

Comprehensive Financial Forecast

FY 2021 – FY 2025

Introduction

The purpose of the Comprehensive Financial Forecast is to direct the organization to look forward, consider our future and gauge the City's ability to continue to effectively provide current services, meet goals set by the City Council, and to ensure the City's long-term fiscal health. It is important to stress that this forecast is not a budget, but a planning tool to identify financial trends, potential shortfalls, and arising issues so that we can make informed decisions and take proactive measures to address these items strategically. Additionally, the forecast is a foundation to begin discussions of the upcoming FY 2021 budget process and to assist Council as they consider their future priorities. Ultimately, every annual budget adopted by the City Council is statutorily required to be balanced; therefore, any presentation of unbalanced projected numbers reflect work which must be done every year to get expenditures in line with revenues.

Current Economic Challenges and Revenue Projections

The nation is facing considerable economic uncertainty due to the ongoing Covid-19 pandemic. Projecting revenue is an inexact science in the best of times, requiring a variety of methodologies and analyses applied to historical trends while factoring in the potential impacts of new City programs and changes in the statutory or regulatory environment. These traditional approaches are more effective in producing reliable revenue estimates in times of relative economic stability; much less so in times of great instability, particularly when change is both dramatic and sudden. It is important to note that the revenue projections contained in this forecast present our best estimates for going forward in FY 2021 and beyond. However, the duration and severity of the current economic downturn is extremely difficult to predict at this point, since the health crisis that has driven the economic decline has not yet been resolved.

Process

The Comprehensive Financial Forecast effort kicks off annually in January and all City departments were charged with reviewing the revenues they are responsible for and considering three scenarios. For each of the major operating funds, departments prepared revenue projections for the period FY 2021 through FY 2025 based on three different assumptions.

1. A best-case scenario which would assume that all, or most, of the variables that affect the particular revenue will be favorable.
2. A worst-case scenario which should assume that all, or most, of the variables that affect the particular revenue will be unfavorable.
3. A point between the first two scenarios that is considered most likely.

Although departments spent the most time developing their most-likely scenarios, the dramatic changes in economic climate which arose after department forecast submissions suggest that projections closer to the worst-case scenarios are more likely to occur, particularly in FY 2021 and perhaps extending into FY 2022. Additionally, scheduling challenges which arose as a result of social distancing efforts pushed the presentation of the Financial Forecast to Council into July. As a result, all FY 2021 revenue

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projections in this forecast were developed after the outbreak of Covid-19 and are considered at the time of presentation to be FY 2021 Proposed Budget revenues. Revenues in the forecast were developed using FY 2021 base revenues with “most-likely” percent increases applied in the out-years.

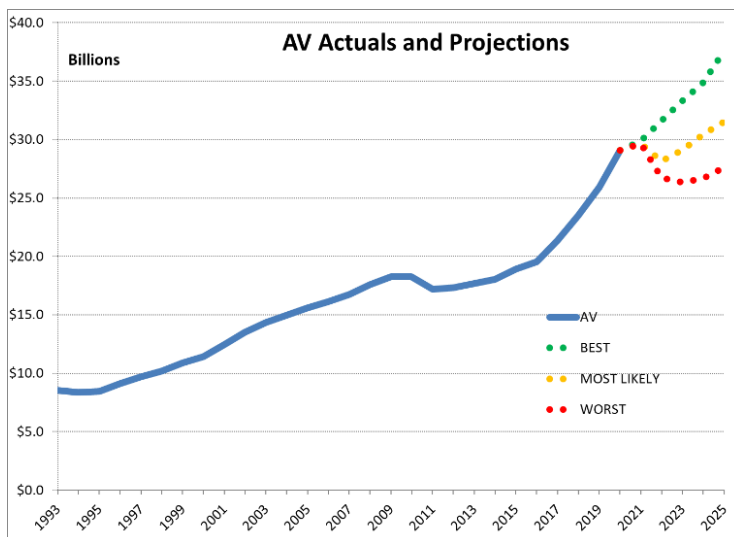
As has been the Financial Forecast practice in the past, departments considered two different types of future expenditure needs.

1. **Current services expenditures** are based on existing programs, service levels and expenses to which the City is already committed. Examples would include cost increases associated with population growth, automatic CPI increases built into certain contracts, and the costs of programs or services covered by grants that are expiring.
2. **New program expenditures** are the costs of new or expanded services. New programs would include adding personnel, anticipated costs of opening and operating new facilities, and anticipated new technology.

General Fund Revenues

Within the General Fund, 86 percent of all FY 2020 budgeted revenues are contained in the following categories: *ad valorem* (property) taxes, sales taxes, franchise fees, and Municipal Court revenues. If we include certain other specific revenues such as the Water Utility and Stormwater Utility PILOT (Payment in Lieu of Taxes), AISD payments to the City for the SRO (School Resource Officer) program, and the payments received for the City’s landfill lease, the total exceeds 90 percent of all General Fund revenues. It becomes clear that projections in these areas, particularly for taxes, franchise fees and Court revenues, are the critical revenue components for determining the resources that will be available to the General Fund in the coming years.

Property taxes are the single largest revenue to the General Fund and as the primary revenue to the Debt Service Fund, they are the foundation of what the City is able to accomplish in the capital budget. In considering the three possible scenarios for Ad Valorem revenues (AV), we analyzed historical trends over the past 25 years.



The worst-case scenario for property tax utilizes a combination of the 2008-2009 recession as its benchmark mixed with the last time the federal government was shut down. Revenue declines in M&O from \$118M in 2020 down to a low of \$96M in 2022. It will take several more years of growth beyond 2025 before AV returns to 2020 levels. Over the 5-year time horizon \$136M debt is issued.

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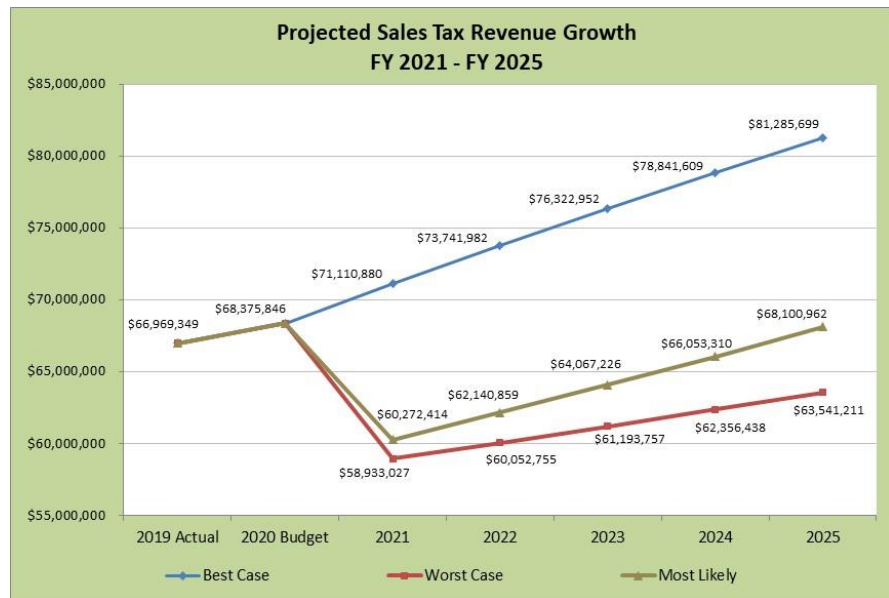
The best-case repeats the five-year period from 1998-2002 in which the City experienced its best rate of growth from 1993-2020. Revenues increase 25% in 2025 vs. 2020 in M&O. Taxable value will reach \$37B by 2025. Over the 5-year time horizon \$319M in debt is issued.

The most-likely case assumes a steady growth pattern in values similar to what the City experienced from 2005-2009. Revenues vary in M&O by (\$14M) [due to issuing of debt for Senior Rec Center in FY21] to \$6M per year, with an accumulated growth for five years of \$2M. Over the 5-year time horizon \$229M in debt is issued. After issuance in 2020, the City has \$225M remaining in voter-approved bond authorization.

Increase in Property Values	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Best Case	2.78%	5.83%	5.47%	4.62%	7.80%
Worst Case	2.00%	-9.87%	-1.44%	1.34%	3.40%
Most Likely	2.00%	-5.00%	3.40%	4.50%	3.50%

The amount of debt issued was increased or decreased to attempt in maximizing the amount of debt possible in order to facilitate the greatest amount of capital projects. While an increase in property values directly increases revenues, revenues are not increased at the same percentage due to several factors that include items such as TIRZ growth and Chapter 380 agreements.

The City's **sales tax** receipts have shown strong increases over the last few years, but there were signs of slowing growth even before the sharp economic decline that has occurred since February. The FY 2021 projection for sales tax revenue shows a 10% decline in FY 2021 from FY 2019 actuals (which is 11.9% lower than the FY 2020 budget), then 3.1% annual increases in FY 2022 through FY 2025. Over the five-year period, this



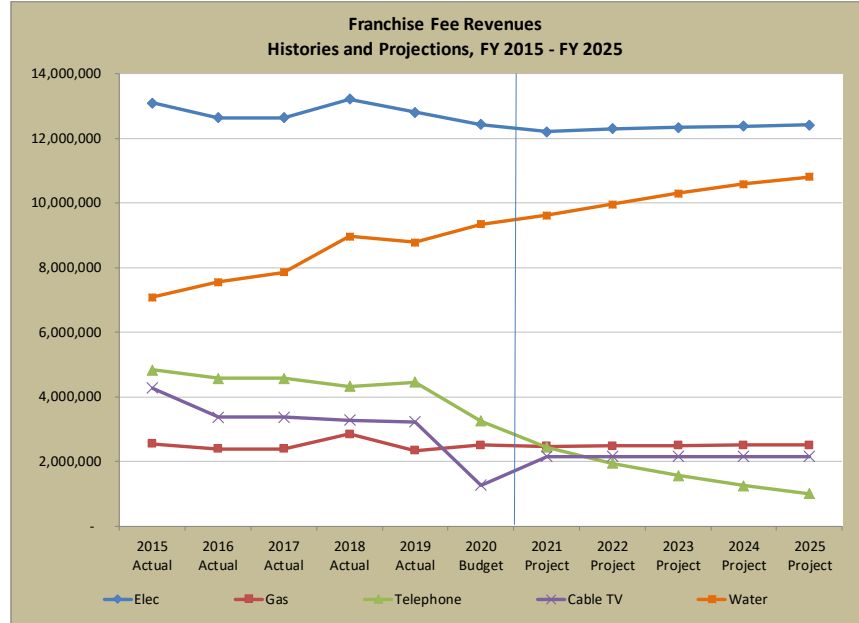
projection would result in FY 2025 revenues that are essentially equal to the FY 2020 budgeted amount. The graph above shows the results of all three growth scenarios over the five-year forecast period.

