CITY OF HORSESHOE BAY

BUDGET WORKSHOP

JUNE 28, 2016
9:00 A.M.

CITY OF HORSESHOE BAY

NOTICE OF PUBLIC WORKSHOP MEETING

AGENDA

June 28, 2016

Notice is hereby given to all interested members of the public that the Horseshoe Bay City Council will hold a Public Workshop Meeting at 9:00 a.m. on Tuesday, June 28, 2016, at the City Hall, #1 Community Drive, Horseshoe Bay, Llano County, Texas. The agenda for the Public Meeting is to discuss and/or act on the following:

1. Call the Meeting to Order and Establish a Quorum
2. Presentation of Audited Financial Report for Year Ended September 30, 2015
3. Budget Workshop
4. Discuss, Consider and Take Action Regarding Merit Compensation Adjustments
5. Propose Tax Rate
6. Adjournment

Teresa L. Moore, TRMC
City Secretary

The Council may go into Executive Session, if necessary and appropriate, pursuant to the applicable section of the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapter D, on any matter that may come before the Council that is listed on the Agenda and for which an Executive Session is authorized. No final action, decision, or vote will be taken by the Council on any subject or matter while in Executive Session. Any action, decision or vote will be taken by the Council only in open meeting.

Certificate of Posting

I, Teresa L. Moore, City Secretary for the City of Horseshoe Bay, Texas do certify that this Notice of Meeting was posted at City Hall, in a place readily accessible to the general public continuously 72 hours prior to the meeting.

Teresa L. Moore, City Secretary

CITY OF HORSESHOE BAY
JUNE 28, 2016
BUDGET WORKSHOP

3.1 General Information

3.2 Staff Comments:
- a. Introduction – Stan Farmer
- b. Utility Operations – Jeff Koska
- c. Police Department – Rocky Wardlow
- d. Fire Department – Joe Morris
- e. Development Services – Eric Winter
- f. Administration – Larry Anderson

3.3 GIS and IT Positions

3.4 Development Services Planner Position

3.5 FY 2016 Estimated Actuals and FY 2017 Draft Budget

3.6 5-Year Capital Improvement Plan

3.7 Tax Information

3.8 Merit Compensation Adjustments

3.9 Pickle Ball Courts

3.10 Meeting Schedule

3.11 Recap

General Information

By Stan R. Farmer

This year's budget had one important initial objective: Meet all needs of General Fund activity with a tax rate of $.222. This can be accomplished, and the draft budget does so with a balanced budget. Council will need to propose a tax rate on June 28. Once proposed, the rate cannot be increased. The draft budget assumes a $.222 (unchanged) General Fund O&M rate and a Debt Service (I&S) rate of $.028 for a total rate of $.25.

There are three things of note with regards to this draft. One, this first draft workshop budget contains a conservative estimated increase in health care costs now as opposed to waiting to supply a more definitive number at August workshop. Staff has plugged in a 10% increase for health care costs as more of a placeholder exercise so Council can get a better feel in June where the budget stands. We have met with and are working with our health insurance broker Lee Cameron from Frost Insurance to compile the best and least expensive option for Council consideration. However, like past years that information will not be available until the August workshop but our discussion so far leads us to believe that the eventual cost will hopefully not be as high as the 10% increase plugged into this draft budget and might be in the 8% to 10% range.

Second, this first draft workshop budget contains salary and correlating FICA and retirement data increases, once again more of a placeholder exercise so Council can get a better feel in June where the budget stands. Staff simply used the same evaluation score that each employee received last year in relation to their projected raise based on the current Appendix C Merit Table Council approved last August. Once again this exercise is just to show a modest increase in salaries now for Council to get a better feel of where the budget stands in June as opposed to August.

Third, the three full-time positions being asked for by staff—GIS Administrator, IT Administrator, and Development Services Planner—have all been added to this draft budget, once again more of a placeholder exercise so Council can get a better feel in June where the budget stands.

Statutorily, this year the City Manager must propose a budget no later than August 15, fifteen days before our next budget workshop August 30. The Proposed Budget will be based on the draft budget and the comments and actions at the workshop on June 28. Obviously, changes can still be made before it is voted on by Council September 20.

Staff looks forward to the budget discussions and appreciates the guidance, as a planning document, that the budget document provides.

Item # 3.3

CITY OF HORSESHOE BAY

JUNE 28, 2016

To: Mayor and City Council

From: Stan R. Farmer, City Manager

Thru: Jeff Koska, Community Services Director; Eric Winter, Development Services Director; Larry Anderson, Finance Director; Teresa Moore, City Secretary; Joe Morris, Fire Chief; Rocky Wardlow, Police Chief

RE: Proposed IT Administrator and GIS Administrator Position for FY2017 Budget

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As the City has grown in services provided to the Citizens so have the needs for support services for the internal operations of the City. For the past ten years IT (Information Technology) and GIS (Graphical Information System) services have been performed by a combination of City Staff and outside contracted services. As technology, cyber risk and volume of workload have increased it has become difficult to ensure the City's needs are best served. Currently, the City Information Technology hardware systems include over fifty individual work station systems, five server based systems, firewalls, an Internet Protocol phone system, Plant System Control and Data Acquisition system, and mobile devices used in Fire Department and Utilities. These devices all support a variety of technical software systems that are critical for the support of the City's primary functions and include: Accounting, Utility Billing, Asset Management, Records Management, Fire Services Management, Police Services Management, Development Services Management, GIS system and Virus and Threat Protection systems.

The complexity of this highly technical function requires advance knowledge and skill sets that are exceeding the City's existing Staff's competence and time required to effectively manage these resources. The City's management team has discussed this issue and have begun meeting on the development of a strategic plan to maintain and advance the City's ability to support existing and future information functions. Part of this plan recognizes that the City needs additional resources of highly technical nature to address providing insight, research and maintenance of our information technology. Two areas are critical in managing for the City's best interest now and for the future.

First is IT Administrator and the need for a staff position to act as lead employee on the oversight and maintenance of all of the City's IT equipment and software management. This position would be responsible to provide both hardware and software technical support, maintenance, system upgrades, risk mitigation, research and recommendations for all City Departments and functions. This position would report directly to the City Manager and would be funded equally by the General and Utility Funds. Our contract IT provider has advised that the City has reached a pivotal point where we need our own in-house person due to IT demands and also their limited

knowledge of newer technology now employed by the City, i.e. virtual servers, high level networking and firewall protection.

Second is the GIS Administrator needed to manage the City's informational databases including the operations required to provide this data in applications for use by City employees and external users such as City's customers. This position will manage the City's asset management systems, internal Access databases and GIS systems utilized by all City departments. This position would report directly to the City Manager and would be funded equally by the General and Utility Funds.

The City's senior management staff have discussed and agreed that the City's current needs require these two positions be added as support positions for all departments. The team has met, and will continue to meet, to refine the job position duties and strategically plan for the City's existing and future information management.

Below are functions that each department have listed as critical IT or GIS functions that require higher supportive resources to ensure effective operations. In the past these functions have been managed on a part time basis as time allows with internal staff or through the use of outsourcing. Due to expanding demands on staff time and increased expense of external contractors, it has become evident to senior staff it is time to request addition of these two internal support staff to ensure we best serve our organization and citizens.

Utility Functions that require higher level technical skills related to IT or GIS administration.

- **Utility Billing Software – upgrades – integration with Cityworks Asset Management**
- **Cityworks Asset Management – design – maintenance -mobile access – analysis – CIP**
- **GIS systems – asset location for field maps – asset information – data collection – CIP**
- **Office database systems – Purchase Orders – Budget and Accounting – Water Quality**

Fire Functions that require higher level technical skills related to IT or GIS administration.

