



**NOTICE OF A WORK SESSION
OF THE CITY COUNCIL
OF THE CITY OF SUNSET VALLEY, TEXAS
TUESDAY, APRIL 18, 2023
4:30 P.M. - 6:00 P.M.**

In accordance with the Open Meetings Act, Chapter 551 of the Government Code of Texas, notice is hereby given to all interested persons that the Sunset Valley City Council will hold a Work Session at **4:30 P.M.** on Tuesday, April 18, 2023 in the City Hall Council Chambers, 3205 Jones Road, Sunset Valley, Texas, for the following purposes:

1. Call to order of the City Council.
2. Public Comments (limited to 3 minutes)
3. Council will discuss the following items, but take no action:
 - A. FY23-24 Introductory Budget Presentation
4. Directive to the City Administrator by the Mayor regarding follow-up work products for a future Council Agenda.
5. Adjourn

Remote Participation Notice

AT THIS MEETING AT THE STATED LOCATION, A QUORUM OF THE CITY COUNCIL WILL BE PHYSICALLY PRESENT AND THIS NOTICE SPECIFIES THE INTENT TO HAVE A QUORUM PRESENT THERE, AND THE MEMBER OF THE CITY COUNCIL PRESIDING OVER THE MEETING WILL BE PHYSICALLY PRESENT AT THAT LOCATION. ONE OR MORE MEMBERS OF THE CITY COUNCIL MAY PARTICIPATE IN THIS MEETING REMOTELY, AND IF SO, VIDEOCONFERENCE EQUIPMENT PROVIDING TWO-WAY AUDIO AND VIDEO DISPLAY AND COMMUNICATION WITH EACH MEMBER WHO IS PARTICIPATING BY VIDEOCONFERENCE CALL WILL BE MADE AVAILABLE.

I certify that the above notice of meeting was posted at City Hall, 3205 Jones Road, Sunset Valley, Texas, on the 13th day of April 2023 at 6:00 P.M.


Melissa Marquez
City Secretary



FY 23-24 Strategic Budget Planning

City Council Work Session

April 18, 2023

FY 22-23 Projected Ending Fund Balances*

Ending Fund Balances (estimated)					
Fund	Reserve	Committed	Non-Committed	Restricted	Total Balance
General Fund	5,461,543	1,714,536	1,796,616	243,084	9,215,779
Utility Fund	286,434	3,440,004			3,726,438
Street Fund				7,622,087	7,622,087
Hotel Occupancy Tax Fund				783,296	783,296
Venue Tax Fund				1,577,101	1,577,101
Crime Control & Prevention District Tax Fund				80,000	80,000
GN Equipment Repair & Replacement Fund		542,100			542,100
City Facilities Fund <i>closed</i>					0
Drainage Fund		523,666			523,666
CIP Fund		1,680,200			1,680,200
Total	5,747,976	7,900,506	1,796,616	10,305,568	25,750,667

**includes Budget Adjustments 1, 2, 3, and 5, \$1,139,499, for increases in CIP project costs, chipper purchase, and City Facilities closeout. Budget Adjustment 4 for Brodie Lane projects (\$100k) moved funds from restricted to committed. Also includes \$670,000 increase in revenue from interest.*

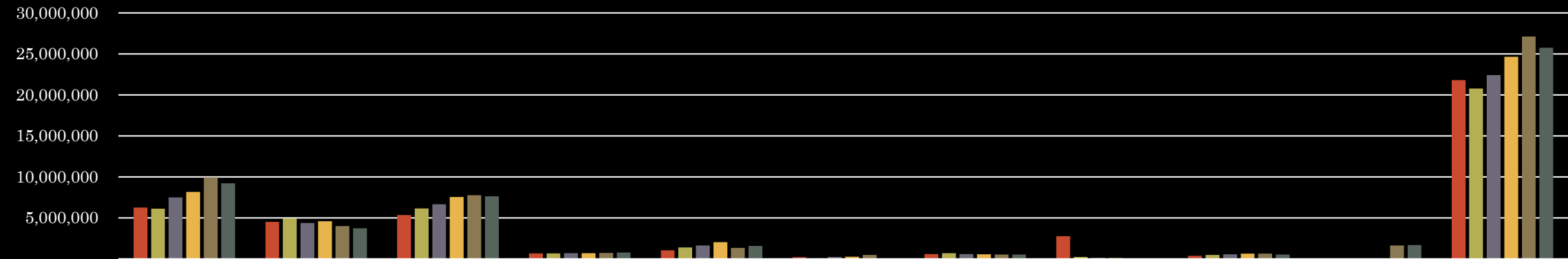
Committed General Funds

➤ Water Conservation Rebate Program Expansion	\$1,000,000
➤ City Beautification/Parks and Open Spaces	\$463,000
➤ City Facilities Retainage	\$193,744
➤ American Rescue Plan	\$40,005
➤ Miscellaneous	\$17,787



