

# **FY2021-22 Budget Development Update**



CITY OF WACO

# Key Inputs for FY22 Budget Development

- Strong sales tax results
  - Budget anticipated to be \$43.6M in FY 22 up from \$36M in FY 21
  - Actuals from FY19 and FY20: \$40.6M and \$41.03M
  - FY21 projected sales tax of \$46.6M
- Moderate appraisal increases
  - 1/3 of value is still in Appraisal Review Board (ARB)
- Inflation creeping into the equation
- High expectations for services and projects
- New revenue sources
  - Impact Fees
    - 20% implementation in Year 1
    - Budgeted revenue in multiple funds totals \$183k for FY 22
  - Drainage Utility
    - \$5.41 per residential equivalent unit (REU) on tonight's agenda
    - Pays for enhanced maintenance of drainage infrastructure
    - Supports an estimated \$10m drainage CIP

# Departmental Requests

- Prepared by Departments & Ranked by Director
  - New programs, services
  - New staff
- Reviewed by OMB
  - Summary
    - Over 105 requests totaling \$26.2 million
    - \$20.4 million in General Fund requests
- Evaluated and Prioritized by CMO
  - Council's Strategic Goals
  - Organizational Need



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# City Manager's Preliminary Recommendations

One-Time Investments				
Strategic Goal	Item	Source	Funding Amount	Goal Total
Facilitate Economic Development	25th / 26th Corridor Plan	General Fund	\$125,000	\$1,759,725
Facilitate Economic Development	Combination Inspector Vehicle	General Fund	\$34,725	
Facilitate Economic Development	Hwy 84 Corridor Plan	General Fund	\$125,000	
Facilitate Economic Development	Branding Study	Convention Fund	\$225,000	
Facilitate Economic Development	Visitor's Center Relocation	Convention Fund	\$1,000,000	
Facilitate Economic Development	Economic Development Plan	General Fund	\$250,000	
High Performing City Govt	Master Thoroughfare Plan	General Fund	\$500,000	\$2,343,720
High Performing City Govt	Facilities Assessment Plan	General Fund	\$250,000	
High Performing City Govt	Agenda Management Software	General Fund	\$100,000	
High Performing City Govt	IT Network Investment	General Fund	\$584,970	
High Performing City Govt	Finish Out of City Office Space	General Fund	\$750,000	
High Performing City Govt	IT Camera Replacement	Risk Fund	\$158,750	
Provide a Safe and Vibrant City	Turn-Out Gear for Firefighters	General Fund	\$494,273	\$1,646,001
Provide a Safe and Vibrant City	Heart of Texas Traffic Tower Replacement	General Fund	\$350,000	
Provide a Safe and Vibrant City	Fire Dispatch Alerting System	General Fund	\$272,378	
Provide a Safe and Vibrant City	Police Equipment and Vehicles	Abandoned Motor Veh Fund	\$529,350	
Improve Infrastructure	Downtown Action Plan	General Fund	\$400,000	\$400,000
Enhance Quality of Life	Health Inspector	Waco/MC Health Fund	\$34,405	\$34,405

# City Manager's Preliminary Recommendations

## Recurring Expenses

Strategic Goal	Item	Source	Funding Amount	Goal Total	Notes
Facilitate Economic Development	Economic Development Coordinator	General Fund	\$71,023	\$280,405	
Facilitate Economic Development	Combination Inspector	General Fund	\$79,382		Off-set using Fee Increases
Facilitate Economic Development	Long Range Planning Manager	General Fund	\$130,000		Off-set using Fee Increases
High Performing Government	Assistant City Attorney	General Fund	\$62,038	\$457,038	Half Year Funding
High Performing Government	Applications Programmer	General Fund and Other Funds	\$95,000		
High Performing Government	Registrar	Zoo Fund	\$50,000		AZA Accreditation Support
High Performing Government	Communications Team	General Fund	\$250,000		Multiple Positions
Improve Infrastructure	Street Preservation	General Fund	\$2,800,000	\$4,050,000	
Improve Infrastructure	Bridge Maintenance	General Fund	\$1,250,000		
Provide a Safe and Vibrant City	Police Grant Officers	General Fund	\$524,195	\$896,601	Match for Grant Request
Provide a Safe and Vibrant City	Firefighters (3)	General Fund	\$250,806		First Year of 4 to prepare for new station
Provide a Safe and Vibrant City	Civilian Fire Dispatch Personnel (2)	General Fund	\$121,600		
Enhance Quality of Life	Park Planner	General Fund and CIP	\$97,292	\$155,069	
Enhance Quality of Life	Health Inspector	Waco/MC Health Fund	\$57,777		Funded by fees and McLennan County



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# City Manager's Preliminary Recommendations:

Special Projects Reserve Fund: \$11M	American Rescue Plan: \$34M	Other
Vehicle Replacement / Conversion	Neighborhood and Housing Strategies	Flood Prone Property Acquisition
HVAC Replacement	Small Business Assistance	
Roof Replacement	Floodplain assistance in core	
CIP Support	STEAM Center	
	City Facility and Infrastructure Resiliency	

# City Manager's Preliminary Recommendations:

- Keep Water/Sewer and Solid Waste rates level
- Property Tax Rate Changes
  - Reduce overall tax rate by ¼ of a penny
  - Significant increase in CIP funding level anticipated
- Staff Compensation Strategy
  - \$15 per hour pay for all full and part-time employees
  - General Salary increase of at least 2% for all employees
- WMCEDC Funding increase to \$3.00m from \$2.75m
- Outside Agencies remain at current funding level for each entity
- Moved all Code Compliance staffing from CDBG (Federal Funding) to General Fund totaling \$215k
- Council Stipend Change

# Budget Calendar: Public Meetings

## KEY UPCOMING DATES OF BUDGET AND AUDIT COMMITTEE OR CITY COUNCIL

Date	Action
7/27/2021	Budget and Audit Meeting: (1) Preliminary Voter Approved Tax Rate and No New Revenue Tax Rate rates; (2) proposed rates to support budget, (3) Recommended Budget Requests included in proposed budget, and (4) Use of Special Projects Reserve
8/3/2021	Budget Presented & Resolution to Set PH for Budget Considered
8/10/2021	Budget and Audit meeting – CIP Workshop #1
8/17/2021	Resolution to Set Public Hearing and Vote Date on proposed tax rate 1st reading on the Ordinance setting Departments
8/24/2021	Budget and Audit meeting - CIP workshop #2
8/31/2021	<b>Special Council Meeting</b> to (1) hold Public Hearing and vote on Drainage Charge resolution, (2) hold Public Hearing and vote on annual budget resolution (incl. fee schedule and CIP), and (3) 2nd reading on the Ordinance setting Departments
9/7/2021	Public Hearing and Vote on Tax Rate Ordinance
9/14/2021	Budget and Audit meeting – CIP Workshop #3 (FINAL)
9/21/2021	Amend CIP Plan by Resolution



# Questions



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