Monday, July 29, 2024
City Council Special Meeting

Council Chambers
3815 Sachse Road, Building B
6:00 PM

City Council meetings are streamed live online and available on-demand (https://sachsetx.swagit.com/live).

The City of Sachse reserves the right to reconvene, recess, or realign the meeting, called Executive Session, or order of business at any time prior to adjournment.

As authorized by Section 551.071(2) of the Texas Government Code, these meetings may be convened into closed Executive Session at any time during the meeting for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.

A. Special Agenda Items

1. Call to Order: The City Council of the City of Sachse will hold a special meeting on Monday, July 29, at 6:00 p.m. to consider the following items of business:

2. Discuss the Fiscal Year 2024-2025 Preliminary Budget.

3. Receive an Update on the CWD Storm Debris Cleanup.

4. Adjournment.

I, the undersigned authority, do hereby certify that this notice of a public meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.

Leah K Granger

Leah K Granger, City Secretary

Posted: 07/26/2024 by 12:00 pm | Removed: ____________

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Logan Thatcher, ADA Coordinator, via phone at 972-495-1212, via email at lthatcher@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

A. Special Agenda Items

Subject:	**2. Discuss the Fiscal Year 2024-2025 Preliminary Budget.**
Meeting	July 29, 2024 - City Council Special Meeting
Access	Public
Type	Information, Discussion

There are no policy considerations affiliated with this item.

Recommended Action	Discuss the FY 2024-2025 preliminary budget and provide feedback.
Goals	Be a model of financial stewardship through growth management; responsible investment; and financial transparency. Provide a high quality of life environment for families; individuals; businesses; and other organizations in Sachse.

BACKGROUND
The City Council budget workshop is the initial opportunity for City Council to review and discuss the preliminary budget with City staff. Based on feedback from Council, the City Manager will prepare and submit the proposed budget to Council not later than August 15.

POLICY CONSIDERATIONS
The budget workshop presentation includes a financial update, noting the current projected financial condition of the City. Topics to be covered include an update on current-year budget performance, three-year projections of major operating fund revenues and expenditures, and a fund balance review. Following the financial update, City staff will present the base budget and supplemental budget requests.

The budget for the upcoming fiscal year is in draft form and is considered a working document.

RECOMMENDATION
Discuss the FY 2024-2025 preliminary budget and provide feedback.

File Attachments
1. Presentation_Budget Workshop FY24-25

City of Sachse
2024-2025 Budget

City Council Workshop
July 29, 2024

Overview

- Financial Update
- City Council's Strategic Priorities
- Preliminary Budget
  - Base Budgets
  - Capital Improvement Plan
  - Compensation Update
  - Supplemental Requests
  - Summary
- Budget Process Next Steps

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Financial Update

David Baldwin, Director of Finance

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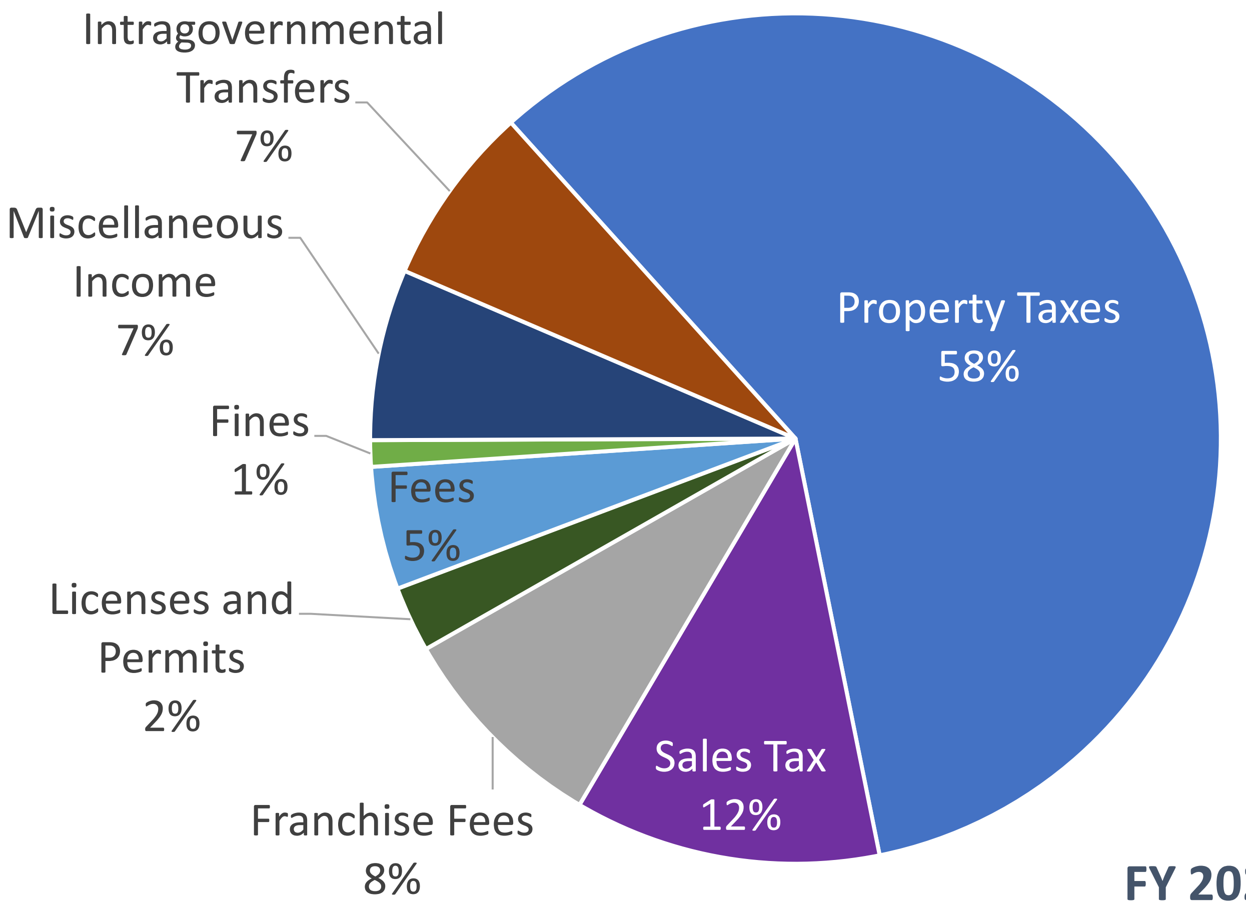
Overview

- Financial Update
  - General Fund Revenue Review
  - Current Year Update
  - Three-Year Projections
  - Fund Balance Analysis
  - Debt Capacity

General Fund Revenues



Taxes

Property	(58%)
Sales	(12%)
Franchise	(8%)
TOTAL	(78%)

FY 2023 Collections - $25.5M

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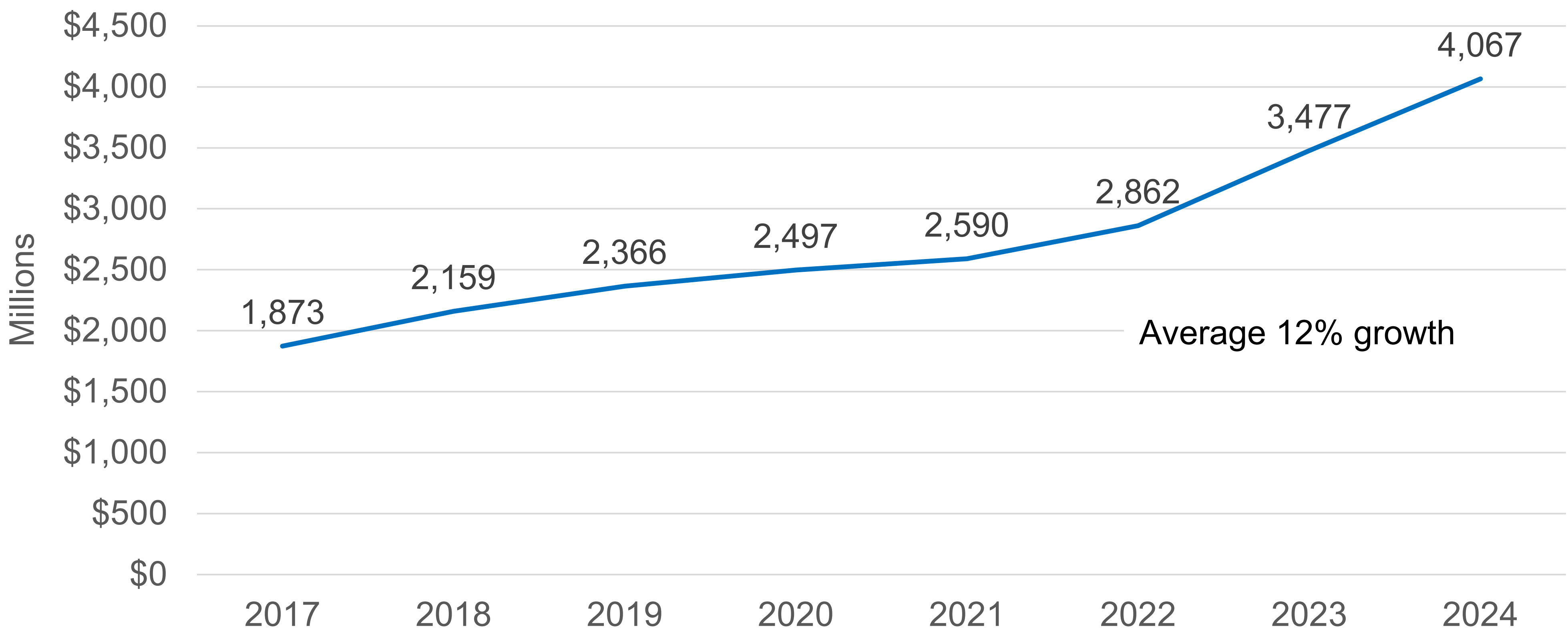
General Fund YTD (thru 6/30)

