



FY2024 Budget Update

August 22, 2023



ADDISON®

Agenda

- ▶ Changes from Proposed Budget
- ▶ Decision Packages
- ▶ TMRS
- ▶ General Fund
 - ▶ Sales Tax/Property Tax Rate
- ▶ Debt Service Fund/I&S Tax Rate
- ▶ Total Tax Rate
- ▶ Hotel Fund
- ▶ Utility Fund
- ▶ Stormwater Fund

Current Changes from Proposed Budget

- ▶ General Fund
 - ▶ Add investment revenue (\$100,000)
 - ▶ Add Code Enforcement Manager – 1.0 FTE (\$132,429)
 - ▶ Add Code Enforcement Officer – 1.0 FTE (\$109,974)
 - ▶ Remove Facility Study Phasing Plan (\$100,000)
 - ▶ Remove Facility Attendant 1.0 FTE – (\$47,096)
- ▶ Self-Funded Projects Fund
 - ▶ One-time costs for Code Enforcement Manager (\$51,400)
 - ▶ One-time costs for Code Enforcement Officer (\$49,900)
 - ▶ Startup Funding for Neighborhood Services Program (\$60,000)
- ▶ Hotel Fund
 - ▶ Reduced expenditures in Theatre Centre by \$60,000 due to error.
- ▶ Utility Fund
 - ▶ Reduced rate increases to 4.5% reducing Water and Sewer revenue by \$98,040 and \$88,489, respectively.



TMRS Update

- Recently the Texas Legislature amended the TMRS Act to provide cities with new COLA options.
- The new option is a COLA for only the CPI for the last year, rather than retroactively as previously required.
- Every retiree would still receive a COLA.
- The new option would save the Town about \$100k in the General Fund on an annual basis.
- Savings could be used to reduce tax rate or apply to Landscape Architect decision package, compensation (1% is approximately \$250k), or other initiative.

Sales Tax Projection

- Based on additional sales tax data received, staff is comfortable increasing budgeted sales tax by \$200k.
- This could be used to:
 - Reduce the property tax rate or;
 - Add the Landscape Architect position decision package, compensation, or other initiative.

General Fund Revenue

	Actual 2021-22	Budget 2022-23	Estimated 2022-23	Budget 2023-24
BEGINNING BALANCES	\$ 20,243,675	\$ 20,149,761	\$ 20,515,381	\$ 20,661,068
REVENUES:				
Ad valorem Taxes	\$ 20,454,052	\$ 22,409,394	\$ 22,409,394	\$ 24,800,254
Non-Property Taxes	17,347,888	15,625,000	16,750,000	16,500,000
Franchise Fees	2,078,651	2,155,000	2,184,536	2,060,000
Licenses and Permits	1,120,552	1,170,100	1,170,100	1,109,500
Service Fees	2,063,371	2,068,490	2,070,790	2,442,350
Fines and Penalties	301,404	245,000	330,000	330,000
Rental Income	8,300	8,000	8,000	8,600
Interest and Other Income	(679,979)	490,500	690,500	872,500
TOTAL OPERATIONAL REVENUE	\$ 42,694,239	\$ 44,171,484	\$ 45,613,320	\$ 48,123,204
TOTAL REVENUES	\$ 42,694,239	\$ 44,171,484	\$ 45,613,320	\$ 48,123,204
TOTAL AVAILABLE RESOURCES	\$ 62,937,914	\$ 64,321,245	\$ 66,128,701	\$ 68,784,272

