



BUDGET WORKSHOP

Proposed FY 2020



Proposed FY 2020

GENERAL FUND

GENERAL FUND REVENUES

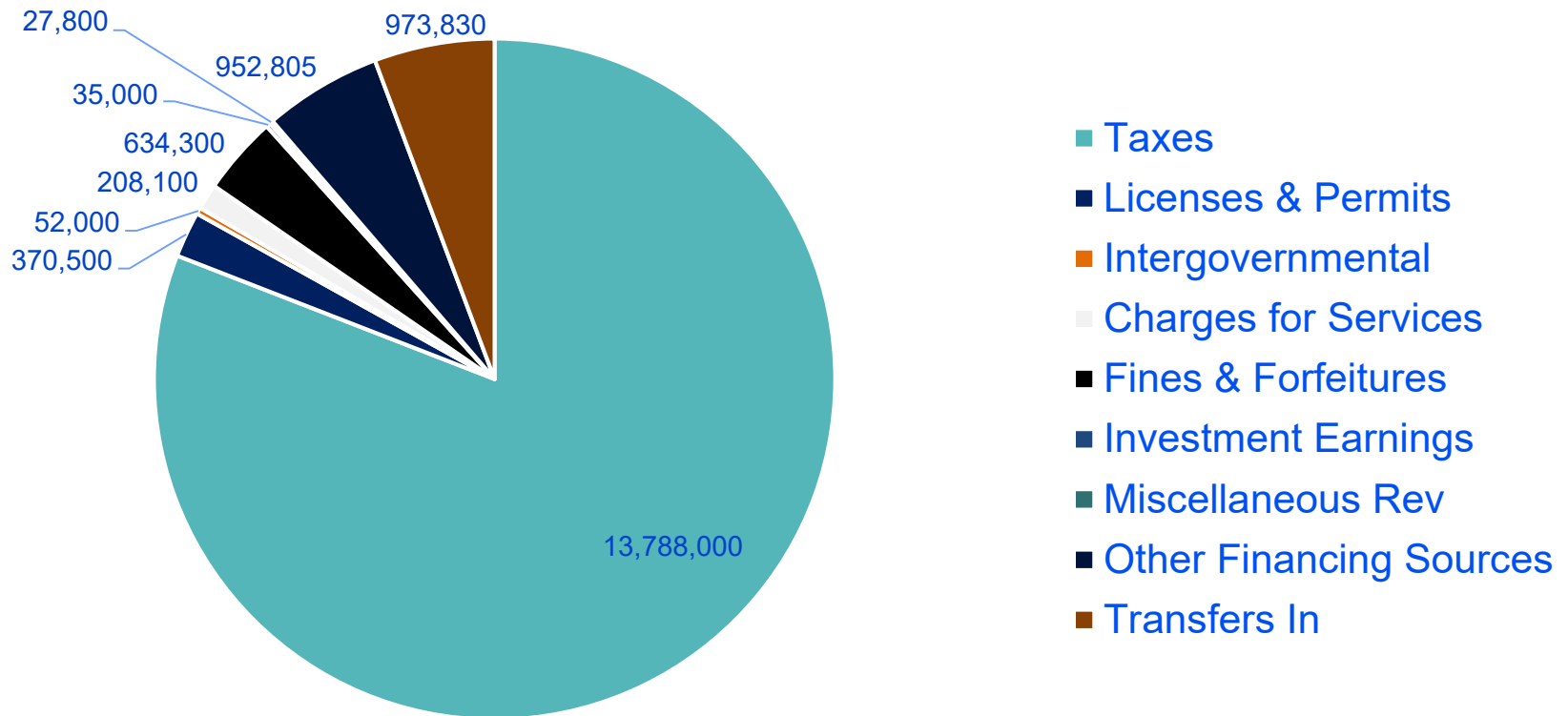


	Actual	Actual	Actual	Adopted Budget	Revised Budget	Proposed	
	2016	2017	2018	2019	2019	2020	\$ Inc / (Dec) over PY
Taxes	10,442,912	11,241,998	12,260,436	13,108,000	13,108,000	13,788,000	680,000
Licenses & Permits	472,112	520,498	377,697	432,500	432,500	370,500	(62,000)
Intergovernmental	142,553	106,961	82,958	139,600	139,600	52,000	(87,600)
Charges for Services	200,905	181,437	217,824	181,700	211,700	208,100	(3,600)
Fines & Forfeitures	1,022,423	892,337	821,728	735,000	735,000	634,300	(100,700)
Investment Earnings	3,995	9,345	29,946	22,000	22,000	35,000	13,000
Miscellaneous Rev	28,415	46,537	47,737	18,300	18,300	27,800	9,500
Other Financing Sources	580,322	956,789	218,186	180,170	180,170	903,135	722,965
Transfers In	1,602,289	1,217,406	1,257,293	1,323,740	1,323,740	1,153,500	(170,240)
Total General Fund Revenue	14,495,927	15,173,308	15,313,806	16,141,010	16,171,010	17,172,335	1,001,325

