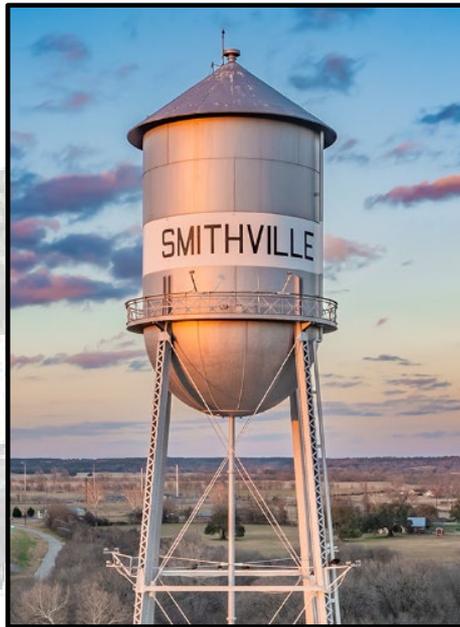


City of Smithville Special-Called Council Meeting / Budget Workshop #2



Wednesday, June 12, 2024

Smithville City Council Workshop

Wednesday, June 12, 2024

Agenda:

- STR Ordinance Overview – J. Rammel
- STR Database Demo – J. Lynch
- FY23/24 Current Budget Status – R. Tamble
 - Revenue vs. Expense
 - Sales Tax / Hot Tax Update
 - Tax Note Update
- FY24/25 Preliminary Budget Update
 - Budget Process / Timeline
 - FY24/25 Budget Assumptions
- Citizen Comments
- Next Steps



Smithville City Council Workshop

Wednesday, June 12, 2024

CITY OF SMITHVILLE SHORT-TERM RENTAL (STR) ORDINANCE

Jason Rammel, Senior Attorney
Law Offices of Ryan Henry, PLLC

Citizen Comments



Smithville City Council Workshop

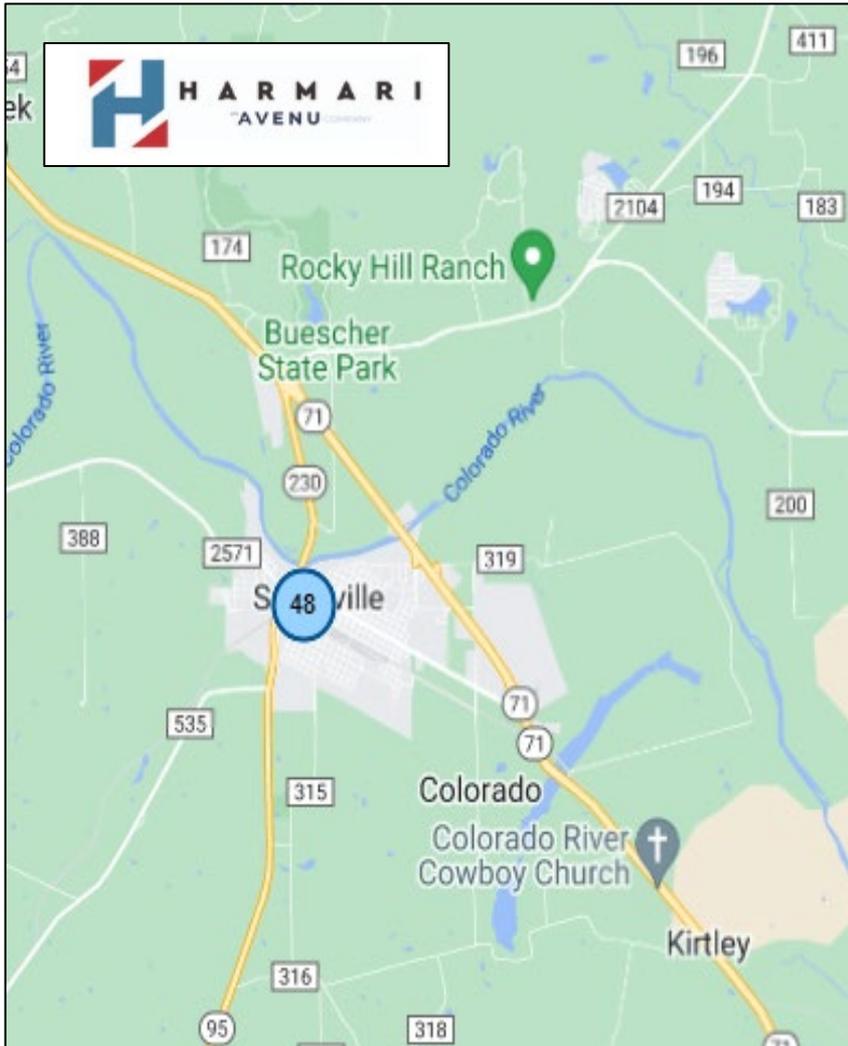
Wednesday, June 12, 2024

AVENUE INSIGHTS Short-Term Rental (STR) PLATFORM DEMO

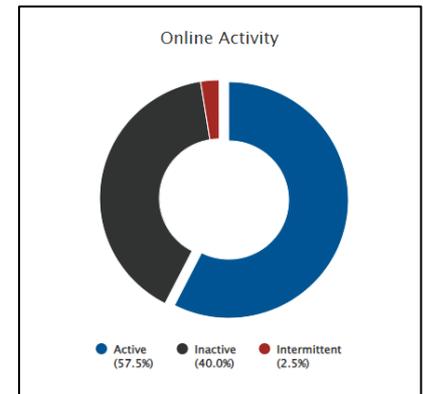
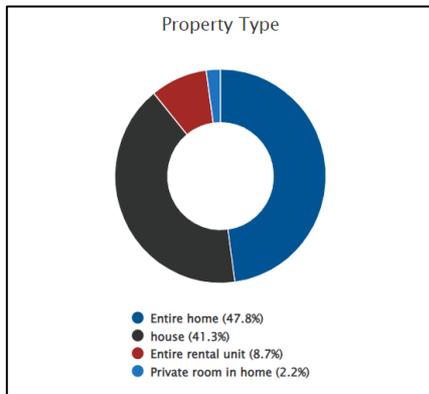
Jenner Lynch
City Secretary / HR Director

