

**Belton City Council Meeting**  
**June 8, 2021 – 5:30 P.M.**

The Belton City Council met in regular session in the Wright Room of the Harris Community Center. Members present included Mayor Wayne Carpenter, Mayor Pro Tem David K. Leigh, and Councilmembers Craig Pearson, Dan Kirkley, Guy O'Banion, John R. Holmes, Sr. and Daniel Bucher. Staff present included Sam Listi, Gene Ellis, John Messer, Amy Casey, Jon Fontenot, Chris Brown, Mike Rodgers, Angellia Points, Kim Kroll, Charlotte Walker, Bob van Til, Matt Bates, Judy Garrett, Tina Moore, Jo-Ell Guzman and Cynthia Hernandez.

The Pledge of Allegiance to the U.S. Flag was led by Councilmember Guy O'Banion, and the pledge to the Texas Flag was led by City Manager Sam Listi. The Invocation was given by Mayor Wayne Carpenter.

1. **Call to order.** Mayor Carpenter called the meeting to order at 5:31 p.m.
2. **Public Comments.** *(Audio 1:24)*

There were none.

**Consent Agenda**

Items 3-7 under this section are considered to be routine by the City Council and may be enacted by one motion. If discussion is desired by the Council, any item may be removed from the Consent Agenda prior to voting, at the request of any Councilmember, and it will be considered separately. *(Audio 1:28)*

3. **Consider minutes of previous meetings:**
  - A. **May 25, 2021, City Council Meeting.**
  - B. **May 26, 2021, City Council Strategic Plan Workshop Meeting.**
4. **Consider an appointment to the Planning and Zoning Commission.**
5. **Consider authorizing the City Manager to execute the Temple-Belton Wastewater Treatment Plant – Odor Control Settlement Agreement.**
6. **Consider a Façade Improvement Grant Application to renovate the property at 110 N. Main Street.**
7. **Consider authorizing the City Manager to execute the amended and restated Communications Agreement between Bell County and the Cities of Belton, Harker Heights, Killeen and Temple.**

Upon a motion by Councilmember Holmes, and a second by Councilmember Pearson, the Consent Agenda was unanimously approved upon a vote of 7-0.

## **Miscellaneous**

8. **Consider authorizing the City Manager to execute an amended professional services agreement with Kasberg, Patrick and Associates for design modifications to Phase II improvements to the Temple-Belton Wastewater Treatment Plant.** (Audio 3:02)

Upon a motion by Councilmember Holmes, and a second by Mayor Pro Tem Leigh, Item 8 was unanimously approved upon a vote of 7-0.


## **FY2022 Budget**

9. **Conduct a work session on FY2022 budget considerations including, but not limited to, the following funds:** (Audio 20:06)

- A. **General Fund**
- B. **Debt Service Fund**
- C. **Information Technology Fund**
- D. **Building Maintenance Fund**
- E. **Hotel/Motel Fund**

Director of Finance Mike Rodgers presented Exhibit "A." No action was required of the Council at this time.

There being no further business, the Mayor adjourned the meeting at 6:49 p.m.

  
Wayne Carpenter, Mayor

ATTEST:

  
Amy M. Casey, City Clerk



## FY22 Budget Workshop June 8, 2021

Overview Comments by:

Sam A. Listi

City Manager

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## Overview Comments

- Today is the first session on the FY '22 Annual Operating Budget, following meetings with Department Heads and Strategic Plan session in May.
- Budget uncertainties from COVID-19 not as dramatic in FY '22, given positive growth signs; possible lingering effects.
- Revenue sources for FY '22 appear to be stabilizing, aiding budget development.
- Personnel services cost are increasing due to salary, health insurance, and retirement expenses.

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## Overview Comments

- Revenue projections for property taxes reflect a 7.2% increase in value based on a stable \$0.63 tax rate (preliminary).
- Projections for sales tax reflect a 6% increase over the year-end estimate for FY '21.
- Favorable Council input this Spring on FD and PD personnel changes, 15% increased health insurance cost, civil service and merit adjustments, and TMRS for a full year, add \$977,000 to GF personnel costs.

