

2019-2023

FIVE- YEAR BUDGET PLAN



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City of Pharr

October 1st, 2018

TABLE OF CONTENTS

INTRODUCTION 2

ANTICIPATED FIVE-YEAR OUTLOOK 3

REVENUE AND EXPENDITURE FORECAST 5

GENERAL FUND REVENUE AND EXPENDITURE FORECAST 7

CITY-WIDE CAPITAL IMPROVEMENT PLAN 14

GENERAL OBLIGATION DEBT 15

INTERNATIONAL BRIDGE..... 17

CITY OF PHARR-FIVE YEAR BUDGET 2019-2023

INTRODUCTION

Like many cities and counties in the region, City of Pharr wants to ensure fiscal strength and accountability while delivering results that the community values. Through this report the City will present the forecast expenditures and revenues during the five-year period and the assumptions used to forecast and balance.

The main objective of this report is to illustrate and summarize Original (FY 2018-2019) and Forecast budget up to FY 2022-2023 for the City's most important obligations. Is it intended for City Commission, Executive Management and financial stakeholders.

The forecasted amounts (FY 2019 through 2023) in this document do not legally bind the City and it is meant only as a guide to demonstrate the main obligations accounted for.

This report does not include the City's Utility Fund. A separate master plan will be issued by no later than October 2018 and a Water Rate Study will be conducted this coming Fiscal Year 2018-2019 to analyze current and long-term Utility infrastructure needs and to assess water rate structures.

A City-Wide detailed adopted budget for FY 2018-2019 is available on the City of Pharr Website at the following link:

<http://pharr-tx.gov/departments/finance/budget-reports/>

City Vision and Mission Statement

City of Pharr's Vision

By 2025, Pharr will progressively move forward as the HUB of the region for international trade and increase the quality of life for its residents while progressing as a safe, sustainable, family friendly and healthy community where people want to live, invest, and visit.

City of Pharr's Mission

Working as a team to be responsive to our residents utilizing great customer service and accountable, progressive, and transparent management.

The following explores more into the City's Vision statement:

Attraction of new, and expansion of existing businesses are key to the prosperity of Pharr. By strengthening the role of the City of Pharr's Economic Development Corporation through its leadership and involvement with developers and providing smart incentives for appropriate business attraction/expansion deals, Pharr can evolve into the place where businesses want to be. City leaders becoming involved in the beginning, when deals are being crafted (international, medical, bridge), will be able to have an impact on industry decisions. Reviving the Chamber of Commerce will give businesses a go-to place for networking and connecting to like-businesses. Consideration of additional big box retail stores while mindful and supportive of entrepreneurs/small business creates diversity in the tax base.

Impacting Pharr's quality of life is a top priority. City leaders are focused on sponsoring festivals that are family oriented; increasing the number of parks and/or upgrading existing parks and green spaces throughout the City so that parks are easily accessible within neighborhoods; creating more of a family type community; having year-round youth programs; strengthening the community arts programs; and developing hiking, biking and walking trails.

City leaders also want more fields built to sponsor and host outdoor sporting events. Improving roads throughout the City is also very important to the City leaders. Lastly, more affordable residential housing is a top concern.

The City must run as efficiently as possible to save tax payers money and time. The key to proficiency is consolidation of the City's grants department, reducing property taxes and water rates, initiating a water conservation program and developing leadership within the City departments (team building, establishment of an executive leadership program, leading by example). Regionalism throughout the Rio Grande Valley can maximize resources as well as present a larger force when applying for Federal and State dollars. Pharr will be known as the "Friendliest City in the Valley".

Ease of getting around in Pharr is vital to growth and development. A pledge by City leaders is the repair of all roads by 2019. Of equal importance is the building of the Congestion Relief Freight Corridor from the International Bridge to I-2, connecting the International Bridge to I69E (US77) and I69W (US281) and support of the loop tollway. Instituting a Valley-wide transportation system that will relief congested areas for residents and visitors. To grow both residentially and commercially, City leaders realize the importance of getting from point A to point B as quickly as possible.

Exemplary education should be accessible to all children and adults in the City. Partnering with local schools to establish noteworthy programs to engage children in learning and introduction to work skills is important to the City leaders. Increasing the number of higher education opportunities is also essential. For example promoting the recent merger to create the University of Texas – Rio Grande Valley; the construction of a Texas A & M campus building – South Texas; creation of a Public Safety Academy training center; creation of a diesel mechanic school in South Pharr and the extension of the medical school in order to have a hospital in Pharr, can lead to higher wages and more opportunities to live and work in Pharr.

Public safety is important as the City grows. With the increase in population and expansion of the City limits, City leaders envision an increased number of fire stations and police departments. They are also supportive of a Valley-wide Command Incident Center.

Targeted development to promote commercial, retail and land uses for economic development. City leaders realize the importance of developing available land for maximum City growth. Examples given include the land in the Extraterritorial Jurisdiction (ETJ) – master planned community, manufacturers/maquiladoras; development of South Pharr – roads, residential, parks, retail, and produce area; downtown; and El Centro Mall & Jackson Road redevelopment.

ANTICIPATED FIVE-YEAR OUTLOOK

Over the next five years, the City of Pharr will experience a continued recovery in tax revenues, most of which settled out this FY 2017-2018 and are projected to return in FY 2019-2020 or later. The City of Pharr's current budget and financial status is stable with a very strong cash liquidity compared to many municipalities in Texas.

On September 24, 2018 S&P Global Ratings raised to 'AA-' from 'A+' its long-term and underlying (SPUR) ratings on Pharr, Texas' general obligation (GO) debt. At the same time, S&P Global Ratings assigned 'AA-' long-term rating to the city's series 2018 combination tax and revenue certificates of obligation. The outlook is stable.

Nonetheless, in the last 3 years City services costs have slightly but steadily outpaced revenue growth and this coming Fiscal year is not an exception either. The City's No. 1 source of revenue; property taxes, grew only 2.4% compared to an average of 5.6% over the last 5 years. This warns the City that current conservative budget approach must continue and that a good strategy is to pause major fiscal operating growth for the next 3 to 5 years due to its other Infrastructure and Improvements commitments that is expected to bring returns and improve the overall quality of the community.

