

City of Hurst

Budget Public Hearing

Fiscal Year

October 1, 2016 – September 30, 2017



Budget Preparation Process

- **March 12** City Council Strategic Planning Session
- **March 30 – April 1** Staff Strategic Planning Session
- **May 6** Departments Submit Budget
- **May - June** Budgets Reviewed
- **June - July** Preliminary Budget Prepared
- **July 25** Certified Tax Roll Received from TAD
- **July 30** Multi-Year Financial Planning Work Session
- **August 16** City Council Budget Workshop
- **August 23** Public Hearing Held on Budget & Tax Rate
- **September 1** Second Public Hearing on tax rate
- **September 13** First Reading, Budget Adoption
- **September 27** Final Reading, Budget Adoption

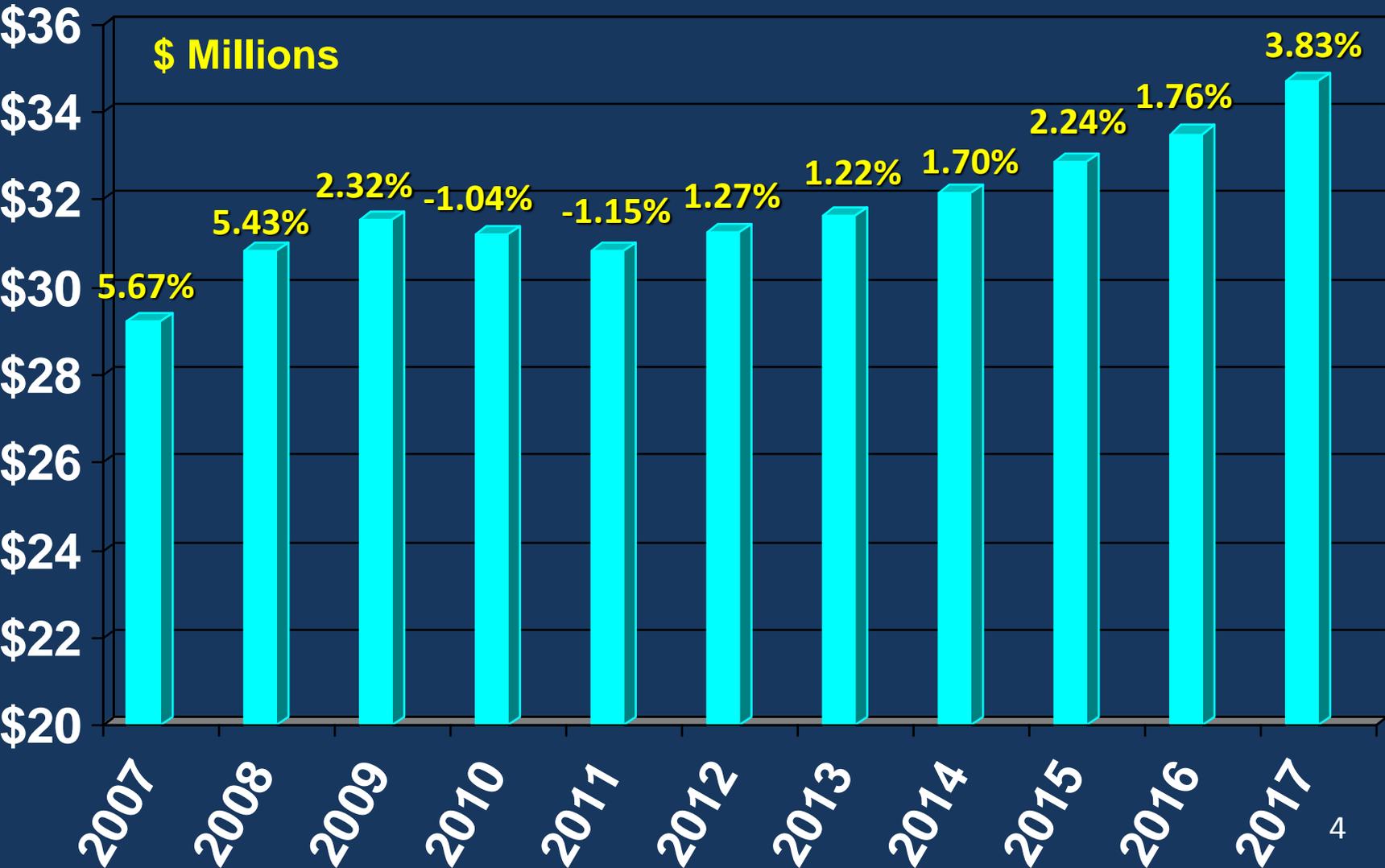
General Fund

\$34,744,929

3.83% Increase

General Fund

Budget Changes 2007-2017



Budget vs.

Municipal Cost Index (MCI)

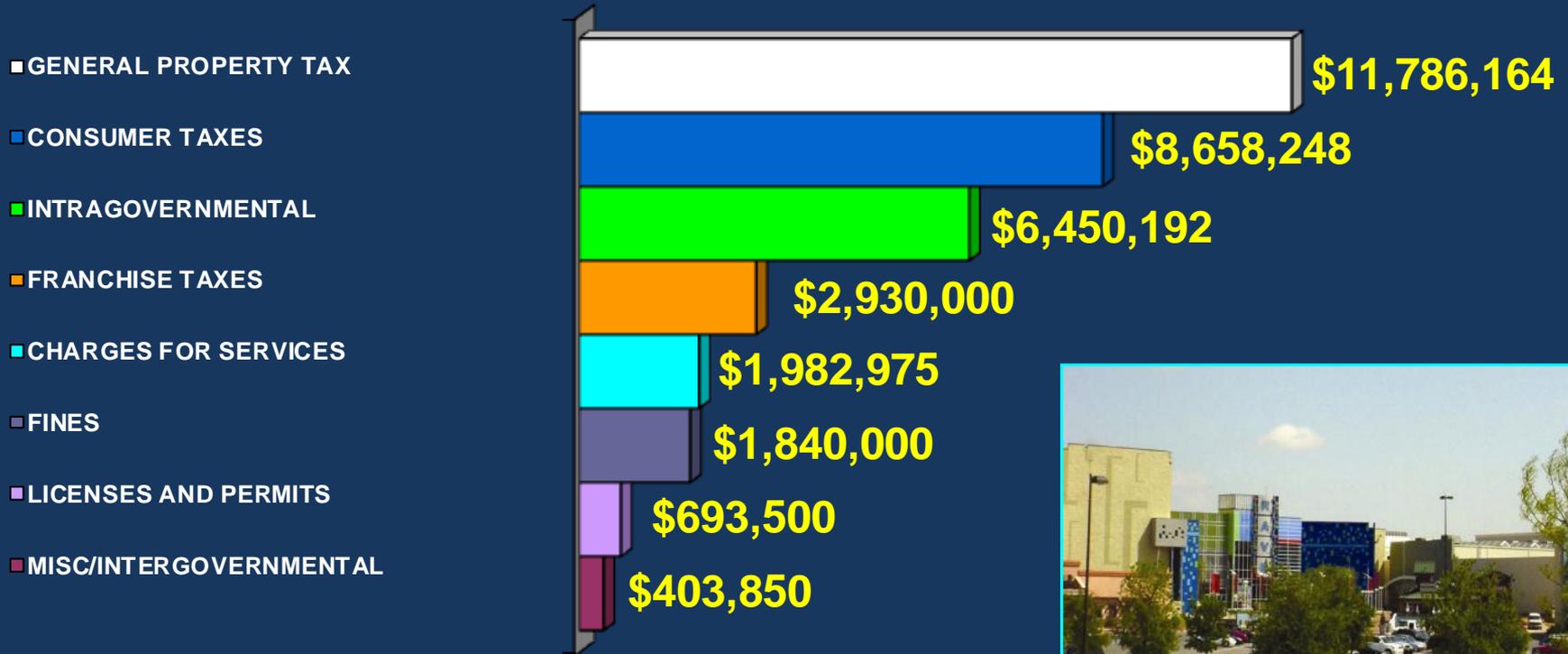
Type	2012	2013	2014	2015	2016	Avg.
MCI % Change	2.00%	1.90%	2.37%	-0.68%	.00951	1.12%
Budget % Change	1.27%	1.22%	1.70%	2.24%	1.76%	1.64%

