



## **CITY OF PINEY POINT VILLAGE, TEXAS PROPOSED BUDGET**

**FISCAL YEAR JANUARY 1, 2023 - DECEMBER 31, 2023**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$128,227, which is a 1.75 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$106,242.

### **Property Tax Rate Comparison**

	<b>2022-2023</b>	<b>2021-2022</b>
Property Tax Rate:	\$0.255140/100	\$0.255140/100
No-New-Revenue Tax Rate:	\$0.254369/100	\$0.256324/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.222428/100	\$0.207106/100
Voter-Approval Tax Rate:	\$0.272302/100	\$0.257224/100
Debt Rate:	\$0.031115/100	\$0.031980/100

Total debt obligation for City of Piney Point Village secured by property taxes:  
\$3,310,000

For more information contact:

The City of Piney Point Village

7676 Woodway, Suite 300; Houston, Texas 77063

(713) 782-0271

[www.cityofpineypoint.com](http://www.cityofpineypoint.com)



**CITY OF PINEY POINT VILLAGE, TEXAS**  
**PROPOSED BUDGET**  
**FISCAL YEAR JANUARY 1, 2023 - DECEMBER 31, 2023**

**MARK KOBELAN**  
**MAYOR**

**JOEL BENDER**  
MAYOR PRO-TEM  
COUNCIL MEMBER, POSITION 3

**MICHAEL HERMINGHAUS**  
COUNCIL MEMBER, POSITION 1

**DALE DODDS**  
COUNCIL MEMBER, POSITION 2

**ALIZA DUTT**  
COUNCIL MEMBER, POSITION 4

**BRIAN THOMPSON**  
COUNCIL MEMBER, POSITION 5

**PRESENTED BY:**  
**ROBERT PENNINGTON**  
CITY ADMINISTRATOR

For more information contact:  
The City of Piney Point Village  
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Mayor, Mark Kobelan  
Mayor Pro-Tem, Joel Bender

City Council  
Michael Herminghaus  
Dale Dodds  
Aliza Dutt  
Brian Thompson



7676 Woodway, Suite 300  
Houston, Texas 77063  
Robert Pennington, City Administrator  
  
Phone (713) 782-0271  
[www.cityofpineypoint.com](http://www.cityofpineypoint.com)

July 22, 2023

Honorable Mayor and Members of the City Council  
City of Piney Point Village, Texas

I am pleased to present the 2023 Proposed Budget. This is the first step in preparing the final budget for adoption. This Proposed Budget is balanced - where total expected revenues are equal to total planned spending. This process is frequently applied to public sector as a plan of sustainability, protecting against excessive deficits and untenable debt. Good government strives to maintain a certain balance between tax revenues and expenditures. While it may be beneficial for governments to foster surpluses to avoid downturn risks, it is not expected to operate as a for-profit business. It is appropriate for cities to maintain a strong reserve of unrestricted cash while using any retainage beyond to support projects and programs that improve the everyday lives of citizens.

Balanced budgeting with sufficient but limited reserves ensures the service level can adapt during periods of economic downturn while management responds to financial changes, using accurate and timely information. We as a Nation are experiencing major disruptions to normal economic expectations. Inflation is nearing 10% and outpacing wage growth, average home prices are 13.4% higher but selling quickly. Locally, employment has returned to pre-pandemic levels with the Port of Houston traffic set to mark another record this year. With an eye on all variable economic factors, it is the goal of this budget to respond while utilizing reserves toward non-recurring projects. Such programs are to be identified by Council priority before the final adoption of this budget.

Starting with the balanced baseline, the following financial plans require Council discussion as potential funded projects and programs:

- Windemere 24-inch Outfall Project
- S. Piney Point 96-inch Outfall Replacement Project
- Tokeneke & Country Squires Improvements
- Bothwell Way Drainage Improvements
- Williamsburg Drainage Improvements
- Piney Point Village Traffic Signals
- Green Bay Beautification

Additional discussion is essential to maintaining employee retention and competitive pay within the outlined balanced budget. These adjustments include:

- TMRS Contribution Adjustment - from 5% to 7% contribution
- Salary/Wage Cost of Living Adjustment - up to 10% to keep pace with inflation.

Piney Point Village is the best place to live within the Houston metro area offering the ideal hometown desirability with great schools, accessibility to the finest that the region offers, in addition to excellent police and fire protection. Staff looks forward to working with Council throughout the budget process.

Respectfully submitted,

Robert Pennington  
City Administrator

# BUDGET CALENDAR

## FY 2023

S.B. 2, the also known as the Texas Property Tax Reform and Transparency Act of 2019, passed during the 2019 legislative session and makes significant changes to the property tax rate setting process. Most of the changes made by S.B. 2 became effective as early as January 1, 2020. If the city chooses to publish notice of the tax rate in the newspaper, the city must also provide public notice of its proposed tax rate by posting notice of the proposed tax rate, along with the information in Tax Code Sec. 26.052(e), prominently on the home page of the city's website.

July 1 - 21	Finalize Budget Document, Write Transmittal Letter, Budget Packets Prepared, Agenda and PowerPoint Prepared
July 22	City Administrator's Proposed Budget Filed with City Secretary. July 22 – last day for budget officer to file proposed budget with municipal clerk
July 25	Chief appraiser to deliver certified appraisal roll or certified estimate of taxable value to Assessor City Council Budget Workshop #1
August 1	Submit the no-new-revenue and voter-approval tax rates to the city council.
August 22	City Council Budget Workshop #2; Including CIP programming.
September 7	Send to Memorial Examiner the "notice of tax rate hearing" and "notice of budget hearing" For Publication; Put on City's Website.
September 14	Memorial Examiner publish the "notice of tax rate hearing" and "notice of budget hearing" For Publication
September 27	Public Hearing on the Tax Rate. Public Hearing on Proposed Budget. City Council Budget Workshop #3 (if necessary) Consider an Ordinance to Amend Current Year Budget (if necessary) Consider an Ordinance Amending the Fee Schedule for Fiscal Year (if necessary) Consider a Tax Rate for Maintenance and Operation for Budget Year 2023 Consider a Tax Rate for Debt Service for Budget Year 2023. Consider an Ordinance for the Assessment, Levy and Collection of Ad Valorem Taxes. Consider an Ordinance Adopting the Budget for Fiscal Year 2023
January 1	Beginning of Fiscal Year 2023

# BUDGET INTRODUCTION

## ABOUT PINEY POINT

Piney Point Village is a city in Harris County, Texas, located on the west side of Houston. The Village has a total land area of 2.1 square miles, located at 29°45'42"N 95°30'58"W. The City of Piney Point was founded in 1954 with an alderman form of government. Piney Point Village is serviced by the Memorial Village Police Department and the Village Fire Department. The city is served by the Spring Branch Independent School District. The Kinkaid School, a private K-12 school, and Pre-K-8 main campus of Saint Francis Episcopal Day School is located in Piney Point Village.

## CITY HISTORY

In 1824, John D. Taylor received a land grant from Stephen F. Austin for a league centered on "pine point" at the southernmost turn of Buffalo Bayou. Taylor's house became known as Piney Point. Our research does not tell us why Taylor selected this land so distant from other settlements in the area. It may have been due to its resources of water and timber or its natural location as a stopping point between John Harris's settlement of Harrisburg and Stephen F. Austin's headquarters in San Felipe de Austin.

In 1844, the Board of Roads and Revenues of Harris County approved a public road from Houston (founded in 1836) to Piney Point and on to the county line. By 1885, Piney Point was a station on the Texas Western Railroad and was part of a settlement of largely German farmers.

In 1936, state highway maps located Piney Point near several sawmills in the area.

In 1954 Piney Point was incorporated with an alderman form of government and by 1966 had a public school and four churches.

The population rose from 1,790 in 1960 to 3,257 in 1990, to 3,380 in 2000, and dropped slightly to

3,125 in 2010. As of the 2010 census there were 3,125 people, 1,064 households and 945 families residing within the city limits. As of 2010, Piney Point Village has the highest per capita income in Texas.

## BUDGET OBJECTIVES

The budget has been prepared to clearly communicate to the citizens and staff of the City the overall policies and goals of the City Council and who we are and what we do, enabling the reader to gain valuable information about the city without detailed accounting or budgetary knowledge. The budget document includes various activities and programs of the city, and comparative performance indicators for each program or activity, where available.