- **Fire hydrant mapping and asset management**
- **Pre-Fire Plans Management**
- **Business inspection reporting and management**
- **National Fire Incident Reporting System Report management**

Police Functions that require higher level technical skills related to IT or GIS administration.

- **Crime Mapping-Sex Offenders, Parolees and Probationers**
- **Manage costs and provide consistency with internal City systems**
- **Provide security and mobile application delivery**
- **Streamline business processes**

Admin Functions that require higher level technical skills related to IT or GIS administration.

- **GIS - Asset Management (location/control)**
- **HR Management/Tracking**
- **Accounting system/database administration**
- **System backup and security**
- **Hardware and software upgrades**
- **Record retention compliance**

Development Services Functions that require higher level technical skills related to IT or GIS administration.

- **Identify and make all required edits to GIS layers, i.e. annexations, rezonings, subdivision plats, replats and minor plats.**
- **Add layers for Census tract and block and add shapefile updates, existing land use, future land use, elevation contours and correct and update zoning maps**
- **Provide training to staff to maximize usefulness of the various GIS layers to improve customer service and provide strategic information to the City Manager, City Council and other departments**
- **Make modifications to and implement ad hoc design of the City's GIS databases and establish and create custom GIS databases**

Staff recommends Council authorize Senior Staff to continue to develop job duties and pay scale information for the two positions, IT Administrator and GIS Administrator, to be considered in the City's FY 2017 Budget.

Enclosures: None

Item # 3.4

CITY OF HORSESHOE BAY

JUNE 28, 2016

To: Mayor and City Council

From: Stan R. Farmer, City Manager

Re: Development Services Planner Position

With the increased growth, through Planned Developments primarily, in Horseshoe Bay and the subsequent increased duties and responsibilities of the Development Service Department it is time to consider another staff person for this department. This department has several ancillary duties to include, floodplain management, code enforcement, and municipal court. In fact, the municipal court clerk does not devote 40 hours in a standard work week to development service work. In essence this department has just 2.5 persons to do the primary functions of this department. I believe some restructuring and changes are needed for this department in the name of greater efficiencies all in the pursuit of striving to provide the best customer service.

The Assistant Planner is needed to conduct routine planning tasks which will free the Development Services Director to do bigger picture/strategic activities and projects.

Routine planning tasks include:

1. Reviewing replats, subdivision plats, variances and rezonings and preparing staff reports.
2. Preparing public hearing notices for City-initiated applications for rezonings, zoning text amendments and other ordinance amendments, variances and subdivision plats.
3. Preparing ordinance amendments of basic to medium complexity.
4. Scheduling the placing of public hearing notices with the two newspapers and the posting of public hearing signs with the Code Enforcement Officer.
5. Assisting property owners, developers, engineers, real estate agents, etc., by providing information on local development regulations and processes.
6. Providing information to the public regarding development projects and proposals.
7. Being responsible for records retention and public information requests.

A shift of some or most of these duties to a planner would free Eric up to refocus on larger more strategic matters of this department that have long been neglected or are just coming to light with growth and development in the post-mortgage crisis era. In addition, this position could be considered in any succession planning in this department in the not too distant future when Eric retires.

This item is for discussion and is not an action item.

Enclosures: None

Item # 3.5

CITY OF HORSESHOE BAY

JUNE 28, 2016

To: Mayor and City Council

From: Stan R. Farmer, City Manager

Re: FY 2016 Estimated Actuals and FY 2017 Draft Budget

Enclosure: FY 2016 Estimated Actuals and FY 2017 Draft Budget

CITY OF HORSESHOE BAY

FY 2017 DRAFT BUDGET SUMMARY

GENERAL FUND

REVENUE	FY 2016 PROJECTED ACTUALS	FY 2017 DRAFT BUDGET
TOTAL REVENUE	6,686,500	7,086,750
Proceeds From Certificates of Obligation for purchase of fire engines		1,000,000
EXPENDITURES		
Administration	1,714,750	1,966,250
Fire	1,799,000	1,866,750
Police	1,748,250	1,846,500
Animal Control	138,500	150,750
Development Services	309,750	409,750
Streets Maintenance	227,750	220,000
Mowing & Clearing	488,000	512,000
Capital Program	35,000	1,106,000
TOTAL EXPENDITURES	6,461,000	8,078,000
REVENUES OVER EXPENDITURES	225,500	8,750

UTILITY FUND

REVENUE	FY 2016 PROJECTED ACTUALS	FY 2017 DRAFT BUDGET
TOTAL REVENUE	6,321,000	6,390,500
EXPENDITURES		
Administration	1,982,500	2,183,750
Water Production	849,500	815,750
Water Distribution	646,250	649,250
Wastewater Treatment	318,000	371,750
Wastewater Collection	865,000	886,750
Solid Waste	634,500	642,750
Debt Service - Principal	640,000	840,000
Capital Program	500,000	670,000
Major Projects	1,390,000	2,980,000
TOTAL EXPENDITURES	7,825,750	10,040,000
REVENUES OVER EXPENDITURES	(1,504,750)	(3,649,500)

STREET IMPROVEMENTS CAPITAL PROJECT FUND

REVENUE	FY 2016 PROJECTED ACTUALS	FY 2017 DRAFT BUDGET
Beginning Fund Balance	-	-
Interest on Investments	500	-
TOTAL REVENUE	500	-
EXPENDITURES		
Project Management	109,500	111,750
Capital Program	2,405,000	600,000
TOTAL EXPENDITURES	2,514,500	711,750
REVENUES OVER EXPENDITURES	(2,514,000)	(711,750)

HORSESHOE CREEK TRAIL PARK CAPITAL PROJECT FUND

REVENUE	FY 2016 PROJECTED ACTUALS	FY 2017 DRAFT BUDGET
Beginning Fund Balance	-	-
TP&W Trail Grant	110,250	
Transfer In From General Fund	27,750	20,000
TOTAL REVENUE	138,000	20,000
EXPENDITURES		
Capital Program	138,000	20,000
TOTAL EXPENDITURES	138,000	20,000
REVENUES OVER EXPENDITURES	-	-

DEBT SERVICE FUND

REVENUE	FY 2016 PROJECTED ACTUALS	FY 2017 DRAFT BUDGET
TOTAL REVENUE	724,750	745,500
EXPENDITURES		
Debt Service Interest - Series 2011	154,750	148,500
Debt Service Principal - Series 2011	270,000	275,000
Debt Service Interest - Series 2014	155,000	152,250
Debt Service Principal - Series 2014	145,000	150,000
Debt Service Interest - Series 2016	-	19,500
TOTAL EXPENDITURES	724,750	745,250
REVENUES OVER EXPENDITURES	-	250

CITY OF HORSESHOE BAY

GENERAL FUND
DRAFT BUDGET SUMMARY
FISCAL YEAR 2016 - 2017

BEGINNING UNRESTRICTED FUND BALANCE	3,962,500
REVENUES:	
Ad Valorem Taxes	3,936,750
Ad Valorem Taxes - Penalty & Interest/Other	22,500
Sales Tax	800,000
PEC Franchise Tax	180,000
Mixed Beverage Tax	46,750
Administration	651,250
Fire	318,000
Emergency Service District	9,000
Police	5,250
Development Services	109,000
Street Maintenance	581,750
Mowing & Clearing	400,000
Municipal Court	14,500
Interest From Investments	12,000
TOTAL REVENUES	7,086,750
Proceeds From Issuance of CO's	1,000,000
TOTAL FUNDS AVAILABLE	12,049,250
EXPENDITURES:	
Operating Expenditures:	
Administration	1,966,250
Fire	1,866,750
Police	1,846,500
Animal Control	150,750
Development Services	409,750
Street Maintenance	220,000
Mowing & Clearing	512,000
Capital Expenditures	1,106,000
TOTAL EXPENDITURES	8,078,000
ENDING UNRESTRICTED FUND BALANCE	**3,971,250**

