



NOTICE OF A REGULAR MEETING OF THE
BUDGET AND FINANCE COMMITTEE
OF THE CITY OF SUNSET VALLEY, TEXAS
THURSDAY, AUGUST 5, 2021 at 6:00 P.M.

This meeting will be held in-person and virtually. To actively participate in the meeting virtually, please register at:

Registration URL: <https://attendee.gototraining.com/r/6933882479216880385>

Training ID: 327-897-548

Notice is hereby given that the Budget and Finance Committee of the City of Sunset Valley, Texas will hold a Regular Meeting on Thursday, August 5, 2021 at 6:00 PM in the EOC, Police Building, 3207 Jones Rd, at which time the following items will be discussed, to-wit:

1. 6:00 P.M. Call to Order
2. 6:00 – 6:05 Citizen Comments
3. 6:05 – 6:10 Council Liaison Report
4. 6:10 – 6:15 Approve minutes from the 7/29/2021 meeting
5. 6:15 – 6:20 Presentation on where we are in the budget so far
6. 6:20 – 6:40 Review, discuss, and possibly make a recommendation to City Council regarding revenues on the FY22 budget
7. 6:40 – 6:55 Presentation from Public Safety on officer retention
8. 6:55 – 7:25 Review, discuss, and possibly make a recommendation to City Council regarding the Crime Control District Tax contingency plan
9. 7:25 – 7:45 Review, discuss, and possibly make a recommendation to City Council regarding the Mayor's Requests for the FY22 budget including possibly making an emergency preparedness fund
10. 7:45 – 8:00 Review, discuss, and possibly make a recommendation to City Council regarding the Solid Waste department FY22 budget
11. 8:00 – 8:05 Suggestions for future agenda items
12. 8:05 P.M. Adjourn

A quorum of the City Council may attend the meeting, however, no official action by the City Council shall be taken. I certify that the above notice of meeting was posted at City Hall, 3205 Jones Road, Sunset Valley, Texas, on the 30th day of July 2021 at 6:00 PM.

Matt Lingafelter
City Secretary

The City of Sunset Valley is committed to the compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.

COUNCIL MEETING DATE: AUGUST 5, 2021



BUDGET AND FINANCE – AGENDA #4

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal
sfleegal@sunsetvalley.org

SUBJECT: ADMINISTRATION

DESCRIPTION: Approve minutes from the 7/29/2021 meeting

Background:

APPLICABLE CODE SECTIONS: City of Sunset Valley Financial Policies

FUNDING: N/A

SUPPORTING MATERIALS PROVIDED: MINUTES



**MINUTES OF THE
BUDGET AND FINANCE COMMITTEE**
THURSDAY, July 29, 2021 at 6:00 P.M.

Members Present

Rudi Rosengarten, Council Liaison
Charles Young, Committee Chair
Ketan Kharod, Vice Chair
Justin Litchfield, Committee Member
Ariel Cloud, Committee Member
Terry Cowan, Committee Member
Michael Francis, Committee Member
Charles Goyette, Committee Member

Members Absent:

Liz Wright, Committee Member
Rose Hargrave, Committee Member

Staff Present

Sylvia Carrillo, City Administrator
Suzanna Fleegal, Accountant
J Horry, Director of Public Works
Carolyn Meredith, Parks and Natural Resource Manager
Lenn Carter, Chief of Police

This is not an official transcript of the minutes; the recorded audio is the official record.

1. Call to Order at 6:01 PM
2. Citizen Comments
3. Approve minutes from the 7/22/2021 meeting
Motion to approve: Michael
2nd: Ketan
Motion passes unanimously
4. Review, discuss, and possibly make a recommendation to City Council for Venue Tax Department Operating Expenses
Motion to approve: Justin
2nd: Ketan
Motion passes unanimously
5. Review, discuss, and possibly make a recommendation to City Council for Street Department Operating Expenses

Motion to approve: Ketan

2nd: Michael

Motion passes unanimously

6. Review, discuss, and possibly make a recommendation to City Council for CIP Projects Budget

Motion to approve: Ketan

2nd: Justin

5 (Chip, Ketan, Justin, Ariel and Michael) for, 1 abstain (Terry), Motion passes

7. Review, discuss, and possibly make a recommendation to City Council for emergency preparations in the budget

Motion to request to staff to prepare an emergency preparedness document for the FY22 budget: Justin

Amendment: add a plan to the document, approved by Justin

2nd: Ketan

Motion passes unanimously

8. Suggestions for future agenda items

9. Adjourned at 7:42 PM

COMMITTEE MEETING DATE: AUGUST 5, 2021



BUDGET AND FINANCE – AGENDA #5

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal
sfleegal@sunsetvalley.org

SUBJECT: ADMINISTRATION

DESCRIPTION: Budget Overview- where we are in the process so far

Background: [Access the Budget Process Report here.](#)

To date, the committee has reviewed revenues of \$9,858,812 and expenses of \$8,956,070. This is not the complete budget, and more expenses and revenues will be added as the budget progresses.

While the overall budget began at (\$1.3M) dollars, that amount was based on prior year activity and a reduced revenue projection. The committee work has moved the overall budget to a positive position of \$902,742. This amount does not include funds and departments, or projects not yet reviewed by the committee.

APPLICABLE CODE SECTIONS: City of Sunset Valley Financial Policies

FUNDING: N/A

SUPPORTING MATERIALS PROVIDED: LINKS PROVIDED IN THE COVERSHEET

COUNCIL MEETING DATE: AUGUST 5, 2021



BUDGET AND FINANCE – AGENDA #6

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal
sfleegal@sunsetvalley.org

SUBJECT: ADMINISTRATION

DESCRIPTION: Review, discuss, and possibly make a recommendation to City Council regarding revenues on the FY22 budget

Background: On 5/20/21 Budget & Finance Committee reviewed the FY22 budget and chose to put all revenues at 95% of the average for FY21 Budget, FY19 Actuals, and FY18 Actuals.

[For historical review of budgeted vs actual revenues for the last 5 years, view this report in OpenGov.](#)