## BUDGET PHILOSOPHY

Budget philosophy depends upon the local needs and concerns of the citizens. Other factors also affect budget philosophy, such as the state of the local economy, the needs of the organization, the demands of the public for increased services, unfunded mandates and requirements of federal and state regulatory agencies. The budget prepared by the city takes a conservative perspective regarding both revenues and expenditures. Although historical trends are very useful, current data and will sometimes take precedence over prior year trends. This means budgeting from a "conservative" perspective in that revenues are often anticipated either at or slightly above prior levels unless there are other known factors that will significantly affect anticipated revenues. In addition, expenditures are also estimated conservatively. As a result, over the years this method increases in actual fund reserves when compared to budgeted or projected fund reserves. The city does not use unreasonable projections, which could have an adverse impact on the City's reserves.

# BUDGET INTRODUCTION

## BASIS OF BUDGETING

**Governmental Funds:** The governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are budgeted when they are measurable and available and expenditures are budgeted in the period in which the liability is incurred, which is in accordance with Generally Accepted Accounting Principles. "Measurable" means the amount of the transaction can be determined and "available" means the collectible period. The city considers the majority of its major revenues as available when collected. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as liabilities when due. Those revenues susceptible to accrual under the modified accrual method are property taxes and other taxes, intergovernmental revenue, and interest revenue. Licenses and permits, including fines and forfeitures revenues, are not susceptible to accrual because generally they are not measurable until received in cash. The fund balance approach of governmental funds or working capital approach can be identified as current assets less current liabilities. Governmental funds budget capital outlays as expenditures, but do not budget for non-cash expenditures such as accruals for sick and vacation liabilities and depreciation.

## BUDGET PROCEDURES

The budget process begins with the analysis for its respective operations, personnel requirements, and capital outlay. This financial information is to be used as a guide to complete the proposed budget. Supplemental requests for capital, new programming, growth and development or other items outside normal operating budgets are justified separately. Upon completion, the budget is refined and adjustments made. Property tax revenue is budgeted using data provided in the preliminary

or certified tax rolls received from the Appraisal District. All other revenues are budgeted with the use of comparative financial information provided by the prior year's actual revenue, current year estimated revenue, and known factors that may affect receipt of revenue. The City Administrator then submits a balanced budget of expenditures and revenues to the City Council for review.

## PROCEDURE TO AMENDING THE BUDGET

**Emergency Appropriations:** The Council may make emergency appropriations to meet a pressing need for public expenditure, to protect the public health, safety or welfare. Such appropriations shall be by ordinance adopted by the majority vote of the Council members at one special or regular meeting.

**Transfer of Appropriations:** The City Administrator may approve an amendment to the budget that transfers part or all of any unencumbered appropriation balance among programs within a department, or division. The City Council must approve any budget amendments that increase the appropriation for any fund.

## GENERAL FUND

The General Fund, also known as Fund 10, provides the financing for all of Piney Point Village basic services. The principal sources of revenue include property tax, sales tax, franchise fees, permits, use fees, and court fines. Expenditures are comprised of several divisions which include public services, contract services, development services, administrative services, municipal court, public works / maintenance and general capital programs. Village Fire Department and Memorial Village Police Department provide the public safety services to the citizens of Piney Point Village and accounts for the majority of total annual general fund expenditures.

### FISCAL YEAR 2023 PROPOSED BUDGET

	FY 2021 YEAR END ACTUAL	FY 2022 AMENDED BUDGET	FY 2022 YEAR END PROJECTED	FY 2023 PROPOSED BUDGET
<b>Total Revenues</b>	7,474,951	7,496,659	7,568,529	7,847,594
<b>Total Expenditures</b>	8,101,506	7,496,659	7,435,378	7,847,594
<i>Over/(Under) Expenditures:</i>	<i>(626,555)</i>	<i>0</i>	<i>133,151</i>	<i>0</i>
<i>Fund Balance - Ending:</i>	<i>3,702,509</i>	<i>3,702,509</i>	<i>3,835,660</i>	<i>3,835,660</i>

#### **Projected Fiscal Year 2022:**

For fiscal year 2022 revenues are projected to be \$7,568,529, \$71,870 more than the amended budget mainly as a result of sales tax collection. Total expenditures are projected at \$7,435,378 with operating expenditures budgeted at \$6,300,693. Main highlights for the projected budget include the following:

#### **Projected Change in Revenue:**

- **Sales Tax:** Collection through April 2022 totaled \$125,144 or 16.1% higher than through April 2021. Based on this trend, year-end for sales tax collection is projected at \$315,000 or \$55,000 more than the original or amended budget.
- **Court Revenue:** Court revenue is budgeted at \$100,000 and currently showing a gap in expectations due to reduction in court docket activity, primarily the continuance of covid economic factors. For April 2022, Court revenue is \$31,323, or 31.3% of budget. Although trailing original expectations, the court collected \$9,367 more in fines than in April 2021, which is a sign that collection should return to some degree of past consistency. The city collected \$64,310 in court revenue for 2021 year-end. Current trends show improvement from 2021 collections, however actual expectations are forecasting \$23,521 less than the original \$100,000. Projected is \$76,479.
- **Investment Income:** The original-amended budget projected \$40,000 in investment income. Total Interest is projected at \$7,756 and is \$32,244 less than original budget due to the Fed Rate change near 0% to prop up the economy during the ongoing pandemic. However, the Federal Reserve is aggressively lifting interest rates for the foreseeable future to combat the inflation surge. The increase will be stated for fiscal year 2023. The Projected will be monitored and adjusted prior to final adoption.
- **Franchise Taxes:** Franchise taxes are projected to increase to \$434,865, an increase of \$27,765 over the original-amended budget. This projection is based on an increase in expectation for cable as the city collected \$99,808 in 2021. In addition, electric is expected to come in \$38,533 higher than last year due to historic consumer price demands.

#### Additional Likely Outcomes on Revenue:

- **Contributions:** Kinkaid wishes to offer discretionary payments in lieu of real estate taxes. It is proposed the in-lieu payment be adjusted annually by Kinkaid based on the annual budget for the Memorial Village Police Department and the Memorial Village Fire Department services. This agreement has not been finalized and the actual contribution is likely to exceed the \$50,000 originally budgeted. The final budget in September will reflect the contribution expectations as the agreement is to outline the schedule of anticipated resources.
- **Windermere Reimbursement:** The City of Piney Point Village partnered with the City of Houston for repair of the 24-inch outfall between 14 & 15 Windermere. Access to the outfall is restricted so the agreement established a temporary road for both outfall projects. Piney Point still has interest in continuing with this shared partnership, however the original contract was cancelled, and portion of the advanced funding is to be reimbursed. This reimbursement will be recorded at the time we receive reimbursement, and the budget will reflect the change accordingly. The reimbursement of \$361,422 will support a portion of the revamped project.
- **American Rescue Plan Act:** The second tranche of \$426,000 million in American Rescue Plan Act will be delivered in 2022. The final budget in September will reflect the contribution and the restricted allocation towards drainage improvements.

#### Projected Change in Expenditures:

- **Police Services:** The Memorial Village Police Department (MVPD) has a projected budget of \$2,119,750 as the Piney Point Village contribution for services, a \$26,000 or 1.2% increase over the original \$2,093,750. This increase mainly supports the increase in health benefits costs for the 44.5 full-time equivalent employees.
- **Fire Services:** The Village Fire Department (VFD) has a projected budget of \$1,673,552 as the Piney Point Village contribution for services, a \$108,328 or 6.9% increase over the original \$1,565,224. This increase mainly supports additional staff (3 mid-year) and overtime cost associated with emergency medical services. The projected increase was approved by council in June as an amendment to the VFD budget and consist of a 5% mid-year cost of living increase, the 3 full time positions and overtime as necessary to staff the second ambulance.
- **Public Works/ Maintenance:** The city is showing a savings in public works related expenses. Savings are projected to total \$137,000. Right of way mowing, landscape maintenance, sign repair, landscape improvements, and sidewalk repair are trending lower than original expectations. Total division is projected at \$236,000. Additional savings are likely and will adjust accordingly, prior to finalizing the adopted budget.

The city will end with revenues are over expenditures by \$133,151. With beginning fund balance at \$3,702,509, year-end balance for 2022 is projected at \$3,835,660. Still, final numbers will likely show even more favorable standing due to overlapping capital projects and remaining contingency by year-end. The general fund is projected to end with \$2,245,166 in excess cash over the \$1,590,494 to maintain a 90-day reserve to cover the \$6,361,974 in original-amended operating expenditures.

