



# FY 2025 Budget Preview

## June 25, 2024

**ARLINGTON** <sup>SM</sup>  
THE AMERICAN DREAM CITY



# Overview



- City Comparisons
- Favorable Tax Policy
- Budget Drivers
- FY 2025 Budget Preview

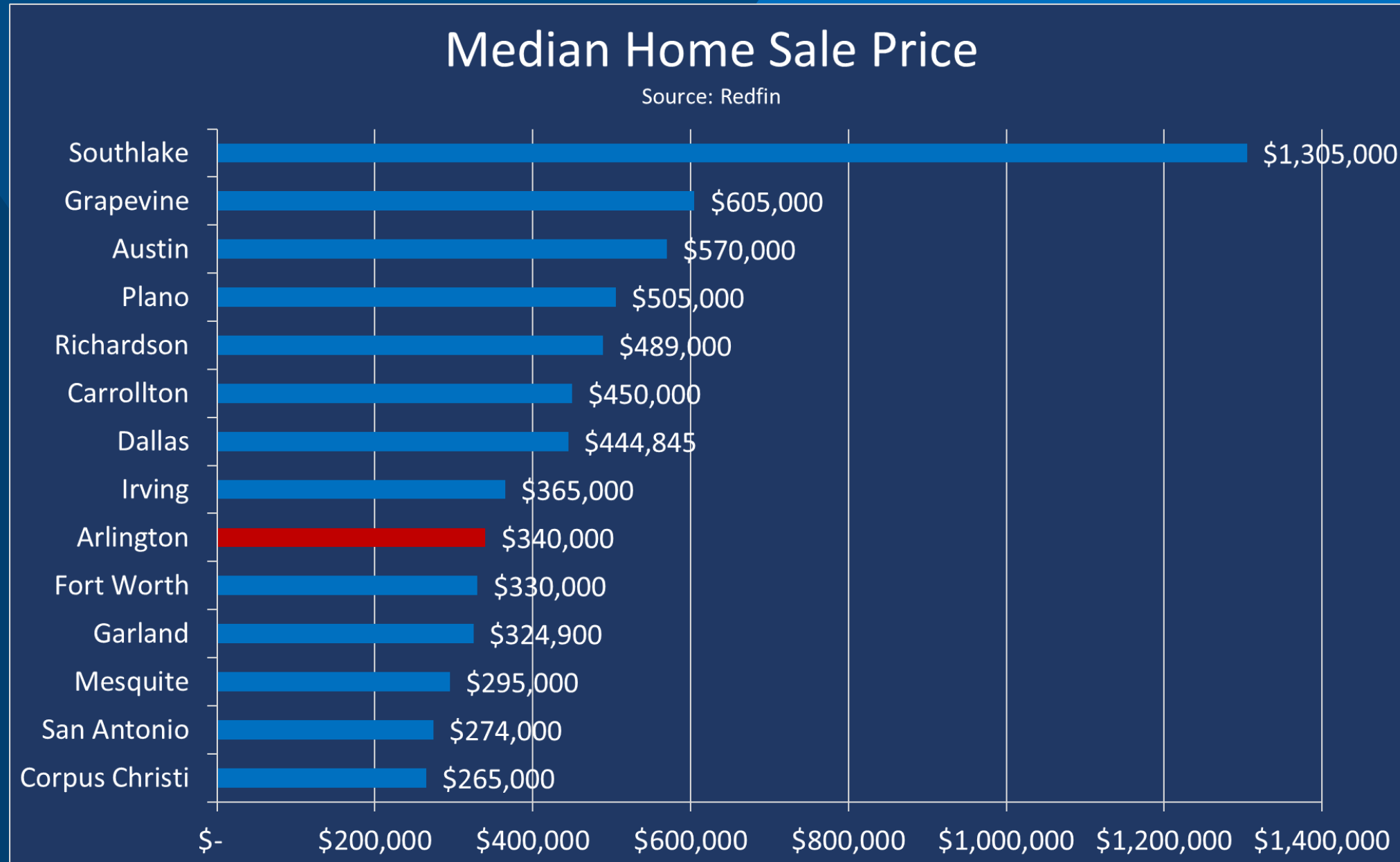


# City Comparisons

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# ..... Median Home Sale Price



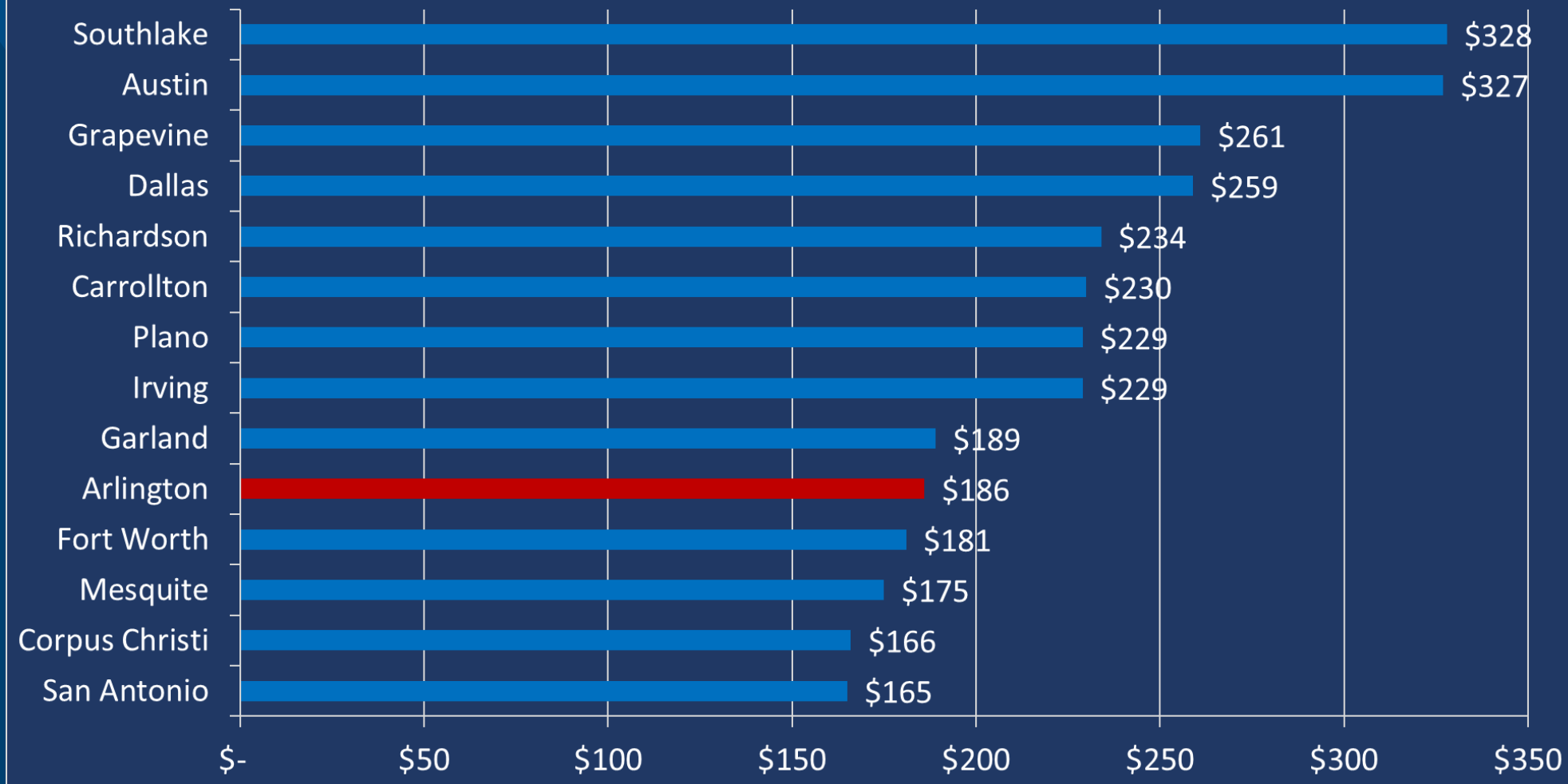
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# Median Home Price Per Square Foot



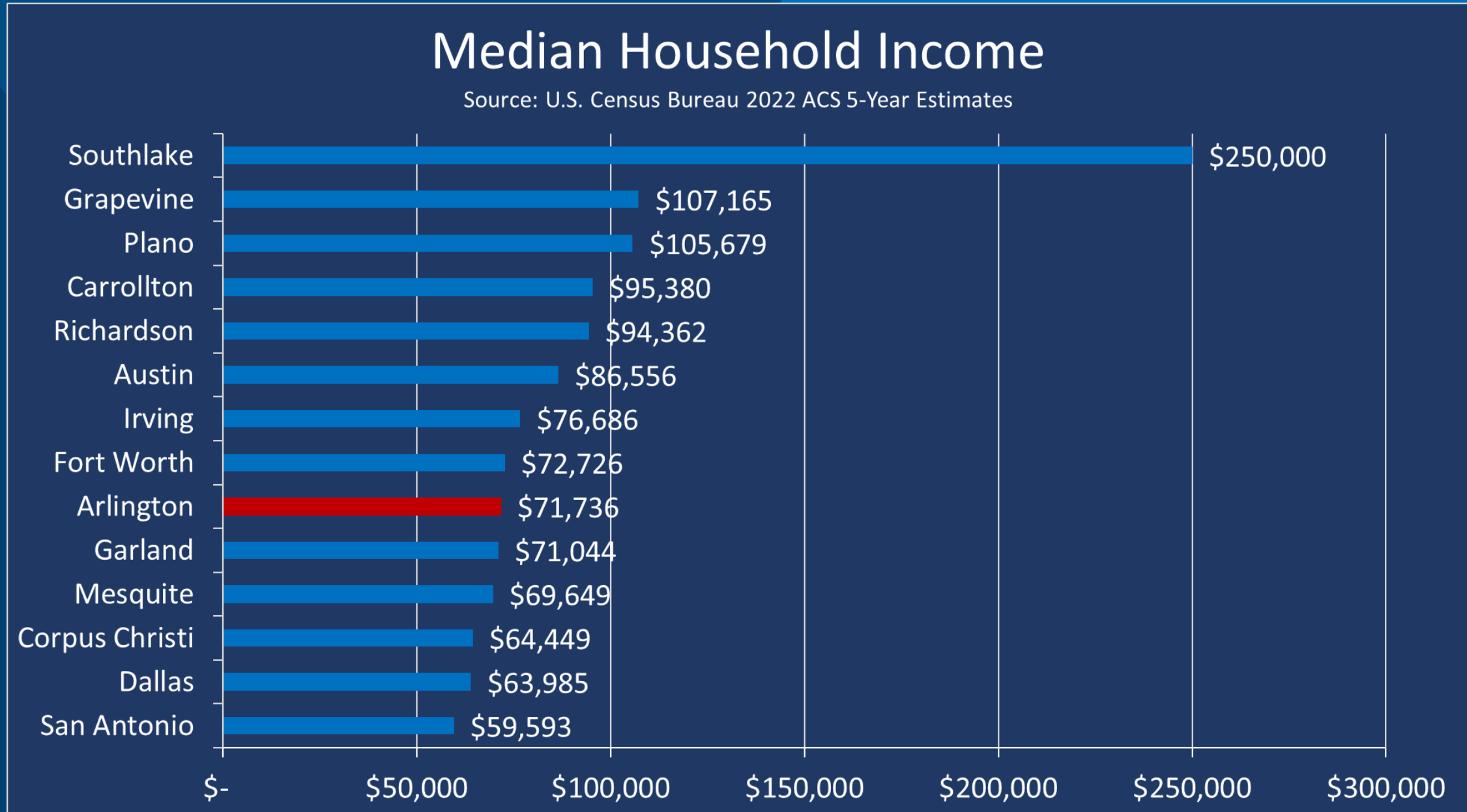
## Median Home Price Per Square Foot of Structure (Price = Land + Structure)