General Fund Expenditures by Department

	Actual 2021-22	Budget 2022-23	Estimated 2022-23	Budget 2023-24
EXPENDITURES:				
General Government:				
City Secretary	\$ 187,884	\$ 232,150	\$ 230,989	\$ 250,193
City Manager	1,246,441	1,309,782	1,253,444	1,195,774
Finance	1,742,329	1,861,940	1,856,272	2,028,374
General Services	1,271,406	1,108,609	1,124,433	1,586,376
Municipal Court	692,928	741,479	750,995	688,320
Human Resources	660,144	758,481	736,088	785,618
Information Technology	1,952,454	2,418,608	2,306,537	2,475,116
Combined Services	1,215,036	1,485,125	1,443,725	1,157,281
City Council	332,678	342,850	342,850	361,738
	<u>\$ 9,301,300</u>	<u>\$ 10,259,024</u>	<u>\$ 10,045,333</u>	<u>\$ 10,528,790</u>
Public Safety:				
Police	\$ 10,597,376	\$ 11,362,815	\$ 11,048,969	\$ 12,353,986
Emergency Communications	1,607,261	1,764,387	1,764,387	1,788,857
Fire	9,267,049	9,907,123	9,905,603	10,892,680
	<u>\$ 21,471,686</u>	<u>\$ 23,034,325</u>	<u>\$ 22,718,959</u>	<u>\$ 25,035,523</u>
Development Services				
	<u>\$ 1,643,483</u>	<u>\$ 1,982,282</u>	<u>\$ 1,933,153</u>	<u>\$ 2,743,429</u>
Streets				
	<u>\$ 2,047,734</u>	<u>\$ 2,236,000</u>	<u>\$ 2,372,000</u>	<u>\$ 2,277,755</u>
Parks and Recreation:				
Parks	\$ 4,607,087	\$ 4,751,045	\$ 4,666,281	\$ 5,169,793
Recreation	1,476,485	1,903,972	1,831,907	1,988,475
	<u>\$ 6,083,572</u>	<u>\$ 6,655,017</u>	<u>\$ 6,498,188</u>	<u>\$ 7,158,268</u>
Debt Service				
	<u>\$ 32,883</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATIONAL EXPENDITURES				
	<u>\$ 40,580,658</u>	<u>\$ 44,166,648</u>	<u>\$ 43,567,633</u>	<u>\$ 47,743,765</u>
Transfers to other funds				
	1,841,875	-	1,900,000	-
TOTAL EXPENDITURES				
	<u>\$ 42,422,533</u>	<u>\$ 44,166,648</u>	<u>\$ 45,467,633</u>	<u>\$ 47,743,765</u>
NET INCREASE/(DECREASE)				
	<u>\$ 271,706</u>	<u>\$ 4,836</u>	<u>\$ 145,687</u>	<u>\$ 379,439</u>
ENDING FUND BALANCES				
	<u>\$ 20,515,381</u>	<u>\$ 20,154,597</u>	<u>\$ 20,661,068</u>	<u>\$ 21,040,507</u>
Fund Balance Percentage				
	50.6%	45.6%	47.4%	44.1%

Total Tax Rate

	M&O	I&S	Total
Proposed Tax Rate	0.449642	0.160180	0.609822
Potential Changes:			
Sales Tax	(0.003365)		(0.003365)
TMRS COLA	(0.001683)		(0.001683)
Bond Sales		(0.000688)	(0.000688)
New Tax Rate	<u>0.444594</u>	<u>0.159492</u>	<u>0.604086</u>



Under the Proposed Tax Rate of \$0.609822

Current General Fund Surplus	\$ 379,439
Bond Sale Savings	40,000
Total Funds Available	<u>\$ 419,439</u>

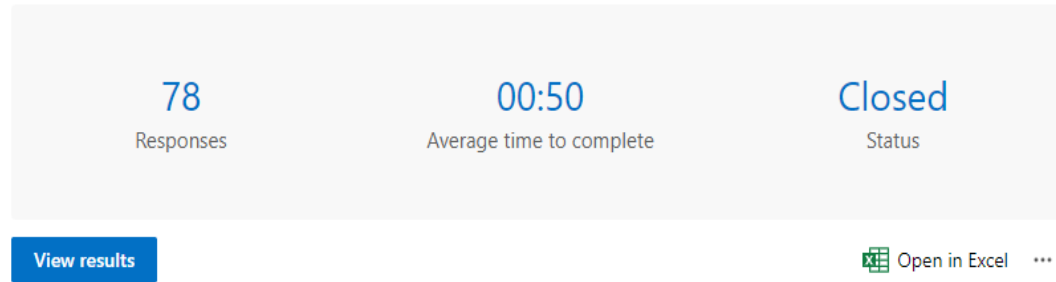
Potential Expenditures:

