



City of Rowlett

Action Minutes

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Tuesday, August 5, 2014

5:30 P.M.

Municipal Building – 4000 Main Street

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Present: Mayor Gottel, Deputy Mayor Pro Tem Pankratz, Councilmember Bobbitt, Councilmember Dana-Bashian, Councilmember Sheffield and Councilmember van Bloemendaal

Absent: Mayor Pro Tem Gallops

1. CALL TO ORDER

Mayor Gottel called the meeting to order at 5:34 p.m.

2. EXECUTIVE SESSION (5:30 P.M.)* Times listed are approximate

- 2A.** The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.087 (Economic Development) and §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss and deliberate the offer of financial or other incentives to business prospects that the City may seek to have locate in or near Elgin B. Robertson Park. (15 minutes)

Council convened in Executive Session at 5:35 p.m. Out at 6:19 p.m.

3. WORK SESSION (5:45 P.M.)*

- 3A.** Presentation of the Fiscal Year 2015 (FY2015) Proposed Budget. (45 minutes)

This presentation is attached.

- 3B.** Discuss a resolution accepting the bid and awarding a contract for the purchase of six 2015 Ford Explorer Police Interceptor patrol motor vehicles to Sam Pack's Five Star Ford in the amount of

\$175,182 for the Police Department through the Interlocal Cooperative Purchasing Agreement with Texas Smartbuy. (30 minutes)

3C. Discuss Water Distribution Flushing Practices. (15 minutes)

Due to time constraints, Council will return after the Regular Session to discuss item 3B.

4. DISCUSS CONSENT AGENDA ITEMS

Councilmembers Dana-Bashian and Sheffield requested that item 7D be removed from the Consent Agenda for individual consideration. Discussion regarding the reasoning for the change order and the discussions with the City of Dallas regarding the type of wood not allowed in the take line.

Council took a short break at 7:23 p.m.

CONVENE INTO THE COUNCIL CHAMBERS (7:30 P.M.)*

Council reconvened in Regular Session at 7:31 p.m. Mayor Pro Tem Gallops joined the meeting.

INVOCATION – Mayor Gottel

PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE – Led by the City Council

5. PRESENTATIONS AND PROCLAMATIONS

5A. Presentation of Proclamations to Dave Holl and Anna Rigodanza for Awards received from Keep Texas Beautiful.

Councilmember Sheffield presented the proclamations to Mr. Holl and Miss Rigodanza with members of Keep Rowlett Beautiful present.

5B. Proclamation of Rowlett Human Resources Professionals Appreciation Week (Aug 11-15, 2014) in conjunction with National Human Resources Professionals Appreciation Week.

Councilmember Bobbitt presented the proclamation to John Murray, Director of Human Resources and Risk Management and his staff: Sherry Pannell, Brandi Bull, and Amanda Mullaney (Alyssa Maxon was not present).

5C. Duck Creek District Cub Scout Twilight Camp presentation of money raised for a new playground.

Councilmember Dana-Bashian received the funds on behalf of the City. Chris Garner, Camp Director, along with members of the troop and troop leaders, presented the City with \$371.67.

5D. Update from the City Council and Management: Financial Position, Major Projects, Operational Issues, Upcoming Dates of Interest and Items of Community Interest.

Mayor Gottel announced the following: Upcoming City Council meetings: Tuesday, August 19th; Regular Meeting – City Hall Conference Room. Budget Work Sessions: Thursday, August 14th, 6:30 – 9pm; Friday, August 15th, 6:30 – 9pm; Saturday, August 16th, 9am – 1pm. Upcoming Planning & Zoning Commission meetings will be Tuesday, August 12th and 26th; 6pm in City Hall Conference Room. ACCEPTING APPLICATIONS FOR BOARDS & COMMISSIONS NOW! City Council will be appointing citizens to fill term vacancies during the September 16th Council meeting. Currently 10 Boards & Commissions – ranging from Animal Shelter Advisory Board to Traffic & Safety Advisory Commission. Detailed descriptions of each Board plus the applications are available online on the homepage. Also, both are available at the City Secretary’s Office located at 4000 Main Street. Accepted through August 15th. Eligibility requirements are the same as for the City Council. STAGE 3 WATER RESTRICTIONS – residents can water Once Every TWO Weeks. ANIMAL SHELTER – Help us maintain a 96% live release rate! PET ADOPTATHON! ONLY \$25 TO ADOPT! Vaccinations, sterilization and microchip included in price! Saturday, August 16th, 10am – 5pm. Low-cost vaccine clinic Saturday, August 23rd and Saturday, September 20th 1-4pm. Normal business hours at 4402 Industrial Street are Monday-Friday, 10am-5pm and Saturday, 10:30am-5pm. Upcoming events for Parks and Recreation: Movies on Main will start at approximately 6pm on Main Street downtown: September 5th (The Smurfs 2); September 12th (Free Birds); September 19th (Monsters University). Wet Zone is open through August 17th – check out the Parks & Recreation page on our website for hours of operation and more information on the programs held at the Community Centre this summer. Upcoming events at the Rowlett Public Library: Check out everything going on at the Library this summer at Rowlett.com or the Rowlett on the Move newsletter. Arts & Humanities Annual Photography Contest: 2014 Theme – “Rowlett Up Close!” Entries accepted at the Rowlett Library on Saturday, September 6th from 10am to noon. Will be on display through October 4th. More information at Rowlett.com on the Arts & Humanities page. Library Camp: Teenage Mutant Ninja Turtles – Friday, August 8th, 2pm. Homeschooling: How? – Saturday, August 9th, 10am. Tea for Teachers – Tuesday, August 12th, 2pm. Library Camp: Shark Week! – Friday, August 15th, 2pm. Library Camp: Rule the School! – Friday, August 22nd, 2pm. Super Saturday: Doctor Who – Saturday, August 30th, 2pm. CITY RECEIVES FINANCIAL AWARD - Received the Texas Comptroller Leadership Circle Award for the third consecutive year. New level of Platinum added during 2014. City of Rowlett met all 22 criteria to be upgraded from Gold status to Platinum! Congratulations to the Accounting Division! NAMED 10TH SAFEST CITY IN TEXAS! By Movoto. They looked at 2012 FBI crime statistics of the top 100 most populated places in Texas. Statistics included: murder, violent crime, property crime and total crime.

Deputy Mayor Pro Tem Pankratz announced the ACTOR production of “Murder for Dummies” to be held August 8-10 and 15-17 at Main Street Events. Fri/Sat shows at 8 pm and Sunday at 2 pm. Tickets are available online at www.actortx.com.

6. CITIZENS’ INPUT

Perry Abney, 9958 Merritt Road, Rowlett; spoke regarding the Merritt Road project and the effects on his home.

Jeremy Holland, 2103 Fairway Winds Ct, Wylie; spoke regarding the City’s invocation policy.

7. CONSENT AGENDA

- 7A.** Consider action to approve minutes from the July 8, 2014, City Council Special Meeting, and the July 15, 2014, City Council Meeting.

This item was approved on the Consent Agenda.

- 7B.** Consider action to approve a resolution awarding the bid for Section I mowing services to Ely Tree and Landscape in the unit amounts bid with an estimated annual amount of \$65,000 and authorizing the City Manager to execute the necessary documents for said mowing services for the Community Services Code Enforcement Division.

This item was approved as RES-061-14 on the Consent Agenda.

- 7C.** Consider action to approve a resolution authorizing the final acceptance and release of retainage for the Skyline at Osage Alley and Sewer Line Replacement in the amount of \$24,622.44 to A&M Construction and Utilities Incorporated and authorizing the Mayor to execute the necessary documents.

This item was approved as RES-062-14 on the Consent Agenda.

- 7D.** Consider a resolution approving Change Order Number 1 to the contract with York Bridge Concepts, Incorporated in the amount of \$105,318.90 for upgrading the elevated boardwalk piers to non-treated timber for the Scenic Point Park Project and authorize the Mayor to execute the necessary documents.

This item was removed from the Consent Agenda for individual consideration.

A motion was made by Mayor Pro Tem Gallops, seconded by Councilmember Dana-Bashian, to approve the item as presented. The motion carried with a vote of 6 in favor and 1 opposed (Sheffield). This item was adopted as RES-063-14.

- 7E.** Consider action to approve a resolution for contract renewals of employee benefits for Fiscal Year 2015 to Aetna in the estimated amount of \$146,292 for Third Party Administration Medical Services; to Aetna for Individual and Aggregate Stop Loss Insurance in the amount of \$420,760; to Aetna for Section 125/Cafeteria Plan Administration in the estimated amount of \$12,736; to Special Insurance Services, Inc. for GAP insurance in the estimated amount of \$170,491; to Delta Dental for dental insurance in the estimated amount of \$216,558; to SunLife for life accidental death insurance, optional life and accidental death insurance, long-term disability and optional short-term disability in the estimated amount of \$60,420; to Block Vision for optional vision insurance in the amount of \$26,706, and authorizing the City Manager to execute all necessary documents.

This item was approved as RES-064-14 on the Consent Agenda.

- 7F.** Consider action to approve a resolution to contract with Stonebridge Veterinary Hospital of Rowlett to provide veterinary services for the Rowlett Animal Shelter for an estimated amount not to exceed \$52,402.

This item was approved as RES-065-14 on the Consent Agenda.

- 7G.** Consider a resolution authorizing final acceptance of an access, water, sewer, and drainage easement associated with 5000 Lakeview Parkway, being an unplatted 1,762 square-foot portion of Tract 14.1, Page 886 from the Thomas Lumley Survey Abstract No 789, Dallas County, Texas.

This item was approved as RES-066-14 on the Consent Agenda.

Passed the Consent Agenda

A motion was made by Deputy Mayor Pro Tem Pankratz, seconded by Councilmember Bobbitt, including all the preceding items marked as having been approved on the Consent Agenda. The motion carried with a unanimous vote of those members present.

8. ITEMS FOR INDIVIDUAL CONSIDERATION

- 8A.** Consider action to approve a resolution amending the Munis Enterprise Resource Planning Software system contract with Tyler Technologies, Incorporated for the purchase of a Human Resources Information Systems module in the amount of \$80,478 and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said contract amendment.

Deputy Mayor Pro Tem Pankratz stepped away from the dais.

A motion was made by Councilmember Sheffield, seconded by Councilmember van Bloemendaal, to approve the item as presented. The motion carried with a vote of 6 in favor and 1 absent (Pankratz). This item was adopted as RES-067-14.

- 8B.** Consider action to approve a resolution awarding the bid for the purchase of a Kronos TeleStaff Time Management System and other time keeping equipment to immixTechnology, Incorporated in the amount of \$285,880.92 through the Texas Comptroller of Public Accounts and authorizing the City Manager, after City Attorney approval, to execute the necessary documents for said purchase.

A motion was made by Mayor Pro Tem Gallops, seconded by Councilmember Dana-Bashian, to approve the item as presented. The motion carried with a vote of 6 in favor and 1 absent (Pankratz). This item was adopted as RES-068-14.

- 8C.** Consider action to approve a resolution to place a proposal to adopt a tax rate for Fiscal Year 2014-2015 (FY2015) on the agenda of a future meeting and schedule two public hearings.

Deputy Mayor Pro Tem Pankratz returned to the dais.

A motion was made by Councilmember Sheffield, seconded by Mayor Pro Tem Gallops, to approve the item as presented. The motion carried with a unanimous vote of those members present. This item was adopted as RES-069-14.

