

City Manager's Proposed Budget

August 2, 2022



CITY OF WACO, TEXAS
Fiscal Year Budget

2022 - 2023

Outline of Presentation

- City Manager Bradley Ford
 - Manager's Message, Strategic Goals
- Director of Fiscal Services Nick Sarpy
 - Discuss the Budget Development and Financial Management Philosophies
 - Discussion of the Property Tax Certified Appraisal Roll, Certified taxable values and Truth in Taxation information (NNRTR, VATR)
 - Overview of Funds
 - Discussion of General Fund
- Assistant City Manager Paul Cain
 - Major Enterprise Funds and Rates
- Director of Fiscal Services Nick Sarpy
 - Calendar
- Questions from City Council

Where we have been?

- High Inflation affecting construction projects and operations
 - 9% overall year-over-year
 - 25% - 170% in cost of high use goods like chlorine, asphalt, & concrete
 - 15% - 30% in cost of construction projects
- Salary savings due to vacancies partially offset inflationary impacts on budget
- Revenues, particularly sales tax and hotel occupancy tax, strongly out-performing budget
- Strategic Pay Changes and Staff Additions during the Budget Year
- Largest economic development projects in our history with more than 2,500 jobs added and hundreds of millions in new commercial / industrial / mixed-use development
- Working to implement that largest annual Capital Improvement Program in our history at \$118m
- High Project Load stressing Project Management capabilities

Highlights: FY 23 Proposed Budget

- Exemptions providing significant tax relief to homeowners, particularly for Over 65 and/or Disabled
- Proposed reduction in tax rate to \$0.764782, lowest rate since 2007
- Proposing the largest ever annual Capital Improvement Program budget at \$215.4m
- 6% General Salary Increase for employees and new/expanded benefits
- 67 new full-time positions and 4 part-time positions; including 10 new police officers, 2 sergeants and 4 new firefighters
- Utility Fees: Combined increase of \$3.75 monthly (3.18%) for average users, well under inflation
- Average homeowner will see an increase in taxes and fees of \$7.18 (+3.09%), well under inflation
- Revenue diversification remains strong. Property taxes account for 45% of total General Fund Revenues (down about 1% from FY 22), with Sales Tax at 27% (same as FY22). Policy reserve requirements (28%) are met.
- Creative approaches to address small business and housing needs, as well as a future street capacity program

Budget's Impact on Typical Rate/Taxpayers

Service or Fee	Fiscal Year 2021-2022 Yearly Rate	Fiscal Year 2022-2023 Proposed Rate	Annual Dollar Change	Typical Ratepayer Defined as:
Water	\$ 562.08	\$ 562.08	\$ -	Average consumer of 8K gallons
Wastewater	\$ 596.04	\$ 620.64	\$ 24.60	Average consumer of 5K gallons
Solid Waste	\$ 193.20	\$ 212.40	\$ 19.20	Residential Customer with base service
Drainage	\$ 64.92	\$ 66.12	\$ 1.20	Residential customers with 1 Equivalent Residential Unit 1,961-3399 square feet of impervious area
Property Tax Bill	\$ 1,374.13	\$ 1,415.34	\$ 41.20	FY23 average non-senior homestead with an assessed value of \$185,064, net of 15% general homestead exemption
Total Yearly Impact	\$ 2,790.37	\$ 2,876.58	\$ 86.20	Combined projected increase of 3.09%

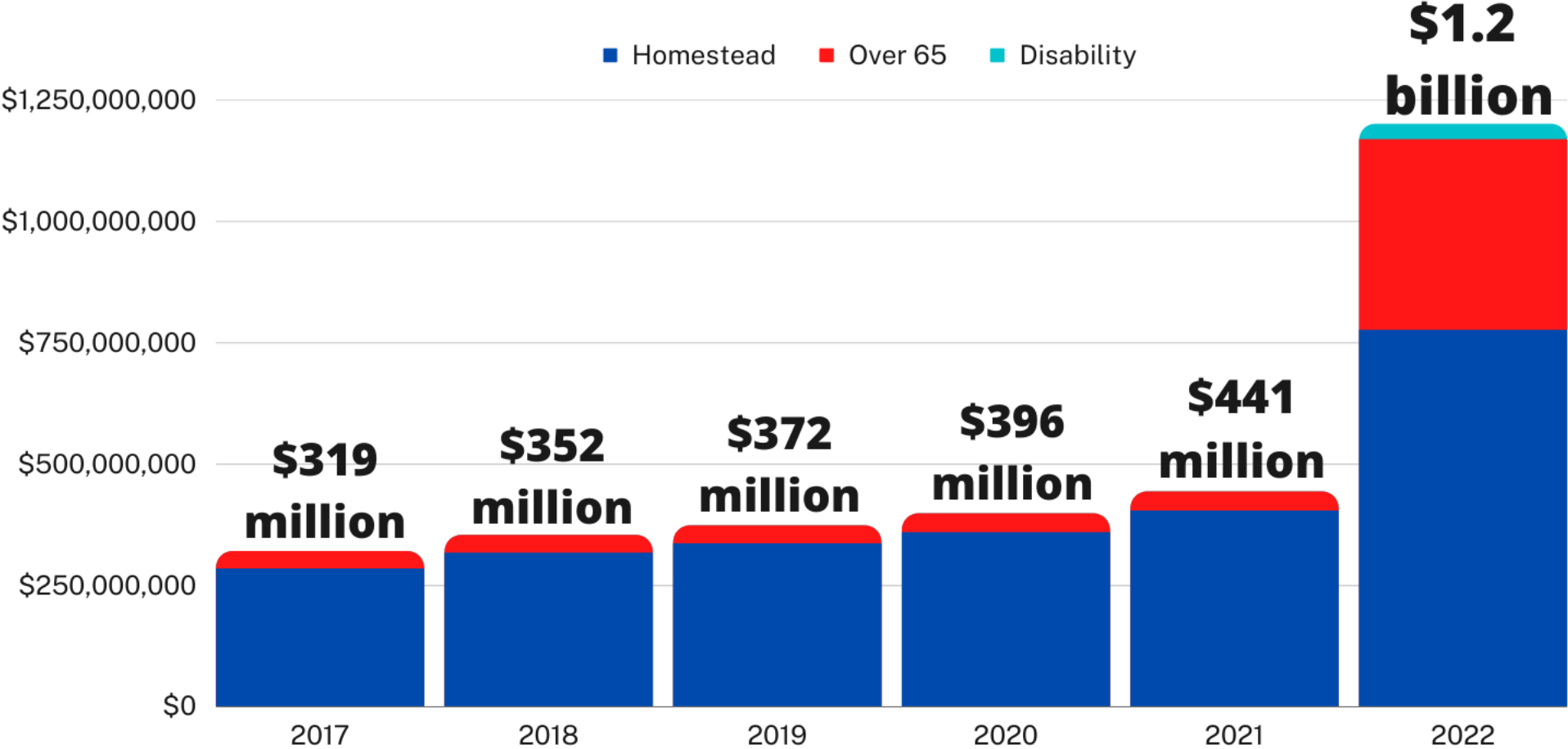
If we added 9% inflation to FY 21/22 Yearly Rate total of \$2,790.37, it would result in a Proposed Rate of \$3,044.29 for FY 22/23.




Proposed budget for FY 22/23 is 5.5% under that number.



Exempted Value by Year

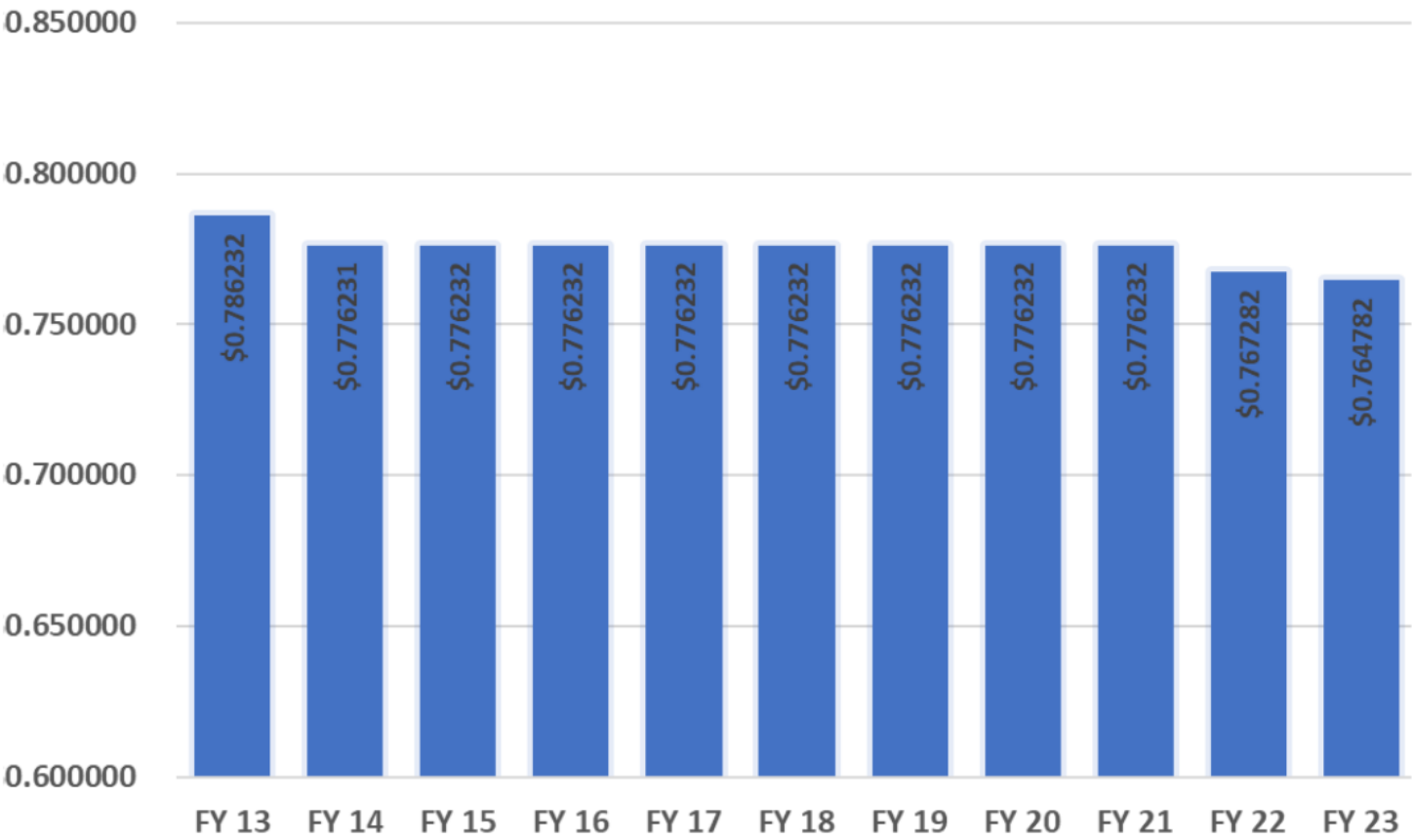
Exemptions to Homeowners in upcoming budget year will reduce the City's property tax revenue by more than \$5.8 million compared to last year



			Taxed as a Homestead	Taxed as a Over 65 Homestead	Taxed as a Disabled Homestead
Example House 1 830 Sq Ft Built in 1910 Appraised Value 2021: \$90,000 Appraised Value 2022: \$99,000		2021 City Tax Bill	\$ 621	\$ 583	\$ 621
		2022 City Tax Bill	\$ 644	\$ 261	\$ 261
		\$ Change	\$ 22	\$ (322)	\$ (360)
		% Change	4%	-55%	-58%
Example House 2 3,120 Sq Ft Built in 2017 Appraised Value 2021: \$450,000 Appraised Value 2022: \$495,000		2021 City Tax Bill	\$ 3,107	\$ 3,069	\$ 3,107
		2022 City Tax Bill	\$ 3,218	\$ 2,835	\$ 2,835
		\$ Change	\$ 110	\$ (234)	\$ (272)
		% Change	4%	-8%	-9%
Example House 3 5,800 Sq Ft Built in 2007 Appraised Value 2021: \$1,012,500 Appraised Value 2022: \$1,113,750		2021 City Tax Bill	\$ 6,992	\$ 6,953	\$ 6,992
		2022 City Tax Bill	\$ 7,240	\$ 6,858	\$ 6,858
		\$ Change	\$ 248	\$ (96)	\$ (134)
		% Change	4%	-1.4%	-2%

Property Tax Rate

Lowest Tax Rate Proposal Since at Least 2007

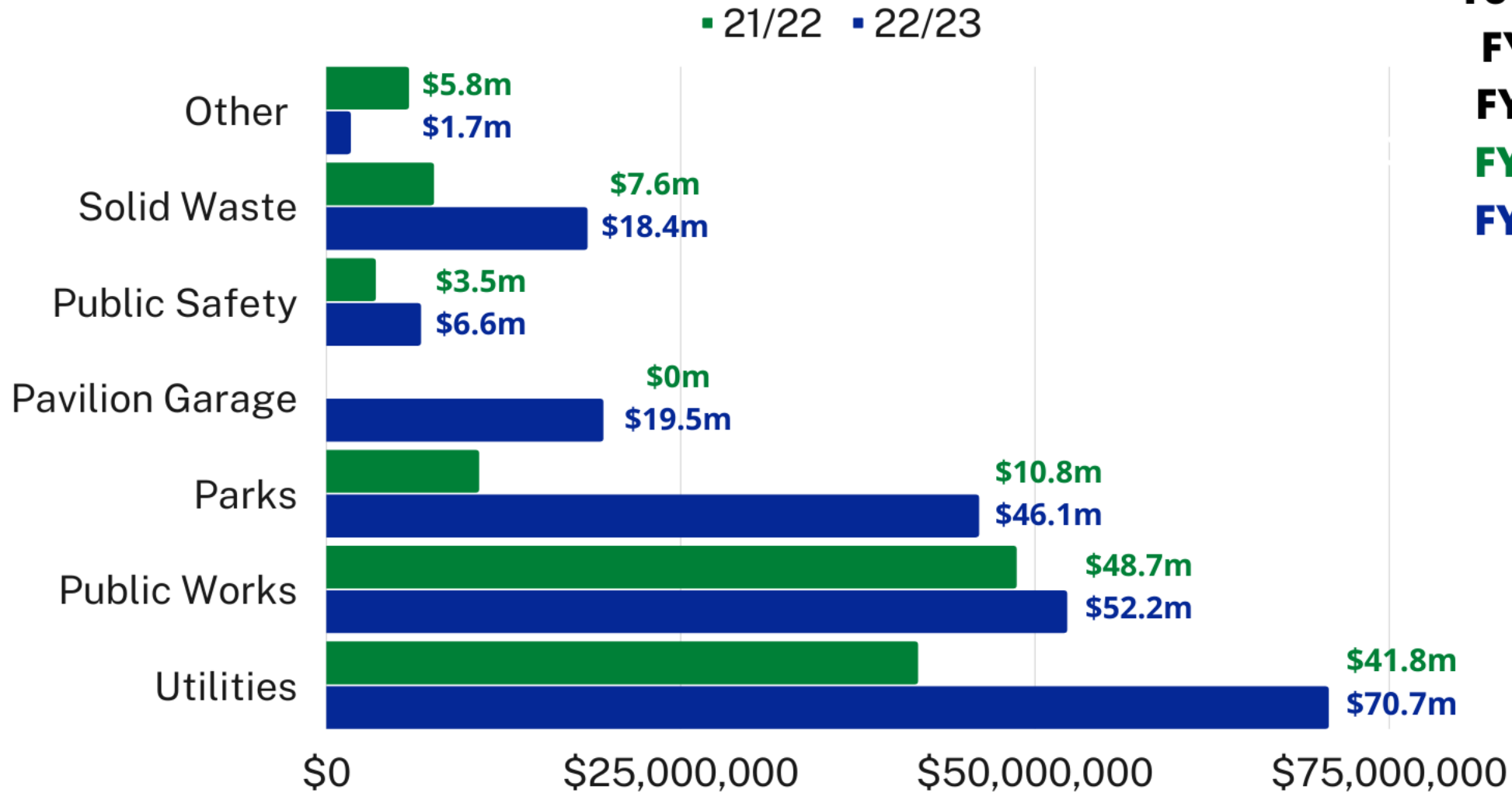


Equivalents for Comparison

- Proposed Rate of \$0.764782
 - Zoo Subsidy: \$0.015
 - 6% GSI: \$0.06
 - Outside Agency Contracts: \$0.03
 - TIF Deferred Revenues: \$0.0546
 - WMCEDC Contribution: \$0.025
 - New Tax Exemptions: \$0.048



Capital Improvement Program



Total CIP Funding

FY 19/20: \$ 76m

FY 20/21: \$ 84m

FY 21/22: \$118m

FY 22/23: \$215m

Retaining and Recruiting the Best

Employee Compensation

- About 320 employees received mid-year modifications during FY 2021/2022 due to market conditions
- Proposed FY 2022/2023 General Salary Increase of 6% effective October 1, 2022
 - Average Full-Time Employee Wage: \$68,144
 - Median Full-Time Employee Wage: \$59,559
 - Lowest Full-Time Employee Wage: \$33,072

New and / or Modified Benefits

- Education Assistance to “up-skill” our existing staff
- Creation of a new Paid Parental Leave
- Revised Longevity Pay Program
- No increased cost to employee for Health Plan access for 3rd year in a row

Personnel Additions by Department

Department	One-Time Cost	Recurring Cost	Total Cost	FTE Increase	Vehicles
Police	1,100,000	1,344,360	2,444,360	13.5	6
Fire	25,610	240,232	265,842	4	0
Subtotal Public Safety	1,125,610	1,584,592	2,710,202	17.5	6
City Manager's Office	6,000	312,000	318,000	4	0
Human Resources	-	169,281	169,281	2	0
Facilities Maintenance	80,600	146,775	227,375	2	2
Library	-	67,076	67,076	1	0
Parks & Recreation	-	117,402	117,402	2	0
Development Services	29,517	76,012	105,529	2	1
Subtotal General Fund	116,117	888,546	1,004,663	13	3
Convention Services Fund	-	21,591	21,591	0.5	0
Water Fund	45,000	312,147	357,147	2	1
WMARSS Fund	90,000	275,317	365,317	3	2
Solid Waste Fund	-	144,489	144,489	3	0
Drainage Fund	491,042	1,364,762	1,855,804	13	2
Subtotal Enterprise Funds	626,042	2,118,306	2,744,348	21.5	5
ARPA Fund	3,000	156,000	159,000	2	0
Risk Management Fund	201,460	555,053	756,513	5	5
IT	-	183,701	183,701	2	0
Engineering	120,400	1,186,960	1,307,360	8	8
Subtotal Other Funds	324,860	2,081,714	2,406,574	17	13
Total All Funds	\$2,192,629	\$6,673,157	\$8,865,786	69	27

STRATEGIC GOALS



Facilitate Economic
Development



Create a Culture
of Equity and Inclusion



Provide a Safe and
Resilient City



Improve
Infrastructure



Build a High Performing
City Government



Enhance
Quality of Life



Support Sustainability

On-going Projects and Activities

- Economic Development Strategic Plan – conclusion late in CY 2022
- Continuation funding for economic development support organizations of \$1.091m
- Continuation funding for economic development incentives with WMCEDC
 - Increase FY 2022/2023 contribution from \$3.25 million to \$3.50 million
- Continued deferral of city property tax revenues for Tax Increment Financing Districts
 - TIF #1: 100% deferral equal to \$ 5,700,000 or 4.57 cents on tax rate
 - TIF #3: 100% deferral equal to \$ 4,000 or .03 cents on tax rate
 - TIF #4: 70% deferral equal to \$ 1,100,000 or .86 cents on tax rate
- Continued support of General Fund subsidies at amenities totaling more than \$1.75m



