

Special City Council Meeting

July 29, 2019


20 IN
2020 | POWER IN THE VISION

Agenda

- FY 2019 3rd Quarter Financial Report
- FY 2020 Budget calendar
- FY 2020 Budget summary
- FY 2020 certified property values
- FY 2020 Council budget requests
- FY 2020 Ordinance introducing tax rate

FY 2019 3rd Qtr. Report

FY 2019 3rd Qtr. Financial Report

Starting Fund Balance (9/1/18)	\$46,379,368
Plus Estimated Revenues	\$430,161,094
Less Estimated Expenses	\$430,068,940
Estimated Ending Fund Balance (8/31/19)	\$46,471,522
Estimated Surplus	\$ 92,154 

FY 2019 General Fund Revenue

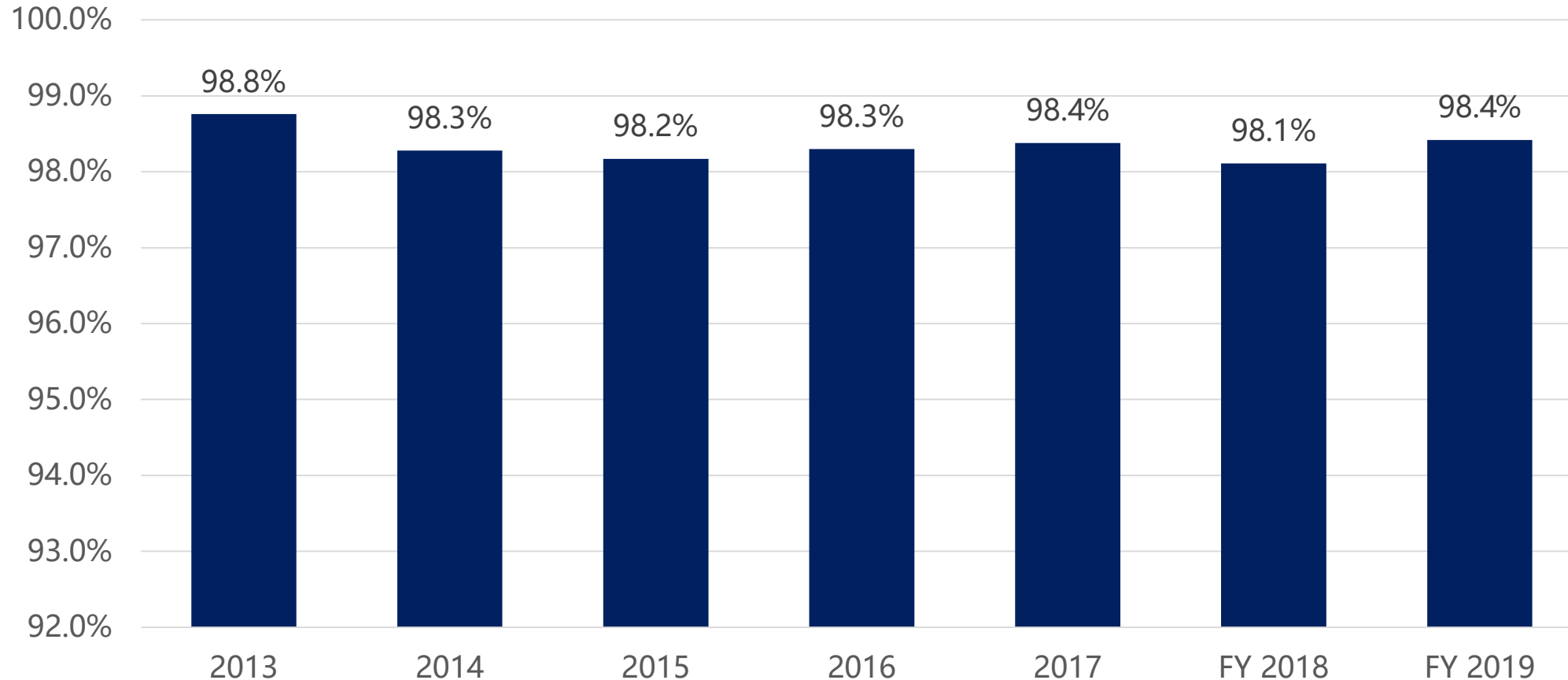
REVENUE	FY 2019 Budget	FY 2019 Actual YTD	FY 2019 Actual YTD	FY 2018 Actual YTD
Property Taxes	193,554,893	191,101,943	98.7%	99.4%
Sales Taxes	93,763,721	71,216,700	76.0%	73.7%
Franchise Taxes	52,661,354	43,241,331	82.1%	71.5%
Charges for Services	32,517,730	24,156,950	74.3%	67.0%
Fines and Forfeitures	7,541,245	6,982,130	92.6%	77.3%
Licenses and Permits	13,148,935	10,648,034	81.0%	73.5%
Intergovernmental	446,988	1,002,594	224.3%	0.0%
County Participation	537,341	0	0.0%	0.0%
Interest	200,000	764,806	382.4%	0.1%
Rents and Other	2,241,265	1,745,365	77.9%	73.8%
Other Sources (Uses)	31,984,328	16,178,126	50.6%	74.1%
	428,597,800	367,037,978	85.6%	83.6%

FY 2019 General Fund Revenue

- Property tax collections meeting budget expectations
- Sales tax collections exceeding budget expectations
- Fines and forfeitures exceeding budget expectations
- Licenses and permits slightly below budget expectations
- Franchise fees below budget expectations

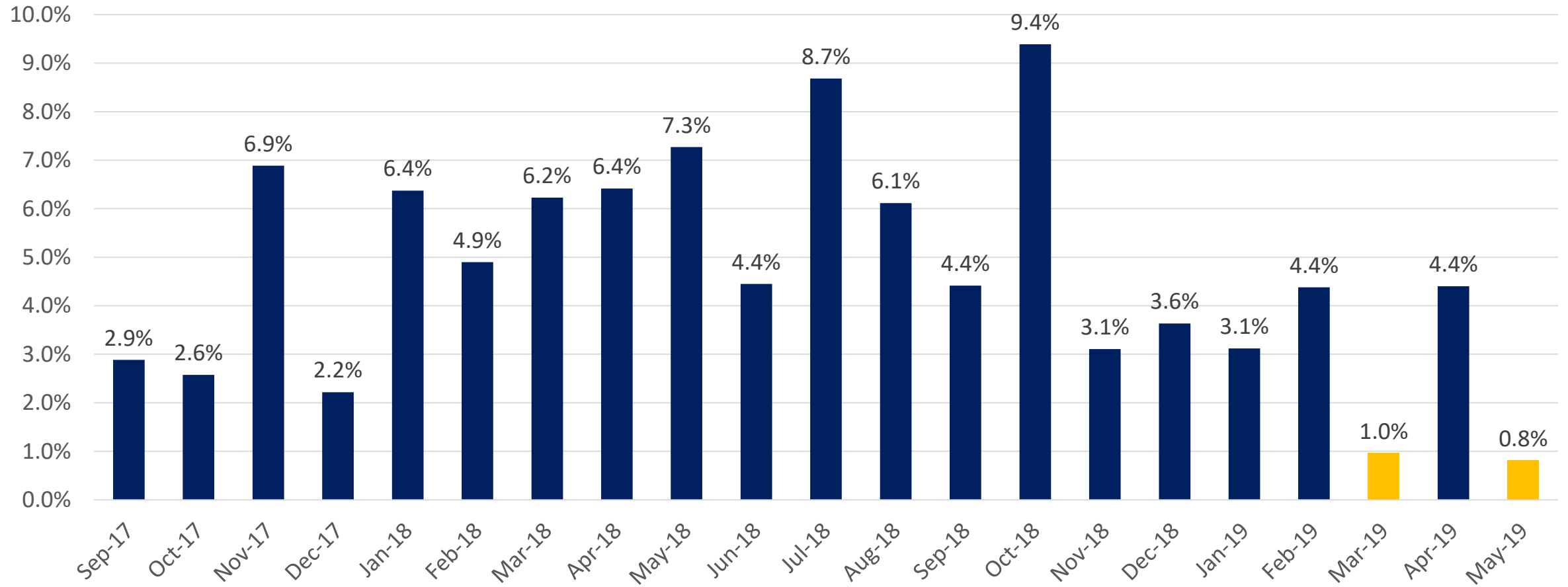
Property Tax Revenue

Total Collected as a % of Levy (Sep – May)



City Sales Tax

Current Period Collections




FY 2019 General Fund Expenses

EXPENDITURES	FY 2019 Budget	FY 2019 Actual YTD	FY 2019 Actual YTD	FY 2018 Actual YTD
Regional Economy	1,963,563	1,267,632	64.6%	69.9%
Public Safety	257,815,741	184,849,270	71.7%	69.3%
Visual Image	7,857,127	5,501,225	70.0%	69.9%
Quality of Life	45,396,094	29,519,299	65.0%	62.4%
Communication	20,682,664	15,905,821	76.9%	73.8%
Sound Governance	37,544,708	27,133,709	72.3%	69.0%
Infrastructure	49,802,126	32,127,406	64.5%	69.7%
Sustainability	7,227,521	4,735,965	65.5%	62.2%
TOTAL EXPENDITURES	\$428,289,545	\$301,040,328	70.3%	68.7%

FY 2019 General Fund Expenses

- Overall revenues projected to exceed expenses
- Cost drivers include:
 - Legal expenses related to current litigation
 - May special election (unplanned cost)
 - Water
 - Fuel
 - Public safety overtime

FY 2019 3rd Qtr. Financial Report

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Estimated Ending Fund Balance (8/31/19)	\$46,471,522
Estimated Surplus	\$ 92,154 

FY 2020 Budget

Budget Process – Next Steps

- **August 6** – Regular City Council meeting
 - 1st Public Hearing on the Proposed Tax Rate
- **August 13** – Regular City Council meeting
 - 2nd Public Hearing on the Proposed Tax Rate
 - Public Hearing on the Proposed Budget (City Council and Mass Transit Board)
- **August 20** – Regular City Council meeting
 - Adopt budget and tax rate

