



Realign General Fund Five Year Capital Improvement Program

PRESENTED TO THE CITY COUNCIL ON
DECEMBER 11, 2023

Realign Capital Improvement Program

- Review previous direction
- Review debt capacity assumptions
- Review next steps



Capital Improvement Program Direction

Project	Current Budget	Proposed Budget	Difference
Police Expansion Project	\$ 36,417,000	\$ 42,000,000	\$ 5,583,000
Gas Line - Police Expansion Project	-	\$ 1,200,000	\$ 1,200,000
Wicker Hill and Greenridge	\$ 4,989,510	-	\$ (4,989,510)
Hulen Intersection/Road Expansion*	\$ 4,630,029	\$ 4,630,029	-
Total	\$ 46,036,539	\$ 47,830,029	\$ 1,793,490

*This project was used as a funding source to allocate debt capacity to the Police Expansion Project.

General Government Five Year CIP Plan

GO BOND PROJECTS	2024	2025	2026	2027	2028	TOTAL
NEIGHBORHOOD STREET REBUILD	\$ 750,000	\$ 750,000	\$ 750,000			\$ 2,250,000
ALSBURY BOULEVARD - HULEN STREET TO CR 1020 (PHASE II)	\$ 6,434,496					\$ 6,434,496
SIDEWALK PROGRAM	\$ 1,216,946					\$ 1,216,946
POLICE EXPANSION	\$ 2,800,000	\$ 13,607,500	\$ 16,409,500			\$ 32,817,000
HULEN INTERSECTION/ROAD EXPANSION	\$ 2,000,000	\$ 7,504,680				\$ 9,504,680
SH174 WIDENING SCHEMATIC AND ENVIRONMENTAL	\$ 930,000		\$ 1,400,000			\$ 2,330,000
ELK DR. HILLSIDE DR, & FM 731 - INTERSECTION & SIDEWALK IMPROVEMENTS	\$ 1,036,509					\$ 1,036,509
FIRE STATION				\$ 2,500,000	\$ 13,443,000	\$ 15,943,000
FM 1902 AND CR 910 PEDESTRIAN MOBILITY			\$ 300,000	\$ 1,189,901		\$ 1,489,901
Total GO Bond Projects	\$ 15,167,951	\$ 21,862,180	\$ 18,859,500	\$ 3,689,901	\$ 13,443,000	\$ 73,022,532

Additional Projects						
FIRE STATION 1	\$ 3,533,235					\$ 3,533,235
POLICE EXPANSION *		\$ 5,583,000				\$ 5,583,000
GAS LINE AT THE POLICE EXPANSION PROJECT *	\$ 1,200,000					\$ 1,200,000
SH174 TRAFFIC SIGNAL IMPROVEMENTS	\$ 1,500,000					\$ 1,500,000
ALSBURY BLVD - HULEN ST TO CR 1020 (PHASE II)	\$ 1,000,000					\$ 1,000,000
CITY HALL RENOVATION	\$ 1,400,000					\$ 1,400,000
ALSBURY PHASE I WIDENING - CANDLAR TO HULEN (PHASE 1B)	\$ 3,500,000					\$ 3,500,000
CR 1020 (ALSBURY) WIDENING (DESIGN) PHASE III		\$ 1,833,091				\$ 1,833,091
HULEN INTERSECTION/ROAD EXPANSION		\$ 4,630,029				\$ 4,630,029
VILLAGE CREEK PARKWAY EXPANSION (TARRANT CO BOND 50% MATCH)	\$ 2,064,645	\$ 1,437,194				\$ 3,501,839
WICKER HILL AND GREENRIDGE *		\$ 949,045	\$ 4,040,465			-
HIDDEN VISTAS EXTENSION				\$ 1,575,349		\$ 1,575,349
ADDITIONAL PAVEMENT				\$ 808,198		\$ 808,198
Total Additional Projects	\$ 14,197,880	\$ 13,483,313	\$ -	\$ 2,383,547	\$ -	\$ 30,064,740
All Projects	\$ 29,365,831	\$ 35,345,493	\$ 18,859,500	\$ 6,073,448	\$ 13,443,000	\$ 103,087,272

