



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

PAGE 1 OF 165

DATE: 09/17/2024

**SUBJECT: CONSIDERATION OF TARRANT COUNTY GOVERNMENT'S
BUDGET FOR FISCAL YEAR 2025**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the Tarrant County Fiscal Year (FY) 2025 budget at the highest-level cost center and account group categories as follows:

General Fund	\$758,025,497.00
Road and Bridge Fund	\$ 43,111,786.00
Debt Service Fund	<u>\$ 45,242,629.00</u>
	\$846,379,912.00

BACKGROUND

The FY 2025 Tarrant County operating budget is supported by a tax rate of \$0.1875 per \$100 of taxable value, decreasing from \$0.1945 for 2024. Tarrant County taxes on a home with a value of \$100,000 will be \$187.50. The tax rate allocation is \$0.171707 for maintenance and operation and \$0.015793 for debt service.

Ad valorem taxes represent 60% of the County's total revenues. The net taxes generated are estimated to be \$511,585,940 and a 100% collection ratio is anticipated. Tax revenue has been reduced by the estimated impact of the 65 and over tax freeze of \$8,650,000 which is an increase of \$100,000 from FY 2024. Total taxes consist of current tax year collections, delinquent taxes, and penalties and interest that are due from previous tax years. Of the taxes collected, an estimated \$9,916,781 will be paid to tax incremental financing districts that have been approved by Tarrant County.

In an effort to retain the current workforce and remain competitive in the hiring market, confinement received a 4% structure adjustment and a 3% step increase, and all other law enforcement received a 7% structure adjustment and a 3% step increase. Structure increases for non-law enforcement employees ranged from 0% to 5%. A 3% merit is available to all eligible non-law enforcement employees. The structure is effective October 1, 2024. Merit increases are effective January 1, 2025. The 3% step increase for law enforcement employees is based on the employee's annual review date.

Twenty-five (25) new positions are included in the General Fund budget totaling \$2,076,272 and are partially offset by a reduction in force of fourteen (14) positions and temporary/part-time salaries saving \$1,831,550. Twenty-four (24) positions are related to workload increases; one (1) is due to a new program. In total, there are 3,831 full-time positions authorized in the General Fund. With the addition of seven (7) new full-time positions, there are 242 authorized positions in the Road and Bridge Fund. The new positions are related to workload increases and will cost \$523,346. The total combined authorized positions in the operating funds is 4,073.

SUBMITTED BY: Administrator's Office

PREPARED BY: Helen H. Giese
APPROVED BY:



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: _____ DATE: 09/17/2024 PAGE 2 OF 1

Other areas of interest in the budget include:

- **Group Health Insurance:** The County contribution will be \$11,400 annually per employee.
- **Retiree Group Insurance:** The annual County contribution for retirees that are under 65 will be \$16,008; for retirees that are 65 and over the County contribution will be \$1,800 annually.
- **Retirement Rate:** The County's portion of the retirement contribution rate will be 11.88%. This is our required contribution rate and includes a 1% retiree COLA.
- **Debt Service:** Principal and interest for debt service payments and related fees will decrease by \$794,201 when compared to FY2024 for a total of \$43,734,929. Total outstanding debt (including interest) at the end of FY 2024 is \$483,885,794.
- **Capital Funding:** The funding source for capital is beginning cash balances.
- **Operating Transfers:** The budget includes operating transfers for the following purposes:

CSCD – Pre-Trial Bond Supervision Unit Fund	\$4,831,307
Sheriff's Office Narcotics Unit (CNET)	\$400,000
Self-Insurance Fund (property damage & general liability)	\$3,000,000
Road and Bridge Fund	\$6,751,114
Non-Debt Capital & Capital Improvement Fund	\$53,606,578
- **Reserves:** There are reserves in General and Debt Service Funds of \$83,000,000 and \$1,500,000 respectively. The General Fund includes \$9,572,432 in undesignated while the Road and Bridge Fund has \$500,000. The current level of funding represents 16.3% of the County's true operating costs. GFOA recommends 16.7%. In future years, staff will continue to reach towards that goal.

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.

FISCAL IMPACT

Approval of the budget establishes the financial framework for the next fiscal year. The total operating budget is \$846,379,912.00.

Please Note: Due to the volume of information, copies of the entire packet are not being reproduced for distribution. However, the information may be viewed online in the Commissioners Court's agenda on the Tarrant County website or in the Commissioners Court records within the County Clerk's Office.