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News Release

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Proposed budget and tax rate lowered in 2017-2018

MURPHY (August 22, 2017) Public hearings, hosted by the City Council, for the proposed 2017-2018 budget have been scheduled, allowing Murphy residents the opportunity to make comments, ask questions and offer suggestions.

The two hearings will be held at 6 p.m. in Council Chambers, 206 North Murphy Road, on Tuesday, Sept. 5, during the Regular Session of the Murphy City Council, and on Sept. 12, during a Special Session. Speakers wishing to address Council will be asked to fill out a Citizen Comment Card, available at the meeting site, and present it to the City Secretary. While filling out a card is not mandatory, each speaker will be asked to identify themselves by name and provide their home address.

The two identical hearings will cover the proposed budget as well as the proposed tax rate, which is lower than last year's rate. The 80-page proposed budget can be reviewed, downloaded and printed from the home page of the City of Murphy website, www.murphytx.org. Copies for review are also available at City Hall.

Adoption of the final budget is scheduled for Tuesday, Sept. 19, during that evening's Regular Session of the City Council meeting.

The proposed ad valorem tax rate for 2017-2018 is \$0.50 per \$100 of assessed valuation, a drop of a full cent from last year's rate. The drop follows a pattern of lowered tax rates that has been in place since 2012, when the rate was \$0.57 per \$100 valuation. The rate dropped to \$0.55 in 2014, \$0.53 in 2015, and \$0.51 last year.

Chief among the reasons for the rate drop is the steady increase in value of Murphy homes and property. In addition, the fiscal discipline exhibited by staff and Council during these periods has also had a bearing on the ability to keep rates from rising.

The overall proposed budget, encompassing 16 separate funds, is \$31,099,777, which represents a five percent drop from last year's budget of \$32,854,000.

"We continue to ensure that our top priority is being good stewards of public money," says City Manager Mike Castro, PhD.

Castro, Finance Director Karen Montgomery, as well as several key members of the senior-level staff are presenting their first proposed budget in Murphy, although each has developed and presented numerous municipal budgets in the past to various other cities and towns.

The largest portion of the proposed budget is the General Fund, from which the vast majority of services that residents see are funded. The General Fund represents \$14,780,607 or slightly more than 47 percent of the overall proposed budget. The second largest is the Utility Fund at \$9,776,309 or a little over 31 percent of the overall proposed budget.

The General Fund can be categorized into five broad areas: Preserving Public Safety; Stimulating Economic Development; Preserving Neighborhood Vitality; Enhancing Quality of Life; and Maintaining Service Continuity.

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About 50% of the General Fund is dedicated to Preserving Public Safety, including almost \$4 million for Police needs, about \$3 million for Fire requirements and slightly more than \$400 thousand for Municipal Court.

“This category is one in which we want to ensure has the necessary resources to provide the kind of protective safeguards that will keep residents and their property safe and secure,” said Castro.

Stimulating Economic Development represents about 1.2% of the General Fund, with over \$182 thousand devoted to recruiting and retaining a vibrant business and commercial base. A successful economic development strategy is key to diversifying the local economy and possibly providing further tax relief.

About \$1.4 million is earmarked for Preserving Neighborhood Vitality, about 9.3% of the proposed budget. The category includes slightly under \$200 thousand for Animal Control, a little more than \$400 thousand for Public Works, and about \$798 thousand for Solid Waste collection.

“Neighborhoods are the lifeblood of our City, and ensuring that they are well-maintained is a task that we partner with residents, hand-in-hand,” said Castro.

Enhancing Quality of Life is also among the top priorities, and the General Fund sets aside almost \$2.2 million for this category, about 14.5%.

Among the budget items in this category are about \$1.3 million for Parks, slightly more than \$400 thousand for Recreation and about \$450 thousand for Community Development. “We’re fortunate to live in a community like Murphy that values its parks, preserves, trails and open spaces,” he said. “Keeping these in the best condition possible allows families and individuals the opportunity to connect with nature. And, both residents and visitors agree that our recreation and special events programs are second to none.”

Finally, Maintaining Service Continuity represents about 25% of the General Fund, pegged at \$3.7 million. Within this category are the so-called back office activities such as Administration, Human Resources, Information Technology, City Council, City Secretary, Finance and Facilities.

“These costs represent the unavoidable expenses that are required to support the services we provide to residents,” said Castro.

A list of supplementals to the proposed budget has been approved by Council. Supplementals include new services or equipment, or significant increases to existing expenditures. It is a way to highlight noteworthy increases within the budget by requiring Council approval for such items. The more than 30 items, prioritized by the City Manager, were deemed worthy of funding by Council and were included in the supplemental list which totals over \$813 thousand.

Included are items such as an employee merit-based salary increase, the purchase of three police vehicles, an additional staff member for Facilities and a number of other expenditures that include equipment, consultant fees, repairs, and other necessary cash outlays.

“The staff has worked hard to put this budget together with a critical eye toward providing excellent delivery of service to residents,” said Castro. “It’s a proposed budget that we are proud to present to the community and the Council for scrutiny and eventual approval.”

The City’s fiscal year begins on Oct. 1 of each year.

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ABOUT MURPHY -- Murphy is a fast-growing community located in Collin County. The population is approximately 19,330, generally characterized as highly educated with a median household income above the state average. With more than 70 percent of the land developed, the community is dominated by single-family residences. City planners strive to preserve a country feel while exhibiting an aggressive economic development stance. Money Magazine has dubbed Murphy as the 27th Best Place to Live in America for small cities, and D Magazine placed Murphy as the fifth best suburb in the 2014 list, where it has consistently ranked in the top 10.