

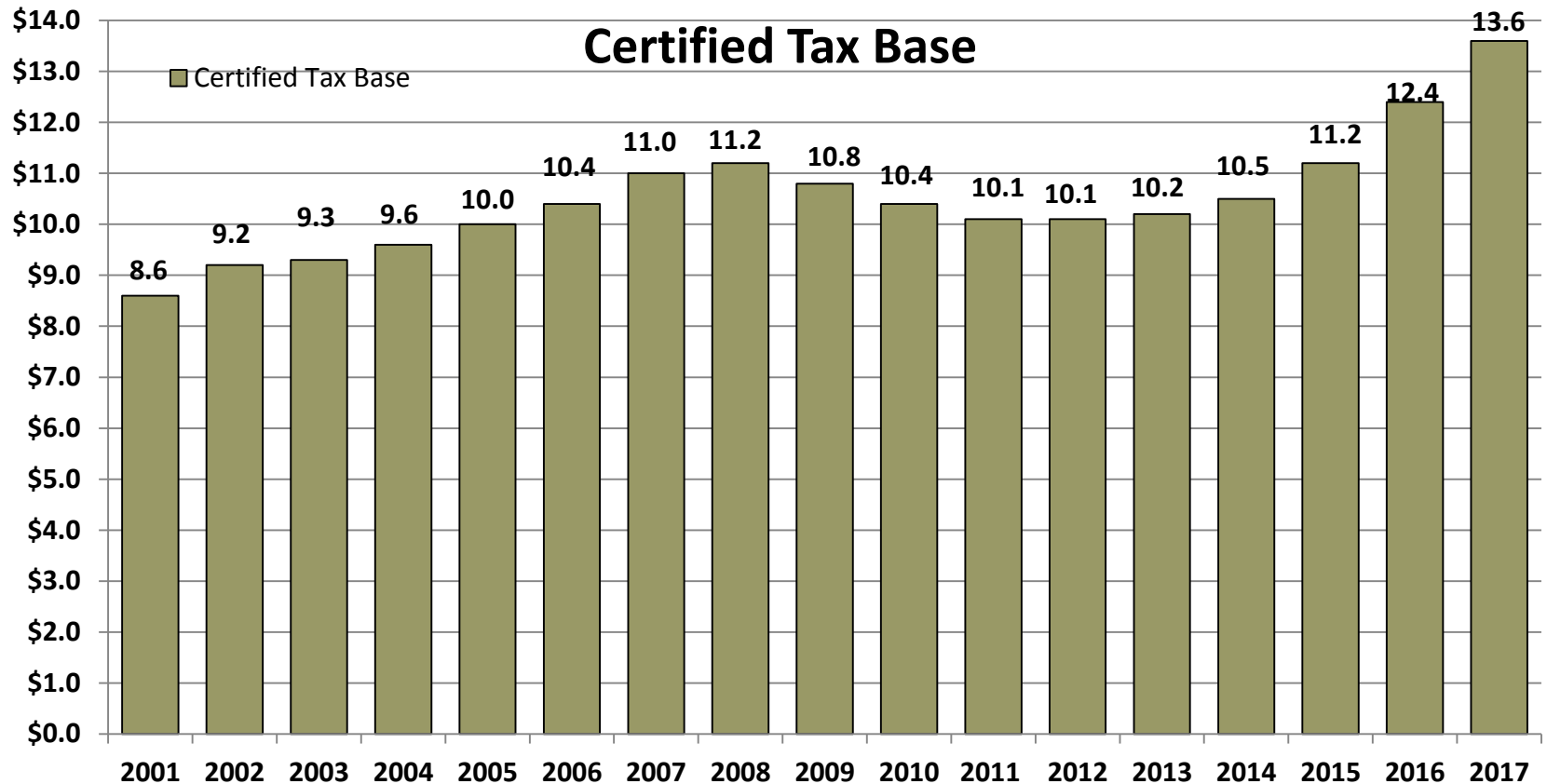
# City of Garland

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**2017-18 Proposed Budget**  
Preview – Council Work Session  
July 31, 2017

