



# Other Proprietary and Special Revenue Funds

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*PRESENTED TO THE CITY COUNCIL ON JULY 10, 2023*

# Funds

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- Fund Balance requirement
- Health Insurance Fund
- IT Support Services Fund
- Solid Waste
- Equipment Services Fund
- Equipment Replacement Fund – Governmental and Proprietary
- TIF #2

# Fund Balance requirement

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- Financial Policy addresses key operating funds- 20% fund balance requirement
  - General Fund, Water & Waste Water, 4A and 4B Funds
- Other proprietary and special revenue funds
  - Do not have a 20% fund balance requirement per policy
    - Financial overview includes a fund balance percentage for presentation purposes
  - Each fund has a unique function
  - Pass through cost – SW, ESF, ERF
  - Health Insurance fund – fund balance to support future claims
  - IT Support Services- operating and capital cost – fund balance to support City's IT infrastructure
  - TIF 2 - fund balance to support TIF operating and capital cost.

# Health Insurance Fund

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- City is self insured for medical and dental employee benefits
- Health insurance activity operates using it's own Internal Service Fund
- Claims and health costs are funded by City and Employee contributions
- Assumptions for contributions:
  - City contributions – Projected increase of **5%** for FY2024-2028
  - Employee contributions – no increase in FY2024 and projected increase of **5%** for 2025-2028
- Assumptions for expenses (Provided by benefit consultant)
  - Claims paid – **7%** increase for FY2024-2028
  - Stop Loss Premiums – **13%** increase – FY2024-2028

# Health Insurance Fund – Financial Overview

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	FY 22-23 Estimate	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected
<b>Beginning Fund Balance</b>	\$ 3,826,210	\$ 4,053,727	\$ 4,048,592	\$ 3,891,976	\$ 3,569,018	\$ 3,055,303
Health and Dental Premium- City	\$ 4,851,904	\$ 5,094,499	\$ 5,349,224	\$ 5,616,685	\$ 5,897,520	\$ 6,192,396
Health and Dental Premium- Other	\$ 614,620	\$ 614,620	\$ 645,351	\$ 677,619	\$ 711,499	\$ 747,074
Other Revenues	\$ 631,700	\$ 631,700	\$ 625,000	\$ 625,000	\$ 625,000	\$ 625,000
<b>Total Revenues</b>	<b>\$ 6,098,224</b>	<b>\$ 6,340,819</b>	<b>\$ 6,619,575</b>	<b>\$ 6,919,304</b>	<b>\$ 7,234,019</b>	<b>\$ 7,564,470</b>
Claims	\$ 4,013,333	\$ 4,294,266	\$ 4,594,865	\$ 4,916,505	\$ 5,260,661	\$ 5,628,907
Other Expenditures	\$ 1,857,374	\$ 2,051,688	\$ 2,181,327	\$ 2,325,757	\$ 2,487,072	\$ 2,667,414
<b>Total Expenditures</b>	<b>\$ 5,870,707</b>	<b>\$ 6,345,954</b>	<b>\$ 6,776,192</b>	<b>\$ 7,242,262</b>	<b>\$ 7,747,733</b>	<b>\$ 8,296,321</b>
Net revenue (loss)	\$ 227,517	\$ (5,135)	\$ (156,617)	\$ (322,958)	\$ (513,714)	\$ (731,851)
<b>Ending Fund Balance</b>	<b>\$ 4,053,727</b>	<b>\$ 4,048,592</b>	<b>\$ 3,891,976</b>	<b>\$ 3,569,018</b>	<b>\$ 3,055,303</b>	<b>\$ 2,323,452</b>
FB % to Expenditures	69.05%	63.80%	57.44%	49.28%	39.43%	28.01%

# I.T. Support Services Fund – Financial Overview

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- Supports City-wide information technology infrastructure and networks
- Total FY2024 proposed base budget - \$5,496,490
  - Personnel cost - \$1,626,525
- Recommended supplemental requests - \$245,165
- FY 2024 Key Projects
  - Tyler Munis ERP Implementation– HR/Payroll and Utility Billing
  - Implementation of CAD- Computer Aided Dispatch System
  - Implement third data center location- Service Center
  - Implementation of Axon Body and Squad Camera System – Pending supplemental request in GF
  - City Wide Wireless Access improvements
  - Cloud Backup Implementation

