CITY OF TEXARKANA

CITY COUNCIL

AGENDA ● MAY 23, 2023

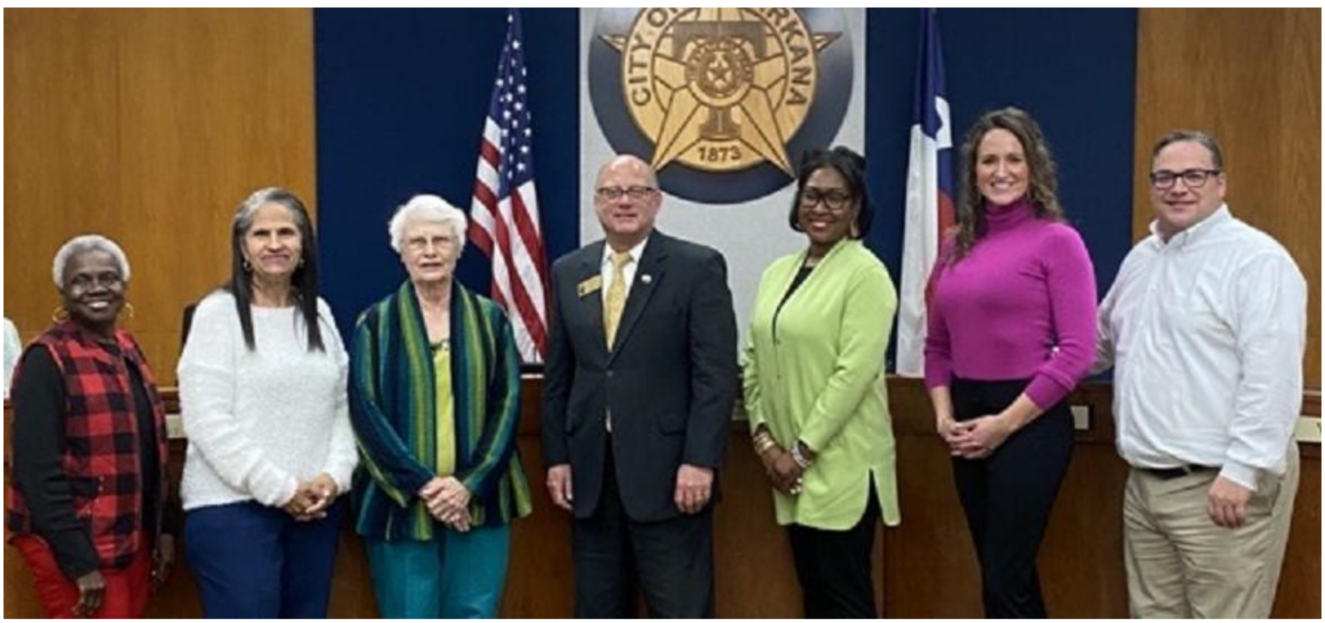
Council Chambers	Budget Workshop Meeting	12:00 PM

220 TEXAS BLVD., TEXARKANA, TX 75501

Mayor

Bob Bruggeman

Ward 1	Ward 3	Ward 5
Jean H. Matlock	Betty Williams	Libby White
Ward 2	**Ward 4**	**Ward 6**
Mary Hart	Christie Page	Jay Davis



Vision

The vision of the City is to be a thriving regional center for education, business, and culture which attracts and serves our residents and visitors.

Mission

The mission of the City is to provide customer-focused public services and regional leadership that serve our residents and visitors while offering a safe, vibrant, and welcoming community.

The City Council reserves the right to convene into closed session on any agenda item or issue if applicable pursuant to authorization by the Texas Open Meetings Act (Title 5, Chapter 551 of the Texas Government Code), and will reconvene into open session before taking any final action, decision, or vote on a matter deliberated.

I. CALL TO ORDER

II. WELCOME & OPENING COMMENTS

III. ITEM FOR DISCUSSION - PROPOSED FY 2024 CITY BUDGET

The Budget Advisory Committee will meet with the City Council to discuss the 2024 fiscal year's budget which becomes effective October 1, 2023.

The appointed committee members are:

Van Alexander, Chairperson - (Mayor)
Derrick McGary - (Ward 1)
Melva Flowers - (Ward 2)
Eric Cain - (Ward 3)
Pam Hamilton - (Ward 4)
Kelly Mitchell - (Ward 5)
Steve Mayo - (Ward 6)

FY 2024 Budget Presentation

IV. CLOSING COMMENTS

V. ADJOURNMENT

Jennifer Evans
City Secretary

This open meeting of a governmental entity is subject to the Texas Open Meetings Act (Chapter 551, Government Code). The "Council Chambers" is the room or property where the City Council will hold this meeting.