Fund Balances Historical

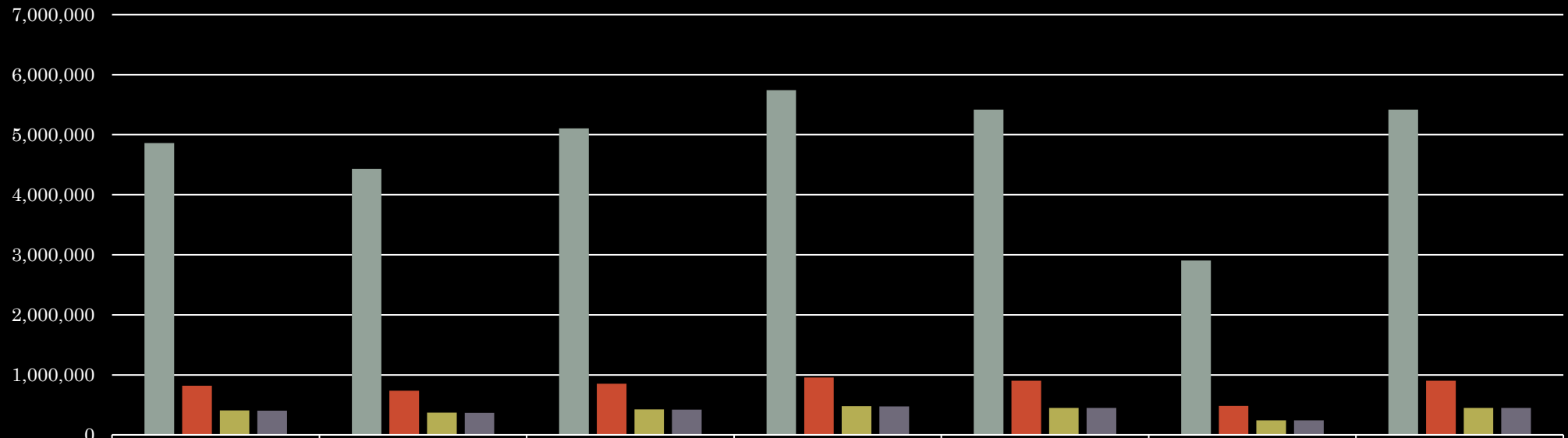
FUND BALANCE HISTORICAL



	General Fund	Utility Fund	Street Fund	HOT Fund	Venue Fund	Crime Control	Repair & Replacement	City Facilities	Drainage	CIP	Totals
■ FY18	6,256,776	4,525,838	5,338,333	663,033	1,050,768	222,858	594,699	2,777,268	370,630		21,800,202
■ FY19	6,115,081	4,952,823	6,155,107	671,212	1,402,750	67,684	697,649	243,305	473,252		20,778,865
■ FY20	7,491,323	4,391,167	6,672,585	689,546	1,639,690	229,324	599,802	127,337	570,110		22,410,883
■ FY21	8,172,548	4,605,256	7,549,458	687,338	2,039,293	273,186	551,053	102,741	654,493		24,635,366
■ FY22	9,938,183	4,012,200	7,754,800	716,200	1,346,500	485,600	522,100	82,700	633,000	1,625,200	27,116,483
■ FY 23 (est)	9,215,779	3,726,438	7,622,087	783,296	1,577,101	80,000	542,100	0	523,666	1,680,200	25,750,667

Sales Tax Revenue (through March 2023)

