

# Forecast

Fiscal Years 2020-2026

David Cooke – City Manager

February 12, 2019

# Tax Rate Allocations

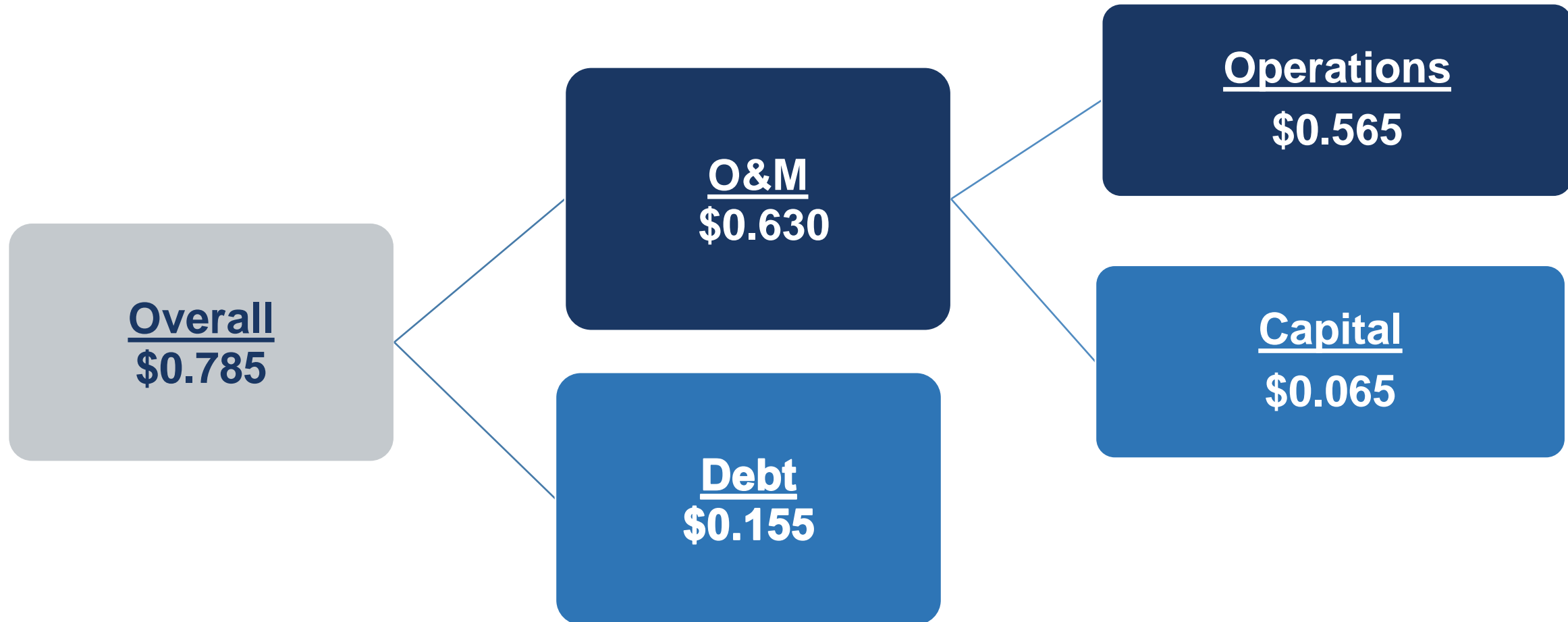
		Fiscal Year								
		2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>in Cents</b>	O&M	71.09	70.09	68.59	67.59	63.79	62.84	59.65	57.65	56.50
	PAYG					3.80	4.75	6.50	6.50	6.50
	Debt	14.41	15.41	16.91	17.91	17.91	17.91	17.35	16.35	15.50
	<b>Total</b>	<b>85.50</b>	<b>85.50</b>	<b>85.50</b>	<b>85.50</b>	<b>85.50</b>	<b>85.50</b>	<b>83.50</b>	<b>80.50</b>	<b>78.50</b>