FY 2020 Budget Summary

- Managing Federal and State impacts
- Engaging and listening to **our community**
- Investing in priorities and fulfilling our commitments

Managing Federal & State Impacts

Description	Impact
Decrease in bridge transfer to GF	(\$1.3M)
Decrease in projected sales tax	(\$0.8M)
Decrease in telecommunication franchise revenue	(\$2.7M)
Elimination of red light cameras	(\$0.5M)
City maintaining medians on State roads	(\$2.0M)
Total	(\$7.3M)

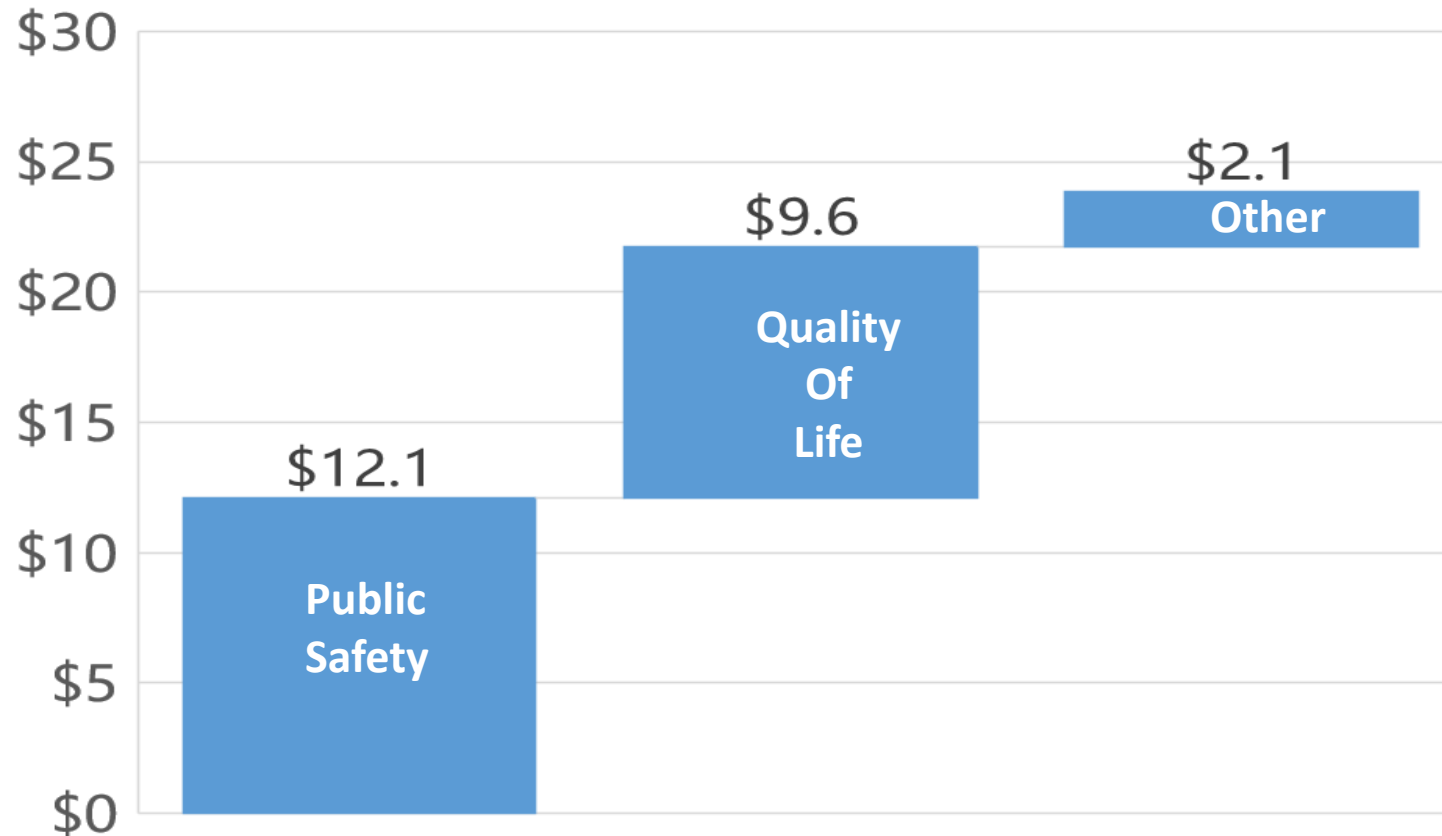
Impact is equivalent to **more than 2 cents on the tax rate**

Engaging Our Community

- Over 2,200 Chime-In! responses (100% increase from prior year)
- Five budget focus group meetings conducted
- Strategic Budget Advisory with Youth, Businesses, and Neighborhoods
- Council community meetings

FY 2020 Preliminary Budget

- General Fund budget increasing by \$23.8 million

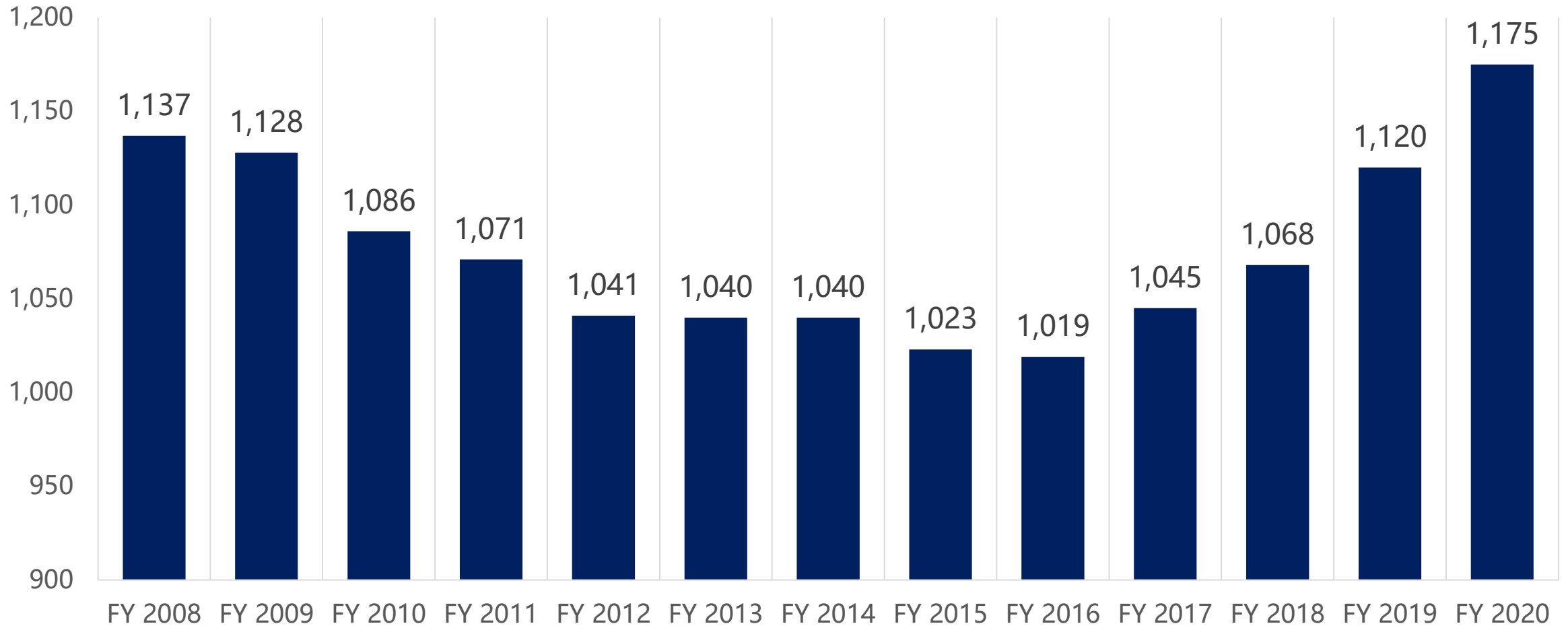


Investing in Priorities

Public Safety

- Pay increases based on contractual obligations
- Net increase of 55 new Police Officers (over 150 in last five years)
- \$4 million for public safety capital replacement
- Firefighter and 911 Communicator academies
- Crisis Intervention Team – full year impact

Uniformed Police Staffing



FY 2019 and 2020 are estimates (includes assumptions about attrition and number of academy graduates)

Investing in Priorities

Streets

- 50 residential street projects (\$7 million annually approved last year)
- \$500K for ADA on-demand request projects
- \$200K for Neighborhood Traffic Management Program (speed mitigation)
- \$200K increase for pothole patching materials

Investing in Priorities

Quality of Life

- 19 more Quality of Life bond projects to be completed next year
- \$1.5 million for enhanced maintenance at sport park complexes

Adrian Garcia Park	District 7 Neighborhood Water Park	Shawver Sports Field Rehabilitation
Alameda Recreation Center and Library Combo	Eastside Regional Park Phase I	Veterans Recreation Center
Bartlett Park	Eastside Senior Center	Zoo Animal Holding II
Chamizal Recreation Center and Library Combo	Lomaland Recreation Center	Zoo Chihuahuan Desert
District 2 Neighborhood Water Park	Memorial Library	Zoo Leopard
District 4 Neighborhood Water Park	Paseo Del Sol Park	Zoo South American Pavilion Restrooms
District 5 Neighborhood Water Park		

Investing in Priorities

- \$1.5 million for city facility improvements
- (\$3.5 million) reduction across all City departments
- Implementation of phase 1 compensation study
- No rate increase for employees in Consumer Driven Healthcare Plan

FY 2020 Proposed Budget Impact



Tax Rate Impact	\$20	Federal and State impact
Tax Rate Impact	\$20	Debt Service and ½ of Quality of life impact
Franchise Fee Impact	\$24	Public Safety Capital Replacement
Residential Total	\$64	

FY 2020 Certified Property Values

Property Tax Revenue

- FY 2020 property tax revenue was based on:
 - Estimated overall taxable value increase of 2.2%
 - Based on historical data and preliminary values received from CAD in April and June
 - Estimated increases in number of exemptions
 - Property tax rate increase of 4 cents per \$100 valuation