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## Overview Comments

- Other key objectives included in the proposed budget:
  - Resiliency measures from the winter storm after-action report
  - Additional part-time support in Parks
  - An external comprehensive personnel study
  - Street maintenance funding at a base amount of \$500,000
  - Continued funding of capital equipment replacement fund

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## Overview Comments

- With Department Goals presented at the May 26 Strategic Plan Session, Department Heads will be available for Q&A on their budgets.
- An analysis of Belton's Fund Balance Policy is in development for presentation soon.
- American Rescue Plan Funding (ARP) opportunities will be presented when final guidance emerges from the State.

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## FY22 Budget Workshop June 8, 2021

Presented by:  
Michael Rodgers, CPA  
Director of Finance

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## Funds To Be Discussed

- General Fund
- Debt Service Fund
- Information Technology Fund
- Building Maintenance Fund
- Hotel / Motel Fund

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## General Fund Forecast for FY 2021

	FY 2021 Amended Budget	FY 2021 Year-End Estimate
Revenue	\$ 15,879,702	\$ 16,093,353
Expenditures *	(16,759,269)	(16,259,126)
Incr/(Decr) to Reserve	\$ (879,567)	\$ (165,773)

\* The originally adopted expenditure budget for FY 2021 was \$15,381,769

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## Forecast for FY 2021

- Total revenue is over budget due to
  - Permitting receipts
  - Sales tax
  - Property tax payments
- Expenditures are under budget due to
  - Fewer public safety retirements
  - Contingencies / pay plan changes

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## General Fund FY22 Statement of Fund Balance

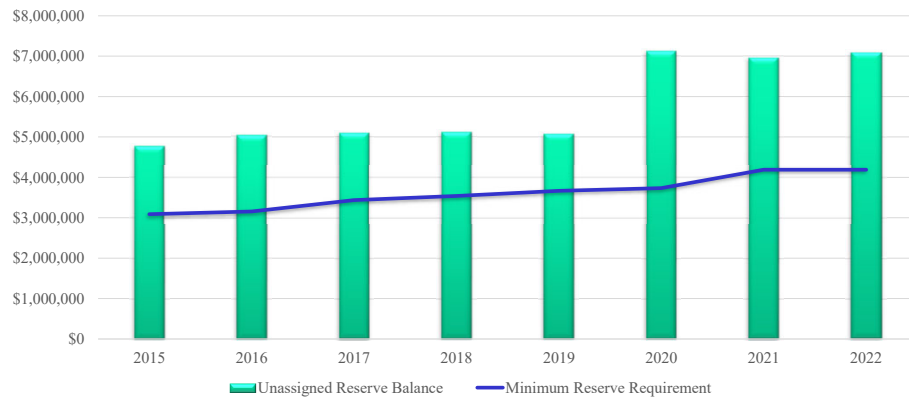
Projected Spendable Balance, Sept 30, 2021	\$ 6,962,824
Increases/(Decreases) to Fund Balance:	
FY22 Revenue	16,886,840
FY22 Expenditures	(16,750,480)
Net Increase/(Decrease) to Fund Balance	136,360
Spendable Fund Balance, Sept 30, 2022	<u>\$ 7,099,184</u>

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## Status of General Fund Reserves FY15 to FY22



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## Budget to Budget Comparison by Revenue Category

General Fund Revenue Category	FY21 Budget	FY21 Estimate	FY22 Budget	Budget Inc / (Dec)
Property Tax	\$ 6,313,269	\$ 6,404,957	\$ 6,822,850	\$ 509,581
Sales Tax	4,511,000	4,563,811	4,837,640	326,640
Franchise & Other Tax	1,276,149	1,223,624	1,215,210	(60,939)
Permit Fees	246,628	350,346	294,480	47,852
Court Fines & Fees	302,550	278,104	306,730	4,180
Charges for Service	2,447,738	2,557,156	2,713,350	265,612
Miscellaneous	180,165	127,024	138,450	(41,715)
Transfers	602,203	588,331	558,130	(44,073)
<b>Total Revenue</b>	<b>\$15,879,702</b>	<b>\$16,093,353</b>	<b>\$16,886,840</b>	<b>\$1,007,138</b>

