

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this the 9th day of August 2018 the City Council of the City of Corinth, Texas met in a Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Members Present:

Bill Heidemann, Mayor
Sam Burke, Mayor Pro-Tem
Tina Henderson, Council Member
Lowell Johnson, Council Member
Scott Garber, Council Member
Don Glockel, Council Member

Members Absent:

None

Staff Members Present:

Bob Hart, City Manager
Kimberly Pence, City Secretary
Cody Collier, Director of Public Works, Park Maintenance, Recreation, and Utility Operations
Brenton Copeland, Technology Services Assistant Manager
Helen-Eve Liebman, Planning and Development Director
Jason Alexander, Economic Development Corporation Director
Curtis Birt, Lake Cities Fire Chief
Lee Ann Bunselmeyer, Director of Finance & Administrative Services
Chris Rodriguez, Assistant Finance Director
Guadalupe Ruiz, Director of Human Resources
Kevin Tyson, Police Lieutenant
Brett Cast, Planning and Development Coordinator

WORKSHOP BUSINESS AGENDA:

1. Discuss Special Meeting Items on the Special Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

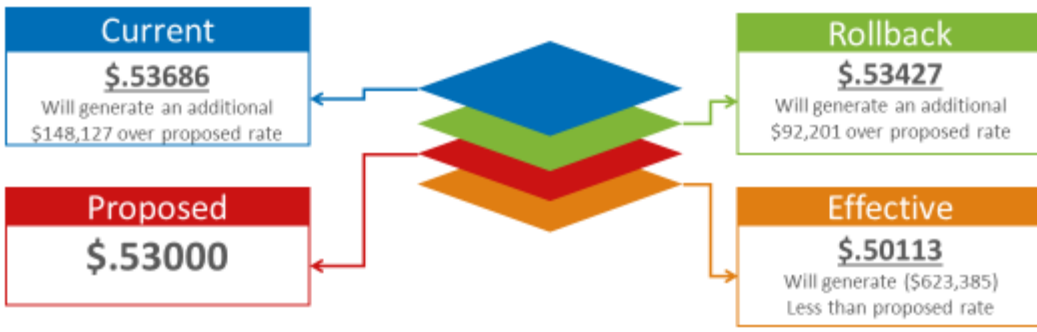
No discussion on Special Session Agenda items.

3. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2018-2019 Annual Program of Services and Capital Improvement Program.

Bob Hart, City Manager - presented an overview on the General Fund, Special Revenue Funds and Sales Tax Fund.

Property Tax Rate Analysis

Fiscal Year 2018-2019



What is the Effective Tax Rate?

Tax Rate that provides about the same amount of revenue as the prior year

What is the Rollback Tax Rate?

Maximum rate allowed without voter approval

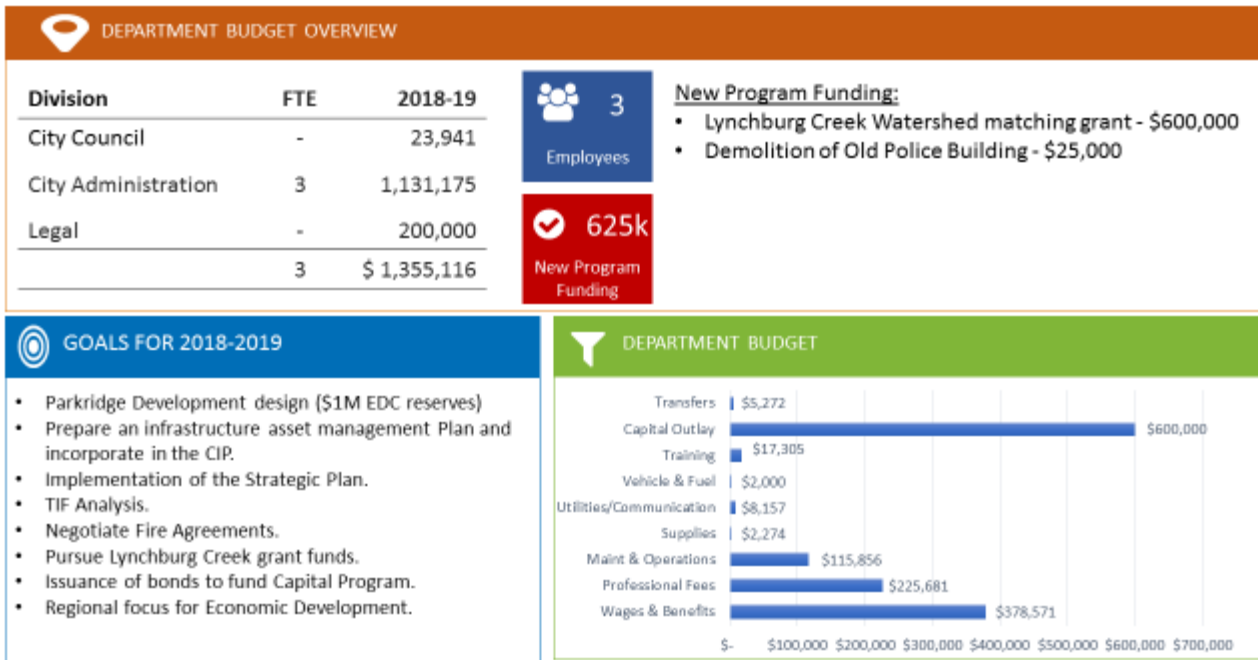
Bob Hart, City Manager - This relates to your one action item tonight. The current tax rate is \$.53686 and the recommended tax rate that we are bringing to you in this budget is \$.53000.

Mayor Heidemann - what is the impact on the proposed rate per household?

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - I believe it was about \$1400 was the annual and about a \$91.00 increase from the prior year.

Bob Hart, City Manager - that is if you take last year's average home value to this year's average home value. This includes all the new construction as well. A lot of new houses are going in and driving up the average cost of the homes.

