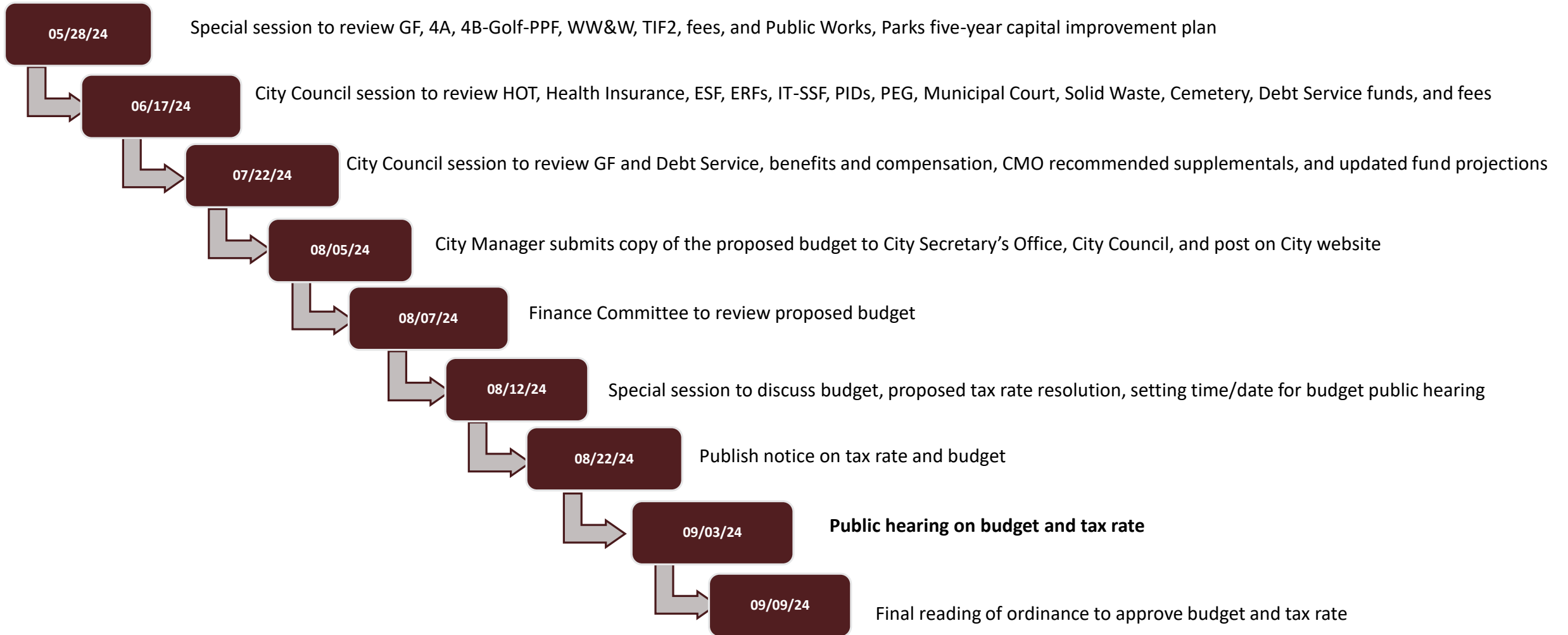




Proposed Budget FY 2024-2025 Tax Rate and Related Ordinances

PRESENTED TO THE CITY COUNCIL ON SEPTEMBER 3, 2024

Transparent Budget Process

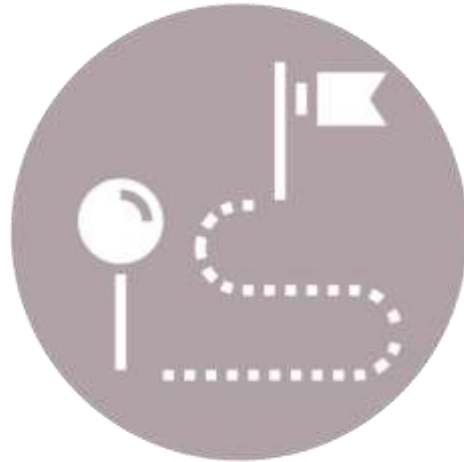


Strategic Focus Areas

Proposed Budget is designed to accomplish the goals outlined in the City's Strategic Plan. The Plan is organized in **four Strategic Focus Areas** as selected by city council during their planning fall/winter retreat.



High Performing City Organization
Providing Exceptional,
People Focused Services



Dynamic & Preferred City
through Managed Growth



**Beautiful, Safe &
Vibrant Community**



Great Place to Live
through Expanded Quality of Life Amenities

- Serves as a roadmap for achieving our long-term goals and objectives.
- Includes specific action plan items that are tied to the budget.
- Council will be asked to formally approve the updated strategic plan, based upon direction from the City Council Retreat, on September 9, 2024, along with the final reading of the ordinances adopting the budget and tax rate.

