



# BUDGET WORKSHOP

Proposed FY 2020

# BUDGET WORKSHOP PLAN



- Shy away from line-by-line review
  - Time constraints
  - Best practice is to keep it high-level for better decision-making
- Review budget categorically
  - Revenues
  - Capital expenditures
  - Special Revenue Funds
  - Personnel Costs
  - Economic Development

# BUDGET CALENDAR



DATE	DAY	ACTION
January 18	Friday	Staff Operating Budget Kick-off Meeting
January 28	Monday	STW Revision Level Open for Edits
February 18	Monday	Initial Budget Workshop to discuss Council Goals & Objectives
March 8	Friday	Staff Operating Budget Meeting
February - March 31	Approx. Two Months	Individual Department Budget Discussions with Budget Office, as needed
April 12	Friday	Staff Operating Budget Meeting
April 19	Friday	Capital Requests due to Budget Office
April 15 - 30	Monday - Friday	Individual Department Budget Meetings with City Manager
April 18	Thursday	April 30th Certified Preliminary Estimate of Value from Dallas County Appraisal District
May 3	Friday	Individual Department Operating Budgets due to Budget Office & STW Revision Level Closed
May 13	Monday	Preliminary Appraisal Roll from Dallas County Appraisal District
June 3	Monday	Preliminary 2019 Tax Rate Calculation Data due to Dallas County Tax Office
July 1	Monday	Workshop to review 2020 Proposed Budget
July 8	Monday	Final 2019 Tax Rate Calculation Data due to the Dallas County Tax Office
<b>July 25</b>	<b>Thursday</b>	<b>Deadline for chief appraiser to certify rolls to taxing entities</b>
July 29	Monday	Workshop to review 2020 Proposed Budget
<b>August 2</b>	<b>Friday</b>	<b>Dallas County Tax Office submits completed of Effective and Rollback Tax Rates worksheets to entities</b>
August 5	Monday	Discuss tax, rollback, and effective rates / Workshop to review 2020 Proposed Budget
August 12	Monday	Council Meeting take a record vote on tax rate and schedule public hearing 7:00pm
August 19	Monday	Workshop to review 2020 Proposed Budget
August 23	Friday	Budget public hearing notice published in newspaper
August 26	Monday	Notice of 2019 Tax Year Proposed Property Tax Rate - one quarter page ad that provides the proposed ETR and RTR and hearing notice to the public. Published no later than Sept. 1 in newspaper and posted on website until final tax rate is adopted.
September 2	Monday	Labor Day
September 3	Tuesday	First Tax Rate Public Hearing 6:00 pm
September 9	Monday	Second Tax Rate Public Hearing / Public Hearing on Budget 7:00 pm / Workshop to review 2020 Proposed Budget
September 16	Monday	Meeting to adopt tax rate and 2020 Budget

# REVISION 1



- Initial department requests
- Budget open for changes: January 28<sup>th</sup>  
– March 31<sup>st</sup>
- Needs, wants, desires to improve departmental operations

# REVISION 2



- Changes following meeting with City Manager
- Budget open for changes: April 30<sup>th</sup> – May 3<sup>rd</sup>
- Added capital needs & adjusted other necessary items as discussed

# REVISION 3



- General Fund Expenditures exceed revenues by \$3.2 million
- Departments sent in suggested cuts
- City Manager & Budget Team make changes
  - Capital expenditures are always the first to be reduced



Proposed FY 2020

# GENERAL FUND

# EVOLUTION OF FY2020 PROPOSED GENERAL FUND BUDGET



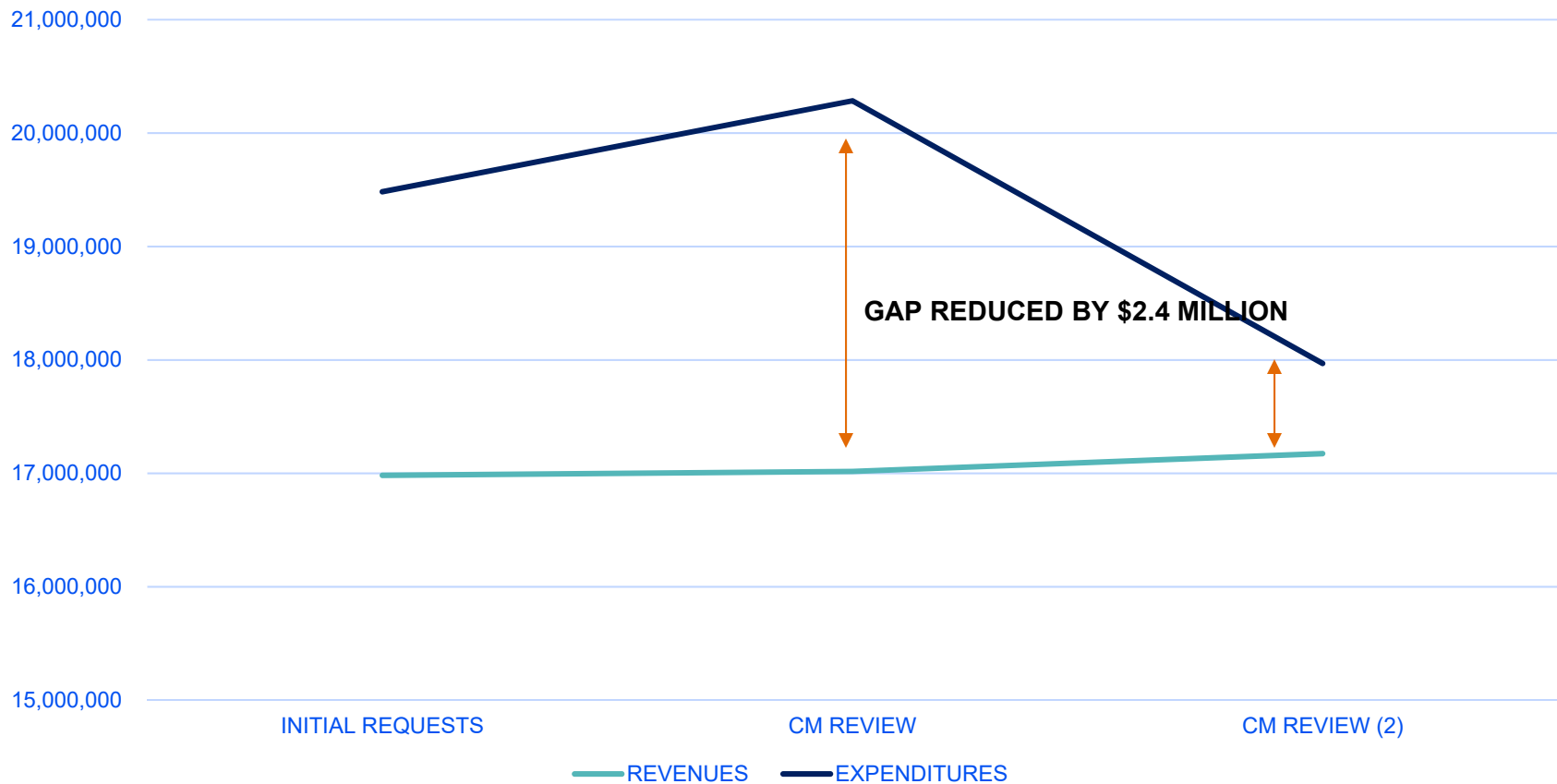
	<b>INITIAL REQUESTS</b>	<b>CM REVIEW</b>	<b>CM REVIEW (2)</b>
<b>REVENUES</b>	16,982,755	17,017,755	17,174,335
<b>EXPENDITURES</b>	19,483,316	20,284,930	17,969,594
<b>NET SURPLUS (DEFICIT)</b>	<b>(2,500,561)</b>	<b>(3,267,175)</b>	<b>(795,259)</b>



# EVOLUTION OF FY2020 PROPOSED BUDGET



## GENERAL FUND BUDGET REQUESTS



# REVISION 3 GENERAL FUND SIGNIFICANT CUTS



COUNCIL PRIORITY	TOTAL CUTS
Public Service Excellence	1,067,218
Enhance Quality of Life	404,200
Safe & Secure Community	325,450
Continuous Economic Development	83,500
Improve Visual Branding of Balch Springs	36,000
Financial Integrity	21,500
<b>Grand Total</b>	<b>1,937,868</b>
EXPENDITURE CATEGORY	TOTAL CUTS
Capital	973,500
Supplies	185,595
Services	160,756
Personnel	422,001
Maintenance	196,016
<b>Grand Total</b>	<b>1,937,868</b>