# I.T. Support Services Fund – Financial Overview

	FY 22-23 Estimate	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected
<b>Beg Fund Balance</b>	\$ 1,231,592	\$ 908,877	\$ 907,479	\$ 1,284,435	\$ 1,572,214	\$ 1,696,664
Contribtuions	\$ 5,200,000	\$ 5,594,257	\$ 5,638,362	\$ 5,593,399	\$ 5,593,399	\$ 5,593,399
Other Revenues	\$ 142,000	\$ 146,000	\$ 146,000	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 5,342,000</b>	<b>\$ 5,740,257</b>	<b>\$ 5,784,362</b>	<b>\$ 5,593,399</b>	<b>\$ 5,593,399</b>	<b>\$ 5,593,399</b>
Personnel	\$ 1,660,482	\$ 1,626,525	\$ 1,685,849	\$ 1,747,369	\$ 1,811,168	\$ 1,877,332
Operations	\$ 2,516,455	\$ 3,122,763	\$ 3,207,916	\$ 3,295,624	\$ 3,385,963	\$ 3,479,012
Capital outlay	\$ 1,495,626	\$ 747,202	\$ 259,896	\$ -	\$ -	\$ -
Supplemental	\$ -	\$ 245,165	\$ 253,746	\$ 262,627	\$ 271,819	\$ 281,332
<b>Total Expenditures</b>	<b>\$ 5,672,563</b>	<b>\$ 5,741,655</b>	<b>\$ 5,407,407</b>	<b>\$ 5,305,620</b>	<b>\$ 5,468,950</b>	<b>\$ 5,637,676</b>
Change in Fund Balance	\$ (330,563)	\$ (1,398)	\$ 376,956	\$ 287,779	\$ 124,449	\$ (44,277)
<b>Ending Fund Balance</b>	<b>\$ 901,029</b>	<b>\$ 907,479</b>	<b>\$ 1,284,435</b>	<b>\$ 1,572,214</b>	<b>\$ 1,696,664</b>	<b>\$ 1,652,386</b>
FB% to Expenditure	15.88%	15.81%	23.75%	29.63%	31.02%	29.31%

# Equipment Services Fund

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- Supports maintenance and repairs of City's fleet and heavy equipment
- Inflation rate increase impacting cost of repairs and fuel prices
- Contributions from operating departments to support operations
  - Additional 5% increase in department contributions to true up cost increases and establish a positive fund balance
- FY2023 Beginning Fund Balance – (\$75,919)
- FY2024 Proposed Total Revenues/Contributions - \$2,342,679
- FY2024 Proposed Total Expenditure - \$2,129,667
- Proposed supplemental request- \$101,274
- FY2024 Estimated Ending Fund Balance - \$35,818



# Equipment Services Fund- Financial Overview

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	FY 22-23 Estimate	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected
<b>Beg Fund Balance</b>	<b>\$ (210,878)</b>	<b>\$ (75,919)</b>	<b>\$ 35,818</b>	<b>\$ 157,156</b>	<b>\$ 265,455</b>	<b>\$ 360,145</b>
Total Revenues	\$ 2,185,524	\$ 2,342,678	\$ 2,423,708	\$ 2,484,433	\$ 2,547,000	\$ 2,631,316
Total Expenditures	\$ 2,050,565	\$ 2,129,667	\$ 2,196,538	\$ 2,265,540	\$ 2,336,740	\$ 2,410,211
Proposed Supplemental	\$ -	\$ 101,274	\$ 105,831	\$ 110,594	\$ 115,570	\$ 120,771
Change in Fund Balance	\$ 134,959	\$ 111,737	\$ 121,338	\$ 108,299	\$ 94,690	\$ 100,334
<b>Ending Fund Balance</b>	<b>\$ (75,919)</b>	<b>\$ 35,818</b>	<b>\$ 157,156</b>	<b>\$ 265,455</b>	<b>\$ 360,145</b>	<b>\$ 460,479</b>
<b>FB % to Expenditures</b>		<b>1.61%</b>	<b>6.83%</b>	<b>11.17%</b>	<b>14.69%</b>	<b>18.19%</b>

# Equipment Replacement Fund-Governmental

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- Maintains vehicles and equipment replacement schedule
  - Supported by General Fund, PPF and ESF funds
- Estimated FY23 Ending Fund Balance for ERF \$3,748,592
- FY2024 Projected Total Revenues – \$1,754,953
- FY 2024 Projected Total Expenditures - \$813,543
  - Public Safety - \$418,882 (SUV and Trucks)
  - Public Works - \$194,207 (Trucks)
  - Parks Maintenance - \$196,790 (Trucks and Heavy Equipment)
  - Administrative cost - \$3,664
- Estimated FY24 Ending Fund Balance for ERF – \$4,690,002

