

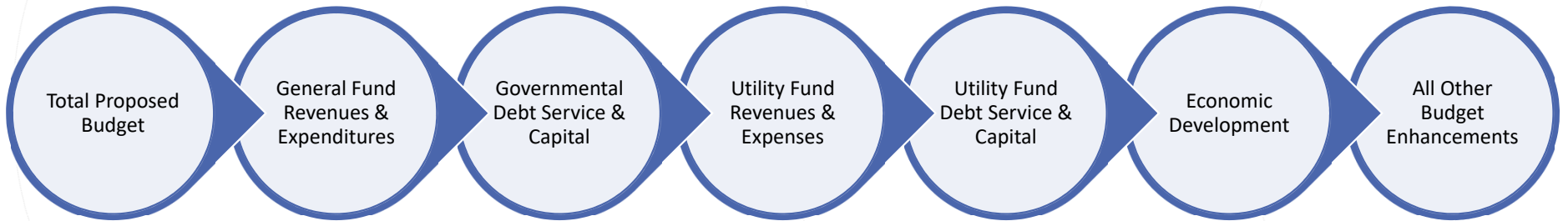


B u d g e t W o r k s h o p

City of Balch Springs, Texas

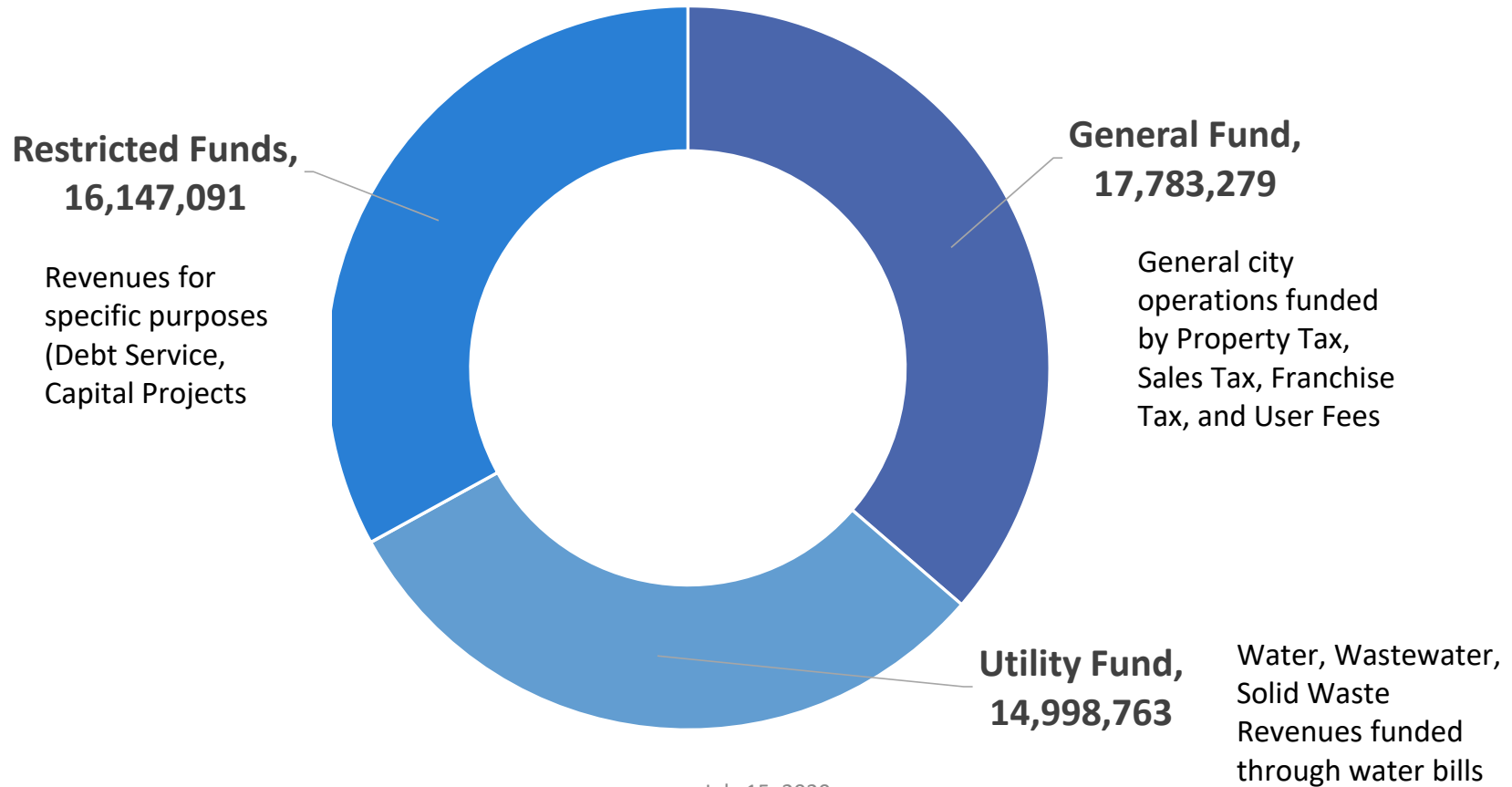
Presented by Bianca Redmon, CFO

Proposed Budget Highlights



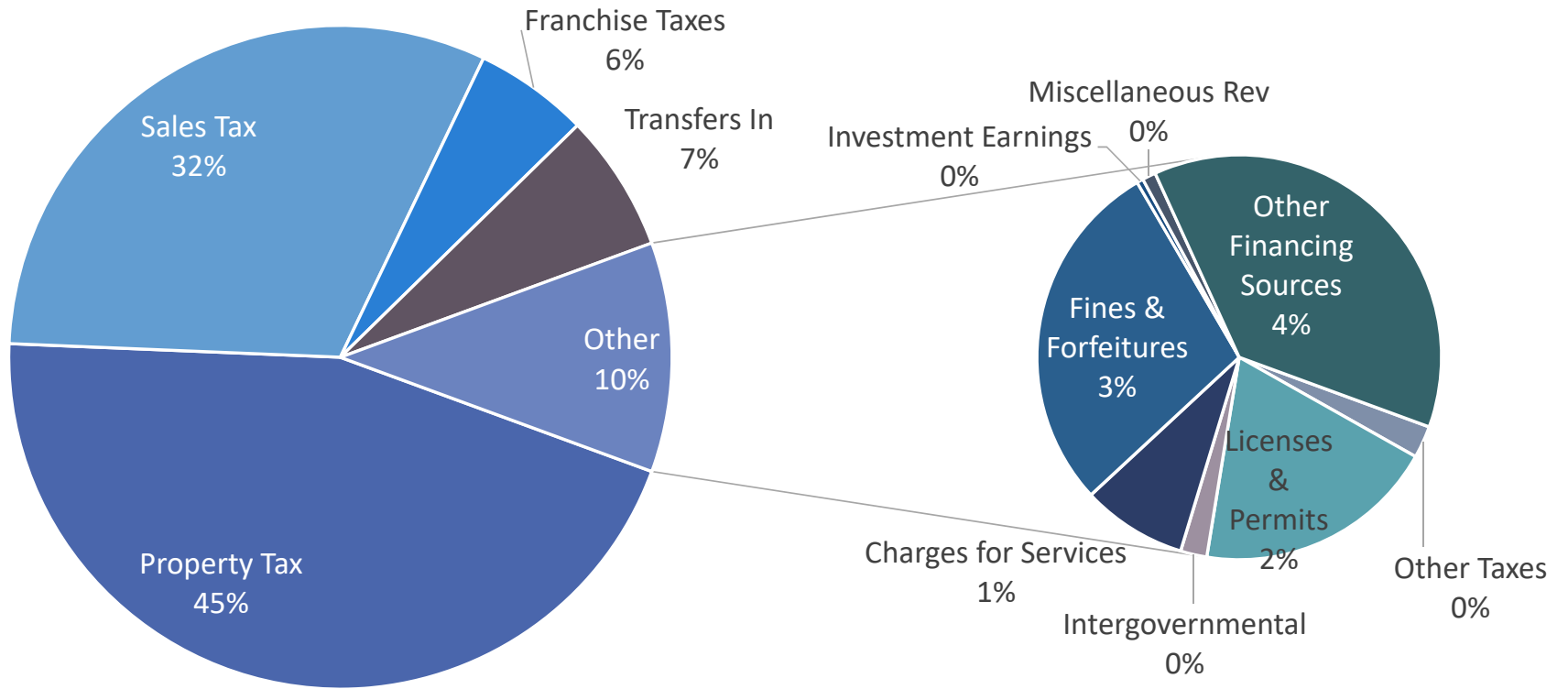
July 15, 2020

TOTAL BUDGET - \$48.9 MILLION

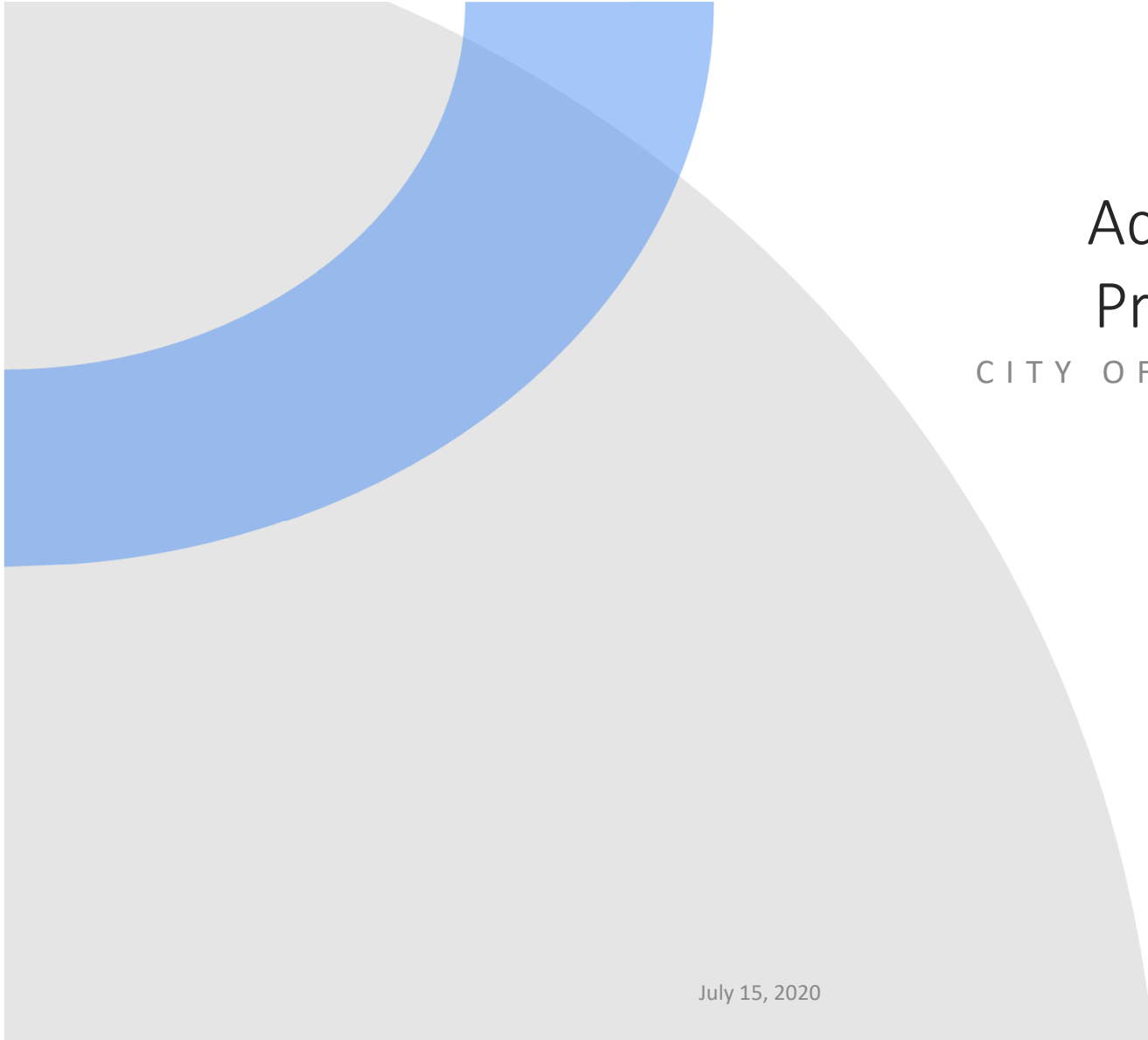


July 15, 2020

GENERAL FUND REVENUE BY CATEGORY



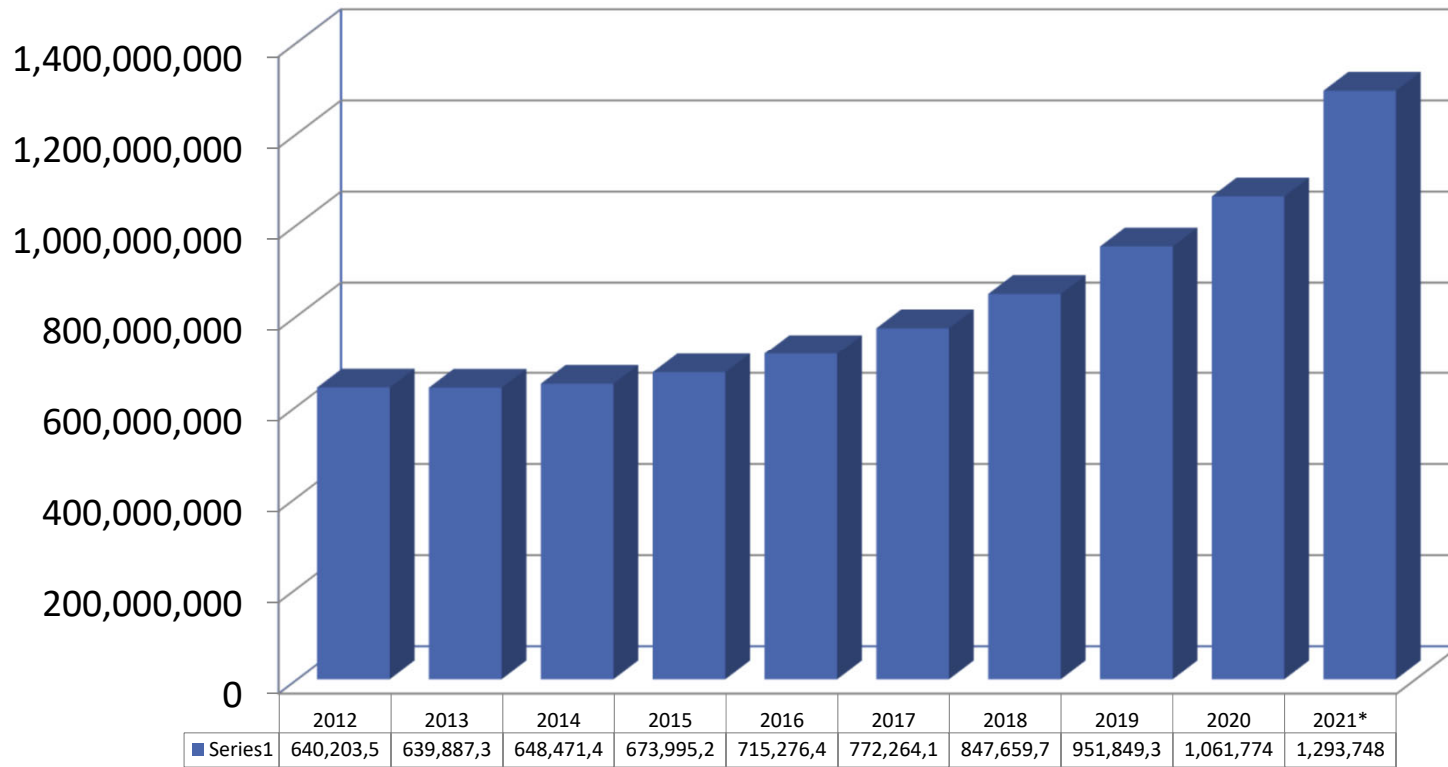
July 15, 2020



Ad Valorem - Property Tax

CITY OF BALCH SPRINGS

TAXABLE AD VALOREM – 10 YEARS



*May Prelim Values per DCAD

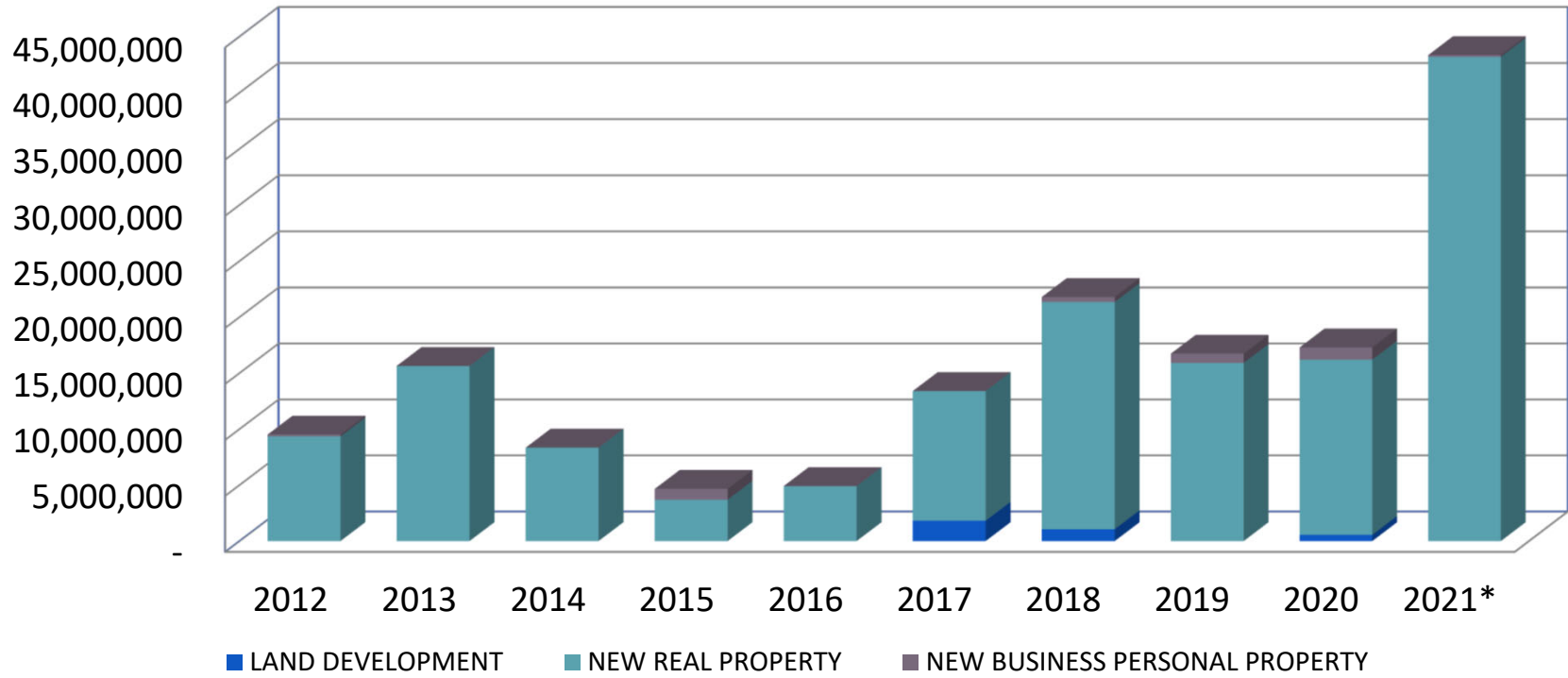
July 15, 2020

TAXABLE AD VALOREM

2019 May Prelim Values to 2020 May Prelim Values

	FY 2020	FY 2021	Growth
Base Value	1,081,447,466	1,250,392,569	13.6%