Source: Redfin

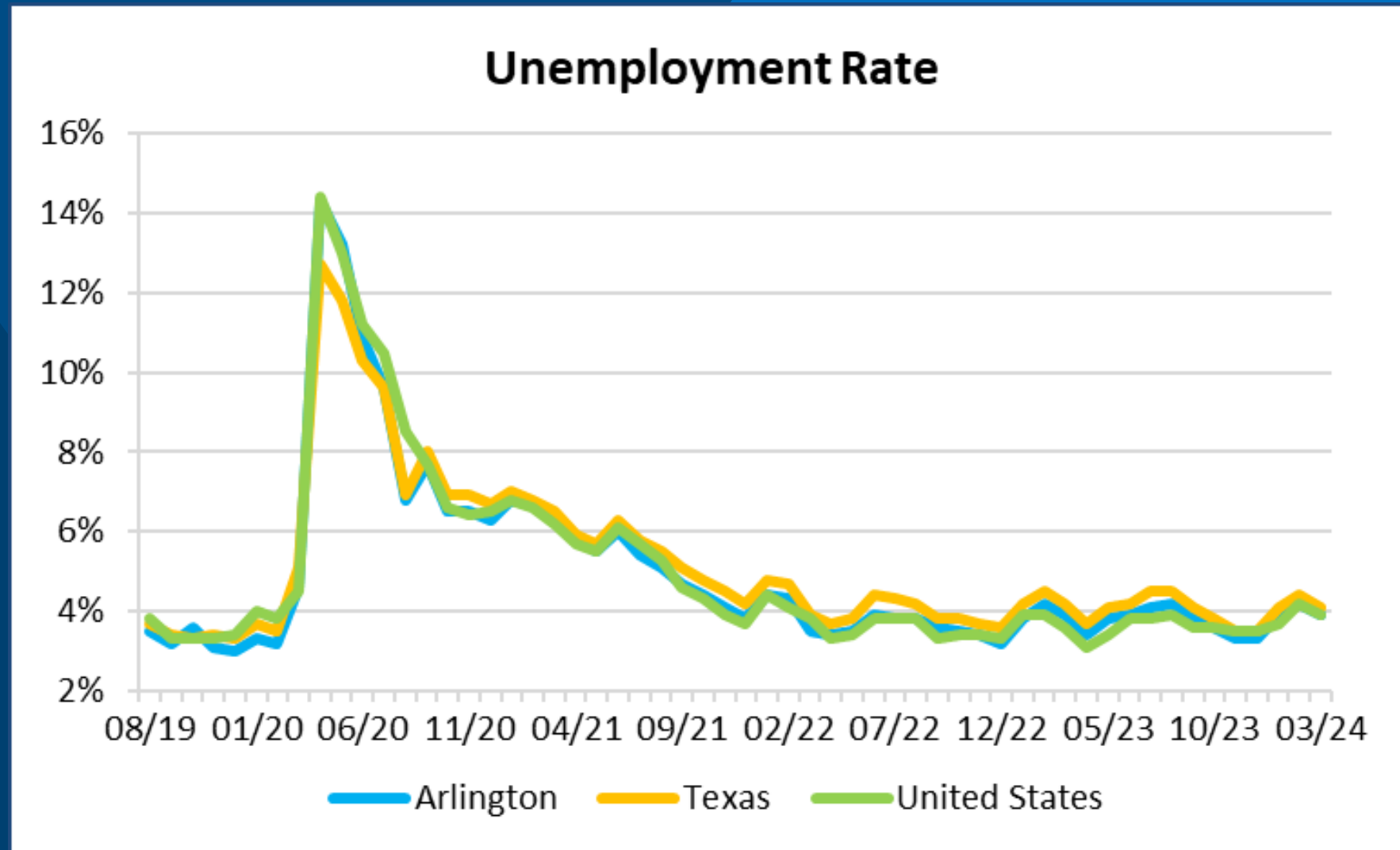


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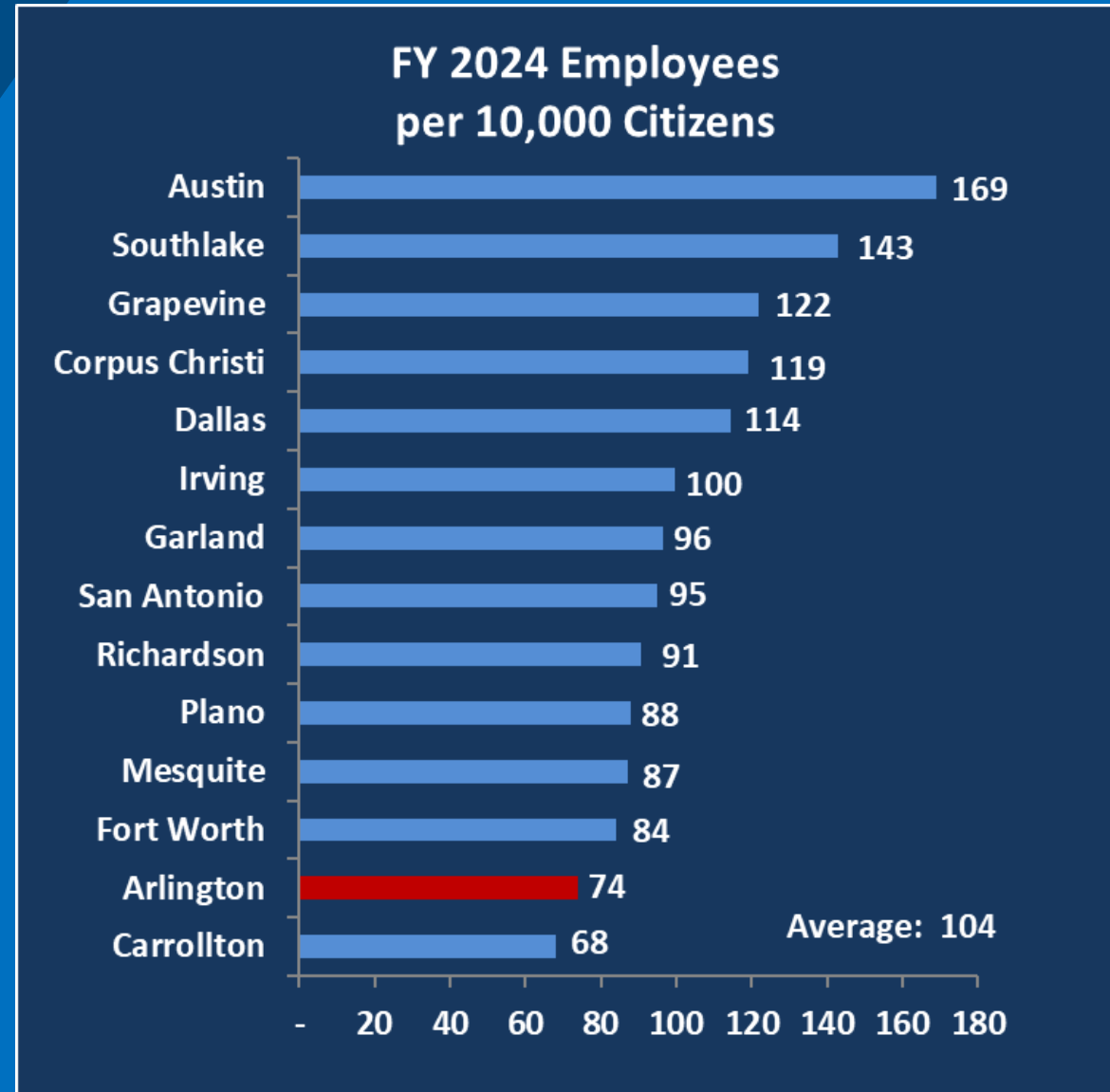
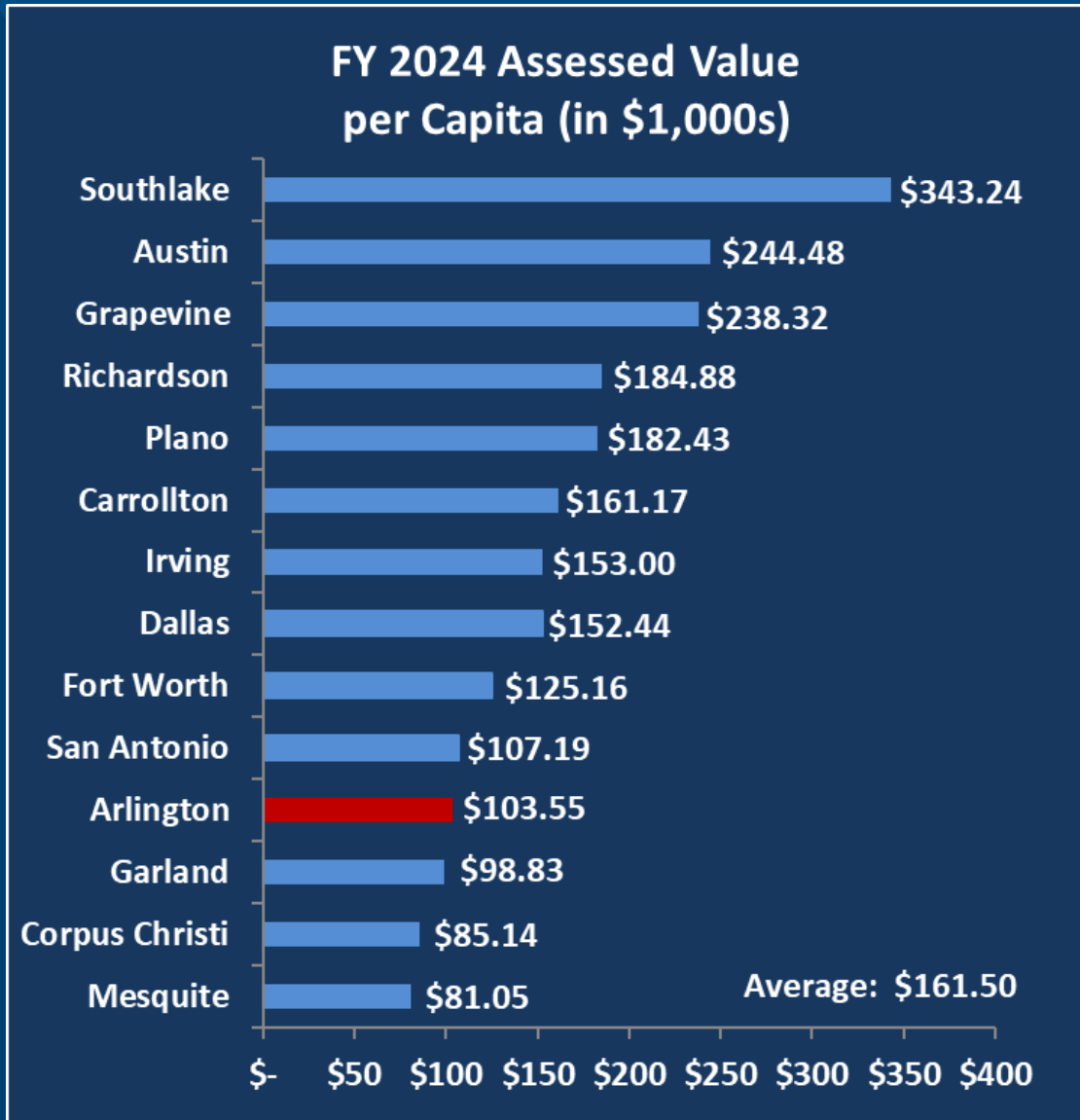
# Median Household Income



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**Evidence of Success**

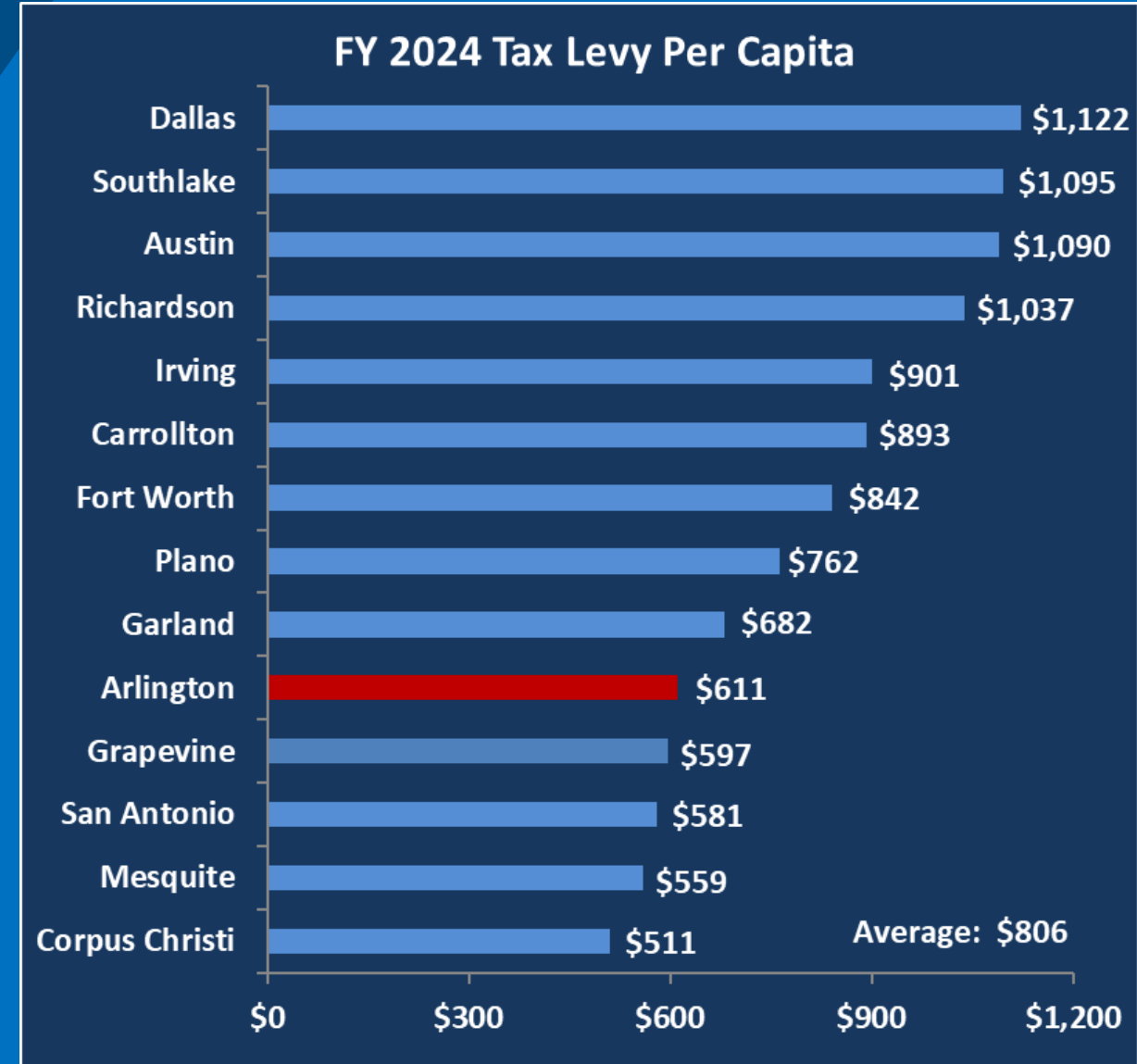
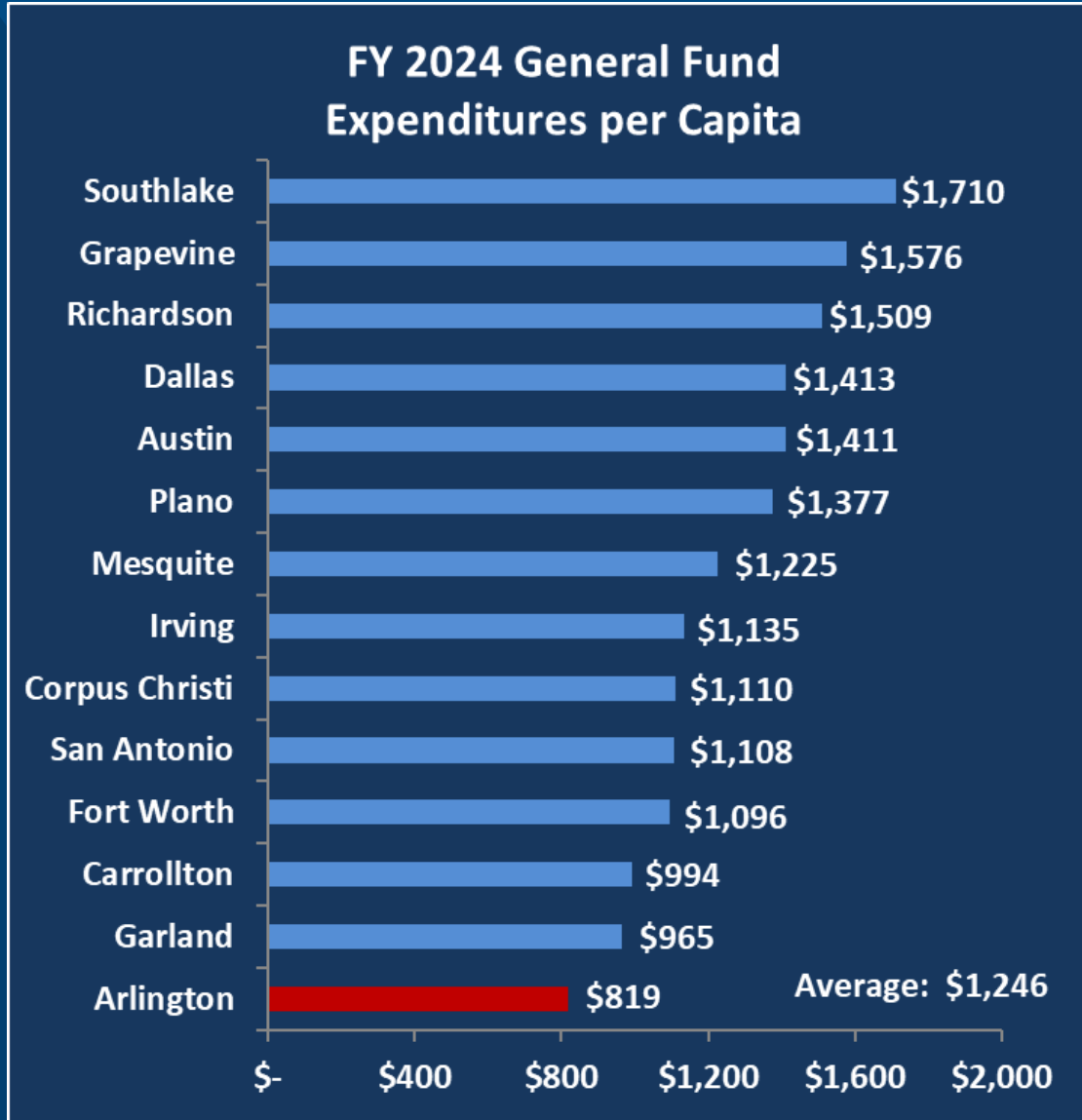