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In the aggregate, the FY 2021 projection for **franchise fee revenues** shows an increase of 0.3 percent from the FY 2020 budgeted level, then essentially flat for the remaining years of the forecast. This results in FY 2025 revenues that are virtually unchanged from FY 2021.

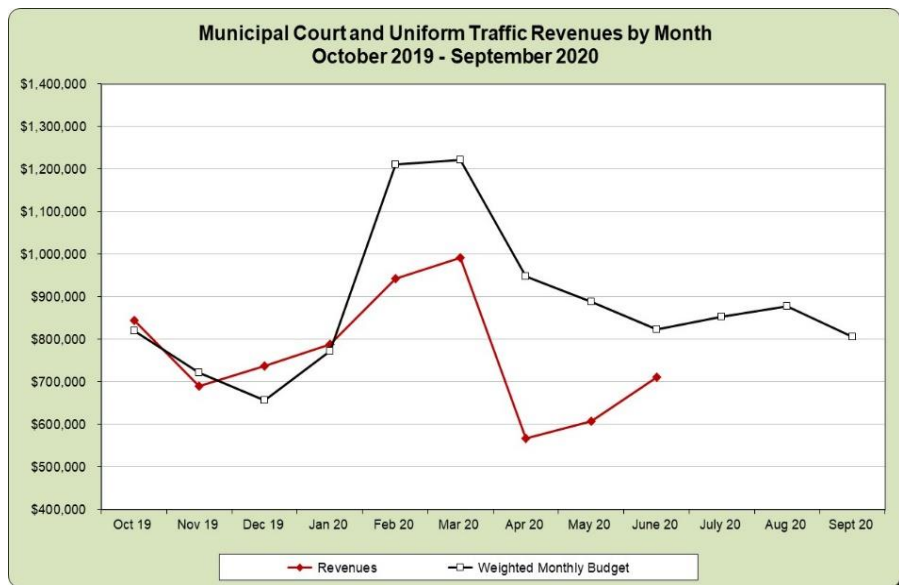
Franchise fee revenues for electricity, gas, and water usage are largely determined by weather conditions during the winter and summer months; these fees can vary significantly in any given year if we experience extreme cold or extreme heat and drought. Franchise fees are also affected by the continuing evolution of new business models in the telephone and cable television industries. The growth of subscriber services like Hulu+ Live TV and Sling that are not subject to franchise fees will result in declining revenues in these areas; however, the decline anticipated from recent legislation that limits cable and telephone access line fees has not been as steep as originally projected.



The proposed scenario for **Municipal Court revenues** includes a 10.2% decline in FY 2021 from the FY 2020 budget. Daily operations at the Court have been particularly affected by the Covid-19 pandemic, as health concerns forced the Court to close for several weeks during the spring; normal activity has still not been fully restored. The Court’s revenues are projected to improve somewhat in FY 2022 through FY 2025, rising by 2.0% in 2022 and 2023, then by 2.2% in 2024 and 2.8% in 2025.

These projections would essentially bring the Court’s revenues back to their FY 2019 levels by FY 2025.

The current-year graph to the right shows the two largest revenue sources at the Court. The effects of Covid-19 are readily apparent from the graph, beginning with the



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reduced impact of the spring warrant initiative during February and March, and continuing into the summer. In the aggregate, Court revenues are projected to be \$1.9 million under budget for the year, a decline of 17% from FY 2019 revenues.

The remaining General Fund revenues are carried forward in the forecast using projections based on historical averages and consideration of the three revenue scenarios.

In the aggregate, the three projection scenarios for the General Fund would result in revenues as follows for the five years of the forecast:

	FY 2020 Budget	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected
Best Case Revenues	269,512,808	275,679,450	284,730,417	296,613,698	307,296,776	324,784,620
Worst Case Revenues	269,512,808	252,140,902	231,196,406	232,432,568	236,911,789	243,184,280
Proposed & Most Likely Revenues	269,512,808	255,836,878	244,430,448	251,675,700	260,573,056	268,398,178
Change from prior year		(13,675,930)	(11,406,430)	7,245,252	8,897,355	7,825,122
Percent change from prior year		-5.1%	-4.5%	3.0%	3.5%	3.0%

The impact of Covid-19 is evident throughout these projections, particularly in FY 2021 and 2022. General Fund revenues are anticipated to decline in those years, reflecting the continuing challenges for the City’s property and sales tax revenues. Beginning in FY 2023, moderate growth is projected to return; however, General Fund revenues in FY 2025 are still not expected to have returned to their budgeted FY 2020 levels.

The baseline General Fund operating position on the next page assumes projected FY 2021 revenues submitted by departments in May 2020 and includes no new programs or additional funding in FY 2021. One-time funds used in FY 2020 are removed from the forecasted years. Additionally, a complete list of all General Fund revenues under the proposed/most-likely scenario follows.

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Comprehensive Financial Forecast General Fund BASELINE, FY 2021 - FY 2025

	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GENERAL FUND REVENUES - Proposed FY21, most likely FY22 - FY25	\$ 269,512,808	\$ 255,836,878	\$ 244,430,448	\$ 251,675,700	\$ 260,573,056	\$ 268,398,178
INTERFUND TRANSFERS:						
Water and Sewer Fund Indirect Cost	\$ 4,387,975	\$ 4,387,975	\$ 4,387,975	\$ 4,475,734	\$ 4,565,249	\$ 4,656,554
Conv. & Event Svcs. Fund Indirect Cost	481,549			491,180	501,004	511,024
Storm Water Indirect Cost	578,959	578,959	578,959	590,538	602,349	614,396
To IT for one-time projects	(1,459,960)	-	-	-	-	-
From SWUF for engineering reviews	88,699	88,699	88,699	88,699	88,699	88,699
From Convention & Event Services	900,000	-	-	-	-	-
FY 2018 General Fund ending balance	461,959	-	-	-	-	-
To Working Capital and Unallocated Reserves	(1,406,772)	-	-	-	-	-
From ATF Fund	600,000	-	-	-	-	-
From General Gas Fund for one-time costs	372,821	-	-	-	-	-
From Parks Gas Fund for TRGC debt reimbursement	1,237,850	-	-	-	-	-
To Park Performance Fund, operating support	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)
To Park Performance Fund, social equity support	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
To Special Transportation Fund	(1,000,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)
To Street Maintenance Fund for Traffic	(5,127,194)	(4,587,771)	(4,587,771)	(4,587,771)	(4,587,771)	(4,587,771)
To Street Maintenance Fund	(1,416,527)	(1,416,527)	(1,416,527)	(1,416,527)	(1,416,527)	(1,416,527)
To Innovation/Venture Capital Fund, Ballpark lease/settlement	(1,477,500)	-	-	-	-	-
TOTAL INTERFUND TRANSFERS	\$ (4,068,141)	\$ (2,513,665)	\$ (2,513,665)	\$ (1,923,147)	\$ (1,811,998)	\$ (1,698,626)
TOTAL AVAILABLE FUNDS	\$ 265,444,666	\$ 253,323,213	\$ 241,916,783	\$ 249,752,554	\$ 258,761,058	\$ 266,699,552
GENERAL FUND EXPENDITURES	\$ 265,429,130	\$ 264,825,395	\$ 255,811,168	\$ 255,811,168	\$ 255,811,168	\$ 255,811,168
Impact of expiring COPS Grant (officers moving to GF)		\$ 243,614	\$ 673,363			
Departmental Voluntary Cuts		\$ (9,257,841)				
ENDING BALANCE	\$ 15,536	\$ (2,487,955)	\$ (13,894,385)	\$ (6,058,614)	\$ 2,949,890	\$ 10,888,384

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General Fund Revenues - FY 21 Proposed & Most Likely Scenario

Description	FY 2020 Budget	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected
Sales Taxes, General Fund	68,375,846	60,272,414	62,140,859	64,067,225	66,053,309	68,100,962
PILOT - Water	4,433,583	4,524,780	4,628,850	4,735,313	4,844,226	4,955,643
PILOT - SWUF	618,122	661,371	676,583	692,144	708,063	724,349
State Liquor Tax	2,085,563	2,064,707	2,136,972	2,211,766	2,289,178	2,369,299
Bingo Tax	65,322	79,693	79,693	79,693	79,693	79,693
Electric Franchise Fees	12,427,520	12,203,825	12,301,456	12,338,360	12,375,375	12,412,501
Gas Franchise Fees	2,510,514	2,465,325	2,485,048	2,492,503	2,499,980	2,507,480
Telephone Franchise Fees	3,245,984	2,434,488	1,947,590	1,558,072	1,246,458	997,166
Water Franchise Fees	9,339,011	9,616,295	9,952,865	10,301,216	10,589,650	10,801,443
Cable TV Franchise Fees	1,261,274	2,150,525	2,150,525	2,150,525	2,150,525	2,150,525
Taxicab Franchise Fees	-	-	-	-	-	-
Major Event Trust Fund Revs.	300,000	300,000	300,000	300,000	300,000	300,000
Other Licenses and Permits	2,250	2,250	2,250	2,250	2,250	2,250
Sheraton Ground Lease	302,574	320,345	328,674	337,219	345,987	354,983
Ballpark Lease (one-time \$1m in FY 2020)	750,000	-	-	-	-	-
Landfill Deferred Revenue	457,259	457,259	457,259	457,259	457,259	457,259
Ground Lease - 101 Center	60,000	60,000	60,000	60,000	60,000	60,000
Auction Revenues	31,200	30,500	31,720	32,989	34,308	35,681
Miscellaneous Revenue	350,000	350,000	360,500	371,315	382,454	393,928
Infrastructure Revenues	1,284,752	1,284,752	1,284,752	1,284,752	1,284,752	1,284,752
Beverage Contract Revenues	18,000	17,150	17,150	17,150	17,150	17,150
Ballpark Settlement	727,500	-	-	-	-	-
Prop Taxes, General Fund	118,832,717	117,424,549	103,130,681	108,042,137	114,435,003	119,478,501
Interest, General Fund	1,648,122	747,747	672,972	672,972	706,621	812,614
Garbage Franchise Fees	2,121,408	2,241,364	2,353,432	2,471,104	2,594,659	2,724,392
Storm Event Clean-Up Fees	58,359	58,165	58,165	58,165	58,165	58,165
Construction Management Fees	198,800	134,000	263,110	63,577	63,577	63,577
Landfill Usage Fees	2,236,608	2,359,440	2,359,440	2,359,440	2,359,440	2,359,440
City Waste Royalty	1,597,027	1,673,868	1,673,868	1,673,868	1,673,868	1,673,868
Non-City Waste Royalty	2,828,121	2,778,926	2,778,926	2,778,926	2,778,926	2,778,926
Brush Waste Royalty	54,216	56,735	56,735	56,735	56,735	56,735
City Dept Waste Rebate	62,480	72,791	72,791	72,791	72,791	72,791
Methane Gas Royalty	300,000	478,200	478,200	478,200	478,200	478,200
Terminal Building Leases	94,377	68,971	75,709	85,561	86,320	87,104
Hangar Rental	214,324	214,084	216,403	217,282	217,282	265,808
Tie Down Charge	32,340	29,260	29,700	32,340	32,340	33,660
Land/Ramp Lease	817,865	843,332	873,526	889,187	891,373	884,300
Multi-Family Inspections	628,015	629,108	635,422	640,090	640,494	640,494
Extended Stay Annual Inspections	160,981	160,981	160,981	160,981	160,981	160,981

