



FY2024/2025 BUDGET WORKSHOP OVERVIEW & TAX RATE

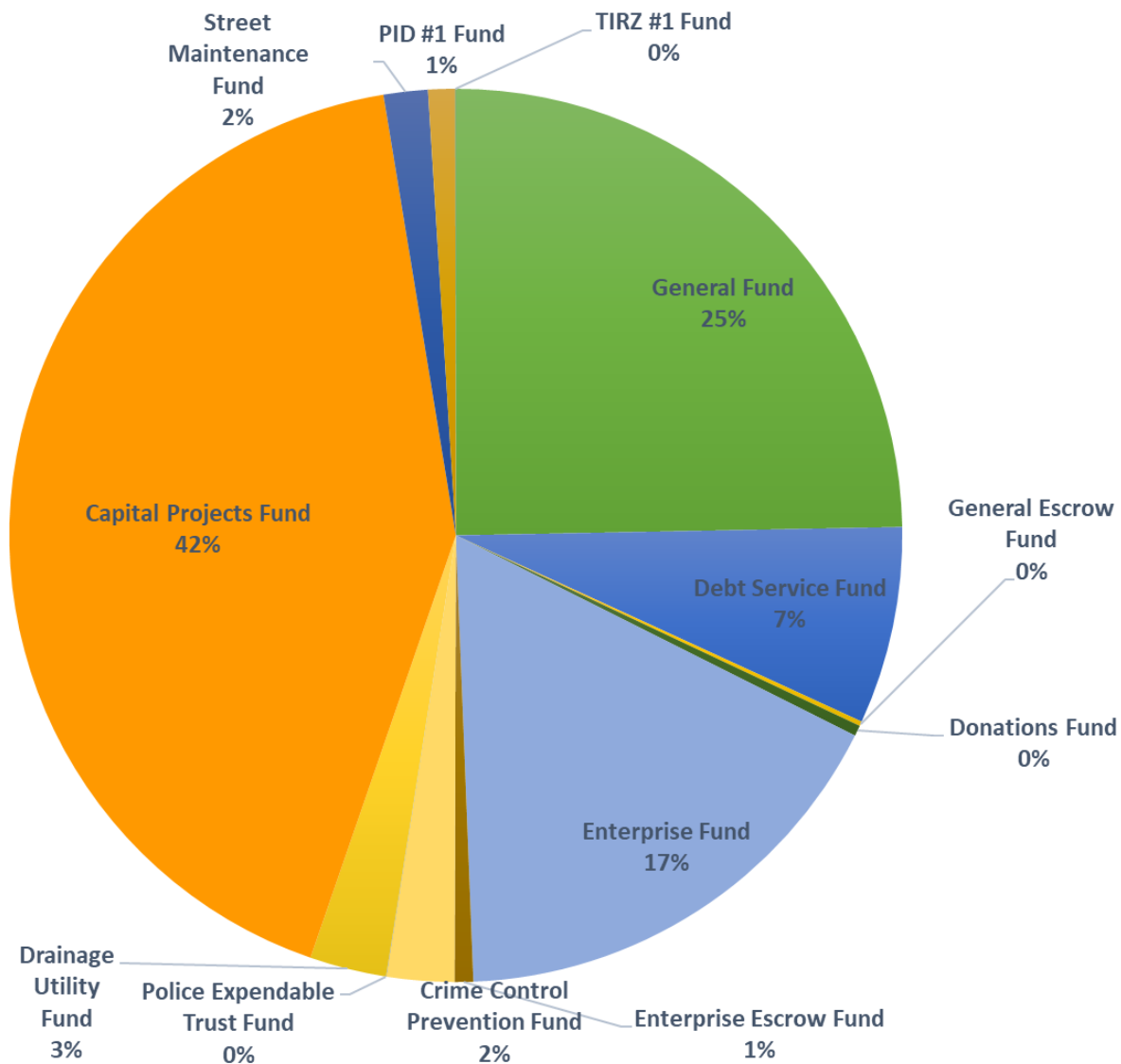


13 Different Fund Budgets

- General Fund
- Debt Service Fund
- Enterprise Fund (Water and Wastewater Utility Fund)
- Capital Projects Fund
- Crime Control and Prevention District Fund (CCPD)
- Police Expendable Trust Fund
- Drainage Utility Fund
- Street Maintenance Fund
- Donations Fund
- General Escrow Fund (Special Revenues)
- Water/Wastewater Escrow Fund (Impact Fees)
- Public Improvement District #1 Fund (Beltmill PID)
- Tax Increment Reinvestment Zone #1 Fund (TIRZ)



