



City of Rowlett

Work Session Meeting Agenda

City Council

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Tuesday, June 10, 2014

6:00 P.M.

Annex Building – 4004 Main Street

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

1. **CALL TO ORDER**
2. **WORK SESSION**
 - 2A. Consider appointing Chris Kilgore to the Planning and Zoning Commission to fill an unexpired term made vacant by the election of Rick Sheffield to the City Council. (10 minutes)
 - 2B. Hear a presentation outlining the results of the City of Rowlett 2014 Salary and Compensation Study, which was conducted by Evergreen Solutions, LLC (Tallahassee, FL). (60 minutes)
 - 2C. Review results of the *Rowlett. My Community. My Money. My Choice.* Campaign. (60 minutes)
3. **ADJOURNMENT**

Laura Hallmark

Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 5th day of June 2014, by 5:00 p.m.



City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 06/10/14

AGENDA ITEM: 2A

TITLE

Consider appointing Chris Kilgore to the Planning and Zoning Commission to fill an unexpired term made vacant by the election of Rick Sheffield to the City Council. (10 minutes)

STAFF REPRESENTATIVE

Laura Hallmark, City Secretary

SUMMARY

City Council makes appointments to Boards and Commissions annually in the Fall for terms to begin on October 1st. However, in some instances, Council has made mid-term appointments. This item is to address such a situation.

BACKGROUND INFORMATION

The Planning and Zoning Commission (P&Z), one of the 11 various Boards and Commissions for the City of Rowlett, is comprised of seven Regular members and three Alternate members. As stated above, there is currently a Regular vacancy due to the election of this Board's Chairman to the City Council.

DISCUSSION

Due to the importance of this Commission and the pressing nature of the items which come before it, Council determined that they would fill this vacancy at this time. This appointment will fulfill the remainder of the unexpired term through September 30, 2015.

Having previously served on the Board of Adjustment, Planning and Zoning Commission, and most recently, his six years on the City Council, Mr. Kilgore certainly has the knowledge and experience to fill this position. Most importantly, he has indicated a willingness to continue to serve his community.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

To approve the appointment of Chris Kilgore to fill a Regular unexpired term on the Planning and Zoning Commission through September 30, 2015.



City of Rowlett
Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75080-0099
www.rowlett.com

AGENDA DATE: 06/10/14

AGENDA ITEM: 2B

TITLE

Hear a presentation outlining the results of the City of Rowlett 2014 Salary and Compensation Study, which was conducted by Evergreen Solutions, LLC (Tallahassee, FL). (60 minutes)

STAFF REPRESENTATIVE

John Murray, Director of Human Resources & Risk Management

SUMMARY

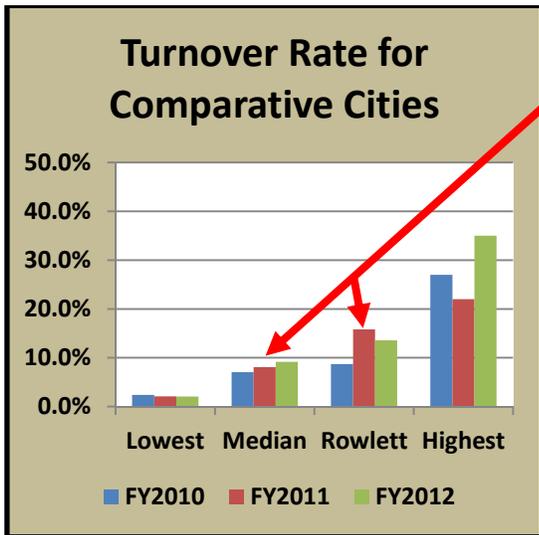
Council directed a salary and compensation study be conducted this year in the FY2014 City of Rowlett Budget. After being competitively selected by the City's five member review and scoring team, and upon completion of contract documents, Evergreen initiated its study on March 17, 2014. The study consisted of several key phases, all of which actively involved City personnel:

- 1) Review of current Job Descriptions and current payroll database
- 2) Review of current Open Range Pay Plan and Public Safety Pay Plan
- 3) Review of City promotions, assignments, and classification policies
- 4) On-site personnel interviews
- 5) Market data call & research/analysis
- 6) Discussions of findings & courses of alternative with City leadership

In the presentation, we will present the results of the market analysis, the comparison to Rowlett's existing Pay Plans and actual salaries, and a potential model for the Public Safety Step Pay Plan.

BACKGROUND INFORMATION

Over the past two years, the City has experienced a rising turnover rate of its employees (18 percent and just shy of 19 percent, respectively), which exceed that of other municipalities in the DFW area. Council and Staff both recognize that salary and compensation concerns are major contributing factors. In fact, the City of Rowlett FY2014 Budget ("budget") reflected on page II *"Cost of living continues to rise in this challenging economy and a lack of salary increases is a contributing factor for employees leaving the City of Rowlett to work in other cities."*



Rowlett's turnover rate exceeds the median average.

Excessive employee turnover negatively impacts the City's operational effectiveness:

- ✓ Loss of leadership and technical experience
- ✓ Manning shortages caused by gaps in hiring process (> 2 months)
- ✓ Increase in risk exposure (lack of experience + understaffed sections)
- ✓ Excessive unplanned overtime for understaffed sections
- ✓ Employee burn-out

***NOTE: The FY2013 turnover rate reached 19%.**

In concert with Council's direction, Staff assembled a comprehensive list of "Essential Elements" for the study that were communicated in the Request for Proposal (RFP). This list was designed with specific objectives in mind, the foremost being the requirement to provide Council with the most accurate, real-time, market-based information available on which to make budget decisions.

With this in mind, we challenged potential bid firms to scope a study that would provide data and analysis on:

- ✓ Pay Plan Ranges (comparison of Rowlett's Pay Plan with those of market cities)
- ✓ Actual Pay (comparison of Rowlett employee salaries with those of market cities)
- ✓ Public Safety Step Pay Plans (Police and Fire Departments)
- ✓ Employee Benefits (comparison of Rowlett's benefits with those of market cities)
- ✓ Identification and Proposed Resolution of Compression
- ✓ An executable pay plan with phased-in implementation analysis

Essential Elements of the Compensation Study RFP

Compare the pay ranges with those in other cities or comparison organizations performing the same or similar functions. **(MARKET)**

Compare actual employee pay with those in other cities or comparison organizations performing the same or similar functions. **(MARKET)**

Compare pay/step plans with those other cities or comparison organizations performing the same or similar functions. **(PAY/STEP)**

Compare city-provided comprehensive employee benefits packages with those other cities or comparison organizations performing the same or similar functions. **(EMPLOYEE BENEFITS)**

Include full-time and regular part-time employees (as defined in TMRS/PARS) within the context of this study. Seasonal workers will not be included **(MARKET)**

Recommend pay structure features that will provide opportunities for advancement and recognition of value brought to the organization. **(COMPRESSION / PAY PLAN)**

Using analysis of information gained during the study, provide an understandable pay system that ensures ease of administration and maintenance for the HR staff and which employees can understand. **(EXECUTABILITY)**

Additionally, in order to satisfy Council's requirement to have result information on hand for its scheduled June 2014 retreat, we developed an incredibly demanding, ambitious schedule. This schedule included a 75-day market data collection window.



Study Timelines

<u>Action</u>	<u>Completion Date</u>
Issue RFP	Tues, November 19, 2013
Deadline for Questions	Tues, December 3, 2013
Response to Questions	Fri, December 6, 2013
Deadline for Submitting RFP	Fri, December 20, 2013 @ 2:00pm CST
Selection Committee Review	Mon, December 23, 2013 – Fri, January 3, 2014
Interviews	Mon, January 13, 2014 – Wed, January 22, 2014
Recommendation to City Manager	Tues, January 28, 2014
Contract Negotiation	Wed, January 29, 2014 – Tues, February 4, 2014
City Council Award Approval	Tues, February 18, 2014
Contract Execution	Fri, February 21, 2014
Project Completion (75 days)	Mon, February 24, 2014 - Fri, May 9, 2014
Interim Report to City Staff	Fri, May 23, 2014
Formal Report to City Council	Tues, June 10, 2014

On November 12, 2013, Council reviewed and approved a list of 20 target market cities for this study. Rationale behind these selections included proximity to Rowlett (including direct access via PGBT), comparability of size, and experience with having lost employees to those cities.

<ul style="list-style-type: none"> - Addison - Allen - Carrollton - Coppell - DeSoto - Duncanville - Farmers Branch 	<ul style="list-style-type: none"> - Frisco - Garland - Grand Prairie - Grapevine - Irving Plano - Lancaster - Lewisville 	<ul style="list-style-type: none"> - McKinney - Mesquite - Richardson - Rockwall - Sachse - Wylie 	<p>These are the same cities surveyed during the 2010 Benefits Assessment</p> <p>Added: Grapevine</p> <p>Removed: Cedar Hill, Highland Park, Murphy, University Park</p>
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<ul style="list-style-type: none"> - I-30 E to Rockwall - I-30 W to Mesquite - I-635 N to Grapevine - I-635 S to Mesquite - I-35 North to Farmers Branch - I-35 South to Duncanville - I-75 North to McKinney - PGBT connector cities -- Rowlett, Garland, Richardson 	
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In all, 16 of these cities, along with Denton County and Rockwall County offices, participated in the market study by submitting their current Open Range and Public Safety Pay Plans. Evergreen did not receive responses from Duncanville, Irving, Lancaster or Richardson.

DISCUSSION

We will share the results, along with detailed analysis and comparative data, with Council during the June 10, 2014, Work Session discussion.

Additionally, Dr. Jeff Ling, Vice President of Evergreen Solutions, LLC, will be on hand for the presentation. Dr. Ling will be prepared to answer any data collection, market analysis and other technical questions Council might have.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

No action required. This is for information only. Further deliberations regarding proposals to the FY2015 City of Rowlett Budget will take place during the summer, including the City Council retreat.

AGENDA DATE: 06/10/14

AGENDA ITEM: 2C

TITLE

Review results of the *Rowlett. My Community. My Money. My Choice.* Campaign. (60 minutes)

STAFF REPRESENTATIVE

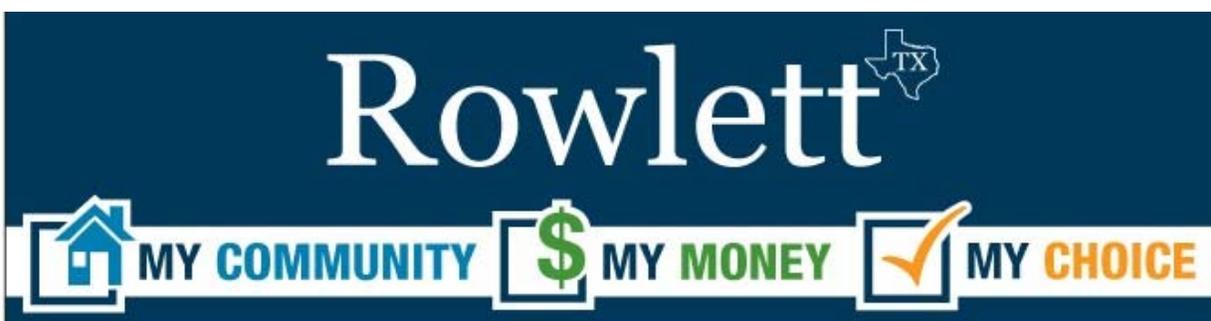
Brian Funderburk, City Manager

SUMMARY

The purpose of this item is to review the results of the *Rowlett. My Community. My Money. My Choice.* (“*My Rowlett*”) Campaign that was conducted in April 2014.

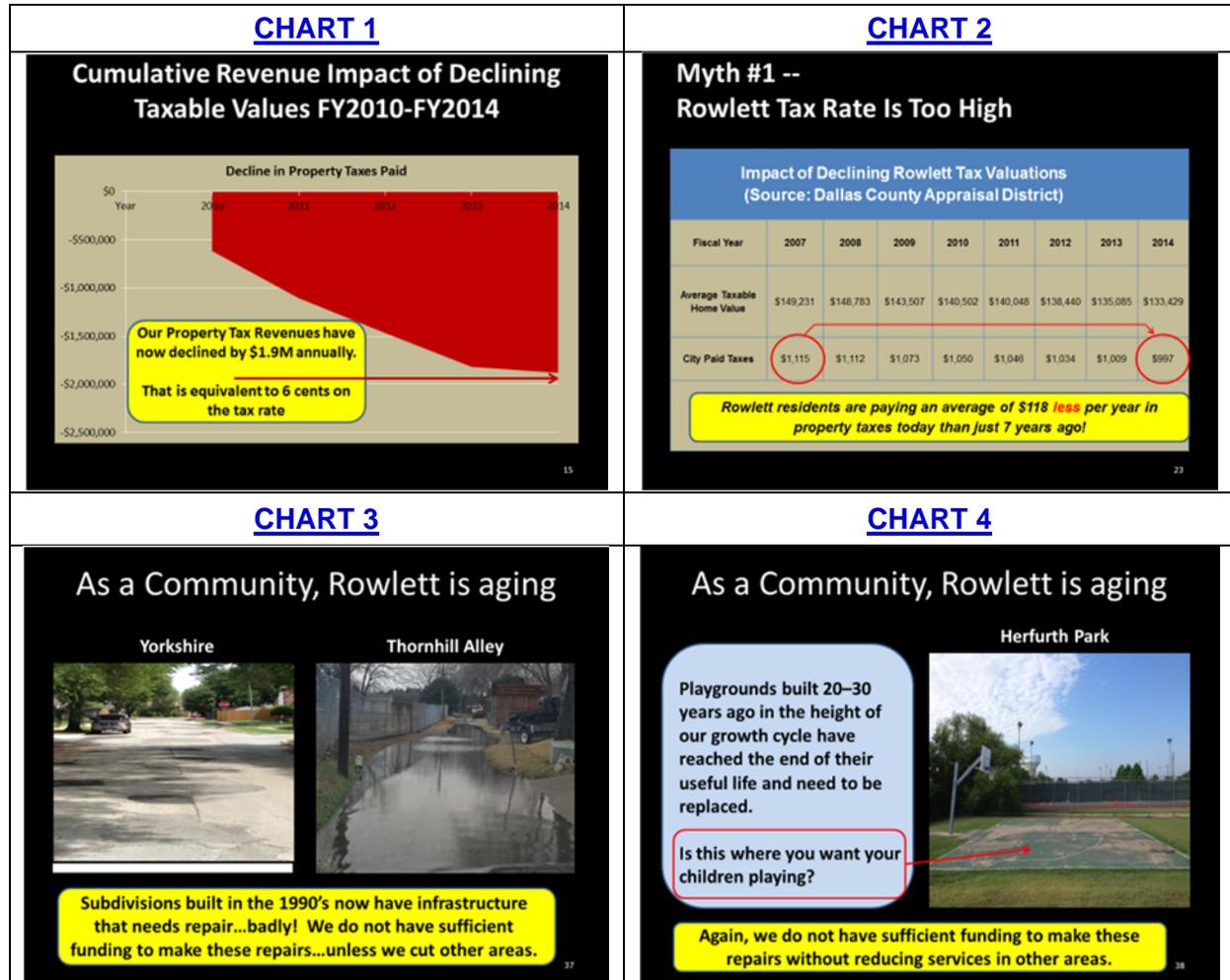
BACKGROUND INFORMATION

During FY2011, staff developed a Campaign, “*Rowlett. My Community. My Money. My Choice.*”, also referred to as the *My Rowlett Campaign*, to engage residents of Rowlett in an effort to accomplish two things. First, staff recognized the need to educate residents about where the City spends its money, specifically about citizens’ tax dollars and the current level of efficient programs and services provided. Second, staff sought input on a myriad of programs and functions provided by the City and asked questions about how our citizens felt about their community and the value received for their hard earned tax dollars. In summary, the ultimate goal of the *My Rowlett Campaign* was to educate citizens on the value of the programs and services they receive for their tax dollar but to also receive input on possible service reductions and to gauge citizens’ willingness to raise the tax rate to save those services.



The impetus of this campaign was the recognition that City revenues continue to decline and expenses continue to rise. The City acknowledged that for the 5th straight year, taxable assessed value has declined impacting the City’s tax revenue by \$1.9 million annually – the equivalent of six cents on the tax rate. As a result, our dilemma is that if nothing changes between now and FY2015, what happens? Staff showed a series of slides to make the point that after holding the line with the property tax rate for nine years, we no longer have the ability to reduce further spending without reducing services. And, after cutting over 40 positions since

2007, reducing the costs of operations and implementing other cost saving measures, City operations are as efficient as we can get without impacting services. This is why the City desired to engage the community to receive feedback about possible service reductions versus increases to the property tax rate.



The campaign was conducted over a six week period. Six public meetings were held all across the City including the Rowlett Community Centre, City Hall, and all four fire stations. In addition, the presentation was also made to several smaller groups, such as City boards and committees. Each program took approximately an hour. In addition, citizens were provided the opportunity to take the survey online. Each household was given the ability to take the survey up to two times per utility account; but accommodations were also made to include citizens without a water account.

In all, 267 respondents participated either in-person or online. (Note: not everyone answered every question). There were some interesting statistics generated from these survey results. As shown in Chart 5 below, 78 percent of our residents indicated that the taxes that they pay were Low to About Right. That is up 18 percent from the 60 percent respondents voted in the

first *My Rowlett* Campaign in FY2011. Only 4.3 percent felt they were Very High. In addition, nearly 67 percent of our citizens are willing to increase taxes rather than reduce services, as shown in Chart 6 below.