# Certified Property Tax Base

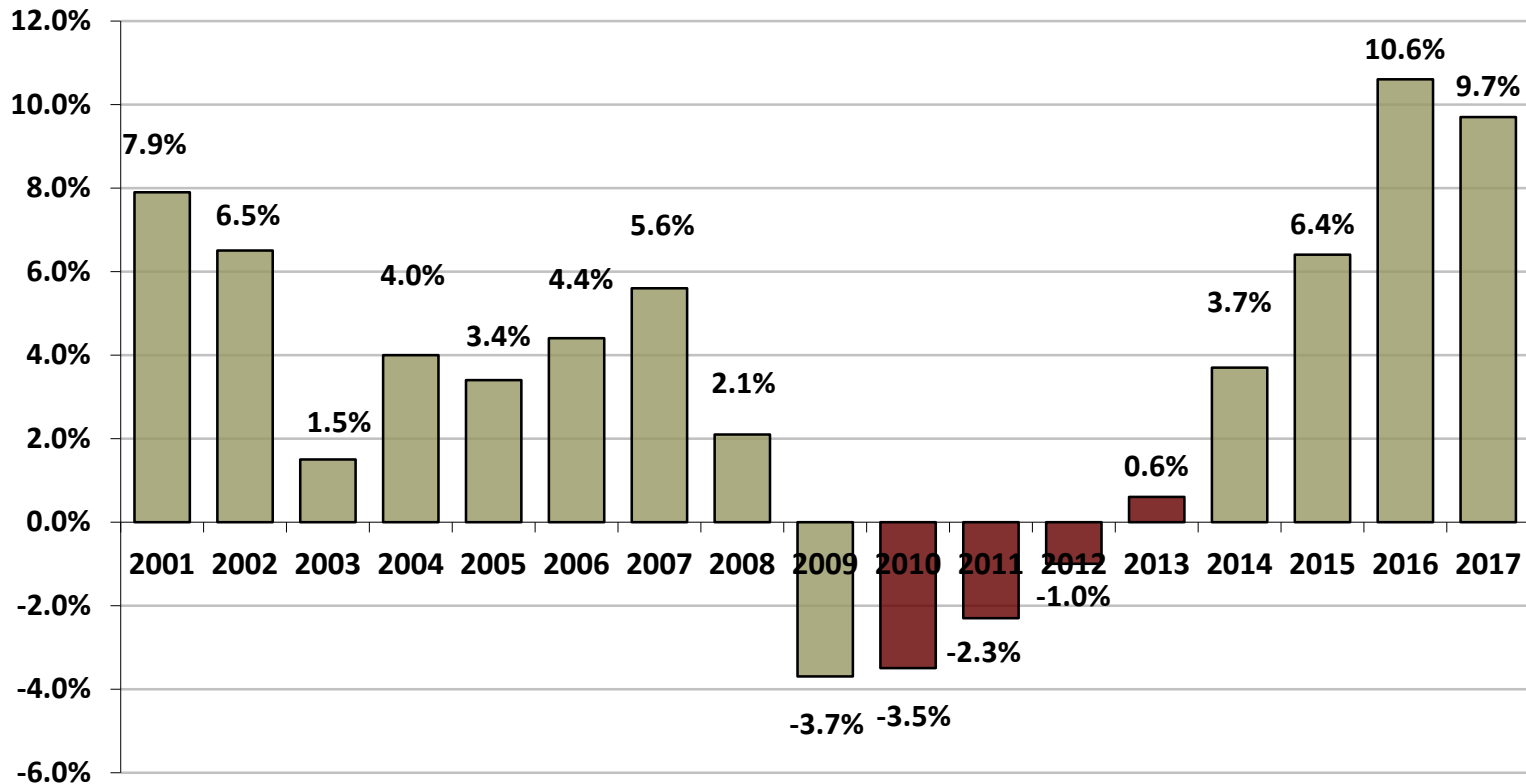
Certified Values (In Billions)



Note: 2017 Certified Property Tax Base at \$13,594,900,387, representing a remarkable five-year recovery after losing over 10% in the recession.