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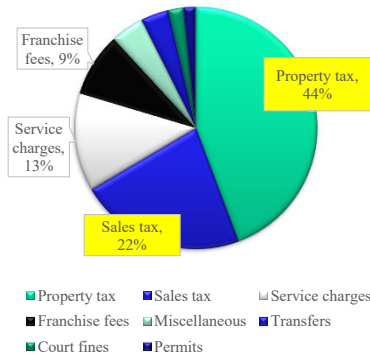
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## FY22 General Fund Revenue

Property tax	\$ 6,822,850
Sales tax	4,837,640
Service charges	2,713,350
Franchise fees	1,215,210
Transfers	558,130
Court fines & fees	306,730
Permits	294,480
Miscellaneous	<u>138,450</u>
Total	<u>\$16,886,840</u>



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## FY22 Property Tax Revenue

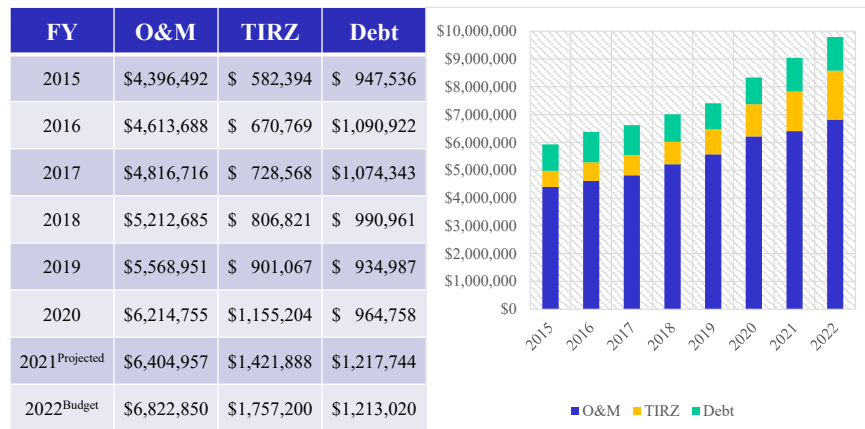
- Preliminary adjusted taxable value increases by 7.2% to \$1,529,948,477
- Preliminary proposed property tax rate is 63 cents
- Revenue may increase by \$509,000 with about \$200,000 coming from new properties that were added to the tax roll

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## Property Tax History FY15 to FY22

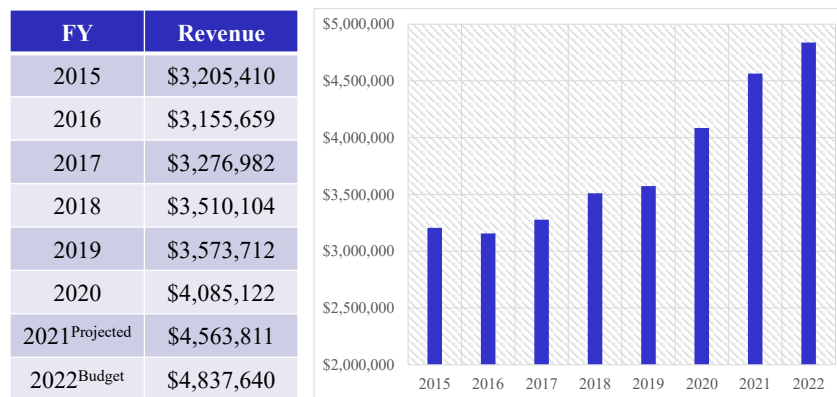


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## Sales Tax History FY15 to FY22



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## FY22 Other General Fund Revenue

- Refuse collection and contract fees increase by \$215,000 as the number of customers continues to grow
- Franchise fee revenue is reduced to reflect recent averages and the loss of certain telecom fees
- Interest income falls by \$35,000 as yields remain low

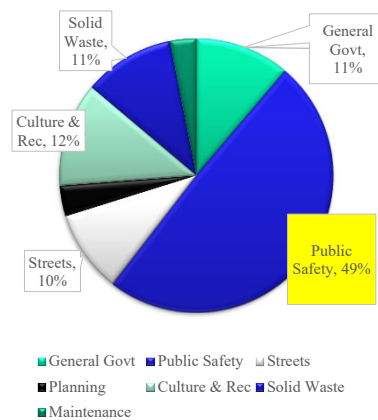
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## FY22 General Fund Expenditures by Function

