



# COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER

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DATE: 09/21/2021

SUBJECT: **APPROVAL OF TARRANT COUNTY GOVERNMENT'S BUDGET FOR FISCAL YEAR 2022**

## **COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court approve the Tarrant County Fiscal Year (FY) 2022 budget at the highest-level cost center and account group categories as follows:

General Fund	\$720,236,527
Road and Bridge Fund	41,239,609
Debt Service Fund	<u>35,729,454</u>
	\$797,205,590

## **BACKGROUND:**

The FY 2022 Tarrant County operating budget is supported by a tax rate of \$0.229000 per \$100 of taxable value, decreasing by a half cent when compared to FY 2021. Tarrant County taxes on a home with a value of \$100,000 will be \$229. The tax rate allocation is \$0.213553 for maintenance and operation and \$0.015447 for debt service. The operating budget is as follows:

Ad valorem taxes represent 77.96% of the County's total revenues. The net taxes generated are estimated to be \$497,978,433 and, while a 100% collection ratio is anticipated, tax revenue has been reduced by the estimated impact of the 65 and over tax freeze of \$16,200,000, which is an increase of \$800,000 over FY 2021. 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 \$9,153,818 will be paid to tax incremental financing districts that have been approved by Tarrant County. Total estimated net taxable values increased 6.67% when compared to the July 2021, certified tax roll.

Minimum implementation of structure adjustments for non-law enforcement employees have been funded and are effective October 1, 2021; these adjustments range from 0.06% - 4.0%. Additionally, for non-law enforcement employees, a 3% merit pool has been provided. Merit increases are effective January 1, 2022. Maximum implementation for law enforcement structure adjustments will be effective October 1, 2021; the adjustments range from 2.5% to 7.0%. Step increases for law enforcement are funded and based on the employee's review date.

Fifty-eight and a half (58.5) new positions are included in the General Fund budget. Funds allocated for new positions are \$6,367,009. Nineteen and a half (19.5) positions are related to workload increases; thirty-nine (39) are due to new programs. With the new positions, there will be a total of 3,692.60 full-time positions authorized in the General Fund. The Road and Bridge Fund authorized positions increased to 236 with two (2) new

SUBMITTED BY: Budget and Risk Management

PREPARED BY:

APPROVED BY: Helen H. Giese



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positions. Funds allocated for new positions are \$128,037. The new positions are related to workload increases. The total combined authorized positions in the operating funds is 3,928.60.

The budget provides \$45,659,385 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 28, 2021.

An allocation of \$4,300,000 is included in the FY 2022 budget for the addition of 485<sup>th</sup> District Court. The funds will be utilized for staffing needs related not only to the court's staff (3), but also the Criminal District Attorney's Office (8), the District Clerk's Office (2) and the Sheriff's Office (3) for a total of 16 positions.

Beginning FY 2022, the Medical Examiner physicians will become county employees, therefore eliminating the Medical Examiner contract for services. The Chief and the Deputy Chief Medical Examiner positions are included in the FY 2022 budget. On August 24, 2021, Commissioners Court, through Court Order #136156, authorized seven (7) Deputy Medical Examiner positions to be effective October 1, 2021. An allocation of \$4,000,000 is included in the FY 2022 budget to fund the additional staff.

Other areas of interest in the budget include:

- **Group Health Insurance:** The County contribution will be \$12,000 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 annually.
- **Retirement Rate:** The County's portion of the retirement contribution rate will remain 19.5%. This rate is 5.64% over our required contribution rate of 13.86% (effective January 1, 2022). By increasing our required rate, the County will provide in excess of up to \$19.2 million toward our retirement unfunded liability and/or advance payment of the actuarial determined value for a retiree COLA (if elected). The decision on a retiree COLA must be made prior to December 31, 2021.
- **Debt Service:** Principal and interest for debt service payments and related fees will increase by \$10,346, as well the reserves will increase by \$500,000, for a total of \$35,729,454. Total outstanding debt (including interest) at the end of FY 2021 is \$252,635,777.
- **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 .....	\$3,767,083
Sheriff's Office Narcotics Unit (CNET).....	\$300,000
Self-Insurance Fund (property damage & general liability) .....	\$1,500,000
Road and Bridge Fund .....	\$10,686,261
Capital.....	\$45,659,385
Capital Replacement Fund.....	\$15,000,000
- **Reserves:** There are reserves in General and Debt Service Funds of \$73,601,170 and \$1,500,000 respectively. The General Fund includes \$11,436,123 in undesignated while the Road and Bridge Fund has \$297,789.

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 \$797,205,590.



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*Please Note: Due to the volume of information, a limited number of hardcopies of the budget document will be distributed. However, the information may be viewed online on the Commissioners Court's agenda and on the Budget and Risk Management webpage on the Tarrant County website. The documents can also be accessed on the Commissioners Court records within the County Clerk's Office.*