New Growth	19,599,510	43,355,466	3.0%
Net Taxable Value	1,101,046,976	1,293,748,035	17.5%

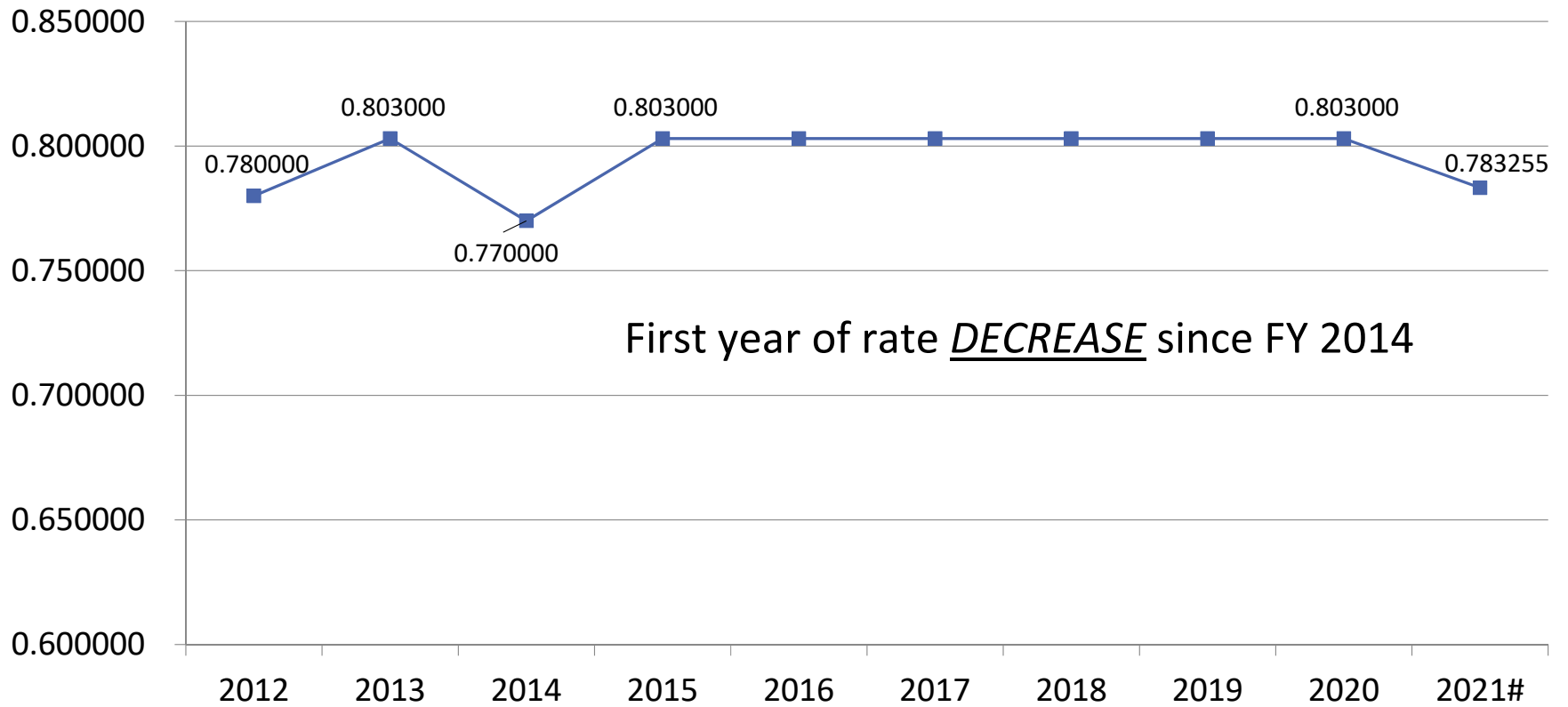
TAXABLE AD VALOREM – NEW GROWTH



*May Prelim Values Per DCAD

July 15, 2020

AD VALOREM RATE HISTORY

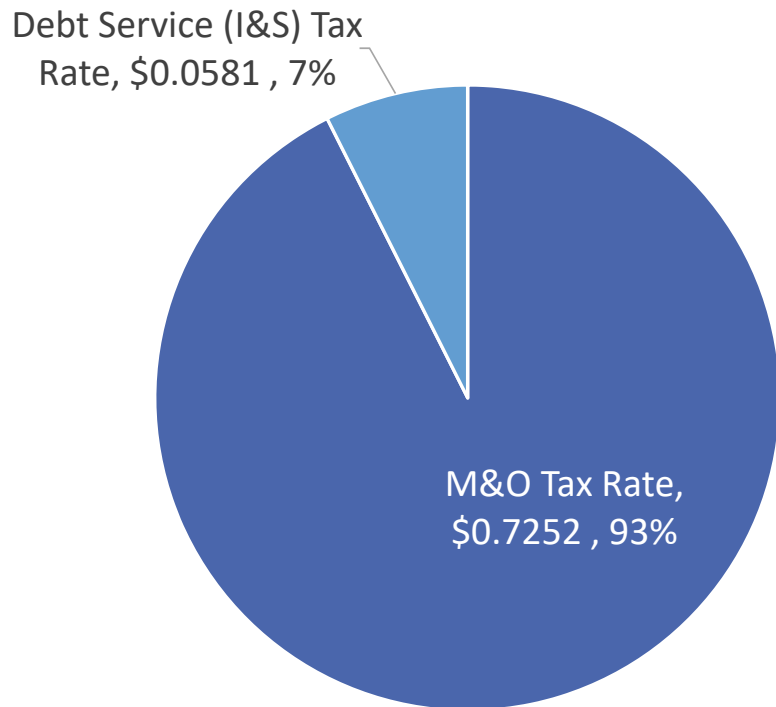


First year of rate DECREASE since FY 2014

#Preliminary De Minimis Rate

July 15, 2020

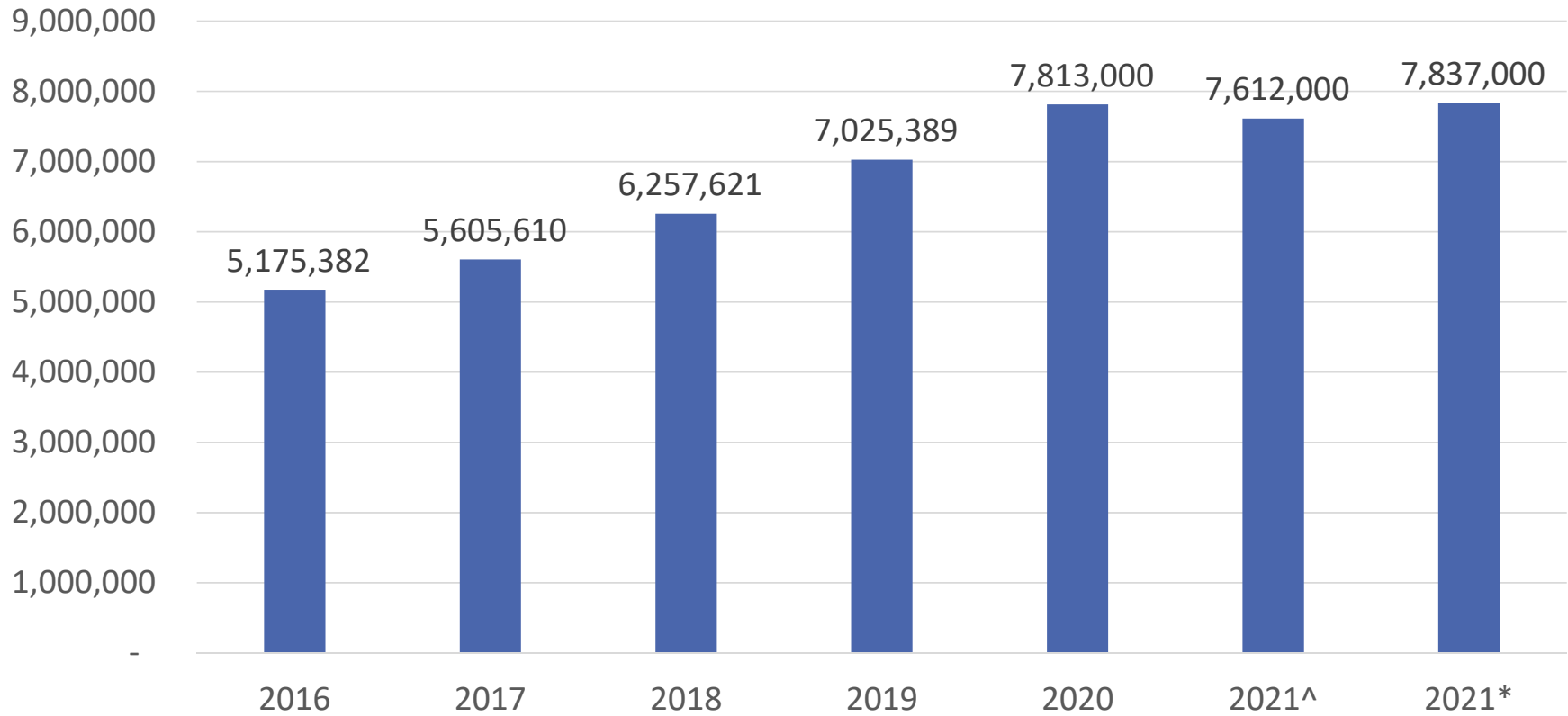
DE MINIMIS RATE COMPONENTS:



AD VALOREM RATE COMPONENTS

- GENERAL FUND MAINTENANCE & OPERATIONS
 - Public Safety
 - Street Maintenance
 - Parks & Recreation
 - Community Development
 - General Government
 - Capital Lease Debt
- DEBT SERVICE (I&S)
 - Funds used to make principal & interest payments on outstanding bonds