Elements of the Five-Year Budget

Elements of the Five -year budget includes:

1. Review of the City's current economic position
2. A forecast of revenues and expenditure based on historical trends for City of Pharr's General Fund, Debt Obligations, Capital Projects and International Bridge.

Economic Position and Identity

City of Pharr citizens need to be well -informed of the current climate and what it means to the City's long-term financial health. The five-year financial budget begins with an analysis of the strength and weaknesses of the City's current and projected economic position, including its demographic location in proximity to Mexico, but also its dependence on real estate values and susceptibility to economic stagnation.

Population

According to the 2017 US Census Bureau Data, Pharr's population grew from 57,926 in 2005 to 79,487 in 2017, an increase of 28%.

Employment

Unemployment rate decreased from 8.5% last year to 7.7% according to Texas Workforce Commission latest issue.

Other Identity Factors

Conveniently connected, City of Pharr provides easy access to the key trade points of entry.

With booming agriculture and produce industries, an outstanding infrastructure for transportation and distribution, and rapid growth in the energy, retail, finance, healthcare, and technology sectors, Pharr has one of the most vibrant economies in the region.



REVENUE AND EXPENDITURE FORECAST

The Finance Department has long included estimates of the City's future revenues and expenditure corresponding surpluses and shortfalls in its annual operating budget. As part of the FY 2018-2019 Budget process, staff presented to City Council a more full-bodied forecast model to improve projections of the City's long-term financial health. These projections take in consideration the combination of projected future revenues and expenditures based on historical trends with expected changes such as our 3-year CIP financing plan of \$56 million dollars, expiration of grants and future changes in programmed services delivery.

There is a considerable number of inputs and assumptions that cover the five-year forecast, but there are five (5) primary drivers of the City's future surpluses or shortfalls.

On the revenue side these drivers are the following:

1. Property Tax Values
2. New Development and Redevelopment of Businesses
3. Commercial Bridge traffic and expansion

On the expenditure side these are:





4. Capital Projects funding
5. Personnel Costs associated with delivering services including Compensation Study

The City is required to adopt a balance budget annually, so no shortfall is projected for the future years to occur, however, to accomplish that, City needs to fiscally reduce expenditure growth (not existing expenditures) and increase sources of revenues, or a combination of two.

If the projected annual budget shortfall were to be addressed solely using property taxes, the average tax per household would increase from approximately \$421 to \$455 in 2019. However, due to the Bridge excess revenues, the tax burden is removed from the residents.

The following are the major revenue and expenditure assumptions that were used to balance a five-year budget with the proposed service deliveries in place including upcoming personnel costs.

Revenue assumptions:

-  Property Tax Values to grow at least 3.5%
-  Bridge Excess Revenue transfers fixed at \$5.8 million the next two years compared to \$4.5 in Fiscal Year 2017-2018, dropping it to \$4.7 million by Year 2022-2023.
-  Sales Tax Revenue growth of at least 3% to 5% within the next Fiscal Year 2018-2019.
-  Revenues other than property and sales taxes are anticipated to growth at a slow and steady rate reflective of last five years.

Expenditure assumptions:

- ✚ Baseline assumption for expenditures assumes City programs and services will continue mostly unchanged for the next five years except for Collective Bargaining potential salary base pay increase for Public Safety.
- ✚ No significant additions of FTE's.
- ✚ Compensation study implementation over the next five years for current staff will consist of phases with an allocated amount each year.
- ✚ Cash Capital and debt service funding for capital projects are included, as approved by City Council in the FY 2017-2018.
- ✚ Capital Outlay budgeted every other year for Public Safety and through Capital Lease Financing.

Under these assumptions, it is expected that revenues will increase by approximately 5% next Fiscal year and 3% after that annually, while expenditures will also increase by the same.

Other than construction in progress projects and personnel benefit costs, the City assumes no major operational growth will take place over the next five years. Operational expenses that come with the addition of parks were already accounted for since FY 2017-2018.

GENERAL FUND REVENUE AND EXPENDITURE FORECAST

Revenues

The City's revenues are mainly driven by real estate, which produces approximately 41% of General Fund Revenues. The following chart illustrates the City's General Fund revenue distribution in the FY 2018.2019 Budget

General Tax Revenue

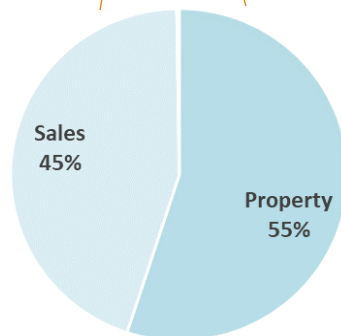
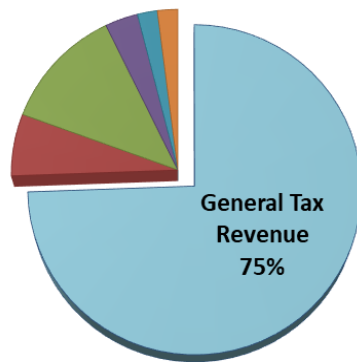
Gross Receipts

