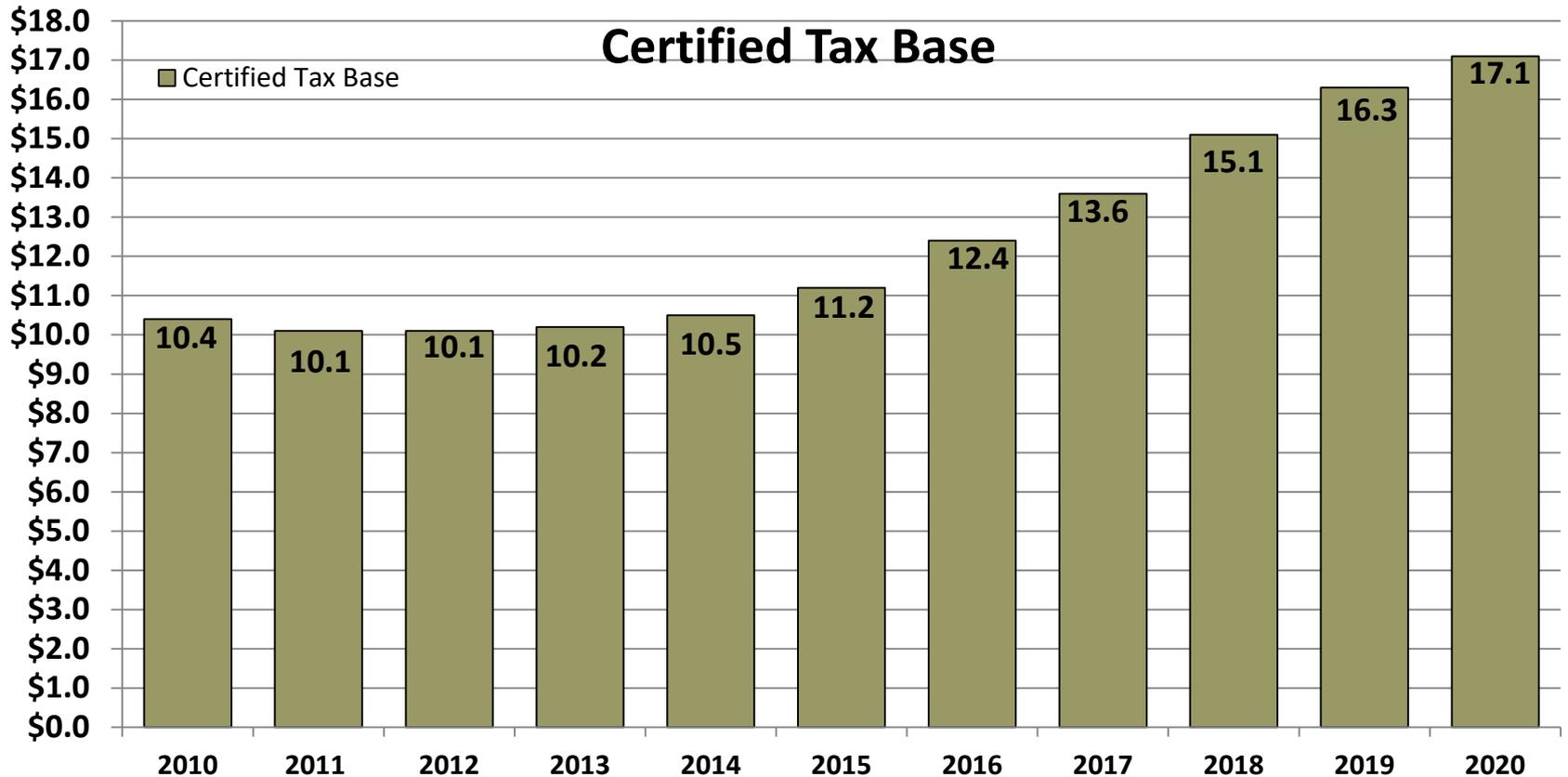


City of Garland

2020-21 Proposed Budget
Preview – City Council Work Session
August 25, 2020

Certified Property Tax Base

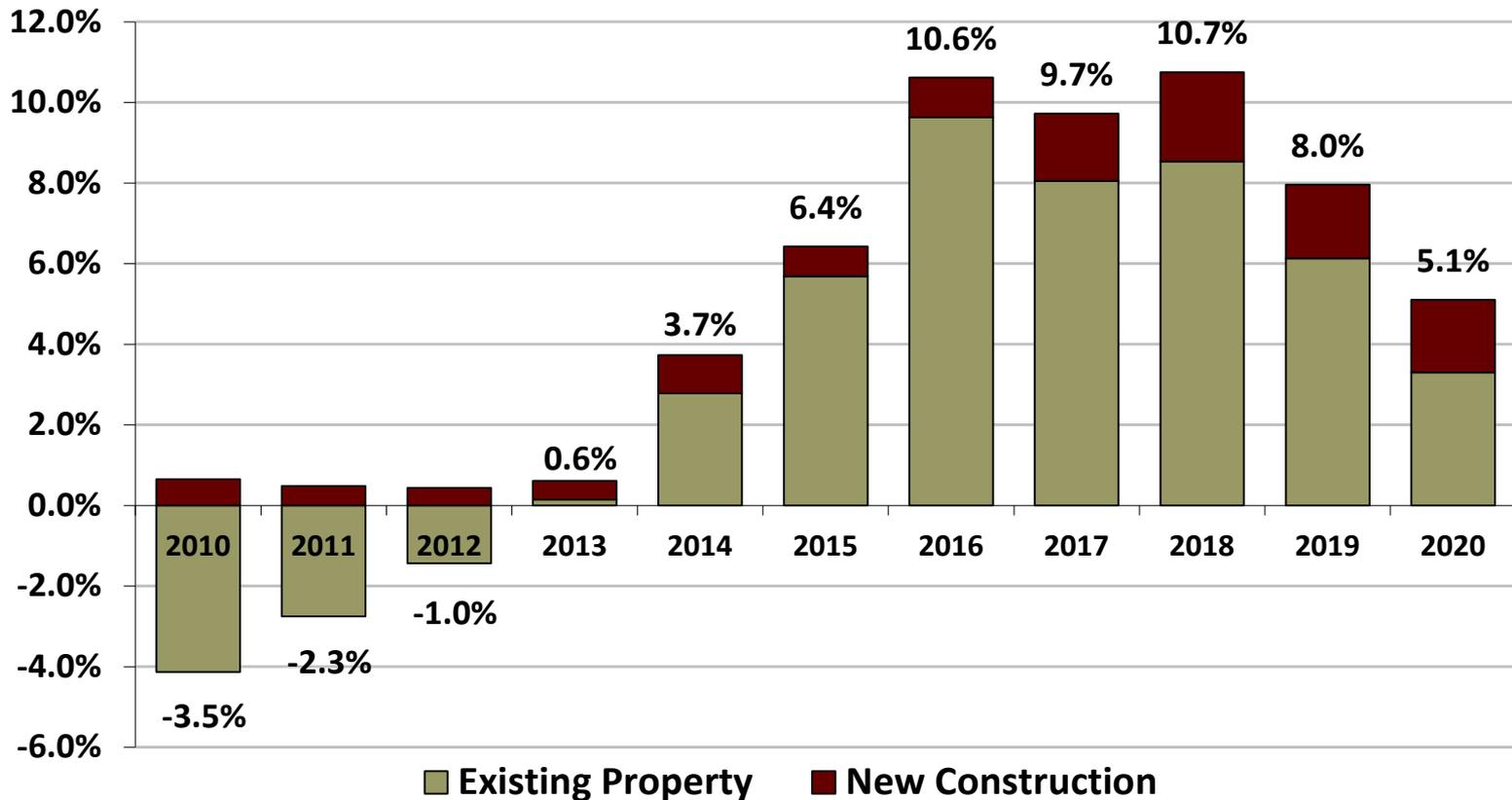
Certified Values (In Billions)