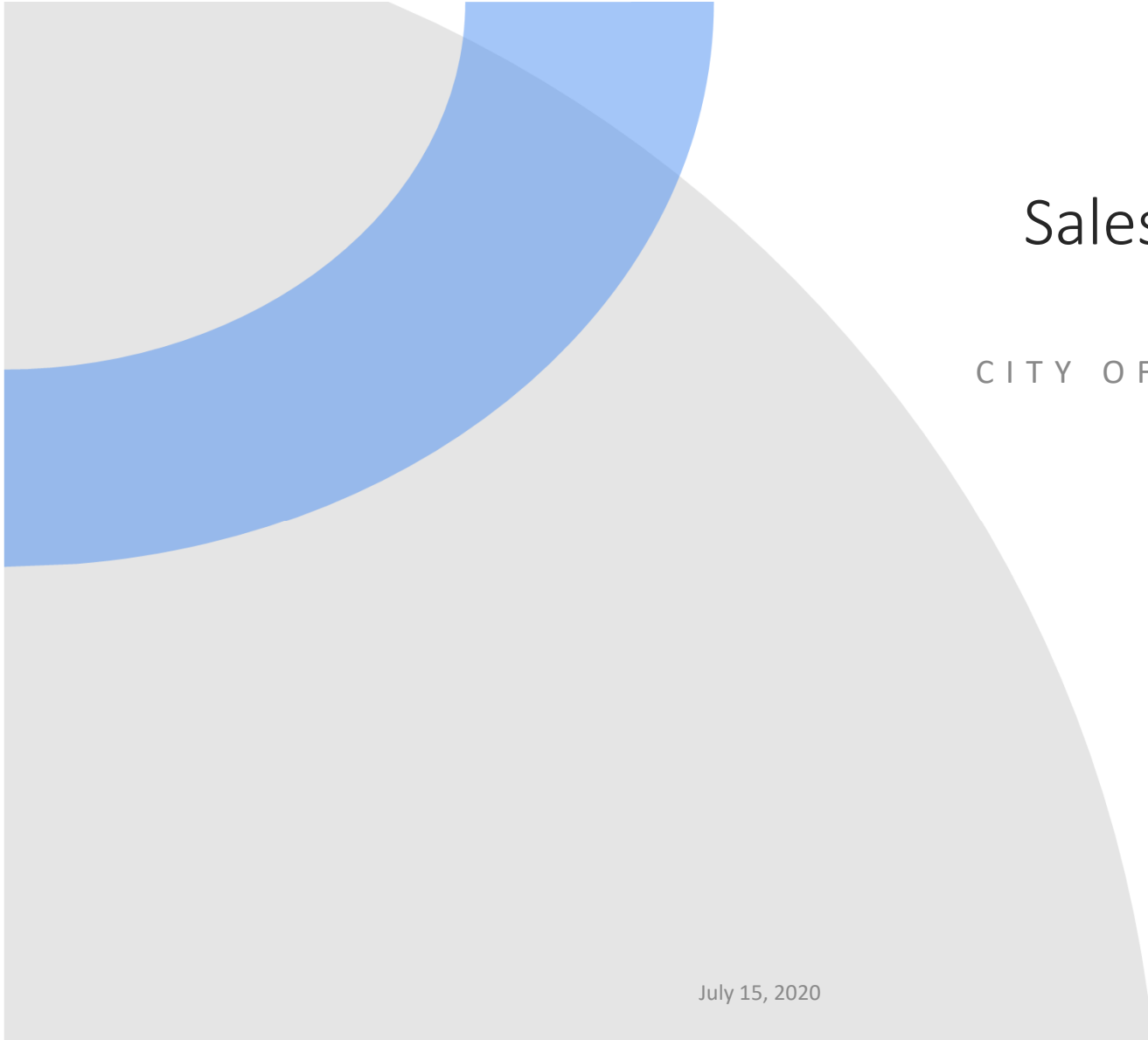
AD VALOREM REVENUE – GENERAL FUND M&O



^Preliminary Voter-Approval Rate

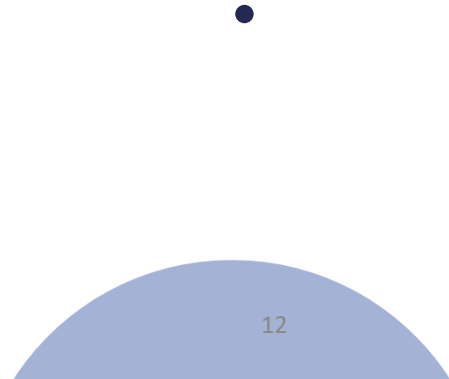
*Preliminary De Minimis Rate

July 15, 2020

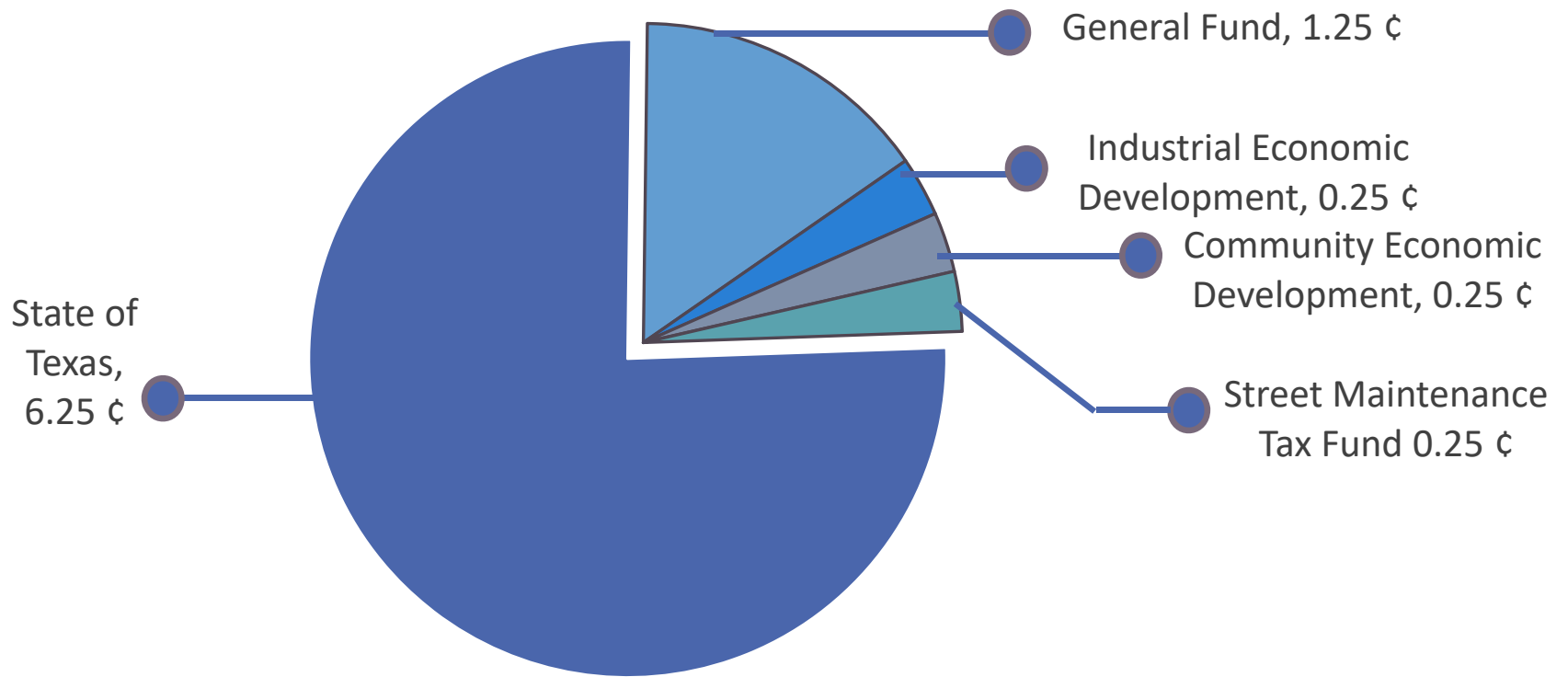


Sales Tax & Other Revenue

CITY OF BALCH SPRINGS

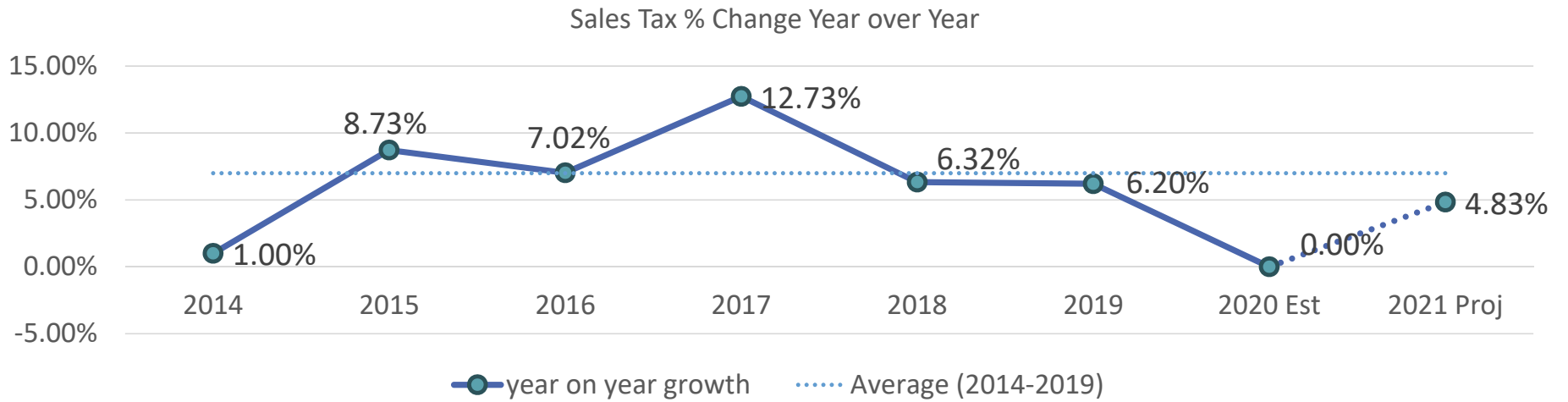


SALES TAX ALLOCATION – 8.25 CENTS



July 15, 2020

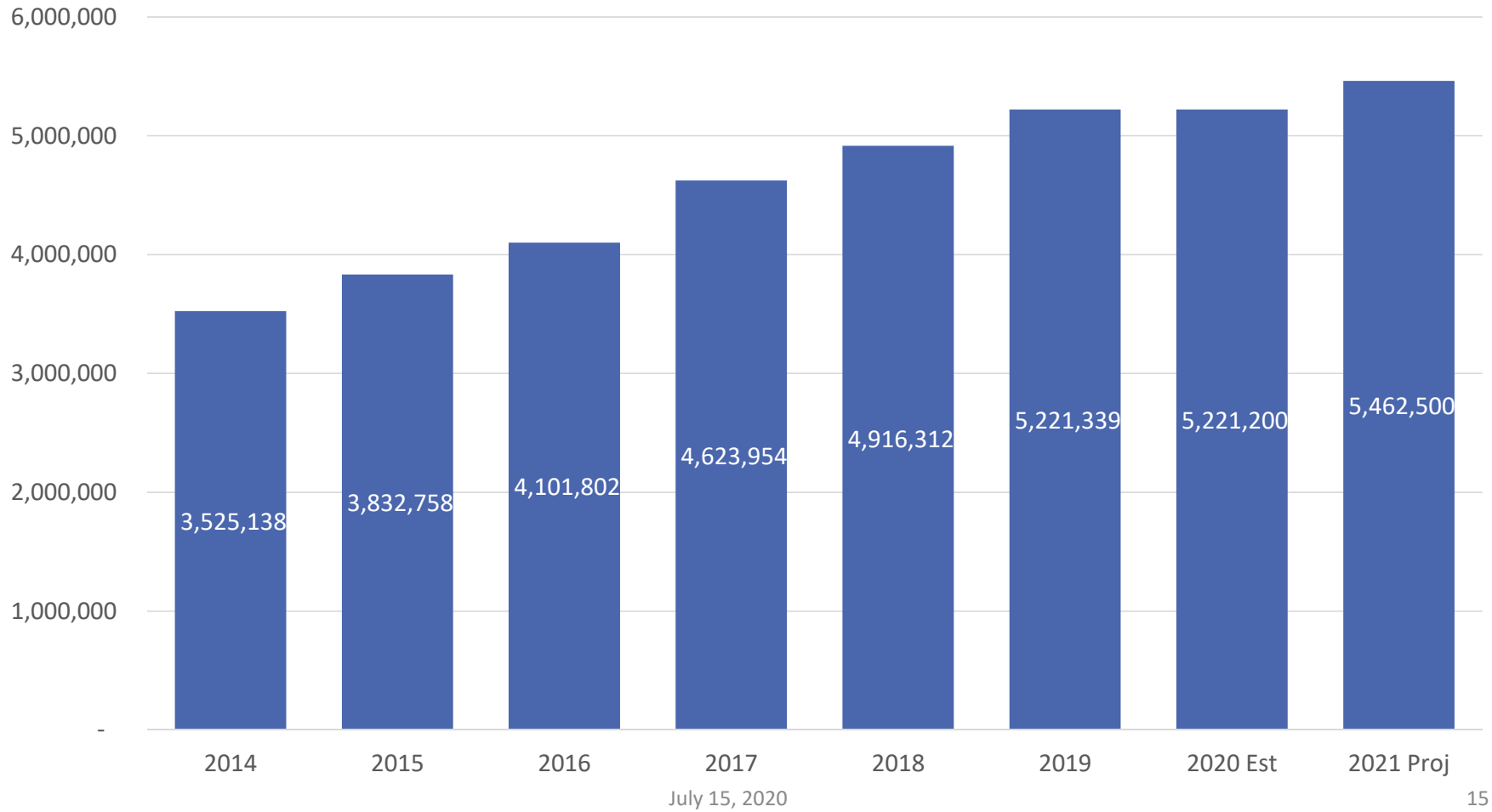
SALES TAX PROJECTIONS



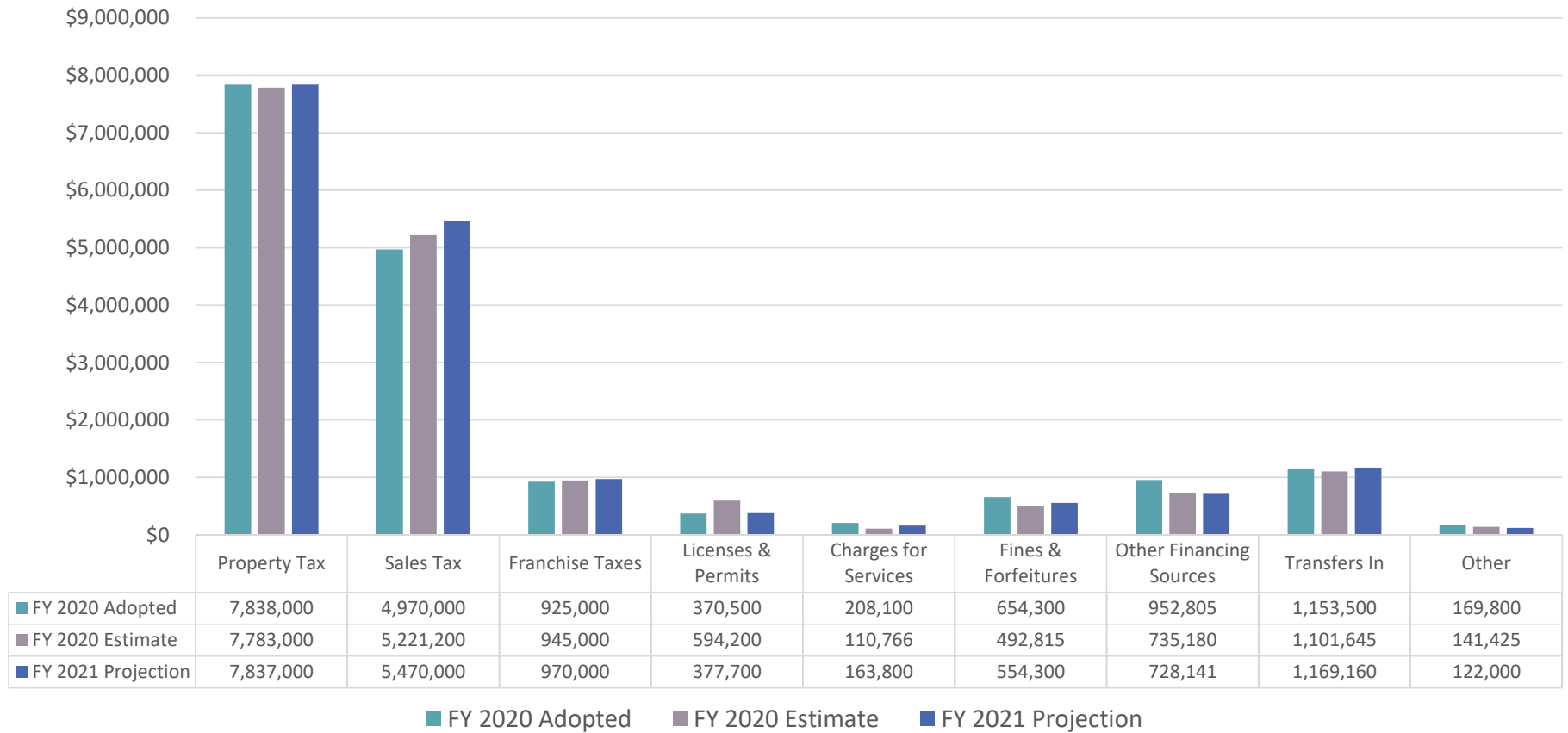
	FY 2020 Budget	FY 2020 Estimate	Change	FY 2021 Estimate	Change
Sales Tax - 1.25 Cents	4,970,000	5,410,583	440,583	5,470,000	59,417

