

# FY25 Budget: Major General Revenues, Budget Development Process & Timeline

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June 18, 2024



# OUTLINE OF PRESENTATION

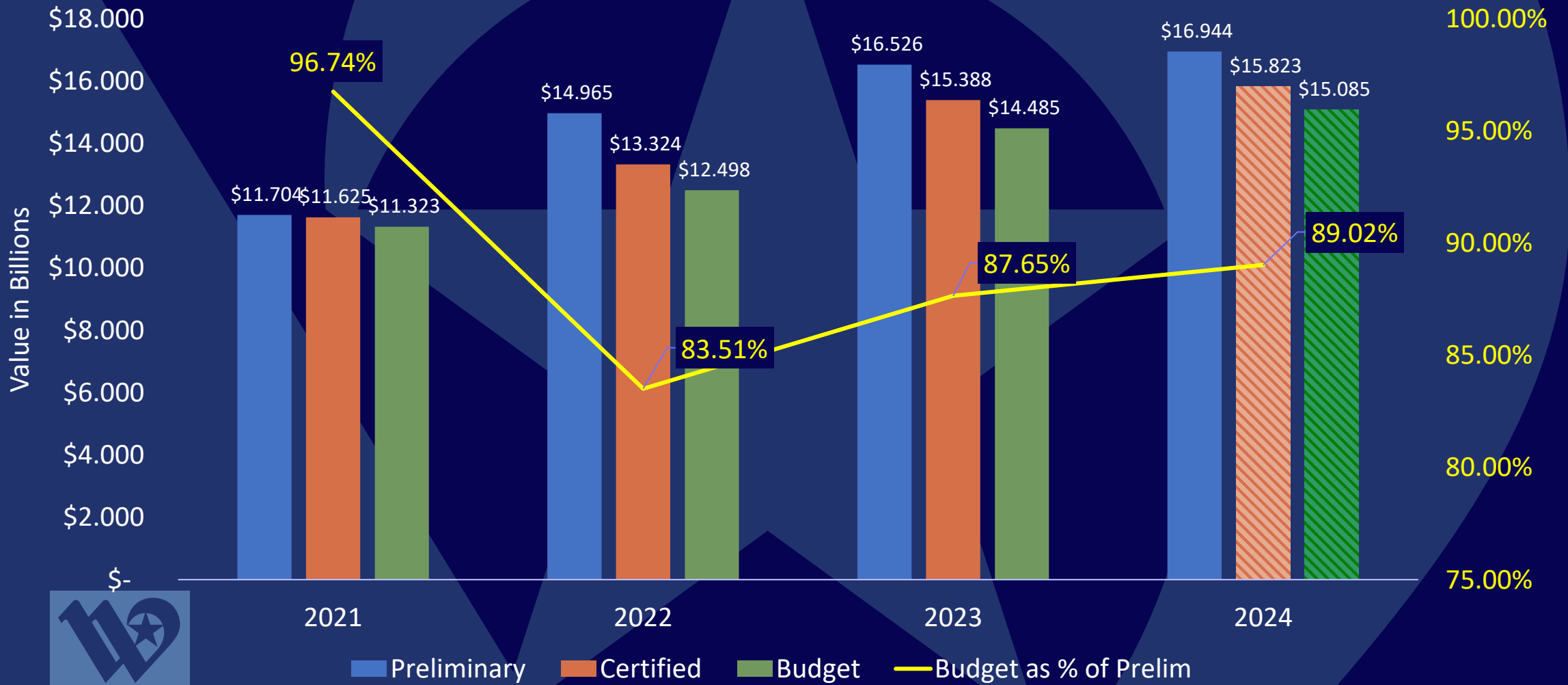
- Property Tax
  - Roll and Rates
- Sales Tax
  - Receipts and Trends
- Budget Development
  - Team
  - Approach
  - Calendar/Timeline



