



TARRANT COUNTY COMMISSIONERS COURT

G. K. MAENIUS
COUNTY ADMINISTRATOR

August 5, 2022

County Judge B. Glen Whitley
County Commissioner Roy C. Brooks
County Commissioner Devan Allen
County Commissioner Gary Fickes
County Commissioner J.D. Johnson

Dear Members of the Commissioners Court:

The fiscal year (FY) 2023 budget process has been underway for several months. On Monday, August 8, 2022, the Commissioners Court will be reviewing the FY 2023 budget proposal that is the result of much hard work by County departments and staff. We look forward to your review and consideration.

APPRAISED PROPERTY VALUES AND TAX RATES

Our community continues to recover from the impacts of the COVID-19 pandemic. The North Texas region continues to grow and our economy remains strong. Property appraisal values increased across most of Tarrant County. We remain hopeful that the local economy will continue to expand and provide greater value growth in the coming years. This year's proposed budget seeks to invest in critical infrastructure and human capital to continue to provide government services for our diverse and growing community.

The ongoing COVID-19 pandemic caused significant challenges to County operations. One of the most significant challenges the County currently faces is maintaining its workforce. Since the beginning of the pandemic in March 2020, over 1,625 full-time and temporary employees have left County service. Commissioners Court has taken extraordinary steps to retain Tarrant County employees by authorizing a retention payment program of up to \$4,900 for full-time employees. This year's budget further addresses retention and recruitment concerns for all county departments.

The Tarrant County Appraisal District (TAD) certified the appraisal roll for Tax Year (TY) 2022 on July 21, 2022. Wendy Burgess, the designated official as appointed by the Commissioners Court, calculated the no-new revenue and voter-approval rates as required by Tex. Tax Code 26:

No-New-Revenue Tax Rate	\$0.209332
Voter-Approval Tax Rate	\$0.232794
Current Tax Rate	\$0.229000
Proposed Tax Rate	\$0.229000

The proposed tax rate equals the current tax rate. The proposed tax rate is 9.4% above the no-new-revenue tax rate and 1.6% below the voter-approval tax rate. The County’s proposed tax rate will support the requirements of the General, Road and Bridge, and Debt Service funds including cash reserve goals and debt service obligations.

The certified appraisal roll included the following information used to calculate tax revenue:

Appraised Value	\$313,758,896,981
Less: Absolute Exemptions	28,566,397,920
Less: Cases Before Appraisal Review Board (Appraised) ...	10,994,675,937
Less: Incomplete Properties (Appraised)	6,283,178,344
Less: Partial Exemptions	20,069,834,927
Less: In Process (Appraised)	<u>189,747,104</u>
Net Taxable Value	\$247,655,062,749
Plus: Cases Before Appraisal Review Board (Minimum)....	6,985,202,626
Plus: Incomplete Properties (Minimum)	3,741,506,178
Plus: In Process (Minimum)	<u>152,736,145</u>
Estimated Net Taxable Value	\$258,534,507,698
Plus: Railroad Rolling Stock	<u>52,843,270</u>
Adjusted Net Taxable Value.....	<u>\$258,587,350,968</u>

In accordance with state statute, tax bills will be calculated using the July certified appraisal roll. Supplemental appraisal rolls typically add value as properties under protest, incompletes and in process accounts are added to the certified taxable values. The average single-family residence taxable value increased 12.2% from \$238,312 to \$267,360. Next fiscal year, the average county property taxes paid by a single-family residence will be approximately \$612.25. Added taxable value from residential and commercial new construction in the 2022 appraisal roll totals \$4,657,211,498, as compared to \$4,297,260,712 last year, an 8.4% increase.

Overall net tax revenue has increased by \$61,757,973 due to an increase in net taxable property values of 13.5% when compared to the FY 2022 certified appraisal roll. The Tax Assessor-Collector has set the anticipated collection rate for tax year (TY) 2022 at 100%, the same as TY 2021. The calculation is a combination of collections from current and delinquent taxes plus associated penalties and interest. Also taken into consideration is a \$22.1 million anticipated loss from the over-65 tax freeze approved by voters in November 2006. We are estimating Tax Increment Financing Districts (TIF) payments of \$11,528,628 which represents an increase of \$2,374,810. The increase is due to new construction and increased values of properties in the various TIF Zones.