FISCAL YEAR 2023/2024 REVISED BUDGET



General Fund	24,560,945
Debt Service Fund	7,103,295
General Escrow Fund	168,075
Donations Fund	383,500
Enterprise Fund	16,885,900
Enterprise Escrow Fund	664,830
Crime Control Prevention Fund	2,428,790
Police Expendable Trust Fund	12,500
Drainage Utility Fund	2,763,845
Capital Projects Fund	41,886,895
Street Maintenance Fund	1,588,625
PID #1 Fund	963,340
TIRZ #1 Fund	30,000
TOTAL BUDGET	\$ 99,440,540

Balanced Budget



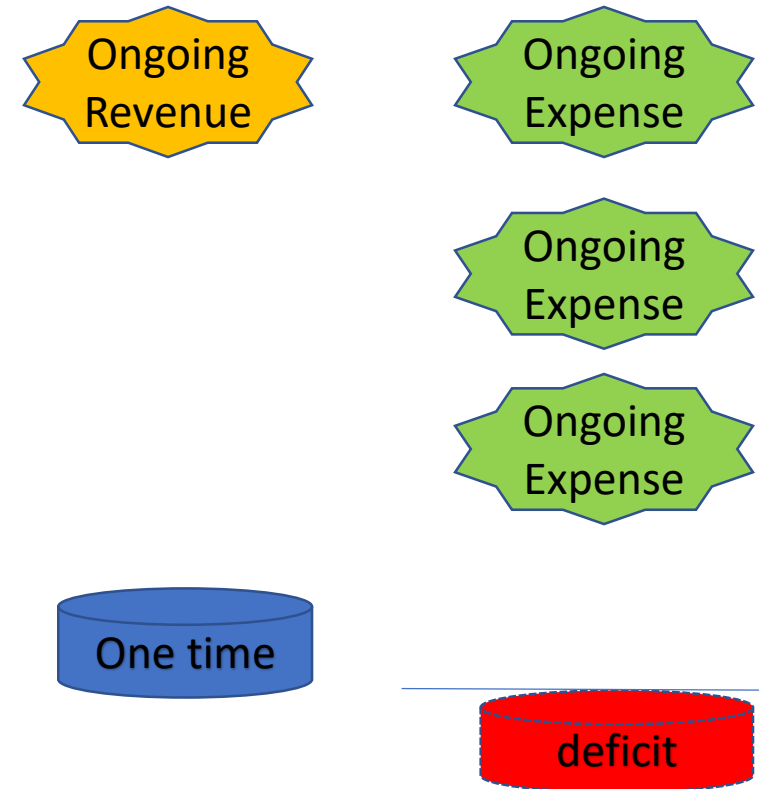
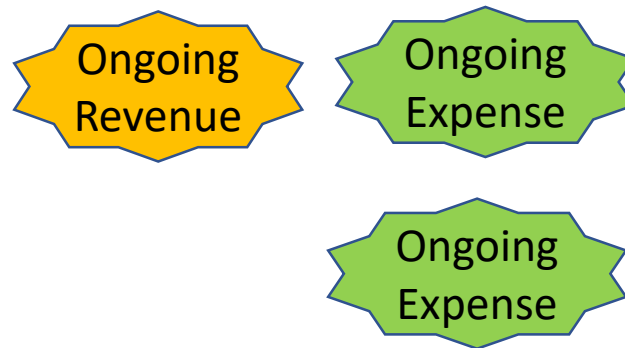
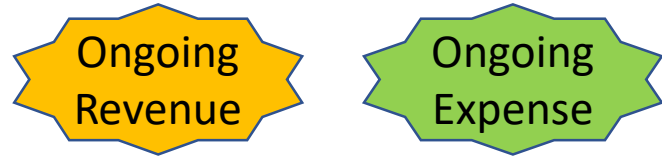
- Funding Sources = Funding Uses
- Structurally balanced budget
 - Ongoing sources = ongoing uses
 - One time sources used for one time uses

