



# 2021-2022 Annual Budget Presentation

Called to SERVE & Protect.

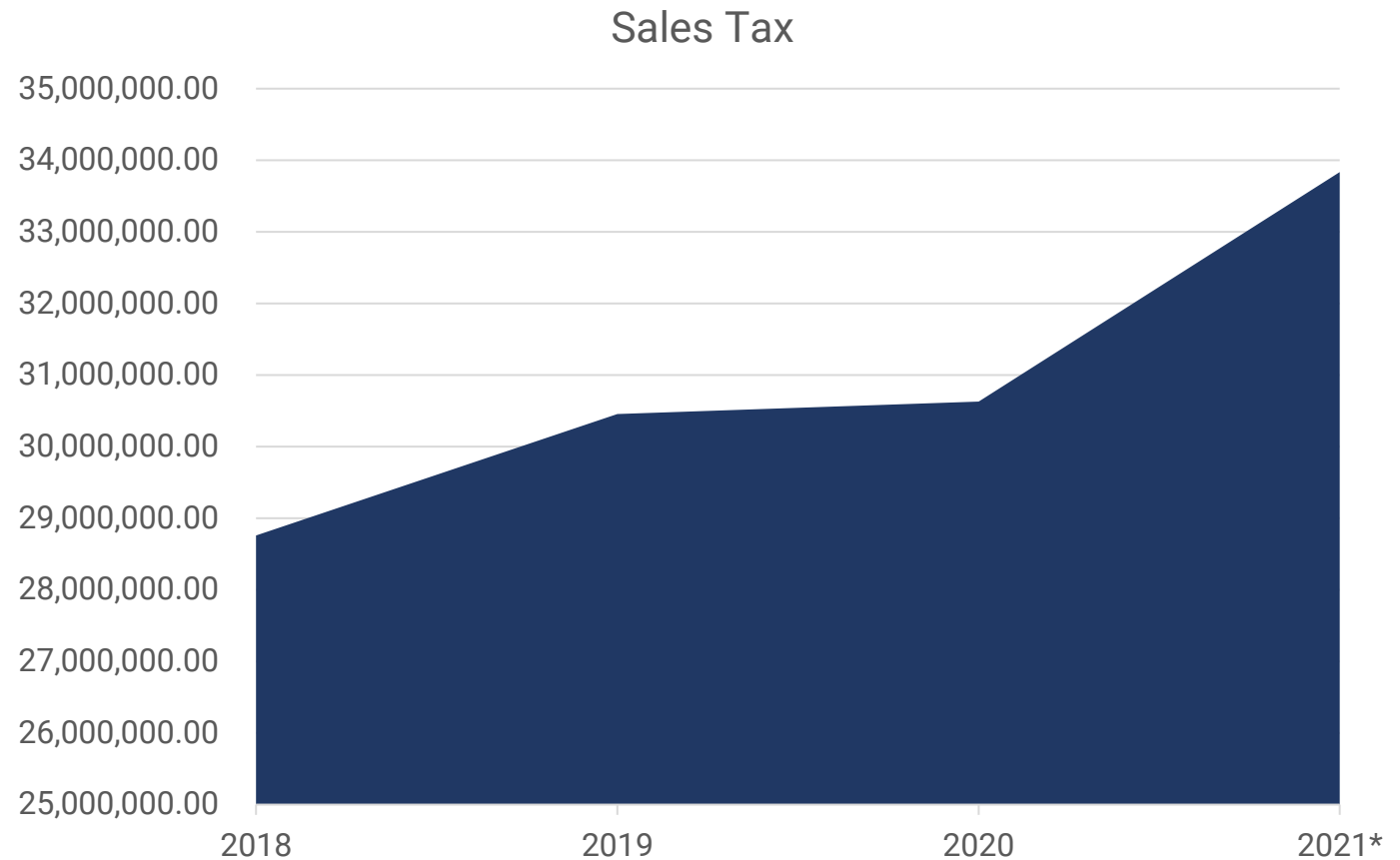
# Road to Recovery – Sales Tax



2013-2019 Sales tax on average grew by 3%

The Sales tax budget for 2021 reflected ½ percent increase over fiscal year 2020 budget. Current projections reflect an 11% growth above fiscal year 2020 actual realized revenue.

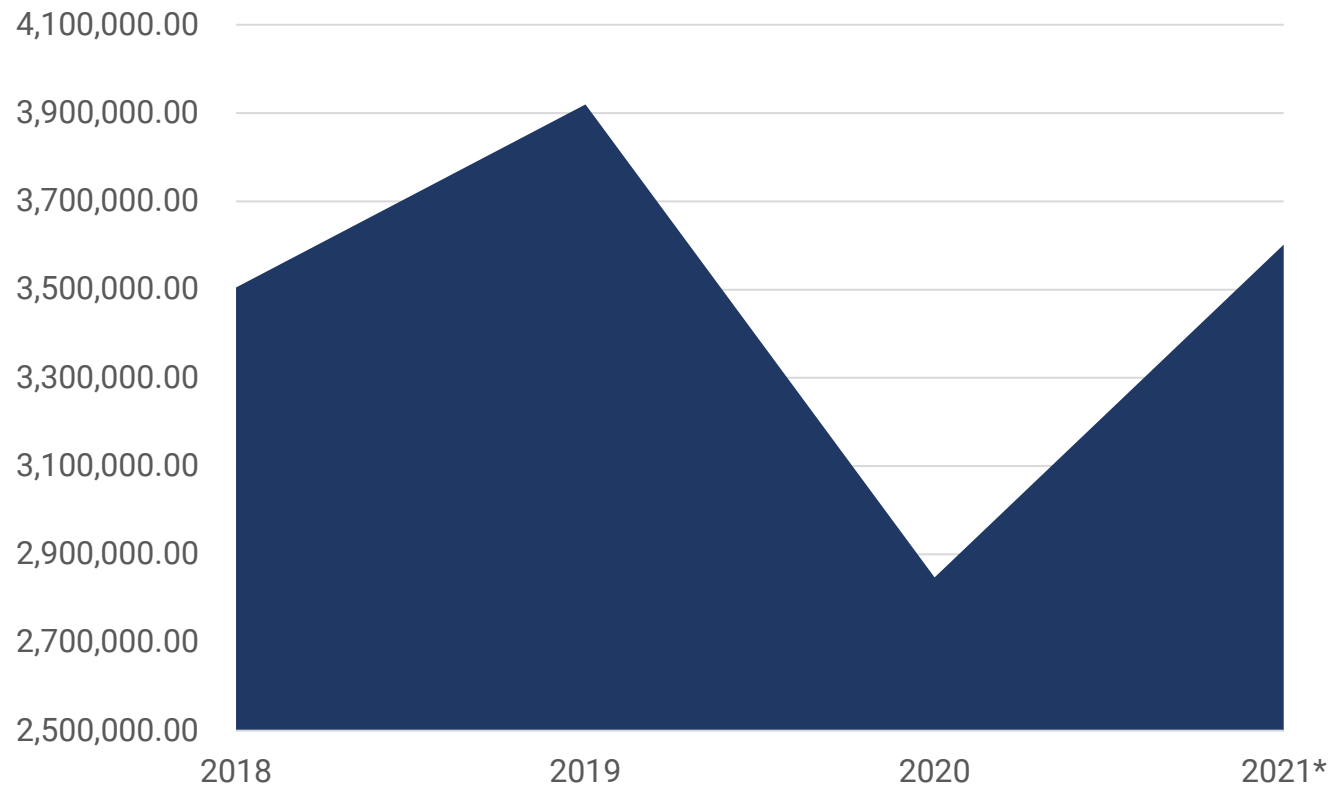
2022 Sales tax budget does not reflect an increase over the fiscal year 2021 projection. The volatility of the economy lends prudence to budgeting conservatively with regards to this revenue.