- Approximately 8% of taxable values are currently under protest after certification.

Certified Property Tax Base – Percentage Change

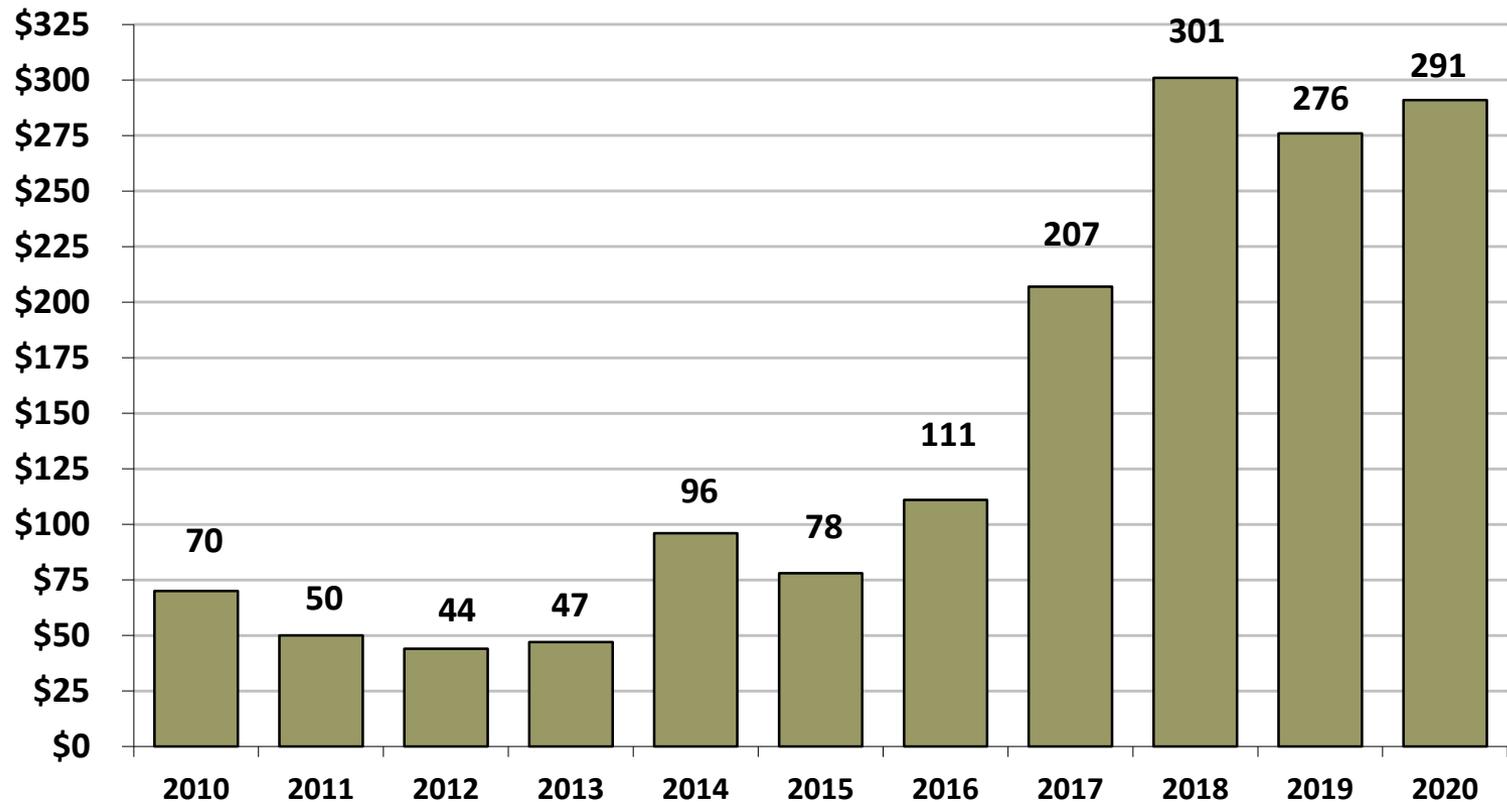
(With Impact of Freeport and Homestead Exemption)



