



CITY OF WACO

Fiscal Year Budget

2023-2024

Budget progress

- January Capital Improvements Program Process Begins
- February - Department's requested to submit base budget and budget requests by March 13, 2023
- April – Budget Retreat and Council Priorities discussed
- April - Department's presented budgets to City Manager's Office
- May/June - Provided regular updates on all aspects of budget development
- July 11 – City Manager's Office previewed the FY 2023-2024 budget
- July 17 – City Manager's Proposed Budget filed with City Secretary

FY24 Priorities and Core Service Initiatives

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

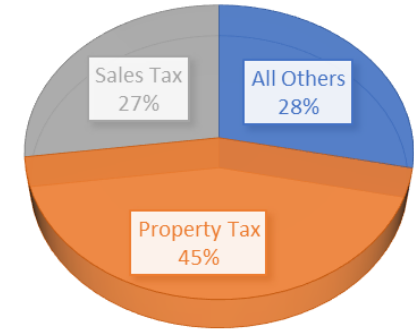
Proposed Budget Highlights

- \$260.2M Capital Investment
 - \$157.5 million for improvements to water, wastewater, drainage, streets and bridge systems
- 5% general salary increase for city employees and market adjustments for Police and Fire and several other positions
- Improvements to benefits for City employees including mental health options including lower insurance co-pays
- A 30% reoccurring TMRS COLA for retired employees
- 14 new public safety positions (11 firefighters and 3 police officers)
- Creation of Beautification and Culture Program - \$500K investment

Proposed Budget Highlights

General Fund

- Total budget is \$203.7 million and maintains reserve policy of 28% of revenues
- Tax rate reduction of \$0.005
- Manager's initiatives aligned to Council's strategic goals
- Property & Sales Tax account for 71.7% of FY24 (71.3% of FY23) revenues
- Sales Tax increased
 - \$8.0 million from FY23 conservative amounts
 - 97% of FY23 projected amount
- Property Tax Values
 - Property Tax Revenue increased by 17.2% or \$13.3M



Proposed Budget Highlights

Other Funds

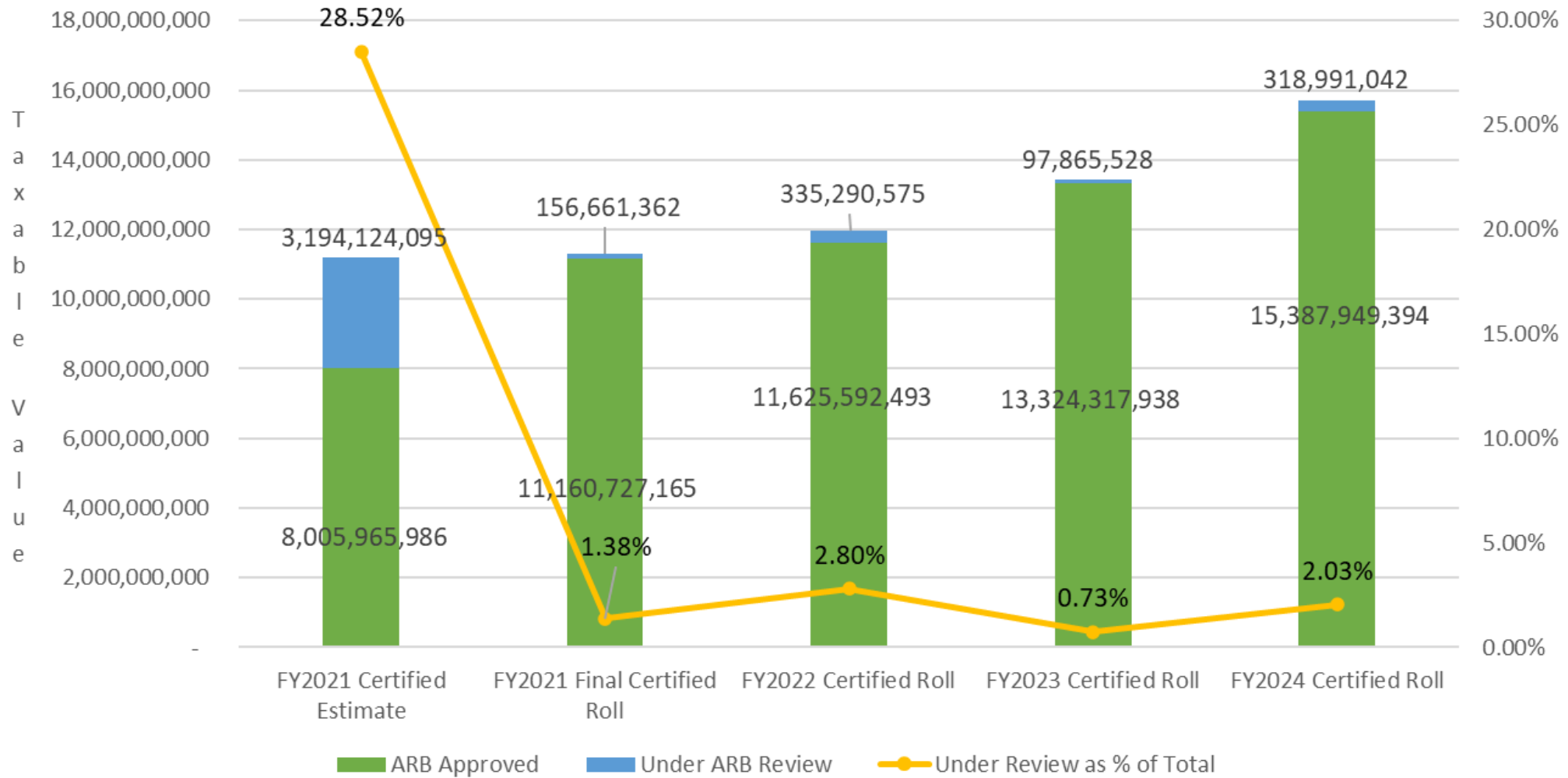
- Hotel and Motel tax revenues expected to reach new heights
- New Street Maintenance Fee to provide 158% more in street preservation work
 - Allows for new Street Capacity Improvement Program and investment of over \$100 million over five years
- New Park Performance Fund to provide transparency into the cost recovery for recreation centers, athletics, and the Mammoth Site

