

# **City of Waco**

## **Budget-in-Brief**

For the year beginning October 1, 2011



**2011-12  
Annual Operating and  
Capital Budget**

## Elected Officials and Management Staff

### Elected Officials

Jim Bush  
Mayor

Mayor Pro Tem Malcolm Duncan, Jr.  
Council Member Wilbert Austin  
Council Member Alice Rodriguez  
Council Member Randy Riggs  
Council Member Toni Herbert

### Management Staff

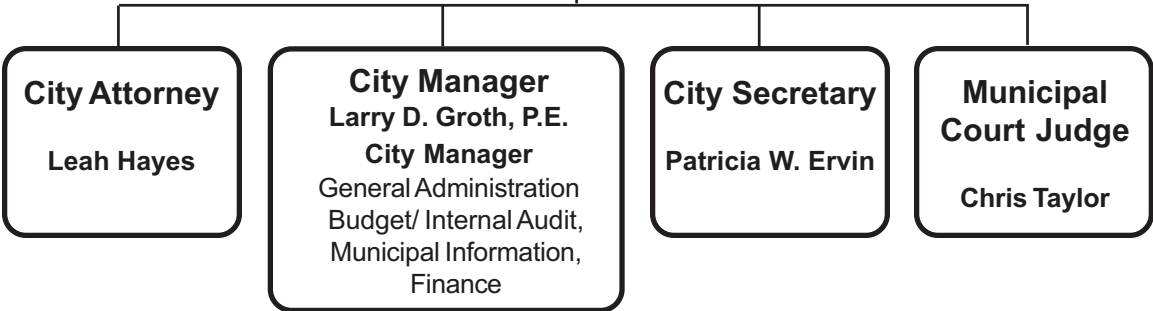
City Manager .....	Larry D. Groth, P.E.	Health Director .....	Vacant
City Attorney .....	Leah Hayes	Housing Director .....	Jeff Wall
City Secretary .....	Patricia W. Ervin	Human Resources Director .....	Gary Johnson
Municipal Court Judge .....	Chris Taylor	Information Technology Director .....	Ron Holland
Assistant City Manager .....	George Johnson, Jr.	Library Director .....	James Karney
Assistant City Manager .....	Dale Fisseler, P.E.	Municipal Information Director .....	Larry Holze
Assistant City Manager .....	Wiley Stem, III	Parks and Recreation Director .....	Rusty Black
Airport Director .....	Joel Martinez	Planning Director .....	Bill Falco
Budget Manager .....	June Skerik	Police Chief .....	Brent Stroman
Building Official .....	Randall Childers	Public Works Director .....	Mark Hines
Convention & Visitors' Director .....	Elizabeth Taylor	Ranger Hall of Fame Director .....	Byron Johnson
Finance Director .....	Janice Andrews	Transit Manager .....	John Hendrickson
Fire Chief .....	John Johnston	Utilities Director .....	Ricky Garrett
General Services Director .....	Gary Urban	Cameron Park Zoo Director .....	Jim Fleshman

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**Mayor & City Council**  
**Policy**  
Mayor Jim Bush  
Mayor Pro Tem Malcolm Duncan, Jr.  
Wilbert Austin, Alice Rodriguez,  
Randy Riggs, Toni Herbert