	Budgeted	Actual	Percent
Property Tax Revenue	$16,716,996	$16,475,289	99%
Sales Tax	2,875,000	2,329,771	81%
Franchise Revenue	2,211,000	1,608,412	73%
Licenses and Permits	1,076,000	407,717	38%
Fees	1,590,300	1,145,546	72%
Other Revenue	2,775,130	2,537,351	91%
TOTAL REVENUE	**$27,244,426**	**$24,504,086**	**90%**
TOTAL EXPENDITURES	**$34,522,916**	**$25,649,699**	**74%**
SURPLUS (DEFICIT)	($7,278,490)	($1,145,612)	

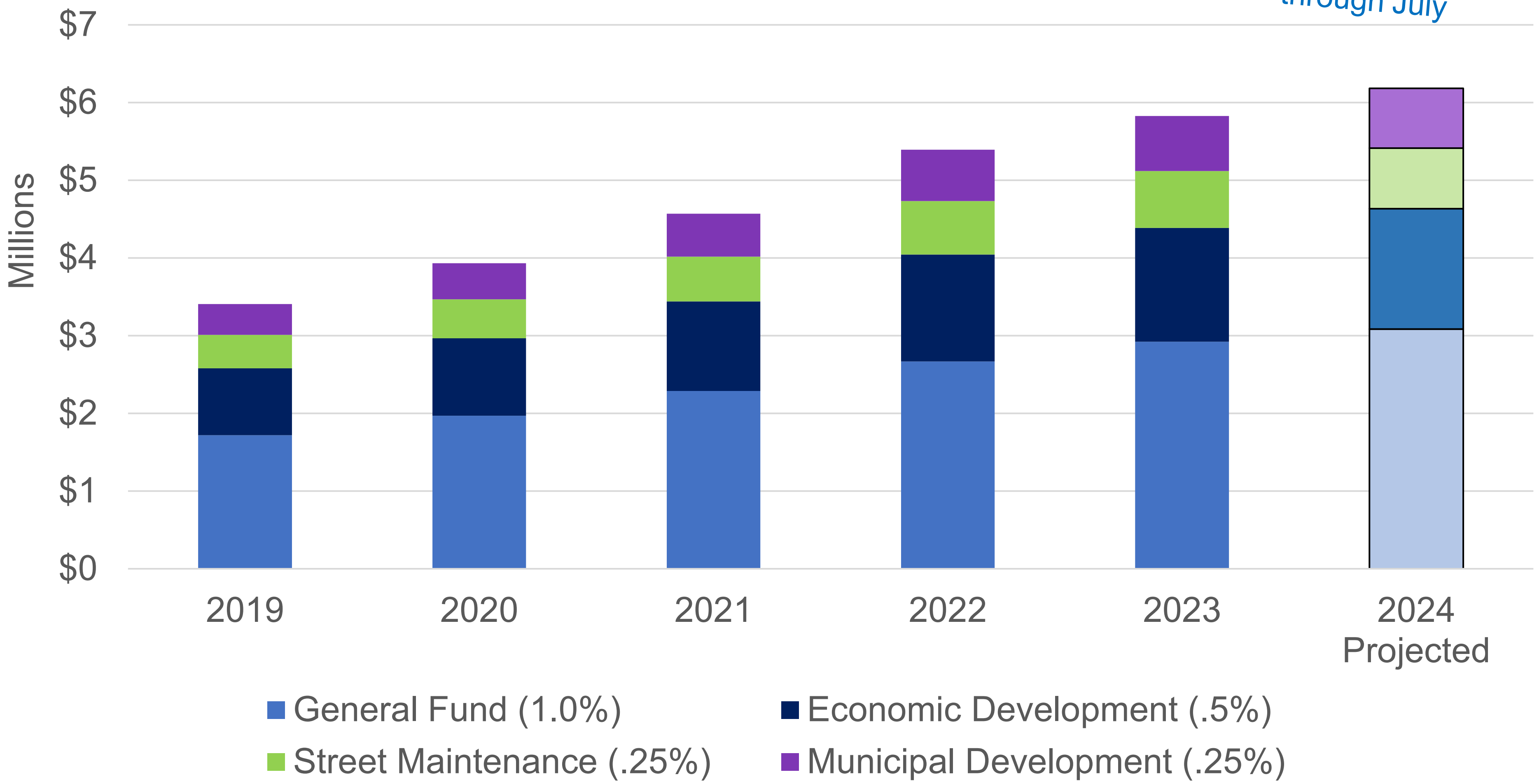
Assessed Property Values



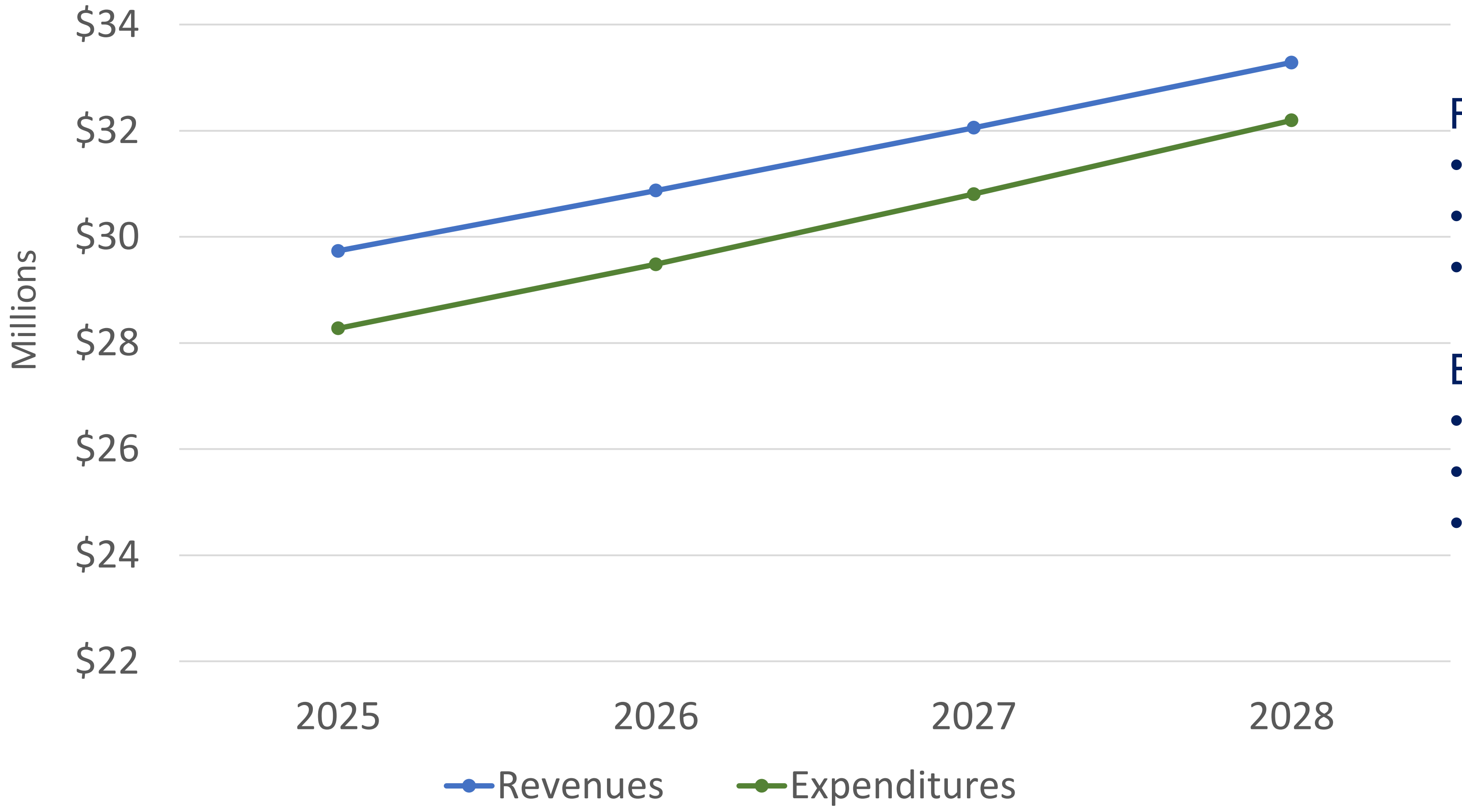
Shown by Fiscal Year

Sales Tax Receipts

6% YTD Collections Growth through July



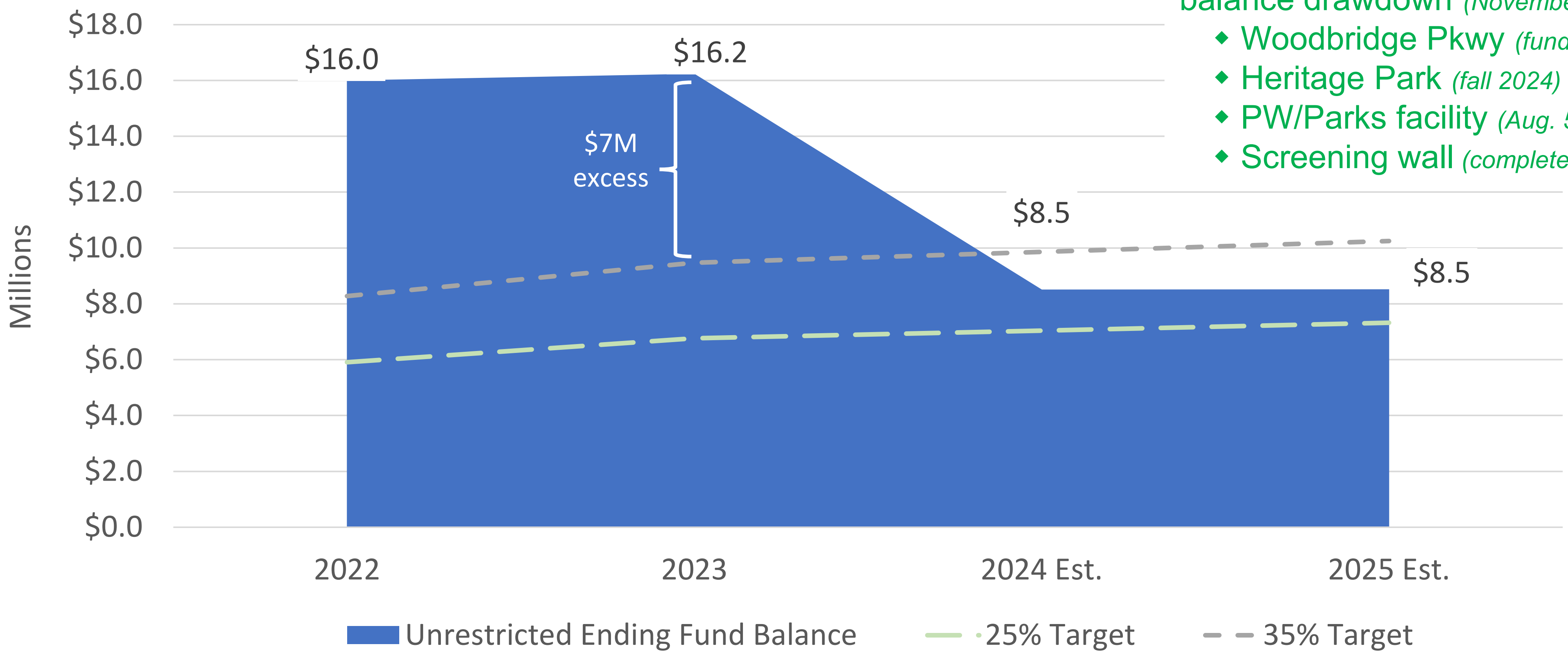
General Fund Operations Three-Year Projection



Revenue assumptions:
- Taxable Values: +4% annually
- Sales tax: +5% annually
- All other: +3% annually

Expense assumptions:
- Excludes supplemental requests
- Health expense +10% annually
- Overall +4.0% annually

General Fund Balance