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 \$420k)

# 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

# NEW LEGISLATION BUDGET IMPACT (FY 2020)



- \$163,152 to General Fund

RETRO PAY TO GENERAL FUND		
Pay back General Fund for the purchase of 800mHz radio system		
<i>Proposed 6-year Payment Plan</i>		
Year	Amount	Paid
2016	100,000	200,000
2017	100,000	100,000
2018	100,000	45,000
2019	100,000	-
2020	100,000	-
2021	8,152	-
	508,152	345,000

# NEW LEGISLATION BUDGET IMPACT (FY 2020)



## Red Light Camera Fund

Projected Funds Available to Pay (curr yr)	(150,000)
Due to Tx Comptroller	257,220
Due to General Fund	163,152
<b>Total Remaining Obligations</b>	<b>270,372</b>



# NEW LEGISLATION BUDGET IMPACT (FY 2020)



- **HB 852:** No significant impact although different methodology

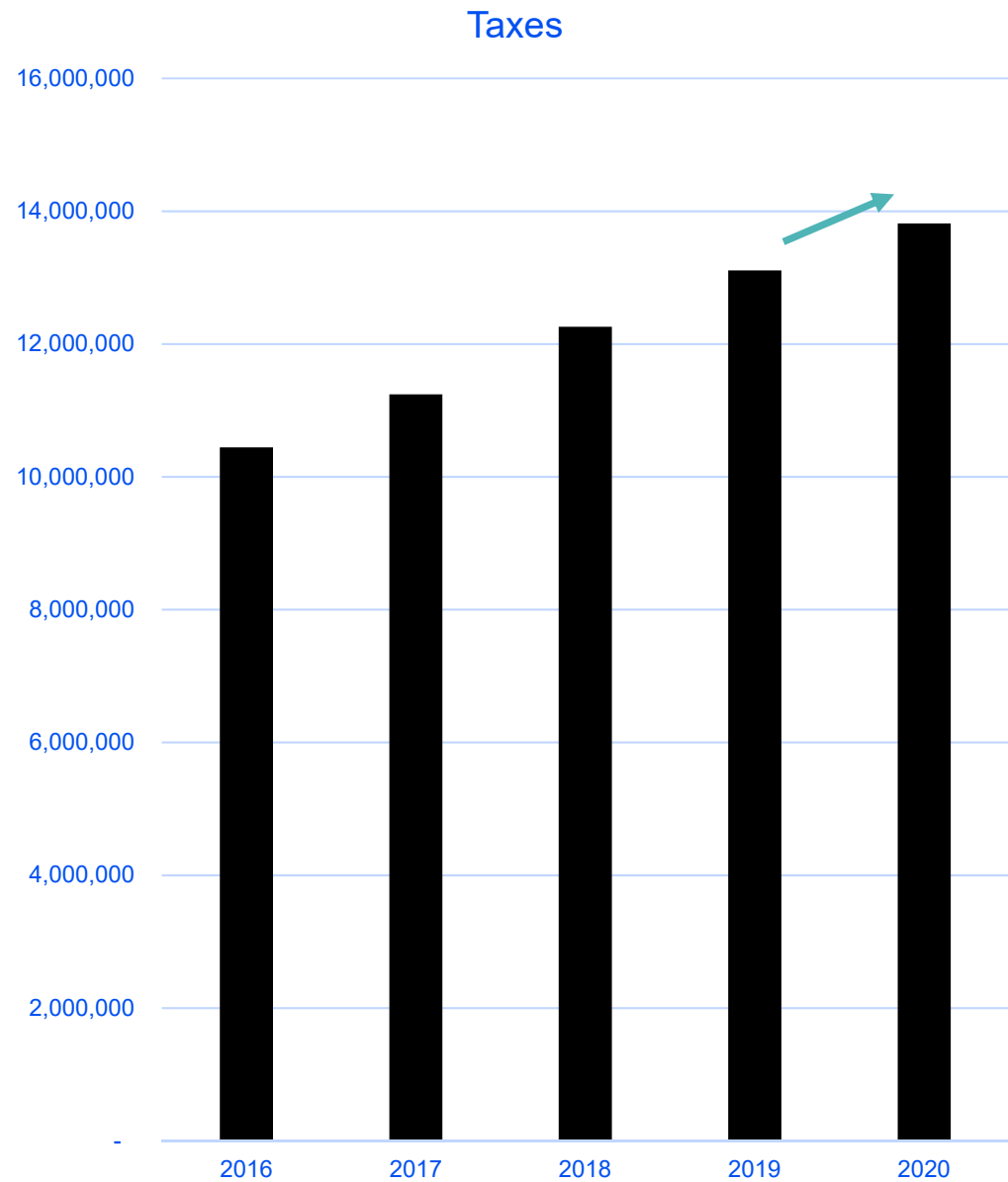
# GENERAL FUND REVENUES BY CATEGORY



GEN FUND REVENUES					
Revenue Category	Adopted Budget 2019	Revised Budget 2019	Proposed 2020	\$ Inc / (Dec) over PY	% Inc / (Dec) over PY
Taxes	13,108,000	13,108,000	13,815,000	707,000	5%
Licenses & Permits	432,500	432,500	370,500	(62,000)	-14%
Intergovernmental	102,000	102,000	52,000	(50,000)	-49%
Charges for Services	181,700	211,700	208,100	(3,600)	-2%
Fines & Forfeitures	735,000	735,000	634,300	(100,700)	-14%
Investment Earnings	22,000	22,000	35,000	13,000	59%
Miscellaneous Rev	18,300	18,300	27,800	9,500	52%
Other Financing Sources	180,170	180,170	1,057,805	877,635	487%
Transfers In	1,323,740	1,323,740	973,830	(349,910)	-26%
<b>Total General Fund Revenue</b>	<b>16,103,410</b>	<b>16,133,410</b>	<b>17,174,335</b>	<b>1,040,925</b>	

# GENERAL FUND TAXES

- **Property Taxes +867k**
- **Sales Tax -90k**
- **Franchise Tax -85k**
- **Bingo Tax**
- **Mixed Beverage Tax**