Smithville City Council Workshop

Wednesday, June 12, 2024



48	STR active and intermittent listings mapped in Smithville TX
46	active listings with minimum night stay below 366
<div style="width: 100%; height: 10px; background: linear-gradient(to right, green 95%, yellow 95%, orange 100%);"></div>	
100.0%	active listings identified
0	STR listings added in the past 30 days
\$183.47	average nightly rate
60.7%	average 6 month occupancy
6	operators with 2 or more listings



Citizen Comments



City of Smithville Special-Called Council Meeting / Budget Workshop #2



Current Budget Status / Tax Note Update

Smithville City Council Workshop

Wednesday, June, 12 2024

Current Budget Status:

- FY23/24 Revenues **EXCEEDING** Expenditures by \$372k on a \$15.8M budget.
- 3X Operating in GF Fund Balance.
- HOT Tax and Sales Tax revenues are STABLE.
- 39% of \$3M Tax Note has been spent. \$83k YTD Interest earned.
- FY24/25 budget process currently underway.



FUND BALANCE

GF = \$499k

>\$1,631,514

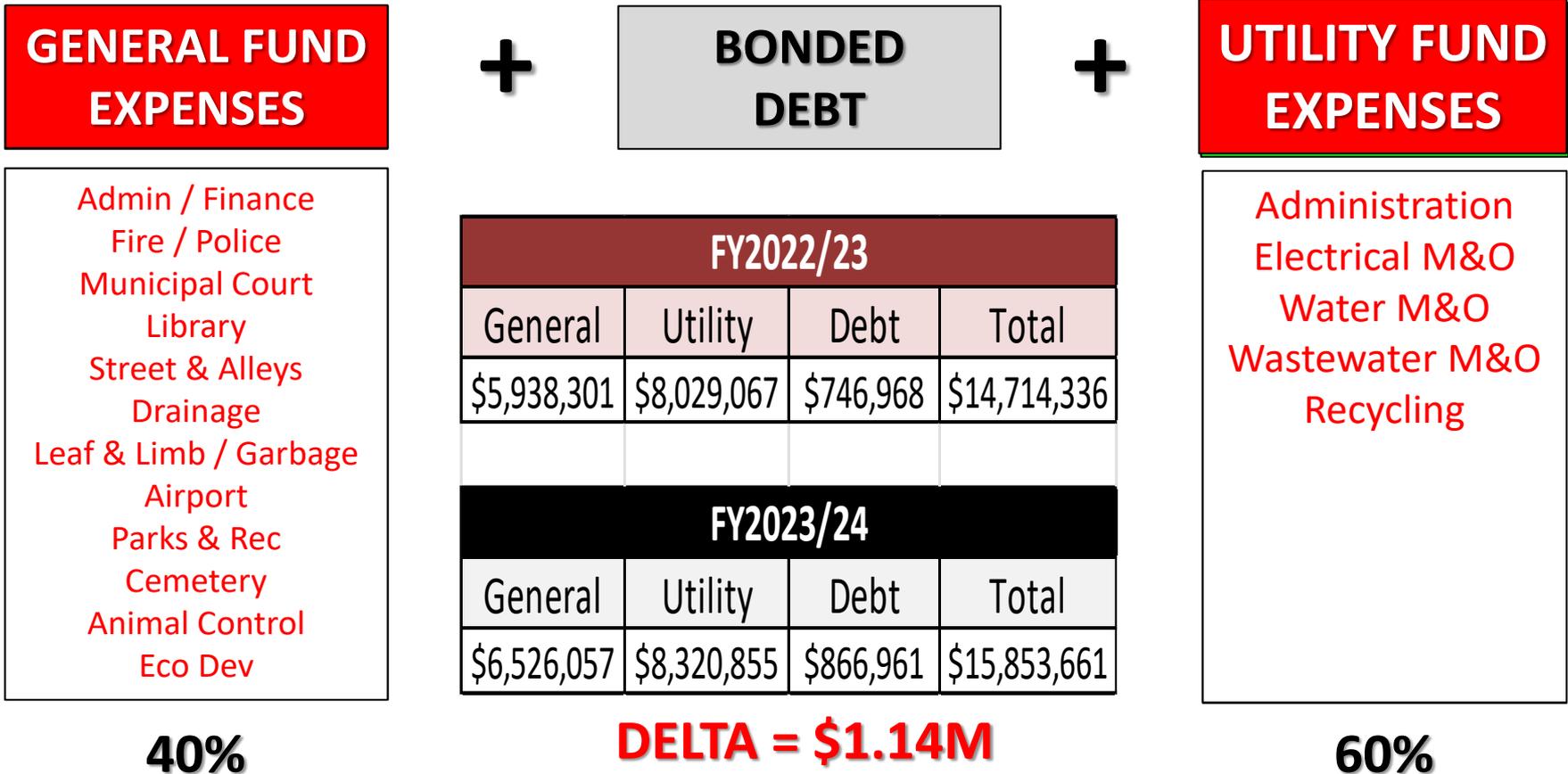
3X Operating

**Completed 67%
(8-months) of Fiscal Year**

City of Smithville Budget Workshop

Wednesday, August 23, 2023

BUDGET COMPONENTS



**CITY OF SMITHVILLE
GENERAL FUND RECAP
2023-2024**

RAMP GRANT

FOR MONTH OF: May

	2023/2024 Y-T-D	2023/2024 BUDGET	2023/2024 % OF BUDGET USED/COLLECTED	2022/2023 05/31	AMENDED 2022/2023 BUDGET	2022/2023 % OF BUDGET USED/COLLECTED
REVENUES:						
Taxes	2,440,148	2,937,464	83.07%	2,280,142	2,753,614	82.81%