# Certified Property Tax Base – Percentage Change

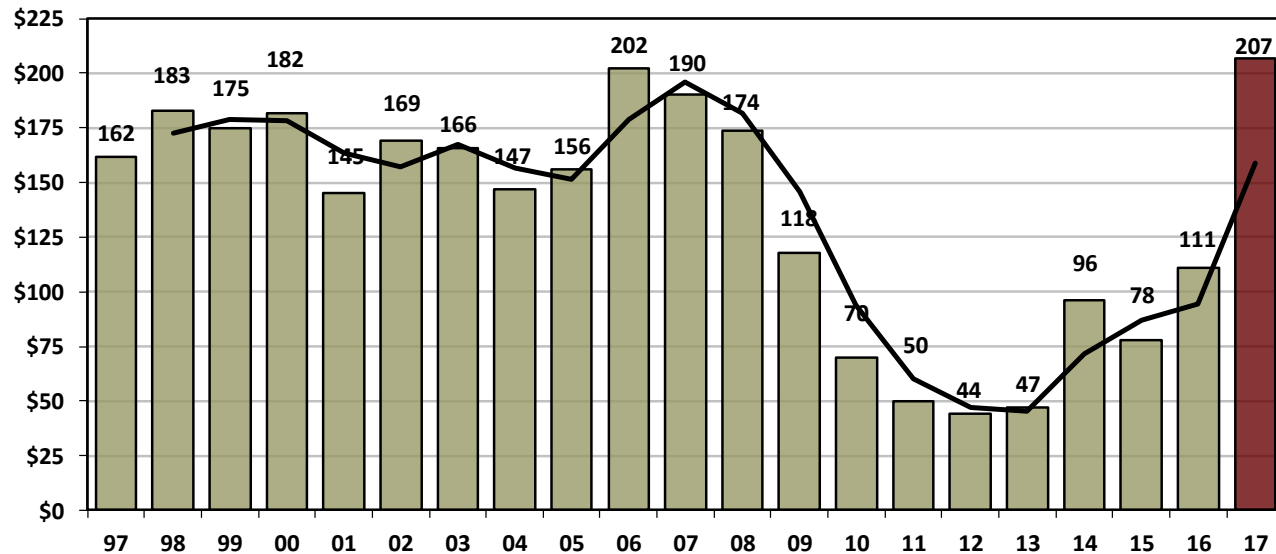
(With Impact of Freeport and Homestead Exemption)



The 9.7% increase in the property tax base follows a 30-year high of 10.6% last year.

# Property Tax Base Growth

New Construction Values (In Millions)



- New Construction contributed \$207 million to the tax base in 2017, which is the largest on record for the City and more than previous two years combined.

## 2017 Certified Property Tax Base – Change by Category

(In Billions)

	<b>Residential</b>	<b>Commercial</b>	<b>BPP</b>	<b>Total Base</b>
<b>Total Tax Base Valuation</b>	\$7.962	\$3.770	\$1.863	\$13.595
<b>Change from Prior Year</b>	\$.773	\$.234	\$.197	\$1.204
<b>Percentage Change</b>	<b>10.8%</b>	<b>6.6%</b>	<b>11.8%</b>	<b>9.7%</b>
<b>Change in Existing Property</b>	<b>9.8%</b>	<b>3.3%</b>	<b>10.6%</b>	<b>8.0%</b>