City Administration



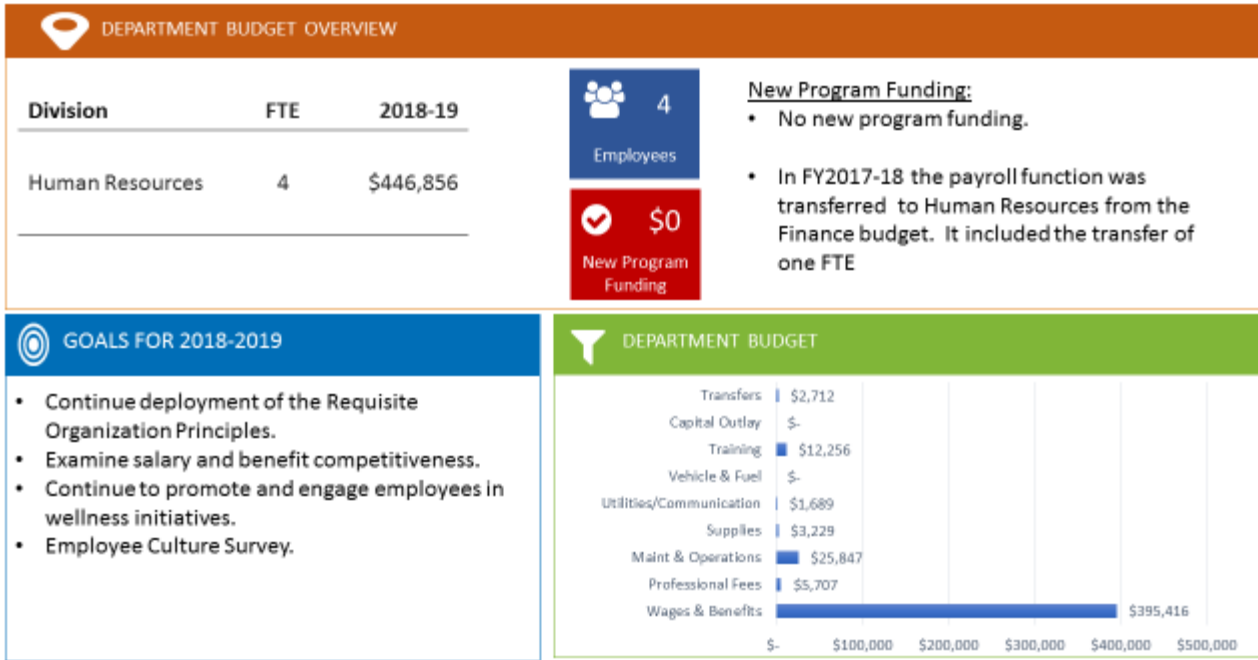
We had someone come in to City Hall yesterday interested in developing Parkridge. We are recommending that we have Parkridge Development design on this first year and get ourselves in position to deal with the Parkridge extension over the next couple of years. There is going to be some design money that is going to be needed and we recommend that we take a two-step approach. One is to do a continuing Resolution so that some point we can reimburse ourselves from any future debt issue and use about \$1 million dollars out of Economic Development Corporation reserves to help get that effort started.

We are looking at the design of the street, water, wastewater and the drainage. Then you figure out what kind of tool to use to move forward. We can do a Municipal Management District, we can do a PID, we can do a TIF or we can do a 380 Agreement. I think probably the 380 agreement will be the most appropriate. There is still a lot of loose ends here but I think we can give you an outline in trying to deal with this.

Mayor Heidemann - doing that Parkridge Design, will that incorporate some of the requirements for the drainage down in Amity Village?

Bob Hart, City Manager - yes. The cost of the water, wastewater, drainage and the streets will be about \$5.5 million.

Human Resources



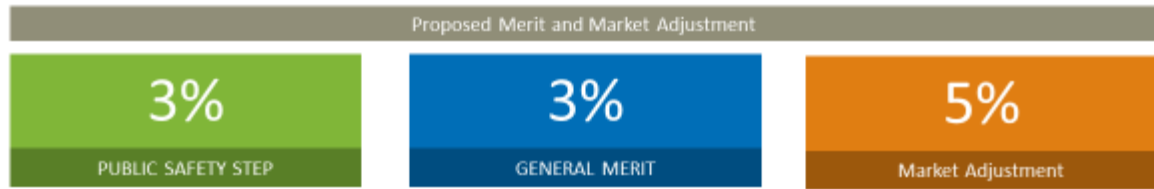
Councilmember Burke - overall healthcare costs came down in Texas. Do you have any confidence with anybody telling you that they think they have actually figured out this market and there will be a little more price stability going forward or it could go up 40% next year like it has?

Guadalupe Ruiz, Human Resource Director - the influence and the result of the rates that we have has to do a lot with our loss ratio. In FY 16/17 we had about 116% of loss ratio and that is why we got the increase. This time we were at 63% so that has made a huge difference.

Councilmember Burke - so our rate drop was not market based it was our loss ratio?

Guadalupe Ruiz, Human Resource Director - correct.

Wages Analysis



Proposed Merit and Market Adjustment Impact

Funds	Market Adj	Merit/Step	Total
Public Safety	\$199,109	\$119,465	\$318,574
General Fund	189,000	113,246	302,246
Utility Fund	60,330	36,198	96,528
Drainage Fund	5,086	3,052	8,138
Crime Control Fund	4,392	2,635	7,027
Economic Dev. Fund	5,238	3,143	8,381
Child Safety Fund	600	360	960
Total	\$463,755	\$278,099	\$741,854

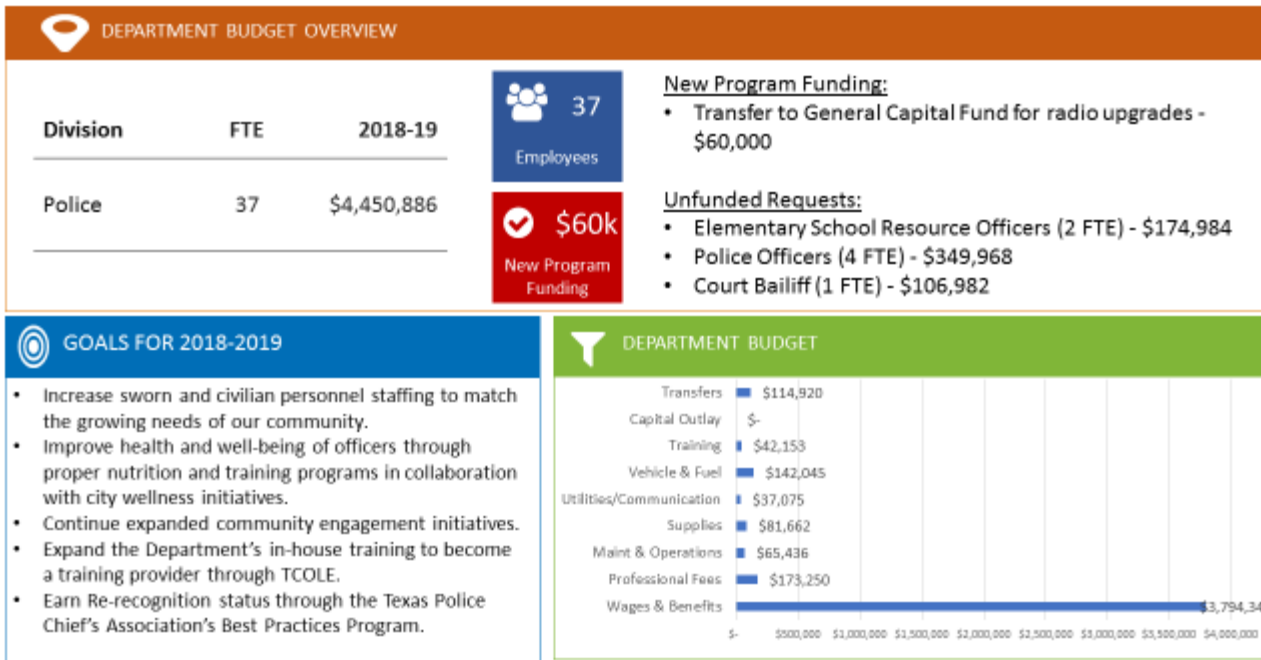
- Most of the employees' salaries are under the Mid of Corinth's current pay ranges. Ideally, salaries should be at the Mid of the pay ranges.
- Corinth's current pay ranges, when compared to our target market, are below the median minimum (50th percentile – where half of the employers pay more and half pay less).
- The budget contains funding for the following:
 - 5% adjustment to the Public Safety and General Government Pay Schedules
 - Continuation of a 3% step plan progression for Public Safety and a 3% merit pay increase for the General Government employees.