Licenses & Permits	103,371	177,150	58.35%	53,967	96,212	56.09%
Services	1,128,894	1,629,080	69.30%	942,738	1,423,330	66.23%
Court	35,831	57,250	62.59%	35,116	50,672	69.30%
Miscellaneous	1,032,450	1,515,304	68.13%	1,046,740	1,582,683	66.14%
Contributions	202,804	209,809	96.66%	167,023	196,164	85.14%
TOTAL REVENUES	4,943,497	6,526,057	75.75%	4,525,727	6,102,675	74.16%
EXPENSES:						
Administration	334,470	452,183	73.97%	297,012	445,757	66.63%
Finance	65,217	95,915	68.00%	61,187	84,275	72.60%
Police	1,122,950	1,784,846	62.92%	911,915	1,368,593	66.63%
Animal Control	45,840	74,383	61.63%	43,923	64,500	68.10%
Court	58,502	93,534	62.55%	46,757	74,465	62.79%
Fire	111,752	193,789	57.67%	56,376	81,853	68.88%
Library	297,574	465,044	63.99%	246,169	390,710	63.01%
Community Service	59,373	89,680	66.21%	67,252	81,510	82.51%
Parks & Recreation	261,496	453,634	57.64%	279,032	426,470	65.43%
Recreation Center	266,336	413,026	64.48%	245,700	376,240	65.30%
Street & Alley	461,658	491,867	93.86%	456,323	657,730	69.38%
Solid Waste	920,126	1,404,219	65.53%	759,813	1,301,443	58.38%
Enforcement/Insp	63,378	136,778	46.34%	79,017	114,120	69.24%
Cemetery	91,232	142,963	63.81%	81,908	124,660	65.71%
Airport	121,818	72,900	167.10%	87,967	103,781	84.76%
Economic Development	97,672	161,296	60.55%	76,081	153,560	49.54%
TOTAL EXPENSES	4,379,395	6,526,057	67.11%	3,796,432	5,849,667	64.90%
Revenues Over/(Under)	564,103	0		729,295	253,008	



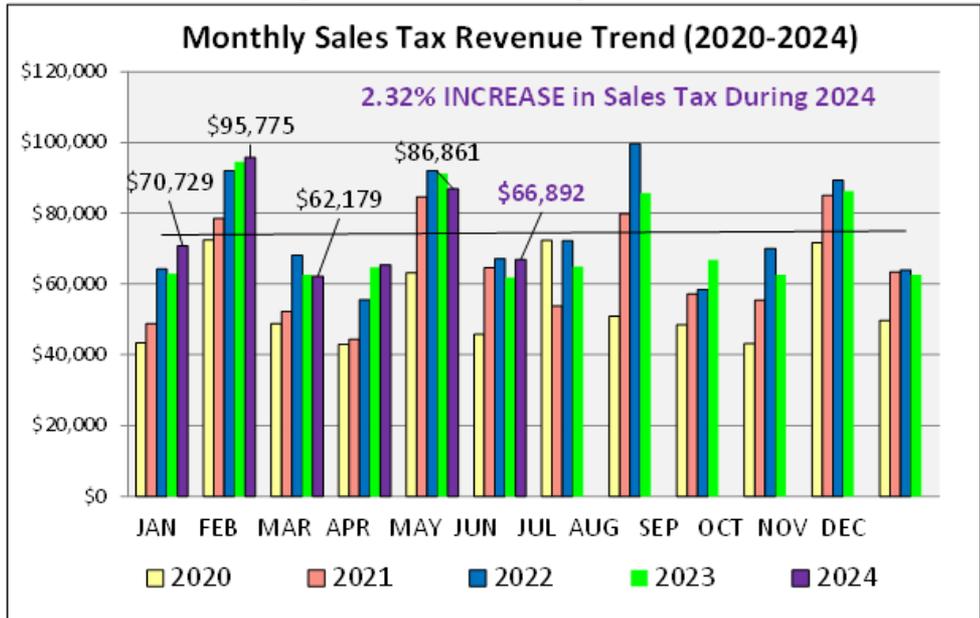
**CITY OF SMITHVILLE
UTILITY FUND RECAP
2023-2024**