Property Tax: Valuation & Rates

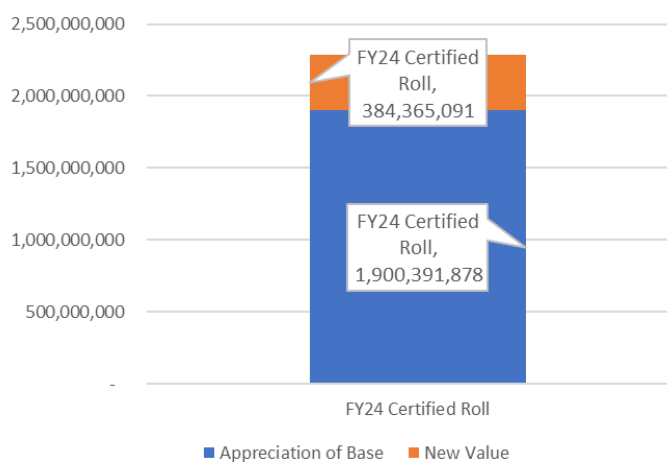


CITY OF WACO

FY21 -FY24 Tax Rolls: Under ARB Review vs. Approved



FY24 Certified Roll Grand Total Taxable Values

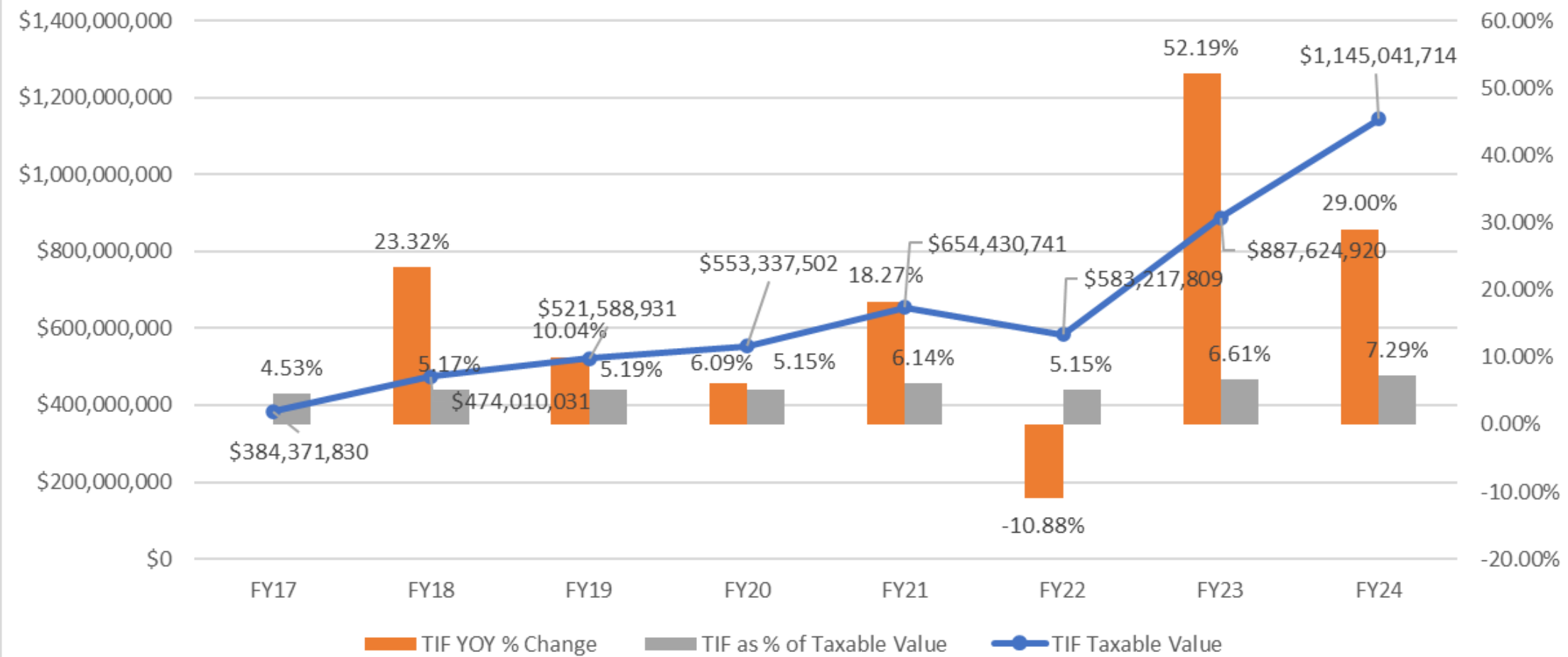
	FY2021 Certified Estimate	FY2021 Final Certified Roll	FY2022 Certified Roll	FY2023 Certified Roll	FY2024 Certified Roll	\$ Change	% Change	Valuation Increases: New vs. Existing		
Single Family Residence	4,770,662,749	4,778,131,760	5,332,775,967	5,717,666,987	6,447,167,774	729,500,787	12.76%	 <p>FY24 Certified Roll, 384,365,091</p> <p>FY24 Certified Roll, 1,900,391,878</p> <p>FY24 Certified Roll</p> <p>■ Appreciation of Base ■ New Value</p>		
Multi-Family	1,327,764,031	1,307,251,804	1,402,466,289	1,656,981,906	1,830,011,665	173,029,759	10.44%			
Commercial Real Property	2,417,900,830	2,523,103,170	2,481,853,711	2,925,958,461	3,452,228,785	526,270,324	17.99%			
Industrial & Manufacturing	489,945,901	530,703,464	534,644,749	599,834,842	820,559,940	220,725,098	36.80%			
Commercial Personal Property	1,186,768,513	1,161,037,860	856,619,964	900,237,780	1,151,072,082	250,834,302	27.86%			
Industrial & Manufacturing Pers Prop	489,945,901	447,043,854	768,963,765	897,812,782	1,241,048,909	343,236,127	38.23%			
Vacant Lots and Tracts	223,625,053	224,553,034	225,703,727	337,278,335	299,020,350	(38,257,985)	-11.34%			
Gas Distribution System	53,406,830	53,406,830	59,137,680	67,363,980	81,776,660	14,412,680	21.40%			
Electric Company	92,260,423	92,618,912	98,820,347	107,747,169	144,019,079	36,271,910	33.66%			
Rural Land	53,027,654	41,433,121	43,925,119	45,693,134	47,640,929	1,947,795	4.26%			
Residential Inventory	36,209,459	35,956,224	27,655,282	26,333,120	44,544,178	18,211,058	69.16%			
Special Inventory Tax	47,830,220	47,830,220	48,895,480	62,325,330	65,038,980	2,713,650	4.35%			
Other	10,742,517	74,318,275	79,420,989	76,949,641	82,811,105	5,861,464	7.62%			
Total	11,200,090,081	11,317,388,528	11,960,883,069	13,422,183,467	15,706,940,436	2,284,756,969	17.02%			
New Value	188,441,021	197,419,900	195,443,639	388,579,972	384,365,091	(4,214,881)	-1.08%			
Base Value	11,011,649,060	11,119,968,628	11,765,439,430	13,033,603,495	15,322,575,345	2,288,971,850	17.56%			