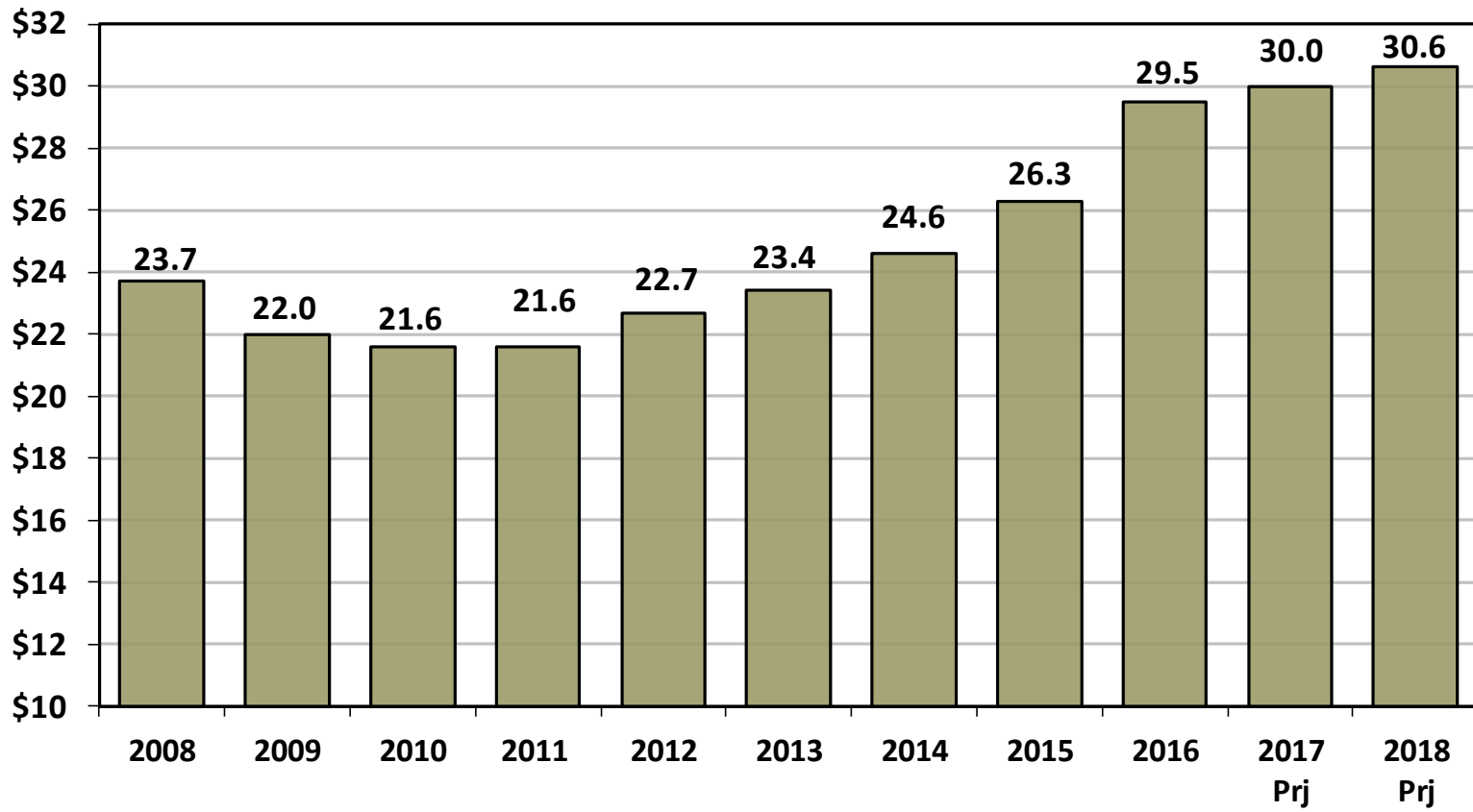
Notes: Commercial – Commercial real estate only.

BPP – Business Personal Property such as inventory and equipment – excludes real estate.

Change in Existing Property excludes New Construction.

# Garland Annual Sales Tax Revenue

Gross Before Incentive Payments (In Millions)



Sales Tax Revenue is projected to expand for the seventh consecutive year.



## General Fund Revenue Trends

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- As noted, 2017-18 reflects strong growth in Property Taxes and modest but continual growth in Sales Tax.
- Landfill revenues continue to show healthy growth due, in large part, to additional contracts with area haulers.
- Other revenue sources show more modest growth.
- In total, General Fund revenue for FY 2017-18 (excluding excess fund balance) is projected to grow \$9.3 million (5.9%) with almost 65% coming from Property and Sales Tax growth.

# 2017-18 Proposed Budget

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# City Manager's Priorities

2017-18 Proposed Budget

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Address Public Safety Staffing Needs.

Further Enhance City's Street Infrastructure.

Address Needs in Core Service Areas.

Implement Funding Strategy to Maintain Retiree Health Insurance.

Maintain Employee Compensation at Market Levels.

# General Fund

2017-18 Proposed Budget (Rounded to Nearest Thousand)

<b>Funding Resources</b>	
Revenues	\$167,351,000
Excess Fund Balance	6,202,000
<b>Total Funding Resources</b>	<b>\$173,553,000</b>
<b>Funding Uses</b>	
Salaries and Benefits	\$118,971,000
Operating Expenditures, Capital, and Transfers	54,575,000
<b>Total Funding Uses</b>	<b>\$173,546,000</b>
<b>Available Funds</b>	<b>\$7,000</b>
<b>Fund Balance Reserve – 30-Day Requirement Met</b>	<b>\$12,714,000</b>

# General Fund Proposed Budget

## Change in Resources from FY 2016-17 Adopted Budget

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Change in Resources	Ongoing	One-Time	Total
Property Tax	\$4,344,000		\$ 4,344,000
Sales Tax	1,660,000		1,660,000
Landfill Services	2,042,000		2,042,000
All Other	703,000	\$ 256,000	959,000
Available Fund Balance Reserves		2,367,000	2,367,000
<b>Total Change in Resources</b>	<b>\$8,749,000</b>	<b>\$2,623,000</b>	<b>\$11,372,000</b>