Primary Increases/Decreases Over Multiple Years

- Cost of Living & Market Adjustments; Increased cost of health benefits
- Operating Costs of New/Renovated Facilities, including the Conference Center, Senior Center, Justice Center, Fire Station No. 2, Aquatics Centers, and the Library
- New Equipment and Information Systems
- Cost Reductions: SDU Cost Sharing, Remove Staff Vacancies, TMRS Changes

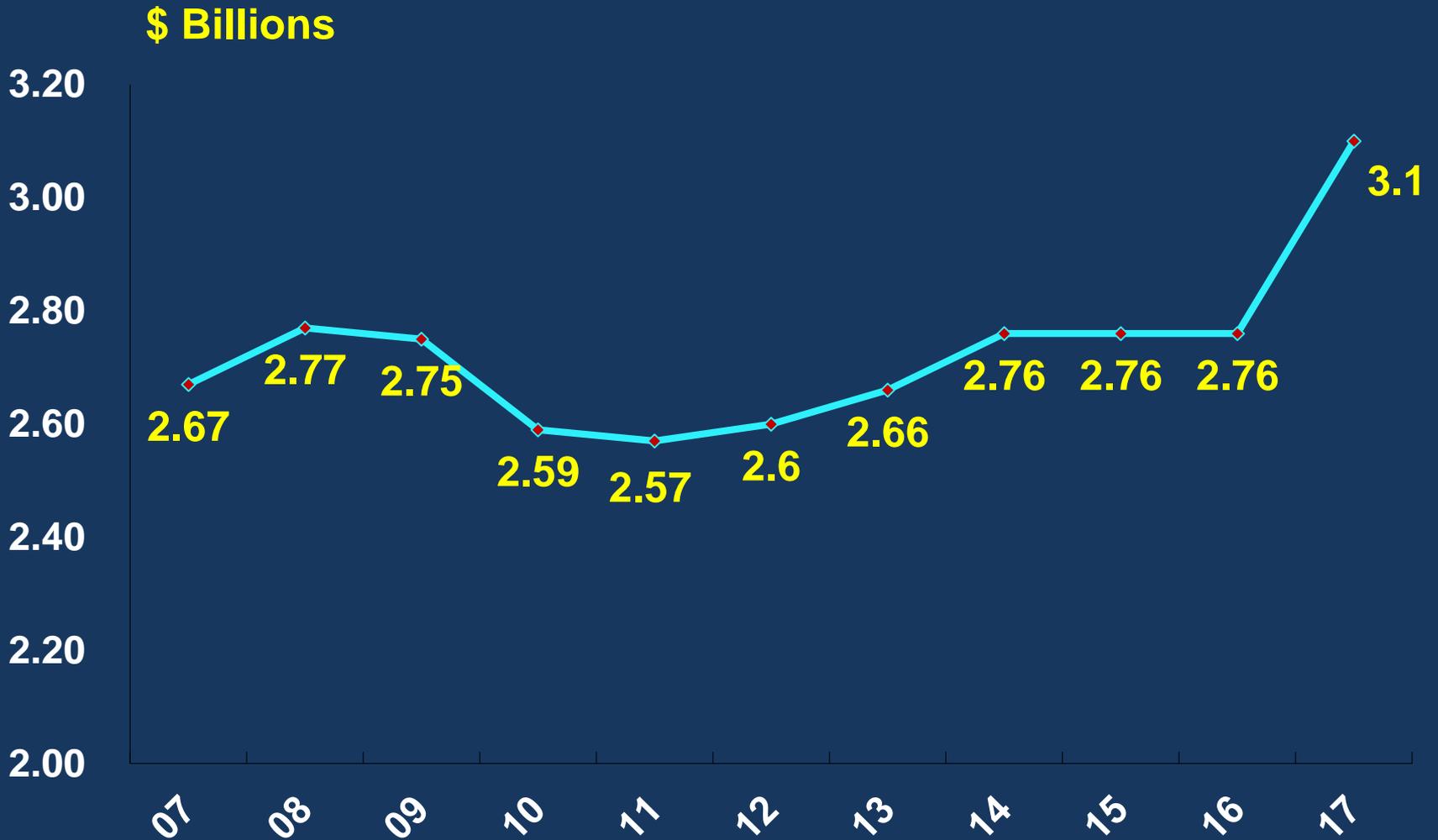
General Fund

“Where the Money Comes From”



