



# BUDGET AND BUSINESS PLAN

FY24

# CITY COUNCIL PRIORITIES



**SUPPORT**  
*Youth and Families*



**LEVERAGE**  
*Technology*



**CHAMPION**  
*Great Neighborhoods*



**INVEST**  
*In Our Economy*



**ENHANCE**  
*Regional Mobility*



**BUILD**  
*Unity*



FY24

## PURSUE OUR VISION

A pre-eminent city, Arlington aims to create an environment that empowers everyone to live their best lives and achieve their version of the American Dream.

## FULFILL OUR MISSION

The City of Arlington efficiently meets the needs of the public through innovation, active engagement, and inclusive practices. The City invites everyone to work together to help us provide high-quality, cost-effective services and strong, safe neighborhoods.

## CORE SERVICES

- Public Safety
- Culture/ Recreation/Education
- Financial/ Economic Development
- Infrastructure

## LIVE OUR VALUES

- Accountability
- Collaboration
- Innovation
- Inclusiveness
- Professionalism



# Overview

- Recap of June 27
- Discussion of Inflation
- City Value Proposition
- FY 2024 Proposed Budget
- FY 2024 Priorities & Core Services
- August 8<sup>th</sup> Meeting
- Budget Calendar



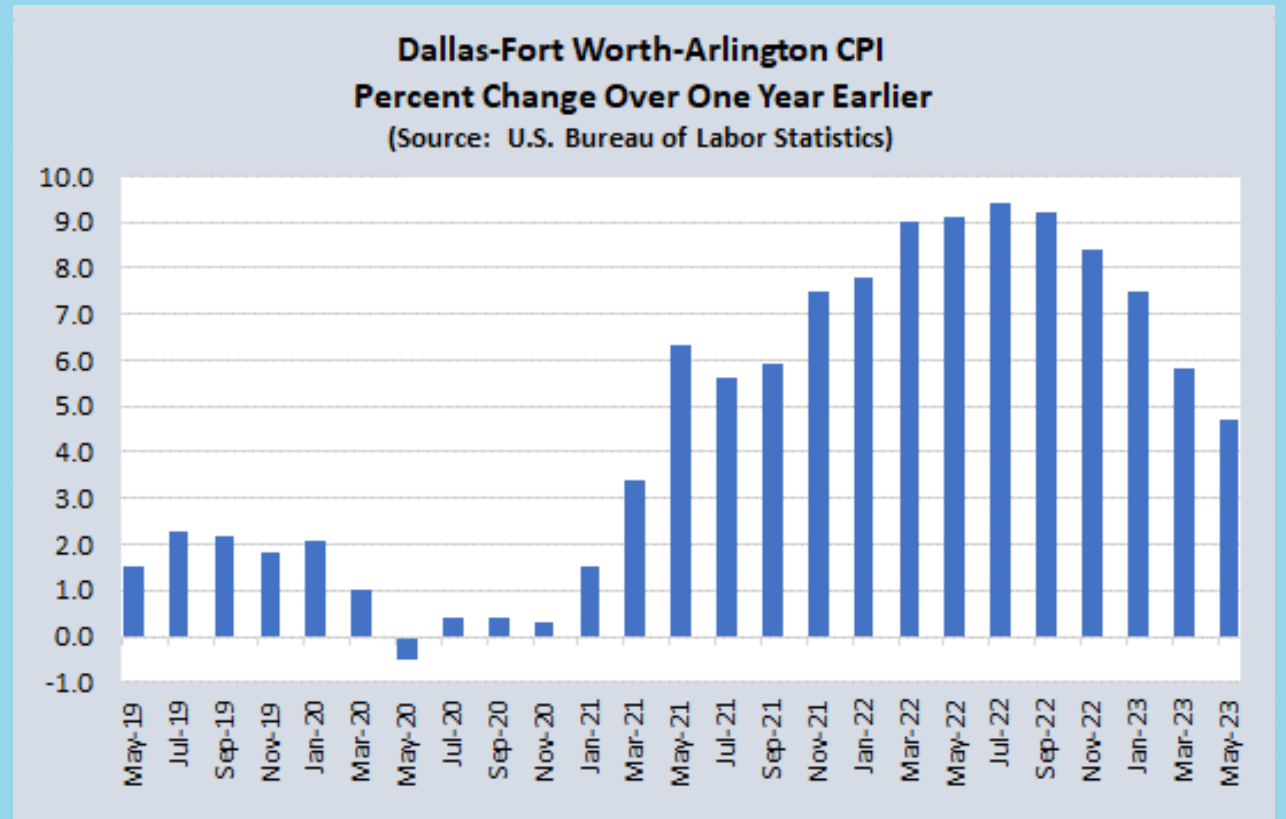
# Recap of June 27<sup>th</sup> Budget Presentation

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- Inflation
- Favorable Tax Policy
- How we Compare
- Competitive Water Rate
- Legislative Impacts
- Unused Property Tax Increment
- Compensation

# Updated Inflation Outlook

- June of 2022, nationwide CPI jumps to 9.05%
- June of 2023, nationwide CPI drops to 2.97%
- **Metroplex** CPI numbers updated in mid-August



# Inflation: What the Experts are Saying

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*"Slower wage growth is part of the reason inflation will keep easing for now. But watch for it to briefly jump back up around the end of the year. Core inflation...which factors out food and energy prices...is what really matters to the Federal Reserve as it decides when to stop lifting interest rates. The core rate is likely to dip from June's 4.8% to 4.3% in the coming months, possibly giving the Fed a justification to hold off on further hikes after its quarter-point increase next week. But inflation, both the headline and core rates, is likely to spike in Nov. and Dec. because of comparisons to relatively soft prices from the final two months of 2022. By early 2024, price growth should be turning down again...about 3% for the headline Consumer Price Index, and under 4% for the all-important core rate."*

**The Kiplinger Letter, July 20, 2023**

*"The Federal Reserve's actions to curb inflation through interest rate increases are expected to contribute to slower economic growth, though Texas will likely continue to outperform the nation. The state's faster pace reflects historically greater economic growth and labor force expansion. Additionally, the state's labor markets are more efficient, with Texas workers more likely to find suitable jobs and Texas firms more easily attracting qualified workers than their counterparts nationally."*

**Federal Reserve Bank of Dallas, June 22, 2023**

*"The big question midway through the year: Is a recession coming, or not? Interest rates have soared, and short-term rates are much higher than long-term rates, a classic recession indicator. And yet, the economy keeps chugging. Can that last? If a recession hits, it's likely to come later than we and many forecasters once thought. The second half of 2023 had seemed like a good bet. The first half of 2024 may see a downturn. Probably no sooner than that. Why not? Unlike in prior cycles of rising rates, the steep hikes implemented by the Federal Reserve are doing little to slow the economy so far."*

**The Kiplinger Letter, July 6, 2023**

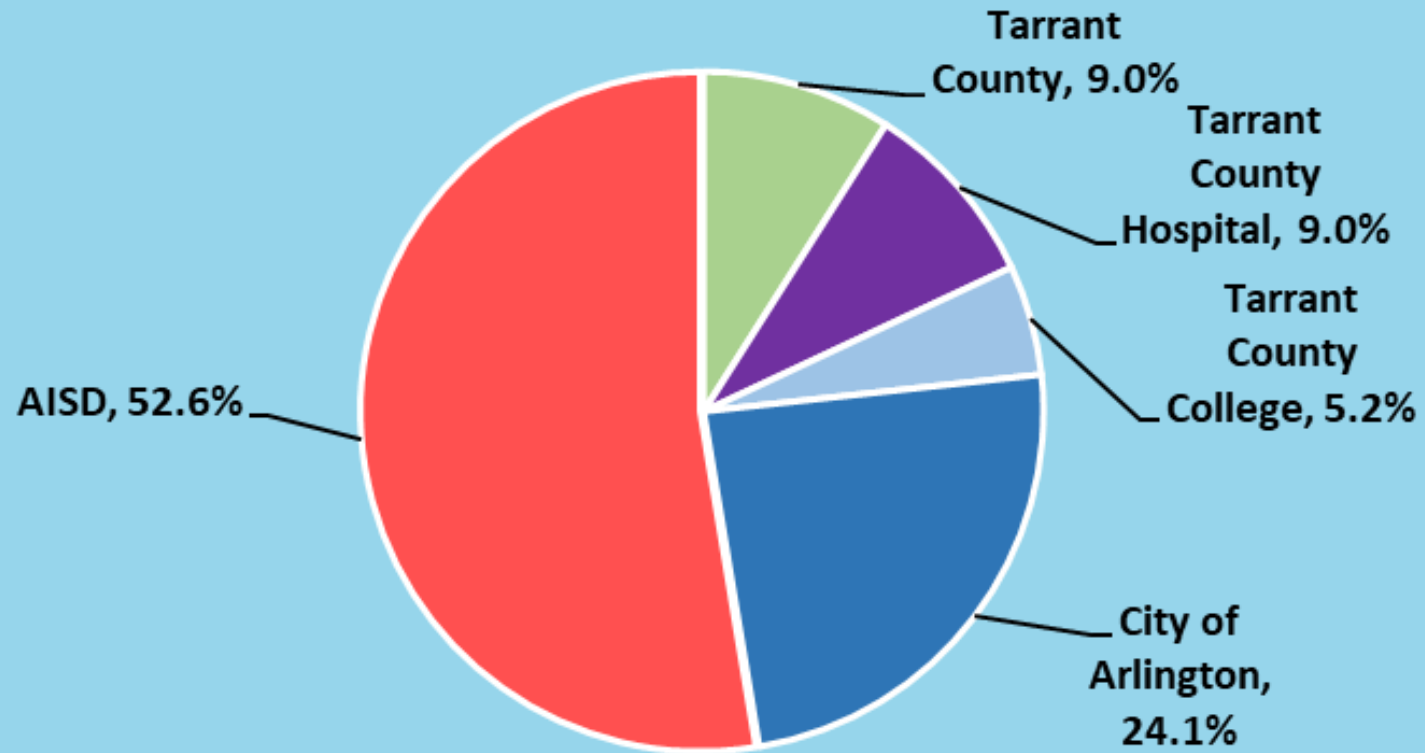


# Favorable Tax Policy

# Arlington Tax Bill Breakdown

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## Arlington Tax Bill Breakdown for 2023





# Favorable Tax Policy – Exemptions

RESIDENTIAL	Local Option Exemptions				Mandated Veteran Exemptions			
	General Homestead	Over 65	Disabled Person	Tax Ceiling for Over 65	Vet1	Vet2	Vet3	Vet4
Minimums and Maximums Authorized	Up to 20% of appraised value, must be worth at least \$5,000	At least \$3,000; no max established	At least \$3,000; no max established	Local Officials Authorized or Not Authorized	5,000	7,500	10,000	12,000
Arlington	20%	\$60,000	\$60,000	Authorized	5,000	7,500	10,000	12,000

COMMERCIAL	Authorized Business Exemptions	
	Freeport	Abatements
Minimums and Maximums Authorized	Local Officials Authorized or Not Authorized	Local Officials Authorized or Not Authorized
Arlington	Authorized	Authorized

# City of Arlington Tax Exemption History

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- 20% Homestead Exemption **since 1988**
- \$60,000 Senior Exemption **since 2003**
- \$60,000 Disabled Exemption **since 2003**
- Senior Tax Freeze **since 2006**
- Triple Freeport Exemption **since 2000**

# County & State Updates

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- Tarrant County adopted first homestead exemption **June of 2023**
  - 10% exemption for both the County and JPS Hospital District
- State of Texas, 88<sup>th</sup> Legislature, **July 2023**
  - Property Tax impacts (subject to November 2023 election)
    - Lowered school property tax rate for all homeowners & business properties 10.7¢
    - Increased school property tax homestead exemption from \$40,000 to \$100,000; over 65 & disabled exemptions rise to \$110,000
    - 20% annual cap on non-homestead properties \$5M or less
    - Franchise tax relief for small businesses (increased exemption to \$2.47M in revenue from \$1M)
    - Counties of more than 75,000 people may elect three members of their countywide appraisal boards, starting in May 2024.

# Property Tax Rate History

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- Last property tax increase was in FY 2004 (\$0.6480)
- Eight consecutive years of tax rate decreases beginning in FY 2017

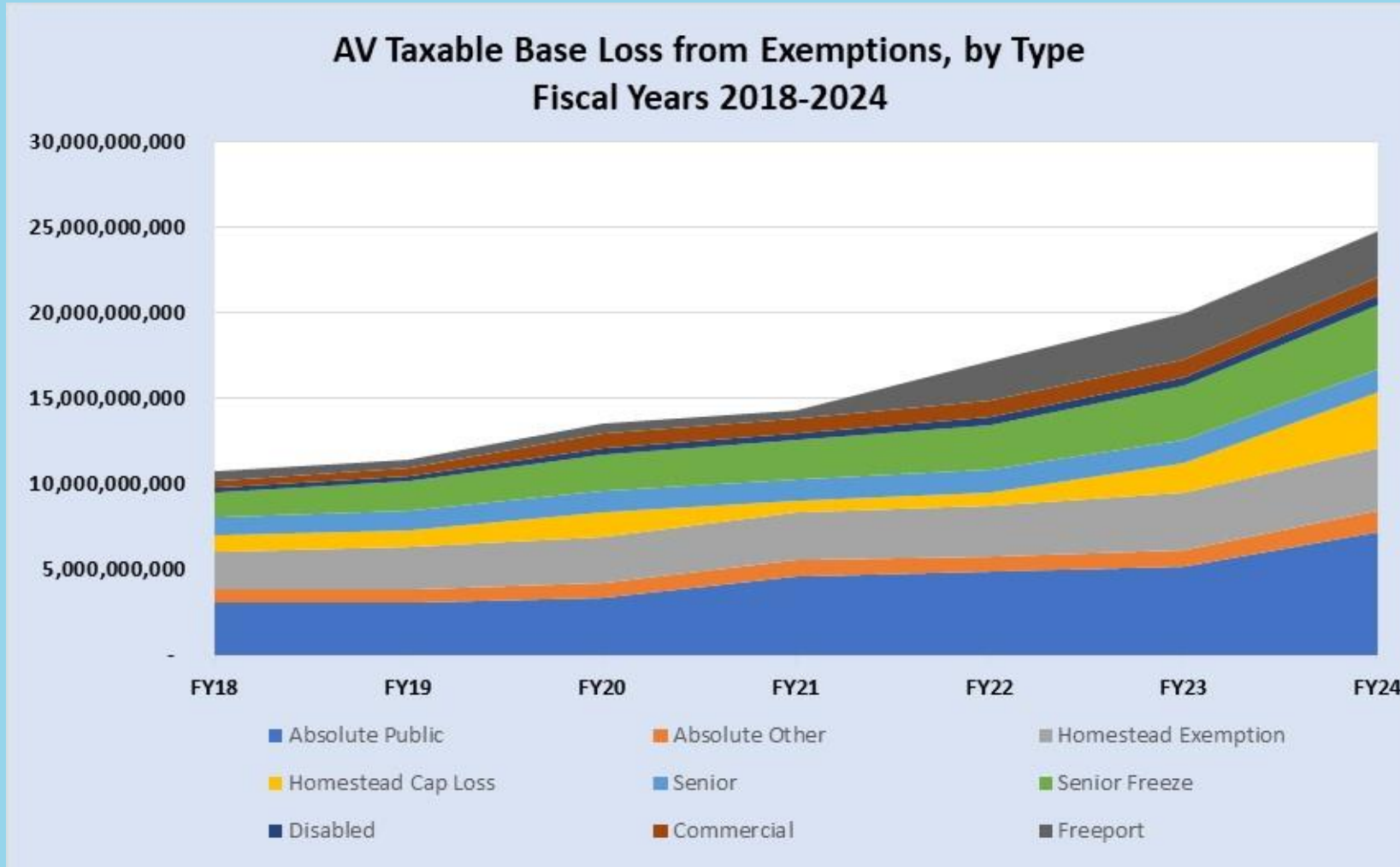
Fiscal Year	Tax Rate	Savings
FY16	\$0.6480	\$0
FY17	\$0.6448	(\$682,222)
FY18	\$0.6398	(\$1,922,585)
FY19	\$0.6348	(\$3,399,432)
FY20	\$0.6240	(\$6,977,535)
FY21	\$0.6225	(\$7,605,648)
FY22	\$0.6198	(\$8,907,133)
FY23	\$0.5998	(\$17,197,252)
FY24	\$0.5898	(\$23,712,157)
Total		(\$70,403,964)

# Market Value to Taxable Value

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Walkthrough	FY 2024 Value	Tax Amount @.5898
Total Market Value	\$61,557,296,009	\$363,064,932
Capped Accts and Deferrals (Agricultural & Scenic)	(\$3,176,046,799)	(\$18,732,324)
Public/Charity/Religious Exemptions (inc. ARBs)	(\$8,482,583,796)	(\$50,030,279)
Personal Exemptions (inc. Homestead, Ceilings, & ARBs)	(\$5,337,384,533)	(\$31,479,894)
Business Exemptions (inc. ARBs)	(\$3,818,743,693)	(\$22,522,950)
Total Taxable Value	\$40,742,537,188	\$240,299,484

# Favorable Tax Policy – Exemptions



# Favorable Tax Policy – Exemptions

## Exemptions By Tax Year (% of Levy)

Fiscal Year	FY18	FY19	FY20	FY21	FY22	FY23	FY24
% of Absolute Exempted	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
% of Residential Exempted	34.5%	35.6%	37.4%	34.7%	35.4%	37.6%	38.9%
% of Commercial Exempted	3.6%	4.2%	6.7%	5.9%	6.9%	6.6%	6.3%
% of Freeport Exempted	43.3%	34.4%	30.8%	28.1%	63.8%	66.4%	64.8%
Total % Exempted	32.2%	31.6%	33.0%	33.2%	36.7%	37.6%	39.8%

