

# REVENUE DISCUSSION

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CITY OF FAIRFIELD

# OBJECTIVES

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- Current Fiscal State
- Discussion of General Fund Revenue
  - Property Tax
  - Sales Tax
  - Other Fees
- Discussion of Enterprise Revenue
  - Water and Wastewater Fees

# 2018-19 FISCAL YEAR

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- Property tax at .432105 per \$100 Assessed Valuation
- Sales tax receipts slightly below budgeted amount, but higher than previous year
- Audited fund balance dropped slightly, but has stabilized
- Staff has done excellent job of curbing spending

# GENERAL FUND REVENUE

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- Property Tax
  - Likely that assessed valuation will be lower than previous year
  - Preliminary valuation from FCAD was 13% lower, but certified valuation expected to rise 5-10% from preliminary
  - Certified valuation should be between \$186 to \$194 million.

Certified Values	
2018	\$ 204,792,827.00
2017	\$ 203,933,097.00
2016	\$ 205,505,256.00
2015	\$ 220,661,144.00
2014	\$ 208,796,852.00
2013	\$ 212,611,780.00
2012	\$ 196,659,953.00
2011	\$ 208,020,267.00
2010	\$ 220,348,207.00

# PROPERTY TAX SCENARIOS

- The escrow defeasance of the 2010 Certificate of Obligation will lower Interest & Sinking (Debt) rate
- Thus, will likely lower tax rate if no additional debt is added

		2019-20	
		PRELIM RATE (EFFECTIVE)	
	Valuation	Revenues	
	\$ 177,241,035.00		
<b>I&amp;S</b>	0.160575	\$	284,605.00
<b>M&amp;O</b>	0.265721	\$	470,966.16
	0.426296	\$	755,571.16
		2019-20	
		PRELIM RATE + 5% (EFFECTIVE)	
	Valuation	Revenues	
	\$ 186,103,086.75		
<b>I&amp;S</b>	0.152929	\$	284,605.00
<b>M&amp;O</b>	0.253067	\$	470,966.16
	0.405996	\$	755,571.16
		2019-20	
		PRELIM RATE + 10% (EFFECTIVE)	
	Valuation	Revenues	
	\$ 194,965,138.50		
<b>I&amp;S</b>	0.145977	\$	284,605.00
<b>M&amp;O</b>	0.241564	\$	470,966.16
	0.387542	\$	755,571.16



# TAX RATES WITH A RISE IN MAINTENANCE AND OPERATIONS

2019-20 PRELIM RATE (3.5% INCREASE)				2019-20 PRELIM RATE (5% INCREASE)				2019-20 PRELIM RATE (8% ROLLBACK)			
Valuation		Revenues		Valuation		Revenues		Valuation		Revenues	
\$ 177,241,035.00				\$ 177,241,035.00				\$ 177,241,035.00			
<b>I&amp;S</b>	0.145977	\$	284,605.00	<b>I&amp;S</b>	0.145977	\$	284,605.00	<b>I&amp;S</b>	0.145977	\$	284,605.00
<b>M&amp;O</b>	0.275021	\$	487,449.98	<b>M&amp;O</b>	0.279007	\$	494,514.47	<b>M&amp;O</b>	0.288772	\$	511,822.47
	0.420998	\$	772,054.98		0.424984	\$	779,119.47		0.434749	\$	796,427.47
2019-20 PRELIM RATE + 5% (3.5% INCREASE)				2019-20 PRELIM RATE + 5% (5% INCREASE)				2019-20 PRELIM RATE + 5% (8% ROLLBACK)			
Valuation		Revenues		Valuation		Revenues		Valuation		Revenues	
\$ 186,103,086.75				\$ 186,103,086.75				\$ 186,103,086.75			
<b>I&amp;S</b>	0.152929	\$	284,605.00	<b>I&amp;S</b>	0.152929	\$	284,605.00	<b>I&amp;S</b>	0.152929	\$	284,605.00
<b>M&amp;O</b>	0.261925	\$	487,449.98	<b>M&amp;O</b>	0.265721	\$	494,514.47	<b>M&amp;O</b>	0.275021	\$	511,822.47
	0.414853	\$	772,054.98		0.418649	\$	779,119.47		0.427950	\$	796,427.47
2019-20 PRELIM RATE + 10% (3.5% INCREASE)				2019-20 PRELIM RATE + 10% (5% INCREASE)				2019-20 PRELIM RATE + 10% (8% ROLLBACK)			
Valuation		Revenues		Valuation		Revenues		Valuation		Revenues	
\$ 194,965,138.50				\$ 194,965,138.50				\$ 194,965,138.50			
<b>I&amp;S</b>	0.145977	\$	284,605.00	<b>I&amp;S</b>	0.145977	\$	284,605.00	<b>I&amp;S</b>	0.145977	\$	284,605.00
<b>M&amp;O</b>	0.250019	\$	487,449.98	<b>M&amp;O</b>	0.253643	\$	494,514.47	<b>M&amp;O</b>	0.262520	\$	511,822.47
	0.395996	\$	772,054.98		0.399620	\$	779,119.47		0.408497	\$	796,427.47