#### **Proposed Fiscal Year 2023:**

Fiscal year 2023 proposed revenues total \$7,847,594, which is \$350,935 greater than the amended and \$279,065 higher than the projected due to improvements in sales tax and property tax value. Property tax collection includes a 3% increase in growth with no changes to the maintenance and operating tax rate of \$0.223245 per \$100 in taxable valuation for the proposed budget filing. Property tax rates and levy will be calculated with greater precision as we receive the certified values from the Harris County Appraisal District. Total sales taxes collected is \$315,000, equivalent to the 2022 projected. Reports on consumer confidence and sales tax collection outlook may increase final budget expectations. Permits & Inspections proposes a total of \$466,425, 9.5% increase from the current projected as Kinkaid, St. Francis and Memorial Drive Elementary will be under major reconstruction. Interest revenue upticks to \$60,000 as city investments ride the Federal Reserve increases to rates. Fed increases will continue through 2023, high enough to slow the economy from the current four-decade high in inflation.



Total expenditures are \$7,847,594 a \$412,216 increase from the 2022 projected. It should be noted that the proposed budget is submitted as balanced. The final budget to be presented for adoption will likely include a use retained cash considered non-recurring.

**Proposed Change in Expenditures:**

- **Police Services:** The Memorial Village Police Department (MVPD) proposed budget approved by council totals \$2,412,669 as the Piney Point Village contribution for services, a \$292,919 or 13.8% increase over the 2022 projected. Operations total \$2,264,745, an increase of \$204,329, Auto Replacement unchanged at \$53,333 and capital at \$94,591 an increase of \$88,591.
  - **Personnel/Benefits:** This budget supports a 9% increase in personnel and benefits costs, for the 45 full-time and 1 part time employee. Increase reflects the 8% salary adjustment and 1% step increases.
  - **Insurance:** There is an anticipated 36% increase in auto and property coverage through the Texas Municipal League (TML). Rates are determined by TML.
  - **Fleet Maintenance:** An increase of 50% is to cover annual fuel cost, plus routine maintenance and repair of vehicles.
  - **Building Maintenance** increase of 41% includes the annual janitorial services contract and one-time cost for jail locks, overhead doors, evidence room ventilation, and exterior camera upgrade.
  - **Capital Outlay** increase of \$88,591 includes the cost of radio system upgrades.
- **Fire Services:** The Village Fire Department (VFD) has a proposed budget of \$1,824,868 as the Piney Point Village contribution for services, a \$151,316 or 9.0% increase over the projected \$1,673,552. This is a total \$362,992 or 24.8% over FY2021 actuals. These increase support cost of living increases and the annual cost of operating the second ambulance.
- **Capital Programs and Supplemental Items:** The proposed budget allocates \$1,151,094 toward capital and supplemental programming.
  - **Wilding Lane:** The amount of the final Pay Estimate is \$43,608.94. This estimate is for a 50% reduction in retainage as approved by City Council on June 27, 2022.
  - **Unallocated Capital:** Any unallocated capital is to be carried over to fiscal year 2023 to support new programs.

The proposed budget is balanced with \$2,161,535 in excess cash while retaining \$1,674,125 as a 90-day reserve.

The \$1,151,094 toward capital and supplemental programming, plus a use of unrestricted reserves of \$2,161,535, is to consider the following programs prior to final adoption:

- **Windemere 24-inch Outfall Project:** The 24-inch outfall will likely require additional funding. The reimbursement will support or offset a portion of the program cost. Any additional cost over \$361,442 will need to be supported by general fund capital programming.
- **South Piney Point Road 96-inch Outfall Replacement Project:** Replacement of the 96-inch corrugated metal pipe along the east side of South Piney Point Road: The project will be located on the west side of the City of Piney Point Village along South Piney Point Road beginning just south of Carlton Park tying into the existing storm sewer system continuing south where it outfalls into Buffalo Bayou. Structural fatigue and sinkholes are necessitating the replacement. The city received fund under the American Rescue Plan Act of 2021 (ARPA). Recovery Funds are distributed in two tranches. The first tranche of \$426,000 was received in May of 2021. The second tranche of \$426,000 million will be delivered in 2022. We currently estimate that the ARPA funds will support the program cost. Any additional cost over \$852,000 will need to be supported by general fund capital programming.
- **Tokeneke & Country Squires Improvements:** The Tokeneke and Country Squires Improvements Project is located at Tokeneke Trail, North Country Squire, South Country Squire, as well as Blalock Road, Kensington Court, and Radney Circle. The project includes the installation of a storm sewer collection system on Tokeneke Trail, concrete pavement point repairs along North and South Country Squire, and the installation of a section of a storm sewer system along North Country Squire. In addition, the project consists of various maintenance items including a storm sewer point repair along Blalock Road, the removal

and replacement of an inlet top on Kensington Court, the installation of a retaining curb wall and associated asphalt paving repairs along Radney Circle. In July 2022, the city opened sealed bids for award of construction. On-Par Civil Services was the low bidder at \$865,395. A Notice to Proceed for construction is anticipated to be issued around mid-August. A majority of this project is to be supported by general fund cash. A limited cost share is included in the location of closed drainage system improvements on residential frontage.

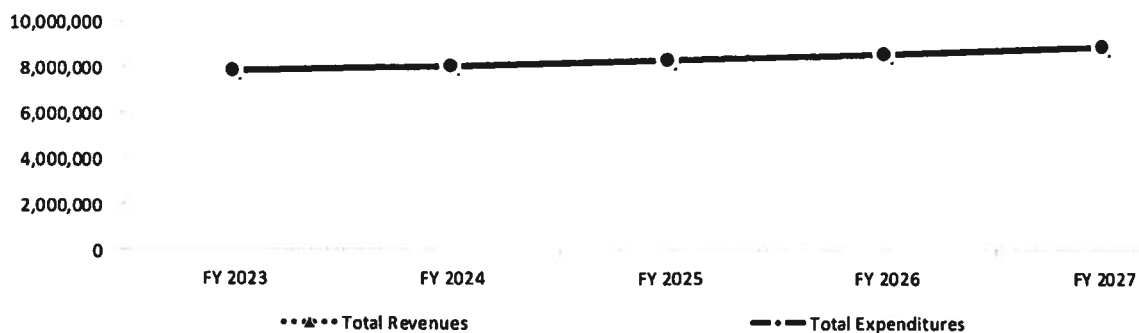
- **Bothwell Way:** Design plans are underway for the replacement of the failed storm sewer on Bothwell Way. We are obtaining pricing on the Bothwell Way design as a possible inclusion in the Tokeneke & Country Squires project as a change order. Project cost is estimated at \$50,000.
- **Williamsburg Drainage Improvements:** City Engineering is coordinating with the Williamsburg HOA to participate in a partnership with the City to install closed system storm sewer along frontage properties.
- **Piney Point Village Traffic Signals:** Harris County Precinct 3 wants to support the city in the reconstruction of the six (6) traffic signals. Precinct 3 is proposing to survey, design, bid, and construct the six traffic signals, including any necessary pavement and pedestrian facilities within each intersection. This will be done in two packages with each design package consisting of three intersections. The first design package (signals 1, 2, & 3) will be designed and bid in FY23 and likely constructed in FY24. The second package (signals 4, 5, & 6) will be designed and bid in FY24 and constructed in FY25. The cost per intersection is estimated at \$500,000, which includes survey, design, and construction. Precinct 3 is proposing to contribute \$500,000 per intersection. Piney Point Village would be responsible for funding anything over the \$500,000 per intersection. Any amenities such as powder coated poles & mast arms can be included at the request of the city. An interlocal agreement will be initiated by Harris County to outline the funding, design, construction, and maintenance responsibilities. We received confirmation that Precinct 3 will support an interlocal agreement for the first three of six traffic signal improvements within Piney Point.
- **Green Bay Beautification:** The City is considering a beautification project along the south side of Greenbay Street, within public road right-of-way, between Memorial Drive and Piney Point Road. The improvements will include plantings to enhance the right of way and to buffer and complement adjoining residences. Project cost was originally estimated at \$800,000, however the scope of the project has changed and is estimated near \$400,000. A more detailed calculation of cost is anticipated.
- **TMRS Contribution Adjustment:** In 1947, the Texas Legislature established TMRS to provide retirement, disability and death benefits to the employees of TMRS participating cities. TMRS administers a cash-balance retirement plan in which the member's benefit is based on their own contributions and annual interest, their employing city's matching contribution and any additional earned credits. When the member retires, their monthly benefit payment is determined by their benefit option selection and actuarial factors, including their age. In 2021, TMRS paid \$1.6 billion in benefits, an increase of \$101.3 million, or 6.6%, from \$1.5 billion in benefits paid in 2020. As of December 31, 2021, TMRS had 901 participating cities, and a majority of the Cities provide Member Contribution Rate of 7%. The City of Piney Point only offers 5% with the actual current rate of contribution at 5.81% (full rate). In order to expand our benefits to 7%, the city contribution would increase to 8.11% (full rate) or \$10,100 annually. Below is the peer comparison:
  - **MVPD** = Employee Deposit Rate: 7%; Full Rate: 10.53%.
  - **Bunker Hill** = Employee Deposit Rate: 7%, Full Rate: 9.92%.
  - **Spring Valley Village**: Employee Deposit Rate: 7%; Full Rate: 6.13%.
  - **Hunters Creek** = Employee Deposit Rate: 7%; Full Rate: 19.80%.
  - **VFD** = Employee Deposit Rate: 7%; Full Rate: 6.22%.
  - **Hedwig** = Employee Deposit Rate: 7%; Full Rate: 7.94%
- **Salary/Wage Cost of Living Adjustment:** To maintain employee retention and competitive pay the city should evaluate current cost of living increases. Consumer prices up 8.6% in May compared with a year ago, it's hard to keep pace with salary as higher prices for gas, food, and rent climb. In addition, the tight labor market with the unemployment rate at 3.6% have triggered organizations to pay out increases to retain employees. According to the latest data from the Federal Reserve Bank of Atlanta, median annual wage growth for employees who stay at their jobs was reported 4.5%. The most recent report on inflation rose to 9.1% as the Federal Reserve aggressively applies the breaks. To expand salary/wages to 10% including the actual increase to TMRS deposit rates, the city would need to allocate a \$76,000 increase to salary and benefit coverage annually. This total includes the increase in overtime cost (\$1,700), city portion

