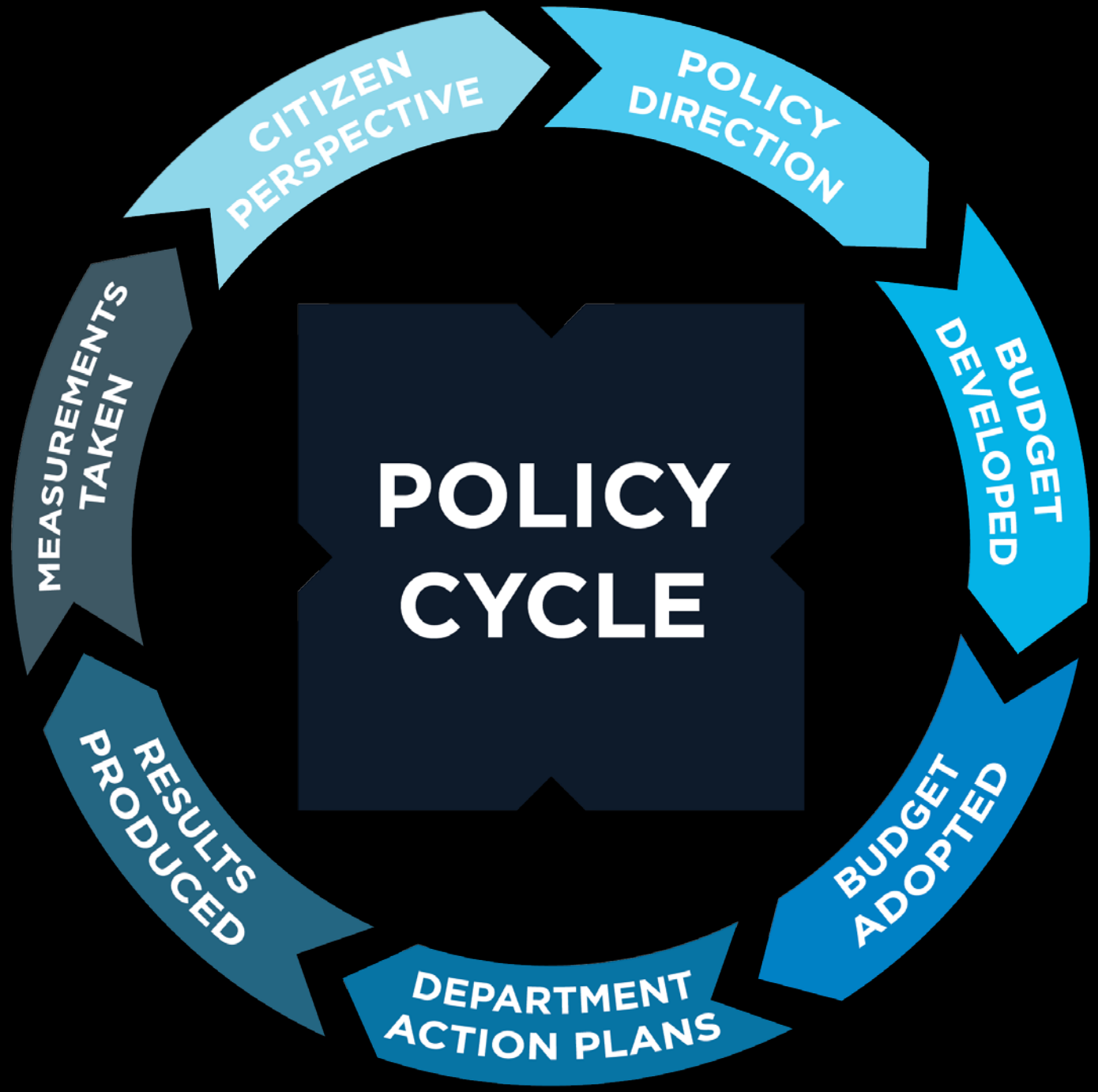
FY 2020-21 Budget Work Session

August 1, 2020



ANNUAL BUDGET PROCESS

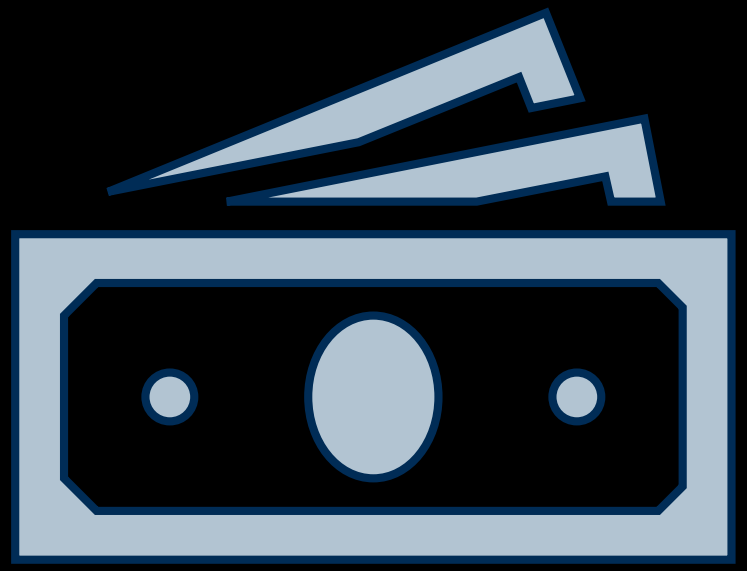
STRATEGIES & ASSUMPTIONS

Council Goals & Strategic Plan

Fund Existing Level of Service

Pandemic Effects

Utility Rate Study



ECONOMIC CONDITIONS & FINANCIAL OVERVIEW

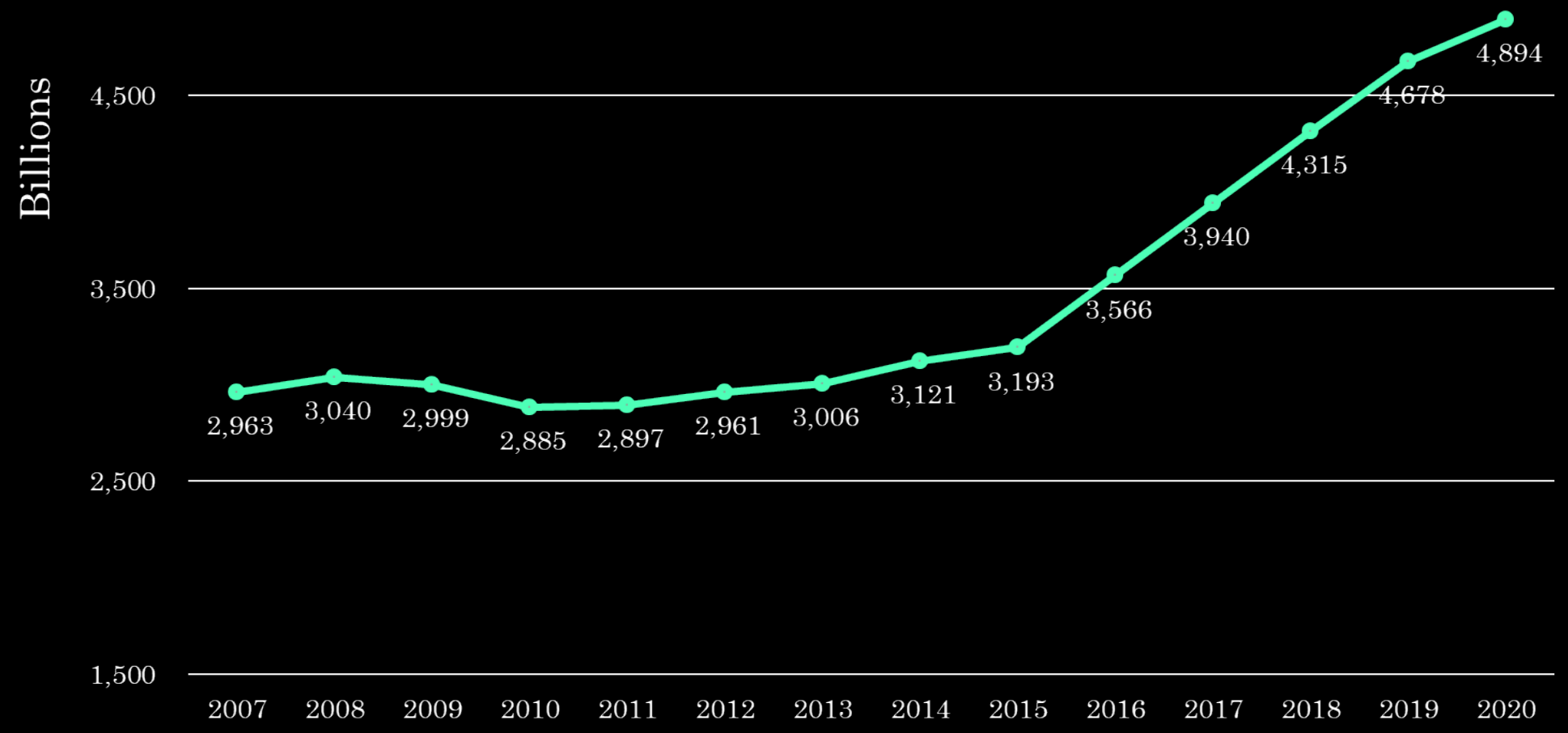
Type	2016	2017	2018	2019	2020	Average
MCI % Change	0.9%	3.1%	3.4%	1.2%	0.2%	1.61%
CPI % Change	1.3%	2.1%	2.4%	1.8%	0.6%	1.58%

CONSUMER PRICE INDEX (CPI) VS. MUNICIPAL COST INDEX (MCI)

SALES TAX HISTORY

MONTH	COMPARE TO AVG	2020	2019	2018	2017	2016
OCT	20.81%	**995,085**	907,339	784,758	778,942	1,250,879
NOV	8.69%	**878,302**	848,716	827,365	748,102	1,065,636
DEC	10.65%	**1,223,859**	1,154,946	1,091,668	1,071,462	1,398,372
JAN	12.40%	**928,370**	891,065	776,941	809,763	1,075,348
FEB	11.65%	**826,946**	793,534	769,496	658,878	1,195,716
MAR	-3.92%	**1,061,740**	1,195,192	1,092,526	1,027,607	1,416,636
APR	-1.01%	**842,552**	923,586	841,738	788,052	1,102,469
MAY	2.36%	**921,587**	936,034	924,726	840,262	813,001
JUN		-	1,102,249	1,082,679	986,746	1,039,571
JUL		-	919,927	858,542	803,485	788,908
AUG		-	920,965	952,569	832,844	815,261
SEPT		-	1,145,289	1,091,932	1,027,032	976,107
TOTAL		**7,678,442**	**11,738,843**	**11,094,941**	**10,373,174**	**12,937,903**