Funding Breakout						
GO BOND TOTAL	\$ 15,167,951	\$ 21,862,180	\$ 18,859,500	\$ 3,689,901	\$ 13,443,000	\$ 73,022,532
CO TOTAL	\$ 10,733,235	\$ 10,424,326	-	\$ 1,000,000	-	\$ 22,157,561
CASH	\$ 1,400,000	\$ 1,516,453	-	\$ 1,383,547		\$ 4,300,000
OTHER	\$ 2,064,645	\$ 1,542,535				\$ 3,607,180
Total	\$ 29,365,831	\$ 35,345,493	\$ 18,859,500	\$ 6,073,448	\$ 13,443,000	\$ 103,087,272

- Council approved a prior expenditure of \$3,600,000 for design and other professional services related to the Police Expansion Project.
- The total of \$3,600,000 + \$32,817,000 + \$5,583,000 = \$42,000,000 expansion target as directed by Council.

**Items in green are increases or changes, and struck items in red are removed from the current CIP.*

Sources of Additional Police Expansion Funds

Project	CO	Impact Fees	Cash	Total
Police Expansion	\$ 5,583,000	-	-	\$ 5,583,000
Wicker Hill and Greenridge	\$ (3,161,206)	\$ (949,045)	\$ (879,259)	\$ (4,989,510)
Hulen Intersection/ Road Expansion	\$ (2,421,794)	\$ 1,542,535	\$ 879,259	-
Total	\$ -	\$ 593,490	\$ -	\$ 593,490

Debt Capacity Assumptions

- 3% annual growth in assessed property values
- Roadway impact fee utilization
- Refinancing opportunities
- Debt service fund requirements

10 Year Assessed Value Growth

Year	Assessed Value	Growth (YoY)
2023	5,715,360,285	5.25%
2022	5,430,469,325	7.24%
2021	5,063,981,931	7.57%
2020	4,707,770,267	7.16%
2019	4,393,345,069	9.61%
2018	4,008,018,365	10.37%
2017	3,631,532,375	11.94%
2016	3,244,305,751	7.70%
2015	3,012,339,710	8.22%
2014	2,783,585,949	11.85%
2013	2,488,710,642	--

Average Growth 8.69%

Outliers Removed 11.94%
5.25%

Avg Growth less Outlier 8.71%

20 Year Assessed Value Growth

Year	Assessed Value	Growth (YoY)
2023	5,715,360,285	5.25%
2022	5,430,469,325	7.24%
2021	5,063,981,931	7.57%
2020	4,707,770,267	7.16%
2019	4,393,345,069	9.61%
2018	4,008,018,365	10.37%
2017	3,631,532,375	11.94%
2016	3,244,305,751	7.70%
2015	3,012,339,710	8.22%
2014	2,783,585,949	11.85%
2013	2,488,710,642	3.29%
2012	2,409,544,329	4.70%
2011	2,301,320,977	3.52%
2010	2,223,129,859	(0.42%)
2009	2,232,469,943	13.06%
2008	1,974,524,949	9.85%
2007	1,797,526,269	8.89%
2006	1,650,828,318	12.72%
2005	1,464,603,715	11.60%
2004	1,312,421,076	12.26%
2003	1,169,064,040	--

