



FY 2022-23 General Fund Budget Overview

Presented by Scott Huizenga, Assistant City Manager

July 7, 2022

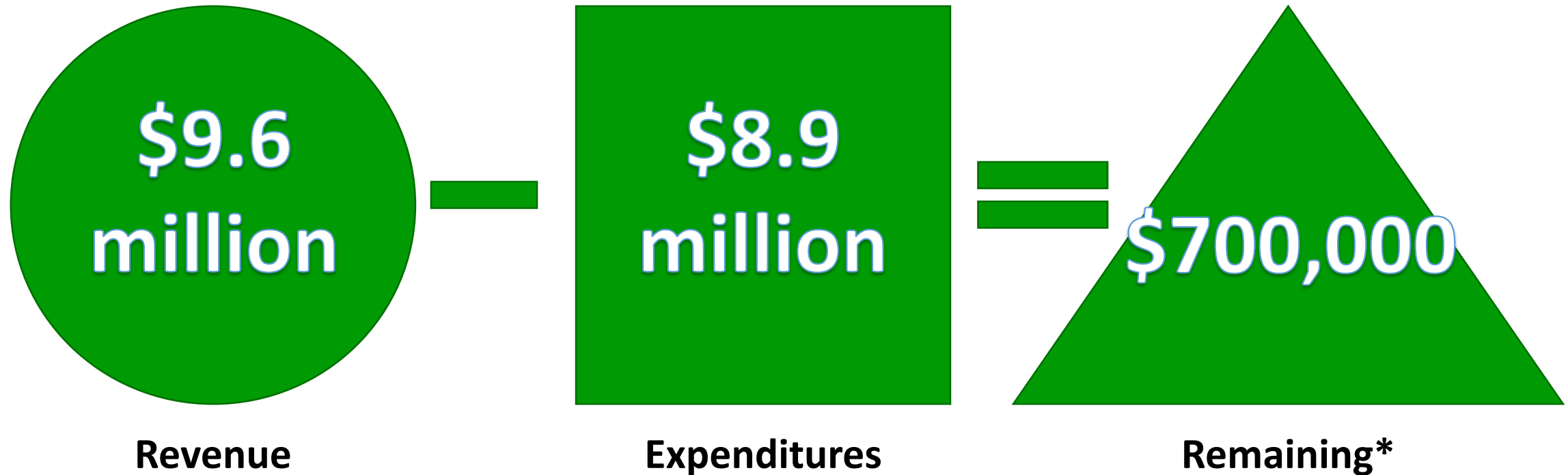


Major Assumptions

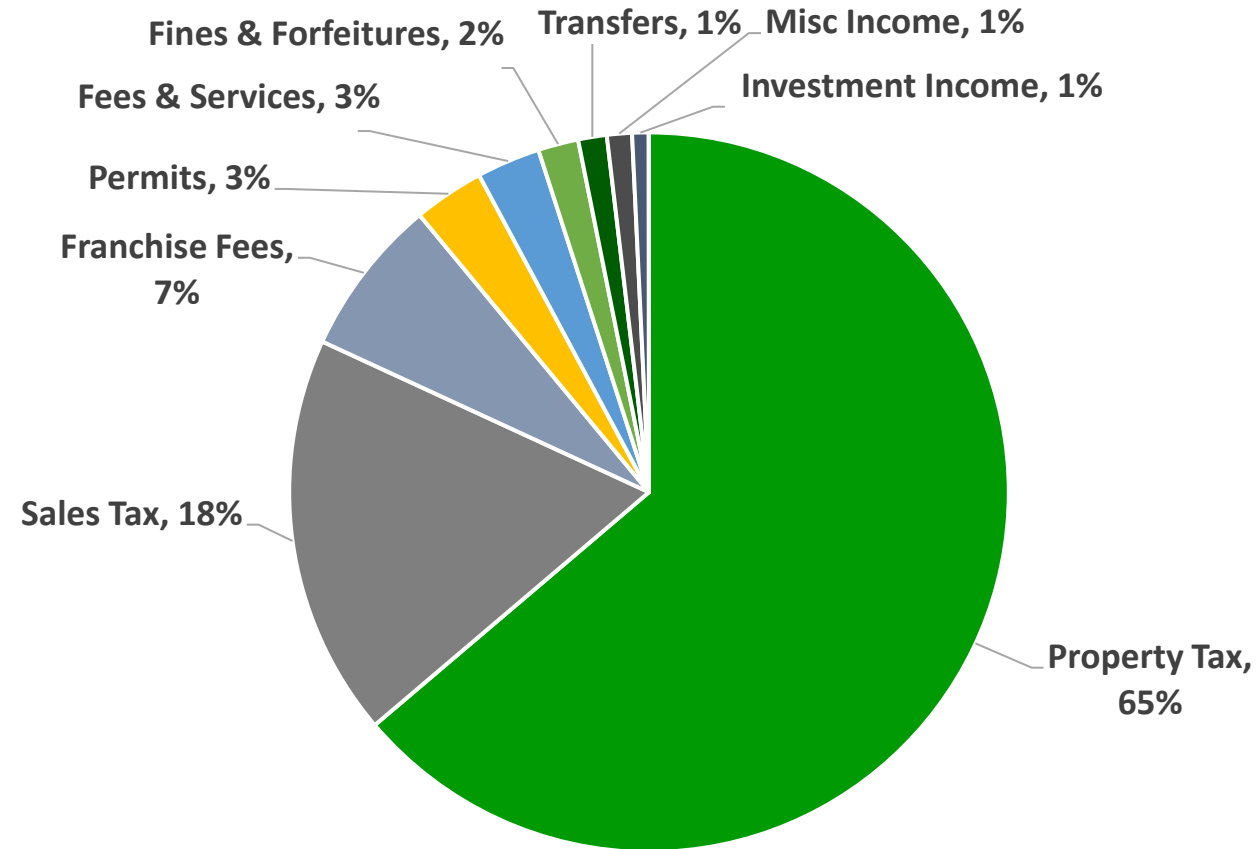
- 5.1% Increase to Operating Expenses
- Assumes 3.5% Property Tax Growth
- Includes COLA and Step Increases
- Uses unallocated fund balance to fund major capital projects
 - Includes ARPA and prior year surplus
- Maintains enhanced street maintenance funding
- Fully funds current operations with contractual growth
- Adjusts for inflation and fuel increases