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General Fund Revenues - FY 21 Proposed & Most Likely Scenario

Description	FY 2020 Budget	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected
Animal Awareness/Safety Program	3,500	2,800	2,800	2,800	2,800	2,800
Adoption Fees	113,023	103,368	103,368	103,368	103,368	103,368
Weed and Grass Fees	105,503	92,985	92,985	92,985	92,985	92,985
Dangerous Structure Demolition	12,750	7,375	7,375	7,375	7,375	7,375
Nuisance Abatement Fees	46,457	41,524	41,524	41,524	41,524	41,524
Multi-Family Reinspection Fees	3,300	3,450	3,450	3,450	3,450	3,450
Extended Stay Reinspection Fees	300	300	300	300	300	300
Duplex Registrations	16,854	17,154	17,154	17,154	17,154	17,154
Duplex Reinspections	450	450	450	450	450	450
Swimming Pool Reinspections	3,150	2,753	2,753	2,753	2,753	2,753
Vet Services	14,279	13,969	13,969	13,969	13,969	13,969
Animal Services - Owner Surrender Fees	29,622	26,900	26,900	26,900	26,900	26,900
Impoundment Fees	56,192	43,688	43,688	43,688	43,688	43,688
Swimming Pool Permits	99,100	99,500	99,500	99,500	99,500	99,500
Securing Code Violations	3,978	3,243	3,243	3,243	3,243	3,243
Dog and Cat Licenses	57,423	50,723	50,723	50,723	50,723	50,723
Euthanasia Fees	11,588	8,748	8,748	8,748	8,748	8,748
Deceased Animal Pick-Up	2,300	2,170	2,170	2,170	2,170	2,170
Dangerous Animal Fee	3,550	3,337	3,337	3,337	3,337	3,337
Alcoholic Beverage Licenses	115,000	115,000	116,725	118,476	120,253	122,057
Vital Statistics	315,000	315,000	326,025	335,806	344,201	352,806
Real Estate Transfer	375,000	375,000	375,000	375,000	375,000	375,000
Small Cell Perm, Insp, Rental Fee	190,000	225,000	236,250	248,063	260,466	273,489
Cell Tower Lease	250,000	205,900	236,785	272,303	313,148	360,120
Pipeline License Agreements	75,000	75,000	77,250	79,568	81,955	84,413
Fire Initial Inspections	66,600	66,600	66,600	66,600	66,600	66,600
Fire Permit Fees	216,743	216,743	221,078	225,499	230,009	234,610
Overtime and Reinspection Fees	17,600	17,600	17,600	17,600	17,600	17,600
Fire Inspection Fees	322,700	322,700	322,700	322,700	322,700	322,700
Fire Operational Permits	258,141	258,141	271,048	284,600	298,830	313,772
Risk Management - Damages	220,000	220,000	220,000	220,000	220,000	220,000
Library Cards for Non-Residents	24,921	24,921	25,669	26,439	27,232	28,049
Library Fines	132,930	119,637	120,833	122,042	123,262	124,495
Copier Concessions	100,500	100,500	103,515	106,620	109,819	113,114
Criminal Justice Fees	354,680	312,118	316,800	321,552	327,983	334,542
Municipal Court Fines	3,501,048	2,975,891	3,035,409	3,096,117	3,158,039	3,236,990
Child Safety Fees	42,970	42,111	42,322	42,533	42,746	42,960
Uniform Traffic Fines	7,094,702	6,495,909	6,625,827	6,758,344	6,893,511	7,065,848
Time Payment Fees	61,129	79,468	87,812	100,984	126,230	170,410
Issue / Arrest Fees	317,790	311,434	312,991	314,556	317,702	320,879

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General Fund Revenues - FY 21 Proposed & Most Likely Scenario

Description	FY 2020 Budget	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected
Park Bond Fund	65,000	70,000	70,000	70,000	70,000	70,000
Building Inspection Fees	85,000	78,500	78,539	78,579	78,622	78,661
Plat Review and Inspection Fees	775,000	620,000	545,600	491,040	441,936	397,742
Rezoning Fees	114,126	118,000	117,410	116,823	116,239	115,658
Food Service App / Change of Owner	85,000	60,000	60,000	60,000	60,000	60,000
Food Service Estab. Reinspections	15,000	11,250	11,250	11,250	11,250	11,250
Short Term Rental Inspections, Permits	150,000	46,250	53,161	58,477	63,793	69,109
Landscape / Tree Preservation Fees	14,000	14,000	14,000	14,000	14,000	14,000
Building Permits	3,475,000	2,940,000	3,326,345	3,343,143	3,240,208	3,151,491
Electrical Permits	115,000	115,000	115,000	115,000	115,000	115,000
Plumbing Permits	300,000	300,000	306,000	312,120	318,362	324,730
Mechanical Permits	147,763	147,763	147,763	147,763	147,763	147,763
Business Registration	225,000	200,000	200,000	200,000	200,000	200,000
Certificates of Occupancy	123,000	123,000	123,000	123,000	123,000	123,000
Boathouse / Pier Licenses	13,759	13,759	13,759	13,759	13,759	13,759
Plan Review Fees	1,485,750	1,157,000	1,226,258	1,232,046	1,170,444	1,135,330
Gas Well Inspection Fees	145,000	-	-	-	-	-
Gas Well Annual Reinspections	902,200	894,400	899,425	901,937	929,760	929,760
Gas Well Supplemental Fee	12,500	12,500	12,500	12,500	12,500	12,500
Food Establishment Permits	728,450	655,605	655,605	655,605	655,605	655,605
Food Handlers Permits	10,000	5,500	5,500	5,500	5,500	5,500
Child Care Licenses and Permits	57,800	57,800	57,800	57,800	57,800	57,800
Hotel Inspection Fees	44,000	44,000	42,712	41,649	41,562	39,735
Irrigation Permits	54,000	54,000	54,054	54,108	54,162	54,216
Special Event Parking Permits and Renewals	16,700	12,000	12,000	12,000	12,000	12,000
Police Admin	47,000	37,000	37,000	37,000	37,000	37,000
Abandoned Vehicle Search Fees	15,760	15,000	15,000	15,000	15,000	15,000
Police Towing Fees	161,160	161,160	161,160	161,160	161,160	161,160
Burglar Alarm Permits	724,034	661,938	608,983	566,354	532,373	505,754
Contrib from AISD / SRO Program	1,939,030	2,228,159	2,228,159	2,228,159	2,228,159	2,228,159
Jail Support Revenues	3,735	3,750	3,750	3,750	3,750	3,750
Engineering Services Bond Projects	650,000	650,000	650,000	650,000	650,000	650,000
Water Dept Street Cuts	160,000	160,000	160,000	160,000	160,000	160,000
Inspection Transfer	1,075,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Survey Transfer	146,000	140,000	140,000	140,000	140,000	140,000
Transportation Bond - Operating	116,000	116,000	116,000	116,000	116,000	116,000
Saturday Inspection Fees	30,000	30,000	30,000	30,000	30,000	30,000
Abandonment Fees	6,000	6,000	6,000	6,000	6,000	6,000
Pedicab Revenues	11,000	-	-	-	-	-
State Reimburse - Traffic Signals	71,234	71,234	71,234	71,234	71,234	71,234
Sign Rentals	30,000	40,000	40,000	40,000	40,000	40,000
Proposed & Most Likely Total Revenues	269,512,808	255,836,878	244,430,448	251,675,700	260,573,056	268,398,178

Comprehensive Financial Forecast

FY 2021 – FY 2025

General Fund Expenditures

The cost of employee health insurance and compensation adjustments will affect all the City’s operating funds. The projected costs for these items in the General Fund are discussed below. They are also included in the accompanying operating positions for all funds included in the Financial Forecast.

Health insurance costs for employees and retirees are projected to increase over the forecast period. In the General Fund and internal service funds directly supported by the General Fund, these costs are budgeted at \$22.9M in FY 2020. Based on information provided by the Human Resources Department, the table below illustrates the projected amounts needed for employee health insurance in the General Fund over the next five years, assuming no changes to plan provisions and benefits.

	Budgeted FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Cumulative Costs
Employee Insurance	22,884,952	23,917,660	25,017,872	26,168,694	27,372,454	28,631,587	
Increase from prior year		1,032,708	1,101,132	1,151,784	1,204,767	1,260,186	5,750,577
Percent Increase from prior year		4.6%	4.6%	4.6%	4.6%	4.6%	

Employees are the City’s most valuable resources and Arlington has invested accordingly in salary and benefits over the past few years. Beginning in FY 2017, employee compensation was targeted to close the gap between average compensation at the City for the various employee job families (clerical, professional, technical, etc.) and the compensation granted in the surrounding market of comparable employers and jobs. Since the compensation gap varied by category, raises were targeted accordingly. During the FY 2017 budget development process, management and Council chose a compensation philosophy that provided for market average plus 5% spread over a three-year period with FY 2019 being the final year of the plan. The FY 2020 adopted budget included a 2% across-the-board compensation increase, however that raise was suspended as a result of the current economic climate. The forecast assumes a 2% raise will be implement in FY 2022 and the out-years will include similar cost-of-living increases.

	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Cumulative Costs
Compensation Increases	-	3,529,727	3,600,322	3,672,328	3,745,775	14,548,151
Cumulative Compensation Increases		3,529,727	7,130,049	10,802,377	14,548,151	

The General Fund Operating Position on the next page assumes the mostly likely scenario for revenues and includes additional funding for forecasted employee health insurance and compensation increases.

