



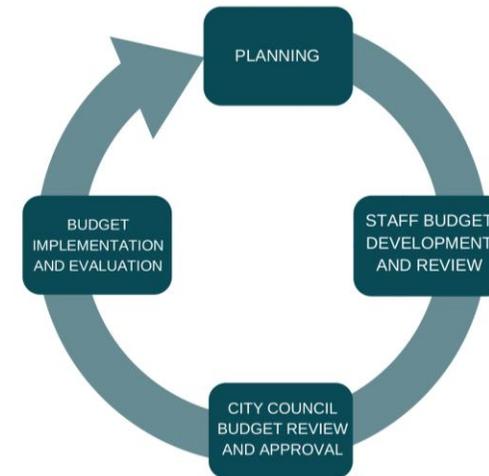
CITY OF  
**HURST**

FY 21 Budget Hearing



# Strategic/Budget Planning

- Annual Process
- Engage, Plan, Prepare, Execute, Evaluate
- Begins and ends with citizen input and engagement



## STRATEGIC PLAN AND BUDGET PROCESS

### PLANNING

#### *January*

- Annual report distributed

#### *February*

- Citizen survey
- Town Hall Forum

#### *March*

- Council strategic planning sessions

### STAFF BUDGET DEVELOPMENT & REVIEW

#### *April*

- Staff strategic planning session
- Budget process begins

#### *May*

- Departmental budgets & action plans completed
- City manager budget review with departments

#### *June*

- Performance measures developed
- City manager finalizes preliminary budget

### CITY COUNCIL BUDGET REVIEW & APPROVAL

#### *July*

- Multi-year financial planning session

#### *August*

- Council budget workshop
- Public hearings on tax rate & budget

#### *September*

- Council considers approval of budget & tax rate
- Strategic plan published

### BUDGET IMPLEMENTATION & EVALUATION

#### *October*

- New fiscal year budget begins

#### *November*

- Previous year audit process begins

# COVID-19 Impacts

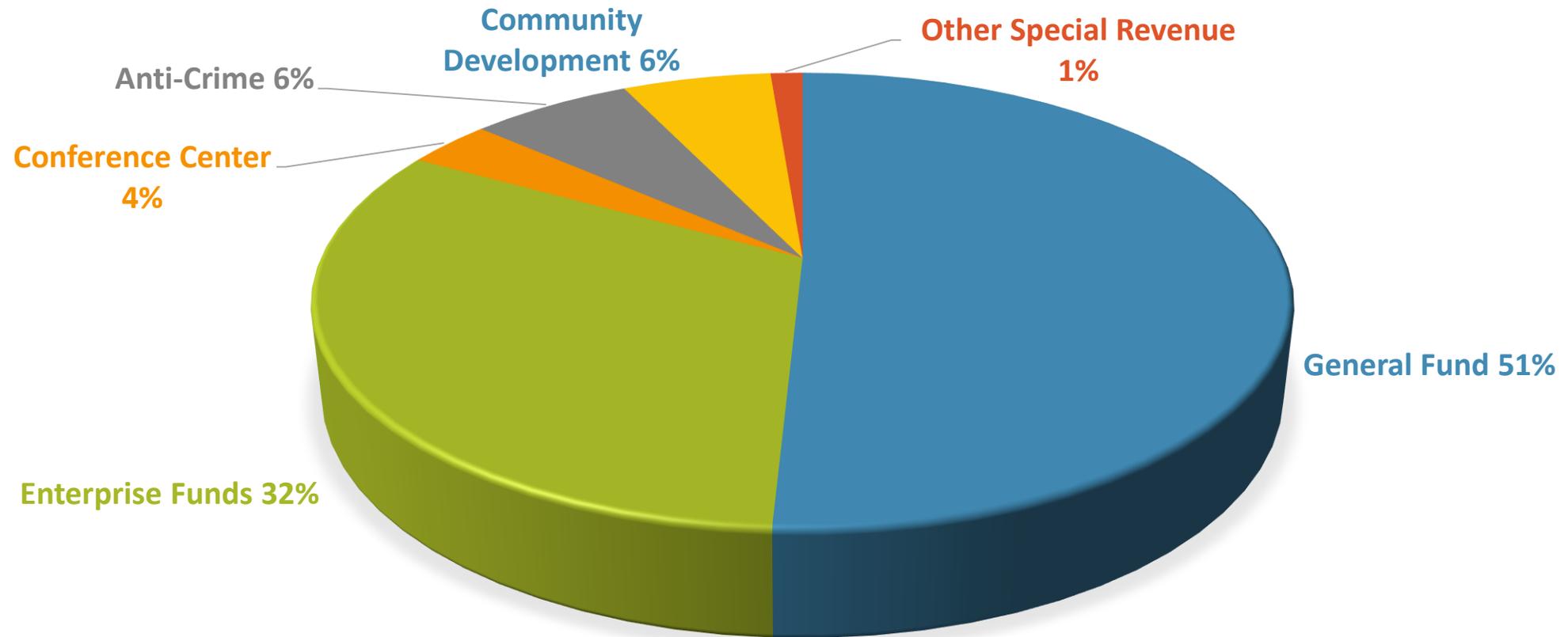
- Temporary shift in priorities
  - Public Safety
  - Financial Sustainability
- Impacts to operating hours
- Substantial portion of workforce is essential
- Economic Uncertainty
- Federal Regulations

# Strategic Priorities and The Hurst Way



- Redevelopment
- Public Safety
- Economic Vitality
- Infrastructure
- Leadership
- Innovation

# Proposed Operating Budget – All Funds \$71.5 million



*\*Net of internal service, special projects, CARES Act and debt service funds*

# Award Winning Budget

- Presented by the Government Finance Officers Association of America (GFOA)
- Independently reviewed and judged according to GFOA criteria
- Hurst has received the award for 32 consecutive years
- Anticipate receiving the award for the FY 20-21 Budget