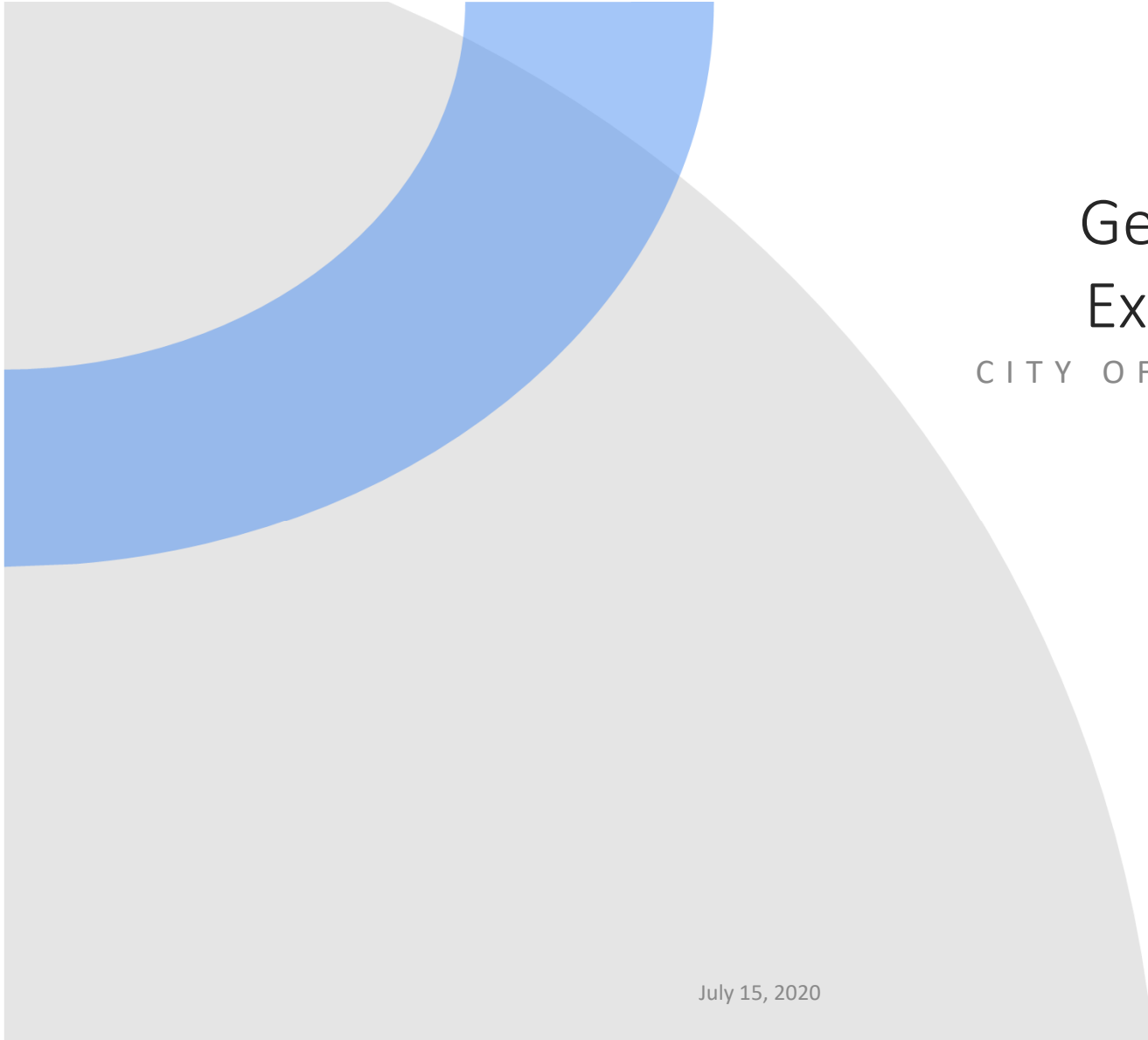
July 15, 2020

SALES TAX REVENUE – GENERAL FUND 1.25 CENTS



GENERAL FUND REVENUE CATEGORIES





July 15, 2020

General Fund Expenditures

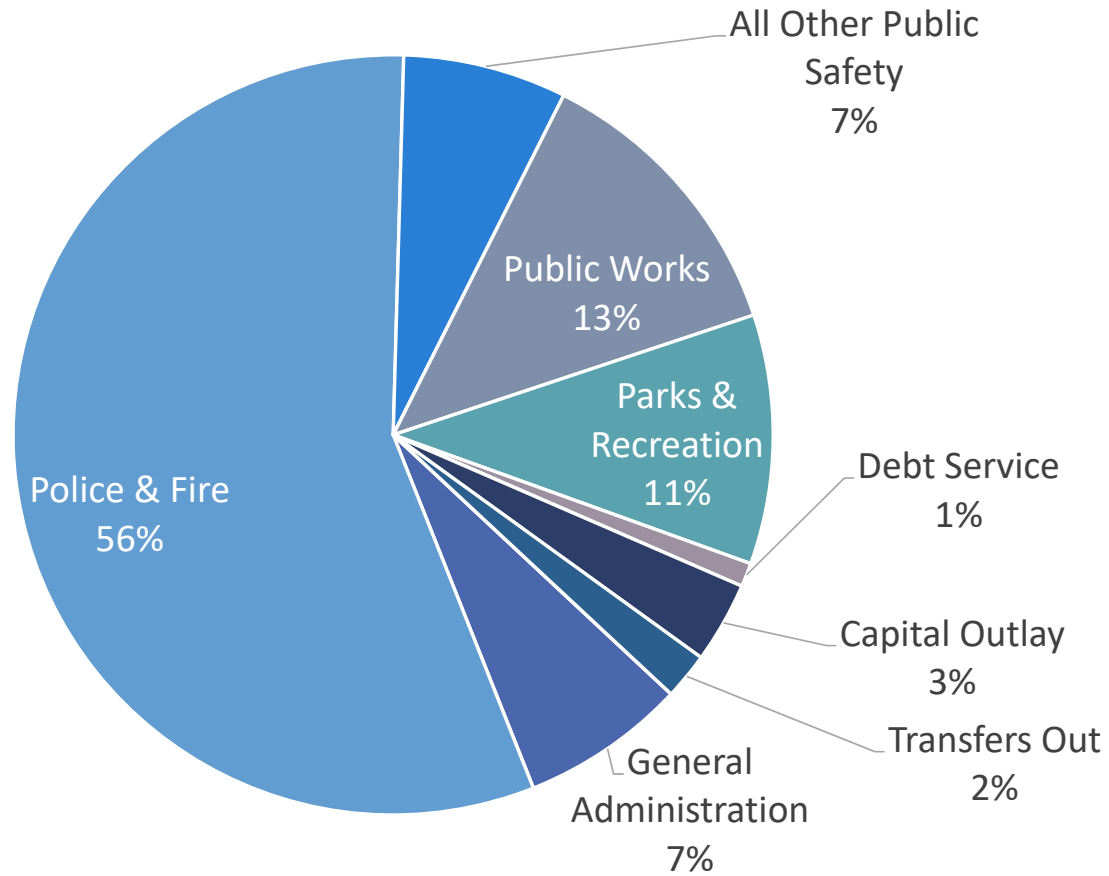
CITY OF BALCH SPRINGS

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GENERAL FUND EXPENDITURES BY FUNCTION

Expenditure Function	2020 Adopted Budget	2020 Revised Budget	2021 Proposed Budget	\$ Inc / (Dec) over PY	% Inc / (Dec) over PY
General Administration	1,170,057	1,091,586	1,249,030	78,973	7%
Police & Fire	10,248,012	10,311,057	10,017,033	(230,979)	-2%
All Other Public Safety	1,125,849	1,157,026	1,235,794	109,945	10%
Public Works	2,226,311	2,188,694	2,214,715	(11,596)	-1%
Parks & Recreation	1,915,888	1,636,827	1,882,486	(33,402)	-2%
Debt Service	203,165	203,165	179,695	(23,470)	-12%
Capital Outlay	661,805	556,545	612,141	(49,664)	-8%
Transfers Out	413,000	411,559	351,375	(61,625)	-15%
Total	17,964,087	17,556,459	17,742,269	(221,818)	-1%

GENERAL FUND EXPENDITURES BY FUNCTION

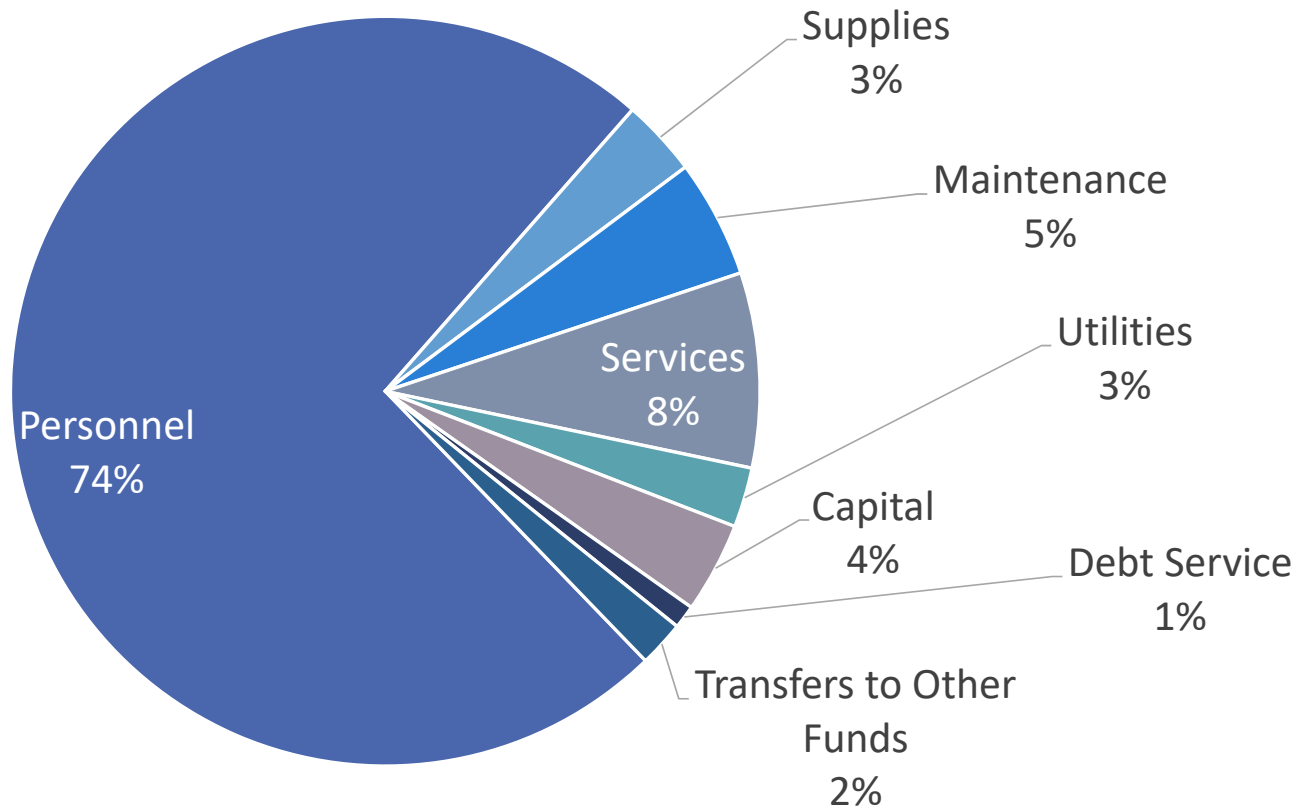


July 15, 2020

GENERAL FUND EXPENDITURES BY CATEGORY

Expenditure Category	2020 Adopted Budget	2020 Revised Budget	2021 Proposed Budget	\$ Inc / (Dec) over PY	% Inc / (Dec) over PY
Personnel	13,226,707	12,954,380	13,074,956	(151,751)	-1%
Supplies	615,450	594,145	588,690	(26,760)	-4%
Maintenance	842,265	830,531	904,252	61,987	7%
Services	1,401,880	1,409,029	1,491,950	90,070	6%
Training reduced by 29%, \$41k					
Utilities	431,895	429,185	457,860	25,965	6%
Capital	829,725	724,465	693,491	(136,234)	-16%
Debt Service	203,165	203,165	179,695	(23,470)	-12%
Transfers to Other Funds	413,000	411,559	351,375	(61,625)	-15%
Total	17,964,087	17,556,459	17,742,269	(221,818)	-1%

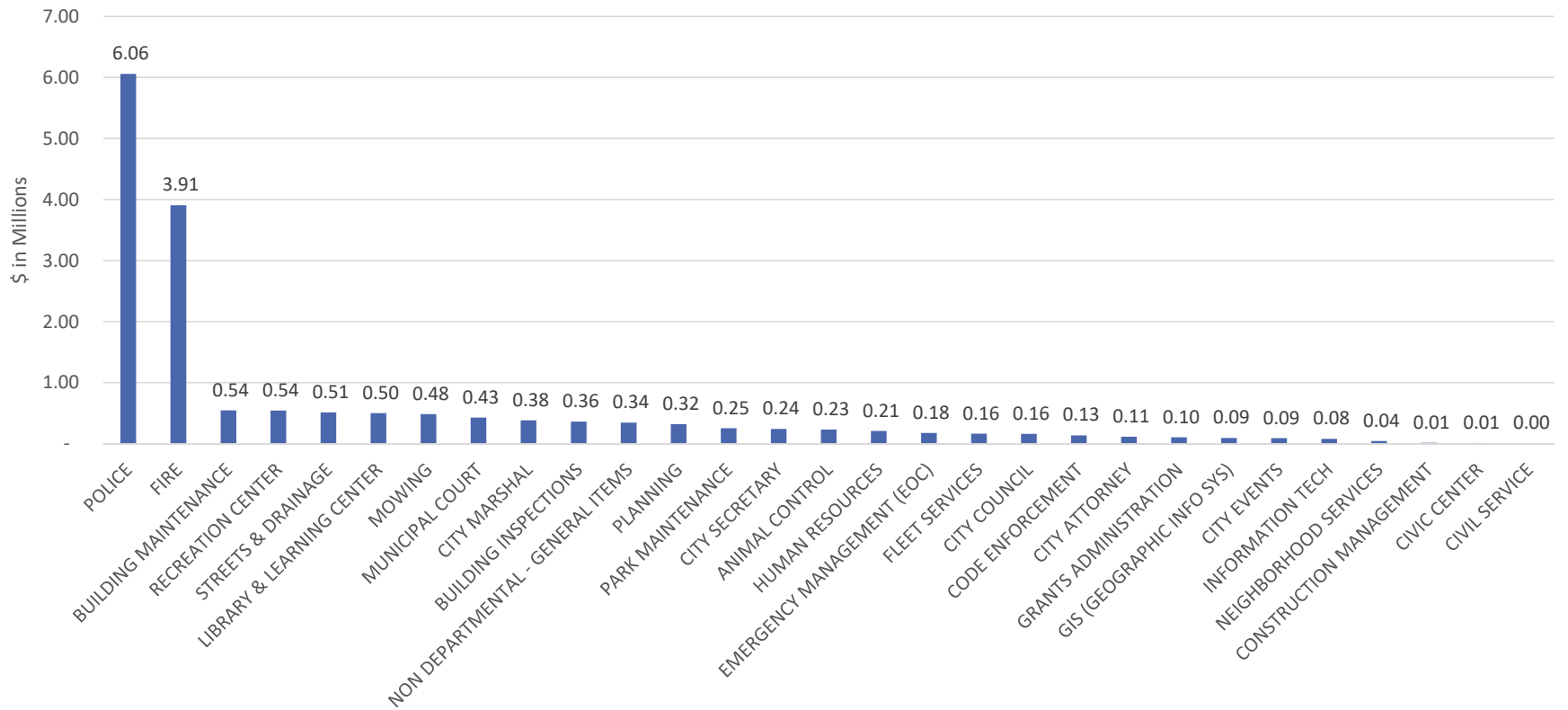
GENERAL FUND EXPENDITURES BY CATEGORY



July 15, 2020

GENERAL FUND EXPENDITURES BY DEPARTMENT

PROPOSED 2021



July 15, 2020

BUDGET ENHANCEMENT REQUESTS

General Government / Support Services - \$119,554

PROPOSED ENHANCEMENT	ONE-TIME	ONGOING	TOTAL
Upgraded Agenda Management Software – Civic Clerk	3,020	4,809	7,829
Redistricting Study – 2020	50,000	-	50,000
User Fee Study	29,000	-	29,000
Cost Allocation Plan	13,000	-	13,000
Financial Management Software - OpenGov ERP Cloud Migration	8,594	9,531	18,125
Renewal of Civic HR Onboarding Premium Service	-	1,600	1,600
Total	103,614	15,940	119,554

BUDGET ENHANCEMENT REQUESTS

Public Safety - \$150,705

PROPOSED ENHANCEMENT	ONE-TIME	ONGOING	TOTAL
Internet/Fiber Upgrade at Municipal Court	-	7,200	7,200
Phone System Upgrade at Municipal Court	850	5,220	6,070
Zoom Meeting Plan for Prosecutor at Municipal Court	-	180	180
Half of Emergency Manager Salary & Benefits moved to EOC	-	80,400	80,400
Emergency Response Plan	20,000	-	20,000
Body Cameras & Evidence Library Maint. Fees	-	11,925	11,925
Ticket-writer, Antivirus, Ransomware Maintenance for Animal Shelter		945	945
Tough-books & Docking Stations Replacement	23,985	-	23,985
Total	44,835	105,870	150,705

BUDGET ENHANCEMENT REQUESTS

Public Works & Community Development - \$88,477

PROPOSED ENHANCEMENT	ONE-TIME	ONGOING	TOTAL
Minor Repair & Rehab Program - additional 5 homes @2k per home	-	10,000	10,000
NCTCOG LiDAR & Impervious Surface Data Purchase for GIS	-	16,477	16,477
Lighting, Painting & Other Repairs to Various City Buildings	62,000	-	62,000
Total	62,000	26,477	88,477

BUDGET ENHANCEMENT REQUESTS

Parks & Recreation - \$22,500

PROPOSED ENHANCEMENT	ONE-TIME	ONGOING	TOTAL
Senior Program Meals & Delivery	-	22,500	22,500
Total	-	22,500	22,500

BUDGET ENHANCEMENT REQUESTS

Total General Fund Enhancement Requests: \$381,236

- One-Time Requests: \$210,449
- Ongoing Requests: \$170,787

FUNCTION OF GOVERNMENT	ONE-TIME	ONGOING	TOTAL
General Government / Support Services	103,614	15,940	119,554
Public Safety	44,835	105,870	150,705
Public Works / Community Development	62,000	26,477	88,477
Park & Recreation	-	22,500	22,500
Total	210,449	170,787	381,236

GENERAL FUND SUMMARY

	2021 PROPOSED BUDGET
Revenues	\$ 17,392,101
Expenditures	\$ 17,742,239
Revenue Over / (Under) Expenditures	(\$ 350,138)
<i>One-Time Expenditures</i>	\$ 210,449
Net of One-Time Expenditures and Revenue	(\$139,689)
FY 2021 Projected Ending Fund Balance	\$2,455,426
Fund Balance as a Percentage of Expenditures*	14.40%
<i>*Target fund balance percentage is 14%, excludes capital expenditures, includes Emergency Reserve Fund Balance</i>	
Meet & Confer – 3% Step Increase	\$185,000
<i>Fund Balance as a Percentage of Expenditures</i>	13.32%