GENERAL FUND REVENUES



PROPOSED GENERAL FUND REVENUE



Total Revenue: \$17,172,335

GENERAL FUND EXPENDITURES

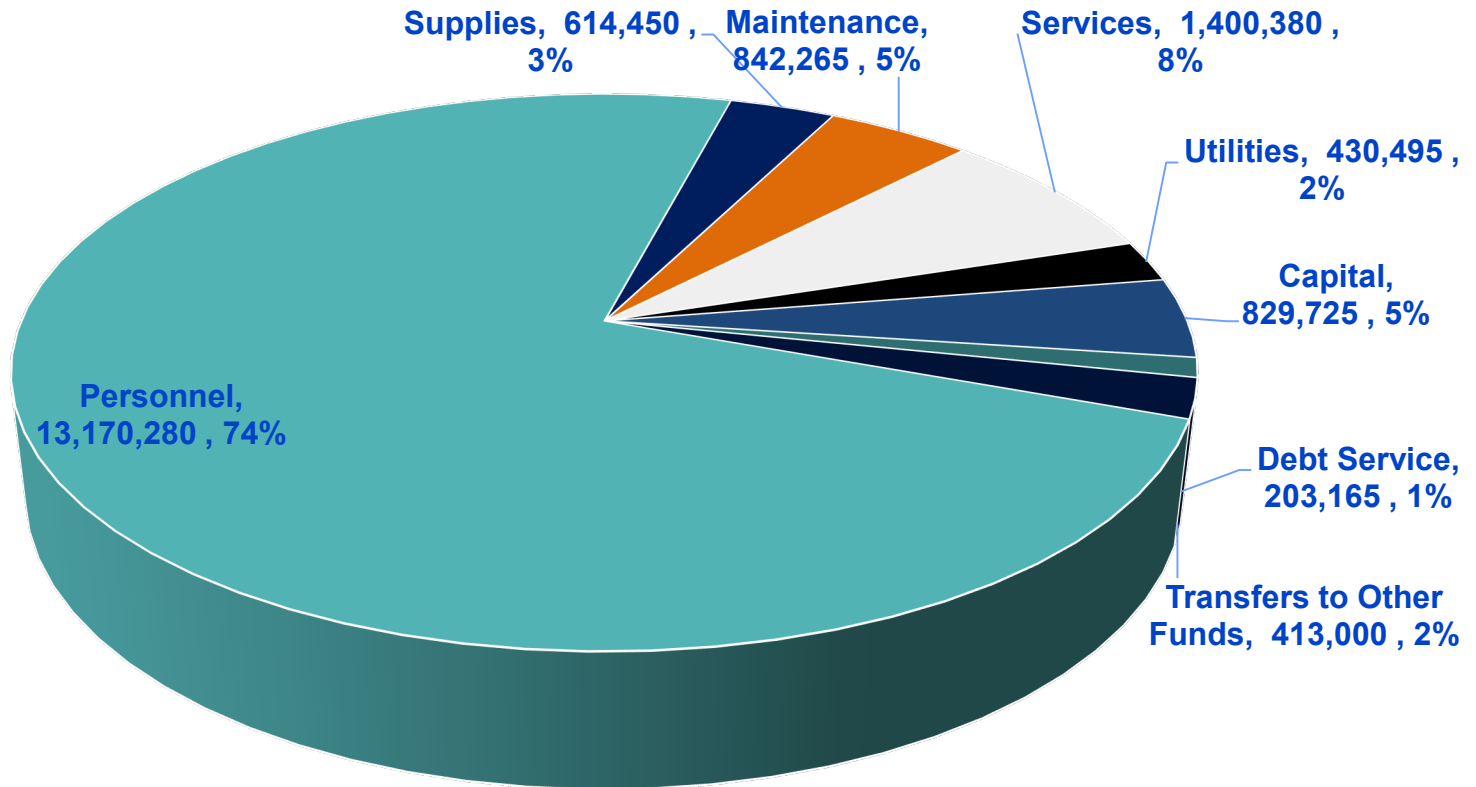


	Actual	Actual	Actual	Adopted Budget	Revised Budget	Proposed	
	2016	2017	2018	2019	2019	2020	\$ Inc / (Dec) over PY
Personnel	10,371,103	10,907,538	11,262,308	12,353,272	12,430,402	13,170,280	739,878
Supplies	524,659	590,774	535,117	828,486	803,221	614,450	(188,771)
Maintenance	779,141	628,766	611,364	758,075	798,525	842,265	43,740
Services	1,099,426	1,068,340	1,206,215	1,481,686	1,398,921	1,400,380	1,459
Utilities	500,855	468,765	460,904	479,820	468,660	430,495	(38,165)
Capital	970,770	1,096,864	303,090	341,670	373,280	829,725	456,445
Debt Service	23,472	203,153	203,153	203,154	203,154	203,165	11
Transfers to Other Funds	265,869	-	40,939	25,000	40,042	413,000	372,958
Total General Fund Expenditures	14,535,293	14,964,199	14,623,089	16,471,163	16,516,205	17,903,760	1,387,555

