



City of Copperas Cove

T E X A S

*City Built for Family Living*



**FY 2020-2021  
PROPOSED BUDGET  
& PLAN OF MUNICIPAL  
SERVICES**

# Vision Statement

The Vision of the City of Copperas Cove is to be the premiere family oriented community in the Fort Hood/Central Texas region.

# Mission Statement

The City of Copperas Cove strives to be a community valuing opportunity and partnerships, promoting family values, a healthy environment, and enhancing the quality of life in a fiscally responsible manner.

Adopted by the City Council on March 21, 2017



# Agenda

- Overview
- Goals & Challenges
- Major Operating Funds
- Other Funds
- Future Dates

The City Manager is required to submit a Proposed Budget to the City Council for the upcoming fiscal year.

A Public Hearing will be set in accordance with Local Government Code 102.006, thus is scheduled for July 23, 2020.

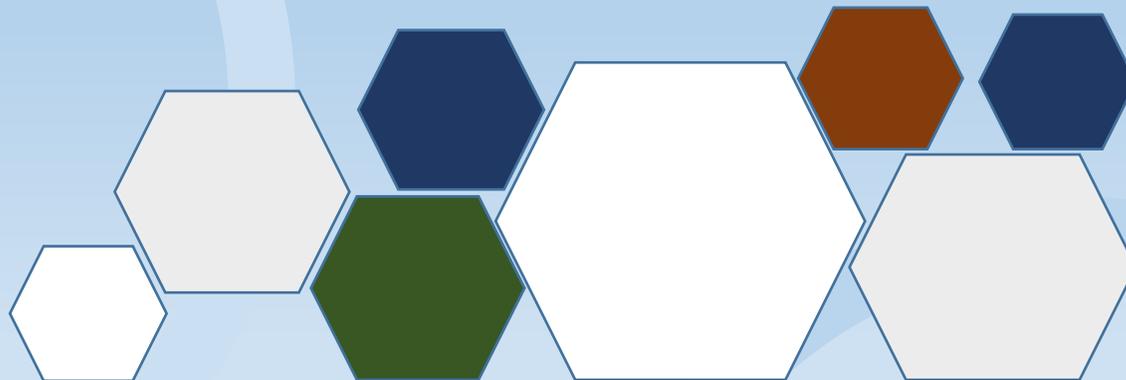
The Budget must be adopted by September 30, 2020 prior to the beginning of the fiscal year. Scheduled adoption is August 4, 2020.

# Total FY 2020-21 Proposed Budget

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
General	\$6,423,964	\$17,657,766	\$18,881,682	\$5,200,048
Water & Sewer	3,274,580	14,203,853	14,163,056	3,315,377
Solid Waste	3,153,304	4,920,745	5,342,636	2,731,413
Golf Course	(1,427,168)	344,790	342,905	(1,425,283)
Other	2,223,631	6,457,987	6,542,553	2,139,065
<b>TOTAL</b>	<b>\$13,648,311</b>	<b>\$43,585,141</b>	<b>\$45,272,832</b>	<b>\$11,960,620</b>

# City Goals

- Conduct long range planning
- Continue sustainability initiatives.
- Develop and maintain partnerships with local, regional, state and federal entities.
- To maintain, improve and expand City infrastructure in support of development, facilities and programs to include parks and recreation.
- Ensure continued quality public safety.
- Exercise fiscal responsibility.
- Adopt an ad valorem tax rate sufficient to fund service level requirements consistent with the City's Vision and Mission Statements.
- Attract and retain quality employees.



# Strategic Plan 2017-2018



# Budget Challenges

## Annual Operating Deficit

- Increasing materials, supplies, vendor costs
- Removed several new positions requested
- Removed several new requests submitted by departments
- Include one-time (non-recurring) expenses

## Employee Compensation and Positions

- Public Works/Parks/Library/Golf Course Pay adjustments at 95% market
- 1% Cost of Living Adjustment (COLA)
- Step Plan Program (2.5%) for Police Department
- New positions – 1 Custodian position, 2.5 Laborers in Parks, 1 Assistant Director of PW, 1 Utilities Admin Manager, 1 Supervisor and 2 Laborers in Transfer Station

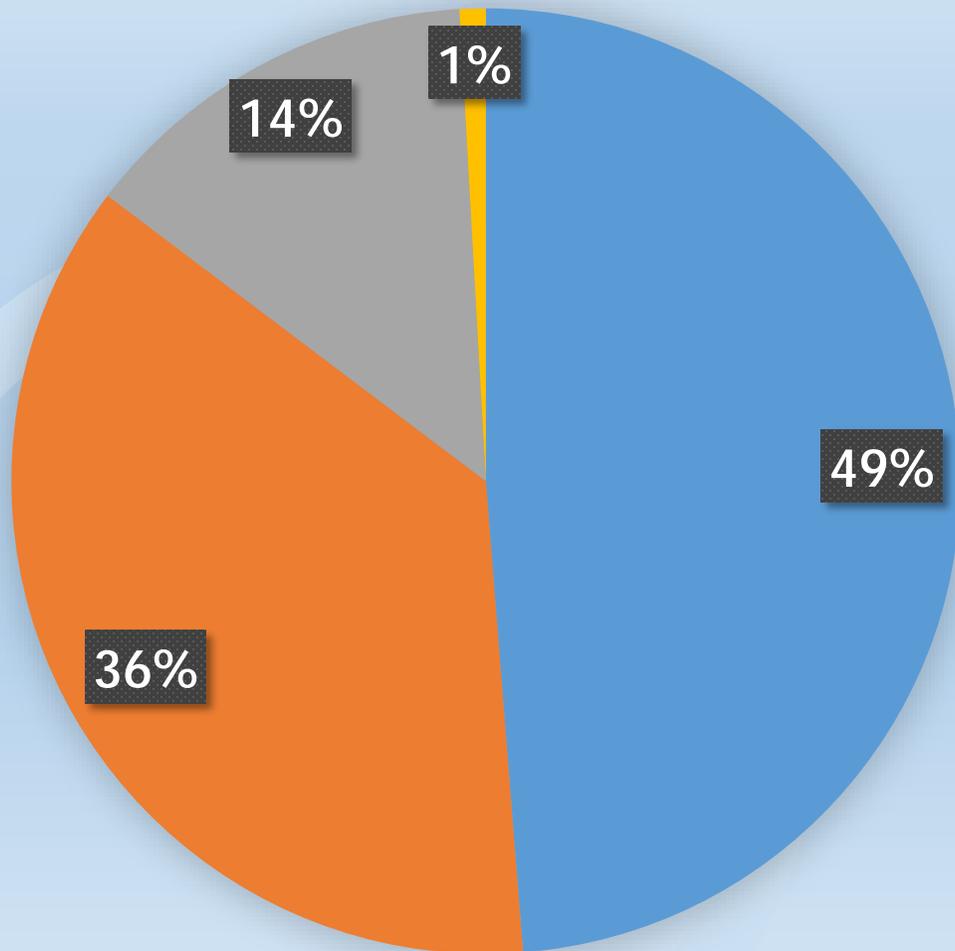
## Tax Receipts Trends

- Slow property tax growth
- Flat sales tax growth

## Water & Sewer, Solid Waste and Drainage Funds

- Rate adjustment(s) included in PB
- Rate/Fee adjustment recommendations

# Major Operating Funds Expenditure Budget



- General Fund
- Water & Sewer Fund
- Solid Waste Fund
- Golf Course Fund

FY 2020-21  
\$38,730,279

All funds (not illustrated above)  
\$45,272,832

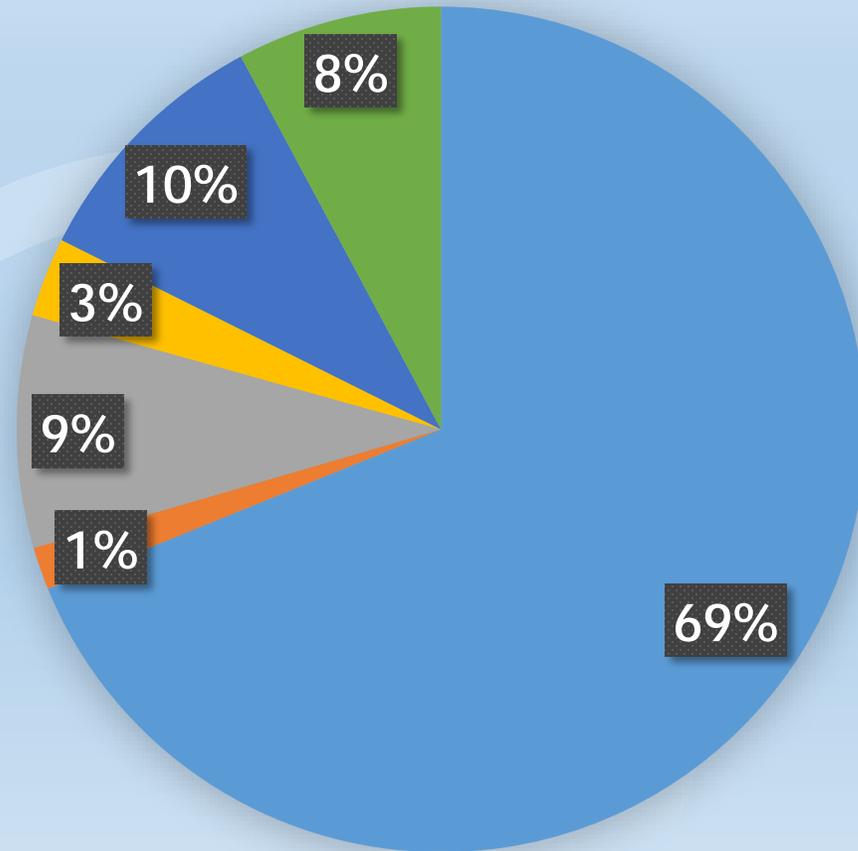
# General Fund Summaries

Source	FY 2019-20 Projected	FY 2020-21 Proposed
Beginning Undesignated Fund Balance	\$7,302,706	\$6,423,964
Revenues	17,259,067	17,657,766
Expenditures	(18,137,809)	(18,881,682)
Ending Fund Balance	6,423,964	5,200,048
Ideal Fund Balance	4,403,460	4,602,352
Over/(Under) Ideal Fund Balance	\$2,020,504	\$597,696

# General Fund Revenues

Source	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Taxes	\$11,875,237	\$12,156,754	2%
Permits & Licenses	293,840	287,840	(2%)
Charges for Services	1,444,101	1,567,901	9%
Fines	498,481	535,599	7%
Administrative Reimbursements	1,729,715	1,729,715	0%
Miscellaneous Revenue	1,417,693	1,379,957	(3%)
<b>TOTAL</b>	<b>\$17,259,067</b>	<b>\$17,657,766</b>	<b>2%</b>