Sales Tax Revenue - Actual vs. FY 23-24 Proposed*



	2018-19 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Actual	2022-2023 Budget	2022-2023 Actual	2023-2024 Proposed Budget
■ Sales & Use Tax	4,861,535	4,427,629	5,105,213	5,739,902	5,415,000	2,905,491	5,415,000
■ Sales & Use Tax - R&M Street	820,538	737,920	850,848	956,626	902,500	484,237	902,500
■ Sales & Use Tax - Venue (Green)	410,300	368,988	425,456	478,349	451,250	242,136	451,250
■ Sales & Use Tax - Crime Control	403,044	365,836	421,818	476,490	451,250	240,551	451,250

**the draft FY 23-24 Budget includes the same sales tax revenue projections as the FY 22-23 Adopted Budget*

Sales Tax Revenue FY 22-23

Date	Sales for the month of		PROJECTED Monthly Collections (Budget) FY23	ACTUAL Monthly Collections FY23	Monthly Overage/ (Shortfall)	% Above or (Below) Monthly Budget	Total Collections FY23	% of Total Projected Budget	% Above or (Below) Total Budget	ACTUAL Monthly Collections FY22	Increase/ (Decrease) from previous year	% Above or (Below) from previous year
Oct	August	2022	\$541,356.57	\$589,452.38	\$48,095.81	8.9%	\$589,452.38	8.2%	8.9%	\$573,700.51	\$15,751.87	2.7%
Nov	September	2022	\$589,796.98	\$662,056.27	\$72,259.29	12.3%	\$1,251,508.65	17.3%	12.3%	\$625,035.05	\$37,021.22	5.9%
Dec	October	2022	\$593,493.55	\$624,912.32	\$31,418.77	5.3%	\$1,876,420.97	26.0%	5.3%	\$628,952.48	-\$4,040.16	-0.6%
Jan	November	2022	\$613,352.69	\$643,557.30	\$30,204.61	4.9%	\$2,519,978.27	34.9%	4.9%	\$649,998.12	-\$6,440.82	-1.0%
Feb	December	2022	\$764,706.67	\$796,918.00	\$32,211.33	4.2%	\$3,316,896.27	45.9%	4.2%	\$810,394.91	-\$13,476.91	-1.7%
Mar	January	2023	\$513,112.95	\$555,518.70	\$42,405.75	8.3%	\$3,872,414.97	53.6%	8.3%	\$543,769.45	\$11,749.25	2.2%
Apr	February	2023	\$487,196.63	\$0.00	\$0.00	0.0%	\$0.00	0.0%	0.0%	\$516,304.73	\$0.00	0.0%
May	March	2023	\$631,571.29	\$0.00	\$0.00	0.0%	\$0.00	0.0%	0.0%	\$669,305.21	\$0.00	0.0%
Jun	April	2023	\$634,176.88	\$0.00	\$0.00	0.0%	\$0.00	0.0%	0.0%	\$672,066.48	\$0.00	0.0%
Jul	May	2023	\$607,206.27	\$0.00	\$0.00	0.0%	\$0.00	0.0%	0.0%	\$643,484.48	\$0.00	0.0%
Aug	June	2023	\$644,849.32	\$0.00	\$0.00	0.0%	\$0.00	0.0%	0.0%	\$683,376.55	\$0.00	0.0%
Sep	July	2023	\$599,180.20	\$0.00	\$0.00	0.0%	\$0.00	0.0%	0.0%	\$634,978.88	\$0.00	0.0%
			\$7,220,000.00	\$3,872,414.97					3.7%	\$7,651,366.85	\$40,564.45	0.6%

