



City of New Fairview
 FY 2021 Budget-in-Progress
 June 22, 2020

The City of New Fairview City Council has been working on the Fiscal Year (FY) 2021 Operating and Capital Budget since mid-May. The Council held an all-day strategic planning and budget session on Saturday, May 16, 2020 at City Hall. At the meeting the Council provided direction on the development of a strategic plan and provided feedback on an initial pass at the FY 2021 operating budget.

The Council listened to information from the 13 surveys that were completed by New Fairview citizens. The Council gave the interim city administrator their views on strengths, weaknesses, opportunities and threats. This information, including the community input, was used to establish priorities. The interim city administrator then used all the information to create an organizational work plan for the coming year. The Strategic Plan can be found on the City’s new website at [www. Newfairview.org](http://www.Newfairview.org) under the Documents section of Administration and Finance. Below is a comparison of the Council priorities and the Community survey results.

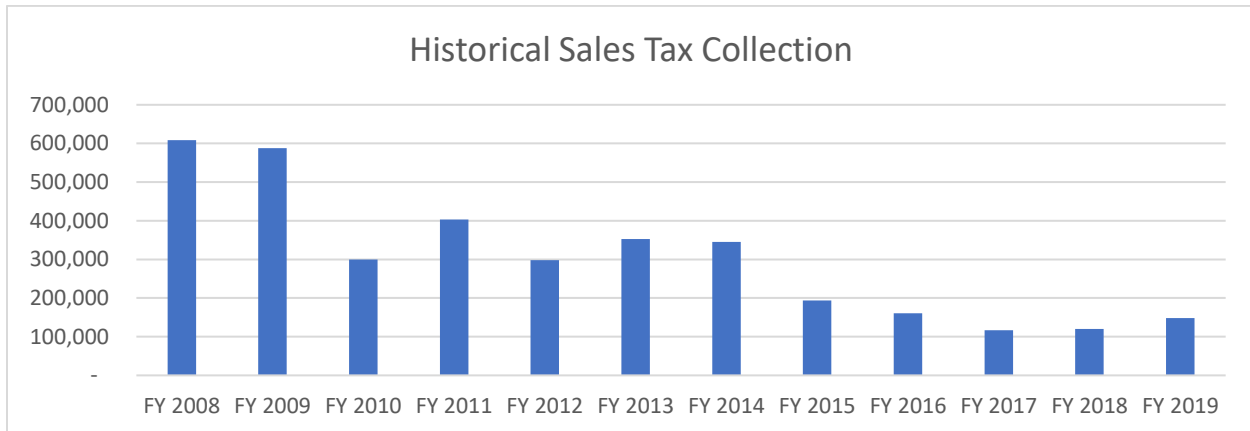
Priorities

<ul style="list-style-type: none"> 75/18 Infrastructure – Streets 61/15 Financial Sustainability 50/11 Staff Retention and Turnover 48/12 Community Planning 47/13 Fire/EMS 33/9 Economic Development/Jobs 26/6 Police/Safe Community 25/7 Park Development 6/2 Infrastructure – Water/Sewer 0/0 Recreation Opportunities 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Priorities - Community Survey</th> <th style="text-align: center;">Total</th> <th style="text-align: center;">Avg</th> </tr> </thead> <tbody> <tr><td>Streets</td><td style="text-align: center;">27</td><td style="text-align: center;">2.077</td></tr> <tr><td>Police</td><td style="text-align: center;">46</td><td style="text-align: center;">3.538</td></tr> <tr><td>Fire/EMS</td><td style="text-align: center;">48</td><td style="text-align: center;">3.692</td></tr> <tr><td>Water/Sewer</td><td style="text-align: center;">57</td><td style="text-align: center;">4.385</td></tr> <tr><td>Financial Sustainability</td><td style="text-align: center;">71</td><td style="text-align: center;">5.462</td></tr> <tr><td>Park Development</td><td style="text-align: center;">79</td><td style="text-align: center;">6.077</td></tr> <tr><td>Community Planning</td><td style="text-align: center;">84</td><td style="text-align: center;">6.462</td></tr> <tr><td>Economic Development</td><td style="text-align: center;">85</td><td style="text-align: center;">6.538</td></tr> <tr><td>Recreation</td><td style="text-align: center;">90</td><td style="text-align: center;">6.923</td></tr> <tr><td>Staff Retention</td><td style="text-align: center;">128</td><td style="text-align: center;">9.846</td></tr> </tbody> </table>	Priorities - Community Survey	Total	Avg	Streets	27	2.077	Police	46	3.538	Fire/EMS	48	3.692	Water/Sewer	57	4.385	Financial Sustainability	71	5.462	Park Development	79	6.077	Community Planning	84	6.462	Economic Development	85	6.538	Recreation	90	6.923	Staff Retention	128	9.846
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This presentation is part of a workshop with discussion. These slides should not be taken out of context.