- The tax base grew by 5.1% in 2020, with new construction accounting for 1.8%.

Property Tax Base Growth

New Construction Values (In Millions)



- New Construction contributed \$291 million to the tax base in 2020.
- New Construction represents 35% of total growth in 2020.

2020 Certified Property Tax Base – Change by Category

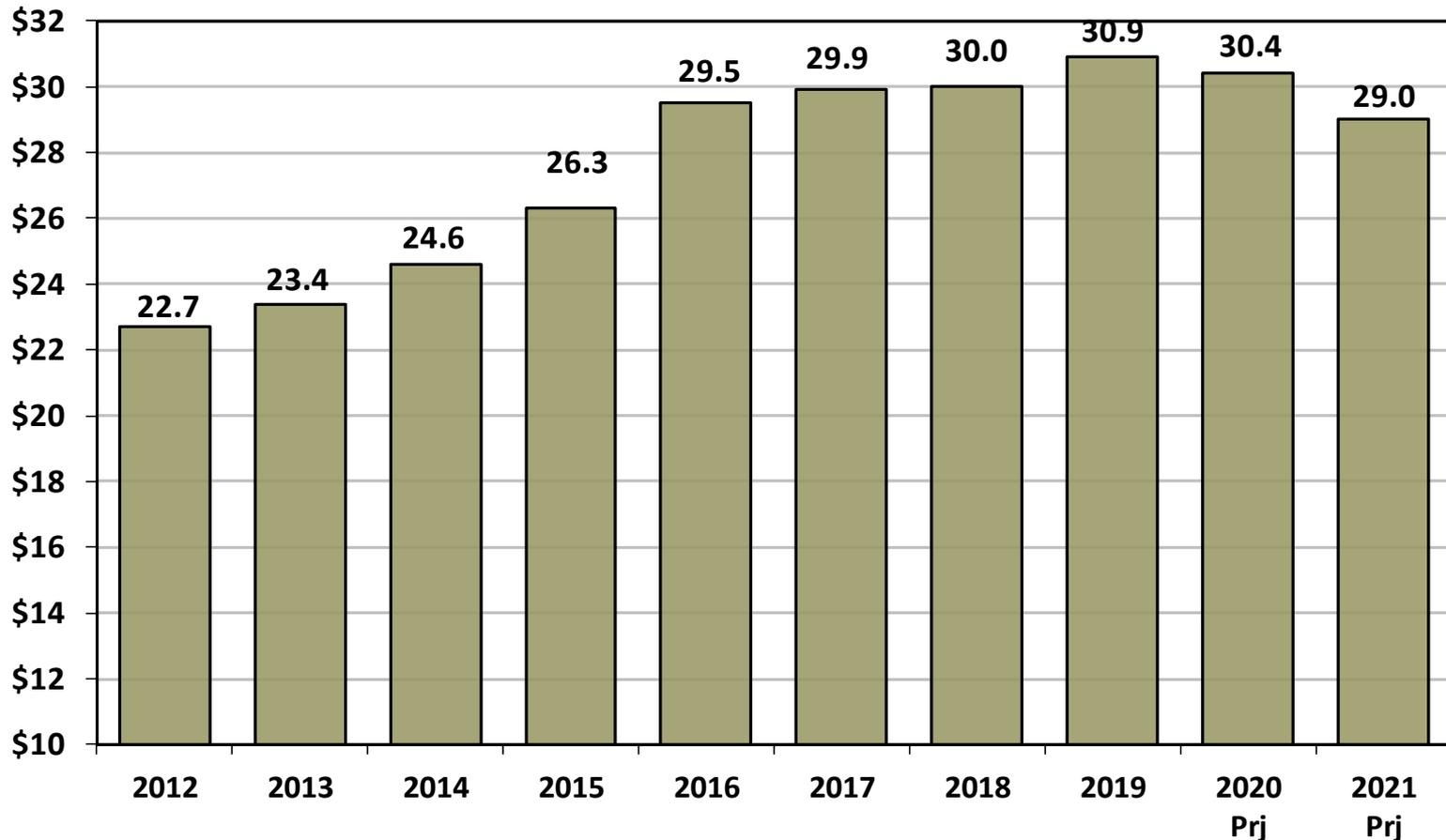
(In Billions)

