

August 5, 2010

To the Honorable Mayor and City Councilmembers:

The proposed budget for our fiscal year 2010-2011 is hereby presented. We are working hard to keep up with the needed services for our citizens and continuing to rebuild from the recent slowdown in the economy. Following are the key points of this proposed budget:

- The proposed property tax is \$0.49999 per \$100 valuation, a 6.32 percent increase over the effective tax rate. Due to our everyday operating costs and the increasing demand for infrastructure improvements, it is necessary that revenues increase. Any future increase in residential and commercial population and property will help us keep up with the demands they will generate.
- The utility rates were completely revised in the last budget to better account for the cost of these essential services. I have revised both water and sewer base rates to less than we charged in 2009 to better cover our fixed costs since it is not possible to depend on a “dry” year to generate the required revenues. The costs to provide sufficient quality and quantity of water and dependable sewer service will continue to grow over time. Since there is no method for measuring how much water is used for irrigation purposes per location, I recommend a one year period for those who irrigate frequently to be able to purchase a second water tap at our material cost so that they are able to separate water usage and pay fairly for services received.
- There is a \$0.70 per hour pay increase proposed for our employees. This increase will apply to those who are not on probation and have worked with the City for a year minimum. Our employees did not receive any type of increase in the past year and have been very dedicated in helping us keep positive in the recent economic downturn. They are the most important part of our service to the public and deserve any future increase we can manage.

Projects Included:

- The expansion of City Hall and addition of Municipal Court continue and should be complete in early 2011. Final plans are being drawn for the new Library across the street with additional funds being sought to then complete the Community Center. We look forward to both of these facilities to better serve our citizens and visitors and expand the

programs offered in our City. The updated central office and central gathering spot with many services available will help develop our potential as a growing and vibrant City.

- The Pulliam Drive inverted crown and pavement will be largely rehabilitated for better longevity. Seal coating of streets will continue.
- Clearing will begin along the Atascosa River banks.
- Repair and repaint the North Town ground storage tank.
- Repair and repaint the Halpin ground storage tank.
- Continue replacement of water lines throughout town with larger, PVC lines. The area included here is the north section of Crestline Drive from Cynthia Drive to Deer Run.
- Drill a Carrizo well at the Woodland Yard to provide increased volume in the growing west section of town. A pressure tank is also planned for that yard to increase available pressure in the area without the cost of an elevated tank. New variable speed pumps will also be installed, funded primarily through grants.
- Electrical systems at the Main Yard Water Plant and Goodwin Water Plant will be upgraded.
- The software and first “radio read” meters will be installed, with the plans for all radio read meters within several years. This will lessen our time and labor costs, and provide much more accurate information on each meter and the City’s supply lines.
- Replace section of sewer trunk line in the River Park from Adams St. north to the pavilion area.
- The improved sewer trunk line on Fifth St. from Sanches St. north to Commerce St. will be installed by City crews with funding from a Texas Community Development Block Grant.
- Replace pumps and electrical work at Dowdy’s lift station on Highway 281 North. We have had weekly maintenance issues in that area.
- Replace pumps and electrical work at Industrial Park lift station.

Vehicles and Equipment:

There are two new vehicles in this budget: one patrol car for the Police Department and one pickup truck for the Sewer Department, both replacing older vehicles. The City also plans to invest in a vacuum truck to clean out sewer lines as we continue the required evaluation of all of our lines in town. The truck is expected to be obtained through a lease/purchase plan at a cost of approximately \$50,000 per year for five years. This cost will be offset by the otherwise high cost we would pay for the services to be contracted out, and the truck would be available for sewer backups or other problems that require immediate attention. A new tractor and shredder are planned for the Street Department and a new riding mower for the Parks Department.

The City of Pleasanton has expanded the services provided over the past several years. We will continue doing street and drainage improvements, replacing water and sewer lines with larger lines, adding to our cultural assets such as the library, parks and museum, providing police, fire and animal control protection, and inspections of all types, all for the benefit of our citizens and visitors. I am proud of our employees and their willingness to work in all kinds of situations to provide those services. As always, there is no shortage of requested projects we would like to accomplish, but funds are not available for them all at this time. With all of us working for the good of our City, Pleasanton can grow to its full potential.

Respectfully submitted,

Kathy H. Coronado
City Manager