



Proposed Budget Workshop

Fiscal Year 2019-2020

August 8, 2019

Agenda

Tax Rate Analysis

General Fund Department Overview

Restricted and Sales Tax Use Funds Overview

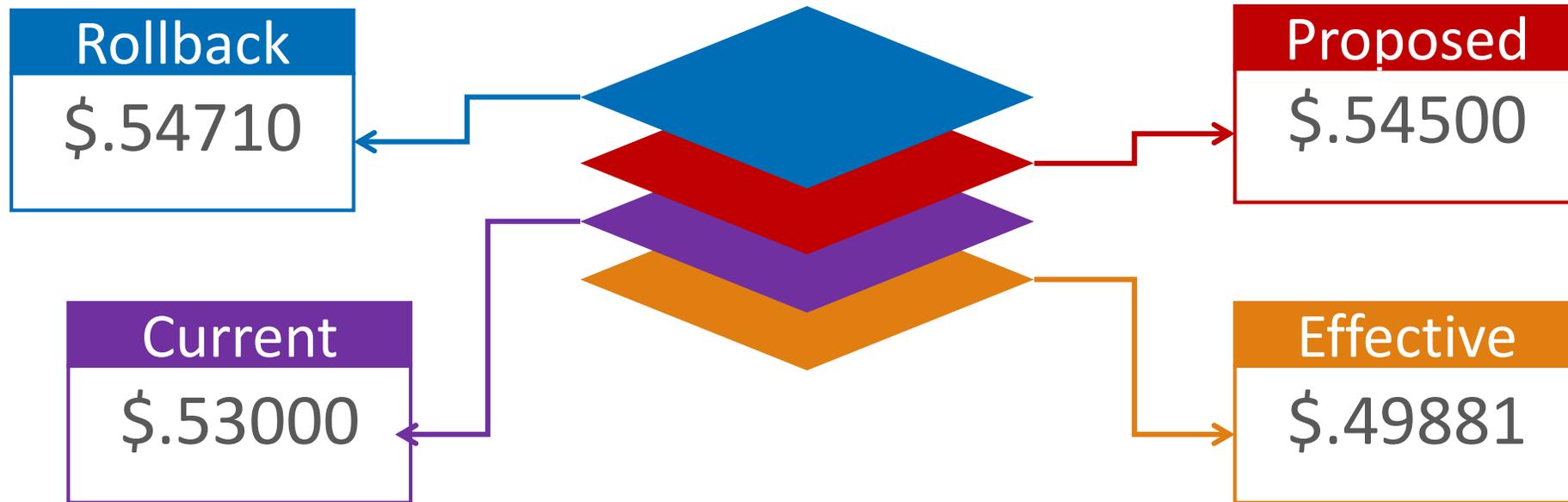
CIP and General Debt Capacity Analysis

Budget Calendar



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

Entity	2018 Adopted Tax Rate	2019 Proposed Tax Rate
Sanger	.67910	.67910
The Colony	.66250	.66000
Justin	.65000	.65000
Little Elm	.64990	.64990
Krum	.64749	.64749
Celina	.64500	.64500
Lake Dallas	.66175	.64497
Denton	.62048	.60545
Carrollton	.59497	.59497
Coppell	.56950	.58400
Highland Village	.56302	.56302
Pilot Point	.54663	.54505
Corinth	.53000	.54500
Aubrey	.54200	.54200
Prosper	.52000	.52000
Oak Point	.52000	.51000
Flower Mound	.43900	.43900
Hickory Creek	.34754	.33040
Shady Shores	.31463	.32196

General Fund Overview



City Administration



DEPARTMENT BUDGET OVERVIEW

Division	FTE	2019-20
City Council	-	39,761
City Administration	3	1,494,266
Legal	-	200,000
	3	\$ 1,734,027



3

Employees



910k

New Program Funding

New Program Funding:

- Broadband Study - \$10,000
- Creation of a TIRZ - \$500,000
- Wetlands and Flood Mitigation Studies - \$150,000
- Transfer to General Asset Management Reserve Fund - \$250,000

