

# Proposed Budget Overview

Fiscal Year 2018

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BALCH SPRINGS

MAYOR & CITY COUNCIL

# TOPICS TO DISCUSS

1. General Fund Revenues
2. General Fund Expenditures
3. Utility Fund Revenues
4. Utility Fund Expenses
5. Economic Development

# Revenue Assumptions

## General Fund

- Property tax values increased 10%
- Property tax rate remains at \$0.803000
- Building permits will be at least the same
- Sales tax projected to increase by 2.9%

## Utility Fund

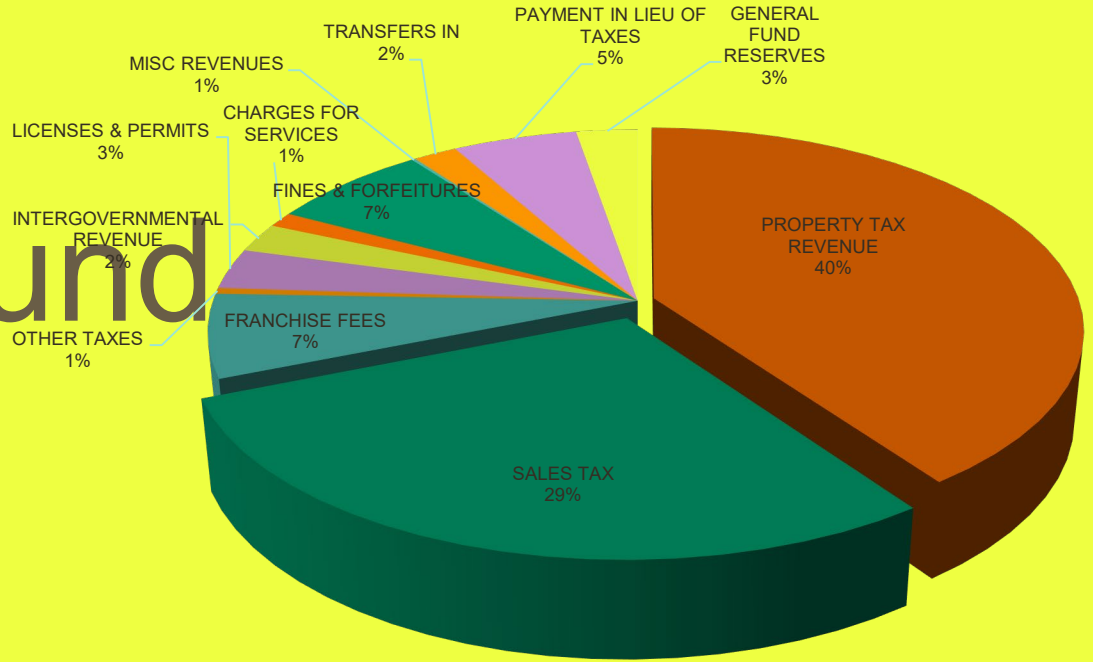
- Water sales expected to increase by 9%
- Wastewater sales expected to increase by 16%
- Solid waste sales projected to increase by 2%

# Expenditure Assumptions

- Health insurance costs increase by 7%
- No cost of living adjustment
- Meet & Confer salary increases – Police Officers 3%, two additional officers
- 5% salary increase for dispatchers
- General liability insurance projected increase of 23%
- North Texas Food Bank additional \$30k to budget
- General Fund Capital Expenditures of \$544,918, ONLY if receive grant; otherwise \$0
- Refinancing on Revenue Bonds Savings in Utility Fund
- Wholesale purchases increasing
- Reinvesting \$1.2 million in utility capital, up \$500k from previous year

