

City Manager Update (9-6-19)

TGIF! The dog days of summer continue with no apparent relief in sight. The BURN BAN remains in effect until further notice as the fire risk is HIGH. This month's City Manager update will primarily focus on the FY19/20 budget.

I would like to extend my thanks to the Council and City staff for participating in the tax rate public hearings and budget workshops over the past 2-weeks. Unfortunately, public participation was minimal despite multiple announcements communicating the meeting dates in the Smithville Times, Chamber Newsletter, Utility Bill, Facebook, Rec Center electronic message board, and City website. The City's executive staff was instrumental during this year's budget process. Many, many hours were spent identifying and prioritizing projects / plans and making necessary cuts to meet the current budgetary needs. Before the Council votes on the proposed tax rate and budget during the **September 9, 2019** Council meeting, there will be a Public Hearing on the budget. Citizens will have the opportunity to address the Council about their opposition to, or support of the proposed budget.

The FY19/20 tax rate and balanced budget are ready for final City Council consideration and approval. Our FY19/20 forecasted revenues and expenditures are currently **BALANCED** at \$12,128,639. This is \$403,571 greater than our FY18/19 budget of \$11,725,068 and represents a 3.4% **INCREASE** in projected spending. Our General Fund debt service payment this year will be \$410,414. The total bonded debt remaining (as of 10/1/19) will be \$8,825,837.50.

FY2018/19			
General	Utility	Debt	Total
\$4,402,116	\$6,933,709	\$389,243	\$11,725,068
FY2019/20			
General	Utility	Debt	Total
\$4,654,373	\$7,063,852	\$410,414	\$12,128,639

DELTA =
\$404k INCREASE

Several key "drivers" impacted spending during FY18/19 that will carry over into FY19/20 budget:

- Contingency expenditures in 2018-19 were approximately (\$511k)
(e.g., Chamber Fire, storms, hangar purchase, MLK water line, transformers, AC repairs)
- GF Debt position **INCREASED** 5.4% due to issuance of Certificate of Obligation - **(\$21k)**
- Cut employee Health Reimbursement Account (HRA) - **(\$23k)**
- Solid Waste Services Fee **INCREASED** by 5.0% - **(\$50k)**
- Property Insurance **INCREASED** by 13% - **(\$13k)**
- Sales tax revenue **INCREASED** by 3% during 2019 - **(\$15k)**
- Hotel Occupancy Tax (HOT) **DECREASED** by 15% - **(\$3k)**
- Multiple Grant awards require "earmarked" funding - (\$141k C of O)
- Budget requires **\$1.0M** Transfer from Utility Fund to General Fund (\$100k < 2018)
- COS property values **INCREASED** by 10.60% or \$27.5M during 2019 - **(+\$138k)**
- Recommend increasing non-resident utility rates, dump fees, and contract lighting - **(\$45k)**
- Recommend setting FY19-20 Ad Valorem TAX RATE @ \$0.569020 cents (same as 2018-19 rate)

The proposed FY19/20 budget will cover the projects we have planned plus a 5% cost of living adjustment for all employees and a \$1.50 / hour increase for the Smithville PD. This will help reduce our attrition rate and enable the City to continue delivering the level of service citizens expect. Giving a \$1.50 raise to all Smithville PD personnel will help reduce the current compensation gap compared to other municipalities in our area and enable the Smithville PD attract and retain qualified law enforcement personnel.

Additional funds have been budgeted to enable mowing of over-grown lots, removal of debris associated with condemned property, adding ADA compliant parking spaces and ramp in front of City Hall, adding security system at City Hall, sponsoring city-wide clean-up, brush dump tub grinding, and re-opening Ramona Street. 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, fees, permits, and a \$1.0M Utility transfer to the General Fund (\$100k < than 2018).