APPLICABLE CODE SECTIONS: City of Sunset Valley Financial Policies

FUNDING: N/A

SUPPORTING MATERIALS PROVIDED: SPREADSHEET

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
FY22 Budget Revenues															
Funds	Funds Name	Departments	Departments Name	Type	Account Code	Account Name	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Budget	FY22 Base	FY22 Adjustments	FY22 Proposed	Description
01	General Operating Fund	01	Administration	Revenues	4022	Credit Card Convenience Fees	-	214.56	462.83	182.36	500.00	500.00	(107.54)	392.46	The City collects a 3% convenience fees for all payments by credit cards for fines and court fees. This program started in FY 17/18.
01	General Operating Fund	01	Administration	Revenues	4025	Donations	5,000.00	-	4,929.36	-	-	-	1,560.96	1,560.96	The City does not budget for donations. If donations are received during the year, the City Council will usually commit those funds to a certain project. In FY 15/16 The City received a \$15,000 donation from the PGA. In FY 17/18 the City received \$5,000 from the PGA. It is expected that \$5,000 will be received from the PGA. These funds are proposed to be committed for a trail project around the Burger Center.
01	General Operating Fund	01	Administration	Revenues	4040	Fire District Collection Fees	27,438.06	32,804.28	34,977.21	61,498.68	34,500.00	34,500.00	(2,110.86)	32,389.14	Fire District tax payments are a result of an Interlocal Agreement between Travis County Emergency Services District No. 3 and Sunset Valley. The City's contract with the Austin Fire Department to provide fire protection services within Sunset Valley's City limits includes a provision covering the area within Sunset Valley's Extraterritorial Jurisdiction (ETJ). This was because the Austin Fire Department was concerned that not providing coverage to the ETJ would create islands with little to no coverage while creating loss in Sunset Valley should a substantial fire occur. The City negotiated an agreement with Travis County ESD No. 3 provides for any taxes collected be remitted to Sunset Valley to help offset the City's cost for providing the service.
01	General Operating Fund	01	Administration	Revenues	4050	Franchise Tax	-	-	37,471.32	31,672.76	34,000.00	34,000.00	(11,367.42)	22,632.58	Franchise fees are assessments for a company's use of the City's right-of-way such as telecommunications, gas, and cable. Several years ago, the City waived the franchise fees for cable companies in an effort to keep residential cable costs down. Franchise fees generally increase as a result of increased customers and/or increased cost of service. Due to the City being basically built out, there is no expected increase. The Greater Austin Area Telecommunications Network has lines in the City ROW serving the AISD facilities. Based on the length of line within the City, an annual fee was adopted. below.
01	General Operating Fund	01	Administration	Revenues	4095	Interest	53,963.03	86,217.09	126,569.63	69,366.77	27,500.00	27,500.00	48,590.79	76,090.79	Historically interest income on funds deposited in TexPool had been a primary source of revenue generated by the City. When TexPool interest rates declined, the City purchased Certificates of Deposits. TexPool's interest rate increased and CDs were not renewed. TexPool rates continue to stay at a higher level. Taking into consideration that a portion of the reserve funds were transferred to the City Facilities Fund, the proposed budget is based on the current balance in the fund.
01	General Operating Fund	01	Administration	Revenues	4110	Miscellaneous Fees & Charges	6,721.90	5,184.52	67,980.60	(53,345.55)	2,625.00	2,625.00	21,375.20	24,000.20	Miscellaneous service fees and charges is revenue from various fees charged for copies and services provided by the City. Any fees for Public Information Request are included in Miscellaneous income.
01	General Operating Fund	01	Administration	Revenues	4120	Permits, Licenses & Fees	45,036.30	39,766.10	29,343.40	26,813.85	22,500.00	22,500.00	6,509.68	29,009.68	Building and development revenue is collected from a variety of fees and charges for permits encompassing all activity from single family and commercial development. The majority of revenue generated will be from residential building and remodels and some commercial re-development. Fees collected are based on the adopted fee schedule.
01	General Operating Fund	01	Administration	Revenues	4180	Sales & Use Tax	4,877,947.36	4,923,352.92	4,861,535.27	4,427,629.12	3,614,400.00	3,614,400.00	628,707.93	4,243,107.93	In FY 15/16 sales tax revenue received was the highest amount the City has ever earned. Using the Long Range Plan, in FY 16/17 a 3% increase was projected in sales tax revenue. For the FY 17/18 it is estimated that the sales tax revenue will be flat and be in the range of the actual amounts received in FY 15/16 and FY 16/17.
01	General Operating Fund	01	Administration	Revenues	4182	Mixed Beverage Receipts Tax	38,413.12	36,824.93	40,488.00	35,170.07	26,250.00	26,250.00	6,544.93	32,794.93	Restaurants collect sales tax from its customers just like any other sales tax. However, the restaurant must still pay the 7% mixed beverage gross receipts tax to be remitted to the State Comptroller. Mixed Beverage taxes are paid to the City quarterly.
01	General Operating Fund	01	Administration	Revenues	4228	Franchise Fee - COA Utilities	-	-	85,247.24	80,212.56	8,600.00	86,000.00	(31,771.71)	54,228.29	In FY 2010-2011 the City signed a Franchise Agreement with the City of Austin for the Electric Utility.
01	General Operating Fund	03	Municipal Court	Revenues	4020	Court Income - Fees	19,894.03	29,210.29	7,805.03	8,256.90	5,000.00	5,000.00	8,304.85	13,304.85	In addition to traffic fines and fees, the City collects miscellaneous court fees. The majority of those fees are sent to the State but the City retains a percentage of some of the fees. Decrease is due to the decrease in the amount of tickets being written because of COVID-19.
01	General Operating Fund	03	Municipal Court	Revenues	4022	Credit Card Convenience Fees	-	915.95	1,221.70	523.55	500.00	500.00	335.26	835.26	This program had been suspended due to COVID. It is now active. The City collects a 3% convenience fee for all payments by credit cards for fines and court fees. This program started in FY 17/18.
01	General Operating Fund	03	Municipal Court	Revenues	4030	Court Income Fines	37,443.58	25,309.76	19,280.81	11,538.26	12,500.00	12,500.00	5,578.68	18,078.68	Revenues generated are primarily from traffic citations. A traffic ticket is a notice issued by a law enforcement official to a motorist or other road user, accusing violation of traffic laws. Traffic tickets generally come in two forms, citing a moving violation, such as exceeding the speed limit, or a non-moving violation, such as a parking violation. Decrease is due to the decrease in the amount of tickets being written due to COVID-19.
01	General Operating Fund	03	Municipal Court	Revenues	4032	Court-Time Payment Fee	-	-	-	-	100.00	100.00	(68.33)	31.67	Recent code addition. Funds are collected when a person convicted of an offense shall pay a reimbursement fee of \$15 if the person has been convicted of a misdemeanor and pays any part of a fine, court costs, or restitution, or another reimbursement fee, on or after the 31st day after the date on which a judgement is entered assessing the fine, court costs, restitution, or other reimbursement fee.
01	General Operating Fund	03	Municipal Court	Revenues	4035	Court Security Fee	-	-	137.08	325.13	900.00	900.00	(571.59)	328.41	Under Article 102.017 of the Texas Code of Criminal Procedures, a Municipal Court may establish a Municipal Court Building Security Fund. This fund is to be administered by the governing body of the municipality and is to be used for security personnel, services and items related to buildings that house the operations of municipal courts. A municipality may collect \$3 per conviction for a misdemeanor offense to fund the Municipal Court Building Security Fund. The \$3 fee is to be collected upon conviction, which includes when a sentence or judgment is imposed upon the defendant, or when the Court defers final disposition of the defendant's case. The term "security personnel, services, and items" includes identification cards and systems, electronic locking and surveillance equipment, signage, bailiffs or contract security personnel, and continuing education on security issues for court personnel and security personnel. The Sunset Valley Municipal Court is physically located within City Hall, and all proceedings of the Court take place inside.
01	General Operating Fund	03	Municipal Court	Revenues	4036	Court-Truancy Prevention Fund	-	-	-	85.00	100.00	100.00	(68.33)	31.67	Truancy Prevention Fee: Money allocated under Section 134.103 to the local truancy prevention and diversion fund maintained in the municipal treasury as required by Section 134.151 may be used by a municipality to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses relating to the position of a juvenile case manager employed under Article 45.056, Code of Criminal Procedure. Money in the fund may not be used to supplement the income of an employee whose primary role is not that of a juvenile case manager. The City of Sunset Valley does not employ a juvenile case manager.
01	General Operating Fund	03	Municipal Court	Revenues	4037	Court - Jury Fund	-	-	-	2.10	10.00	10.00	(6.83)	3.17	Juror Reimbursement Fee: Money allocated to the municipal jury fund, as required by Section 134.151, may be used by a municipality only to fund juror reimbursements and otherwise finance jury services.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
FY22 Budget Revenues															
Funds	Funds Name	Departments	Departments Name	Type	Account Code	Account Name	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Budget	FY22 Base	FY22 Adjustments	FY22 Proposed	Description
20	01 General Operating Fund	03	Municipal Court	Revenues	4038	Court Technology Fee	-	-	182.77	353.60	1,200.00	1,200.00	(762.12)	437.88	Under Article 102.0172 of the Texas Code of Criminal Procedures, a Municipal Court may create a Technology Fund. The fund is to be administered by the governing body of the municipality and is used to finance the purchase or maintenance of technological enhancements for a municipal court. A municipality may collect a fee not to exceed \$4 per conviction for a misdemeanor offense to fund the Municipal Court Building Security Fund. The fee is to be collected upon conviction, which includes when a sentence or judgment is imposed upon the defendant, or when the Court defers final disposition of the defendant's case. The Technology Fund may be used for the following related to the operations of the Municipal Court: computer systems, networks, hardware, software, imaging systems, electronic ticket writers and docket management systems. The Sunset Valley Municipal Court currently uses the Incode Docket Management and Cash Collection Software, provided by Tyler Technologies. The Police Department will also be purchasing electronic ticket writers through Tyler Technologies which will be integrated with the Court's Incode software system.
21	01 General Operating Fund	03	Municipal Court	Revenues	4200	School Zone Fees - County/City (Restricted Use)	846.20	867.48	870.58	808.05	-	-	550.39	550.39	The City receives monthly revenue from Travis County of their portion of the fines paid for violations received in the school zone. These funds are restricted and can only be spent on items for school safety.
22	01 General Operating Fund	03	Municipal Court	Revenues	4230	Warrant Fee Collections	2,730.00	3,368.46	3,751.29	2,536.28	2,250.00	2,250.00	717.09	2,967.09	The City does not outsource warrant collections. There are no plans to contract with a warrant officer. Unpaid tickets are reported to DPS through OMNI, and the warrant must be paid to the City before a driver's license can be renewed.
23	01 General Operating Fund	04	Public Works	Revenues	4000	Adopt A Tree Energy Program	7,187.91	5,770.22	9,147.33	8,212.81	-	-	4,723.89	4,723.89	Plant sales - reduction in program- * reduction in originally proposed amount of \$4972.52
24	01 General Operating Fund	04	Public Works	Revenues	4001	Revenue - Ant Bait Program	496.50	117.54	449.36	190.03	-	-	188.97	188.97	Program was suspended in last year's budget * reduction in originally proposed amount of \$188.97
25	02 Utility Enterprise Fund	05	Water Department	Revenues	4060	General Fees & Inspections	-	-	100.00	-	2,500.00	2,500.00	(1,676.67)	823.33	General work provided by PW
26	02 Utility Enterprise Fund	05	Water Department	Revenues	4095	Interest	17,201.28	36,342.75	56,958.74	27,428.21	5,000.00	5,000.00	26,128.81	31,128.81	Reduction in rates * reduction in originally proposed amount of \$32,767.16
27	02 Utility Enterprise Fund	05	Water Department	Revenues	4115	Penalties/Fines/Surcharges	-	-	-	-	1,000.00	1,000.00	(683.33)	316.67	Penalties suspended during COVID
28	02 Utility Enterprise Fund	05	Water Department	Revenues	4210	Tap Fees - Reconnects	-	600.00	550.00	450.00	1,500.00	1,500.00	(660.83)	839.17	Tap fees for new connections/replacement connections - Disconnects were discontinued during COVID
29	02 Utility Enterprise Fund	05	Water Department	Revenues	4220	Utility Sales	634,732.26	559,539.17	571,951.48	562,896.67	650,000.00	650,000.00	(85,861.29)	564,138.71	Sale of water to customers - More residents are returning to work, and not working from home
30	02 Utility Enterprise Fund	05	Water Department	Revenues	4300	Operating Transfers In	213,539.00	251,531.00	311,606.00	181,184.00	-	-	-	-	Water Subsidy- Total Expenses minus revenues to figure out subsidy plus; utility infrastructure of 126,677
31	02 Utility Enterprise Fund	05	Water Department	Revenues	SUBSIDIES	Subsidy Transfer	-	-	-	-	263,424.59	263,424.59	(32,904.59)	230,520.00	Water Subsidy- Total Expenses minus revenues to figure out subsidy
32	02 Utility Enterprise Fund	05	Water Department	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	-	-	Transfer in from Reserves
33	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	4060	General Fees & Inspections	100.00	100.00	-	50.00	2,000.00	2,000.00	(1,335.00)	665.00	General work provided by PW
34	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	4095	Interest	17,201.23	36,342.80	56,958.75	27,428.27	5,000.00	5,000.00	26,128.82	31,128.82	Reduced rates - *information differs from originally proposed amount of \$32,767.18
35	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	4210	Tap Fees - Reconnects	460.00	920.00	-	2,220.00	1,200.00	1,200.00	(1,200.00)	-	Current revenue to SSV is nonexistent with Tap Fees for Waste Water. Pass through revenue and expense
36	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	4220	Utility Sales	435,172.60	371,257.38	374,920.43	366,370.23	474,794.64	474,794.64	(88,153.36)	386,641.28	More residents are returning to work post COVID = less consumption
37	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	4300	Operating Transfers In	231,296.00	239,170.00	225,504.00	134,145.00	-	-	-	-	Wastewater Subsidy- Total Expenses minus revenues to figure out subsidy
38	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	SUBSIDIES	Subsidy Transfer	-	-	-	-	149,657.28	149,657.28	87,324.72	236,982.00	Wastewater Subsidy- Total Expenses minus revenues to figure out subsidy;
39	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	-	-	-
40	02 Utility Enterprise Fund	07	Solid Waste Department	Revenues	4170	Recycle / Reclamation Sales	219.04	41.23	269.60	3.50	200.00	200.00	(38.24)	161.76	Revenue gained from the sale of scrap metal etc. recycled by the city
41	02 Utility Enterprise Fund	07	Solid Waste Department	Revenues	4220	Utility Sales	3,744.00	4,236.67	6,694.94	6,977.48	4,200.00	4,200.00	591.68	4,791.68	New increase \$10 per household.
42	02 Utility Enterprise Fund	07	Solid Waste Department	Revenues	4300	Operating Transfers In	131,516.00	134,680.00	130,915.00	136,711.00	-	-	-	-	prior years subsidy
43	02 Utility Enterprise Fund	07	Solid Waste Department	Revenues	SUBSIDIES	Subsidy Transfer	-	-	-	-	172,681.00	172,681.00	14,826.00	187,507.00	-
44	02 Utility Enterprise Fund	07	Solid Waste Department	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	-	-	transfer in from reserves
45	02 Utility Enterprise Fund	09	General Government	Revenues	4022	Credit Card Convenience Fees	-	564.09	480.27	275.16	280.00	280.00	139.38	419.38	Charge to use CC- covers operational costs charged to the City
46	02 Utility Enterprise Fund	09	General Government	Revenues	4100	Late Fees (A/R)	3,418.97	1,833.46	3,054.51	1,145.47	-	-	1,547.86	1,547.86	Late fees were suspended in COVID
47	01 General Operating Fund	09	General Government	Revenues	4009	Property Lease Revenue	6,600.00	6,600.00	6,600.00	4,950.00	6,600.00	6,600.00	(6,600.00)	-	Prior SFC**NOTE* Change from prior sheet. This was prior SFC rental income. This is now sponsored by the City in the grant to SFC
48	01 General Operating Fund	09	General Government	Revenues	4028	Event Revenue	5,608.00	5,279.00	7,765.00	415.00	2,000.00	2,000.00	2,763.93	4,763.93	This revenue is received from two sources. One source is the \$25.00 rental fee that is paid to use the City Council Chambers for a personal event. ArtFest Revenue has been moved to General Government.
49	01 General Operating Fund	09	General Government	Revenues	4300	Operating Transfers In	-	-	-	-	-	-	5,014.00	5,014.00	**NOTE** Amount from the GF that was previously received from the SFC lease payment above.
50	14 Street Replacement/Repair Fund	14	Street Repair/Replacement Funds	Revenues	4095	Interest	38,258.31	87,409.37	141,497.35	72,423.14	18,750.00	18,750.00	59,674.63	78,424.63	Reduced rates - * This amount differs from the originally proposed amount of \$82,552.24
51	14 Street Replacement/Repair Fund	14	Street Repair/Replacement Funds	Revenues	4185	Sales and Use Tax - R&M Street	812,970.91	820,538.32	810,235.61	737,919.75	602,385.00	602,385.00	104,781.99	707,166.99	Sales Tax Funded
52	18 Green Sales Tax Fund	18	Green Tax	Revenues	4095	Interest	11,312.44	18,819.54	30,903.83	17,173.52	7,000.00	7,000.00	10,962.40	17,962.40	Reduced rates *This amount differs from originally proposed amount of \$18,907.79
53	18 Green Sales Tax Fund	18	Green Tax	Revenues	4184	Sales and Use Tax - Green Tax	406,515.93	410,299.95	405,148.31	368,987.56	301,215.00	301,215.00	52,395.03	353,610.03	No description provided
54	19 Crime Control & Prevention District Tax	19	Crime Control & Prevention District Tax	Revenues	4095	Interest	231.94	6,506.07	4,726.08	2,443.71	2,500.00	2,500.00	1,848.51	4,348.51	Interest earned *amount differs from originally proposed amount of \$4577.38
55	19 Crime Control & Prevention District Tax	19	Crime Control & Prevention District Tax	Revenues	4181	Sales & Use Tax - Crime Control and Prevention Tax	132,256.63	403,044.25	398,627.15	365,835.81	301,215.00	301,215.00	48,032.36	349,247.36	-
56	19 Crime Control & Prevention District Tax	19	Crime Control & Prevention District Tax	Revenues	4300	Operating Transfers In	-	-	-	-	-	-	-	-	-
57	19 Crime Control & Prevention District Tax	19	Crime Control & Prevention District Tax	Revenues	XFER	Transfer in from Reserves	-	-	-	-	102,806.00	102,806.00	(102,806.00)	-	-
58	25 Drainage Utility	25	Drainage Utility	Revenues	4095	Interest	2,911.68	6,339.63	10,420.70	5,813.76	2,200.00	2,200.00	3,804.10	6,004.10	Reduced rates *Amount differs from originally proposed amount of \$6320.11
59	25 Drainage Utility	25	Drainage Utility	Revenues	4220	Utility Sales	101,550.24	101,464.04	101,467.64	101,644.22	101,460.00	101,460.00	(5,069.30)	96,390.70	No description provided
60	25 Drainage Utility	25	Drainage Utility	Revenues	4300	Operating Transfers In	-	-	-	-	-	-	-	-	Transfer in from general fund
61	25 Drainage Utility	25	Drainage Utility	Revenues	SUBSIDIES	Subsidy Transfer	-	-	-	-	4,671.92	4,671.92	(4,671.92)	-	-
62	16 Hotel Occupancy Tax Fund	16	Hotel Occupancy Tax	Revenues	4080	Hotel Occupancy Tax	263,011.90	255,261.55	248,891.00	129,900.30	25,000.00	25,000.00	142,564.97	167,564.97	95% revenue projection
63	16 Hotel Occupancy Tax Fund	16	Hotel Occupancy Tax	Revenues	4095	Interest	4,962.27	11,524.76	16,406.19	7,944.95	2,500.00	2,500.00	7,136.47	9,636.47	Interest reduced from original \$10,143.65 due to lower receipts and rates
64	21 GN-Equipment Repair & Replacement Fund	12	Replacement Funds	Revenues	4300	Operating Transfers In	562,126.13	148,255.00	163,426.00	-	-	-	102,806.00	102,806.00	Transfer in from General Fund for Repair and Replacement. Amount transferred in FY20 \$133,057.
65	01 General Operating Fund	04	Public Works	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	125,000.00	125,000.00	Transfer in from fund reserves for CIP & Projects
66	02 Utility Enterprise Fund	05	Water Department	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	372,000.00	372,000.00	Transfer in from fund reserves for CIP & Projects
67	02 Utility Enterprise Fund	06	Wastewater Department	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	262,000.00	262,000.00	Transfer in from fund reserves for CIP & Projects
68	14 Street Replacement/Repair Fund	14	Street Repair/Replacement Funds	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	537,130.00	537,130.00	Transfer in from fund reserves for CIP & Projects
69	18 Green Sales Tax Fund	18	Green Tax	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	40,000.00	40,000.00	Transfer in from fund reserves for CIP & Projects
70	25 Drainage Utility	25	Drainage Utility	Revenues	XFER	Transfer in from Reserves	-	-	-	-	-	-	65,000.00	65,000.00	Transfer in from fund reserves for CIP & Projects
71	02 Utility Enterprise Fund	50	Water-Utility Infrastructure Reserve	Revenues	4300	Operating Transfers In	-	115,927.00	119,405.00	-	-	-	74,521.00	74,521.00	Transfer in from General Fund for Water Utility Infrastructure
72	02 Utility Enterprise Fund	60	Wastewater - Utility Infrastructure Reserve	Revenues	4300	Operating Transfers In	-	86,946.00	89,554.00	-	-	-	55,891.67	55,891.67	Transfer in from General Fund for Wastewater Utility Infrastructure
73						Totals	9,160,034.75	9,311,297.13	9,626,888.39	7,974,769.04	7,007,175.43	7,084,575.43	2,585,207.69	9,669,783.12	