**Facilitate Economic
Development**

New Funding

- One-Time Funding of \$3.55 million for ***small business support*** through ARP and TIF
- One-Time Funding of \$19.5 million to construct the ***Riverfront Pavilion Parking Garage***
- One-Time Funding of \$1.25 million for ***new façade improvement programs*** along Elm Avenue and 25th/26th St and LaSalle Avenue

On-going Projects and Activities

- Purchase of Doris Miller Recreation Center and upcoming \$2,988,000 renovation of the facility and outdoor spaces
- Completion of Engineering Assessment at Johnson Hall in east Waco
- Building staff's capacity and awareness of racial equity work

New Funding

- One-Time Funding of \$6,250,000 for construction of a ***STEAM Education Center*** in east Waco using American Rescue Plan (ARP)
- One-Time Funding of \$425,000 to plan for renovations of ***Eastern Little League*** ballfields and ***Cotton Palace*** ballfields
- Creation of ***new Children's Librarian*** position at the east Waco library branch
- Creation of a new position to support City organization in monitoring ***American's with Disabilities Act compliance***
- Significantly Modified Property Tax Exemption for Disabled Homeowners boosted from \$0 to \$50K, saving approximately \$425 annually for average value homeowners



**Create a Culture of
Equity and Inclusion**

On-going Projects and Activities

- Mid-Year Compensation Adjustments for critical positions
 - Police Dispatchers
 - Positions requiring CDLs
 - Zoo and Animal Service Staff
- Safety Audit Recently Completed, Implementation to Start early in the Fiscal Year
- Implementation Continues on Strategic Communications Plan
 - Centralization of Positions from Multiple Departments
 - Common tools, training, and processes for communications professionals
 - Growing usage of bi-lingual communications in social media
- New Ways to Serve our Community with MyWaco app, MyWaco Water portal, upcoming launch of new website



**Build a High-
Performing Government**

New Funding

- One-Time Funding of \$85,000 for ***Development Process Feedback and Process Improvement Study***
- New Positions to Support Project Delivery (6 FTEs), Cyber Security (2 FTEs), Safety of Employees (4 FTEs), and Process Improvement (1 FTEs)

On-going Projects and Activities

- Implementation of the Capital Improvement Program (CIP)
- Concentration of high-profile construction projects in/near downtown
- Interim Sewer Capacity solution in 84 corridor is performing with final project pending re-bid
- Working our way through the \$2b+ back-log of streets, sidewalks, and drainage issues

New Funding

- \$40,000,000 for ***street rehabilitation and street preservation***
- \$ 5,200,000 for ***high priority bridge reconstruction*** and bridge safety improvements
- \$10,550,000 for construction of a ***new Solid Waste Transfer Facility***
- \$29,388,000 for ***water system improvements*** including the high priority 72" raw water intake to the DAF Plant
- \$23,705,000 in ***wastewater improvements*** and \$15,140,000 in WMARSS improvements, including funding for expansion at Bull Hide Creek Treatment Plant and the Flat Creek Sewer Interceptor
- Funding for a ***new Street Expansion Program*** for High Growth Corridors



**Improve
Infrastructure**

On-going Projects and Activities

- Continued Implementation of the Winter Storm After Action Report
- Generators for Water Treatment Plants
- Seven new Fire Trucks put into service recently
- Police Tower Window Replacement starting in September
- 22 replacement vehicles for Police approved this year



Provide a Safe and Resilient City

New Funding

- \$4,645,000 for ***construction of a new fire station on Ritchie Road***
- \$750,000 for ***design services for fire station on LaSalle Ave*** to replace outdated station on Speight. Construction funding to come in FY 23/24 Budget
- \$2,010,000 for the acquisition of ***three Fire Trucks***
- Police Staffing Additions to ***Create a New “Power Shift”*** (10 officers and 2 Sergeants)
- ***4 new fire fighter positions*** eventually to support staffing requirement at Ritchie Rd

On-going Projects and Activities

- Construction finishing up at \$13.7 million historic Suspension Bridge Renovation
- Construction started at \$9.2 million Lake Air Little League baseball complex
- Trail Master Plan - draft in late Summer/ early Fall of 2022
- Downtown Implementation Plan – draft in Fall of 2022
- Cotton Palace Park Master Plan – draft in Fall of 2022
- Acquisition of multiple parcels to support the development of 1,200+ mixed-income housing units

New Funding

- \$10,000,000 for ***1st phase of Floyd Casey area community park***
- \$ 3,500,000 in additional funding for ***redevelopment of Lion's Park***
- \$ 2,250,000 in additional funding for ***1st phase of China Spring Park***
- \$27,400,000 to ***re-build 1970s/1980s era Riverwalk*** along Lake Brazos
- One-Time Funding of \$11,762,687 in American Rescue Plan (ARP) funding and \$ 2,900,000 in TIF Funding to ***implement the Strategic Housing Plan for Waco***



**Enhance
Quality of Life**

On-going Projects and Activities

- Vehicle Replacement Plan with EV Strategy – Finalized Document in early Fall 2022
- City Building Energy Assessment and Audit
- Fire Station #6 Solar Pilot Project Installed
- Fully Renewable Energy Contract for City facilities in place as of April 2022
- Purchased more than 37 hybrids and 3 EVs in the past 12 months
- Re-organized the Sustainability staff into an Office of Sustainability and Resiliency



**Support
Sustainability**

New Funding

- \$316,000 to continue engineering for the ***Landfill Gas Project***
- \$75,000 in funding for ***a Transit Fleet Analysis*** to support future decisions and grant applications on electrification of the transit fleet
- \$125,000 for an ***Old Lorena Road Landfill Solar Evaluation Study***

Summary of American Rescue Plan Proposed Changes

Bucket	Project	Approved	Alternate	Change from Approved
1	Utility Generators	\$ 10,000,000	\$ 3,000,000	\$ (7,000,000)
1	Community Center Generators	\$ 1,000,000	\$ 1,000,000	\$ -
1	MHMR Crisis Hub	\$ 3,000,000	\$ 3,000,000	\$ -
1	Public Broadband	\$ 400,000	\$ 400,000	\$ -
1	Public Health Response	\$ 600,000	\$ -	\$ (600,000)
	STEAM Construction	\$ -	\$ 6,250,000	\$ 6,250,000
2	New Affordable Housing	\$ 4,300,000	\$ 6,061,000	\$ 1,761,000
2	Home Rehab Program	\$ 3,100,000	\$ 3,100,000	\$ -
2	Down Payment Assistance	\$ 1,850,000	\$ 2,601,687	\$ 751,687
2	Small Biz Grant Program	\$ 2,000,000	\$ 3,558,000	\$ 1,558,000
2	Housing Bridge	\$ 1,000,000	\$ 1,000,000	\$ -
2	Floodplain Assistance (Housing)	\$ 500,000	\$ 500,000	\$ -
2	Job Training	\$ 1,500,000	\$ 1,500,000	\$ -
2	Artists Support	\$ 250,000	\$ 250,000	\$ -
2	WFM Expansion	\$ 2,500,000	\$ 2,500,000	\$ -
3	Contingency	\$ 2,720,687		\$ (2,720,687)
Total	Total	\$ 34,720,687	\$ 34,720,687	\$ -

Summary of Small Business Support Programs

- Increasing the ARP allocation from \$2m to \$3.55m Small Business Support
 - Will seek support from local economic/community development organizations to complete applications from qualified geographic areas
 - City's Housing Department will also support like Covid Relief Program
- Proposing an additional \$1.25m request to TIF 1 and TIF 4 Boards for dedicated Façade Improvement Programs
 - \$1,000,000 proposed for the Elm Avenue Corridor within TIF 1
 - \$250,000 for commercial corridors within the new TIF #4
- Additionally, proposing a \$325,000 grant program for businesses heavily impacted by long-term construction along Dutton Avenue, Elm Avenue, and Washington Avenue
- Informal Report to City Council on 8/16 will further document the approach

Summary of Requests of the PID #1 Board and TIF #1 and TIF #4

Requests to PID #1 Board

- Use Fund Balance to Support Existing and New Events along the Brazos River
- Use Fund Balance to support enhanced streetscape along Austin Avenue and University Parks Drive

Requests to TIF #1

- Interstate 35 Bridge Lighting Solution - \$750,000
- Support Affordable Housing Development - \$2,500,000
- Façade Program on Elm Avenue - \$1,000,000

Requests to TIF #4

- Support Affordable Housing Development - \$400,000
- Façade Program - \$250,000

Summary of New Street Capacity Program

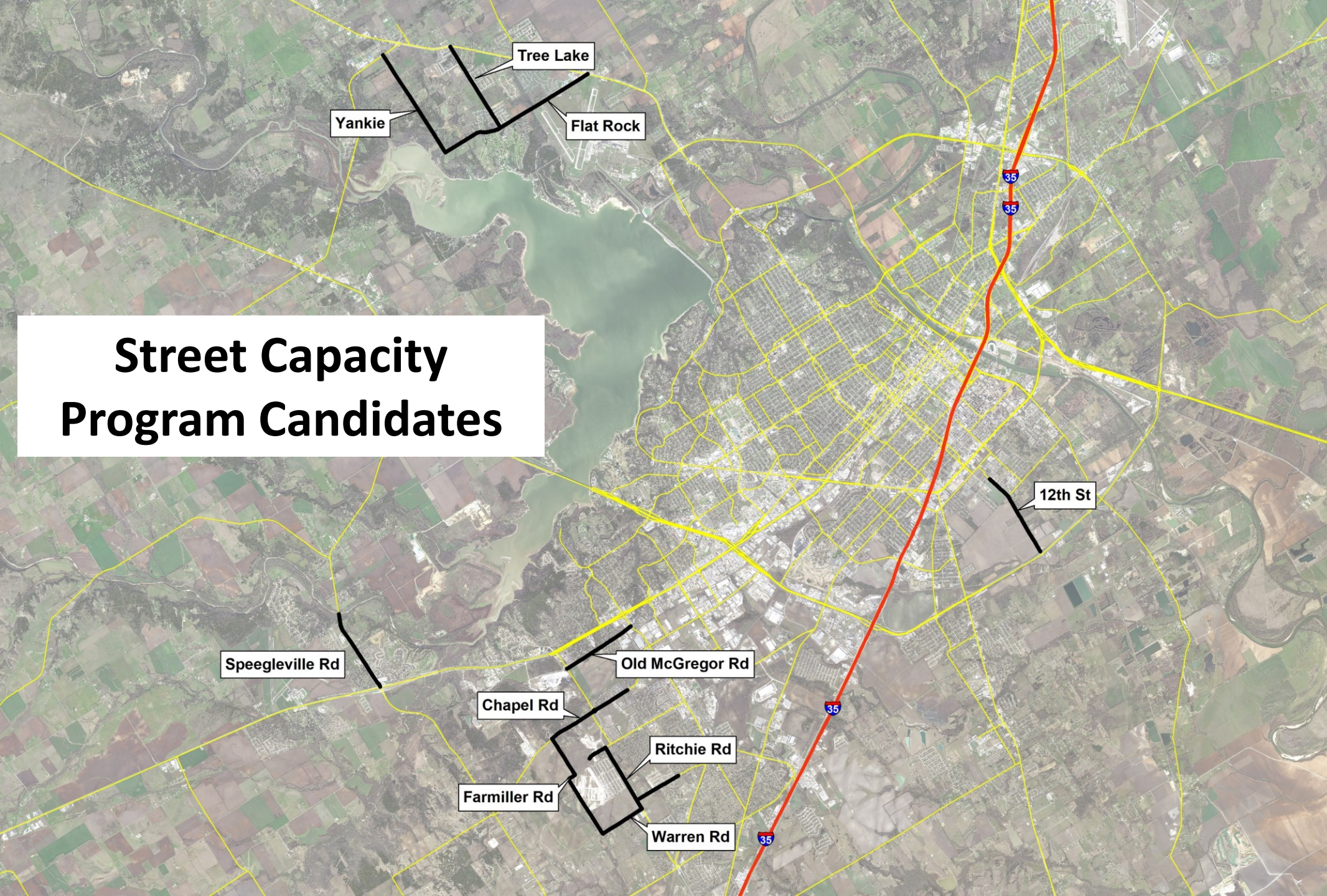
Use a NEW Street Maintenance Fee to Create Debt Capacity for Capacity Road Improvements

- Currently budget \$5m annually in General Fund cash for street preservation
- Request the City Council create a street maintenance fee that produces an equivalent amount of revenue
- Street preservation activities would shift from being paid for by General Fund cash to the new Street Maintenance Fee
- Shift the General Fund cash to service new debt dedicated to street expansions
- Move would create about \$80 million in debt capacity over the next 10 years to expand roads

New Funding to Service New Certificates of Obligation (COs)

- Street Maintenance Fee is calculated based on land uses estimated impact on the roadway system
- Each use is assigned a trip generation rate and the fee escalates as the trip generation rate increases
- Debt capacity will allow for 1 – 2 street expansions annually starting in 2023 and continuing through 2031
- Currently there is no plan or dedicated revenue stream to pay for capacity road improvements

Street Capacity Program Candidates



New Street Capacity Program

Next Steps

- Hire a 3rd party to recommend best practices, estimate fee generation, help with project estimation
- City Council adopt a Street Maintenance Fee Ordinance
- Ordinance would include a fee schedule for residents and businesses
- Ordinance would include a reduced fee structure for low-income and/or transit-dependent residents
- Adopt a project list for capacity streets with cost estimates in Spring of 2023
- Implement the collection of the fee in April 2023

Concluding Highlights

- New Programs and Services aimed at Council priorities
- Delivery results and new programs well below inflation
- Budget shows how we value our staff with 6% GSI and new / improved benefits
- Structural balance to the budget with property taxes equalling 42% of revenues
- Driving more dollars to capital improvements than ever before
- New program opportunity with the Street Maintenance Fee and Street Capacity Program
- Tax exemption policy had made a big difference for homeowners, disabled, over 65 in this year

Budget Progress and Operational Highlights



CITY OF WACO

City Overview – General Fund Operations

- Parks and Recreation
- Police
- Fire
- Municipal Court
- Communications and Marketing
- Development Services
- Economic Development
- Animal Services
- Neighborhood Engagement
- Public Works
- General Services
- Human Resources
- Finance
- City Manager's Office
- Housing
- Libraries

City Overview – Enterprise Businesses

- Water Services
- Wastewater Services
- Solid Waste Collection and Landfill
- Waco Regional Airport
- Convention Center and Visitors' Bureau
- Texas Ranger Hall of Fame
- Waco Transit
- Cameron Park Zoo
- Cottonwood Creek Golf Course
- Drainage Utility
- Waco-McLennan County Public Health District

Budget Policies/Philosophy

- Maintain a long-term focus
- Balance property tax rate decisions with needs and priorities
- Continued investment in infrastructure and complete what have already started
- Ongoing development of current city employees and become an employer of choice
- Resources are finite and trade-offs must be made

Budget progress

- January – Capital improvement budget requests began to be received with a due date in February
- March - Department's requested to submit base budget and budget requests by April 8, 2022
- May – Budget Retreat and Council Priorities discussed
- May - Department's presented budgets to City Manager's Office
- June/July - Office of Management and Budget provided regular updates on all aspects of budget development
- July – City Manager's Office ranks and recommends budget requests
- July 29 – City Manager's Proposed Budget filed with City Secretary

Highlights

General Fund

- Tax rate reduction of \$0.00250 or 0.33%
- Manager's initiatives aligned to Council's strategic goals
- Property & Sales Tax account for 71% of FY22 (73% of FY21) revenues
- Sales Tax increased
- \$3.3 million or 7.62% from FY22 conservative amounts
- Property Tax Values
 - FY 22 Certified to FY 23 certified: 9.35%
 - Taxable Homestead value increased: 3.34%
 - Property Tax Revenue increased by 8.74% or \$7.7M

Highlights

- **Other Funds**
- **CIP: \$215 million in improvements**
- **Hotel and Motel tax revenues expected to reach new heights**
- **New Information Technology Fund**
- **New Vehicle Replacement Funds – Governmental and Proprietary (Enterprise and Internal Service Funds)**

Property Tax: Valuation & Rates

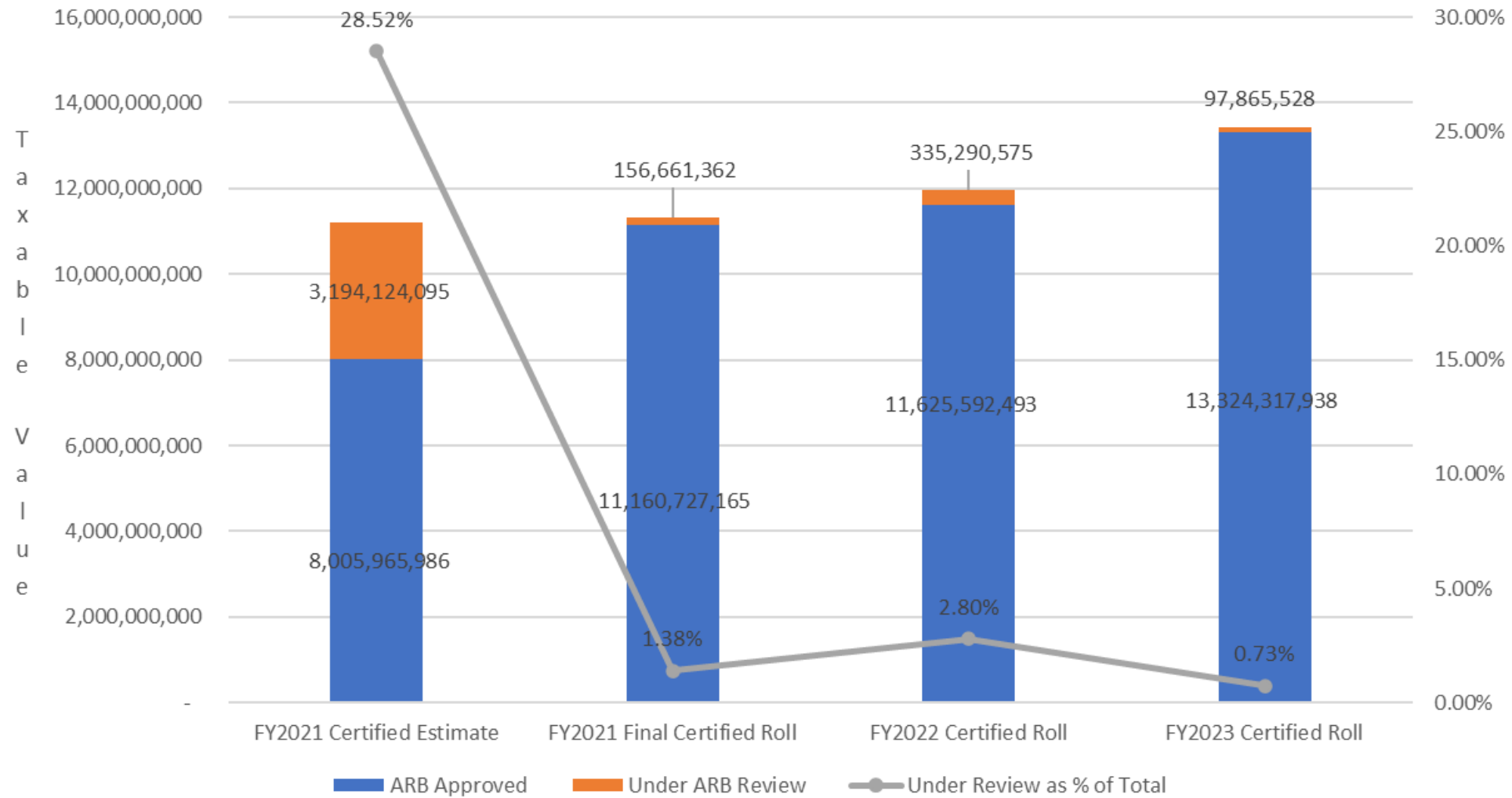


CITY OF WACO

Tax Exemptions

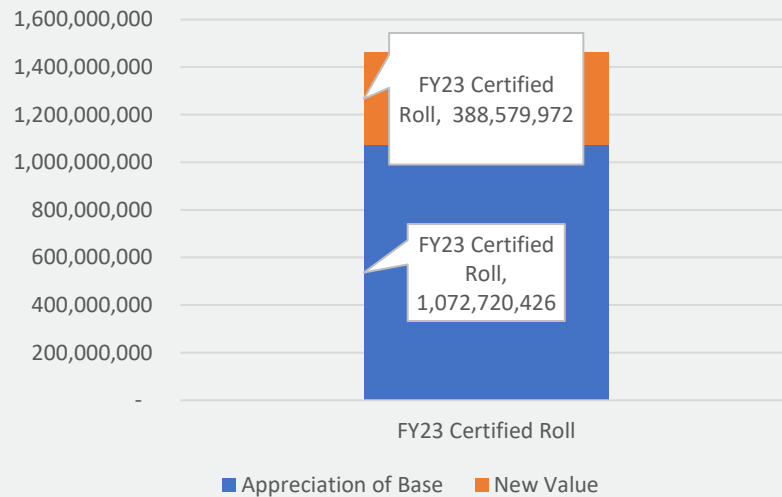
- Homestead – Increased from 10% to 15% this year
- Over 65 – Increased from \$5,000 to \$50,000 this year
- Disabled Person – Established at \$50,000 this year

