

General Fund Financial Overview Update

Budget Process Overview

- Staff reports to Council:
 - Departmental budget presentations
 - Financial and Debt Overview
 - Strategic Plan update
 - 5 year Capital Improvement Plans - General Government, Water & Wastewater and Parks
 - Compensation and Benefits
- City Council direction and development of priorities throughout the process
- Citizen feedback during budget process
 - Created a budget video and posted all of the budget presentation material online.
 - Interactive engagement with residents regarding priorities

Overview

- Feb 7, 2022 –
 - Report on the Equipment Replacement Funds
- March 7, 2022–
 - Report on the preliminary financial overview of the General Fund
 - Upcoming budget process for FY 2022-2023
- March 21, 2022 –
 - Report on the Tax Increment Financing Zone (TIF 3)
- April 18, 2022 – Reports on
 - Dissolving TIF 3
 - Citywide citizen satisfaction survey
 - Proposed FY 2023 – 2027 Golf, Parks and Recreation Capital Improvement Plan
 - Financial overview updates of 4A, 4B, PPF and Golf funds
- May 2, 2022– Reports on departmental budget and operational overview
 - Community Service
 - Development Services
- May 16, 2022 – Report on
 - Financial overview of General Debt Service Fund
 - 5 year General Government CIP Plan – \$86 million bond program
 - Burleson Fire Department budget and operational overview
- June 2, 2022 – Reports on:
 - Hotel Fund Recommendations
 - Economic Development Strategic Plan
 - City’s new lean government initiative
 - Proposed compensation update for FY2022-2023
 - Burleson Police Department budget and operational overview
- June 6, 2022 – Report on budget and operational overview
 - Neighborhood Services
 - Public Safety Communications
- June 20, 2022 – Reports on:
 - Water & Wastewater debt service, financial overview and 5 year CIP Plan
 - Other proprietary and special revenue fund financial overview
 - TIRZ #3 Dissolution (first reading)
- July 5, 2022 –
 - General Fund Financial Overview Update
 - TIRZ # Dissolution (second reading)
- July 18 2022 – Report on
 - Strategic Plan Update
 - Benefit update for FY2022-2023

Preliminary Assumptions

	FY 23	FY 24	FY 25	FY 26
Existing Appraised Value Growth	3%	3%	3%	3%
New Construction	\$125 million	\$127.5 million	\$130 million	\$132.6 million
Sales Tax Growth	10.7%	3%	3%	3%
Compensation*	3.5%	3.5%	3.5%	3.5%

* Plus eligible step increase for Police/Fire

- 3.5% increase effective 10/1/2022

Current Assumptions

	FY 23	FY 24	FY 25	FY 26	FY 27
Existing Appraised Value Growth	3%	3%	3%	3%	3%
New Construction	\$147 million	\$125 million	\$127.5million	\$130 million	\$132.6million
Sales Tax Growth	12%	3%	3%	3%	3%
Compensation*	3.5%	3.5%	3.5%	3.5%	3.5%

* Plus eligible step increase for Police/Fire

- 3.5% increase effective 10/1/2022

Total Taxable Value

Fiscal year	Certified	% Change
2022	\$3,863,552,708	7.36%
2021	\$3,579,194,313	3.40%
2020	\$3,461,578,526	9.64%
2019	\$3,157,272,624	10.26%
2018	\$2,863,420,182	8.44%
2017	\$2,640,492,914	5.26%
2016	\$2,508,517,310	

