



CITY OF WACO

# Fiscal Year Budget 2023-2024



# CITY COUNCIL PRIORITIES



## MISSION

To provide exemplary municipal services in a collaborative and transparent manner while honoring the public's trust.

## VISION

To create a workplace where everyone belongs and thrives while **moving forward together.**

## CORE SERVICES

**Public Safety, Culture and Recreation, Public Health,  
Economic Development, Infrastructure.**

## VALUES

PROMOTE **EQUITY AND INCLUSION** IN ALL THAT WE DO

PROVIDE **EXCELLENT AND INNOVATIVE** SERVICES

SERVE WITH **INTEGRITY**

INVEST IN **PEOPLE**

FOCUS ON **TEAMWORK**



2024



## OVERVIEW

- FY 2024 Priorities and Core Services
- Review of Economic Drivers
- All Fund Summary
- Discussion of Property Tax
- Proposed General Fund Summary
- Next Steps

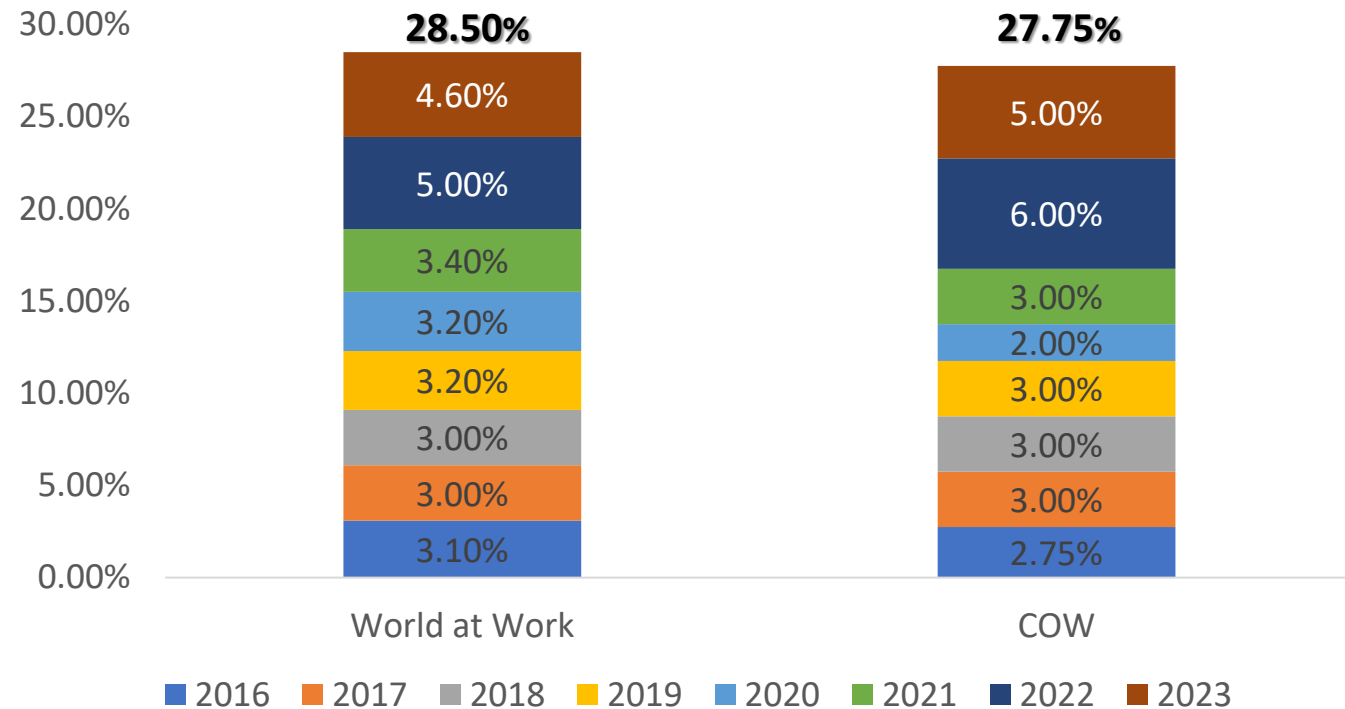
## FY 24 Priorities and Core Service Initiatives

- Compensation
- Benefits
- Infrastructure
- Public Safety
- Business Unit Budgeting
- Parks, Recreation, Quality of Life Investment

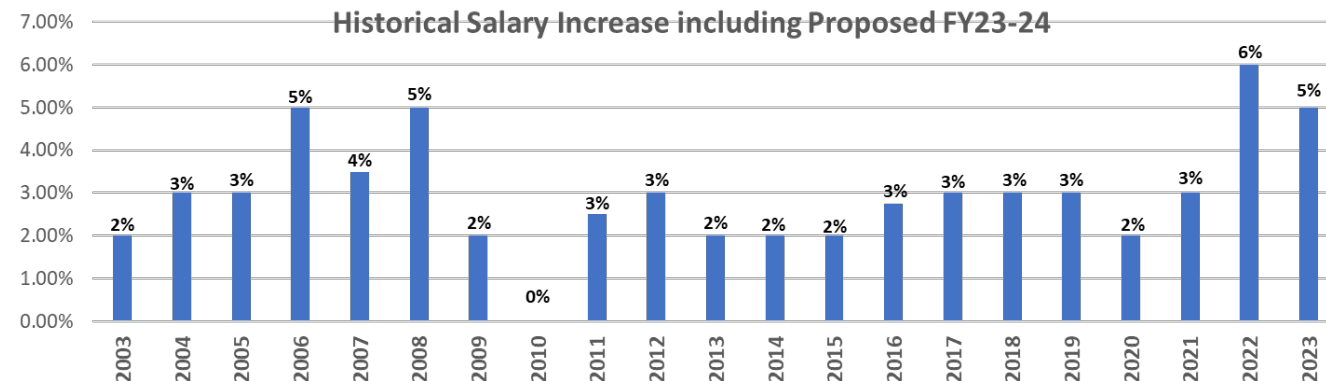


- 5% across the board GSI for all employees
- Additional increases for sworn PD/FD
  - FY 24: 95% of market median
    - +/- 3.9% PD (+/- 8.9% total)
    - +/- 6% FD (+/- 11% total)
  - FY 25: 97.5%
  - FY 26: 100% of market median

Salary Increase 2016-2023



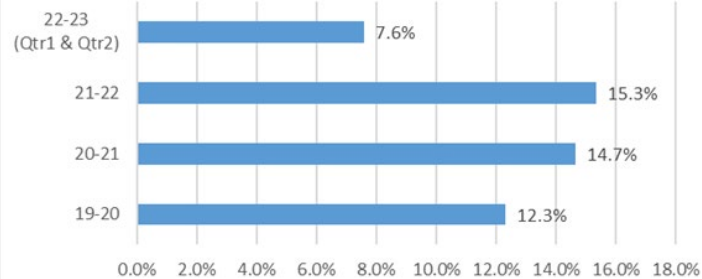
Historical Salary Increase including Proposed FY23-24



### What Employees Care About the Most



### Full-Time Employee Turnover



## • Health Insurance

- Move to UMR
- No change in plan design since FY19-20
- No increase to employees
  - 7% increase in city share (\$1.08M)
- Fund made whole via contributions from reserves (\$2.0M; \$1.6M from GFFB)

## • Retirement

- Employee Retirement
  - 2:1 match continues (\$19.2M)
- Retirees
  - 30% COLA, Prospective, Recurring (\$3.8M)

| Benefit   | In Network                      |
|---|---------------------------------|
| Individual Deductible                                 | \$1,500                         |
| Family Deductible                                     | \$3,000                         |
| Individual Out-of-Pocket Max                          | \$4,500                         |
| Family Out-of-Pocket Max                              | \$9,000                         |
| Office Visit (PCP/Specialty)                          | \$0 (\$50 for non-Baylor PCP's) |
| Specialist Visit                                      | \$75                            |
| Urgent Care   | \$75                            |
| Preventive Care                                       | 100%                            |
| Emergency Room  | \$250                           |
| Inpatient Admission                                   | 80%                             |
| Retail Rx – Generic/Preferred/Non-Preferred/Specialty | \$0 / \$30 / \$75 / 25%         |
| Mail Order– Generic/Preferred/Non-Preferred           | \$0 / \$60 / \$150              |



#### Bilingual Pay –

- Added another level of skills pay that includes reading and writing with a \$100 per month stipend
- Added option for other languages to be approved

### • Mental Health Resources

- Employee Assistance Program
  - 8 sessions per issue at no cost
- Lower mental health copay (\$75 down to \$25)
- Critical Incident Program
  - Confidential crisis hotline with treatment referrals