CHART 5

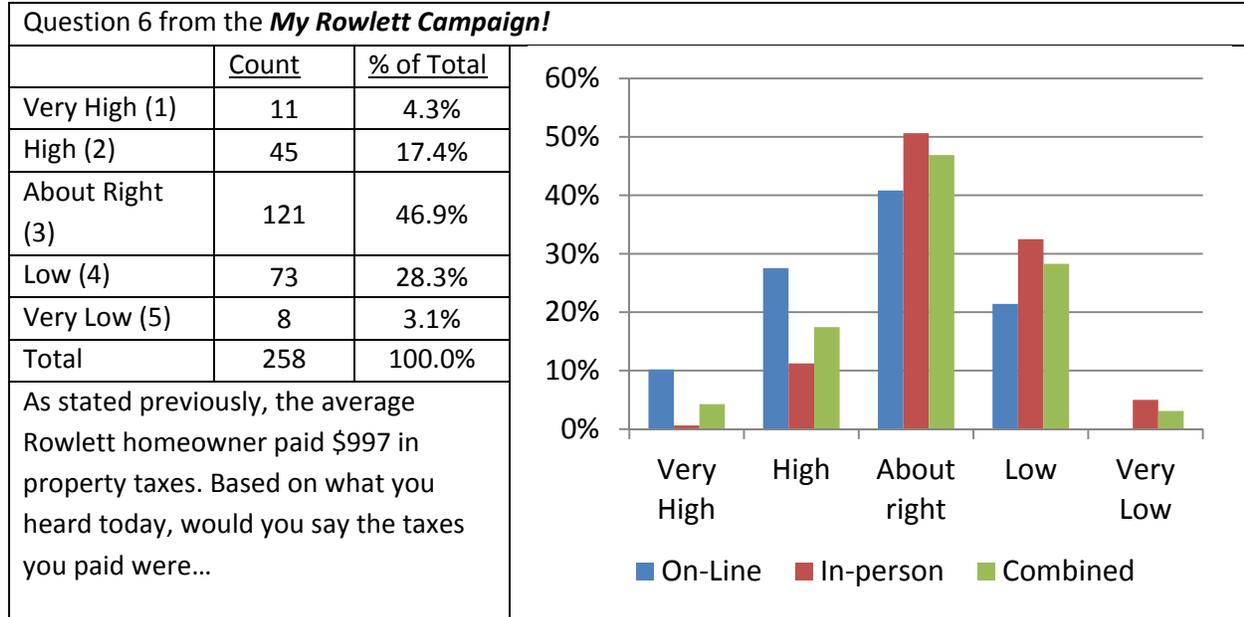
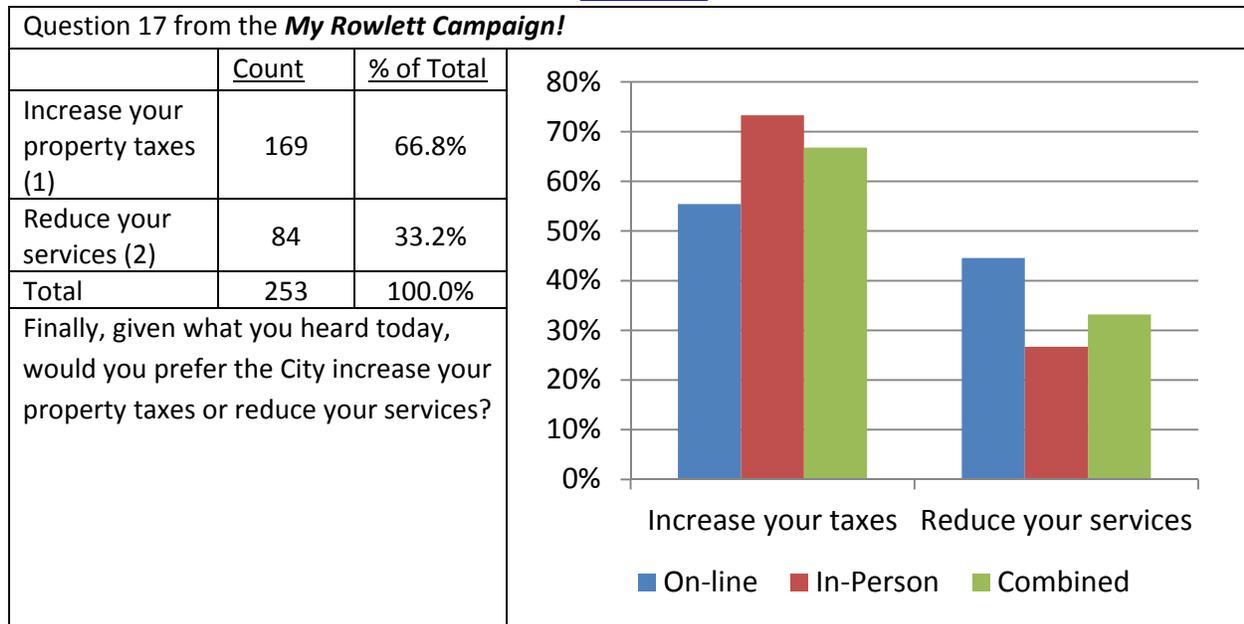


CHART 6



DISCUSSION

WHAT WAS THE “ROWLETT. MY COMMUNITY. MY MONEY. MY CHOICE” CAMPAIGN?

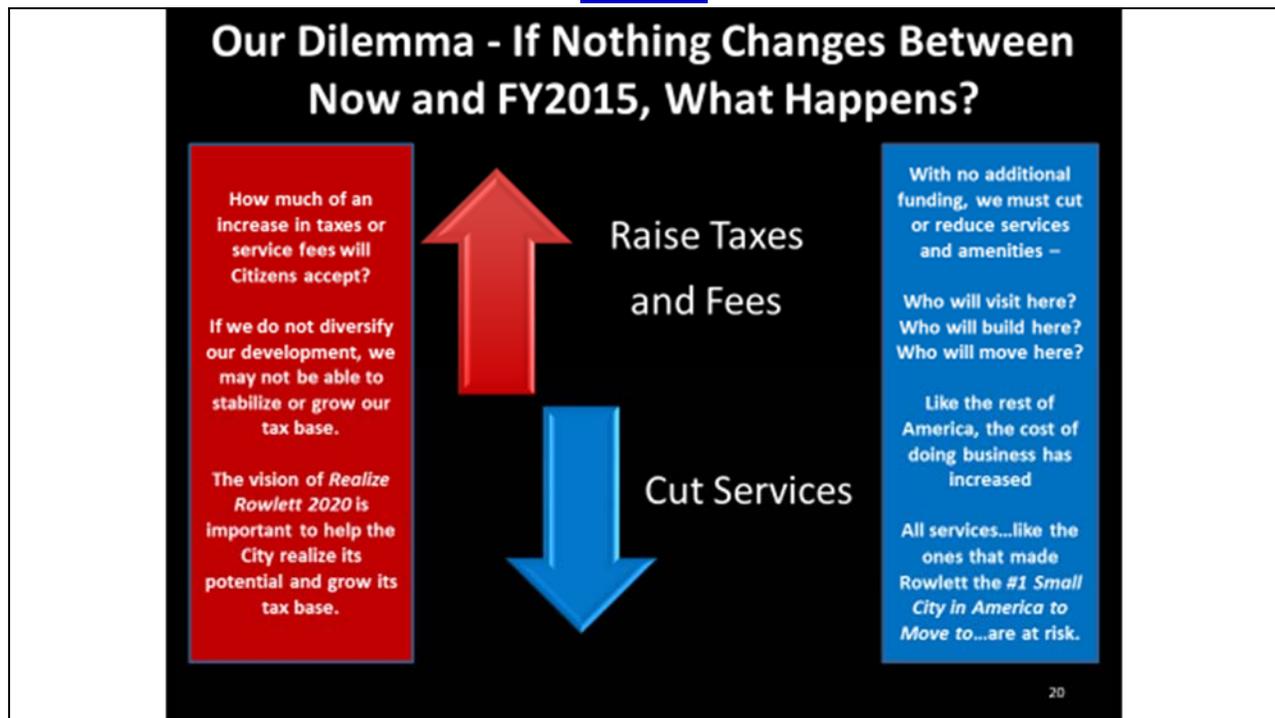
Like the previous 2011 Campaign, the main goal of the “Rowlett. My Community. My Money. My Choice.” was to educate citizens on the value of the programs and services they receive for their tax dollar. A secondary goal was to receive input on possible service reductions and to gauge citizens’ willingness to raise the tax rate to continue those services.

WHY DID THE CITY RUN THE CAMPAIGN?

Because the City’s revenues are shrinking and expenses continue to rise, it is important for the City to find the appropriate balance between services offered and the City’s ability to pay for those services in order to achieve sustainability. Not only does Rowlett need the appropriate level of staffing to provide these services, but our employees must have the right tools, such as equipment and technology, to provide those services.

As outlined in the budget message for the FY2014 Adopted Budget, Rowlett is at a crossroads. In FY2015, the community must make some very tough choices about what it wants to be. And those choices come with a price tag in the form of higher taxes or fees or a lack of amenities in the form of reduced services. ***This is the dichotomy in which we find ourselves (see Chart 7 below) – if nothing changes between now and FY2015, what happens?***

CHART 7



We knew when we started this journey to determine what we want our vision to be for Rowlett, Council and citizens would angst over the right answer – higher taxes/fees or reduced services. As outlined several times in the FY2014 budget message, Rowlett cannot continue to “make-do” waiting for PGBT and DART Light-rail to arrive. They are now here and the ability to bridge our

financial gap will no longer exist by FY2015. As a result, the City Council and its citizens will have to make strategic decisions to determine what our community's future will be. We have now provided our residents the opportunity to engage and provide feedback with these decisions with the *Rowlett. My Community. My Money. My Choice.* Campaign. Citizens who participated in the Campaign received an honest conversation about what our future looks like.

Even with some very exciting economic development projects on the horizon, life won't automatically be better quicker. For example, it takes about three years for a city to see property tax revenues from new development. The first year starts the planning approval process, the second year starts construction and by the third year, the city begins to see "some" of the tax impact. Therefore, we would need to have projects approved now to see tax values by FY2015 or begin approving projects in the coming year to see those revenues by FY2016.

Therefore, because economic conditions are likely to be challenging for the next few years, it is important to continue to make decisions utilizing a multi-year plan that addresses the City's current and future needs and the ability to fund those decisions currently and in the future. To some extent, timing is critical – wait too long and we miss an important window of opportunity, strike too soon and the investment we make may fall flat.

UPDATE

At the time we began this Campaign, the City was not sure that we had reached the bottom of the decline in our property tax revenues, which required us to remain conservative about future revenues. Since the Campaign, the City has received what could potentially be very good news from both the Dallas County Appraisal District (DCAD) and Rockwall County Appraisal District (RCAD). Based on preliminary assessments, the City could see a three to four percent increase in overall taxable values. The good news is that this will provide some flexibility and breathing room in the decisions still before us. The bad news is that we will still need to have the conversation.

WHAT'S NEXT?

Now that the Campaign is over, the process moves to the City Council. Residents still have formal opportunities to engage Council as part of the budget process through two public meetings that will occur in late August and early September. On September 16th, the Council is scheduled to adopt the budget and the tax rate. The schedule is as follows:

Dates	Item
8/5	Proposed budget and tax rate is submitted by the City Manager
8/14-16	Scheduled Council work sessions to discuss the proposed budget
8/19	First public hearing on the proposed budget and tax rate
9/2	Second public hearing on the proposed budget and tax rate
9/16	Council adopts the budget and tax rate

Final results from the *My Rowlett* Campaign will be published on the City's website at www.rowlett.com. In addition, direct communication will be sent to everyone who provided their address or email on the sign-in sheets thanking them for their participation, discussing the results, and indicating how they may find more information.

FINANCIAL/BUDGET IMPLICATIONS

N/A

RECOMMENDED ACTION

No action. The purpose of this agenda item is to update Council on the *My Rowlett* Campaign.

ATTACHMENTS

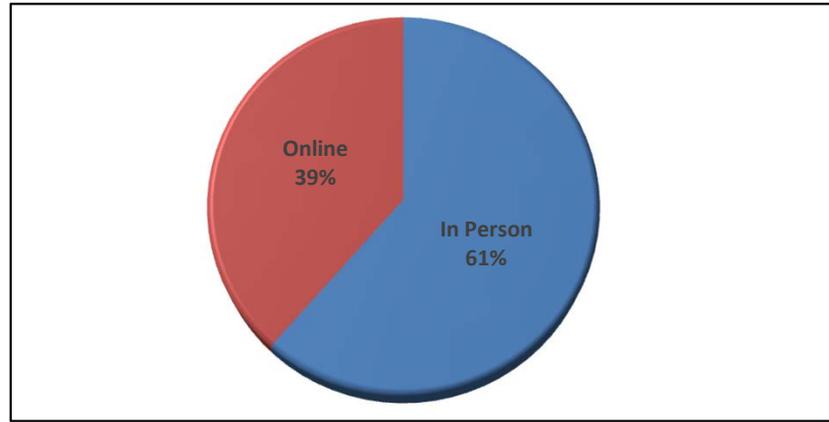
- Attachment 1 – Citizen Survey Results Report
- Attachment 2 – Actual Citizen Survey Presentation
- Attachment 3 – Flyer
- Attachment 4 – FAQ



COMBINED SURVEY SUMMARY-MAY 2014

Number of respondents in person
 Number of respondents online
 Total respondents

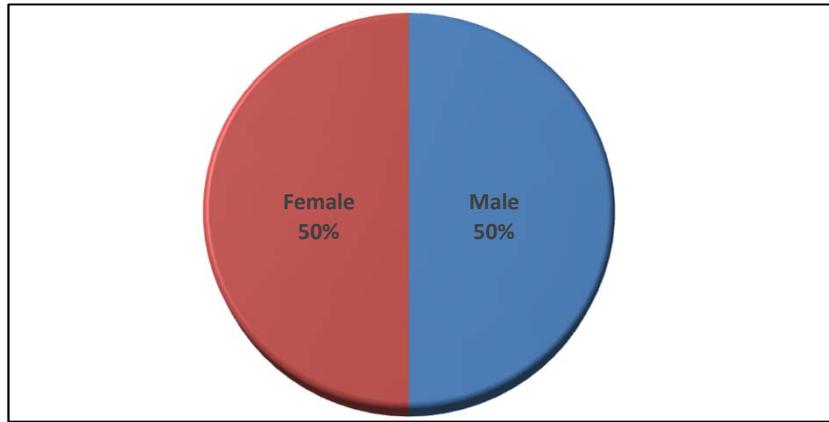
Responses	
Count	% of Total
164	61.4%
103	38.6%
267	100.0%



Question 1: Please select your gender.

Description
 1. Male
 2. Female
 Total

Responses	
Count	% of Total
131	50.0%
131	50.0%
262	100.0%

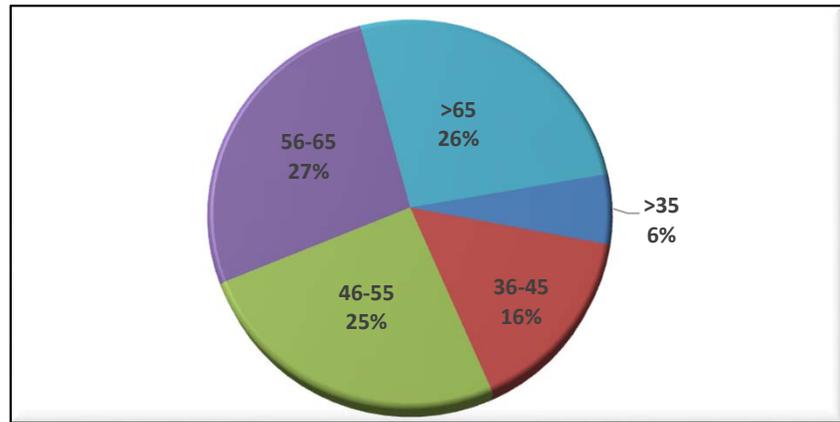




COMBINED SURVEY SUMMARY-MAY 2014

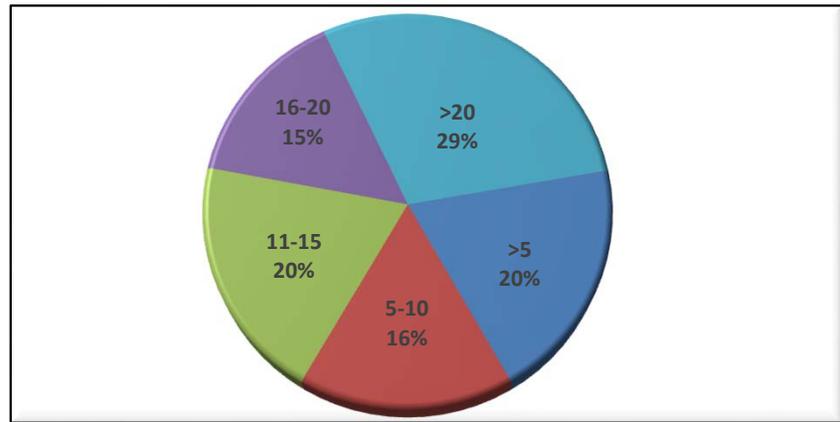
Question 2: Please select your age.

	Responses	
	Count	% of Total
1. Under 35 years	15	5.8%
2. 36-45 years	40	15.5%
3. 46-55 years	65	25.2%
4. 56-65 years	70	27.1%
5. Over 65 years	68	26.4%
Total	258	100.0%



Question 3: How long have you lived in Rowlett?

	Responses	
	Count	% of Total
1. Under 5 years	51	19.6%
2. 5-10 years	43	16.5%
3. 11-15 years	51	19.6%
4. 16-20 years	39	15.0%
5. Over 20 years	76	29.2%
Total	260	100.0%

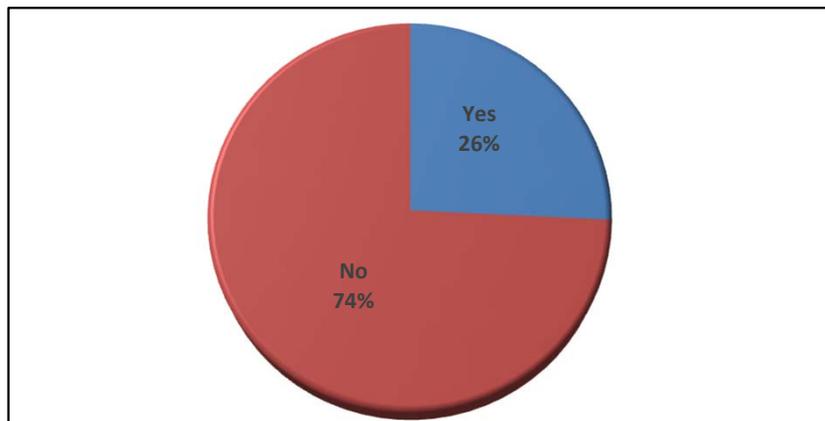




COMBINED SURVEY SUMMARY-MAY 2014

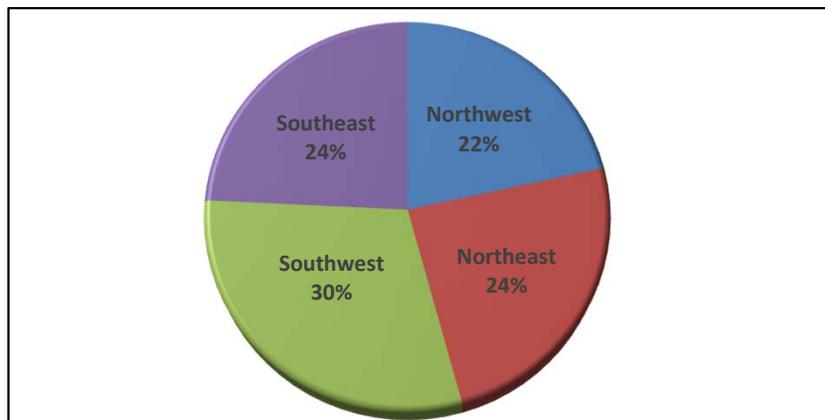
Question 4: Do you have any children under the age of 18 living at home?

	Description	Responses	
		Count	% of Total
1. Yes		67	25.8%
2. No		193	74.2%
Total		260	100.0%



Question 5: Please select the area of the City in which you live

	Description	Responses	
		Count	% of Total
1. Northwest Rowlett		56	21.5%
2. Northeast Rowlett		63	24.2%
3. Southwest Rowlett		78	30.0%
4. Southeast Rowlett		63	24.2%
Total		260	100.0%

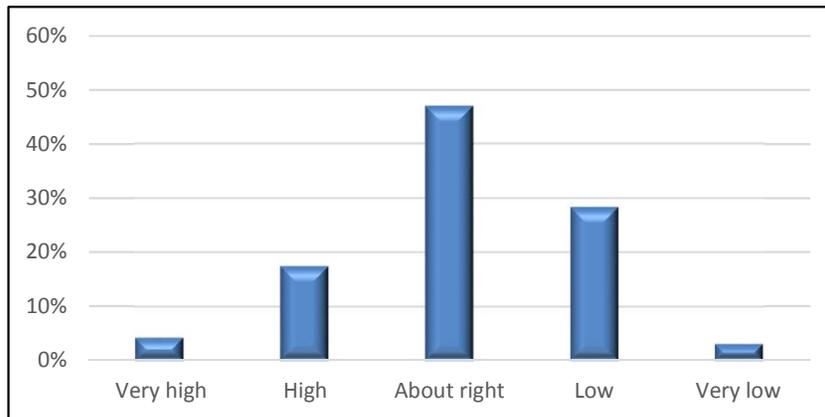




COMBINED SURVEY SUMMARY-MAY 2014

Question 6: As stated previously, the average Rowlett homeowner paid \$997 in property taxes. Based on what you heard today, would you say the taxes you paid were...

