

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

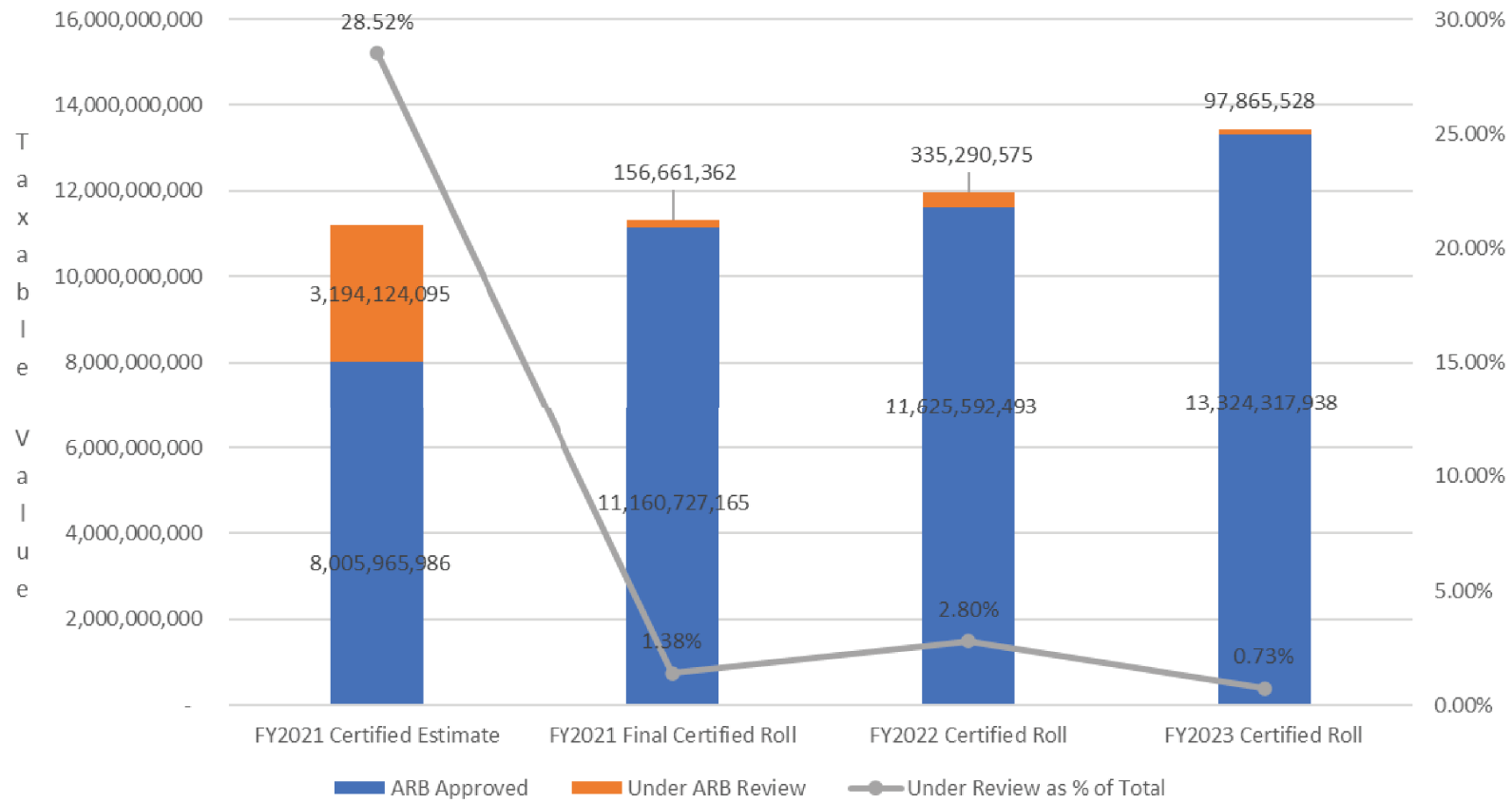


CITY OF WACO

Tax Exemptions

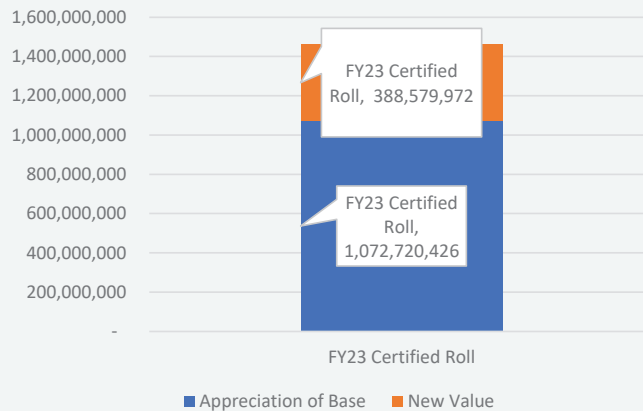
- Homestead – Increased from 10% to 15% this year
- Over 65 – Increased from \$5,000 to \$50,000 this year
- Disabled Person – Established at \$50,000 this year

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



FY23 Certified Roll Grand Total Taxable Values

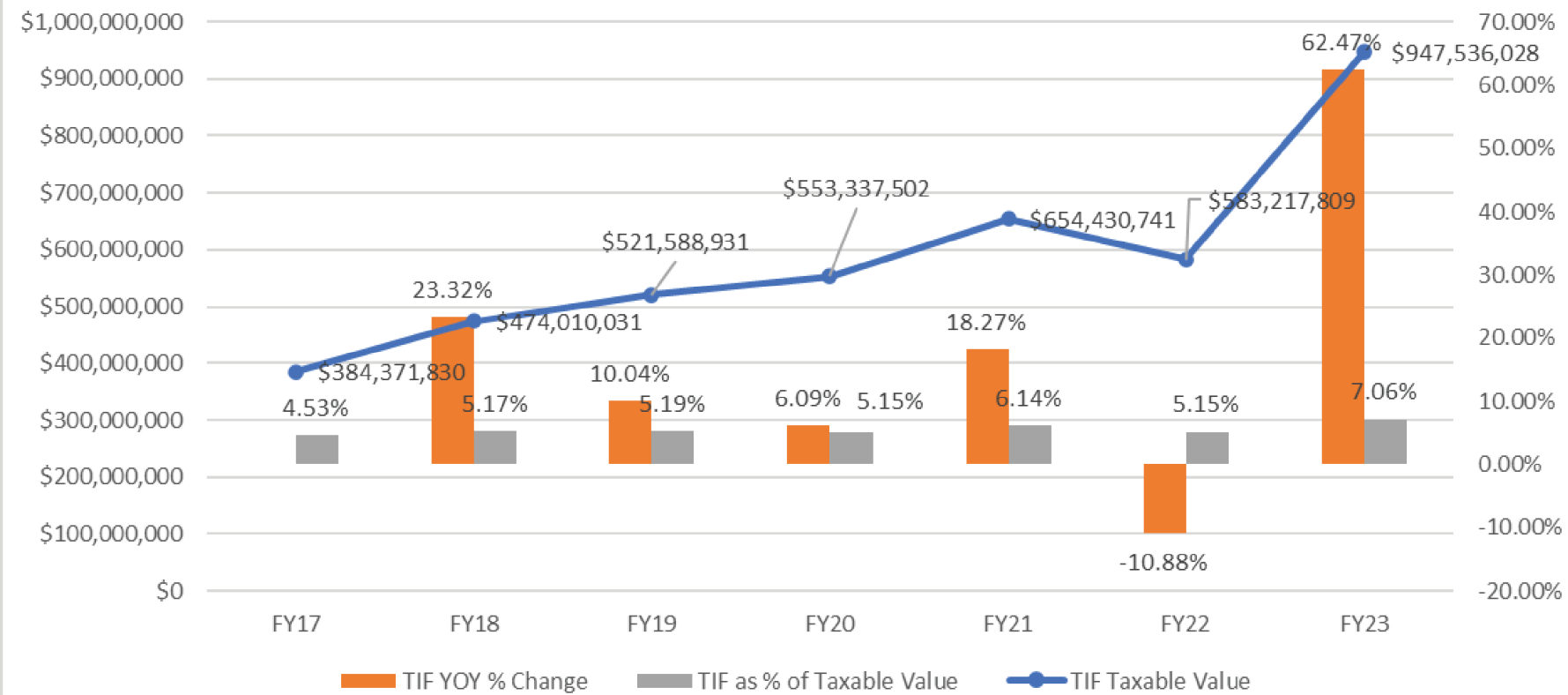
Valuation Increases: New vs. Existing



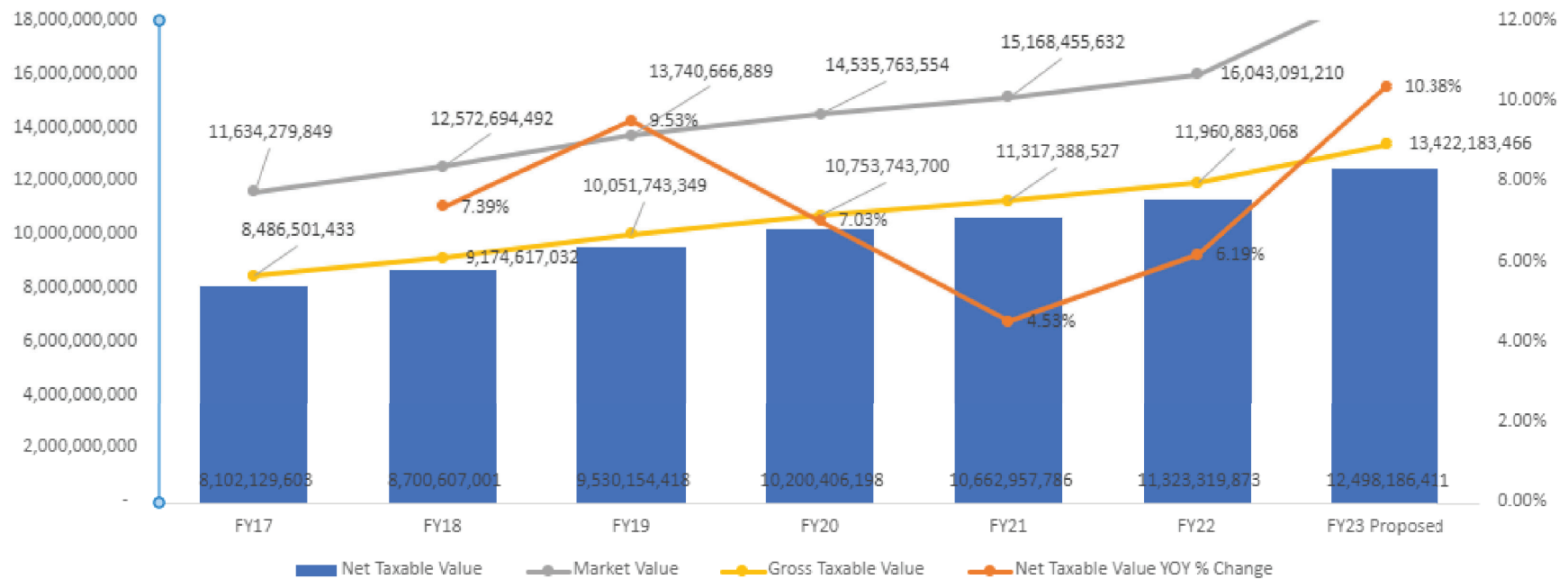
	FY2021 Certified Estimate	FY2021 Final Certified Roll	FY2022 Certified Roll	FY2023 Certified Roll	\$ Change	% Change
Single Family Residence	4,770,662,749	4,778,131,760	5,332,775,967	5,717,666,987	384,891,020	7.22%
Multi-Family	1,327,764,031	1,307,251,804	1,402,466,289	1,656,981,906	254,515,617	18.15%
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

