



FY25 Budget Work Session

June 18, 2024

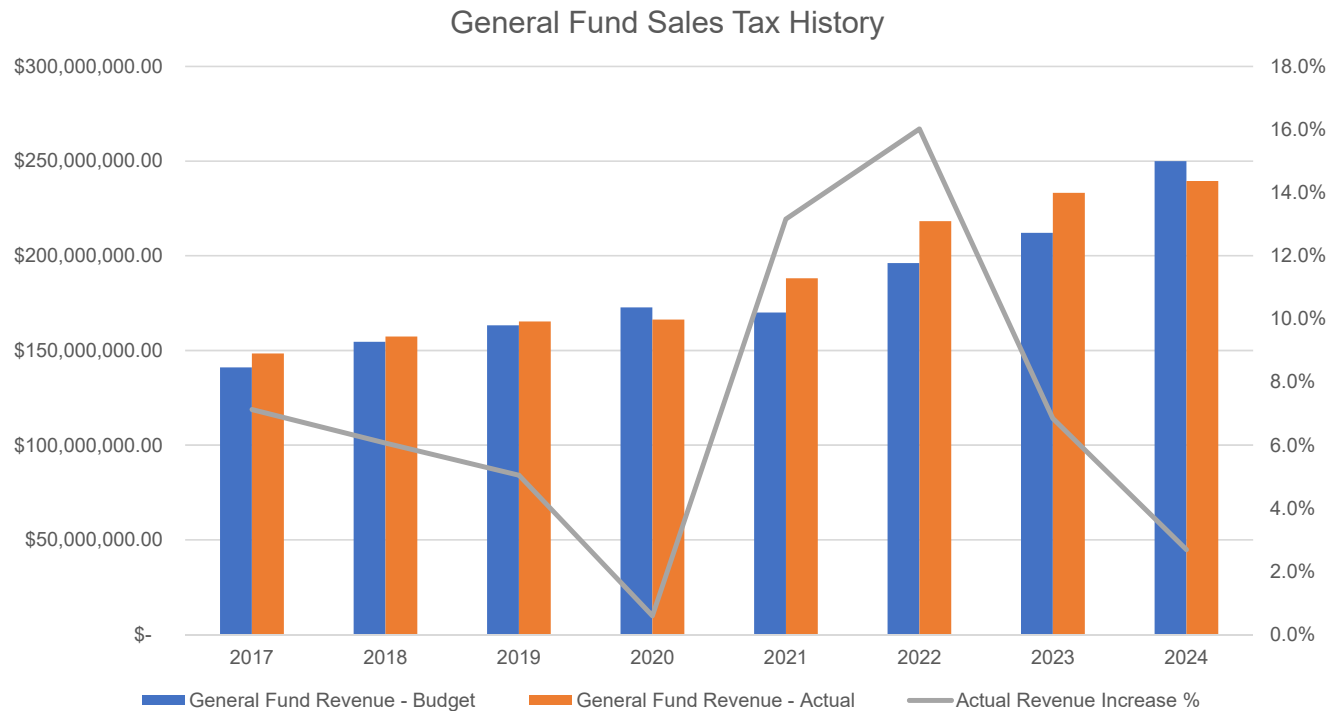
Christianne Simmons, Chief Transformation Officer

Cristi Lemon, Assistant Director

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General Fund Revenues

Sales Tax Revenue History



- Sales tax revenue growth has been positive every year
- Sales tax has been underbudgeted each year except FY2020 and FY2024 (forecasted)
- Average sales tax growth:
 - 9.0% (excl. 2020)
 - 7.2% (all years)
 - 6.1% (pre-COVID)
- FY2023 slowdown months 10-11
- 2.7% expected growth FY23-FY24

* CCPD and MTA follow similar trends

** FY2024 year-end forecast of \$239.5M

FY2025 General Fund Sales Tax Forecast

FY2024 Revenue

- \$175.2M YTD
- \$239.5M year-end forecast
- Economic headwinds of slowed earnings and job growth, sustained high interest rates

