

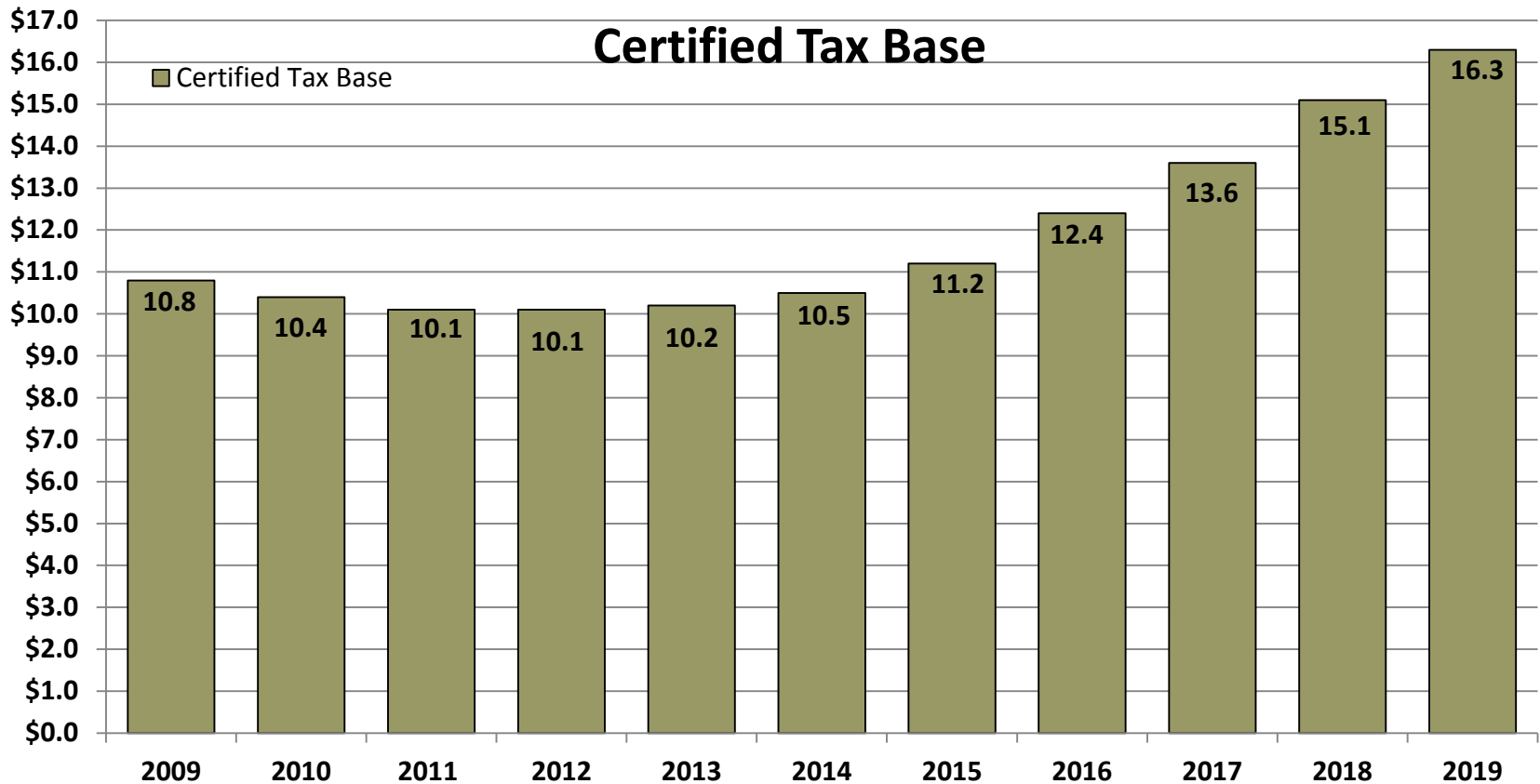
# City of Garland

---

**2019-20 Proposed Budget**  
Preview – City Council Work Session  
August 5, 2019

# Certified Property Tax Base

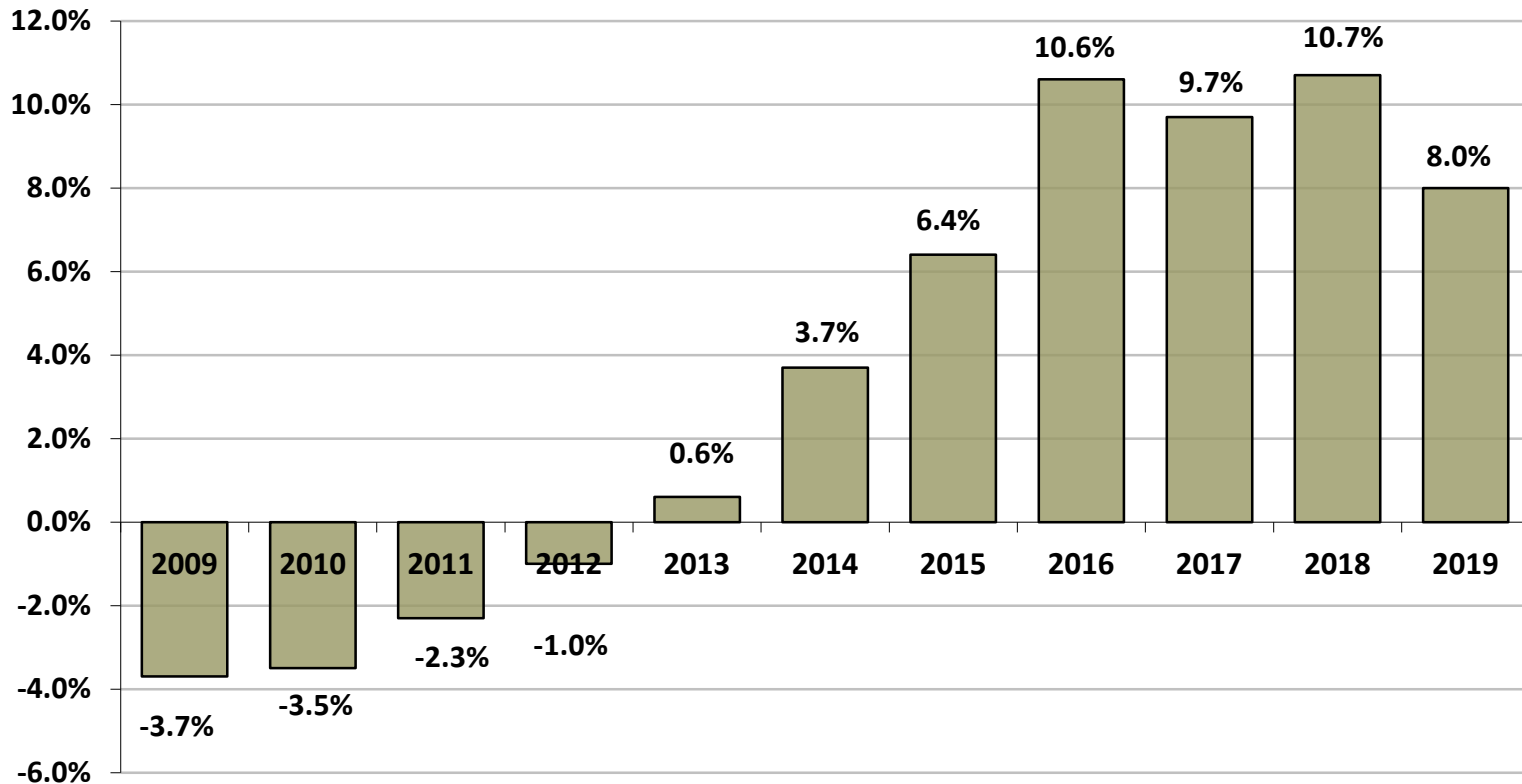
Certified Values (In Billions)



- 2019 Certified Property Tax Base at \$16,255,525,750, representing the fourth consecutive year in which the tax base grew in excess of \$1 billion.