# FY 21 Proposed General Fund Budget

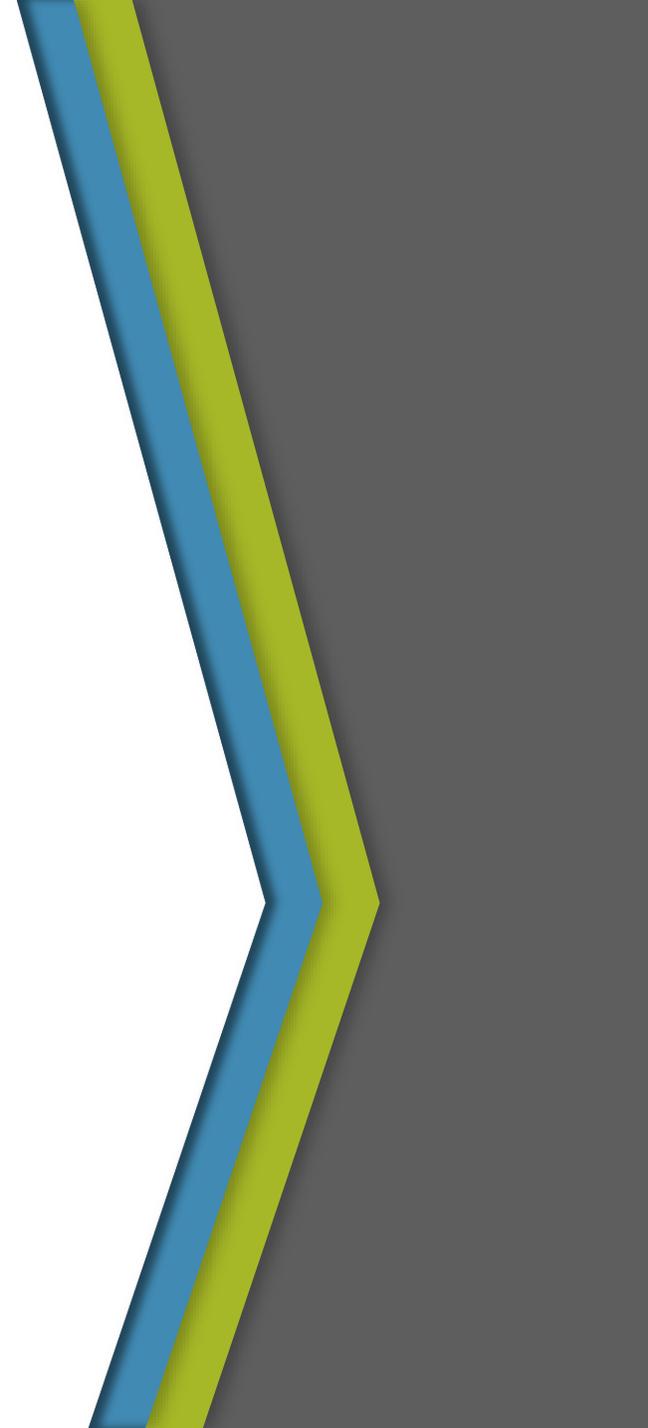
\$36,327,774

-3.14% decrease

Total tax rate of \$0.625159 per 100 TAV

M&O Rate of \$0.504186 per 100 TAV

**Increase in Total Tax Rate**



# Budget vs. Municipal Cost Index (MCI)

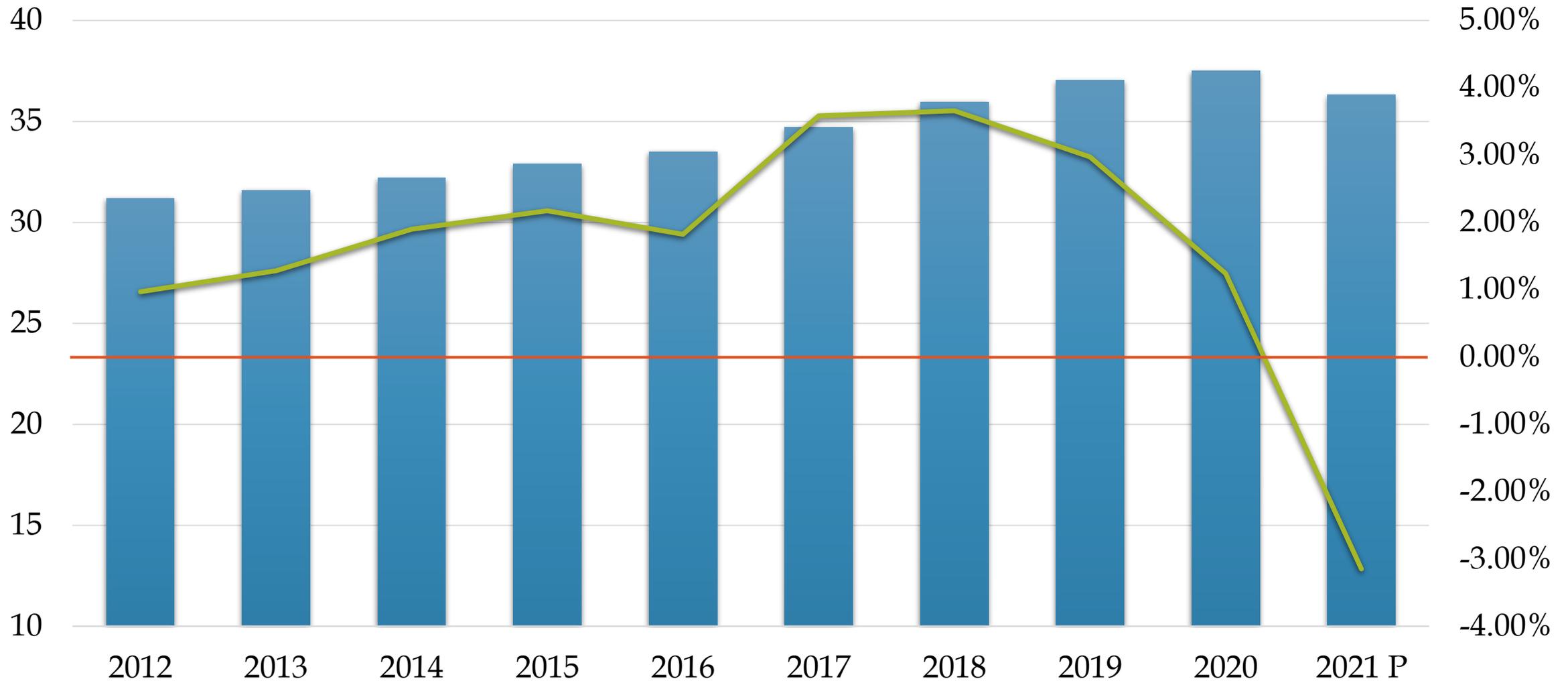
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Avg.
MCI % Change	4.90%	1.00%	2.10%	2.13%	-0.76%	1.13%	3.10%	3.24%	0.55%	-0.02%	1.72%
G.F. Budget % Change	1.27%	1.06%	1.89%	2.20%	1.75%	3.94%	3.43%	2.96%	1.27%	-3.14%	1.66%

Primary changes over the years:

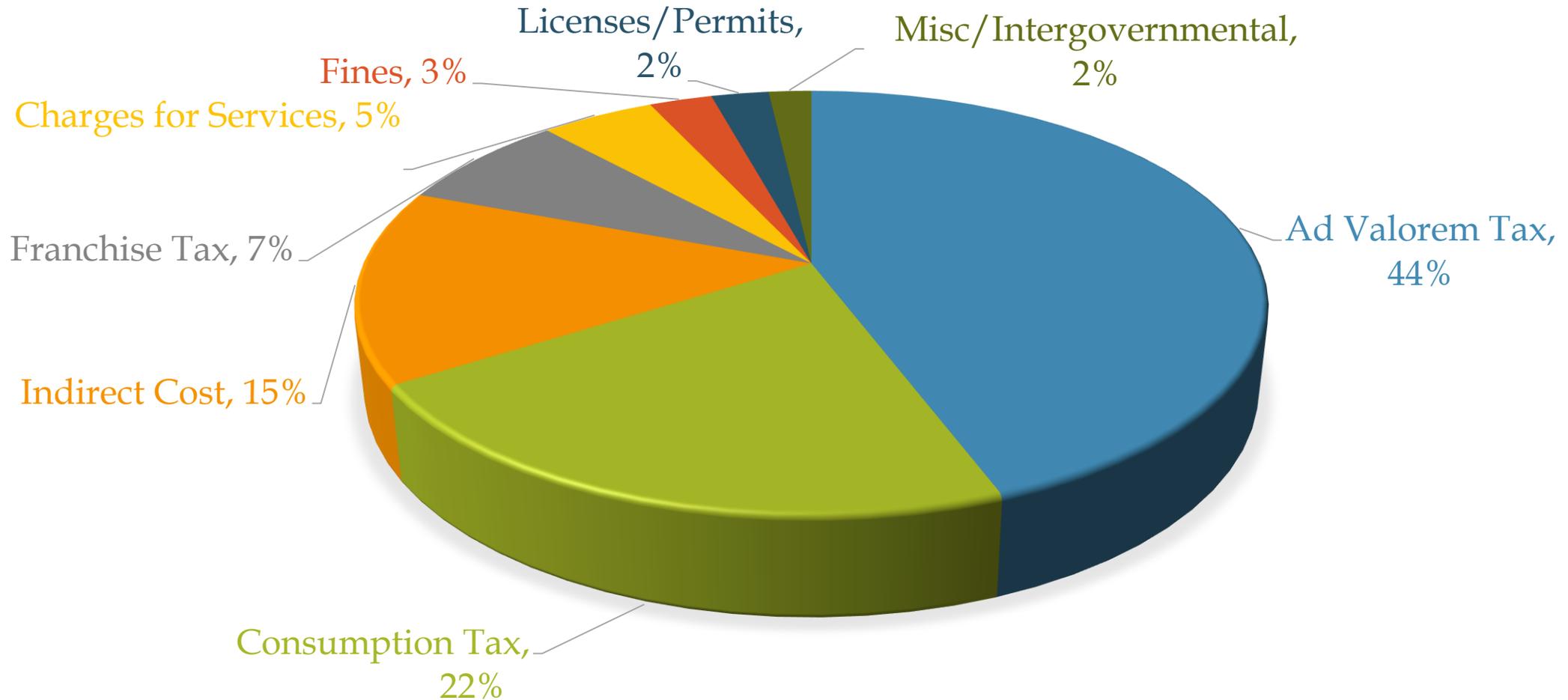
- Employee costs such as cost of living & market adjustments, health insurance, and other benefits
- Operating costs of new/renovated facilities including Justice Center, Fire Station No. 2, Aquatics Centers, Library, Senior Center, and HCC
- New equipment and information systems
- Frozen/eliminated positions, cost sharing, TMRS changes
- Retirements/Re-orgs
- Weakening Revenues