FY21 -FY23 Tax Rolls: Under ARB Review vs. Approved



FY23 Certified Roll Grand Total Taxable Values

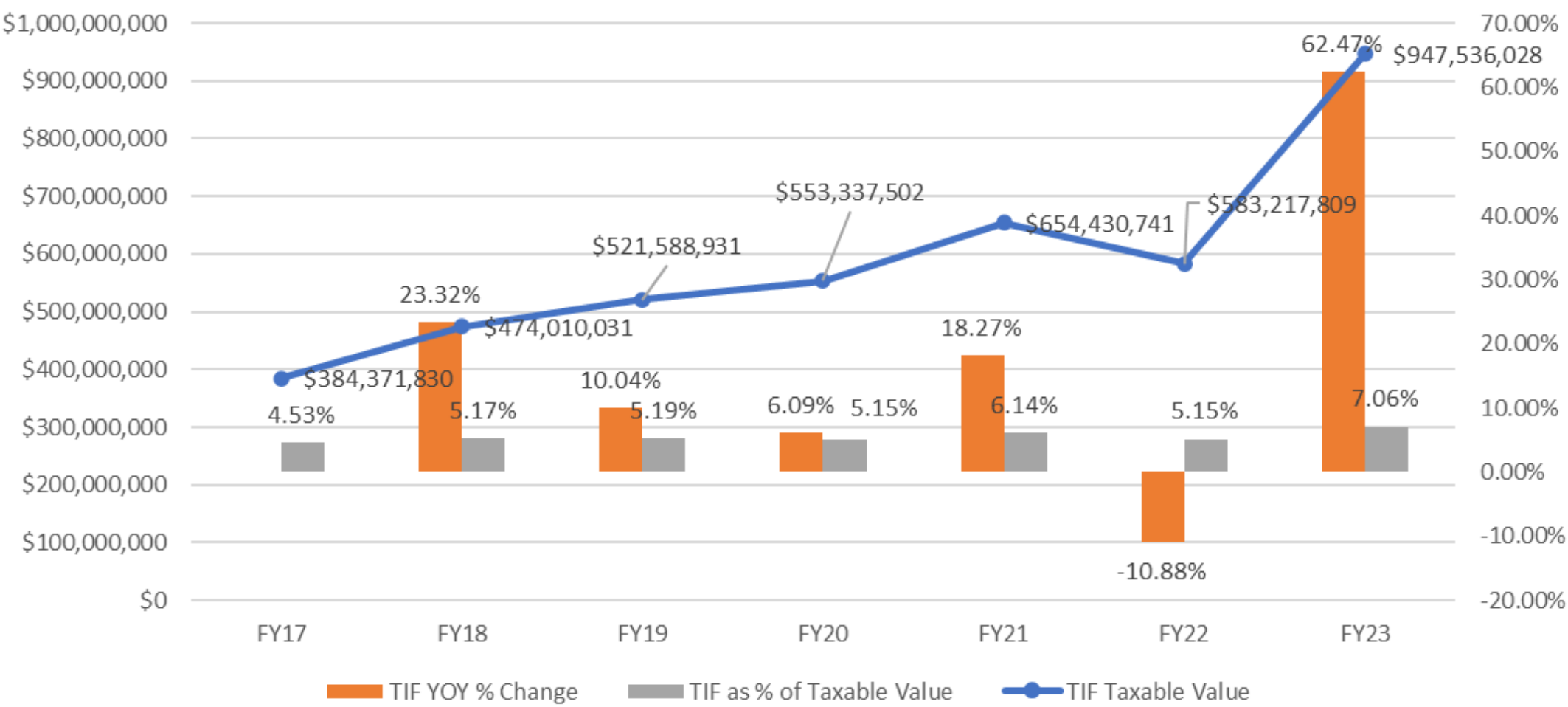
Valuation Increases: New vs. Existing



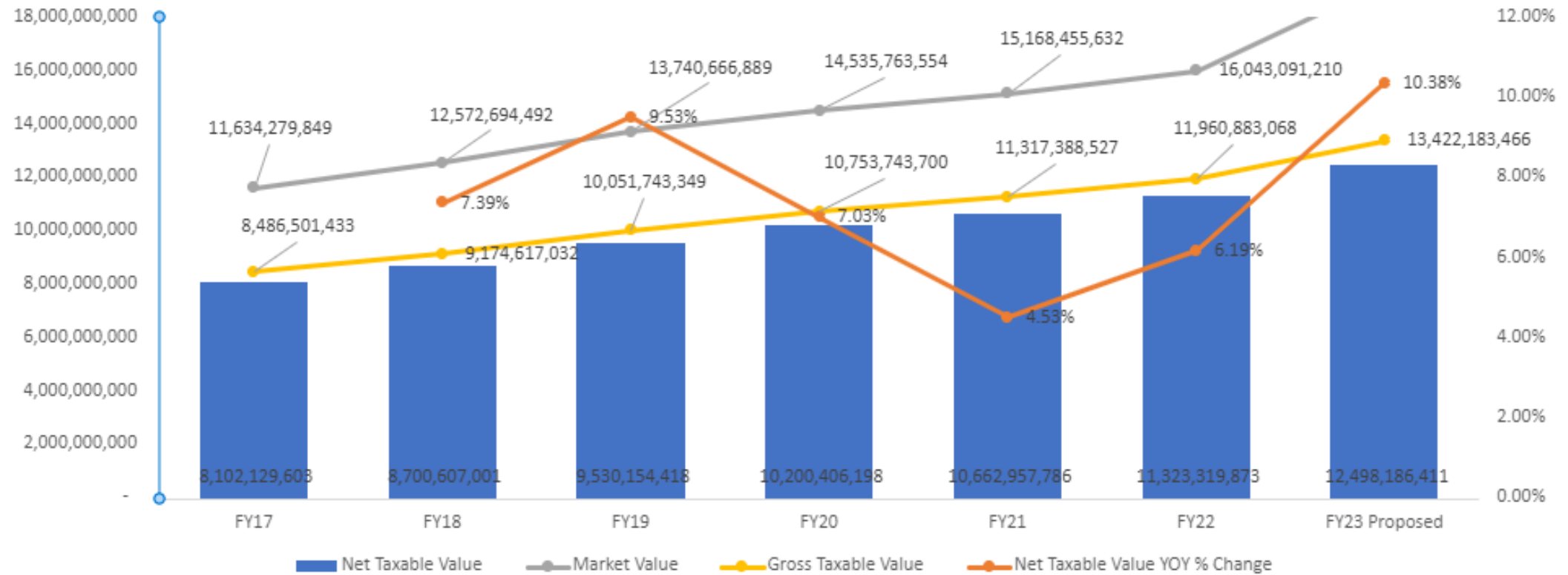
	FY2021 Certified Estimate	FY2021 Final Certified Roll	FY2022 Certified Roll	FY2023 Certified Roll	\$ Change	% Change
Single Family Residence	4,770,662,749	4,778,131,760	5,332,775,967	5,717,666,987	384,891,020	7.22%
Multi-Family	1,327,764,031	1,307,251,804	1,402,466,289	1,656,981,906	254,515,617	18.15%
Commercial Real Property	2,417,900,830	2,523,103,170	2,481,853,711	2,925,958,461	444,104,750	17.89%
Industrial & Manufacturing	489,945,901	530,703,464	534,644,749	599,834,842	65,190,093	12.19%
Commercial Personal Property	1,186,768,513	1,161,037,860	856,619,964	900,237,780	43,617,816	5.09%
Industrial & Manufacturing Pers Prop	489,945,901	447,043,854	768,963,765	897,812,782	128,849,017	16.76%
Vacant Lots and Tracts	223,625,053	224,553,034	225,703,727	337,278,335	111,574,608	49.43%
Gas Distribution System	53,406,830	53,406,830	59,137,680	67,363,980	8,226,300	13.91%
Electric Company	92,260,423	92,618,912	98,820,347	107,747,169	8,926,822	9.03%
Rural Land	53,027,654	41,433,121	43,925,119	45,693,134	1,768,015	4.03%
Residential Inventory	36,209,459	35,956,224	27,655,282	26,333,120	(1,322,162)	-4.78%
Special Inventory Tax	47,830,220	47,830,220	48,895,480	62,325,330	13,429,850	27.47%
Other	10,742,517	74,318,275	79,420,989	76,949,641	(2,471,348)	-3.11%
Total	11,200,090,081	11,317,388,528	11,960,883,069	13,422,183,467	1,461,300,398	12.22%
New Value	188,441,021	197,419,900	195,443,639	388,579,972	193,136,333	98.82%
Base Value	11,011,649,060	11,119,968,628	11,765,439,430	13,033,603,495	1,268,164,065	10.78%

	FY2021 Certified Estimate	% of Total	FY2021 Final Certified Roll	% of Total	FY2022 Certified Roll	% of Total	FY2023 Certified Roll	% of Total
Residential	6,134,636,239	54.77%	6,121,339,788	54.09%	6,762,897,538	56.54%	7,400,982,013	55.14%
Non-Residential	5,065,453,842	45.23%	5,196,048,740	45.91%	5,197,985,531	43.46%	6,021,201,454	44.86%
Total	11,200,090,081	100.00%	11,317,388,528	100.00%	11,960,883,069	100.00%	13,422,183,467	100.00%

TIF Valuations: FY17-FY23



Certified Tax Valuations FY17-FY23



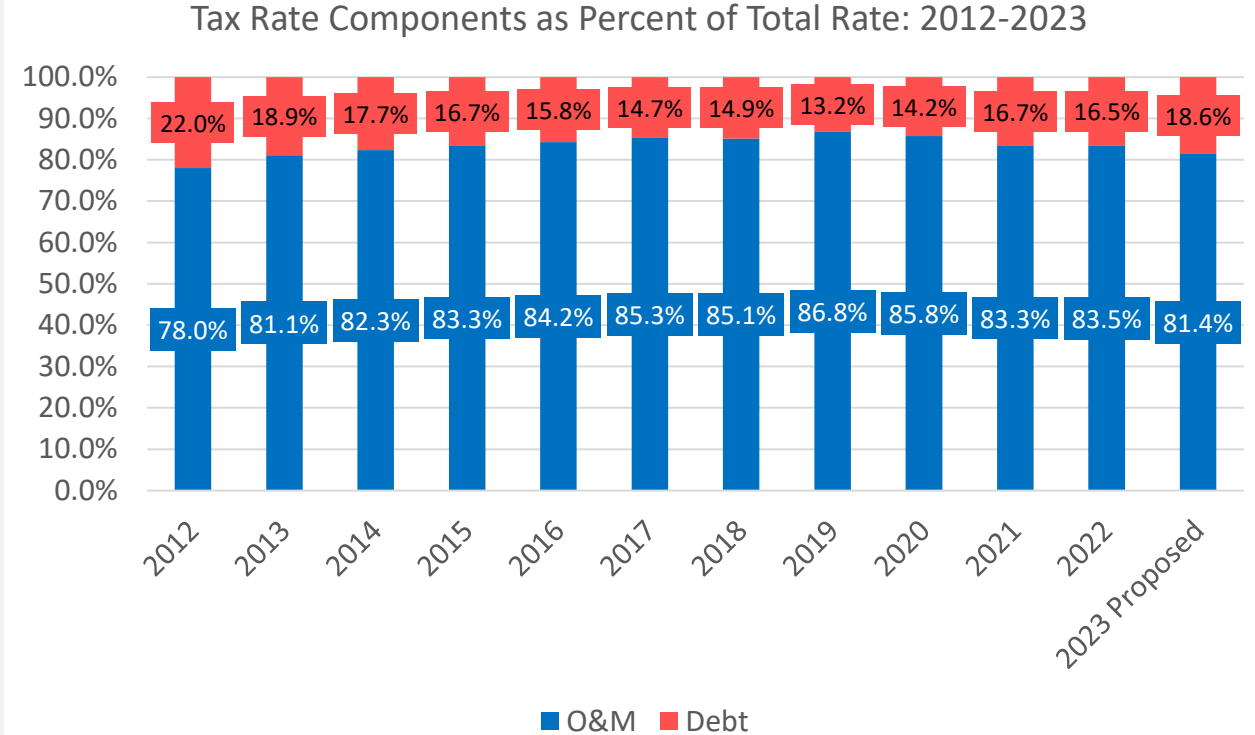
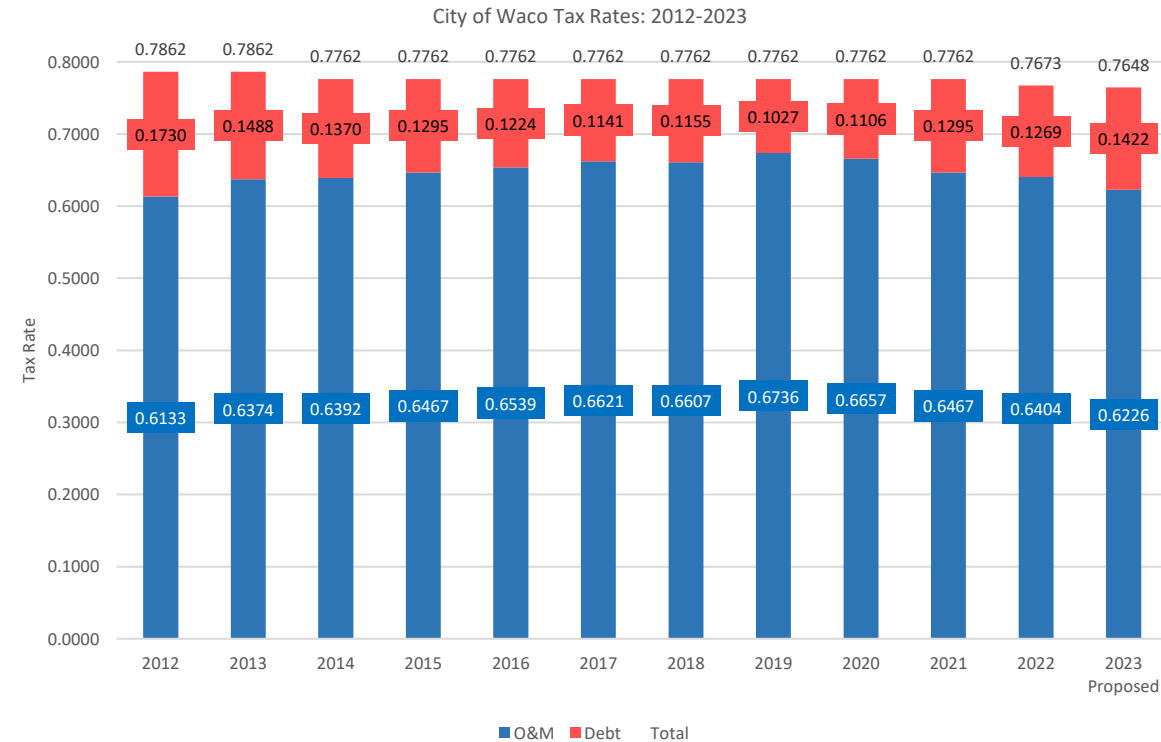
Truth In Taxation Table

	<u>FY 23 Proposed</u>	<u>FY 22</u>
Property Tax Rate	\$0.764782	\$0.767282
No New Revenue Tax Rate	\$0.678998	\$0.741670
<i>(Internal: Adjusted No New Revenue Tax Rate (Debt + NNRT M&O))</i>	\$0.744755	\$0.747033
No New Revenue Maintenance & Operations Tax Rate	\$0.602557	\$0.620145
Maintenance & Operations Rate	\$0.622584	\$0.640394
Voter Approval Tax Rate	\$0.841912	\$0.833654
Debt Rate	\$0.142198	\$0.126888



