Proposed Budget FY2024
Tax Rate and Related Ordinances

PRESENTED TO THE CITY COUNCIL ON SEPTEMBER 5, 2023

Assumptions for General Fund

Assessed Value Increases

- FY 2025-28: Assumes 3.5% growth of existing properties and 2% new improvements
- FY 2025-26: Assumes an additional 1% homestead exemption each year.

Debt Service Tax Rate: Increase of $0.0000 compared to FY 2022-23

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General Fund Tax Rate: Decrease of $0.0247 compared to FY 2022-23

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Total Tax Rate: Decrease of $0.0247 compared to FY 2022-23

Sales Tax

FY 2023:	FY 2024 Proposed:	FY 2025-2028:
Assumes 6%	Assumes 3% increase	Assumes 3% increase

Tax Rate History

Tax Year	GF Rate	Debt Rate	Total Rate
Proposed FY2023-24	$0.4402	$0.1923	$0.6325
FY2022-23	$0.4649	$0.1923	$0.6572
FY2021-22	$0.4974	$0.1885	$0.6859
FY2020-21	$0.5187	$0.1924	$0.7111
FY2019-20	$0.5106	$0.2094	$0.7200
FY2018-19	$0.5228	$0.2122	$0.7350
FY2017-18	$0.5228	$0.2122	$0.7350
FY2016-17	$0.5228	$0.2122	$0.7350
FY2015-16	$0.5278	$0.2122	$0.7400
FY2014-15	$0.5278	$0.2122	$0.7400
FY2013-14	$0.5278	$0.1622	$0.6900

Decrease
$0.0247

Average Home Value

Fiscal Year	Average Home Value	Tax Rate	Tax Levy	Homestead	Net Tax Bill
FY 2023	$253,812	$0.6572	$1,668.05	($33.36)	$1,634.69
FY 2024	$282,966	$0.6325	$1,789.76	($53.69)	$1,736.08
Net Difference	$29,154	($0.0247)	$121.71	$20.33	$101.39

- Monthly net tax bill increase of $8.45 per month.

Summary of Assumptions

	FY 24	FY 25	FY 26	FY 27	FY 28
Tax Levy	3.5%	3.5%	3.5%	3.5%	3.5%
New Construction Growth	2%	2%	2%	2%	2%
Sales Tax Growth	3%	3%	3%	3%	3%
Compensation	3.5%	3.0%	3.0%	3.0%	3.0%
Cash Funding – Capital Projects	$1.4M	$.64K	$.88K	$1.38M	$0
Future Bond Sales	$93.7M	$74.5M	$40.92M	$15.93M	$22.0M

Water/Wastewater

Key issues in the development of the budget:

Projects

- Water Line Rehabilitation $2.0M
- Hulen Ground Storage Tank Rehabilitation $1.4M
- Sewer Line Rehabilitation $3.0M

Capital Improvement Program

- $9 million bond issue proposed in FY 2023/24
- 5 year Capital Improvement Plan 2024-2028:
  - Water - $48.8 million
  - Sewer - $33.7 million

Rates

- Propose 3 percent for both water and sewer in FY 2024

Water Rates -3% increase

Section 1		
The base water rates per meter size shall be as follow:		
	Current	**Proposed**
3/4	$15.56	$16.03
1	$22.41	$23.08
1.5	$42.19	$43.46
2	$62.18	$64.05
3	$149.55	$154.04
4	$249.26	$256.74
6	$497.41	$512.33
8	$745.56	$767.93
10	$991.51	$1,021.26
12	$1,144.90	$1,179.25

Section 2		
In addition to the base water rate per meter size, the water rates for all areas of		
the City are as follows.		
1 gallon to 10,000 gallons	**Current**	**Proposed**
Meter Size		
All	$4.76/1000 gallons	$4.90/1000 gallons
10,001-20,000 gallons		
Meter Size		
All	$5.75/1000 gallons	$5.92/1000 gallons
Over 20,000 gallons		
Meter Size		
All	$6.57/1000 gallons	$6.57/1000 gallons
Gas Well Drilling		
Meter Size		
All	$13.55	$13.96