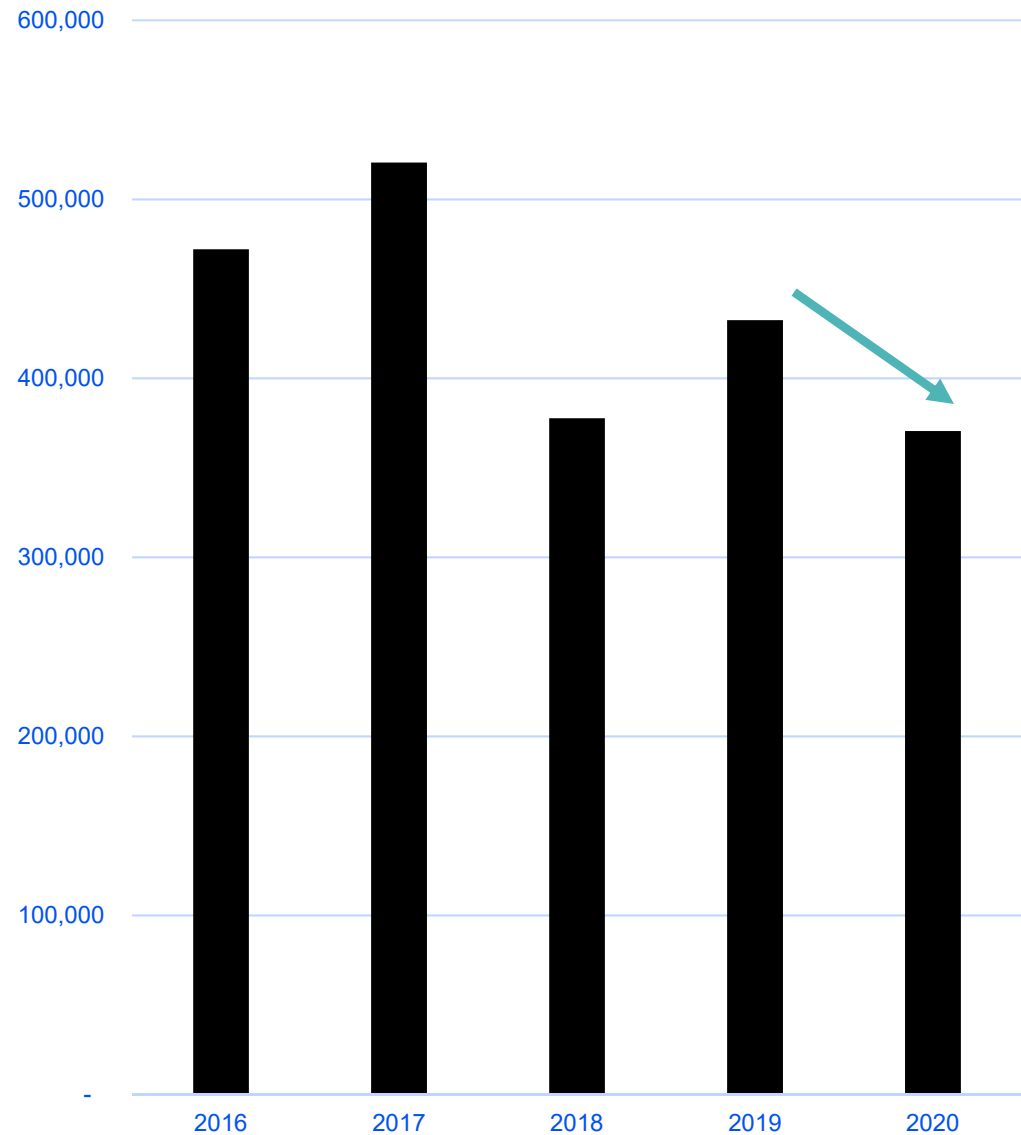


# GENERAL FUND LICENSES & PERMITS

Includes but not limited to:

- Alarm Permits
- Alcohol Permits
- **Building Permits**
- Certificates of Occupancy
- Electrical Permits
- Health Inspection Permits
- Plumbing Permits
- Zoning Permits
- Garage Sale Permits

Licenses & Permits

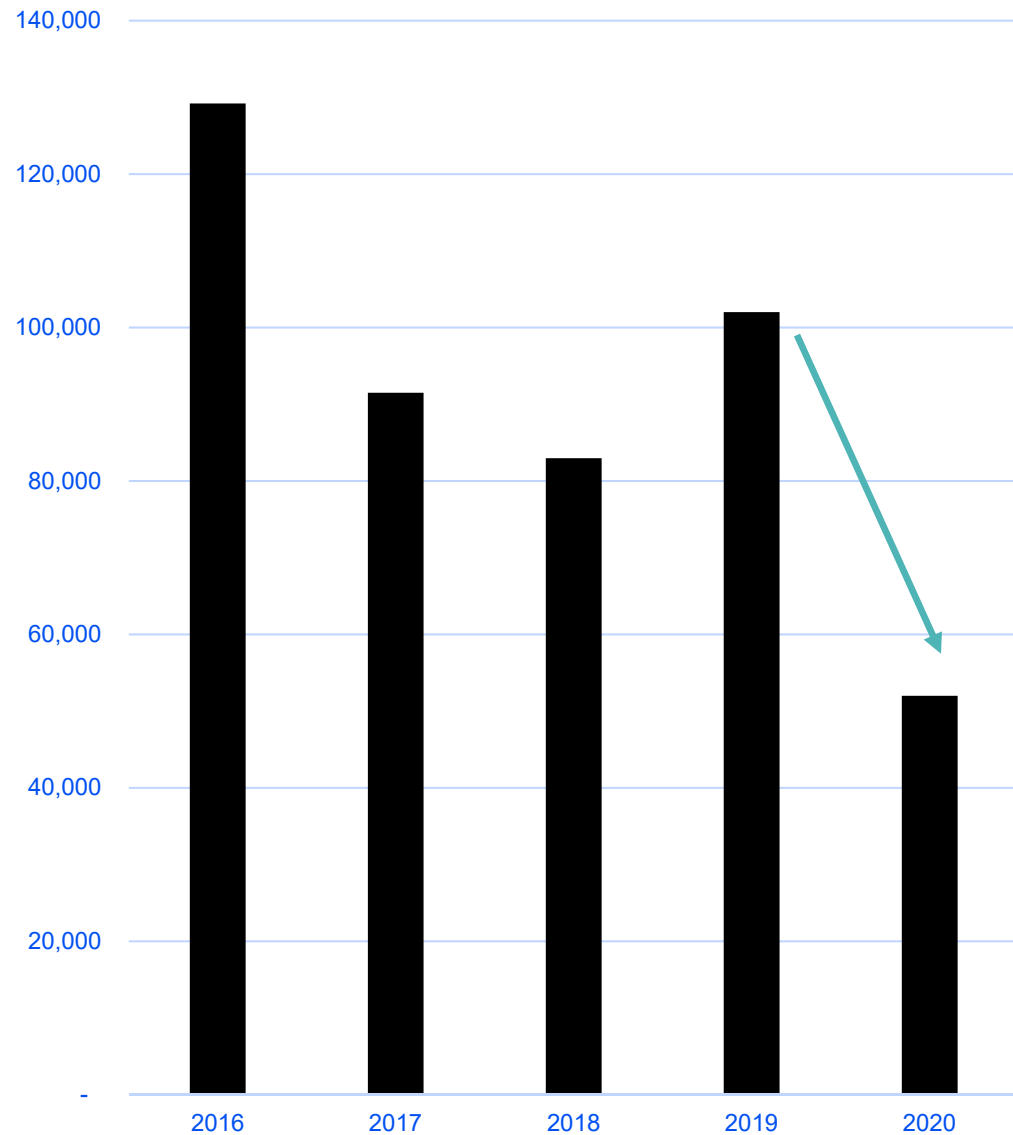


## GENERAL FUND INTERGOVERNMENTAL

### Includes but not limited to:

- CDBG (moved to grant fund – budgeted \$40k in 2019)
- School Resource Officer (SRO) Revenue (MISD)