SB 2 significantly altered notice and hearing requirements. Due to the proposed tax rate being above the no-new-revenue rate but below the voter-approval tax rate, one (1) publication and one (1) public hearing are required regarding the tax rate. There are requirements to publish certain prescribed information on the home page of the County’s website. Public hearings and notices related to the budget and certain salaries are still required. The Court will consider the tax rate, budget, and certain salaries on September 13, 2022, along with budgets and tax rates for the Tarrant County Hospital District and Tarrant County Emergency Services District No. 1.

OVERVIEW BY FUND

A brief overview of each of the major operating and debt funds is provided. An overview of the compensation and benefits packages that impacts all operating funds is provided in the next section. Staffing costs are the most significant budget driver for Tarrant County. The impacts of retirements, pay scales, and approved and recommended new positions affect the proposed budget as outlined below.

The number of retirees has increased since 2020. Due to the retention payment program Court authorized, FY 2023 retirements may slow through the end of the calendar year.

Calendar Year	Retirements
2016	132
2017	146
2018	162
2019	166
2020	145
2021	155
2022 to-date	98

Total salary costs for current filled positions may vary because of the impact of retirements. If you compare the maximum salary to the hire-in salary of positions in the following pay grade examples, the differences (excluding fringe benefits) are as follows:

Pay System	Pay Grade	Annual Difference
Exempt	72	\$28,458.82
Non-Exempt	19	\$26,956.80
Information Technology	88	\$33,675.72
Law Enforcement	55	\$29,577.60

In addition, other factors that impact FY 2023 salaries (including fringe benefits) when compared to FY 2022:

Amount	Reason for Impact
\$6,493,047	71 new positions in the General Fund
\$412,534	4 new positions in the Road & Bridge Fund
\$405,469	Position reclassifications
\$2,982,999	Law enforcement step increases
\$260,661	Salary for 3 new positions added during FY 2022

Attrition is also included in the proposed budget. An attrition rate of 3% reduces salaries and associated fringe benefits by approximately \$6 million.

General Fund

The General Fund FY 2023 balanced budget currently stands at \$826,715,207 which is supported by a revenue budget of \$640,388,295 (including contingent revenue) and cash carryforward of \$186,326,912. The FY 2023 General Fund proposed revenue budget, excluding cash and contingent revenue, represents a 14.50% increase over the FY 2022 revenue budget. When including cash carryforward, the revenue increases by 14.09%. The end-of-year revenue projection for FY 2022 is expected to exceed the approved budget by \$26,048,836, excluding cash carryforward and contingent revenue.

The County Auditor is estimating non-tax revenue of \$118,356,979 for FY 2023. This is an increase of \$27,312,520 compared to the FY 2022 non-tax revenue budget of \$91,044,459. Non-tax revenue includes licenses, fees of office, fines, intergovernmental, investment income, interfund transfers and other revenues. Revenue estimates by major categories in the General Fund are as follows:

Revenue Category	FY 2022 Budget		FY 2023 Estimated	
Taxes	\$463,728,186	64.39%	\$516,831,316	62.52%
Other Taxes	150,000	0.02%	200,000	0.02%
Licenses	1,055,000	0.15%	1,300,000	0.16%
Fees of Office	58,227,400	8.08%	69,802,751	8.44%
Fines	2,759,000	0.38%	3,396,000	0.41%
Intergovernmental	23,242,417	3.23%	28,159,038	3.41%
Investment Income	230,750	0.03%	9,101,900	1.10%
Other	4,899,892	0.68%	5,669,290	0.69%
Interfund Transfers	630,000	0.09%	928,000	0.11%
Total Current Revenue	\$554,922,654		\$635,388,295	
Contingent	0	0.00%	5,000,000	0.60%
Cash Carryforward	165,313,882	22.95%	186,326,912	22.54%
Total Revenue	\$720,236,527	100.00%	\$826,715,207	100.00%

