

# TARRANT COUNTY

## BUDGET AND RISK MANAGEMENT

DEBBIE K. SCHNEIDER  
DIRECTOR

September 15, 2015

Honorable Members of Commissioners Court  
Tarrant County, Texas

The FY 2016 Tarrant County operating budget is supported by a tax rate of \$0.264000 per \$100 of taxable value, which is the current tax rate. Tarrant County taxes on a home with a value of \$100,000 will be \$264.00. The tax rate allocation is \$0.237300 for maintenance and operation and \$0.026700 for debt service. The operating budget is as follows:

General Fund	\$489,864,888
Road and Bridge Fund	33,461,559
Debt Service Fund	<u>38,306,979</u>
	\$561,633,426

Ad valorem taxes represent 76% of the County's total revenues. The net taxes generated are estimated to be \$362,282,813 and, while a 100% collection ratio is anticipated, tax revenue has been reduced by the estimated impact of the over 65 tax freeze of \$3,600,000. Total taxes consist of current tax year collections and delinquent taxes, penalties and interest that are due from previous tax years. Of the taxes collected, an estimated \$7,213,200 will be paid to tax incremental financing districts that have been approved by Tarrant County. Total net taxable values increased 3.8% when compared to the September 1, 2014, supplemental tax roll information.

Minimum implementation of structure adjustments for non-law enforcement employees have been funded and are effective October 1, 2015; these adjustments range from 1.5% - 3.5%. Additionally for non-law enforcement employees a 3% merit pool has been provided. Merit increases are effective January 1, 2015. Maximum implementation for law enforcement structure adjustments will be effective October 1, 2015; these adjustments range from 2% - 4%. Step increases for law enforcement are funded based on their review date. Additionally field training officer pay was increased from \$0.57 to \$1.00 per hour for law enforcement employees.

Twenty-three (23) new positions are included in the General Fund budget. Funds allocated for new positions are \$1,563,275. Sixteen (16) positions are related to workload increases; six (6) are due to new or expansion of programs; one (1) is related to the opening of a new building. With the new positions there will be a total of 3,402.5 full-time positions authorized in the General Fund. The Road and Bridge fund has three (3) new positions at a cost of \$223,624. There will be 229 positions funded in Road and Bridge for total authorized positions in the operating funds of 3,631.5.

This budget provides \$30,711,583 in the General Fund for the funding of capital purchases. Capital, as well as the other special purpose budgets, is scheduled for approval by Commissioners Court on September 29, 2015.

Other areas of interest in the budget include:

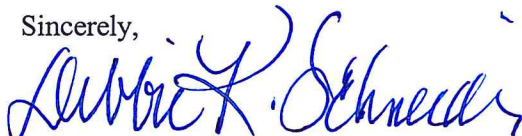
- **Group Health Insurance:** The County contribution will decrease from \$11,616 to \$10,860 annually per employee.
- **Retiree Group Insurance:** The annual County contribution for retirees that are under 65 will be \$10,860; for retirees that are over 65 the County contribution will be \$3,120 annually.
- **Retirement Rate:** The County's portion of the retirement contribution rate will remain 17.5%. This rate is 3.32% over our required contribution rate of 14.18% (effective 1/1/2016). By increasing our required rate the County will be providing in excess of \$7,200,000 toward our retirement unfunded liability and/or advance payment of the actuarial determined value for a retiree COLA. The decision on a retiree COLA must be made prior to December 31, 2015.
- **Debt Service:** Principal and interest for debt service payments will increase by \$3,018,066 for a total of \$37,299,979. Total outstanding debt as of the end of FY 2015 is \$361,420,000. Undesignated in this fund has been established at \$1,000,000.
- **Capital Funding:** Beginning cash balances are used to fund capital.
- **Operating Transfers:** The budget includes operating transfers for the following purposes:
  - CSCD – Pre-Trial Bond Supervision Unit Fund ..... \$118,250
  - Self Insurance Fund (Property damage & general liability)..... \$275,000
  - Road and Bridge Fund..... \$4,827,056
  - Capital ..... \$30,711,583
- **Reserves:** Reserves for the General Fund have been increased to \$38,986,228 and \$7,591,670 in undesignated. An additional \$610,231 is in undesignated in the Road and Bridge Fund and \$1,000,000 in the Debt Service Fund.

On September 16, 2003, the Commissioners Court, through Court Order #91225, approved a change to the budget control methodology. This change was concurrent with SAP financial accounting implementation and established budget control at the highest level (roll-up) cost center and ten (10) commitment group categories.

A detailed budget document (by commitment item) is also available.

As always we would like to thank Commissioners Court for their guidance and support during the budget process.

Sincerely,



Debbie K. Schneider  
Director, Budget & Risk Management