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The following projects and plans have been cut as they represent a lower priority and can be postponed until funding becomes available:

- Lease / purchase of two (2) patrol cars - \$96k
- Complete Airport runway maintenance - \$50k
- Install Riverbend Park Wi-Fi and Entrance Sign - \$35k
- Construct mini-pavilion at Riverbend Park - \$10k
- Reduced document shredding cost - \$5k
- Rec Center entrance patio pavilion - \$25k
- Employee Health Reimbursement Account - \$23k
- Additional Detective for PD - \$55k

\$299k
In Budget Cuts


The decision was made to cut the Employee Health Reimbursement Account (HRA) contribution which was a benefit that provided \$30 per employee / month for health care expenses incurred above and beyond those not covered by our current medical, vision, and dental insurance. The \$360 / year benefit can be “banked” from year to year. Employees will still retain whatever HRA savings they have accrued to date but the City will no longer be contributing to the HRA fund. Cutting the HRA contribution provided an additional \$23k to help fund the 5% cost of living adjustment (raise) and will provide the employees with a little more disposable income not limited to health care use.

Some of the large projects / initiatives the City will be supporting during the FY19-20 Fiscal year include the following:

- Lease/purchase of capital equipment (bucket truck, leaf machine, excavator, tractor, patrol car) – (\$51k)
- Add one (1) Electric Laborer to Utility Department (\$40k)
- Re-open Ramona Street (curb, gutter, drainage, paving, lighting) - (\$72k)
- Install ADA accessible ramp and security system at City Hall - (\$35k)
- Re-furbish / rehabilitate city-wide wastewater system and water storage tanks - (\$2.5M C of O)
- Construct TDHCA HOME Grant home for 2 qualified candidates. Total Cost = \$200k. City Match = (\$8k in-kind)
- Apply for USDA loan / grant for Relocation of SH95 Utilities. Total Cost = \$2.7M. City Match = TBD
- City-wide street, road, and drainage repairs (\$185k)
- Support FEMA Hazard Mitigation Grant (HMG) Drainage Projects:
 - o DR-4255 – Marburger Drainage Improvement. Cost = \$140k. City Match = \$23k (C of O)
 - o DR-4272 – MLK / Warehouse Detention Pond (Phase II). Cost = \$668k. City Match = \$118k (C of O)

We are recommending increasing **NON-RESIDENT** utility rates and increasing the monthly fee for contract (security) lighting from \$4.75 to \$6.75. Additionally, we are proposing an increase to the fees charged for using the city dumpster (at the warehouse on MLK) as this service historically operates in the red. Additional fee increases proposed include “one-offs” that do not affect the majority of citizens but will help align the City’s cost to provide the service. There are a host of other projects that the City will be supporting that are above and beyond what it takes to keep the water running, the power on, and the toilets flushing. Click on the following link to access the budget workshop presentation(s) that provide greater detail → <https://www.ci.smithville.tx.us/our-community/news/2019-2020-budget-workshop-powerpoint/193/>

Below you will find a list of significant accomplishments, events and activities since my last CM monthly update:

- 1) **Budget Infographics Available to Citizens via City Website** – Budget Infographics is subscription-based software service that converts our annual budget from a PDF file into a user friendly, graphical format with one click drill-down to details. The subscription service costs \$2k per year and provides an “at-a-glance” look at revenue and spending in both the Utility and General Fund. The software is capable of producing City-defined metrics that show historic trends and comparisons with other municipalities from within the region (e.g., Elgin, Bastrop, Luling, LaGrange, and Giddings). Budget Infographics is a useful tool to visually communicate to the public all the components of our annual budget. Archive budget information is available for fiscal years 2015 to 2019. The FY19-20 budget information will be available to the public once the Council adopts the tax rate and budget. Here is a link to the Budget Infographics portal via the city website → <http://www.budgetinfographics.com/smithville>. Once you access the portal, select the budget year and you will be able to navigate the revenue and expenses associated with the both the Utility and General Fund. Clicking on the  icon will give you comparison data with other municipalities.