	<u>Description</u>	<u>Responses</u>	
		<u>Count</u>	<u>% of Total</u>
1.	Very high	11	4.3%
2.	High	45	17.4%
3.	About right	121	46.9%
4.	Low	73	28.3%
5.	Very low	8	3.1%
Total		258	100.0%

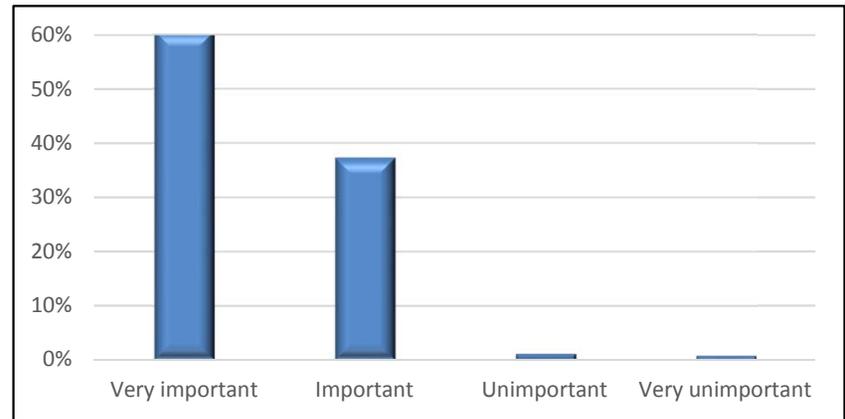




COMBINED SURVEY SUMMARY-MAY 2014

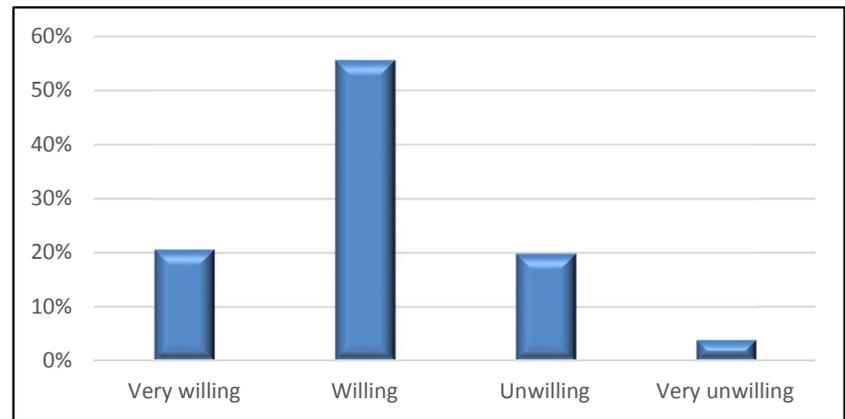
Question 7: How important or unimportant do you think it is for the City to properly maintain your streets and roadways?

Description	Responses	
	Count	% of Total
1. Very important	156	60.7%
2. Important	96	37.4%
3. Unimportant	3	1.2%
4. Very unimportant	2	0.8%
Total	257	100.0%



Question 8: How willing or unwilling are you to pay additional property taxes to ensure that the City can properly maintain your streets and roadways?

Description	Responses	
	Count	% of Total
1. Very willing	53	20.6%
2. Willing	143	55.6%
3. Unwilling	51	19.8%
4. Very unwilling	10	3.9%
Total	257	100.0%

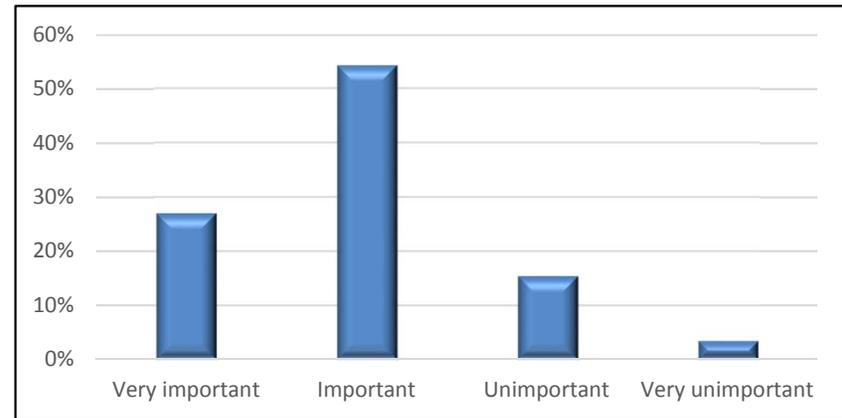




COMBINED SURVEY SUMMARY-MAY 2014

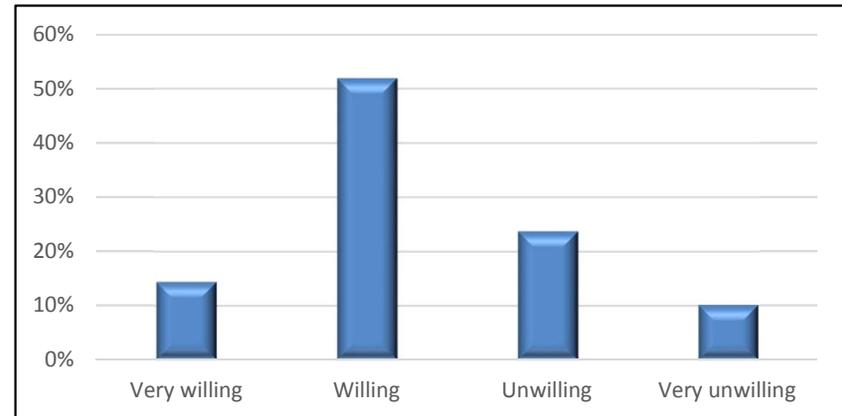
Question 9: How important or unimportant do you think it is for the City to properly maintain your parks and amenities?

Description	Responses	
	Count	% of Total
1. Very important	70	26.9%
2. Important	141	54.2%
3. Unimportant	40	15.4%
4. Very unimportant	9	3.5%
Total	260	100.0%



Question 10: How willing or unwilling are you to pay additional property taxes to ensure that the City can properly maintain your parks and amenities?

Description	Responses	
	Count	% of Total
1. Very willing	37	14.3%
2. Willing	134	51.9%
3. Unwilling	61	23.6%
4. Very unwilling	26	10.1%
Total	258	100.0%

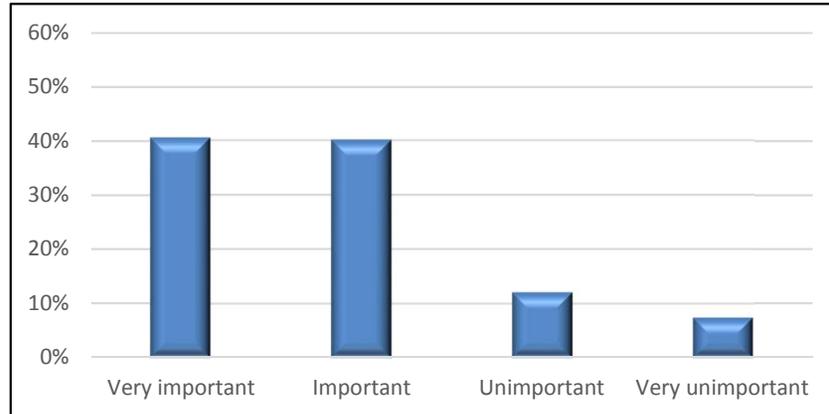




COMBINED SURVEY SUMMARY-MAY 2014

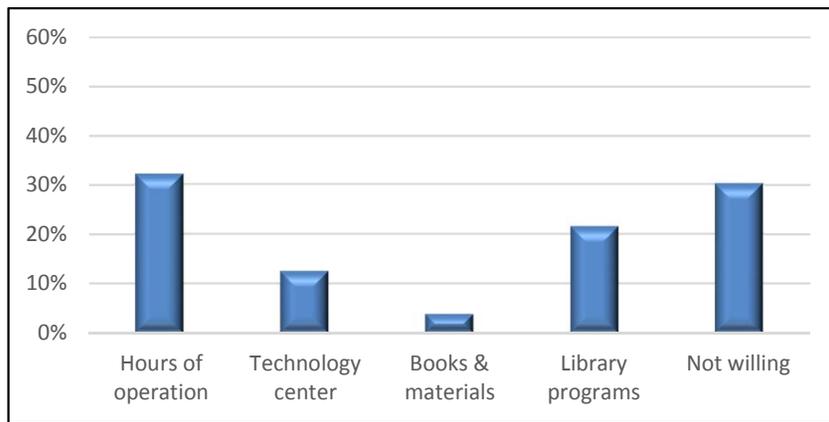
Question 11: How important or unimportant do you think it is for the City to have a public library?

Description	Responses	
	Count	% of Total
1. Very important	104	40.5%
2. Important	103	40.1%
3. Unimportant	31	12.1%
4. Very unimportant	19	7.4%
Total	257	100.0%



Question 12: If it is necessary for the City to reduce library services to balance the budget, in which ONE area would you prefer reductions be made?

Description	Responses	
	Count	% of Total
1. Hours of operation	82	32.0%
2. Technology center	32	12.5%
3. Books & materials	10	3.9%
4. Library programs	55	21.5%
5. Not willing to reduce services at all	77	30.1%
Total	256	100.0%

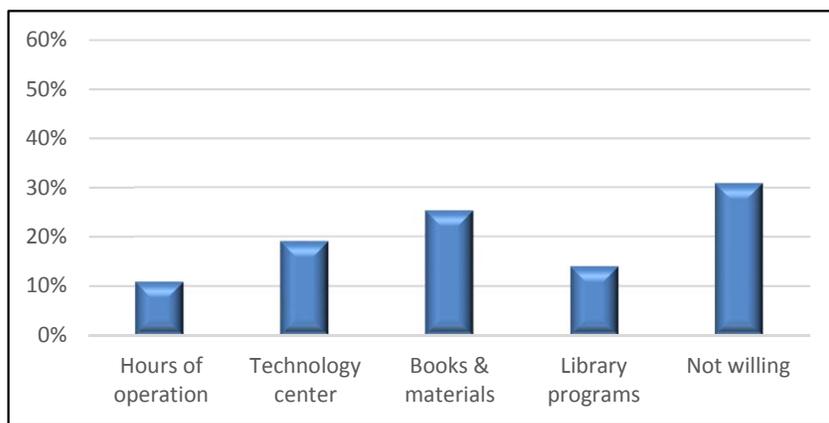




COMBINED SURVEY SUMMARY-MAY 2014

Question 13: If it is necessary for the City to increase property taxes to support library services, to which ONE area would you prefer to see the additional funding go?

Description	Responses	
	Count	% of Total
1. Hours of operation	28	10.9%
2. Technology center	49	19.1%
3. Books & materials	65	25.3%
4. Library programs	36	14.0%
5. Not willing to reduce services at all	79	30.7%
Total	257	100.0%

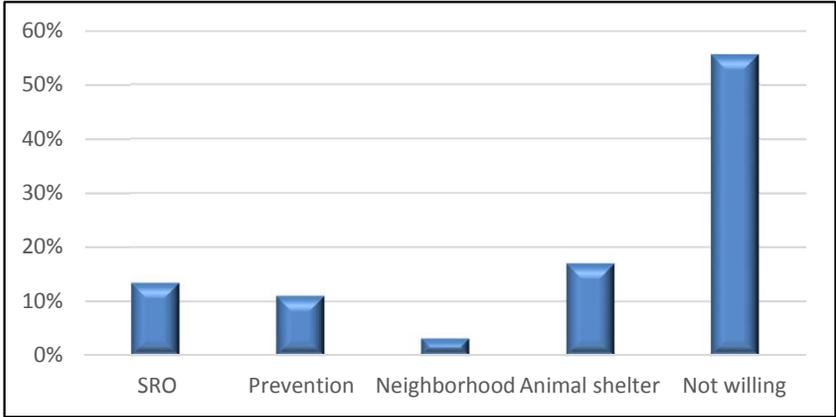




COMBINED SURVEY SUMMARY-MAY 2014

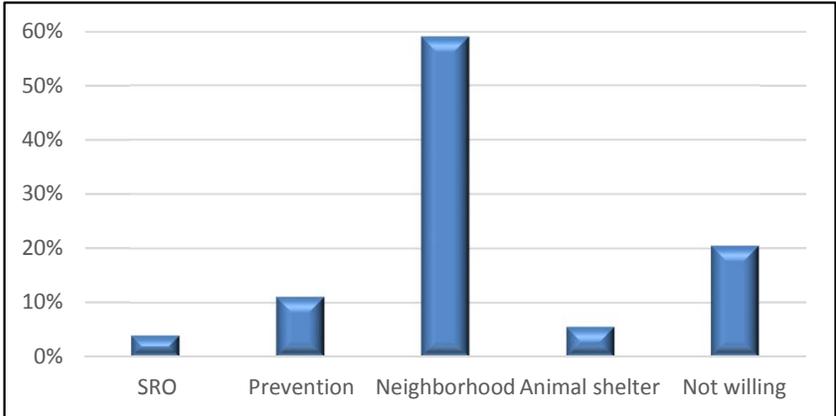
Question 14: If it is necessary for the City to reduce police services to balance the budget, in which ONE area would you prefer reductions be made?

Description	Responses	
	Count	% of Total
1. School resource officers	34	13.4%
2. Crime prevention & education	28	11.0%
3. Police neighborhood presence	8	3.1%
4. Animal shelter	43	16.9%
5. Not willing to reduce services at all	141	55.5%
Total	254	100.0%



Question 15: If it is necessary for the City to increase property taxes to support police services, to which ONE area would you prefer to see the additional funding go?

Description	Responses	
	Count	% of Total
1. School resource officers	10	3.9%
2. Crime prevention & education	28	11.0%
3. Police neighborhood presence	150	59.1%
4. Animal shelter	14	5.5%
5. Not willing to reduce services at all	52	20.5%
Total	254	100.0%



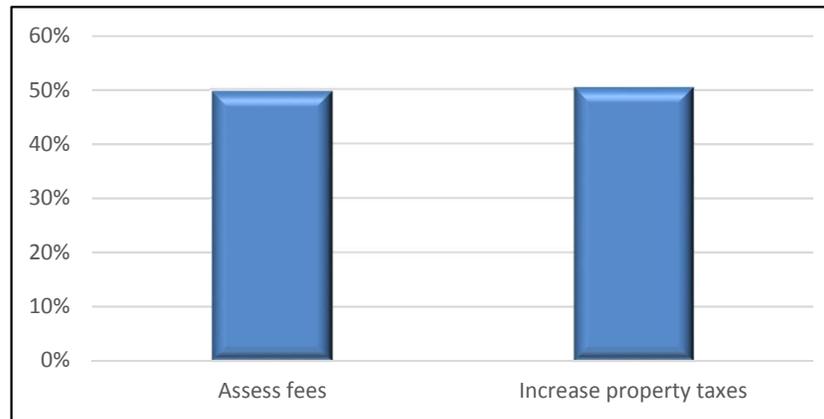


COMBINED SURVEY SUMMARY-MAY 2014

Question 16: 60% of our neighborhoods have alleys. To improve those alleys, would you prefer the City assess fees to alley users or increase property taxes for all residents?

Description
1. Assess fees to alley users
2. Increase property taxes for all residents
Total

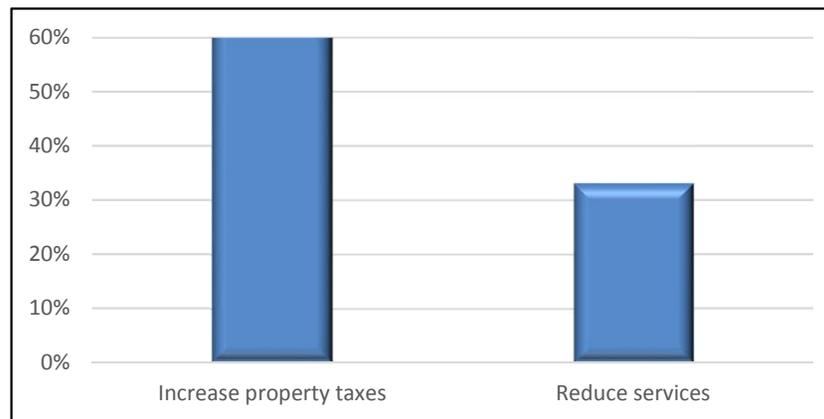
Responses	
Count	% of Total
124	49.6%
126	50.4%
250	100.0%



Question 17: Finally, given what you heard today, would you prefer the City increase your property taxes or reduce your services?

Description
1. Increase your property taxes
2. Reduce your services
Total

Responses	
Count	% of Total
169	66.8%
84	33.2%
253	100.0%



Rowlett^{TX}



MY COMMUNITY



MY MONEY



MY CHOICE

**COME ON ROWLETT!
GIVE US YOUR
“2 CENTS”!**

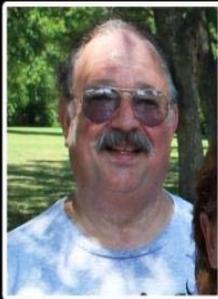
Rowlett 
On the Water. On the Move.



**We Are
Rowlett
and
We Are
On The
Move!**

July 4th Fireworks on Main - Rowlett

Financial Stewardship



CHRIS KILGORE
Mayor Pro Tem



TODD GOTTEL
Mayor



MICHAEL GALLOPS
Deputy Mayor Pro Tem



DOUG PHILLIPS
Councilmember



TAMMY DANA-BASHIAN
Councilmember



CARL PANKRATZ
Councilmember



DEBBY BOBBITT
Councilmember



2
Second
Year
Award

Texas Comptroller
Leadership Circle
Gold Member

**We take our financial responsibility to our Citizens seriously!
Now we need your help so that we can provide even BETTER service!**

A Busy City Council



Rowlett - A City on a Mission

Our Mission:

Citizen Centered Organization that Ensures its Citizens Receive Value for their Investment

Goal #1

- Improve Relations with Citizens to Establish Community Goodwill, Sense of Pride and Ownership

Goal #2

- Create an Organization that Embraces Innovation and Creates Opportunities to Improve Efficiencies & Effectiveness

Goal #3

- Enhance our Customer Centered Organization to Ensure Citizens Receive the Value of their Investment

Goal #4

- Enhance Employee Culture & Morale to Create an Environment where Employees are Valued and have a Sense of Pride

Goal #5

- Create a Sustainable Organization Ensuring the Right Resources – to the Right Place – at the Right Time

A Great Place to Live!



Your City continues to deliver on its mission—to provide Rowlett Citizens with exceptional service



VOTING TECHNOLOGY!



Before we go any further, we would like to capture some demographic data on our participants.



Please select your gender

1. Male
2. Female



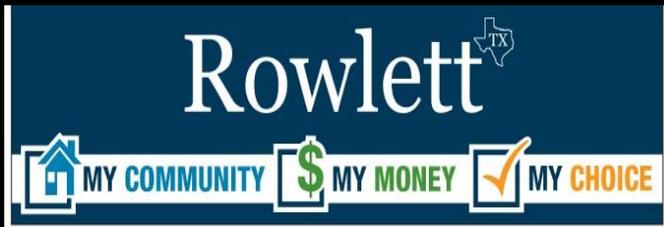
Please select your age

1. Under 35 years
2. 36-45 years
3. 46-55 years
4. 56-65 years
5. Over 65 years



How long have you lived in Rowlett?