FOR MONTH OF: May

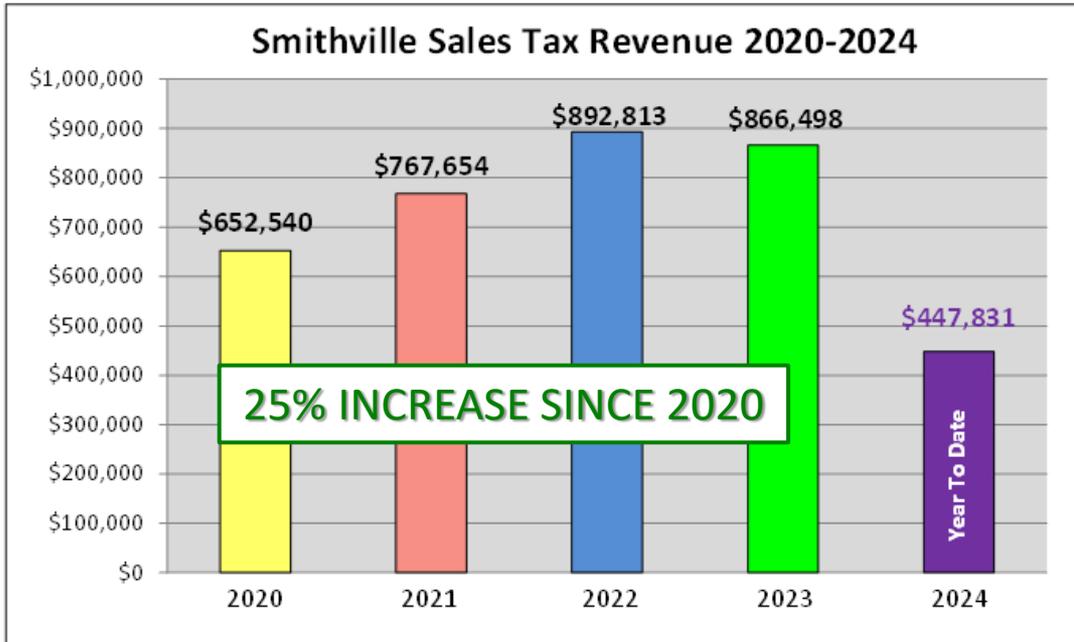
	2023/2024 Y-T-D	2023/2024 BUDGET	2023/2024 % OF BUDGET USED/COLLECTED	2022/23 @ 05/31	AMENDED 2022/23 BUDGET	2022/23 % OF BUDGET USED/COLLECTED
REVENUES:						
Electric	3,211,892	5,648,285	56.86%	3,212,535	5,694,830	56.41%
Water	725,091	1,249,250	58.04%	660,394	1,107,544	59.63%
Wastewater	608,764	851,000	71.54%	608,102	918,978	66.17%
Miscellaneous	513,799	572,320	89.77%	394,078	641,410	61.44%
TOTAL REVENUES	5,059,546	8,320,855	60.81%	4,875,110	8,362,762	58.30%
EXPENSES:						
Administration	1,084,591	1,787,300	60.68%	1,137,574	1,827,568	62.25%
Electric	2,264,420	3,839,723	58.97%	2,378,610	3,920,396	60.67%
Recycle	49,847	68,224	73.06%	47,745	61,525	77.60%
Water	281,805	412,288	68.35%	316,046	425,614	74.26%
Wastewater	740,724	881,266	84.05%	676,423	867,794	77.95%
Transfers	888,036	1,332,054	66.67%	900,883	1,351,325	66.67%
TOTAL EXPENSES	5,309,423	8,320,855	63.81%	5,457,282	8,454,222	64.55%
Revenues Over/(Under)						
Expenses:	(249,876)	0		(582,172)	(91,460)	

Smithville Sales Tax Revenue (2020-2024)

	2019	2020	2021	2022	2023	2024
JAN	\$39,325	\$43,347	\$48,759	\$64,226	\$62,860	\$70,729
FEB	\$59,926	\$72,422	\$78,459	\$92,024	\$94,558	\$95,775
MAR	\$36,333	\$48,809	\$52,210	\$68,204	\$62,561	\$62,179
APR	\$39,391	\$42,977	\$44,438	\$55,574	\$64,717	\$65,395
MAY	\$60,837	\$63,095	\$84,622	\$92,007	\$91,169	\$86,861
JUN	\$43,545	\$45,779	\$64,516	\$67,197	\$61,809	\$66,892
JUL	\$43,536	\$72,352	\$53,723	\$72,234	\$64,911	
AUG	\$58,843	\$50,878	\$79,858	\$99,610	\$85,733	
SEP	\$47,330	\$48,442	\$57,169	\$58,446	\$66,831	
OCT	\$40,562	\$43,150	\$55,398	\$69,994	\$62,501	
NOV	\$57,870	\$71,574	\$85,087	\$89,312	\$86,235	
DEC	\$48,244	\$49,714	\$63,415	\$63,985	\$62,613	

