



# **Budget in Brief**

## **Fiscal Year 2018/2019**



**ROUND ROCK TEXAS**





The City of Round Rock's vision is to be:

- **A Family-Friendly Community** that is **Safe and Distinctive by Design**
- **"The Sports Capital of Texas"** and **Major Medical and Educational Destination**
- **An Authentic Downtown** and **choice of Great Neighborhoods**





# Introduction

Dear Round Rock Residents,

I am pleased to present the City of Round Rock's Proposed Budget for fiscal year October 1, 2018 through September 30, 2019. This budget contains spending plans and revenue estimates for all City funds. The City Council continues to take a conservative approach to its financial and operational planning. The decisions that are made now strongly influence what the City will look like and how it will operate for years to come. With this in mind, City staff have been challenged with this budget to consider both the short- and long-term implications of the recommendations.

## Strategic Priorities

In February 2018 the City Council affirmed and refined Round Rock's 6 strategic goals. The total proposed budget of **\$356.9 million** is focused on furthering these goals listed below:



**Financially Sound City Providing High Value Services**



**City Infrastructure: Today and for Tomorrow**



**Great Community to Live**



**"Sports Capital of Texas" for Tourism and Residents**



**Authentic Downtown - Exciting Community Destination**



**Sustainable Neighborhoods - Old and New**

The City's most recent biennial citizen survey revealed that traffic and transportation is the top concern of our community. While major improvements to I-35, SH45, and U.S. 79 remain under the jurisdiction of TxDOT and outside the scope of our City budget, this proposed budget does include funding for improvements to the City's transportation network that will provide relief to our residents. Some of these improvements include:

- Additional annual funding for **neighborhood street maintenance**, bringing the total proposed amount to \$4.3 million for FY 2019.
- The **McNeil (East Bagdad) Extension** will extend McNeil Road east to Georgetown Street to help redirect traffic around our historic downtown, enhancing the downtown core for pedestrians.
- Significant engineering and staff work to prepare for **upcoming road improvement projects** - including Kenney Fort Boulevard, Gattis School Road, Red Bud Lane, and University Boulevard.
- **Downtown parklets, landscaping, lighting, and sidewalk improvements** will help make the downtown more accessible and inviting for visiting, dining, shopping, and socializing.



Round Rock's recreation and cultural amenities set our City apart from many municipalities. This FY 2019 Proposed Budget includes funding for improvements and connections to these amenities that will continue to make Round Rock distinctive. Some of these improvements and connections include:

- **Trail connectivity** has been a goal for several years now. The timing has been delayed due to some right-of-way acquisition challenges, but this proposed budget includes the funding necessary to connect our major trail systems and to provide a continuous trail experience across our City.
- The **design of our new library facility** to be built downtown along Brushy Creek will continue in FY 2019. Groundbreaking is planned for May 2020 with an opening date in January 2022.
- Continued funding for our ever **popular family-friendly events** including the July 4th Parade, Hometown Holiday Lights, and more.
- The grand **reopening of the Forest Creek Golf Club** will be in late September 2018. This budget includes a full year of operations of the newly improved course which will generate sufficient revenues to be self-sufficient and not require any General Fund support to cover operating costs.