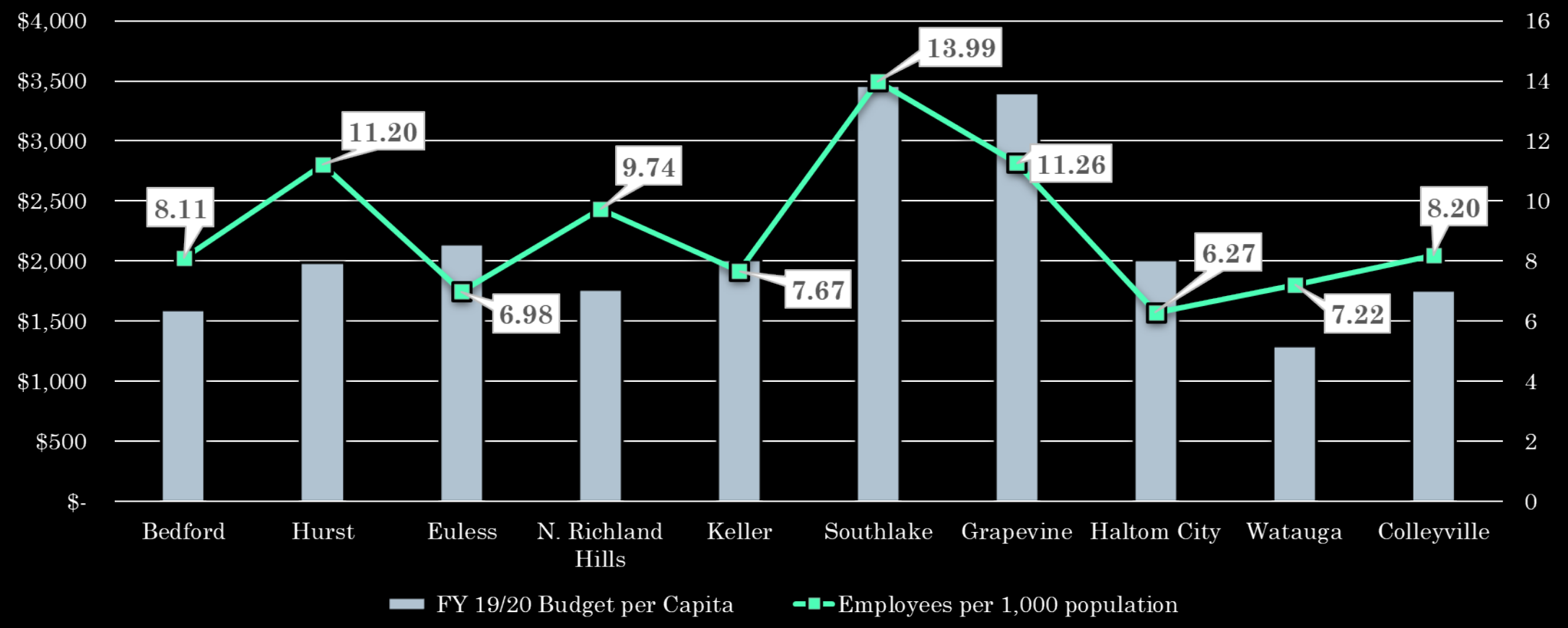
TAXABLE VALUE COMPARISON



TAXABLE VALUE CHANGE

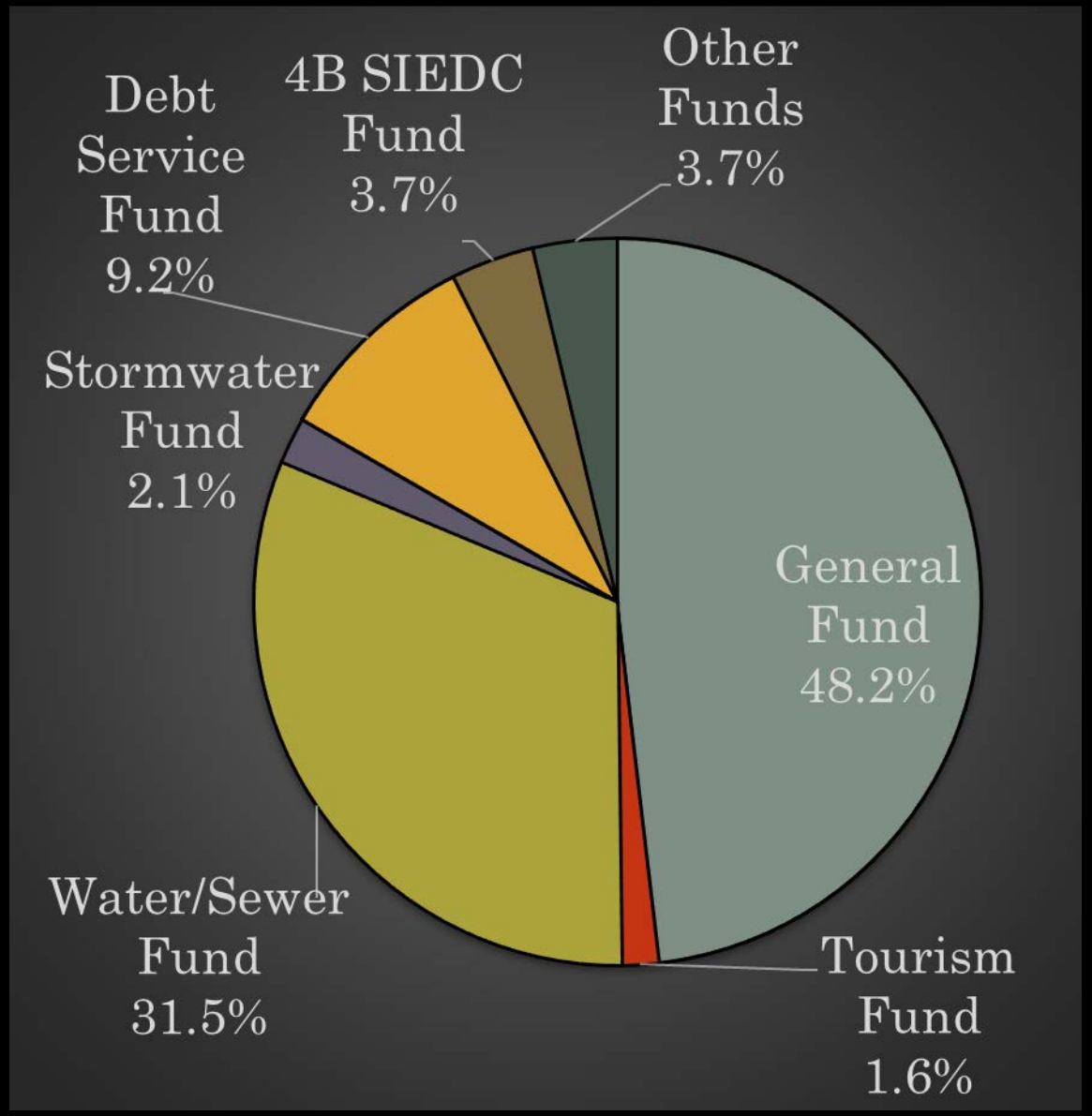
Fiscal Year	2020	2019	2018
Taxable Value	$4,892,269,314	$4,649,957,349	$4,286,790,102
New Construction	$2,040,100	$28,038,869	$28,337,230
Total	$4,894,309,414	$4,677,996,218	$4,315,127,332
Total Change	4.6%	8.4%	9.5%
Avg Market Value	$252,180	$252,917	$233,163
Avg Net Taxable Value	$227,410	$220,040	$203,194

AREA PER CAPTIA COMPARISONS

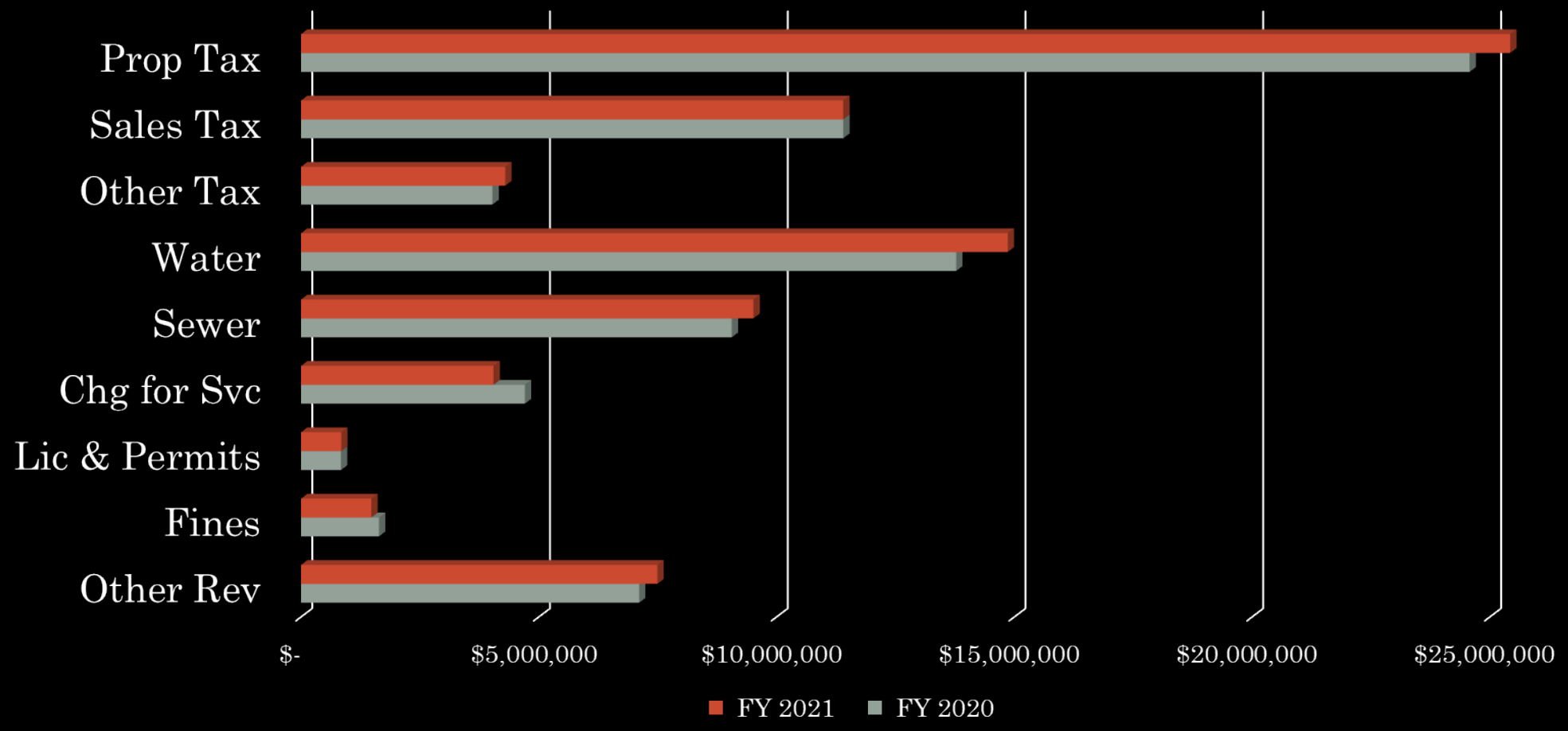


Fund	Revenue	Expenditures	Difference
General	$ 38,252,552	$ 36,028,621	$ 2,223,931
Tourism	$ 1,291,750	$ 1,142,547	$ 149,203
Water/Sewer	$ 24,979,310	$ 25,105,875	$ (126,565)
Stormwater	$ 1,651,000	$ 1,773,126	$ (122,126)
Debt Service	$ 7,339,220	$ 7,334,470	$ 4,750
4B SIEDC Fund	$ 2,945,000	$ 3,071,080	$ (126,080)
Other Funds	$ 2,934,900	$ 2,474,158	$ 460,742
Total	$ 79,393,732	$ 76,929,877	$ 2,463,855