## Exemptions By Tax Year (Levy \$ Amount)

Fiscal Year	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Absolute Exemption Total	25,116,389	24,975,362	26,915,828	34,975,846	35,947,047	37,146,370	50,030,279
Residential Exemption Total	37,905,277	42,011,585	49,739,137	46,116,104	50,314,470	60,434,511	73,947,790
Commercial Exemption Total	2,576,342	3,379,465	6,015,623	5,345,430	6,181,511	6,409,567	6,496,604
Freeport Exemption Total	3,853,119	2,792,336	3,245,495	2,664,981	13,896,224	16,082,373	15,810,008
Total Exemptions	69,451,126	73,158,749	85,916,083	89,102,361	106,339,252	120,072,820	146,284,682

➤ City-wide exemptions save the taxpayers \$146,284,682

# Property Tax Rates

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	<b>FY 2023</b>	<b>FY 2024</b>	<b>Increase (Decrease)</b>
<b>General Fund Tax Rate</b>	<b>40.30</b>	<b>40.80</b>	<b>0.50</b>
<b>Debt Service Tax Rate</b>	<b>19.68</b>	<b>18.18</b>	<b>(1.50)</b>
<b>Total Property Tax Rate</b>	<b>59.98</b>	<b>58.98</b>	<b>(1.00)</b>

**No New Revenue Tax Rate: \$0.5336 per \$100 of assessed value**

**Voter Approval Tax Rate with Unused Increment: \$0.6425 per \$100 of assessed value**



# Change in Average Home Value

Fiscal Year	Average Homestead Market Value	Average Homestead Taxable Value	Tax Rate	Property Tax Amount
FY 2018	\$ 177,521	\$ 128,783	\$ 0.6398	\$ 823.95
FY 2019	\$ 191,733	\$ 140,455	\$ 0.6348	\$ 891.61
FY 2020	\$ 215,308	\$ 155,869	\$ 0.6240	\$ 972.62
FY 2021	\$ 214,473	\$ 160,895	\$ 0.6225	\$ 1,001.57
FY 2022	\$ 220,951	\$ 172,899	\$ 0.6198	\$ 1,071.63
FY 2023	\$ 265,184	\$ 195,553	\$ 0.5998	\$ 1,172.93
FY 2024	\$ 317,785	\$ 226,067	\$ 0.5898	\$ 1,333.34

Annual impact on average resident:

\$ 160.42	property taxes
33.12	water rates
6.00	storm water rates
9.00	garbage rates
<hr/>	
\$ 208.54	more per year
\$ 17.38	more per month

# Tax Bill Comparison



**WENDY BURGESS**  
 TARRANT COUNTY  
 TAX ASSESSOR-COLLECTOR

@TarrantCoTax  
 Facebook.com/TarrantCountyTAC

100 E. Weatherford, Fort Worth, TX 76196  
 (817) 884-1100  
 e-mail:taxoffice@tarrantcounty.com  
 web:www.tarrantcounty.com

DATE: 05/31/2023

## 2022 TAX STATEMENT

IN GOD WE TRUST

V1.13  
 1

ACCOUNT:

LEGAL:

OWNER:

PARCEL ADDRESS:

EXEMPTIONS: HS001

Visit our website for online credit card and eCheck payments  
 Pay by phone at 817-884-1110

LAND VALUE	IMPROVEMENT VAL	APPRAISED VALUE				
40,000	155,066	195,066				
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
ARLINGTON CITY	195,066	39,013	156,053	0.599800	936.01	0.00
TARRANT COUNTY	195,066	0	195,066	0.224000	436.95	0.00
T C HOSPITAL	195,066	0	195,066	0.224429	437.78	0.00
T C COLLEGE	195,066	0	195,066	0.130170	253.92	0.00
ARLINGTON ISD	195,066	40,000	155,066	1.308700	2029.35	0.00
<b>Total Taxes</b>					<b>4,094.01</b>	<b>0.00</b>

# Tax Bill Comparison



**WENDY BURGESS**  
TARRANT COUNTY  
TAX ASSESSOR-COLLECTOR

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V1.13  
1

ACCOUNT:

LEGAL:

OWNER:

PARCEL ADDRESS:

EXEMPTIONS: HS001 OV003

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LAND VALUE	IMPROVEMENT VAL	APPRAISED VALUE				
119,000	81,133	200,133				
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
ARLINGTON CITY	200,133	100,027	100,106	0.599800	167.53	0.00
TARRANT COUNTY	200,133	50,000	150,133	0.224000	184.75	0.00
T C HOSPITAL	200,133	50,000	150,133	0.224429	336.94	0.00
T C COLLEGE	200,133	50,000	150,133	0.130170	66.29	0.00
ARLINGTON ISD	200,133	50,000	150,133	1.308700	443.78	0.00
Total Taxes					1,199.29	0.00

# City Tax Bill Comparison

	Exemptions	2022 Valuation	2022 Tax Bill
House 1	None	\$195,066	\$1,170.01
House 1	HS	\$195,066	\$936.00
House 2	None	\$200,133	\$1,200.40
House 2	HS	\$200,133	\$960.32
House 2	HS, OV65 – No Freeze	\$200,133	\$600.44
House 2	HS, OV65 w/Freeze	\$200,133	\$167.53

➤ Homeowner 1 Savings:

- HS – \$234.00

➤ Homeowner 2 Savings:

- Over 65 Tax Freeze – \$432.91
- HS, Over 65 Exemption/Tax Freeze – \$1,032.87

# Other 2023 Tax Bill Changes

## Current Tax Environment      Proposed Tax Environment

	Entity	Tax Rate	Taxable Value	Taxes	Tax Rate	Taxable Value	Taxes	2023 Savings
House 1	County	0.2240	\$195,066	\$437	0.2240	\$175,559	\$393	\$44
House 1	TC Hospital	0.2244	\$195,066	\$438	0.2244	\$175,559	\$394	\$44
House 1	TC College	0.1302	\$195,066	\$254	0.1302	\$195,066	\$254	\$0
House 1	AI SD	1.3087	\$155,066	\$2,029	1.2017	\$95,066	\$1,142	\$887*
House 2	County	0.2240	\$150,133	\$185	0.2240	\$135,120	\$185	\$0
House 2	TC Hospital	0.2244	\$150,133	\$337	0.2244	\$135,120	\$303	\$34
House 2	TC College	0.1302	\$150,133	\$66	0.1302	\$150,133	\$66	\$0
House 2	AI SD	1.3087	\$110,133	\$444	1.2017	\$50,133	\$444	\$0

**\$974  
Total  
2023 Tax  
Bill  
Savings**

**\$34 Total  
2023 Tax  
Bill  
Savings**

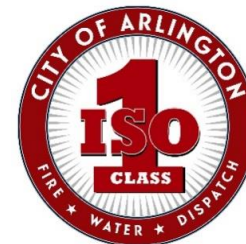
\* Subject to November 2023 election



# Budget Development



# BEST PRACTICES



Transparency Stars  
Recognizing Local Transparency Achievements



# Budget Strategy

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- Balanced and in accordance with City's Financial Policies
- Advances Priorities while maintaining Core Services
- Follows ARP investment plan
- Sustains Employee Compensation
- Maintains Favorable Tax Policy
- Satisfies State Statutory Requirements



# Budget Development Process

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- Comprehensive Financial Forecast
- Department reviews
- All items considered included in Budget Document (Other Budget Information)
- Reconciliation of Positions (adds, deletes, reorganizations)

# American Rescue Plan (ARP)

Arlington allocation = \$81.5M

## Spend to Date:

- FY 2021 Spend – \$11,974,932  
Lifted hiring freeze, funded suspended employee compensation increase and street maintenance sales tax projects
- FY 2022 Spend – \$19,731,002  
Restored budget and service cuts taken in FY 2021  
Significant investments in Public Safety enhancements
- FY 2023 Spend – \$33,723,456  
Continued public safety investments funded in FY 2022  
Water Infrastructure Investments

# FY 2024 ARP Investment

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- Fire – \$6.2M
- Police – \$1.7M
- Water – \$4.3M
- Total Use – \$12.2M

# Restoring ARP to General Fund

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- FY 2023 – \$3,571,108 restored to the General Fund
  - Restored funding for FY 2021 voluntary departmental budget cuts
- FY 2024 – \$3,803,930 impact to the General Fund
  - Restores funding to positions frozen in FY 2021

<b>General Fund Impact</b>	<b>Annually</b>	<b>Cumulative</b>
FY23	\$ 3,571,108	\$ 3,571,108
FY24	\$ 3,803,930	\$ 7,375,038
FY25 Planned	\$ 4,128,046	\$ 11,503,084
FY26 Planned	\$ 3,820,636	\$ 15,323,720

# ARP Investment Plan to Date

<b>Total COA ARP Funding</b>			<b>\$</b>	<b>81,498,709</b>	
<b>Allocated To Date</b>	<b>Recurring</b>	<b>One-time</b>		<b>Total</b>	
FY21 Use	\$ -	\$ 11,974,932	\$	11,974,932	
FY22 Use	14,146,473	5,584,529		19,731,002	
FY23 Use	11,023,456	22,700,000		33,723,456	
FY24 Use	7,948,682	4,300,000		12,248,682	
<b>Total Allocated</b>	<b>\$ 33,118,612</b>	<b>\$ 44,559,461</b>	<b>\$</b>	<b>77,678,073</b>	
<b>Future Use</b>				<b>Total</b>	
FY25 Planned	\$ 3,820,636	\$ -	\$	3,820,636	
<b>Total Future Use</b>	<b>\$ 3,820,636</b>	<b>\$ -</b>	<b>\$</b>	<b>3,820,636</b>	
<b>Grand Total Use</b>	<b>\$ 36,939,248</b>	<b>\$ 44,559,461</b>	<b>\$</b>	<b>81,498,709</b>	<b>100%</b>
<b>General Fund Impact</b>	<b>Annually</b>	<b>Cumulative</b>			
FY23	\$ 3,571,108	\$ 3,571,108			
FY24	\$ 3,803,930	\$ 7,375,038			
FY25 Planned	\$ 4,128,046	\$ 11,503,084			
FY26 Planned	\$ 3,820,636	\$ 15,323,720			
<b>Remaining ARP Funds</b>			<b>\$</b>	<b>-</b>	<b>0%</b>

# City Contributions to the State

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- Sales Tax Service Fee – \$3M
- Court Fines – \$3.8M
- Payments to Other Agencies – \$0.62M
- Total – \$7.4M
- 2.1 Cents on Tax Rate



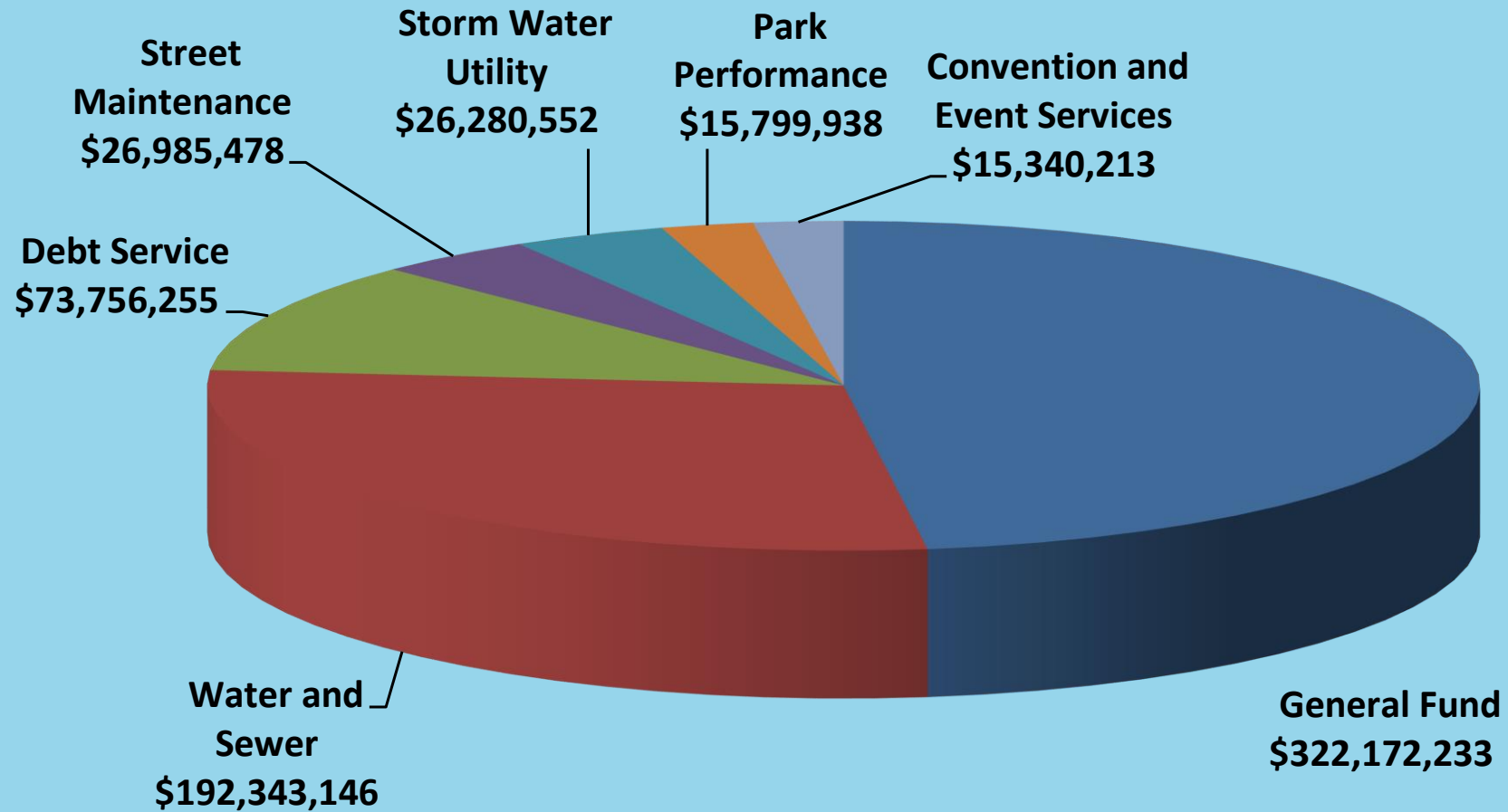
# FY 2024 Budget

# All Funds – Operating Positions

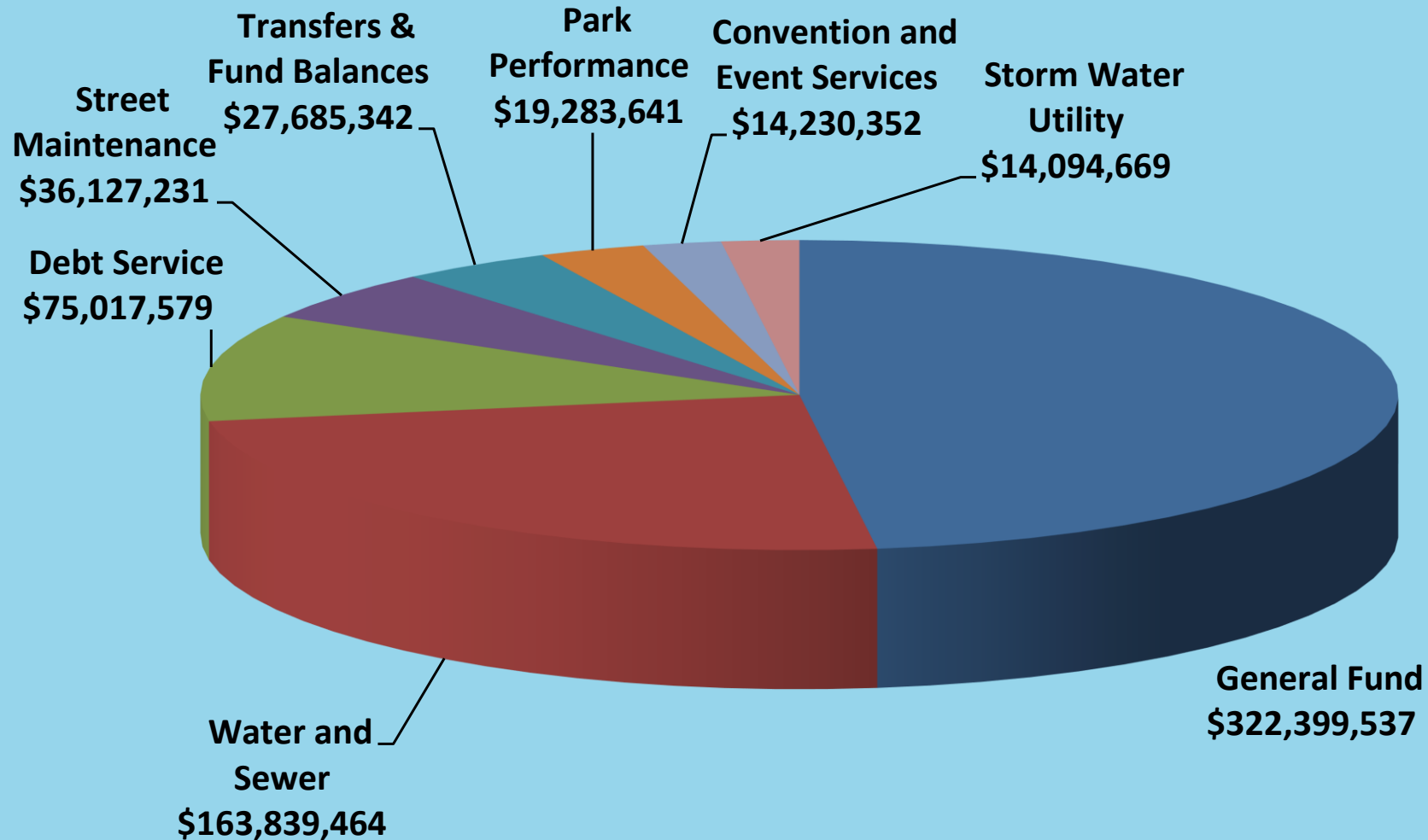
<b>Funding Source / Use</b>	<b>General Fund</b>	<b>Water and Sewer Fund</b>	<b>Convention and Event Services Fund</b>	<b>Park Performance Fund</b>	<b>Storm Water Utility Fund</b>	<b>Street Maintenance Fund</b>	<b>Debt Service Fund</b>	<b>Totals</b>
Beginning Balance	\$ -	\$ -	\$ 2,739,363	\$ 1,203,998	\$ 311,418	\$ 2,370,657	\$ 1,982,891	\$ 8,608,327
Total Revenues	\$ 322,172,233	\$ 192,343,146	\$ 15,340,213	\$ 15,799,938	\$ 26,280,552	\$ 26,985,478	\$ 73,756,255	\$ 672,677,815
Total Interfund Transfers	\$ 292,005	\$ (28,450,088)	\$ (3,847,161)	\$ 2,547,415	\$ (12,424,652)	\$ 7,190,083	\$ 1,536,324	\$ (33,156,074)
Total Available Funds	\$ 322,464,238	\$ 163,893,058	\$ 14,232,415	\$ 19,551,351	\$ 14,167,318	\$ 36,546,218	\$ 77,275,470	\$ 648,130,068
Total Expenditures	<u>\$ 322,399,537</u>	<u>\$ 163,839,464</u>	<u>\$ 14,230,352</u>	<u>\$ 19,283,641</u>	<u>\$ 14,094,669</u>	<u>\$ 36,127,231</u>	<u>\$ 75,017,579</u>	<u>\$ 644,992,473</u>
Ending Balance	\$ 64,701	\$ 53,594	\$ 2,063	\$ 267,710	\$ 72,649	\$ 418,987	\$ 2,257,891	\$ 3,137,595