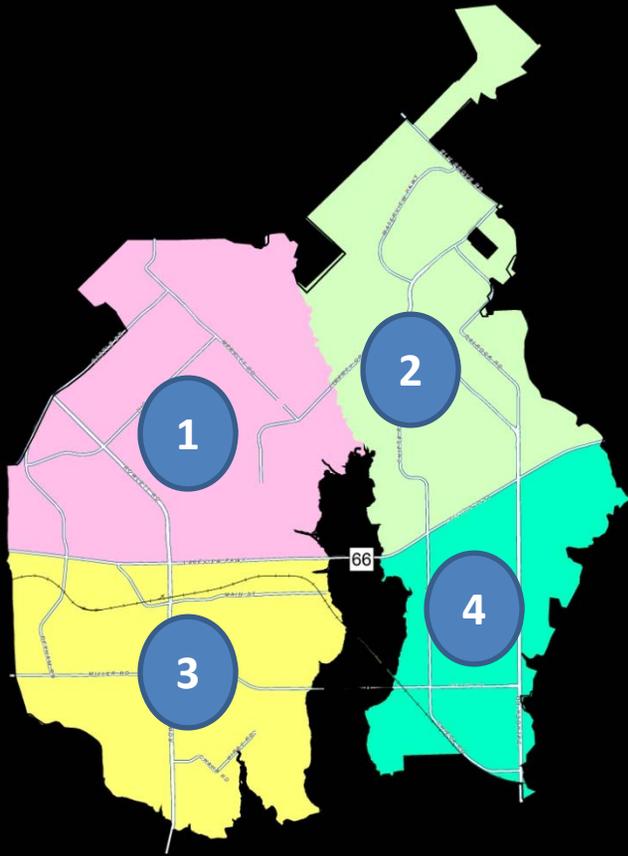
1. Under 5 years
2. 5-10 years
3. 11-15 years
4. 16-20 years
5. Over 20 years



Do you have any children under the age of 18 living at home?

1. Yes
2. No

**Please select the area of
the City in which you live**



1. Northwest Rowlett
2. Northeast Rowlett
3. Southwest Rowlett
4. Southeast Rowlett

So...why are we here?

We cannot sustain the levels of service we currently provide to our Citizens without additional funding

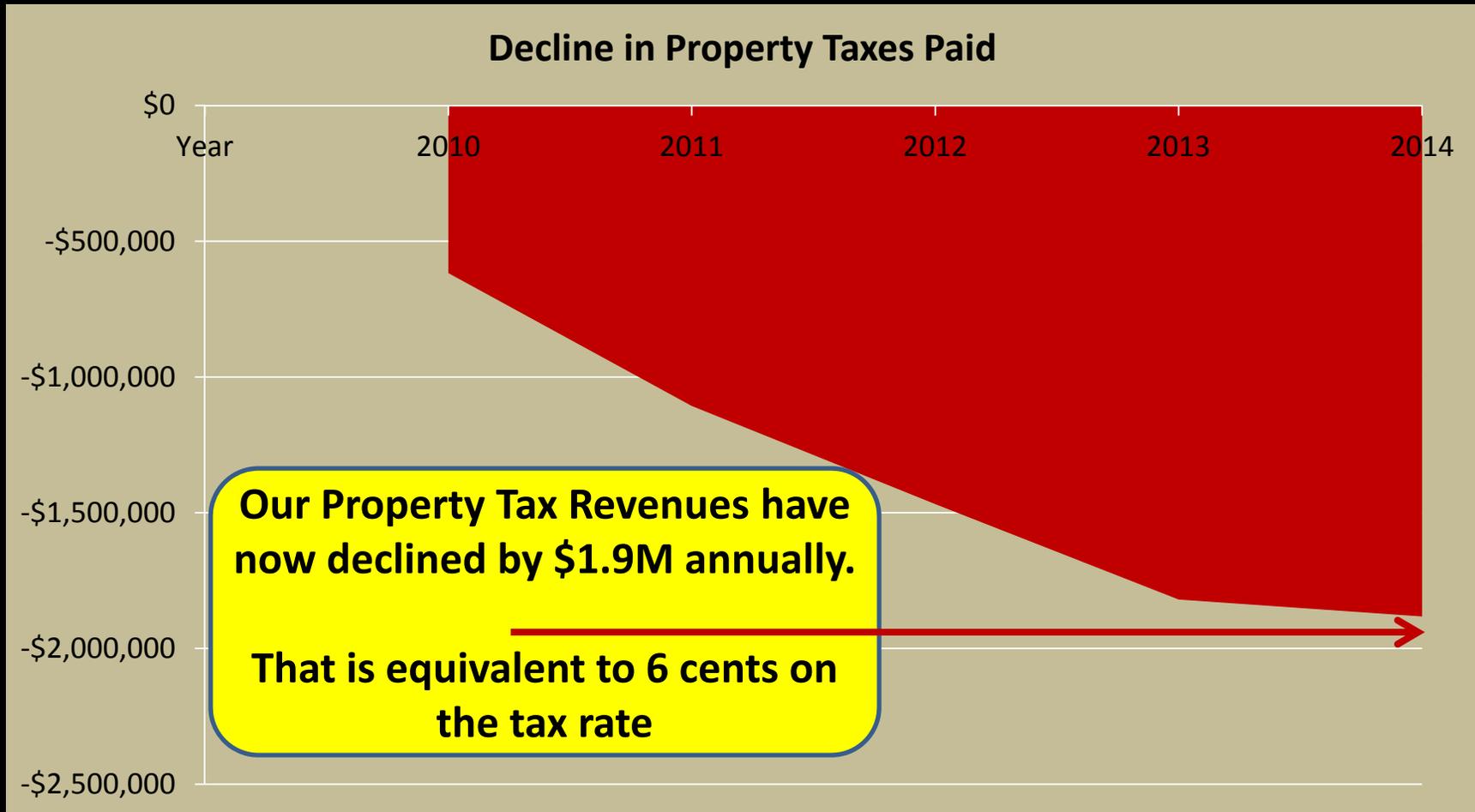
- **Our Citizens have enjoyed 9 consecutive years of zero tax rate increases**
- **PGBT and DART light-rail will provide economic growth...but not for several years**
- **Property tax revenues have declined by \$1.9 million annually**

So...why are we here?

- **City has cut 41 employees, operating costs and deferred maintenance over the past 6 years to accommodate revenue decline**
- **Capital bonds sold in 2004-2006 have been spent. New dollars will need to be raised in the future to cover the cost of new infrastructure and to replace existing infrastructure**

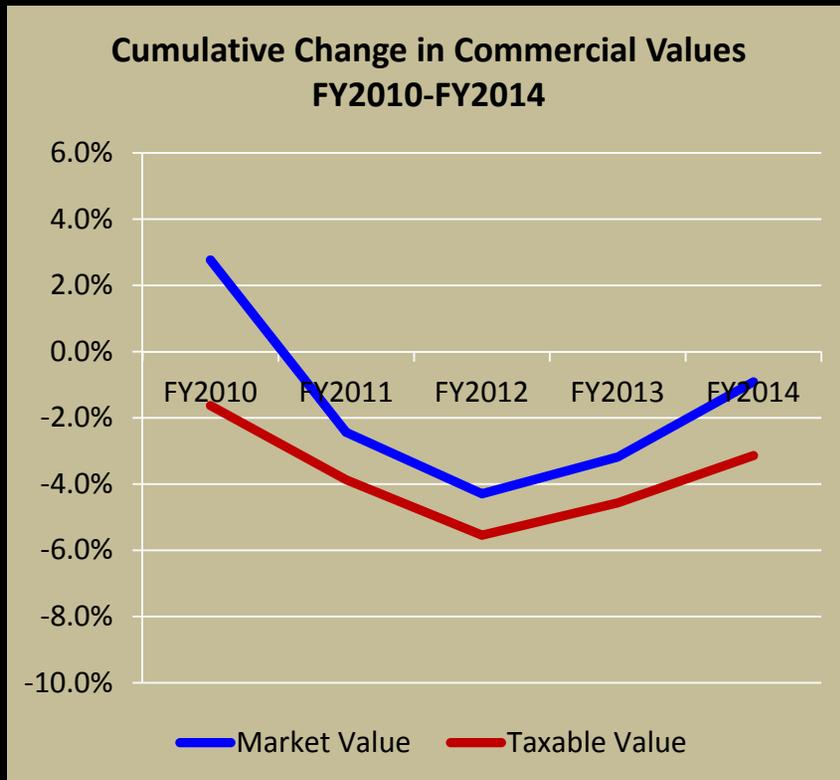
Without additional resources, we will have no choice but to cut or reduce services in FY2015

Cumulative Revenue Impact of Declining Taxable Values FY2010-FY2014

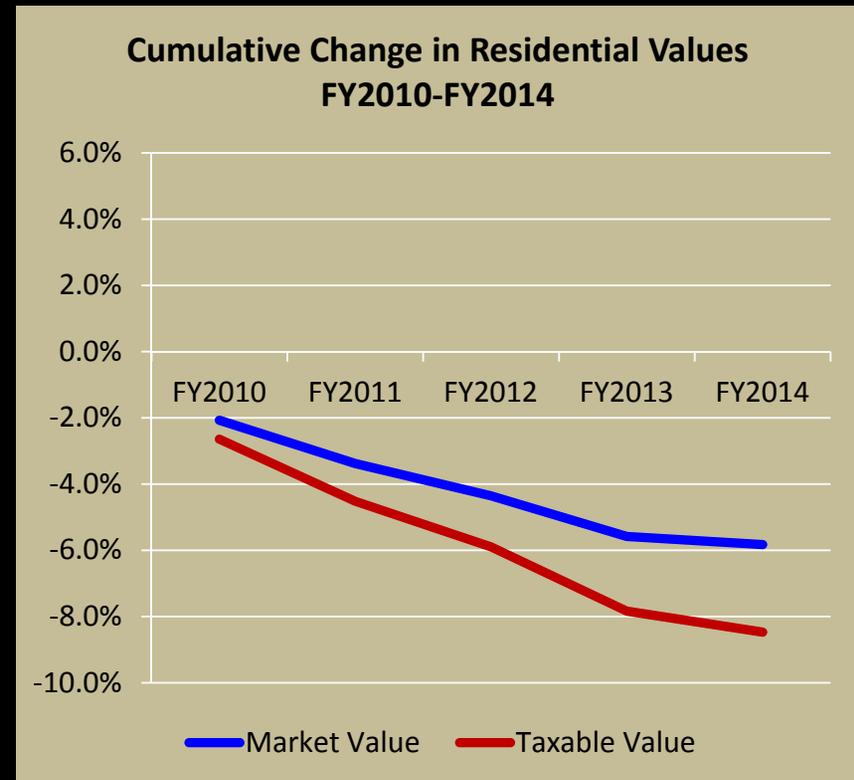


Cumulative Changes in Taxable Value FY2010 – FY2014

Commercial



Residential



The good news is that commercial values have begun increasing again; however, 81% of the City's tax value is residential.

Rowlett^{TX}



MY COMMUNITY



MY MONEY



MY CHOICE

Just like those who came before us 30 years ago who made tough decisions that resulted in PGBT and DART light-rail...we must engage today's Citizens in an honest conversation about what our future looks like!



So...why are we here?

**Rowlett Citizens are getting a GREAT value for their investment!
And they DESERVE it!**

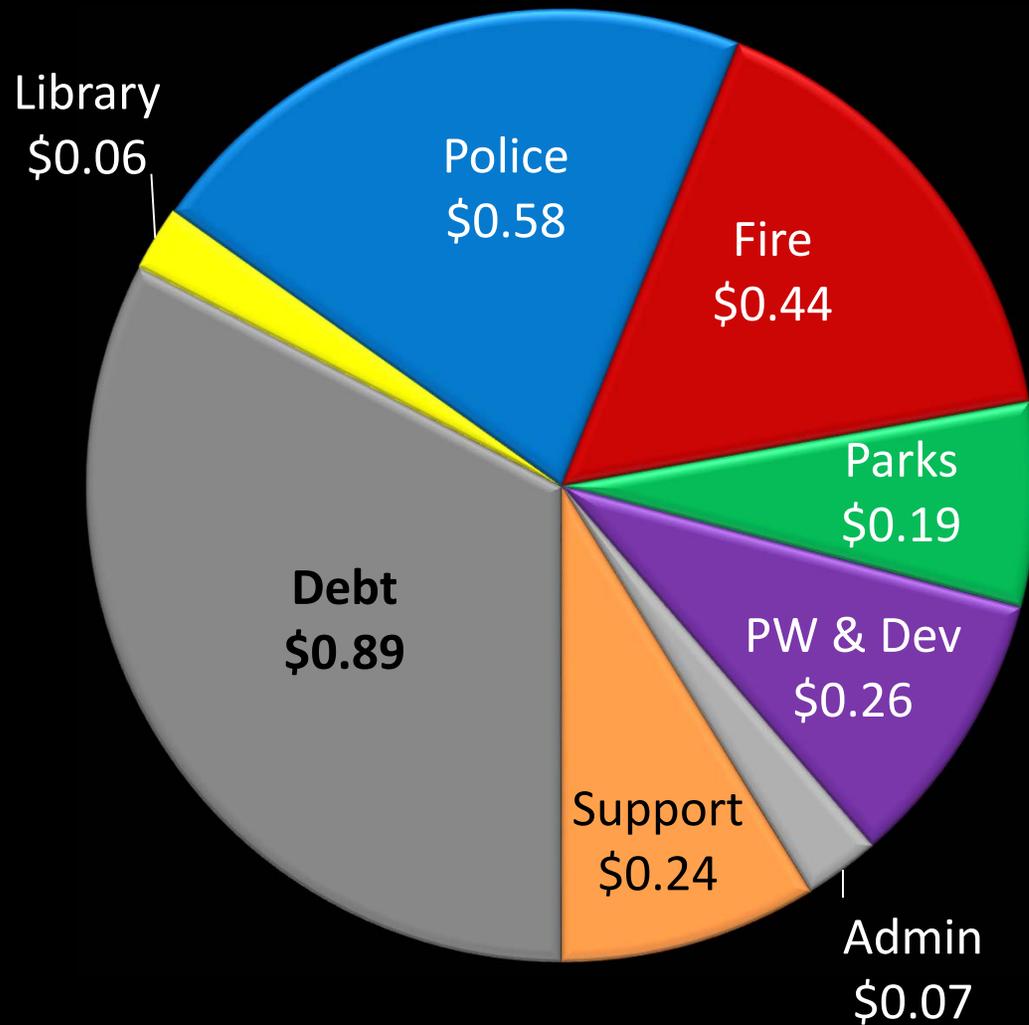
**\$997 Average
Taxes Paid in
City Taxes**

÷

**24 Hours a Day
7 Days a Week
365 Days a Year**

**That's only \$2.73
per day for ALL
City Services!**

Daily Cost Allocation by Department = \$2.73



Tall Cappuccino = \$2.98



Seriously, only \$2.73?
Yes, less than the price of a Starbucks Coffee!

STARBUCKS Store #10300 2609 Lakeview Parkway Rowlett, TX (972) 463-2539	

CHK 690276 11/02/2013 10:21 AM 1577847 Drawer: 1 Reg: 3	

Drive Thru	
T1 Cappuccino	2.75
Sugar	
Cash	3.00

Subtotal	\$2.75
Tax 8.25%	\$0.23
Total	\$2.98
Change Due	\$0.02

Check Closed	
11/02/2013 10:21 AM	

Our Dilemma - If Nothing Changes Between Now and FY2015, What Happens?

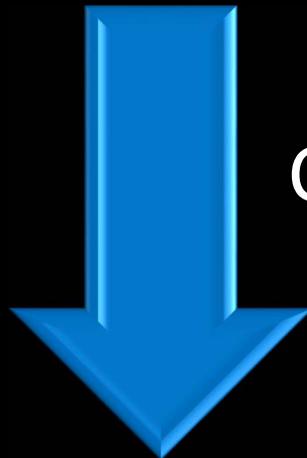
How much of an increase in taxes or service fees will Citizens accept?

If we do not diversify our development, we may not be able to stabilize or grow our tax base.

The vision of *Realize Rowlett 2020* is important to help the City realize its potential and grow its tax base.



Raise Taxes
and Fees



Cut Services

With no additional funding, we must cut or reduce services and amenities –

Who will visit here?
Who will build here?
Who will move here?

Like the rest of America, the cost of doing business has increased

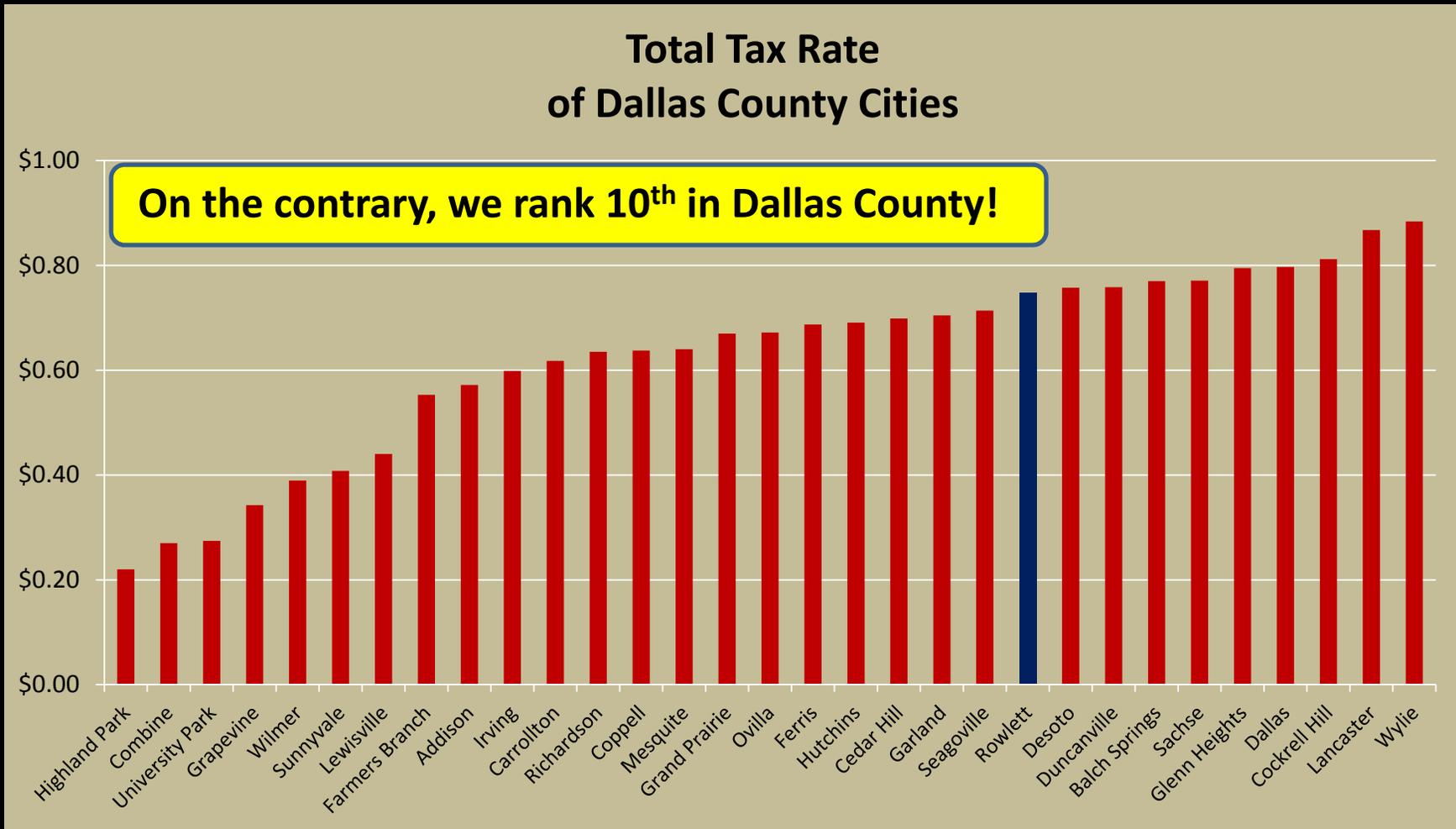
All services...like the ones that made Rowlett the *#1 Small City in America to Move to...* are at risk.