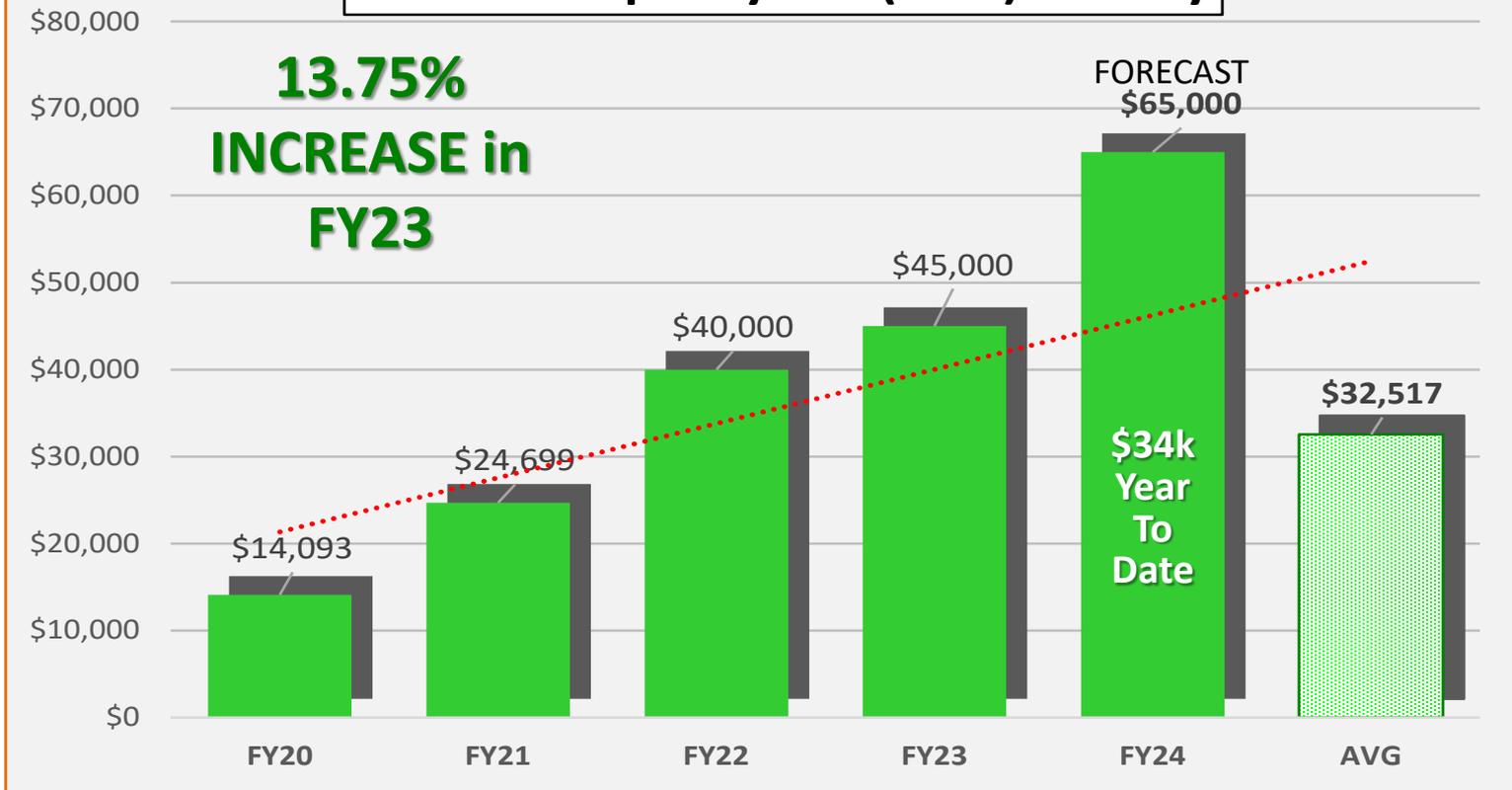


Sales Tax Revenue	2019	2020	2021	2022	2023	2024
	\$575,742	\$652,540	\$767,654	\$892,813	\$866,498	\$447,831



2024 YTD COMPARISON	
County/City	% Change
Bastrop	5.61% ↑
Elgin	4.88% ↓
Smithville	2.32% ↑
Bastrop County	6.88% ↓

Hotel Occupancy Tax (HOT) History



- FY23 Annual Hotel Occupancy Tax Revenue = \$45,500
- Thirty-One (31) hotel / lodging / STR establishments currently paying HOT
- 7% of Taxable Receipts with 1% Discount if paid before the quarterly DUE DATE

City of Smithville \$3M Series 2023 Tax Note

Police Department

Qty	Description	Unit Cost	Total	Actual	Remain	Received	Comments
1	Micellaneous Equipment	\$85,000	\$85,000	\$52,339	\$32,661	WIP	Weapons, Ammunition, Tasers, Office Equipment, Computers, etc.
2	Patrol Vehicles	\$65,000	\$130,000	\$0	\$130,000	Ordered	Two (2) fully outfitted patrol vehicles (estimated Dec 2024)
2	Offline F150 Responder PU	\$65,000	\$130,000	\$122,684	\$7,316	YES	Offline (un-marked) vehicles for PD
1	New HVAC	\$20,000	\$20,000	\$10,707	\$9,293	YES	Replace / repair HVAC to improve efficiency and reduce cost
1	Animal Control Vehicle	\$55,000	\$55,000	\$53,770	\$1,230	YES	Replace old vehicle with new holding pins for animals
13	Mobile CAD Units for Patrol Cars	\$6,250	\$81,250	\$0	\$81,250	WIP	Mobile access to BADGE system and other LE databases.
			\$501,250	\$239,500	\$261,750		

Public Works / Utilities

Qty	Description	Unit Cost	Total	Actual	Remain	Received	Comments
1	Chipper Truck	\$85,000	\$85,000	\$0	\$85,000	Ordered	Replace older chipper truck (estimated delivery July 2024)
1	Sewer Pump Truck	\$200,000	\$200,000	\$0	\$200,000	WIP	Truck needed to pump clogged sewer lines and/or lift stations
1	Small Bucket Truck	\$166,155	\$166,155	\$166,155	\$0	YES	Use for tree trimming and cleaning alleys + back-up when needed (Dec 1)
2	Utility Trucks (F-250)	\$80,000	\$160,000	\$131,718	\$28,282	YES	Replace older trucks in current fleet (1 Received / 1 estimated delivery July 2024)
1	Tractor w/ Shredder	\$37,205	\$37,205	\$36,300	\$905	YES	Additional tractor to mow at Airport and Riverbend Park (Est. Dec 1)
	Mini Excavator	\$37,000	\$37,000	\$37,000	\$0	YES	needed for utility department
1	Warehouse Roof Repair	\$100,000	\$100,000	\$82,500	\$17,500	WIP	New roof w/ spray insullation to repair leaks help with heating / cooling
1	Rack Storage System (Warehouse)	\$14,640	\$14,640	\$14,640	\$0	YES	Rack storage system will provide additional space in warehouse
1	Miscellaneous Tools / Equip.	\$100,000	\$100,000	\$26,599	\$73,401	WIP	Mowers, Weed-eaters, Chainsaws, Tools, Tire Balancer, Industrial Vacuum
1	Streets/Drainage/Sidewalks/Curbs	\$200,000	\$200,000	\$64,661	\$135,339	WIP	Road repair / paving. Street Assessment. Sidewalks / curbs. Small drainage projects.
			\$1,100,000	\$559,573	\$540,427		