BUDGET OVERVIEW – FY 20-21

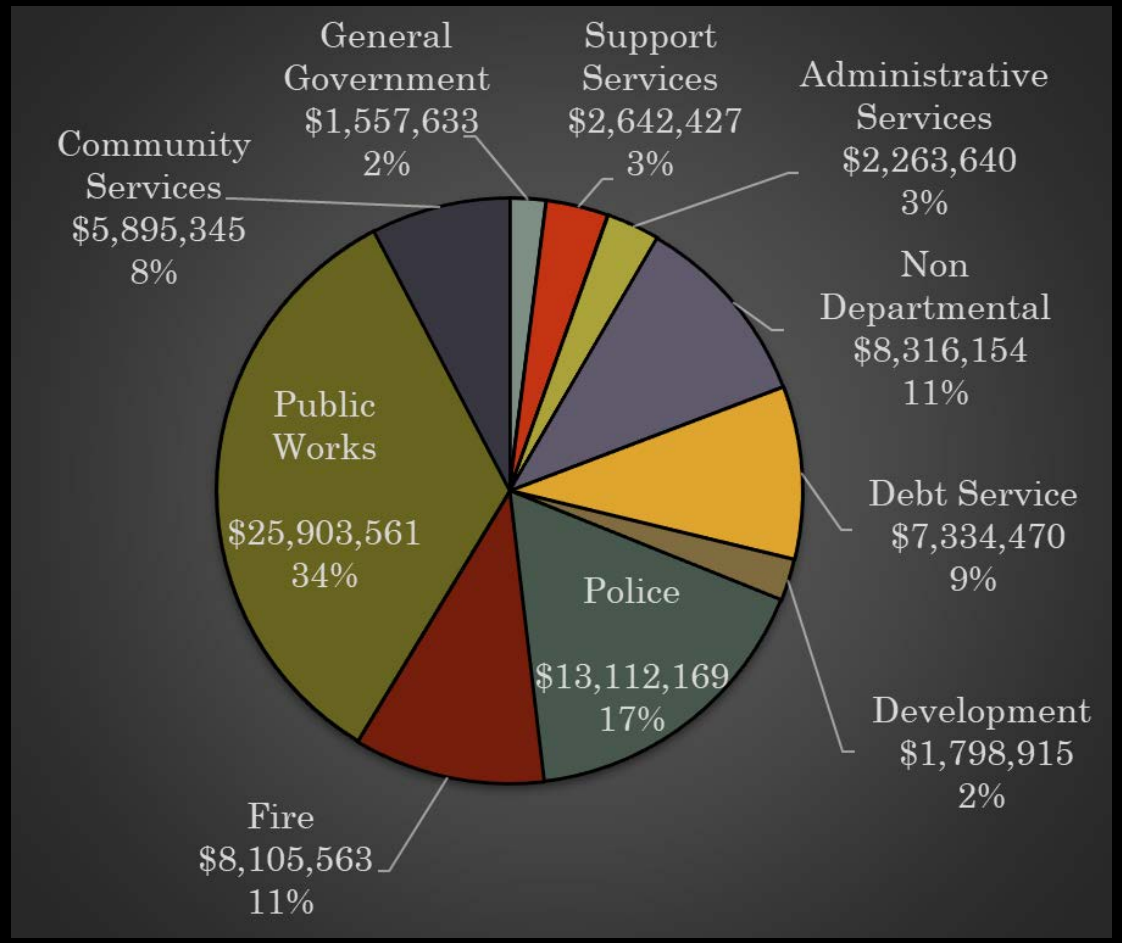


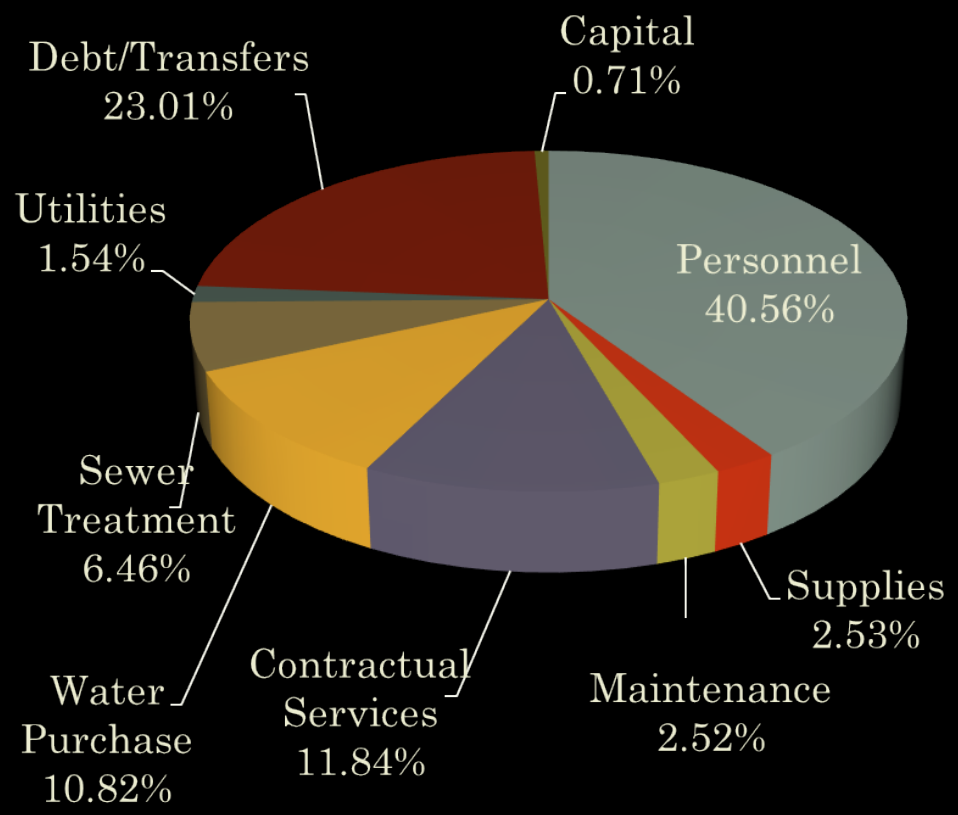
REVENUES BY FUND



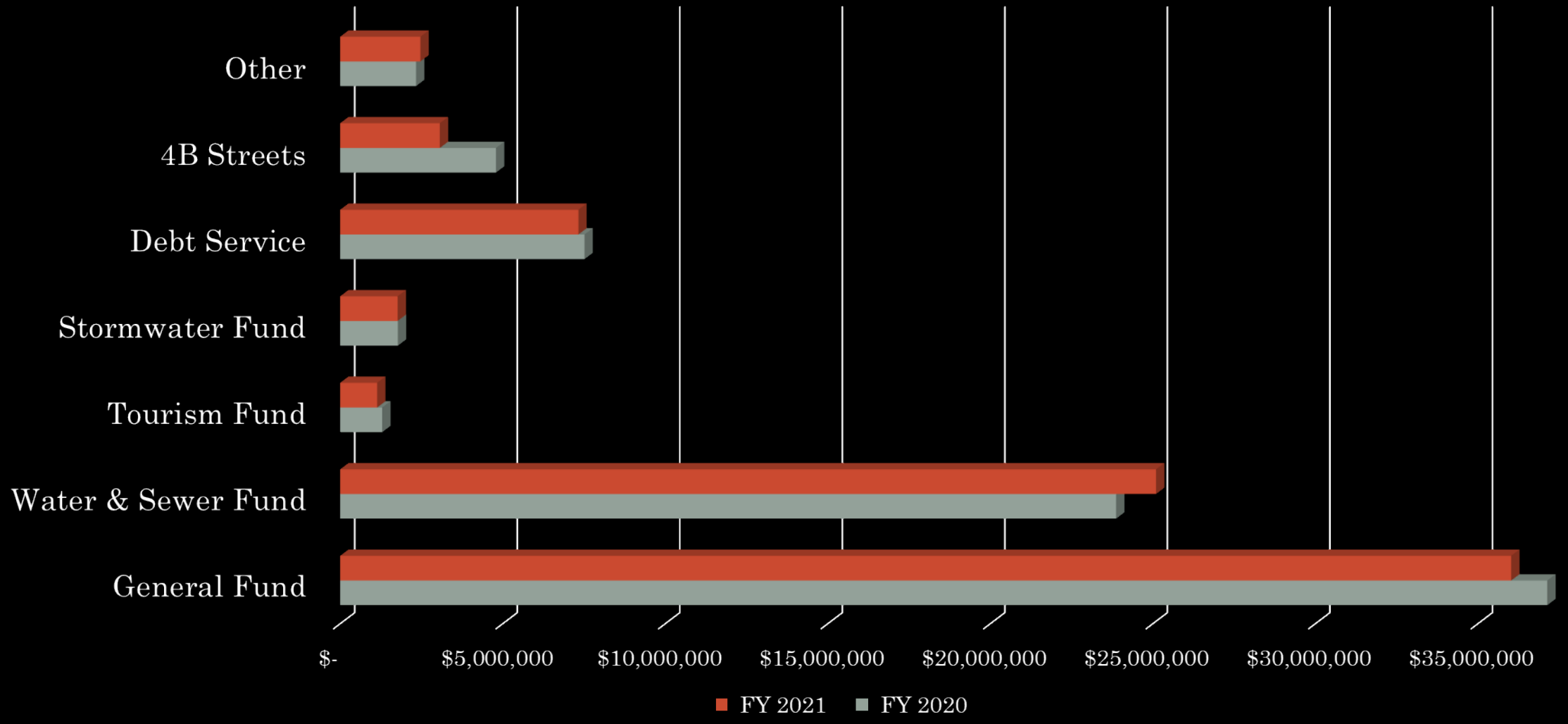
REVENUE COMPARISON
FY 2020 vs FY 2021

EXPENDITURES BY DEPARTMENT & CLASSIFICIATION ALL FUNDS



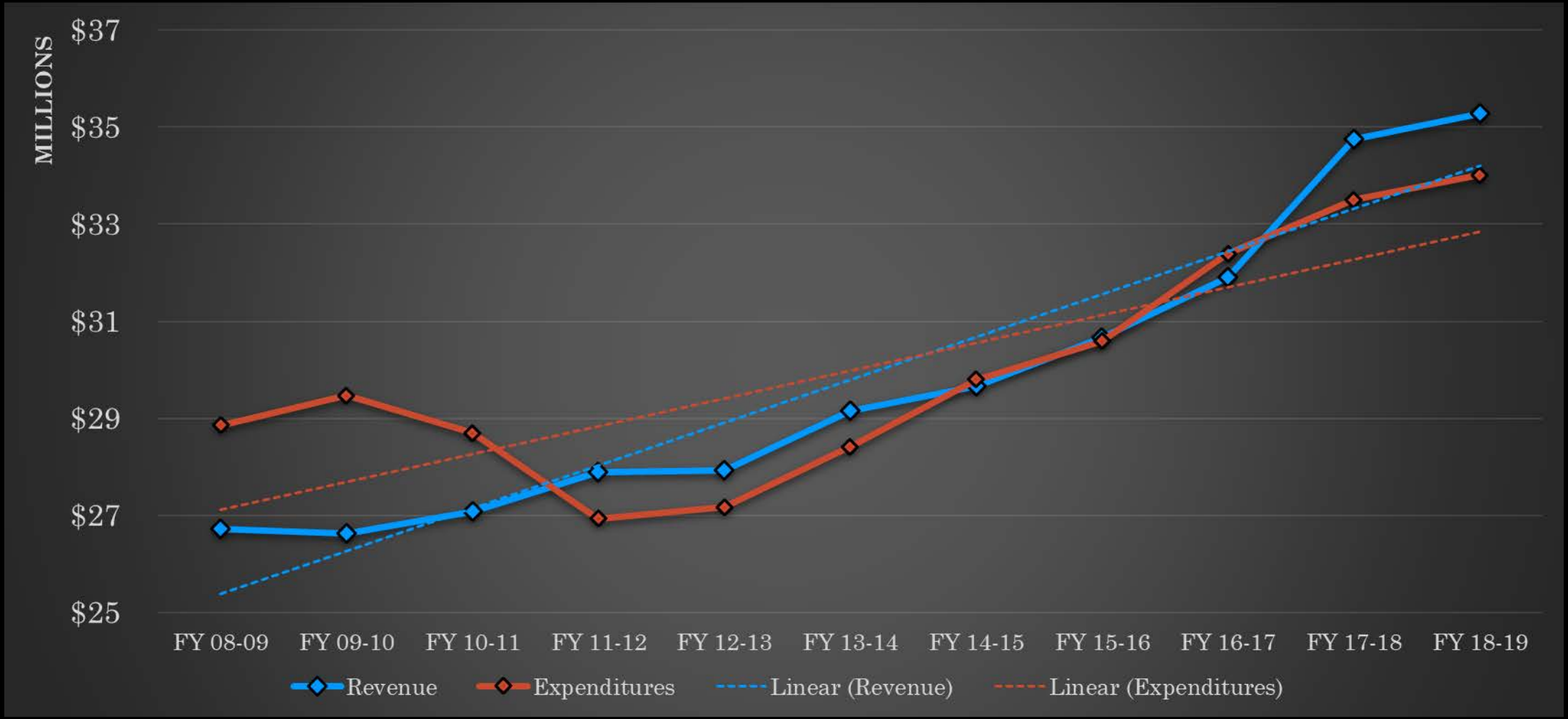


EXPENDITURE COMPARISON
FY 2020 vs FY 2021



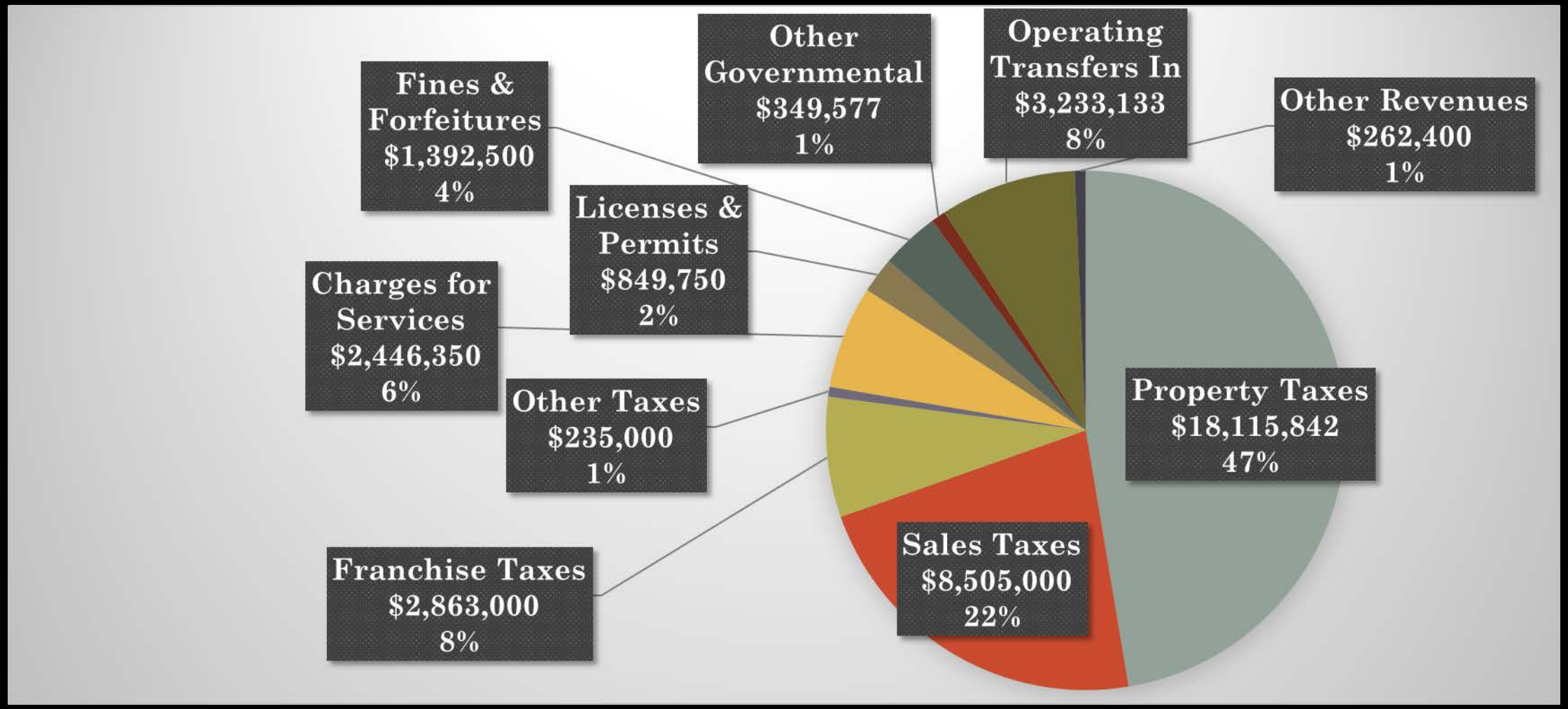
QUESTIONS?

GENERAL FUND



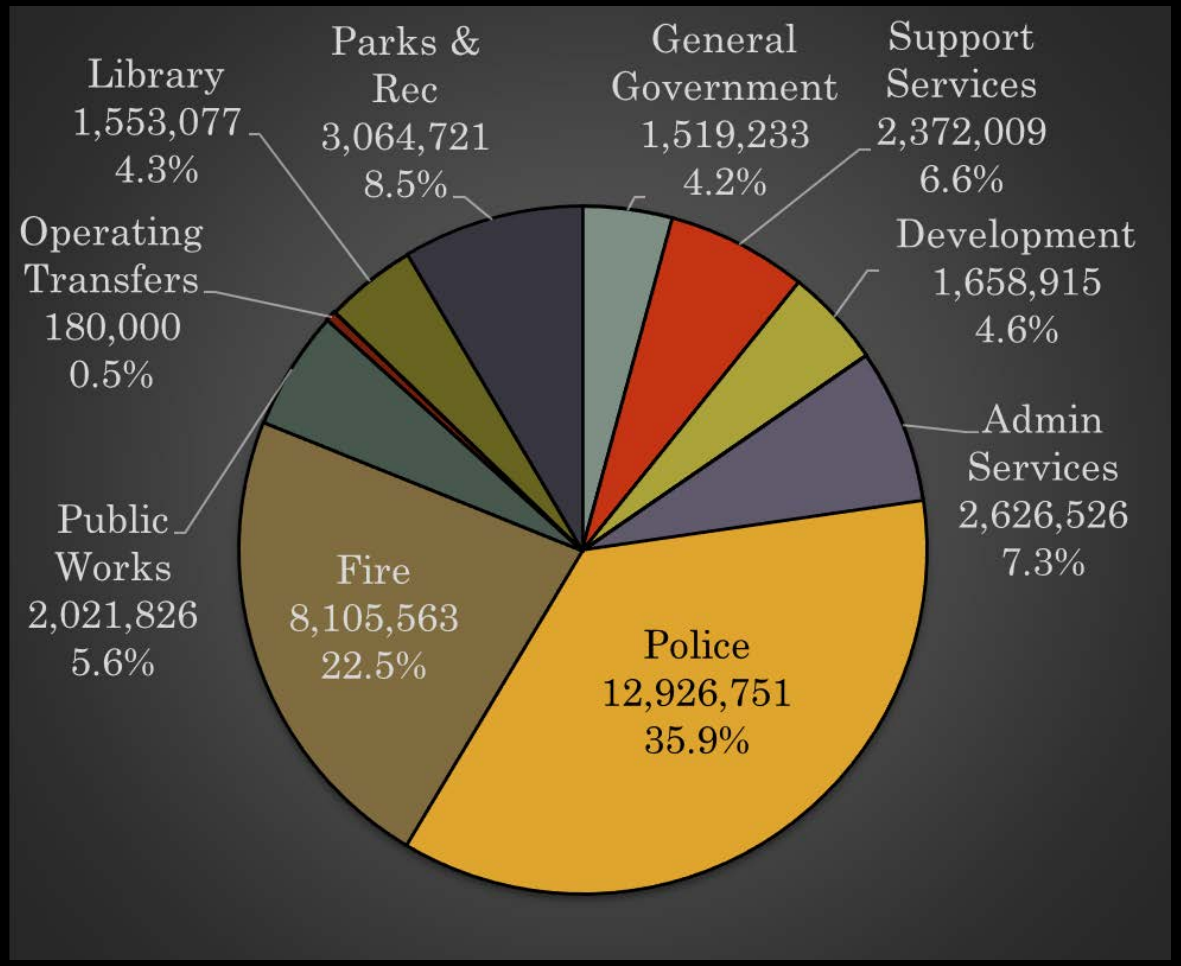
GENERAL FUND
REVENUE & EXPENSE TREND

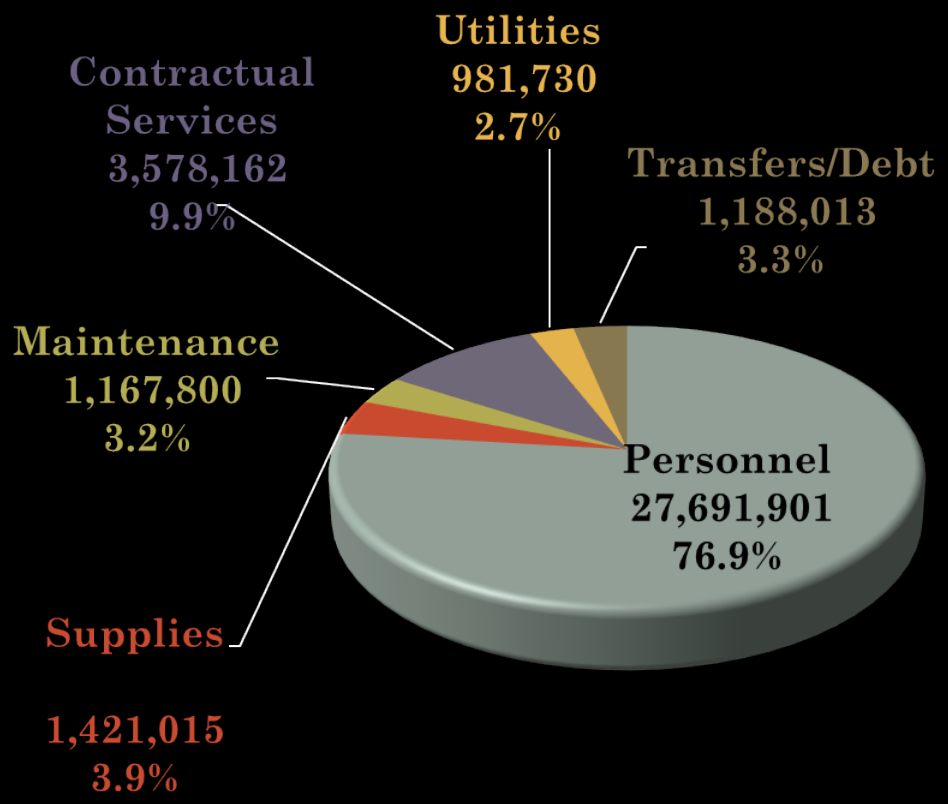
WHERE THE MONEY COMES FROM…



$38,252,552

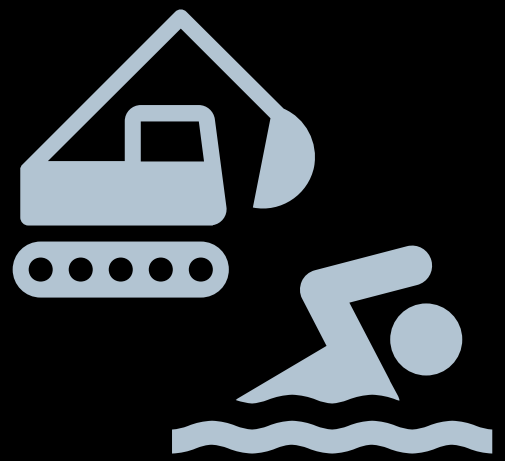
$36,028,621

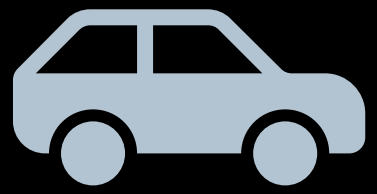




WHERE THE MONEY GOES…

GENERAL FUND CHANGES





QUESTIONS?

2020 TAX RATE

NO-NEW-REVENUE TAX RATE

2019 Taxable Values	$	4,688,608,354
Remove 2019 Senior Tax Ceilings	$	(875,284,733)
Add 2019 ARB values lost to litigation	$	66,471,869
Remove 2019 Value loss	$	(10,188,211)
Adjusted Taxable Value – 2019	$	3,869,607,279
Adjusted 2019 Taxes = ($0.569000 x Adj Tax Value) + refunded taxes of $439,623	$	22,457,688