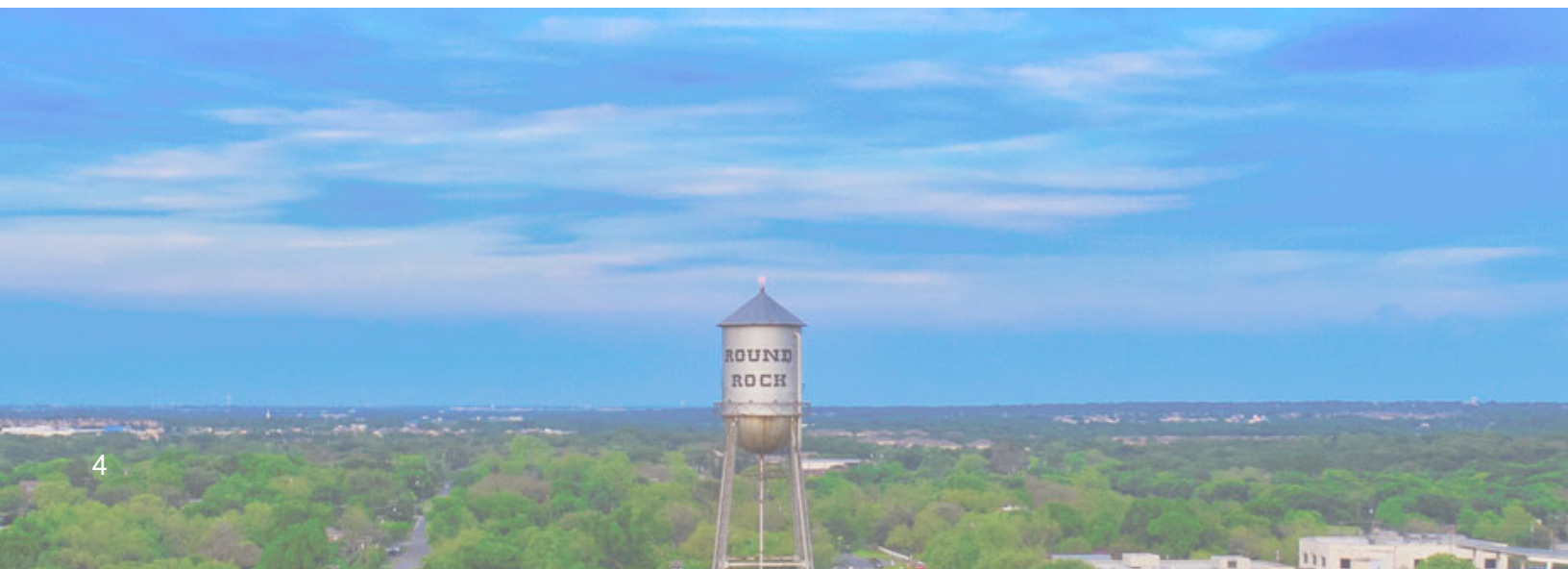
Public Safety remains a top priority for the City Council and Round Rock consistently ranks as one of the safest cities in the nation. This proposed budget includes funding for several initiatives to secure the highest level of public safety for years to come, including:

- A grand opening of a **Public Safety Training Center** that was approved by the voters as part of a bond package in 2013. This new facility will provide more resources to police and fire staff to enhance training opportunities to ensure the highest quality public safety capabilities.
- Three **additional firefighters** to complete staffing of the city's newest fire station - Station 9 on Sam Bass Road.
- Two **additional police officers** to assist in efforts to keep Round Rock one of the safest cities in the nation.