BUDGET AND FINANCE COMMITTEE AGENDA ITEM # 7

STAFF PREPARER/CONTACT INFORMATION: Lenn Carter, Chief of Police,
lcarter@sunsetvalley.org

SUBJECT: Police Department Turnover

BACKGROUND: At the May 26, 2021 Budget and Finance meeting the Committee requested that staff update them on problems related to officer retention. The officer attrition rate at the Sunset Valley Police Department is consistently around 20% to 25%. This has a negative impact on the public safety budget as well as police operations as a whole.

For FY21 year- to- date, the department has exceeded its overtime budget by more than 30% due to the need to fill vacancies resulting from officer turnover. In addition, the Department is requesting an additional combined \$2,700 in uniforms and training for FY 22 to cover expenses related to outfitting and educating new hires. Vacant shifts are filled by a combination of overtime and adjusting officers' schedules to fill voids. Annually, the cost of unplanned officer turnover amounts to \$91,702 offset by any salary savings resulting from the vacant position.

Annual Costs Related to Unplanned Turnover



1. **Overtime:** \$85,202 calculated by multiplying average salary of patrol officer by 1.5
2. **Uniforms/Equipment:** \$2,500
3. **Training:** \$3,200 includes overtime for training officer and courses
4. **Hiring/Testing:** \$500 psych exam, physical, licensing
5. **Recruiting:** \$300

TOTAL: \$91,702 per vacant shift (abated by estimated salary savings)

Unplanned employee turnover also has a negative impact on service delivery and officer performance. The Sunset Valley Police Department's motto is "remarkable service." In practice this means that our officers provide public safety services that go beyond the traditional law enforcement response to calls. Officers are expected to act as members of the community and take proactive steps to ensure the health and safety of our community. High attrition rates make it difficult to routinely provide "extra" services like trail patrols, bike patrols, and community cleanups because of insufficient staffing.

Service-related Costs of Unplanned Turnover



1. Difficulty forming agency culture
2. Low employee morale
3. Customer service gaps (no extras like trail patrols, bike patrols etc.)
4. Employee fatigue due to extended work hours
5. Constant recruiting mode
6. Damage to department image and brand (Employees must ask themselves why am I still here?)

Officer retention is a concern for all police departments. It is not uncommon for large agencies to have hundreds of unfilled police officer positions and attrition rates of 18% to 20%. However, the Sunset Valley Police Department only has 13 budgeted police officer positions. As few as two vacancies has a significant impact on our budget and operations. In the past 12 years the Department has hired and lost a total of 38 officers. The average length of employment for those officers was two years.

Retention Issues

A screenshot of a spreadsheet application showing a list of officers. A blue circle highlights a specific section of the data, likely representing the 38 officers mentioned in the text. The spreadsheet has multiple columns and rows, with a header row and several data rows.

Biggest threat to accomplishing our mission: UNPLANNED TURNOVER

Since 2009: 38 officers have been hired and left the department.

3 per year

2 year average employment length

Officers leave the Department for a variety of reasons both external and internal to the police department. The main external reason that attrition occurs is that the current job market for police is robust. Multiple agencies are trying to fill vacancies and qualified officers can choose between a various types of police departments, municipal, county, state, and federal. In order to remain competitive in such a robust job market Sunset Valley PD has to compete with these agencies on the basis of salaries, benefits, career fulfillment, and work life. Deficiencies in any one of these areas could and does result in officer turnover. Another external reason that officers leave involves the commute to and from work in Sunset Valley. Due to the high cost of housing in southwest Austin, few officers can afford to live in and around the area. Therefore, most of our officers and applicants

commute long distances to Sunset Valley. Eventually, officers tire of the commute and seek positions closer to home.

Internal factors such as salary, dysfunction due to unstable schedules, organizational culture and poor job fit play a role in high officer turnover as well. The starting salary for Sunset Valley Police Officers is \$47,000 making it one of the lowest paid police officer positions in the area. Both Rollingwood and Westlake Hills PD start entry level officers at \$53,000 annually. Increasing salaries alone will not necessarily improve officer retention. A review of the 13 officers that have left the Department since 2016 reveals that their reasons for leaving are more complex. Nine officers left for police positions with higher salaries. However, the salary increases were only significantly higher, 15% or more, in three cases. Six of the officers that left for positions with higher salaries also took jobs with daytime work schedules and weekends off. So, it is likely that the schedule also played a role in their decisions to leave the Department. Seven of the thirteen officers that have left since 2016, took positions within agencies that offer greater opportunity for promotion or lateral career growth, such as becoming a detective or motorcycle officer. One of the officers left after two years of commuting to Sunset Valley from San Antonio and took a position closer to home. One officer did not successfully complete field training and was terminated. Poor fit for the agency was a parallel factor in nine out of thirteen cases. Officers described as a poor fit either had unrealistic expectations of small-town policing, poor performance, and/or personal issues that made them ill-suited for the Department.

Where Do They Go?



NUMBER OF OFFICERS	AGENCY	TURNOVER FACTOR	TYPE OF AGENCY
2	Elgin Police Dept	Poor fit, Lack of opportunity	Municipal PD
5	Travis Co. Constable	Unstable schedule, poor fit, lack of opportunity, salary	Constables Office
1	Travis Co. Sheriff's Office	Lack of opportunity, salary	Sheriff's Office
1	Williamson Co. Sheriff's Office	Poor fit, lack of opportunity, salary	Sheriff's Office
2	State Comptrollers Ofc US Federal Wildlife Ofc	Lack of opportunity, salary, unstable schedule	State Agency Federal Agency
1	Selma Police Dept	Lack of opportunity, distance to work	Municipal PD
1	N/A	Poor fit	N/A

The solution to improving officer retention for Sunset Valley PD must include a combination of selecting the right candidates and targeted salary increases that act as incentives to remain at the Department. Because the average new hire only lasts about two years, the

city should provide financial incentives at intervals beyond two years. For example, significant pay increases at years 3, 6, and 9 would provide financial motivation to meet each goal. In addition, the Department must improve its efforts to recruit and select candidates that are a good fit for the agency and have realistic expectations of the agency.

STAFF RECOMMENDATION: Staff recommends that the city incorporate targeted salary increases in the ongoing FY 22 salary survey.

SUPPORTING MATERIALS PROVIDED: NO



BUDGET AND FINANCE COMMITTEE AGENDA ITEM # 8

STAFF PREPARER/CONTACT INFORMATION: Lenn Carter, Chief of Police,
lcarter@sunsetvalley.org

SUBJECT: Crime Control and Prevention District Contingency Plan

BACKGROUND: At the May 26, 2021 Budget and Finance meeting the Committee requested that staff make a recommendation regarding contingency plans should voters choose not to continue the Crime Control and Prevention District tax for an additional 5 years. This requires staff to propose contingent plans to absorb approximately \$460,000 in public safety expenses from the proposed FY 22 CCPD budget from the proposed FY 22 Public Safety Budget.

The proposed FY 22 Public Safety Budget and CCPD budgets collectively only contain \$57,200 of funds that could be considered discretionary. The remaining funds are for personnel services and mandated/contracted expenses. Even if all discretionary spending were cut, the FY 22 Public Safety budget would need to absorb an additional \$400,000 which would require personnel cuts.

Option One

This number of personnel cuts would have a negative impact on public safety service levels and alter the nature of policing in Sunset Valley. For example, cutting the police chief position, four patrol officers, and all discretionary public safety spending would make up for the loss of CCPD budget. However, such a drastic cut would likely mean that the police department would no longer be able to provide 24-hour services to residents or adequately patrol the shopping centers. The department would only provide police service during the day and evening hours. Overnight, services would have to be contracted out to another law enforcement agency such as Austin PD or Travis County. Even more personnel cuts would possibly be necessary if the overnight police services provider decided to charge the City for providing law enforcement services.

Option Two

Rather than making drastic cuts to public safety services, another contingency would be to transfer all public safety operating expenses back into the public safety budget and looking at the overall City budget for opportunities to increase revenues and reduce expenditures.

STAFF RECOMMENDATION: If the CCPD tax referendum is not approved, transfer all public safety expenses currently in the CCPD budget into the Public Safety general fund budget.