General

Qty	Description	Unit Cost	Total	Actual	Remain	Received	Comments
1	Airport Lighting System	\$150,000	\$150,000	\$154,500	-\$4,500	PAID	Upgrade runway lighting system. Est. cost = \$1.5M w/ 10% Grant Match.
1	Security Camera Upgrade	\$50,000	\$50,000	\$0	\$50,000	WIP	Now \$50k for Parks and Recycling Center camera installation.
1	City ERP System	\$200,000	\$200,000	\$0	\$200,000	WIP	Enterprise Resource Planning (ERP) system for payroll, budget, billing, HR, timecards.
1	Fire Department Tanker	\$275,000	\$275,000	\$0	\$275,000	WIP	Purchase Fire Tanker for SVFD
1	Baseball Field / Park Upgrades	\$50,000	\$50,000	\$0	\$50,000	WIP	Facility upgrades at Little League/Baseball Fields (Keilberg, Riverbend, Dennis Walker).
1	Cemetery CRM Platform	\$25,000	\$25,000	\$13,097	\$11,903	WIP	Purchase cemetery inventory management system / customer interface
1	Playground Equip / Park Upgrades	\$200,000	\$200,000	\$145,338	\$54,662	WIP	Playground equipment for Riverbend Park (\$45k + \$35k Installation). MLK Park BB Court(s) +\$50k
1	Misc. City Facility Upgrades	\$285,000	\$285,000	\$66,325	\$218,675	WIP	Security doors / counter glass / panic buttons @ City Hall (\$45k). HVAC repairs @ Rec Center. Upgrade microphones in Council Chambers. Added \$110k duplicate grant match.
1	Grant Match for Infrastructure	\$165,000	\$165,000	\$0	\$165,000	WIP	GLO Drainage (\$130k) / TXDOT Main Street ADA Ramps & Sidewalks (\$35k)
			\$1,400,000	\$379,260	\$1,020,740		

Totals: \$3,001,250 \$1,178,333 \$1,822,917

60.74% Remain
39.26% Spent

City of Smithville Special-Called Council Meeting / Budget Workshop #2



FY24/25 Preliminary Budget Overview

Smithville City Council Workshop

Wednesday, June 12, 2024

Budget Timeline:

- Five (5) Budget Workshops scheduled.
- Process increases in scope and complexity over time.
- 2024 BCAD Property Values certified in **JULY**.
- Department level projects, plans, and spending detail will be presented @ the 8/21/24 workshop.
- Council will VOTE on **9/9/24** to Adopt FY24/25 Tax Rate & Budget

FY24/25 Budget Workshop Schedule			
Date	Description	Location	Time
5/22/2024	Budget / Council Workshop #1	City Hall	5:30 PM
6/12/2024	Budget / Council Workshop #2	City Hall	5:30 PM
7/10/2024	Budget / Council Workshop #3	City Hall	5:30 PM
8/21/2024	Budget / Council Workshop #4	City Hall	5:30 PM
9/4/2024	Budget / Council Workshop #5	City Hall	5:30 PM