Mayor Heidemann - in determining the increases that you have I presume that you have gone out and done some surveys in the market place as far as the benchmark against these increases?

Guadalupe Ruiz, Human Resource Director - correct. When it comes to public safety, we look at those cities in the middle range where 50% pays more and 50% pays less and looking at those in the middle, the distance for our salaries to get to that middle is at least 7%. We need a 7% increase to get to the middle of the market.

For the general government employees, we have not been able to catch up with the ranges and we have 80% of employees below the mid. We are proposing to move the pay scale by 5%.

Police



Councilmember Burke - on the Resources Officers, is that something that we requested or the school district?

Debra Walthall, Chief of Police - that was requested by Lake Dallas ISD and then they notified us that they no longer wanted to do that. They do it when there is a recent school shooting. They have talked to us about it in the past about adding more Resource Officers and then backed out.

Councilmember Garber - what does 1 officer cost us on average?

Debra Walthall, Chief of Police - for 1 officer it would be \$87,500.

Mayor Heidemann - how many open positions do we have now?

Debra Walthall, Chief of Police - we currently have 5 and we are having problems filling those positions right now. They go out and research those pay plans and some want to go to bigger departments, some want more money up front. We instituted the lateral but because we have so many people that has not advanced in the step plan it is not fair to bring some of those in at a higher rate of pay.

Councilmember Garber - the \$60,000 in new program funding, is most of that related to increases in pay?

Debra Walthall, Chief of Police - that is trying to get the radios that we have to have up and running by 2023 and that is just a portion of what they are going to cost.

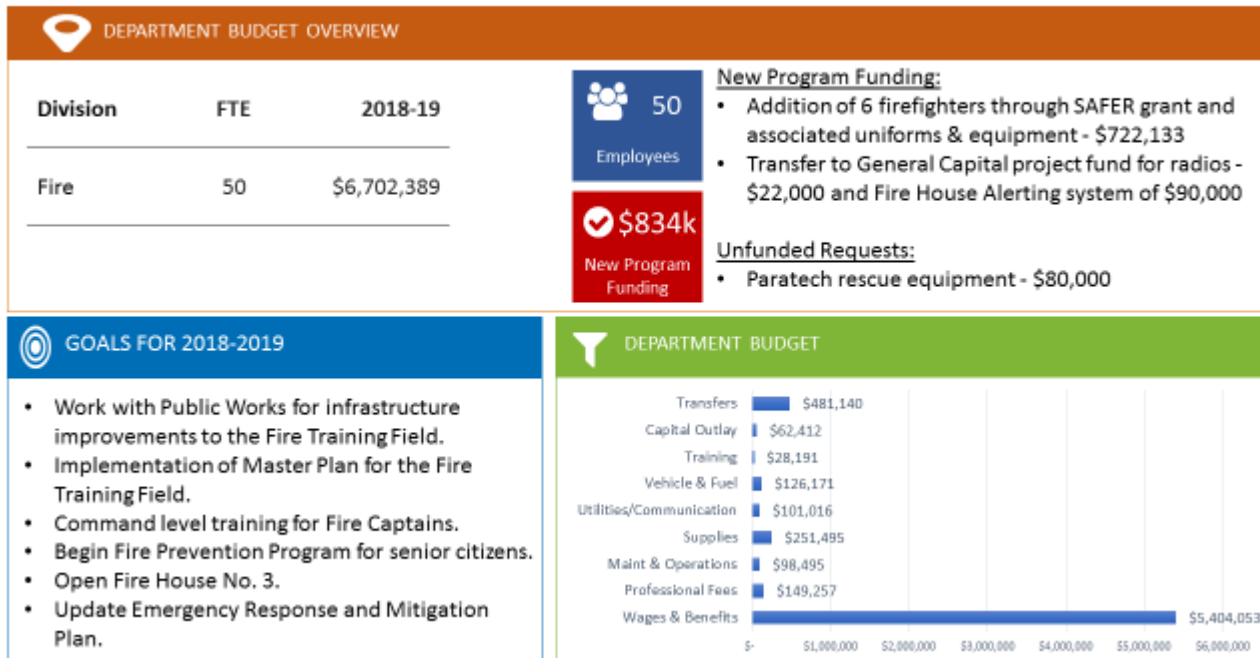
Mayor Heidemann - you currently have 5 open positions and you have 4 here that you requested that are unfunded, is that correct?

Bob Hart, City Manager - when these apartments start to fill up and you get these new subdivisions on the ground we are going to need people. You will see this come back with a recommendation for funding in the next couple of years. You will have more value on the ground to help pay for them as well.

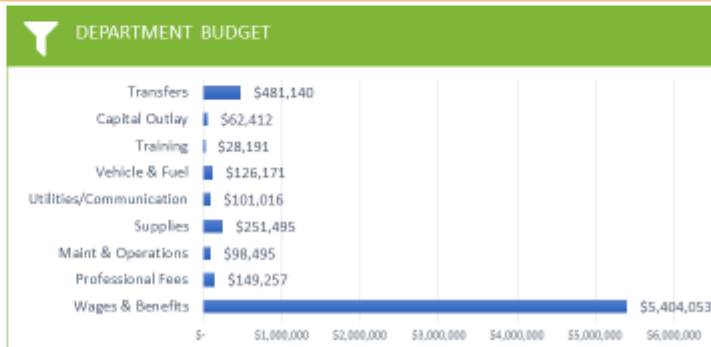
Mayor Heidemann - of the existing positions that you have now, two of those positions are funded out of the Crime Control is that correct? That is an additional funding that you have over and above what you are requesting is that correct?

Debra Walthall, Chief of Police - yes, that is correct.