GENERAL FUND EXPENDITURES BY CATEGORY



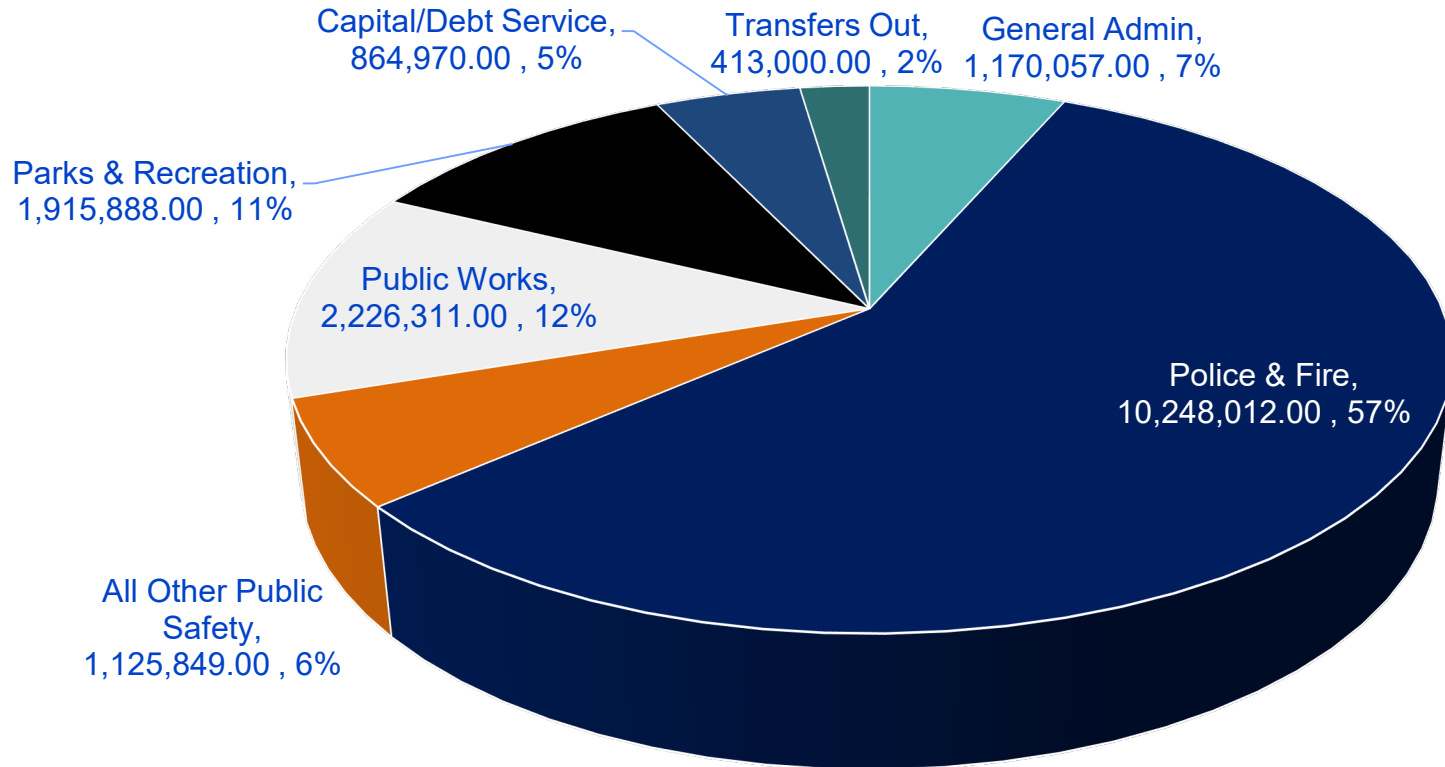
FY 2020 EXPENDITURES BY CATEGORY



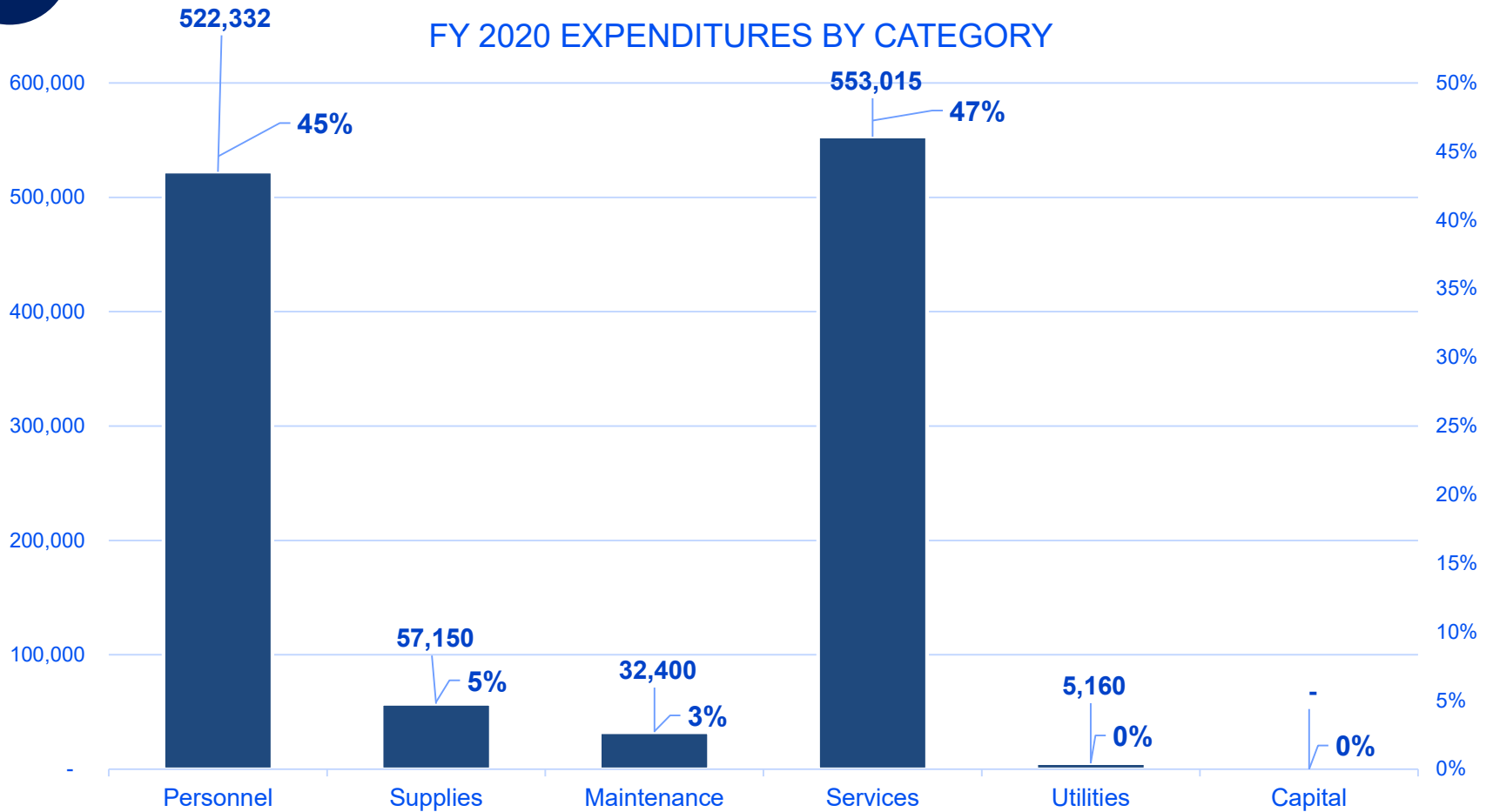
GENERAL FUND EXPENDITURES BY FUNCTION