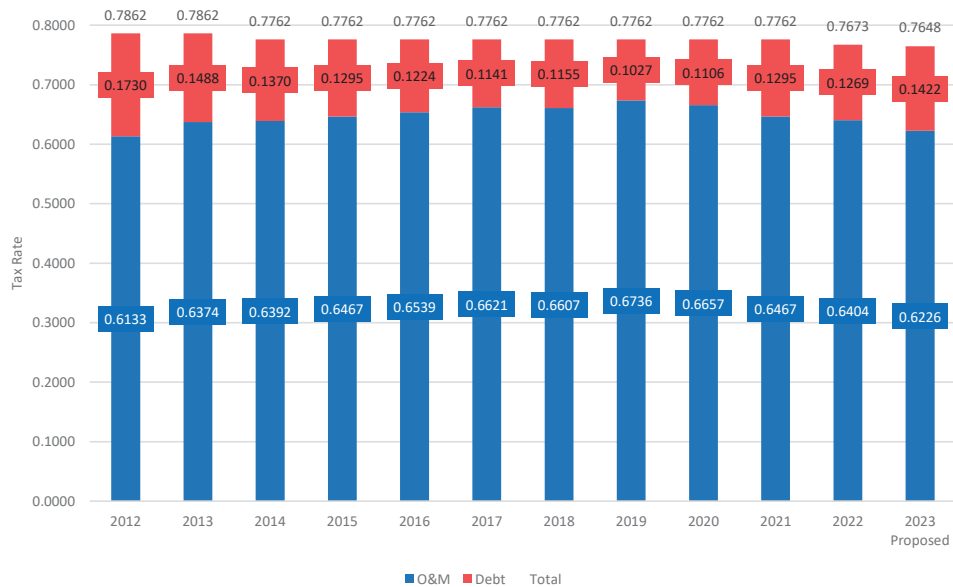


Truth In Taxation Table

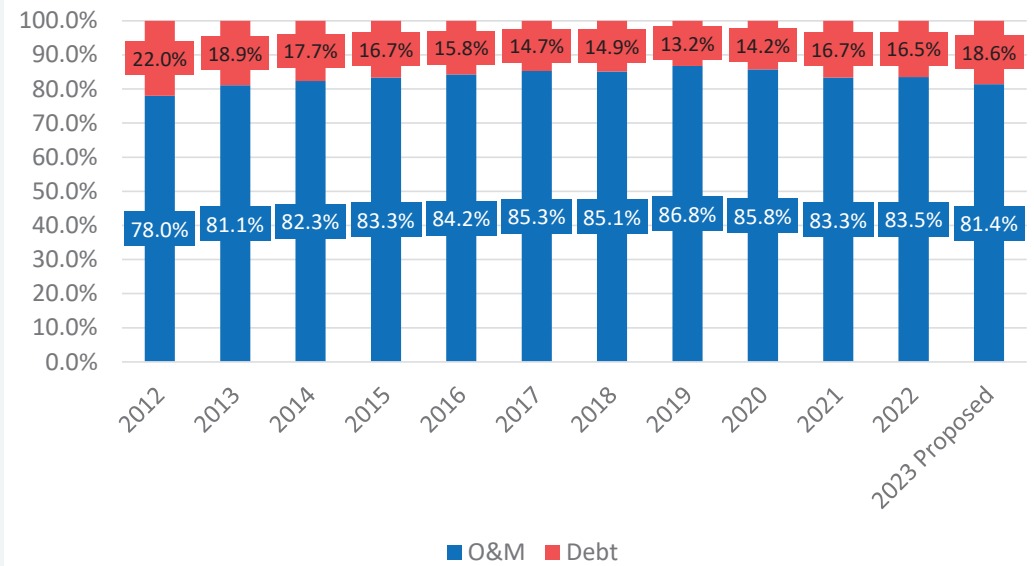
	<u>FY 23 Proposed</u>	<u>FY 22</u>
Property Tax Rate	\$0.764782	\$0.767282
No New Revenue Tax Rate	\$0.678998	\$0.741670
<i>(Internal: Adjusted No New Revenue Tax Rate (Debt + NNRT M&O))</i>	\$0.744755	\$0.747033
No New Revenue Maintenance & Operations Tax Rate	\$0.602557	\$0.620145
Maintenance & Operations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

Tax Rate Overview

City of Waco Tax Rates: 2012-2023



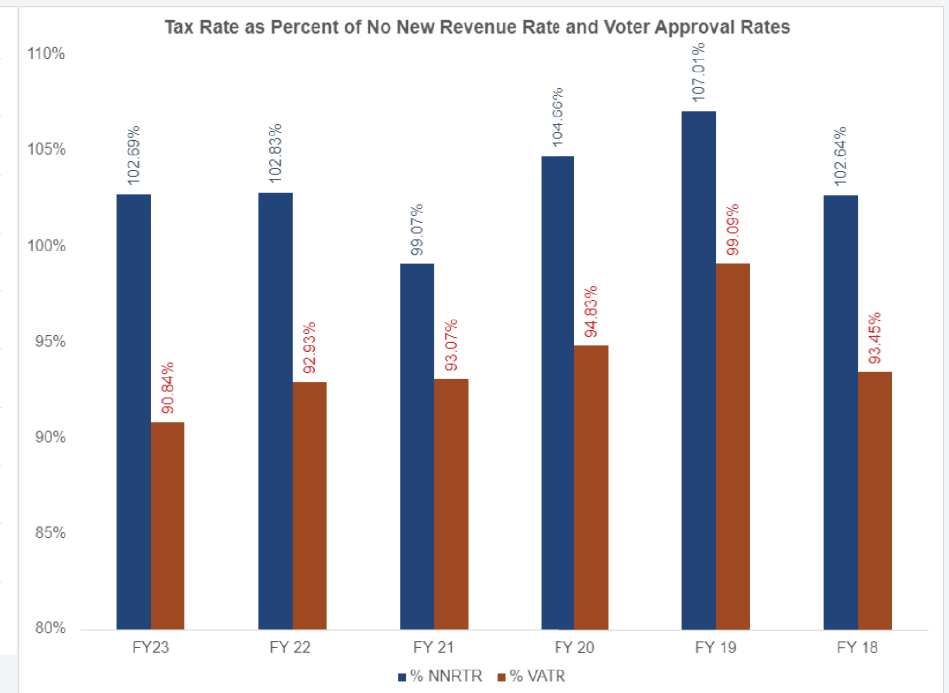
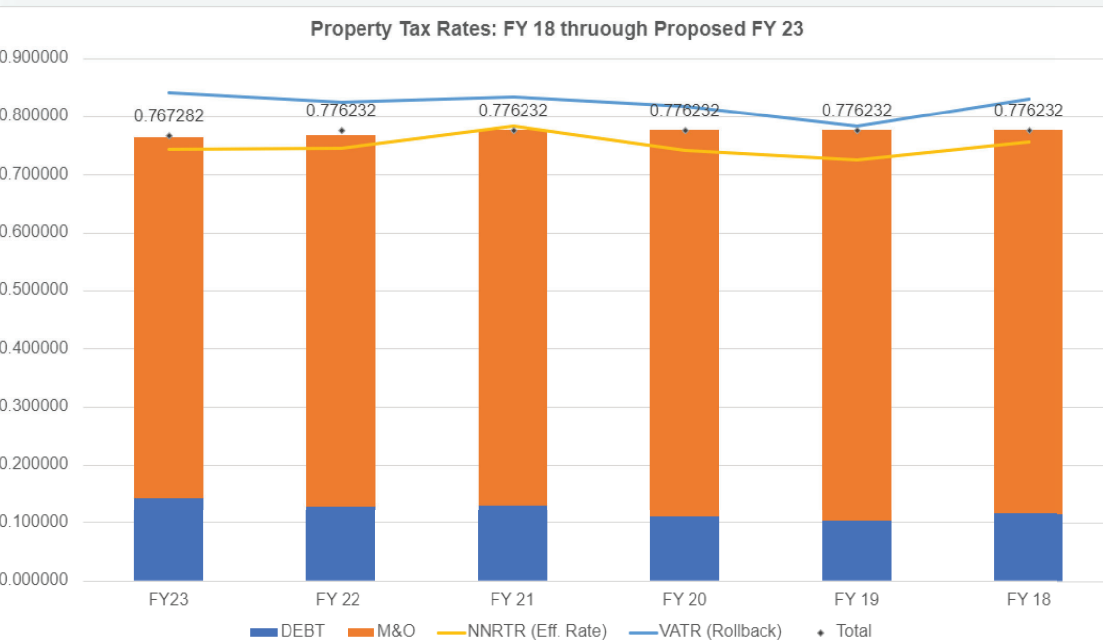
Tax Rate Components as Percent of Total Rate: 2012-2023