2020 Taxable Values	$	4,687,454,737
Add 2020 Taxable Values under protest	$	206,854,676
Remove 2020 Senior Tax Ceilings	$	(901,918,364)
Remove 2020 'NEW' property values	$	(2,040,100)
Adjusted Taxable Value – 2020	$	$3,990,350,949
No-New-Revenue Tax Rate Calculation: (2019 Adj. Tax Value/$3,990,350,949 x $100)	$	0.562799 / $100

VOTER-APPROVAL TAX RATE

2019 Maintenance & Operations (M&O) Rate:	$	0.377409 / $100
2019 Interest & Sinking (I&S) Rate (i.e. Debt Rate)	$	0.191591 / $100
Current Tax Rate	$	0.569000 / $100
2019 M&O Taxes ($0.377409 x 2019 Adj Tax Value):	$	14,642,697
+ 12 months of sales taxes for property tax relief:	$	2,941,718
Add M&O Taxes refunded for prior years:	$	271,433
Adjusted M&O 2019 Taxes	$	17,855,848
2020 NNR M&O Rate: (Adj. M&O 2019 Taxes / $3,990,350,949 x 100)	$	0.447476 / $100
2020 Voter-Approval M&O Rate: (2019 NNR M&O Rate x 1.035)	$	0.463136 / $100
2020 Debt Tax Rate: ($7,286,719/100% / 2020 Taxable Value x 100)	$	0.182515 / $100
TOTAL VOTER-APPROVAL RATE	**$**	**0.645651 / $100**
TOTAL VOTER-APPROVAL RATE AFTER SALES TAX ADJ	**$**	**0.571968 / $100**

