

**AGENDA**  
**NOTICE OF MEETING OF THE CITY COUNCIL OF**  
**SHAVANO PARK, TEXAS**

**This notice is posted pursuant to the Texas Open Meetings Act. Notice hereby given that the City Council of the City of Shavano Park, Texas will conduct a Budget Workshop on Monday, June 26, 2023 at 5:00 p.m. at 900 Saddletree Court, Shavano Park City Council Chambers for the purpose of considering the following agenda:**

**1. CALL MEETING TO ORDER**

**2. PLEDGE OF ALLEGIANCE AND INVOCATION**

**3. CITIZENS TO BE HEARD**

The City Council welcomes “Citizens to be Heard.” If you wish to speak, you must follow these guidelines. **As a courtesy to your fellow citizens and out of respect to our fellow citizens, we request that if you wish to speak that you follow these guidelines.**

- Pursuant to Resolution No. 04-11 citizens are given three minutes (3:00) to speak during “Citizens to be Heard.”
- Only citizens may speak.
- Each citizen may only speak once, and no citizen may pass his/her time allotment to another person.
- Direct your comments to the entire Council, not to an individual member.
- Show the Council members the same respect and courtesy that you expect to be shown to you.

The Mayor will rule any disruptive behavior, including shouting or derogatory statements or comments, out of order. Continuation of this type of behavior could result in a request by the Mayor that the individual leave the meeting, and if refused, an order of removal. In compliance with the Texas Open Meetings Act, no member of City Council may deliberate on citizen comments. (Attorney General Opinion – JC 0169)

**4. CITY COUNCIL COMMENTS**

Pursuant to TEX. GOV'T CODE §551.0415(b), the Mayor and each City Council member may announce city events/community interests and request that items be placed on future City Council agendas. “Items of Community Interest” include:

- expressions of thanks, congratulations, or condolences;
- information regarding holiday schedules;
- an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in status of a person’s public office or public employment is not honorary or salutary recognition for purposes of this subdivision;
- a reminder about an upcoming event organized or sponsored by the governing body;
- information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality or county; and

- announcements involving an imminent threat to the public health and safety of people in the municipality or county that has arisen after posting of the agenda

## **5. REGULAR AGENDA ITEMS**

- 5.1. Presentation / discussion - City Council Goals, Objectives and City Council guidance for FY 2023-24 budget - Council**
- 5.2. Presentation/discussion - Staff Goals, Objectives and City Council guidance for FY 2023-24 budget - Council**
- 5.3. Presentation - Budget Basics - Finance Director**
- 5.4. Discussion - Benefits update - City Secretary / HR**
- 5.5. Discussion - Long-term financing considerations - City Manager / Finance Director**

## **6. ADJOURNMENT**

Executive Sessions Authorized: This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of TEX. GOV'T CODE CHAPTER 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy TEX. GOV'T CODE §551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

### **Attendance by Other Elected or Appointed Officials:**

It is anticipated that members of City Council or other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

The facility is wheelchair accessible and accessible parking spaces are also available in the front and sides of the building. The entry ramp is located in the front of the building. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the City Secretary at 210-581-1116 or TDD 1-800-735-2989.

### **CERTIFICATION:**

I, the undersigned authority, do hereby certify that the above Notice of Meeting was posted at Shavano Park City Hall, 900 Saddletree Court, at a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 19th day of June 2023 at 4:45 p.m.

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**Kristen M. Hetzel**  
City Secretary

## CITY COUNCIL STAFF SUMMARY

Meeting Date: June 26, 2023

Agenda item: **5.1 / 5.2**

Prepared by: Bill Hill

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

**5.1 Presentation / discussion - Council Goals, Objectives and City Council guidance for FY 2023-24 budget - Council**

**5.2 Presentation / discussion – Staff Goals, Objectives and City Council guidance for FY 2023-24 budget - City Manager / Directors**

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**Attachments for Reference:**

- 1) Council Draft FY 2023-24 Goals and Objectives
- 2) Staff Draft FY 2023-24 Goals and Objectives

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**BACKGROUND / HISTORY:** During the budget development process in the past eight years, City Council has prepared Goals and Objectives that inform and shape the budget. For the past few years, City Council used the eight strategic goals as developed and included in the Town Plan and assigned various objectives to each goal. This approved list was included in the annual budget as well as staff developed Departmental Goals and Objectives.

Some of these objectives are service related and some are resource related. Approved objectives will be planned by staff to be funded in the budget. In a number of cases, the funding of objectives (requirements) in the budget will be based upon the staff's ability to operate within the projected revenues. Thus, planned objectives may be deferred to future years and as the budget evolves, initial objectives that are not be funded will be dropped.

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### **DISCUSSION:**

**5.1 Council Goals and Objectives.** Using last year's approved list of Council goals and objectives, staff updated the list by striking though those objectives that have been or will be completed and making minor revisions as a starting point in the process (see Attachment 1).

Staff recommends that Council first review the Goals and revise / add to the list. Once goals are established, Council will establish supporting objectives. Written input produced prior to the meeting or at the meeting by individual Aldermen / Mayor which can be distributed to the entire Council is most helpful in facilitating the discussion (staff can make copies in advance for distribution to each Council member).

The City Manager will provide an overview of the process. Directors are prepared to review changes in the proposed goals and objectives. Finally, Council should continue discussion on the proposed overall City Goals and Objectives.

Since the initial presentation of Council Goals & Objectives at the June 6 budget workshop, City staff has removed the completed objectives (struck thru items that had been in red font) and accepted the new objectives as suggested by staff (had been in blue font). Initial draft of Council proposed additions from the June 6 workshop are now included in the blue font.

**5.2 Staff Goals and Objectives.** Staff has prepared a draft listing of FY 2023-24 departmental goals and objectives by department (Attachment 2). Council should review these listings of goals and objectives as a starting point for adopting some of the Staff objectives as Council objectives.

NOTE: Within the draft staff objectives, Directors submitted a number of objectives which may need supporting justification and several may not end up being funded during the proposed budget year. As we work through the budget, purchase and replacement of Capital items will be prioritized and a final proposal will be worked.

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**COURSES OF ACTION:** Revise and add to the draft FY 2023-24 goals and objectives as appropriate.

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**FINANCIAL IMPACT:** Varies depending on costs associated with approved Objectives.

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**MOTION REQUESTED:** N/A; provide guidance on goals and objectives and reach consensus on updates.

# **Strategic Goals and Objectives**

## **Strategic Vision**

Shavano Park strives to be the premier community in Bexar County, preserving and celebrating its natural setting and small town traditions amid the surrounding area's urban growth.

## **Mission**

The City of Shavano Park provides exceptional leadership and delivers exemplary municipal services in a professional, cost-effective and efficient manner to citizens, business owners and visitors to facilitate economic growth and enable an exceptional quality of life and workplace consistent with our small town values and character.

## **Values**

- Honesty
- Integrity
- Accountability
- Excellence
- Professionalism
- Innovation
- Inclusiveness
- Open, clear, proactive and transparent communications and Government
- Responsiveness and Customer Service

## **Essential Task List**

- Provide, Efficiently Use, and Protect Fiscal Resources
- Maintain Effective Staffing Resources
- Provide and Maintain Infrastructure
- Maintain a Superior Water System
- Provide Police Services
- Provide Fire / EMS Services
- Conduct Municipal Planning
- Enforce Ordinances / Standards consistently
- Provide Outstanding Customer Service to citizens and visitors
- Identify and Manage Risk

## **Strategic Goals**

1. Provide excellent municipal services while anticipating future requirements
2. Protect and provide a city-wide safe and secure environment
3. Preserve City property values, protect fiscal resources and maintain financial discipline
4. Maintain overall excellent infrastructure (buildings, streets and utilities)
5. Enhance and support commercial business activities and opportunities
6. Enhance the City image and maintain a rural atmosphere
7. Promote effective communications and outreach with citizens
8. Mitigate storm water runoff

## **Objectives**

### **1. Provide excellent municipal services while anticipating future requirements**

- Provide exceptional customer service to citizens and visitors
- Consistently enforce ordinances / policies
- Engage residents to participate in municipal planning
- Review Contracts / Professional Services and request RFQs as appropriate
- Fully fund Capital Replacement requirements as scheduled
- Resource compensation study recommendations adopted by City Council to ensure City pay scale is within current market range

### **2. Protect and provide a city-wide safe and secure environment**

- During major road construction, ensure traffic control plan is implement safely
- Effectively conduct “Community Policing” to keep Shavano Park citizens safe
- Actively respond to citizen concerns
- Proactively pursue reduction of neighborhood crime across the city
- Consistently maintain average police and fire response times to 3-4 minutes
- Routinely emphasize friendly “customer service” and image of City while patrolling
- Proactively enforce city ordinances, criminal statutes and Texas Transportation Code provisions
- Proactively identify visible Code of Ordinance violations, improve internal staff reporting, and effectively engage residents in order to achieve compliance of the Code of Ordinance
- Assess security implications of the Huntington path / gate to the San Antonio linear park
- Effectively communicate to citizens police security efforts in crime control measures and trends
- Continue fire safety measures / improvements by reducing the risk of a forest fire for all

municipal areas in coordination with the Texas A&M Forest Service

- Continue participating in the Bexar County Hazard Mitigation Plan. Consider joining the Bexar County inter-jurisdictional emergency management program allowing shared emergency management duties in a catastrophic event
- Annually reevaluate risk assessments for all departments

### 3. Preserve City property values, protect fiscal resources and maintain financial discipline

- Investigate revenue enhancement options
- Continue growth of the Tree Preservation & Beautification Fund
- Maintain the City's online financial transparency webpage (<https://shavanopark.org/finances>)
- Earn Government Finance Officers Association Budget Award
- Maintain Reserves in accordance with our Fund Balance Policy
- Ensure detailed accounting and records for both ARPA and Street Bond funds
- Complete water projects supported by the Bexar County ARPA ILA / Funds
- [Revise City's current ladder investment strategy to react to market movement in order to capture available income, for both City's general investments and invested bond proceeds.](#)

### 4. Maintain excellent infrastructure (buildings, streets and utilities)

- Implement 2023 Town Plan initiatives as appropriate
- Continue reconstruction of streets identified in Phase IA; identify and initiate repaving of additional Phase IA streets using 2022 Bond Funds
- Finalize Federal Funding agreements [for DeZavala Road improvements](#); compete contract; and initiate construction
- Ensure the City IT infrastructure facilitates efficient work and communications and is hardened to cyber threats
- Pursue high speed internet opportunities for residential neighborhoods
- Consider options for using the remaining American Rescue Plan Act Funds
- Consider options for ~~street repairs / restoration for all~~ Phases ~~H~~ of the 25-30 year [street restoration program, including analysis of core samples, pavement condition indices, etc., to develop typical pavement sections for a 'spec-based bid'](#)
- Continue to implement asphalt preservation applications within Shavano Creek and major arterials; applications include crack seal to assist in maintaining pavement conditions
- Protect existing trees, landscaping, and grounds of the overflow City Hall Parking area, while streets and road construction crews use the area
- Maintain essential public water infrastructure to include a capital replacement program.
  - Continue to evaluate water system isolation valves and develop recommendations
  - Extend and reroute water mains and services in cul-de-sacs to prepare for street bond program

- Continue coordination with TxDOT city requirements for NW Military Hwy improvement project scheduled for 2021-23
- Complete a comprehensive water model to anticipate future water system capital requirements. Funding authorized under Bexar County Interlocal Agreement.

#### 5. Enhance and support commercial business activities and opportunities

- Actively participate with City developers to shape and influence commercial activities that posture the City of Shavano Park for future success
- ~~Pursue high speed internet opportunities for businesses~~
- Continue to survey Shavano Park businesses concerning city support
- Continue to maintain an updated business directory supplement and include in the Shavano Park resident directory

#### 6. Enhance the City Image while maintaining a rural atmosphere

- Emphasize friendly customer service and make opportunities to engage with public
- Continue Tree City USA recognition
- Continue and promote Firewise recognition; investigate additional muni-tract Firewise projects
- Maintain and promote National Wildlife Federation recognition as a Community Wildlife Habitat
- Continue to support the landscaping plan for the City Monument at City Hall and other city properties
- Northwest Military Highway Landscaping ~~Citizen's~~ Committee to continue development of recommendations to improve natural aesthetics after reconstruction completion commensurate with the City's status as a 'Scenic City' and the related funding requirements for possible foliage replacement on NWM Highway
- Maintain the Lockhill Selma median
- Consider building a splash pad play area
- Continue to coordinate with Bitterblue, Inc. and TxDOT for completion of sidewalk / trail from NW Military Highway to link up with the Salado Creek Greenway Trail
- Support the City of San Antonio completion of sidewalks on the east side of Lockhill-Selma between DeZavala and Huebner
- Incremental improvements to the Cliffside trail accessibility and safety for pedestrians and cyclists; reduce rock obstacles at vicinity of the north-west trail turn

#### 7. Promote effective communications and outreach with citizens

- Maintain and continue to improve the City Communications Plan
- Ensure timely communication to citizens and businesses on the progress of NW Military

Highway / Phase IA and IB Street program construction and traffic control

- Conduct up to six City sponsored events (City-wide Garage Sale, Arbor / Earth Day, Independence Day, National Night Out, Trunk or Treat, Holiday Event)
- Support the City of Shavano Park celebration of Fiesta in coordination with Arbor / Earth Day with Fiesta Medals
- Maintain City website and evaluate additional website applications
- Conduct written engagements with Citizens (Water System, Town Plan, RR Stickers, Key Numbers, i-INFO)
- Continue to conduct website surveys
- Consider further implementation options for the 2023 Comprehensive Town Plan
- Improve outreach in order to grow the Neighborhood Watch Program

8. Mitigate storm water runoff

- Finalize federal funding, initiate construction on the DeZavala culvert and storm water drainage project
- Support the mitigation of stormwater problems throughout the City
- Continue to assess the previously approved Drainage Study for implementation opportunities
- Provide maintenance of our storm water system, including inlets and channels, ensuring proper drainage into our watersheds to include brush clearing projects
- Finalize the collaboration with TxDOT regarding Northwest Military Highway drainage improvements
- Continue engagement as an active participant with the Texas Water Development Board (TWDB) Region 12 San Antonio Regional Flood Planning Group
- Track the City's two remaining drainage projects for inclusion in the Region 12 Regional Flood Plan.
- [Consider obtaining easements from current property owners for possible future drainage projects.](#)

# Administration Department – 601

Color Code Purple

## Goals:

- Effectively communicate with residents, businesses, visitors and other stakeholders
- Provide exceptional customer service and effective administration of services
- Efficiently use and protect fiscal resources through sound financial practices
- Conduct effective master planning to posture the City now and for the future
- Provide planning, research, and support to City Staff and Council
- Ensure the City IT infrastructure facilitates efficient work and communications and is hardened to cyber threats

