Municipal Drainage Utility System

Public Meeting

September 8, 2009

Rimrock Consulting Company

HALFF

Introduction

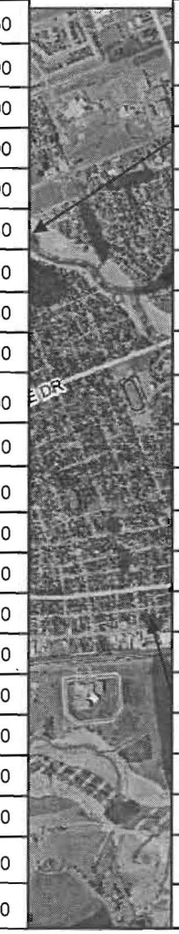
Purpose of the Meeting:

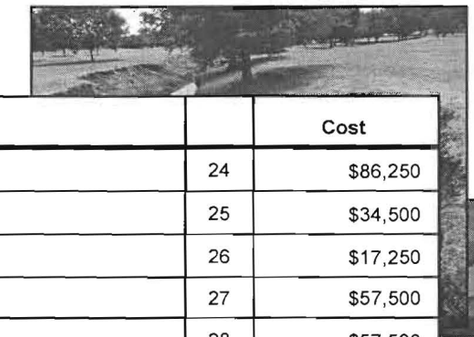
- To educate
- To gather feedback

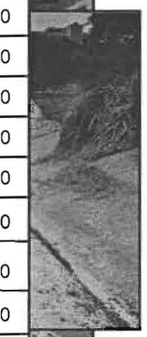
Agenda

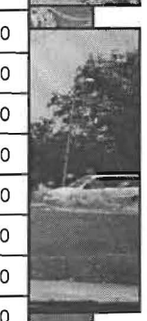
1. Introduction
2. Known drainage problems
3. Funding sources
4. What's Next?

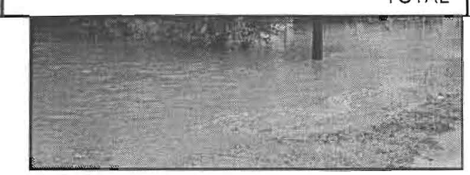
Known Drainage Problems











MDUS 5-year CIP		Cost
Holly Springs Channel	1	$772,800
Laurel / Sams St	2	$17,250
Old Thorndale / UP RR	3	$23,000
Upper Gravel Pit Draw - Old Thorndale Rd	4	$115,000
Mockingbird / 4th	5	$11,500
Scott St	6	$23,000
2nd / Main	7	$28,750
1st / Main St	8	$23,000
2nd / Davis St	9	$28,750
Booth / Oak	10	$80,500
Oak St	11	$230,000
107 W Mustang St	12	$46,000
Dickey St to 1st St	13	$690,000
Rio Grande @ Mustang Cr	14	$1,725,000
S Doak St	15	$920,000
Mustang Cr @ Doak Park	16	$17,250
Mustang Creek Trib 2 @ UP RR tracks	17	$460,000
Mustang Creek Trib 1 @ UP RR track	18	$575,000
Airport at Mustang Cr	19	$46,000
Debus St	20	$402,500
Tammi Lane channel	21	$172,500
Mustang Creek Trib 1 Lake to Kent	22	$287,500
Mustang Creek Trib 1 @ Lake Dr	23	$138,000

MDUS 5-year CIP		Cost
Kingston / Summit	24	$86,250
Sloan @ 3rd St	25	$34,500
4th @ Victoria	26	$17,250
2nd @ Doak	27	$57,500
Kimbro @ 6th	28	$57,500
Edmond / Mills	29	$402,500
Bel Air / Kirk St	30	$172,500
Donna Channel	31	$402,500
Paula / Medical Pkwy	32	$172,500
Mallard Lane at Bull Br Trib	33	$630,200
Monica @ Mallard	34	$23,000
Oaklawn @ Bull Br Trib	35	$92,000
Stoneridge @ Arbor Oak	36	$46,000
Drainage Study - Gravel Pit Draw	37	$25,000
Drainage Study - Must Cr Trib #1	38	$25,000
Drainage Study - Mustang Creek	39	$100,000
Drainage Study - Bull Branch Update	40	$20,000
Drainage Study - Railroad Lake Draw	41	$20,000
Drainage Study - Flood Hazard Mitigation	42	$20,000
Bull Branch Trib Erosion	43	$460,000
Robinson at RR tracks	44	$28,750
CR 373 trib	45	$138,000
	TOTAL	$9,964,250

Current & Projected Needs

From Cost-of-Service Analysis

Year	1	2	3	4	5	5- Year Average
	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	
Total Operations and Maintenance	$469,088	$489,427	$510,583	$532,585	$555,465	$511,430
Existing Debt Service	$211,504	$210,694	$214,293	$214,204	$214,210	
Subtotal	**$680,593**	**$700,122**	**$724,876**	**$746,789**	**$769,676**	**$724,411**
CIP Debt Service ($10mil @ 20 years)	$809,486	$809,486	$809,486	$809,486	$809,486	$809,486
Total Revenue required with existing and future dept	**$1,649,466**	**$1,539,603**	**$1,565,178**	**$1,587,358**	**$1,610,768**	**$1,590,475**

Note: This total could be higher. We need your input.

