



**CITY OF ROLLINGWOOD**  
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**Date:** August 16, 2017  
**To:** Mayor and Council Members of the City of Rollingwood  
**From:** Amber Lewis, City Administrator  
**Subject:** City of Rollingwood Proposed Operating Budget Fiscal Year 2017-2018

In working closely with Mayor, Roxanne McKee and the Council-Appointed Budget Liaison, Michael Dyson, we are submitting a proposed operating budget for fiscal year 2017-2018 for your consideration. We are proud that we are accomplish nearly all of the goals and priorities, including financial goals and special projects, of the Mayor and Council in this budget proposal for fiscal year 2017-2018. The following is a comprehensive narrative regarding the new aspects of the proposed budget with corresponding page numbers for easy location on the budget document, which are in the upper right-hand corner of the document. The line items have also been highlighted to assist in your location of the items.

**Drainage Capital Improvements – Pleasant/Nixon Culvert and Valley Gutters**

The Drainage Fund line item, Drainage Expenditures, p. 24, reflects \$55,000 for improvements that are currently under design.

**Drainage – Capital Improvements Plan**

The Drainage Fund line item, Drainage Expenditures, p. 24, reflects \$25,000 to fund a capital improvements plan to explore the potential feasibility and expenses for the implementation and operation of a regional drainage system for the City.

**Building Expansion and Improvements – City Hall and Police Department Renovations**

The General Fund line item, Building Improvements, p. 4, reflects a use of fund balance in the amount of \$100,000, p. 2, and use of annual revenues in the amount of \$100,000, p. 2. The Wastewater Fund, line item Building Improvements, p. 27, reflects a use of annual revenues in the amount of \$100,000, p. 2, for a total of \$300,000 to be used to improve the Police Department and to renovate the garage for additional office space to potentially house general government and utility functions.

**Position of Code Compliance/Animal Control and Vehicle**

This is a new position funded by using funds for a Police Officer, currently funded in the Salary line item, p. 8. With all the redevelopment that is underway currently, this position will help assist with enforcing building codes and related rules and regulations and will perform public safety work in the enforcement of animal control ordinances. The General Fund, line item, Vehicle, p. 4, reflects \$18,000 toward the purchase of a pick-up that will be necessary for this person to perform the duties of the position.

### **Technology – More Secure Email System**

The City's IT consultant has recommended that the City convert to Microsoft Exchange, which provides the City with the necessary security. At a price tag of \$2,500 for the conversion of the entire City, this expense is distributed across most City funds and a small increase in each is represented in the line items, Computer Software & Support.

### **Technology – Police Department**

The City's IT consultant has recommended that the Police Department make significant hardware and software purchases to increase security. In the Police Department, a line item of Computers, p. 9 reflects \$5,000 and Computer Software & Support, p. 9 reflects \$8,000, both of which will be utilized to pay for existing commitments and fund future improvements as recommended by IT.

### **Parks Improvements and Maintenance**

RCDC has provided a draft budget that reflects staying the same at \$80,000, p. 12, for the repairs, maintenance and operations of the Park. In RCDC's line item, Funds Available for new projects, they have allocated \$18,000 for the completion of the Parks Master Plan, which the Parks Commission has been working on for quite some time. They are currently negotiating prices. This is found in line item, Parks Master Plan, p. 13. RCDC also proposed to provide \$50,000 that will be used to pay for the swing set, grant writer, sprinkler system (if necessary), and/or another additional improvements that may be identified in the Master Plan. This is reflected in the Parks Department line item, Improvements to Existing Park Asset, p. 13.

### **Tree Trimming Services - Oak Wilt Prevention and Maintenance of Park Trees**

The Streets Department reflects \$10,000 in the Tree Trimming Services line item, p. 7 to go toward the maintenance and preservation of trees in the Park and along the City's Rights of Way.

### **Water Fund - Solvency**

As you are aware the Water Fund is running a negative balance and has been for the past couple of years. A historical trend of the Water Fund balance has been provided for your review. A total of \$15,000 in the line item, Rate Consulting Services, p. 16 has been proposed to go toward a rate study that will provide a recommendation of rates to work toward financial solvency for consideration of the Utility Commission and City Council.