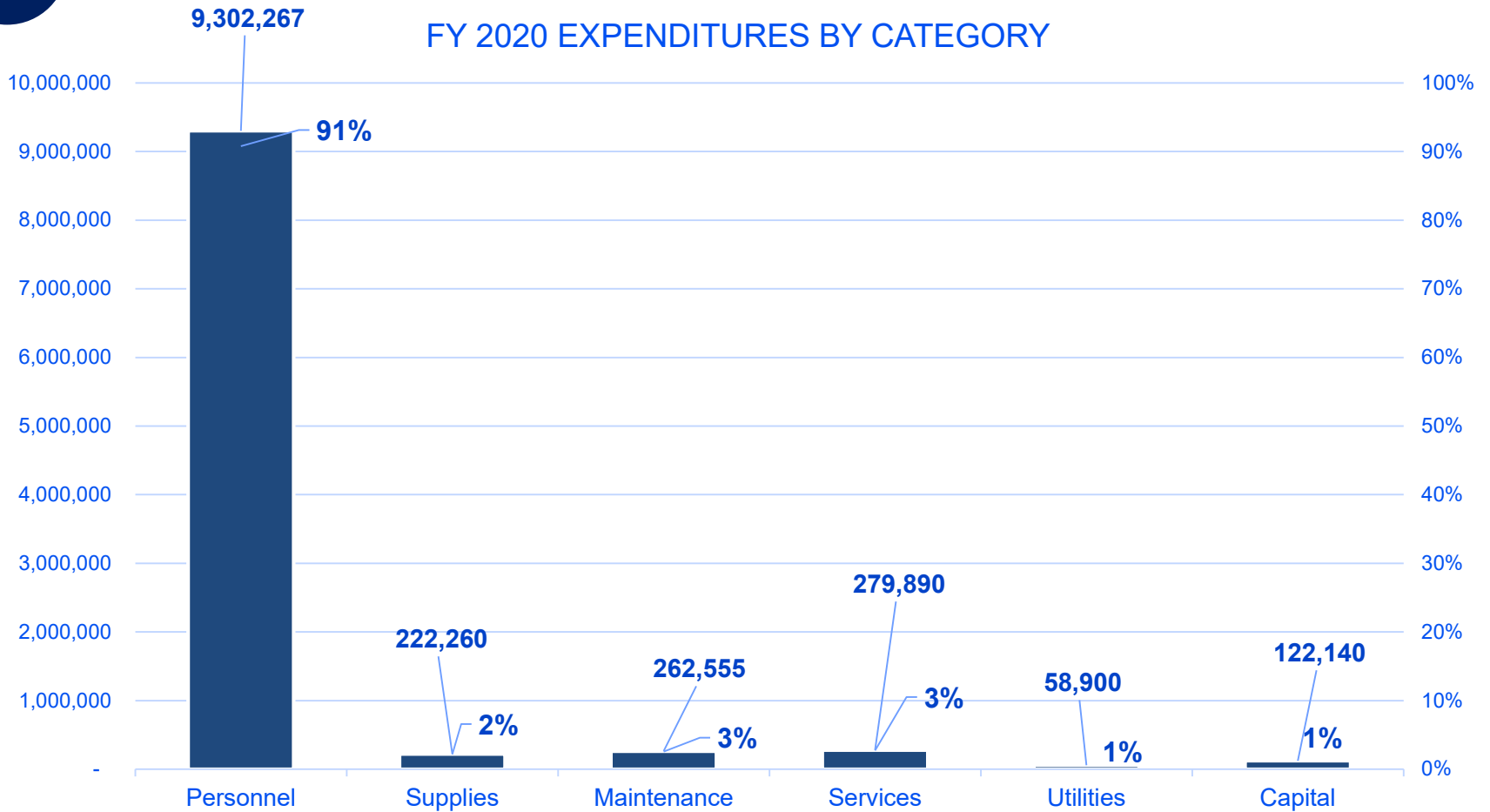
PROPOSED GENERAL FUND EXPENDITURES



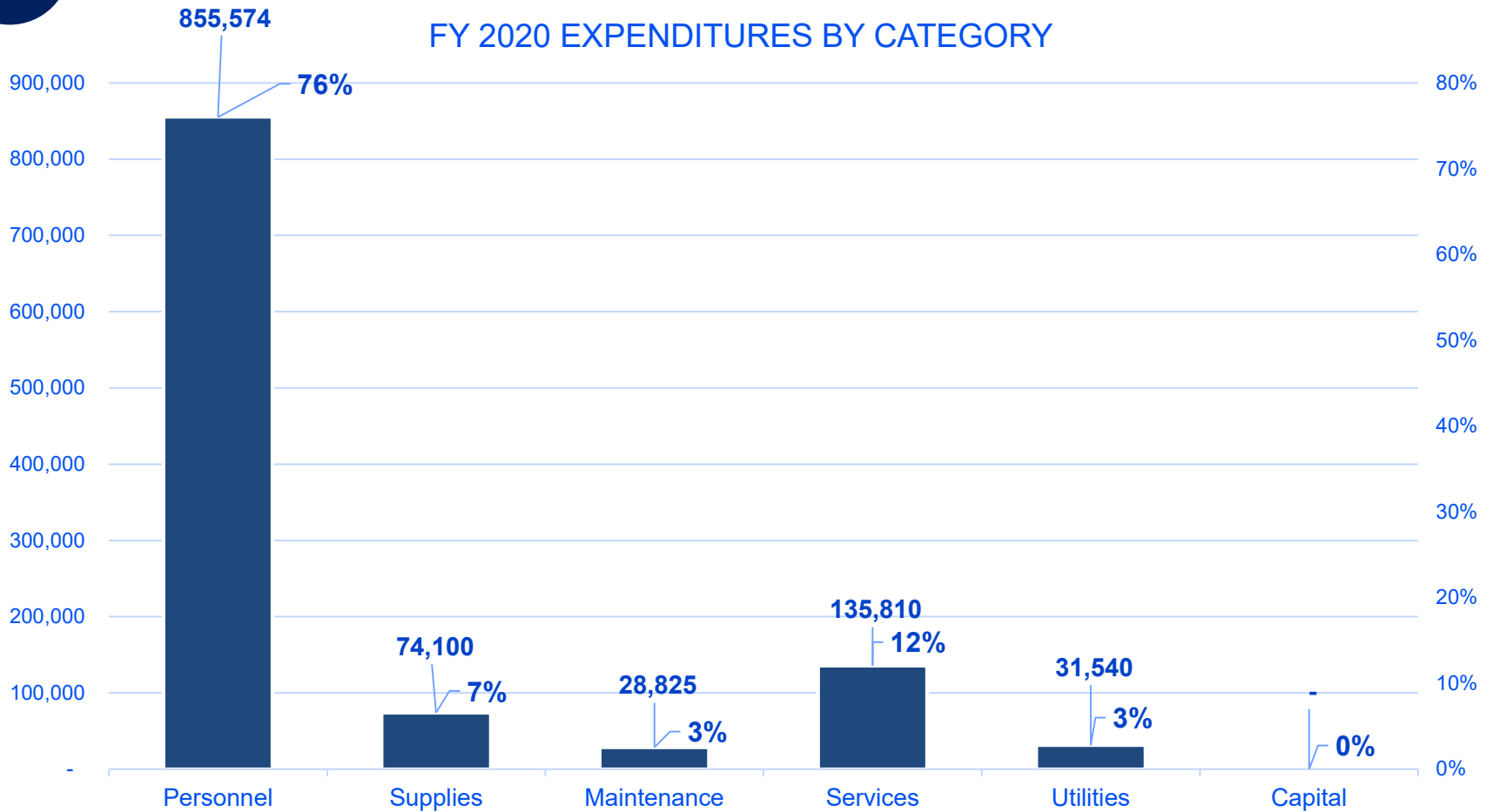
GENERAL ADMINISTRATION



POLICE & FIRE



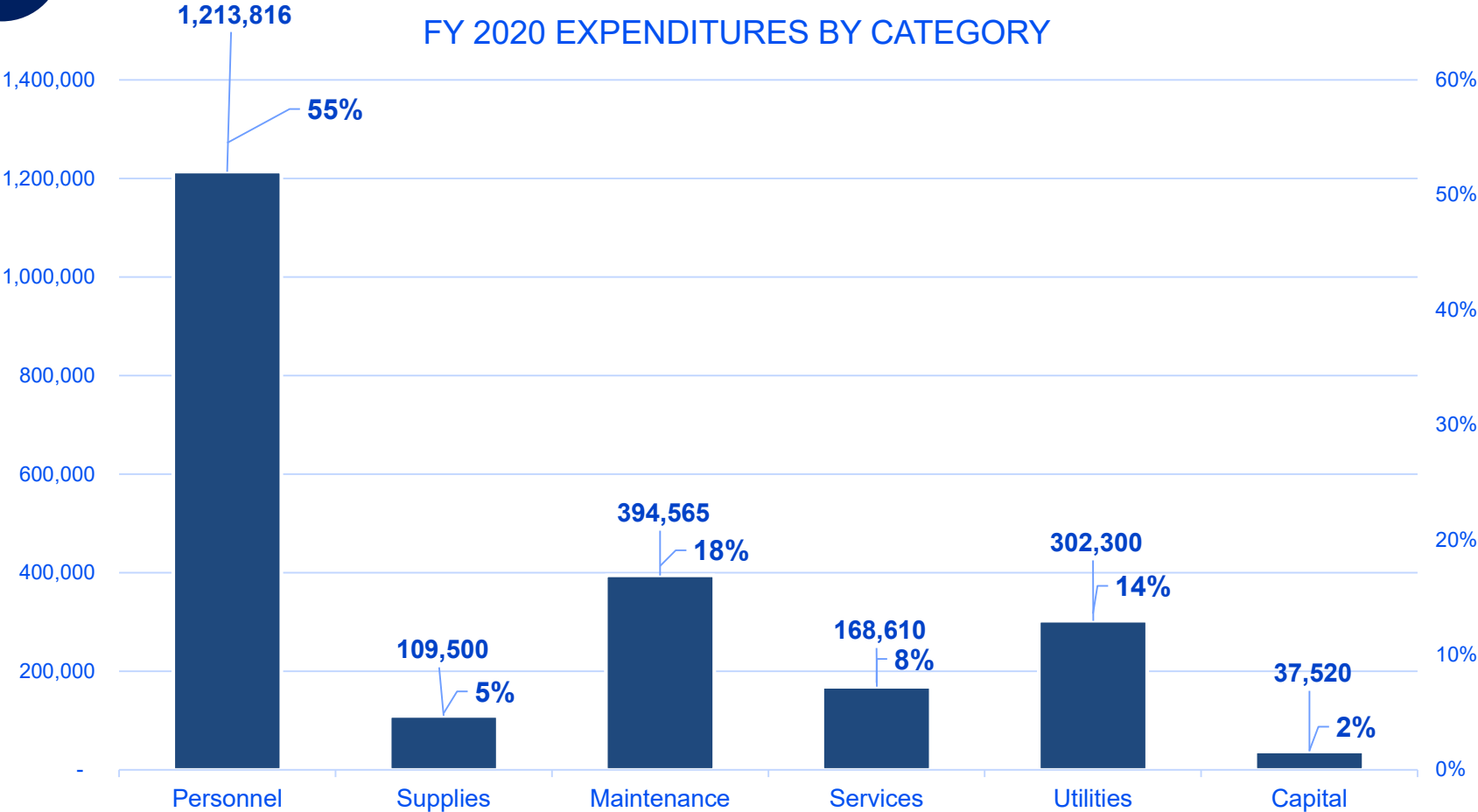