Funding Sources

1. Property Tax (Ad Valorem Tax)

2. Municipal Drainage Utility System (MDUS)

Ad Valorem Tax

- Based on value of property
- Current annual rate:
  - $0.79 per $100 - *($790 per $100,000 Home)*
- Projected rates necessary to fund solutions:

Tax Rate Increase	Revenue
$0.05	$250,000
$0.09	$500,000
$0.14	$750,000
$0.18	$1,000,000
$0.27	$1,500,000

Municipal Drainage Utility System

- Main points from Texas Local Gov't Code Chapter 402, Subchapter C:
  - Establish Utility for a minimum of 5 years
  - Separate Enterprise Fund, dedicated to drainage related needs
  - Requires Inventory of parcels and lots
  - Fee based on a drainage related parameter
  - Rates must be Equitable, fair & reasonable among customer classes
  - Public Hearing and Ordinance Adoption

What can you do with the MDUS Fund?

Can be allocated to the…

- Cost of land, ROW, easements
- Cost of drainage structures & facilities
- Cost of engineering for drainage
- Cost of machinery & equipment
- Cost of funding and financing
- Cost of debt service

MDUS – "Equitable Rates"

- Rate equal for all
- Residential = Non-residential per square foot of impervious area
- Based on Single Family Residential sampling

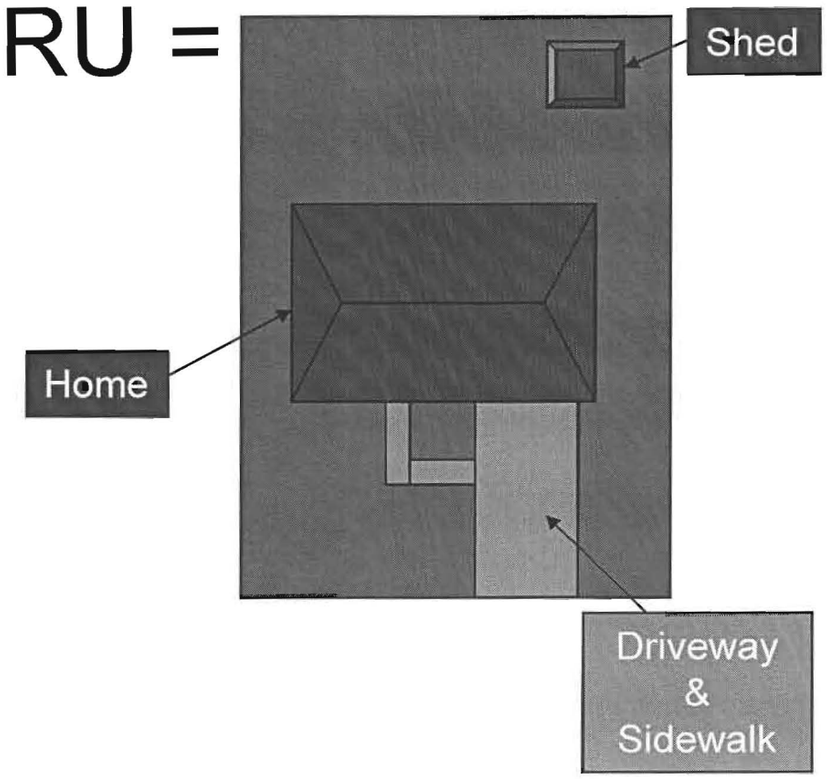
Impervious Area

Typical Single Family Residential Unit

Total Impervious Area Calculation:

Home
+
Driveway & Sidewalk
+
Shed (or similar addition)
=
Impervious Area

1 ERU =

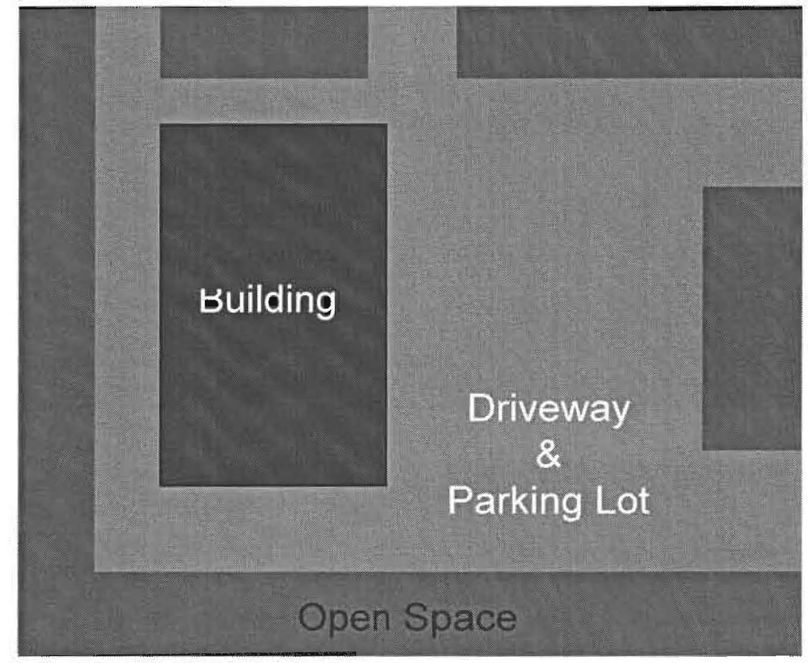


For the City of Taylor: 1 ERU = 2500 S.F. Impervious Area

Impervious Area
Typical Non-Residential Unit

Total Impervious Area Calculation:

Building
+
Driveway & Parking Lot
=
Impervious Area



10,000 S.F. Non-Residential Impervious Area = 4 ERU's

MDUS Commercial Accounts

	Impervious Area Sq Ft	ERU $2.00	ERU $3.00	ERU $4.00	ERU $5.00	ERU $6.00	ERU $7.00
Total Revenue	-	$240,000	$360,000	$480,000	$600,000	$720,000	$840,000
Wal-Mart	694,600	$555	$832	$1,113	$1,390	$1,668	$1,945
ERCOT	196,900	$157	$236	$315	$394	$473	$551
Best Western	62,800	$50	$75	$101	$126	$151	$176
First State Bank	30,500	$24	$37	$49	$61	$73	$85
Taylor Daily Press	15,300	$12	$18	$25	$31	$37	$43
Church of Christ	1,700	$1	$2	$3	$4	$4	$5

MDUS Rate versus Property Tax

Est. Annual Target Revenue	Flat Monthly ERU Rate	Annual MDUS Fee $100,000 Home	Annual Property Tax $100,000 Home
$120,000	$1.00	$12.00	$22.00
$180,000	$1.50	$18.00	$33.00
$240,000	$2.00	$24.00	$44.00
$300,000	$2.50	$30.00	$55.00
$360,000	$3.00	$36.00	$66.00
$420,000	$3.50	$42.00	$77.00
$480,000	$4.00	$48.00	$88.00
$540,000	$4.50	$54.00	$99.00
$600,000	$5.00	$60.00	$110.00
$660,000	$5.50	$66.00	$121.00
$720,000	$6.00	$72.00	$132.00
$780,000	$6.50	$78.00	$143.00
$840,000	$7.00*	$84.00	$154.00

* Buys $10 Million in new projects.

MDUS Typical Rates

City	MDUS Rate
Georgetown	$4.25
San Marcos	$3.96
Temple	$2.75
Killeen	$5.00
Temple	$2.75
Laredo	$4.50
Rowlett	$4.00
Arlington	$3.50

Tax vs. MDUS

Annual Cost to Typical Homeowner:

Home Value	Property Tax (per Yr)	$7 MDUS Fee (per Yr)
$55,000	$84	$84
$100,000	$154	$84
$150,000	$231	$84
$200,000	$307	$84
$250,000	$384	$84

- MDUS Fee assumes $7 per ERU, which would generate $840,000 Annually.

What’s Next

- Public feedback on MDUS versus Property Tax
- Council will consider MDUS versus Property Tax
- We need your input!

