

## City Manager Update – 2/11/22

Happy New Year everyone! The Holidays gave us the chance to reflect upon all the important things in life that we sometimes take for granted.....family, friends, and fellowship. I hope everyone took the time to rest, recharge, and reconnect as 2022 will be another exciting and challenging year. Due to COVID, there was not a January City Manager update. So, there is a lot to catch up on.

“SNOWVID” 2.0 was a relatively mild weather event compared to what we experienced last February. City offices were closed all-day on Thursday, February 3<sup>rd</sup> and 2-hours on Friday, February 4<sup>th</sup>. The majority of roads into and out of Smithville remained passable with only minor sleet/ice accumulation on the 4th Avenue bridge, FM2571 bridge, and SH95 river bridge. The City’s garbage service was impacted with several days missed due to road conditions and/or “packing-out”. As of today, all routes are now caught up. There was only one (1) weather-related power outage at SH95 and FM535 that impacted citizens who live in the area for approximately 1-hour. Kudos to the Smithville PD and Utility Crews for responding to citizen's needs during the duration of the event.

Thirty-two (32) new businesses opened in our community during 2021. Thirty-five (35) new single-family residential homes and three (3) duplexes were built during 2021 adding approximately \$7.5M to the tax roll. Multiple development projects are being supported that will bring additional housing and commerce to our community. Other significant accomplishments / projects completed in 2021 include:

- Received \$1.1M in American Rescue Plan Act (ARPA) funding.
- Awarded \$13M in CDBG-MIT funding for regional flood mitigation projects.
- Developed 2021/22 balanced budget (\$13.7M) to include funding of new projects/programs.
- Completed Chamber of Commerce, Visitor Center, and Railroad Museum construction / re-build.
- Provided emergency leadership during pandemic, inclement winter weather, train derailment, and wildfire.
- Issued \$750k Tax Note to purchase capital equipment (e.g., patrol cars, chipper, asphalt zipper).
- Managed 2020/21 budget to within .07% of commit with revenues exceeding expenditures by \$91k.
- Supported multiple development projects (Go Big Solar, M5 Subdivision, The Grove, ZoHo Corporation., etc.)

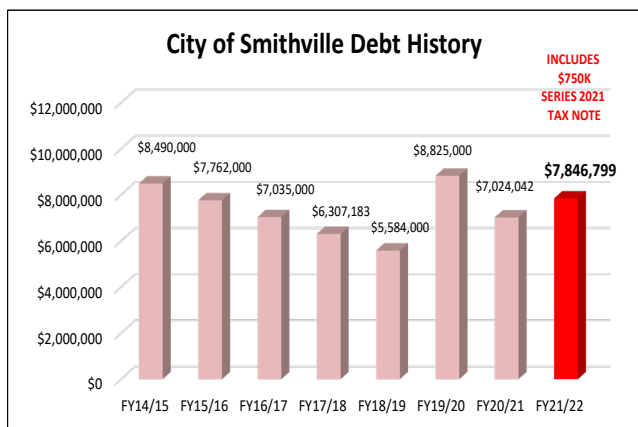
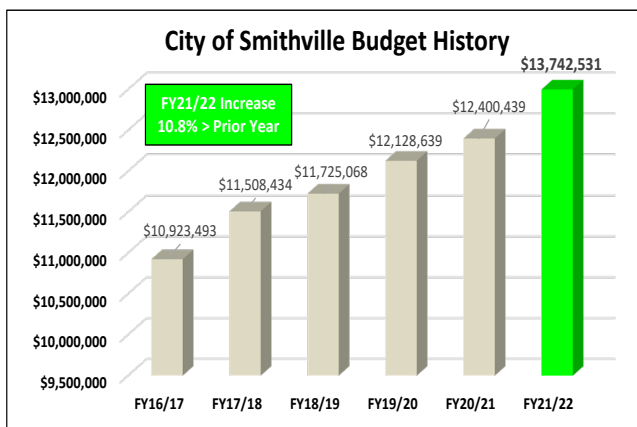
As you can see above, there were many plans and projects the city staff had to juggle. These projects were above and beyond what it took to keep the City running on a daily basis. Miscellaneous development and infrastructure improvement projects (e.g., drainage, sidewalk repairs, water tower refurbishment, and road improvement, etc.) will continue throughout the year as the weather and our budget permits (see below).