2014  
Bond  
Referenda  
\$292M

2018  
Bond  
Referenda  
\$399.5M

Debt & PAYG as a % of Total Tax Rate	16.85%	18.02%	19.78%	20.95%	25.39%	26.50%	28.56%	28.39%	28.03%
PAYG as a % of Capital					17.50%	20.96%	27.25%	28.45%	29.55%

# FY2019 Tax Rate Allocations

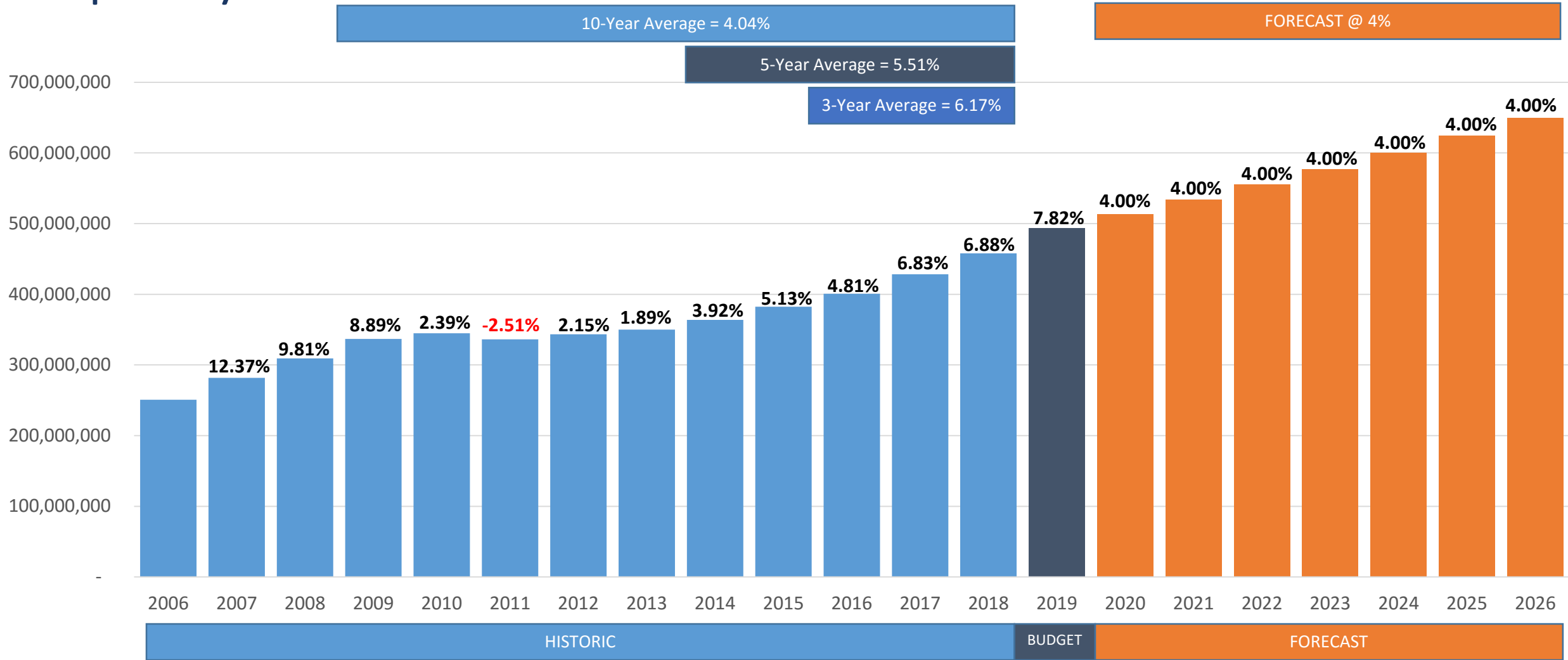