Total Taxable Values

FY 2019 Certified Values	\$35,248,872,664
FY 2020 Certified Values	\$35,727,850,245
\$ Change	\$478,977,581
% Change	1.36%

* Proposed Budget assumed 2.2% increase in valuations

Total Taxable Values

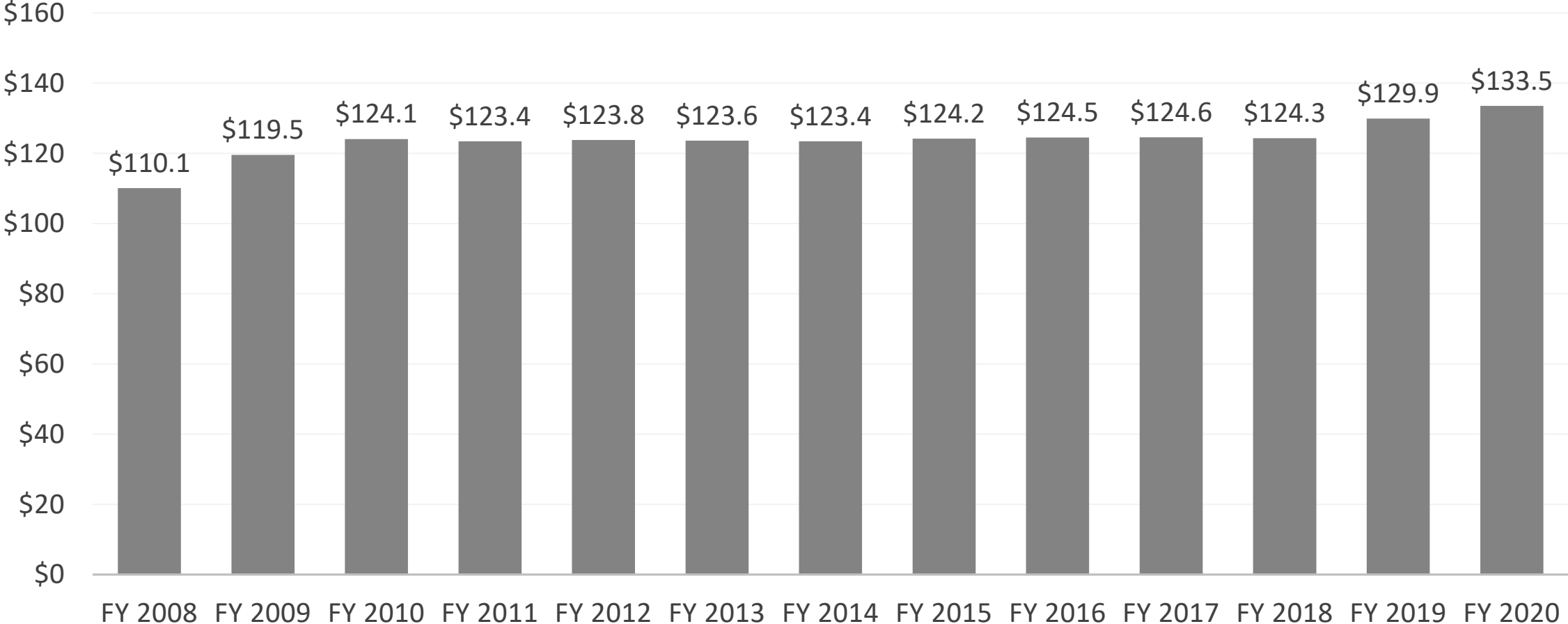
		FY 2019	FY 2020	\$ Change	% Change
Appraised Property		\$44,557,107,073	\$45,600,463,492	\$1,043,356,419	2.34%
Homestead Cap	-	\$56,782,272	\$74,945,384	\$18,163,112	31.99%
Assessed Property	=	\$44,500,324,801	\$45,525,518,108	\$1,025,193,307	2.30%
Exemptions Amount	-	\$9,251,452,123	\$9,797,667,850	\$546,215,727	5.90%
Total Taxable Property	=	\$35,248,872,678	\$35,727,850,258	\$478,977,580	1.36%

Total New Value Taxable		\$517,314,789	\$498,375,817	(\$18,938,972)	-3.66%
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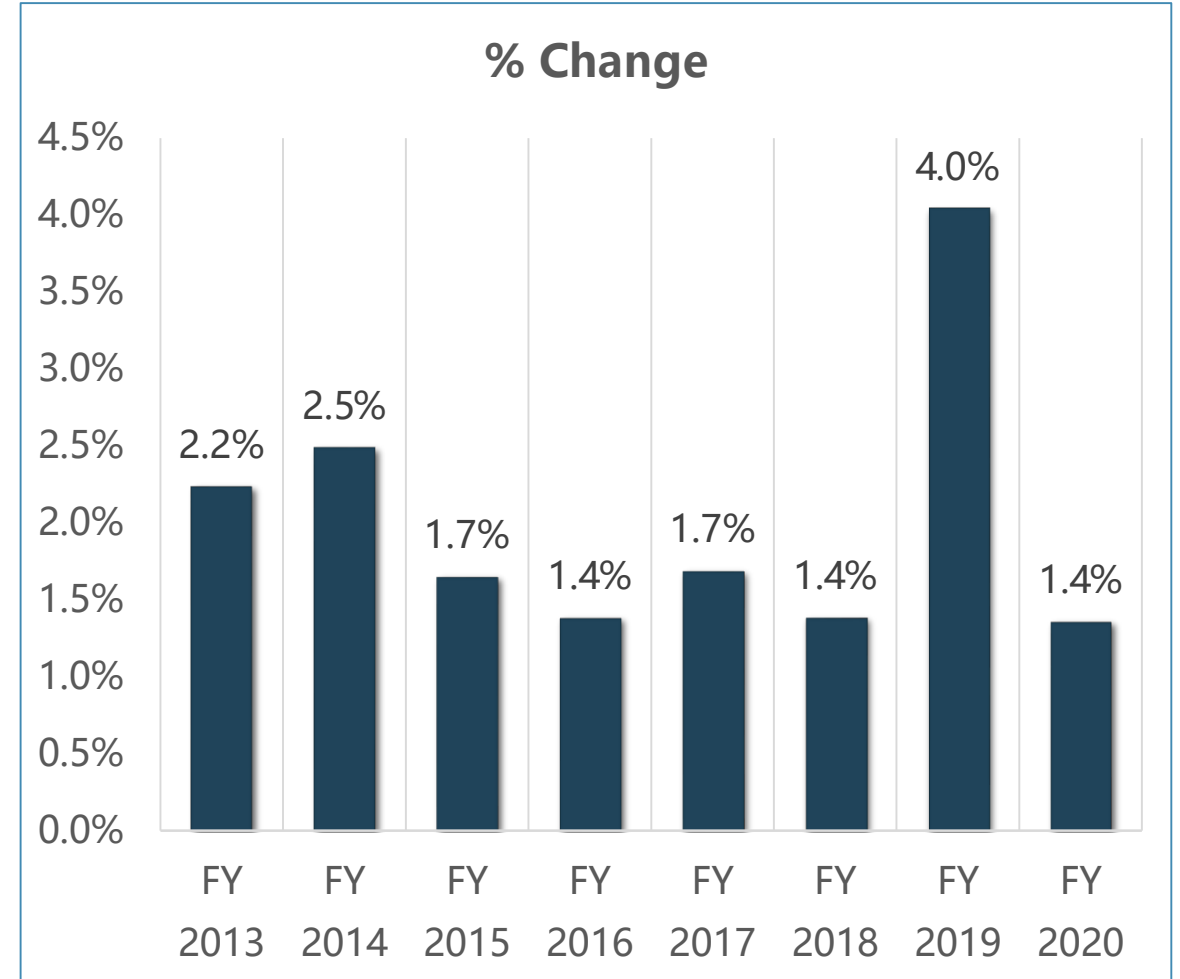
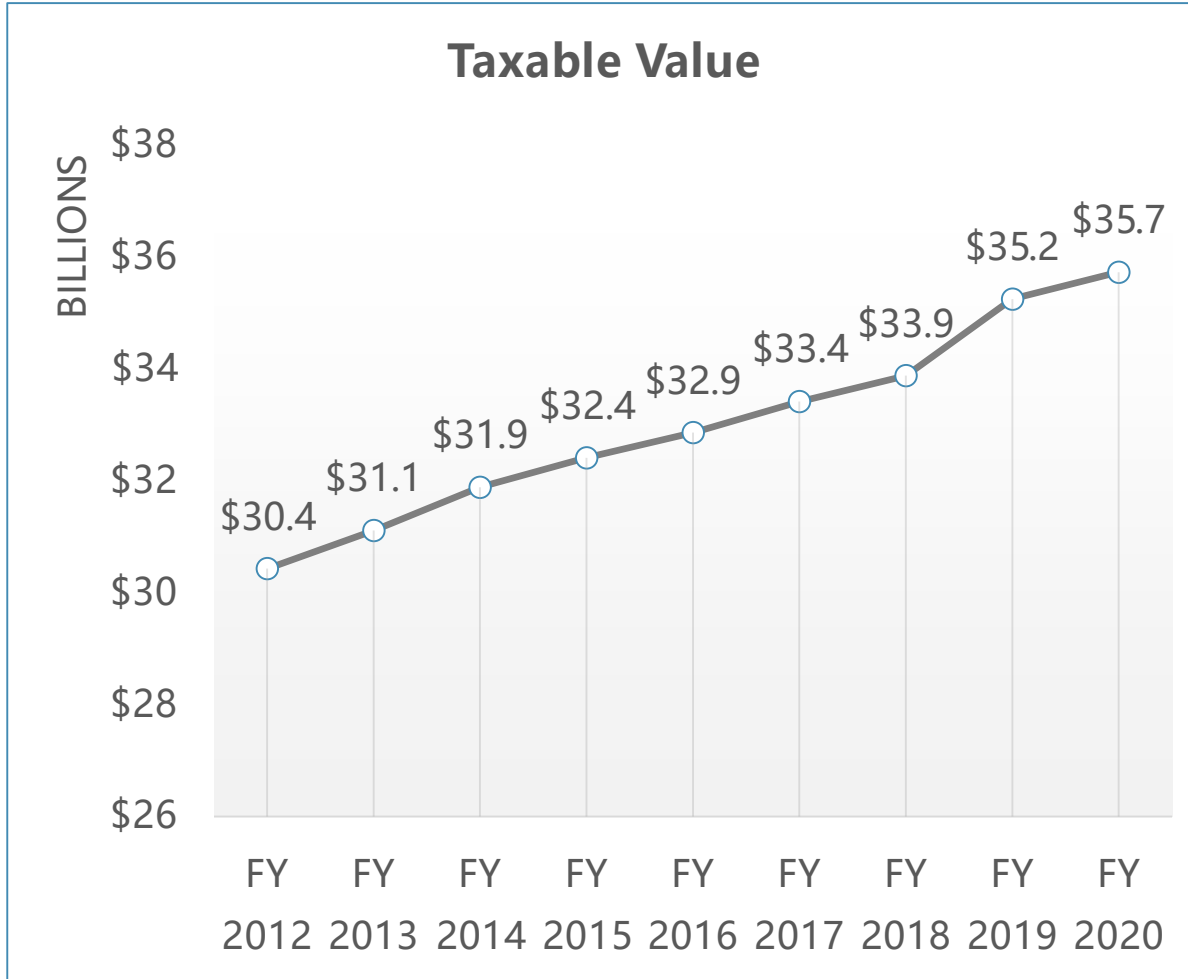
Tax Assessor Collector certified a 100% Collection Rate