# Certified Property Tax Base – Percentage Change

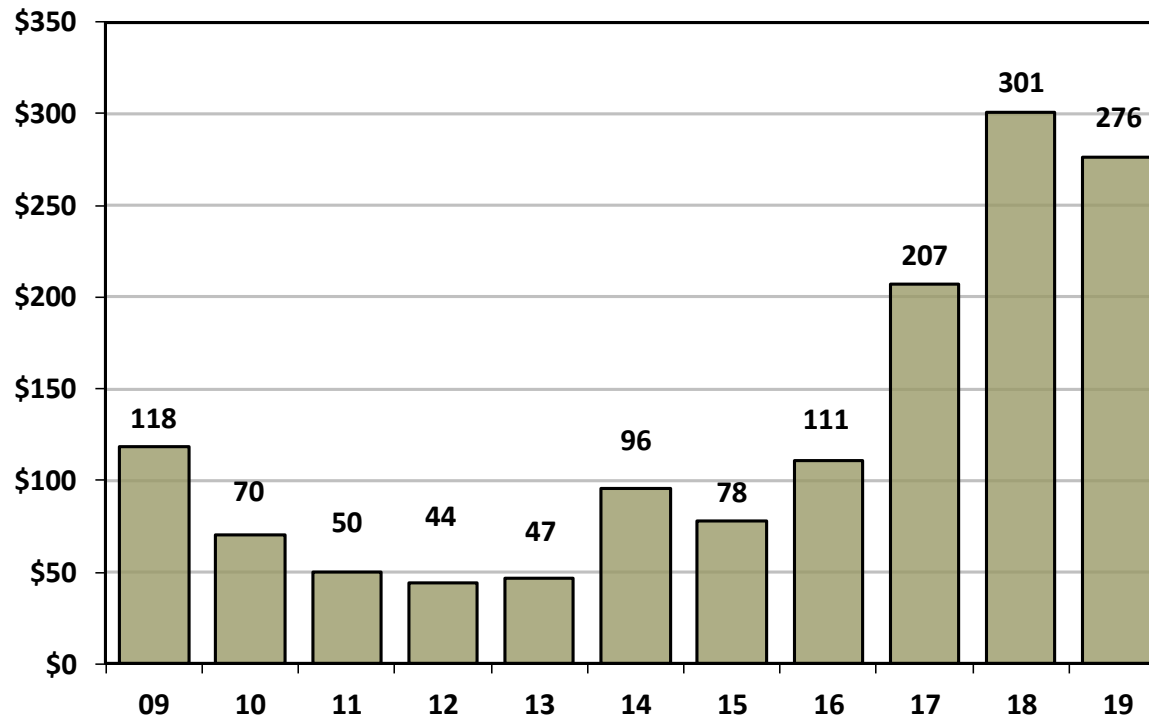
(With Impact of Freeport and Homestead Exemption)



- Due in large part to rising home values and new construction, the tax base grew by 8% in 2019.

# Property Tax Base Growth

New Construction Values (In Millions)



- New Construction contributed \$276 million to the tax base in 2019.
- New Construction represents 23% of total growth in 2019.

## 2019 Certified Property Tax Base – Change by Category

(In Billions)

	<b>Residential</b>	<b>Commercial</b>	<b>BPP</b>	<b>Total Base</b>
<b>Total Tax Base Valuation</b>	\$9.756	\$4.577	\$1.923	\$16.256
<b>Change from Prior Year</b>	\$0.777	\$0.421	\$0.001	\$1.199
<b>Percentage Change</b>	<b>8.7%</b>	<b>10.1%</b>	<b>0.0%</b>	<b>8.0%</b>
<b>Change in Existing Property</b>	<b>8.3%</b>	<b>4.4%</b>	<b>-0.2%</b>	<b>6.2%</b>

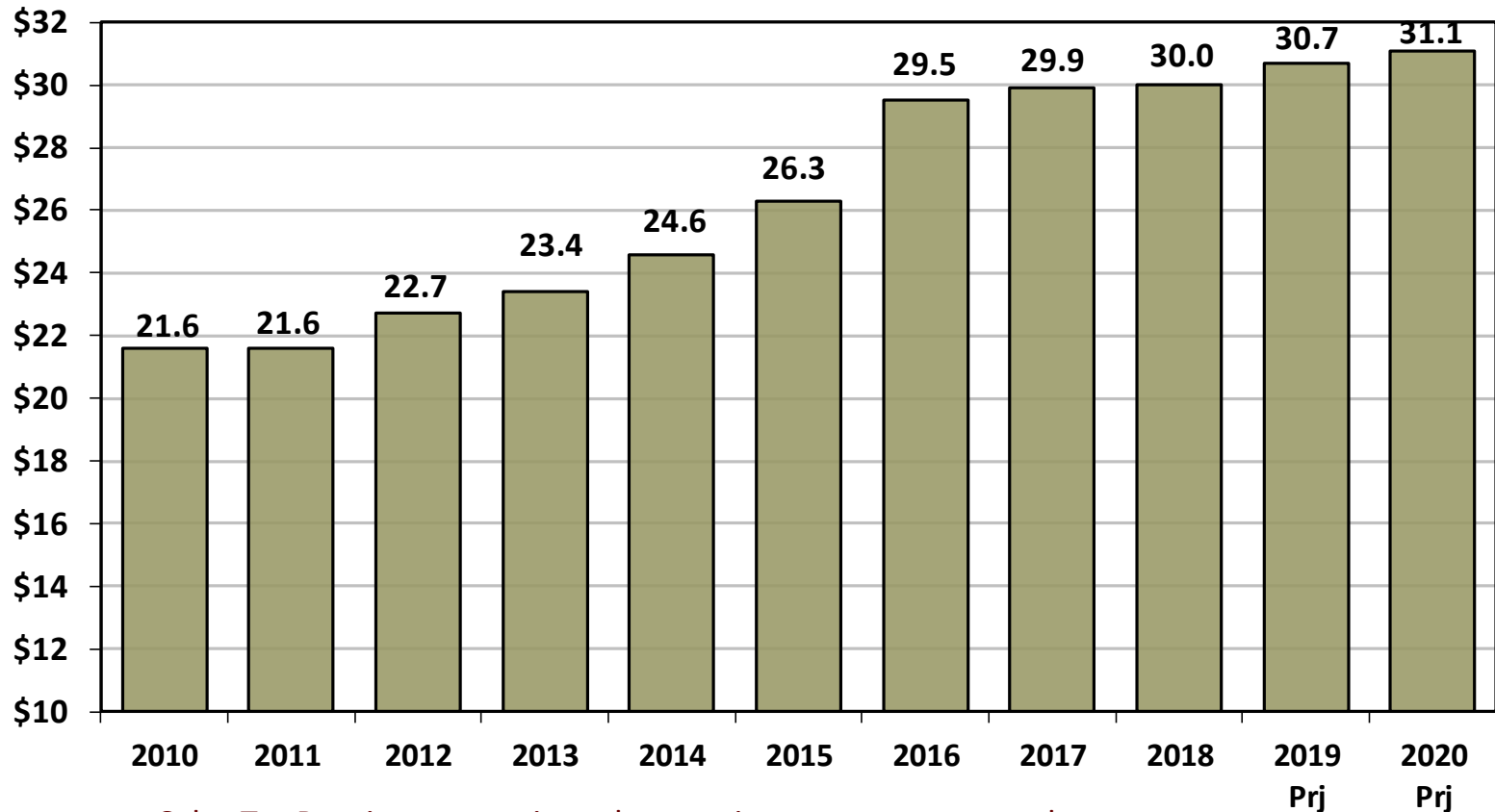
Notes: Commercial – Commercial real estate only.

