



City of Kerrville

Presentation

to

Rotary International

January 20, 2010

Inn of the Hills



Official Goals

- Understand the citizens' needs and wants.
- Deliver quality municipal and public safety services in a cost effective manner.
- Be good stewards of public resources through strategic planning.
- Plan, maintain, and upgrade infrastructure.
- Promote desirable growth of business, recreational and cultural assets.
- Encourage intelligent development through reasonable, responsible and forward thinking ordinances and streamlined procedures.
- Engage in beneficial relations with other governmental agencies.



City Objectives

- **Responsibility**

- Match Expenditures w/Current Resources
- Adequate Resources to Maintain Core Service Levels
- Address Community Needs/Desires
- Maximize Revenue Opportunities
- Sensitive to Impact to Tax/Rate Payers

- **Sustainability**

- Pursue Economic Diversification
- Stabilization Tools to Maintain Continued Service Levels
- Platform to Build Toward Official Goals

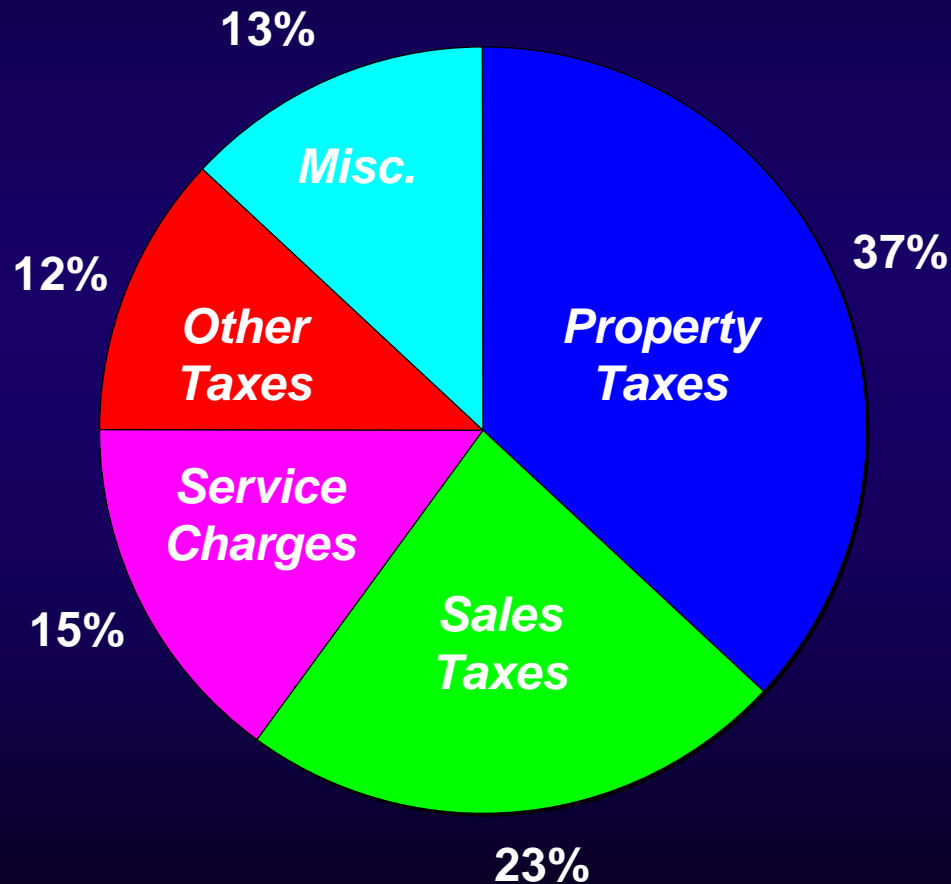
- **Transparency**

- Accountability for Decisions/Actions
- Accessible to the Community
- Built Upon Official Goals