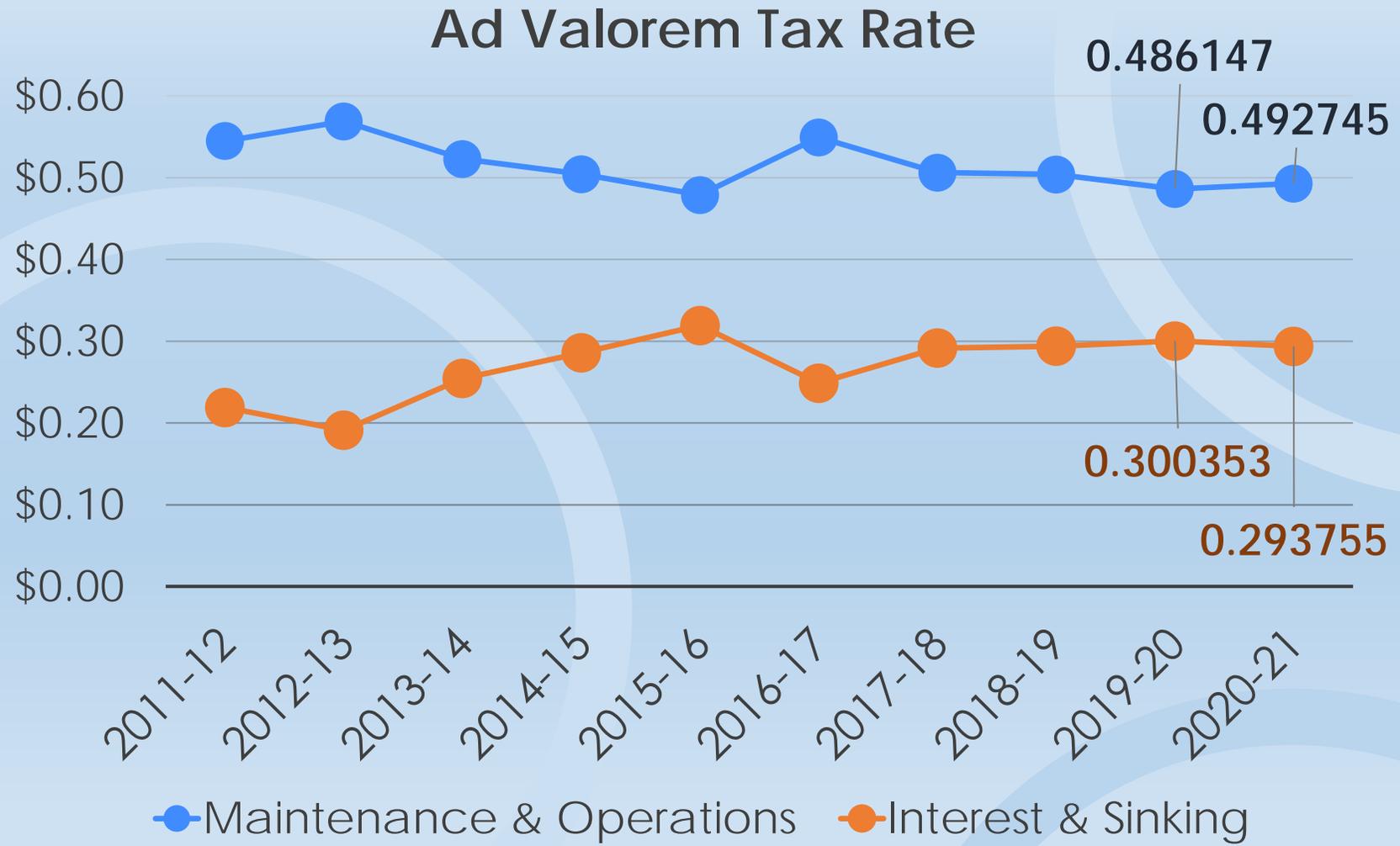
# General Fund Revenues



- Taxes
- Permits & Licenses
- Charges for Services
- Fines
- Admin Reimb
- Miscellaneous

FY 2020-21  
\$17,657,766

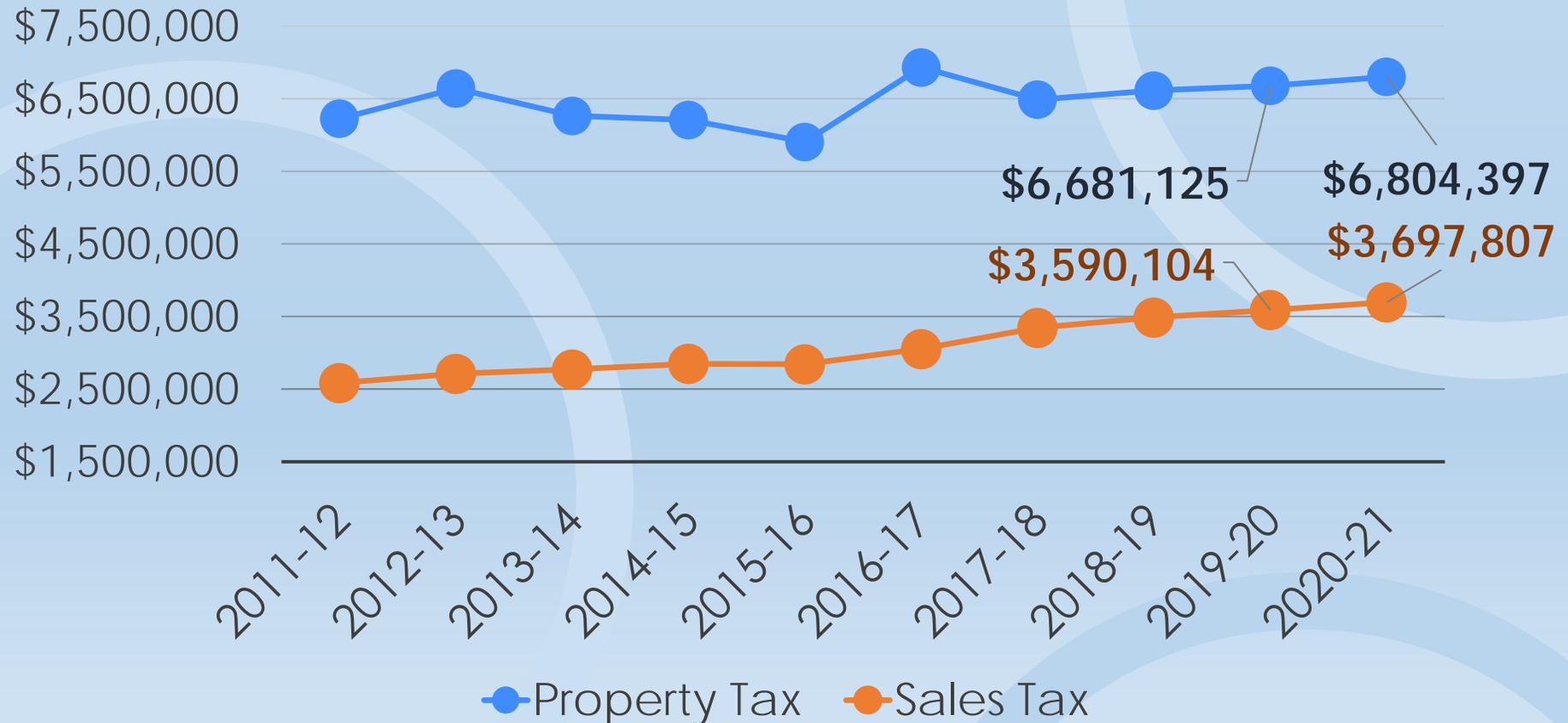
# General Fund Revenue



# General Fund Revenue

FISCAL YEAR 2020-2021

## Changes in Property & Sales Tax Revenue



# General Fund Changes in Revenue



↑ 2%

## Property Tax

- Debt service requirements higher than last FY
- Tax rate of \$0.7865 as directed by City Council



↑ 3%

## Sales Tax

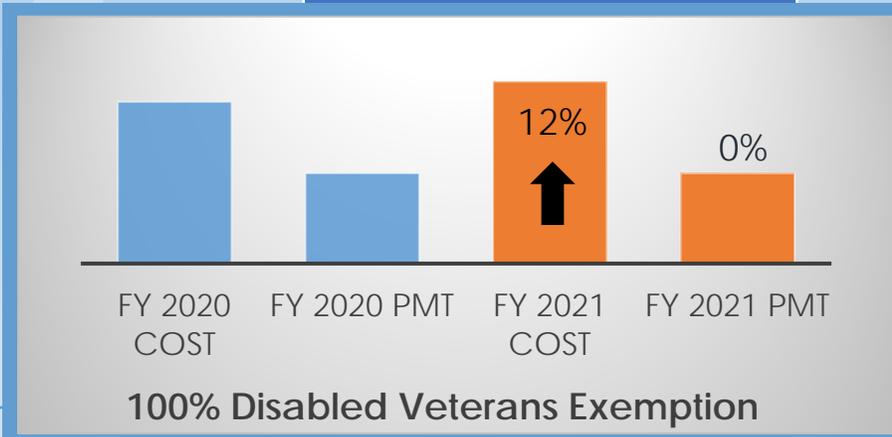
- Sales tax increase
- Sales tax receipts from Shops @ 5 Hills and HomeBase included
- Economic development incentives included in the expenditures



↓ (2%)

## License & Permits

- Do not anticipate additional large commercial developments



# General Fund Changes in Revenue



↑ 9%

## Charges for Services

- No fee increases
- Revenues are stable for most services
- Increases due to reduced revenue in YE caused by COVID-19



↑ 7%

## Fines and Forfeitures

- No fine increases anticipated
- Revenues are stable
- Increases due to reduced revenue in YE caused by COVID-19