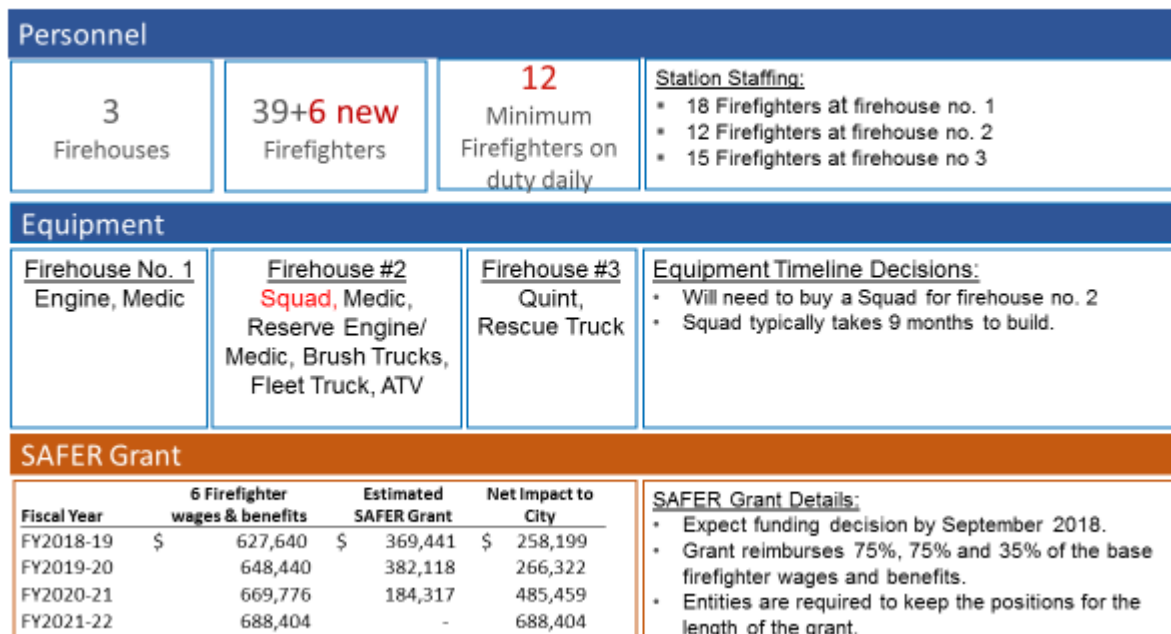
Fire



- GOALS FOR 2018-2019
- Work with Public Works for infrastructure improvements to the Fire Training Field.
 - Implementation of Master Plan for the Fire Training Field.
 - Command level training for Fire Captains.
 - Begin Fire Prevention Program for senior citizens.
 - Open Fire House No. 3.
 - Update Emergency Response and Mitigation Plan.



Fire Operations



Mayor Heidemann - under our current contract with the other 3 cities, they are not going to underwrite any of the additional cost for the fire station #3 is that correct?

Bob Hart, City Manager - that is correct.

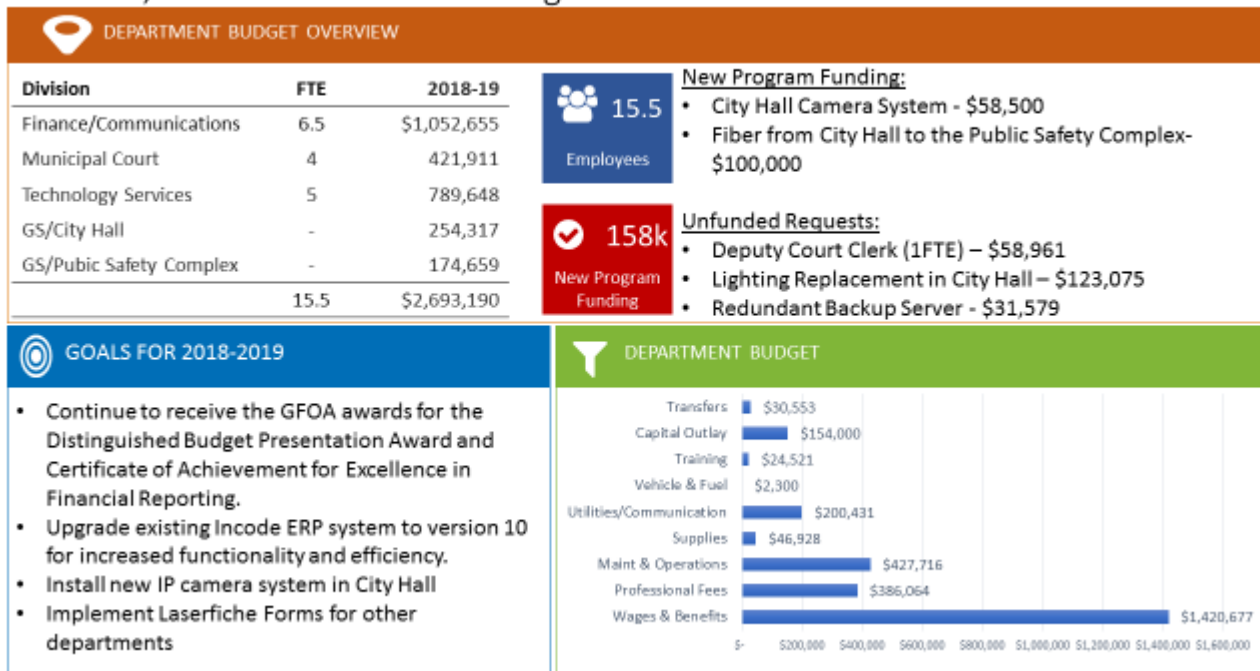
Mayor Heidemann - and that is what is incorporated here as far as the additional cost of opening station #3

Bob Hart, City Manager - yes. A lot of this is going to be timing. The Safer Grant is looking very positive. We will need to be moving aggressively to start recruiting people in the November time frame and absolutely drop dead date to have them on board will be in early January.

Councilmember Glockel - is there still some negotiations for the other 3 cities to buy in to 3 of the fire fighter positions when the contracts get negotiated?

Bob Hart, City Manager - they will pay their share of 3 with the new contracts.

Finance, Communication & Strategic Services



Mayor Heidemann - has the communication position been filled yet?

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - no, we just sent out questionnaires and an assignment so we can see their writing styles and they are due back on Monday. We are looking at having interviews around the 18th and 19th of August. We do have a lot of qualified applicants.