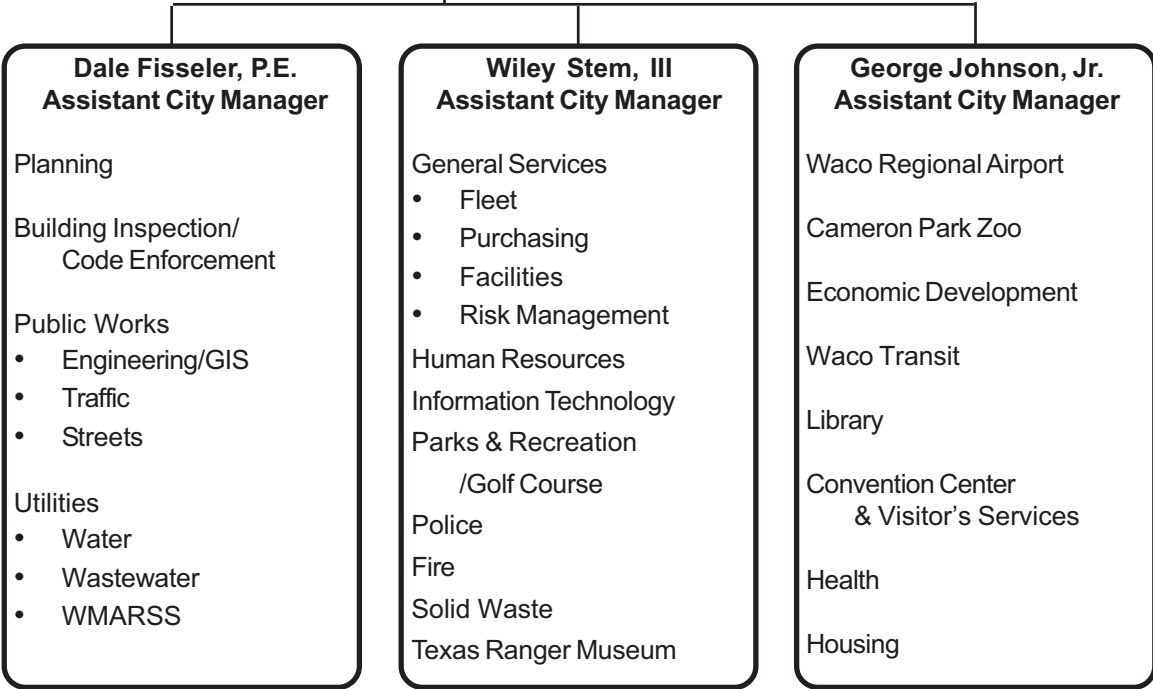


**City Attorney**  
Leah Hayes

**City Manager**  
Larry D. Groth, P.E.  
**City Manager**  
General Administration  
Budget/ Internal Audit,  
Municipal Information,  
Finance

**City Secretary**  
Patricia W. Ervin

**Municipal Court Judge**  
Chris Taylor



**Dale Fisseler, P.E.**  
**Assistant City Manager**

Planning

Building Inspection/  
Code Enforcement

Public Works

- Engineering/GIS
- Traffic
- Streets

Utilities

- Water
- Wastewater
- WMARSS

**Wiley Stem, III**  
**Assistant City Manager**

General Services

- Fleet
- Purchasing
- Facilities
- Risk Management

Human Resources

Information Technology

Parks & Recreation  
/Golf Course

Police

Fire

Solid Waste

Texas Ranger Museum

**George Johnson, Jr.**  
**Assistant City Manager**

Waco Regional Airport

Cameron Park Zoo

Economic Development

Waco Transit

Library

Convention Center  
& Visitor's Services

Health

Housing



October 1, 2011

To The Citizens of Waco:

It's my privilege as your City Manager to present a Budget-in-Brief of our recently adopted fiscal year 2011-12 Budget. Our budget is the product of a great deal of reflection, coordination, and discussion. It is the major annual planning effort because it funds the many excellent services that we provide.

The City of Waco is committed to the efficient delivery of quality products and services to its citizens. This commitment is the foundation behind policy decisions and priorities that ensure constructive and well-formulated strategic plans for the growth of our city. This budget continues to focus on citizens' interests expressed through goals established by the Council.

Our objectives in preparing this budget were:

- Meet the Council's stated Goals
- Adequate funding to ensure quality customer service to our citizens at all levels of our organization
- Promote a safe and positive environment to improve the culture and quality of life for our citizens
- No tax increases
- Maintain fund balances by the end of FY 2011-12 that meet our stated financial policies

Though we are faced with a number of challenges, the staff is committed to help make the City of Waco a wonderful place to live.