Staff is projecting a **10%** increase in values for FY 2023

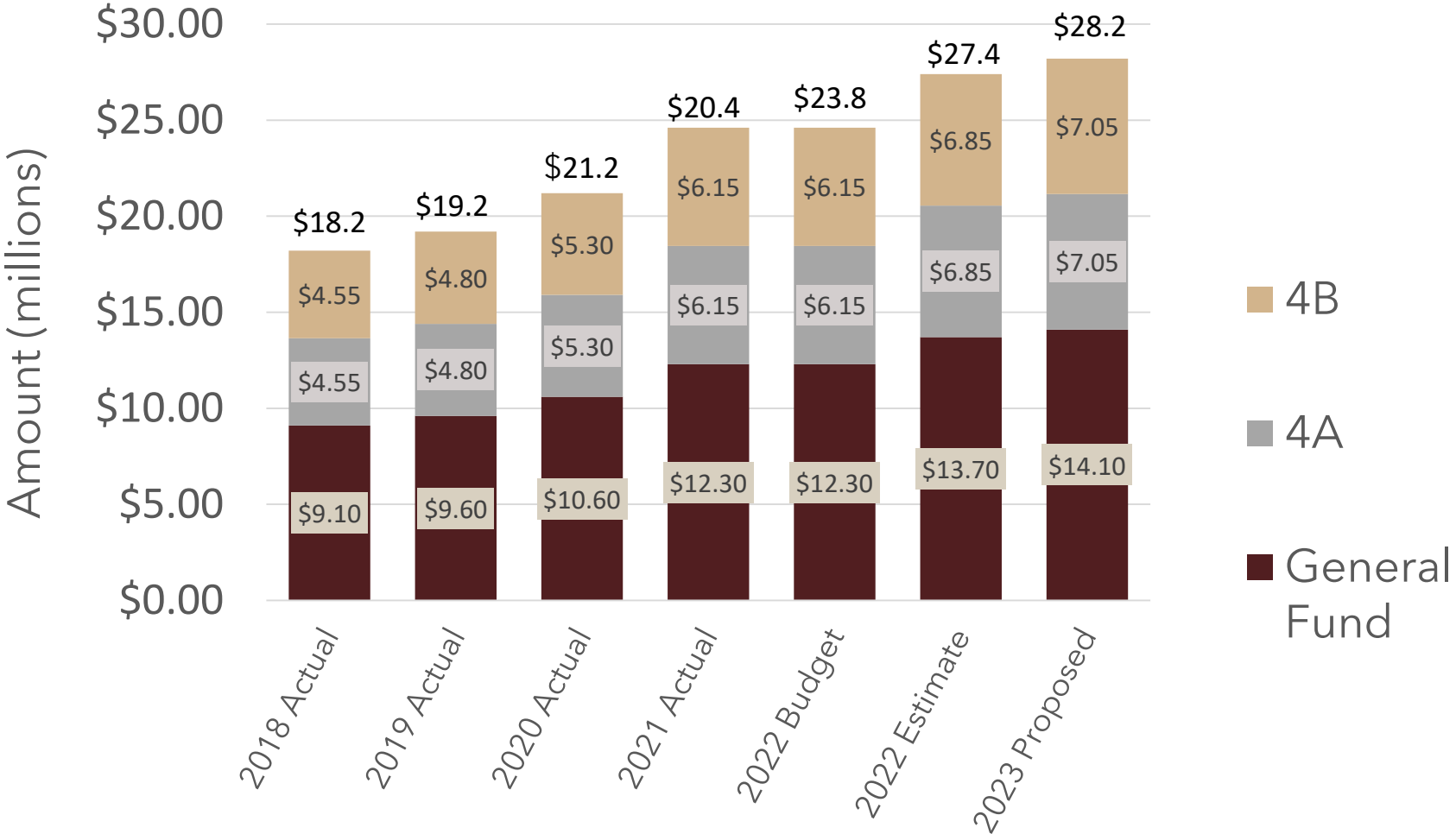
Tax Rate History

Tax Year	GF Rate	Debt Rate	Total Rate
FY 2021-22	\$0.4974	\$0.1885	\$0.6859
FY 2020-21	\$0.5187	\$0.1924	\$0.7111
FY 2019-20	\$0.5106	\$0.2094	\$0.7200
FY 2018-19	\$0.5228	\$0.2122	\$0.7350
FY 2017-18	\$0.5228	\$0.2122	\$0.7350
FY 2016-17	\$0.5228	\$0.2122	\$0.7350
FY 2015-16	\$0.5278	\$0.2122	\$0.7400
FY 2014-15	\$0.5278	\$0.2122	\$0.7400
FY 2013-14	\$0.5278	\$0.1622	\$0.6900
FY 2012-13	\$0.5278	\$0.1622	\$0.6900
FY 2011-12	\$0.5278	\$0.1622	\$0.6900