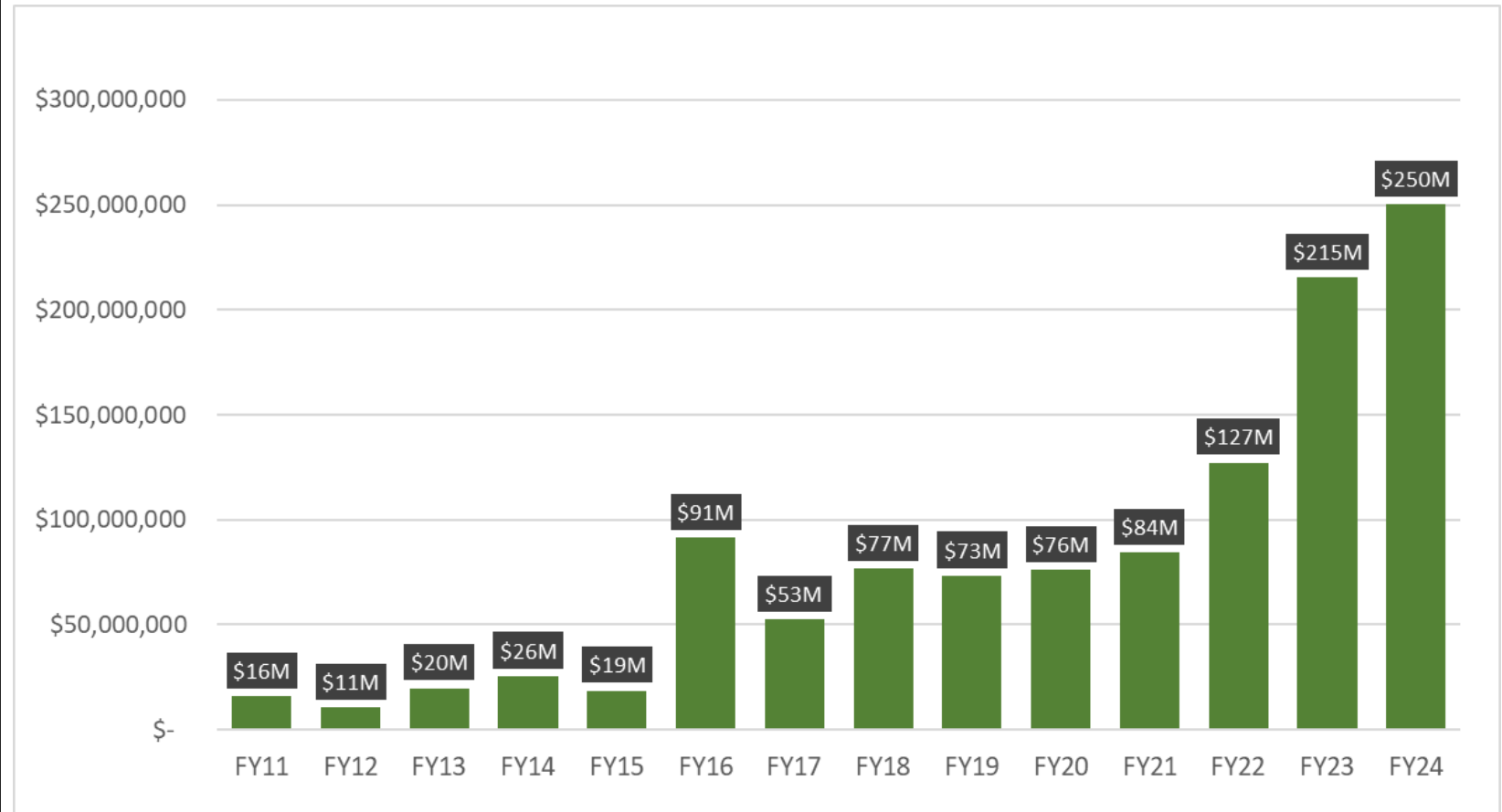
### • Catastrophic Leave

- Ability for employees to donate sick leave to other employees

### • Employee Service Awards

- Service award gifts increasing by \$75
- Retirements gifts increasing by \$100

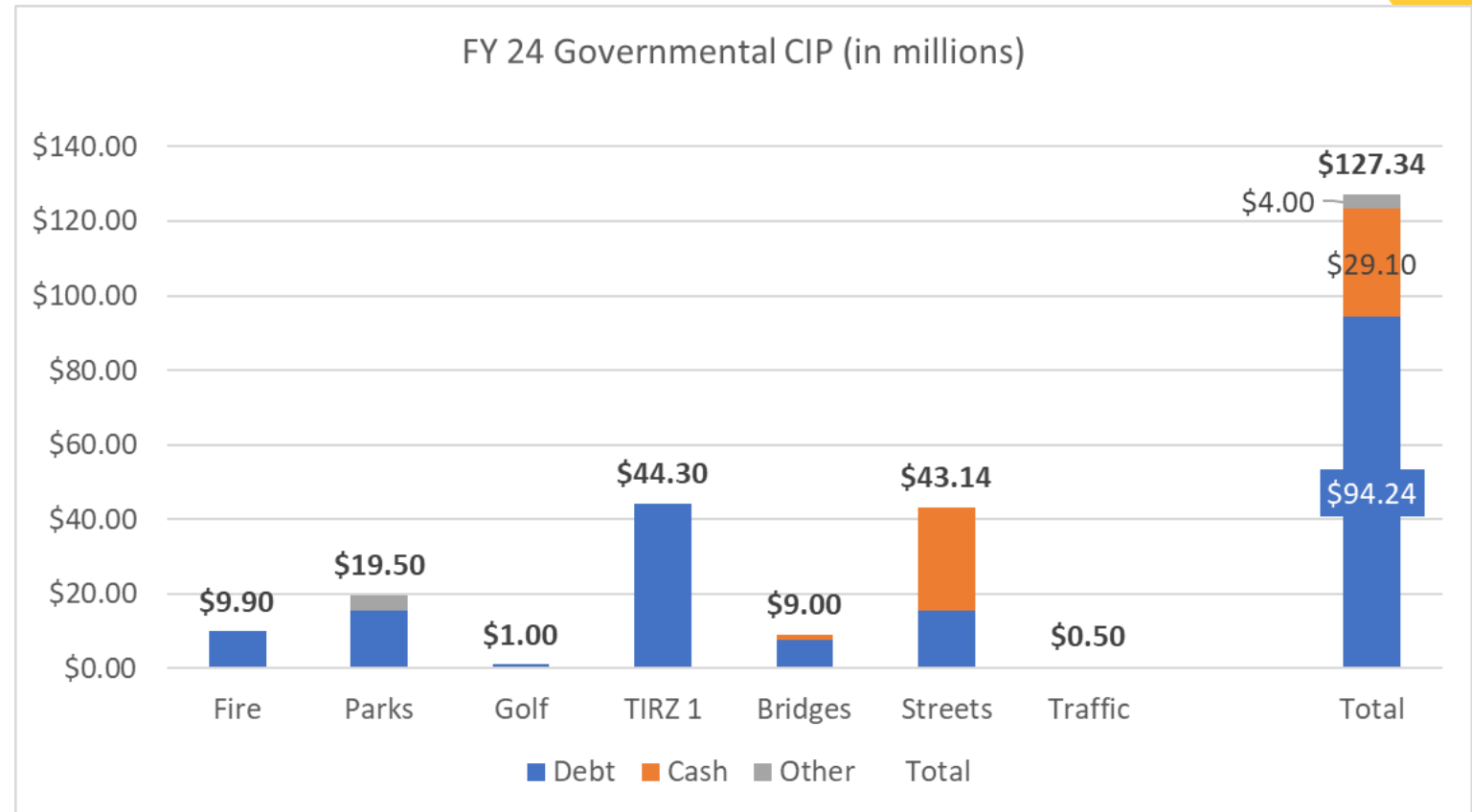
# Capital Improvements Investments FY11-FY24



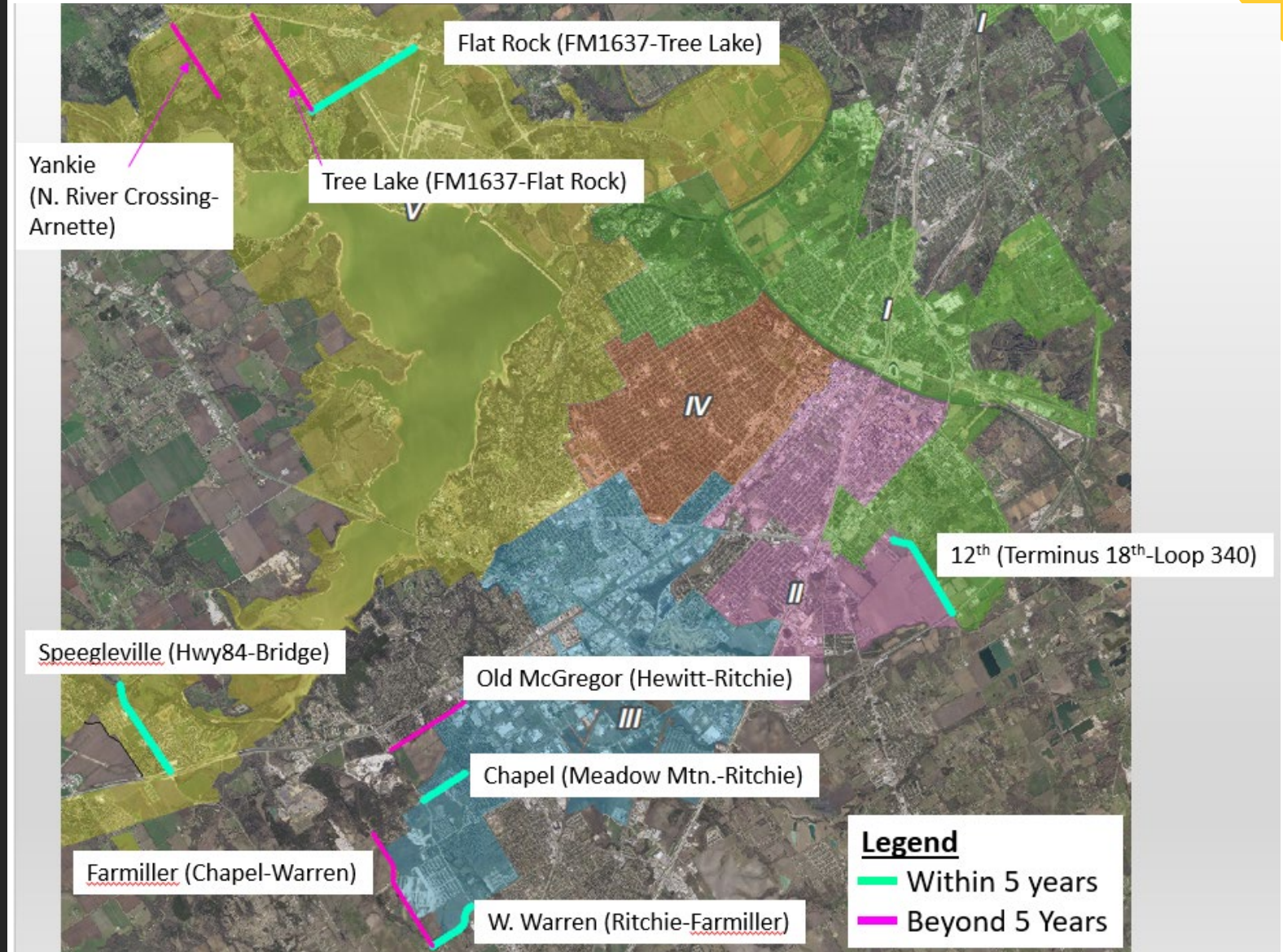


## GOVERNMENTAL CIP: \$127.3M

- Streets/Bridges
  - \$26.6M for capacity streets
  - Speegleville Rd. Bridge: \$5M
- Parks & Golf
  - China Spring: \$3M
  - Regional @ Floyd Casey: \$12.5M
- Fire
  - Station 4: \$6.2M



# STREET CAPACITY PROGRAM



## Street Maintenance Fee/Fund

- \$10/mo for single family
- Non-residential at residential unit equivalent (based on demand/use)
- Increases total maintenance by 31%; contract funding by 158% to \$7.0M in FY24
- Five-year sunset