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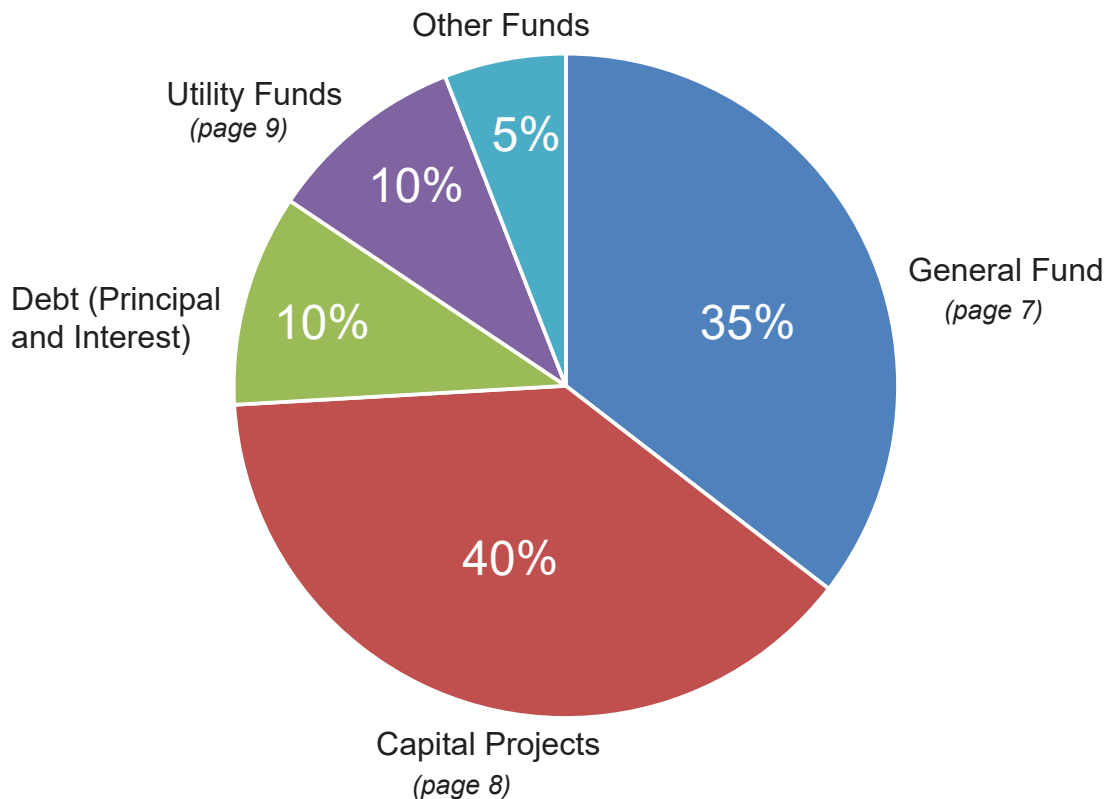
Laurie Hadley, City Manager





# Citywide Budget

The Fiscal Year 2019 Proposed Budget totals \$356.9 million. The expenses are categorized in the pie chart below and are summarized in the pages that follow.



## Proposed Property Tax Rate

The **proposed property tax rate** for FY 2019 is **\$0.42** per \$100 of valuation, 1 cent less than the FY 2018 nominal rate of \$0.43.

- The proposed rate of \$0.42 is an increase of 1.4 cents or 3.4% above the effective tax rate of \$0.406, which takes into account the 9% growth in property values from last year.
- New property valued at \$322 million was added to the property tax roll since last year. This amount of new property will generate \$1.35 million in additional property tax revenues for FY 2019 - which is enough to cover one-third of the salary and benefit increases budgeted for FY 2019 to keep the City's current employee salaries in the General Fund competitive.

The median home value in Round Rock for FY 2019 is \$241,538. An **owner of a median valued home will pay \$85 per month** in City property taxes for next year.

Sales tax revenues continue to grow thanks to the strong local economy and continued population growth. These **sales tax revenues help the property tax rate** as well.

- Built into the 2% local option sales tax rate is a half-cent for property tax reduction.
- This piece reduces the property tax rate for FY 2019 by 14 cents. That saves the median homeowner \$28 a month or 25% on their monthly tax bill.