### Intergovernmental

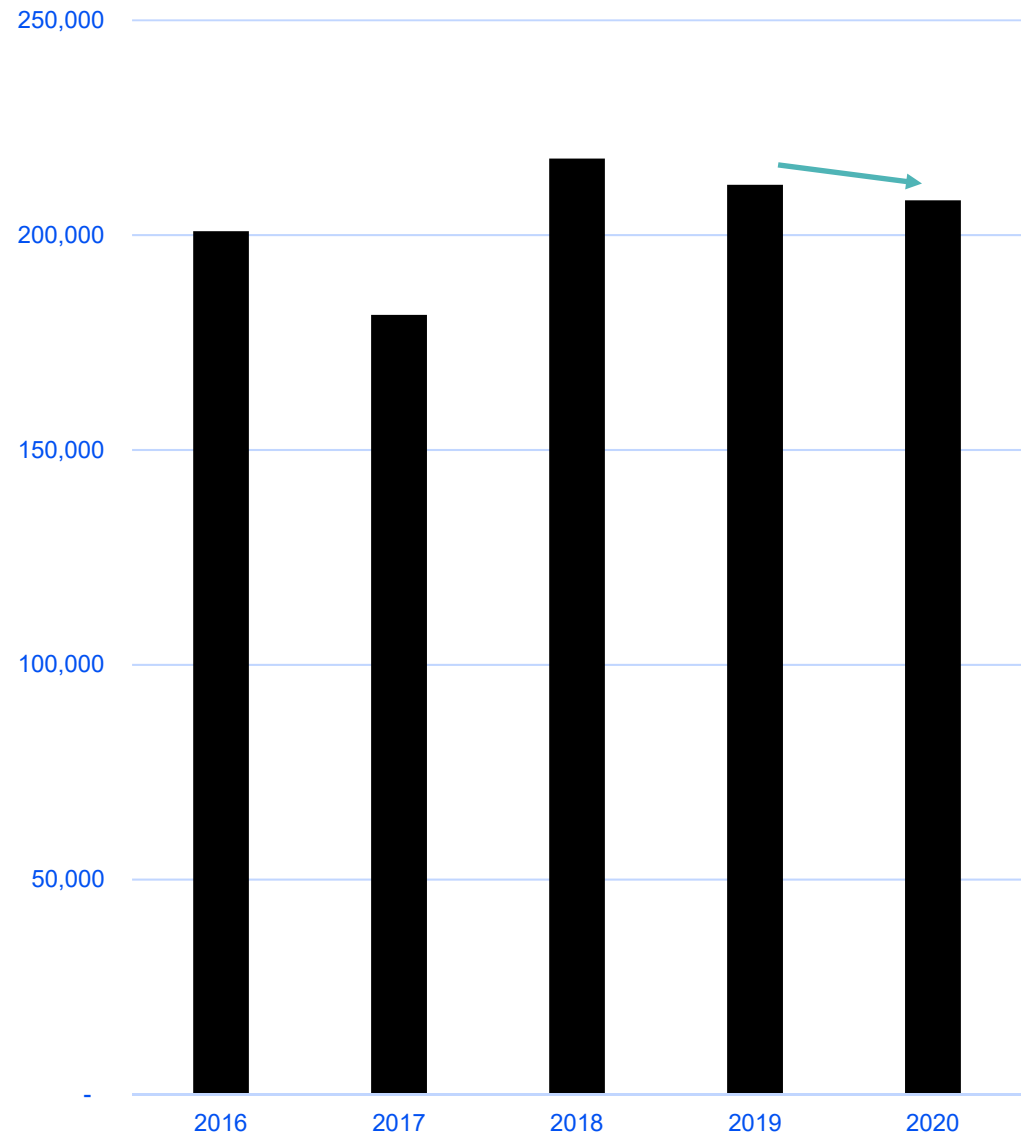


# GENERAL FUND CHARGES FOR SERVICES

**Includes but not  
limited to:**

- Animal Shelter Fees
- Ball Field Reservations
- Facility Rentals
- Fire Inspection Fees
- Library Fees
- Rec Center Program Revenue
- Residential Property Rentals

Charges for Services

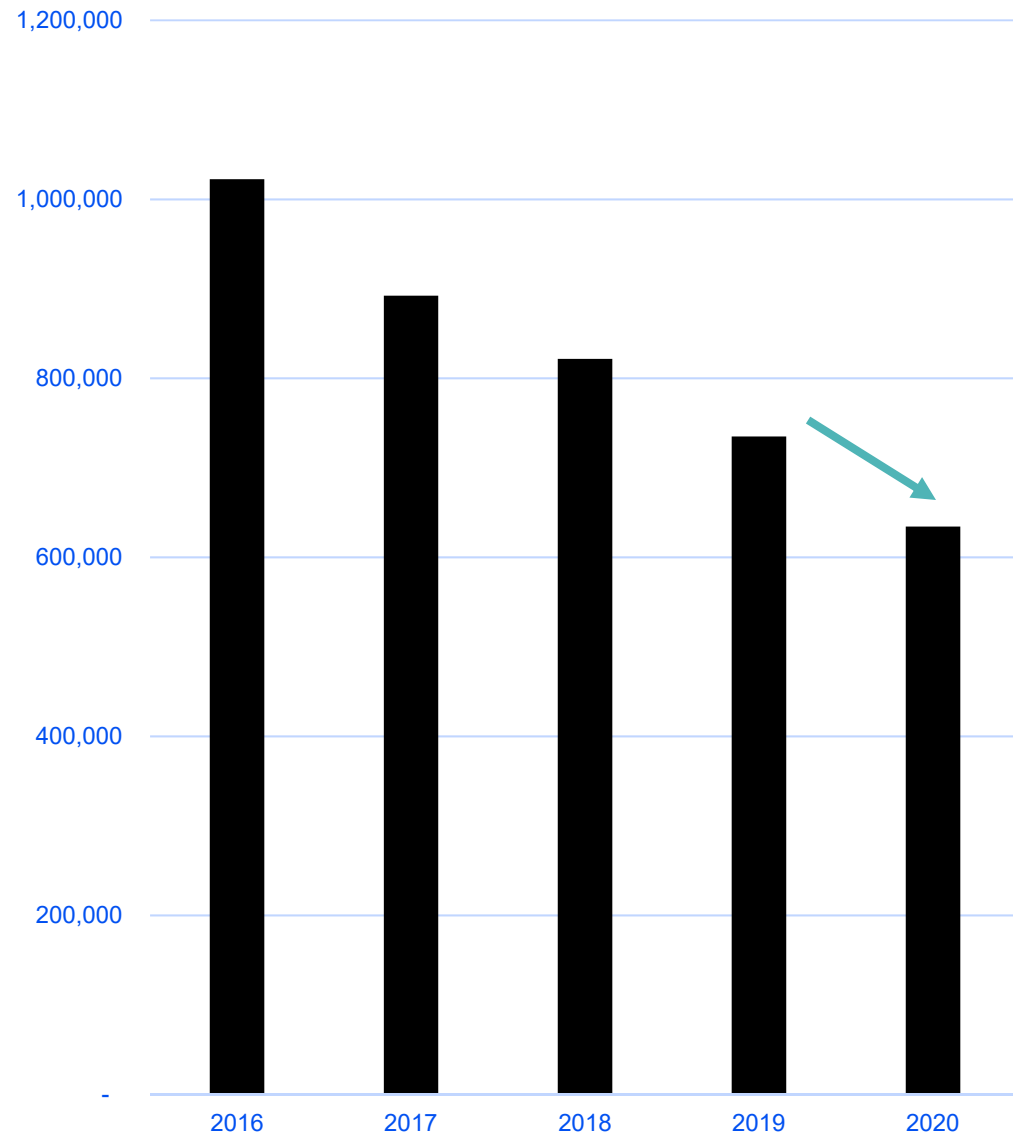


# GENERAL FUND FINES & FORFEITURES

Includes but not limited to:

- Fines
- Warrants
- Liens

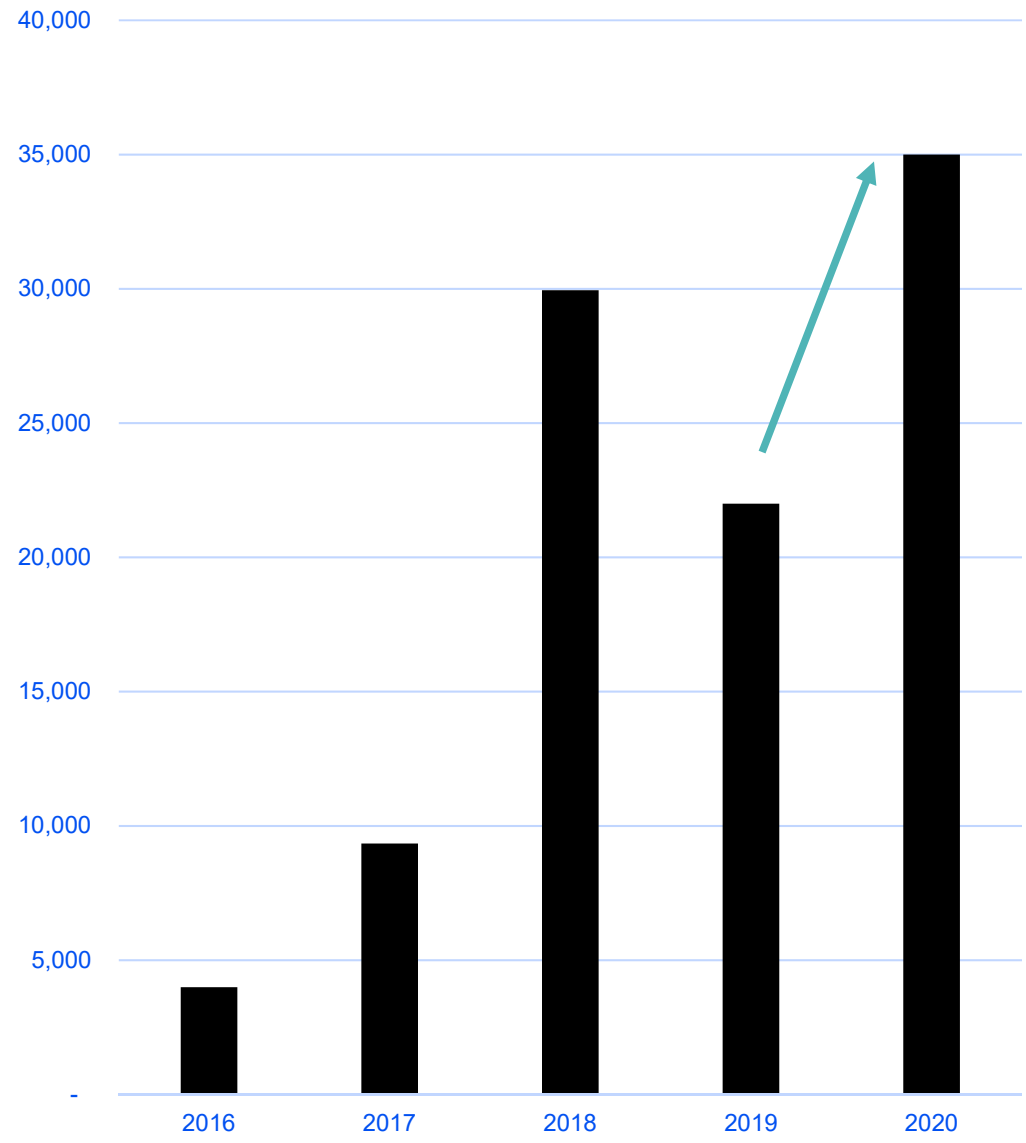
## Fines & Forfeitures



# GENERAL FUND INVESTMENT EARNINGS

- Bank Interest

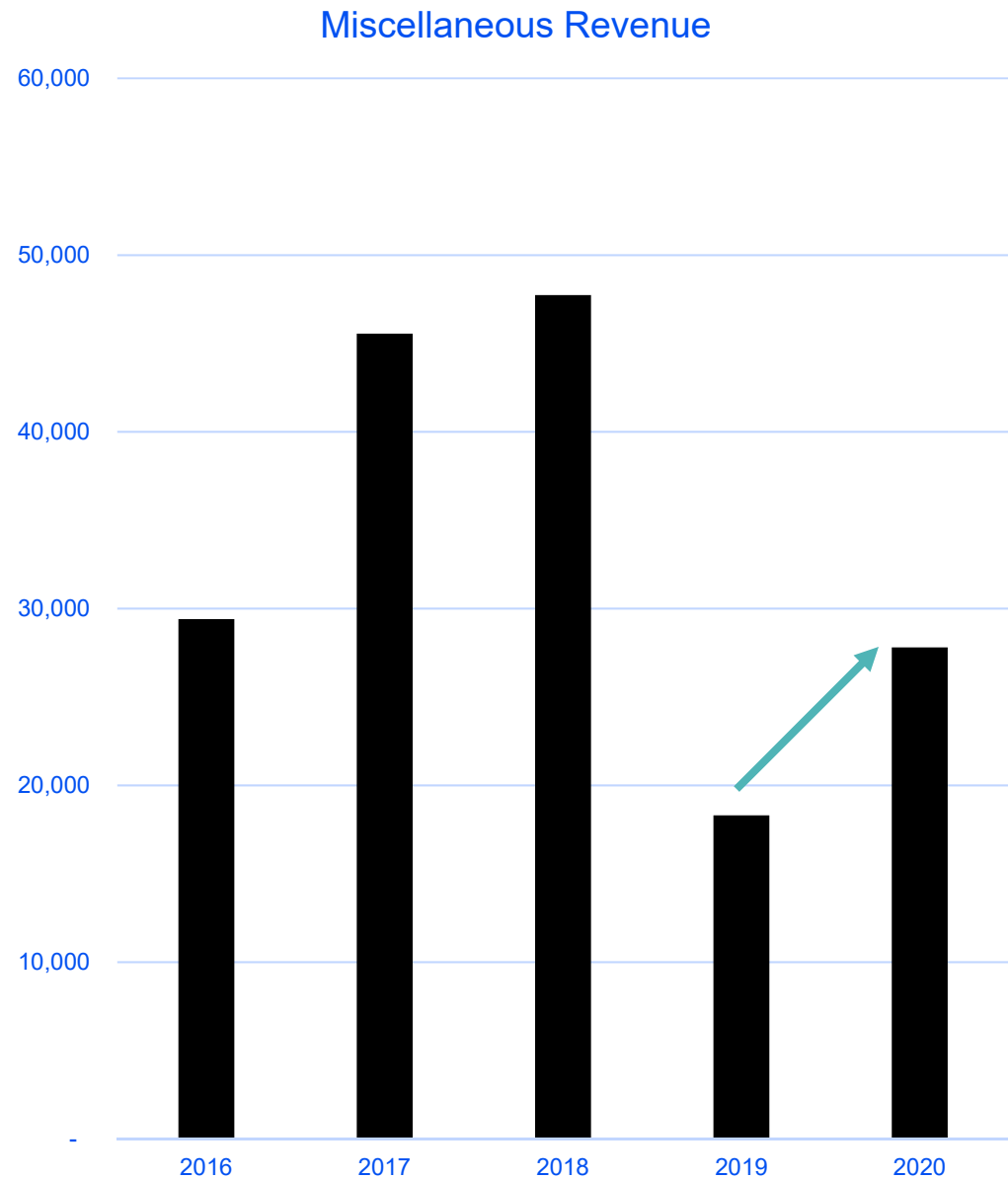
Investment Earnings





## GENERAL FUND MISCELLANEOUS REVENUE

- Miscellaneous revenue:
  - Accumulation of small revenue items that may not be tied to a specific g/l account
  - Items that may not be considered "consistent"
- Credit Card Fees
- Sale of Advertising
- Concession Sales