of payroll tax (\$4,300), and TMRS at 7% contribution (\$15,500). Funding would be supported from the recurring portion of the \$1,151,094 toward capital and supplemental programming, not from retained cash.

### **MULTI-YEAR PLAN**

A five-year plan is programmed for forecasting purposes only. It is projected that Fund 10 will maintain a balanced budget for fiscal years ending 2023 through 2027; The current plan consists of maintaining our current levels of services that are funded by the General Fund. The budget is adopted by the Council annually; therefore, the projection detailed below does not restrain future councils to this plan:

	<b>FY 2023 PROPOSED</b>	<b>FY 2024 PROJECTED</b>	<b>FY 2025 PROJECTED</b>	<b>FY 2026 PROJECTED</b>	<b>FY 2027 PROJECTED</b>
<b>Total Revenues:</b>	<b>7,847,594</b>	<b>\$8,099,577</b>	<b>\$8,359,911</b>	<b>\$8,628,876</b>	<b>\$8,906,767</b>
Police Services	2,412,669	2,533,302	2,659,968	2,792,966	2,932,614
Fire Services	1,824,868	1,916,111	2,011,917	2,112,513	2,218,139
Sanitation Services	550,105	577,611	606,491	636,816	668,656
Other Public Services	20,900	21,945	23,042	24,194	25,404
<b>Total Public Services:</b>	<b>4,808,542</b>	<b>5,048,969</b>	<b>5,301,418</b>	<b>5,566,489</b>	<b>5,844,813</b>
<b>Operating Expenditures:</b>	<b>1,887,957</b>	<b>1,935,156</b>	<b>1,983,535</b>	<b>2,033,123</b>	<b>2,083,952</b>
Capital Programs	1,151,094	0	0	0	0
New / Expanded Programs	0	1,115,452	1,074,957	1,029,264	978,002
<b>Total Non-Operating:</b>	<b>1,151,094</b>	<b>1,115,452</b>	<b>1,074,957</b>	<b>1,029,264</b>	<b>978,002</b>
<b>Total Expenditures</b>	<b>7,847,594</b>	<b>8,099,577</b>	<b>8,359,911</b>	<b>8,628,876</b>	<b>8,906,767</b>
<i>Revenues Over Expenditures:</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Fund Balance - Ending:</b>	<b>3,835,660</b>	<b>\$3,835,660</b>	<b>\$3,835,660</b>	<b>\$3,835,660</b>	<b>\$3,835,660</b>



**GENERAL FUND - 10**  
**FISCAL YEAR 2023 PROPOSED BUDGET**

	<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>REVENUES:</u></b>				
Property Taxes	5,783,512	6,048,959	6,048,959	6,230,428
Sales Taxes	325,009	260,000	315,000	315,000
Permits & Inspections	523,360	424,600	425,991	466,425
Court Revenue	64,310	100,000	76,479	88,241
Investment Income	1,290	40,000	7,756	60,000
Agencies & Alarms	3,100	30,000	23,950	23,000
Franchise Taxes	401,540	407,100	434,865	432,000
Contribution & Use Fee	49,000	50,000	95,000	95,000
Other Governmental	255,332	136,000	136,928	136,500
Donations & Other	68,497	0	1,571	1,000
<b>Operating Revenues:</b>	<b>7,474,951</b>	<b>7,496,659</b>	<b>7,566,500</b>	<b>7,847,594</b>
Other Sources	0	0	2,029	0
Non-Operating Transfers	0	0	0	0
<b>Non-Operating Revenues:</b>	<b>0</b>	<b>0</b>	<b>2,029</b>	<b>0</b>
<b>Total Revenues:</b>	<b>\$7,474,951</b>	<b>\$7,496,659</b>	<b>7,568,529</b>	<b>7,847,594</b>
<b><u>EXPENDITURES:</u></b>				
Police Services	2,036,481	2,093,750	2,119,750	2,412,669
Fire Services	1,461,876	1,565,224	1,673,552	1,824,868
Sanitation Services	529,439	536,500	539,579	550,105
Other Public Services	28,810	21,500	19,900	20,900
<b>Total Public Services:</b>	<b>4,056,607</b>	<b>4,216,974</b>	<b>4,352,781</b>	<b>4,808,542</b>
Contract Services	543,135	478,500	445,667	447,382
Development Services	250,884	266,000	275,000	282,500
Administrative Services	999,842	985,000	952,995	883,575
Municipal Court	47,010	42,500	38,250	38,250
Public Works & Maintenance	300,434	373,000	236,000	236,250
	<b>2,141,305</b>	<b>2,145,000</b>	<b>1,947,912</b>	<b>1,887,957</b>
<b>Operating Expenditures:</b>	<b>6,197,912</b>	<b>6,361,974</b>	<b>6,300,693</b>	<b>6,696,500</b>
Capital Programs	1,903,594	1,134,685	1,134,685	1,151,094
<b>Non-Operating Expenditures:</b>	<b>1,903,594</b>	<b>1,134,685</b>	<b>1,134,685</b>	<b>1,151,094</b>
<b>Total Expenditures:</b>	<b>\$8,101,506</b>	<b>\$7,496,659</b>	<b>\$7,435,378</b>	<b>\$7,847,594</b>
<i>Revenues Over Expenditures</i>	<i>(626,555)</i>	<i>0</i>	<i>133,151</i>	<i>0</i>
Fund Balance - Beginning	4,329,064	3,702,509	3,702,509	3,835,660
<b>Fund Balance - Ending</b>	<b>3,702,509</b>	<b>3,702,509</b>	<b>3,835,660</b>	<b>3,835,660</b>
Reserve Requirement (25%)		1,590,494	1,590,494	1,674,125
Excess/(Deficit)		2,112,016	2,245,166	2,161,535