Revenue Producing
Facilities

Fines and Fees

Licenses and Permits

Charges for Current
Services



IN ORDER TO KEEP SAME
PROPERTY TAX RATE FOR THE
NEXT FIVE YEARS, CITY NEEDS TO
RELY MORE ON ITS PHARR
COMMERCIAL BRIDGE

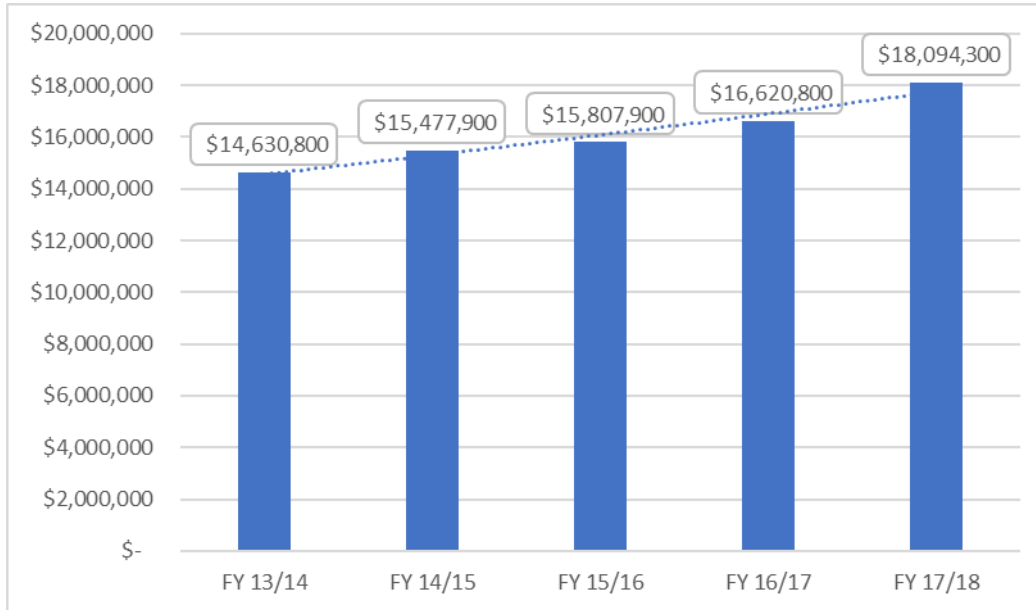
The fiscal policy of the City of Pharr states that it shall endeavor to reduce its reliance on property taxes by revenue diversification, implementation of users' fees and economic development. The City shall also strive to minimize the property tax burden to the residents.

FIVE- YEAR BUDGET PLAN

General Fund Transfers in from Bridge excess revenues is anticipated to be at \$5.8 million in FY 208-2019 compared to \$4.15 in the previous year. This is mainly due to an overall increase in personnel costs, benefits and a reduction of Municipal Court fines from the General Fund that materially impacted this previous year. The City of Pharr is conservatively anticipating that such revenue source will not be recovered and is relying on Bridge projected growth to contribute more to the General Fund to balance so that Property Tax Rate stays the same at .6490 cents per every \$100.00 in property value.

Property Taxes

Five-Year Property Tax Collection History:



The following chart shows the budgeted anticipated amounts to be collected from property taxes assuming no Tax Rate change in the next five years.

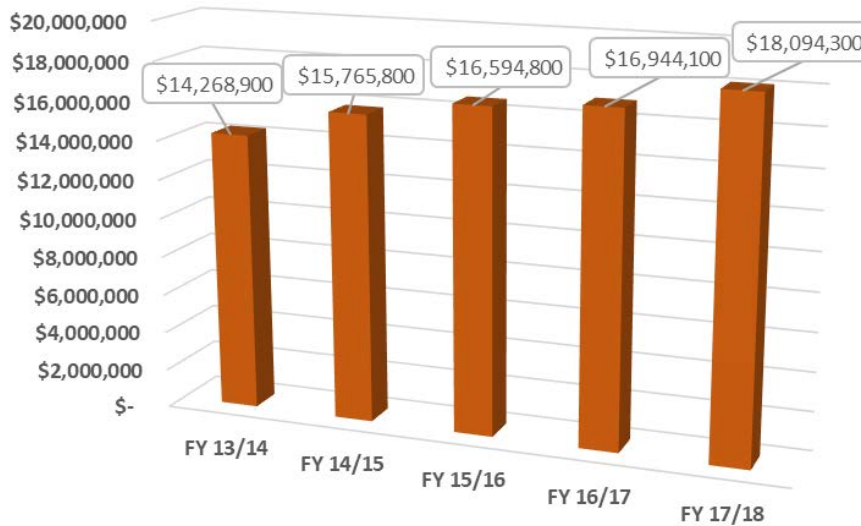
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Property Taxes	\$ 18,483,400	\$ 19,122,500	\$ 19,784,600	\$ 20,468,900	\$ 21,175,400
% Increase		3.5%	3.5%	3.5%	3.5%

Starting Year 2, the anticipated growth is 3.5%. This is considerate conservative if we take in consideration the last 5 years growth has been higher than 4.1%, except for this coming FY 2018.2019.

Several subdivisions were recently completed and under construction. These are anticipated to increase the overall Net Taxable Value of the City higher than 3.5% starting Year 3. These additions to the residential tax base are due to the City offering 380 agreements to developers incentivizing them if they meet City's investment return criteria.

Sales Taxes*

Sales Taxes have historically shown a growth over the last five years and is expected to continue doing so.

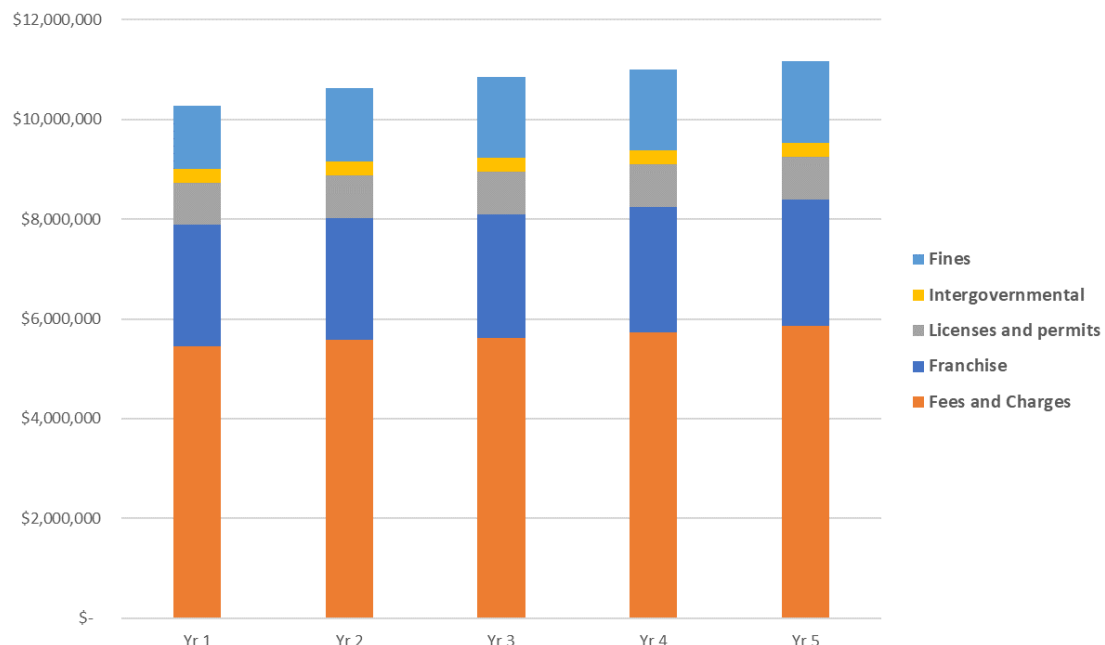


The following shows the anticipated Sales Tax Revenue:

