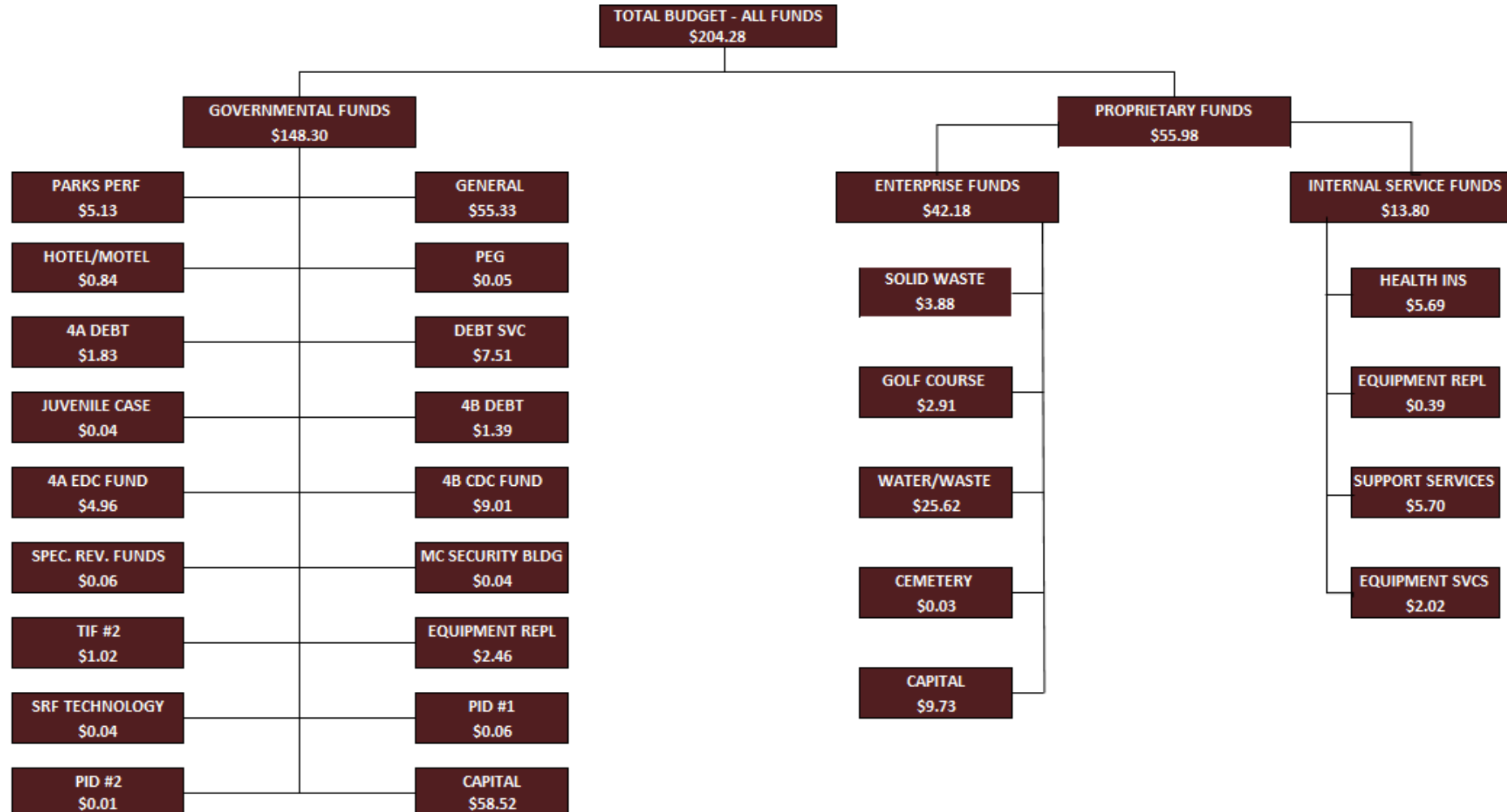




Proposed Budget FY2022 Tax Rate and Related Ordinances

PRESENTED TO THE CITY COUNCIL ON SEPTEMBER 6, 2022

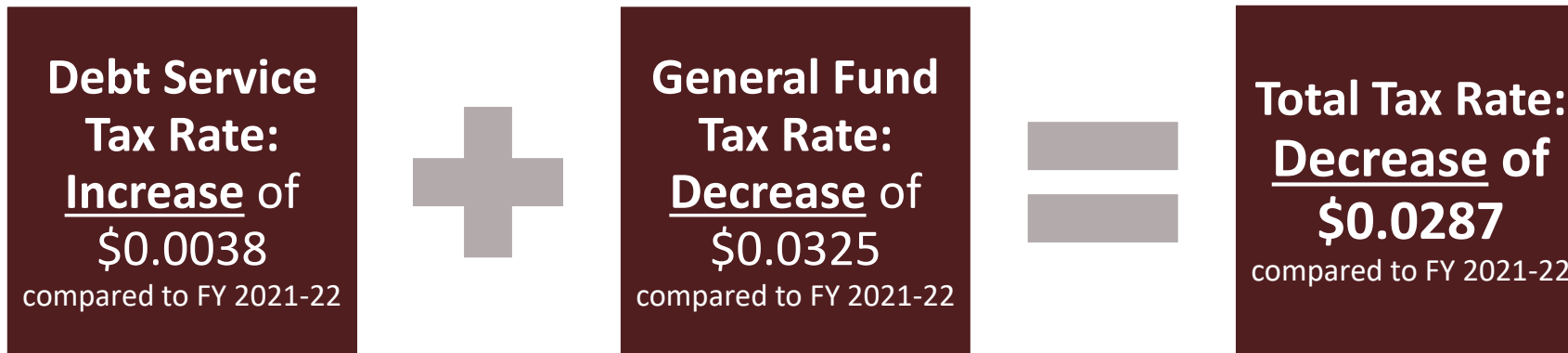
Overall Budget (in Millions)



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.



Sales Tax

FY 2022:
Assumes 12%



FY 2023:
Assumes 3% increase



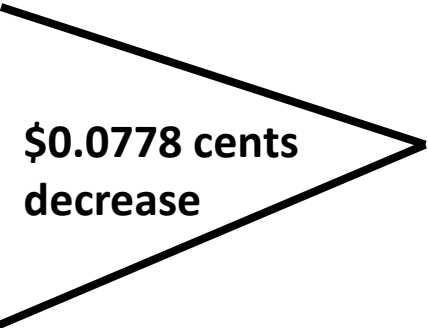
FY 2024-2027:
Assumes 3% increase



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 must 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