# General Fund Revenue Assumptions

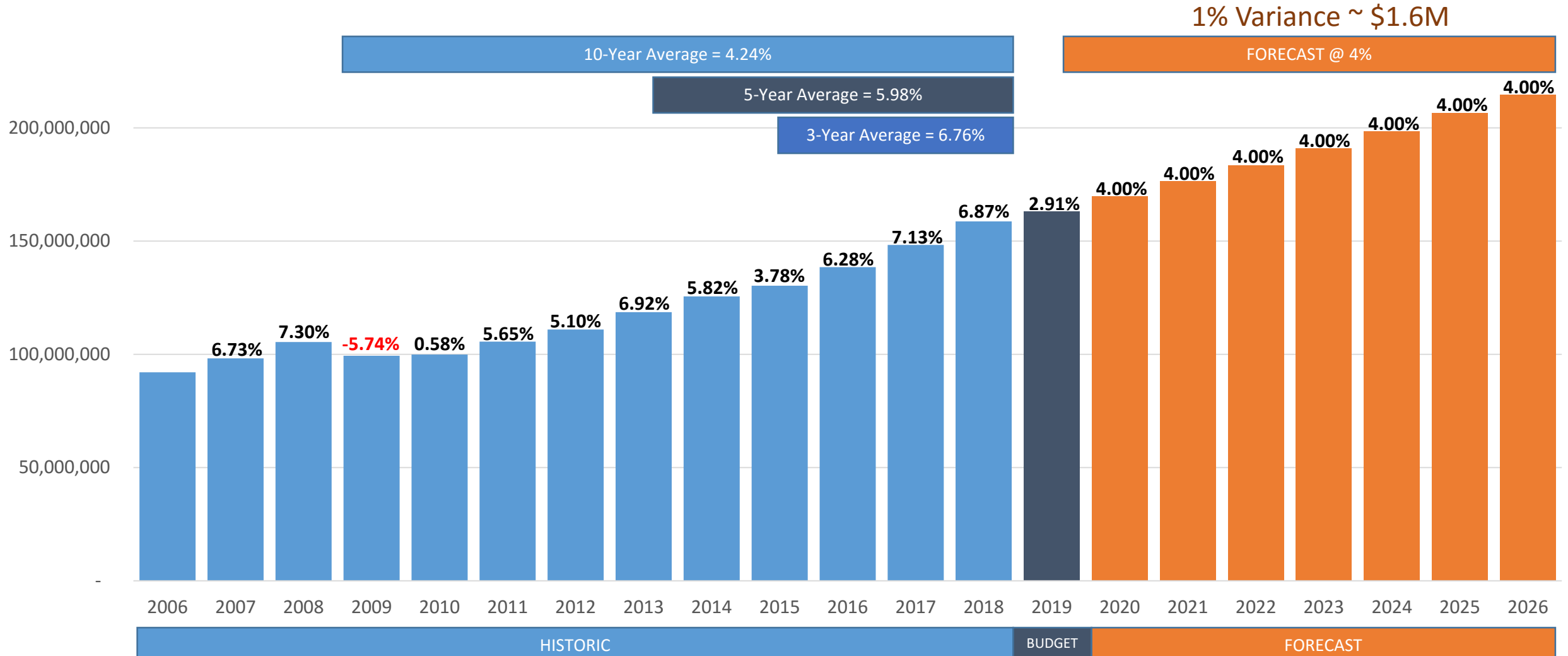
- Property Tax Revenue Growth at 4%
- Sales Tax at 4% Growth from FY19 Budget
- When TIFs Expire, Reduce the Property Tax Rate
  - Keeping property tax growth at 4%