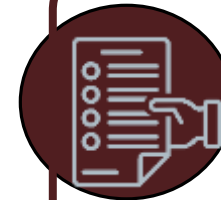
Key Budget Areas



Strong fund balance
for all funds



Resiliency and flexibility
to economic impacts



Focused on
departmental
enhancements



Conservative revenue
estimates



Five-Year financial
projections



Efficient and effective
operations

City Budget Survey Results

*309 responded with their top 3 priorities

2024 Top Three Priorities

- Streets & Traffic Control
- Police
- Fire

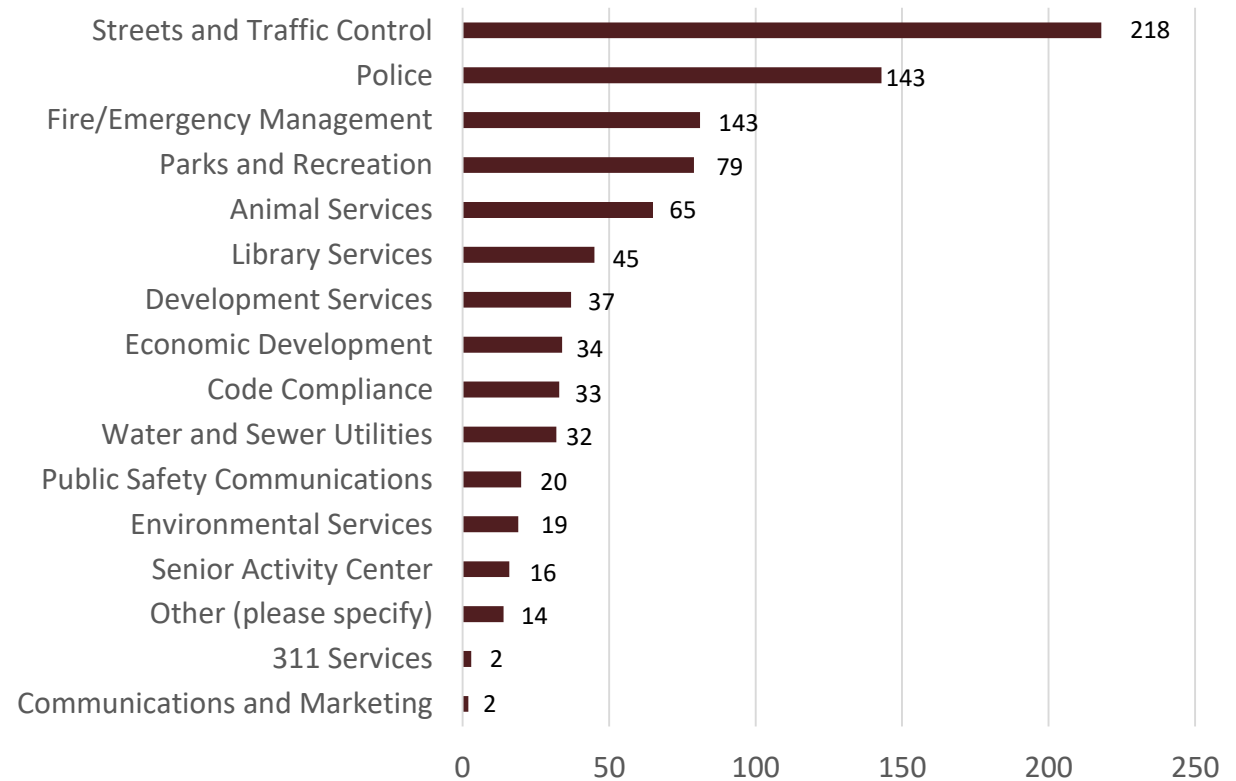
2023 Top Three Priorities

- Streets & Traffic Control
- Police
- Parks and Recreation

Survey Demographics

- 94.4% Burleson Residents
- 13.1% Work in or near Burleson
- 5.3% Business Owner