	Residential	Commercial	BPP	Total Base
Total Tax Base Valuation	\$10.282	\$4.860	\$1.946	\$17.088
Change from Prior Year	\$0.526	\$0.283	\$0.023	\$0.832
Percentage Change	5.4%	6.2%	1.2%	5.1%
Change in Existing Property	4.2%	2.8%	0.0%	3.3%

- Commercial – Commercial real estate only.
- BPP – Business Personal Property such as inventory and equipment – excludes real estate.
- Change in Existing Property excludes New Construction.

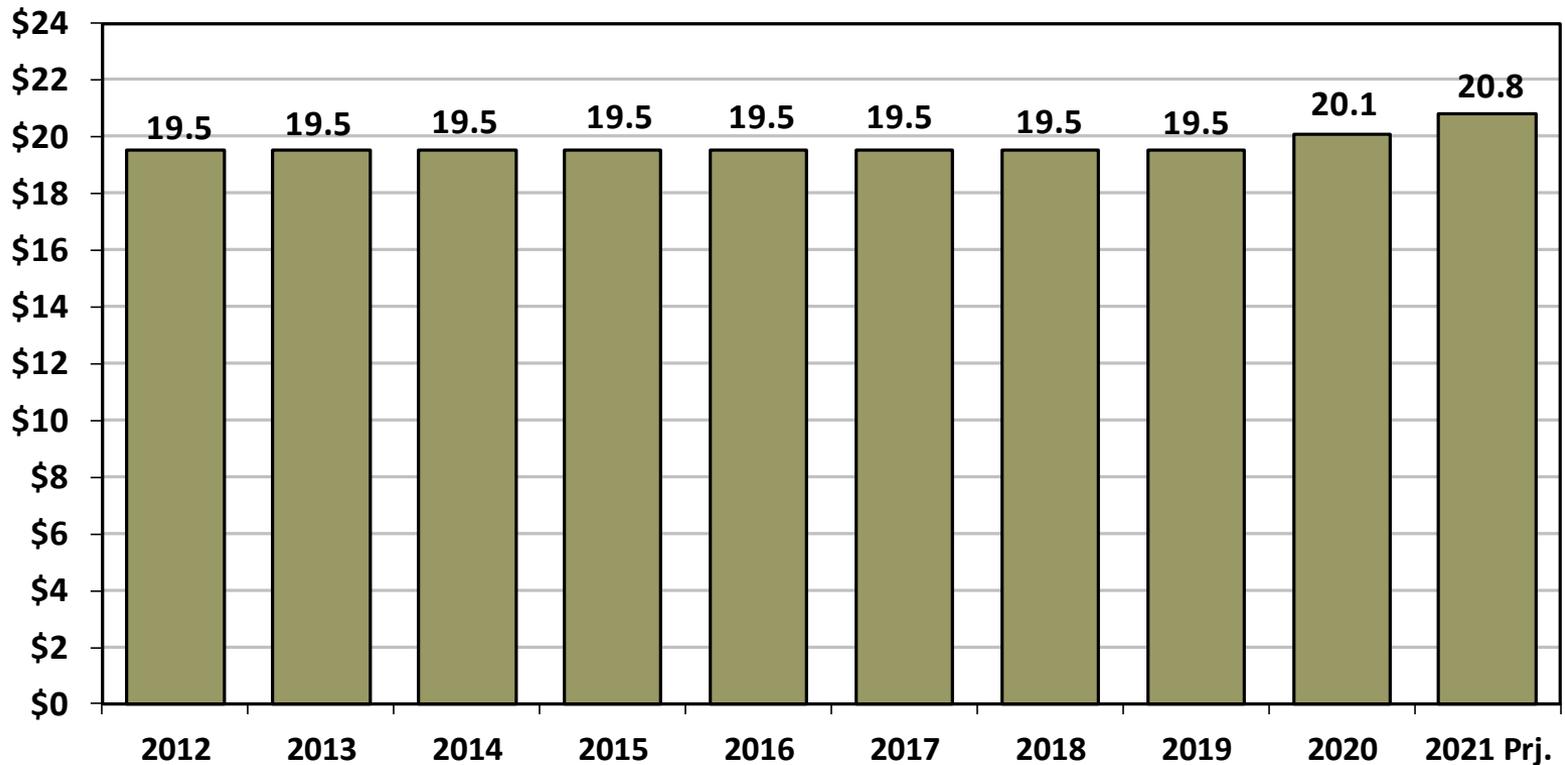
Garland Annual Sales Tax Revenue

Gross Before Incentive Payments (In Millions)



- Sales Tax Receipts are projected to decrease by \$1.4 million in 2021 from this year.