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Sales Taxes	\$ 18,655,800	\$ 19,215,500	\$ 19,792,000	\$ 20,385,800	\$ 20,997,400
% Increase		3%	3%	3%	3%

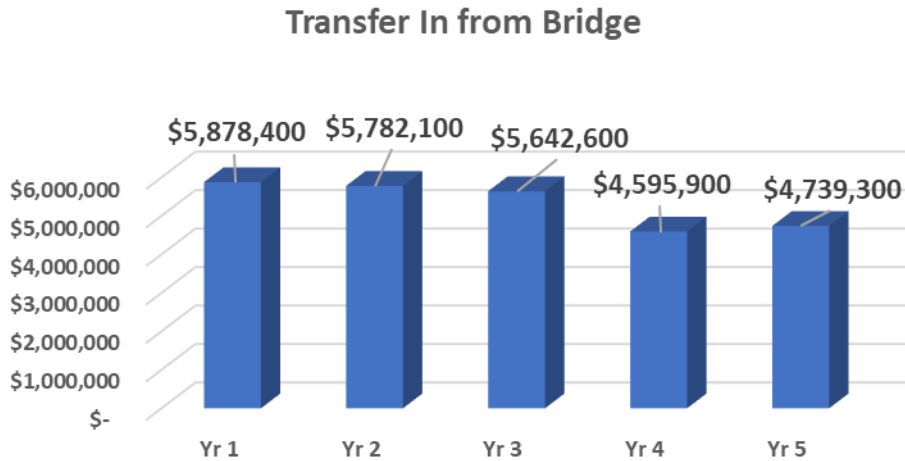
*These amounts include PEDC Portion, 75% is for General Fund.

Other General Fund Revenues



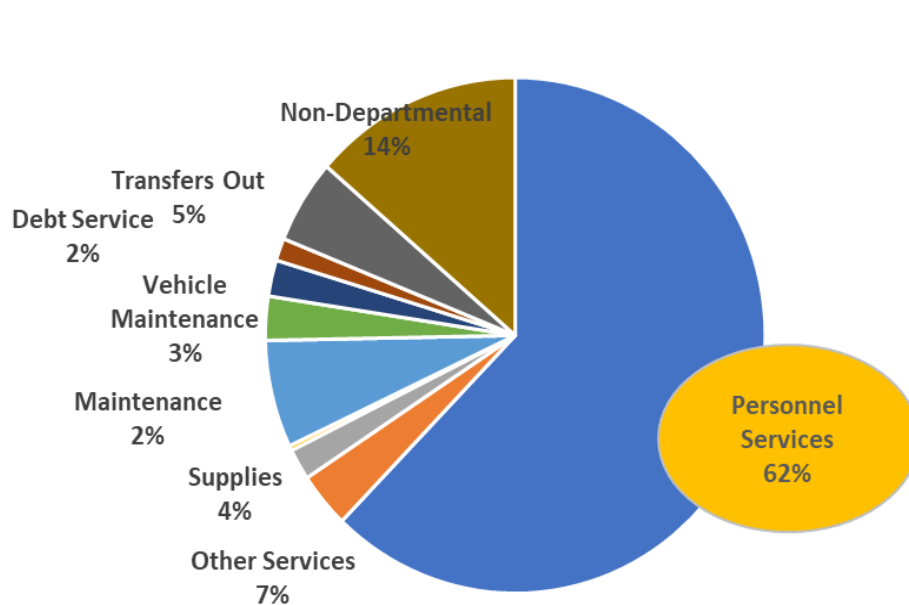
Transfers In from Bridge Excess Revenue

As previously mentioned, the City's General Fund is balanced every year with additional sources from our City's International Bridge excess revenue. The Intl. Bridge will be furthered analyzed.



Expenditures

As demonstrated in the following chart, personnel costs make up for more than 60% of the City's budget.



Personnel Services

In the last 3 years alone, the City has added a total of 51 FTE's and is expected to increase by 1 FTE this coming fiscal year with Grant Funds (Non-General). The forecasted personnel costs starting FY 2019-2020 is assuming no major additions of FTE's. The City left room to add personnel as operations are needed if other costs are managed in a conservative manner.

Personnel benefits for existing staff is the only thing being accounted for within the next five years with the following assumptions:

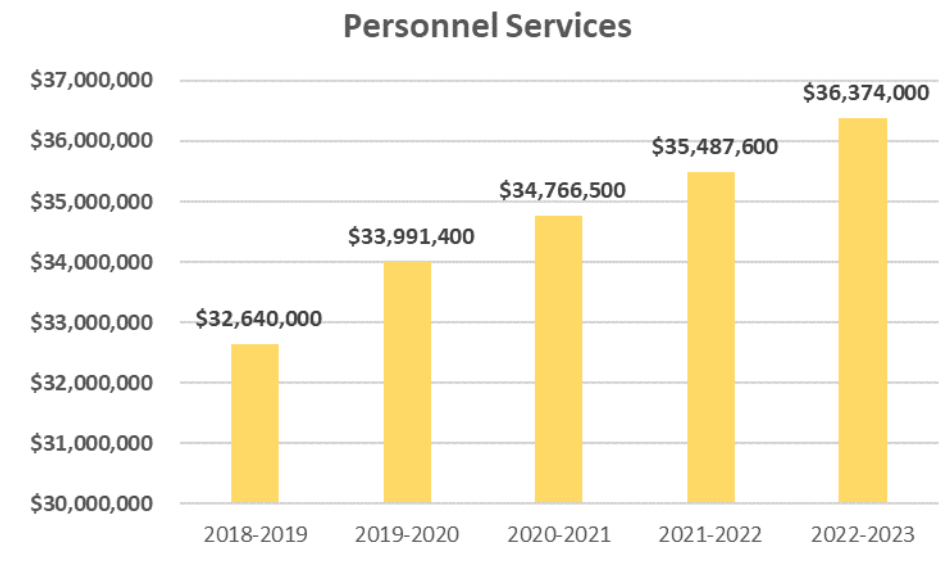
- ✚ Implementation of Compensation study over the next 5 years for a total additional cost of \$1.1. million
- ✚ 3% Increase in Health Insurance costs every year assuming no extra ordinary claims
- ✚ 3% Increase in Workers Compensation costs
- ✚ Collective Bargaining potential negotiation over the next 3 years

