

Frequently Asked Questions FY2015 Proposed Operating Budget

What is the total Proposed Operating Budget?

Overall FY 2015 Proposed Budget

General Fund	\$ 95.4 million
Debt Service Fund	\$ 15.0 million
<u>Water/Wastewater Utility Fund</u>	<u>\$ 41.5 million</u>
TOTAL	\$ 151.9 million

What is the proposed tax rate?

The proposed property tax rate is 41.465 cents per \$100 of valuation, which is below the adopted 2014 rate of 41.949 cents/\$100 - almost a ½ cent less than last year. The proposed tax rate is above the effective rate of 38.360 cents/\$100 by 3.105 cents.

- Total estimated taxable value for FY2015 is \$9.6B (up 12% from FY2014 of \$8.6B)
- Proposed property tax rate: 41.465 cents
- FY2014 Adopted tax rate: 41.494 cents

What is the average home value?

- The estimated average home value for FY2015 is \$198,578. This is 9% above last year's value of \$181,526
- Under the proposed rate the average home owner would pay \$823.40
- The average home owner paid \$761.49 in FY2014

What are the funding priorities for the General Fund?

Priorities addressed in this budget are to provide adequate funding to maintain service levels in the midst of population growth and to meet the expectations of a larger community. In order to continue meeting the growing demands this budget includes the following:

- Four additional School Resource Officers (SRO's). The City will contract with Round Rock Independent School District (RRISD) to provide additional coverage in middle schools;
- Three police officers and three civilian call takers to keep pace with growing community service demands;
- An additional mechanic to assist with increased public safety vehicle maintenance demands;
- An additional building inspector to manage increased residential and commercial construction activity;
- An administrative staff person to support the General Services department, where one does not currently exist;
- And \$1.9 million in funding for residential street maintenance.

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What is the Sales Tax Budget?

The economic environment is a major contributor to increased sales tax collections:

- Over 52% of our revenue comes from sales tax, of that amount one company, Dell, generates about 27% of the sales tax revenue.
- The General Fund's major sources of revenue- sales tax (52%) and property tax (26%) make up 78% of General Fund revenues. The remaining 22% comes from various charges for services and franchises (ex. cable, gas, electric).

What is the Financial Management Policy and how does this affect the proposed budget?

Revised in September of 2009, the policy states that over an 8 year period (by 2017), the City will reduce its operational reliance on Dell to 20% of overall sales tax revenues. This affects the budget by limiting the amount of sales tax revenue collected from Dell to pay for general operations. Any amount collected above this amount can be used for one-time capital purchases or to pay down debt. This policy helps the City to maintain long-term financial stability by limiting operational reliance on a volatile revenue source and is reviewed annually. In accordance with the policy, operational reliance on Dell has been reduced to 27%, or \$13.5 million.

Are there any changes in Utility rates?

Effective January 2015 residential customers will see an average increase of 2.5% for water and wastewater rates. Water conservation and drought contingency programs continue to help the City conserve existing water sources. Round Rock water and wastewater rates continue to be among the lowest in the area.

- Average Utility monthly bill (based on 10k gallons water, 8k gallons wastewater): \$99.89
 - ⊕ Water \$38.46 & Wastewater \$39.20, Garbage & Drainage \$22.23