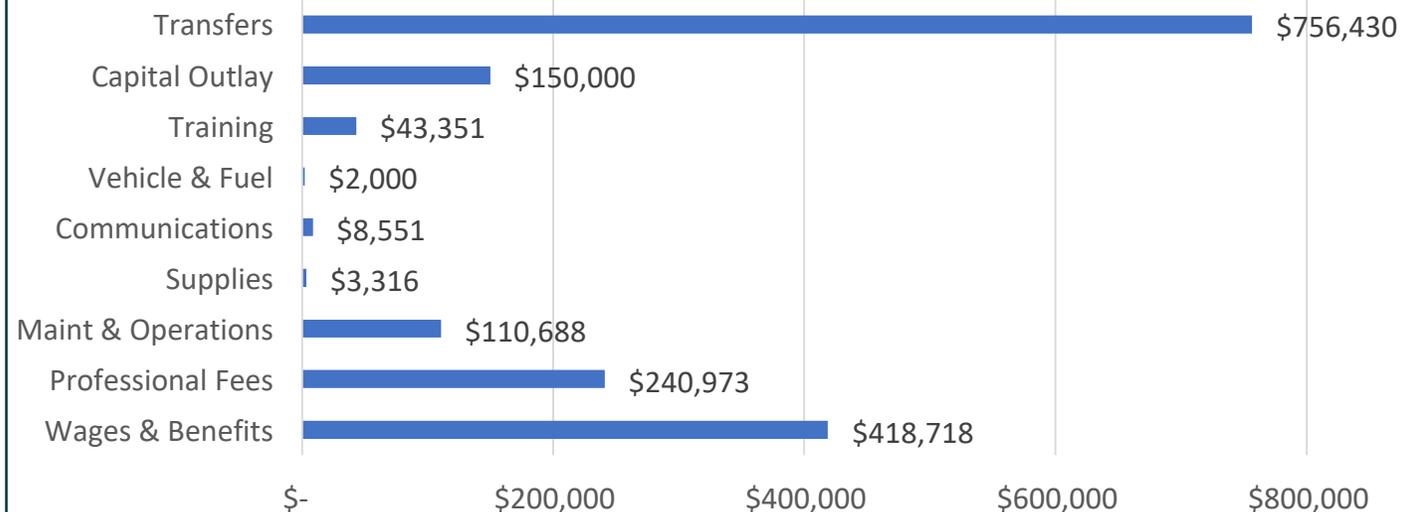


GOALS FOR 2019-2020

- Creation and adoption of a TIRZ.
- Negotiate Access Agreement for rail stop with DCTA.
- Direct Broadband Task Force for Lake Cities.
- Negotiate fire agreements.
- Sales Tax Election for EDC, Fire District and Street Maintenance Sales Tax.
- Place strategic plan online with updates



DEPARTMENT BUDGET



Human Resources



DEPARTMENT BUDGET OVERVIEW

Division	FTE	2019-20
Human Resources	4	\$457,358


4
 Employees


\$0
 New Program Funding

New Program Funding:

- No new program funding.

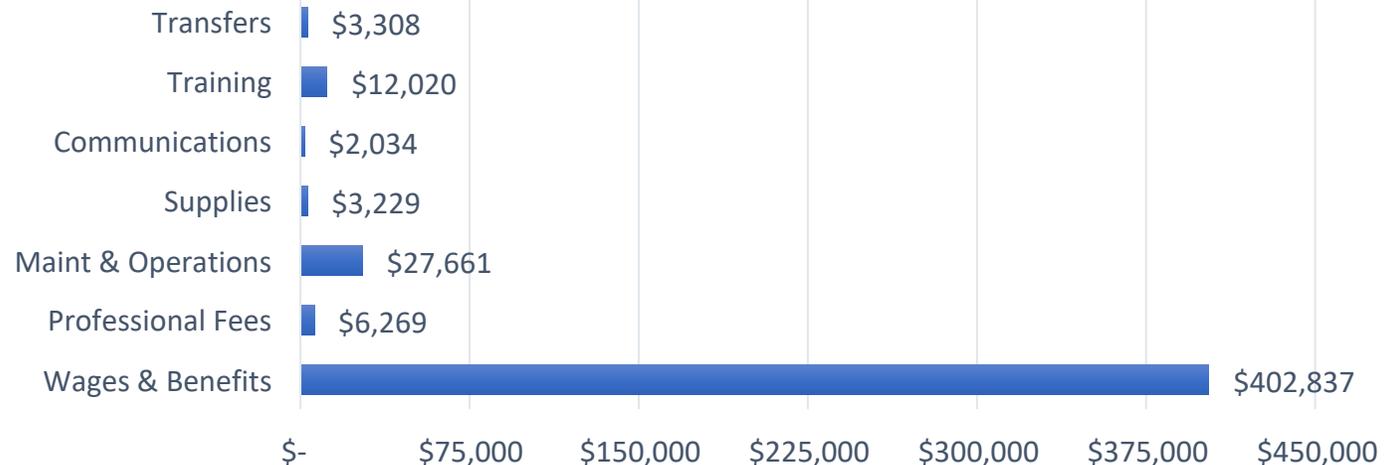


GOALS FOR 2019-2020

- Examine salary and benefit competitiveness.
- Implement the training initiatives for the desired culture.
- Continue to support the paperless timesheet effort with the time entry system (ExecuTime).
- Automate the position applications through NeoGov.
- Implement new employee performance monitoring based on the strategic plan goals and actions.
- Create Values Statement through employee participation
- Organization development training



