

FY 2022-2026 RECOMMENDED CAPITAL IMPROVEMENT PROGRAM

David Cooke – City Manager

August 3, 2021

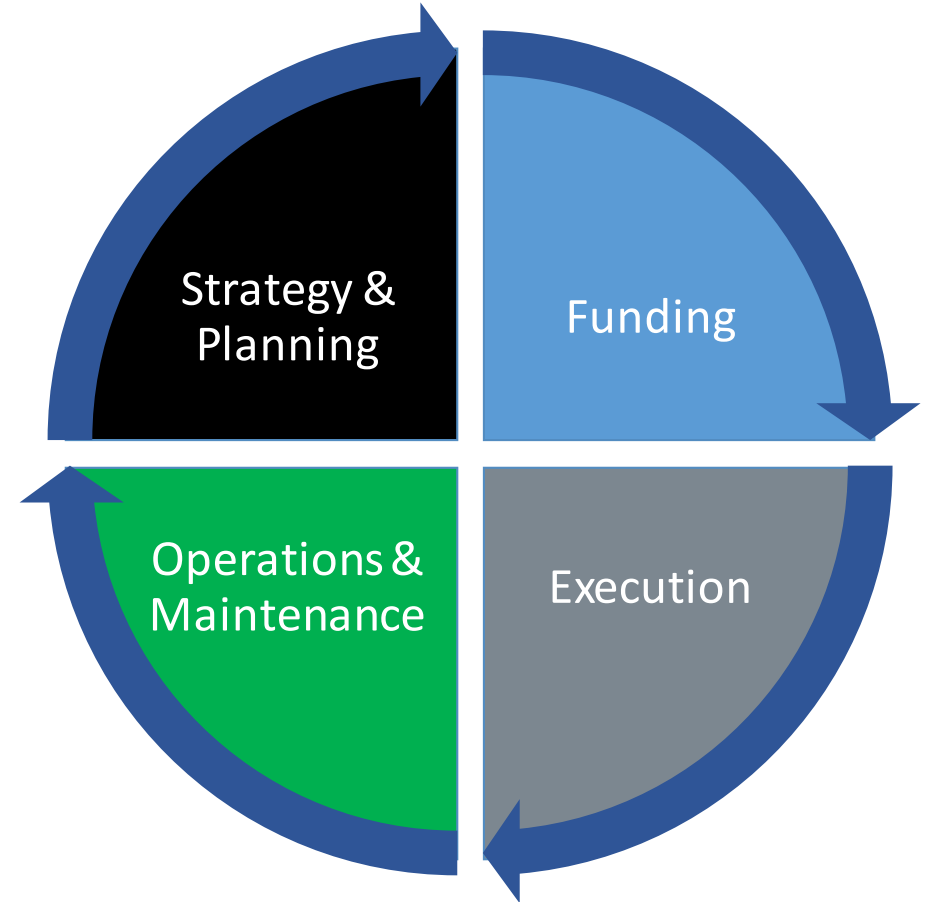
Agenda

- Importance of Infrastructure Planning, Investment, and Execution
- Assessed Values and Recommended Tax Rate
- 5-Year Capital Improvement Program (CIP)

