



CITY OF TEXARKANA

CITY COUNCIL

MINUTES • MAY 23, 2023

Council Chambers

Budget Workshop Meeting

12:00 PM

220 TEXAS BLVD., TEXARKANA, TX 75501

I. CALL TO ORDER

City Council

Mayor Bob Bruggeman (Present)
 Ward 1 - Jean Matlock (Present)
 Ward 2 - Mary Hart (Present)
 Ward 3 - Betty Williams (Present)
 Ward 4 - Christie Page (Absent)
 Ward 5 - Libby White (Absent)
 Ward 6 - Jay Davis (Absent)

Budget Advisory Committee

Van Alexander (Present)
 Derrick McGary (Absent)
 Melva Flowers (Absent)
 Eric Cain (Present)
 Pam Hamilton (Present)
 Kelly Mitchell (Present)
 Steve Mayo (Present)

City Staff

City Manager David Orr
 Jennifer Evans
 Kristin Peeples
 Dusty Henslee
 Lisa Thompson

II. WELCOME & OPENING COMMENTS

Chairperson Van Alexander welcomed everyone to the meeting and gave the floor to City Manager Orr to introduce the budget presentation.

III. ITEM FOR DISCUSSION - PROPOSED FY 2024 CITY BUDGET

Kristin Peeples shared a budget presentation providing revenue projections of estimated sales tax collections and additional property tax revenue based on estimated property valuations from the Bowie Central Appraisal District. The no-new revenue and voter-approval tax rate calculation will maintain its overall current tax rate of \$0.65.

Expenditure projections included percentage-based salary increases for non-civil service and Police department personnel and annual allocations for capital & equipment, neighborhood & community, and some city partnerships to include the public library, T-Line bus system, and the airport.

As at last year's budget workshop, Council Member Matlock again asked how does an employee advance to get from one level to another or make more money. City Manager Orr said civil service employees' monetary advancement is based on grades and steps. Ms. Matlock asked if civil service employees have to accomplish certain requirements at each step to advance. City Manager Orr said it's typically tenure with civil service. However, there are testing requirements for civil service employees to advance within the grade to the next level.

He said as for non-civil service employees, the compensation plan, completed two years ago, included monetary increases for some, coaching reviews, similar to performance evaluations,

are considered for each employee, and the new NeoGov training will help employees who obtain certificates to advance. Employees normally progress within the department as they gain more skills.

If an employee is in a position without a compensation adjustment or no across the board base salary percentage increase is given, there typically is no additional compensation included.

The city's plan for FY '24 is as follows:

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

FY 2024 Budget Presentation

RESULT:	CLOSE ACTION
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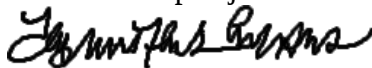
IV. CLOSING COMMENTS

Mr. Alexander congratulated the new city administrative team for running the city “like a business”. Staff shows forward thinking and good planning in working to meet the long-term needs of the city. This fresh method enhances the city to progress and move forward.

Mayor Bruggeman also thanked the council for its input to help shape the FY '24 budget.

V. ADJOURNMENT

The workshop adjourned at 1:08 p.m.



Jennifer Evans
City Secretary



Bob Bruggeman
Mayor

Briefing Sheet

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

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)



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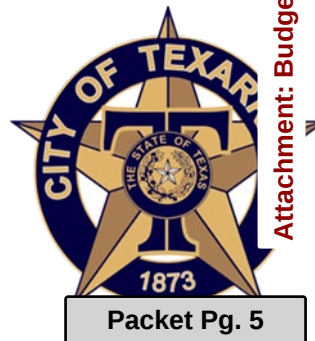
FY 2024 Budget

May 23, 2023

FY 2024 Revenue Projections

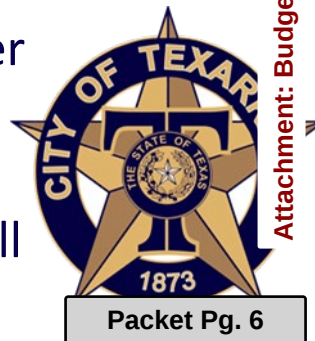
- **Sales Tax**

- 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

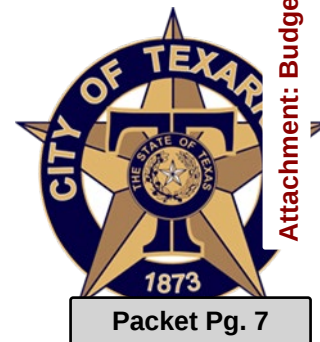
- The No-New-Revenue Calculation:
 - $(\text{Last Year's Levy} - \text{Lost Property Levy}) / (\text{Current Total Value} - \text{New Property Value})$
- The Voter Approval Tax Rate Calculation:
 - $(\text{No-New-Revenue M\&O Rate} \times 1.035) + \text{Current Debt Rate} + \text{Unused Increment}$
 - 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