# City Revenues by Fund



# City Expenditures by Fund

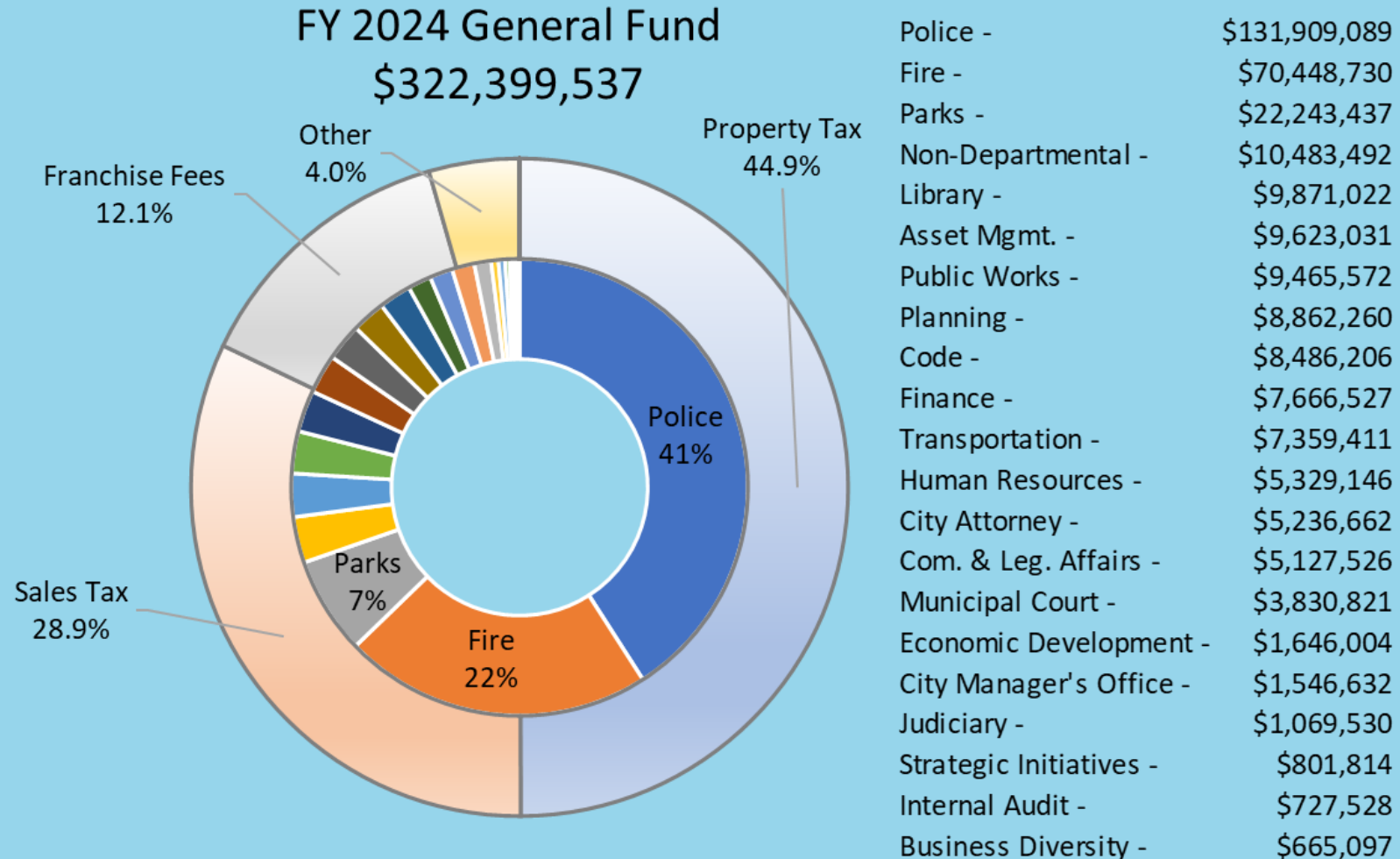


# Summary of Expenditure Changes

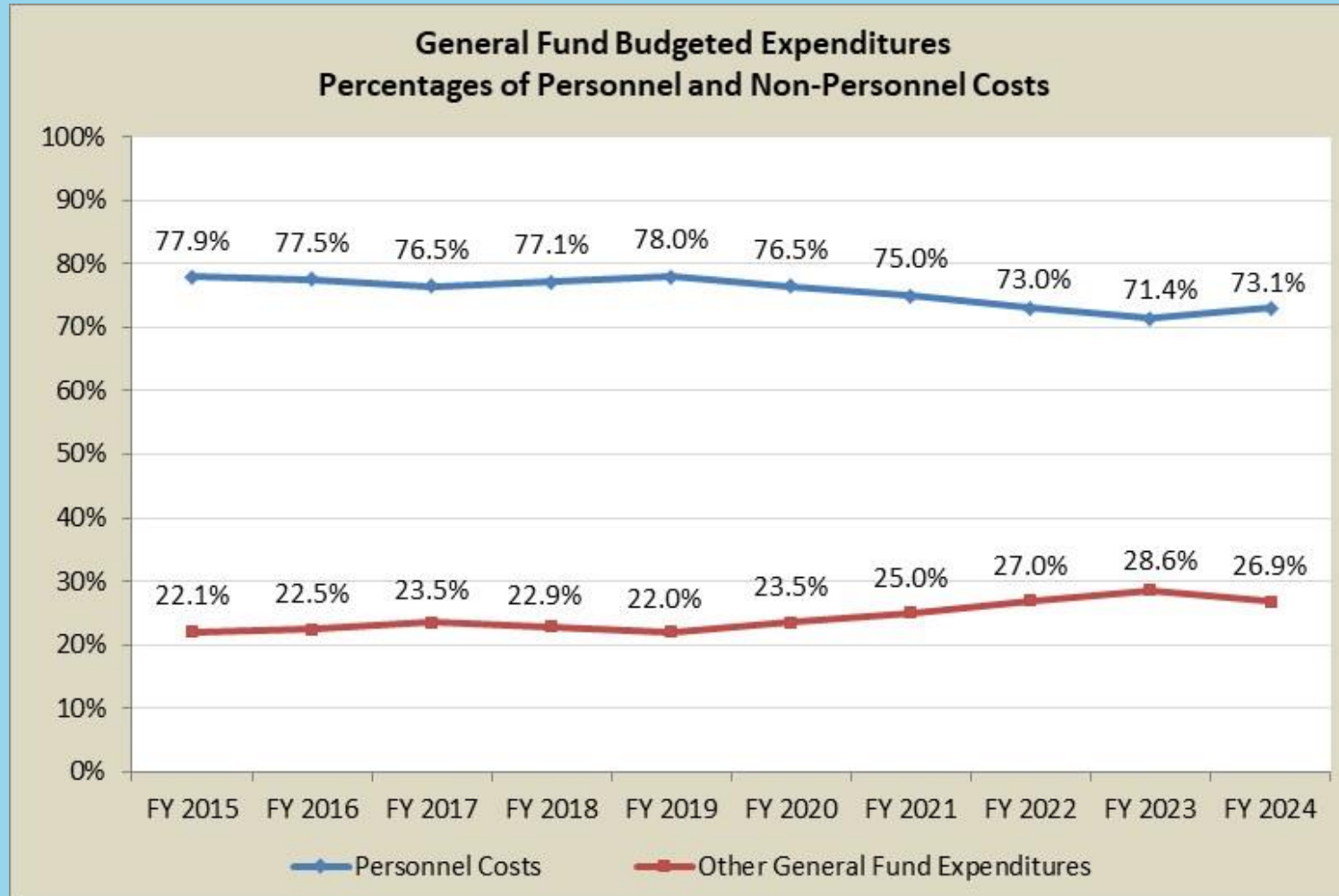
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	FY 2023 Amended Budget	FY 2024 Budget	Percent Change
General Fund	\$ 296,408,323	\$ 322,399,537	8.8%
Water and Sewer Fund	156,199,837	163,839,464	4.9%
Debt Service Fund	72,174,466	75,017,579	3.9%
Street Maintenance Fund	34,442,339	36,127,231	4.9%
Park Performance Fund	17,381,941	19,283,641	10.9%
Transfers & Fund Balances	23,288,302	27,685,342	18.9%
Convention and Event Services	11,681,711	14,230,352	21.8%
Storm Water Utility Fund	12,765,873	14,094,669	10.4%
Total Expenditures	\$ 624,342,792	\$ 672,677,815	7.7%

# General Fund Budget by Department



# General Fund Expenditures



# General Fund Revenue Changes

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- Ad Valorem Revenue
  - Reduction in rate of 1.0 cent
  - Up \$19.4M for FY 2024 budget
- Sales Tax revenue is projected to be \$93.1M in FY 2024, which is \$6.4M above the FY 2024 budget
- Overall increase in General Fund revenue of \$31.6M in FY 2024 budget

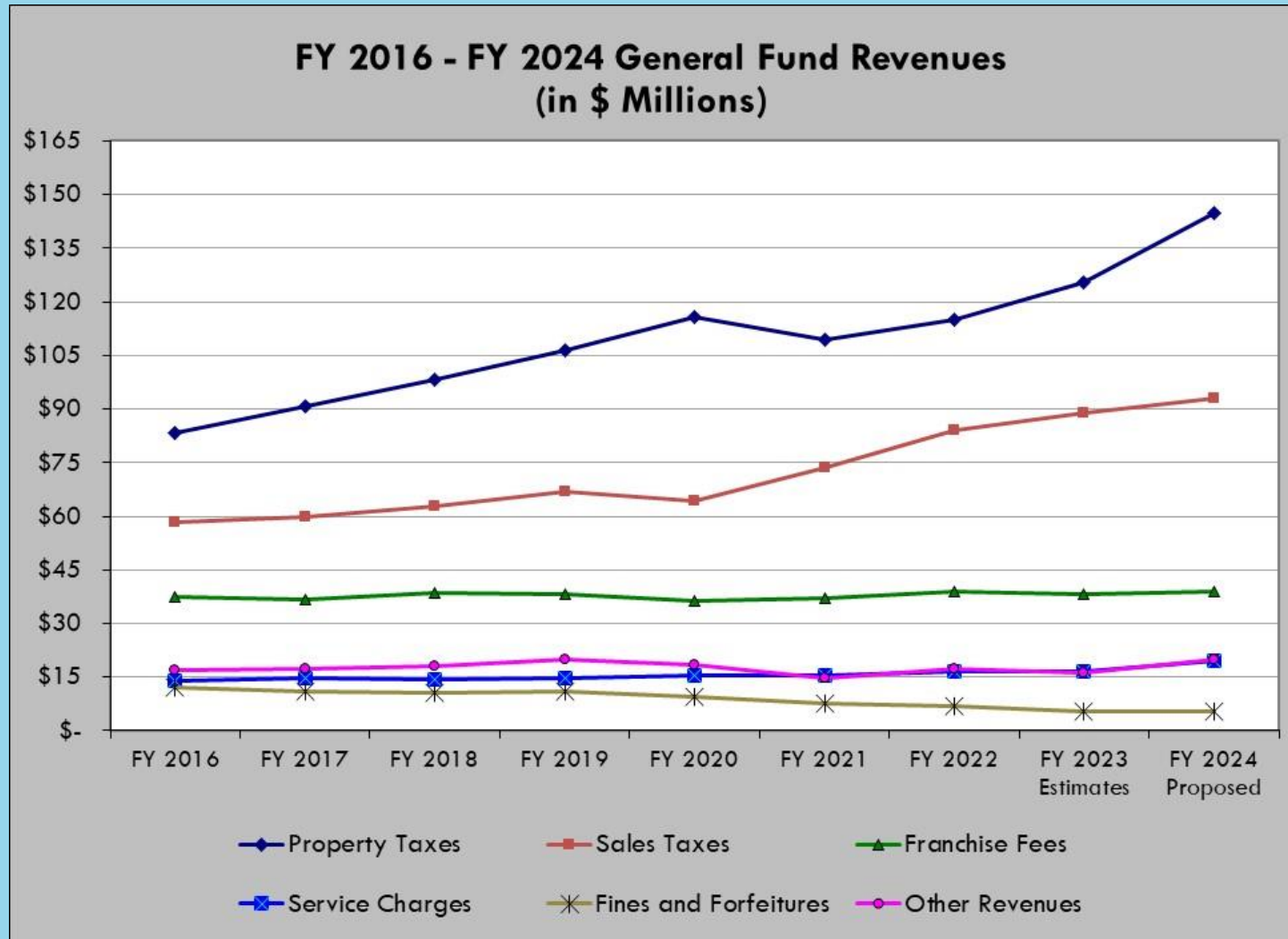
# General Fund Revenue Changes

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## ➤ Other Revenues

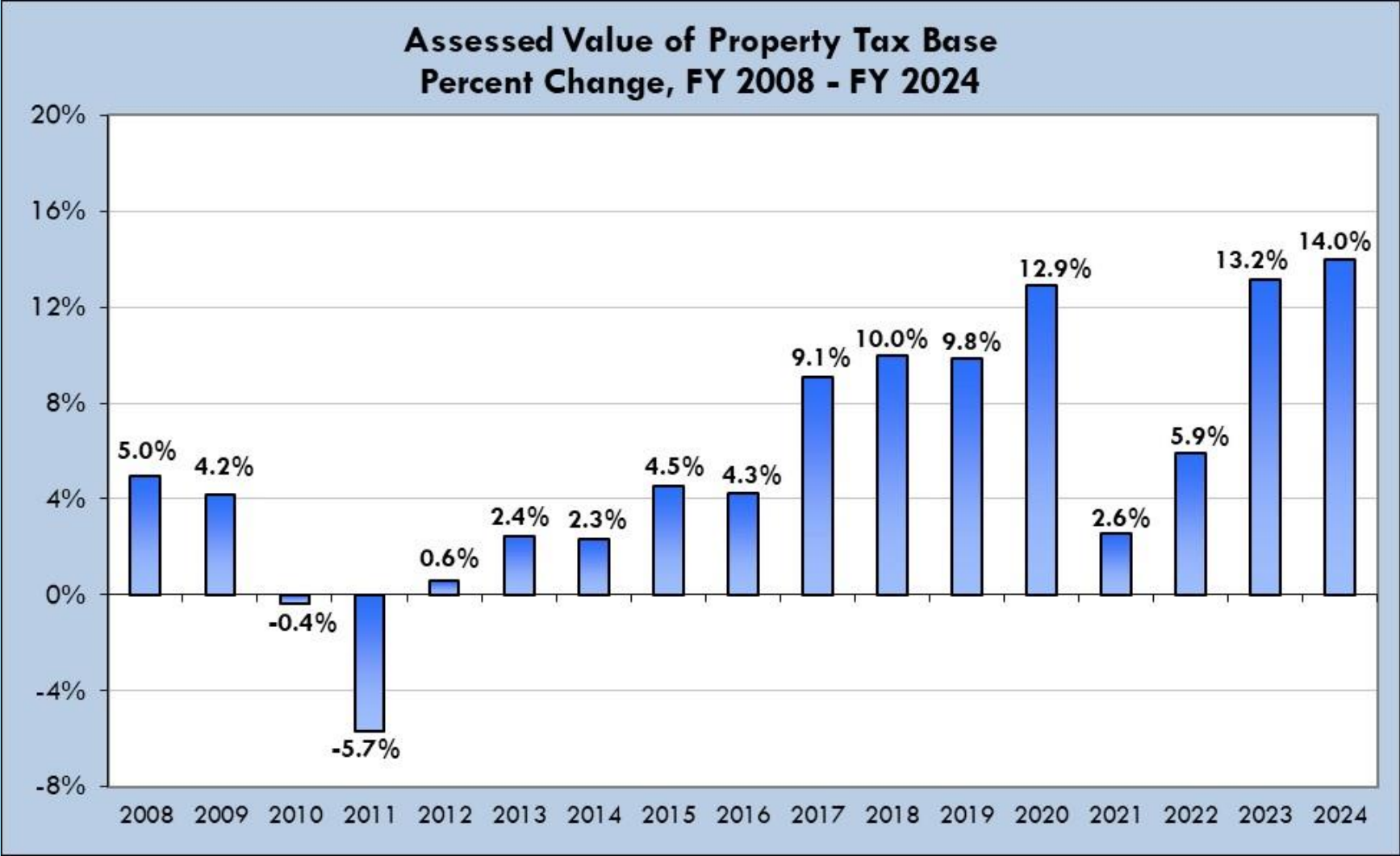
- Municipal Court down \$1.70M (22.6%) from FY 2023
- Interest income up by \$2.88M
- Franchise Fees up by \$1.97M, largely due to methane royalties and water franchise fees