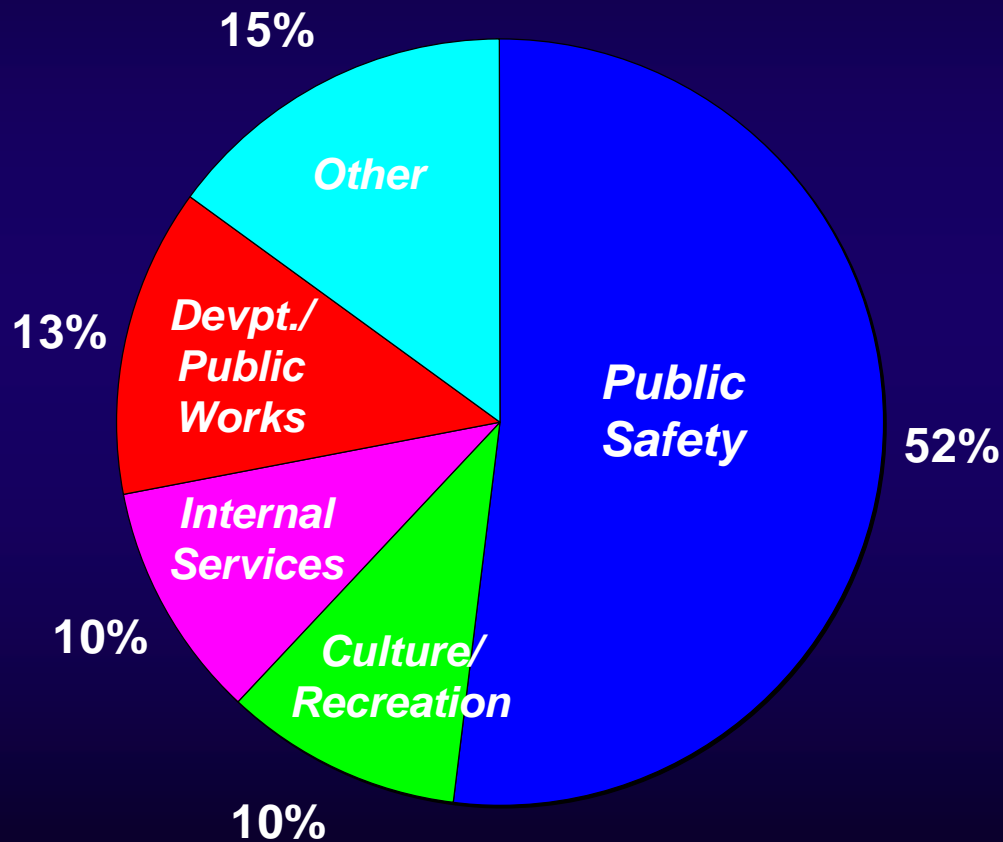
Financial Picture

General Fund Revenue Sources – FY2010



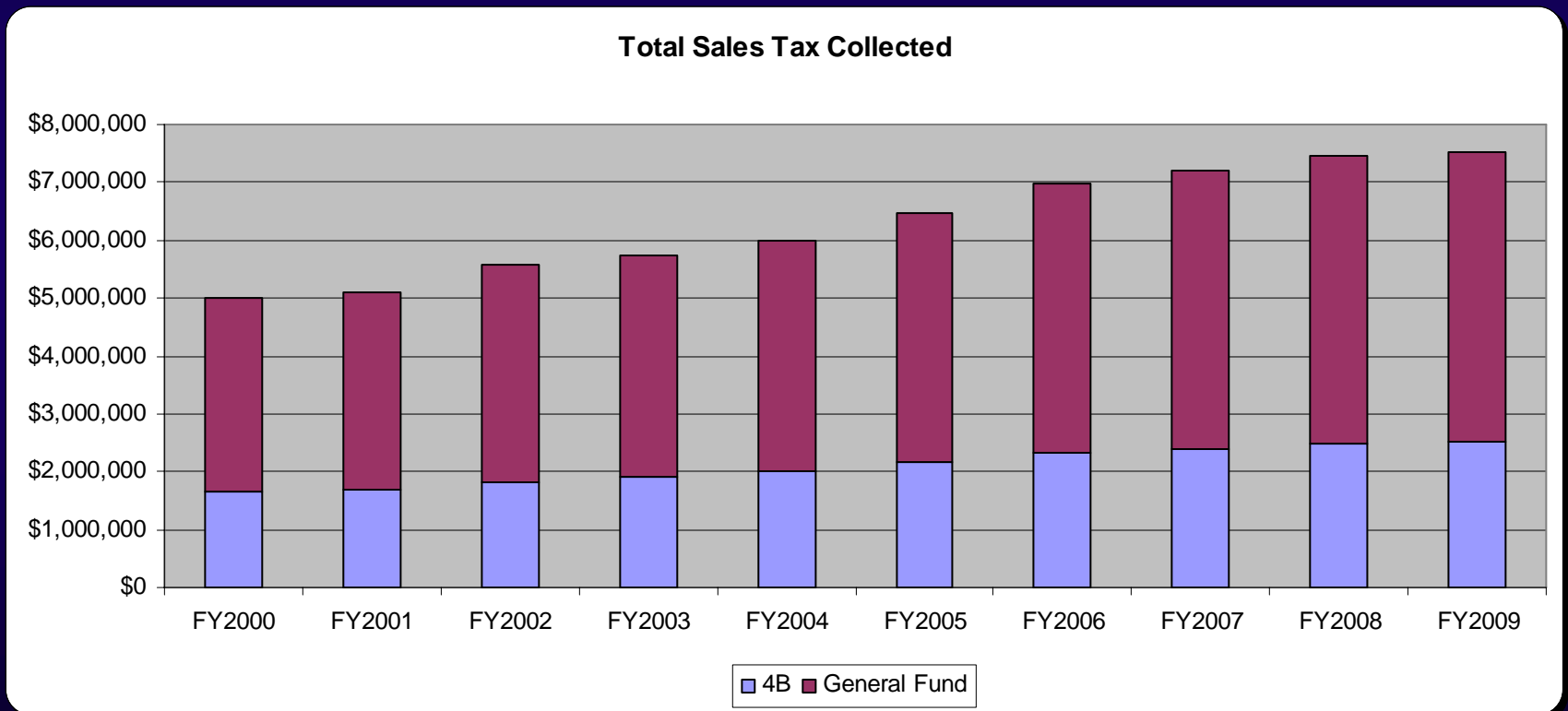
Financial Picture

General Fund Expenditures – FY2010



Financial Picture