Council approval of $7.1M fund balance drawdown *(November 2022)*

- Woodbridge Pkwy *(funding project)*
- Heritage Park *(fall 2024)*
- PW/Parks facility *(Aug. 5 Discussion)*
- Screening wall *(completed)*

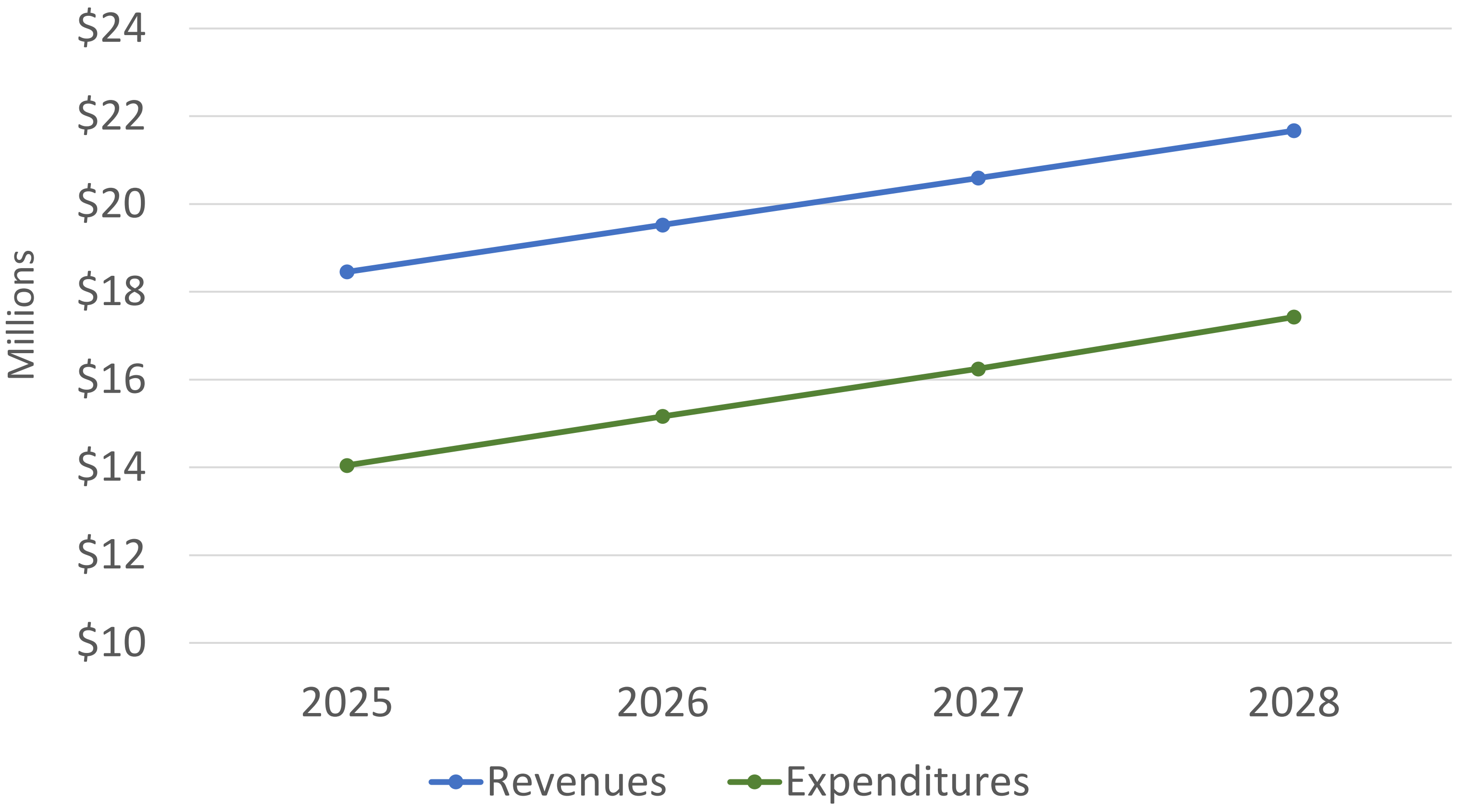
Policy – Targeted level of General Fund unassigned reserves should be between 25% and 35%

Utility Fund YTD (thru 6/30)

	Budgeted	Actual	Percent
Water Revenue	$9,575,500	$5,936,247	62%
Sewer Revenue	6,500,000	5,127,704	79%
Drainage Revenue	230,000	176,307	77%
Other Revenue	521,000	2,627,274	104%
TOTAL REVENUE	**$16,826,500**	**$13,867,532**	**74%**
TOTAL OPERATING EXPENDITURES*	**$13,557,008**	**$10,280,196**	**76%**
SURPLUS (DEFICIT)	$3,269,492	$3,587,336	

*Excludes one-time supplementals & capital project funding

Utility Fund Operations Three-Year Projection



Consultant Rate Model Projections

Revenue assumptions:

- Rates: Water rates: +7%/yr.
  Sewer rates: +2%/yr.