# PROPERTY TAX RATE COMPARISONS

- Surrounding Cities

City	Population	Total Net Taxable	Gross Tax Rate	Total Debt	Sales Tax
Buffalo	1,984	\$103,974,340	0.4894980	\$5,535,000	\$1,198,928
Corsicana	23,989	\$1,487,198,899	0.6272000	\$96,209,252	\$6,466,015
Crockett	6,950	\$243,560,080	0.5967910	\$1,690,000	\$1,612,229
Groesbeck	4,366	\$120,018,157	0.7333600	\$6,356,000	\$715,118
Kaufman	7,322	\$359,148,753	0.8986509	\$30,396,000	\$3,175,341
Mexia	7,539	\$279,952,737	0.8509000	\$580,000	\$2,630,376
Palestine	18,712	\$1,014,904,663	0.6487410	\$14,800,000	\$5,856,493
Rusk	5,618	\$122,477,510	0.4800000	\$6,100,000	\$718,768
Streetman	247	\$6,836,327	0.5450420	\$-	\$60,638
Sulphur Springs	16,162	\$927,144,948	0.4400000	\$43,230,000	\$6,282,851
Teague	3,505	\$121,505,448	0.7596630	\$944,000	\$556,547
Tool	2,291	\$213,556,334	0.4901600	\$2,293,000	\$108,924
Wortham	1,073	\$28,344,848	0.8825230	\$297,017	\$159,420
<b>Averages</b>	<b>7,674</b>	<b>\$386,817,157</b>	<b>0.6494253</b>	<b>\$20,414,867</b>	<b>\$2,272,434</b>
Fairfield	3,705	\$204,792,827	0.4321050	\$407,716	\$1,622,304

# PROPERTY TAX RATE COMPARISONS

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- Texas Cities from 2,500 to 4,500

Cities between 2,500 and 4,500	Population	Total Net Taxable	Gross Tax Rate	Total Debt
Average	3,393	\$271,827,114	0.5213805	\$5,433,058
Fairfield	3,705	\$204,792,827	0.4321050	\$407,716

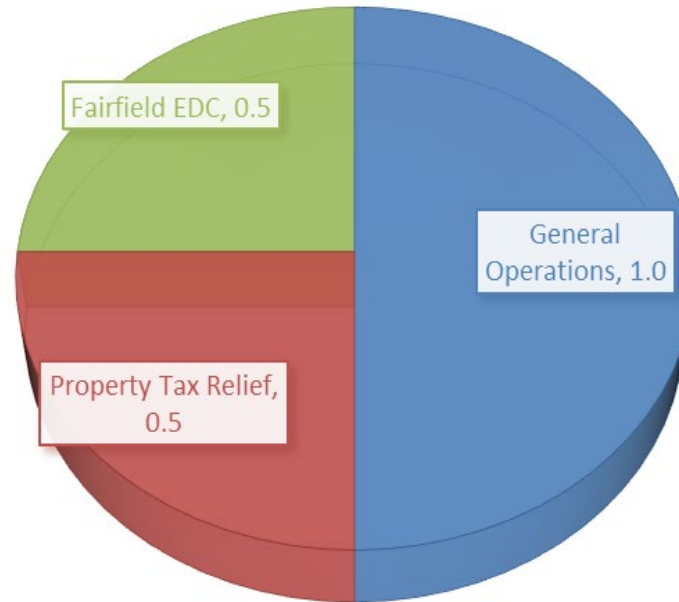


## SALES TAX

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2 percent of all sales tax is allocated to the city