# Property Tax Revenue

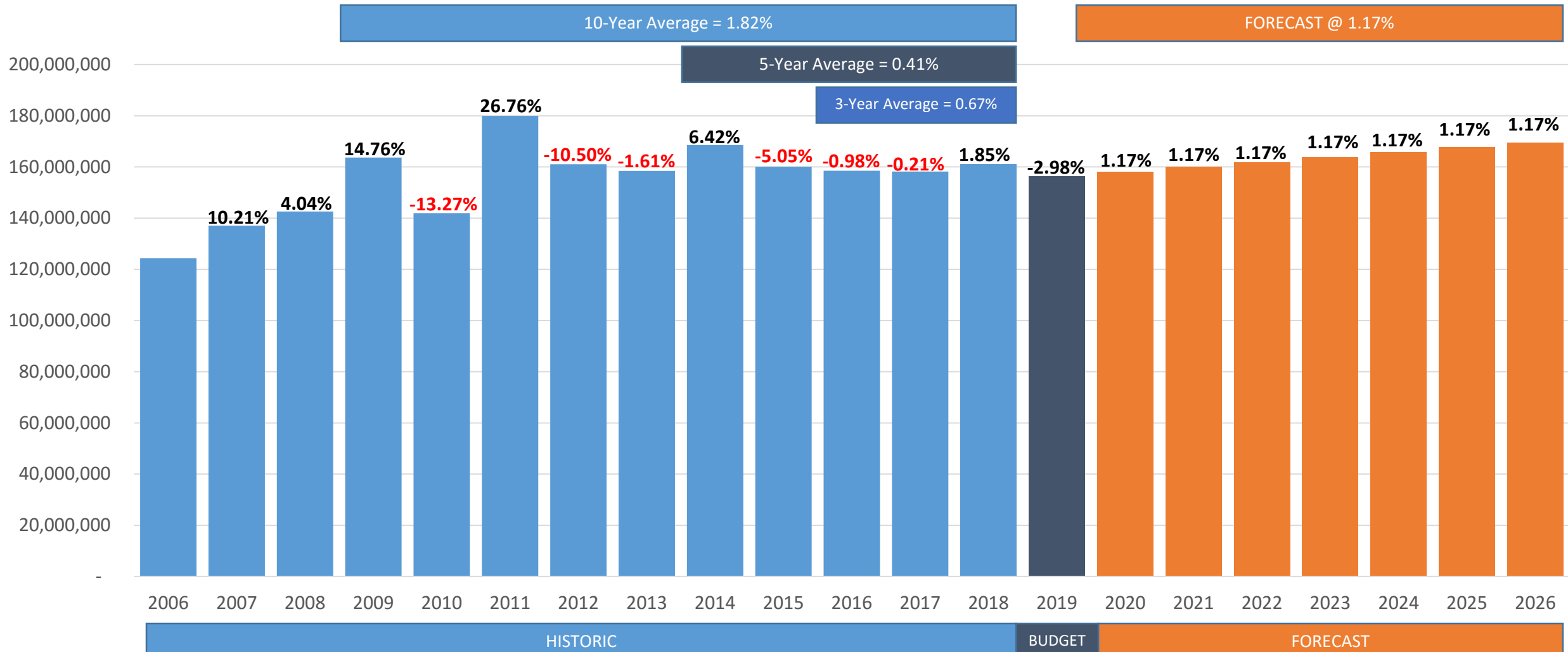
1% Variance ~ \$3.9 M



# Sales Tax Revenue



# Other Revenue



# General Fund Expenditure Assumptions

- Police Meet & Confer Agreement
- Fire Collective Bargaining Agreement
- Pay for Performance (non-sworn) - 3% annually
- Prior Year Commitments
- Implementation of 2018 Bond Program
- Includes additional 1.5% pension contribution & risk sharing