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

Pursuant to Section 46.03, Penal Code (places weapons prohibited), subsection (a)(14), a person commits an offense if the person intentionally, knowingly, or recklessly possesses or goes with a firearm, location-restricted knife, club, or prohibited weapon [listed in Penal Code Section 46.05(a)] in the room or rooms where a meeting of a governmental entity is held, if the meeting is an open meeting subject to Chapter 551, Government Code, and if the entity provided notice as required by that chapter.

This facility is wheelchair accessible and handicap parking is available. If you plan to attend this public meeting and you have a disability that requires special arrangements or accommodations, please call 903-798-3900 or (TTY) 1-800-RELAY TX (1-800-735-2989) at least 48 hours in advance.

Version:
Update Date: 5/19/2023 3:31 PM

Briefing Sheet

Lead Department: City Manager **Action Officer:** Jennifer Evans, City Secretary

Subject: FY 2024 Budget Presentation

Attachments

a. Budget Adv. Pres. FY 2024 for 05.23.23 (PDF)

CITY OF
TEXARKANA
TEXAS

FY 2024 Budget

May 23, 2023

FY 2024 Revenue Projections

- **Sales Tax**
  - Sales tax receipts for the month of May (March sales) totaled $2,033,042 an increase of $15,716 (0.78%) compared to the same month in the prior year. Fiscal year to date collections totaled $10,973,404, an increase of $681,890 (6.63%) compared to last year.
  - Estimated Fiscal Year 2023 Collections = $21,985,000
    - 5% increase over FY 2022 actual collections
  - Estimated Fiscal Year 2024 Collections = $22,424,700
    - 2% increase over FY 2023 estimated

No-New-Revenue and Voter-Approval Tax Rate Calculation

- The No-New-Revenue Calculation:
  - (Last Year's Levy – Lost Property Levy) / (Current Total Value – New Property Value)
- The Voter Approval Tax Rate Calculation:
  - (No-New-Revenue M&O Rate x 1.035) + Current Debt Rate + Unused Increment
  - Cities are limited to growth in M&O tax revenue of 3.5%
  - The growth in sales tax revenue also factors into these calculations
    - The City has met with experts at the State Comptroller's office to address ways to reduce that impact through allowed deductions which could provide a gain in general fund revenue of approximately $370,000
- Our Plan
  - Maintain an overall tax rate of $0.65
  - Fund annual capital expenditures with tax notes or certificates of obligation rather than cash expenditures if needed to maintain an overall rate of $0.65
  - Staff anticipates Council consideration to issue Certificates of Obligation with an annual debt service payment of approximately $1.3 million to maintain the overall tax rate

FY 2024 Revenue Projections

- **Property Tax**
  - The City received estimated property valuations on April 28th from the Bowie Central Appraisal District
    - Valuation increases compared to official tax roll issued in October 2022:
      - Texarkana City $299,021,459
      - TIRZ 1 $ 69,292,348
      - TIRZ 2 $ 2,888,336
      - Total Increase $371,202,143
  - Based on a collection rate of 98% and a tax rate of $0.65 this will generate approximately $2.495 million in additional property tax revenue compared to the prior fiscal year. Approximately $488,000 will go to the TIRZ 1 District, $21,000 to the TIRZ 2 District, $1,550,000 to Debt Service, and $436,000 to the General Fund

FY 2024 Expenditure Projections

- **Personnel**
  - Personnel is budgeted at full employment
  - Non-Civil Service Personnel
    - 3% Increase to Base Salary
    - Estimated cost approximately $375,000 for the City and $274,000 for TWU
  - Fire Department Personnel
    - Currently engaged in the process of Interest Based Bargaining
  - Police Department Personnel
    - 6-8% Increase to Base Salary
    - Additional incentive pay
    - Estimated cost approximately $555,000 partially offset by departmental reorganization
  - Health Insurance 5 Year Plan
    - Implementation of retiree changes to eliminate dependent coverage (Year 3 of 3 in FY 2024)
    - Implementation of aligning dependent subsidy levels to 65% (Year 2 of 3 in FY 2024)

FY 2024 Expenditure Projections

- **Annual allocations:**
  - **Capital & Equipment**
    - Major street maintenance - $900,000
    - Fleet operations - $1,300,000
    - Fleet capital replacement - $1,200,000
    - Building maintenance - $252,000
    - Public safety equipment (non-fleet expenditures) - $172,000
    - Technology - $450,000
  - **Neighborhood & Community**
    - Demolition of substandard properties – $125,000
    - Neighborhood revitalization - $100,000
    - Downtown enhancement - $125,000

FY 2024 Expenditure Projections

- **Annual allocations:**
  - **Partnerships**
    - Operation of Bi-State building and jail - $2,315,000
    - Public library - $600,000
    - T-Line bus system - $186,425
    - Airport (non-capital) - $300,000
    - Health Department - $100,000