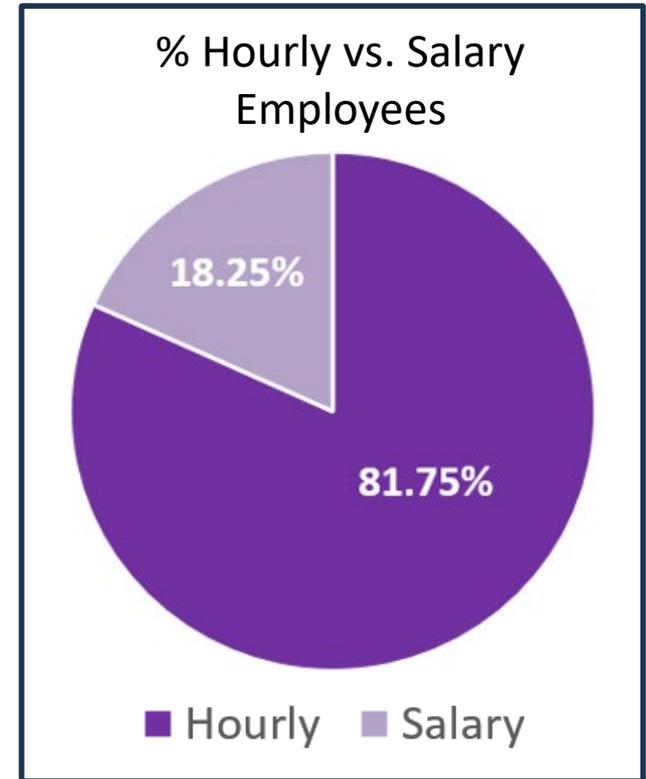


Smithville City Council Workshop

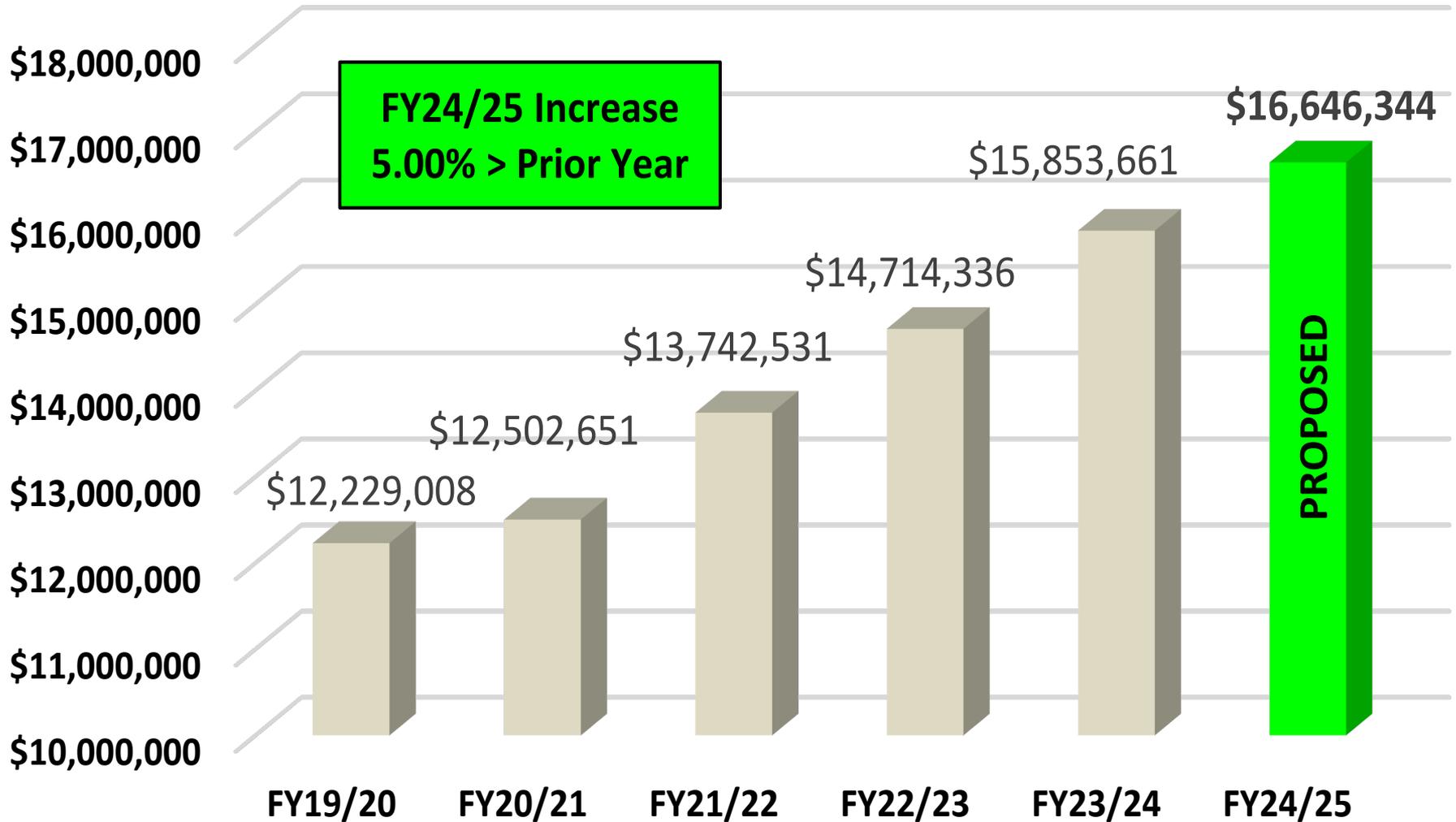
Wednesday, June 12, 2024

Budget Assumptions:

- Targeting 5% Y-O-Y Increase or \$792k.
- Payroll and Benefits account for 35% of total FY23/24 Budget
- Targeting 3-5% COLA for Employees
 - If 3% COLA = \$165k Impact
 - If 5% COLA = \$274k Impact
- Actively evaluating **cost savings / cost cutting measures**. Identification and prioritization of plans, projects, and budgetary needs underway.
- NO PLANS at this time to increase utility fees (e.g., water, electric, sewer, garbage).



City of Smithville Budget History



City of Smithville Budget History

	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25
General Fund	\$4,654,373	\$5,008,912	\$5,522,767	\$5,938,301	\$6,526,057	\$6,852,360
Utility Fund	\$7,063,851	\$6,982,972	\$7,703,590	\$8,029,067	\$8,320,855	\$8,736,898
I&S Debt	\$410,415	\$408,555	\$516,174	\$746,968	\$866,961	\$910,309
Maintenance Fund	\$100,369	\$102,212	\$104,252	\$117,868	\$139,788	\$146,777
TOTAL	\$12,229,008	\$12,502,651	\$13,742,531	\$14,714,336	\$15,853,661	\$16,646,344
% Increase / Decrease	4.30%	2.24%	9.92%	7.07%	7.74%	5.00%
Tax Rate	\$0.569000	\$0.549010	Stable Tax Rate \$0.549000	\$0.548930	\$0.548952	TBD
% Increase / Decrease	0.00%	-3.64%	0.00%	-0.01%	0.004%	TBD

- Typically Target 5% Year-over-Year Budget Increase = \$792k
- Current FY23/34 Tax Rate is \$0.548952 per \$100.00 valuation.
- Proposed Tax Rate is UNAVAILABLE until BCAD Certifies the Tax Roll in July

