




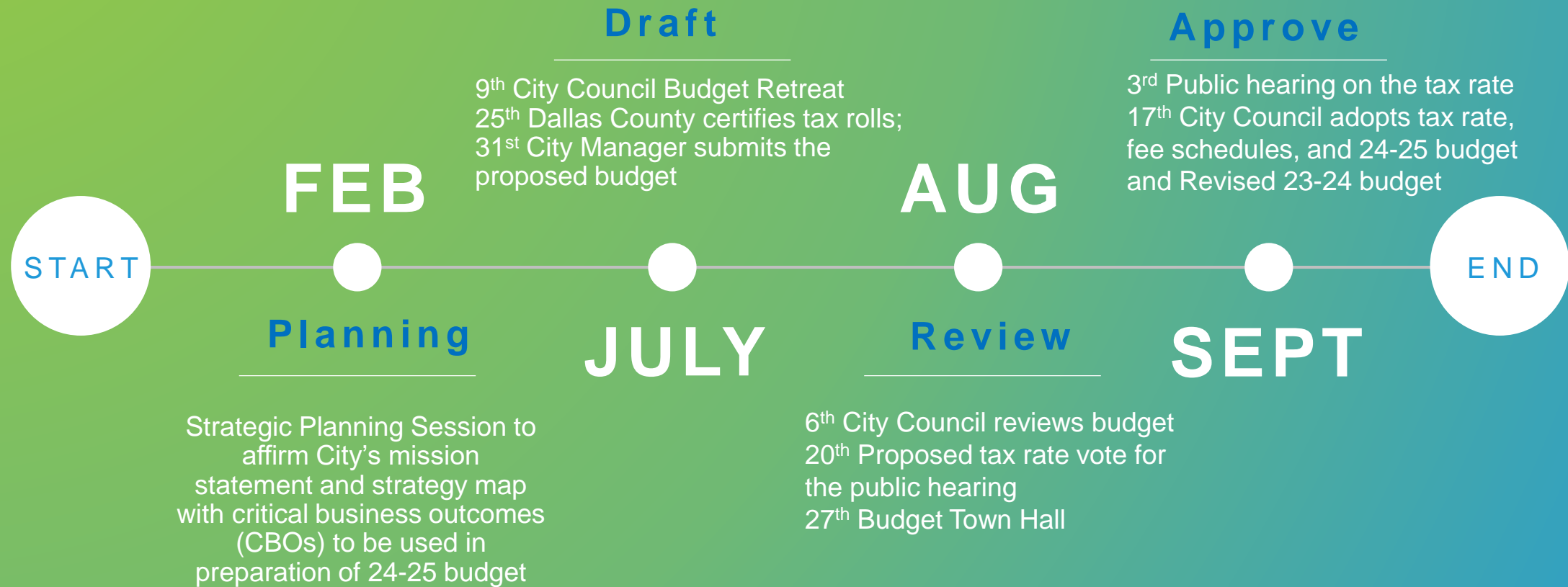
CITY OF  
**FARMERS BRANCH**  
TEXAS

# 2024-25 Budget Topics & Timing

CITY COUNCIL MEETING | MAY 21, 2024

CITY OF FARMERS BRANCH, TEXAS				
Annual Operating Budget				

# Budget Timeline



# Budget Topics & Presentations



Budget Themes



CIP, Debt, Salaries/Benefits, Special Events, Fixed Assets, Medians, Fees, Positions



Revenues, Fund Balances, Transfers



Communication and Outreach

CITY OF FARMERS BRANCH, TEXAS



## Annual Operating Budget

# Next Steps



## Study Session Topics:

- Capital Improvements
- Debt Alignment
- Revenues
- Salaries/Benefits
- Fixed Assets
- Fees
- Special Events
- Medians
- Positions