DEPARTMENT BUDGET



Wages Analysis

Proposed Merit and Market Adjustment

3%

PUBLIC SAFETY STEP

3%

GENERAL MERIT

3%

Market Adjustment

Proposed Merit and Market Adjustment Impact

Funds	Market Adj	Merit/Step	Total
Public Safety	\$135,360	\$135,360	\$270,720
General Fund	118,122	118,122	236,244
Utility Fund	47,322	47,322	94,644
Drainage Fund	4,469	4,469	8,938
Crime Control Fund	3,370	3,370	6,740
Economic Dev. Fund	4,172	4,172	8,344
Child Safety Fund	471	471	942
Total	\$313,286	\$313,286	\$626,572

- Most of the general government employees' salaries are under the Mid of Corinth's current pay ranges. Ideally, salaries should be at the Mid of the pay ranges.
- Corinth's current pay ranges, when compared to our target market, are below the median minimum (50th percentile – where half of the employers pay more and half pay less).
- The budget contains funding for the following:
 - 3% adjustment to the Public Safety and General Government Pay Schedules
 - Continuation of a 3% step plan progression for Public Safety and a 3% merit pay increase for the General Government employees.

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)

Police



DEPARTMENT BUDGET OVERVIEW

Division	FTE	2019-20
Police	39	\$4,642,795



39

Employees

New Program Funding:

- Two Police Officers (April 1st) - \$83,996



\$84k

New Program
Funding

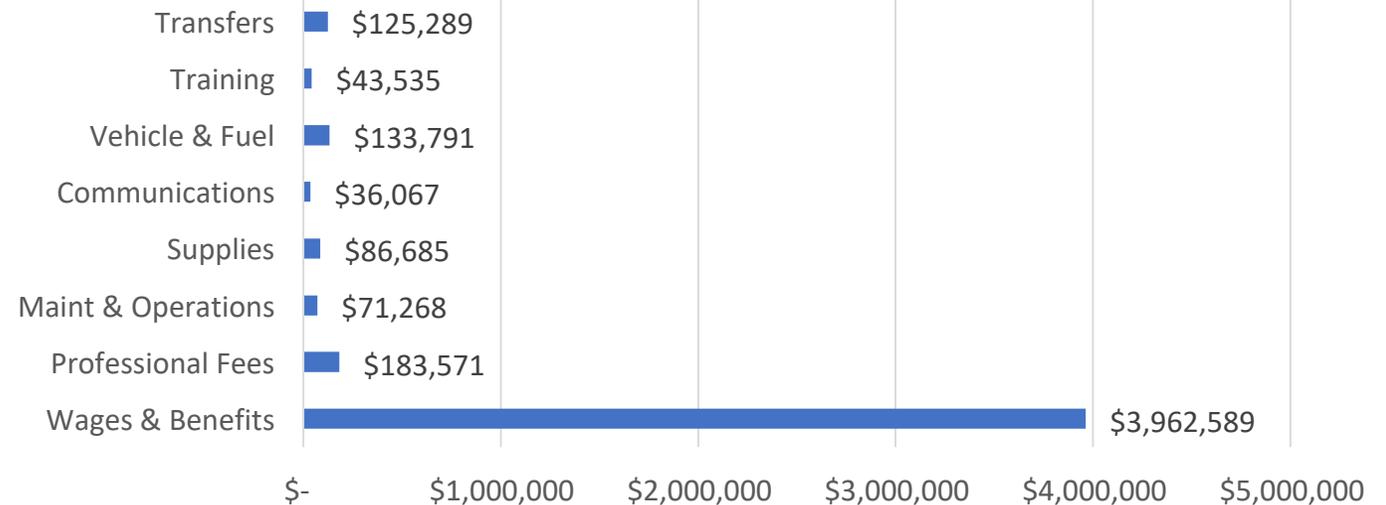


GOALS FOR 2019-2020

- Review and revise recruitment and selection processes to secure additional exceptional police candidates.
- Continue expanded community engagement initiatives (Citizens Police Academy, Coffee with a Cop, CSI Camp, VIPS Program).
- Expand the Department's in-house training to become a training provider through TCOLE.



DEPARTMENT BUDGET



Fire



DEPARTMENT BUDGET OVERVIEW

Division	FTE	2019-20
Fire	53	\$6,928,640



53

Employees



\$0k

New Program Funding

New Program Funding:

- No new program funding.