General Fund Operating Budget - Draft

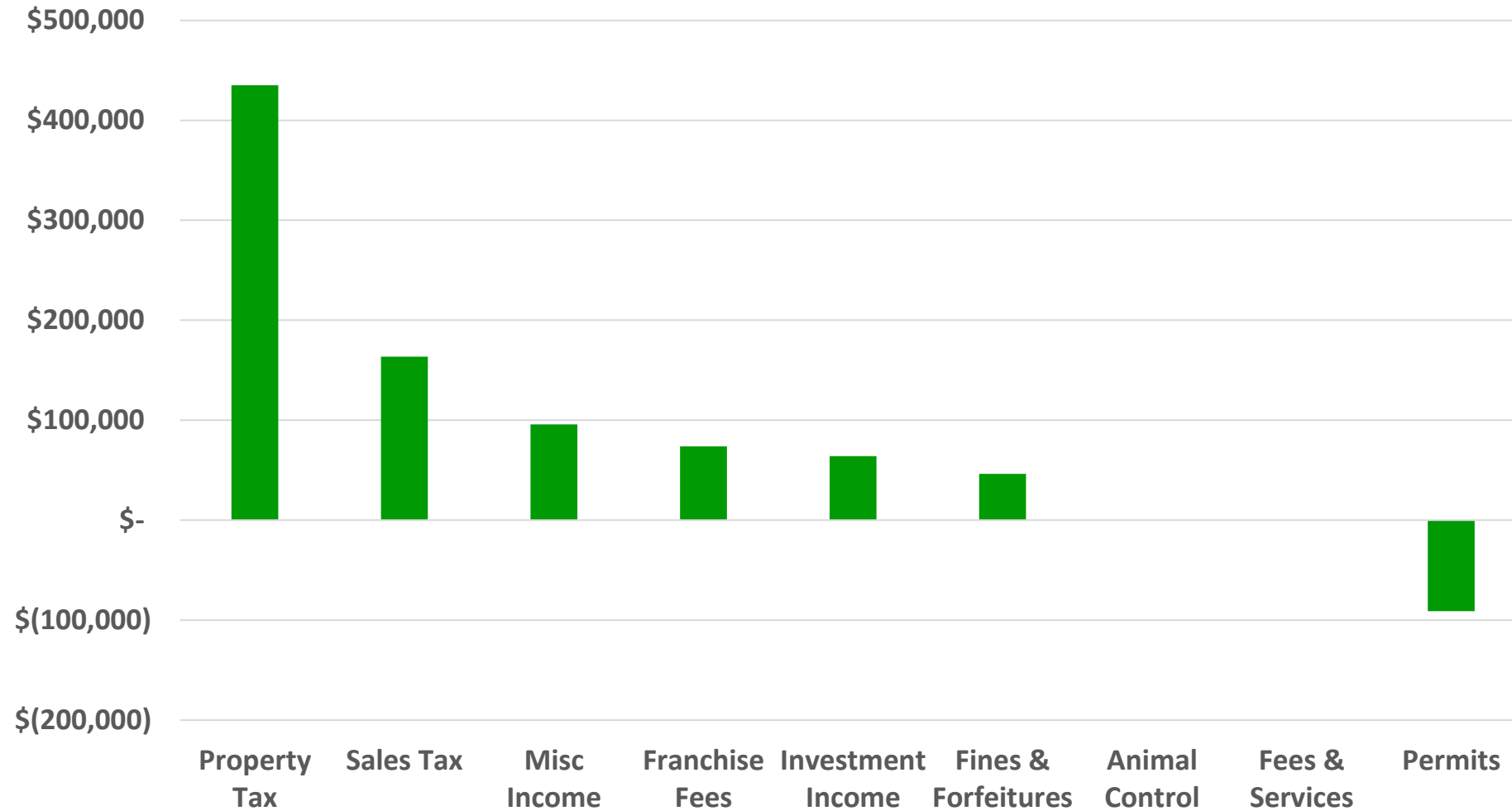
(before Transfers)