Sincerely,

Larry D. Groth, P.E.  
City Manager

## **City of Waco Values and Goals**

### **Values**

Equal Access to All Services and Benefits

Customer/Regulation Friendly in all Actions and Interactions by the City of Waco

Think and Act Systemically to Build a Healthy Community

### **Goals**

Strategic Intent I

High Quality Economical City Services and Facilities

Strategic Intent II

Aggressively Competitive Economic and Community Development

Strategic Intent III

Safe, Environmentally Sound, Pedestrian Friendly Community

Strategic Intent IV

Improved Housing Options, Opportunities, and Conditions

Strategic Intent V

Enviably Culture and Quality of Life

Strategic Intent VI

Effective Policy and Administration

Strategic Intent VII

Market Waco Internally and Externally

## 2011-12 Budget Highlights

### **Total Operating Budget**

The adopted 2011-12 operating budget is \$194,930,249 an increase of .7% compared to the 2010-11 adopted operating budget of \$193,521,510. Major funding items include:

- A 2.5% salary increase for all regular full and part time employees
- \$1,250,000 for the Economic Incentive Fund
- \$4.7 million for New Services and Equipment Replacement
- \$18,612,128 for Fire Services
- \$30,022,612 for Police Services
- \$37,815,954 for Water Services
- \$20,861,763 for Wastewater Services
- \$15,725,332 for Solid Waste Services
- \$9,913,708 for Employee Health Insurance Services

This year we faced the tremendous challenge of bringing you a balanced budget that provides the desired services our citizens expect while at the same time continuing our economic development efforts throughout the city. One major challenge this year was funding the necessary TMRS contribution rate for our current employee retirement plan. The proposed phase-in rate we received in early June would have been a huge drain on resources. The city requested TMRS to perform a plan change study so we could analyze the costs of each provision. The only plan change recommended in this budget is to turn off annually repeating COLAs and change to an ad hoc basis. This plan change reduces the contribution rate enough to get us to the full rate, reduces our unfunded actuarial liability by more than half, increases our funded ratio to approximately 84% and frees up resources to help fund a 2.5% pay adjustment for all employees.

Other factors had to come into play to get the budget balanced. Other “pieces to the puzzle” included a favorable electricity contract that begins with the fiscal year and being able to keep general liability insurance, workers’ compensation costs and employee health insurance at the current levels. This was possible due to good risk management and wellness initiatives over the past few years. The reduction of long term vacancies and overtime also played a key role in funding our needs for next year.

## 2011-12 Budget Highlights

### **Total Employee Positions**

Departments were asked to evaluate their staffing needs as positions became vacant during the year, review positions that had been vacant for a considerable amount of time and assess operations for efficiencies in the workforce. This budget reflects a net decrease of 18.98 full time equivalent positions over last year's budget due to the outcome of those evaluations. We will continue to do the things that get the citizens better customer service and quality city services in a proactive manner.

### **General Fund**

The General Fund revenue budget of \$96,501,997 is based on an increase in revenues of 1% over last year's adopted budget, due mainly to the increase from ad valorem taxes which offsets a decline in some franchise fees, fines and admission charges. No tax rate adjustment is included for FY 2011-12. Some of the revenue decrease and fuel costs increase was equalized by a reduction in some key expenses that normally require significant increases such as electricity.

### **General Fund Revenues**

The General Fund is balanced principally through the following factors:

Growth in property tax assessments –The main factor that contributed to the 2.8% growth in the property tax base was new construction. New construction assessments are budgeted at a healthy increase of \$115 million for FY 2011-12.