Allocated amount over the next five years for compensation study:

	Per Year	Cummulative
Yr 1	\$ 300,000	\$ 300,000
Yr 2	\$ 200,000	\$ 500,000
Yr 3	\$ 200,000	\$ 700,000
Yr 4	\$ 200,000	\$ 900,000
Yr 5	\$ 200,000	\$ 1,100,000 *

**Including Benefits*

Total Personnel Costs budgeted and forecasted for the next 5 years:



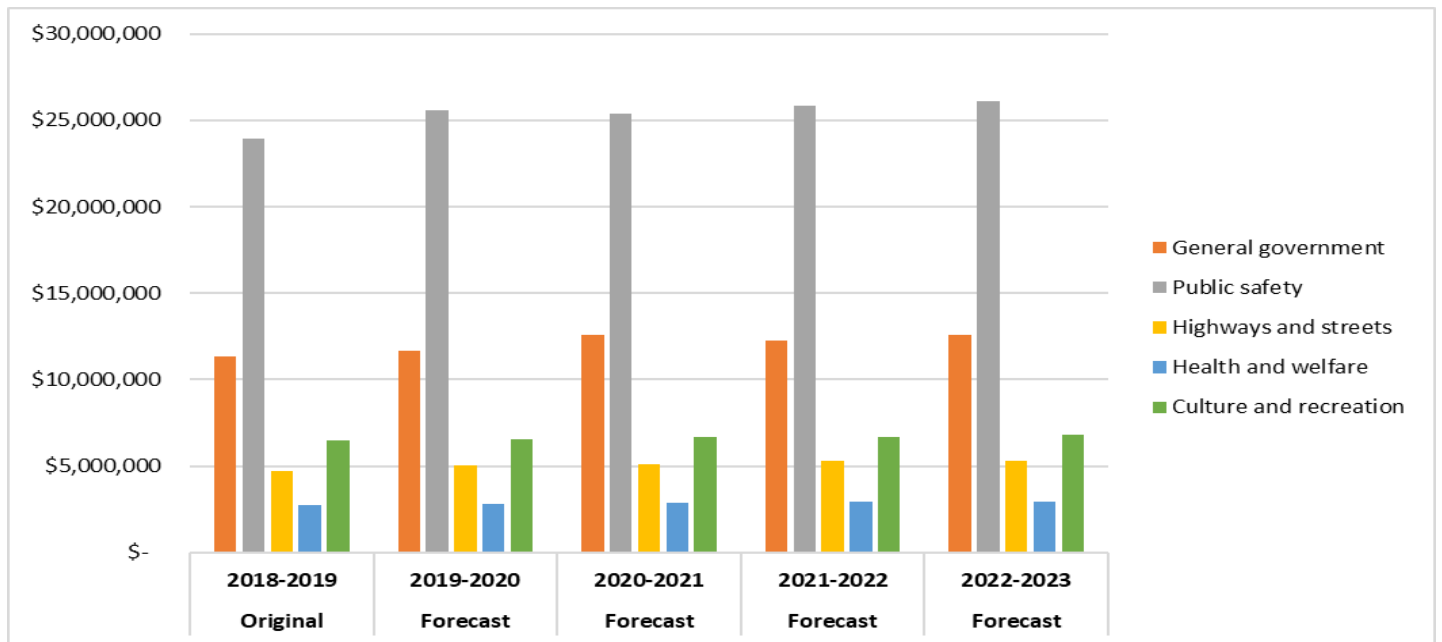
FIVE- YEAR BUDGET PLAN

Expenditures other than Personnel Services

The other expenditure categories are anticipated to grow based on historical trends from the last 3 to 5 years. Operational expenses for future City projects such as parks, fire station and new communication center are already accounted for since this current FY 2017.2018.


Activity	Original 2018-2019	Forecast 2019-2020	Forecast 2020-2021	Forecast 2021-2022	Forecast 2022-2023
1100- Personnel Services	\$ 32,640,000	\$ 33,991,400	\$ 34,766,500	\$ 35,487,600	\$ 36,374,000
2200- Supplies	1,666,500	1,754,000	1,892,500	1,843,000	1,921,300
3300- Maintenance	1,042,100	1,014,300	1,017,700	1,044,600	1,073,200
4400- Rentals	164,700	165,100	168,400	171,800	175,300
5500- Other Services	3,426,300	3,480,500	3,579,800	3,670,300	3,810,600
6600- Vehicle Maintenance	1,340,200	1,418,400	1,480,700	1,523,300	1,569,100
7700- Debt Service	1,743,100	1,606,300	1,376,400	1,306,000	1,290,500
8800- Capital Outlay	1,042,000	1,900,000	1,750,000	1,300,000	800,000
9900- Transfers Out	21,250,800	21,150,100	2,962,700	2,975,900	2,989,100
9900- Non-Departmental	6,168,100	6,350,800	6,600,900	6,671,900	6,772,900
Total Expenditures	\$ 70,483,800	\$ 72,830,900	\$ 55,595,600	\$55,994,400	\$ 56,776,000

Function	Original 2018-2019	Forecast 2019-2020	Forecast 2020-2021	Forecast 2021-2022	Forecast 2022-2023
General government	\$ 11,342,500	\$ 11,684,900	\$ 12,591,700	\$ 12,256,600	\$ 12,559,100
Public safety	23,942,700	25,562,100	25,415,400	25,829,000	26,126,900
Highways and streets	4,702,800	5,053,900	5,085,400	5,305,300	5,337,700
Health and welfare	2,761,800	2,802,800	2,873,200	2,915,900	2,959,400
Culture and recreation	6,483,200	6,577,100	6,667,200	6,711,700	6,803,800
Transfers Out	21,250,800	21,150,100	2,962,700	2,975,900	2,989,100
Total Expenditures	\$ 70,483,800	\$ 72,830,900	\$ 55,595,600	\$55,994,400	\$ 56,776,000



FIVE- YEAR BUDGET PLAN

The following is a summary of the General Fund Five-Year Budget Plan. Fiscal Year 2018-2019 is the only year taken for official consideration to City Commission and it was adopted on September 17, 2018.