# General Fund Revenues

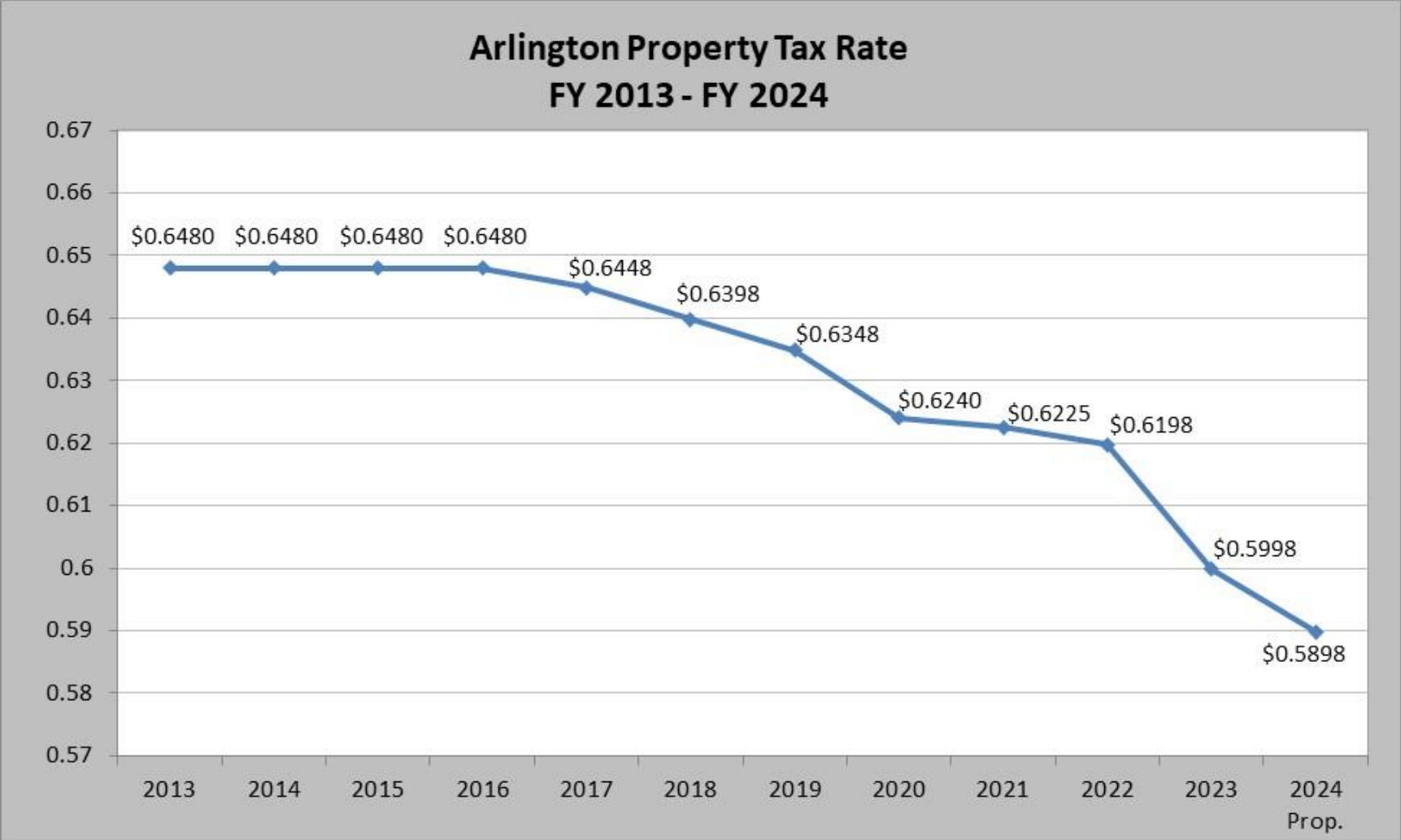




# Property Tax Base

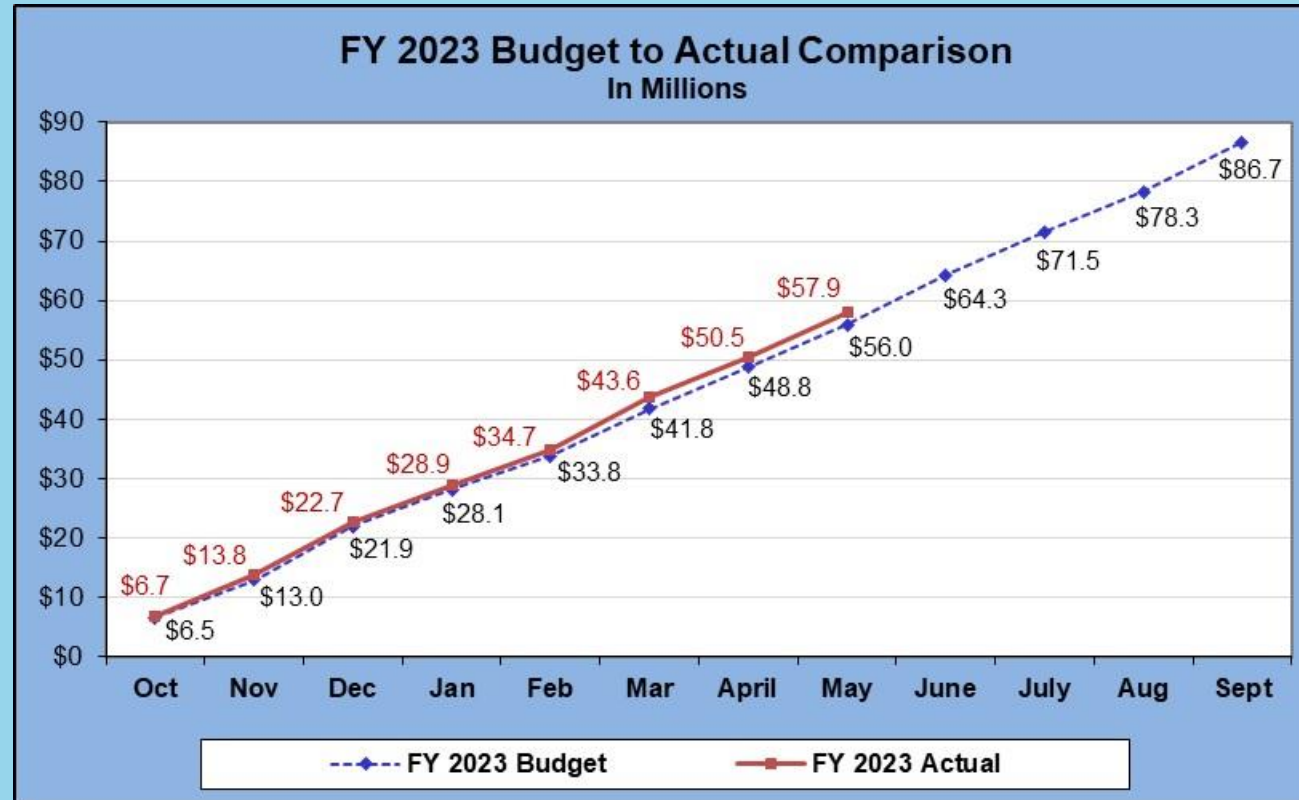
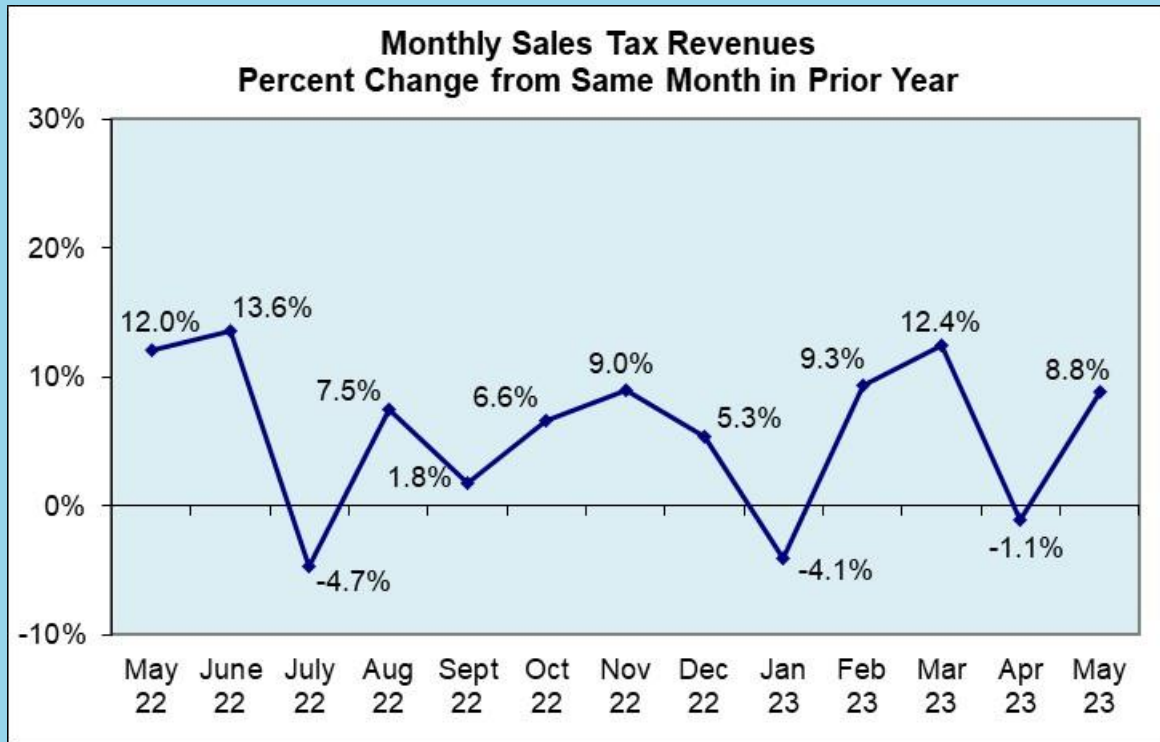


# Property Tax Rate



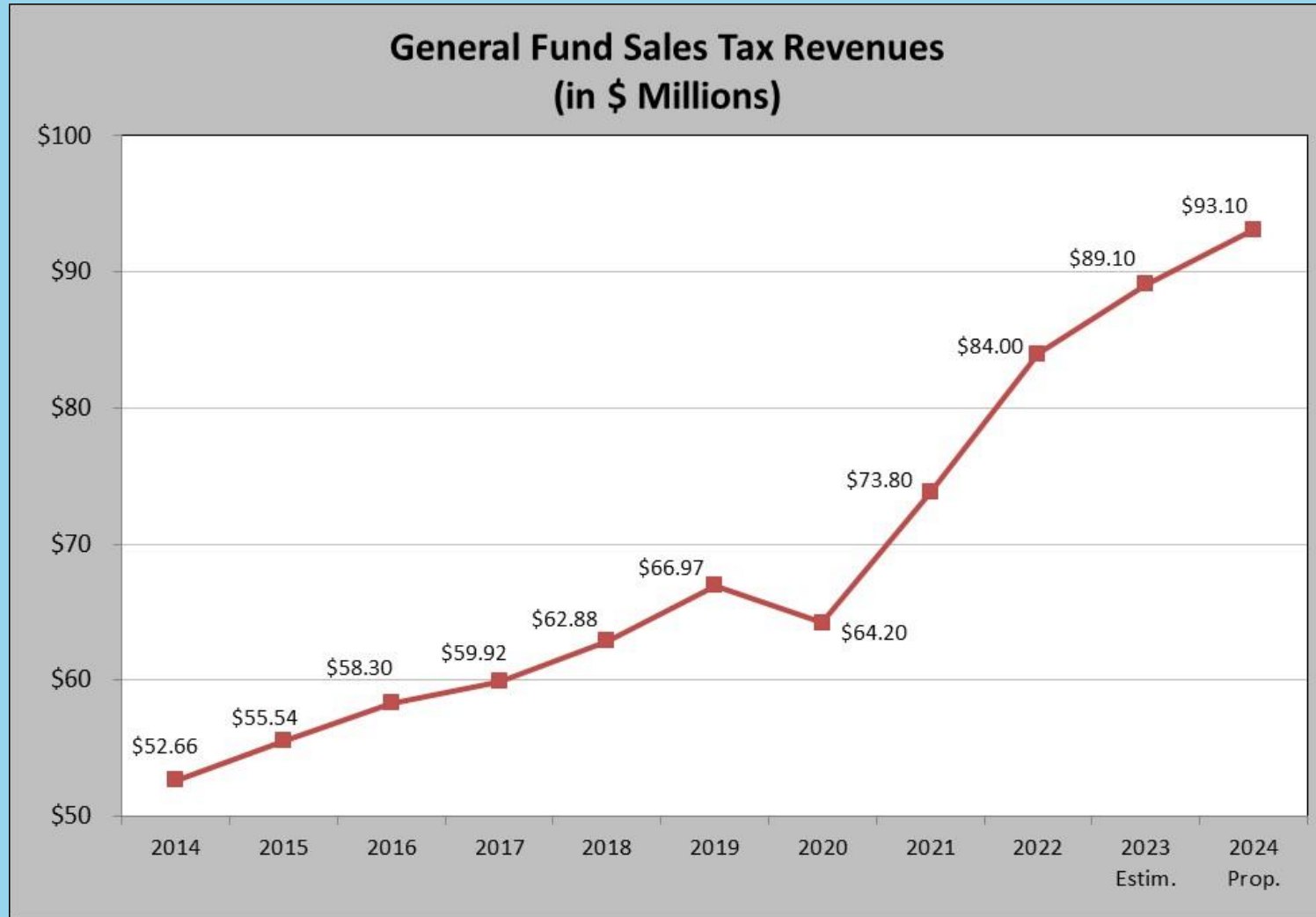
# Sales Tax Revenue Trends

Through May, sales tax revenue in the General Fund is \$1,983,189 (3.5%) above the weighted monthly budget amount for the year to date. The current estimate for the year is \$89.1 million, which is \$2.4 million (2.8%) above budget.