# ..... City Comparisons





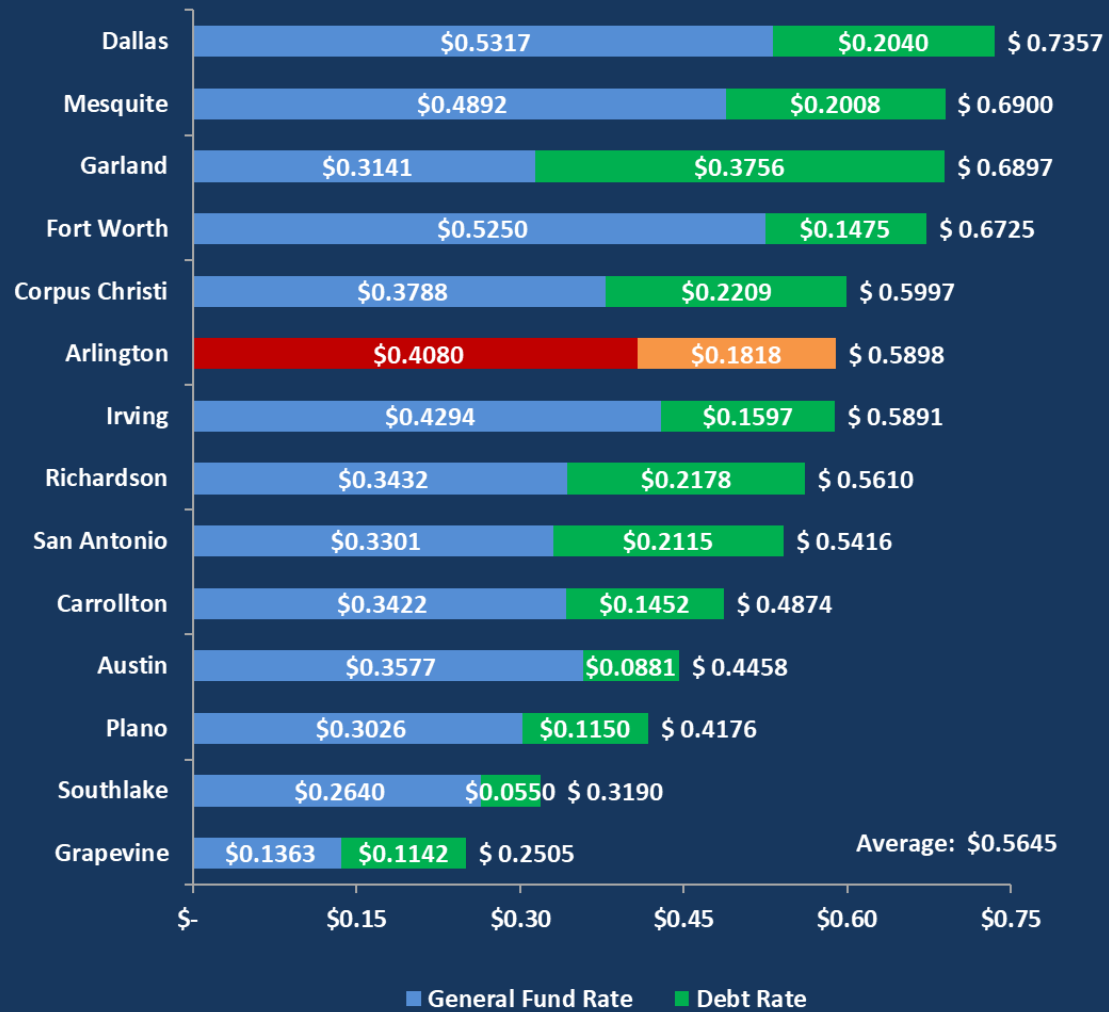
# ..... City Comparisons



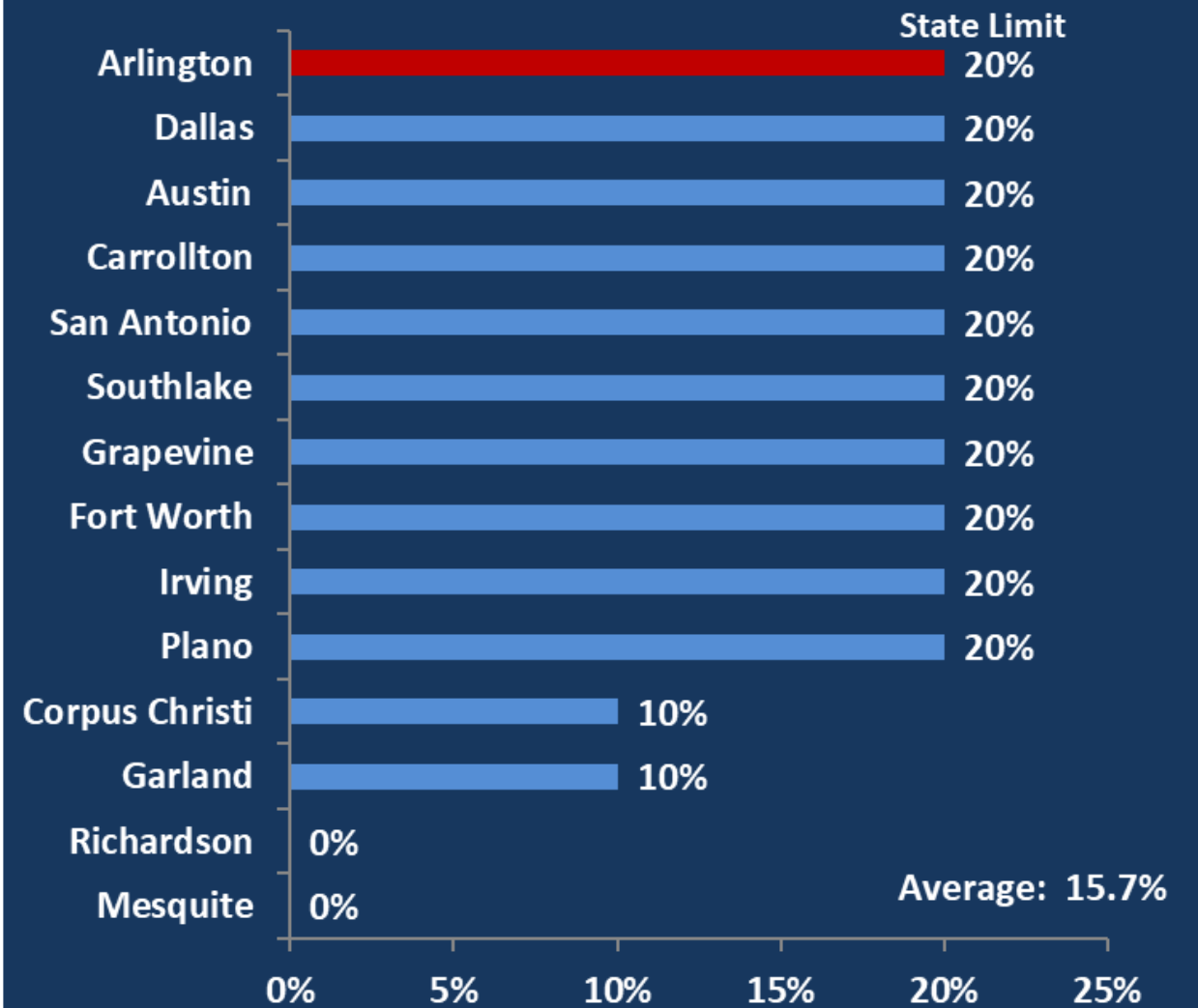
# City Comparisons



### FY 2024 Ad Valorem Tax Rates



### FY 2024 General Homestead Exemption

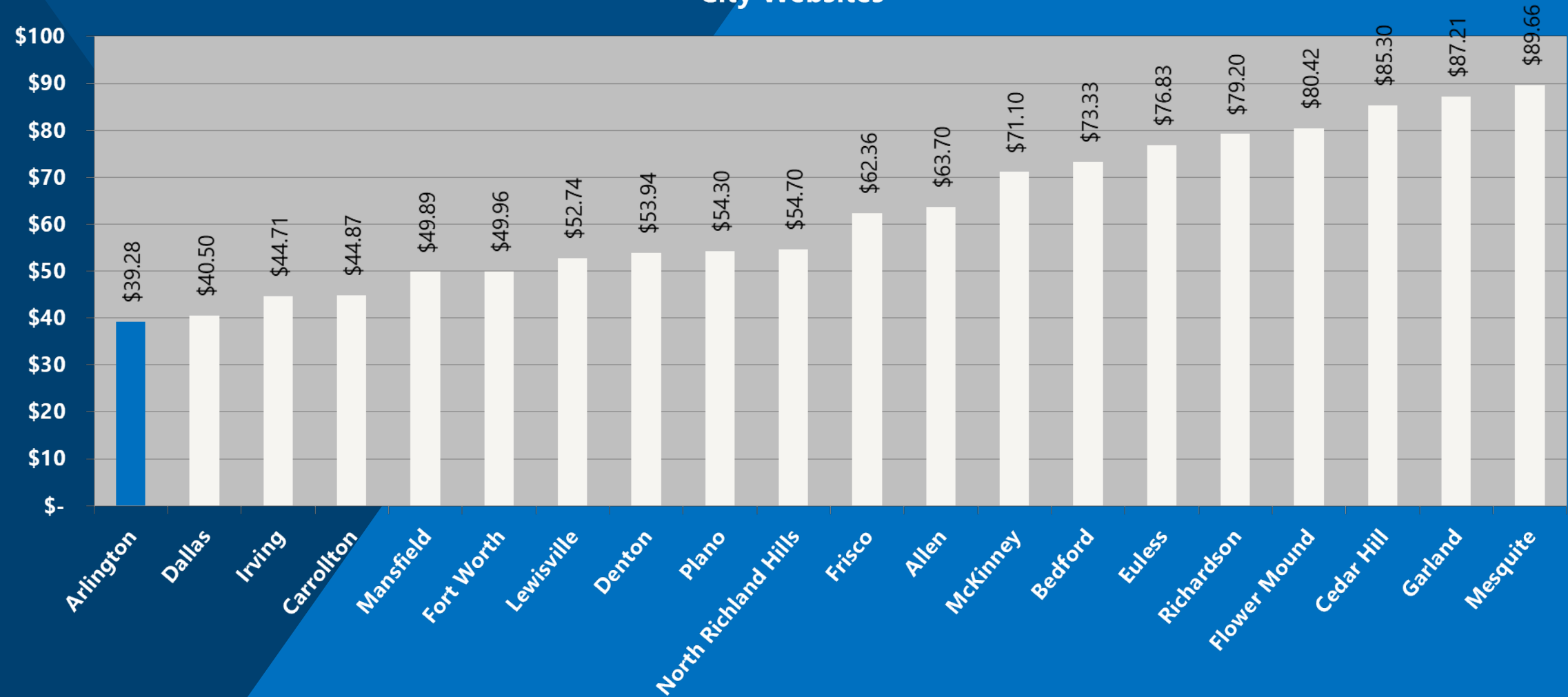


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# Residential Water Rates for 10,000 Gallons



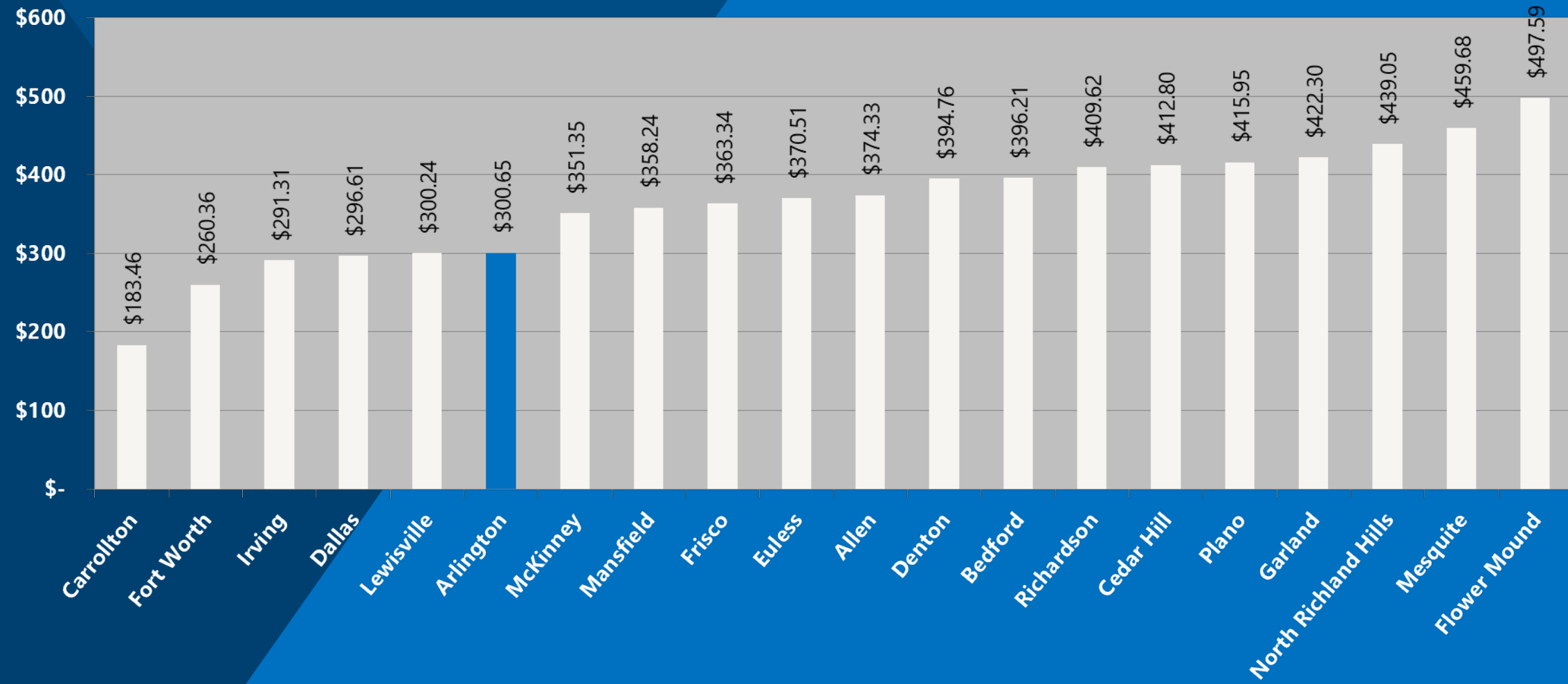
Source Data:  
City Websites



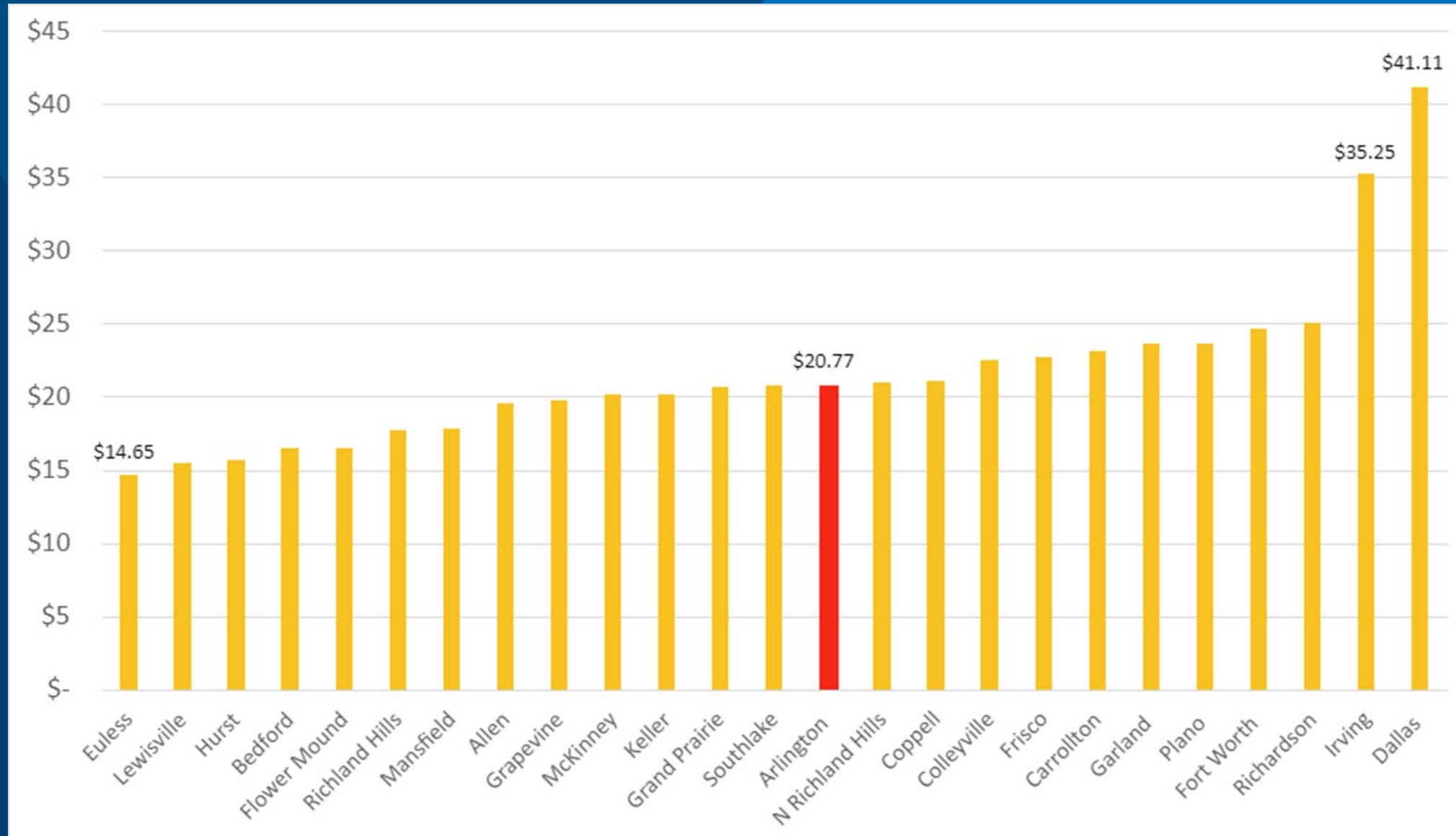
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# Commercial Water Rates for 50,000 Gallons