General Fund Revenue

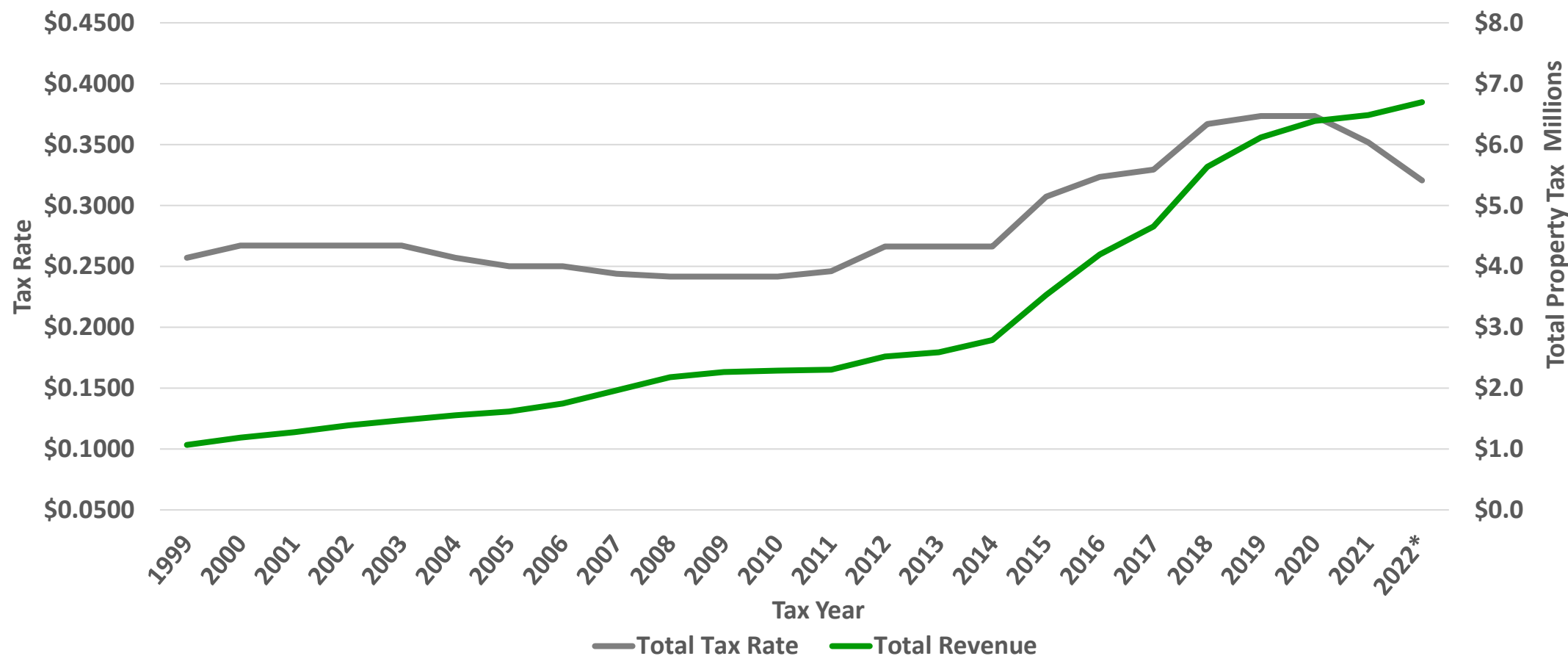


Changes to Revenue





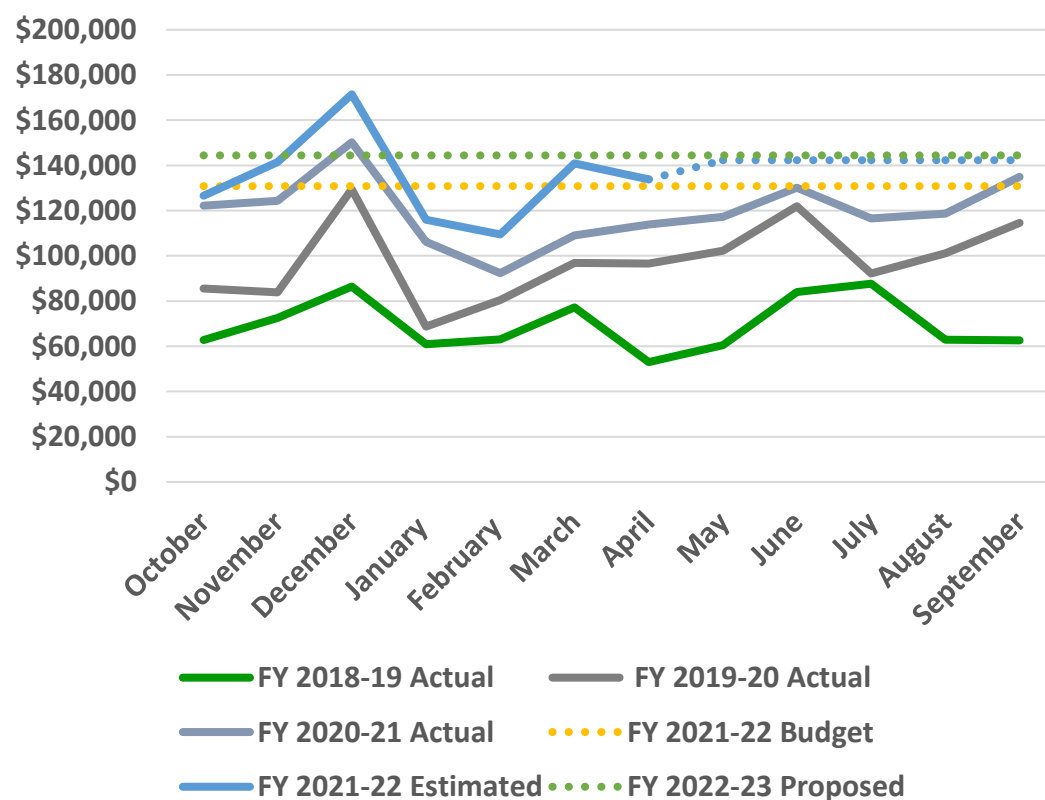
City property tax rates and revenue



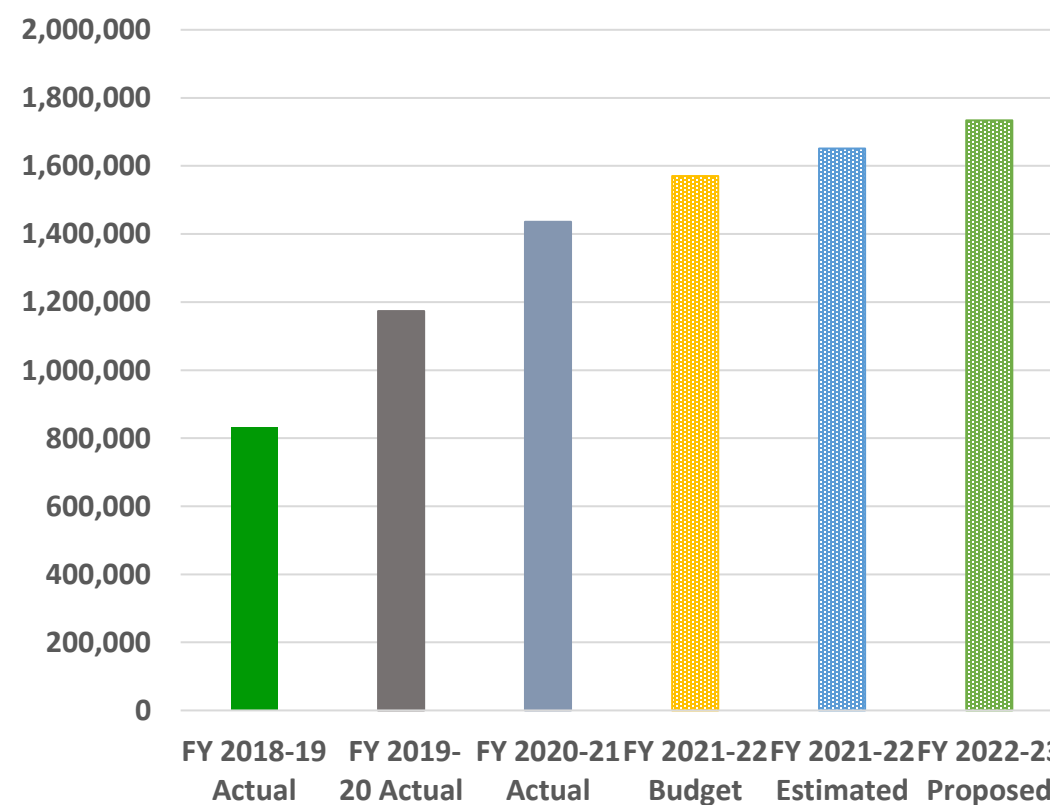