Comprehensive Financial Forecast

FY 2021 – FY 2025

General Fund with Health Insurance and Compensation

Comprehensive Financial Forecast General Fund, FY 2021 - FY 2025



	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GENERAL FUND REVENUES - Proposed FY21, most likely FY22 - FY25	\$ 269,512,808	\$ 255,836,878	\$ 244,430,448	\$ 251,675,700	\$ 260,573,056	\$ 268,398,178
INTERFUND TRANSFERS:						
Water and Sewer Fund Indirect Cost	\$ 4,387,975	\$ 4,387,975	\$ 4,387,975	\$ 4,475,734	\$ 4,565,249	\$ 4,656,554
Conv. & Event Svcs. Fund Indirect Cost	481,549	-	-	491,180	501,004	511,024
Storm Water Indirect Cost	578,959	578,959	578,959	590,538	602,349	614,396
To IT for one-time projects	(1,459,960)	-	-	-	-	-
From SWUF for engineering reviews	88,699	88,699	88,699	88,699	88,699	88,699
From Convention & Event Services	900,000	-	-	-	-	-
FY 2018 General Fund ending balance	461,959	-	-	-	-	-
To Working Capital and Unallocated Reserves	(1,406,772)	-	-	-	-	-
From ATF Fund	600,000	-	-	-	-	-
From General Gas Fund for one-time costs	372,821	-	-	-	-	-
From Parks Gas Fund for TRGC debt reimbursement	1,237,850	-	-	-	-	-
To Park Performance Fund, operating support	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)
To Park Performance Fund, social equity support	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
To Special Transportation Fund	(1,000,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)
To Street Maintenance Fund for Traffic	(5,127,194)	(4,587,771)	(4,587,771)	(4,587,771)	(4,587,771)	(4,587,771)
To Street Maintenance Fund	(1,416,527)	(1,416,527)	(1,416,527)	(1,416,527)	(1,416,527)	(1,416,527)
To Innovation/Venture Capital Fund, Ballpark lease/settlement	(1,477,500)	-	-	-	-	-
TOTAL INTERFUND TRANSFERS	\$ (4,068,141)	\$ (2,513,665)	\$ (2,513,665)	\$ (1,923,147)	\$ (1,811,998)	\$ (1,698,626)
TOTAL AVAILABLE FUNDS	\$ 265,444,666	\$ 253,323,213	\$ 241,916,783	\$ 249,752,554	\$ 258,761,058	\$ 266,699,552
GENERAL FUND EXPENDITURES (inc grant & cuts)	\$ 265,429,130	\$ 255,811,168	\$ 255,811,168	\$ 255,811,168	\$ 255,811,168	\$ 255,811,168
ENDING BALANCE	\$ 15,536	\$ (2,487,955)	\$ (13,894,385)	\$ (6,058,614)	\$ 2,949,890	\$ 10,888,384
Health Insurance Increases*		\$ 1,032,708	\$ 2,133,840	\$ 3,285,625	\$ 4,490,391	\$ 5,750,577
Compensation Increases (2% annually starting in FY 2022)		-	3,529,727	7,130,048	10,802,376	14,548,150
		\$ 1,032,708	\$ 5,663,567	\$ 10,415,673	\$ 15,292,767	\$ 20,298,727
ENDING BALANCE with Health Insurance and Compensation		\$ (3,520,663)	\$ (19,557,952)	\$ (16,474,287)	\$ (12,342,877)	\$ (9,410,343)

Comprehensive Financial Forecast

FY 2021 – FY 2025

Proposed Expenditures by Department

The expenditure side of the Comprehensive Financial Forecast presents challenges similar to the revenue side. Due to the current health crisis, the City’s operating environment has changed considerably since departments prepared their original five-year outlook of expenditure needs back in January and February. As in the past, all departments were tasked with developing expenditure proposals that would address the Council’s priorities as well as maintain day-to-day operations. Within the context of addressing the priorities, departments put together two different types of future expenditure projections: Current Services and New Programs. Current services expenditures were defined as the future cost of continuing to provide existing programs, services, and staffing. Expenditure increases in current services include such items as:

- CPI increases for goods and services contracts,
- maintenance and replacement of existing equipment,
- absorbing the cost of services, programs or personnel tied to expiring grant funds.

Departments were also asked to develop expenditure projections for future proposed new programs, services, and equipment. These include such items as:

- Program expansion,
- Additional personnel,
- Costs of opening and operating new facilities,
- Anticipated new technologies, etc.

The following tables include a complete list of forecasted expenditure requests by department. However, due to the spending constraints imposed by the General Fund’s projected revenue outlook, we anticipate that only those expenditures mandated by the City’s existing contractual obligations, legal requirements, and unavoidable operating cost increases will be included in the FY 2021 Proposed Budget as presented to Council in August.

Dept.	Request Title	FY 2021 Impact	FY 2022 Impact	FY 2023 Impact	FY 2024 Impact	FY 2025 Impact
AM	Maintenance of Buildings	40,866	85,818	135,266	189,658	249,490
AM	Utilities - 200 N. Cooper Street	9,700	9,700	9,700	9,700	9,700
AM	Leaf Program - Solid Waste and Recycling	10,000	11,000	12,000	13,000	14,000
AM	Solid Waste and Recycling General Services	6,000	6,000	6,000	6,000	6,000
AM	Reclassification / Equity Adjustment for Facility Services	31,063	31,063	31,063	31,063	31,063
AM	Facility Services - New Staff	237,368	378,249	481,982	481,982	481,982
AM	Part-Time Architect Technician	33,718	33,718	33,718	33,718	33,718
AM	Maintenance of Buildings - Service Contract for Ott Cribbs Public Safety Center Jail Locks	15,000	15,750	16,538	18,191	19,100
AM	Maintenance of Buildings - Service Contract - Security Access Gates	30,000	30,900	31,827	32,782	33,765
AM	Cartograph Services	20,000	20,000	22,000	24,200	26,620
Audit	Restore the Staff Auditor position to an Internal Auditor position	7,500	7,500	7,500	7,500	7,500
Audit	Convert an Internal Auditor Position to a Senior Internal Auditor	5,500	5,500	5,500	5,500	5,500
Audit	Peer Review	-	-	5,000	-	-
Audit	Migration to TeamMate+	-	-	30,000	-	-
Aviation	Aviation PT Seasonal Budget	-	4,120	4,120	4,120	4,120
CAO	Open Records Attorney I - Police Department	92,629	80,829	80,829	80,829	80,829
CAO	Consulting/Legal Svcs. 2021 Reapportionment Project	75,000	-	-	-	-
CAO	PD Legal Advisor (Paralegal) - Litigation & Employment	68,451	60,081	60,081	60,081	60,081
CAO	Funding Equity Adjustments	65,692	65,692	65,692	65,692	65,692
CAO	Senior Attorney - Economic Development	119,630	104,000	104,000	104,000	104,000
CAO	Attorney II - Litigation	105,186	91,606	91,606	91,606	91,606
CL&A	Additional Action Center Staff	159,524	140,914	140,914	140,914	140,914
CL&A	Citibot Community Engagement Program	53,500	57,245	61,252	65,540	68,817
CL&A	Tele-Town Hall Meetings	20,000	20,000	20,000	20,000	20,000

Comprehensive Financial Forecast

FY 2021 – FY 2025

Dept.	Request Title	FY 2021 Impact	FY 2022 Impact	FY 2023 Impact	FY 2024 Impact	FY 2025 Impact
Code	Animal Services Generator	450,000	-	-	-	-
Code	Code Compliance Services 6th Floor Remodel	100,000	-	-	-	-
Code	Animal Services Access Control System	73,959	-	-	-	-
Code	Code Compliance Services Part-Time Administrative Staff	-	78,674	78,674	78,674	78,674
Code	Animal Care Coordinator	-	55,701	55,201	55,201	55,201
Code	Animal Enrichment Specialist	-	-	51,015	50,515	50,515
Code	Animal Services Receiving Remodel	-	-	-	60,000	-
Court	Tyler Content Manager Annual Maintenance	10,525	11,051	11,604	12,184	12,793
Court	Courtroom AV Equipment Annual Maintenance	7,500	9,000	10,500	11,550	12,474
Court	Municipal Court Attorney E-File	-	-	-	-	-
ED	Right-of-Way Inspector	93,064	49,500	49,500	49,500	49,500
Finance	Tarrant Appraisal District Assessment Services	51,753	53,306	54,905	56,552	58,248
Finance	Tarrant County Property Tax Billing and Collection	18,895	19,840	16,665	12,999	11,586
Finance	MWBE Outreach Program	9,809	9,809	9,809	9,809	9,809
Finance	MWBE Program Compliance Coordinator	-	72,009	72,009	72,009	72,009
Finance	Public Finance Administrator (Compliance)	-	91,606	91,606	91,606	91,606
Finance	Hotel Occupancy Tax Audit	-	42,000	42,000	42,000	42,000
Fire	Heavy Fleet Apparatus	2,586,513	-	-	-	-
Fire	FEMA Staffing for Adequate Fire and Emergency	(892,741)	(892,741)	(416,612)	-	-
Fire	Squad 3	628,229	551,150	551,150	551,150	527,700
Fire	Fire Prevention Internal Affairs	140,010	113,747	113,747	113,747	113,747
Fire	Battalion 3	419,697	364,661	364,661	364,661	364,661
HR	Property/Casualty Insurance Premium Increase	121,615	187,709	236,169	258,207	263,390
HR	Educational Assistance	80,000	80,000	80,000	80,000	80,000
HR	Arbitration Expenses	40,000	40,000	40,000	40,000	40,000
Library	Water and Waste Utilities for Library Facilities	25,723	25,723	25,723	25,723	25,723
Library	People Counter Upgrade for all Library locations	55,000	-	-	-	-
Library	Repair and Renovate the Northeast Branch Library Public Restrooms	40,000	-	-	-	-
Non-Dept.	ERP System Maintenance Costs	37,322	-	-	-	-
Non-Dept.	UTA Parking Garage	460,000	460,000	460,000	460,000	460,000
Non-Dept.	ERP Software and Implementation	3,000,000	500,000	500,000	500,000	500,000
OSI	Via On-Demand Rideshare	1,607,675	3,057,675	3,957,675	5,057,675	5,057,675
OSI	Arlington Urban Design Center	12,480	49,920	28,000	28,000	28,000
OSI	Neighborhood Program: Position and Funding Transition	-	(20,000)	(20,000)	(20,000)	(20,000)
OSI	South 360 Corridor Study	-	200,000	-	-	-
OSI	Thoroughfare Development Plan Update	-	150,000	-	-	-
OSI	Hike and Bike Plan Update	-	100,000	-	-	-
OSI	Comprehensive Plan Update	-	-	-	-	250,000
Parks - GF	Mowing Contracts CPI Increase	30,795	31,411	32,039	32,680	33,334
Parks - GF	Janitorial Contract	10,000	10,000	61,863	61,863	61,863
Parks - GF	Music and Motion Picture Licensing	16,719	16,719	16,719	16,719	16,719
Parks - GF	AISS Natatorium Fiber Installation	10,645	-	-	-	-
Parks - GF	The Beacon Base Funding	120,367	145,367	145,367	145,367	145,367
Parks - GF	Operations O&M	41,550	220,300	99,000	48,050	94,700
Parks - GF	Maintenance Equipment Replacement	483,283	483,283	483,283	483,283	483,283
Parks - GF	Centralized Irrigation System Expansion	66,000	66,000	-	-	-
Parks - GF	Parking Lot Renovations	1,059,500	825,000	1,125,000	841,500	1,040,000
Parks - GF	Playground Replacement Program	1,410,000	-	1,030,000	460,000	1,450,000
Parks - GF	Reclassification Marketing Aide PT to FT	14,661	7,901	7,901	7,901	7,901
Parks - GF	Erosion Control	330,000	1,050,000	1,900,000	800,000	-
Parks - GF	Urban Forestry Renewal Program	50,000	50,000	50,000	50,000	50,000
Parks - GF	Social Equity	140,000	140,000	140,000	140,000	-
Parks - GF	Pond Dredging	875,000	1,325,000	770,000	3,025,000	1,010,000
Parks - GF	EARL Staffing and Maintenance Plan	-	-	25,000	25,000	25,000
Parks - GF	Active Adult Center Base Funding	-	297,378	827,637	852,637	613,382
Parks - GF	Gateway Monument Sign #4	-	-	653,000	653,000	653,000
PDS	Health Services Third-Party Absorption	(85,050)	(126,664)	(126,664)	(126,664)	(126,664)
PDS	Administrative Aide II	57,099	50,339	50,339	50,339	50,339
PDS	International Accreditation Services Building Certification	-	31,800	8,000	8,000	24,000

