

2019 FIRE STATION BOND ELECTION PROJECT OVERVIEW

Fairview Town Council has called a May 4, 2019 bond election asking voters to consider authorizing a maximum of \$7.6 million in General Obligation Bonds for the construction of a new Fire Station # 1



Fire Station #1 – Why Now

- ▶ Fire Station #1 serves all Fairview commercial properties and residential properties located in the western half of the Town
- ▶ Dilapidated portions of the fire station have been torn down due to safety and functional concerns
- ▶ Fire operations are now located in two on-site portable buildings
- ▶ Current Fire Station #1 cannot house an expanded EMS service unless additional building space is added



Future Increase in Service Demands

Continued growth will further expand the level of service demand required of Fairview fire and EMS.

- ▶ Response for ambulatory transport calls occur from Fire Station #2 or by mutual aid.
- ▶ Goal is to add Ambulance to Station #1 based on service demands and funding
- ▶ Average response time for the Fairview ambulance is approximately 7 min.
- ▶ Average response times from a mutual aid agency range between 11 and 14 min.



Quick Facts

- ▶ **Purpose:** Construction of Fairview Fire Station #1
- ▶ **Location:** North of existing Fire Station #1 on Highway 5
- ▶ **Bond Proposition Cost:** \$7,600,000 (not to exceed amount)
- ▶ **Total Project Cost:** \$8,800,000 (not to exceed amount)
- ▶ **Estimated Rate of Interest for Proposed Debt:** less than 5%

Quick Facts Cont'd

- ▶ **Estimated Construction Time:** one year to complete design and bid, and one year to complete construction
- ▶ **Estimated Term Length for Debt:** up to 30 years
- ▶ **When will Bonds be Sold:** After receipt of competitive bids and final design
- ▶ **2016 Standard & Poor Credit Rating for Fairview:** AA+
- ▶ **No Tax Rate Increase Required for Debt Service**

FINANCIAL IMPACT

How will the Town pay for Construction?

	<u>30 Yr. Debt</u>	<u>20 Yr. Debt</u>
Total Project Cost	\$8,800,000	\$8,800,000
Subtract:		
Use of Community Development Corporation Fund (CDC) Fund Balance	-\$300,000	-\$300,000
Use of Town Fund Balance	<u>-\$900,000</u>	<u>-\$900,000</u>
Total Amount of Bond Issuance	\$7,600,000	\$7,600,000
Annual Debt Service @ effective interest rate of 4.5%	\$465,000	\$577,000

How will the Town pay for Construction?

	<u>30 Yr. Debt</u>	<u>20 Yr. Debt</u>
Annual Debt Service	\$465,000	\$577,000
Sources of Annual Debt Payments:		
Community Development Corporation Funds	-100,000	-100,000
Tax Increment Financing (TIF) Funds	<u>-75,000</u>	<u>-75,000</u>
Remaining Debt Service Balance	\$290,000	\$402,000
General Fund Adjustments :		
Necessity to Subsidizing Water Debt Expires	\$200,000	\$200,000
Deduction of Building Rental	44,000	44,000
Use of General Fund Operating Budget	46,000	158,000

Impacts to General Fund Reserves

\$9,437,332	Projected FY18-19 General Fund Expenses
\$4,354,739	Projected FY18-19 General Fund Reserve Balance
\$2,359,333	Minimum Fund Balance Policy - 25% of Annual Expenditures
\$3,303,066	Recommended Fund Balance - 35% of Annual Expenditures
\$ 900,000	Proposed Use of General Fund Reserves
\$3,454,739	Projected FY18-19 EOY Fund Balance – 37% of Annual Expenditures

Impacts to Community Development Corporation Budget

\$ 795,000	Projected FY18-19 Revenues
\$ 742,841	Projected FY18-19 Expenses (including 380 payment)
\$1,202,827	Projected FY18-19 Fund Balance
\$ 300,000	Proposed Use of Fund Balance
\$ 902,827	Projected Remaining FY18-19 EOY Fund Balance
	<u>Annual CDC Contribution</u>
\$ 100,000	Proposed Minimum Annual Use of CDC Operating Funds

Impacts to Tax Increment (TIF) Budget

\$269,500	Projected FY18-19 Revenues
\$0	Projected FY18-19 Expenses
\$451,740	Projected FY18-19 Fund Balance