Sales Tax Revenue

Sales Tax Collections by Month

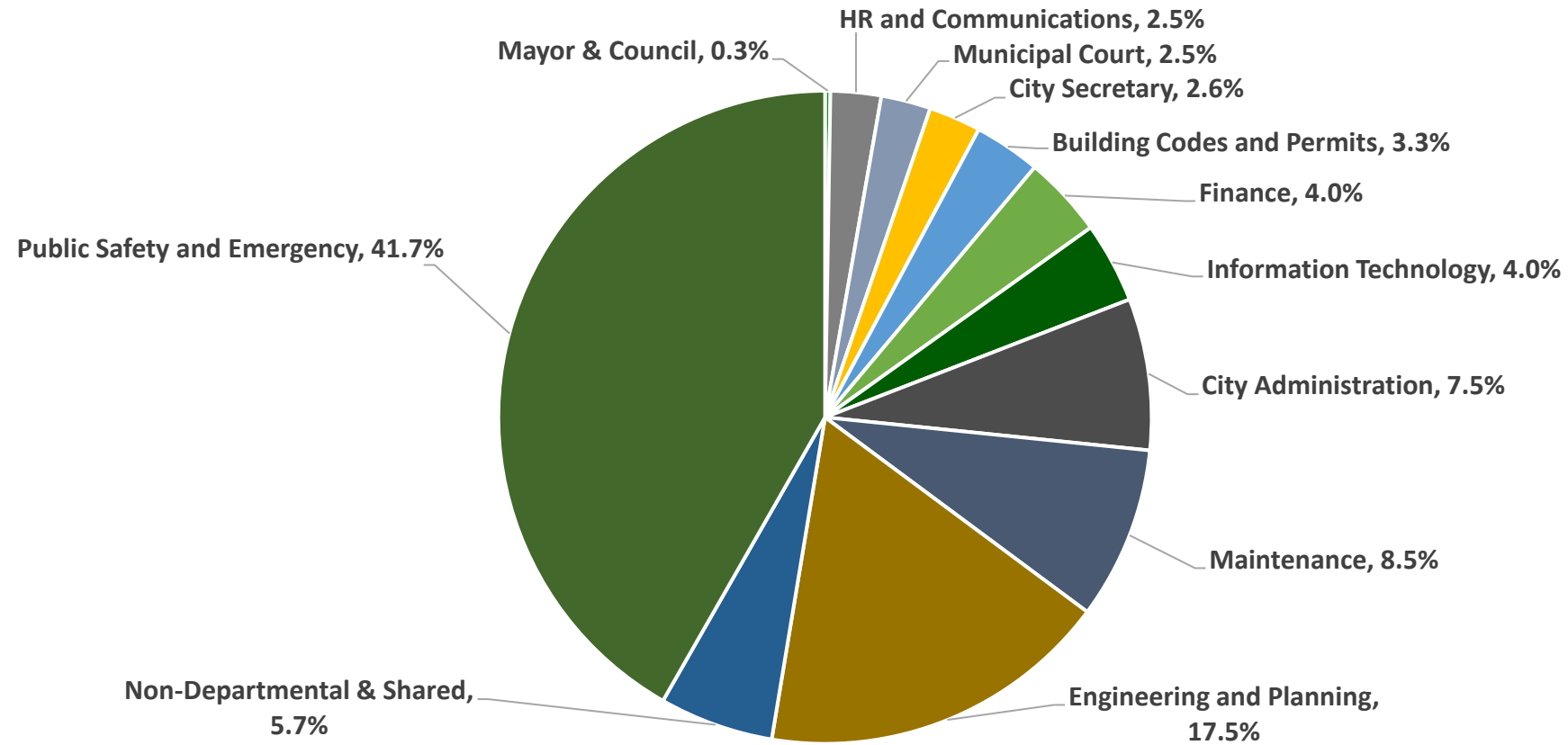


Sales Tax by Fiscal Year



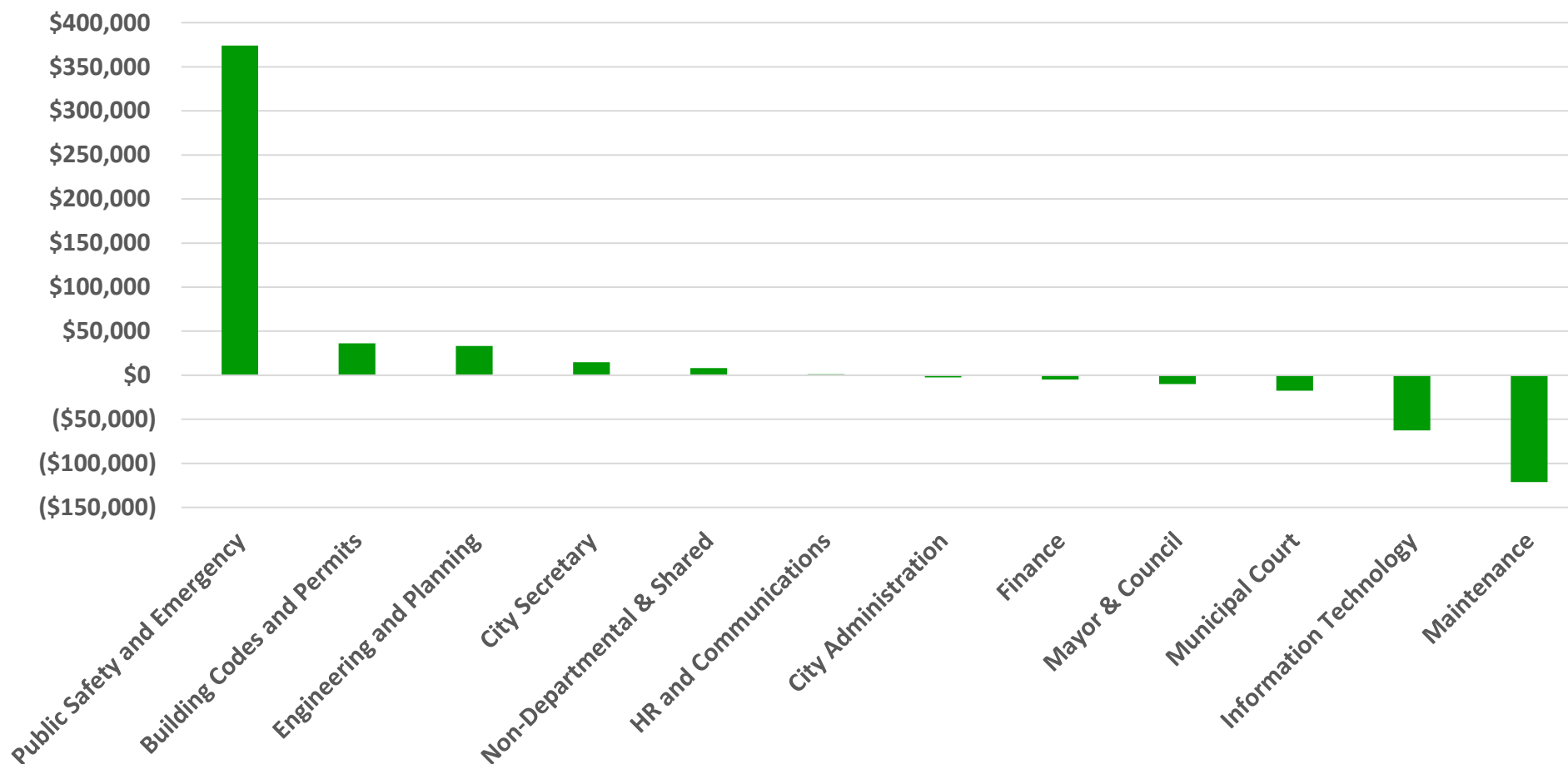
General Fund Expenditures

(before Transfers)