Importance of Infrastructure Planning, Investment, and Execution

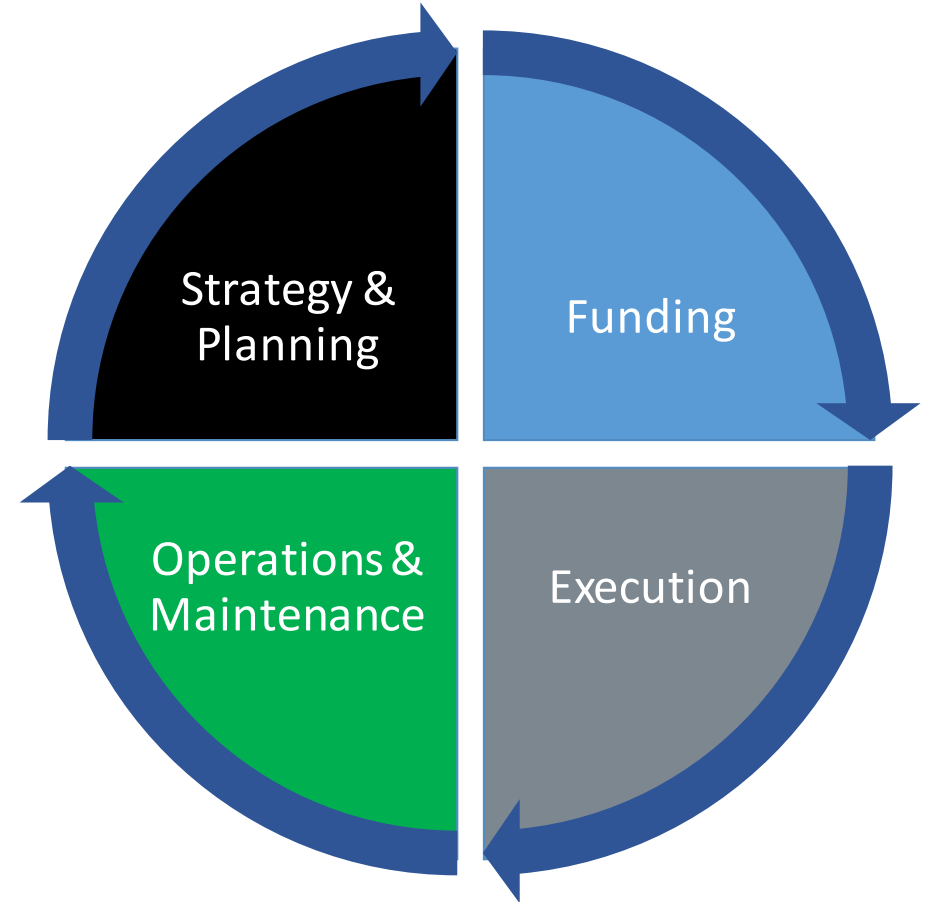
CIP Process

- Identify needs through comprehensive/strategic planning
- Forecast resource requirements
- Determine funding strategies
- Project operating impact of capital projects



CIP Process

- Align capital planning with annual budget process
- Execute project delivery
- Cash fund infrastructure maintenance
- Evaluate new investment and maintenance based on equity



Key Objectives

Economic
Growth

Equity

Fiscal
Solvency

Quality of
Life

Resiliency

Sustainability

Capital Planning & Financing

Maintain Existing Infrastructure

Ongoing, cash like revenues:

- Property Tax
- Gas Well Leases

New Infrastructure Investment

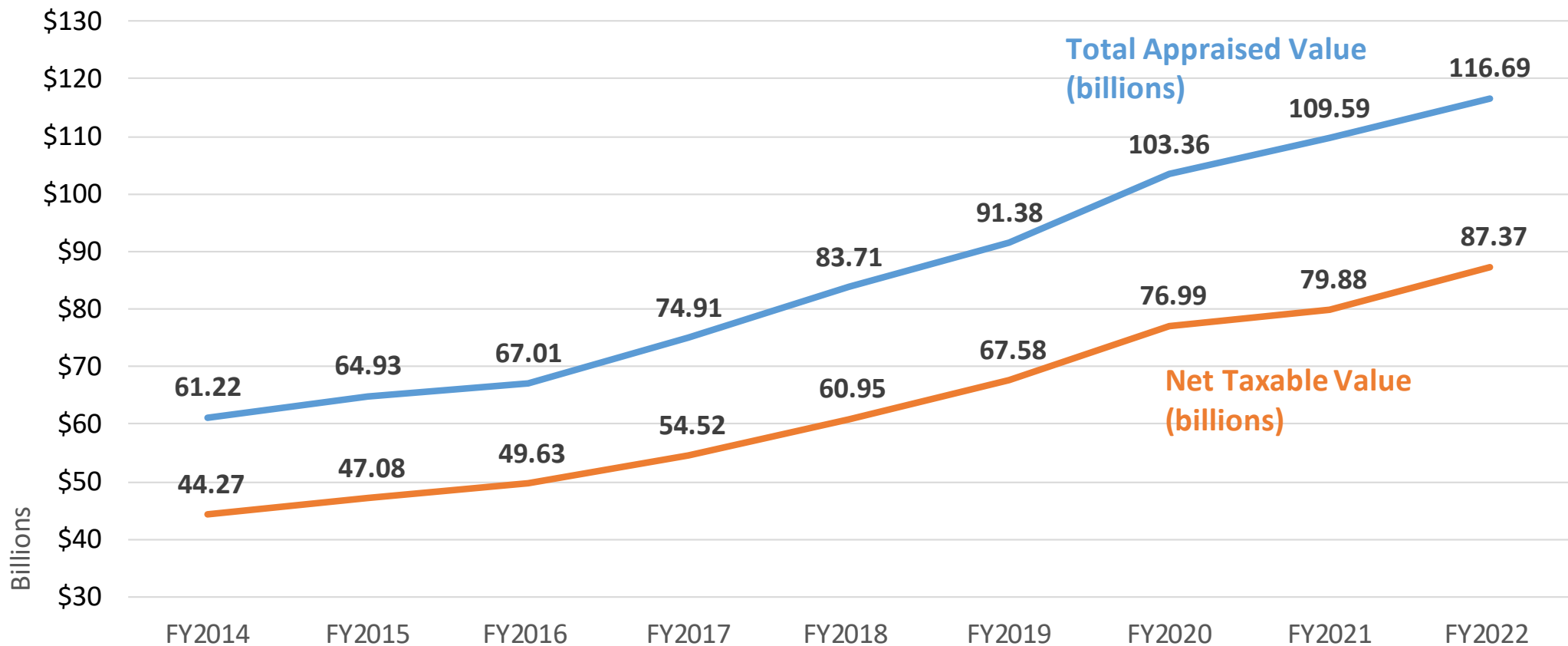
- Debt Instruments
 - Bonds, Notes, etc.
- Impact Fees
- Park Dedication Fees
- Grants