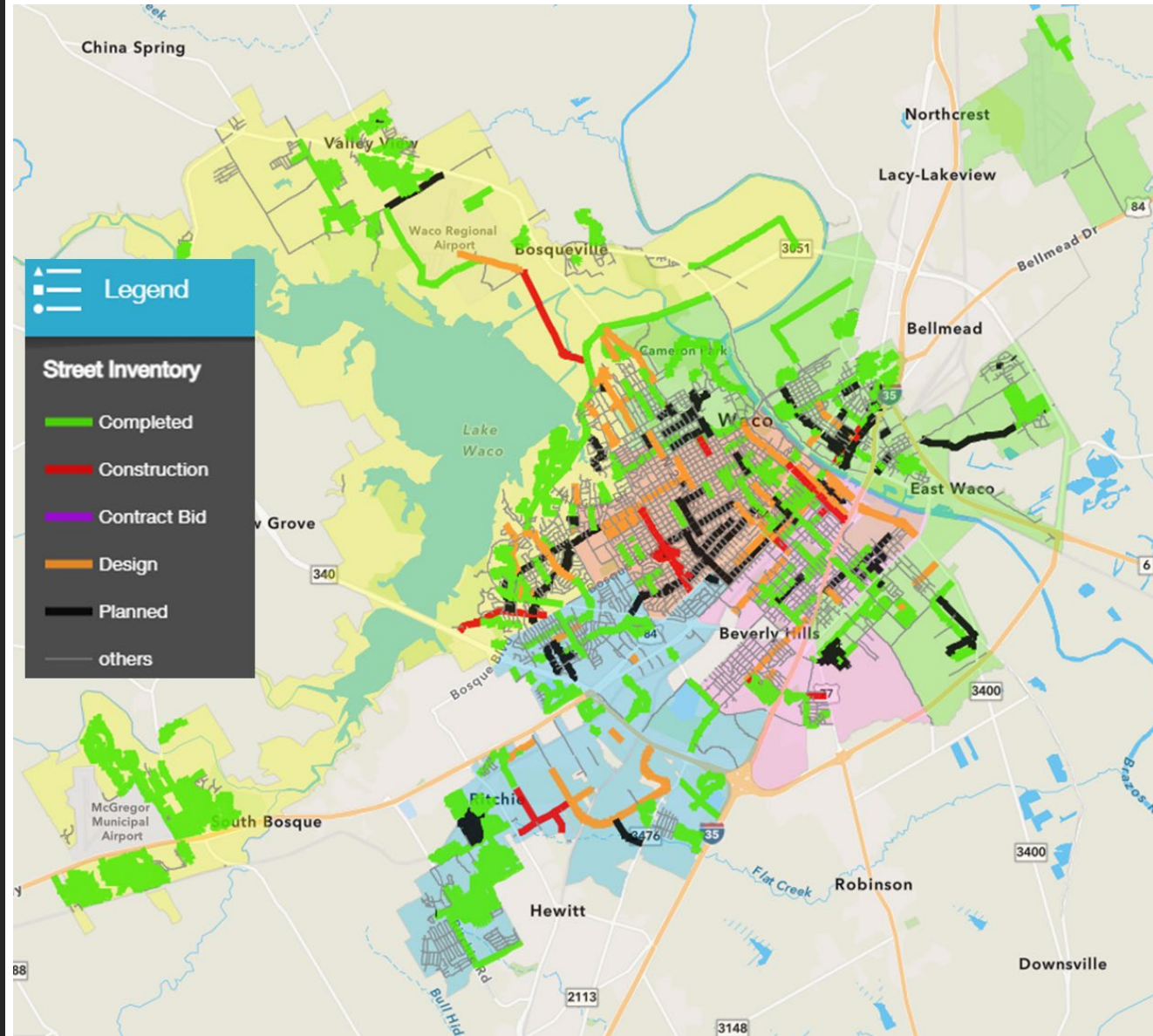
### Annual Budget

|  | FY 2023-24           | FY 2024-25           | FY 2025-26           | FY 2026-27           | FY 2027-28           | 5 Year Total          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Monthly Fee                                    | \$10.00              | \$10.50              | \$11.00              | \$11.50              | \$12.00              |                       |
| ERUs   | 189,366              | 193,153              | 197,016              | 200,957              | 204,976              |                       |
| % Collected                                    | 98%                  | 98%                  | 98%                  | 98%                  | 98%                  |                       |
| Monthly Revenue                                | \$1,855,787          | \$1,987,548          | \$2,123,837          | \$2,264,782          | \$2,410,516          |                       |
| Portion of Year Billed                         | 75.0%                | 100%                 | 100%                 | 100%                 | 100%                 |                       |
| Annual Revenue                                 | \$16,702,081         | \$23,850,572         | \$25,486,040         | \$27,177,386         | \$28,926,192         | \$122,142,271         |
| <b>STREET MAINTENANCE FUND: EXPENSES</b>       |                      |                      |                      |                      |                      |                       |
| Public Works/Street Maintenance Division       | \$9,486,238          | \$9,770,825          | \$10,063,950         | \$10,365,868         | \$10,676,844         | \$50,363,726          |
| Public Works/Traffic Division                  | \$4,782,998          | \$4,926,488          | \$5,074,283          | \$5,226,511          | \$5,383,306          | \$25,393,586          |
| Street Maintenance Cash                        | \$3,430,764          | \$3,533,687          | \$3,639,698          | \$3,748,888          | \$3,861,355          | \$18,214,392          |
| PW TOTAL                                       | \$17,700,000         | \$18,231,000         | \$18,777,930         | \$19,341,268         | \$19,921,506         | \$93,971,704          |
| <b>Additional Cash for Street Maintenance</b>  | <b>\$3,575,560</b>   | <b>\$4,650,822</b>   | <b>\$5,710,297</b>   | <b>\$6,808,371</b>   | <b>\$7,946,107</b>   | <b>\$28,691,157</b>   |
| Tfer out to General Fund (overhead)            | \$568,882            | \$531,000            | \$546,930            | \$563,338            | \$580,238            | \$2,790,388           |
| Program Administration                         | \$175,000            | \$180,250            | \$185,658            | \$191,227            | \$196,964            | \$929,099             |
| Billing & Collection Fee (Utilities Transfer)  | \$250,000            | \$257,500            | \$265,225            | \$273,182            | \$281,377            | \$1,327,284           |
| TOTAL STREET PROGRAM COST                      | \$993,882            | \$968,750            | \$997,813            | \$1,027,747          | \$1,058,579          | \$5,046,771           |
| <b>TOTAL EXPENSES: STREET MAINTENANCE FUND</b> | <b>\$22,269,442</b>  | <b>\$23,850,572</b>  | <b>\$25,486,040</b>  | <b>\$27,177,386</b>  | <b>\$28,926,192</b>  | <b>\$127,709,631</b>  |
| <b>STREET MAINTENANCE FUND: REVENUES</b>       |                      |                      |                      |                      |                      |                       |
| Less Annual Revenue From Fee                   | -\$16,702,081        | -\$23,850,572        | -\$25,486,040        | -\$27,177,386        | -\$28,926,192        | -\$122,142,271        |
| From SPRF                                      | -\$5,567,361         |                      |                      |                      |                      | -\$5,567,361          |
| General Fund Tfer to Street Maint Fund         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| <b>TOTAL REVENUES: STREET MAINTENANCE FUND</b> | <b>-\$22,269,442</b> | <b>-\$23,850,572</b> | <b>-\$25,486,040</b> | <b>-\$27,177,386</b> | <b>-\$28,926,192</b> | <b>-\$127,709,632</b> |
| <b>REVENUES OVER/UNDER EXPENSES</b>            | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>            |



## Better Streets Waco Program

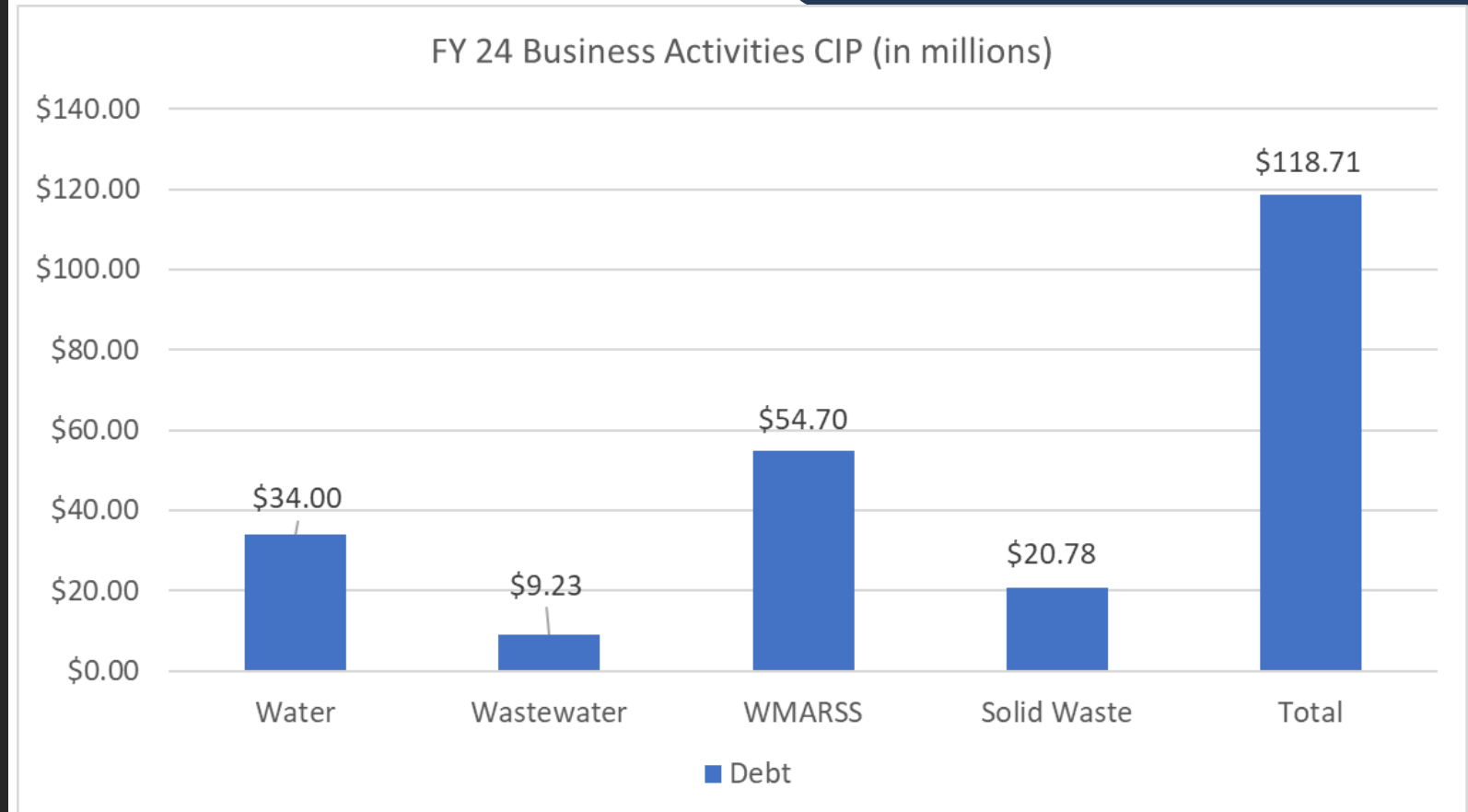
With the creation of the street fee, year-over-year (YOY) maintenance funding increases 20% (\$3.58M). Over the five year period, maintenance funding increases 31% (\$28.7M).





## BUSINESS ACTIVITIES CIP: \$118.71M

- Water
  - DAF 72" line: \$6.5M
  - Lead & Copper: \$5M
- WMARSS
  - Bullhide Expansion: \$46M
- Solid Waste
  - Landfill: \$14.5M





- Police

- Competitive compensation
- Vehicle Replacement
- Armored Rescue Truck
- Response Improvement Package: \$1.64M
  - 6 officers (3GF; 3Grant): \$336K
    - 3 grant funded positions pulled over to GF
  - Crime Scene/Communications compensation: \$584K
  - Vehicles (+/-9): \$720K



- Fire

- Competitive compensation
- Apparatus replacement
- New Station
  - 5 new FF
- Six New FF for backfilling
  - OT reduction: \$570k

*“Public and private management are fundamentally alike in all unimportant respects.”*

- Wallace Sayre, Columbia University, 1958

- “Business Units” help to understand true cost of certain services/activities and the level of general tax support (subsidy) required.
  - Transparent
  - Accountable
- Enterprise funds are a large-scale example
  - Utilities: Water, Wastewater, Drainage
- FY 24 units carved from General Fund
  - Parks Performance Fund
    - Cost recovery units (Rec Centers, Athletics, Aquatics)
  - Street Maintenance Fund



*"I like to take walks in the park by myself, where no one can bother me and I can think." – Earvin 'Magic' Johnson*

*"The measure of any great civilization is its cities and a measure of a city's greatness is to be found in the quality of its public spaces, its parks and squares." – John Ruskin*

- Capital Investment
  - China Spring: \$3M
  - Regional @ Floyd Casey: \$12.5M
- Operations
  - Creation of Beautification/Culture program
    - Officer: \$142K
    - Enhanced ROW contract: \$358K
  - Mower Replacement: \$56K