Changes to Expenditures





Major Movers

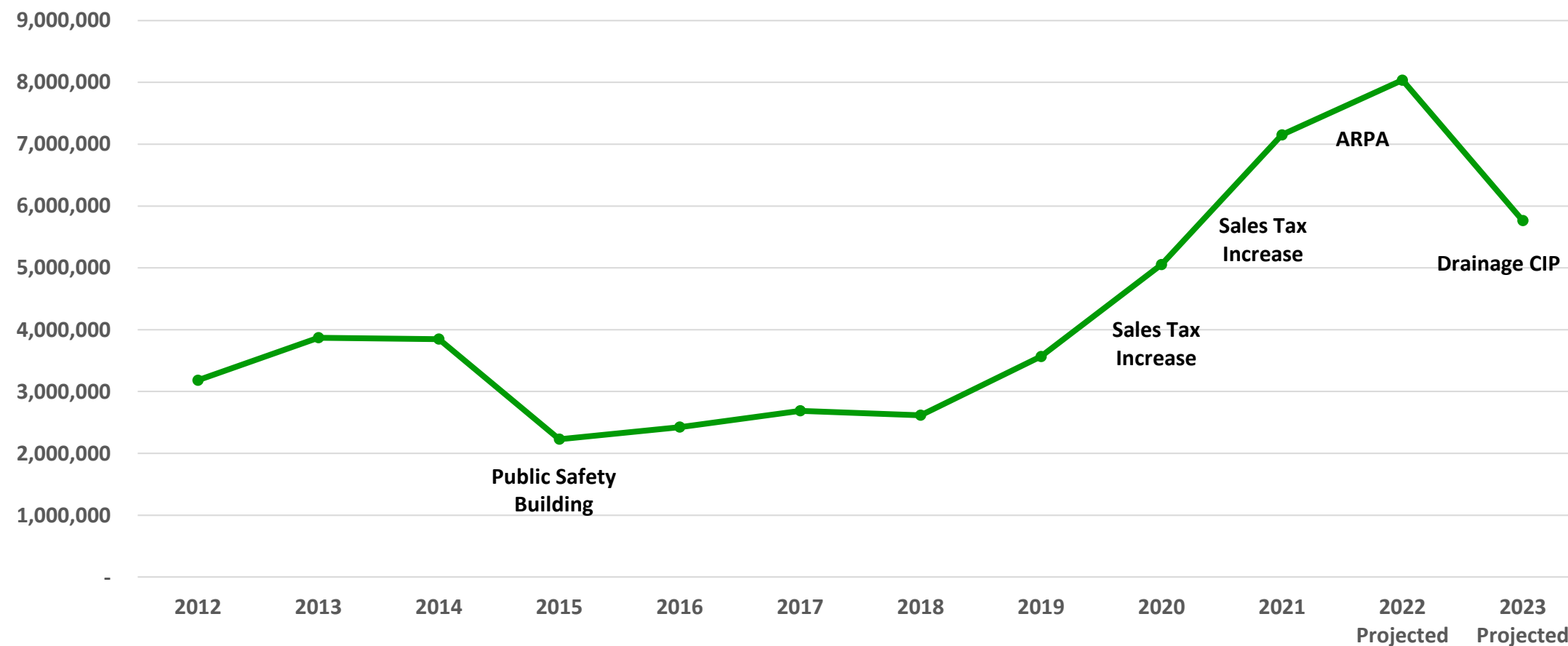
Increases/(Decreases) in Revenue	
Property Taxes	\$434,957
Sales Taxes	\$163,650
SRO Cost Share – BISD	\$85,600
Franchise Fees	\$73,850
Interest Earnings	\$64,000
Court Fines	\$46,000
Permits – Other	\$25,000
School Guard and Grants	\$6,700
Miscellaneous	\$3,300
Permits-Commercial	(\$5,000)
Permits – Residential	(\$110,000)