Input

- Forms to help identify additional drainage problems are available
- If you have any additional questions or comments please send them to:

  info@ci.taylor.tx.us

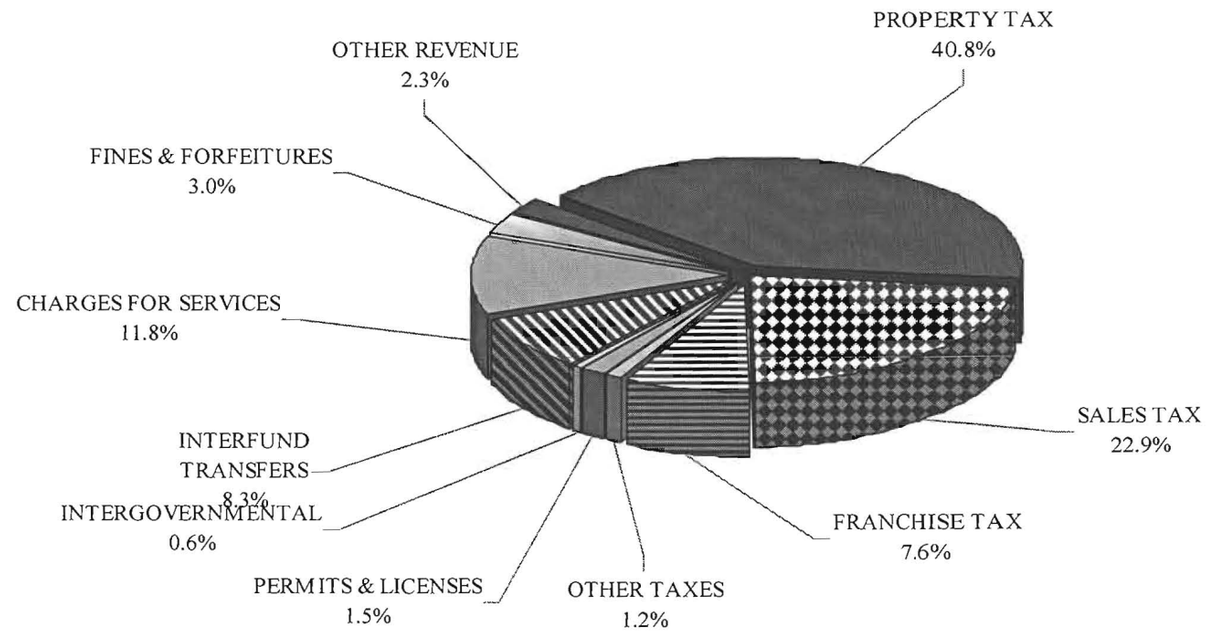
Questions

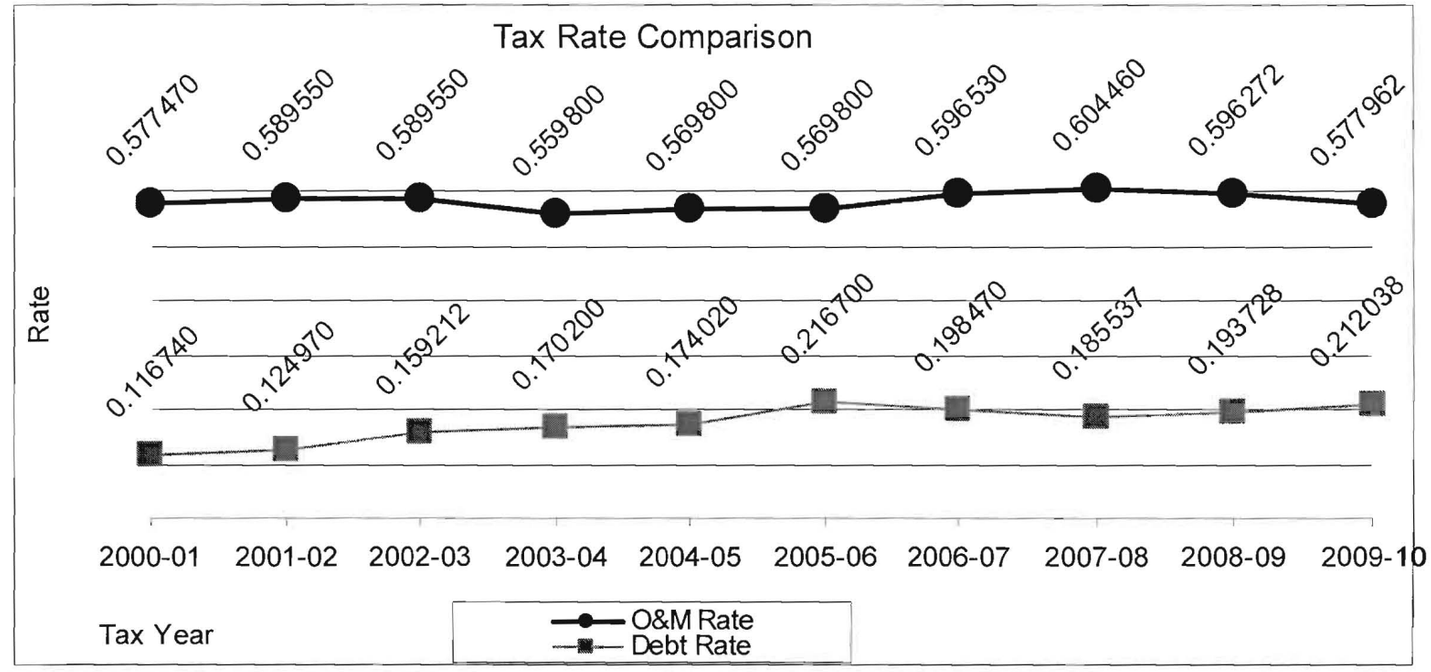
?

