



Proposed Budget Workshop

Fiscal Year 2019-2020

August 1, 2019

Agenda

Fire Key Dates

Lynchburg Creek

Infrastructure Development

Economic Development

Regional Cooperation

Resident Engagement & Proactive Government

Tax Rate Analysis

Budget Calendar



Embracing the Future – Corinth 2030 Strategic Goals and May 30, 2019 Workshop



1 Attracting Quality Residential and Non-Residential Development

2 Citizen Engagement and Proactive Government

3 Regional Cooperation

Land Development

Infrastructure Development

Economic Development

Fire Service Key Dates



FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES DISTRICT

As a result of our recently passed fire bill, the City can now create a fire district to partially fund the fire department.

Revenues from the sales tax may be used for the operation of a fire control, prevention and EMS program.

Can only be imposed in increments of 0.125%, 0.25%, 0.375% or 0.5%.

Elections can be conducted in May or November.

QUESTIONS:

- 1. When to call the election?** The budget is based on a May 2020 election.
- 2. What will be the source of sales tax?** We currently have $\frac{1}{4}$ to street maintenance, $\frac{1}{4}$ to crime control, and $\frac{1}{2}$ to EDC. The budget assumes $\frac{1}{4}$ cent will come from EDC.
- 3. What will be the composition of the board?** Typically the city council will be the board but will need one more member.

Must create a 7-member temporary board not later than the 60th day after the date the governing body proposed to create the district.



The temporary board must call and hold a confirmation election that must be approved by a majority of the qualified voters of the proposed district.



Election must be held after the date on which the election is ordered that affords sufficient time for election procedures to be carried out.

STREET MAINTENANCE SALES TAX

- Revenues from the sales tax may be used only to repair and maintain existing city streets and sidewalks.
- Can only be imposed in increments of 0.125%.
- Our current rate is 0.250%

QUESTIONS:

1. **Do you prefer to call the street election in May or November?**
2. **If in May – are there concerns about more than one item on the ballot?**
3. **What length would you prefer?**

The tax was established in September 2004.



The most recent reauthorization for 4 years was approved by the voters in the November 2016 election.



The tax is up for reauthorization in 2020

ECONOMIC DEVELOPMENT SALES TAX

Revenues must be turned over to a development corporation formed to act on behalf of the City to carry out programs.

Can only be imposed in increments of 0.125%.

Should the City wish to impose a sales tax for fire by reducing the EDC sales tax rate, what approach do you wish to take?

- 1. When to call the election?** The budget is based on a May 2020 election. So that EDC funding is not reduced until next budget year.
- 2. Do you prefer a single ballot for EDC and fire, if we can do so legally?**

EDC and the related tax was approved in November 2002



An EDC sales tax is approved without a limit on its duration and is effective until repealed or reduced by an election



Election must be held after the date on which the election is ordered that affords sufficient time for election procedures to be carried out.



The focus on infrastructure fall into six areas: Transportation, Water, Wastewater, Drainage, the TIRZ, and Asset Management

Transportation

- Alignment of Lake Sharon Boulevard and Dobbs Road
- Quail Run Drive Realignment
- Resurface Riverview Drive and Old Highway 77
- Safe Routes to School Grant
- Street Condition Software