*The MCI, as determined by the American City and County, is designed to show the effects of inflation on the cost of providing municipal services.*

# General Fund Budget Changes – 10 yr. History



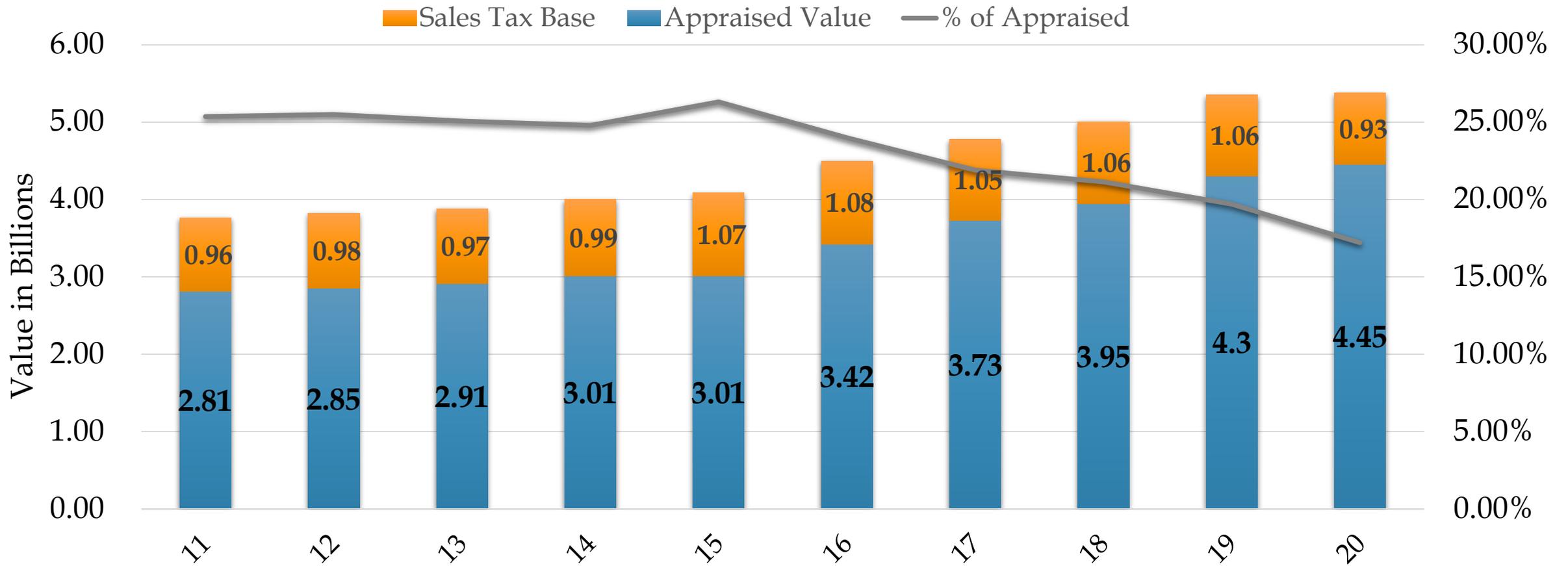
# Where the Money Comes From



# Changes in General Fund Revenues

Revenue Type		Total	Tax Rate Equivalent
Tax Revenue		\$206,327	\$0.006
<i>Property Tax Revenue Increase</i>	<i>931,255</i>		<i>0.027</i>
<i>Sales Tax Revenue Decrease</i>	<i>(996,576)</i>		<i>(0.029)</i>
<i>Increase Development Agreements</i>	<i>(119,739)</i>		<i>0.003</i>
<i>Mixed Beverage Tax</i>	<i>5,000</i>		<i>0.000</i>
<i>Franchise Tax Revenue</i>	<i>146,909</i>		<i>0.004</i>
Licenses and Permits		70,000	0.002
Intergovernmental		3,112	0.000
Intragovernmental		(1,041,764)	(0.030)
Charges for Services		(329,222)	(0.009)
Fines		(235,201)	(0.007)
Reserve Allocation		150,000	0.004
<b>Total Change in Revenue</b>		<b>(\$1,176,748)</b>	<b>(0.034)</b>

# Total Tax Base (property & sales)



# Proposed Tax Rate

Proposed Tax Rate	\$0.625159
<i>No-New-Revenue Tax Rate</i>	<b><i>\$0.606234</i></b>
Voter-Approval-Tax Rate	\$0.625159

This year will result in a tax rate increase.

Total tax rate, inclusive of the maintenance and operations rate (M&O) and the interest and sinking rate (I&S).

# Two Part Rate

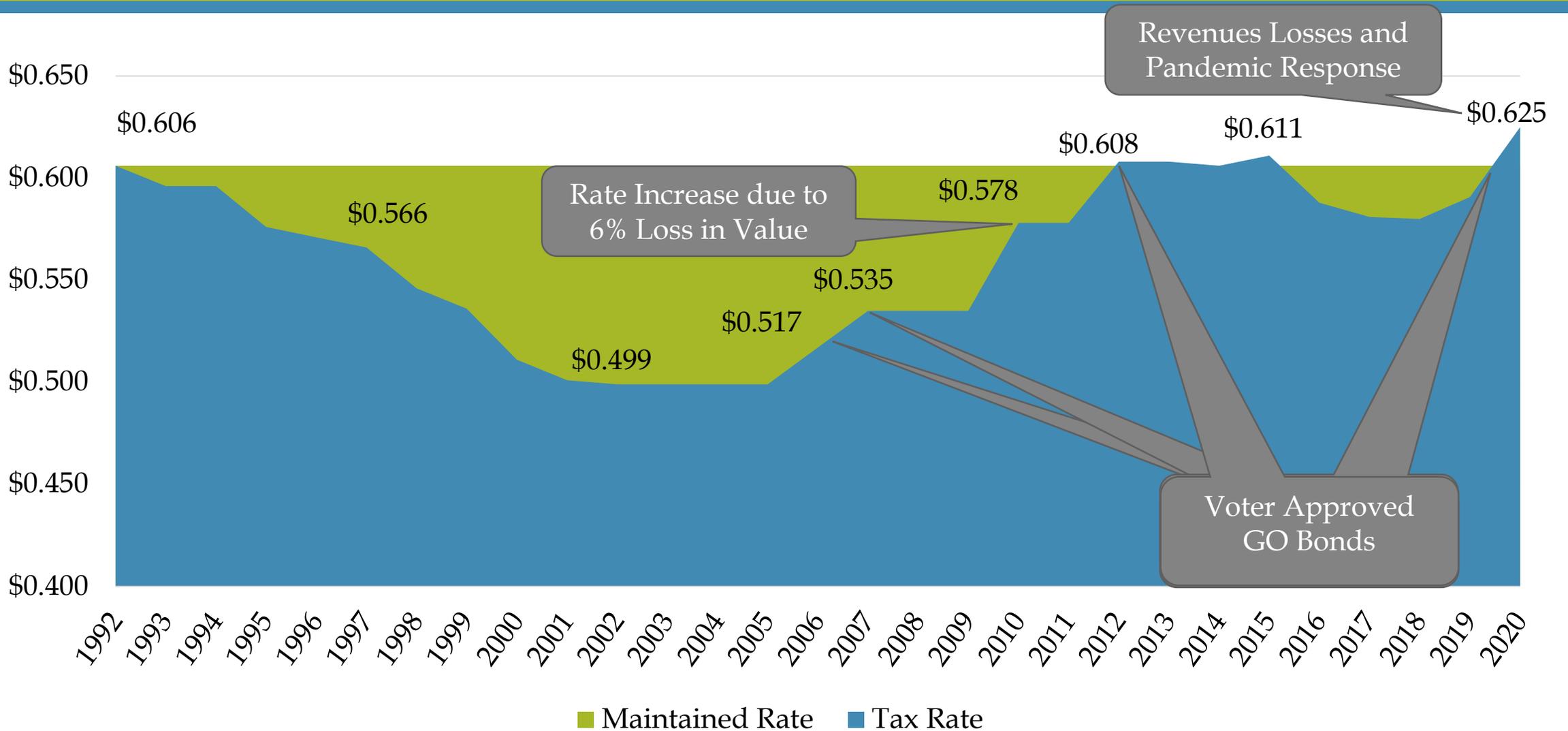
Purpose	Rate	Percent of Total	Levy (after allowances)
Maintenance and Operations (M&O)	\$0.504176	80.65%	\$16,260,768
Interest and Sinking (I&S)	\$0.120973	19.35%	\$3,891,293
Total Rate	\$0.625159	100%	\$20,152,061