Function	FY22 Budget
General government	\$ 1,878,930
Public safety	\$ 8,251,550
Streets	\$ 1,629,610
Planning	\$ 605,640
Culture & recreation	\$ 2,062,740
Solid waste	\$ 1,799,210
Maintenance services	\$ 522,800
Total	\$ 16,750,480



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## Budget to Budget Comparison by General Fund Division

General Fund Division	FY21 Amended Budget	FY21 Estimate	FY22 Budget	Budget Inc / (Dec)
City Council	\$ 82,250	\$ 75,738	\$ 235,950	\$153,700
City Management	505,472	509,064	629,570	124,098
Public Information	55,292	57,839	60,450	5,158
Retail Development	42,457	39,057	44,570	2,113
Finance	399,944	387,313	378,210	(21,734)
Human Resources	230,665	210,605	291,530	60,865
Municipal Court	237,874	232,902	238,650	776
PD Administration	360,050	339,824	371,830	11,780
PD Patrol	3,118,742	3,005,767	3,315,850	197,108
PD Support Services/CID	1,179,994	1,090,525	1,383,010	203,016

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## Budget to Budget Comparison by General Fund Division

General Fund Division	FY21 Amended Budget	FY21 Estimate	FY22 Budget	Budget Inc / (Dec)
PD Animal Control	\$ 102,747	\$ 97,827	\$ 103,230	\$ 483
PD Code Enforcement	78,290	78,268	80,790	2,500
FD Suppression	2,920,255	2,872,655	2,996,840	76,585
Streets	2,085,626	2,410,020	1,490,530	(595,096)
Rec Maintenance	1,103,306	1,104,100	1,129,210	25,904
Rec Community Center	219,585	211,486	216,540	(3,045)
Rec Recreation	196,696	182,313	217,950	21,254
Planning	193,390	140,365	239,890	46,500
Inspections	324,058	304,865	337,980	13,922
GIS	27,511	20,164	27,770	259

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## Budget to Budget Comparison by General Fund Division

General Fund Division	FY21 Amended Budget	FY21 Estimate	FY22 Budget	Budget Inc / (Dec)
Library	\$ 495,836	\$ 481,758	\$ 499,040	\$ 3,204
Other Costs	575,651	197,901	0	(575,651)
Solid Waste Collection	1,433,262	1,501,889	1,657,710	224,448
Solid Waste Brush	119,485	107,630	141,500	22,015
Fleet Maintenance	497,198	468,337	522,800	25,602
Engineering	173,633	130,914	139,080	(34,553)
<b>Total Expenditures</b>	<b>\$16,759,269</b>	<b>\$16,259,126</b>	<b>\$16,750,480</b>	<b>\$ (8,789)</b>

The originally adopted budget for FY 2021 was \$15,381,769

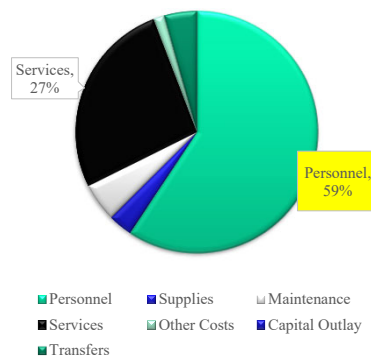
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## FY22 General Fund Expenditures by Category

Personnel	\$ 9,931,740
Supplies	535,860
Maintenance	865,100
Services	4,444,040
Other Costs	240,650
Capital Outlay	0
Transfers	<u>733,090</u>
<b>Total</b>	<b><u>\$16,750,480</u></b>



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## Budget to Budget Comparison by Expenditure Category

General Fund Expenditure Category	FY21 Amended Budget	FY21 Estimate	FY22 Budget	Budget Inc / (Dec)
Personnel	\$ 9,279,802	\$ 9,009,674	\$ 9,931,740	\$ 651,938
Supplies	583,969	518,659	535,860	(48,109)
Maintenance	1,088,917	1,054,015	865,100	(223,817)
Services	4,065,766	3,952,418	4,444,040	378,274
Other Costs	575,651	197,901	240,650	(335,001)
Capital Outlay	80,495	85,790	0	(80,495)
Transfers	1,084,669	1,440,669	733,090	(351,579)
<b>Totals</b>	<b>\$ 16,759,269</b>	<b>\$ 16,259,126</b>	<b>\$ 16,750,480</b>	<b>\$ (8,789)</b>