# Capital, Operating Impacts of Capital & Other Obligations

Additional Operating Costs	Fiscal Year								
	2019	2020	2021	2022	2023	2024	2025	2026	
Race & Culture Implementation	\$ -	\$ 2,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pension (Add'l 1.5%+) & Risk Sharing	-	5,550,825	-	4,500,000	4,635,000	-	-	-	-
Health Insurance	-	2,121,283	2,227,347	2,338,714	2,455,650	2,578,432	2,707,354	2,842,722	
Pay for Performance	-	4,953,801	5,264,140	5,461,521	5,691,763	5,862,517	6,038,391	6,219,544	
Police Wage/Benefits	-	4,829,701	4,979,421	4,968,178	5,117,223	5,270,740	5,428,862	5,591,728	
Fire Wage/Benefits	-	3,279,584	3,429,376	3,567,504	3,674,530	3,784,765	3,898,308	4,015,257	
Fort Worth Zoo CPI (Estimate)	-	233,444	271,114	305,681	342,640	352,919	363,507	374,412	
Legislative Funding	-	(354,193)	354,193	(354,193)	354,193	(354,193)	354,193	(354,193)	
380 Agreements	-	1,402,430	2,788,358	4,606,232	1,737,630	701,891	Being Updated -		
Parks Add'l Maint & Support	-	84,044	-	-	-	-	-	-	
East Library	-	280,000	-	-	-	-	-	-	
Fire Station 43	-	1,220,035	-	-	-	-	-	-	
Como Neighborhood Center	-	705,000	-	-	-	-	-	-	
Red Light Enforcement Phase Out 2026	-	-	450,000	500,000	550,000	600,000	650,000	1,000,000	
<b>2018 Bond Est. Operating Costs</b>	-	717,000	179,000	1,131,000	-	-	-	-	
Fire Station 45	-	654,000	1,285,000	-	-	-	-	-	
North Animal Shelter	-	2,129,000	-	-	-	-	-	-	
South Police Patrol	-	-	289,000	(435,000)	-	-	-	-	
Far Southwest Library	-	-	1,233,000	-	-	-	-	-	
Diamond Hill CC	-	-	-	173,000	-	-	-	-	
Northwest CC	-	-	-	518,000	-	-	-	-	
Parks & Trails	-	-	214,000	613,000	175,000	-	-	-	
<b>Total Additional Costs</b>	<b>\$ -</b>	<b>\$ 30,055,954</b>	<b>\$ 22,963,949</b>	<b>\$ 27,893,637</b>	<b>\$ 24,733,629</b>	<b>\$ 18,797,071</b>	<b>\$ 19,440,615</b>	<b>\$ 19,689,470</b>	

# General Fund Operating Forecast

## 4% Property & Sales Tax Growth

	Fiscal Year							
	2019	2020	2021	2022	2023	2024	2025	2026
<b>Operating Revenues</b>	\$ 687,334,438	\$ 709,166,573	\$ 732,793,044	\$ 757,311,507	\$ 782,756,912	\$ 809,165,597	\$ 836,575,341	\$ 865,025,424
<i>Less Operating Expenditures</i>								
Salaries & Benefits	\$ 527,920,217	\$ 527,920,217	\$ 554,507,322	\$ 572,559,711	\$ 595,189,442	\$ 616,861,064	\$ 634,322,381	\$ 652,361,705
M&O	159,414,221	159,414,221	162,052,161	166,715,826	171,947,296	174,975,509	176,276,126	177,643,826
Capital & Obligation Impacts		30,055,954	22,963,949	27,893,637	24,733,629	18,797,071	19,440,615	19,689,470
<b>Total Operating Expenditures</b>	<u>\$ 687,334,438</u>	<u>\$ 717,390,392</u>	<u>\$ 739,523,432</u>	<u>\$ 767,169,174</u>	<u>\$ 791,870,367</u>	<u>\$ 810,633,644</u>	<u>\$ 830,039,122</u>	<u>\$ 849,695,001</u>
<b>Revenues Over/(Under) Expenditures</b>	<u>\$ -</u>	<u>\$ (8,223,819)</u>	<u>\$ (6,730,388)</u>	<u>\$ (9,857,667)</u>	<u>\$ (9,113,455)</u>	<u>\$ (1,468,047)</u>	<u>\$ 6,536,219</u>	<u>\$ 15,330,423</u>