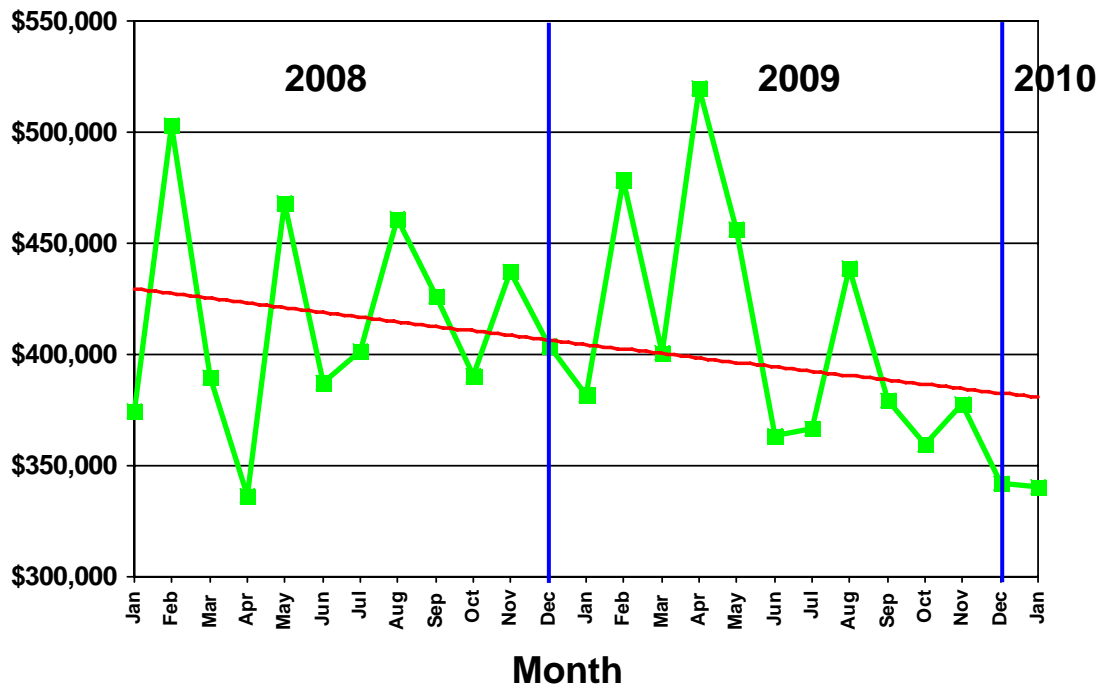
Sales Tax Receipts – FY2000 to FY2009



Financial Picture

Sales Tax Receipts – 2008 and 2009

Receipts



2008 vs. 2009

2.3% Reduction

Approx. \$114,000

FY 2010 Shortfall

\$188,000 (YTD)