Comprehensive Financial Forecast

FY 2021 – FY 2025

Dept.	Request Title	FY 2021 Impact	FY 2022 Impact	FY 2023 Impact	FY 2024 Impact	FY 2025 Impact
Police	Forensic Testing Budget Increase	250,000	250,000	250,000	250,000	250,000
Police	Department Psychological Services	25,320	25,320	25,320	25,320	25,320
Police	Departmental Overtime	259,050	259,050	259,050	259,050	259,050
Police	Motor Cycle Use Allotment	18,714	18,714	18,714	18,714	18,714
Police	Employee and Volunteer Support	25,000	25,000	25,000	25,000	25,000
Police	National Night Out	35,000	35,000	35,000	35,000	35,000
Police	Blood Draw Kits	10,000	10,000	10,000	10,000	10,000
Police	2020 COPS Hiring Grant	1,424,390	1,354,619	1,393,108	2,018,108	2,018,108
Police	Property Room and Evidence Technicians	345,711	300,232	300,232	300,232	300,232
Police	COPS School Violence Prevention Program	92,629	80,829	80,829	80,829	80,829
Police	Victim Services Counselor Positions	494,106	432,056	432,056	432,056	432,056
Police	Police Recruit Employment and Training	113,775	86,852	86,852	86,852	86,852
Police	Staffing Increase for Homeland Security Unit	196,870	173,491	173,491	173,491	173,490
Police	Staffing Increase for Entertainment and Tourism District	597,757	456,131	456,131	456,131	456,131
Police	Study - 3rd Floor Ott Cribbs Remodel	40,000	-	-	-	-
Police	sUas (unmanned aircraft) Staff	597,757	456,131	456,131	456,131	456,131
Police	Convert PT Office Asst to FT for Training Center	33,430	26,059	26,059	26,059	26,059
Police	Position Study of Victim Services Supervisor	7,755	7,755	7,755	7,755	7,755
Police	Position Study of Police Service Assistants	28,027	28,027	28,027	28,027	28,027
Police	Crime Scene Search Unit (CSSU) Quality Manager	95,773	81,757	81,757	81,757	81,757
Police	UASI Sustainment	185,257	161,658	161,658	161,658	161,658
Police	Accreditation and Policy Unit Expansion	97,262	81,725	81,725	81,725	81,725
Police	2017 COPS Hiring Grant	243,614	673,363	673,363	673,363	673,363
Police	Jail Lock Maintenance	8,000	8,000	8,000	8,000	8,000
Police	One Safe Place	100,000	100,000	100,000	100,000	100,000
Police	Training Center Building Utilization Review	50,000	-	-	-	-
Police	Ott Cribbs Expansion	-	250,000	-	-	-
Police	California Lane Garage Expansion	-	510,000	10,000	10,000	10,000
Police	Investigative Sergeants	-	389,247	335,130	335,130	335,130
Police	Drug Enforcement Agency (DEA) Task force Officer	-	99,208	86,262	86,262	86,262
Police	Geographic CID Detectives	-	408,339	347,410	347,410	347,410
Police	Required Taser Upgrade (2025)	-	-	-	-	950,000
PWK - GF	Crossing Guard Salary Increase	31,675	31,675	31,675	31,675	31,675
PWK - GF	Connected/Autonomous Vehicles (CAV) and Smart City Pilot Projects	-	1,000,000	-	-	-
Dispatch	CAD Maintenance	60,408	21,985	23,084	24,238	25,450
Dispatch	Motorola Radio System Maintenance	19,100	19,500	19,900	20,500	20,800
Dispatch	Vendor Provided Database Administration Services	48,000	50,400	52,920	55,566	58,344
Dispatch	CAD Updates	40,000	40,000	40,000	40,000	40,000
Dispatch	Radio Tower Lease	-	14,219	15,862	16,322	16,796
Dispatch	Office Furniture Replacement	-	25,000	-	-	-
Dispatch	Dispatch Console Furniture Replacement	-	-	700,000	-	-
Dispatch	Dispatch Chair Replacement	-	-	60,000	-	-
Dispatch	CAD System Replacement	-	-	-	4,000,000	-
Fleet	Citywide Fleet Maintenance Contract	83,765	227,564	318,157	411,468	507,577
Fleet	Out-of-Life Fleet Replacements	1,559,000	1,559,000	1,559,000	1,559,000	1,559,000
Fleet	Citywide Fuel	353,840	394,117	414,558	435,204	456,056
Fleet	AssetWorks and Network Fleet	58,085	66,563	75,465	84,812	94,626
Fleet	Shop Tools and Equipment	60,500	-	-	-	-
IT	FY21 - IT Infrastructure Hardware Replacement	451,663	-	-	-	-
IT	Software Maintenance and Licenses Cost Increase	110,435	110,435	110,435	110,435	110,435
IT	IT Security Analyst Position	117,240	101,950	101,950	101,950	101,950
IT	Application Specialist II Position	110,503	96,168	96,168	96,168	96,168
IT	PC Support Position	102,175	86,876	86,876	86,876	86,876
IT	GIS Application Developer Position	99,675	86,876	86,876	86,876	86,876
IT	Information Technology Department Reorganization	60,000	60,000	60,000	60,000	60,000
IT	Reclassification of GIS Web Developer Position	10,000	10,000	10,000	10,000	10,000
IT	IT Locate Services	150,000	150,000	150,000	150,000	150,000
IT	IT Fourth Floor Expansion/Remodel	80,000	-	-	-	-
IT	PC Lease Expansion	145,000	145,000	145,000	145,000	145,000
IT	Aerial Imagery Acquisition	16,000	16,000	16,000	16,000	16,000
IT	IT Software Services Remodel	35,000	-	-	-	-
IT	Police Department Dashboard Solution (FY20 delayed project)	392,000	380,000	380,000	380,000	380,000
IT	Police Department Citizen-facing Digital Media Evidence Portal Solution (FY20 delayed project)	292,000	65,000	65,000	65,000	65,000
IT	Police Department Request and Issue Management Solution (FY20 delayed project)	105,000	55,000	55,000	55,000	55,000
IT	Police Department Asset Management Solution (FY20 delayed project)	300,000	150,000	150,000	150,000	150,000
IT	Enterprise IT Project - Citizen Reporting Tool	175,000	85,000	89,250	93,713	98,399
IT	Enterprise IT Project - Police Personnel Training System	75,000	78,750	82,688	86,822	91,163
IT	Enterprise IT Project - Upgrade City Tower Lobby Signage	75,000	15,000	15,750	16,538	17,365
IT	Contract Resources ERP Staffing Back-fill	707,200	-	-	-	-
IT	IT Project Fund	400,000	400,000	400,000	400,000	400,000
IT	FY22 - IT Infrastructure Hardware Replacement	-	376,663	-	-	-
IT	Disaster Recovery Site Planning	-	180,000	-	-	-
IT	Laserfiche Storage and Professional Services	-	50,000	-	-	-
IT	FY23 - IT Infrastructure Hardware Replacement	-	-	661,663	-	-
IT	Microsoft Enterprise Agreement Renewal	-	-	250,000	-	-
IT	AMANDA Assessment	-	-	120,000	-	-
IT	GIS Upgrade	-	-	45,000	-	-
IT	Incode Assessment	-	-	50,000	-	-
IT	Kronos Upgrade	-	-	60,000	-	-
IT	FY24 - IT Infrastructure Hardware Replacement	-	-	-	376,663	-
IT	FY25 - IT Infrastructure Hardware Replacement	-	-	-	-	516,663

***General Fund Total (Including Dispatch, Fleet, & IT) 26,712,385 24,281,163 27,766,410 32,862,399 28,393,311**

Comprehensive Financial Forecast

FY 2021 – FY 2025

Other Funds

Non-General Fund departments were also tasked with developing revenue forecasts using the same three scenarios as previously discussed for the General Fund, as well as considering anticipated Current Services or New Program expenditure requests. It should be noted that every annual budget adopted by the City Council is statutorily required to be balanced, therefore any presentation of unbalanced projected numbers reflect work which must be done every year to align expenditures with revenues.

As a result of multiple capital construction projects over the term of the forecast, the Park Performance Fund shows a negative ending balance in several years. Until the scope and timing of the projects becomes clearer, expenditure and revenues projections are speculative. However, all imbalances will be addressed as each year's budget is proposed and adopted.

The following pages are the forecasted operating positions for other operating funds.