Average Value Home

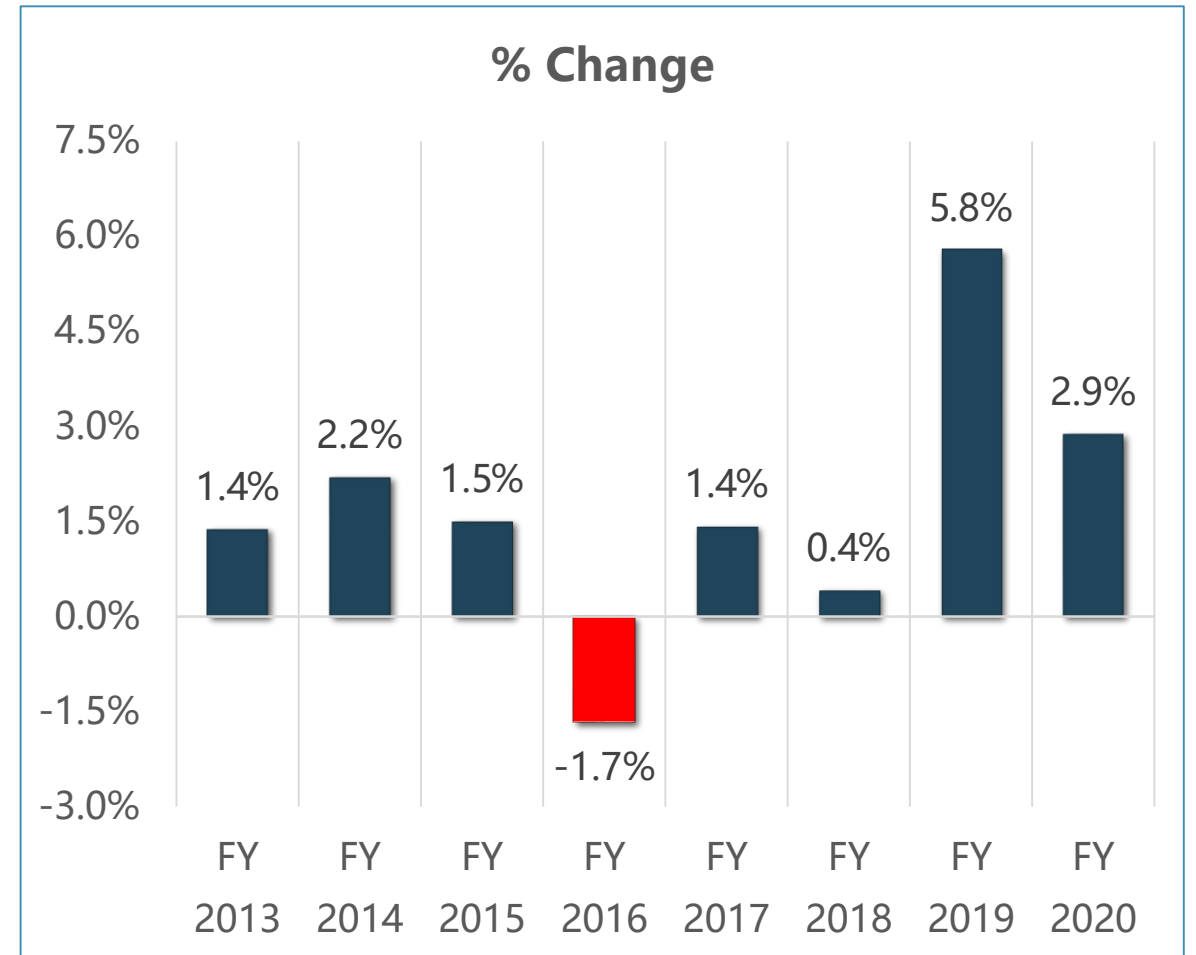
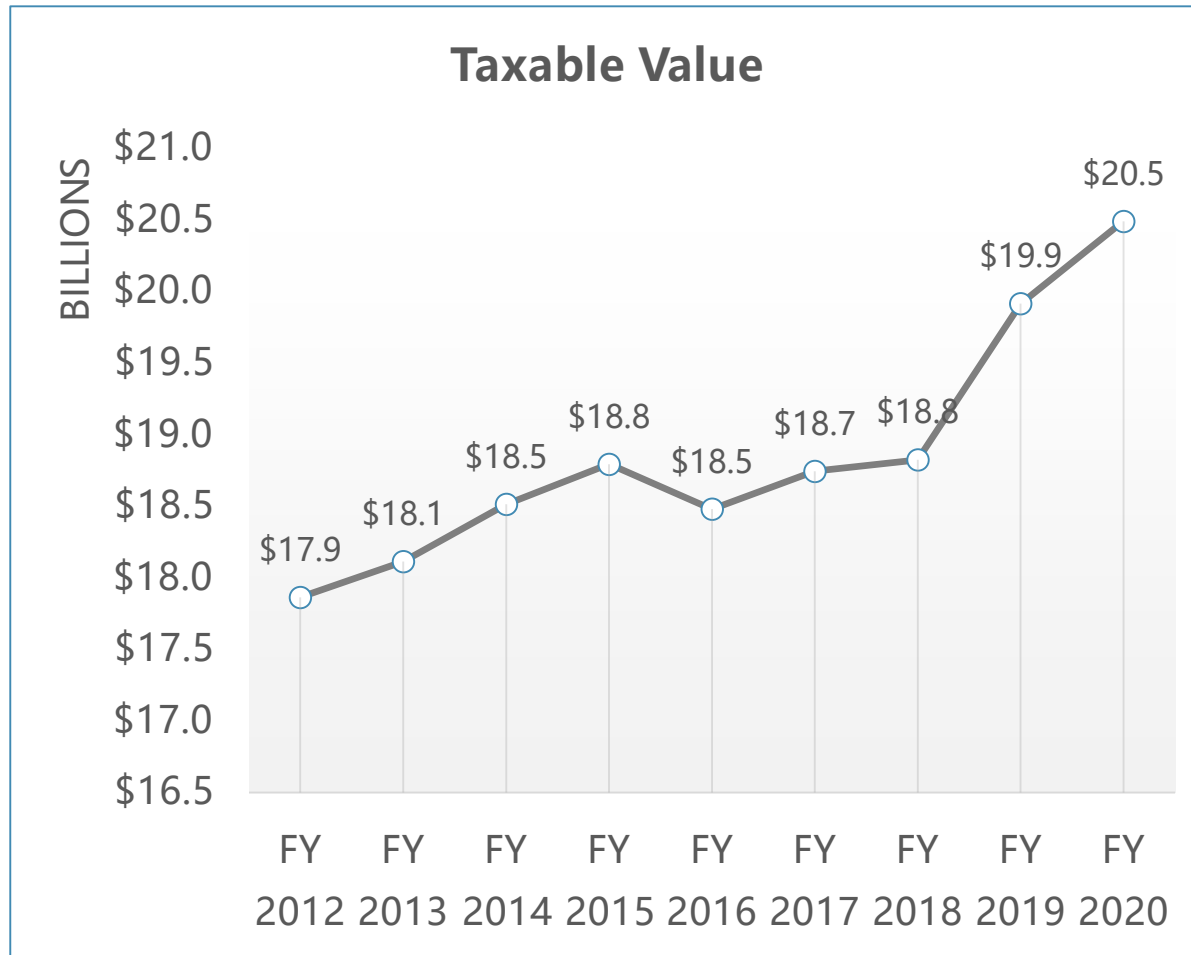
After \$5,000 Homestead Exemption (\$ in Thousands)