Expense assumptions:

- Exclude CIP, supplemental requests, one-time transfer to Utility VERF
- NTMWD +5.6% in ’25
  - +9% in ’26
  - +12% in ‘27
- Garland Sewer rate +4.5% in ’25
  - +5% annually
- Garland Sewer charge +6% annually
  - *(includes consumption)*

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Tax Rate History

Fiscal Year	M&O Rate	I&S Rate	Total Rate	Ratio-%*
2016	0.572279	0.185000	0.757279	76/24
2017	0.562000	0.195279	0.757279	74/26
2018	0.553072	0.194207	0.747279	74/26
2019	0.525793	0.194207	0.720000	73/27
2020	0.525793	0.194207	0.720000	73/27
2021	0.525793	0.194207	0.720000	73/27
2022	0.506527	0.194207	0.700734	72/28
2023	0.456209	0.194207	0.650416	70/30
2024	0.456209	0.194207	0.650416	70/30

**Policy – Debt service (I&S Rate) component should not exceed 35%. Limit should be reviewed periodically to ensure compatibility with the City's needs.*

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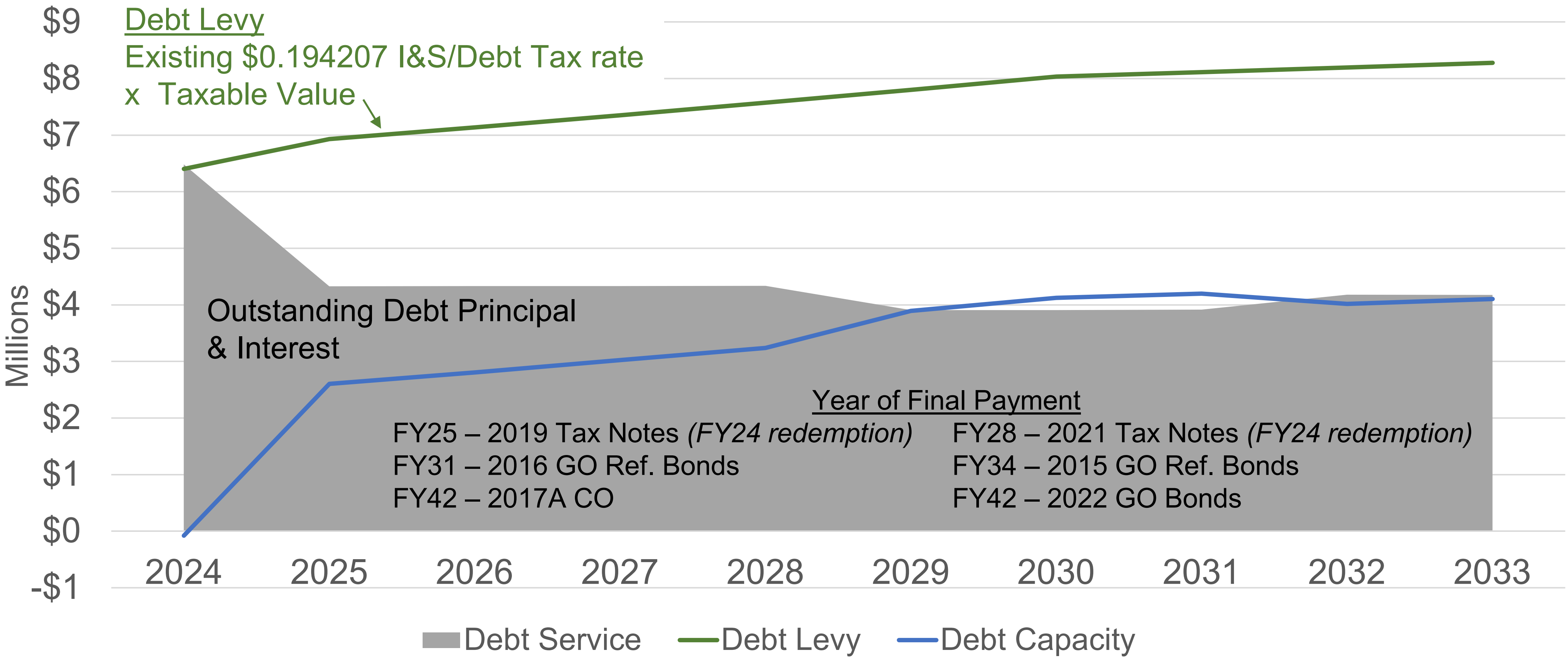
Debt Capacity



Questions?

City Council’s Strategic Priorities

Gina Nash, City Manager

Overview

- Recap of the City Council Strategic Planning Retreat
- Priorities for upcoming fiscal years and funding approaches
  - Infrastructure rising costs due to inflation post-COVID
  - Parks and Public Works facility
  - War for Talent and Compensation
- Budget Climate

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Recap of the City Council Strategic Planning Retreat

- The Council acknowledged there were several competing but important priorities for the community relative to the forthcoming budget process
  1. Shifting an even greater focus towards investing in infrastructure needs across the city
  2. Finally identifying a solution for the Public Works and Parks facility
- In addition, from an operational perspective, staff recommends the additional priority be included:
  3. War for Talent and Compensation—particularly in public safety
- <u>The result: a budget proposal that focuses on these three major priorities and responds to the current budget climate</u>

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Priorities - Infrastructure

- Expensive infrastructure needs have not been addressed
- As a result, infrastructure failures are occurring across the community from original infrastructure that was not well maintained and from accumulated depreciation from major developments (e.g., Woodbridge) that are beginning to age
- Infrastructure needs include residential streets, alleys, utilities, collectors, and major thoroughfares
- Started to address these needs in Bond 2021
- A multi-tiered, multi-year approach is needed to continue this effort

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Infrastructure—Next Steps

1. Acceleration of Bond 2021 projects + Complementary CIP
   - Selling debt earlier than anticipated—proposed request for Council authorization September 16th
   - Commencement of work on Westcreek, Williford, and neighborhood packages sooner than originally planned
   - CIP proposal that works in tandem with this acceleration for additional residential street work
   - This strategy opens up debt capacity for future issuances
   - Planning for a Bond 2028 program
     - Staff estimates approximately $9.3M in potential residential street projects for this package and has an estimated $28M in 2028 proceeds, leaving room for major thoroughfare projects to potentially be included such as Blackburn/Ingram Road

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Infrastructure—Next Steps

- Staff will do the following:
  1. Return at the September 16 Council Meeting to authorize the sale of debt to accelerate the Bond 2021 program
  2. Present a comprehensive CIP proposal that works in connection with this accelerated plan
  3. Present a list of potential Bond 2028 projects in the Proposed Budget for Council's consideration

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Priorities – Public Works and Parks Facility

- The Council reviewed options relative to funding the Public Works and Parks facility, the opportunity to combine those functions into one building, and rising costs associated with the construction project
  - Unreserved fund balance has been previously set aside for this project, but rising construction costs exceed funds available in this category
  - Opportunity to correct mistakes from inherited building, provide reliable and protective space for employees and equipment, and create something for ultimate buildout of the community

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Priorities—Public Works and Parks Facility

- Public Works building is in extremely poor condition and is too small for current and future needs
- Parks facility is in former Fire Station that sits on commercially viable land on SH 78
- Proposal to combine functions into one very rudimentary metal framed building
- Sell the Parks facility site to get the location back to productive use on the tax roll
- Could handle project funding as a phased approach to make the project financially feasible