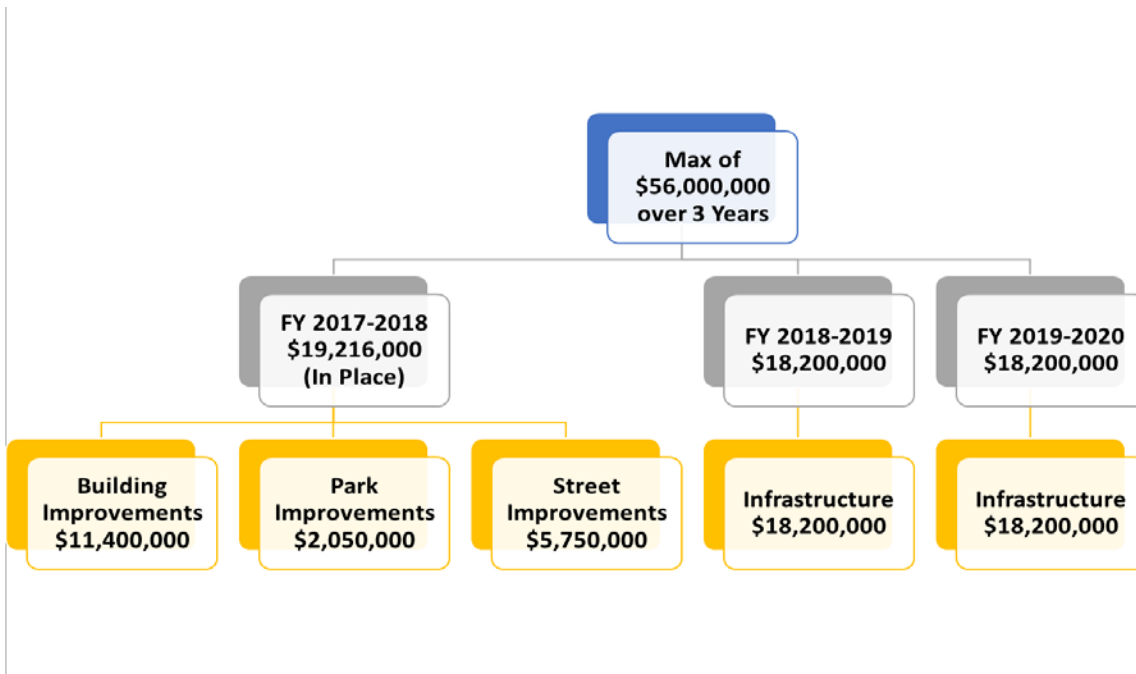
		ORIGINAL	FORECAST	FORECAST	FORECAST	FORECAST
		BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
		2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Revenues						
500 - General Tax Revenue		\$ 31,218,600	\$ 32,535,800	\$ 33,560,700	\$ 34,618,600	\$ 35,789,800
520 - Gross Receipts		2,558,100	2,571,200	2,596,200	2,621,400	2,646,800
530 - Revenue Producing Facilities		5,239,100	5,373,800	5,503,300	5,636,400	5,773,400
540 - Fines and Fees		1,435,500	1,572,300	1,723,300	1,728,800	1,734,400
550 - Licenses and Permits		832,100	851,300	849,100	857,900	866,800
560 - Charges for Current Services		889,900	773,300	699,300	699,300	659,100
570 - Debt Proceeds		18,200,000	18,200,000	-	-	-
580 - Lease Proceeds		942,000	1,900,000	1,750,000	1,300,000	800,000
580 - Transfers/Others		9,168,500	9,053,200	8,913,700	8,532,000	8,505,700
Total Revenues		70,483,800	72,830,900	55,595,600	55,994,400	56,776,000
Expenditures						
10 - City Manager's Office		1,384,800	1,371,500	1,375,000	1,377,800	1,423,700
11 - Finance Department		702,300	719,100	725,500	731,600	747,000
12 - Police Department		15,030,800	15,381,600	15,486,800	15,533,300	15,923,100
13 - Purchasing		285,800	355,700	668,200	397,100	401,100
14 - Municipal Court		576,600	598,900	585,900	590,000	597,200
15 - Fire Protection		6,969,700	8,141,000	7,886,500	8,232,700	8,117,100
17 - Street Maintenance		4,702,800	5,053,900	5,085,400	5,305,300	5,337,700
18 - Information Technology		1,989,100	1,821,800	1,810,800	1,794,700	1,787,700
19 - Media		323,900	328,400	332,900	336,900	342,200
20 - Municipal Library		1,563,500	1,586,100	1,609,100	1,632,800	1,656,900
21 - Grants		245,100	247,300	249,600	251,900	254,200
22 - Parks & Recreation		4,919,700	4,991,000	5,058,100	5,078,900	5,146,900
25 - Communications		1,365,600	1,440,600	1,456,200	1,473,000	1,489,500
26 - Human Resources		602,200	602,500	596,600	590,500	597,500
27 - Planning & Community Development		1,478,000	1,504,300	1,674,600	1,408,400	1,423,800
28 - Engineering		625,000	686,300	730,800	711,700	668,400
30 - Non-Departmental		27,718,900	28,000,900	10,263,600	10,547,800	10,862,000
Total Expenditures		70,483,800	72,830,900	55,595,600	55,994,400	56,776,000
Net Revenues Over/(Under) Expenditures		\$ -	\$ -	\$ -	\$ -	\$ -

CITY-WIDE CAPITAL IMPROVEMENT PLAN

The funding makeup of the City's Capital program is growing increasingly diverse each year. To help organize this complexity, the approved FY 2017-2018 CIP divides revenues sources into two different types:

1. Unrestricted Cash-General cash sources accumulated through the last five years.
2. Restricted Cash-
 - a. Grant Funds from Tx-Dot and CDBG
 - b. Tax Notes proceeds
 - c. Bond Proceeds