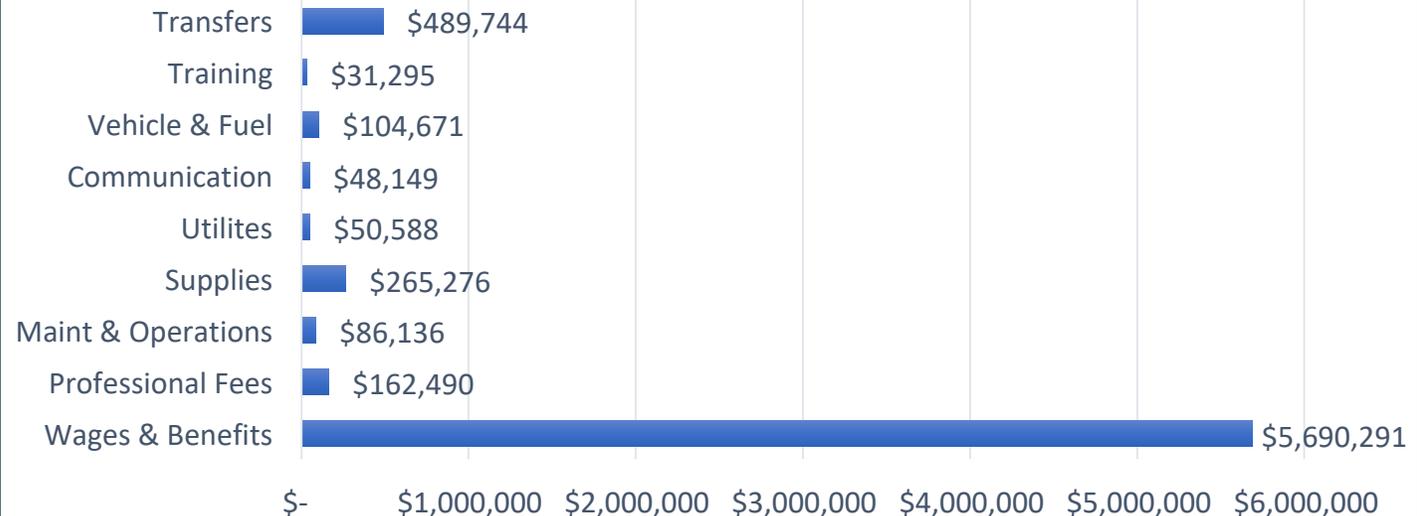


GOALS FOR 2019-2020

- Create a Joint Public Safety Citizens Academy.
- Seek recognized status through the Texas fire Chiefs Association Best Practices.
- Revamp fire prevention program for all age groups including senior citizens.
- Create a Master Plan for the design of the Fire Training Field.
- Upgrade Outdoor Warning Sirens.
- Establish leadership development program for company officers and command staff positions.
- Approve Fire Services Agreements with the Lake Cities.
- Continue Fire Field Training partnership with the City of Little Elm and explore partnership with NCTC.



DEPARTMENT BUDGET



Fire Operations

Personnel

3 Firehouses	39+9 SAFER Firefighters	12 Minimum Firefighters on duty daily	<u>Station Staffing:</u> <ul style="list-style-type: none"> ▪ 18 Firefighters at firehouse no. 1 ▪ 18 Firefighters at firehouse no. 2 ▪ 12 Firefighters at firehouse no 3
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Equipment

<u>Firehouse No. 1</u> Engine, Medic	<u>Firehouse #2</u> Squad, Medic, Reserve Engine/ Medic, Brush Trucks, Fleet Truck, ATV	<u>Firehouse #3</u> Quint, Rescue Truck	<u>Contract Timeline:</u> <ul style="list-style-type: none"> • Provide Funding Scenario to Lake Cities by Oct 1
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SAFER Grant

Fiscal Year	9 Firefighter wages & benefits	Estimated SAFER Grant	Net Impact to City
FY2018-19 est.	\$ 471,053	\$ 353,289	\$ 117,764
FY2019-20	755,029	517,901	237,128
FY2020-21	782,685	310,740	471,945
FY2021-22	840,199	60,422	779,777

SAFER Grant Details:

- Grant Effective Date January 2019
- Grant reimburses 75%, 75% and 35% of the first year base firefighter wages and benefits.
- Entities are required to keep all positions for the length of the grant.

PUBLIC WORKS



DEPARTMENT BUDGET OVERVIEW

Division	FTE	2019-20
Streets	7	1,675,323
Parks	11	1,471,348
	18	\$3,146,671



18

Employees



800k

New Program Funding

New Program Funding:

- Trailer- \$4,800
- Safe Routes to school grant - \$700,000
- Partial funding for work order/asset management system - \$31,500
- Mower - \$16,500
- Community Park contract mowing - \$47,000