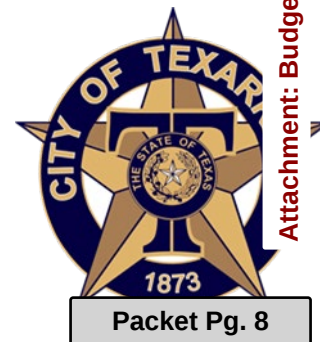
- **Property Tax**

- 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



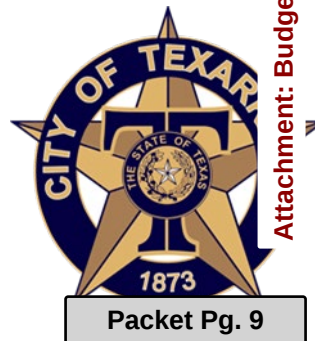
FY 2024 Expenditure Projections

- **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)



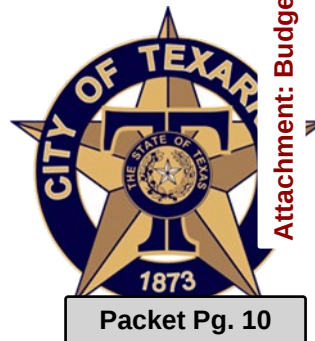
FY 2024 Expenditure Projections

- 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



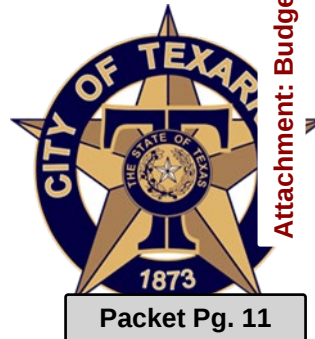
FY 2024 Expenditure Projections

- 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



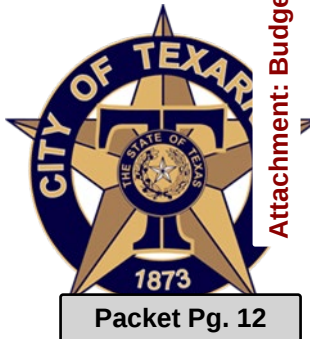
Estimated General Fund Revenues vs. Expenditures

General Fund Revenue vs. Expenditures					
	Estimated	Estimated	Estimated	Estimated	Estimated
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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 <u>2023</u>	Estimated <u>2024</u>	Estimated <u>2025</u>	Estimated <u>2026</u>	Estimated <u>2027</u>
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					
	<u>22,757,552</u>	<u>23,481,637</u>	<u>24,244,583</u>	<u>24,798,937</u>	<u>25,561,641</u>
Days of Expenditures	148	153	157	157	161

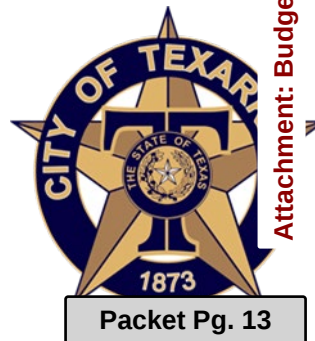


One-Time Use of Fund Balance

Revised FY 2023 and Proposed FY 2024

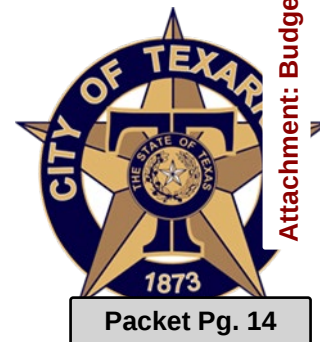
(Projects not completed in FY 23 will roll to FY 23)

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



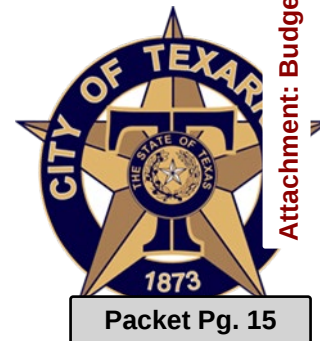
Plan for FY 2024

- Planned personnel increases:
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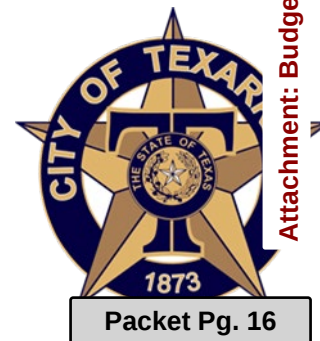
Plan for FY 2024

- 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



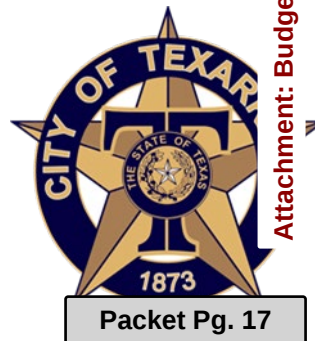
Proposed Bond Projects

- 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