Capital Projects Underway

- Approved and underway
 - Future City Hall and Council Chamber
 - Fire Station 45 (Highway 287 & Harmon Road)
 - Commander Road / Midfield Redevelopment (Meacham Airport)
 - Northside Community Center Renovation
- 2018 Bond Program in Progress
 - 50% of funding committed
- 2022 Bond Program
 - Public outreach and engagement phase underway

Assessed Values & Recommended Property Tax Rates

Property Values



Change in Net Taxable Values

FY2021	\$79,878,186,534
+ Change in taxable value	\$4,210,668,760
+ New construction value	\$3,285,073,653
FY2022	\$87,373,928,947



5.3%



4.1%

Change in Net Taxable Values

	2021 Net Taxable	Change in Taxable Value	New Construction Value	2022 Net Taxable
Tarrant	\$76,630,121,584	\$3,791,781,919	\$2,543,123,463	\$82,965,026,966
Denton	\$3,034,758,779	\$383,433,760	\$681,073,172	\$4,099,265,711
Parker	\$212,211,502	\$34,954,363	\$60,877,018	\$308,042,883
Wise	\$1,094,669	\$498,718	\$0	\$1,593,387
Total	\$79,878,186,534	\$4,210,668,760	\$3,285,073,653	\$87,373,928,947

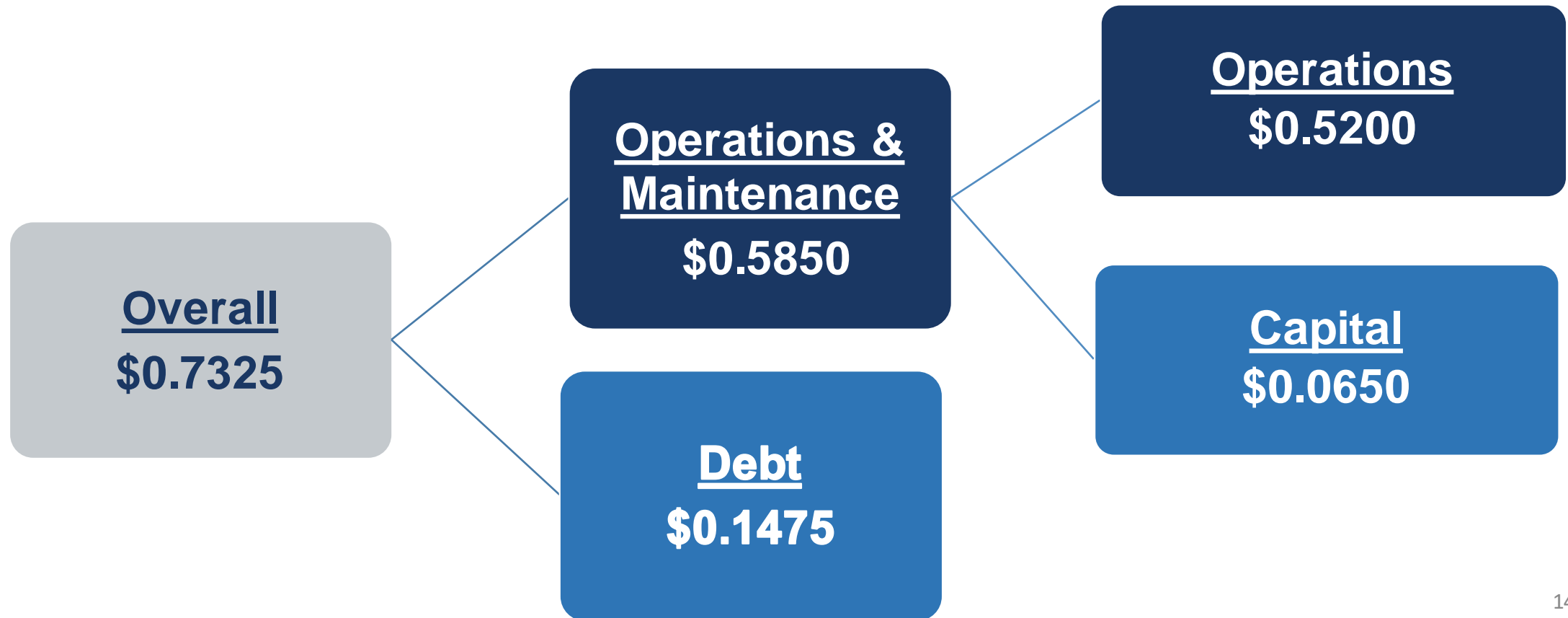
Recommended Tax Rate

\$.7325



1.5¢

Recommended Tax Rate Allocations



Recommended Tax Rate Allocations

	FY 2021 Adopted	FY 2022 Recommended	Change
O&M	53.00	52.00	-1.00
PAYG	6.50	6.50	----
I&S (Debt)	15.25	14.75	-0.50
Total	74.75	73.25	-1.50

O&M = Operating and Maintenance | PAYG = Pay-As-You-Go | I&S = Interest and Sinking (Debt)

