

## FACTORS AFFECTING FISCAL YEAR 21/22 BUDGET

### REVENUE:

**Property Tax:** We are proposing a decrease in the property tax rate from \$.7448 per \$100 valuation to \$.7317. It is a reduction of 1.31¢ or 1.76%. The proposed rate is the second consecutive year we have lowered the tax rate. A residence valued at \$126,628 (average residential value this year) would see their City property tax go from \$943 to \$927 per year.

**Sales Tax:** Year-to-date, sales tax revenue has exceeded the budget by 12.9% or \$543,323. We are budgeting for a reduction in sales tax in 2021/2022 from the actual sales tax projected in 2020/2021. The budget increase is 9.3%. We do not anticipate a downturn in the economy; we simply want to be conservative to ensure the upward trend is sustainable.

**Water Revenue:** Consumption Rate:

We are proposing an increase in the water consumption rate due to BCWID's increase in the wholesale rate over the past two years. BCWID increased the wholesale rate by 3.4% in 2020 that the City absorbed. The 2021 rate increase is 1.8%. The proposed water rate is \$2.41, or a 1.3% increase to cover the increased cost of water. The average residential customer will see an increase of 30¢ per month. To project consumption revenue for next fiscal year, we used a five-year average. The proposed budget is 3.04% higher than the FY 20/21 budget or \$194,009.

Base Rate:

No increases are being proposed.

Tap Fees:

We are recommending an increase to the water and sewer tap fees to address the increased cost of meters and supplies. The proposed fee for water taps is going up by \$100. For a ¾-inch tap, it will be \$600; for a 1-inch tap, it will be \$700.

**Sewer Revenue:** The proposed fee for sewer taps is going up by \$100. For a 4-inch tap, it will be \$500; for a 6-inch tap, it will be \$600.

**Sanitation Revenue:** No increases are being proposed.

**Landfill Gate Rate:** No increases are being proposed.

## **EXPENSES:**

- Pay Raises:** A pay raise for non-civil service employees is budgeted at 3% of total payroll and benefits, or \$294,545. The pay raise will be merit-based and will be distributed accordingly.
- Meet & Confer:** Civil service pay adjustments are based upon getting Brownwood employees to the average pay of nine comparable cities. For Fire, the increase ranges from 0-3% or \$35,573. Additionally, a new firefighter will be added at a cost of \$64,350. For Police, the pay increase is 3.5% or \$80,157 and education pay of \$16,229.
- Fleet Replacement:** Year four of the Enterprise fleet replacement program will replace 11 vehicles, including four police vehicles and seven in the white fleet. The budget will increase by \$95,000 for the lease payments.
- Fire Engine:** A new front-line fire engine costing \$550,000 will replace a 21-year-old engine. The ladder truck will be paying off in 2021, and the note payment for the new engine will be less than the ladder truck. There is a net decrease of \$99,866 in Fire Dept. capital from last year.
- Parks Improvements:** Several Parks improvements are in the budget, including the refurbishment of the Wiggins Park swimming pool at \$150,000. Also included are two new backstops (location to be determined), completion of fencing for Mayes Park, a Merry-go-round for Trigg Park, and a multipurpose wall for Wiggins Park. These smaller improvements are \$37,000.
- Downtown:** Improvements to Downtown streetscaping, lighting, landscaping, and public art is budgeted at \$18,000.
- Budget Totals:** The proposed FY 21/22 budget is \$36,558,387. This is an increase of \$469,461 from the FY 20/21 budget of \$36,088,926. The budget is being increased by 1.3%.