	FY2021 Certified Estimate	% of Total	FY2021 Final Certified Roll	% of Total	FY2022 Certified Roll	% of Total	FY2023 Certified Roll	% of Total	FY2024 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%	8,321,723,617	52.98%
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%	7,385,216,819	47.02%
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%	15,706,940,436	100.00%



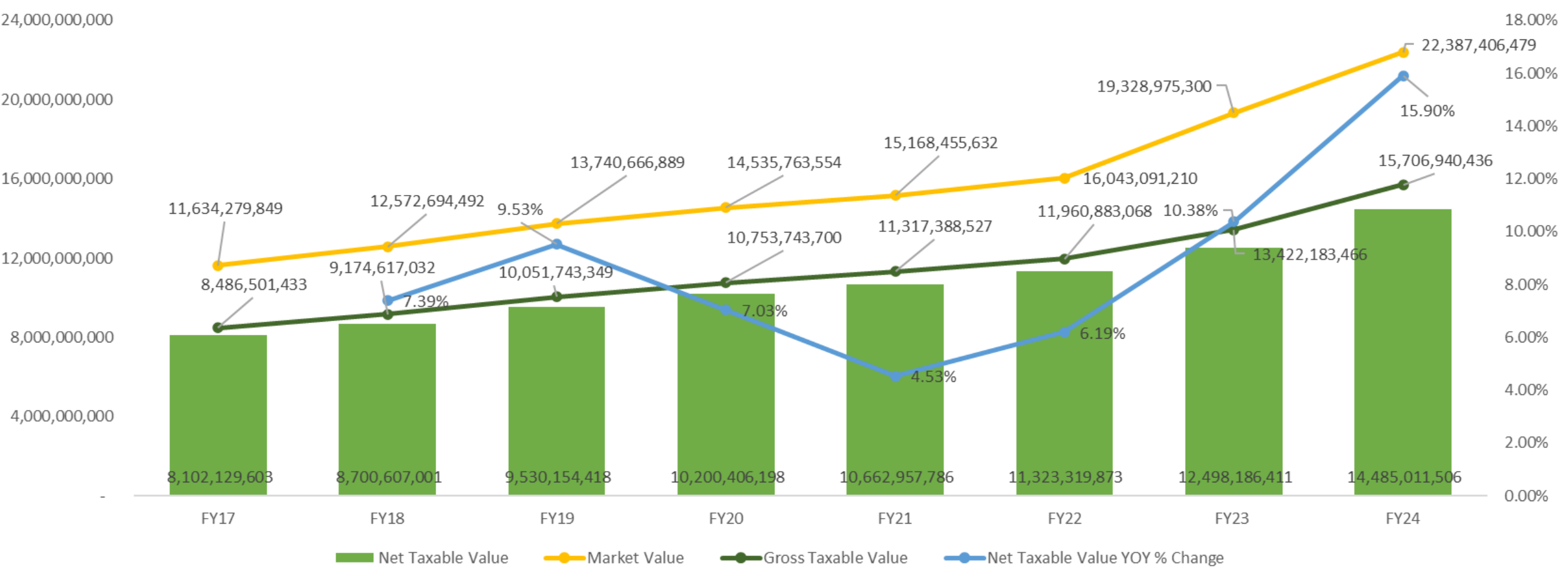