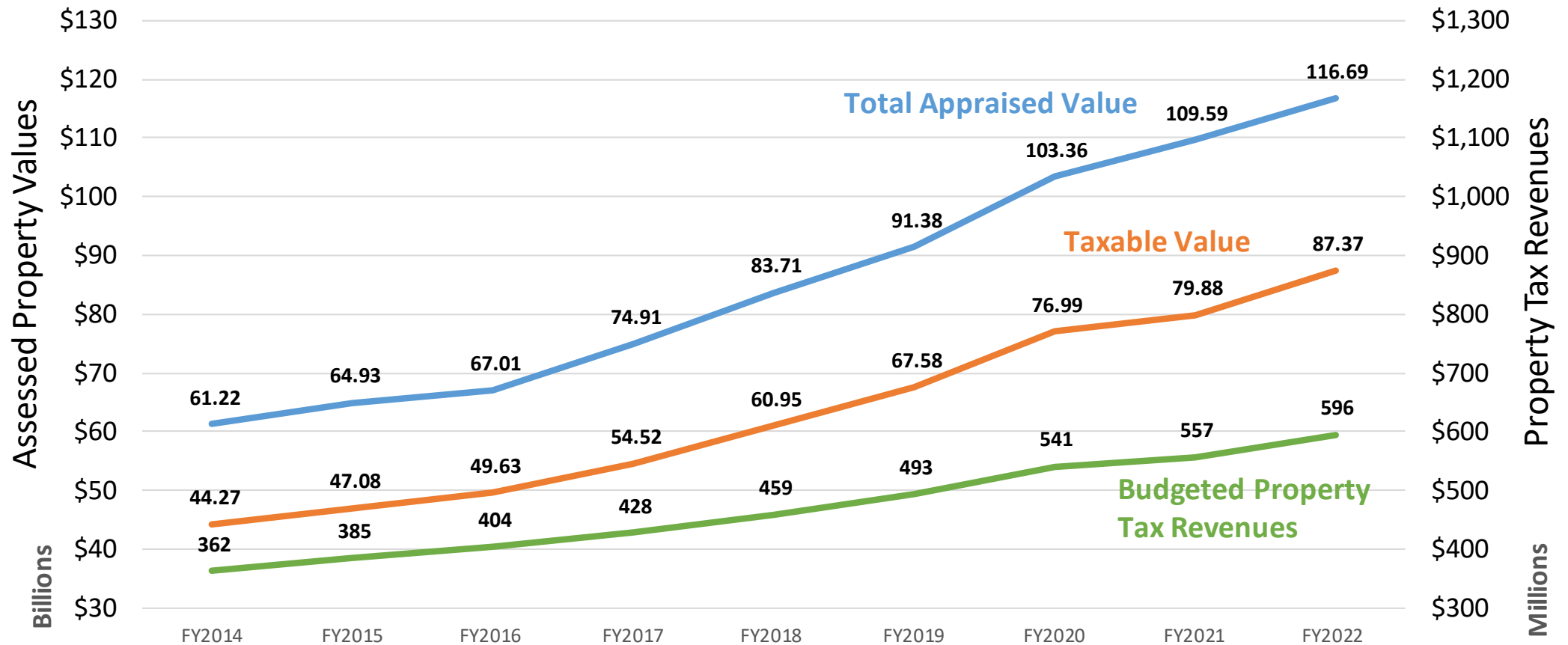
Values expressed as cents

Historic Tax Rate Allocations

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
O&M	68.59	67.59	63.79	62.84	59.65	57.65	56.50	53.00	53.00	52.00
PAYG			3.80	4.75	6.50	6.50	6.50	6.50	6.50	6.50
I&S (Debt)	16.91	17.91	17.91	17.91	17.35	16.35	15.50	15.25	15.25	14.75
Total	85.50	85.50	85.50	85.50	83.50	80.50	78.50	74.75	74.75	73.25
		\$292 M Bond Program				\$400 M Bond Program				
(PAYG + I&S) as % of Total	20%	21%	25%	27%	29%	28%	28%	29%	29%	29%
PAYG as % of (PAYG + I&S)	0%	0%	18%	21%	27%	28%	30%	30%	30%	31%

O&M = Operating and Maintenance | PAYG = Pay-As-You-Go | I&S = Interest and Sinking (Debt)

Property Values & Property Tax Revenue



Estimated Property Tax Revenues

	FY2021 Budget	FY2022 Estimated	Change
O&M	\$394,786,148	\$421,129,188	\$26,343,040
PAYG	48,417,170	52,891,148	4,473,978
Economic Development	0	2,000,000	2,000,000
I&S (Debt)	113,594,128	120,022,221	6,428,093
Total	\$556,797,446	\$596,042,557	\$39,245,111

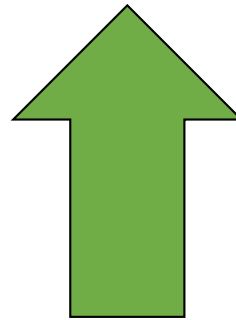
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What the recommended tax rate achieves