Estimated General Fund Revenues vs. Expenditures

General Fund Revenue vs. Expenditures					
	Estimated	Estimated	Estimated	Estimated	Estimated
	2023	2024	2025	2026	2027
101 General Fund Revenue	43,248,137	42,311,549	43,227,974	44,169,747	45,137,619
101 General Fund Expenditures	(41,177,896)	(41,587,464)	(42,465,028)	(43,615,393)	(44,374,915)
One-Time Use of Fund Balance	(11,538,898)				
Revenue Over (Under) Expenditures	(9,468,657)	724,085	762,946	554,354	762,704

Estimated General Fund Fund Balance

	Estimated 2023	Estimated 2024	Estimated 2025	Estimated 2026	Estimated 2027
Total Assigned	6,002,477	6,002,477	6,002,477	6,002,477	6,002,477
Total Committed					
Total Restricted	5,180	5,180	5,180	5,180	5,180
Total Unassigned	16,749,895	17,473,980	18,236,926	18,791,280	19,553,984
Total Non-Spendable					
	22,757,552	23,481,637	24,244,583	24,798,937	25,561,641

Days of Expenditures	148	153	157	157	161

One-Time Use of Fund Balance Revised FY 2023 and Proposed FY 2024

(Projects not completed in FY 23 will roll to FY 23)

Fire Department Pumper Truck	731,000
TWU Dead End Looping and Capital Projects	2,512,576
Police Department Gear and Equipment	45,000
Building Improvements for City Hall, Fire Stations, and Alaska Printing buildings	1,225,000
Fire Department Gear Extractors	72,000
Animal Services Building	450,000
Bringle Lake Wilderness Trail	50,000
Bringle Lake Mountain Bike System	200,000
Master Planning - Parks and Hazard Mitigation	40,000
Storm Sirens	52,000
Airport Runway Project	1,832,308
Drainage Improvements for College Drive and Potomac	2,000,000
Grant Match for College Drive Sidewalk Project	627,971
Grant Match for N. Robison Sidewalk Project	613,976
Grant Match for National Fitness Campaign	87,000
Grant Match for CRISI Grant	200,000
Non-Operating Transfers	800,067
Total	11,538,898

Plan for FY 2024

- Planned personnel increases:
  - 3% for all non civil service employees (City - $375,000 and TWU $274,000)
  - 6-8% for base pay and additional incentive pay for civil service police officers with departmental reorganization ($555,000)
  - Currently engaged in the process of Interest Based Bargaining for civil service firefighters
- Restore the City's rating with S&P
- Prepare bond package for FY 2024
  - TWU Revenue Bond – approximately $20 million in bond proceeds
  - City Certificates of Obligation – approximately $18.7 million in bond proceeds

Plan for FY 2024

- TWU Plan for FY 2024:
  - Recommend increasing Riverbend bond fee to $3.50 on October 1, 2023
  - Wholesale water contract CPI increases effective October 1, 2023
  - Establish a fund balance policy for Graphic Packaging water operations
  - Recommend including the Member Cities line water loss in the true-up calculation
  - Complete an Energy Audit and Utility Billing Audit
  - Create a dead end looping policy for Council approval
  - Bring in a consultant to analyze water loss and system revenue
- TWU Multiyear Plan:
  - Continue dead end looping projects
  - Implementation of automatic water metering project and hydrology study
  - Develop 20-year plan for infrastructure improvements

Proposed Bond Projects

- City Certificates of Obligation – approximately $18.7 million in bond proceeds
  - Revenue generating bond items including sports promotion and economic development focus.
  - Potential capital project list:
    - Swanger Baseball complex – turf infields, new field configurations for Field 5, concession upgrades, shade ports, fencing, etc. ($3 million)
    - Dobson field - turf, fencing and other upgrades. ($1.2 million)
    - Wallace Park – soccer field upgrades, additional lighting, turf, concession stand/restrooms, parking, etc. ($2 million)
    - Kharr Park – softball field upgrades, etc. ($500,000)
    - Perot Theatre – sound, lighting, grid replacement, restrooms, etc. ($3 million)
    - Economic Development Projects ($5 million)
      - Creatorspace (business incubator) – partnership with ARTX REDI, Texarkana College, TAMUT, UAHTT, and both cities.
      - Business Accelerator - partnership with Texarkana, Arkansas.

Proposed Bond Projects

- TWU Revenue Bond – approximately $20 million in bond proceeds
  - Potential capital project list:
    - Stateline metering (Texas share) ($8 million)
    - Stateline corridor water and sewer relocations ($1 million)
    - Lead & copper identification ($6 million)
    - Lead & copper replacement ($1.6 million)
    - Waggoner Creek WWTP ($4 million)
    - Looping dead end mains ($2 million)
    - Automatic metering infrastructure ($8 million)

Questions