Sales Taxes – The volatility of retail sales makes it extremely hard to project this revenue with confidence. In a normal year sales tax revenues are expected to be at least slightly higher than the previous year and be a fundamental source for balancing the budget. Even though we are expecting to end the year over budget, we have chosen to budget this revenue at the same level as the current adopted budget in anticipation of reductions in state and federal programs in our local economy, no significant change to our unemployment picture, and the price of fuel remaining at higher levels than the past few years.

The budget maintains an undesignated reserve in the General Fund of at least 18% of expenditures. The purpose of the reserve is to protect the City's creditworthiness and financial position from unforeseeable emergencies.



## **2011-12 Budget Highlights**

### **General Fund Expenditures**

The largest increase in General Fund expenditures is about \$1.5 million for the salary adjustment discussed earlier. The proposed TMRS plan change offset this cost by about \$1.2 million. Although there are few additions included for FY 2011-12, the major changes in the General Fund are:

- Reduced overtime for General Fund departments – (\$260,000)
- Reduced electricity expense for General Fund departments – (\$580,000)
- Added in-house street sweeping operations – (\$180,000)
- Added matching funds for grants - \$53,000
- Replacement equipment for Police and Fire- \$182,000
- Replacement equipment for all other General Fund departments - \$35,000
- Added traffic signals upgrades - \$170,000
- Increased fuel expense for General Fund departments - \$370,000
- Added capital projects for Streets and Facilities - \$900,000

### **Fee Revenues**

Due to the economy most revenues have remained relatively flat for the last five years and resulted in slower growth than in previous years. This trend is expected to continue in a number of areas for next year. User fees were reviewed and subsequently revised, added or deleted for City Secretary, Convention and Visitors' Services, Engineering, Health, Parks and Recreation, Planning, Waco Regional Airport, Zoo and Transit. All utility service rates and Solid Waste service rates will remain the same as the current year.

### **Utility Rates**

No rate increase is necessary for residential, commercial and/or industrial water or wastewater customers for FY 2011-12.

Solid Waste residential, commercial, roll-off and landfill rates will remain the same for FY 2011-12. No changes for any solid waste fees are included.

### **Capital Improvements Program**

The adopted FY2011-12 C I P (Capital Improvements Program) is \$10,739,474 for General Government and Street/Sidewalk Improvements.