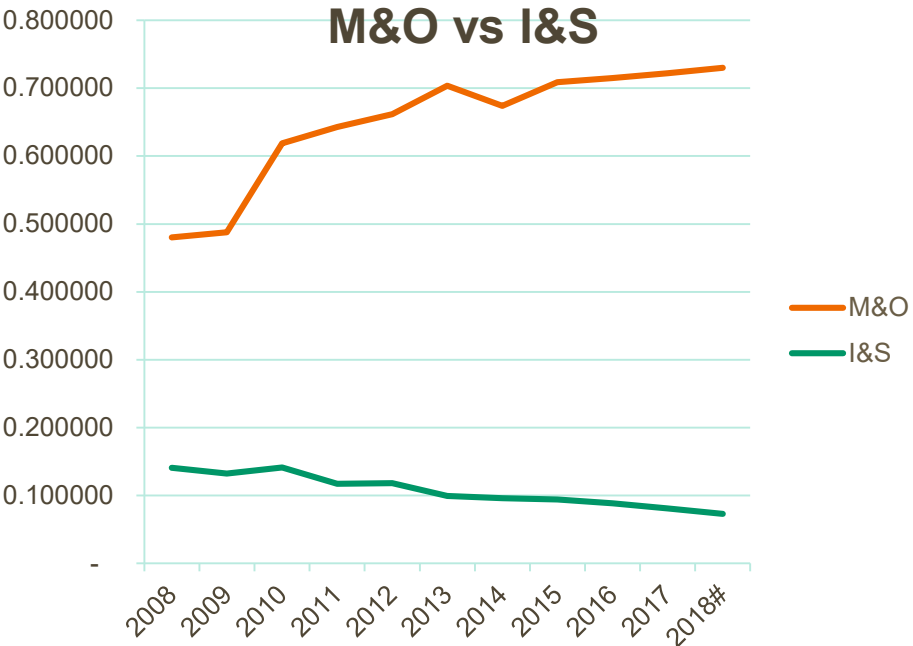
# General Fund Revenue

Total Budget of \$15,613,259



# Property Tax Rates

TAX YEAR	FISCAL YEAR	M&O	I&S	TOTAL
2007	2008	0.480304	0.140671	0.620975
2008	2009	0.487830	0.132170	0.620000
2009	2010	0.618953	0.141047	0.760000
2010	2011	0.642711	0.117289	0.760000
2011	2012	0.661888	0.118112	0.780000
2012	2013	0.703782	0.099218	0.803000
2013	2014	0.673923	0.096077	0.770000
2014	2015	0.708712	0.094288	0.803000
2015	2016	0.714768	0.088232	0.803000
2016	2017	0.722127	0.080873	0.803000
<b>2017</b>	<b>2018#</b>	<b>0.729905</b>	<b>0.073095</b>	<b>0.803000</b>
	<b># Proposed</b>		<b>Effective Tax Rate</b>	<b>0.751134</b>
			<b>Roll Back Rate</b>	<b>0.814098</b>



# Property Tax Levy



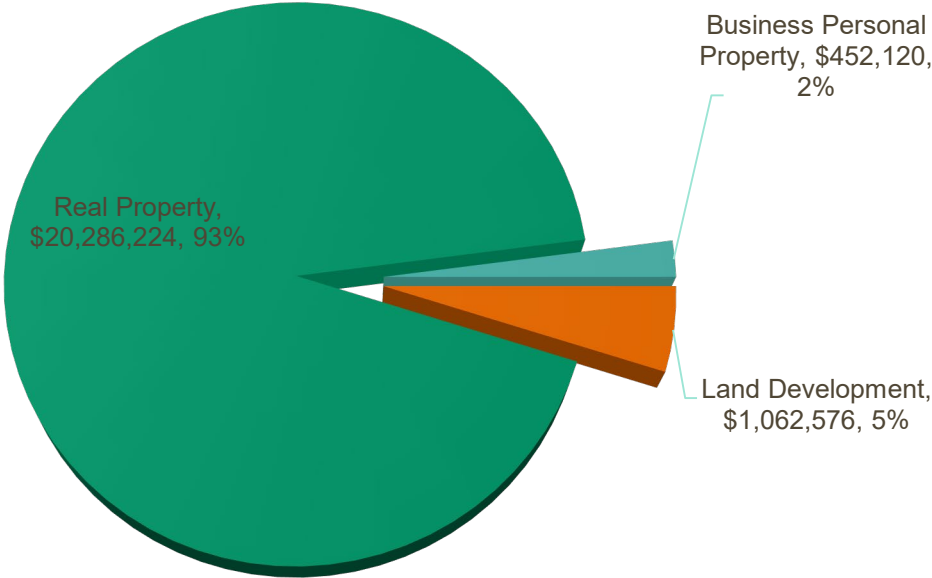
	<u>Avg home value</u>	<u>Avg Levy</u>
2016:	\$68,200	\$547.65 / year
2017:	\$77,721	\$624.10 / year