# Rate Comparison – adj. freeze loss

	Current Rate	No-New-Revenue	Voter-Approval
Rate	\$0.597299	\$0.606234	\$0.625159
Revenue Change from Proposed Budget	(\$824,890)	(\$563,647)	\$0
Annual Impact to Avg. Value Home	\$43	\$58	\$90
Reserves Allocation	\$974,890	\$713,647	\$150,000

# Tax Rate History

*Over \$25 million in property tax savings since 1992*



# Hurst Property Tax Relief - \$0.232

Type	2020 Value not Subject to Tax	Tax Relief - \$
Absolute Exemptions	\$333,984,495	\$2,087,934
Agricultural	\$3,573,284	\$22,339
Disabled Veteran	\$14,805,811	\$92,560
Over 65	\$121,015,283	\$756,538
Homestead	\$362,274,790	\$2,264,793
Disabled Persons	\$5,482,331	\$34,273
Appraisal Cap	\$98,532,548	\$615,985
Tax Ceiling	\$223,943,029	\$1,400,000
Protested Properties and Estimated Loss	\$129,833,247	\$811,664
Other Exemptions	\$518,076	\$3,239
<b>Total</b>	<b>\$1,293,962,894</b>	<b>\$8,089,325</b>

# What Households Actually Pay

Percentage of Accounts within Daily Price Ranges (Proposed Rate \$0.625159)	% of Total
Payment \$5 per day and above	6.3%
Payment between \$4 and \$4.99 per day	11.9%
Payment between \$3 and \$3.99 per day	24.0%
<b>Payment between \$2 and \$2.99 per day</b>	<b>34.3%</b>
Payment between \$1 and \$1.99 per day	19.2%
Payment between \$0.01 and \$0.99 per day	3.0%
Payment equal to \$0	1.2%
<b>Total</b>	<b>100.0%</b>

# Total Tax Rate and Levy Comparison

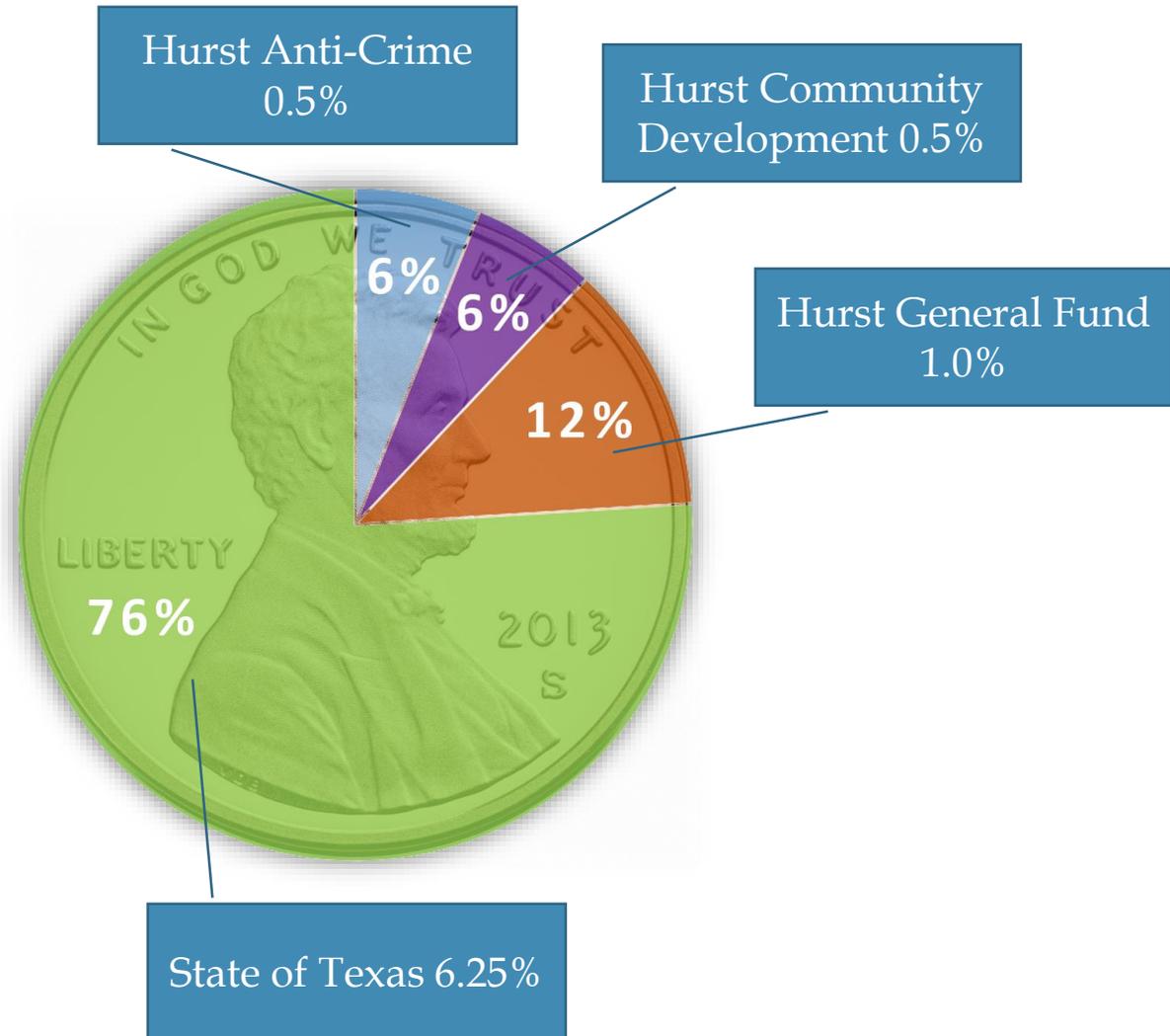
City	Proposed Rate	Change	Average Market	Average Taxable	Disc. And Exempt.	Average Tax Levy	Monthly	Daily
Colleyville	\$0.310644	\$0.004	\$598,244	\$562,115	-6%	\$1,746	\$146	\$4.78
Keller*	\$0.399900	N/A	\$422,123	\$352,056	-17%	\$1,408	\$117	\$3.86
Bedford	\$0.569000	\$0.000	\$252,183	\$227,410	-10%	\$1,294	\$108	\$3.55
NRH	\$0.575700	\$0.004	\$259,035	\$206,645	-20%	\$1,190	\$99	\$3.26
<b>Hurst</b>	<b>\$0.625159</b>	<b>\$0.028</b>	<b>\$225,484</b>	<b>\$168,240</b>	<b>-25%</b>	<b>\$1,052</b>	<b>\$88</b>	<b>\$2.88</b>
Eules	\$0.462500	\$0.000	\$239,418	\$191,350	-20%	\$885	\$74	\$2.42
Grapevine*	\$0.284271	N/A	\$366,652	\$277,038	-24%	\$788	\$66	\$2.16
Haltom City*	\$0.665760	N/A	\$150,103	\$116,792	-22%	\$778	\$65	\$2.13