# General Fund Proposed Budget

## Changes in Expenditures from 2016-17 Adopted Budget

Change in Expenditures	Ongoing	One-Time	Total
Compensation	\$3,556,000		\$3,556,000
Health Benefits – Employees & Retirees	1,172,000		1,172,000
Added Public Safety & Other Positions	1,062,000	\$ 186,000	1,248,000
OPEB Contribution	500,000		500,000
Library Books – Cash-Funding Increase	150,000		150,000
Operating & Capital Expenditures	99,000	48,000	147,000
Infrastructure Repair & Replacement	769,000	2,602,000	3,371,000
Landfill Interest & Sinking Fund	346,000		346,000
Support Service Charges and Transfers	1,095,000	(213,000)	882,000
<b>Total Change in Proposed Expenditures</b>	<b>\$8,749,000</b>	<b>\$2,623,000</b>	<b>\$11,372,000</b>

# Pay Increases for City Employees

Proposed for FY 2017-18

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Classification	Ongoing January
Public Safety – Civil Service Structure	3.0% - 3.8%
Skill-Based – Utilities Structure	3.0%
General Schedule – Merit	3.0%

- The proposed pay increases will place employees' salaries at market.
- Civil Service and Skill-Based employees are eligible for step increases.
- General Schedule employees are eligible for market adjustments.

# Health-Care Costs & Changes

Proposed for FY 2017-18

- City contributions for employees and retirees will increase by \$2.3 million (8.9%).
- No changes in City contributions for dental plan.

## Employee Monthly Health Insurance Increases Blue Choice Base Plan

	C2W	
	2017	2018
Employee Only	\$ 25.00	\$ 31.00
Employee + Child	155.00	170.00
Employee + Spouse	230.00	250.00
Employee + Family	310.00	335.00

- Employee + Family monthly health insurance is scheduled to increase \$25 for employees.
- Employees in the Premium Plan will see larger increases.
- Medicare-eligible Retiree + Spouse monthly health insurance is scheduled to increase by \$20.
- An adjustment to the City's prescription coverage and a telemedicine program will be instituted in 2018 as part of the City's ongoing steps to provide high quality and economically viable health-care coverage.
- Dental insurance premiums will remain the same.

## Other Proposals Included in Budget

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- ❑ Parks Master Plan
- ❑ Litter Control Crew – South Garland
- ❑ Increase Mowing S.H. 78 Corridor
- ❑ Replace Rusted/Damaged Parks Trash Cans
- ❑ Replace Failing Parks Equipment
- ❑ Maintain Library Database Services
- ❑ Replace Worn Library Furniture
- ❑ Increase Maintenance of City-Owned Lots
- ❑ Pet Microchip Program
- ❑ Animal Kennel Repairs
- ❑ Replace Worn/Damaged Signage
- ❑ Replace Broken AV Equipment at Atrium/PAC
- ❑ Downtown Summer Music Series
- ❑ Digital Government Initiative – Making City Services Available Online
- ❑ Safety Enhancements to School Zones
- ❑ Replace Stop Bar, Crosswalk Striping
- ❑ Modernize Traffic Signals
- ❑ Repairs to Railroad Crossings

## Funding for Street Improvements

### FY 2017-18 – All Funding Sources

Funding Source	FY 2016-17	Change	FY 2017-18
General Fund Ongoing Transfer	\$ 6,324,000	\$ 769,000	\$ 7,093,000
General Fund One-Time Transfer	3,000,000	2,191,000	5,191,000
Water Utility Transfer	768,000	19,000	787,000
Wastewater Utility Transfer	768,000	19,000	787,000
Tax Note Funds Transfer	5,400,000	(150,000)	5,250,000
Certificates of Obligation (CIP Funds)	3,679,000	2,635,000	6,314,000
CDBG Funding	693,000	314,000	1,007,000
Other (Interest, Concrete Recycling, Etc.)	74,000	52,000	126,000
<b>Total Funding</b>	<b>\$20,706,000</b>	<b>\$5,849,000</b>	<b>\$26,555,000</b>