CITY OF HORSESHOE BAY

GENERAL FUND DRAFT CAPITAL EXPENDITURES
FISCAL YEAR 2016 - 2017

5000	FIRE	
	Two Fire Engines	1,000,000
8000	POLICE	
	Replacement of one non-pursuit vehicle	26,000
	Replace six computers and software	7,300
	Purchase six body and twelve in-car cameras and accessories	15,700
	Purchase six digital Taser weapons	8,100
	Begin conversion to Motorola radios	23,900
	GENERAL EQUIPMENT REPLACEMENT	25,000
TOTAL FY2017 CAPITAL EXPENDITURES		1,106,000

CITY OF HORSESHOE BAY

GENERAL FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
	OPERATING REVENUE		
1000	ADMINISTRATION		
40170	Administrative Fees	490,750	593,000
40180	Other Income	10,000	15,000
40185	Other Income-Permits	250	250
40193	Municipal Court Revenue	14,000	14,500
40194	Traffic Fines	50,000	42,500
Total 1000	ADMINISTRATION	565,000	665,250
5000	FIRE		
40180	Other Income	3,000	113,000
40186	Other Income-Pub/Sfty Donation	6,000	5,000
40506	Fire Fighting Services	200,000	200,000
Total 5000	FIRE	209,000	318,000
6000	EMERGENCY SERVICE DISTRICT		
40191	Llano Co. ESD #1 - Rent	9,000	9,000
Total 6000	EMERGENCY SERVICE DISTRICT	9,000	9,000
7000	TAX		
40160	Property Tax Collected (M & O)	3,707,500	3,936,750
40162	Penalty & Interest (M & O)	22,000	22,500
40163	Mixed Beverage Tax	46,000	46,750
40165	Sales Tax	789,000	800,000
40166	PEC Franchise Tax	162,000	180,000
40180	Other Income	1,500	500
Total 7000	TAX	4,728,000	4,986,500
8000	POLICE		
40180	Other Income	2,000	250
40186	Other Income-Pub/Sfty Donation	5,000	5,000
Total 8000	POLICE	7,000	5,250

CITY OF HORSESHOE BAY

GENERAL FUND
DRAFT BUDGET

From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
9500	DEVELOPMENT SERVICES		
40180	Other Income	3,000	4,000
40183	Building Permit Fees	100,000	100,000
40184	Plat Fees	3,000	4,000
40192	Zoning Fees	750	1,000
Total 9500	DEVELOPMENT SERVICES	106,750	109,000
9600	STREET MAINTENANCE		
40165	Sales Tax	131,750	138,750
40207	Pecan Creek Association	3,750	3,750
40208	Applehead POA	5,750	5,750
40209	Applehead Island POA	1,000	1,000
40210	HSB POA	500,000	400,000
40211	Cable Franchise Fees	32,000	32,500
Total 9600	STREET MAINTENANCE	674,250	581,750
9800	MOWING & CLEARING		
40215	Mowing	375,000	400,000
40216	Clearing	500	0
Total 9800	MOWING & CLEARING	375,500	400,000
9999	INTEREST INCOME		
40220	Interest on Investments	12,000	12,000
Total 9999	INTEREST INCOME	12,000	12,000
TOTAL OPERATING REVENUE		6,686,500	7,086,750

CITY OF HORSESHOE BAY

GENERAL FUND
DRAFT BUDGET

From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
	OPERATING EXPENDITURES		
1000	ADMINISTRATION		
50410	Salaries & Wages	487,750	656,250
50411	Overtime	37,500	28,250
50415	Employers FICA Expense	39,000	38,000
50420	Group Insurance Premiums	69,000	75,500
50430	Pension Plan I	30,750	29,000
50432	Pension Plan II	21,750	24,000
50435	Employers Unemployment Expense	5,000	5,000
50500	Accounting & Auditing Expense	16,500	16,500
50505	Professional Services	14,000	15,000
50506	Election Contracts	3,750	4,000
50509	Appraisal/Tax - Burnet	12,250	15,000
50510	Appraisal/Tax - Llano	58,000	59,500
50545	Maintenance Contracts	28,000	30,000
50564	Codification	5,000	5,000
50565	City Council Expense	7,500	5,000
50567	Technology Initiative	0	1,000
50568	Advisory Committees	39,000	10,000
50570	Dispatch Expense	75,000	93,250
50575	Dues, Fees, & Subscriptions	8,000	10,000
50585	Electricity	35,000	35,000
50593	Travel, Training, Schools	26,000	15,000
50595	Fuel & Lubricants	250	250
50596	Employee Awards Program	750	1,000
50610	Property & Liability Ins.	82,000	93,000
50611	Workers' Comp Insurance	84,000	81,000
50620	Legal Expense	75,000	65,000
50621	Contingency	0	75,000
50625	Fireworks	10,000	10,000
50630	M & R - Building	20,000	25,000
50650	M & R - Grounds	10,000	10,000
50685	M & R - Vehicles	2,000	2,000
50753	Merchant Fee - CC	5,000	5,000
50765	Other Expense	5,000	5,000
50775	Postage	10,000	10,000
50780	Printing & Office Supplies	25,000	25,000
50810	Communications	40,000	45,000
50826	Municipal Court	30,000	32,500
50827	Contributions	10,000	10,000
50866	Tree Removal	1,000	5,000
50868	Martin Park	6,000	5,000
50832	Transfer Out To Debt Service Fund	252,250	248,750
50869	Transfer Out To Horseshoe Creek Trail Fund	27,750	20,000
50870	Fox House Park	0	5,000
50871	Milfoil Treatment	0	17,500
	ADMINISTRATION	1,714,750	1,966,250

CITY OF HORSESHOE BAY

GENERAL FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
5000	FIRE		
50410	Salaries & Wages	1,098,500	1,069,750
50411	Overtime	64,250	68,000
50412	Salaries - P/T Firefighters	89,000	88,000
50415	Employers FICA Expense	90,000	88,750
50420	Group Insurance Premiums	197,000	216,750
50430	Pension Plan I	75,000	73,750
50432	Pension Plan II	51,000	50,250
50505	Professional Services	6,000	8,000
50545	Maintenance Contracts	5,000	7,250
50548	Contract Services	0	5,250
50575	Dues, Fees, & Subscriptions	7,000	7,000
50592	Equipment & Supplies	12,000	33,500
50593	Travel, Training, Schools	26,000	35,000
50594	Fire Protection Gear	10,000	17,500
50595	Fuel & Lubricants	10,000	15,000
50640	M & R - Equipment	16,000	17,500
50685	M & R - Vehicles	25,000	30,000
50765	Other Expense	10,000	11,500
50775	Postage	250	250
50780	Printing & Office Supplies	2,000	2,250
50800	Safety Equipment & Supplies	0	4,000
50829	Public Safety Donations	0	5,000
50830	Uniforms	5,000	12,500
Total 5000	FIRE	1,799,000	1,866,750
8000	POLICE		
50410	Salaries & Wages	1,190,750	1,253,500
50411	Overtime	18,000	18,000
50415	Employers FICA Expense	92,500	96,000
50420	Group Insurance Premiums	181,500	199,750
50430	Pension Plan I	76,000	74,500
50432	Pension Plan II	52,750	57,250
50548	Contract Services	9,000	10,000
50575	Dues, Fees, & Subscriptions	8,000	8,000
50592	Equipment & Supplies	6,000	6,000
50593	Travel, Training, Schools	10,500	6,000
50595	Fuel & Lubricants	45,000	57,500
50615	Investigation Contingency	4,000	4,000
50616	Jail Expense	250	250
50640	M & R - Equipment	2,500	2,500
50685	M & R - Vehicles	20,000	21,500
50686	M & R - Weapons	4,000	4,000
50760	Medical	500	1,000
50765	Other Expense	4,000	4,000
50775	Postage	250	250
50780	Printing & Office Supplies	4,750	4,000
50800	Safety Equipment & Supplies	2,500	2,500
50829	Public Safety Donations	5,000	5,000
50830	Uniforms	10,500	11,000
Total 8000	POLICE	1,748,250	1,846,500