SUPPORTING MATERIALS PROVIDED: YES

FY 22 Proposed Budget - Public Safety

Line #	Proposal	Worksheet	Account String	Funds	Funds Name	Department	Departments Name	Type	Account Code	Account Name	FY 16	FY 17	FY 18	FY 19	FY 21 Adopted	FY21 YTD	Adjustments Made to FY 21 Adopted Budget	Additional Staff Costs Requested	FY 22 Proposed	Description	
1	01 General Operating Fund	02 Public Safety	01-02-5000	01	General Operating Fund	02	Public Safety	Expenses	5000	Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,600.00	An Additional Part time desk clerk for after hour assistance.	
2	01 General Operating Fund	02 Public Safety	01-02-5015	01	General Operating Fund	02	Public Safety	Expenses	5000	Salary - Chief of Police	\$ 104,078.58	\$ 98,399.25	\$ 116,337.34	\$ 119,332.28	\$ 122,590.00	\$ 82,135.30	\$ -	\$ 6,129.50	\$ 128,719.50	Proposed Increase to the Police Chief. Additional Part time desk clerk for after hour assistance.	
3	01 General Operating Fund	02 Public Safety	01-02-5046	01	General Operating Fund	02	Public Safety	Expenses	5046	Salary - Longevity	\$ 3,280.00	\$ 2,762.00	\$ 4,117.00	\$ 2,696.00	\$ 1,728.00	\$ 2,648.00	\$ -	\$ -	\$ 1,728.00	Paid to employees who have worked for the City for more than 5 years. Paid at \$4.00 per month for the number of years employed.	
4	01 General Operating Fund	02 Public Safety	01-02-5048	01	General Operating Fund	02	Public Safety	Expenses	5000	Salary - Lieutenant	\$ 82,782.77	\$ 51,311.30	\$ 89,497.60	\$ 92,203.90	\$ 94,563.52	\$ 63,356.89	\$ -	\$ -	\$ 89,421.51	Open Position. This position does not receive a step increase.	
5	01 General Operating Fund	02 Public Safety	01-02-5050	01	General Operating Fund	02	Public Safety	Expenses	5000	Salary - Patrol Officer	\$ 422,455.75	\$ 393,268.73	\$ 367,940.09	\$ 414,988.76	\$ 340,809.04	\$ 228,342.06	\$ -	\$ -	\$ 330,928.32	This is the projected budget for 6 patrol officers. All of these positions are eligible for step increases at various times of the FY.	
6	01 General Operating Fund	02 Public Safety	01-02-5055	01	General Operating Fund	02	Public Safety	Expenses	5000	Salary - Police Records Admin Assist	\$ 43,327.68	\$ 52,144.40	\$ 55,699.60	\$ 55,380.80	\$ 56,804.80	\$ 38,059.22	\$ -	\$ -	\$ 58,508.94	In FY 16/17 this position was reclassified from Administrative Assistant to Records and Evidence Tech which included an increase in salary.	
7	01 General Operating Fund	02 Public Safety	01-02-5072	01	General Operating Fund	02	Public Safety	Expenses	5000	Reserve Officer - Part Time	\$ 4,770.07	\$ 4,005.62	\$ 4,482.78	\$ 4,994.69	\$ 5,000.00	\$ 1,182.67	\$ -	\$ -	\$ -	Reserve officers are part-time officers used to supplement staffing for special events/patrols, council security, and short staffing. Reserve officers must demonstrate same proficiency levels as full-time officers. Fund pays for training, equipment, and supplies.	
8	01 General Operating Fund	02 Public Safety	01-02-5075	01	General Operating Fund	02	Public Safety	Expenses	5000	Salary - Sergeants	\$ 135,292.40	\$ 135,705.96	\$ 144,485.29	\$ 136,442.60	\$ 154,614.60	\$ 103,391.78	\$ -	\$ -	\$ 139,663.06	Hourly Position. Both of these Senior Patrol Officers are eligible for step increases.	
9	01 General Operating Fund	02 Public Safety	01-02-5084	01	General Operating Fund	02	Public Safety	Expenses	5084	Salary - Cell phone allowance	\$ 5,900.00	\$ 5,130.00	\$ 5,455.00	\$ 5,500.00	\$ 1,800.00	\$ 910.00	\$ -	\$ -	\$ 1,800.00	Monthly allowance paid to Chief, LT, Detective, and Sgts. Also includes amounts for equipment replacement allowance. Cell phone allowance was reduced to \$40/month in FY 19/20.	
10	01 General Operating Fund	02 Public Safety	01-02-5086	01	General Operating Fund	02	Public Safety	Expenses	5086	Salary - Bilingual	\$ 1,150.00	\$ 1,450.00	\$ 2,300.00	\$ 1,800.00	\$ 600.00	\$ 350.00	\$ 600.00	\$ -	\$ 1,200.00	Employee incentive started in FY 09/10. Meant as an incentive for bi-lingual employees to join organization and maintain foreign language proficiency. This is a monthly payment.	
11	01 General Operating Fund	02 Public Safety	01-02-5087	01	General Operating Fund	02	Public Safety	Expenses	5087	Salary - Education	\$ 3,125.00	\$ 2,712.50	\$ 2,562.50	\$ 2,200.00	\$ 1,500.00	\$ 1,325.00	\$ -	\$ -	\$ 1,500.00	Employee incentives started in FY 09/10. It is an incentive to attract college-educated applicants to apply for positions and encourage current employees to pursue higher education. This is a monthly payment.	
12	01 General Operating Fund	02 Public Safety	01-02-5088	01	General Operating Fund	02	Public Safety	Expenses	5088	Salary - Shift Differential	\$ 8,000.00	\$ 7,550.00	\$ 7,500.00	\$ 6,900.00	\$ 1,200.00	\$ 1,800.00	\$ -	\$ -	\$ 1,200.00	Employee incentive started in FY 09/10. Paid to 4 employees assigned to nights. This is a monthly payment.	
13	01 General Operating Fund	02 Public Safety	01-02-5090	01	General Operating Fund	02	Public Safety	Expenses	5090	Salary - Overtime	\$ 19,012.36	\$ 3,993.53	\$ 29,213.96	\$ 24,121.56	\$ 30,926.09	\$ 40,880.81	\$ -	\$ -	\$ 30,926.09	Time and a half for overtime worked by IT employees.	
14	01 General Operating Fund	02 Public Safety	01-02-5091	01	General Operating Fund	02	Public Safety	Expenses	5091	Salary - Licensing Incentives	\$ 4,600.00	\$ 7,275.00	\$ 6,600.00	\$ 7,800.00	\$ 9,000.00	\$ 4,250.00	\$ 1,200.00	\$ -	\$ 10,200.00	Employee incentives started in FY 09/10. Based on licenses by TCOLE.	
15	01 General Operating Fund	02 Public Safety	01-02-5093	01	General Operating Fund	02	Public Safety	Expenses	5093	Salary - Holiday Pay	\$ 17,503.72	\$ 16,309.75	\$ 15,657.82	\$ 16,213.98	\$ 25,000.00	\$ 26,219.26	\$ -	\$ -	\$ 25,000.00	In FY 11-12 City Council approved a new pay rate for employees that work holidays. If employee works a holiday they receive double time, except for Thanksgiving Day, Christmas Day, and New Years Day they receive Double time and a half.	
16	01 General Operating Fund	02 Public Safety	01-02-5100	01	General Operating Fund	02	Public Safety	Expenses	5100	Exams / Testing / Certifications	\$ 75.00	\$ 378.90	\$ 195.05	\$ 768.90	\$ 1,000.00	\$ 173.50	\$ -	\$ -	\$ 1,000.00	Applicant testing, includes physical and drug screens, background fingerprinting and investigation, psychological test, written and physical aptitude tests for applicants.	
17	01 General Operating Fund	02 Public Safety	01-02-5120	01	General Operating Fund	02	Public Safety	Expenses	5120	Life Insurance Benefits	\$ 708.96	\$ 641.44	\$ 614.44	\$ 601.20	\$ 13,200.00	\$ 402.68	\$ -	\$ -	\$ 14,400.00	Employer pays 100% of the Life Insurance Premium for the employee.	
18	01 General Operating Fund	02 Public Safety	01-02-5121	01	General Operating Fund	02	Public Safety	Expenses	5121	Medical Insurance Benefits	\$ 76,484.46	\$ 83,382.88	\$ 95,686.24	\$ 102,695.85	\$ 94,992.60	\$ 67,626.66	\$ -	\$ -	\$ 94,992.60	Employer pays 100% of the Medical Insurance Premium for the employee and contributes \$200 to dependent coverage.	
19	01 General Operating Fund	02 Public Safety	01-02-5122	01	General Operating Fund	02	Public Safety	Expenses	5122	Dental Insurance Benefits	\$ 6,928.60	\$ 6,250.26	\$ 6,253.03	\$ 7,385.89	\$ 4,629.24	\$ 3,696.86	\$ -	\$ -	\$ 5,050.08	Employer pays 100% of Dental Insurance Premiums for the employee.	
20	01 General Operating Fund	02 Public Safety	01-02-5123	01	General Operating Fund	02	Public Safety	Expenses	5123	Vision Insurance	\$ 1,027.32	\$ 941.42	\$ 1,147.26	\$ 1,231.68	\$ 906.84	\$ 734.50	\$ -	\$ -	\$ 989.28	Employer pays 100% of the premium for the employee.	
21	01 General Operating Fund	02 Public Safety	01-02-5124	01	General Operating Fund	02	Public Safety	Expenses	5124	Long Term Disability Insurance	\$ 3,399.26	\$ 3,610.46	\$ 3,546.65	\$ 3,601.14	\$ 77,000.00	\$ 2,465.48	\$ -	\$ -	\$ 84,000.00	Employer pays 100% of the premium for the employee.	
22	01 General Operating Fund	02 Public Safety	01-02-5126	01	General Operating Fund	02	Public Safety	Expenses	5126	Short Term Disability Insurance	\$ 1,979.75	\$ 2,037.92	\$ 2,227.34	\$ 2,369.39	\$ 55,000.00	\$ 1,643.61	\$ -	\$ -	\$ 60,000.00	Employer pays 100% of the premium for the employee.	
23	01 General Operating Fund	02 Public Safety	01-02-5130	01	General Operating Fund	02	Public Safety	Expenses	5130	Medicare Tax - Employers Contribution	\$ 13,170.95	\$ 12,886.31	\$ 12,941.53	\$ 13,689.26	\$ 11,512.93	\$ 7,134.64	\$ -	\$ -	\$ 11,739.13	Employer match to the Medicare portion of social security benefits.	
24	01 General Operating Fund	02 Public Safety	01-02-5131	01	General Operating Fund	02	Public Safety	Expenses	5131	TWC - Employers Contribution	\$ 2,394.00	\$ 146.85	\$ 2,370.30	\$ 2,380.13	\$ 2,640.00	\$ 107.50	\$ -	\$ 240.00	\$ 2,880.00	Provides funds for state mandated employer contribution to unemployment compensation fund. Tax is calculated for \$9000 in wages.	
25	01 General Operating Fund	02 Public Safety	01-02-5135	01	General Operating Fund	02	Public Safety	Expenses	5135	Social Security Contribution	\$ -	\$ 141.83	\$ -	\$ 194.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
26	01 General Operating Fund	02 Public Safety	01-02-5140	01	General Operating Fund	02	Public Safety	Expenses	5140	TMR5 City Contribution	\$ 107,205.55	\$ 109,100.06	\$ 113,152.72	\$ 128,371.31	\$ 87,657.09	\$ 90,463.17	\$ -	\$ -	\$ 87,657.09	Retirement Fund. Provides for employers contribution based on gross earnings to the Texas Municipal Retirement System. This amount could change when the new contribution rate is received in June 2018.	
27	01 General Operating Fund	02 Public Safety	01-02-5150	01	General Operating Fund	02	Public Safety	Expenses	5150	Workers Compensation Benefits	\$ 26,719.06	\$ 26,853.68	\$ 28,015.00	\$ 19,646.21	\$ 27,872.10	\$ 26,834.69	\$ -	\$ -	\$ 27,872.10	Provides state mandated coverage in the event an employee is injured on the job. This amount could change once the new rate sheet is submitted by the insurance company. Provides funds for contract services to maintain the city computers, servers, and back-up services. Trouble shooting support for windows, office, police and utility billing, accounting software, updates for all software including firewall and anti-virus, and project and budget consulting as needed. Increase is due to added services. \$38,400.00 - Annual fee for monthly maintenance for 6 servers, 5 MDCs, and 35 computers. \$6,650.00 - Annual fee for hourly services to cover 70 hours of non-maintenance services \$45,050.00 - Total services; Police Department - 5 MDCs and 16 computers \$20,566	
28	01 General Operating Fund	02 Public Safety	01-02-5343	01	General Operating Fund	02	Public Safety	Expenses	5343	IT Management Services	\$ -	\$ -	\$ -	\$ -	\$ 20,566.00	\$ 5,981.70	\$ 20,566.00	\$ -	\$ 41,132.00		
29	01 General Operating Fund	02 Public Safety	01-02-5505	01	General Operating Fund	02	Public Safety	Expenses	5505	Ammunition	\$ 2,575.28	\$ 2,798.60	\$ 2,672.85	\$ 299.25	\$ 2,800.00	\$ 1,592.41	\$ -	\$ -	\$ 3,800.00	Provides funds to supply annual weapons qualification and issue ammunition for training classes.	
30	01 General Operating Fund	02 Public Safety	01-02-5570	01	General Operating Fund	02	Public Safety	Expenses	5570	Consumables	\$ 2,054.01	\$ 1,704.58	\$ 1,202.21	\$ 1,813.92	\$ 1,600.00	\$ 910.35	\$ -	\$ -	\$ 1,600.00	Provides funds to replace one-time use items such as drug test kits, film, evidence bags, crime scene supplies, batteries, flares, first aid supplies, latex gloves, etc.	
31	01 General Operating Fund	02 Public Safety	01-02-5600	01	General Operating Fund	02	Public Safety	Expenses	5600	Dues / Subscriptions / Fees	\$ 1,366.66	\$ 2,996.51	\$ 3,033.36	\$ 2,388.15	\$ 4,050.00	\$ 846.58	\$ 800.00	\$ -	\$ 4,850.00	Provides funds for dues, subscriptions and fees such as Notary license fee, ARIC, TLO, LLC and scheduling.	
32	01 General Operating Fund	02 Public Safety	01-02-5625	01	General Operating Fund	02	Public Safety	Expenses	5625	Equipment Acquisition	\$ 579.96	\$ -	\$ -	\$ 6,840.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Electronic Ticket Writing Equipment Lease Fuel costs have fluctuated over the years from extremely high prices to the low prices offered this past year. In 14/15 the budget increased due to the new take home car policy, but even with that increase the actual amount for 14/15 is going to be below budget.
33	01 General Operating Fund	02 Public Safety	01-02-5645	01	General Operating Fund	02	Public Safety	Expenses	5645	Fuel	\$ 19,475.79	\$ 19,004.81	\$ 21,115.10	\$ 20,318.28	\$ 19,000.00	\$ 10,014.48	\$ (6,000.00)	\$ -	\$ 13,000.00		
34	01 General Operating Fund	02 Public Safety	01-02-5656	01	General Operating Fund	02	Public Safety	Expenses	5656	Insurance - Liability	\$ 8,462.30	\$ 9,042.43	\$ 8,733.76	\$ 9,494.64	\$ 8,100.00	\$ 8,100.00	\$ (2,845.00)	\$ -	\$ 5,255.00	Provides funds for liability insurance for police officers.	
35	01 General Operating Fund	02 Public Safety	01-02-5725	01	General Operating Fund	02	Public Safety	Expenses	5725	Printing	\$ 929.15	\$ 412.73	\$ 173.17	\$ 837.51	\$ 900.00	\$ 447.53	\$ -	\$ -	\$ 900.00	Provides funds for printing of letterhead, envelopes, business cards, certificates, ID cards, law books.	
36	01 General Operating Fund	02 Public Safety	01-02-5745	01	General Operating Fund	02	Public Safety	Expenses	5745	Repair & Maintenance - Equipment	\$ 1,691.78	\$ 1,386.21	\$ 2,231.99	\$ 1,285.56	\$ 3,000.00	\$ 69.50	\$ -	\$ -	\$ 3,000.00	Provides funds for parts and labor for the repair of items such as radios, weapons, in-car video systems, and other police equipment.	
37	01 General Operating Fund	02 Public Safety	01-02-5755	01	General Operating Fund	02	Public Safety	Expenses	5755	Repair & Maintenance - Vehicles	\$ 12,246.35	\$ 11,815.44	\$ 11,420.80	\$ 13,201.89	\$ 12,200.00	\$ 9,795.46	\$ (1,000.00)	\$ -	\$ 11,200.00	Provides funds for tires, batteries, oil changes, car washes, misc. maintenance parts and repairs.	
38	01 General Operating Fund	02 Public Safety	01-02-5775	01	General Operating Fund	02	Public Safety	Expenses	5775	Small Tools	\$ 2,262.55	\$ 2,686.84	\$ 2,205.16	\$ 2,999.71	\$ 3,000.00	\$ 1,465.95	\$ 8,000.00	\$ -	\$ 11,000.00	Provides funds for misc. small items for crime scene investigation, office accessories, storage, equipment, AND new firearms. Existing firearms are over 17 yrs old	
39	01 General Operating Fund	02 Public Safety	01-02-5815	01	General Operating Fund	02	Public Safety	Expenses	5815	Training - Mileage Reimbursement	\$ 930.62	\$ 824.46	\$ 2,412.96	\$ 2,354.42	\$ 2,500.00	\$ 1,453.85	\$ 1,000.00	\$ -	\$ 3,500.00	Provides funding for mileage, lodging, per diem meals, and other travel expenses incurred for Training and Education.	
40	01 General Operating Fund	02 Public Safety	01-02-5820	01	General Operating Fund	02	Public Safety	Expenses	5820	Training & Education - City Staff	\$ 5,497.67	\$ 2,684.58	\$ 6,187.83	\$ 6,999.20	\$ 7,000.00	\$ 3,621.31	\$ 1,200.00	\$ -	\$ 8,200.00	Provides funding for attendance to seminars and educational programs to enhance/improve employee skills. Also includes required training for officers.	
41	01 General Operating Fund	02 Public Safety	01-02-5830	01	General Operating Fund	02	Public Safety	Expenses	5830	Uniforms	\$ 7,108.08	\$ 8,192.57	\$ 11,651.53	\$ 7,988.75	\$ 8,000.00	\$ 6,376.99	\$ 1,500.00	\$ -	\$ 9,500.00	Provides funds to replace work uniforms, jackets, raincoats, etc. Also provides funds for new uniforms for new hires.	
42	01 General Operating Fund	02 Public Safety	01-02-5860	01	General Operating Fund	02	Public Safety	Expenses	5860	Vehicle Insurance	\$ 5,538.98	\$ 5,862.12	\$ 7,634.34	\$ 7,339.34	\$ 7,810.00	\$ 7,810.00	\$ -	\$ -	\$ 7,810.00	Provides funds for vehicle insurance including deductibles.	
											\$ 1,165,690.42	\$ 1,126,196.95	\$ 1,198,668.60	\$ 1,259,670.51	\$ 1,323,071.86	\$ 854,020.38	\$ 26,021.00	\$ 21,969.50	\$ 1,336,122.71		