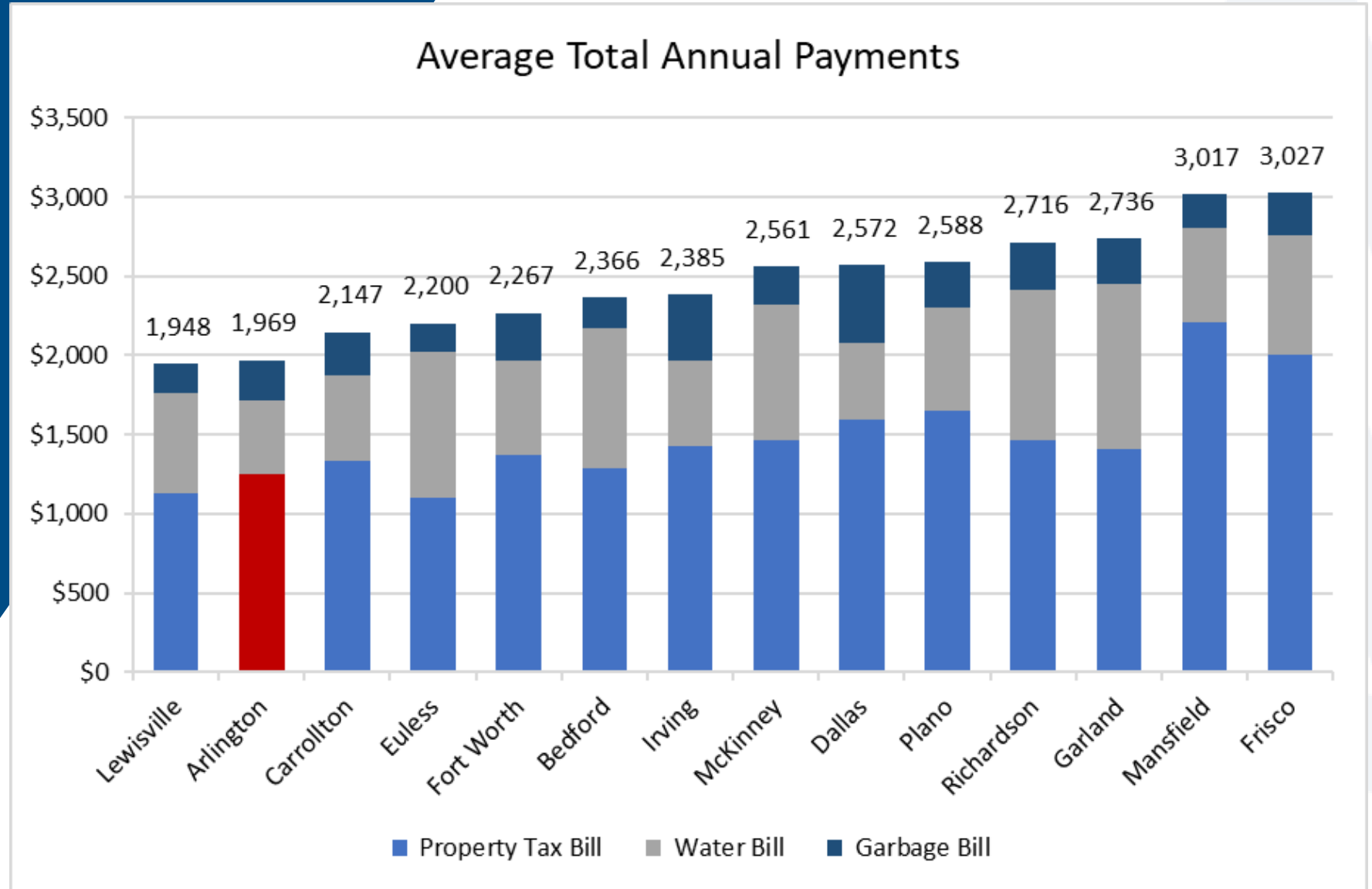
Source Data:  
City Websites



# ..... Residential Monthly Trash Rate Comparison

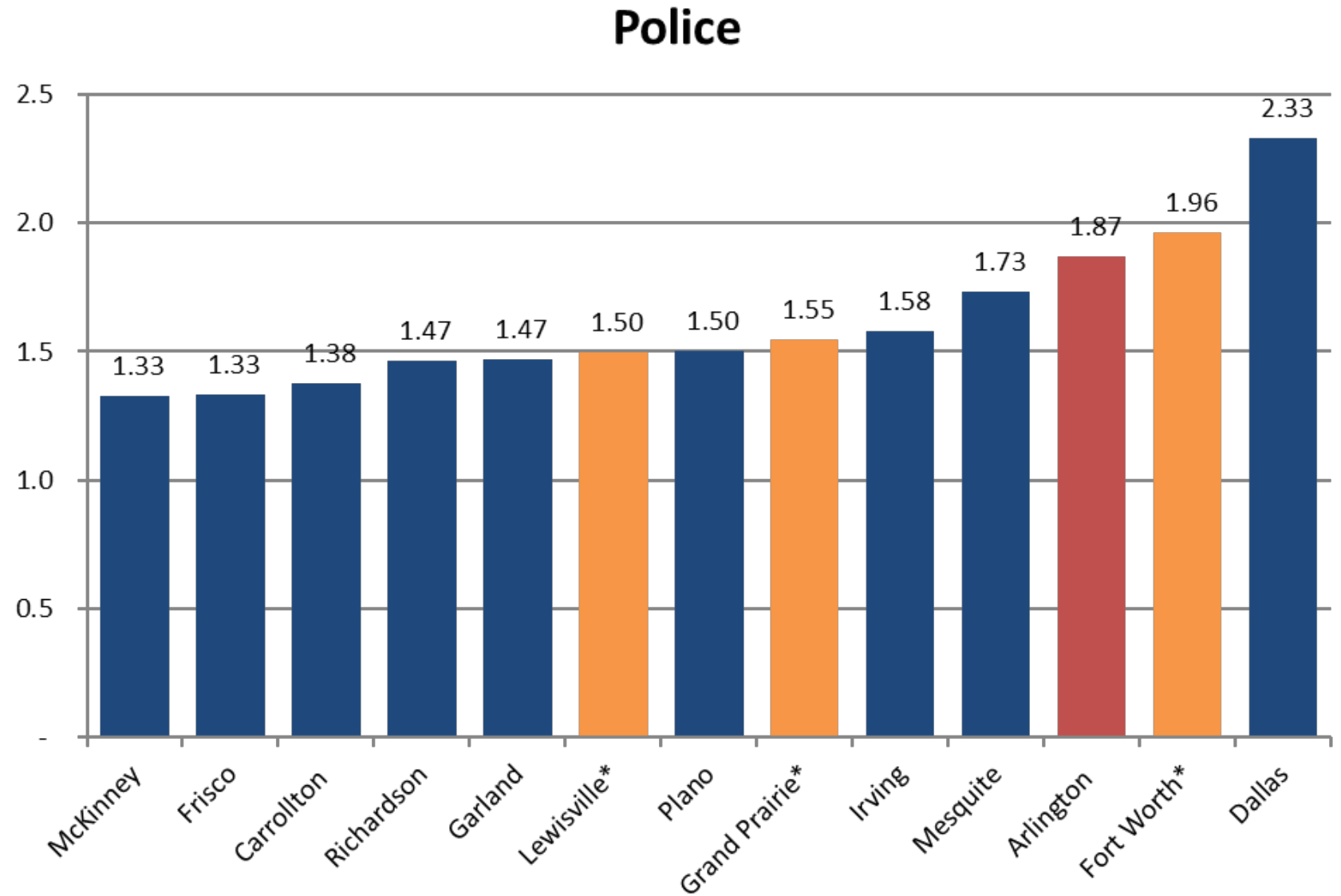


# Average Total Annual Payments



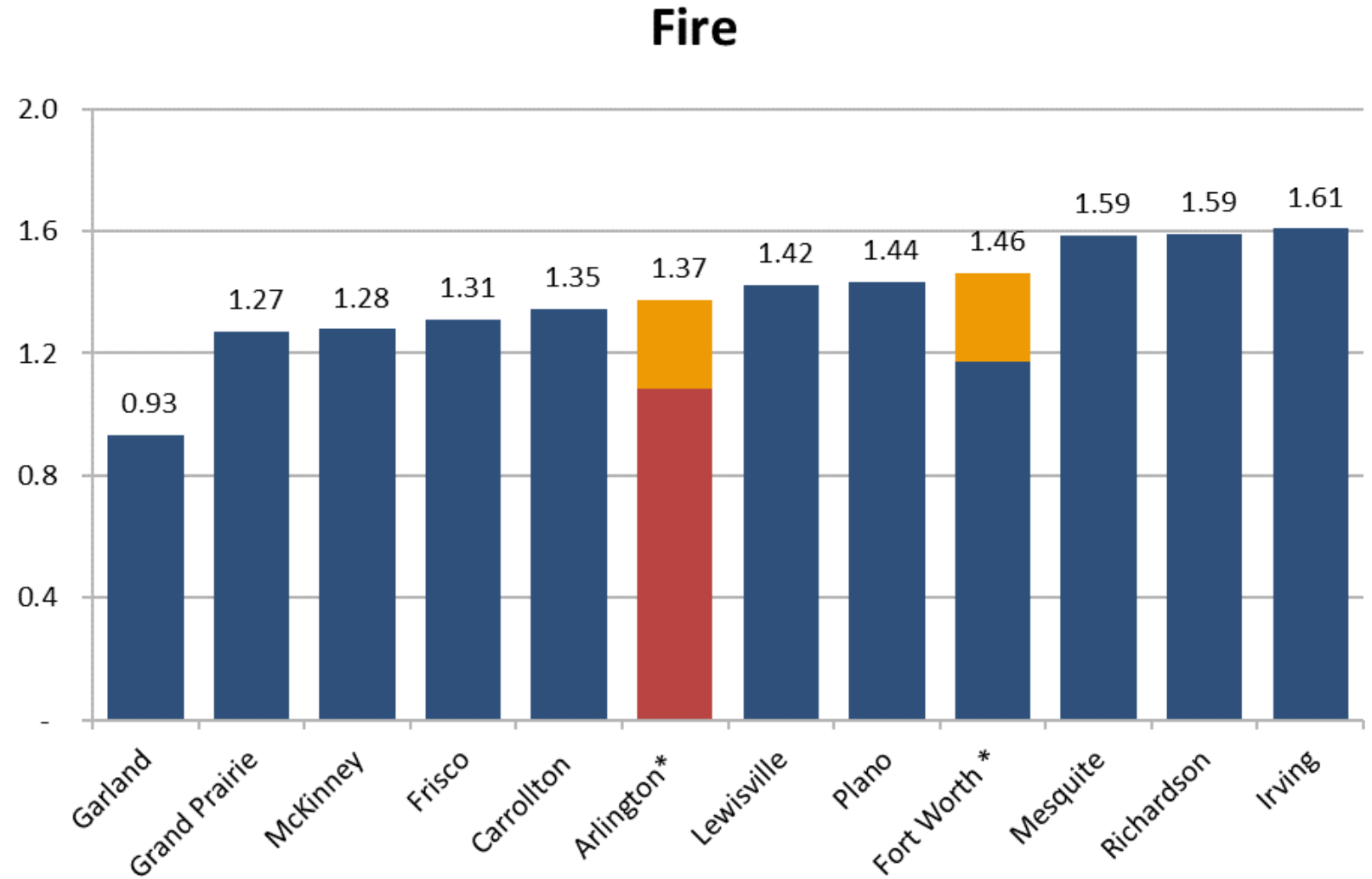
Property Tax Bill based on Median Home Sale Price (source: Redfin) and all applicable Homestead/ Over 65 Exemptions  
Residential Water Rates for 10,000 Gallons

# Other City Comparisons – Sworn Staff Per 10,000 Population



\*Adopted Crime Tax

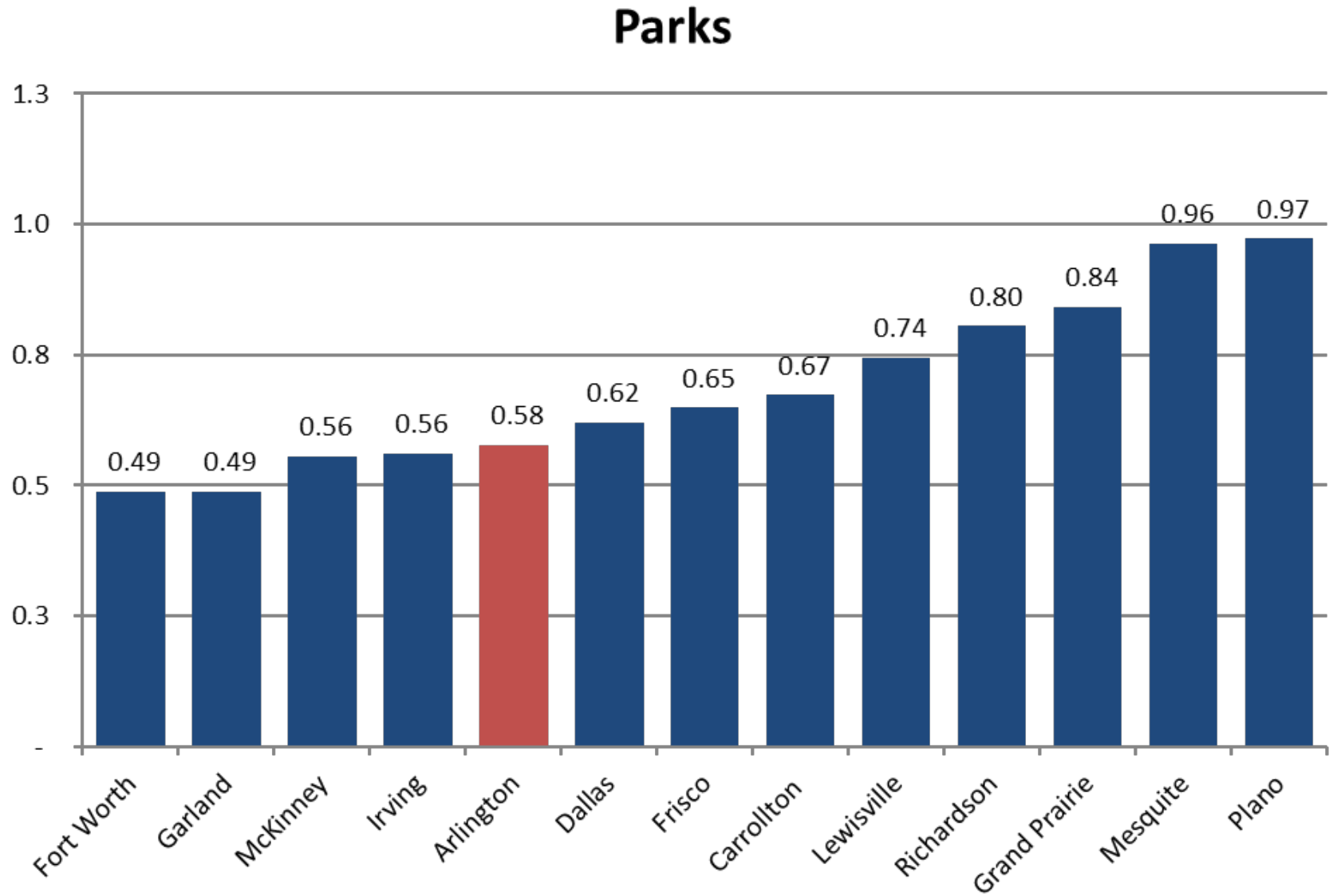
# Other City Comparisons – Sworn Staff Per 10,000 Population



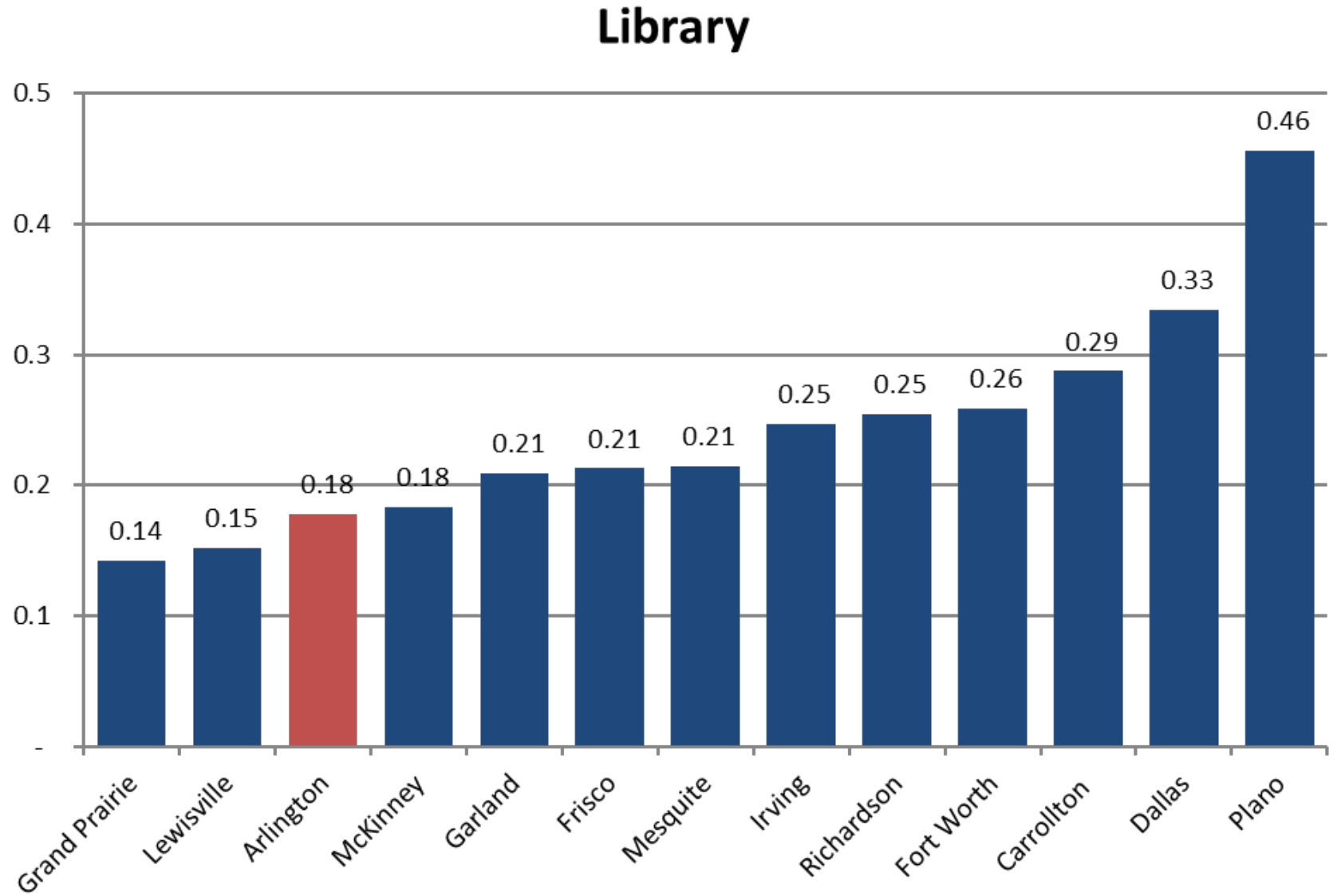
\*Estimated Size with Ambulance Service



# Other City Comparisons – Staffing Per 10,000 Population



# Other City Comparisons – Staffing Per 10,000 Population





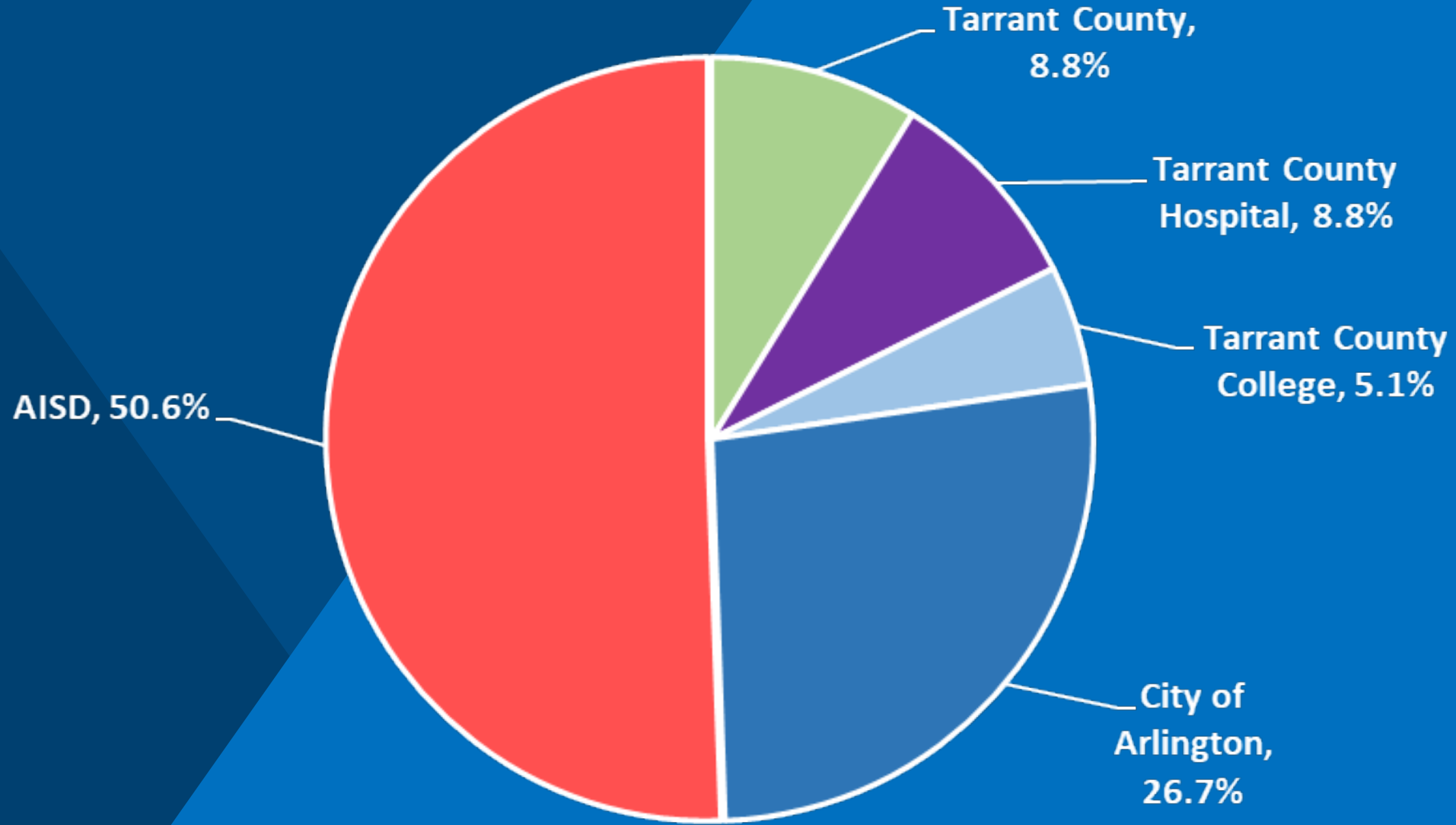
# Favorable Tax Policy

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# Arlington Tax Bill Breakdown 2024





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# Property Tax Rate History

- Last property tax increase was in FY 2004 (\$0.6480)
- Eight consecutive years of tax rate decreases beginning in FY 2017

Fiscal Year	Tax Rate	Savings
FY17	\$0.6448	(\$682,222)
FY18	\$0.6398	(\$1,922,585)
FY19	\$0.6348	(\$3,399,432)
FY20	\$0.6240	(\$6,977,535)
FY21	\$0.6225	(\$7,605,648)
FY22	\$0.6198	(\$8,907,133)
FY23	\$0.5998	(\$17,197,252)
FY24	\$0.5898	(\$23,712,157)
Total		(\$70,403,964)

- New for 2024 Tax Year – 100% Exemption for Low-income Daycare Providers

# Tax Bill Comparisons

## Tax Bill Comparisons Using \$300,000 as Average Home Value

	Tax Rate	Homestead	Over 65	Tax Bill
El Paso	0.8624	5,000	\$ 42,500	\$ 2,178
Mesquite *	0.6900	0%	\$ 65,000	\$ 1,622
Garland	0.6897	10%	\$ 56,000	\$ 1,476
Grand Prairie *	0.6600	15%	\$ 45,000	\$ 1,386
Mansfield *	0.6593	14%	\$ 50,000	\$ 1,371
Lubbock *	0.4802	0%	\$ 16,700	\$ 1,360
Corpus Christi *	0.5997	10%	\$ 62,500	\$ 1,244
Fort Worth *	0.6725	20%	\$ 60,000	\$ 1,211
Arlington *	<b>0.5898</b>	<b>20%</b>	<b>\$ 60,000</b>	<b>\$ 1,062</b>
Richardson	0.5610	0%	\$ 130,000	\$ 954
Plano *	0.4176	20%	\$ 40,000	\$ 835
Carrollton	0.4874	20%	\$ 87,000	\$ 746
Dallas	0.7357	20%	\$ 139,400	\$ 740
Southlake *	0.3190	20%	\$ 75,000	\$ 526
Austin	0.4458	20%	\$ 124,000	\$ 517

Average : \$ 1,149

\* City provides a senior tax freeze



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# Budget Drivers



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# Overview

- Inflation
- Legislative Requirements
- Future Commitments
  - ACTIV Opening
  - ARPA Grant
  - COPS / SAFER Grants
- Citizen Survey Results/ Priority Needs



