



State of the City Report 2014

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City Manager

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Introduction

It is important to take a moment, as we begin a New Year, to reflect upon the 2014 Fiscal Year. The accomplishments and progress we have made as a city would not have been possible without our strong City Council leadership, Boards and Commissions, and our professional staff which has devoted itself to the betterment of the community. The positive contents of this report are the result of our staff's hard work and dedication, and they should be commended for their efforts.

Major Accomplishments

The City Council committed itself several years ago to a strategic planning process that involved a series of retreats that placed emphasis on a number of key initiatives and focus areas. The City Council has begun to develop clear and measurable strategies by which management can gauge our progress.

The key initiatives completed this past year include the adoption of the "Community Visions 2034" Comprehensive Plan, dedication of the new Fire Station, construction of the new pavilion at Peplow Park, the construction of water, wastewater, and street capital projects to improve and maintain our infrastructure's capabilities, and the adoption of a new Zoning Ordinance. We must continue moving forward with the same effort as last year and prepare for the many challenges that face our community in the upcoming year and distant future. The initiatives for the upcoming year include following efforts should be considered in FY 2014-2015:

- Work diligently on the preparation of another City budget
- Continue the construction of water, wastewater capital projects to improve and maintain our infrastructure's capabilities
- Implement the Comprehensive Plan
- Continue to monitor the subdivision and zoning ordinances for effectiveness
- Protect the City's water interests by working with surrounding municipalities, TCEQ, and legal counsel
- Continue to actively engage our citizens through various outlets and social media
- Continue the implementation of the street construction strategy
- Begin the process of engineering design and construction of the elevated water storage tower along Interstate Highway 35 and Flat Creek
- Work on an economic development plan for the city
- Complete the Peplow Park development plan
- Purchase property and develop a master plan for a new town square with city hall and community center

The identification and implementation of these key initiatives and strategies have allowed the City of Robinson to achieve a number of significant accomplishments what will help us realize our collective vision for the City. While this report will highlight many of the major

accomplishments reached over the past year, it is by no means a complete account of all the good things we as an organization have realized this past year.

Community Visions 2034

The adoption of the “Community Visions 2034” Comprehensive Plan will function as a short and long-range guide for the future growth, development and redevelopment of the community. It accurately reflects what is in the best interest of the City of Robinson, as perceived by citizens and property owners within the community.

The Plan will be a working document that will be used by all City Departments and the community, drawing on its vision and guiding principles to create a more efficient and responsive government. It will create a more collaborative relationship between the City, developer, and builder within the community. Expectations for quality development and amenities on a city-wide basis and the new plan will seek to foster creativity and teamwork. This exciting new development vision will also protect the history and uniqueness of the City of Robinson.

The “Community Visions 2034” Comprehensive Plan will serve several important roles in the community’s decision-making process. Its primary purpose is to permit the City to consciously consider and shape its own future. It serves as a response to existing problems that have been identified within the community and as a means to address future issues in a more proactive way.

It is intended to be used to identify areas or features that need to be protected or preserved and it establishes a framework for setting priorities. The plan focuses primarily upon the community’s physical form and environment and is closely tied to its socioeconomic factors. In many ways, the physical layout and design of the community affects the daily lives of those who live, work, and play. The plan was adopted on September 2, 2014.

Peplow Park Improvements

The Texas Parks and Wildlife Grant process was completed in August of 2013. All work performed at Peplow Park has come from existing employees and management. Over the past year, the City of Robinson with the aid of local contractors have constructed the pavilion, planted 34 trees, completed the walking trail, installed lights at the pavilion, and seasonal signs.

The new pavilion grant was awarded in early 2014 to the City of Robinson from “The Bernard and Audre Rapoport Foundation”. This grant provided funds for a major portion of the pavilion. The remaining funds were derived from private donors and the City. The construction of the new pavilion was completed in the fall of 2014.

Progressive Waste Solutions Contract

The contract with Progressive Waste Solutions for sanitation services was \$640,750 in Fiscal Year 2013-2014. The contract for services will be \$657,369 in Fiscal Year 2014-2015. This

includes a 2% increase adjustment for the Consumer Price Index. The contract that was adopted in 2013 will be effective until June 30, 2018.