# Hotel Occupancy Tax



Hotel Occupancy Tax



Tourism is a vital part of the City's economy. At the onset of the pandemic the city experienced an overall 27% decline in Hotel Occupancy Tax Revenues.

In January 2021, the tourism numbers stabilized compared to the same period of the prior fiscal year (pre-pandemic).

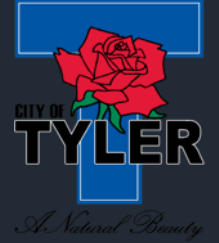
As of June 2021, Hotel Occupancy Tax Revenues are in line to achieve fiscal year 2018 levels. The City will continue to practice fiscal responsibility in monitoring Hotel Occupancy Tax Revenues and related expenditures.

# Winter Storm Uri



- Multiple departments worked 24/7 to keep city services operating at highest levels possible
- 450 tons of sanding material was put out by street crews to aid in traction for emergency services
- Solid Waste was out keeping waste collected
- Tyler Pounds Regional Airport was an important hub for resources flowing into area for residents
- Tyler Water Utilities provided resources to neighboring communities

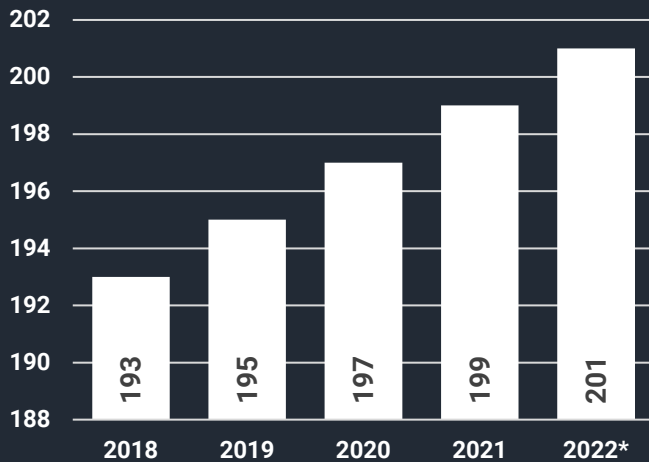
# Public Safety - Police



## Changes included in Fiscal Year 2021-2022 Budget:

- 2 additional officers
- 2 additional vehicles

Sworn Positions - PD



### Homeless Outreach Officer

- Work with homeless population in Tyler,
- Work closely with Community Response Officers to locate and coordinate resources for individuals in crisis,

### Digital Forensics Investigator

- Ability to analyze electronic equipment provides critical information to investigations,
- Department currently analyzes 20-25 devices per month and number is growing and can vary case to case.



# Public Safety - Fire



## Insurance Services Office(ISO) Public Protection Class(PPC) 1 Rating

- The City of Tyler received the highest PPC rating from the ISO during Fiscal Year 2020-2021
- The City of Tyler is 1 of 393 Fire Districts to receive the Class 1 rating nationwide and 1 of 69 Fire Districts in the State of Texas.
- ISO report shows need for additional ladder truck with growth in multi-story buildings in the community.

## Department Growth & Opportunities

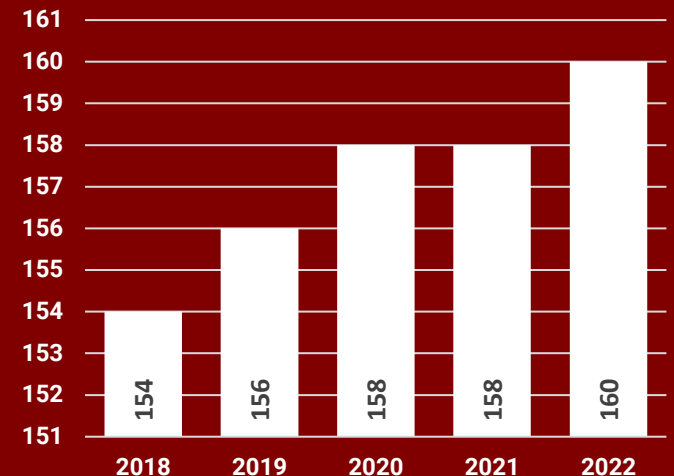
- City of Tyler Fire Academy began in May 2021
  - 1<sup>st</sup> class to be offered and run by Tyler FD in 33 years
  - Recruits are expected to graduate and become fire fighters in Fiscal Year 2021-2022.
- City of Tyler's Bomb Squad has begun receiving gear and equipment.
  - Funding for Bomb Squad was established in the Fiscal Year 2020-2021 budget



## Changes included in Fiscal Year 2021-2022 Budget:

- 2 additional fire fighters
- 1 tower truck (Tower 10)
- Funding for additional gear focused on the protection and security of fire fighters

**Sworn Positions - FD**



# Parks & Recreation



## Fiscal Year 2021 – 2022 Projects:

- Tennis court, basketball court, playground, and pavilion at Pollard Park
- Trail updates at Winter's Park
- Phase II of Legacy Trails
- Updates to Noble E. Young Park (funding provided by Community Development Block Grant)

## Fiscal Year 2020 – 2021 Projects:

- Lindsey Park restroom updates
- Phase II of the Faulkner Skate Park
- Tennis court renovations at Bergfeld Park
- Soccer field updates at Fun Forest Park
- Sidewalk updates and picnic table additions to Windsor Grove Park
- Updated Emmett J. Scott with funding with Community Development Block Grant Funds



# Public Services – Streets



## Fiscal Year 2020-2021 Service Highlights:

- 5,817 pothole repairs
- 747 utility cuts
- 304 street base repairs
- 227 tree complaints
- 62,851 tree footage trimmed
- 182 right-of-way complaints resolved
- 5 brick street repairs
- 23 streets crack sealed
- Maintained 2-hour response time on emergency calls.