Comprehensive Financial Forecast

FY 2021 – FY 2025

Comprehensive Financial Forecast Water Utilities Fund, FY 2021 - FY 2025



	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES - Proposed FY21, most likely FY22 - FY25	\$ 166,291,682	\$ 166,776,589	\$ 168,088,506	\$ 171,762,537	\$ 175,794,897	\$ 179,958,704
INTERFUND TRANSFERS:						
General Fund - Indirect Cost	\$ (4,387,975)	\$ (4,387,975)	\$ (4,387,975)	\$ (4,475,734)	\$ (4,565,249)	\$ (4,656,554)
From Storm Water - Indirect Cost	170,122	170,122	170,122	170,122	170,122	170,122
Debt Service Reserve	(1,174,401)	(781,718)	(273,601)	(281,809)	(805,170)	(829,325)
Operating Reserve	-	(525,799)	(365,118)	(539,293)	(475,182)	(369,726)
Rate Stabilization Fund	720,461	720,461	888,140	418,750	542,554	543,700
Renewal / Rehabilitation Fund	(15,500,000)	(11,000,000)	(11,000,000)	(11,000,000)	(12,000,000)	(12,500,000)
Renewal / Rehabilitation Reimbursement	(221,351)	(252,919)	(252,919)	(252,919)	(252,919)	(252,919)
Convention Center Reimbursement	820,000	684,647	684,647	684,647	684,647	684,647
TOTAL INTERFUND TRANSFERS	\$ (19,573,144)	\$ (15,373,181)	\$ (14,536,704)	\$ (15,276,236)	\$ (16,701,198)	\$ (17,210,055)
TOTAL AVAILABLE FUNDS	\$ 146,718,538	\$ 151,403,408	\$ 153,551,802	\$ 156,486,301	\$ 159,093,700	\$ 162,748,649
WATER FUND EXPENDITURES	\$ 146,395,666	\$ 147,105,452	\$ 147,105,452	\$ 147,105,452	\$ 147,105,452	\$ 147,105,452
ENDING BALANCE	\$ 322,872	\$ 4,297,956	\$ 6,446,350	\$ 9,380,849	\$ 11,988,248	\$ 15,643,197
Health Insurance Increases (4.6% annually)		\$ 89,047	\$ 182,191	\$ 279,619	\$ 381,529	\$ 488,127
Compensation Increases (2% annually starting in FY 2022)		\$ -	\$ 272,286	\$ 550,019	\$ 833,305	\$ 1,122,258
ENDING BALANCE with Health Insurance and Comp.	\$ 322,872	\$ 4,208,908	\$ 5,991,872	\$ 8,551,211	\$ 10,773,413	\$ 14,032,812
Current Services						
FY21-WTR-CS01 TRA		1,991,120	3,376,996	4,473,401	5,108,162	5,765,117
FY21-WTR-CS02 PILOT		91,197	391,335	692,969	806,974	1,025,312
FY21-WTR-CS04 Lead and Copper Analysis		2,000	4,000	6,000	8,000	10,000
FY21-WTR-CS05 Increase in contractual services		20,000	26,600	33,600	41,000	48,900
FY21-WTR-CS06 Armored car contract/banking costs		5,000	6,500	7,500	8,700	10,000
FY22-WTR-CS01 TRWD - Raw Water Purchases		-	887,633	1,581,704	2,611,472	3,514,493
FY22-WTR-CS02 Franchise Fee		-	32,148	270,218	497,507	738,947
FY24-WTR-CS01 Debt Service		-	-	-	291,653	1,504,978
TOTAL - CURRENT SERVICES		\$ 2,109,317	\$ 4,725,212	\$ 7,065,392	\$ 9,373,468	\$ 12,617,747
ENDING BALANCE with Current Services		\$ 2,099,591	\$ 1,266,660	\$ 1,485,819	\$ 1,399,945	\$ 1,415,065
New Programs						
FY21-WTR-NP01 Action Center		1,535,882	1,508,058	1,508,058	1,508,058	1,508,058
FY21-WTR-NP02 SSL In House repairs		211,830	(324,740)	(324,740)	(324,740)	(324,740)
FY21-WTR-NP03 Easement Maintenance		25,000	25,000	25,000	25,000	25,000
TOTAL - NEW PROGRAMS		\$ 1,772,712	\$ 1,208,318	\$ 1,208,318	\$ 1,208,318	\$ 1,208,318
ENDING BALANCE with Current Services & New Programs		\$ 326,879	\$ 58,342	\$ 277,501	\$ 191,627	\$ 206,747

Comprehensive Financial Forecast

FY 2021 – FY 2025

Comprehensive Financial Forecast Convention and Event Services Fund, FY 2021 - FY 2025



	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BEGINNING BALANCE	\$ 549,322	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES - Proposed FY21, most likely FY22 - FY25						
Hotel Occupancy Tax	\$ 10,290,727	\$ 6,885,516	\$ 8,262,619	\$ 10,290,266	\$ 10,701,877	\$ 11,129,952
Cowboy Stadium Rent/Naming Rights	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Esports Stadium Rent/Naming Rights	1,250,000	-	1,250,000	1,250,000	1,250,000	1,250,000
Convention Center Operating Revenues	<u>1,877,967</u>	<u>1,309,009</u>	<u>1,309,009</u>	<u>1,309,009</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	\$ 15,918,694	\$ 10,694,525	\$ 13,321,628	\$ 15,349,274	\$ 14,451,877	\$ 14,879,952
INTERFUND TRANSFERS:						
From General Gas Funds for ATF Corpus	\$ 2,933,209	\$ 3,022,200	\$ 3,113,892	\$ 3,208,364	\$ 3,305,704	\$ 3,405,996
To ATF Corpus Reimbursement	(2,933,209)	(3,022,200)	(3,113,892)	(3,208,364)	(3,305,704)	(3,405,996)
To ATF, granting & interest	(1,218,462)	(1,129,471)	(1,037,780)	(943,307)	(845,967)	(745,675)
To Communication Services ISF	(1,750,281)	(1,750,281)	(1,750,281)	(1,750,281)	(1,750,281)	(1,750,281)
To Water for Capital Reimbursement	(820,000)	-	-	(820,000)	(820,000)	(820,000)
To Innovation Venture Capital	(1,000,000)	-	-	-	-	-
(To) From Hotel Attraction Support	125,000	-	-	-	-	-
To General Fund	(900,000)	-	-	-	-	-
To General Fund - Indirect Costs	<u>(481,549)</u>	<u>-</u>	<u>-</u>	<u>(491,180)</u>	<u>(501,004)</u>	<u>(511,024)</u>
TOTAL INTERFUND TRANSFERS	\$ (6,045,292)	\$ (2,879,752)	\$ (2,788,061)	\$ (4,004,768)	\$ (3,917,252)	\$ (3,826,980)
TOTAL AVAILABLE FUNDS	\$ 10,422,724	\$ 7,814,773	\$ 10,533,567	\$ 11,344,506	\$ 10,534,625	\$ 11,052,972
CES FUND EXPENDITURES	\$ 10,334,612	\$ 10,040,147	\$ 10,040,147	\$ 10,040,147	\$ 6,365,823	\$ 6,365,823
ENDING BALANCE	\$ 88,112	\$ (2,225,375)	\$ 493,420	\$ 1,304,359	\$ 4,168,802	\$ 4,687,149
Health Insurance Increases (4.6% annually)		\$ 13,466	\$ 27,551	\$ 42,284	\$ 57,695	\$ 73,814
Compensation Increases (2% annually starting in FY 2022)		\$ -	\$ 31,750	\$ 64,136	\$ -	\$ -
ENDING BALANCE with Health Insurance and Comp.		\$ (2,238,840)	\$ 434,118	\$ 1,197,940	\$ 4,111,107	\$ 4,613,335

New Programs

FY21-CES-NP01 Lobby and Hallway Renovations	-	150,000	-	-	-	-
FY21-CES-NP02 Parking operations outsourcing	(49,548)	-	-	-	-	-
FY22-CES-NP01 Roof Replacement - Stadium	-	500,000	-	-	-	-
FY22-CES-NP02 Painting - Outside Metal	-	46,640	-	-	-	-
FY22-CES-NP03 Kitchen Equipment	-	265,100	-	-	-	-
FY22-CES-NP04 Event Tables - All Areas	-	57,600	-	-	-	-
FY22-CES-NP05 Exhibit Hall Lighting Upgrade	-	150,000	-	-	-	-
FY23-CES-NP01 Stage Sections - All Areas	-	-	-	220,600	-	-
FY23-CES-NP02 Elevator Replacement	-	-	-	300,000	-	-
TOTAL - NEW PROGRAMS	\$ (49,548)	\$ 1,169,340	\$ 520,600	\$ -	\$ -	\$ -

ENDING BALANCE with New Programs **\$ (2,189,292)** **\$ (735,222)** **\$ 677,340** **\$ 4,111,107** **\$ 4,613,335**

Comprehensive Financial Forecast

FY 2021 – FY 2025

Comprehensive Financial Forecast Park Performance Fund, FY 2021 - FY 2025



	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BEGINNING BALANCE	\$ 155,956	\$ 46,691	\$ 46,691	\$ 46,691	\$ 46,691	\$ 46,691
REVENUES - Proposed FY21, most likely FY22 - FY25						
Golf Revenues	6,908,401	6,914,401	7,361,390	7,861,150	7,936,750	7,943,850
Recreation Revenues	4,929,425	5,133,588	5,908,837	6,931,017	7,072,614	7,160,629
Field Maintenance	<u>702,000</u>	<u>702,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
TOTAL REVENUES	\$ 12,539,826	\$ 12,749,989	\$ 13,970,227	\$ 15,492,167	\$ 15,709,364	\$ 15,804,479
INTERFUND TRANSFERS:						
Transfer from General Fund, operating support	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000
Transfer from General Fund, social equity support	140,000	280,000	420,000	560,000	700,000	700,000
Transfer from Park Fee Fund 4003	-	-	-	-	-	-
From Golf Surcharge Fund	<u>681,788</u>	<u>550,878</u>	<u>550,878</u>	<u>550,878</u>	<u>550,878</u>	<u>550,878</u>
TOTAL INTERFUND TRANSFERS	\$ 1,971,788	\$ 1,980,878	\$ 2,120,878	\$ 2,260,878	\$ 2,400,878	\$ 2,400,878
TOTAL AVAILABLE FUNDS	\$ 14,667,570	\$ 14,777,558	\$ 16,137,796	\$ 17,799,736	\$ 18,156,933	\$ 18,252,048
PARK PERFORMANCE FUND EXPENDITURES:						
Golf Expenditures	\$ 7,105,736	\$ 7,054,876	\$ 7,054,876	\$ 7,054,876	\$ 7,054,876	\$ 7,054,876
Recreation Expenditures	6,949,183	7,355,483	7,355,483	7,355,483	7,355,483	7,355,483
Field Maintenance Expenditures	<u>565,960</u>	<u>568,514</u>	<u>568,514</u>	<u>568,514</u>	<u>568,514</u>	<u>568,514</u>
TOTAL EXPENDITURES	\$ 14,620,879	\$ 14,978,873	\$ 14,978,873	\$ 14,978,873	\$ 14,978,873	\$ 14,978,873
ENDING BALANCE	\$ 46,691	\$ (201,315)	\$ 1,158,923	\$ 2,820,863	\$ 3,178,060	\$ 3,273,175
Health Insurance Increases (4.6% annually)		\$ 38,225	\$ 78,209	\$ 120,032	\$ 163,778	\$ 209,538
Compensation Increases (2% annually starting in FY 2022)		\$ -	\$ 193,590	\$ 391,052	\$ 592,464	\$ 797,903
ENDING BALANCE with Health Insurance and Comp.		\$ (239,540)	\$ 887,124	\$ 2,309,779	\$ 2,421,818	\$ 2,265,734
Current Services						
FY21-REC-CS01 AISD Natatorium Staffing & Budget Funding (net cost)		(1,637)	113,001	113,334	113,680	114,040
FY21-REC-CS02 EARL Staffing and Maintenance Plan (net cost)		12,981	12,981	12,981	12,981	12,981
FY21-REC-CS03 The Beacon (net cost)		38,815	38,815	38,815	38,815	38,815
FY21-GLF-CS01 TRGC Maintenance Positions		8,149	8,149	8,149	8,149	8,149
FY21-GLF-CS02 Tierra Verde Golf Club Improvements		622,000	-	-	-	-
FY21-GLF-CS03 TRGC Food and Beverage Operations (net cost)		(325,658)	(325,658)	(325,658)	(325,658)	(325,658)
FY22-REC-CS01 ATC Improvements		-	295,000	-	-	-
FY22-GLF-CS01 Lake Arlington Golf Course Improvements		-	750,000	-	-	-
TOTAL - CURRENT SERVICES		\$ 354,650	\$ 892,288	\$ (152,379)	\$ (152,033)	\$ (151,673)
ENDING BALANCE with Current Services		\$ (594,190)	\$ (5,164)	\$ 2,462,158	\$ 2,573,851	\$ 2,417,407
New Programs						
FY22-REC-NP01 Active Adult Staffing and Budget Funding		-	345,181	1,345,725	1,345,725	1,345,725
FY23-REC-NP01 ATC Restrooms and Concession Area		-	-	1,200,000	-	-
TOTAL - NEW PROGRAMS		\$ -	\$ 345,181	\$ 2,545,725	\$ 1,345,725	\$ 1,345,725
ENDING BALANCE with Current Services & New Programs		\$ (594,190)	\$ (350,345)	\$ (83,567)	\$ 1,228,126	\$ 1,071,682