TOTAL \$34,744,929

Appraised Property Valuation



General Fund Sales Tax Revenues

\$ Millions



City Sales Tax



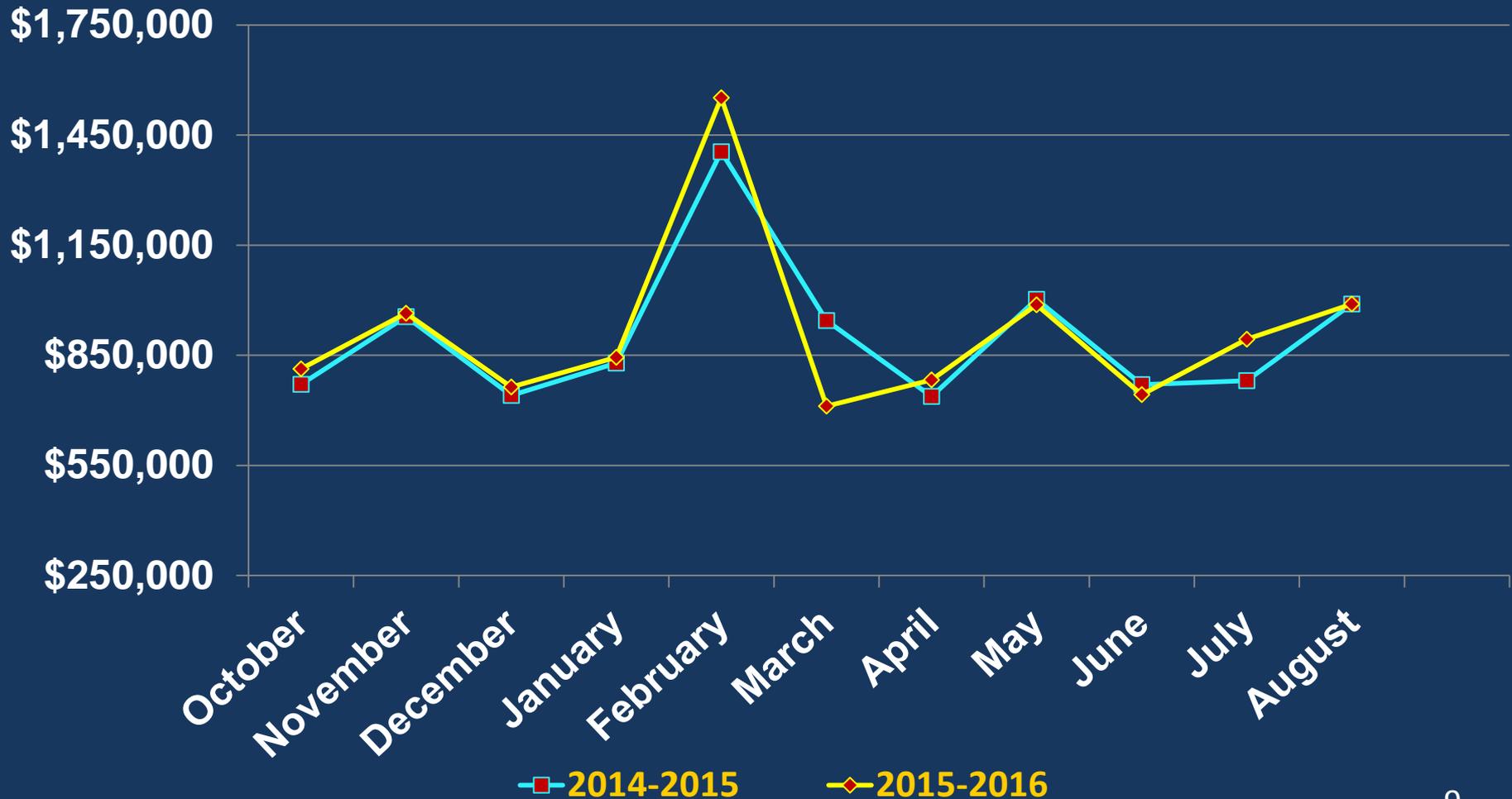
Economic Development Payment



Sales Tax Reserve

General Fund

Sales Tax Receipts Comparison



General Fund

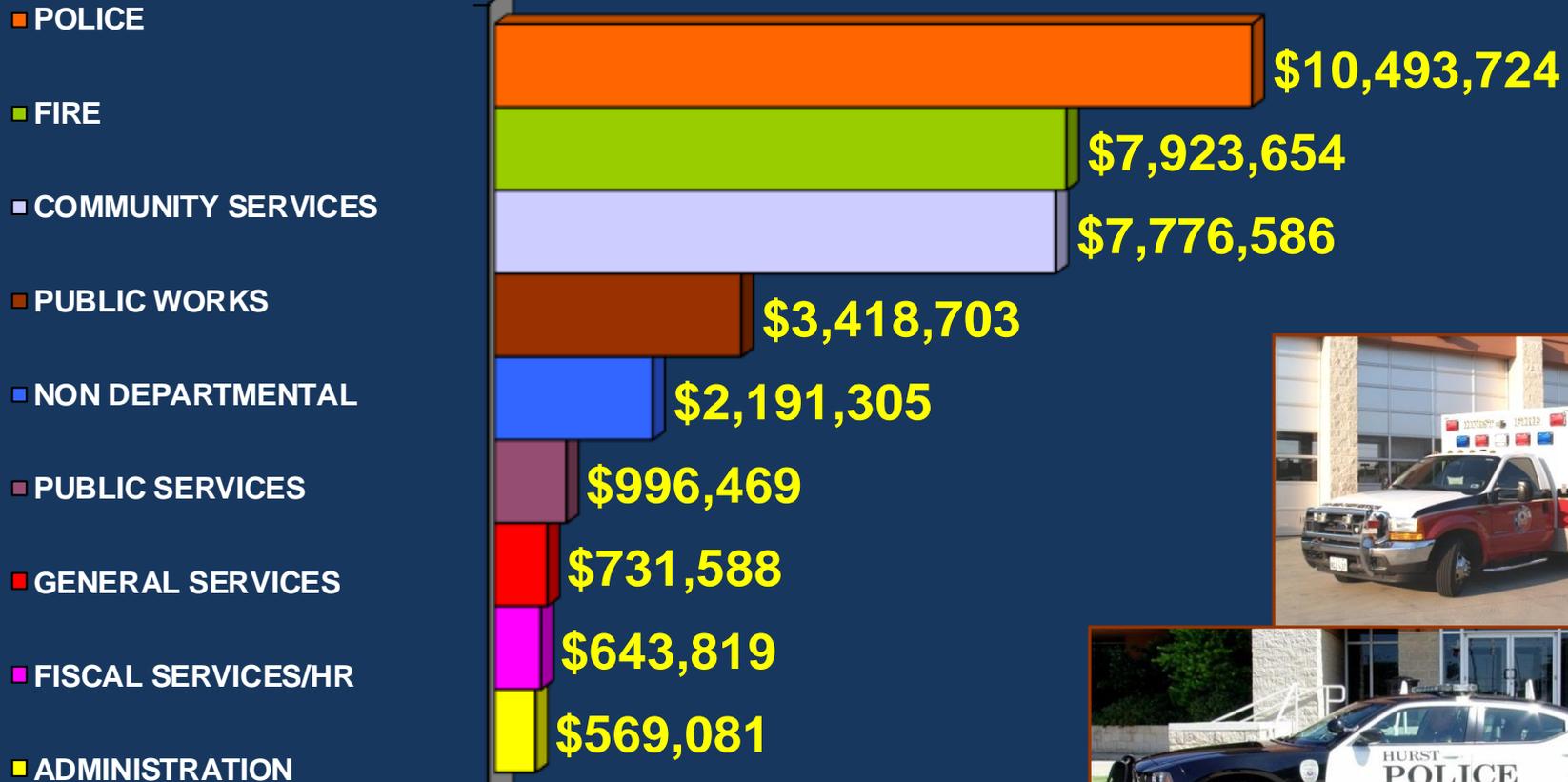
Preliminary Budget 2016-2017

Revenue Changes

Taxes		\$ 1,283,532
➤ Property	\$828,696	
➤ Gross Sales Tax	\$463,836	
➤ Mixed Beverage	\$25,000	
➤ Bingo Tax	(\$5,000)	
➤ Franchise	(\$29,000)	
Intragovernmental		\$132,567
Aquatics		\$103,000
Interest Income		\$35,000
Senior Center		\$19,560
Miscellaneous		(\$41,606)
Building Inspection		(\$50,000)
Municipal Court		<u>(\$200,000)</u>
<i>TOTAL</i>		<u><i>\$1,282,053</i></u>

General Fund

“Where the Money Goes”



General Fund

Preliminary Budget 2016-2017

Expenditure Changes

Personnel Changes	\$586,492
Group Insurance	327,161
Aquatics Operational Costs (Incl. Staffing)	207,011
Public Safety & Sr. Center Equip./Software	102,239
Street System Inventory (Future Maint.)	50,000
Scheduling & Timekeeping Systems	43,500
Mowing Contract Increase	24,420
Water Reduction	(15,000)
IT Indirect Allocation Reduction	(11,250)
Prior Year Capital Outlay/Miscellaneous	(32,520)
<i>TOTAL Expenditure Changes</i>	<i>\$1,282,053</i>

General Fund

Pay As You Go

Street & Drainage Systems	\$ 738,960
Building & Equipment Maintenance	656,348
Internal Services	1,999,840
Misc. Capital Outlay	<u>32,539</u>
TOTAL	\$3,427,687



Proposed Tax Rates

City of Hurst

Effective Tax Rate	\$0.55101
Rollback Rate	\$0.58846
<i>Proposed Tax Rate</i>	<i>\$0.5879</i>
<i>Current Tax Rate</i>	<i>\$0.61056</i>