General Fund Revenue

Until FY 2020, New Fairview has operated primarily using sales tax. In FY 2013, sales tax revenue began declining until it has fallen from a high of more than \$600,000 in FY 2008 to less than \$150,000 in FY 2019.

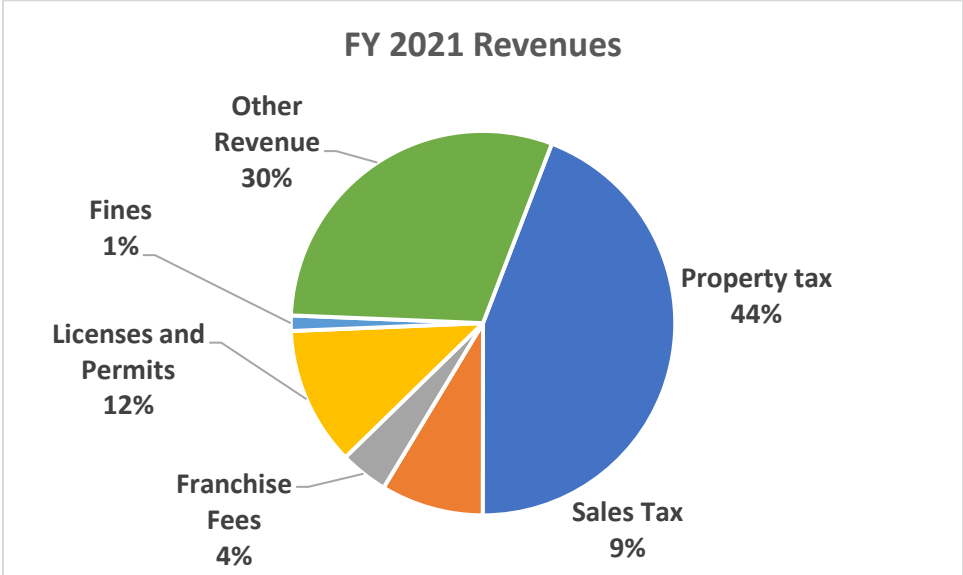


The City Council had been receiving requests from a number of developers and they recognized that new housing growth was heading this way. With the largest land mass in Wise County and being just north of Ft. Worth and west of the North Lake-Justin growth corridors, Council made the decision to budget for a full time professional administrator to help work with the Council to guide and manage that growth. In order to maintain operations amid the declining sales tax revenue the Council made the choice to institute a property tax for the first time in New Fairview. Below is a summary of General Fund Revenue.

