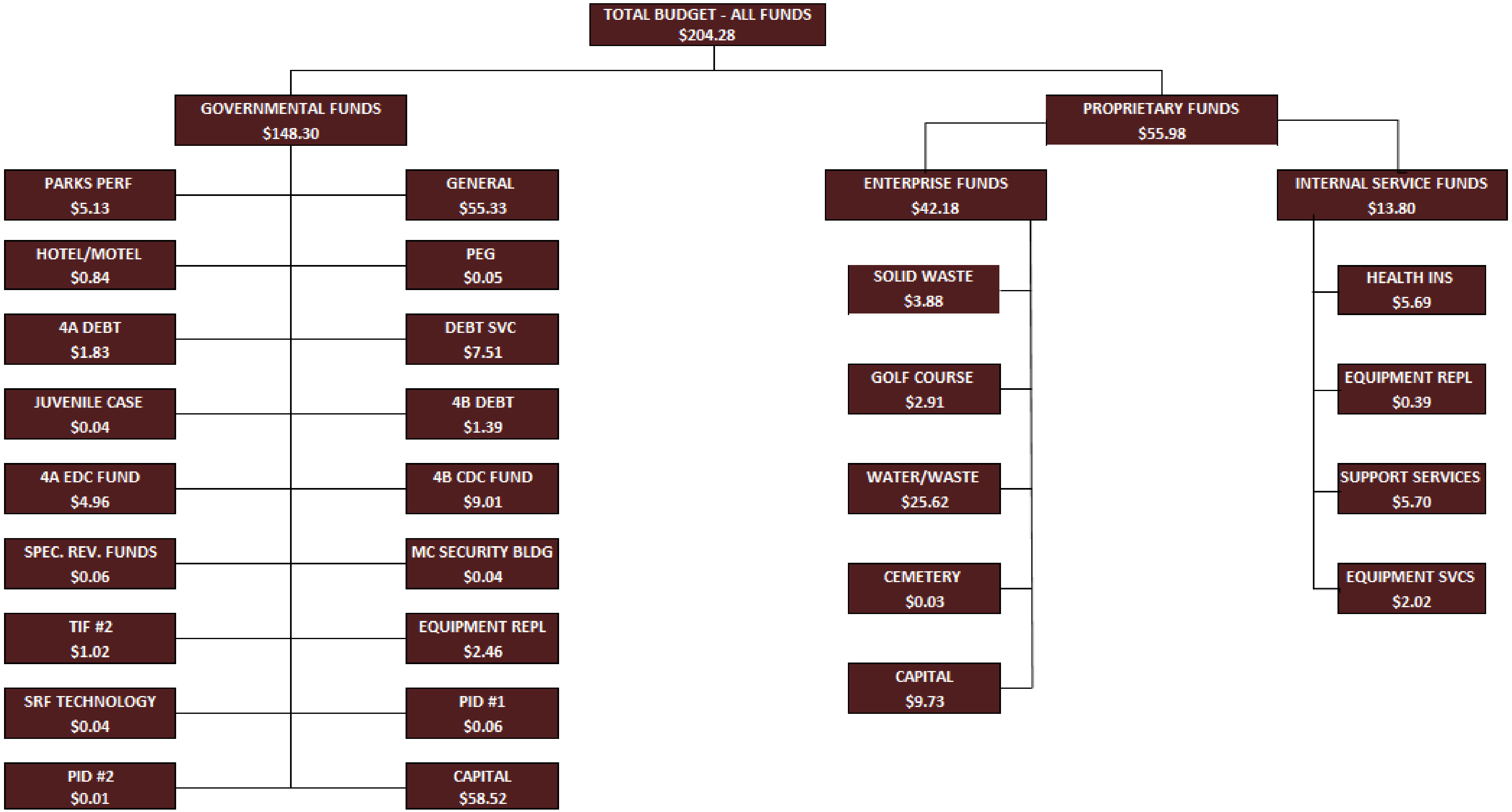
THE CITY OF BURLESON TEXAS

Proposed Budget FY2022
Tax Rate and Related Ordinances

PRESENTED TO THE CITY COUNCIL ON SEPTEMBER 6, 2022

Overall Budget (in Millions)



Assumptions for General Fund

Assessed Value Increases

- FY 2024: Assumes 3% increase of existing properties and $125 million for new construction.
- FY 2025-27: Assumes 3% growth of existing properties and 2% growth for new construction.
- FY 2024-27: Assumes an additional 1% homestead exemption each year.