TAX RATE HISTORY

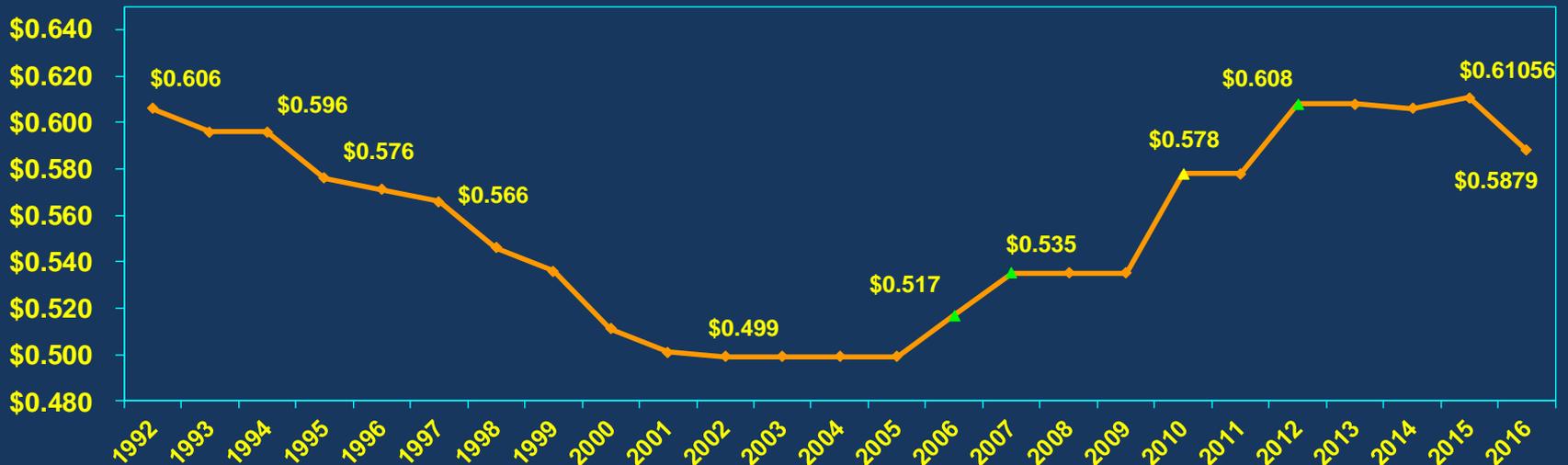
Tax Rate Over 20 Years

Over \$20 million in taxpayer savings

▲ Voter Approved
Projects – Fire #2,
Senior Center, Library,
Street & Drainage,
Justice Center

▲ Rate Increase due to 6%
value loss

Tax Rate



Tax Year

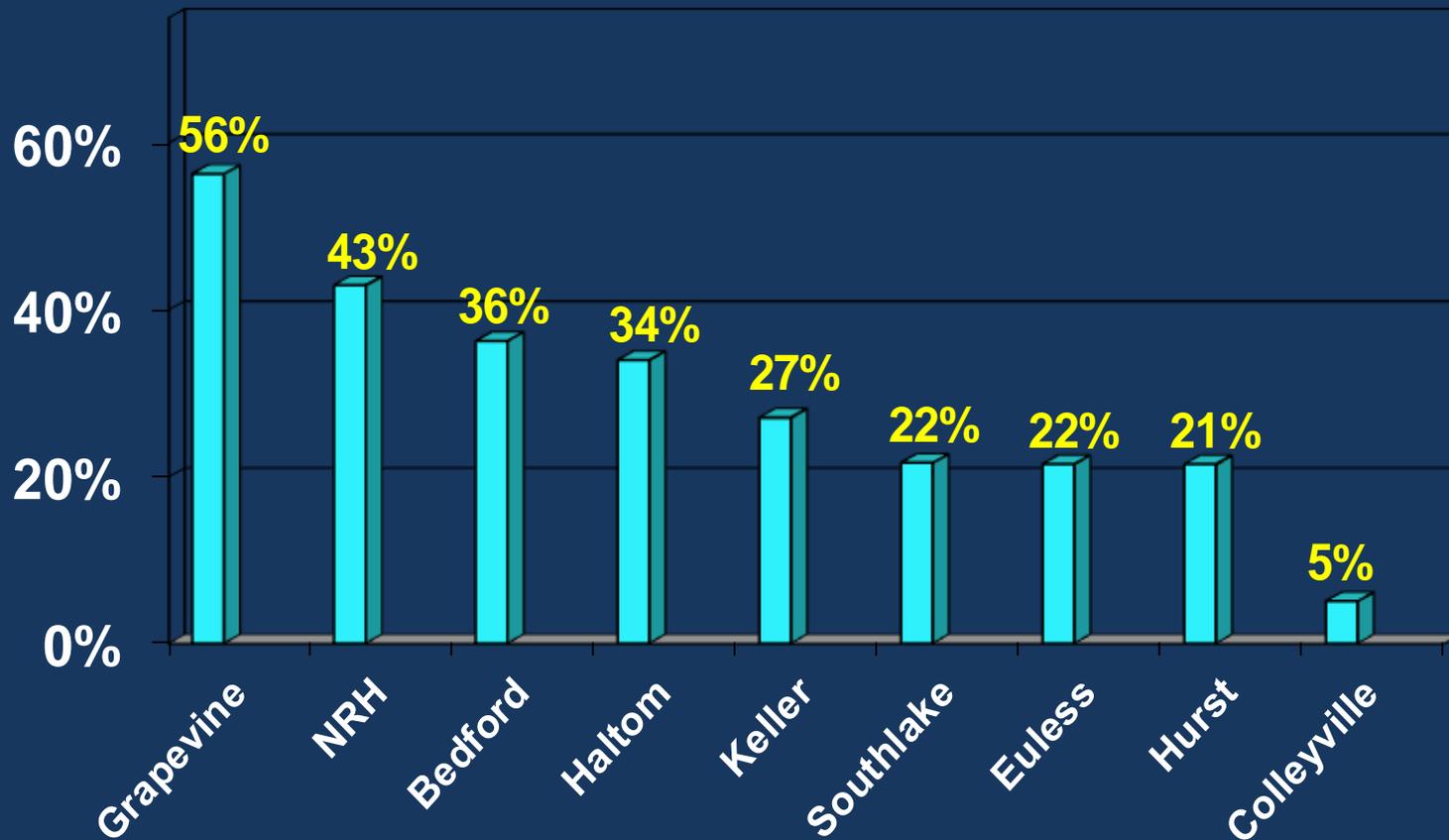
Distribution of Property Tax

\$0.5879 Tax Rate

	Rate	Percent	Levy
M & O	\$0.4616479	78.52	\$12,151,836
Debt Service	\$0.1262521	21.48	\$ 3,323,301



Distribution of Tax Rate Comparison Debt Component



Proposed Tax Rate

Comparison Area Cities

CITY	CURRENT	PROPOSED	CHANGE
Grapevine	32.8437 ¢	28.9271 ¢	(3.9166) ¢
HURST	61.056 ¢	58.79 ¢	(2.266) ¢
Bedford	49.483 ¢	47.6509 ¢	(1.8321) ¢
Colleyville	35.59 ¢	33.913 ¢	(1.677) ¢
Eules	46.75 ¢	46.25 ¢	(0.50) ¢
Keller	\$43.469 ¢	43 ¢	(0.469) ¢
NRH	61 ¢	61 ¢	0 ¢
Haltom City	\$69.999 ¢	\$69.999 ¢	0 ¢

Exemption Comparison

CITY	HOME-STEAD EXEMPTION	SENIOR CITIZEN EXEMPTION	DISABLED PERSON EXEMPTION	SENIOR TAX FREEZE
Grapevine	20%	\$60,000	\$10,000	NO
<i>Hurst</i>	<i>20%</i>	<i>35,000</i>	<i>35,000</i>	<i>YES</i>
Eules	20%	35,000	0	YES
NRH	15%	36,000	36,000	YES
Haltom City	10%	50,000	40,000	YES
Keller	1%	40,000	10,000	YES
Southlake	12%	75,000	75,000	YES
Bedford	0	50,000	0	YES