Landscape Architect	\$ 204,304
1.0% Compensation	270,000
Non-Profit Funding or Other	-



Follow-up Items

Employee Residency Incentive Interest Survey



1. Please rate your interest in a payroll incentive provided to employees that live within Town limits below with 1 being the lowest level of interest and 3 being the highest level of interest.

[More Details](#)



- ▶ 100 employees randomly selected for survey.
 - ▶ 78 total respondents
- ▶ 62% of respondents in favor of incentive.
- ▶ 11 current Town staff living in Addison - \$55,000 max



Decision Packages

General Fund							
Priority	Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/Cost Offset	Net Total Cost
1	Fire	Emergency Management Coord.	1.0	\$154,381			\$154,381
2	Police	Mental Health Wellness Program		\$30,000			\$30,000
3	Fire	AED 123 Monthly Inspections		\$18,000			\$18,000
4	Development Services	Building Inspector 3 rd Party Services		\$67,500		(\$31,147)	\$36,353
5	Development Services	Assistant Director of Development Services Position	1.0	\$157,592			\$157,592
6	Development Services	Code Enforcement Manager	1.0	\$132,429			\$132,429
7	Development Services	Code Enforcement Officer	1.0	\$109,974			\$109,974
8	General Services	Facility Attendant Position	0.5	\$28,777		(\$5,229)	\$23,548
9	City Manager's Office	Theatre Study			\$60,000		\$60,000
10	Parks	Spruill Dog Park Artificial Turf		\$29,102		(\$24,500)	\$4,602
		Total	4.5	\$727,755	\$60,000	(\$60,876)	\$726,879

Decision Packages

Self-Funded Special Projects Fund

Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Total Cost
Fire	Emergency Management Coordinator			\$7,600	\$7,600
Fire	AED 123 Purchase			\$75,000	\$75,000
Fire	Two (2) Fire Administration Vehicles			\$120,000	\$120,000
Development Services	Assistant Director of Development Services			\$9,900	\$9,900
Development Services	Code Enforcement Manager			\$51,400	\$51,400
Development Services	Code Enforcement Officer			\$49,900	\$49,900
Development Services	Neighborhood Services Program Startup Funding			\$60,000	\$60,000
Parks	Parks Planned Asset Replacement			\$196,000	\$196,000
Parks	Addison Circle Park Vision Plan			\$205,000	\$205,000

Decision Packages

Self-Funded Special Projects Fund (Continued)

Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Total Cost
Parks	Pickleball Court Shade Structure			\$217,000	\$217,000
Parks	Spruill Dog Park Artificial Turf			\$235,287	\$235,287
Parks	Public Art Installation			\$150,000	\$150,000
Parks	NTTA Pedestrian Crossing, Gateway & Landscape Plan			\$156,000	\$156,000
Recreation	Recreation Van			\$98,274	\$98,274
Recreation	Addison Athletic Club (AAC) Building Improvements			\$57,000	\$57,000
Recreation	Addison Athletic Club (AAC) Outdoor Pool Renovation			\$339,743	\$339,743
	Total			\$2,028,104	\$2,028,104

Decision Packages

Streets Self-Funded Special Projects Fund

Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Total Cost
Streets	Paver Replacements on Arapaho			\$300,000	\$300,000
Streets	Brick Paver Repairs in Vitruvian Area			\$105,000	\$105,000
	Total			\$405,000	\$405,000