# Tax Rate Allocation (per \$100)

	Fiscal Year											
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
in Cents												
O&M	63.79	62.84	59.65	57.65	56.50	55.75	55.75	55.75	55.20	55.20	54.65	54.65
PAYG	3.80	4.75	6.50	6.50	6.50	6.45	6.45	6.45	6.40	6.40	6.35	6.35
Debt	17.91	17.91	17.35	16.35	15.50	15.30	15.30	15.30	15.15	15.15	15.00	15.00
<b>Total</b>	<b>85.50</b>	<b>85.50</b>	<b>83.50</b>	<b>80.50</b>	<b>78.50</b>	<b>77.50</b> <sup>1</sup>	<b>77.50</b>	<b>77.50</b>	<b>76.75</b> <sup>2</sup>	<b>76.75</b>	<b>76.00</b> <sup>3</sup>	<b>76.00</b>

1 TIF #7 - North Tarrant Parkway (12/31/2019)  
est value of \$1B @ 80% - Impact in 2020

2 TIF #4 - Southside/Medical (12/31/2022)  
est value of \$750M @ 90% - Impact in 2023

3 TIF #8 - Lancaster (12/31/24)  
est value of \$750M @ 90% - Impact in 2025

# GO Debt Capacity

## Debt Revenue Assumptions

- Projected property tax revenues collected at 99.5%
- Includes \$4,675,000 per year in revenue for delinquents, penalties and interest on delinquents and interest earnings each year
- 4% revenue growth through 2026; 2% revenue growth beginning 2027; 1.0% revenue growth beginning 2032