# New Construction

Residential: \$14,561,580

Commercial: \$7,239,340

Total: \$21,800,920\*



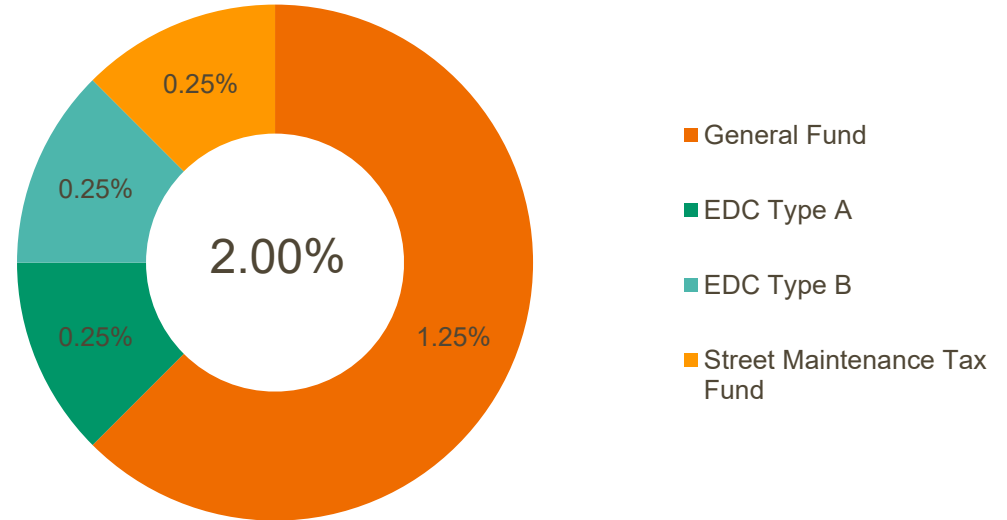
\*New construction in 2016 was \$13,400,827; Increase of 63% from prior year primarily due to KB Homes residential construction



# Sales Tax

Sales Tax 8.25%  
State Portion 6.25%  
**City Portion 2.00%**

## City Sales Tax Revenue Allocations

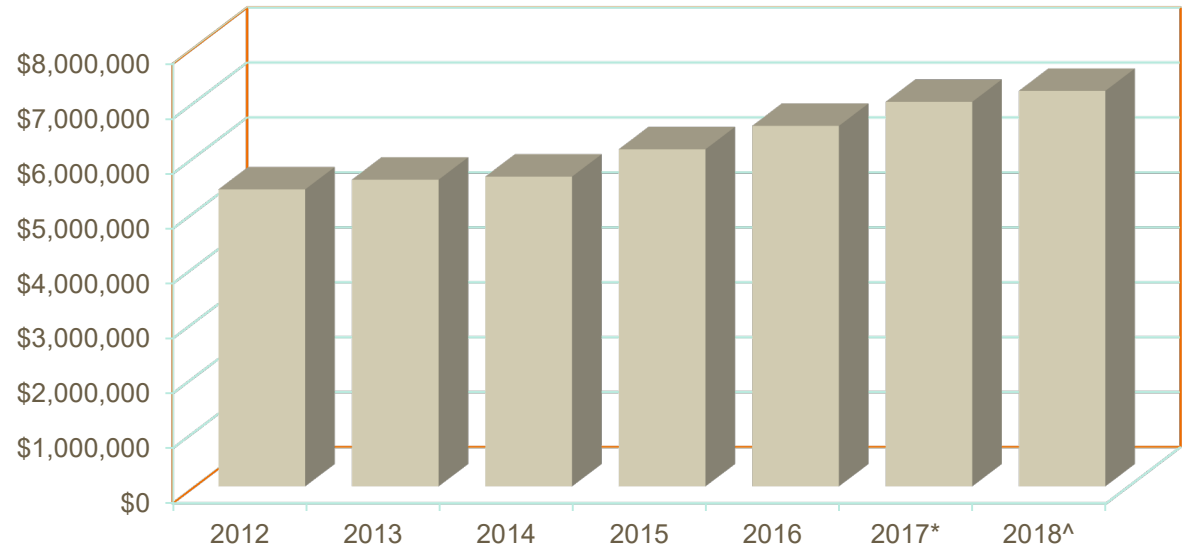


# Sales Tax History

Fiscal Year	Total Sales Tax Revenue	Change
2008	4,992,097	7.4%
2009	5,098,720	2.1%
2010	5,178,194	1.6%
2011	5,382,486	3.9%
2012	5,407,466	0.5%
2013	5,584,501	3.3%
2014	5,640,220	1.0%
2015	6,137,074	8.8%
2016	6,562,885	6.9%
2017*	7,000,000	6.7%
2018^	7,200,000	2.9%