Crime Control & Prevention District Tax Revenues														
Proposal	Account String	Funds	Funds Name	Type	Account Name	FY 16 Actual	FY 17 Actual	FY 18 Actual	FY 19 Actual	FY 21 YTD	FY 21 Adopted	Proposed Amendments to FY 22 Budget	Proposed FY 22	Description
19 Crime Control & Prevention District Tax	19-19-4095	19	Crime Control & Prevention District Tax	Revenues	Interest	\$ -	\$ 231.94	\$ 6,506.07	\$ 4,726.08	\$ 198.62	\$ 2,500.00	\$ 500.00	\$ 3,000.00	Interest earned at TexPool/TexStar
19 Crime Control & Prevention District Tax	19-19-4181	19	Crime Control & Prevention District Tax	Revenues	Sales & Use Tax - Crime Control and Prevention Tax	\$ -	\$ 132,256.63	\$ 403,044.25	\$ 398,627.15	\$ 221,946.51	\$ 301,215.00	\$ 121,500.00	\$ 422,715.00	Projected Sales Tax Revenue Based on Existing Collections
19 Crime Control & Prevention District Tax	19-19-4300	19	Crime Control & Prevention District Tax	Revenues	Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19 Crime Control & Prevention District Tax	19-19-XFER	19	Crime Control & Prevention District Tax	Revenues	Transfer in from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,806.00	\$ (52,806.00)	\$ 50,000.00	Reduction in the GF Transfer to balance the budget and also begin to replenish the reserve account that was drawn to near \$0.
						\$ 132,488.57	\$ 409,550.32	\$ 403,353.23	\$ 222,145.13	\$ 406,521.00	\$ 69,194.00	\$ 475,715.00		
Crime Control & Prevention District Tax Expenses														
19 Crime Control & Prevention District Tax	19-19-5035	19	Crime Control & Prevention District Tax	Expenses	Salary - Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00		\$ 20,000.00	Part-time police reserve officer pay was approved in FY 19/20. Pays for reserve officers to act as supplemental patrol officers in shopping areas and other locations as needed.
19 Crime Control & Prevention District Tax	19-19-5045	19	Crime Control & Prevention District Tax	Expenses	Salary - Detective	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,088.12		\$ 85,088.12	
19 Crime Control & Prevention District Tax	19-19-5046	19	Crime Control & Prevention District Tax	Expenses	Salary - Longevity	\$ -	\$ -	\$ -	\$ -	\$ 1,168.00	\$ 1,312.00		\$ 1,312.00	
19 Crime Control & Prevention District Tax	19-19-5050	19	Crime Control & Prevention District Tax	Expenses	Salary - Patrol Officer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,142.28		\$ 122,142.28	
19 Crime Control & Prevention District Tax	19-19-5084	19	Crime Control & Prevention District Tax	Expenses	Salary - Cell phone allowance	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ 360.00		\$ 360.00	
19 Crime Control & Prevention District Tax	19-19-5088	19	Crime Control & Prevention District Tax	Expenses	Salary - Shift Differential	\$ -	\$ -	\$ -	\$ -	\$ 1,300.00	\$ 2,400.00		\$ 2,400.00	
19 Crime Control & Prevention District Tax	19-19-5090	19	Crime Control & Prevention District Tax	Expenses	Salary - Overtime	\$ -	\$ -	\$ -	\$ -	\$ 19,899.27	\$ 10,672.37		\$ 10,672.37	
19 Crime Control & Prevention District Tax	19-19-5091	19	Crime Control & Prevention District Tax	Expenses	Salary - Licensing Incentives	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ 3,600.00		\$ 3,600.00	
19 Crime Control & Prevention District Tax	19-19-5092	19	Crime Control & Prevention District Tax	Expenses	Salary - Holiday Traffic Control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00		\$ 5,000.00	Pays overtime for officers to work traffic control in shopping centers and along Brodie Lane from Black Friday through New Year's Day
19 Crime Control & Prevention District Tax	19-19-5120	19	Crime Control & Prevention District Tax	Expenses	Life Insurance Benefits	\$ -	\$ -	\$ -	\$ -	\$ 11.23	\$ 4,800.00		\$ 4,800.00	
19 Crime Control & Prevention District Tax	19-19-5121	19	Crime Control & Prevention District Tax	Expenses	Medical Insurance Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,779.80		\$ 26,779.80	
19 Crime Control & Prevention District Tax	19-19-5122	19	Crime Control & Prevention District Tax	Expenses	Dental Insurance Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,683.36		\$ 1,683.36	
19 Crime Control & Prevention District Tax	19-19-5123	19	Crime Control & Prevention District Tax	Expenses	Vision Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329.76		\$ 329.76	
19 Crime Control & Prevention District Tax	19-19-5124	19	Crime Control & Prevention District Tax	Expenses	Long Term Disability Insurance	\$ -	\$ -	\$ -	\$ -	\$ 68.56	\$ 28,000.00		\$ 28,000.00	
19 Crime Control & Prevention District Tax	19-19-5126	19	Crime Control & Prevention District Tax	Expenses	Short Term Disability Insurance	\$ -	\$ -	\$ -	\$ -	\$ 46.72	\$ 20,000.00		\$ 20,000.00	
19 Crime Control & Prevention District Tax	19-19-5130	19	Crime Control & Prevention District Tax	Expenses	Medicare Tax - Employers Contribution	\$ -	\$ -	\$ -	\$ -	\$ 2,239.59	\$ 3,795.98		\$ 3,795.98	
19 Crime Control & Prevention District Tax	19-19-5131	19	Crime Control & Prevention District Tax	Expenses	TWC - Employers Contribution	\$ -	\$ -	\$ -	\$ -	\$ 30.90	\$ 960.00		\$ 960.00	
19 Crime Control & Prevention District Tax	19-19-5135	19	Crime Control & Prevention District Tax	Expenses	Social Security Contribution	\$ -	\$ -	\$ -	\$ -	\$ 337.14	\$ 1,860.00		\$ 1,860.00	
19 Crime Control & Prevention District Tax	19-19-5140	19	Crime Control & Prevention District Tax	Expenses	TMRS City Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,901.80		\$ 28,901.80	
19 Crime Control & Prevention District Tax	19-19-5150	19	Crime Control & Prevention District Tax	Expenses	Workers Compensation Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,080.58		\$ 9,080.58	
19 Crime Control & Prevention District Tax	19-19-5439	19	Crime Control & Prevention District Tax	Expenses	Community Partnership	\$ -	\$ -	\$ -	\$ -	\$ 156.40	\$ 2,250.00		\$ 2,250.00	Provides funds for all Eyes on Sunset Valley community events and activities such as SOWING Community, Corridor Cleanup, Coffee with a Cop, and other crime prevention initiatives.
19 Crime Control & Prevention District Tax	19-19-5455	19	Crime Control & Prevention District Tax	Expenses	National Crime Nite Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ 2,500.00	Annual community building partnership event to promote police-community relations.
19 Crime Control & Prevention District Tax	19-19-5600	19	Crime Control & Prevention District Tax	Expenses	Dues / Subscriptions / Fees	\$ -	\$ -	\$ 500.00	\$ 600.00	\$ -	\$ 500.00		\$ 500.00	Dues membership to professional law enforcement organizations for department members.
19 Crime Control & Prevention District Tax	19-19-5613	19	Crime Control & Prevention District Tax	Expenses	800 mghz Operation and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 9,000.36	\$ 9,495.00	\$ 1,000.00	\$ 10,495.00	Paid to Travis County for portable radio and MDC maintenance costs. Cost is based on estimated 3% annual increase.
19 Crime Control & Prevention District Tax	19-19-5614	19	Crime Control & Prevention District Tax	Expenses	911 Call Share	\$ -	\$ -	\$ -	\$ -	\$ 59,847.00	\$ 59,847.00	\$ 7,806.00	\$ 67,653.00	Paid to Travis County S.O. for dispatching services at CTECC, a centralized dispatch center responsible for emergency calls throughout Travis Co. SVPD pays fair share based percentage of total calls dispatched. Based on an average of 15% increase each year
19 Crime Control & Prevention District Tax	19-19-5625	19	Crime Control & Prevention District Tax	Expenses	Equipment Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	No planned equipment acquisition in FY 2020
19 Crime Control & Prevention District Tax	19-19-5775	19	Crime Control & Prevention District Tax	Expenses	Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19 Crime Control & Prevention District Tax	19-19-5782	19	Crime Control & Prevention District Tax	Expenses	Software Maintenance Fees	\$ -	\$ -	\$ -	\$ -	\$ 3,559.48	\$ 23,906.78	\$ (23,906.78)	\$ -	*Moved to Administration* Annual software licensing and renewal agreements for criminal justice records programs (INCODE) including Public Safety Records Management System, Code Red, evidence management software, and mobile data software.
						\$ -	\$ -	\$ 500.00	\$ 600.00	\$ 99,314.65	\$ 472,764.83	\$ (12,600.78)	\$ 460,164.05	