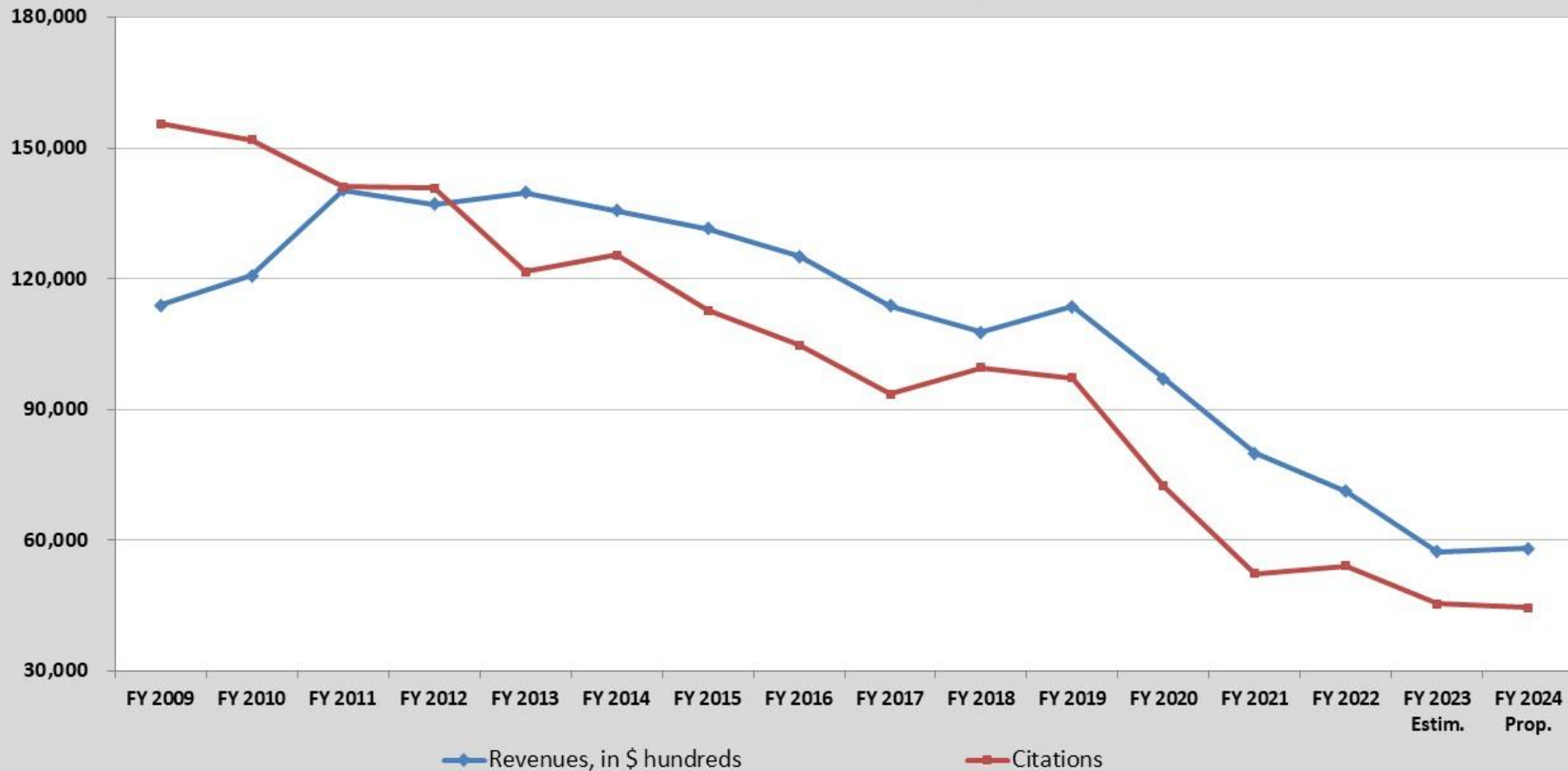
Through May, receipts are \$3,188,545 (5.8%) above what the City received last year. Receipts are up from the prior year in nine of the last 12 months.

# Sales Tax Revenue History



# Municipal Court Revenues and Citations

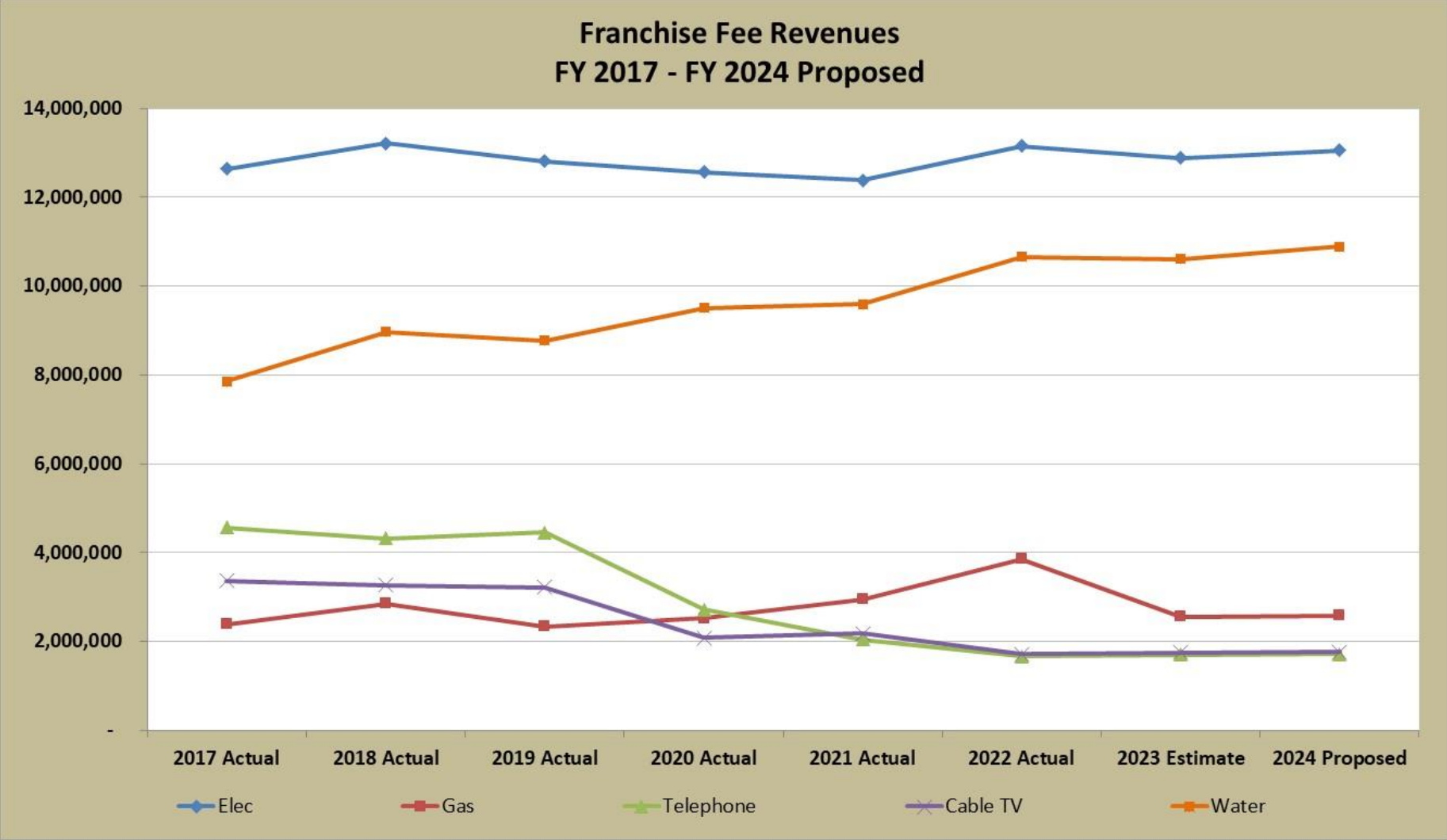
Municipal Court Revenues and Citations  
FY 2009 - FY 2024 Proposed Budget



In FY 2024, the proposed revenue for the Municipal Court is \$5.8 million.

The estimate for the number of citations is approximately 44,000.

# Franchise Fee Revenues





# Compensation & Benefits

# Compensation Adjustments

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- Compensation adjustments effective October 2023 range from 2%-6% and vary by Job Family
  - City-wide impact – \$9.5M
  - General Fund impact – \$8.8M
- Additional compensation for:
  - 9-1-1 Dispatchers \$519,131
  - Code Compliance \$305,410 (to be implemented current year)
- Public Safety Step Plan Maintained
  - Police – \$955,595
  - Fire – \$764,164
  - Total (including benefits) – \$1.7M



# Compensation History

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- FY 2019
  - Increases ranged from 2.5% to 5.7%
- FY 2020
  - 2% Across-the-board increase
  - Raise was suspended
- FY 2021
  - No Raise Budgeted
  - Mid-year Amendment, 2% recurring, 2% one-time
- FY 2022
  - 3% Across-the-board
- FY 2023
  - 6% COLA increase, 2% mid-year increase

# Sworn Personnel Market Comparison

6% compensation adjustment for all sworn personnel

	Current Metro Average Comparison	Rank	6% Raise Comparison*	Rank
Officer	+1.7%	7 <sup>th</sup> of 15	+4.6%	3 <sup>rd</sup> of 15
Sergeant	+1.0%	6 <sup>th</sup> of 14	+3.9%	5 <sup>th</sup> of 14
Lieutenant	+2.3%	3 <sup>rd</sup> of 12	+5.3%	1 <sup>st</sup> of 12

	Current Metro Average Comparison	Rank	6% Raise Comparison*	Rank
Firefighter	+1.4%	5 <sup>th</sup> of 15	+4.4%	4 <sup>th</sup> of 15
Apparatus Operator	+2.7%	7 <sup>th</sup> of 15	+5.7%	4 <sup>th</sup> of 15
Lieutenant	+1.5%	4 <sup>th</sup> of 9	+4.4%	3 <sup>rd</sup> of 9
Captain	+2.2%	6 <sup>th</sup> of 15	+5.2%	3 <sup>rd</sup> of 15
Battalion Chief	+2.5%	6 <sup>th</sup> of 15	+5.5%	2 <sup>nd</sup> of 15

\* Assumes 3% general market movement 10/1/2023

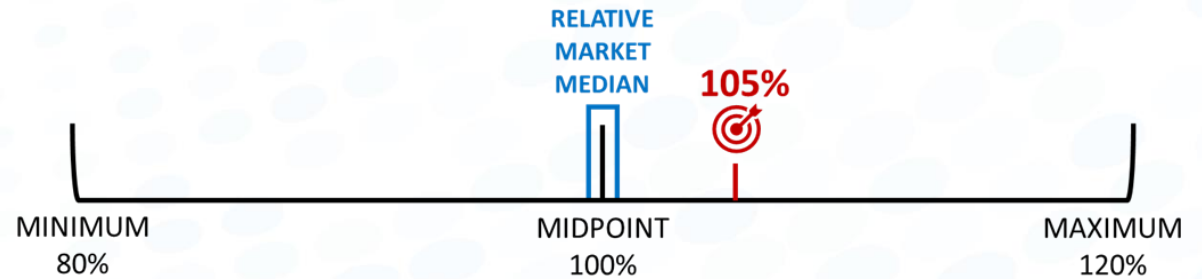
# Civilian Personnel Market Comparison

## Full Market Study Completed in 2022

Last year's market data adjusted 3.5% for FY 2023

## Compensation Goal: Median Pay at 105% of Market

## Make Pay Adjustments to Maintain Goal



Job Family	Current Market Comparison (Apr. 2023)	FY 2024 Raises Comparison*
Administrative/Clerical (AC)	106.9%	105.9%
Engineering (EN)	106.9%	107.0%
Information Technology (IT)	113.2%	112.2%
Management/Professional (MP)	106.5%	108.4%
Technical/Skilled Craft (TC)	103.8%	105.9%

\* Assumes 3% general market movement 10/1/2023

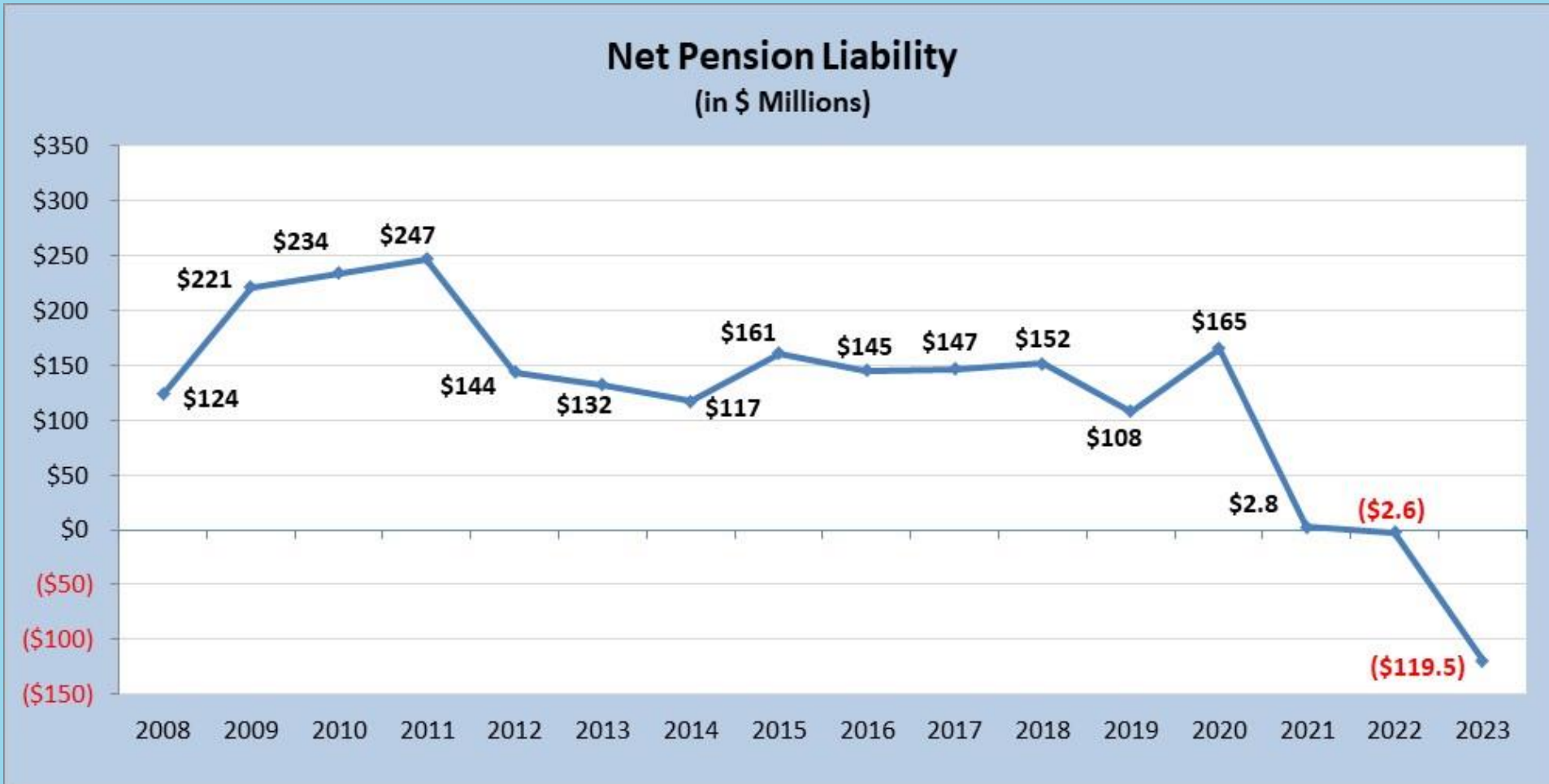
FY 2024 Raises by Job Family – TC: 3%, AC/EN/MP: 2%, IT: 2% One-time

# FY 2024 Proposed Health Plan Budget

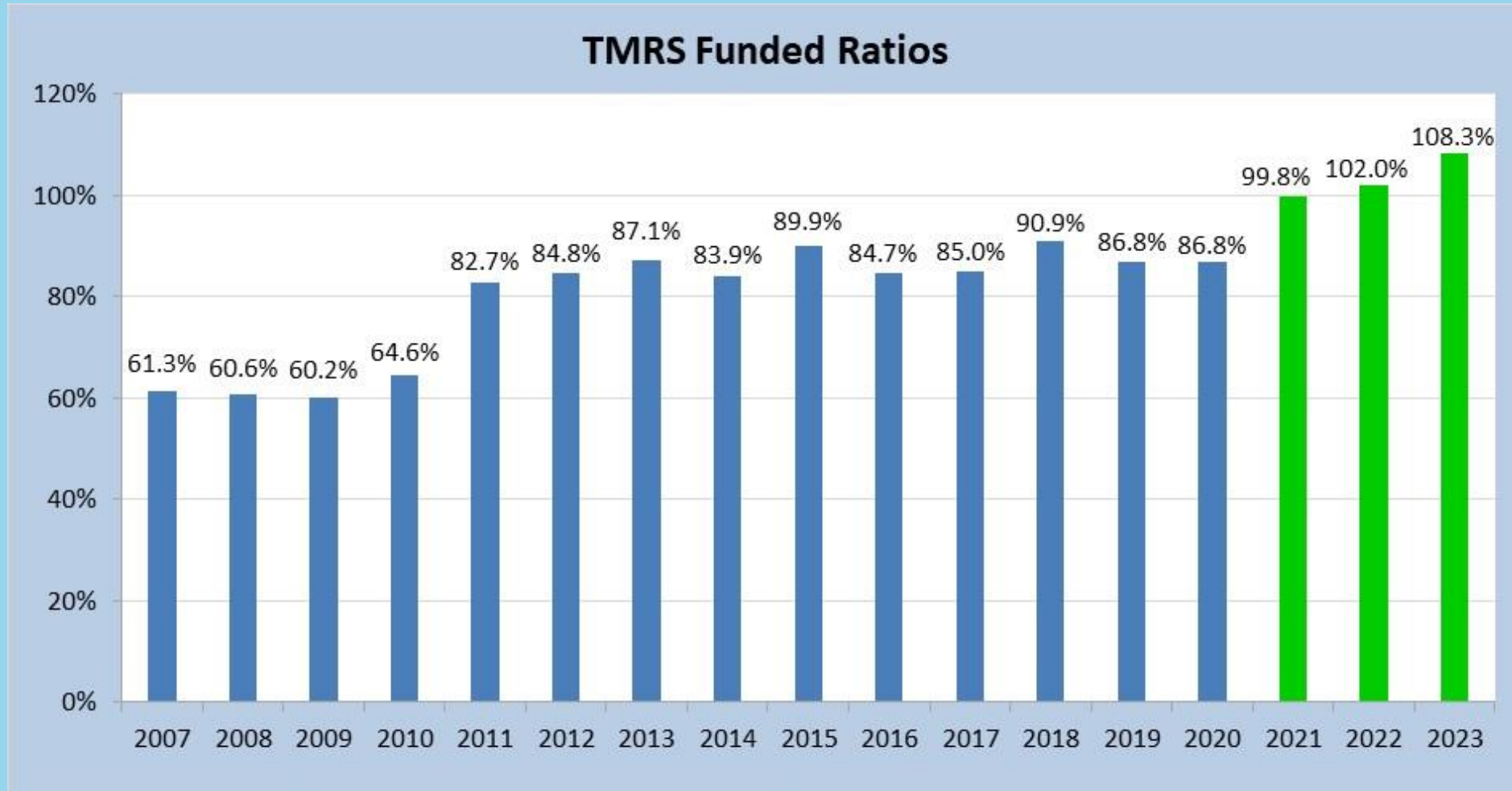
- No proposed increase to either City or Employee's share of Health Insurance rate contributions for FY 2024