Elements that generate cash carryforward are 1) under-spending of allocated budgets, 2) over collection of revenues, 3) under/over-estimation of beginning cash balances, and 4) reserves. For FY 2022, the budgeted cash was \$165,313,882; the actual cash balance was \$193,046,648. For FY 2023, the recommended use of the cash carryforward is as follows:

\$79,991,327	Reserves
\$9,000,000	Undesignated
\$108,551,580	Capital
\$197,542,907	Total Cost
\$186,326,912	Recommended Use of Cash Carryforward
\$11,215,995	Remaining funds to be paid with Operating dollars

This year, \$5,000,000 has been budgeted for contingent revenue with a corresponding expense which allows the County to recognize changes in the revenue estimates that might have an associated expense. As revenues are realized, the expense-side moves to undesignated. As stated, reserves are at \$79,991,327 coupled with a balance of \$9,000,000 in undesignated for FY 2023. The reserve balance is projected to be 16% of the true operating expenditures in the operating funds. It should be noted that the credit rating agencies, when assessing the County's financial position for the sale of the 2021 bonds, recognized the County's healthy reserves.

The General Fund proposal includes 71 new positions (out of the 108 requested by departments in their budget requests).

- 1 - Administrative Assistant – Administrator's Office - the new position would increase administrative support for the office's management team. In addition, the position will provide phone and front desk coverage and assist the public when they visit the office.
- 1 - Technology & Advisory Audit Manager – Auditor's Office - This position will oversee risk-based IT audits and projects across the County to identify internal control weaknesses as well as recommend corrective action plans to ensure internal controls have been properly designed and adequate user acceptance testing is completed.
- 1 - Data Analyst – Budget and Risk Management - This position will provide analytical support for countywide initiatives, projects, and operations. The position reviews departmental budgets and financial reports to ensure accuracy and compliance with approved budgets.
- 1 - Budget Analyst – Budget and Risk Management - This position assists in the preparation of the annual countywide budget. Throughout the year, the position monitors and assists county departments with budget issues. The position also estimates costs and forecasts revenues and expenditures.

- 1 - Assistant Director, Motor Vehicle – Tax Motor Vehicle – This position will be to provide consistent execution of necessary duties and customer service experience at each location. The position will be responsible for evaluating and adjusting resources to meet daily needs. The position will also be directly responsible for overseeing all training for our management and customer facing staff.
- 1 - Project Coordinator – Tax Ad Valorem - This position will assist with the accounting duties that continue to grow and expand with legislative and operational changes. The number of property tax accounts grows every year. Beyond the increases in volume, the complexity of initiatives and problems continues to impact accounting activity.
- 1 - Assistant Bookkeeper – Elections Administration – This position will support the Chief Bookkeeper for the department and assist in the additional workload for the elections administration department.
- 1 - Lead IT Quality Assurance – IT Project Portfolio Management – This position will support the ITD PPMO Quality Assurance (QA) organization, and its challenges related to Tarrant County’s ability to provide sufficient support due to its under-resourced quality assurance testing team. Due to the increased demand for QA analysts to support project testing and quality needs; quality assurance tasks have relied on external resources to meet the demands.
- 1- Senior Quality Analyst – IT Project Portfolio Management – This position will support the ITD PPMO Quality Assurance (QA) organization, and its challenges related to Tarrant County’s ability to provide sufficient customer support due to its under-resourced quality assurance testing team. With a variety of ongoing transformation initiatives and expansion of enterprise platforms, such as TechShare, Appian, Spindle Media Tax Office projects and ITD operational efforts, the additional Sr. QA resource will help remedy the need to support critical quality and performance activities.
- 1 - IT Resource Manager – IT Service Delivery –This position will have elevated managerial responsibility for a team of 16 staff members with the responsibility for the field support specialists supporting our county downtown departments in conjunction with hardware services for all county IT equipment assets.
- 2 - IT Solutions Architects – IT Application Development Support - These positions will design, implement, and troubleshoot solutions for complex problems and requests involving SAP.
- 1 - ERP Director – IT Application Development Support - This position will be responsible for oversight and strategic direction of the SAP portfolio.
- 1 - Enterprise Architect - IT Application Development Support -This position champions and evangelizes SAP first approach with departments. The position also evaluates and ensures solutions are implemented according to SAP best practices.

