Proposed FY21/22 Budget Budget Workshop

Prepared by Grayson Path, City Manager

City Charter Section 40(2)

Financial Policy

- The overall Financial Policy of the City of Paris as shown through its Proposed FY21/22 Budget is to serve the public with professionalism, civility, honesty and integrity and to provide a safe and prosperous community by being responsible stewards of the taxpayer dollars and to provide quality, efficient and effective services that facilitate and enhance the quality of life, recreational enjoyment, economic opportunity, responsible planning, improvement of infrastructure, and public safety for all.

Budget Priorities

- Priorities of the Proposed FY21/22 Budget
  - Employee Pay
  - Capital Purchases
  - New Positions
  - Realignment of Line Item Budgets
  - Maintaining Operational Services
  - Texas Property Tax Reform and Transparency Act of 2019 (“SB2”)

Balance of Operational Funds

- Proposed FY21/22 Budget consists of 53 separate funds, the vast majority of which are Special Purpose Funds (restricted for specific purposes) or Bonded Indebtedness Funds.
- The City's primary operations function out of four specific funds: #1, 3, 10, 45.

Fund	Revenue	Expenditure	Net
01 – General Fund	$25,570,627.00	$25,913,583.00	($342,956.00)
01 – General Fund Reserve	$342,956.00	$0.00	$342,956.00
Net	$25,913,583.00	$25,913,583.00	$0.00
03 – Airport Fund **(NEW)**	$615,836.00	$656,872.00	($41,036.00)
03 – Airport Fund Reserve	$41,036.00	$0.00	$41,036.00
Net	$656,872.00	$656,872.00	$0.00
05 – Coronavirus Relief Fund	$0.00	$714,930.00	($714,930.00)
05 – CRF Reserve	$714,930.00	$0.00	$714,930.00
Net	$714,930.00	$714,930.00	$0.00
06 – American Rescue Plan Fund	$3,000,000.00	$2,360,000.00	$640,000.00
10 – Water and Sewer Fund	$16,600,515.00	$16,600,515.00	$0.00
45 – Sanitation Fund	$1,078,513.00	$1,078,513.00	$0.00

- The Combined Operational Budget is $47,324,413.00 in Expenditure and $47,324,413.00 in new Revenue and available Reserve.
- The Overall Budget consists of $58,602,049.88 in Expenditure and $57,228,520.00 in Revenue.
- Use of the General Fund Reserve should not threaten our 4 month minimum reserve.

Property Tax Rate

- Both Operational and Maintenance Tax Rate as well as Debt Service Tax Rate are decreasing in the Proposed FY21/22 Budget.

Year	O&M	Debt	Total	
FY19/20	$0.40868	$0.10740	$0.51608	
FY20/21	$0.39788	$0.08290	$0.48078	
FY21/22	$0.37357	$0.08016	$0.45373	Preliminary
Difference	-$0.03511	-$0.02724	-$0.06235	FY19/20 vs. FY21/22
Difference	-$0.02431	-$0.00274	-$0.02705	FY20/21 vs. FY21/22

- The Proposed FY21/22 Tax Rate will be the lowest Tax Rate for at least the last five years.
- The Proposed FY21/22 Tax Rate is – to the best of our ability – in compliance with the Texas Property Tax Reform and Transparency Act of 2019.

Property Valuations vs. Property Tax Rate

- Property Valuations have been increasing year by year while the Property Tax Rate has been decreasing.

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Total Taxable Value	$ 2,228,001,573.00	$ 1,876,141,460	$ 1,794,161,289	$ 1,732,236,641	$ 1,681,747,299	$ 1,627,397,467
Percent Difference	19%	5%	4%	3%	3%	N/A
O&M Tax Rate	0.37357	0.39788	0.40868	0.43831	0.44248	0.42443
Debt Tax Rate	0.08016	0.0829	0.1074	0.11364	0.10947	0.07752
Total Tax Rate	0.45373	0.48078	0.51608	0.55195	0.55195	0.50195
Percent Difference	-6%	-7%	-6%	0%	10%	N/A

- While the City of Paris is proposing to Levy more Property Tax in the Proposed FY21/22 Budget as compared to FY20/21, due to the increase in valuations as well as the Growth Restriction of 3.5%, the overall Property Tax Rate is decreasing from $0.48078 to $0.45373.
- While the City could certainly seek to Levy the same or less Property Taxes in FY21/22 as it did in FY20/21, this will have a significant negative impact to the Proposed Financial Policy and Priorities provided.