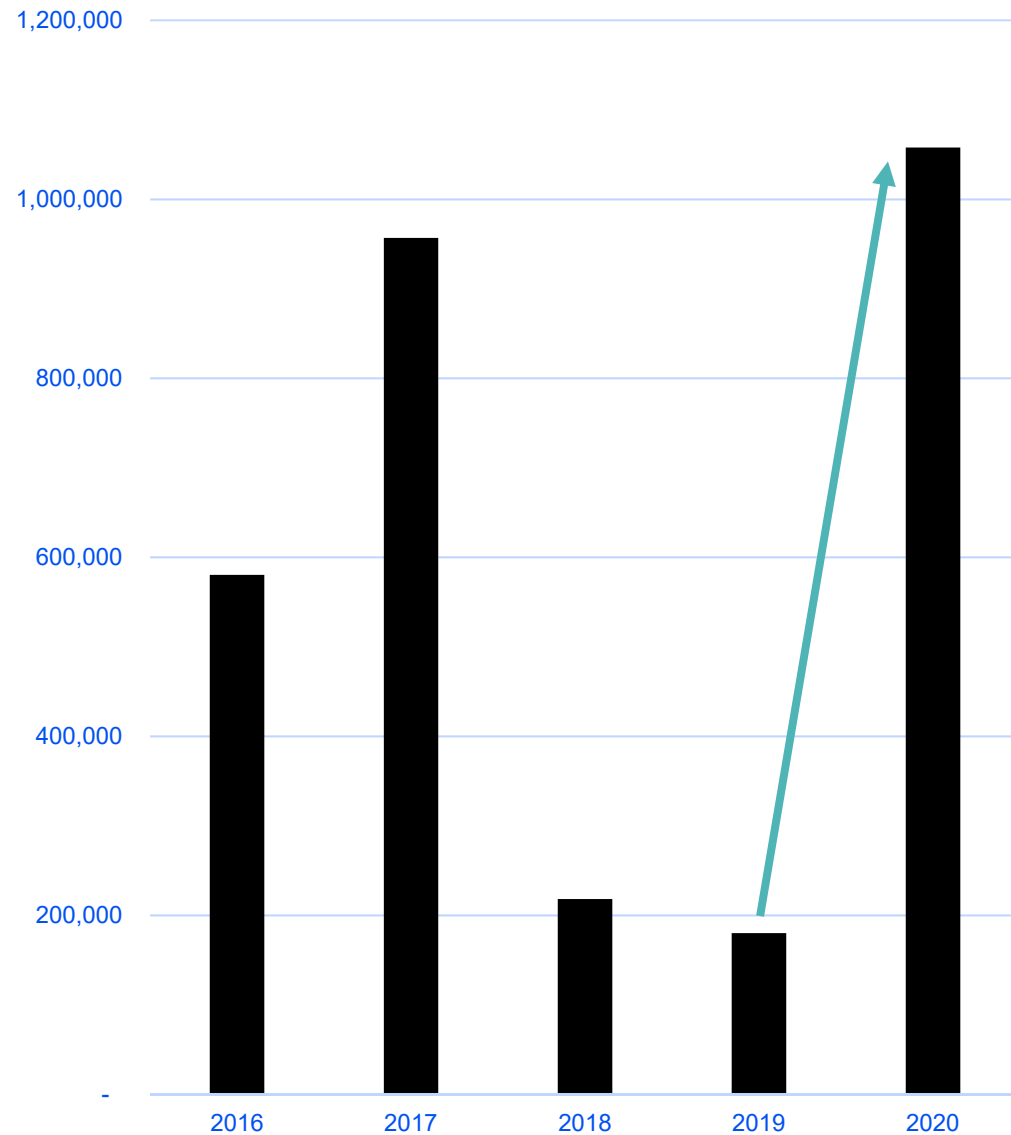


# GENERAL FUND OTHER FINANCING SOURCES

**Includes but not limited to:**

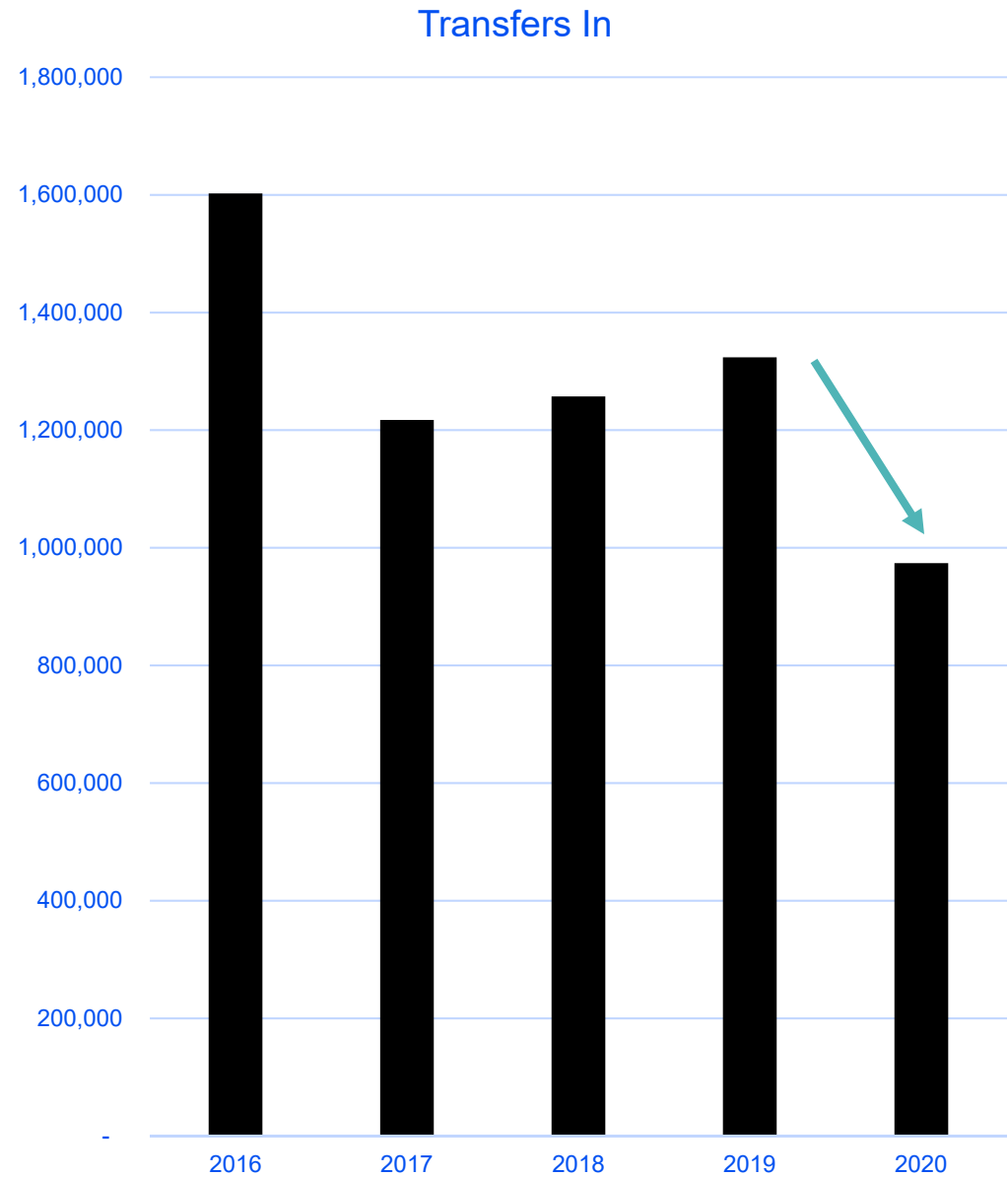
- Sales of Equip/Vehicles
- Insurance Refunds
- **Contributed Capital**
- **Contributed Overhead**
  - EDC transfers to the GF. Moved from "Transfers In" category for reporting purposes per auditors.

Other Financing Sources



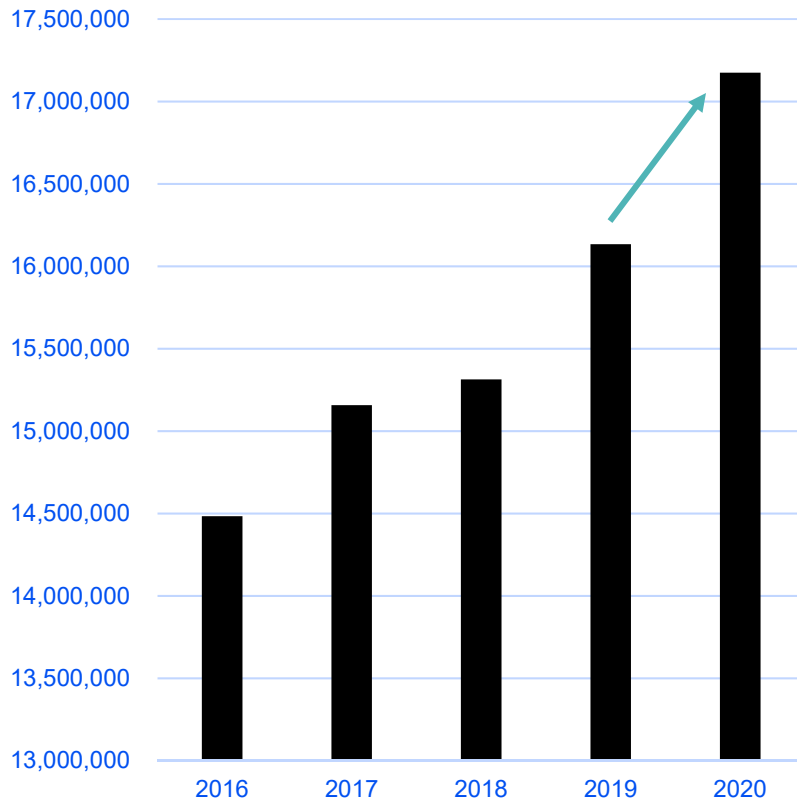
# GENERAL FUND TRANSFERS IN

- From Water
- From Wastewater
- From Solid Waste
- From EDC
  - moved to “other financing sources” category – per auditors
- From Red Light Camera Fund
  - Goes away