## Economic Drivers

# Major Economic Drivers affecting FY24

- Inflation
- Compensation
- Rising Health Insurance costs



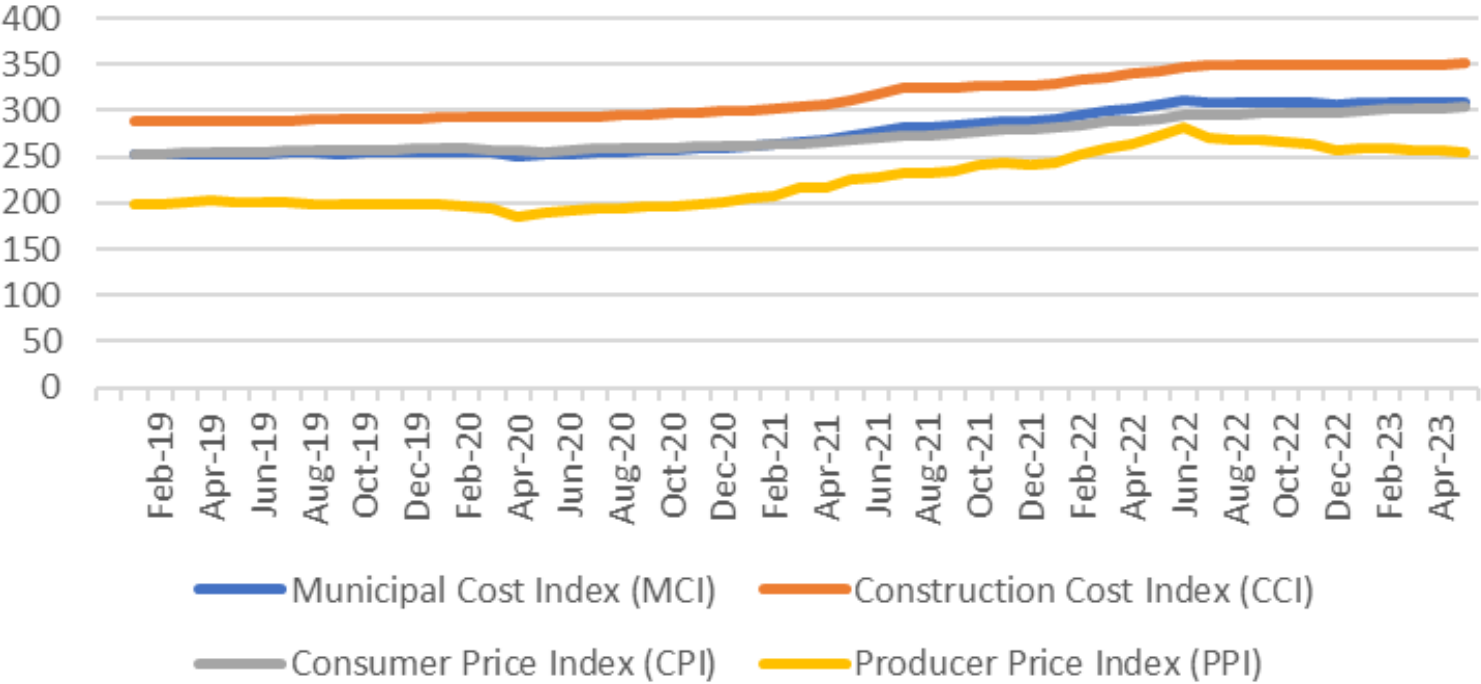
## The Conference Board US Economic Outlook, 2021-2024 (June)

Percentage change, seasonally adjusted annual rates (except where noted)

|                        | 2021 |       |        |       | 2022  |       |        |       | 2023 |      |       |      | 2024 |      |       |      |
|------------------------|------|-------|--------|-------|-------|-------|--------|-------|------|------|-------|------|------|------|-------|------|
|                        | I Q* | II Q* | III Q* | IV Q* | I Q*  | II Q* | III Q* | IV Q* | I Q* | II Q | III Q | IV Q | I Q  | II Q | III Q | IV Q |
| Real GDP               | 6.3  | 7.0   | 2.7    | 7.0   | -1.6  | -0.6  | 3.2    | 2.6   | 1.3  | 0.6  | -1.2  | -2.1 | -0.9 | 1.8  | 2.3   | 2.3  |
| Real GDP (YoY)         | 1.2  | 12.5  | 5.0    | 5.7   | 3.7   | 1.8   | 1.9    | 0.9   | 1.6  | 1.9  | 0.8   | -0.4 | -0.9 | -0.6 | 0.3   | 1.4  |
| Real disposable income | 52.4 | -28.8 | -4.6   | -4.9  | -10.6 | -2.3  | 3.2    | 2.5   | 7.8  | 1.2  | 1.0   | 0.6  | 0.5  | 1.7  | 1.8   | 1.9  |
| Real consumer spending | 10.8 | 12.1  | 3.0    | 3.1   | 1.3   | 2.0   | 2.3    | 1.0   | 3.8  | 1.0  | -1.7  | -2.4 | -1.3 | 1.1  | 2.0   | 1.8  |
| PCE Inflation (%Y/Y)   | 1.9  | 4.0   | 4.5    | 5.7   | 6.4   | 6.6   | 6.3    | 5.7   | 4.9  | 3.9  | 3.5   | 3.1  | 2.6  | 2.3  | 2.1   | 2.0  |



Cost and Price Index Changes since January 2019  
to May 2023



| Municipal Cost Index (MCI) | Construction Cost Index (CCI) | Consumer Price Index (CPI) | Producer Price Index (PPI) |
|----------------------------|-------------------------------|----------------------------|----------------------------|
| 23%                        | 22%                           | 20%                        | 28%                        |

Data from the American City and County Municipal Cost Index.

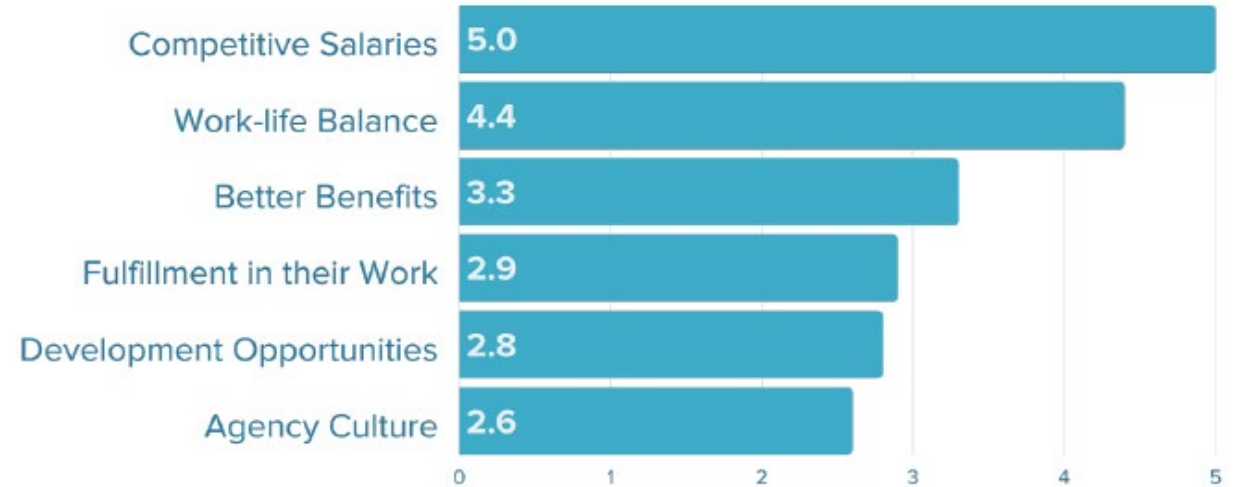
| Description                                      | FY2019 Actual  | FY2024 Projection | % Change |
|--|----------------|-------------------|----------|
| 24" Reinforced Concrete Pipe (per linear foot)   | 116            | 195               | 41%      |
| Insurance - Property and Liability               | \$1,044,338.58 | 1,959,981         | 47%      |
| Ladder Truck (Fire)                              | 1,174,000      | 2,116,815         | 45%      |
| Bunker Gear                                      | 3,591          | 7,394             | 51%      |
| Ford Explorer - Police Interceptor               | 41,063         | 74,000            | 45%      |
| 1/2 Ton Pick-Up                                  | 25,503         | 42,000            | 39%      |
| Unleaded Fuel (Price per gallon)                 | 2.03           | 2.65              | 23%      |
| Diesel Fuel (price per gallon)                   | 2.26           | 2.95              | 23%      |
| Laptop Computer                                  | 1,140          | 1,570             | 27%      |
| Microsoft Office 365 User License                | 195            | 390               | 50%      |
| Public Safety Rugged Laptop                      | 4,170          | 5,027             | 17%      |
| Hi-Speed Turf Mower (Parks)                      | 14,109         | 17,500            | 19%      |
| Day labor contract hourly rate                   | 14.00          | 17.50             | 20%      |
| 12" PVC Pipe (per foot)                          | 15             | 51                | 72%      |
| Automated Side Load Truck - Residential          | 314,000        | 393,000           | 20%      |
| Cost of 1,000 gallons water                      | 3.32           | 4.55              | 27%      |
| Cost of 1,000 gallons Sewer treatment - Regional | 5.01           | 5.83              | 14%      |
| Cost of 1,000 gallons Sewer treatment - WMARSS   | 0.80           | 1.34              | 40%      |
| 1" Meter   | 170            | 247               | 31%      |
| 2" Meter   | 555            | 694               | 20%      |



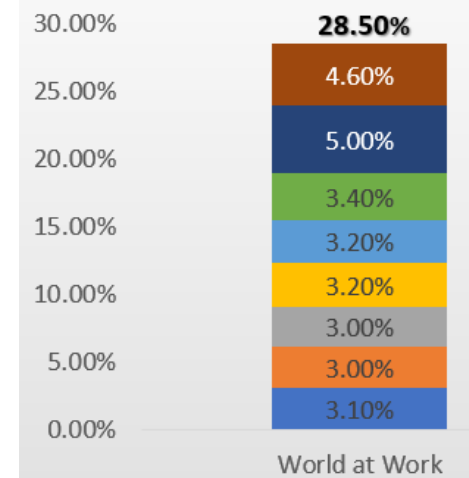
## PAY INCREASES EXPECTED TO HIT 4.6% IN 2023



### What Employees Care About the Most



### Annual Salary Increases: 2016-2023

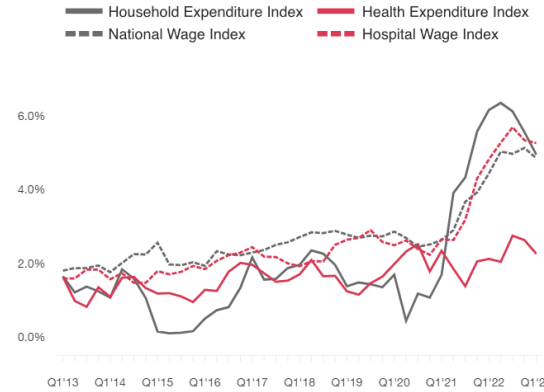


# Medical cost trend: Behind the numbers 2024

## Increased pressure in healthcare

The cost of treating patients is on the rise. The healthcare industry is under pressure from high inflation, rising wages and other costs, which are only compounded by clinical workforce shortages. Health payers are negotiating pricing with hospitals while provider profit margins continue to erode. Health plans are also feeling the squeeze of higher median prices for new drugs as well as increasing prices on existing drugs.

Expenditure and Wage Indices year-over-year growth 2017-2022



Inflation and clinical workforce shortages will continue to exert pressure on healthcare.

PwC Medical cost trend: Behind the numbers 2024

LOCKTON DUNNING

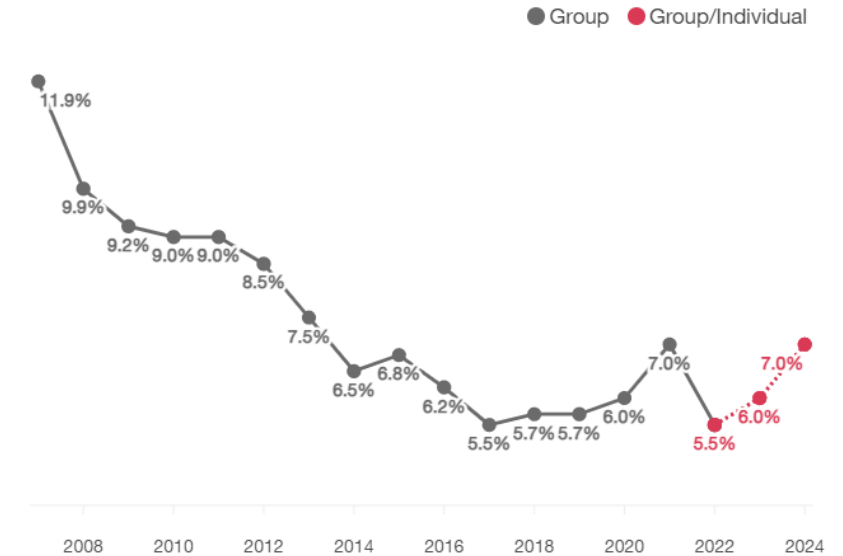
## Health Plan Financials

- Lockton performed a reprojection of claims in February and determined the plan to be underfunded for the current fiscal year
  - Estimated to be \$2.1 million underfunded
  - Claims cost has increased 23% over last year
- Causes:
  - Large claims activity is the primary driver of the shortfall in funding
    - The number of high-cost claimants has increased 16% over last year
    - The cost of the large claims has increased 25% over last year
  - The City purchases stop loss insurance to protect the City from catastrophic claims activity
- Actions to Address:
  - The City conducted a full medical and pharmacy Request for Proposal this year