BPP – Business Personal Property such as inventory and equipment – excludes real estate.

Change in Existing Property excludes New Construction.

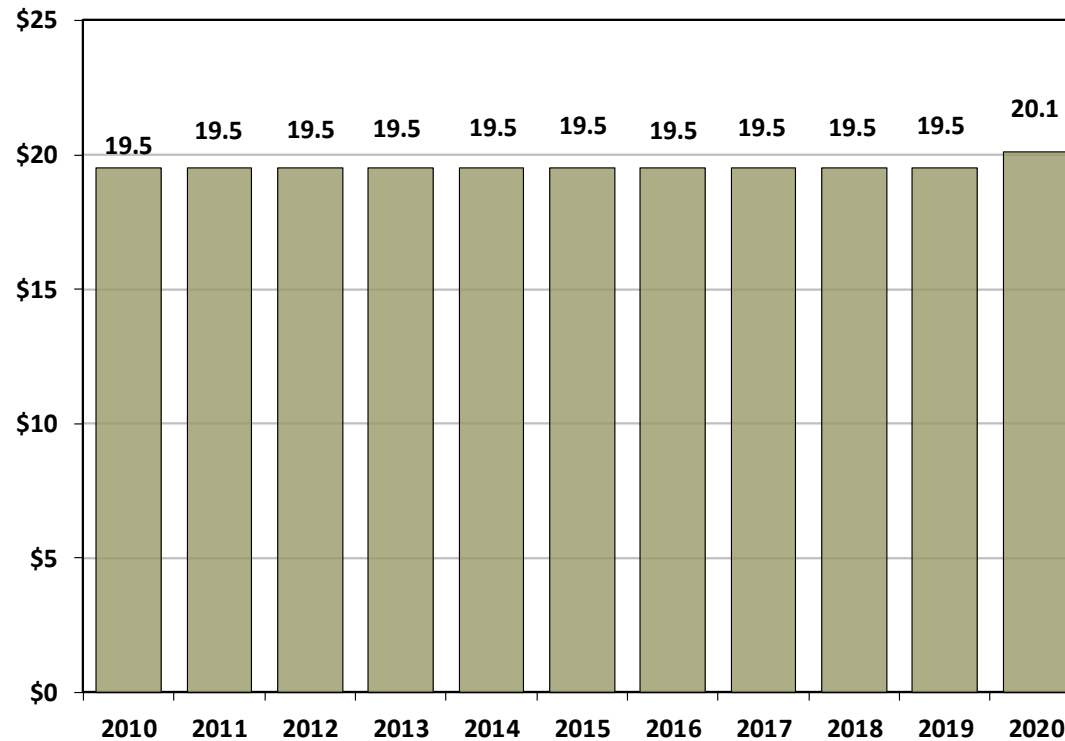
# Garland Annual Sales Tax Revenue

Gross Before Incentive Payments (In Millions)



- Sales Tax Receipts are projected to continue to grow at a modest rate.
- Since Sales Tax Receipts represent the second largest source of General Fund revenues, this is a significant drag on the growth in available resources.