TAX RATE SUMMARY

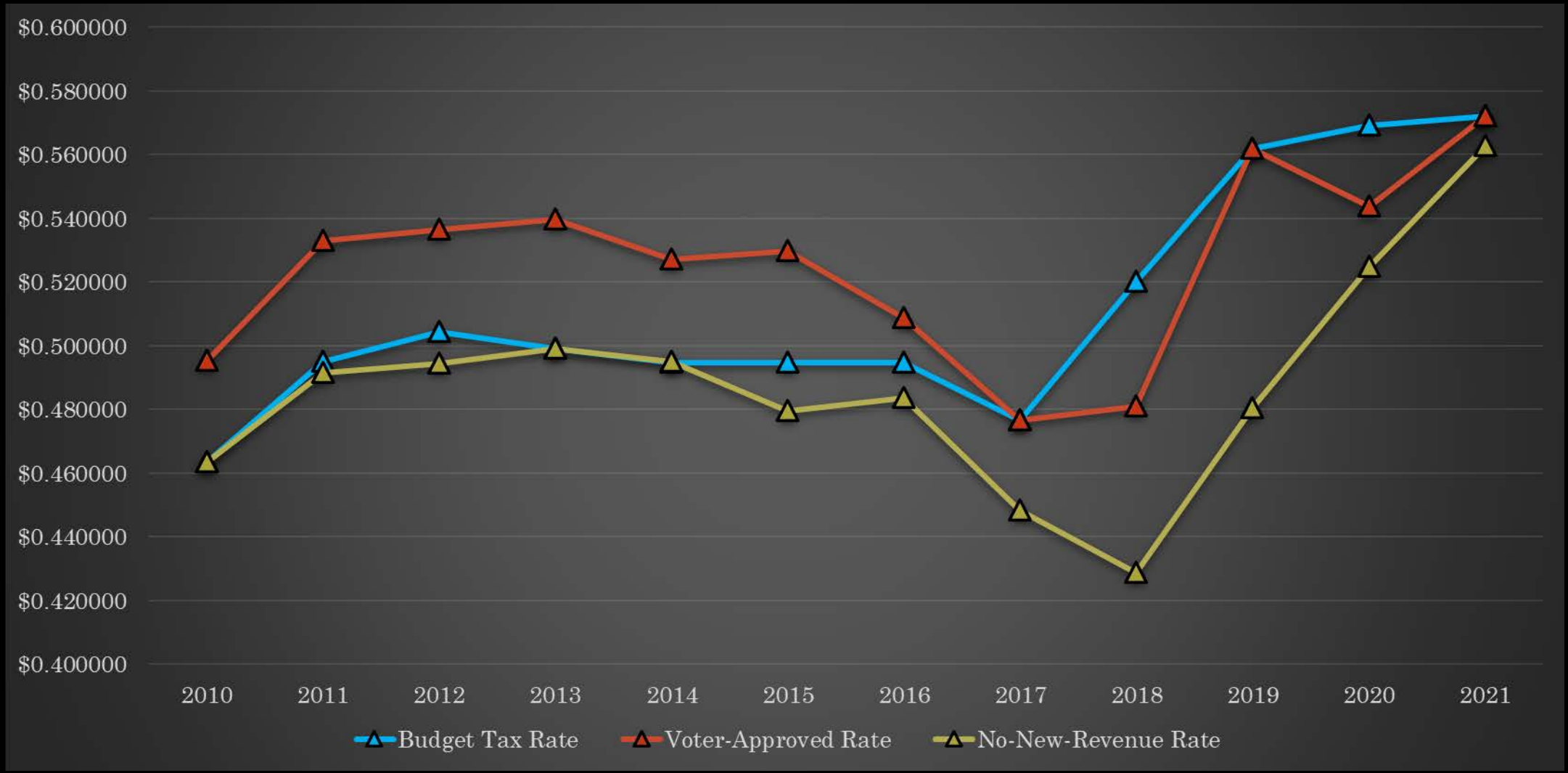
FY 2019-2020 Tax Rate	$0.569000
FY 2020-2021 No-New-Revenue Tax Rate	$0.562799
FY 2020-2021 Voter-Approval Rate	$0.571968

Tax Rate used in Proposed Budget:

$0.571968

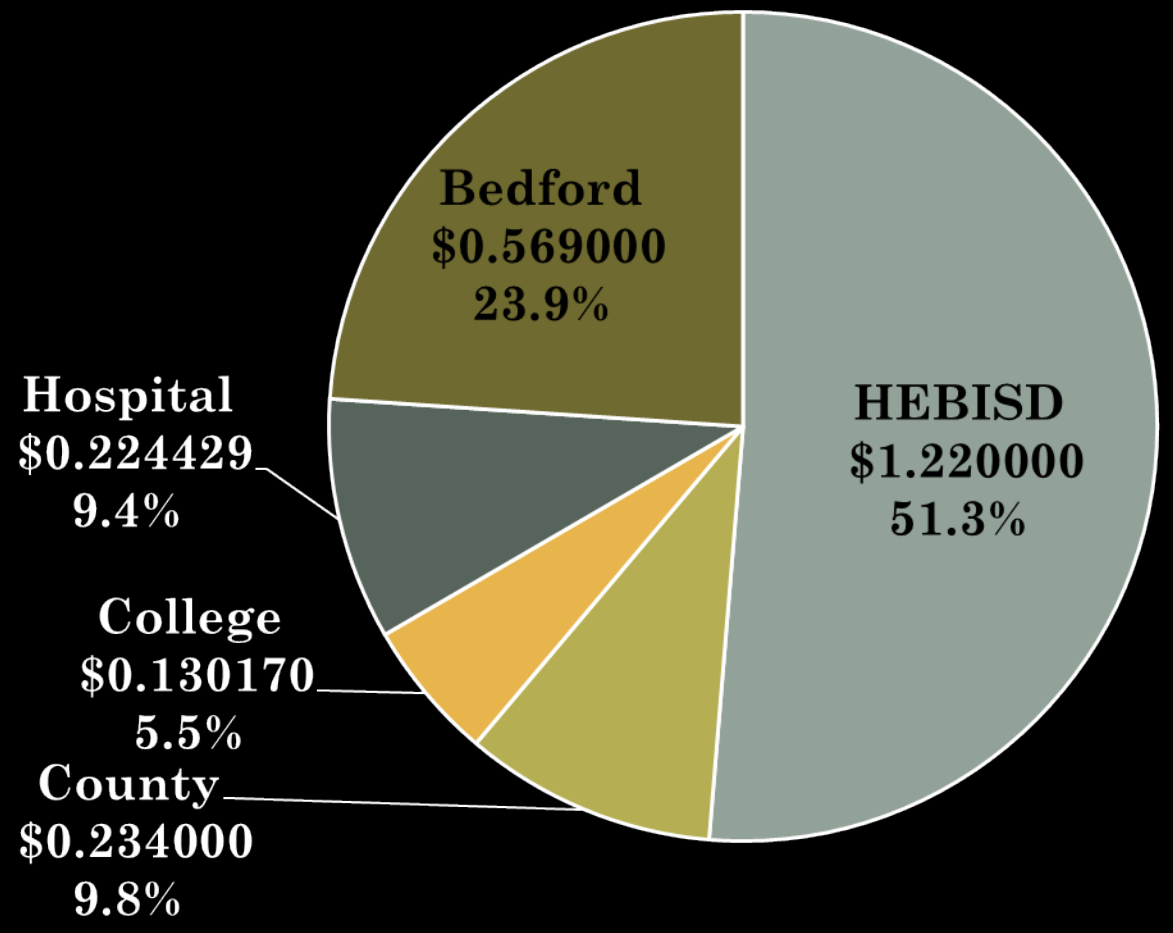
TAX RATE COMPARISON
FY 2019-2020 VS FY 2020-2021

	FY 2019-20	FY 2020-21 VOTER-APPROVAL		DIFF
M&O RATE	$0. 377409	$0.387601	2.7%	$0.010192
I&S RATE	$0.191591	$0.184367	-3.8%	($0.007224)
	$0.569000	$0.571968		$0.002968



TAX RATE HISTORY

FY 2019-2020 OVERLAPPING TAX RATE
$2.377599

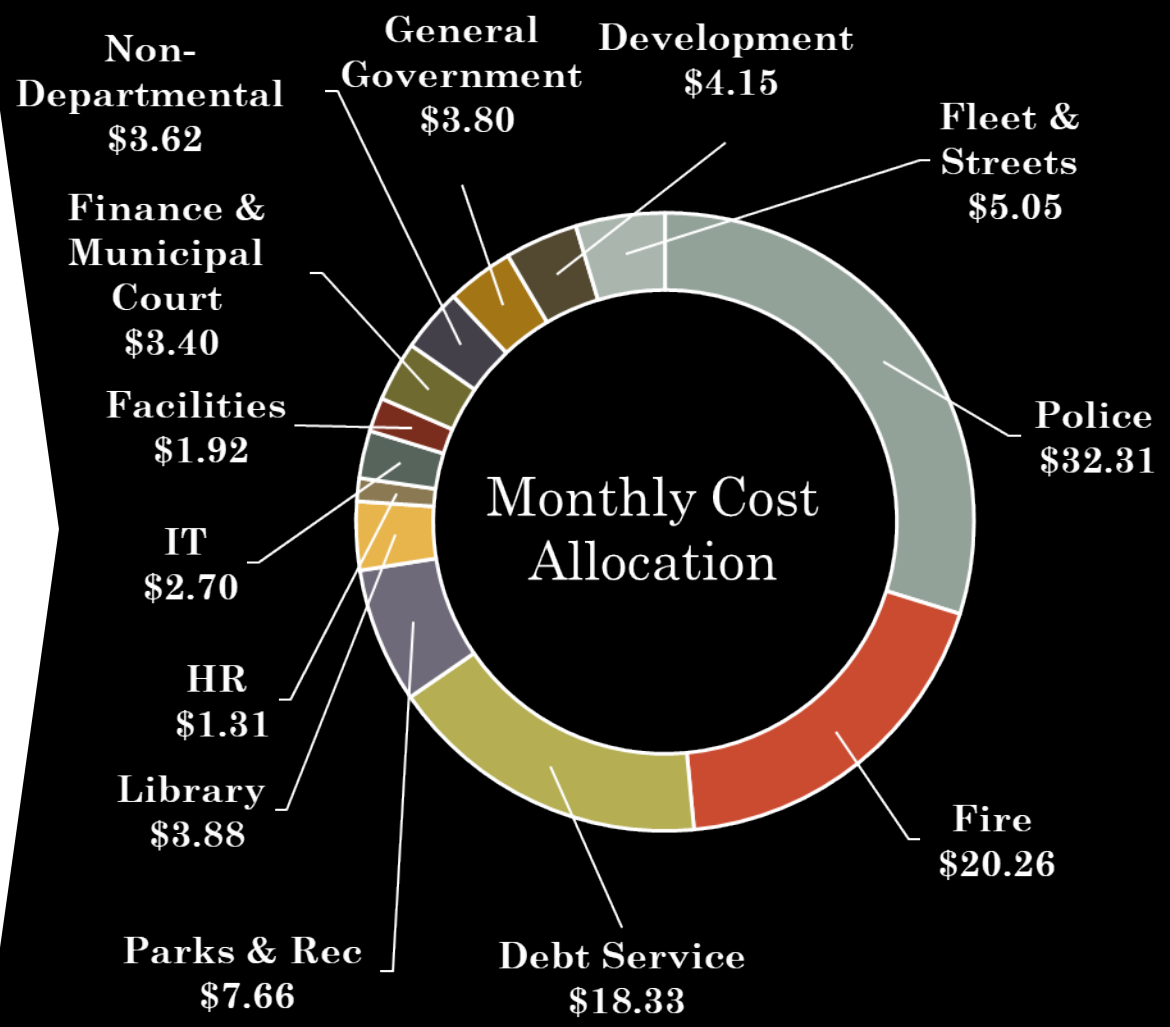


TAX RATE IMPACT

	FY 19-20 ADOPTED	FY 20-21 VOTER-APPROVAL
Tax Rate	**$0.569000**	**$0.571968**
Average Homeowner Impact		
Average Home Value	$220,040	$227,410
Annual Tax Bill:	**$1,252.03**	**$1,300.71**
Monthly:	**$104.34**	**$108.39**
Senior Exemption Property Impact (Newly Qualified Property)		
Average Home Value	$220,040	$227,410
Less: Over 65 Exemption:	*($50,000)*	*($50,000)*
Net Taxable Value	$170,040	$177,410
Annual Tax Bill:	**$967.53**	**$1,014.73**
Monthly:	**$80.63**	**$84.56**