0%

## Administrative

- Fund consistent with administrative services provided to each fund

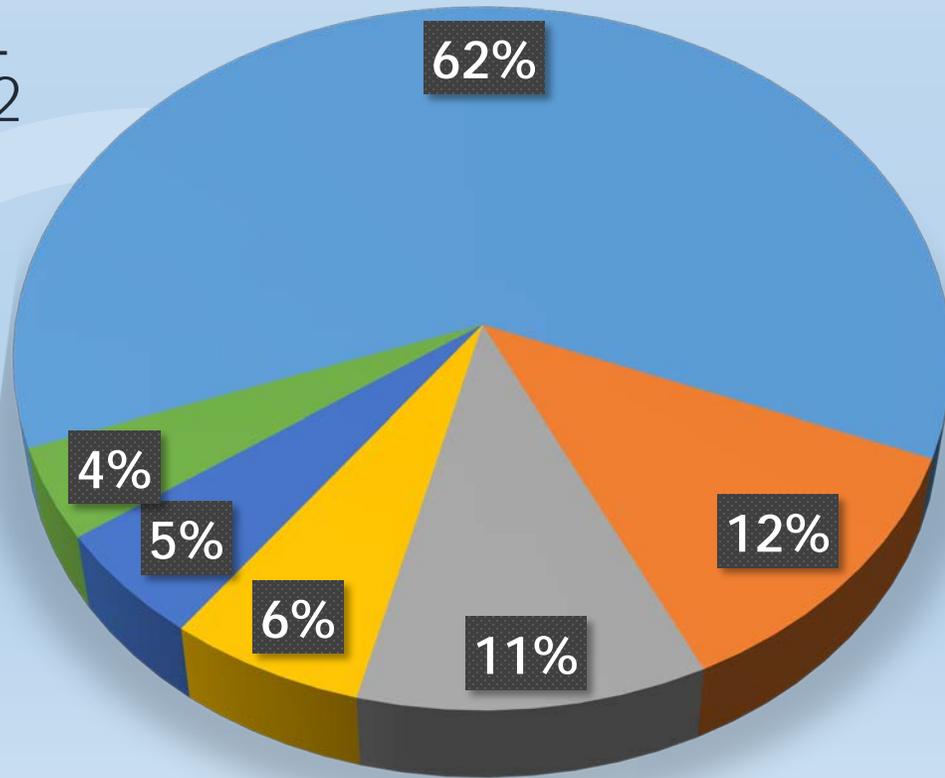
# General Fund Expenses

FISCAL YEAR 2020-2021

Function	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Public Safety	\$11,225,077	\$11,628,961	4%
City Administration	2,098,749	2,236,230	7%
Public Works	1,103,823	1,173,195	6%
Development Services	752,131	791,778	5%
Parks & Recreation	1,862,065	2,088,071	12%
Non- Departmental	1,095,964	963,447	(12%)
<b>TOTAL</b>	<b>\$18,137,809</b>	<b>\$18,881,682</b>	<b>4%</b>

# General Fund Expenses by Function

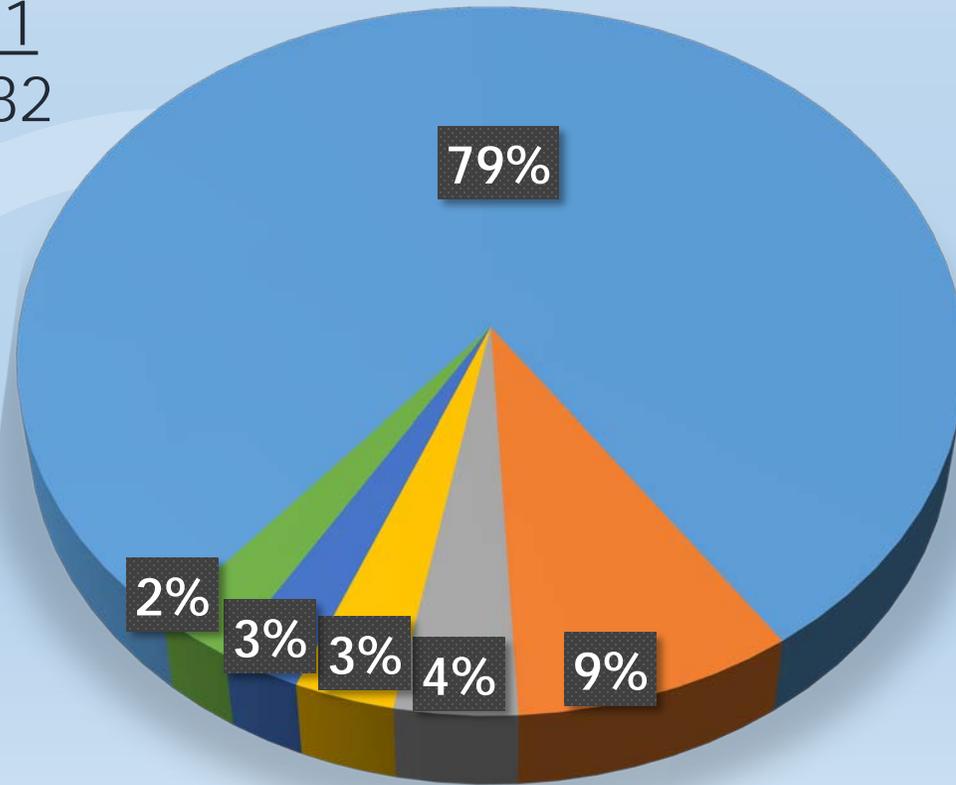
FY 2020-21  
\$18,881,682



- Public Safety
- City Administration
- Parks & Recreation
- Public Works
- Non-Departmental
- Development Services

# General Fund Expenses by Object Class

FY 2020-21  
\$18,881,682



- Salaries & Benefits
- Contractual Services
- Supplies & Materials
- Maintenance & Repair
- Economic Development Incentives

# General Fund Significant Expenditure Changes

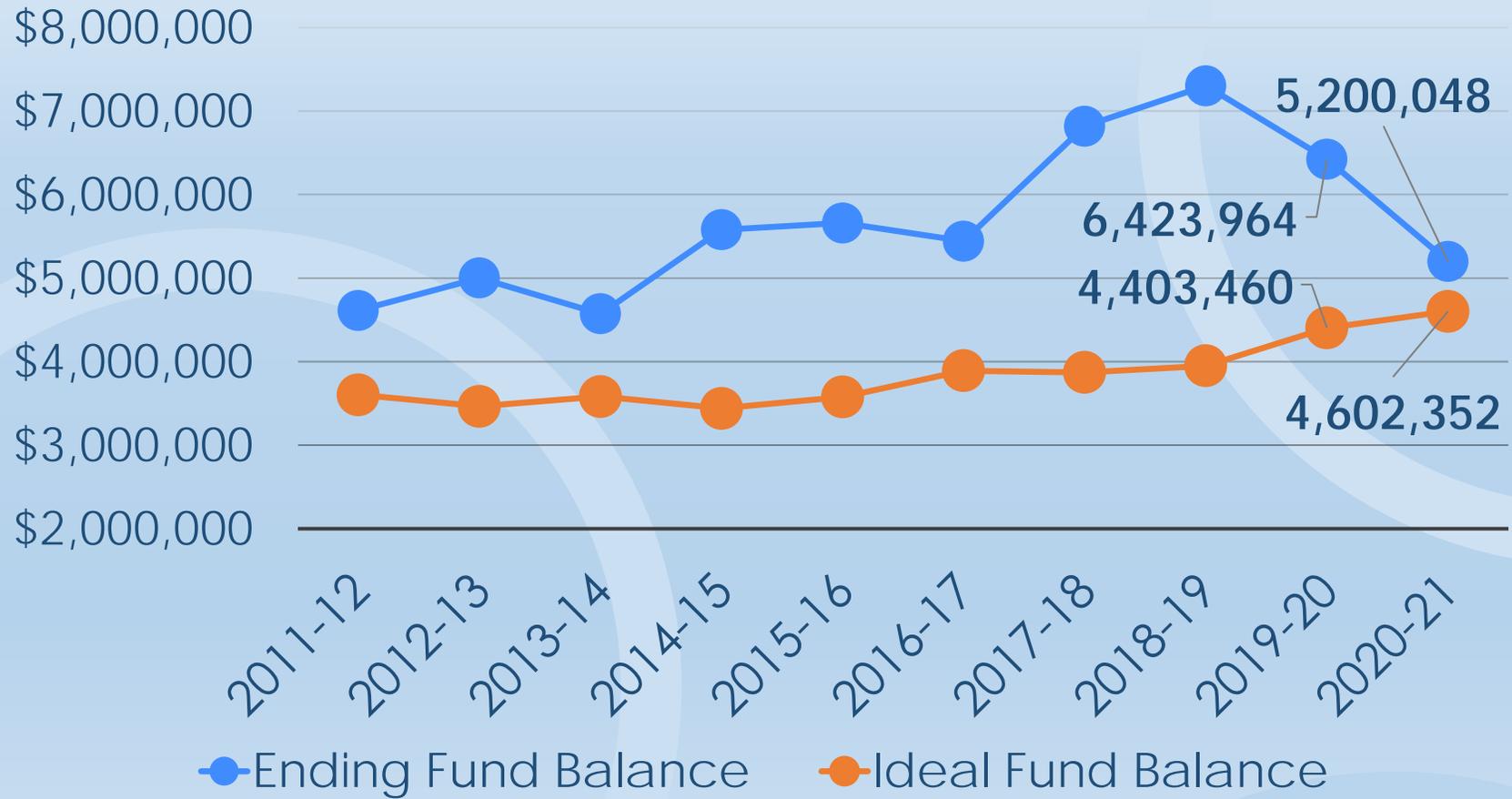
- Market Adjustments for Public Works/Parks/Library positions (@95%; 50 positions; \$193,343)
- 1% COLA for all eligible employees (\$124,422)
- PD Step Plan @ 2.5% (\$126,815)
- Personnel changes
  - Fund a Custodian position(\$35,615)
  - Fund two and a half Laborer positions for Parks (\$84,006)
- Economic Development – 380 Rebates (\$472,276)
- State Legislative Services (\$55,000)

# General Fund

## Significant New Requests in the Budget

- Human Resources – Custodian position (\$35,615)
- Police – Admin Furniture, Evidence Scanner, PPE, Radar, RIMS database services(\$20,590)
- Fire – Field Training Mentor Incentive, Station & Admin Furniture, Kitchen Equipment, Rescue Equipment Baskets(\$22,487)
- Street – Chemical Response Train(\$6,000)
- Park Maintenance – 2.5 Laborer positions (\$84,006)
- Fleet – Parking Lot Repairs (4,800)
- Incentive License Pay:
  - Municipal Courts (\$1,083)
  - Code Compliance (\$2,978)

# General Fund Ending Fund Balance



Utilize \$500,000 of Designated/Reserved fund balance beginning in FY 2014-15.