Water/Wastewater

- Elevated Storage Tank
- Preliminary Engineering for Parkridge Drive Extension

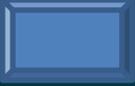
Drainage

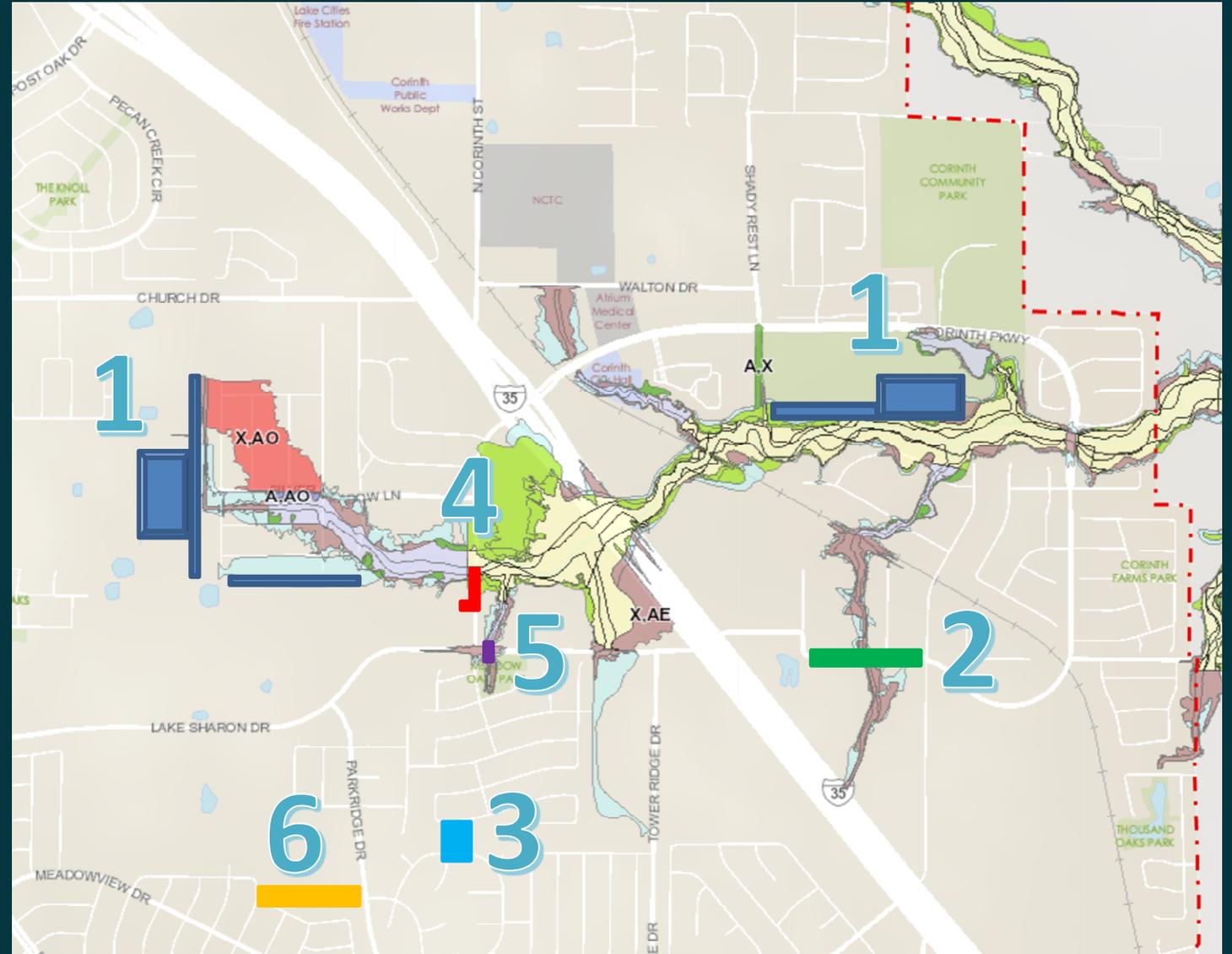
- Lynchburg Creek
- Wetlands & Flood Mitigation
- Preliminary Engineering
 - Lake Sharon near Corinth Parkway
 - Blake Street
 - Corinth Parkway near Lake Sharon

Asset Management

- Initial Funding of \$600,000
- Purchase Work Order/ Asset Management Tracking System

DRAINAGE IMPROVEMENTS

-  1. Lynchburg Creek - Grant
-  2. Dobbs Road - Roadway
-  3. Blake Street
-  4. Corinth Parkway @ Lake Sharon
-  5. Lake Sharon @ Corinth Parkway
-  6. Amherst @ Clark Street



1. Lynchburg Creek – Grant

Improve flood situation for 75 homes. 60 of which are being added to the floodplain with the new maps to be released in the next few months.

2. Dobbs Road – Roadway

Road convert from bar ditch to curb and gutter with sufficient drainage system for the area. Solves a 30 year old issue of inadequate drainage capacity along the roadway.

3. Blake Street *

Recent complaint – 2004 Storm Water Plan identified the Forestwood subdivision may need to be improved from bar ditch to curb & gutter.

4. Corinth Parkway @ Lake Sharon*

New flood maps raise the elevation of the water surface through the drainage system in Corinth Parkway which will lead to problems in future development at this intersection.

5. Lake Sharon @ Corinth Parkway*

2004 Storm Water Plan identified this culvert to be under capacity causing the floodplain to run over the roadway.

6. Amherst @ Clark Street

Issues related to a long history of drainage problems centralized in 1-3 resident's yards.

* Engineering study funded only

Ensure the implementation of a Capital Improvement Project (CIP) program that invests in the water system and transportation network to compliment economic development efforts.