## Return on Investment – GP&L

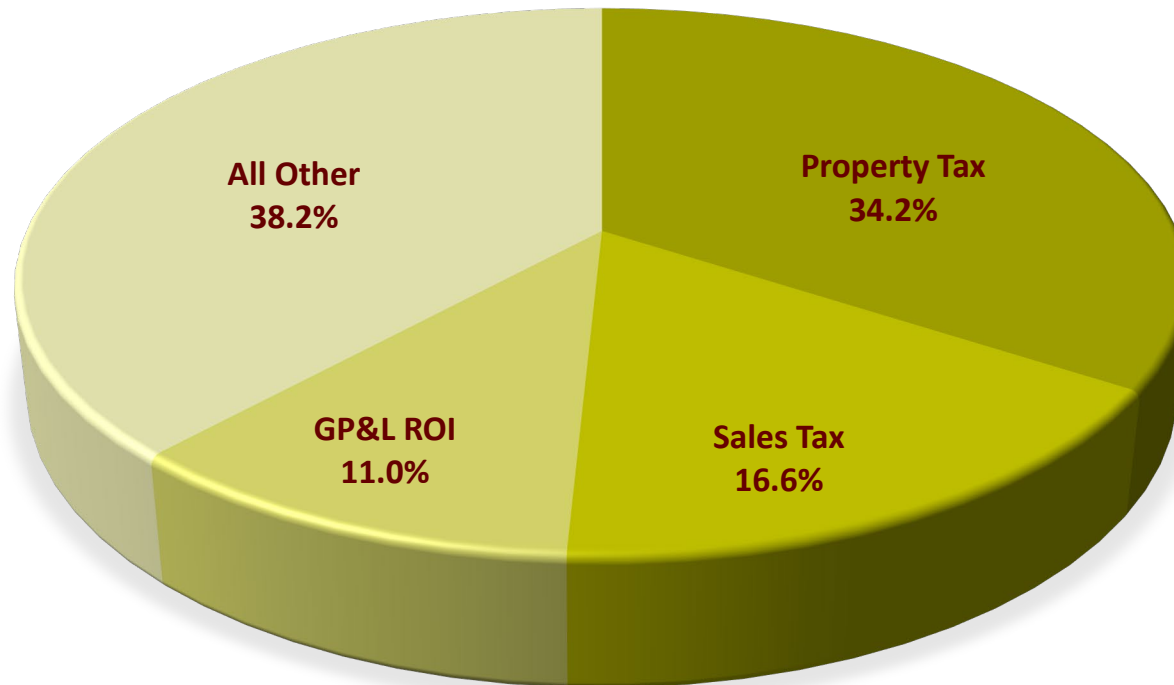


- Transfers from Garland Power & Light, in the form of Return on Investment, are proposed to increase by \$680,795 (3.5%).

# General Fund Revenue

Resources (by Percentage)

## PROJECTED GENERAL FUND RESOURCES



- The three largest revenue sources account for 61.8% of the General Fund Resources.
- All other General Fund revenues account for 38.2% of the General Fund Resources.






# City Manager's Budget Priorities

2019-20 Proposed Budget

---

- 
- (1) Ensure Debt Service Funding to Implement the 2019 Bond Program.
  - (2) Recognize the Budget Impact of Growing Civil Service Retirement Payouts.
  - (3) Provide Necessary Funding for Public Safety Overtime Needs.
  - (4) Supplement General Fund Revenues to Help Compensate for Legislative Actions.
  - (5) Establish Reserves Above the 30-Day Minimum in the General Fund.



# City Manager's Priorities

2019-20 Proposed Budget

---

- 1. Ensure Debt Service Funding to Implement the 2019 Bond Program.**
  - 6.5-Cent Tax Increase to Establish Debt Service Capacity.
  
- 2. Recognize the Budget Impact of Growing Civil Service Retirement Payouts.**
  - Address the Increasing Funding Requirements for Public Safety Personnel Retirement Payouts.
  
- 3. Provide Necessary Funding for Public Safety Overtime Needs.**
  - Close the Continuing Budget Shortfall for Public Safety Overtime.



## **City Manager's Priorities *(Continued)***

2019-20 Proposed Budget

---

- 4. Supplement General Fund Revenues to Help Compensate for Legislative Actions.**
  - Increase the GP&L Return on Investment by 3.5%.
  - Implement a \$2.00 Per-Ton Fee from Solid Waste Collection for Alley Damage Caused by Trash Trucks.
  - Increase Landfill Tipping Fees for Private Commercial Haulers.
  
- 5. Establish a \$5.3 Million Reserve Above the 30-Day Minimum in the General Fund.**
  - To Address Legislative Impact on Limits to Property Tax Revenues.