CITY OF HORSESHOE BAY

GENERAL FUND
DRAFT BUDGET

From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
9000	ANIMAL CONTROL		
50410	Salaries & Wages	40,000	42,250
50411	Overtime	2,000	2,000
50415	Employers FICA Expense	3,500	2,750
50420	Group Insurance Premiums	7,500	8,250
50430	Pension Plan I	2,750	2,750
50432	Pension Plan II	1,750	1,750
50502	Animal Shelter	3,500	5,000
50592	Equipment & Supplies	500	500
50593	Travel, Training, Schools	500	500
50595	Fuel & Lubricants	5,000	5,500
50685	M & R - Vehicles	2,500	3,500
50765	Other Expense	500	500
50830	Uniforms	500	500
50862	Deer Management	68,000	75,000
Total 9000	ANIMAL CONTROL	138,500	150,750
9500	DEVELOPMENT SERVICES		
50410	Salaries & Wages	154,750	210,000
50411	Overtime	750	1,000
50415	Employers FICA Expense	12,000	16,250
50420	Group Insurance Premiums	41,250	56,000
50430	Pension Plan I	10,750	14,500
50432	Pension Plan II	6,750	9,250
50505	Professional Services	65,000	75,000
50545	Maintenance Contracts	2,000	5,000
50575	Dues, Fees, & Subscriptions	2,000	2,500
50592	Equipment & Supplies	1,000	5,000
50593	Travel, Training, Schools	9,000	7,500
50595	Fuel & Lubricants	250	500
50685	M & R - Vehicles	250	500
50765	Other Expense	1,000	2,000
50777	Advertisements/Notices	1,000	1,250
50780	Printing & Office Supplies	1,500	2,500
50830	Uniforms	500	1,000
Total 9500	DEVELOPMENT SERVICES	309,750	409,750

CITY OF HORSESHOE BAY

GENERAL FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
9600	STREETS MAINTENANCE		
50590	Engineering Fees	5,000	5,000
50854	Street Patching Contract	45,000	45,000
50855	Street Patching Materials	25,000	25,000
50856	Drainage	18,000	15,000
50857	Traffic Signs Contract	22,750	15,000
50858	Traffic Signs Materials	7,000	5,000
50859	Litter Control Contract	15,000	20,000
50865	ROW Maintenance	90,000	90,000
Total 9600	STREETS MAINTENANCE	227,750	220,000
9800	MOWING & CLEARING		
50863	Lot Mowing	488,000	512,000
50864	Lot Clearing	0	0
Total 9800	MOWING & CLEARING	488,000	512,000
TOTAL OPERATING EXPENDITURES		6,426,000	6,972,000
FY 2016 CAPITAL OUTLAY		35,000	
FY 2017 CAPITAL OUTLAY			
5000	FIRE		
	Purchase of two Fire Engines		1,000,000
8000	POLICE		
	Replacement of one non-pursuit vehicle		26,000
	Replace six computers and software		7,300
	Purchase six body and twelve in-car cameras and accessories		15,700
	Purchase six digital Taser weapons		8,100
	Begin conversion to Motorola radios		23,900
GENERAL EQUIPMENT REPLACEMENT			25,000
TOTAL FY 2017 CAPITAL			1,106,000
TOTAL EXPENDITURES		6,461,000	8,078,000
	Proceeds From Isssuance of CO's For Purchase Of Fire Engines		1,000,000
REVENUE OVER EXPENDITURES		225,500	8,750

CITY OF HORSESHOE BAY

UTILITY FUND
DRAFT BUDGET SUMMARY
FISCAL YEAR 2016 - 2017

BEGINNING NET ASSETS	19,132,750
REVENUES:	
Operating Revenues:	
Water Production & Distribution	3,269,500
Wastewater Treatment & Collection	2,303,000
Solid Waste - Collection	812,500
Standby Fees	1,500
Interest From Investments	4,000
TOTAL REVENUES	6,390,500
TOTAL NET ASSETS	25,523,250
EXPENSES:	
Operating Expenses:	
Administration	2,183,750
Water Production & Distribution	1,465,000
Wastewater Treatment & Collection	1,258,500
Solid Waste	642,750
Total Operating Expenses	5,550,000
Depreciation	1,500,000
TOTAL EXPENSES	7,050,000
ENDING NET ASSETS	18,473,250
TOTAL OPERATING REVENUES	6,390,500
TOTAL OPERATING EXPENSES	5,550,000
EXCESS REVENUES OVER EXPENSES	840,500
ADDITIONAL EXPENDITURES	
Capital	670,000
Major Projects	2,980,000
Debt Service - Principal	840,000
TOTAL ADDITIONAL EXPENDITURES	4,490,000
NET CASH FLOW	(3,649,500)

CITY OF HORSESHOE BAY

UTILITY FUND DRAFT CAPITAL EXPENDITURES
FISCAL YEAR 2016 - 2017

FY 2017 CAPITAL EXPENDITURES

Hot Water Pressure Washer	7,000
SCBA Tankless Breather	8,000
South Lift Station Rehab	130,000
Dozer/Track Loader	75,000
Replace Unit 75 Service Truck	35,000
Electrical System Improvements	50,000
Effluent High Pressure Filter	65,000
Water Meter AMI System	300,000
SUBTOTAL CAPITAL EXPENDITURES	670,000

FY 2017 MAJOR PROJECTS EXPENDITURES

750,000 Gallon High Storage Water Tank Rehab	380,000
West Water Plant Expansion	2,600,000
SUBTOTAL MAJOR PROJECTS EXPENDITURES	2,980,000

TOTAL FY 2017 CAPITAL EXPENDITURES	3,650,000

CITY OF HORSESHOE BAY

UTILITY FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
	OPERATING REVENUE		
1001	WATER - PRODUCTION		
40110	Water District Service Fees	2,917,000	2,950,000
40111	Water Non-District Service Fee	205,000	205,000
40112	Water Tap Connection Fees	73,250	75,000
40115	Reconnection Fees	8,000	8,000
40116	Temporary Meter Fees	750	1,000
40117	Water & Sewer P & I Service	13,000	13,000
40175	Insurance Proceeds	250	0
40178	Other Income - Leases	11,250	11,500
40180	Other Income	4,750	5,000
40185	Other Income-Permits	1,000	1,000
Total 1001	WATER - PRODUCTION	3,234,250	3,269,500
2001	WASTEWATER - TREATMENT		
40117	Water & Sewer P & I Service	14,750	15,000
40120	Sewer Customer Service Fees	1,900,000	1,920,000
40122	Sewer Tap Connection Fees	58,000	60,000
40124	Sewer Service - Cottonwood Shores	125,000	125,000
40125	Sewer Service - LCMUD#1	50,250	51,000
40127	Grinder Sales	123,000	130,000
40180	Other Income	2,000	2,000
Total 2001	WASTEWATER - TREATMENT	2,273,000	2,303,000
3001	SOLID WASTE - RECYCLING		
40126	Brush Disposal	15,250	16,000
40130	Garbage Fees - Commercial	135,000	136,250
40135	Garbage Fees - Residential	655,000	660,000
40180	Other Income	250	250
Total 3001	SOLID WASTE - RECYCLING	805,500	812,500
4000	STANDBY		
40140	Standby Customer Service Fees	1,500	1,000
40142	Penalty & Interest - Standby	1,750	500
Total 4000	STANDBY	3,250	1,500
9999	INTEREST INCOME		
40220	Interest on Investments	5,000	4,000
Total 9999	INTEREST INCOME	5,000	4,000
TOTAL OPERATING REVENUE		6,321,000	6,390,500