## HEALTH INSURANCE



HRI projects medical cost trend to be 7.0% in 2024, up from 6.0% in 2023



Source: PwC Health Research Institute medical cost trends, 2009-2024

## ALL FUNDS SUMMARY

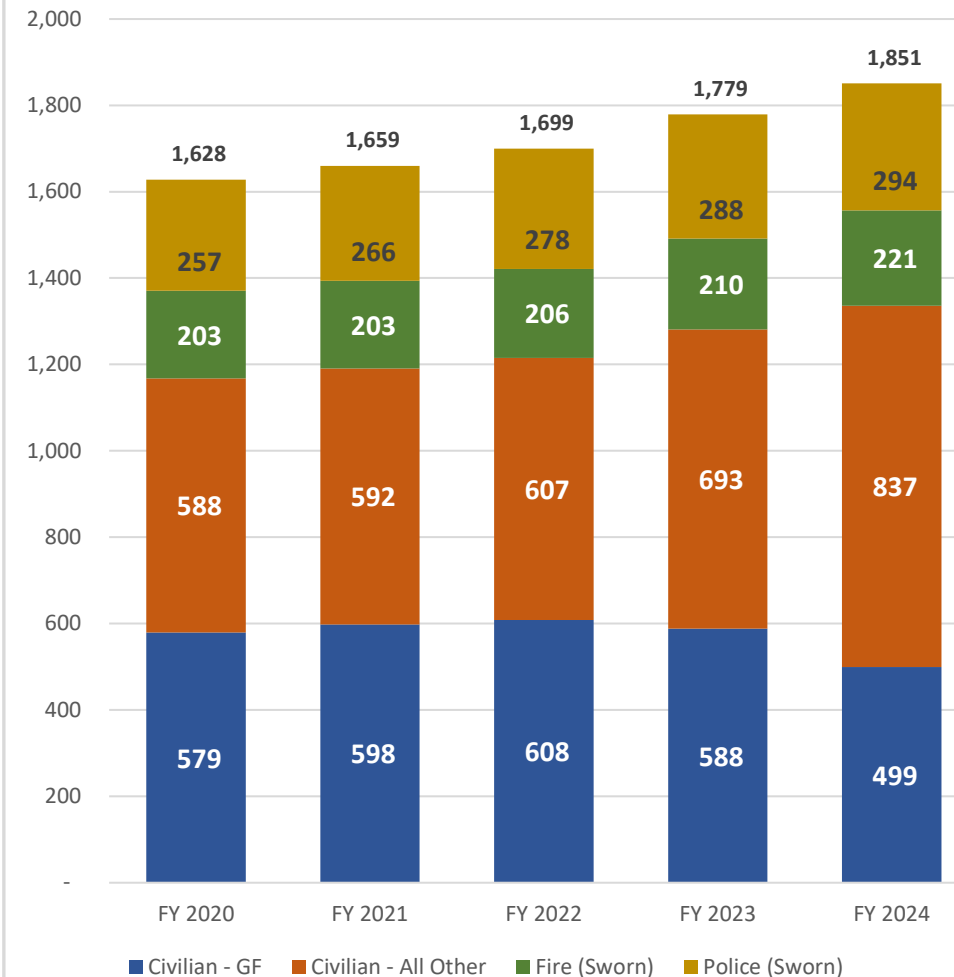
- The City Budget includes 46 funds.
- Types of Funds
  - General
  - Special Revenue Funds
  - Debt Service Funds
  - Capital Projects Funds
  - Enterprise
  - Internal Service Funds

## FY 2024 Staffing Changes

- General Fund: 19
  - Sworn: 14
    - Addition of 11 Firefighters
    - Addition of 3 Police Officers
  - Civilian: 5
    - Combination Inspector
    - Mobility Manager
    - Human Resources Manager
    - Facilities Quality Assurance Program Mgr.
    - Beautification & Culture Officer
- Enterprise Funds: 35 (24 permanent)
  - 4 Zookeepers for the penguin exhibit
  - 17 Solid Waste positions for the new Transfer Station
  - IT & Utilities ERP/Asset Management Software Implementation:
    - 3 permanent positions
    - 11 temporary positions

**TOTAL ADDED FY 24: 54**

## FTEs - All Funds





## PROPERTY TAX

- Valuations
- Rate

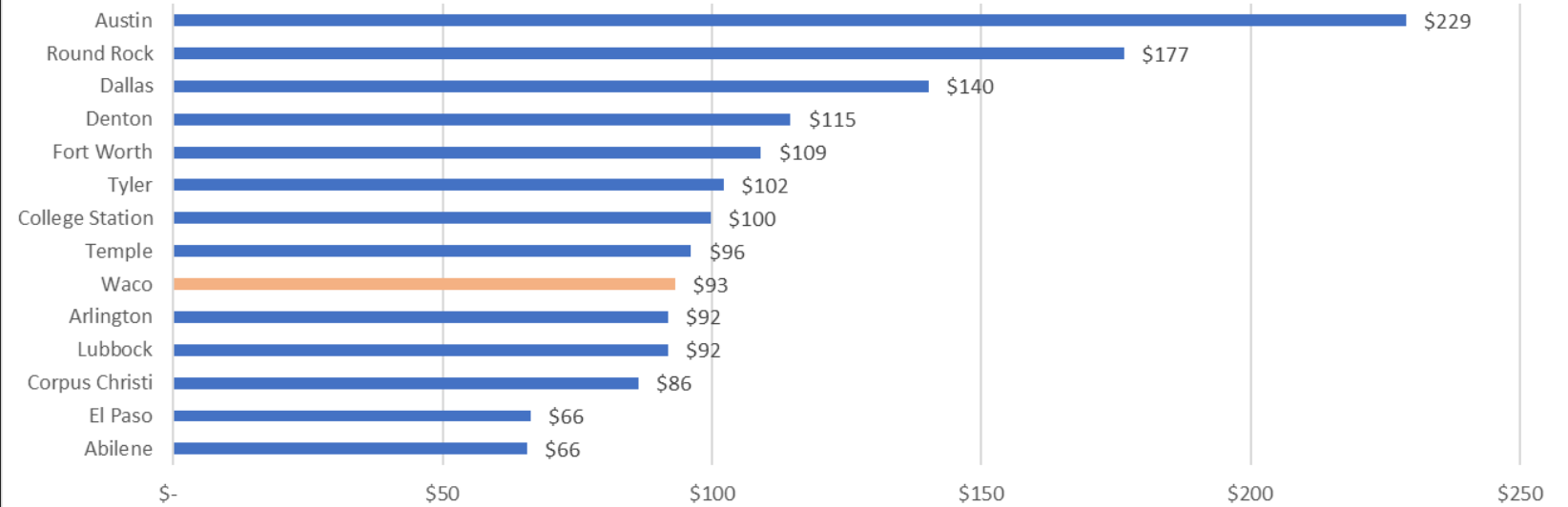
Taxable Values of new properties as reported by the McLennan County Appraisal District are \$553,442,676 comprising 25.43% of the YOY increase in taxable value.

The taxable value of an average home rose 11.6% from \$185,064 in 2023 to \$206,585 in 2024.

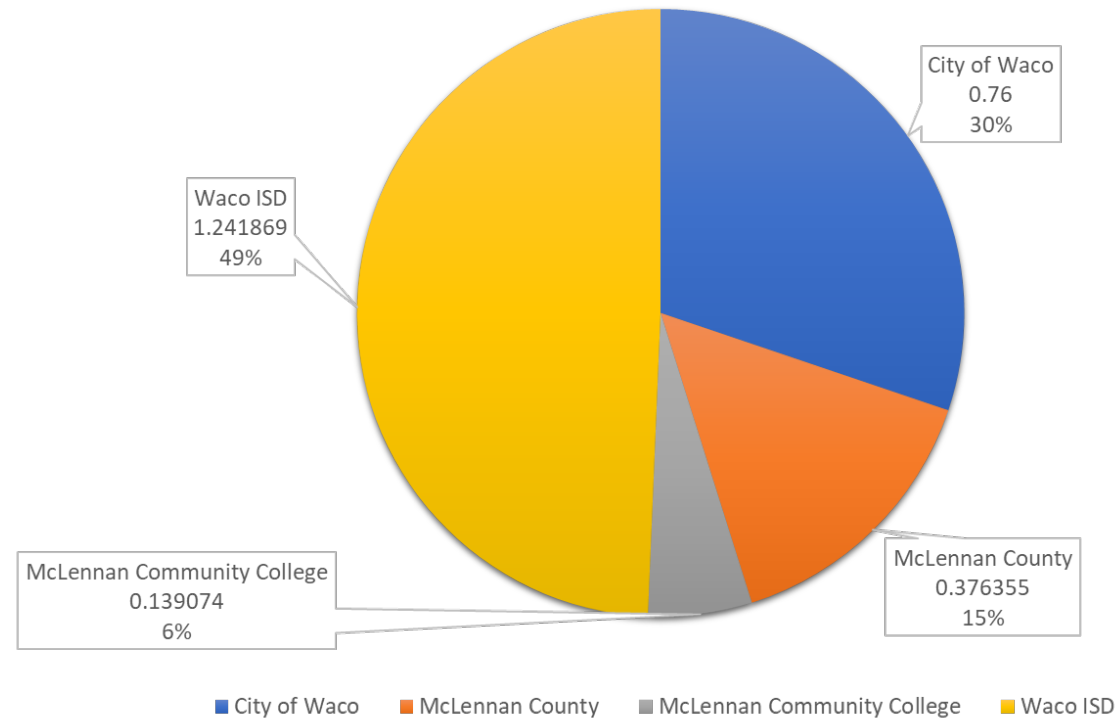
|                    | <b>FY 23 Certified (1/1/22<br/>Appraisal)</b> | <b>FY 24 (1/1/23<br/>Appraisal)</b> | <b>\$ Change</b>       | <b>% Change</b> |
|--------------------|---|-------------------------------------|------------------------|-----------------|
| Market Value       | \$19,328,975,300                              | \$23,173,031,311                    | \$3,844,056,011        | 19.9%           |
| Productivity Loss  | -\$116,262,100                                | -\$132,814,650                      | -\$16,552,550          | 14.2%           |
| Appraised Value    | \$19,212,713,200                              | \$23,040,216,661                    | \$3,827,503,461        | 19.9%           |
| Homestead          | -\$907,004,749                                | -\$975,885,563                      | -\$68,880,814          | 7.6%            |
| Assessed Value     | \$18,305,708,451                              | \$22,064,331,098                    | \$3,758,622,647        | 20.5%           |
| Exemptions         | -\$4,883,525,255                              | -\$5,531,970,122                    | -\$648,444,867         | 13.3%           |
| Net Taxable        | \$13,422,183,196                              | \$16,532,360,976                    | \$3,110,177,780        | 23.2%           |
| ARB Loss           | \$0   | -\$741,182,225                      | -\$741,182,225         |                 |
| Net Taxable        | \$13,422,183,196                              | \$15,791,178,751                    | \$2,368,995,555        | 17.6%           |
| Less TIF           | -\$947,536,028                                | -\$1,140,520,366                    | -\$192,984,338         | 20.4%           |
| <b>Net Taxable</b> | <b>\$12,474,647,168</b>                       | <b>\$14,650,658,386</b>             | <b>\$2,176,011,218</b> | <b>17.4%</b>    |
| FY 24 New Value    |   | \$553,442,676                       |                        |                 |
| Net Change         | \$12,474,647,168                              | \$14,097,215,710                    | \$1,622,568,542        | 13.0%           |
|                    |   |                                     |                        |                 |
| Average Home       | \$185,064                                     | \$206,585                           | \$21,521               | 11.6%           |