ALL OTHER PUBLIC SAFETY



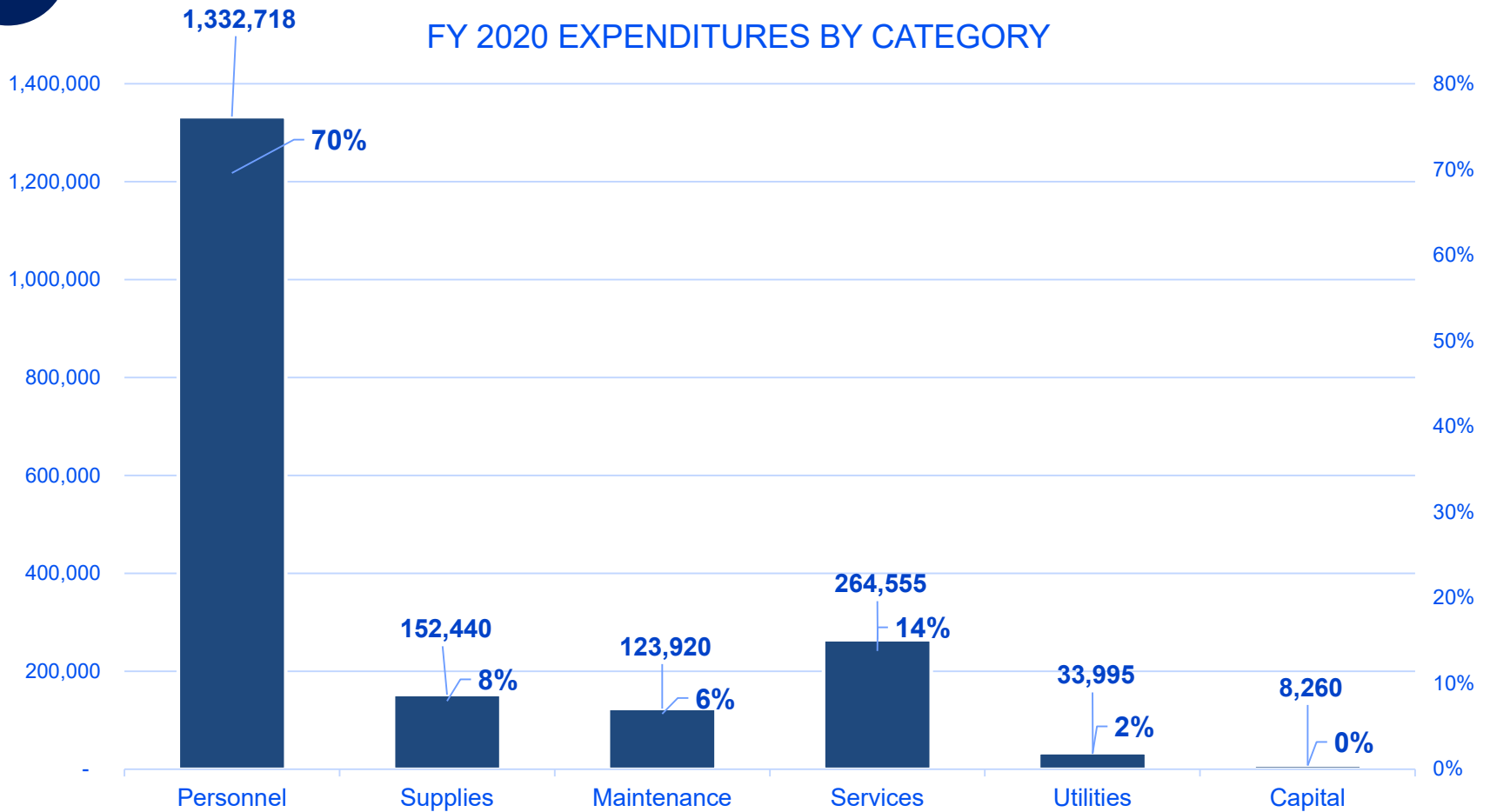
PUBLIC WORKS



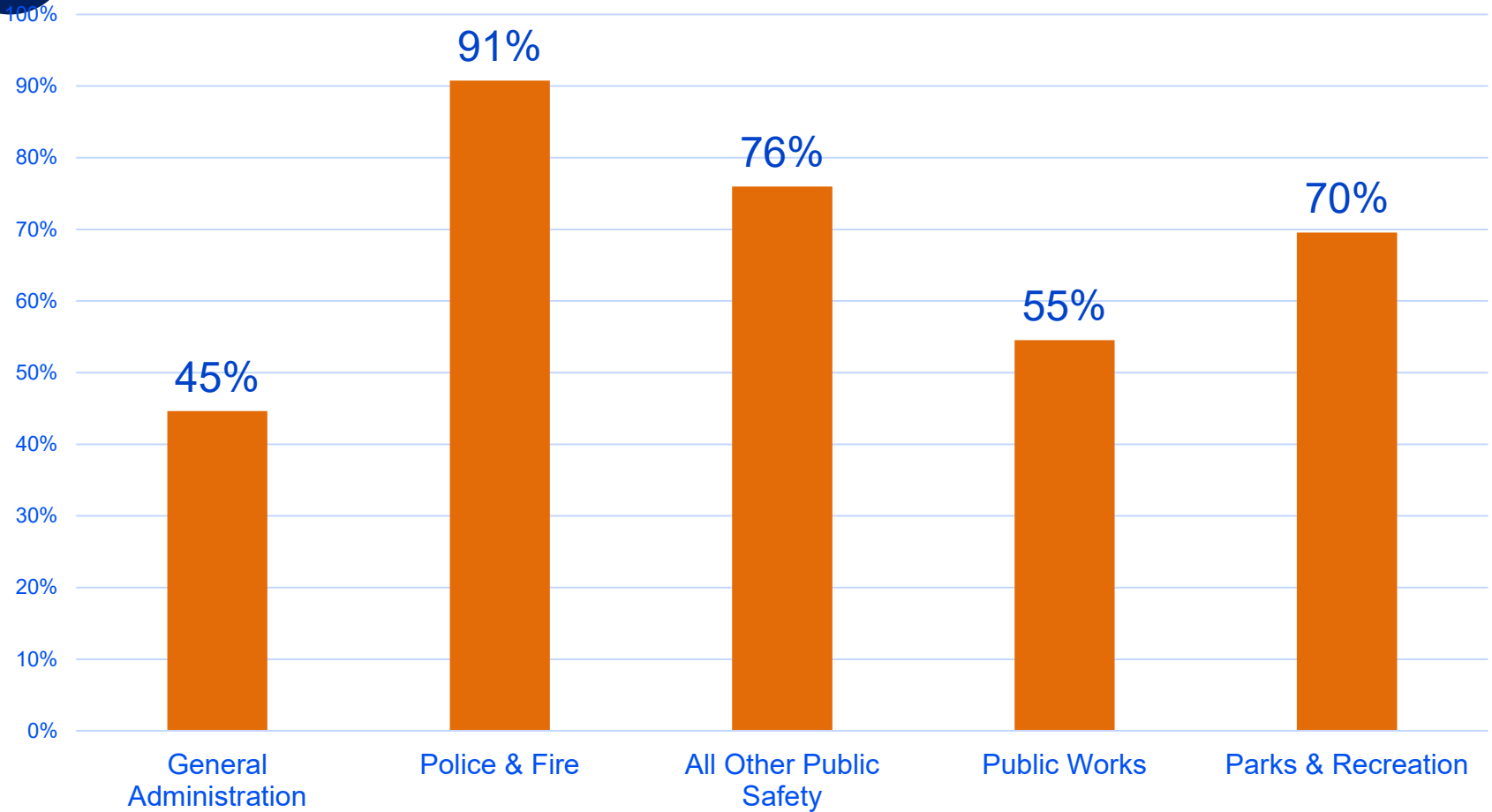
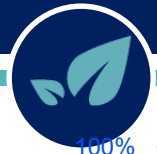
FY 2020 EXPENDITURES BY CATEGORY



