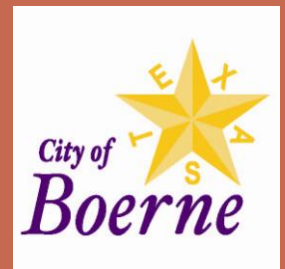


CITY OF BOERNE

Testimony
before the
Senate
Business and
Commerce
Committee
July 10, 2012





BOERNE, TEXAS

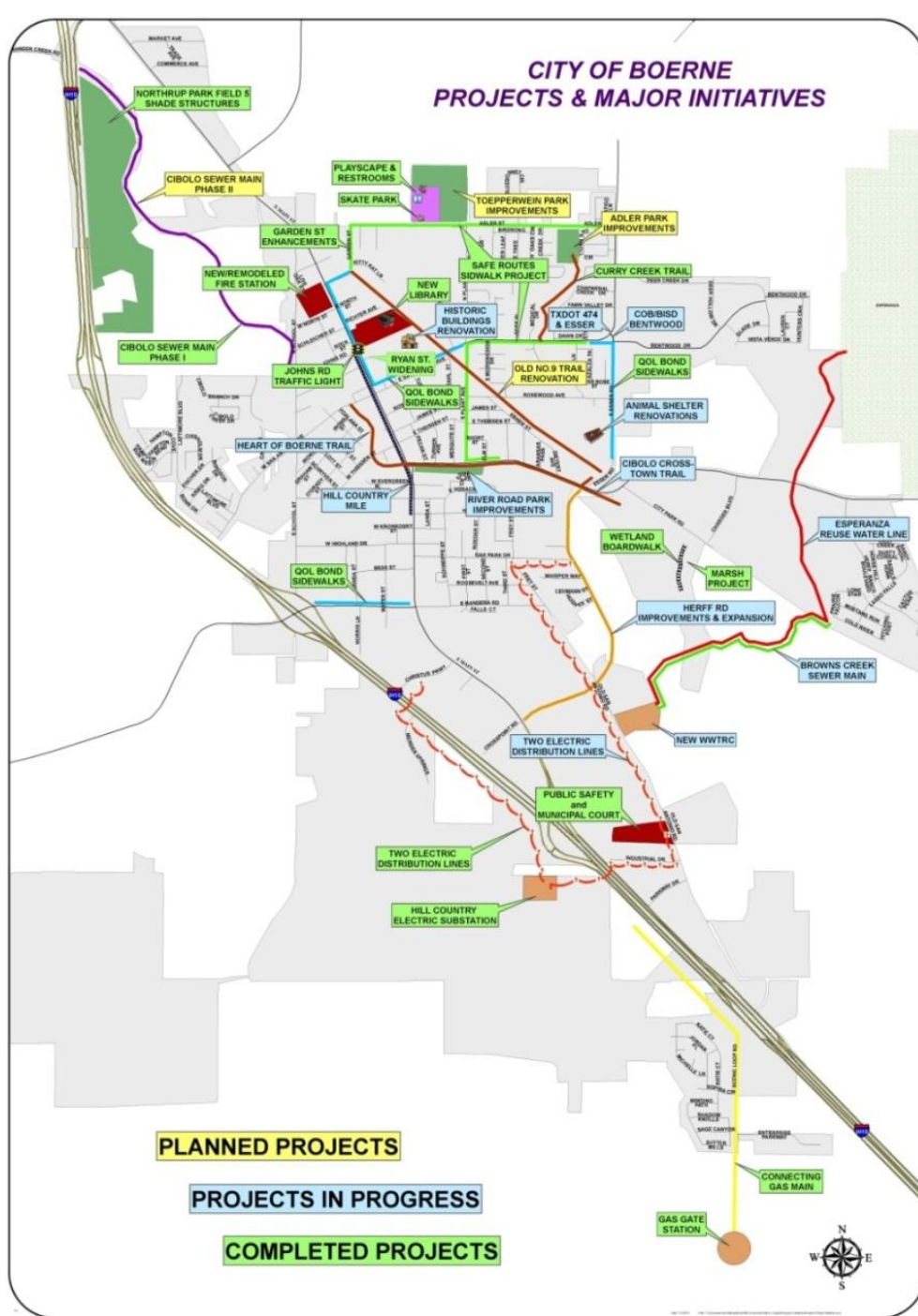




BOERNE, TEXAS

- Population – 2010 census
 - Boerne 10,471
 - Kendall County 33,410
- Labor Force – education levels in Boerne and Kendall County are higher than both the state and national averages.
- Economy –
 - Unemployment rate is approximately 6%
 - Boerne Independent School District is largest employer in Kendall County with 839 employees.
 - Kendall County has the 4th highest per capita income in Texas
 - In 2010, retail trade was the largest of 20 major sectors with an average wage per job of \$33,037.