Debt Service Tax Rate: Increase of $0.0038 compared to FY 2021-22

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General Fund Tax Rate: Decrease of $0.0325 compared to FY 2021-22

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Total Tax Rate: Decrease of **$0.0287** compared to FY 2021-22

Sales Tax

FY 2022:	FY 2023:	FY 2024-2027:
Assumes 12%	Assumes 3% increase	Assumes 3% increase

Tax Rate History

Fiscal Year	General Fund Rate	Debt Rate	Total Rate
FY 2022-23 Proposed	$0.4649	$0.1923	$0.6572
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

$0.0778 cents decrease

Lowest tax rate since FY 2007-2008 total tax rate - $0.6618 (15 years ago)

Homestead Exemption

- 1% homestead exemption was approved as part of the FY 2022 budget process and is effective in FY 2023
- 2% homestead exemption will be proposed during the FY 2023 budget process and will be effective for FY 2024.
- Minimum homestead exemption (primary residence) - $5,000

For a home valued at $253,812

- FY 2024: 2%, savings of $32.86
- FY 2025: 3%, savings of $50.04
- FY 2026: 4%, savings of $66.72
- FY 2027: 5%, savings of $83.40

Summary of Assumptions

	FY 23	FY 24	FY 25	FY 26	FY 27
Existing Appraised Value Growth	3%	3%	3%	3%	3%
New Construction	$147M	$125M	$127.5M	$130M	$132.6M
Sales Tax Growth	3%	3%	3%	3%	3%
Compensation *	3.5%	3.5%	3.5%	3.5%	3.5%
Tax Rate	$0.6572	$0.6572	$0.6572	$0.6572	$0.6572
Cash Funding – Capital Projects	$2.5M	$2.5M	$1.0M	$1.0M	$1.0M
Future Bond Sales	$9.6M	$25.9M	$19.5M	$14.0M	$17.5M

*Plus eligible step increases for Police/Fire
FY 23 Compensation effective 10/1/2022

$8 million cash funding capital projects estimated over the next 5 years

Total Outstanding Bond Debt

Supporting Debt	Outstanding Principal 9/30/2021	Percent	Outstanding Principal 9/30/2022	Percent	Increase (Decrease) Principal
Tax Supported Debt*	$59,462,361	41%	$56,412,368	39%	($3,049,991)
Water & Sewer	$54,360,000	38%	$55,780,000	38%	$1,420,000
4A	$11,947,068	9%	$10,374,490	7%	($1,572,580)
4B	$10,085,000	7%	$13,035,000	9%	$2,950,000
TIF	$5,120,000	4%	$8,040,000	6%	$2,920,000
Golf	$1,385,571	1%	$1,063,142	1%	($322,429)
Total Outstanding Debt*	**$142,360,000**	100%	**$144,705,000**	100%	**$2,345,000**

*All bond debt <u>must</u> be used for costs associated with capital projects and cannot be used for day to-day operations.

Includes $14,385,000 estimated 2022 GO and CO bond issue offset with $12,040,000 reduction of existing debt for a net change of $2,345,000.

Water/Wastewater

Key issues in the development of the budget:

Enhance Future Capacity

- Completion of sewer project from City of Fort Worth to enhance future capacity for development
- $14,688,442 – Source of funding- bond issue in FY 2022 and available funds

Capital Improvement Program

- $6 million bond issue proposed in FY 2022
- 5 year Capital Improvement Plan 2023-2027:
  - Water - $42.5 million
  - Sewer - $34.7 million

Rates

- No sewer rate increase proposed for FY 2022-2023
- No water rate proposed for FY 2022-2023
- No rate increase proposed until FY 2025

Solid Waste Fund Assumptions

Revenues	
No projected fee increase for FY 23 Project a 5% fee increase in FY 24-27 ($2.31 increase on residential account)	
2% - 2.25% increase in growth for FY 2023-2024	

Expenditures	
Collection contract	Average cost $2.6 million
Recycling program	Average cost $475,000
Current contract expires in FY 2024	

Total Expenditure Budget by Fund
(in millions)

Fund	FY 21-22	Proposed FY22-23	Variance
General Fund	$50.3	$55.3	$5.0
Debt Service	$7.2	$7.5	$0.3
Water & Wastewater Fund	$24.5	$25.6	$1.1
Solid Waste Fund	$3.7	$3.9	$0.2
Hidden Creek Golf Course Fund	$2.9	$2.9	$0.0
Parks Performance Fund	$4.8	$5.1	$0.3
4A Sales Tax SRF	$9.6	$5.0	($4.6)
4B Sales Tax SRF	$6.4	$9.0	$2.6
Capital Projects	$23.7	$21.7	($2.0)
Other Funds	$34.0	$68.3	$34.3
Total	**$167.1**	**$204.3**	**$37.2**

September 6, 2022 Council Meeting

- Public Hearing on FY2022-23 budget and property tax rate- Agenda item #
- Approval of ordinances (First reading) – Agenda item #
  - FY2022-23 budget- October 1, 2022 – September 30, 2023
  - Levying the property tax for the tax year 2022 taxable values and adopting the property tax rate of $0.6572 per $100 value
  - Approving Tax year 2022 tax roll
  - Approving the FY 2022-23 schedule of fees
  - Establishing the FY2022-23 rates for water and wastewater service (no increase)
  - Establishing the FY2022-23 rates for solid waste service (no increase)
  - Approving a 2% residential homestead exemption for Tax Year 2023 to be effective October 1, 2023 for FY2023-24

Next Steps

September 12 – Special City Council meeting. Final reading of the ordinances to approve the budget, tax rate and related ordinances.

QUESTIONS/COMMENTS