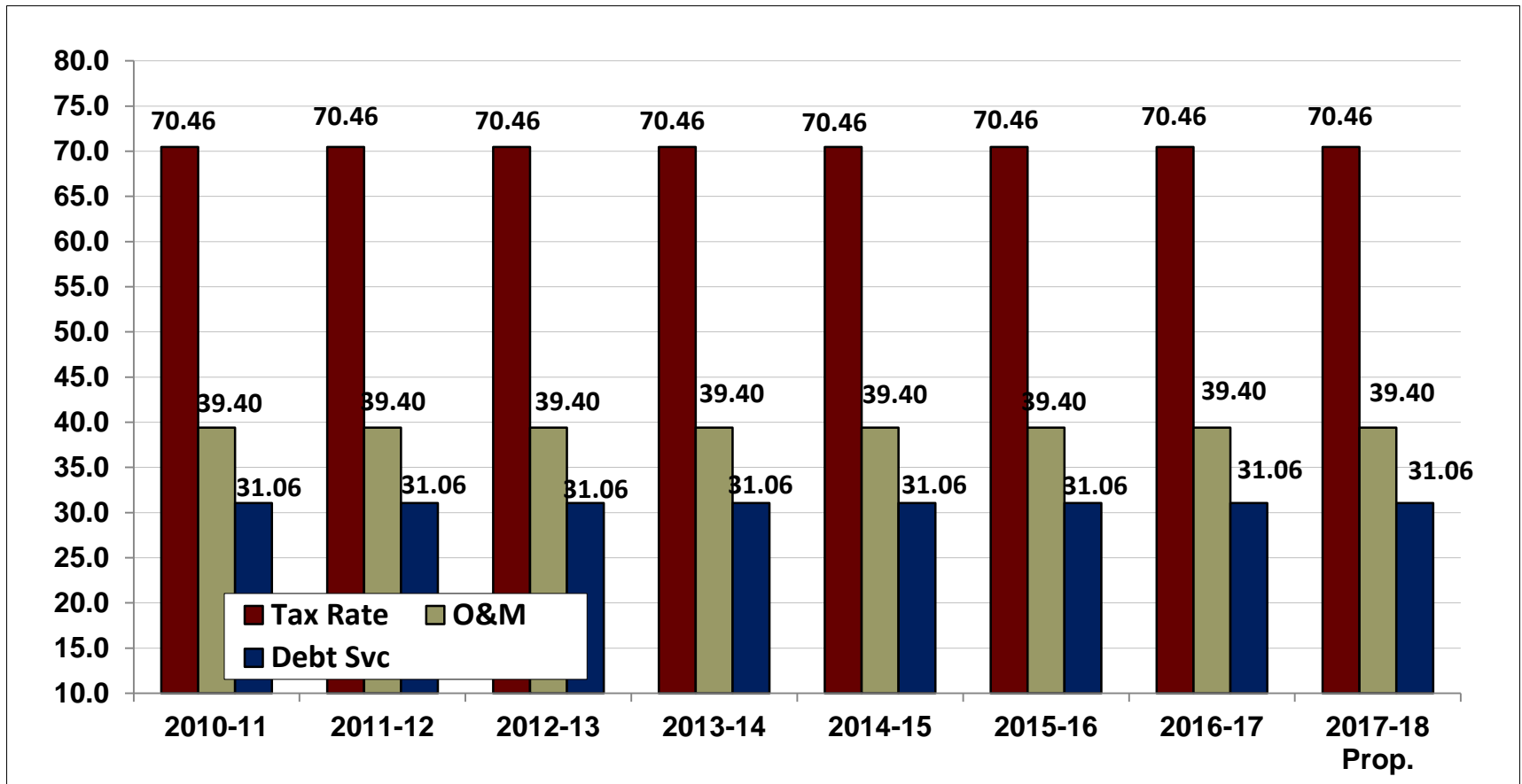
**Notes:**

- The General Fund is contributing an additional \$1,000,000 for the replacement of equipment in the Street Department that is not reflected above.
- The Certificates of Obligation will be part of the 2018 Capital Improvement Program presented to City Council in January, 2018.