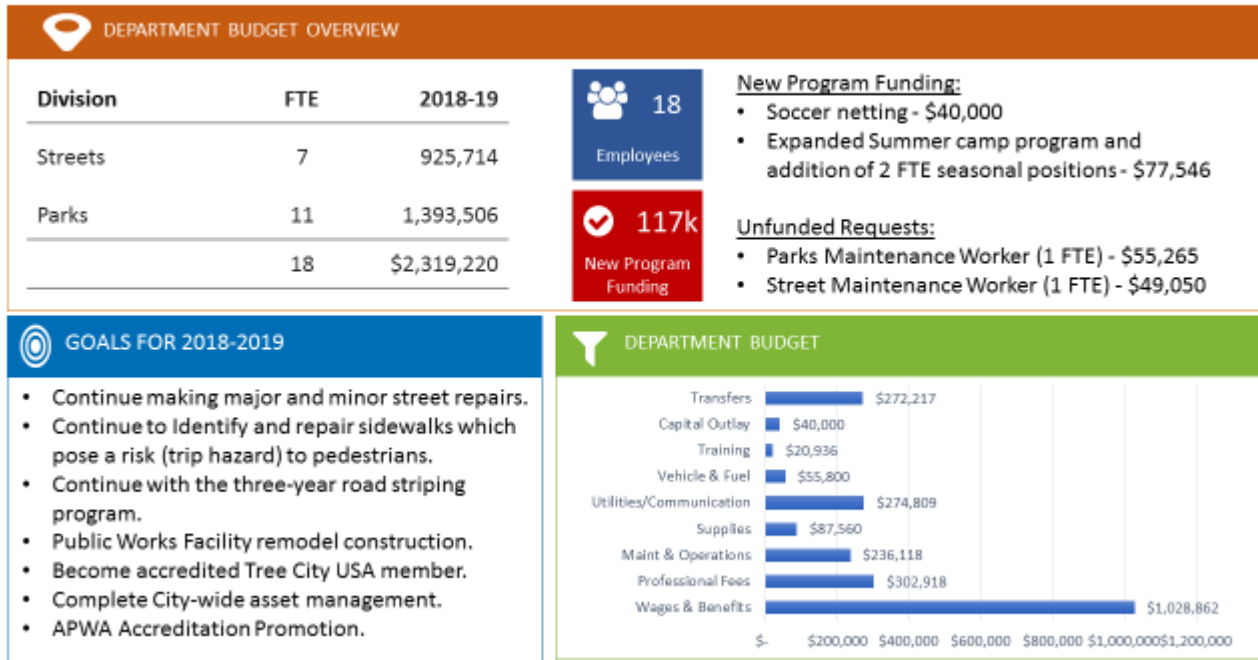
Mayor Heidemann - will that person oversee the website, all the boards out here representing...

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - we have a lot of folks that have been previous web masters and a lot graphic designs so we are hoping to get someone with great expertise.

Mayor Heidemann - are we current with all of our software updates in terms of finance?

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - no, in the current year budget, we budgeted to upgrade our financial system, utility billing and municipal court and we had to have funding available before we could get on the waiting list and the waiting list was over a year long to be able to start the process to upgrade so we are not going to be able to start that until December or January of 2019. We should be done with it by the end of next fiscal year.

PUBLIC WORKS



We talked about the summer camp and expanding it so this cost will be offset by revenues.

Councilmember Johnson - when we expand the summer camp where are we moving to?

Cody Collier, Director of Public Works - that is the part we are working on right now. We have several options. We tried to work out something with Classic Academy because they are using our ball fields for their sporting events for practice and they are paying us so we thought we might do a little trade off and use their facilities and they can use ours. We are still working on that and if that does not work out then we will start looking at some of the other schools.

Councilmember Johnson - anything new going on in our neighborhood parks?

Cody Collier, Director of Public Works - the only thing we are looking at for this year is putting in a rubber mulch and that is in the Special Revenue funds. It is much more expensive up front but we are spending about \$10,000 to \$12,000 a year on Tri-bar and you have to top that stuff off every year and a lot of regulations to it as well. The rubber mulch we put down and don't have to touch it again for 15 years. It does not decompose or float and run off it is a much more long term product.

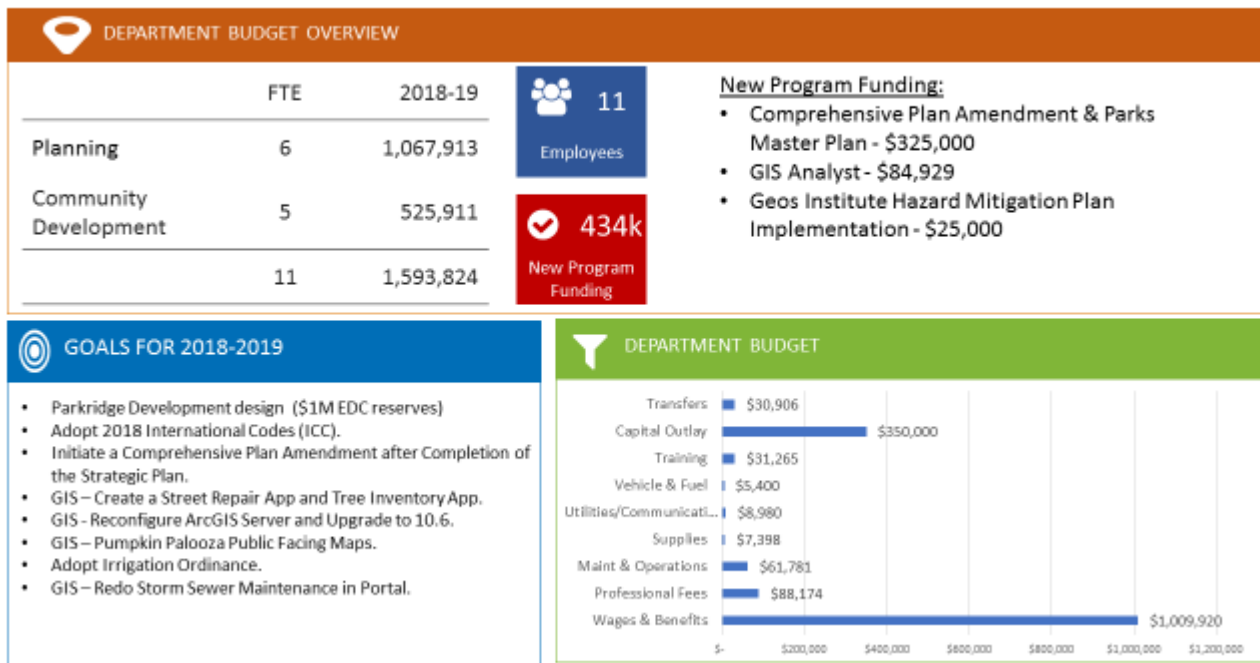
Mayor Heidemann - we applied with TXDOT for the Green Ribbon Program do you have the status on that?

Cody Collier, Director of Public Works - I just received an email from TXDOT about 5 minutes before this meeting started congratulating us on our acceptance. They sent me the information and said they would begin in spring of 2019. The state is going to fund \$397,000 and we just need to continue the maintenance side of it.