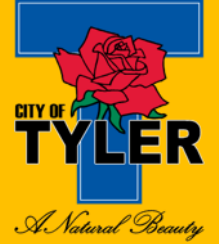


## Changes included in Fiscal Year 2021-2022 Budget:

- Brick Street Operator Position frozen in Fiscal Year 2020-2021 has been unfrozen
- \$350,000 is included in the Quality Street Commitment Fund for Brick Street Enhancements
- \$150,000 is included in the Quality Street Commitment Fund for Public Alley Enhancements
- Estimated to complete 55 lane miles of seal coat/OYNX



# Public Services – Traffic



## Changes included in Fiscal Year 2021-2022 Budget:

- \$1.2 million in traffic flow improvements\*

\*Funded in ½ Cent Sales Tax Projects



## Fiscal Year 2020-2021 Service Highlights:

### *Intelligent Transportation System (ITS):*

- Began Connected School Beacon Program
- Initiated contract for signal retiming on S. Broadway, Troup Highway, and ESE Loop 323
- Evaluated communication and central system options for implementation

### *Operational Improvements:*

- Conducted traffic signal cabinet training and completed training for work zone and bucket trucks safety
- Instituted power backup system
- Streamlined and improved asset inventory procedures and spare part testing

# Public Services – Engineering


- Completed 8 CIP projects totaling approximately \$11,112,418
- Currently have 27 CIP projects under management totaling approximately \$18,233,256
  - 13 Street & Traffic Projects
  - 14 Drainage Projects
- Fiscal Year 2021 – 2022 ½ Cent Work Plan includes 16 CIP projects totaling approximately \$21,832,087
  - 2 Parks Projects
  - 11 Street/Drainage & Traffic Projects
  - 1 Airport Project

½ Cent Projects Funded thorough ½ Cent Sales Tax



## THE 10-YEAR PLAN FOR IMPROVEMENTS

\$154 million into 56 capital improvement projects, through the Half-Cent Sales Tax Fund:

 **\$7.8M**  
Public Safety

 **\$10.6M**  
Parks

 **\$105.7M**  
Streets and Traffic

 **\$15.1M**  
Drainage

 **\$15.1M**  
Airport

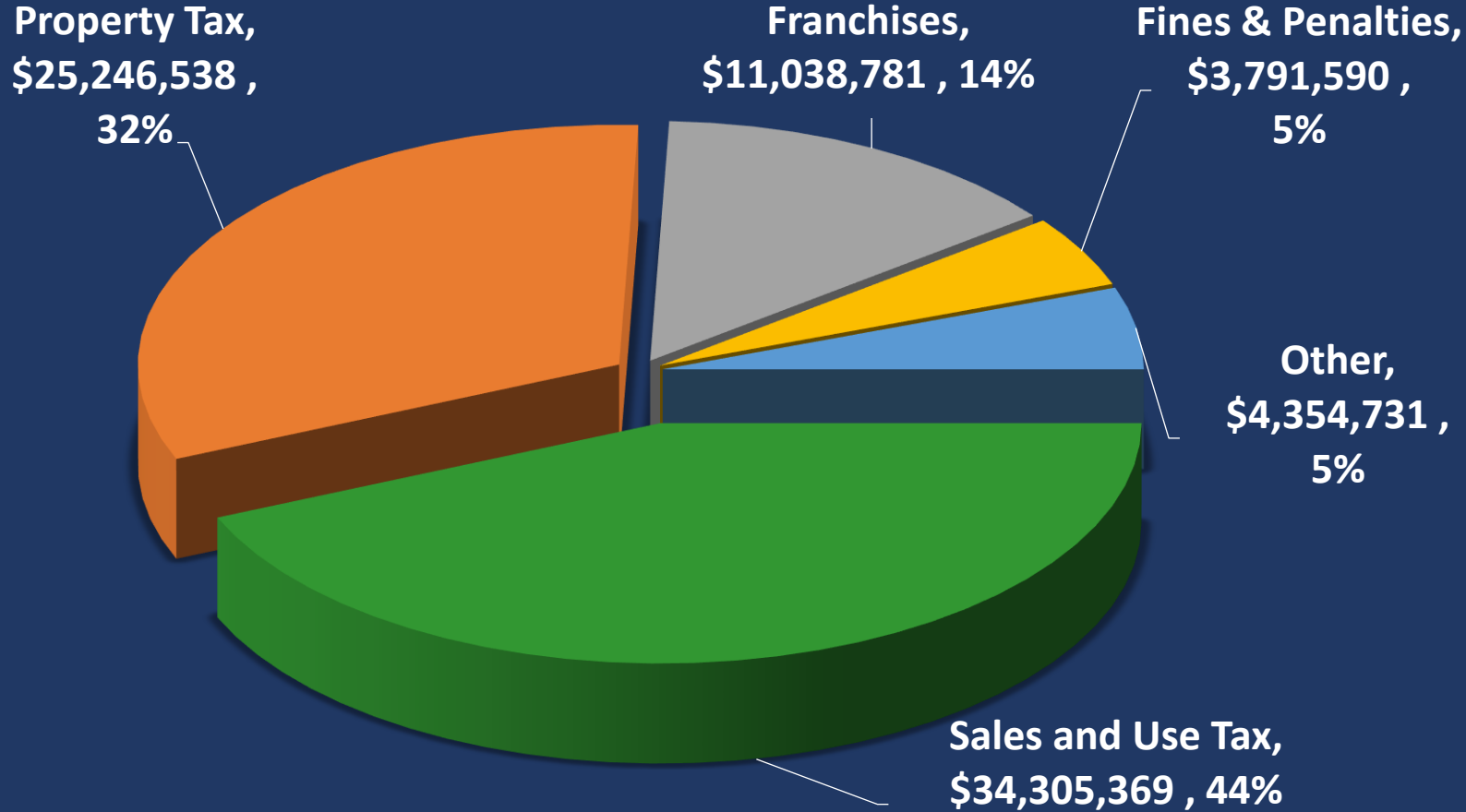
 **\$12.3M**  
Traffic System

Various improvements to the traffic system will be made over the next 10 years. A total of \$12.3M will be invested. New technology will be applied to remodel the Traffic Management Center; and improve school zones, communication, electronic signage, system software, data and analytics, and equipment.



# General Fund

## Revenue Highlights



*Still Funded Predominantly by 1% Sales Tax*



**Sales & Use Tax**  
Still our predominate revenue, amount fluctuates with the economy is vulnerable to shifts



**Property Tax**  
Municipalities depend upon property tax for providing public safety and basic services



**Franchises**  
These funds are generated from the use of city-owned property by city-enterprise and non-city operations.



