

GENERAL FUND FISCAL YEARS 2021 TO 2025
MULTI-YEAR BUDGET AND FINANCIAL FORECAST
KEY FINDINGS AND ASSUMPTIONS

General Assumptions

- Legislation could negatively or positively impact the City's financial forecasts.
- New programs representing recurring operating impacts should only be added after careful prioritization.

Sources of Funds

- The FY 2020 recurring sources of funds have been re-estimated and are projected to decrease by \$246,514 compared to the original budget. That is primarily due to decreases in fines and forfeitures, alarm payments and recreational payments being partially offset by the decrease in business personal property rebates.
- Ad Valorem taxes are projected to increase by 3.5% in FY 2021 through FY 2023. In FY 2024 and 2025 they are expected to increase by 2%. During the 2020 budget year \$1.8 million in Business Personal Property Rebates ended thereby improving the amount of property tax retained in the General Fund.
- Projections for 911 Revenue are still preliminary.
- Projected revenues for franchise fees were projected to decrease significantly in FY 2020 due to the change in Texas law. Additionally, franchise Fees are expected to change as follows:
 - Telecommunications – 3% annual decrease
 - Natural Gas – 1% annual increase
 - Electricity and Solid Waste – no change
 - Cable – no change
- Sales taxes are administered per the policy adopted during the 2018 budget process. General Fund portion of Sales Tax is projected to remain flat in 2021. Due to the proposed changes total sales tax revenue has been reduced by \$8 million, which is reflected in the non-recurring sources of revenue.
- Fines and forfeitures are projected in FY 2020 to end the year about at \$742,104 below the original budget
- Investment income is projected to decrease by 10% the first year and grow 1% per year after that.
- The Utility Fund Payment in Lieu of Taxes (PILOT) made to the General Fund is expected to increase 1% annually.
- All other revenue types are estimated to have no growth.

Uses of Funds

- Compensation increase pool has been projected at 2% in FY's 2021 to 2025.
- Health Insurance rates are projected to increase at a rate of 5% in Fiscal Year 2021 and 10% annually thereafter.
- The baseline for Supplies and Contractual Services for FY's 2021 and 2022 are estimated based on forecasts prepared as part of the FY 2020 budget. FY's 2023 to 2025 are projected to have 2% growth annually.
- Changes in City Water and Sewer rates are estimated to increase by 7.34% for FY 2021, 1.73% for FY 2022, and 1.20% for FY 2023.

- Natural Gas expenditures are projected to increase 2% annually.
- Solid Waste expenditures are expected to increase by 3% annually.
- Electric rates are expected to remain flat.
- Fleet Replacement allocations for FYs 2021 and 2022 are estimated based on forecasts prepared as part of the FY 2020 budget. FYs 2023 to 2025 are projected to have 2% growth annually.
- Risk Allocation Charges are expected to increase by 5% in FY's 2022 and 2024.
- Overhead Allocation Charges are projected for FY's 2021 and 2022 based on forecasts prepared as part of the FY 2020 budget and to have 3% growth annually thereafter.
- Other Additions:
 - Costs for dispatch services provided through the North Texas Emergency Communications Center (NTECC) are expected to increase by \$1,362,272 in FY 2021 due to a realignment of the allocation of costs between the member cities. Currently, Carrollton is estimated to be 52% of NTECCs costs for Fiscal Year 2021.
- Non-recurring "One-time" Uses of Funds - subsidies of the Hotel/Motel Tax Fund for FY 2021 and FY 2022 are estimated based on forecasts prepared as part of the FY 2020 budget. FY's 2023 to 2025 are projected to grow by 3% annually.

UTILITY FUND FISCAL YEARS 2021 TO 2025
UTILITY FUND
MULTI-YEAR FINANCIAL FORECAST
KEY FINDINGS AND ASSUMPTIONS

Sources of Funds

- Water and Sewer base revenues are anticipated to increase by 1% annually due to growth in the customer base.
- Projections show needed rate increases of 7.34% in FY 2021, 1.73% in FY 2022, 1.20% in FY 2023, and none in FY 2024 and 2.54% FY 2025.
- All other Utility Fund revenues are expected to remain constant for future years.
- These projections are highly dependent of weather patterns which are difficult to predict.

Uses of Funds

- Compensation increase pool has been projected at 2% in FY's 2020 to 2024.
- Health Insurance rates are projected to increase at a rate of 10% annually.
- Expenditures related to the contract with Dallas Water Utilities (DWU) for the purchase of treated water are reduced by \$968,000 in FY 2021 for the settlement with Sabine River Authority and then are forecasted to grow 2% annually.
- The expenditures for service of the Trinity River Authority (TRA) to treat Carrollton's wastewater flows are anticipated to change based on the projected rate changes plus a factor of 1% for growth. Projected change in TRA rates in future years are 13.4% in FY 2021, 3.9% in FY 2022, 3.6% in FY 2022, 2.7% in FY 2023 and 4.1% in FY 2024.
- Fuel costs are projected to increase by 2% per year and other supplies and services are projected to increase by 1% per year.
- Fleet Replacement allocations for FYs 2020 and 2021 are estimated based on forecasts prepared as part of the FY 2019 budget. FYs 2022 to 2024 are projected to have 2% growth annually.
- Utility costs are projected as follows:
 - Natural Gas expenditures are projected to increase 2% annually.
 - Solid Waste expenditures are expected to increase by 3% annually.
 - Electricity rates are expected to remain flat.
- Risk Allocation Charges are expected to increase by 5% in FY 2022 and FY 2024.
- Overhead Allocation Charges are projected for FYs 2021 to 2022 based on forecasts prepared as part of the FY 2019 budget and to have 3% growth annually thereafter.
- Debt service transfers are based on required funding for existing debt issues and an interfund loan from the General Fund.
- Non-recurring funding for water and sewer line rehabilitation is projected at \$3.1 million in FY 2020 through FY 2022, and \$3.9 million in FYs 2023 to 2025.
- The Utility Fund Payment in Lieu of Taxes (PILOT) made to the General Fund is expected to increase 2% annually.

ADMINISTRATIVE FUND FISCAL YEARS 2021 TO 2025
MULTI-YEAR BUDGET AND FINANCIAL FORECAST
KEY FINDINGS AND ASSUMPTIONS

Sources of Funds

- Overhead allocations are reflective of the recurring uses of funds for the Administrative Fund
- Charges for Services are expected to remain constant.
- Investment income is projected to decrease by 10% in FY2021, then grow by 1% each year after
- All other revenue types are estimated to have no growth.

Uses of Funds

- Compensation increase pool has been projected at 2% in FY's 2021 to 2025.
- Health Insurance rates are projected to increase at a rate of 5% in 2021 and 10% annually thereafter.
- The baseline for Supplies and Contractual Services for FY's 2021 and 2022 are estimated based on forecasts prepared as part of the FY 2020 budget. FY's 2023 to 2025 are projected to have 2% growth annually.
- Changes in City Water and Sewer rates are estimated to increase by 7.34% for FY 2021, 1.73% for FY 2022, 1.2% for FY 2023, 0% in FY2024 and 2.54% for FY 2025.
- Fleet Replacement allocations for FYs 2020 and 2021 are estimated based on forecasts prepared as part of the FY 2019 budget. FYs 2022 to 2024 are projected to have 2% growth annually.
- Risk Allocation Charges are expected to increase by 5% in FY's 2022 and 2024.
- Overhead Allocation Charges are projected for FY's 2021 and 2022 based on forecasts prepared as part of the FY 2020 budget and to have 2% growth annually thereafter.