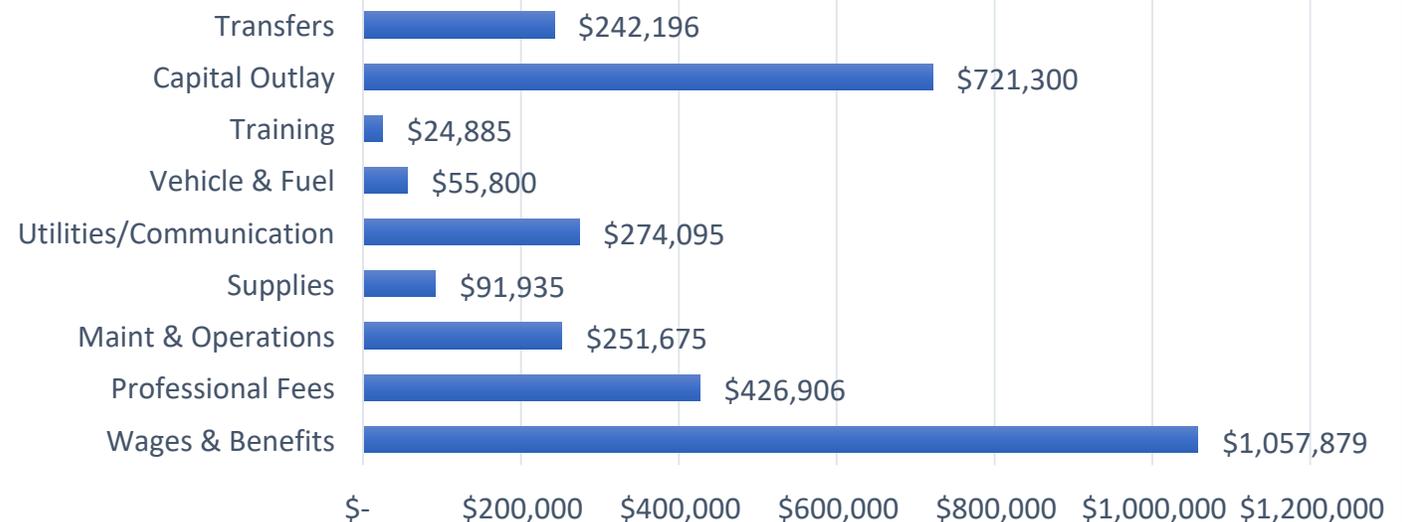


GOALS FOR 2019-2020

- Launch the Parks & Recreation Board
- Perform major and minor street repairs as needed.
- Identify/repair sidewalks which pose a risk (trip hazard).
- Implement year two of road striping program.
- Expand Summer Camp to two location sites.
- Become accredited Tree City USA member.
- Reduce work order response time.
- Green Ribbon project completion for FM2499 and FM2181 with TXDOT.
- Purchase a work order/asset management software program.
- Complete/update tree inventory.
- Secure a trust for park land dedications.



DEPARTMENT BUDGET



Finance, Communication & Strategic Services



DEPARTMENT BUDGET OVERVIEW

Division	FTE	2019-20
Finance/Communications	7	\$1,118,788
Municipal Court	5	517,752
Technology Services	5	704,437
GS/City Hall	-	208,044
GS/Public Safety Complex	-	162,356
	17	\$2,711,377

17
Employees

102k
New Program Funding

New Program Funding:

- Part-time accounting clerk (0.5 FTE) - \$22,575
- Court Bailiff (1 FTE) - \$79,395

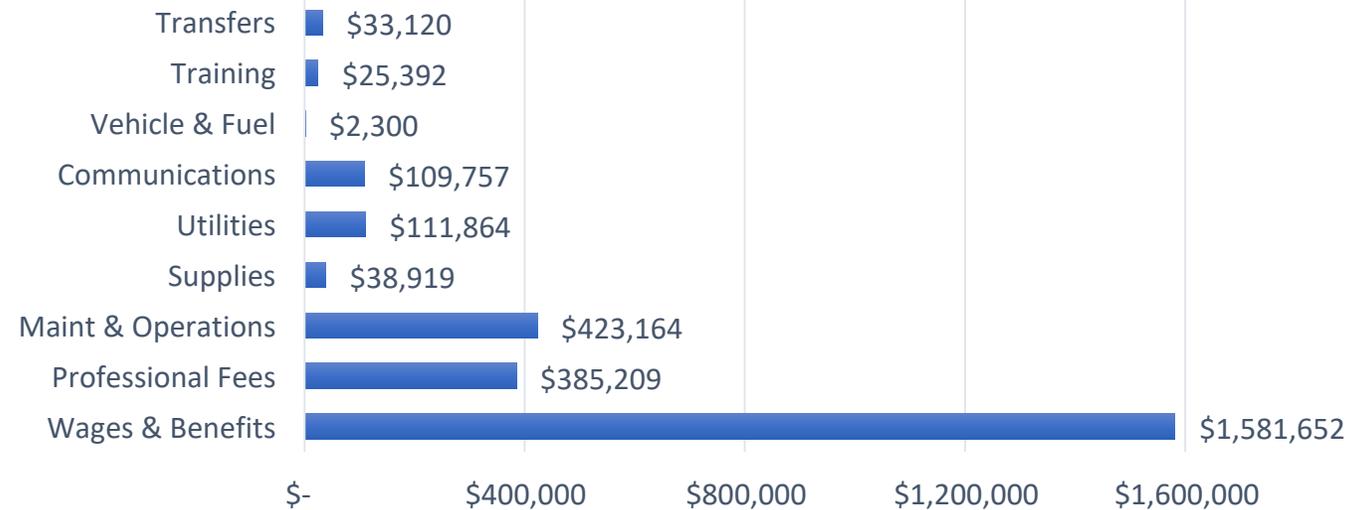


GOALS FOR 2019-2020

- Continue to receive the Certificate of Achievement for Excellence in Financial Reporting.
- Work towards receiving the Comptroller of Public Accounts Transparency Stars program for Accounting.
- Expand participation in Warrant Roundup Program.
- Implement electronic bidding and contract management system.
- Upgrade Court/Utility Billing modules to Incode Version 10.
- Go Live with Utility Customer Portal and educate citizens on how to use it.
- Integrate Utility Billing module and new work order system for Public Works.