*New Item, has off-setting revenue

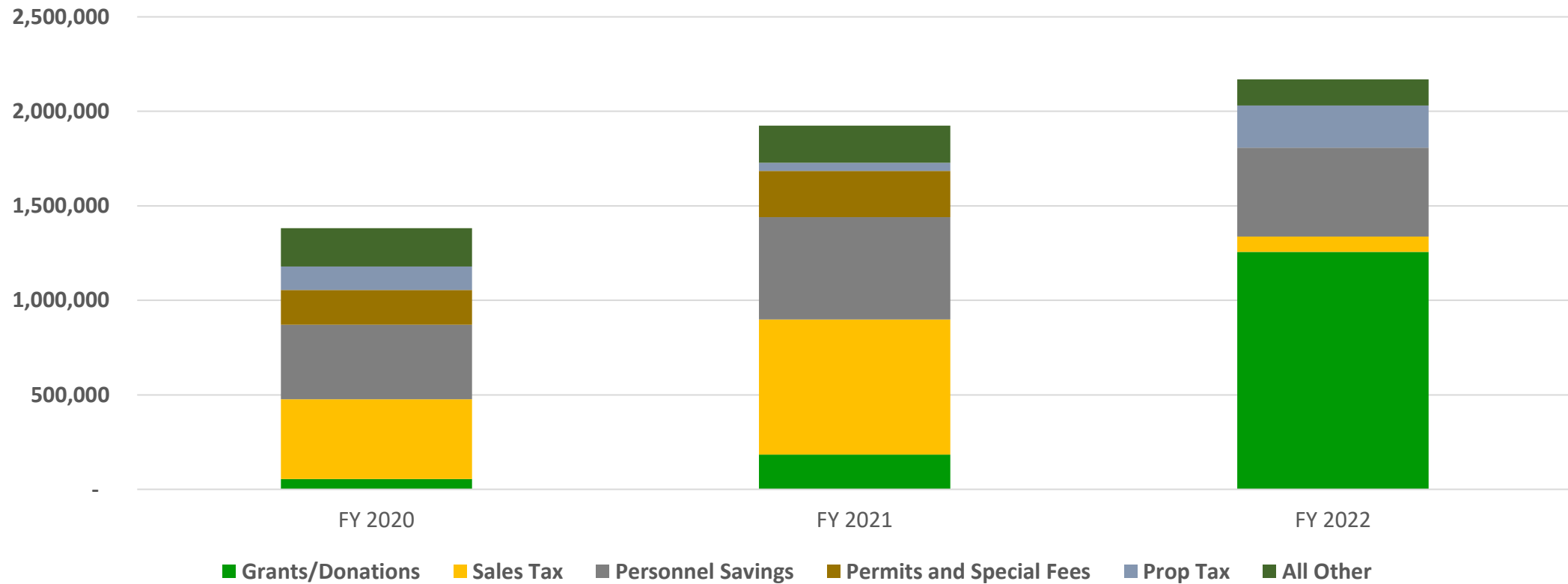
Increases/(Decreases) in Expenditures	
Personnel	\$508,950
ESD #4	\$55,000
Citywide Training	\$20,500
Fuel	\$13,700
Codification/Statutory Reporting	\$12,600
Dilapidated Building Remediation*	\$10,000
Technology and Phone	(\$6,300)
Renegotiated Copier Lease	(\$12,500)
Minor Equipment	(\$24,350)
Internal Control Audit	(\$26,000)
Elections	(\$31,000)
Lease of Portable Building	(\$67,100)