<u>Infrastructure Projects:</u>	<u>Development Projects:</u>
<ul style="list-style-type: none"><li>• City-wide Street &amp; Road Repair + Misc. Drainage</li><li>• Hwy 95 Expansion / Utilities Relocation</li><li>NEW • NW 2<sup>nd</sup> Street Drainage Improvement Project</li><li>NEW • GLO-CDBG MIT regional Drainage Improvement Project</li><li>• City-wide Water Storage Tank Rehabilitation</li><li>• Warehouse Detention Pond</li><li>NEW • Loop 230 Water Line Extension</li><li>NEW • SRTS / TA-Set Aside Sidewalks</li></ul>	<div data-bbox="690 1543 925 1617">PROJECTS</div> <ul style="list-style-type: none"><li>NEW • <u>Zoho Corporation</u></li><li>• Go Big Solar</li><li>• M5 Subdivision</li><li>• Woodrose Place</li><li>• Capella Property</li><li>• Chamber Re-build</li><li>• Creekside RV Park</li><li>NEW • The Grove Subdivision</li><li>NEW • Garwood Park Subdivision</li><li>NEW • Hill Road Development</li><li>NEW • Domain Industries, Inc</li><li>NEW • The One (Old Pines Hotel)</li><li>NEW • Insite Group (146 homes)</li></ul>

## City Manager Update – 2/11/22 (continued)

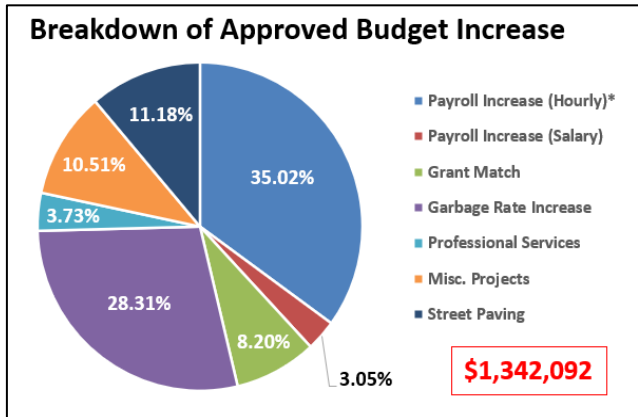
The City of Smithville's fiscal performance during 2021 was stable with revenues exceeded expenses on our \$12.4M budget by \$91k (including budget amendments).

Last September, the City Council unanimously voted to adopt a \$0.549061 tax rate (same as the previous year) and a \$13,742,531 balanced budget representing a 10.8% INCREASE in spending. This is \$1,342,092 greater than the City's FY20/21 budget of \$12,400,439. The City Council also approved the issuance of a \$750k Tax Note to purchase capital equipment for the PD and Public Works department(s). The additional revenue from issuing a tax note and raising utility rates (e.g., water, sewer, and garbage, etc.) will cover the cost of purchasing capital equipment, grant matches, increasing base wages, and hiring four (4) additional FTE's. The average cost to homeowners from raising utility rates is \$27 / month. Funds have also been budgeted to enable mowing of over-grown lots, removal of debris associated with condemned property, installation of a new A/V system for the council chambers, seal-coating and re-striping the Rec Center parking lot, expanding Wi-Fi, and installing internal security doors at City Hall. Public services like fire, police, animal control, courts, library, airport, rec center, parks, cemetery, leaf/limb, road repair, street paving, and small drainage projects throughout town will be funded through property taxes, sales tax, permits, and a \$1.325M Utility transfer to the General Fund. Our current S&P bond rating is "AA-minus". See charts below for the City's budget and debt history.



