



UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

Meeting Date:
9/5/2023

Item Type:
Public Hearing

Subject: First Public hearing - FY2024 Budget

Prepared By: Thomas W. Tvardzik, Finance Director

Background:

The Texas Local Government Code (Section 102) requires that a budget hearing be held no sooner than 15 days after the budget is filed with the municipal clerk. Using August 18th as the original filing date, a hearing commencing on September 5th, meets this requirement. A "Notice of Public Hearings" regarding the budget was published in the Daily Commercial Record on August 21st, which (in accordance with the Code) is more than ten days before the date of the final hearing at which the budget will be adopted.

The University Park City Council traditionally holds the budget hearing over two consecutive City Council meetings. Therefore, it would be appropriate to announce to the public on September 5th, that the budget hearing will be continued until the September 19th City Council meeting. At the close of the hearing on the 19th, both the budget and the applicable property tax rate are scheduled for adoption.

Proposed budget

The proposed FY2024 budget of \$65,817,493 (all budgeted funds) is 7.4% higher than the adopted FY2023 budget of \$61,268,885. The General Fund budget of \$40,810,416 is 7.1% (or \$2,700,969) higher than FY2023.

Highlights of the proposed budget include:

- An 11.69% increase (year-over-year) in the City's certified taxable property value.
- A calculated property tax rate of 23.6226 cents per \$100 of taxable value, which is a decrease of 0.9748 cents (or 3.96%), from FY2023.
- A 7.27% increase (\$1,710,969) in projected property tax revenue from FY2023.
- Significant increases in both sales tax and interest earnings expectations.
- A balanced General Fund budget.
- A 22% increase in water rates due to cost increases from the DC/PC MUD.
- A 7.5% increase in sanitation rates due to higher personnel costs and loss of recycling revenue.
- A 22% increase in storm water rates (which is a programmed increase to eventually cover debt costs).
- A 5% increase in "pay-as-you-go" capital project funding (to \$8.3 million).

- Continued 5% premium in equipment reserve funding rates.
- Presumed resumption of the MPY “in-house” construction program.
- Compensation/Benefits changes as follows:
 - Continued merit increases (as needed),
 - 2% cost of living adjustment for all positions,
 - 3% market adjustment for sworn Public Safety personnel positions,
 - Additional market/paygrade adjustments for both sworn and certain non-sworn personnel,
 - Addition of 1 General Fund position (Direct Alarm Technician) to enhance service offerings,
 - Increase in Firefighter pension city contribution rate due to level-dollar funding,
 - Slight increase in TMRS pension rate,
 - No changes to benefit costs or employee contributions.
 - Addition of the Juneteenth holiday.

Fiscal Impact:

- ☐ Not Applicable
- ☐ Budget Amendment Required
- ☒ Proposed Revenue
- ☒ Proposed Expenditure

Funding Source:

Master Plan Goal:

Please check the associated Theme and provide the corresponding action item number.



	Theme	Action Item(s)
<input type="checkbox"/>	Affirming Sense of Place	
<input type="checkbox"/>	Assuring Connectivity	
<input type="checkbox"/>	Innovative Governance	
<input type="checkbox"/>	Technological Integration	
<input type="checkbox"/>	Preparing for the Future	
<input checked="" type="checkbox"/>	Not Applicable	

Recommendation:

Open the public hearing, review the proposed budget and invite public comments.

Continue the hearing until the next City Council meeting on September 19, 2023.

Committee Review (optional):

This budget was reviewed and recommended to City Council by the Finance Advisory Committee at their meeting on August 17, 2023.

Attachments:

- Budget Cover Page (Final version will reflect both the vote, and actual tax rate enacted).
- Budget Hearings Notice (Reflects Maximum Tax Rate).
- Budget Memo – prepared by City Manager to serve as a budget overview.
- Proposed Budget by Fund and Department - serves as a high-level budget summary.
- Property Tax Impact –illustrates the process used to calculate the property tax rate and the effect that rate will have on a typical single-family within the City.
- Budget Report Detail