Volunteer Fire Department

The Robinson Volunteer Fire Department contract for services in Fiscal Year 2013-2014 was \$222,774. The Fiscal Year 2014-2015 budget will include an increase of \$2,555 in this contract to an amount of \$225,329.

The relocation and construction of a new fire station facility was approved by the City Council at their business meeting on November 5, 2013. The total cost of the facility is \$1,773,043 and was funded from Certificates of Obligation Funds that were approved in January of 2013.

The relocation of the new fire station allows the City to obtain the old fire department facility and adjoining house and property along West Lyndale at Strauss Dr. During the construction of the new fire station, the house was remodeled and used for the Robinson Senior Citizens Center.

An architectural firm has designed a conceptual "Community Center Master Plan" that will include the remodeling of the old fire station facility, parking, façade and brick work along the alley between the fire department facility and the commercial strip center along Highway 77 at West Lyndale. The City Council will be discussing the future of this new master plan in 2015.

Police Department Efforts

The City of Robinson continues to be one of the safest communities of its size thanks to the diligent work of the Police Department. The "Police Strategic Action Plan" was recently completed and will be presented to the City Council in early 2015. In 2014, two homicide charges resulted in the sentencing of two arrestees for criminal homicide with a third being expected after this report is finished. Management purchased three new SUV's and one patrol car for police officers to rebuild the aging fleet. It is anticipated that additional vehicles will be purchased in 2015 to maintain the rotation in the department.

The patrol division completed outfitting all primary patrol units with digital mobile video recorders during 2014, ending a three year program of replacing an aging video VHS tape recording system. The narcotics officer had an outstanding year and with one seizure recovered 29 pounds of marijuana and \$29,000 in cash. The communications division installed a new dispatch console system. The criminal investigations division purchased an evidentiary forensic light kit for crime scene investigation in 2014. The refurbishing of the mobile command vehicle was completed in mid-2014.

New Zoning Ordinance

Management worked with our City Attorney over the past year to completely re-write a new zoning ordinance. This new ordinance was a major update and expansion in certain areas of current law. Management presented the ordinance to the Planning and Zoning Commission, and

City Council members for review and comment. The new ordinance was adopted by the City Council on November 4, 2014.

Street Construction Strategy

The City of Robinson implemented a new street construction strategy that was authorized by the Robinson City Council in December of 2012. The ultimate goal was to spend the taxpayer's funds to improve a distressed street system into a functional and aesthetically pleasing product for the general public.

The issuance of Certificates of Obligation Bonds for street and utility work provided the financial means to complete these street projects. It is important that citizens see what their taxes are being spent on in the community. It will provide a fast and inexpensive approach to street construction and repair versus the expensive and time consuming approach. Existing curb and gutter replacement due to poor conditions will be included in the process in certain areas of the city. Drainage culverts may be replaced or repaired. A risk must be assumed that a water or wastewater main line may have to be replaced after the reconstruction process is completed and citizens should be made aware of this risk.

Staff completed the reconstruction and first chip seal course treatment of 4.89 miles of streets within the City of Robinson during the time period of May through October of 2013. New street projects were scheduled in the 2014 street reconstruction season based on the most efficient logistics to save city funds and property owner need. Approximately 11.968 miles of streets were completed in 2014. Preparation and completion of these projects included adding additional base material to the street, replacement of culverts, cleaning of drainage ditches, and tree trimming. The previous year street sections received the next course of chip seal.

New street projects will be scheduled for the upcoming 2015 street reconstruction season based on the most efficient logistics to save city funds and need. Preparation of these projects will include adding additional base material to the street in some areas, replacement of culverts, drainage work, and tree trimming. Approximately 14.13 miles of streets are scheduled for 2015. These are suggested street projects for the year and are subject to change due to mechanical issues, unavailability of materials, personnel, and unforeseen weather conditions. Work on the preparation of these streets for reconstruction will commence during late 2014 by City staff.