# Property Tax



# TAX ROLLS: TAXABLE VALUES 2021-2024



■ Preliminary ■ Certified ■ Budget — Budget as % of Prelim

# Property Taxes: Waco Budget TAV FY15-FY25\*



Avg Growth 15-24  
8.40%



■ TAV Budget    — YOY Change %

# PROPERTY TAX RATES & REVENUES

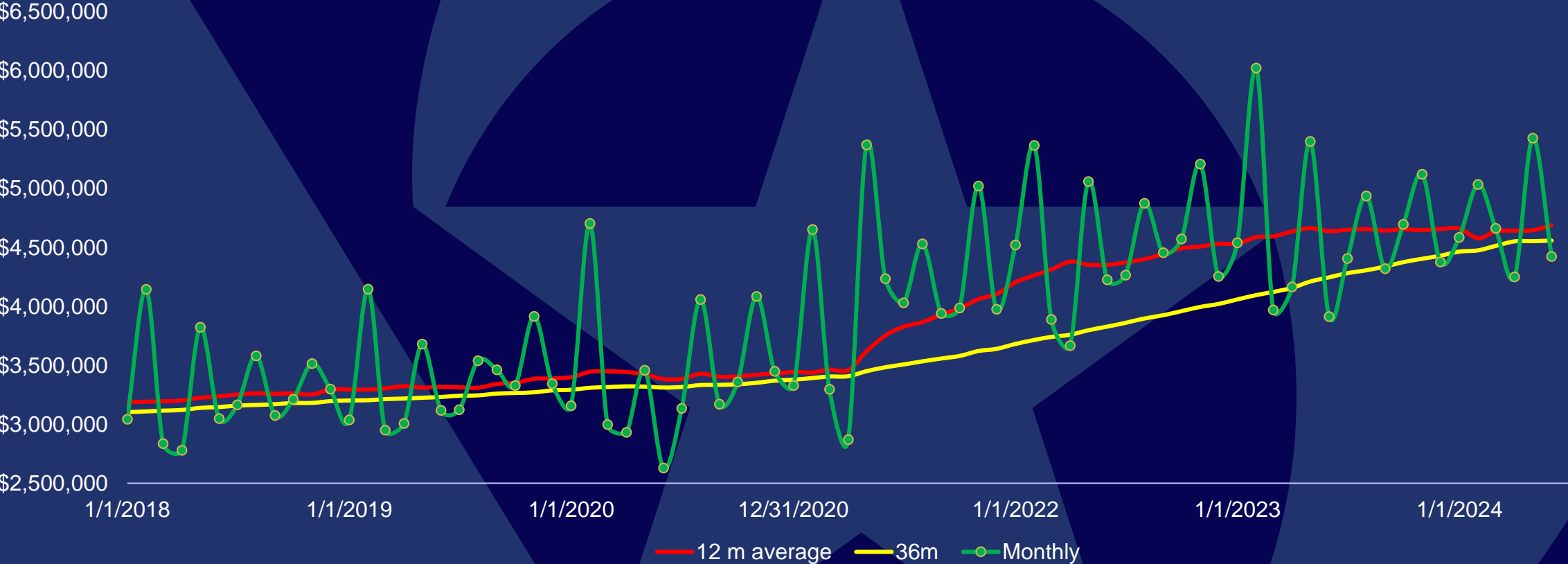
	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>\$ Change</u>	<u>% Change</u>
Total Value after Exemptions/TIF (Budget Value)	\$14,485,011,506	\$15,084,520,859	\$599,509,353	4.1%
Proposed Tax Rate per \$100 Valuation	\$0.755000	\$0.755000	\$0.000000	0.0%
Estimated Gross Revenues	\$109,361,837	\$113,888,132	\$4,526,295	4.1%
Percent (%) of Collection	100.0%	100.0%	0.0%	0.0%
Collections	\$109,361,837	\$113,888,132	\$4,526,295	4.1%
M&O Rate	\$0.614409	\$0.603048	-\$0.011361	-1.8%
M&O Gross Revenue	\$88,997,214	\$90,966,901	\$1,969,687	2.2%
M&O as % of Total Rate	81.4%	79.9%		-1.5%
I&S Requirement	\$20,364,705	\$22,921,355	\$2,556,650	12.6%
I&S Rate	\$0.140591	\$0.151952	\$0.011361	8.1%
I&S as % of Total Rate	18.6%	20.1%		1.5%