February Receipts

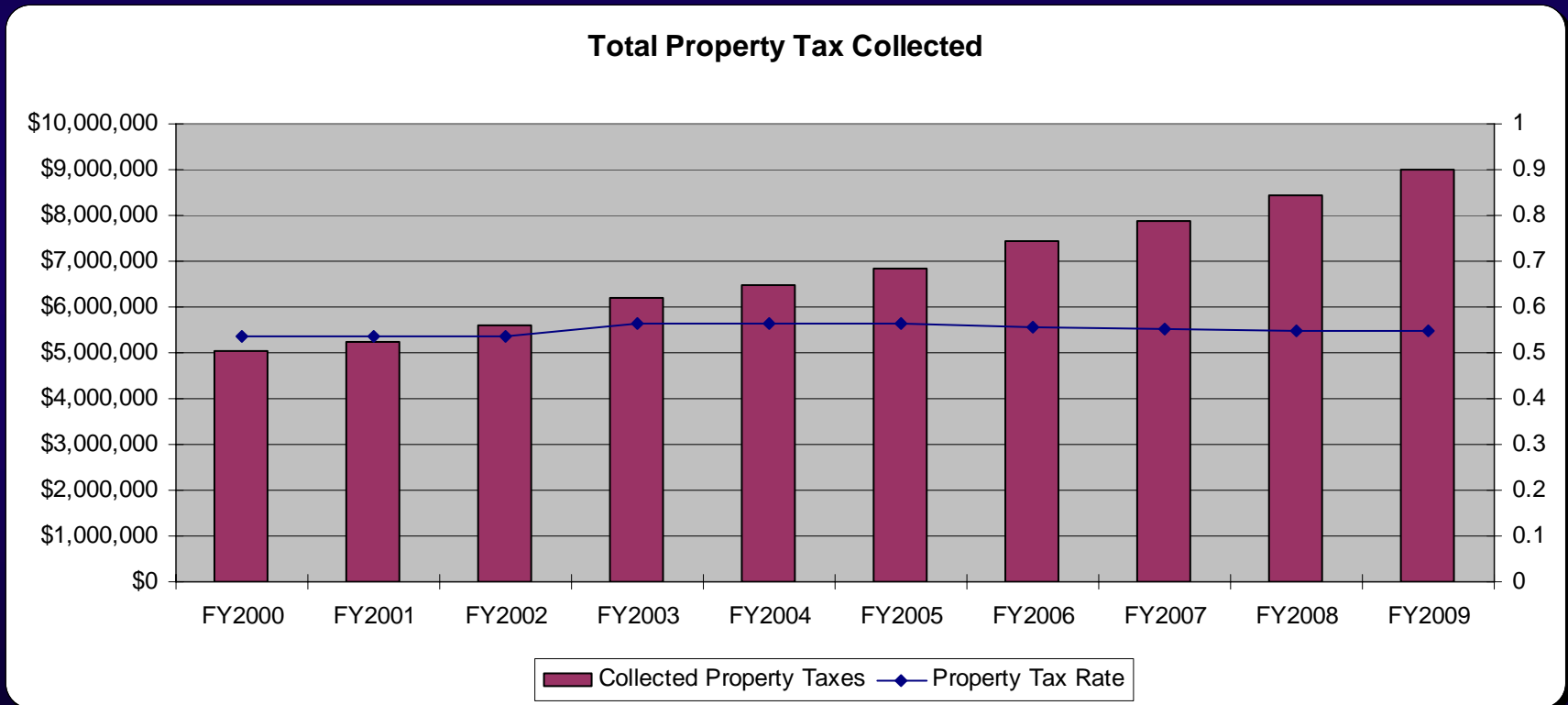
Remaining Revenue

Steady



Financial Picture

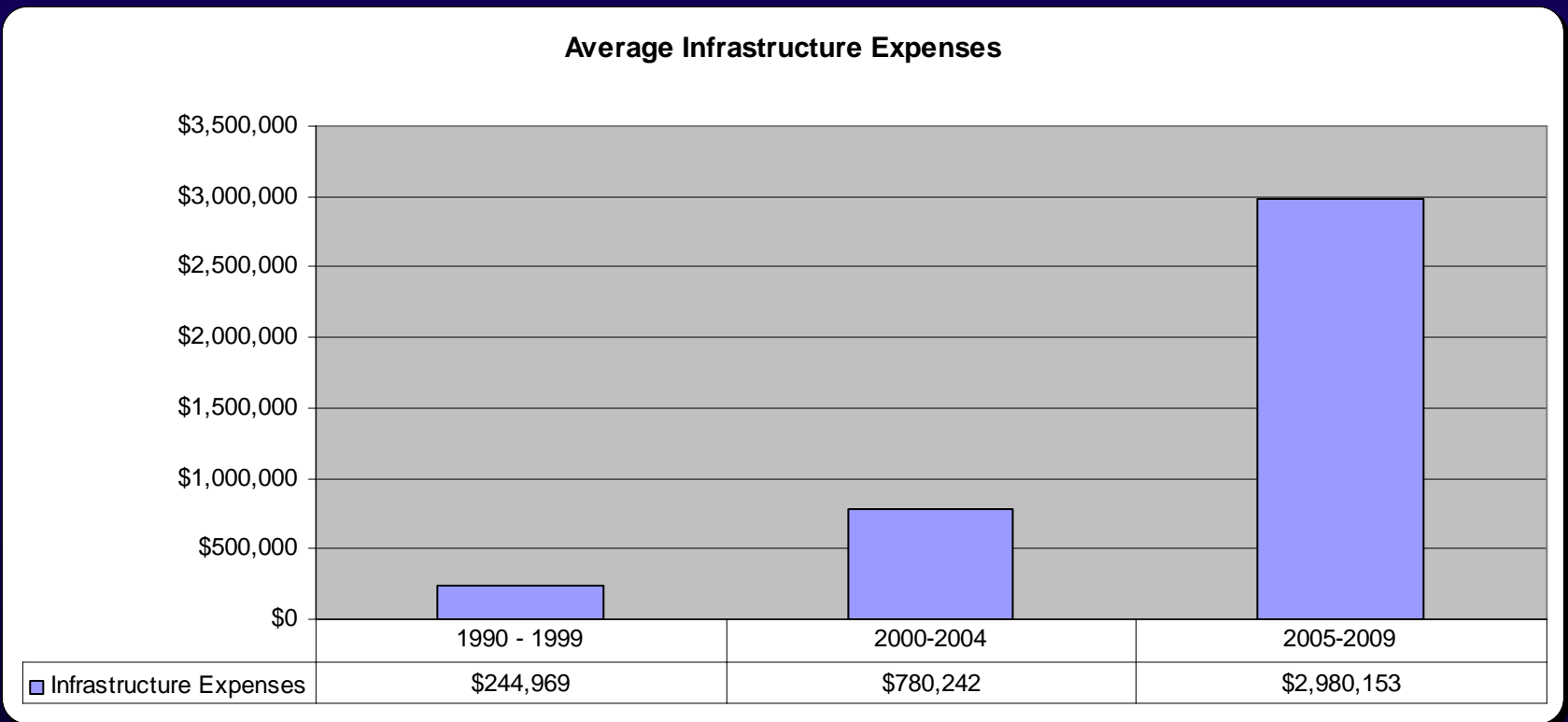
Property Tax History – FY2000 to FY2009



Infrastructure Investment

Annual Expenses – FY1990 to FY2009

Average Infrastructure Expenses



Infrastructure Investment

Existing CIP – FY2010 to FY2014

CIP Funding Summary

FY 2010 - 2014 CIP

<u>Funding Source</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Total</u>	<u>Future Funding</u>	<u>GRAND TOTAL</u>
General Fund	\$165,000	\$255,000	\$0	\$0	\$133,400	\$475,000	\$481,500	\$956,500
Water/Sewer	\$351,000	\$70,000	\$0	\$0	\$450,000	\$421,000	\$70,000	\$491,000
4b Pay As You Go	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Airport	\$767,500	\$465,600	\$213,000	\$547,000	\$525,000	\$2,043,100	\$0	\$2,043,100
General Fund Debt	\$2,200,000	\$2,350,000	\$3,200,000	\$6,355,000	\$5,195,000	\$19,078,000	\$3,830,000	\$22,908,000
Water/Sewer Debt	\$4,430,700	\$14,374,003	\$14,494,088	\$4,444,000	\$5,369,365	\$44,917,791	\$2,540,000	\$47,457,791
Grants	\$50,000	\$300,000	\$50,000	\$50,000	\$3,616,651	\$500,000	\$0	\$500,000
Other	\$250,000	\$530,000	\$4,000,000	\$0	\$153,000	\$4,780,000	\$200,000	\$4,980,000
TOTAL	\$8,214,200	\$18,344,603	\$21,957,088	\$11,396,000	\$15,442,416	\$72,214,891	\$7,121,500	\$82,475,807



Financial Picture