Exemptions Effect on Appraised Value

	2016	2015	Change
Agricultural	\$1,382,688	\$1,613,710	\$231,022
Disabled Veteran	6,697,382	5,623,130	(1,074,252)
Over 65	114,211,873	111,959,740	(2,252,133)
Homestead	272,484,960	248,434,181	(24,050,779)
Disabled Persons	4,646,403	4,728,067	81,664
Comm. Hse. Dev.	12,847,221	0	(12,847,221)
Other	427,261	20,941	(406,320)
Total	\$412,697,788	\$372,379,769	(\$40,318,019)
<i>Revenue Impact</i>	<i>(\$2,426,250)</i>	<i>(\$2,273,602)</i>	<i>(\$152,648)</i>

Senior & Disabled Citizen

Estimated Tax Freeze Impact to 2016-2017 Budget

2016 Net Taxable Value Frozen	\$	65,094,314
Tax Rate of \$0.5879 Applied	X	<u>0.5879/100</u>
<i>Estimated Tax Relief</i>	\$	382,689

Overlapping Tax Rates

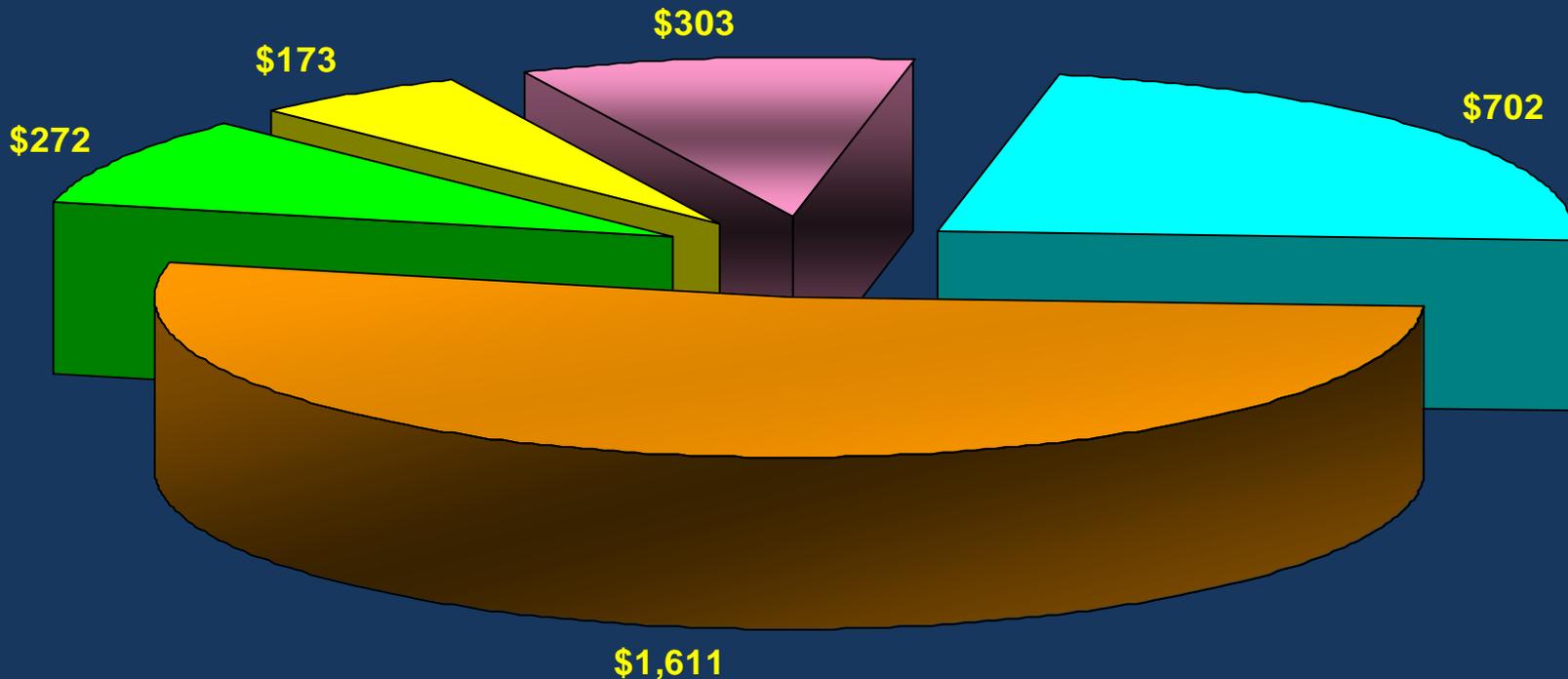
	CURRENT	PROPOSED	CHANGE
<i>Hurst</i>	<i>\$0.61056</i>	<i>\$0.5879</i>	<i>(\$0.02266)</i>
HEB ISD	\$1.375	\$1.35	(\$0.025)
BISD	\$1.435	\$1.4539	\$0.0189
College	\$0.1495	\$0.14473	(\$0.00477)
Hospital	\$0.227897	\$0.227897	\$0
County	\$0.264	\$0.254	(\$0.01)

Overlapping Tax Rates

HEB

Total Property Tax Rate = \$2.56

HEB ISD Tax Rate – 53% of Total Tax



County City School Hospital College

Debt Service Fund

Total Required For Debt Service **\$3,234,926**

Previous Year's Debt **\$3,222,758**

Municipal Property Tax Supported Debt

Annual, Monthly, and Daily Cost for Average Value Homeowner

MUNICIPALITY	ANNUAL COST	MONTHLY COST	DAILY COST
NRH	\$397	\$33.07	\$1.10
Keller	\$369	\$30.72	\$1.02
Grapevine	\$355	\$29.57	\$0.99
Bedford	\$291	\$24.28	\$0.81
Haltom City	\$183	\$15.28	\$0.51
Hurst	\$151	\$12.55	\$0.42
Euless	\$137	\$11.38	\$0.38
Colleyville	\$79	\$6.61	\$0.22

Municipal Property Taxes

Annual, Monthly, and Daily Cost for Average Value Homeowner (Maintenance & Operations, & Debt Svc.)

MUNICIPALITY	ANNUAL COST	MONTHLY COST	DAILY COST
Colleyville	\$1,563	\$130.22	\$4.34
Keller	\$1,361	\$113.45	\$3.78
NRH	\$924	\$77.03	\$2.57
Bedford	\$803	\$66.96	\$2.23
Hurst	\$702	\$58.46	\$1.95
Eules	\$635	\$52.94	\$1.76
Grapevine	\$631	\$52.55	\$1.75
Haltom City	\$540	\$45.02	\$1.50



