring Valley Village City Council
Agenda Item Data Sheet

FINANCE VERIFICATION OF FUNDING:



SUBMITTING STAFF MEMBER:

Julie M. Robinson, City Administrator

CITY ADMINISTRATOR APPROVAL:



ACTIONS TAKEN

APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO	READING PASSED	OTHER
--	----------------	-------

DIVIDER PAGE

**CITY OF SPRING VALLEY VILLAGE
5-YEAR GENERAL FUND CIP PROJECTS (ADOPTED 2018-10-23)**

Item No.	Projects by Type	Current Projected 2018 - 2019	Year 1 Proposed 2019 - 2020	Year 2 Proposed 2020 - 2021	Year 3 Proposed 2021 - 2022	Year 4 Proposed 2022 - 2023	Year 5 Proposed 2023 - 2024	Greater than 5 Years	Total
BOND FUNDING CAPITAL PROJECTS									
1	Hilldale/Bade/Adkins	1,673,382							1,673,382
	Loeser	386,113	386,113						772,226
2	Traweek	400,000	599,350						999,350
	Lone Star	331,537	531,538						863,075
	West Tex	376,932	576,963						953,895
3	Green Valley &Winningham, West of Voss			700,000	363,750				1,063,750
	Winningham, East of Voss			272,550	272,550				545,100
4	Cedarspur, East of Voss			272,550	272,550				545,100
	Burkhart, East of Voss			227,125	227,125				454,250
5	Cedarspur, West of Bingle				227,125				227,125
	Burkhart, East of Bingle				700,000	685,463			1,385,463
6	Brighton Place Streets Cedarspur St. Pech Rd between Cedarspur St. and Winningham Ln Burkhart Cir. Burkhart Ct. Winningham Ln. East of Bingle Rd. Krist Dr.				500,000	3,240,000	1,660,000		5,400,000
TOTAL CIP BOND FUNDING		3,167,964	2,093,964	1,472,225	2,563,100	3,925,463	1,660,000	-	14,882,716

OTHER FUNDING CAPITAL IMPROVEMENT PROJECTS

A	Cavell, East of Fries							454,250	454,250
	Heather Cir							250,000	250,000
	Echo Valley, E & W of Fries							908,500	908,500
B	Spring Oaks Circle							408,825	408,825
C	Croes, E & W of Fries							1,430,888	1,430,888
D	Campbell Rd. Detention at Briar Branch							800,000	800,000
Total Other Funding Capital Improvement Projects								\$ 4,252,463	\$ 30,572,937

PUBLIC FACILITIES

A	Fire Station Renovation	450,261	118,490						568,751
B	Renovation of Public Works Building			250,000					250,000
Total Public Facilities		\$ 450,261	\$ 118,490	\$ 250,000					\$ 818,751

COMMUNITY IMPROVEMENTS

A	Katy Freeway Noise Reduction	46,800							46,800
B	Streetlight Replacement Program	60,000							60,000
C	Bingle Traffic Improvements						700,000		700,000
D	SBISD Parks Initiative								-
E	Repair/Replacement of Bridge Over Briar Branch Creek at Tammy Lane and Randy Drive								-
Total General Community Improvements		106,800	-	-	-	-	-	700,000	806,800