# Sales Tax



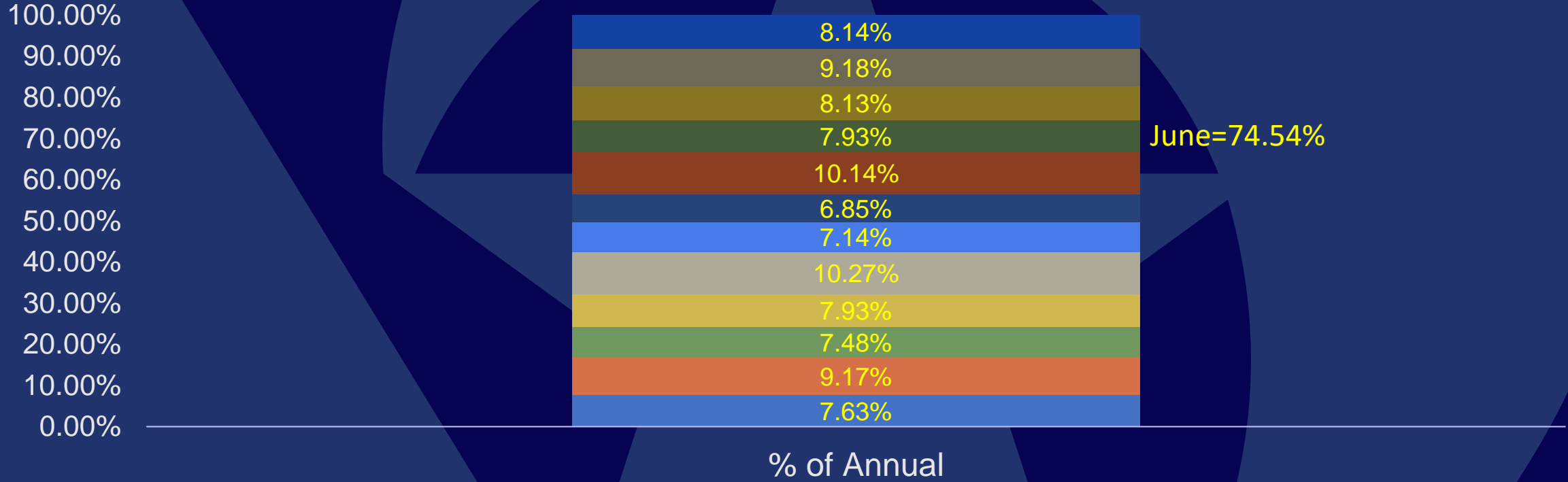
# SALES TAX PAYMENTS AND TRENDS: 2018- PRESENT



**Average Growth Rate in Monthly Sales Tax**  
Pre-May 2021: 2.08%  
May21-April 2022: 5.44%  
Post-April 2022: 2.35%  
Post April 2023: 1.98%