Breakdown of Approved Budget Increase		
Item	Percent	Cost
Payroll Increase (Hourly)*	35.02%	\$470,000
Payroll Increase (Salary)	3.05%	\$41,000
Grant Match	8.20%	\$110,000
Garbage Rate Increase	28.31%	\$380,000
Professional Services	3.73%	\$50,000
Misc. Projects	10.51%	\$141,092
Street Paving	11.18%	150,000
<b>TOTAL</b>	<b>100.00%</b>	<b>\$1,342,092</b>

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



Average Impact to City of Smithville Taxpayer Due to Fee Increases						
Description of Fee	Old Rate	New Approved Rate	Estimated Revenue	\$\$\$ Taxpayer Impact / Mo	\$\$\$ Taxpayer Impact / Yr	Comments
Water Meter Base Rate	\$16.50	\$18.00	\$101,669	\$1.50	\$18.00	1845 Active Accounts. Based on average homeowner use of 12,000 gallons / month. <b>Date of last increase - 10/1/17</b>
Water / 1000 Gallons	\$3.10	\$3.50		\$4.00	\$48.00	
Sewer Base Rate	\$10.50	\$15.00	\$102,471	\$4.50	\$54.00	1596 Active Accounts. Based on average homeowner use of 6,000 gallons / month. <b>Date of last increase - 10/1/17</b>
Sewer / 1000 Gallons	\$3.85	\$4.00		\$6.90	\$82.80	
Electric Meter Base Rate	\$5.00	\$10.00	\$206,230	\$5.00	\$60.00	2235 Active Accounts (Includes residential and commercial). <b>Date of last increase - 10/1/14</b>
Garbage Rate	\$33.17	\$38.50	\$125,000	\$5.33	\$63.96	1576 Active Accounts. 2x / wk service, 1x / mo. Bulk + leaf / limb. <b>Date of last increase - 10/1/19</b>
<b>TOTAL</b>			<b>\$535,370</b>	<b>\$27</b>	<b>\$327</b>	

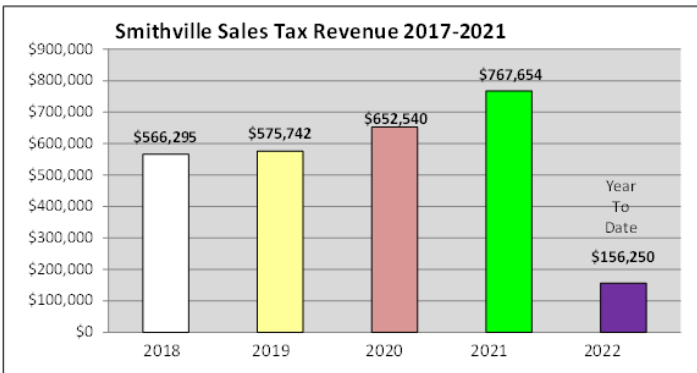
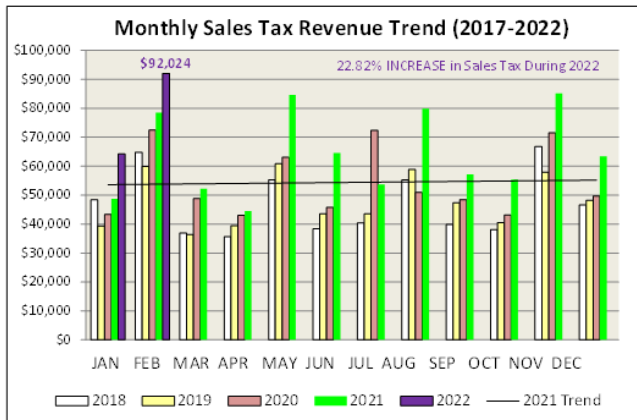
## City Manager Update – 2/11/22 (continued)

Smithville's sales tax receipts during 2021 totaled \$767,545. The data indicates a positive trend with a 17.6% increase (approximately \$115k) over the same period last year. So far this year, sales tax receipts are also trending positive with 22.82% increase compared to this time in February 2021. Hotel Occupancy Tax (HOT) receipts increased by 75% with \$24k collected in 2021.