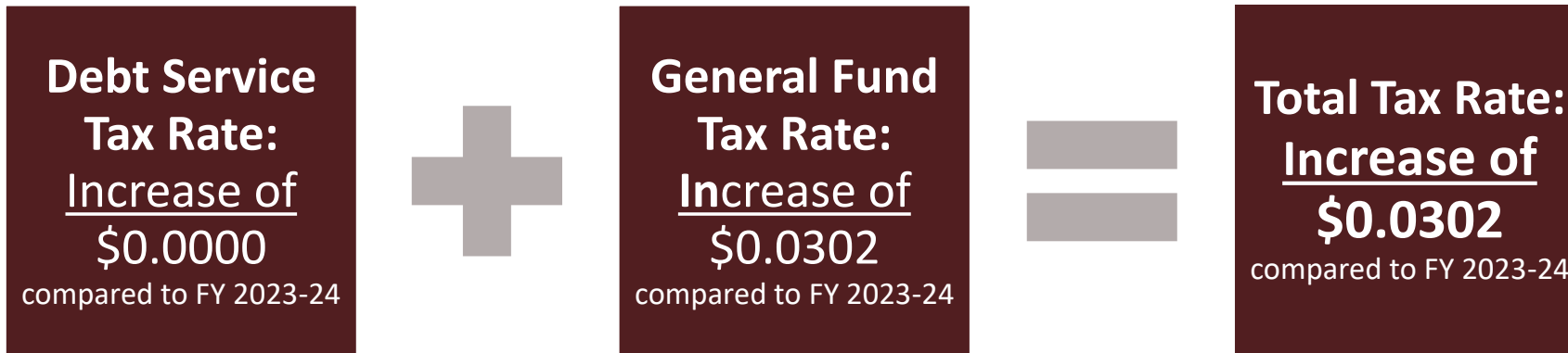
Departmental Priority Ranking



Property Tax Facts

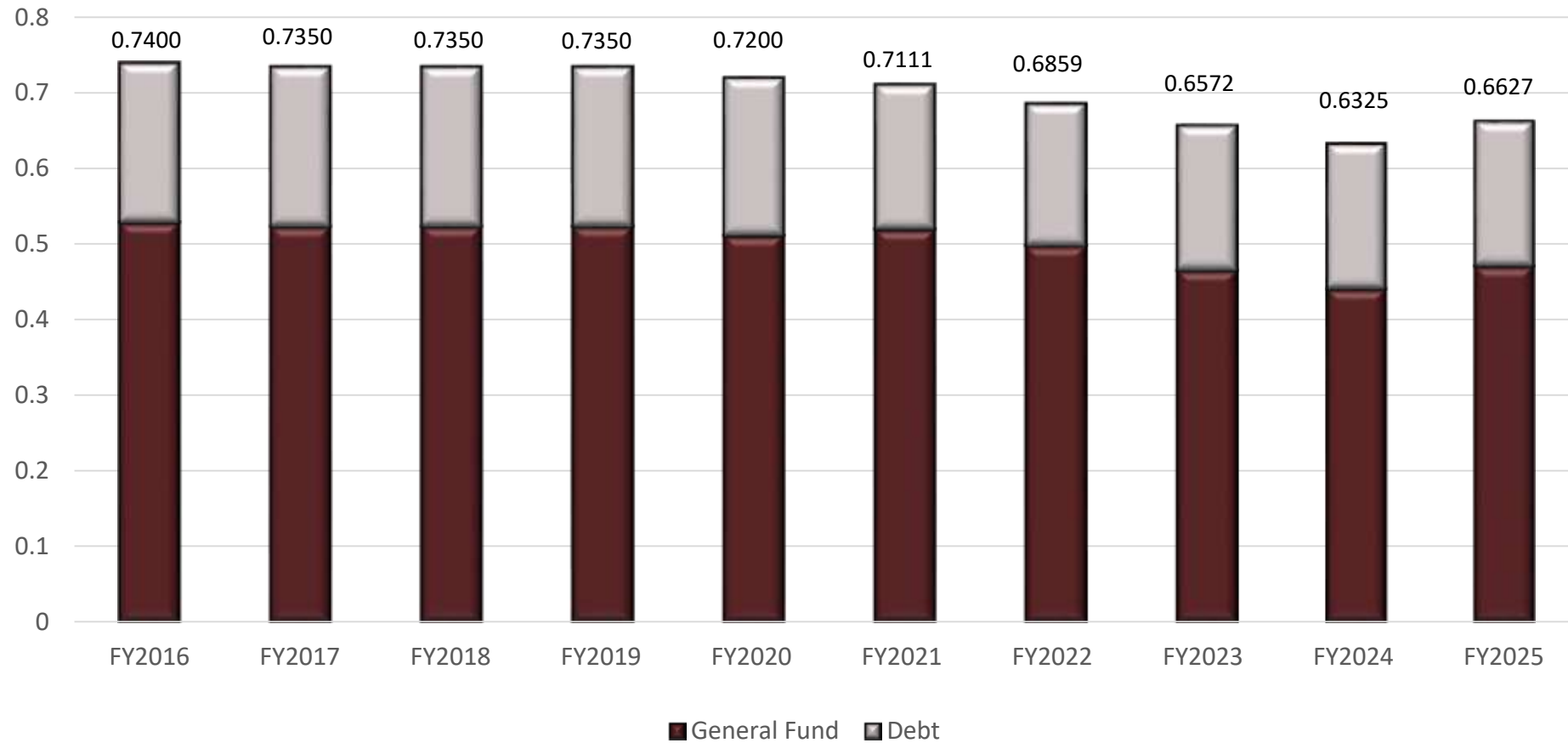
Assessed Value Increases

- FY 2025: Includes 2.25% growth of existing properties and 3.69% new improvements
- FY 2026: Assumes an additional 2% homestead exemption