CITY OF WACO

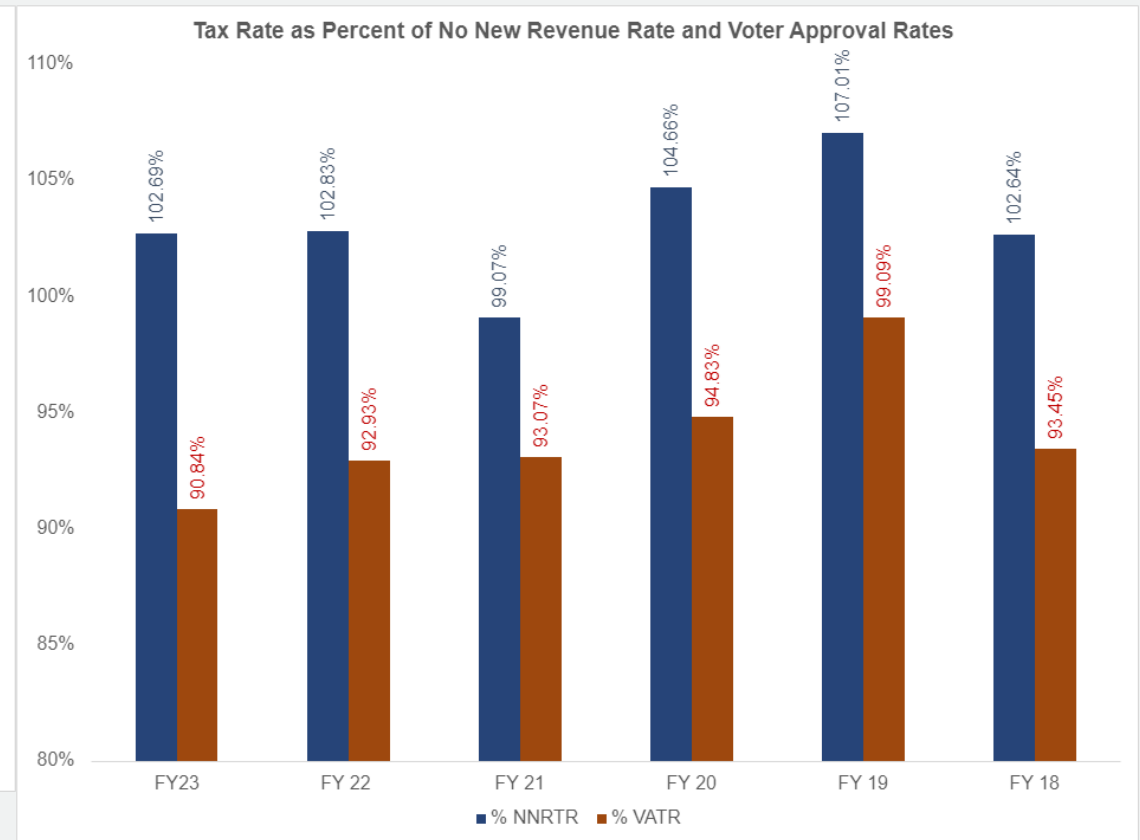
Tax Rate Overview



FY23 Proposed Reduction of Rate of \$0.00250

- Total Rate: \$0.764782
- Debt Rate: \$0.142198
- M&O Rate: \$0.622584

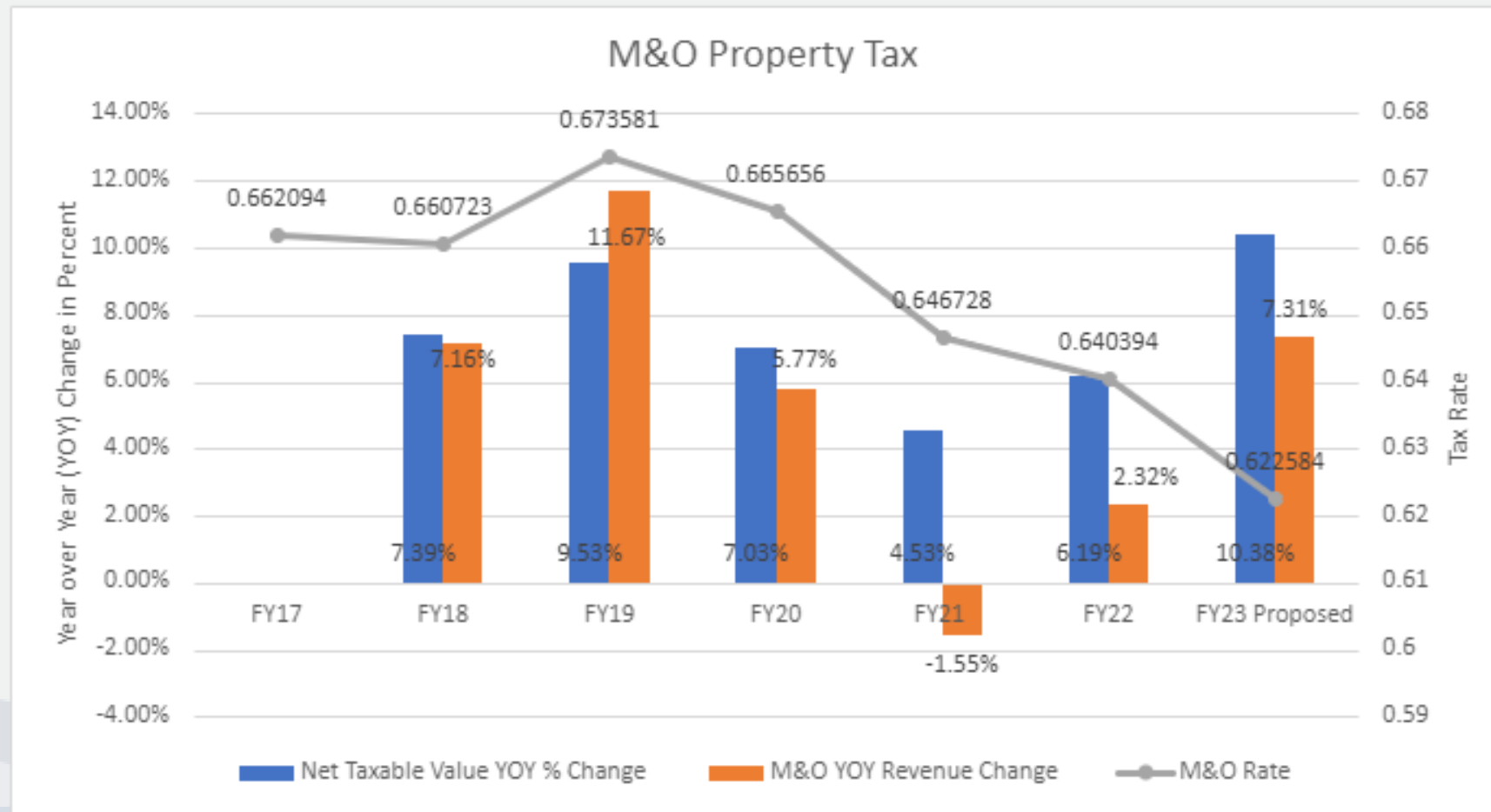
In FY22, the average of comparable and aspirational cities was 28.5% debt and 71.5% M&O.



Tax Increment		Amount
Voter Approval Rate Prior to Tax Increment		0.775540
2021 Unused Increment Rate		0.008604
2020 Unused Increment Rate		0.057768
2019 Unused Increment Rate		-
Total Unused Increment		0.066372
Voter Approval Rate with Tax Increment		0.841912

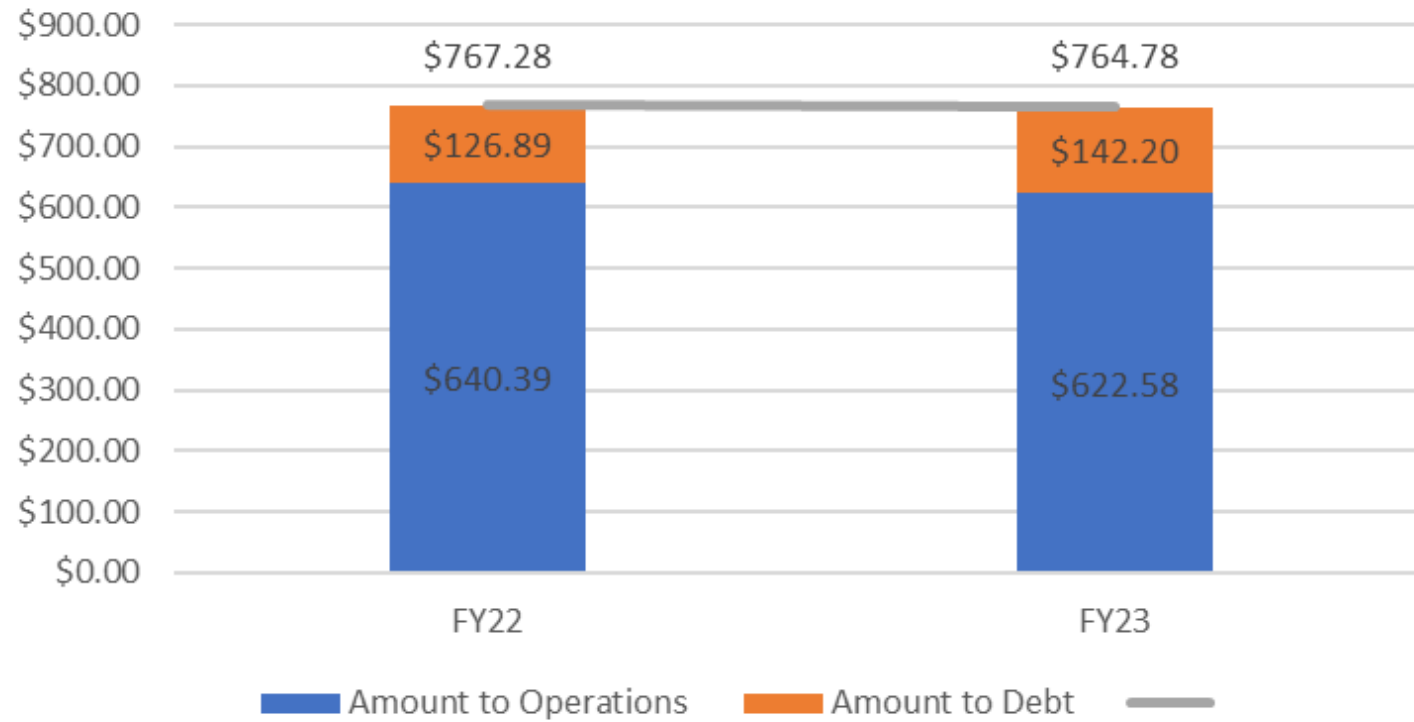


CITY OF WACO



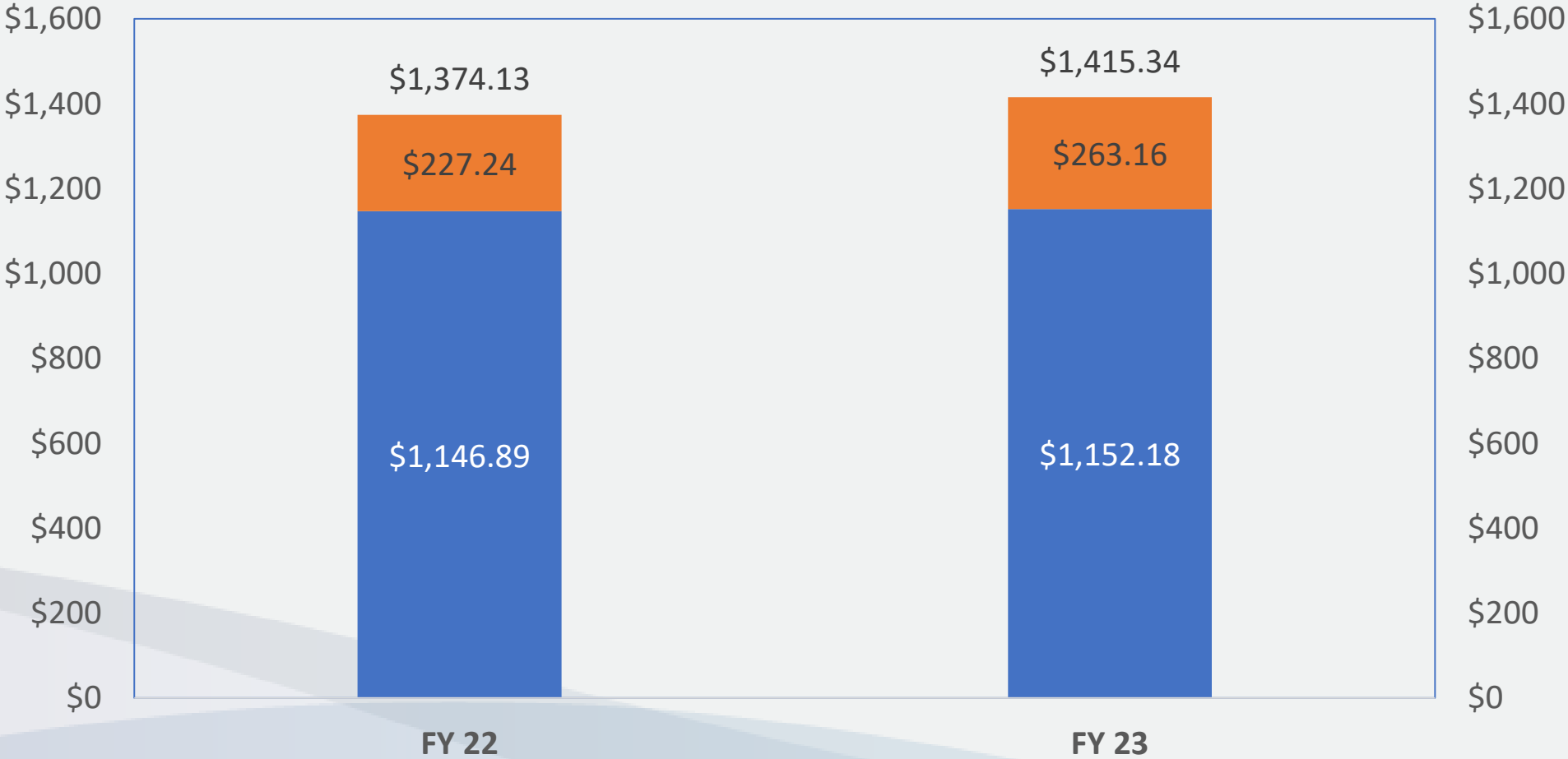
CITY OF WACO

Taxes on \$100,000 Valuation



CITY OF WACO

Tax on Residence of Average Taxable Value



	FY 22 Adopted	FY23 Recommended	\$ Change	% Change
Taxable Value	\$179,091	\$185,064	\$5,973	3.34%
M&O	\$1,146.89	\$1,152.18	\$5.29	0.46%
Debt	\$227.24	\$263.16	\$35.91	15.80%
Total	\$1,374.13	\$1,415.34	\$41.20	3.00%

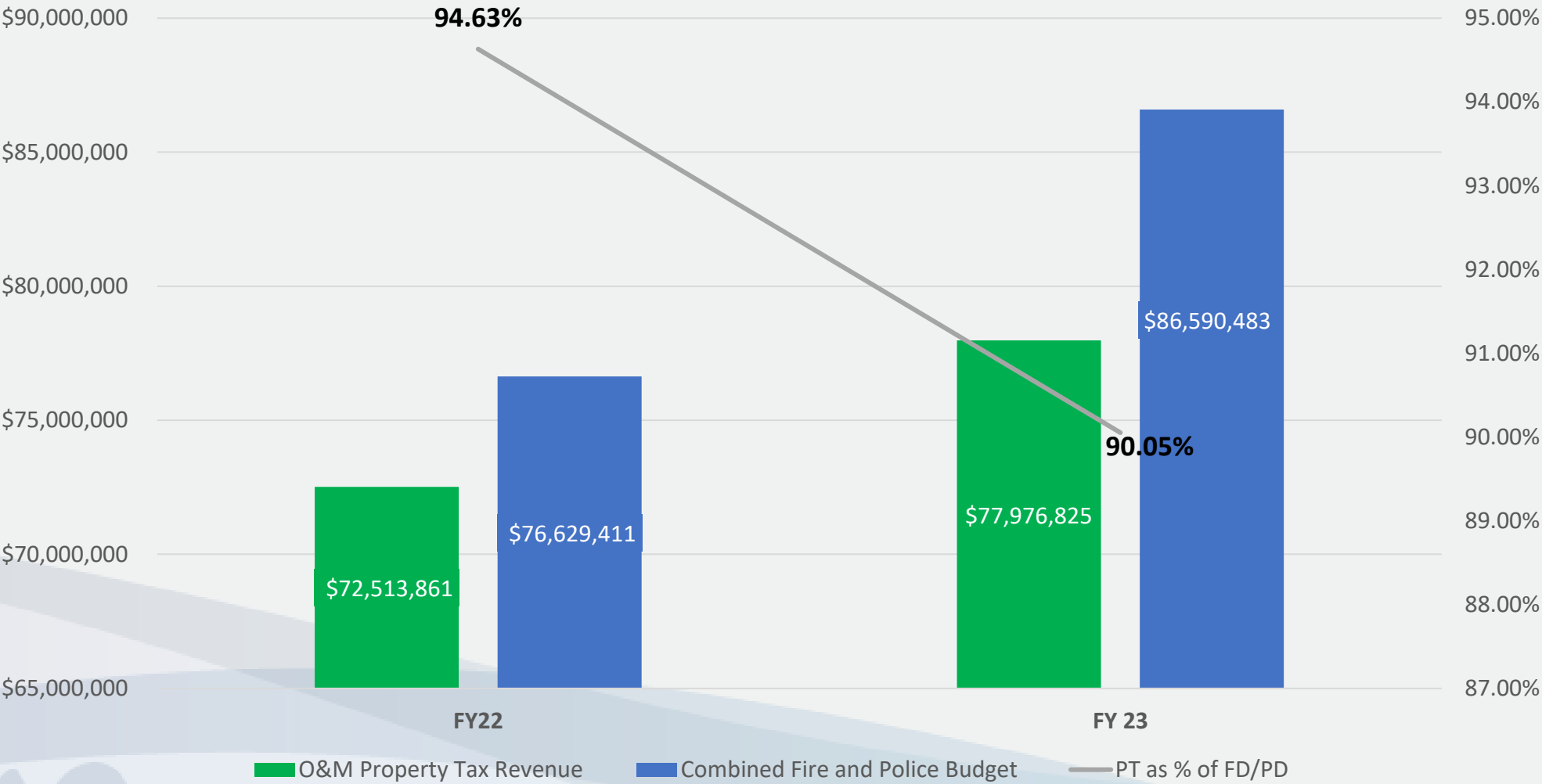
Tax Summary

	FY23 Proposed	FY23 @ NNRT	\$ Change	% Change	FY23 @ VATR	\$ Change	% Change
Net Taxable Value	12,498,186,411	12,498,186,411	-	0.00%	12,498,186,411	-	0.00%
M&O Rate	0.622584	0.602557	(0.020027)	-3.22%	0.699714	0.077130	12.39%
M&O Revenue	77,811,709	75,308,697	(2,503,012)	-3.22%	87,451,560	9,639,851	12.39%
Collection Rate	98%	98%	-	0.00%	98%	-	0.00%
M&O Net Revenue	76,255,475	73,802,523	(2,452,952)	-3.22%	85,702,529	9,447,054	12.39%
Debt Rate	0.142198	0.142198	-	0.00%	0.142198	-	0.00%
Debt Revenue	17,772,171	17,772,171	-	0.00%	17,772,171	-	0.00%
Collection Rate	98%	98%	-	0.00%	98%	-	0.00%
Debt Net Revenue	17,416,728	17,416,728	-	0.00%	17,416,728	-	0.00%
Total Rate	0.764782	0.744755	(0.020027)	-2.62%	0.841912	0.07713	10.09%
Total Revenue	95,583,880	93,080,868	(2,503,012)	-2.62%	105,223,731	9,639,851	10.09%
Collection Rate	98%	98%	-	0.00%	98%	-	0.00%
Net Total Revenue	93,672,202	91,219,251	(2,452,952)	-2.62%	103,119,257	9,447,054	10.09%