History of TIF Fund:

\$44,387	FY 16-17 Revenues
\$137,853	FY17-18 Revenues
\$269,500	Projected FY18-19 Revenues
<u>-\$75,000</u>	Proposed Annual Use of TIF Funds for Debt Service
\$194,500	Annual Remaining Revenues at Current Levels

Impacts to Tax Increment (TIF) Budget

Planned growth within the TIF – Wooded Creek Apple Crossing

\$61,330,000

Anticipated New Residential Value

8,000,000

24 Hour, New Strip Center, Sleep Number, Racetrack

\$69,330,000

Total Anticipated New Value

\$194,500

Annual Revenues at Current Levels

\$118,255

Anticipated Planned Growth Revenue

\$312,755

Anticipated Annual TIF Revenue

Overview of Town Debt

Facts about Town Debt

- ▶ Total Town debt in FY 18-19 was 81% property tax supported and 19% supported by water and sewer revenues
- ▶ The Town's planning process considers the retirement of old debt prior to issuing new debt in order to minimize increased impact on property tax and utility rates
- ▶ Since 2006 the Town's tax rate has only increased once, even during the economic downturn, and that was in 2007 to pay for the new debt on Fire Station #2 approved by the voters
- ▶ Town received a AA+ Bond Rating in 2016

Facts about Town Debt

- ▶ The average annual Town debt for the past 9 years - \$25,532,268
- ▶ The projected annual Town debt for next 10 years with new debt - \$23,939,364

- ▶ The average per capita Town debt for the past 9 years – \$3,122
- ▶ The average per capita Town debt projected for next 9 years - \$2,083
- ▶ The average per capita debt for area cities for FY 17-18 - \$2,560

- ▶ The average Town debt per \$100,000 of assessed value for past 9 years - \$1,896
- ▶ The average Town debt per \$100,000 of assessed value for next 9 years - \$1,114
- ▶ The average debt of area cities per \$100,000 of assessed value for FY 17-18 - \$2,732

Facts about Town Debt

What has the Town issued debt for?

- ▶ Fire Station #2
- ▶ East Stacy Road reconstruction
- ▶ Town share of Stacy Road widening
- ▶ Road construction including overlay of asphalt roads in town
- ▶ Water lines replacement, water storage and pumping facilities
- ▶ Sewer lines and lift stations
- ▶ Town Hall

Overview of Town Debt

FY	Current debt -at year end	New Debt	total debt-at year end	population	debt per cap	total tax base	Tax base growth	Debt per \$100,000 of Tax Base
Historical							Actual	
FY10-11	\$23,719,882			7,270	\$3,263	\$1,133,693,705		\$2,092
FY11-12	\$27,229,941			7,390	\$3,685	\$1,184,547,832	4.49%	\$2,299
FY12-13	\$25,705,000			8,020	\$3,205	\$1,202,868,283	1.55%	\$2,137
FY13-14	\$27,409,999			8,310	\$3,298	\$1,243,355,179	3.37%	\$2,205
FY14-15	\$25,955,001			8,420	\$3,083	\$1,336,949,720	7.53%	\$1,941
FY15-16	\$29,546,526			8,490	\$3,480	\$1,436,726,297	7.46%	\$2,057
FY16-17	\$25,282,886	Received a AA+		9,110	\$2,775	\$1,586,604,271	10.43%	\$1,594
FY 17-18	\$23,081,358			9,526	\$2,423	\$1,761,451,183	11.02%	\$1,310
Current								
FY18-19	\$21,012,097	\$6,722,000	\$27,734,097	9,600	\$2,889	\$1,939,288,515	10.10%	\$1,430
Future							Estimated	
FY19-20	\$18,850,393	\$7,600,000	\$33,026,633	9,976	\$3,311	\$1,978,074,285	2%	\$1,670
FY20-21	\$16,690,868		\$30,634,308	10,367	\$2,955	\$2,017,635,771	2%	\$1,518
FY21-22	\$14,465,000		\$28,059,760	10,774	\$2,604	\$2,057,988,486	2%	\$1,363
FY22-23	\$12,635,000		\$25,740,200	11,196	\$2,299	\$2,099,148,256	2%	\$1,226
FY23-24	\$10,755,000		\$23,358,000	11,635	\$2,008	\$2,141,131,221	2%	\$1,091
FY24-25	\$8,980,000		\$21,069,920	12,091	\$1,743	\$2,183,953,846	2%	\$965
FY25-26	\$7,190,000		\$18,740,960	12,565	\$1,492	\$2,227,632,923	2%	\$841
FY26-27	\$5,485,000		\$16,480,840	13,058	\$1,262	\$2,272,185,581	2%	\$725
FY27-28	\$4,105,000		\$14,548,920	13,569	\$1,072	\$2,317,629,293	2%	\$628