## Objectives:

### Effectively communicate with residents, businesses, visitors and other stakeholders

- Maintain an informative, effective, and user-friendly website
- Survey Shavano Park businesses concerning City services; update business directory
- Update and continue implementation of the City Communications Plan
- Improve quality of staff Roadrunner articles
- Post selected Roadrunner articles on social media
- Timely convey to impacted residents information regarding Phase I street reconstruction status
- Install a Pavilion public announcement (PA) system to support City Public Access Channel planning (PEG) (Working quotes)

### Provide exceptional customer service and effective administration of services

- Hire and maintain an exceptionally talented team based upon the resources available
- Provide excellent human resources services to staff
- Review and update the employee handbook as needed
- Provide training and professional development opportunities to staff, including resourcing for the Assistant City Manager to attend TML's Leadership Academy
- Effectively administer municipal elections
- Maintain excellent records management program
- Implement a plan to harden the windows and the walls of the Court office area

### Efficiently use and protect fiscal resources through sound financial practices

- Provide City Council and Staff with timely, accurate financial information
- Maintain the City's online financial transparency webpage (<https://shavanopark.org/finances>)

- Earn Government Finance Officers Association Distinguished Budget Presentation Award
- Complete the City's FY23~~2~~ annual financial audit with no audit adjustments
- ~~Implement Winter Storm Uri infrastructure recommendations as appropriate~~

#### Conduct effective master planning to posture the City now and for the future

- Engage residents to participate in municipal planning
- Assist Council in considering options for implementing additional objectives from the 2018 Comprehensive Plan (Town Plan)
- Review and update the City Emergency Management Plan ~~with experience from Winter Storm Uri event~~
- Assess required FEMA mandated NIMS certifications; develop a training plan for certain staff positions
- Conduct an annual Emergency Operations Center training & familiarization drill

#### Provide planning, research, and support to City Staff and Council

- Continue to provide quality City presentations
- Consistently enforce ordinances and policies
- Coordinate with San Antonio to complete the sidewalks (Hike and Bike trail) from Huebner Road north along Lockhill Selma to connect with N. Loop 1604 as well as options to connect to the Salado Creek Trail System
- Review contracts /professional services and request RFQs/RFPs as appropriate
- Maintain Tree City USA recognition
- Maintain Scenic City recognition
- Provide effective Staff planning and support to the City Sponsored events
- Participate in 2024~~3~~ ChildSafe Cardboard Kids program to promote child abuse awareness in Bexar County
- ~~Renovate rear Council Chambers conference room to improve its professional presentation~~
- ~~Improve acoustics and lighting of Council Chambers~~

#### Ensure IT infrastructure facilitates efficient work and communications and is hardened to cyber threats

- Improve the accessibility of City communications by growing digital presence
- Maintain Cybersecurity Incident Response Plan in a ready state (No cost)
- Conduct semi-annual phishing email campaigns against city staff (No cost)
- Continue City participation in Multi-State Information Sharing & Analysis Center (MS-ISAC)
- Renew cloud email security service licenses
- Renew firewall licenses
- Complete Cybersecurity Awareness Training
- Renew web traffic security licenses
- Upgrade City Phone system from legacy Toshiba to a Voice-over-IP system (\$37,000)

- Upgrade computers to Windows 11 with ARPA funds in FY24 to avoid FY25 costs (Working Scope)
- Upgrade City security event incident management (SEIM) system (\$4,500)
- ~~Expand "Cyber Guardian" award for employees for outstanding cybersecurity actions taken during normal work duties to include a quarterly Cyber Guardian Chow award~~
- ~~Replace server room air conditioning unit~~
- ~~Upgrade email server~~
- ~~Adopt a compromised password detection application for City accounts~~
- ~~Improve City backups & control rising costs with purchase of Backup and Disaster Recovery appliance~~

ADMINISTRATION PERFORMANCE MEASURES:				
Description:	Actual FY20-21	Actual FY21-22	Projected FY22-23	Target FY23-24
<i>Strategic Goal - Provide excellent municipal services while anticipating future requirements.</i> <i>Department Goal - Conduct effective master planning to posture the City now and for the future.</i>				
<b># of Public Meetings Held</b>	<b>43</b>	<b>53</b>	<b>47</b>	<b>42</b>
<i>Strategic Goal - Promote effective communications and outreach with citizens.</i> <i>Department Goal - Effectively communicate with residents, businesses, visitors and others.</i>				
<b>Average # of Monthly Unique City Website Visitors</b>	<b>Not measured</b>	<b>2,185 per month</b>	<b>2,106 per month</b>	<b>2,100 per month</b>
<i>Department Goal - Provide exceptional customer service and effective administration of services.</i>				
<b># New Full Time Employees Onboarded</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>5</b>
<i>Strategic Goal - Preserve City property values, protect fiscal resources and maintain fiscal discipline.</i> <i>Department Goal - Efficiently use &amp; protect fiscal resources through sound financial practices.</i>				
<b>City Maintenance &amp; Operation Budget:</b>				
<b>Per Capita (Census Bureau)</b>	<b>\$1,341.94</b>	<b>\$1,571.51</b>	<b>\$1,629.91</b>	<b>\$1,687.00</b>
<b>Per Property (BCAD)</b>	<b>\$2,578.70</b>	<b>\$2,707.75</b>	<b>\$2,884.80</b>	<b>\$2,925.00</b>
<b>Tax Rate (per \$100 valuation)</b>	<b>\$0.287742</b>	<b>\$0.297742</b>	<b>\$0.297742</b>	<b>\$0.307742</b>
<b>% of General Fund Fund Balance</b>	<b>42.08%</b>	<b>40.79%</b>	<b>40.79%</b>	<b>41.00%</b>
<i>Strategic Goal - Maintain excellent infrastructure (buildings, streets and utilities)</i> <i>Department Goal - Ensure the City IT infrastructure facilitates efficient work and communications and is hardened to cyber threats</i>				
<b>Cybersecurity Awareness Training compliance</b>	<b>97%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The Administration Department includes the functions of the City Manager, City Secretary/Human Resources Director, Finance Director, and Information Technology.

## Municipal Court – 602

Color Code Gold



### **Mission Statement**

The City of Shavano Park Municipal Court provides an independent forum for the fair and impartial administration of justice during the application and enforcement of the rules and laws of the United States, the State of Texas and the City of Shavano Park, in order to preserve the rule of law and to protect the rights and liberties guaranteed by the Constitution and laws of the United States and this State.

### **Goals:**

- Preserve the rule of law and protect the rights and liberties guaranteed by the Constitution and laws of the United States and this State
- Provide excellent municipal services while anticipating future requirements
- A smoothly run Municipal Court, efficiently processing the Judge's standing orders in a timely manner
- Prompt and accurate processing of Class C misdemeanor charges and collections of fines
- Assist defendants during normal daily business hours by following the Judge's standing orders and supplying correct information when requested
- Encourage and support Municipal Court staff with their professional advancement

### **Objectives:**

- Accurately process payments
- Attend 12 hours of continuing education to maintain Level II Court Clerk Certification (Court Clerk) and Level I Court Clerk Certification (back up Court Clerk)
- Update Standard Operating Process Manual
- Continue to provide Judge and Alternative Judge with the required annual 16 hours of judicial education
- [Attend biennial legislative update training to ensure compliance with recently enacted legislation.](#)
- Reevaluate the plan to harden the windows and walls to increase security in the Court Clerk's office to maximize the available funding

## MUNICIPAL COURT PERFORMANCE MEASURES:

Description:	Actual FY19-20	Actual FY20-21	Actual FY21-22	Projected FY22-23	Target FY23-24
<i>Strategic Goal - Provide excellent municipal services while anticipating future requirements.</i>					
<i>Strategic Goal - Protect &amp; provide a city-wide, safe and secure environment.</i>					
<i>Department Goal - Prompt &amp; accurate processing of Class C misdemeanor charges &amp; fine collections.</i>					
<b>Citations Resolved</b>	<b>1,128</b>	<b>1,321</b>	<b>1,445</b>	<b>1,000</b>	<b>1,500</b>
<b>Warrants Issued</b>	<b>269</b>	<b>302</b>	<b>562</b>	<b>425</b>	<b>500</b>
<b>Warrants Cleared</b>	<b>657</b>	<b>407</b>	<b>627</b>	<b>375</b>	<b>550</b>
<b>Warrant Fines &amp; Fees</b>					
<b>Collected</b>	<b>\$ 97,176</b>	<b>\$ 97,396</b>	<b>\$ 90,273</b>	<b>\$ 77,000</b>	<b>\$ 85,000</b>
<b>Total Revenue Received</b>	<b>\$ 138,415</b>	<b>\$ 175,361</b>	<b>\$ 149,594</b>	<b>\$ 125,000</b>	<b>\$ 150,000</b>
<b>Total Expenditures</b>	<b>\$ 95,890</b>	<b>\$ 95,990</b>	<b>\$ 102,400</b>	<b>\$ 108,903</b>	<b>\$ 165,000</b>

The City of Shavano Park Municipal Court meets one afternoon a month and employs one full time Court Clerk.

Due to the pandemic, there were no official Court proceedings March – May, July – December 2020 and January – February 2021.

## Public Works Department – 603

Color Code Dark Green

### Mission Statement

The Shavano Park Public Works Department conducts master planning and continuously provides essential public infrastructure services in a prompt, courteous, safe, efficient, and cost-effective manner to the citizens and business owners of Shavano Park in order to meet current and long-term infrastructure services.

### Goals:

- Maintain all facilities grounds and public Right of Way (R.O.W.)/Easements
- Maintain a safe transportation corridor (street repairs and transportation maintenance)
- Maintain excellent building facilities and work towards more energy efficient concepts
- Improving employee proficiency to include educational training and development opportunities
- Mitigate storm water runoff (improve drainage culverts and infrastructure)
- Maintain strategic and logistical partnerships with governmental agencies, and consulting organizations to leverage resources essential to improving quality of service, and efficiency
- Provide excellent municipal services while anticipating future growth requirements

### Objectives:

#### Maintain all facilities grounds and public Right of Way (R.O.W.)/Easements

- Continue the annual tree maintenance program for city grounds
- Continue to provide ground maintenance activities for the City Hall building, walking trails, pavilion, playgrounds and islands throughout Shavano Park
- Maintain current aesthetics for landscaping around the NW Military Highway, Lockhill Selma and DeZavala monuments
- Maintain or contract services to provide landscape maintenance of city hall garden areas and the Lockhill Selma medians

#### Maintain excellent transportation infrastructure (street repairs and transportation maintenance)

- ~~Complete engineer planning for Phase I Street Maintenance Program; compete contract; and initiate reconstruction of streets identified in Phase I~~
- Complete engineer planning for DeZavala Drainage and Road Improvement Project; pending Federal funding compete contract; and initiate reconstruction of streets identified in Phase I
- During major road construction, ensure traffic control plan is implement safely
- Continue to implement asphalt preservation applications west side of NW Military from DeZavala to S. Warbler (Shavano Creek and major arterials); application includes crack seal to assist in maintaining pavement conditions
- Complete street evaluations for the streets (northwest quadrant)
- Continue communications with TxDOT and Contractor as NW Military project progresses

- Repair and re-pave Public Works and Fire Department parking lot
- Replace the existing large commercial ice machine
- Continue to promote the use of the new online form, a pothole repair program, create a form to be available and submitted online
- Initiate additional online forms for street and transportation maintenance (i.e., street signs, and speed bumps)
- Support TxDOT and Contractor with the widening of NW Military Hwy project
- Restripe all of Pond Hill Drive fire lanes, both sides

#### Maintain excellent building facilities and work for energy efficiency

- Clean City Hall floor surfaces annually
- Continue replacing aging HVAC units at City Hall as required
- Install a key fob system to secure the public works ~~building~~-yard pedestrian gate

#### Improve employee proficiency to include educational training and development opportunities.

- Provide effective safety and occupational training opportunities to prevent lost time
- Maintain a zero (0) lost time accident rate
- Continue to improve the preventative maintenance program for Public Works vehicles to include daily, weekly and monthly checks
- Continue preventative maintenance program with Case Equipment for all heavy equipment
- Improve work order communication and efficiency with field staff

#### Mitigate storm water runoff (improve drainage culverts and infrastructure)

- Conduct brush clearing projects as needed and within capability to improve storm water drainage
- Storm Drainage – continue the cleaning of existing culverts and bridge crossings
- Assess the implementation of the previously approved prioritized plan to address City drainage issues; revise the plan and implement as it is feasible
- Assist KFW with design for the next phase of the Municipal Tract / Ripple Creek / DeZavala drainage project
- Assess/Implement any TxDOT off system bridge inspection recommendations provided from engineer inspection – Inspection services provided by TxDOT

#### Maintain strategic partnerships with governmental agencies, and consulting organizations to leverage resources essential to improving quality of service, and efficiency

- Continue to provide assistance to CPS / AT&T during the utility pole replacement during 2023~~2~~/2024~~3~~
- Coordinate as required with other service providers (City Public Service, San Antonio Water System, Bexar County, Cable providers, etc.)

#### Provide excellent municipal services while anticipating future requirements

- Respond in a timely manner to earn the trust of residents

- ~~Continue to implement Winter Storm Uri infrastructure recommendations as needed~~
- Assess Public Works requirements vs. resources for consideration of organizational structure / personnel change/ contracting arrangements for presentation to City Manager / Council
- Replace small dump with a stake body bed truck
- Consider purchase of public works director's truck

PUBLIC WORKS PERFORMANCE MEASURES:				
Description:	Actual FY19-20	Actual FY20-21	Projected FY21-22	Target FY22-23
<i>Strategic and Departmental Goal - Maintain excellent infrastructure.</i>				
<b>Street Repairs (tons of hot mix asphalt):</b>				
In-house	36	62.45	30	35
Contracted	-	350	350	Street Bond
<b>Miles of Streets Crack Sealed</b>	7	3	5	9
<b>Pot Holes Repaired (bags of cold mix used)</b>	18	52	54	54
<b>Number of Signs:</b>				
Inspected	N/A	N/A	20	25
Replaced	33	41	20	25
<i>Strategic and Departmental Goal - Mitigate storm water runoff.</i>				
<b>Number of Storm Drains Cleared:</b>				
Subsurface Systems (inlets)	12	3	7	10
Earthen Channels	N/A	8	0	2

Street repairs encompass large areas, generally over 3ft by 3ft section. Pot holes are those repairs smaller than the 3ft by 3ft section.