- Lake Sharon/Dobbs Road alignment right of way acquisition and construction
- Construct the elevated water storage tank near Quail Run Drive
- Adopt a TIRZ financing plan to fund the infrastructure necessary for a commuter rail stop and the associated transit-oriented TOD and encourage economic development and revitalization along I-35E
- Seek state/federal funding for drainage improvements along Lynchburg Creek
- Promote water conservation through education and incentives
- Integrate the asset management plan (with life-cycle costing features) into the CIP and budgeting process

Infrastructure Development



Tax Increment Reinvestment Zone

- The City Council to consider an ordinance creating a TIRZ in September 2019.
- The financial plan is anticipated to be developed and adopted in November



Asset Management Plan

Total Assets - \$659 million

General Fund \$421,750,000

Utility Fund \$237,250,000

Annual Requirements

General Fund \$6,300,000

Water/Sewer \$4,800,000

Storm Water \$1,300,000

Recommended Budget

General Fund \$250,000

Water/Sewer \$250,000

Storm Water \$100,000

Enterprise Lease Summary



**Replaced 45 Units
FY19-20 = 11 Units
Budgeted**

**Total Budgeted
Lease = \$438,301**

FY20-21 = 12 Units



**Total Sale Gains
\$340,000**

**Total Average
Gain = \$7,400**

**Total Average Police
Gain = \$12,000**



**Decrease In
Maintenance of
\$77,929 or 31.8%**

**2017 Actual
Maintenance =
\$245,229**

**FY2019 Budget
Maintenance =
\$167,300**



**Decrease In Annual
Fuel Usage of
12k gallons or 16%**

**2017 Actual
Gallons = 74k**

**FY2019 Budget
Gallons = 62K**

Comprehensive Land Use Plan Update and Master Parks & Trails Plans and Implementation

May 2019	Consulting Firms Interviews
August 1, 2019	City Council appoints Comprehensive Plan Advisory Committee (CPAC)
August 8, 2019	City Council engages planning firm
August 27, 2019	Kick-off/Orientation meeting with CPAC
August-December 2019	Visioning, Plan Development, meetings with Staff and CPAC
January/February 2020	Final Draft of Plan presented to CPAC and seek recommendation from CPAC
March 23, 2020	Planning and Zoning Commission Public Hearing and Recommendation
March/April 2020	City Council Public Hearing and Anticipated Plan Adoption
Implementation	Continuous

✓ **Competitive Compensation Plan to ensure Recruitment and Retention**



✓ **Training and Succession Planning.**

- 23% are currently eligible for retirement.
- By 2024 43% will be eligible.



✓ **Values and Organizational Development Focus**



Human Resource Management

Demonstrate a Commitment to employee development and growth

Health Insurance

City Council Consideration August 8, 2019

- ❑ 4% decrease -\$85,000 after negotiation and dependent contribution change
- ❑ Continues Health Employee Insurance Benefits Trust – 1.75% premium savings
- ❑ Changes City dependent contribution from 70% to 69%
- ❑ BASE PLAN:
 - Continue High Deductible Insurance Plan with a Health Savings Account (H.S.A.)
 - Continues contribution to employee Health Savings Account of \$1,000
 - Deductible remains at \$2,700 for individual (same network)
- ❑ BUY UP PLAN:
 - Plan option with deductibles and copays (traditional PPO Plan)
 - Deductible of \$1,000
 - Co-insurance Benefit 80% to \$3,000 out of pocket maximum
 - Copays (Emergency room -\$200, Urgent care-\$50, Office Visit \$25, Specialist \$50, Prescriptions \$10/\$35/\$70/\$150)

CITY CONTRIBUTION			
	Current (70%)*	Proposed (69%)*	City Impact
EE Only	\$583.18	\$559.85	(\$23.33)
EE/Children*	912.75	871.71	(41.04)
EE/Spouse*	1,062.60	1,013.52	(49.08)
EE/Family*	1,478.72	1,407.28	(71.44)

EMPLOYEE "BASE PLAN" CONTRIBUTION			
	Current (30%*)	Proposed (31%*)	Employee Impact
EE Only	\$0	\$0	\$0
EE/Children*	141.24	140.12	(1.12)
EE/Spouse*	205.46	203.82	(1.64)
EE/Family*	383.80	380.74	(3.06)

EMPLOYEE "BUY UP" CONTRIBUTION			
	Current	Proposed	Employee Impact
EE Only	\$66.36	\$63.70	(\$2.66)
EE/Children	261.16	255.24	(5.92)
EE/Spouse	349.74	342.34	(7.40)
EE/Family	595.72	584.18	(11.54)