**GENERAL FUND - 10**  
**FISCAL YEAR 2023 PROPOSED BUDGET**

		<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>REVENUE</u></b>					
<b><u>Tax Collection</u></b>					
10-4101	Property Tax (M&O)	5,783,512	6,048,959	6,048,959	6,230,428
10-4150	Sales Tax	325,009	260,000	315,000	315,000
	<b>Total Tax Collection:</b>	<b>6,108,521</b>	<b>6,308,959</b>	<b>6,363,959</b>	<b>6,545,428</b>
<b><u>Permits &amp; Inspections</u></b>					
10-4203	Plat Reviews	6,900	8,000	9,750	9,750
10-4204	Code Enforcement Citations	0	100	0	0
10-4205	Contractor Registration	12,000	10,000	10,650	10,650
10-4206	Drainage Reviews	41,400	45,000	24,750	44,275
10-4207	Permits & Inspection Fees	460,810	360,000	379,591	400,000
10-4208	Board of Adjustment Fees	2,250	1,500	1,250	1,750
	<b>Total Permits &amp; Inspections:</b>	<b>523,360</b>	<b>424,600</b>	<b>425,991</b>	<b>466,425</b>
<b><u>Municipal Court</u></b>					
10-4300	Court Fines	60,944	100,000	73,158	85,000
10-4301	Building Security Fund	1,178	0	1,094	1,100
10-4302	Truancy Prevention	1,202	0	1,202	1,116
10-4303	Local Municipal Tech Fund	962	0	1,000	1,000
10-4304	Local Municipal Jury Fund	24	0	25	25
	<b>Total Municipal Court:</b>	<b>64,310</b>	<b>100,000</b>	<b>76,479</b>	<b>88,241</b>
<b><u>Investment Income</u></b>					
10-4400	Interest Revenue	1,290	40,000	7,756	60,000
	<b>Total Investment Income:</b>	<b>1,290</b>	<b>40,000</b>	<b>7,756</b>	<b>60,000</b>
<b><u>Agencies &amp; Alarms</u></b>					
10-4501	Agencies	0	0	0	0
10-4508	SEC-Registration	3,100	30,000	23,950	23,000
	<b>Total Agencies &amp; Alarms:</b>	<b>3,100</b>	<b>30,000</b>	<b>23,950</b>	<b>23,000</b>
<b><u>Franchise Revenue</u></b>					
10-4602	Cable Franchise	99,808	75,000	86,505	102,000
10-4605	Power/Electric Franchise	293,585	272,000	310,533	296,000
10-4606	Gas Franchise	0	25,000	25,391	25,000
10-4607	Telephone Franchise	6,802	35,000	7,000	7,000
10-4608	Wireless Franchise	1,345	100	5,436	2,000
	<b>Total Franchise Revenue:</b>	<b>401,540</b>	<b>407,100</b>	<b>434,865</b>	<b>432,000</b>
<b><u>Donations &amp; In Lieu</u></b>					
10-4702	Kinkaid School Contribution	49,000	50,000	95,000	95,000
10-4703	Metro Congested Mitigation	136,000	136,000	136,000	136,000
10-4704	Intergovernmental Revenues	119,332	0	928	500
10-4800	Misc. Income	68,497	0	573	500
10-4801	Donations	0	0	998	500
10-4802	Reimbursement Proceeds	0	0	2,029	0
10-4850	Transfer In	0	0	0	0
	<b>Total Donations &amp; In Lieu:</b>	<b>372,829</b>	<b>186,000</b>	<b>235,528</b>	<b>232,500</b>
	<b>TOTAL REVENUES:</b>	<b>7,474,951</b>	<b>7,496,659</b>	<b>7,568,529</b>	<b>7,847,594</b>

**GENERAL FUND - 10**  
**FISCAL YEAR 2023 PROPOSED BUDGET**

		<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>EXPENDITURES</u></b>					
<b><u>Community Events</u></b>					
10-510-5001	Community Celebrations	3,554	5,000	4,000	5,000
	<b>Community Events:</b>	<b>3,554</b>	<b>5,000</b>	<b>4,000</b>	<b>5,000</b>
<b><u>Police Services</u></b>					
10-510-5010	MVPD Operations	1,985,481	2,040,417	2,060,416	2,264,745
10-510-5011	MVPD Auto Replacement	51,000	53,333	53,333	53,333
10-510-5012	MVPD Capital Expenditure	0	0	6,000	94,591
	<b>Police Services:</b>	<b>2,036,481</b>	<b>2,093,750</b>	<b>2,119,749</b>	<b>2,412,669</b>
<b><u>Miscellaneous</u></b>					
10-510-5020	Miscellaneous	12,168	0	0	0
	<b>Total Miscellaneous:</b>	<b>12,168</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Sanitation Collection</u></b>					
10-510-5030	Sanitation Collection	519,058	525,000	528,998	539,319
10-510-5031	Sanitation Fuel Charge	10,381	11,500	10,581	10,786
	<b>Sanitation Collection:</b>	<b>529,439</b>	<b>536,500</b>	<b>539,579</b>	<b>550,105</b>
<b><u>Library Services</u></b>					
10-510-5040	Spring Branch Library	0	1,500	1,500	1,500
	<b>Library Services:</b>	<b>0</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b><u>Street Lighting Services</u></b>					
10-510-5050	Street Lighting	13,089	15,000	14,400	14,400
	<b>Street Lighting Services:</b>	<b>13,089</b>	<b>15,000</b>	<b>14,400</b>	<b>14,400</b>
<b><u>Fire Services</u></b>					
10-510-5060	Villages Fire Department	1,461,876	1,565,224	1,673,552	1,824,868
	<b>Fire Services:</b>	<b>1,461,876</b>	<b>1,565,224</b>	<b>1,673,552</b>	<b>1,824,868</b>
	<b>TOTAL PUBLIC SERVICE:</b>	<b>4,056,607</b>	<b>4,216,974</b>	<b>4,352,780</b>	<b>4,808,542</b>

**CONTRACT SERVICE DIVISION**

10-520-5102	Accounting/Audit	28,634	35,000	25,000	25,000
10-520-5103	Engineering	226,073	200,000	210,000	210,000
10-520-5104	Legal	151,267	90,000	90,000	90,000
10-520-5105	Tax Appraisal-HCAD	57,058	60,000	57,167	58,882
10-520-5107	Animal Control	2,876	1,500	1,500	1,500
10-520-5108	IT Hardware/Software & Support	10,477	70,000	40,000	40,000
10-520-5109	Urban Forester	41,760	0	0	0
10-520-5110	Mosquito Control	24,990	22,000	22,000	22,000
	<b>TOTAL CONTRACT SERVICE DIVISION:</b>	<b>543,135</b>	<b>478,500</b>	<b>445,667</b>	<b>447,382</b>

**GENERAL FUND - 10**  
**FISCAL YEAR 2023 PROPOSED BUDGET**

		<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>BUILDING SERVICE DIVISION</u></b>					
<b><u>Building &amp; Inspection Services</u></b>					
10-530-5152	Drainage Reviews	100,657	100,000	100,000	103,000
10-530-5153	Electrical Inspections	15,300	14,000	14,500	15,000
10-530-5154	Plat Reviews	0	500	500	500
10-530-5155	Plan Reviews	48,000	50,000	50,000	50,000
10-530-5156	Plumbing Inspections	20,430	18,000	18,000	18,000
10-530-5157	Structural Inspections	29,025	30,000	30,000	30,000
10-530-5158	Urban Forester	0	46,000	42,000	45,000
10-530-5160	Mechanical Inspections	9,495	7,500	7,500	8,500
	<b>Building and Inspection Services:</b>	<b>222,907</b>	<b>266,000</b>	<b>262,500</b>	<b>270,000</b>
<b><u>Supplies and Office Expenditures</u></b>					
10-530-5108	Information Technology	18,253	0	0	0
10-530-5204	Dues & Subscriptions	0	0	0	0
10-530-5207	Misc Supplies	390	0	1,000	1,000
10-530-5209	Office Equipment & Maintenance	0	0	0	0
10-530-5211	Meeting Supplies	172	0	350	350
10-530-5213	Office Supplies	900	0	900	900
10-530-5214	Telecommunications	400	0	0	0
10-530-5215	Travel & Training	500	0	250	250
	<b>Supplies and Office Expenditures:</b>	<b>20,615</b>	<b>0</b>	<b>2,500</b>	<b>2,500</b>
<b><u>Insurance</u></b>					
10-560-5353	Employee Insurance	7,362	0	0	0
10-530-5403	Credit Card Charges	0	0	10,000	10,000
	<b>Insurance:</b>	<b>7,362</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>
	<b>TOTAL BUILDING SERVICE DIVISION:</b>	<b>250,884</b>	<b>266,000</b>	<b>275,000</b>	<b>282,500</b>