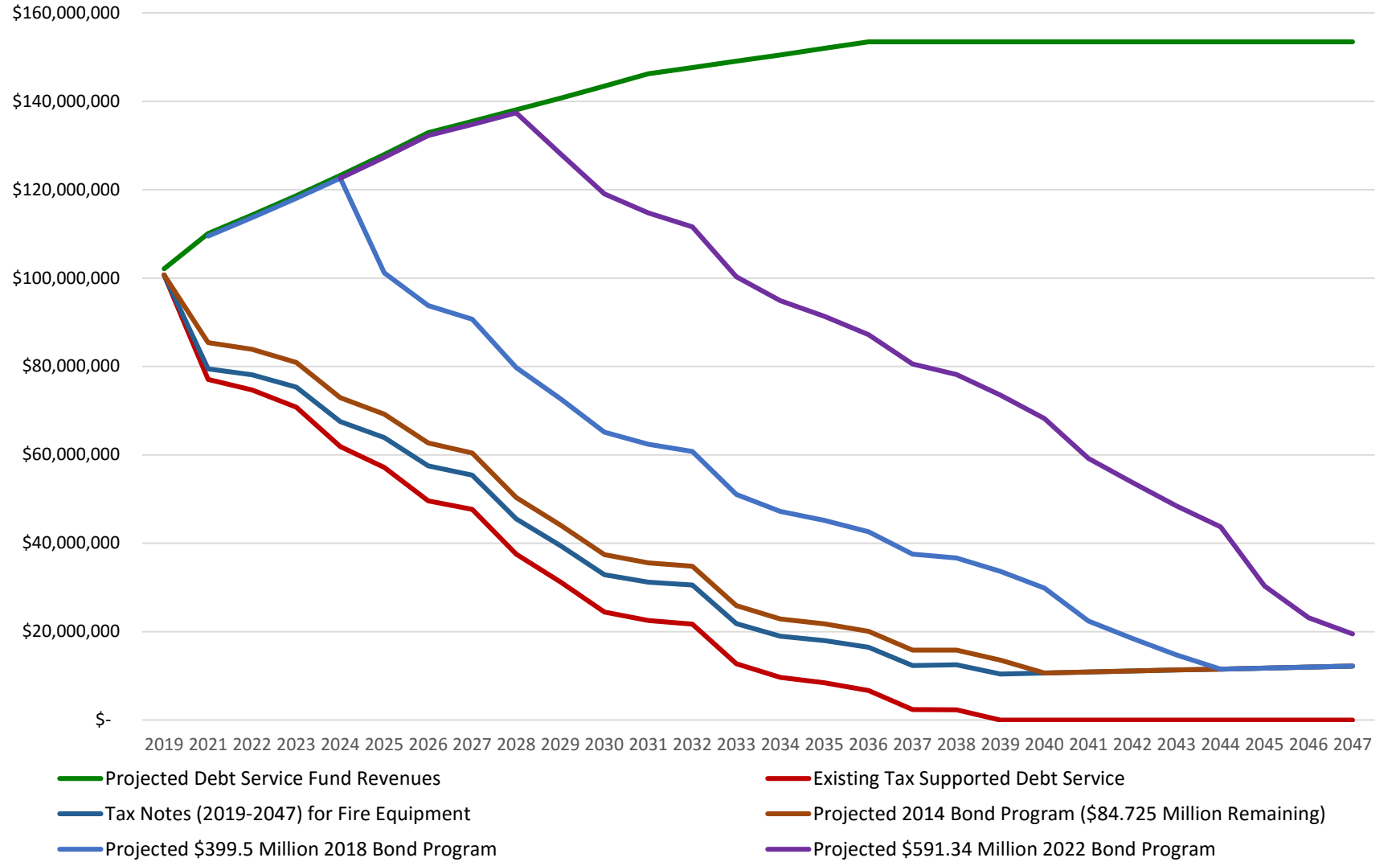
# Debt Expenditure Assumptions

		Remaining 2014 Bond Program	2018 Bond Program = \$399,500,000				\$591,340,000 Future Capacity 2023-2027 (2022 Bond Program)			
	Series 2019	Series 2019	Series 2020	Series 2021	Series 2022	Series 2023	Series 2024	Series 2025	Series 2026	Series 2027
Date	6/18/2019	6/18/2019	8/1/2020	8/1/2021	8/1/2022	8/1/2023	8/1/2024	8/1/2025	8/1/2026	8/1/2027
Issue	Tax Note	GO Bond	GO Bond	GO Bond	GO Bond	GO Bond	GO Bond	GO Bond	GO Bond	GO Bond
Size	\$8,720,000	\$84,725,000	\$150,000,000	\$83,170,000	\$83,165,000	\$83,165,000	\$247,690,000	\$133,000,000	\$68,680,000	\$141,970,000
Interest	2.69%	3.75%	4.50%	5.00%	5.00%	5.00%	5.25%	5.25%	5.25%	5.25%

- Tax notes sold annually for fire equipment (\$6,105,000 in 2020 growing by 3% each year thereafter) with interest rates ranging from 3.50% to 5.25% consistent with the debt issuances
- Tax notes sold for fire apparatus (\$8,720,000 in 2018) with an interest rate of 2.69%



# GO Debt Capacity Analysis



# CCPD Forecast



# CCPD Assumptions

- 4% Annual Sales Tax Growth
- Total Compensation (Salary & Benefits) No Higher Than 3% Annually
- Includes additional 1.5% pension contribution & risk sharing
- Fund Balance Level is Maintained at 16.67% of Recurring Expenditures
- Election in November 2019 or May 2020

