The End Game

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#ICMA2018
Overview

• Cities are going broke in spite of their growth.
• The way we develop is largely to blame.
• Steps you can take to create a more fiscally resilient community.
Fast-growing City in Dallas-Fort Worth, TX

Located in the heart of Rockwall County, the City of Fate is known for its family-friendly community, active neighborhoods, and high quality of life.
Sample Neighborhood in Fate

<table>
<thead>
<tr>
<th>Expenses</th>
<th>General Fund Ongoing Expenses</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$114,490</td>
<td>$31,740</td>
</tr>
<tr>
<td>Franchise</td>
<td>$43,332</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>$20,010</td>
<td></td>
</tr>
</tbody>
</table>

$114,490

$338,928

$33,332
Annualized Depreciation = 
Current Responsibility for Future Liability

$2,300,542
Taxable Value: $747,552
Tax Received: $ 2,176
Cost of Repair: $ 36,484
Life Expectancy: 5 to 7 yrs

Based on the current taxable value and the current tax rate, it would take 16.77 years for the properties to repay the repairs – that is assuming all of the future tax revenues are dedicated to the replacement costs and no other city services are provided during that same period.
Balancing Growth and Infrastructure Costs

Understanding long-term impacts of rate and pattern of growth
$2 in revenue for every $1 to serve
Business Strategy – Different & Cool, “Fate Funky”
Business Strategy – Preserve Rural Spaces
CONCLUSION

• Do the Math on ALL proposed developments
• Do the Math on ALL proposed capital projects
• Create Capital Replacement Funds
• Encourage Mixed-Use Projects
• Encourage Townhome / Condos