



State of the City Report 2015

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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 2015 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 this past year include the completion of the Peplow Park development plan, purchase property for a future city hall, and continue with the construction of water, wastewater, and street capital projects to improve and maintain our infrastructure's capabilities. 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 2015-2016:

- 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
- Continue the implementation of 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 internet outlets and social media
- Continue the implementation of the street construction strategy
- Initiate the process of engineering design and construction of the elevated water storage tower along Interstate Highway 35 and Flat Creek
- Initiate the process to engineer and begin construction of the new water treatment plant reservoir
- Begin the construction of the Loop 340/State Highway 6 overpass at Old Robinson Road
- Work on an economic development plan for the city

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 continued implementation 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 “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.

Progressive Waste Solutions Contract

The contract with Progressive Waste Solutions for sanitation services was \$584,602 in Fiscal Year 2014-2015. The contract for services will be \$591,292 in Fiscal Year 2015-2016. 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 2014-2015 was \$225,329. The Fiscal Year 2015-2016 budget will include an increase of \$2,456 in this contract to an amount of \$227,785.

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 implemented in early 2015. Management purchased two 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 2016 to maintain the rotation in the department.

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 are providing the financial means to complete these street projects.

It was 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. Staff completed the reconstruction and chip seal of 4.89 miles of streets within the City of Robinson in 2013. There were 11.968 miles of streets completed in 2014.

Prior to the 2015 street construction season, staff worked with Walker Partners on the *Planning* portion of the 2015 Program. The effort was to develop a “*Street Inventory Manual*” and “*One-Page Summary Sheets*” that staff could utilize to assess the upcoming streets for the season. This document and sheets provided staff the capacity to inspect the physical characteristics of each existing roadway segment as well as the capability to calculate quantities for the various items necessary to complete the work. Walker Partners also provided training of Public Works staff to complete *One-Page Summary Sheets*.

A “*schedule*” was developed also for City staff’s usage in order to sequentially plan out work and minimize the disruption & duration of construction associated with each roadway segment in order to minimize the opportunity for citizen complaints. Staff also worked with the suppliers of chip seal rock, primer oil, base oil, and stabilizer in order to provide the best materials for the season. Langermann-Foster was utilized for testing and selection of the types of stabilizer for the street sections.

The 2015 street season completed 18 street sections in various parts of the city that totaled 8.33 miles. This included the addition of base material to the street in some areas, replacement of culverts, drainage work, and tree trimming. More streets were recommended for construction but there were delays due to unforeseen weather conditions, mechanical issues, unavailability of materials, and personnel.

The Robinson City Council instructed management to organize a series of workshops on the street construction strategy on November 23, and once again on December 28, 2015. The reason for the workshops were to discuss citizen’s complaints, quality of street construction, and work performance of staff during this past street season.

It was recommended to management that all aspects of the procedures to construct streets be revisited. This will include personnel, equipment, materials, scheduling, and accountability. The City Council also instructed management to prepare a new plan on how to address these problems. This plan will be developed during January 2016 with the assistance of the City Engineer, Geotechnical Engineer, and material providers.

New street projects to be scheduled for the upcoming 2016 street reconstruction season will also be included in the plan and based on the most efficient logistics to save city funds and need. These will be suggested street projects for the year and are subject to change due to mechanical issues, unavailability of materials, personnel, and unforeseen weather conditions. This overall plan will then be presented to the City Council for their review in a workshop slated for the end of January. The final product will be presented at the City Council meeting on February 2, 2016.

City Website

A new website design for the City was completed this during this past year. 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 2.72 percent. As a result of this action, the projected personnel expenditure for Fiscal Year 2015-2016 is expected to be \$4,625,346. There will be one police, and one public works/street position added to this year's budget.

Health Care Costs

The City is pleased with the performance of TMLIEBP and will continue to use into the next budget year. Management recommends no 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

City revenues are derived from general fund (property tax, sales tax), water consumption, and sanitary sewer usage. The total estimated revenues for Fiscal Year 2014-2015 were \$12,941,202. The total projected revenues for Fiscal Year 2015-2016 are expected to be \$13,589,533. This is an increase of \$648,331 or 5.0098 % from last year's budget. Wastewater fund revenues are projected to increase 4.2954 % from \$1,926,776 to \$2,009,539. Water fund

revenues are projected to increase 3.8455% from \$4,519,298 to \$4,693,089. The current Hotel/Motel tax fund is \$77,232.