# 2020 Est. Overlapping Tax Bill

Entity	HEB	% of Total	Birdville	% of Total
<i>Hurst</i>	\$1,052	20%	\$1,052	21%
ISD	\$2,541	50%	\$2,455	49%
TCC	\$289	6%	\$289	6%
Hospital Dist.	\$506	10%	\$506	10%
Tarrant County	\$701	14%	\$701	14%
<b>Total</b>	<b>\$5,089</b>		<b>\$5,002</b>	

# Sales Tax

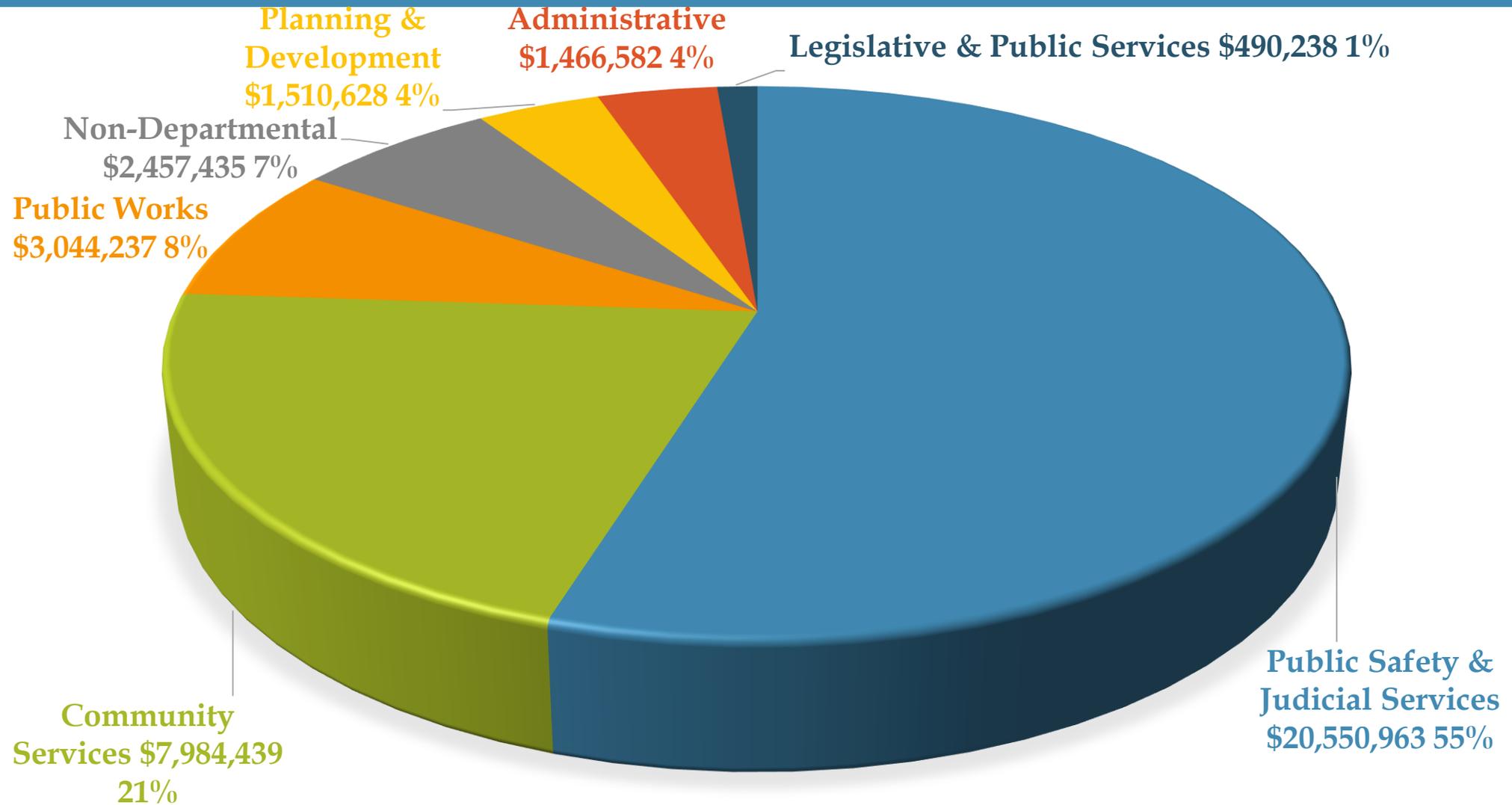
- More Volatile than Property Tax
- Challenged by Competition
- Strategic and Conservative Budgeting
- Hurst GF Sales Tax is 12% of total Sales Tax
- State's sales tax is more broad



# General Fund Sales Tax Revenue – 10 yr. History



# Where the Money Goes



# Changes in General Fund Expenditures

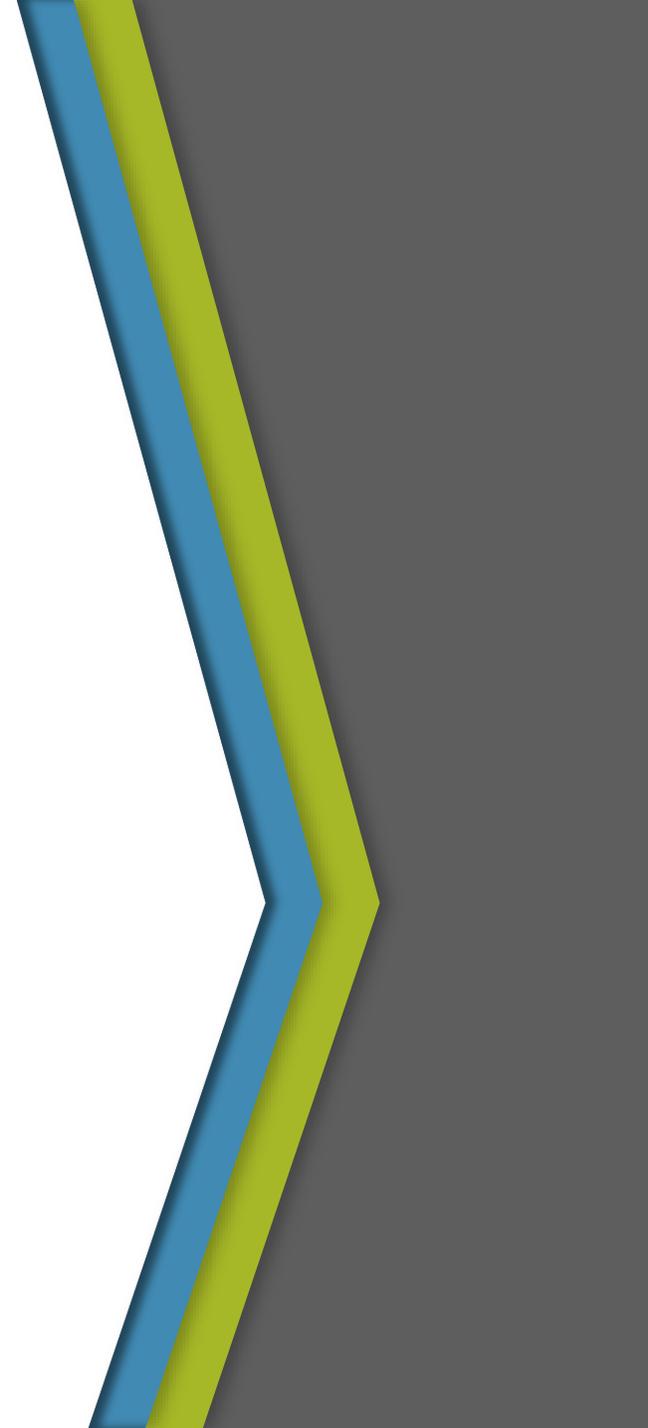
Personnel Changes (Vacancies, Re-Organizations and Benefit Reductions)	-\$666,474
Program Reductions	-655,749
Cost Increases	145,475
<b>Total Budget Increase</b>	<b>-\$1,176,748</b>

