



THE TIME IS
NOW

ROUND ROCK
BUDGET FY2021

Budget in Brief

Fiscal Year 2020/2021



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, 2020 through September 30, 2021. This budget contains spending plans and revenue estimates for all City funds. Though this year has been unlike anything we have ever dealt with, this budget reflects the conservative approach that the City Council continues to take for financial and operational planning. There is a lot going on in the world, and I am always impressed by our organization's ability to keep things moving forward no matter the challenges we face.

Strategic Priorities

In February 2020 the City Council affirmed and refined Round Rock's 6 strategic goals. The total adopted budget of **\$420.2 million** is focused on furthering these goals listed below:

Strategic Goals FY 2021



**Financially
Sound City
Providing High
Value
Services**



**Great
Community
to Live**



**City
Infrastructure
for Today and
Tomorrow**



**Authentic
Downtown -
Exciting
Community
Destination**



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



**Sustainable
Neighborhoods
- Old and New**

The budget process this year has been very different. Rather than spending the spring developing exciting new programs to expand services to our community we were in a challenging position with anticipated declines in revenues coupled with new and unique challenges facing our community. But because of a history of fiscal responsibility and financial policies the City had already put into place, we are looking towards a recovery from a position of financial strength. Specifics of the types of budgetary reductions that were put into place for FY 2021 include:

- There are **no new programs** included in the budget, and the proposed spending plan is \$25 million less than the adopted FY 2020 budget
- The General Fund budget was **reduced by \$5.0 million** in such a way as to minimize the impact to service levels our citizens have come to expect
- There are **23.75 positions** strategically identified to be held vacant for budgetary savings

Introduction

The City's most recent biennial citizen survey highlighted that traffic and transportation is the top concern of our community. While major improvements to IH-35, SH45, and US 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:

- Continue annual funding for **neighborhood street maintenance** with \$3.0 million for FY 2021. Since 2012, the City has spent more than \$37.1 million to maintain neighborhood streets. The cost is significant, but not nearly as expensive as having to completely rebuild streets that have failed or are in severe disrepair.
- Planned completions of **North Mays Extension** and **Logan Drive Bridge** to increase connectivity.
- Construction of **major upcoming road improvement projects** – including **Kenney Fort Boulevard**, **Gattis School Road**, and **University Boulevard**.

The City continues to invest in the historic downtown with upgrades in FY 2021 to roads and utility infrastructure in the heart of our community. Some of these upgrades include:

- Transportation and utility **infrastructure improvements to the northeast downtown**, including planning and design of a future parking garage
- The **Depot Townhome Development** has completed demolition of the old Gypsum Building Supply property just one block south of City Hall. Groundbreaking for the new townhome community is planned for Fall 2020.
- Funding for the **Hometown Holiday Lights**, **Music on Main**, and the **Fourth of July Parade** has been preserved so the funding will be ready for when we can begin holding our family-friendly events in our historic downtown again.

Round Rock's recreation and cultural amenities set our City apart from many municipalities. The FY 2021 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** is under way. The timing has been delayed due to some right-of-way acquisition challenges, but work is now underway and 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** will be completed in FY 2021. Groundbreaking is planned for late 2021 with an opening date in late 2023.