DEPARTMENT BUDGET



Planning & Development



DEPARTMENT BUDGET OVERVIEW

	FTE	2019-20
Planning	6	720,811
Community Development	5	523,840
Total	11	1,244,651

11
Employees

0k
New Program Funding

New Program Funding:

- No new program funding.

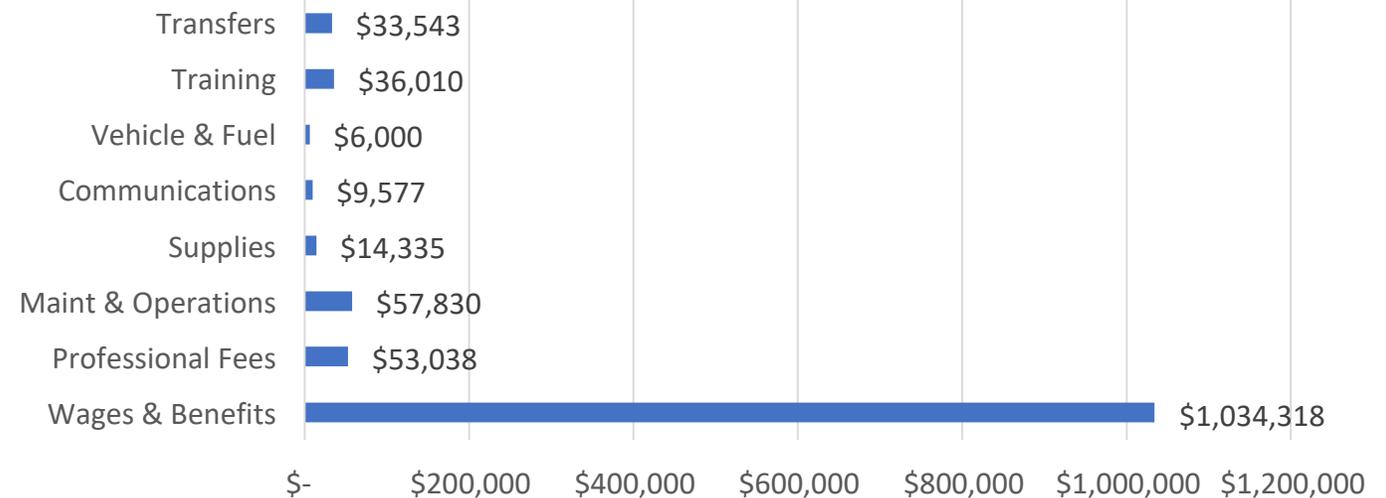


GOALS FOR 2019-2020

- Begin Integrated Stormwater Management (iSWM) adoption efforts.
- Begin construction of the Dobbs Road/Lake Sharon realignment.
- Completion of Lake Sharon Extension/FM2499.
- Complete Comprehensive Plan Update and Parks Master Plan.
- Complete Climate Resiliency Plan.
- GIS – Establish work order management system for Public Works.
- GIS – Obtain location for all fire hydrants, water meters, valves
- Begin construction of Quail Run Water Tower.
- Begin construction of 20" waterline on Lake Sharon.
- Begin construction of Lake Sharon extension (ST18-01).
- Submit grant for Lynchburg Creek Flood Mitigation Project.



DEPARTMENT BUDGET



General Fund Financial Forecast

Assumes Tax Growth of 3.5% in 2020-21

	2018-2019 Estimate	2019-2020 Budget	2020-2021 Projected
Estimated Beginning Fund Balance	\$5,436,010	\$5,091,654	\$4,301,930
Revenues	15,554,207	16,523,201	17,105,715
Fire Service Agreement	1,906,192	1,911,753	1,914,034
Shady Shores Public Safety Agreement	508,315	522,940	531,928
SAFER Grant (9 Firemen)	388,425	517,901	310,740
Safe Routes to School Grant	-	600,000	-
Use of Fund Balance	344,356	789,724	-
Total Resources	\$ 18,701,495	20,865,519	19,862,417
Expenditures	16,371,387	18,969,753	19,795,112
New on-going Programs	820,696	232,966	-
Safe Routes to School	-	700,000	-
One-time Programs	1,509,412	962,800	-
Total Expenditures	18,701,495	20,865,519	19,795,112
Estimated Ending Fund Balance	\$5,091,654	\$4,301,930	\$4,369,235
% of Total Expenditures	27.23%	20.62%	22.07%
Policy Target	20.00%	20.00%	20.00%

Restricted and Sales Tax Use Funds



Sales Tax Funds Budget Overview

A city can adopt a sales tax if the combined rate of all local sales taxes would not exceed two percent at any location within its territorial limits. The sales tax in Corinth is 8.25% of goods or services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State's Comptroller of Public Accounts on a monthly, and in some cases, a quarterly basis. Of the 8.25% tax, the State retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation.