**3% Step Plan
Progression for
Public Safety**



**3% General Merit
for General
Employees**



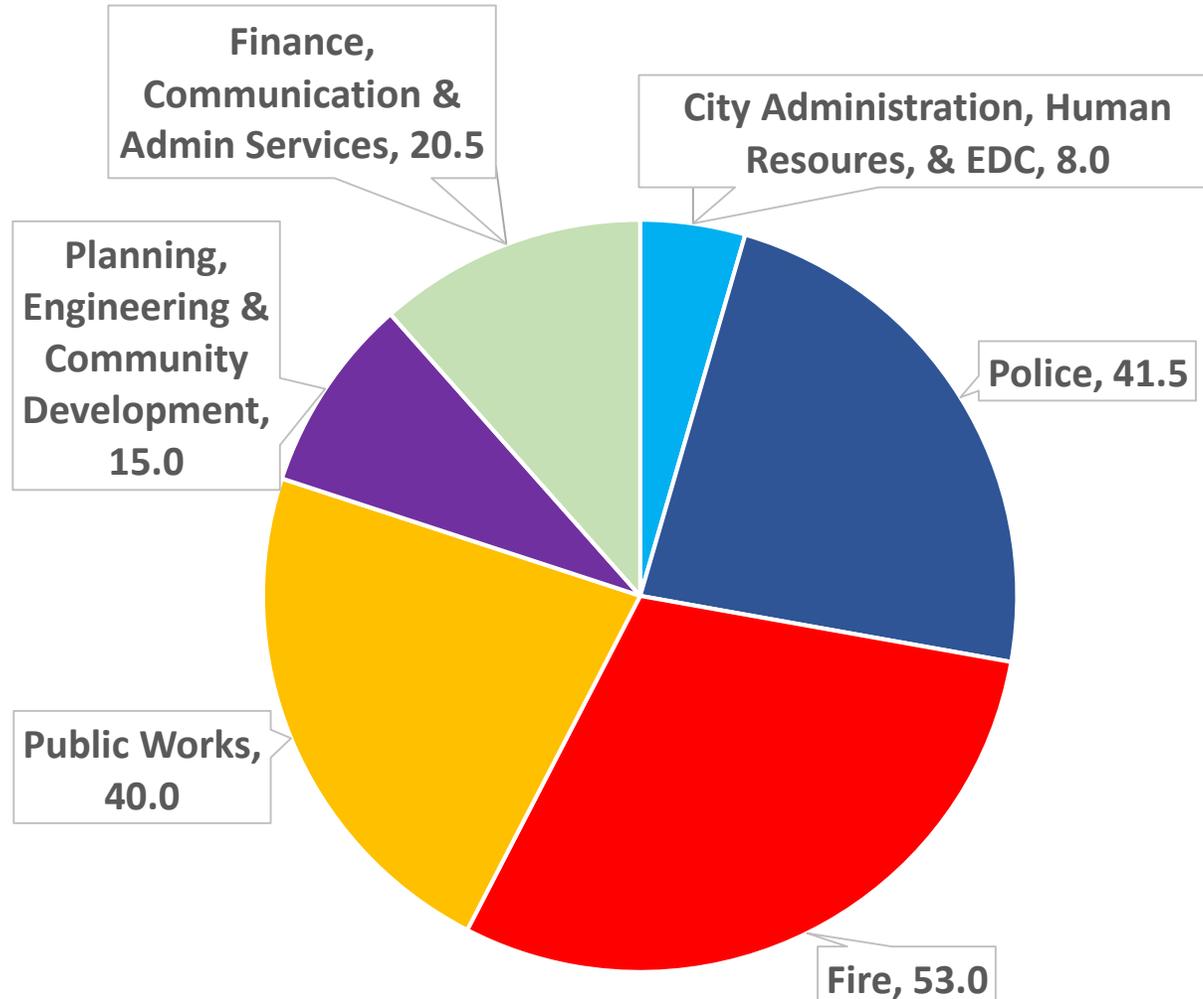
**3% Adjustment to
the Public Safety
and General Pay
Schedules**

Wage Analysis

- Most of the employees' salaries are under the midpoint of Corinth's current pay ranges. Ideally, salaries should be at the midpoint of the pay ranges.
- Corinth's current pay ranges, when compared to our target market, are below the median minimum 50th percentile.