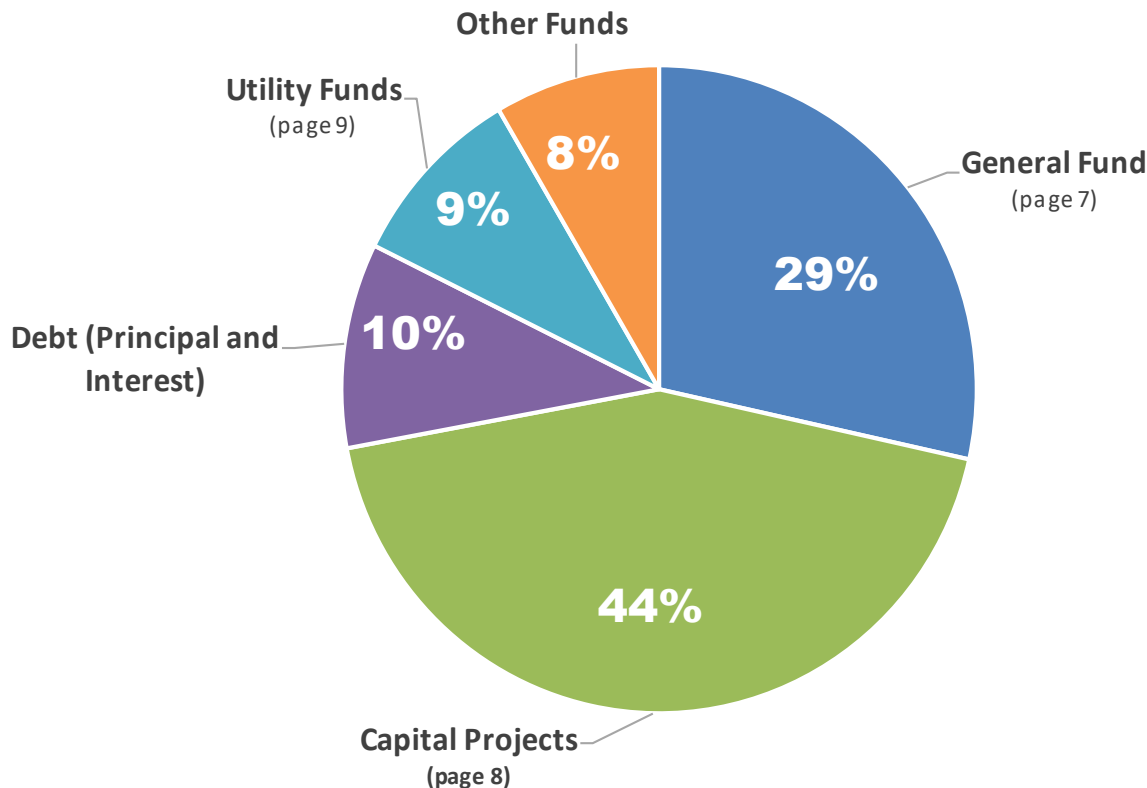


Laurie Hadley, City Manager



Citywide Budget

The Fiscal Year 2021 Proposed Budget totals \$420.2 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 2021 is **\$0.439000** per \$100 of valuation, same as the FY 2020 nominal rate of \$0.439000.

- The proposed rate of \$0.439000 is an increase of 1.3 cents or 3.2% above the no new revenue tax rate of \$0.425550, which takes into account the 2.8% growth in existing property values from last year.
- New property valued at \$294 million was added to the property tax roll since last year. This amount of new property will generate \$1.3 million in additional property tax revenues for FY 2021 - which is enough to fund salary adjustments budgeted for FY 2021 for the City's public safety employees.

The median home value in Round Rock for FY 2021 is \$256,347. An **owner of a median valued home will pay \$94 per month** in City property taxes for next year.

Sales tax continues to be an important revenue thanks to the strong local economy. 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 2021 by 14.4 cents. That saves the median homeowner \$31 a month or 25% on their monthly tax bill.

General Fund Revenues

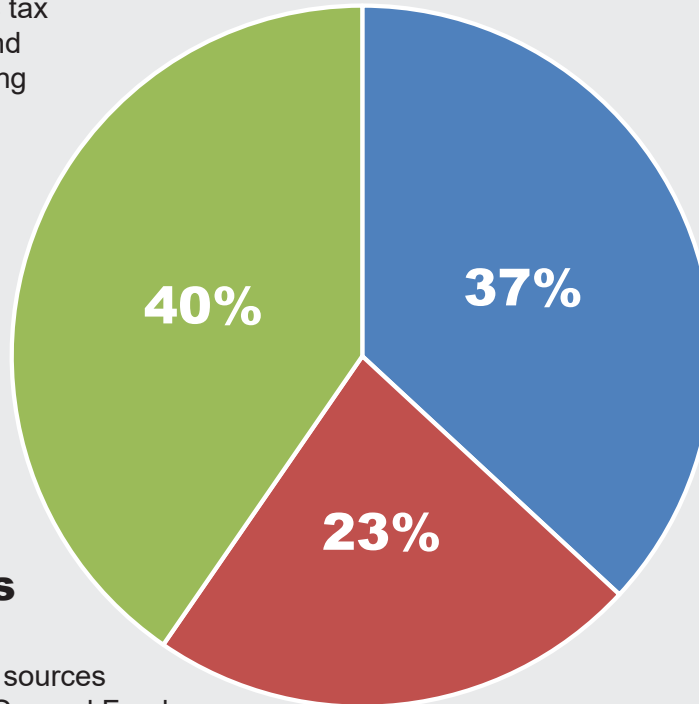
The City's General Fund Revenues come from a wide variety of revenue sources. A more detailed look at the General Fund Revenues is available in the FY 2021 Budget Workbook on the City's website.