COUNCIL MEETING DATE: AUGUST 5, 2021



BUDGET AND FINANCE – AGENDA #9

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal
sfleegal@sunsetvalley.org

SUBJECT: ADMINISTRATION

DESCRIPTION: Review, discuss, and possibly make a recommendation to City Council regarding the Mayor's Requests for the FY22 budget including possibly making an emergency preparedness fund

Background:

APPLICABLE CODE SECTIONS: City of Sunset Valley Financial Policies

FUNDING: N/A

SUPPORTING MATERIALS PROVIDED: SPREADSHEETS & MAYOR'S FY22 BUDGET REQUESTS

Mayor's Budget Priorities – FY2022

Sales Tax Revenue Forecast

Based on the performance of the current fiscal year, I am cautiously optimistic for a strong recovery of our local economy in FY2022. However, I believe it would be prudent to continue our conservative approach to budgeting, allowing us to continue to assess our revenue throughout the year and re-budget where appropriate.

I suggest B&F set a conservative target for revenue based on the available data. For example, our current FY2021 revenue through the first 7 months is down ~5% from the similar period of FY2019, the last full year of pre-COVID revenue. This may be an appropriate revenue target for budgeting expenditures in FY2022.

Special Taxes

Two special taxes are set to expire next year – Crime Control & Prevention District (CCPD) and Street Tax – and will need to go before voters in November to renew.

Over the past two budgets, we have become increasingly reliant on the CCPD tax to fund the PD budget. Because of this, and the continued uncertainty for revenue recovery, I believe we should prioritize renewal of the CCPD tax, but we need to have a contingency plan in case the tax is not renewed. Currently the tax is set to expire on 3/31/2022, leaving 6 months of contingency that needs to be planned for.

Open Space Investment

We have a number of projects that are either in the planning stage or have been put on hold due to COVID. As a city, we need to go through a community-driven process to decide which projects to invest in; however, we should plan for some type of continued investment in our public spaces that reflects our values.

I would like to include in our FY2022 budget funding for projects that the community prioritizes. That funding could be used to provide additional planning, engineering, or development depending on what is prioritized.

For example, these are some of the projects we may decide to invest in next year based on community priorities:

- Uplands Concept Plan
- Upper Cougar Creek Concept Plan
- Reese Trail Connection
- 37 Lone Oak Rezoning/Parking
- Burger Center Trail Loop

Emergency Preparation

The recent winter storm highlighted the need to invest in emergency preparation, whether that is another snow event or other natural disaster such as wildfires or flooding. In addition to

developing our emergency management plans, we need to invest in infrastructure to allow us to better operate during an emergency event.

Some of the infrastructure costs might be offset by federal and state funding, for example, portable generators and equipment. Other items will not be, however, and where appropriate, we should plan to invest in additional critical infrastructure that can support city needs during events that cause widespread failures in critical services such as power, water, and gas.

I would like to include in our FY2022 budget funding for emergency infrastructure that the staff and council prioritizes. For example, these are some of the types of investments we should consider funding:

- Invest in a micro-treatment capability to provide potable water from the city well during water emergencies. This does not need to restore full service of potable water from the well, but could include options to treat and store 500-1000 gallons of potable water, for example.
- Invest in equipment and supplies needed to quickly convert City Hall into an emergency shelter. During the last event, PD had limited shelter capacity in the EOC, requiring the utilization of hotel rooms to supplement resident evacuations. City Hall should be equipped as an overnight shelter, including any infrastructure changes required to connect to a portable generator for power.
- Invest in on-site storage of generator and vehicle fuel for operations during prolonged events. Fuel became a critical concern at times during the recent winter emergency, and we need to ensure we have enough reserve fuel onsite to operate for a recommended amount of time (e.g. 24, 48, or 72 hours).
- Investment in renewables infrastructure such as solar panels and battery storage for city facilities to augment operational needs during emergency events. Even if this is not specific to emergencies, given the continuing reduction in cost of renewable energy sources, there is also a basic return on investment to developing our renewable infrastructure to offset our utility costs. There may also be additional sources of grant funding available that could supplement any direct city-investment.

Continue to Reduce Utilities Dependency on Subsidies

We need to continue to reduce our utility system's reliance on subsidies. This includes both anticipated rate increases from Austin Water as well as infrastructure and service costs that are currently subsidized out of the general fund.

In addition to continuing to pass on any rate increases from Austin Water, there are discrete utility services that are known costs that do not require a rate study that we can begin to offset, such as solid waste services. Our current contract with TDS for residential solid waste service has averaged \$68K over the last three years, whereas our annual revenues from residential utility payments for solid waste total \$6K, leaving an average of \$62K in annual subsidized costs for our contracted solid waste service to residents each year. While the TDS contract is up for renewal this year, in past years the contract cost has also increased 4.5% each year, and we can likely anticipate similar cost increases in the future.

Even if it is gradual over a period of years, we need to begin offsetting these costs rather than continuing to subsidize them from the general fund. I would like B&F to review offsetting the solid waste contract costs, potentially with a schedule to both absorb rate increases similar to our pass-through of rate increases for water, and to fully offset the cost of our solid waste contract service over a period of 5 to 10 years.

Invest in Staff

In addition to reviewing merit and cost of living increases for staff for the current FY2021, we should plan on resuming merit and cost of living increases for FY2022.

We also need to ensure we are offering competitive salaries to retain and attract staff. Austin is a growth-heavy market, and in addition to rising costs of living, employers face increased hiring competition. We need to conduct a salary survey and plan to incorporate necessary changes to continue to ensure we can recruit staff. For budget planning, we should anticipate at least some increases to salary and/or benefits for certain positions (e.g. police) based on the effects of the larger surrounding economy.

We should also budget for hiring additional staff positions based on resuming city programs and services post-COVID. Some of these positions may actually start in FY2021, but will be part of our FY2022 budget. In addition to the new Assistant Administrator/Court Clerk position authorized by council that starts this May, based on recommendations from staff, I anticipate the need to hire up to two maintenance technicians in PW.

Save for our next Major Infrastructure Investment

In the past, the city has set aside funding for future projects to continue our pay-as-we-go approach to budgeting. For example, reserves for PW and PD buildings were funded for years prior to starting those projects. I strongly believe that the city should begin planning to invest in public infrastructure that enhances the quality of life for our residents, and would like to start setting aside funding for that purpose.

While we need to go through a process of community engagement to determine what public infrastructure should be prioritized, some of the types of projects we could potentially start planning for include:

- A neighborhood park/court/pool. There are wonderful examples of local neighborhoods that have invested in parks that provide amenities such as playgrounds, tennis courts, and pools, and I would love the city to consider creating a similar space for our community. If a small neighborhood association can develop a neighborhood park space, we should be able to.
- A community center. This may include transformation of existing facilities such as City Hall to better serve resident needs.
- Art parks. This type of amenity can also potentially have a positive impact on our local economy, especially if we consider how we can integrate with our retail areas.

Commercial District Investment

While some types of investments that supports our retail spaces may be covered under open spaces or public infrastructure, I would like the city to consider funding smaller projects that can enhance and attract visitors to our retail areas. This should also be considered in the CED committee and Ad hoc Marketing committees as what the best types of investments are, but for example:

- Placing holiday lights/decorations along Ernest Robles or Brodie lane. This could be a relatively small investment that augments our retail area during heavy shopping months of Nov-Jan.
- Micro-parks/spaces. Outdoor amenities for shoppers to enjoy as part of the retail footprint that encourages longer stays.
- Enhancing connectivity across retail areas. For example, creating a corridor to cross Brodie, or enhancing the connectivity across Ernest Robles between shopping areas.

INTEROFFICE MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: SYLVIA CARRILLO, ICMA-CM, CPM, CITY ADMINISTRATOR

SUBJECT: LEGISLATIVE REQUIREMENTS FOR FUNDS

DATE: 07/30/2021

CC: SUZANNA FLEEGAL, ACCOUNTANT

At the July 22, 2021 meeting, an issue was raised as to how to encumber or “save” funds for a future project the Mayor or Council has deemed a priority. Staff’s response is presented below.

Question:

What mechanism can the City use to legally encumber funds for a future project identified as a Mayor or Council priority?