Sales Tax Projections – FY 2021

Collection	Received	FY2021 Actual	FY2022 Projection	Projected vs FY2021 Actuals
October	December	\$ 869,660	\$ 999,182	14.89%
November	January	\$ 892,967	\$ 1,138,613	27.51%
December	February	\$ 1,167,170	\$ 1,316,538	12.80%
January	March	\$ 861,665	\$ 1,161,686	34.82%
February	April	\$ 733,961	\$ 904,223	23.20%
March	May	\$ 1,227,624	\$ 1,277,960	4.10%
April	June	\$ 977,474	\$ 1,095,556	12.08%
May	July	\$ 988,725	\$ 1,038,161	5.00%
June	August	\$ 1,244,265	\$ 1,306,478	5.00%
July	September	\$ 1,067,243	\$ 1,120,605	5.00%
August	October	\$ 1,036,905	\$ 1,088,750	5.00%
September	November	\$ 1,211,375	\$ 1,271,944	5.00%
Total		\$ 12,279,034	\$ 13,719,696	11.73%

Sales Tax 5 Year History



General Fund Recap

- Property and Sales Tax revenue makes up approximately 75% of the General Fund revenue
- Sales tax is strong
 - Project a 11.7% increase from prior year
- Property Tax values growing
 - Project a 10% increase
- Strong Fund Balance
 - FB% to Expenditure - above 30%

Additional Budget Items

Building Permit Fees

Building Permit Fees

- Staff evaluated building permit fee schedules for FY22-23 budget
- Benchmarked City's fees with 12 peer cities
- Fees last update
 - Residential fees – 2017
 - Commercial fees - 2012

Residential

Current Fees			
City	Permit Fee	Plan Review Fee	Validation Fee
Arlington	\$1,688.37	\$590.93	NA
Cleburne	\$605.26	NA	NA
Coppell	\$1,935.00	\$1,257.75	\$290.00
Fort Worth	\$1,365.91	\$85.00	NA
Grand Prairie	\$1,000.00	\$100.00	NA
Hurst	\$3,185.60	NA	\$425.00
Keller	\$2,675.90	\$1,605.54	NA
Mansfield	\$1,274.24	\$100.00	\$421.14
N Richland Hill	\$3,504.16	\$125.00	\$566.49
The Colony	\$3,217.46	\$100.00	\$300.00
Cedar Hill	\$1,424.00	NA	NA
Eules	\$2,389.20	NA	\$360.00
Average Peer Fees	\$2,022.09	\$495.53	\$393.77
Burleson (current rate)	\$1,592.80	\$50.00	\$150.00
Burleson vs Per Avg	(\$429.29)	(\$445.53)	(\$243.77)
Proposed Fee			
City	Permit Fee	Plan Review Fee	Validation Fee
Burleson (proposed rate)	\$1,911.00	\$75.00	\$195.00
Average Peer Fees	\$2,069.74	\$263.19	\$393.77
Burleson vs Per Avg	(\$158.74)	(\$188.19)	(\$198.77)

Plan Review Fee		Permit Fee	
Current Fee	\$50/each	Current Rate	\$0.50/SF
Proposed Fee	\$75/each	Proposed Rate	\$0.60/SF
	Validation Fee		
	Current Fee	\$50/trade	
	Proposed Fee	\$65/trade	

Fees are based on 3,186 avg. sf new home

Commercial Properties

Current Fees			
City	Permit Fee	Plan Review Fee	Validation Fee
Arlington	\$8,035.33	\$2,812.37	\$225.00
Cleburne	\$1,636.95	NA	NA
Coppell	\$11,561.20	\$4,624.48	NA
Fort Worth	\$4,359.52	\$246.00	\$290.00
Grand Prairie	\$2,182.60	\$982.17	NA
Hurst	\$10,328.74	\$6,713.68	\$425.00
Keller	\$9,110.32	\$5,921.71	NA
Mansfield	\$12,746.67	\$200.00	\$421.14
N Richland Hill	\$11,094.74	\$7,211.58	\$566.49
The Colony	\$8,596.79	\$2,149.20	\$300.00
Cedar Hill	\$10,524.66	\$4,736.10	NA
Euless	\$14,155.99	\$9,201.40	\$360.00
Average Peer Fees	\$8,694.46	\$4,072.61	\$369.66
Burleson (current rate)	\$5,038.80	\$1,511.64	\$150.00
Burleson vs Per Avg	(\$3,655.66)	(\$2,560.97)	(\$219.66)
Proposed Fee			
City	Permit Fee	Plan Review Fee	Validation Fee
Burleson (proposed rate)	\$5,248.68	\$2,099.47	\$225.00
Average Peer Fees	\$8,694.46	\$4,072.61	\$369.66
Burleson vs Per Avg	(\$3,445.78)	(\$1,973.14)	(\$144.66)