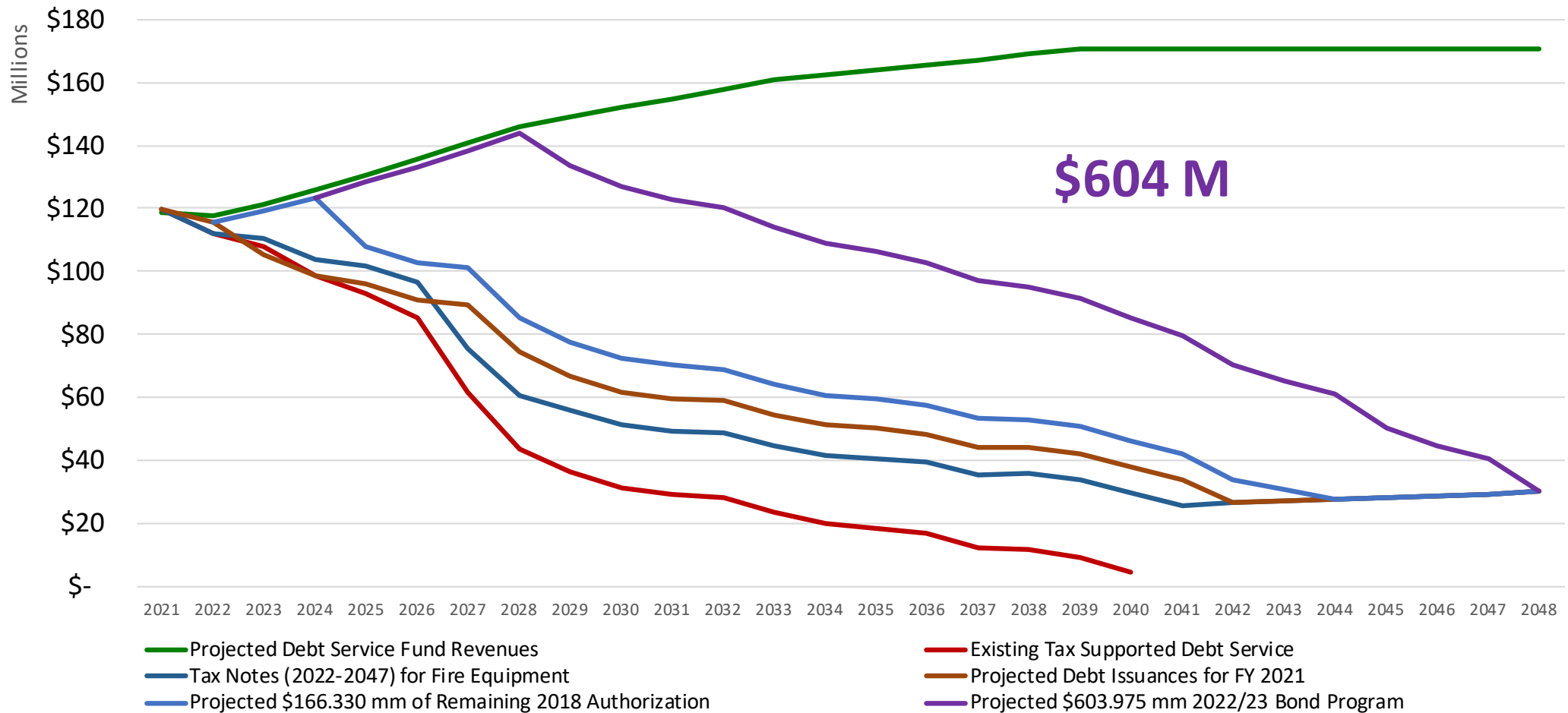
- Reduces existing tax rate
 - Lower than the Voter Approved Rate (3.5% revenue cap)
- Increases investment for infrastructure & maintenance
 - 2018 Bond Program
 - Cash funding for infrastructure maintenance (PAYGO)
- Continues Neighborhood Improvement Program and equity focus on infrastructure maintenance
- Establishes an annual allocation for Economic Development incentives / strategic plan

What About the Next Few Years...