### Smithville Sales Tax Revenue (2017-2022)

	2017	2018	2019	2020	2021	2022
JAN	\$39,255	\$48,401	\$39,325	\$43,347	\$48,759	\$64,226
FEB	\$62,519	\$64,805	\$59,926	\$72,422	\$78,459	\$92,024
MAR	\$37,897	\$36,869	\$36,333	\$48,809	\$52,210	
APR	\$39,410	\$35,610	\$39,391	\$42,977	\$44,438	
MAY	\$63,296	\$55,277	\$60,837	\$63,095	\$84,622	
JUN	\$40,886	\$38,393	\$43,545	\$45,779	\$64,516	
JUL	\$43,363	\$40,403	\$43,536	\$72,352	\$53,723	
AUG	\$54,582	\$55,210	\$58,843	\$50,878	\$79,858	
SEP	\$62,939	\$39,823	\$47,330	\$48,442	\$57,169	
OCT	\$42,846	\$38,093	\$40,562	\$43,150	\$55,398	
NOV	\$58,192	\$66,784	\$57,870	\$71,574	\$85,087	
DEC	\$45,521	\$46,626	\$48,244	\$49,714	\$63,415	

Sales Tax Revenue	2017	2018	2019	2020	2021	2022
	\$590,704	\$566,295	\$575,742	\$652,540	\$767,654	\$156,250



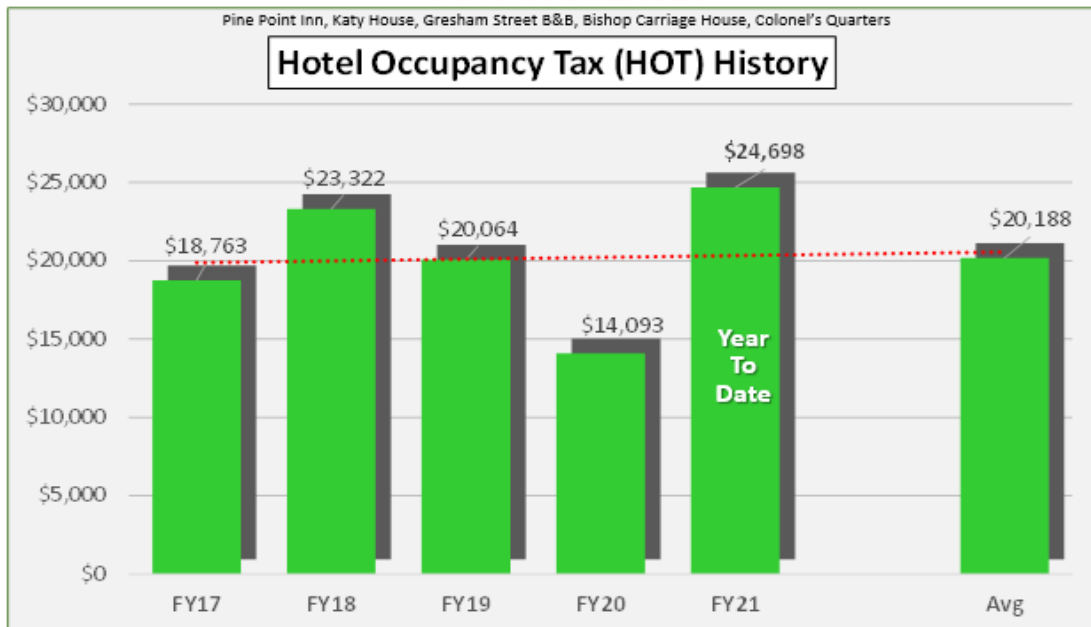
Data Source: <https://mycpa.cpa.state.tx.us/allocation/AllocHistResults.jsp>

**SHOP LOCAL**

*It makes a difference!!!*

*Sales Tax Revenue helps pay for Fire, Police, Street Repairs, Library, and Animal Control*

