



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

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DATE: 09/19/2023

**SUBJECT: APPROVAL OF TARRANT COUNTY GOVERNMENT'S BUDGET
FOR FISCAL YEAR 2024**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the Tarrant County Fiscal Year (FY) 2024 budget at the highest-level cost center and account group categories as follows:

General Fund	\$800,143,509.00
Road and Bridge Fund	\$49,918,859.00
Debt Service Fund	<u>\$46,537,880.00</u>
	\$896,600,248.00

BACKGROUND

The FY 2024 Tarrant County operating budget is supported by a tax rate of \$0.194500 per \$100.00 of taxable value, decreasing by \$0.0295 cents when compared to FY 2023. Tarrant County taxes on a home with a value of \$100,000.00 will be \$194.50. The tax rate allocation is \$0.178836 for maintenance and operation and \$0.015664 for debt service. The operating budget is as follows:

Ad valorem taxes represent 74.28% of the County's total revenues. The net taxes generated are estimated to be \$532,143,753.00 and a 100% collection ratio is anticipated. Tax revenue has been reduced by the estimated impact of the 65 and over tax freeze of \$8,550,000.00 which is a decrease of \$12,150,000.00 from FY 2023. 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 \$10,928,000.00 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 5% 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%, with craft employees receiving an additional 4% market adjustment. A 3% merit is available to all non-law enforcement employees. The structure and market are effective October 1, 2023. Merit increases are effective January 1, 2024. The 3% step increase for law enforcement employees is based on the employee's annual review date.

SUBMITTED BY: Administrator's Office

PREPARED BY:
APPROVED BY:

Russell Schaffner



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Seventeen (17) new positions are included in the General Fund budget totaling \$1,678,948.00 and are partially offset by a reduction in force of seven (7) positions saving \$1,082,064.00. Sixteen (16) positions are related to workload increases; one (1) is due to a new program. In total, there are 3,811 full-time positions authorized in the General Fund. With the addition of four (4) new full-time positions and the reduction in force of one (1), there are 235 authorized positions in the Road and Bridge Fund. The new positions are related to workload increases and will cost \$317,703.00. The total combined authorized positions in the operating funds is 4,046. The budget provides a transfer of \$77,689,718.00 from the General Fund to Non-Debt Capital and the Capital Improvement funds.

Other areas of interest in the budget include:

- **Group Health Insurance:** The County contribution will be \$11,400.00 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 \$3,408.00 annually.
- **Retirement Rate:** The County's portion of the retirement contribution rate will remain at 19.5%. This rate is 7.43% over our required contribution rate of 12.07% (effective January 1, 2024). By increasing our required rate, the County will provide in excess of up to \$29.2 million toward our retirement unfunded liability and/or advance payment of the actuarial determined value for a retiree COLA. The decision on a 1% retiree COLA will be determined by Commissioners Court on September 19, 2023.
- **Debt Service:** Principal and interest for debt service payments and related fees will increase by \$1,823,752 when compared to FY2023 for a total of \$44,499,026. Total outstanding debt (including interest) at the end of FY 2023 is \$528,414,924.
- **Capital Funding:** The primary 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	\$4,219,765.00
Sheriff's Office Narcotics Unit (CNET)	\$400,000.00
Self-Insurance Fund (property damage & general liability)	\$3,000,000.00
Road and Bridge Fund	\$18,836,587.00
Non-Debt Capital & Capital Improvement/Replacement Fund	\$77,689,718.00
- **Reserves:** There are reserves in General and Debt Service Funds of \$82,000,000.00 and \$2,000,000.00 respectively. The General Fund includes \$10,445,323.00 in undesignated while the Road and Bridge Fund has \$500,000.00. The current level of funding represents 16.5% 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.



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FISCAL IMPACT

Approval of the budget establishes the financial framework for the next fiscal year. The total operating budget is \$896,600,248.00.

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