Average Growth 8.32%

Outliers Removed 13.06%
-0.42%

Avg Growth less Outlier: 8.54%

Debt Capacity

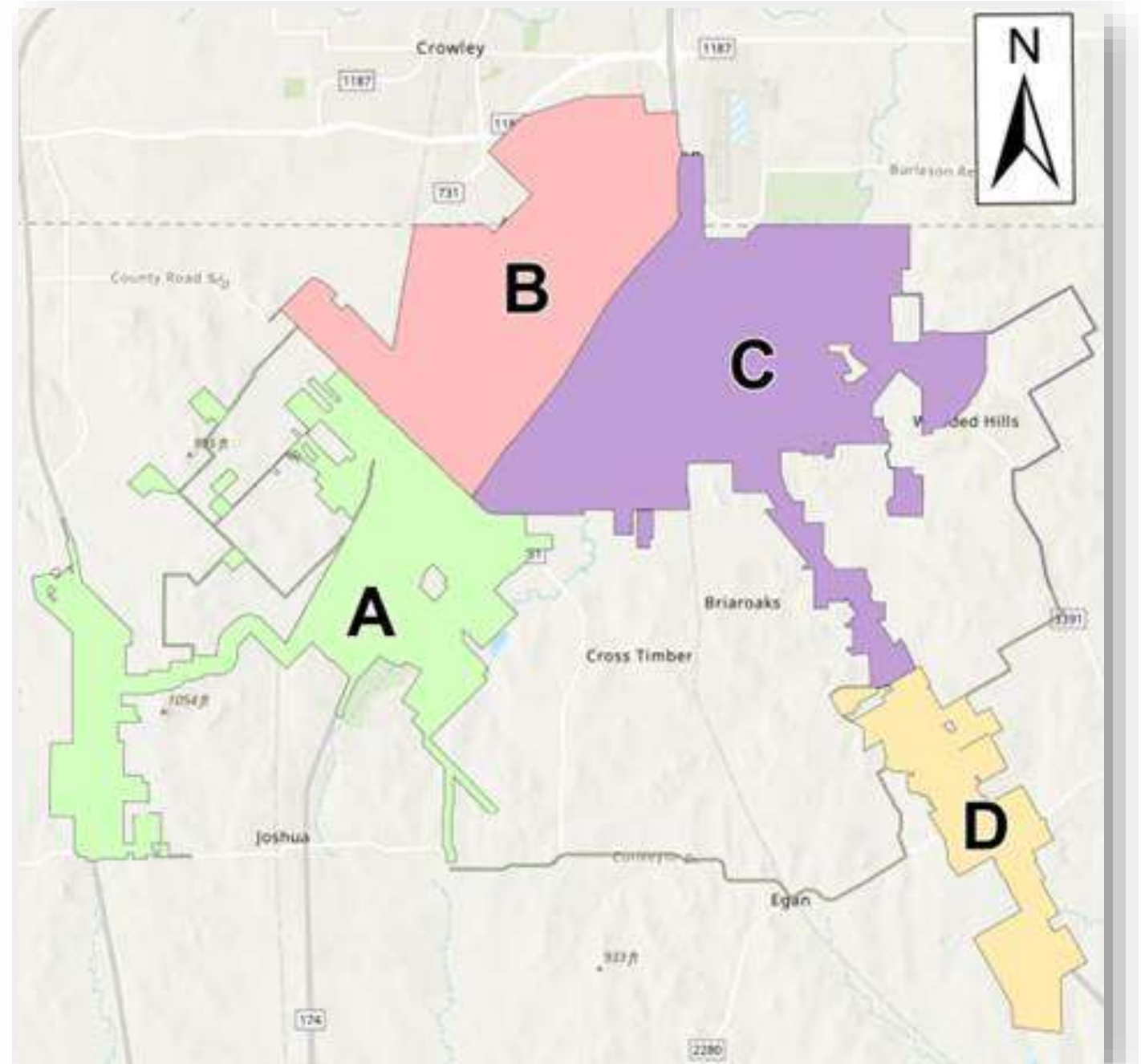
- 8.9 million over the next 5 years
 - Less 1.2 million
 - Total remaining 7.7 million
- Assumes 3% growth

Available Impact Fee Balances

Zone A - \$1,163,499

Zone B - \$496,300

Zone C - \$244,877



General Debt Governing Policies (Refunding)

“The City shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service cost. As a general rule, the present values savings for a particular refunding should exceed three and one-half percent (3.5%) of the refunded maturities, unless a restructuring or bond covenant revision is necessary in order to facilitate the ability to provide services or issue additional debt in accordance with the established debt policies.”