2024 BCAD Assessed Property Values / Tax Rate

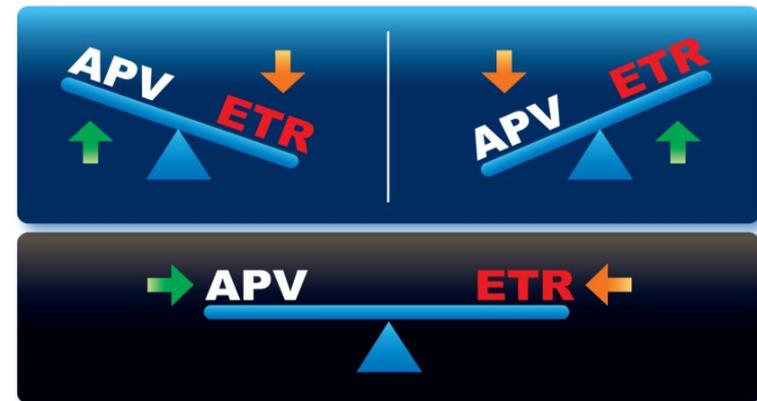
- 2024 BCAD net taxable property values (PRELIMINARY) in Smithville total **\$479,955,113**.
- **6.27% increase** over last year's net taxable value of \$451,637,286.
- This could add **\$155,445** of revenue to the FY24/25 General Fund.
- Increase due to the number of remodeled buildings, newly constructed homes, and assessed value adjustments (BCAD Comps).

BCAD Property Valuation & City Tax Rate Comparison - PRELIMINARY									
Year	Assessed Valuation	% Change in Value	Avg Home Value	Avg City Tax Paid	M&O Rate	I&S Rate	Total Tax Rate	% Change	
2024	\$479,955,113	6.27%	\$255,778	TBD					
2023	\$451,637,286	14.48%	\$236,085	\$1,290	\$0.3765	\$0.1724	\$0.5489	0.00%	
2022	\$394,511,444	20.20%	\$208,432	\$1,144	\$0.3831	\$0.1659	\$0.5489	-0.01%	
2021	\$328,207,972	12.44%	\$186,277	\$1,023	\$0.4194	\$0.1296	\$0.5490	0.00%	
2020	\$291,892,810	6.06%	\$170,086	\$933	\$0.4466	\$0.1024	\$0.5490	-3.52%	
2019	\$275,208,274	10.97%	\$162,541	\$925	\$0.4525	\$0.1165	\$0.5690	0.00%	
2018	\$247,999,239	4.63%	\$151,444	\$862	\$0.4455	\$0.1235	\$0.5690	5.57%	

*The **No-New Revenue Tax Rate** (aka **Effective Tax Rate**) is the tax rate the City would pass to collect the same tax revenue as last year (FY23) using this year's (FY24) assessed values.*

Seesaw Effects

APV: Appraised Property Value ETR: Effective Tax Rate



2024 BCAD Assessed Property Values / Tax Rate

- 2024 BCAD net taxable property values (PRELIMINARY) in Smithville total **\$478,454,771**.
- **5.94% increase** over last year's net taxable value of \$451,637,286.
- This could add **\$147,209** of revenue to the FY24/25 General Fund.
- Increase due to the number of remodeled buildings, newly constructed homes, and assessed value adjustments (BCAD Comps).

*The **No-New Revenue Tax Rate** (aka **Effective Tax Rate**) is the tax rate the City would pass to collect the same tax revenue as last year (FY23) using this year's (FY24) assessed values.*

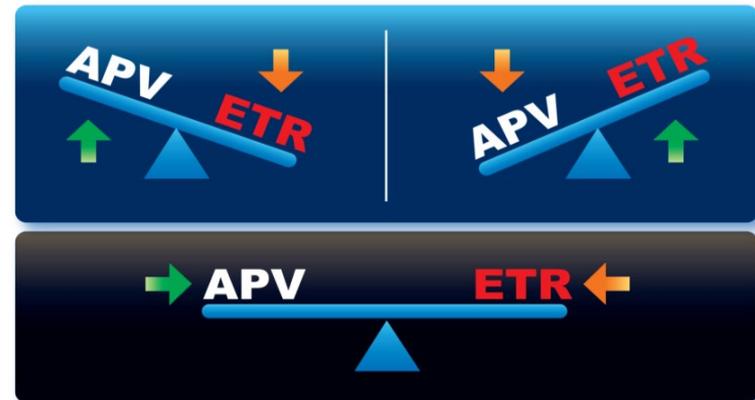
BCAD must publish Certified Roll by July 25, 2024

As of 5/29/24

BCAD Property Valuation & City Tax Rate Comparison - PRELIMINARY								
Year	Assessed Valuation	% Change in Value	Avg Home Value	Avg City Tax Paid	M&O Rate	I&S Rate	Total Tax Rate	% Change
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2018	\$247,999,239	4.63%	\$151,444	\$862	\$0.4455	\$0.1235	\$0.5690	5.57%

Seesaw Effects

APV: Appraised Property Value ETR: Effective Tax Rate



Smithville City Council Workshop

Wednesday, June, 12 2024

Summary:

- BCAD Certified Roll Due by **7/25/24**.
- Targeting 5% Y-O-Y Increase or \$792k.
- Targeting 3-5% COLA for Employees.
- Actively evaluating **cost savings / cost cutting** measures. Identification and prioritization of plans, projects, and budgetary needs underway.
- NO PLANS at this time to increase utility fees (e.g., water, electric, sewer, garbage).



Citizen Comments



City of Smithville - City Council Workshop

Wednesday, June 12, 2024

Next Steps:

- Address workshop comments and/or action items.
- Next workshop is scheduled for **Wednesday, July 10, 2024:**
 - Wastewater Expansion Study Results
 - Review Current Budget Status
 - FY24/25 Preliminary Budget Update
- Other Topics for Future Discussion:
 - Infrastructure Projects Overview
 - Development Projects Overview
 - Economic Development Strategy
 - Other Topics as Requested