### **South MoPac - Resolution**

While a very productive meeting was facilitated amongst the City of Rollingwood representatives and the CTRMA representatives, there is still work to be done on this project. Within the General Fund, line item, Legal Services – MoPac, p. 3, a total of \$15,000 has been proposed to continue working on the South MoPac project.

### **Bee Caves Road Improvements - ROW Acquisition**

TxDOT has committed to be a partner in the Bee Caves Road Improvement project, but have requested that the City acquire the necessary Right of Way. A new line item of, Legal Services – Bee Caves R.O.W., p. 3, proposes to allocate \$5,000 toward this effort. RCDC has also proposed \$14,500 to allocate to this project, for a total of \$19,500.

### **Pavement Marking – Phase II**

A total of \$30,000 has been proposed for the second phase in the pavement marking project. This is reflected in the Street Department, line item, Park Zone Bike Lanes-RCDC, p. 7.

### **Code of Ordinances – Re-write**

City Council recently directed staff and City Consultants to work together on the re-write of Chapter 14 of the City's Code of Ordinances. Additional work to the remainder of the code is also necessary. A total of \$5,000 in the General Fund, line item, Legal Services – Code Review, p. 3 has been proposed toward this effort.

### **Professional Development – Elected Body and Employees**

A professional and educated elected body and workforce is extremely important to efficient and effective City government. Elected officials are encouraged to attend various training provided by TML and employees have various licenses and continuing education to advance in their positions. In Municipal Court, the State has mandated bailiff training for all officers who serve as bailiffs, which must be achieved within a year of bailiff duty. As a result, training budgets in the line item, Training, were bumped across the City funds to accommodate this goal and the State mandate.

### **Insurance Benefits - Increases and Vision Benefits**

TML has passed on an increase of 20% and vision benefits at a rate of approximately \$9 per month per employee was approved at the July Council meeting. This expense is distributed across most City funds and is reflected in the line item, Health Insurance.

### **Administration Fees – Water and Wastewater**

A fee of 5% of total revenues is proposed to be charged to the water and wastewater fund to assist in funding the operations of administration of these two enterprise funds. This fee is commonly charged in other municipalities. A total of \$40,000 is estimated from the Water Fund and is reflected as revenue in the General Fund line item, Water Fund Administrative Fee, p. 2 and as an expense in the Water Fund line item, Administrative Fee, p. 17. A total of \$28,000 is estimated from the Wastewater Fund and is reflected as revenue in the General Fund line item, Wastewater Fund Administrative Fee, p. 2 and as an expense in the Wastewater Fund line item, Administrative Fee, p. 27.

### **Ad Valorem Tax Rate – Rollback Rate**

Adoption of the rollback rate has been proposed in this budget, which can be seen in the General Fund line item, Current Property Taxes, p. 1. The rollback rate provides \$72,632 in more revenue as compared to the Effective Tax Rate and costs the average homestead an additional \$89.39, which is about \$7.45 per month. A comparison of the two rates has been provided for your review.

### **Retirement Benefits – Chief of Police**

The Chief of Police has announced that he will be retiring on May 30, 2018. Dayne Pryor will have served as one of Rollingwood's Finest for 17 years. We are grateful and proud of his selfless commitment and dedication to the City of Rollingwood Police Department. With his retirement, the City may potentially have expenses related to leave pay-out. This amount is estimated at \$77,000 and is reflected in the Police Department, line item, Retirement Benefits, p. 8.

### **Assumptions:**

General Fund City Sales Tax and 4-B Sales Tax, p. 2, assumes a modest increase of 7%.

General Fund, Building Permit Fees, p. 2, assumes no increase and no decrease.

### **Not Currently Reflected in the Proposed Budget:**

Charges for Sanitation Services – annual expense \$120,000.

Employee pay increases to ensure longevity, succession planning, and improve and build upon institutional knowledge and consistency.