Return on Investment – GP&L (In Millions)

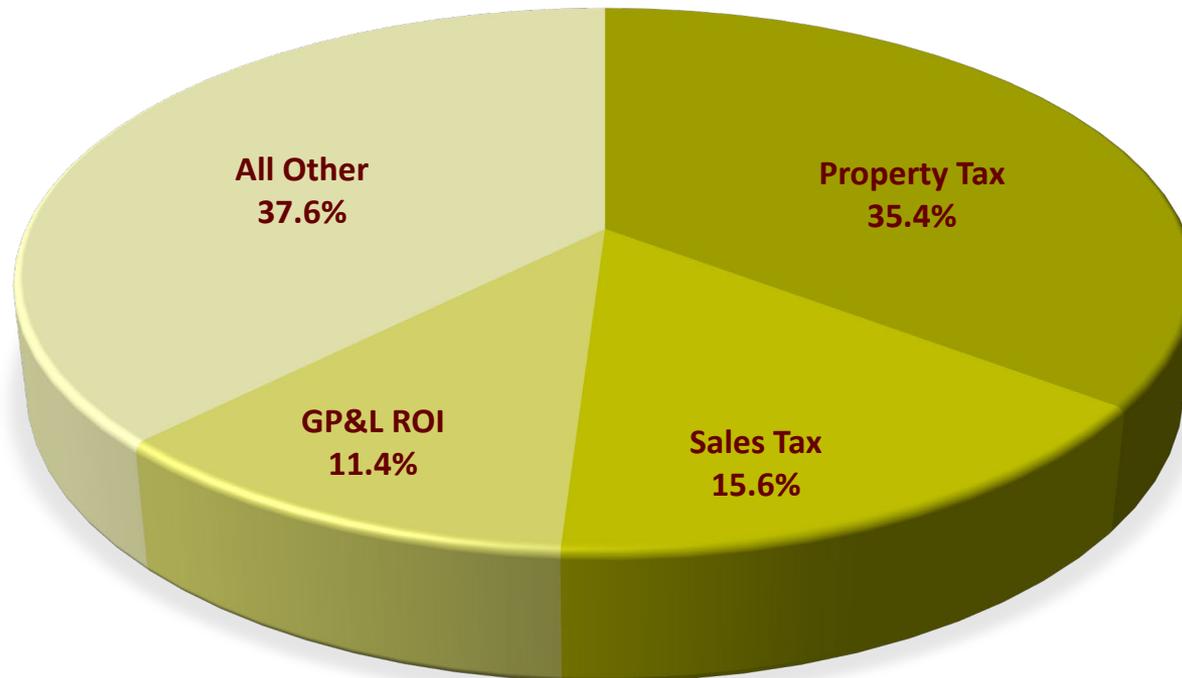


- Transfers from Garland Power & Light in the form of Return on Investment are proposed to increase by \$705,000 (3.5%).

General Fund Revenue

Resources (by Percentage)

PROJECTED GENERAL FUND RESOURCES

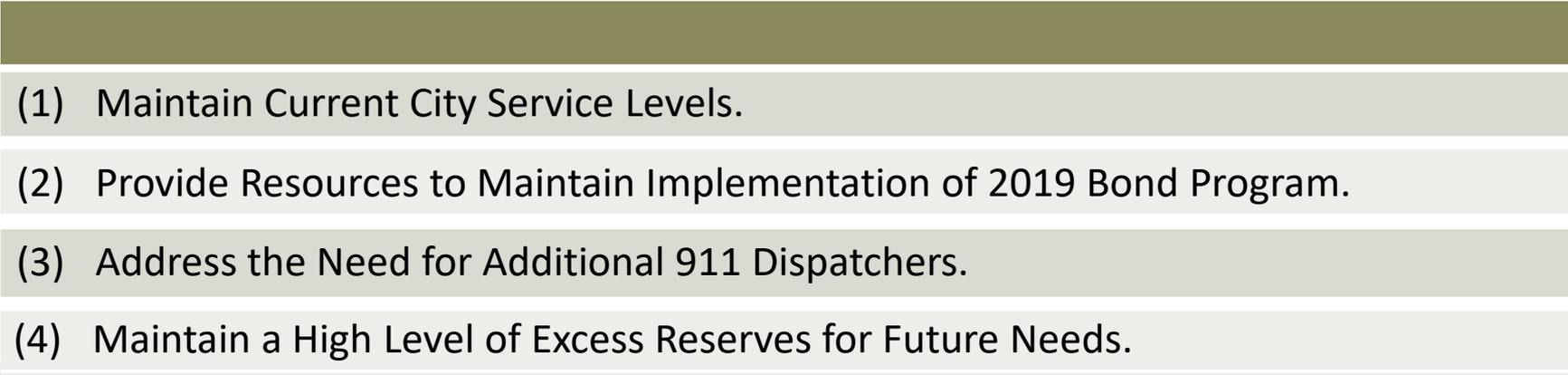


- The three largest revenue sources account for 62.4% of the General Fund Resources.
- All other General Fund revenues account for 37.6% of the General Fund Resources.