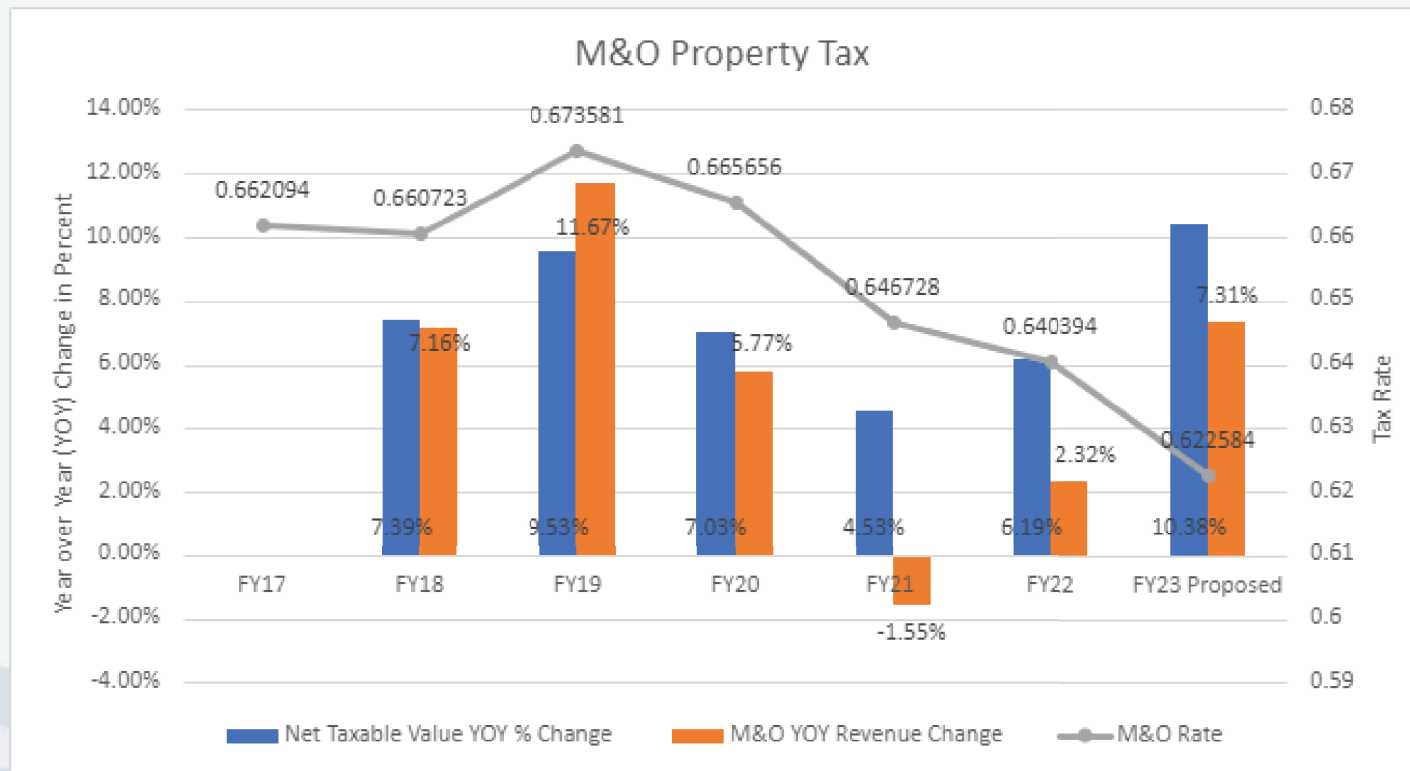
FY23 Proposed Reduction of Rate of \$0.00250

- 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.

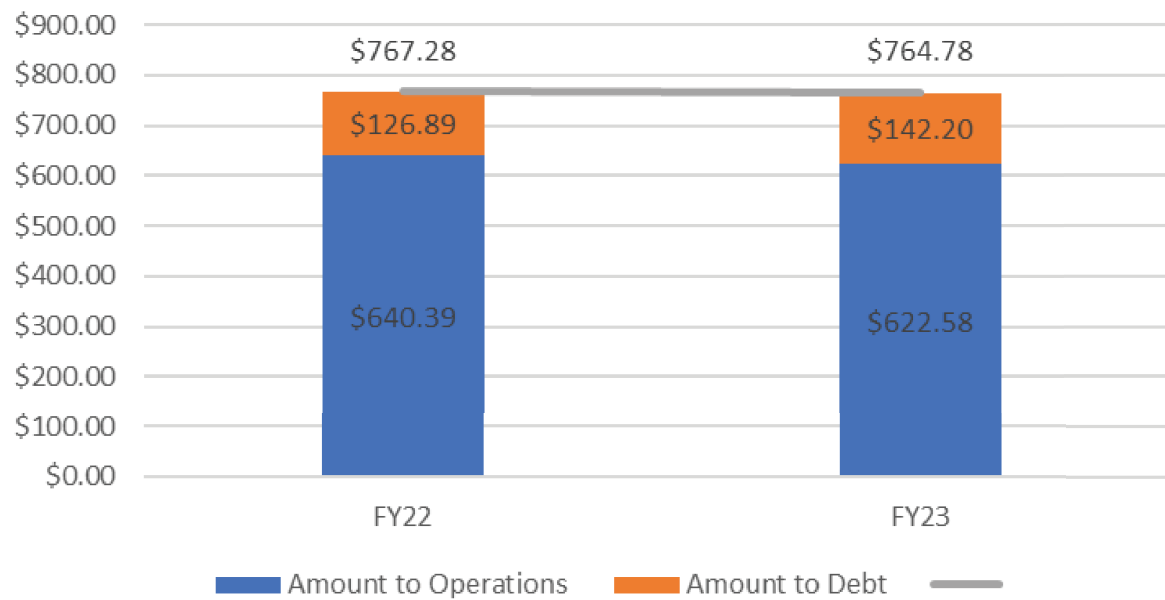


Tax Increment	Amount
Voter Approval Rate Prior to Tax Increment	0.775540
2021 Unused Increment Rate	0.008604
2020 Unused Increment Rate	0.057768
2019 Unused Increment Rate	-
Total Unused Increment	0.066372
Voter Approval Rate with Tax Increment	0.841912