### 75% INCREASE!



- Avg. Annual Hotel Occupancy Tax Revenue = \$20,188
- Six (6) hotel / lodging establishments currently paying HOT
- 7% of Taxable Receipts with 1% Discount if paid before the quarterly DUE DATE

## City Manager Update – 2/11/22 (continued)

Smithville is rapidly becoming a “destination” with more shopping, dining, entertainment, and lodging options available to both citizens and visitors alike. Each day, our community continues to evolve and improve. Infrastructure is being replaced and/or repaired. New businesses are opening. New homes are being built. In the next 2-3 years, developers are planning to build approximately 245 new single-family residences in Smithville. Bottom line, we are making progress but there is still much to do. Going forward, our success will depend on our ability to proactively manage growth in a manner that preserves and protects our small-town look, charm, and feel.

Good things are happening in our City and I look forward to what the future holds. Here is a brief “snapshot” of the City’s strategic roadmap going forward:

### CITY OF SMITHVILLE – STRATEGIC ROADMAP



- Much has been accomplished but still much to be done.
- **Strategic Focus** - Infrastructure Improvement, Eco Development, and Fiscal Responsibility.
- Partner with the Community, Chamber, and County to proactively manage growth in a manner that preserves and protects our small-town look, feel, and charm.

As of 1/29/22

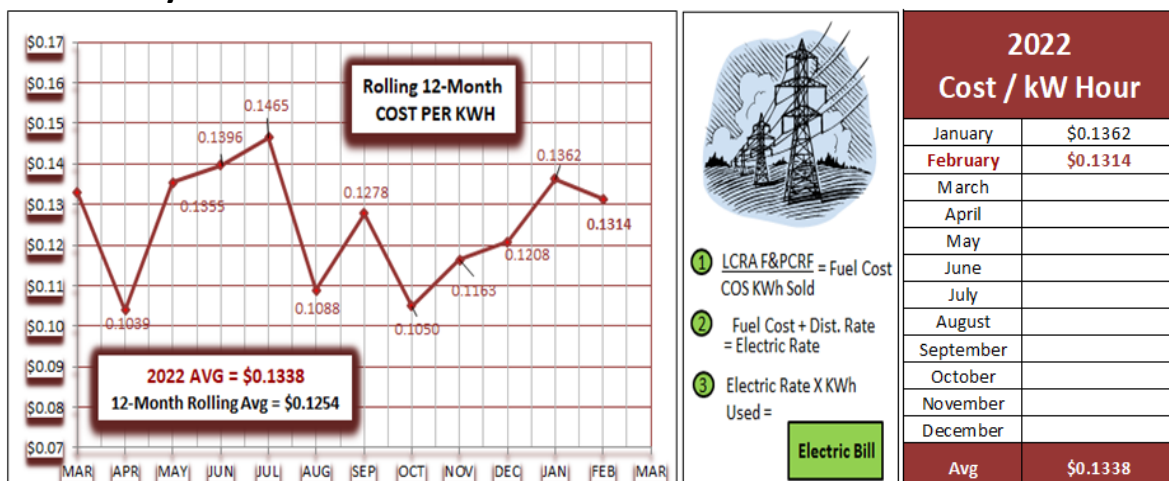
Below you will find a list of accomplishments, plans, projects, and planned activities since my last report:

- 1) **Smithville Leading the 2022 H-E-B “It’s Time Texas” Community Challenge** - With less than three weeks to go, Smithville is leading the competition in the “extra small” community category (population < 5,000) for the “IT’S TIME TEXAS Community Challenge” with 525,400 points. Stockdale and Liberty Hill are currently in 2nd and 3rd place behind Smithville. Each year, H-E-B sponsors the free, state-wide competition in which Texas communities compete to see which communities can demonstrate the greatest commitment to healthy living. The winning community in each size category will receive an \$1,800 community grant to put toward future health-related efforts, along with a trophy, school district banner, and Governor’s certificate. Over 100 community members from Smithville have registered to participate. We have won the competition the past four (4) years in a row and are looking to become a “[Five-Time Champion](#)”. Thanks to all who are participating in this competition. If you have not yet registered, there is still time to participate. Go to → <https://ittcommunitychallenge.com/> to register and join the challenge! If you are registered, don’t forget to log those healthy meals and activities for more points! The competition ends February 27, 2022.