FY 23-24 Proposed Budget

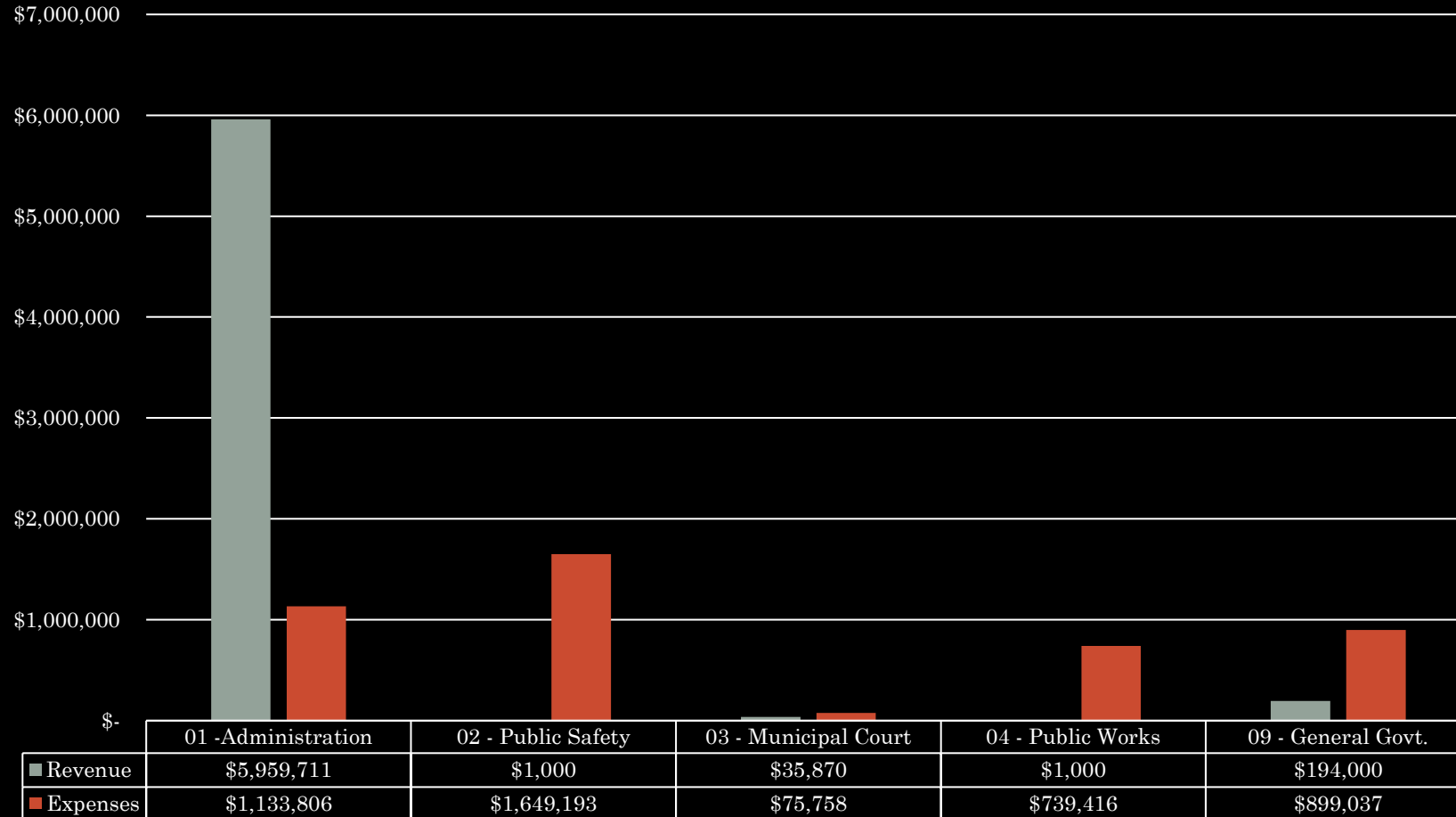
Overall		Key Information
Revenue	9,874,723	<ol style="list-style-type: none"> 1. Does NOT include Utility Fund transfers 2. Does NOT include encumbrance/carryover from unspent Capital Funds 3. Assumes no new transfers to Repair and Replacement Fund
Expense	8,527,357	<ol style="list-style-type: none"> 1. Does NOT include new Capital Improvement Project Expenses or anticipated increased costs 2. Includes 4 new positions proposed by staff and COLA (FY23 Stipend) & 5% merit pool
Surplus/(Deficit)	1,347,366	

FY 23-24 All Funds – Detail

Fund	Revenue	Expense	Surplus/(Deficit)	Notes
(1) General Fund	6,191,581	4,497,209	1,694,372	
(02) Utility Fund	1,085,642	2,124,385	-1,038,743	No transfers or subsidies
(14) Street R&R	1,167,500	250,208	917,292	
(16) HOT	255,000	164,000	91,000	No external HOT fund requests, due May 31 st
(18) Venue (Green)	501,250	238,946	262,304	
(19) Crime Control	471,250	652,687	-181,437	
(21) Equipment R&R	20,000	50,000	-30,000	No transfers, \$50k is for IT, there will be additional replacement requests
(25) Drainage	122,500	119,922	2,578	
(30) CIP	60,000	430,000	-370,000	No transfers, Country White Ln. Waterline only funded project
Total	9,874,723	8,527,357	1,347,366	