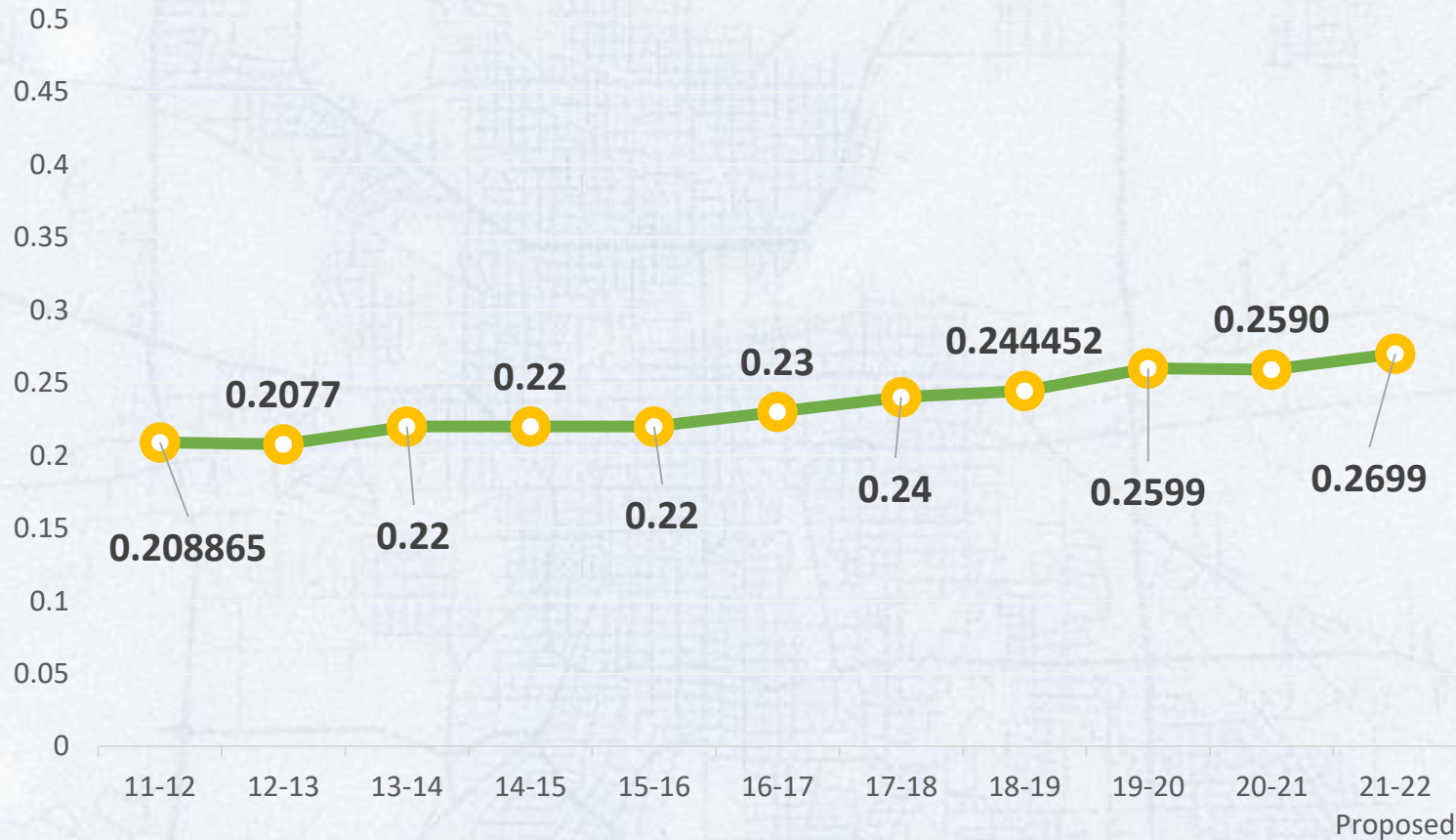
**Fines & Fees**  
Revenues earned by citations, penalties, and fines help support services



**Other**  
Grants and other revenue sources

# Tyler's Historical Tax Rate

Ensuring the Best Citizen Value



## 1995

### Pledge of Fiscal Responsibility

City Council takes a pledge of fiscal responsibility, which led to the approval of the ½ Cent Local Sales Tax. Council then worked to take the City to \$0 general obligation debt and utilize a pay-as-you-go approach.

## 2008/09

### Tyler Pays Off General Obligation Debt

After thirteen years of effort, the City of Tyler paid off all general revenue bonds and began paying for major capital improvement projects through the Half Cent Sales Tax CIP.