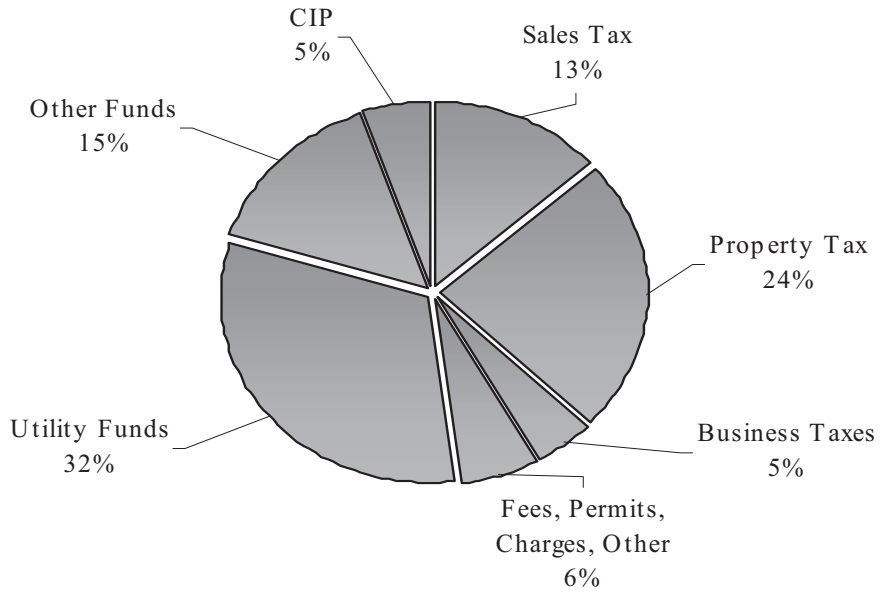
**Revenue Summary**  
**2011-12**

	<b>Adopted</b>	<b>Percent Total</b>
Sales Tax	27,263,637	13.26%
Property Tax	49,295,586	23.97%
Business Taxes	9,828,962	4.78%
Permits, Fines & Charges	4,105,371	2.00%
Utility Funds	64,856,288	31.53%
Other Funds	31,181,293	15.16%
Interest on Investments	216,797	0.11%
Miscellaneous	2,041,408	0.99%
Intergovernmental	5,070,518	2.46%
Transfer from Surplus	1,070,389	0.52%
<b>Total Operating Revenues</b>	<b>194,930,249</b>	<b>94.78%</b>
Capital Improvements Program	10,739,474	5.22%
<b>Total Revenues</b>	<b>205,669,723</b>	<b>100.00%</b>

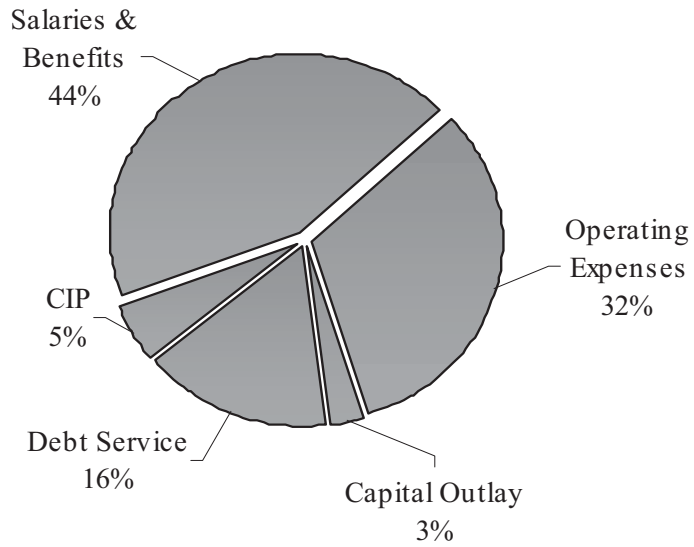
**Expenditure Summary**  
**2011-12**

	<b>Adopted</b>	<b>Percent Total</b>
Salaries & Benefits	89,437,738	43.50%
Services & Supplies	43,704,560	21.25%
Other Expenses	17,490,514	8.50%
Contracts with Others/Contributions	3,505,096	1.70%
Transfers & Billings	1,872,112	0.91%
Capital Outlay	5,841,935	2.84%
Debt Service	33,078,294	16.08%
<b>Total Operating Budget</b>	<b>194,930,249</b>	<b>94.78%</b>
Capital Improvements Program	10,739,474	5.22%
<b>Total Expenditures</b>	<b>205,669,723</b>	<b>100.00%</b>

## Revenue Summary



## Expenditure Summary



## General Fund

The General Fund is the largest of all City funds and the fund that attracts the most public attention and interest, because of its two major revenue sources – sales tax and property (ad valorem) tax. The following chart illustrates the value citizens get from the \$96+ million General Fund for their property tax dollars.

Cost of City Services  
(\$0.786232/100 Valuation)

Based on an average home value of \$113,452 with a homestead exemption of \$12,937, a household pays \$790.28 in city taxes for the year, or \$65.86 per month, to support these city services:

- 24 hour Police Protection
- 24 hour Fire Protection
- Maintenance of 598 miles of paved and unpaved public streets
- Street signals and lighting
- Four library facilities and services which circulates books, video & audio tapes
- 1,484 acres of developed Parks
- Park facilities including softball fields
- Recreational facilities & activities including jogging tracks
- Animal Control services
- Building Inspections & permitting services
- Code Enforcement Services
- Emergency & Disaster Management
- Municipal Court
- Economic Development
- Partial subsidies for:
  - Public Health Services
  - Cameron Park Zoo
  - Family Practice Clinic