Sales Tax \$48.3M

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 sales tax revenues that help reduce the property tax burden.

Other Revenues \$27.2M

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 \$3.7 million for FY 2021. This category includes fees for the City's many recreation programs, building permits, and other services.

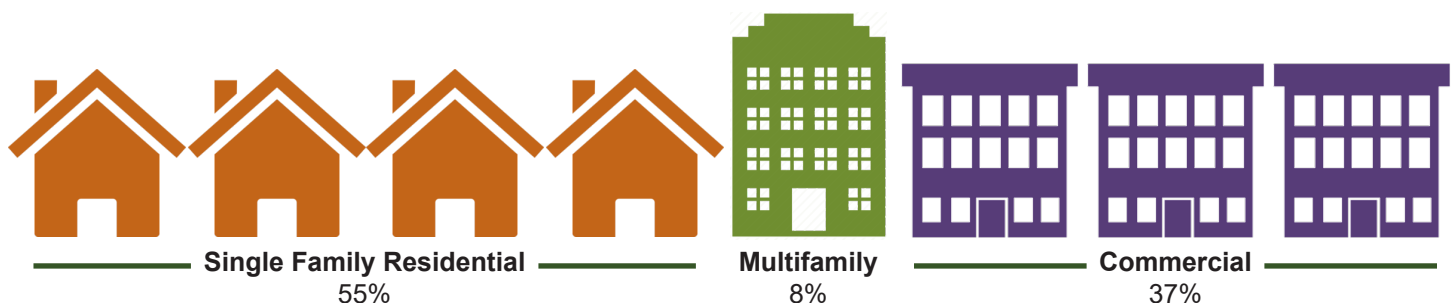


Property Tax \$44.2M

The City's property taxes help cover many of our core services including police, fire, transportation, parks and recreation, and the library. Over the past four years the City has opened three new fire stations, added 19 new firefighters and 11 new police officers, and has opened a new Public Safety Training Facility - all thanks in part to property tax revenues.

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 single-family homes make up 93% of the properties in Round Rock, nearly half of all property tax revenues are paid by owners of commercial and multifamily property.



General Fund Expenses

The City's General Fund operating expenses in the FY 2021 Proposed Budget total \$119.6 million. A more detailed look at the General Fund Revenues is available in the FY 2021 Budget Workbook on the City website.