So...why are we here?

We, as a community, have to make some tough choices and your feedback is needed

But before we have that conversation, let's address some common myths about Rowlett!

Myth #1 -- Rowlett Tax Rate Is Too High



Myth #1 -- Rowlett Tax Rate Is Too High

Impact of Declining Rowlett Tax Valuations (Source: Dallas County Appraisal District)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Average Taxable Home Value	\$149,231	\$148,783	\$143,507	\$140,502	\$140,048	\$138,440	\$135,085	\$133,429
City Paid Taxes	\$1,115	\$1,112	\$1,073	\$1,050	\$1,046	\$1,034	\$1,009	\$997

Rowlett residents are paying an average of \$118 less per year in property taxes today than just 7 years ago!

Myth #1 -- Rowlett Tax Rate Is Too High

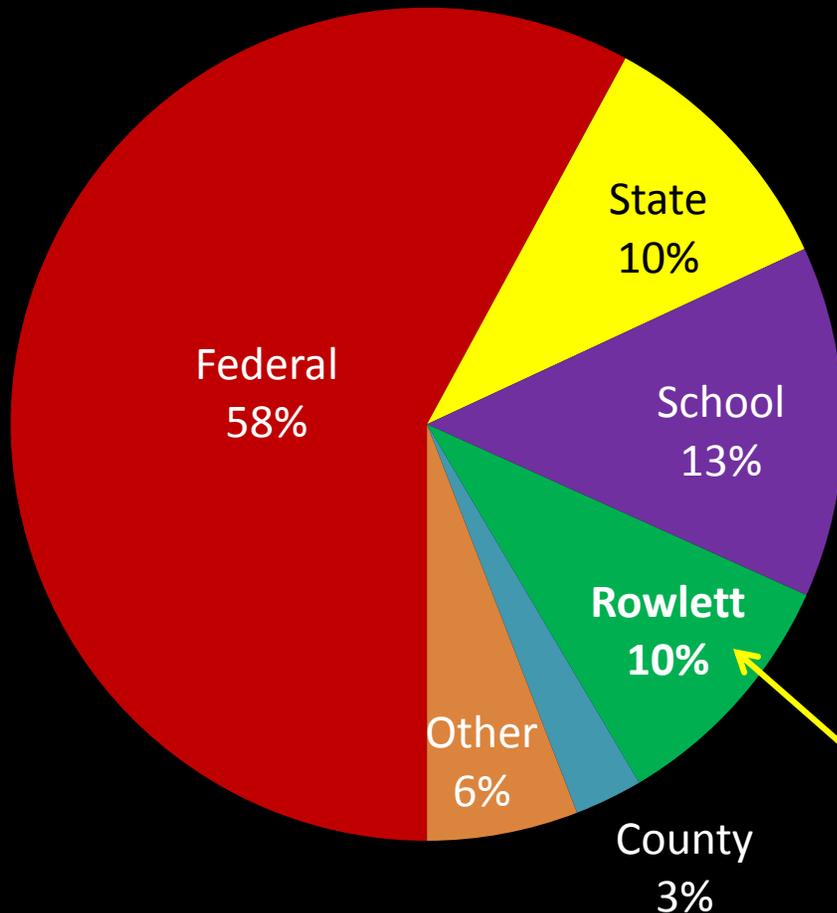
Taxing Entity	2014 Tax Rate	Percent of Total Tax Bill
Garland ISD	\$1.2533	47.2%
City of Rowlett	\$0.7471	28.1%
Parkland Hospital	\$0.2760	10.5%
Dallas County	\$0.2531	9.5%
Dallas County Community College District	\$0.1247	4.7%

The City's tax rate comprises only about a **fourth** of your total property tax bill.

Other taxing entities make up the majority of the tax bill each year.

The City doesn't receive any of this money to provide service to our Citizens!

Myth #1 -- Rowlett Tax Rate Is Too High

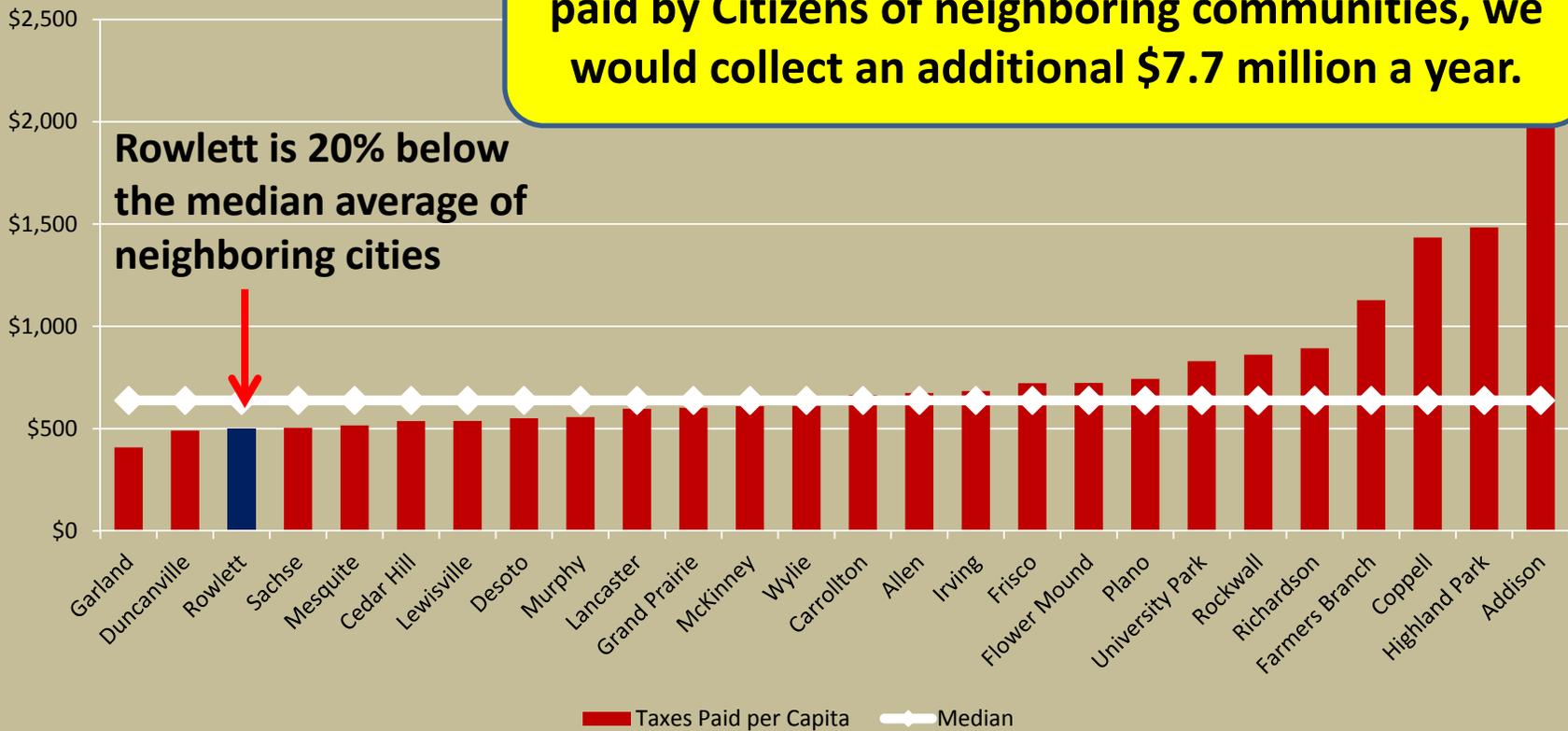


Assumptions	Rowlett
Assumes household income of \$82,466 with a family of 4	Rowlett's portion is based on property tax for the FY2014 average taxable home value of \$133,429 and the 1% sales tax rate in Rowlett

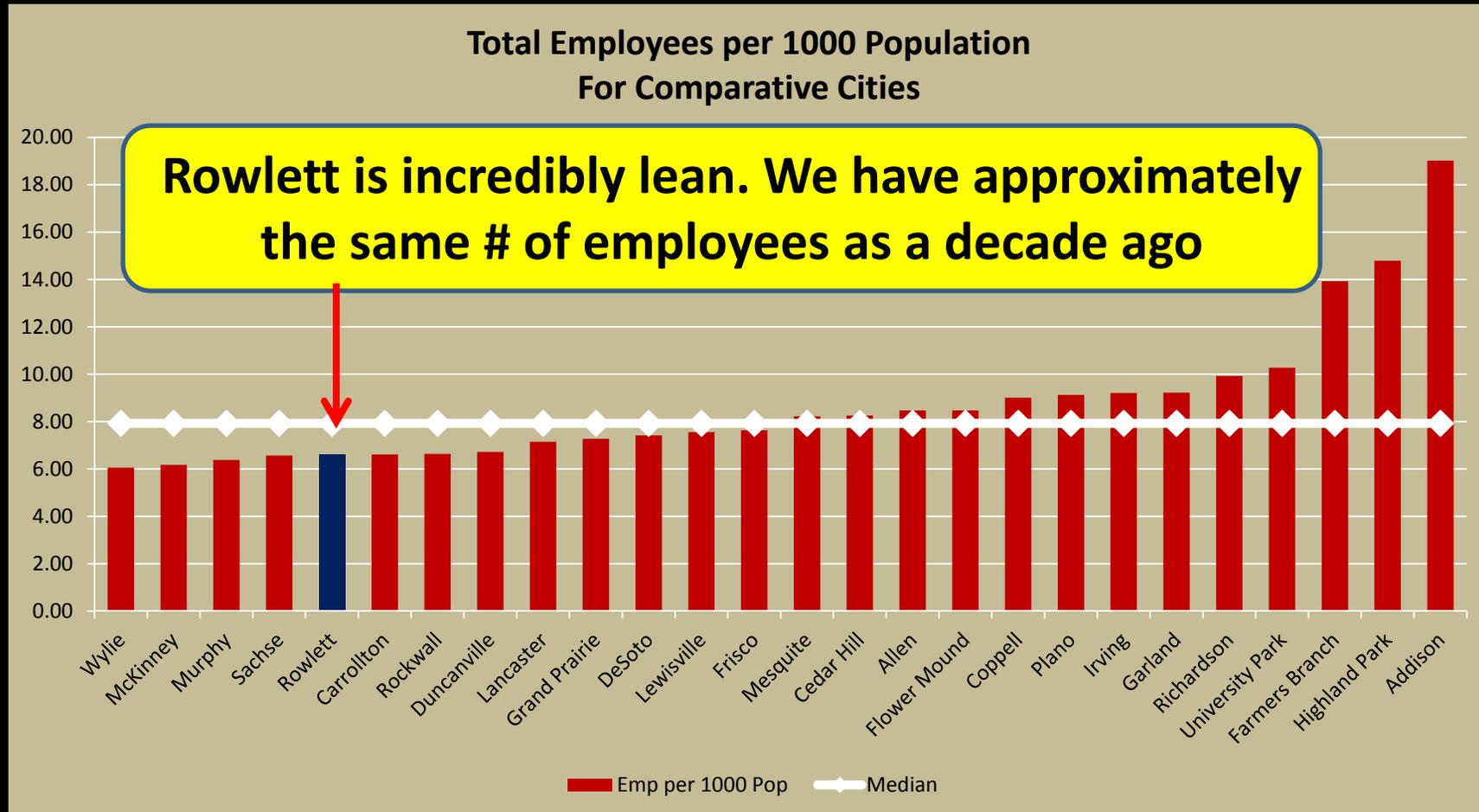
Bottom line...for every DOLLAR you spend in taxes, your City only gets a DIME

Myth #2 -- Rowlett Citizens Pay Too Much Taxes

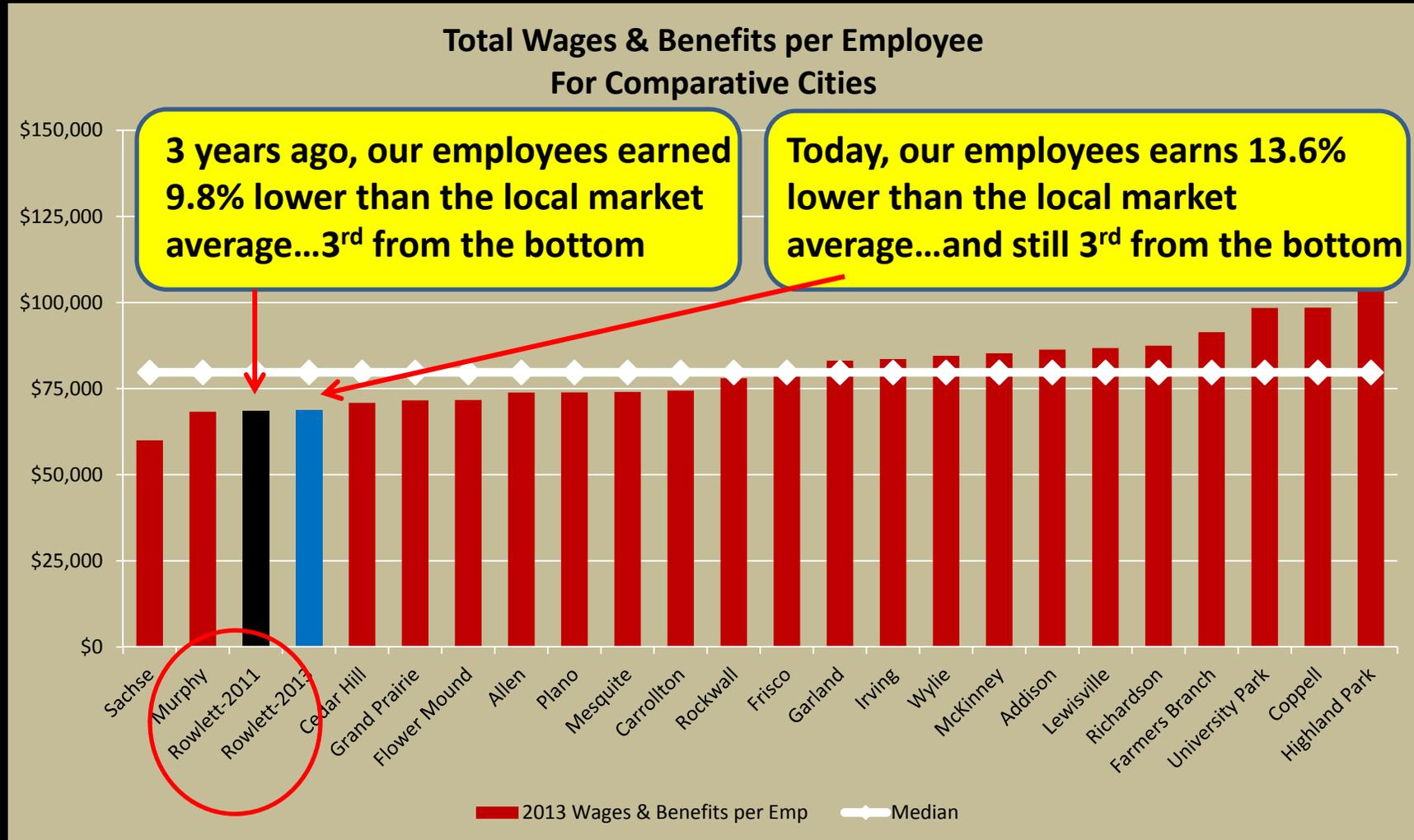
Total Taxes Paid per Capita
For Comparative Cities



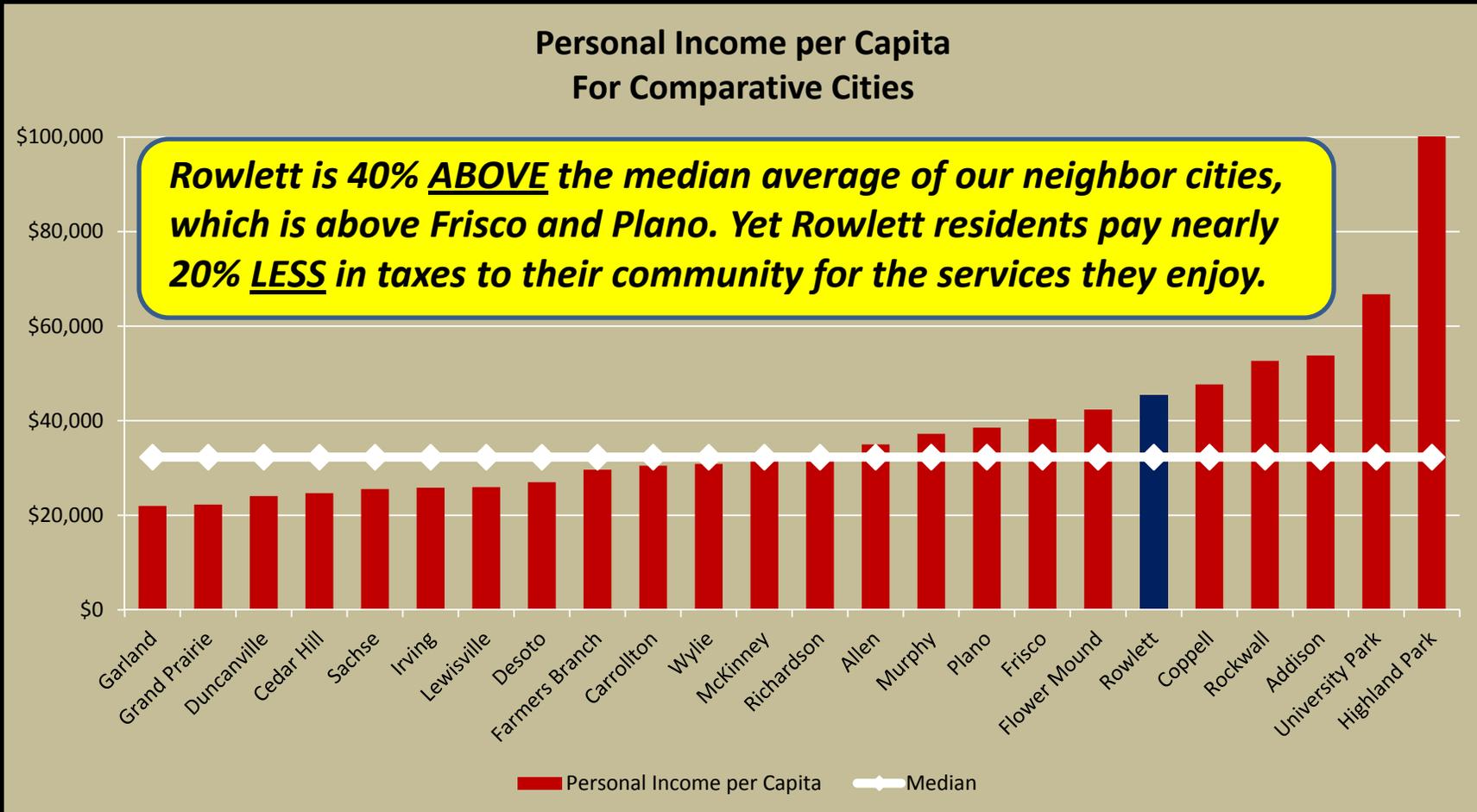
Myth #3 -- Rowlett Has Too Many Employees



Myth #4 -- Rowlett Pays Its Employees Too Much



Myth #5 -- Rowlett Is A Poor Community



Our Future Is Here, Or Is It?