General Fund Revenue in Fiscal Year 2014-2015 was \$6,495,128. This fund is expected to increase 6.0318 % to \$6,886,905. Sales tax revenue budgeted for FY 2014-2015 was \$1,139,928. It is projected that the 2015-2016 budget will generate \$1,264,675 in sales tax revenue to the city. This would be a 10.9434 % 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 \$3,146,011 in Fiscal Year 2014-2015. It is projected that the Fiscal Year 2015-2016 budget will generate \$3,403,137 in Ad Valorem tax or an increase of 8.1730 %.

Water & Wastewater Capital Improvements

The City of Robinson’s 5-year water and wastewater rate plan was adopted in 2013 and revised in 2014 and 2015. The 2014 revision process acknowledged that the capital improvements program and long-term debt totals remained unchanged. The City has determined that \$25 million in debt is required to fund needed water and wastewater improvements projects.

A water and wastewater rate increase will be required to be effective on October 1, 2015 continuing through October 1, 2018 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 will consist of the following:

Water

	<u>Current</u>	<u>Oct 2015</u>	<u>Oct 2016</u>	<u>Oct 2017</u>	<u>Oct 2018</u>
Residential Monthly Base Charge	38.92	42.43	46.25	50.41	54.94
(1st 10,000 gallons)	4.15	4.53	4.93	5.38	5.86
Base Commercial Charge (3/4)	42.86	46.72	50.92	55.50	60.50
(1st 10,000 gallons)	4.28	4.67	5.09	5.55	6.05

Wastewater

	<u>Current</u>	<u>Oct 2015</u>	<u>Oct 2016</u>	<u>Oct 2017</u>	<u>Oct 2018</u>
Residential Monthly Base Charge	37.85	39.74	41.73	42.98	44.27
(Per 1,000 gallons)	0.70	0.74	0.77	0.80	0.82
Commercial Monthly Base Charge (3/4)	40.88	42.93	45.07	46.43	47.82
(Per 1,000 gallons)	0.77	0.81	0.85	0.87	0.90

Note: Economists.com recently updated the water and wastewater revenue and expense forecast for the City of Robinson. The results of that study reveal the water rate schedule has been updated to provide for additional increases in water and wastewater rates to ensure the required revenue.

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 \$516,475 for the next budget year. This is a \$20,075 increase from last year’s budget amount of \$496,400.

Building Permit Activity

New residential and commercial construction activity was slower this year. There were no industrial building permits issued. There were 26 residential building permits valued at \$2,542,140. There were 2 commercial building permit valued at \$20,200,000. A significant portion of this activity occurred in existing developing subdivisions and throughout the City. A new school for Robinson Independent School District was permitted.

The building permit fee rate schedule is proposed to increase to be more comparable with surrounding cities our population size. The increase will provide funds for our new code enforcement and building permit software annual costs, and for mowing, demolition, and acquisition of liens.

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 2015 population is estimated as 11,904 (i.e. estimated using a 2.50% annual population increase from the previous year) 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 \$673,460,422. This is an \$18,554,401 million increase from last year’s \$654,906,021 million valuation. This net taxable amount suggests a 2.8331 % 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 0.468162. The current tax rate is .480376 cents. The Fiscal Year 2015 rollback rate adjusted for sales tax is 0.513790 cents.

A tax rate increase of 0.024945 cents is recommended in this year's budget. This increase will raise the tax rate to 0.505321. The increase will be used to fund a certificate of obligation bond issuance, additional personnel, and to purchase needed capital outlay items. The effect of the tax increase based on a property value of \$100,000 will be \$24.95 per year.

Certificate of Obligation Bonds

The City has unexpended certificate of obligation bond proceeds for the 2015, 2013, 2012, and 2010 bond issuances. It is anticipated that these unexpended monies will continue to be spent within the foreseeable future. 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 \$20,863,600.55. These funds are issued for water, wastewater, and street capital improvements to the City's infrastructure system.

New certificate of obligation bonds were issued in 2015 in the amount of \$10 million. This issuance will include \$2.5 million for water capital projects, \$2.5 million for wastewater capital projects, and \$5 million for street construction, maintenance, and purchasing of equipment. It is also anticipated that the City will need to issue \$10 million in certificate of obligation bonds in 2016, and \$5 million in 2017 to anticipate the funding for the construction of a new water reservoir for the treatment plant, a storm water management engineering study, and additional capital projects.

Financial Sustainability

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 2015-2016 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 fourth 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.

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City Manager