FY2025: \$252.5M working budget

- 1% (\$2.5M) growth over FY2024 budget
- 5.4% growth over FY2024 forecast
- Closer to historical growth expected due to potential interest rate cuts, stabilization of wholesale trade, and continued population growth

FY2024 Audit Payments

- Adjustments to State allocation for various corrections
- Averaged \$400K positive adjustment prior to FY2024; \$1.85M FY2024 YTD

	Actuals	Remove Audit Adj.	Adjusted Actuals
FY2024 YTD	\$175,299,179	-\$1,848,884	\$177,148,064
FY2024 Forecast	\$239,579,031	-\$1,848,884	\$241,427,916
FY2025 Working	\$252,500,000		\$252,500,000
Growth	\$12,920,969		\$11,072,084
Growth %	5.4%		4.6%

General Fund Expense and Revenue

Current Property Taxes	\$ 32,779,158
Transfer From Water/Sewer	\$ 2,781,035
Sales Tax Revenue	\$ 2,500,000
Administrative Fee	\$ 2,306,488
Fran Fee Rev - Elec	\$ 1,369,220
State Mixed Beverage Tax	\$ 651,750
Transfer From Stormwater Util	\$ 424,341
Transfer From Solid Waste	\$ 304,654
Building Permit	\$ 207,381
Traffic Fines	\$ 164,332
Transfer From Culture Tourism	\$ (358,389)
Cable Franchise Fee	\$ (395,670)
Fran Fee Rev-Major TCOM	\$ (520,385)
Lease Revenue	\$ (658,201)
Fran Fee Rev - Gas	\$ (2,673,150)
Other	\$ 1,002,882
Total	\$ 39,885,446

	Expense	Revenue	Net Position
Adopted FY2024	\$1,013,812,390	\$1,013,812,390	\$0
Budget Increases	\$46,739,054		
Revenue Increases		\$39,885,446	
FY2025 Budget Request	\$1,060,551,444	\$1,053,697,836	(\$6,853,608)
FY2025 Decision Package	\$103,786,762	\$111,583	(\$103,675,179)
FY2025 Total Request	\$1,164,338,206	\$1,053,809,419	(\$110,528,787)



* Working budget for property tax assumes typical erosion to April estimates with VAR (no increment) of \$0.6600

General Fund Revenue Increases

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FWLab is regularly reviewing major revenue sources to maximize FY2025 budget capacity

- Sales tax is forecasted on a monthly basis with professional economist
- Property tax rolls are examined upon the delivery of monthly re-estimates prior to July 25 certified roll delivery
- Departments are commenting on requests to increase various GF revenue budgets by roughly \$1M

Rate and Fee Change Previews

Rate and Fee Changes

Rate Type	Proposed Change
Water	3.27%
Sewer	2.25%
Stormwater	5%

Submitted Fee Adjustments:

- Aviation
- Code
- Development Services
- Environmental Services
- Financial Management
- Park & Recreation
- Property Management
- Public Events
- TPW
- Water

Decision Package Overview

Decision Package Requests

- Departments request an increase in their budget through a Decision Package Request
- Departments submitted 240+ proposals, 235 new positions
- Cost of the proposals exceeded \$100M
- Requests do not represent final product/recommendation and are still subject to CMO, Council and public input

General Fund Requests by Department

Top 10 make up
98% of cost

TPW	43,608,646	42.2%
Property Management	12,928,727	12.5%
Police	12,438,377	12.0%
Code Compliance	12,195,467	11.8%
Parks	8,000,705	7.7%
Environmental	5,287,696	5.1%
Fire	2,984,337	2.9%
City Secretary	1,292,501	1.3%
City Attorney	1,109,063	1.1%
Municipal Court	1,043,747	1.0%

Decision Package Requests

Next Steps

1. Vet details and prioritize requests
2. Identify available funding
3. Identify alternatives for addressing needs

Upcoming Schedule

- City Management begins working through prioritization next week through early August
- Budget development input continues
 - From Council
 - From the public via Steer the Budget and ConnectFW
- Presentation of Recommended Budget: August 13
- Recommended budget input
 - From Council through work sessions
 - From the public via online and in-person activities

Discussion