Fiscal Year	*EE/Retiree	City	Total
2023 Annual Contributions	\$3,600,000	\$29,000,000	\$32,600,000
2024 Annual Contributions	\$3,600,000	\$29,000,000	\$32,600,000
<i>Difference</i>	-	-	-

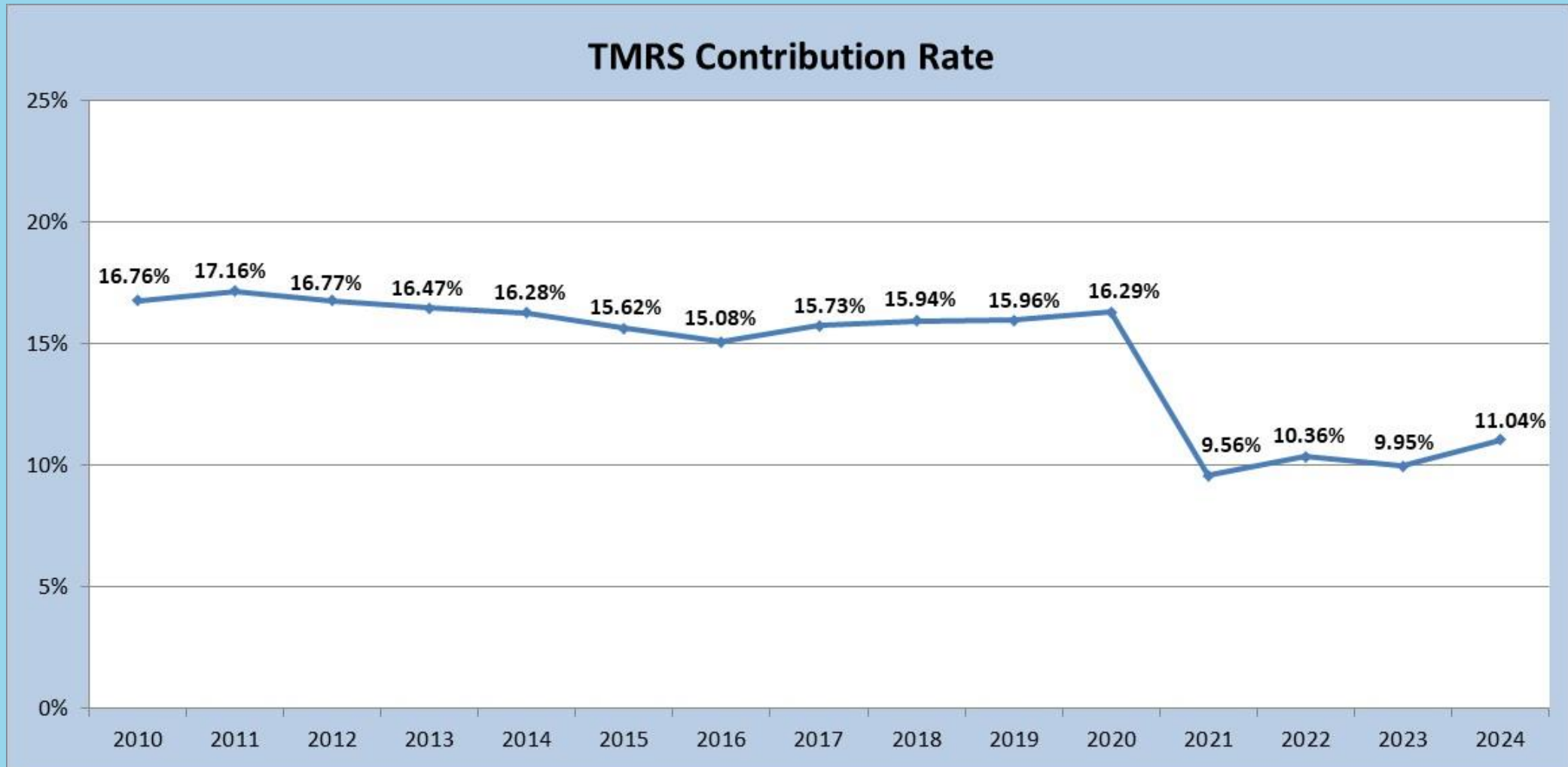
# TMRS Net Pension Liability



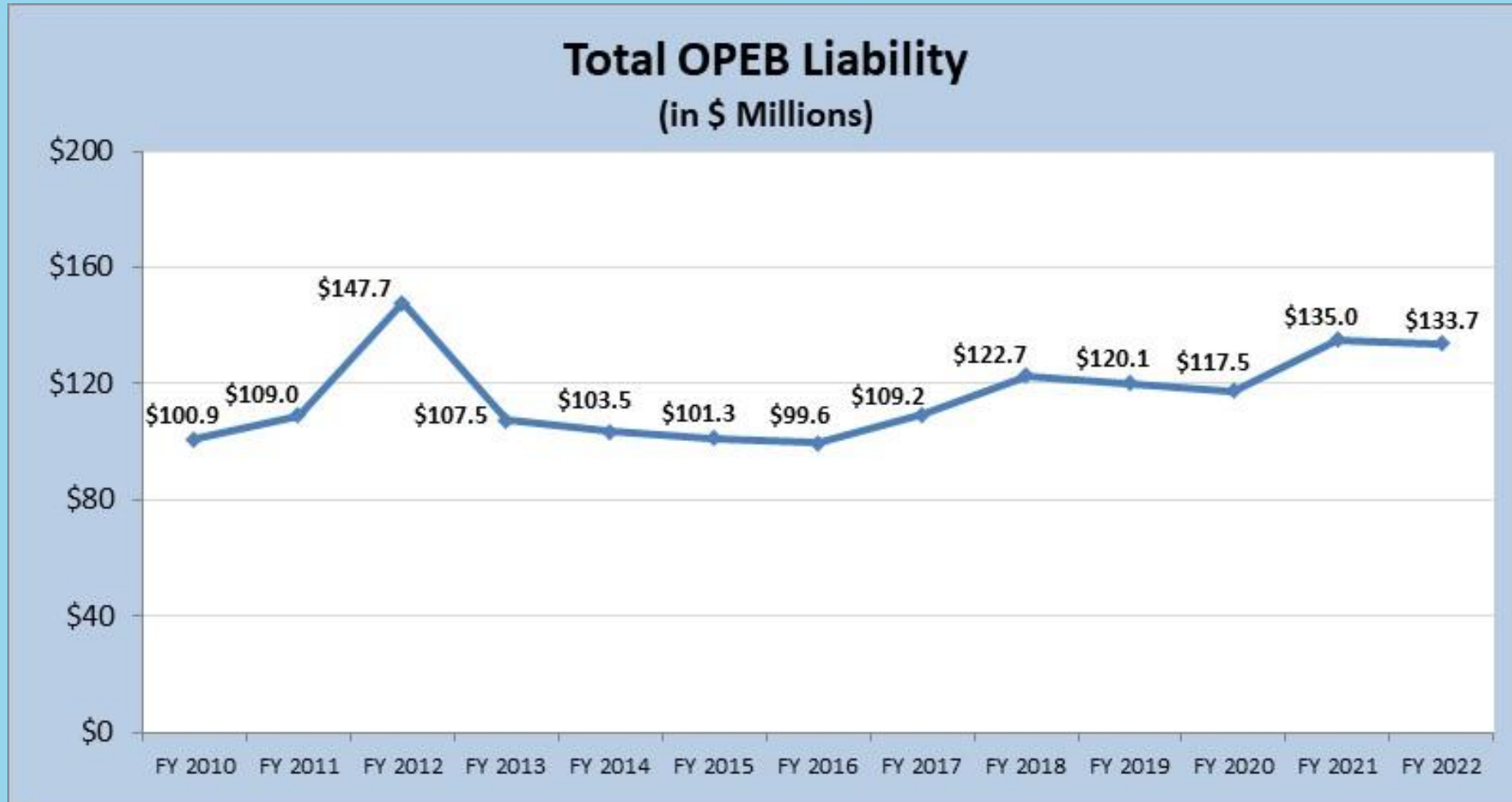
# TMRS Funded Ratios



# TMRS Contribution Rate

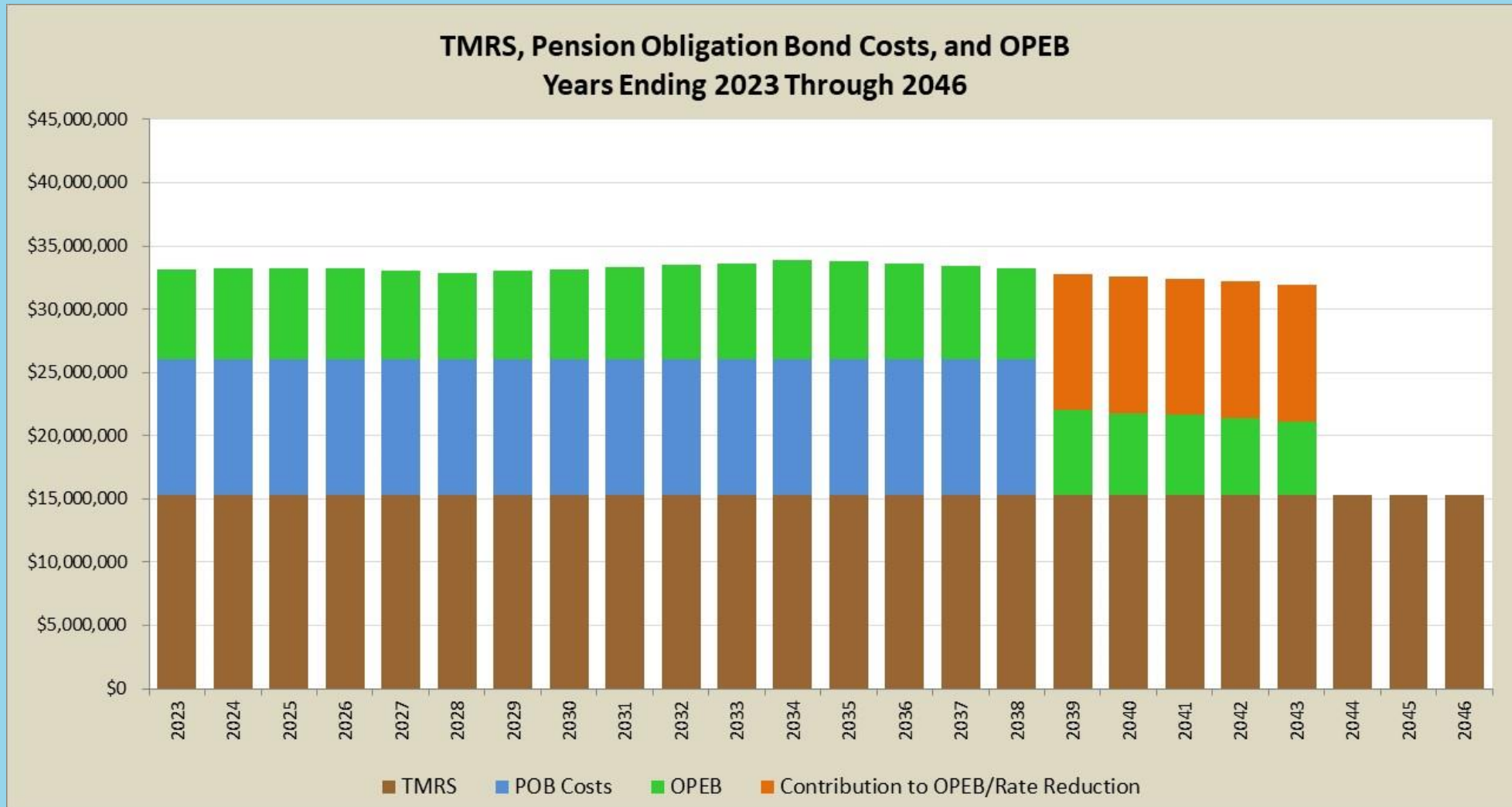


# Other Post-Employment Benefits





# TMRS, Bond Costs, and OPEB





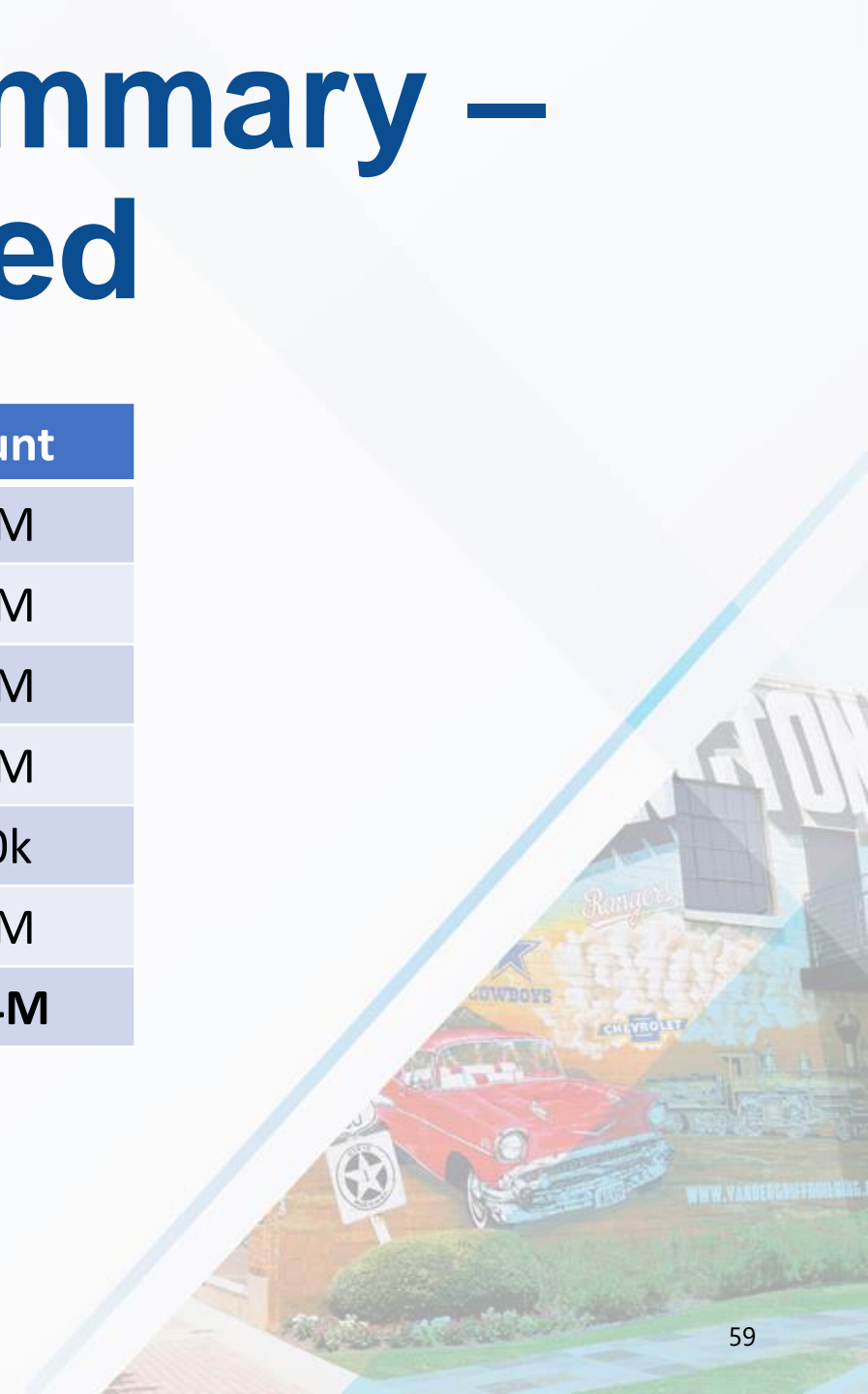
# FY 2024 New Funded Items



# Recurring Funding Summary – General Fund Supported

Category	Amount
Mandates & Contractual Increases	\$1.4M
Employee Compensation & Benefits	\$9.2M
Technology Maintenance & Security	\$1.5M
Public Safety	\$9.0M
Parks & Facility Maintenance	\$980k
Priorities & Needs	\$7.2M
<b>Total*</b>	<b>\$29.4M</b>

\*Total includes Internal Service Fund Depts.