# Water & Sewer Fund Summaries

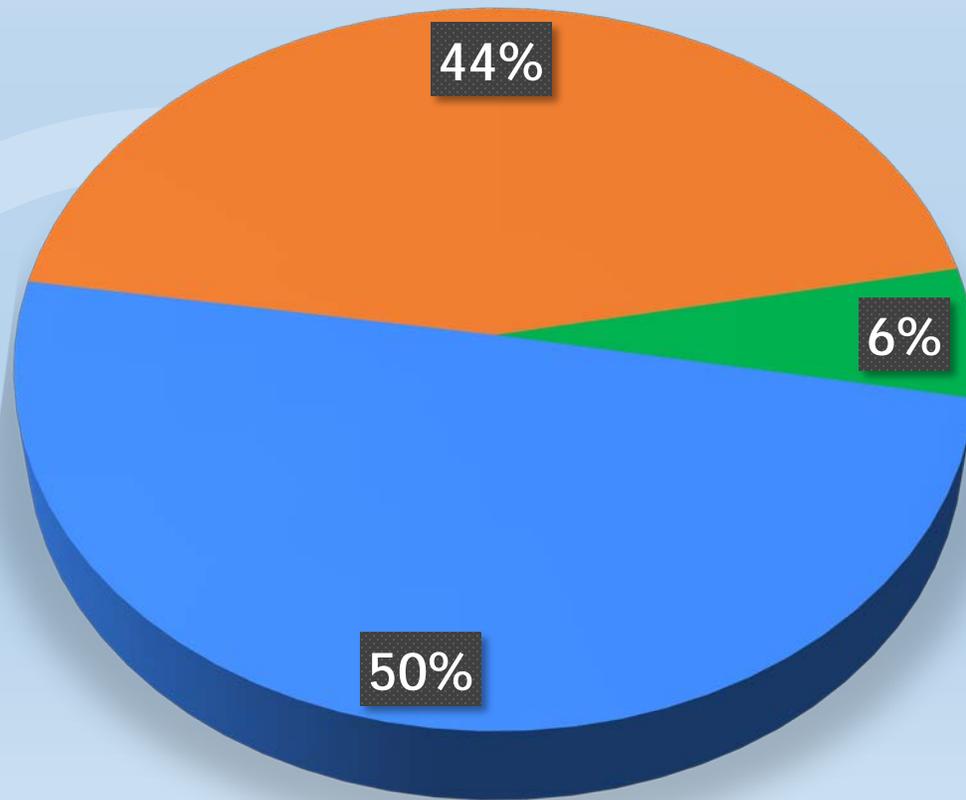
Source	FY 2019-20 Projected	FY 2020-21 Proposed
Beginning Undesignated Fund Balance	\$4,320,856	\$3,274,580
Revenues	13,651,749	14,203,853
Expenditures	(14,698,025)	(14,163,056)
Ending Fund Balance	3,274,580	3,315,377
Ideal Fund Balance	2,458,764	2,414,057
Over/(Under) Ideal Fund Balance	\$815,816	\$901,320

# Water & Sewer Fund Revenues

Source	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Water Revenue	\$6,855,754	\$7,198,542	5%
Sewer Revenue	6,153,092	6,460,747	5%
Senior Discount	(266,032)	(279,334)	5%
Other User Fees	145,373	174,250	20%
Admin. Reimb.	363,340	363,340	0%
Late Charges	48,010	116,400	142%
Other Revenues	352,212	169,908	(52%)
<b>TOTAL</b>	<b>\$13,651,749</b>	<b>\$14,203,853</b>	<b>4%</b>

# Water & Sewer Fund Revenue

FISCAL YEAR 2020-2021



- Water Revenue
- Sewer Revenue
- Other Revenue

FY 2020-21  
\$14,203,853

# Water & Sewer Fund Changes in Revenue

- A 5% rate increase is included in the Proposed Budget
- Other user fees include: Water/Sewer Tap fees, Connects/Disconnects
- Other Revenues include interest revenue, auction proceeds

## Proposed Rates

### Water – Volumetric Rates (per 1,000 gallons)

Customer	Current	Proposed
Residential	\$4.75	\$4.99
Sprinkler	\$4.75	\$4.99
Commercial	\$5.82	\$6.11
Bulk Water	\$8.52	\$8.95
Contractor	\$7.10	\$7.46

### Sewer – Volumetric Rate (per 1,000 gallons water usage)

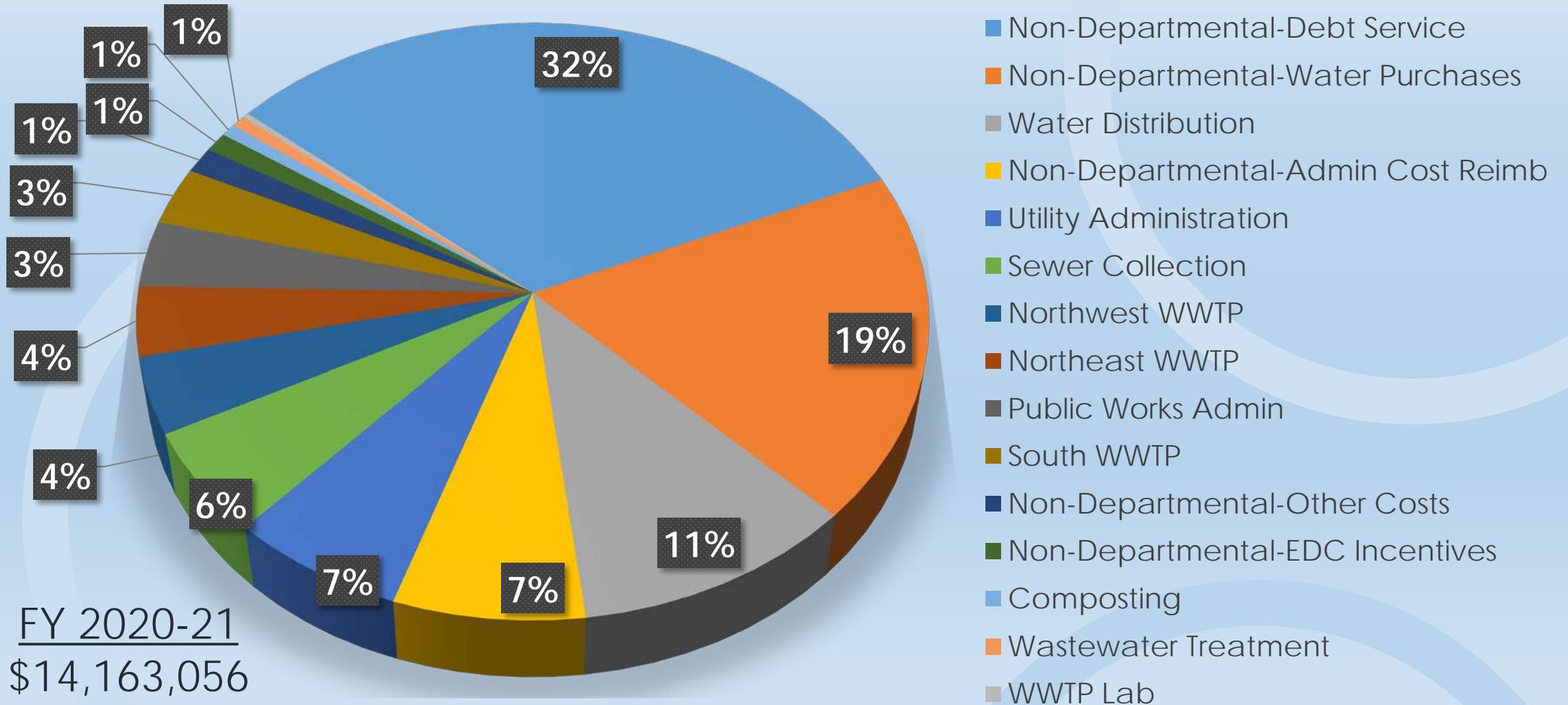
Customer	Current	Proposed
All customers	\$5.75	\$6.04

# Water & Sewer Fund Expenses

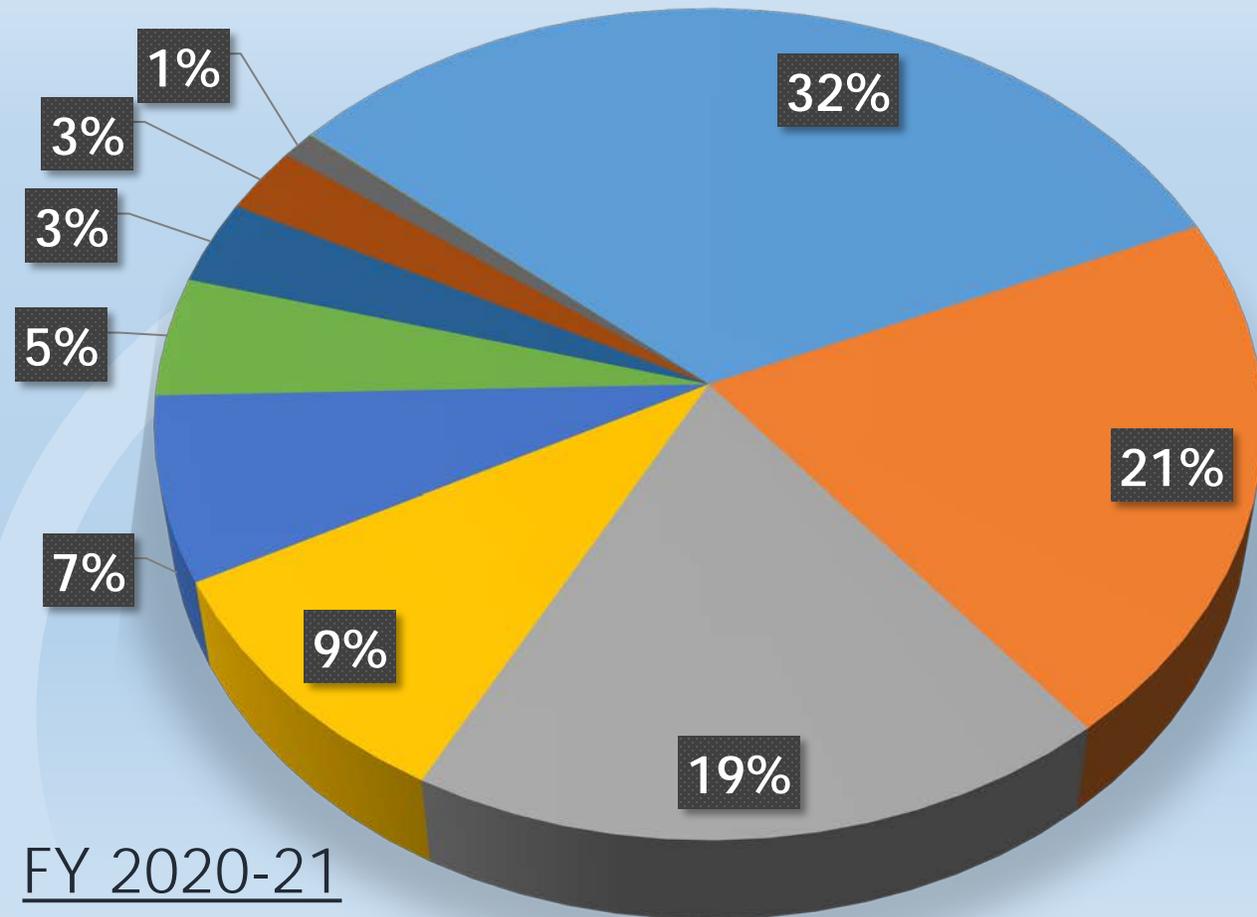
FISCAL YEAR 2020-2021

Function	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Public Works Admin	\$359,575	\$507,137	41%
Utility Administration	1,308,749	938,056	(28%)
Water Distribution	1,675,438	1,513,530	(10%)
Sewer Collection	758,730	798,255	5%
Wastewater Treatment	84,231	87,680	4%
South WWTP	415,480	442,677	7%
Northeast WWTP	539,741	534,278	(1%)
Northwest WWTP	522,734	582,714	11%
WWTP Lab	39,436	40,845	4%
Composting	91,194	95,780	5%
Non-Departmental	8,902,717	8,622,104	(3%)
<b>TOTAL</b>	<b>\$14,698,025</b>	<b>\$14,163,056</b>	<b>(4%)</b>