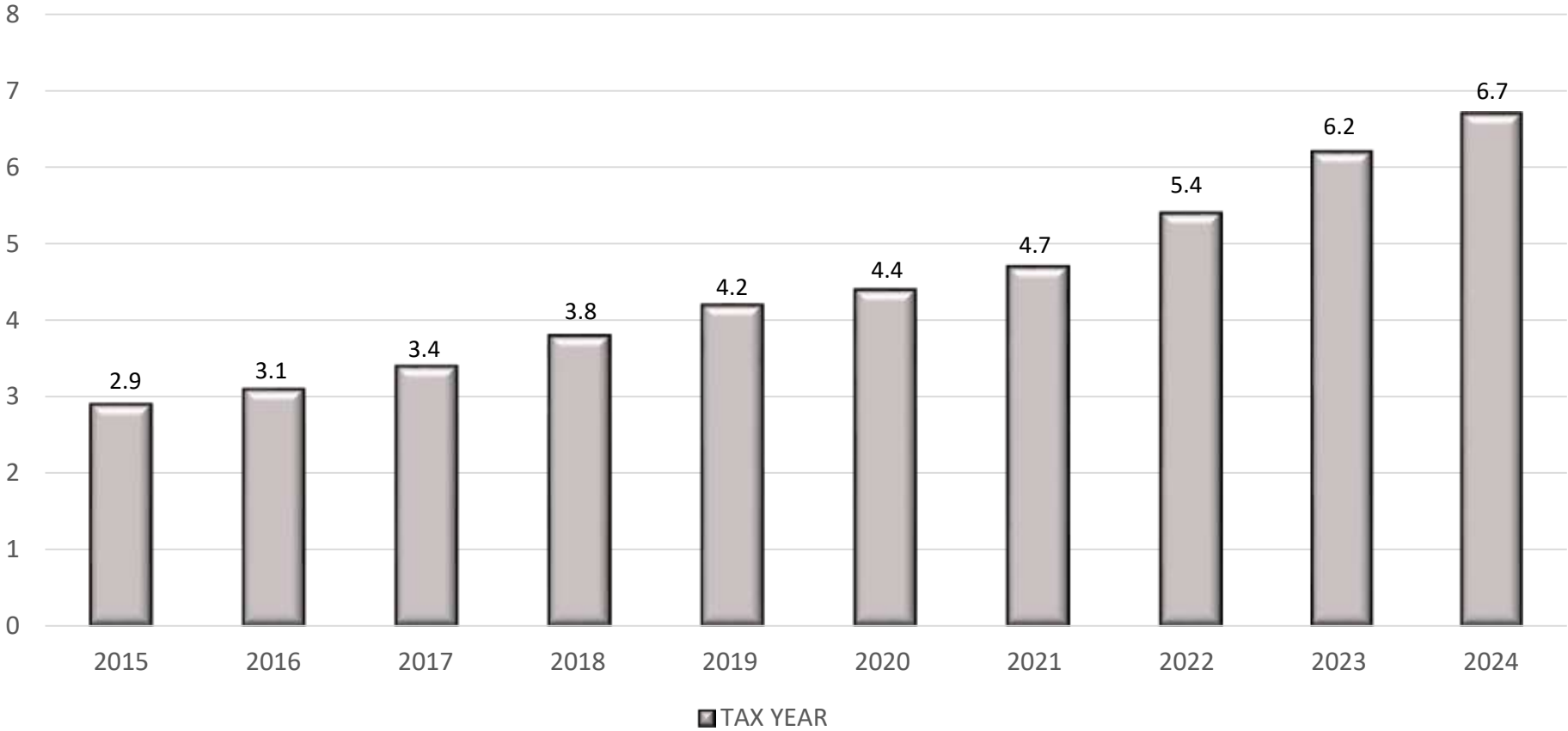


Property Tax Facts

Tax Rate History



Certified + Protest Value History (In Billions)



Average Home Value

| Fiscal Year | Average Home Value | Tax Rate | Tax Levy | Homestead | Net Tax Bill |
|----------------|--------------------|----------|------------|-----------|--------------|
| FY 2024 | \$282,966 | \$0.6325 | \$1,789.76 | (\$35.79) | \$1,753.97 |
| FY 2025 | \$299,889 | \$0.6627 | \$1,987.36 | (\$59.64) | \$1,927.72 |
| Net Difference | \$16,923 | \$0.0302 | \$197.60 | (\$23.85) | \$173.75 |

- Monthly net tax bill increase of \$14.48 per month.
- Johnson County average home value: \$299,889

Homestead Exemption History

- On August 5, 2024, the city manager filed the proposed annual budget for Fiscal Year 2024-2025. On that same day, the city manager delivered a copy of the proposed budget to the city council.
- As part of the FY2021-2022 budget process, the city council approved a 1% residential homestead exemption to be effective for Tax Year 2022 (FY2022-2023). This was the first residential homestead exemption in the history of the City of Burleson. As part of the 5-year projections, City staff projected a 1% increase in each of the following years.
- As part of the FY2022-2023 budget process, the city council approved a 1% increase to the residential homestead exemption, for a total of 2%, to be effective for Tax Year 2023.
- As part of the FY2023-2024 budget process, the city council approved a 1% increase to the residential homestead exemption, for a total of 3%, to be effective for Tax Year 2024.
- City Council must adopt a homestead exemption before July 1st of the tax year the exemption is effective. A homestead exemption for Tax Year 2025 (FY2025-2026) must be approved by the Council prior to July 1, 2025.
- Staff was scheduled to present a proposed ordinance that would increase the residential homestead exemption by another 1%, for a total of 4%, effective for Tax Year 2025 (FY2025-2026).
- At the August 12, 2024, City Council meeting, staff received direction to prepare a proposed ordinance increasing the homestead exemption to 5%, to be effective for Tax Year 2025 (FY 2025/2026) instead of the 4%.

