

# **2022-23 City of Smithville Budget Workshop #2**



**Wednesday, September 7, 2022**

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## Agenda:

- Budget Changes / Action Item Review
- Review Proposed Health Benefits for Retirees
- FY22-23 Budget Recap
  - Budget Highlights / Requests
  - Proposed Tax Rate
  - Tax Note
  - ARPA
- Next Steps



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## Community Services (Dept 155) Budget Changes:

- Distributed **\$8K** in funding among multiple 501c-3 organizations:

NEW

- Salvation Army - \$1,500
- Angels Unaware - \$1,000
- Smithville Little League - \$1,000
- Partners of Veteran's Park - \$1,000
- Smithville Music Festival - \$500

- Moved “artist” funding request to Eco Dev (Dept. 300 - Cultural District).

- Common Thread - **\$2,800**
- Flamingo Ranch - **\$5,000**
- Drums for Youth - **\$5,000**

- Corrected error in utility employee pay rate - **\$4k**
- Expense offset by increasing permit and utility revenue.



**Delta = +\$15k**

# City of Smithville FY22-23 Budget Workshop #1 - ACTION ITEMS

ITEM	ACTION ITEM ASSIGNED	OWNER	STATUS	COMMENTS
1	Proceed with \$1.25M Tax Note.	TAMBLE	CLOSED	SAMCO published a tentative schedule and is currently working with Bond Counsel to structure details of the Tax Note. Will require an ordinance for approval during the next regularly scheduled Council meeting on 9/12/22.
2	Distribute \$8k in charitable contributions among the 501c-3 entities requesting donations (Community Services - Dept. 155).	TAMBLE STRUBE	CLOSED	\$8k in funding spread among 501c-3 entities within Community Services (Department 155) budget. Charitable request(s) from those individuals / organizations not qualifying as a non-profit entity were moved to the Cultural District line item within Economic Development (Dept. 300). The Cultural District Committee will host a public meeting (planned for October, after the City budget has been approved) to hear recommendations from citizens as to how funds within that budget line will be spent. Note: The Cultural District Committee is made up of a liaison from the City (Jill Strube), a liaison from the Lost Pines Artisans Alliance (April Daniels), and the Department Head of the Library—the “cultural activities” center at the City (Judy Bergeron). The Cultural District Committee holds a public meeting twice per year to discuss which projects should be funded through the Cultural District line of the City budget, and how other organizations may be solicited to leverage those funds. Meetings align with the Texas Commission on the Arts grant application schedule (January, June, and July).
3	Provide Recreation Center utilization metrics.	GARRISON	CLOSED	A detailed list of program utilization metrics (e.g., revenue vs. expense, # of patrons, participation rates, programs, etc.) was provided to the Mayor and Councilmembers on 9/2/22.
4	Investigate / create Message Board for Councilmember use.	TAMBLE	CLOSED	Message Boards can be created through PHP website at no charge. Message Boards do not allow 2-way communication with the citizens. Communication is only among and between Councilmembers which could lend itself to Open Meetings Act violation. Our recommendation is to set-up individual Councilmember Facebook and/or Nextdoor pages.
5	Verify Hotel Occupancy Tax (HOT) funds provided to the Chamber are being used in accordance with state and local requirements.	TAMBLE CHRONIS	CLOSED	<p>The use of HOT funds is consistent with requirements governed by the state and city ordinance. Per Chapter 11 - Taxation, Section 11.04.009 - Use of Revenue:</p> <p>(a) The revenue derived from any hotel occupancy tax imposed and levied by this article may be used only to promote tourism and the convention and hotel industry, and that use is limited to those provided in state law.</p> <p>(b) Revenue derived from the hotel occupancy tax shall be expended only in a manner which directly enhances and promotes tourism and the convention and hotel industry. Such revenue shall not be used for the general revenue purposes or general governmental operations of the municipality which are not directly related to promoting the hotel and convention industry or tourism in the municipality.</p>

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## Health Insurance / Benefits for Retirees:

- Limited to Employees (EE) with 20 or more years service with the City of Smithville.
- Plan would cover insurance premiums (medical, dental, vision, etc.) based on the following service schedule:
  - 20 Years Service – 50% (EE only)
  - 25 Years Service – 75% (EE only)
  - 30+ Years Service – 100% (EE only)
- Premium for EE will be set at the time of retirement. For example, if EE retired July 1, 2023, with 25 years of service they will have earned a 75% contribution toward their monthly premium.