## 2021

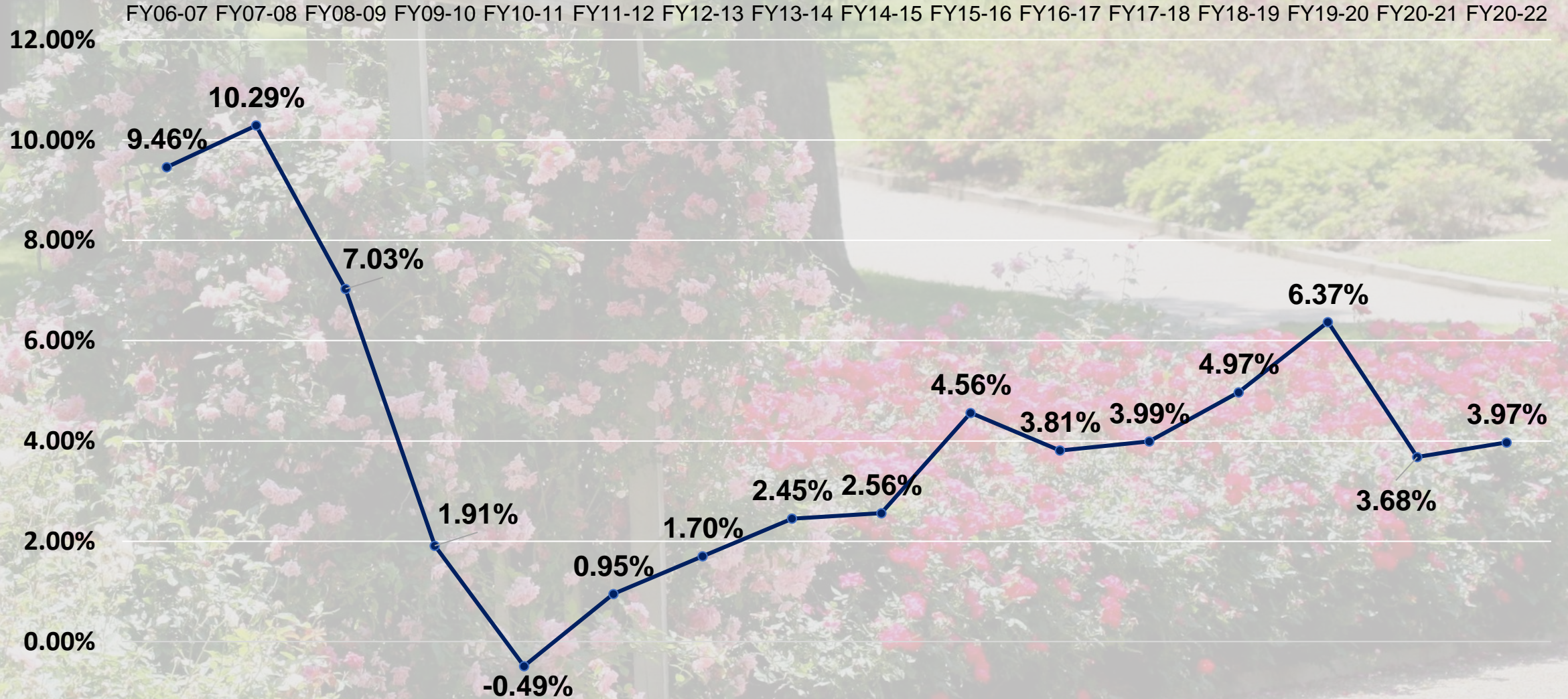
### Tax Impact of Proposed Rate

Impact on a home valued at:

- 100,000 – \$10.90 a year increase
- 150,000 – \$16.30 a year increase
- 200,000 – \$21.74 a year increase

# Change in Taxable Value

Sustainable Growth



# Tyler Water Utilities

## Water:

- Successful free chlorine conversion
- Completed Bascom Rd. Water Line Looping Project, increased average pressures by 45 psi in Chapel Quarters and Chapel Woods area.
- Completed Water Asset Inventory
- Golden Road Water Treatment Plant system filter and chemical feed improvements under construction.
- Construction in progress on three large drainage issues on Lake Tyler roads.
- City of Tyler holds a current board member role on the TWDB Region I Planning group - ensures planning timeline for additional treatment supply is manageable and realistic based on current and projected water use needs in the City of Tyler.

## Changes included in Fiscal Year 2021-2022 Budget:

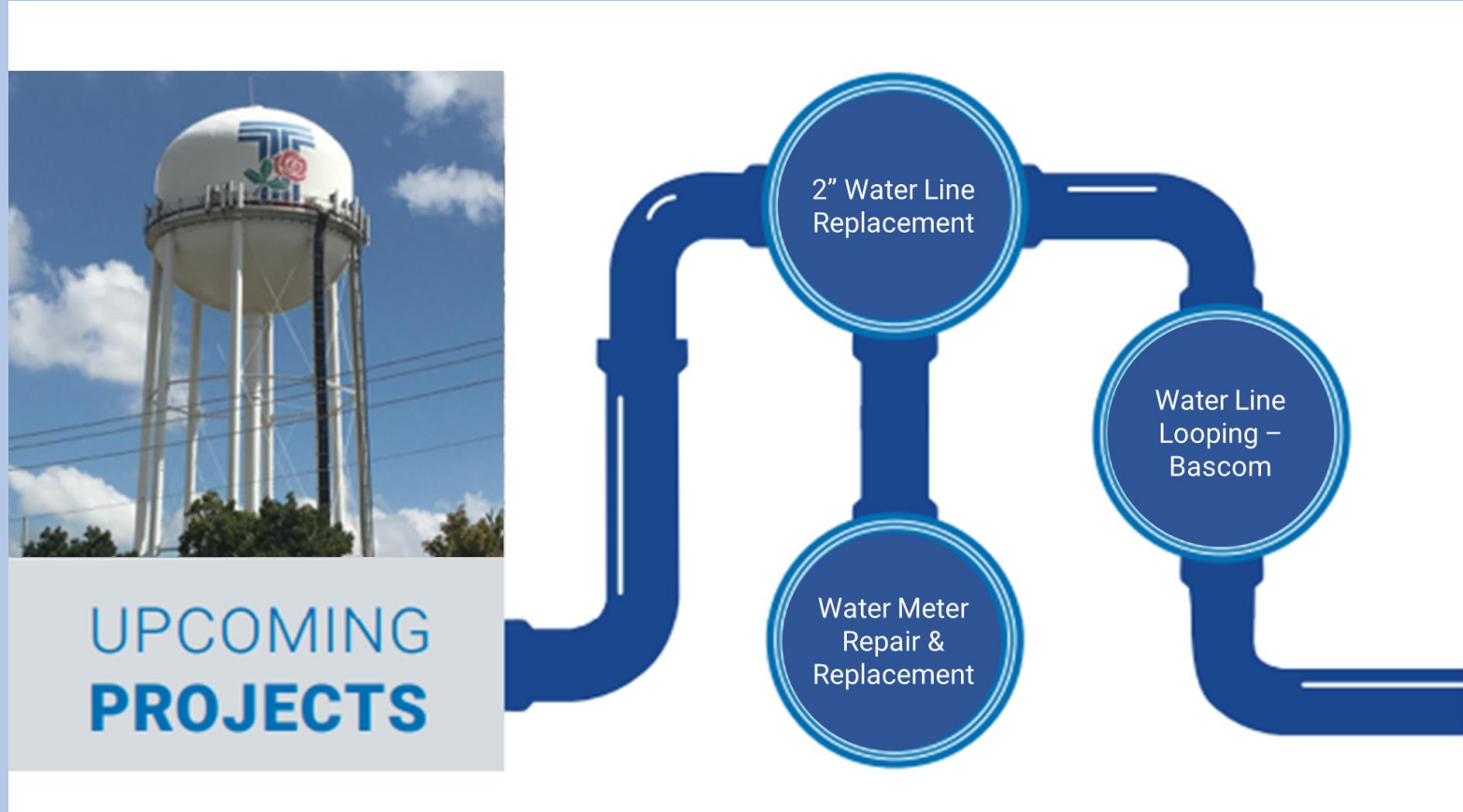
- Addition of Chief Treatment Plant Operator for Lake Palestine WTP
- Glenwood Elevated Storage Tank rehabilitation project awarded for construction.