AVERAGE HOME IMPACT

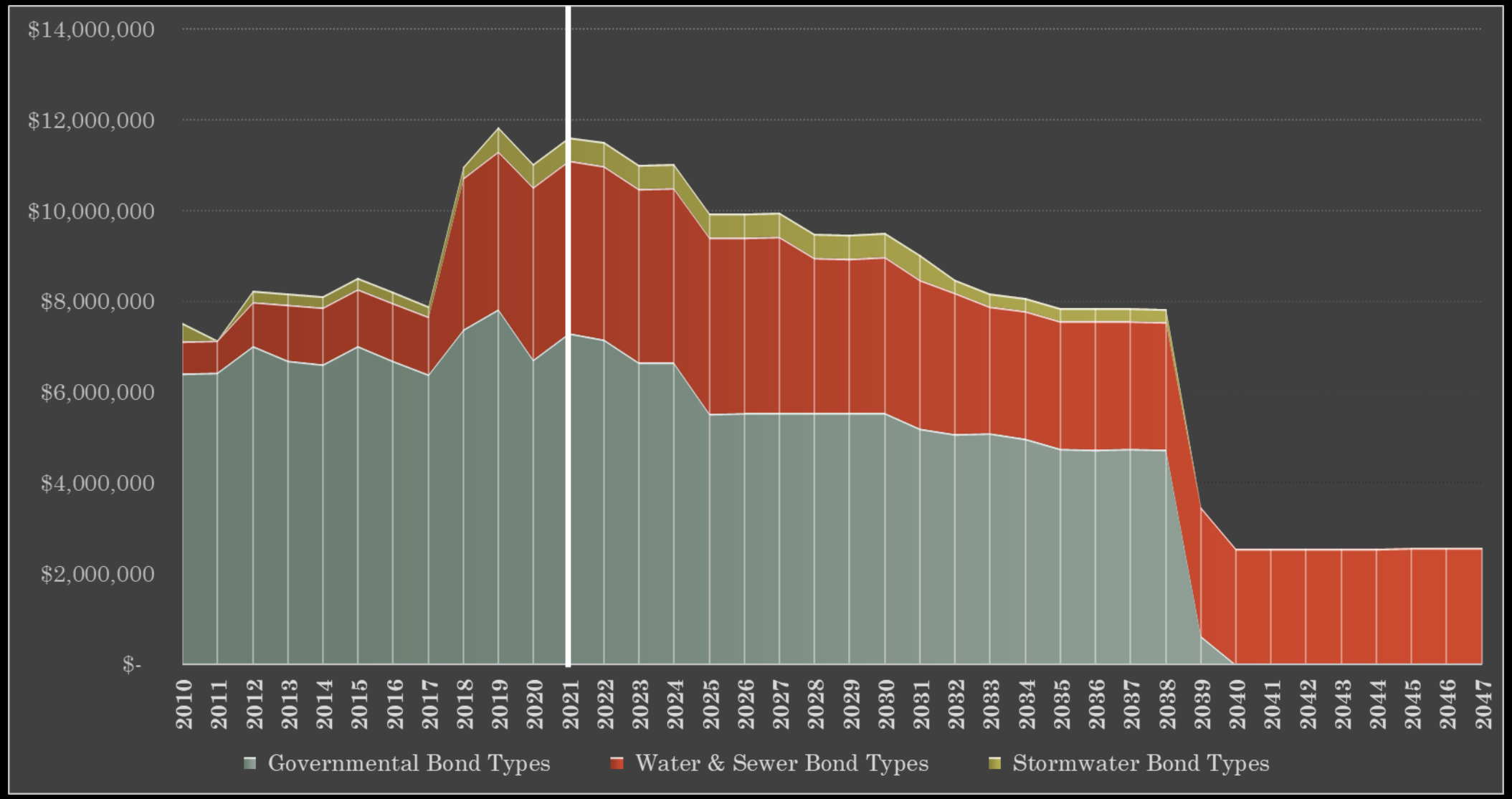
Average Taxable Value	$227,410
Annual Cost	**$1,300.71**
Monthly Cost	**$108.39**
Daily Cost	**$3.56**



DEBT SERVICE FUND

CURRENT DEBT SERVICE SCHEDULE

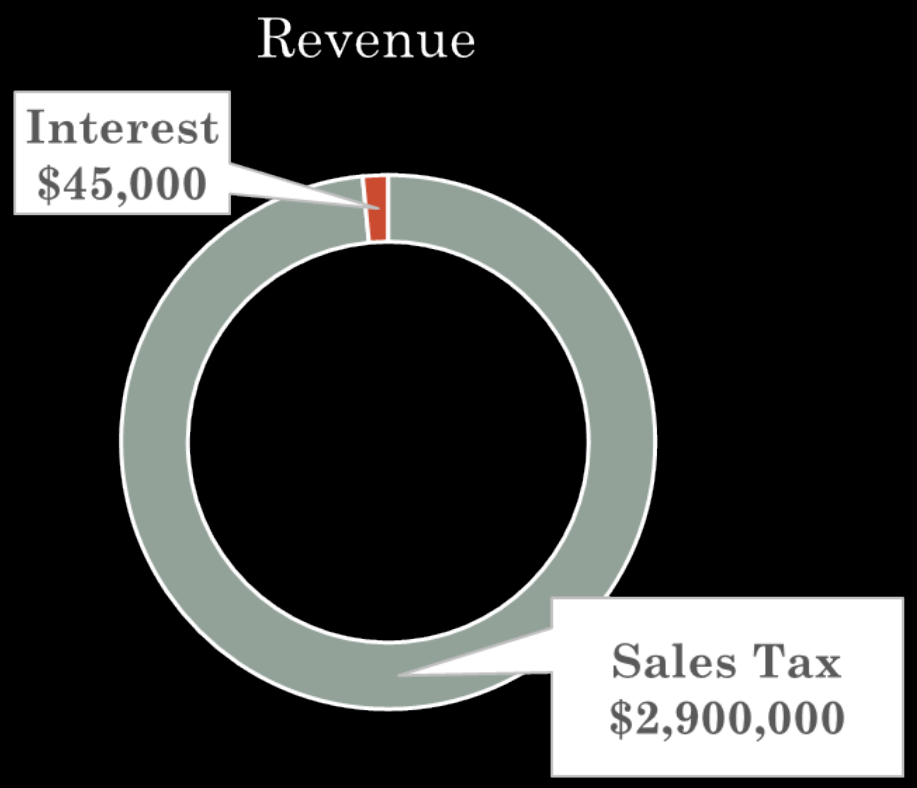
Series 2011, Combo Tax/Rev C.O. (*General Fund portion*)	$	170,750
Series 2011, G.O. Refunding Bonds (*General Fund portion*)	$	460,094
Series 2013, G.O. Refunding & Improvement Bonds	$	522,475
Series 2014, G.O. Bonds	$	218,622
Series 2014, P.P.F.C.O. Bonds	$	255,075
Series 2016, Tax Note	$	226,463
Series 2018, G.O. Bonds	$	3,898,706
Series 2019, Tax Note	$	608,350
Series 2019, G.O. Refunding & Improvement Bonds	$	613,000
Series 2019, G.O. Taxable Bonds	$	337,935
TOTAL GENERAL DEBT SERVICE PAYABLE	$	7,311,470
Fiscal Agent Fees	$	6,000
Contractual Services	$	17,000
DEBT SERVICE FUND TOTAL	**$**	**7,334,470**

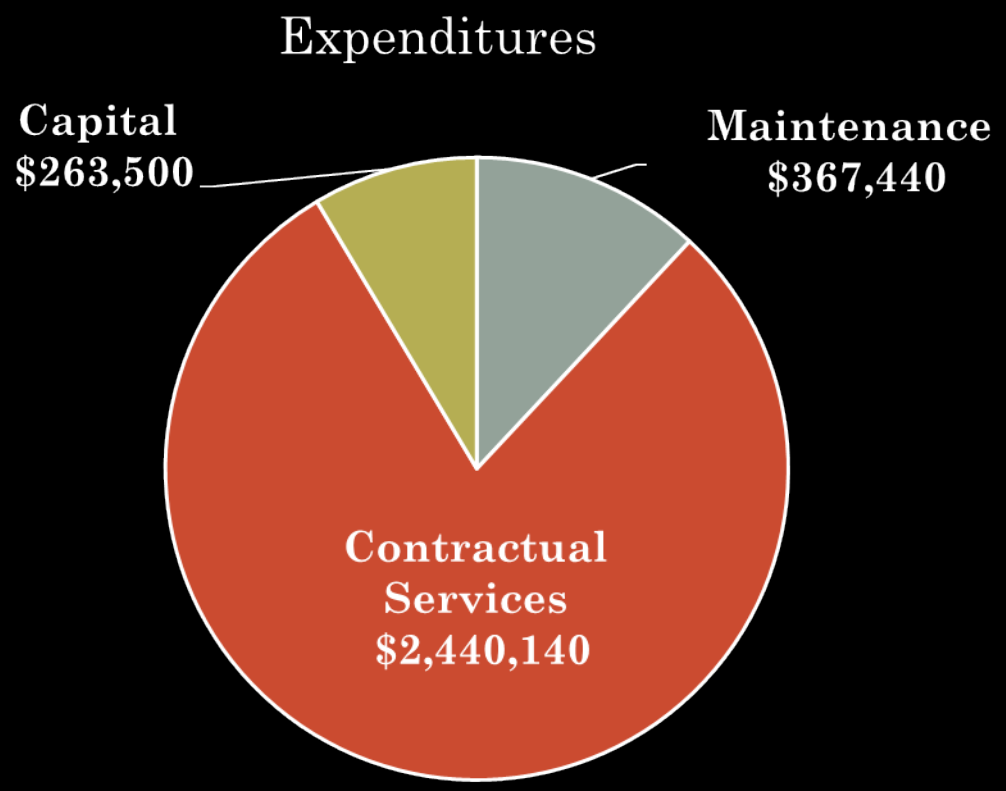


ANNUAL FUNDING REQUIREMENTS

SPECIAL REVENUE FUNDS

STREET IMPROVEMENT ECONOMIC DEVELOPMENT FUND (4B)