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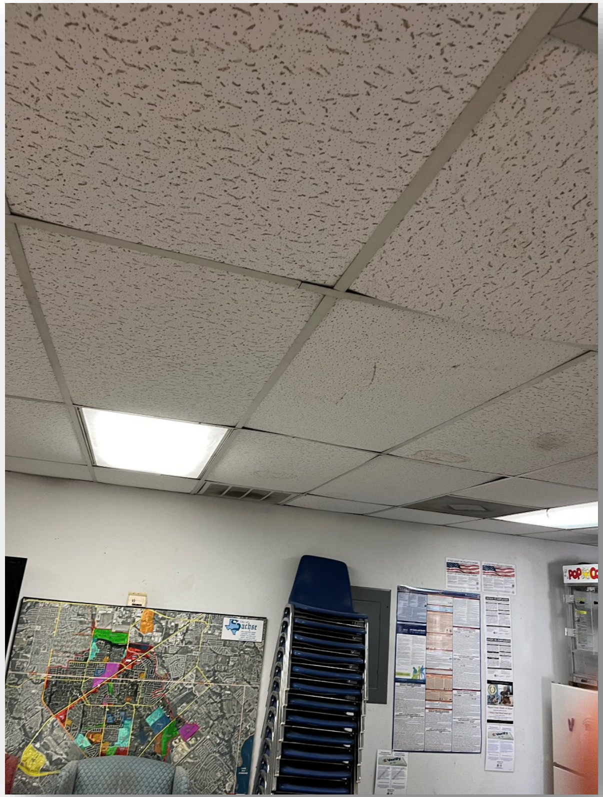

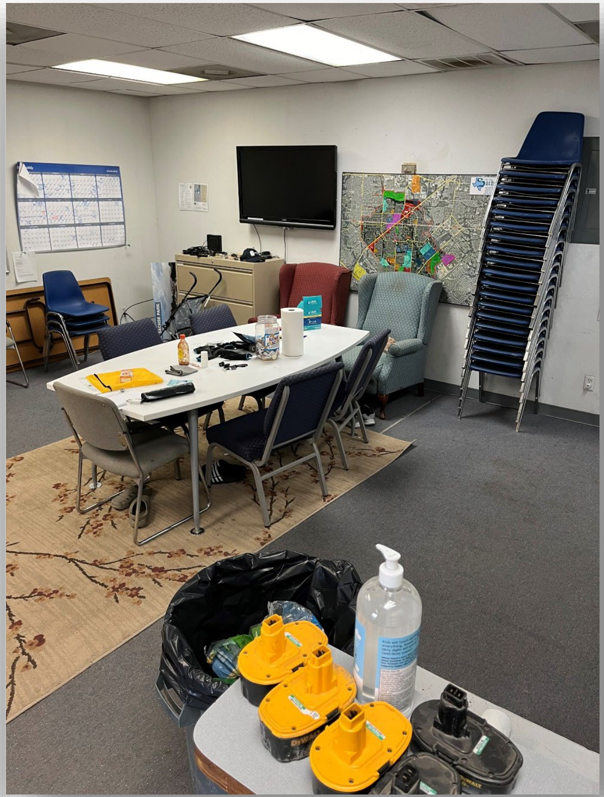

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Public Works and Parks Facility—Next Steps

- Original plan was to cover cost of the facility with savings, but rising costs have made that option infeasible
- Recommendation to use a portion of the savings in combination with water/sewer revenue bonds to cover the costs of construction
  - The City has current capacity within its existing I&S tax rate to accomplish this, accelerate the Bond 2021 program, and plan for a Bond 2028 program
  - Opportunity to use a very specific revenue stream (W/S revenue bonds) in combination with savings to accomplish this project

Public Works and Parks Facility—Next Steps

- Staff will do the following:
  1. Come to the City Council in August with a design proposal for the facility using existing funds
  2. Continue to work with the City's Financial Advisor to plan for future debt issuance
  3. Return to Council in early Summer 2025 for building options and planned debt issuance

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War for Talent and Compensation

- The City has made a concerted effort to maintain its goal of targeting the midpoint of the market of the City's comparator cities in terms of compensation
- The City has also introduced a variety of no or low-cost, high-impact benefits to help provide a more competitive total compensation package
- Great strides have been made in this regard, however, annual adjustments will need to continue just to keep pace with the market
- It has been nearly 10 years since the City has completed a thorough compensation study
  - An update to the 2015 plan was considered but delayed due to COVID in 2020 and market volatility

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War for Talent and Compensation

- Reality check: the market changed significantly in the post-COVID years
  - Some comparator cities chose to be extremely aggressive with their market adjustments as a method to attract employees during the "War for Talent"
  - Some cities began issuing compensation updates twice-a-year, accelerating the market even further
  - Four years later, we have a compounding accelerating compensation market—especially in public safety
  - The Dallas-Fort Worth Metroplex is the most aggressive market in the state of Texas when it comes to local government compensation

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War for Talent and Compensation—Next Steps

- Staff will do the following:
  1. Submit a compensation proposal (following in this presentation) that includes:
     - A 3% COLA adjustment for employees not receiving a market increase
     - Average of 4.5% market adjustment for sworn public safety, plus annual anniversary steps
     - A 50% correction adjustment based on market midpoint for employees who are 10% or more out of market
  2. Submit a full compensation study as a supplemental in the budget process
     - If approved, staff would work very quickly to issue an RFP, onboard the consultant, and commence the review work

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Budget Climate

- Revenues are more limited than they have been in recent years as we approach build out
- Sensitive to impacts on the public and the tax rate
- In need of major capital items that would consume the entirety of any budget surplus, so looked to alternative funding strategies
- Mirroring prior strategies with fire apparatus, staff proposes using tax notes to acquire equipment that was not originally contemplated in the VERF when it was created
- This strategy helps the City maintain its current I&S rate needed for other infrastructure items and helps acquire major equipment without impacting operating revenues

Budget Climate—Next Steps

- Staff will do the following:
  1. Work with the City's Financial Advisor to prepare for the issuance of tax notes for the acquisition of required equipment (shown later in the presentation)
  2. Anticipated tax note sale would be in tandem with the budget process this fall
  3. If approved and once acquired, these items would be built into the VERF for future planning and funding

Preliminary Budget

Gina Nash, City Manager

Overview

- Preliminary Budget
  - Budget Calendar
  - Base Budget
  - CIP
  - Compensation
  - Supplemental Requests

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Budget Calendar

- **August 5** Dallas County submits completed No-New-Revenue and Voter-Approval Tax Rate worksheets to entities
- **August 8** Municipal Development District Meeting – assumed approval of final budget
- **August 13** Budget Town Hall *(initial town hall June 11th)*
- **August 15** Sachse Economic Development Corporation Meeting – assumed approval of final budget
- **August 15** City Manager's proposed budget to Council and available to public *(Charter requirement)*
- **August 19** City Council Meeting — Budget presentation to Council; schedule public hearings; record vote on max tax rate to consider; discuss budget; present no-new-revenue rate, voter approval tax rate and certified appraisal tax roles
- **August 20** Post the "Notice of Public Hearing" and "Explanation of Tax Rates" on City website
- **August 22** Publish the "Notice of Public Hearing"
- **Sept. 3** City Council Meeting — Hold public hearing on budget; budget discussion; set date for adoption
- **Sept. 16** City Council Meeting — Hold public hearing on tax rate; adopt budget; ratify tax rate in the budget; approve proposed tax rate

Budget Overview

- Base Budget – prior year budget less one-time items and capital project funding. The cost of continuing existing levels of service.
  - Revenues
  - Expenditures
- Supplemental Requests – requests for additional budget
  - Program enhancements
  - Service enhancements
  - One-time items

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Base Budgets

Gina Nash, City Manager

General Fund Assumptions

- Revenues
  - Property Tax
    - Certified value $4.64 billion
    - Tax rate – 0.650416
  - Sales Tax – growing, but budgeted conservatively
  - Franchise Fees – steady
  - Licenses/Permits
    - Anticipating delayed projects due to inflationary capital market

- Expenditures
  - Maintain quality services
  - Manage minimal base budget growth despite inflation

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General Fund Assumptions

- Further Assumptions
  - Growth leveling off, but continued infill and future developments at 5th Street, Woodbridge Corners, PGBT anticipated
  - Continued planning and preparing for an exit from the high-growth phase, but also responding to the needs expressed by residents and Council

General Fund Revenue

CATEGORY	2023-2024 OPERATING BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Property Taxes	$16,716,996	$18,171,765	$1,454,769	9%
Sales Tax	2,875,000	3,215,000	340,000	12%
Franchise	2,211,000	2,175,711	(35,289)	(2%)
Licenses/Permits	1,076,000	1,100,500	24,500	2%
Fees	1,590,300	1,786,920	196,620	12%
Court Fines	250,000	260,000	10,000	4%
Interest	420,000	694,190	274,190	65%
Allocated Overhead	1,543,687	1,623,058	79,371	5%
Other Revenue	561,443	707,091	145,648	26%
TOTAL	$27,244,426	$29,734,235	$2,489,809	9%