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# ECONOMIC COMMENTARY

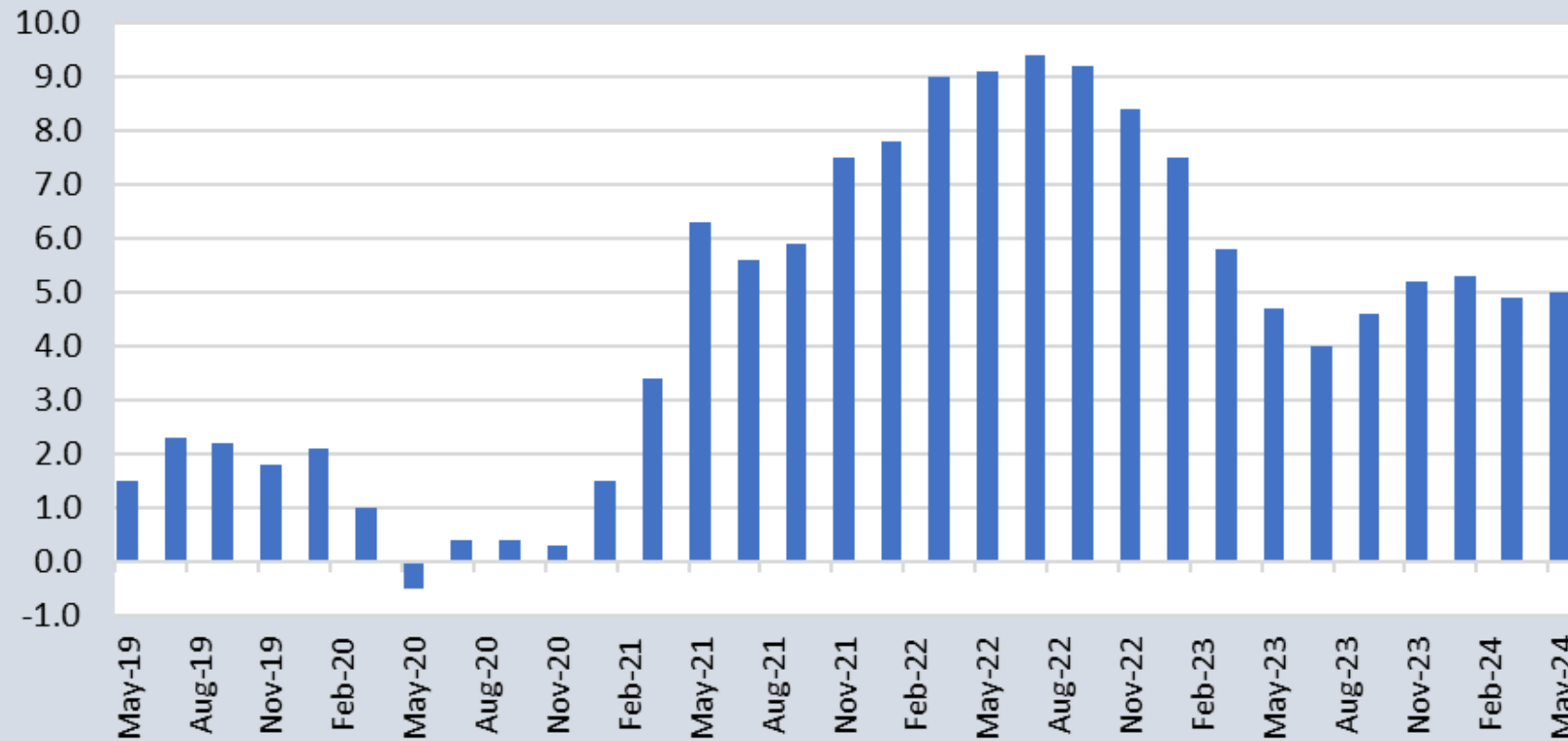


- *“Supply chain disruptions are still a problem for many businesses. Half of manufacturers and a third of service firms have reported problems that forced them to reduce output, per a recent New York Federal Reserve survey... The persistence of supply chain issues could make inflation stickier: 40% of manufacturers and a quarter of service firms have raised prices as a result.”*  
***The Kiplinger Letter, May 23, 2024***
- *“Progress on inflation keeps hopes of a July interest rate cut on life support. But the Federal Reserve will be looking for more. Inflation edged down to 3.4% in April...3.6% excluding food and energy... Flat retail sales in April may indicate a modest slowing of consumer demand, alleviating price pressures. The average cost of goods fell for the second straight month.”*  
***The Kiplinger Letter, May 16, 2024***
- *“April brought a possible sign of a cooling labor market: 175,000 new jobs, which would generally qualify as a strong month but was less than expected. It’s too early to call this lower level of hiring a trend, but some sectors...hospitality, leisure and local government...did see a noticeable downshift..”*  
***The Kiplinger Letter, May 9 2024***

# DFW INFLATION



Dallas-Fort Worth-Arlington CPI  
Percent Change Over One Year Earlier  
(Source: U.S. Bureau of Labor Statistics)



- Inflation for the 12 months ending in May 2024 was 5.0%.
- Not including food and energy costs, the March 2024 rate was 5.0%.



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# Property Tax Landscape (SB2)

- No New Revenue Rate
  - The rate that would collect the same amount of revenue as the prior year
- Voter Approval Tax Rate
  - SB2 voter approval rate limits growth to 3.5%
    - Limits growth in value of properties on the tax roll but not new construction
    - Scenario: 3.5% on existing properties, plus 2% from new property, results in total growth of 5.5%, permissible under the 3.5% voter approval cap
  - Automatic election if voter-approval tax rate is exceeded
- Generally speaking, a 3.5% increase in property tax revenue in FY 2025 would equal \$5.1M in additional revenue

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# City Contributions to the State

- .....
- Sales Tax Service Fee – \$3M
  - Court Fines – \$3.8M
  - Payments to Other Agencies – \$0.62M
  - Total – \$7.4M
  - 1.8 Cents on Tax Rate

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# Future Commitments

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# New Funding Requests Related to Prior Commitments

	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Total</b>
ACTIV Opening	437,541	203,570	-	641,111
ARPA Culmination	4,201,233	3,820,636	-	7,818,632
COPS Grant	1,323,901	470,158	840,809	2,634,868
SAFER Grant	-	-	2,901,473	2,901,473
<b>Total</b>	<b>5,962,675</b>	<b>4,494,364</b>	<b>3,742,282</b>	<b>13,996,084</b>



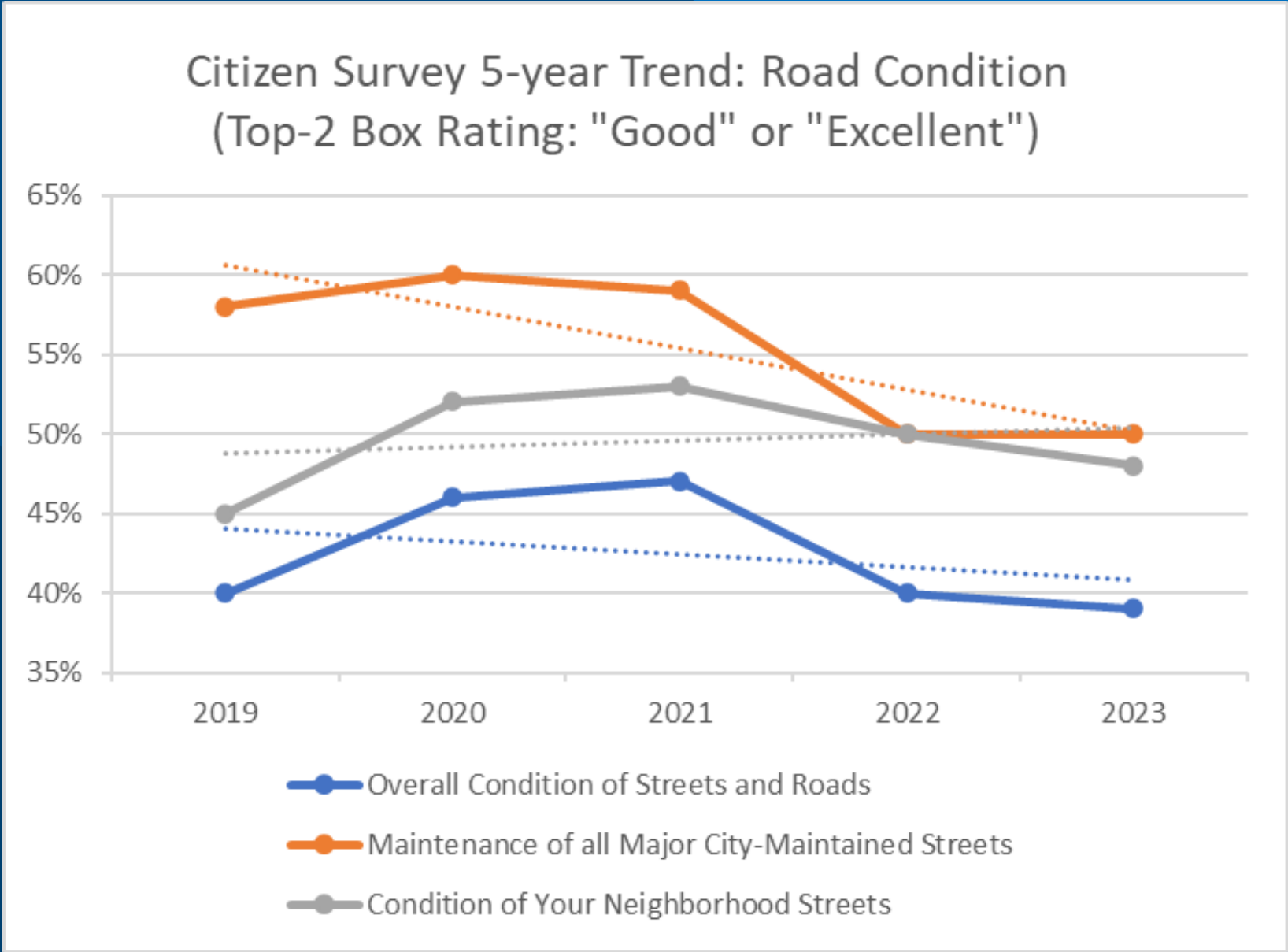
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# Citizen Satisfaction Survey

- Road Condition
- Traffic Congestion
- Public Safety
- Transportation
- Public Information

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# Citizen Survey Trend Data



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# Current Overall Street Conditions



**CITY-OWNED STREETS ONLY  
(DOES NOT INCLUDE TXDOT OR PRIVATE STREETS)**

<b>STREET TYPE</b>	<b>0-49.99</b>	<b>50-69.99</b>	<b>70-100</b>	<b>CONDITION SCORE</b>
<b>RESIDENTIAL</b>	<b>395</b>	<b>882</b>	<b>565</b>	<b>60</b>
<b>TDP</b>	<b>112</b>	<b>416</b>	<b>644</b>	<b>67</b>

**507 LANE MILES (17%) OF STREETS SCORE LESS THAN 50**

**NEW CONSTRUCTION / REBUILDS FUNDED THROUGH GENERAL  
OBLIGATION BONDS**

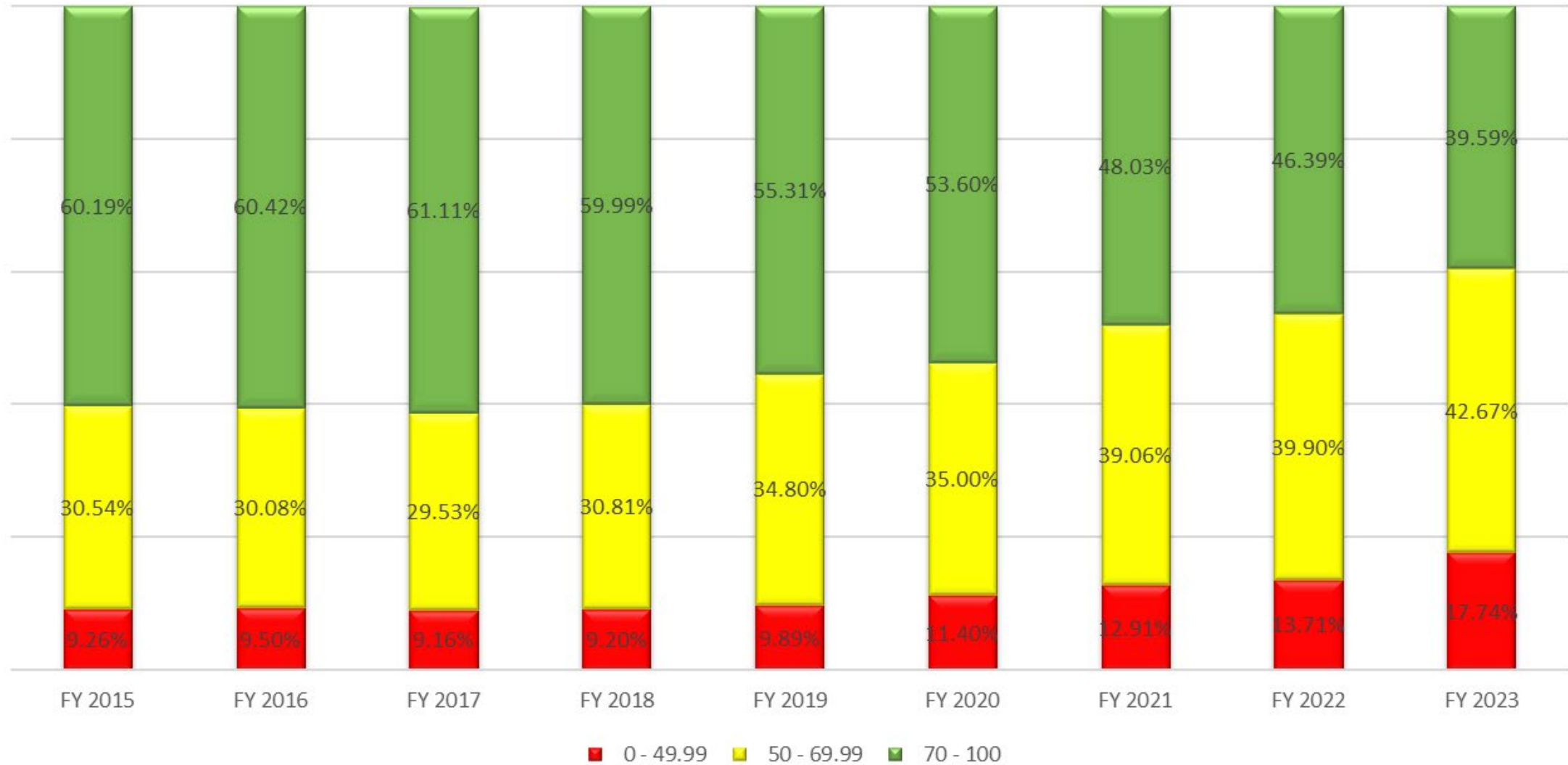
**MAINTENANCE FUNDED THROUGH STREET SALES TAX / GENERAL FUND**



# ..... Lane Miles By OCI CATEGORY 2015-2023



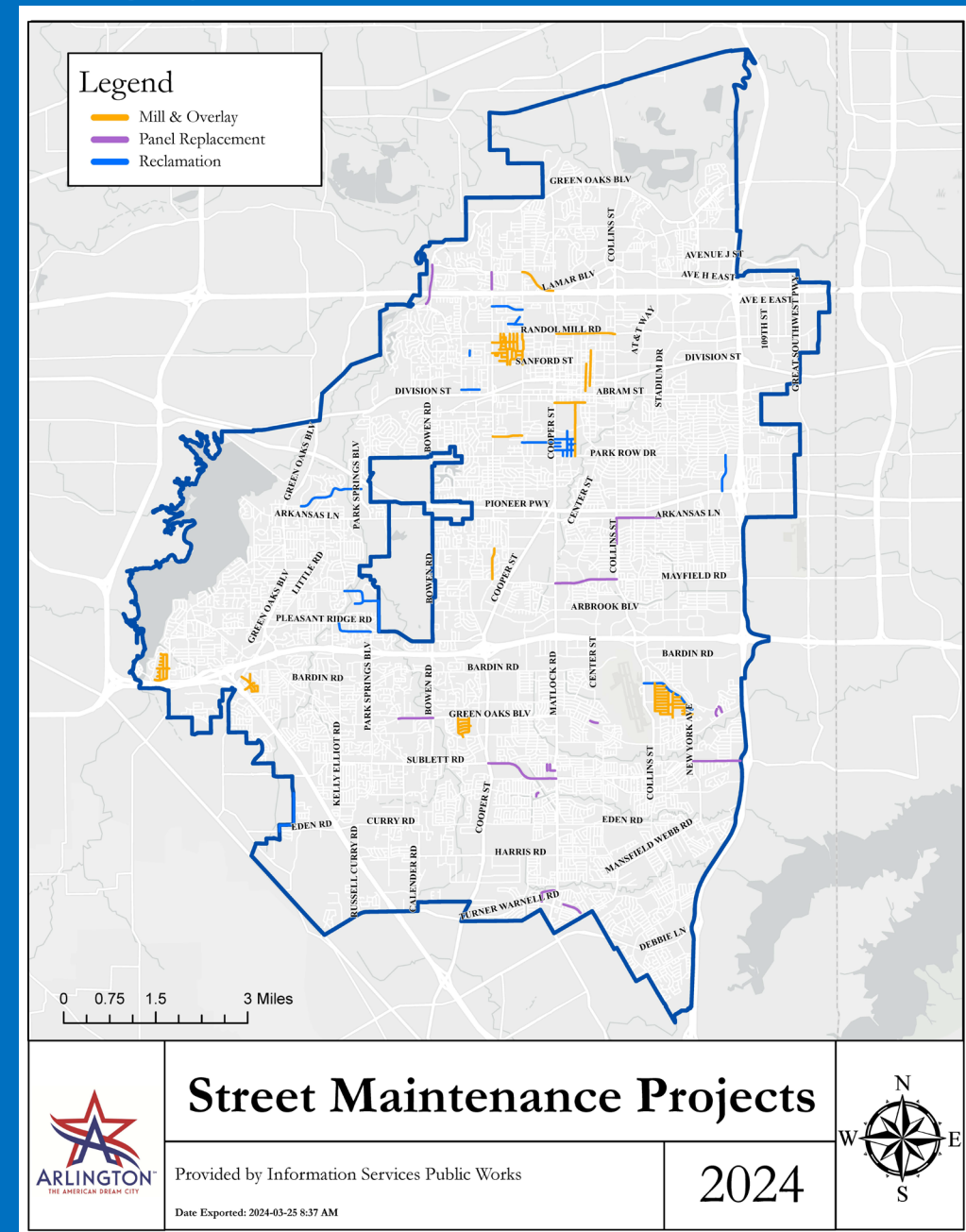
Network OCI Ranges by Fiscal Year





# ..... Current Maintenance Strategy

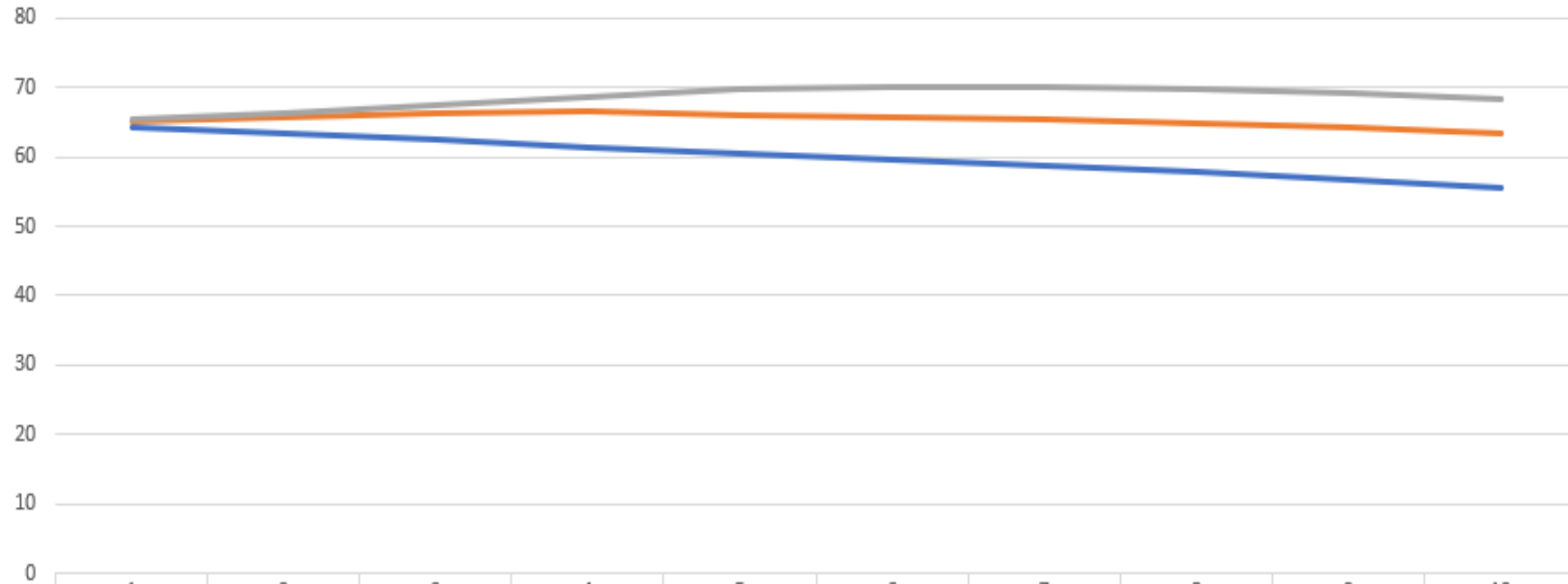
- The previous maintenance strategy was focused on red streets, "worst-first".
- The current maintenance strategy focuses on red and yellow streets using the following techniques:
  - ✓ Reclamation – full pavement structure maintenance (red & yellow streets)
  - ✓ Panel Replacement – concrete panel maintenance (red & yellow streets)
  - ✓ Mill & Overlay – pavement surface maintenance (yellow streets)