One ton of hot mix asphalt will fill an area of nine square yards at two inches deep.

A pot hole that is 3ft by 3ft and two inches deep will need four bags of cold mix to fill/repair it.

## Fire Department – 604

Color Code Red



### **Mission Statement**

The City of Shavano Park Fire Department continuously works to prevent and suppress fires, educate and rescue citizens, provide emergency medical services, promote public safety and foster community relations to the residences and businesses within Shavano Park in order to provide first-class protection to our citizens, business owners and visitors.

### **Goals:**

- Develop an organization to effectively administer and manage the resources of the Fire Department
- Develop a system for minimizing the impact of disaster and other emergencies on life and property
- Provide an effective Emergency Medical Service system
- Provide an effective Fire Suppression and Prevention Program

### **Objectives:**

- Effectively communicate the Department's mission and vision to employees, partners and stakeholders
- Recognize and scale to changing budgetary, fiscal, and regulatory conditions
- Seek to improve operational efficiency and effectiveness by shaping, enhancing, and adapting to changing circumstances
- Cultivate and strengthen relationships with stakeholders, governing bodies, and our customers
- Foster a culture that emphasizes and enhances employee health and safety
- Promote a highly motivated and well-trained workforce
- Strive to complete the Texas Best Practice program
- Strive to maintain an average response time under 4 minutes
- Investigate options for a long-term cancer screening plan for fire fighters
- Continue compliance and code enforcement of tree ordinance
- Develop/implement commendation program for fire personnel
- Develop a plan to replace fitness equipment initially purchased by employees
- [Repair and re-pave Public Works and Fire Department parking lot](#)
- [Replace the existing large commercial ice machine](#)
- [Continue joint Fire and Police Department Honor Guard - purchase of new uniforms](#)
- [Purchase new tool mounts for Engine and Ladder Truck](#)
- [Replace stair machine used for physical fitness and applicant testing](#)
- [Retrofit radio pockets on all bunker gear to fit new radios](#)

- Install ruggedized mobile routers in vehicles to improve communication reliability
- ~~Remodel dorms to house female firefighter for future hiring possibilities~~
- ~~Replace mattresses and couches in day room~~
- ~~Replace both entry doors to barracks~~
- ~~Investigate options to replace station treadmill~~
- ~~Co-purchase w/Police Department drug incinerator for proper disposal of expired EMS medications~~
- ~~Purchase two tablet replacements for oldest laptops~~
- ~~Purchase backup generator to power FD Offices~~

FIRE & EMS PERFORMANCE MEASURES:				
Description:	Actual 2021	Actual 2022	To date 2023	Target FY23-24
<p><i>Strategic Goal - Protect and provide a city-wide safe and secure environment.</i></p> <p><i>Department Goal - Provide an effective Emergency Medical Service system.</i></p> <p><i>Department Goal - Provide an effective Fire Suppression &amp; Prevention program.</i></p>				
<b>Overall Average Response Time (Minutes)</b>	<b>4:42</b>	<b>4:48</b>	<b>4:37</b>	<b>4:00</b>
<b>Total Number of EMS Responses</b>	<b>455</b>	<b>477</b>	<b>252</b>	<b>500</b>
<b>Number of EMS Transports</b>	<b>235</b>	<b>288</b>	<b>163</b>	<b>275</b>
<b>Number of Fire Calls for Service</b>	<b>566</b>	<b>508</b>	<b>158</b>	<b>500</b>
<b>Total Number of Responses</b>	<b>1,021</b>	<b>985</b>	<b>410</b>	<b>1,000</b>

## Police Department – 605



### Mission Statement

The Shavano Park Police Department, in partnership with the community, provides exemplary law enforcement services to promote a safe environment, protecting life and property, while preserving the peace with honor and courage.

### Goals:

- Effectively conduct Community-Oriented Policing by maintaining positive interaction with the public and a high degree of visibility within the community.
- Proactively educate the public to the community's role and responsibility to aid in the prevention, detection, and resolution of crime.
- Increase safety of citizens and officers by developing and improving internal systems which assure high quality service to our community while increasing the department's efficiency.
- Recruit, train, and resource a diverse, highly skilled, motivated law enforcement workforce, that promotes a rewarding work environment, investing in the personal and professional development of our employees.

### Objectives:

Effectively conduct Community-Oriented Policing by maintaining positive interaction with the public and a high degree of visibility within the community.

- Minimize crime rates across the City
- Maintain average police response times to less than 3 minutes
- Continue to seek positive methods for enhancing Community Policing
- Update 5-year historical crime assessment
- Implement community outreach partnerships with local schools
- ~~Implement community awareness recognition program for persons with Intellectual and Developmental Disabilities~~

Proactively educate the public to the community's role and responsibility to aid in the prevention, detection, and resolution of crime.

- Improve citizen/officer interaction through increasing public contact by use of various social media and web opportunities
- Publish monthly crime statistics in newsletter
- More proactive use of Neighborhood Crime Watch and i-Info email systems
- Publish weekly crime blotters to increase community awareness
- Purchase a Drug Drop-off Container to be implemented at City Hall for residents to have year-round

drop-off access. (\$1,500)

- ~~• Conduct citizen awareness courses in Self-Defense and Active Shooter environments~~
- Continue with citizen awareness courses to help educate residents about critical incidents

Increase safety of citizens and officers by developing and improving internal systems which assure high quality service to our community while increasing the department's efficiency.

- ~~• Implement a secondary vehicle access gate for emergency ingress/egress when needed as part of Winter Storm Uri recommendation~~
- Assess emerging technology for officer safety and efficiency
- Purchase two mobile Automated Fingerprint Identification System (AFIS) devices for patrol and criminal investigations use to properly identify subjects at the scene who fail to properly identify themselves or are thought to be concealing their identities. (\$7,000)
- Purchase of static Automated License Plate Recognition (ALPR) reader system with implementation at city limit locations to aid in criminal investigation efforts. (\$2,500 per camera (10), per year = approximately \$25,000 per year)
- Purchase of eight Opticom emitter devices for marked patrol units to be used in coordination with TXDOT's implementation of traffic light receivers to aid in reducing response times to incidents within highly traveled corridors. (\$16,000)
- Replace 4 GETAC patrol laptop computers for use in 4 patrol units that will replace older generation processor models incapable of system upgrades. (\$16,000 ARPA Funds?)
- ~~• Purchase and install an internal De-Humidifier system to reduce interior humidity rates, improve employee wellness while maintaining manpower efficiency, and ensure the protection of perishable evidence~~
- ~~• Purchase a compact drug incinerator for combined use between the police and fire departments in order to allow for the destruction of court ordered or expired narcotics.~~

Recruit, train, and resource a diverse, highly skilled, motivated law enforcement workforce, that promotes a rewarding work environment, investing in the personal and professional development of our employees.

- Continue to assess staffing needs within the Police Department
- Effectively provide the staff with quality in-service and external training opportunities
- Achieve completion of the Texas Police Chief's Association Law Enforcement Command Officer Program for departmental command staff and senior supervisors.
- Continue to pursue grant opportunities
- Purchase and outfit two replacement patrol vehicles (\$150,000)
- ~~• Purchase of two replacement patrol vehicles~~
- ~~• Implement dedicated Criminal Investigations file storage and backup system~~

## POLICE DEPARTMENT PERFORMANCE MEASURES:

Description:	Calendar Year	Calendar Year	Calendar Year	Target
	2020	2021	2022	Calendar Year 2023
<i>Strategic Goal - Protect &amp; provide a city-wide safe and secure environment</i>				
<i>Department Goal - Effectively conduct Community-Oriented Policing by maintaining positive interaction with the public and a high degree of visibility within the community.</i>				
Non-Criminal Calls	1,813	1,890	2,260	2,000
Response Time	3:30	3:05	3:13	< 3 minutes
Traffic Contacts	1,917	3,512	3,632	4,000
Criminal Offense Cases	208	250	250	200
Number of patrol officers per 1,000 population	3.69	3.69	3.69	3.69

## Water Utility Department – 606

Color Code [Light Blue](#)

### Mission Statement

The City of Shavano Park Water Utility Department continuously provides safe and reliable drinking water and maintains essential public water infrastructure for the service connections within Shavano Park in order to provide long-term first-class water utility support to our citizens.

### Goals:

- Continually provide safe and reliable drinking water through efficient treatment and delivery of water, meet or exceed environmental and public health standards
- Resource and maintain appropriate equipment and assets
- Improve & sustain employee proficiency to include: [informative practices](#), educational training, and development opportunities
- [Continuously](#) improve water system functions & [infrastructure](#) to achieve an efficient operation level while meeting State requirements
- Provide and maintain essential public water infrastructure services while anticipating future requirements

### Objectives:

Continually provide safe and reliable drinking water through efficient treatment and delivery of water, exceeding environmental and public health standards

- Maintain 100% compliance of all State and Federal regulations and laws associated with a water system
- Maintain a Superior Water System Rating ~~and investigate and research requirements to attain an Outstanding Water System rating~~
- Ensure State requirements are met by having a minimum of ~~3~~ [2](#) Class C groundwater operators ~~and 2 Class D water operators~~ within the Water Department
- [Continue to expand](#) & educate the public while implementing the backflow prevention program approved by Council in accordance with an appropriate ~~strategy~~ [method of deliver](#)
- Maintain & [improve the accuracy of](#) records of Reduced Pressure Backflow Prevention Device testing per residence / connection for compliance with City ordinance and TCEQ requirements
- Develop Pre-Scripted Public Info Messages [and continue changes as needed](#)

### Resource and maintain appropriate equipment and assets

- Maintain sufficient money in reserve to handle emergencies, and provide a cushion for low water consumption years
- Annually re-evaluate adequacy of Edwards water rights and resources

- Continue to implement Winter Storm Uri infrastructure recommendations as appropriate and as funding is available.
- ~~Complete Assessment of~~ Evaluate Water Infrastructure for Emergencies and create a minimum of 3 EOPs (Emergency Operating Procedures)
- ~~Continue to replace old meters with new cellular meters~~
- Actively apply for grants/funding for ~~other~~ additional equipment that would make crews more efficient
- ~~Work Continue working~~ with City Engineer to ~~advance with~~ update the geographic information system (GIS) mapping program to include utilities, streets, and drainage information
- Continue ~~preparing~~ developing a schedule based on ~~needs~~ priority/classification to replace all undersized water mains within the system; and apply for grants
- ~~Apply Based on power supply needs, initiate applying~~ for grants to pay a portion of or all costs for installation of emergency power supply (generators) for critical water facilities
- ~~Provide~~ Develop a plan & identify funding sources to replace ~~Assess for~~ all wooden well houses (chorine buildings), ~~develop a plan to incrementally rebuild~~, to enclose (weatherize) all well pumps and chemical feeds – rebuild a minimum 1 building per year
- Consider a water rate study to determine if the tiered water rates / water service fee should be restructured/increased
- Assess all 6 ft well site security fences, ~~develop a plan continue to~~ and incrementally replace as needed with 8ft chain link – replace at least one fence ~~rebuild a minimum 1 building~~ per year

#### Improve employee quality to include educational training and development opportunities.

- Provide additional quality educational opportunities and send crews to classes to earn credits to ~~upgrade~~ increase and improve knowledge of water systems
- Maintain the safety and training program on all equipment and water system functions
- Maintain a safe working environment and a zero (0) lost time accident rate
- ~~Execute and I~~ ~~Continue to seek & i~~ improve the preventative maintenance program ~~by establishing a tracking schedule for each piece of equipment/vehicle and when they should be replaced~~

#### Improve water system functions to achieve a more efficient operation level and meet State requirements

- Continue ~~with~~ corrective action on dead end main issues to lessen flushing and reduce loss ratio rate, as funding permits
- ~~Continue Work working~~ with TxDOT during the construction phase of NW Military to address ~~avoid~~ any ~~additional~~ issues or concerns with the water system infrastructure, also to funnel any resident concerns through the proper channel
- Identify cul-de-sac dead end mains, including gross cost estimate for each and prioritization for addressing. Complete remediation of at least one such dead end main each year until all are resolved
- Stay current on new and proposed TCEQ water system requirements

- Propose updates for Shavano Park Ordinances to meet all TCEQ and pertinent Edwards Aquifer Authority requirements
- Achieve annual water loss of less than 5%
- Respond to all water system complaints within one service day. Provide summary of complaints and resolutions to Water Advisory Committee
- Create a communication plan to provide ~~help~~ **disperse** information to residents, to lessen the number of calls (Road Runner Articles, Frequently Asked Questions on website)
- Provide adequate maintenance for all fire hydrants to include installation of valves if necessary and/or raise to proper height for Fire Department access
- Consider outsourcing printing water utility bills
- ~~Televisе and investigate options of some or all wells not in production, evaluate possibilities to place back in production or plug. (Wells #3, and #4)~~
- ~~Assess and maintain all inactive wells to prevent freezing~~
- Initiate assessments of sanitary sewer easements or obtain variance for all active wells (#5, 6, 7, 8)

Provide and maintain essential public water infrastructure and services while anticipating future requirements.

- Complete a comprehensive water model to better anticipate future capital requirements. Funding authorized under Bexar County Interlocal Agreement regarding American Rescue Plan Act funds.
- Develop and execute a fiscally responsible budget that meets mission requirements
- Update the capital equipment replacement schedule. (Water system, pumps, motors, VFD's, water mains, and hydrants)
- Maintain the quality of our ~~new~~ SCADA system and entire water system as changes and repairs are accomplished
- Restore Well #1 to service, providing additional ~~support~~ water supply to the ground storage tank at Shavano Drive to efficiently run both booster pumps. Funding authorized under Bexar County Interlocal Agreement regarding American Rescue Plan Act funds
- ~~Replace all long services on the old Shavano Park side in preparation for the street bond program~~
- Extend and reroute water mains and services in cul de sacs to prepare for street bond program
- Continue to evaluate water system isolation valves and develop recommendations
- Replace small dump with stake body bed truck
- Consider purchase of public works director's truck

WATER UTILITY FUND PERFORMANCE MEASURES:				
Description:	Actual FY20-21	Actual FY21-22	Projected FY22-23	Target FY23-24
<i>Strategic Goal - Maintain excellent infrastructure.</i>				
<i>Department Goal - Resource and maintain appropriate equipment and assets.</i>				
<i>Department Goal - Improve water system functions to achieve an efficient operation level &amp; meet state requirements.</i>				
<b>Number of Cellular Water Meters:</b>				
<b>Installed</b>	<b>188</b>	<b>320</b>	<b>138</b>	<b>3</b>
<b>Repaired</b>	<b>N/A</b>	<b>12</b>	<b>&lt;10</b>	<b>&lt;10</b>
<b>Number of Fire Hydrants not in Compliance</b>	<b>10</b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>Percentage of Backflow Devices in Compliance</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>	<b>10%</b>
<b>Number of Main Valves Exercised</b>	<b>30</b>	<b>40</b>	<b>45</b>	<b>50</b>
<b>Lost Water Ratio</b>	<b>8.91%</b>	<b>6.86%</b>	<b>6.00%</b>	<b>5.00%</b>

The Shavano Park Water Utility has approximately 713 customers and provides water service only, no sanitary sewer.