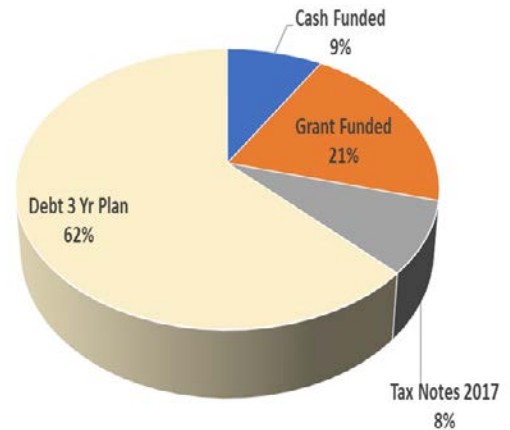
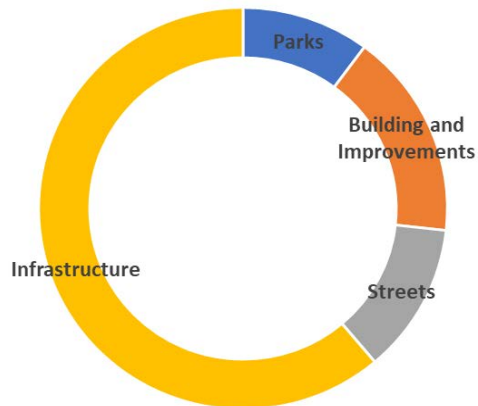
For FY 2017-2018, based on bridge cash flow and capacity of excess Revenue, City analyzed the ability to issue Debt (Certificates of Obligations) to fund Capital Improvement Projects discussed in the CIP Plan.



Project Category	Total Cost	Unrestricted		Restricted	
		Cash Funded	Grant Funded	Tax Notes 2017	Debt 3 Yr Plan
Parks	\$ 9,014,000	\$ 4,364,000	\$ 300,000	\$ 2,300,000	\$ 2,050,000
Building and Improvements	14,775,000	3,375,000	-	-	11,400,000
Streets	10,750,000	-	-	5,000,000	5,750,000
Infrastructure	55,900,000	-	19,500,000	-	36,400,000
Total over next 5 Years	\$90,439,000	\$ 7,739,000	\$ 19,800,000	\$ 7,300,000	\$ 55,600,000

FIVE- YEAR BUDGET PLAN

Capital Projects category and funding:



Based on Pharr Intl. bridge ability to contribute to debt service fund capacity, the City's I & S tax rate can be locked at a .08 average rate for the next five years, assuming the Bridge will contribute at least \$2.3 million dollars annually and PEDC will continue to fund Series 2012.



GENERAL OBLIGATION DEBT

ORIGINAL BUDGET 2018-2019	FORECAST BUDGET 2019-2020	FORECAST BUDGET 2020-2021	FORECAST BUDGET 2021-2022	FORECAST BUDGET 2022-2023
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REVENUES

Property Tax (Current & Delinquent)	\$ 2,412,500	\$ 2,482,500	\$ 2,554,600	\$ 2,628,900	\$ 2,705,400
Property Tax Penalty and Interest	50,000	45,000	45,000	45,000	45,000
Interest	25,000	20,000	20,000	20,000	20,000
Transfer In	3,714,000	3,781,500	3,768,200	3,241,600	3,331,000

Total Revenues	6,201,500	6,329,000	6,387,800	5,935,500	6,101,400
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EXPENDITURES

Principal	4,535,800	4,642,900	4,750,300	4,351,600	4,583,000
Interest	1,665,700	1,686,100	1,637,500	1,583,900	1,518,400

Total Expenditures	6,201,500	6,329,000	6,387,800	5,935,500	6,101,400
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Net Revenues Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
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FIVE- YEAR BUDGET PLAN

The following is a detail of expenditures for City General Long-Term Obligation over the next five years:

	ORIGINAL BUDGET	FORECAST BUDGET	FORECAST BUDGET	FORECAST BUDGET	FORECAST BUDGET
<u>Obligation</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
Series 2019	\$ -	\$ 1,294,900	\$ 1,287,400	\$ 1,289,300	\$ 1,290,300
Series 2018	2,122,100	842,000	867,600	1,287,300	1,287,700
Series 2017	1,035,800	1,021,600	1,007,400	1,083,200	1,255,400
Series 2016	686,700	691,000	690,000	1,176,800	1,177,800
Series 2015B	1,465,300	1,587,700	1,648,200	207,400	195,600
Series 2012	560,800	562,700	558,200	562,400	565,600
Envirolite Project	326,100	326,100	326,000	326,100	326,000
Financial Service Fees	4,700	3,000	3,000	3,000	3,000
Total Debt Service	\$ 6,201,500	\$ 6,329,000	\$ 6,387,800	\$ 5,935,500	\$ 6,101,400

The following is the approved budget for Tax Notes Series 2017 Debt for FY 2018-2019 and the forecast for the upcoming four years.





TAX NOTES SERIES 2017

	ORIGINAL BUDGET	FORECAST BUDGET	FORECAST BUDGET	FORECAST BUDGET	FORECAST BUDGET
	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
Transfer In - Paving and Drainage	\$ 827,500	\$ 827,500	\$ 827,500	\$ 827,500	\$ 827,500
Transfer In-Hotel/Motel	380,700	380,700	380,700	380,700	380,700
Total Tax Notes Series 2017 Revenues	1,208,200	1,208,200	1,208,200	1,208,200	1,208,200
Tax 2017-Interest	266,300	225,500	181,700	136,600	89,500
Tax Notes-Principal	941,900	982,700	1,026,500	1,071,600	1,118,700
Total Tax Notes Series 2017 Expenses	1,208,200	1,208,200	1,208,200	1,208,200	1,208,200
	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNATIONAL BRIDGE

As discussed in the prior section, Pharr Intl. Bridge excess revenue plays a crucial part in supporting the City's obligations. The City of Pharr is aware of the importance forecasting the next five-years to account and ensure coverage of all committed debt and operational expenses.