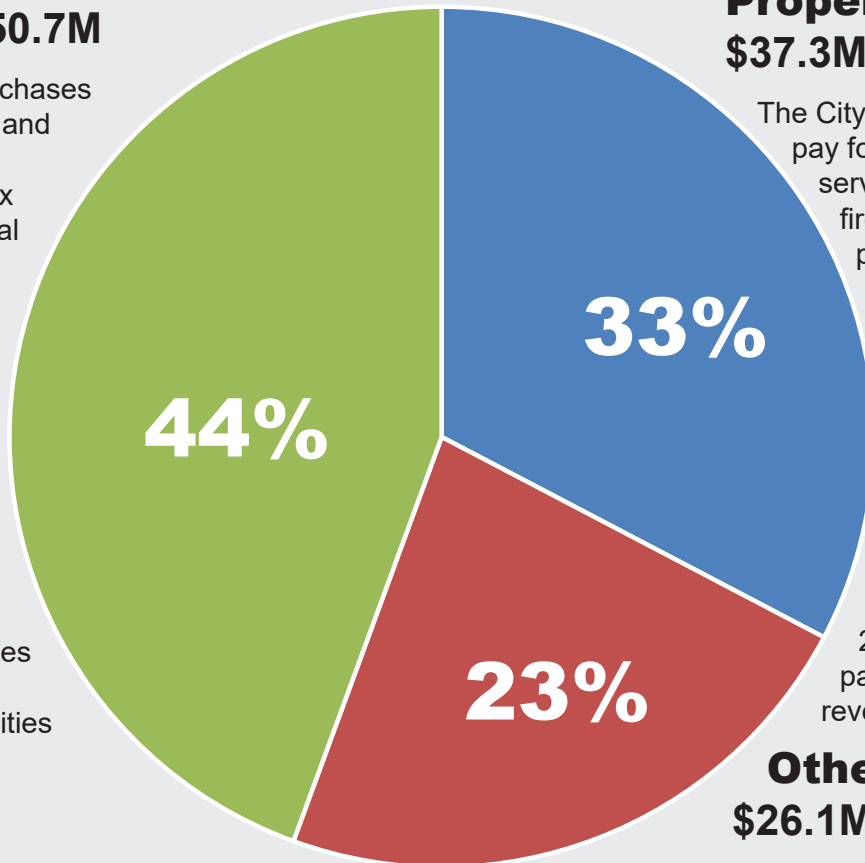


# General Fund Revenues

The City's General Fund Revenues come from a wide variety of revenue sources. A more detailed look at the General Fund Revenues is available in the FY 2019 Proposed Budget Book on the City's website.

## Sales Tax \$50.7M

For every \$100 in purchases by visitors, residents, and businesses, the City collects \$2 in sales tax revenues. The General Fund gets \$1.50 and the remaining 50 cents goes to the Type B Fund to pay for roads and economic development. Round Rock's unique mix of destination shopping and corporate headquarters generates far more sales tax revenues than most cities our size.



## Property Tax \$37.3M

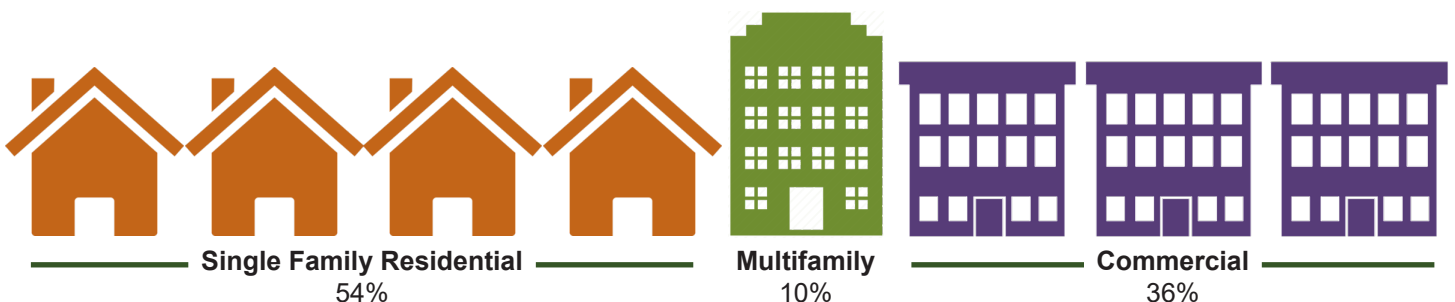
The City's property taxes help pay for many of our core services including police, fire, transportation, parks and recreation, and the library. Over the past two years the City has opened three new fire stations, added 9 new police officers, and will have a new Public Safety Training Center opening in August 2018 - all thanks in part to property tax revenues.

## Other Revenues \$26.1M

Over 100 different revenue sources make up the remainder of General Fund revenues. Some of these are large, like the Electric Franchise Tax revenues budgeted at \$3.5 million for FY 2019 and some are small like Film Permits which are budgeted at \$50.