Mayor Heidemann - is that for FM 2181 and FM 2499?

Cody Collier, Director of Public Works - Yes.

Planning & Development



Bob Hart, City Manager - a lot of this is dealing with the work on the Strategic Plan and the feedback there. The GIS Analyst will be an Interlocal Agreement between us and LCMUA so half of that position will be funded by LCMUA. We should have that on the agenda on September 20th when you consider the budget.

Councilmember Burke - so the \$84,929 is what we will pay and then we will have a revenue for half that?

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - correct.

Mayor Heidemann - on the Comprehensive Plan Amendment and Parks Master Plan, what is the total scope of that? That's a lot of money.

Helen -Eve Liebman - it is a Comprehensive Plan that is designed to project the future vision that you established for the City. It has everything from land use as well as land use descriptions. We have also added a park plan and trail plan to the comprehensive plan because we seriously need an update to that plan. It has a lot of strategies and goals, there is a lot of work sessions with an identified community Steering Committee that would be selected by the Council to work on what our goals and objectives are. It is recommended that the Comprehensive Plan be evaluated every 5 years and I believe we are at 8 to 9 years.

Bob Hart, City Manager - we want to have a parks plan in place before we go forward with any real park development, park improvements, or baseball fields or lighting because if you get that stuff included in the parks

master plan then that becomes an eligible activity to apply for grants. So all that stuff you saw in the CIP where we pushed it out for several years, part of the reason you do that is because you want to get this parks master plan in place and then you can get a little help planning forward.

Parkridge Drive Development Strategy



This picture is Parkridge. These are things that are starting to bubble now. We got a submittal yesterday and this becomes the driver of what we are talking about. The idea conceptually would be to come in here do the design, a 380 agreement with all of these property owners so that we can get some cost recovery for those improvements and bring that back to Council to get this done. Getting the water, sewer and the streets all up is about \$5.5 million.

General Fund Financial Forecast

Assumes Tax Growth of 5% in 2019-20 and 2020-21

	2018-2019	2019-2020	2020-2021
Estimated Beginning Fund Balance	\$5,009,308	\$3,935,876	\$4,133,949
Revenues	15,981,130	16,335,539	16,955,983
Fire Service Agreement	1,592,240	1,591,544	1,593,238
Shady Shores Public Safety Agreements	545,238	547,196	554,134
SAFER Grant (6 Firefighters)	369,441	382,118	184,317
Use of Fund Balance	1,073,432		
Total Resources	\$ 19,561,481	18, 856,397	19,287,672
Expenditures	16,703,733	18,024,941	18,407,796
Firehouse No. 3 Staffing	627,640	648,440	669,776
New on-going Programs	820,696		
One-time Programs	1,409,412		
Total Expenditures	\$ 19,561,481	18,673,381	19,077,572
		183,016	210,100
Estimated Ending Fund Balance	\$3,935,876	\$4,118,892	\$4,3287,992
% of Total Expenditures	20.12%	22.06%	22.69%
Policy Target	20.00%	20.00%	20.00%

Bob Hart, City Manager - this is the forecast for the next 3 years. It takes us to the length of the existing fire contract. This has all the fire house #3 staffing and picking everything up and carrying everything forward and we are still within all the financial policies.

Sales Tax Funds Budget Overview

A city can adopt a sales tax if the combined rate of all local sales taxes would not exceed two percent at any location within its territorial limits. The sales tax in Corinth is 8.25% of goods or services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State's Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation.

Funds	FTE	2018-19 Proposed Budget	Est. 9/30/19 Ending Fund Balance	Budgeted Expenditures
Economic Development	1.00	\$697,781	\$3,828,069	Wages & Benefits - \$139,999 Operating expenses - \$270,782 Project incentives - \$200,000 TIF Analysis - \$12,000 Promotional materials - \$75,000 Parkridge Development design - \$1,000,000
Crime Control & Prevention District	2.00	\$353,284	\$459,432	Wages & Benefits - \$168,235 Enterprise Fleet Replacement Program - \$167,549 Active Shooter Kit - \$17,500
Street Maintenance	-	\$267,333	\$1,104,752	Preventative pavement maintenance - \$212,333 Shared replacement of a backhoe - \$55,000

Bob Hart, City Manager - when we talked about Parkridge, we are recommending that we pull \$1 million initially

from the Economic Development Corporation reserves.

Councilmember Johnson - the \$200,000 for Project Incentives, is that for business incentives grants and things like that?

Jason Alexander, Economic Development Corporation Director - correct and it is an increase because the board revised the business improvement grant program.

Councilmember Garber - have we identified businesses or types of businesses that we are going to be reaching with these incentives or is this a fund to be allocated?

Jason Alexander, Economic Development Corporation Director - this is more for our existing businesses to help them out. Then for businesses that we are targeting that is where we are going to use the Chapter 380 Agreement Tax Abatement.

Councilmember Garber - so the \$200,000, do we know where that is going to go?

Jason Alexander, Economic Development Corporation Director - no not necessarily. It would be on a first come first serve basis. If there is a restaurant that needs to update its facade they would apply under the business improvement grant program and that is how we would help them out.

Councilmember Garber - the \$1 million dollars that is in Parkridge Development design that will be in addition to a potential 380 agreement?

Jason Alexander, Economic Development Corporation Director - I think from those conversations we wanted to be a part of either the 380 agreement or any other mechanism that would work best for the City to help develop in that area.

Councilmember Garber - so the \$1 million dollars could be through a 380 agreement?

Jason Alexander, Economic Development Corporation Director - yes.

Bob Hart, City Manager - the million dollars is as you sit down and start talking to people you need to know some cost estimate of what it is going to cost to build streets, water and wastewater and you begin to put all that together.

Councilmember Burke - so the million is what it is going to cost to put together a plan so we can have a workable 380 agreement?

Bob Hart, City Manager - correct. To do the design work.

Special Revenue Funds Budget Overview

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Funds	FTE	2018-19 Proposed Budget	Est. 9/30/19 Ending Fund Balance	Budgeted Expenditures
Hotel Occupancy Tax	-	\$60,132	\$162,900	Pumpkin Palooza - \$24,132, Admin Services to promote tourism - \$28,500 Special event advertising - \$7,500
Keep Corinth Beautiful	-	\$4,000	\$28,175	Beautification Programs - \$4,000
Park Development	-	\$150,000	\$192,068	Rubber Mulch -\$150,000
Community park Improvement	-	-	\$11,079	No budgeted expenditures
Tree Mitigation Fund	-	\$50,000	\$100,650	City-wide tree replacement - \$50,000

Councilmember Burke - did you pick out trees you are going to replace?