# 10 - YEAR FORECAST NEW STRATEGY

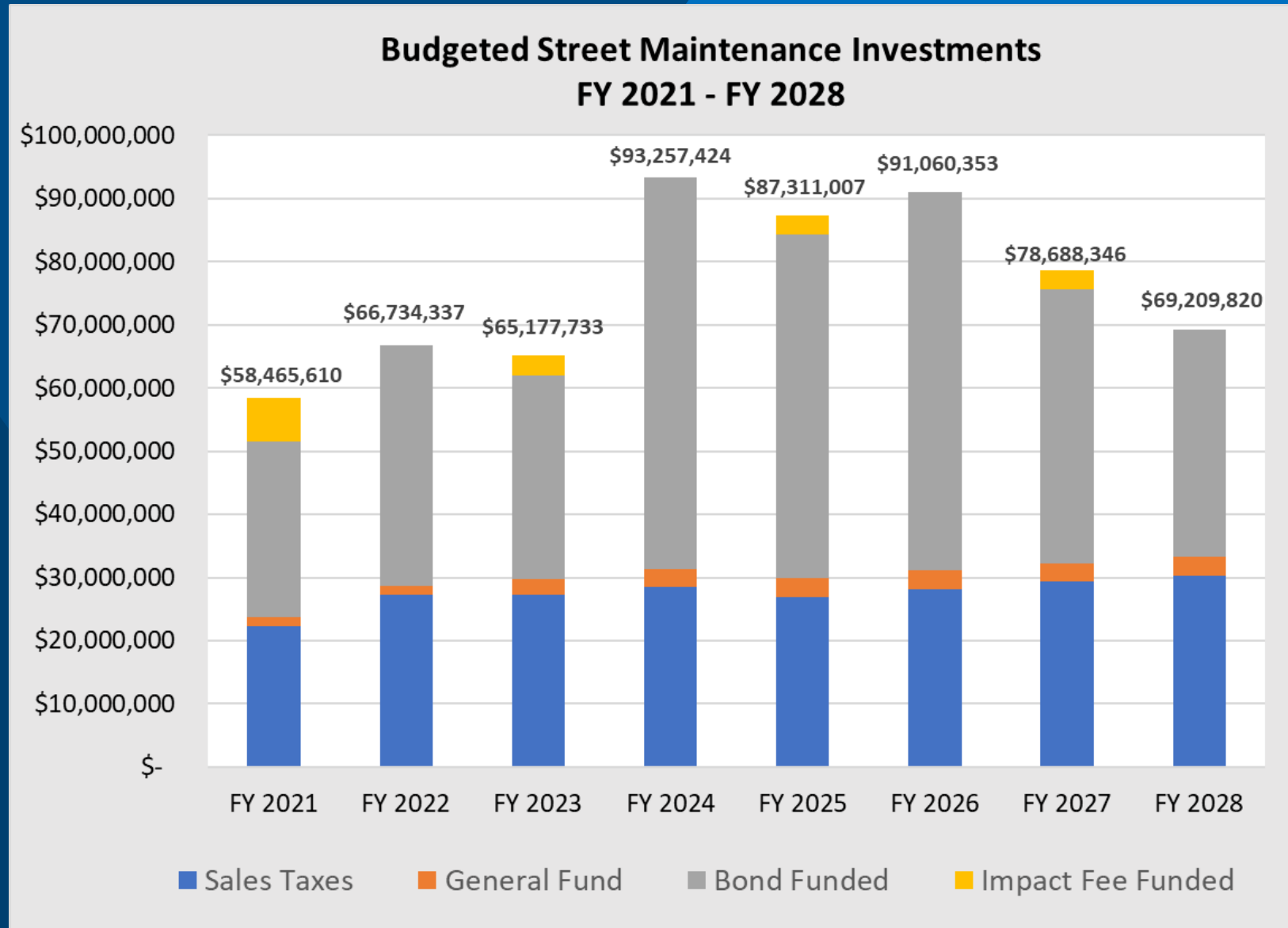


10 Year One Budget OCI Predictions  
Add Mill & Overlay + Increasing Bond Funds



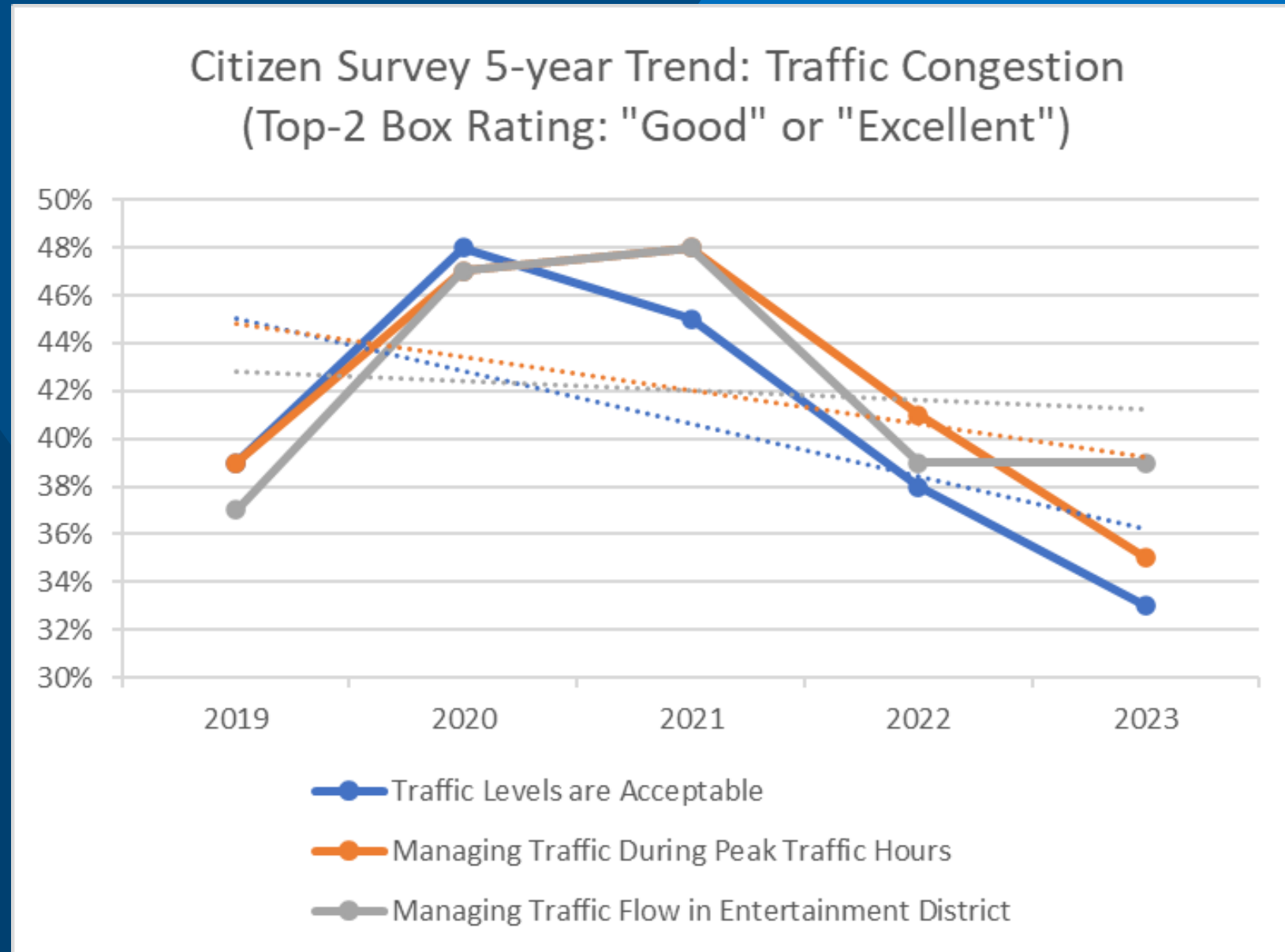
	1	2	3	4	5	6	7	8	9	10
One Budget 18M (Reb, Rec, M/O, & PR)	64.16	63.26	62.36	61.43	60.49	59.53	58.76	57.71	56.62	55.4
One Budget 30M (Reb, Rec, M/O, & PR)	65.22	65.81	66.23	66.5	66.11	65.75	65.54	64.92	64.15	63.42
One Budget 40M (Reb, Rec, M/O, & PR)	65.4	66.32	67.36	68.57	69.68	70.09	70.09	69.67	69.06	68.45

# ..... Street Maintenance Investment



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# Citizen Survey Trend Data

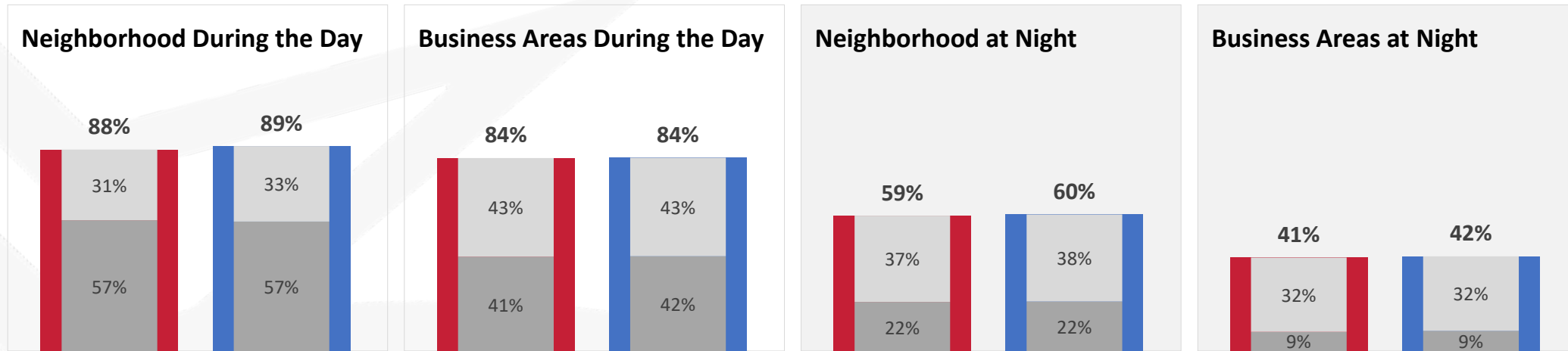




# Traffic Congestion

Travel Times Measured in Minutes	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Northbound Cooper Street from Turner-Warnell Road to I-30	21:44	21:54	20:54	20:15	22:15	21:58
Southbound Cooper Street from I-30 to Turner-Warnell Road	19:6	21:49	21:50	18:57	22:22	22:32
Northbound Collins Street from Mansfield-Webb Road to Mosier Valley Road		New for FY 2022			26:27	26:11
Southbound Collins Street from Mosier Valley Road to Mansfield-Webb Road		New for FY 2022			26:17	26:41
Eastbound Division Street from west city limit to east city limit		New for FY 2022			15:29	15:31
Westbound Division Street from east city limit to west city limit		New for FY 2022			15:34	15:49
Eastbound Pioneer Parkway from west city limit to east city limit		New for FY 2022			17:45	17:59
Westbound Pioneer Parkway from east city limit to east city limit		New for FY 2022			17:31	17:30

# Feeling of Safety



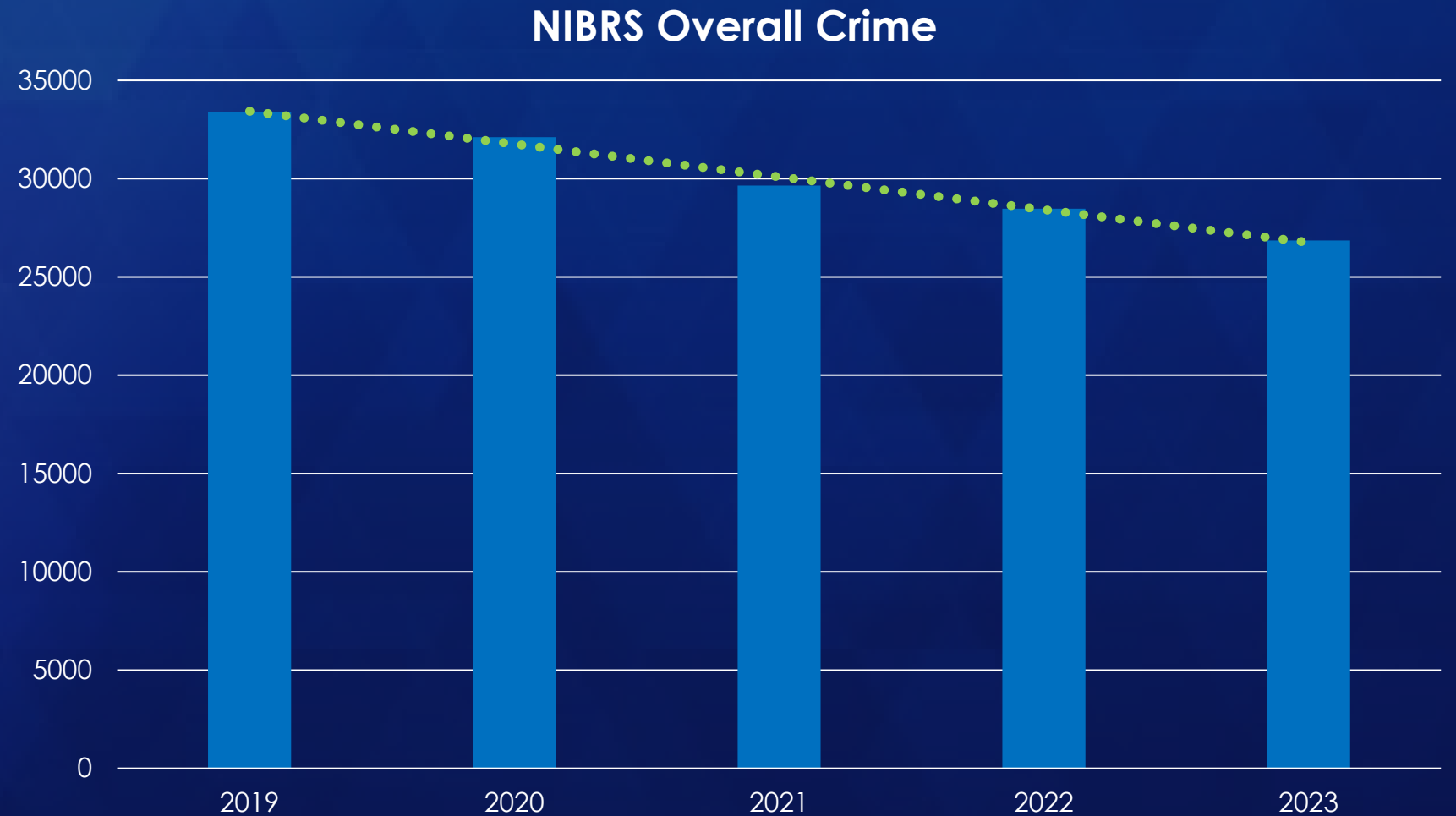
Questions: Q19b/c/d/e. How safe would you feel walking alone in your neighborhood/in business areas during the day/at night? (5-point scale, Very Safe to Very Unsafe)

Base: Total respondents, excluding "Don't know/No answer" (numbers vary by question)

Statistical Note: An arrow indicates a significant increase (↑) or decrease (↓) at or above the 95% confidence level when compared to the previous wave.