Comparable Pay Study Consultant

- We will now hear from our Comparable Pay Study Consultant:
  - Matthew Weatherly
  - Public Sector Personnel Consultants (PSPC)
  - Executive Summary is Tab #11.

General Fund Revenue

- FY20/21 = $24,443,660.00
- FY21/22 = $25,570,627.00
- Increase = $1,126,967.00
- Primary Reasons:
  - Sales Tax – Increase of $837,000.00
  - Property Tax – Increase of $537,000.00 (SB2 Form)
  - Hotel Occupancy Tax – Increase of $75,000.00
  - Moved all Airport Revenue to Fund #3 – Decrease of $158,960.00
  - Water & Sewer Adm. Fee – Increase of $236,057.00
  - Transfer In/Out to Water and Sewer (from General Reserve) = ($353,030.00)
- Utilizing $342,956.00 in General Fund Reserve.

General Fund Expenditures

- FY20/21 = $24,443,660.00
- FY21/22 = $25,913,583.00
- Increase = $1,469,923.00
- Primary Reasons:
  - Comparable Pay Study
  - TMRS Retirement
  - Assistant City Manager
  - Equipment Expenses
  - Use of Reserve

City Council – Dept. #11

- FY20/21 = $114,250.00
- FY21/22 = $97,700.00
- Decrease = ($16,550.00)
- Primary Reasons:
  - Comparable Pay Study Complete
- Other expenses include:
  - Insurance
  - Public Notices
  - Utilities
  - City Hall Maintenance

City Manager – Dept. #12

- FY20/21 = $388,961.00
- FY21/22 = $576,809.00
- Increase = $187,848.00
- Primary Reasons:
  - Assistant City Manager
  - Personnel Manual Consultant
- Other expenses include:
  - Typical Office Expenses
    - Communications
    - Travel Expenses
    - Office Supplies
    - Utilities

City Attorney – Dept. #13

- FY20/21 = $350,106.00
- FY21/22 = $376,198.00
- Increase = $26,092.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Prosecutor Contract
  - Delinquent Tax Attorney Fees
  - Legal Material / Books
  - Typical Office Expenses

Municipal Court – Dept. #14

- FY20/21 = $236,171.00
- FY21/22 = $242,787.00
- Increase = $6,616.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Typical Office Expenses

City Clerk – Dept. #15

- FY20/21 = $152,255.00
- FY21/22 = $161,654.00
- Increase = $9,399.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Typical Office Expenses

Accounting & Auditing – Dept. #21

- FY20/21 = $450,421.00
- FY21/22 = $460,463.00
- Increase = $10,042.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Typical Office Expenses
  - Consultants
  - Accounting Software

Police – Dept. #31

- FY20/21 = $6,777,833.00
- FY21/22 = $7,021,258.00
- Increase = $243,425.00
- Primary Reasons:
  - Comparable Pay Study
  - Building Repairs
- Other expenses include:
  - Training / Uniform Expenses / Gear
  - Vehicle / Fuel / Law Enforcement Equipment / Radios
  - Animal Control / Pound
  - Insurance
  - Third Party Agreements for Software and Equipment.
  - Three new Patrol Units (rotation)

Police – Dept. #31

- Capital Requests – CARES Funding
  - Ballistic Vests
  - Load Bearing Vest Covers
  - Honor Guard Uniforms
  - CID Equipment
  - Vehicle Stop Sticks
  - Dual Radar Units
  - Portable Radios
  - Office Furniture
  - Incinerator
  - CIP Training
  - HVAC Repairs
  - Carpet Cleaning
  - Thermal Curtains
  - Dog Kennel Roof Repairs
  - Evidence Vault Venting
  - Inventory Management Software
  - Dog Runs
  - Digital Forensic Lab Equipment
  - Flock LPR Camera
  - CIP Vehicle
  - Video Surveillance Network
  - CAD Server

Fire – Dept. #32

- FY20/21 = $4,679,007.00
- FY21/22 = $5,282,060.00
- Increase = $603,053.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Training / Uniform Expenses / Gear
  - Vehicle / Fuel / Fire Equipment
  - Bunker Gear / Air Packs (Rotation)
  - Insurance
  - Third Party Agreements for Equipment.
  - Fire Truck Financing
- Note: Code Enforcement Department has been moved to Community Development Department.