Position Summary

Total Positions all Funds – 178 FTE

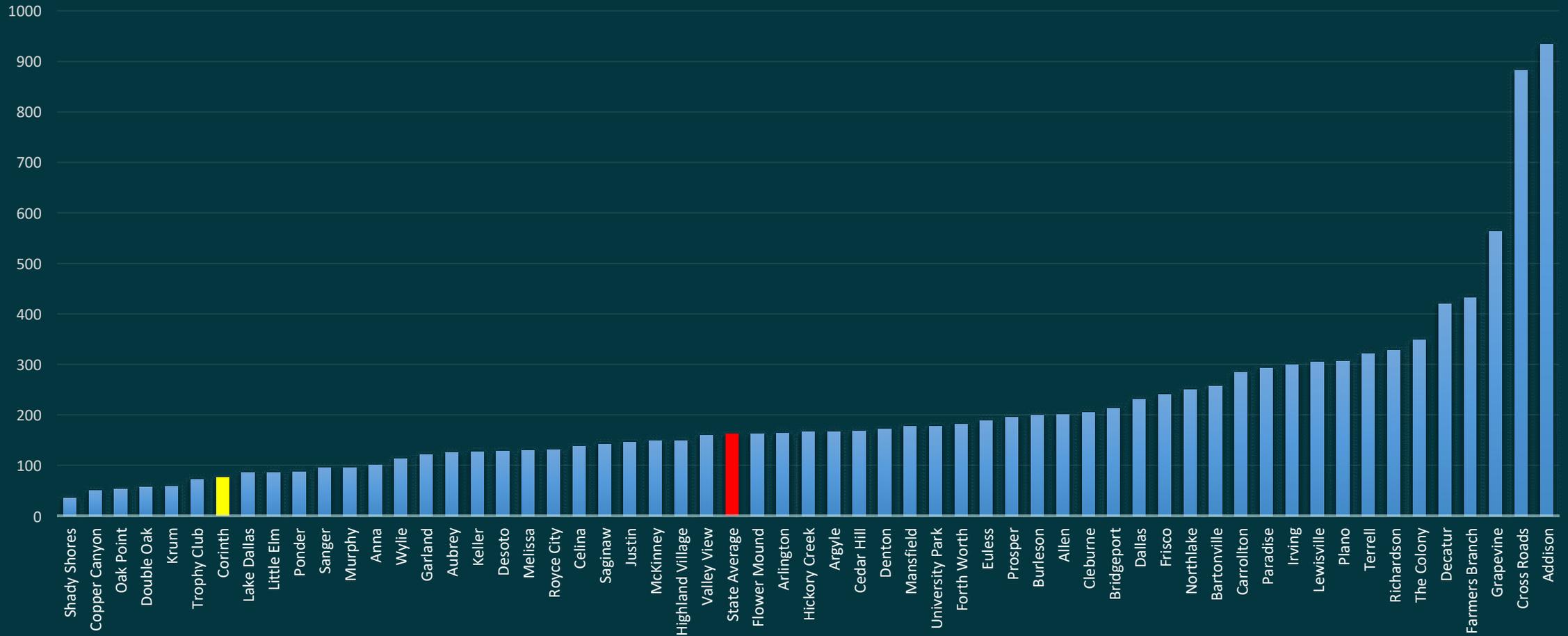


FY2019-20 Proposed Positions

- Police Officers – 2 FTE
- Restore Court Bailiff – 1 FTE
- Restore Part-time Accounting Clerk – .50 FTE
- Seasonal Marketing/ Special Event Intern (Hotel Tax Fund) – .50 FTE

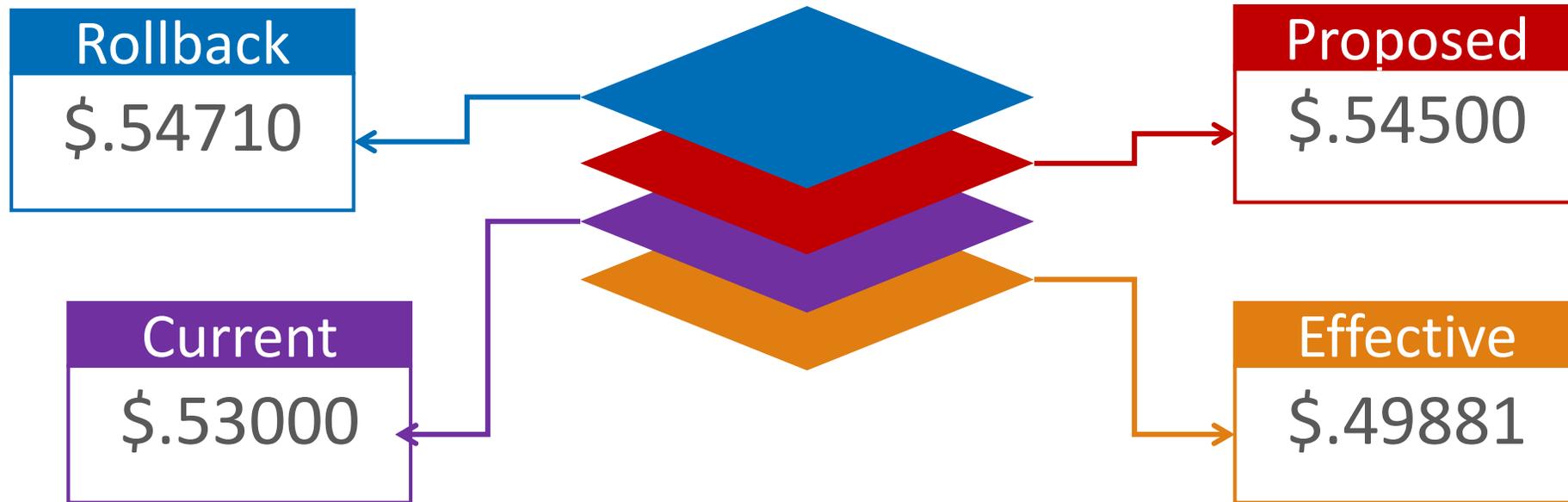
Texas Local Governments Receiving Sales Taxes 1997 - Current Month

Entities showing 25-year history of rolling 12 month (R12) net collections & other metrics



Property Tax Rate Analysis

Fiscal Year 2019-2020



What is the Effective Tax Rate?