CITY OF WACO

TIF Valuations: FY17-FY24



CITY OF WACO

Certified Tax Valuations FY17-FY24



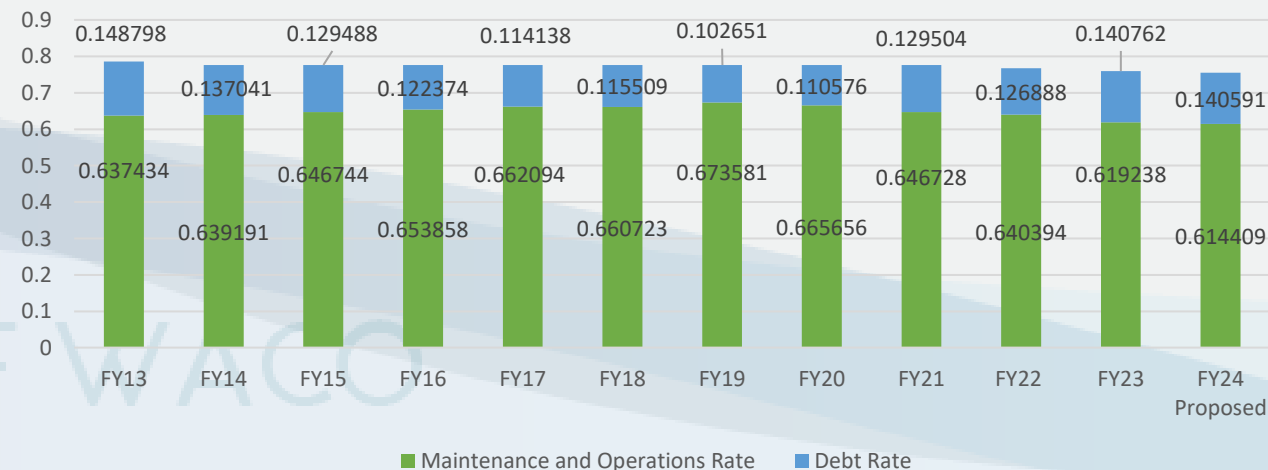
Proposed Tax Rate

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

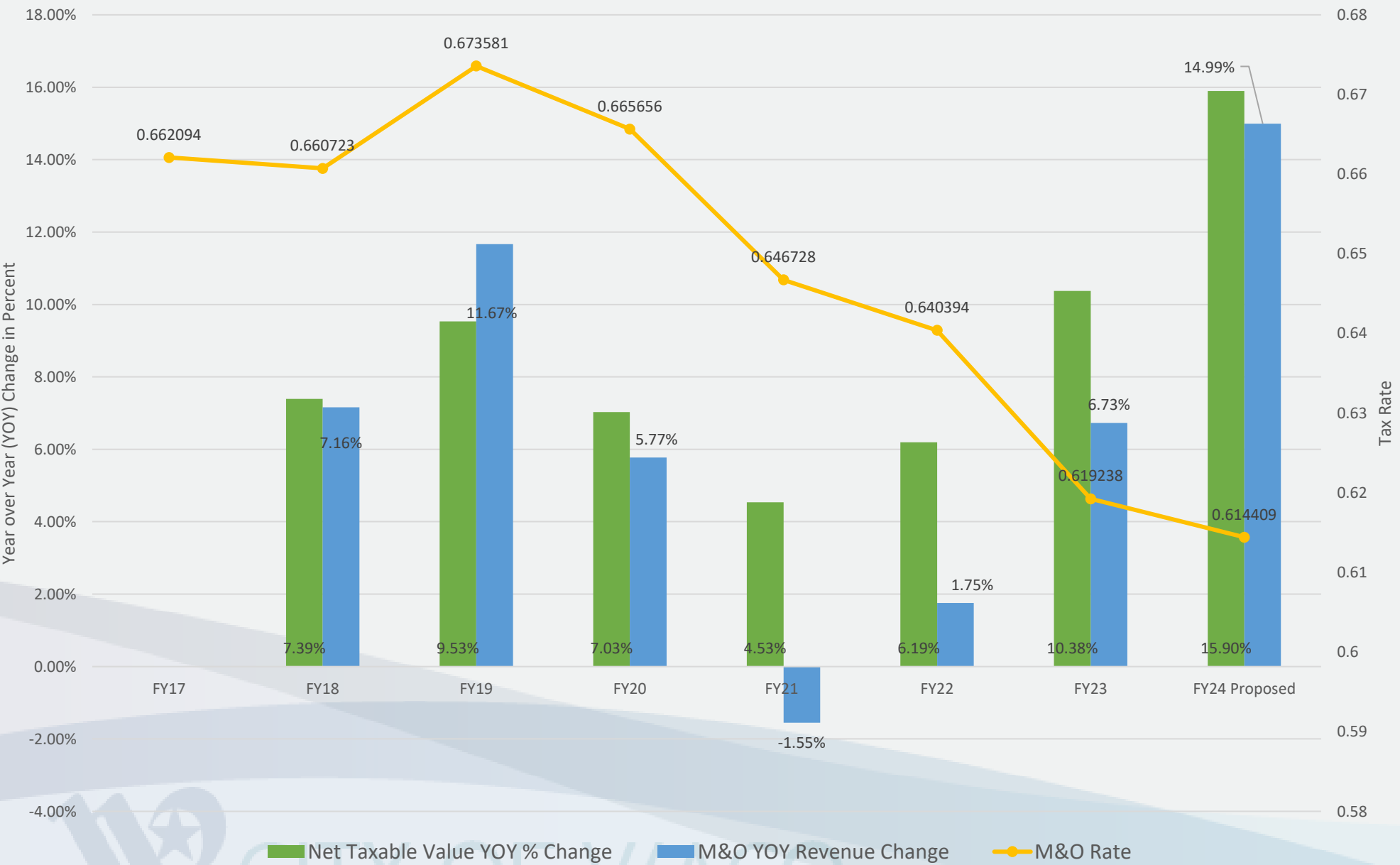
- is ½ cent lower than the current rate
- the third consecutive year of a tax rate reduction
- the lowest tax rate in more than a decade