# NIBRS (National Incident-Based Reporting System) OVERALL YEAR-TO-YEAR COMPARISON

**OVERALL  
CRIME  
DOWN  
6%  
VS 2022**





# NIBRS CRIMES AGAINST PERSONS

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CRIMES AGAINST  
PERSONS

**DOWN**

11% SINCE 2022

2022 Crimes  
Against Persons

8,678

7,698

2023 Crimes  
Against Persons

# NIBRS CRIMES AGAINST PROPERTY

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CRIMES AGAINST  
PROPERTY

**DOWN**

2% SINCE 2022

2022 Crimes  
Against Property

**15,183**

**14,825**

2023 Crimes  
Against Property

# NIBRS CRIMES AGAINST SOCIETY

*Represents society's prohibition against engaging in crimes such as narcotics use, prostitution, disorderly conduct and public intoxication*

CRIMES AGAINST  
SOCIETY

**DOWN**

6% SINCE 2022

2022 Crimes  
Against Society

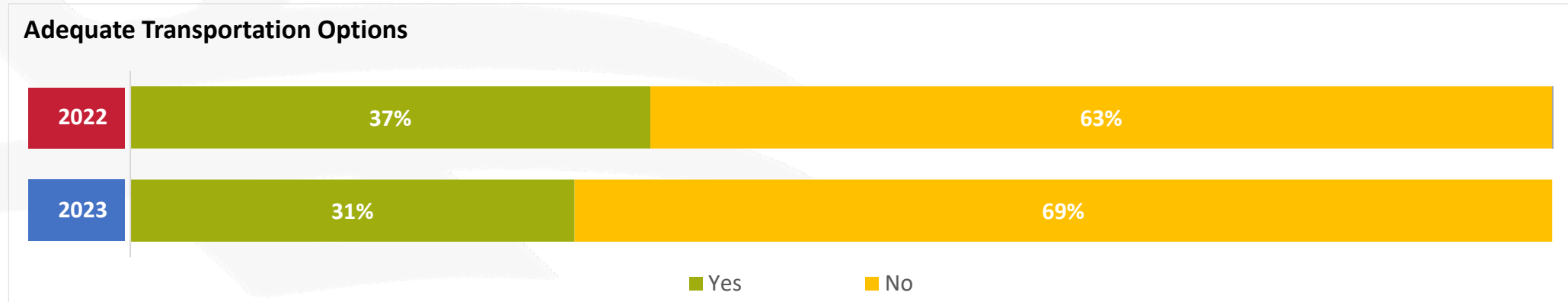
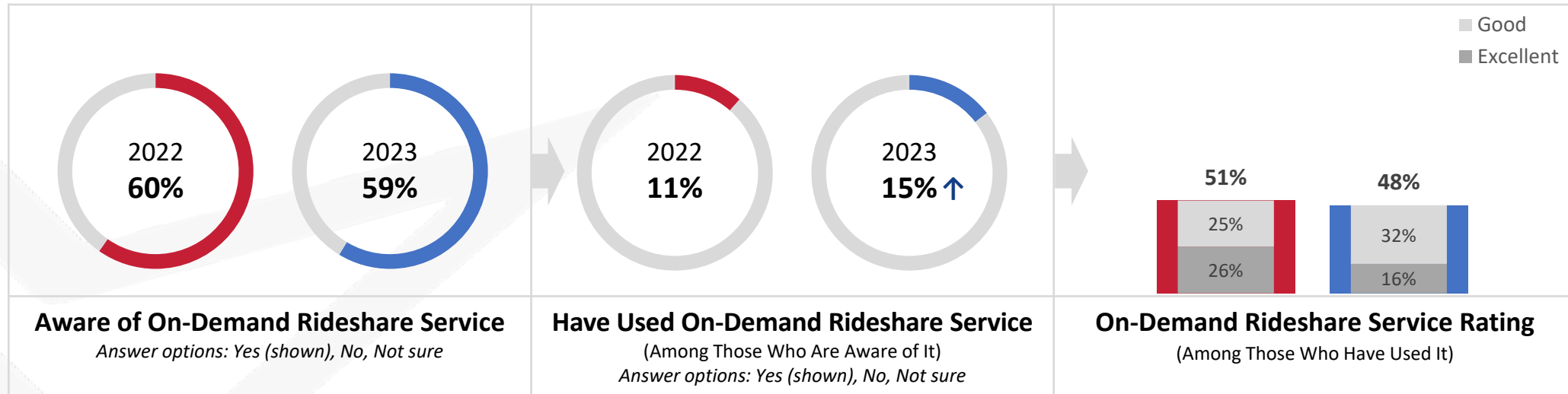
4,609

4,331

2023 Crimes  
Against Society

# On-Demand & Transportation Options

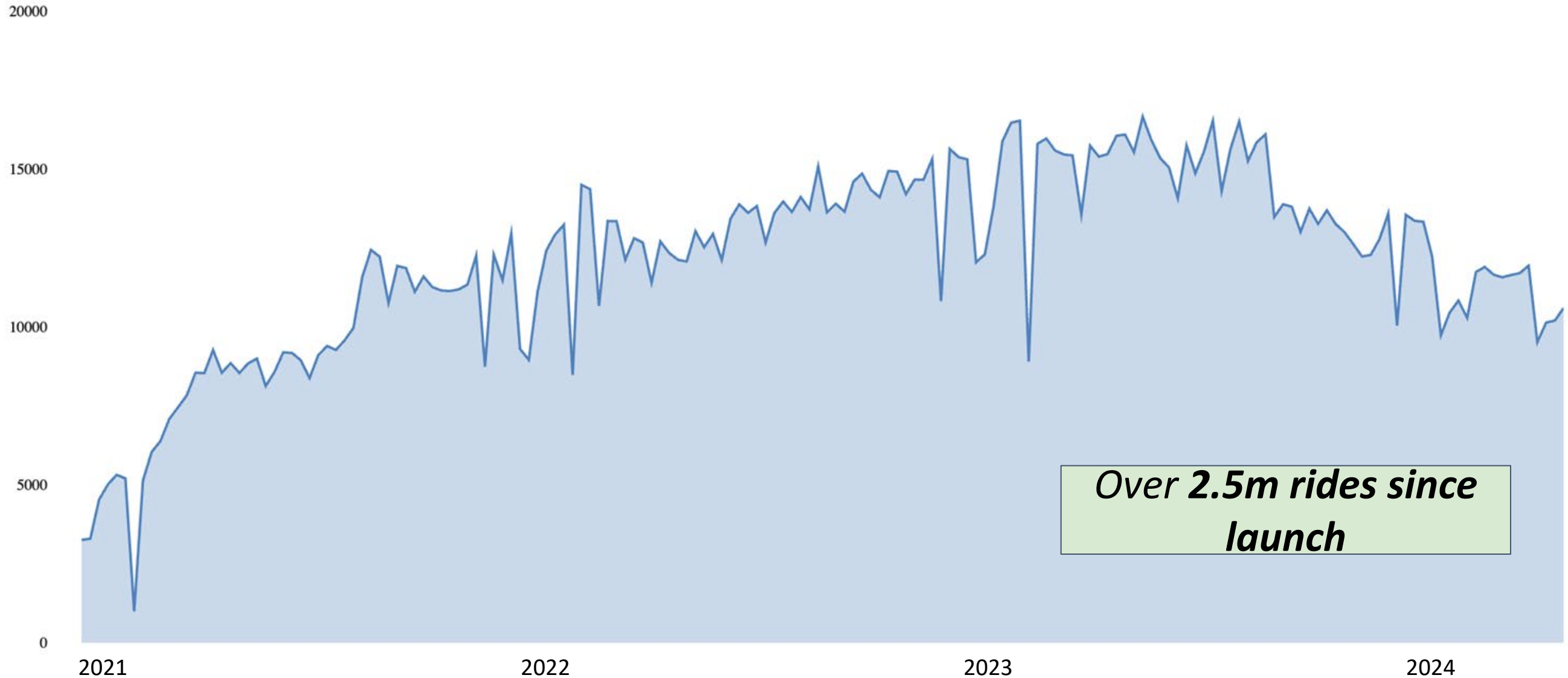
2022 2023



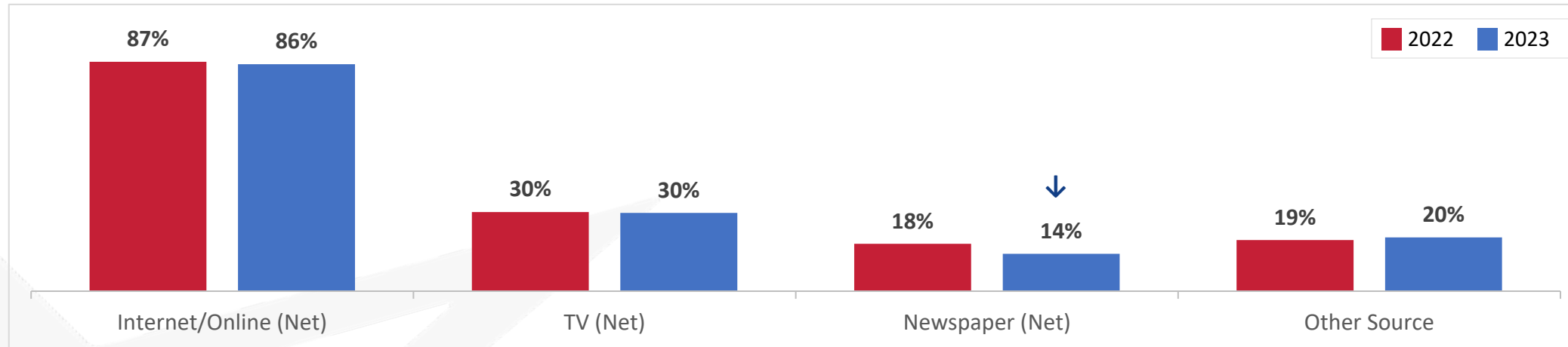
Questions: Q13c. Are you aware of Via On-Demand Rideshare Service?<sup>1</sup> | Q13d. Have you ever used Via On-Demand Rideshare Service?<sup>2</sup> | Q13e. Overall, how would you rate Via On-Demand Rideshare Service? (4-point scale, Excellent to Poor)<sup>3</sup> | Q13f. Overall, do you feel that the City of Arlington has adequate transportation options?<sup>4</sup>  
 Base: <sup>1</sup>Total respondents (2022: n=3,295; 2023: n=2,941); <sup>2</sup>Aware of Via (2022: n=1,924; 2023: n=1,670); <sup>3</sup>Have used Via, excluding "Don't know/No answer" (2022: n=173; 2023: n=194); <sup>4</sup>Total respondents, excluding "Don't know/No answer" (2022: n=2,438; 2023: n=2,204)  
 Statistical Note: An arrow indicates a significant increase (↑) or decrease (↓) at or above the 95% confidence level when compared to the previous wave.

# ON-DEMAND RIDERSHIP SINCE CITY-WIDE SERVICE

## Weekly Completed Rides since City-wide Expansion in January 2021



# Sources Used for Arlington Information

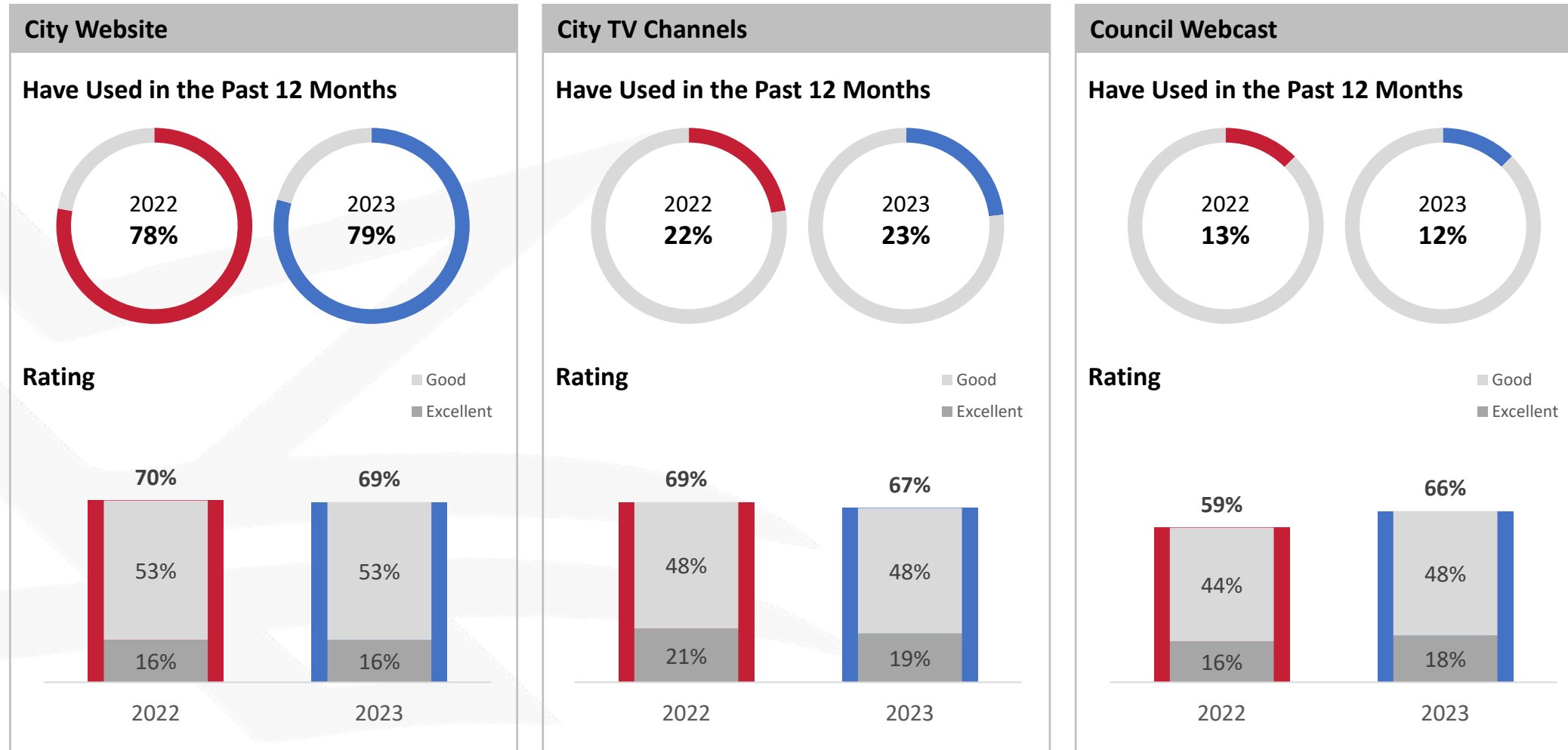


Detailed Responses	2022	2023
<b>Internet/Online (Net)</b>	<b>87%</b>	<b>86%</b>
City-Managed Sites (Subnet)	72%	74%
City website (ArlingtonTX.gov)	53%	51%
City of Arlington Facebook page	32%	37% ↑
City news site (MyArlingtonTX.com)	9%	9%
City of Arlington X feed (formerly known as Twitter)	9%	8%
City of Arlington Nixle	1%	0% ↓
Other City of Arlington social media	13%	13%
Internet news service (Google, CNN, MSNBC, AOL, etc.)	32%	30%
Other Facebook pages	14%	15%
Fort Worth Star-Telegram digital edition	13%	9% ↓
Dallas Morning News digital edition	6%	5%
Other X feeds (formerly known as Twitter)	3%	3%

Detailed Responses (Continued)	2022	2023
<b>TV (Net)</b>	<b>30%</b>	<b>30%</b>
Streaming TV	14%	15%
Cable TV	14%	14%
Satellite TV	5%	4%
Network TV/Over the air	N/A	N/A
AT&T U-Verse	N/A	N/A
<b>Newspaper (Net)</b>	<b>18%</b>	<b>14% ↓</b>
Fort Worth Star-Telegram (Subnet)	15%	11% ↓
Fort Worth Star-Telegram digital edition	13%	9% ↓
Fort Worth Star-Telegram print edition	4%	3%
Dallas Morning News (Subnet)	8%	6%
Dallas Morning News digital edition	6%	5%
Dallas Morning News print edition	2%	2%
<b>Other</b>	<b>19%</b>	<b>20%</b>

Question: Q28d. How do you get information about Arlington? What type of information service do you use to keep up with Arlington?  
 Base: Total respondents, excluding "Don't know/No answer" (2022: n=2,927; 2023: n=2,621)  
 Statistical Note: An arrow indicates a significant increase (↑) or decrease (↓) at or above the 95% confidence level when compared to the previous wave.

# City Communication Channels



Question: Q11. And thinking about any services and facilities that the City provides, please rate each of the following services and facilities you have personally used or visited in the past 12 months. If you have not personally used the City service or facility in the past 12 months, please select "Have not used in the past 12 months" for the service. (4-point scale, Excellent to Poor)  
 Base: Total respondents, excluding "Don't know" (numbers vary by communication channel); Respondents who have used communication channels in the past 12 months, excluding "Don't know" (numbers vary by communication channel)  
 Statistical Note: An arrow indicates a significant increase (↑) or decrease (↓) at or above the 95% confidence level when compared to the previous wave.



# FY 2025 Budget Development

**ARLINGTON** <sup>SM</sup>  
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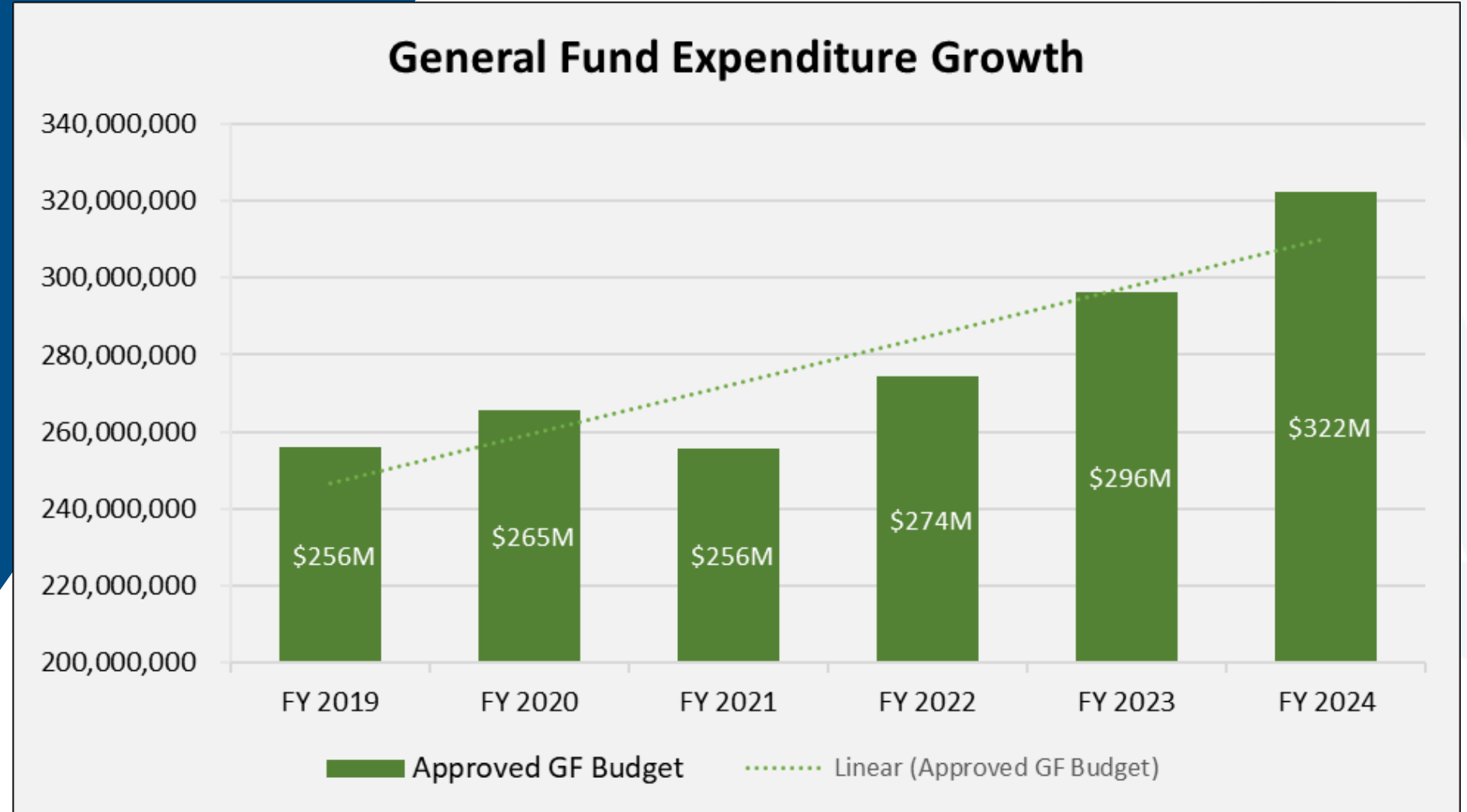
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# Overview

- General Fund Growth
  - Public Safety Spend Comparisons
- Financial Sustainability
  - Revenue Enhancement
  - Reduction/ Restructuring
- Compensation
- Budget Calendar