\* Estimated

^ Budgeted

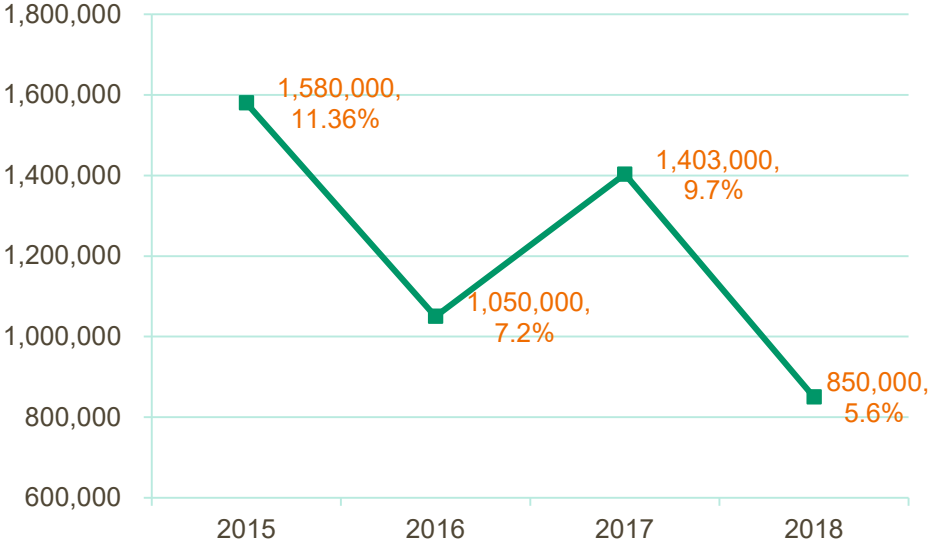


Note: includes General Fund,  
Type A EDC, Type B CDC, and  
Street Maintenance Sales Tax.

^ Budgeting a 2.9% increase of the estimated sales tax revenue in 2017

# Payment in Lieu of Taxes from Utility Fund

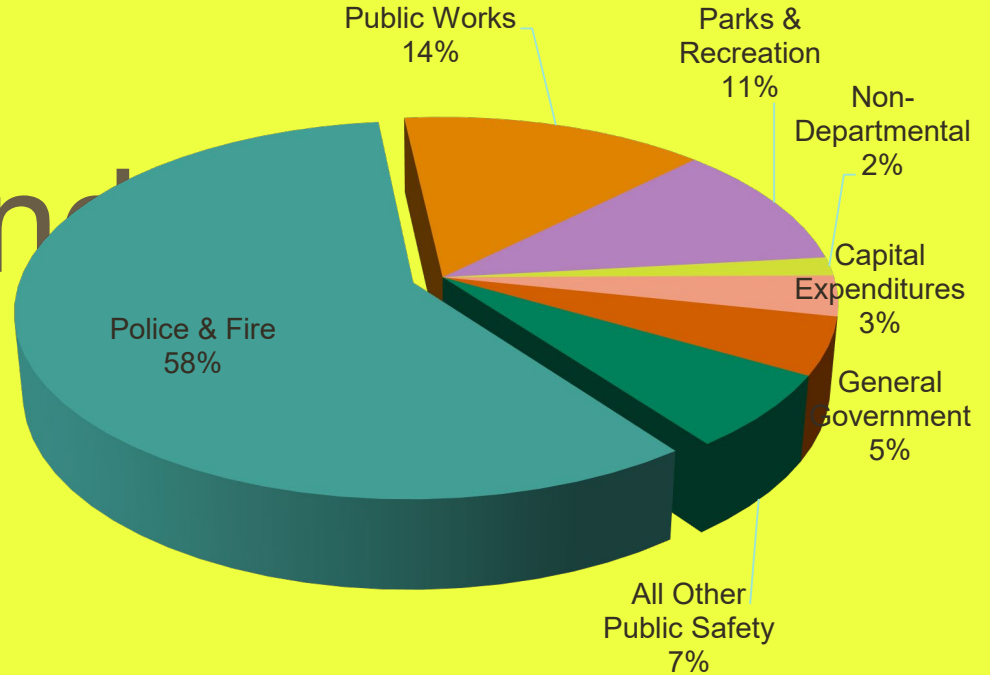
- 2015           \$1,580,000
- 2016           \$1,050,000
- 2017           \$1,403,000
- 2018\*          \$ 850,000