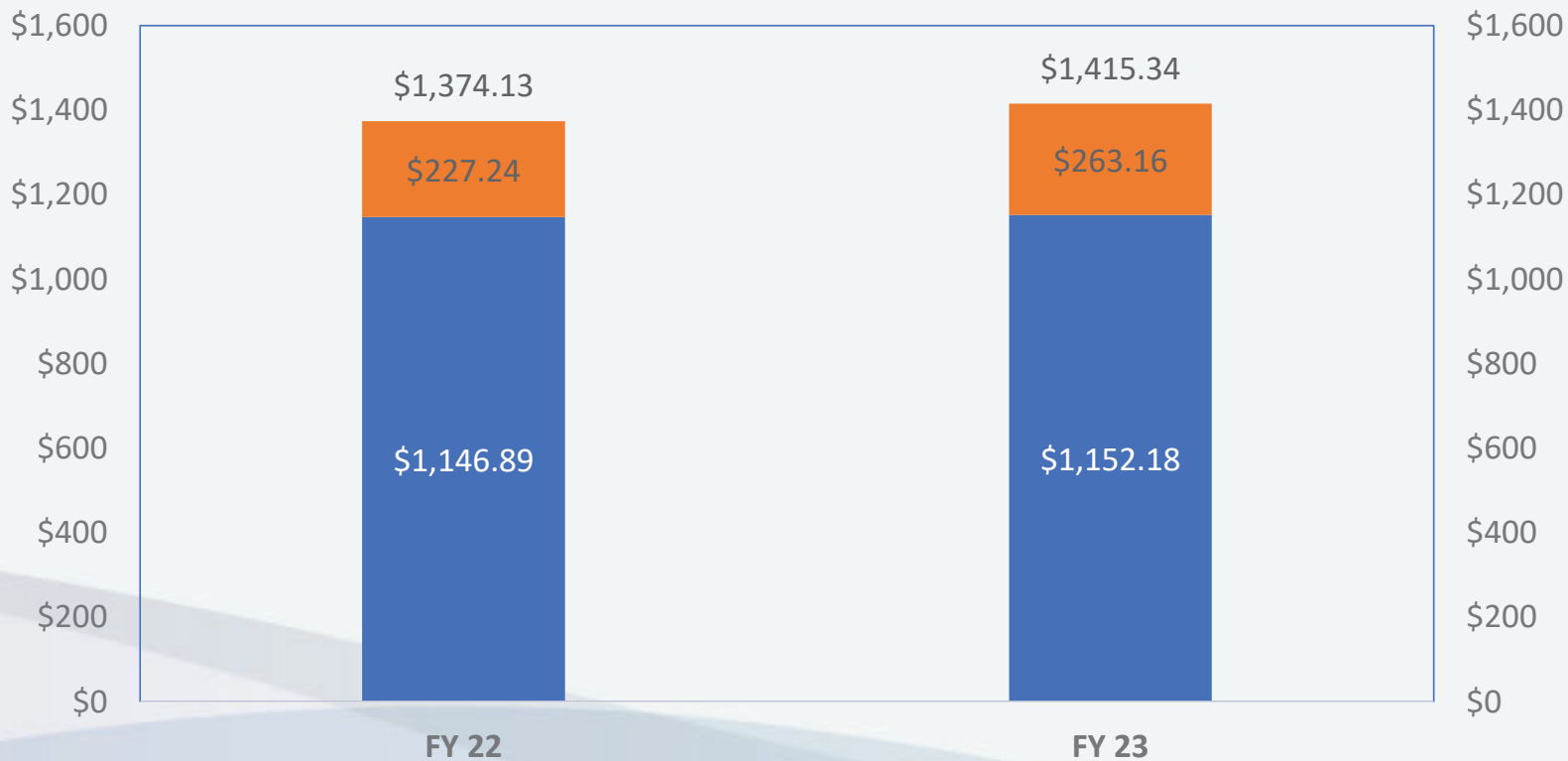


CITY OF WACO

Taxes on \$100,000 Valuation



Tax on Residence of Average Taxable Value

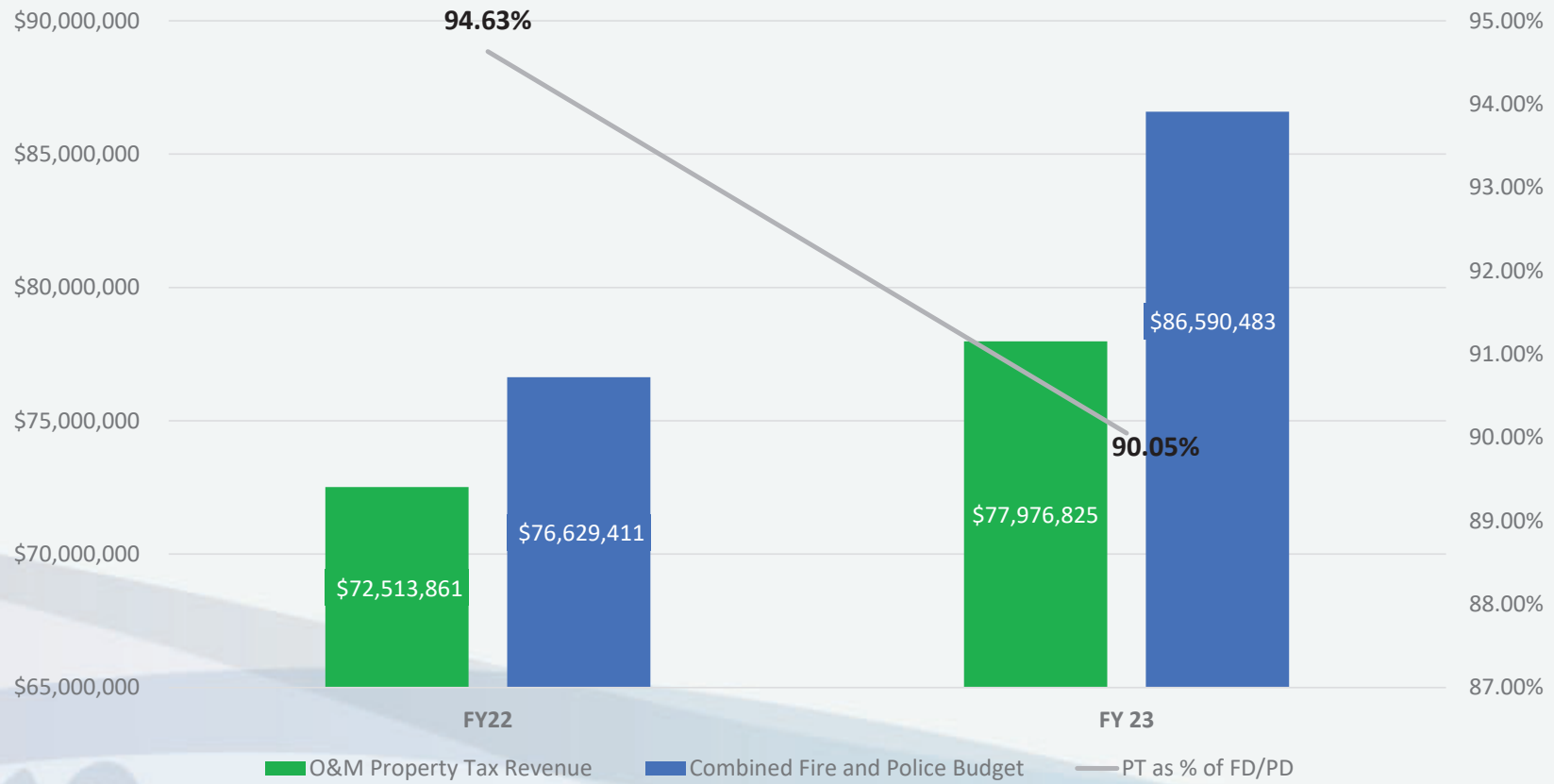


	FY 22 Adopted	FY23 Recommended	\$ Change	% Change
Taxable Value	\$179,091	\$185,064	\$5,973	3.34%
M&O	\$1,146.89	\$1,152.18	\$5.29	0.46%
Debt	\$227.24	\$263.16	\$35.91	15.80%
Total	\$1,374.13	\$1,415.34	\$41.20	3.00%

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%

Property Taxes and Public Safety

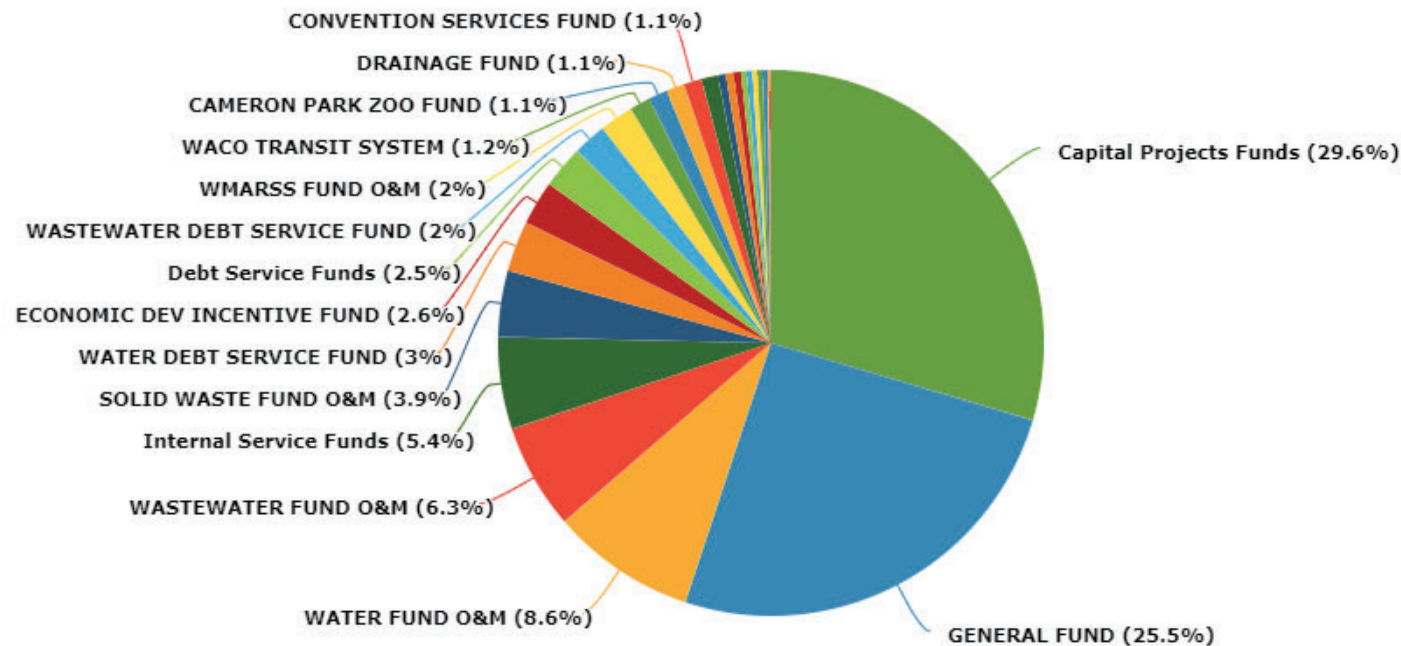


Fund Information



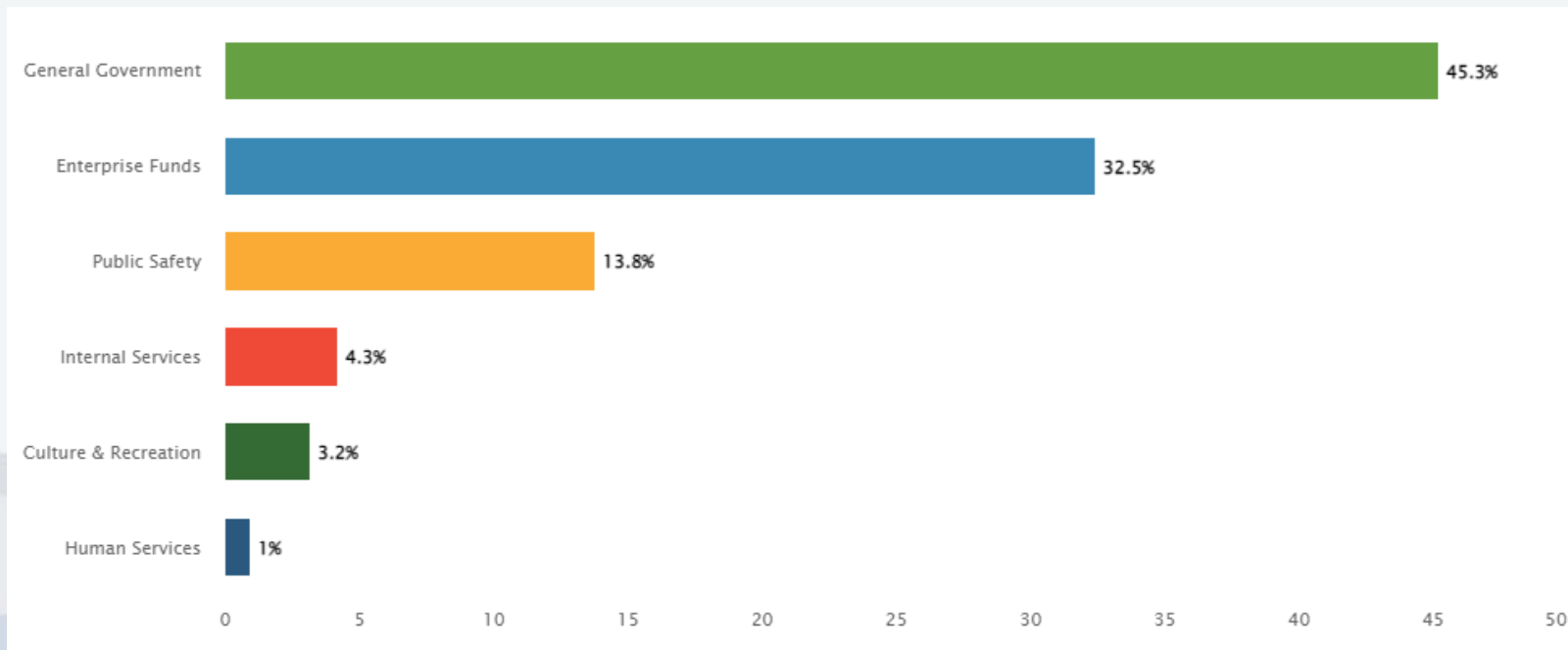
CITY OF WACO

Expense Summary by Fund



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

Expense Summary by Function



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 Cost
Build a high performing government organization	2nd Neigh Academy	General Fund	17,000
	Development Process Review and Customer Improvement Stud	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 Fu	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 Maintance 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 3years)	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

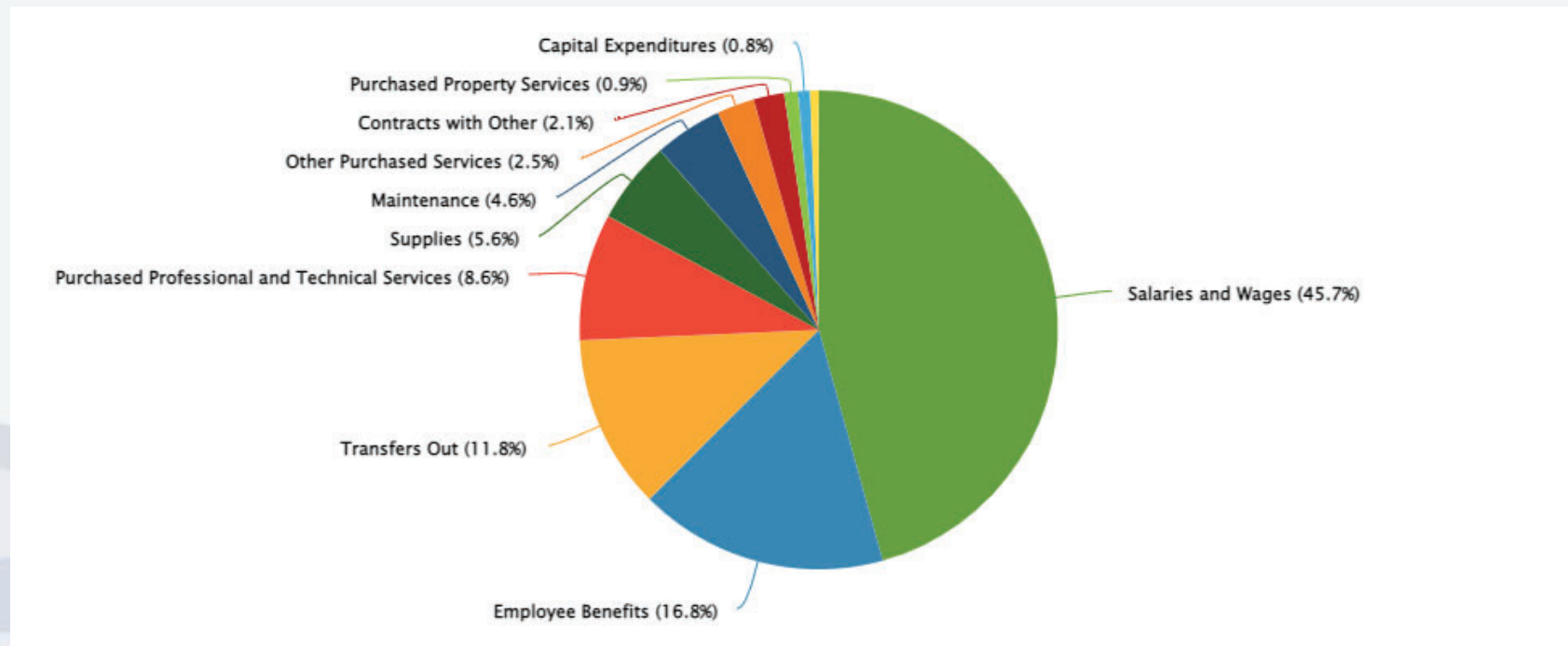
Recurring Expenses			
Strategic Goal	Description	Funding Source	Sum of Recurring Cost
Build a high performing government organization	6% GSI	General Fund	9,000,000
	Safety (4 FTEs)	Risk Management Fund	470,015
	Project Management (2 FTEs)	General Fund	156,000
	Management Analysts (4 FTEs)	General Fund	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 Maintenance 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