## CITY COUNCIL STAFF SUMMARY

Meeting Date: June 26, 2023

Agenda item: 4.3

Prepared by: Brenda Morey

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

**Presentation / discussion – Budget basics – Finance Director**



**Attachments for Reference:**

Hard Copies provided at workshop

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### **BACKGROUND / HISTORY:**

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#### **DISCUSSION:**

Budget binders will be passed out at the meeting with information regarding budget basics, chart of accounts and historical data. Throughout the budget process, you will receive additional information which will be added to your binders.

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**COURSES OF ACTION:** N/A

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**FINANCIAL IMPACT:** None specific to this discussion.

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**MOTION REQUESTED:** N/A

## CITY COUNCIL STAFF SUMMARY

Meeting Date: June 26, 2023

Agenda item: 5.4

Prepared by: Kristen Hetzel

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

#### **Presentation / discussion – Benefits Update – City Secretary / HR**

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#### **Attachments for Reference:**

- a) RFP 2023-HR-01 Group Medical, Dental, Vision, and Life Insurance.
- b) Proposed Internal Timeline for Benefits Selection

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### **BACKGROUND / HISTORY:**

The City has used the TML Health Pool since FY2016 as its employee insurance vendor.

Currently, the City offers four health insurance plans – two traditional Copay/PPO and two high deductible HSA. The employee selects which plan best fits their individual needs. The City contributes \$675/month towards the employee's health insurance which covers the cost of the employee-only premium for all of the plan offerings.

- If the employee needs dependent coverage, the 'extra' contribution (amount above the employee-only premium) is applied toward the dependent's premium, with the employee paying any balance thru payroll deductions.
- If the employee does not need dependent coverage, the 'extra' amount is deposited into either an HRA account (for the copay plans) or an HSA account (for the high deductible plans).

Of the 43 employees currently enrolled in the health plans (the City has 1 pending enrollment, 4 vacancies and 3 employees do not participate in health insurance), there are 17 in the two copay plans (9 employee only, 4 employee & children, 3 employee & spouse and 1 family) and there are 26 enrolled in the two high deductible plans (18 employee only, 3 employee & children, 2 employee & spouse, and 3 family).

The City offers one dental plan and covers the employee only premium of \$28.44/month plus 25% of the dependent premium. Any outstanding balance is paid by the employee thru payroll deductions.

The City offers one vision plan and covers the employee only premium of \$6.16/month plus 25% of the dependent premium. Any outstanding balance is paid by the employee thru payroll deductions.

The City provides \$50,000 coverage of group term life insurance to each employee at a monthly rate of \$11.70.

Employees have the option of enrolling in supplemental life insurance in an amount up to three times their annual salary, which has a premium based on the employee's age. Also available is dependent life insurance, which is \$1.60/month and provides coverage of \$5,000 for a spouse and \$2,000 for a child. These premiums are paid by the employee thru payroll deductions.

And finally, the City pays \$3.70/month per HRA or HSA account administration.

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**DISCUSSION:**

The City received the FY24 renewal letter, which reflected an 31% rate increase on the existing plans for the new plan year beginning October 1, 2023. This was due in part to COVID costs but primarily due to high loss ratios incurred on the plans over the last two years, ending April 30, 2023 (the rating period).

The City has requested proposals for group medical, dental, vision, and life insurance in lieu of re-enrolling in the current plans. The RFP closes on June 30, 2023.

During the June 6, 2023 budget workshop, council requested a subcommittee review the proposals. This subcommittee should be available to meet the week of July 10, 2023 to be able to provided a presentation/commendation to council on July 24, 2023.

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**COURSES OF ACTION:** Identify two (2) individuals from City Council to serve on the Benefits Subcommittee along with the City Manager, Finance Director, and City Secretary / Human Resources Director available to meet the week of July 10, 2023.

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**FINANCIAL IMPACT:** None at this time.

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**MOTION REQUESTED:** None at this time.



## **NOTICE OF REQUEST FOR PROPOSALS:**

### **RFP #2023-HR-01 – GROUP MEDICAL, DENTAL, VISION, AND LIFE INSURANCE GENERAL TERMS, CONDITIONS AND REQUIREMENTS**

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1. The City of Shavano Park, in conjunction with U.S. Employee Benefits Services Group, is requesting proposals for medical, dental, vision, and group life insurance benefits for eligible employees and their dependents.
2. One Sealed proposal shall be mailed or emailed to:  
The City of Shavano Park  
Attn: City Secretary  
[citysecretary@shavanopark.org](mailto:citysecretary@shavanopark.org)  
900 Saddletree Court  
Shavano Park, Texas 78231

A Copy of the proposal needs to be mailed or emailed to:  
U.S. Employee Benefits Services Group  
Attn: Brent McConico  
[bmmcconico@usebsg.com](mailto:bmmcconico@usebsg.com)  
245 Landa St.  
New Braunfels, Texas 78130

Proposal clearly marked:  
The City of Shavano Park  
RFP 2023-HR-01

**Proposal due no later than: June 30, 2023 by 2:00 p.m.**

Any proposals received after this date shall not be considered.

3. Your proposed benefit structure must comply with applicable federal and state legislation. Political subdivisions are prohibited from forming and entering ERISA trusts; therefore, proposals for an ERISA plan will not be accepted. If your proposed benefit structure is found to be in noncompliance with federal or state legislation, you will agree to take necessary action to bring the plan into compliance. All premiums must be in even number increments with a 10/1/2023 effective date of coverage.
4. Current plan design:  
Medical – The City pays the employee only premium for all full-time employees. Please quote matching plans but include any alternate options that could be advantageous to the City.  
  
Dental – The City pays the employee only premium for all full-time employees on the dental plan. All proposals shall include a match of current plan design but include any alternate options that could be advantageous to the City.

Vision – The City pays the employee only premium for all full-time employees on the vision plan. All quotes should include a plan match but include any alternate options that could be advantageous to the City.

Life – The City pays for all full-time employees to have coverage of \$50,000 and includes AD&D. All quotes should include the base life and a supplemental life option for employees who elect to increase coverage on a voluntary basis.

5. The City has partnered with U.S. Employee Benefits Services Group to conduct and review this RFP. Any and all questions shall be directed to the contact below.
6. Proposals are anticipated to provide a 24-month rate guarantee; however, the City will accept proposals for a minimum of 12 months.
7. The City requests the prospective carrier to include applicable retention and wellness programs.
8. It is the intention of the City to begin open enrollment in August with an effective date of October 1, 2023.
9. Since there are important considerations involved in selecting an insurance carrier in addition to rates, the City shall not be required to accept the lowest proposal. In addition to gross premium, retention charges and services rendered shall serve as a basis for award of the contract.
10. The City of Shavano Park reserves the right to reject any and all proposals, to waive any formalities in the proposing process, and to accept any proposal deemed advantageous to the City. Any deviation from these specifications must be stated in detail with complete reference to the proposal specification provision from which the deviation is being made.
11. Proposals must be submitted for coverage on all eligible full-time regular employees and their dependents. Full-time is defined as 30 hours or more per week. “Dependents” is defined as legal spouse to include domestic partners and unmarried children from birth to age 26. An adopted child, stepchild, foster child, or any other child who is legally dependent is also classified as eligible. Children who are currently disabled shall be covered as long as they are totally disabled and dependent upon support from their parents.
12. If awarded the proposal, the insurance company shall agree to provide the renewal rates to The City of Shavano Park and U.S. Employee Benefits by May 1 of each year regarding any rate increases for an upcoming year.
13. Forms to be signed and returned are: (1) Suspension and Debarment Certification; (2) Affidavit of Non-Collusion, Non-Conflict of Interest, Anti-Lobbying; and (3) Conflict of Interest Questionnaire.

14. All inquiries or questions regarding this RFP should be directed to:  
U.S. Employee Benefits Services Group  
Attn: Brent McConico  
245 Landa St.  
New Braunfels, TX 78130  
Email: [bmmcconico@usebsg.com](mailto:bmmcconico@usebsg.com)  
Phone: 830-606-5100  
Cell: 210-995-2621

## **SUSPENSION AND DEBARMENT CERTIFICATION**

Federal Law (A-102 Common Rule and OMB Circular A-110) prohibits non-federal entities from contracting with or making sub awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$100,000 and all non-procurement transactions (e.g., sub awards to sub recipients).

Contractors receiving individual awards of \$100,000 or more and all sub recipients must certify that their organization and its principals are not suspended or debarred by a federal agency.

I, the undersigned agent for the firm named below, certify that neither this firm nor its principals are suspended or debarred by a federal agency.

Vendor's Name \_\_\_\_\_

Signature of Company Official \_\_\_\_\_

Printed Name of Company Official \_\_\_\_\_

Date Signed \_\_\_\_\_

# Affidavit of Non-Collusion, Non-Conflict of Interest, Anti-Lobbying

By submission of this bid, the undersigned certifies that:

1. Neither the bidder nor any of bidder's officers, partners, owners, agents, representatives, employees, or parties in interest, has in any way colluded, conspired, or agreed, directly or indirectly with any person, firm, corporation or other bidder or potential bidder any money or other valuable consideration for assistance in procuring or attempting to procure a contract or fix the prices in the attached bid or the bid of any bidder, and further states that no such money or other reward will be hereinafter paid.

2. No attempt has been or will be made by this company's officers, employees, or agents to lobby, directly or indirectly, The City of Shavano Park between bid submission date and award date by the City.

3. No officer or stockholder of the bidder is a member of the staff, or related to any employee of The City of Shavano Park except as noted herein below:

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4. The undersigned certifies that he/she is fully informed regarding the accuracy of the statements contained in this certification, and that the penalties herein are applicable to the bidder as well as to any person signing in his/her behalf.

Signature/Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

# CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

## OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 ☐ Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

\_\_\_\_\_  
Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

\_\_\_\_\_  
Signature of vendor doing business with the governmental entity

\_\_\_\_\_  
Date

## **CONFLICT OF INTEREST QUESTIONNAIRE**

### **For vendor doing business with local governmental entity**

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;  
or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

# City of Shavano Park

## Proposed Benefits Calendar for FY24

- ✓ 6/9/2023 Advertise RFP on City Website
- ✓ 6/14/2023 Publish RFP in Paper
- 6/21/2023 Publish RFP in Paper
- 6/30/2023 Deadline to Submit RFP**
- Week of 7/3/23 USBG compiles bids for comparison
- Week of 7/10/23 Benefits Subcommittee meets to review
- Week of 7/17/23 USBG Finalizes any design details
- 7/24/2023 Presentation to Council**
- Week of 7/24/23 Work on new benefit flyers/education for staff
- Week of 7/31/23 USBG prints benefit guide
- Week of 8/7/23 Open (active) enrollment - week 1
- 8/11/2023 Benefits Fair/Presentations as needed
- Week of 8/14/2023 Open (active) enrollment - week 2
- Week of 8/21/21 Enter deductions into payroll; Send official census to USBG
- 8/25/2023 Run 1st payroll with new deductions**
- Week of 9/11/23 Education campaign to staff
- 10/1/2023 Coverage starts**

## CITY COUNCIL STAFF SUMMARY

Meeting Date: June 26, 2023

Agenda item: 6

Prepared by: Bill Hill

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

Discussion - Long-term financing considerations - City Manager / Finance Director

X

#### **Attachments for Reference:**

- 1) 6/26/2023 I&S Tax Rate Impact Analysis
- 2) P&Z Focus Area Write-up
- 3) 6/27/2022 I&S Tax Rate Impact Analysis

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**BACKGROUND / HISTORY:** At the November 2, 2022 Planning & Zoning Meeting, the Commission selected *Long-term City Finances* for the 5<sup>th</sup> and last focus area of the Town Plan.

On March 9, City staff sent out a Finances 101 document. The goal of this document is to familiarize the Commission with City Finances before the Long-term Finances discussion began.

At the April 5, 2023 P&Z meeting, Finance Director Brenda Morey presented staff's fiscal forecast for the next 5-years and analysis of possible fiscal impact of bonds for street and drainage projects discussed in town plan.

At the May 5, 2023 P&Z meeting, P&Z held a public hearing and reviewed the Long-term City Finances write-up. At the June 7, 2023, P&Z reviewed the focus area for the third time and edits were made. This focus area review may be helpful in the 2023-24 budget development – especially looking forward to possible Bond issuances in 2027 and 2032 and their impact considerations for this year's budget.

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**DISCUSSION:** Regarding the P&Z focus area, staff intends a short highlight of a couple key points, but does not intend to review this document in detail.

Staff will review the 6/27/2022 I&S Tax Rate Impact Analysis (what we presented at last year's June budget workshop) and compare this with the current situation ( 6/26/23 I&S Tax Rate Impact Analysis ). In this analysis, there are three spreadsheets:

#1 – Review I&S Tax Rate Analysis of current total debt (does not project future debt) / (with no tax increase)

#2 - Review I&S Tax Rate Analysis of current and future projected total debt (2027 and 2032) (with no tax increase). This base document was used in to present to the P&Z during the development of the town plan and it changes a number of assumptions, which are fairly optimistic.

#2 - Review I&S Tax Rate Analysis of current and future projected total debt (2027 and 2032) (with a one cent increase in this year's tax rate, which will be applied to the I&S rate to pay off the bond/debt)

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**COURSES OF ACTION:** N/A; give guidance to staff.

