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TO: Mayor and City Council

RE: Funding of Priority Items

DATE: August 22, 2017

Proposed Budget at a Property Tax rate of \$0.55

Thank you for the time and attention spent to develop the final FY 2018 budget. Based upon these discussions, we have prepared adjustments to the proposed budget. Decreased expenses across all operating departments provided funding for an increase of \$96,628 for the health insurance plan based upon most recent claims history. Property tax revenue generated from an increase in the proposed tax rate from the estimated effective tax rate of \$0.54178 to **\$0.55**. This added revenue funded the following priorities outlined in my July 10 memo:

✓ Air packs for the fire department	\$161,703
✓ Ambulance and related staffing (6 FTEs) Rather than the initial proposal of \$707,000, this alternate funds the 3 FTE paramedic positions only. The staff will utilize a reserve ambulance (there are 2) for 12 hours/7 days per week additional coverage.	\$265,653
✓ Assistant Communications Manager in the Police Department	\$ 83,066
✓ Pool Maintenance Specialist (1FTE) – General Fund portion Total funding shared with the 4B Maintenance and Operation Fund	\$ 61,100
✓ Grant Administrator (1FTE) Funding was reduced for a hire date effective January 1, 2018	\$ 83,897
✓ Automated external defibrillators (AEDs)	\$24,783
✓ Also funded are two (2) vehicles for the Police Department CID Funding to be provided by seizure funds; not general funds	\$65,776

Alternate #1 – Property Tax Rate of \$0.5544

During the work sessions there was some discussion about funding other priority items. To put that cost into perspective, the remainder of the priority list included the following items that could be funded at a property tax rate of \$0.5544 with the exception of additional 1% for employee salary increases and the ambulance:

• Additional 1% employee merit increase	\$218,400
• Keep League City Green initiative	\$ 25,000
• 2- Tahoes for the Fire Marshal's office	\$ 94,000
• EBSCO discovery services research subscription for Library	\$ 8,900



• Parks Maintenance Worker (1 FTE)	\$ 48,200
• Deputy Fire Marshal (1 FTE)	\$128,800
• July 3 rd Fireworks Celebration	<u>\$ 30,000</u>
<u>Total</u>	<u>\$334,900</u>

Alternate #2 – Maintain the property tax rate at the current \$0.57

Other Council comments centered around maintaining the current tax rate and reducing the \$5 million use of general fund balance. Should the property tax rate remain at the current \$0.57, and all of the above items be funded as described, additional revenue of \$1.1 million would be generated which could be used to reduce the \$5 million use of general fund balance which is currently proposed.