- 1 - PBSC Office Clerk – Human Resources – This clerk position increases a part-time position to full-time position. This position is the first point of contact to provide excellent customer service and assist with phone calls, walk-ins, and emails to the PBSC box.
- 1 - Organizational Development Secretary – Human Resources – This position will provide administrative support for the Organizational Development (OD) Officer and to indirectly address the department's need for additional recruitment support.
- 1 - Project Coordinator – Facilities Administration - This position will be responsible for assisting and supporting three (3) Operations Managers in coordinating design, bidding and construction administration activities on Building Services construction projects to ensure cost, schedules, and quality standards are met.
- 1- Command Administrative Assistant – Sheriff's Office Administration – This position will assist at least two Chief Deputies with scheduling, document preparation, record keeping, ad hoc projects, and representation in reoccurring meetings. This position will also contribute to coverage of Sheriff's Office front lobby in times of personnel shortages.
- 1 - Personnel Analyst – Sheriff's Office Employee Resource - This position will supervise the three clerks with direct oversight of their workloads, tasks and training. Additionally, this position would begin to internally audit all decentralized actions the TCSO completes which has not yet been done in-house.
- 1 – Quartermaster – Sheriff's Office Employee Resource – This position will provide Sheriff's Office personnel with an efficient uniform system that will reduce administrative burdens for acquiring required equipment.
- 1 – Records Legal Assistant – Sheriff's Office Communication – This position will support the Records Manager and will be responsible to advise, manage and coordinate the legal review, processing and response for all relevant requests to the Records Department, which may include, but not limited to, personnel records, Public Information Act (PIA) requests and all subpoena or legal activities.
- 2 - Sheriff Deputies – Sheriff's Office Courts and Security – These positions will support Auxiliary Court C activities. Each court requires two (2) deputies assigned daily for Initial Appearance Dockets. All 10 County Criminal Courts utilize Auxiliary Court C, with a Magistrate, to hold Initial Appearance Dockets to determine indigency and attorney appointments for newly set cases.
- 1 - Bond Desk Clerk – Sheriff's Office Confinement – This position will support existing Bond Desk clerks due to the increase in workload and technical requirements of the Bond Desk. The GTL Staffing study identified the need for one additional clerical position and the need is at the Bond Desk.

- 1 - Quality Compliance Data Specialist – Medical Examiner - This position will serve as the point person for configuring, maintaining, administering, and data extraction and analysis from various Medical Examiner software solutions such as LIMS and accreditation compliance software, Qualtrax. The Quality Compliance Data Specialist will utilize software and data technology to improve Medical Examiner and Forensic Service Laboratory quality and processes and interact with internal and external customers to provide and receive data based on the needs of the business.
- 2 - Autopsy Technicians – Medical Examiner -These positions will support the existing six autopsy technicians. Autopsy Technicians are considered essential personnel and are required to work shifts that include weekends and holidays. The Medical Examiner’s Office operates seven days a week, and additional personnel are necessary to operate the office efficiently.
- 1 - Medical Transcriptionist – Medical Examiner – This position will support existing administrative support staff by transcribing reports, answering phone calls, and assist the pathologists with their daily schedule, meetings, phone calls. With the increase in office activity, additional capacity is necessary to meet the demand.
- 1 - Vital Statistic Coordinator – Medical Examiner – This position will be transferred from the FRF program to the General Fund. The office has been inundated with service requests for cremation permits from funeral homes. The office has seen a thirty-seven percent increase for cremations permits from 8,139 in 2019 to 11,153 in 2021. In FY 2021, the office received \$361,441 for cremation permit fees. This position is critical in daily operations of the office and the office is requesting the funding source to be changed to serve the needs of Tarrant County citizens.
- 3 - Forensic Death Investigators, I – Medical Examiner – These new positions are necessary due to the 32% jurisdiction case load increase in the last 3 years, 22% jurisdiction terminated caseload increase in the last 3 years, and a decrease in scene response of 6% over the last year due to call volume. Current investigators accrued 1,957 overtime hours in FY 2021.
- 1 – Receptionist – Medical Examiner – This position will take an FRF funded temporary position and create a full-time position. This position will continue to staff the customer service lobby desk and perform receptionist duties including the 47% increase in phone calls last year and an average 93 calls a day.
- 1 - Senior DNA Criminalist – Medical Examiner – This position will bring a grant funded position into the General Fund. This position has been grant funded for the past three years and generates revenue for Tarrant County. The position works an estimated 25% of all cases.
- 2 - Deputy Medical Examiners – Medical Examiner – These positions will assist in meeting standards set forth by the National Association of Medical Examiners which defines the workload measure for each physician. The increased workload for the Medical Examiner’s Office requires additional personnel to maintain accreditation.