Transportation and Planning

\$19.1M

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

Recreation & Culture

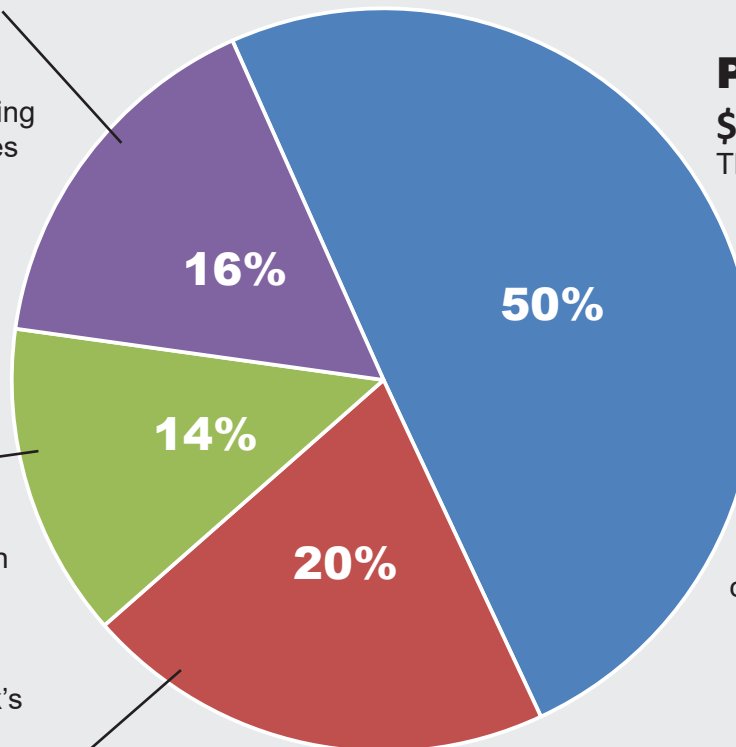
\$16.1M

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

\$25.7M

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, including those divisions and functions housed in other funds.



Public Safety

\$58.7M

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.



Community Investment Program

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 2021 proposed budget over the next five years is **\$652.4 million**. Because of our conservative approach to financial planning, only 38% of our planned capital projects will be debt-financed.

Recreation and Culture \$58.5M

A new main library is under design. Extensions to the City's trail system will start soon along with other parks and recreation facility improvements.

Transportation

\$270.0M

Road improvements and expansions will improve the City's transportation infrastructure. Major roadways scheduled for expansion include Kenney Fort Boulevard, Gattis School Road, and University Boulevard & McNeil Road extension.

Other Projects

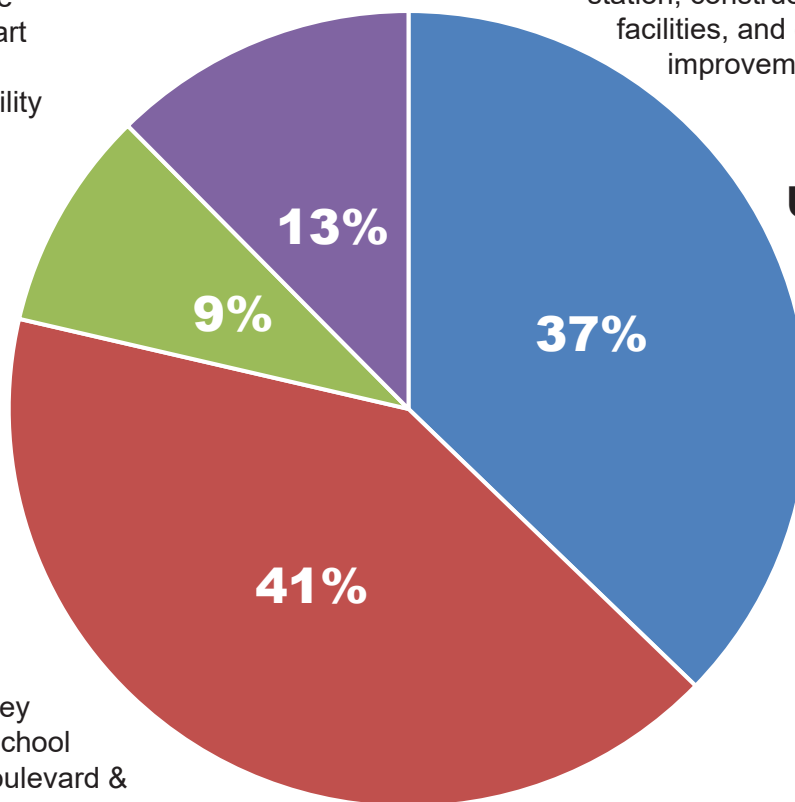
\$80.9M

Other projects include a future fire station, construction of new City facilities, and other necessary capital improvements.

Utilities

\$243.0M

The water, wastewater, and drainage systems have some big capital projects under way, including expansions to the regional water and wastewater systems.



Major Capital Projects

| Projects | Estimated Completion Date | Total Project Cost |
|---|---------------------------|--------------------|
| New Main Library Facility | Nov 2023 | \$34.9M |
| Trail Projects (Brushy Creek, Heritage Trail, and Lake Creek) | FY 2021 | 18.9M |
| East WWTP Expansion and Re-Rate Improvements (BCRWWS) | FY 2023 | 127.5M |
| University Blvd Improvements - AW Grimes to SH130 | FY 2022 | 14.2M |
| Northeast Downtown Infrastructure Improvements | FY 2022 | 9.9M |
| Northeast Downtown Parking Garage | FY 2023 | 13.4M |

Utilities and Stormwater

Round Rock operates water, wastewater, and stormwater systems that serve over 36,000 customers. **There are no utility rate increases** in FY 2020/21.