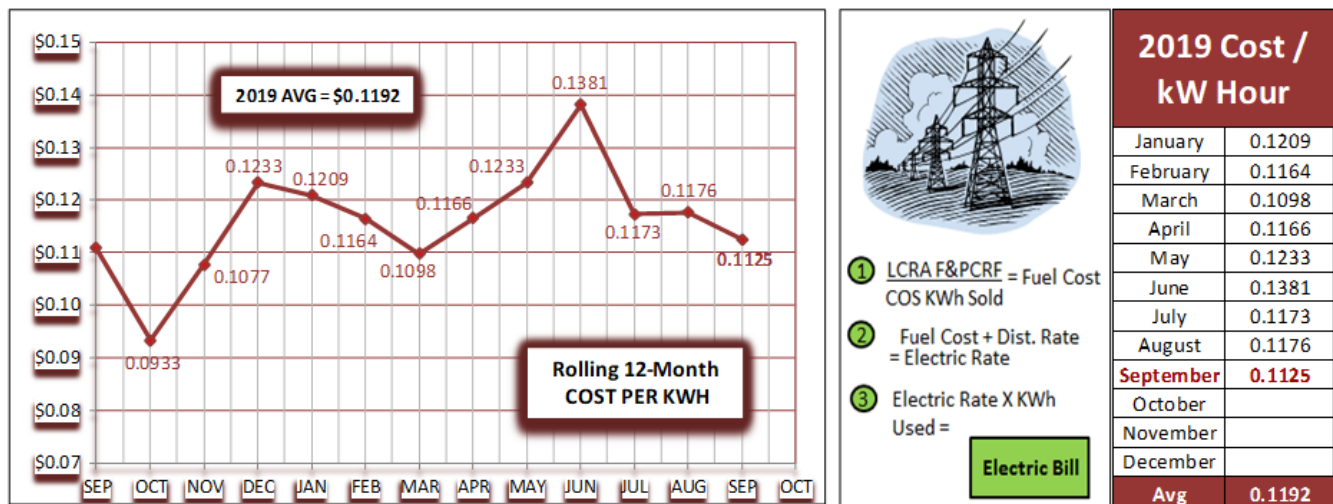
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- 2) **Annual Colorado 100 Canoe Race Held** – The “Colorado 100” canoe race was held over Labor Day Weekend and Riverbend Park was one of scheduled stops (SEE PHOTOS). Approximately 85 canoers participated in the event. The Colorado 100 canoe race is one of the largest paddling events in the state of Texas, bringing together recreational and competitive paddlers while raising environmental awareness of the water and lands of the lower Colorado River. Click on the following link → for more information about the Colorado 100.
- 3) **City-wide Street Repairs and Paving Project Update** - City-wide road paving and repair will continue throughout the community this Fall. The roads listed below will be prepped, resurfaced and repaved. The Bastrop County Maintenance Department (who owns the paving equipment) will be doing the work with support from the City of Smithville. We will be giving Main Street a facelift (weather permitting) in mid-October. Pavement cracks will be filled and sealcoat applied. Parking spaces will also be re-striped. This project will require partial and temporary street closures with notification of area residents and business owners 24-48 hours in advance. Pot-hole repairs will continue throughout town as pot-holes are identified. Citizens can report a pot-hole using the Smithville [SEE/CLICK/FIX](#) link on the City Website or by downloading the SEE/CLICK/FIX SMITHVILLE app to their smart phones.

City-wide Street Repairs and Paving Schedule - FALL 2019					
Street	From / To	Paving Material	Prep Completed	Road Closure	Paving Date
Reed Street	FM2571 to Front Street	Chip Seal	NO	YES	TBD
Whitehead	700 Block Whitehead to Charleston	Chip Seal	NO	YES	TBD
Tiger Lane	Tiger Lane	Chip Seal	NO	YES	TBD
Main Street	NW 1st Street to 8th Street	Seal Coat	NO	YES	OCTOBER
Gentry Street	Woodress Lane to 300 Block	Chip Seal	NO	YES	TBD
Bunte Street	Woodress Lane to 300 Block	Chip Seal	NO	YES	TBD
SE 2nd Street	Taylor to Eagleston	Chip Seal	NO	YES	TBD