	FY 2019	FY 2020	FY 2021
	Actual	Amended	Recomm.
Revenue			
Current Property Tax		500,531	500,531
Delinquent Property Tax		10,211	10,211
Penalties		1,536	1,536
Sales/Beverage Tax	129,344	100,000	100,000
Licenses and Permits	32,646	200,000	135,000
Franchise Fees	46,234	46,235	47,000
Court Fines	12,084	15,000	15,000
Other Revenue	87	80,000	350,000
TOTAL REVENUE	220,395	953,513	1,159,278

Revenue Assumptions – For the FY 2021 budget the Council is building a budget that will provide no new property taxes. Sales tax assumptions project a slight decrease in sales tax due to the COVID-19 pandemic and the impact on local retail sales. Licenses and Permits includes the City’s portion of revenue from licenses, registration fees and building permits and plans review. The City Council recently approved a contract with SAFEBuilt of Ft. Worth to provide building inspection and plans review services. SAFEBuilt retains 55% of the fees for those services. SAFEBuilt’s share of the fees is shown in the Other Revenue category and makes up \$270,000 of the increase in that category. There is an offsetting expense for the service in the Public Works budget on the expenditure side of the equation.

Franchise Fees and Court Fines are projected to remain relatively flat in FY 2021.

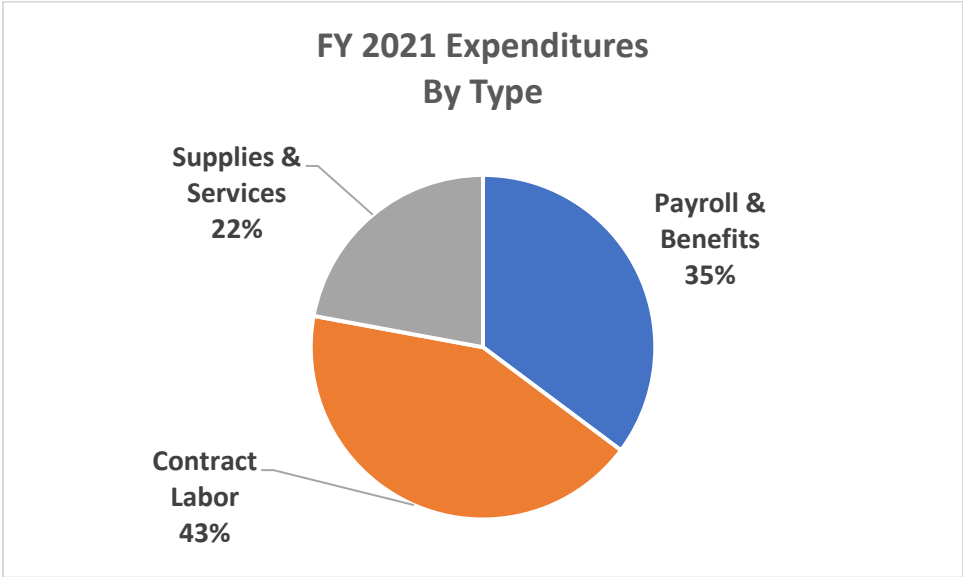


General Fund Expenditures

Expenditures by Type - As it currently stands the FY 2021 Operating and Capital Improvement Budget includes five full time positions: city administrator, city secretary, city clerk, street superintendent and maintenance worker. The interim city administrator conducted a salary survey using data from the Texas Municipal League (TML) salary survey for similar positions from similar size cities in the north central Texas region. Using this data a salary schedule was put together that placed New Fairview positions in the 40th to 50th percentile. Council adopted the pay plan at the June 1, 2020 City Council meeting. City Council has also agreed to

add health insurance benefits for full time employees. This will help address the Council priority if addressing staff retention.

The City uses professional consultants for planning and development, legal services, and engineering services. There is no need for full time positions for these services so retaining part time consultants is more efficient. The City also contracts for code enforcement services, septic tank inspections, and building inspection services as previously noted.



In terms of Supplies and Services the City’s largest expenditure is for Road Maintenance Materials (\$100,000). This includes road base, asphalt patch, gravel and replacement culverts. It is the City’s policy to replace culverts where needed to ensure that drainage works properly to mitigate damage to City streets.