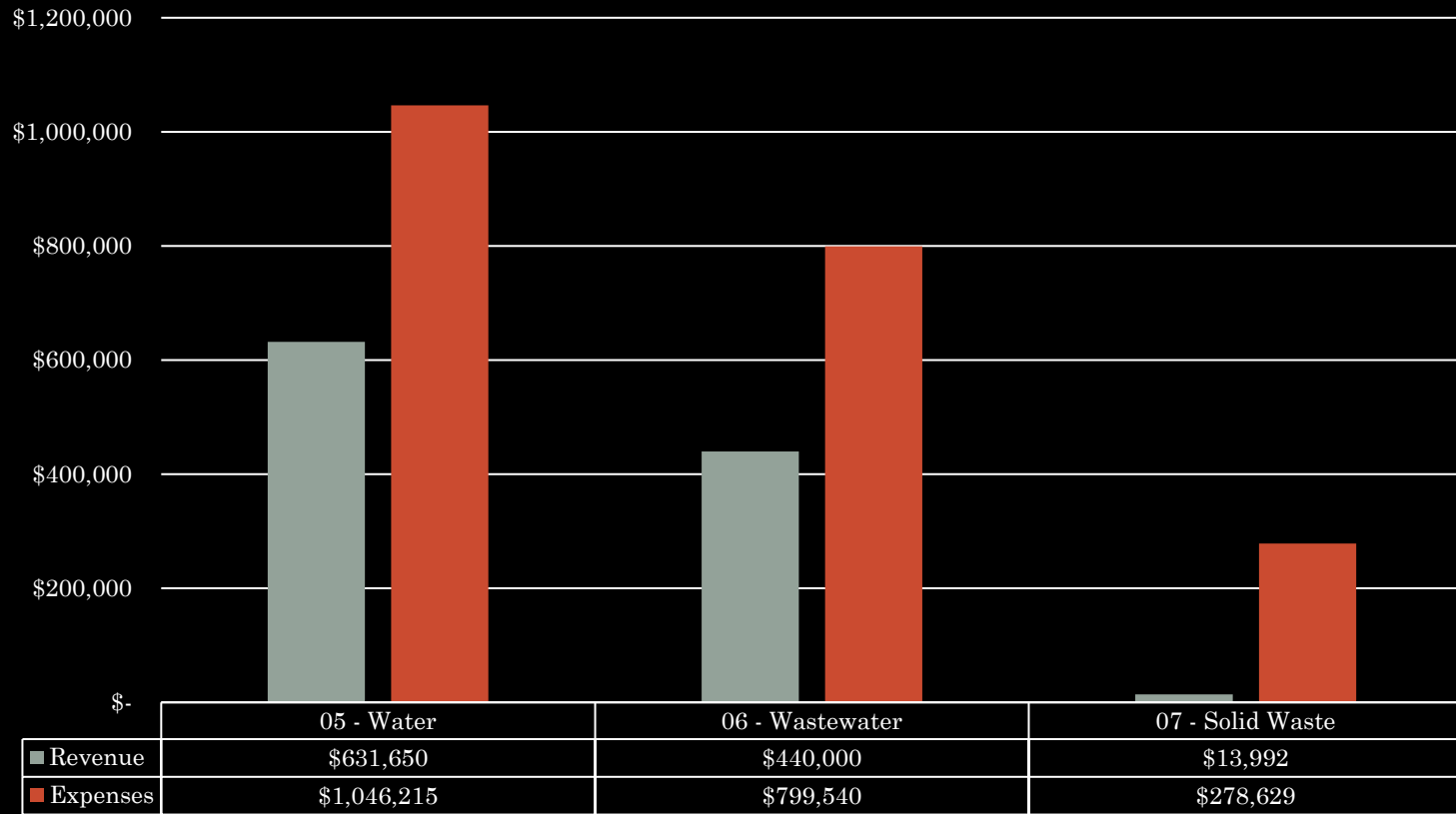
General Fund – Department Detail

01 - General Fund Detail



Utility Fund – Department Detail

02 - Utility Fund Detail



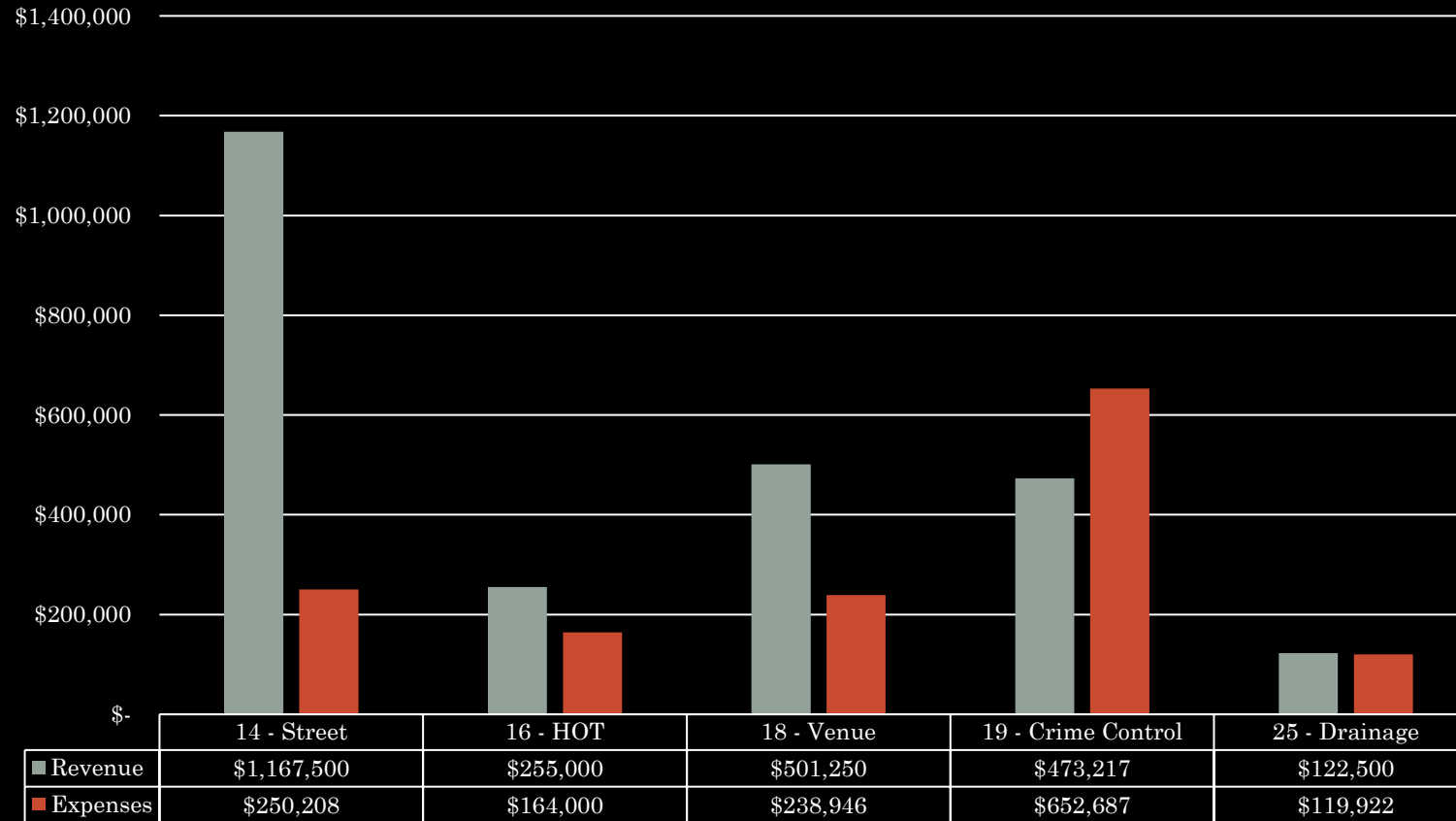
Water, 40% deficit

Wastewater, 45% deficit

Solid Waste, 95% deficit

Other Funds

Other Funds



Personnel Items in the Budget

- 2 new Police Officers, bringing total number of funded Officers to 10
- 2 new PW Maintenance Technicians, bringing total number of funded Techs to 6
- FY22-23 Stipend has been built into salaries as a COLA (tiered)
- 15% increase in Medical Benefits – open market for new plan in late summer
- 5% Merit/Reclassification Pool – reclassifications, title changes, and merit increases based on performance evaluations TBD before budget adoption
- Employee fund allocations will be examined during the budget process