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**FINANCIAL IMPACT:** Varies

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**MOTION REQUESTED:** N/A;

## CITY OF SHAVANO PARK

## Interest &amp; Sinking Tax Rate Impact Analysis - No Tax Rate Change until FY2026 No Additional Debt

[A]	[B]	[C]	[E]	[F]	[G]	[H]	[I]	[J]	[B]*[K]/100	[K]	[L]		
	Total		Uses of funds			Sources of funds							
FYE	Net Taxable	Frozen	Net Taxable	Series	GO Bonds,	Total	Less: Street	Less: Street	Less: DS FB	Net	Calculated	Projected	Change in
9/30	Value <sup>(1)</sup>	Properties <sup>(6)</sup>	Excl Frozen	2018	Series 2022 <sup>(2)</sup>	Debt Service	Mtc Fund <sup>(3)</sup>	Sales Tax <sup>(4)</sup>	& Excess Coll	Debt Service	I&S taxes	I&S Tax Rate <sup>(5)</sup>	I&S Tax Rate
2023	\$ 1,585,273,000	\$ 476,467,000	\$ 1,108,806,000	\$ 199,619	\$ 729,154	\$ 928,773	\$ 625,569	\$ -	\$ 51,804	\$ 251,400	\$ 251,400	\$ 0.022673	\$ 0.010410
2024	1,725,232,000	552,410,000	1,172,822,000	202,541	728,800	931,341	396,387	189,540	79,500	265,914	265,914	0.022673	-
2025	1,828,746,000	548,624,000	1,280,122,000	201,331	728,425	929,756	342,511	204,703	92,300	290,242	290,242	0.022673	-
2026	1,938,471,000	630,003,000	1,308,468,000	152,985	732,175	885,160	165,533	221,079	91,600	406,948	406,948	0.031101	0.008428
2027	2,054,779,000	667,803,000	1,386,976,000	REMOVED	728,625	728,625	\$0	231,028	105,200	392,397	392,397	0.028292	(0.002810)
2028	2,136,970,000	694,515,000	1,442,455,000	WATER	729,450	729,450	2027 NO	241,424	111,500	376,526	376,526	0.026103	(0.002188)
2029	2,222,449,000	777,857,000	1,444,592,000	DEBT	730,950	730,950	SAVINGS	252,288	116,000	362,662	362,662	0.025105	(0.000998)
2030	2,311,347,000	808,971,000	1,502,376,000	-	731,450	731,450	FUNDS	263,641	129,900	337,909	337,909	0.022492	(0.002613)
2031	2,403,801,000	841,330,000	1,562,471,000	SHOWS	730,950	730,950	AVAILABLE	275,505	135,100	320,345	320,345	0.020502	(0.001989)
2032	2,499,953,000	874,984,000	1,624,969,000	ONLY	729,450	729,450	-	287,903	140,500	301,047	301,047	0.018526	(0.001976)
2033	2,599,951,000	909,983,000	1,689,968,000	2018	731,825	731,825	-	300,859	146,100	284,866	284,866	0.016856	(0.001670)
2034	2,703,949,000	946,382,000	1,757,567,000	DEBT	728,075	728,075	-	314,397	152,000	261,678	261,678	0.014889	(0.001968)
2035	2,812,107,000	984,237,000	1,827,870,000	(2000)	728,200	728,200	-	328,545	158,000	241,655	241,655	0.013221	(0.001668)
2036	2,924,591,000	1,023,607,000	1,900,984,000	-	731,950	731,950	-	343,330	164,400	224,220	224,220	0.011795	(0.001426)
2037	3,041,575,000	1,064,551,000	1,977,024,000	PAID	729,325	729,325	-	358,779	170,900	199,646	199,646	0.010098	(0.001697)
2038	3,163,238,000	1,107,133,000	2,056,105,000	OFF	730,325	730,325	-	374,925	177,800	177,600	177,600	0.008638	(0.001461)
2039	3,289,768,000	1,151,419,000	2,138,349,000	2026	729,825	729,825	-	391,796	184,900	153,129	153,129	0.007161	(0.001477)
2040	3,421,359,000	1,197,476,000	2,223,883,000	-	732,700	732,700	-	409,427	192,300	130,973	130,973	0.005889	(0.001272)
2041	3,558,213,000	1,245,375,000	2,312,838,000	-	732,400	732,400	-	427,851	200,000	104,549	104,549	0.004520	(0.001369)
2042	3,700,542,000	1,295,190,000	2,405,352,000	-	729,300	729,300	-	447,104	208,000	74,196	74,196	0.003085	(0.001436)
				\$ 756,476	\$ 14,603,354	\$ 15,359,830	\$ 1,530,000						

(1) Assumes 6% annual growth through FY 2027 and 4.00% thereafter.

(2) Series 2022 bond issuance with \$9,410,000 par at 5.0% stated interest rate ② Updated

(3) Assumes drawdown of \$1,530,000 combined fund balance from Street Maintenance Fund and Capital Replacement Fund

(4) Assumes 8.00% annual growth rate through FY 2026 and 4.50% thereafter.

(5) Calculated at a 100% tax collection rate.

⑤ WAS 99.47%

④ WAS 2%

⑧ Estimated TAXES calculated from FROZEN TAXES

⑨ Was 0.030621  
• INCREASE REQUIRED IN 2026 • 0.008428 (Almost 1¢)

## CITY OF SHAVANO PARK

Interest & Sinking Tax Rate Impact Analysis - Add'l GO Bonds Issued in FY2027 and FY2032 - Streets Phase 2 & 3 **① No TAX INCREASE**

[A]	[B]	[C]	[E]	[F]	[G]	[H]	[I]	[J]	[B]*[K]/100	[K]	[L]				
	Total			Uses of funds				Sources of funds							
FYE	Net Taxable	Frozen	Net Taxable	Series	GO Bonds,	GO Bonds	GO Bonds	Total	Less: Street	Less: Street	Less: DS FB	Net	Calculated	Projected	Change in
9/30	Value <sup>(1)</sup>	Properties <sup>(6)</sup>	Excl Frozen	2018	Series 2022 <sup>(2)</sup>	Series 2027 <sup>(7)</sup>	Series 2032 <sup>(8)</sup>	Debt Service	Mtc Fund <sup>(3)</sup>	Sales Tax <sup>(4)</sup>	& Excess Coll	Debt Service	I&S taxes	I&S Tax Rate <sup>(5)</sup>	I&S Tax Rate
2023	\$ 1,585,273,000	\$ 476,467,000	\$ 1,108,806,000	\$ 199,619	\$ 729,154	\$ (7)	\$ -	\$ 928,773	\$ 625,569	\$ -	\$ 51,804	\$ 251,400	\$ 251,400	\$ 0.022673	\$ 0.010410
2024	1,725,232,000	552,410,000	1,172,822,000	202,541	728,800	New	-	931,341	396,387	189,540	79,500	265,914	265,914	0.022673	-
2025	1,828,746,000	548,624,000	1,280,122,000	201,331	728,425	Bond	-	929,756	342,511	204,703	92,300	290,242	290,242	0.022673	-
2026	1,938,471,000	630,003,000	1,308,468,000	152,985	732,175	2027	-	885,160	165,533	221,079	91,600	406,948	406,948	0.031101	0.008428
2027	2,054,779,000	667,803,000	1,386,976,000	-	728,625	-	(8)	728,625	-	231,028	105,200	392,397	392,397	0.028292	(0.002810)
2028	2,136,970,000	694,515,000	1,442,455,000	-	729,450	78,528	-	807,978	-	241,424	111,500	455,054	455,054	0.031547	0.003256
2029	2,222,449,000	777,857,000	1,444,592,000	-	730,950	254,847	New	985,797	-	252,288	116,000	617,509	617,509	0.042746	0.011199
2030	2,311,347,000	808,971,000	1,502,376,000	-	731,450	255,835	Bond	987,285	-	263,641	129,900	593,743	593,743	0.039520	(0.003226)
2031	2,403,801,000	841,330,000	1,562,471,000	-	730,950	256,823	2032	987,773	-	275,505	135,100	577,167	577,167	0.036939	(0.002581)
2032	2,499,953,000	874,984,000	1,624,969,000	-	729,450	257,316	-	986,766	-	287,903	140,500	558,364	558,364	0.034361	(0.002578)
2033	2,599,951,000	909,983,000	1,689,968,000	-	731,825	254,353	223,806	1,209,984	9	300,859	146,100	763,026	763,026	0.045150	0.010789
2034	2,703,949,000	946,382,000	1,757,567,000	-	728,075	257,316	726,314	1,711,705	+84%	314,397	152,000	1,245,308	1,245,308	0.070854	0.025704
2035	2,812,107,000	984,237,000	1,827,870,000	-	728,200	256,823	729,129	1,714,152	-	328,545	158,000	1,227,607	1,227,607	0.067161	(0.003694)
2036	2,924,591,000	1,023,607,000	1,900,984,000	-	731,950	256,329	731,944	1,720,223	-	343,330	164,400	1,212,493	1,212,493	0.063782	(0.003378)
2037	3,041,575,000	1,064,551,000	1,977,024,000	-	729,325	254,847	733,352	1,717,524	-	358,779	170,900	1,187,845	1,187,845	0.060082	(0.003700)
2038	3,163,238,000	1,107,133,000	2,056,105,000	-	730,325	256,823	724,906	1,712,054	-	374,925	177,800	1,159,329	1,159,329	0.056385	(0.003698)
2039	3,289,768,000	1,151,419,000	2,138,349,000	-	729,825	254,847	733,352	1,718,024	-	391,796	184,900	1,141,328	1,141,328	0.053374	(0.003010)
2040	3,421,359,000	1,197,476,000	2,223,883,000	-	732,700	255,835	731,944	1,720,479	-	409,427	192,300	1,118,752	1,118,752	0.050306	(0.003068)
2041	3,558,213,000	1,245,375,000	2,312,838,000	-	732,400	255,835	730,537	1,718,772	-	427,851	200,000	1,090,920	1,090,920	0.047168	(0.003138)
2042	3,700,542,000	1,295,190,000	2,405,352,000	-	729,300	255,835	726,314	1,711,449	-	447,104	208,000	1,056,344	1,056,344	0.043916	(0.003252)
2043	3,848,564,000	1,346,997,000	2,501,567,000	-	-	255,341	731,944	987,285	-	-	-	-	-	-	-
2044	4,002,507,000	1,400,877,000	2,601,630,000	-	-	254,353	726,314	980,667	-	-	-	-	-	-	-
2045	4,162,607,000	1,456,912,000	2,705,695,000	-	-	255,835	729,129	984,964	-	-	-	-	-	-	-
2046	4,329,111,000	1,515,189,000	2,813,922,000	-	-	256,823	729,129	985,952	-	-	-	-	-	-	-
2047	4,502,275,000	1,575,796,000	2,926,479,000	-	-	254,353	729,129	983,482	-	-	-	-	-	-	-
2048	4,682,366,000	1,638,828,000	3,043,538,000	-	-	-	727,722	727,722	-	-	-	-	-	-	-
2049	4,869,661,000	1,704,381,000	3,165,280,000	-	-	-	727,722	727,722	-	-	-	-	-	-	-
2050	5,064,447,000	1,772,556,000	3,291,891,000	-	-	-	729,129	729,129	-	-	-	-	-	-	-
2051	5,267,025,000	1,843,459,000	3,423,566,000	-	-	-	731,944	731,944	-	-	-	-	-	-	-
2052	5,477,706,000	1,917,197,000	3,560,509,000	-	-	-	724,906	724,906	-	-	-	-	-	-	-
				\$ 756,476	\$ 14,603,354	\$ 4,938,896	\$ 14,075,853	\$ 34,377,394	\$ 1,530,000						

9

10

1

0.022673

VS

0.070854

= 0.048181

% Increase	Tax Diff 2034	Peak Tax Rate
84%	0.048181	0.34592

(1) Assumes 6% annual growth through FY 2027 and 4.00% thereafter.

(2) Series 2022 bond issuance with \$9,410,000 par at 5.0% stated interest rate

(3) Assumes drawdown of \$1,530,000 combined fund balance.

(4) Assumes 8.00% annual growth rate through FY 2026 and 4.50% thereafter.

(5) Calculated at a 100% tax collection rate.

(6) Assumption of 30% of total net taxable value for FY25, then 32.5% for three years, then 35% thereafter

(7) Assumes \$3,140,000 issue at 4.27% - 5.64% with 20 year payment schedule - Old Shavano West street reconstruction- Phase 2

(8) Assumes \$8,949,000 issue at 4.27% - 5.64% with 20 year payment schedule Shavano Estates and Shavano Creek street reconstruction - Phase 3

% Increase	Tax Diff 2034	Peak Tax Rate
84%	0.048181	0.34592

0.022673

VS

0.070854

= 0.048181

TOTAL  
TAX  
RATE  
2034  
PEAK

CITY OF SHAVANO PARK

Schedule #2a

Interest & Sinking Tax Rate Impact Analysis - Add'l GO Bonds Issued in FY2027 and FY2032 - Streets Phase 2 & 3 with 1¢ increase in Total and I&S Tax Rates FY24