City Manager's Budget Priorities

2020-21 Proposed Budget

- 
- (1) Maintain Current City Service Levels.
 - (2) Provide Resources to Maintain Implementation of 2019 Bond Program.
 - (3) Address the Need for Additional 911 Dispatchers.
 - (4) Maintain a High Level of Excess Reserves for Future Needs.



City Manager's Priorities

2020-21 Proposed Budget

1. Maintain Current City Service Levels.

- Bank 11 Full-Time & 4 Part-Time Positions and Eliminate 5 Full-Time Positions.
- Department Reductions to Operation and Capital Budgets.
- Suspended Merit and Salary Adjustments Excluding Civil Service Step Increases.

2. Provide Resources to Maintain Implementation of 2019 Bond Program.

- 3 Positions are Proposed for the Engineering Department to Provide Adequate Support to Implement the 2019 Bond Program.

3. Address the Need for Additional 911 Dispatchers.

- 5 Public Safety Dispatchers and 2 Communications Supervisors are Proposed to Assist in Maintaining Vital 911 Services.



City Manager's Priorities *(Continued)*

2020-21 Proposed Budget

4. Maintain a High Level of Excess Reserves for Future Needs.

- The \$5.3 Million Reserve Above the 30-Day Fund Balance Requirement is Retained to Ensure Financial Flexibility and a Source of Funds to Respond to Unforeseen Financial Challenges.



Other Proposed Budget Items

2020-21 Proposed Budget

- Continuation of the Home Improvement Program
- Improve Access at the Landfill
- 2 Landfill Positions to Replace Temporary Laborers
- 1 Deputy Marshal Added for Parking Enforcement
- Maintain Scheduled Benefit Contributions:
 - Health Plan Contributions – Employees/Retirees
 - Civil Service Retirement Stability Benefits
 - Funding Other Post Employment Trust Contributions

General Fund

2020-21 Proposed Budget (Rounded to Nearest Thousand)

Funding Resources	
Revenues	\$182,801,000
Excess Fund Balance	2,326,000
Total Funding Resources	\$185,127,000
Funding Uses	
Salaries and Benefits	\$132,379,000
Operating Expenditures, Capital, and Transfers	52,723,000
Total Funding Uses	\$185,102,000
Available Funds	\$ 25,000
Fund Balance Reserve – 30-Day Requirement Met	\$ 14,030,000

General Fund Proposed Budget

Changes in Resources from FY 2019-20 Adopted Budget

Change in Resources	Change from Prior Year Adopted
Property Tax	\$ 2,509,000
GP&L ROI	705,000
Landfill Revenue	396,000
Sales Tax	(1,900,000)
Municipal Court Fines & Fees	(731,000)
Interest Income	(578,000)
All Other Revenue	(719,000)
Available Fund Balance Reserves	(40,000)
Total Change in Resources	\$ (358,000)

General Fund Proposed Budget

Changes in Expenditures from 2019-20 Adopted Budget

Change in Expenditures	Change from Prior Year Adopted
Compensation – Prior Year Impact	\$992,000
Employee/Retiree Health Insurance	1,178,000
Added General Schedule Positions	674,000
Banked and Eliminated Positions	(769,000)
Civil Service Retirement Stability Benefit	153,000
OPEB Contribution	85,000
Operating & Capital Expenditures	(2,196,000)
Support Service Charges and Transfers	(475,000)
Total Change in Proposed Expenditures	\$(358,000)



Health-Care Costs & Changes

Proposed for FY 2020-21

City Contribution:

- Employees Health Insurance Contribution – Increase 6.5%.
- Retirees Health Insurance Contribution – Increase 3%.
- Dental Plan Contribution – No Increase.

Employee/Retiree Contributions:

- Employees Health Premium – Increase 5%.
- Retirees Health Premium – Increase 8%.
- Dental Premium – No Increase.