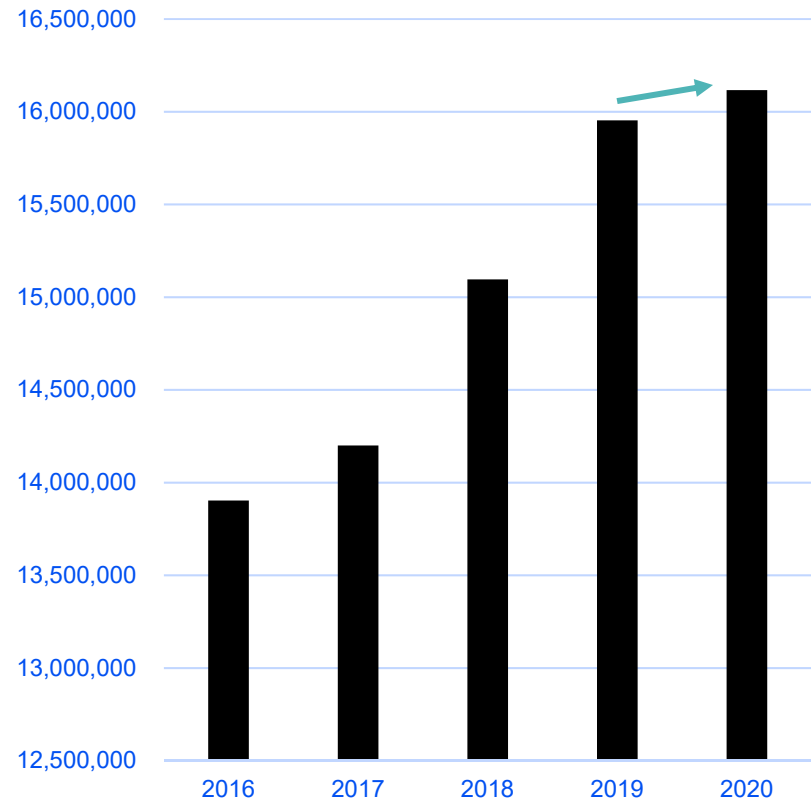


# GENERAL FUND REVENUE

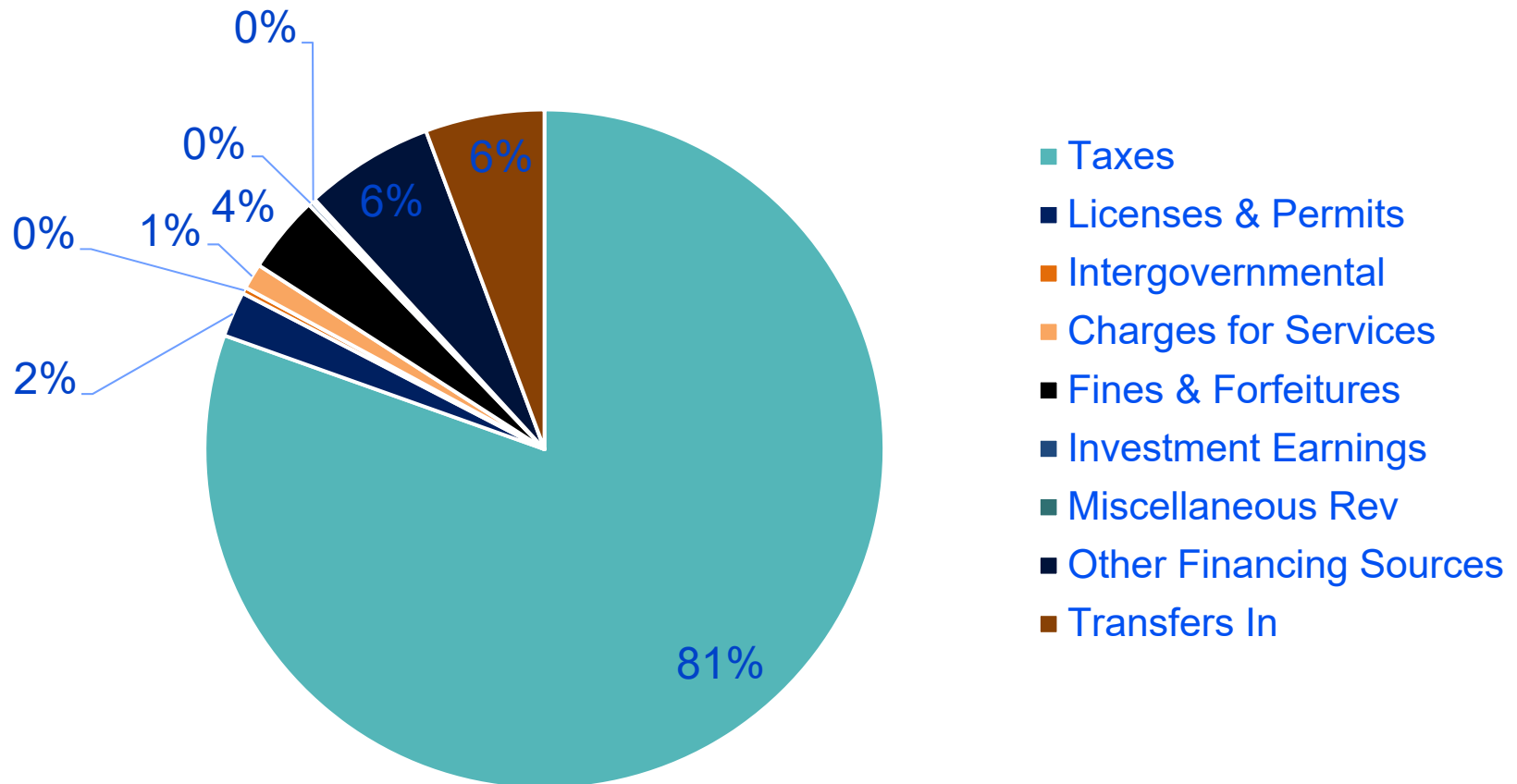
## TOTAL



## EXCLUDING OTHER FINANCING SOURCES



# GENERAL FUND REVENUES BY CATEGORY



# 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 from red light camera fund
- Increasing Capital Replacement Needs
  - More time that we “go without”:
    - increased maintenance
    - decreased safety
    - decreased services



Proposed FY2020

# UTILITY FUNDS



# WATER FUND REVENUES BY CATEGORY



WATER FUND REVENUE					
Revenue Category	Adopted Budget 2019	Revised Budget 2019	Proposed 2020	\$ Inc / (Dec) over PY	% Inc / (Dec) over PY
Taxes	-	-	-	-	0%
Licenses & Permits	-	-	-	-	0%
Intergovernmental	-	-	-	-	0%
Charges for Services	5,777,700	5,777,700	5,338,700	(439,000)	-8%
Fines & Forfeitures	-	-	-	-	0%
Investment Earnings	40,000	40,000	45,000	5,000	13%
Miscellaneous Rev	239,000	239,000	256,000	17,000	7%
Other Financing Sources	-	-	-	-	0%
Transfers In	-	-	-	-	0%
	6,056,700	6,056,700	5,639,700	(417,000)	