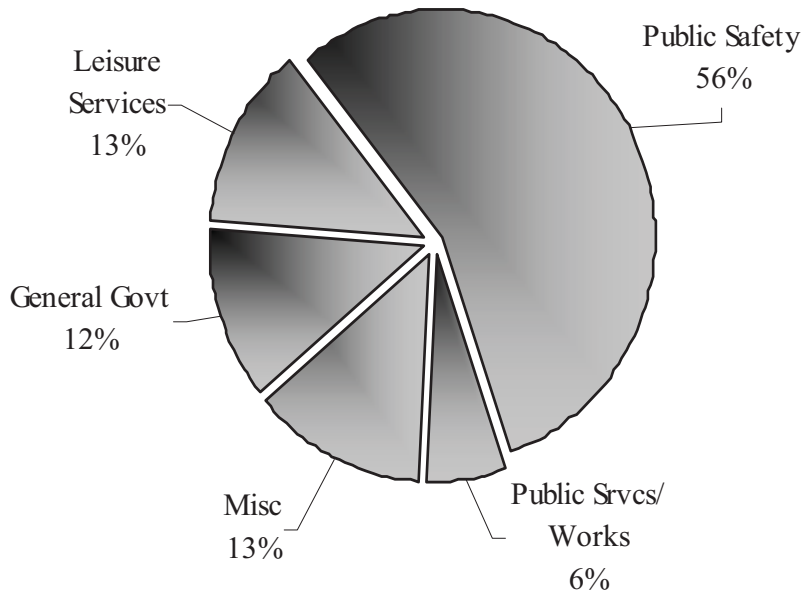
In comparison, the cost of:

- Preferred Cable TV is \$49.99 plus tax per month.
- The average cost for electricity is \$95.17 / 1000 kwh per month.
- An average Natural Gas bill was \$48.52 per month for the year ending July 2011.
- One night at the movies for a family of four with soft drinks and popcorn is \$35 - \$45.

Information provided by Grande Communications, powertochoose.org, Atmos Energy, Starplex Cinema and McLennan County Central Appraisal District.

## General Fund by Function

General Govt	11,755,486
Leisure Services	12,712,798
Public Safety	53,543,723
Public Srvc/ Works	5,952,350
Misc	12,537,640
<b>Total</b>	<b><u>96,501,997</u></b>



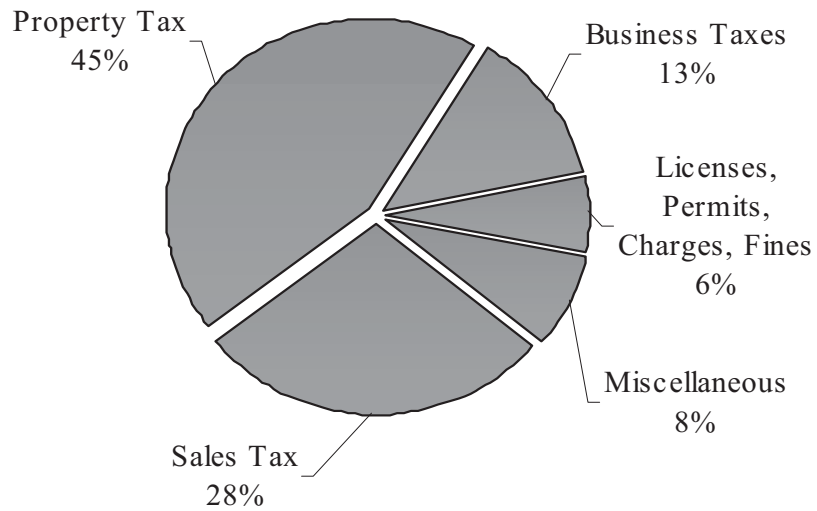
**General Fund Revenue Summary  
2011-12**