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## Health Insurance / Benefits for Retirees:

- Plan would remain in effect until:
  - a) Employee accepts employment with another company that offers group health insurance coverage; OR
  - b) Employee reaches Medicare age (65), they will no longer be eligible to remain on the City's retiree health plan.
- City of Smithville will provide an allotment to be used to secure Medicare and/or Medicare Supplement plan(s). As long as the retiree does not secure other employment that offers health benefits they will continue to receive medical benefit allotment for life.
- No impact to group premium if <10% participation.
- Estimated Cost = **\$10k (\$5k for Retiree / \$5k Legal)**





# City of Smithville Budget - PRELIMINARY

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Budget  
Infographics

## Budget Highlights / Requests:

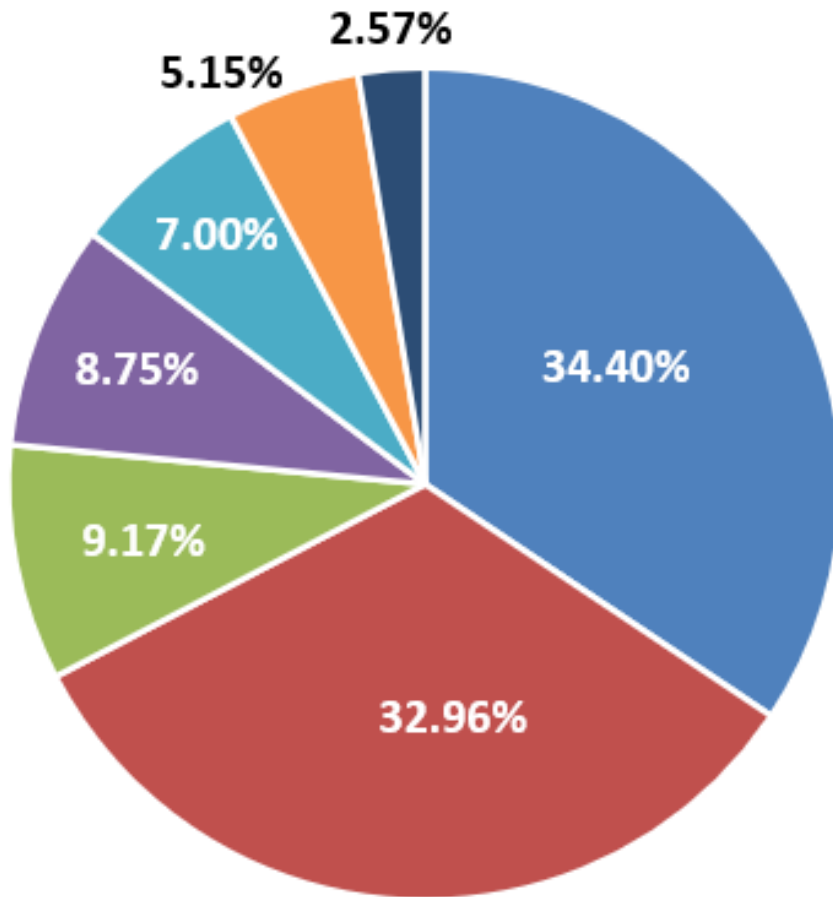
- Request **7.07% increase** over FY21/22 budget
- Budget will require **\$1.26M** Transfer from Utility to General Fund.
- Recommend 2022/23 **PROPOSED TAX RATE \$0.54893** (slight decrease from last year).
- Propose **3% COLA** and **2X TMRS** Adjustment for all employees (**\$334k**)
- Request **\$1.25M Tax Note** for capital equipment, infrastructure upgrades
- Request **\$595k** in **ARPA funding** for qualified projects.

FY2021/22			
General	Utility	Debt	Total
\$5,522,767	\$7,703,590	\$516,174	\$13,742,531
	<b>Delta = &gt;\$971k</b>		
FY2022/23			
General	Utility	Debt	Total
\$5,938,301	\$8,029,067	\$746,968	\$14,714,336



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## Breakdown of Proposed Budget Increase

Item	Percent	Cost
Payroll / Benefits Increase*	34.40%	\$334,000
Purchased Power/ Utility Supplies	32.96%	\$320,000
Garbage Rate Increase	9.17%	\$89,000
Micellaneous	8.75%	\$85,000
Sreet, Curb, & Gutter	7.00%	\$68,000
Motor, Fuels, Lubricants	5.15%	\$50,000
Cemetery Maintenance	2.57%	\$25,000
<b>TOTAL</b>	<b>100.00%</b>	<b>\$971,000</b>

\* Includes 28% Burden Rate for Benefits + Estimated OT and Part-Time Labor

TMRS 2X Multiplier, and Medical Benefits Fof Retirees.

**\$971k**



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## Next Steps:

- **Update** budget as recommended by Council.
- **Adopt** 2022-23 Tax Rate / Budget **(September 12th)**
- **Finalize** 2022-23 Departmental Goals / Objectives. Identify areas for growth and development.
- **Schedule** additional workshop(s) to review Short Term Rental and Subdivision Ordinance(s).





THANK YOU!