- 8D.** Present the Community Development Block Grant Program – 2014 Annual Plan; conduct a public hearing requesting citizen input on participation in the program; consider a resolution

supporting participation in the Community Development Block Grant programs, adopting the 2014 Community Development Block Grant Annual Plan; and authorize the City Manager to execute and submit all documentation and certifications to the United States Department of Housing and Urban Development (HUD).

A motion was made by Mayor Pro Tem Gallops, seconded by Councilmember Sheffield, to approve the item as presented and to eliminate the \$5,000 cap per individual for the Housing Rehabilitation Program and use the \$24,999 HUD benchmark. The motion carried with a unanimous vote of those members present. This item was adopted as RES-070-14.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

There was no action taken.

After a short break at 9:09 p.m., Council reconvened in the Work Session at 9:15 p.m. to discuss item 3B.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 9:43 p.m.

FY2015 Budget Presentation

**City Council
August 5, 2014**



Rowlett 
On the Water. On the Move.



**We Are
Rowlett
and
We Are
On The
Move!**

July 4th Fireworks on Main - Rowlett

Financial Stewardship



Michael Gallops
Mayor Pro-tem



Todd Gottel
Mayor



Carl Pankratz
Deputy Mayor Pro-tem



Debby Bobbitt
Councilmember



Rick Sheffield
Councilmember



**Robbert van
Bloemendaal**
Councilmember



Tammy Dana-Bashian
Councilmember



Rowlett takes its financial responsibility to its citizens seriously!

Rowlett - A City on a Mission

Our Mission:

Citizen Centered Organization that Ensures its Citizens Receive Value for their Investment

Goal #1

- Improve Relations with Citizens to Establish Community Goodwill, Sense of Pride and Ownership

Goal #2

- Create an Organization that Embraces Innovation and Creates Opportunities to Improve Efficiencies & Effectiveness

Goal #3

- Enhance our Customer Centered Organization to Ensure Citizens Receive the Value of their Investment

Goal #4

- Enhance Employee Culture & Morale to Create an Environment where Employees are Valued and have a Sense of Pride

Goal #5

- Create a Sustainable Organization Ensuring the Right Resources – to the Right Place – at the Right Time

A Great Place to Live!



Rowlett was just named the 10th Safest City in Texas in July 2014 by Movoto Real Estate

What a Difference a Year Makes!

- Last year, we experienced our fifth straight year of decline in our property tax values and were not sure when that trend would turn.
- And, we knew the following:
 - Property tax revenues had declined over five years to \$1.9 million annually.
 - PGBT and DART light-rail will provide economic growth...but not for years to come.
 - City had cut employees, operating costs and deferred maintenance over the past five years to accommodate revenue decline.
 - Capital bonds sold in 2004-2006 have been spent. New dollars will need to be raised in the future to cover the cost of new infrastructure and to replace existing infrastructure.

Our Dilemma - If Nothing Changes Between Now and FY2015, What Happens?

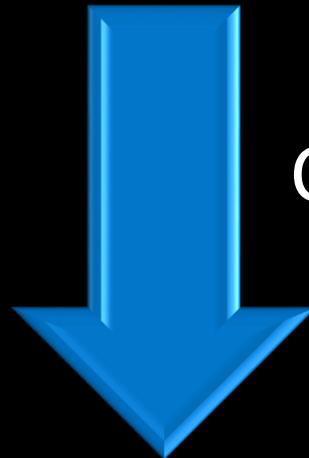
How much of an increase in taxes or service fees will Citizens accept?

If we do not diversify our development, we may not be able to stabilize or grow our tax base.

The vision of *Realize Rowlett 2020* is important to help the City realize its potential and grow its tax base.



Raise Taxes
and Fees



Cut Services

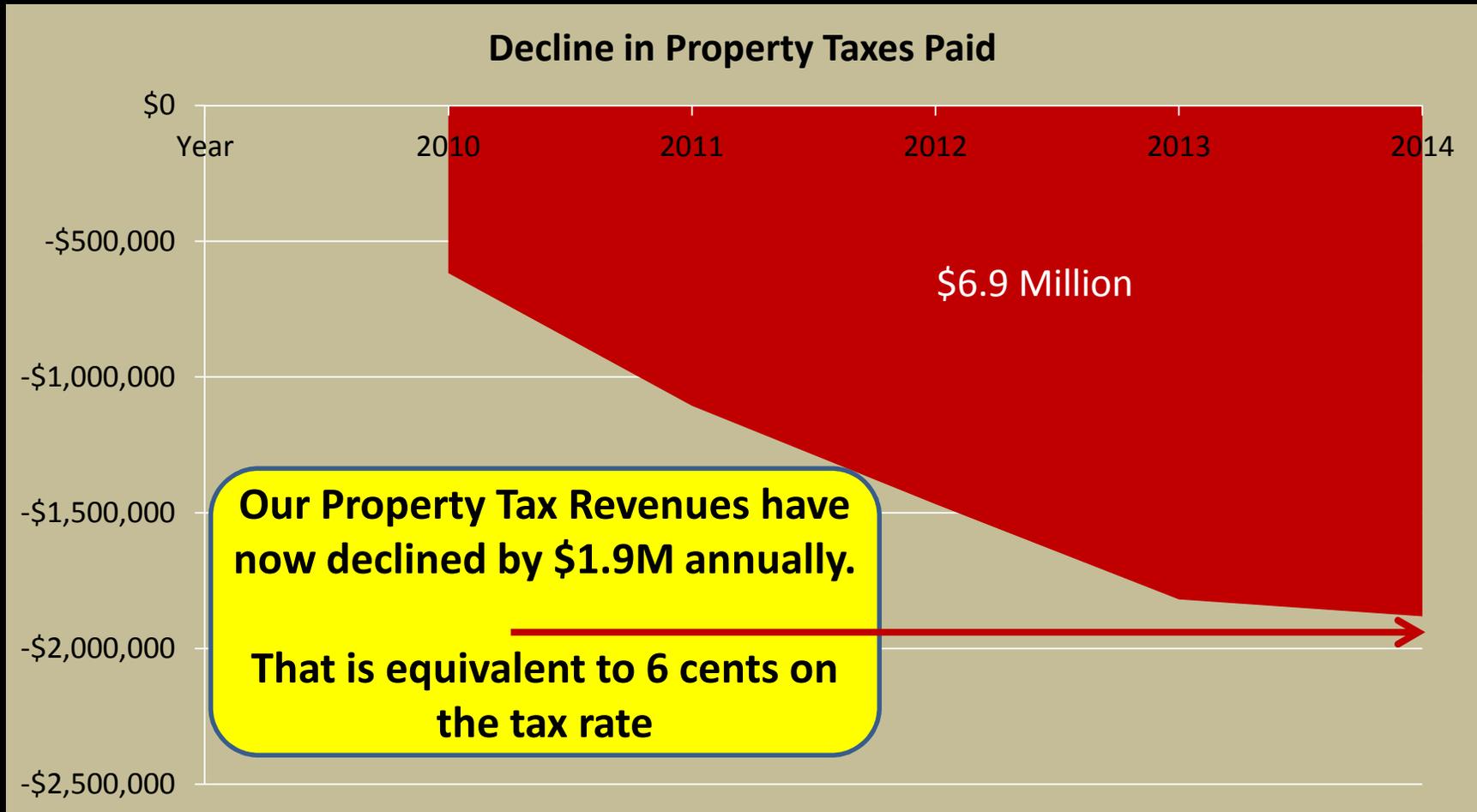
With no additional funding, we must cut or reduce services and amenities –

Who will visit here?
Who will build here?
Who will move here?

Like the rest of America, the cost of doing business has increased

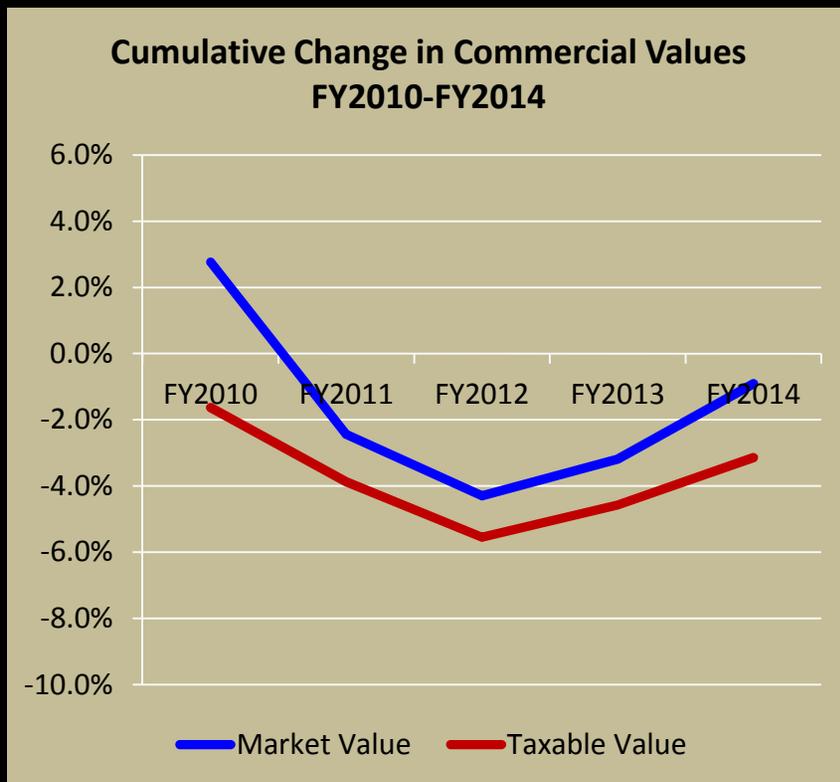
All services...like the ones that made Rowlett the *#1 Small City in America to Move to*...are at risk.

Cumulative Revenue Impact of Declining Taxable Values FY2010-FY2014

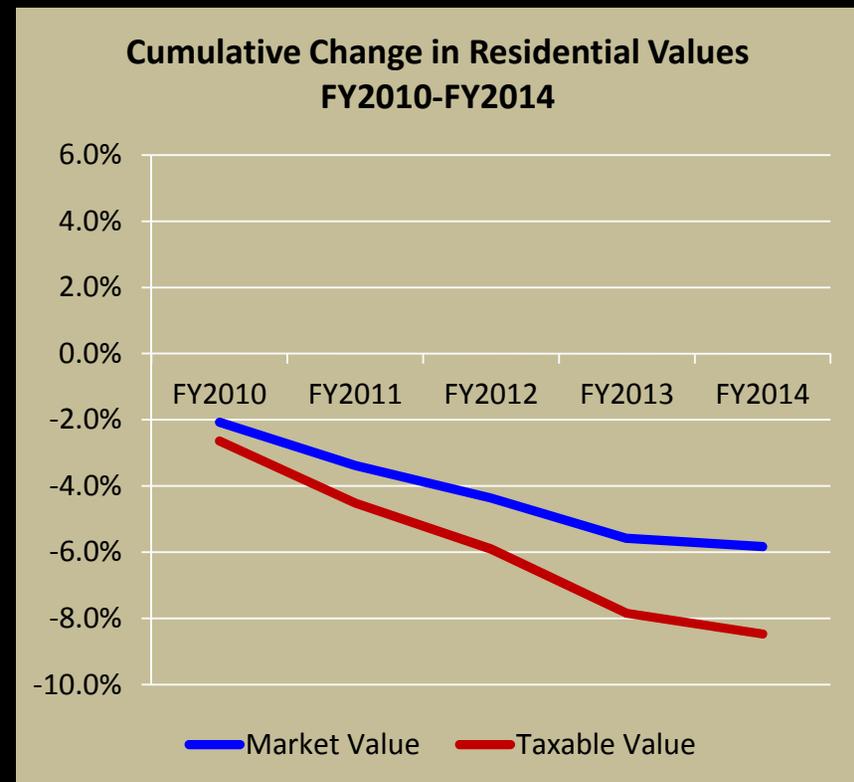


Cumulative Changes in Taxable Value FY2010 – FY2014

Commercial



Residential



The good news is that commercial values have begun increasing again; however, 81% of the City's tax value is residential.

