



CITY OF TEXARKANA

CITY COUNCIL

AGENDA • MAY 25, 2022

Council Chambers	Budget Workshop Meeting	10:00 AM
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220 TEXAS BLVD., TEXARKANA, TX 75501

Mayor

Bob Bruggeman

Ward 1

Jean H. Matlock

Ward 3

Betty Williams

Ward 5

Bill Harp

Ward 2

Mary Hart

Ward 4

Christie Page

Ward 6

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 2023 CITY BUDGET

The Budget Advisory Committee will meet with the City Council to discuss the 2023 fiscal year's budget which becomes effective October 1, 2022.

This year's appointed committee members are:

Van Alexander, Chairperson - (Mayor)
Derrick McGary - (Ward 1)
Carolyn Nance - (Ward 2)
Larry White - (Ward 3)
Pam Hamilton - (Ward 4)
Kelly Mitchell - (Ward 5)
Steve Mayo - (Ward 6)

FY 2023 Budget Presentation Document

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.

Briefing Sheet

Version:
Update Date: 5/18/2022 4:48 PM

Lead Department: City Manager

Action Officer: Jennifer Evans, City Secretary

Subject: FY 2023 Budget Presentation Document

Attachments

- a. Budget Advisory Presentation FY 2023 for 05.25.22(PDF)



CITY OF

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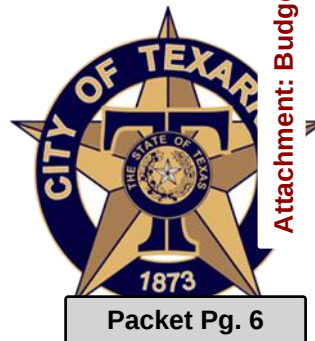
FY 2023 Budget

Wednesday, May 25, 2022
10:00 AM

Revenue Projections

- **Sales Tax**

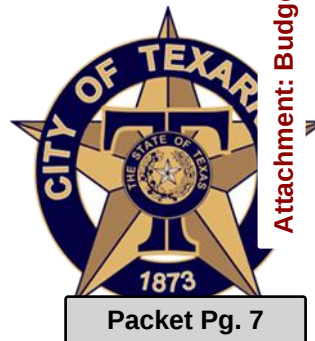
- Fiscal Year 2020 Collections = \$17,042,560
- Fiscal Year 2021 Collections = \$19,573,342
 - Increase of 14.85% or \$2,530,782 over the prior fiscal year
- As of the May 2022 deposit (March collections), collections have increased 10.54% or \$981,705 over FY 2021 actual collections YTD



Revenue Projections

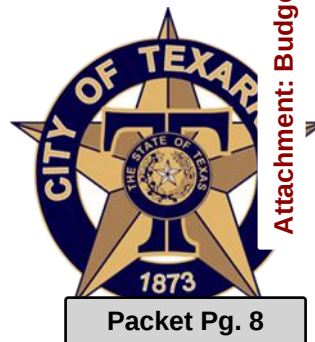
- **Property Tax**

- Property Valuation based on Estimated Values provided by Bowie Central Appraisal District
 - Texarkana City – Increase of 13.66% over prior year official tax roll
 - TIRZ 1 – Increase of 18.31% over prior year official tax roll
 - TIRZ 2 – Increase of 22.86% over prior year official tax roll
- Based on a collection rate of 98% and a tax rate of \$0.65 this will generate approximately \$2.6 million in additional property tax revenue.
 - Texarkana City – Increase of \$2,118,451
 - TIRZ 1 – Increase of \$423,287
 - TIRZ 2 – Increase of \$85,318



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:
 - $(\text{No-New-Revenue M\&O Rate} \times 1.035) + \text{Current Debt Rate} + \text{Unused Increment}$
- 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
 - Issue tax notes or certificates of obligation with an annual payment of approximately \$1.5 million
 - Several options to consider



Debt Issuance Options

Annual Debt Service Payment of \$1,500,000

Term	Interest Rate	Projected Bond Proceeds
7 Years	3.2% (Tax Notes)	\$9,326,000
10 Years	3.4% (CO's)	\$12,603,000
20 Years	4.0% (CO's)	\$20,474,000

Proposal for Capital Expenditures

7 Year Tax Notes = \$9,326,000

Proposed Use	Proposed Amount
Galleria Oaks/Moores Lane – concrete replacement with sidewalks	\$3,000,000
Robison Road – mill and overlay	\$2,400,000
Westlawn – mill and overlay	\$1,000,000
Kennedy – mill and overlay	\$1,000,000
Milam – street reconstruction	\$250,000
Airline – street reconstruction	\$300,000
Wade Lane – street reconstruction	\$300,000
Fleet Replacement – Quint 1 Fire Truck	\$1,400,000
Total	\$9,650,000

Proposal for Capital Expenditures

10 Year Certificates of Obligation = \$12,603,000

Proposed Use	Proposed Amount
Galleria Oaks/Moores Lane – concrete replacement with sidewalks	\$3,000,000
Waco Street – concrete replacement	\$3,000,000
Robison Road – mill and overlay	\$2,400,000
Westlawn – mill and overlay	\$1,000,000
Kennedy – mill and overlay	\$1,000,000
Milam – street reconstruction	\$250,000
Airline – street reconstruction	\$300,000
Wade Lane – street reconstruction	\$300,000
Fleet Replacement – Quint 1 Fire Truck	\$1,400,000
Total	\$12,650,000