CITY OF HORSESHOE BAY

UTILITY FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
	OPERATING EXPENSE		
1000	ADMINISTRATION		
50410	Salaries & Wages	247,750	273,000
50411	Overtime	3,500	3,000
50415	Employers FICA Expense	19,250	21,000
50420	Group Insurance Premiums	51,500	56,500
50430	Pension Plan I	15,000	17,250
50432	Pension Plan II	11,250	12,250
50505	Professional Services	40,250	40,000
50512	Utility Billing	29,000	29,000
50516	Debt Service - Interest Series 2007	206,500	192,750
50517	Bond Issuance Cost - Series 2007	3,500	3,500
50518	Debt Service Interest-Series 2011	98,250	94,250
50519	Bond Issuance Cost - Series 2011	9,000	9,000
50520	Debt Service Interest-Series 2014	136,750	134,000
	Debt Service Interest-Series 2016	0	68,750
50545	Maintenance Contracts	44,000	45,000
50575	Dues, Fees, & Subscriptions	19,000	19,000
50581	Electricity/Recycle Center	1,250	1,250
50582	Electricity/WW Treatment Plant	152,250	155,000
50583	Electricity/West WTP	57,000	58,000
50585	Electricity/Field Maintenance Facilities	7,000	7,000
50586	Electricity / CWTP	138,000	140,000
50590	Engineering Fees	45,000	45,000
50593	Travel, Training, Schools	22,500	22,500
50596	Employee Awards Program	1,000	1,000
50630	M & R - Building	6,000	15,000
50650	M & R - Grounds	22,000	22,000
50753	Merchant Fee - CC	40,000	40,000
50765	Other Expense	4,000	4,000
50775	Postage	500	500
50780	Printing & Office Supplies	15,000	15,000
50810	Communications	43,500	44,000
50825	Uncollectable Accounts	1,000	1,000
50830	Uniforms	1,250	1,250
50840	Administrative Fees	490,750	593,000
			-
Total 1000	ADMINISTRATION	1,982,500	2,183,750

CITY OF HORSESHOE BAY

UTILITY FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
1001	WATER - PRODUCTION		
50400	Salaries Water	190,750	161,000
50411	Overtime	22,500	23,000
50415	Employers FICA Expense	16,250	12,500
50420	Group Insurance Premiums	47,250	49,500
50430	Pension Plan I	12,000	10,500
50432	Pension Plan II	9,500	8,250
50535	Bulk Water Purchases	350,000	350,000
50540	Chemicals / Water	75,250	75,000
50548	Contract Services	3,000	3,000
50555	Lab Expense	15,750	16,000
50592	Equipment & Supplies	4,000	4,000
50595	Fuel & Lubricants	7,000	7,000
50640	M & R - Equipment	5,000	5,000
50675	M & R - Plant	76,500	75,000
50685	M & R - Vehicles	3,250	3,500
50765	Other Expense	1,500	1,500
50785	Rent / Lease	2,000	2,000
50800	Safety Equipment & Supplies	4,500	5,500
50830	Uniforms	3,500	3,500
Total 1001	WATER - PRODUCTION	849,500	815,750
1002	WATER - DISTRIBUTION		
50400	Salaries Water	299,750	297,000
50411	Overtime	21,000	22,000
50415	Employers FICA Expense	25,250	22,750
50420	Group Insurance Premiums	69,500	75,500
50430	Pension Plan I	17,500	16,750
50432	Pension Plan II	12,500	13,000
50548	Contract Services	8,000	5,000
50550	Contract Serv-Leak Detect/GPS	14,500	15,000
50592	Equipment & Supplies	19,500	20,000
50595	Fuel & Lubricants	15,000	15,000
50640	M & R - Equipment	8,500	8,500
50685	M & R - Vehicles	7,250	8,000
50725	M & R Materials - Line	43,000	45,000
50726	Street Repair - Paving	30,250	30,000
50730	M & R Materials - WT Tap	16,000	16,000
50755	Meter Expense - New Svc	26,500	27,000
50765	Other Expense	2,250	2,500
50785	Rent / Lease	1,000	1,000
50800	Safety Equipment & Supplies	4,500	4,750
50830	Uniforms	4,500	4,500
Total 1002	WATER - DISTRIBUTION	646,250	649,250

CITY OF HORSESHOE BAY

UTILITY FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
2001	WASTEWATER - TREATMENT		
50406	Salaries Sewer	127,250	167,500
50411	Overtime	12,500	13,000
50415	Employers FICA Expense	10,750	13,000
50420	Group Insurance Premiums	47,250	51,500
50430	Pension Plan I	8,000	10,750
50432	Pension Plan II	6,250	8,500
50543	Chemicals / WW Treatment	12,750	15,000
50548	Contract Services	3,500	3,500
50555	Lab Expense	12,500	12,500
50592	Equipment & Supplies	3,250	3,500
50595	Fuel & Lubricants	7,500	7,500
50640	M & R - Equipment	5,250	5,500
50675	M & R - Plant	35,500	35,000
50685	M & R - Vehicles	3,000	3,000
50742	Bio Solids - Compost	12,750	12,000
50765	Other Expense	1,000	1,000
50785	Rent / Lease	2,000	2,000
50800	Safety Equipment & Supplies	3,500	3,500
50830	Uniforms	3,500	3,500
Total 2001	WASTEWATER - TREATMENT	318,000	371,750
2002	WASTEWATER - COLLECTION		
50406	Salaries Sewer	299,750	309,250
50411	Overtime	37,000	35,000
50415	Employers FICA Expense	25,250	23,750
50420	Group Insurance Premiums	69,500	78,500
50430	Pension Plan I	17,500	17,500
50432	Pension Plan II	12,500	13,500
50542	Chemicals/Collection System	14,000	15,000
50548	Contract Services	8,000	8,000
50550	Contract Serv-Leak Detect/GPS	15,000	15,000
50592	Equipment & Supplies	20,000	19,000
50595	Fuel & Lubricants	14,000	15,000
50640	M & R - Equipment	9,000	9,000
50645	M & R - Grinder Pump	130,000	130,000
50646	M & R - Grinders Sold	71,250	75,000
50670	M & R - Lift Station	25,000	25,000
50685	M & R - Vehicles	8,000	8,000
50715	M & R Materials - GP Tap	9,500	10,000
50725	M & R Materials - Line	36,500	37,000
50726	Street Repair - Paving	30,250	30,000
50765	Other Expense	2,500	2,750
50785	Rent / Lease	1,500	1,500
50800	Safety Equipment & Supplies	4,500	4,500
50830	Uniforms	4,500	4,500
Total 2002	WASTEWATER - COLLECTION	865,000	886,750