## City Manager Update – 2/11/22 (continued)

- 2) **2022 Wastewater Rates - Three Month Winter Water Average** - Wastewater rates in Smithville are set by using a three (3) month “winter” water use average between DECEMBER and FEBRUARY. You can reduce your monthly wastewater (sewer) bill by conserving water during these months. In the event that the monthly water usage for any month is less than the computed “winter water average,” the lesser of the two shall be used as the basis for calculating the wastewater bill. Residential customers pay a \$15.00 sewer base rate per month and \$4.00 sewer fee per 1000 gallons of water used. Cut back on water use between December and February and let the savings begin! For a list of all City of Smithville utility rates click on the following link → <https://www.ci.smithville.tx.us/city-departments/utilities/rates/>. NOTE – Please contact the City of Smithville utility department if you had broken water pipes or dripped faucets during the recent arctic blast so your 3-month winter average can be adjusted accordingly.
- 3) **HBO Max Filming TV Series in Smithville** - HBO Max has been filming a TV series set in 1980 called “[Love & Death](#)”. The series (starring Elizabeth Olsen) is based on the true story of Wylie, Texas housewife Candy Montgomery's brutal axe murder of her friend Betty Gore in 1980. HBO Max has had a notable presence in Smithville with over 200 cast and crew members supporting the project since January. Although the production “footprint” has been inconvenient at times (with access to public parking downtown restricted during filming), the economic benefit to our community is significant. Here is a link to a [CBS Austin News Story](#) about the show that aired last week. The last day of filming in Smithville (weather permitting) is scheduled for Wednesday, February 16, 2022.
- 4) **COVID-19 Impacts City of Smithville Personnel** – COVID continues to impact our community - including the city staff. Since the beginning of the year, 20% of city personnel have tested positive for COVID. This has impacted street repairs and our leaf/limb pick-up service. Fortunately, all of the cases the city has incurred during the recent spread of the Omicron variant have been relatively mild. The CDC recently revised their quarantine and isolation guidelines. These guidelines are confusing and in some cases counter-intuitive. Although the CDC recommends that it is not necessary to test “negative” after exposure, quarantine, or isolation, the city requires employees be asymptomatic and test negative before returning to work. These protocols are necessary to ensure the continued safety and health of city employees and their families. Going forward, all city employees (interacting or having close contact with the public) will be required to wear a mask. In addition, we will continue taking employee temperatures and disinfecting commonly-touched surfaces on a daily basis.
- 5) **Residential Cost Per Kilowatt Hour (kWh) Calculated** – An analysis of LCRA billing data was conducted to determine residential cost per kilowatt hour (kWh) in February. LCRA fuel costs vary month to month and are based upon electric utility generation, transmission, line loss, and service fees. The LCRA fuel cost per kWh for February is \$0.0814. This represents a **5.84% DECREASE** compared to January’s fuel cost of \$0.0862. Adding the City’s distribution fee of \$0.0500 and LCRA’s \$0.0814 fuel cost, the cost per kWh for residential service in Smithville during FEBRUARY will be \$0.1314. Below you will find a “rolling” 12-month residential cost per kWh and a fuel cost comparison chart. On average, the cost per kWh for electric service in Smithville is between \$0.12-0.13 cents with the average household using 1,200 kW/month at a cost of \$156. ERCOT provides energy conservation tips during winter months → <http://ercot.com/about/conservation/> to help reduce consumption which in turn will help citizens save money.