Tax Rate Forecast – FY2011 to FY2014

With 2010 Debt					Without 2010 Debt				
AV Growth Scenario	FY2011	FY2012	FY2013	FY2014	AV Growth Scenario	FY2011	FY2012	FY2013	FY2014
3% Growth in AV					3% Growth in AV				
Tax Rate Held to EM&O	0.5728	0.6031	0.6260	0.6481	Tax Rate Held to EM&O	0.5584	0.5892	0.6125	0.635
Tax Rate Held to EM&O + 3%	0.5872	0.6179	0.6412	0.6637	Tax Rate Held to EM&O + 3%	0.5729	0.6040	0.6277	0.6506
5% Growth in AV					5% Growth in AV				
Tax Rate Held to EM&O	0.5616	0.5797	0.5895	0.5979	Tax Rate Held to EM&O	0.5476	0.5663	0.5768	0.5858
Tax Rate Held to EM&O + 3%	0.5758	0.5939	0.6038	0.6123	Tax Rate Held to EM&O + 3%	0.5618	0.5806	0.5911	0.6001
8% Growth in AV					8% Growth in AV				
Tax Rate Held to EM&O	0.5457	0.5470	0.5401	0.5315	Tax Rate Held to EM&O	0.5321	0.5344	0.5284	0.5207
Tax Rate Held to EM&O + 3%	0.5595	0.5605	0.5532	0.5443	Tax Rate Held to EM&O + 3%	0.5459	0.5478	0.5415	0.5334

- Existing Tax Rate = \$0.5625
 - M and O Rate = \$0.4851
 - Debt Service Rate = \$0.0774
- Approximately 3% Increase in AV from FY2009 to FY2010



Infrastructure Investment

How Do We **PAY** for All of This?

1. Work within our financial constraints!
 - Deferring FY2010 Debt Issue
 - Don't sell debt
2. Economic diversification.
 - Target appropriate markets
 - Aggressively pursue prospects
3. Maximize existing resources.
 - More efficient use of resources