Decision Packages

Enterprise Funds

Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Total Cost
Airport Fund	Airport Insurance Administrative Program		\$30,000			\$30,000
Stormwater Fund	Asphalt Trailer			\$75,000		\$75,000
Stormwater Fund	Hutton Branch Outfall Reconstruction			\$755,000		\$755,000
Stormwater Fund	Annual Stormwater Maintenance Plan		\$450,000			\$450,000
Stormwater Fund	Street Sweeper – Street Maintenance Worker Position	1.0	\$89,157	\$225,000	(\$90,000)	\$224,157
Stormwater Fund	GIS Analyst Position	0.5	\$49,062	\$1,000	(\$57,500)	(\$7,439)
Stormwater Fund	Public Works Superintendent Position	1.0	\$144,333	\$5,000		\$149,333

Decision Packages

Enterprise Funds (Continued)

Department	Program Title	FTEs	Recurring Costs	One-Time Costs	Revenue/ Cost Offset	Total Cost
Utility Fund	GIS Analyst Position	0.5	\$49,062	\$1,000	(\$57,500)	(\$7,439)
Utility Fund	New Utility Billing Customer Portal		\$20,000	\$10,000		\$30,000
Utility Fund	Contracted Utility Repairs		\$100,000			\$100,000
Utility Fund	Kellway Wet Well Structural Inspection			\$55,000		\$55,000
Utility Fund	Non-Destructive Testing of 24 Inch Water Transmission Main			\$110,000		\$110,000
	Total	3.0	\$931,613	\$1,237,000	(\$205,000)	\$1,963,613

General Fund Grant Expenditures

	FY2024 Requested	FY2024 Proposed
Addison Arbor Foundation	\$65,000	\$50,000
Addison Arbor Foundation (matching funds)	-	15,000
Dallas Cat Lady	5,000	5,000
Dallas County MH&MR – Metrocare Services	10,000	2,500
Metrocrest Services*	82,650	82,650
Woven Health Clinic	8,000	5,000
Total General Fund	\$170,650	\$160,150

*Provided revised request of \$139,653



Debt Service Fund

- Savings of \$40k in the debt service fund due to lower interest rates on the August 8th bond sales.
- Allows for a reduction in the tax rate of \$0.000688.

Debt Service Fund

	Actual 2021-22	Budget 2022-23	Estimated 2022-23	Budget 2023-24
BEGINNING BALANCES	\$ 573,411	\$ 575,833	\$ 652,117	\$ 652,117
REVENUES:				
Ad valorem Taxes	\$ 8,636,068	\$ 8,936,749	\$ 8,936,749	\$ 9,465,895
Interest and Other Income	(61,146)	15,000	15,000	30,000
TOTAL OPERATIONAL REVENUE	<u>\$ 8,574,922</u>	<u>\$ 8,951,749</u>	<u>\$ 8,951,749</u>	<u>\$ 9,495,895</u>
Transfers from other funds	-	909,405	909,405	875,540
Premium on Bond Issuance	913,093	-	-	-
Refunding Bond Proceeds	8,670,000	-	-	-
TOTAL REVENUES	<u>\$ 18,158,015</u>	<u>\$ 9,861,154</u>	<u>\$ 9,861,154</u>	<u>\$ 10,371,435</u>
TOTAL AVAILABLE RESOURCES	<u>\$ 18,731,426</u>	<u>\$ 10,436,987</u>	<u>\$ 10,513,271</u>	<u>\$ 11,023,552</u>
EXPENDITURES:				
Contractual Services	\$ -	\$ 5,000	\$ 5,000	\$ 6,000
Debt Service	8,601,724	9,856,154	9,856,154	10,350,435
TOTAL OPERATIONAL EXPENDITURES	<u>\$ 8,601,724</u>	<u>\$ 9,861,154</u>	<u>\$ 9,861,154</u>	<u>\$ 10,356,435</u>
Payment to Escrow Agent	9,477,585	-	-	-
TOTAL EXPENDITURES	<u>\$ 18,079,309</u>	<u>\$ 9,861,154</u>	<u>\$ 9,861,154</u>	<u>\$ 10,356,435</u>
ENDING FUND BALANCES	<u>\$ 652,117</u>	<u>\$ 575,833</u>	<u>\$ 652,117</u>	<u>\$ 667,117</u>
Fund Balance Percentage	7.6%	5.8%	6.6%	6.4%