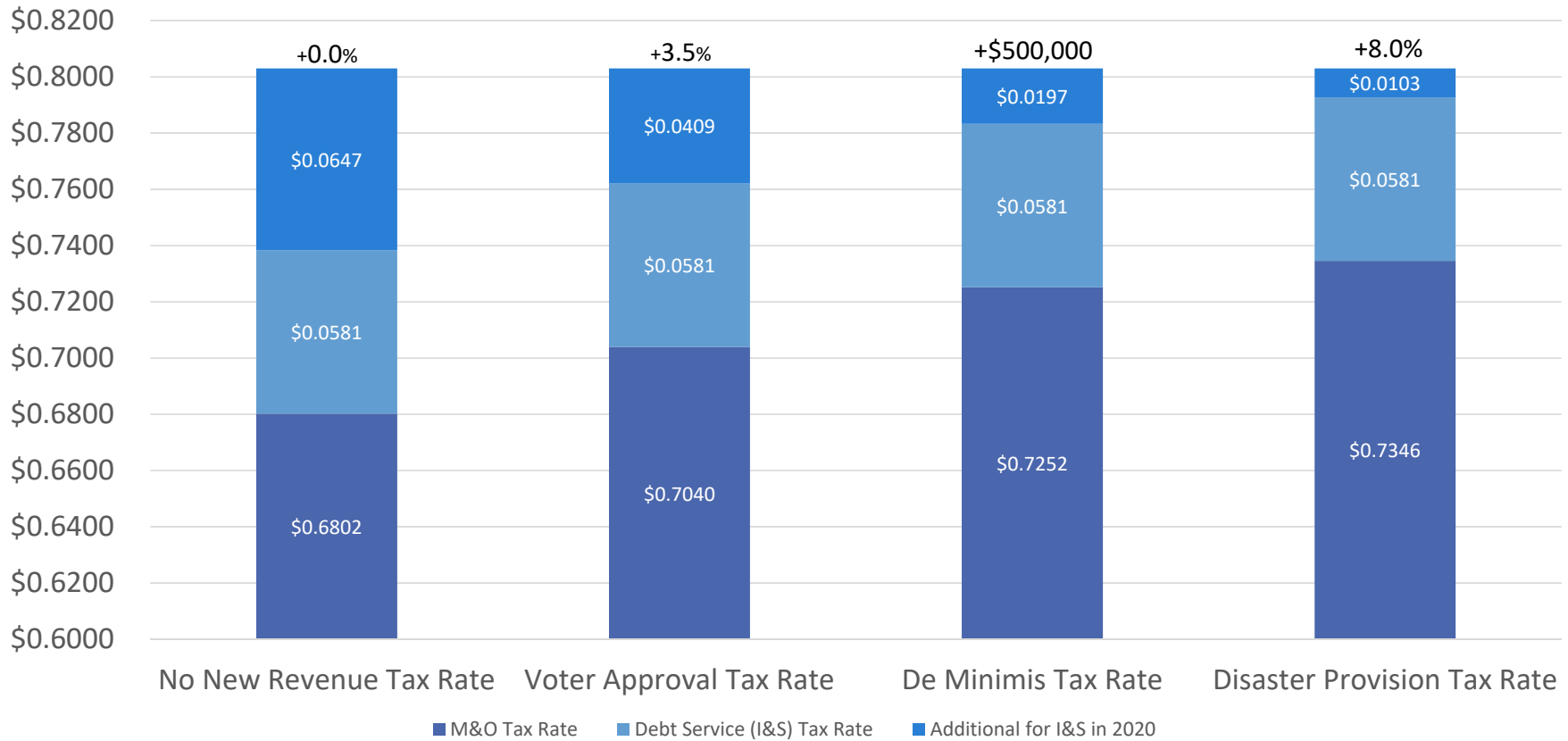
DEBT SERVICE

City of Balch Springs



July 15, 2020

DEBT CAPACITY: FOUR SCENARIOS AT 0.803



DEBT CAPACITY: FOUR SCENARIOS

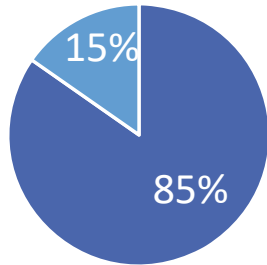
	No New Revenue Tax Rate	Voter Approval Tax Rate	De Minimis Tax Rate	Disaster Provision Tax Rate
M&O Tax Rate	\$0.6802	\$0.7040	\$0.7252	\$0.7346
Debt Service (I&S) Tax Rate	\$0.0581	\$0.0581	\$0.0581	\$0.0581
Preliminary Total Tax Rate	\$0.7383	\$0.7621	\$0.7833	\$0.7927
<i>Additional for I&S in 2020</i>	<i>\$0.0647</i>	<i>\$0.0409</i>	<i>\$0.0197</i>	<i>\$0.0103</i>
Total 2020 Tax Rate Target	\$0.8030	\$0.8030	\$0.8030	\$0.8030
Debt Issue	\$21,550,000	\$16,610,000	\$10,640,000	\$6,995,000
Election Required*	No	No	No	No

Preliminary figures for discussion purposes only

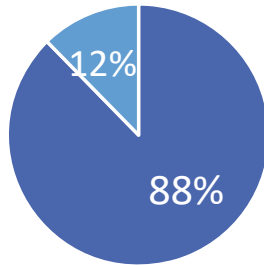
July 15, 2020

**not subject to petition in any scenario with disaster resolution*

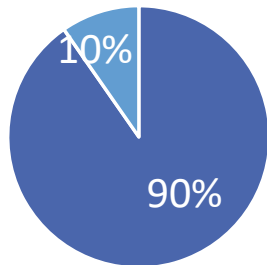
No New Revenue Tax Rate



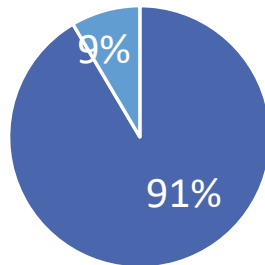
Voter Approval Tax Rate



De Minimis Tax Rate



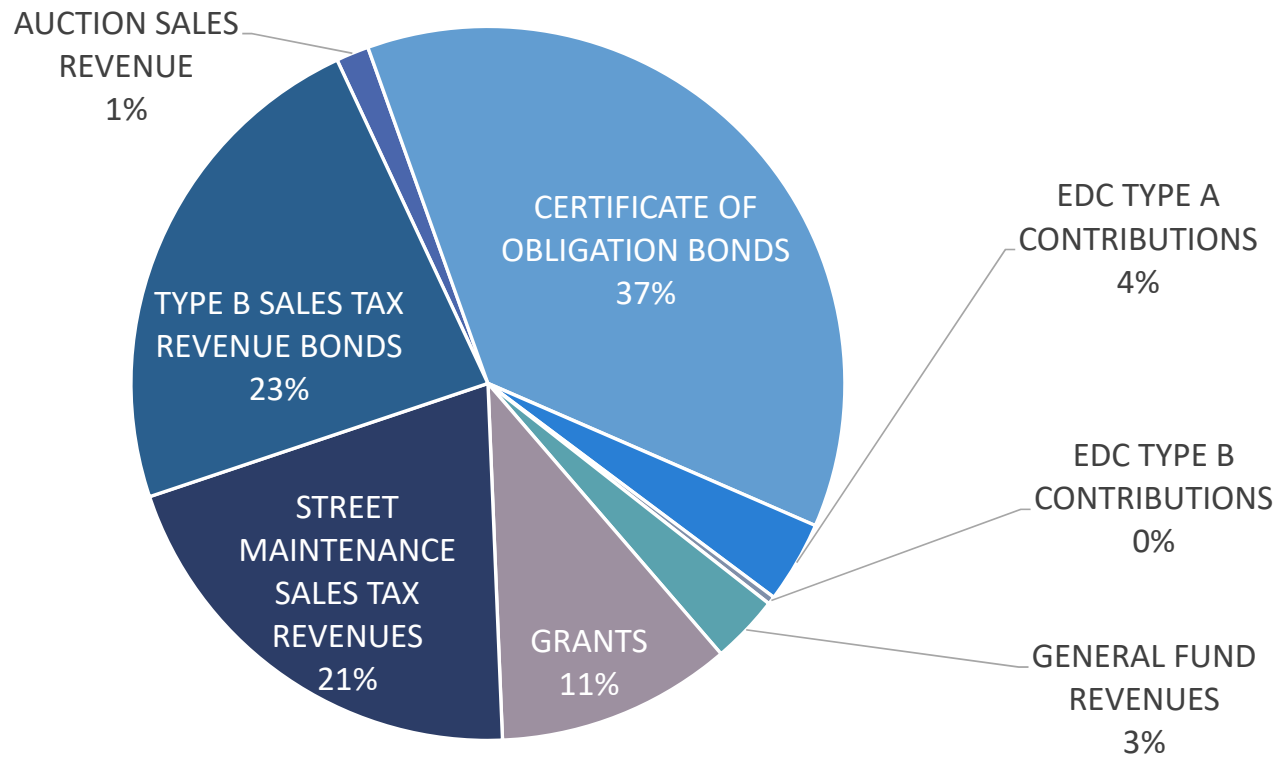
Disaster Provision Tax Rate



AD VALOREM RATE COMPONENTS

- GENERAL FUND MAINTENANCE & OPERATIONS
 - Public Safety
 - Street Maintenance
 - Parks & Recreation
 - Community Development
 - General Government
 - Capital Lease Debt
- DEBT SERVICE (I&S)
 - Funds used to make principal & interest payments on outstanding bonds

GOVERNMENTAL CAPITAL SOURCES OF FUNDING - \$9.8M

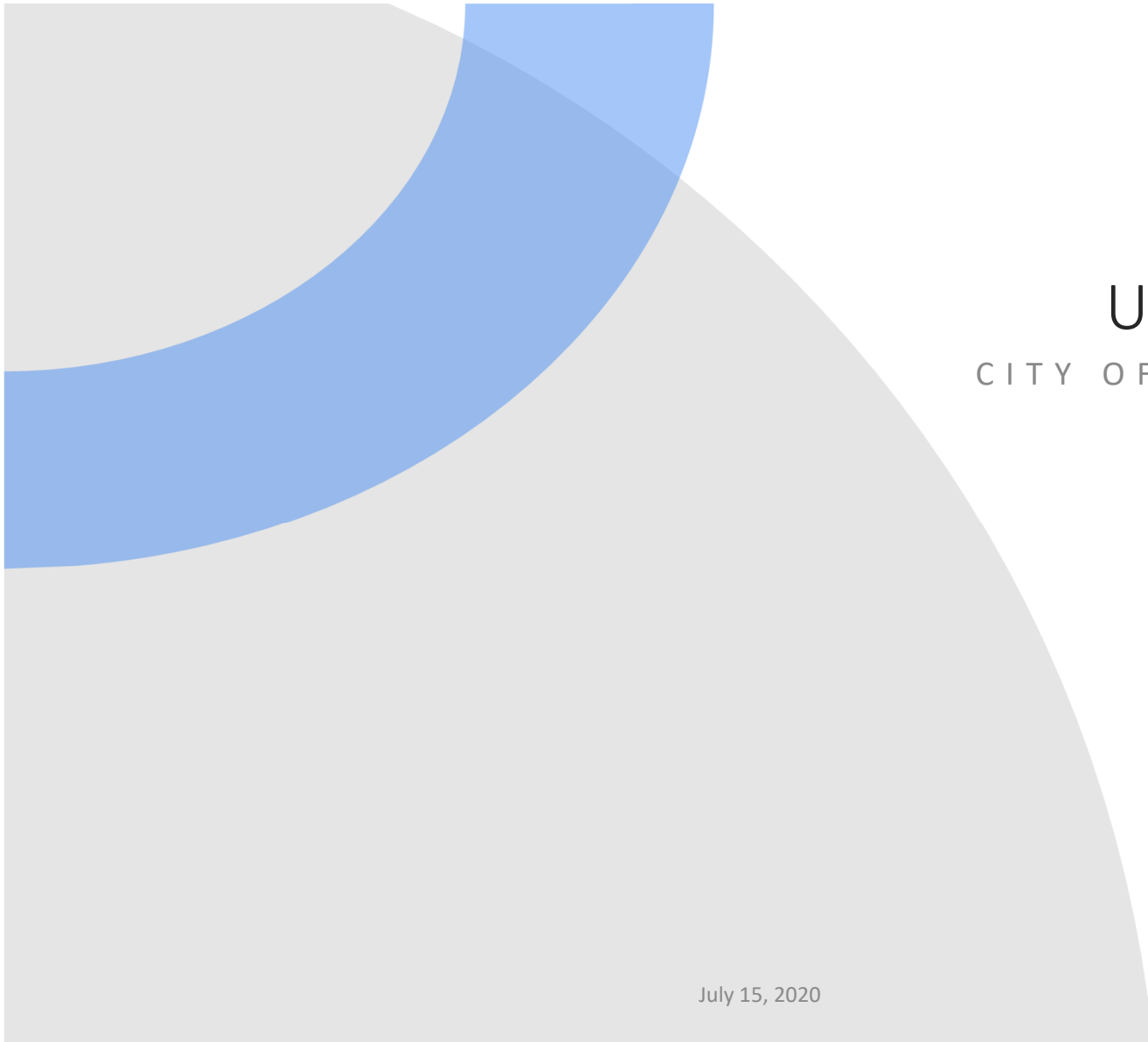


July 15, 2020

GOVERNMENTAL CAPITAL - MAJOR PROJECTS

- Alexander Village Pond & Inlet Infrastructure
- Alexander Village Trail & Bridge Infrastructure
- Hillwood Off-Site Road Improvements
- Safe Routes to School Project
- Street Improvements
- Park Amenities
- Hickory Tree Road Expansion (design)

See supplemental reports for full listing



July 15, 2020

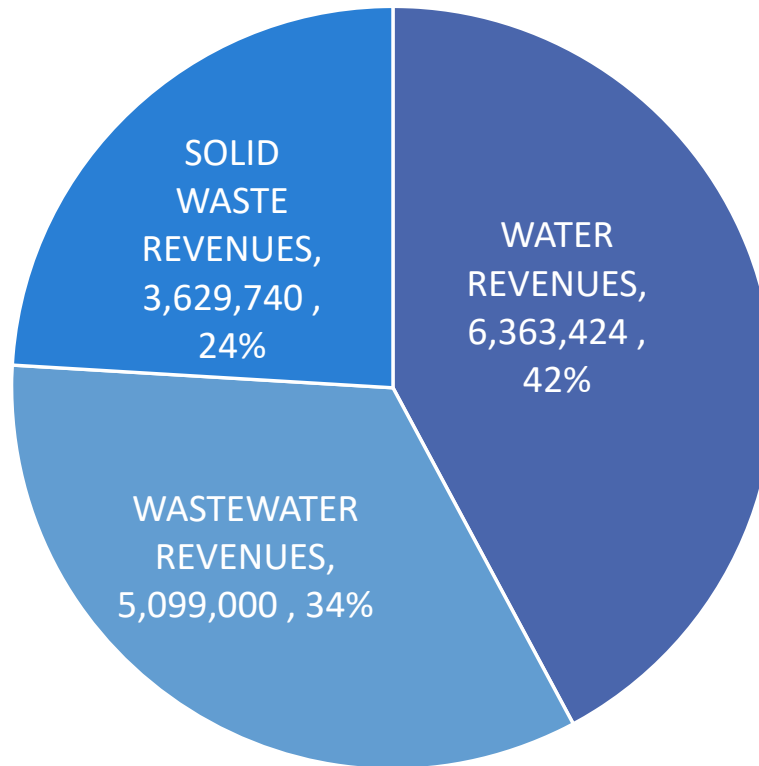


Utility Fund

CITY OF BALCH SPRINGS

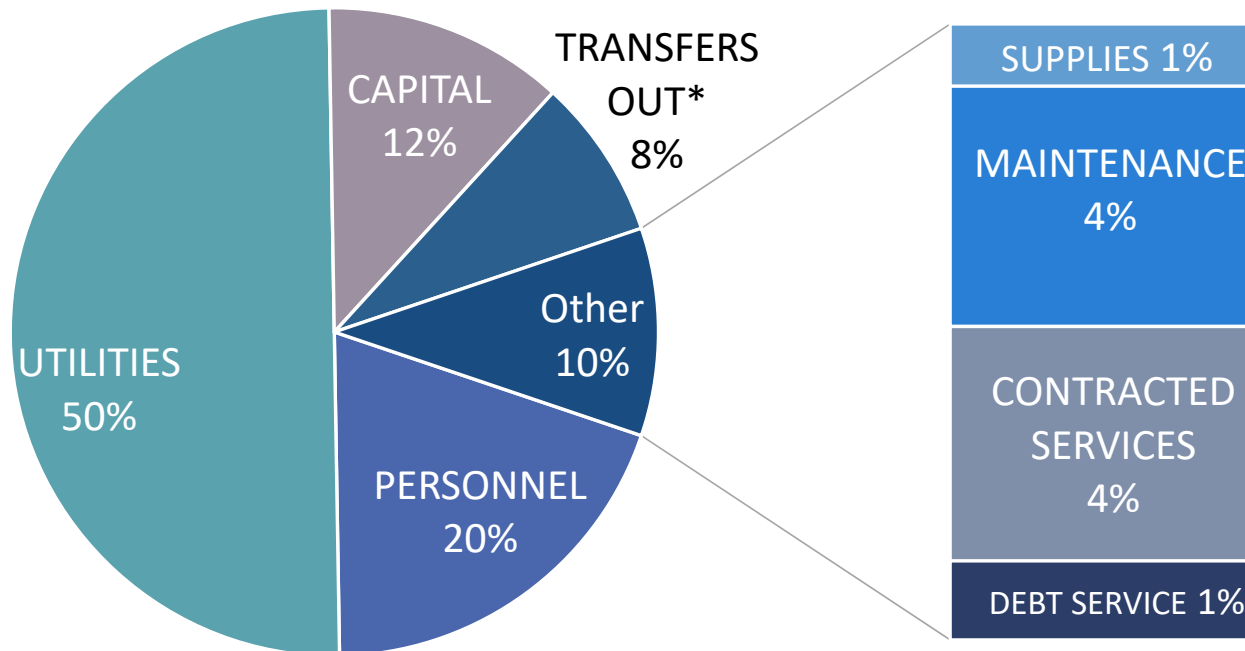


UTILITY FUND REVENUE - \$15.1M



July 15, 2020

UTILITY FUND EXPENSES - \$15.0M



*Transfers Out of 8% represents only the portion of total Utility Fund expenditures. Transfers to General Fund are based on 7% of Utility Fund Revenues. Transfers Out also include transfer to Drainage Fund for a Drainage Fee Study.