 - Leverage existing funds
 - In-house operations
 - Coordinate w/County
4. Alternative funding sources.
 - Grants
 - Fees
 - Developer Participation



Major Projects

1. Roadway Reconstruction (5 Miles Complete & Next Phase Being Planned)
2. Town Creek Sanitary Sewer – 95% Complete
3. Harper Highway Utility Extension
 - Construction June 2010 (12 months)
 - Utilities @ IH 10 and Harper Hwy.
 - Annex James Avery
4. KROC Center Detention – 90% Complete
5. Airport Taxiway Relocation Phase 1
 - Substantially Complete
 - 95% Funding via TxDOT
6. Airport Taxiway Relocation Phase 2
 - Underway (80,000 CY Excavated)
 - On-site Improvements Funded 100% w/Federal Stimulus Funds



Major Projects

7. ASR Well #3 – On Line September 2010
8. Water Production Well #7 – On Line September 2010
9. Birkdale Lift Station – Construction 2011
10. Safe Routes to School – Construction May 2010 (TxDOT funded)
11. System Wide RF Water Meter Replacement – Complete August 2010
12. Butts-Holdsworth Library Renovation (\$6 million)
 - Master Plan Complete
 - Fund Raising Effort Underway
 - Grant Submitted for Re-Roofing (\$86,000 Stimulus Funds)
13. Transfer Station – Construction Underway
14. Existing Building Code – Flexibility for existing commercial properties
15. Convention Center – RFP Underway (Due March 2010)
16. Economic Development Task Force





Questions and Comments