Hotel Fund

	Actual 2021-22	Budget 2022-23	Estimated 2022-23	Budget 2023-24
BEGINNING BALANCES	\$ 2,710,600	\$ 4,615,668	\$ 4,641,300	\$ 4,106,831
REVENUES:				
Hotel/Motel Occupancy Taxes	\$ 4,353,355	\$ 4,800,000	\$ 5,100,000	\$ 5,250,000
Proceeds from Special Events	1,051,805	1,127,000	1,135,000	1,127,000
Rental Income	115,545	30,000	50,000	70,000
Intergovernmental - Federal	2,018,853	-	-	-
Interest Earnings and Other	(89,725)	20,100	80,100	75,100
TOTAL OPERATIONAL REVENUE	\$ 7,449,833	\$ 5,977,100	\$ 6,365,100	\$ 6,522,100
Transfers from other funds	41,875	-	-	-
TOTAL REVENUES	\$ 7,491,708	\$ 5,977,100	\$ 6,365,100	\$ 6,522,100
TOTAL AVAILABLE RESOURCES	\$ 10,202,308	\$ 10,592,768	\$ 11,006,400	\$ 10,628,931
EXPENDITURES:				
Tourism	\$ -	\$ -	\$ -	\$ 644,711
Addison Theatre Centre	273,261	283,279	283,893	322,452
Conference Centre	229,056	220,510	220,510	274,752
General Hotel Operations	151,625	186,197	178,544	188,550
Marketing	887,942	1,193,362	1,193,524	1,070,682
Performing Arts	377,500	379,089	379,089	379,089
Special Events	2,431,962	2,757,275	2,757,275	2,715,937
Special Events Operations	825,662	1,088,337	1,088,734	1,139,888
TOTAL OPERATIONAL EXPENDITURES	\$ 5,177,008	\$ 6,108,049	\$ 6,101,569	\$ 6,736,061
Transfer to Economic Development Fund	384,000	768,000	768,000	-
One-Time Decision Packages	-	30,000	30,000	-
TOTAL EXPENDITURES	\$ 5,561,008	\$ 6,906,049	\$ 6,899,569	\$ 6,736,061
ENDING FUND BALANCES	\$ 4,641,300	\$ 3,686,719	\$ 4,106,831	\$ 3,892,871
Fund Balance Percentage	89.7%	60.4%	67.3%	57.8%

Hotel Fund Non-Profit Grants

	FY2024 Requested	FY2024 Proposed
WaterTower Theatre*	\$450,000	\$226,589
WaterTower Theatre (matching funds)	-	150,000
Outcry Theatre	10,000	2,500
Total Hotel Fund	\$460,000	\$379,089

*Does not include in-kind funding. If in-kind funding is included \$16,400 for office rent and \$32,011 for production rent for a total of \$425,000 net value of WaterTower Theatre grant funding.

Additionally, WaterTower Theatre has received the following for exclusive naming rights:

<u>Area Named</u>	<u>Name</u>	<u>Terms</u>
Main Stage starting 4/26/2023	"The Terry Martin Main Stage"	\$30,000 paid in three \$10,000 payments..... naming rights last 3 Years
Theatre Centre Lobby starting 4/26/2023	"Delynda Moravec Johnson Lobby"	\$75,000 paid in three \$25,000 payments..... naming rights last 3 Years
Studio Theatre	The Karol Omlor Studio Theatre	\$50,000 paid in lump sum 5 Years 2017