July 15, 2020

BUDGET ENHANCEMENT REQUESTS

Water Fund - \$144,390

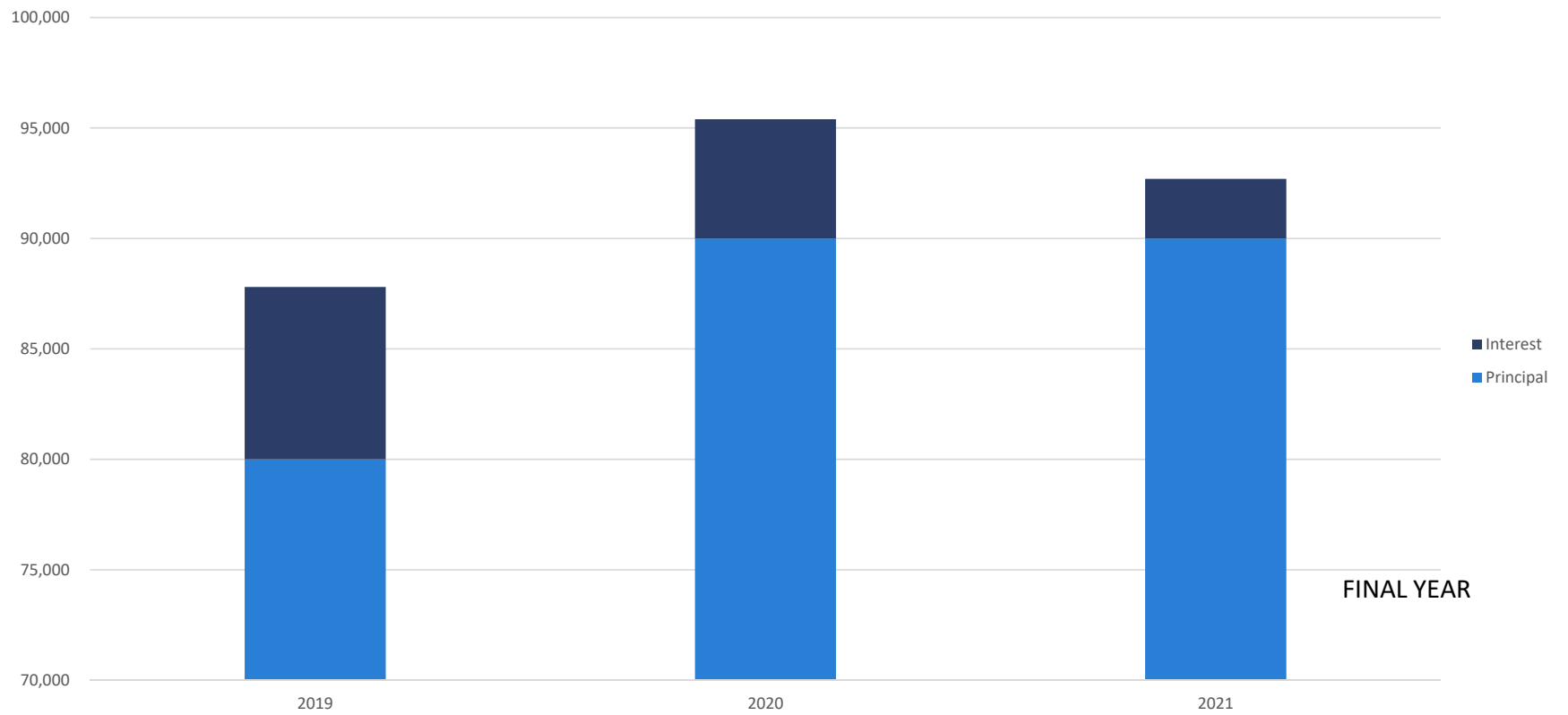
PROPOSED ENHANCEMENT	ONE-TIME	ONGOING	TOTAL
Financial Management Software - OpenGov ERP Cloud Migration	49,496	54,894	104,390
Increase Bad Debt Expense Due to COVID-19	30,000	-	30,000
Increase in Bank Fees Due to COVID-19	10,000	-	10,000
Total	89,496	54,894	144,390

Drainage Fund - \$30,000

PROPOSED ENHANCEMENT	ONE-TIME	ONGOING	TOTAL
Drainage Fee Study	30,000	-	30,000
Total	30,000	-	30,000

UTILITY DEBT SERVICE

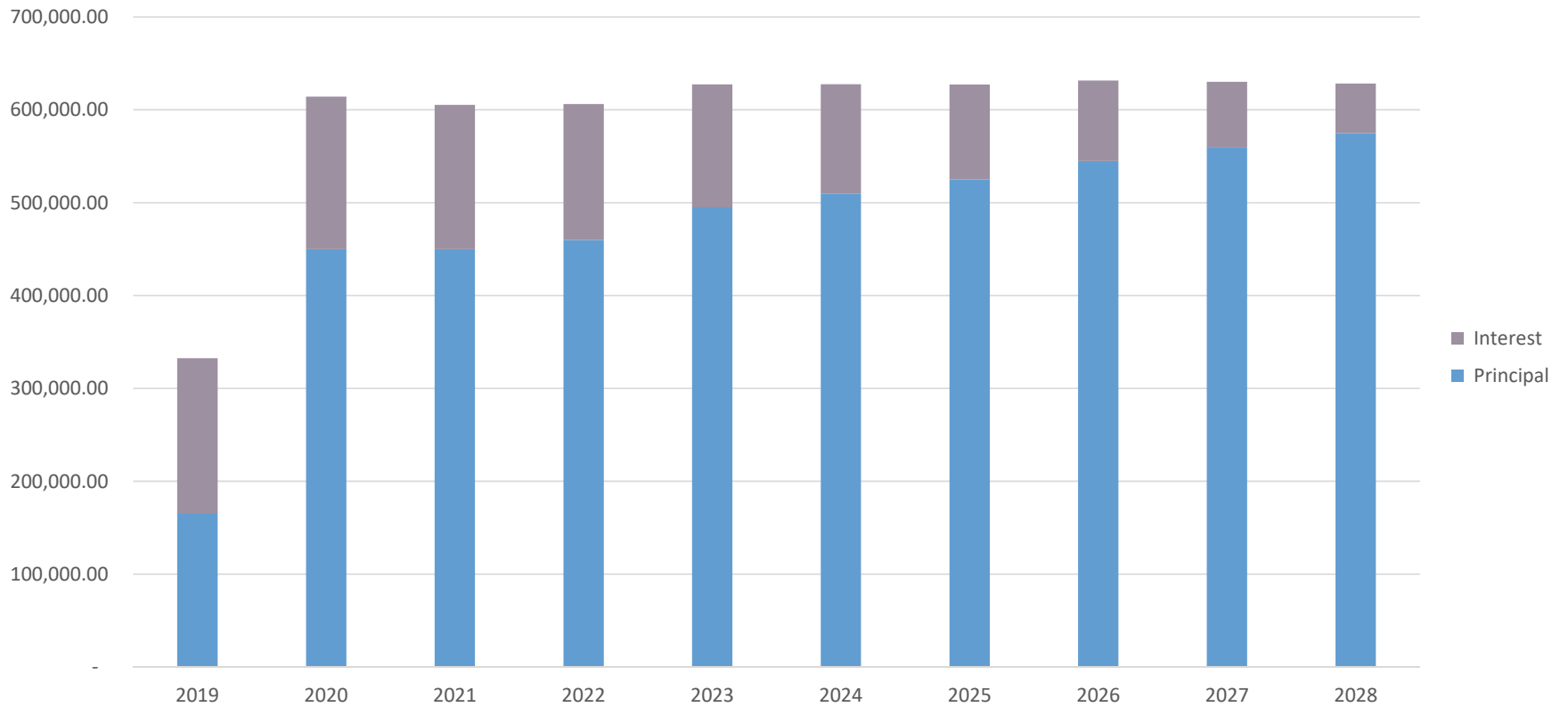
2011 WW & SS Revenue Refunding Bonds



July 15, 2020

UTILITY DEBT SERVICE

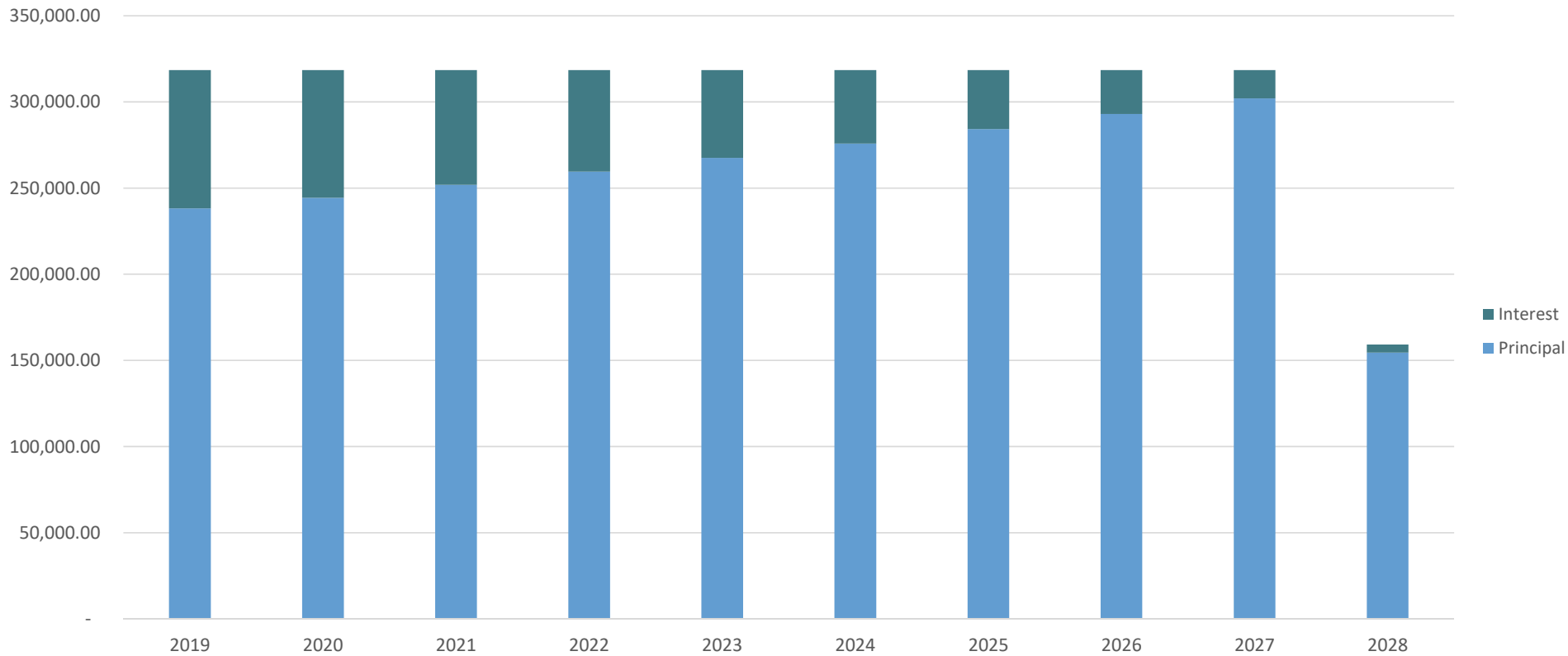
2016 Utility Revenue Refunding Bonds, Callable on 09/01/2026



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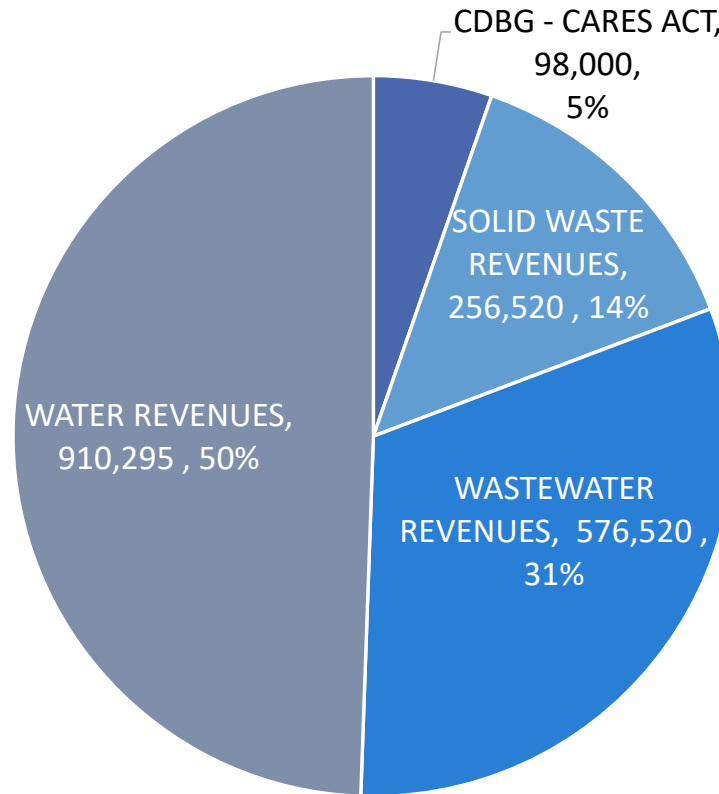
UTILITY DEBT SERVICE

2018 Capital Lease - AMI Smart Meters



July 15, 2020

UTILITY CAPITAL SOURCES OF FUNDING - \$1.8M



July 15, 2020

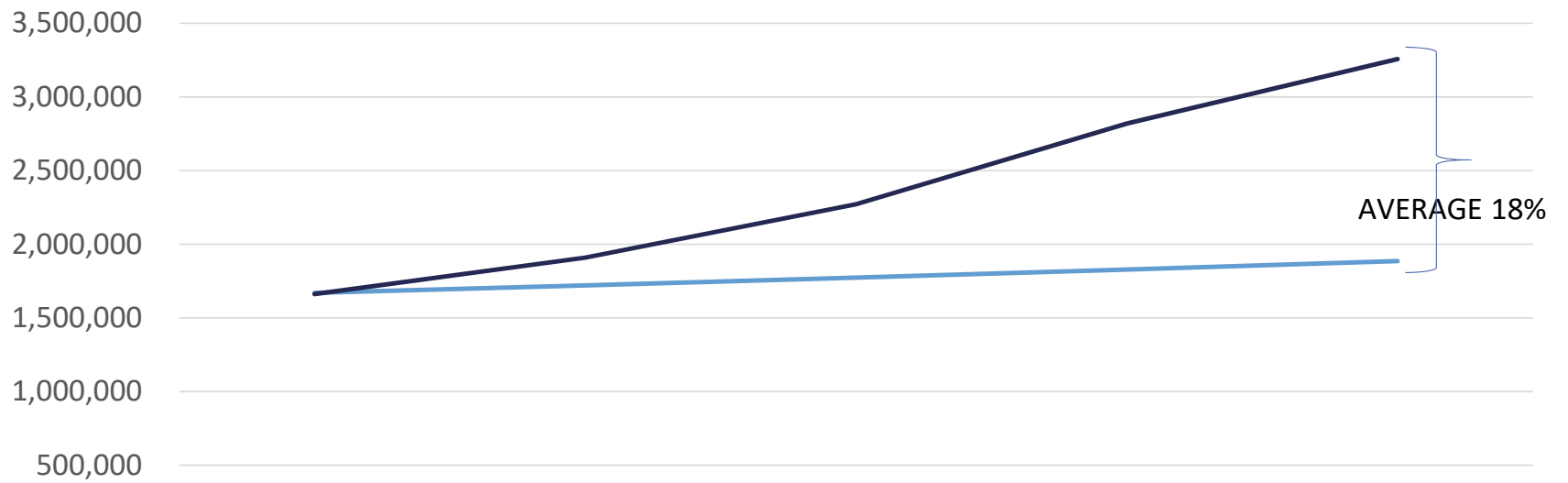
UTILITY CAPITAL MAJOR PROJECTS

- Water Line Replacements
- Wastewater Pipe Bursting Projects
- Brush Truck Replacement
- Backhoe Replacement