# Water & Sewer Fund Expenses by Department



# Water & Sewer Fund Expenses by Object Class



- Debt Service
- Salaries & Benefits
- Water Purchases
- Contractual Services
- Transfers
- Repairs & Maintenance
- Designated Expenses
- Supplies & Materials
- ED Incentives
- Capital Outlay

FY 2020-21  
\$14,163,056

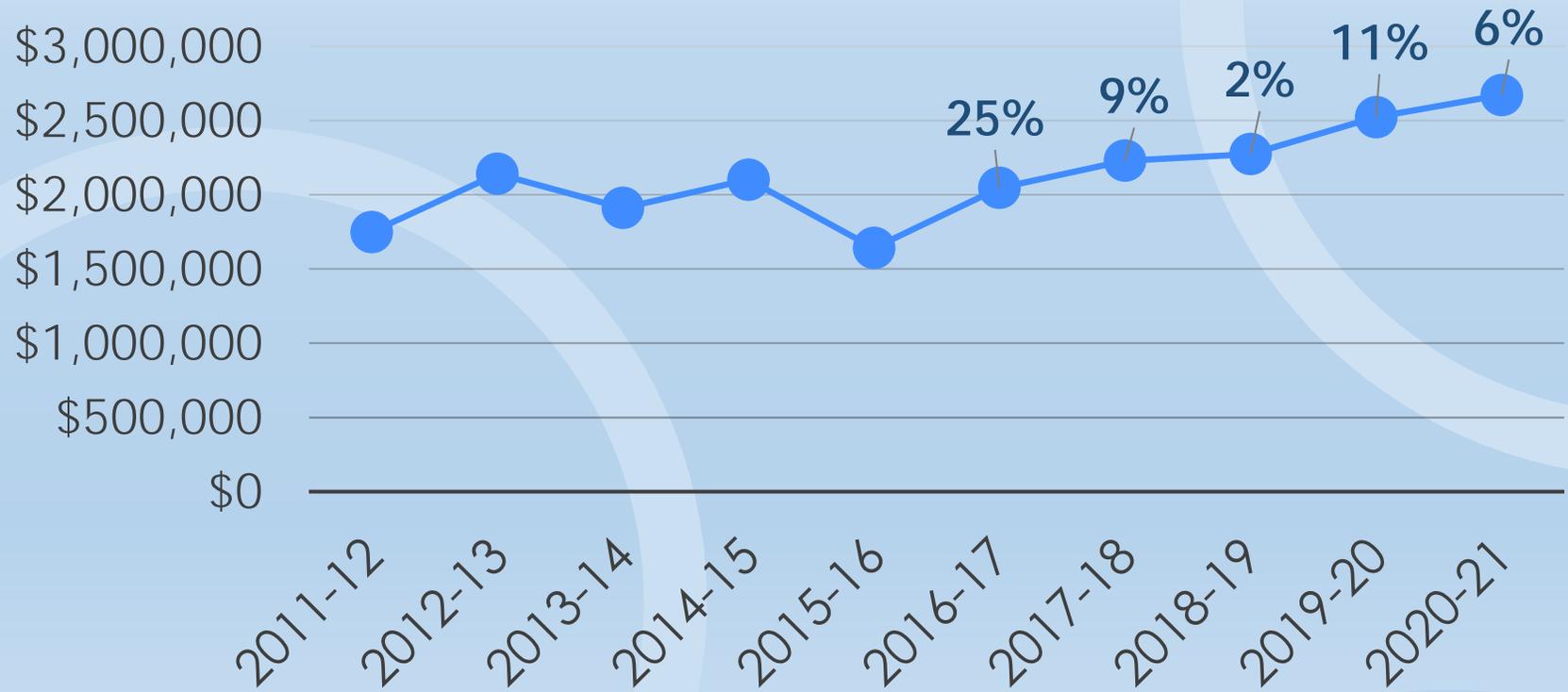
## Water & Sewer Fund Significant Expenditure Changes

- Market Adjustments for Public Works positions (@95%; 39 positions; \$140,679)
- 1% COLA for all eligible employees (\$23,391)
- Personnel changes
  - Fund an Assistant Director of PW position(\$84,503) & Utilities Admin Manager (\$69,159)
- In-house Utility Administration
- Water Purchase Rate Increase (7.5%; \$100,000)
- Economic Development Incentive – WB Development (\$150,000)

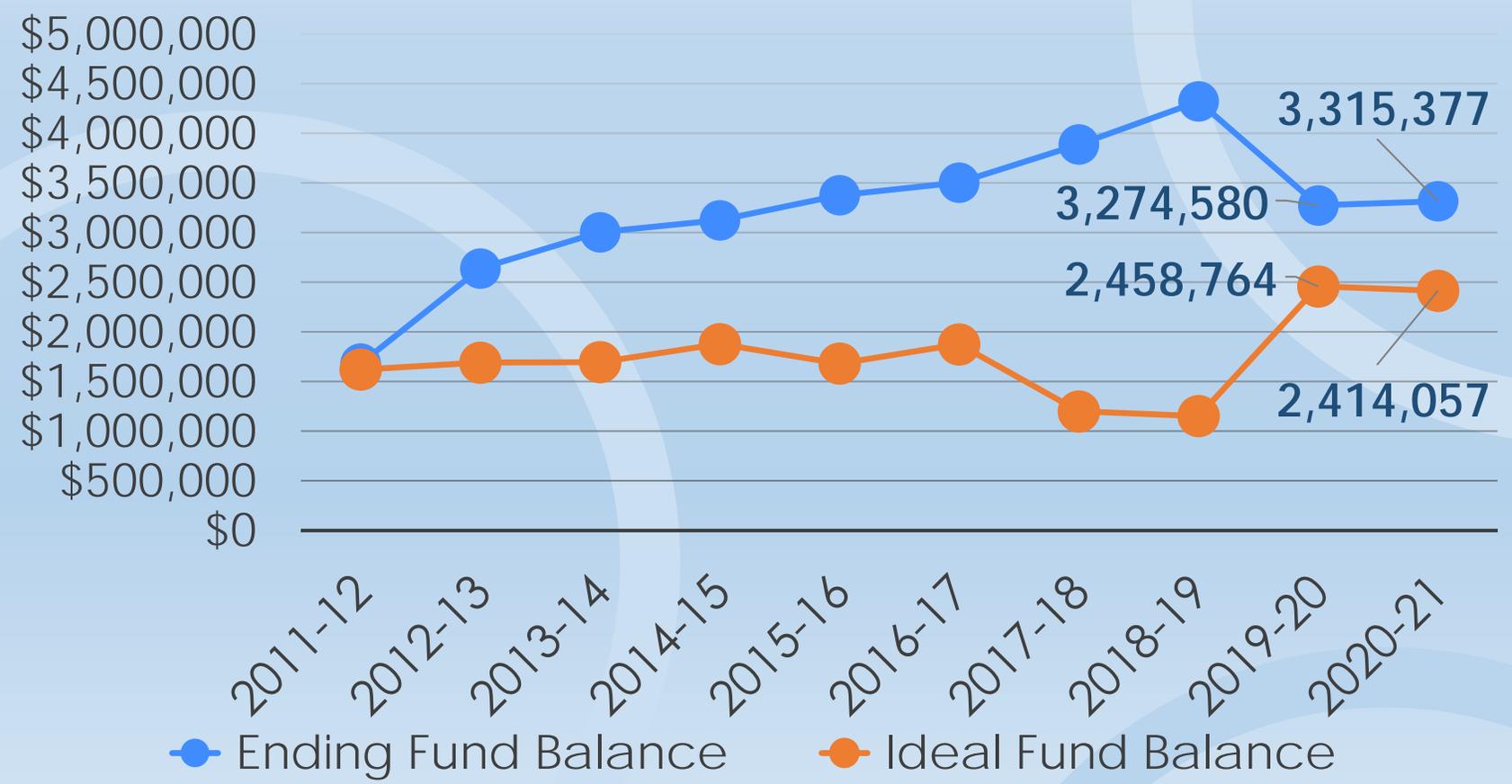
## Significant New Requests

- Public Works Administration- Assistant Director position (\$84,503)
- Utilities Admin Manager position (\$69,159)

# Water & Sewer Fund Cost of Water



# Water & Sewer Fund Ending Fund Balance



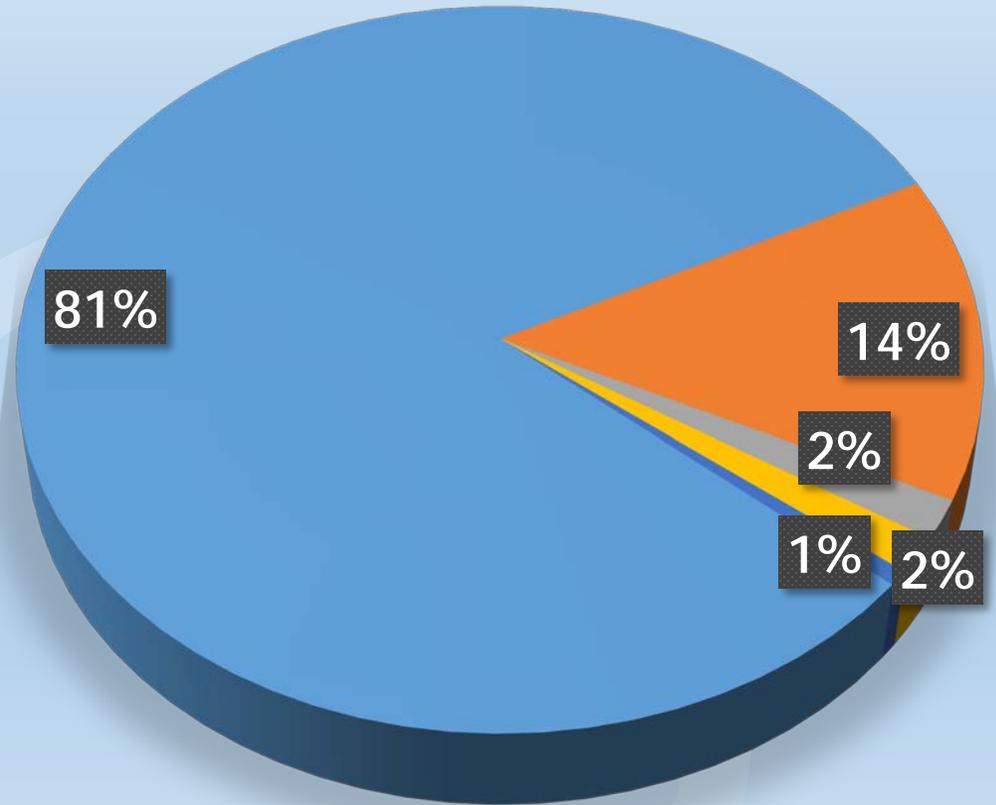
# Solid Waste Fund Summaries

Source	FY 2019-20 Projected	FY 2020-21 Proposed
Beginning Undesignated Fund Balance	\$3,293,593	\$3,153,304
Revenues	4,753,736	4,920,745
Expenditures	(4,894,025)	(5,342,636)
Ending Fund Balance	3,153,304	2,731,413
Ideal Fund Balance	1,067,853	1,180,310
Over/(Under) Ideal Fund Balance	\$2,085,451	\$1,551,103