Refunding Bonds,
Series 2023
For Illustration
Purposes Only

Date	Savings 9/6/23	Savings 10/17/23	Savings 11/30/23
09/30/2024	66,121.53	24,833.33	7,840.28
09/30/2025	87,350.00	27,850.00	67,600.00
09/30/2026	81,925.00	28,800.00	52,425.00
09/30/2027	79,075.00	32,075.00	54,950.00
09/30/2028	86,950.00	31,200.00	58,200.00
09/30/2029	85,500.00	31,250.00	57,250.00
09/30/2030	83,625.00	26,000.00	51,000.00
09/30/2031	85,750.00	29,875.00	58,750.00
09/30/2032	82,750.00	28,625.00	56,250.00
09/30/2033	79,750.00	32,250.00	53,750.00
09/30/2034	79,125.00	30,750.00	51,250.00
	897,921.53	323,508.33	569,265.28
Savings PV Rate	5.6465%	1.9689%	3.5037%

Debt Service Fund



- A Debt Service Fund is a type of fund used primarily by governmental entities to account for the accumulation of resources and payment of principal and interest on long-term debt obligations.
- When a municipality issues bonds or takes on other forms of debt to fund projects such as the acquisition or construction of major capital facilities, they will often establish a debt service fund.
- The money in the fund is then used exclusively to make interest payments and to repay the principal on the debt as it becomes due.

Constitutional Requirement

2% minimum fund balance (Interpreted as Debt Service) is required by bond ordinance and the Texas Constitution.