CITY OF HORSESHOE BAY

UTILITY FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
3001	SOLID WASTE - RECYCLING		
50409	Salaries - Monitor	49,000	50,500
50411	Overtime	1,000	1,000
50415	Employers FICA Expense	4,000	4,000
50420	Group Insurance Premiums	8,000	8,750
50430	Pension Plan I	2,750	2,750
50432	Pension Plan II	750	750
50599	Compactor Service	11,250	12,000
50600	Garbage Service - Commercial	112,250	113,500
50605	Garbage Service - Residential	403,500	407,500
50606	Recycling Service	13,000	13,000
50676	M & R Brush Site	24,000	24,000
50785	Rent / Lease	5,000	5,000
Total 3001	SOLID WASTE - RECYCLING	634,500	642,750
TOTAL OPERATING EXPENSE		5,295,750	5,550,000
REVENUE OVER EXPENSE		1,025,250	840,500
ADDITIONAL EXPENDITURES			
FY 2016 CAPITAL EXPENDITURES		500,000	
FY 2016 CAPITAL EXPENDITURES - MAJOR PROJECTS		1,390,000	
FY 2017 CAPITAL EXPENDITURES			
	Hot Water Pressure Washer		7,000
	SCBA Tankless Breather		8,000
	South Lift Station Rehab		130,000
	Dozer/Track Loader		75,000
	Replace Unit 75 Service Truck		35,000
	Electrical System Improvements		50,000
	Effluent High Pressure Filter		65,000
	Water Meter AMI System		300,000
	SUBTOTAL CAPITAL EXPENDITURES		670,000

CITY OF HORSESHOE BAY

UTILITY FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
FY 2017 MAJOR PROJECTS EXPENDITURES			
	750,000 Gallon High Storage Water Tank Rehab		380,000
	West Water Plant Expansion		2,600,000
	SUBTOTAL MAJOR CAPITAL EXPENDITURES		2,980,000
TOTAL FY 2017 CAPITAL EXPENDITURES			3,650,000
DEBT SERVICE - PRINCIPAL SERIES 2007		340,000	355,000
DEBT SERVICE - PRINCIPAL SERIES 2011		170,000	175,000
DEBT SERVICE - PRINCIPAL SERIES 2014		130,000	130,000
DEBT SERVICE - PRINCIPAL SERIES 2016		-	180,000
TOTAL ADDITIONAL EXPENDITURES		2,530,000	4,490,000
NET CASH FLOW		(1,504,750)	(3,649,500)

Note: The City will either use currently undedicated funds and /or issue certificates of obligation to fund Capital Expenditures

CITY OF HORSESHOE BAY

STREET IMPROVEMENTS CAPITAL PROJECT FUND
DRAFT BUDGET SUMMARY
FISCAL YEAR 2016 - 2017

BEGINNING FUND BALANCE	-
REVENUES:	
Interest From Investments	-
TOTAL REVENUES	-
TOTAL FUNDS AVAILABLE	-
EXPENDITURES:	
Project Management	111,750
Capital Expenditures	600,000
TOTAL EXPENDITURES	711,750
ENDING FUND BALANCE	(711,750)

Note: The City will use currently undedicated funds to continue funding the street improvements project.

CITY OF HORSESHOE BAY

STREET IMPROVEMENTS CAPITAL PROJECT FUND
FINAL BUDGET
From 10/1/2015 To 9/30/2016

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draftl Budget
	BEGINNING FUND BALANCE	-	-
	OPERATING REVENUE		
9999	INTEREST INCOME		
40220	Interest on Investments	500	-
Total 9999	INTEREST INCOME	500	-
TOTAL OPERATING REVENUE		500	-
	OPERATING EXPENDITURES		
9700	STREET IMPROVEMENTS		
50410	Salaries and Wages	85,250	86,750
50415	Employers FICA Expense	7,000	6,750
50420	Group Insurance Premiums	8,250	9,250
50430	Pension Plan I	4,000	4,000
50432	Pension Plan II	4,000	4,000
50765	Other Expense	500	500
50810	Communications	500	500
Total 9700	STREET IMPROVEMENTS EXPENDITURES	109,500	111,750
TOTAL OPERATING EXPENDITURES		109,500	111,750
FY 2016 CAPITAL EXPENDITURES		2,405,000	
FY 2017 CAPITAL EXPENDITURES			
50961	Street Improvements - CONST.		-
50962	Street Improvements - ENG/SURVEY		-
50965	Seal Coating		600,000
TOTAL FY 2017 CAPITAL EXPENDITURES			600,000
TOTAL EXPENDITURES		2,514,500	711,750
REVENUE OVER EXPENDITURES		(2,514,000)	(711,750)

CITY OF HORSESHOE BAY

STREET IMPROVEMENTS CAPITAL PROJECT FUND
DRAFT CAPITAL EXPENDITURES
FISCAL YEAR 2016 - 2017

STREET IMPROVEMENTS		
50965	Seal Coating	600,000
		600,000
TOTAL FY2017 CAPITAL EXPENDITURES		600,000

CITY OF HORSESHOE BAY

HORSESHOE CREEK TRAIL PARK CAPITAL PROJECT FUND
DRAFT BUDGET SUMMARY
FISCAL YEAR 2016 - 2017

BEGINNING FUND BALANCE	-
REVENUES:	
TP&W Trail Grant	-
Transfer In from General Fund	20,000
TOTAL REVENUES	20,000
TOTAL FUNDS AVAILABLE	20,000
EXPENDITURES:	
Capital Expenditures	20,000
TOTAL EXPENDITURES	20,000
ENDING FUND BALANCE	-

CITY OF HORSESHOE BAY

HORSESHOE CREEK TRAIL PARK CAPITAL PROJECT FUND
DRAFT BUDGET

From 10/1/2016 To 9/30/2017

	FY 2016 Projected Actuals	FY 2017 Draft Budget
BEGINNING FUND BALANCE	-	-
OPERATING REVENUE		
TP&W Trail Grant	110,250	-
Transfer In From General Fund	27,750	20,000
TOTAL OPERATING REVENUE	138,000	20,000
OPERATING EXPENDITURES	-	-
TOTAL OPERATING EXPENDITURES	-	-
FY 2017 CAPITAL EXPENDITURES		
Horseshoe Creek Trail Park - CONST.	133,000	20,000
Horseshoe Creek Trail Park - DESIGN	5,000	-
TOTAL FY 2017 CAPITAL EXPENDITURES	138,000	20,000
TOTAL EXPENDITURES	138,000	20,000
REVENUE OVER EXPENDITURES	-	-

CITY OF HORSESHOE BAY

HORSESHOE CREEK TRAIL PARK CAPITAL PROJECT FUND
DRAFT CAPITAL EXPENDITURES
FISCAL YEAR 2016 - 2017

Horseshoe Creek Park Trail - CONST.	20,000
Horseshoe Creek Park Trail - DESIGN	-
	20,000
TOTAL FY2017 CAPITAL EXPENDITURES	20,000

CITY OF HORSESHOE BAY

DEBT SERVICE FUND
DRAFT BUDGET SUMMARY
FISCAL YEAR 2016 - 2017

BEGINNING FUND BALANCE	-
REVENUES:	
Ad Valorem Taxes	496,500
Interest From Investments	250
Transfer In From General Fund	248,750
	745,500
TOTAL FUNDS AVAILABLE	745,500
EXPENDITURES:	
Debt Service Interest - Series 2011	148,500
Debt Service Principal - Series 2011	275,000
Debt Service Interest - Series 2014	152,250
Debt Service Principal - Series 2014	150,000
Debt Service Interest - Series 2016	19,500
TOTAL EXPENDITURES	745,250
ENDING UNRESTRICTED FUND BALANCE	250

CITY OF HORSESHOE BAY

DEBT SERVICE FUND
DRAFT BUDGET
From 10/1/2016 To 9/30/2017

Account Code	Account Title	FY 2016 Projected Actuals	FY 2017 Draft Budget
	OPERATING REVENUE		
	Beginning Fund Balance	-	-
40150	Property Tax Collected (I&S)	472,250	496,500
	TOTAL TAX REVENUE	472,250	496,500
9999	INTEREST INCOME		
40220	Interest on Investments	250	250
Total 9999	INTEREST INCOME	250	250
40195	Transfer In From General Fund	252,250	248,750
TOTAL OPERATING REVENUE		724,750	745,500
	OPERATING EXPENDITURES		
50518	Debt Service Interest - Series 2011	154,750	148,500
50520	Debt Service Principal - Series 2011	270,000	275,000
50521	Debt Service Interest - Series 2014	155,000	152,250
50522	Debt Service Principal - Series 2014	145,000	150,000
	Debt Service Interest - Series 2016	-	19,500
Total 7000	TOTAL DEBT SERVICE EXPENDITURES	724,750	745,250
TOTAL OPERATING EXPENDITURES		724,750	745,250
REVENUE OVER EXPENDITURES		-	250

Item # 3.6

CITY OF HORSESHOE BAY

JUNE 28, 2016

To: Mayor and City Council

From: Stan R. Farmer, City Manager

Re: 5-Year Capital Improvement Plan

Enclosed is the draft 5-year Capital Improvement Plan for review and discussion.