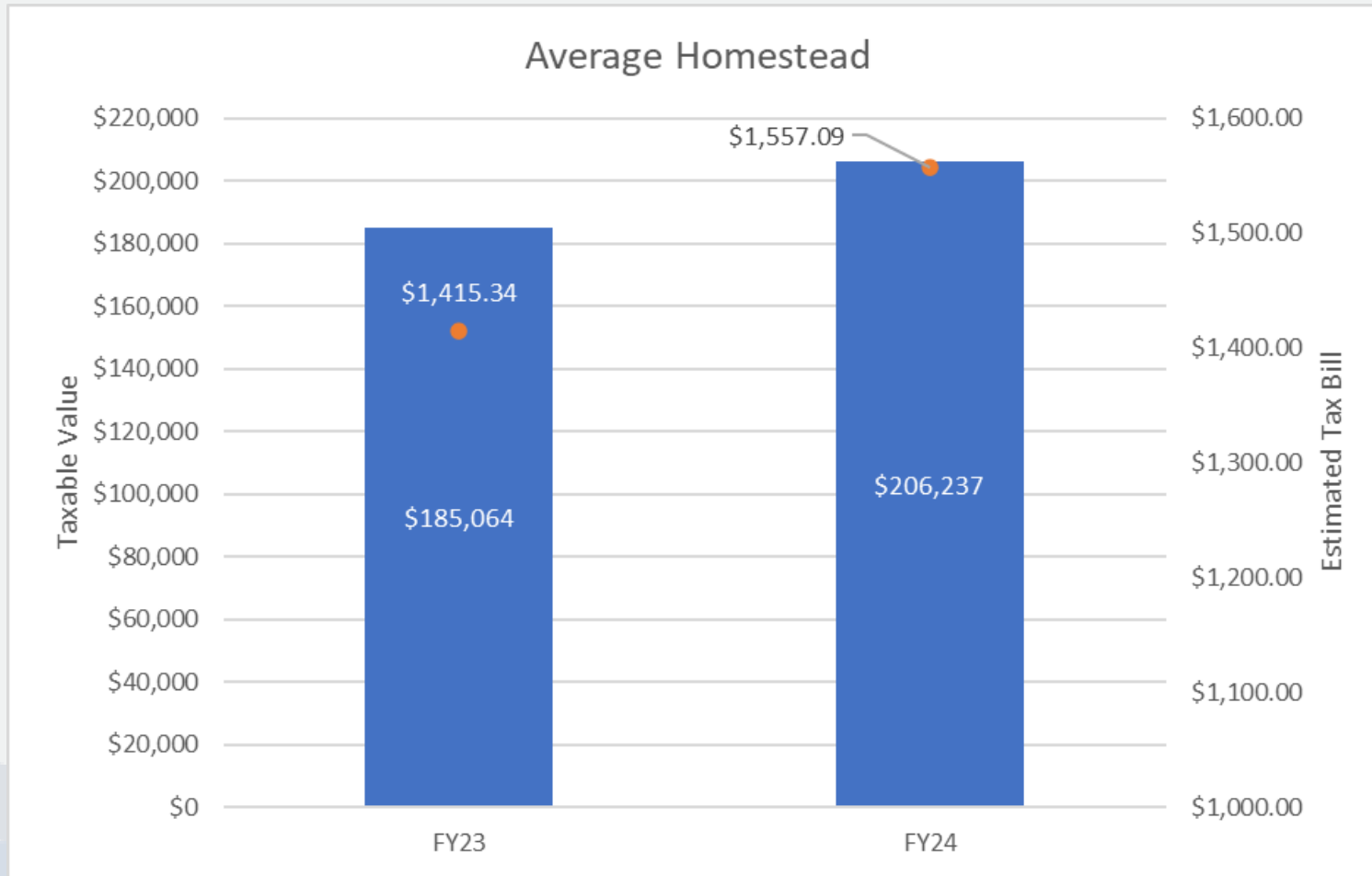
Tax Year	General Fund (Maintenance and Operations) Rate	Debt Rate	Total Rate	YOY Rate Change
FY 2023-2024	0.614409	0.140591	0.755000	0.005000
FY 2022-2023	0.619238	0.140762	0.760000	-0.007282
FY 2021-2022	0.640394	0.126888	0.767282	-0.008950
FY 2020-2021	0.646728	0.129504	0.776232	0.000000
FY 2019-2020	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