Wastewater Rates -3% increase

Section 3		
The base wastewater rate shall be as follows:		
	Current	**Proposed**
	$19.16	$19.73
Residential		
Residential wastewate volume will be determined as the average of water consumption billed in the months of Janaury, February, and March up to a maximum of 12,000 gallons. If a customer has not established an average for these three months, wastewater volume will be determined as the citywide residential average for thos months.		
The rate applied to this volume will be		
	Current	**Proposed**
	$5.32/1,000 gallons	$5.48/1,000 gallons
Maximum wastewater charge to residential customers using wastewater service only:		
Max	$83.00	$85.49
Commercial		
All usage	$5.32	$5.48
Abnormal Sewage Surcharge- rated determined by City of Fort Worth		
	Current	**Proposed**
Biochemical Oxygen Demand (BOD)	$0.4407 per pound	$0.5478 per pound
Total Suspended Solids (TSS)	$0.2649 per pound	$0.3175 per pound

Solid Waste Fund

Revenues	
Projected 20% fee increase for FY 24 – $3.64 per residential account Projected 10% fee increase for FY 25 Project a 3% fee increase in FY 26-28	
2.50% increase in growth for FY 23-24	

Expenditures	
Collection contract	FY24 projected cost - $3 million
Recycling program	FY24 projected cost - $522,000
Current contract expires in FY 2029	

Solid Waste Rates -20% increase

Residential		
	Current	**Proposed**
Waste Collection	$13.50	$16.20
Recycling	$2.50	$3.00
Admin & Overhead	$1.00	$1.10
Franchise Fee	$1.20	$1.54
	$18.20	$21.84
Small Collection Business		
Base Rate	$16.88	$23.43
Admin & Overhead	$3.50	$1.10
Franchise Fee	$1.62	$1.87
	$22.00	$26.40
Major Collection		
Base Rate	$28.42	$35.38
Admin & Overhead	$1.91	$1.10
Franchise Fee	$2.43	$2.83
	$32.76	$39.31

Total Expenditure Budget by Fund
(in millions)

FUND	FY22-23 ESTIMATE	FY23-24 PROPOSED	VARIANCE
GENERAL FUND	$ 57.7	$ 60.2	$ 2.5
DEBT SERVICE	7.7	8.6	0.9
WATER AND WASTEWATER	26.7	28.0	1.3
SOLID WASTE	4.1	4.3	0.2
HIDDEN CREEK GOLF COURSE	3.8	3.4	(0.4)
PARKS PERFORMANCE	5.5	5.7	0.2
4A SALES TAX	3.8	9.1	5.3
4B SALES TAX	9.5	8.1	(1.4)
CAPITAL PROJECTS	68.3	97.4	29.1
OTHER FUNDS	29.2	31.0	1.8
TOTAL	**$ 216.3**	**$ 255.9**	**$ 39.6**

Fee Schedule Ordinance

- Recent fee schedule updates
  - Cemetery Fees – approved by Council on August 15, 2023
  - Development Engineering Review and Inspection Fees (In response to HB3492), approved by Council August 21, 2023
  - Short Term Rental – approved by Council on May 1, 2023

Next Steps

September 11

Special City Council meeting. Final reading of the ordinances to approve the budget and tax rate

Action Requested

Approve or Deny the following ordinances:

- FY2023-24 Budget – October 1, 2023 – September 30, 2024
- Levying the property tax for tax year 2023 taxable values and adopting the property tax rate of $0.6325 per $100 value
- Approving Tax Year 2023 tax roll
- Approving the FY2023-2024 schedule of fees
- Establishing the FY2023-2024 rates for water and wastewater services (3% increase)
- Establishing the FY2023-2024 rates for solid waste services (20%)
- Approving a 3% residential homestead exemption for Tax Year 2024 to be effective October 1, 2024 for FY2024-2025

QUESTIONS/COMMENTS