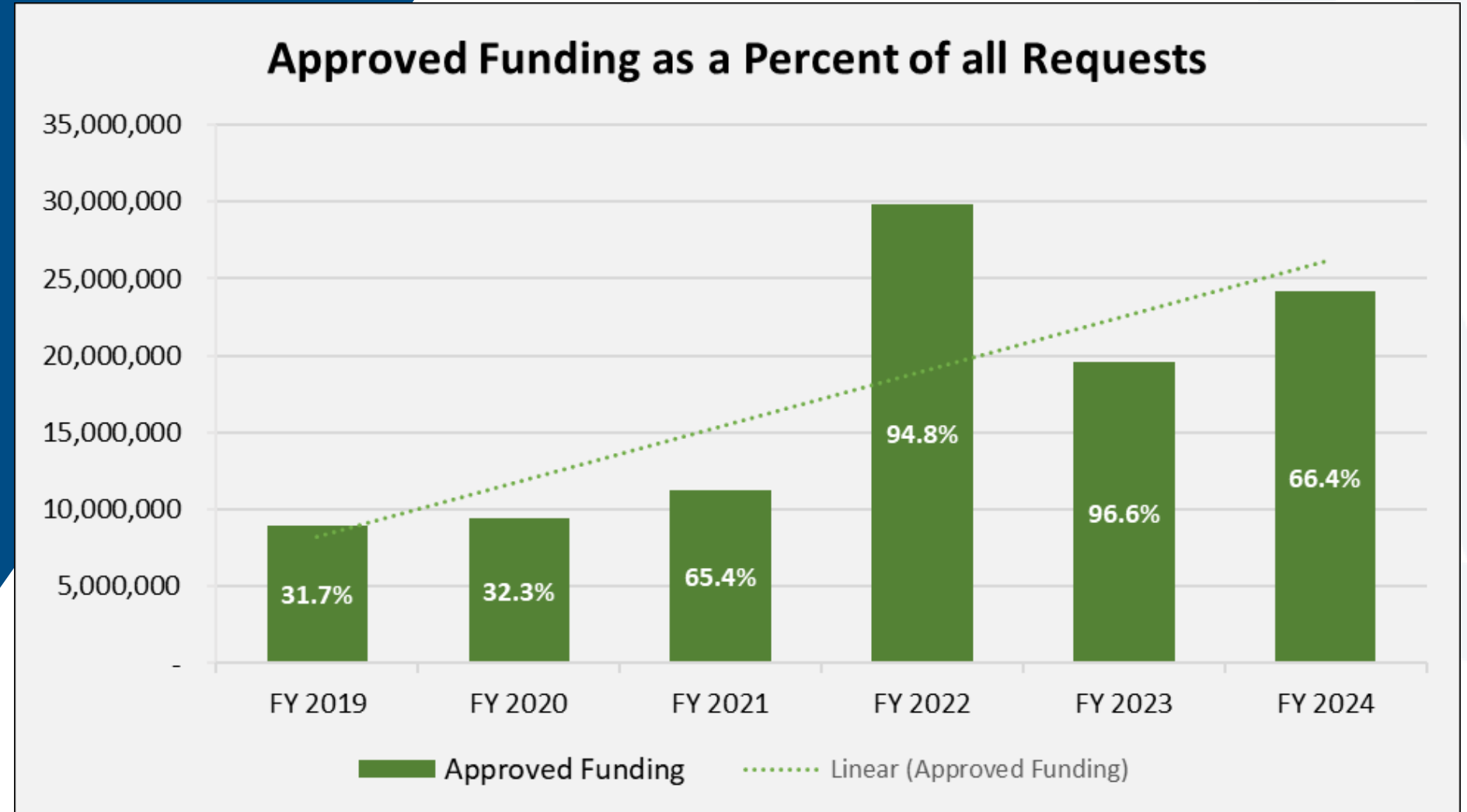
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# General Fund Expenditure Growth



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# General Fund Expenditure Requests Funding History



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# FY 2025 General Fund Budget Requests

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Total of all Current Services  
Requests  
(Contractual Increases, etc.)  
\$17.6M

Total of all New Programs  
Requests  
(Program Expansion, etc.)  
\$20.2M

Forecasted Revenue  
Growth  
\$9.4M

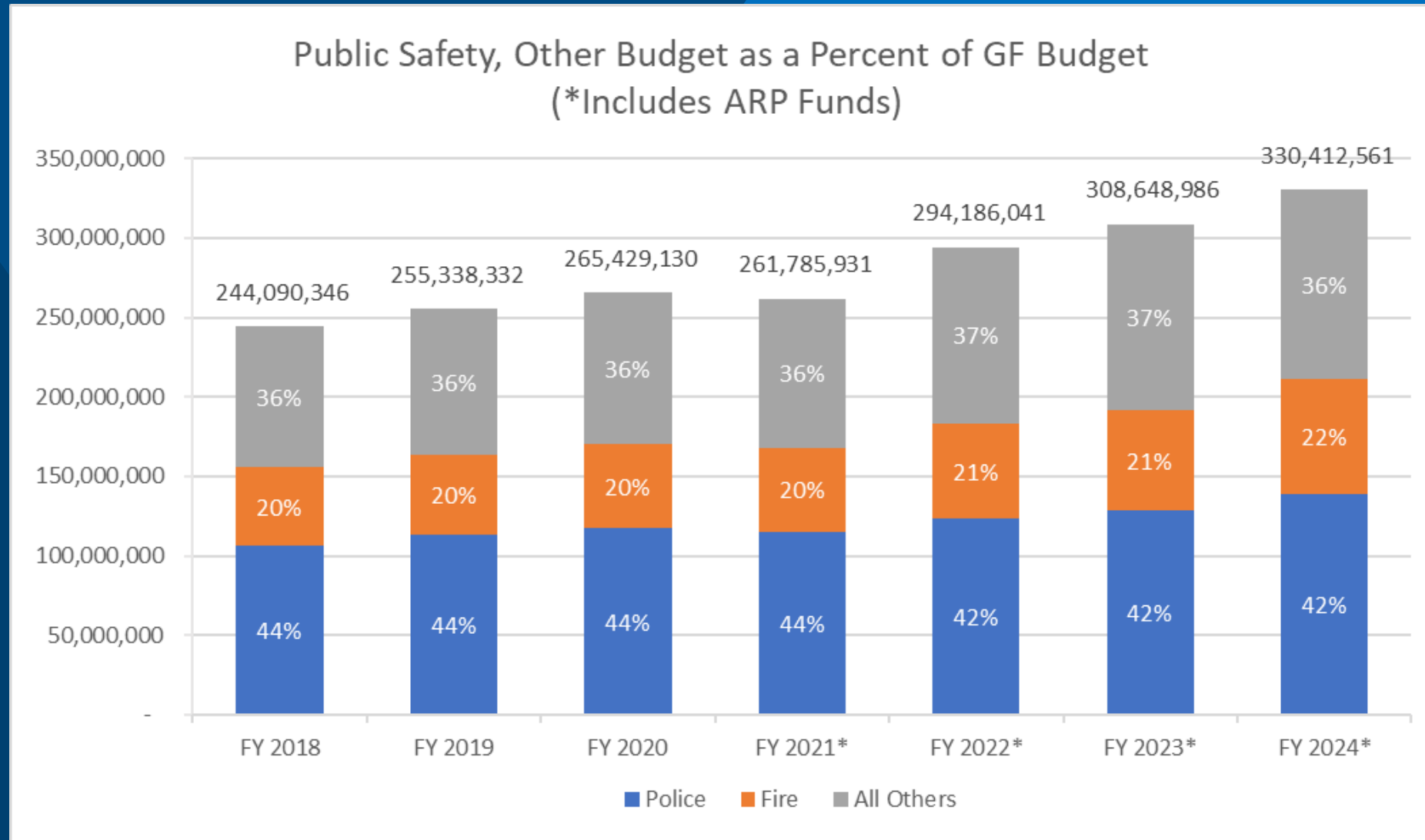


Current Services  
Requests

Compensation  
Increases

New Program  
Requests

# Public Safety Spending Ratio



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# **Financial Sustainability**

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## **Maintain Current Taxing Policies**

- **Optimize/Leverage Other Sources of Funding**
  - Capital Funds
  - Gas Funds
  - Risk Fund
  - Garbage Rate Adjustments
  - Water Utilities Fund
    - Economic Development Cost Share
  - General Fund Last

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# Financial Sustainability

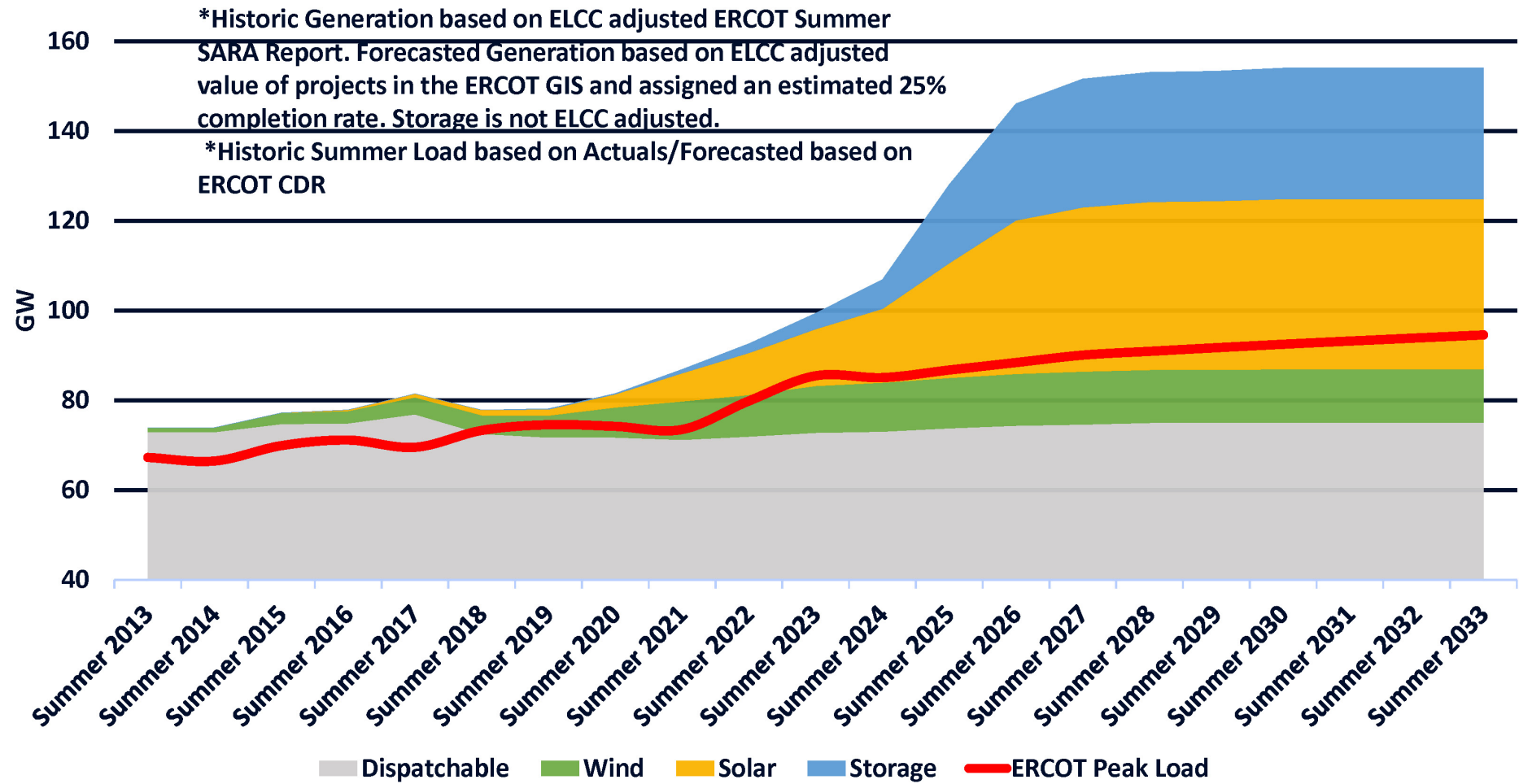
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## Reduce, Reallocate, Restructure

- Self-fund Budget Requests
- Reorganize and Flatten Span of Control
  - Refinement | Improvement | Optimization
- Optimize Health Fund
- Implement Technology to Streamline Processes
- Electric Rate Restructuring

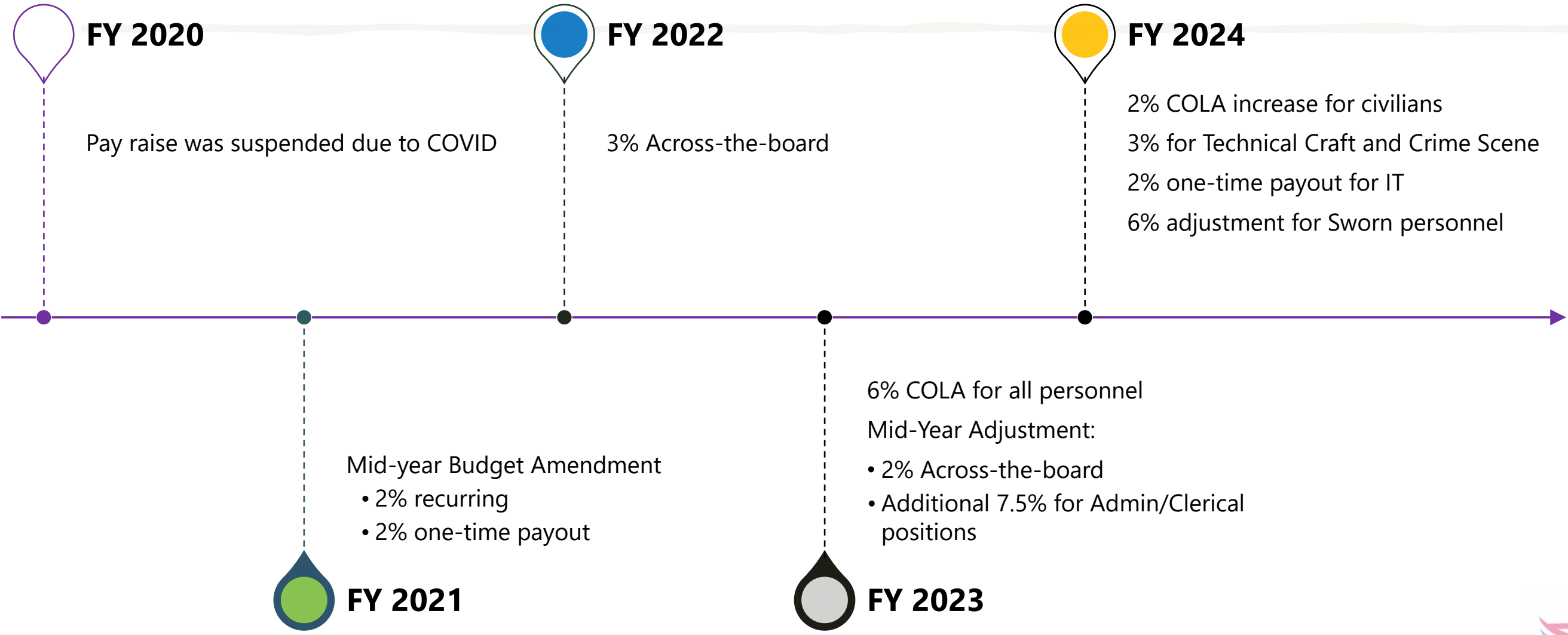


# ERCOT Future Load Growth





# Compensation History





- Base Pay
- Special Pays
- Stability Pay
- Sick Leave Sellback
- Public Safety Step Increases



Market Wages



- TMRS
- 401(k)/Match
- 457 Deferred Comp
- Access to Retiree Insurance



Retirement Benefits

# Financial Wellness

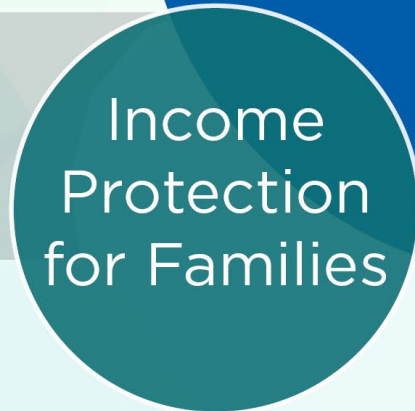


Growth Opportunities

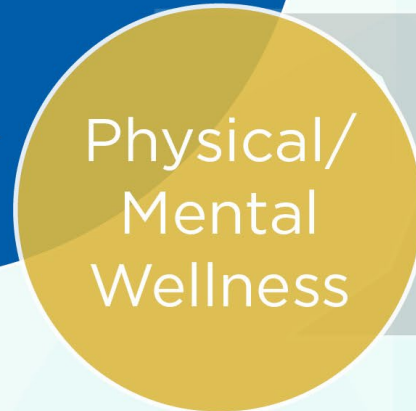
- Training & Development Programs
- Tuition Reimbursement
- Promotional Opportunities



- Basic Life Insurance
- TMRS Life Insurance
- Long-Term Disability
- Workers' Comp



Income Protection for Families



Physical/Mental Wellness

- Insurance Coverage
- Health/Vision/Dental
- Employee Assistance Program
- Health Savings Account
- Sick, Vacation, Holiday Pay
- Discounted Rec Center Memberships



# Overall Market Comparison

- Last market study completed in 2022
  - Market data was aged 3.5% for FY2023
- Current market data indicates an above market average of percentage of 2.10%

Job Family	% Distance from Market
Management Professional	0.9%
Technical Craft	-5.3%
Engineering	10.30%
Administrative Clerical	-5.0%
Information Technology	12.5%
City Attorney	2.3%
Public Safety	3.74%
<b>Overall Market Average</b>	<b>2.78%</b>



# Sworn Personnel Market Comparison

Police	Current Metro Average Comparison	Rank
Officer	4.3%	6th of 10
Sergeant	0.0%	6th of 10
Lieutenant	2.4%	5th of 10
Deputy Chief	-4.5%	5th of 10
Assistant Chief	-0.6%	4th of 10
<b>Overall Above Market Average:</b>	<b>0.3%</b>	

Fire	Current Metro Average Comparison	Rank
Firefighter	5.2%	5th of 10
Apparatus Operator	7.8%	4th of 10
Lieutenant	4.1%	4th of 9
Captain	6.8%	4th of 10
Battalion Chief	10.1%	2nd of 10
Division Chief	5.9%	2nd of 6
Assistant Fire Chief	3.4%	5th of 10
<b>Overall Above Market Average:</b>	<b>6.2%</b>	



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# Budget Calendar

- July 25<sup>th</sup>: TAD Certified Property Tax Roll
- August 6<sup>th</sup>: Propose FY 2025 Budget to City Council
- August 13<sup>th</sup>: Council Budget Retreat
- August 14<sup>th</sup> & 26<sup>th</sup>: Budget Townhalls
- September 10<sup>th</sup>: 1<sup>st</sup> Reading of the Budget and Tax Rate Ordinance  
Public Hearing on the Budget  
Public Hearing on the Tax Rate
- September 17<sup>th</sup>: 2<sup>nd</sup> Reading of the Budget and Tax Rate Ordinances

# Questions & Discussion