Cody Collier, Public Works Director - we are still in the middle of doing a full city wide tree inventory. We are working towards getting Tree City USA Certified and one of the requirements is \$2.00 per capita so we need about \$50,000 to show good faith and that we intend on maintaining our trees and replacing them. That money goes towards replacements, planting, if we have a disease outbreak we would hire an arborists etc.. that money is there for a lot of things and if none of those occur we do have areas that we have identified through our tree survey we are currently doing that are dead or in the process of dying and that would allow us to replace them all.

Special Revenue Funds Budget Overview (Continued)

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Funds	FTE	2018-19 Proposed Budget	Est. 9/30/19 Ending Fund Balance	Budgeted Expenditures
Child Safety Program	.50	\$26,956	\$22,374	Crossing Guards - \$14,325 Denton County Child Advocacy - \$12,631
Municipal Court Security	-	\$7,500	\$80,800	Police security for court - \$7,500
Municipal Court Technology	-	\$13,238	\$17,521	Body Cameras - \$7,530 Court Technology Replacement - \$5,708
Police Confiscation-State	-	\$25,000	\$1,952	Various law enforcement programs
Police Confiscation- Federal	-	\$10,000	\$0	Various law enforcement programs

Internal Service Funds Budget Overview

The Internal Service funds were established to accumulate sufficient resources to replace existing vehicles and equipment that has reached or exceeded its useful life. The funds are managed to purchase City vehicles and equipment in a manner that will not create a burden on the City budgets. Vehicles and equipment are replaced based on a schedule established to maintain a safe fleet for public service.

Funds \$177,584	FTE	2018-19 Proposed Budget	Est. 9/30/19 Ending Fund Balance	Budgeted Expenditures
General Fund VRP	-	\$177,584	\$107,598	Shared Backhoe Replacement - \$27,500 Police Vehicle Equipment - \$25,000 Enterprise lease payments - \$77,753 Aftermarket (Police/Parks) - \$47,331
Fire VRP	-	\$351,073	\$541,799	TEC Gen (Wildland gear) - \$25,770 Enterprise lease payments - \$43,005 Engine/Ambulance lease payments - \$282,298
Technology Replacement	-	\$111,740	\$167,001	Computers/monitors for 3 firehouses, MDTs for Public Safety, & a GIS Surface Studio - \$111,740
Utility VRP	-	\$92,776	\$421,792	Shared Backhoe Replacement - \$27,500 Drainage Enterprise lease payments - \$8,821 Water/WW Enterprise lease payments - \$56,445
Utility Meter Replacement	-	\$275,000	\$94,398	Transponders - \$200,000 Water Meters - \$75,000

Mayor Heidemann - are we on track for the transponders?

Cody Collier, Public Works Director - yes.

Councilmember Glockel - under Technology Replacement, can someone explain to me what the \$111,740 is for

and how that all goes together?

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - the most expensive is the MDT's for Public Safety. I think there is 5 in police and 4 in fire.

Brenton Copeland -Technology Services Assistant Manager - These are on a replacement cycle so essentially 5 of the police vehicles will get new laptops every 5 years and 4 laptops in fire department will be replaced every 4 years. I think they cost about \$5,000/\$6,000 each and this is all the bells and whistles you have to have on them.

The GIS Surface Studio is for our GIS Analyst to be able to draw better maps and accomplish his job a lot easier.

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - we will take Garrett's existing computer and move that down to the 2nd GIS position and get Garrett a newer one.

Cody Collier, Public Works Director - the water meters are for new growth and some of the funds will be for meters that are 15 and 20 years old that need to be replaced. They began to slow down on the reading and need to be replaced for accurate billing.

Impact/Escrow Funds Budget Overview

Impact fees are paid by developers for construction of water, wastewater, roadway, and drainage projects. Impact fees are restricted by law for use only on projects deemed necessary for development by an impact fee study which establishes fees appropriate to fund identified projects.

Funds	FTE	2018-19 Proposed Budget	Est. 9/30/19 Ending Fund Balance	Budgeted Expenditures
Water Impact Fee	-	\$400,000	\$3,692	Elevated Storage Tank construction
Wastewater Impact Fee	-	-	\$704,321	No budgeted expenditures
Storm Drainage Impact Fee	-	-	\$92,059	No budgeted expenditures
Roadway Impact Fee	-	-	\$193,326	No budgeted expenditures
Street Escrow Fund	-	-	\$154,321	No budgeted expenditures

Capital Improvement Program Overview

Capital Program by Fund	2018-19	2019-20	2020-21	2021-22	2022-23	Total	Over 5 Years
Water	\$7,451,000	\$-	\$90,000	\$800,000	\$-	\$8,341,000	\$2,300,000
Wastewater	-	500,000	150,000	-	-	650,000	9,525,000
Drainage	6,941,000	-	-	-	-	6,941,000	500,000
Streets	3,000,000	2,100,000	1,525,000	2,621,000	1,598,000	10,844,000	11,675,000
Parks	-	-	-	490,000	950,000	1,440,000	1,160,000
General	401,000	322,000	172,000	322,000	247,000	1,464,000	-
Total Capital Improvement Plan	\$17,793,000	\$2,922,000	\$1,937,000	\$4,233,000	\$2,795,000	\$29,680,000	\$25,160,000

Funding Sources	2018-19	2019-20	2020-21	2021-22	2022-23	Total	Over 5 Years
Unissued/Unauthorized Bond Proceeds	\$10,000,000	\$2,100,000	\$1,525,000	\$3,911,000	\$2,548,000	\$20,084,000	\$25,160,000
Issued Bond Proceeds	1,468,997	-	-	-	-	1,468,997	-
Water Impact Fees/Escrow	400,000	-	90,000	-	-	490,000	-
Wastewater Impact Fees/Escrow	-	500,000	150,000	-	-	650,000	-
General Operating	872,000	322,000	172,000	322,000	247,000	1,935,000	-
Drainage Operating	400,000	-	-	-	-	400,000	-
Grants	4,000,000	-	-	-	-	4,000,000	-
General Capital Improvement	419,376	-	-	-	-	419,376	-
Utility Capital Improvement	232,627	-	-	-	-	232,627	-
Total Resources	\$17,793,000	\$2,922,000	\$1,937,000	\$4,233,000	\$2,795,000	\$29,680,000	\$25,160,000