Total Homestead Exemption Revenue Impact

| Year | Taxable Value | Taxable Value Increase | Total Revenue Loss |
|--------|----------------|------------------------|--------------------|
| 2023 | \$ 51,845,948 | | \$ 340,732 |
| 2024 | \$ 66,525,723 | \$ 14,679,775 | \$ 420,775 |
| 2025 | \$ 106,660,676 | \$ 40,134,953 | \$ 706,840 |
| 2026* | \$ 146,795,629 | \$ 40,134,953 | \$ 972,815 |
| 2026** | \$ 186,930,582 | \$ 80,269,906 | \$ 1,238,789 |

* Homestead 4%

** Homestead 5%

FY24-25 Proposed Fees

Solicitation Permit Fees

Solicitation Permit Fees

- Issued by the police department
 - Burleson records check for local arrests
 - Check for outstanding warrants
 - Background check through DPS
 - Permit is valid for one year from date of issuance
- Do not issue permit when:
 - Convicted of a felony, misdemeanor, or any sex offense, narcotic trafficking, or any violent acts against person or property in the previous five years from date of application
- Burleson costs
 - \$75 for the first five permits from the same company
 - \$10 for each additional, from the same company
 - Issued **AFTER** they pass the checks and permit is issued

Proposed General Fund Fees

| Cities | Permit Fee | Subsequent Permit Fee |
|----------------------|-------------------|------------------------------|
| Benbrook | \$100 | \$100 |
| Burleson (Current)* | \$75 | \$10 |
| Burleson (Proposed) | \$100 | \$100 |
| Cleburne** | \$50 | \$10 |
| Grand Prairie | \$50 | \$0 |
| Haltom City | \$100 | \$100 |
| Hurst | \$50 | \$0 |
| Mansfield | \$100 | \$100 |
| North Richland Hills | \$100 | \$100 |

* \$10 after 5th Permit

** \$10 after 1st Permit

Credit/Debit Card Fees

Implementation Time Line

August 2024

- City Council amended contracts with Credit Card Processors Paymentus and Tyler.
- City began communicating changes to customers on the changes and free payment options.

September 2024

- **Adopt Ordinance authorizing the City to charge credit card fees directly to customers.**
- Credit Card Processors complete software configuration to charges fees directly to customers.

October 2024

- Customers will be charged for credit card fees starting October 1, 2024.

Paymentus Contract Amendment – New Rates

| Department | Payment Type | Current Rate (City Pays) | New Rate (Customer Pays) |
|---|--------------------|--|---|
| Utility Customer Service | Credit Card Fees | \$2.13 per transaction or 2.95% for non-qualified credit cards | \$3.50 per transaction across the board |
| Development Services | Credit Card Fees | 2.75% | 3.25% |
| Development Services & Utility Customer Service | E-Check | \$.60 per transaction | |
| Development Services & Utility Customer Service | IVR (Pay by Phone) | - | - |

Notes:

- Per the contract amendment, Paymentus will increase their fees for passing credit card fees directly to customers.
- Paymentus does not charge any additional fees for IVR.
- The City will continue to pay the cost for E-Check fees through Paymentus at the rate of \$.60 per transaction.

Tyler Technologies Amendment – New Rates

| Department | Payment Type | Current Rates (City Pays) | New Rates (Customer Pays) |
|--------------------------|--------------------|---|---|
| Utility Customer Service | Credit Card Fees | 2.5%. Plus \$.50 per transaction | 3.75%, or a minimum of \$2.50 per transaction |
| Utility Customer Service | E-Check | \$1.95 per transaction | |
| Utility Customer Service | IVR (Pay by Phone) | Additional \$.50 per transaction on top of e-Check fees | |
| Municipal Court | Credit Card Fees | 2.5-3% | 5%, or a minimum of \$2.50 per transaction |

Notes:

- Per the contract amendment, Tyler Cashiering will increase their fees for passing credit cards fees directly to customers.
- Tyler Cashiering will charge a \$.50 per transaction fee for IVR (Payment by Phone) in addition to applicable credit card fees.
- The City will continue to pay the cost for E-Check fees through Tyler Cashiering at the rate of \$1.95 per transaction.
- E-check is not available on the Municipal Court software module.

Water & Wastewater Fees

FY24-25 Residential Fees

Residential Monthly Charges – ¾" Meter

5,000 Water & 5,000 Wastewater Consumption

| Current | Proposed | Monthly Increase | Annual Increase |
|---------|----------|------------------|-----------------|
| \$87.66 | \$92.85 | \$5.19 | \$62.28 |

10,000 Water & 5,000 Wastewater Consumption (Average Residential Consumption)

| Current | Proposed | Monthly Increase | Annual Increase |
|----------|----------|------------------|-----------------|
| \$112.16 | \$119.07 | \$6.91 | \$82.92 |

30,000 Water & 5,000 Wastewater Consumption

| Current | Proposed | Monthly Increase | Annual Increase |
|----------|----------|------------------|-----------------|
| \$237.06 | \$252.71 | \$15.65 | \$187.80 |