### SALES TAX ALLOCATION PERCENTAGES



# SALES TAX

- Decline in recent years
- However, there is data to show it has stabilized

Year	Actual Revenue
2009	\$2,343,725.64
2010	\$2,003,347.63
2011	\$1,955,381.01
2012	\$2,033,486.77
2013	\$2,254,074.77
2014	\$2,286,600.64
2015	\$1,986,368.19
2016	\$1,798,255.12
2017	\$1,665,222.78
2018	\$1,622,304.68



# SALES TAX ESTIMATE

Month	Amount
January	\$97,589.17
February	\$186,082.09
March	\$130,322.27
April	\$110,183.25
May	\$184,631.64
June	\$152,973.48
July (Projected)	\$146,069.09
August (Projected)	\$154,659.66
September (Projected)	\$115,857.61
October (Projected)	\$130,820.13
November (Projected)	\$193,502.67
December (Projected)	\$114,446.10

Forecasted FY19-20 Sales Tax			
Month	Forecast	Low	High
October	\$ 130,820.13	\$ 47,482.67	\$ 214,157.59
November	\$ 193,502.67	\$ 60,663.30	\$ 326,342.03
December	\$ 114,446.10	\$ 61,043.90	\$ 167,848.30
January	\$ 96,070.07	\$ 37,271.82	\$ 154,868.31
February	\$ 192,012.75	\$ 127,782.33	\$ 256,243.17
March	\$ 118,069.11	\$ 85,740.72	\$ 150,397.50
April	\$ 101,858.68	\$ 66,024.76	\$ 137,692.60
May	\$ 153,567.77	\$ 34,154.40	\$ 272,981.14
June	\$ 107,875.59	\$ 78,352.30	\$ 137,398.88
July	\$ 146,117.09	\$ 106,842.45	\$ 185,391.73
August	\$ 145,716.68	\$ 75,023.68	\$ 216,409.68
September	\$ 113,315.29	\$ 72,880.90	\$ 153,749.69
Totals:	\$ 1,613,371.92	\$ 853,263.22	\$ 2,373,480.61

# OTHER GENERAL FUND REVENUE

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<b>Revenue</b>	<b>Projection</b>
<b>Delinquent Taxes</b>	\$15,000
<b>Franchise Revenue – Electric</b>	\$149,000
<b>Franchise Revenue – Gas</b>	\$35,000
<b>Franchise Revenue – Phone</b>	\$75,000
<b>Franchise Revenue – Cable TV</b>	\$25,000
<b>Royalty Revenue</b>	\$100
<b>Moody Reunion Revenue</b>	\$11,000
<b>Interest Income</b>	\$2,000
<b>Other General Fund Revenue</b>	\$40,000
<b>Building Permit Fees</b>	\$10,000
<b>Judicial Court Revenue</b>	\$60,000
<b>Market Days Revenue</b>	\$10,000
<b>FIDC (FEDC) Reimbursement</b>	\$160,000
<b>Enterprise Fund Reimbursement</b>	\$250,000
<b>Tax Penalty and Interest</b>	\$10,000