Rowlett^{TX}



MY COMMUNITY



MY MONEY



MY CHOICE

The ultimate goal of the *My Rowlett* Campaign was to educate citizens on the value of the programs and services they receive for their tax dollar but to also receive input on possible service reductions and to gauge citizens' willingness to raise the tax rate to save those services.



As a Community, Rowlett is Aging

Yorkshire



Thornhill Alley



Subdivisions built in the 1990's now have infrastructure that needs repair...badly! We do not have sufficient funding to make these repairs...unless we cut other areas.

As a Community, Rowlett is Aging

Herfurth Park

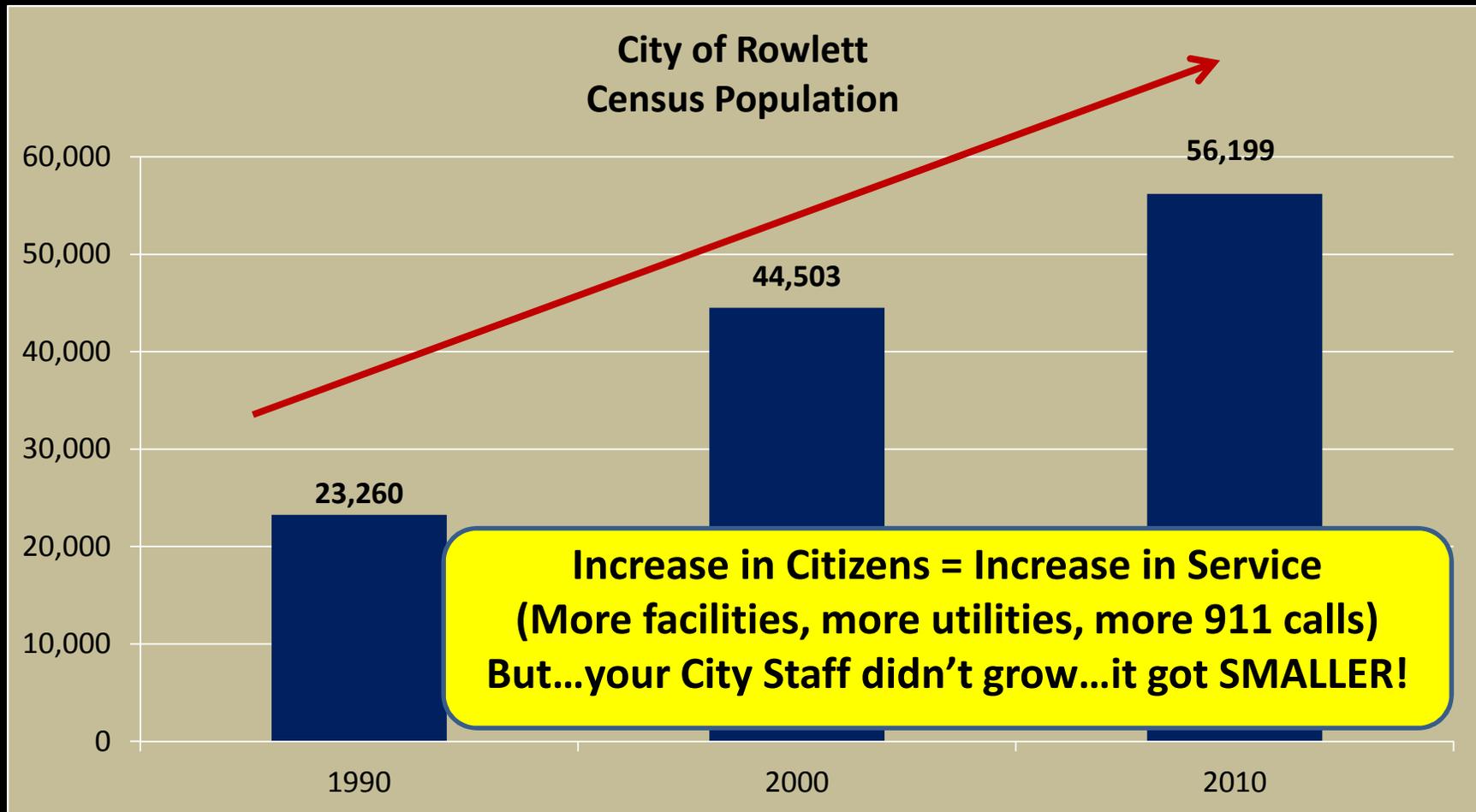
Playgrounds built 20–30 years ago in the height of our growth cycle have reached the end of their useful life and need to be replaced.

Is this where you want your children playing?



Again, we do not have sufficient funding to make these repairs without reducing services in other areas.

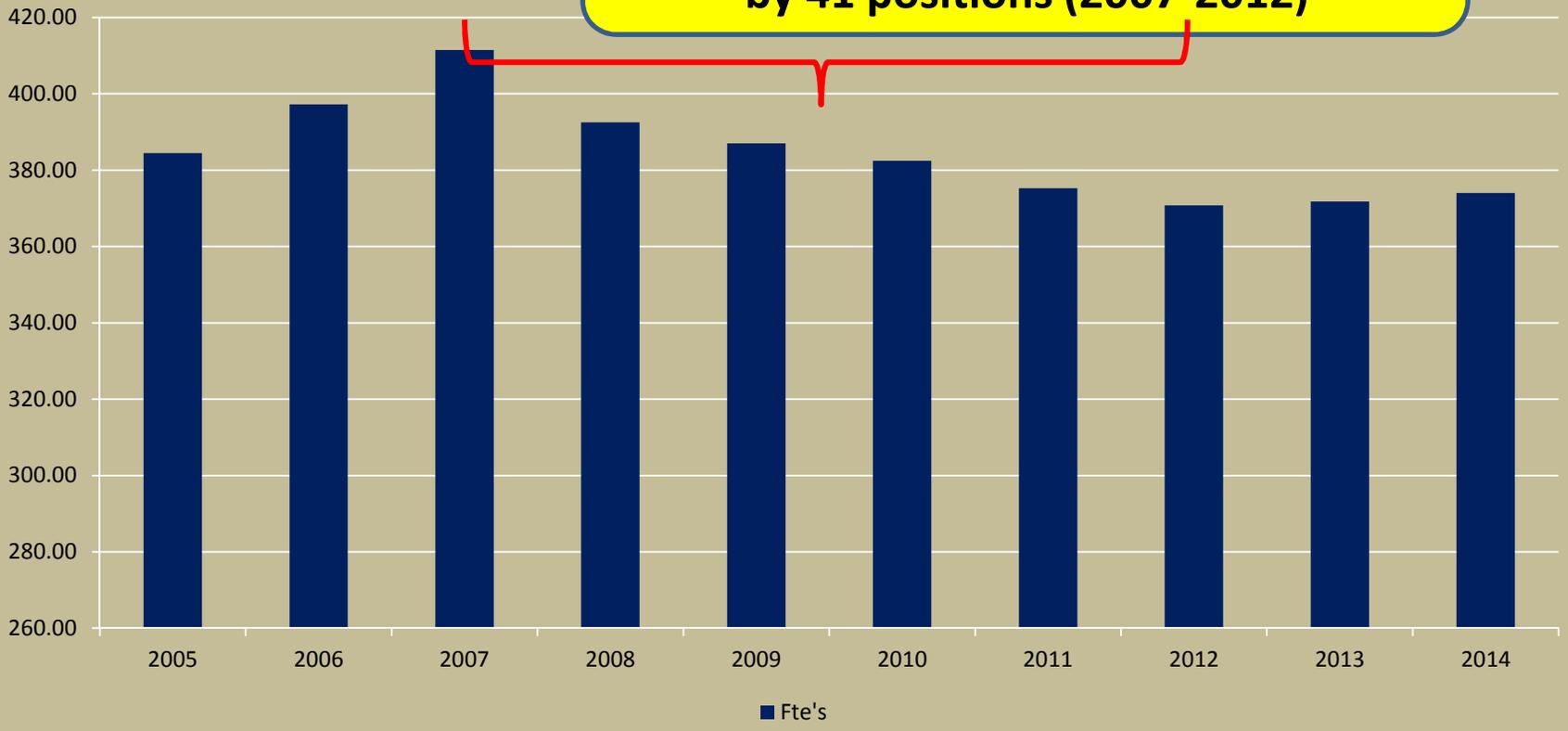
Significant Growth



The Great Recession

Budget reductions and lack of funding required the City to reduce its employees by 41 positions (2007-2012)

City of Rowlett Employee History
FY2005-FY2014



Lack of Diversity in Rowlett's Housing Stock



Market analysis by national real estate economists, Ricker+Cunningham suggests that the recent decline in property valuations have been driven by the lack of diversity in Rowlett's housing stock.

62% of Rowlett's Residential Taxable Value falls between \$100k-\$200k

Community Decisions

Descriptor	FY2014 Tax Rate Breakdown (per \$100 Tax Value)
Debt Service (I&S)	\$0.24
Operations (O&M)	\$0.21
DART Property Tax Equivalent	\$0.17
Senior Tax Freeze Tax Equivalent	\$0.06
Regular Homestead Tax Equivalent (currently @ 1% of Tax Value/max \$5k)	\$0.02
Over 65/Disabled Tax Equivalent (currently @ \$67k)	\$0.05
Total	\$0.75

The value of revenues waived for DART alone equals \$5.3M annually.

Residents often ask why our property tax rate is so high. There are two primary reasons for this: 1) In 1983, Rowlett citizens voted to give up one of its two sales tax pennies for DART , and 2) the type and amount of tax exemptions.

The Myths of Rowlett

Myth #1

- Rowlett tax rate is too high

Myth #2

- Rowlett citizens pay too much taxes

Myth #3

- Rowlett has too many employees

Myth #4

- Rowlett pays its employees too much

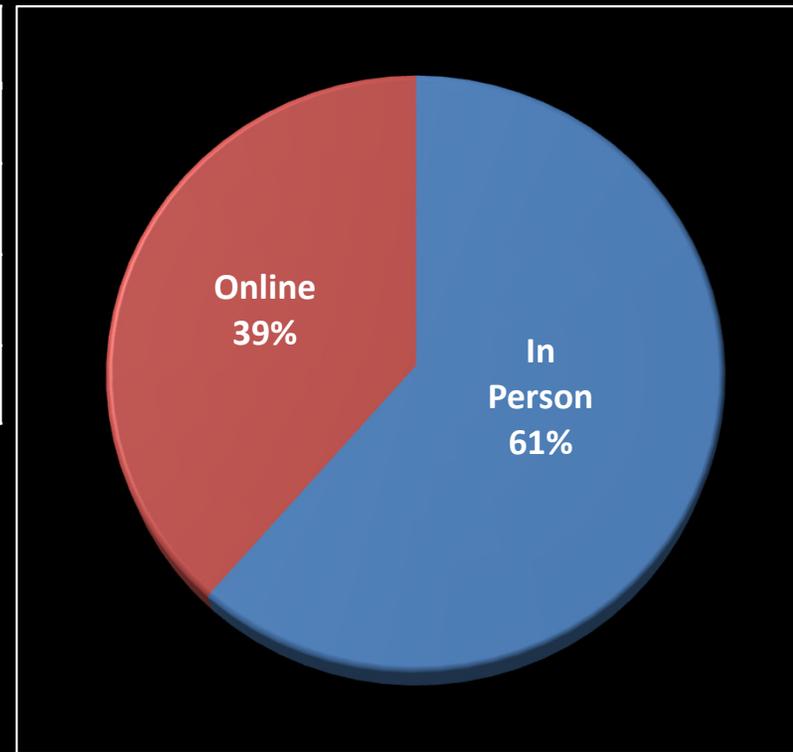
Myth #5

- Rowlett is a poor community

In the *My Rowlett* Campaign, we debunked the five myths of Rowlett.