# ERF – Governmental Financial Overview

	FY 22-23 Estimate	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected
<b>Beg Fund Balance</b>	\$ 3,700,938	\$ 3,748,592	\$ 4,690,002	\$ 1,693,700	\$ 1,686,040	\$ 1,714,119
Total Revenues	\$ 2,393,979	\$ 1,754,953	\$ 1,611,985	\$ 1,615,345	\$ 1,618,805	\$ 1,622,369
<b>Total Expenditures</b>	\$ 2,346,325	\$ 813,543	\$ 4,608,287	\$ 1,623,004	\$ 1,590,726	\$ 1,639,025
Change in Fund Balance	\$ 47,654	\$ 941,410	\$ (2,996,302)	\$ (7,660)	\$ 28,079	\$ (16,656)
<b>Ending Fund Balance</b>	\$ 3,748,592	\$ 4,690,002	\$ 1,693,700	\$ 1,686,040	\$ 1,714,119	\$ 1,697,464
FB% to Expenditures	159.76%	576.49%	36.75%	103.88%	107.76%	103.57%

FY2025 – Includes two pre-ordered Fire Truck in FY2023 anticipated to be received in FY2025 - \$3,000,000

# Equipment Replacement Fund-Proprietary

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- Maintains vehicle and equipment replacement schedule
  - Water & Waste Water and Golf Funds
- Estimated FY23 Ending Fund Balance - \$1,415,501
- FY2024 Projected Total Revenues – \$450,354
- FY2024 Projected Total Expenses - \$444,608
  - W&WW Replacement – \$261,517 (Trucks and Heavy Equipment)
  - Golf Replacement - \$181,755 (Heavy Equipment – Precision Mowers)
  - Administrative Cost- \$1,336
- Estimated FY24 Ending Fund Balance for ERF – \$1,421,247

# ERF – Proprietary Financial Overview

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	FY 22-23 Estimate	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected
<b>Beg Fund Balance</b>	\$ 1,210,595	\$ 1,415,501	\$ 1,421,247	\$ 1,302,772	\$ 1,136,436	\$ 1,211,436
Total Revenues	\$ 460,354	\$ 450,354	\$ 454,415	\$ 458,597	\$ 462,905	\$ 467,342
<b>Total Expenditures</b>	\$ 255,448	\$ 444,608	\$ 572,890	\$ 624,932	\$ 387,905	\$ 671,326
Change in Fund Balance	\$ 204,906	\$ 5,746	\$ (118,475)	\$ (166,335)	\$ 75,000	\$ (203,984)
<b>Ending Fund Balance</b>	\$ 1,415,501	\$ 1,421,247	\$ 1,302,772	\$ 1,136,436	\$ 1,211,436	\$ 1,007,453
FB% to Expenditures	554.12%	319.66%	227.40%	181.85%	312.30%	150.07%

# Solid Waste Fund – Financial Overview

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- Proprietary fund – charge customers for refuse, recycling and city administrative cost
- Refuse and recycling operations outsourced to Waste Connections
  - No SW rate increases – FY2019-2023
    - Financial strategy was to draw down fund balance in Solid Waste Fund – (FY2019- FB% was 63%)
  - Prior year CPI increases- Waste Connections' Contract
    - FY2022 - 4% increase
    - FY2023 – 10% increase
  - New contract will determine future rate increases
- Council approved new 5 year contract on May 1, 2023
  - Extend Contract through September 2029
  - FY 2023 – 6% or CPI Increase whichever is greater
  - FY 2024 – 6% or CPI increase whichever is greater
  - FY2025-2029 – CPI Increase

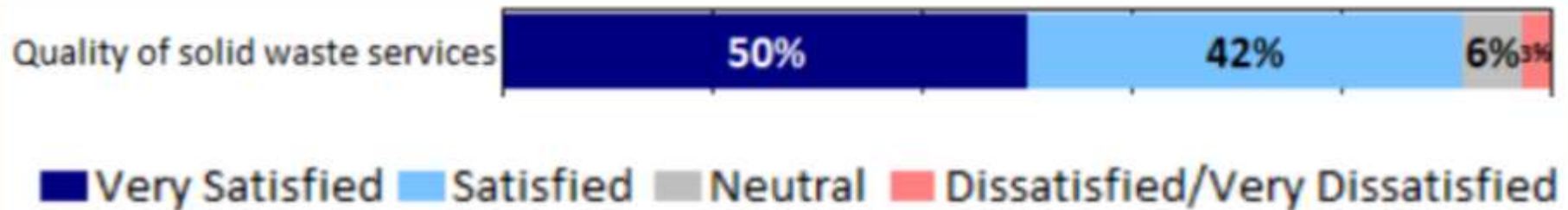
- **SURVEY**

A Citizen Survey was completed by Customer Service Department in 2022.