**Budget Townhall – Community Input  
August 27, 2024**

**Public Hearing – Budget on September 5th  
-- Tax Rates on September 17<sup>th</sup>**

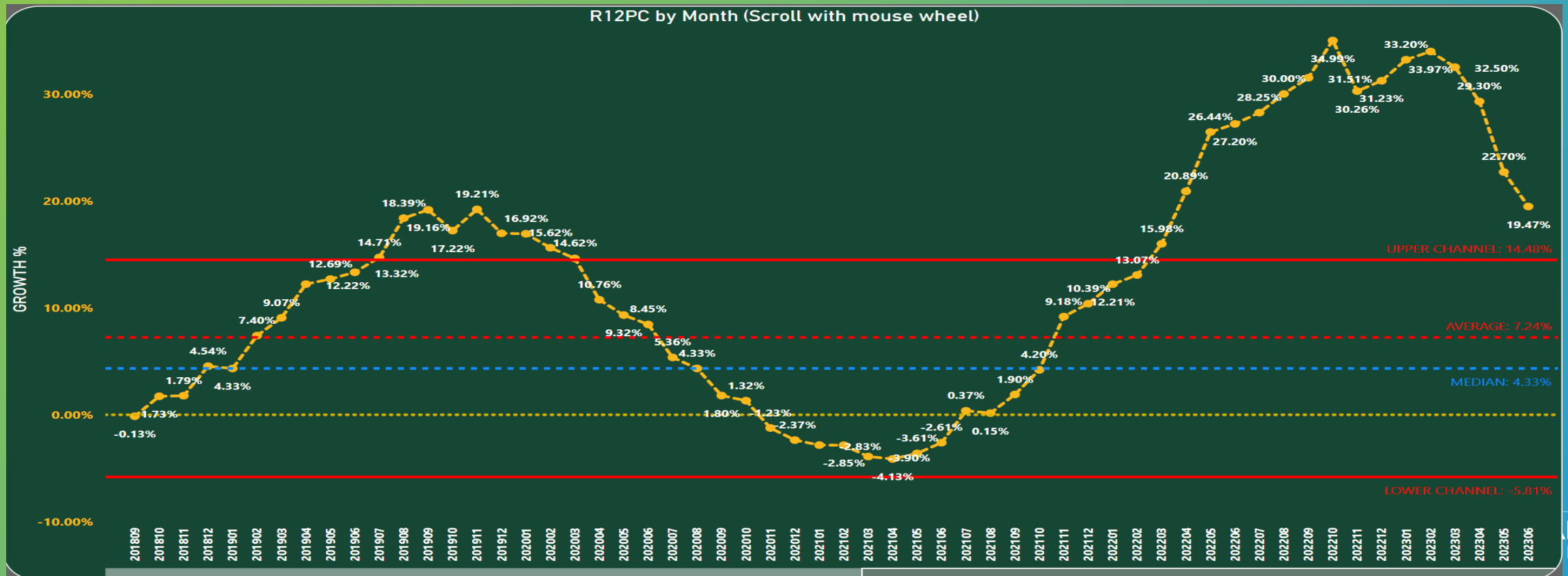
**Budget and Tax-Rate Adoption – September 17th**



# GENERAL FUND | Revenue Planning

## SALES & USE TAX

- Elastic revenue source with fluctuations in consumer spending and inflation
- Upward trend has now peaked
- \$26M projection for FY23-24
- Excess of \$23M goes to Revenue Stabilization Fund (RSF)
- Projecting lower for 24-25 Budget



# REVENUE PLANNING



Propose another Tax Rate decrease.