City of Waco Tax Rates: FY13-FY24

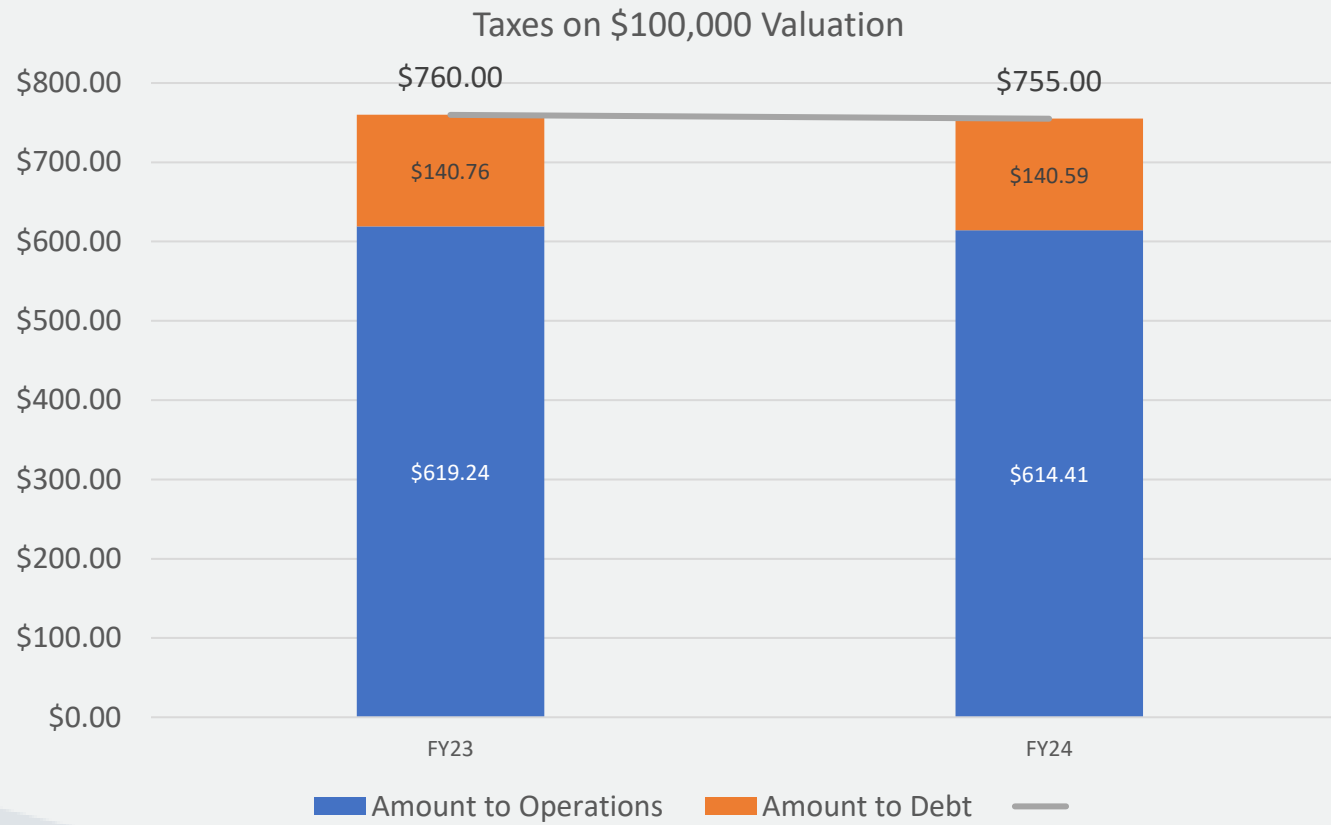


M&O Property Tax





CITY OF WACO



Proposed Budget to Certified Roll Comparison



CITY OF WACO

Tax Rate and Value Comparison

	FY2022 Certified Roll	FY2023 Certified Roll	FY2024 Preliminary Roll	FY2024 Proposed Budget	FY2024 Certified Roll	\$ Difference - FY24 Proposed Budget to FY24 Certified Roll	% Difference - FY24 Proposed Budget to FY24 Certified Roll
Total Appraised Value of all Property	16,043,091,210	19,328,975,300	22,853,785,936	23,173,031,311	22,045,721,460	(1,127,309,851)	-4.86%
Agricultural Use (Productivity Loss)	(232,805,928)	(116,262,100)	(133,401,800)	(132,814,650)	(129,183,887)	3,630,763	-2.73%
Limited Value (Homestead Cap)	(103,425,655)	(907,004,479)	(998,084,276)	(975,885,563)	(936,664,250)	39,221,313	-4.02%
Total Assessed Value of all Property	15,706,859,627	18,305,708,721	21,722,299,860	22,064,331,098	20,979,873,323	(1,084,457,775)	-4.91%
Exemptions	(3,745,976,559)	(4,981,390,783)	(5,196,112,067)	(5,531,970,122)	(5,591,923,929)	(59,953,807)	1.08%
Total Assessed Value After Exemptions	11,960,883,068	13,324,317,938	16,526,187,793	16,532,360,976	15,387,949,394	(1,144,411,582)	-6.92%
Captured Value for TIF	(583,217,809)	(947,536,028)	(1,597,469,509)	(1,140,520,366)	(1,258,250,387)	(117,730,021)	10.32%
TIF Zone #4 City's Share	-	59,911,108	152,501,614	-	113,208,674	113,208,674	
ARB Pending	(54,345,386)	61,493,393	-	(741,182,225)	242,103,825	983,286,050	-132.66%
Total Taxable Value After Exemptions	11,323,319,873	12,498,186,411	15,081,219,898	14,650,658,385	14,485,011,506	(165,646,880)	-1.13%
Total Taxable Value of New Property	195,443,639	388,579,972	556,490,041	553,442,676	384,365,091	(169,077,585)	-30.55%



CITY OF WACO

Taxable Value Impact

- The \$958K reduction in General Fund revenues will be utilized from excess fund balance.