# FY 21 Proposed Debt Service Fund Budget

\$3,944,434

2.20% increase to fund debt service  
for a new fire engine

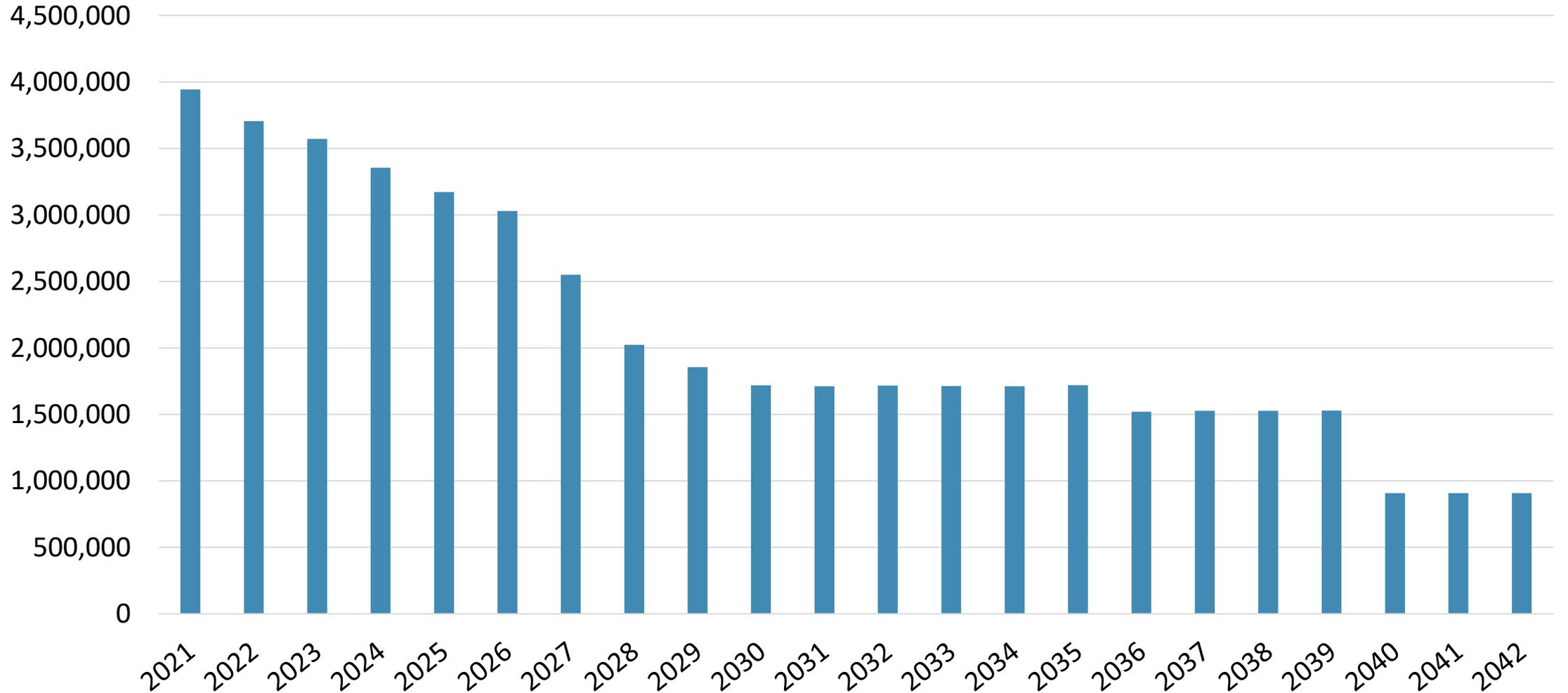
I&S Rate of \$0.120973 per 100 TAV



# Debt Management

- Annual review of outstanding debt with our financial advisors
- Refundings have saved the City \$4.9 million since FY 04
  - \$1.8 million tax supported
  - \$3.1 million revenue supported
- I&S rate is less than 25% of total tax rate
  - Currently at 19.35% of total tax rate
- Debt Service Obligations are slightly over 10% of General Fund Appropriations
  - Currently at 10.86%