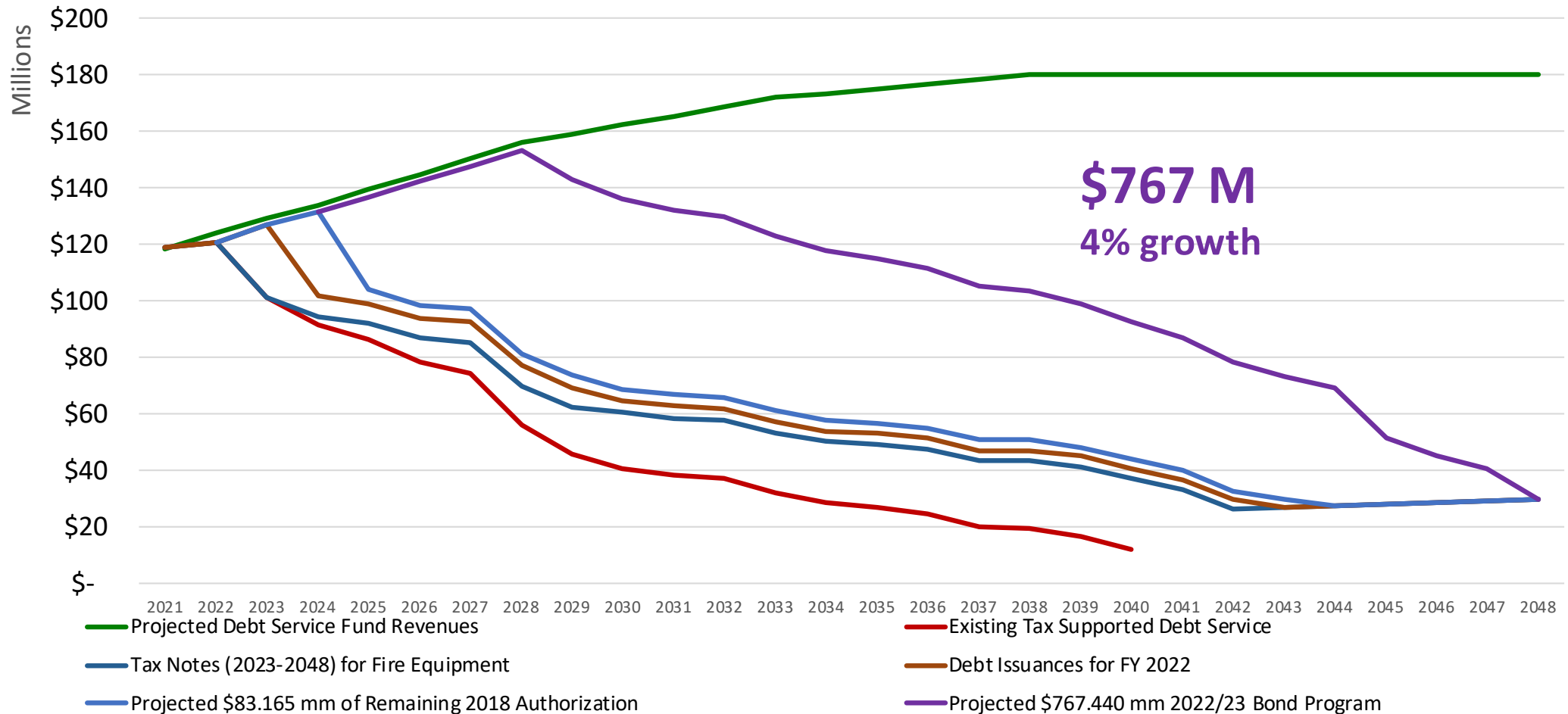
- Commercial Assessed Values
- Residential Assessed Values
- New Growth