Other Items in the Budget

- Operational Expenses – some departmental increases due to rising costs
- Increased Training & Education line items – more training for employees
- PW increased both Emergency and Repair expense line items
- PD Operational Budget (General Fund) includes replacement vehicle purchase
- Crime Control Budget currently at a deficit, must be addressed
- \$65,000 increase in software acquisition and maintenance fees, placeholder for proposed new ERP software by Tyler Technologies

Committee Requests, Programs and Events

- P&E requests for an additional \$1,200 program funding (wildflower seedballs)
- \$2,500 increase for the PEAS program (Public Works Dept. budget)
- CED and SVAC General Fund requests set the same as FY23 – placeholders
- ARTFEST built into Mayor's Budget, not a HOT Fund request – 5% increase from projected actual expenses from 2023 event
- ARTFEST HOT Fund transfer for 2024 event vs. expense line item(s)
- \$10,000 for SFC Farmers' Market support (TDS) – placeholder

Projected Ending Fund Balances FY 23-24*

How much money does the City expect to be in the bank at the end of the year?	
Estimated End of Year Reserves:	
General Fund	10,910,151
Utility Fund	2,687,695
Street Fund	8,539,379
Hotel Occupancy Tax Fund	874,296
Venue Tax Fund	1,839,405
Crime Control Tax Fund	(101,437)
GN Equipment Repair & Replacement Fund	512,100
Drainage Fund	526,244
CIP Fund	1,310,200
Total	27,098,033

*Does NOT include Utility Fund transfers/subsidies,
or transfers to CIP or Repair and Replacement

Items for Consideration NOT Included

- Utility Rates
 - Staff is recommending a work session dedicated to Utility Rates
 - City of Austin Water/WW Contact to be completed in FY23
 - \$1.17 monthly increase per resident for TDS FY24
- Repair & Replacement Fund Requests – Public Works
 - Vehicles and Equipment Schedule
 - Facilities – R&M Building line item vs. R&R Fund
- CIP Projects
 - Anticipated increased costs for approved projects
 - Home Depot and ERW
 - Trail at Upper Cougar Creek
 - Brodie Lane Improvements project planning
 - 6107 Brodie

Capital Improvement Plan (CIP)

Project/Fund	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Completed Projects						
W-Backflow Prevention		\$15,000				
WW-Lift Station			\$275,712			
Valley Creek Park Trail		\$40,000				
Parks and Open Space Plan		\$50,000				
Project that will be Completed by end of 2023						
W-Lone Oak			\$270,808			
W-Sunset Trail			\$547,867			
W-Residential Automated Meter Reading		\$105,000				
WW-US 290			\$170,414			
W-AISD Master Meter Conversion			\$191,810			
S-Lone Oak Turnaround and Mill/Overlay			\$341,029			
S-Sunset Mill and Overlay			\$213,118			
D-Jones Road Drainage			\$127,771			

Capital Improvement Plan (CIP)

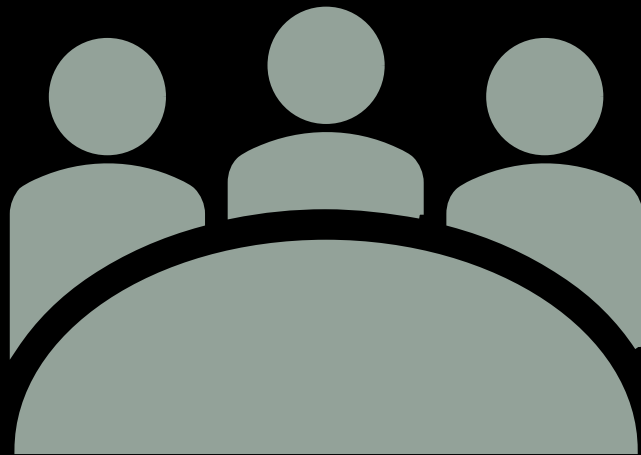
Project/Fund	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Projects in Engineering Phase-Moving to Construction in FY 24						
W-Country White Waterline			\$100,000	\$430,000		
S-ERW Bridge Repair			\$515,000	TBD		
S-ERW/Home Depot BLVD-Street and Sidewalk			\$255,000	TBD		
Upper Cougar Creek Trail				TBD		
WQ-Lovegrass		\$65,000		TBD		
Projects to be Completed						
W-Commercial AMI						\$200,000
Burger Center Trail					TBD	
LDC revisions		\$50,000				
Projects Proposed Outside of Current Capital Improvement Plan						
Brodie Lane Road, Street, and Lighting Improvements				TBD		
6107 Brodie				TBD		