# Property Tax Rates – Unchanged

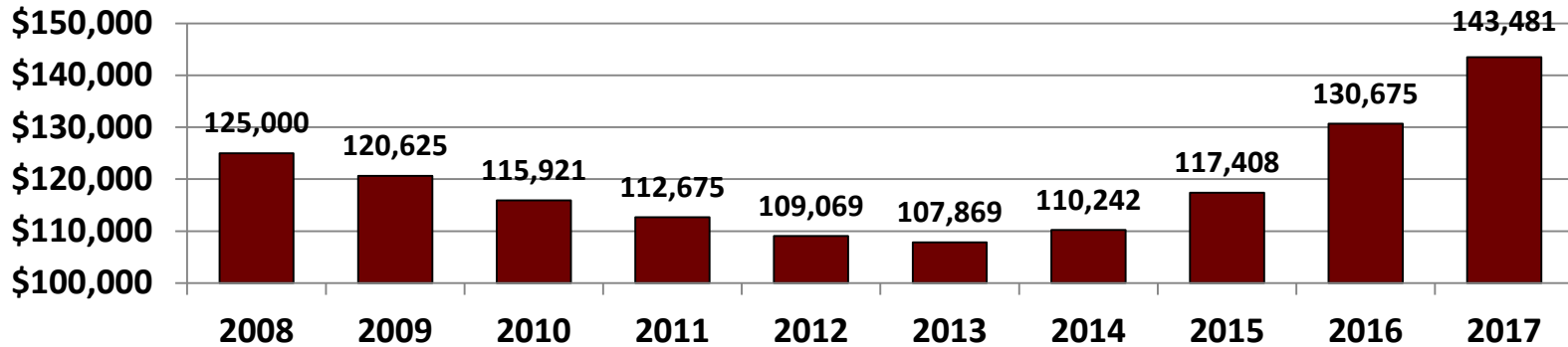
(Cents Per \$100 of Valuation)



The Tax Rate is unchanged for the eighth year in a row.

# Impact of Property Values for Taxpayers

(Based on Home Valued at \$125,000 in 2008)



	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18 Prop.	Cumulative
<b>Value Change</b>	Base Year	(3.5%)	(3.9%)	(2.8%)	(3.2%)	(1.1%)	2.2%	6.5%	11.3%	9.8%	14.8%
<b>Tax Rate – Cents</b>	69.96	70.46	70.46	70.46	70.46	70.46	70.46	70.46	70.46	70.46	0.50
<b>Property Taxes (Annual)</b>	\$805	\$782	\$751	\$730	\$707	\$699	\$715	\$761	\$847	\$930	\$125
<b>Property Taxes (Monthly)</b>	\$67.08	\$65.17	\$62.58	\$60.83	\$58.92	\$58.25	\$59.58	\$63.42	\$70.58	\$77.50	\$10.42

- A home appraised at \$125,000 in 2008 is currently valued at \$143,481 in 2017.
- The cumulative impact on Property Taxes since 2008 is an increase of \$125, an average increase of 1.66% a year.

Note: Property Taxes include impact of 8% Homestead Exemption.