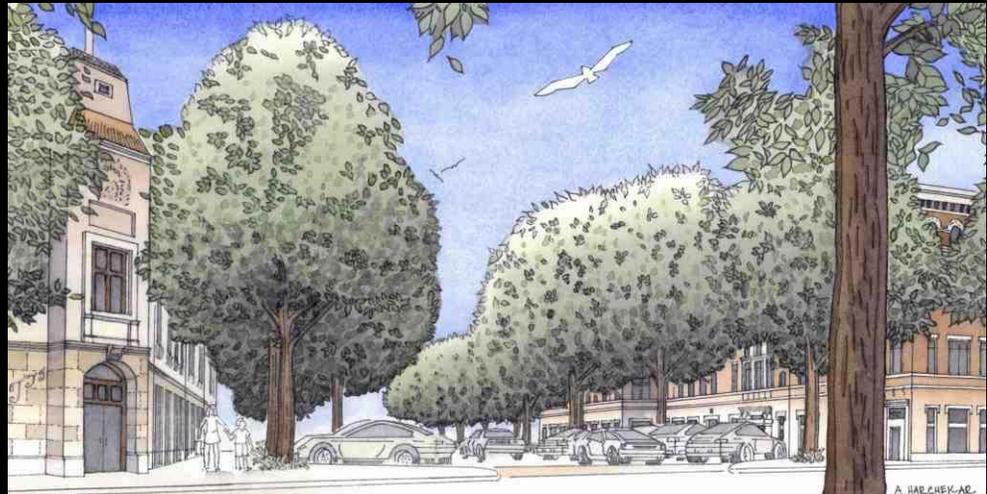
This community has waited 45 years for PGBT and 27 years for DART Light-Rail.

PGBT and DART will provide economic growth but they are long term investments. This means that it will still be several years before significant tax revenues are experienced.

Rowlett has established a vision for the future thru *Realize Rowlett 2020*.

In addition, the adoption of Form Based Code ensures high quality development.

Again, the benefits from this vision represents a long-term commitment.



Rowlett Residential Land Inventory



Current Zoning

Zoned Property	Acres	%	
Developed	6,825	65%	
Undeveloped	3,641	35%	
Total	10,466	100%	

Zoning Class	Developed	Undeveloped	Total
Commercial	3.7%	10.0%	5.9%
Floodplain	1.9%	4.4%	2.7%
Institutional	1.2%	1.7%	1.3%
Manufacturing	2.3%	0.0%	1.5%
Multifamily	0.5%	0.1%	0.4%
Mixed-Use	1.0%	31.0%	11.4%
Office	0.5%	1.3%	0.7%
Park	1.0%	0.2%	0.7%
Planned Development*	30.5%	13.2%	24.5%
Single Family	52.6%	31.8%	45.3%
Special Use	1.6%	0.9%	1.4%
Take Line	3.4%	5.4%	4.1%
Total	100%	100%	100%

* Planned development estimated to be 80% Single Family Detached.

- Single family detached development comprises nearly 77% of existing developed property in Rowlett and will comprise 65% of all property at build-out under current zoning.
- At build-out, less than 10% of property will be available to accommodate residential products other than single family detached.

Examples of High Quality Development



Homestead at Liberty Grove

Project	Private Investment	City Revenue (over 10 years)
The Homestead @ Liberty Grove (first 3 out 5 phases only)	\$112.1 M	\$6.7 M
Terra Lago (no phasing)	50.0 M	1.6 M
Harmony Hills (first of 2 phases only)	<u>26.0 M</u>	<u>2.0 M</u>
Total	<u>\$188.1 M</u>	<u>\$10.3 M</u>

✓ Three high quality projects approved in the past year have the ability to add nearly \$200 million in private investment with 1,133 new units.

✓ Over 10 years, this could add over \$10 million just in property taxes alone.

✓ Again, revenue from these sources represent a long-term commitment and will take time to mature.

We have to ask ourselves, as a community, do we want to continue to JUST GET BY or finally achieve the potential that this community has been striving for since PGBT was first conceived in 1967 and further reinforced with the decision to join DART in 1983?

**Well, What's Wrong
With Just Getting By?**

As a Community, Rowlett is aging

Yorkshire



Thornhill Alley



Subdivisions built in the 1990's now have infrastructure that needs repair...badly! We do not have sufficient funding to make these repairs...unless we cut other areas.

As a Community, Rowlett is aging

Herfurth Park

Playgrounds built 20–30 years ago in the height of our growth cycle have reached the end of their useful life and need to be replaced.

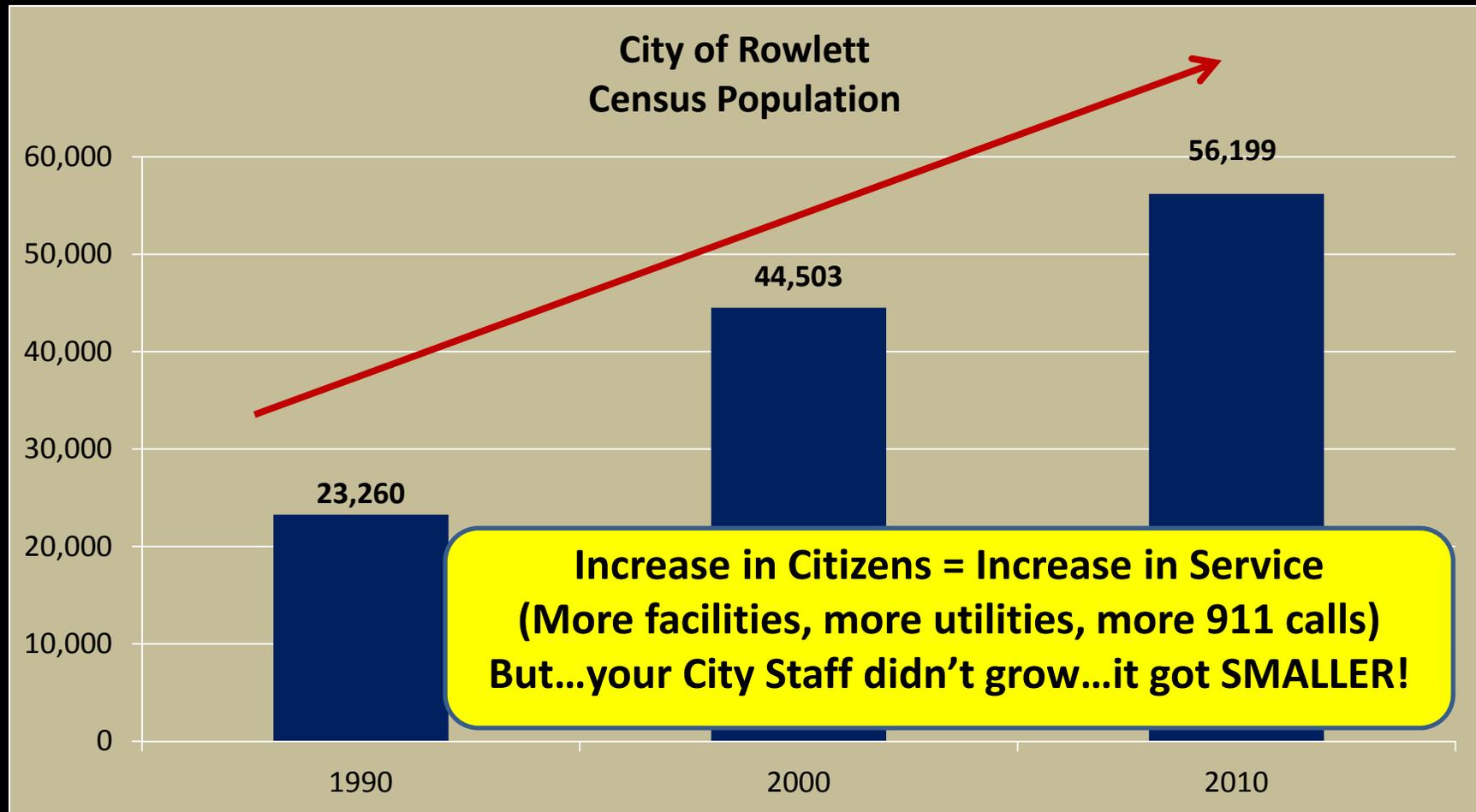
Is this where you want your children playing?



Again, we do not have sufficient funding to make these repairs without reducing services in other areas.

So, How Did We Get Here?

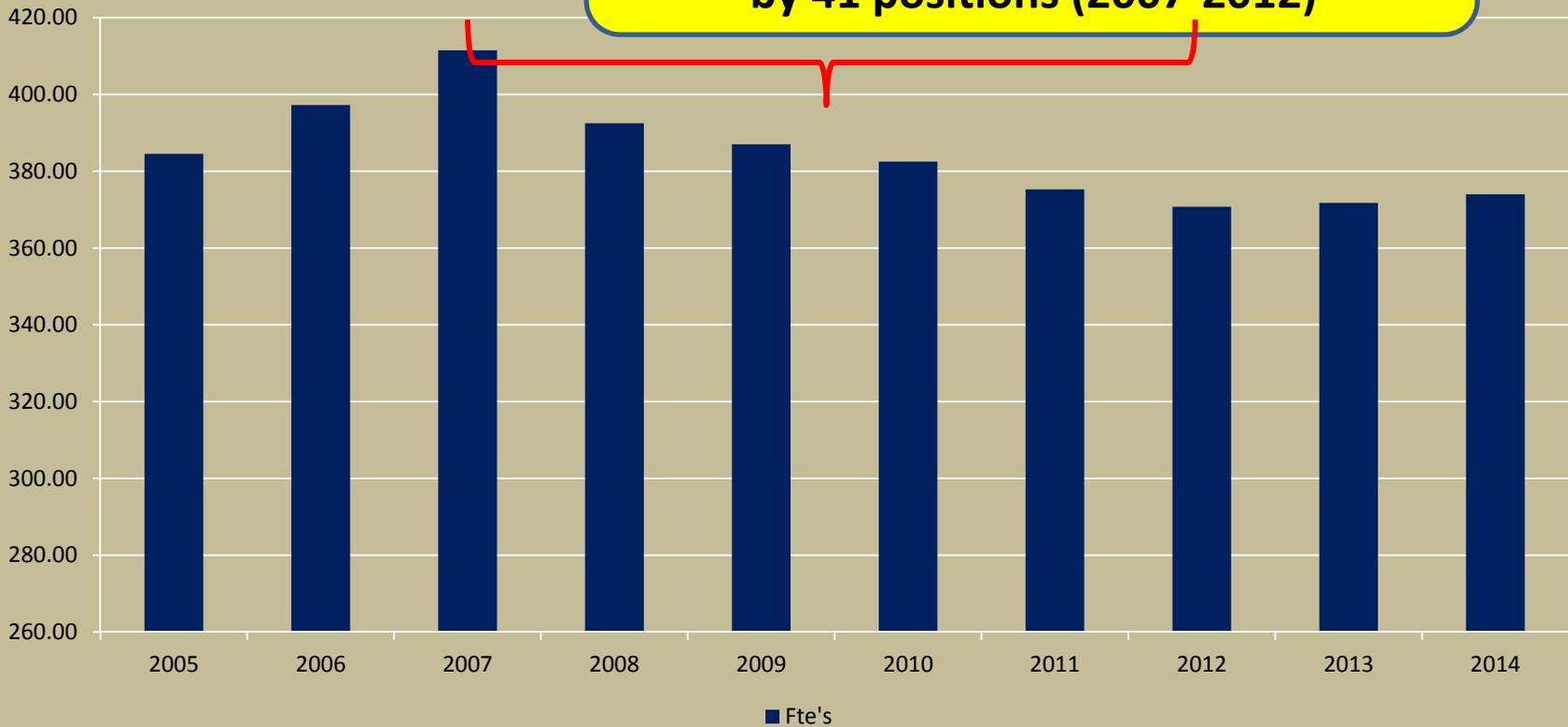
Significant Growth



The Great Recession

Budget reductions and lack of funding required the City to reduce its employees by 41 positions (2007-2012)

**City of Rowlett Employee History
FY2005-FY2014**



Community Decisions

Descriptor	FY2014 Tax Rate Breakdown (per \$100 Tax Value)
Debt Service (I&S)	\$0.24
Operations (O&M)	\$0.21
DART Property Tax Equivalent	\$0.17
Senior Tax Freeze Tax Equivalent	\$0.06
Regular Homestead Tax Equivalent (currently @ 1% of Tax Value/max \$5k)	\$0.02
Over 65/Disabled Tax Equivalent (currently @ \$67k)	\$0.05
Total	\$0.75

The value of revenues waived for DART alone equals \$5.3M annually.

Residents often ask why our property tax rate is so high. There are two primary reasons for this 1) In 1983, Rowlett citizens voted to give up one of its two sales tax pennies for DART , and 2) the type and amount of tax exemptions.

Lack of Diversity in Rowlett's Housing Stock

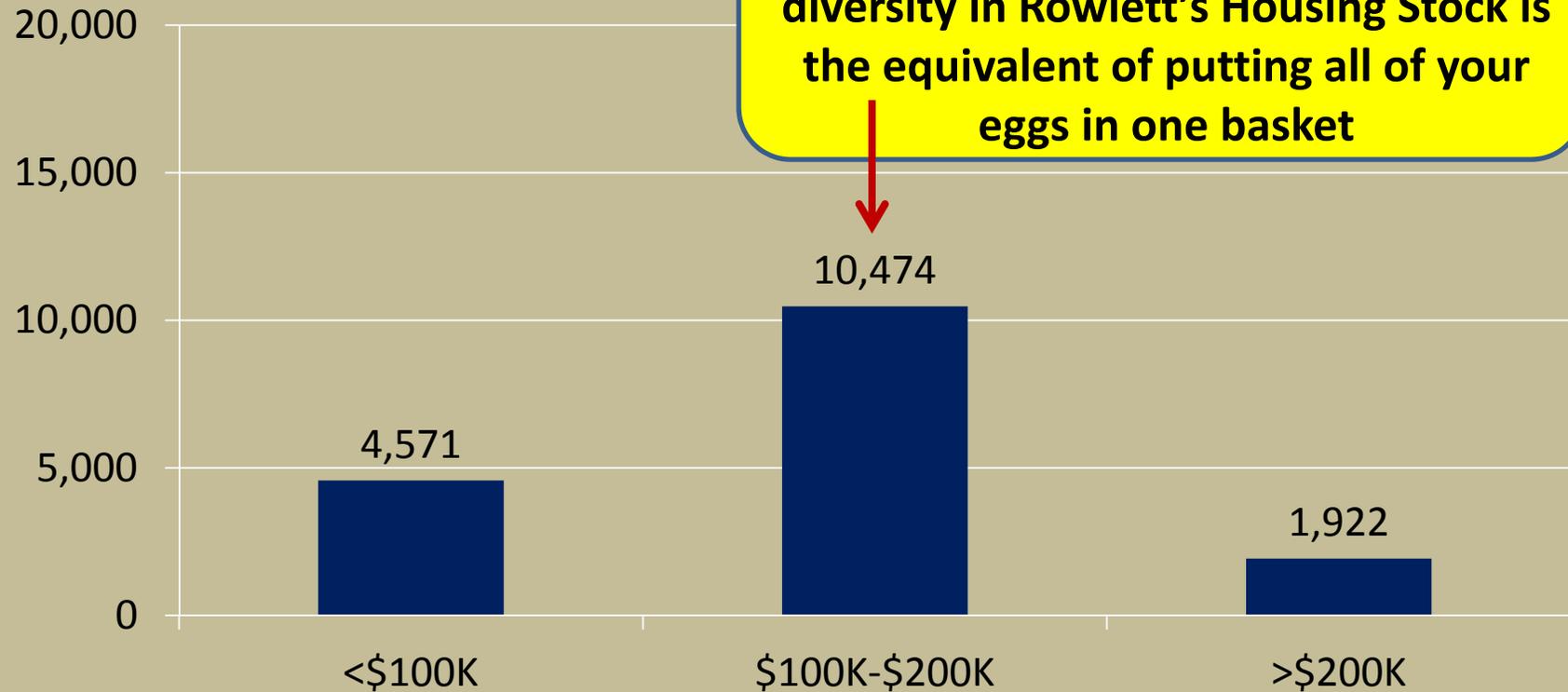


Market analysis by national real estate economists, Riker+Cunningham suggests that the recent decline in property valuations have been driven by the lack of diversity in Rowlett's housing stock.

62% of Rowlett's Residential Taxable Value falls between \$100k-\$200k

Lack of Diversity in Rowlett's Housing Stock

Residential Taxable Values and Number of Units at Each Value



Rowlett 
On the Water. On the Move.



- ✓ **24-Hour, 7 Days a Week, 365 Days a Week protection of our Citizens**
- ✓ **Firefighters AND Paramedics**
- ✓ **6 Min 44 Sec 911 response time!**
- ✓ **Emergency Operations Center during disasters...like the Ice Storm**
- ✓ **ISO 2 Rating saves taxpayers on homeowner insurance premiums**

Fire Services - \$0.44/day

Rowlett

On the Water. On the Move.



Literacy



Technology Education



Volunteerism



**Libraries
Change
Lives**



Entertainment

Library- \$0.06/day

Rowlett 
On the Water. On the Move.



PARKS & RECREATION
THE CITY OF ROWLETT

ROWLETT PARKS AND RECREATION

Parks and Rec touches ALL parts of our City

- ✓ Rowlett Community Center
- ✓ Sports & Fitness Activities
- ✓ 7 Parks & Wet Zone
- ✓ Baseball/Soccer Fields
- ✓ Tourism
- ✓ Juvenile Crime Prevention Program



Parks & Recreation- \$0.19/day

Rowlett
On the Water. On the Move.



ROWLETT POLICE DEPARTMENT

5 Minute emergency response time!

3,903 neighborhood patrols, Oct-Dec 2013



97% Animal Shelter live release rate

School Resource Officers

Police Services - \$0.58/day

Rowlett 
On the Water. On the Move.



ROWLETT PUBLIC WORKS/DEVELOPMENT



Responsive service!!

