



TARRANT COUNTY BUDGET AND RISK MANAGEMENT

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DIRECTOR

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Honorable Members of Commissioners Court
Tarrant County, Texas

The FY 2021 Tarrant County operating budget is supported by a tax rate of \$0.234000 per \$100 of taxable value, remaining the same as FY2020. Tarrant County taxes on a home with a value of \$100,000 will be \$234.00. The tax rate allocation is \$0.217448 for maintenance and operation and \$0.016552 for debt service. The operating budget is as follows:

General Fund	\$629,046,772
Road and Bridge Fund	37,221,886
Debt Service Fund	<u>35,219,108</u>
	\$701,487,766

Ad valorem taxes represent 80.4% of the County's total revenues. The net taxes generated are estimated to be \$475,349,897 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 \$15,400,000, which is an increase of \$2,600,000 over FY2020. 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 \$10,224,600 will be paid to tax incremental financing districts that have been approved by Tarrant County. Total net taxable values increased 2.67% when compared to the July 2019, certified tax roll.

A two (2) percent structure adjustment for non-law enforcement and law enforcement employees is included in the budget and is effective October 1, 2020. A three (3) percent merit pool has been provided for non-law enforcement employees. Merit increases are effective January 1, 2021. Step increases for law enforcement are funded and based on the employee's review date.

Twenty-six (26) new positions are included in the General Fund budget. Funds allocated for new positions are \$1,993,863. Fifteen (15) positions are related to workload increases; eleven (11) are due to new programs. With the new positions, there will be a total of 3,566.10 full-time positions authorized in the General Fund. The Road and Bridge Fund authorized positions increased to 233 with three (3) new positions. Funds allocated for new positions are \$202,833. The new positions are related to workload increases. The total combined authorized positions in the operating funds is 3,799.10.

The budget provides \$28,806,164 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, 2020.

An allocation of \$2,100,000 is included in the FY 2021 budget for a countywide community health diversion program. The goal of the program is to decrease the incarceration time for the severely mentally ill, while increasing access to comprehensive services this group greatly needs. The program will be developed through a collaborative effort and include various stakeholders including the Criminal District Attorney's Office, the hospital district, the Mayor's Council, law enforcement agencies, the court system and other community partners.

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 \$3,492 annually.
- **Retirement Rate:** The County's portion of the retirement contribution rate will remain 19.5%. This rate is 6 % over our required contribution rate of 13.50% (effective January 1, 2021). By increasing our required rate, the County will be providing in excess of \$18,600,000 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, 2020.
- **Debt Service:** Principal and interest for debt service payments and related fees will increase by \$13,446 for a total of \$35,219,108. Total outstanding debt (including interest) as of the end of FY 2020 is \$286,848,885.
- **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	\$3,200,000
Sheriff's Office Narcotics Unit (CNET)	\$250,000
Self-Insurance Fund (property damage & general liability)	\$375,000
Road and Bridge Fund	\$11,132,895
Capital	\$28,806,164
- **Reserves:** There are reserves in General and Debt Service Funds of \$65,020,934 and \$1,000,000 respectively. The General Fund includes \$8,013,703 in undesignated while the Road and Bridge Fund has \$307,424.

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,



Helen H. Giese
Director, Budget and Risk Management