Demographic Data - Respondents

	Responses	
<u>Description</u>	<u>Count</u>	<u>% of Total</u>
Number of respondents in person	164	61.4%
Number of respondents online	103	38.6%
Total respondents	267	100.0%

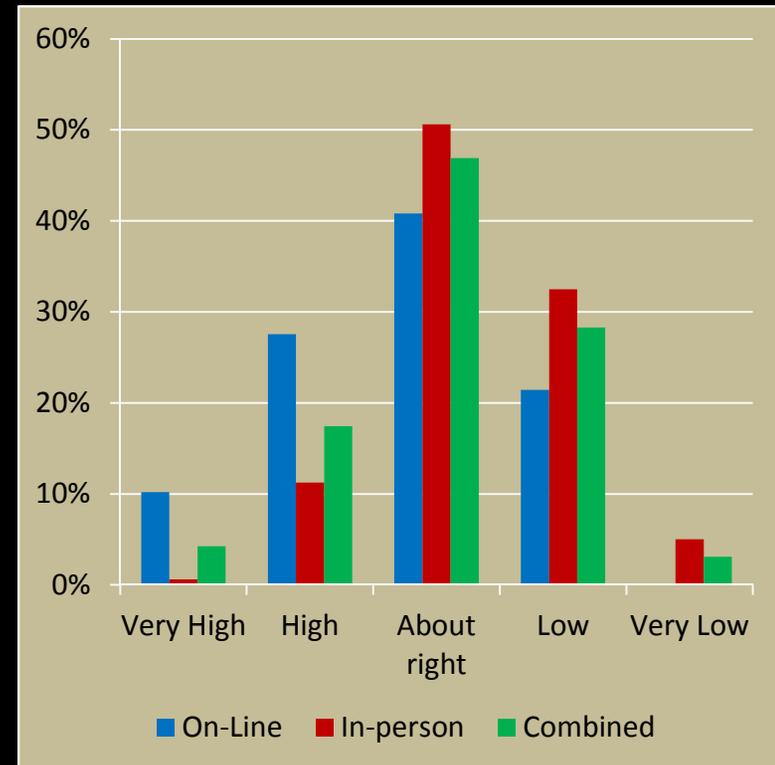


April 3rd Meeting at RCC

City held six public meetings across the community including the RCC, City Hall, and all four fire stations in April.

Current Property Taxes Paid

<u>Description</u>	<u>Responses</u>	
	<u>Count</u>	<u>% of Total</u>
1. Very high	11	4.3%
2. High	45	17.4%
3. About right	121	46.9%
4. Low	73	28.3%
5. Very low	8	3.1%
Total	258	100.0%



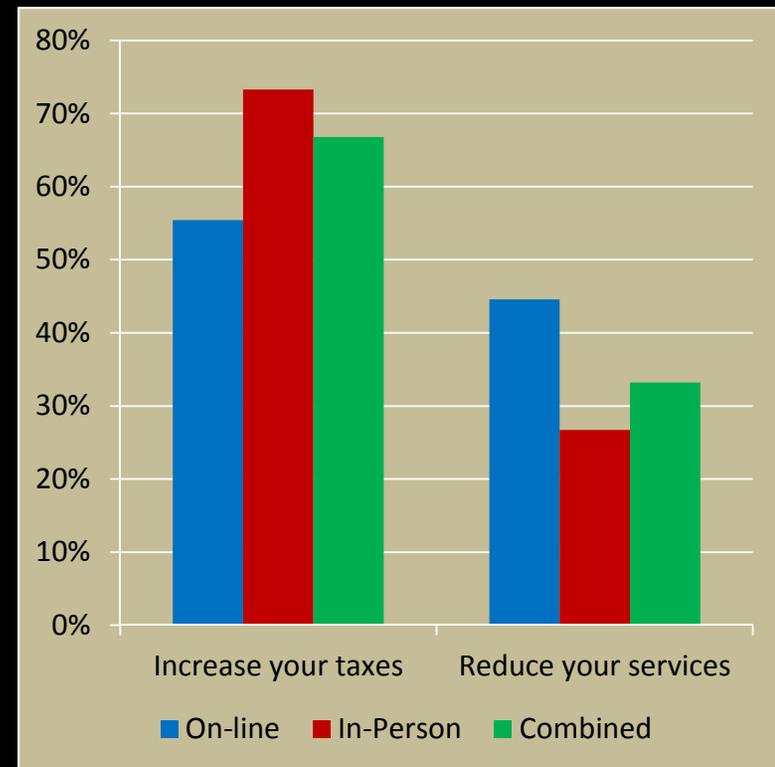
Question 6: As stated previously, the average Rowlett homeowner paid \$997 in property taxes. Based on what you heard today, would you say the taxes you paid were...

78% of respondents feel that the taxes they pay today are very low or about right.

Preference to Increase Property Taxes or Reduce Services?

	Responses	
<u>Description</u>	<u>Count</u>	<u>% of Total</u>
1. Increase your property taxes	169	66.8%
2. Reduce your services	84	33.2%
Total	253	100.0%

Question 17: Finally, given what you heard today, would you prefer the City increase your property taxes or reduce your services?



**So, what has changed since the
My Rowlett Campaign?**

Nothing and yet everything.

Projected Budget Shortfall in FY2015

SUMMARY OF FIVE YEAR FINANCIAL MODEL FOR THE GENERAL FUND (in ,000s)						
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Beg Reserve	\$5,951	\$6,281	\$4,951	\$4,543	\$4,604	\$4,691
Total Projected Revenues	\$33,005	\$33,671	\$34,255	\$35,109	\$35,898	\$36,207
Add'l Resources Needed			1,350	1,525	1,350	1,650
Total Adjusted Resources	\$33,005	\$33,671	\$35,605	\$36,634	\$37,248	\$37,857
Total Uses	\$32,675	\$35,001	\$36,013	\$36,573	\$37,161	\$37,782
End Reserve	\$6,281	\$4,951	\$4,543	\$4,604	\$4,691	\$4,766
% Surplus	19.1%	13.7%	13.0%	13.0%	13.0%	13.0%
Future service reductions that may be necessary to meet reserve requirement if taxes/fees are not added.			\$1,350	\$1,525	\$1,350	\$1,650
Equivalent tax rate (in cents per \$100 taxable assessed value)			4.3	4.9	4.3	5.3

Projected shortfall for FY2015

Why are Fiscal Years 2016-2018 shaded?

The City of Rowlett has a lot of moving pieces in evaluating the future. The national economy certainly is at the top of the list; however, the impact PGBT and DART will have on Rowlett is still undetermined and the timing with which new developments will be added will take time to mature and understand.

What has happened since last year?

We originally thought our budget shortfall in FY2015 would be about \$1.4M.

Staff has scrubbed the budget and cut \$600,000.

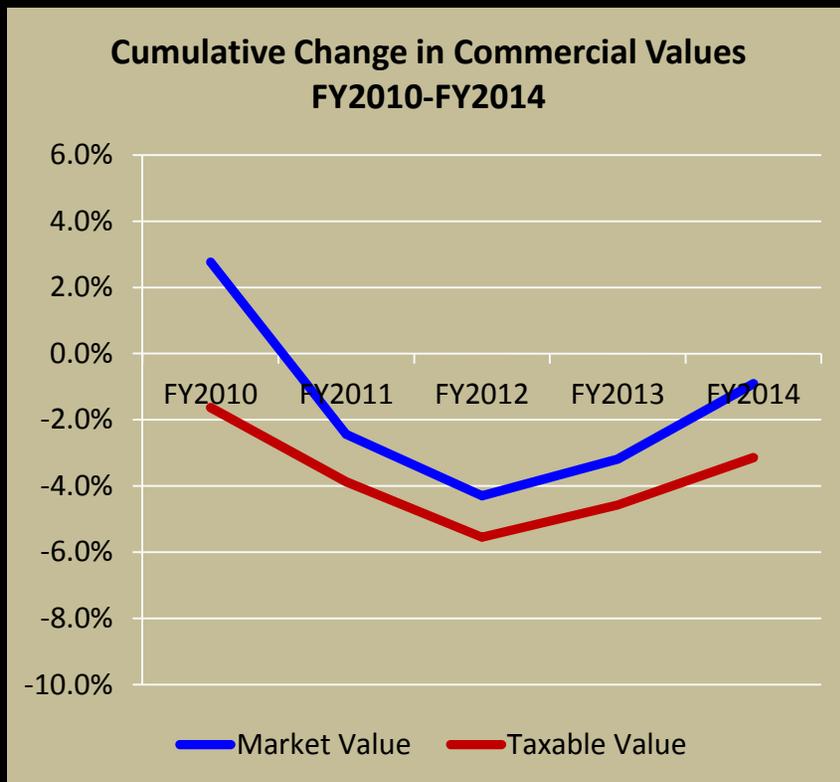
However, we also needed to add almost \$200,000 for the Library lease with Integral/Catalyst.

As a result, net of other changes, we still have a \$950,000 shortfall for which to solve.

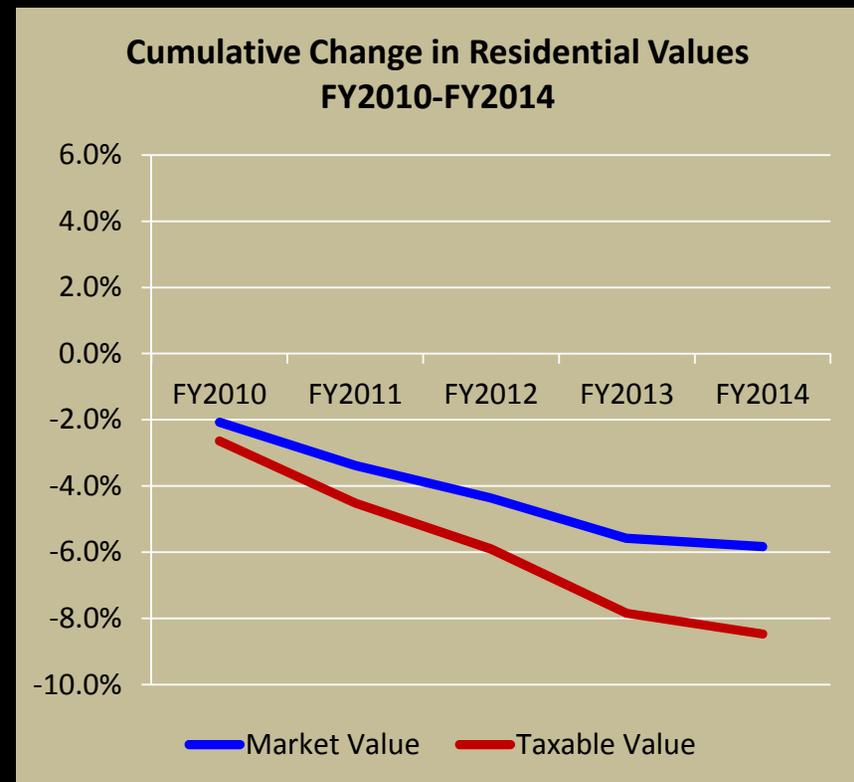
This will require an increase in the property tax rate or a reduction in services.