Total Taxable Property Values

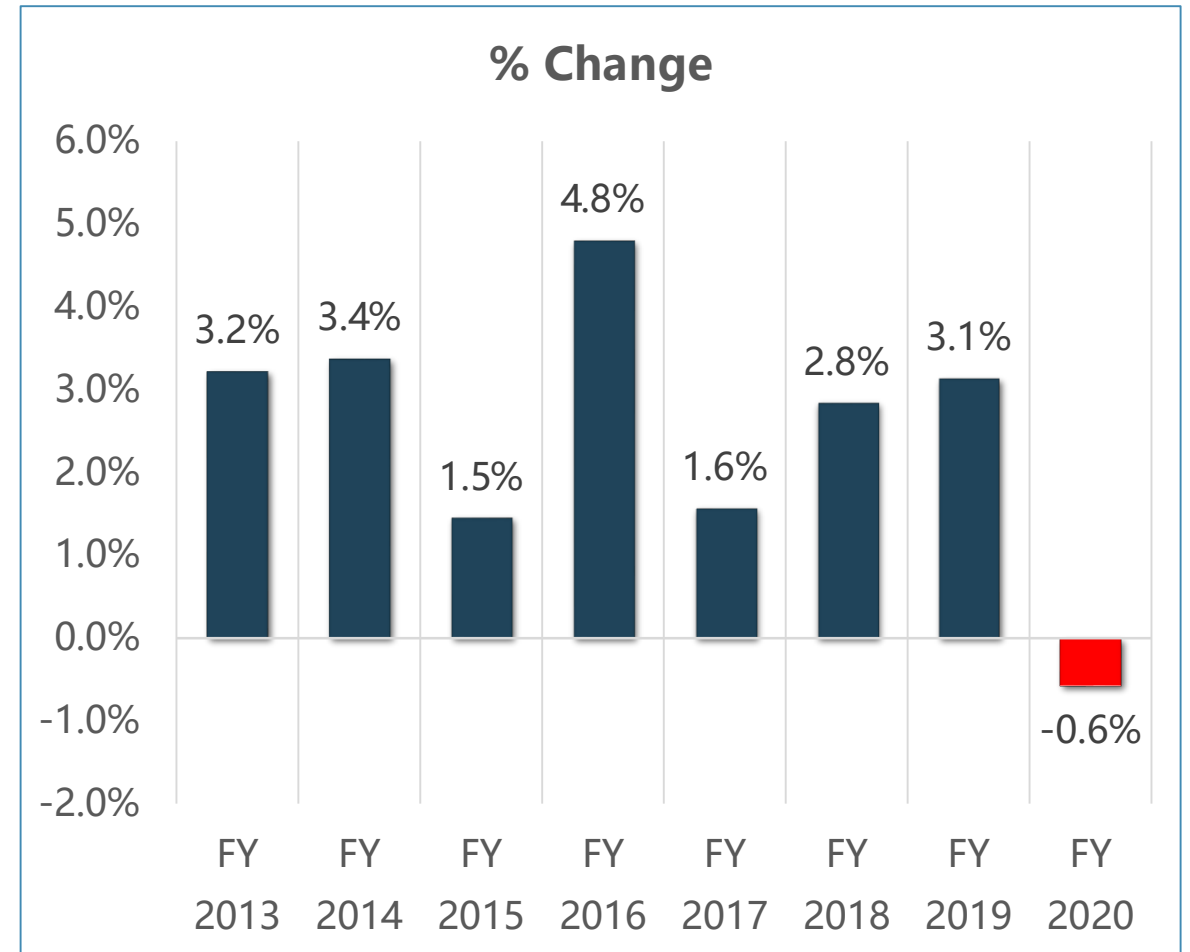
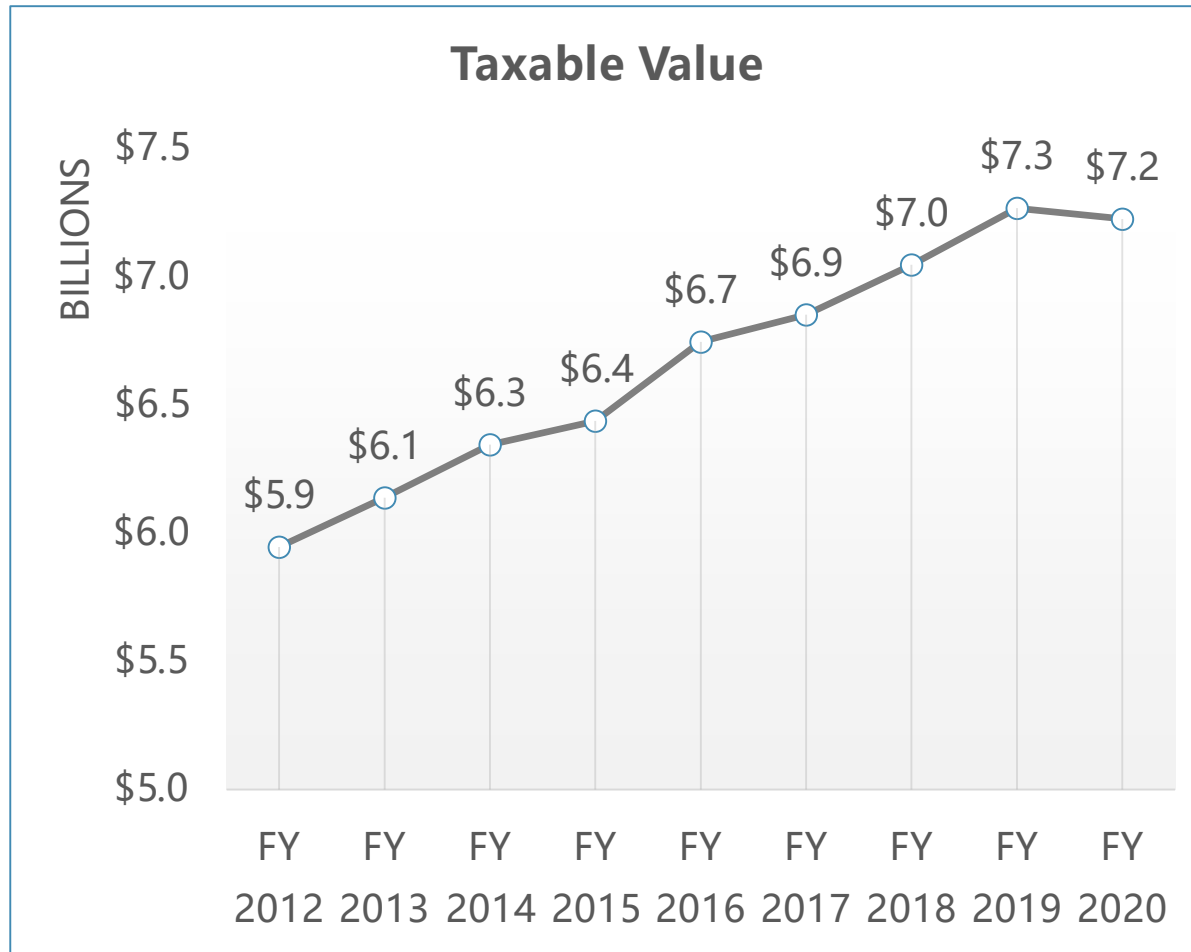


Single Family Residential

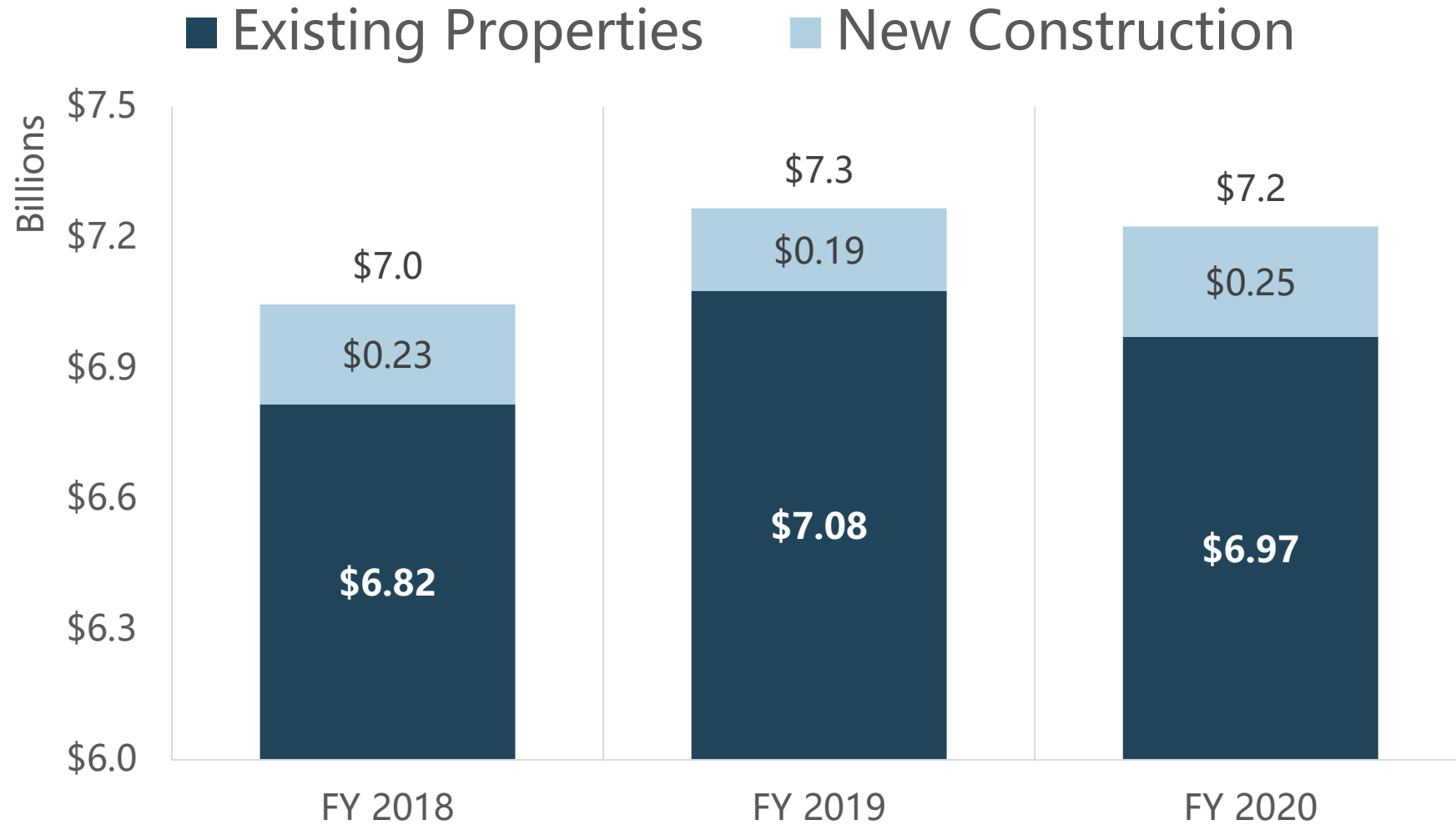


* FY 2016 – Over 65/Disabled exemption increased from \$30K to \$40K

Commercial Properties



Commercial Properties



Property Tax Rate

	FY 2019 Adopted	FY 2020 Proposed	FY 2020 Revised
M & O	0.522982	0.588738	0.586170
Debt Service	0.280451	0.294594	0.297162
Total Rate	0.803433	0.883332	0.883332