Fire – Dept. #32

- Capital Requests – CARES Funding
  - Portable Radios
  - Storage Building – Station #3
  - SCBA Regulators
  - Emergency Power Generator – Station #3

Community Development – Dept. #40

- FY20/21 = $507,302.00
- FY21/22 = $707,585.00
- Increase = $200,283.00
- Primary Reasons:
  - Comparable Pay Study
  - Director of Planning and Community Development
  - Consolidated Community Development Coordinator to this department.
  - Assistant Building Official / Building Inspector
  - Capital Request – Handicap Accessible Permanent Restroom = Farmers Market
- Other expenses include:
  - Typical Office Expenses
  - Grant Match = CDBG
  - HPC Grant Funding

Main Street – Dept. #40-01

- FY20/21 = $108,618.00
- FY21/22 = $117,607.00
- Increase = $8,989.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Travel Expenses
  - Promotional Activity (Festivals, Downtown Business Brochure, Billboards, etc.)
  - Maintenance Downtown
  - Farmers Market

Code Enforcement – Dept. #40-02

- FY20/21 = $638,081.00
- FY21/22 = $651,307.00
- Increase = $13,226.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Typical Office Expenses
  - Postage (Violation Notices)
  - Fuel
  - Demolition Expenses / Nuisance Abatement / Lot Mowing / Contractors
- Capital Requests – CARES Funding
  - Body Cameras

Engineering – Dept. #41

- FY20/21 = $413,554.00
- FY21/22 = $311,108.00
- Decrease = ($102,446.00)
- Primary Reasons:
  - Moved Community Development Coordinator.
  - New City Engineer Salary
- Other expenses include:
  - Typical Office Expenses
  - Consultants / Engineering Firms
  - ADA Projects – TBD
  - Engineering Software
- Capital Requests – CARES Funding
  - GIS Express Checkup Software

Public Works – Dept. #42

- FY20/21 = $223,673.00
- FY21/22 = $249,681.00
- Increase = $26,008.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Typical Office Expenses

Parks, Rec., ROW, Pool – Dept. #43

- FY20/21 = $1,205,650.00
- FY21/22 = $1,353,319.00
- Increase = $147,669.00
- Primary Reasons:
  - Comparable Pay Study
  - Capital Requests – Finish Mower, Stump Grinder, UTV Mule
- Other expenses include:
  - Fuel / Vehicle Expenses / Mower Rotation
  - Park Utilities
  - Trail de Paris Asphalt Project
  - Recreational Programming
  - Mowing Services
  - Tools / Equipment
  - Pool Chemicals

Streets and Highways – Dept. #46

- FY20/21 = $1,519,574.00
- FY21/22 = $1,613,559.00
- Increase = $93,985.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Fuel / Vehicle Expenses
  - Contracted 3rd Party Services – Concrete Work
  - Street and Alley Repairs (Asphalt, Concrete, Patching, etc.)
- Capital Requests – American Rescue Plan
  - Asphalt Grinder (tentative to ARP Approval)
  - Asphalt Layer (tentative to ARP Approval)

Traffic & Public Lighting – Dept. #48

- FY20/21 = $497,353.00
- FY21/22 = $495,576.00
- Decrease = ($1,777.00)
- Primary Reasons:
  - Off set of Comparable Pay Study and Equipment from FY20/21
- Other expenses include:
  - Utilities – Street Lights throughout Town
  - Traffic Marking – signs, striping, barriers, etc.

Garage – Dept. #49

- FY20/21 = $360,021.00
- FY21/22 = $405,948.00
- Increase = $45,927.00
- Primary Reasons:
  - Comparable Pay Study
  - Capital Request – Car Wash Bay Repairs
- Other expenses include:
  - Equipment / Tools
  - Utilities
  - Maintenance and repair expenses are shown in the department the equipment belongs to.