**Maintains almost
600 lane mile of roads,
over 100 miles of alleys
and 2600 street signs!**



**Provides quality
road infrastructure,
maintenance programs
and construction
management!!**

**The Cash CIP has improved
pavement condition
(PCI) = 75**

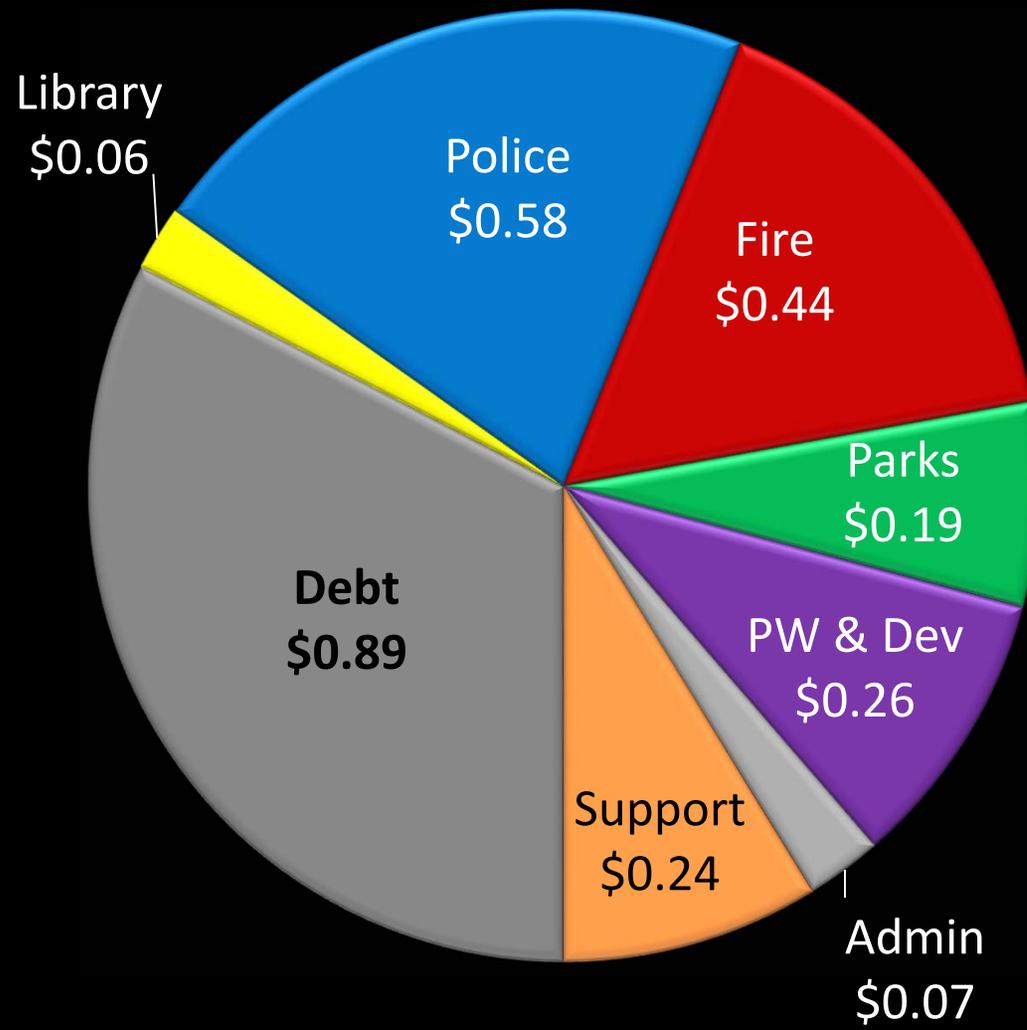


**Provides 24-hour
emergency service!!**

**Dec 2013 Ice Storm;
Drainage blockages;
Mutual aid to public
safety; fleet support!**

Public Works - \$0.24/day

Daily Cost Allocation by Department = \$2.73



Tall Cappuccino = \$2.98



**Seriously, only \$2.73?
Yes, less than the price of a
Starbucks Coffee**

STARBUCKS Store #10300 2609 Lakeview Parkway Rowlett, TX (972) 463-2539	

CHK 690276 11/02/2013 10:21 AM 1577847 Drawer: 1 Reg: 3	

Drive Thru	
T1 Cappuccino	2.75
Sugar	
Cash	3.00
Subtotal	\$2.75
Tax 8.25%	\$0.23
Total	\$2.98
Change Due	\$0.02

Check Closed 11/02/2013 10:21 AM	

Our Dilemma – if Nothing Changes Between now and FY2015, What Happens?

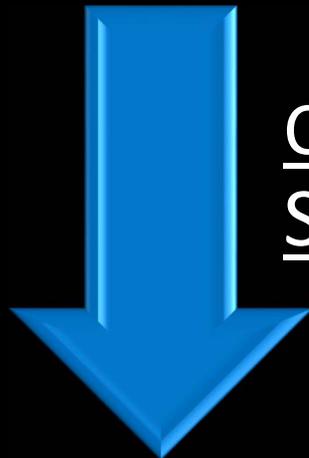
How much of an increase in taxes or service fees will Citizens accept?

If we do not diversify our development, we may not be able to stabilize or grow our tax base.

The vision of *Realize Rowlett 2020* is important to help the City realize its potential and grow its tax base.



Raise Taxes
and Fees?



Cut
Services?

With no additional funding, we must cut or reduce services and amenities –

Who will visit here?
Who will build here?
Who will move here?

Like the rest of America, the cost of doing business has increased

All services...like the ones that made Rowlett the *#1 Small City in America to Move to...* are at risk.



VOTING TECHNOLOGY!



**It is time for
your "2 cents"
Rowlett!**



As stated previously, the average Rowlett homeowner paid \$997 in property taxes. Based on what you've heard today, would you say the taxes you paid were...

1. Very high
2. High
3. About right
4. Low
5. Very low



How important or unimportant do you think it is for the City to properly maintain your streets and roadways?

1. Very important
2. Important
3. Unimportant
4. Very unimportant



How willing or unwilling are you to pay additional property taxes to ensure that the City can properly maintain your streets and roadways?

1. Very willing
2. Willing
3. Unwilling
4. Very unwilling

How important or unimportant do you think it is for the City to properly maintain your parks and amenities?



1. Very important
2. Important
3. Unimportant
4. Very unimportant

How willing or unwilling are you to pay additional property taxes to ensure that the City can properly maintain your parks and amenities?



1. Very willing
2. Willing
3. Unwilling
4. Very unwilling



How important or unimportant do you think it is for the City to have a public library?

1. Very important
2. Important
3. Unimportant
4. Very unimportant



If it is necessary for the City to reduce library services to balance the budget, in which ONE area would you prefer reductions be made?

1. Hours of Operation
2. Technology Center
3. Books & Materials
4. Library Programs
5. Not Willing to Reduce Services at All



If it is necessary for the City to increase property taxes to support library services, to which ONE area would you prefer to see the additional funding go?

1. Hours of Operation
2. Technology Center
3. Books & Materials
4. Library Programs
5. Not Willing to Increase Taxes at All



If it is necessary for the City to reduce police services to balance the budget, in which ONE area would you prefer reductions be made?

1. School Resource Officers
2. Crime Prevention & Education
3. Police Neighborhood Presence
4. Animal Shelter
5. Not Willing to Reduce Services at All



If it is necessary for the City to increase property taxes to support police services, to which ONE area would you prefer the additional funding go?

1. School Resource Officers
2. Crime Prevention & Education
3. Police Neighborhood Presence
4. Animal Shelter
5. Not Willing to Increase Taxes at All



60% of our neighborhoods have alleys. To improve those alleys, would you prefer the City assess fees to alley users or increase property taxes for all residents?

1. Assess fees to alley users
2. Increase property taxes for all residents



Finally, given what you heard today, would you prefer the City increase your property taxes or reduce your services?

1. Increase your property taxes
2. Reduce your services



We're Done!

- Thank you, thank you, thank you!
- We are proud to serve our Citizens
- We take great pride in helping support the #1 Small City in America!
- The City has created a webpage for this process and can be found at www.Rowlett.com/MyRowlett
- We will publish a final report once all of the “My Rowlett Campaign” sessions are completed

Rowlett



MY COMMUNITY



MY MONEY



MY CHOICE

A MESSAGE FROM MAYOR TODD GOTTEL



I am very honored to be the Mayor of Rowlett, I am passionate about my hometown and feel it is the absolute best place in the DFW Metroplex to live and work. While my term as your Mayor has encompassed one of the most challenging fiscal times in Rowlett's history, it has not affected my commitment to build a community of which we can all be proud. Challenges are merely opportunities and I remain confident that Rowlett has entered a new growth era that will experience a level of quality and value not historically seen in this community.

I am also very proud of the programs and services that we provide to our customers on a daily basis. *This year was the ninth (9th) straight year that Rowlett residents have paid the same tax rate.* Our citizens

are *paying on average \$118 less in property taxes today than in 2007* for the services they receive, yet I truly believe that they are receiving a much higher level of service. This achievement is a testament to our employees, who truly make a difference in the lives of those we serve. And, it is a testament to the level of financial stewardship provided by our City Council. I appreciate the depth of experience and level of engagement shown by my fellow Council members, Rowlett is very fortunate to have such a dedicated group of citizens willing to serve our community.

As we take the journey in the coming months to determine how to best implement our community's vision, our City Council and our citizens will angst over what is the right

answer – higher taxes and fees or reduced services. We owe it to you, the citizens of Rowlett, to have an honest conversation about what our future looks like and you will have that opportunity with the series of *Rowlett! My Community. My Money. My Choice* meetings coming in April. Please take an hour to attend a meeting and *Give Us Your 2¢!*

To be clear, Rowlett does not have the remaining land to have the commercial tax base that some metroplex cities have; however, Rowlett has its own sense of uniqueness that, combined with the advantages of Lake Ray Hubbard, PGBT and DART light-rail, can lead to a diversity that can be strategically planned. *We can be different and we must dare to be different.*



**Six Minute
Emergency
Services
Response Time**



**93% Animal
Shelter Live
Release Rate**



**#19 in the Top
50 Safest City
in Texas**



For \$2.73 per day, less than the cost of a tall cappuccino, Rowlett citizens receive incredible value for their tax dollars. Unfortunately, these services are no longer sustainable at the current tax rate.



Police - .58¢ per day

Priority One calls are answered within **10 seconds** with emergency services dispatched within **45 seconds** to provide a **six minute response time**.

91.5% code enforcement compliance rate keeps Rowlett clean and helps protect home values.

The Animal Shelter has a **93.7% live release rate**, well above the national average of 30%.

26 Crime Watch partnerships keep neighborhoods safer.



Fire Rescue - .44¢ per day

Hazard mitigation strategies include annual fire inspections, pre-fire planning for existing homes and businesses, fire code enforcement and smoke detector checks. **10 outdoor sirens** provide advance warning in case of weather-related or other emergencies.

72 Firefighters working **24 hours** a day, **seven days** a week, **365 days a year** provide life and property saving services to the **57,000 citizens** in the **21 square mile** area that Rowlett encompasses.



Public Works - .24¢ per day

636 miles of street and alley infrastructure that support all facets of transportation is built, maintained and repaired, along with managing the **daily "24/7" safe and efficient movement of traffic** throughout the City.

255 miles of pipeline delivering **2.65 billion gallons** of clean and safe water to the community annually is built, maintained and repaired.



Parks and Recreation - .19¢ per day

30 current and future parks, trails and green spaces, including Paddle Point Park - #29 on the Texas Parks & Wildlife's Paddling Trail list and the American Heart Association designated Heart Healthy Trail in Pecan Grove Park.

Free year-round downtown special events.

Full-service fitness center and dozens of convenient classes at the **Community Centre**.



Library - .6¢ per day

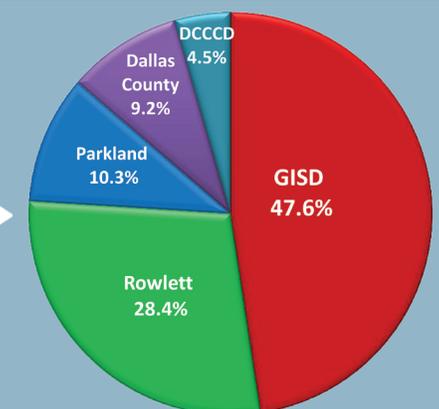
96,036 books, audiobooks, eBooks, DVD's, CD's, magazines and newspapers are available to borrow.

Promoting literacy through programming such as weekly storytimes and the **Summer Reading Program**, which had **2,000 participants** in 2013.

GED and English as a Second Language tutoring programs contribute to the **community's economic stability**, giving citizens the **tools necessary** to qualify for **employment opportunities**.

Did You Know?
Only **28.4%** of your property taxes go to the **City of Rowlett!**

Taxing Entity	FY2013 Tax Rate
GISD	\$1.2533
City of Rowlett	\$0.7471
Parkland Hospital	\$0.2710
Dallas County	\$0.2431
Dallas County Community College	\$0.1194



*Rowlett has had the same tax rate for NINE years!
So, why is a change necessary now?
What's Wrong with Just Getting By?*

As a community, *Rowlett is now aging.*

Subdivisions built in the 1990's now have infrastructure that needs significant repair. These repairs require funding for on-going maintenance, not currently funded in the tax rate.

Playgrounds built 20 – 30 years ago in the height of our growth cycle have reached the end of their useful life and need to be replaced. Replacements of these playgrounds require funding, which is not currently funded in the tax rate.

Housing values continue to decline. This decline further exacerbates the continuing reduction in property tax revenue generated for ongoing operations and maintenance.

Rowlett residents are paying an average of \$118 LESS per year in property taxes today than just seven years ago!



Thornhill alley



Herfurth Park

So, How Did We Get Here?

There are several noteworthy events that have set in motion a chain reaction of sorts that has impacted the City's ability to deliver services at its current rate. These include:

1 Great Recession of 2007 – 2012

The global economy suffered what has become known as the Great Recession, the single biggest economic decline to impact the United States since the 1930's Great Depression. Rowlett felt the impact when property valuations started to decline in 2007, and continue to decline today, **resulting in a \$1.9 million annual reduction in property tax revenue** and necessitating further staff and program level reductions.

This was accomplished with no measurable decline in service to citizens, in order to avoid raising taxes. **The City of Rowlett's workforce is currently 373, about the same level as in 2004, a full decade ago.**

2 Lack of Housing Options

Market analysis has shown that the decline in Rowlett property valuations is being driven not only by the overall decline in national home prices, but the lack of diversity in housing options. **The only offering is a typical suburban house, all with similar home values.** The empty nesters or up and coming professionals, who want a choice, have to move elsewhere. Diversity of housing stock brings a level of stability so choices are offered as a part of Realize Rowlett 2020 and the adoption of form based codes.



*So here is our dilemma, Rowlett.
If nothing changes between now and Fiscal Year 2015, what happens?*

To what level will citizens tolerate raising taxes and fees?

If we do not diversify our development, we may not be able to stabilize or grow our tax base.

The vision of Realize Rowlett 2020 is important to help the City realize its potential and grow its tax base.



*If we cut services and amenities, who will build here?
Who will move here?
Who will visit here?*

We are approaching the point where price sensitivity will cause citizens to resist any changes.

*All services are at risk.
We no longer have room for 'sacred cows'.*

As we take the journey this year to determine what kind of community we want Rowlett to be, the City Council and Rowlett citizens will angst over what is the right answer – higher taxes and fees or a reduction in the services residents currently enjoy and have become used to. Rowlett cannot continue to “make-do” waiting for PGBT and DART Light-rail to arrive. They are now here and the ability to “bridge” the financial gap no longer exists. As a result, the City Council and you, the Rowlett citizen, now have to make strategic decisions to determine what our community’s future will be.

Unfortunately, even with some very exciting economic development projects on the horizon, the financial benefit to our community won’t be instant, it takes about three years for a city to see property tax revenues from new development. Therefore,

we would need to begin approving projects in the coming year to see those revenues by Fiscal Year 2016.

Therefore, because economic conditions are likely to be challenging for the next couple of years or so, it is important to continue to make decisions utilizing a multi-year plan that addresses the City’s current and future needs and the ability to fund those decisions currently and in the future. To some extent, timing is critical – wait too long and we miss an important window of opportunity, strike too soon and the investment we make may fall flat.

The Rowlett, My Community, My Money, My Choice meetings are your opportunity to engage and provide feedback with these decisions.

It’s time to have an honest conversation about what our future looks like.

We Need You!

Attend a meeting and offer your input...give us your 2¢!



Rowlett^{TX}



*For more information visit
Rowlett.com/myrowlett*

*Questions? Email us!
myrowlett@rowlett.com*

***Thursday, April 3**
Rowlett Community Centre
5300 Main Street
7:00 - 8:00 P.M.*

***Monday, April 7**
Fire Station 1
3900 Miller Road
7:00 - 8:00 P.M.*

***Thursday, April 10**
Fire Station 2
5100 Dalrock Road
7:00 - 8:00 P.M.*

***Thursday, April 17**
Fire Station 3
8000 Princeton Road
7:00 - 8:00 P.M.*

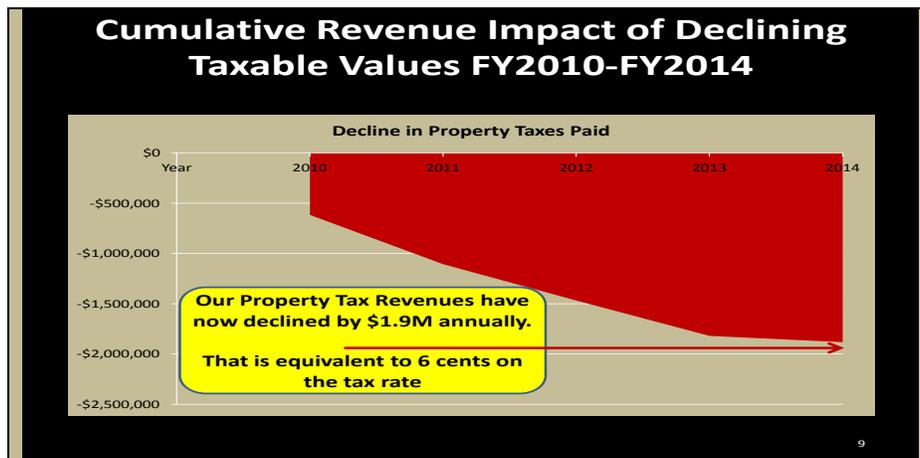
***Monday, April 21**
Fire Station 4
6800 Rowlett Road
7:00 - 8:00 P.M.*

***Thursday, April 24**
City Hall
4000 Main Street
7:00 - 8:00 P.M.*

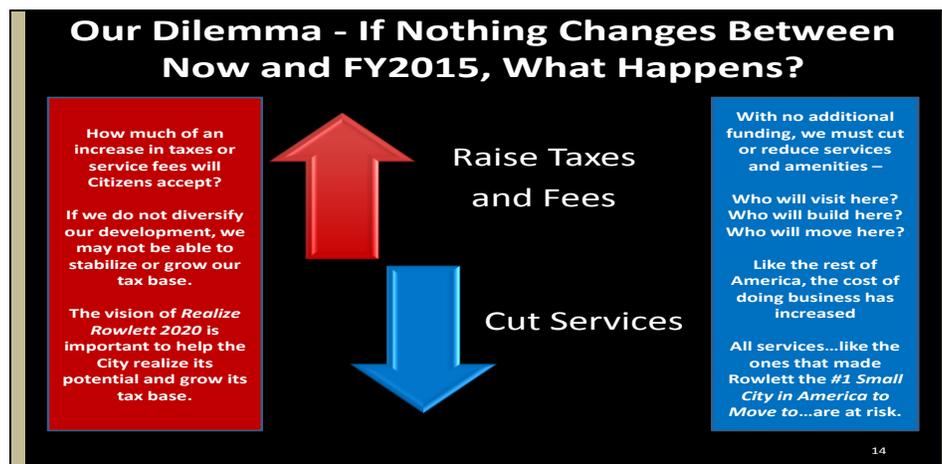


**Frequently Asked Questions
From the 2014 My Rowlett Campaign**

1. **What is the Rowlett. My Community. My Money. My Choice Campaign?** The My Rowlett Campaign is a community based program to engage our citizens in an honest conversation about what our future looks like. The purpose of the program is to 1) educate our citizens on the value of the programs and services they receive for their tax dollar and 2) gauge the willingness of our citizens about possible service reductions or increases in the property tax rate.
2. **Why is the City considering reducing services or increasing taxes?** The simple answer is that we cannot sustain the levels of service we currently provide to our Citizens without additional funding. Since Fiscal Year 2010, our property tax revenues have declined \$1.9 million dollars. As you can see from the chart below, that is the equivalent of 6 cents on our property tax rate.