### City of Smithville Residential Cost Per kWh – FEBRUARY 2022



Note: LCRA Fuel & Power Cost Recovery Factor + City Distribution Fee\* (\$0.0500) = Cost / kWh

\*Residential Distribution Fee = \$0.500/kWh. Non-Resident (i.e., service outside city limit) Distribution Fee = \$0.650/kWh Effective October 1, 2019

## City Manager Update – 2/11/22 (continued)

- 6) **2022 Primary Election - Early Voting Locations, Dates, and Times** - Early Voting for March 1st Primary Election begins Monday, February 14, 2022 through Friday, February 25, 2022. Go to → <http://www.bastropvotes.org/> for complete list of candidates, polling locations, dates, and times. Please note - City Hall (317 Main) is no longer a polling location. The new voting location in Smithville will be at the Smithville Recreation Center (106 Royston).

### February 14, 2022 - February 25, 2022

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	14	15	16	17	18	19
	8am – 5pm	8am – 5pm	8am – 5pm	8am – 5pm	8am – 5pm	7am – 7pm
20	21 <b>NO VOTING STATE HOLIDAY</b>	22	23	24	25	
9am – 3pm		7am – 7pm	7am – 7pm	7am – 7pm	7am – 7pm	

As a reminder, the deadline to file as a candidate in the upcoming General Election for City Office is **Friday, February 18, 2022**. Three (3) places will be on the ballot: Place 4 - currently held by Councilman Stan Gerdes, Place 5 - currently held by Councilwoman Janice Bruno, and the Mayor - currently held by Joanna Morgan. As of 2/11/22, Sharon Foerster and Tom Etheredge have filed to run for Mayor. Cassie Barrientos and Dane Garrison have filed to run for Place 4 and Janice Bruno has filed to run in Place 5.

- 7) **City of Smithville Sales Tax Update** - Below are the sales tax allocations for February 2021 vs. February 2022 (retail sales made primarily in December 2021). This data reflects RETAIL sales of goods and services subject to LOCAL sales tax. Our sales tax payment (receipt) for January was \$92,024. This represents a **17.28% INCREASE** (\$13,565) in our net payment compared to the same time last year and is the largest monthly sales tax allocation on record. As a reminder, revenue from local sales tax is used to offset expenses for community services like fire, police, leaf/limb pick-up, garbage pick-up, and the public library. Remember --- Shop Local....it makes a difference!"

### Bastrop County Sales Tax Allocation - FEBRUARY 2022

County/City	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	2022 Payments To Date	2021 Payments	% Change
Bastrop	1.50%	\$1,063,051	\$907,369	17.15%	\$1,994,849	\$1,619,218	23.19%
Elgin	1.50%	\$334,090	\$270,047	23.71%	\$607,243	\$488,454	24.31%
Smithville	1.50%	\$92,024	\$78,459	17.28%	\$156,250	\$127,218	22.82%
Bastrop County	0.50%	\$694,269	\$573,333	21.09%	\$1,315,051	\$1,021,912	28.68%

There are several events / activities planned the next few weeks:

The next CITY COUNCIL MEETING will be held on **Monday, February 14, 2022** at City Hall (6:00 pm).

As a reminder, City Hall will be CLOSED – **Monday, February 21, 2022** in honor of President's Day. Office hours will be 8-5 Tuesday through Friday (Feb 22-25).

There will be a CITY COUNCIL WORKSHOP AND PUBLIC FORM on **Wednesday, February 23, 2022** at City Hall from (5:00 – 7:00 pm) to discuss the Sound Ordinance and Short-Term Rentals (Air B&B's).

The BEST COUNTY-WIDE BREAKFAST will be held in Elgin on **Friday, February 25, 2022** from 8:00-9:30 am at Meyers Elgin Smokehouse (188 US HWY 290 / Elgin).

Please let me know if you have any questions or need additional information. Have a great weekend. Stay warm (or warm at heart) and have a Happy Valentine's Day!

--Robert--

## PHOTOS – 2/11/22:

### Annual Shred Day @ City Hall



### HBO Max "Love & Death" Filming in Smithville



### M5 Subdivision Construction



### New Asphalt "Zipper" (ARPA)



### New Limb Chipper (ARPA)



*Happy*  
**VALENTINE'S**  
DAY