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General Fund Departmental Summary

DEPARTMENT	2023-2024 OPERATING BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Animal Services	$306,808	$336,247	$29,439	10%
City Manager	963,828	1,014,969	51,141	5%
City Secretary	268,759	299,739	30,980	12%
Combined Services	528,778	589,358	60,580	11%
Development Services	1,205,277	1,300,062	94,785	8%
Engineering	391,816	401,918	63,207	3%
Facilities Maintenance	684,687	724,583	39,896	6%
Finance	901,786	994,873	93,087	10%
Fire-Rescue	6,775,156	7,450,283	675,127	10%

Excludes one-time supplementals, one-time capital project funding and vacancy assumption

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General Fund Departmental Summary

DEPARTMENT	2023-2024 OPERATING BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Human Resources	$578,457	$547,644	($30,813)	(5%)
Information Technology	1,032,975	1,071,439	38,464	4%
Library	851,820	867,370	15,550	2%
Municipal Court	296,512	314,272	17,760	6%
Neighborhood Services	353,903	416,167	62,264	18%
Parks	1,480,501	1,544,919	64,418	4%
Police	7,275,453	7,599,391	323,938	4%
Recreation	792,625	874,016	81,391	10%
Senior Activity Center	219,318	218,131	(1,187)	(1%)
Streets	1,543,827	2,117,150	573,323	37%

Excludes one-time supplementals, one-time capital project funding and vacancy assumption

General Fund Summary

CATEGORY	2023-2024 OPERATING BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Revenue	$27,244,426	$29,734,235	$2,489,809	9%
Operating Expenses	26,452,286	28,682,531	2,230,245	8%
Surplus	$792,140	$1,051,704	$259,564	

Excludes one-time supplementals, capital project funding and vacancy assumption

Utility Fund Assumptions

- Revenues
  - Water rates – 7% increase
  - Sewer rates – 2% increase
- Expenditures
  - North Texas wholesale water rates increase by 5.6%
  - Garland sewer treatment rates increase by 4.5%

Utility Fund Revenue

CATEGORY	2023-2024 AMENDED BUDGET*	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Water Revenue	$9,575,500	$10,277,340	$701,840	7%
Sewer Revenue	6,500,000	6,817,161	317,161	5%
Drainage Revenue	230,000	265,000	35,000	15%
Fees	206,000	224,000	18,000	9%
Interest	290,000	870,000	580,000	200%
Other Revenue	25,000	500	(24,500)	(98%)
TOTAL	$16,826,500	$18,454,001	$1,627,501	10%

*Excludes one-time capital project funding

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Utility Fund Departmental Summary

DEPARTMENT	2023-2024 OPERATING BUDGET*	2024-2025 PRELIMINARY BUDGET**	CHANGE	% GROWTH
Utility Administration	$536,855	$604,086	$67,231	13%
Water Operations	7,941,986	8,188,352	246,366	3%
Sewer Operations	5,078,167	5,208,349	130,182	3%
Drainage***	-	-	-	-
TOTAL	$13,557,008	$14,000,787	$443,779	3%

*Excludes one-time supplementals & capital project funding
**Excludes one-time transfer to Utility VERF
***Drainage expenses are all capital project funding. All expenses excluded. Capital project funding to be provided in the August City Manager's Proposed Budget.

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Utility Fund Summary

CATEGORY	2023-2024 OPERATING BUDGET*	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Revenue	$16,826,500	$18,454,001	$1,627,501	10%
Operating Expenses	13,557,008	14,000,787	443,779	3%
Available	$3,269,492	$4,453,214	$1,183,722	

*Excludes one-time supplementals

Debt Service Assumptions

- No change in tax rate – 0.194207
- Taxable value less TIRZ contribution – $3.57 billion
  - Certified value – $4.64 billion
  - Less Freeze values – $620 million
  - Less TIRZ values – $459 million

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Debt Service Summary

CATEGORY	2023-2024 AMENDED BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Revenue	$7,161,584	$7,912,361	$750,777	10%
Debt Service Payments	7,032,034	4,328,488	(2,703,546)	(38%)
Available	$129,550	$3,583,873	$3,454,323	

*Excludes one-time supplementals

Sachse Economic Development Summary

CATEGORY	2023-2024 AMENDED BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Revenue	$1,540,000	$1,880,000	$340,000	22%
Operating Expenses	909,632	2,155,463	1,245,831	137%
Surplus	$630,368	($275,463)	($905,831)	

General VERF Revenue Allocations

DEPARTMENT	2023-2024 AMENDED BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Animal Services	$18,000	$20,000	$2,000	11%
Development Services	15,600	25,000	10,000	67%
Engineering	25,000	25,000	-	-
Facilities Maintenance	36,500	40,000	3,500	10%
Fire-Rescue*	400,000	770,000	370,000	93%
Information Technology**	136,676	178,000	41,324	30%
Neighborhood Services	12,000	15,000	3,000	25%

*Increase primarily due to replacement funding for new apparatus

**Reflects replacement funding for prior budget process approved replacements

General VERF Revenue Allocations Cont'd

DEPARTMENT	2023-2024 AMENDED BUDGET	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Parks	$72,000	$75,000	$3,000	25%
Police	210,000	305,000	95,000	45%
Recreation	6,800	7,000	200	3%
Senior Activity Center	14,000	15,000	1,000	7%
Streets	90,000	95,000	5,000	6%
Auction Proceeds/Grants	100,000	110,000	10,000	10%
Interest Income	50,000	120,000	70,000	140%
TOTAL	$1,185,976	$1,800,000	$614,024	52%

General VERF Expenditures

DEPARTMENT	2023-2024 AMENDED BUDGET	2024-2025 PRELIMINARY BUDGET*	CHANGE	% GROWTH
Information Technology	$81,965	-	($81,965)	(100%)
Police	517,281	-	(517,281)	(100%)
Recreation	39,626	-	(39,626)	(100%)
TOTAL	$638,872	$-	($638,872)	(100%)

*Excludes scheduled replacements recommended for funding

Utility VERF Revenue Allocations Cont'd

DEPARTMENT	2023-2024 AMENDED BUDGET*	2024-2025 PRELIMINARY BUDGET	CHANGE	% GROWTH
Transfer-in from Water		1,052,000	1,052,000	
Transfer-in from Sewer		409,000	409,000	
Auction Proceeds		5,000	5,000	
Interest Income		15,000	15,000	
TOTAL	$-	$1,481,000	$1,481,000	%

*Utility Vehicle Replacement Fund newly created

Capital Improvement Plan

Gina Nash, City Manager

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2024-2025 Capital Improvement Plan

2024-2025 Budget Goal

- Infrastructure (Roads)

Strategy

- Accelerate Bond Proposition 2021 Projects
  - Prior Plan: Final funding tranche in 2028
  - Revised Plan: Final funding tranche in 2026
- Add Bond Proposition 2028
  - No increase to I&S property tax rate

Bond Proposition 2021

- Accelerate remaining funding to FY 2025 and 2026

DEPARTMENT	Authorized	FY23	FY24	FY25	FY26	FY27	FY28	FY29-30
Sachse Road Phase 2	**$14.675**	$1.700		$12.975				
Sachse Road Phase 3	**8.710**						8.710	
Bailey-Hooper Road	**10.660**	10.660						
West Creek	**2.820**			2.820				
Williford Road	**7.170**				1.000		6.170	
Neighborhood Package	**5.000**	0.675		.400	.400	.400	1.050	2.075
Animal Shelter	**5.000**	5.000						
	$54.035	$18.035	$-	$16.195	$1.400	$0.400	$15.930	$2.075

The City of SACHSE

Bond Proposition 2021

- Neighborhood Package – 2024-2025 Streets & Alleys
  - 7th Street (Jewel East to Salmon)
  - 7th Street (Lillie to Bryan)
  - Alberta Circle / Cedar Creek / Cedar Brook Alleys
  - Industrial Drive / Park Lane
  - Jewel Alley
  - Ridgeview Drive (Southridge to Highridge)
  - Rustic Ridge Court
  - Rustic Ridge Court Alley