	FY23 Proposed	FY23 Certified	\$ Change	% Change
Net Taxable Value	14,650,658,386	14,485,011,506	(165,646,880)	-1.13%
M&O Rate	0.614000	0.614409	0.000409	0.07%
M&O Revenue	89,955,042	88,997,214	(957,828)	-1.06%
Collection Rate	100%	100%	-	0.00%
M&O Net Revenue	89,955,042	88,997,214	(957,828)	-1.06%
Debt Rate	0.141000	0.140591	-0.000409	-0.29%
Debt Revenue	20,657,428	20,364,623	-292805.797860	-1.42%
Collection Rate	100%	100%	0.000000	0.00%
Debt Net Revenue	20,657,428	20,364,623	(292,806)	-1.42%
Total Rate	0.755000	0.755000	0.000000	0.00%
Total Revenue	110,612,471	109,361,837	-1250633.944000	-1.13%
Collection Rate	100%	100%	0.000000	0.00%
Net Total Revenue	110,612,471	109,361,837	(1,250,634)	-1.13%
General Fund Budget	89,955,042	88,997,214	(957,828)	-1.06%

Average Home W/Homestead						
	2022	2023	2024 Proposed	2024 Certified	\$ Change Certified to Proposed	% Change Certified to Proposed
Market	211,133	267,881	294,610	291,764	(2,846)	-1.0%
HS Exemption (15% - 2023 and 2024 & 10% - 2022)	(21,113)	(40,182)	(44,192)	(43,765)	427	-1.0%
Average Taxable	190,020	227,699	250,419	247,999	(2,419)	-1.0%
Tax Rate	0.767282	0.76	0.755	0.755	0	0.0%
Tax Bill	1,457.99	1,730.51	1,890.66	1,872.40	-18.26	-1.0%
Average Home (Over 65)						
	2022	2023	2024 Proposed	2024 Certified	\$ Change Certified to Proposed	% Change Certified to Proposed
Market	211,133	267,881	294,610	291,764	(2,846)	-1.0%
HS Exemption (15% - 2023 and 2024 & 10% - 2022)	(21,113)	(40,182)	(44,192)	(43,765)	427	-1.0%
Over 65	(5,000)	(50,000)	(50,000)	(50,000)	-	0.0%
Average Taxable	185,020	177,699	200,419	197,999	(2,419)	-1.2%
Tax Rate	0.767282	0.76	0.755	0.755	0	0.0%
Tax Bill	1,419.62	1,350.51	1,513.16	1,494.90	-18.26	-1.2%
Average Home with Average Exemption						
	2022	2023	2024 Proposed	2024 Certified	\$ Change Certified to Proposed	% Change Certified to Proposed
Market	211,133	267,881	294,610	291,764	(2,846)	-1.0%
HS Exemption (15% - 2023 and 2024 & 10% - 2022)	(32,041)	(82,817)	(87,921)	(85,527)	2,394	-2.7%
Average Taxable	179,092	185,064	206,689	206,237	(452)	-0.2%
Tax Rate	0.767282	0.76	0.755	0.755	0	0.0%
Tax Bill	1,374.14	1,406.49	1,560.50	1,557.09	-3.41	-0.2%

Average Home

The monthly tax bill on a home of average market value (\$291,764) will increase \$11.82 per month.

Taxpayer Impact

Service or Fee	Fiscal Year 2021-2022	Fiscal Year 2022-2023 Yearly Rate	Fiscal Year 2023-2024 Proposed Rate	Annual Dollar Change	Typical Ratepayer Defined as:
Water	\$562.08	\$562.08	\$561.24	\$(0.84)	For Average consumer of 8K gallons
Wastewater	\$596.04	\$620.64	\$682.56	\$61.92	For Average consumer of 5K gallons
Solid Waste	\$193.20	\$212.40	\$229.32	\$16.92	Residential Customer with base service
Drainage	\$64.92	\$66.12	\$75.60	\$9.48	Residential customers with 1 Equivalent Residential Unit
Street Maintenance	\$-	\$-	\$120.00	\$120.00	Residential Rate of \$10 per month.
Property Tax Bill	\$1,374.12	\$1,406.49	\$1,557.09	\$150.60	FY24 values at current tax rate of \$0.755000 per \$100 of value. Average Homestead value is \$206,237.
Total Yearly Impact	\$2,790.36	\$2,867.73	\$3,225.81	\$358.08	Combined projected increase of 12.49% or \$0.98 per day

- *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.*

Recommended Budget Adjustments



CITY OF WACO

Recommended Budget Adjustments

Fund	Account	FY24 Proposed	Adjustment	FY24 Budget
General Fund	Property Tax Revenues	\$89,955,042	\$(957,828)	\$88,997,214
General Fund	Transfer from Surplus	\$6,382,828	\$957,828	\$7,340,656
General Debt Service Fund	Property Tax Revenues	\$20,657,428	\$(292,805)	\$20,364,623

NOTE: One time, non-recurring expenditures included in the FY23-24 Budget include:

One Time Enhancements \$ 2,859,835

One Time Street Capacity \$ 4,900,000

Total \$ 7,759,835

Therefore, recurring revenues are \$419,096 greater than recurring expenditures. Transfer from Surplus is not being used to fund recurring expenditures.