- 1 - Administrative Assistant – Juvenile Services – This position will work under the supervision of the HR Coordinator to provide guidance to employees, supervisors, and senior managers in personnel matters related to employee compensation, insurance, workers' compensation, family medical leave, discipline, and interpretation of Tarrant County Human Resource personnel rules and regulations, create and maintain confidential personnel records and assist with payroll processing for approximately 250 full and part-time employees.
- 5 - Juvenile Probation Officers – Juvenile Services – These positions will create a more efficient operation and address shift coverage gaps at the Lynn W. Ross Juvenile Detention Center. The Detention Intake Unit is a 24-hour operation, is the referral point for all law enforcement agencies in Tarrant County for youth committing law violations or conduct in need of supervision.
- 4 - Assistant Casework Supervisors – Juvenile Detention – These positions will support the detention operations with coordination and supervision of a specific shift and program operation throughout the 120-bed secure facility. The positions will balance the span of responsibility as it relates to personnel and facility operations.
- 1- Cook – Juvenile Detention – This position will staff and operate the Food Services division in the Lynn W. Ross Juvenile Detention Center. The detention center has experienced a significant increase in the juvenile population requiring the existing seven full-time food services staff to plan, prepare and serve three full meals and snacks for the entire juvenile population in the detention center.
- 10 - Institutional Probation Officers – Juvenile Detention - These positions will staff and operate the Lynn W. Ross Juvenile Detention Center. Federal standards and policy supervision requirements mandate one staff to every eight residents during program hours and 1:16 during non-program hours. The detention center is currently staffed for 104 residents.
- 1 - Business Analyst – Criminal Courts Administration – This position will perform senior level analysis, testing and problem solving for Criminal Courts and Criminal Courts Administration's end-user computers and printers. Plans, coordinates, and integrates all research, manages data collection for the courts, and assist in grant research and writing.
- 1 - Administrative Court Clerk – Justice of the Peace, Precinct 2 – This position will assist with the large increase in eviction and truancy cases that we expect. Along with this increase in eviction filings has come an increase in appeal filings as well. An additional clerk would help to alleviate the additional workload created by these as well.
- 1 - Administrative Court Clerk – Justice of the Peace, Precinct 5 – This position will address the increased workload as existing clerks have been working overtime due to the increased workload on the office.
- 1 - Administrative Court Clerk – Justice of the Peace, Precinct 7 – This position will address the increased filings and associated workload.

- 1 - Administrative Court Clerk – Justice of the Peace, Precinct 8 - This position will address the increased filings and associated workload.
- 3 - Associate District Clerks – District Clerk – These positions will support the criminal section to meet the increased demands of Emergency Protective Orders (EPO), specialty court program, cite and release, and bond conditions (due to SB 6 and HB 766).
- 1 - Administrative Assistant – District Clerk – This position is needed to provide clerical, administrative, and general office support to the District Clerk and Office Manager. This position will also respond to records requests sent via e-mail to dclerk@tarrantcounty.com and District Clerk Webmaster to alleviate the high volume triaged to the various sections.
- 3 - Associate Clerks, III – County Clerk, Passports – These positions are necessary to meet the increased demand on passport operations and open an additional office downtown. Current operations generate enough revenue to offset current program costs of this office and staff.
- 1 - Administrative Clerk – County Clerk, Passports – This position is necessary to support operational activity for the additional passport office.
- 1 - Assistant Archivist – Office of Historic Preservation and Archives – This position will support the activities of the County Archives and balance the expanding workload of the department.
- Funding for seven (7) patrol positions is included in the non-departmental budget under new programs. The funding will not be made available and the patrol positions will not be created until all existing patrol positions are filled.