The originally adopted budget for FY 2021 was \$15,381,769

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## Significant Changes

- Personnel costs increase by \$977,000 with the following
  - PD and FD rank structure changes \$281,000
  - Civil service step increases \$159,000
  - Non-civil service merit up to 3% \$196,000
  - Health insurance premiums up 15% \$164,000
  - Payroll taxes and retirement \$177,000

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## Significant Changes

- Clothing expenditures in Fire Suppression decrease by \$105,840 after the purchase of bunker gear in FY 2021
- Appropriations for the annual street maintenance program stabilizes at \$500,000 compared to the \$750,000 supplemental appropriation in FY 2021
- Refuse collection costs increase by \$210,957 due to a growing customer base

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## Significant Changes

- Consulting fees increase by \$59,000 to perform a compensation study and to update the ten-year historic district study
- Appropriations for contingencies/pay plan changes are reclassified into division budgets
- Capital expenditures decrease by \$80,000 after the acquisition of assets during FY 2021
- Capital project and equipment transfers decline \$426,500 from the amended amount in 2021

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## Debt Service Fund FY22 Statement of Fund Balance

Projected Spendable Balance, Sept 30, 2021	\$ 73,237
Increases/(Decreases) to Fund Balance:	
FY22 Revenue	1,213,020
FY22 Expenditures	<u>(1,180,870)</u>
Net Increase/(Decrease) to Fund Balance	<u>32,150</u>
Spendable Fund Balance, Sept 30, 2022	<u>\$ 105,387</u>

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## Outstanding Debt as of October 1, 2021

Bond Issuance Description	Outstanding Amount
General Obligation Bonds, Series 2003	\$ 390,000
General Obligation Bonds, Series 2005	\$ 830,000
Certificates of Obligation, Series 2008	\$ 653,400
Certificates of Obligation, Series 2015	\$ 795,000
G.O. Refunding Bonds, Series 2017	\$ 1,015,000
Certificates of Obligation, Series 2018	\$ 2,100,000
G.O. Refunding Bonds, Series 2019	\$ 4,450,000
<b>Tax-Supported Debt Outstanding</b>	<b>\$ 10,233,400</b>

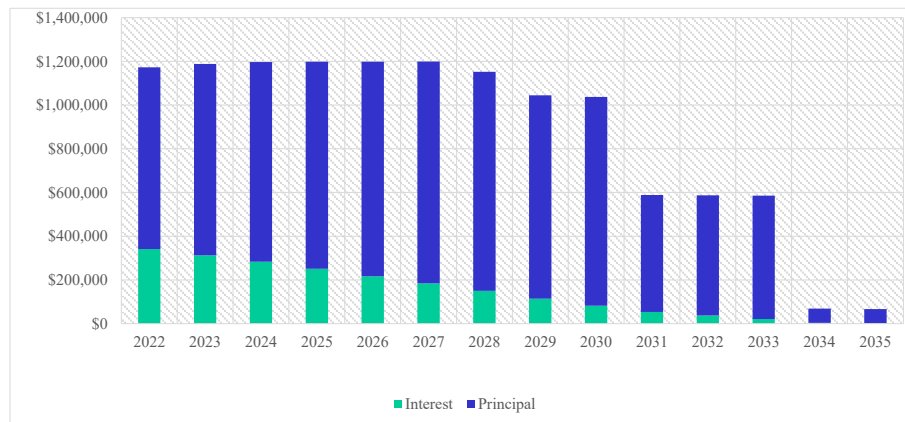
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## Annual Debt Service Payments on Tax-Supported Debt



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## Information Technology Fund FY22 Statement of Fund Balance

Projected Spendable Balance, Sept 30, 2021	\$ 47,648
Increases/(Decreases) to Fund Balance:	
FY22 Revenue	893,300
FY22 Expenditures	(838,200)
Net Increase/(Decrease) to Fund Balance	55,100
Spendable Fund Balance, Sept 30, 2022	<u>\$ 102,748</u>

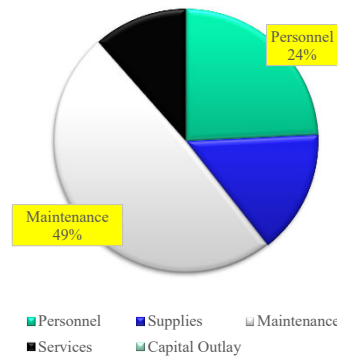
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## Information Technology Fund Expenses by Category