Property Tax Rate

Proposed, Effective, and Rollback Rates

FY 2020	
Proposed Rate	0.883332
Effective Rate	0.855093
Variance	0.028239

FY 2020	
Proposed Rate	0.883332
Rollback Rate	0.907301
Variance	(0.023969)

Property Tax Rate

Maintenance & Operations

FY 2020	
Proposed Rate	0.586170
Effective Rate	0.564944
Variance	0.021226

FY 2020	
Proposed Rate	0.586170
Rollback Rate	0.610139
Variance	(0.023969)

DISCOUNT & BENEFITS FOR SENIORS

PROPERTY TAX DISCOUNTS

\$5K

General Residence Homestead Exemption



\$42
annual
savings

\$40K

Age 65 or older exemption (effective Jan. 1 of the tax year in which you become 65 yrs. old)



\$337
annual
savings

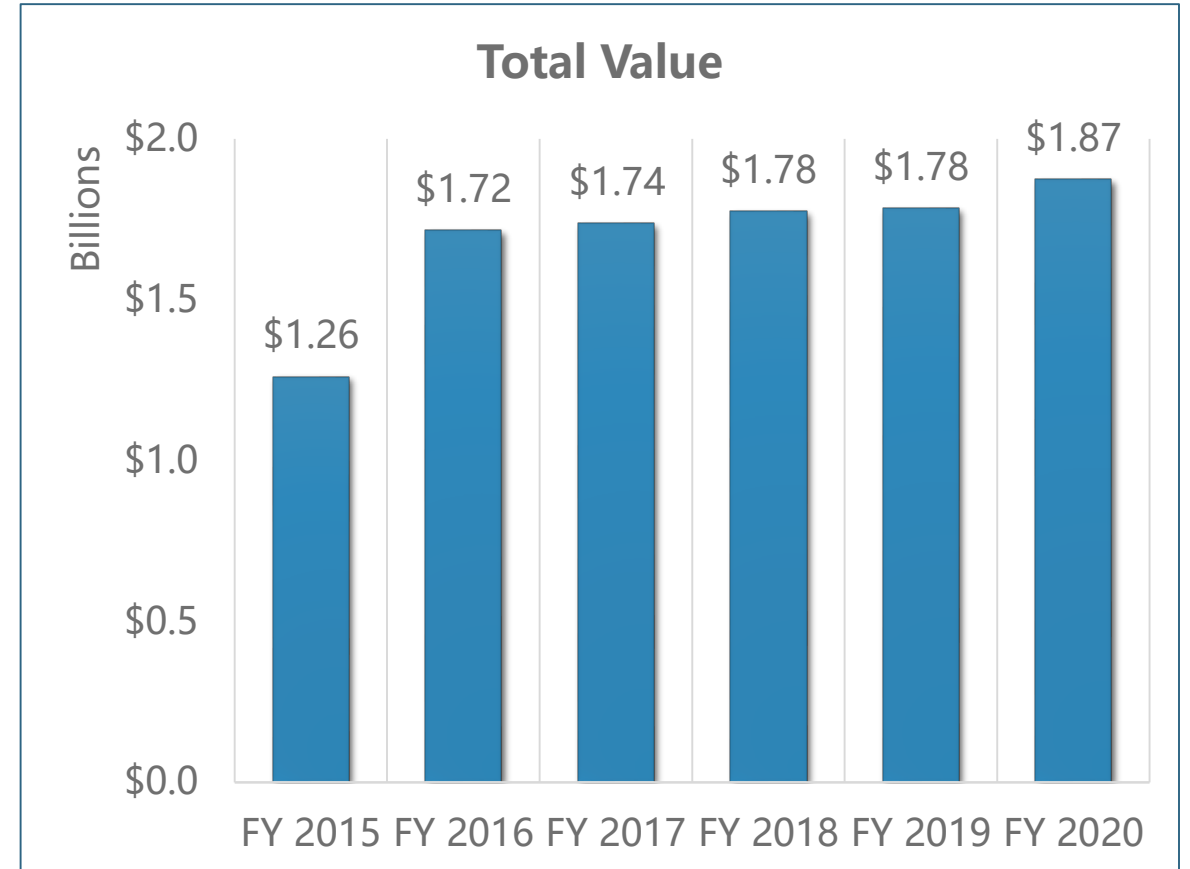
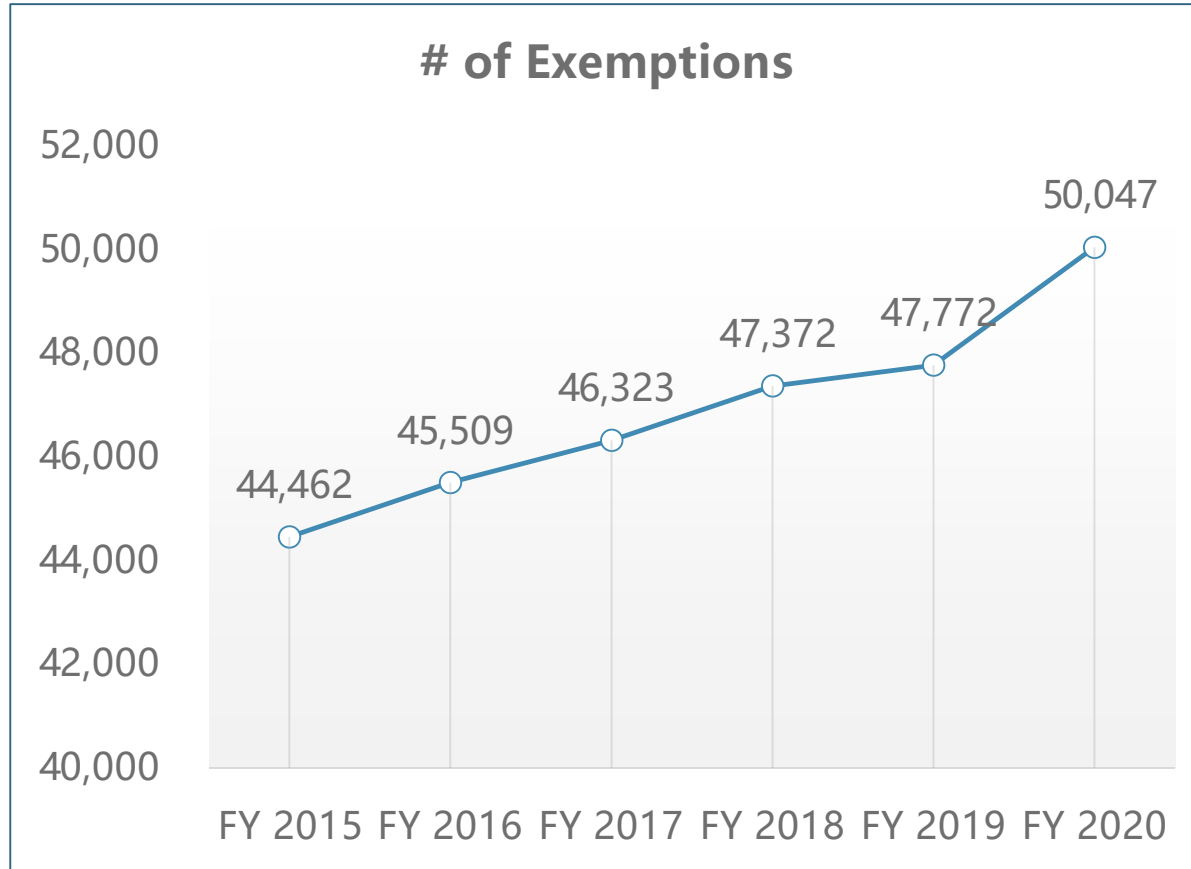
Citizens with the Age 65 or Older Exemption may qualify to pay current year taxes in 4 equal payments (If 1/4 of the current year tax amount is paid by January 31)