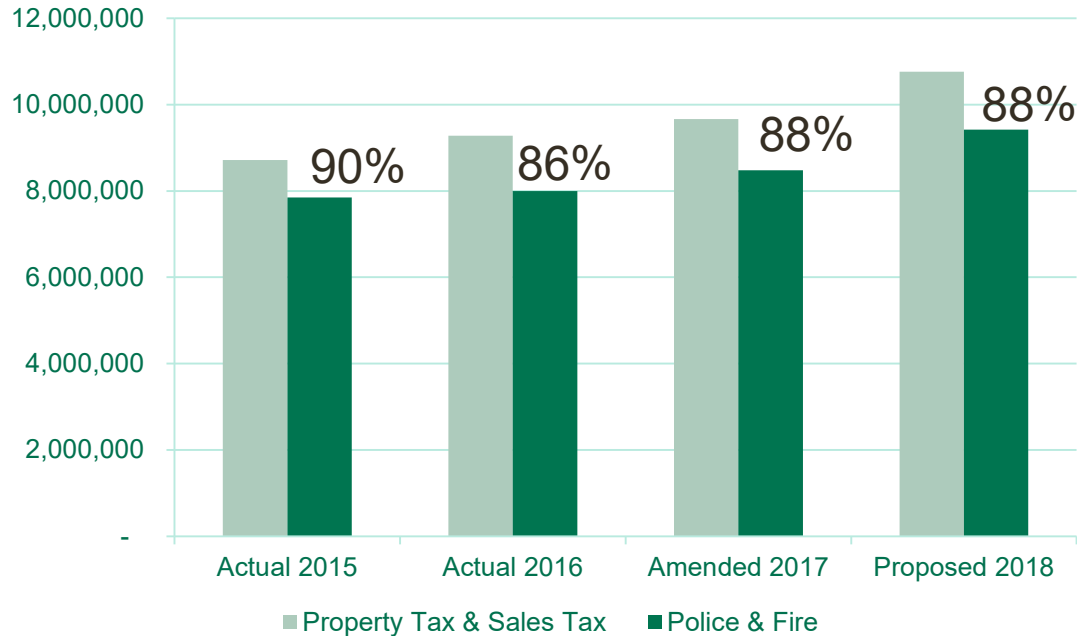
\*5.6% of General Fund Revenues (it is normal to transfer about 7% of general fund revenues)

# General Fund Expenditures

Total Budget of \$15,613,259



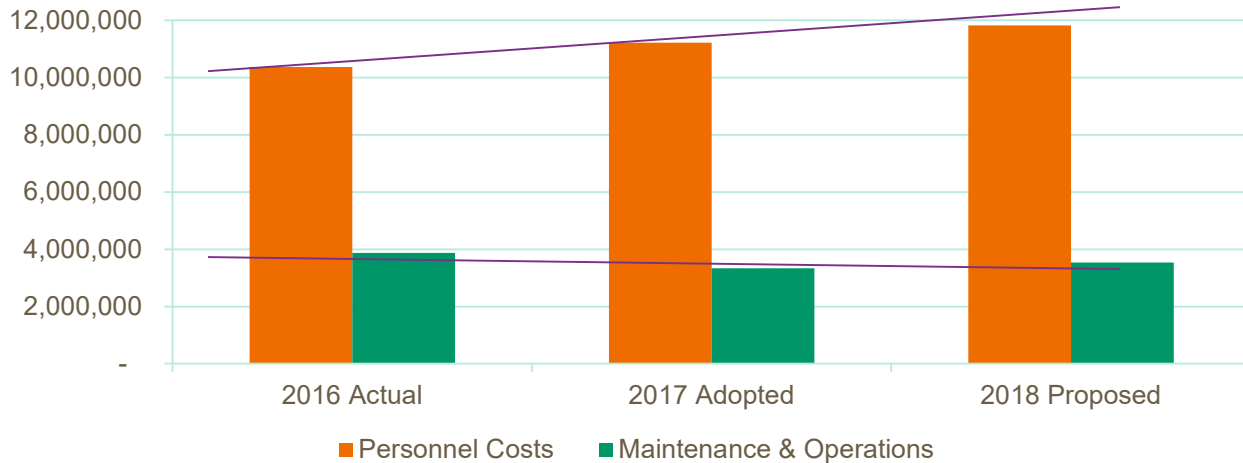
# Comparison of Property & Sales Tax Revenue Police and Fire Expenditures



# Expenditure Type Comparisons

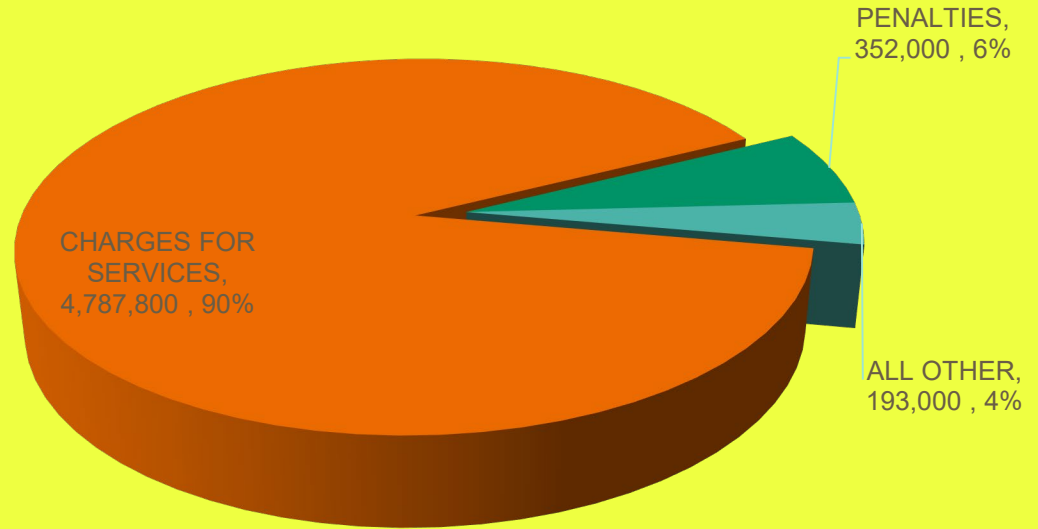
**Personnel Costs** increasing by an average rate of 7% since 2016