Response:

According to the Governmental Accounting Standards Board (GASB) there are five main fund types in municipal accounting. They are:

- *Nonspendable fund balance—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)*
- *Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation*
- *Committed fund balance—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint*
- *Assigned fund balance—amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority*
- *Unassigned fund balance—amounts that are available for any purpose; these amounts are reported only in the general fund.*

Using the guidance provided by GASB, the Local Government Code, and the City of Sunset Valley Financial Policy, the following is offered as a mechanism for such a fund.

A fund created to “save” for a future project would be classified as an Assigned Fund Balance.

In order to create an Assigned Fund Balance the following would need to occur:

- 1) Council would need to approve a resolution supporting the project to clarify the intent and, if required, delegate authority and oversight to the Budget and Finance Committee. To further solidify the Council’s commitment to the project, the resolution should be revisited annually at the budget preparation or similar time frame as one council cannot bind another council to any specific project.
- 2) Amend FP 103 – General Financial Guidelines to add language similar to “*Assigned Fund Balances shall be created when the Council has issued a resolution in support of a project. Assigned Fund Balances should be shown in addition to Committed and Restricted in the overall Fund Balance as presented to Council on a (specify a time period) basis.*”

Source: [City of Sunset Valley Financial Policy](#)

The Assigned Fund Balance method provides for the flexibility required by the Committee in that a resolution is “undone” by another resolution by the Council.



Fact Sheet about Fund Balance Reporting and Governmental Fund Type Definitions

1. Why has the GASB issued new standards for reporting fund balance?

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to address issues related to how fund balance was being reported. The GASB's original intention was to clear up confusion regarding the relationship between reserved fund balance and restricted net assets. However, the GASB's research revealed that the existing standards guiding fund balance reporting were being interpreted inconsistently by different governments. Consequently, the fund balance information reported by many governments also was inconsistent. It also became clear that the understandability of fund balance information was affected and that financial statement users were unable to readily interpret reported fund balance information.

2. Why did the GASB decide not to just clarify the existing fund balance classifications (reserved, designated, unreserved)?

The GASB considered pursuing a solely educational approach to these issues. However, it became apparent based on interviews and survey results that, even if all governments interpreted the requirements consistently, the resulting information would not meet the needs of people who use fund balance information to identify available resources and assess liquidity and financial flexibility.

3. How will governments report fund balance in the future?

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint
- *Assigned fund balance*—amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority

- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

4. Why is unassigned fund balance reported only in the general fund?

When a government transfers resources from the general fund to another governmental fund, it is communicating that, at a minimum, it intends to use those resources for the purpose of the fund receiving them. This expression of intent meets the requirements for classification as assigned fund balance. Because unassigned fund balance represents amounts that are not constrained in any way, not even by an intention to use them for a specific purpose, the general fund is the only appropriate place to report this classification of fund balance.

In the other governmental funds, however, if a government spends more on a specific purpose than the resources available for that purpose in the fund, then it may need to report a negative amount as unassigned fund balance. If a government cannot cover the deficit with amounts assigned to other purposes in that fund, then the remaining deficit should be reported on the unassigned fund balance line.

5. How will rainy-day amounts be reported under Statement 54?

Statement 54 treats stabilization arrangements as a specific purpose, allowing governments to report these amounts in the general fund as restricted or committed, if they meet the applicable definitions and criteria. Stabilization amounts that do not qualify to be reported as restricted or committed should be included in unassigned fund balance. Governments may report stabilization amounts in a special revenue fund only if they derive from specific revenue sources that are restricted or committed to stabilization.

Regardless of where stabilization amounts are reported, governments also will disclose key information about their stabilization arrangements in the notes to the financial statements, including the authority by which the arrangements were established, the conditions under which additions to the stabilization amounts are required, and the circumstances under which amounts may be used.

6. How has Statement 54 changed the way encumbrances are reported?

The new standards clarify that an encumbrance is not a specific purpose and therefore should not be reported as a separate line on the face of the balance sheet. Encumbering amounts that are restricted or committed does not further limit the purposes for which they can be used. If the encumbering process meets the definition and criteria for committed fund balance, then encumbering an assigned or unassigned amount could result in the amount being reported as committed; however, it would be reported with other amounts committed to the same or similar purposes, *not* as “committed for encumbrances.” If a government has significant encumbrances, it should disclose them under the standards for significant commitments.

7. What did the GASB find out about the reporting of governmental funds?

In practice, many governments have interpreted in different ways the prior standards on reporting governmental funds contained in National Council on Governmental Accounting (NCGA) Statement 1, *Governmental Accounting and Financial Reporting Principles*. This is particularly true for special revenue funds.

8. How does Statement 54 clarify the special revenue fund type definition?

Statement 54 makes clear that, for financial reporting purposes, a special revenue fund may only be established around one or more revenue sources that are restricted or committed to purposes other than capital projects or debt service. For example, a school district might report state and federal aid for elementary and secondary education in a special fund if those revenue sources represent a substantial portion of the fund's total inflows.

9. How does Statement 54 clarify the definitions of debt service and capital projects fund types?

Statement 54 revises the definitions of the debt service and capital projects fund types so that consistent language and structure are used across all of the governmental fund type definitions. Although the existing definition of a capital project fund specifies that they should be used to account for "the acquisition or construction of major capital facilities," many governments have used them to report on capital assets that are not facilities or major or either. Based on constituent feedback, the GASB broadened the definition to encompass capital outlays in general.

10. How will Statement 54 impact the reporting of governmental funds?

The most significant changes are likely to occur in the reporting of special revenue funds, because that is where there has been the most variation in how the prior standards were interpreted. Some governments may not be able to continue to report some of their special revenue funds under the clarified definition. The Statement 54 definition is considered by some to be more permissive than the NCGA Statement 1 definition. However, practice has varied so much that the Statement 54 definition may appear more restrictive to some governments.

11. Does Statement 54 affect how governments use funds for internal accounting purposes or for special reporting?

No. Statement 54 affects only the *reporting* of governmental funds in general purpose external financial reports in conformity with generally accepted accounting principles (GAAP). Governments may continue to use any funds they choose or are required to for their internal accounting or for special purpose reporting.

12. What if a state law requires local governments to report a particular type of fund or to report using the current classifications of fund balance?

For general purpose external financial reporting under GAAP, governments are required to follow Statement 54. If a law conflicts with Statement 54 or any other part of GAAP, the legal requirements can be met by presenting supplemental schedules. Governments will still be able to comply with such state laws in their general purpose external financial report, but outside of the basic financial statements, notes to the basic financial statements, and required supplementary information.

13. What other note disclosures does Statement 54 require?

In addition to the disclosures already mentioned, Statement 54 requires governments to disclose:

- Additional detail regarding the purposes of restrictions, commitments, and assignments, if the required level of detail is not met through display on the face of the balance sheet
- The decision-making authority and formal action, if any, that results in commitments of fund balance
- The bodies or persons with the authority to express intended uses of resources that result in assigned fund balance
- The order in which a government assumes restricted, committed, assigned, and unassigned amounts are spent when amounts in more than one classification are available for a particular purpose
- Information about minimum fund balance policies, if a government has one
- The purpose for each major special revenue fund, identifying which revenues and other resources are reported in each of those funds.

14. When should Statement 54 be implemented?

Governments should implement Statement 54 no later than the first fiscal year beginning after June 15, 2010 (for example, the fiscal year starting on July 1, 2010 and ending on June 30, 2011). Governments are encouraged to implement the standards earlier.

General Financial Guidelines

Policy Reference: FP103
Effective Date: August 6, 2020

Introduction

These policies and procedures shall reinforce fiscal planning and management of the City of Sunset Valley's resources.

Overall Goals

The financial goals of the City of Sunset Valley are designed to ensure the City's sound financial condition, flexibility, and best Accounting and Management practices, at all times.

1. **Sound Financial Condition** may be defined as:
 - ✓ Cash Solvency – The ability to pay bills.
 - ✓ Budgetary Solvency – The ability to annually balance the budget.
 - ✓ Long Term Solvency – The ability to pay future costs.
 - ✓ Resiliency – The ability to sustain needed and desired services into the future.
2. **Elasticity** is a goal that ensures the City of Sunset Valley is in a position to react and respond to changes in the economy and new service challenges without measurable financial hardship.
3. **Adherence to Best Accounting and Management Practices** in conformance with generally accepted accounting procedures as applied to governmental units.

Financial Principles

1. A balanced budget should be prepared annually by the Mayor and forwarded to the City Council for consideration and or approval.
2. Ongoing operating costs should be funded by ongoing revenue sources. This protects the City of Sunset Valley from fluctuating service levels and avoids concern when one-time revenues are reduced or removed. In addition:
 - Federal grants should not support essential City of Sunset Valley services. Federal grant monies should be tied to programs and services with the understanding that those services delivered with grant funding may be revised and altered based on grant funding availability.

- New operating costs associated with capital projects and capital equipment purchases should be funded through the operating budget each year.
- Maintain general government fund balances equal to 100% of actual average revenue for the preceding 5 years.
-

Cash Reserve Funds in the Utility Fund should equal to three (3) months of operating expenditures for all operating funds.

3. Department Heads are responsible for managing their departmental budgets.
4. All contracts and agreements for the on-going provisions of goods or services that are for an account of not less than \$10,000 annually shall reviewed every three (3) years through issuance of a Request for Proposal or Request for Qualifications. Such agreements for a term of up to five (5) years at fixed prices or rates shall be similarly reviewed not less frequently than 5 years.
5. Replacement of City vehicles should be funded through the Equipment Replacement Fund.
6. Investment practices should be in accordance with the City's Investment Policy. The Investment Policy should be reviewed annually.
7. Operating, Personnel, Capital, and Repair/Replacement costs should be charged to the Utility Fund and funded in accordance with an annual determination made by the City Council.
8. The City of Sunset Valley should maintain financial guidelines that provide the ability to achieve the highest bond rating possible.

Adopted: April 6, 1999
 Amended: November 8, 2000
 Amended: April 17, 2012
 Amended: April 16, 2013
 Amended: April 16, 2019
 Amended: May 21, 2019
 Amended: August 6, 2020

COUNCIL MEETING DATE: AUGUST 5, 2021



BUDGET AND FINANCE – AGENDA #10

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal
sfleegal@sunsetvalley.org

SUBJECT: ADMINISTRATION

DESCRIPTION: Review, discuss, and possibly make a recommendation to City Council regarding the Solid Waste department FY22 budget

Background: View a copy of the OpenGov report [here](#).

APPLICABLE CODE SECTIONS: City of Sunset Valley Financial Policies

FUNDING: N/A

SUPPORTING MATERIALS PROVIDED: FY22 SOLID WASTE BUDGET, TDS CONTRACT, SSV UTILITY RATES, SPREADSHEET



P.O. Box 17126, Austin, TX 78760
512.421.1340 Office
800.375.8375 Toll Free
512.243.4123 Fax
www.texasdisposal.com

City of Sunset Valley
MAY 15 2018
RECEIVED

April 30, 2018

City of Sunset Valley
3205 Jones Road
Sunset Valley, TX 78745

Attn: Rose Cardona, Mayor

Greetings:

In accordance with the 2017 City of Sunset Valley's addendum to the executed contract for Municipal Solid Waste Collection and Disposal Services, the annual rate adjustment will become effective on July 1, 2018.

Enclosed, please find the Rate Sheet for the City of Sunset Valley.

Please contact me if you have any questions regarding the rate adjustment. Furthermore, if you will be presenting this information to a board or governing body, I will be happy to attend and respond to any questions.

Thank you for your continued business.

Respectfully,

Ja-Mar Prince
Municipal Account Manager
512.672.9608
jprince@texasdisposal.com

Enclosure: Rate Sheet

Curbside Residential Refuse Collection

Contractor will provide each resident with one (1) 96 gallon roll out cart for collection service for refuse one (1) time per week. Refuse collection will be limited to the contents of the cart.

Curbside Single Stream Recycling

Contractor will provide each resident with one (1) 96 gallon roll out cart for collection service for recycled materials one (1) time every-other-week. Recycled material is limited to the contents of the cart plus one (1) additional bundle of cardboard.