**GENERAL GOVERNMENT DIVISION**

**Administrative Expenditures**

10-540-5108	Information Technology	20,280	0	0	0
10-540-5202	Auto Allowance/Mileage	4,141	8,000	0	0
10-540-5203	Bank Fees	3,448	3,000	3,000	3,000
10-540-5204	Dues/Seminars/Subscriptions	2,558	4,000	3,000	3,000
10-540-5205	Elections	0	5,000	5,000	5,000
10-540-5206	Legal Notices	137	3,500	3,500	3,500
10-540-5207	Miscellaneous	5,871	5,000	5,000	5,000
10-540-5208	Citizen Communication	7,351	5,000	5,000	5,000
10-540-5209	Office Equipment & Maintenance	9,855	10,000	10,000	10,000
10-540-5210	Postage	1,000	2,000	1,500	1,500
10-540-5211	Meeting Supplies	6,580	10,000	10,000	10,000
10-540-5212	Rent/Leasehold/Furniture	127,612	130,000	130,000	130,000
10-540-5213	Supplies/Storage	7,358	10,000	10,000	10,000
10-540-5214	Telecommunications	13,351	17,000	16,000	16,000

**GENERAL FUND - 10**  
**FISCAL YEAR 2023 PROPOSED BUDGET**

		<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
10-540-5215	Travel & Training	1,925	1,000	1,000	1,000
10-540-5216	Statutory Legal Notices	1,474	1,500	1,500	1,500
	<b>Administrative Expenditures:</b>	<b>212,940</b>	<b>215,000</b>	<b>204,500</b>	<b>204,500</b>
<b><u>Wages &amp; Benefits</u></b>					
10-540-5301	Gross Wages	488,365	550,000	556,538	556,538
10-540-5302	Overtime/Severance	42,415	10,000	16,730	16,730
10-540-5303	Temporary Personnel	106,296	5,000	6,500	0
10-540-5304	Salary Adjustment(Bonus)	0	0	0	0
10-540-5306	FICA/Med/FUTA Payroll Tax Exp	39,519	40,000	43,855	43,855
10-540-5310	TMRS (City Responsibility)	49,491	50,000	44,453	44,453
10-540-5311	Payroll Process Exp-Paychex	3,016	3,000	3,000	3,000
	<b>Wages &amp; Benefits:</b>	<b>729,103</b>	<b>658,000</b>	<b>671,075</b>	<b>664,575</b>
<b><u>Insurance</u></b>					
10-540-5353	Employee Insurance	32,998	100,000	62,919	0
10-540-5354	General Liability	5,692	10,000	10,000	10,000
10-540-5356	Workman's Compensation	8,329	2,000	4,000	4,000
	<b>Insurance:</b>	<b>47,019</b>	<b>112,000</b>	<b>76,919</b>	<b>14,000</b>
<b><u>Other</u></b>					
10-540-5403	Credit Card Charges (Adm)	0	0	500	500
		10,780	0	0	0
		0	0	0	0
	<b>Intergovernmental:</b>	<b>10,780</b>	<b>0</b>	<b>500</b>	<b>500</b>
	<b>TOTAL GENERAL GOVERNMENT DIVISION:</b>	<b>999,842</b>	<b>985,000</b>	<b>952,995</b>	<b>883,575</b>

**MUNICIPAL COURT DIVISION**

**Supplies & Office Expenditures**

10-550-5108	Information Technology	0	0	0	0
10-550-5204	Dues & Subscriptions	235	0	0	0
10-550-5207	Misc Supplies	100	0	250	250
10-550-5211	Meeting Supplies	564	0	250	250
10-550-5213	Office Supplies	159	0	0	0
10-550-5215	Travel & Training	582	0	250	250
	<b>Supplies and Office Expenditures:</b>	<b>1,640</b>	<b>0</b>	<b>750</b>	<b>750</b>

**Insurance**

10-550-5353	Employee Insurance	12,113	0	0	0
	<b>Insurance:</b>	<b>12,113</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Court Operations**

10-550-5403	Credit Card Charges	13,626	12,000	12,000	12,000
10-550-5404	Judge/Prosecutor/Interpreter	18,500	30,000	25,000	25,000
10-550-5406	State Comptroller/OMNI/Linebar	122	0	0	0
10-550-5408	Supplies/Miscellaneous	26	0	0	0
10-550-5410	OmniBase Services of Texas	983	500	500	500
	<b>Court Operations:</b>	<b>33,257</b>	<b>42,500</b>	<b>37,500</b>	<b>37,500</b>
	<b>TOTAL MUNICIPAL COURT DIVISION:</b>	<b>47,010</b>	<b>42,500</b>	<b>38,250</b>	<b>38,250</b>



**GENERAL FUND - 10**  
**FISCAL YEAR 2023 PROPOSED BUDGET**

		<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>PUBLIC WORKS MAINTENANCE DIVISION</u></b>					
<b><u>Supplies &amp; Office Expenditures</u></b>					
10-560-5207	Misc Supplies	3,009	0	0	0
10-560-5213	Office Supplies	140	0	0	0
10-560-5215	Travel & Training	100	0	0	0
	<b>Supplies and Office Expenditures:</b>	<b>3,248</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Insurance</u></b>					
10-560-5353	Employee Insurance	21,348	0	0	0
	<b>Insurance:</b>	<b>21,348</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Maintenance &amp; Repair</u></b>					
10-560-5501	Public Works Maintenance	0	0	0	0
10-560-5501	TCEQ & Harris CO Permits	1,656	2,000	2,000	2,000
10-560-5504	Landscaping Maintenance	38,892	50,000	40,000	40,000
10-560-5505	Gator Fuel & Maintenance	1,104	1,000	500	750
10-560-5506	Right of Way Mowing	37,680	90,000	40,000	40,000
10-560-5507	Road & Sign Repair	64,385	60,000	30,000	30,000
10-560-5508	ROW Water/Planting	1,216	2,500	2,000	2,000
10-560-5509	Tree Care/Removal	20,505	15,000	15,000	15,000
10-560-5510	Road/Drainage Maintenance	0	25,000	12,000	12,000
10-560-5515	Landscape Improvements	108,453	100,000	80,000	80,000
10-560-5516	Truck Fuel & Maintenance	1,947	2,500	2,500	2,500
10-560-5517	Sidewalk Improvements	0	25,000	12,000	12,000
	<b>Maintenance and Repair:</b>	<b>275,838</b>	<b>373,000</b>	<b>236,000</b>	<b>236,250</b>
	<b>TOTAL PUBLIC WORKS DIVISION:</b>	<b>300,434</b>	<b>373,000</b>	<b>236,000</b>	<b>236,250</b>

**GENERAL FUND - 10**  
**FISCAL YEAR 2023 PROPOSED BUDGET**

		<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>CAPITAL OUTLAY PROGRAMS</u></b>					
<b><u>General Capital / Maintenance Programs</u></b>					
10-570-5602	Drainage Ditch Maintenance	13,803	0	0	0
10-570-5606	Road/Drainage Projects	181,933	0	10,000	0
10-570-5701	2019 Maintenance Projects	6,509	0	0	0
10-570-5702	2020 Paving Improvements	151,998	0	0	0
10-570-5703	2021 Paving Improvements	0	1,134,685	0	0
10-570-5806	Drainage and Sidewalks	104,732	0	0	0
		<b>458,975</b>	<b>1,134,685</b>	<b>10,000</b>	<b>0</b>
<b><u>Major Capital / Maintenance Programs</u></b>					
10-570-5640	Surrey Oaks	17,478	0	0	0
10-570-5808	Wilding Lane	1,427,141	0	120,000	0
10-580-5809	96" Stormwater Replacement	0	0	100,000	0
10-580-5810	Tokeneke - Country Squire	0	0	100,000	0
10-580-5811	Capital Programming	0	0	804,685	1,151,094
		<b>1,444,619</b>	<b>0</b>	<b>1,124,685</b>	<b>1,151,094</b>
<b>TOTAL CAPITAL OUTLAY PROGRAMS:</b>		<b>1,903,594</b>	<b>1,134,685</b>	<b>1,134,685</b>	<b>1,151,094</b>
<b>TOTAL EXPENDITURES:</b>		<b>8,101,506</b>	<b>7,496,659</b>	<b>7,435,377</b>	<b>7,847,594</b>

## DEBT SERVICE FUND

The Debt Service Fund, also known as the interest and sinking fund, is established by ordinance and accounts for the issuance of debt and provides for the payment of debt, including principal, and interest as payments become due. In the Debt Service Fund, an ad valorem (property) tax rate and tax levy are required to be computed and levied, which will be sufficient to produce the money to satisfy annual debt service requirements. The City of Piney Point Village has no general obligation legal debt limit other than a ceiling on the tax rate specified by the State of Texas. Under the rules of the Texas Attorney General, the City may issue general obligation debt in an amount no greater than that which can be serviced by a debt service tax rate of \$1.50 per \$100 assessed valuation, based on a 90% collection rate.