Enclosures: 5-year Capital Improvement Plan

CITY OF HORSESHOE BAY

FY 2017 FIVE-YEAR CAPITAL PLAN

June 28, 2016

General Fund Five Year Capital Improvement Plan

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Routine Equipment/Vehicles	35,000	106,000	75,000	75,000	75,000
Fire Engine		1,000,000			
Total Annual CIP Requirements	**35,000**	**106,000**	**75,000**	**75,000**	**75,000**

Utility Fund Five Year Capital Improvement Plan

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Routine Equipment/Projects	**500,000**	**670,000**	**750,000**	**750,000**	**750,000**
Major Projects					
Summit Rock Effluent Pump and Piping			130,000		
750,000 Gallon High Storage Water Tank Rehab		380,000			
1,500,000 Gallon High Storage Water Tank Rehab					550,000
West Water Plant Expansion *	1,300,000	2,600,000			
Summit Rock Lift Station *	50,000		520,000		
Wastewater Treatment Plant Expansion Eng.*			400,000		
Wastewater Treatment Plant Expansion*				2,500,000	1,000,000
Central Water Plant Membrane Replacement (2MG)			600,000	250,000	
Applehead Water Line Replacement	40,000				
Developer Contribution** ($7.4 M)	(1,350,000)	(2,600,000)	(920,000)	(530,000)	
Subtotal - Major Projects	**40,000**	**380,000**	**730,000**	**2,220,000**	**1,550,000**
Total Annual CIP Requirements	**540,000**	**1,050,000**	**1,480,000**	**2,970,000**	**2,300,000**

*Projects that have a Developer Contribution

**The first $2M is funded. However, the remainder will be reimbursed from the PID. The City will likely need to set up a receivable and begin accruing interest if the PID is unable to reimburse at the time of construction.

Capital Projects Fund Five-Year Capital Improvement Plan

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Street Projects (Fund 7)	1,650,000	-	-	-	-
Seal Coating	755,000	600,000	765,000	250,000	220,000
Horseshoe Trail Park (Fund 9)	138,000	20,000	15,000	15,000	-
Total Annual CIP Requirements	**2,543,000**	**620,000**	**780,000**	**265,000**	**220,000**

Note: Some of the data for FY 2016 are actual and/or projected numbers, not 2015 Council approved

FY 2017 Capital Plan approved on September 20, 2016 by unanimous vote of the Council of the City of Horseshoe Bay during a regu scheduled meeting and made a part of the minutes thereof.

Stephen T. Jordan, Mayor

Item # 3.7

CITY OF HORSESHOE BAY

	TAX YEAR	TAX RATES M & O		I & S	LLANO COUNTY APPROVED TAX ROLL ASSESSED VALUE	BURNET COUNTY APPROVED TAX ROLL ASSESSED VALUE	TOTAL APPROVED TAX ROLL ASSESSED VALUE	LEVY @ 100%	LEVY @ 98.5%	M & O @ 98.5%	I & S @ 98.5%
	2006	0.50									
	2007	0.40			$1,251,273,964		$1,251,273,964	$5,005,095.86	$4,930,019.42		
	2008	0.35			$1,441,168,934		$1,441,168,934	$5,044,091.27	$4,968,429.90		
	2009	0.33			$1,588,249,545		$1,588,249,545	$5,241,223.50	$5,162,605.15		
	2010	0.25	0.222	0.028	$1,412,000,000	$171,000,000	$1,561,996,162	$3,530,000.00	$3,846,415.55	$3,415,617.01	$430,798.54
	2011	0.25	0.222	0.028	$1,374,533,707	$173,407,475	$1,547,941,182	$3,436,334.27	$3,811,805.16	$3,384,882.98	$426,922.18
	2012	0.25	0.222	0.028	$1,343,758,031	$183,355,207	$1,527,113,238	$3,359,395.08	$3,760,516.35	$3,339,338.52	$421,177.83
	2013	0.25	0.222	0.028	$1,384,324,964	$186,946,922	$1,571,271,886	$3,928,179.72	$3,869,257.02	$3,435,900.23	$433,356.79
	2014	0.25	0.222	0.028	$1,437,323,807	$185,403,017	$1,622,726,824	$4,056,817.06	$3,995,964.80	$3,548,416.75	$447,548.06
*	2015	0.25	0.222	0.028	$1,443,468,122	$190,427,395	$1,633,895,517	$4,084,738.79	$4,023,467.71	$3,572,839.33	$450,628.38
**	2015	0.25	0.222	0.028	$1,494,521,653	$196,022,157	$1,690,543,810	$4,226,359.53	$4,162,964.13	$3,696,712.15	$466,251.98
*	2016	0.25	0.222	0.028	$1,605,740,544	$194,557,036	$1,800,297,580	$4,500,743.95	$4,433,232.79	$3,936,710.72	$496,522.07
*	2016	0.26	0.232	0.028	$1,605,740,544	$194,557,036	$1,800,297,580	$4,680,773.71	$4,610,562.10	$4,114,040.03	$496,522.07

* **PRELIMINARY VALUES**

** CERTIFIED VALUES AS OF JULY 24, 2015

Item # 3.7

Merit Compensation Adjustments

By Stan R. Farmer

This memorandum is to provide some history regarding the compensation program of the City and a recommendation for the January 1, 2017 merit increases.

Lake LBJ MUD started a compensation system which has been continued by the City. It was designed by a consultant specializing in compensation systems for governmental entities which designs similar systems used by many corporations. Every two years the consultant does a study to determine salary ranges related to benchmark positions from private industry and a group of cities selected by him and the City. A matrix is developed which includes the employee's current salary level as it relates to the midpoint of their salary range and their performance level. Employees are evaluated annually, and one of the objectives is the determination of an achievement level for a merit based increase. Therefore, based on the achievement level and the employee's current salary level, an employee's specific raise percentage is determined. City Council determines a total dollar amount for employee raises during the annual budget process which is then applied to the matrix effective on January 1 of the following year.

The following data reflects our present compensation related to new mid-point <u>before</u> any January 1, 2017 adjustments:

Related to Mid Point		
Below 80	7	9%
80-89.9	16	20%
90-99.9	29	37%
100-109.9	25	32%
110-120	2	3%

Based on the overall economy and public comments by other governmental entities, it is my conclusion that merit raises this year will be relatively low. It also seems to me that our constituents have similar expectations. I recommend that the total merit adjustments approximate 3% of our present total compensation. This would seem to be fair to our employees and responsible to our constituents.

The merit adjustment at January 1, 2013 was $100,000 or 2.65%
The merit adjustment at January 1, 2014 was $100,000 or 2.65%
The merit adjustment at January 1, 2015 was $103,000 or 2.62%
The merit adjustment at January 1, 2016 was $107,000 or 2.66%

The dollar figures below represent the 12-month budget impact starting January 1, 2017, followed by the impact only on the FY 2017 budget.