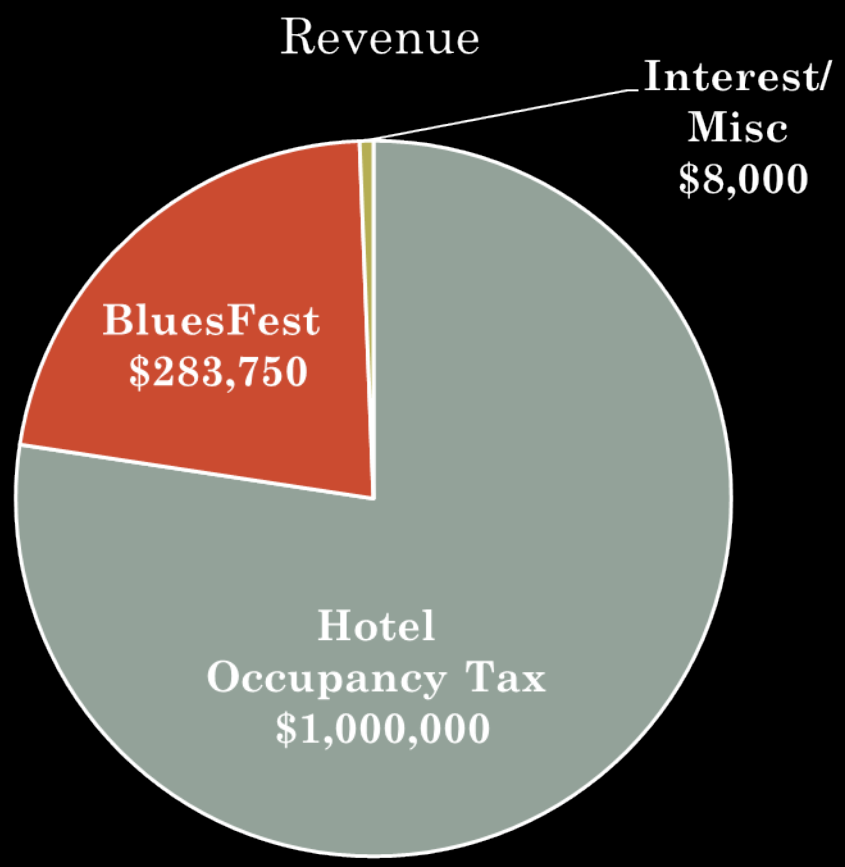
$2,945,000

$4,797,450

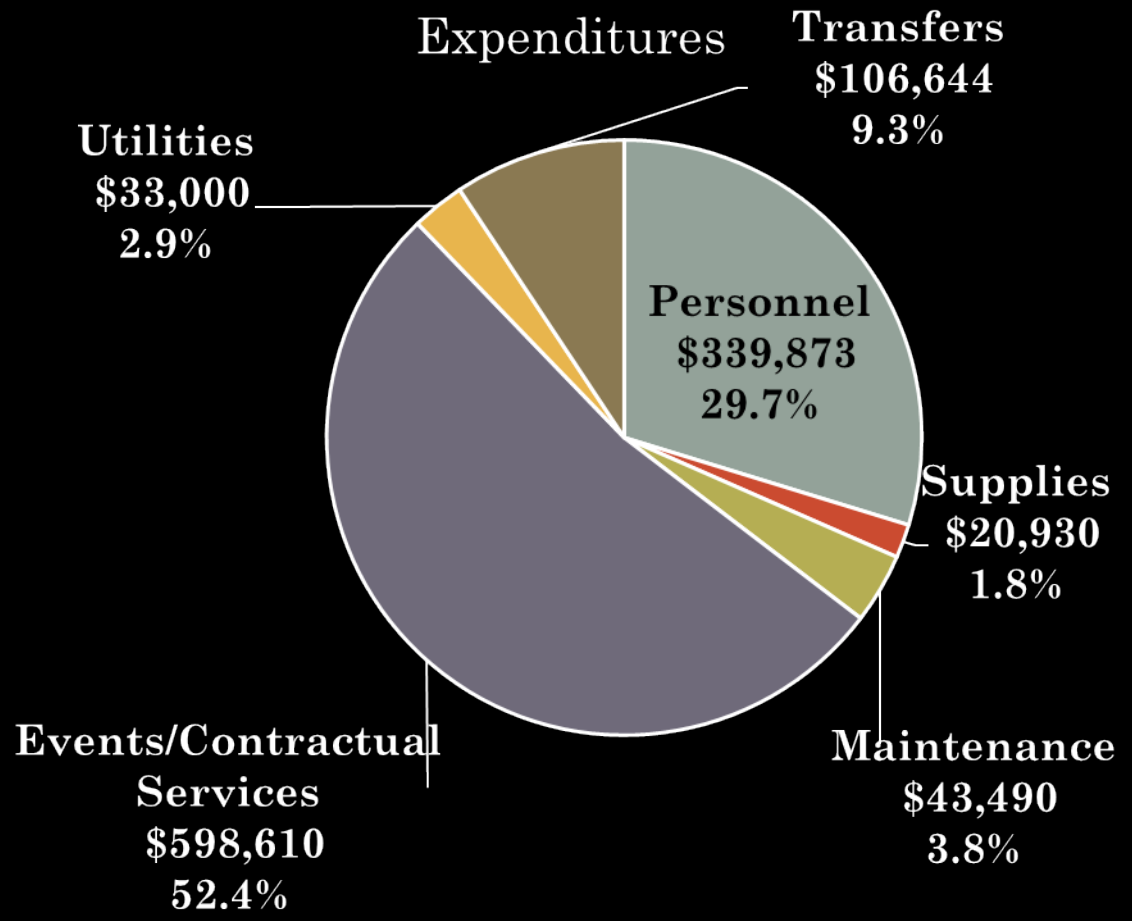
EQUIPMENT REPLACEMENTS

Public Works	
Haul Trailer	$ 22,500
Message Boards	$ 36,000

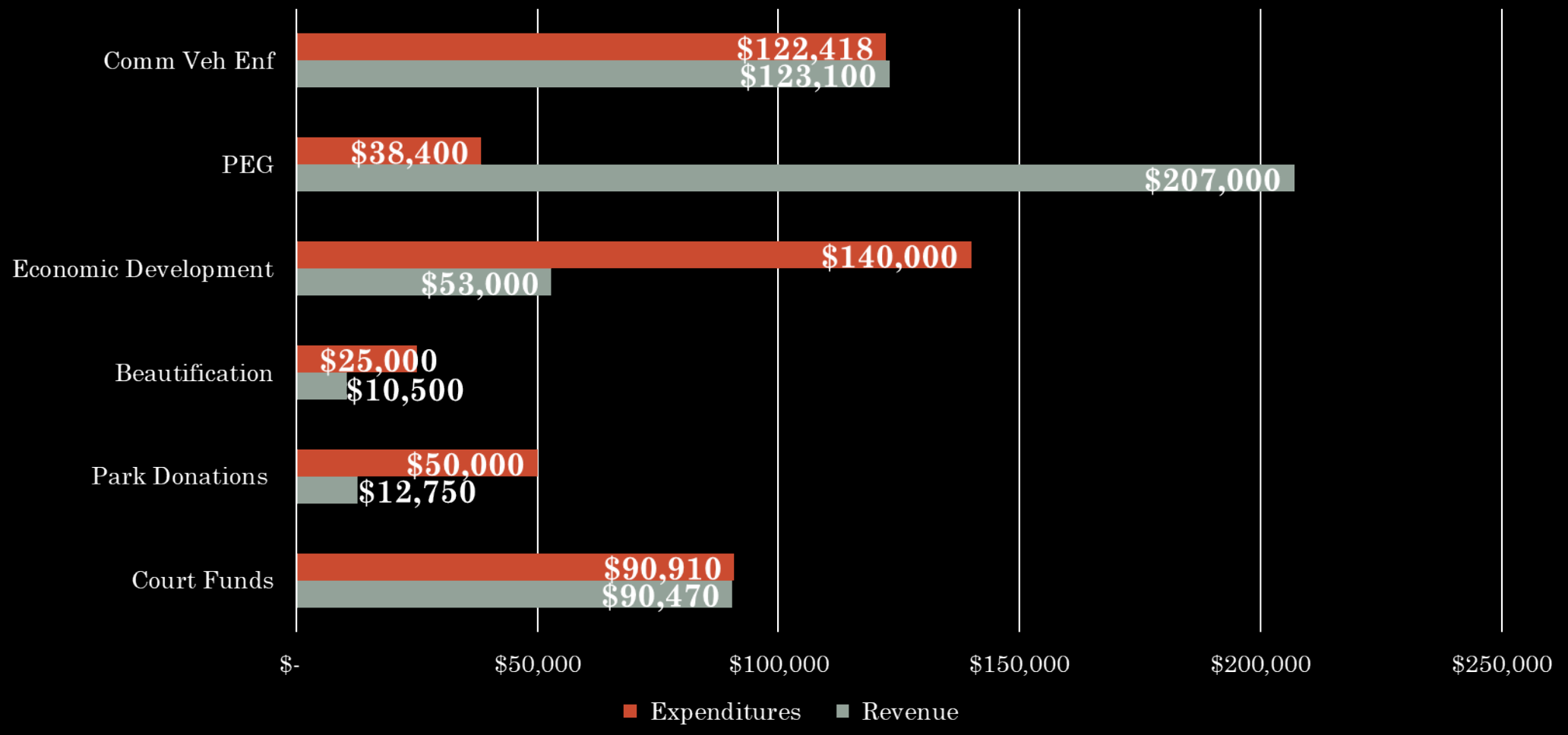
TOURISM FUND



$1,291,750



$1,142,547

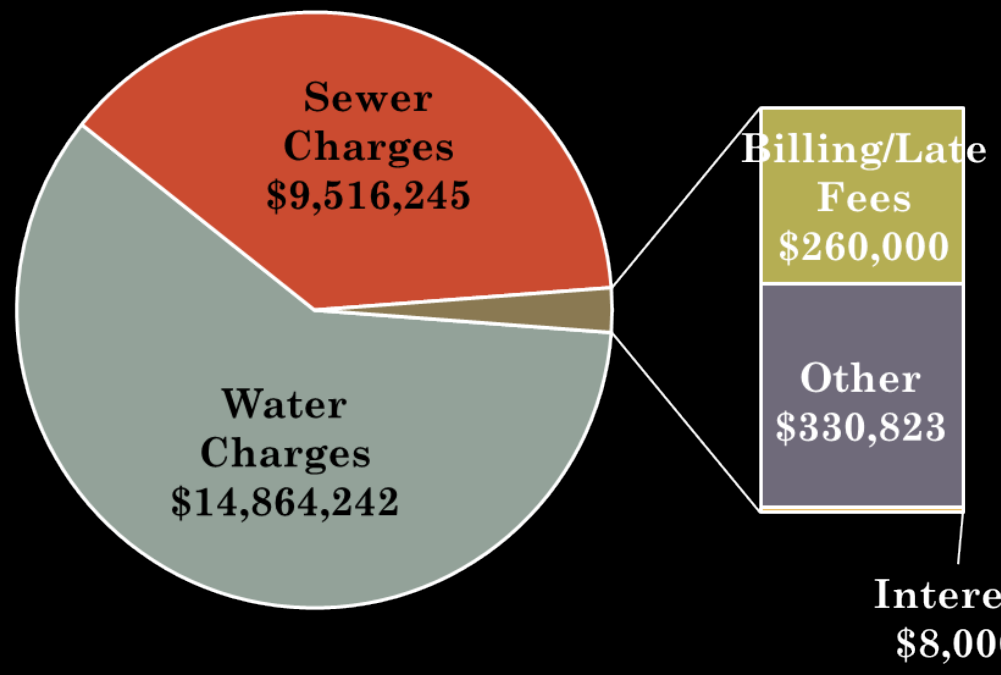

Comm Veh Enf
$122,418
$123,100
PEG
$38,400
$207,000
Economic Development
$140,000
$53,000
Beautification
$25,000
$10,500
Park Donations
$50,000
$12,750
Court Funds
$90,910
$90,470
$-
$50,000
$100,000
$150,000
$200,000
$250,000
Expenditures
Revenue

MINOR FUNDS

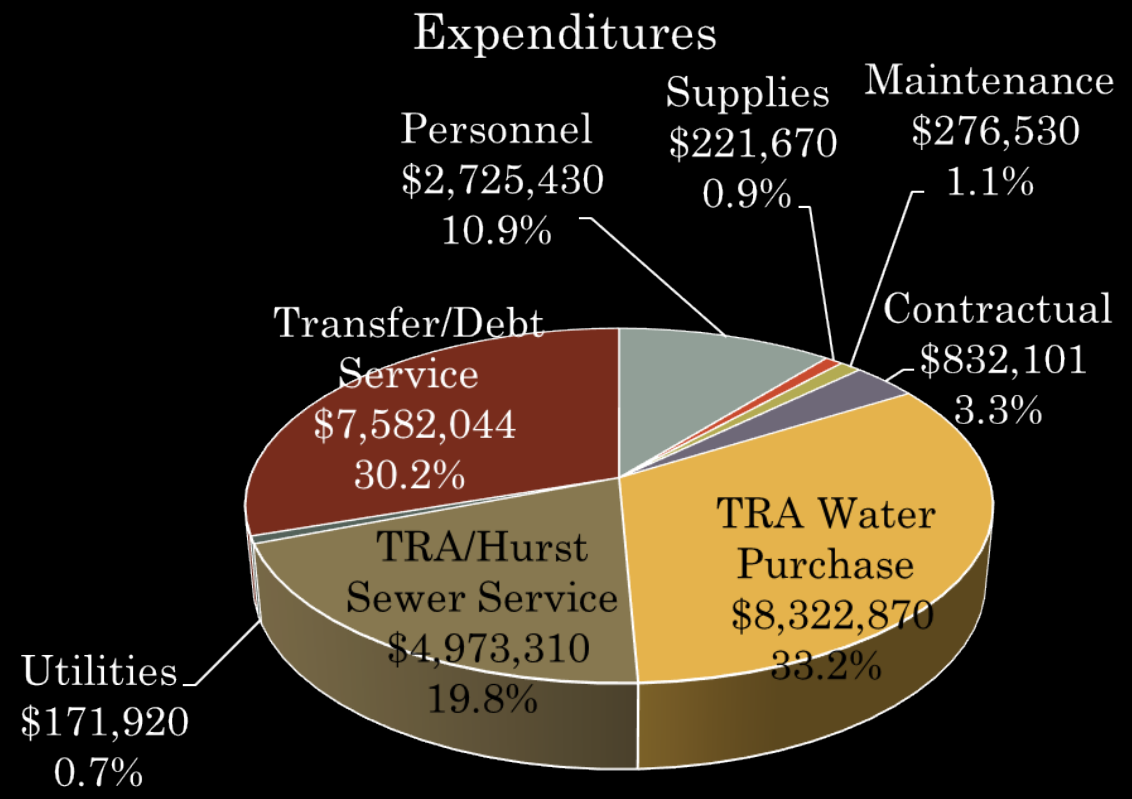
QUESTIONS?