Structurally unbalanced example

YEAR 1

YEAR 2

YEAR 3



Revenue _(tax levy) = Base x Rate



- Property Tax Revenue – Revenue source for the General Fund and the Debt Service Fund
- Tax base - property values determined by Tarrant Appraisal District (TAD)
- Tax rate - determined by City Council



Property Tax Rate

Maintenance and Operations Tax Rate (General Fund)

+

Interest and Sinking Tax Rate (Debt Service Fund)

=

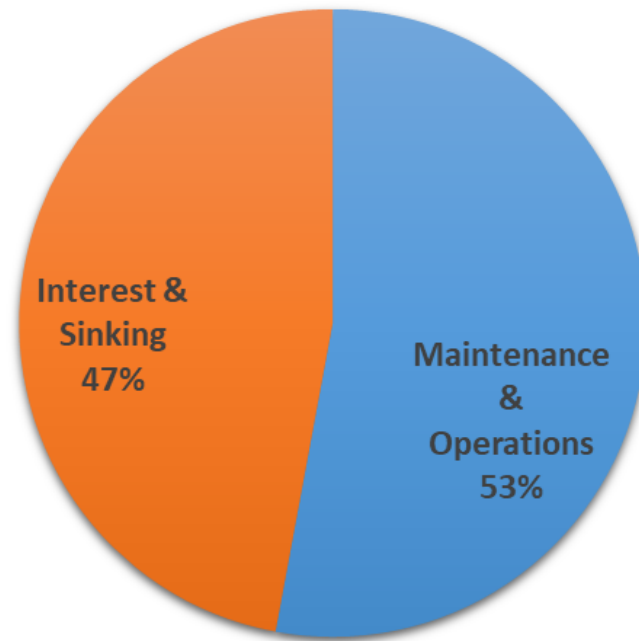
Total Tax Rate

FY23/24 Tax Rate:

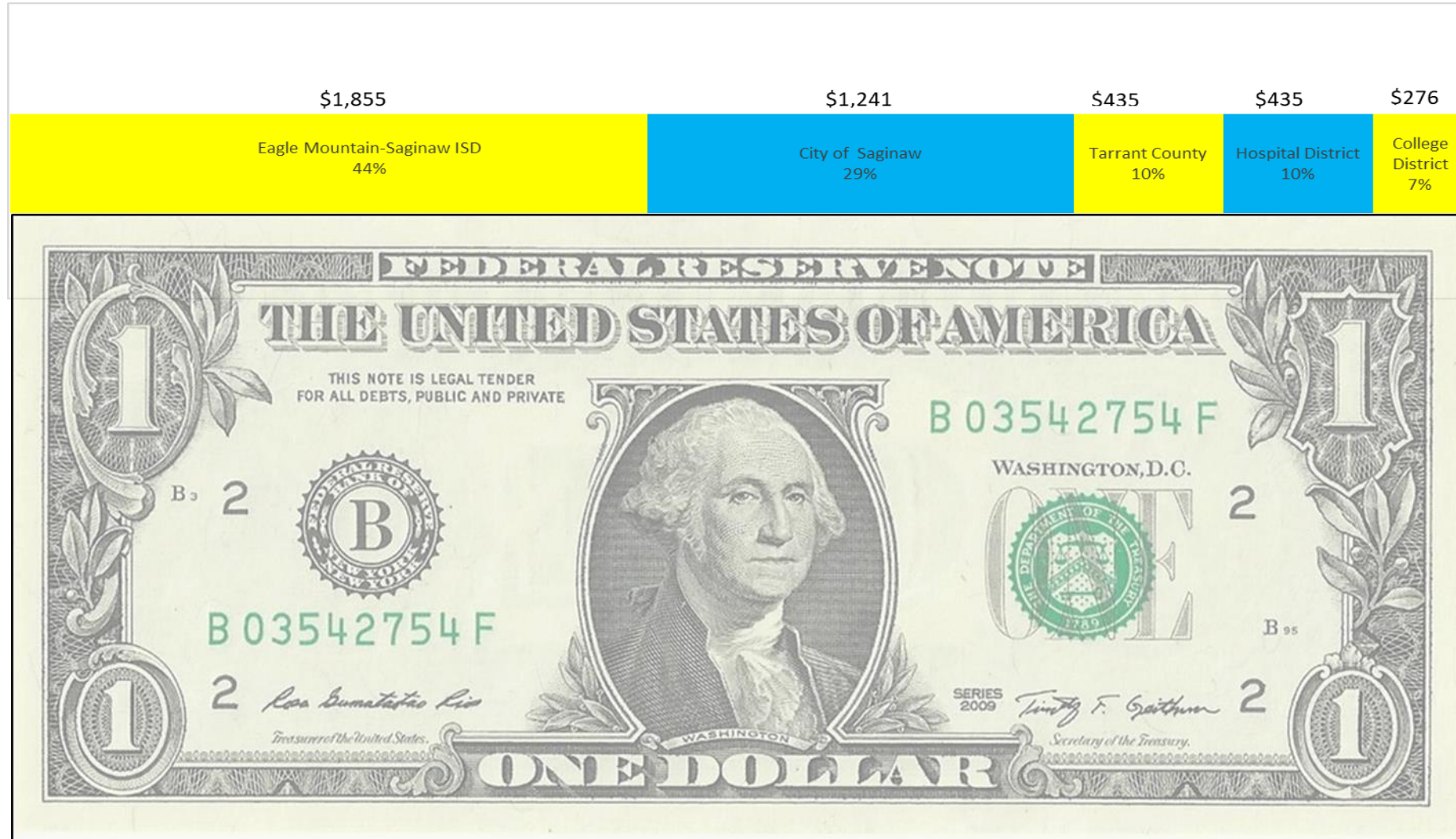
M&O 26.3959

I&S 23.4810

Total 49.8769



Where our Tax \$ goes





Property Tax Exemptions

- Exemption example:
 - Appraised value \$200,000
 - Less exemption (\$100,000)
 - Taxable value \$100,000
- Day Care exemption
- Senior tax ceiling
- Changes to exemptions must be submitted to TAD by July 1st



Tax Rate Terminology

No New Revenue
Tax Rate

Voter Approval
Tax Rate
3.5%

De Minimis
Tax Rate
+ \$500,000

Unused
Incremental Rate

No New Revenue Tax Rate



- The property tax rate that generates the same total property tax revenue as last year on the same properties
- Tax revenue = Base X Rate
 - If base increases, rate decreases
 - If base decreases, rate increases



Voter Approval Tax Rate

- The property tax rate that generates an increase of 3.5% more operating revenue than last year on the same properties plus amount required for debt service
- Any rate adopted over the voter approval rate will trigger an automatic election on uniform election date



De Minimis Tax Rate

- This rate may be used by special taxing districts and cities with a population of less than 30,000
- Rate is the no new revenue M&O rate plus the rate that will generate an additional \$500,000 plus the amount required for debt service
- If adopting this rate, must use the accelerated budget time table
- If adopt this rate and is less than 8%, no election
- If adopt this rate and is more than 8%, voter may petition
- If adopt a rate higher than this, automatic election

Unused Incremental Rate



- The difference between the adopted rate and the voter approval rate can be “saved” and used for up to three years



Next Steps

- Continue budget presentations at City Council Meetings
- 7/25/24 Receive certified values from TAD
- 7/30/24 **Special** City Council meeting (tax rates)
- 8/6/24 Budget public hearing @ City Council meeting
- 8/10/24 City Council Budget Retreat (**Saturday**)
- 8/13/24 **Special** City Council meeting (adopt budget & tax rate)