EMS – Dept. #54

- FY20/21 = $3,045,929.00
- FY21/22 = $3,321,549.00
- Increase = $275,620.00
- Primary Reasons:
  - Comparable Pay Study
  - Disposable PPE / Medication Prices
  - LifePak EKG Monitor Replacement
  - Medication Safe Replacement in Ambulances
- Other expenses include:
  - Annual Ambulance Rotation (7 years)
  - Fuel / Ambulance Expenses
  - Medical Equipment / Chemicals / Materials / Supplies
  - EMS Medical Director
  - Service Agreement for Medical Equipment
- In FY21/22:
  - New EMS Billing Project
  - Examine low rates

EMS – Dept. #54

- Capital Requests – CARES Funding
  - TecGen Rescue Pants
  - Bulk DEF Delivery System
  - LifePak DOT Rated Mounts
  - Remove/Replace Flooring – East Station
  - New Fence – East Station
  - Stryker Side Rails and Power Loads

Paris Band – Dept. #62

- FY20/21 = $23,050.00
- FY21/22 = $23,050.00
- Increase = $0.00
- Primary Reasons:
  - N/A
- Other expenses include:
  - Contracted Services

Library – Dept. #64

- FY20/21 = $727,331.00
- FY21/22 = $734,128.00
- Increase = $6,797.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Typical Office Expenses
  - Books / Media / Library Materials
  - Building Maintenance
  - Electronic Software / Online Library Resources

General Expense – Dept. #89

- FY20/21 = $1,147,546.00
- FY21/22 = $1,217,506.00
- Increase = $69,960.00
- Primary Reasons:
  - Non-Profit Contracting Policy (Increase)
  - VCC – HOT Funding (Increase)
  - County Appraisal District (Increase)
  - Paris Metro (Completion of Contracted Payment)
- Other expenses include:
  - Visitor Convention Committee (HOT)
  - Lamar Appraisal District
  - Various Non-Profits
  - Health Department

General Expense – IT – Dept. 89-01

- FY20/21 = $569,124.00
- FY21/22 = $442,731.00
- Decrease = ($126,393.00)
- Primary Reasons:
  - IT Director Role Changes (Former EMS Director)
  - Server Replacement Project Complete
- Other Expenses Include:
  - Computer Repairs / Rotation
  - Communication for online server
  - Online Data Storage / Email / Server

Airport – Dept. #61 – New Fund

- FY20/21 = $257,850.00
- FY21/22 = $656,872.00
- Increase = $399,022.00
- Primary Reasons:
  - Taking over Airport with FT Employee.
  - Taking over fuel sales.
  - Phase I of TxDOT Project
- Other expenses include:
  - New Employee
  - Fuel
  - Maintenance and Repairs
  - Small Capital Projects

Water and Sewer Fund Revenue

- FY20/21 = $15,269,187.00
- FY21/22 = $16,600,515.00
- Increase = $1,331,328.00
- Primary Reasons:
  - Increased rates for new WWTP Project.
  - Transfer In from General Fund Reserve – Capital Equipment.

Water and Sewer Fund Expenditures

- FY20/21 = $15,269,187.00
- FY21/22 = $16,600,515.00
- Increase = $1,331,328.00
- Primary Reasons:
  - Comparable Pay Study
  - Capital Equipment Purchases
  - Increased Debt – WWTP

Warehouse – Dept. #80

- FY20/21 = $118,835.00
- FY21/22 = $126,131.00
- Increase = $7,296.00
- Primary Reasons:
  - Comparable Pay Study
- Other expenses include:
  - Typical Office Expenses
  - Concrete Loading / Unloading Pad
  - Warehouse Purchases are reflected in the budget of the department receiving the good.

Water & Sewer Billing – Dept. #81

- FY20/21 = $2,446,675.00
- FY21/22 = $2,706,491.00
- Increase = $257,816.00
- Primary Reasons:
  - Comparable Pay Study
  - Administrative Fee to General Fund – Pay Study
  - Electronic Data Processing – Billing Software Upgrades
- Other expenses include:
  - Postage
  - Water / Sewer Rate Consultant
  - Utility Franchise / Administrative Fees to General Fund
  - Credit Card Expenses for payments
  - Billing Software
  - Meter Replacement / Rotation Program