Daily Dollars and Cents

\$15
Home Mortgage

\$17
Auto Loan

\$3.45
HEB ISD Tax
Supported
M&O

\$1.53
Hurst Tax
Supported
M&O

\$1.03
HEB ISD Tax
Supported
Debt

\$0.42
Hurst Tax
Supported
Debt

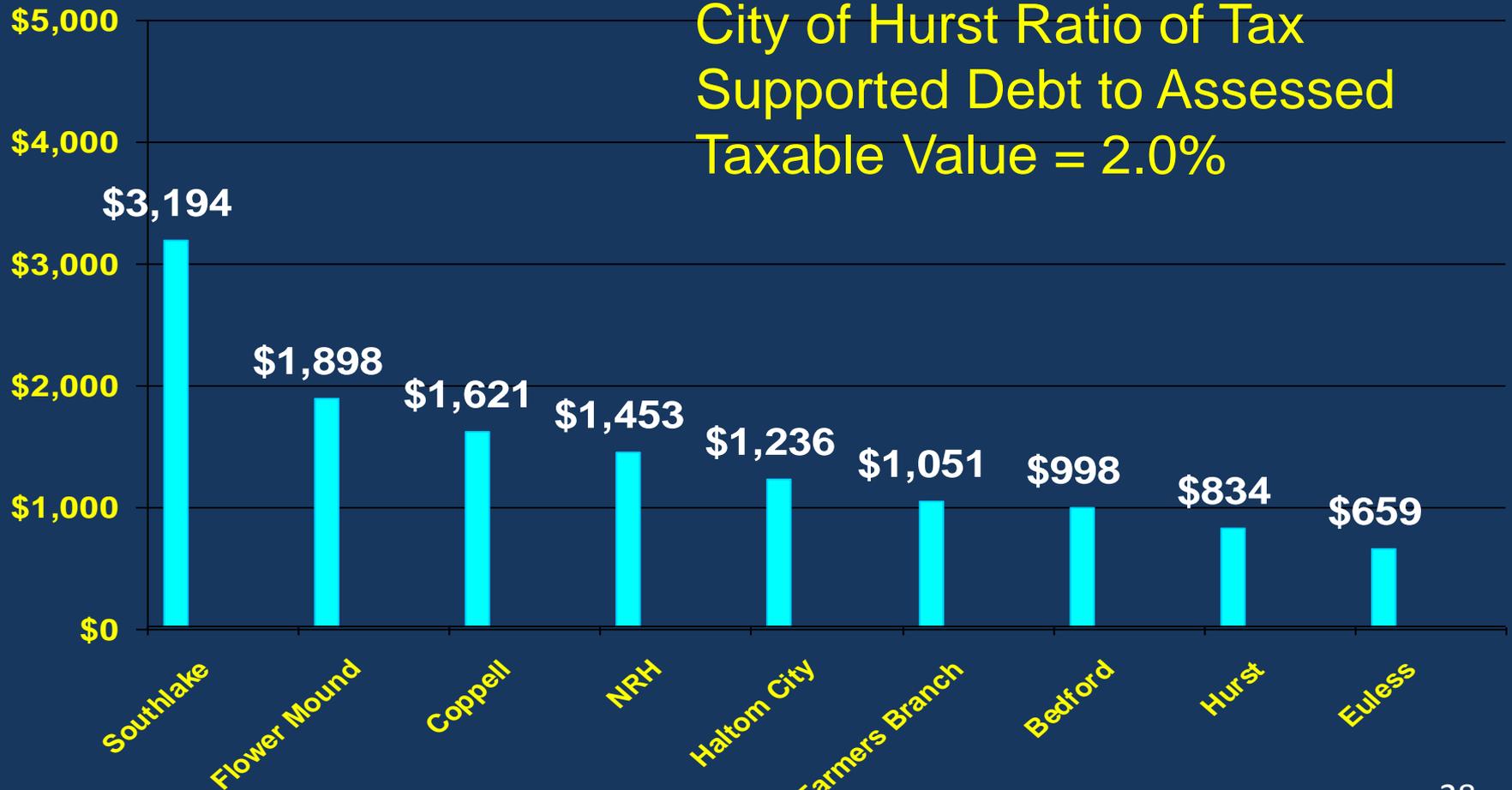
\$5 Home Electricity
\$5 Family Cell Phone Plan
\$5 Auto Fuel
\$5 Fast Food Value Meal
\$4 Garbage/Water/Sewer
\$4 NTTA Tolls (20 miles)
\$2 Cup of Coffee



(Sampling of average costs per day in Hurst)

Net Bonded Debt Per Capita

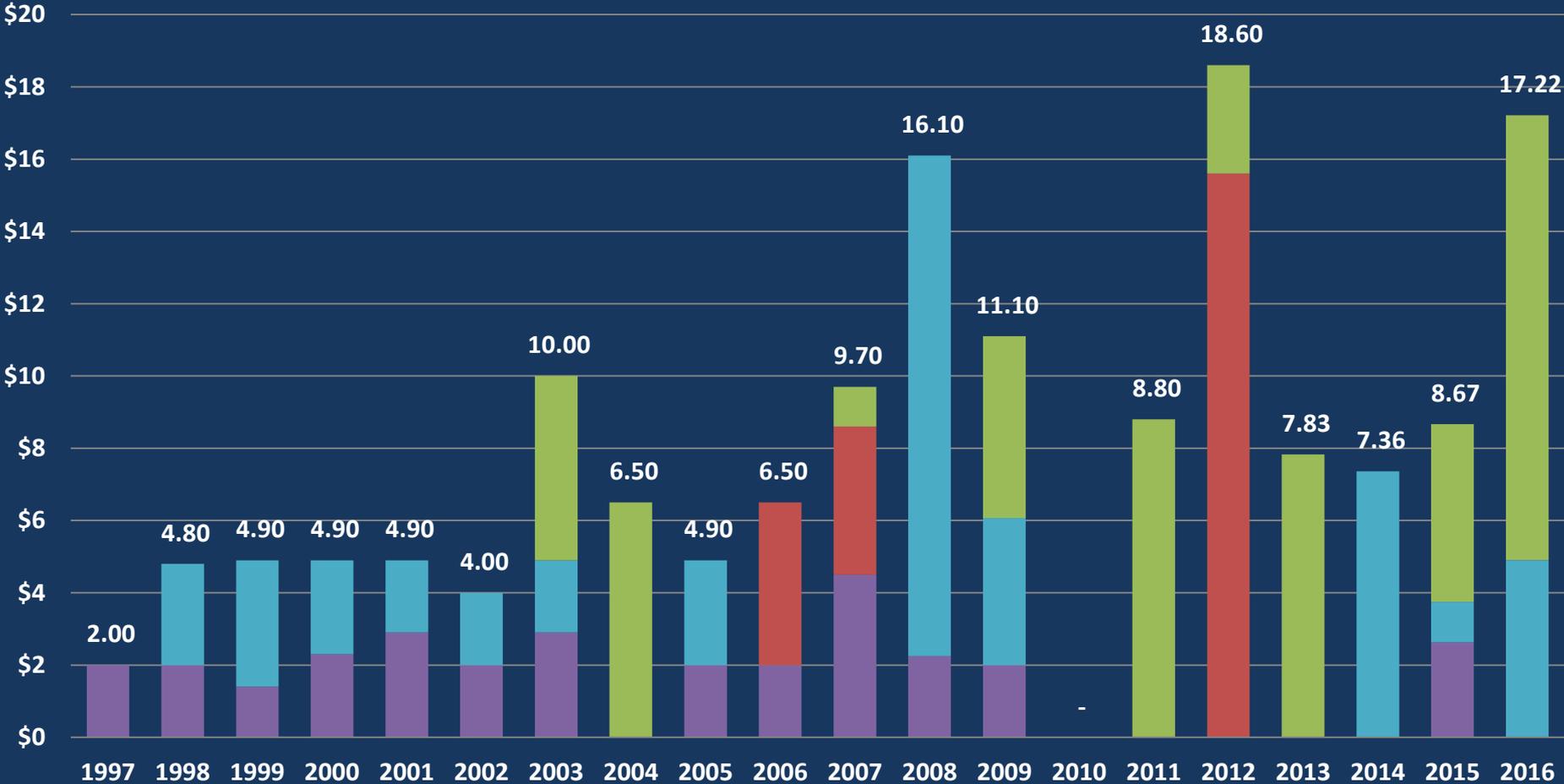
City of Hurst Ratio of Tax Supported Debt to Assessed Taxable Value = 2.0%



City of Hurst Debt Issuance

20-Year History

Dollars (in Millions)



- Debt Refunding or Refinancing (to achieve lower interest rate and associated savings) - \$54.59 million
- Voter-Approved Projects - \$24.20 million
- Projects Supported by Fees, Sales Tax, and Hotel/Motel Tax - \$49.11 million
- Projects Supported by Property Tax Revenue - \$30.88 million

Enterprise Fund

\$23,002,085

5.51% Increase

Enterprise Fund

Major Cost Components

WATER - Overall Increase 1.31%

- Water treatment by the City of Fort Worth 6.85%
- Excess Maximum Day Charge 15.81%
- Excess Maximum Hour Charge (85.74)%