*Waco's FY2024 taxable value of \$15.79B divided by the current population estimate of 145,424 results in a taxable value per 1,000 persons of \$108.87 (\$108,587 per capita)*

FY 2023 Taxable Value per Capita (in \$1,000s)



FY23 Property Tax Rates

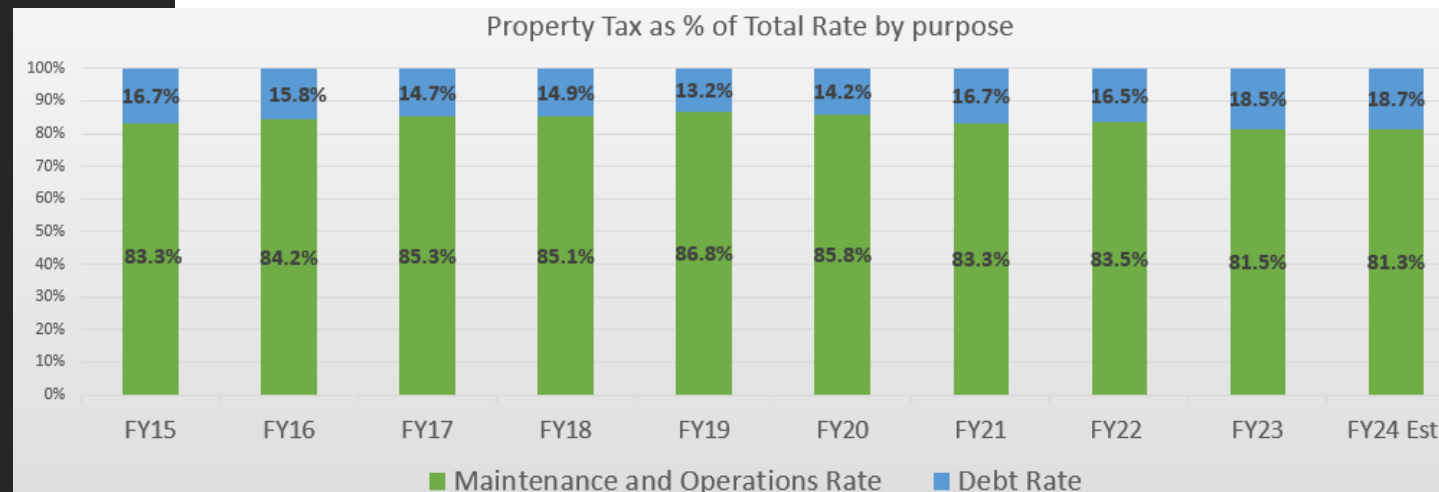


*In the current year, Waco's tax rate of 76 cents is less than 1/3 of the total tax rate.*

At .7550 cents, the proposed tax rate for FY24:

- is ½ cent lower than the current rate
- the third consecutive year of a tax rate reduction
- the lowest tax rate in more than a decade

| Tax Year     | General Fund (Maintenance and Operations) Rate | Debt Rate | Total Rate | YOY Rate Change |
|--------------|--|-----------|------------|-----------------|
| FY 2023-2024 | 0.614000                                       | 0.141000  | 0.755000   | 0.005000        |
| FY 2022-2023 | 0.619238                                       | 0.140762  | 0.760000   | -0.007282       |
| FY 2021-2022 | 0.640394                                       | 0.126888  | 0.767282   | -0.008950       |
| FY 2020-2021 | 0.646728                                       | 0.129504  | 0.776232   | 0.000000        |
| FY 2019-2020 | 0.665656                                       | 0.110576  | 0.776232   | 0.000000        |
| FY 2018-2019 | 0.673581                                       | 0.102651  | 0.776232   | 0.000000        |
| FY 2017-2018 | 0.660723                                       | 0.115509  | 0.776232   | 0.000000        |
| FY 2016-2017 | 0.662094                                       | 0.114138  | 0.776232   | 0.000000        |
| FY 2015-2016 | 0.653858                                       | 0.122374  | 0.776232   | 0.000000        |
| FY 2014-2015 | 0.646744                                       | 0.129488  | 0.776232   | 0.000000        |
| FY 2013-2014 | 0.639191                                       | 0.137041  | 0.776232   | -0.010000       |
| FY 2012-2013 | 0.637434                                       | 0.148798  | 0.786232   | 0.000000        |



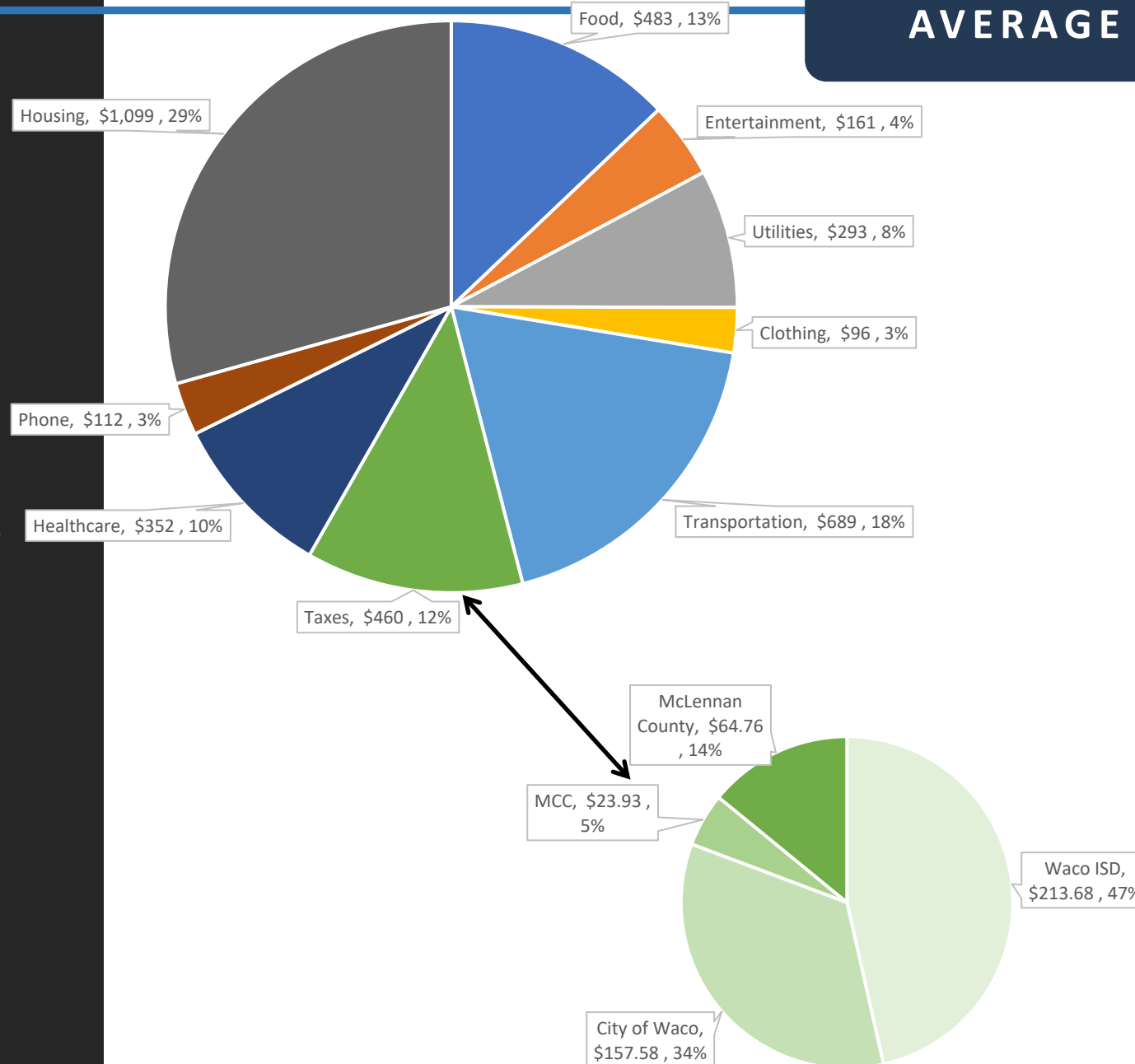


*The monthly tax bill on a home of average market value (\$294,610) will increase about \$12.84 per month on average.*

| Average Home w/ Homestead           |                    | 2023      | 2024      | \$ Change | % Change |
|-------------------------------------|--------------------|-----------|-----------|-----------|----------|
|                                     | Market             | \$267,881 | \$294,610 |           |          |
|                                     | HS Exemption (15%) | -\$40,182 | -\$44,192 |           |          |
|                                     | Average Taxable    | \$227,699 | \$250,419 |           |          |
|                                     | Tax Rate           | \$0.7600  | \$0.7550  |           |          |
|                                     | Tax Bill           | \$1,731   | \$1,891   | \$160.15  | 9.25%    |
| Average Home (Over 65)              |                    |           |           |           |          |
|                                     | Market             | \$267,881 | \$294,610 |           |          |
|                                     | HS Exemption (15%) | -\$40,182 | -\$44,192 |           |          |
|                                     | Over 65            | -\$50,000 | -\$50,000 |           |          |
|                                     | Average Taxable    | \$177,699 | \$200,419 |           |          |
|                                     | Tax Rate           | \$0.7600  | \$0.7550  |           |          |
|                                     | Tax Bill           | \$1,351   | \$1,513   | \$162.65  | 12.04%   |
| Average Home with Average Exemption |                    |           |           |           |          |
|                                     | Market             | \$267,881 | \$294,610 |           |          |
|                                     | HS Exemption (15%) | -\$82,817 | -\$87,921 |           |          |
|                                     | Average Taxable    | \$185,064 | \$206,689 |           |          |
|                                     | Tax Rate           | \$0.7600  | \$0.7550  |           |          |
|                                     | Tax Bill           | \$1,406   | \$1,561   | \$154.02  | 10.95%   |

*Estimated monthly bill totals \$3,718 (Data from Bureau of Labor Statistics - Consumer Expenditure Survey and City of Waco utility rates).*

*City Taxes are 4.2% of average monthly budget.*



*With adoption of the FY24 budget and tax rate, the City will have 4.9 cents of unused increment as provided by the Texas Property Tax Reform and Transparency Act of 2019.*

|   | FY 2023-2024     |   | FY 2022-2023     |
|---|------------------|---|------------------|
| Property Tax Rate:                                  | \$0.755000/\$100 | Property Tax Rate:                                  | \$0.760000/\$100 |
| No-New-Revenue Tax Rate:                            | \$0.668911/\$100 | No-New-Revenue Tax Rate:                            | \$0.678998/\$100 |
| No-New-Revenue Maintenance and Operations Tax Rate: | \$0.552297/\$100 | No-New-Revenue Maintenance and Operations Tax Rate: | \$0.602557/\$100 |
| Voter-Approval Tax Rate:                            | \$0.804264/\$100 | Voter-Approval Tax Rate:                            | \$0.840476/\$100 |
| Debt Rate:  | \$0.141000/\$100 | Debt Rate:  | \$0.140762/\$100 |