# Use of One-time Funds in FY 2024

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- Fire Apparatus – \$1.95M
- Fire Bunker Gear (Final Round of Second Set) – \$370,323
- Enterprise IT Projects – \$2.4M
- Fleet Replacement Program – \$1.3M
- Small Business Capacity Building Initiative – \$550,000
- ADA Updated Transition Plan – \$450,000
- SE Green Oaks Green Screen Project – \$175,000
- Funding for Reserves – \$5.1M

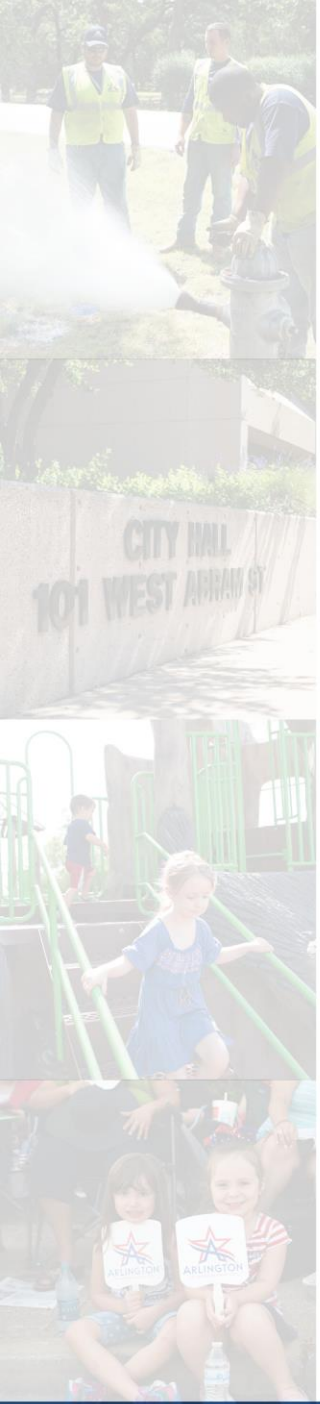
# Source of One-time Funds in FY 2024

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- Water Infrastructure Reimbursement – \$7.9M
- Parks General Gas – \$1.17M
- Ending Balances in Fleet Services, Communication Services & Information Technology Funds – \$3.3M

# FY 2024 Budget Proposals One-time & Recurring

	Approved Requests			Declined Requests		
	No.	FTEs	Amount	No.	FTEs	Amount
General Fund Total	98	70	\$23,122,374	51	47	\$12,274,225
Other Funds Total	89	28	\$30,694,911	16	6	\$2,691,564
City Total	187	98	\$53,817,285	67	53	\$14,964,789



# Mandates & Contractual Increases

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- Risk Management Insurance Increase – \$348,647
- Tarrant Appraisal District Assessment Services – \$117,119
- Security Guard Contract – \$127,000
- Contract Increases for Parks Mowing – \$371,628
- City-wide Custodial Contract Increase – \$370,233

# Technology Maintenance & Security

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- Software Maintenance & Licenses – \$321,608
- Financial System Administrator – \$94,654
- ERP System Costs – \$51,067
- Kronos Replacement– \$120,000
- Enterprise IT Projects – \$576,000



# Parks & Facility Maintenance

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- Active Adult Center Base Funding – \$647,959
- New Park Development O&M – \$61,200
- Parks Building Maintenance – \$75,000
- Linear Trail Litter Clean-up – \$125,000
- Lead Aquatics Maintenance Tech – \$70,459

# Public Safety

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- Fire AEMT Pay – \$481,200
- Fire Captain – \$140,507
- Increased PD Fleet Maintenance Costs – \$188,401
- AISD SRO Program: 5 additional Officers – \$619,856 (Partial Revenue Offset)
- Increased PD clothing allowance – \$85,200
- Police Department Hiring

# Fire Four-Personnel Staffing

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- Phased-in Implementation – Half of the required positions funded in FY 2024
  - 40 Firefighters – \$3,782,809
  - Equipment – \$368,000 (one-time)
- Phasing in four-personnel staffing we can make other Fire investments in FY 2024
  - Bunker Gear (Fourth/Final Round of Second Set) – \$370,323
  - Fire Station Alerting System Update – \$281,495
  - Candidate Physical Ability Test (CPAT) – \$60,000
  - Health & Fitness Provider – \$282,000
  - Fire Apparatus – \$1,950,000

# Priorities & Needs

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- ARP – Fund FY 2021 Frozen Positions – \$3,803,930
- Recurring Building Maintenance – \$875,000
- Recurring Fleet Replacement – \$775,000
- Arlington On-Demand utilization adjustment – \$600,000
- Language Pay adjustment – \$72,000

# Priorities & Needs

---

- 2 Additional Planning Health Inspectors – \$107,290 (Revenue Offset)
- Homeless Camp Mitigation Program – \$96,609
- Professional Services for Form Based Code – \$65,000
- Website Improvements – \$115,750
  - Consider other communication initiatives



# Other Funds

# Convention & Event Services Fund

---

- FY 2024 Revenues are \$1.6M higher than FY 2023
  - Hotel Occupancy Tax up \$1.9M (21%)
  - Esports Stadium & Expo Center revenues down \$773,190
  - Naming rights/rent – \$2.5M
  - Museum Revenues – \$470,000
- FY 2024 Expenditure changes
  - \$450k recurring funding for CVB (\$7M total)
  - \$150k additional recurring funding for Arlington Cultural Tourism Council
  - \$600k for carpet replacement at Convention Center
  - \$1.9M for hallway improvements at Convention Center

# Park Performance Fund

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- FY 2024 revenues are \$1,091,552 higher than FY 2023
- New funding for Golf and Recreation programs – \$2.0M
  - Expenditures offset by \$975,377 in additional revenues
  - Funding for opening Active Adult Center \$927,789
  - Includes one-time funding for Tennis Center improvements – \$700,000
  - Four new full-time positions
- FY 2024 transfers of \$700k from Parks ATF and \$1.2M from Park Fee Fund

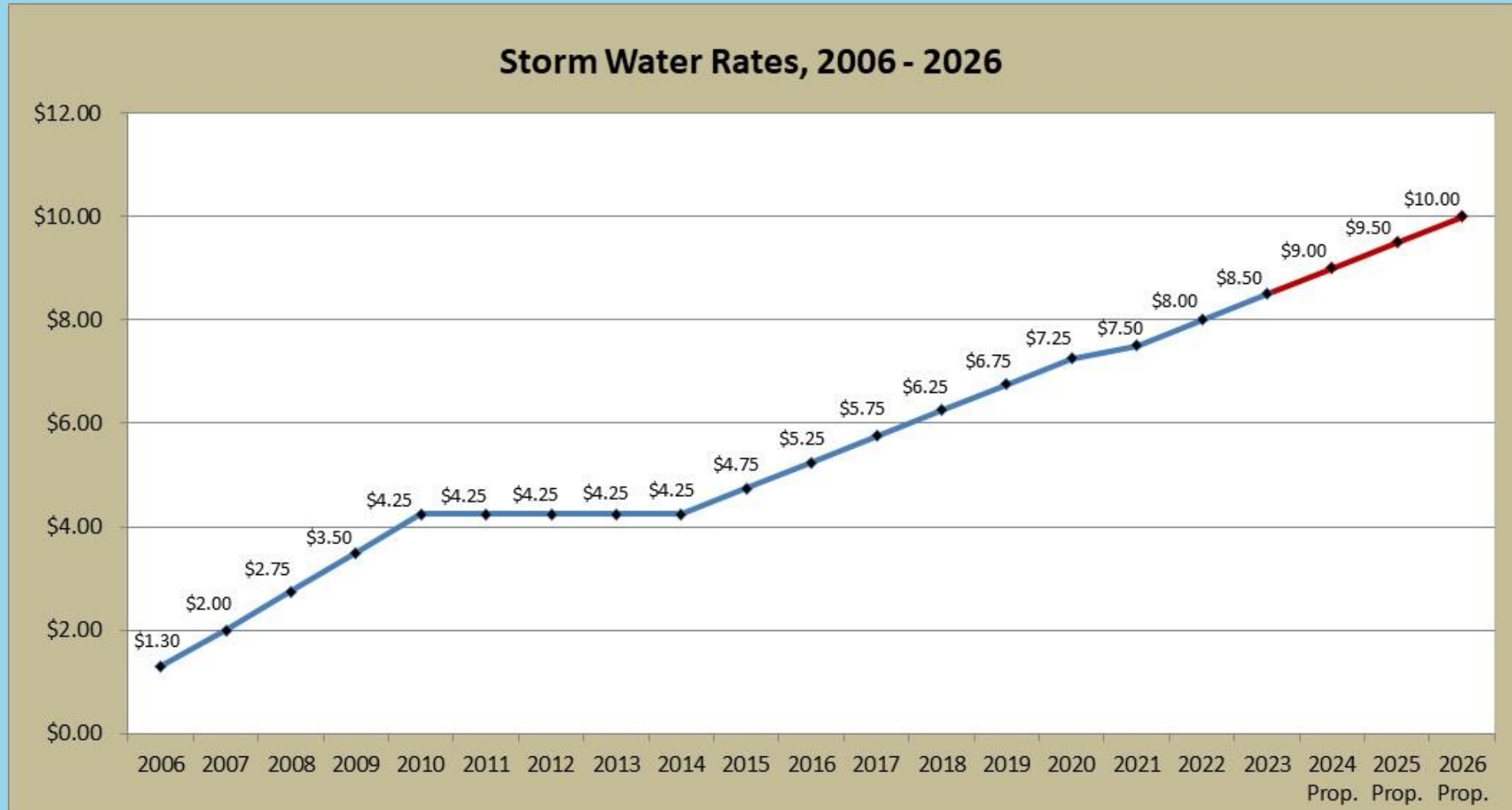


# Storm Water Utility Fund

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- \$0.50 per month increase in residential drainage utility rates
  - FY 2024 Revenues are \$2.2M higher than FY 2023
- Additional expenditures include debt service increase of \$820,353 and PILOT increase of \$3,205
- Total of \$584,865 added for street sweeping, channel mowing, environmental collections, 2 new full-time positions (Engineer and Environmental Specialist), and hydrology and flood monitoring software
- \$11.1M contribution to Pay-Go Capital Projects

# Storm Water Utility Fund



# Street Maintenance Fund

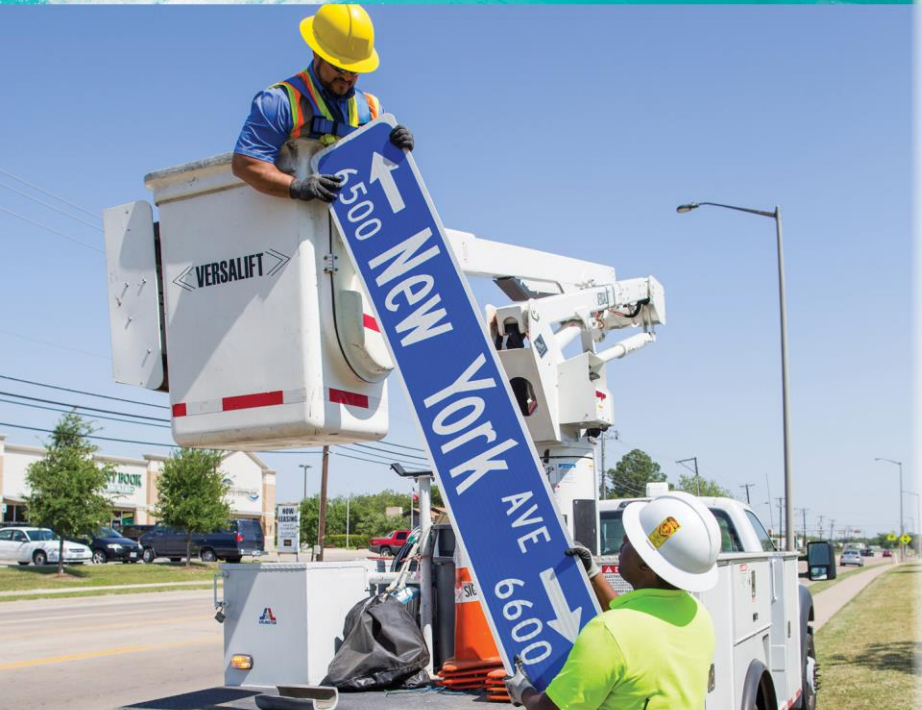
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- Sales tax revenue increase of \$3.34M (14.7%) above FY 2023 budget amount
- Expenditures
  - One-time increase of \$5.0M for contracted street maintenance
  - \$90,000 for Overhead Digital Signs
  - \$250,000 for South Field Operations Facility upgrades to ensure storm water compliance

# Debt Service Fund

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- Revenues up \$5.0M (property taxes and interest revenue)
- Expenditures up \$2.8M for principal and interest payments
- Transfers from other funds – \$1.54M (pension bond contributions)



# Water Utilities

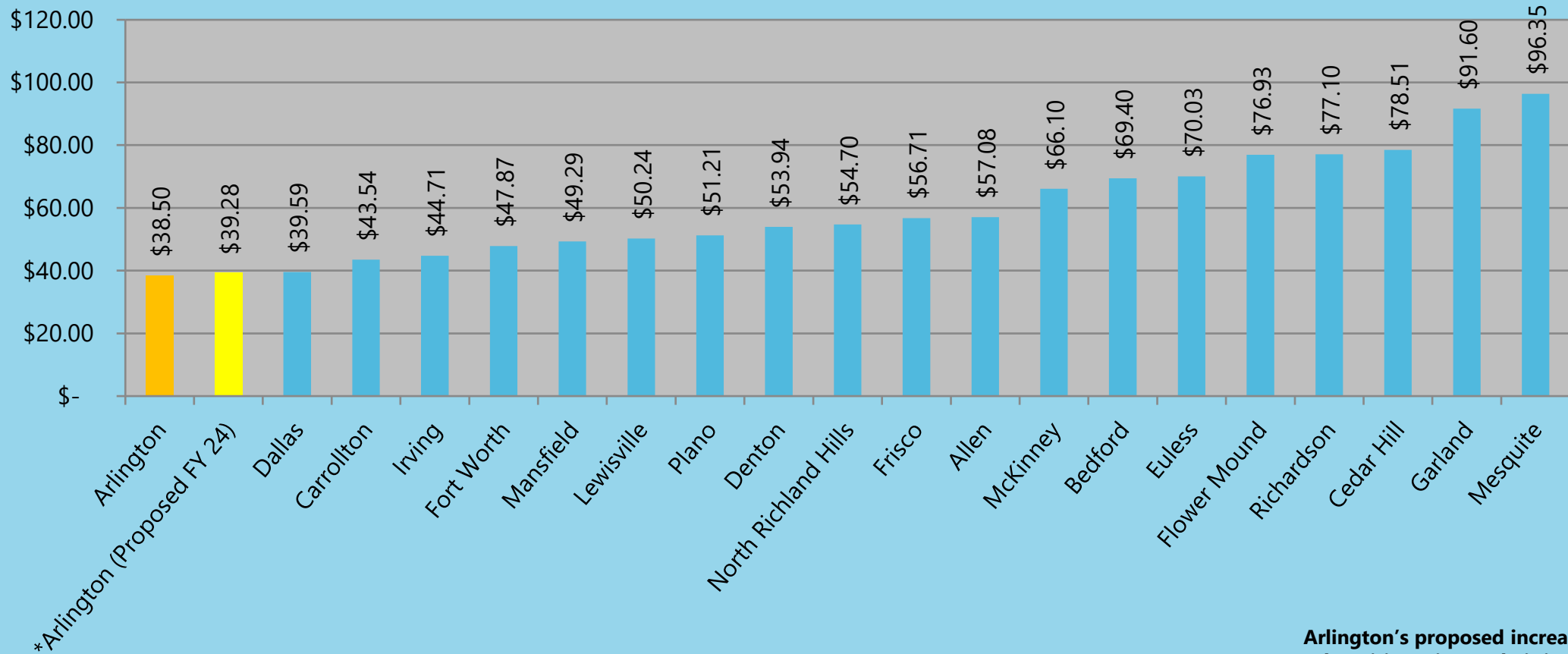
# Water Utilities

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- 4% Rate increase for the residential minimal and average users for FY 2024
  - Other Revenues are \$1.5M more than FY 2023
- FY 2024 Expenditures are \$7.6M more than FY 2023
  - \$5.3M Increase in Wastewater Treatment Costs
  - \$1.6M Increase in Inflow & Infiltration Flow Reduction Efforts Costs
  - \$0.7M Increase in Other Services
- \$23.4M contribution to Pay-Go Capital Projects