Tax Rate that provides about the same amount of revenue as the prior year

What is the Rollback Tax Rate?

Maximum rate allowed without voter approval

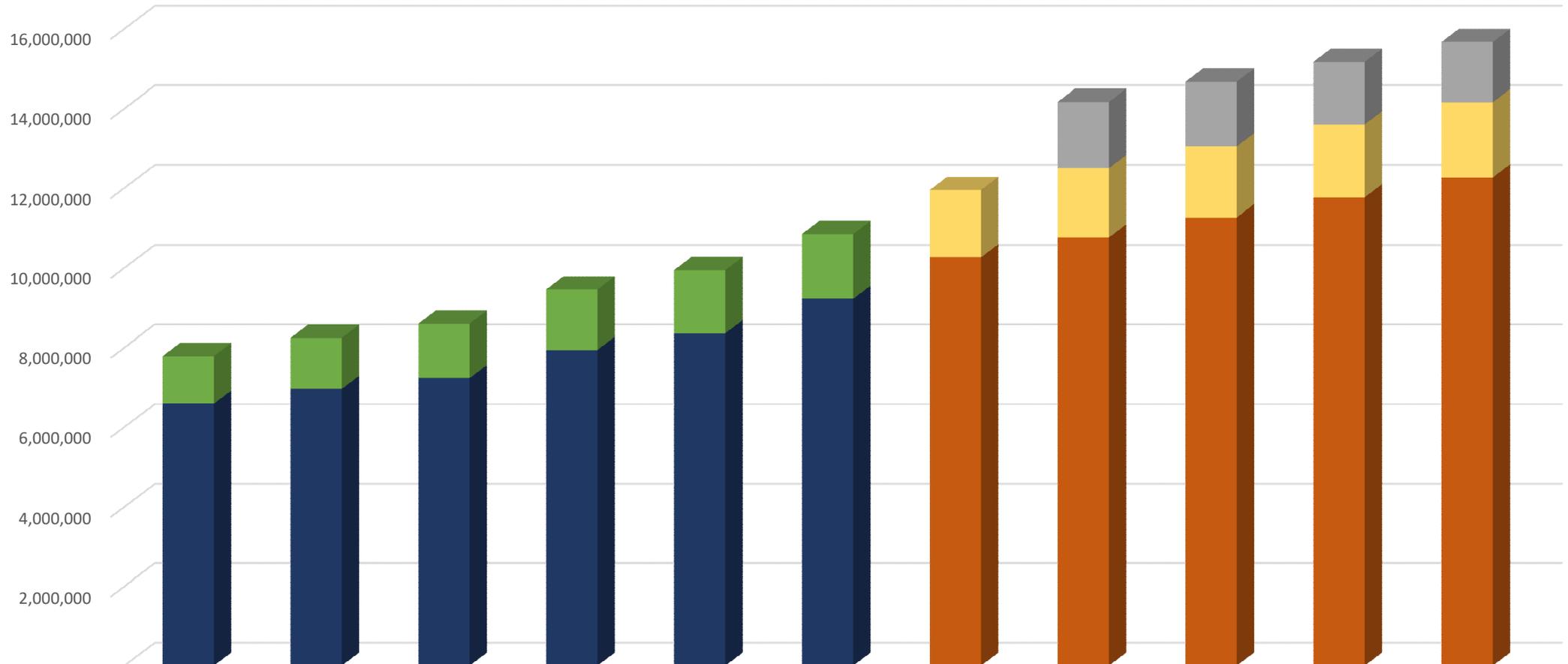
Tax Rate Comparison

	2015	2016	2017	2018	2019
Certified Value	\$1,638,520,892	\$1,799,383,154	\$1,952,654,794	\$2,159,281,283	\$2,376,455,965
Change in Value	6.53%	9.82%	8.52%	10.58%	10.06%
<u>Property Tax Rate</u>					
General Fund	\$0.44143	\$.44298	\$.42791	\$.42711	\$.43211
Debt Service	0.14346	0.13895	0.10895	0.10289	0.11289
Total Tax Rate	\$0.58489	\$0.58193	\$0.53686	\$0.53000	\$0.54500
Change in Tax Rate	(1¢)	(0.296¢)	(4.50¢)	(0.686¢)	1.5¢