City Website

A new website for the City is included in this year's budget. The City of Robinson website is our first impression to visitors, potential residents and businesses. The website reflects us as a city, our level of professionalism and sets the tone for our city. Transparency creates trust and credibility for our city. The website provides the avenue for providing all the information residents and businesses need or desire from our offices. A more effective website would demonstrate our city operations as cohesive. The funding for this new website will be achieved partially through the general fund and hotel/motel tax.

Personnel Expenditures

Cities are service-based organizations in which attracting and retaining qualified employees is critical in accomplishing the organizations mission. We believe the city is salary competitive in our local market in most positions. Turnover in these positions has remained low despite enhancements in last year's budget. This will be a focus for future budgets.

A majority of the General Fund Budget is associated with human resource expenditures in various departments. The second year of the new pay plan structure suggests an average evaluation percentage of 4.65 percent. To balance the budget, and keep the tax increase amount low, this percentage was reduced to 3 percent by management. As a result of this action, the projected personnel expenditure for Fiscal Year 2014-2015 is expected to be \$4,381,002. There will be 1 administrative assistant added to this year's budget.

Health Care Costs

The City changed healthcare providers this past budget year to TMLIEBP. The City is pleased with the performance of this provider and will continue to use TMLIEBP into the next budget year. Management recommends an 8% increase in the budget for health insurance services and or adjustments during this time period. We will continue efforts to maintain stability and additional cost savings in our health plan. We will monitor the plan in the upcoming year for overall costs and for the impact of healthcare reform and will appropriately consider future contribution increases.

City General Fund Revenues

General Fund Revenue in Fiscal Year 2013-2014 was \$6,464,464. This fund is expected to increase 0.474 % to \$6,495,128. Sales tax revenue budgeted for FY 2013-2014 was \$1,044,241. It is projected that the 2014-2015 Budget will generate \$1,139,928 in sales tax revenue to the city. This would be an 8.761 % increase in sales tax. This projection takes into account possible recovery levels of consumer spending which directly affects sales tax revenues. Ad Valorem tax was \$2,954,712 in Fiscal Year 2013-2014. It is projected that the Fiscal Year 2014-2015 budget will generate \$3,146,011 in Ad Valorem tax or an increase of 6.474 %.

Water & Wastewater Capital Improvements

In order to continue the implementation of the initial water and wastewater increase plan as of October 2012, a water and wastewater rate increase will be required to be effective on October 1, 2014 in order to continue to assemble funds to provide payments for Certificates of Obligation Bonds for the construction of capital infrastructure improvements. The rate increases for water and wastewater for the next budget year and beyond through the year 2016 will consist of the following:

Water

	<u>Current</u>	<u>October 2014</u>	<u>October 2015</u>	<u>October 2016</u>
Monthly Base Charge	35.71	38.92	42.43	46.25
(1st 10,000 gallons)	3.81	4.15	4.53	4.93
Residential Monthly Bill (Avg.)	73.81	80.42	87.73	95.55
Base Commercial Charge (3/4)	39.32	42.86	46.72	50.92
(1st 10,000 gallons)	3.93	4.28	4.67	5.09

Note: The amount of the water rate increase will be 9.0% in October 2014, 9.0% in October 2015, and 9.0% in October 2016. Economists.com recently updated the water and wastewater revenue and expense forecast for the City of Robinson. The results of that study reveal that growth in the City of Robinson has experienced reduced levels. These reduced levels will not be collecting the amount of revenue to meet funding requirements to service debt. The water rate schedule has been updated to provide for additional increases in water rates to ensure the required revenue.

Wastewater

	<u>Current</u>	<u>October 2014</u>	<u>October 2015</u>	<u>October 2016</u>
Residential Monthly Base Charge	32.91	37.85	38.61	39.83
(Per 1,000 gallons)	0.61	0.70	0.71	0.73
Commercial Monthly Base Charge (3/4)	35.55	40.88	41.70	42.53
(Per 1,000 gallons)	0.67	0.77	0.78	0.80

Note: The amount of the wastewater rate increase will be 15% in October 2014, 2% in October 2015, and 2% in 2016.