## Taxable Value by Property Type

Round Rock enjoys a diverse and growing economy with all types of development happening across the City. This diversity of land use means that even though residential homeowners make up 93% of the properties in Round Rock, nearly half of all property tax revenues are paid by owners of non-single family property.





# General Fund Expenses

The City's General Fund operating expenses in the FY 2019 Proposed Budget total \$114.0 million. A more detailed look at the General Fund Revenues is available in the FY 2019 Proposed Budget Book on the City website.

## Transportation and Planning \$19.7M

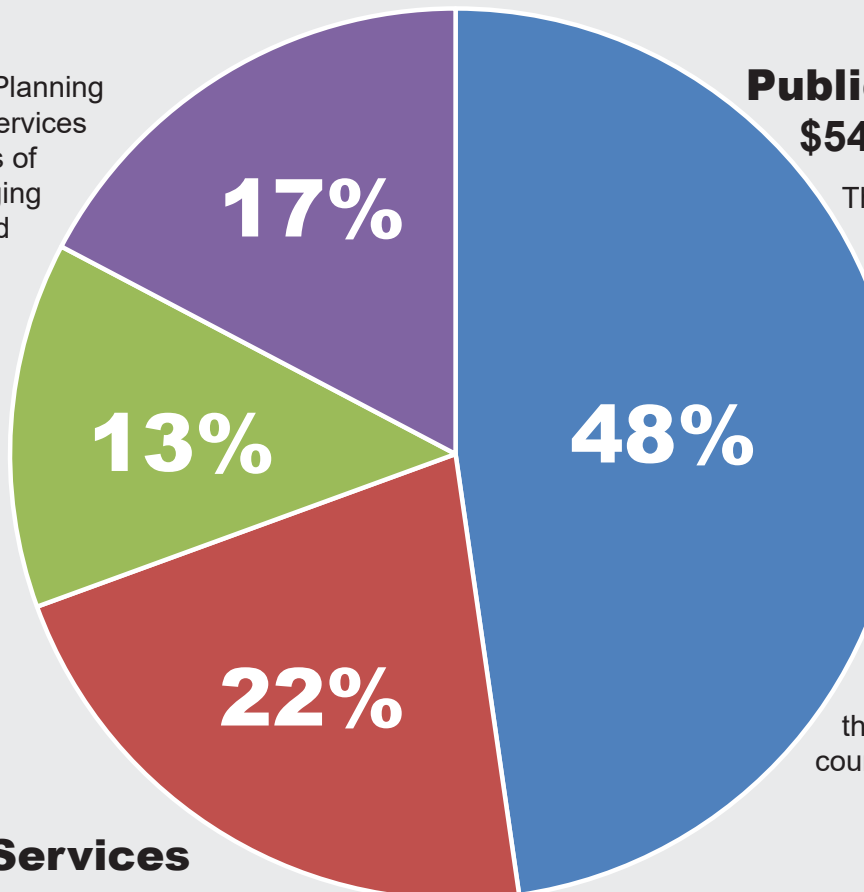
Transportation and Planning and Development Services are on the front lines of planning and managing the City's growth and development.

## Recreation & Culture \$15.1M

The Parks and Recreation and Library Departments offer the high-quality recreation and cultural services that Round Rock's residents have come to expect.

## Support Services \$24.8M

Support Services departments in the General Fund include Administration, HR, IT, Finance, Facilities Maintenance, and Vehicle Maintenance. These departments provide support to all City divisions and functions, even those divisions and functions housed in other funds.