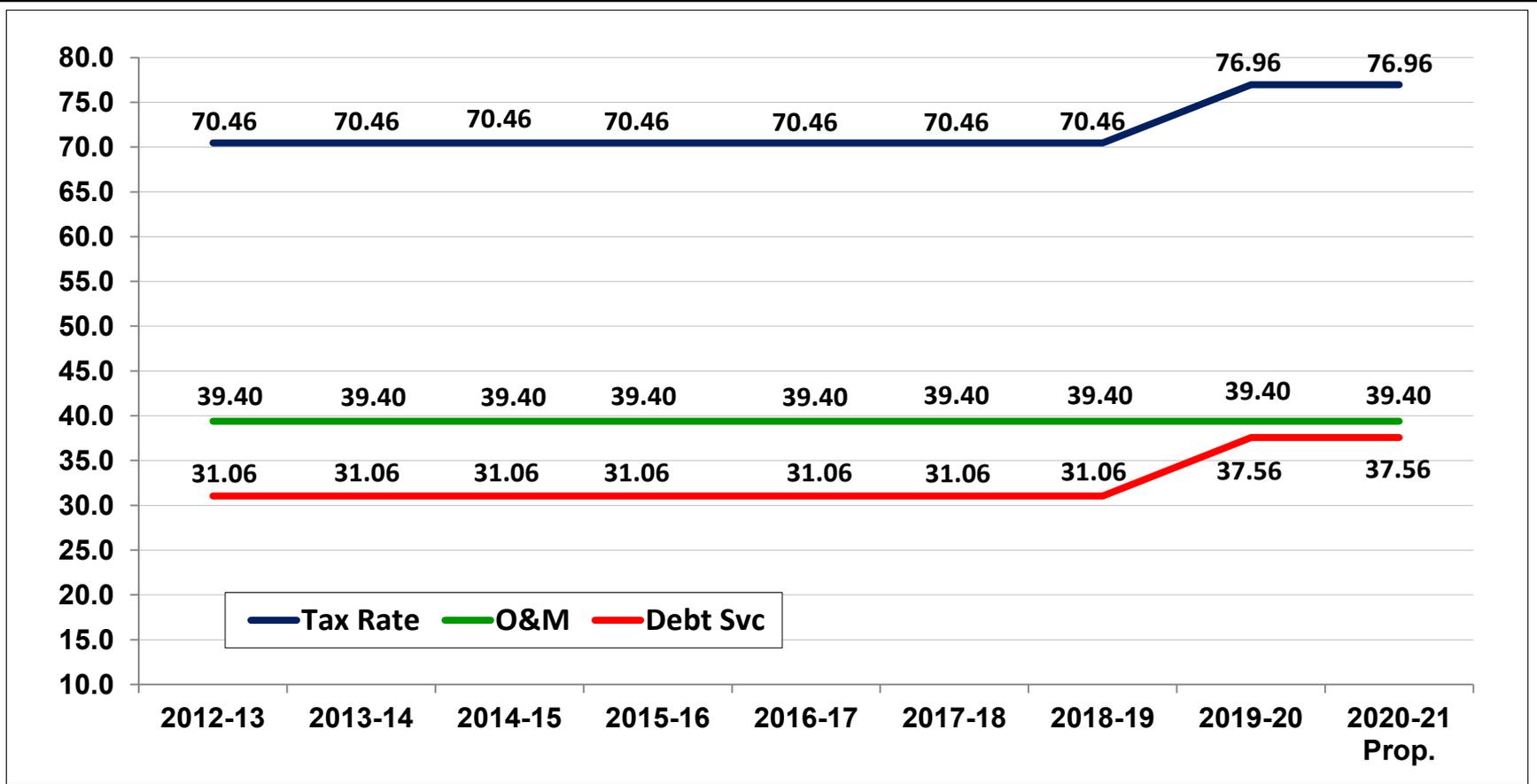
Funding for Street Improvements

FY 2020-21 – All Funding Sources

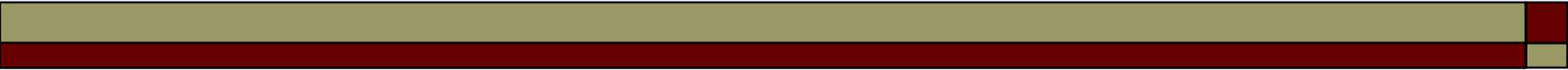
Funding Source	FY 2019-20	Change	FY 2020-21
General Fund Ongoing Transfer	\$ 7,231,000	\$ 880,000	\$ 8,111,000
General Fund One-Time Transfer	1,000,000	(1,000,000)	0
Water and Wastewater Utility Transfers	1,655,000	41,000	1,696,000
Tax Note Funds Transfer	17,909,000	1,193,000	19,102,000
Other (Interest, Concrete Recycling, Etc.)	345,000	(124,000)	221,000
Total Funding	\$28,140,000	\$ 990,000	\$29,130,000

Property Tax Rates

(Cents Per \$100 of Valuation)



- The Property Tax Rate is Proposed to Remain at 76.96 Cents per \$100 of Valuation.
- The Debt Service Rate Increased by 6.5 Cents per \$100 Valuation in FY 2019-20 to Fund the 2019 Bond Program.



Homestead & Senior Exemption Increases

for FY 2020-21

Council Increased the Homestead & Senior Exemption for 2020-21:

- The Homestead Exemption Increased from 8% to 10%.
- The Senior Exemption Increased from \$51,000 to \$56,000.