Cumulative Changes in Taxable Value FY2010 – FY2014

Commercial



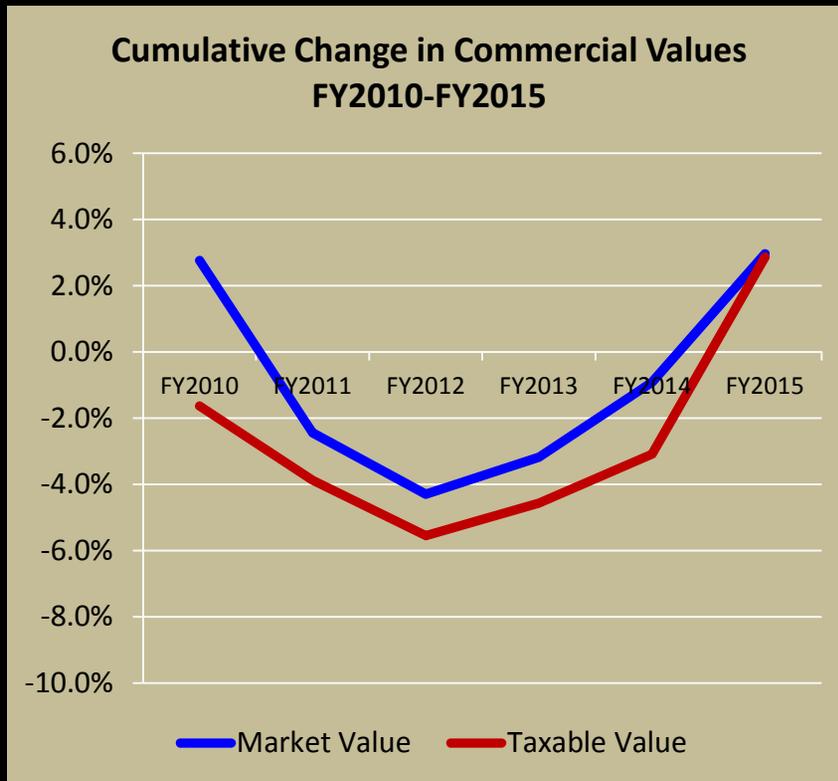
Residential



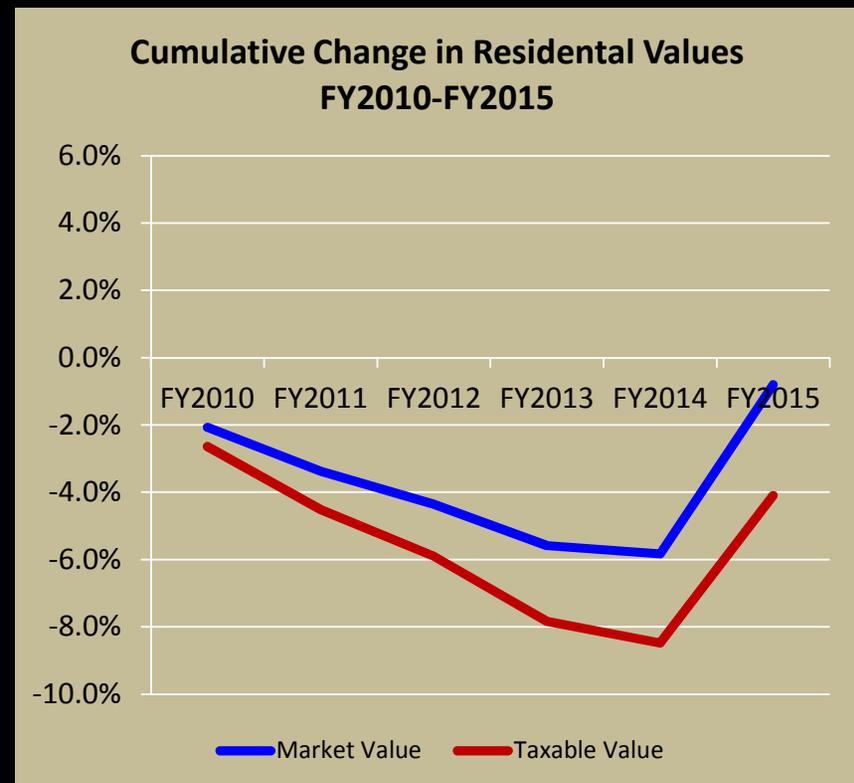
The good news is that commercial values have begun increasing again; however, 81% of the City's tax value is residential.

Cumulative Changes in Taxable Value FY2010 – FY2015

Commercial



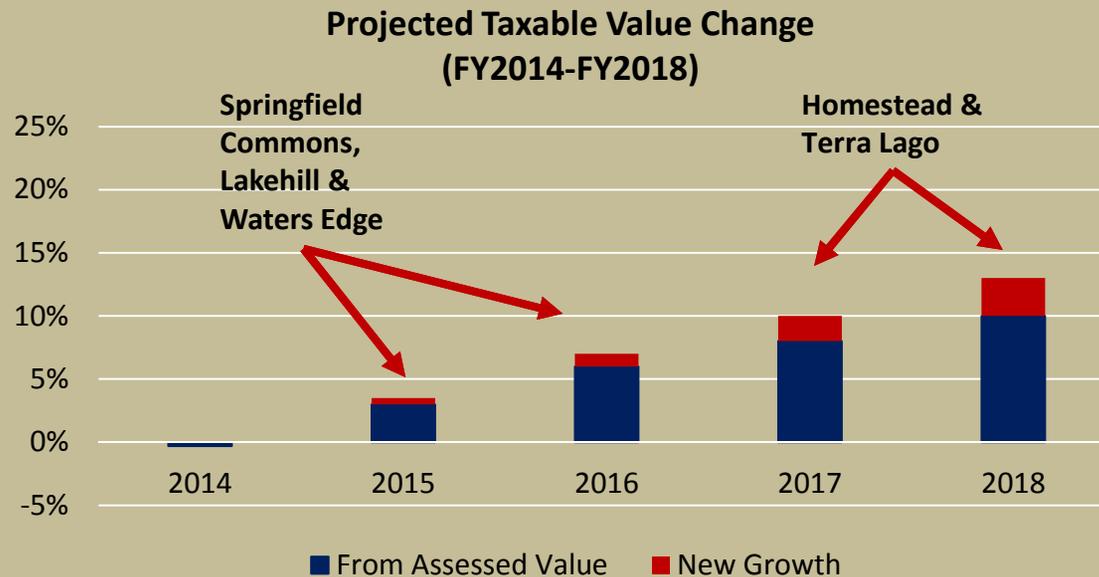
Residential



The good news is that both commercial “and” residential values have now finally turned the corner. 80% of the City’s taxable value is residential.

Projected Increase in Taxable Values at 5-1-14

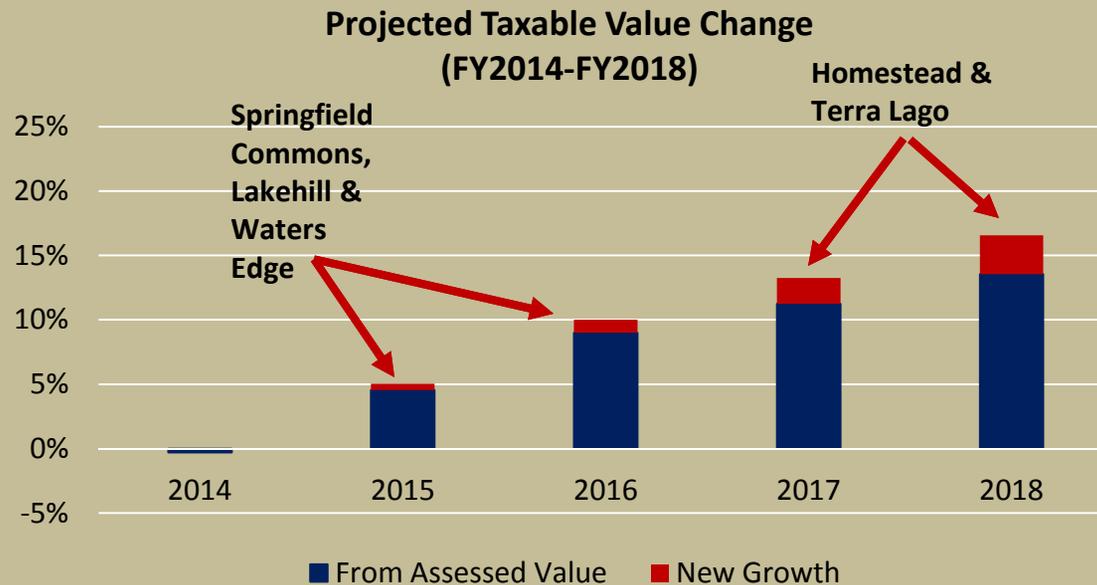
Description	2014	2015	2016	2017	2018
Projected Taxable Value (millions)	\$3,116	\$3,226	\$3,335	\$3,428	\$3,522
Cum \$ Rev Change-Assessed Value	-\$62,337	\$698,569	\$1,397,138	\$1,862,851	\$2,328,564
Cum \$ Rev Change-New Growth	n/a	\$116,428	\$232,856	\$465,713	\$698,569
Cum \$ Rev Change-Total	n/a	\$814,997	\$1,629,994	\$2,328,564	\$3,027,133



Now that we know that the projects we have approved in the past two years will begin to break ground this year, we can also begin to project an increase in tax value from "new" growth.

Projected Increase in Taxable Values at 7-25-14

Description	2014	2015	2016	2017	2018
Projected Taxable Value (millions)	\$3,116	\$3,274	\$3,428	\$3,529	\$3,632
Cum \$ Rev Change-Assessed Value	-\$62,337	\$1,060,591	\$2,095,707	\$2,619,634	\$3,155,204
Cum \$ Rev Change-New Growth	n/a	\$116,428	\$232,856	\$465,713	\$698,569
Cum \$ Rev Change-Total	n/a	\$1,177,019	\$2,328,563	\$3,085,347	\$3,853,773



Now that we know that the projects we have approved in the past two years will begin to break ground this year, we can also begin to project an increase in tax value from "new" growth.

**So, financially speaking, have things
changed for the better?**

**In terms of breathing room, yes. However, as
shown on the previous slide the City will still not
see much revenue from new property tax revenue
growth until about FY2017...two years from now.**

Hypothetical Change to Property Tax Revenue based on Change in Taxable Value



New construction can take time to show up on our tax roll. For example, if *The Homestead at Liberty Grove* breaks ground in June 2014, and takes 18-24 months to build its first phased buildings, it is unlikely that the City will receive revenue in FY2015 because it is based on properties built as of December 31, 2014.