## ENTERPRISE FUND REVENUE

No raise in rates since 2008

Lower third of rates in the  
State of Texas

CITY	WATER	SEWER	SUB TOTAL	GARBAGE	TOTAL
ATHENS	\$28.72	\$37.75	\$66.47	\$23.55	\$90.02
BUFFALO	\$31.00	\$29.00	\$60.00	\$14.84	\$74.84
BULLARD	\$36.45	\$32.40	\$68.85	\$15.27	\$84.12
CARTHAGE	\$26.25	\$31.55	\$57.80	\$5.00	\$62.80
CORSICANA	\$33.20	\$33.20	\$66.40	\$12.50	\$78.90
CHANDLER	\$32.20	\$23.00	\$55.20	\$20.03	\$75.23
CROCKETT	\$39.83	\$36.77	\$76.60	\$18.89	\$95.49
ENNIS	\$38.00	\$36.89	\$74.89	\$21.25	\$96.14
GRAPELAND	\$36.60	\$37.60	\$74.20	\$25.00	\$99.20
GROESBECK	\$48.12	\$27.21	\$75.33	\$13.39	\$88.72
KAUFMAN	\$44.53	\$36.32	\$80.85	\$11.32	\$92.17
MEXIA	\$65.00	\$52.15	\$117.15	\$12.73	\$129.88
PALESTINE	\$17.40	\$21.17	\$38.57	\$19.64	\$58.21
RUSK	\$31.87	\$25.94	\$57.81	\$13.41	\$71.22
SULPHUR SPRINGS	\$26.88	\$29.56	\$56.44	\$13.28	\$69.72
TEAGUE	\$37.30	\$47.30	\$84.60	\$13.75	\$98.35
TOOL	\$20.50	\$20.50	\$41.00	\$ -	\$41.00
WORTHAM	\$81.33	\$78.75	\$160.08	\$16.10	\$176.18
FAIRFIELD	\$31.20	\$18.57	\$49.77	\$10.11	\$59.88
<b>2,001-5,000 STATEWIDE AVERAGE</b>	\$40.15	\$49.92	\$90.07		

# QUESTIONS TO CONSIDER

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- Rise in Maintenance and Operation revenue
  - What would that look like with added financing?
- Rise in Water and Wastewater Rates

# CO SCENARIO I (\$2.65 MILLION)

2019-20		2019-20		2019-20		2019-20	
PRELIM RATE (EFFECTIVE)		PRELIM RATE (3.5% INCREASE)		PRELIM RATE (5% INCREASE)		PRELIM RATE (8% ROLLBACK)	
Valuation	Revenues	Valuation	Revenues	Valuation	Revenues	Valuation	Revenues
\$ 177,241,035.00		\$ 177,241,035.00		\$ 177,241,035.00		\$ 177,241,035.00	
<b>I&amp;S</b>	0.214895 \$ 380,883.00	<b>I&amp;S</b>	0.214895 \$ 380,883.00	<b>I&amp;S</b>	0.214895 \$ 380,883.00	<b>I&amp;S</b>	0.214895 \$ 380,883.00
<b>M&amp;O</b>	0.265721 \$ 470,966.16	<b>M&amp;O</b>	0.275021 \$ 487,449.98	<b>M&amp;O</b>	0.279007 \$ 494,514.47	<b>M&amp;O</b>	0.288772 \$ 511,822.47
	0.480616 \$ 851,849.16		0.489916 \$ 868,332.98		0.493902 \$ 875,397.47		0.503667 \$ 892,705.47
2019-20		2019-20		2019-20		2019-20	
PRELIM RATE + 5% (EFFECTIVE)		PRELIM RATE + 5% (3.5% INCREASE)		PRELIM RATE + 5% (5% INCREASE)		PRELIM RATE + 5% (8% ROLLBACK)	
Valuation	Revenues	Valuation	Revenues	Valuation	Revenues	Valuation	Revenues
\$ 186,103,086.75		\$ 186,103,086.75		\$ 186,103,086.75		\$ 186,103,086.75	
<b>I&amp;S</b>	0.204662 \$ 380,883.00	<b>I&amp;S</b>	0.204662 \$ 380,883.00	<b>I&amp;S</b>	0.204662 \$ 380,883.00	<b>I&amp;S</b>	0.204662 \$ 380,883.00
<b>M&amp;O</b>	0.253067 \$ 470,966.16	<b>M&amp;O</b>	0.261925 \$ 487,449.98	<b>M&amp;O</b>	0.265721 \$ 494,514.47	<b>M&amp;O</b>	0.275021 \$ 511,822.47
	0.457730 \$ 851,849.16		0.466587 \$ 868,332.98		0.470383 \$ 875,397.47		0.479683 \$ 892,705.47
2019-20		2019-20		2019-20		2019-20	
PRELIM RATE + 10% (EFFECTIVE)		PRELIM RATE + 10% (3.5% INCREASE)		PRELIM RATE + 10% (5% INCREASE)		PRELIM RATE + 10% (8% ROLLBACK)	
Valuation	Revenues	Valuation	Revenues	Valuation	Revenues	Valuation	Revenues
\$ 194,965,138.50		\$ 194,965,138.50		\$ 194,965,138.50		\$ 194,965,138.50	
<b>I&amp;S</b>	0.195360 \$ 380,883.00	<b>I&amp;S</b>	0.195360 \$ 380,883.00	<b>I&amp;S</b>	0.195360 \$ 380,883.00	<b>I&amp;S</b>	0.195360 \$ 380,883.00
<b>M&amp;O</b>	0.241564 \$ 470,966.16	<b>M&amp;O</b>	0.250019 \$ 487,449.98	<b>M&amp;O</b>	0.253643 \$ 494,514.47	<b>M&amp;O</b>	0.262520 \$ 511,822.47
	0.436924 \$ 851,849.16		0.445379 \$ 868,332.98		0.449002 \$ 875,397.47		0.457880 \$ 892,705.47