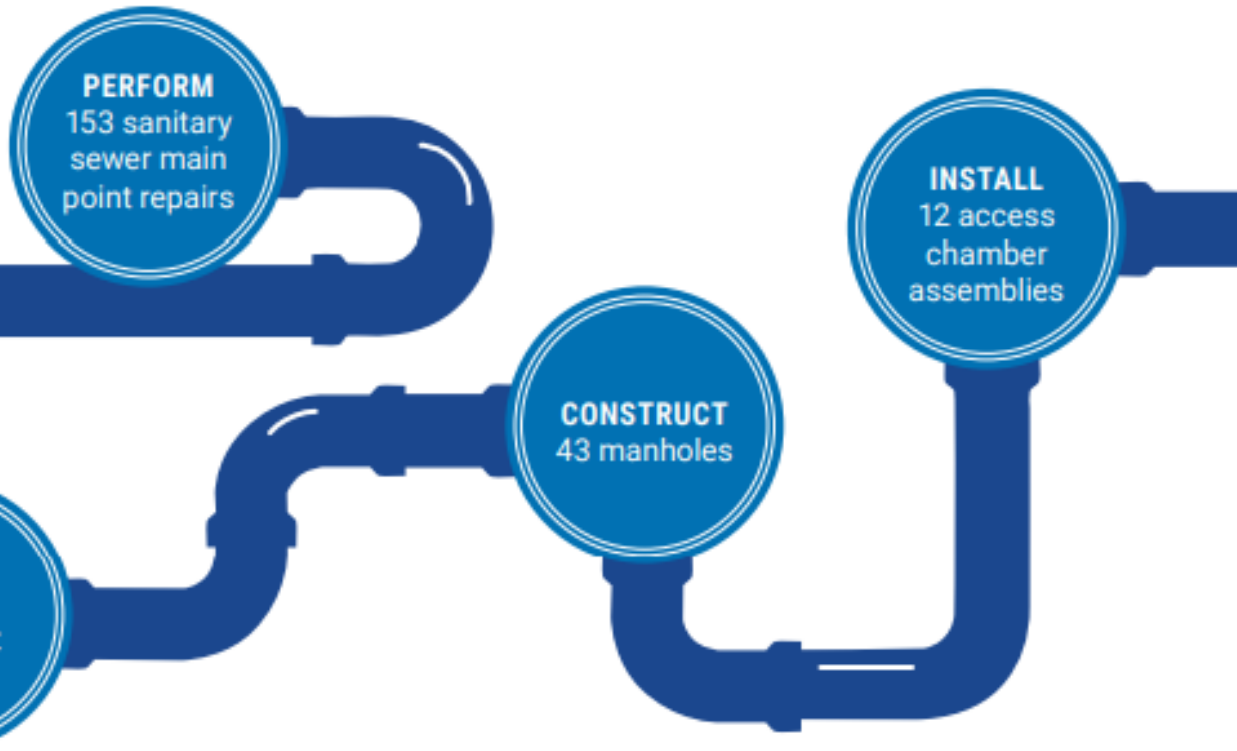
# Tyler Water Utilities

## Water Distribution:

- Successful Free Chlorine Conversion
- Flushing of all Dead-End Mains (DEMs)
- Continuation of 2" water line improvements – During FY 2021 to date the utility replaced 3,700 ft.
- Replaced 23 Fire Hydrants, and performed maintenance on 188 Fire Hydrants YTD.



# Tyler Water Utilities



## Wastewater Collection:

- Gravity main point repairs – (69) YTD
- Gravity main extension Fiscal Year 2018-2019 (1,847 ft) 2019-2020 (1,150 ft) As of Oct 2020 to Present (810 ft)
- Lateral line repairs – (21)YTD
- Install new lateral line – (55) YTD
- Install Manhole (11) YTD
- Washing Gravity mains to prevent and remove sewer blockage – 82.28 Miles
- Treating Gravity mains with a Jet chemical for grease removal – 10.82 Miles
- Treating Gravity mains with a root control chemical for root removal – 20.29 Miles



# Tyler Water Utilities

## Wastewater:

- Southside Wastewater Treatment Plant primary clarifier and headworks improvements project at 60% completion.
- Southside Wastewater Treatment Plant chlorine and sulfur dioxide system improvements in design phase.
- Odor control data collected at the Southside Treatment Plant is well within the TCEQ requirements. Data collection continues.
- Lift Station improvements per EPA Consent Decree at 90% complete.
- Southside Treatment Plant TCEQ discharge permit renewal package sent to TCEQ.
- Industrial Pretreatment Permits have been renewed and issued to all industrial users.
- Completed major repairs to Hogan Lift Station and Brooks Lift Station.
- Worked through winter storm with no interruption of service.
- Wastewater Treatment Master Plan

## Changes included in Fiscal Year 2021-2022 Budget:

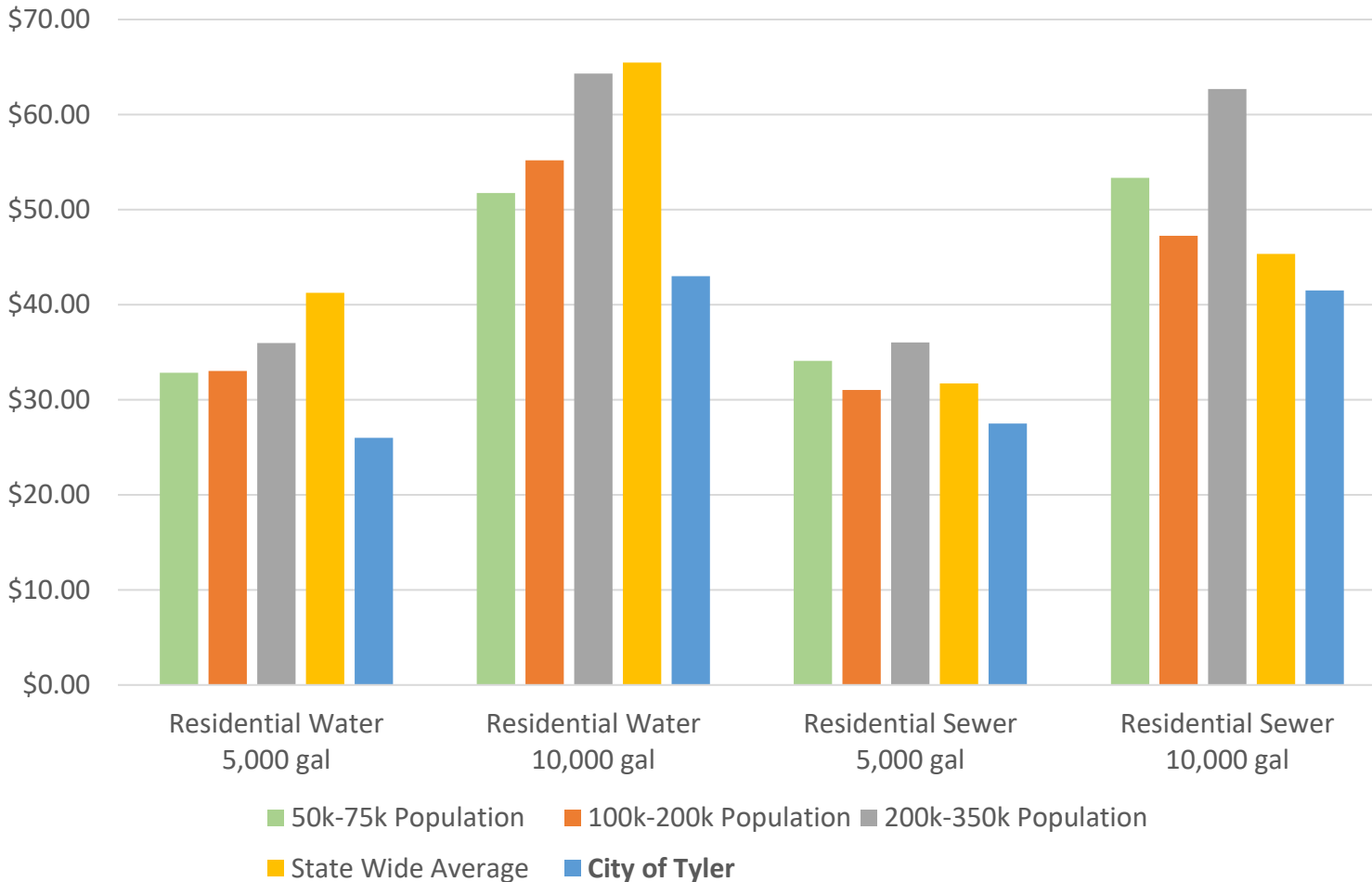
- Addition of Chief Treatment Plant Operator for Southside WWTP