# Residential Water Rates for 10,000 Gallons

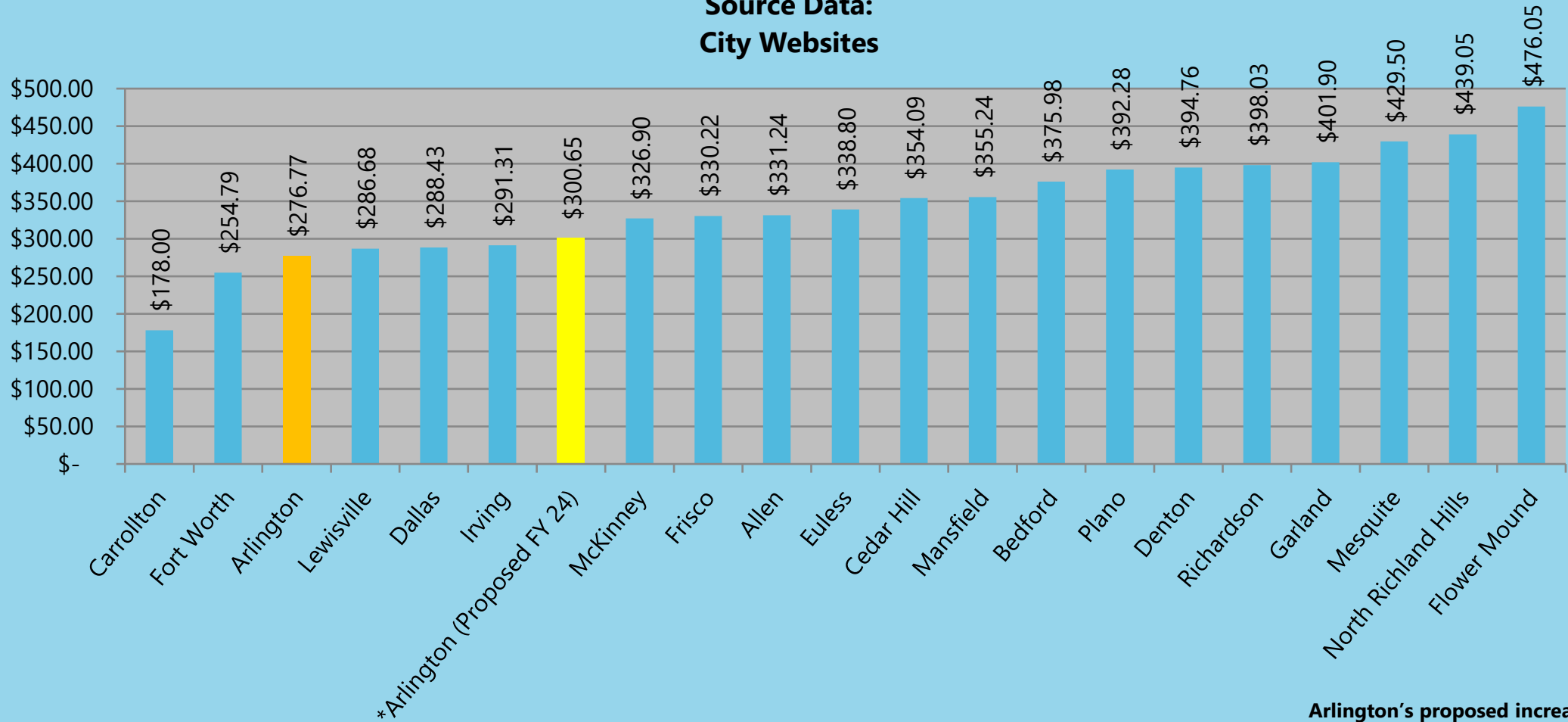
Source Data:  
City Websites



Arlington's proposed increase compared to other cities prior to their increase

# Commercial Water Rates for 50,000 Gallons

Source Data:  
City Websites



Arlington's proposed increase compared to other cities prior to their increase



# Water Fixed Monthly Charge

Meter Size	FY 2023	Proposed FY 2024
	Residential and Commercial	Residential and Commercial
5/8 x 3/4	\$7.46/\$10.82	\$7.61/\$11.04
3/4 x 3/4	\$16.39	\$16.72
1	21.96	24.16
1-1/2	52.57	57.83
2	91.77	100.95
3	216.40	238.04
4	344.43	378.87
6	802.16	882.38
8	1254.23	1379.65
10	1885.31	2073.84

# Residential Water Volumetric Rate Block Structure

---

Usage (1,000 gal)	FY 2023	<i>Proposed FY 2024</i>
0 - 2	\$2.12	\$2.16
3 - 10	2.93	2.99
11 - 15	4.22	4.30
16 - 29	6.09	6.39
≥ 30	7.33	7.70

# Commercial Water Volumetric Rate Block Structure

---

Usage (1,000 gals)	FY 2023	<i>Proposed FY 2024</i>
0 - 15	\$3.56	\$3.84
≥ 16	3.76	4.06

# Construction Water Volumetric Rate Block Structure

---

<b>Usage (1,000 gal)</b>	<b>FY 2023</b>	<b><i>Proposed FY 2024</i></b>
<b>0-99</b>	<b>\$6.57</b>	<b>\$7.10</b>
<b>≥ 100</b>	<b>8.27</b>	<b>8.93</b>

# Sewer Fixed Monthly Charge

Meter Size	FY 2023	Proposed FY 2024
	Residential and Commercial	Residential and Commercial
5/8 x 3/4	\$8.03/\$13.60	\$8.40/\$14.42
3/4 x 3/4	\$19.52	\$20.69
1	25.44	29.26
1-1/2	56.36	64.81
2	94.88	109.11
3	293.24	337.23
4	437.52	503.15
6	1190.25	1368.79
8	1568.18	1803.41
10	2268.40	2608.66

# Sewer Volumetric Rate

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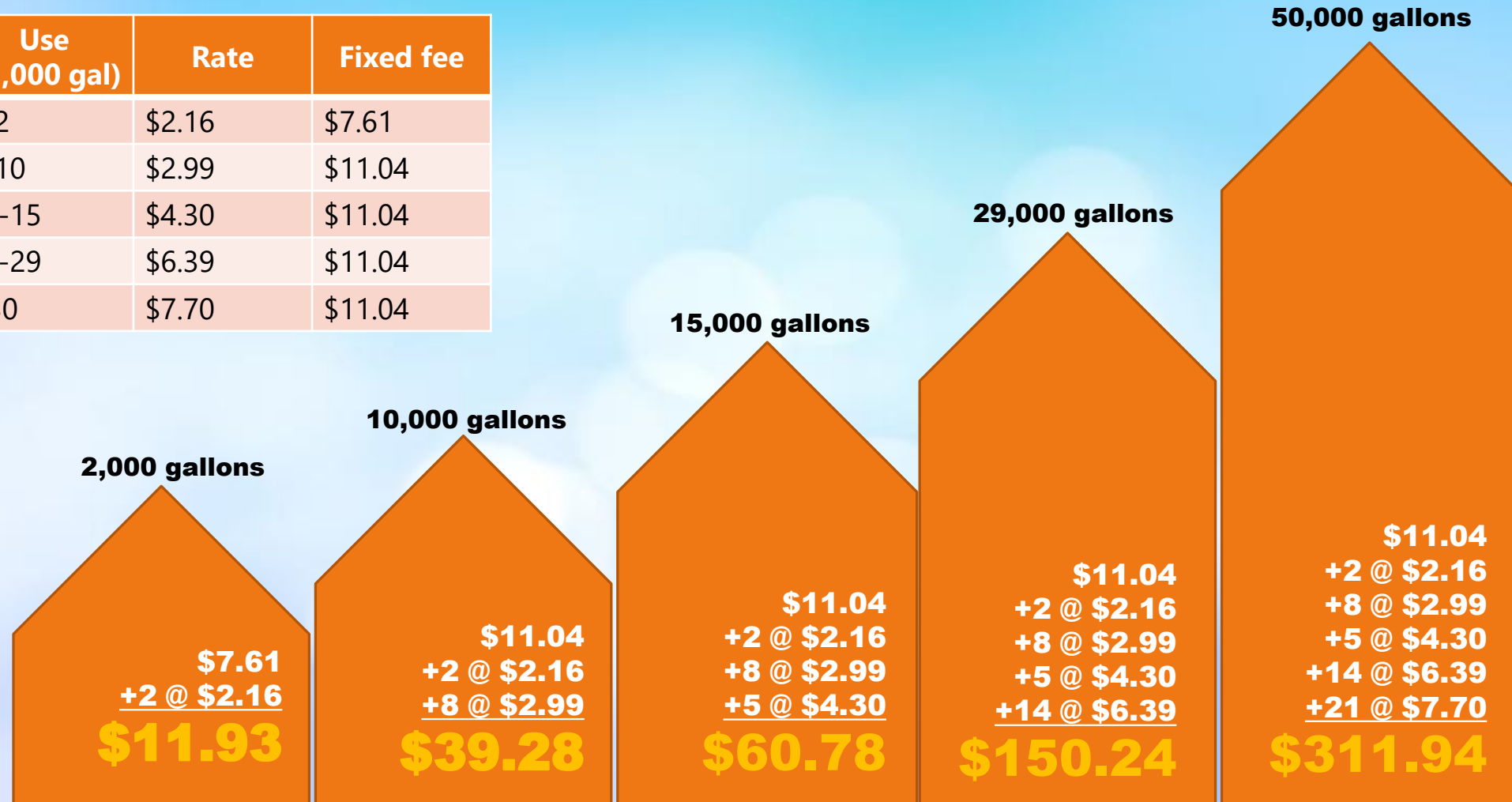
<b>Wastewater Flow (1,000 gals)</b>	<b>FY 2023</b>	<b><i>Proposed FY 2024</i></b>
<b>All usage</b>	<b>\$5.39</b>	<b>\$5.71</b>

# Customer Impact

Monthly Bill (Water/Wastewater)	FY 2023	Proposed FY 2024	Annual Impact	Percentage Increase
Minimum User – 5/8 x 3/4" meter (2,000 gal/ 2,000 gal)	\$30.51	\$31.75	\$14.88	4.07%
Avg. Residential User – 5/8 x 3/4" meter (8,000 gal/ 4,000 gal)	\$67.80	\$70.56	\$33.12	4.07%
Commercial Customer – 2" meter (50,000 gal/ 50,000 gal)	\$641.13	\$695.26	\$649.56	8.44%

# Arlington's Residential Block Structure for Water Rates – FY 2024 Proposed

Use (1,000 gal)	Rate	Fixed fee
0-2	\$2.16	\$7.61
3-10	\$2.99	\$11.04
11-15	\$4.30	\$11.04
16-29	\$6.39	\$11.04
≥30	\$7.70	\$11.04







# Funding for Reserves

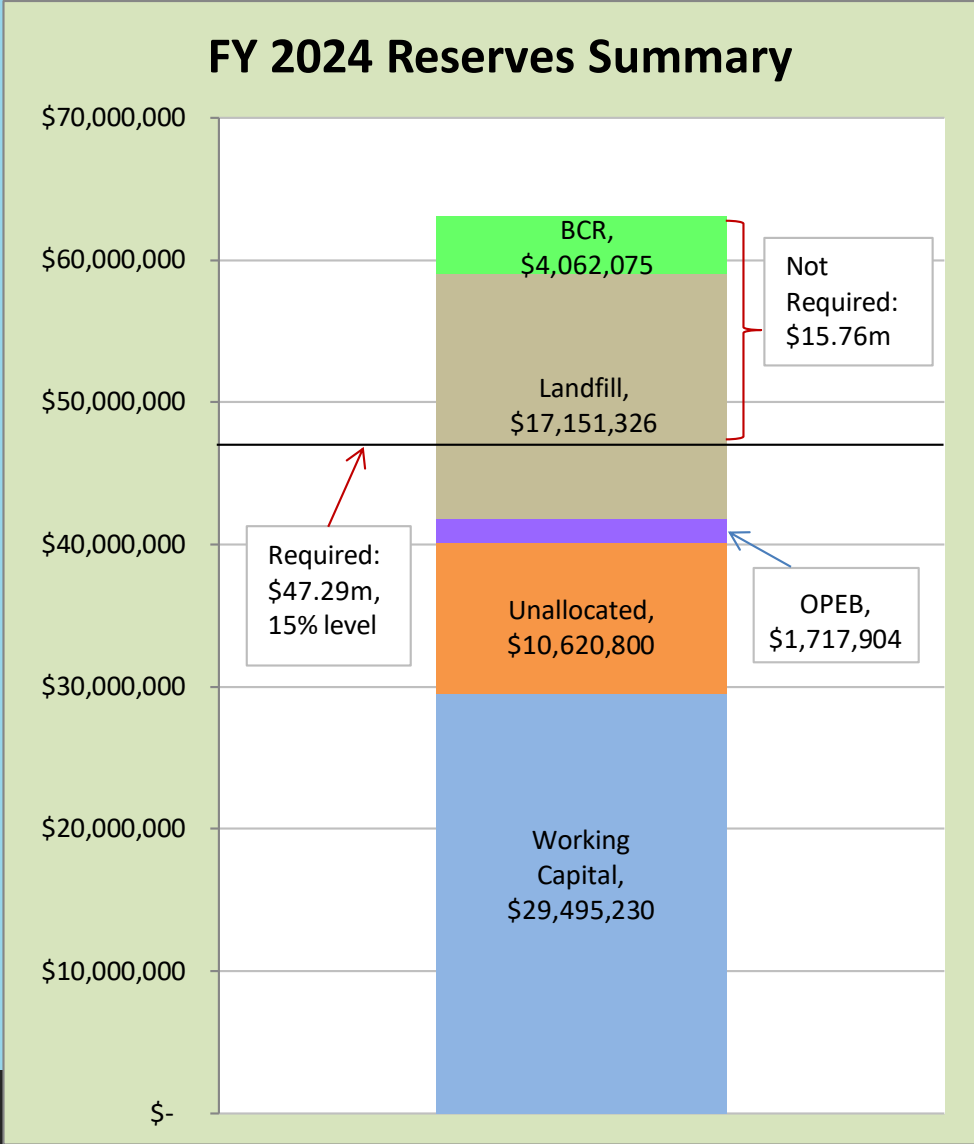


# Selected City Reserves

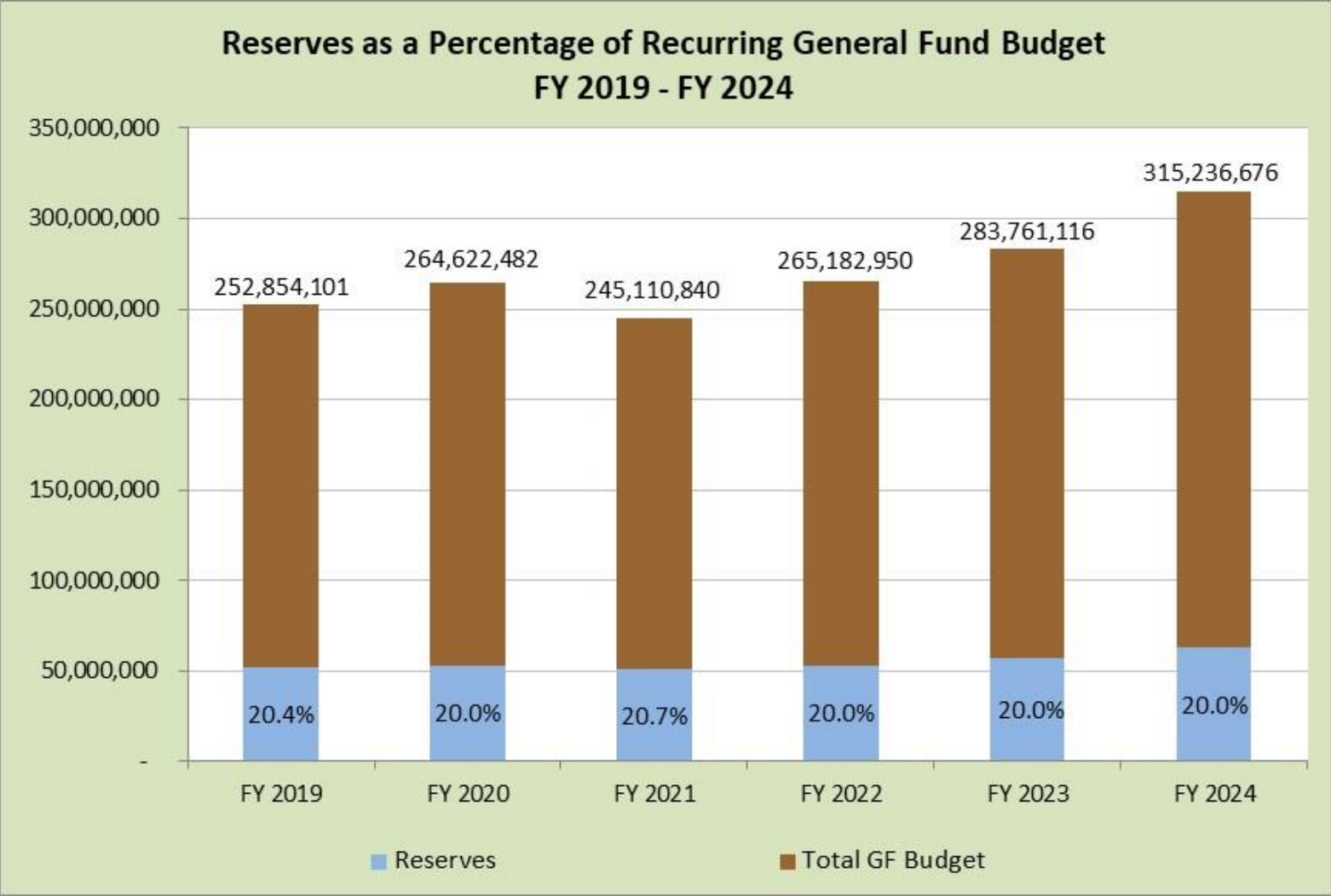
## SELECTED FINANCIAL RESERVES FY 2024 OPERATING POSITIONS

	UNALLOCATED	WORKING CAPITAL	BUSINESS CONTINUITY	LANDFILL LEASE	OTHER POST EMPLOYMENT BENEFITS
Balance on October 1, 2022	\$ 8,951,944	\$ 24,866,516	\$ 4,062,075	\$ 17,151,326	\$ 1,717,904
Appropriations/Mid-Year Adjustments	308,709	856,229	-	-	-
Transfers In/(Out)	<u>1,360,148</u>	<u>3,772,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance on September 30, 2023	\$ 10,620,800	\$ 29,495,230	\$ 4,062,075	\$ 17,151,326	\$ 1,717,904
Appropriations/Mid-Year Adjustments	-	-	-	-	-
Transfers In/(Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance on September 30, 2024	\$ 10,620,800	\$ 29,495,230	\$ 4,062,075	\$ 17,151,326	\$ 1,717,904

# FY 2024 Summary of Reserves – \$63.0M



# Reserve Trends



# Budget Calendar

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- Proposed Budget Presentation – August 1
- Special Budget Meeting – August 8
- Scheduled Council Meetings
  - August 22
- Town Hall Meetings
  - Wednesday, August 17 – South Police Station
  - Monday, August 21 – City Council Chambers
- September 5
  - Tax Rate Public Hearing
  - Budget Public Hearing
  - First Vote on Budget and Tax Rate
- September 12
  - Second Vote on Budget and Tax Rate



# Questions

