

**CITY OF UNIVERSITY PARK, TEXAS  
FINANCE ADVISORY COMMITTEE  
THURSDAY, AUGUST 22, 2013 at 7:30 a.m.  
UNIVERSITY PARK CITY HALL  
CITY COUNCIL OVERFLOW ROOM, 2<sup>ND</sup> FLOOR**

**M I N U T E S**

*Attending:*

Atwood, John  
Cinatl, Cynthia  
Coleman, Russ  
Gordon, Dave  
Groves, Irving  
Lane, Alvin  
Noble, Julie

Russell, Thomas  
Stuart, John – Chair  
Touchstone, Neill  
Wilson, Claude

*Absent:*

Reeder, Dotti

*City Council and staff:*

Austin, Kent—Director of Finance  
Livingston, Bob—City Manager  
Moore, Dawn—City Council

1. *Call to order.*

Chair John Stuart called the meeting to order at 7:30 a.m.

2. *Review and approve minutes of June 10, 2013, meeting.*

The minutes of the June 10, 2013 meeting were approved by acclamation.

3. *Review and make recommendation regarding proposed FY2014 City budget.*

Kent Austin directed the group's attention to the proposed FY2014 budget. As listed in the meeting agenda, highlights of the proposed budget include:

- The citywide tax base rose 5.59%, and the UP average single-family home rose in value 5.61%, from \$1,092,539 to \$1,153,806 market value.
- The proposed City tax rate (\$0.27845) remains unchanged but would produce more revenue via the increase in taxable values, adding \$869,745 to the \$28.4 million General Fund budget.
- The average homeowner would pay \$2,570, versus \$2,433 last year, an increase of \$136. The average amount for FY2010, four years ago, was \$2,526.
- Projections for most non-property tax revenues are flat, especially sales tax and direct alarm revenue.
- Red light camera revenue is projected to reach \$100,000 next year, versus a budget of \$20,000 this year.
- A citywide market based pay raise of 2% is included for all full-time employees.

- The City's health insurance contribution per employee is budgeted at \$894/month, or \$10,725/year. This is up from the current \$825/month (\$9900/year). Employee contributions increased last year; a change this year has not yet been decided.
- One new full-time employee (Police-Fire Dispatcher) is included. The Library proposes to convert two part-time positions into one full-time position. This would change the UPPL staffing makeup from 3FT/5PT to 4FT/3PT. Citywide full-time employees number 245.
- Water and sewer rates are proposed to increase 15%. No change is proposed for sanitation and recycling rates.
- The library budget has been increased to accommodate an estimated \$50,000 in building maintenance fees, which are charged by the management company of the 8383 Preston Center Plaza building. Other increases are included for internet service and custodial service.

Discussion ensued. Committee members noted that the water/sewer and tax increases seemed like a lot to impose at the same time. One member suggested that the budget increase should not exceed the rate of inflation rate, about 2%.

The Committee discussed ways of reducing the budget's impact on taxpayers and suggested reducing the increase in capital projects transfers. Removing the 5% increase in General Fund transfers would save \$151,619. Stuart asked the City staff to identify about \$250,000 in savings and a way to reduce the property tax rate, and then poll the Committee members for their opinion.

Subsequently, City staff removed the \$151,619 transfer increase and the projected \$91,870 General Fund surplus, with the following results:

	Current Proposed	Changes	Alternative Proposed
General Fund			
Revenues	\$28,462,636	(\$243,489)	\$28,219,147
Expenditures	28,370,766	(151,619)	28,219,147
Net	91,870	(91,870)	0
Property tax rate	\$0.27845	(\$0.00413)	\$0.27432
Property tax revenue	\$16,427,929	(\$243,489)	\$16,184,440
\$ Change	\$869,745	(\$243,489)	\$626,256
% Change	5.59%		4.04%
Avg SF home tax bill	\$2,570.22	(\$38.10)	\$2,532.12
\$ Change v. last year	\$136.48		\$98.38
% Change v. last year	5.61%		4.04%

The alternative tax rate proposal was communicated to the Committee members by email. Nine members responded in favor and none opposed. City staff presented the lower tax rate in its presentation to the City Council on August 27.

4. *Updates.*

There were no updates.

5. *New business*

There was no new business.

6. *Review next meeting dates and topics/Adjourn.*

The Committee acknowledged the following meeting dates and topics, all Thursdays at 7:30 a.m., and adjourned at 8:40 a.m.

October 31, 2013—at DC/PC MUD

December 12, 2013

February 13, 2014

April 17, 2014

June 12, 2014

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John Stuart, Chair

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Kent Austin, Director of Finance