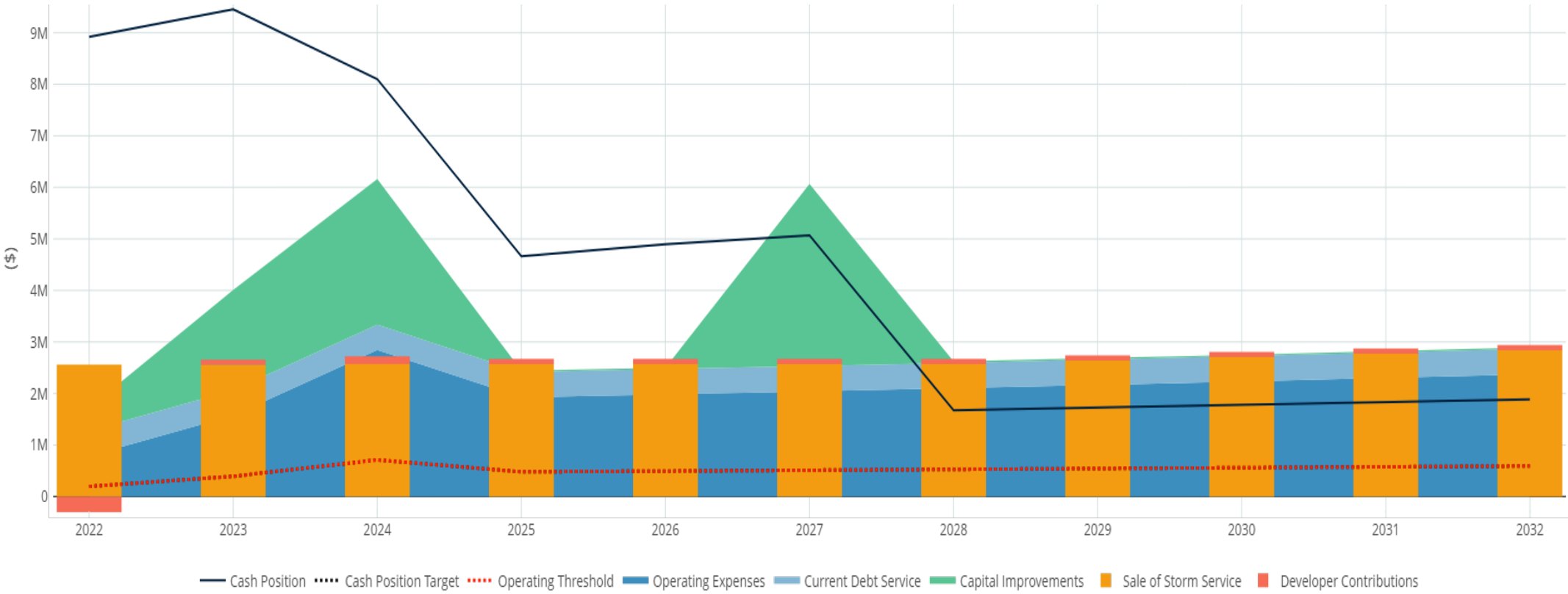
Utility Fund

	Actual 2021-22	Budget 2022-23	Estimated 2022-23	Budget 2023-24
BEGINNING WORKING CAPITAL	\$ 6,510,582	\$ 6,244,689	\$ 7,466,956	\$ 7,164,062
REVENUES:				
Water Sales	\$ 9,115,862	\$ 8,452,239	\$ 8,452,239	\$ 8,832,590
Sewer Charges	6,328,760	6,709,962	6,709,962	7,011,910
Tap Fees & Other	37,780	15,345	15,345	10,324
Penalties	125,985	91,874	91,874	93,711
Interest and Other Income	(241,134)	130,356	130,356	157,422
TOTAL OPERATIONAL REVENUE	<u>\$ 15,367,253</u>	<u>\$ 15,399,776</u>	<u>\$ 15,399,776</u>	<u>\$ 16,105,957</u>
TOTAL AVAILABLE RESOURCES	<u>\$ 21,877,835</u>	<u>\$ 21,644,465</u>	<u>\$ 22,866,732</u>	<u>\$ 23,270,019</u>
EXPENSES:				
Personnel Services	\$ 2,451,670	\$ 2,833,900	\$ 2,833,900	\$ 3,048,220
Supplies	240,249	232,112	232,112	238,671
Maintenance	936,177	803,462	803,462	925,922
Contractual Services				
Water Purchases	4,339,663	4,327,486	4,327,486	4,620,482
Wastewater Treatment	3,631,976	3,831,839	3,831,839	3,950,773
Other Services	1,053,241	1,337,058	1,383,258	1,282,972
Capital Replacement / Lease	231,584	206,584	206,584	206,584
Debt Service	1,526,320	1,744,029	1,744,029	1,744,170
Capital Outlay	-	-	-	-
TOTAL OPERATIONAL EXPENSES	<u>\$ 14,410,879</u>	<u>\$ 15,316,470</u>	<u>\$ 15,362,670</u>	<u>\$ 16,017,794</u>
One-Time Decision Packages	-	340,000	340,000	175,000
Capital Projects (Cash Funded)				
Beltway Drive/Belt Line Road Water Main Replacement	-	79,000	-	79,000
TOTAL EXPENSES	<u>\$ 14,410,879</u>	<u>\$ 15,735,470</u>	<u>\$ 15,702,670</u>	<u>\$ 16,271,794</u>
ENDING WORKING CAPITAL	<u>\$ 7,466,956</u>	<u>\$ 5,908,995</u>	<u>\$ 7,164,062</u>	<u>\$ 6,998,225</u>