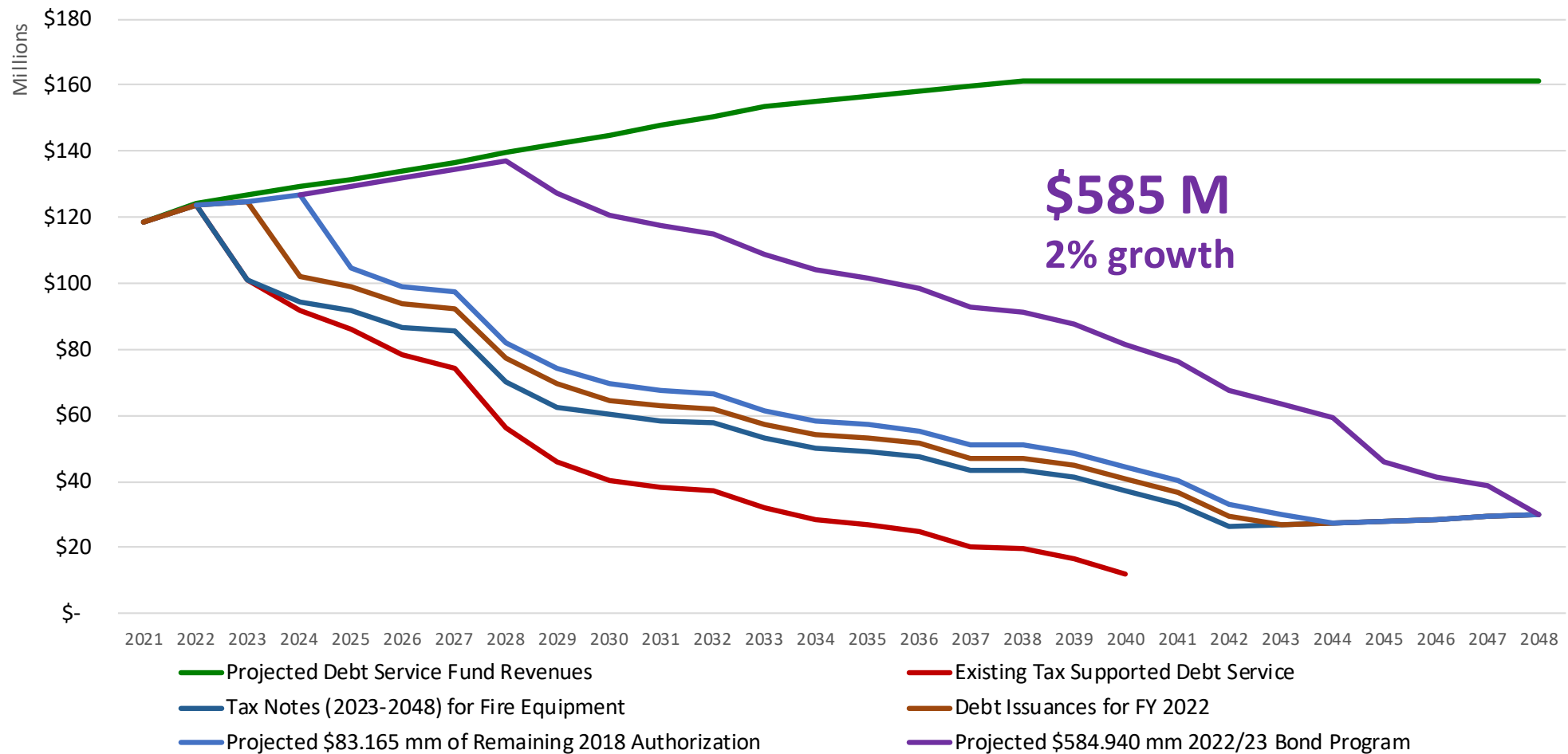
February Forecast



Current Growth Forecast



Alternate Growth Forecast



5-Year Capital Improvement Program (CIP)

FY 2022 Capital Planning Goals

- Continue implementing 2018 Bond Program
- Increase funding for infrastructure investment & maintenance
- Continue improvements to city neighborhoods through Neighborhood Improvement Strategy
- Better integrate 5-Year CIP and Comprehensive Plan

Framework

- Projects/capital spending programs are sorted into:
 - General CIP
 - Aviation CIP
 - Public Events CIP
 - Stormwater CIP
 - Water CIP
- Each CIP will reflect program/project appropriations
- Each program/project is funded by various revenue sources

Recommended 2022-2026 CIP

CIP Plans	FY2022	FY2023	FY2024	FY2025	FY2026	Total
Aviation	7,976,930	16,114,301	24,913,389	17,290,410	14,612,009	80,907,039
Public Events	4,991,000	10,120,000	3,945,000	8,545,000	6,930,000	34,531,000
General	150,789,549	121,174,329	100,985,249	103,838,538	103,928,900	580,716,565
Solid Waste	1,355,000	1,505,000	2,170,000	2,645,000	3,015,000	10,690,000
Stormwater	34,286,983	14,348,747	46,928,971	13,508,085	13,540,429	122,613,215
Water	242,676,979	191,739,091	198,018,828	284,013,312	217,823,753	1,134,271,963
Total	\$442,076,441	\$355,001,468	\$376,961,437	\$429,840,345	\$359,850,091	\$1,963,729,782
Funding Sources	\$442,076,441	\$355,001,468	\$376,961,437	\$429,840,345	\$359,850,091	\$1,963,729,782

Recommended 2022-2026 General CIP

General Plan	FY2022	FY2023	FY2024	FY2025	FY2026	Total
Asset Management	220,000	550,000	335,589	-	-	1,105,589
Capital Outlay	27,015,339	26,263,990	26,800,087	27,381,114	27,950,779	135,411,309
City Facilities	40,537,400	20,647,500	7,206,000	6,691,000	5,671,644	80,753,544
Community Improvements	34,905,503	25,029,306	17,300,842	19,088,847	18,400,848	114,725,346
Information Technology	11,786,055	11,527,533	10,960,731	11,138,577	11,190,629	56,603,525
Transportation	36,325,252	37,156,000	38,382,000	39,539,000	40,715,000	192,117,252
Total	\$150,789,549	\$121,174,329	\$100,985,249	\$103,838,538	\$103,928,900	\$580,716,565