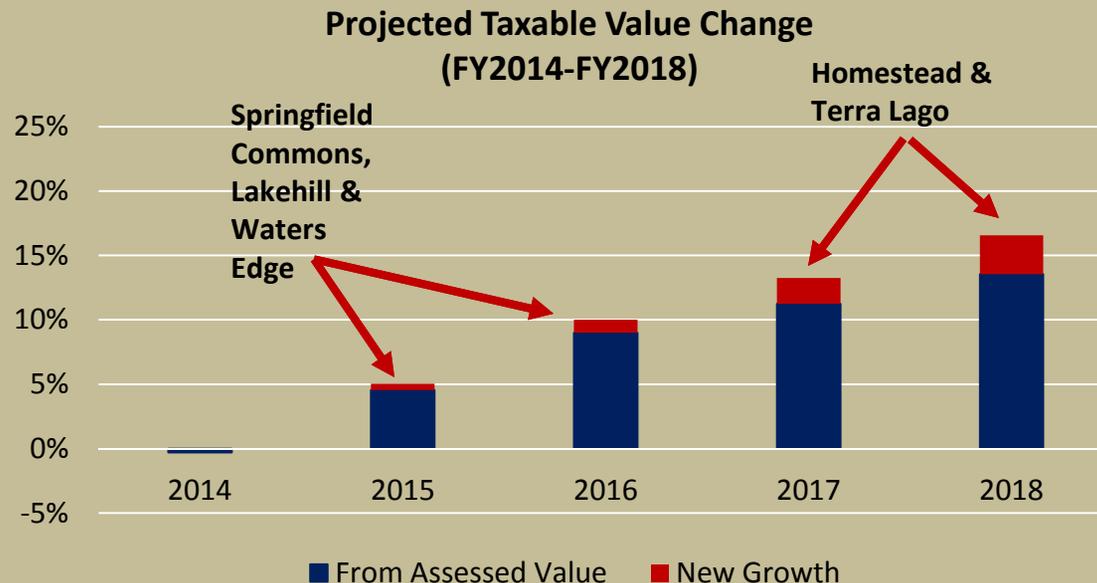
Therefore, in this example, depending upon the pace of construction, the City may not receive any property tax revenues from the Homestead until FY2016 or FY2017.

So, what do we do now?

We take advantage of the opportunities we have to better our community and address some of the issues that continue to challenge our ability to be financially sustainable.

Opportunity #1: Projected Increase in Taxable Values at 7-25-14

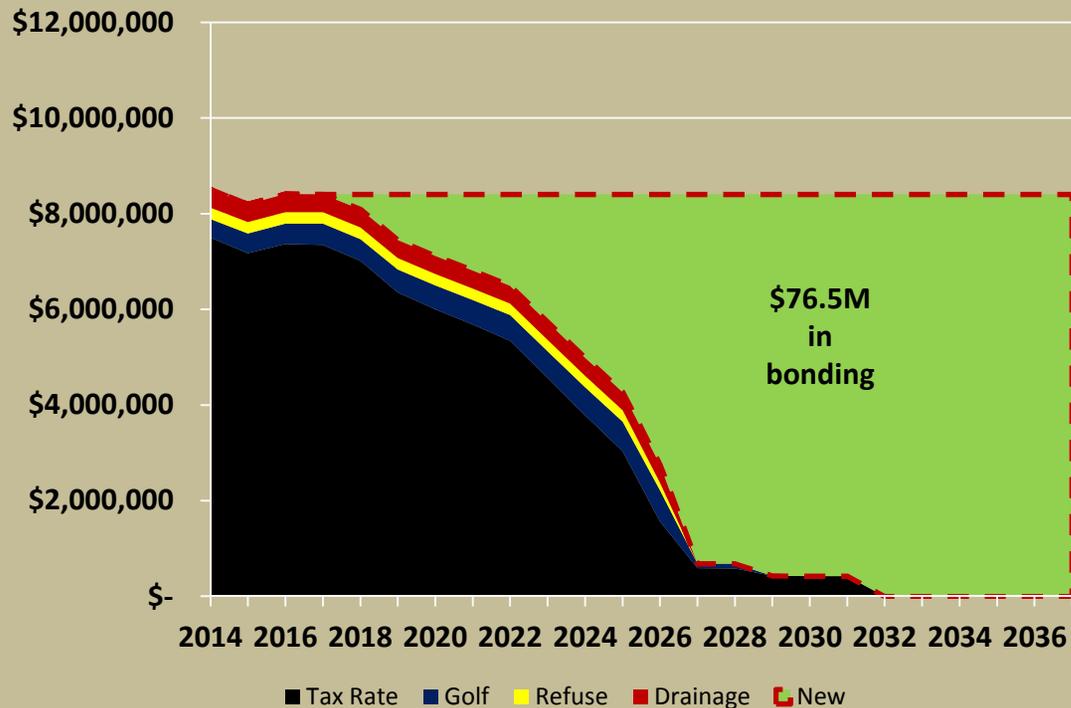
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Cum \$ Rev Change-New Growth	n/a	\$116,428	\$232,856	\$465,713	\$698,569
Cum \$ Rev Change-Total	n/a	\$1,177,019	\$2,328,563	\$3,085,347	\$3,853,773



Now that we know that the projects we have approved in the past two years will begin to break ground this year, we can also begin to project an increase in tax value from "new" growth.

Opportunity #2: Freed up Bonding Capacity

**City of Rowlett
Current Debt Service Schedule and Future Bonding Capacity**



Beginning in FY2018, the City's annual general obligation debt service starts to dramatically decline.

This provides an opportunity to capture some of that capacity without increasing the tax rate through a series of bond issues over the next 3-5 years.

Opportunity 3: Long-term Employee Liabilities that could be Revised

OPEB – Current balance as of 9-30-13 is \$1.1M and is growing about \$250k a year.

Opportunity exists to address the implicit rate by passing on more of the real cost of annual health premiums to retirees.

Vacation Payout – Current balance as of 9-30-13 is \$1.7M.

Opportunity exists to adjust max payout from 480 hours to 280 hours to reflect market.

Fire is different

Significantly reduces liability over 3 years.

Sick Leave Payout – Current balance as of 9-30-13 is \$0.8M.

Opportunity exists to increase minimum tenure from 3 to 5 years before eligible for any payout.

Consistent with goal to reward tenure.

Opportunity #4: Economic Development

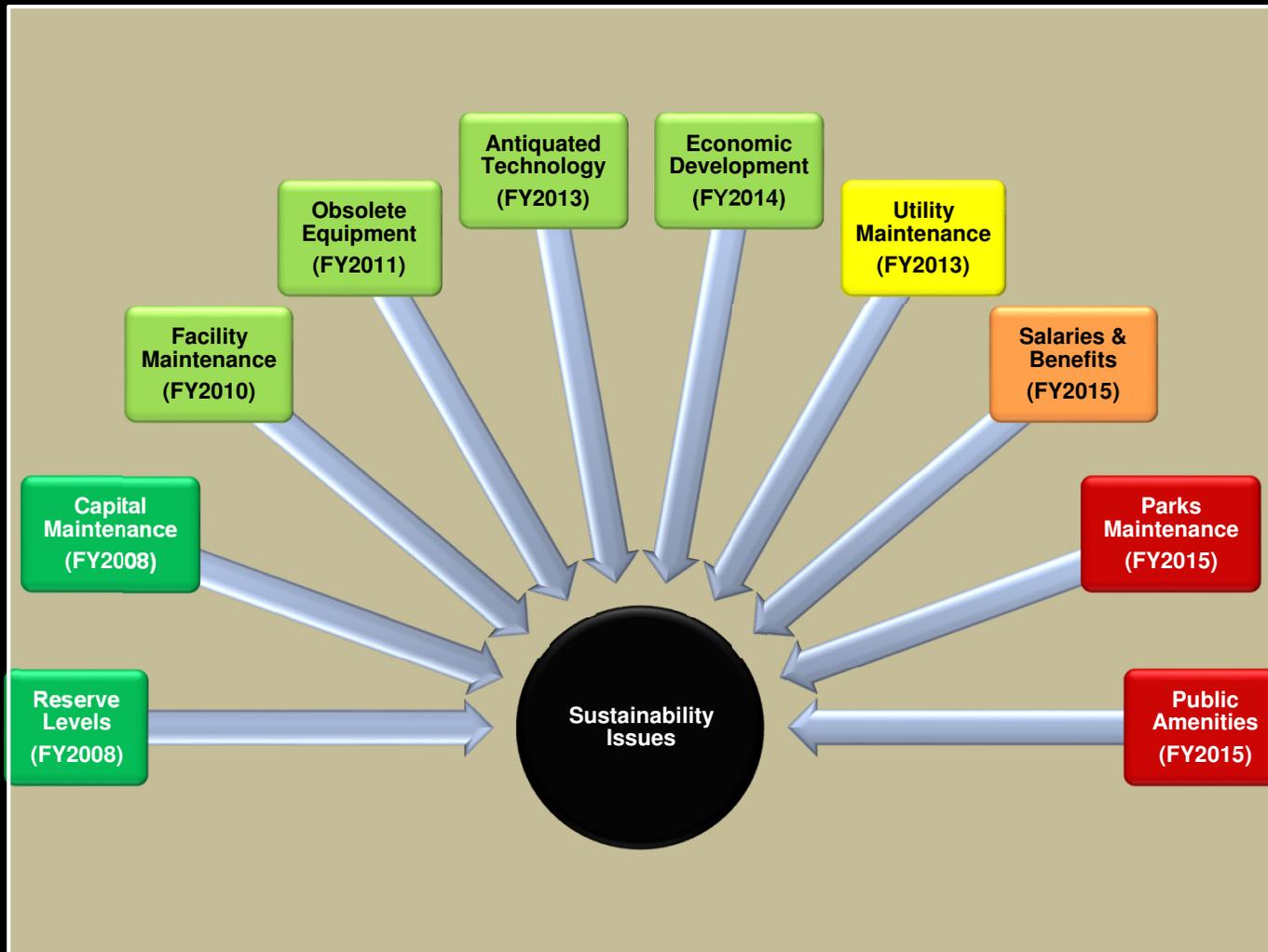


Homestead at Liberty Grove

Project	Private Investment	City Revenue (over 10 years)
The Homestead @ Liberty Grove (first 3 out of 5 phases only)	\$112.1 M	\$6.7 M
Terra Lago (no phasing)	50.0 M	1.6 M
Harmony Hills (first of 2 phases only)	<u>26.0 M</u>	<u>2.0 M</u>
Total	<u>\$188.1 M</u>	<u>\$10.3 M</u>

- ✓ Three high quality projects approved in the past year have the ability to add nearly \$200 million in private investment with 1,133 new units.
- ✓ Over 10 years, this could add over \$10 million just in property taxes alone.
- ✓ Again, revenue from these sources represent a long-term commitment and will take time to mature.

Sustainability Issues and the Relative Scale and Year Issues Began to be Addressed



Issue fixed or substantial progress made.

Good progress made.

Early stages. Progress just beginning.

Some progress but much work is left.

Little to no progress has been made to date.