Tax Rate Comparison Under SB2

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Certified Value	\$1,638,520,892	\$1,799,383,154	\$1,952,654,794	\$2,159,281,283	\$2,376,455,965	2,566,572,442	2,771,898,238	2,993,650,097	3,233,142,104
Change in Value	6.53%	9.82%	8.52%	10.58%	10.06%	8.00%	8.00%	8.00%	8.00%
<u>Property Tax Rate</u>									
General Fund	\$0.44143	\$.44298	\$.42791	\$.42711	\$.43211	\$0.41958	\$0.40654	\$0.39313	\$0.37947
Debt Service	0.14346	0.13895	0.10895	0.10289	0.11289				
Total Tax Rate	\$0.58489	\$0.58193	\$0.53686	\$0.53000	\$0.54500				
Change in Tax Rate	(1¢)	(0.296¢)	(4.50¢)	(0.686¢)	1.5¢	(1.25¢)	(1.30¢)	(1.34¢)	(1.36¢)

Future Tax Rate Analysis



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
■ State Average								1,667,159	1,615,146	1,561,571	1,506,390
■ Sales Tax	1,198,319	1,273,696	1,358,877	1,513,477	1,592,032	1,634,264	1,683,292	1,733,791	1,785,804	1,839,379	1,894,560
■ Property Tax	6,593,085	6,964,929	7,237,081	7,945,800	8,354,562	9,222,506	10,268,90	10,768,90	11,268,90	11,768,90	12,268,90

Average Home Value Comparison

2018

Appraised
Value
\$269,668

Property Taxes
\$1,429

\$140 or
9.7% Increase

2019

Appraised
Value
\$287,779

Property Taxes
\$1,569

Average Home Value Comparison

	2015	2016	2017	2018	2019
Avg Home Value	\$211,926	\$229,765	\$249,112	\$269,668	\$287,779
Tax Rate	.58489	.58193	.53686	.53000	.54500
<u>Average Tax Bill:</u>					
General Fund	\$936	\$1,018	\$1,066	\$1,152	\$1,244
Debt Service Fund	304	319	271	277	325
Total Taxes Due	\$1,240	\$1,337	\$1,337	\$1,429	\$1,569



***Average Home Values increase:
\$18,111 or 6.7% over the
2018 home values
= \$140 increase in tax bill***

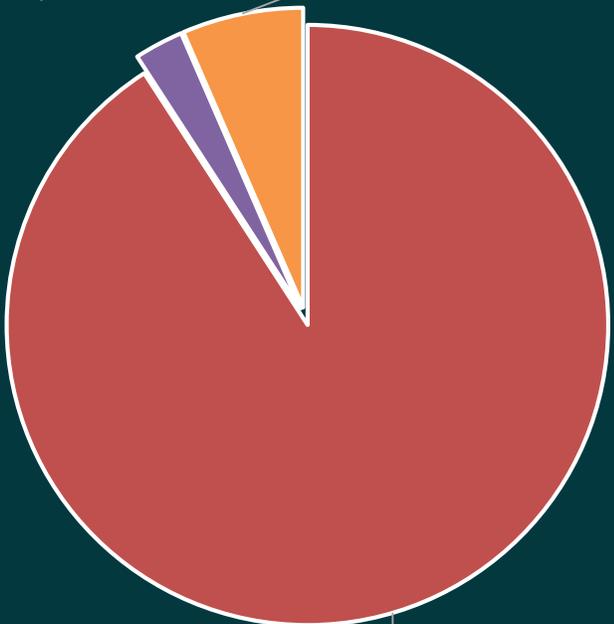
***\$75,853 or 36% since 2015
= \$329 increase in tax bill***

Tax Revenue Analysis

Certified Value as of July 25
\$2,376,455,965

New Improvements,
 62,590,319, 2.63%

Increase value to
 Existing Properties,
 154,584,363, 6.50%



FY18 Assessed Value,
 2,159,281,283, 91%

Property Tax Revenue	General Fund	Debt Service Fund	Total
Tax Rate	.43211	.11289	.54500
FY18 Assessed Value	\$9,222,506	\$2,221,685	\$11,444,191
Increase in Existing Properties	775,939	390,438	1,166,377
New Improvements	270,459	70,658	341,117
Total Property Tax Revenue	\$10,268,904	\$2,682,781	\$12,951,685

2019 Tax Revenue Increase = \$1,507,494

Assessed Valuation New Value Added

	2015	2016	2017	2018	2019
New Value Added	\$15,403,173	\$33,390,497	\$19,490,199	\$56,348,794	\$62,590,319
Tax Rate	.58489	.58913	.53686	.53000	.54500
<u>Tax Bill Allocation:</u>					
General Fund	\$67,994	\$147,913	\$83,400	\$240,671	\$270,459
Debt Service Fund	22,097	46,396	21,235	57,977	70,658
Total New Taxes	\$90,092	\$194,309	\$104,635	\$298,648	\$341,117

Five Year Average Growth of \$37,444,596

5 Year Average Annual Tax Revenue Increase on New Value Added = \$205,760

General Fund = \$162,087 and Debt Service Fund = \$43,673

Economic Development

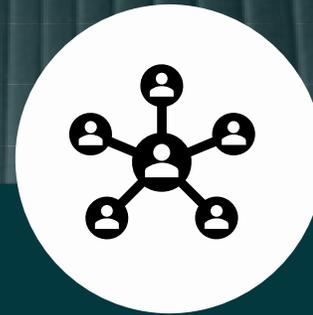
Create a cohesive economic development/investment strategy