# CO SCENARIO 2 (\$4 MILLION)

2019-20		2019-20		2019-20		2019-20	
PRELIM RATE (EFFECTIVE)		PRELIM RATE (3.5% INCREASE)		PRELIM RATE (5% INCREASE)		PRELIM RATE (8% ROLLBACK)	
Valuation	Revenues	Valuation	Revenues	Valuation	Revenues	Valuation	Revenues
\$ 177,241,035.00		\$ 177,241,035.00		\$ 177,241,035.00		\$ 177,241,035.00	
<b>I&amp;S</b>	0.214306 \$ 379,838.00	<b>I&amp;S</b>	0.214306 \$ 379,838.00	<b>I&amp;S</b>	0.214306 \$ 379,838.00	<b>I&amp;S</b>	0.214306 \$ 379,838.00
<b>M&amp;O</b>	0.265721 \$ 470,966.16	<b>M&amp;O</b>	0.275021 \$ 487,449.98	<b>M&amp;O</b>	0.279007 \$ 494,514.47	<b>M&amp;O</b>	0.288772 \$ 511,822.47
	0.480027 \$ 850,804.16		0.489327 \$ 867,287.98		0.493313 \$ 874,352.47		0.503078 \$ 891,660.47
2019-20		2019-20		2019-20		2019-20	
PRELIM RATE + 5% (EFFECTIVE)		PRELIM RATE + 5% (3.5% INCREASE)		PRELIM RATE + 5% (5% INCREASE)		PRELIM RATE + 5% (8% ROLLBACK)	
Valuation	Revenues	Valuation	Revenues	Valuation	Revenues	Valuation	Revenues
\$ 186,103,086.75		\$ 186,103,086.75		\$ 186,103,086.75		\$ 186,103,086.75	
<b>I&amp;S</b>	0.204101 \$ 379,838.00	<b>I&amp;S</b>	0.204101 \$ 379,838.00	<b>I&amp;S</b>	0.204101 \$ 379,838.00	<b>I&amp;S</b>	0.204101 \$ 379,838.00
<b>M&amp;O</b>	0.253067 \$ 470,966.16	<b>M&amp;O</b>	0.261925 \$ 487,449.98	<b>M&amp;O</b>	0.265721 \$ 494,514.47	<b>M&amp;O</b>	0.275021 \$ 511,822.47
	0.457168 \$ 850,804.16		0.466026 \$ 867,287.98		0.469822 \$ 874,352.47		0.479122 \$ 891,660.47
2019-20		2019-20		2019-20		2019-20	
PRELIM RATE + 10% (EFFECTIVE)		PRELIM RATE + 10% (3.5% INCREASE)		PRELIM RATE + 10% (5% INCREASE)		PRELIM RATE + 10% (8% ROLLBACK)	
Valuation	Revenues	Valuation	Revenues	Valuation	Revenues	Valuation	Revenues
\$ 194,965,138.50		\$ 194,965,138.50		\$ 194,965,138.50		\$ 194,965,138.50	
<b>I&amp;S</b>	0.194824 \$ 379,838.00	<b>I&amp;S</b>	0.194824 \$ 379,838.00	<b>I&amp;S</b>	0.194824 \$ 379,838.00	<b>I&amp;S</b>	0.194824 \$ 379,838.00
<b>M&amp;O</b>	0.241564 \$ 470,966.16	<b>M&amp;O</b>	0.250019 \$ 487,449.98	<b>M&amp;O</b>	0.253643 \$ 494,514.47	<b>M&amp;O</b>	0.262520 \$ 511,822.47
	0.436388 \$ 850,804.16		0.444843 \$ 867,287.98		0.448466 \$ 874,352.47		0.457344 \$ 891,660.47