## 2022 Importance-Satisfaction Rating Burleson, Texas Major City Services

Category of Service	Satisfaction %
Overall Solid Waste Services	92%
Quality of city bulk trash/leaf/brush collection	88%
Quality of curbside trash/garbage collection	92%
Quality of curbside recycling collection	92%



# Solid Waste Fund – Financial Overview

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- Proposed SW Rate Projections:
  - FY2024 – 20% - True up Contract CPI adjustments
    - Average residential cost - \$3.64 a month
  - FY2025 – 6% increase
  - FY2026-2029 – 3% increase
  - Pass through contract rate and administrative cost increases to customer
  - Growth rate 2%



# Solid Waste Fund – Financial Overview

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	<b>FY 22-23 Estimate</b>	<b>FY 23-24 Projected</b>	<b>FY 24-25 Projected</b>	<b>FY 25-26 Projected</b>	<b>FY 26-27 Projected</b>	<b>FY 27-28 Projected</b>
<b>Beginning Fund Balance</b>	\$ 1,097,228	\$ 608,212	\$ 701,011	\$ 810,549	\$ 924,794	\$ 1,043,748
Total Revenues	\$ 3,418,411	\$ 4,168,231	\$ 4,498,390	\$ 4,722,934	\$ 4,958,706	\$ 5,202,766
<b>Total Expenditures</b>	<b>\$ 3,907,427</b>	<b>\$ 4,075,433</b>	<b>\$ 4,388,852</b>	<b>\$ 4,608,690</b>	<b>\$ 4,839,752</b>	<b>\$ 5,082,618</b>
Net Revenue (loss)	\$ (489,016)	\$ 92,799	\$ 109,538	\$ 114,245	\$ 118,954	\$ 120,148
<b>Ending Fund Balance</b>	<b>\$ 608,212</b>	<b>\$ 701,011</b>	<b>\$ 810,549</b>	<b>\$ 924,794</b>	<b>\$ 1,043,748</b>	<b>\$ 1,163,896</b>
<b>Fund Balance % of Expenditure</b>	<b>15.57%</b>	<b>17.20%</b>	<b>18.47%</b>	<b>20.07%</b>	<b>21.57%</b>	<b>22.90%</b>

# TIF Fund 2 Financial Overview

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- FY2023 Estimated Ending Fund Balance \$703,340 or 49% FB% to Expenditures
- FY2024 Proposed Operating Expenditures - \$646,696
  - 3 ½ FTE - \$331,958
  - Economic Incentives - \$77,880
- Bond Issues
  - FY2023 - \$450,000 (Purchase of bank lot)
  - FY2024 - \$900,000 (Construction of parking lot and design for Ellison Street Improvements)
  - FY2025 – \$4,800,000 (Ellison Street improvements)

# TIF Fund 2 – Financial Overview

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	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected
<b>Beg Fund Balance</b>	\$ 991,531	\$ 703,340	\$ 729,519	\$ 803,813	\$ 697,255	\$ 834,454
TIF 2 Revenues	\$ 1,142,298	\$ 1,353,800	\$ 1,551,440	\$ 1,778,676	\$ 2,039,945	\$ 2,340,351
<b>Total Revenues</b>	<b>\$ 1,142,298</b>	<b>\$ 1,353,800</b>	<b>\$ 1,551,440</b>	<b>\$ 1,778,676</b>	<b>\$ 2,039,945</b>	<b>\$ 2,340,351</b>
Operating	\$ 806,946	\$ 646,696	\$ 718,996	\$ 734,959	\$ 751,421	\$ 768,398
Debt Service	\$ 623,543	\$ 660,925	\$ 737,450	\$ 1,128,850	\$ 1,129,150	\$ 1,128,275
Proposed Supplemental	\$ -	\$ 20,000	\$ 20,700	\$ 21,425	\$ 22,174	\$ 22,840
<b>Total Expenditures</b>	<b>\$ 1,430,489</b>	<b>\$ 1,327,621</b>	<b>\$ 1,477,146</b>	<b>\$ 1,885,234</b>	<b>\$ 1,902,746</b>	<b>\$ 1,919,512</b>
Change in Fund Balance	\$ (288,191)	\$ 26,180	\$ 74,294	\$ (106,558)	\$ 137,199	\$ 420,838
<b>Ending Fund Balance</b>	<b>\$ 703,340</b>	<b>\$ 729,519</b>	<b>\$ 803,813</b>	<b>\$ 697,255</b>	<b>\$ 834,454</b>	<b>\$ 1,255,293</b>
FB% to Expenditures	49.17%	54.95%	54.42%	36.99%	43.86%	65.40%

# Questions / Comments

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