Waco Water Contract

The City of Robinson entered into an "Agreement for the reservation of raw water and sale & delivery of treated water-wholesale customer" on October 31, 2012. The cost of treated water from the City of Waco will cost \$496,400 for the next budget year. This is a \$40,150 increase from last year's budget amount of \$456,250.

Building Permit Activity

New residential and commercial construction activity was slower this year. There were no industrial building permits issued. There were 42 residential building permits valued at \$7,766,375. There were 3 commercial building permit valued at \$5,420,000. A significant portion of this activity occurred in existing developing subdivisions and throughout the City. The permit rate schedule will remain unchanged.

The Waco Industrial Foundation purchased 650 acres of land in July of 2013 along Interstate Highway 35 at Loop 340. The City of Robinson continues to work with the Waco Industrial Foundation to discuss economic development incentives to market the property.

Population Growth

The City of Robinson continues to grow amongst all other metropolitan and suburb communities. The 2010 Census estimated the population of Robinson as of January 2010 as 10,522. The current 2014 population is estimated as 11,614 (i.e. estimated using a 2.50% annual population increase) The City of Robinson continues to be the fastest growing city in McLennan County.

Tax Information

Property valuations have continued to increase due to new residential and commercial property construction and renovations. The certified tax roll is valued at \$654,906,021. This is a \$26,243,944 million increase from last year's \$628,662,077 million valuation. This net taxable amount suggests a 4.1745% growth rate for the year in value.

The budget is based on the effective tax rate which is calculated to raise the same revenue as last year on those properties that were then on the tax roll. The effective tax rate for this year's budget is 0.459733. The current tax rate is .4700 cents. The Fiscal Year 2014 rollback rate adjusted for sales tax is 0.493882 cents. A tax rate increase of 0.01038 cents is recommended in this year's budget. This increase will raise the tax rate to 0.480376.

The reason for the tax increase this year is to aide in funding certificate of obligation bond issuances, additional personnel, and to purchase needed capital outlay items. There will be a new administrative assistant in this year's budget. The capital outlay items include two trucks and a jetter machine in wastewater, a folder machine in the water office, membrane replacement and butterfly valves in water treatment, well expense and system improvements in water distribution, a truck in streets, and a new server upgrade in administration. The effect of the tax increase based on a property value of \$100,000 will be \$10.38 per year.

Certificate of Obligation Bonds

The City of Robinson issues bonds periodically for the construction of street, drainage, water and sanitary sewer improvements to its infrastructure. The City currently has unexpended bond proceeds for the 2013, 2012, 2010, and 2007 bond issuances. It is anticipated that these unexpended monies will continue to be spent within the foreseeable future, probably during the late 2014 to 2016 time frame. Management updates the City Council on a quarterly basis to provide current balances for the Certificates of Obligation Bonds that have been issued for city improvements. The total amount of funds currently available is \$14,640,395.07. These funds are issued primarily for water, wastewater, and street capital improvements to the City's infrastructure system, and other City designated projects.

Financial Sustainability

The economy caused some very serious challenges for the entire country, the State of Texas, and more importantly the City of Robinson in 2014, but it was showing some signs of improvement later in the year. This economic situation was considered during the budget process. The City Manager's Office and each city Department examined their needs versus wants as we prepared for the Fiscal Year 2014-2015 Budget.

The preparation of the budget was approached in a manner to provide necessary capital items and increased personnel for the future. City services to its citizens were not adversely affected by these cuts. The process also included the implementation of a reorganization plan that has already taken effect.

The annual budget reflects our continued commitment to develop a financial plan that the City will continue to follow in providing excellent services to the citizens of Robinson. We will continue to evaluate the City's operations and explore new opportunities to ensure the delivery of services to our citizens as cost effective as possible.

This is the third year of the annual "STATE OF THE CITY REPORT", and I would like to conclude by expressing how much I enjoy serving the City Council and this community.

Respectfully Submitted,



Robert E. Cervenka

City Manager