The City of SACHSE

Bond Proposition 2028 – Streets & Alleys

- Potential Residential Projects include:
  - Ashwood Lane (3314-3400)
  - Blossom Drive
  - Brookhollow Drive
  - Brookview Drive Alley
  - Country Club Road at SH 78 Signal Improvements
  - Country Club Road Extension (Public Works Facility)
  - Creek Hollow Drive (3120-3132)
  - Falcon Crest Lane
  - Getha Lane Overlay
  - Granite Alley
  - Herring Circle
  - Jewel Street (Salmon East to 7th)
  - Jewel Street (7th East to Salmon)
  - Pintail Drive (Sachse to Mallard)
  - Rebecca Drive Alley
  - Ridgeview Alley
  - Salmon Street (78 to Jewel)
  - Sandi Lane
  - Scott / Creekside Alley
  - Scott / Lance / Todd Alleys
  - Southridge Drive (Ben Davis to Highridge)
  - Timber Creek Circle / Meadow Creek Lane Reconstruction
  - Widgeon Court
  - William Street
  - (More to be added)

The City of SACHSE

Bond Proposition 2028 – Streets & Alleys

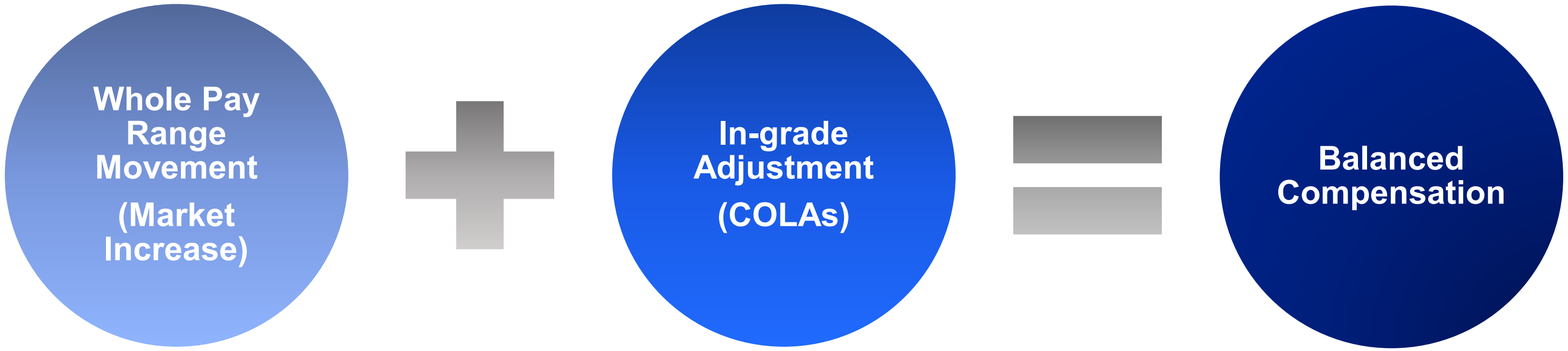
- Potential Non-Residential Projects include:
  - Blackburn/Ingram
  - Woodbridge Parkway

Compensation Update

Gina Nash, City Manager

Compensation Philosophy

- Market
  - Target: our target is midpoint of comparator city market
    - Corresponding pay grade modifications align positions to midpoint market value
  - Goal: effectively recruit and retain talent
- COLA
  - Target: transition existing employees through the range of their pay grade
  - Goal: reduce compression and retain current employees



Comparator Cities

CITY OF ALLEN

THE · CITY · OF
COPPELL
TEXAS · 1890

CITY OF
MURPHY
LIFE LIVED AT YOUR PACE

LITTLE ELM

CITY OF
COLLEYVILLE
TEXAS

GARLAND

CITY OF
WYLIE

THE · CITY · OF
COPPELL

TOWN OF
PROSPER

RICHARDSON
TEXAS

City of Rockwall
The New Horizon

The City of
SACHSE

FY25 Compensation Recommendations

Based on a comparator city market analysis:

- Sworn Public Safety
  - Apply a 50% correction adjustment based on our midpoint of market target to the pay plans
    - This averages out to a 4% pay plan adjustment for Sworn Fire Rescue positions, and an average of a 5% pay plan adjustment to Sworn Police positions
    - Additionally, each employee receives a step increase on their anniversary date
    - These employees do not receive the COLA
- Non-Sworn Market:
  - Apply a 50% correction adjustment based on our midpoint of market target to employees who are more than 10% out of market
- Non-Sworn COLA:
  - All employees not receiving a market correction receive a 3% COLA adjustment in grade

Total impact to the General Fund: $745,051

Total impact – all funds: $838,695

The City of SACHSE

Sworn Fire Ranking

Firefighter/EMT			
City	Current Ranking	City	Market Adjustment
Wylie	1	Wylie	1
Rockwall	2	Rockwall	2
Prosper	3	Prosper	3
Colleyville	4	Colleyville	4
Rowlett	5	Rowlett	5
Little Elm	6	Sachse	6
Sachse	7	Little Elm	7
Allen	*No Match*	*Allen*	*No Match*
Coppell	*No Match*	*Coppell*	*No Match*
Garland	*No Match*	*Garland*	*No Match*
Murphy	*No Match*	*Murphy*	*No Match*
Richardson	*No Match*	*Richardson*	*No Match*

Firefighter Recruit			
City	Current Ranking	City	Market Adjustment
Garland	1	Garland	1
Wylie	2	Wylie	2
Richardson	3	Sachse	3
Sachse	4	Richardson	4
Rockwall	*No Match*	Rockwall	*No Match*
Prosper	*No Match*	Prosper	*No Match*
Colleyville	*No Match*	Colleyville	*No Match*
Rowlett	*No Match*	Rowlett	*No Match*
Little Elm	*No Match*	Little Elm	*No Match*
Allen	*No Match*	Allen	*No Match*
Coppell	*No Match*	Coppell	*No Match*
Murphy	*No Match*	Murphy	*No Match*

Firefighter Paramedic			
City	Current Ranking	City	Market Adjustment
Allen	1	Allen	1
Wylie	2	Wylie	2
Richardson	3	Richardson	3
Garland	4	Garland	4
Rowlett	5	Rowlett	5
Coppell	6	Coppell	6
Prosper	7	Sachse	7
Little Elm	8	Prosper	8
Sachse	9	Little Elm	9
Colleyville	10	Colleyville	10
Rockwall	11	Rockwall	11
Murphy	12	Murphy	12

Fire Driver Engineer			
City	Current Ranking	City	Market Adjustment
Richardson	1	Richardson	1
Garland	2	Garland	2
Allen	3	Allen	3
Rowlett	4	Rowlett	4
Sachse	5	Sachse	5
Little Elm	6	Little Elm	6
Coppell	7	Coppell	7
Prosper	8	Prosper	8
Wylie	9	Wylie	9
Colleyville	10	Colleyville	10
Murphy	11	Murphy	11
Rockwall	12	Rockwall	12

Fire Lieutenant (Captain)			
City	Current Ranking	City	Market Adjustment
Wylie	1	Wylie	1
Garland	2	Garland	2
Richardson	3	Richardson	3
Allen	4	Allen	4
Rowlett	5	Rowlett	5
Coppell	6	Coppell	6
Colleyville	7	Sachse	7
Little Elm	8	Colleyville	8
Prosper	9	Little Elm	9
Sachse	10	Prosper	10
Rockwall	11	Rockwall	11
Murphy	12	Murphy	12

The City of SACHSE

Sworn Police Ranking

Police Recruit			
City	Current Ranking	City	Market Adjustment
Garland	1	Garland	1
Allen	2	Allen	2
Wylie	3	Wylie	3
Coppell	4	Sachse	4
Murphy	5	Coppell	5
Sachse	6	Murphy	6
Colleyville	7	Colleyville	7
Little Elm	*No Match*	Little Elm	*No Match*
Prosper	*No Match*	Prosper	*No Match*
Richardson	*No Match*	Richardson	*No Match*
Rockwall	*No Match*	Rockwall	*No Match*
Rowlett	*No Match*	Rowlett	*No Match*

Police Officer			
City	Current Ranking	City	Market Adjustment
Garland	1	Garland	1
Allen	2	Allen	2
Richardson	3	Richardson	3
Wylie	4	Wylie	4
Rockwall	5	Rockwall	5
Coppell	6	Coppell	6
Rowlett	7	Sachse	7
Prosper	8	Rowlett	8
Little Elm	9	Prosper	9
Sachse	10	Little Elm	10
Colleyville	11	Colleyville	11
Murphy	12	Murphy	12

Police Sergeant			
City	Current Ranking	City	Market Adjustment
Garland	1	Garland	1
Richardson	2	Richardson	2
Allen	3	Allen	3
Wylie	4	Wylie	4
Coppell	5	Coppell	5
Prosper	6	Prosper	6
Rowlett	7	Sachse	7
Little Elm	8	Rowlett	8
Colleyville	9	Little Elm	9
Murphy	10	Colleyville	10
Sachse	11	Murphy	11
Rockwall	12	Rockwall	12

Police Lieutenant			
City	Current Ranking	City	Market Adjustment
Garland	1	Garland	1
Coppell	2	Coppell	2
Richardson	3	Richardson	3
Allen	4	Allen	4
Wylie	5	Wylie	5
Colleyville	6	Colleyville	6
Prosper	7	Prosper	7
Rowlett	8	Rowlett	8
Sachse	9	Sachse	9
Murphy	10	Murphy	10
Rockwall	11	Rockwall	11
Little Elm	12	Little Elm	12

The City of SACHSE

Proof of Concept: Non-Sworn

- Maintenance Technician
  - In 2019, this classification received a 7.5% market, plus a 3% COLA
  - This classification has continued to receive a COLA increase annually
  - Over 5 years, this classification has retained market position and is currently ranked 4 of 12 in our market.