Working Capital Percentage	51.8%	38.6%	46.6%	43.7%

Stormwater Fund

	Actual 2021-22	Budget 2022-23	Estimated 2022-23	Budget 2023-24
BEGINNING WORKING CAPITAL	\$ 8,984,319	\$ 9,128,538	\$ 9,455,358	\$ 8,101,159
REVENUES:				
Licenses and Permits	\$ 2,266	\$ -	\$ -	\$ -
Drainage Fees	2,558,788	2,554,023	2,554,023	2,575,000
Interest and Other Income	(368,284)	100,000	100,000	150,000
TOTAL OPERATIONAL REVENUE	\$ 2,192,770	\$ 2,654,023	\$ 2,654,023	\$ 2,725,000
TOTAL AVAILABLE RESOURCES	\$ 11,177,089	\$ 11,782,561	\$ 12,109,381	\$ 10,826,159
EXPENSES:				
Personnel Services	\$ 374,451	\$ 417,276	\$ 416,585	\$ 741,366
Supplies	16,903	16,100	16,100	38,999
Maintenance	101,042	166,280	166,280	615,052
Contractual Services	294,146	359,710	359,710	214,846
Capital Replacement / Lease	10,000	10,000	10,000	25,000
Debt Service	493,199	491,390	491,390	489,590
Capital Outlay	29,457	-	-	-
TOTAL OPERATIONAL EXPENSES	\$ 1,319,198	\$ 1,460,756	\$ 1,460,065	\$ 2,124,853
Transfer to Debt Service Fund	-	400,439	400,439	406,196
One-Time Decision Packages	-	215,000	215,000	1,061,000
Capital Projects (Cash Funded)				
Redding Trail Drainage Improvements	310,478	-	-	-
Rawhide Creek Basin Improvements - Les Lacs Area		2,011,033	1,750,000	-
Farmer's Branch Basin Improvements - Le Grande Drive		827,000	-	-
Keller Springs Reconstruction	-	-	-	2,800,000
Winnwood Road Bridge Class Culvert Outlet Armoring	92,055	-	182,718	-
TOTAL EXPENSES	\$ 1,721,731	\$ 4,914,228	\$ 4,008,222	\$ 6,392,049
ENDING WORKING CAPITAL	\$ 9,455,358	\$ 6,868,333	\$ 8,101,159	\$ 4,434,110
Working Capital Percentage	716.8%	470.2%	554.8%	208.7%

Stormwater Fund Long-Term Financial Plan





Questions?