Curbside Green Waste Collection

Contractor will provide each resident with one (1) 96 gallon roll out cart for collection service for green waste materials one (1) time every-other-week. Green waste collection is limited to the contents of the cart plus up to six (6) cubic yards of brush or yard waste in paper sacks. Brush must be cut into four (4) foot lengths and placed with cut ends facing the curb. Materials included in this green waste program are:

- Yard Waste, Grass clippings, & Leaves
- Brush & tree limbs
- Soiled paper goods - paper cups, paper plates, napkins, paper towels, and pizza boxes, etc.)

Residential Cart Rates

Description	7/1/16	7/1/17	7/1/18	7/1/19	7/1/20
Refuse, Recycle, & Green Waste	18.43	19.16	19.93	20.73	21.56
Extra Cart Trash/Recy	9.00	9.41	9.83	10.27	10.73

Commercial Containers - Trash

8/1/17

Size	1X	2X	3X	4X	5X	6X	Extra PU
2 CY	65	121					75
3 CY	72	134	196				75
4 CY	80	149	218				85
6 CY	96	176	251	329	407	485	96
8 CY	106	191	277	362	446	527	105

Commercial Containers - Recycle

Size	EOW	1X	2X	3X	4X	5X	Extra PU
6 CY	60	93	167	242	317	392	96
8 CY	69	98	186	268	329	442	105

Other Commercial Services

8 CY VIP EOW 300 1X 570
 Casters or Lock bars - Each 19 each set
 Commercial Carts - Trash 31 each

Effective October 1, 2019

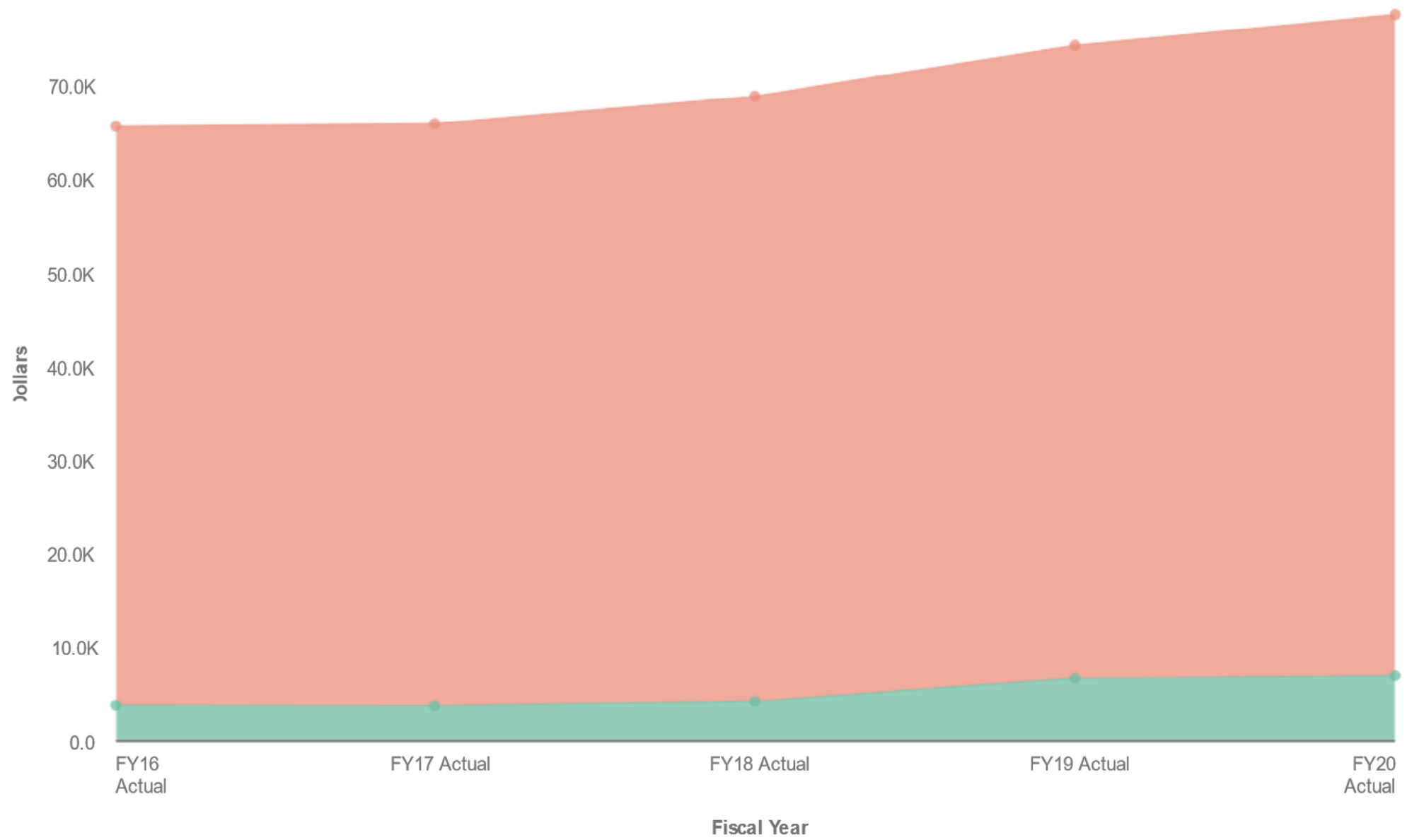
Water, Wastewater and Solid Waste/Recycling Rate Schedules

Residential Water	
Monthly Base Fee	\$9.14
0 - 9,999 gallons	\$3.31 per 1,000 gallons
10,000 - 19,999 gallons	\$5.60 per 1,000 gallons
20,000 gallons and up	\$9.92 per 1,000 gallons
Residential Wastewater	
Monthly Base Fee	\$4.00
0-9,999 gallons	\$0 per 1,000 gallons
10,000 gallons and over	\$5.71 per 1,000 gallons (volume charges based on winter average water consumption)
Solid Waste Services	\$1.84 per month
Extra Cart per residence	\$10.27 per month
Residential Drainage Utility	
Small residential	\$2.20 per month
Average residential	\$4.00 per month
Large residential	\$6.80 per month

Solid Waste Utility Sales vs Contractual Costs



Visualization



Sort Large to Small

- Utility Contractual Services
- Utility Sales

	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Actual
▼ Revenues	\$ 3,815	\$ 3,744	\$ 4,237	\$ 6,695	\$ 6,977
▼ Utility Sales	3,815	3,744	4,237	6,695	6,977
Utility Sales	3,815	3,744	4,237	6,695	6,977
▼ Expenses	61,954	62,319	64,726	67,737	70,733
▼ Utilities Expenses	61,954	62,319	64,726	67,737	70,733
Utility Contractual Services	61,954	62,319	64,726	67,737	70,733
Revenues Less Expenses	\$ -58,139	\$ -58,575	\$ -60,489	\$ -61,043	\$ -63,756

Fund Balances as of 6/30/2021

Fund	Reserve	Committed	Non-Committed	Restricted	Total Balance
General Fund	5,208,100	813,398	1,716,510	26,694	7,764,702
Utility Fund	461,166	3,362,284	863,690		4,687,140
Street Fund				7,138,626	7,138,626
Hotel Occupancy Tax Fund				687,189	687,189
Venue Tax Fund				1,834,237	1,834,237
Crime Control & Prevention District Tax Fund				441,507	441,507
GN Equipment Repair & Replacement Fund		550,934			550,934
City Facilities Fund		102,719			102,719
Drainage Fund				613,633	613,633
Total	5,669,266	4,829,334	2,580,201	10,741,885	23,820,685

Proposed CIP Summary

Project/Fund	Current Year	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Utility Fund (Water & Wastewater)							\$ 1,774,000.00
W -Lone Oak	\$ 190,000.00						
W -Sunset Trail	\$ 128,000.00	\$ 252,000.00					
W -Backflow Prevention		\$ 15,000.00					
W -Residential Automated Meter Reading		\$ 105,000.00					
WW- Lift Station	\$ 82,000.00	\$ 112,000.00					
WW - US 290 Sewer		\$ 150,000.00					
W - ERW Waterline			\$ 200,000.00				
W - Home Depot Water Vault			\$ 50,000.00				
W - AISD Meter Conversion			\$ 10,000.00				
W -Burger Center Fire Line			\$ 22,000.00				
W - AISD Meter Conversion				\$ 80,000.00			
W - Burger Center Fire Line				\$ 178,000.00			
W - Commercial AMR						\$ 200,000.00	
Subtotal	\$ 400,000.00	\$ 634,000.00	\$ 282,000.00	\$ 258,000.00	\$ -	\$ 200,000.00	
Streets							\$ 1,606,140.00
S- Lone Oak Turnaround		\$ 80,000.00					
S- Maintenance Plan FY 22		\$ 457,130.00					
S- Maintenance Plan FY 23			\$ 799,010.00				
S- Maintenance Plan FY 24				\$ 90,000.00			
S- Maintenance Plan FY 25					\$ 90,000.00		
S- Maintenance Plan FY 26						\$ 90,000.00	
Subtotal		\$ 537,130.00	\$ 799,010.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	
Drainage							
Lovegrass Water Quality Pond		\$ 65,000.00					
Subtotal		\$ 65,000.00					
							\$ 80,000.00
Venue Fund							
Burger Center Trail			\$ 80,000.00				
Subtotal		\$ -	\$ 80,000.00	\$ -	\$ -	\$ -	
General Fund							\$ 280,000.00
Valley Creek Park		\$ 40,000.00					
Parks and Open Space Master Plan		\$ 50,000.00					
Land Development Code		\$ 50,000.00					
Public Safety Improvements-City Hall Complex		\$ 115,000.00					
GIS Mapping		\$ 25,000.00					
Subtotal		\$ 280,000.00					

Engineering Costs will be estimated at 15% of the project cost.

Classified in the incorrect fund in the prior sheet to committee

New project per Council priority

Attachment E

City of Sunset Valley
Freeland Turk Engineering Group, LLC
Billing Summary
7/12/21

Task Order	Project / Assignment	2020			2021						Total
		October	November	December	January	February	March	April	May	June	
Task Order No. 1	General Engineering Services		\$ 1,501.50	\$ 775.40	\$ 175.00	\$ 875.00	\$ 2,306.25		\$ 2,181.20	\$ 787.50	\$ 8,601.85
Task Order No. 2	Plan Review	\$ 962.50	\$ 700.00	\$ 175.00	\$ 3,237.50	\$ 2,712.50	\$ 1,137.50	\$ 4,725.00	\$ 2,975.00		\$ 16,625.00
Task Order No. 3	Jones Road and Sunset Trail			\$ 175.00	\$ 5,212.40	\$ 2,425.00	\$ 1,075.00	\$ 22,828.50	\$ 350.00	\$ 3,056.20	\$ 35,122.10
Task Order No. 4	Stearns Lift Station		\$ 1,426.10	\$ 8,840.60	\$ 4,225.00	\$ 1,656.20	\$ 700.00		\$ 1,750.00	\$ 3,311.05	\$ 21,908.95
Task Order No. 5	City Pond		\$ 376.10	\$ 262.50	\$ 740.60	\$ 1,481.20	\$ 175.00			\$ 175.00	\$ 3,210.40
Task Order No. 6	Capital Improvement Plan						\$ 437.50	\$ 18,383.55	\$ 12,649.90	\$ 10,800.00	\$ 42,270.95
Task Order No. 7	Upper Cougar Creek Open Space Project			\$ 525.00	\$ 3,701.49	\$ 13,271.48	\$ 437.50	\$ 431.25	\$ 741.10	\$ 3,274.79	\$ 22,382.61
Task Order No. 8	CRS Certification		\$ 350.00	\$ 2,012.50	\$ 350.00						\$ 2,712.50
	Total	\$ 962.50	\$ 4,353.70	\$ 12,766.00	\$ 17,641.99	\$ 22,421.38	\$ 6,268.75	\$ 46,368.30	\$ 20,647.20	\$ 21,404.54	\$ 152,834.36

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Notes

1. Journal entry adjustment to charge to the project
2. Journal entry adjustment to charge to the project
3. Journal entry adjustment to charge to the project - potential recoup of engineering and legal fees associated with this project.
4. Council goal
5. Journal entry adjustment to charge to the Council approved budget of \$30K.
6. Required to maintain FEMA certification - PW director will take on after certification, after next fiscal