① 1¢ TOTAL INCREASE

[A]	[B]	[C]	[E]	Uses of funds				[F]	[G]	[H]	[I]	[J]	[B]*[K]/100	[K]	[L]
FYE	Total	Frozen	Net Taxable	Series	GO Bonds,	GO Bonds	GO Bonds	Total	Less: Street	Less: Street	Less: DS FB	Net	Calculated	Projected	Change in
9/30	Net Taxable	Properties <sup>(6)</sup>	Excl Frozen	2018	Series 2022 <sup>(2)</sup>	Series 2027 <sup>(7)</sup>	Series 2032 <sup>(8)</sup>	Debt Service	Mtc Fund <sup>(3)</sup>	Sales Tax <sup>(4)</sup>	& Excess Coll	Debt Service	I&S taxes	I&S Tax Rate <sup>(5)</sup>	I&S Tax Rate
2023	\$ 1,585,273,000	\$ 476,467,000	\$ 1,108,806,000	\$ 199,619	\$ 729,154	\$ (7)	\$ -	\$ 928,773	\$ 625,569	\$ -	\$ 51,804	\$ 251,400	\$ 251,400	\$ 0.022673	\$ 0.010410
2024	1,725,232,000	552,410,000	1,172,822,000	202,541	728,800	New	-	931,341	279,105	189,540	79,500	383,196	383,196	0.032673	0.010000
2025	1,828,746,000	548,624,000	1,280,122,000	201,331	728,425	Bond	-	929,756	214,499	204,703	92,300	418,254	418,254	0.032673	-
2026	1,938,471,000	630,003,000	1,308,468,000	152,985	732,175	2027	-	885,160	145,000	221,079	91,600	427,481	427,481	0.032670	(0.000003)
2027	2,054,779,000	667,803,000	1,386,976,000	-	728,625	(8)	-	728,625	-	231,028	105,200	392,397	392,397	0.028292	(0.004379)
2028	2,136,970,000	694,515,000	1,442,455,000	-	729,450	78,528	-	807,978	-	241,424	111,500	455,054	455,054	0.031547	0.003256
2029	2,222,449,000	777,857,000	1,444,592,000	-	730,950	254,847	New	985,797	145,000	252,288	116,000	472,509	472,509	0.032709	0.001162
2030	2,311,347,000	808,971,000	1,502,376,000	-	731,450	255,835	Bond	987,285	102,500	263,641	129,900	491,243	491,243	0.032698	(0.000011)
2031	2,403,801,000	841,330,000	1,562,471,000	-	730,950	256,823	2032	987,773	18,327	275,505	135,100	558,840	558,840	0.035766	0.003069
2032	2,499,953,000	874,984,000	1,624,969,000	-	729,450	257,316	-	986,766	-	287,903	140,500	558,364	558,364	0.034361	(0.001405)
2033	2,599,951,000	909,983,000	1,689,968,000	-	731,825	254,353	223,806	1,209,984	-	300,859	146,100	763,026	763,026	0.045150	0.010789
2034	2,703,949,000	946,382,000	1,757,567,000	-	728,075	257,316	726,314	1,711,705	+84%	314,397	152,000	1,245,308	1,245,308	0.070854	0.025704
2035	2,812,107,000	984,237,000	1,827,870,000	-	728,200	256,823	729,129	1,714,152	-	328,545	158,000	1,227,607	1,227,607	0.067161	(0.003694)
2036	2,924,591,000	1,023,607,000	1,900,984,000	-	731,950	256,329	731,944	1,720,223	-	343,330	164,400	1,212,493	1,212,493	0.063782	(0.003378)
2037	3,041,575,000	1,064,551,000	1,977,024,000	-	729,325	254,847	733,352	1,717,524	-	358,779	170,900	1,187,845	1,187,845	0.060082	(0.003700)
2038	3,163,238,000	1,107,133,000	2,056,105,000	-	730,325	256,823	724,906	1,712,054	-	374,925	177,800	1,159,329	1,159,329	0.056385	(0.003698)
2039	3,289,768,000	1,151,419,000	2,138,349,000	-	729,825	254,847	733,352	1,718,024	-	391,796	184,900	1,141,328	1,141,328	0.053374	(0.003010)
2040	3,421,359,000	1,197,476,000	2,223,883,000	-	732,700	255,835	731,944	1,720,479	-	409,427	192,300	1,118,752	1,118,752	0.050306	(0.003068)
2041	3,558,213,000	1,245,375,000	2,312,838,000	-	732,400	255,835	730,537	1,718,772	-	427,851	200,000	1,090,920	1,090,920	0.047168	(0.003138)
2042	3,700,542,000	1,295,190,000	2,405,352,000	-	729,300	255,835	726,314	1,711,449	-	447,104	208,000	1,056,344	1,056,344	0.043916	(0.003252)
2043	3,848,564,000	1,346,997,000	2,501,567,000	-	-	255,341	731,944	987,285	-	-	-	-	-	-	-
2044	4,002,507,000	1,400,877,000	2,601,630,000	-	-	254,353	726,314	980,667	-	-	-	-	-	-	-
2045	4,162,607,000	1,456,912,000	2,705,695,000	-	-	255,835	729,129	984,964	-	-	-	-	-	-	-
2046	4,329,111,000	1,515,189,000	2,813,922,000	-	-	256,823	729,129	985,952	-	-	-	-	-	-	-
2047	4,502,275,000	1,575,796,000	2,926,479,000	-	-	254,353	729,129	983,482	-	-	-	-	-	-	-
2048	4,682,366,000	1,638,828,000	3,043,538,000	-	-	-	727,722	727,722	-	-	-	-	-	-	-
2049	4,869,661,000	1,704,381,000	3,165,280,000	-	-	-	727,722	727,722	-	-	-	-	-	-	-
2050	5,064,447,000	1,772,556,000	3,291,891,000	-	-	-	729,129	729,129	-	-	-	-	-	-	-
2051	5,267,025,000	1,843,459,000	3,423,566,000	-	-	-	731,944	731,944	-	-	-	-	-	-	-
2052	5,477,706,000	1,917,197,000	3,560,509,000	-	-	-	724,906	724,906	-	-	-	-	-	-	-
				\$ 756,476	\$ 14,603,354	\$ 4,938,896	\$ 14,075,853	\$ 34,377,394	\$ 1,530,000						

⑬ 9+ YEARS OF LEVEL I&S TAX

⑫ LARGE INCREASE + 3.5¢

⑨ +84%

⑭ Delays Drawdown / USED 2029-31 to pay Debt - No increase in Taxes

⑨ % Increase	⑩ Tax Diff 2034	⑪ Peak Tax Rate
84%	0.048181	0.34592
	.022673 vs .070854	
	= .048181	

TOTAL TAX RATE PEAK 2034

(1) Assumes 6% annual growth through FY 2027 and 4.00% thereafter.  
(2) Series 2022 bond issuance with \$9,410,000 par at 5.0% stated interest rate  
(3) Assumes drawdown of \$1,530,000 combined fund balance.  
(4) Assumes 8.00% annual growth rate through FY 2026 and 4.50% thereafter.  
(5) Calculated at a 100% tax collection rate.  
(6) Assumption of 30% of total net taxable value for FY25, then 32.5% for three years, then 35% thereafter  
(7) Assumes \$3,1400,000 issue at 4.27% - 5.64% with 20 year payment schedule - Old Shavano West street reconstruction- Phase 2  
(8) Assumes \$8,949,000 issue at 4.27% - 5.64% with 20 year payment schedule Shavano Estates and Shavano Creek street reconstruction - Phase 3

⑦ ⑧

④



## Long-Term City Finances

The wise stewardship of public monies by City leaders in the past is a key reason the City of Shavano Park is a premier community of Bexar County today. The City's history of fiscal conservatism means the City, in 2023, offers excellent municipal services while having one of the lowest property tax rates in Bexar County and a manageable debt burden. These conditions have stimulated the development of quality neighborhoods and businesses and a rise in property values over the last decade. The City faces challenges in maintaining this trend in the coming decade. Shavano Park will become built-out, causing a slow but steady reduction in year-over-year property tax base growth and construction permit revenues. Meanwhile, repairing the City's deteriorating streets will require debt financing while the annual cost of maintaining a professional City staff and providing excellent municipal services is predicted to rise. In addition, the City's known drainage problems will require multi-million-dollar grant funding or debt financing to correct. Additionally, the water system has an aging infrastructure and the available reserves are inadequate to fully address the issues. Long-term financing will be key to anticipating major expenses, saving for the coming bills, and ensuring property tax rates stay manageable. This Town Plan encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process.

The financial assumptions and forecasts in this Town Plan are not formal recommendations nor are they legally binding. These financial forecasts simply illustrate possible future fiscal challenges facing the City based upon current and near-term data.

They are the City staff's fiscally conservative "guess" in spring 2023 amid uncertain economic times. All property tax rates and possible bond debt issuances discussed are for future City Council and, when warranted, voter decision.

## **This Town Plan identifies the following Issues and Action Steps in Long-term City Finances:**

### **Issues:**

- Residents and businesses demand both quality infrastructure and quality municipal services yet resources are limited
- Primary fiscal pressures on City finances come from deteriorating infrastructure and rising personnel costs
- Protecting the City's AAA/Stable Bond Rating
- City only receives about \$1M in sales tax revenue annually
- As City becomes built out, a significant drop in permitting revenues is anticipated
- City has Fund Balance reserves of \$2.5M to act as a 'rainy day fund'
- City has Capital Replacement Fund reserves of \$1.7M and dedicates money in each annual budget for future capital replacement
- City Capital Replacement reserves have no money set aside for drainage projects
- Street Maintenance Fund reserves are anticipated to be exhausted in 2026
- Property values under the over 65 Tax Freeze have increased by 9.28% annually over the last 5 years; this reduces revenues City would receive from a property tax increase in future
- Water Utility fund has \$1.3M available on hand and is saving for well sites and storage tanks, but has limited reserves to replace aging service mains across the system

### **Action Steps:**

- Pursue sales-tax generating businesses to reduce tax burden on property owners
- Pursue grant funding at State and Federal level for street, drainage, and water system renewal
- Seek out other revenue opportunities to reduce tax burden on property owners
- Continue the wise financial management practices and policies behind the AAA/Stable Bond Rating
- Future City Councils should protect the General Fund's Fund Balance Reserve
- Future City Councils should prioritize fully funding Capital Replacement Fund each year
- Future City Councils and City staff should incorporate long-term financial planning into the annual budget process
- City staff should propose a standardized bond project cycle to allow regular infrastructure renewal with minimal impact on property tax rates
- City should communicate future fiscal challenges and infrastructure needs transparently to residents
- Develop a water mains replacement schedule and develop options for future funding
- Water Advisory Committee to conduct periodic Water Rate studies to ensure water user fees cover the Utility's expenses
- Water debt fee should be annually reviewed to ensure debt costs are covered

## **City's Fiscal Strength**

The City of Shavano Park's history of wise stewardship of its fiscal resources is a major reason why, in 2023, the City features excellent municipal services of police, fire, emergency medical, and public works, with community facilities and community events, while maintaining a reasonable debt burden and one of the lowest tax rates in Bexar County. These community traits have led to desirable neighborhoods, a strong sense of community, and an upscale business community as highlighted throughout this Town Plan. Five aspects of City finances illustrate the City's fiscal strength and fiscal conservatism: (1) Triple AAA Bond Rating, (2) manageable debt burden, (3) low property tax rate and robust tax base, (4) healthy capital reserves, and (5) an ample 'rainy day' fund. Each of these aspects will be discussed in detail in the following section. The Shavano Park Water Utility's finances will be discussed in a separate section at the end of this focus area.

### **Bond Rating**

In June 2022, the City received an "AAA/Stable" long-term rating from S&P Global Ratings as a part of the process for the City's May 2022 voter-approved \$10M Bond. This is the highest and best credit rating that may be issued. A lesser rating could increase the City's borrowing costs. The S&P Global Ratings credit report identified the following key attributes for the City of Shavano Park:

"Key credit considerations included in our view of Shavano Park:

- Advantageous location in the broad and diverse San Antonio metro area;
- History of strong financial performance and maintenance of very strong reserves;
- Strong financial management practices and policies, and strong institutional framework; and
- Very weak debt and contingent liability profile largely influenced by the current issue."



The S&P rating is a respected third-party opinion that validates the strength of the City's finances and institutions described in this Town Plan. The only note of caution was the City's debt obligations growing due to the May 2022 voter-approved \$10M Bond to reconstruct over six miles of public streets (see page 48 of Public Infrastructure for more details). The funding of public infrastructure will be a key fiscal challenge for the City in the future and is addressed later in this focus area.

Another respected third-party opinion of City finances is the Government Finance Officer's Association Distinguished Budget Award which reviews the City annual budget as a communication device to ensure fiscal transparency. See page 20 to read more about this award the City has won for seven consecutive years.

### **Manageable Debt**

The City has a history of maintaining low debt obligations. Before the Bond issuance in 2022, the last General Fund debt issued by the City was in 2000 for the purposes of building City Hall and completing street repair and drainage projects. Of note, in 2009 the City issued debt for Trinity Well, and while the debt is secured with property taxes, the annual debt payments are made utilizing water revenues. A statistic to illustrate the City's manageable debt is the debt service ratio. It is a widely accepted measure of sound financial management and a useful tool to understand the City's fiscal integrity. In the year before the 2022 Bond debt issuance, the debt service ratio was only 3.9%, meaning only 3.9% of the City's revenues were committed to debt. The most recent debt issuance increased the City's debt service ratio in 2023 to 14.92%. This increase is sizable but remains manageable – with the City requiring only a \$0.01 tax increase to help fund in 2023. This debt will fund the reconstruction of over six miles of public streets which are badly in need of repair.

### **Low Property Tax Rate and Robust Tax Base**

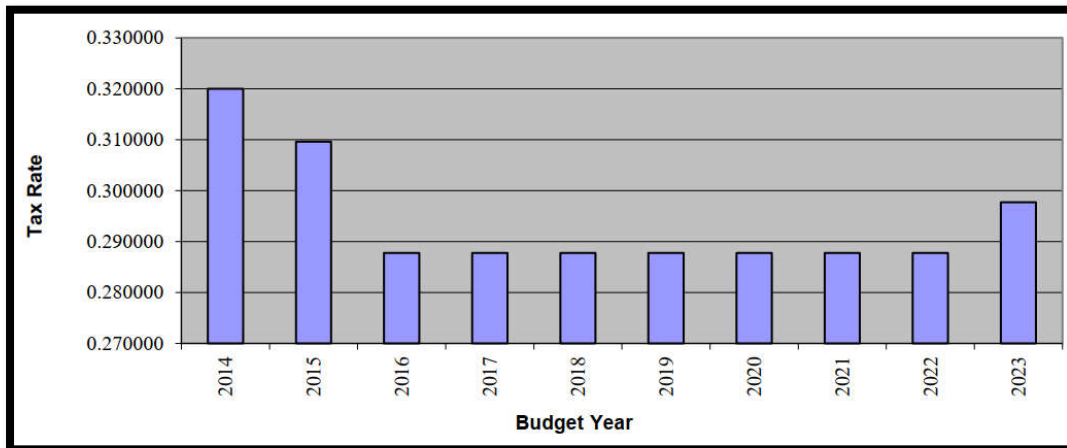
The City's property tax rate in 2023 is \$0.297742 per \$100 valuation. For Shavano Park's average taxable home value of \$937,404 in 2023, this means a \$2,791.05 tax levy for the City's portion of the total property tax bill. The chart below compares Shavano Park to other Bexar County communities that also provide full police, fire and emergency medical services to residents and businesses.

<b>City in Bexar County</b>	<b>Property Tax Rate</b>	<b>City Tax paid by a \$937,404 Shavano Park home</b>
Shavano Park	0.297742	\$2,791.05
Helotes	0.316778	\$2,969.49
Alamo Heights	0.388051	\$3,637.61
Converse	0.421389	\$3,950.12
Leon Valley	0.484739	\$4,543.96
San Antonio	0.54161	\$5,077.07
Kirby	0.614126	\$5,756.84

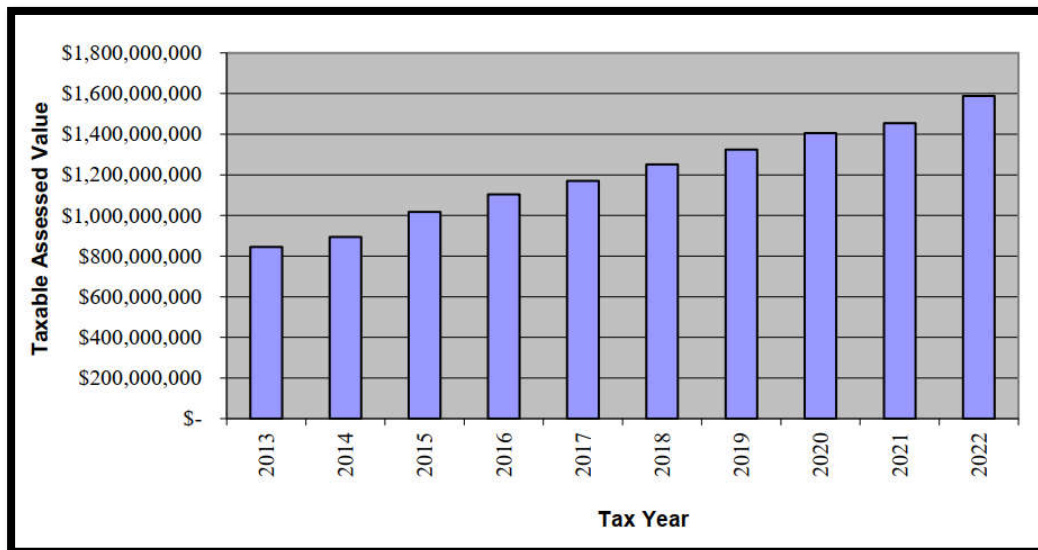
The City of Shavano Park does not have the lowest property tax rates in the greater Bexar County area, but it is the lowest among cities that offer full services rather than contracting services out. The City's tax rate a decade ago in 2014 was \$0.32 per \$100 valuation and was lowered to \$0.287742 between 2014-2016 and then held there until being raised by \$0.01 in 2023 with the recent Bond debt issuance (see Figure 1 below).