Maintenance Technician	
City	**Current Ranking**
Wylie	1
Murphy	2
Rowlett	3
Sachse	4
Little Elm	5
Coppell	7
Prosper	9
Richardson	10
Rockwall	11
Colleyville	12
Allen	13
Garland	14

The City of SACHSE

Property | Liability | Worker's Compensation Insurance

- Property and Liability Insurance Coverage
  - General Liability **increasing** 23%
  - Real/personal property **increasing** 15%

- Worker's Compensation Insurance Coverage
  - **Decreasing** 22%
    - Our experience modifier improved from .73 to .51
    - This is attributed to decreased overall claims and an existing high claimant having now fallen off the 3-year lookback period
    - This is considered an exceptional experience modifier

Supplemental Requests

Gina Nash, City Manager

Lauren Rose, Assistant City Manager

Supplemental Requests

- Supplemental Requests – requests for additional budget
  - Program enhancements
  - Service enhancements
  - One-time items

Supplemental Requests - Summary

General Fund	Utility Fund	EDC Fund	VERF (General & Utility)
17 requests $2.7M	1 request $42K	2 requests $26K	7 requests $502K

Reflects final submitted totals

General Fund Supplementals

DEPT.	DESCRIPTION	REQUESTED	RECOMMENDED GF FUNDING	RECOMMENDED DEBT FUNDING
Combined	Compensation	$730,150	$730,150	
	Administrative Vehicle (split with EDC)	46,466	46,466	
CMO / IT	Virtual Server Replacement	227,000	227,000	
	Replacement Phone System	91,198	91,198	
City Secretary	Laserfiche Expansion	8,034	8,034	
Fire-Rescue	Self-Contained Breathing Apparatus	106,164	106,164	
	ePoc Reader and NXS Hosts	16,956	16,956	
	Station 1 Kitchen Cabinets/Counters	40,000		
Human Resources	Compensation and Classification Study	66,955	66,955	

The City of SACHSE

General Fund Supplementals

DEPT.	DESCRIPTION	REQUESTED	RECOMMENDED GF FUNDING	RECOMMENDED DEBT FUNDING
LS / Facilities Maintenance	Generator Repair – Fire Station 1	$15,500	$15,500	
	Generator Replacement – Police	777,781		777,781
	Generator Replacement – Fire	193,121		193,121
LS / Parks	F350 Crew Cab/Toro Zmaster 4000/16' Landscape Trailer	80,570	80,570	
LS / Recreation	Outdoor Christmas Tree	24,101		
	Campus Holiday Decorations	64,911	0*	
Police	Police Officer – Certified (1.0)	134,589		
PW / Streets	Additional Sidewalk Replacement Funding	50,000	50,000	

*$5,000 added to Recreation base budget for annual holiday decoration replacement

General Fund Supplemental Funding Summary

Funded Supplemental Requests

	REQUESTED	REVENUE OFFSET	NET REQUEST	GENERAL FUND FUNDING	DEBT FUND FUNDING
TOTAL (1.0)	$2,673,496	$23,233	$2,650,263	$1,438,993	$970,902
			Funds Remaining	$42,944	N/A

Unfunded Supplemental Requests

DEPT.	DESCRIPTION	REQUESTED
LS / Recreation	Outdoor Christmas Tree	24,101
	Campus Holiday Decorations	64,911*
Fire-Rescue	Station 1 Kitchen Cabinets/Counters	$40,000
Police	Police Officer – Certified (1.0)	134,589
	Total	$263,601*

*$5,000 added to Recreation base budget for annual holiday decoration replacement

The City of SACHSE

Utility Fund Supplementals

DEPT.	DESCRIPTION	REQUESTED	RECOMMENDED
Combined	Compensation	$42,411	$42,411
	TOTAL	$42,411	$42,411
		Funds Remaining	$2,949,803

EDC Fund Supplementals

DEPT.	DESCRIPTION	REQUESTED	RECOMMENDED
Combined	Compensation	$2,284	$2,284
EDC	Administrative Vehicle (split w/ GF)	23,233	23,233
	TOTAL (0.0)	$25,517	$25,517

Funded Supplemental Requests

	REQUESTED	REVENUE OFFSET	NET REQUEST	FUNDING
TOTAL	$25,517	$6,000	$19,517	$19,517
			Funds Remaining*	($294,980)

*Fund balance available to fund budget deficit

The City of SACHSE

General VERF Scheduled Replacements

All Replacements Recommended

DEPARTMENT	DESCRIPTION	REQUESTED	NET REQUEST
CMO/ IT	Computer Replacement – Cycle 2	$118,800	$118,800
Fire-Rescue	Chevrolet Tahoe	97,828	90,828
LS/ Facility Maintenance	Two HVAC for Public Safety Building and the Library	30,000	30,000
LS/ Parks	Toro Zmaster 4000 Series	11,841	9,841
Police	Chevrolet Tahoe Patrol Vehicle	77,552	72,552
	Chevrolet Tahoe Patrol Vehicle	77,552	72,552
	TOTAL	$413,573	$394,573
		Funds Remaining*	$4,997,031

*Reflects projected fund balance available after funding FY25 replacements

The City of SACHSE

Utility VERF Scheduled Replacements

All Replacements Recommended

DEPARTMENT	DESCRIPTION	REQUESTED	NET REQUEST
PW/ Water	John Deere 324G Skidsteer Loader	$85,068	$75,068
	TOTAL	$85,068	$75,068
		Funds Remaining*	$1,405,932

*Reflects projected fund balance available after funding FY25 replacement

The City of SACHSE

Summary

David Baldwin, Director of Finance

Preliminary Budget Summary of Funds

Fund	2024-2025 Revenues*	2024-2025 Expenditures*	2024-2025 Surplus/(Deficit)
General Fund	$29,757,468	$29,714,524	$42,944
Utility Fund	18,454,001	15,504,198	2,949,803
Debt Service Fund	7,912,361	5,299,390	2,612,971
Economic Development Corporation (EDC) Fund**	1,886,000	2,180,980	(294,980)
General Vehicle/Equipment Replacement (VERF) Fund	1,819,000	413,573	1,405,427
Utility Vehicle/Equipment Replacement (VERF) Fund	1,491,000	85,068	1,405,932

*Includes recommended supplemental requests
**Fund balance available to fund budget deficit

The City of SACHSE

Budget Process Next Steps

- Budget Town Hall – August 13th
- City Manager proposed budget
  - Available to Council & on website – August 15th
  - Presentation to Council – August 19th
- City Council Meeting – September 3rd
  - Budget Public Hearing
  - Budget Discussion
  - Set Rate for Budget Adoption
- City Council Meeting – September 16th
  - Tax Rate Public Hearing
  - Adopt Budget
  - Ratify Tax Rate in the Budget
  - Approve Proposed Tax Rate

Questions and Feedback?

The City of
SACHSE

A. Special Agenda Items

Subject:	**3. Receive an Update on the CWD Storm Debris Cleanup.**
Meeting	July 29, 2024 - City Council Special Meeting
Access	Public
Type	Discussion, Information
Fiscal Impact	None
Recommended Action	Receive an Update on the CWD Storm Debris Cleanup.
Goals	Provide excellent government services to Sachse citizens.

BACKGROUND

On May 28, 2024, a severe, widespread storm occurred in the morning that caused power outages and immense damage to trees throughout the City of Sachse. Community Waste Disposal (CWD) is in the process of cleaning up the storm debris. This item is to provide an update on the status of this initiative.

The presentation is not attached to the packet as information is being updated over the weekend and final information will be ready on Monday morning. It will be available to the public after the meeting.

Assistant to the City Manager Logan Thatcher will be presenting.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Receive an Update on the CWD Storm Debris Cleanup.

File Attachments
None