# CCPD Obligations & Costs outside of Base

Additional Operating Costs	Fiscal Year							
	2019	2020	2021	2022	2023	2024	2025	2026
Pension (Add'l 1.5%+) & Risk Sharing	\$ -	\$ 445,000	\$ -	\$ 378,000	\$ 389,340	\$ -	\$ -	\$ -
CCPD Election		500,000						
Health Insurance	-	149,647	157,129	164,986	173,235	181,897	190,991	200,541
Pay for Performance	-	81,534	83,980	86,499	89,094	91,767	94,520	97,356
Police Wage/Benefits	-	1,001,194	1,032,231	1,029,901	1,060,797	1,092,621	1,125,400	1,159,162
Radio Tower	-	2,812,294	2,753,879	2,695,463	2,637,048	-	-	-
Solid Waste Loan	-	2,333,334	-	-	-	-	-	-
Vehicles	-	10,465,504	10,465,504	10,465,504	10,465,504	6,750,000	6,750,000	6,750,000
IT Refresh	-	497,598	431,806	468,941	543,035	330,000	330,000	330,000
IT & CCPD Capital Plan	-	4,321,200	2,859,650	2,169,650	489,650	-	-	-
Facilities & Technology Capital	-	7,500,000	11,600,000	13,500,000	15,500,000	15,500,000	15,500,000	15,500,000
<b>Total Additional Costs</b>	<b>\$ -</b>	<b>\$ 30,107,305</b>	<b>\$ 29,384,179</b>	<b>\$ 30,958,944</b>	<b>\$ 31,347,703</b>	<b>\$ 23,946,285</b>	<b>\$ 23,990,911</b>	<b>\$ 24,037,059</b>

# CCPD Operating Forecast

## 4% Sales Tax Growth

	Fiscal Year							
	2019	2020	2021	2022	2023	2024	2025	2026
<b>Operating Revenues</b>	\$ 82,893,917	\$ 85,966,407	\$ 89,161,636	\$ 92,484,511	\$ 95,940,137	\$ 99,533,822	\$ 103,271,088	\$ 107,157,675
<i>Less Operating Expenditures</i>								
Salaries & Benefits	\$ 37,334,603	\$ 37,334,603	\$ 39,011,978	\$ 40,285,318	\$ 41,944,704	\$ 43,657,170	\$ 45,023,455	\$ 46,434,366
M&O	16,788,574	16,788,574	16,788,574	16,788,574	16,788,574	16,788,574	16,788,574	16,788,574
Capital & Obligation Impacts	26,352,084	30,107,305	29,384,179	30,958,944	31,347,703	23,946,285	23,990,911	24,037,059
<b>Total Operating Expenditures</b>	<u>\$ 80,475,261</u>	<u>\$ 84,230,482</u>	<u>\$ 85,184,731</u>	<u>\$ 88,032,836</u>	<u>\$ 90,080,981</u>	<u>\$ 84,392,029</u>	<u>\$ 85,802,940</u>	<u>\$ 87,259,999</u>
<b>Revenues Over/(Under) Expenditures</b>	<u>\$ 2,418,656</u>	<u>\$ 1,735,925</u>	<u>\$ 3,976,905</u>	<u>\$ 4,451,675</u>	<u>\$ 5,859,156</u>	<u>\$ 15,141,793</u>	<u>\$ 17,468,148</u>	<u>\$ 19,897,676</u>
Beginning Fund Balance	<u>12,339,000</u>	<u>\$ 14,757,656</u>	<u>\$ 16,493,581</u>	<u>\$ 20,470,485</u>	<u>\$ 24,922,160</u>	<u>\$ 30,781,316</u>	<u>\$ 45,923,110</u>	<u>\$ 63,391,257</u>
<b>Ending Fund Balance</b>	<u><u>\$ 14,757,656</u></u>	<u><u>\$ 16,493,581</u></u>	<u><u>\$ 20,470,485</u></u>	<u><u>\$ 24,922,160</u></u>	<u><u>\$ 30,781,316</u></u>	<u><u>\$ 45,923,110</u></u>	<u><u>\$ 63,391,257</u></u>	<u><u>\$ 83,288,933</u></u>
<i>Est. Reserve Requirement</i>	\$ 11,707,659	\$ 11,987,277	\$ 11,789,871	\$ 12,062,943	\$ 12,351,025	\$ 11,484,301	\$ 11,719,500	\$ 11,962,392

# Funding Scenarios

- Use Financial Models to Identify Policy Choices
- FY2020 Assumptions
  - Continue Implementation of Bond Programs
  - Constrain operating budget
  - Address pension
- Code and Police Staffing
- Legislature

# Discussion