Comprehensive Financial Forecast

FY 2021 – FY 2025

Comprehensive Financial Forecast Street Maintenance Fund, FY 2021 - FY 2025



	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BEGINNING BALANCE	\$ 2,322,304	\$ 942,640	\$ 942,640	\$ 942,640	\$ 942,640	\$ 942,640
REVENUES - Proposed FY21, most likely FY22 - FY25	\$ 17,666,550	\$ 15,198,898	\$ 15,644,210	\$ 16,125,801	\$ 16,622,322	\$ 17,134,236
INTERFUND TRANSFERS:						
From General Fund	\$ 1,416,527	\$ 1,416,527	\$ 1,416,527	\$ 1,416,527	\$ 1,416,527	\$ 1,416,527
From General Fund for Traffic	5,127,194	4,587,771	4,587,771	4,587,771	4,587,771	4,587,771
TOTAL INTERFUND TRANSFERS	\$ 6,543,721	\$ 6,004,298	\$ 6,004,298	\$ 6,004,298	\$ 6,004,298	\$ 6,004,298
TOTAL AVAILABLE FUNDS	\$ 26,532,575	\$ 22,145,836	\$ 22,591,148	\$ 23,072,739	\$ 23,569,260	\$ 24,081,174
STREET MAINT. FUND EXPENDITURES	\$ 25,925,570	\$ 20,437,579	\$ 20,437,579	\$ 20,437,579	\$ 20,437,579	\$ 20,437,579
ENDING BALANCE	\$ 607,005	\$ 1,708,257	\$ 2,153,569	\$ 2,635,160	\$ 3,131,681	\$ 3,643,595
Health Insurance Increases (4.6% annually)		\$ 39,963	\$ 81,764	\$ 125,488	\$ 171,223	\$ 219,062
Compensation Increases (2% annually starting in FY 2022)		\$ -	\$ 239,941	\$ 363,007	\$ 488,534	\$ 616,571
ENDING BALANCE with Health Insurance and Comp.		\$ 1,668,294	\$ 1,831,863	\$ 2,146,666	\$ 2,471,925	\$ 2,807,962
Current Services						
FY21-SMF-CS01 Field Tech Reclassifications		161,154	161,154	161,154	161,154	161,154
TOTAL - CURRENT SERVICES		\$ 161,154	\$ 161,154	\$ 161,154	\$ 161,154	\$ 161,154
ENDING BALANCE with Current Services		\$ 1,507,140	\$ 1,670,709	\$ 1,985,512	\$ 2,310,771	\$ 2,646,808
New Programs						
FY21-SMF-NP01 Smart Streetlighting System		360,000	360,000	360,000	360,000	360,000
FY21-SMF-NP02 Entertainment District Reversible Lane Signs		78,200	78,200	78,200	78,200	78,200
FY21-SMF-NP03 Real-Time Data Collection & Signal Performance		59,250	59,250	59,250	59,250	59,250
FY21-SMF-NP04 Connected Vehicle DSRC/C-V2X		200,000	200,000	200,000	200,000	200,000
FY21-SMF-NP05 Traffic Signal Controller Upgrade		88,000	88,000	88,000	88,000	88,000
FY21-SMF-NP06 LED Streetlight Conversion		616,000	616,000	616,000	616,000	616,000
FY21-SMF-NP07 School Flasher System Upgrade		80,000	80,000	80,000	80,000	80,000
FY24-SMF-NP08 Contracted Street Maintenance		-	-	-	500,000	750,000
TOTAL - NEW PROGRAMS		\$ 1,481,450	\$ 1,481,450	\$ 1,481,450	\$ 1,981,450	\$ 2,231,450
ENDING BALANCE with Current Services & New Programs		\$ 25,690	\$ 189,259	\$ 504,062	\$ 329,321	\$ 415,358

Comprehensive Financial Forecast

FY 2021 – FY 2025

Comprehensive Financial Forecast Storm Water Utility Fund, FY 2021 - FY 2025



	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BEGINNING BALANCE	\$ 260,652	\$ 337,129	\$ 337,129	\$ 337,129	\$ 337,129	\$ 337,129
REVENUES - Proposed FY21, most likely FY22 - FY25	\$ 18,996,784	\$ 19,948,800	\$ 20,048,544	\$ 20,148,787	\$ 20,249,531	\$ 20,350,778
INTERFUND TRANSFERS:						
To General Fund - Indirect Costs	\$ (578,959)	\$ (578,959)	\$ (578,959)	\$ (590,538)	\$ (602,349)	\$ (614,396)
To General Fund for engineering reviews	(88,699)	(88,699)	(88,699)	(88,699)	(88,699)	(88,699)
To Pay-Go Capital Projects	(9,125,000)	(9,125,000)	(9,125,000)	(9,125,000)	(9,125,000)	(9,125,000)
To Water and Sewer Fund	(170,122)	(170,122)	(170,122)	(170,122)	(170,122)	(170,122)
TOTAL INTERFUND TRANSFERS	\$ (9,962,780)	\$ (9,962,780)	\$ (9,962,780)	\$ (9,974,359)	\$ (9,986,170)	\$ (9,998,217)
TOTAL AVAILABLE FUNDS	\$ 9,294,656	\$ 10,323,149	\$ 10,422,893	\$ 10,511,557	\$ 10,600,490	\$ 10,689,690
STORM WATER FUND EXPENDITURES	\$ 8,957,527	\$ 8,978,147	\$ 8,978,147	\$ 8,978,147	\$ 8,978,147	\$ 8,978,147
ENDING BALANCE	\$ 337,129	\$ 1,345,002	\$ 1,444,746	\$ 1,533,410	\$ 1,622,343	\$ 1,711,543
Health Insurance Increases (4.6% annually)		\$ 13,900	\$ 28,440	\$ 43,648	\$ 59,556	\$ 76,195
Compensation Increases (2% annually starting in FY 2022)		\$ -	\$ 116,829	\$ 176,764	\$ 237,897	\$ 300,252
ENDING BALANCE with Health Insurance and Comp.		\$ 1,331,102	\$ 1,299,477	\$ 1,312,998	\$ 1,324,890	\$ 1,335,096
Current Services						
FY21-SW-CS01 SWUF Payment in lieu of taxes		43,249	44,979	46,778	48,649	50,595
TOTAL - CURRENT SERVICES		\$ 43,249	\$ 44,979	\$ 46,778	\$ 48,649	\$ 50,595
ENDING BALANCE with Current Services		\$ 1,287,853	\$ 1,254,498	\$ 1,266,220	\$ 1,276,241	\$ 1,284,500
New Programs						
FY21-SW-NP01 Environmental Supervisors		184,384	184,384	184,384	184,384	184,384
FY21-SW-NP02 Environmental Specialist		68,634	68,634	68,634	68,634	68,634
FY21-SW-NP03 Stormwater Project Engineer		116,388	116,388	116,388	116,388	116,388
FY21-SW-NP04 Stormwater Engineering Technician		73,272	73,272	73,272	73,272	73,272
TOTAL - NEW PROGRAMS		\$ 442,678	\$ 442,678	\$ 442,678	\$ 442,678	\$ 442,678
ENDING BALANCE with Current Services & New Programs		\$ 845,175	\$ 811,820	\$ 823,542	\$ 833,563	\$ 841,822

Comprehensive Financial Forecast

FY 2021 – FY 2025

The **Debt Service Fund** is used to account for the resources needed for payment of principal and interest on the City’s general long-term debt not being financed by proprietary funds. The fund’s primary source of revenue is *ad valorem* taxes. The operating position shown below assumes the proposed FY 2021 revenue levels and the most-likely revenue scenario for FY 2022 through FY 2025.