Permit Fees		
Square Feet (Sf)	Current Rate	Proposed Rate
0 - 500	\$480	\$450
501 - 1,000	\$840	\$850
1,001-2,500	\$1,640	\$2,132
2,501-8,500	\$50 + \$0.64/Sf	\$65 + \$0.665/Sf
8,501-50,000	\$3,450 + \$0.24/Sf	\$5,000 + \$0.30/Sf
50,001 - 100,000	\$9,450 + \$0.12/Sf	\$12,285 + \$0.125/Sf
101,001 - 500,000	\$13,450 + \$0.08Sf	\$17,485 + \$0.083/Sf
500,001 and greater	\$33,450 + \$0.04/Sf	\$43,485 + \$0.042/SF

Plan Review Fees		
Current Rate	30% of Permit Fee	\$250 min/\$5,000 max
Proposed Rate	40% of Permit Fee	\$250 min/\$7,000 max

Validation Fee	
Current Fee	\$50/Trade
Proposed Fee	\$75/Trade

Plan Revision Fee	
Current Fee	\$0
Proposed Fee	\$75 1st revision
	\$150 2nd revision
	\$200 each additional

Additional Projected Revenue

- Projected increase in building permit revenues - \$167,000
 - Residential - \$132,000
 - Commercial - \$35,000

School Resource Officers

Additional Requested Police Staffing

School Resource Officers (3)

Background

- Burleson Police Department, in partnership with Burleson ISD, evaluates the safety plan for students and schools yearly.
- This year BISS has implemented an additional security position as part of their security team to help review school safety.

Budget Request

- As a result of discussions this summer, BPD and Burleson ISD are requesting three additional school resource officers (SRO's) to rotate between schools.
 - Beginning of the conversation, not the end.
 - Focus is to improve overall response and safety of all campuses.
 - Limited ability to hire and train officers, but beginning process immediately.

Additional Requested Police Staffing

School Resource Officers (3)

Current SRO Structure

- Two officers at each high schools – Four total
- One officer at each middle school – Four total (includes one sergeant)

Existing SRO Budget

City of Burleson's portion

\$707,955

Additional Requested Police Staffing

School Resource Officers (3)

Individual SRO Cost

Total Cost Personnel, vehicle, equipment	Year 1 Cost City of Burleson's portion	Year 2 Reoccurring Cost City of Burleson's portion
\$246,117	\$123,058	\$72,878

Budget Request for 3 Additional School Resource Officers

Year 1 Total Cost City of Burleson's portion	Year 2 Total Reoccurring Costs City of Burleson's portion
\$369,175	\$218,635

Additional Requested Police Staffing

School Resource Officers (3)

Next Steps

- BPD and BISD will continue to review school safety needs throughout the year.
 - Beginning of the conversation, not the end.
- BPD staff and feasibility plan is underway.
 - Additional staffing needs maybe identified in the plan.

Maintenance & Operations (M&O) Property Tax Rate

Tax Rate

- Property Tax Certified Roll information will be available on Monday July 25th
- Based on **Preliminary** Property Tax Values
 - Staff expects to lower tax rate 2 to 4 cents (dependent on capital project direction from Council)
- Staff requests direction regarding proposed tax rate and cash funding capital