## 2017-18 Proposed Utility Rates

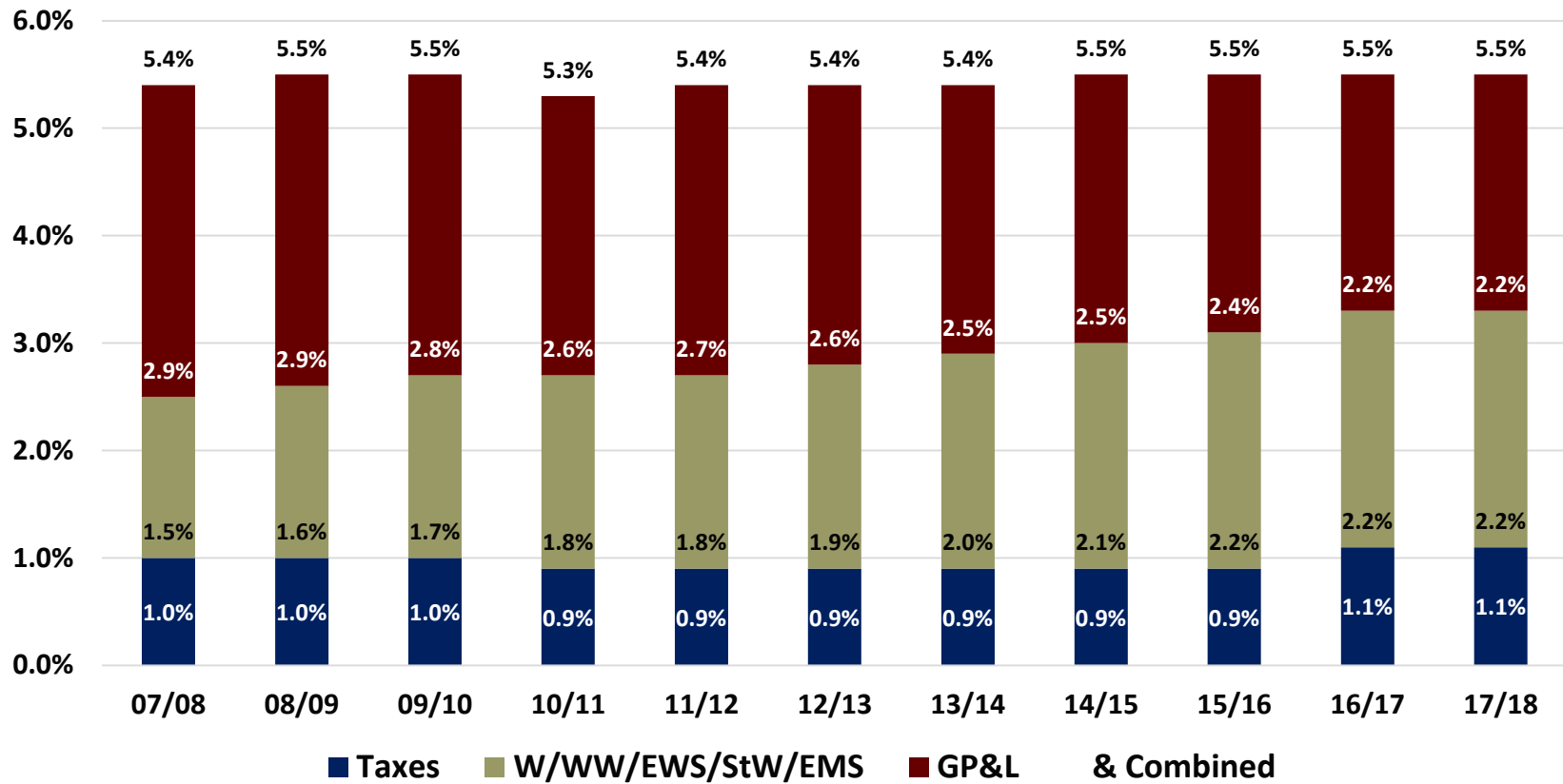
(Based on Typical Residential User - Monthly Average)

<u>Utility Services</u>	<u>2016-17 Monthly Charge</u>	<u>Proposed Change</u>	<u>2017-18 Monthly Charge</u>
Electric	\$130.29	None	\$130.29
Water	56.95	\$6.86	63.81
Sewer	41.83	None	41.83
Trash and Recycling	19.58	None	19.58
Stormwater Fee	<u>2.88</u>	<u>0.35</u>	<u>3.23</u>
<b>Totals</b>	<b><u>\$251.53</u></b>	<b><u>\$7.21</u></b>	<b><u>\$258.74</u></b>

- Stormwater rates will continue to be among the lowest in the Metroplex and have not increased since 1995.

# 2017-18 Combined Monthly Citizen Impact

(Taxes and Utilities – Expressed in Percent of Monthly Income)





## 2017-18 Proposed Consolidated Budget

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General Fund, GO Debt Service Fund, Utility Funds,  
Other Enterprise Funds, and Grant Funds

### **Consolidated Budget – \$720.5 Million**

Increase of \$39.3 Million (5.8%)

### **General Fund – \$173.5 Million**

Increase of \$11.4 million (7.0%) –

Primarily Related to Employee Compensation,  
Street Improvements, and Health Insurance Increases

# Budget Review Calendar

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Date	Day	Session	Activity
<b>July 31</b>	Monday	Regular Work Session	Overview of Proposed Budget
<b>Aug. 1</b>	Tuesday	Regular Meeting	Formal Presentation of Proposed Budget
<b>Aug. 12</b>	Saturday	Special Budget Work Session	Budget Work Session – <i>Department Presentations</i>
<b>Aug. 15</b>	<b>Tuesday</b>	<b>Regular Meeting</b>	<b>Public Hearing</b>
<b>Aug. 17</b>	Thursday	Special Budget Work Session	Budget Work Session
<b>Aug. 24</b>	<b>Thursday</b>	<b>Special Budget Work Session</b>	<b>Public Hearing &amp; Budget Work Session</b> – <i>Council Questions and Budget Deliberations</i>
<b>Aug. 31</b>	Thursday	Special Budget Work Session	Budget Work Session – <i>Proposed Council Changes to Operating Budget <u>Due</u> / Council Discuss and Give Direction to Staff</i>
<b>Sept. 5</b>	<b>Tuesday</b>	<b>Regular Meeting</b>	<b>Public Hearing and Adoption of Budget</b>