WASTEWATER - Overall Decrease 1.59%

- Treatment by the City of Fort Worth (7.82)%
- BOD 16.75%
- TSS (9.37)%

Residential Customers Impact

Water and Sewer Rates

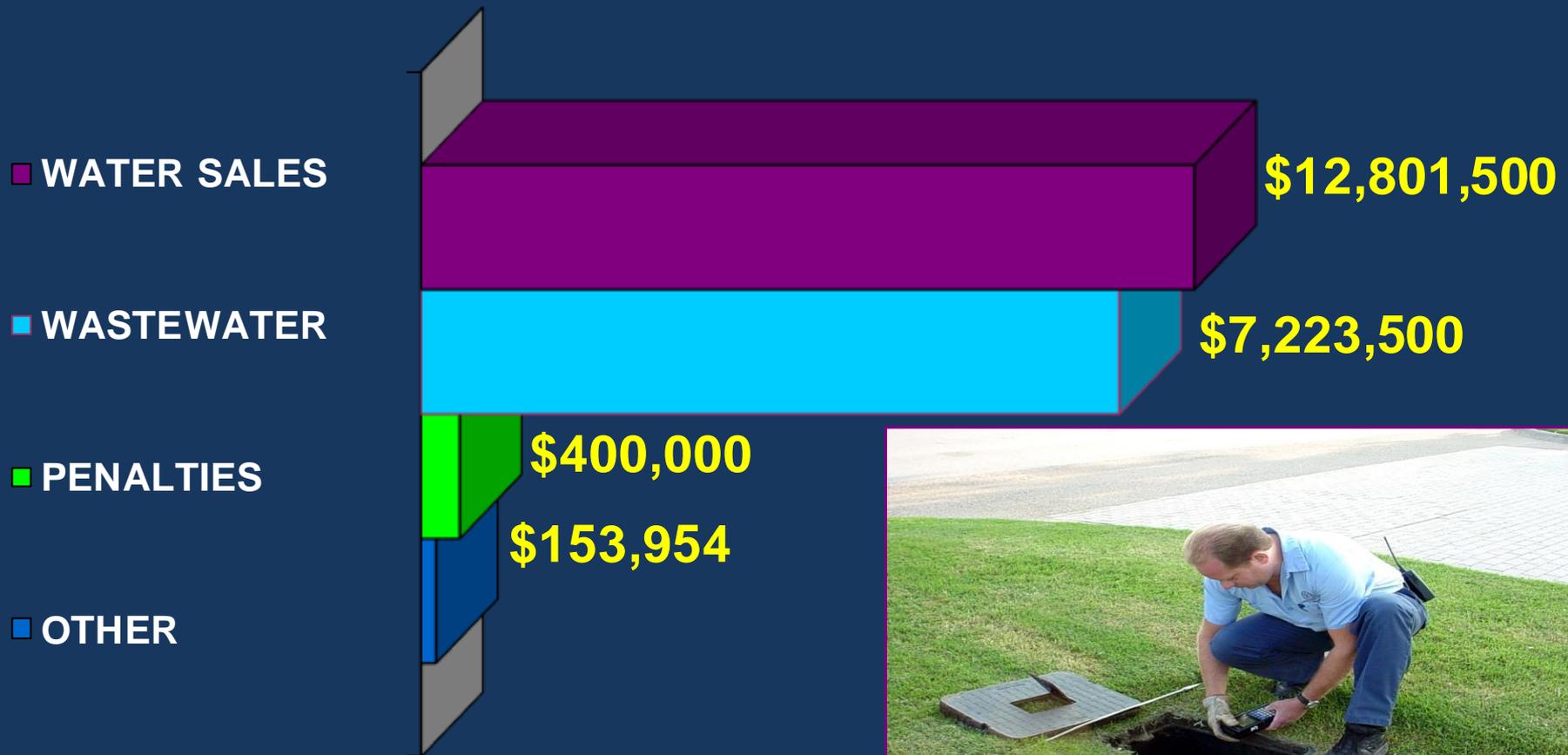
4.0% Increase

Weather Variable Rate Smoothing

Wholesale Rate Increases

Enterprise Fund

“Where The Money Comes From”



Water Sales



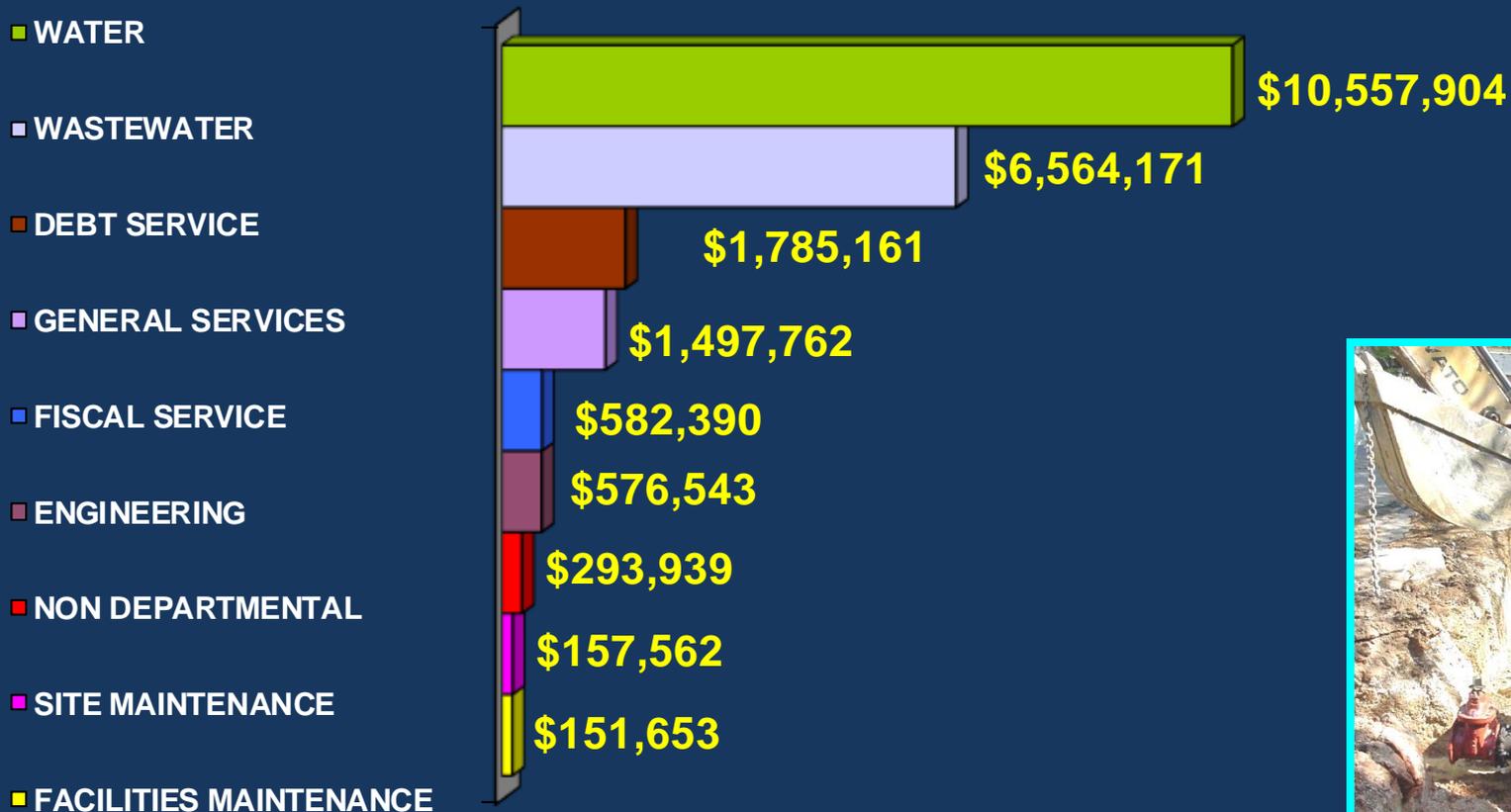
Billions of Gallons



FY 2006 represents one of the driest and hottest years on record for all seasons.