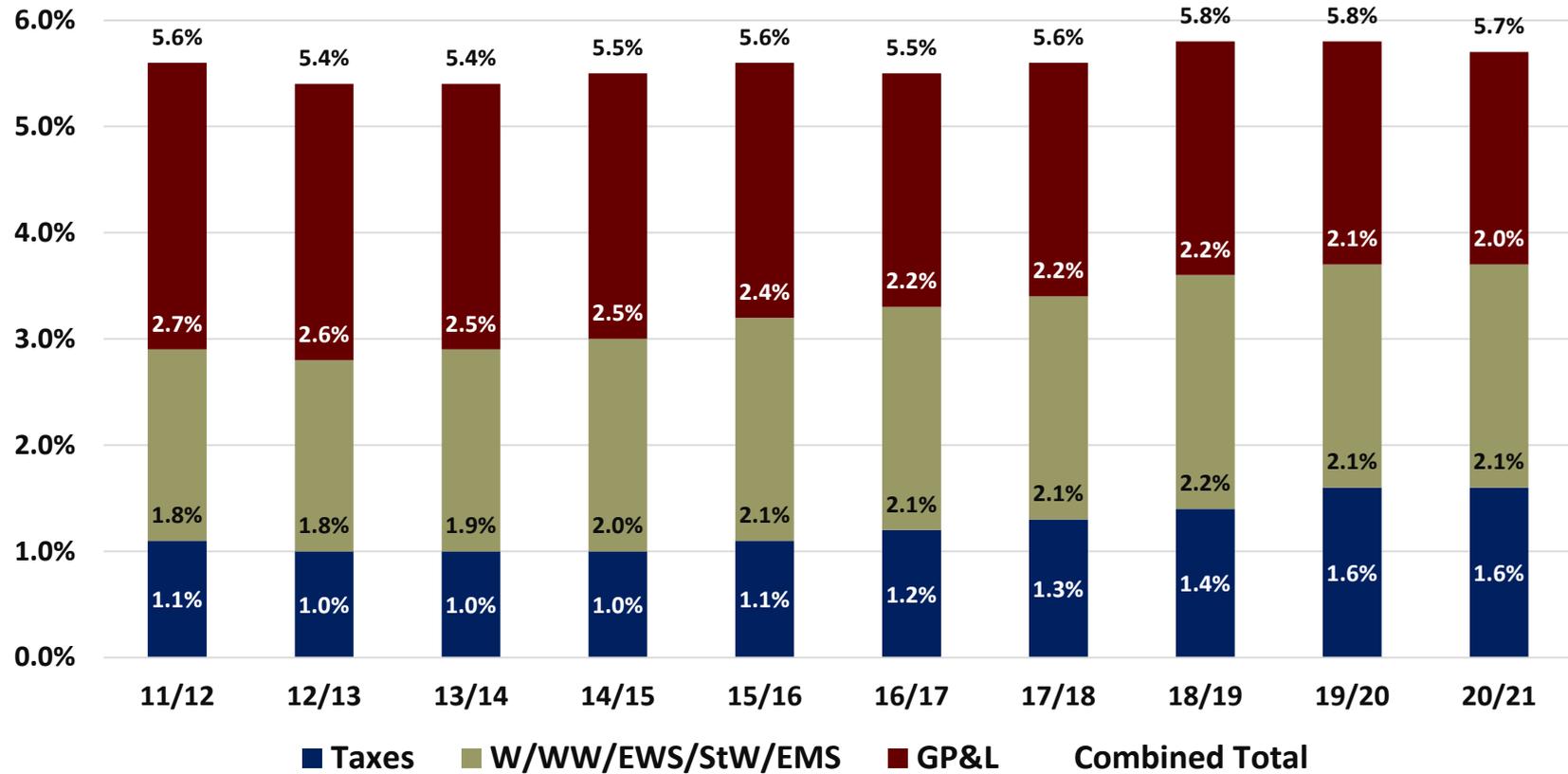
2020-21 Proposed Utility Rates

(Based on Typical Residential User – Monthly Average)

<u>Utility Services</u>	<u>2019-20 Monthly Charge</u>	<u>Proposed Change</u>	<u>2020-21 Monthly Charge</u>
Electric	\$130.29	None	\$130.29
Water	63.91	None	63.91
Sewer	43.28	None	43.28
Trash and Recycling	20.58	None	20.58
Stormwater Fee	<u>3.59</u>	<u>None</u>	<u>3.59</u>
Totals	<u>\$261.65</u>	<u>\$0.00</u>	<u>\$261.65</u>

2020-21 Combined Monthly Citizen Impact

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





2020-21 Proposed Consolidated Budget

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

Consolidated Budget – \$773.8 Million

Increase of \$6.1 Million (0.8%)

General Fund – \$185.1 Million

Decrease of \$358,000 (-0.2%)

General Fund Impact:

Primarily Related to Banked & Eliminated Positions,
Reductions to Operations & Capital, and
Reductions to Support Service.

Budget Review Calendar

Date	Day	Session	Activity
Aug. 25	Tuesday	Special Session	Budget Work Session
Aug. 31	Monday	Regular Work Session	Budget Discussions
Sep. 1	Tuesday	Regular Meeting	Public Hearing on Budget & Tax Rate
Sep. 8	Tuesday	Special Session	Budget Work Session (if needed)
Sep. 14	Monday	Regular Work Session	Budget Discussions – <i>Proposed Council Changes to Operating Budget Due / Council Discuss and Give Direction to Staff</i>
Sep. 15	Tuesday	Regular Meeting	Public Hearing on Budget & Tax Rate and Adoption of Budget