The City has been able to afford increasing wages and increasing services (such as building the pavilion and playgrounds on the Municipal Tract in 2020) due to the new construction of residential and commercial buildings and the rapid rise in property values in the City over the last decade. The City’s total taxable assessed value has nearly doubled in the last decade, from \$844 million to \$1.59 billion in 2023 (see Figure 2). Preliminary estimates from the Tax Assessor Office reveal total taxable assessed values are anticipated to rise to \$1.81 billion in 2024.

**Figure 1. Property Tax Rates 2014-2023**



**Figure 2. Total Taxable Assessed Values 2014-2023**



### Capital Replacement Funds

The City maintains \$2.08M in total capital replacement funds for all City departments. The capital funds serve as monies set aside for future capital purchases such as police vehicles, ambulances, and fire engines. The City budgets revenue annually for capital replacements based on a schedule reflecting an estimated replacement cost and an item’s useful life. The use of capital funds

spreads out the effect of large purchases on the City's annual budgets. The capital funds assist in avoiding large expenditure swings from year to year, maintaining tax rates and ultimately saving the City money by not having to issue debt to acquire large items. An example of this in practice would be in February 2019, the City's capital fund was used to purchase a \$1,165,000 ladder truck to replace the City's aging 20-year-old fire engine without the need to acquire public debt. The City intends to fully fund the transfer to capital reserves every fiscal year, and in recent years has achieved this goal. The City's robust capital reserves are a tremendous fiscal asset of the City and contribute greatly to the City's fiscal strength. This Town Plan encourages future City Councils to prioritize fully funding capital reserves each year.

### **Reserve 'Rainy Day' Fund**

Like the State of Texas, the City maintains a 'rainy day' fund called the General Fund Balance Reserve. By Ordinance the fund balance must be between 25% to 50% of the City's annual operating budget. The current fund balance reserve is 39% of the 2023 annual budget of the City or \$2.43 million in reserves. Appropriation from the General Fund Balance Reserve requires the approval of the City Council and is only for one-time expenditures, such as capital purchases, and not for ongoing expenditures. The General Fund Balance Reserve has remained about \$2.43 million since the 2016 transfer of \$1.6M to the capital fund to pay for the construction of drainage projects (see page 56 of Public Infrastructure for details). While the amount of money in reserve has been static, the reserves as a percentage of the General Fund have trended downwards due to the growing annual budget. This General Fund Balance Reserve acts as an emergency 'rainy day' fund for the City and is a critical piece of the City's fiscal strength to weather unexpected emergencies like natural disasters, rapid economic downturns or other calamities. This Town Plan encourages future City Councils to protect and preserve the General Fund Balance Reserve.

### **City's Fiscal Challenges**

The City's two primary fiscal challenges are identified as focus areas of this Town Plan: (1) repair and maintenance of the City's *Public Infrastructure* (on page 40) and (2) the rising costs for the City's *Municipal Talent Management and Retention* (on page 46). Also taken into account in this section is the fact that the City is nearly built-out and has limited sales tax growth potential due to limited commercial land left for development (see page 28 for the Commercial Development focus area). A thorough understanding of those focus areas is recommended before proceeding to the long-term financial planning focus area.

The authors of this Town Plan believe long-term financial planning will be essential to overcoming the fiscal challenges ahead and encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process. This focus area of the Town Plan should also serve as a launching pad to assist future long-term financial planning by City staff and City Council.

### Assumptions for all Long-term Financial Planning

Before tackling the fiscal challenges, it is important to consider the assumed future revenue growth from property and sales tax. These predictions become the baseline upon which projected expenses and their impact on City tax rates and budgets will be applied. Briefly:

- **Property Taxes.** Assumed growth rate is 6% annually in property tax revenue through 2027 and 4% thereafter (note – this is the valuation growth, not from raising tax rates). The drop in 2027 is to account for no new residential builds being added to the tax rolls. This starting growth rate is a conservative rounded-down figure based on the 6.8% annual growth in property tax assessment value between 2017 and 2023.
- **Sales Taxes.** Assumed growth rate is 8% annually in sales tax revenue through 2026 and dropping to 4.5% thereafter. The growth rate moderates in 2026 because all vacant land zoned for commercial use will have been developed by year end. The starting growth rate is based on the City's sales tax growth rates in 2022 and 2023.
- **Tax Freeze Properties.** The Town Plan also assumes the number of tax frozen properties growing at a 6.45% rate annually based on historical data and an estimate for the City's future demographics. As the number of tax frozen properties grows, any tax rate increase must be greater for remaining properties to allow the City to collect the same amount of revenue as if the tax freeze did not exist.
- **Salaries and Benefits.** The Town Plan assumes annual salary increases will decline as inflation subsides, falling from a 6.1% wage increase across all positions in 2024 to 4.1% overall in 2028. Healthcare costs are assumed to grow 10% in 2024 and to drop to an 8% growth rate by 2028, again due to declining inflation. Calculations for future Workers Compensation and pension payments are also included in the overall figures presented.

### Other Assumptions:

- Predictions assume the City will drawdown its \$1.5M in street reserves to offset debt payments (reducing tax burden from debt payments).
- Assumed 5% interest rate on all bonds. In 2023, it is especially difficult to predict where interest rates will be in the future. Interest rates on million-dollar bonds can have a major impact on affordability.
- Assumed 100% collection rate of property taxes. The City of Shavano Park's collection rate has historically exceeded 99.5%.

### Fiscal Challenge: Public Infrastructure

In the Public Infrastructure focus area of this Town Plan, we described the phased restoration of the City's streets (see page 49) and also identified the remaining drainage projects (see pages 57-58). This section will focus on these two infrastructure categories as they are both the largest cost challenges facing the City over the next 10 to 20 years.

Of these two categories, street reconstruction and maintenance is anticipated to be the largest expense challenge facing Shavano Park over the next 10 years. The City should monitor the conditions of the streets and as needed conduct a comprehensive street assessment of the streets in Phases 2, 3, and 4 of the City's Street Maintenance Plan (this is identified as an action step in Public Infrastructure focus area on page 47). While the exact cost of repair or reconstruction of the streets is unknown at this time, the City Engineer has provided the preliminary cost estimates reflected below.

Current estimated cost (using 2023 data) to repair the streets of Old Shavano Park (west of NW Military) in Phase 2, Shavano Estates and Shavano Creek in Phase 3 are as follows:

**Figure 3. Estimated Costs for Phase 2 and 3 Street Maintenance Plan**

Subdivision & Phase	Cost Estimate
Phase 2 - Old Shavano Park (West)	\$ 3,140,000
Phase 3 - Shavano Creek	\$ 4,186,667
Phase 3 - Shavano Estates	\$ 4,762,333

Current plan schedule is for the City to begin Phase 2 in 2028 and Phase 3 in 2033. Both phases are predicted to require debt financing to accomplish. This will be challenging to fund as the City's \$10M bond will require payments until 2042. Using the above figures and dates, the City estimates the debt burden will reach its peak between 2034-2042 with a \$1.7M debt payment due each year. This would be an 84% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate be raised \$0.050216 cents by 2034 to \$0.34796 per \$100 valuation in order to afford the street project debt by itself.

There is good news for the Street Maintenance Plan, however. The City's \$10M Bond project bids came in at \$7.5M (with engineering); meaning possibly \$2.5M may be available after the current project. While actual construction is yet to begin in early 2023, this opens up the possibility that some of the streets in Phase 2 and 3 can be done early using the May 2022 Bond monies, thus reducing future requirements.

**Figure 4. Estimated Costs for Drainage Projects**

Project	Cost Estimate
Turkey Creek area tributary storm sewer	\$ 3,069,770
Elm Spring storm sewer	\$ 1,321,174

The fiscal challenges increase if the City decides to debt-fund the drainage projects rather than use state or federal grant funding. If the City took an additional \$4.4M to accomplish both drainage projects outlined in Public Infrastructure (see pages 57-58) they would likely be done as a part of the Phase 2 road project in 2028. In this scenario, there would be a 122% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate to be raised \$0.070601 cents by 2034 to \$0.368343 per \$100 valuation to afford both the street and drainage projects. Doing the road work with the drainage projects makes practical sense and could result in some cost savings on the drainage projects.

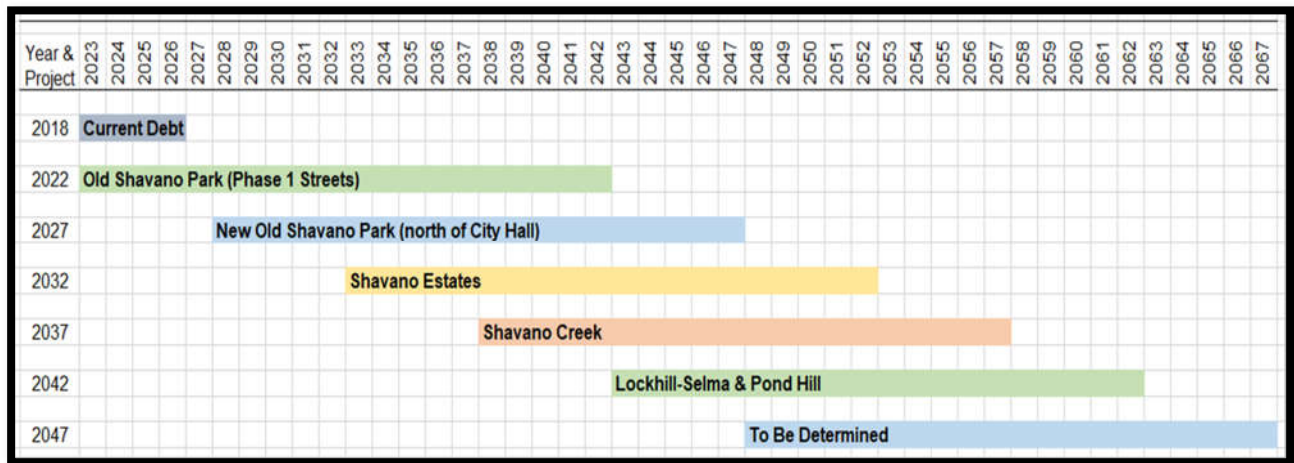
It is clear though that pursuing state and federal funding for drainage should be a priority for City staff to avoid impacting property tax rates. City staff already began this effort by submitting both drainage projects to the Texas Water Development Board for funding consideration. In early 2023, the City was informed that both projects had been moved to priority funding. This is good news and increases the likelihood both projects could receive State grant funding.

#### **A Standardized Debt-Cycle Timeline**

An option to be considered is that the City issue 20-year debt to fund capital projects every five years. This will require four debt issuances (with the first already issued in 2022). Beginning in 2042 (when the 2022 debt is paid off), new debt may be issued without an increase (or a small increase) in debt payments. The cycle could continue as long as capital improvement requirements remain.

This bond-cycle process where a smaller number of streets are addressed every couple of years utilizing smaller amounts of debt could be a way to keep tax rates lower while still accomplishing the necessary street maintenance over time. This Town Plan encourages City staff to propose a standardized bond project cycle to allow regular infrastructure renewal to limit property tax rate increases. Figure 5 demonstrates a possible street debt financing strategy using 20-year bond debt issuances. There is much work for City staff to refine this possible strategy.

**Figure 5. Possible Street Financing Strategy**



### Challenge: Municipal Talent Management and Retention

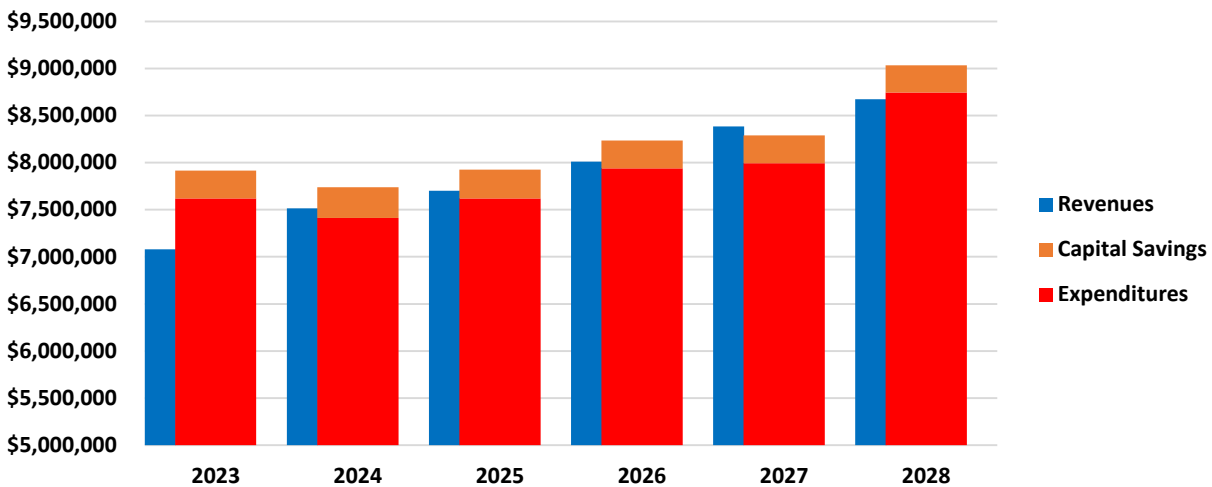
In the Municipal Talent Management and Retention focus area of this Town Plan, we described the rising costs of maintaining a professional city staff and excellent municipal services (see page 43). Between 2014 and 2023, the City total personnel cost (including salaries, health, retirement and benefits) increased by 4.5% on average. This Town Plan predicts a slightly faster rate of annual wage growth at 5.2% per year due to inflation and labor competition. See Figure 6's estimated annual personnel costs. Compensation costs are predicted to grow at a slower rate as current economic, rising healthcare costs and labor market conditions return back to pre-inflation trends.