Implement and Promote a TIRZ for a Transit Oriented Development along I-35E



Utilize and leverage ESRI data for business focused demographics data



Expand the network of commercial real estate brokers to help promote the City for development



Create promotional material through Slate Communications

Proactive Government New Program Funding

Services

- Shade Structure Repair
- Community Park Contract Mowing
- Broadband Study

Positions

- Police Officers – 2 FTE
- Restore Court Bailiff – 1 FTE
- Restore Part-time Accounting Clerk – .50 FTE
- Special Event Intern – .50 FTE

Equipment

- Street Saw
- Dump bed trailer
- Mower
- Trailer
- Equipment for Court Bailiff

Technology

- Work Order/Asset Mgt System
- Road Condition Software

Resident Engagement and Proactive Government

Invest in assisting Corinth residents to understand and participate in the process, and help identify solutions

- Effectively distribute information about City activities and programs consistent with the Communication Strategic Plan
- Promote community family events
 - Pumpkin Palooza, Easter Eggstravaganza, Fish 'n Fun, Annual Tree Lighting
- Create partnership through hotel tax fund to promote special events
- Promote HOA outreach through the Ambassador Program
- Expand the Keep Corinth Beautiful Board to seven members
- Create a five member Parks & Trails Board



Regional Cooperation

Corinth is ideally located along I-35E in Denton County and is the largest of the four Lake Cities. Due to the City's location in the Dallas Fort Worth metroplex, it is necessary to be active in a wide variety of regional efforts.

- Continue Partnering with Lake Cities Municipal Utility Authority (LCMUA) to provide GIS services and joint construction and use of utility lines
- Pursue a commuter rail stop through DCTA
- Encourage the expansion of health services training through NCTC
- Pursue partnership with Denton County relative to the TIRZ.
- Participate in NCTCOG programs
- Participate in the North Texas Commission

Establish and Maintain Intergovernmental Relations

- City of Denton
- City of Hickory Creek
- City of Lake Dallas
- Town of Shady Shores
- Denton County
- Denton County Transportation Authority
- Denton ISD
- Lake Dallas ISD
- National League of Cities
- Texas Municipal League
- North Central Texas Community College
- Texas Woman's University
- University of North Texas
- University of Texas at Arlington
- Lake Cities Municipal Utility Authority
- Upper Trinity Conservation Trust
- Upper Trinity Regional Water District
- Texas Department of Transportation
- Texas Water Development Board

- Participate in Lake Cities joint meetings and expand service delivery opportunities
- Improve internet/broadband service providers through a joint Lake Cities task force.
- Preliminary planning for Shady Shores Drive reconstruction
- Coordinate Special Events and Business Promotion

Lake Cities Communities in Unity



Operating Budget Overview

	General Fund	Debt Service Fund	Utility Fund	Storm Drainage Fund	Economic Development Fund	Street Maint Sales Tax	Crime Control Fund
Estimated Beginning Fund Balance 10/1/18	\$5,091,654	\$325,667	\$3,686,678	\$375,150	\$1,083,693	\$1,268,961	\$481,505
Revenues	20,075,795	2,682,781	13,454,855	755,100	873,894	431,501	391,520
Use of Fund Balance	789,724	248,900	255,513	144,345	62,663	301,577	0
Total Resources	\$20,865,519	\$2,931,681	\$13,710,368	\$899,445	\$936,557	\$733,078	\$377,228
Expenditures	18,969,753	2,931,681	13,156,868	665,945	786,557	89,078	377,228
New on-going Programs	232,966	0	0	0	0	5,000	0
One-time Programs	1,662,800	0	553,500	233,500	150,000	639,000	0
Total Expenditures	\$20,865,519	\$2,931,681	\$13,710,368	\$899,445	\$936,557	\$733,078	\$377,228
Estimated Ending Fund Balance 9/30/19	\$4,301,930	\$76,767	\$3,431,165	\$230,805	\$1,021,030	\$967,384	\$495,797
% of Total Expenditures	20.62%		25.03%	25.66%			
Policy Target	20.00%		25.00%	25.00%			

Budget Calendar

AUGUST

8th – Budget Work Session to Review Governmental Funds
Vote on Published tax rate and public hearing dates

22nd – Budget Work Session on Proprietary Funds and CIP
First Public Hearing on Tax Rate
Approve Crime Control & Prevention District Budget

SEPTEMBER

5th – Budget Work Session
Second Public Hearing on Tax Rate
Public Hearing on Annual Budget

19th – Adoption of Budget, Tax Rates, and Tax Rolls