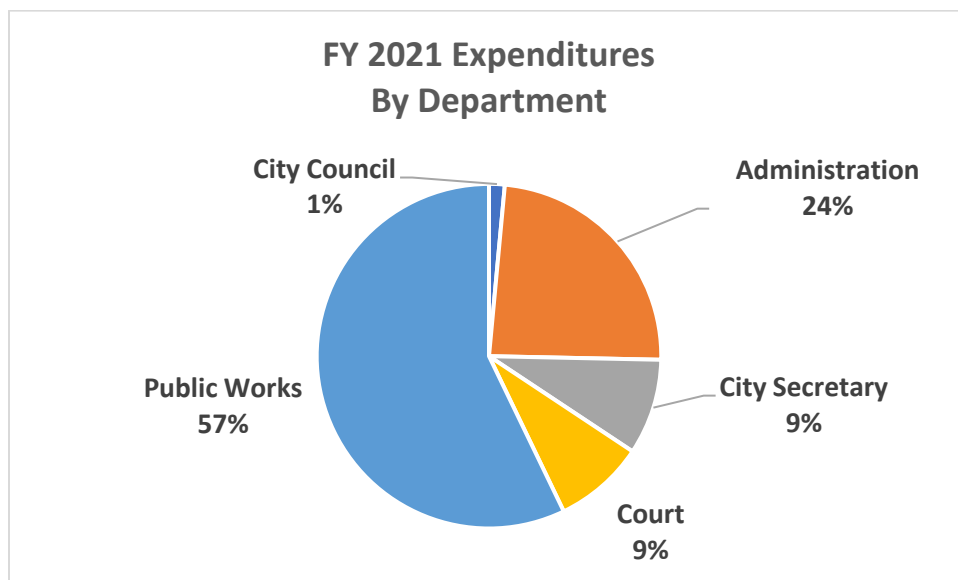
Expenditures by Department - City Council expenditures are less than 1% of General Fund expenditures. Administration, which includes the City Administrator (\$90,000 salary and \$28,000 benefits), in-house legal expenses (\$48,000), in-house engineering (\$20,000), software subscriptions and maintenance (\$25,000) and miscellaneous consulting and contract labor fees (\$34,000) is 24% of expenditures.

The City Secretary Department includes the City Secretary (\$61,000 salary and \$22,000 benefits), and \$23,000 for supplies and services.

The Municipal Court Department includes the expenditures for the City Clerk (\$36,000 salary and \$17,000 benefits), Court expenses including the judge and contract deputy expense (\$31,500), and \$12,600 for supplies and services.

The Public Works Department makes up 57% of the General Fund budget for expenditures by department. The main costs in this department include the proposed Street Superintendent (\$69,000 salary and \$24,000 benefits) Maintenance Worker (\$34,000 salary and \$17,000 benefits), \$383,000 for contract service including those pass through costs identified under Other Revenue (Building Inspections, \$270,000; Legal Services, \$15,000; City Engineer, \$15,000; Code Enforcement, \$20,000), and \$100,000 for street and drainage maintenance.

The Street Superintendent is a working manager responsible for all street maintenance, drainage maintenance, mowing and facilities maintenance. This position will also be responsible for long-range planning of future growth of the Public Works Department and Parks Department. This position will be responsible for oversight of the annual street program. The Maintenance Worker will be supervised by the Street Superintendent.



Capital Projects

Street Program – The City’s engineering firm, Pacheco Koch, has prepared an assessment of the City’s 25 worst streets, primarily in the Chisholm Hills subdivision. The total program including engineering, inspection, construction costs and issuance costs total approximately \$2.9 million. The Council has provided direction to carry out the program over four years. The streets for each year have been identified. The City Council will be considering holding a bond election in November so citizens can decide if they want to pay additional taxes to fund the program. If the Council decides to place the issue on the ballot there will be several informational meetings for citizens leading up to the election.