**Figure 6. Estimated City Payroll Costs 2023 - 2028**

Year	2023	2024	2025	2026	2027	2028
Personnel Cost	\$4,684,104	\$4,968,300	\$5,261,300	\$5,547,300	\$5,798,300	\$6,037,300
Annual Change		\$ 284,196	\$ 293,000	\$ 286,000	\$ 251,000	\$239,000
Percentage Change		5.7%	5.6%	5.2%	4.3%	4.1%

These personnel costs may be challenging because of the debt burden on the City's operations after 2024 coupled with declining revenues – Figures 7, 8 and 9 on following pages illustrate the long-term funding challenges using a 5-year prediction model.

**Figure 7. Estimates Revenues vs Expenses 2023 - 2028**



This first chart shows in detail a comparison between forecasted revenues and expenditures along with the annual capital replacement fund savings (which are not a true expense, but saving for future).

**Figure 8. Estimated Revenues 2023-2028 with Current Property Tax Rate**

Year	2023	2024	2025	2026	2027	2028
Revenues:						
Property Taxes	\$4,263,067	\$4,611,000	\$4,887,000	\$5,144,000	\$5,453,000	\$5,671,000
Sales Taxes	\$1,053,000	\$1,138,000	\$1,229,000	\$1,327,000	\$1,387,000	\$1,449,000
Franchise Fees	\$493,000	\$507,790	\$517,900	\$528,300	\$538,900	\$549,700
Permits & Licenses	\$417,962	\$418,000	\$424,000	\$415,520	\$407,210	\$399,065
Grants (incl. Federal)	\$314,042	\$258,000	\$61,000	\$8,000	\$8,000	\$8,000
Other revenues	\$545,620	\$582,424	\$581,479	\$586,470	\$589,753	\$596,133
Total Revenues	\$7,081,029	\$7,515,214	\$7,700,379	\$8,009,290	\$8,383,862	\$8,672,898
Annual Increase		\$434,185	\$185,165	\$308,911	\$374,573	\$289,036

The drop in revenues in 2025 is primarily due to the end of American Rescue Act funding for capital purchases the City made from 2022 to 2024 combined with the predicted slowing of revenues due to the City reaching build-out.

Taking together all the fiscal estimates, the City is forecasted to be under on revenues from 2024 to 2026. The exhausting of the City's Street Maintenance reserves to offset the annual debt payments after 2026 also plays a major role in the affordability of personnel costs in Figure 6.

**Figure 9. Estimated Expenditures 2023-2028**

Year	2023	2024	2025	2026	2027	2028
Expenditures:						
Personnel	\$4,684,104	\$4,968,300	\$5,261,300	\$5,547,300	\$5,798,300	\$6,037,300
Debt Service	\$959,103	\$960,282	\$958,696	\$914,100	\$757,565	\$883,390
Capital replacement:						
Purchases	\$663,990	\$292,490	\$171,490	\$214,490	\$136,000	\$483,000
Other Operating	\$1,312,277	\$1,192,800	\$1,228,400	\$1,265,100	\$1,302,900	\$1,341,800
Total Expenditures:	\$ 7,619,474	\$ 7,413,872	\$ 7,619,886	\$7,940,990	\$7,994,765	\$8,745,490
<b>Net Revenues over (under)</b>						
Expenditures:	<b>\$(538,445)</b>	<b>\$101,342</b>	<b>\$80,493</b>	<b>\$68,300</b>	<b>\$389,097</b>	<b>\$(72,592)</b>
Capital replacement Funding (savings)*:	\$297,241	\$323,477	\$307,158	\$294,660	\$293,507	\$287,128
<b>Net after Capital Replacement Funding:</b>	<b>\$(835,686)**</b>	<b>\$(222,135)</b>	<b>\$(226,665)</b>	<b>\$(226,360)</b>	<b>\$95,590</b>	<b>\$(359,720)</b>

\* Funding for future capital replacement (savings) is not a true expenditure but is shown to reflect the commitment of moneys

\*\*2023 is shown in negative balance because the City is utilizing Street Maintenance Fund Balance reserves (\$508,000) and Debt Fund balance reserves (\$51,800) to pay the debt service and a \$260,000 land purchase was made from capital reserves. The use of reserves kept the tax rate increase in 2023 to only \$0.01.

The mid-2020s are predicted to be a fiscally challenging time for the City. The City will become built out (slowing revenue growth), nearly 14% of its annual operations will be committed to debt payments, its street maintenance fund reserves will be exhausted, and generous federal funding assistance will be largely over. These challenges are compounded by the fact the City has three subdivisions with road maintenance requirements that will likely come due in the late 2020s and early 2030s. This Town Plan encourages the City to pursue sales-tax-generating businesses and to seek other revenue opportunities to reduce the tax burden on property owners. This Town Plan also encourages City staff to pursue grant funding at State and Federal levels for street, drainage, and water system renewal.

The City in 2023 has many fiscal strengths: the highest bond rating available, a robust tax base with low property tax rates, and healthy financial reserves. The City's history of wise stewardship of financial resources and fiscal conservatism has put it in this position. The way ahead will be fiscally challenging. The authors of this Town Plan hopes that this focus area serves as a launching pad to help City staff incorporate long-term financial planning into the annual budget process and encourages future City Councils to incorporate long-term forecasting into their annual budget consideration. These efforts combined with the continued wise stewardship of the City's financial resources will help the City overcome the coming fiscal challenges.

## **Water Utility Long-term Finances**

The Shavano Park water system is funded directly by revenues collected from residential water sales. Variations in annual rainfall have a significant impact on revenues each year. During dry years, residents use significantly more water and the City collects more revenue from increased water sales due to the progressive tier fee structure in place. Water conservation awareness and practices have also impacted water usage and revenues as residents are using less water than they did 15 years ago. The City forecasts the annual budgeted revenue by averaging the previous five years' usage.

Thus, the development of the annual budget and long-term financial planning for the Shavano Park Water Utility is challenging due to the difficulty in predicting usage trends and whether future years will be wet or dry. Financial planning is also onerous because the Water Utility is inherently capital-intensive and large unexpected expenses occur when water wells, tanks, motors, and pumps require repair.

As previously detailed within the Infrastructure Focus area, the City has begun, but has not completed, an accurate mapping of the water mains within the distribution system, and a water hydrology model analysis has yet to be completed to identify areas within the entire distribution system that may require improvement. Generally, we know that the old water mains that are asbestos concrete or ductile iron will need to be replaced. However, replacement of old water mains is expensive and the water system cannot afford to replace them all at once. Anticipating the cost and schedule needed to replace the old water mains is arduous, at best.

Figure 10 on the next page forecasts the Water Utility annual budgets from 2023 to 2028. The calculations use the 5-year average annual rainfall totals, the same employee compensation cost predictions as previously mentioned, the scheduled capital replacements, and assumes no new debt. This short-term analysis may be used to demonstrate that revenues are expected to remain about the same (without rate increases) and expenses will increase, not accounting for water line replacement, creating financing challenges over the long term.

City staff is currently working with Bexar County to secure a \$750,000 grant using American Rescue Plan Act funds for the water system. This grant will assist the water fund in the short term by offsetting some capital improvement project costs.

There has been no increase in most water usage fees for more than a decade. The Water Service Fee (based upon the size of the meter) has not changed since 2005 and the Water Consumption fee tiers (based on gallons of water consumed each month) have not changed since 2010. In 2019, the City Council approved an increase in the Debt Service fee to prevent operating revenues from supporting debt payments. Note, this fee has not been adjusted to reflect the

utility's share of the State Infrastructure Bank (SIB) loan used to relocate water mains on NW Military Highway.

**Figure 10. Long-Range Forecast for Water Utility Fund**

		FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Revenues:							
Water Revenues		\$ 1,003,600	\$ 1,055,450	\$ 1,055,668	\$ 1,056,257	\$ 1,056,869	\$ 1,057,506
Other revenues		54,524	84,095	78,825	78,346	77,963	79,627
Total Revenues		\$ 1,058,124	\$ 1,139,545	\$ 1,134,493	\$ 1,134,603	\$ 1,134,832	\$ 1,137,133
Expenses:							
Personnel		\$ 347,607	370,505	392,205	413,105	431,905	449,605
Debt Service		212,772	216,703	214,140	204,310	161,940	163,640
Bond Agent Fees		400	400	400	400	400	400
Capital Purchases		73,667	54,380	5,840	9,840	5,840	52,300
Other Operating		352,144	460,300	474,200	488,400	503,100	518,200
Transfer to General Fund		22,050	22,050	22,050	22,050	22,050	22,050
Total Expenses		\$ 1,008,640	\$ 1,124,338	\$ 1,108,835	\$ 1,138,105	\$ 1,125,235	\$ 1,206,195
Net Revenues over (under)							
Expenses		\$ 49,484	\$ 15,207	\$ 25,658	\$ (3,502)	\$ 9,597	\$ (69,062)
** Capital replacement:							
Funding (savings)		66,484	81,662	81,663	78,216	77,838	77,839
Net Revenues over (under)							
Expenses after Capital							
Replacement Fundings		\$ (17,000)	\$ (66,455)	\$ (56,006)	\$ (81,718)	\$ (68,241)	\$ (146,901)
Notes:							
Projections are on a budgetary basis of accounting.							
Interfund transactions have been eliminated to avoid overstating revenues and expenses							
** Not a true expense, but reflected to show the commitment of moneys and therefore unavailable for operating purposes							

This Town Plan encourages the Water Advisory Committee to conduct periodic water rate studies to ensure water user fees cover the Utility's expenses. In addition, the City should complete the accurate mapping of the water mains and fund a comprehensive water hydrology model. A water main replacement schedule should be developed to more accurately predict future capital replacement costs. Finally, City staff should seek federal or state grant funding for remediation of aging pipes in the distribution system. Accomplishing all these tasks will increase the accuracy of financial forecasting and ensure the water system remains self-sufficient in its mission to provide high-quality water service to customers.

City of Shavano Park

I&S Tax Rate Impact Analysis

[A] FYE 9/30	[B] Net Taxable Values (1)	[C] Existing Debt Service	[D] Less: Self-Supp Debt Service (2)	[E] GO Bonds, Series 2022 (3)	[F] Total Debt Service	[G] Less: Street Mto Fund (4)	[H] Less: Street Sales Tax (6)	[I] Fund Balance Less: DS	[J] Net Debt Service	[K] Projected I&S Tax Rate (5)	[L] Change In I&S Tax Rate	[M] FYE 9/30
2022	\$ 1,450,587,528	\$ 385,971	\$ 185,482	\$ -	\$ 200,509	\$ -	\$ -	\$ 23,566	\$ 176,943	0.012263	-	2022
2023	1,575,000,000	383,451	183,832	729,154	928,773	415,289	164,700	20,866	348,784	0.022263	0.010000	2023
2024	1,640,677,500	390,305	187,763	728,800	931,341	390,137	177,876	-	363,328	0.022263	-	2024
2025	1,709,093,752	386,531	185,200	728,425	929,756	359,171	192,106	-	378,479	0.022263	-	2025
2026	1,780,362,961	328,356	175,370	732,175	885,160	135,403	207,475	-	542,283	0.030621	0.008358	2026
2027	1,854,604,097	133,000	133,000	728,625	728,625	-	211,624	-	517,001	0.028025	(0.002596)	2027
2028	1,910,242,220	134,700	134,700	729,450	729,450	-	215,857	-	513,593	0.027030	(0.000996)	2028
2029	1,967,549,486	136,200	136,200	730,950	730,950	-	220,174	-	510,776	0.026098	(0.000931)	2029
2030	2,026,575,971	132,600	132,600	731,450	731,450	-	224,577	-	506,873	0.025145	(0.000954)	2030
2031	2,087,373,250	133,900	133,900	730,950	730,950	-	229,069	-	501,881	0.024172	(0.000973)	2031
2032	2,149,994,447	135,000	135,000	729,450	729,450	-	233,650	-	495,800	0.023183	(0.000988)	2032
2033	2,214,494,281	131,000	131,000	731,825	731,825	-	238,323	-	493,502	0.022404	(0.000780)	2033
2034	2,280,929,109	136,800	136,800	728,075	728,075	-	243,090	-	484,985	0.021376	(0.001028)	2034
2035	2,349,356,982	137,300	137,300	728,200	728,200	-	247,951	-	480,249	0.020551	(0.000825)	2035
2036	2,419,837,692	137,600	137,600	731,950	731,950	-	252,910	-	479,040	0.019902	(0.000649)	2036
2037	2,492,432,823	132,800	132,800	729,325	729,325	-	257,969	-	471,356	0.019012	(0.000890)	2037
2038	2,567,205,807	137,800	137,800	730,325	730,325	-	263,128	-	467,197	0.018296	(0.000717)	2038
2039	2,644,221,982	132,600	132,600	729,825	729,825	-	268,390	-	461,435	0.017544	(0.000752)	2039
2040	2,723,548,641	-	-	732,700	732,700	-	273,758	-	458,942	0.016941	(0.000603)	2040
2041	2,805,255,100	-	-	732,400	732,400	-	279,233	-	453,167	0.016240	(0.000700)	2041
2042	2,889,412,753	-	-	729,300	729,300	-	284,818	-	444,482	0.015465	(0.000775)	2042
		3,625,913	2,668,927	14,603,354	15,560,339	1,300,000						

Tax Revenue  
increase @  
1% = \$157,500

2% increase

2% increase

Require Budget  
Amendment

6/27/22

(1) Assumes 4.17% annual growth through FY 2027 and 3.00% thereafter.

(2) Debt service supported by water fund.

(3) Series 2022 bond issuance with \$10,000,000 project fund deposit at a fixed interest rate of 3.886%.

(4) Assumes drawdown of \$1,300,000 combined fund balance (\$804,964 + \$100,000 Street Sales Tax Fund + \$250,000 Cap Repl Street Fund + \$145,036 Cap Repl Drainage Fund).

(5) Assumes 8.00% annual growth rate through FY 2026 and 2.00% thereafter.

(6) Calculated at a 99.47% tax collection rate.

7 Adjusted higher based upon BCAD Preliminary Data

8 1st GO BOND 2022 Debt Payment

9 \$931,341 Peak Debt Payment

10 Debt Dropoff as 2000/2018 Debt is Paid Off 2026

11 Anticipated 0.008358 Increase; 4x year Challenge