General Fund fund balance

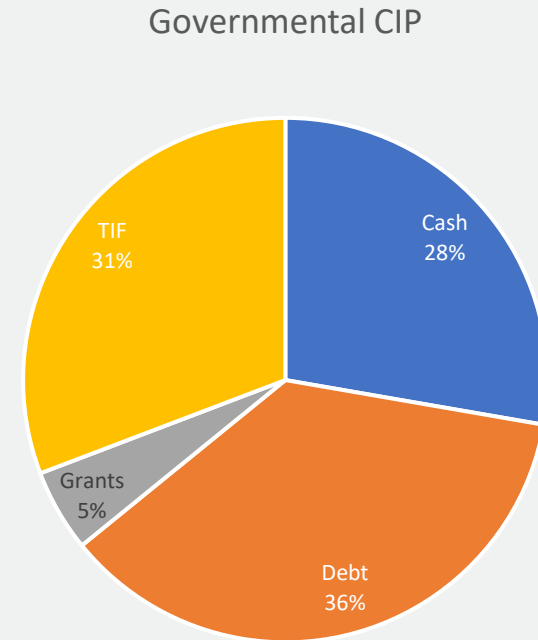
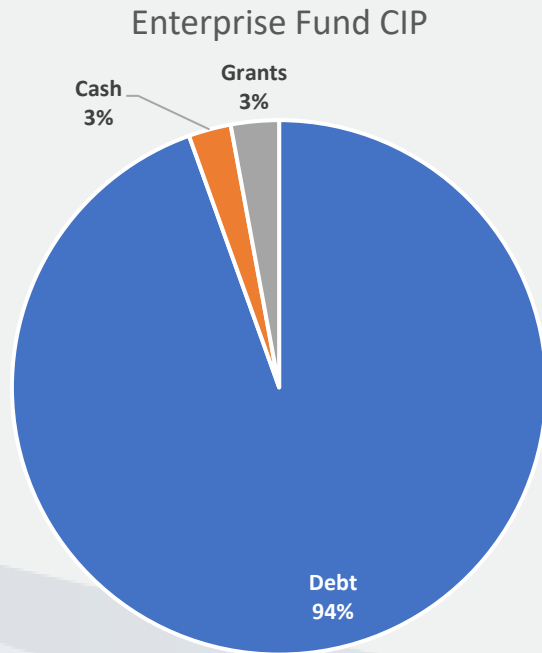
	FY23 YE Est.	FY24 Proposed	FY24 Updated	FY 25 Projected	FY 26 Projected
Beginning Balance	\$95,799,423	\$93,707,298	\$93,707,298	\$84,749,885	\$84,749,885
Revenues	\$(192,919,896)	\$(203,711,508)	\$(203,711,508)	\$(200,584,603)	\$(204,596,295)
Expenses	\$187,886,765	\$203,711,508	\$203,711,508	\$200,584,603	\$204,596,295
Revenues (Over)/Under Expenses	\$(5,033,131)	\$-	\$-	\$-	\$-
Transfer in for FY24		\$6,382,828	\$7,340,656		
Transfer to SPRF	\$4,000,000				
Transfer to Health Insurance Fund		\$1,616,757	\$1,616,757		
Other Financing	\$3,125,256				
Net Change in Fund Balance	\$2,092,125	\$7,999,585	\$8,957,413	\$-	\$-
End of Year Balance	\$93,707,298	\$85,707,713	\$84,749,885	\$84,749,885	\$84,749,885
Non-Spendable	\$964,891	\$964,891	\$964,891	\$964,891	\$964,891
Restricted	\$1,805,112	\$1,805,112	\$1,805,112	\$1,805,112	\$1,805,112
Committed	\$14,520,304	\$14,520,304	\$14,520,304	\$14,520,304	\$14,520,304
Assigned	\$6,013,254	\$4,529,144	\$4,529,144	\$3,146,968	\$3,146,968
New Assignment: Downtown	\$8,000,000	\$6,500,000	\$6,500,000	\$6,670,000	\$-
Unassigned	\$65,383,815	\$57,388,262	\$56,430,434	\$57,642,610	\$64,312,610
Policy Minimum (28% Revenues)	\$55,252,030	\$56,163,689	\$56,163,689	\$57,286,963	\$58,432,702
Surplus/Deficit	\$10,131,785	\$1,224,573	\$266,745	\$355,647	\$5,879,908

Capital Improvements Update



CITY OF WACO

Capital Improvements Funding Comparison



Budget Calendar



CITY OF WACO

Budget Calendar

- **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**

- Financial Advisors Introduction
- TMRS Discussion
- Remaining Items/Issues

Budget Calendar

- **August 15 –**
 - Resolution Setting Date for Public Hearing on Tax Rate
 - 1st Reading Ordinance Adopting a Street Maintenance Fee
 - Quarterly Financial Update
- **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 – 2nd Reading Ordinance Adoption a Street Maintenance Fee**
- **September 5 - Public Hearing and First and Final Reading of Tax Rate Ordinance**

QUESTION\$?