Funds	FTE	2019-20 Proposed Budget	Est. 9/30/20 Ending Fund Balance	Budgeted Expenditures
Economic Development	1.00	\$936,557	\$1,021,030	Wages & Benefits - \$147,765 Operating expenses - \$313,792 Project incentives – \$200,000 Wetlands & Flood Mitigation Studies – \$150,000 Promotional materials - \$75,000 Park Development transfer - \$50,000
Crime Control & Prevention District	2.00	\$377,228	\$495,797	Wages & Benefits - \$173,242 Enterprise Fleet Replacement Program - \$203,986
Street Maintenance	-	\$733,078	\$967,384	Preventative pavement maintenance - \$399,078 Resurfacing of Riverview and Old Highway 77- \$250,000 Road condition software - \$70,000 Street saw - \$14,000

Special Revenue Funds Budget Overview

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Funds	FTE	2019-20 Proposed Budget	Est. 9/30/20 Ending Fund Balance	Budgeted Expenditures
Hotel Occupancy Tax	0.5	\$71,549	\$191,217	Pumpkin Palooza - \$23,250 Seasonal Marketing/Special Event Intern - \$18,299 Special event/Magazine Advertising - \$15,000 Slate Communications Marketing - \$15,000
Keep Corinth Beautiful	-	\$10,800	\$24,316	Beautification Programs - \$7,800 State Conference Training- \$3,000
Park Development	-	\$15,000	\$261,314	Repair Park Shade Structures -\$15,000
Community park Improvement	-	\$10,000	\$18,318	Repair Park Shade Structures - \$10,000
Tree Mitigation Fund	-	\$50,000	\$251,077	Neighborhood park trees - \$50,000

Special Revenue Funds Budget Overview (Continued)

Special Revenue Funds are used to account for general government financial resources that are restricted by law or contractual agreement to specific purposes other than debt service or major capital projects.

Funds	FTE	2019-20 Proposed Budget	Est. 9/30/20 Ending Fund Balance	Budgeted Expenditures
Child Safety Program	.50	\$27,000	\$27,051	Crossing Guards - \$15,033 Denton County Child Advocacy - \$11,967
Municipal Court Security	-	\$29,700	\$68,516	Equipment for Court Bailiff - \$22,200 Training for Court Bailiff - \$2,500 Court security - \$5,000
Municipal Court Technology	-	\$14,493	\$27,160	Body Cameras - \$7,530 Court Technology Replacement - \$6,963
Police Confiscation- State	-	\$25,750	\$4,991	Various law enforcement programs
Police Confiscation- Federal	-	\$10,300	\$0	Various law enforcement programs

Internal Service Funds Budget Overview

The Internal Service funds were established to accumulate sufficient resources to replace existing vehicles and equipment that has reached or exceeded its useful life. The funds are managed to purchase City vehicles and equipment in a manner that will not create a burden on the City budgets. Vehicles and equipment are replaced based on a schedule established to maintain a safe fleet for public service.

Funds	FTE	2019-20 Proposed Budget	Est. 9/30/20 Ending Fund Balance	Budgeted Expenditures
General Fund VRP	-	\$173,938	\$37,046	Police Vehicle Equipment - \$67,686 Enterprise lease payments - \$97,210 Streets Aftermarket Equipment - \$9,042
Fire VRP	-	\$349,391	\$308,540	Enterprise lease payments - \$53,093 Aftermarket Equipment - \$16,000 Engine/Ambulance lease payments - \$280,298
Technology Replacement	-	\$95,000	\$245,169	Computers/monitors for Utility Billing, Human Resources, Court, Planning, Community Development and Engineering, and MDTs for Public Safety - \$95,000
Utility VRP	-	\$112,670	\$411,672	Water/WW Enterprise lease payments - \$70,920 Water/WW Aftermarket Equipment - \$41,750
Utility Meter Replacement	-	\$49,600	\$21,723	Water Meters Replacement - \$49,600

Impact/Escrow Funds Budget Overview

Impact fees are paid by developers for construction of water, wastewater, roadway, and drainage projects. Impact fees are restricted by law for use only on projects deemed necessary for development by an impact fee study which establishes fees appropriate to fund identified projects.