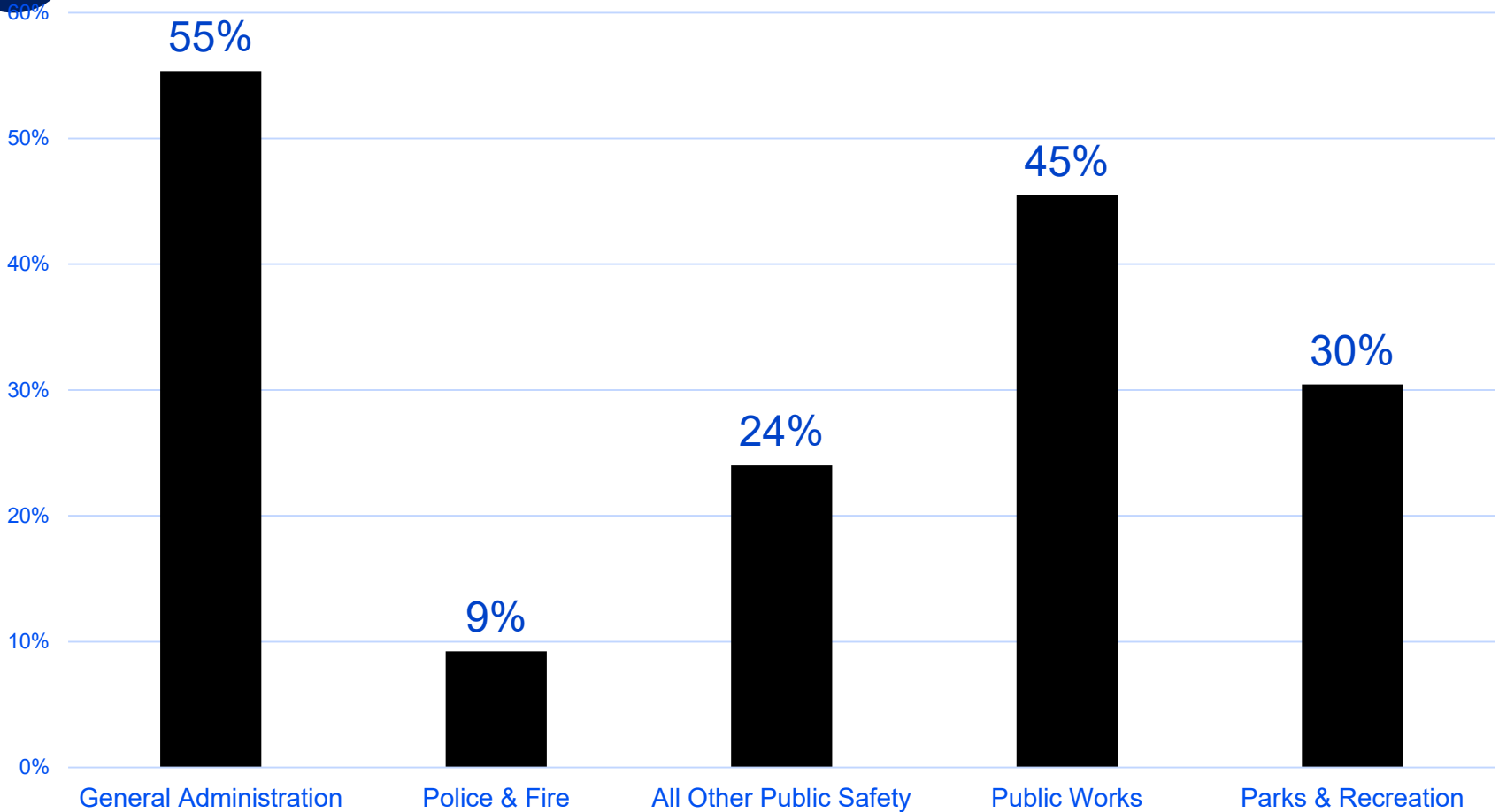
PARKS & RECREATION



PERSONNEL % OF TOTAL EXPENDITURES BY FUNCTION



REMAINING % FOR MAINTENANCE & OPERATIONS



PERSONNEL vs M&O



Function	Personnel	Other M&O	Total Expenditures
General Administration	522,332	647,725	1,170,057
Police & Fire	9,302,267	945,745	10,248,012
All Other Public Safety	855,574	270,275	1,125,849
Public Works	1,213,816	1,012,495	2,226,311
Parks & Recreation	1,332,718	583,170	1,915,888



General Fund

CHALLENGES

CHALLENGES: LEGISLATIVE UPDATES



- **SB 2:** Property tax Revenue Cap; Effective January 1, 2020
- **SB 1152:** Telecommunications & Cable Franchise Fees; Applies to payments made after January 1, 2020
- **HB 1631:** Photographic traffic signal enforcement systems eliminated; Effective June 2, 2019
- **HB 852:** Prohibits using valuation of dwelling to determine amount of permit or inspection fees charged; effective May 21, 2019

LEGISLATIVE UPDATE: BUDGET IMPACT (FY 2020)



- **SB 2:** No effect; will impact FY 2021 budget
- **SB 1152:** Franchise Fees have been reduced by about \$85k
- **HB 1631:**
 - No budgeted revenue in Red Light Camera Fund
 - Send personnel costs of police officers & other qualifiable costs back to general fund (over \$200k)
 - Outstanding obligations still need to be met (over \$250k)

NEW LEGISLATION BUDGET IMPACT (FY 2020)