Road and Bridge Fund

The Road and Bridge Fund will generate approximately \$18,868,000 of revenue primarily from vehicle registration fees and investment income, along with \$10,615,856 in cash carryforward. Additionally, in FY 2023, the General Fund will provide an operating subsidy of \$15,060,427.

The operating subsidy is an increase of \$4,374,166 over FY 2022 due to additional expenses. These funds are used to support Commissioners' precinct operations and the Transportation Services Department including the Sign Shop and right-of-way projects. There is an undesignated balance in the Road and Bridge Fund of \$300,000.

There are 4 new positions in this fund:

- 1 - Community Outreach Coordinator – Commissioner, Precinct 1 - This position will address the exponential population growth in Precinct 1, and the need of residents to be aware of County programs and services. This position will support existing staff to ensure that residents have access to essential government programs and services.

- 1 - Asset Inventory Inspector – Commissioner, Precinct 1 – This position will support road and maintenance activity by ensuring assets are properly accounted for and all required inventories are conducted.
- 1 - Quality Control Manager – Transportation – This position will provide supervisory oversight of the Quality Control Specialist staff responsible for inspection activities associated with subdivision and project construction activities. As development continues to increase across Tarrant County, the need for increased review of plans for the construction of new roads also has increased, making inspection of multiple construction projects difficult since only one Quality Control Specialist is specialized in this discipline.
- 1 - Development Coordinator – Transportation – This position will provide direct support to the Planning Manager. Specifically, the responsibilities for this position will include subdivision plat processing, coordination with other County departments on development activities in the county, serving as a liaison to municipalities on platting and development matters, serving as a resource to the public on development requirements, and providing support for the new 2021 Transportation Bond Program.

Debt Service Fund

The Debt Service Fund includes provisions to pay principal and interest payments due in FY 2023. The fund is supported by property tax revenue and interest income. The estimated interest income in FY 2023 is \$330,801, an increase of \$315,711. A reserve of \$1,500,000, or about 3.47% of the principal and interest payments, is maintained in this fund. Since tax revenues represent 95.51% of the revenue in this fund, reserves guarantee the availability of resources for debt payments.

Public Health Fund

While the Public Health Department has various sources of revenue to support their operation, the primary non-grant support is through the Tarrant County Hospital District. The proposed budget includes revenue from the Hospital District of \$13,381,659, which is a 4.84% increase from FY 2022. This funding amount has been provided to the Hospital District for inclusion in their budget.

There are no new positions in this fund.

Resource Connection Fund

The Resource Connection is supported by revenue from rent and utilities paid by tenant agencies. The ending cash balance in this enterprise fund is estimated to be \$2,100,000. After reserving approximately 7% of their operating budget for undesignated, an additional \$1,548,772 is allocated for emergency needs and/or to reimburse the County for large project expenditures made for the benefit of the Resource Connection campus.

The Resource Connection Oil and Gas Royalty fund is projected to have a FY 2022 ending cash balance of \$1,630,000. It is our goal to maintain a minimum \$1,000,000 reserve in this fund before additional long-term projects are allocated.

COMPENSATION AND BENEFITS

Funding for a 4% market and 3% merit increase is included in the budget for all positions. Included in this year's budget is a 4% structure increase and step increases for law enforcement salaries for each applicable department. As adopted in FY 2012, funding for the District Attorney's Office career path positions will be based on the availability of funding from their annual authorized salary budget.

The FY 2023 proposed budget includes a \$917 per employee, per month rate in the County contribution to the Group Health Insurance fund. The average ending monthly cash balance in this fund has been approximately \$31 million over the last six months. FY 2022 claims have increased by \$4,942,185 when compared to the first nine months of FY 2021.

Since its introduction in January 2014, the participation of active employees in the high deductible health plan increased by 411 participants. As of June 2022, there are 739 enrollees. The contributions from the operating funds, along with a separate allocation for retirees, will generate approximately \$54 million. The General and Road and Bridge funds represent approximately 87% of total employees with the balance from grants (excluding CSCD) and special purpose funds.