		ORIGINAL BUDGET 2018-2019	FORECAST BUDGET 2019-2020	FORECAST BUDGET 2020-2021	FORECAST BUDGET 2021-2022	FORECAST BUDGET 2022-2023
REVENUES						
Toll Fees		\$ 14,162,000	\$ 14,352,000	\$ 14,500,000	\$ 14,652,000	\$ 14,900,000
Debt Proceeds		520,000	-	-	-	-
Other		313,800	314,700	315,600	316,500	317,400
Interest		50,000	31,700	31,600	31,400	31,400
Total		\$ 15,045,800	\$ 14,698,400	\$ 14,847,200	\$ 14,999,900	\$ 15,248,800
EXPENSES						
Personnel		1,452,400	1,467,400	1,536,500	1,582,100	1,619,800
Supplies		225,500	169,100	174,400	179,800	185,300
Maintenance		184,300	203,900	206,900	210,000	220,000
Rentals		5,600	5,800	6,000	6,200	6,400
Other Services		723,100	731,400	762,100	771,200	784,800
Vehicle Maintenance		20,900	21,400	21,900	22,400	22,900
Long Term Debt Service		1,294,500	1,329,300	1,329,500	1,093,700	187,600
Capital Outlay		520,000	-	-	-	-
Transfer Out*		10,365,500	10,316,300	10,161,500	9,063,600	9,276,000
Non-Departmental		254,000	453,800	648,400	2,070,900	2,946,000
Total		15,045,800	14,698,400	14,847,200	14,999,900	15,248,800
Net Revenues Over/(Under) Expenses		\$ -	\$ -	\$ -	\$ -	\$ -

		ORIGINAL BUDGET 2018-2019	FORECAST BUDGET 2019-2020	FORECAST BUDGET 2020-2021	FORECAST BUDGET 2021-2022	FORECAST BUDGET 2022-2023
Transfer Out-General Fund Operations		\$ 5,878,400	\$ 5,782,100	\$ 5,642,600	\$ 4,592,900	\$ 4,739,300
Transfer Out-General Fund Incentives		500,000	500,000	500,000	500,000	500,000
Transfer Out-General Fund for Golf Operations		494,600	480,300	473,600	456,500	436,200
Transfer Out-General Fund for Jackson Development Debt		1,161,100	1,161,100	1,161,100	1,161,100	1,161,100
Transfer Out-Debt Service		2,331,400	2,392,800	2,384,200	2,353,100	2,439,400
		\$ 10,365,500	\$ 10,316,300	\$ 10,161,500	\$ 9,063,600	\$ 9,276,000

One of the major projects for the next five-years is the expansion of our International Bridge. These projects are in conjunction with the United States Customs & Border Protection (CBP) through the Donations Acceptance Program.

Program Overview:

Below are the five top Port of Entry Infrastructure Priorities for the Pharr International Bridge submitted and approved under the Federal 559 Donations Acceptance Program for fiscal years 2015 and 2016. Under the Donations Acceptance Program, the United States Customs and Border Protection (CBP) can enter private partnership agreements to address the needs for infrastructure expansion, increased wait times, technology improvements, and cargo back up within the port of entry. Throughout the process the city works parallel with United States Customs and Border Protection (CBP) and General Services Administration (GSA).

DAP 15

Two commercial entry lanes/booths:

The expansion of the roadway leading to the Mexico customs export lot, along with the entry booths on the U.S. side will help expedite the flow of commercial traffic from Mexico to the U.S., allowing for more capacity on the bridge and the ability to inspect more trucks at one time. Additionally, it will create a direct passage for secure, certified and empty trucks, also known as gate-to-gate; dedicated FAST Certified Cargo and Pre-Certified Empties.

Two commercial exit lanes/booths:

The exit booth expansion and relocation will help expedite the flow of traffic inside the port, all while providing a more efficient connectivity to the new BSIF to complete the truck inspection process and get the cargo from its origin to its destination on time. Additionally, it will create a direct passage for secure, certified and empty trucks, also known as gate-to-gate; dedicated FAST Certified Cargo and Pre-Certified Empties.

DAP 16

Dock expansion – phase I (dry dock):

The expansion will be an additional wing to the current dock, which will accommodate about 12 additional trucks for intensive inspection. The project will be done in 2 phases in order not to interrupt the current flow of truck throughput. Currently, the dock's depth is only 50 feet, which requires up to 2 dock spaces for each truck (dry box/reefer) to be off-loaded. The expansion calls for an additional 30 feet, for a total of 80 feet per dock space, to maximize the use of the space in 1 dock only, per truck.

Dock expansion – phase II (cold inspection facility):

The new facility will augment the current cold inspection service area by creating an additional 21,000 square feet of refrigerated units. The project will consist of 13 additional dock spaces/doors, which will be completely sealed when the truck backs up onto the dock. This will prevent the cold chain from being broken, which will allow for a safer and environmentally sound inspection process of certain perishables/produce that require colder temperatures to preserve their life expectancy and increase their shelf life when they get to market.

Regional AG Laboratory & Training Center:

The new facility will be a completely new brick and mortar building designed to meet the growing demands of the perishables/produce industry. It is estimated to be about 8,000 square feet in size. It will be built next to the new dock expansion and new cold inspection facility to allow for expedited transferring of products that need to be tested. The new facility will be a fully-equipped training and development center for agriculture specialists, entomologists and insect identifiers, to keep up with the exponential growth of perishables/produce importations that are being forecasted for the next 10 years.

Operational Benefits/Advantages:

CBP can expect a positive and measurable impact of change on the performance of the organization, contributing to strategic objectives inside the port. This includes functional and operational day-to-day benefits resulting from the new capabilities measured through the following categories: Time, cost, and assurance/satisfaction. The following are the Top 7 Benefits and Advantages:

1. Increase Capacity
2. Maximize space and eliminate unnecessary steps
3. Reduce border wait times
4. Create local and international jobs
5. Streamline the inspection process
6. Improve commercial truck throughput and trade
7. Support local, regional and international trade industries

The fiscal operational impact is estimated to be at a maximum of \$250,000 a year once full completion of projects. This amount is accounted for in forecast budget starting FY 2019-2020 under Non-Departmental Category.

The following is a summary of the total projected cost and its funding.

Project	Total Cost	TxDot	Pharr
559 FY 16 Project			
#1 Dock Expansion			
(Phase 1 & 2)	\$ 5,500,000	\$ 3,000,000	\$ 2,500,000
559 FY 16 Project			
# 2 Cold Inspection			
Facility	\$ 11,500,000	\$ 4,500,000	\$ 7,000,000
559 FY 16 Project			
# 3 Ag. Training Center & Lab	\$ 8,000,000	\$ 8,000,000	\$ -
20 Ac. Truck Staging Area	\$ 7,500,000	\$ 4,000,000	\$ 3,500,000
Total Cost	\$32,500,000	\$19,500,000	\$13,000,000