# Utilities Rates

## Comparison

Chart provides average rates of all Texas municipalities based upon population size. Tyler's rate is below our population category as well as the statewide average for all cities.



## 2016 EPA Consent Decree

Investment in upgrading the wastewater collection system. The City has adopted a Capacity, Management, Operation and Maintenance (CMOM) program to insure continual progress to comply fully with EPA and TCEQ regulations.

## 2015 Water Quality Commitment

Tyler Water Utilities has joined the American Water Works Association Safe Water Treatment Program to perform a detailed evaluation the water treatment plants.

## 2015 Sustainable Infrastructure

Council committed to reinvesting resources into maintaining and enhancing the City's infrastructure. To take actions that would create sustainable funding practices to reinvest in an aging infrastructure and build system readiness for future growth.

# Proposed Base Rate Increases Tyler Water Utilities



- No increase to water or sewer base rates
- \$2.21 Regulatory Compliance Fee Increase
- Effective October 1, 2021

Consumption of <b>5,000</b> gallons		
	Current	2022
Water	26.00	26.00
Sewer	27.50	27.50
Water Service	0.27	0.27
Water Quality	0.35	0.35
Storm Water	3.21	3.21
Regulatory Compliance	6.13	8.34
Water Franchise Fee	3.17	3.17
Total	66.63	68.84
Increase		<b>2.21</b>

Consumption of <b>10,000</b> gallons		
	Current	2022
Water	43.00	43.00
Sewer	41.50	41.50
Water Service	0.27	0.27
Water Quality	0.35	0.35
Storm Water	5.07	5.07
Regulatory Compliance	6.13	8.34
Water Franchise Fee	4.82	4.82
Total	101.14	103.35
Increase		<b>2.21</b>

Consumption of <b>30,000</b> gallons		
	Current	2022
Water Base Charge	15.80	15.80
Water Vol. Charge	89.65	89.65
Water Service Fee	0.27	0.27
Sewer Base Charge	19.10	19.10
Sewer Vol. Charge	22.40	22.40
Water Quality	0.35	0.35
Storm Water (6%)	8.82	8.82
Regulatory Compliance	6.13	8.34
Water Franchise Fee	8.13	8.13
Total	170.65	172.86
Increase		<b>2.21</b>

# Solid Waste



## History of Excellence:

- Rated #1 Garbage Collection Service in Tyler for eight consecutive years.
- 19 trash routes – approximately 800 stops/day
- 1 recycle route – approximately 550 stops

## Residential Collection Service

- Offers waste collection twice per week throughout the City
- Currently services approximately 30,929 customers
- Offers special services like:
  - Bulk item pick up
  - Brush/leaf pickup

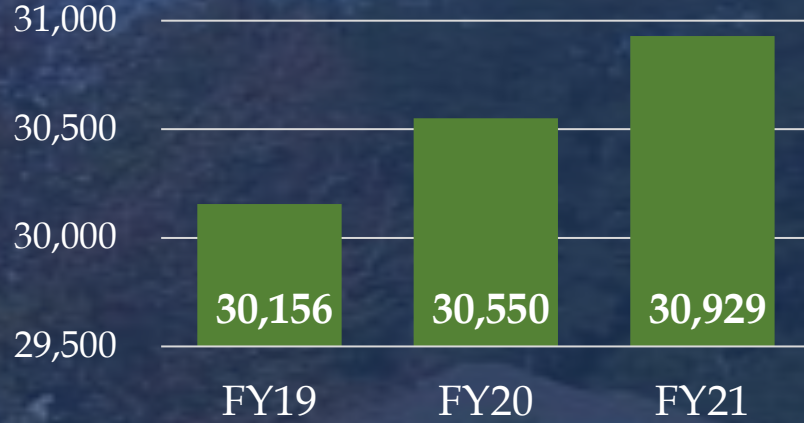
## Commercial Collection Service

- Offers waste collection throughout the City for approximately 2,300 businesses

## Recycle Collection Service

- Offers recycle collection once every other week throughout the City
- Currently services approximately 4,300 customers.
- Downtown recycle center is open to the public for recycle drop-off 6 days a week.

## Residential Customers

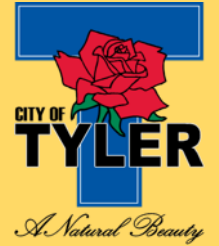


# Solid Waste



City	Residential Rate	Trash Collections per Week	Recycle Collections per Week
Mesquite	28.25	2	1
Denton	25.04	1	1
Brownsville	23.36	1	1
Carrollton	21.42	1	1 time Every other week
Pearland	20.28	2	1
Killeen	19.78	1	N/A
<b>Tyler (Proposed Rate)</b>	<b>19.53</b>	<b>2</b>	<b>1 time Every other week</b>
Richardson	19.40	2	1
Round Rock	19.37	1	1 time Every other week
Longview	17.20	1	1
<b>Tyler (Current Rate)</b>	<b>17.03</b>	<b>2</b>	<b>1 time Every other week</b>
McKinney	16.96	1	1
College Station	16.50	1	1 time Every other week
Waco	16.10	1	1 time Every other week
Allen	15.59	1	1 time Every other week

# Development Services



## Building Services & Inspections

- 5,577 Permits issued
- 113 Remodels
- 87 Pools

## Planning

- 220 Plats processed
- 93 Zoning items processed
- 12 Variances processed
- 3 Annexations processed

## Historic Preservation

- 8 – Certificates of Appropriateness reviewed
- 2 – Historic Landmark Designations