CITY OF WACO

Property Taxes and Public Safety



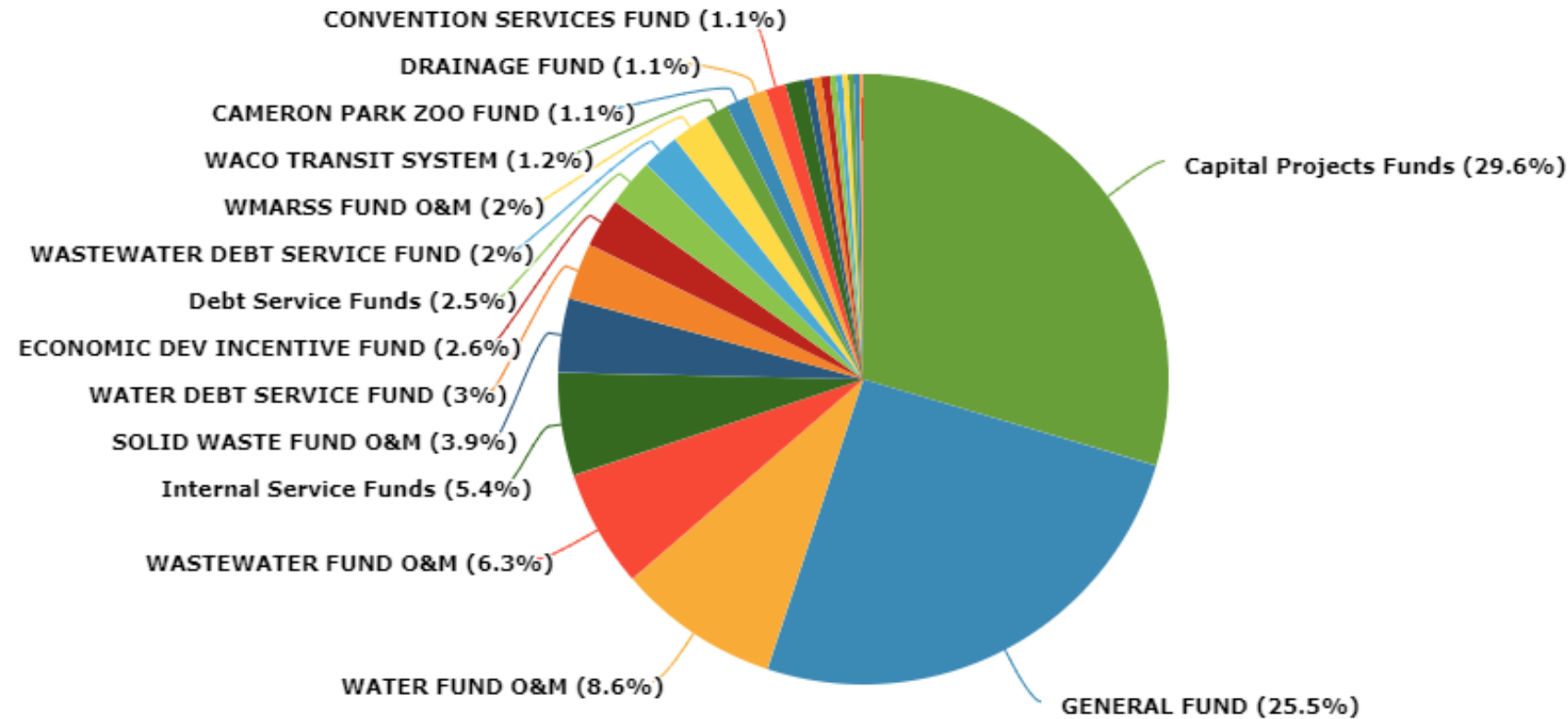
CITY OF WACO

Fund Information



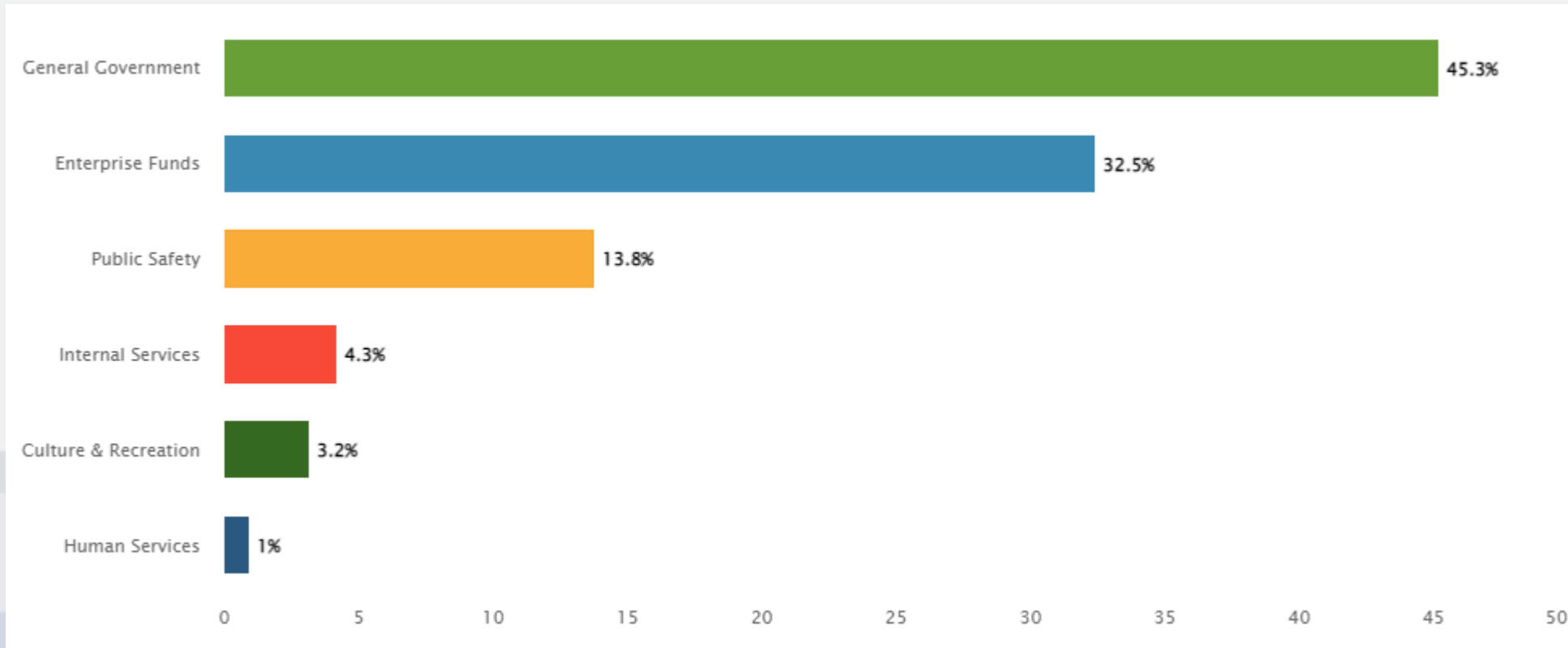
CITY OF WACO

Expense Summary by Fund



Total Fiscal Year 2022-2023 Budget: \$694.7 million

Expense Summary by Function



CITY OF WACO

FY23 Fund Summary Operational Funds

Fund	Expenditures	Revenues	Change in Fund Balance
General	177,330,624	175,203,979	(2,126,645)
Health District	6,757,470	5,980,043	(777,427)
Street Maintenance Fund	2,050,000	2,050,000	-
Vehicle Replacement Fund	3,430,000	3,468,173	38,173
Water Fund	59,517,524	62,670,067	3,152,543
Wastewater Fund	41,105,257	41,328,347	223,090
WMARSS	13,801,651	14,999,841	1,198,190
Solid Waste Fund	27,325,888	27,192,077	(133,811)
Airport Fund	3,205,690	2,963,489	(242,201)
CVB	7,353,835	6,376,161	(977,674)
Texas Ranger Hall of Fame	2,184,184	1,947,520	(236,664)
Waco Transit	8,544,779	8,290,136	(254,643)
Rural Transit	2,319,658	2,382,628	62,970
Cameron Park Zoo Fund	7,853,148	6,437,669	(1,415,479)
Golf Fund	2,949,008	3,007,602	58,594
Drainage Fund	7,451,914	5,966,463	(1,485,451)
Risk Management Fund	6,181,579	5,958,382	(223,197)
Employee Health Insurance Fund	16,858,757	16,864,602	5,845
Engineering Fund	4,419,414	3,601,963	(817,451)
Fleet Services Fund	2,629,620	2,606,766	(22,854)
IT Fund	7,705,742	7,693,911	(11,831)
Prop Vehicle Replacement Fund	-	393,785	393,785

One-Time Investments			
Strategic Goal	Description	Funding Source	Sum of One Time Costs
Build a high performing government organization	2nd Neigh Academy	General Fund	17,000
	Development Process Review and Customer Improvement Study	General Fund	85,000
	Job Description Software	General Fund	40,000
	Neigh Marketing Plan	General Fund	20,358
	Risk (1 FTE)	Risk Management Fund	1,500
	Safety (4 FTEs)	Risk Management Fund	201,460
	Transit Fleet Analysis	General Fund	75,000
	Project Management (2 FTEs)	General Fund	3,000
	Management Analysts (4 FTEs)	General Fund	3,000
Build a high performing government organization Total			446,318
Enhance Quality of Life	Cottonwood Course Equipment	Cottonwood Creek Golf Course Fund	280,079
	Cottonwood Master Plan	General Fund	225,000
	CPZ Medical Equip	Cameron Park Zoo Fund	24,500
	CPZ New carts + Forklift	Cameron Park Zoo Fund	160,000
	CPZ Trash/Recycling Replace	Cameron Park Zoo Fund	80,000
Enhance Quality of Life Total			1,069,579
Improve Infrastructure	Contribution to Street Maintenance Fund	General Fund	2,050,000
	Facilities Maintenance Techs (2 FTEs)	General Fund	80,600
	Fire Station Painting	General Fund	175,000
	Inspectors (8 FTEs)	Engineering Fund	440,400
	Knox Center Deck TRHOF	Texas Ranger Hall of Fame Fund	55,467
	Public Works Non-Rolling Stock	General Fund	49,400
	Solar Study at Existing Landfill	Solid Waste Fund	125,000
	TRHOF Roof Replacement	Texas Ranger Hall of Fame Fund	214,200
	Vegetation Management	Drainage and General Funds	380,000
Improve Infrastructure Total			3,570,067
Provide a safe and resilient city	City Lot Mowing Services	General Fund	73,890
	Code Inspector (2 FTEs)	General Fund	59,034
	Cybersecurity	IT Fund	61,000
	Firefighters (4 FTEs) for Station 15 (4 each year for next 3 years)	General Fund	25,210
	Gun Shot Detection System	General Fund	150,000
	LEARN Network + Core Replacements	General Fund	101,915
	Park Maintenance Equipment	General Fund	180,000
	Power Shift in PD (12 FTEs): 10 officers, 2 Sgts+ 6 vehicles	General Fund	1,100,000
Provide a safe and resilient city Total			1,751,049
Grand Total			6,837,013

Recurring Expenses

Strategic Goal	Description	Funding Source	Sum of Recurring Cost
Build a high performing government organization	6% GSI	General Fund	9,000,000
	Safety (4 FTEs)	Risk Management Fund	470,015
	Project Management (2 FTEs)	General Fund	156,000
	Management Analysts (4 FTEs)	General Fund	156,000
	Risk (1 FTE)	Risk Management Fund	85,038
Build a high performing government organization Total			9,867,053
Enhance Quality of Life	SR Parks Maintenance Workers (2 FTEs)	General Fund	117,402
	Children's Librarian - E Waco Library (1 FTE)	General Fund	67,076
Enhance Quality of Life Total			184,478
Facilitate Economic Development	Contract with Avenu	General Fund	68,000
	Outside Agencies	General Fund	5,000
Improve Infrastructure	Inspectors (8 FTEs)	Engineering Fund	866,960
	Vegetation Management	Drainage and General Funds	796,000
	Facilities Maintance Techs (2 FTEs)	General Fund	146,775
	Knox Center Deck TRHOF	Texas Ranger Hall of Fame Fund	
Knox Center Deck TRHOF Total			
Improve Infrastructure Total			1,819,615
Provide a safe and resilient city	Power Shift in PD (12 FTEs): 10 officers, 2 Sgts+ 6 vehicles	General Fund	1,214,950
	Cybersecurity	IT Fund	435,200
	Sr. It Analyst and IT Security Analyst (2 FTEs)	IT Fund	183,701
	LEARN Network + Core Replacements	General Fund	100,145
	Social Resource Supervisor (PD, 1 FTE)	General Fund	90,020
	Sex Offender FT from PT	General Fund	39,390
	Park Maintenance Equipment	General Fund	20,750
Provide a safe and resilient city Total			2,084,156
Grand Total			14,028,302



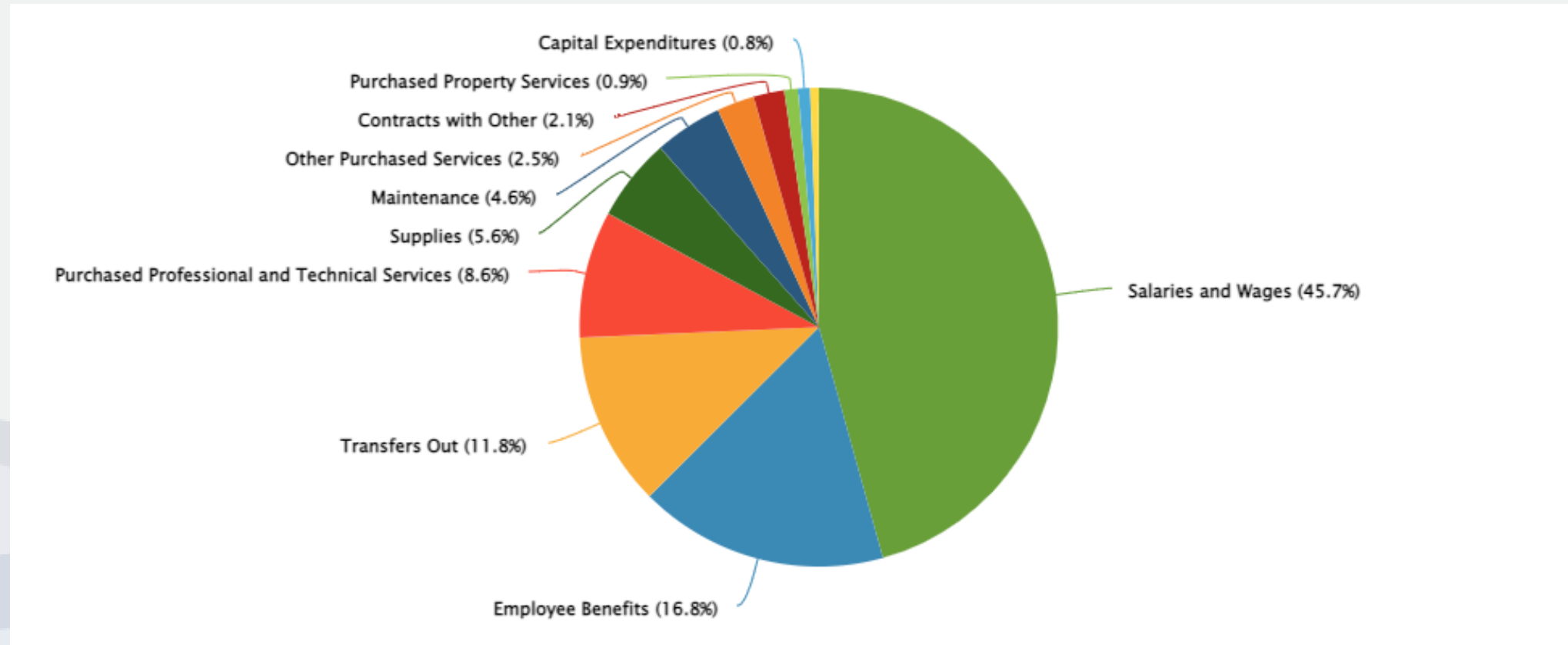
CITY OF WACO

General Fund



CITY OF WACO

General Fund Expenditure Summary



Fiscal Year 2022-2023 General Fund Budget: \$177.3 million

General Fund Revenues

Beginning Fund Balance	64,102,649	64,102,649	64,102,649	67,522,579
Revenues	Sum of 2022 Revised Budget	Sum of 2022 Actual	Sum of 2022 Projection	Sum of 2023 Proposed Budget
Operating	(148,986,775.78)	(143,475,725.84)	(159,634,882.70)	(162,374,498.00)
Business and occupation Fees	(9,269,050.17)	(8,463,638.43)	(10,129,815.19)	(9,640,987.00)
Business and occupation Fees (Enterprise Funds)	(4,907,565.00)	(3,850,252.43)	(5,001,103.45)	(5,500,000.00)
Charges for Services	(2,483,920.00)	(1,850,756.61)	(2,354,538.58)	(2,810,223.00)
Contributions	(75,615.90)	(664,113.39)	(671,038.34)	(704,500.00)
Fines	(1,569,424.59)	(1,207,290.47)	(1,540,319.49)	(1,492,426.00)
Interest on Investments	(122,000.00)	(498,612.70)	(441,243.85)	(1,245,000.00)
Intergovernmental	(2,541,693.00)	(2,164,152.72)	(2,507,293.34)	(2,744,899.00)
Licenses and Permits	(2,378,832.87)	(2,231,627.74)	(2,752,027.00)	(2,729,917.00)
Net Merchandise Sale	(117,766.00)	(319,184.98)	(387,198.72)	(294,300.00)
Other	(2,544,795.25)	(2,001,404.26)	(2,753,543.68)	(4,371,442.00)
Property Tax	(73,750,834.00)	(72,028,056.69)	(73,071,576.06)	(77,976,825.00)
Sales Tax	(43,600,094.00)	(43,977,746.73)	(52,400,000.00)	(46,921,607.00)
Taxes (PILOT)	(5,625,185.00)	(4,218,888.69)	(5,625,185.00)	(5,942,372.00)
Non-Operating	(15,868,792.00)	(12,722,485.40)	(15,504,608.72)	(12,829,481.00)
Indirect - Cost Allocation Overhead	(9,879,790.00)	(7,383,897.87)	(9,879,790.00)	(10,161,417.00)
Interdepartmental Billing	(2,459,002.00)	(1,821,087.50)	(2,094,818.72)	(2,618,064.00)
Transfer from Surplus	-	-	-	-
Transfers In	(3,530,000.00)	(3,517,500.03)	(3,530,000.00)	(50,000.00)
Grand Total	(164,855,567.78)	(156,198,211.24)	(175,139,491.42)	(175,203,979.00)

General Fund Expenditures

Expenditures	Sum of 2022 Revised Budget	Sum of 2022 Actual	Sum of 2022 Projection	Sum of 2023 Proposed Budget
Operating	141,919,939.36	105,545,115.65	133,811,609.28	153,728,776.00
Contracts with Others	3,367,847.55	1,878,931.28	3,367,847.55	3,615,676.00
Employee Benefits	27,534,300.00	20,748,453.65	26,309,867.36	29,878,529.00
Maintenance	11,107,721.55	7,404,078.16	8,753,083.42	8,154,326.00
Other	1,050,664.97	593,504.61	887,423.31	1,103,954.00
Other Purchased Services	4,858,378.09	3,693,883.64	4,637,707.68	4,498,648.00
Purchased Professional Technical Services	9,221,775.59	5,496,405.86	8,619,633.02	13,871,777.00
Purchased Property Services	1,352,119.00	1,068,579.50	1,438,667.06	1,652,498.00
Salaries and Wages	75,520,324.00	58,654,246.98	71,940,651.95	81,009,882.00
Supplies	7,906,808.61	6,007,031.97	7,856,727.93	9,943,486.00
Non-Operating	37,722,559.45	29,883,249.71	37,907,951.98	23,601,848.00
Capital Expenditures	5,952,297.45	850,431.99	6,105,922.45	1,432,213.00
Contracts with Others	100,000.00	50,000.00	100,000.00	60,000.00
Indirect - Cost Allocation Overhead	136,671.00	98,641.34	136,671.00	136,862.00
Interdepartmental Billing	1,383,155.00	1,037,364.49	1,414,922.53	1,302,324.00
Purchasing Card Default	-	67,563.62	-	-
Transfer to Surplus	-	-	-	-
Transfers Out	21,350,436.00	18,979,248.27	21,350,436.00	11,582,276.00
Transfers Out - Cash CIP	8,800,000.00	8,800,000.00	8,800,000.00	9,088,173.00
Grand Total	179,642,498.81	135,428,365.36	171,719,561.26	177,330,624.00
Revenues over (under) Expenditures	(14,786,931.03)	20,769,845.88	3,419,930.16	(2,126,645.00)
Ending Fund Balance	49,315,717.97	84,872,494.88	67,522,579.16	65,395,934.16
Required Minimum Fund Balance	46,159,558.98	43,735,499.15	49,039,057.60	49,057,114.12
Excess Fund Balance	3,156,158.99	41,136,995.73	18,483,521.56	16,338,820.04