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%

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

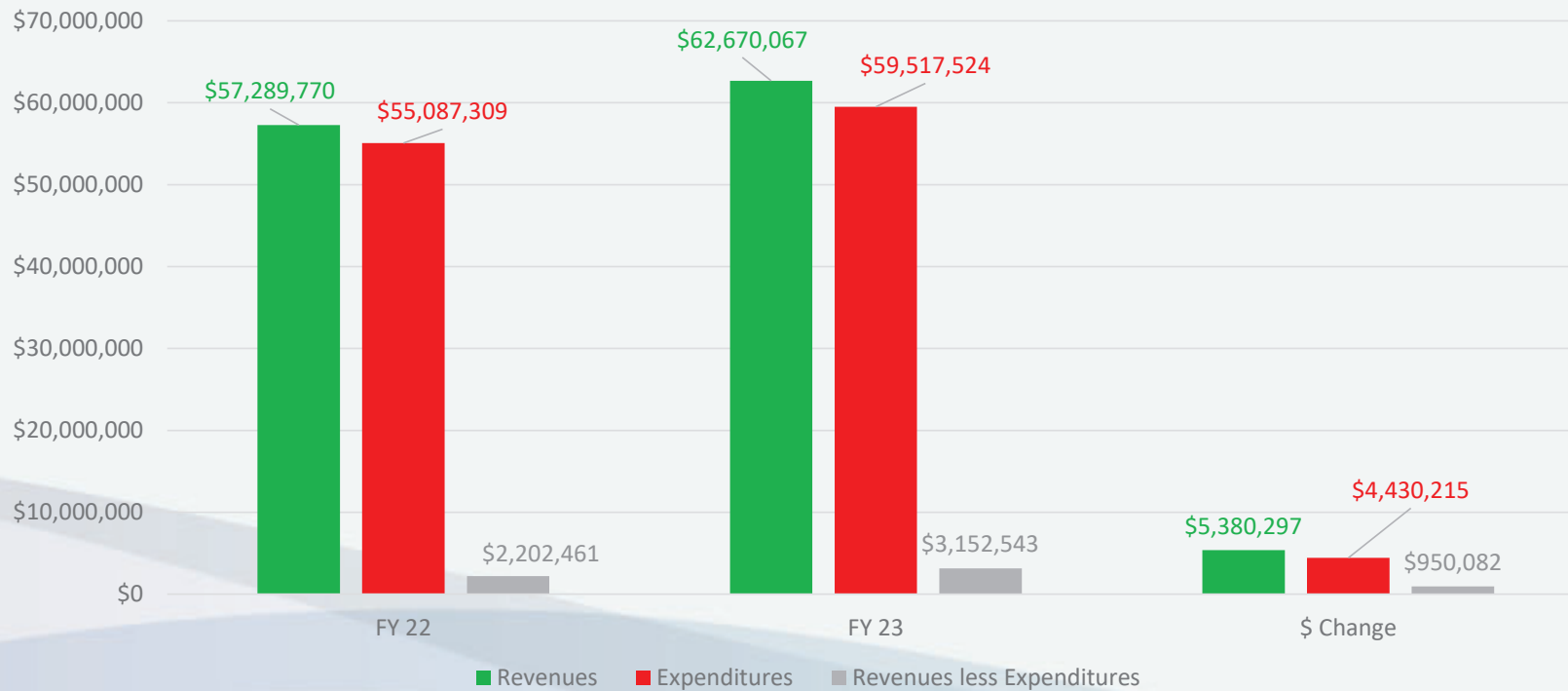
Drainage



CITY OF WACO

Water Fund Summary

Water Fund Overview



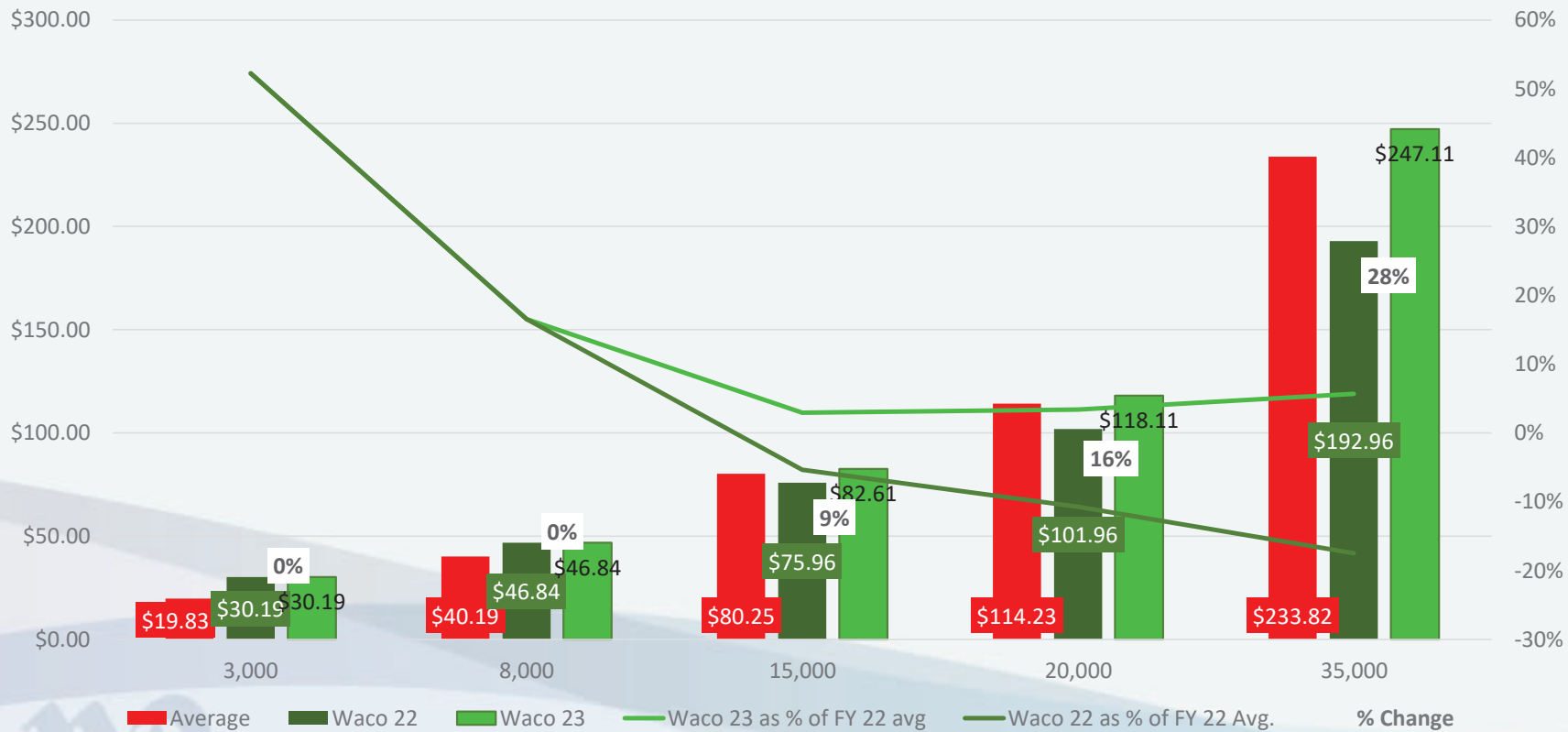
8% increase in expenses YOY

Water Fund Working Capital

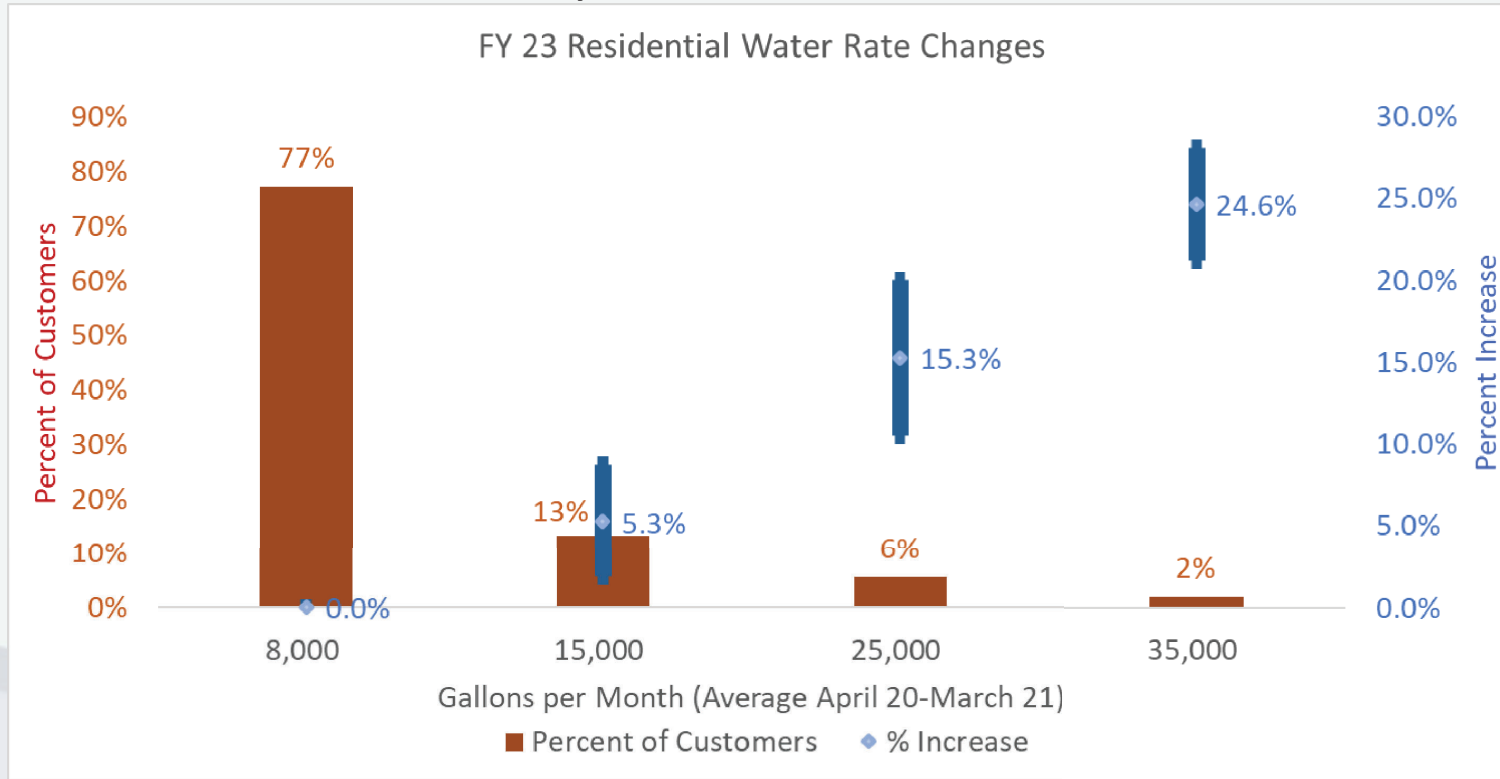
<u>Working Capital Above Policy</u>		
	2023 Beginning Balance	\$13,345,384
	Property Acquisition	-\$545,000
	Billing System	-\$2,000,000
	Facilities	-\$1,000,000
	Lake Brazos Dam	-\$3,000,000
	Generator Install	-\$1,800,000
	Debt Service Reserve	-\$2,080,313