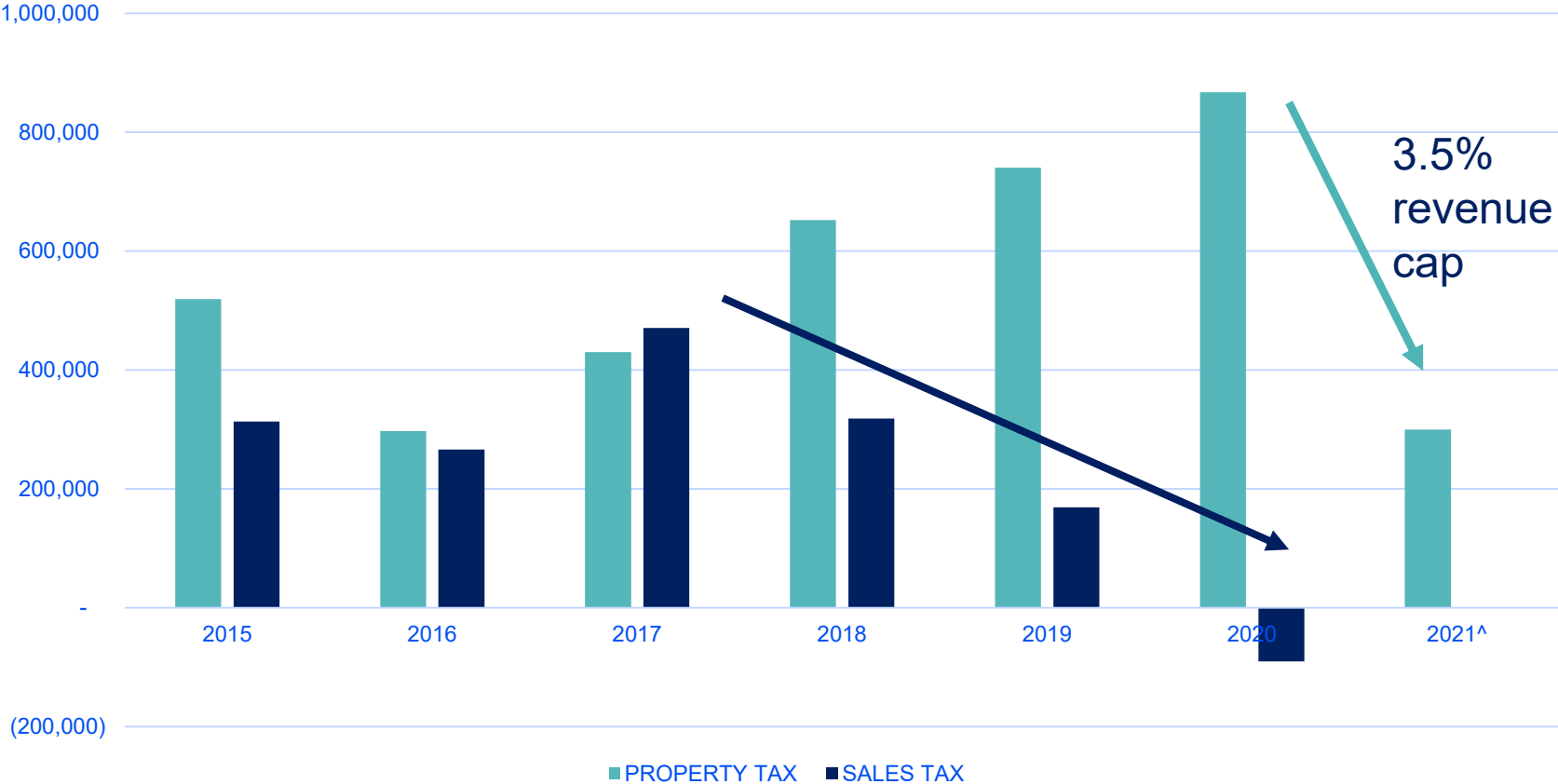
- \$257,220 to Tx Comptroller

RETRO PAY TO TEXAS COMPTROLLER		
<i>Proposed 7-year Payment Plan</i>		
Year	Amount	Paid
2016	65,527	65,527
2017	65,527	65,527
2018	65,527	65,527
2019	65,527	-
2020	65,527	-
2021	65,527	-
2022	60,639	-
	453,801	196,581

CHALLENGES: DECLINING MAJOR REVENUES



Major Revenue Changes



CHALLENGES: DECLINING MAJOR REVENUES



- Increasing Fixed Costs
 - Health Insurance Costs
 - Meet & Confer through FY 2021
 - Pending Litigation (Roy Oliver)
 - Inheriting expenses previously paid from red light camera fund
- Increasing Capital Replacement Needs
 - More time that we “go without”:
 - increased maintenance
 - decreased safety
 - decreased services

Revenue Caps Encourage Cities to Increase Taxes to Build Up Reserves



- 3.5% revenue cap placed on Texas cities is encouraging some cities to adopt the rollback rate every year
- Currently, cities aren't adopting rates anywhere near the rollback rate under the current tax system, but tying the hands of our local officials may have the effect of pushing cities right up against a lowered rollback tax rate, just so the city can generate sufficient reserves in case of a major project or emergency situation
- In other words, less financial flexibility for local governments could force cities into increasing tax rates since local control in future years would be limited

PROPERTY TAX RATES



Prop Tax Rates	Rate	Difference	Change in Revenue	FB Appropriations
Proposed Rate	\$0.803000	\$0.000000	\$0.00	(731,425)
Rollback Rate	\$0.825034	\$0.022034	\$219,000	(512,425)
Effective Rate	\$0.762708	(\$0.040292)	(\$430,000)	(1,161,425)

CHANGE IN RESOURCES



Proposed Tax Rate: \$0.803000

Change in Resources	Ongoing	One-Time	Total
Taxes	680,000		680,000
Licenses & Permits	(62,000)		(62,000)
Intergovernmental	(87,600)		(87,600)
Charges for Services	(3,600)		(3,600)
Fines & Forfeitures	(100,700)		(100,700)
Investment Earnings	13,000		13,000
Miscellaneous Rev	9,500		9,500
Other Financing Sources / Transfers In	(19,910)	442,635*	422,725
Total Change in Resources	428,690	442,635	871,325

*Capital contributions from EDC to pay for various projects

CHANGE IN RESOURCES



Effective Tax Rate: \$0.762708

Change in Resources	Ongoing	One-Time	Total
Taxes	250,000		250,000
Licenses & Permits	(62,000)		(62,000)
Intergovernmental	(87,600)		(87,600)
Charges for Services	(3,600)		(3,600)
Fines & Forfeitures	(100,700)		(100,700)
Investment Earnings	13,000		13,000
Miscellaneous Rev	9,500		9,500
Other Financing Sources/Transfers In	(19,910)	442,635*	422,725
Total Change in Resources	(1,310)	442,635	441,325