	<b>Adopted</b>	<b>Percent Total</b>
Sales Tax	27,263,637	28.25%
Property Tax	42,643,355	44.19%
Business Taxes	12,768,157	13.23%
Licenses & Permits	829,758	0.86%
Intergovernmental	1,469,776	1.52%
Charges for Services	1,721,659	1.78%
Fines	1,938,699	2.01%
Interest on Investments	90,000	0.09%
Miscellaneous	7,726,956	8.01%
Other Financing Sources	50,000	0.05%
<b>Total General Fund Revenues</b>	<b>96,501,997</b>	<b>100.00%</b>

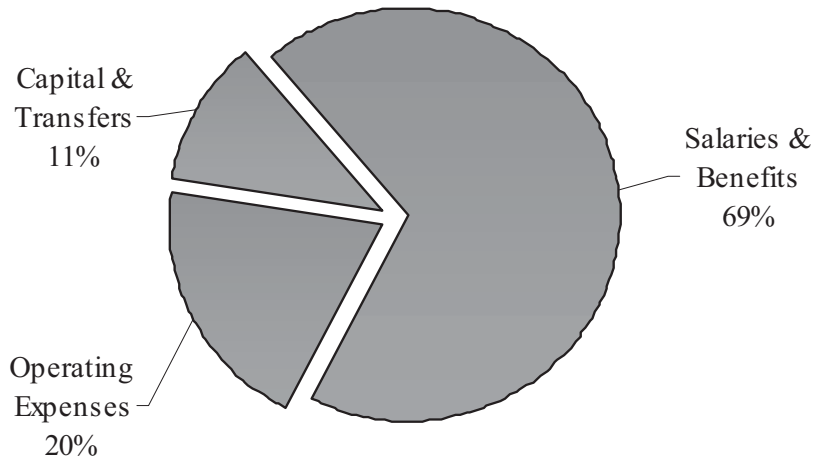
**General Fund Expenditure Summary  
2011-12**

	<b>Adopted</b>	<b>Percent Total</b>
Salaries & Benefits	66,316,583	68.72%
Services & Supplies	16,341,190	16.93%
Other Expenses	677,452	0.70%
Contracts with Others/Contributions	2,228,675	2.31%
Transfers & Billings	10,195,688	10.57%
Capital Outlay	742,409	0.77%
<b>Total General Fund Expenditures</b>	<b>96,501,997</b>	<b>100.00%</b>

## General Fund Revenues



## General Fund Expenditures



**Funds Summary  
2011-12**

General Fund	96,501,997
 <b>Special Revenue Funds</b>	
Health Fund	3,738,578
Public Improvement District #1	691,891
 Street Reconstruction Fund	 3,886,372
 <b>Enterprise Funds</b>	
Ranger Hall of Fame Fund	1,288,632
Waco Regional Airport Fund	1,543,829
Convention Center & Visitors' Fund	2,909,778
Cameron Park Zoo Fund	3,309,736
Cottonwood Creek Golf Course	1,960,438
Waco Transit Fund	6,858,444
 <b>Utility Funds</b>	
Water Fund	37,815,954
Wastewater Fund	20,861,763
Solid Waste Fund	15,725,332
WMARRS Fund	6,258,642
 <b>Internal Service Funds</b>	
Risk Management Fund	3,358,067
Engineering Fund	1,976,339
Fleet Services Fund	1,517,263
Health Insurance Fund	9,913,708
 Capital Improvement Fund	 10,739,474
Less Interfund Transfers	(25,186,514)
 <b>Total Fund Summary</b>	 <b>\$205,669,723</b>



**Capital Improvements Program**  
**Planned Expenditure Summary by Function**  
**2011-12**

Waco Regional Airport	5,616,500
City Manager's Office	59,746
Facilities	400,000
Fleet Services	1,000,000
Fire	1,500,000
Parks & Recreation	200,000
Traffic	963,228
Total General Government	9,739,474
Street Improvements	1,000,000
Wastewater Improvements	-
Water Improvements	-
<b>Total C I P</b>	<b>10,739,474</b>