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

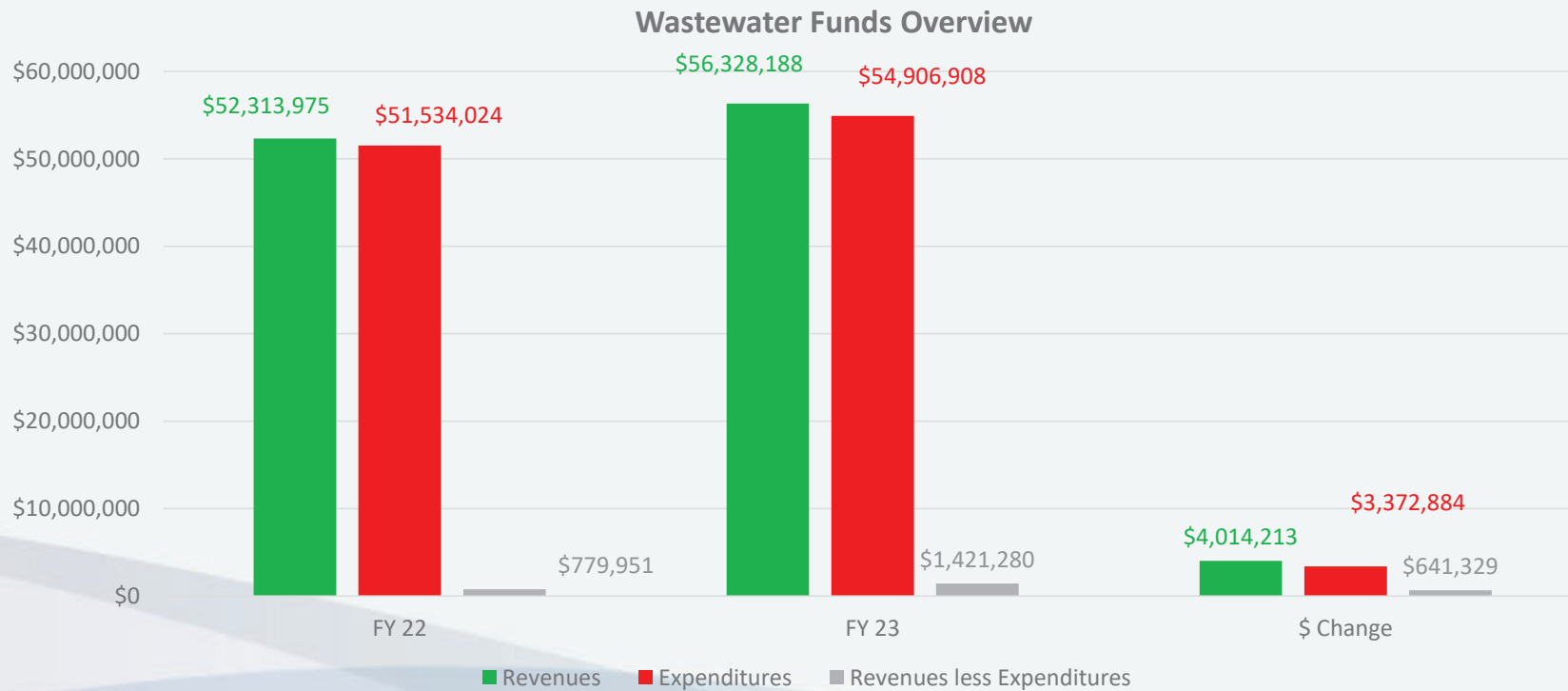
Approximately 90% of residential customers use 15,000 gallons or less.

Current Usage			"Break Even" Usage			Conservation Amounts	
Gallons	Bill	Average Residence	Gallons	% Reduction	Average Residence	Monthly	Daily
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)



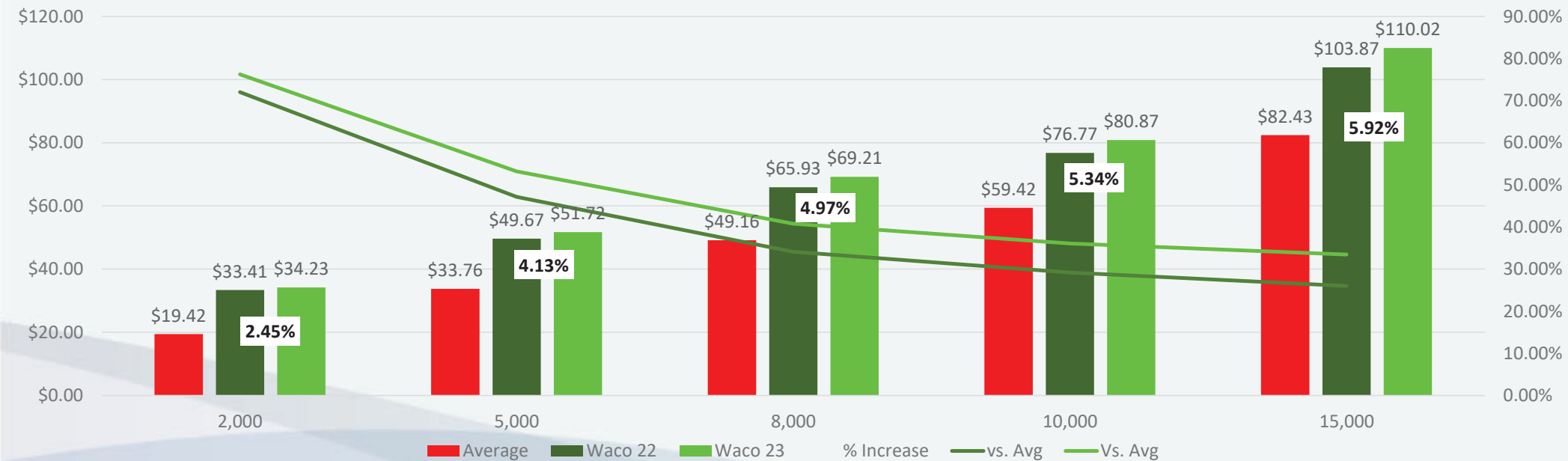
6.5% increase in expenses YOY

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
	Litigation Reserve	-\$4,000,000
	2023 YE Balance Projection	\$3,092,529