Enterprise Fund

“Where the Money Goes”



* Does not include Pay-As-You Go Projects



Enterprise Fund

Expense Changes

Wholesale Water/Wastewater	\$307,029
Personnel Changes	117,542
Walker/Calloway Project (Wholesale)	108,830
Group Insurance	73,005
Depreciation	29,846
Public Works Reorganization	27,650
Street Rental Franchise	24,679
Miscellaneous Budget Adjustments	7,385
Prior Year Capital Outlay/W/WW Debt Refunding	(36,000)
Electric Reduction	(50,000)
Prior Year IT Software Costs	(67,038)
Debt Pay Off	(176,485) ₃₆
<i>TOTAL Expenditure Changes</i>	<i>\$366,443</i>

Enterprise Fund

Pay As You Go

Water Systems	\$200,050
Wastewater Systems	91,600
Utility Billing	60,295
Building & Equipment Maintenance	206,338
PAY AS YOU GO PROJECTS	835,000
Capital Outlay	<u>10,000</u>
TOTAL	\$1,403,283

Community Services

Half Cent Sales Tax Fund



Community Services

Half Cent Sales Tax Fund

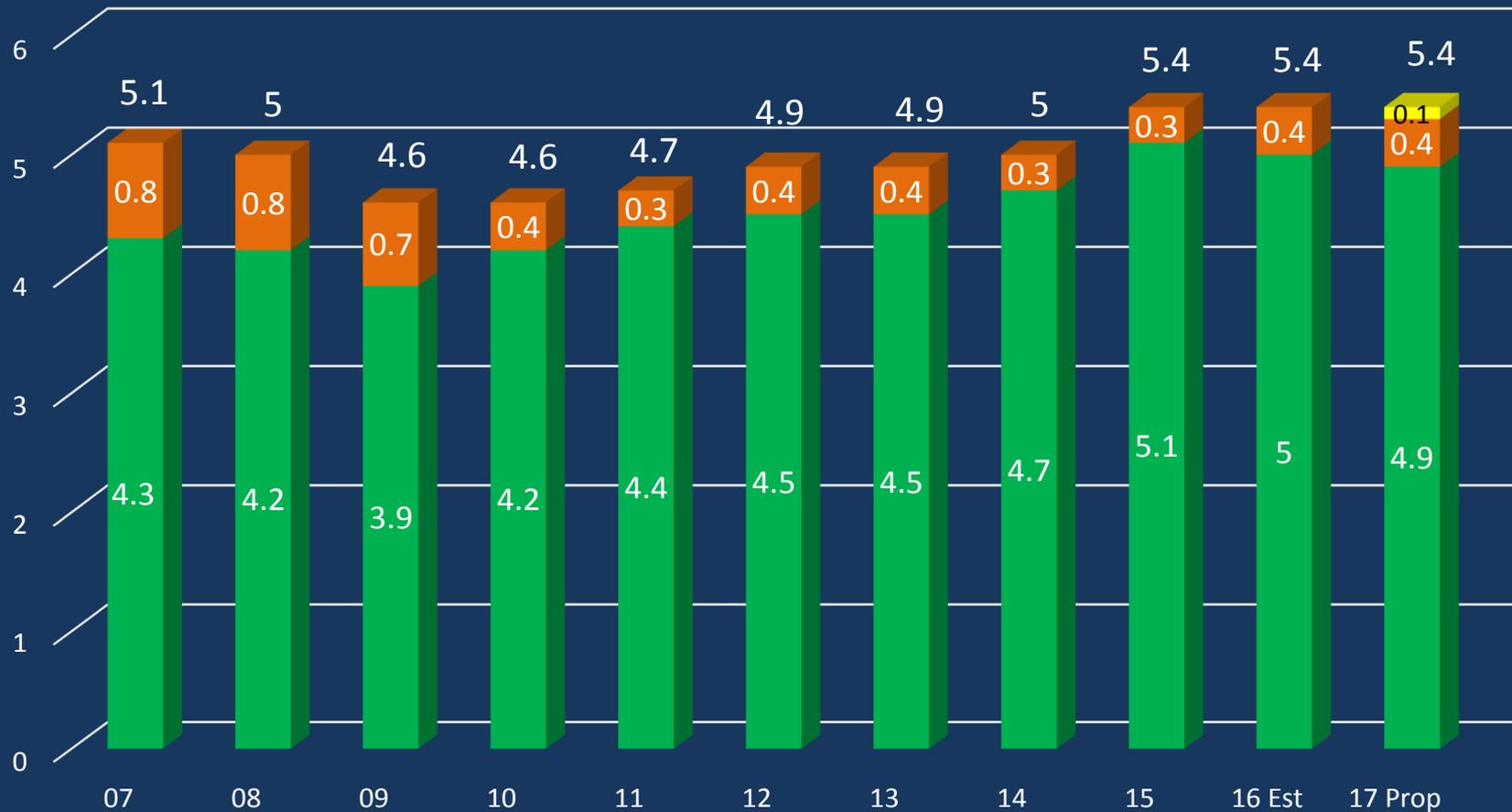
Revenues

\$4,904,880

Total Sales Tax

Revenues

In Millions of Dollars



City Sales Tax



Economic Development Payment



Sales Tax Reserve

Community Services

Half Cent Sales Tax Fund

Beginning Balance 10/01/2016*		\$7,412,214
Sales Tax Receipts	\$4,879,880	
Interest Earnings	25,000	
		\$4,904,880
Expenditures		
Parks	\$1,777,992	
Recreation	427,858	
Aquatics	484,890	
Library	582,189	
Total Expenditures		\$3,272,929
Pay As You Go Capital		\$1,131,539
Central Pool/		\$3,700,000
Rec Center Roof CO's		
Debt Service		\$1,472,394
FUND BALANCE 9/30/2017*		\$2,740,232

• Includes Project Encumbrances from Prior Years

Community Services

Half Cent *Pay As You Go*

Maintenance	\$ 777,780
CIP Projects	1,131,539
Capital Outlay	<u>35,313</u>
TOTAL	\$1,944,632



Community Services

Half Cent Sales Tax Fund

Positive Effect on Tax Rate

22 cents

Tax Rate Impact

Without Half Cent Sales Tax

• \$ 0.5879	Proposed
• \$ 0.22	Community Services
• \$ 0.24	Crime
<hr/>	
\$ 1.0479	Total

\$ 1.0479

Proposed Budget Summary

Other Enterprise & Special Revenue

Storm Drainage Utility Fund	\$1,221,716
Grant/Other Special Revenue	\$1,296,053

Hurst Conference Center
\$2,500,000 FY 2017

Vote on Budget – September 13, 2016
@ Hurst City Hall, 6:30 p.m.

Proposed Budget Summary

Primary Operating & Debt Funds

General Fund	\$34,744,929
Enterprise Fund	23,002,085
Anti-Crime Fund	6,022,833
CS Half Cent Sales Tax Fund*	5,876,862
Debt Service Fund	3,234,926
Fiscal Year 2017	\$72,881,635

*Excludes bond portion of Central Aquatic Center Improvements and Rec. Roof Repair

City Wide

Pay As You Go 2016-2017

General Fund	\$3,427,687
Enterprise Fund	1,403,283
SDU	397,155
Anti-Crime Half Cent	1,216,656
Community Services Half Cent	<u>1,944,632</u>
<i>TOTAL</i>	<i>\$8,389,413</i>