Proposal for Capital Expenditures

20 Year Certificates of Obligation = \$20,474,000

Proposed Use	Proposed Amount
Galleria Oaks/Moores Lane – concrete replacement with sidewalks	\$3,000,000
Waco Street – concrete replacement	\$3,000,000
Shilling Lane – new concrete street connecting University Ave. on both ends	\$6,200,000
Robison Road – mill and overlay	\$2,400,000
Westlawn – mill and overlay	\$1,000,000
Kennedy – mill and overlay	\$1,000,000
Milam – street reconstruction	\$250,000
Belt/Old Boston – street reconstruction and seal	\$300,000
Airline – street reconstruction	\$300,000
Wade Lane – street reconstruction	\$300,000
Fleet Replacement – Quint 1 Fire Truck	\$1,400,000
Fleet Replacement – Quint 3 Fire Truck	\$1,400,000
Total	\$20,550,000

Timeline for Issuance

Certificates of Obligation

- Monday, June 13th Council meeting to approve publication of Notice of Intent for the CO's
- Thursday, June 16th 1st Notice of Intent published for CO's
- Thursday, June 23rd 2nd Notice of Intent published for CO's
- Monday, July 11th Draft Term Sheet distributed to City Staff/Bond Counsel
- Friday, July 15th Hilltop Securities receives comments on term sheet
- Monday, July 18th Hilltop Securities distributes term sheet to potential bidding banks
- Friday, August 5th Receipt of Bids
- Monday, August 8th Pricing
- Monday, August 8th City Council passes ordinance authorizing issuance of the Certificates
- Tuesday, Sept. 6th Certificate closing and delivery of funds to the City

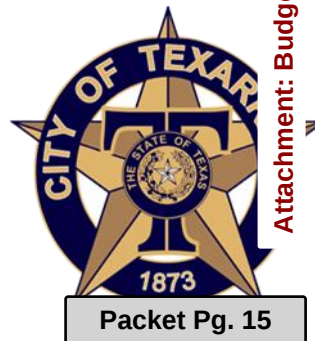
Timeline for Issuance

Tax Notes

- Monday, June 13th Draft term sheet distributed to City Staff/Bond Counsel
- Friday, June 17th Hilltop Securities receives comments on term sheet
- Monday, June 20th Hilltop Securities distributes term sheet to potential bidding banks
- Friday, July 8th Receipt of Bids
- Monday, July 11th Pricing
- Monday, July 11th City Council passes ordinance authorizing issuance of the Note
- Tuesday, August 9th Tax Notes closing and delivery of funds to the City

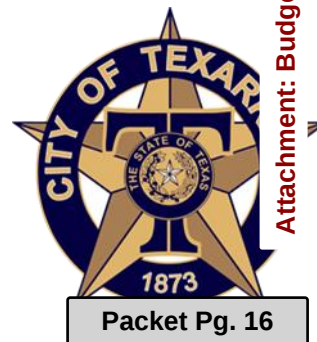
Personnel

- **3% Increase for Non-Civil Service Personnel**
 - Estimated cost approximately \$300,000 annually
- **Fire Department**
 - Year three of the collective bargaining agreement – started in FY 2021 and will continue through FY 2023
 - Estimated cost of agreement through FY 2023 - \$1,200,000
- **Police Department**
 - Increase in starting pay for a recruit patrol officer from \$45,000 to \$47,500.
All other grades and steps will remain the same.



American Rescue Plan

- \$4,702,009 received in May 2021
- Total allocation to the City \$9,276,742.08
- Remaining amount to be received in Summer of 2022
- Grant report was submitted on April 26, 2022. Once the City receives confirmation that the report is accepted, without issue, we will proceed with the one-time use of fund balance expenditures proposed last year. We anticipate these expenditures to be rolled to FY 2023.



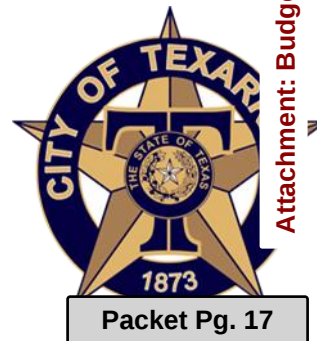
Proposed One-Time Use of Fund Balance

- **Facility Upgrades**

- \$200,000 for purchase of Auto Auction Building for Fleet/Public Works (**removed**)
- \$50,000 for Southwest Center generator/Bringle Lake Wilderness Trail (**PY rolled**)
- \$25,000 for renovations to make Alaska Printing building usable for storage and Senior Center program (**PY rolled**)
- \$10,000 for Park signage upgrades (**PY rolled**)
- Allocate funding to Astroturf ball fields (**new item**)

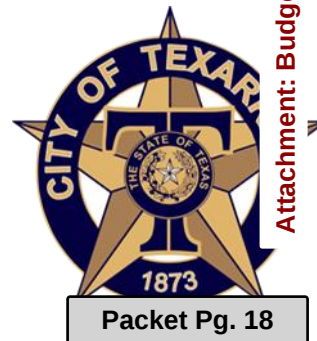
- **Equipment**

- \$600,000 for 1/3 of the cost of Motorola CAD RMS System for Police/CRC (**removed**)
- \$180,000 for initial funding of the Public Safety Equipment Fund for police and fire equipment (**funded**)
- \$1,550,000 for two fire pumper trucks (**PY rolled**)
- \$52,000 for Storm Sirens (**new item**)



Proposed One-Time Use of Fund Balance

- Planning Documents
 - \$20,000 for Parks Master Plan (PY rolled)
 - \$20,000 for Hazard Mitigation Plan (PY rolled)
- Infrastructure
 - \$651,443 TX DOT Grant Match for College Drive sidewalk (PY rolled)
 - \$636,658 TX DOT Grant Match for Robison Road sidewalk (PY rolled)
 - \$2,512,576 for Dead End Looping Projects (PY rolled with additional funding)
- Total Cost = \$5,527,677



Questions