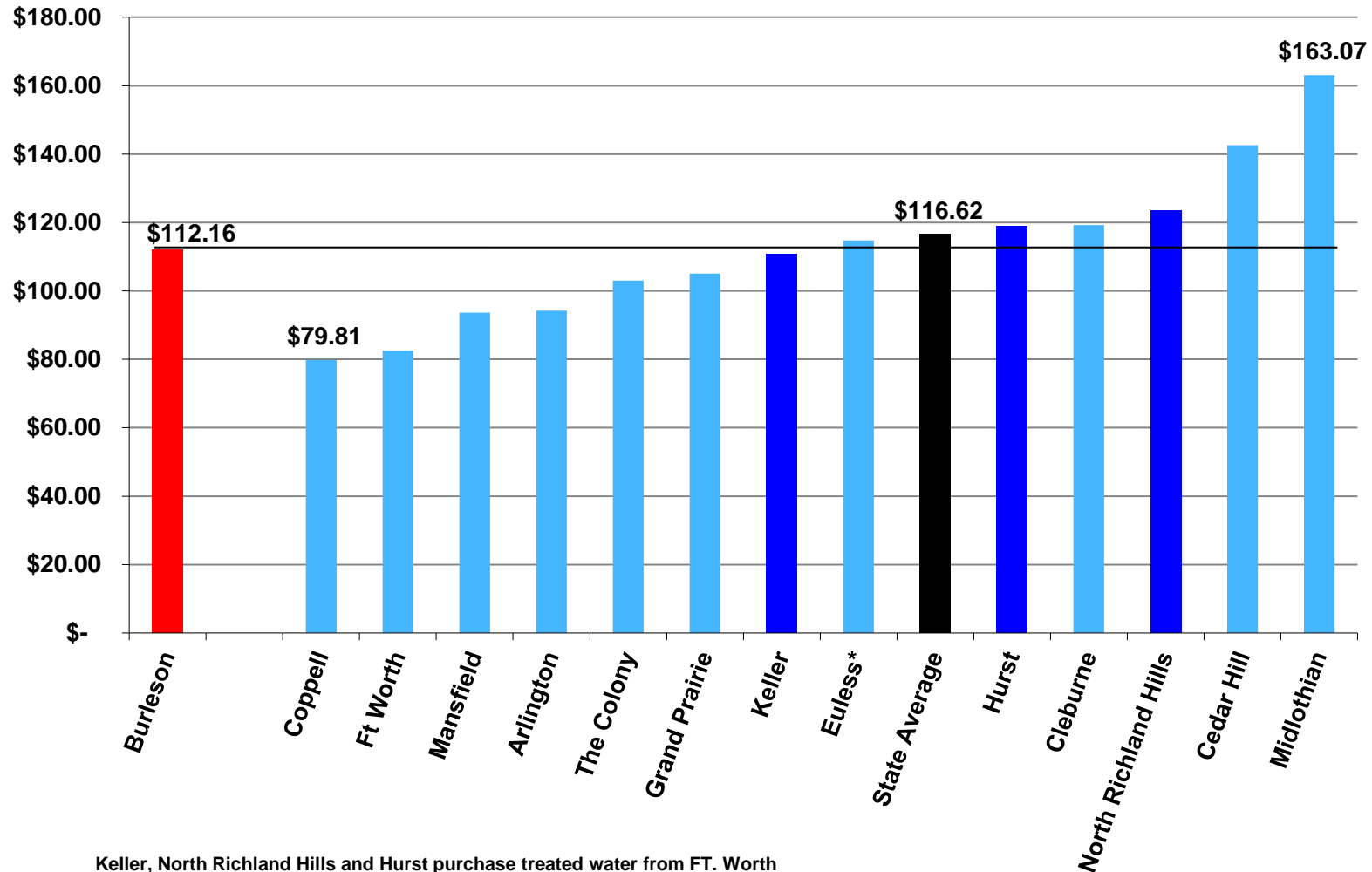
FY24-25 Commercial Fees

Commercial Monthly Charges – 2” Meter

40,000 Water & 40,000 Wastewater Consumption

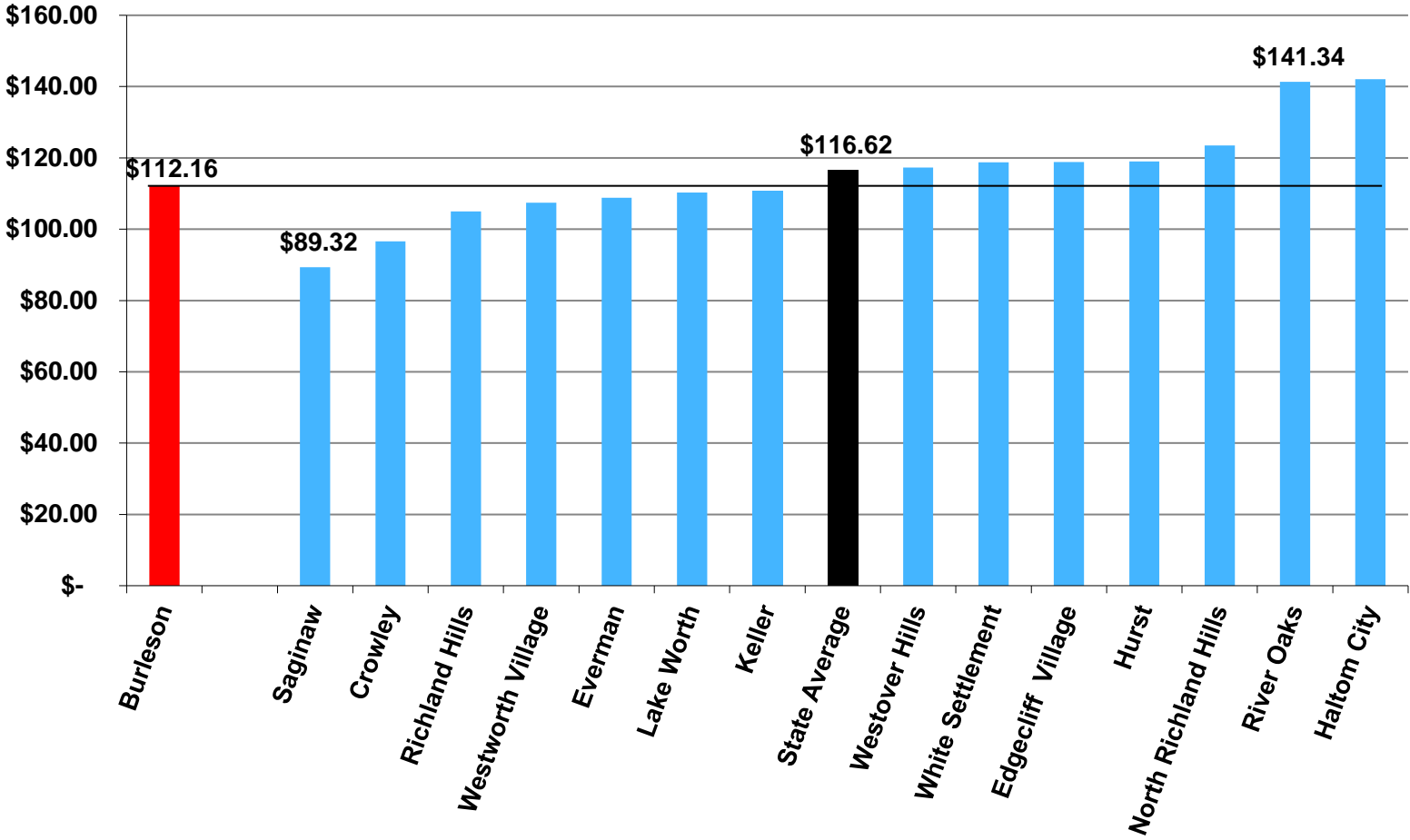
| Current | Proposed | Monthly Increase | Annual Increase |
|----------|----------|------------------|-----------------|
| \$542.58 | \$575.78 | \$33.20 | \$398.40 |

Monthly Residential Charge Comparison 10,000 Gal W, 5,000 Gal WW



Keller, North Richland Hills and Hurst purchase treated water from FT. Worth

Monthly Residential Bill Comparison Fort Worth Wholesale Customers



Note: Keller purchases water only from Ft. Worth

Solid Waste Fees

Burleson Solid Waste Residential Rate Detail

| Type | FY 2023-24 | FY 2024-25 |
|--------------------|----------------|----------------|
| Waste Collection | \$16.20 | \$17.28 |
| Recycling | \$3.00 | \$3.21 |
| Admin and Overhead | \$1.10 | \$1.10 |
| Litter Abatement | - | \$1.00 |
| Franchise Fee | \$1.54 | \$1.64 |
| Total | \$21.84 | \$24.23 |

Burleson Solid Waste Non-Residential Rate Detail

Small Collections

| Type | FY 2023-24 | FY 2024-25 |
|--------------------|----------------|----------------|
| Waste Collection | \$23.43 | \$27.22 |
| Admin and Overhead | \$1.10 | \$1.10 |
| Litter Abatement | - | \$1.00 |
| Franchise Fee | \$1.87 | \$2.18 |
| Total | \$26.40 | \$31.50 |

Burleson Solid Waste Non-Residential Rate Detail

Large Collections

| Type | FY 2023-24 | FY 2024-25 |
|--------------------|----------------|----------------|