# Solid Waste Fund Revenues

Source	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Garbage Collection Fees	\$3,820,005	\$4,011,005	5%
Sanitary Landfill Fees	704,000	711,040	1%
Charges for Services	75,621	78,500	4%
Late Payment Charges	10,800	33,000	206%
Other Income	143,310	87,200	(39%)
<b>TOTAL</b>	<b>\$4,753,736</b>	<b>\$4,920,745</b>	<b>4%</b>

# Solid Waste Fund Revenues



- Garbage Collection Fees
- Sanitary Landfill Fees
- Other Income
- Charges for Services
- Late Payment Charges

FY 2020-21  
\$4,920,745

# Solid Waste Fund Changes in Revenue

- A 5% rate increase is included in the Proposed Budget
- Other user fees include: customer roll-off fees, roll-off rental, sale of scrap metal
- Other income include interest revenue, auction and insurance proceeds

## Proposed Rates

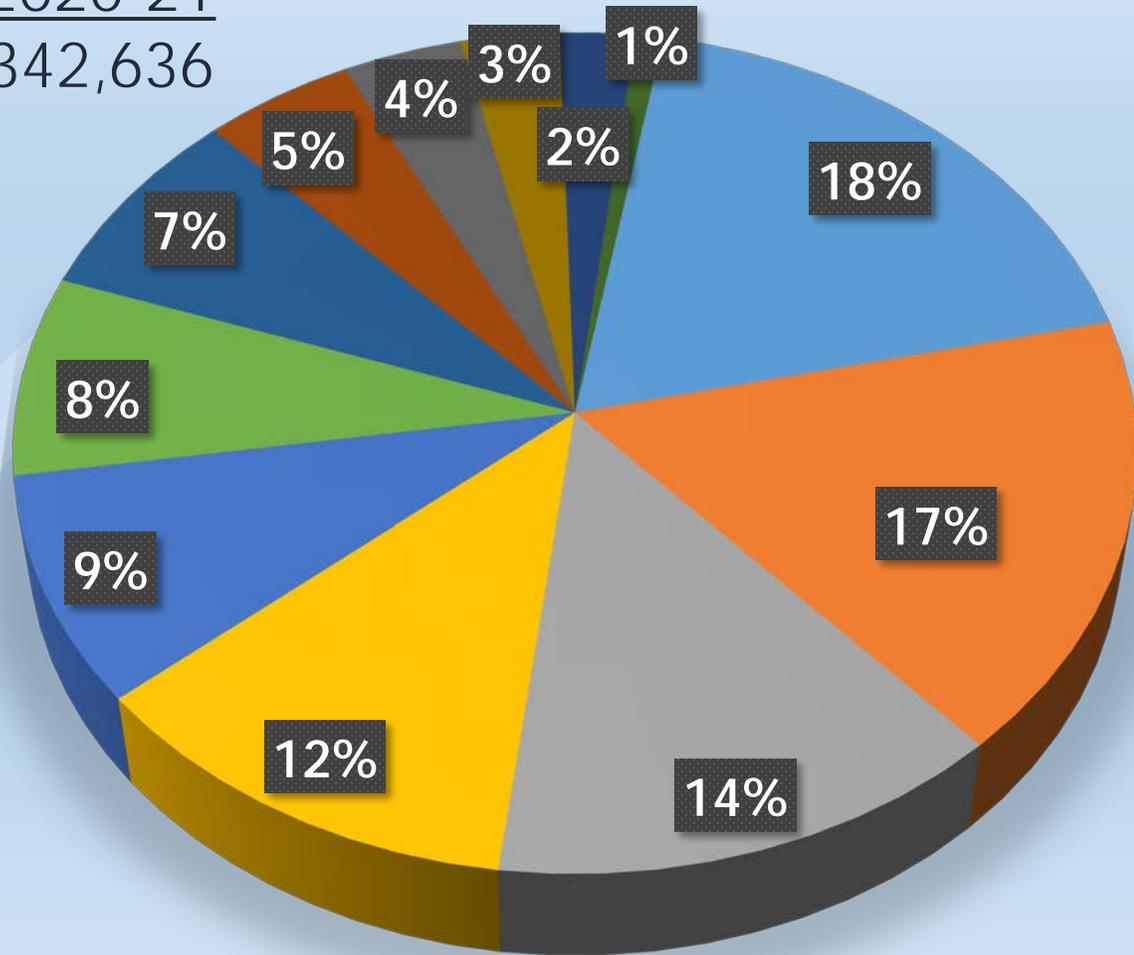
Customer	Current	Proposed
Residential – 96 Gal Bin	\$19.00	\$19.95
Commercial – 96 Gal Bin	\$39.58	\$41.56

# Solid Waste Fund Expenses

Function	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Solid Waste Admin	\$155,051	\$166,008	7%
Residential	565,214	635,296	12%
Recycling	206,855	254,454	23%
Brush & Bulk	169,884	201,615	19%
Commercial	345,821	403,979	17%
KCCB	40,811	45,917	13%
Disposal – Transfer Station	1,786,093	2,196,591	23%
Non- Departmental	1,624,296	1,438,776	(11%)
<b>TOTAL</b>	<b>\$4,894,025</b>	<b>\$5,342,636</b>	<b>9%</b>

# Solid Waste Fund Expenses by Department

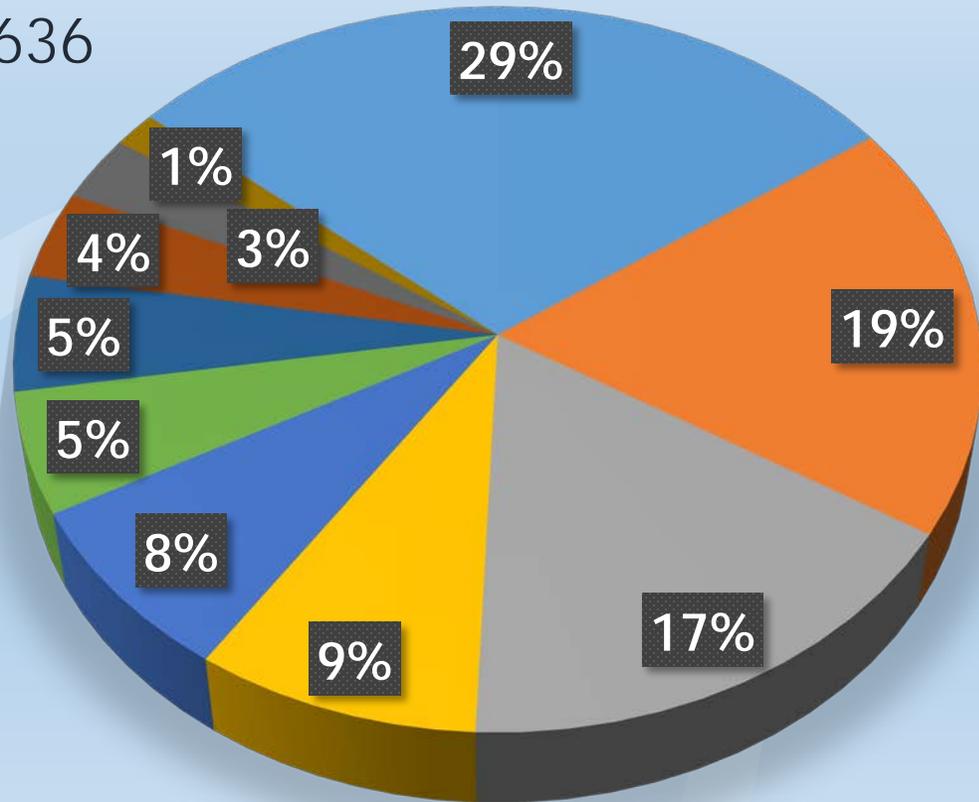
FY 2020-21  
\$5,342,636



- Transfer Station-Disposal
- Non-Departmental-Admin Reimb
- Transfer Station-Other Costs
- Residential
- Transfer Station-Hauling
- Non-Departmental-Debt Service
- Commercial
- Recycling
- Brush
- Solid Waste Admin
- Non-Departmental-Other Costs
- KCCB

# Solid Waste Fund Expenses by Object Class

FY 2020-21  
\$5,342,636



- Salaries & Benefits
- Designated Expenses-Disposal Cost
- Admin Cost Reimb
- Designated Expenses-Hauling Cost
- Designated Expenses-Debt Service
- Supplies & Materials
- Repairs & Maintenance
- Capital Outlay
- Designated Expenses
- Contractual Services

# Solid Waste Fund Significant Expenditure Changes

- Market Adjustments for Public Works positions (@95%; 29 positions; \$118,904)
- 1% COLA for all eligible employees (\$12,586)
- Personnel changes
  - Fund a Supervisor position at Transfer Station(\$56,758)
  - Fund two Laborer positions at Transfer Station(\$70,662)
- Increasing disposal/hauling costs
- Resume replacement of trash bins
- Design cost for expansion of the Transfer Station included in the Proposed Budget