Expenditures by Department

Department	Sum of 2022 Revised Budget	Sum of 2022 Actual	Sum of 2022 Projection	Sum of 2023 Proposed Budget
Animal Services	2,275,226	1,376,112	1,771,504	2,781,913
City Council	351,253	293,871	306,442	216,190
City Manager's Office	3,520,976	2,663,341	3,338,355	4,067,772
City Secretary's Office	896,344	497,857	629,983	939,396
Communications and Marketing	1,333,541	841,366	992,044	1,449,041
Contributions	22,403,828	18,585,851	22,403,869	24,261,496
Development Services	2,924,502	2,217,369	2,700,620	5,300,412
Economic Development	4,577,069	778,767	4,266,909	693,557
Emergency Management	1,650,511	1,223,703	1,684,633	1,888,894
Finance	3,298,767	2,526,143	3,127,874	3,517,833
Fire	30,299,062	23,900,486	30,795,844	34,440,259
General Services	5,559,244	4,002,513	5,143,359	5,833,106
Housing	2,144,162	1,250,839	1,571,106	572,829
Human Resources	1,699,589	1,198,587	1,508,470	2,178,994
Information Technology	7,419,729	4,988,954	6,898,580	-
Inspections	-	-	-	11,421
Internal Audit	-	1	1	148,866
Legal	1,538,440	1,126,739	1,395,864	1,737,871
Library	4,425,468	3,287,526	3,579,584	5,317,297
Miscellaneous	11,963,959	11,833,143	11,961,249	(1,859,351)
Municipal Court	1,351,678	1,109,968	1,281,448	1,509,925
Neighborhood Engagement	451,275	280,452	435,449	443,121
Parks and Recreation	12,339,658	9,555,737	11,688,643	16,433,245
Police	44,962,206	34,522,863	43,783,255	52,150,224
Public Works	12,256,014	7,366,177	10,454,474	13,180,940
Sustainability	-	-	-	115,373
Grand Total	179,642,499	135,428,365	171,719,561	177,330,624

Other Funds



CITY OF WACO

Other Governmental Funds

Name	FY2022 Amended Budget	FY2022 Actual	FY2023 Budgeted	FY2022 Amended Budget vs. FY2023 Budgeted (% Change)
ECONOMIC DEV INCENTIVE FUND	\$18,536,064.00	\$4,542,301.81	\$18,250,000.00	-1.5%
ECONOMIC DEVELOPMENT FUND	\$3,302,204.00	\$0.00	\$3,383,032.00	2.4%
CABLE PEG 1% FUND	\$345,000.00	\$38,532.75	\$140,000.00	-59.4%
Bldg Demo & Lot Clearance	\$75,000.00	\$23,353.26	\$75,000.00	0%
Total:	\$22,258,268.00	\$4,604,187.82	\$21,848,032.00	-1.8%



CITY OF WACO

Special Revenue Funds

Name	FY2022 Amended Budget	FY2022 Actual	FY2023 Budgeted	FY2022 Amended Budget vs. FY2023 Budgeted (% Change)
Court Funds				
COURT SECURITY	\$72,960.00	\$76,364.42	\$13,400.00	-81.6%
COURT TECHNOLOGY	\$50,231.00	\$18,669.07	\$34,100.00	-32.1%
Total Court Funds:	\$123,191.00	\$95,033.49	\$47,500.00	-61.4%
Police Forfeiture Funds				
STATE CH59 POLICE FORFEITURE	\$34,000.00	\$0.00	\$34,000.00	0%
Total Police Forfeiture Funds:	\$34,000.00	\$0.00	\$34,000.00	0%
Waco-McLennan County Public Health District Fund	\$6,515,817.50	\$3,036,205.97	\$6,757,470.00	3.7%
ABANDONED MOTOR VEHICLES	\$628,250.00	\$47,304.23	\$209,000.00	-66.7%
Street Maintenance Fund			\$2,050,000.00	N/A
Total:	\$7,301,258.50	\$3,178,543.69	\$9,097,970.00	24.6%

Enterprise Fund Summary

Name	FY2022 Amended Budget	FY2022 Actual	FY2023 Budgeted	FY2022 Amended Budget vs. FY2023 Budgeted (% Change)
WATER FUND O&M	\$60,174,835.28	\$44,279,241.81	\$59,517,524.00	-1.1%
WASTEWATER FUND O&M	\$39,937,038.73	\$27,685,145.27	\$43,475,386.00	8.9%
WMARSS FUND O&M	\$13,426,771.74	\$8,308,189.71	\$13,801,651.00	2.8%
SOLID WASTE FUND O&M	\$22,618,500.15	\$16,053,832.85	\$27,325,888.00	20.8%
AIRPORT FUND O&M	\$3,248,880.50	\$2,434,892.20	\$3,205,690.00	-1.3%
CONVENTION SERVICES FUND	\$7,460,288.23	\$4,812,375.47	\$7,353,835.00	-1.4%
RANGER HALL OF FAME O&M	\$1,711,742.00	\$1,134,559.99	\$2,184,184.00	27.6%
WACO TRANSIT SYSTEM	\$9,466,484.00	\$5,041,630.28	\$8,544,779.00	-9.7%
RURAL TRANSIT SERVICES	\$2,629,811.00	\$928,042.64	\$2,319,658.00	-11.8%
CAMERON PARK ZOO FUND	\$6,887,236.00	\$4,680,730.56	\$7,853,148.00	14%
COTTONWOOD CREEK GOLF COURSE	\$2,598,617.00	\$1,706,076.48	\$2,949,008.00	13.5%
DRAINAGE FUND	\$5,935,066.26	\$2,051,419.02	\$7,451,914.00	25.6%
Total:	\$176,095,270.89	\$119,116,136.28	\$185,982,665.00	5.6%

Internal Service Funds

Name	FY2022 Amended Budget	FY2022 Actual	FY2023 Budgeted	FY2022 Amended Budget vs. FY2023 Budgeted (% Change)
RISK MANAGEMENT FUND	\$6,501,614.00	\$3,670,629.82	\$6,181,579.00	-4.9%
EMPLOYEE HEALTH INSURANCE FUND	\$15,129,905.00	\$12,174,875.18	\$16,858,757.00	11.4%
ENGINEERING FUND	\$4,370,345.30	\$3,179,939.29	\$4,419,414.00	1.1%
FLEET SERVICES FUND	\$2,434,803.00	\$1,603,362.88	\$2,629,620.00	8%
INFOTECH	\$0.00	\$0.00	\$7,705,742.00	N/A
Total:	\$28,436,667.30	\$20,628,807.17	\$37,795,112.00	32.9%

Debt Service Funds

Name	FY2022 Amended Budget	FY2022 Actual	FY2023 Budgeted	FY2022 Amended Budget vs. FY2023 Budgeted (% Change)
WATER DEBT SERVICE FUND	\$20,139,971.00	\$16,960,319.01	\$20,803,130.00	3.3%
WASTEWATER DEBT SERVICE FUND	\$13,975,860.00	\$11,400,794.61	\$13,825,455.00	-1.1%
WMARSS DEBT SERVICE FUND	\$1,487,004.00	\$1,277,916.89	\$2,082,147.00	40%
SOLID WASTE DEBT SERVICE FUND	\$1,425,006.00	\$1,441,685.16	\$2,266,131.00	59%
DRAINAGE DEBT SERVICE FUND	\$0.00	\$108,927.80	\$784,513.00	N/A
General Debt Service Fund	\$15,074,186.00	\$13,078,550.59	\$17,508,220.00	16.1%
Total:	\$52,102,027.00	\$44,268,194.06	\$57,269,596.00	9.9%

Total Outstanding Tax Supported Debt: \$236,635,104

Total Outstanding Self-Supporting Debt: \$537,482,883

Total Outstanding Debt: \$774,117,987

Major Enterprise Funds:

Water

Wastewater

Solid Waste

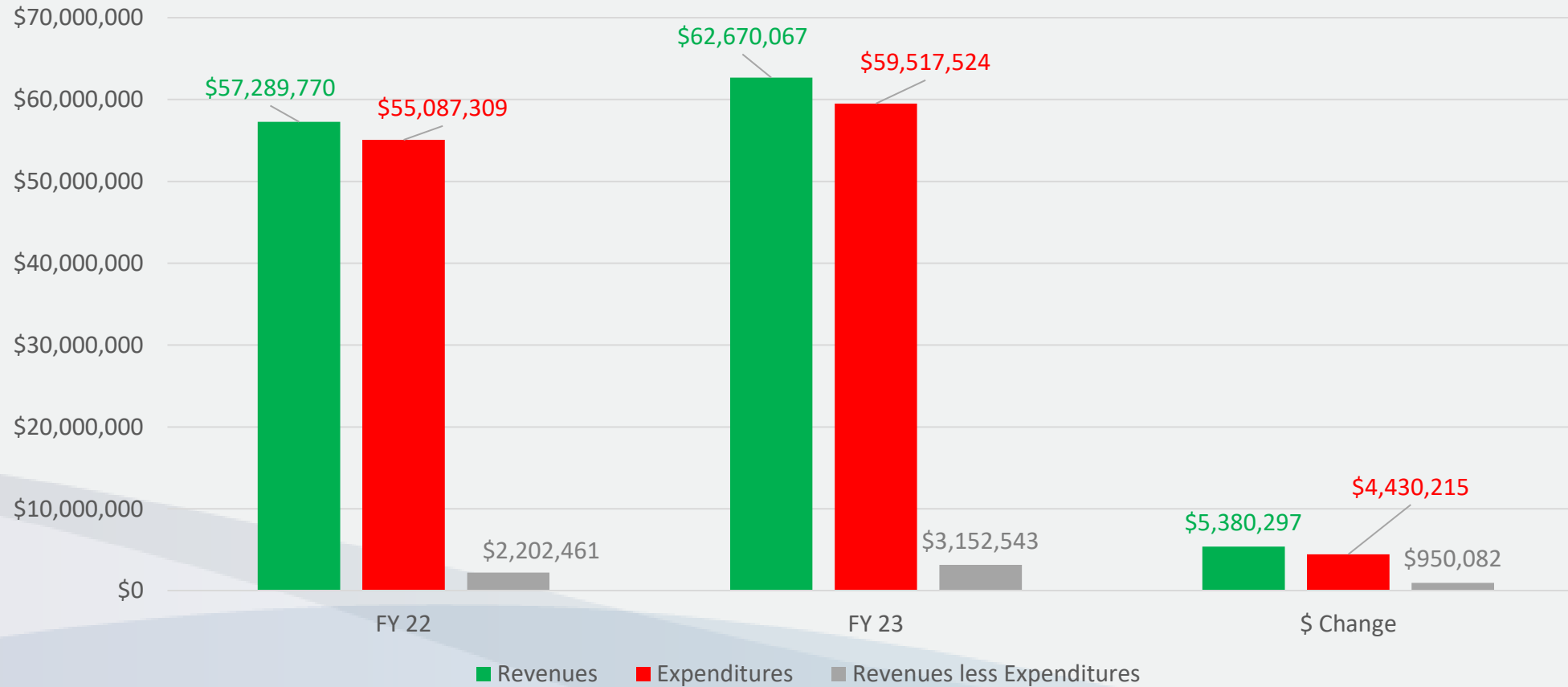
Drainage



CITY OF WACO

Water Fund Summary

Water Fund Overview



8% increase in expenses YOY



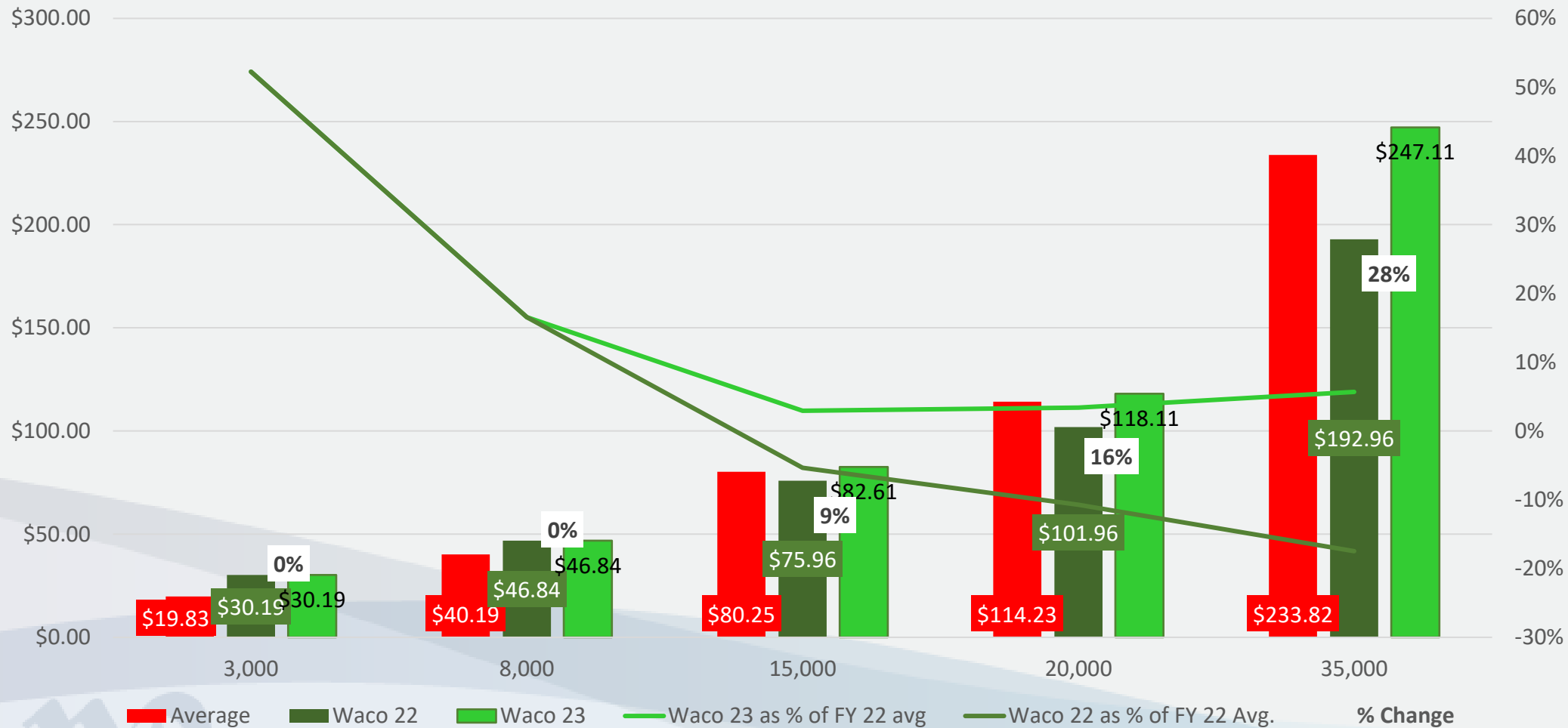
CITY OF WACO

Water Fund Working Capital

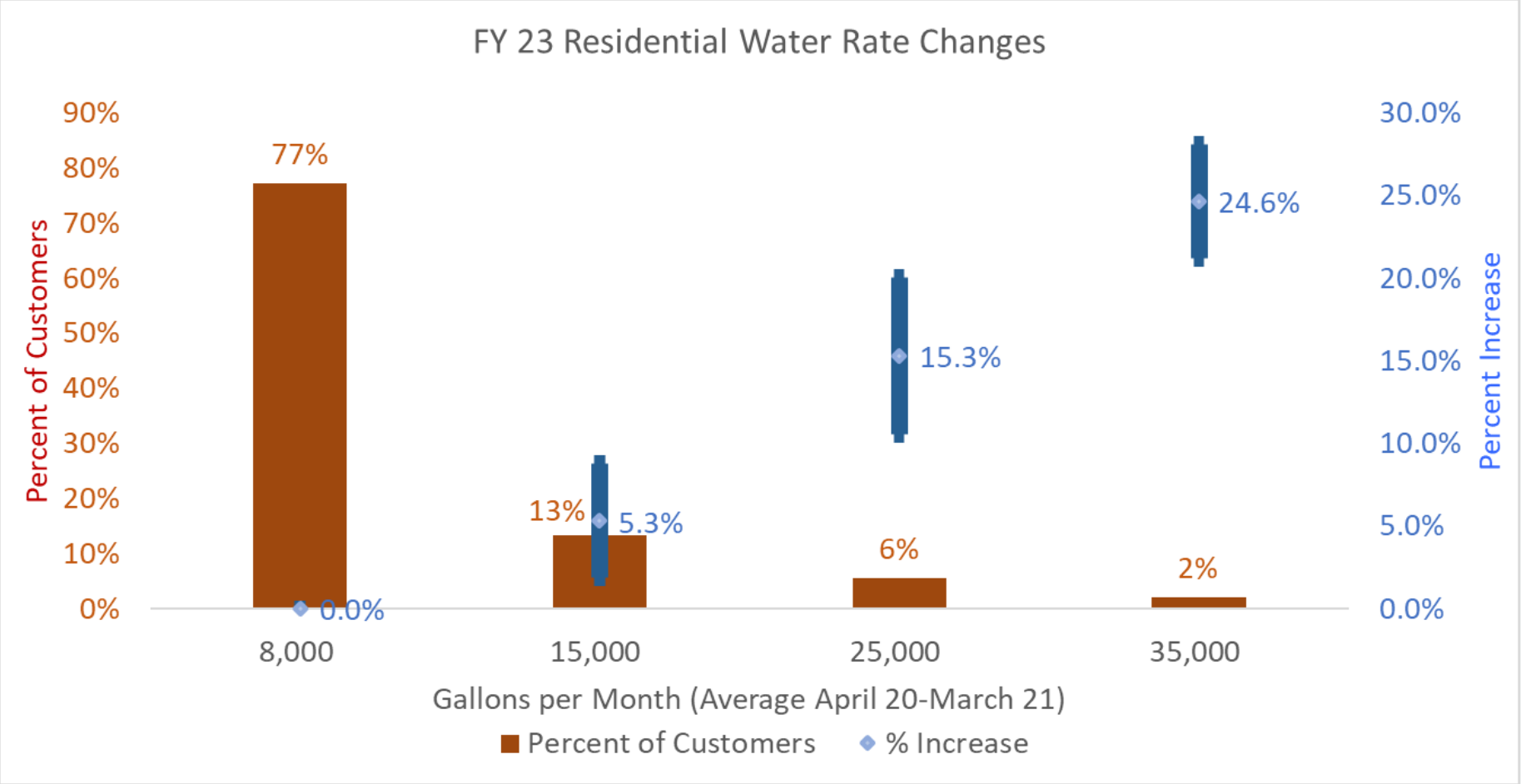
<u>Working Capital Above Policy</u>		
	2023 Beginning Balance	\$13,345,384
	Property Acquisition	-\$545,000
	Billing System	-\$2,000,000
	Facilities	-\$1,000,000
	Lake Brazos Dam	-\$3,000,000
	Generator Install	-\$1,800,000
	Debt Service Reserve	-\$2,080,313

Water Rates Analysis

Monthly Residential Water Bill Comparison: FY 22 vs. FY 23



Water Rates Analysis



Consumption		Person Equivalent	
Min	Max	Min	Max
0	8,000	0.0	3.0
9,000	15,000	3.4	5.6
16,000	25,000	6.0	9.3
26,000	35,000	9.7	13.1