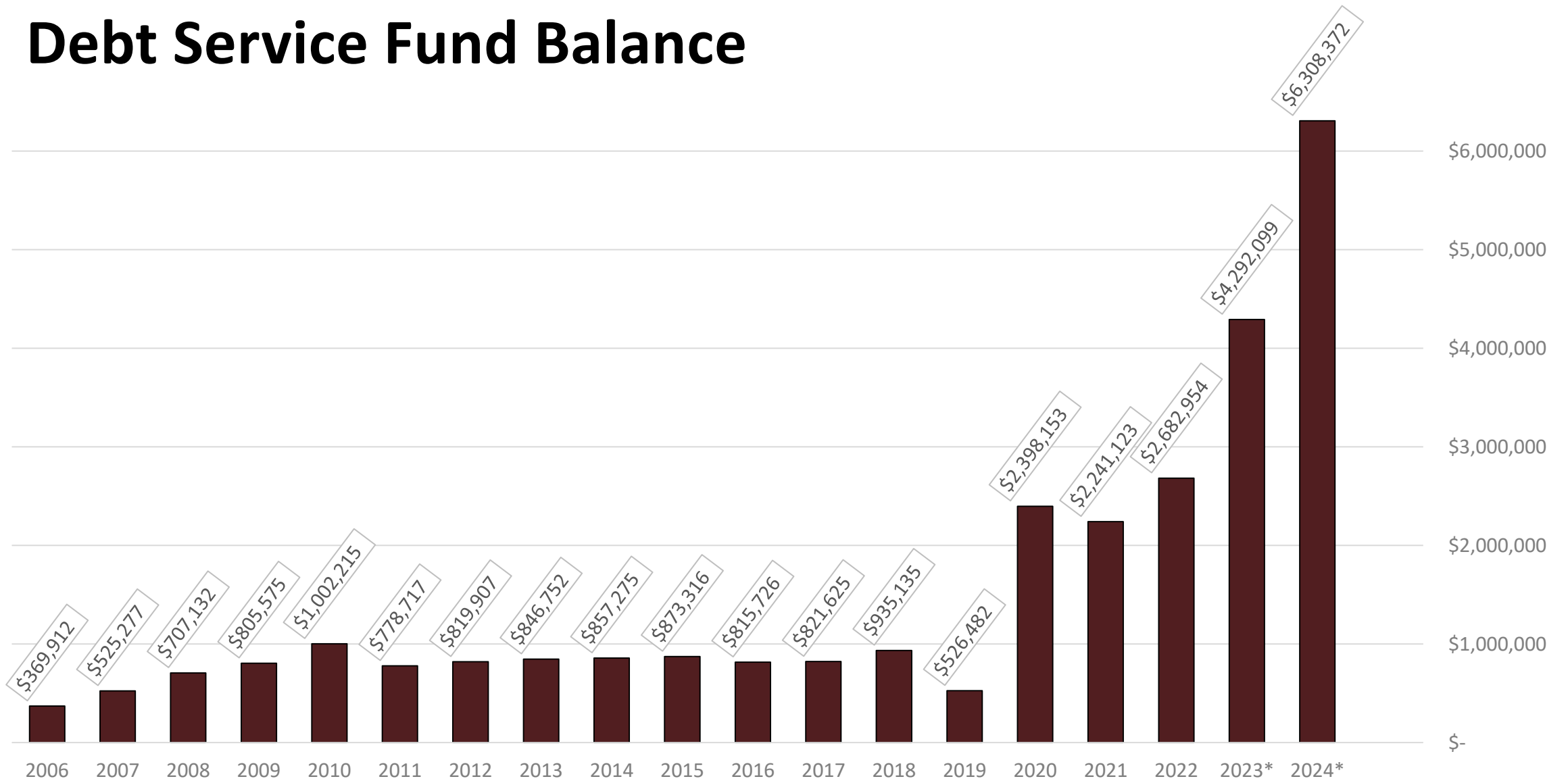
Financial Policy

General obligation debt service funds will not have reserves.

Category	Principal	2% Minimum Fund Balance	2024 Debt Service
TIF 2	\$ 8,330,000	\$ 166,600	\$ 654,689
Golf Course	\$ 1,063,143	\$ 21,263	\$ 370,531
4A	\$ 30,564,490	\$ 611,290	\$ 3,218,074
4B	\$ 14,580,000	\$ 291,600	\$ 1,797,632
Water/Sewer	\$ 61,735,000	\$ 1,234,700	\$ 7,110,165
General Fund	\$ 53,032,367	\$ 1,060,647	\$ 7,984,633
Total	\$169,305,000	\$ 3,386,100	\$ 21,135,724