**Budgeted Positions Summary  
By Department (Full Time Equivalents)**

	2010-11	2011-12		2010-11	2011-12
<b>General Fund</b>			<b>Health Fund (cont)</b>		
City Managers Office	9.00	9.00	ST D Services	5.89	5.39
Budget/Audit	3.00	3.00	HIV/AIDS	2.25	2.25
City Secretary	6.00	6.00			
Finance	15.75	15.50	<b>Enterprise Funds</b>		
Purchasing	7.00	6.00	Street Reconstruct Fund	32.00	30.00
Information Technology	16.00	15.00	Ranger Hall of Fame Fund	15.50	15.50
Legal Services	11.00	11.00	Airport Fund	15.02	13.77
Municipal Court	15.00	15.00	Convention Fund	35.88	33.63
Planning Services	6.20	6.05	Cameron Park Zoo Fund	51.41	51.16
Human Resources	10.48	9.48	Cottonwood Creek Golf	15.96	15.96
Inspection Services	21.88	19.30			
Streets & Drainage	28.00	26.00	<b>Utilities</b>		
Traffic Services	26.00	26.00	Water Office	23.25	23.25
Emergency Management	2.00	2.00	Water Distribution	48.75	47.75
Fire	199.00	199.00	Water Treatment	39.25	38.25
Police	338.35	338.35	Utilities Laboratory	13.00	13.00
Library	44.45	44.45	Wastewater Collection	38.75	38.75
Municipal Information	9.00	9.00	Environmental Services	6.00	6.00
Housing Services	1.15	1.36	Solid Waste Services	103.50	103.00
Facilities	36.00	35.80	WMARRS	24.00	24.00
Parks and Recreation	153.06	151.86			
			<b>Internal Service Funds</b>		
<b>Total General Fund</b>	<b>958.31</b>	<b>949.15</b>	Risk Management	7.00	7.00
			Engineering	25.00	24.00
<b>Health Fund</b>			Fleet Services	25.00	25.00
Health Administration	10.00	9.50	Health Insurance	1.00	1.00
Environmental Health	1.75	1.75			
OSSF	4.25	4.25	<b>Grant Funds</b>	79.17	81.48
Public Health Nursing	11.37	9.50			
			<b>Total All Funds</b>	<b>1,593.27</b>	<b>1,574.29</b>

## Where to Go For Additional Information

This document, produced by the City of Waco Budget Office, is designed to provide summary information from the City’s 2011-2012 adopted budget. More detailed information on the contents of this book can be found in the 2011-2012 Budget. The Budget, as well as additional information about the City of Waco, can be found on the City’s Web Site, <http://www.waco-texas.com>.

<b>To Find Information on These Topics</b>	<b>Look in the Budget Document or on The City’s Web Site</b>
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You Can Get Involved in the Budget Process	Budget Calendar
Financial Policies	Financial Management Policy Statements
Taxes, Revenues & Expenditures	City Manager’s Letter Budget Message Tax Structure Budget Summaries
Program Changes Including New Programs, Additional Funding	City Manager’s Letter Budget Message Individual Department Summaries
Staffing and Organizational Structure and Changes	Organization Chart Budget Message Personnel Summary Individual Department Summaries
Departmental Plans	Budget Message Individual Department Summaries
Debt Schedule	Debt Service Section
Capital Projects	Capital Improvements Program Section
Glossary of Terms	Appendix A
Fees	Appendix B - Fee Schedule

If you have any other questions about city services  
Call Waco Central  
(254) 299-CITY (2489)

Or contact the Budget Office at (254) 750-5694  
City of Waco  
Budget Office  
Post Office Box 2570  
Waco, TX 76702-2570  
<http://waco-texas.com>