Water Conservation Parameters

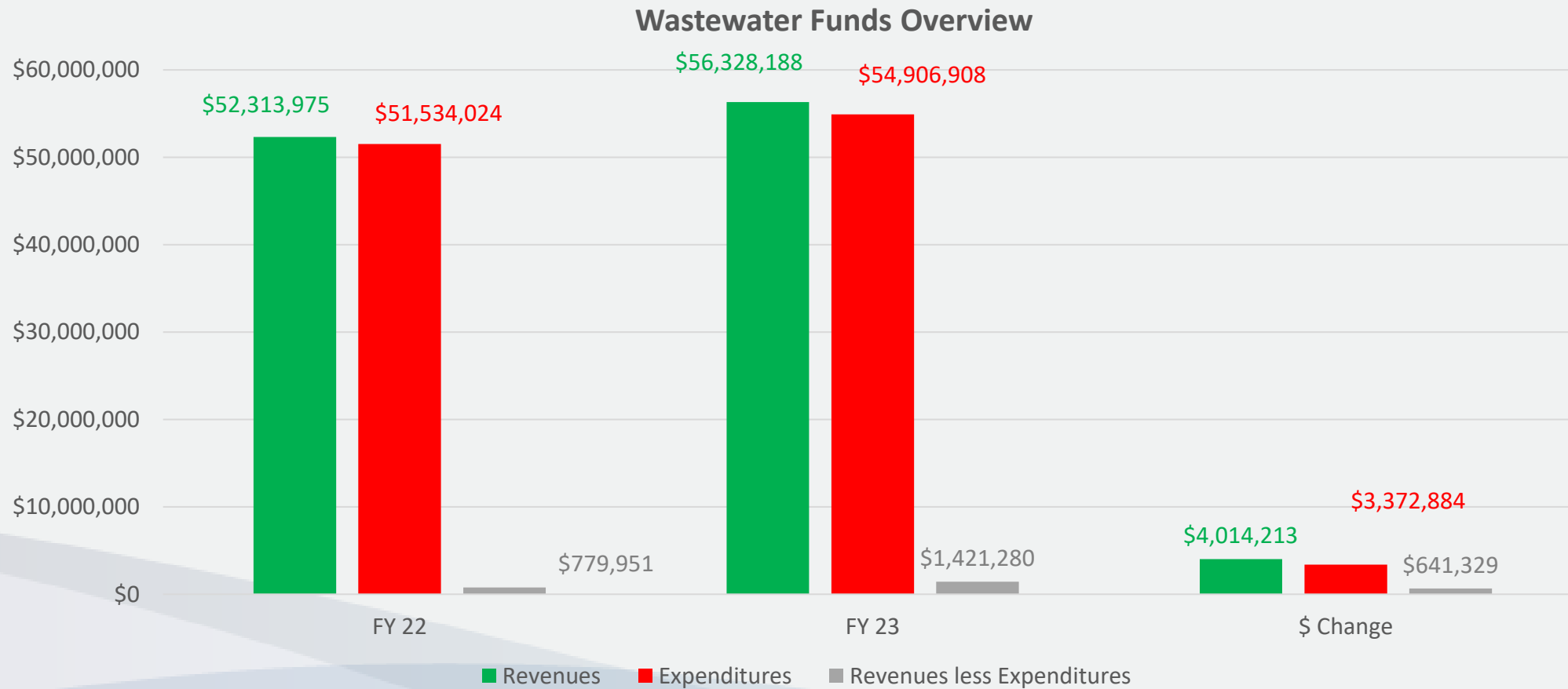
	<u>Current Usage</u>			<u>"Break Even" Usage</u>			<u>Conservation Amounts</u>	
	<u>Gallons</u>	<u>Bill</u>	<u>Average Residence</u>	<u>Gallons</u>	<u>% Reduction</u>	<u>Average Residence</u>	<u>Monthly</u>	<u>Daily</u>
Approximately 90% of residential customers use 15,000 gallons or less.	9,000	\$51.00	1.13	8,814	2.1%	1.10	186	6
	10,000	\$55.16	1.25	9,628	3.9%	1.20	372	12
	11,000	\$59.32	1.38	10,442	5.3%	1.31	558	18
	12,000	\$63.48	1.50	11,256	6.6%	1.41	744	24
	13,000	\$67.64	1.63	12,070	7.7%	1.51	930	31
	14,000	\$71.80	1.75	12,885	8.7%	1.61	1,115	37
	15,000	\$75.96	1.88	13,699	9.5%	1.71	1,301	43
	16,000	\$81.16	2.00	14,716	8.7%	1.84	1,284	42
	17,000	\$86.36	2.13	15,528	9.5%	1.94	1,472	48
	18,000	\$91.56	2.25	16,261	10.7%	2.03	1,739	57
	19,000	\$96.76	2.38	16,993	11.8%	2.12	2,007	66
	20,000	\$101.96	2.50	17,725	12.8%	2.22	2,275	75
	21,000	\$107.16	2.63	18,458	13.8%	2.31	2,542	84
	22,000	\$112.36	2.75	19,190	14.6%	2.40	2,810	92
	23,000	\$117.56	2.88	19,923	15.4%	2.49	3,077	101
	24,000	\$122.76	3.00	20,655	16.2%	2.58	3,345	110
	25,000	\$127.96	3.13	21,387	16.9%	2.67	3,613	119
	26,000	\$134.46	3.25	22,303	16.6%	2.79	3,697	122
	27,000	\$140.96	3.38	23,218	16.3%	2.90	3,782	124
	28,000	\$147.46	3.50	24,134	16.0%	3.02	3,866	127
	29,000	\$153.96	3.63	25,037	15.8%	3.13	3,963	130
	30,000	\$160.46	3.75	25,733	16.6%	3.22	4,267	140
	31,000	\$166.96	3.88	26,428	17.3%	3.30	4,572	150
	32,000	\$173.46	4.00	27,123	18.0%	3.39	4,877	160
	33,000	\$179.96	4.13	27,818	18.6%	3.48	5,182	170
	34,000	\$186.46	4.25	28,513	19.2%	3.56	5,487	180
	35,000	\$192.96	4.38	29,209	19.8%	3.65	5,791	190



Water Fund Key Takeaways

- Inflation Impacts
 - Chemicals: +25%--+170%
 - 12" Pipe: +120%
 - 8" gate valve: +19%
- Increases: Net \$4.4M (8%)
 - Supplies: +\$1.7M (35%)
 - Personnel: +\$1.2M (13%)
 - Debt Service: +\$670,000 (3.3%)
 - Maintenance: +\$822,859 (20.2%)
- Decreases:
 - Interdepartmental Billing: (\$210,090)(-17%)
- Rates
 - Residential:
 - No increase for average (8K) customer
 - Shift toward high consumers, municipal trends
 - Commercial: +9.3%
- FY2023 CIP: \$30.9M (impact to future rates)
 - Water System: \$14M (including BSW support)
 - DAF Raw Water Intake: \$6.4M
 - Water Transmission Lines: \$4.9M
 - Plant Improvements: \$3.6M
 - Pumps and Storage: \$2.0M

Wastewater Funds Summary (incl. WMARSS)



6.5% increase in expenses YOY



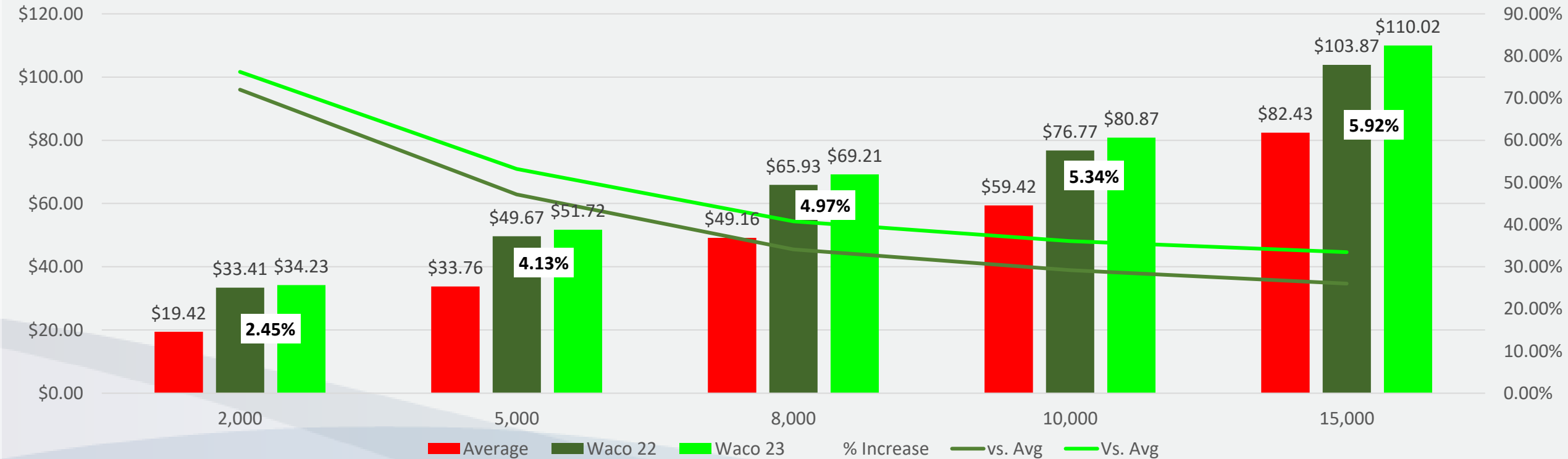
CITY OF WACO

Wastewater Fund Working Capital

<u>Working Capital Above Policy</u>		
	2023 Beginning Balance	\$17,583,111
	Property Acquisition	-\$545,000
	Billing System	-\$2,000,000
	Future Plant Property	-\$4,000,000
	Generator Install	-\$2,200,000
	Debt Service Reserve	-\$1,745,582
	Litgation Reserve	-\$4,000,000
	2023 YE Balance Projection	\$3,092,529

Wastewater Rates Analysis

Monthly Residential Waterwater Bill Comparison: FY22 v FY 23

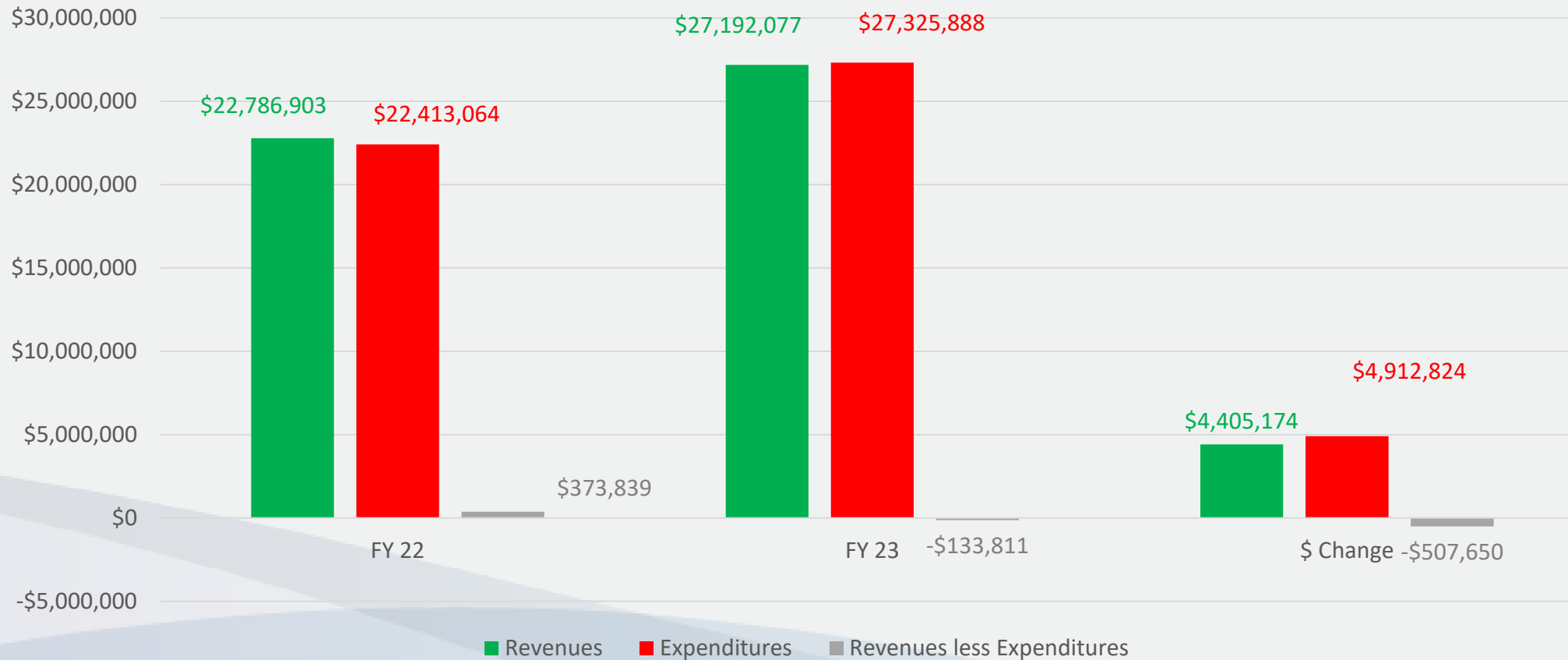


Wastewater Fund Key Takeaways

- Inflation Impacts: Pipes, Chemicals, etc.
- Increases: Net \$4.0M (7.4%)
 - Other: +\$2.4M (24%)
 - Personnel: +\$995,333 (16%)
 - Supplies: +\$654,730(19%)
 - Debt Service: +\$445,124 (2.9%)
 - Prof. Tech. Srvcs.: +\$212,571 (13%)
- Decreases:
 - Capital Expenditures: -\$1.1M (-37%)
- Rates
 - Residential:
 - +4.13% (\$2.05) increase for average (5K) customer
 - Volumetric (no change in minimum charge)
 - Commercial: +7.6% volumetric
- FY2023 CIP: \$24.7M (impact to future rates)
 - Gateway to Flat Creek Interceptor: \$13.0M
 - System Improvements (including BSW): \$7.5M
 - Wastewater Treatment Plant: \$3.0M
 - Interceptor & Lift Station Improvements: \$1.2M

Solid Waste Fund Summary

Solid Waste Fund Overview



22% increase in expenses YOY



CITY OF WACO

Solid Waste Rate History



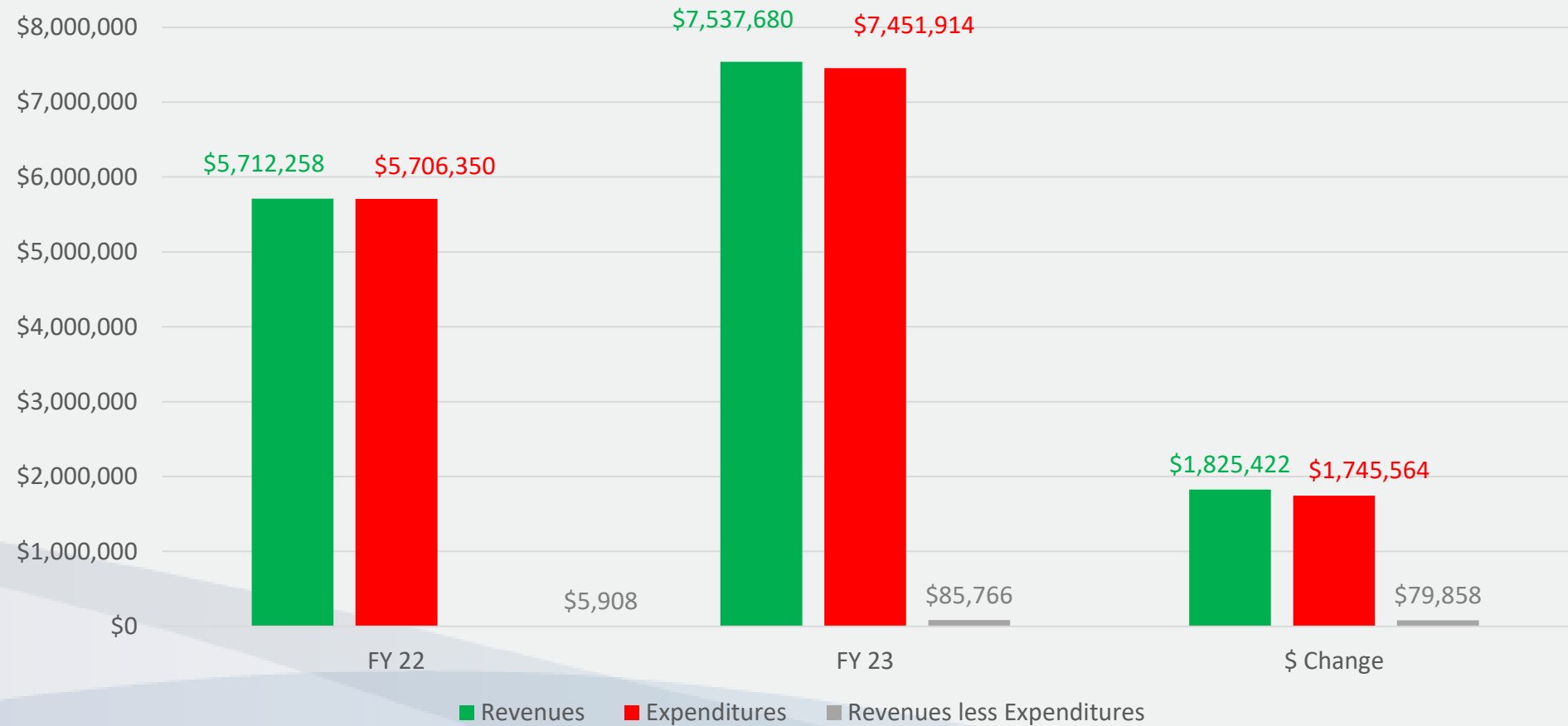
FY23: \$1.60 increase (9.9%)

Solid Waste Fund Key Takeaways

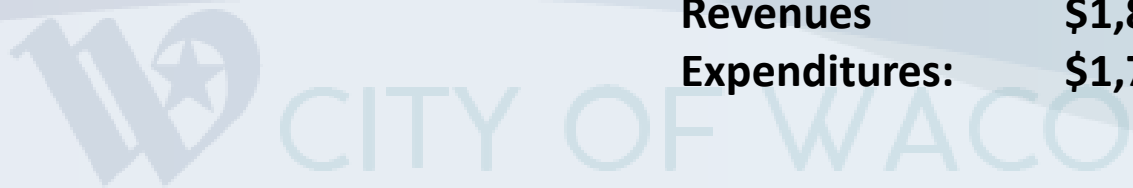
- Inflation Impacts
 - Diesel Fuel: +57%
- Increases: \$4.9M (22%)
 - Personnel: +\$1.8M (26%)
 - Debt Service: +\$841,125 (59%)
 - Maintenance: +\$620,351 (23%)
 - Prof Srvcs: +\$592,641 (17%)
 - Supplies: +\$518,981 (20%)
 - Rates: Residential
 - 9.9% (\$1.60) increase
 - 2.8% (\$0.48) higher than FY2018 rates adjusted for inflation
- Working Capital Surplus (\$8.6M) reserved for 948a closure funds and 2400 startup reserve
- FY2023 CIP (impact to future rates):
 - Transfer Station: \$10.6M
 - New Landfill (2400): \$4.2M
 - Cell Expansion (948A): \$615,000
 - Plant Equipment Removal: \$150,000