- 4) **Residential Cost Per Kilowatt Hour (kWh) Calculated** - An analysis of LCRA billing data was conducted to determine residential cost per kilowatt hour (kWh) in SEPTEMBER. LCRA fuel costs vary month to month and are based upon electric utility generation, transmission, line loss, and service fees. The LCRA residential fuel cost per kWh for September is \$0.0625. This represents a **7.5% DECREASE** compared to August's fuel cost of \$ 0.0676. Adding the City's distribution fee of \$0.0500 and LCRA's \$0.0625 fuel cost, the cost per kWh for residential service in Smithville during SEPTEMBER will be \$0.1125. With 25-days of temperatures exceeding 100°F and no rain in the past month, overall consumption is 25% higher with the average residential kWh usage at 1,500 kWh versus 1,200 kWh. ERCOT provides energy conservation tips → <http://ercot.com/about/conservation/> to help reduce consumption which in turn will help citizens save money. 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 residential electric service in Smithville is between 11-12 cents.

City of Smithville Residential Cost Per kWh - SEPTEMBER



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

*Residential Distribution Fee Increase of \$0.005 Approved by City Council on October 1, 2017

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- 5) **CAPCOG Inter-Local Agreement (ILA) for Solid Waste Grant Approved** – The City Council approved an Interlocal Agreement (ILA) with the Capital Area Council of Governments (CAPCOG) on August 12, 2019 to allow the City to receive \$6,250 in grant funding for the construction of new metal building for the cardboard/plastics area at the City's Recycling Center. CAPCOG had "leftover" funds from 2018 projects that were not used. As such, the City was eligible to receive the surplus funding to make improvements at the Recycling Center. The City has 18-months to complete the project. Current plans are to complete the construction of the new "shed" by Christmas.
- 6) **FY18/19 Financial Audit Scheduled** - Singleton, Clark & Company (our 3rd Party Financial Auditor) will be conducting an internal audit of our FY18/19 budget during the week of September 23-27, 2019. Last year, the City received a "clean" financial audit for our prior fiscal year performance / compliance. This year's audit will focus on internal financial controls, procurement, payroll, employee records, and accounts payable/receivable, etc. Results of the financial audit will be available in April of 2020. In the interim, Cynthia White (Finance Director) will be finalizing budget amendments for discussion and action during the October 21, 2019 Council meeting. Please note that the October Council meeting (regularly scheduled for the 2nd Monday of the month) has been pushed back a week due to the Columbus Day holiday on October 14th.
- 7) **Texas Municipal League (TML) Annual Conference and Exhibition** - The 107th Annual Texas Municipal League (TML) Conference and Exhibition will be held in San Antonio October 9-11. The TML annual conference provides the opportunity for our current elected officials to attend informational training sessions while networking with other elected officials, municipal staff members, and city service providers. Muni-Services, Ameresco, Acadian, Waste Management, Langford Community Management Services, KSA, and a host of other service providers currently doing business with the City of Smithville will be in attendance. Top issues from 86th Legislative Session will also be discussed. For those Councilmembers planning to attend, Brenda will be putting together a packet of conference information that includes your registration, hotel reservation, and session program. The packet will be delivered on Friday, October 4, 2019.
- 8) **Smithville Police Association to Host "Smithville Night Out"** - The Smithville Police Association will be hosting "Smithville Night Out" on Tuesday, October 1, 2019 at MLK Park. "National Night Out" is a nationwide event coordinated by law enforcement and emergency personnel throughout the country and has thousands of participants. Locally known as "Smithville Night Out" and held on the first Tuesday in October, citizens are encouraged to participate in a concerted effort to reduce crime and organize neighborhood watch programs. Representatives from the Smithville VFD, Acadian Ambulance, and the Smithville PD, will be on-hand to answer any questions relating to neighborhood safety concerns or starting watch groups. Contact the Smithville Police Department at 512-237-3228 for more information.