| Waste Collection | \$35.58 | \$41.32 |
| Admin and Overhead | \$1.10 | \$1.10 |
| Litter Abatement | - | \$1.00 |
| Franchise Fee | \$2.83 | \$3.31 |
| Total | \$39.51 | \$46.73 |

Solid Waste Rates Comparison Cities

| | Arlington | Burleson | Cedar Hill | Cleburne | Coppell | Eules | Fort Worth | Grand Prairie | Hurst | Keller | Mansfield | NRH | The Colony |
|-----------------------|---------------------|----------------------------|---------------------|------------------------------|-----------------------------------|---------------------|--|---------------|--------------|---------------------|--------------|---------------------|-------------|
| Rates | \$19.19 | \$24.23 | \$18.24 | \$16.80 | \$19.33, plus \$.10 education fee | \$25.43 | \$12.50 - 32 gal \$17.50 – 64 gal \$22.75 – 96 gal | \$17.07 | \$9.68 | \$18.62 | \$12.28 | \$19.39 | \$16.29 |
| Frequency | Once weekly | Twice Weekly | Once weekly | Once Weekly | Twice Weekly | Twice Weekly | Once Weekly | Twice Weekly | Twice Weekly | Twice Weekly | Twice Weekly | Twice Weekly | Once Weekly |
| Carts/Bags | Cart Only | Either | Cart Only | Cart Only | Either | Either | Cart Only | Bags | Either | Either | Either | Either | Cart Only |
| Recycling Rate | Included with Trash | Included with Trash | Included with Trash | Optional Third Party Service | Included with Trash | Included with Trash | Included with Trash | \$2.00 | \$4.78 | Included with Trash | \$5.50 | Included with Trash | \$6.32 |

Notes:

All rates are based on a per month basis.