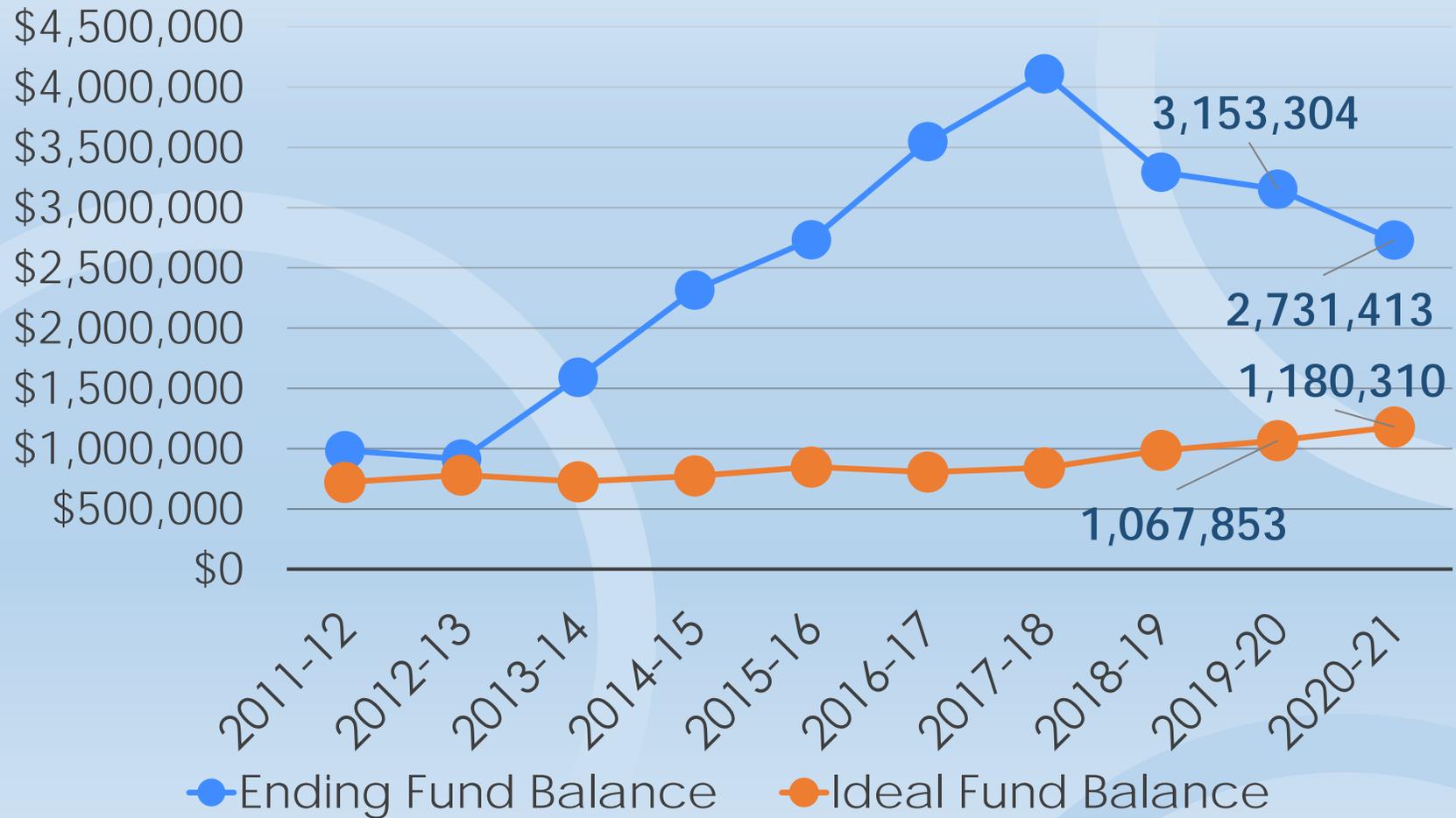
# Solid Waste Fund Significant New Requests

- Design cost for expansion of the Transfer Station (\$210,000)
- Transfer Station new positions- Supervisor (\$56,758); two Laborers (\$70,662)
- SW Building repairs (\$5,000)
- Replace (2) handheld radios for Residential and Recycling departments (\$7,000)

# Solid Waste Fund Hauling & Disposal Cost



# Solid Waste Fund Ending Fund Balance



# Golf Course Fund Summaries

FISCAL YEAR 2020-2021

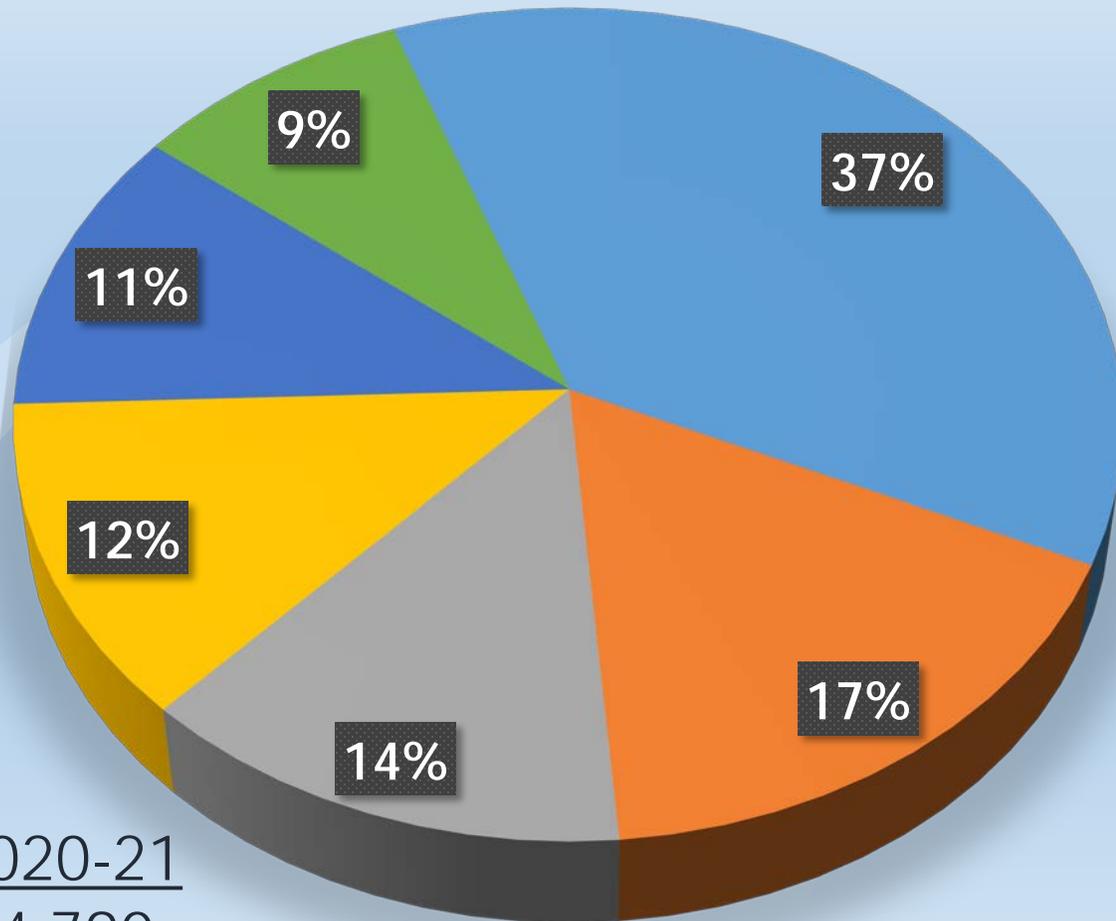
Source	FY 2019-20 Projected	FY 2020-21 Proposed
Beginning Undesignated Fund Balance	(\$1,391,946)	(\$1,427,168)
Revenues	308,281	344,790
Expenditures	(343,503)	(342,905)
Ending Fund Balance	(1,427,168)	(1,425,283)
Ideal Fund Balance	78,051	78,064
Over/(Under) Ideal Fund Balance	(\$1,505,219)	(\$1,503,347)

# Golf Course Fund Revenues

FISCAL YEAR 2020-2021

Source	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Green Fees	\$66,978	\$128,500	92%
Special Green Fees	54,205	-	(100%)
Cart Rental Fees	34,993	42,663	22%
Membership Dues	48,000	58,489	22%
Cart Storage Fees	30,466	38,480	26%
Pro Shop Sales	20,000	30,492	52%
Other Income	53,639	46,166	(14%)
<b>TOTAL</b>	<b>\$308,281</b>	<b>\$344,790</b>	<b>12%</b>

# Golf Course Fund Revenues



- Green Fees
- Membership Dues
- Other Income
- Cart Rental Fees
- Cart Storage Fees
- Pro Shop Sales

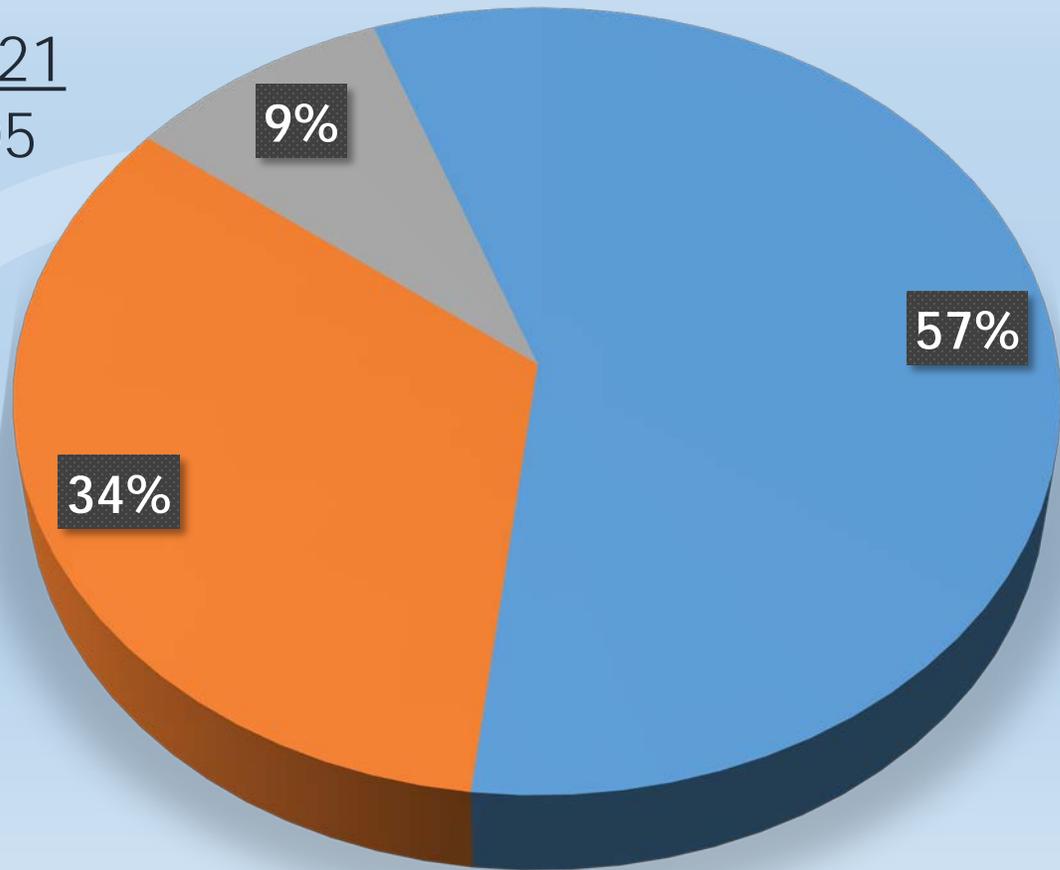
FY 2020-21  
\$344,790

# Golf Course Fund Expenses

Function	FY 2019-20 Projected	FY 2020-21 Proposed	% Change
Operations	\$196,590	\$196,849	0%
Maintenance	115,615	115,408	0%
Non- Departmental	31,298	30,648	(2%)
<b>TOTAL</b>	<b>\$343,503</b>	<b>\$342,905</b>	<b>0%</b>