Drainage Fund

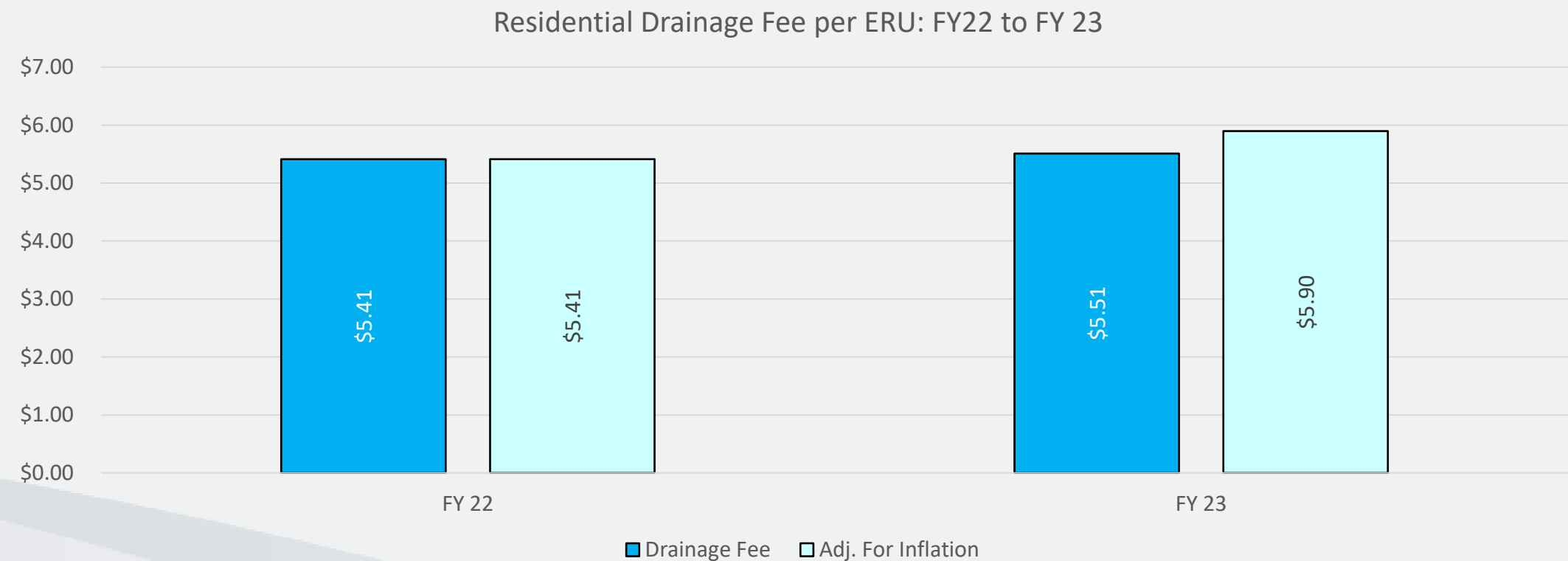
Drainage Fund Overview



Revenues **\$1,825,422 (32%)**
Expenditures: **\$1,745,564 (31%)**



Drainage Rate History



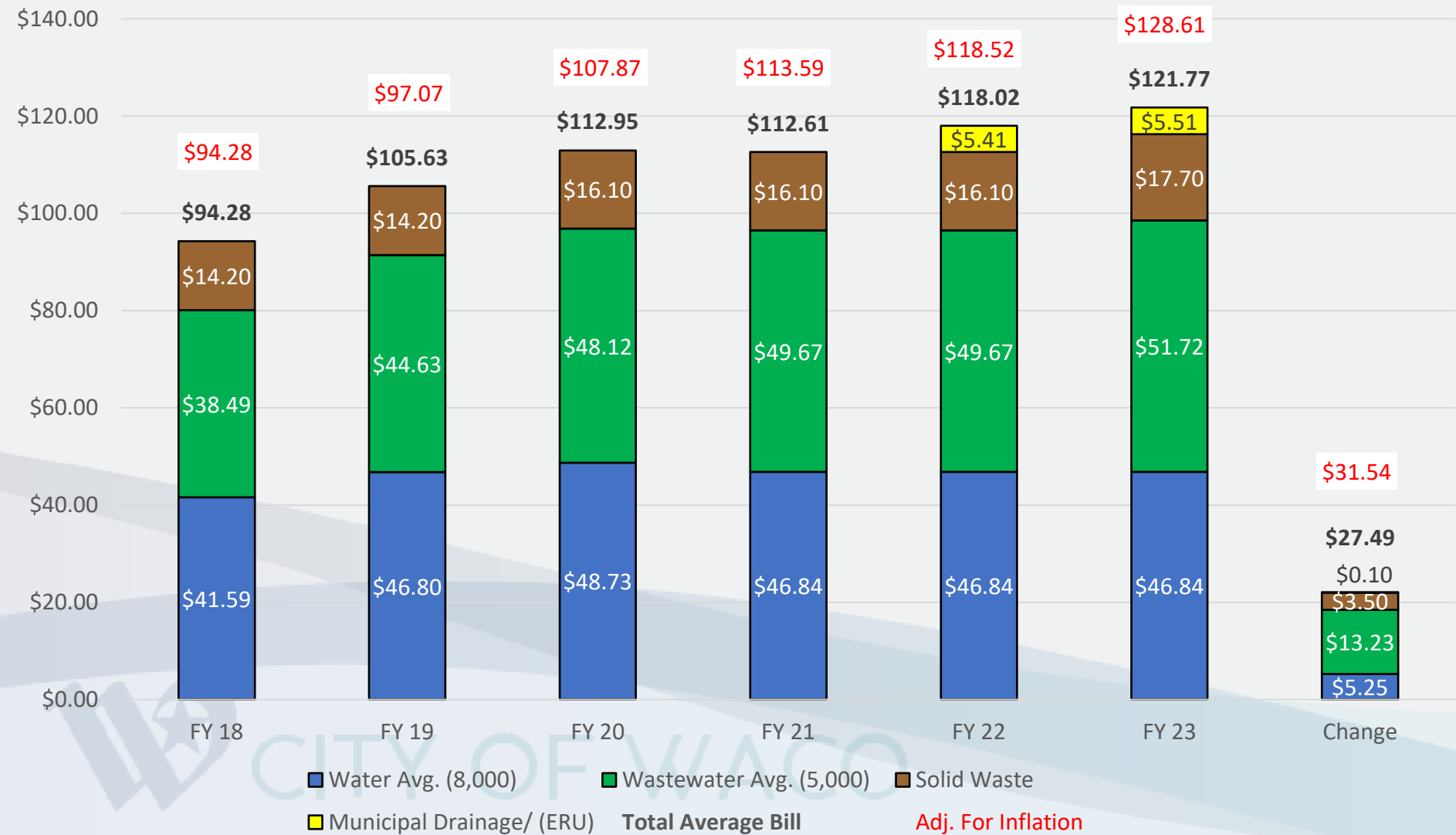
FY23: \$0.10 increase (1.8%)
Residential Tier 1: \$3.14 (+.06)
Residential Tier 2: \$5.51 (+.10)
Residential Tier 3: \$9.59 (+.18)

Drainage Fund Key Takeaways

- Increases:
 - Personnel: \$1,180,135
 - Capital Expenditures \$200,000
 - Supplies: \$351,158
 - Debt Service \$200,000
- Rates
 - 1.8% (\$0.10) increase for residential customers
 - -6.5% (\$0.39) lower than FY2022 rates adjusted for inflation
- FY2023 CIP:
 - Creek Flood Improvements: \$2.0M
 - Local Flood Improvements: \$1.0M

Historical Combined Monthly Rates: FY18-23

Total Monthly Utility Costs: FY18-FY23



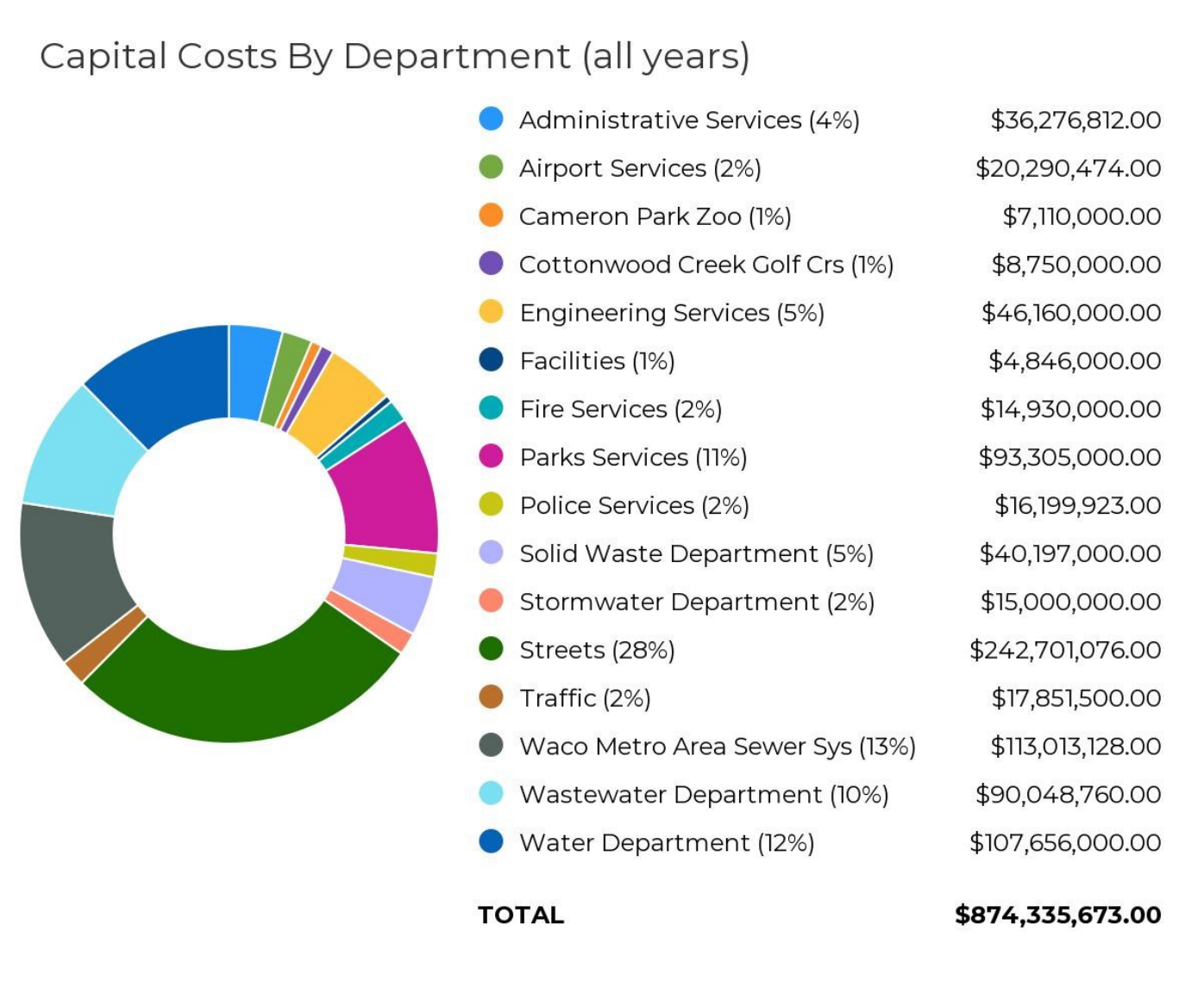
Capital Improvements



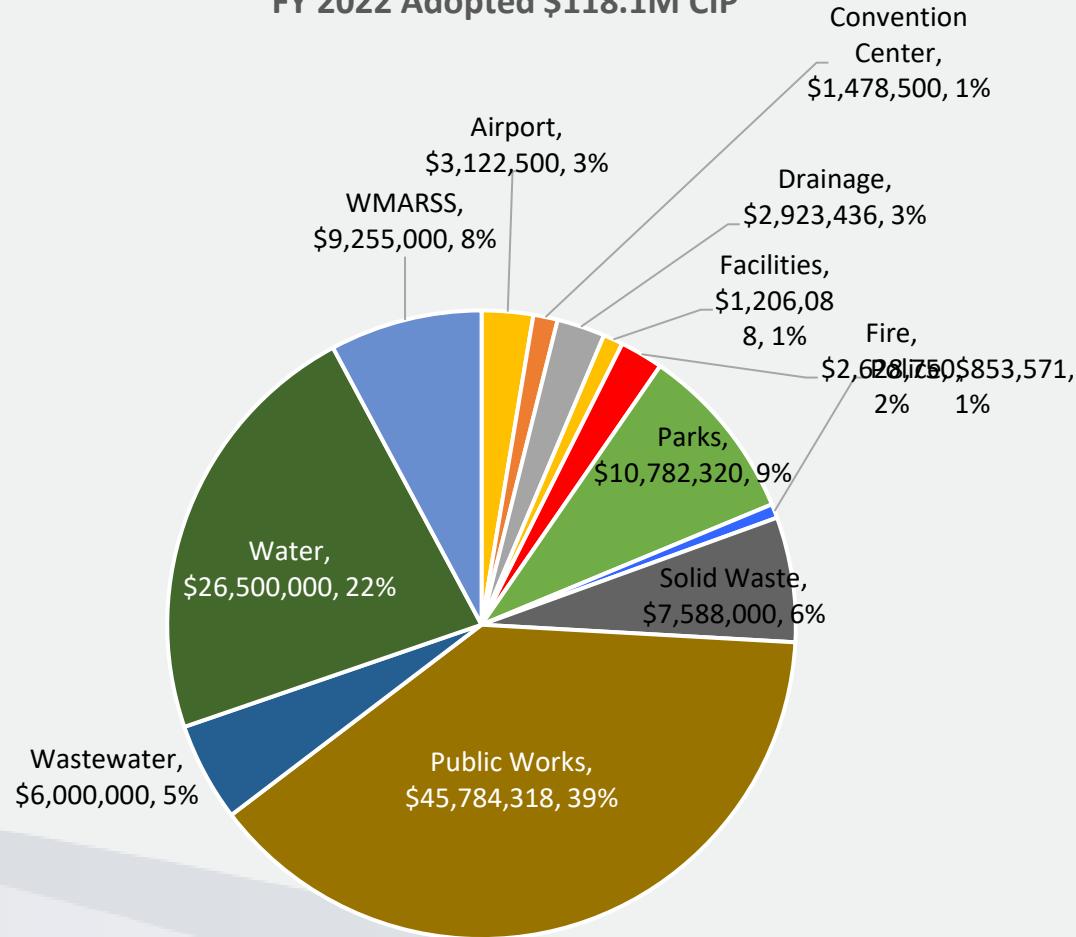
CITY OF WACO

Proposed 2023-2027 CIP

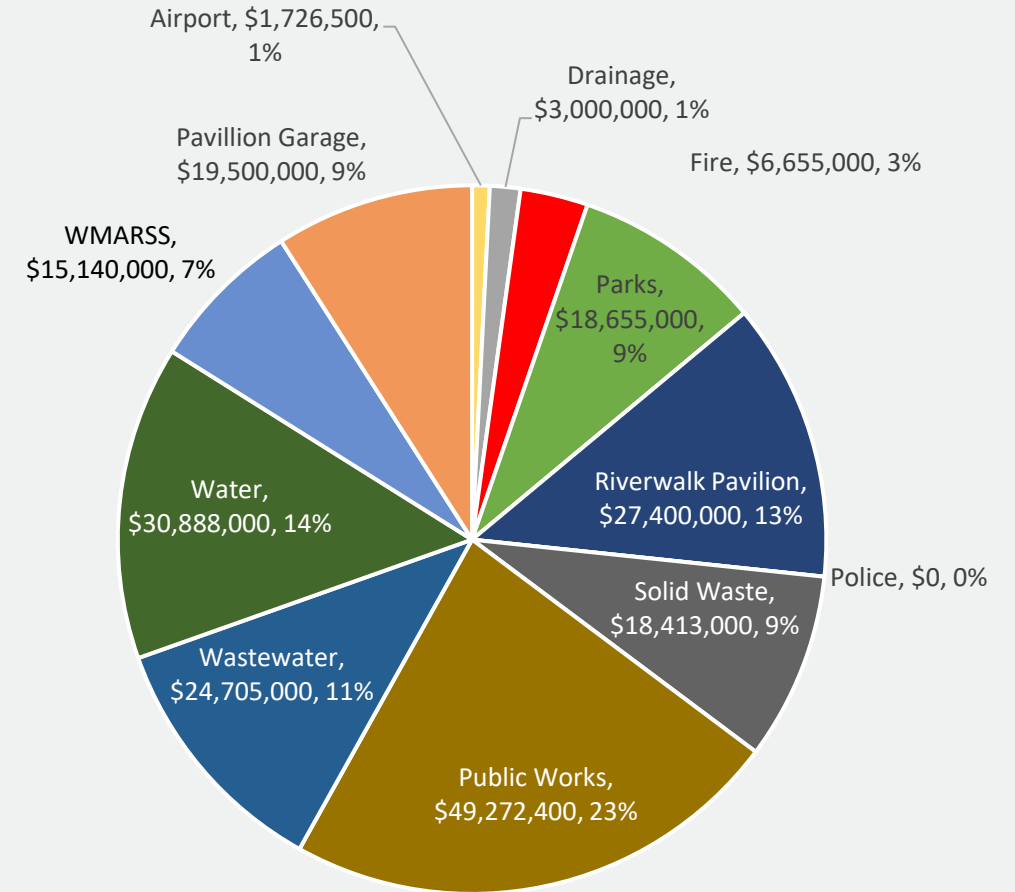
- City departments submitted a total of 92 projects totaling \$874,335,673 across all funds.



FY 2022 Adopted \$118.1M CIP



FY 2023 Proposed \$215.4M CIP



■ Airport ■ Convention Center ■ Drainage ■ Facilities
■ Fire ■ Parks ■ Riverwalk Pavilion ■ Police
■ Solid Waste ■ Public Works ■ Wastewater ■ Water
■ WMARSS ■ Pavillion Garage

■ Airport ■ Convention Center ■ Drainage ■ Facilities
■ Fire ■ Parks ■ Riverwalk Pavilion ■ Police
■ Solid Waste ■ Public Works ■ Wastewater ■ Water
■ WMARSS ■ Pavillion Garage

Budget Calendar

- August 16 Council Meeting
 - Public Hearing and 1st reading on Municipal Drainage Utility Ordinance Changes
 - 1st Reading of Ordinance setting Departments
 - Resolution Setting Date for Public Hearing and Vote on Tax Rate
- *August 30 Special Called Meeting*
 - 2nd Reading on Municipal Drainage Utility Ordinance Changes
 - Public Hearing and Vote on Resolution on Municipal Drainage Utility fee schedule revision
 - Public Hearing on Proposed Budget
 - Adoption of the Budget
 - 2nd Reading of Ordinance setting Departments
 - Financial Management Policy Updates Resolution
- September 6
 - Public Hearing and First and Final Reading of Tax Rate Ordinance



The "Budget Baton" is now handed to the City Council

QUESTIONS?

The image features a 3D graphic design set against a dark blue space background filled with small white stars. The word "QUESTIONS?" is rendered in large, bold, 3D letters with a blue-to-purple gradient. A vibrant, multi-colored nebula or comet trail, transitioning from red and orange at the top to green and yellow at the bottom, curves across the lower half of the frame. A large, bright yellow 3D star is positioned at the end of this trail, partially overlapping the word "QUESTIONS?". The right side of the image is a plain white vertical band.