ENTERPRISE FUNDS

WATER & SEWER FUND



$24,979,310



$25,105,875

TRINITY RIVER AUTHORITY PROJECTIONS

Fiscal Year Ending Nov. 30	Projected Flow (MGD) – Water	Cost per 1,000 Gal – Water	Projected Flow (MGD) – Wastewater	Cost per 1,000 Gal - Wastewater
2021	27.900	$3.910	143.536	$3.043
2022	28.179	$4.203	143.936	$3.110
2023	28.461	$4.438	144.336	$3.183
2024	28.745	$4.822	144.736	$3.266
2025	29.033	$5.046	145.136	$3.343

CURRENT RATES

** Since January 2020*

WATER RATES:

Base Rate	$19.30/month	
Base Rate (age 65 & older)	$17.54/month	
Volume Rate	$4.24/1,000 gal.	

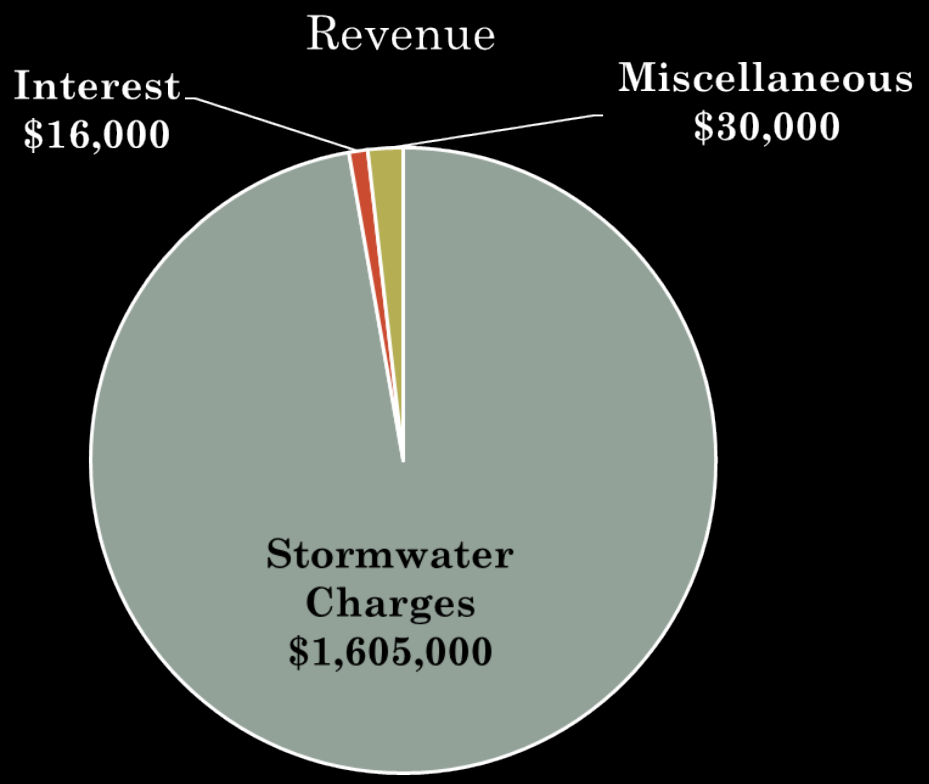
SEWER RATES:

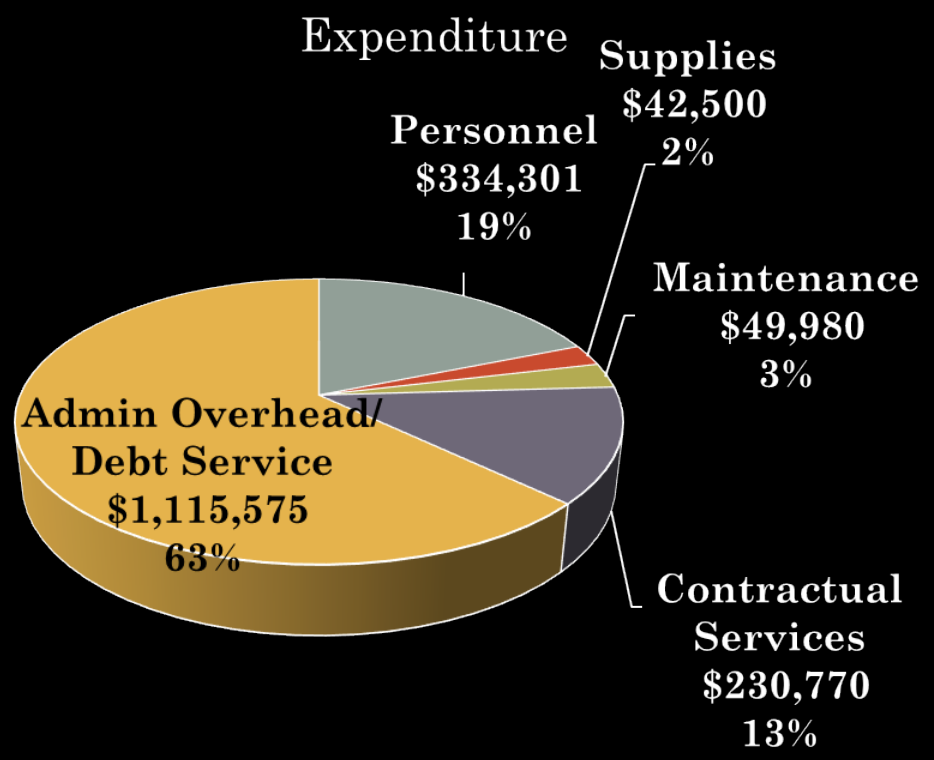
Base Rate	$12.73/month	
Base Rate (age 65 & older)	$11.55/month	
Volume Rate	$3.42/1,000 gal.	Up to 12,000 gal. max

WATER & WASTEWATER RATE DECISION PACKAGES

- Decision Package 1: TRA Pass-Through
- Decision Package 2: TRA Pass-Through & Capital Investment
- Decision Package 3: Even Revenue Adjustment (FY 2021-2024)
- Decision Package 4: TRA Pass-Through (FY 2021) & Even Revenue Adjustment (FY 2022-2024)

STORMWATER FUND





$1,651,000

$1,773,126

CURRENT RATES

RESIDENTIAL:

Base Rate	$4.50/month
Base Rate (age 65 & older)	$4.00/month

COMMERCIAL:

Calculated on lot size/impervious surface

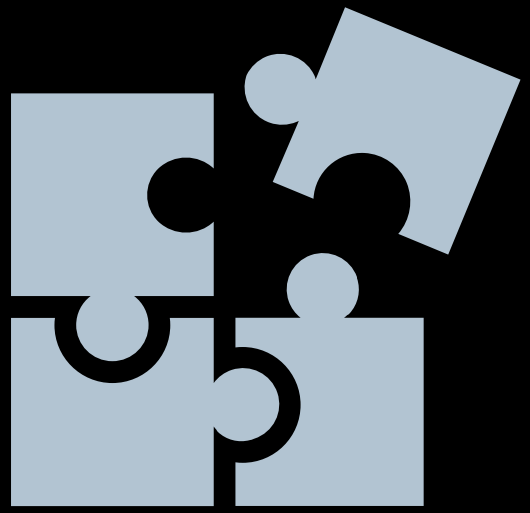
STORMWATER DECISION PACKAGES

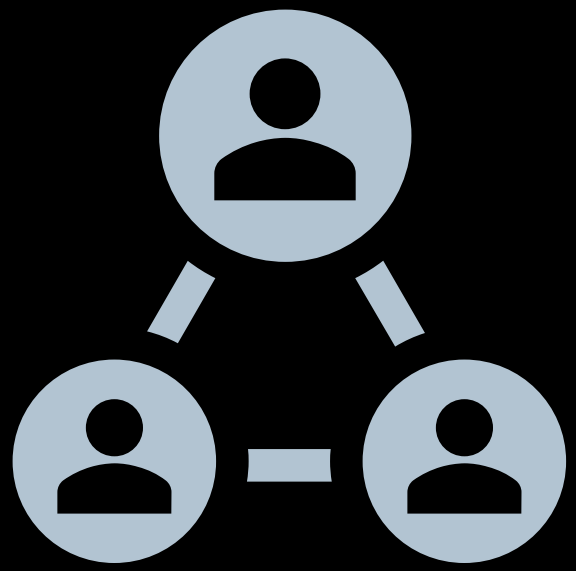
- Decision Package 1: Revenue Adjustment to Reach Revenue Metrics
- Decision Package 2: Even Revenue Adjustments in all Years
- Decision Package 3: Even Revenue Adjustments in FY 2022-2024

QUESTIONS?

LONG RANGE FORECAST

OPTIONS TO CONSIDER





BENEFITS

ITEM	AMOUNT	
Assistant Emergency Management Coordinator (1 FTE)	$	90,475
Health Savings Account Contributions	$	109,850
Performance Management, Learning Management, and Onboarding	$	30,750
Public Safety Dispatcher (1 FTE)	$	51,900
Holiday Accrual Policy Liability Buy Down	$	298,600
Laserfiche Expansion	$	22,440
Police Officer (1 FTE)	$	75,324
Leads Online Subscription	$	11,600
Increase Temporary Assignment Pay	$	28,500
Cancer Screening	$	10,000
Social Media Specialist (1 FTE)	$	68,416
Smart Device Data Plans	$	16,500
Texas Best Practices Recognition Program	$	1,600

PRIORITY SUPPLEMENTALS

FY 20-21 UNFUNDED CAPITAL

WATER & WASTEWATER	FY 20-21 ESTIMATE
Cummings Elevated Storage Tank Painting & Interior Coating (Water)	$ 300,000
Simpson Terrace Elevated Storage Tank Painting (Water)	$ 865,000
Harwood Road – Forest Ridge to Hurst City Limit (Wastewater)	$ 1,000,000
Sulphur Branch 18” Trunk Sewer – Bedford Road to Evandale Drive (Wastewater)	$ 3,450,000
Rehab Hurricane Creek Trunk Sewers (Wastewater)	$ 750,000
Rehab Bear Creek Trunk Sewers (Wastewater)	$ 1,050,000
Basin 16.0W – L. Don Dodson to SH 121	$ 165,000

FY 20-21 UNFUNDED CAPITAL

DRAINAGE & STREETS	FY 20-21 ESTIMATE
Channel Improvements – SH183 to Bedford Road (Drainage)	$ 1,700,000
Shady Lake Reconstruction – Shady Brook to Lakeview (Streets)	$ 275,000
Briar Reconstruction (Streets)	$ 2,000,000

FY 20-21 UNFUNDED EQUIPMENT

ITEM		FY 20-21 Estimate
Computer Replacement	$	20,000
Replacement M155	$	350,000
Plymovent System	$	35,000
Defibrillator Replacement	$	190,000
Workout Equipment	$	10,000
Brake Lathe	$	10,000
Vehicle Lift	$	25,000
Kubota Tractor with Backhoe Attachment	$	54,000
Toro Groundmaster 7210 Mower	$	40,000
Toro Groundmaster 7200 Mower	$	24,000

FY 20-21 UNFUNDED MAINTENANCE

ITEM	FY 20-21 Estimate	
City Hall A Roof Replacement	$	150,000
Law Enforcement Center Roof Replacement	$	1,000,000
Animal Control Roof Replacement	$	40,000
Camera System	$	77,000
Paint Law Enforcement Center Building	$	8,000
Security Camera System	$	20,000
Service Center Bay Doors Replacement	$	28,000
Fleet Floor Resurfacing	$	35,000
Library Carpet Replacement	$	45,000

BUDGET PACKAGE DISCUSSION

NEXT STEPS

- Record Vote
- Set Public Hearings

AUG 3

AUG 11

- Accept Certified Roll
- Accept Certified Collection Rate

Public Hearing on Budget & Tax Rate

AUG 17

AUG 24

Approve Budget Ordinance & Tax Rate