Wastewater Rates Analysis

Monthly Residential Waterwater Bill Comparison: FY22 v FY 23

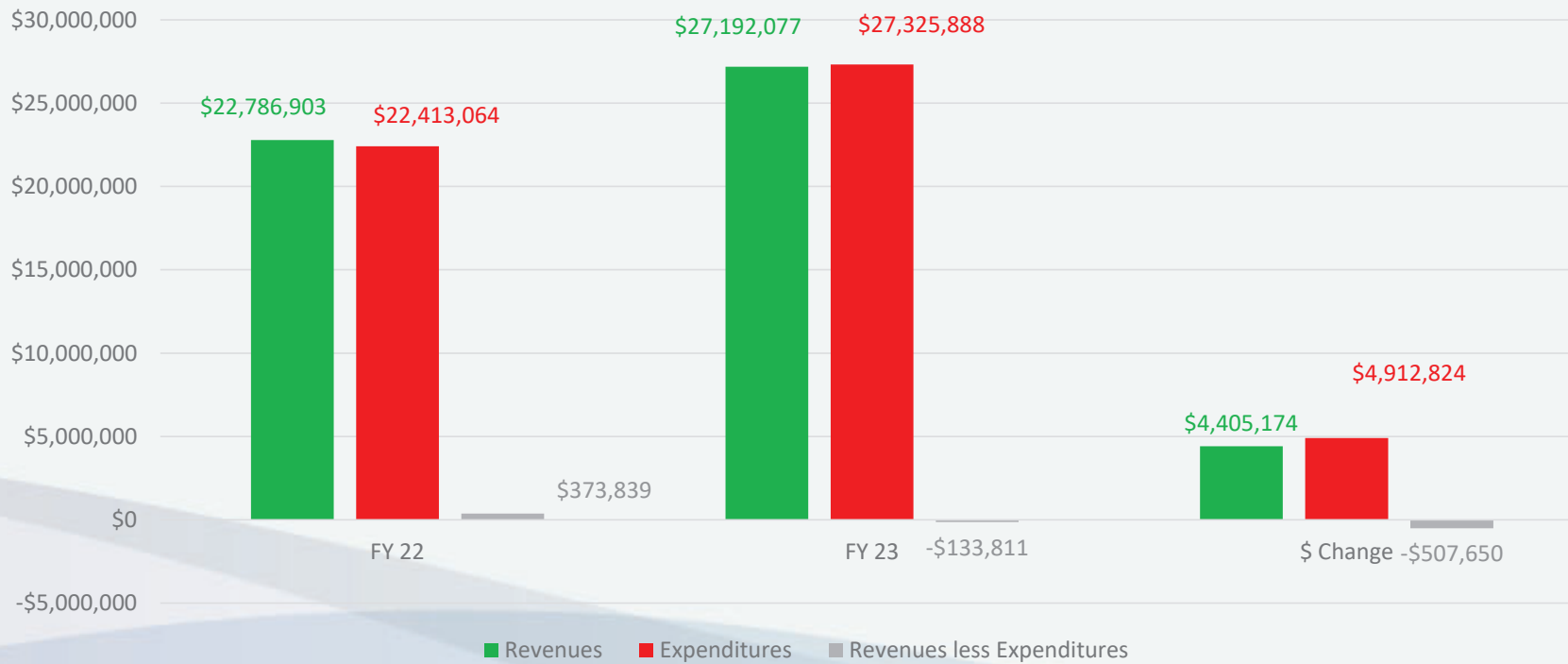


Wastewater Fund Key Takeaways

- 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

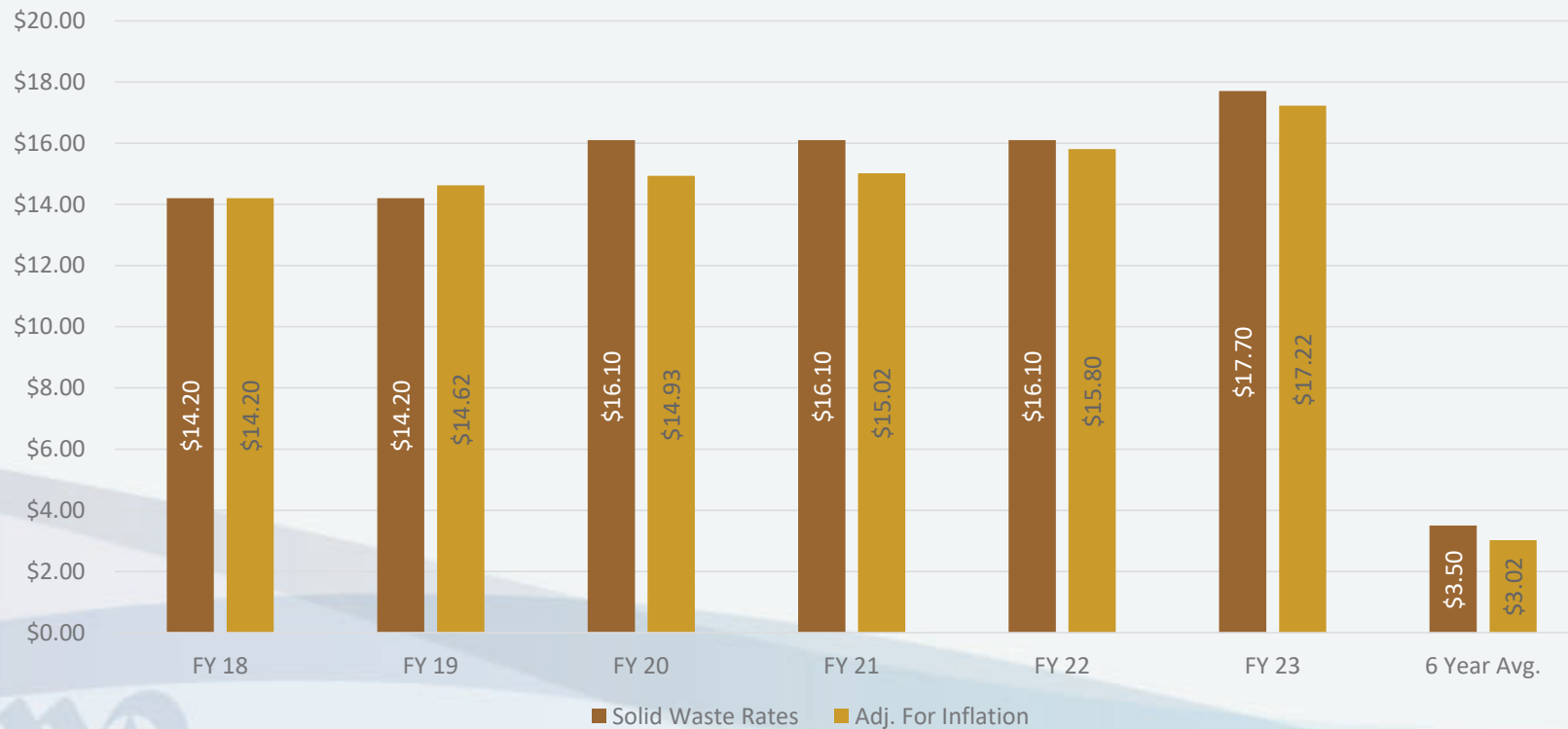
Solid Waste Fund Overview



22% increase in expenses YOY

Solid Waste Rate History

Residential Solid Waste Rates: FY18 to FY 23



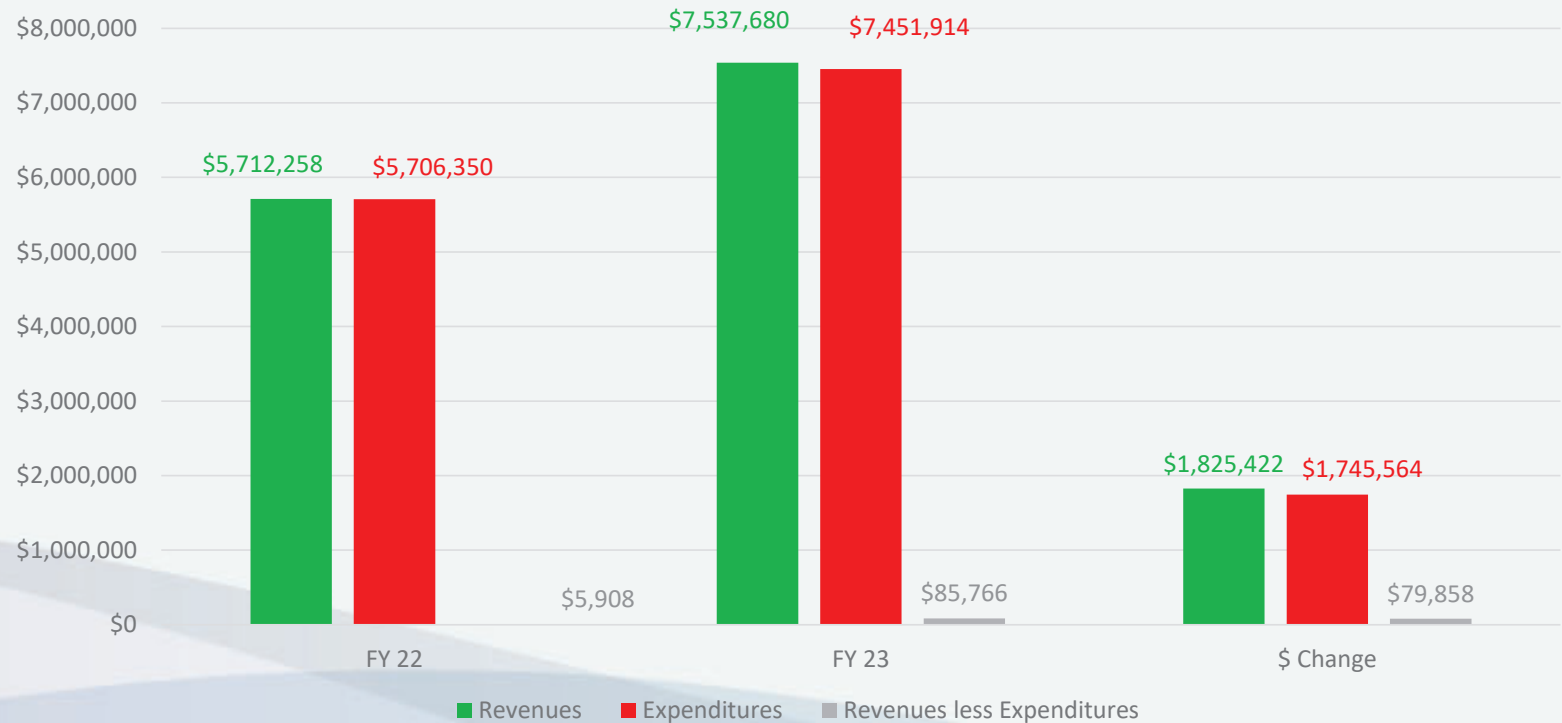
FY23: \$1.60 increase (9.9%)