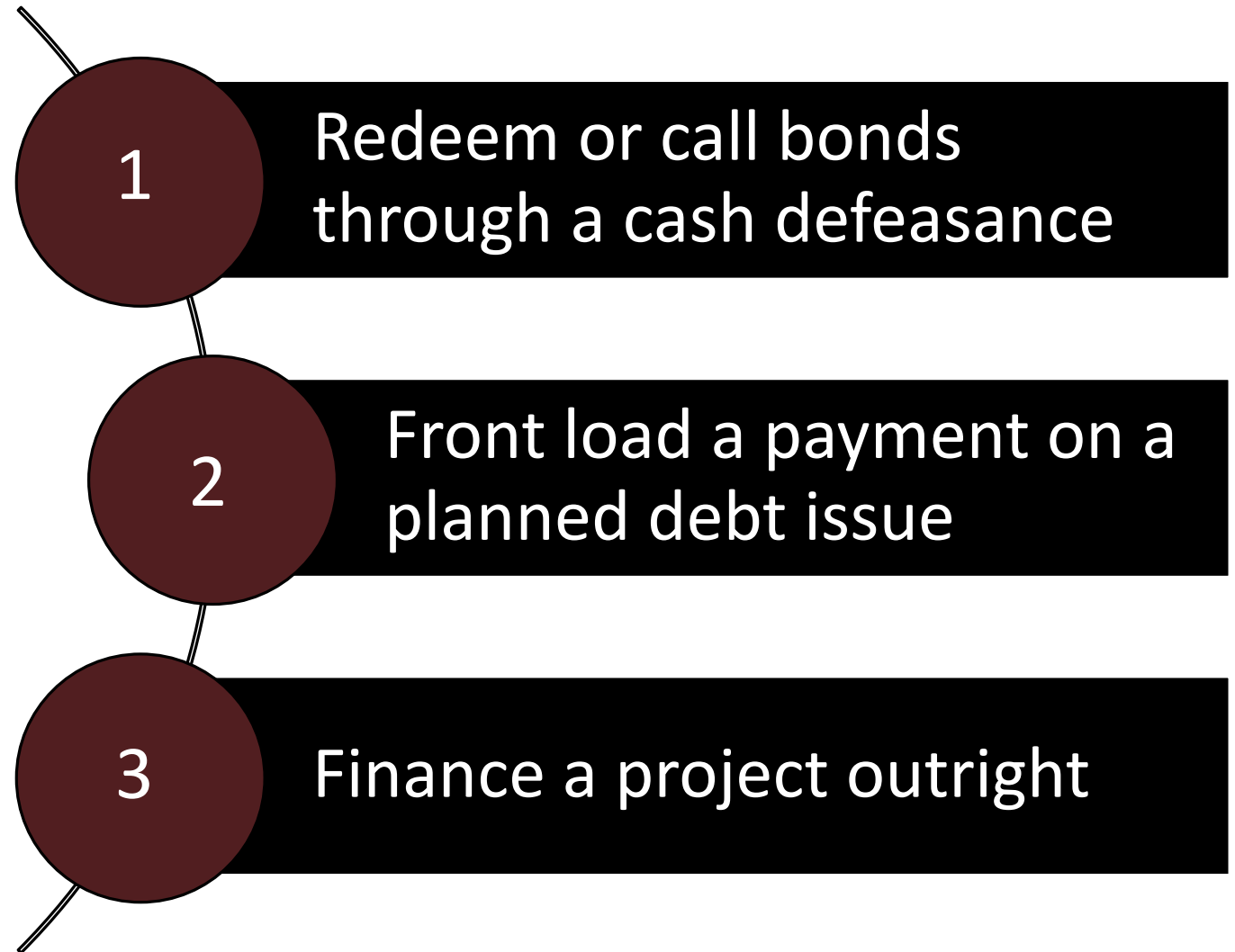
MAJOR GOVERNMENTAL FUND				
GENERAL DEBT SERVICE				
	2021-22	2022-23	2022-23	2023-24
	ACTUAL	ORIGINAL BUDGET	REVISED BUDGET	ADOPTED BUDGET
Beginning fund balance/ working capital	\$ 2,241,123	\$ 2,632,298	\$ 2,682,954	\$ 4,292,099
Revenues				
Ad Valorem	7,315,608	8,575,013	8,575,013	9,843,000
Other sources	360,915	394,550	763,942	803,013
Total revenues	7,676,523	8,969,563	9,338,955	10,646,013
Expenditures				
Debt service	7,234,692	7,512,784	7,729,486	8,629,064
Other Expenditures	-	324	324	676
Total expenditures	7,234,692	7,513,108	7,729,810	8,629,740
Change in fund balance	441,831	1,456,455	1,609,145	2,016,273
Ending fund balance/ working capital	\$ 2,682,954	\$ 4,088,753	\$ 4,292,099	\$ 6,308,372

Debt Service Fund Balance



*Projected

Options for using Debt Service Fund Balance





Next Steps

- Future agenda item to amend CIP
- Review and amend Finance and Debt Policies
- Future refinancing

Options



Approve as presented or
with modifications



Deny request



QUESTIONS/COMMENTS