**Maintenance & Operations** decreasing by an average rate of 0.4%



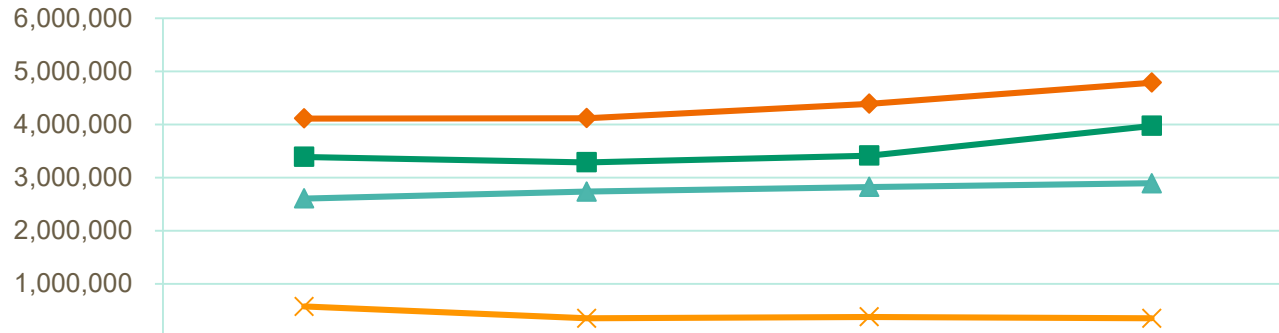
# Utility Fund Revenue

Total Budget of \$12,205,700



# Charges for Services

Remained relatively flat for the past three years. Projected to increase due to rise in water and sewer rates that began in June 2017.

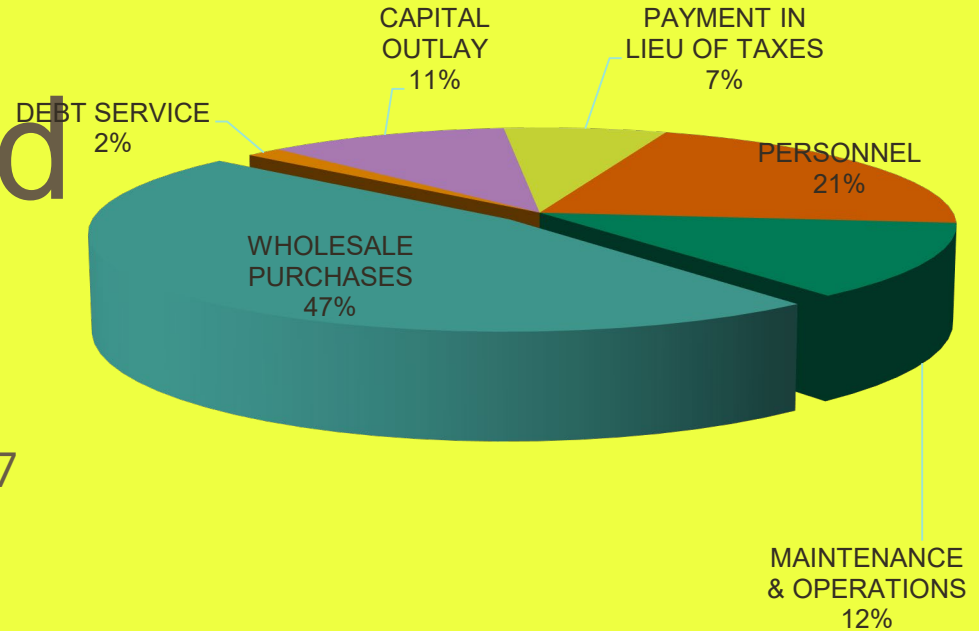


	2015 Actual	2016 Actual	2017 Estimated	2018 Proposed
◆ WATER SALES	4,115,024	4,118,838	4,391,800	4,787,800
■ SEWER SALES	3,391,663	3,289,987	3,415,000	3,975,000
▲ SOLID WASTE SALES	2,608,141	2,738,908	2,825,000	2,895,000
× PENALTY FEES	574,105	351,136	378,000	352,000