Chart is for residential collection only.

Hidden Creek Green Fees

Green Fee and Range Balls

| DESCRIPTION | CURRENT RATE | PROPOSED RATE | INCREASE |
|---|--------------|---------------|----------|
| Weekend Green Fee | \$ 37.00 | \$ 40.00 | \$ 3.00 |
| Weekday Green Fee | \$ 31.00 | \$ 32.00 | \$ 1.00 |
| Senior Green Fee | \$ 22.00 | \$ 24.00 | \$ 2.00 |
| Creek Senior Green Fee (Cart Inclusive) | \$ 21.00 | \$ 23.00 | \$ 2.00 |
| Range Ball (Large) | \$ 8.00 | \$ 10.00 | \$ 2.00 |
| Range Ball (Small) | \$ 4.00 | \$ 5.00 | \$ 1.00 |
| Silver Players Club | \$ 29.99 | \$ 32.99 | \$ 3.00 |

Fee Comparisons

| <u>Current Hidden Creek Fees -</u> | <u>Monday – Friday</u> | <u>Saturday/Sunday</u> |
|------------------------------------|------------------------|------------------------|
| Non-Senior: | \$40 cart inclusive | \$55 cart inclusive |
| Senior: | \$31 cart inclusive | \$55 cart inclusive |

| <u>Proposed Hidden Creek Fees -</u> | <u>Monday – Friday</u> | <u>Saturday/Sunday</u> |
|-------------------------------------|------------------------|------------------------|
| Non-Senior: | \$41 cart inclusive | \$58 cart inclusive |
| Senior: | \$33 cart inclusive | \$58 cart inclusive |

| <u>Southern Oaks -</u> | <u>Monday – Friday</u> | <u>Saturday/Sunday</u> |
|------------------------|------------------------|------------------------|
| Non-Senior: | \$54* cart inclusive | \$67* cart inclusive |
| Senior: | \$43* cart inclusive | \$57* cart inclusive |

| <u>Mansfield National -</u> | <u>Monday – Friday</u> | <u>Saturday/Sunday</u> |
|-----------------------------|------------------------|------------------------|
| Non-Senior: | \$50* cart inclusive | \$70* cart inclusive |
| Senior: | \$36* cart inclusive | \$70* cart inclusive |

Investment Policy

Investment Policy for FY 2024

- No significant changes to Investment Policy
- Minor changes proposed as follows:
 - Investment officer titles were updated to reflect the current titles of the officers.
 - Added: Deputy City Manager
 - Added: Chief Accountant
 - Added: Accounting Supervisor
 - Removed: Controller
- Minor indentations and typo corrections

Note: The Investment Policy was presented to the Policy and Valuation Committee on August 19, 2024, and they recommended approval.

Summary Information

Total Expenditure Budget by Fund

(in millions)

| Fund | FY23-24 Revised | FY24-25 Proposed | Variance |
|-------------------------------|-----------------|------------------|--------------|
| General Fund | \$60.8 | \$63.2 | \$2.4 |
| Debt Service | \$8.6 | \$20.8 | \$12.2 |
| Water & Wastewater Fund | \$28.9 | \$29.8 | \$0.9 |
| Solid Waste Fund | \$4.3 | \$4.7 | \$0.4 |
| Hidden Creek Golf Course Fund | \$3.6 | \$3.6 | \$0 |
| Parks Performance Fund | \$5.7 | \$5.6 | \$-0.1 |
| 4A Sales Tax SRF | \$9.6 | \$11 | \$1.4 |
| 4B Sales Tax SRF | \$8.1 | \$8.4 | \$0.3 |
| Capital Projects | \$98.3 | \$85.2 | \$-13.1 |
| Street Maintenance Fund | - | \$1.6 | \$1.6 |
| Other Funds | \$21.3 | \$22.1 | \$0.8 |
| Total | \$249.2 | \$256.0 | \$6.8 |

Next Steps

September 09

Regular City Council meeting, final reading of the ordinances to approve the budget, tax rate, tax roll, schedule of fees, water & wastewater rates, solid waste fees, credit/debit card fees, and homestead exemption

Action Requested

Approve or Deny the following ordinances:

- FY2024-25 Budget – October 1, 2024 – September 30, 2025
- Levying the property tax for tax year 2024 taxable values and adopting the property tax rate of \$0.6627 per \$100 value
- Approving the Tax Year 2024 tax roll
- Approving a 5% residential homestead exemption for tax year 2025 to be effective October 1, 2025, for FY2025-2026
- Establishing the FY2024-2025 credit/debit card fees
- Approving the FY2024-2025 schedule of fees
- Establishing the FY2024-2025 rates for water and wastewater services (5.9% to 6.6% increase)
- Establishing the FY2024-2025 rates for solid waste services (4.06%)

QUESTIONS/COMMENTS