## **Other Proposed Budget Items**

### 2019-20 Proposed Budget

---

- Citywide Fee Study
- Fleet Utilization Study
- Rights-of-Way Litter Collection
- Homeless Camp Remediation
- Home Improvement Incentive Program
- Protective Equipment & Body Armor for Firefighters
- I.H. 635 Project Coordination Outsourcing
- Median Reflector Markers and Replacement of Signs
- Cybersecurity Service

# General Fund

2019-20 Proposed Budget (Rounded to Nearest Thousand)

<b>Funding Resources</b>	
Revenues	\$182,991,000
Excess Fund Balance	2,468,000
<b>Total Funding Resources</b>	<b>\$185,459,000</b>
<b>Funding Uses</b>	
Salaries and Benefits	\$130,527,000
Operating Expenditures, Capital, and Transfers	54,881,000
<b>Total Funding Uses</b>	<b>\$185,408,000</b>
<b>Available Funds</b>	<b>\$51,000</b>
<b>Fund Balance Reserve – 30-Day Requirement Met</b>	<b>\$14,091,000</b>

# General Fund Proposed Budget

Changes in Resources from FY 2018-19 Adopted Budget

Change in Resources	Ongoing	One-Time	Total
Property Tax	\$4,490,000		\$ 4,490,000
Landfill Revenue	1,332,000		1,332,000
Sales Tax	807,000		807,000
GP&L ROI	681,000		681,000
All Other Revenue	(531,000)	\$ 160,000	(371,000)
Available Fund Balance Reserves		295,000	295,000
<b>Total Change in Resources</b>	<b>\$6,779,000</b>	<b>\$ 455,000</b>	<b>\$ 7,234,000</b>

# General Fund Proposed Budget

## Changes in Expenditures from 2018-19 Adopted Budget

Change in Expenditures	Ongoing	One-Time	Total
Compensation	\$3,747,000	\$ (49,000)	\$ 3,698,000
Civil Service Retirement Payouts	1,438,000		1,438,000
Additional Public Safety Overtime	496,000		496,000
Civil Service Retirement Stability Benefit	151,000		151,000
OPEB Contribution	85,000		85,000
Added General Schedule Positions	69,000		69,000
Operating & Capital Expenditures	648,000	1,519,000	2,167,000
Support Service Charges and Transfers	1,402,000	(1,015,000)	387,000
Adjustments to Base Budget:			
Salary Savings - Projected	(1,257,000)		(1,257,000)
<b>Total Change in Proposed Expenditures</b>	<b>\$6,779,000</b>	<b>\$ 455,000</b>	<b>\$ 7,234,000</b>

# Pay Increases for City Employees

Proposed for FY 2019-20

---

## Proposed Increases

Classification	Ongoing January
Average Fire Structure	3%
Average Police Structure	3%
General Schedule – Merit	2%
Skill-Based – Utilities Structure	2%

- Civil Service – Market-Based
- General Schedule & Skill-Based – Inflation-Based





# Health-Care Costs & Changes

Proposed for FY 2019-20

---

## **City Contribution:**

- Employees Health and Dental Plan Contributions – No Increase.
- Retirees Health Insurance Contribution – Increase 3%.

## **Employee/Retiree Contributions:**

- No Increase in Premiums.