# Golf Course Fund Expenses by Department

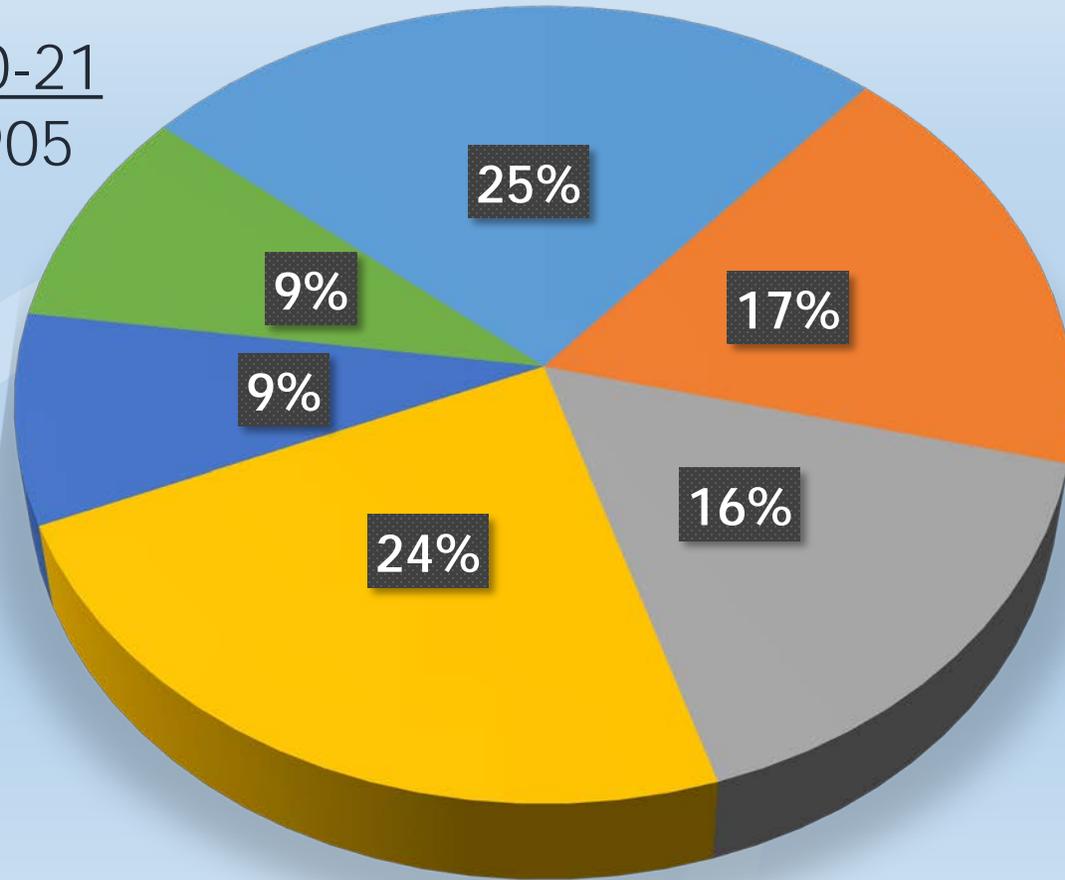
FY 2020-21  
\$342,905



- Operations
- Maintenance
- Non-Departmental-Debt Service

# Golf Course Fund Expenses by Object Class

FY 2020-21  
\$342,905

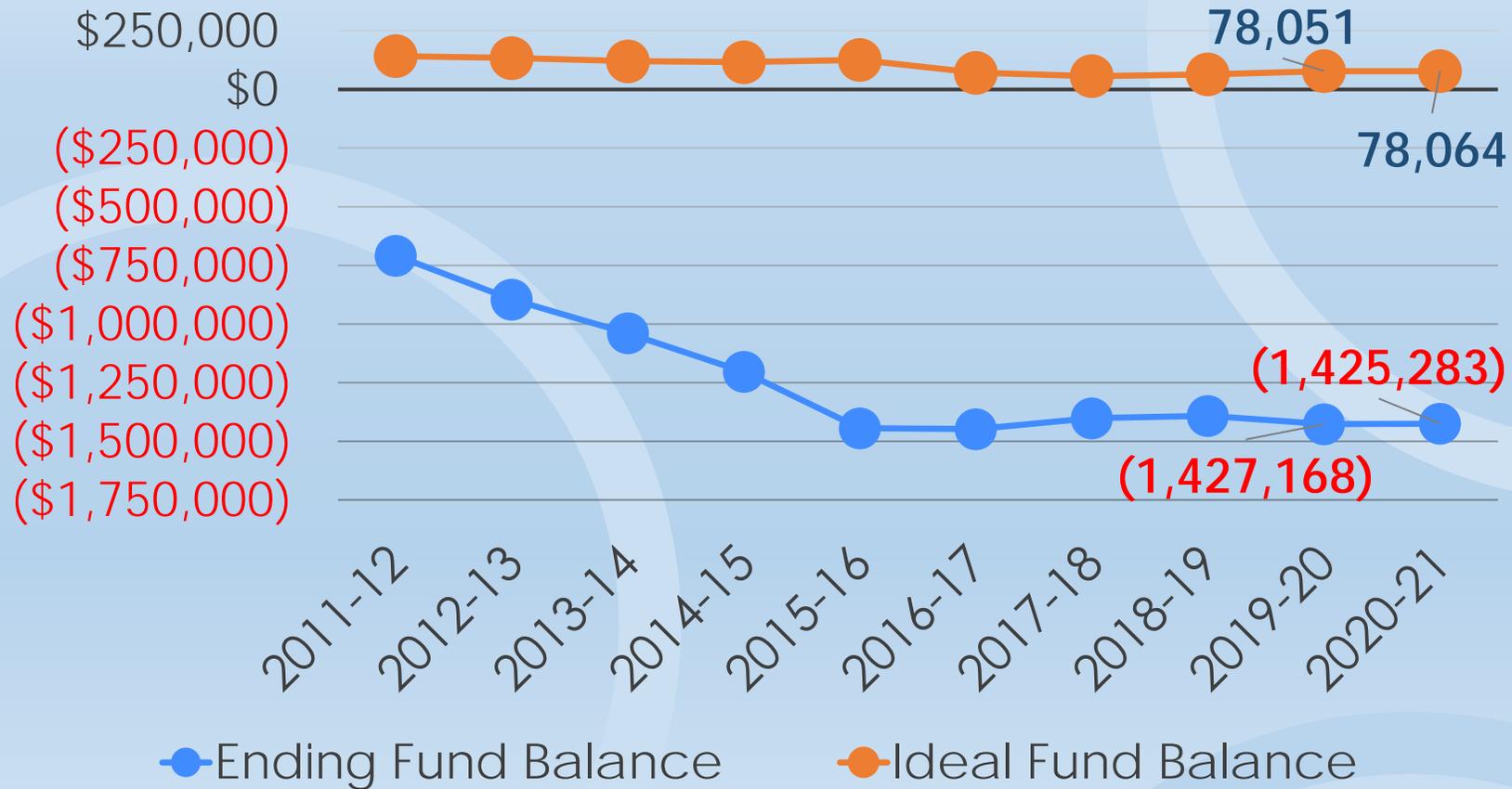


- Salaries & Benefits
- Supplies & Materials
- Repairs & Maintenance
- Contractual Services
- Designated Expenses
- Debt Service

# Golf Course Fund Significant Expenditure Changes

- Market Adjustments (@95%; 2 positions; \$15,514)
- 1% COLA for all eligible employees (\$790)
- No significant maintenance or operational changes

# Golf Course Fund Ending Fund Balance



Other  
Funds

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
Drainage Utility	\$1,066,647	\$1,155,170	\$1,231,489	\$990,328
Tax I & S	522,610	4,279,165	4,310,261	491,514
Parks Improvement	25,329	49,300	49,300	25,329
Street Maintenance	138,423	453,345	443,752	148,016
HOT Funds	68,040	170,932	167,337	71,635
PEG Fee Fund	338,521	64,344	63,900	338,965
MC Efficiency	10,166	2,273	3,073	9,366
MC Technology	31,927	21,164	10,047	43,044
MC Security	14,896	17,004	17,141	14,759
Miscellaneous Funds	7,072	245,290	246,253	6,109
<b>Total</b>	<b>\$2,223,631</b>	<b>\$6,457,987</b>	<b>\$6,542,553</b>	<b>\$2,139,065</b>

## Other Funds

### Significant Expenditure Changes/New Requests

- Drainage Utility Fund:
  - A 15% rate increase is included in the Proposed Budget
  - Market Adjustments (@95%; 10.50 positions; \$45,393)
  - 1% COLA for all eligible employees (\$3,800)
  - Personnel changes
    - Reclassify 4 PT Seasonal Laborer to 2 FT (\$33,924)
  - COP Items funded thru operating fund:
    - Trailer (\$8,000); Light Duty Truck (\$40,000)
  - Capital projects included in PB:
    - Constitution Drive Drainage Improvements (\$442,008)

# Other Funds

## Significant Issues

### ● Debt Service Fund

- Fund balance is being used for debt payments (\$504,000)

### ● Street Maintenance Fund

- Sales tax (1/8 of a cent)-effective July 1, 2017
- Tax authorization expires within 12 months (June 30, 2021).
- Fund balance is being utilized for Street Maintenance Projects
  - \$1.3 million in YE and PB combined
- Market Adjustments (@95%; 4 positions; \$19,082)
- 1% COLA for all eligible employees (\$1,468)

# Other Funds

## Significant Issues

- Hotel Occupancy Tax Fund
  - COVID-19 revenue impact
  - Funding requests total \$136,571
- PEG Fee Fund
  - Funds may only be used for capital costs incurred for PEG access facilities
- Municipal Court Funds (Efficiency, Technology, Security)
  - Half of salary & benefit costs for the Bailiff position from General Fund (\$17,141)
- Miscellaneous Funds include: City-Wide Donations Fund, City-Wide Grants Fund, FEMA Fund, Police State Seizure Fund, Police Federal Seizure Fund, Law Enforcement Explorer Fund, Law Enforcement Block Grant Fund and Tobacco Grant Fund.

# Upcoming Dates

- June 9 (Workshop)
  - Major operating funds and other funds
  - Departmental presentations
- June 11 & 16 (if needed)
  - Departmental presentations
- July 2 (Workshop)
  - Outside Entities and Hotel Occupancy Tax Funds requests
- July 7 (Workshop)
  - Fee schedule changes
  - Review City Council Recommended Changes
- July 21
  - Discuss tax rate (Workshop)

# Upcoming Dates

- July 23
  - Public Hearing on Proposed Budget
  - Set Public Hearing on Tax increase
  - Record vote on proposed tax rate
- August 4
  - Public Hearing on Tax Increase
  - Adopt Proposed Budget
  - Adopt Tax Rate
  - Adopt Long-Range Plans
  - Adopt Fee Schedule

# Fiscal Year 2020-21 Proposed Budget & Plan Of Municipal Services

Direction

Questions

Comments