Financial Overview – M&O NNRR – 10 Year

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected	FY 30-31 Projected	FY 31-32 Projected
Beg Fund Balance	\$ 15,690,783	\$ 18,339,917	\$ 22,174,422	\$ 20,738,053	\$ 21,678,209	\$ 21,720,914	\$ 21,265,794	\$ 21,000,239	\$ 19,313,098	\$ 17,978,492	\$ 17,022,124	\$ 16,471,368
Property Tax	\$ 22,568,177	\$ 22,855,000	\$ 23,976,500	\$ 25,168,135	\$ 26,419,136	\$ 27,732,465	\$ 29,111,232	\$ 30,558,701	\$ 32,078,301	\$ 33,673,630	\$ 35,348,469	\$ 37,106,784
Property Tax- Chisolm Summit	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,015,000	\$ 1,530,000	\$ 2,045,000	\$ 2,560,000	\$ 3,075,000	\$ 3,590,000	\$ 4,105,000
Homestead exemption	\$ -	\$ -	\$ -	\$ (175,000)	\$ (350,000)	\$ (525,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)
Sales Tax	\$ 12,257,000	\$ 13,719,696	\$ 14,131,287	\$ 14,555,226	\$ 14,991,882	\$ 15,441,639	\$ 15,904,888	\$ 16,382,035	\$ 16,873,496	\$ 17,379,701	\$ 17,901,092	\$ 18,438,124
Other Revenue	\$ 12,779,765	\$ 17,200,598	\$ 13,611,001	\$ 15,690,213	\$ 16,181,026	\$ 16,670,051	\$ 17,174,183	\$ 17,685,530	\$ 18,212,286	\$ 18,754,919	\$ 19,313,914	\$ 19,889,768
Total Revenue	\$ 47,604,942	\$ 53,775,294	\$ 51,718,788	\$ 55,238,574	\$ 57,742,044	\$ 60,334,155	\$ 63,020,302	\$ 65,971,265	\$ 69,024,082	\$ 72,183,250	\$ 75,453,474	\$ 78,839,677
Base Expenses	\$ 50,037,653	\$ 49,940,789	\$ 50,383,423	\$ 51,006,177	\$ 54,044,343	\$ 56,251,992	\$ 58,130,766	\$ 60,040,873	\$ 62,019,842	\$ 64,070,220	\$ 66,194,649	\$ 68,395,877
ARPA Funds	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Supplemental	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,500,000	\$ 4,000,000
Cash Funding Projects	\$ -	\$ -	\$ 2,500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplementals	\$ -	\$ -	\$ 2,271,733	\$ 1,792,241	\$ 2,654,997	\$ 3,037,284	\$ 3,155,091	\$ 3,277,533	\$ 3,404,795	\$ 3,537,066	\$ 3,674,544	\$ 3,817,435
Fire Station 4 - Operation and Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340,000	\$ 2,434,050	\$ 2,532,332	\$ 2,635,037	\$ 2,742,364
Total Expenditures	\$ 50,037,653	\$ 49,940,789	\$ 53,155,156	\$ 54,298,418	\$ 57,699,339	\$ 60,789,276	\$ 63,285,856	\$ 67,658,407	\$ 70,358,687	\$ 73,139,618	\$ 76,004,230	\$ 78,955,676
Change in Fund Balance	\$ (2,432,711)	\$ 3,834,505	\$ (1,436,368)	\$ 940,156	\$ 42,705	\$ (455,120)	\$ (265,554)	\$ (1,687,142)	\$ (1,334,606)	\$ (956,368)	\$ (550,756)	\$ (115,999)
Ending Fund Balance	\$ 13,258,072	\$ 22,174,422	\$ 20,738,053	\$ 21,678,209	\$ 21,720,914	\$ 21,265,794	\$ 21,000,239	\$ 19,313,098	\$ 17,978,492	\$ 17,022,124	\$ 16,471,368	\$ 16,355,370
FB % of Expenditure	26.50%	44.40%	39.01%	39.92%	37.64%	34.98%	33.18%	28.55%	25.55%	23.27%	21.67%	20.71%