Comparison of Town Debt

Fairview	2018 Population	FY 17-18 Tax Rate	FY 17-18 Tax Base	2018 % Growth Rate	FY 17-18 Total Debt Ending	Possible Additions to Debt	Debt per \$100,000 of Tax Base	Debt per Capita
FY 07-08	(est.) 6,332	0.365	\$872,420,094		\$20,545,000		\$2,355	\$3,245
FY 08-09	(est.) 6,793	0.365	\$964,588,201		\$22,935,000		\$2,377	\$3,376
FY 17-18	9,526	0.359999	\$1,761,451,183	4.50%	\$23,081,358		\$1,435	\$2,423
FY 18-19	9,600	0.349709	\$1,939,288,515		\$27,734,097	\$6,722,000	\$1,527	\$2,889
FY 19-20 Est	9,976		\$1,978,074,285		\$33,026,633	\$7,600,000	\$1,758	\$3,311
Comparisons								
Anna	13,690	0.601288	\$891,474,571	10.49%	\$27,920,250		\$3,132	\$2,039
Celina	13,090	0.645	\$1,080,755,891	26.96%	\$55,175,001		\$5,105	\$4,215
Colleyville	25,010	0.333834	\$4,875,661,443	1.54%	\$13,860,000		\$284	\$554
Corinth	21,030	0.53686	\$1,952,654,794	1.11%	\$34,030,000		\$1,743	\$1,618
Forney	20,280	0.621111	\$1,455,633,995	9.09%	\$57,305,000		\$3,937	\$2,826
Lucas	7,710	0.317948	\$1,003,893,835	9.67%	\$18,885,000		\$1,881	\$2,449
Melissa	9,580	0.61	\$854,436,617	8.25%	\$57,498,750		\$6,729	\$6,002
Murphy	20,010	0.5	\$2,273,747,250	0.15%	\$33,795,000		\$1,486	\$1,689
Prosper	22,650	0.52	\$3,114,007,223	12.35%	\$54,056,400		\$1,736	\$2,387
Princeton	10,560	0.68989	\$603,265,014	11.63%	\$25,950,000		\$4,302	\$2,457
Sachse	24,720	0.747279	\$2,158,595,689	3.22%	\$58,420,000		\$2,706	\$2,363
Southlake	29,580	0.462	\$7,174,076,731	2.42%	\$77,082,592		\$1,074	\$2,606
Trophy Club	11,370	0.451442	\$1,685,669,364	1.07%	\$23,518,000		\$1,395	\$2,068
Average							\$2,732	\$2,560

Property Tax Rate Comparison

- ▶ Fairview is a full-service local government – tax dollars are used to provide core services such as police, fire, EMS, public works, parks, etc.
- ▶ Compared to other full-service local governments in Collin County, Fairview has historically had the lowest or one of the lowest property tax rates.
- ▶ The chart compares the Town's 2019 property tax rate with other area full-service local governments.

2019 Property Tax Rate Comparison	
Full-Service Local Governments	Tax Rate
City of Wylie	\$0.725848
City of Princeton	\$0.688820
City of Celina	\$0.645000
City of Richardson	\$0.625160
City of Melissa	\$0.609541
City of McKinney	\$0.525170
City of Allen	\$0.498000
Town of Prosper	\$0.520000
City of Murphy	\$0.490000
City of Plano	\$0.460300
City of Frisco	\$0.446600
Town of Fairview	\$0.349709
City of Colleyville	\$0.320800

Early Voting – Early voting will be available from ***Monday, April 22 through Tuesday, April 30, 2019***

Election Day Voting – Saturday, May 4 from 7 a.m. to 7 p.m.

You can find a complete listing of all Collin County Vote Centers for both Early Voting and Election Day at CollinCountyTx.Gov/Elections.

THANK YOU!

Any questions?

Send an email to

BondQuestions@FairviewTexas.org