Funds	FTE	2019-20 Proposed Budget	Est. 9/30/20 Ending Fund Balance	Budgeted Expenditures
Water Impact Fee	-	\$-	\$199,224	No budgeted expenditures
Wastewater Impact Fee	-	696,000	\$55,288	Parkridge Sewer Line - \$600,000 Sewer Line on Parkridge Collector Road - \$96,000
Storm Drainage Impact Fee	-	-	\$93,001	No budgeted expenditures
Roadway Impact Fee	-	25,000	\$825,878	Shady Shores Agency Coordination Study - \$25,000
Street Escrow Fund	-	-	\$155,932	No budgeted expenditures

Capital and Debt Overview



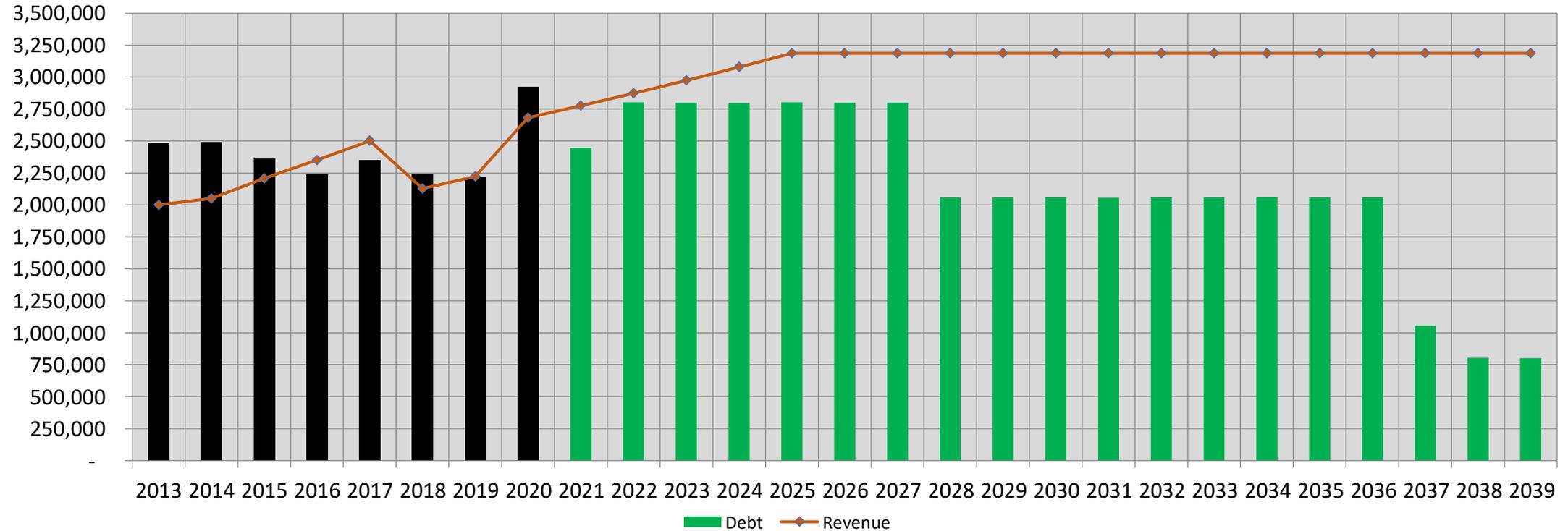
Capital Improvement Program Overview

Capital Program by Fund	2019-20	2020-21	2021-22	2022-23	2023-24	Total	Over 5 Years
Water	\$0	\$1,206,081	\$255,000	\$375,000	\$708,100	\$2,544,181	\$3,291,000
Wastewater	696,000	1,691,225	307,600	375,000	1,603,200	4,673,025	9,261,000
Drainage	2,020,000	2,930,000	-	-	75,000	5,025,000	500,000
Streets	275,000	23,131,250	2,550,900	4,189,250	7,001,825	37,148,225	19,147,500
Parks	-	-	490,000	950,000	1,160,000	2,600,000	-
General	172,000	322,000	172,000	322,000	247,000	1,235,000	-
Total Capital Improvement Plan	\$3,163,000	\$29,280,556	\$3,775,500	\$6,211,250	\$10,795,125	\$53,225,431	\$32,199,500

Funding Sources	2019-20	2020-21	2021-22	2022-23	2023-24	Total	Over 5 Years
Unissued/Unauthorized Bond Proceeds	\$-	\$29,280,556	\$3,775,500	\$6,211,250	\$10,795,125	\$50,062,431	\$32,199,500
Issued Bond Proceeds							
Grant	1,600,000					1,600,000	
Wastewater Impact Fees/Escrow	696,000					696,000	
Roadway Impact Fees	25,000					25,000	
Sales Tax Funds	250,000					250,000	
Operating Funds	592,000					592,000	
Total Resources	\$3,163,000	\$29,280,556	\$3,775,500	\$6,211,250	\$10,795,125	\$53,225,431	\$32,199,500

General Debt Service Overview

Assumes Tax Growth of 3.5% in 2020 - 2025



Debt Service	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
Debt Capacity (Millions)	\$-	\$ 4.00	\$ -	\$ -	\$ -	\$ 4.00
5 YR CIP Debt Needs (Millions)	\$-	\$ 23.50	\$ 3.20	\$ 5.50	\$ 8.41	\$ 40.61
Unfunded CIP	\$-	\$ (19.50)	\$ (3.20)	\$ (5.50)	\$ (8.41)	
Estimated Tax Increase	1¢					

Budget Calendar

AUGUST

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