## Public Safety \$54.4M

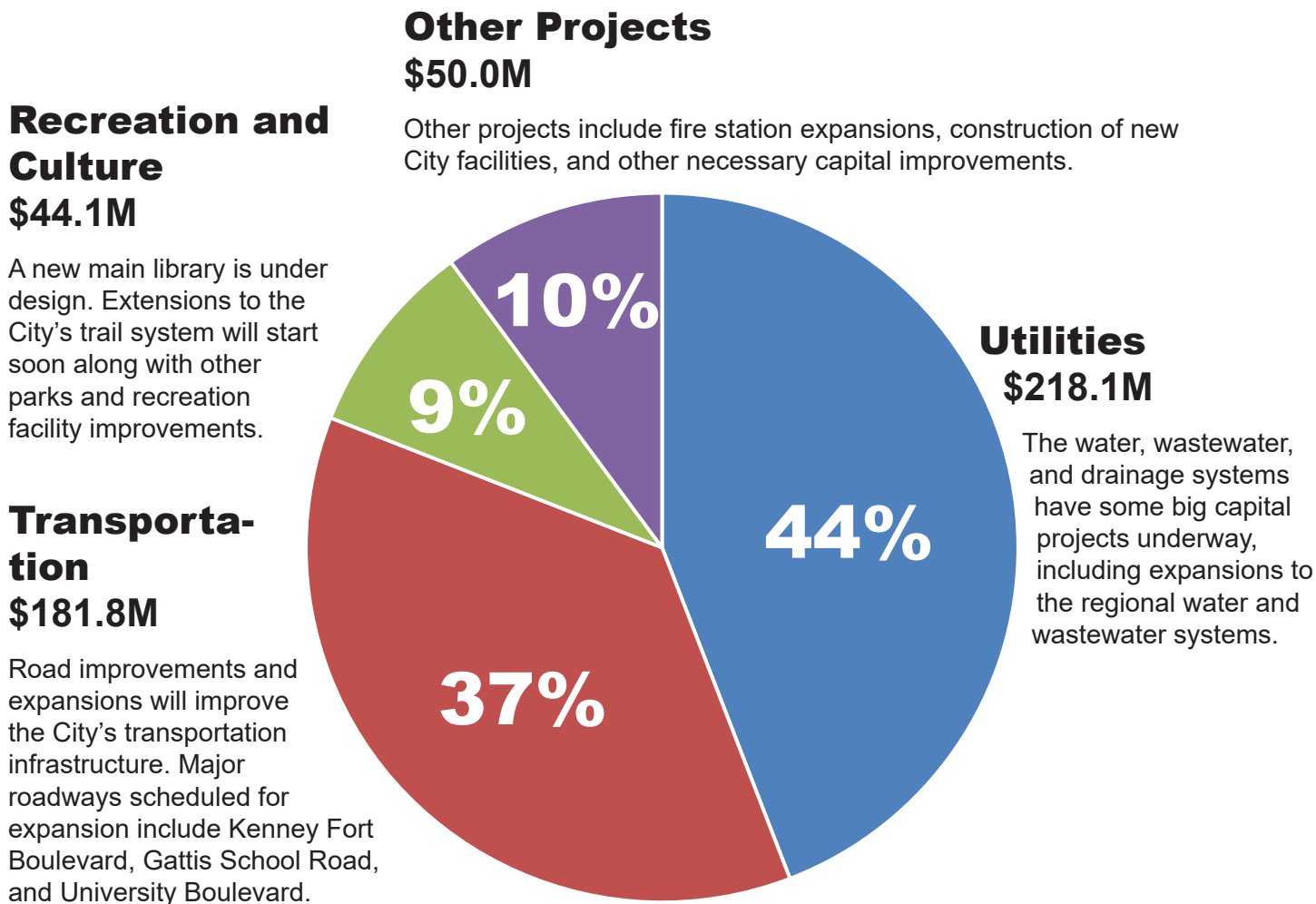
The Round Rock Police Department and the Round Rock Fire Department are always top priorities for the City Council in prioritizing General Fund expenses. The police, fire, and emergency medical protection these departments offer continue to make Round Rock one of the safest cities in the country.





# Capital Projects

The City has a five-year capital plan that enables long-range, proactive planning for the maintenance, improvements, and expansions to the City’s infrastructure. The total cost of the capital plan included in the FY 2019 proposed budget over the next five years is **\$494.0 million**. Because of our conservative approach to financial planning, only 40% of our planned capital projects will be debt-financed.