SENIOR DISCOUNTS FOR CITY SERVICES

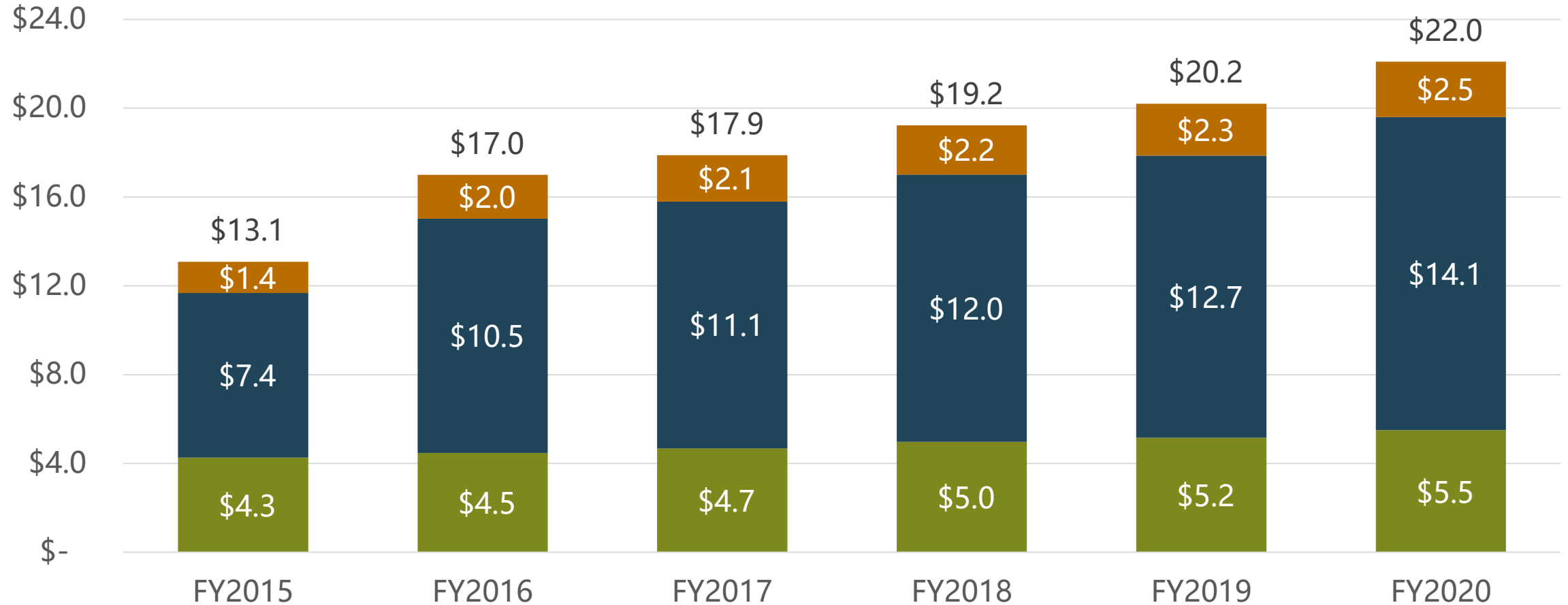
Property Tax Relief

Over 65/Disabled - \$40,000 Exemption



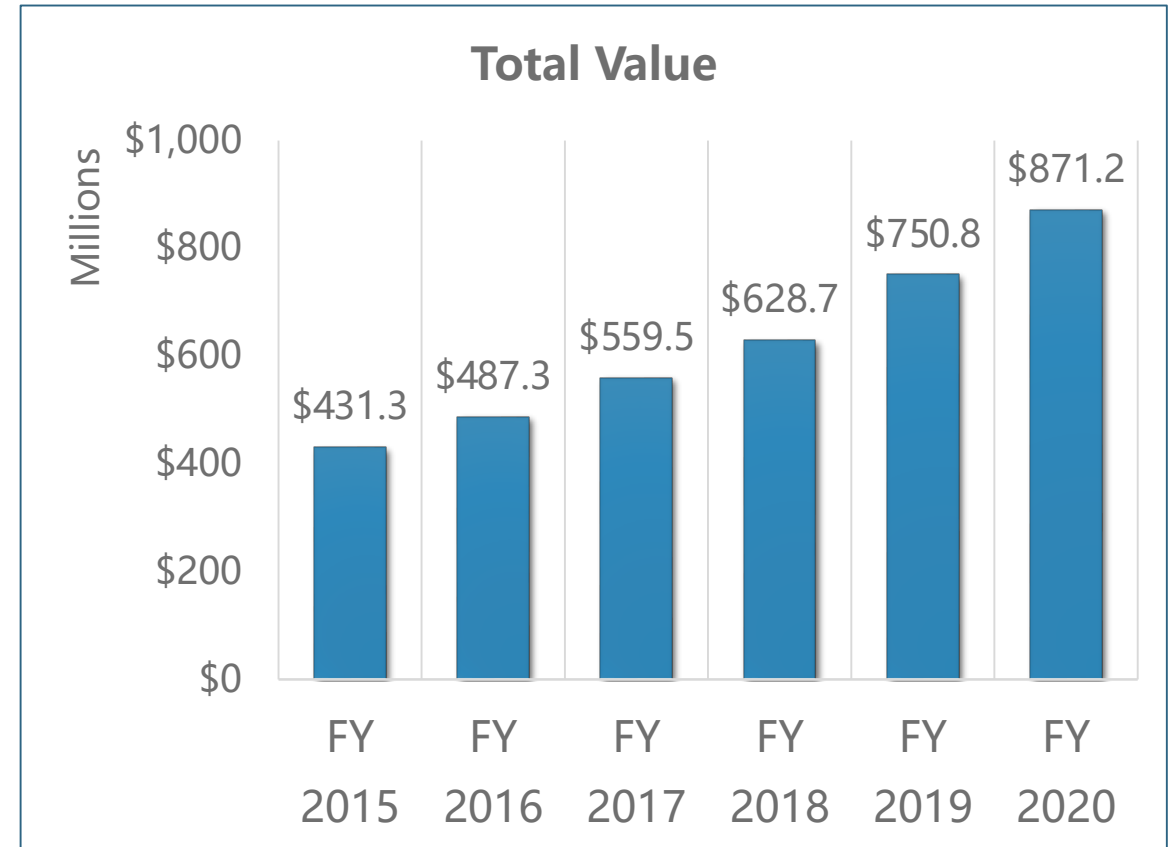
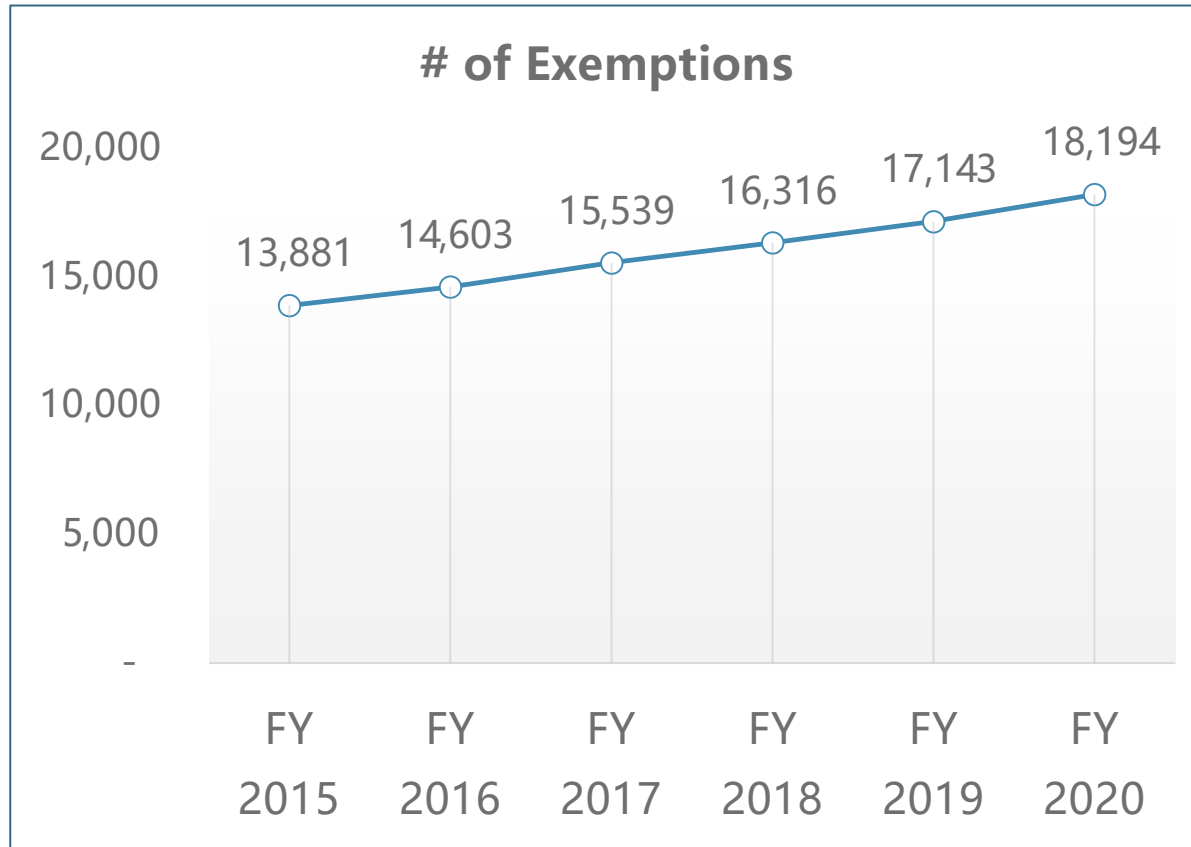
City Tax Relief (Exemptions)

■ HOMESTEAD ■ OVER 65 ■ DISABLED



Property Tax Relief (Exemptions)

Disabled Veteran/Surviving Spouse



Total Taxable Values

FY 2020 Estimated Values	\$36,024,347,877
FY 2020 Certified Values	\$35,727,850,245
Net General Fund Impact	(\$2,963,993)

Net General Fund Impact

- Recommended adjustments to maintain overall tax rate of 0.883332 / \$100 valuation

Description	Reduction
Facility maintenance and repairs	(\$1,500,000)
Enhanced maintenance @ sport complexes	(\$1,500,000)
Contingency	\$36,007
Total	(\$2,963,993)

Items for Consideration

Description	Cost
Veterans Affairs Advisory Committee Recommendations	\$60,000
2020 Census funding	\$320,000
Sport courts resurfacing (16 courts)	\$400,000
Total	\$780,000