Personnel	\$203,130
Supplies	127,140
Maintenance	411,490
Services	96,440
Capital Outlay	<u>0</u>
Total	<u>\$838,200</u>



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## Significant Changes

- Small equipment expenses increase by \$56,000 to purchase several computers for police in accordance with the computer replacement plan
- Computer system maintenance costs increase by \$60,000 due to new software purchases and licensing
- Capital outlay falls by \$182,500 after the purchase of several copiers and servers in FY21 as well as the completion of a fiber installation project

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## Building Maintenance Fund FY22 Statement of Fund Balance

Projected Spendable Balance, Sept 30, 2021	\$	59,636
Increases/(Decreases) to Fund Balance:		
FY22 Revenue		458,150
FY22 Expenditures		<u>(418,890)</u>
Net Increase/(Decrease) to Fund Balance		39,260
Spendable Fund Balance, Sept 30, 2022	\$	<u>98,896</u>

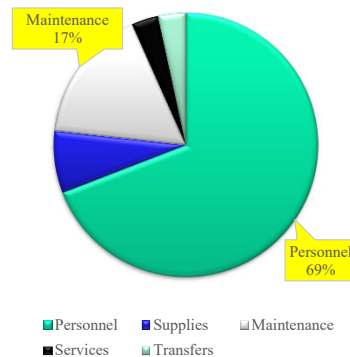
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## Building Maintenance Fund Expenses by Category

Personnel	\$289,600
Supplies	31,710
Maintenance	69,610
Services	13,690
Transfers	<u>14,280</u>
Total	<u>\$418,890</u>



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## Significant Changes

- Personnel costs increase by \$44,730 due to position changes and modifications to the salary allocation schedule
- HVAC expenses decrease by \$66,380 after replacing several units in FY 2021

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## Hotel / Motel Fund FY22 Statement of Fund Balance

Projected Spendable Balance, Sept 30, 2021	\$ 386,772
Increases/(Decreases) to Fund Balance:	
FY22 Revenue	183,100
FY22 Expenditures	<u>(180,070)</u>
Net Increase/(Decrease) to Fund Balance	<u>3,030</u>
Spendable Fund Balance, Sept 30, 2022	<u>\$ 389,802</u>

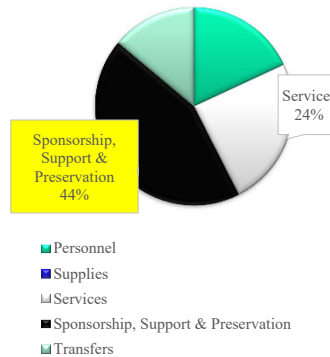
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## Hotel / Motel Fund Expenditures by Category

Personnel	\$ 32,530
Supplies	100
Services	43,940
SSP	78,500
Transfers	<u>25,000</u>
Total	<u>\$180,070</u>



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## Significant Changes

- Tax revenue reaches pre-COVID levels at \$181,580
- Marketing expenditures increase by \$16,700 to purchase signage and advertising
- Tourism sponsorship grows by \$12,500 to \$62,500
- Visitor Center support remains at \$12,500
- Hotel/Motel funding for historical preservation efforts (Standpipe) deferred until FY23

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## In Summary

- A growing property tax base provides sufficient resources to sustain current service levels
- Sales tax revenue continues to rise
- General Fund budget includes
  - Public safety operational enhancements
  - Merit adjustments up to 3% for employees
  - Annual street maintenance funding of \$500,000
  - Contributions to other agencies totaling \$140,650, including \$25,000 to Belton Area Citizens for Seniors and \$30,000 to Hill Country Transit District

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## In Summary

- Debt service remains stable at \$1.2 million
- The internal service funds provide services for FY 2022 with limited cost increases
- Hotel/Motel Fund revenue has reached pre-pandemic levels

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## Upcoming Budget Related Items

- Water/Sewer Fund
- Drainage Fund
- BEDC
- TIRZ Fund
- Five-Year Capital Improvements Program
- Strategic Plan
- Budget Calendar

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## Questions/Comments?

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