## Major Capital Projects

Project	Estimated Completion Date	Total Project Cost
Trail Projects (Brushy Creek, Heritage Trail, and Lake Creek Trails)	Fall 2020	\$18.9M
New Main Library Facility	Jan 2022	36.6M
Luther Peterson Service Center	Aug 2019	19.9M
University Blvd Improvements	FY 2020	23.3M
East Wastewater Treatment Plan Expansion	Fall 2022	105.0M



# Utilities and Drainage

Round Rock operates water, wastewater, and drainage systems that serve over 34,000 customers. The FY 2019 Proposed Budget includes a program for assuming operational control of the Brushy Creek Regional Wastewater System for no net cost increase.

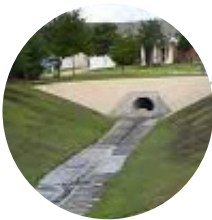
## Utility Funds Expenses



### Water

\$32.1M


The City provides water to over 140,000 people within the City limits and the ETJ. All of these customers rely daily on our water system to deliver clean, safe water.



### Drainage

\$9.2M

The Drainage Utility accounts for all aspects of the Storm Water program associated with storm water drainage, floodplain management, and water quality management.



Utility Billing Department  
221 East Main Street  
Round Rock, TX 78664

**DOE JANE**  
211 E MAIN ST  
ROUND ROCK, TX 78664-0

**CONTACT INFORMATION**

For inquiries call: (512) 218-5460  
Hours of Operation: Monday - Friday 8:00 a.m. - 5:00 p.m.  
Emergency After-Hours: (512) 218-5555  
24-Hour Drop Box: Located on the south side of City Hall  
Pay by phone: 1-855-894-2392  
Make a payment online at: RRTXWater.com

**IMPORTANT MESSAGE**

**ACCOUNT STATEMENT**

CID - ACCOUNT #	DUE DATE	AMOUNT DUE
00000-000000	08/10/2018	\$99.12

**ACCOUNT INFORMATION**

Account Name: DOE JANE  
Service Address: 211 E MAIN ST  
Current Statement Date: 07/23/2018  
Last Payment: 07/09/2018  
Last Payment Amount: 89.16  
Penalty Applied: 08/13/2018

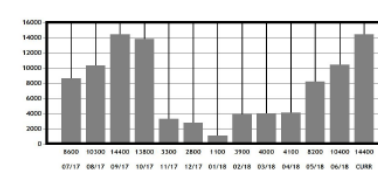
**CURRENT CHARGE SUMMARY**

Water:	\$51.90
Wastewater:	\$22.08
Solid Waste:	\$18.83
Storm Water Drainage:	\$4.75

**TOTAL AMOUNT DUE**  
Total Due After 08/10/2018

**\$99.12**  
**\$108.41**

**WATER CONSUMPTION (IN HUNDREDS)**



**THANK YOU FOR PAYING ON TIME!**  
**WE APPRECIATE YOUR PROMPTNESS**



### Wastewater

\$29.5M

The City's Wastewater system includes over 7,500 manholes, 354 miles of wastewater line, lift stations, a reuse water system, and two wastewater treatment plants.



## Utility Revenues

Utility rates are structured to generate sufficient revenues to fully cover the operations, maintenance, and expansions to the water, wastewater, and drainage systems.

Charges for Utility Service	\$51.5 M
Impact Fees	8.0 M
Contracts & Other	6.4 M
	<b>\$65.9 M</b>



# Hotel Occupancy Tax and Venue Tax Funds

Tourism is a big deal in Round Rock, especially so for a City of our size. We have over 3,000 hotel rooms with another 540 under construction not including the 975 rooms that Kalahari will bring. Visitors come to Round Rock for the wide-range of indoor and outdoor sporting events held in the Sports Capital of Texas; for our destination-based retail including IKEA, Bass Pro Shops, and the Round Rock Premium Outlets; and for the variety of restaurants, outdoor adventures, and numerous lodging options in the heart of Central Texas. Each one of these visitors who come and stay overnight in one of Round Rock's hotels pays a 9% City occupancy tax that is split between our two tourism-related funds: the Hotel Occupancy Tax Fund and the Venue Tax Fund.