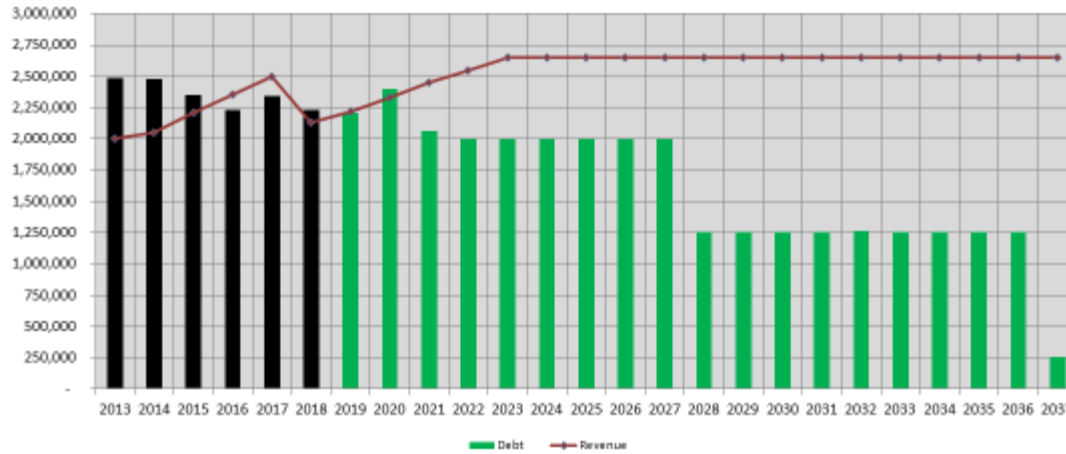
A bond sale for the 2018-19 capital program of \$10 million is anticipated in March 2019.

General Government Capital Improvement Program Overview

	2018-19	2019-20	2020-21	2021-22	2022-23	Total	Over 5 Years
Streets							
Lake Sharon/Corinth Parkway Extension & Quail Run Reconstruction	\$ 3,000,000	\$ 2,100,000	\$ -	\$ -	\$ -	\$ 5,100,000	\$ -
Cliff Oak Drive	-	-	1,525,000	-	-	1,525,000	-
Walton Drive	-	-	-	-	1,473,000	1,473,000	-
Vintage	-	-	-	-	125,000	125,000	-
Parkridge Collector Road	-	-	-	2,621,000	-	2,621,000	-
Post Oak Road	-	-	-	-	-	-	6,475,000
Shady Shores Road	-	-	-	-	-	-	3,500,000
Tower Ridge Drive	-	-	-	-	-	-	800,000
South Garrison Street	-	-	-	-	-	-	900,000
Total Street Improvements	\$ 3,000,000	\$ 2,100,000	\$1,525,000	\$ 2,621,000	\$ 1,598,000	\$ 10,844,000	\$11,675,000
Parks & Recreation							
Corinth Parkway Street Lighting	\$ -	\$ -	\$ -	\$ 490,000	\$ -	\$ 490,000	\$ -
Field Lights for Multipurpose Fields	-	-	-	-	550,000	550,000	-
Additional 14U Baseball Fields	-	-	-	-	-	-	400,000
Additional 12U Baseball Fields	-	-	-	-	400,000	400,000	-
Additional Fast Pitch Softball Field	-	-	-	-	-	-	400,000
Field Lights for Football	-	-	-	-	-	-	360,000
Total Park Improvements	\$ -	\$ -	\$ -	\$ 490,000	\$ 950,000	\$ 1,440,000	\$ 1,160,000
General							
Public Safety Communication	82,000	172,000	172,000	172,000	172,000	770,000	-
Fire House Alerting	90,000	-	-	-	-	90,000	-
Fiber Optic Lines (CH to PH2/PW)	-	150,000	-	-	-	150,000	-
Fiber Optic Lines (CH to PSF)	100,000	-	-	-	-	100,000	-
PSF - Covered Parking	-	-	-	150,000	-	150,000	-
Point-to-Point Microwave (CH to PSF)	-	-	-	-	75,000	75,000	-
PH3/Sally Port Epoxy Floor	129,000	-	-	-	-	129,000	-
Total General Improvements	\$ 401,000	\$ 322,000	\$ 172,000	\$ 322,000	\$ 247,000	1,464,000	\$ -
Total Capital Improvement Program	\$ 3,401,000	\$ 2,422,000	\$1,697,000	\$ 3,433,000	\$ 2,795,000	\$ 13,748,000	\$ 12,835,000

General Debt Service Overview

Assumes Tax Growth of 5% in 2019,2020 and 4% in 2021, 2022



Debt Service	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
Debt Capacity (Millions)	\$ 2.60	\$ 2.40	\$ 1.52	\$ 2.50	\$ -	\$ 9.02
5 YR CIP Debt Needs (Millions)	\$ 2.60	\$ 2.10	\$ 1.52	\$ 3.11	\$ 2.54	\$ 11.87
Remaining Debt Capacity	\$ -	\$ 0.30	\$ -	\$ (0.61)	\$ (2.54)	
Estimated Tax Increase	-	-	-	-	0.75¢	

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - we have anticipated or estimated we will have 5% growth for two years, drop down to 4% and 0 after that so we don't know exactly when that bubble is going to be so we try to be conservative as much as we can. The bars are the expenditures that is how much of our existing debt and our debt payment from year to year. You can see in 2020 it drops a little bit flattens out and then again in 2027/28 it drops again. When those elements drop that is when where we have the debt capacity to be able to issue debt and leave your tax rate flat for the debt service fund.

This year we had to drop the debt rate down to .10289 so we are assuming that if you keep that tax rate flat and we have those growths and AV Value you would generate about \$2.6 million this first year in debt, 2.4, in 2020/21, 1.5 in 2021/22 for a total of 9.02 over these years. You issue the debt in one year and your debt service payment does not come up until the following year. So we are going to issue the debt in 2018/19 but the first payment will not be until 2019/2020 and that when we need to see if we have the capacity to issue that without any tax increments or tax increases.

After year 5 if we end up with 0% growth we might need about 0.75 cent increase in 2023/24 but again that is 5 years out. If we have more than 5% growth then we won't need that tax rate increase so we try to build a very conservative model.

Mayor Heidemann - the different projects that we want to proceed with this year, we are going to have available funds to be able to do that?

Lee Ann Bunselmeyer, Director of Finance and Administrative Services - correct.

Budget Calendar

Meeting Date		Budget Agenda Item
August 2	Thursday	Budget Work session – Budget Overview
August 9	Thursday	Budget Work session – Review Governmental Funds Vote on Published tax Rate and public hearing dates
August 16	Thursday	Budget Work session – Proprietary Funds
August 21	Tuesday	Budget Work session First Public Hearing on Tax Rate Approve Crime Control & Prevention District Budget
September 6	Thursday	Budget Work session Second Public Hearing on Tax Rate Public Hearing on Annual Budget
September 20	Thursday	Adoption of Annual Program of Services (Budget) Adoption of the Tax Rates and Tax Rolls
October 1		Fiscal year begins; implementation of adopted budget

ADJOURN:

Mayor Heidemann adjourned the meeting at 7:40 P.M.

AYES: All

Meeting adjourned.

Approved by Council on the 6th day of September , 2018.

Kimberly Pence
Kimberly Pence, City Secretary
City of Corinth, Texas