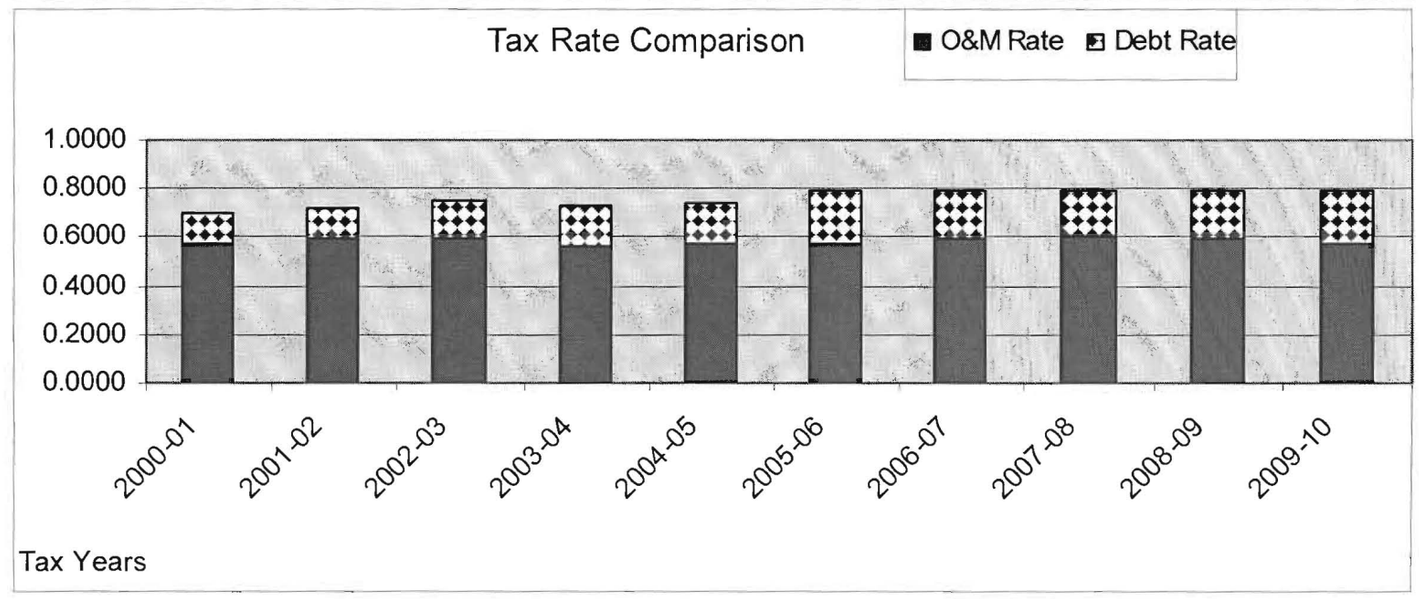
What has City done?

- Since 2000 - Over 60 Capital Improvement Projects worth $51M
- $8M of this from Grants and other funds
- Key Projects include:
  - Davis, North, Howard Streets – Sloan St
  - Mustang Creek Wastewater Interceptor
  - High Plane Water Improvements
  - Wastewater Inflow/ Infiltration Rehab
  - Dickey St Drainage
  - Parks
  - Library
  - Police Station / Fire Stations
  - Downtown Streetscape

GENERAL FUND REVENUES




Tax Rate Comparison
0.577470
0.589550
0.589550
0.559800
0.569800
0.569800
0.596530
0.604460
0.596272
0.577962
0.116740
0.124970
0.159212
0.170200
0.174020
0.216700
0.198470
0.185537
0.193728
0.212038
Rate
2000-01
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
Tax Year
O&M Rate
Debt Rate


Tax Rate Comparison
O&M Rate
Debt Rate
1.0000
0.8000
0.6000
0.4000
0.2000
0.0000
2000-01
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
Tax Years