Utility Funds Expenses



Water \$38.5M

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



Stormwater \$8.8M

The stormwater utility accounts for all aspects of the storm water program associated with storm water drainage, floodplain management, and water quality management.



Wastewater \$64.5M

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 Billing Department
221 East Main Street
Round Rock, TX 78664

ROUND ROCK TEXAS

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

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 \$99.12
Total Due After 08/10/2018 \$108.41

WATER CONSUMPTION (IN HUNDREDS)

THANK YOU FOR PAYING ON TIME!
WE APPRECIATE YOUR PROMPTNESS

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

Utility Revenues

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

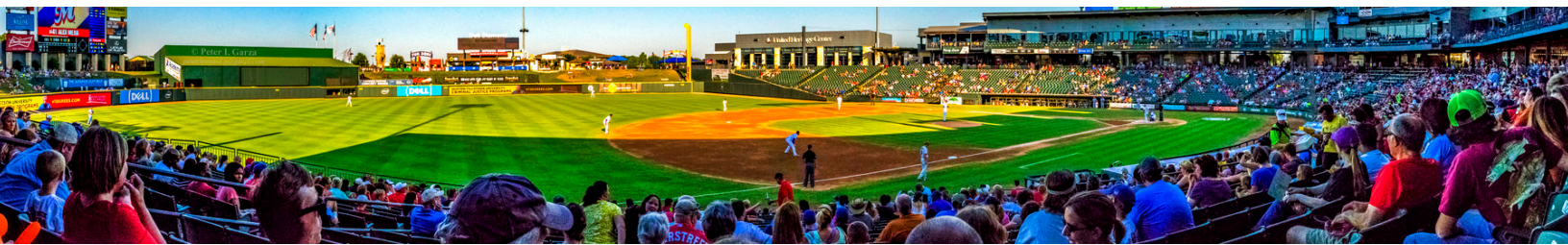
| | |
|-----------------------------|-----------------|
| Charges for Utility Service | \$59.0M |
| Impact Fees | 8.3M |
| Bond Proceeds | 29.4M |
| Contracts & Other | 12.9M |
| | \$109.5M |

Hotel Occupancy Tax & Venue Tax Funds

The COVID-19 pandemic has greatly affected Round Rock's profitable tourism industry. Visitors who come and stay overnight in a Round Rock hotel pay a 9% City occupancy tax that is split between our two tourism-related funds: the Hotel Occupancy Tax Fund and the Venue Tax Fund. We have over 3,300 hotel rooms with another 353 under construction, not including Kalahari's 975 rooms. 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 the Round Rock Premium Outlets; and for the variety of restaurants, outdoor adventures, and numerous lodging options. Round Rock is eagerly awaiting the end of the pandemic, and is ready to welcome back tourists.

Hotel Occupancy Tax Fund

The Hotel Occupancy Tax Fund has a FY 2021 Proposed Budget of \$4.1 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 NIRSA National Flag Football Championships and NIRSA Soccer National Championships.

Venue Tax Fund

The Venue Tax or Sports Center Fund has a FY 2021 Proposed Budget of \$2.5 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 13, 6:00pm - Council Meeting** - Council will take action to publish and propose a maximum property tax rate for FY 2021 and formally set the date and time for the budget and tax rate public hearings.
- **August 27, 6:00pm - Council Meeting** - Council agenda will include public hearings for the tax rate and budget and first readings of the tax rate and budget ordinances.
- **September 10, 6:00pm - Council Meeting** - Council agenda will include the final adoption of tax rate and budget ordinances, as well as the action to ratify the property tax rate.

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



Online Engagement

- The City is always welcoming of questions and comments through Facebook, Twitter, email, and the City's blog at roundrocktexas.gov/blogs.
- Stay tuned to the City's Facebook and Twitter feeds and the news archive on roundrocktexas.gov/budget21 for more information.

A more detailed look at the
FY 2021 Adopted Budget
is available on the City's website at
roundrocktexas.gov/budget