After cutting employees, operating costs and deferring maintenance over the past 6 years to accommodate revenue decline, we have a dilemma. Our infrastructure (streets, alleys, parks, etc.) are aging. Therefore, the question we have to ask ourselves now, as described in the chart below, is this...if nothing changes between now and FY2015, what happens?



3. **Why can't the City bring more business into Rowlett and shift some of the taxpayer burden off of residential properties?** Rowlett is already over 65% built-out. And, 81% of our taxable value is residential. Furthermore, based on our land use plan, only 10% of the remaining land left to develop is zoned commercial. Therefore, we will always be primarily a residential community. That means that while we will increase our commercial tax base over time, it won't be at a level necessary to significantly shift the tax burden. In addition, although there are several promising developments on the way, it will take years to for those developments to completely build out and provide much needed tax revenue to the City.
4. **How much will the average homeowner pay if the City increases the property tax rate?** The average taxable value of our residential properties for the current fiscal year is \$133,429. Based on that value, each penny will add \$13.34 annually or about 4 cents a day. For reference, we have added the table below to show the amount of taxes the average homeowner would pay per penny tax increase. In addition, we've also included approximately how much revenue each penny will generate to the City.

Penny on the Tax Rate	Annual Cost to Average Rowlett Homeowner	Daily Cost to Average Rowlett Homeowner*	Annual Revenue Impact to City
1¢	\$13.34	\$0.04	\$311,650
2¢	\$26.68	\$0.08	\$623,300
3¢	\$40.02	\$0.12	\$934,950
4¢	\$53.36	\$0.16	\$1,246,600
5¢	\$66.70	\$0.20	\$1,558,250

*Note: rounding

To find out how much each penny of the tax rate currently costs you for your home, find your market value from the appraisal district (Dallas County is www.dcad.org / Rockwall County is www.rockwallcad.com) and [click here](#) for a handy tool to calculate your daily cost. We've included the table below to show you the calculations for the average residential property owner in Rowlett.

<u>Description</u>	<u>Box One</u>	<u>Box Two</u>
	<u>Non Senior/ Non Disabled</u>	<u>Senior or Disabled Person</u>
Total market value of your home per your appraisal district (i.e. Dallas County or Rockwall County)	\$138,429.00	\$138,429.00
Subtract exemptions provided by City of Rowlett: <ul style="list-style-type: none"> Regular Homestead Exemption (1% of total value/max = \$5,000) - everyone Senior/Disabled Person Tax Exemption – individuals over 65 or formally certified as disabled 	\$ (5,000.00)	\$ (5,000.00)
	\$ 0.00	\$(67,000.00)
This is your Taxable Assessed Value	\$133,429.00	\$ 66,429.00
This is your Annual Cost	= \$996.95	= \$496.34
This is your Total Daily Cost at the current tax rate	= \$2.73	= \$1.36
This is your Daily Cost per Penny of the City of Rowlett's Tax Rate-rounded to the nearest cent	<u>\$0.04</u>	<u>\$0.02</u>

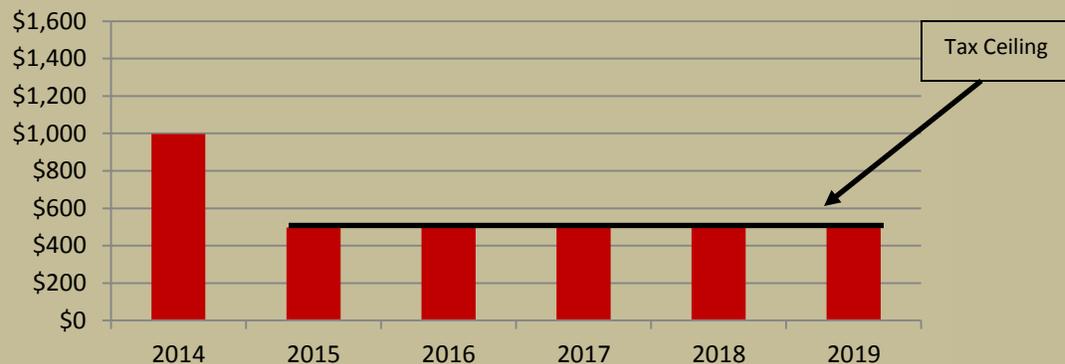
5. **How much of a tax increase is the City considering?** Although the City is still working on developing its budget proposal for the next two years, realistically, it is possible that our shortfall will be equivalent to about 4-6 cents on the tax rate. There are three factors that will influence the final amount.
- An overall increase or decrease in taxable value; and/or
 - The amount of fees increased or cuts identified by staff through its budget scrubbing exercise; and/or
 - Actual services reduced through the budget process this summer.
6. **Will a tax rate increase affect seniors over 65 years of age?** The answer is no. The City of Rowlett is among 7 cities out of 31 in Dallas County that has adopted the *Senior Tax Freeze*. By a constitutional amendment from the State of Texas, any city who adopts this *Freeze* cannot “un-adopt” it later. In addition, the Freeze is based on the amount of annual taxes paid when the senior tax exemption is first awarded. The statute refers to this as the tax “ceiling”. Even if the taxable value increases, seniors who receive this benefit now will “not” pay any additional property taxes to the City beyond the initial tax ceiling they received when they first turned 65.

For example, an individual who is 64 in 2014 and owns a residence with a total market value of \$138,429 would have a taxable assessed value of \$133,429 after receiving the Regular Homestead Exemption of \$5,000. Based on that value, they would pay \$997 in property taxes to the City of Rowlett. When that individual becomes 65 in 2015, they would receive an additional \$67,000 Senior Tax Exemption reducing the total assessed value to \$66,429. The annual property taxes paid would drop by nearly 50%, from \$997 to \$496. In the example below, since the City of Rowlett adopted the *Senior Tax Freeze*, the amount of property taxes paid would cap at \$496 in the future even if the market value increases over time. This is because the *Freeze*, or ceiling, is based on the property taxes paid and not the taxable assessed value as illustrated in the table below.

Example Chart

Year	Age	Market Value	Taxable Assessed Value	Annual Property Taxes Paid
2014	64	\$138,429	\$133,429	\$997
2015	65	\$138,429	\$66,429	\$496
2016	66	\$138,429	\$66,429	\$496
2017	67	\$142,582	\$70,582	\$496
2018	68	\$142,582	\$70,582	\$496
2019	69	\$142,582	\$70,582	\$496

Property Taxes Paid-Senior over 65



7. **What is the breakdown of the taxes paid by the Rockwall County taxpayer?** This is a great question and should have been included in the presentation. The City of Rowlett is located in two counties, approximately 1/6 of our taxable value is in Rockwall County and the remaining portion is in Dallas County. While the City's portion of property taxes paid is still about ¼ in both counties, the remaining taxing entities are quite different. The slide below shows the comparison between the two.

Dallas County			Rockwall County																						
Taxing Entity	2014 Tax Rate*	Percent of Total Tax Bill	Taxing Entity	2014 Tax Rate*	Percent of Total Tax Bill																				
Garland ISD	\$1.2533	47.2%	Rockwall ISD	\$1.4700	56.5%																				
Rowlett	\$0.7471	28.1%	Rowlett	\$0.7471	28.7%																				
Dallas County	\$0.2531	9.5%	Rockwall County	\$0.3864	14.8%																				
Parkland Hospital	\$0.2760	10.5%																							
DCCCD	\$0.1247	4.7%																							
*Per \$100 of Assessed Value			*Per \$100 of Assessed Value																						
<p style="text-align: center;">2014 Tax Rate for Rowlett Residents in Dallas County</p> <table border="1"> <caption>2014 Tax Rate for Rowlett Residents in Dallas County</caption> <thead> <tr> <th>Entity</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>GISD</td> <td>47.2%</td> </tr> <tr> <td>Rowlett</td> <td>28.1%</td> </tr> <tr> <td>Parkland Hospital</td> <td>10.4%</td> </tr> <tr> <td>Dallas County</td> <td>9.5%</td> </tr> <tr> <td>DCCCD</td> <td>4.7%</td> </tr> </tbody> </table>			Entity	Percent	GISD	47.2%	Rowlett	28.1%	Parkland Hospital	10.4%	Dallas County	9.5%	DCCCD	4.7%	<p style="text-align: center;">2014 Tax Rate for Rowlett Residents in Rockwall County</p> <table border="1"> <caption>2014 Tax Rate for Rowlett Residents in Rockwall County</caption> <thead> <tr> <th>Entity</th> <th>Percent</th> </tr> </thead> <tbody> <tr> <td>RISD</td> <td>56.5%</td> </tr> <tr> <td>Rowlett</td> <td>28.7%</td> </tr> <tr> <td>Rockwall County</td> <td>14.8%</td> </tr> </tbody> </table>			Entity	Percent	RISD	56.5%	Rowlett	28.7%	Rockwall County	14.8%
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8. **What are we unnecessarily spending and how is that spending prioritized against infrastructure?** As mentioned in the *My Rowlett* presentation, the decline in the City's property tax revenues has reached the level of \$1.9 million since Fiscal Year 2010. As a result, we have reduced employees, cut operating costs, and deferred maintenance, all typical reactions to a revenue decline during a recession. Therefore, there isn't much left in our operating budget that we would consider "unnecessary". Aside from that, the City already sets aside \$6.1 million per year out of its operating funds to repair, maintain or otherwise protect our infrastructure. What that level of funding cannot do is address streets, alleys and other infrastructure that are in such a state of deterioration that they must be "reconstructed" or essentially rebuilt. For that, the City will need to sell general obligation bonds that will require voter approval. This election is currently planned for May 2015 and will provide a much needed source of funding for these types of major expenses.
9. **Does the City have a five year budget?** The City of Rowlett believes that long-term planning is an essential ingredient for success. As a result, we prepare and submit a two-year budget as part of our annual budget process. Based on our Home Rule Charter, the City Council then adopts the first year; therefore, the second year is for planning purposes. In addition to the two-year budget, the City also prepares a five year financial model to assess risk, evaluate policy changes, and evaluate revenue needs based on known or predicted expenses. This five year financial planning model allows us to see how the

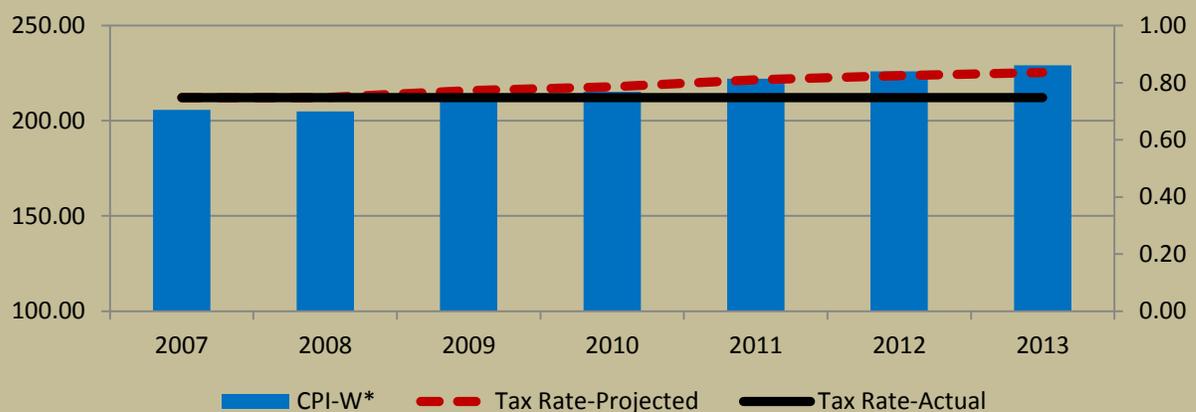
decisions we make today will impact our future. In most cases, the model doesn't change the decisions we make today but it allows us to see their future impact. Identifying these impacts today provides opportunities for strategic planning rather than encountering "unintended consequences" of today's decisions in the future. Another benefit that financial planning has provided us is that it allowed us to develop a much needed "bridge" to Fiscal Year 2015, in order to provide time for economic development to begin to occur as a result of the opening of President George Bush Tollway (PGBT) and Dallas Area Rapid Transit (DART) and the completion of the City's comprehensive land use plan, *Realize Rowlett 2020*.

10. **What would happen to the property tax rate if the City tied it to an index such as the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)?** Tying the City's tax rate to an index comes with certain challenges. For example, since 2007, the CPI-W has increased 11.4%, from 205.777 to 229.174. Hypothetically, if we had tied the Rowlett Tax Rate to the CPI-W since 2007, the tax rate in FY2014 would be \$0.836044, or 8.88 cents higher than today and would bring in an additional \$2,770,560 annually (see chart below). For the sake of this analysis, we have assumed that the rate would not have been reduced in 2008 which was the only year that the index declined by roughly ½ of one percent. We would have to also remember that this increase would have occurred during the Great Recession and while overall property values were declining.

Calendar Year	CPI-W*	Percent Change	Tax Rate-Projected under CPI-W	Tax Rate-Actual
2007	205.777	4.3%	0.747173	0.747173
2008	204.813	-0.5%	0.747173	0.747173
2009	211.703	3.4%	0.772308	0.747173
2010	215.262	1.7%	0.785292	0.747173
2011	222.166	3.2%	0.810478	0.747173
2012	225.889	1.7%	0.824060	0.747173
2013	229.174	1.5%	0.836044	0.747173

*Source: Bureau of Labor Statistics (Dec)

History of CPI-W versus Rowlett Tax Rate - Actual and if tied to CPI-W

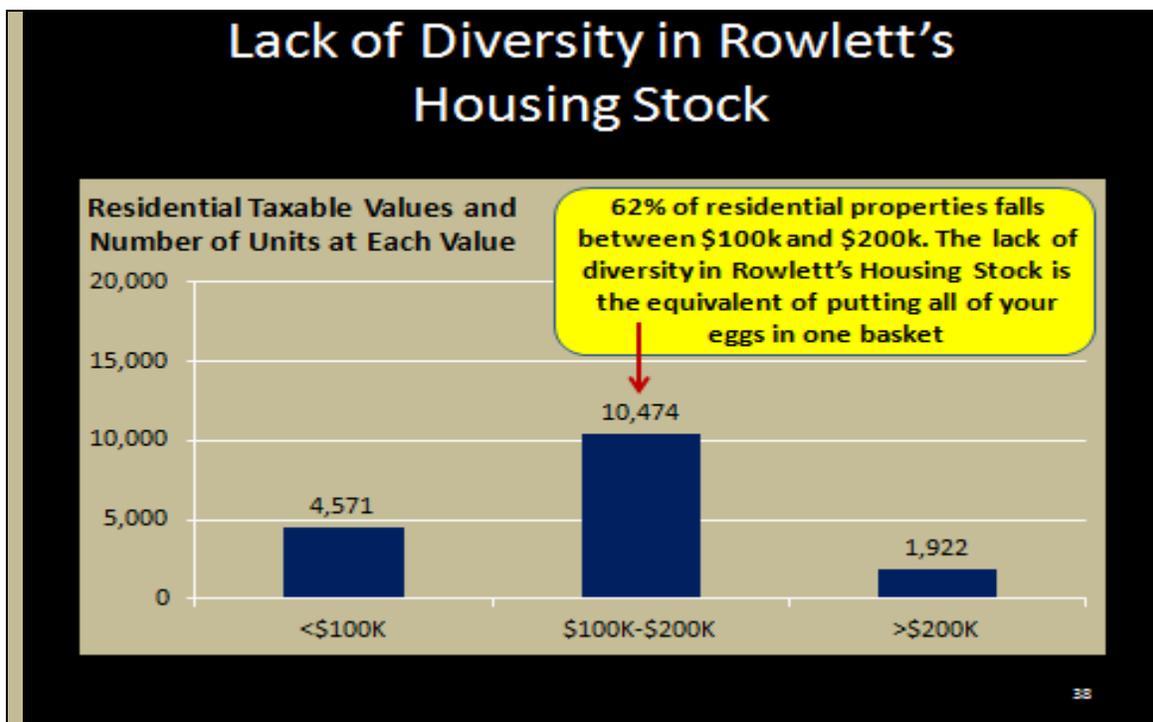


Note: if the City of Rowlett's Tax Rate had been tied to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) since 2007, the current tax rate would be **\$0.836044** per \$100 in Taxable Assessed Value.

11. **How much are we spending on crime because of DART?** While it is difficult to attribute the number of crimes directly associated to the presence of DART, we would note that we have responded to over 128 suspicious person calls in the downtown area since DART began. However, while we believe that most of the calls have been related to DART riders, the number of reported incidences roughly add up to one per week and have had only a minimal impact. Our Police Department continues to monitor the DART traffic very closely to help ensure the safety of our citizens.
12. **Can you explain the correlation about the housing diversity slide?** In the *My Rowlett* presentation, the City has recognized that the lack of diversity in our housing stock is one of the reasons that some DFW cities performed better (i.e. had a lower decrease in property tax values) during the *Great Recession* (roughly 2008-2012) than Rowlett. Some notable examples included Plano, Richardson, Frisco, etc. We note that 62% of our residential properties have a taxable value between \$100,000 and \$200,000 as seen in the charts below.

While not conclusive, the correlation that we have drawn is similar to that of an investment portfolio. The fundamental principle of investing is not to put all of your eggs in one basket. This principle suggests that you provide balance between your investments to include multiple asset types such as stocks, bonds, mutual funds, etc. The idea is that if you buy only stocks and the market declines, you may have all of your portfolio decrease at the same time. However, if you owned both stocks and bonds (or other instruments), one market may decline while the other actually increases, thereby providing a level of stability for your portfolio as a whole.

In Rowlett, since so much of our housing stock was within such a tight market segment (i.e. single-family homes between \$100,000-\$200,000), when the market for that particular type of housing decreased in value, it had a bigger impact on our overall tax value, and therefore, our annual revenue for the City's budget.



13. **How has the City's cost for School Resource Officers increased over the past few years?** The City provides five school resource officers whose primary function is to work at and with the schools. The Garland Independent School District (GISD) pays 50% of the salaries and benefits for these officers for a fiscal year and the City of Rowlett is responsible for the remaining 50%. Last year, we received \$205,579 from GISD for those services at a cost of approximately \$411,159. The net fiscal impact to the City of Rowlett, just for the salaries and benefits, was \$205,580. The City is also 100% responsible for the cost of outfitting, equipping and training those officers - for which we do not receive any reimbursement.

<u>Fiscal Year</u>	<u>Gross Salaries and Benefits</u>	<u>GISD Contribution</u>	<u>Net Cost to Rowlett</u>
2011	\$422,504	\$211,252	\$211,252
2012	\$423,837	\$211,918	\$211,919
2013	\$411,159	\$205,579	\$205,580
2014	\$424,390	\$212,195	\$212,195

14. **Where can I go for more information?** The City's website at www.rowlett.com/myrowlett contains all of the materials provided as part of the campaign. You can get the 4-page flyer, see the powerpoint presentation provided at the community meetings and even take the online survey. In addition, we have also added a calculator that can help you determine how much property taxes you pay to the City on a daily basis. Finally, you can also email us your questions at myrowlett@rowlett.com. We appreciate the time and interest our taxpayers have provided us. Your feedback is invaluable.