*Capital contributions from EDC to pay for various projects

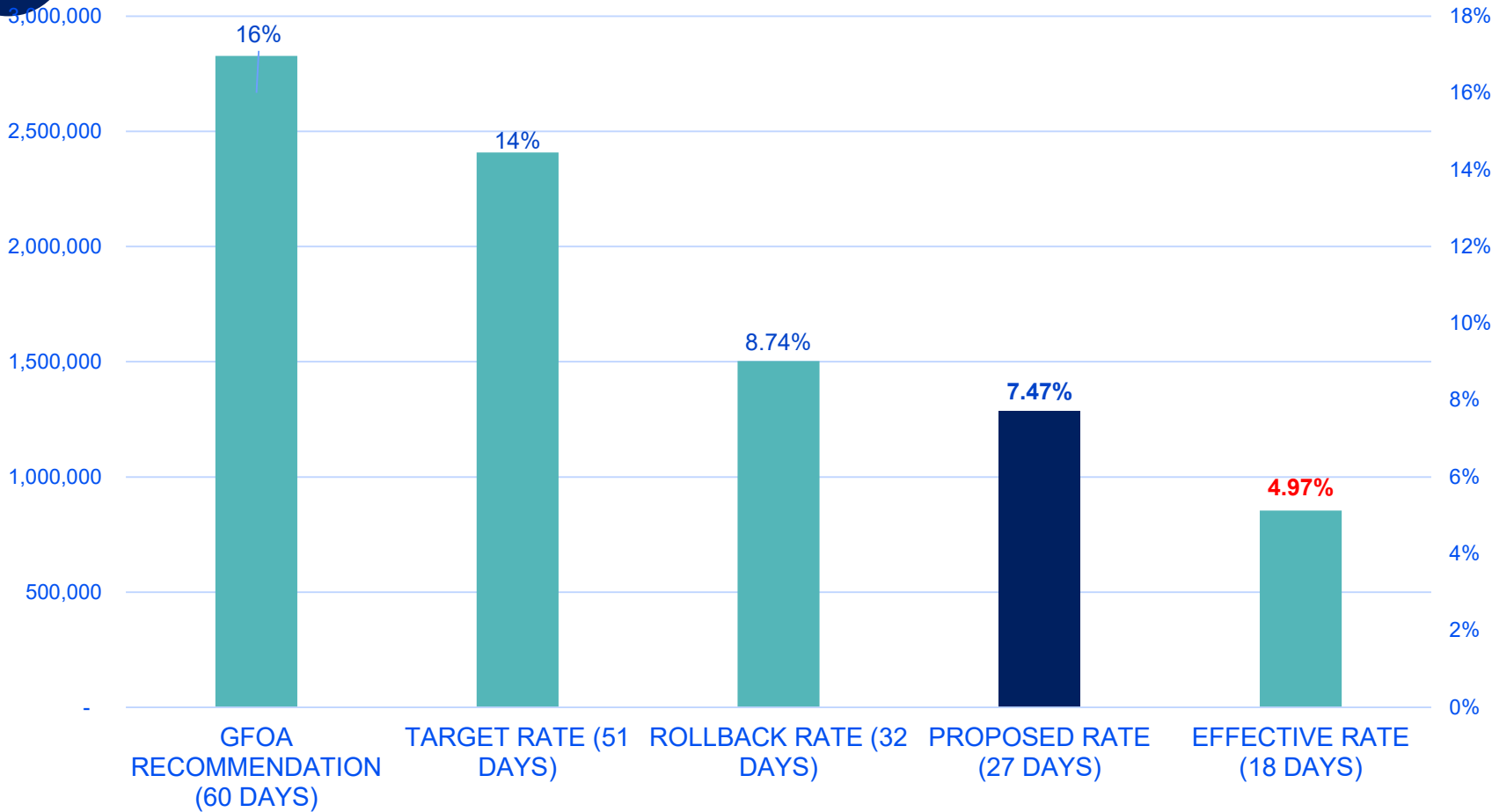
GENERAL FUND RESERVES



FY 2018 Ending Fund Bal (unassigned)	\$2,360,893
Less: FY 2019 FB Appropriations	(345,195)
FY 2020 Projected Beg Fund Bal (unassigned)	\$2,015,698

Prop Tax Rates	FB Appropriations	Fund Bal \$	Fund Bal %	Days of Ops
Proposed Rate	(731,425)	1,284,273	7.47%	27
Rollback Rate	(512,425)	1,503,273	8.74%	32
Effective Rate	(1,161,425)	854,273	4.97%	18

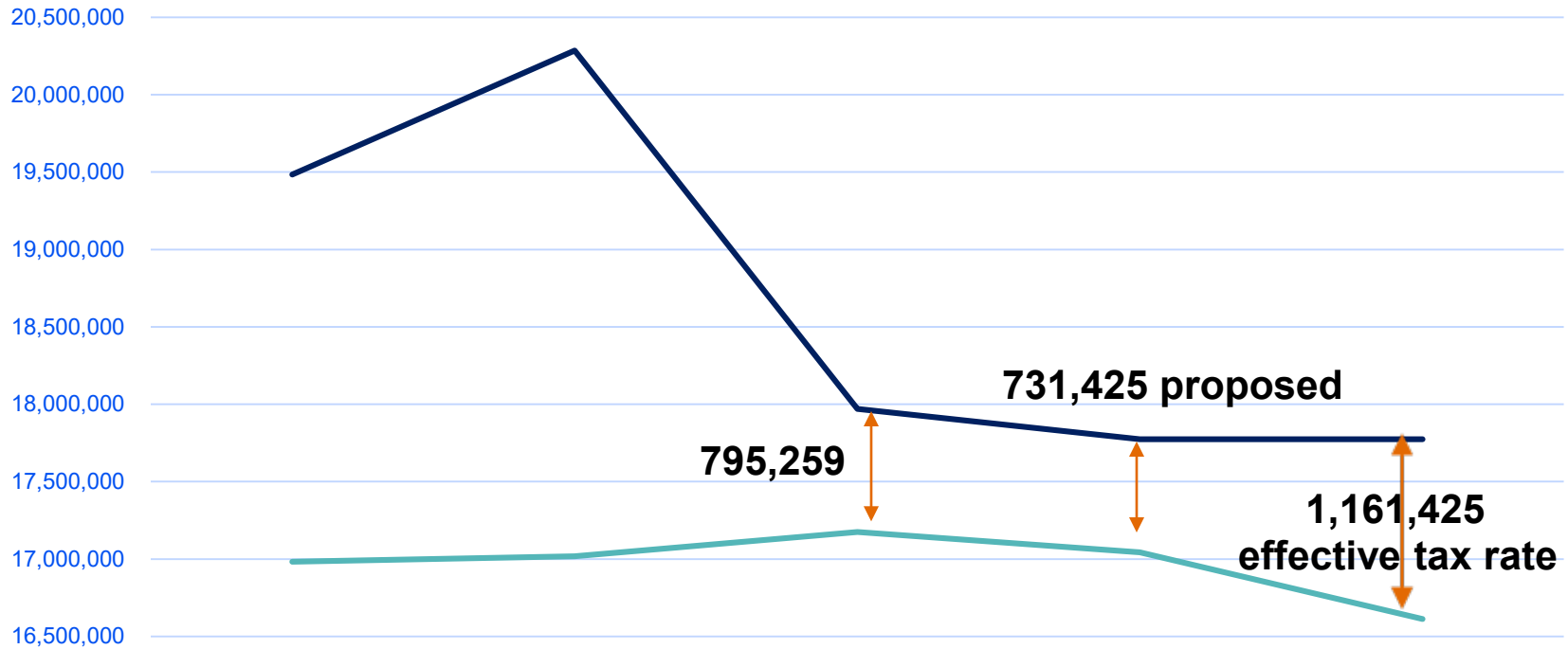
FUND BALANCE RESERVES



EVOLUTION OF FY2020 PROPOSED BUDGET



GENERAL FUND BUDGET REQUESTS



	INITIAL REQUESTS	CM REVIEW	CM REVIEW (2)	BUDGET DEV	BUDGET DEV
REVENUES	16,982,755	17,017,755	17,174,335	17,042,335	16,612,335
EXPENDITURES	19,483,316	20,284,930	17,969,594	17,773,760	17,773,760

WHAT OTHER CITIES ARE DOING TO PREPARE FOR LEGISLATIVE ACTIONS



- City of Seagoville
 - Proposed to increase property tax rate by 4½ cents for FY 2020

WHAT OTHER CITIES ARE DOING TO PREPARE FOR LEGISLATIVE ACTIONS



- City of Garland...Proposing to:
 - Establish a reserve above 30 days in the general fund
 - Increase Electricity ROI by 3.5%
 - Implement a \$2.00 per-ton fee from solid waste collection for alley damage caused by trash trucks
 - Increase landfill tipping fees for private commercial haulers



QUESTIONS