See supplemental reports for full listing

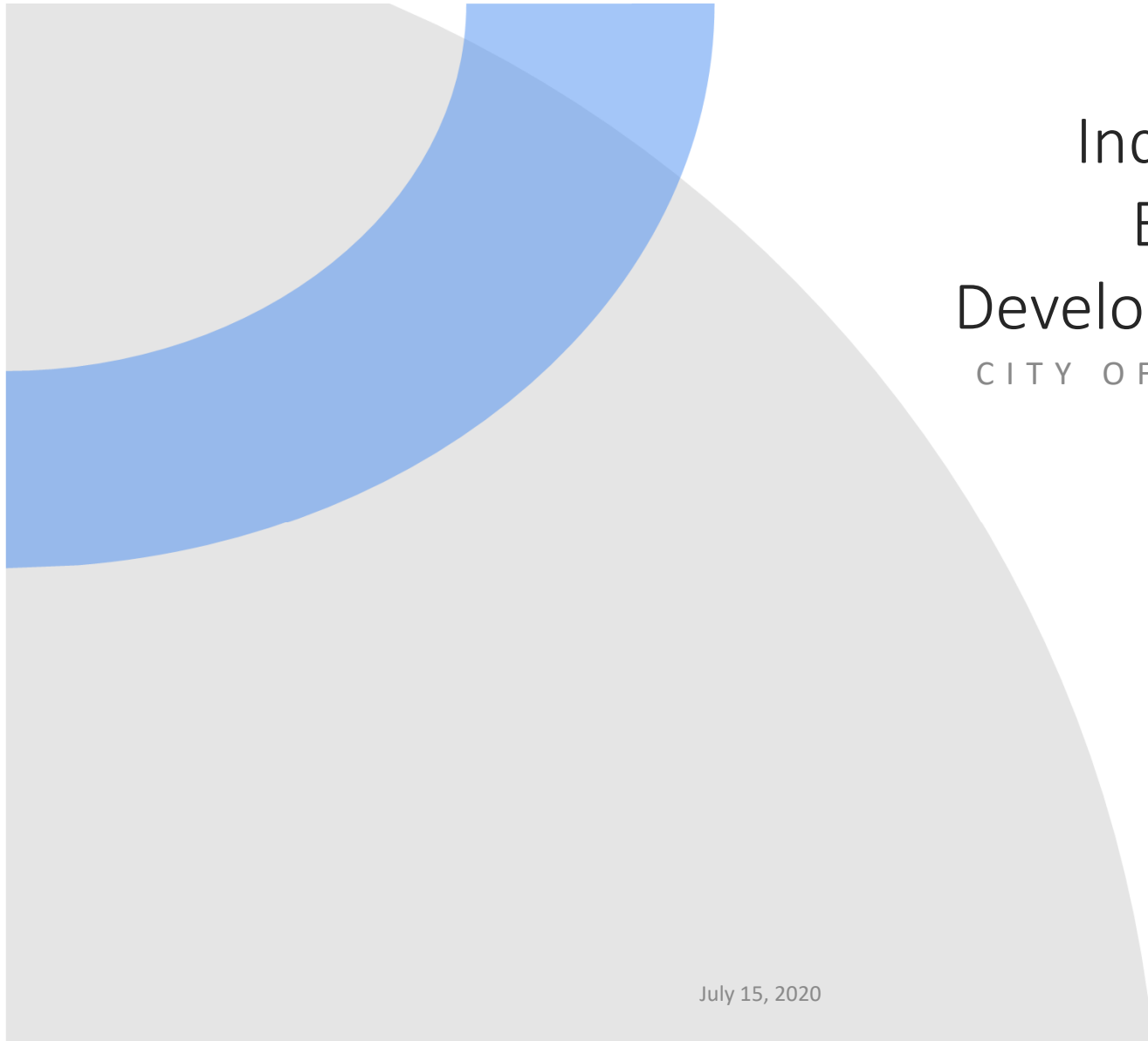
WASTEWATER EXPENSES

DWU & Mesquite Expenses:
Rate Study Estimates vs Actuals



	2017	2018	2019	2020	2021
— RATE STUDY	1,670,000	1,721,280	1,774,289	1,829,123	1,885,888
— ACTUALS	1,661,957	1,909,866	2,272,280	2,820,000	3,257,000

July 15, 2020



July 15, 2020

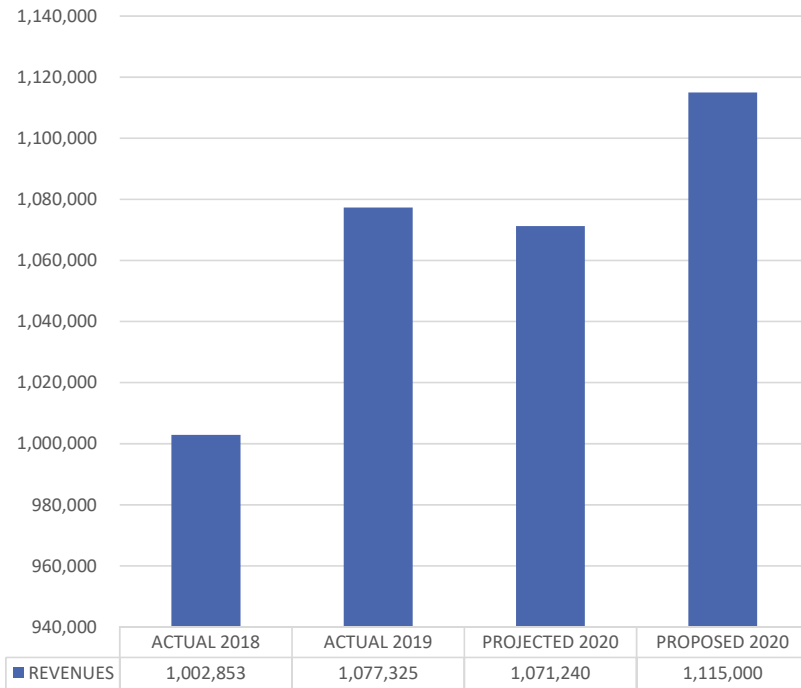
Industrial and Economic Development – Type A

CITY OF BALCH SPRINGS

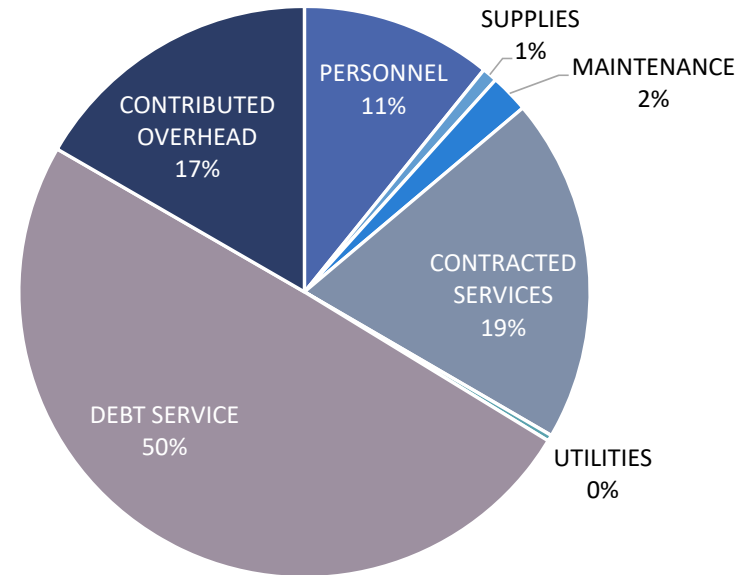


ECONOMIC DEVELOPMENT TYPE A OPERATIONS

REVENUES - \$1.1 M



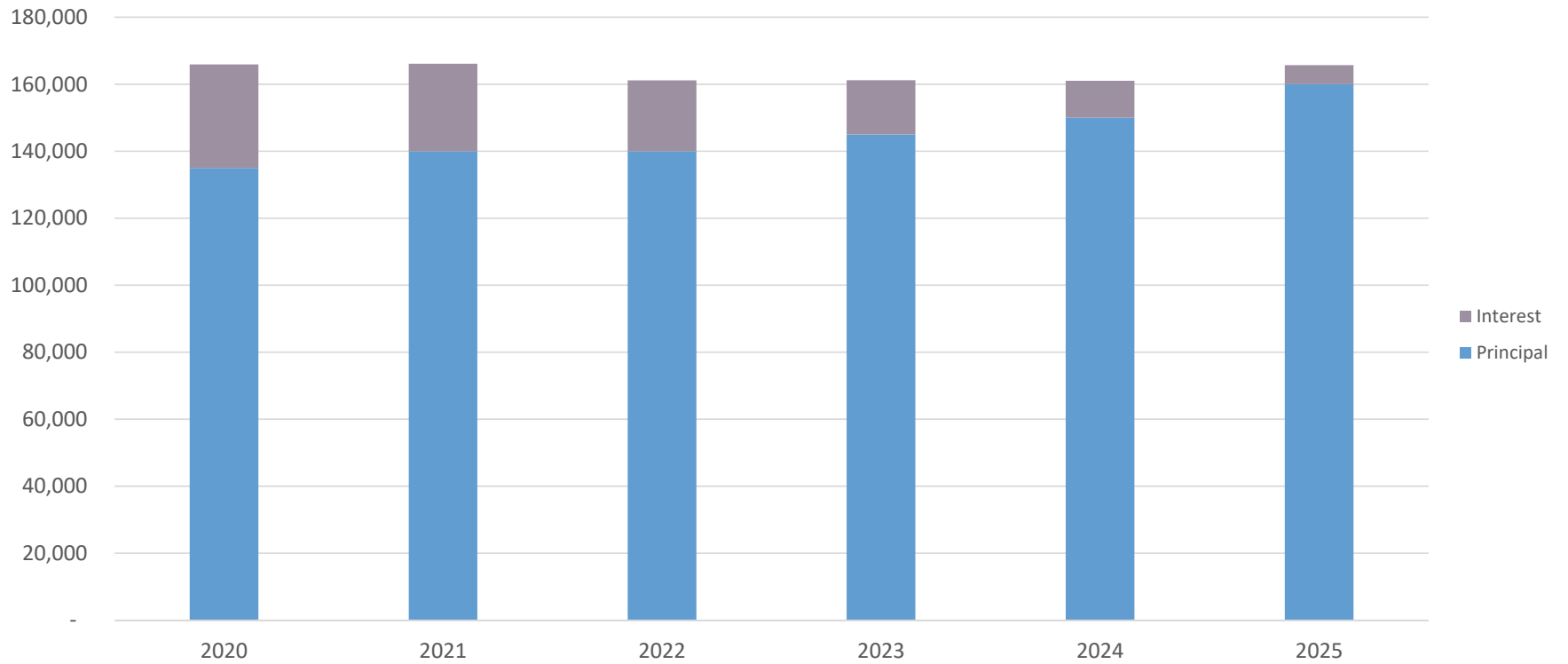
EXPENDITURES - \$990K



July 15, 2020

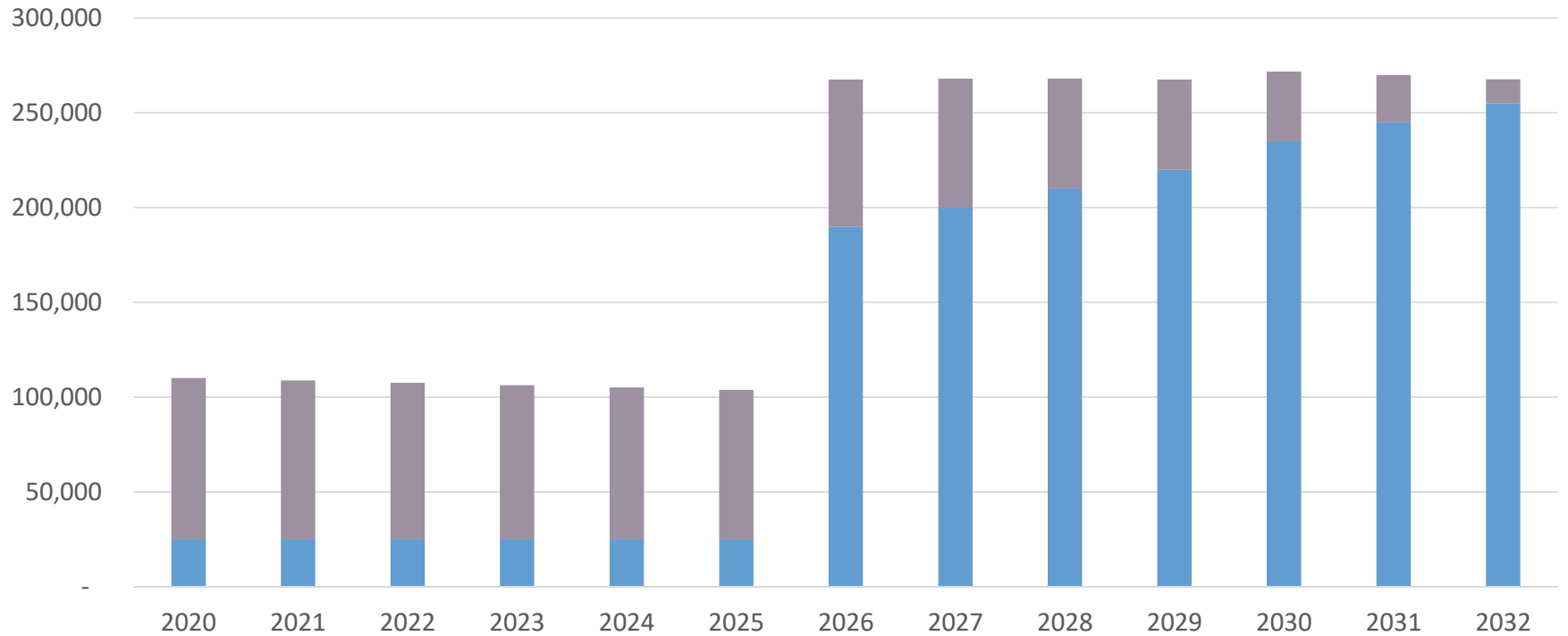
ECONOMIC DEVELOPMENT TYPE A DEBT SERVICE

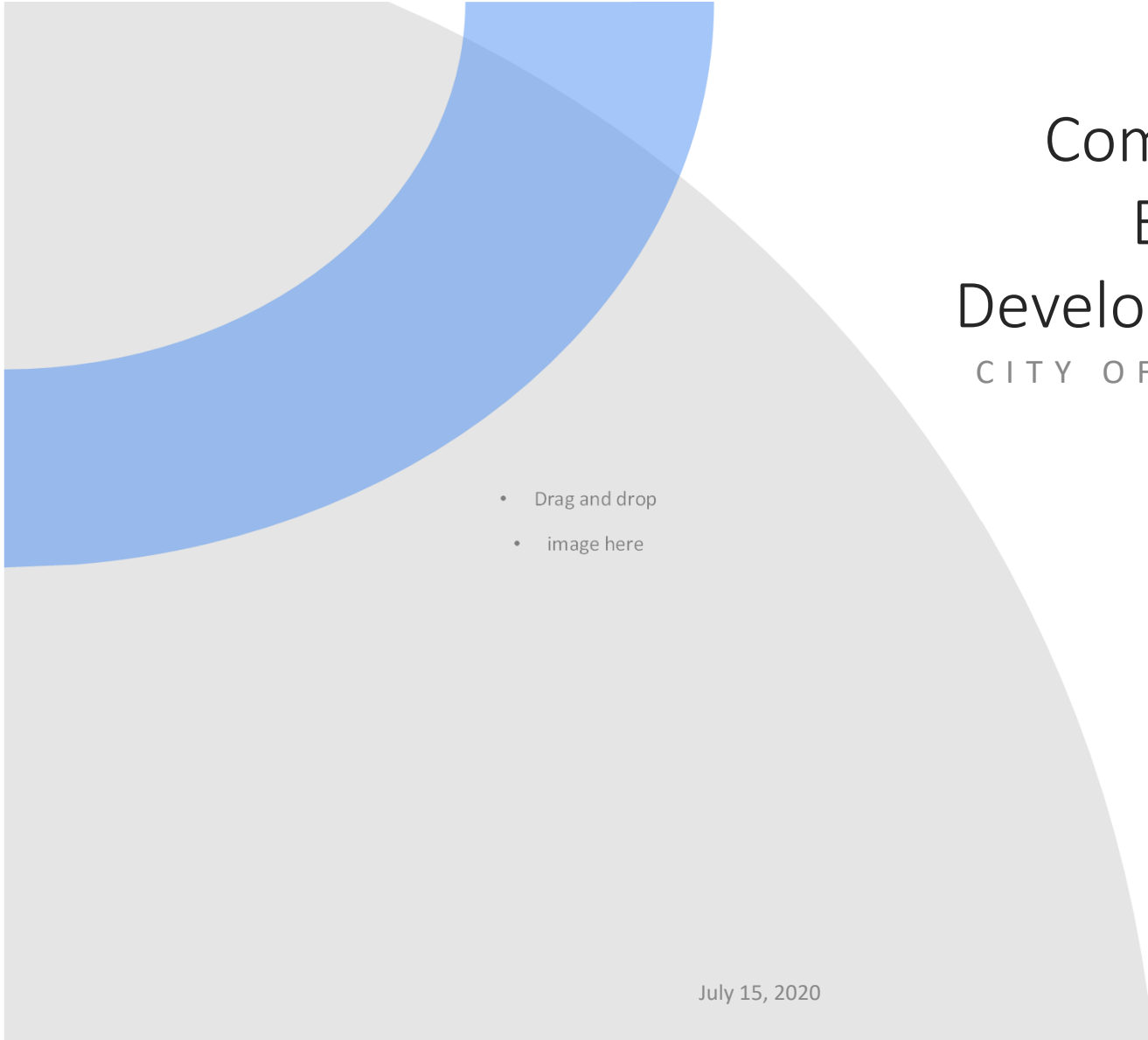
2015 Sales Tax Revenue Bonds, callable anytime