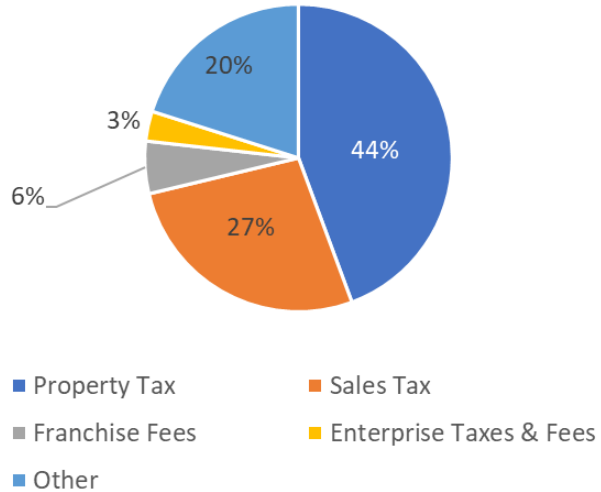
## GENERAL FUND SUMMARY

- Revenues
- Expenditures
- Fund Balance

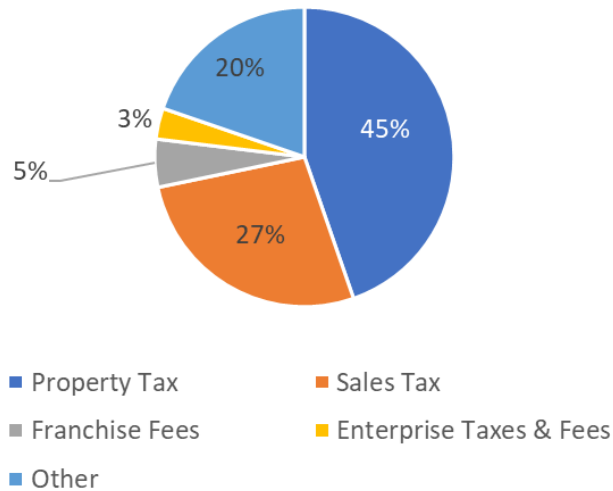
# GENERAL FUND REVENUES



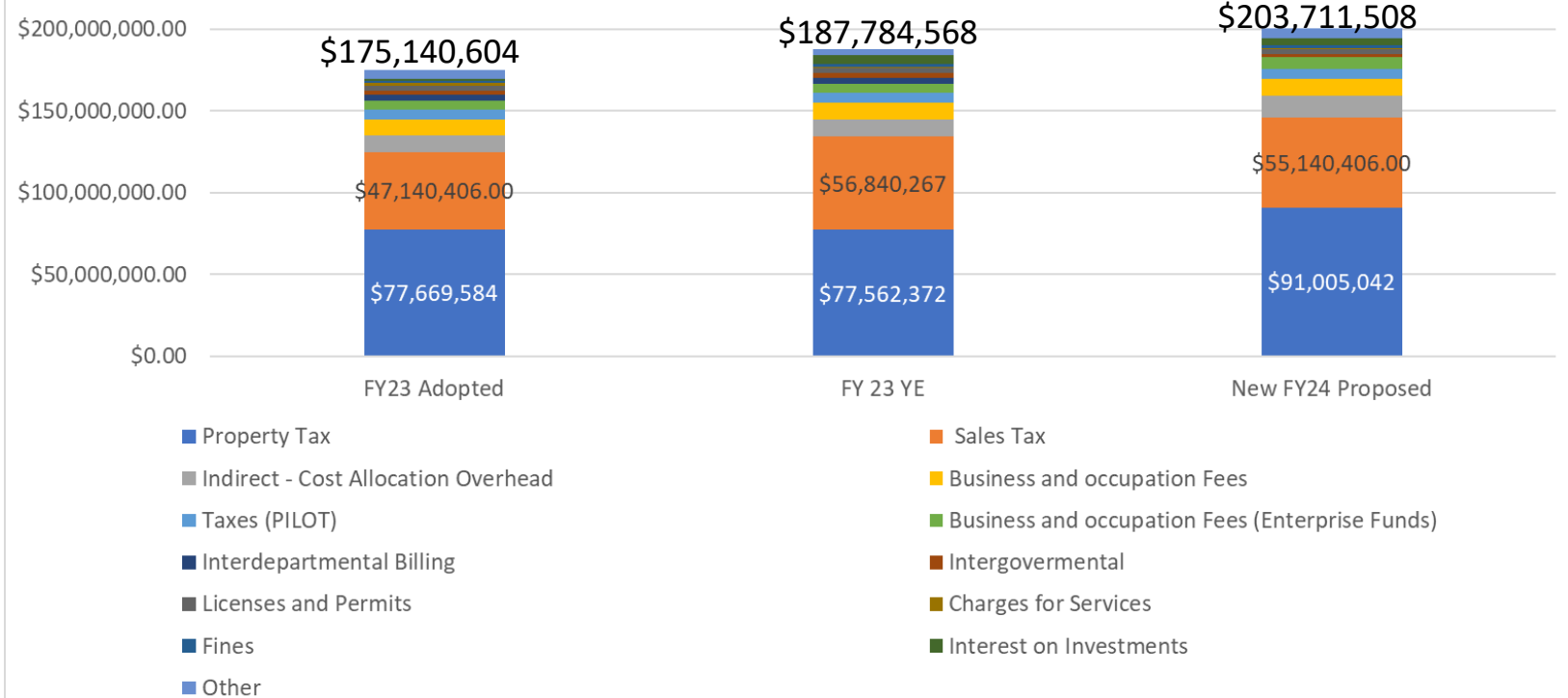
FY 2023



FY 2024 Proposed



General Fund Revenues: FY 23 Adopted, FY23 Year End Estimate & FY2024 Proposed



- **Property Taxes**
  - \$3.4M (25%) of \$13M increase attributed to new growth
  - Funds 92% of Public Safety expenses
- **Sales Tax**
  - \$55.14M in FY24 is 97% of April's 2023 FYE projection
- **Transfer in from Surplus**
  - \$6.38M (one-time expenses)

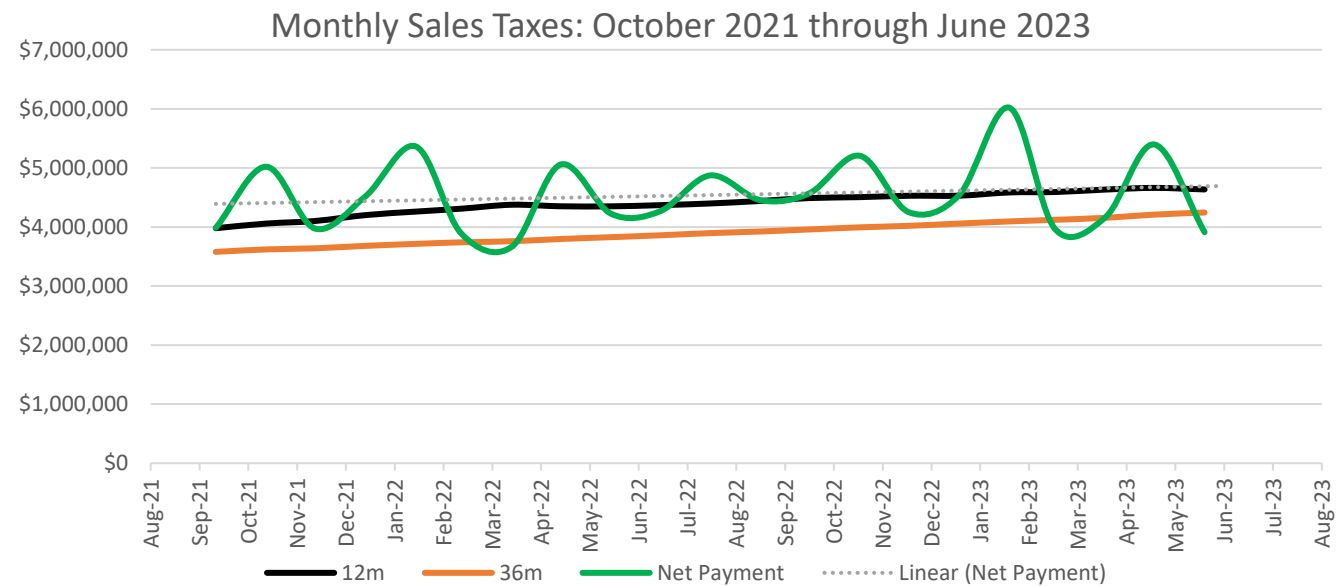
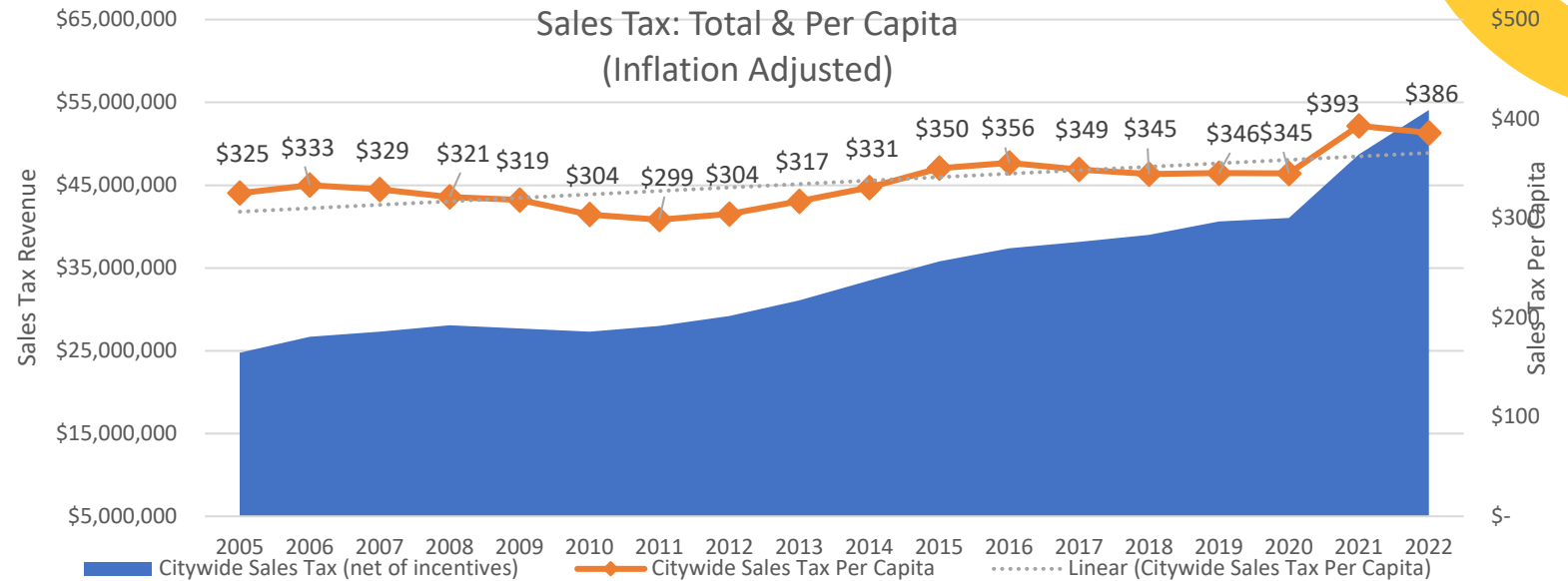