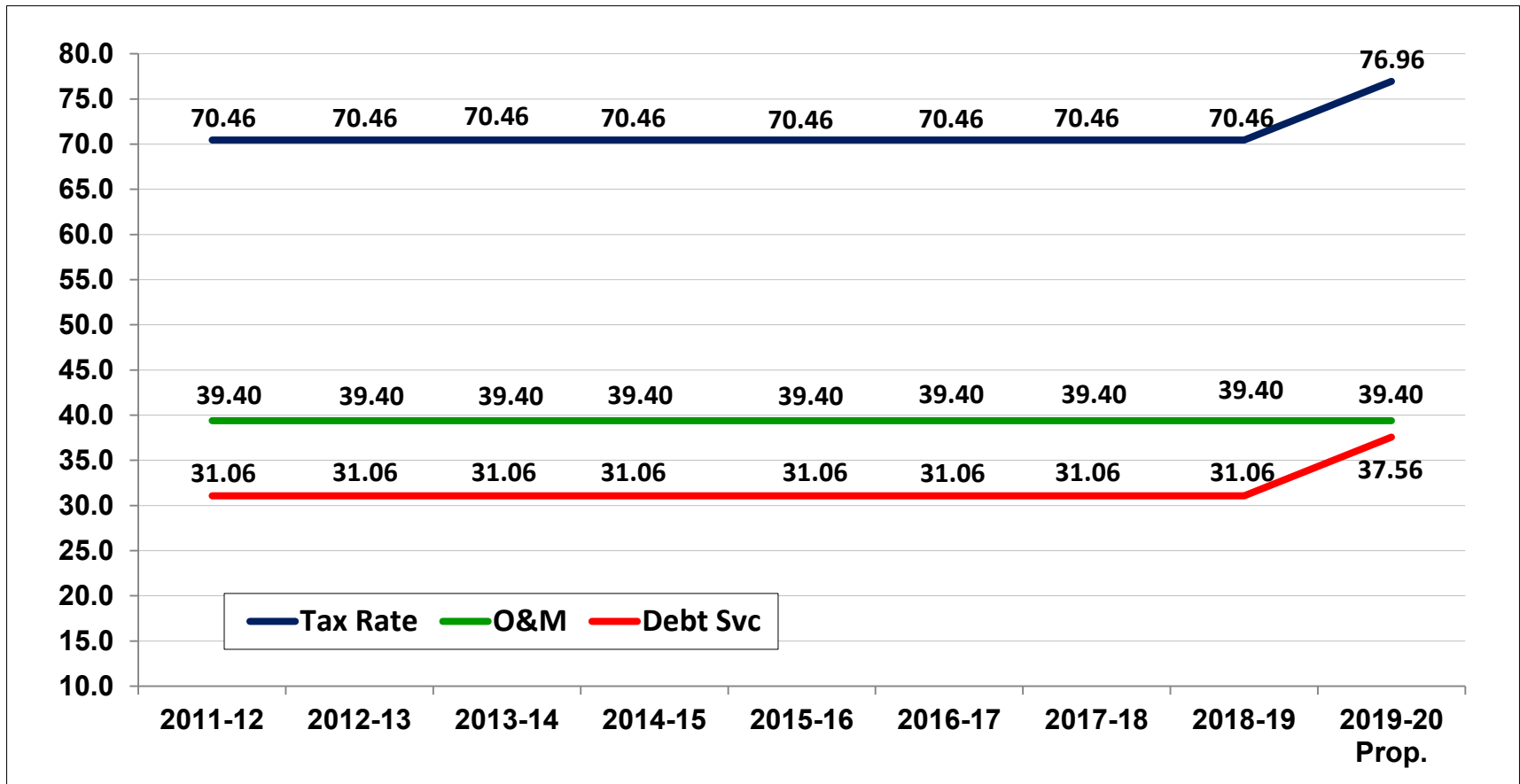
## Funding for Street Improvements

### FY 2019-20 – All Funding Sources

Funding Source	FY 2018-19	Change	FY 2019-20
General Fund Ongoing Transfer	\$ 6,353,000	\$ 878,000	\$ 7,231,000
General Fund One-Time Transfer	1,541,000	(541,000)	1,000,000
Water and Wastewater Utility Transfers	1,614,000	41,000	1,655,000
Tax Note Funds Transfer	10,580,000	7,329,000	17,909,000
Certificates of Obligation (CIP Funds)	6,750,000	(6,750,000)	0
CDBG Funding	161,000	(161,000)	0
Other (Interest, Concrete Recycling, Etc.)	244,000	31,000	275,000
<b>Total Funding</b>	<b>\$27,243,000</b>	<b>\$ 827,000</b>	<b>\$28,070,000</b>

# Property Tax Rates

(Cents Per \$100 of Valuation)



The Debt Service Tax Rate is Proposed to Increase By 6.5 Cents to Fund the 2019 Bond Program.