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

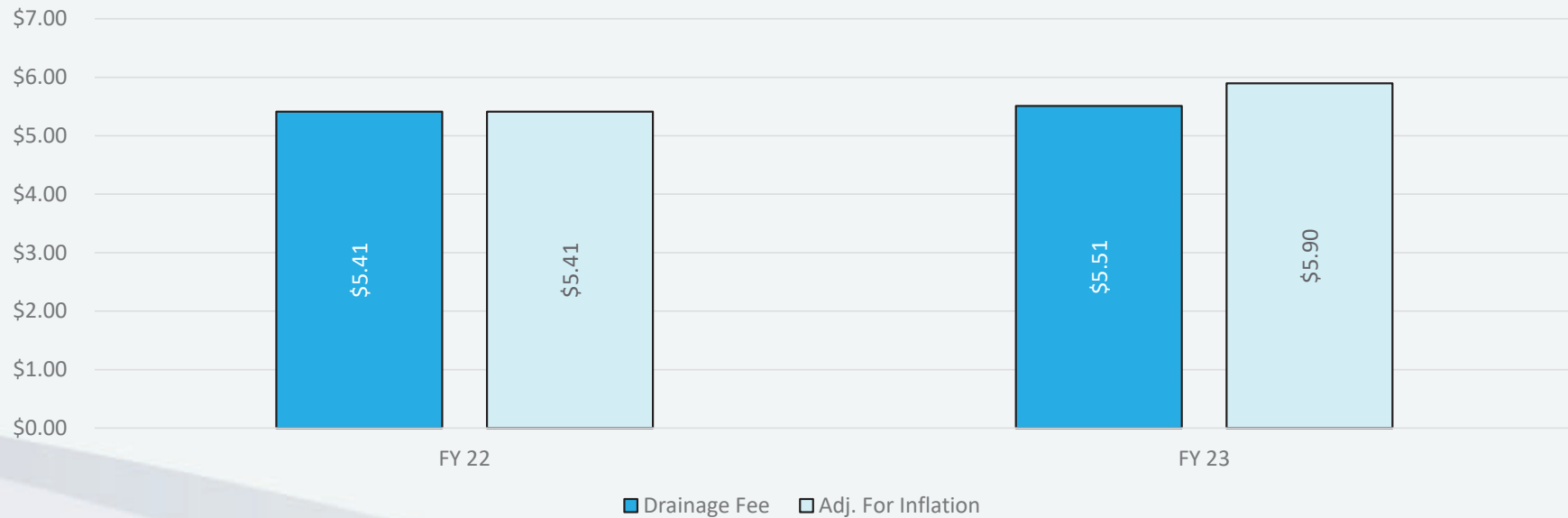
Drainage Fund Overview



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

Drainage Rate History

Residential Drainage Fee per ERU: FY22 to FY 23



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

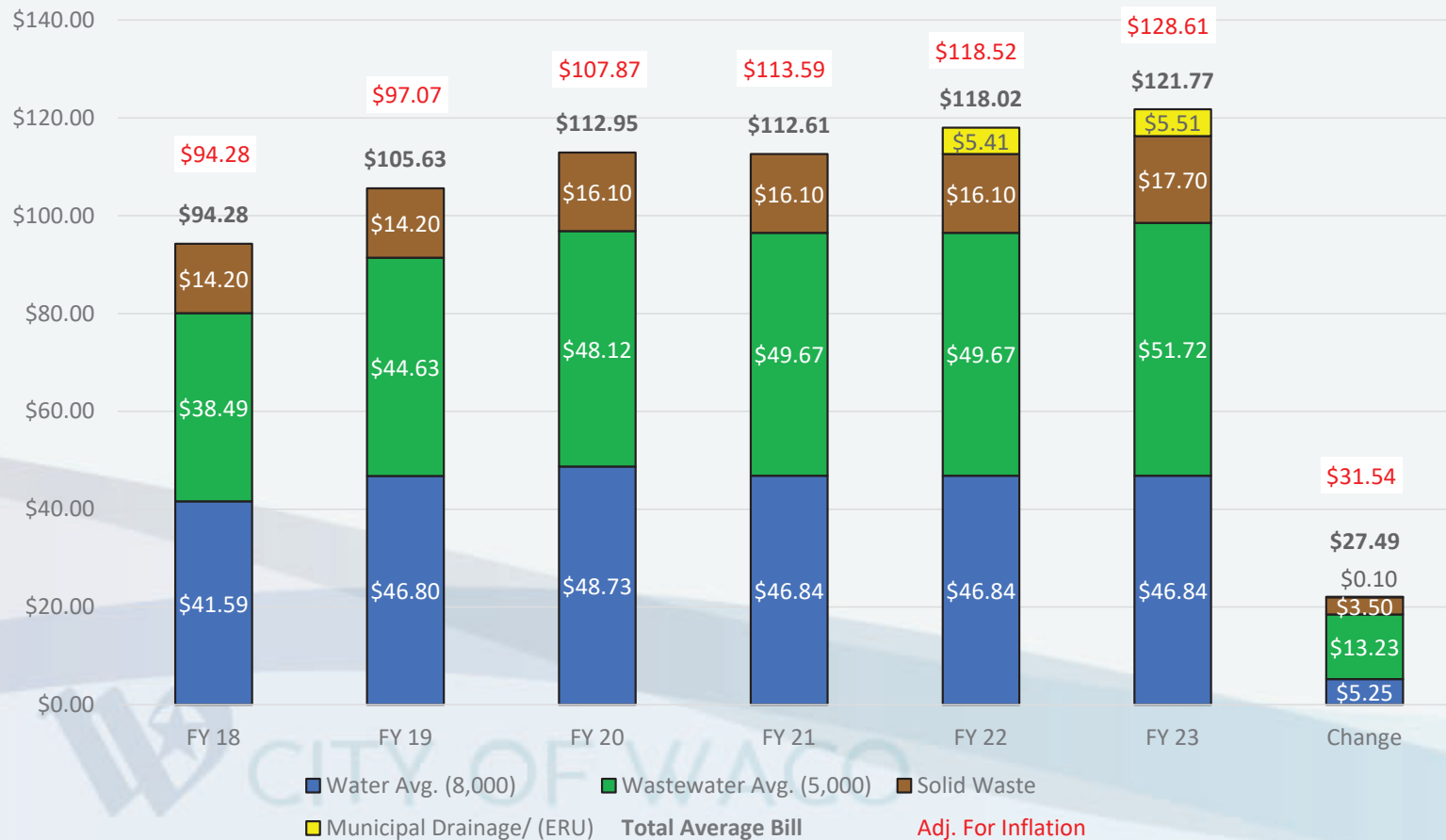
CITY OF WACO

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

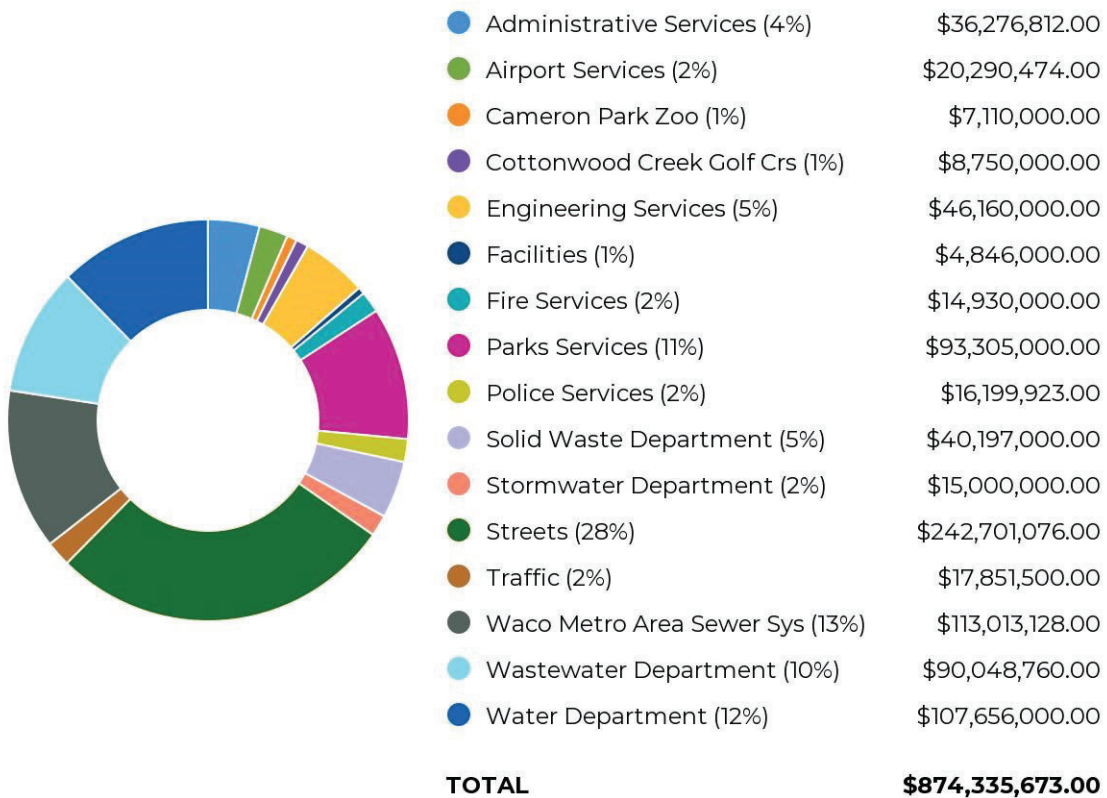


CITY OF WACO

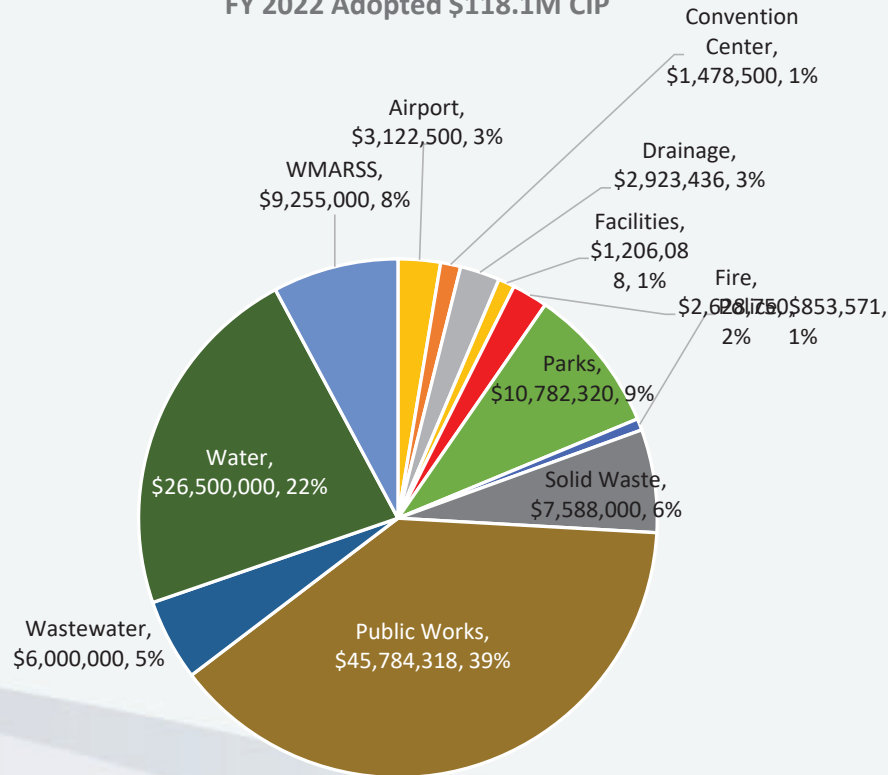
Proposed 2023-2027 CIP

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

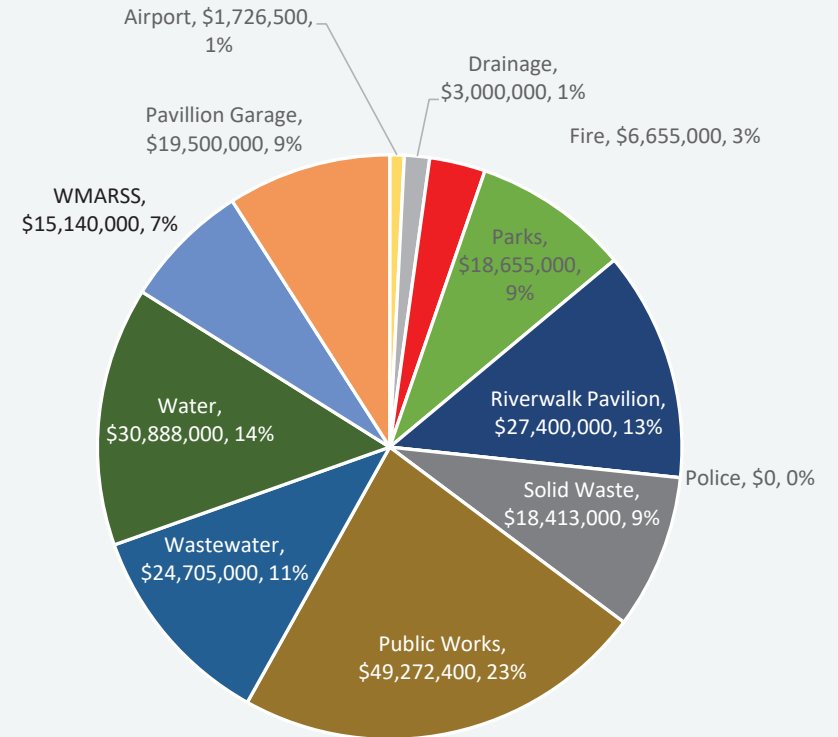
Capital Costs By Department (all years)



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