# GENERAL FUND SALES TAX

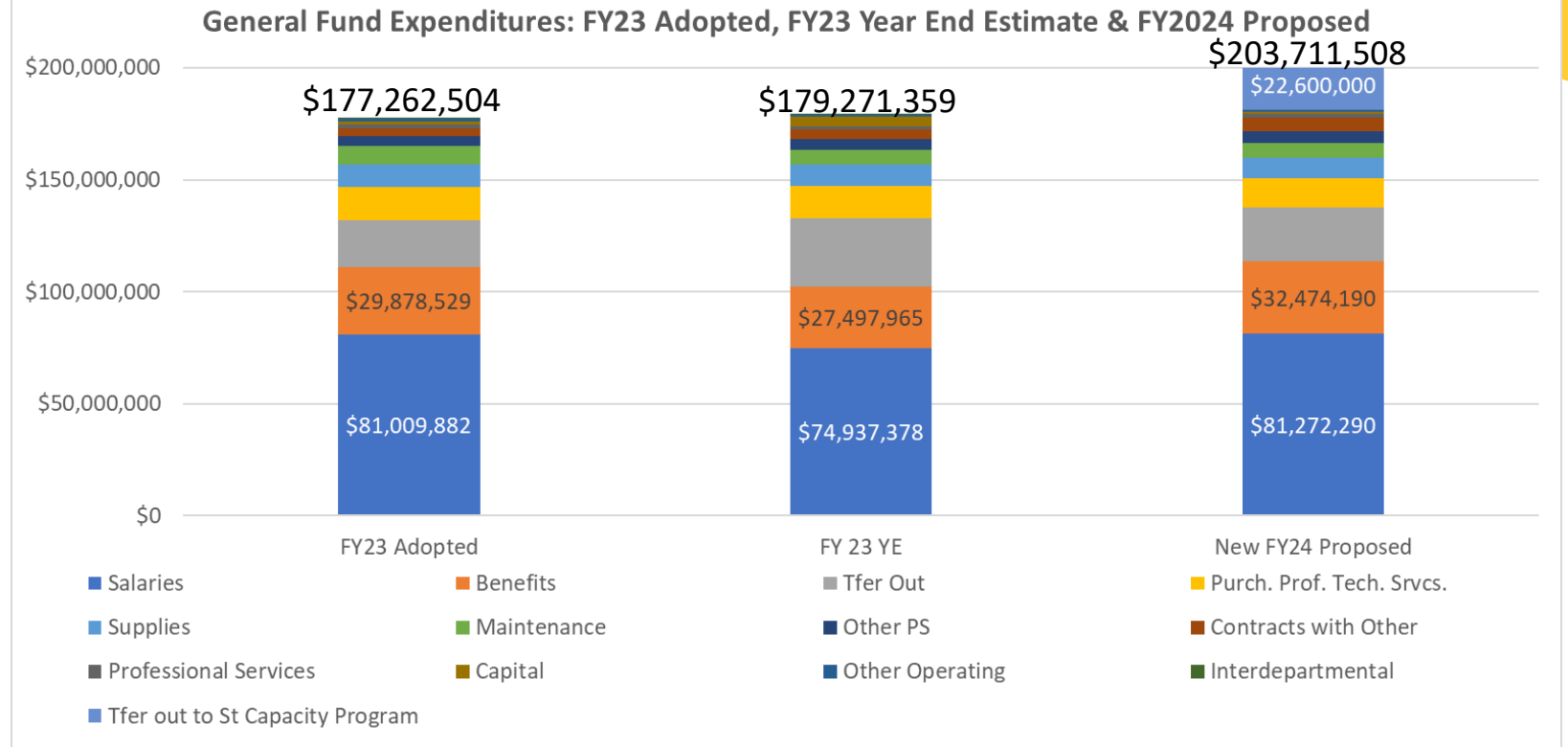
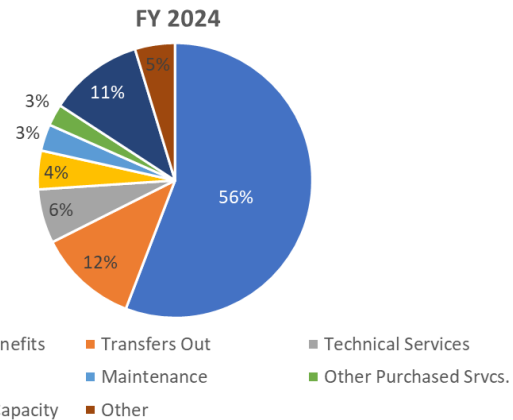
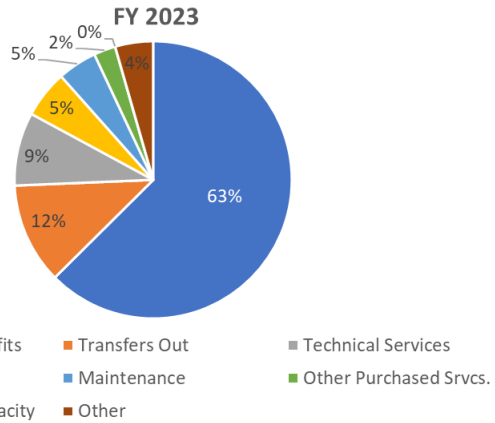


*On an inflation adjusted basis, per capita sales tax was \$325 in 2005-- resulting in an inflation adjusted increase of \$61 per capita through 2022.*

*Monthly revenues since October 2021 are trending up at a much flatter rate than both the rolling 12 and rolling 36-- about 47% of the growth trends of the rolling averages.*



# GENERAL FUND EXPENSES



- FY24 excludes:
  - Street & Traffic Maintenance: \$13.2M
  - Parks Performance Fund: \$4.1M (\$2.2M in transfers out)
- FY 24 Salary & Benefits Increase: \$8.3M
  - Inclusive of Retirement (3.67% increase in contribution; \$2.4M for COLA)
- General Fund Transfer of \$22.6M to Street Capacity Fund

# GENERAL FUND FUND BALANCE



*FY24 revenues include a “transfer in” from fund balance of \$6.38M to balance the budget. Expenses include “one time” expenses that will not recur in FY25 totaling \$7.76M:*

- *\$4.9M to Street Capacity Program*
- *\$2.86M in one-time expenditures such as Development/Permitting Software (\$1.02M) & an Armored Rescue Truck (PD)*

*Management plans to Assign Surplus Fund Balance of \$21.9M over the next three FYs for support of the Downtown Project.*

|                                   | <u>FY 23 YE Est.</u> | <u>FY 24 Proposed</u> | <u>FY 25 Projected</u> | <u>FY 26 Projected</u> |
|-----------------------------------|----------------------|-----------------------|------------------------|------------------------|
| Beginning Balance                 | \$ 95,799,423        | \$ 96,687,376         | \$ 88,687,791          | \$ 88,687,791          |
| Revenues                          | \$ (187,784,568)     | \$ (203,711,508)      | \$ (200,584,603)       | \$ (204,596,295)       |
| Expenses                          | \$ 179,271,359       | \$ 203,711,508        | \$ 200,584,603         | \$ 204,596,295         |
| Revenues (Over)/Under Expenses    | \$ (8,513,209)       | \$ -                  |                        |                        |
| Transfer in for FY24              |                      | \$ 6,382,828          |                        |                        |
| Transfer to SPRF                  | \$ 4,500,000         |                       |                        |                        |
| Transfer to Health Insurance Fund |                      | \$ 1,616,757          |                        |                        |
| Other Financing                   | \$ 3,125,256         |                       |                        |                        |
| <b>Net Change in Fund Balance</b> | <b>\$ (887,953)</b>  | <b>\$ 7,999,585</b>   | <b>\$ -</b>            | <b>\$ -</b>            |
| End of Year Balance               | \$ 96,687,376        | \$ 88,687,791         | \$ 88,687,791          | \$ 88,687,791          |
| Non-Spendable                     | \$ 964,891           | \$ 964,891            | \$ 964,891             | \$ -                   |
| Restricted                        | \$ 1,805,112         | \$ 1,805,112          | \$ 1,805,112           | \$ -                   |
| Committed                         | \$ 14,520,304        | \$ 14,520,304         | \$ 14,520,304          | \$ -                   |
| Assigned                          | \$ 6,013,254         | \$ 4,529,144          | \$ 3,146,968           | \$ -                   |
| <i>New Assignment: Downtown</i>   | <i>\$ 8,000,000</i>  | <i>\$ 6,500,000</i>   | <i>\$ 6,670,000</i>    |                        |
| Unassigned                        | \$ 65,383,815        | \$ 60,368,340         | \$ 61,580,516          | \$ 88,687,791          |
| Policy Minimum (28% Rev.)         | \$ (55,252,030)      | \$ (56,163,689)       | \$ (57,286,963)        | \$ -                   |
| Surplus/Deficit                   | \$ 10,131,785        | \$ 4,204,651          | \$ 4,293,554           | \$ 88,687,791          |
| Policy Practice (30% Rev.)        | \$ (59,198,604)      | \$ (60,175,381)       | \$ (61,378,889)        |                        |
| <b>Surplus/Deficit</b>            | <b>\$ 6,185,211</b>  | <b>\$ 192,959</b>     | <b>\$ 201,628</b>      |                        |

# RESIDENTIAL IMPACT STATEMENT



## CITY OF WACO

### Residential Property Owner Impact Statement

**BUDGET  
2023 - 2024**

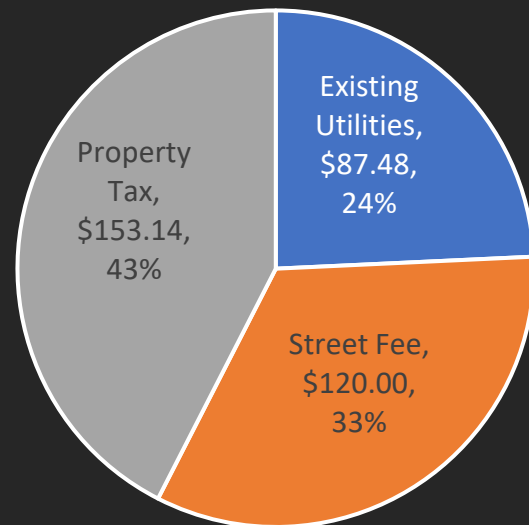


waco-texas.com/budget

Questions? BudgetOffice@wacotx.gov

| Service or Fee             | Fiscal Year 2022-2023 Yearly Rate | Fiscal Year 2023-2024 Proposed Yearly Rate | Annual Dollar Change | Typical Ratepayer Defined as:  |
|----------------------------|-----------------------------------|--|----------------------|--|
| Water                      | \$ 562.08                         | \$ 561.24                                  | \$ (.84)             | Average consumer of 8K gallons   |
| Wastewater                 | \$620.64                          | \$682.56                                   | \$61.92              | Average consumer of 5K gallons   |
| Solid Waste                | \$212.40                          | \$229.32                                   | \$16.92              | Residential Customer with base service   |
| Drainage                   | \$66.12                           | \$75.60                                    | \$9.48               | Residential customers with 1 Equivalent Residential Unit 1,961-3,399 square feet of impervious area                          |
| Street Maintenance         | -                                 | \$120.00                                   | \$120.00             | A single-family detached housing unit is equal to one Equivalent Residential Unit (ERU) at a rate of \$10 per ERU per month. |
| Property Tax Bill          | \$1,406.49                        | \$1,559.63                                 | \$153.14             | Estimated FY24 values at current tax rate of \$0.75500 per \$100 of value. Average Homestead value is \$206,573.             |
| <b>Total Yearly Impact</b> | <b>\$2,867.73</b>                 | <b>\$3,228.35</b>                          | <b>\$360.62</b>      | <b>Combined projected increase of 12.58%</b>   |

YOY Increase by Category,  
including Percent of Total Increase



- The average residential monthly combined utility bill for FY24 totals \$139.06 per month. In FY 2020, the total monthly bill was \$112.95– inflationary adjusted to \$141.21 in 2024.
- In FY20, the average residential property tax bill was \$1,277– inflationary adjusted to \$1,596 in 2024.

Based on BLS data with CPI-U of 238.865 in March of 2020 (budget development) and a projected CPI of 298.618 for 2024. The latest CPI (May 2023) is 287.133 (Texas/DFW/All Items).

# Budget Calendar





July 14– Planned filing of Budget – operational, capital, and fee schedule

July 25 – Certified Tax Roll Due from MCAD

**August 1 - City Council Meeting**

Presentation on Filed Budget and Certified Tax Roll

Update potential budget changes from Certified Roll

Resolution Setting Date for Public Hearing  
on Budget

2nd Reading of Ordinance setting Departments

2nd Reading of Ordinance Establishing the  
Parks Performance Fund

August 8 – Budget and Audit Committee

TMRS Discussion

Remaining Items/Issues

Quarterly Financial Update

**August 15 –**

**Resolution Setting Date for Public Hearing on Tax Rate**

**1<sup>st</sup> Reading Ordinance Adopting a Street Maintenance Fee**

**August 29 – Public Hearing on Proposed Budget**

**August 29 – Adoption of the Budget**

**August 29 – Public Hearing and Vote on Resolution on Municipal Drainage Utility fee schedule revision**

**August 29 – 2<sup>nd</sup> Reading Ordinance Adoption a Street Maintenance Fee**

**September 5 - Public Hearing and First and Final Reading of Tax Rate Ordinance**

# QUESTIONS?

**THEY'RE  
GR-R-REAT!**