### FISCAL YEAR 2023 PROPOSED BUDGET

	FY 2021 YEAR END ACTUAL	FY 2022 AMENDED BUDGET	FY 2022 YEAR END PROJECTED	FY 2023 PROPOSED BUDGET
<b>Total Revenues</b>	1,376,157	875,200	879,200	877,950
<b>Total Expenditures</b>	1,507,525	875,200	875,200	877,950
<i>Over/(Under) Expenditures:</i>	<i>(131,368)</i>	<i>0</i>	<i>4,000</i>	<i>0</i>
<i>Fund Balance - Ending</i>	<i>39,163</i>	<i>39,163</i>	<i>43,163</i>	<i>43,163</i>

Based on the values used, the budget as adopted assumes a debt service (I&S) tax rate of 3.19 cents (\$0.0318950) per \$100 assessed valuation. This rate remains unchanged from fiscal year 2022 adopted rate of assessed valuation, due for to the calculated levy required to secure the annual obligation backed by taxes. The following is the detail on the adopted tax rate:

#### Fiscal Year 2023 Proposed Tax Rate / Tax Year 2022

Debt Service (I&S) Rate	\$0.0318950
Maintenance & Operating (M&O) Rate	\$0.2232450
<b>Total Proposed Tax Rate</b>	<b>\$0.2551400</b>

A tax rate of \$0.2551400 per \$100 valuation adopted by the governing body will likely exceed the rate formally known as the "effective rate" on the certified rolls. Legislation has been widely overhauled limiting the methods in which local governments can raise proceeds for capital needs. Final calculations as to the amount of proceeds available is dependent on the recent valuation on property that is not certified at the time required for filing a proposed budget document. Council will approve a specific rate to support the current obligated debt structure in the final adopted budget.

The city has two general obligation bonds, Series 2017 and Series 2015. Series 2015 issued for \$3,910,000 has a S&P AAA rating. Interest on the Series 2015 accrue from the original delivery and payable August 15 and February 15 of each year commencing August 15, 2015. Proceeds from the sale are for costs of the designing, engineering and constructing of stormwater drainage and flood control improvements. The 2017 General Obligation issued for \$3,735,000 has a S&P rating of "AAA" and stable outlook. Interest on the Series 2017 accrue from the original delivery and payable August 15 and February 15 of each year commencing February 15, 2018. Proceeds from the sale are for costs of the designing, engineering and constructing of stormwater drainage and flood control improvements.

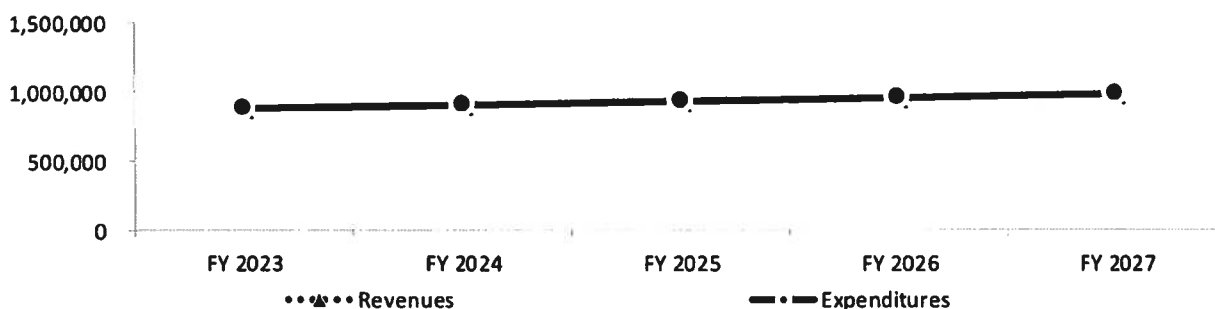
Proposed tax obligations for future years, if unadjusted, would allow debt service the capacity to support annual scheduled payments and is likely additional reserve will be maintained to further secure debt in the final adopted version of the budget.

A tax rate of \$0.2551400 per \$100 valuation adopted by the governing body will likely exceed the rate formally known as the "effective rate" on the certified rolls. Legislation has been widely overhauled limiting the methods in which local governments can raise proceeds for capital needs. Final calculations as to the amount of proceeds available is dependent on the recent valuation on property that is not certified at the time required for filing a proposed budget document. Council will approve a specific rate to support the current obligated debt structure in the final adopted budget.

### **MULTI-YEAR PLAN**

It is projected that the Debt Service Fund will maintain a balanced budget for fiscal years ending 2023 through 2027 with additional debt capacity. The plan consists of maintaining annual debt payment on outstanding obligations as well as the use of improved capacity detailed below. The following five-year plan and chart is provided for planning purposes only, as the budget is adopted by the Council annually, therefore the projection detailed below does not restrain future councils to this plan:

	<b>FY 2023 PROPOSED</b>	<b>FY 2024 PROJECTED</b>	<b>FY 2025 PROJECTED</b>	<b>FY 2026 PROJECTED</b>	<b>FY 2027 PROJECTED</b>
Property Taxes	872,950	899,139	926,113	953,896	982,513
Interest	5,000	5,000	5,000	5,000	5,000
Non-Operating / Transfers	0	0	0	0	0
<b>Total Revenues</b>	<b>\$877,950</b>	<b>\$904,139</b>	<b>\$931,113</b>	<b>\$958,896</b>	<b>\$987,513</b>
Series 2015 General Obligation	433,250	434,950	435,375	0	0
Series 2017 General Obligation	441,700	446,100	441,950	444,425	441,525
Future Bond Capacity	0	20,029	50,666	511,287	542,741
Fiscal Agent Fees	3,000	3,060	3,121	3,184	3,247
<b>Total Expenditures</b>	<b>\$877,950</b>	<b>\$904,139</b>	<b>\$931,113</b>	<b>\$958,896</b>	<b>\$987,513</b>



**DEBT SERVICE FUND  
FISCAL YEAR 2023 PROPOSED BUDGET**

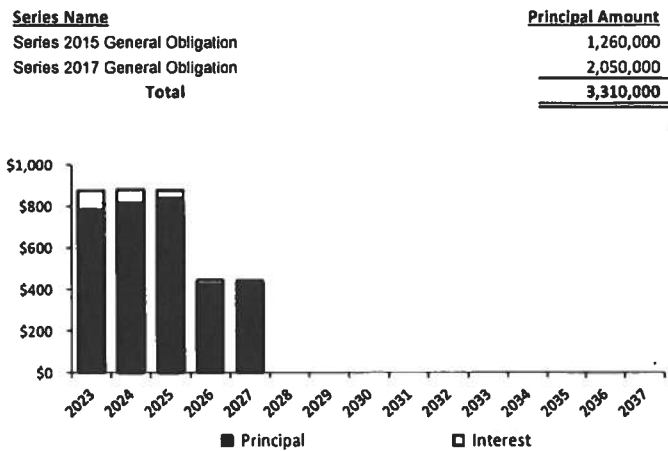
	<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>REVENUES:</u></b>				
Property Taxes	1,374,237	875,200	875,200	872,950
Interest	1,920	0	4,000	5,000
Transfers and Contributions	0	0	0	0
<b>Total Revenues:</b>	<b>\$1,376,157</b>	<b>\$875,200</b>	<b>\$879,200</b>	<b>\$877,950</b>
<b><u>EXPENDITURES:</u></b>				
Debt Service	1,507,525	875,200	875,200	877,950
<b>Total Expenditures:</b>	<b>\$1,507,525</b>	<b>\$875,200</b>	<b>\$875,200</b>	<b>\$877,950</b>
Revenue Over/(Under) Expenditures	(131,368)	0	4,000	0
Fund Balance - Beginning	170,531	39,163	39,163	43,163
Fund Balance - Ending	<b>\$39,163</b>	<b>\$39,163</b>	<b>\$43,163</b>	<b>\$43,163</b>
Reserve Requirement (25%)		218,800	218,800	219,488
Excess/(Deficit)		(179,637)	(175,637)	(176,325)