Financial Overview – 3% of M&O NNRR – 10 Years

	FY 21-22 Budget	FY 21-22 Estimate	FY 22-23 Projected	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected	FY 29-30 Projected	FY 30-31 Projected	FY 31-32 Projected
Beg Fund Balance	\$ 15,690,783	\$ 18,339,917	\$ 22,174,422	\$ 21,456,163	\$ 21,589,435	\$ 21,359,911	\$ 20,668,950	\$ 20,205,764	\$ 19,361,108	\$ 18,911,113	\$ 18,883,587	\$ 19,308,114
Property Tax	\$ 22,568,177	\$ 22,855,000	\$ 24,636,610	\$ 25,861,251	\$ 27,146,907	\$ 28,496,625	\$ 29,913,599	\$ 31,401,187	\$ 32,962,911	\$ 34,602,471	\$ 36,323,752	\$ 38,130,832
Property Tax- Chisolm Summit	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,015,000	\$ 1,530,000	\$ 2,045,000	\$ 2,560,000	\$ 3,075,000	\$ 3,590,000	\$ 4,105,000
Homestead exemption	\$ -	\$ -	\$ -	\$ (175,000)	\$ (350,000)	\$ (525,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)	\$ (700,000)
Sales Tax	\$ 12,414,500	\$ 13,895,536	\$ 14,312,402	\$ 14,741,774	\$ 15,184,027	\$ 15,639,548	\$ 16,108,734	\$ 16,591,996	\$ 17,089,756	\$ 17,602,449	\$ 18,130,522	\$ 18,674,438
Other Revenue	\$ 12,622,265	\$ 17,024,758	\$ 13,429,886	\$ 15,503,665	\$ 15,988,881	\$ 16,472,143	\$ 16,970,337	\$ 17,475,568	\$ 17,996,025	\$ 18,532,171	\$ 19,084,483	\$ 19,653,455
Total Revenue	\$ 47,604,942	\$ 53,775,294	\$ 52,378,898	\$ 55,931,689	\$ 58,469,815	\$ 61,098,315	\$ 63,822,670	\$ 66,813,752	\$ 69,908,692	\$ 73,112,091	\$ 76,428,757	\$ 79,863,724
Base Expenses	\$ 50,037,653	\$ 49,940,789	\$ 50,383,423	\$ 51,006,177	\$ 54,044,343	\$ 56,251,992	\$ 58,130,766	\$ 60,040,873	\$ 62,019,842	\$ 64,070,220	\$ 66,194,649	\$ 68,395,877
ARPA funds	\$ -	\$ -	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Supplemental	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,500,000	\$ 4,000,000
Cash Funding Projects	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Supplementals	\$ -	\$ -	\$ 2,213,733	\$ 1,792,241	\$ 2,654,997	\$ 3,037,284	\$ 3,155,091	\$ 3,277,533	\$ 3,404,795	\$ 3,537,066	\$ 3,674,544	\$ 3,817,435
Fire Station 4 - Operation and Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340,000	\$ 2,434,050	\$ 2,532,332	\$ 2,635,037	\$ 2,742,364
Total Expenditures	\$ 50,037,653	\$ 49,940,789	\$ 53,097,156	\$ 55,798,418	\$ 58,699,339	\$ 61,789,276	\$ 64,285,856	\$ 67,658,407	\$ 70,358,687	\$ 73,139,618	\$ 76,004,230	\$ 78,955,676
Change in Fund Balance	\$ (2,432,711)	\$ 3,834,505	\$ (718,258)	\$ 133,271	\$ (229,524)	\$ (690,960)	\$ (463,186)	\$ (844,655)	\$ (449,995)	\$ (27,527)	\$ 424,527	\$ 908,049
Ending Fund Balance	\$ 13,258,072	\$ 22,174,422	\$ 21,456,163	\$ 21,589,435	\$ 21,359,911	\$ 20,668,950	\$ 20,205,764	\$ 19,361,108	\$ 18,911,113	\$ 18,883,587	\$ 19,308,114	\$ 20,216,162
FB % of Expenditure	26.50%	44.40%	40.41%	38.69%	36.39%	33.45%	31.43%	28.62%	26.88%	25.82%	25.40%	25.60%

Options

- Option 1 – Maintain M&O NNRR
 - Reduce cash funding capital projects (from \$8.0 million to \$3.5 million)
 - Reduce fund balance %
- Option 2 – Capture 3% above M&O NNRR
 - Cash fund capital projects (\$8 million)
 - Strong fund balance %
 - Maintain financial flexibility/sustainability
- Option 3 – Combination of the first two options
 - 1% - \$219,021
 - 2% - \$438,042
 - 3% - \$657,063

Budget Next Steps

- August
 - August 4, 2022 (Thursday) Special Session to discuss FY 2023 budget and tax rate
 - Adoption of a minute order. Council sets date and time for the budget and tax rate public hearing
 - August 15, 2022 (Monday) Regular City Council – FY2023 Proposed budget discussion
- September
 - September 6, 2022 (Tuesday) Regular City Council Meeting, Public Hearing, and first reading of ordinances to approve budget and tax rate
 - September 12, 2022 (Monday) Special City Council meeting, Final reading of the ordinances to approve the budget and tax rate

QUESTIONS / COMMENTS