**CITY OF BOERNE
PROJECTS & MAJOR INITIATIVES**



BOERNE, TEXAS

\$75 million
in public investment over 7 years –
(2006-2013)

City of Boerne	\$60 million
Kendall County	\$10 million
TXDOT	\$ 5 million



BOERNE UTILITIES OVERVIEW

- Locally controlled utilities.
- Boerne Utilities provides electric, natural gas, water, and wastewater services, offering “one-stop” customer service.
- We are customer owned – efficient, transparent, and accountable
- Current utility funds budget is \$48 million
 - Electric system – 4,873 meters
 - Natural Gas system – 1,412 meters
 - Water system – 4,723 meters
 - Wastewater system – 4,524 customers
- Doubled electric system capacity in last 3 years; participated in construction of new substation and added new feeder lines.
- Implementing smart meter transition – meter conversion is 70% complete for electric, natural gas and water systems.
- Local control and decision making have for years proven to be key to effective and efficient system operations and improvements.
- Electric supply contract with LCRA until 2016. Then purchase 100% from CPS Energy for 10 years.



CITY OF BOERNE ACHIEVEMENTS

- **Current Utility Revenue Bond ratings:**
 - Moody's Investor Services – "Aa3"
 - Fitch Ratings – "A" with "outlook stable"

- **Gold level member – Texas Comptroller Leadership Circle**
 - recognition for transparency in government for 2nd consecutive year

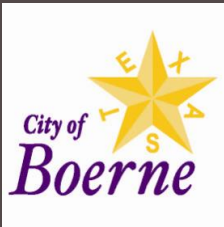
- **Government Finance Officers Association of US and Canada**
Certificate of Excellence in financial reporting for 25th year in row

- **Top 50 Workplace in San Antonio metro area**
 - Ranked 13 out of 26 in midsize company category



PAYMENTS & CONTRIBUTIONS

- Boerne Utilities provides support to the general government fund for city services such as police, fire, code enforcement and park improvements.
- The Utility Funds pay a street rental franchise fee to the General Fund each year based on a percentage of sales for each fund –
 - 8.5% from electric sales
 - 5% from natural gas sales
 - 5% from water sales
 - 5% from wastewater sales
- Currently about \$1.5 million is transferred from the utility funds annually, with the majority coming from the Electric Fund.
- Utility transfers are used for investing in infrastructure needed to support a growing population; i.e. new \$28 million Wastewater Treatment and Recycling Center.



PAYMENTS & CONTRIBUTIONS

- City of Boerne is not a 4A or 4B city; therefore, our extra $\frac{1}{2}$ cent sales tax revenue is used for property tax reduction.
- Utility revenues are also provided for economic development - \$50,000 is provided annually to the Kendall County Economic Development Corporation.
- The City also sets aside other funds for specific economic development projects and initiatives.
- Utility Revenues support customer education programs related to energy conservation.



GOVERNANCE – CITY COUNCIL

- Boerne is a “home rule city” operating with a citizen approved city charter.
- Governance and oversight by Mayor and 5 city council members elected by a single member district process.
- City Manager is chief executive officer for both the general government and utilities day-to-day operations.
- Boerne’s Utility systems are strong and stable because our governance is effective.
- We are in the business to serve our customers “exclusively” and we do it every day.
- As a smaller but growing public utility, the city council is more engaged, available, transparent, and responsive to our utility customers.
- We control our own destiny.
- Focus on efficiency, reliability, and financial stability
- With local leadership and authority Boerne Utilities has a significant role in the city’s strategic economic development planning and implementation process.



CITY OF BOERNE UTILITIES

- Reliable
- Accountable
- Transparent
- Efficient
- Growing
- Fiscally Stable
- One-stop customer service
- Available
- Responsive
- A Full Services provider
- Local control