Water Production – Dept. #82

- FY20/21 = $2,873,457.00
- FY21/22 = $3,083,374.00
- Increase = $209,917.00
- Primary Reasons:
  - Comparable Pay Study
  - Chemical Prices
  - Capital Requests – Pat Mayse Intake #4 Pump, Filtration Plant Repairs
- Other expenses include:
  - Typical Office Expenses
  - Chemicals
  - Insurance
  - Electricity
  - Pat Mayse Pump Station Maintenance / Corp of Engineer Payment
  - Equipment Repairs / Pumps / Motors / Tools / Building Repairs
  - Scada System Software
- Capital Requests – American Rescue Plan Funding
  - Backup Generator – GSF

Water Distribution – Dept. #83

- FY20/21 = $1,601,634.00
- FY21/22 = $1,442,320.00
- Decrease = ($159,314.00)
- Primary Reasons:
  - Equipment Purchases made in FY20/21
  - Electric Expenses Decreasing
- Other expenses include:
  - Equipment Expenses / Tools / Fuel / Repairs
  - Electric Utility (Pumps)
  - Service Line Improvements / Repairs

CIP – Water – Dept. #83 - 06

- FY20/21 = $394,074.00
- FY21/22 = $243,373.00
- Decrease = ($150,701.00)
- Primary Reasons:
  - Offset between Comparable Pay Study and equipment purchased in FY20/21.
- Other expenses include:
  - Equipment Expenses / Tools / Fuel / Repairs
  - Service Line Improvements / Repairs
  - Much of their new expenses will now appear in the American Rescue Plan Fund for new Water Line Installation.
- Capital Requests – American Rescue Plan Funding
  - Gene Stallings Park – Water Lines
  - Lionshead Project – Water Lines
  - Equipment – Backhoe, Excavator, Semi Truck, Low Boy Trailer

Sewer Maintenance – Dept. #85

- FY20/21 = $702,053.00
- FY21/22 = $716,541.00
- Increase = $14,488.00
- Primary Reasons:
  - Offset between Comparable Pay Study and equipment purchased in FY20/21.
- Other expenses include:
  - Equipment Expenses / Tools / Fuel / Repairs
  - Service Line Improvements / Repairs
- Capital Requests – CARES Funding
  - Jetter Truck

CIP – Sewer – Dept. #85 - 06

- FY20/21 = $260,309.00
- FY21/22 = $189,770.00
- Decrease = ($70,539.00)
- Primary Reasons:
  - Equipment purchased in FY20/21.
- Other expenses include:
  - Equipment Expenses / Tools / Fuel / Repairs
  - Service Line Improvements / Repairs

Waste Water Treatment – Dept. #86

- FY20/21 = $2,587,303.00
- FY21/22 = $2,339,073.00
- Decrease = ($248,230.00)
- Primary Reasons:
  - Offset between Comparable Pay Study and Garver Engineering Expense
- Other expenses include:
  - Equipment Expenses / Tools / Fuel / Repairs
  - Chemicals
  - Electric Utility (Motors / Pumps)
  - TCEQ Permitting
  - Sludge Removal Expenses
  - Facility Repairs / Maintenance
  - Pumps / Motors

Lift Station – Dept. #87

- FY20/21 = $444,214.00
- FY21/22 = $465,645.00
- Increase = $21,431.00
- Primary Reasons:
  - Comparable Pay Study
  - Campbell Soup Liftstation Controls
- Other expenses include:
  - Electric Utility (Lift Station Pumps)
  - FEB Improvements
  - Pumps / Motors

Land Fill / Sanitation Fund Revenue

- FY20/21 = $1,165,350.00
- FY21/22 = $1,078,513.00
- Decrease = ($86,837.00)
- Primary Reasons:
  - Actually estimated to be same budget, but we are transferring an estimated $86,837.00 (assuming we produce this by year end) to the Equipment Fund for a potential future Transfer Station.

Land Fill / Sanitation – Dept. #44

- FY20/21 = $1,165,350.00
- FY21/22 = $1,078,513.00
- Decrease = ($86,837.00)
- Primary Reasons:
  - Transfer to Equipment Fund
  - Realignment of Budget
- Other expenses include:
  - Fuel
  - Equipment Expenses / Tools / Fuel / Repairs
  - Landfill Fees (dumping of trash / drop-off trash)
  - Stillhouse Landfill closure expenses

Timeline

- Gene Anderson will discuss the timeline.