Comprehensive Financial Forecast Debt Service Fund, FY 2021 - FY 2025



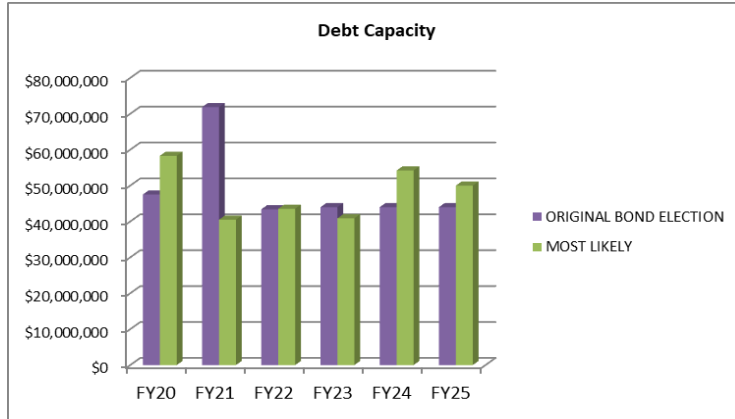
	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BEGINNING BALANCE	\$ 2,025,286	\$ 2,255,298	\$ 1,997,281	\$ 2,272,209	\$ 2,408,317	\$ 2,508,945
DEBT SERVICE FUND REVENUES - Most Likely:						
Ad Valorem Taxes	\$ 50,219,975	\$ 49,726,883	\$ 55,644,713	\$ 56,144,174	\$ 57,156,307	\$ 58,131,427
Premium	350,000	350,000	350,000	350,000	350,000	350,000
Interest	<u>562,972</u>	<u>281,486</u>	<u>274,449</u>	<u>274,449</u>	<u>274,449</u>	<u>274,449</u>
TOTAL REVENUES	\$ 51,132,947	\$ 50,358,369	\$ 56,269,162	\$ 56,768,623	\$ 57,780,756	\$ 58,755,876
TOTAL AVAILABLE FUNDS	\$ 53,158,233	\$ 52,613,667	\$ 58,266,442	\$ 59,040,832	\$ 60,189,074	\$ 61,264,821
DEBT SERVICE EXPENDITURES:						
Principal / Interest	\$ 50,127,935	\$ 49,796,019	\$ 54,958,205	\$ 55,803,564	\$ 56,436,355	\$ 57,536,930
Issuance Fees	727,000	767,367	981,528	772,951	1,186,274	1,075,145
Agent Fees	<u>48,000</u>	<u>53,000</u>	<u>54,500</u>	<u>56,000</u>	<u>57,500</u>	<u>59,000</u>
TOTAL EXPENDITURES	\$ 50,902,935	\$ 50,616,386	\$ 55,994,233	\$ 56,632,515	\$ 57,680,129	\$ 58,671,075
ENDING BALANCE	\$ 2,255,298	\$ 1,997,281	\$ 2,272,209	\$ 2,408,317	\$ 2,508,945	\$ 2,593,746
DEBT ISSUED	\$ 58,298,000	\$ 40,500,000	\$ 43,545,000	\$ 40,885,000	\$ 54,215,000	\$ 50,000,000

Comprehensive Financial Forecast

FY 2021 – FY 2025

Future Capital Considerations

The City of Arlington successfully passed bond project packages on the ballot in November 2018. The 2018 5-year bond program is \$189.5M. Major requests approved on the ballot list include \$138M for streets and \$24.5M for public safety facilities.



	Proposition A Street Improvements - \$137,835,000
	Proposition B Parks and Recreation - \$19,165,000
	Proposition C Public Safety Facilities - \$24,500,000
	Proposition D Public Facilities - \$8,000,000

Additionally, the City of Arlington can raise its sales tax rate by as much as a quarter-cent to support specific programs. The existing sales tax rate is set at 8 cents while the State of Texas allows municipalities to set rates as high as 8.25 cents. There are two types of sales tax programs available to the City to fund capital projects. A type 4B sales tax may be added to the City’s current sales tax rate in increments of either .125 or .25 cents to finance land, buildings, equipment, targeted infrastructure and improvements for a variety of capital projects. The City may also use a sports & community venue sales tax in increments of .125 or .25 cents to finance the construction of specific sports venues or parks and recreation capital projects. Using either one of these sales tax options would provide the City with \$7.5M to \$15M annually for qualifying capital projects depending on the option selected and the growth rate of current sales tax revenue.

Assets

The City has capital assets currently valued at \$3.4B and some of these components will be addressed outside of the capital bond program. The City-wide fleet inventory is currently operated with 20% of the vehicles beyond their standard life cycle. The current fleet maintenance contract only covers vehicle repairs that are within life cycle. Repairs to vehicles beyond their life expectancy are outside of contract pricing and more expensive to repair. Funding is necessary to address the beyond-life status for all fleet vehicles in order to reduce non-target repair expenditures.

Additionally, City-owned buildings require maintenance and many building systems and components have either reached or exceeded their service lives. The replacement of roofing systems is needed to protect interior furnishings from water and mold damage and prevent replacement expense for those furnishings. The replacement or enhancement of building interior elements, such as worn carpeting and wall surfaces, will provide a more suitable atmosphere for public users and visitors. Additional funding will be needed to address the backlog of building component replacements.

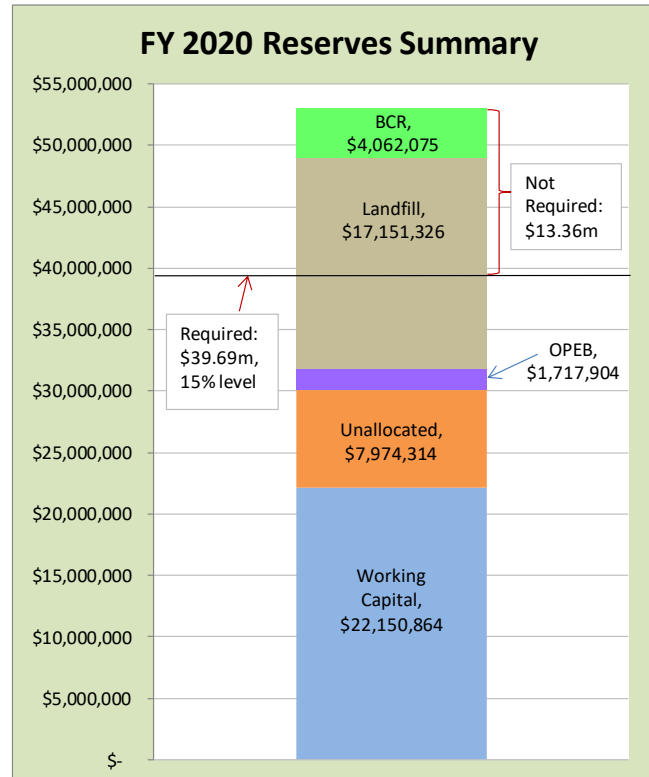
Comprehensive Financial Forecast

FY 2021 – FY 2025

Reserves and Available Funding

In accordance with the City’s Financial Principles, several cash reserves are maintained in order to mitigate the impact of a significant economic downturn on our ability to maintain service levels to our citizens. These reserves are an important consideration by bond rating agencies in determining the City’s overall credit-worthiness. The reserves include:

- **Unallocated Reserve:** \$7,974,314 in FY 2020. This reserve is maintained at 3.0 percent of recurring General Fund expenditures (net of one-time costs).
- **Working Capital Reserve:** \$22,150,864 in FY 2020. This reserve is maintained at one month’s worth (8.33 percent) of recurring General Fund expenditures.
- **Business Continuity Reserve:** \$4,062,075 at the outset of FY 2020. This reserve was established during the financial challenges experienced by the City during the economic downturn of 2008-2010, and was initially created to support the Challenge Grant Program. It does not have a specified minimum funding level. Use of the reserve is restricted to one-time expenditures or to cover costs necessitated by unforeseen circumstances.



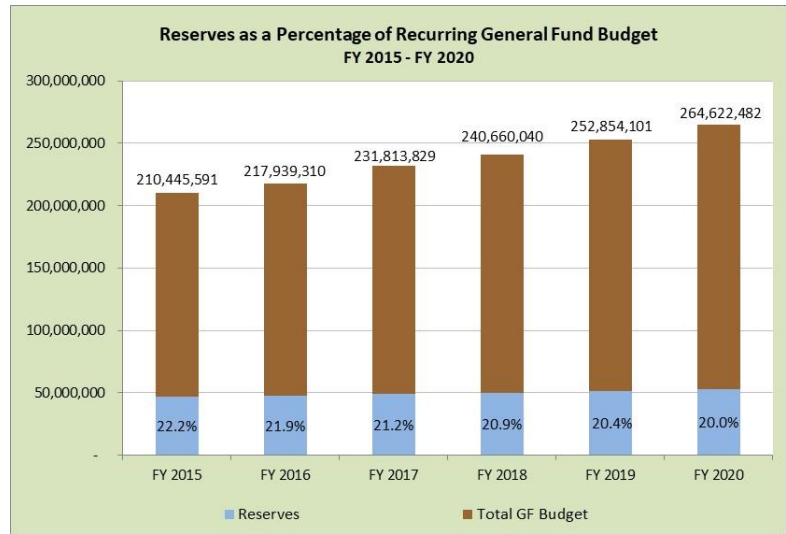
- **Landfill Lease Reserve:** \$17,151,326 in FY 2020. This payment was received from Republic Waste Services when the City leased the Landfill in 2005. A total of \$4.34 million was spent from this reserve in FY 2013 to purchase recycling bins.
- **Other Post-Employment Benefits Reserve:** \$1,717,904 in FY 2020. This reserve was established in 2004 to set aside resources to support post-employment benefits other than pensions.

In the aggregate, the reserves described above total \$53,056,483 at the beginning of FY 2020. This amount is 20.0 percent of recurring General Fund expenditures budgeted for the year. Our Financial Principles stipulate that the City maintain reserves equal to 15 percent of General Fund expenditures. The amount necessary for this reserve level would be \$39,693,372. Therefore, the reserves outlined above currently have a total of \$13,363,111 in excess of the required amount (as shown in the graph above), which is available to support one-time expenditures should the City Council wish to do so.

Comprehensive Financial Forecast

FY 2021 – FY 2025

It is important to note that the City continues to fund the Working Capital Reserve (one month, or 8.33 percent, of General Fund recurring expenditures) and the Unallocated Reserve (3.0 percent of General Fund recurring expenditures) at their respective specified levels each year. In the aggregate, these two reserves total 11.33 percent of General Fund expenditures. The need to fully fund these reserves presents challenges during the annual budget development process, which requires setting aside an additional amount equal to 11.33 percent of all new, recurring spending included in the budget to fund the reserves. In the past, funding for these reserves has been available from year-end balances from the prior fiscal year. However, as we continue to tighten our expenditure budgets, this process gradually reduces the likelihood that sufficient year-end balances will be available to fully fund our reserve requirements at the level specified in the City’s Financial Principles. The effects of this approach are illustrated in the accompanying chart.



In addition to the reserves outlined above, the City also has funding available in the natural gas funds. In mid-June 2020, there is \$1.79 million in cash in the General Gas Fund; however, all available resources in this fund are reserved for specific purposes. The Airport Gas Fund shows \$2.85 million in available fund balance, which may be spent only on improvements at the City’s airport. The Parks Gas Fund shows no available balance; all resources above the amounts reserved for other purposes are set aside for the Texas Rangers Golf Club.