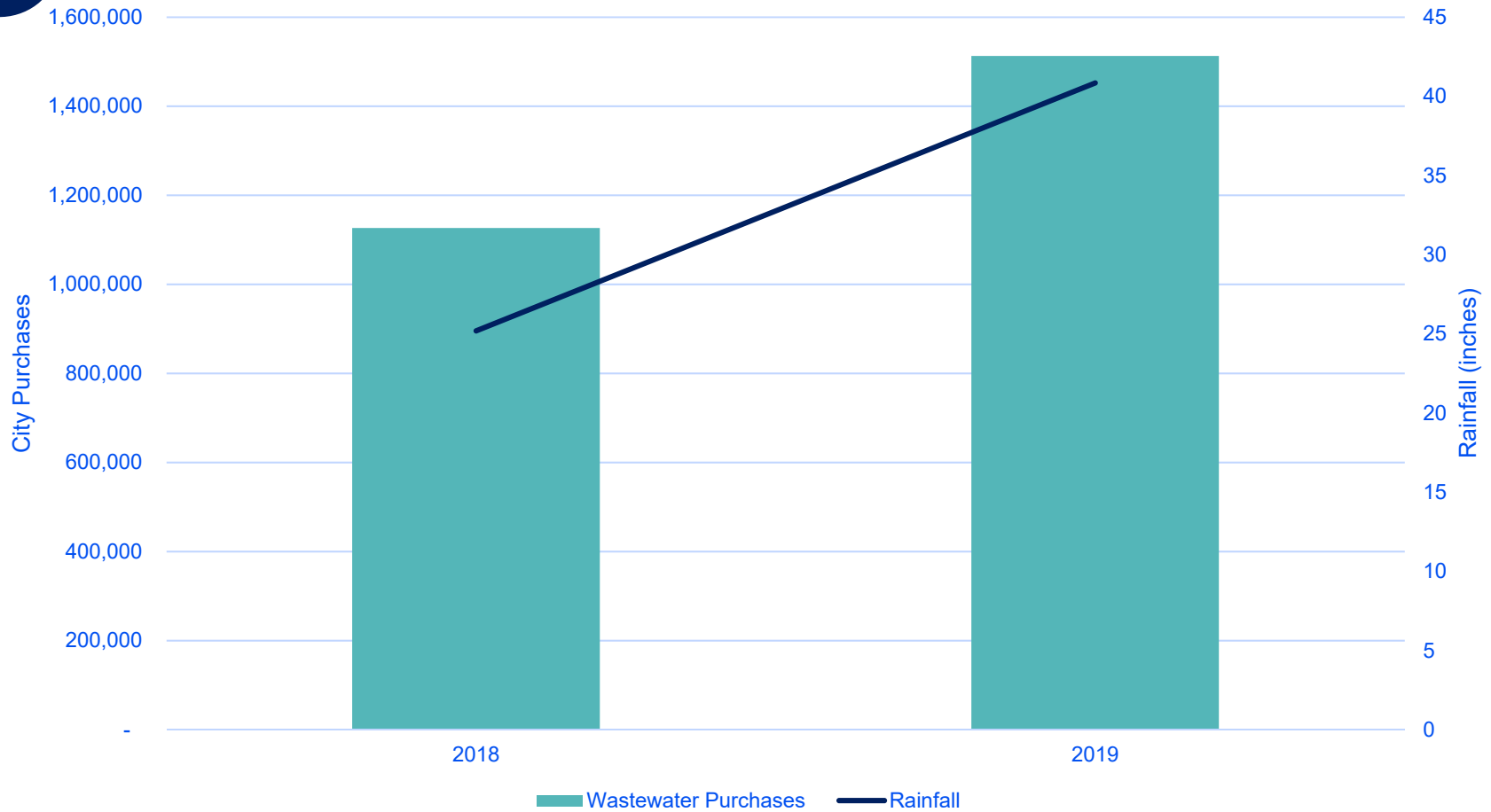
# WASTE WATER FUND REVENUES BY CATEGORY



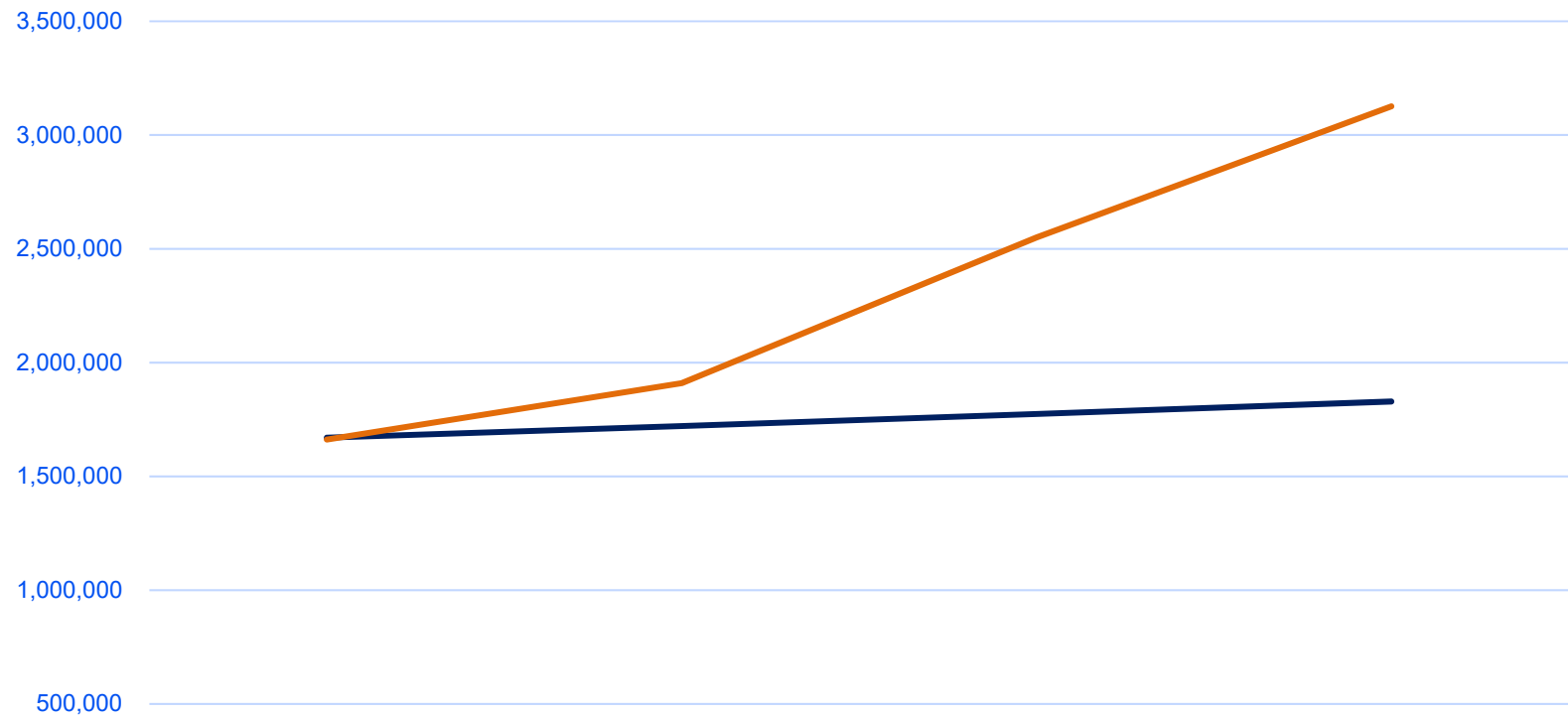
WASTEWATER REVENUE					
Revenue Category	Adopted Budget 2019	Revised Budget 2019	Proposed 2020	\$ Inc / (Dec) over PY	% Inc / (Dec) over PY
Taxes	-	-	-	-	0%
Licenses & Permits	-	-	-	-	0%
Intergovernmental	-	-	-	-	0%
Charges for Services	4,722,000	4,722,000	4,703,500	(18,500)	0%
Fines & Forfeitures	-	-	-	-	0%
Investment Earnings	-	-	-	-	0%
Miscellaneous Rev	1,000	1,000	1,000	-	0%
Other Financing Sources	-	-	-	-	0%
Transfers In	-	-	-	-	0%
	4,723,000	4,723,000	4,704,500	(18,500)	

Increased rainfall: City revenue ↓ City expenses ↑

# RAINFALL VS PURCHASES



# DWU & MESQUITE PURCHASES: RATE STUDY ESTIMATES VS ACTUALS



	2017	2018	2019	2020
— RATE STUDY	1,670,000	1,721,280	1,774,289	1,829,123
— ACTUALS	1,661,957	1,909,866	2,550,000	3,126,000

# SOLID WASTE FUND REVENUES BY CATEGORY



SOLID WASTE REVENUE					
Revenue Category	Adopted Budget 2019	Revised Budget 2019	Proposed 2020	\$ Inc / (Dec) over PY	% Inc / (Dec) over PY
Taxes	-	-	-	-	0%
Licenses & Permits	-	-	-	-	0%
Intergovernmental	-	-	-	-	0%
Charges for Services	3,125,000	3,125,000	3,206,000	81,000	3%
Fines & Forfeitures	-	-	-	-	0%
Investment Earnings	-	-	800	800	0%
Miscellaneous Rev	1,900	1,900	1,900	-	0%
Other Financing Sources	-	-	-	-	0%
Transfers In	-	-	-	-	0%
	3,126,900	3,126,900	3,208,700	81,800	

# BUDGET OPPORTUNITIES



- Grants
  - TxDOT: Safe Routes to School (\$1.7m)
  - Dallas County: 7<sup>th</sup> Call for Projects (\$2.8m)
  - NCTCOG: Transportation & Mobility
  - Internal grant department
- Economic Development Contributions
  - Park Projects
  - Bus Stop Shelters
  - Street Projects



# QUESTIONS