Historical General Fund Reserves



Surplus Drivers



Funded/Under Review



Funded

Item for Discussion	Total Cost	Potential Funding Source	
		Unallocated Budget	Unallocated Surplus
		420,803	3,760,434
Phase 1 Stormwater Projects (Yr.2 Design and Construction)	\$ 2,790,000	\$ 110,638	\$ 1,613,393
Roadway CIP 3.4.13 Post Oak Trail Widening (City Participation using TxDOT Grant)	\$ 875,000		\$ 875,000
2 new SRO positions (60% of cost reimbursed by BISD)	\$ 165,774	\$ 80,165	
Fund Operating Reserve to keep at 6mo. reserved	\$ 230,000	\$ 230,000	
Total Funded		\$ 420,803	\$ 2,488,393
Remaining surplus		\$ -	\$ 1,272,041

Items Under Review

Item for Discussion	Total Cost		
SAP 2.3.3 - Improve Access to Preserve and Park	\$ 500,000		\$ 500,000
Roadway CIP	\$ 688,983		\$ 688,983
SAP 5.3.3a - Digitization Program (Docuware) add'l over PY funded	\$ 73,915		\$ 47,915
SAP 5.3.3b - 3rd Party Scanning	\$ 40,000		\$ 40,000
SAP 5.3.13 - Recodification in Municode	\$ 11,880		\$ 11,880
SAP 5.5.39 - Increase SAN/Backup Efficiency and Storage Capacity for PD data files	\$ 77,500		\$ 77,500
Fuel station additional over PY funding	\$ 65,000		\$ 50,000
New Capital Equipment (Only funding GF cost share)	\$ 139,450		\$ 86,390
Engineering Study on Public Safety building HVAC unit	\$ 30,000		\$ 30,000
New Mechanic Costs (Only funding GF cost share)	\$ 79,800		\$ 39,900
Volunteer Appreciation Event	\$ 14,000		\$ 14,000
On-Call Building Inspector	\$ 22,000		\$ 22,000
Total Not Funded		\$	1,608,568

Tax Rate Review and Considerations



Scenarios								
Proposed	<	Lower of: No New Revenue Voter Approval			Hearings, petitions, elections not applicable (Tax Code Section 26.061)	Tax Rate adopted on or before 9/30/2022		
No New Revenue	<	Proposed	<	Greater of: Voter Approval 8% Increase Rate	<	De Minimis	Must have hearings. Petitions and elections not applicable	Tax Rate adopted on or before 9/30/2022
No New Revenue	<	Greater of: Voter Approval 8% Increase Rate	<	Proposed	<=	De Minimis	Voter petition option available (Tax Code Section 26.075)	If proposed exceed 3.5%, Tax Rate adoption required on or before 8/22/2022 (Tax Code Sec 26.05a)
No New Revenue	<	Voter Approval	<	De Minimis	<	Proposed	Automatic Election	Tax Rate adoption required on or before 8/22/2022 (Tax Code Sec 26.05a)
Proposed Rate		The Rate that the City Council is proposing to adopt						
No New Revenue Rate		A calculated rate that would provide the taxing unit with approximately the same revenue that it received last year from property that was taxed in both years.						
Voter Approval Rate		(No new revenue rate * 1.035) + debt service rate + unused increment rate						
8% Increase Rate		Voter approval tax rate is calculated as if the taxing unit were a special taxing unit (No new revenue rate * 1.08) + debt service rate						
De Minimis Rate		No new revenue rate + (rate that equals \$500K) + debt service rate Exceeding this rate triggers an automatic election						

Tax Rate Review and Considerations



Assumptions:

- 85% of Value Under Review will be Certified as Taxable Value.
- Tax Rate estimated to generate 3.5% increase in M&O Tax Levy.

Comparison of FY 21-22 to FY 22-23 Proposed Property Tax Revenue				Yr over Yr
	2021-22 Projected	PROPOSED 22-23		Yr over Yr
Tax Rate/\$100 Valuation				
General Fund (M&O)	0.3223	0.2950		-0.0274
Debt Service Fund (I&S)	0.0295	0.0256		-0.0039
Total Tax Rate	0.3518	0.3205		-0.0313
Estimated Assessed Valuation	1,862,083,718	2,105,940,222	243,856,504	
M&O Tax Rate/\$100 Valuation	0.3223	0.2950	-0.0274	
Total M&O Levy	6,001,496	6,211,471	209,975	
Total Taxable Valuation	1,862,083,718	2,182,837,407	320,753,689	
I&S Tax rate/\$100 Valuation	0.0295	0.0256	-0.004	
Total I&S Levy	549,223	557,715	8,492	
Total Levy (100%)	\$ 6,550,718	\$ 6,769,186	\$ 218,467	
Yr. over Yr. increase (decrease)		\$ 218,467		
Percent of Levy Collected	99.1%	99.1%	0.0%	
DISTRIBUTION BY FUND				
General Fund	5,948,083	6,155,567	207,485	
Debt Service Fund	544,335	552,696	8,361	
Total Property Tax Collection	\$ 6,492,417	\$ 6,708,263	\$ 215,846	
Yr. over Yr. Increase (decrease) in collections		\$ 215,846		

3.5% increase



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