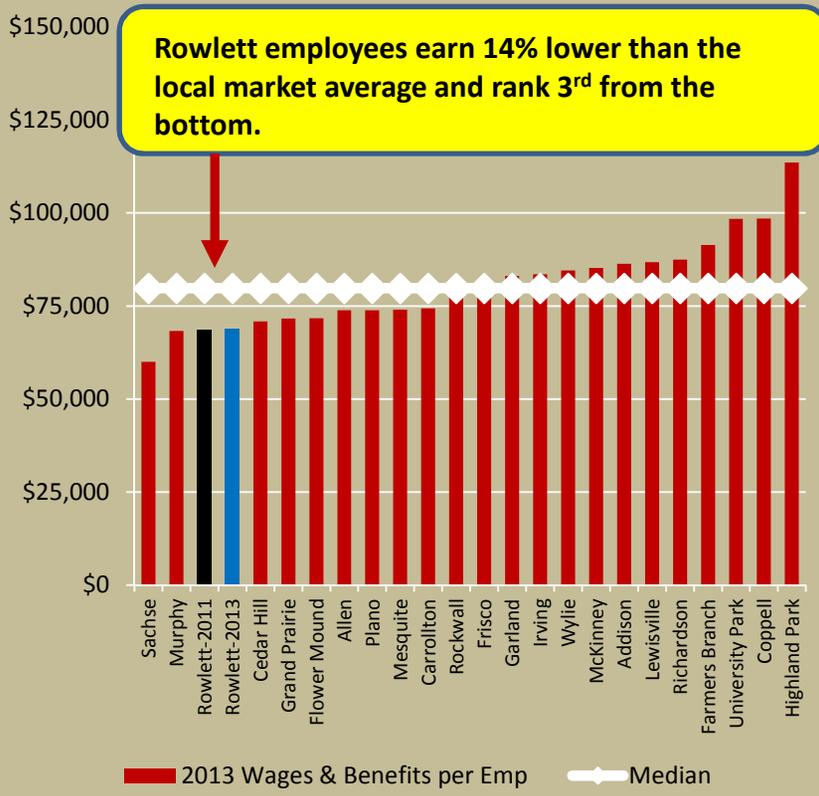
What is included in the Fiscal Year 2015 Proposed Budget?

There are 11 specific Policy Recommendations in the Fiscal Year 2015 Budget Proposal.

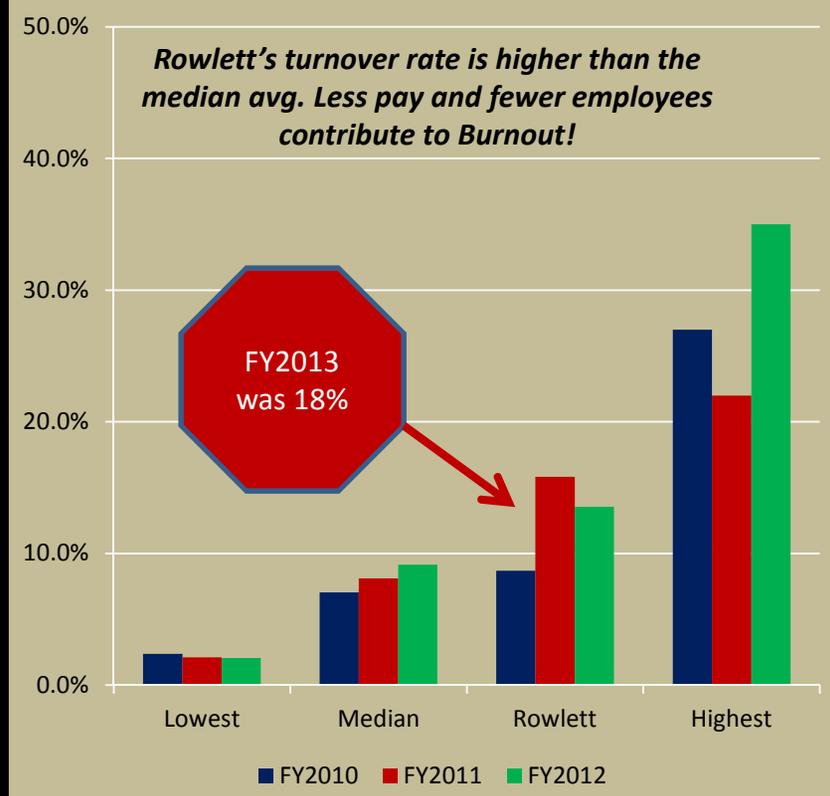
Nine of these recommendations impact FY2015. The last two would go into effect in FY2016.

Proposal #1: Implement Compensation Plan based on study from Evergreen

Total Wages & Benefits per Employee For Comparative Cities



Turnover Rate for Comparative Cities



Rowlett is lean and its employees have continued to do more with less for years. It has taken its toll in terms of turnover!

Proposal #2: Modify the City's employee vacation leave payout policy

Vacation Payout – Current liability balance as of 9-30-13 is \$1.7M.

Opportunity exists to adjust max payout from 480 hours to 240 hours to reflect market.

Fire is different

Could significantly reduce liability over 5 years.

Proposal #3: Modify the City's employee sick leave payout policy

Sick Leave Payout – Current liability balance as of 9-30-13 is \$0.8M.

Opportunity exists to increase minimum tenure from 3 to 10 years before eligible for any payout. In addition, the percentage of payout can also be reduced.

Could significantly reduce liability over 5 years.

Proposal #4: Add three cents to the property tax rate to cover the budget shortfall in the General Fund

SUMMARY OF FIVE YEAR FINANCIAL MODEL FOR THE GENERAL FUND (in ,000s)						
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Beg Reserve	\$5,951	\$6,281	\$4,951	\$4,543	\$4,604	\$4,691
Total Projected Revenues	\$33,005	\$33,671	\$34,255	\$35,109	\$35,898	\$36,207
Add'l Resources Needed			1,350	1,525	1,350	1,650
Total Adjusted Resources	\$33,005	\$33,671	\$35,605	\$36,634	\$37,248	\$37,857
Total Uses	\$32,675	\$35,001	\$36,013	\$36,573	\$37,161	\$37,782
End Reserve	\$6,281	\$4,951	\$4,543	\$4,604	\$4,691	\$4,766
% Surplus	19.1%	13.7%	13.0%	13.0%	13.0%	13.0%
Future service reductions that may be necessary to meet reserve requirement if taxes/fees are not added.			\$1,350	\$1,525	\$1,350	\$1,650
Equivalent tax rate (in cents per \$100 taxable assessed value)			4.3	4.9	4.3	5.3

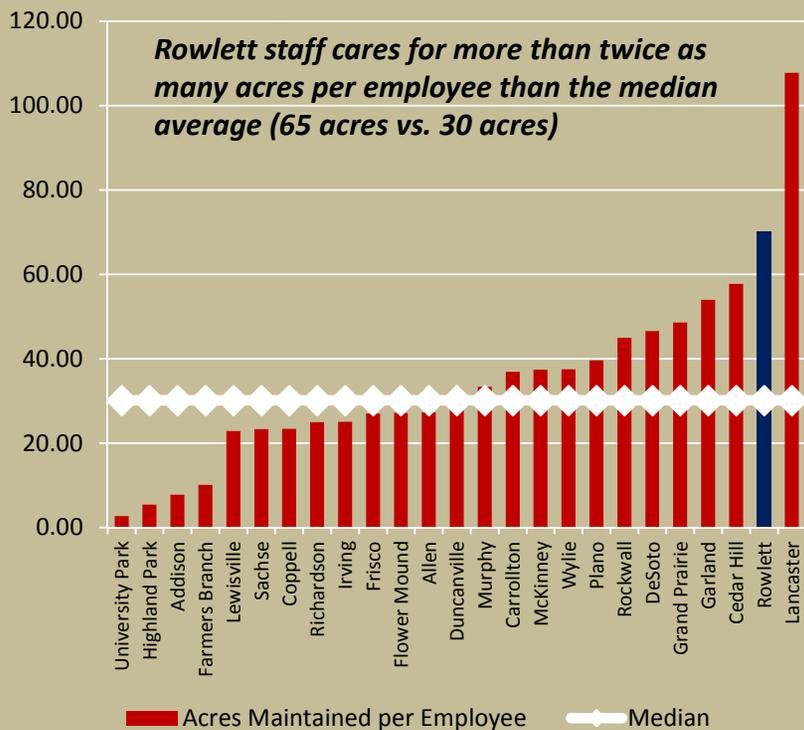
Projected shortfall for FY2015

Why are Fiscal Years 2016-2018 shaded?

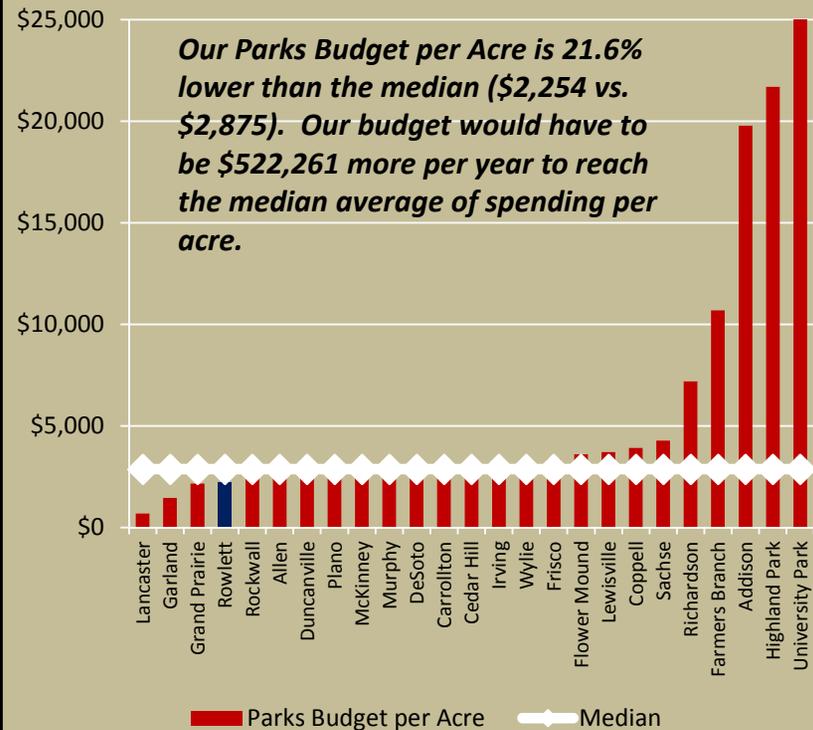
The City of Rowlett has a lot of moving pieces in evaluating the future. The national economy certainly is at the top of the list; however, the impact PGBT and DART will have on Rowlett is still undetermined and the timing with which new developments will be added will take time to mature and understand.

Proposal #5: Add one cent to the property tax rate to enhance parks maintenance standards and improvements

Total Parks Acres Maintained per Parks Employee for Comparative Cities



Parks Budget per Acre for Comparative Cities



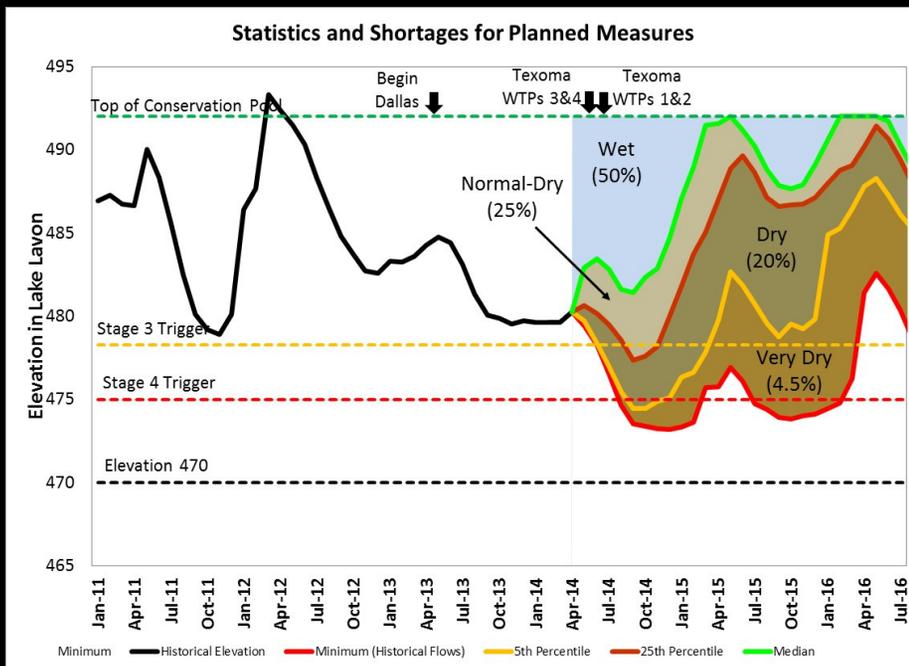
The maintenance of a community's park system speaks directly to its philosophy about quality of life!