# Future Debt Service Obligations

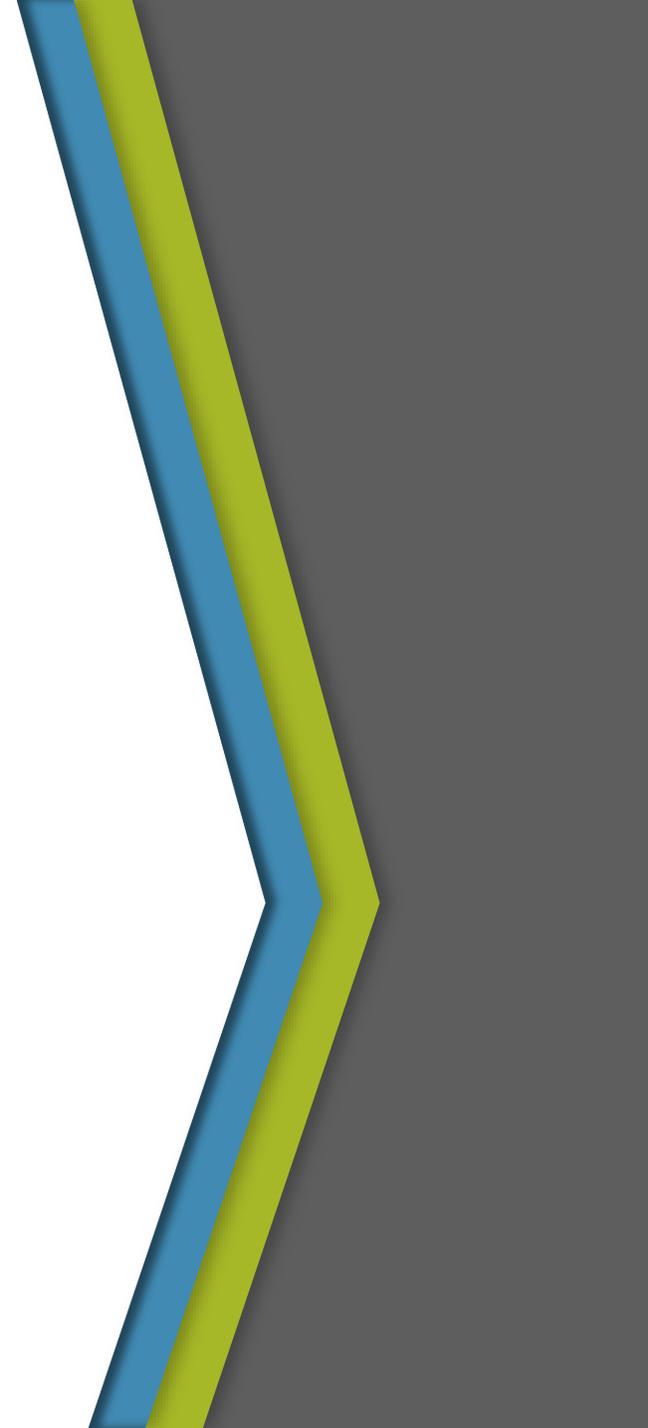


# FY 21 Proposed Enterprise Fund Budget

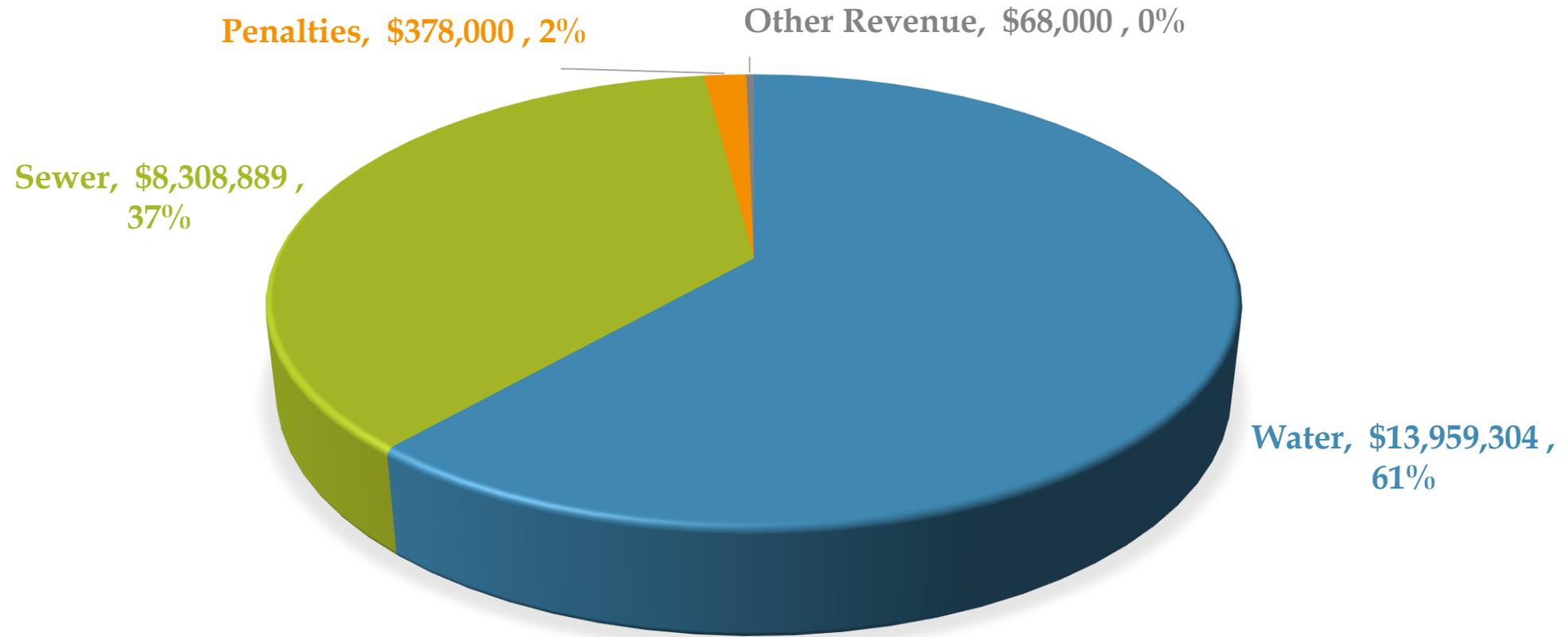
\$20,987,524 operating budget

Decrease – 1.64%

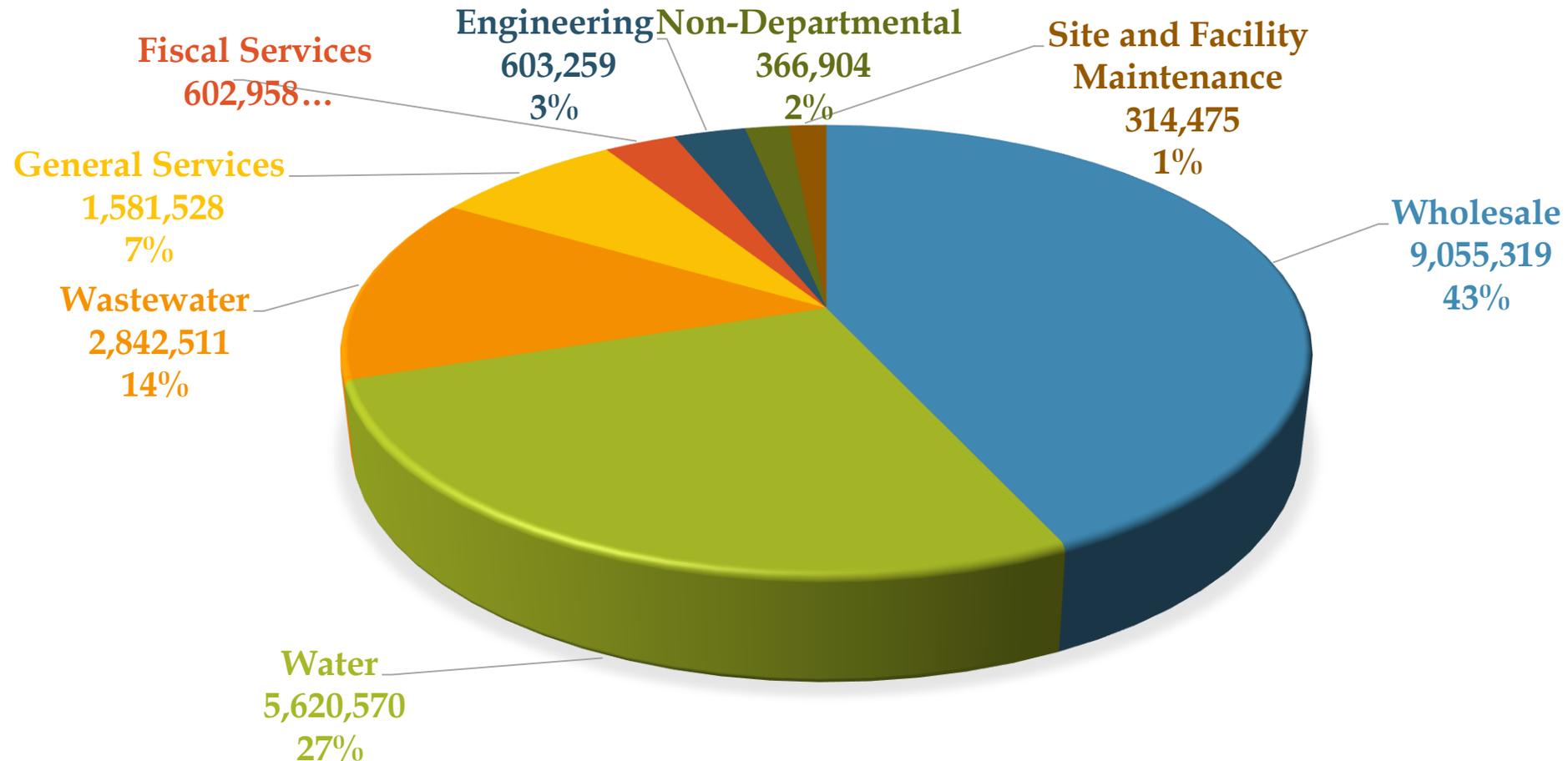
0% increase in water rates



# Where the Money Comes From

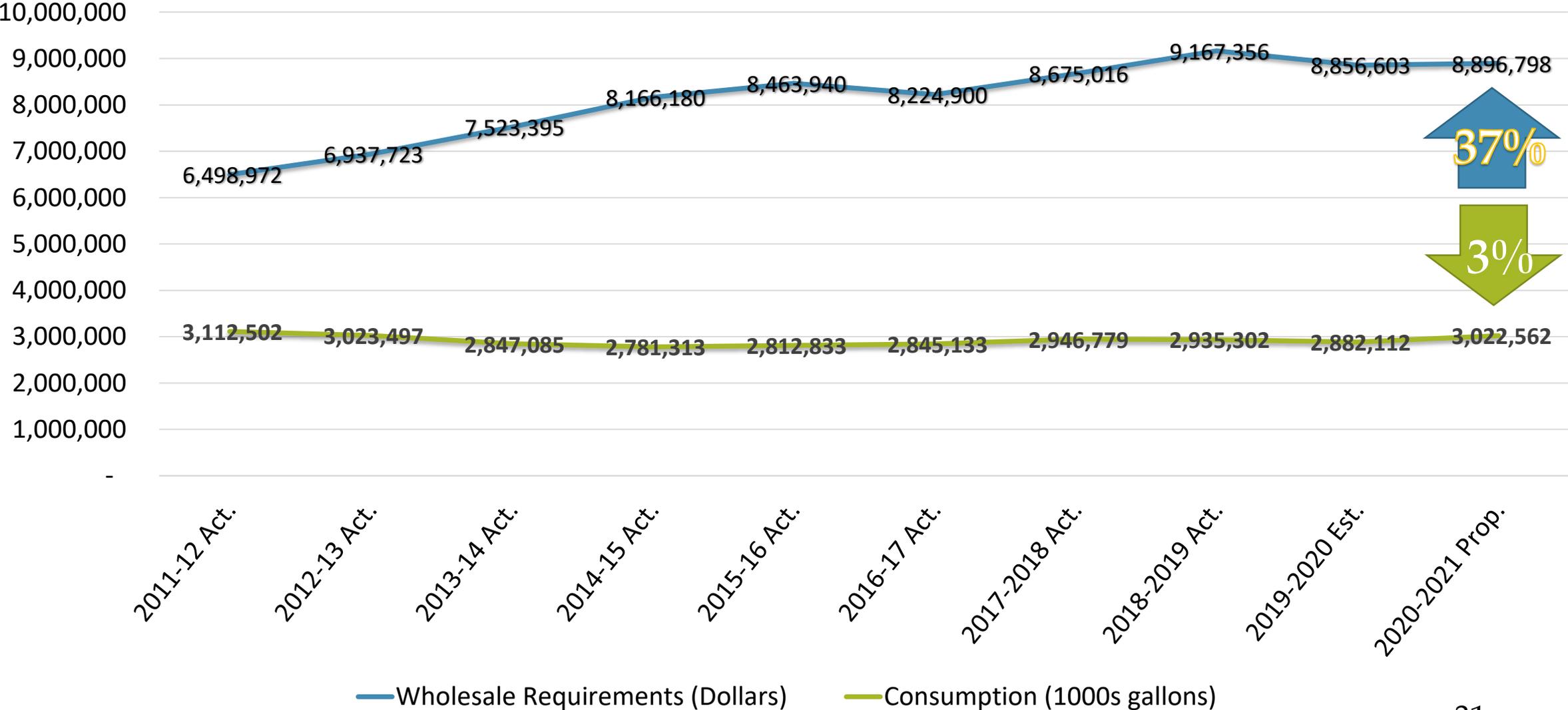


# Where the Money Goes



*\*Operations only, does not include debt capital outlay or depreciation*

# Wholesale Costs and Consumption





## Crime Control and Prevention District

- \$4.56 Million Budget
- Adopted by CCPD Board and City Council
- Tax Rate Equivalent of approximately \$0.125
- 18% Budget Reduction



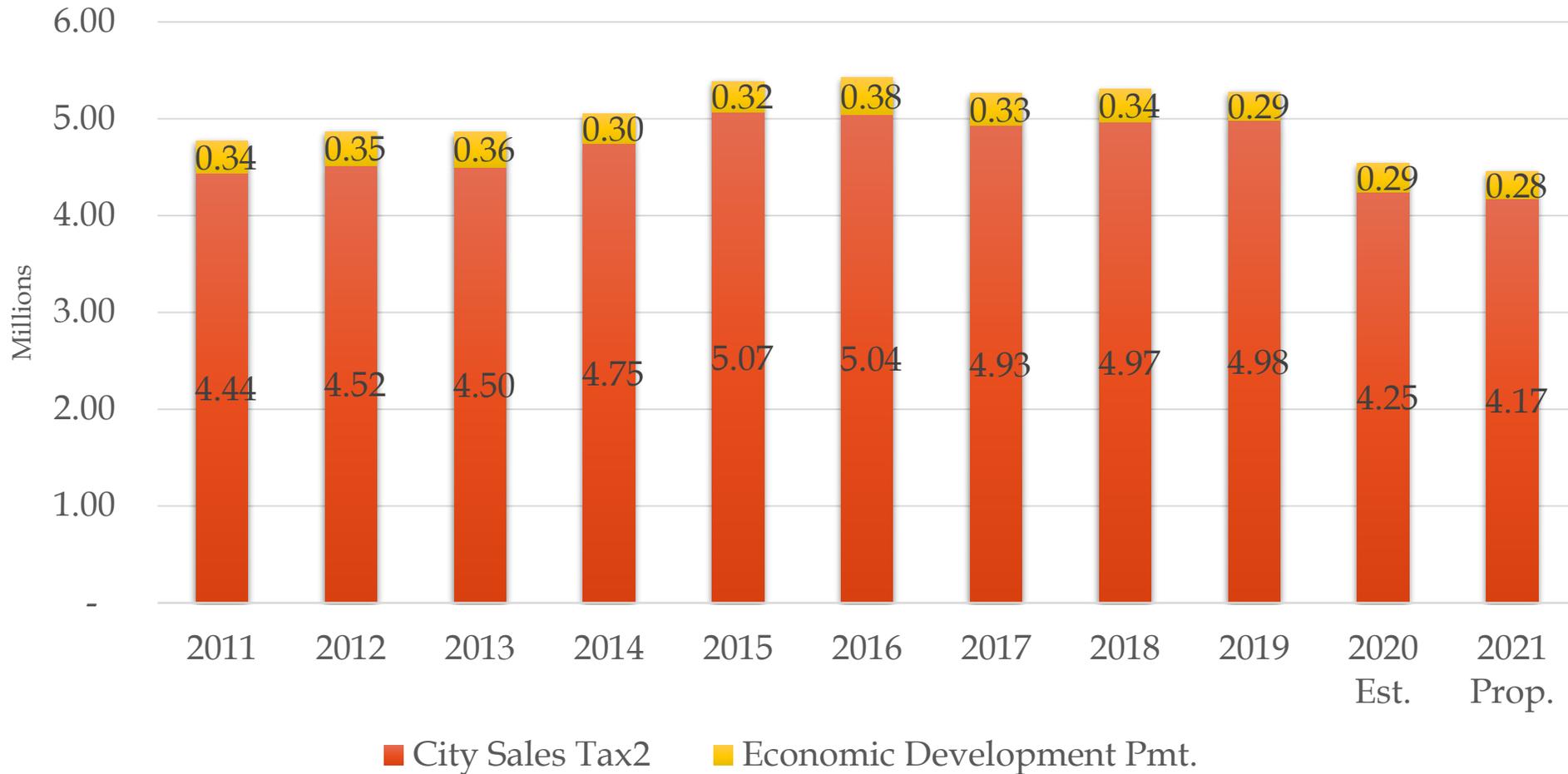
## Community Services Half Cent Fund

- \$4.56 Million Budget
- Adopted by CCPD Board and City Council
- Tax Rate Equivalent of approximately \$0.13
- 14.5% Budget Reduction

# Proposed FY 21 Budget Summary

	FY 19	FY 20	Proposed FY 21
Operations	\$3,252,748	\$3,366,054	\$2,965,984
Debt	\$1,330,813	\$1,224,933	\$1,227,783
Projects	\$399,031	\$315,190	\$0
<b>Total</b>	<b>\$4,982,592</b>	<b>\$4,906,177</b>	<b>\$4,193,767</b>

# Sales Tax Revenue History



# Other Funds Summary

The City is responsible for additional funds that account for revenues designated for a specific purpose. Funds support tourism, court security/technology, park donations, etc.

Fund	FY 21 Proposed
Hurst Conference Center	\$2,418,389
Special Court Revenues	\$149,238
Internal Service Funds*	\$4,300,482
Storm Drainage Utility	\$1,192,496
Other Special Revenues	\$751,494
<b>Total</b>	<b>\$8,812,099</b>

*\*Internal Service Funds are accounted for in departmental operating budgets as an expenditure*

# Future Fee Considerations

- Credit Card Convenience Fees
- Storm Drainage Utility Fee Increase
  - Rates have not changed since 2009
- Utility Billing Fixed Fee Services
- Community Services Cost Recovery Fee Analysis
- Review of other fees