P&E Project Requests

- City Hall Community Trail and Play Area improvements \$260,000
- Trail Amenities – Bike Racks, Benches, Waste Stations, etc. \$50,000
- Upper Cougar Creek Environmental Restoration \$40,000
- Grant Writer for Uplands Project \$20,000

Items for Consideration NOT Included

- Water Conservation Rebate Program Expansion
 - No increase in the proposed budget
 - \$1 million in committed funds
- Outside Requests (e.g. HOT Funds)
 - SFC
 - JDRF
 - SFC
- Council Requests
 - Additional Parks and Open Space projects
 - Beautification projects



Council Input

The background of the slide is dark with a pattern of question marks in various shades of gray and brown. One question mark in the center-left is significantly larger and lighter than the others, serving as a focal point.

Questions?

FY23-24 Proposed Budget Summary at a Glance

How much money will the City have in the bank at the start of FY24?

Fund	Reserve	Committed	Non-Committed	Restricted	Total Balance
General Fund	5,461,542	1,714,536	1,796,616	243,084	\$ 9,215,779
Utility Fund	286,434	\$ 3,440,004			\$ 3,726,438
Street Fund				7,622,087	\$ 7,622,087
Hotel Occupancy Tax Fund				783,296	\$ 783,296
Venue Tax Fund				1,577,101	\$ 1,577,101
Crime Control & Prevention District				80,000	\$ 80,000
GN Equipment Repair &		542,100			\$ 542,100
City Facilities Fund		0			\$ 0
Drainage Fund		523,666			\$ 523,666
CIP		1,680,200			\$ 1,680,200
Total	5,747,976	7,900,506	1,796,616	10,305,568	\$ 25,750,667

How much money does the City anticipate collecting during the year? Estimated Revenues:

General Fund	\$ 6,191,581
Utility Fund	\$ 1,085,642
Street Fund	\$ 1,167,500
Hotel Occupancy Tax Fund	\$ 255,000
Venue Tax Fund	\$ 501,250
Crime Control Tax Fund	\$ 471,250
GN Equipment Repair & Replacement Fund	\$ 20,000
Drainage Fund	\$ 122,500
CIP	\$ 60,000
Total	\$9,874,723

How much money does the City expect to spend during the year? Estimated Expenditures:

General Fund	\$ 4,497,209
Utility Fund	\$ 2,124,385
Street Fund	\$ 250,208
Hotel Occupancy Tax Fund	\$ 164,000
Venue Tax Fund	\$ 238,946
Crime Control Tax Fund	\$ 652,687
GN Equipment Repair & Replacement Fund	\$ 50,000
Drainage Fund	\$ 119,922
CIP	\$ 430,000
Total	\$8,527,357

How much money does the City expect to spend in Total in FY 24? Estimated Total

Operating Expenses	\$8,097,357
Capital Expenses	\$430,000
Encumbrance from Prior Year	<i>Encumbrance (Carryover from FY 22-23)</i> \$-
Total	\$8,527,357

How much money does the City expect to be in the bank at the end of the year? Estimated End of Year Reserves:

General Fund	\$10,910,151
Utility Fund	\$2,687,695
Street Fund	\$8,539,379
Hotel Occupancy Tax Fund	\$874,296
Venue Tax Fund	\$1,839,405
Crime Control Tax Fund	\$(101,437)
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Total	\$27,098,033

COSV CIP

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Completed Projects						
W-Backflow Prevention		\$15,000				
WW-Lift Station			\$275,712			
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Projects that will be Completed by end of 2023						
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S-ERW Bridge Repair			\$515,000	TBD		
S-ERW/Home Depot BLVD-Street and Sidewalk			\$255,000	TBD		
Upper Cougar Creek Trail				TBD		
WQ-Lovegrass		\$65,000		TBD		
Projects to be Completed						
W-Commercial AMI Burger Center Trail					TBD	\$200,000
Land Development Code		\$50,000				
Projects Proposed Outside of Current Capital Improvement Plan						
Brodie Lane Road, Street, and Lighting Improvements				TBD		
6107 Brodie				TBD		