City of New Fairview				
4-Year Program - 10 Year Payout				
Year One - Street Program				
Rank			Length (ft)	Cost
1	Hilltop Trail: Int w/Wilson Lane	Full Reconstruction	50	22,000
2	Branding Iron: Part 1	Full Reconstruction	1,300	134,000
3	Hilltop Trail to Lange Way	Full Reconstruction	1,325	137,000
10	Lange Way: Latham to Elbow	Seal Coat/Potholes	1,400	17,500
11	Wilson Court: Beginning	Seal Coat/Potholes	875	10,900
17	Chisholm Hills Drive: Beginning to Culvert	Seal Coat/Potholes	4,275	53,400
20	Creaser Lane: Culvert to Stewart	Seal Coat/Potholes	750	9,400
21	Hilltop Trail to Wilson Court	Seal Coat/Potholes	5,900	73,800
23	Latham: Elbow to to Int. of Lange	Seal Coat/Potholes	2,800	35,000
24	Perdnalas Dr.	Seal Coat/Potholes	1,550	19,400
			20,225	\$512,400
	Engineering, Design & Testing			\$76,860
	Issuance Costs			\$50,000
	Total Debt			\$639,260

Year Two - Street Program				
Rank			Length (ft)	Cost
4	Montana Court	Full Reconstruction	450	91,000
5	Wilson Court: Elbow to Cul-de-sac	Full Reconstruction	1,500	175,000
6	Branding Iron : Part 2	Full Reconstruction	875	117,000
18	Morgan Place	Mill & Rework Base	600	68,000
19	Hilltop Court	Mill & Rework Base	550	65,000
22	Branding Iron: Part 2	Mill & Rework Base	1,000	91,000
			4,975	\$607,000
	Engineering, Design & Testing			\$91,050
	Issuance Costs			\$50,000
	Total Debt			\$748,050

Year Three - Street Program				
Rank			Length (ft)	Cost
7	Lange Way: Elbow to Layfield	Full Reconstruction	2,150	225,000
8	Creasser Lane: Int. w/Lange til Culvert	Full Reconstruction	350	39,000
9	Judge Court	Full Reconstruction	1,300	167,000
12	Layfield Ln: 450' till Lange, end of Elbow w/Latham	Full Reconstruction	1,150	129,000
13	Latham: Lange to Cul-de-sac	Full Reconstruction	850	101,000
			5,800	661,000
	Engineering, Design & Testing			\$99,150
	Issuance Costs			\$50,000
	Total Debt			\$810,150

Year Four- Street Program				
Rank			Length (ft)	Cost
14	Chisholm Hills Dr: Culvert to Cul-de-sac	Full Reconstruction	2,200	241,000
15	Aydelotte Court	Full Reconstruction	550	87,000
16	Chisholm Hills Court	Full Reconstruction	850	108,000
24	Layfield Lane: Stewart Ln to 450' til Lange	Full Reconstruction	700	159,000
			4,300	\$595,000
	Engineering, Design & Testing			\$89,250
	Issuance Costs			\$50,000
	Total Debt			\$734,250

The impact on the tax levy over a five-year period is shown in the table below.

Tax Rate Impact					
Street Program					
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
I&S Only					
4-Year Program, 10-Year Payout	-	-	-	0.04	0.06

It is projected there would not be any tax rate impact until FY 2024.

Information from the City Council work sessions are provided on the City website under Administration and Finance. The Council will have a final budget work session at City Hall at 6:00 PM on Monday, July 20. The public is invited to come and listen. In addition, comments may be sent to the city administrator at cityadministrator@newfairview.org.

The remainder of the budget calendar is shown below:

**City of New Fairview
FY 2021 Budget Process**

Date	Event	Responsible Party
July 20	Budget Workshop (Optional)	City Administrator, Council
July 24	Receive Certified Tax Roll from WCAD	WCAD
August 3	Present Recommended Budget to City Council	City Administrator
August 3	Call for bond election for November 4, 2020 (Optional)	City Administrator, Council
August 17	Set a Public Hearing for the Tax Rate, Budget	City Administrator, Council
August 20	Publish notice of Public Hearings	City Secretary
September 8	Public Hearing on the Tax Rate and Budget	City Administrator, Council
September 21	Approve the FY 2021 Budget	City Council