There are several activities, meetings, and events scheduled in Smithville over the next several weeks:

The next CITY COUNCIL meeting will be held on **September 9, 2019** at City Hall (317 Main) beginning at 6:00 pm.

The next Chamber of Commerce COFFEE CHAT will be held on **Wednesday, September 11, 2019** at Olde World Bakery. from 7:30-8:30 am. The discussion will focus on the 2020 Census.

There will be a GRAND OPENING & RIBBON CUTTING of THE END UP on **Thursday, September 19, 2019** from 5:00 pm to 7:00 pm. The END UP is a new bar, music venue, and BBQ restaurant located at 205 NE Loop 230 (across from Smithville Auto Parts, painted with Texas flags). The grand opening and ribbon cutting will also serve as the September Chamber of Commerce Mixer hosted by Asera Care Hospice & Smithville Heating & Air.

The SMITHVILLE COMMUNITY GARDENS will host their 11th ANNUAL BANQUET AND FUNDRAISER on **Saturday, September 21, 2019** from 6:30 - 8:30 p.m. at the Smithville Recreation Center (106 Gazley). Tickets are \$25 and can be purchased at the Smithville Public Library or from various SCG members. This event helps the Smithville Community Gardens raise funds to provide fresh, wholesome fruits and vegetables for the entire community. If you cannot make the event, please consider making a donation. For more information click on the following link → [SCG ANNUAL BANQUET](#)

The BEST BREAKFAST will be on **Friday, September 27, 2019** at Your Mom's (109 NW 2nd Street) from 8:00-9:30 am.

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The 2nd ANNUAL SMITHVILLE WINGFEST will be held on **Saturday, September 28, 2019** from 10:00 am to 5:00 pm in downtown Smithville. The Chamber-sponsored event will feature live music, chili cook-off, wing cook-off, home brew beer competition, chicken “poo” bingo, cornhole competition, and a kid’s fest (including water slides, bounce houses and more). Tickets (wristbands) are \$15 with all proceeds going to the Smithville Food Pantry, the Smithville Lion’s Club, and the Smithville Chamber of Commerce. For more information go to → www.smithvillewingfest.com.

The Smithville Police Association will be hosting “SMITHVILLE NIGHT OUT” on **Tuesday, October 1, 2019** at MLK Park.

The City of Smithville and the Smithville Independent School District (SISD) will participate in INTERNATIONAL WALK-TO-SCHOOL DAY → www.walkbiketoschool.org on **Wednesday, October 2, 2019** at 7:30 am. If you are available and have the inclination, there are two route locations:

- **Brown Primary** - SE 4th Street and Jones
- **Elementary** - Gresham and NE 4th in front of Central School

“Walk-to-School Wednesdays” will continue throughout the school year. The monthly walk dates are: Oct 2, Nov 6, Dec 4, Feb 5, Mar 4, Apr 1, and May 6.

The next AIRPORT ADVISORY BOARD meeting will be held on **Monday, October 7, 2019** in the Pilot’s Lounge at Smithville Crawford Municipal Airport from 6:00-7:00 pm.

City Offices will be CLOSED **Monday, October 14, 2019** in observance of Columbus Day.

That’s it for this month. Hopefully cooler weather and a good soaking rain will be here soon. Please let me know if you have any questions or need additional information.

Have a great weekend!

--Robert--



The last significant rainfall occurred 6/16/19 when we received 1.75 inches of rain
There have been 32 days this summer when the temperature was at or above 100° F
Click on the following link for an explanation of the → [“Dog Days of Summer”](#)

PHOTOS – 9/6/19

Colorado 100 Canoe Race @ Riverbend Park



School Zone Pedestrian Striping



FY19/20 Budget Prep



FY19/20 Budget Workshop



Drainage Project on Charleston Blvd & Whitehead



SJHS Open House



SISD Athletic Complex Drainage Channel w/ Backflow Valve