# CO SCENARIO 3

## (\$2.65 MILLION IN 2019, \$2 MILLION IN 2021)

2019-20			2019-20			2019-20			2019-20		
PRELIM RATE (EFFECTIVE)			PRELIM RATE (3.5% INCREASE)			PRELIM RATE (5% INCREASE)			PRELIM RATE (8% ROLLBACK)		
Valuation	Revenues		Valuation	Revenues		Valuation	Revenues		Valuation	Revenues	
\$ 177,241,035.00			\$ 177,241,035.00			\$ 177,241,035.00			\$ 177,241,035.00		
<b>I&amp;S</b>	0.214895	\$ 380,883.00	<b>I&amp;S</b>	0.214895	\$ 380,883.00	<b>I&amp;S</b>	0.214895	\$ 380,883.00	<b>I&amp;S</b>	0.214895	\$ 380,883.00
<b>M&amp;O</b>	0.265721	\$ 470,966.16	<b>M&amp;O</b>	0.275021	\$ 487,449.98	<b>M&amp;O</b>	0.279007	\$ 494,514.47	<b>M&amp;O</b>	0.288772	\$ 511,822.47
	0.480616	\$ 851,849.16		0.489916	\$ 868,332.98		0.493902	\$ 875,397.47		0.503667	\$ 892,705.47
2019-20			2019-20			2019-20			2019-20		
PRELIM RATE + 5% (EFFECTIVE)			PRELIM RATE + 5% (3.5% INCREASE)			PRELIM RATE + 5% (5% INCREASE)			PRELIM RATE 5% (8% ROLLBACK)		
Valuation	Revenues		Valuation	Revenues		Valuation	Revenues		Valuation	Revenues	
\$ 186,103,086.75			\$ 186,103,086.75			\$ 186,103,086.75			\$ 186,103,086.75		
<b>I&amp;S</b>	0.204662	\$ 380,883.00	<b>I&amp;S</b>	0.204662	\$ 380,883.00	<b>I&amp;S</b>	0.204662	\$ 380,883.00	<b>I&amp;S</b>	0.204662	\$ 380,883.00
<b>M&amp;O</b>	0.253067	\$ 470,966.16	<b>M&amp;O</b>	0.261925	\$ 487,449.98	<b>M&amp;O</b>	0.265721	\$ 494,514.47	<b>M&amp;O</b>	0.275021	\$ 511,822.47
	0.457730	\$ 851,849.16		0.466587	\$ 868,332.98		0.470383	\$ 875,397.47		0.479683	\$ 892,705.47
2019-20			2019-20			2019-20			2019-20		
PRELIM RATE + 10% (EFFECTIVE)			PRELIM RATE + 10% (3.5% INCREASE)			PRELIM RATE + 10% (5% INCREASE)			PRELIM RATE 10% (8% ROLLBACK)		
Valuation	Revenues		Valuation	Revenues		Valuation	Revenues		Valuation	Revenues	
\$ 194,965,138.50			\$ 194,965,138.50			\$ 194,965,138.50			\$ 194,965,138.50		
<b>I&amp;S</b>	0.195360	\$ 380,883.00	<b>I&amp;S</b>	0.195360	\$ 380,883.00	<b>I&amp;S</b>	0.195360	\$ 380,883.00	<b>I&amp;S</b>	0.195360	\$ 380,883.00
<b>M&amp;O</b>	0.241564	\$ 470,966.16	<b>M&amp;O</b>	0.250019	\$ 487,449.98	<b>M&amp;O</b>	0.253643	\$ 494,514.47	<b>M&amp;O</b>	0.262520	\$ 511,822.47
	0.436924	\$ 851,849.16		0.445379	\$ 868,332.98		0.449002	\$ 875,397.47		0.457880	\$ 892,705.47