**DEBT SERVICE FUND - DETAIL  
FISCAL YEAR 2023 PROPOSED BUDGET**

		<b>FY 2021 YEAR END ACTUAL</b>	<b>FY 2022 AMENDED BUDGET</b>	<b>FY 2022 YEAR END PROJECTED</b>	<b>FY 2023 PROPOSED BUDGET</b>
<b><u>Revenues</u></b>					
<b><u>Property Taxes</u></b>					
20-4101	Current Taxes	1,374,237	875,200	875,200	872,950
	<b>Total Property Taxes</b>	<b>1,374,237</b>	<b>875,200</b>	<b>875,200</b>	<b>872,950</b>
<b><u>Interest</u></b>					
20-4400	Interest Income	1,920	0	4,000	5,000
	<b>Total Interest</b>	<b>1,920</b>	<b>0</b>	<b>4,000</b>	<b>5,000</b>
<b><u>Non-Operating</u></b>					
20-4410	Transfer In	0	0	0	0
	<b>Total Non-Operating</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>TOTAL REVENUES:</b>	<b>1,376,157</b>	<b>875,200</b>	<b>879,200</b>	<b>877,950</b>
<b><u>Expenditures</u></b>					
<b><u>Financial Obligations</u></b>					
20-500-5821	Tax Bond Retirement	1,365,000	765,000	765,000	790,000
20-500-5820	Tax Bond Interest	139,525	107,950	107,950	84,950
20-500-5822	Bond Issuance Cost	0	0	0	0
20-500-5204	Fiscal Agent Fees	3,000	2,250	2,250	3,000
20-500-5902	Transfer Out - Bond Proceeds	0	0	0	0
	<b>Total Financial Obligations</b>	<b>1,507,525</b>	<b>875,200</b>	<b>875,200</b>	<b>877,950</b>
	<b>TOTAL EXPENDITURES:</b>	<b>1,507,525</b>	<b>875,200</b>	<b>875,200</b>	<b>877,950</b>

**GENERAL LONG-TERM DEBT**  
**AGGREGATE DEBT MATURITY SCHEDULE**

Fiscal Year	Principal	Interest	Total
FY2023	790,000	84,950	874,950
FY2024	820,000	61,050	881,050
FY2025	840,000	37,325	877,325
FY2026	425,000	19,425	444,425
FY2027	435,000	6,525	441,525
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
<b>Total</b>	<b>3,310,000</b>	<b>209,275</b>	<b>3,519,275</b>



**DISCRETE DEBT MATURITY SCHEDULES**

**SERIES 2015 GENERAL OBLIGATION BONDS**

Fiscal Year	Principal	Interest	Total
FY2023	410,000	23,250	433,250
FY2024	420,000	14,950	434,950
FY2025	430,000	5,375	435,375
FY2026			
FY2027			
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
<b>Total</b>	<b>1,260,000</b>	<b>43,575</b>	<b>1,303,575</b>

**SERIES 2017 GENERAL OBLIGATION BONDS**

Fiscal Year	Principal	Interest	Total
FY2023	380,000	61,700	441,700
FY2024	400,000	46,100	446,100
FY2025	410,000	31,950	441,950
FY2026	425,000	19,425	444,425
FY2027	435,000	6,525	441,525
FY2028			
FY2029			
FY2030			
FY2031			
FY2032			
FY2033			
FY2034			
FY2035			
FY2036			
FY2037			
<b>Total</b>	<b>2,050,000</b>	<b>165,700</b>	<b>2,215,700</b>

**ANNUAL ALLOCATION OF DEBT MATURITY**

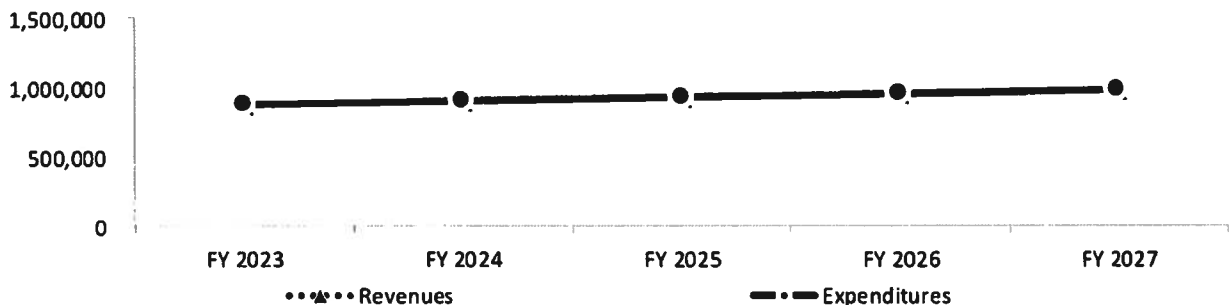
DATE	DESCRIPTION	AMOUNT ISSUED	AMOUNT OUTSTANDING AS OF 12/31/22	PRINCIPAL	INTEREST	PAYMENT TOTAL	AMOUNT OUTSTANDING AS OF 12/31/23
2/15/2023	Series 2015 General Obligation	3,910,000		410,000	13,675	423,675	
8/15/2023					9,575	9,575	
	<b>Fiscal Year Total</b>		<b>1,260,000</b>	<b>410,000</b>	<b>23,250</b>	<b>433,250</b>	<b>850,000</b>
2/15/2023	Series 2017 General Obligation	3,735,000		380,000	34,650	414,650	
8/15/2023					27,050	27,050	
	<b>Fiscal Year Total</b>		<b>2,050,000</b>	<b>380,000</b>	<b>61,700</b>	<b>441,700</b>	<b>1,670,000</b>
	<b>TOTAL</b>	<b>7,645,000</b>	<b>3,310,000</b>	<b>790,000</b>	<b>84,950</b>	<b>874,950</b>	<b>2,520,000</b>

<b>Municipal Bonds</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b><u>Total Obligation</u></b>			
Series 2015 General Obligation	1,260,000	43,575	1,303,575
Series 2017 General Obligation	2,050,000	165,700	2,215,700
	<b>3,310,000</b>	<b>209,275</b>	<b>3,519,275</b>
<b><u>Annual Obligation</u></b>			
Series 2015 General Obligation	410,000	23,250	433,250
Series 2017 General Obligation	380,000	61,700	441,700
	<b>790,000</b>	<b>84,950</b>	<b>874,950</b>

### **MULTI-YEAR PLAN**

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Non-Operating / Transfers	0	0	0	0	0
<b>Total Revenues</b>	<b>\$877,950</b>	<b>\$904,139</b>	<b>\$931,113</b>	<b>\$958,896</b>	<b>\$987,513</b>
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## SPECIAL REVENUE FUND - 30

### FISCAL YEAR 2023 PROPOSED BUDGET

**Fund Activity:**

This fund maintains restricted cash from municipal court fines and fees to support safety, court security and court technology. The fund generally supports security costs for the City Hall facility located at 7676 Woodway that accommodates the municipal court operation. In addition, the fund supported a road safety improvement in fiscal year 2021. The budget proposes to maintain a balanced budget, mainly allocating funds for securing the facility as is years past and proposing additional safety features within the city. Before final adoption, Council may designate a portion of retained cash for nonrecurring purchases of smart cameras and automatic ALPRs to improve safety. Ending cash balance for 9/30/23 is projected at \$76,411.

	FY 2021 YEAR END ACTUAL	FY 2022 AMENDED BUDGET	FY 2022 YEAR END PROJECTED	FY 2023 PROPOSED BUDGET
Court Special Revenue	4,704	0	4,800	4,800
Interest	0	0	0	0
<b>Total Revenues</b>	<b>\$4,704</b>	<b>\$0</b>	<b>\$4,800</b>	<b>\$4,800</b>
 Court Special Expenditures	 23,134	 0	 1,980	 4,800
<b>Total Expenditures</b>	<b>\$23,134</b>	<b>\$0</b>	<b>\$1,980</b>	<b>\$4,800</b>
 Revenues Over Expenses	 (18,430)	 0	 2,820	 0
Fund Balance - Beginning	92,021	73,591	73,591	76,411
<b>Fund Balance - Ending</b>	<b>\$73,591</b>	<b>\$73,591</b>	<b>\$76,411</b>	<b>\$76,411</b>



**PROPOSED BUDGET**  
**JANUARY 1, 2023 - DECEMBER 31, 2023**