ECONOMIC DEVELOPMENT TYPE A DEBT SERVICE

2016 Sales Tax Revenue Bonds, 5 Year Call Option



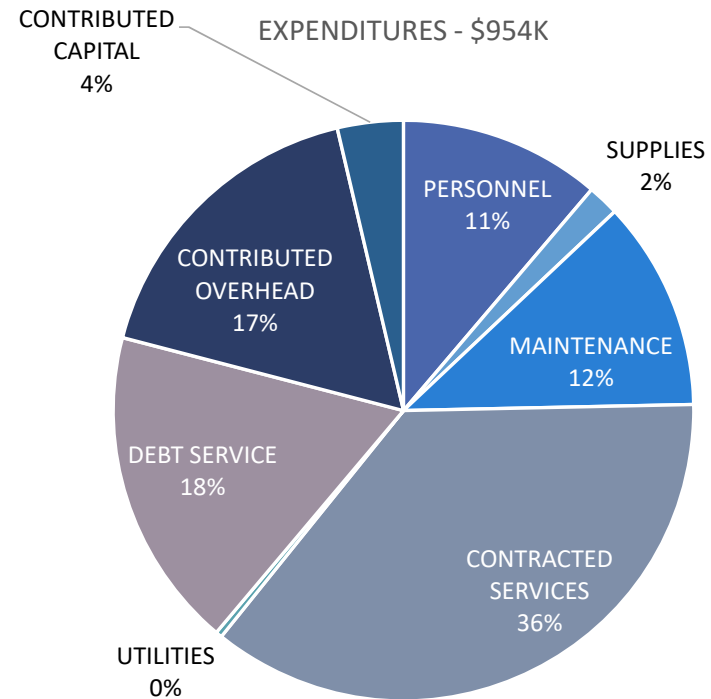
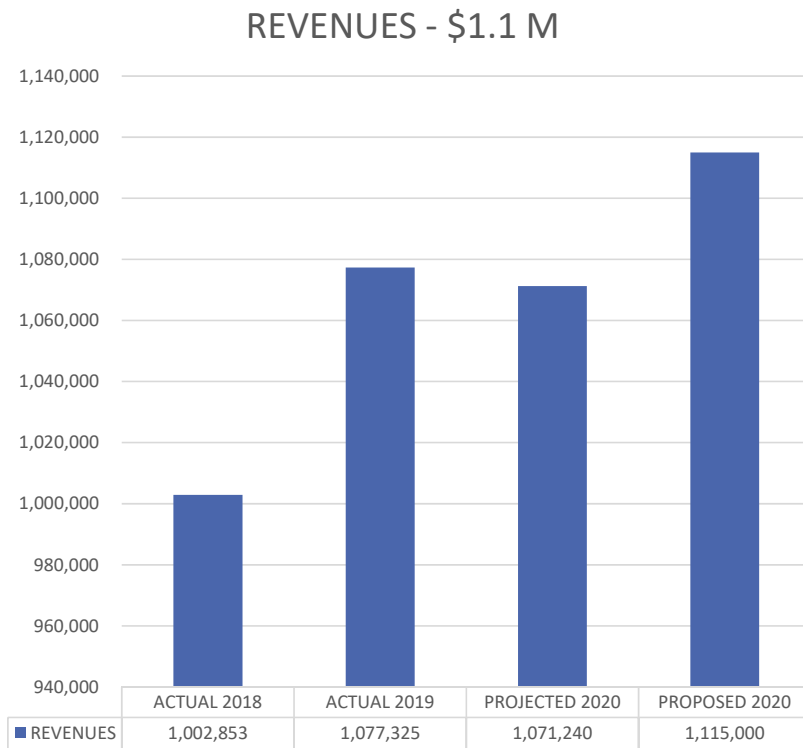


Community and Economic Development – Type B

CITY OF BALCH SPRINGS



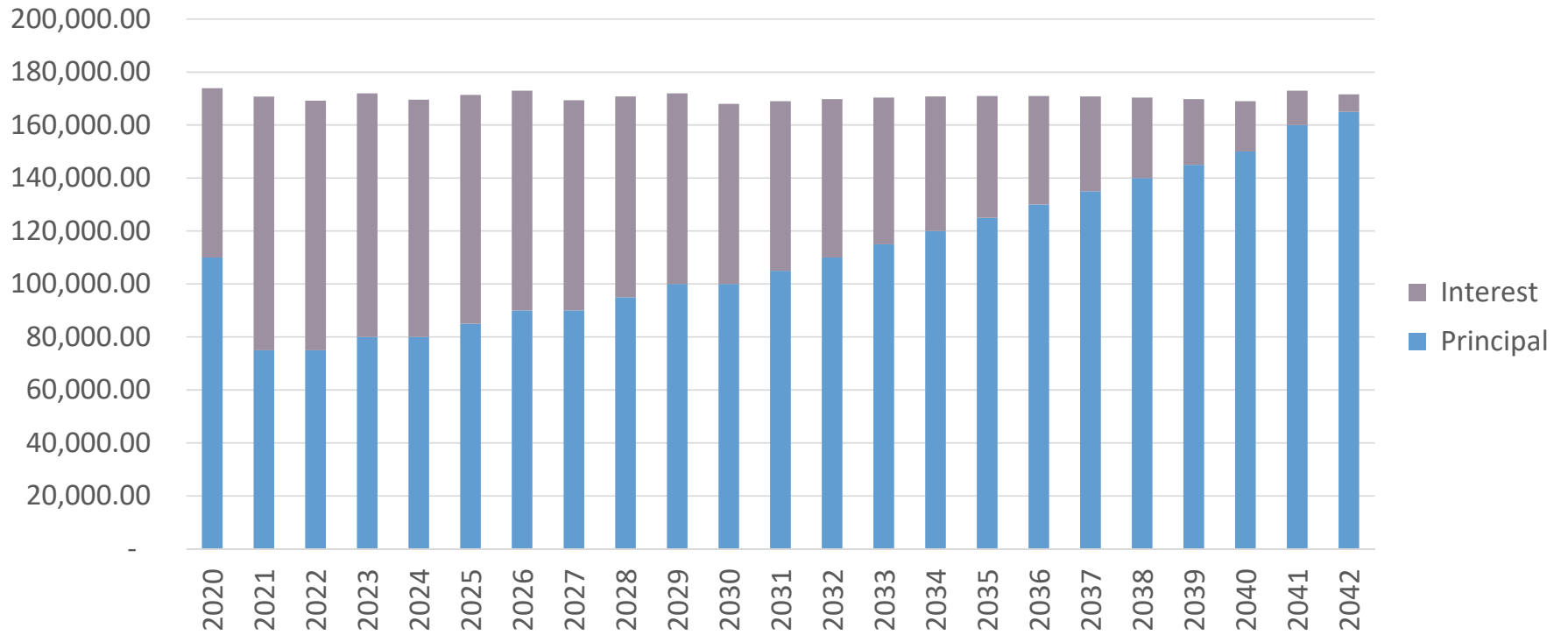
ECONOMIC DEVELOPMENT TYPE B OPERATIONS



July 15, 2020

ECONOMIC DEVELOPMENT TYPE B DEBT SERVICE

2019 Sales Tax Revenue Bonds, Callable on 08/15/2029

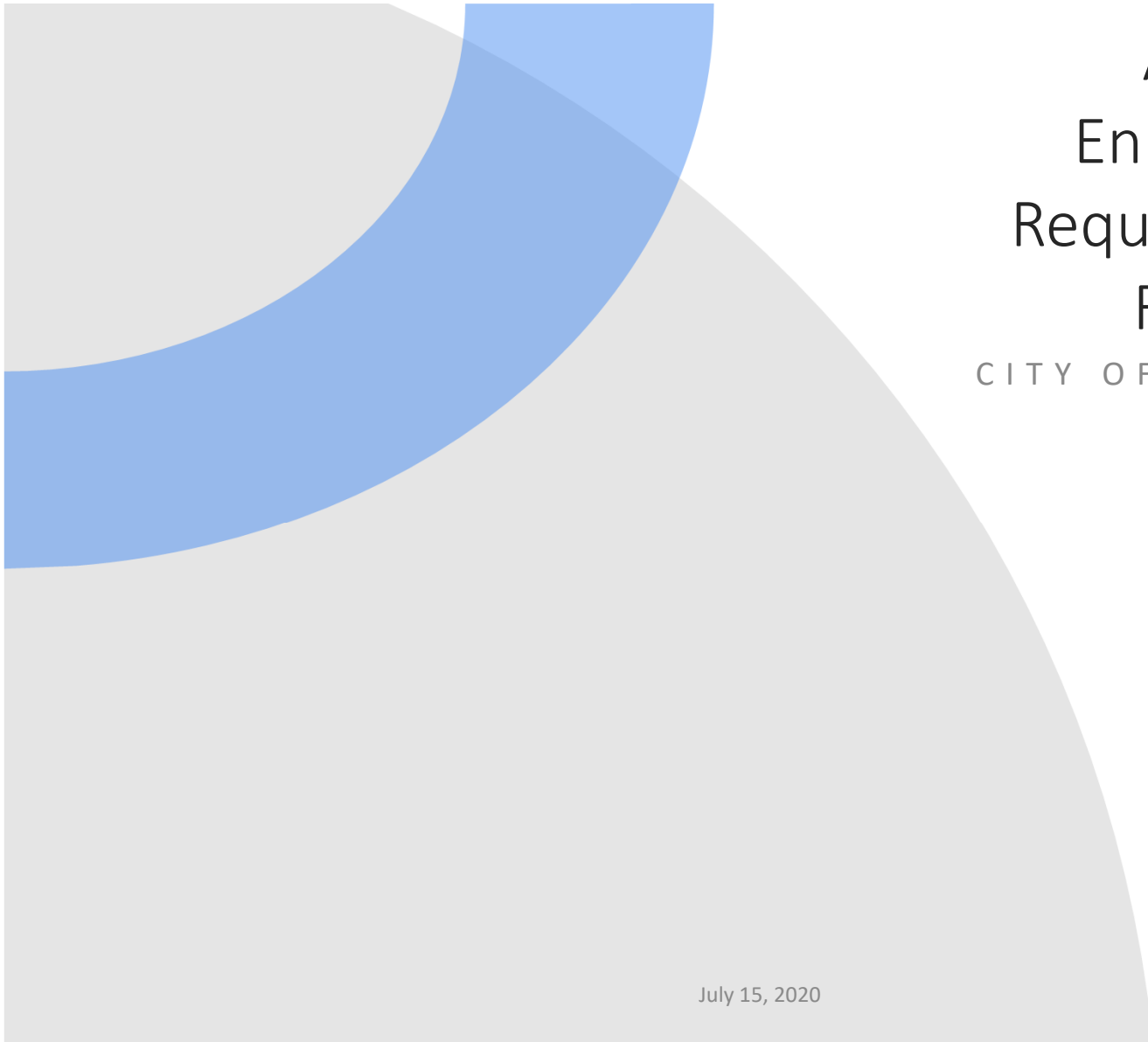


July 15, 2020

ECONOMIC DEV ENHANCEMENT REQUESTS

Economic Development - \$90,000

PROPOSED ENHANCEMENT	SOURCE	ONE-TIME	ONGOING	TOTAL
Traffic Study	Type A/B Operating Funds	15,000	-	15,000
Update Marketing Video - Summer 2021	Type A/B Operating Funds	20,000	-	20,000
Green Ribbon Project Maintenance	Type B Operating Funds	16,000	39,000	55,000
Total		51,000	39,000	90,000



July 15, 2020

All Other Enhancement Requests – Special Revenues

CITY OF BALCH SPRINGS

ALL OTHER BUDGET ENHANCEMENTS

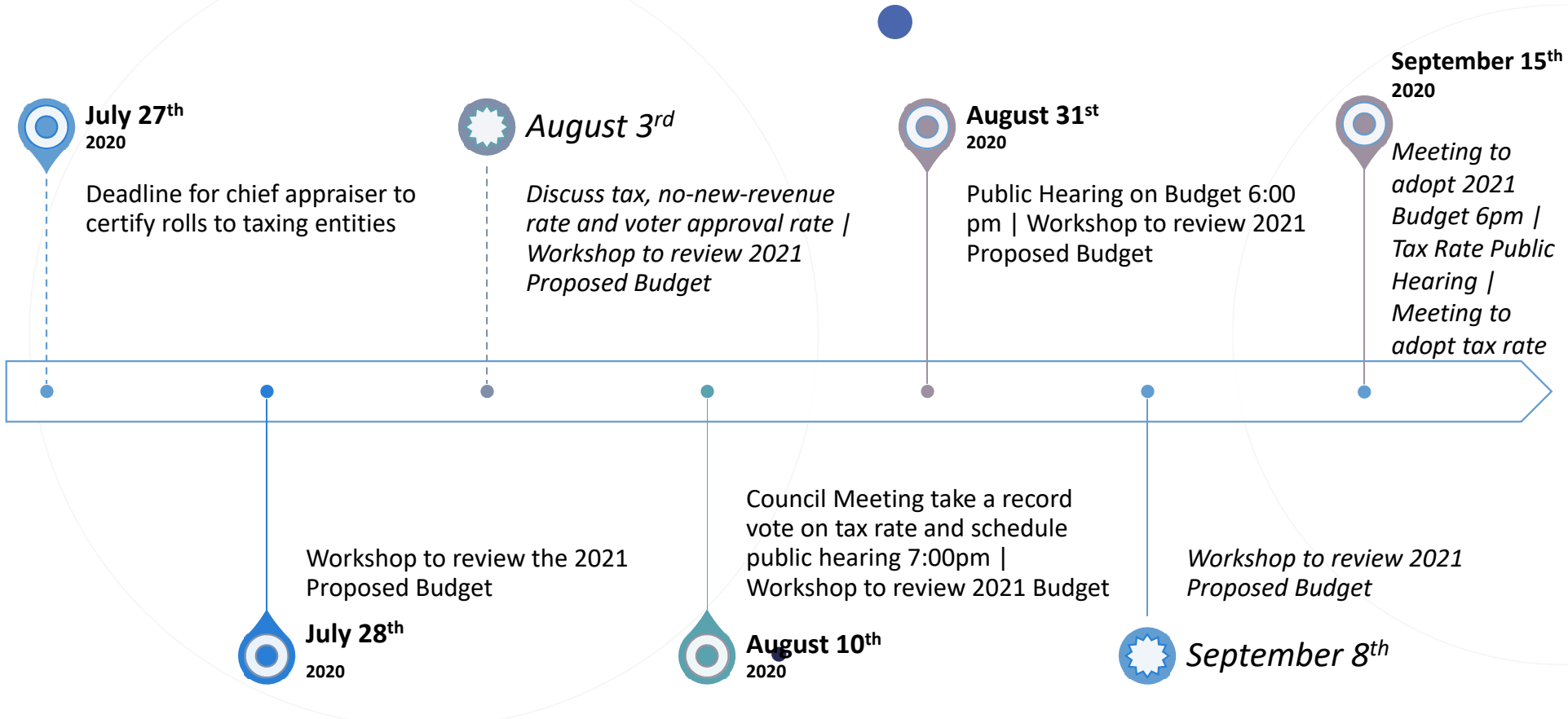
Public Safety - \$73,078

PROPOSED ENHANCEMENT	SOURCE	ONE-TIME	ONGOING	TOTAL
Standard Police Equipment for 43 Officers	Federal Forfeiture Funds	37,625	-	37,625
Additional Hard Drives & Backup Storage Equip.	Federal Forfeiture Funds	3,953	-	3,953
Reality Based Training Simulator-Police Officers	Federal Forfeiture Funds	24,900	6,600	31,500
Total		66,478	6,600	73,078

REMAINING UPDATES TO BUDGET

- Meet & Confer – include 3% or postpone?
- Health Insurance – current 10% buffer included in budget
- Liability Insurance expected to decrease
- Enterprise Vehicle Replacement Program for 2021 Vehicles
- Property Tax Revenues
- Sales Tax Revenues

Next Steps



July 15, 2020

QUESTIONS?

July 15, 2020