Introduction of Tax Rate Ordinance

Introduction of the Ordinance setting the tax rate at the rate of

0.907301

of one percent of the assessed value on all property, real, personal, and mixed

Proposed Rate \$0.883332/\$100

Effective Rate \$0.855093/\$100

Rollback Rate \$0.907301/\$100

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Questions

20 IN 2020 | POWER IN THE VISION

**CAPITAL IMPROVEMENT PROGRAM (CIP)
BUDGET TRANSFER REPORT
THIRD QUARTER FY 2019**

Date Completed	Fund	Amount	Project	Division	BT #	Justification	Funding Source
3/1/2019	4540	(\$722)	PUNALLOCATED0	31510	2019-0342	Close out fund 4540 by reducing \$722.00 in various completed projects to align with the zero cash balance.	CO 1993A ISSUE
3/4/2019	4740	\$1,512,479 \$132,104 \$132,104 \$132,104 \$4,318,228	PCP14ST001 PCP13ST003Y3E PCP13ST003Y3F PCP13ST003Y3I PCPBALANCE	28900	2019-0508	To reallocate funding to Edgemere at RC POE, to South Central projects Encino-Vargas-Cortez, and PCPBALANCE pool.City Council approved on 2/4/19.	2013 STREET INFRASTRUCTURE
3/4/2019	4800	\$0	PCP13LIBA12	29040	2019-0510	To transfer appropriation between accounts for CPU holders needed for Richard Burges Library renovation, no change to overall project budget.	2012 QUALITY OF LIFE
3/4/2019	4970	\$71,107 \$115,355 \$588,274 \$333,373 \$353,112	PCP17ST004 PCP17ST015 PCP13ST003Y1G PCP20ST009 PCP13ST003Y3E	38230 38030	2019-0515	Set up appropriation for PSB reimbursable stormwater work on Riverbend Ph.II and Teramar Way; and water/sewer work on Princeton, Elena-Feliz, Teramar, and Encino-south half.	Other Outside Sources
3/8/2019	4560	\$110,720	PCPBALANCE	28340	2019-0295	BT to transfer approp to project PCPBALANCE under fund 4560 from 3 differents projects.	FY12-13CO'S CIP PLAN
3/8/2019	4800 4500 4560 4690 4710 4740	\$1,200,000 \$1,297,309	PCP13PRKC01I PCP13PRKC04I	38290	2019-0480	To appropriate investment revenue from various funds to Districts 2 and 7 water parks, per City Council resolution dated 2/4/19.	2012 QUALITY OF LIFE CO 2010 ISSUE FY12-13CO'S CIP PLAN CO 2006 ISSUE CO 2009 ISSUE 2013 STREET INFRASTRUCTURE
3/13/2019	4950	\$1,201,022	PCP14IB001	38170	2019-0542	To transfer appropriation between accounts and set up the construction part for Paso Del Norte Roundabout project, TXDOT portion.	Capital Projects-TxDot
3/13/2019	4800	\$736,777 \$641,741 \$79,360 \$151,862 \$73,482 \$308,623 \$308,624 \$335,077 \$1,714,575 \$1,234,494	PCP13PRKE01B PCP13PRKE01C PCP13PRKE01D PCP13PRKE01E PCP13PRKE01F PCP13PRKE01G PCP13PRKE01H PCP13PRKE01I PCP13PRKE01J PCP13PRKE01K	29010	2019-0547	Step 1 of 2 BTs: To transfer appropriations from Master Paved Trails project to individual Paved Trail Head projects, no change to overall budget.	2012 QUALITY OF LIFE
3/14/2019	4970	\$248,141	PCP17ST001	38230	2019-0554	Set up appropriation for PSB reimbursable water construction work on Robinson Ave Street and Drainage Improvements Phase II.	Other Outside Sources
3/18/2019	4800	\$225,595 \$43,615	PCP13PRKC01 PCP13PRKC04	29010	2019-0527	To transfer appropriation 1 from numerous QOL fund 4800 projects that can be reallocated. (Water parks Dist 4 & 7)	2012 QUALITY OF LIFE

**CAPITAL IMPROVEMENT PROGRAM (CIP)
BUDGET TRANSFER REPORT
THIRD QUARTER FY 2019**

Date Completed	Fund	Amount	Project	Division	BT #	Justification	Funding Source
3/18/2019	4743 4741	\$300,000 \$1,448,575 \$300,000	PCP13PRKC01 PCP17PRK03 PCP13PRKC04	38290	2019-0557	To reallocate appropriation from completed projects to Water Parks. (Tom Lea, Spray Park Amenities/Westside Natatorium) City Council approved on 2/4/19.	CO ISSUE FY18 CO 2017 ISSUE
3/18/2019	4743 4741	\$40,089 \$40,181	PCP19TRAN02	38290	2019-0559	BT to move appropriation for MPO Match for the cost of the Right-of-Way. (Loop 375/Spur-601/US 62/180 Montana Ave.)	CO ISSUE FY18 CO 2017 ISSUE
3/19/2019	4930	\$1,318,699	PCP17PRK03	38290	2019-0496	To transfer appropriation between accounts and set up the construction part for Cohen Water Park, City Council approved on 2/4/19.	Capital Projects-Internal
3/19/2019	4740	\$43,000	PCPBALANCE	28900	2019-0556	To reallocate funding from Geiger, Cardis, Malaga streets to PCPBALANCE-Project Savings	2013 STREET INFRASTRUCTURE
4/1/2019	4741	\$0	PCP13PRKC01 PCP13PRKC04	38290	2019-0588	BT to move appropriation for project Regional Water Park Districts 2 and 7 to complete Construction portion, no change in overall project budgets.	CO 2017 ISSUE
4/3/2019	4740	\$0	PCP13ST002RSY6	28900	2019-0580	BT to move appropriation between accounts for project Resurfacing 2016 (Street's Project) to pay invoice for Terracon testing, no overall change in project budget.	2013 STREET INFRASTRUCTURE
4/3/2019	4740	\$42,642	PBE04ST1390	28900	2019-0581	BT to move appropriation from PCP Balance to Upper Valley Roadway Road Street & Drainage to enter payment for SLI Engineering.	2013 STREET INFRASTRUCTURE
4/12/2019	4950	\$757,169 \$1,625,759 \$1,875,614 \$1,331,931	PCP18TRAN03 PCP18TRAN04 PCP18TRAN05 PCP18TRAN06	38170	2019-0576	Set up appropriation for TXDOT reimbursable work on Davis, Delta, Yarbrough, and Alabama Bridge RECONS, City Council approved on 2/26/19.	Capital Projects-TxDot
4/12/2019	4970	\$79,775 \$77,071 \$182,677	PCP13ST003Y3E PCP13ST003Y3F PCP13ST003Y3I	38230	2019-0577	To adjust appropriations via revised PSB reimbursable water/sewer commitments to Encino, Cortez and DeVargas RECONS.	Other Outside Sources
4/12/2019	4800	\$55,000	PCP13PRKD05	29010	2019-0623	To reallocate appropriation to Chamizal Library Recreation Center and transfer appropriation of \$55,000 from Lomaland and Alameda library rec centers.	2012 QUALITY OF LIFE
4/23/2019	4800	(\$5,584,615)	PCP13PRKE01	29010	2019-0613	Step 2 of 2 BTs: BT to clear out Master Paved Trails project leaving only 2% for Arts. (Step 1 BT: 2019-0547)	2012 QUALITY OF LIFE
4/24/2019	4745	\$10,750,000 \$215,000 \$215,000	PCP13CULT01 BONDISSUE PCP19ART	38290	2019-0606	BT to set up appropriation for MACC 2019 CIP amendment, City Council approved on 09/18/18. (BOND COST & 2% ART)	2019 CAPITAL PLAN
4/24/2019	4800	\$0	PCP13PRKE02	29010	2019-0639	BT to move appropriation between accounts to pay invoices for the Grand Opening Ceremony for the 3 Trailhead - Thousand Steps, Jam Sumrall Memorial and Lazy Cow & Round House, no change in overall project budget	2012 QUALITY OF LIFE

**CAPITAL IMPROVEMENT PROGRAM (CIP)
BUDGET TRANSFER REPORT
THIRD QUARTER FY 2019**

Date Completed	Fund	Amount	Project	Division	BT #	Justification	Funding Source
4/30/2019	7150	\$16,672,761	PCP13MUS01	71500	2019-0640	Set up budget for the LGC portion to process payment to the Children's Museum (Wire Transfers to the Children's Museum). City Council approved on 7/23/18. Related BT: 2019-0624	CHILDRENS MUSEUM DEV CORP
5/2/2019	4920	\$1,900,000	PCP16MF010	38290	2019-0626	Set up appropriation for San Jacinto Public Restrooms from fund 4920 (Hotel Occupancy Tax) and align budget. City Council approved on 4/30/18.	HOT Capital Fund
5/8/2019	4970	\$291,234	PCP17ST003	38230	2019-0694	To appropriate PSB reimbursable water/sewer commitment to James Street reconstruction.	Other Outside Sources
5/13/2019	4510 4743 4950	\$0	PCP10TRAN90	28320 38290 38170	2019-0703	To reallocate budget between accounts for Montana RTS Pedestrian Enhancements, no change to overall project budget.	CO 2010 ISSUE ISSUE FY18 CO Capital Projects-TxDot
5/13/2019	4800 4743	\$0	PCP13PRKC04 PCP17PRK03 PCP13PRKC01	29010 38290	2019-0712	To reallocate budget between accounts for Ground Breaking and Grand Openings for Projects (Water Parks), no change to overall project budget.	2012 QUALITY OF LIFE CO ISSUE FY18
5/15/2019	4800	\$537,440 \$2,479,488	PCPARTPROP1 PCPARTPROP2	29050 29060	2019-0728	To reallocate 2% for the arts from individual projects into PCPARTPROP1 for Parks and Zoo; and PCPARTPROP2 for MCAD and Library, no change in 2% for the arts allocation.	2012 QUALITY OF LIFE
5/16/2019	4800	\$992,572 \$515,584	PCP19QOLFII PCP19QOLFI	29060	2019-0674	Setup appropriation for QOL Facility Improvements. (Investment Interest Revenue & Savings) City Council approved on 5/14/19.	2012 QUALITY OF LIFE
5/16/2019	4800	\$0	PCP13ZOOA05	29020	2019-0699	To reallocate from approp 533 to 580 for Chihuahuan Desert at Zoo, no change in overall project budget.	2012 QUALITY OF LIFE
5/21/2019	4800 4805	(\$16,893,057) \$16,893,057 \$657,535	PCP13MUS01 PUNALLOCATED0	29030 54500 99944	2019-0624	To transfer appropriation from fund 4800 to 4805 (Children's Museum) City Council approved on 7/23/18. Related BT: 2019-0640	2012 QUALITY OF LIFE QOL-EPCM
5/28/2019	4740	\$632,335	PCP13ST003Y3I	28900	2019-0730	Setup appropriation for South Central Street & Drainage Phase 2 (Encino, De Vargas & Cortez)	2013 STREET INFRASTRUCTURE
5/30/2019	4741	\$245,200	PCPTXDOTROW	38290	2019-0742	To clean up Bicycle Connectivity Ph. I and reallocate TXDOT project savings.	CO 2017 ISSUE
5/31/2019	4800 4560	\$201,565 \$117,193	PCPBALANCE	29010 28340	2019-0741	To allocate project saving to PCPBALANCE from Shawver Park Pond, Amenities and Sport Field Rehab and align account balances.	2012 QUALITY OF LIFE FY12-13CO'S CIP PLAN