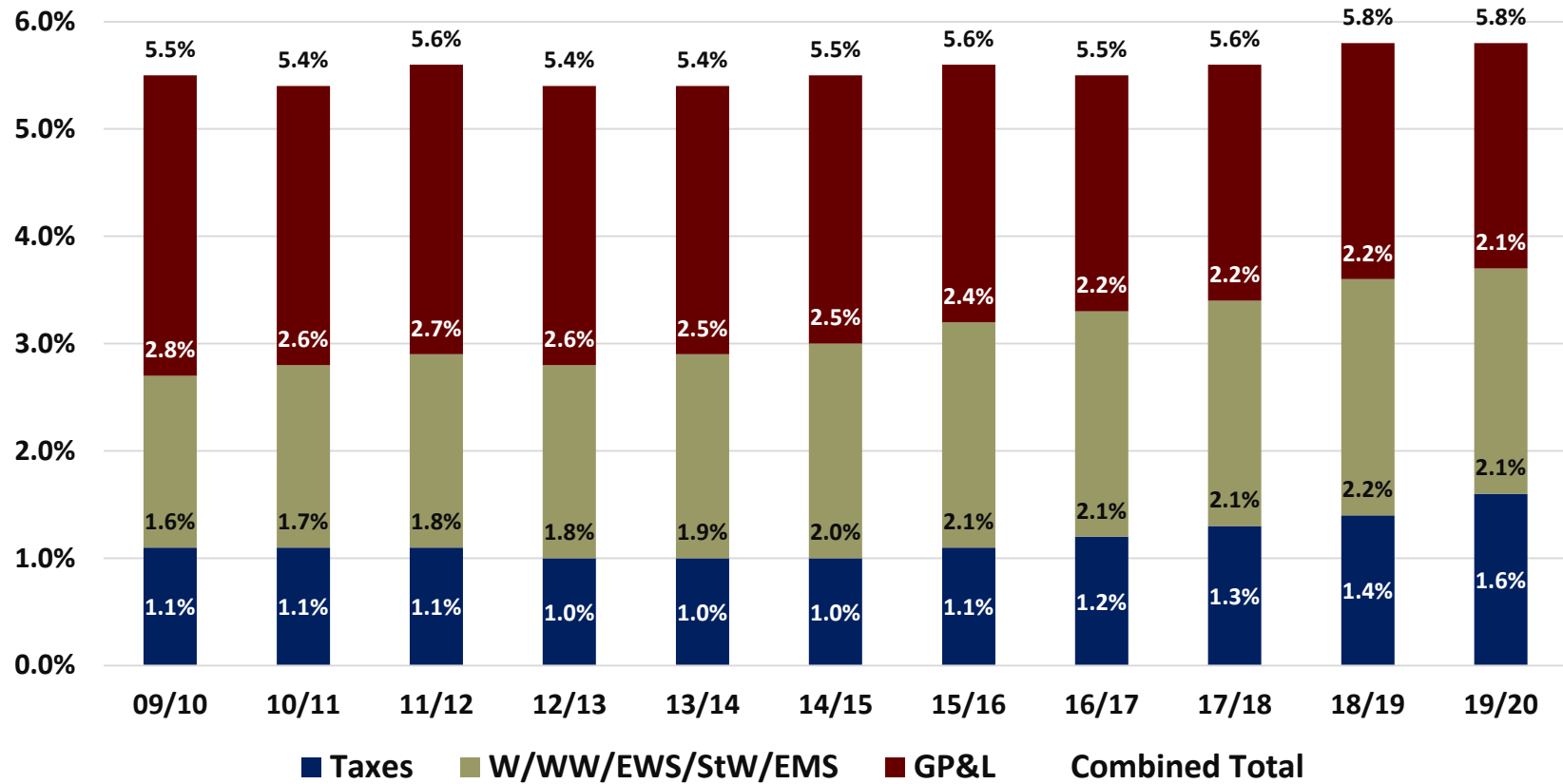
## 2019-20 Proposed Utility Rates

(Based on Typical Residential User – Monthly Average)

<u>Utility Services</u>	<u>2018-19 Monthly Charge</u>	<u>Proposed Change</u>	<u>2019-20 Monthly Charge</u>
Electric	\$130.29	None	\$130.29
Water	63.91	None	63.91
Sewer	41.63	\$1.65	43.28
Trash and Recycling	19.58	1.00	20.58
Stormwater Fee	<u>3.23</u>	<u>0.36</u>	<u>3.59</u>
Totals	<u>\$258.64</u>	<u>\$3.01</u>	<u>\$261.65</u>

# 2019-20 Combined Monthly Citizen Impact

(Taxes and Utilities – Expressed in Percent of Monthly Income)





## 2019-20 Proposed Consolidated Budget

---

General Fund, GO Debt Service Fund, Utility Funds,  
Other Enterprise Funds, and Grant Funds

### **Consolidated Budget – \$767.1 Million**

Increase of \$31.0 Million (4.2%)

### **General Fund – \$185.4 Million**

Increase of \$7.2 million (4.1%)

Primarily Related to Employee Compensation,  
Civil Service Retirement Payouts, and One-Time Needs

## Budget Review Calendar

---

Date	Day	Session	Activity
<b>Aug. 5</b>	Monday	Regular Work Session	Overview of Proposed Budget
<b>Aug. 6</b>	Tuesday	Regular Meeting	Formal Presentation of Proposed Budget
<b>Aug. 17</b>	Saturday	Special Session	Budget Work Session – <i>Department Presentations</i>
<b>Aug. 20</b>	<b>Tuesday</b>	<b>Regular Meeting</b>	<b>Public Hearing</b>
<b>Aug. 27</b>	<b>Tuesday</b>	<b>Special Session</b>	<b>Public Hearing/Budget Work Session –</b> <i>Proposed Council Changes to Operating Budget Due / Council Discuss and Give Direction to Staff</i>
<b>Sep. 3</b>	<b>Tuesday</b>	<b>Regular Meeting</b>	<b>Public Hearing and Adoption of Budget</b>