Overall, resources for the group health and benefits plan are a combination of County and employee contributions (premiums). The group insurance plan includes health coverage, life insurance, long term disability, employee assistance program, flexible spending contributions, opt-outs, and administrative costs for the plan. Our total group insurance and benefits expense for FY 2022 for employees/retirees is estimated to be over \$83 million. Of this amount, the total estimated County contribution for active employees (which includes our operating funds, grants and special purpose funds) exceeds \$50 million. The balance represents employee/retiree contributions, pharmacy prescription plan rebates and stop loss reimbursements.

Included in the FY 2023 proposed budget is an increase over the County's required TCDRS contribution rate of 13.5%. The contribution rate included in the proposed budget is 19.5%. This additional election of 6.0% will provide a supplementary contribution towards the County's unfunded liability. If approved by Commissioners Court, the additional contribution will also fund the cost of granting a retiree COLA (cost-of-living adjustment). Approximately 80% will be provided by the operating funds. The increased contribution rate allocates the additional cost to grants and special purpose funds instead of the General Fund absorbing the total impact.

Listed below are the retirement rates as a percentage of payroll that were considered in the formulation of the proposed FY 2023 budget along with funding history:

Calendar Year	Required Rate w/ COLA	Elected Rate	Retiree COLA	Funding Ratio
2012	12.99%	n/a	None	81.3%
2013	13.84%	n/a	50% of CPI	80.5%
2014	14.57%	n/a	50% of CPI	79.7%
2015	14.60%	17.50%	50% of CPI	81.3%
2016	14.18%	17.50%	None	82.7%
2017	14.40%	18.75%	50% of CPI	81.2%
2018	14.51%	19.50%	50% of CPI	86.3%
2019	14.16%	19.50%	1% flat rate	87.4%
2020	14.37%	19.50%	1% flat rate	87.4%
2021	13.50%	19.50%	1% flat rate	89.3%
2022	13.86%	19.50%	1% flat rate	87.8%

The retiree COLA option began in 1992. Under the GASB 68 standards, regularly adopting a COLA results in the entity being designated a “repeating COLA” entity. For financial statement purposes, it is assumed we will continue this practice in the future and will increase the net pension liability on the County’s balance sheet.

CAPITAL OUTLAY

The proposed budget includes \$108,551,580 for capital of which all funding is included in the General Fund. The allocations within the major capital categories are as follows:

\$18,528,284	Computer equipment/software
\$6,716,000	Replacement vehicles
\$15,293,443	Heavy/other equipment
\$66,858,214	Construction/renovation projects
\$1,155,639	Office equipment/furniture

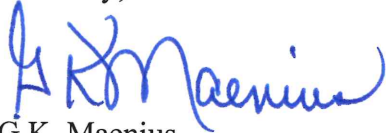
BUDGET REVIEW AND APPROVAL SCHEDULE

The Commissioners Court has set aside August 8, 2022, to review the proposed budget and to speak with departments. During the department budget review sessions, it is expected that the Court will make decisions and provide direction regarding the proposed budget. The annually required public hearings on the budget and certain elected County and Precinct officers' salaries and the final budget and tax rate adoption are scheduled for September 13, 2022.

I want to thank the Budget and Risk Management Department for their dedication and long hours while putting this budget together. Helen Giese and her staff did a great job balancing the needs of the County organization and the taxpayers of Tarrant County. Also, I want to thank the County Auditor's Office for their efforts and assistance in preparing the revenue estimates, the Tax Office for their work on the tax rate calculations, Human Resources for their assistance, and the continued support of Information Technology. Without this spirit of teamwork and cooperation between these departments and our elected officials and department directors, our efforts to compile and supply useful documentation to the Court would not be possible.

While departments were provided a copy of their department proposed budget, the Budget and Risk Management Department will continue to work with departments to address questions and concerns. If you have any questions or concerns, please do not hesitate to contact me at 817-884-1733, or Helen at 817-884-1002.

Sincerely,



G.K. Maenius
County Administrator