The data are: 2.5%= $107,000/$80,250; 2.75% = $117,000/$87,750; 3% = $128,000/$96,000

Based on the decision regarding the amount of the total merit adjustment, the matrix will be drafted and the budgets amended for the City Council's review at the August workshop.

Item # 3.9

CITY OF HORSESHOE BAY

JUNE 28, 2016

To: Mayor and City Council

From: Stan R. Farmer, City Manager

Re: Pickle Ball Courts

Jon Harshaw, a HSB resident, would like the City to consider installing two pickle ball courts at an estimated cost of $60,000. The Resort does currently have several of these courts for members and guests. The City's Park Master Plan does not mention Pickle ball Courts; however, out of six needs determined in the plan the fifth ranked was "Sports Courts" and pickle ball courts would be included under this designation.

Enclosure: Pickle Ball Court Estimate

Coastal Plains

TENNIS and BASKETBALL Court Construction
Surfacing - Repairs - Equipment - Supplies

June 9, 2016

John Harshaw (johnharshaw@me.com)
Horseshoe Bay, TX 78657

Estimated Costs for Pickle Ball Court Construction

The following estimates are based on the construction of a double pickle ball court 61'X 64'including labor and materials:

CONCRETE FOUNDATION.....$28,000.00
NET POSTS & NETS..... $3,000.00
SURFACING & STRIPING.....$7,000.00
FENCING (10' vinyl coated).....$12,000.00
LIGHTING (4 pole).....$10,000.00

ESTIMATED TOTAL.....$60,000.00

Thank you for the opportunity to submit this estimate. If you have any questions or concerns, please do not hesitate to call.

Sincerely,

Rick Guenther

11603 N. Weidner Rd. San Antonio, TX 78233
Phone: 210-656-9326 Fax: 210-599-6222 E-mail: rick@coastalplains.net

Meeting Schedule

June 28: **First Budget Workshop – 9:00 a.m.**
1. **Review FY2017 Draft Budget**
2. **Propose 2016 Tax Rate**

August 12: **Deadline for City Manager to file a Proposed Budget with City Secretary** ***(not less than 30-days prior to time the City Council passes the tax levy ordinance for the current fiscal year (Sept. 20). Tex LGC §102.005)***

August 30: **Second Budget Workshop – 9:00 a.m.** ***(City Council shall call a public hearing on the proposed budget on a date at least 15 days after the date of filing with the City Secretary (Aug 12) and prior to the date the CC will pass the tax levy ordinance, Tex LGC §102.006)***
1. **Public Hearing**
2. **Review FY2017 Proposed Budget**

August 30: **Regular City Council Meeting – 3:00 p.m.**
1. **Schedule and Announce Meeting to Adopt Tax Rate (September 20)**

September 6: **Third Budget Workshop – 9:00 a.m. (if needed)**
1. **Review FY2017 Proposed Budget**

September 20: **Regular City Council Meeting – 3:00 p.m.**
1. **Public Hearing on the Proposed Budget**
2. **Adopt FY2017 Budget**
3. **Adopt 2016 Tax Rate**
4. **Approve Utility Rates**

Item # 4

CITY OF HORSESHOE BAY

JUNE 28, 2016

To: Mayor and City Council

From: Stan R. Farmer, City Manager

Re: Discuss, Consider and Take Action Regarding Merit Compensation Adjustments

Each year during the first Budget Workshop past Councils have chosen an overall merit adjustment level for the staff to then develop a matrix for eventual pay adjustments for January 1 and for overall budget purposes. Last year the council chose $105,000; however the policy reads the Mayor has some latitude to approve slight adjustment to fit the matrix and the final number was $107,000. This number is not the impact on the next FY as the merit increases to do not take effect until 3 months into the new FY post January 1.

This year I am recommending a calendar year number of 3% of total salary expenditures/budget or $128,000. This will be a $96,000 impact on the nine months of the new FY post January 1.

Enclosures: Current FY Matrix Approved August 2015
Merit Compensation Adjustments Memorandum

Appendix C – Merit Table

CITY OF HORSESHOE BAY
COMPENSATION PLAN
MERIT INCREASE GUIDE

COMPA-RATIO	ACHIEVEMENT LEVEL VI	V	IV	III	II	I
80.0 - 89.9	0%	0%	0%	1%	5%	6%
90.0 - 99.9	0%	0%	0%	1%	4%	6%
100.0 - 109.9	0%	0%	0%	0%	1%	3%
110.0 - 120.0	0%	0%	0%	0%	1%	2.5%

	ACHIEVEMENT LEVEL	RATING
I	**EXCEPTIONAL** Performance rarely matched - far exceeds all job requirements.	67.5 - 75
II	**ABOVE AVERAGE** Performance clearly exceeds job requirements	52.5 - 67
III	**MEETS EXPECTATIONS** Performance substantially meets job requirements	37.5 - 52
IV	**SATISFACTORY** Performance meets job requirements	22.5 - 37
V	**IMPROVEMENT NEEDED** Performance below minimum job requirements	7.5 - 22
VI	**UNSATISFACTORY** Performance unacceptable - not retainable	0 - 7

Appendix C - Merit Increase Guide amended and approved on September 15, 2015, by unanimous vote of the Council of the City of Horseshoe Bay during a regularly scheduled meeting and made a part of the minutes thereof.

CITY OF HORSESHOE BAY ★ TEXAS ★ 2005 ★

Stephen T. Jordan, Mayor

Merit Compensation Adjustments

By Stan R. Farmer

This memorandum is to provide some history regarding the compensation program of the City and a recommendation for the January 1, 2017 merit increases.

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Item # 5

CITY OF HORSESHOE BAY

JUNE 28, 2016

To: Mayor and City Council

Thru: Stan R. Farmer, City Manager

From: Larry O. Anderson, Finance Director

Re: Propose Tax Rate

The City has received preliminary tax information from the Llano and Burnet Appraisal Districts. The combined preliminary taxable value for Llano and Burnet counties for the 2016 tax year is $1,800,297,580. This value may change during the appraisal appeal process this summer.

Once approved, the proposed tax rate may be decreased but may not be increased prior to the tax rate adoption in September. Therefore staff recommends that Council approve the maximum tax rate that would be considered for Fiscal Year 2016-2017. The suggested proposed tax rate is $0.26 per $100 taxable valuation.

The current tax rate for Fiscal Year 2015-2016 is $0.25 per $100 taxable valuation.

Enclosure: Tax Table

CITY OF HORSESHOE BAY

	TAX YEAR	TAX RATES M & O	I & S	LLANO COUNTY APPROVED TAX ROLL ASSESSED VALUE	BURNET COUNTY APPROVED TAX ROLL ASSESSED VALUE	TOTAL APPROVED TAX ROLL ASSESSED VALUE	LEVY @ 100%	LEVY @ 98.5%	M & O @ 98.5%	I & S @ 98.5%
	2006	0.50								
	2007	0.40		$1,251,273,964		$1,251,273,964	$5,005,095.86	$4,930,019.42		
	2008	0.35		$1,441,168,934		$1,441,168,934	$5,044,091.27	$4,968,429.90		
	2009	0.33		$1,588,249,545		$1,588,249,545	$5,241,223.50	$5,162,605.15		
	2010	0.25	0.222	0.028	$1,412,000,000	$171,000,000	$1,561,996,162	$3,530,000.00	$3,846,415.55	$3,415,617.01	$430,798.54
	2011	0.25	0.222	0.028	$1,374,533,707	$173,407,475	$1,547,941,182	$3,436,334.27	$3,811,805.16	$3,384,882.98	$426,922.18
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* PRELIMINARY VALUES

** CERTIFIED VALUES AS OF JULY 24, 2015