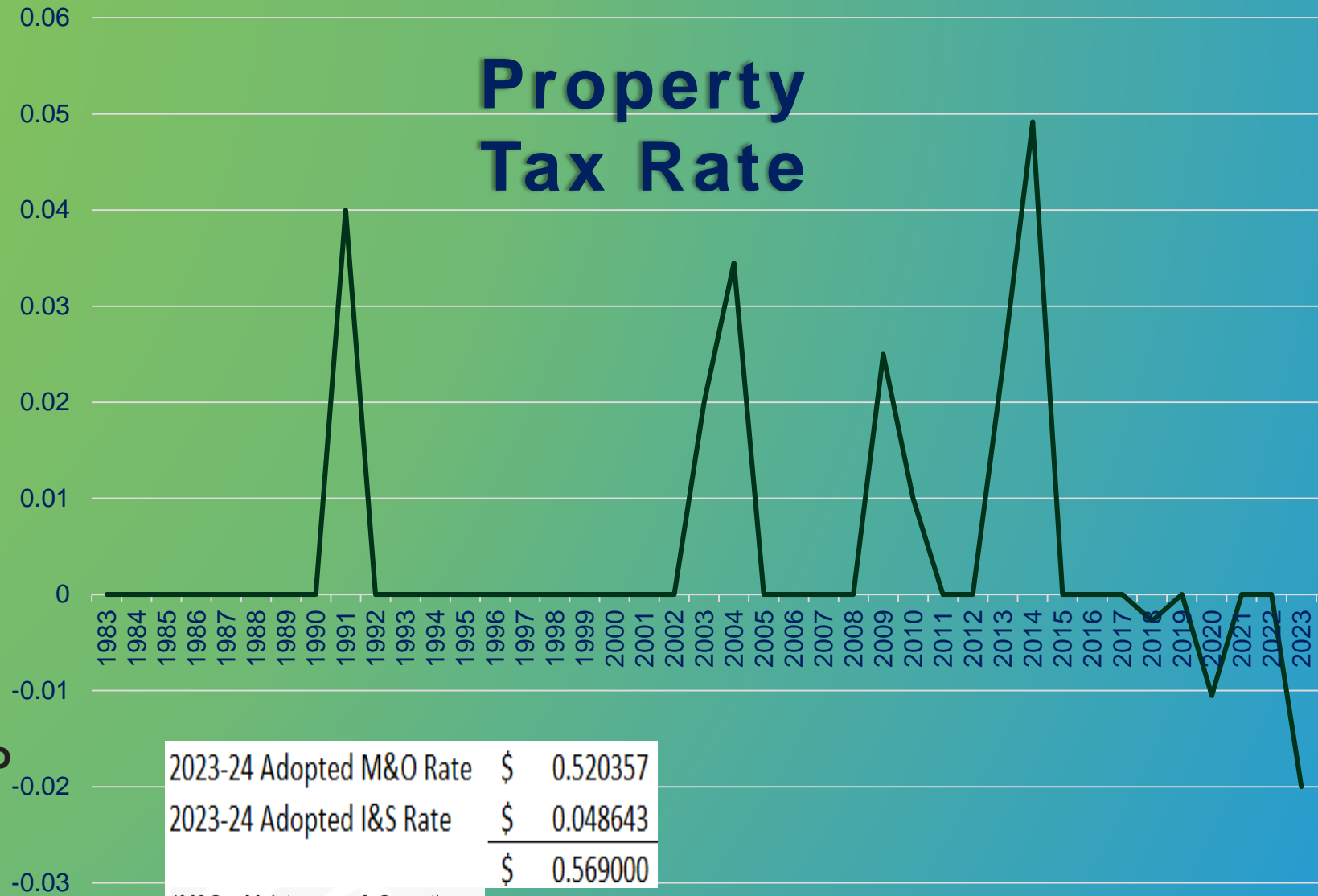


Current rate is 0.569 with Homestead Exemption = 20% Senior/Disable Exempt=\$100K



Senate Bill 2 is shifting cities to increasing I&S rates with cap on M&O rate

## Property Tax Rate



2023-24 Adopted M&O Rate	\$	0.520357
2023-24 Adopted I&S Rate	\$	0.048643
	\$	0.569000

\*M&O = Maintenance & Operations  
 \*\*I&S = Interest & Sinking (Debt)



# GENERAL FUND | Revenue Planning

## PROPERTY TAXES

- 2024-25 Budget assumption is 3.5% revenue increase
- Senate Bill 2 (SB2) –lowered the voter-approval rate from 8% to 3.5% growth
- Voter approval rate = (No New Revenue M&O rate x 1.035) + I&S rate
- Unused increment (UI) rate is now expired. It allowed cities to bank differential from adopted rate and voter rate to ease into cap
- New property is excluded from SB2 calculations.



# DEBT STRATEGY | Financial Strength



- Shifting from I&S to O&M due to increase cost of assets
- Public Safety vehicles increase in price and longer delivery times

**TOTAL DEBT EXPENDITURES FOR FY23-24 - \$6.62M**





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# Questions?

COUNCIL STUDY SESSION | MAY 21, 2024