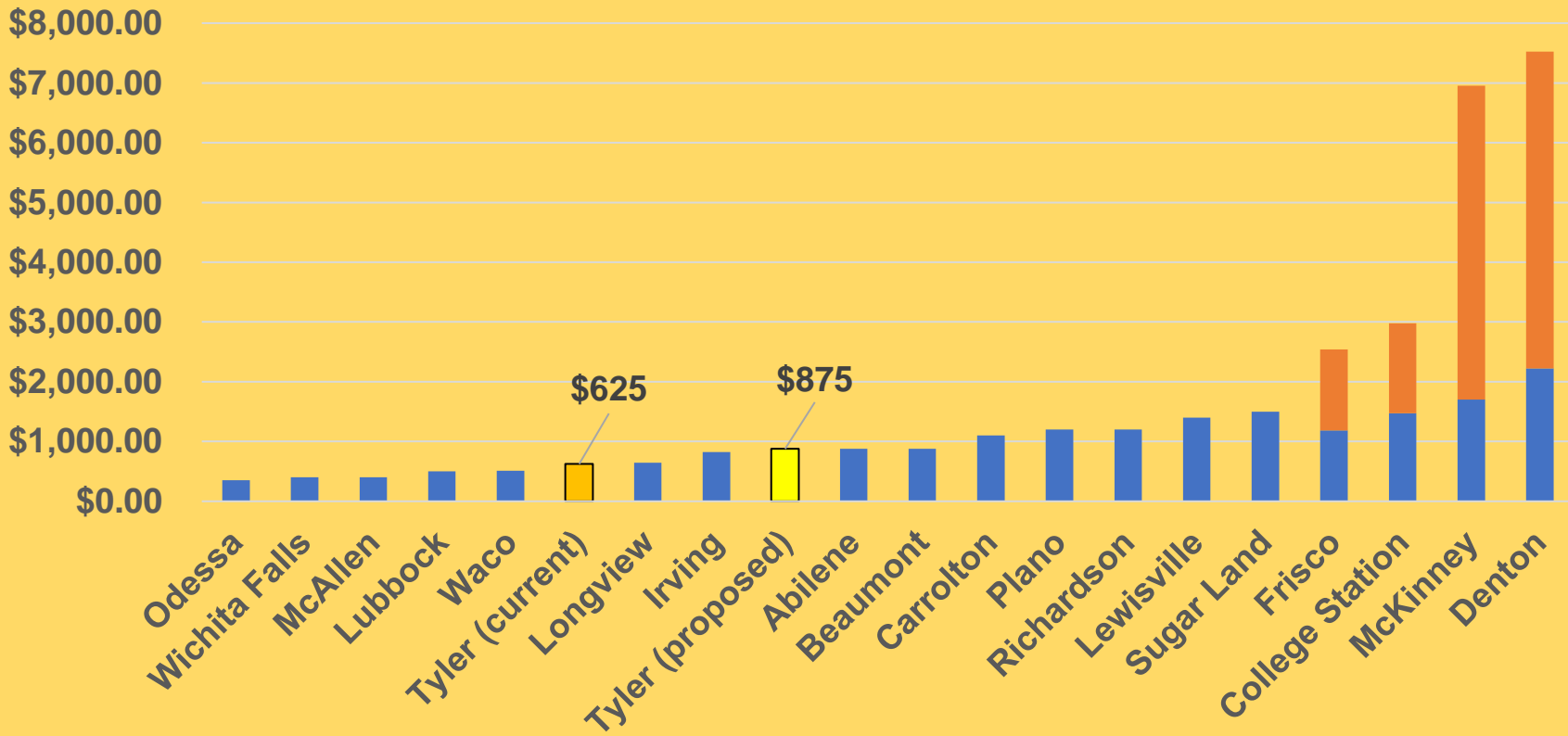


# Development Services Residential New Construction Permit Fee Increases



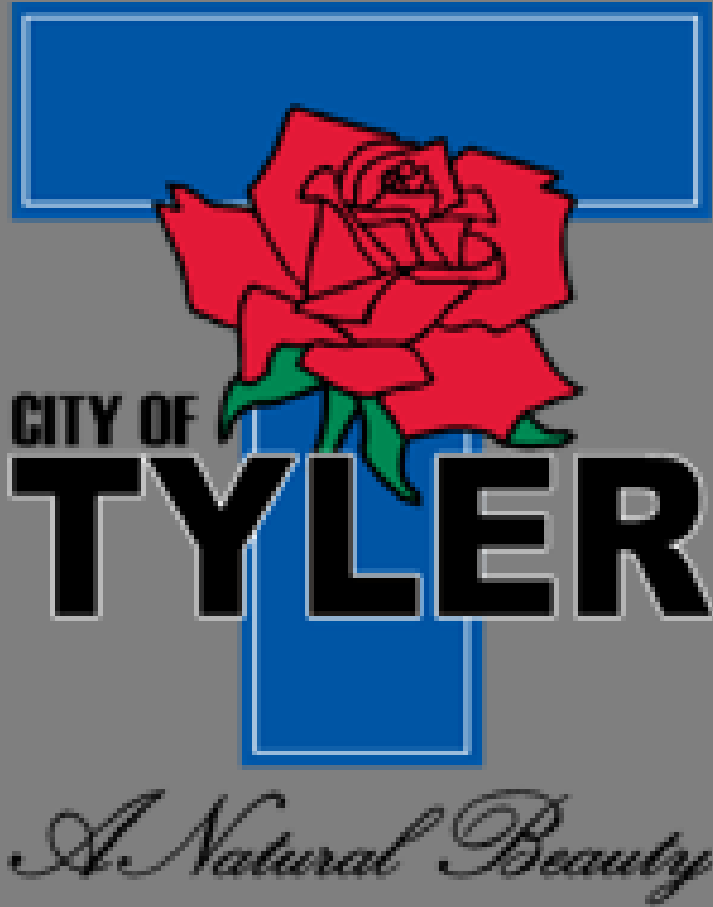
Proposed Fee Increase for 2,500sf Home

■ Permit Fee ■ Impact Fee



Permit Price Estimated Increase by Square Foot			
SQFT	Tyler Current	.035/sf	Proposed Increase
1,500	\$375	525	\$150
2,000	\$500	700	\$200
2,500	\$625	875	\$250
3,000	\$750	1050	\$300
Average	\$563	788	\$225

# Budget Adoption Schedule



- August 25, 2021 – Public Budget Presentation during regularly scheduled City Council Meeting. Tax rate ceiling will be established.
- September 8, 2021 – Public Hearing on Budget and Tax Rate
- September 22, 2021 – Public Hearing on Budget and Tax Rate followed by adoption for Fiscal Year 2022 Budget and Tax Rate