Proposal #5: Add one cent to the property tax rate for community enhancement programs

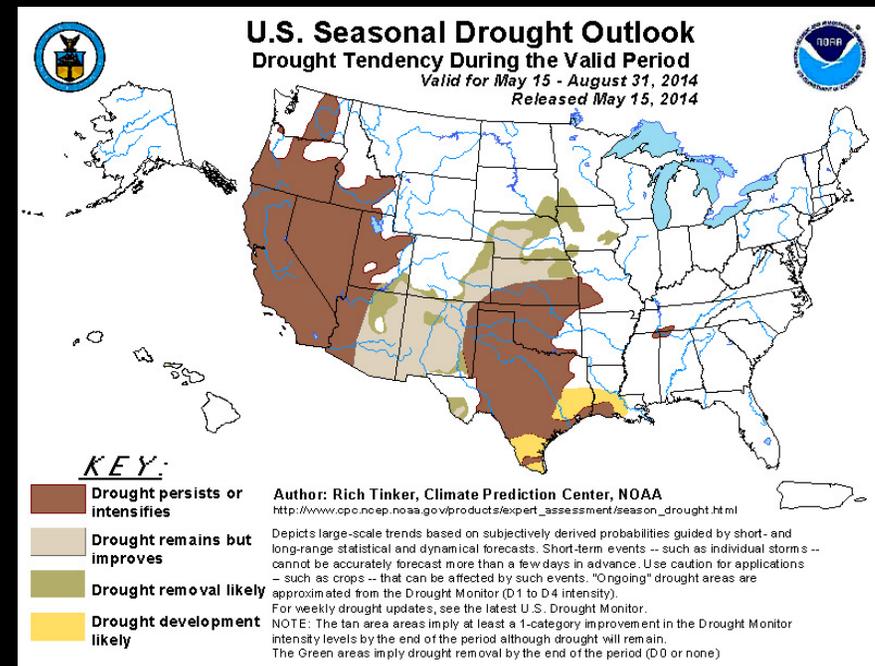
Community Enhancement Programs	Proposed FY2015	Proposed FY2016	Proposed FY2017	Total Three Year
Screening walls & fences	\$81,851	\$81,851	\$81,851	\$245,553
Median improvements & landscaping	81,851	81,851	81,851	245,553
Streetscaping, signage & monuments	81,851	81,851	81,851	245,553
Neighborhood entry features	81,850	81,850	81,850	245,550
Total	\$327,403	\$327,403	\$327,403	\$982,209

Proposal #6: Add a monthly surcharge for water rates due to water restrictions

Lake Level Modeling with Planned Measures



Drought Outlook



Proposal #7: Use Cash CIP Fund to cover Library Improvements and Chamber Relocation Costs

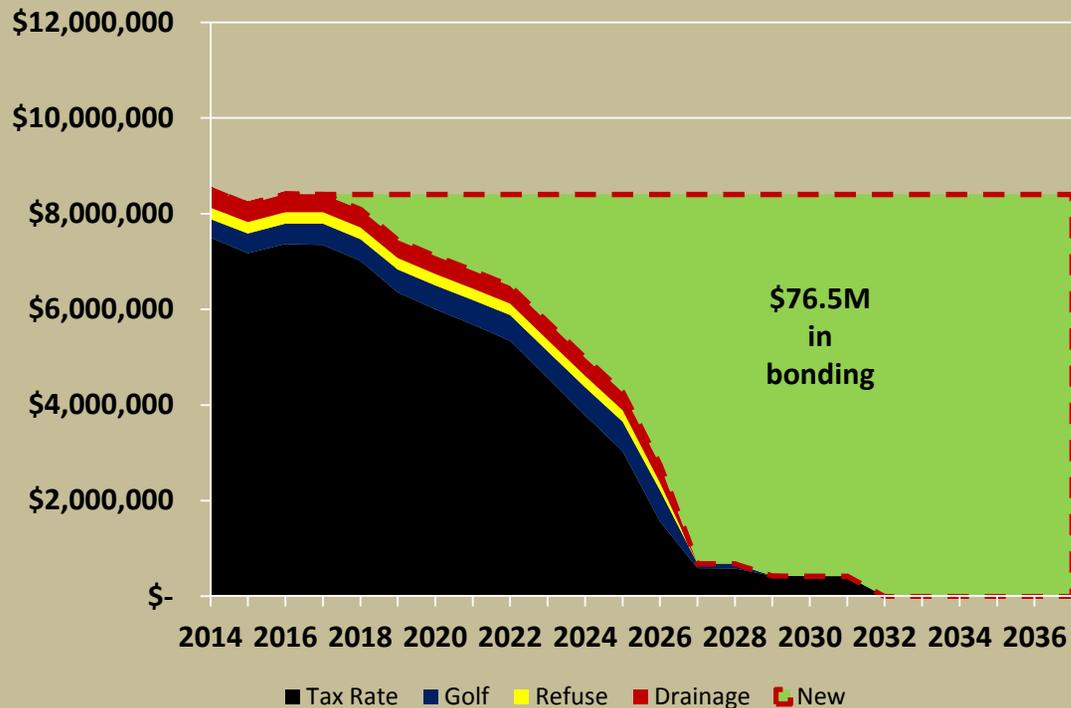


Village of Rowlett



Proposal #9: Hold bond election in May 2015

City of Rowlett
Current Debt Service Schedule and Future
Bonding Capacity



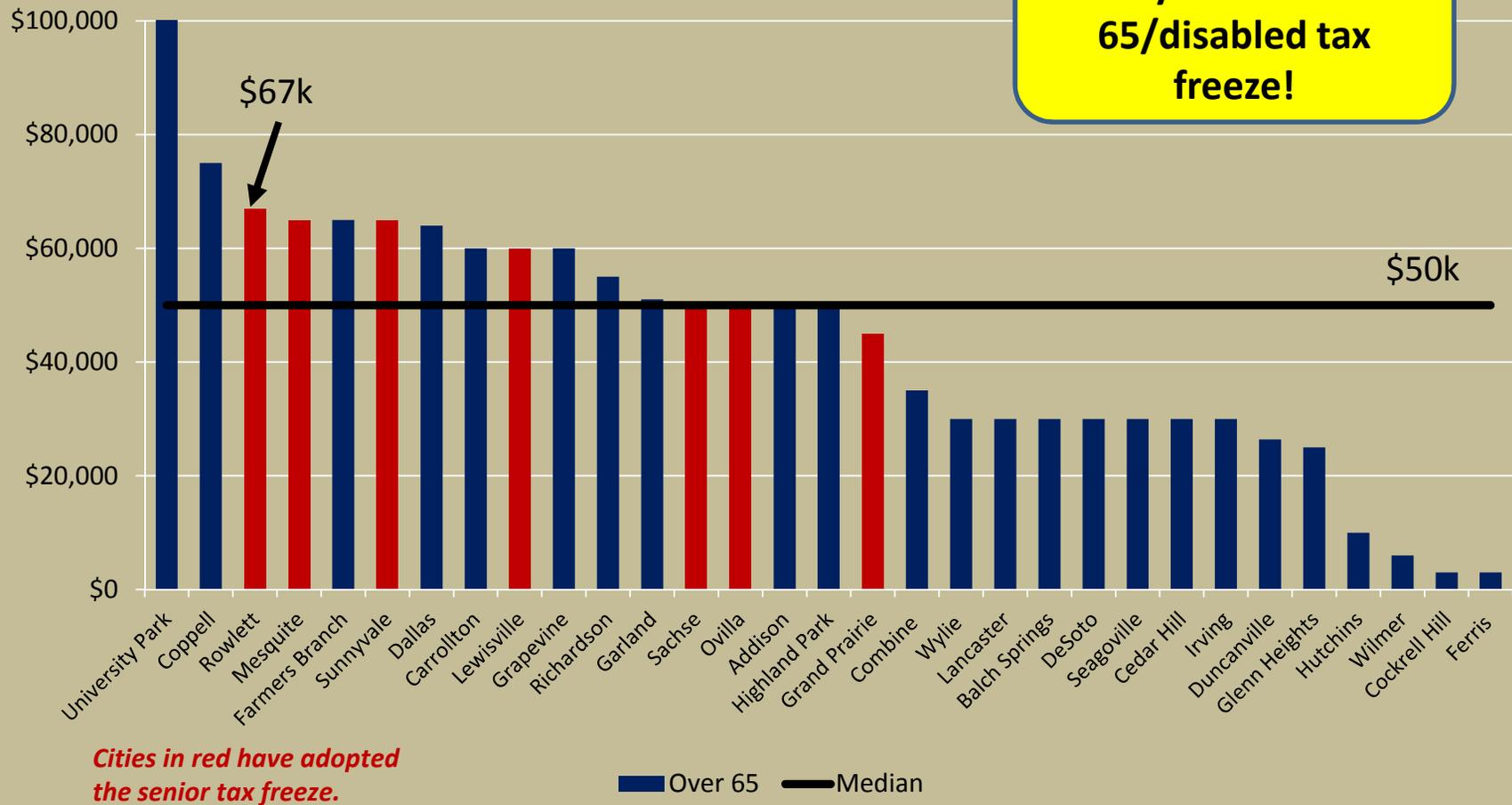
Beginning in FY2018, the City's annual general obligation debt service starts to dramatically decline.

This provides an opportunity to capture some of that capacity without increasing the tax rate through a series of bond issues over the next 3-5 years.

Proposal #10: Reduce the Tax Exemptions for over 65 and Disabled

Over 65/Disabled Tax Exemption Values for Dallas County Cities – FY2014

Only 7 cities in Dallas County have the over 65/disabled tax freeze!



Proposal #11: Adjust percentage of premiums charged to retirees for medical benefits

OPEB – Current balance as of 9-30-13 is \$1.1M and is growing about \$250k a year.

Opportunity exists to address the implicit rate by passing on more of the real cost of annual health premiums to retirees.

Rowlett - A City with a Future



President George Bush Turnpike



DART Light-Rail

Opportunities for Public Engagement

Date	Meeting
August 5	Proposed Budget submitted to the Rowlett City Council
August 14, 15, 16	City Council Budget Workshops
August 19	1 st Public Hearing on Budget and Tax Rate
September 2	2 nd Public Hearing on Budget and Tax Rate
September 16	Adoption of the Budget and Tax Rate

CITIZENS OF ROWLETT

CITIZENS OF ROWLETT

CITY OF ROWLETT

ORGANIZATION CHART



MAYOR & CITY COUNCIL



City Secretary

Laura Hallmark

CITY MANAGER



BRIAN FUNDERBURK



City Attorney

David Berman

Economic Development Director



Jim Grabenhorst

Financial Director



Alan Guard

Fire Chief



Neil Howard

Police Chief



Mike Brodnax

Library Director



Kathy Freiheit

Assistant City Manager



Jim Proce

Parks & Recreation Director



Jermel Stevenson

Public Works Director



Tim Rogers

Development Director



Marc Kurbansade

IT Director



Joe Beauchamp

Human Resources Director



John Murray