Pay As You Go Highlights

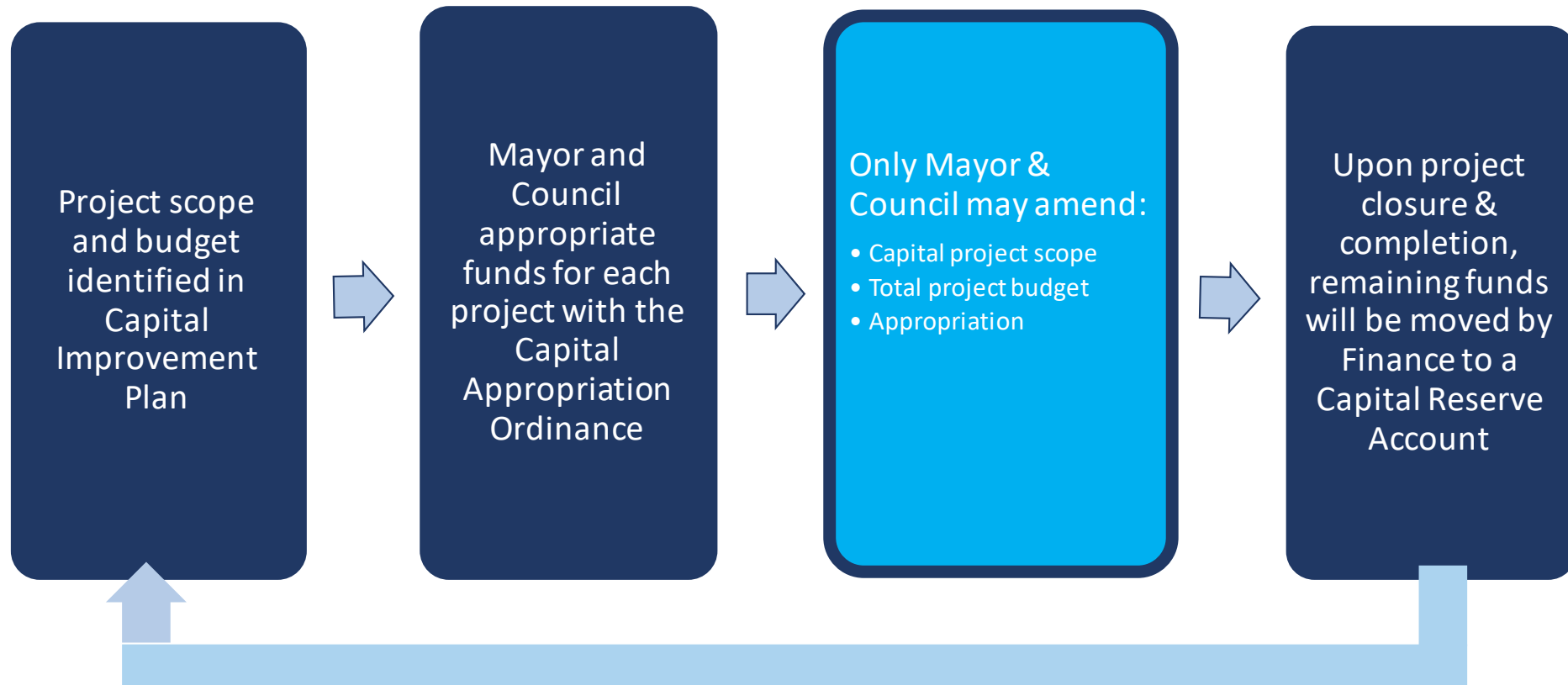
\$4,473,978 increase in PAYGO funding in FY2022

- \$20.4 million for Street Maintenance
- \$2.5 million for Sidewalks
- \$1.5 million for Street Lighting in Majority-Minority Areas
- \$850K for Transit Initiatives
- \$3.5 million for Neighborhood Improvement Strategy

PAYGO Project	FY2021	FY2022
Contract Brick Pavement	\$ 433,000	\$ -
Contract Bridge Maintenance	\$ 1,849,000	\$ 1,835,000
Concrete Restoration	\$ 2,374,000	\$ -
Contract Street Maintenance	\$ 16,893,000	\$ 20,441,000
Street Maintenance	\$ 896,000	\$ -
Traffic System Maintenance	\$ 5,759,000	\$ 6,793,455
MMA Street Lighting	\$ 515,000	\$ 1,511,000
Pavement Management - Reclamation	\$ 515,000	\$ 511,000
Pavement Markings	\$ 1,439,000	\$ 1,428,000
Sidewalks	\$ 765,000	\$ 1,754,000
Implementation of Bus Route System Reorganization	\$ 250,000	\$ -
Transit - Medical District ZIPZONE	\$ 250,000	\$ -
Sidewalks – Transit Proximity	\$ 650,000	\$ 785,000
Transit Initiatives	\$ 350,000	\$ 850,000
Recurring Facility Maintenance & Repair	\$ 2,450,355	\$ 1,850,168
Roof Repair and Replacement	\$ 938,000	\$ 2,004,187
Minor Repair and Renovation	\$ 529,645	\$ 479,645

PAYGO Project	FY2021	FY2022
Neighborhood Improvement Strategy	\$ 3,193,000	\$ 3,502,000
Alleyway Maintenance	\$ 206,000	\$ 204,000
PARD - New Enhancements	\$ 363,000	\$ 698,000
Leveraging & Partnership Opportunities	\$ -	\$ 564,495
PARD - Studies	\$ 200,000	\$ 125,000
Nature Center Improvements	\$ 240,013	\$ -
PARD - Roads and Parking	\$ -	\$ -
PARD - Maintenance Replacement	\$ 2,341,987	\$ 2,149,505
Recreation Center Equipment Replace	\$ 94,170	\$ 94,000
Additional Mowing Funds	\$ 1,030,000	\$ 1,022,000
IT - ERP	\$ 1,071,000	\$ 250,000
IT - Business Applications	\$ 604,000	\$ 859,401
IT - Technology Infrastructure	\$ 1,347,000	\$ 2,385,292
IT - Vehicles	\$ 121,000	\$ 45,000
Community Partnerships	\$ 750,000	\$ 750,000
Total	\$ 48,417,170	\$ 52,891,148

CIP Appropriation & Budget Control



Next Steps

- Recommend FY 2022 Operating Budget (Aug 10)
- Budget Work Sessions (Aug 19 & 20 and Sep 9 & 10)
- Town Halls (TBD)
- Public Hearings on Budget Items (Aug 24, Sep 14)
- Adopt Operating Budget and 5-Year CIP along with FY 2022 Appropriation Ordinance (Sep 21)
- Continue delivery of 2018 Bond Program
- Planning for 2022 Bond Program

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Questions / Comments