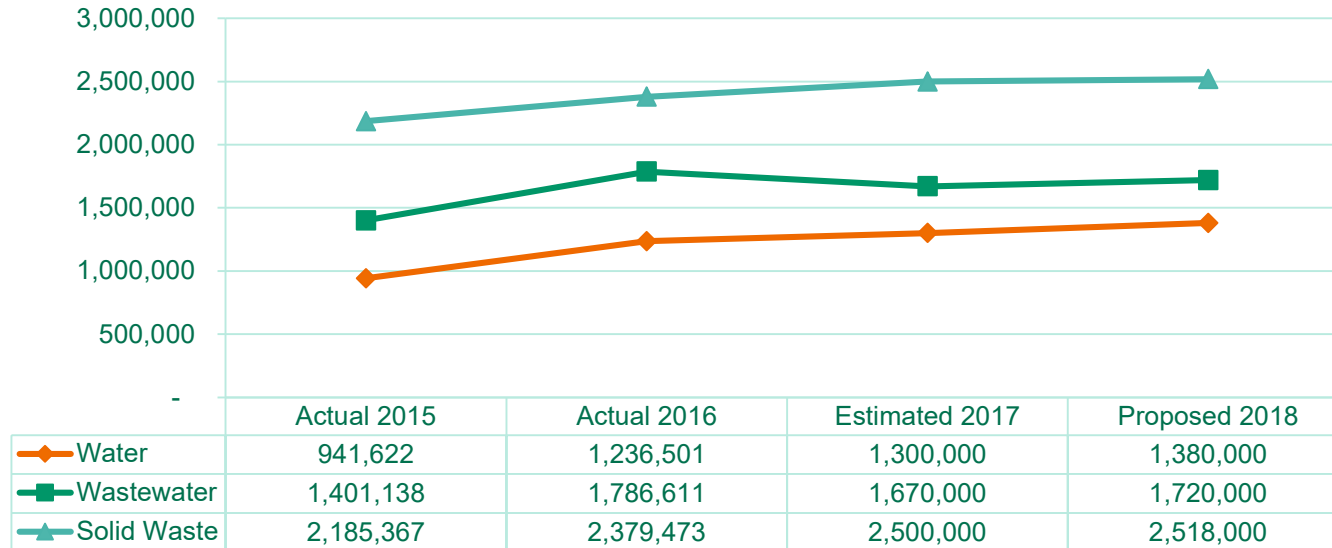
# Utility Fund Expenses

Total Budget of \$11,943,037



# Wholesale Purchases

- Dallas Water Utilities – increase rates every year
- CWD market rate adjustment

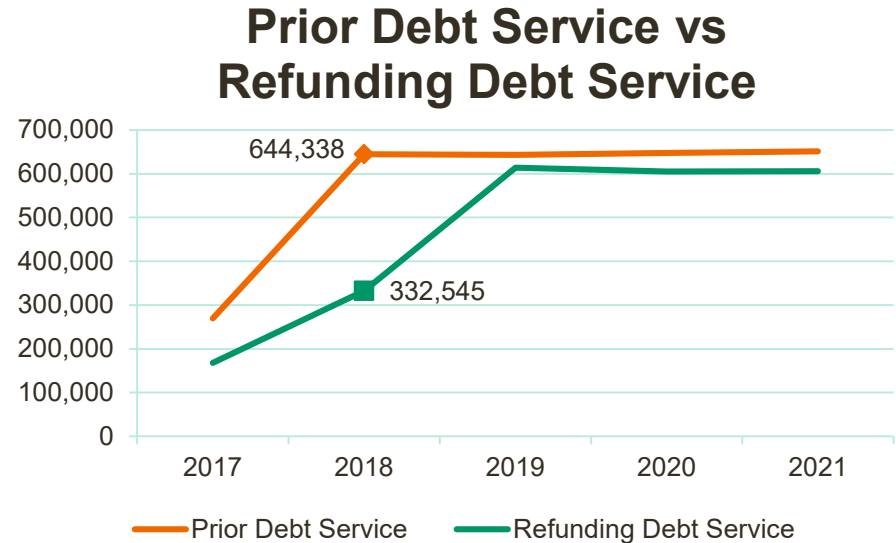
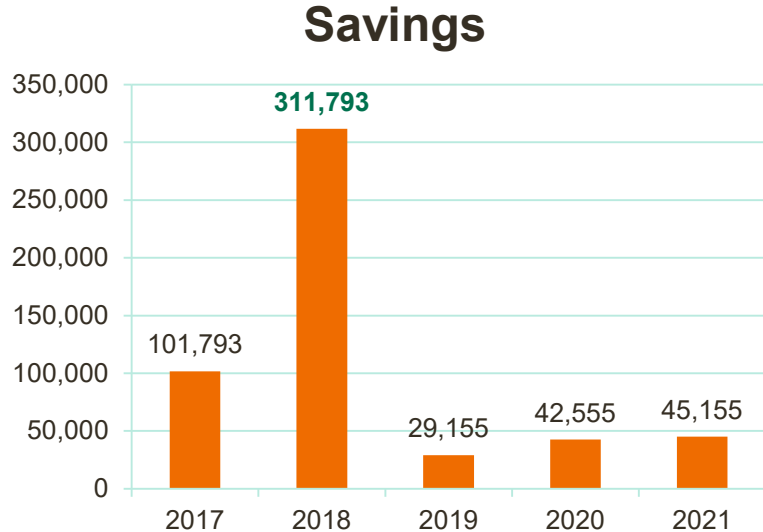