## Hotel Occupancy Tax Fund

The Hotel Occupancy Tax Fund has a FY 2019 Proposed Budget of \$7.3 million which funds the following attractions in Round Rock.



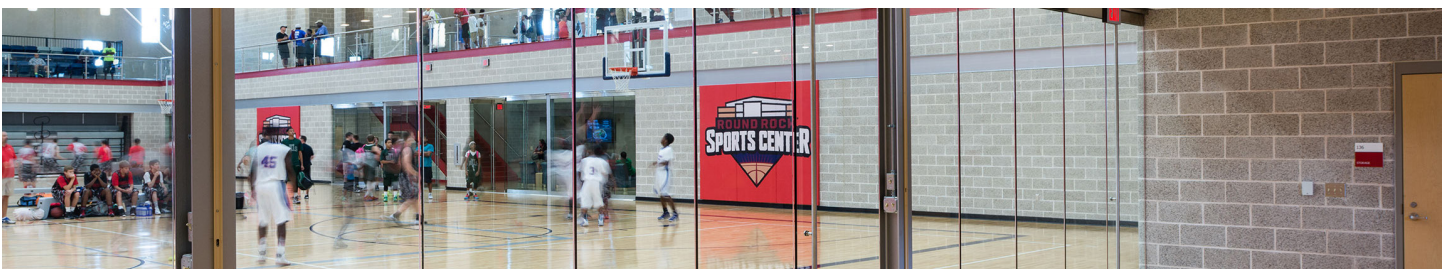
The **Dell Diamond** opened in 2000, is consistently recognized as one of the best minor league stadiums in the country ever since, and has one of the highest attendance rates.



The **Round Rock Multipurpose Complex** opened in May 2017. Since its inception it has hosted dozens of regional tournaments, national tournaments for US Women's Lacrosse and Quidditch, has been named a home field for a new professional rugby team, and has been selected as the future host for national tournaments of Ultimate, flag football, and second-year of Quidditch.

## Venue Tax Fund

The Venue Tax or Sports Center Fund has a FY 2019 Proposed Budget of \$2.3 million which funds the Round Rock Sports Center.



The **Round Rock Sports Center** opened in January 2014 and has since been the host of numerous sporting events as well as banquets, wedding expos, corporate meetings, and other events that bring visitors to Round Rock.



# How to Become Involved in the Budget Process

The City of Round Rock values public participation in the budget and property tax rate setting process. There are opportunities for participation by attending public City Council meetings where the budget will be discussed and online engagement through Facebook, Twitter, and Nextdoor.



## Public Meetings

- **August 9, 6:00pm - Council Meeting** - Council will take action to publish and propose a maximum property tax rate for FY 2019 and will formally set the dates and times for the budget and tax rate public hearings.
- **August 23, 6:00pm - Council Meeting** - Council agenda will include the first readings of the property tax rate and budget ordinances. There will be public hearings for the property tax rate and the annual budget.
- **August 30, 5:00pm - Special Called Meeting** - Council will hold the second public hearing for the property tax rate.
- **September 13, 6:00pm - Council Meeting** - Council agenda will include the final readings of the property tax rate and budget ordinances and final adoption of the same. Council will also take action to ratify the property tax rate.

Public hearings are held at Round Rock City Hall, 211 E. Main Street



## Online Engagement

- The City has developed an engagement campaign for the FY 2019 Proposed Budget and is always welcoming of questions and comments through Facebook, Twitter, Nextdoor, and email.
- Stay tuned to the City's Facebook and Twitter feeds and the news archive on [roundrocktexas.gov](http://roundrocktexas.gov) for more information.

A more detailed look at the  
**FY 2019 Proposed Budget**  
is available on the City's website at  
**[roundrocktexas.gov/budget](http://roundrocktexas.gov/budget)**