# Utility Debt Service

- WW&SS Revenue Refunding Bonds, Series 2011 - Non-callable
  - matures in FY 2021
  - \$610,000 principal & \$34,200 interest
- Combination Tax and Surplus Revenue Refunding Bonds, Series 2016 - Callable on 09/1/2026
  - matures in FY 2031
  - \$6,795,000 principal & \$1,291,426 interest

# Savings on Combo Tax & Surplus Revenue Refunding Bonds, Se

- Realize a savings of **\$311,793** in FY 2018



Total savings over life of bond (FY 2031) is \$861,648

# Economic Development

# Sales Tax Revenue Bonds

- 2011 Sales Tax Revenue Bonds
  - Issued to build the Library & Learning Center
  - Final Payment
- BS IEDC Sales Tax Revenue Bonds, Series 2015 – Callable Anytime
- BS IEDC Sales Tax Revenue Bonds, Series 2016 – 5 Year Call Option
- Total Debt Service for 2018: \$451,452

# Projects Funded through Series 2015 Bond

- Alexander Village
- Ground-breaking coming soon

Denny's



Fuzzy's

# Projects Funded through Series 2016 Bond

- Beltline Place – Mixed use development
  - Multi-family Senior Living Facility
  - Commercial Retail: Targeting YMCA, Starbucks, Medical Facility



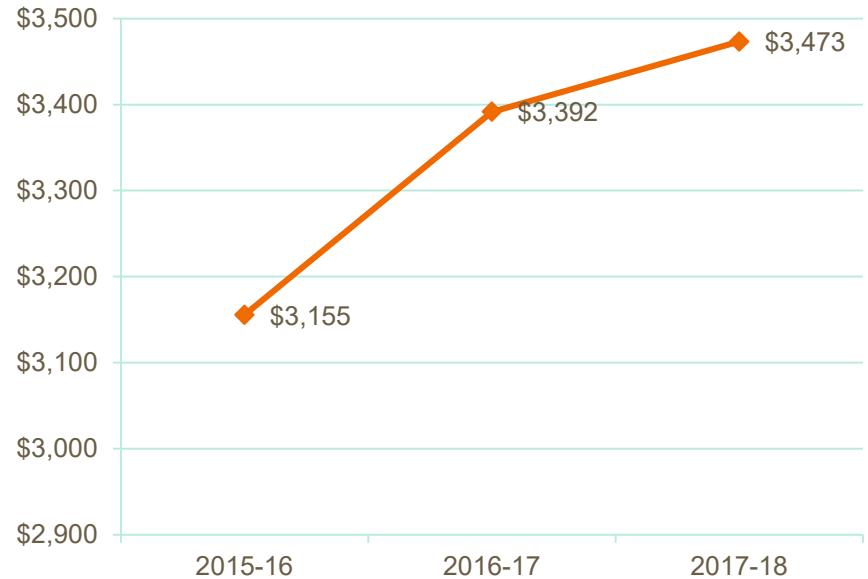
# Projects Funded through Invested Funds

- Hickory Tree Road Extension
  - Road completed
  - Payout remainder of project (about 20%)

# Performance Indicator

- The average Balch Springs citizen is projected to spend \$3,473 of taxable sales
- Trend will continue to rise as new businesses enter into Balch Springs and consumers spend more

## Taxable Sales per Capita



# Questions?