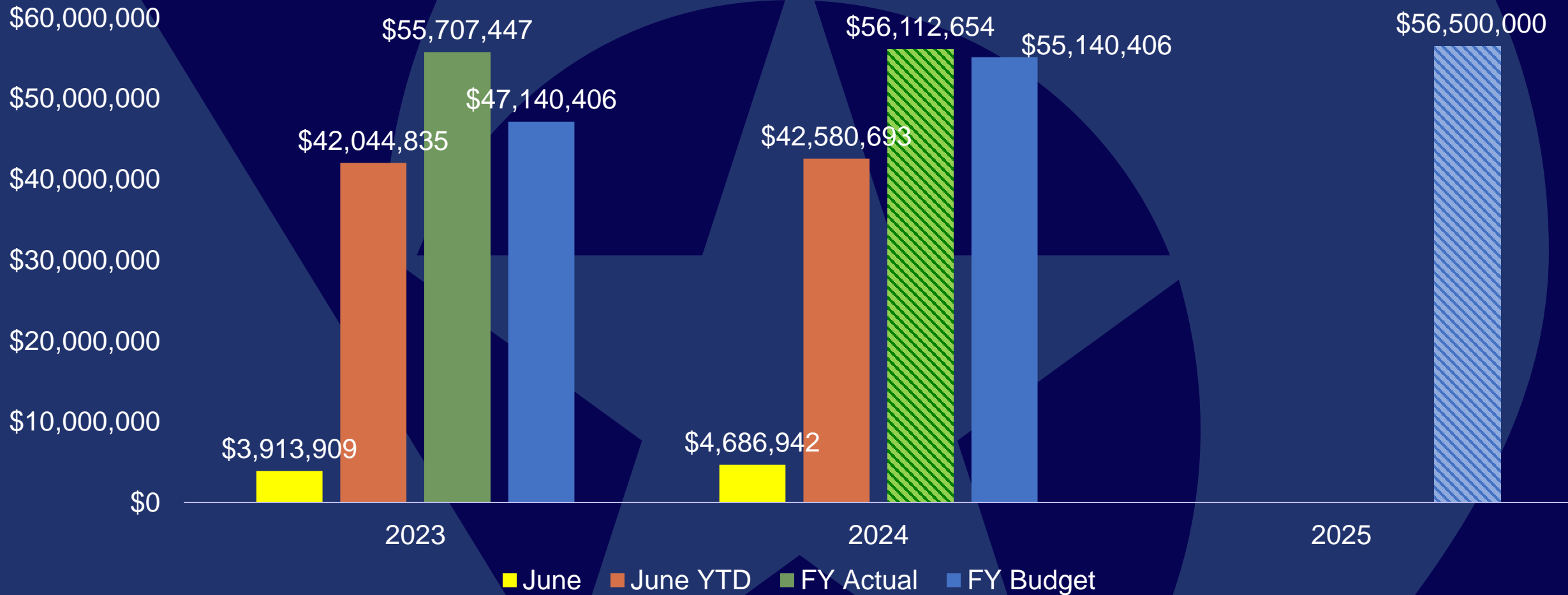
# HISTORICAL MONTHLY SALES TAX AS PERCENT OF TOTAL ANNUAL RECEIPTS (FY21-23)



- Oct (Aug sales)
- Nov (Sept. sales)
- Dec (Oct. sales)
- Jan (Nov. sales)
- Feb (Dec. sales)
- Mar (Jan sales)
- April (Feb sales)
- May (Mar sales)
- June (Apr sales)
- July (May sales)
- Aug (June sales)
- Sept (July sales)



# Sales Tax Overview



# Budget Development



# The Team



# THE APPROACH

## Challenges

- Limited Team
- Decreasing Property Tax Growth
- Flattening Sales Tax Growth
- Inflation
- Compensation
- Capital Improvement Obligations/  
Commitments

## Strategy

- Base Budget Focus
  - Continue Council initiatives
  - Maintain service levels
  - Meet compensation obligations
  - Reduce spending
    - Vacant positions
    - Discretionary accounts
  - Maintain Level Tax Rate
  - Evaluate Fee Schedule
- Set parameters for enterprise fund rates and fee increases
- Defer decision on New Programs and Service Enhancements until mid year 2025



# THE CALENDAR / TIMELINE

- **June 25, 2024 BUDGET & AUDIT**
  - Base Budget/Income Statement Review of major funds
  - Fee Schedule Review
  - Enterprise Fund Rates & Fees
  - Discussion of CMO CIP Recommendation
  - Discussion of Outside Agencies
- **July 2, 2024 CITY COUNCIL MEETING**
  - Worksession Presentation of Proposed Budget to City Council
  - Resolution setting date for Drainage Utility Fee Public Hearing
- *July 25th, 2024 Certified Tax Roll Due from Central Appraisal District*
- **August 6th, 2024 CITY COUNCIL MEETING**
  - Worksession: Summary/Overview Presentation of Budget and Information on Certified Tax Roll.
  - Business Session
    - 1st Reading of Ordinance Setting Departments
    - Certified Tax Roll Published
    - Resolution Setting Date for Public Hearing on Budget



# THE CALENDAR / TIMELINE

## August 13th, 2024 BUDGET AND AUDIT MEETING Final Direction on:

- Operating Budget
- Tax Rate
- Fee Schedule
- Enterprise Rates & Fees
- Changes post Certified Roll

## August 20th, 2024 CITY COUNCIL MEETING

- Worksession Item for Budget Discussion
- Business Meeting
  - Resolution Setting Date for Public Hearing On Tax Rate
  - 2nd Reading of Ordinance Setting Departments

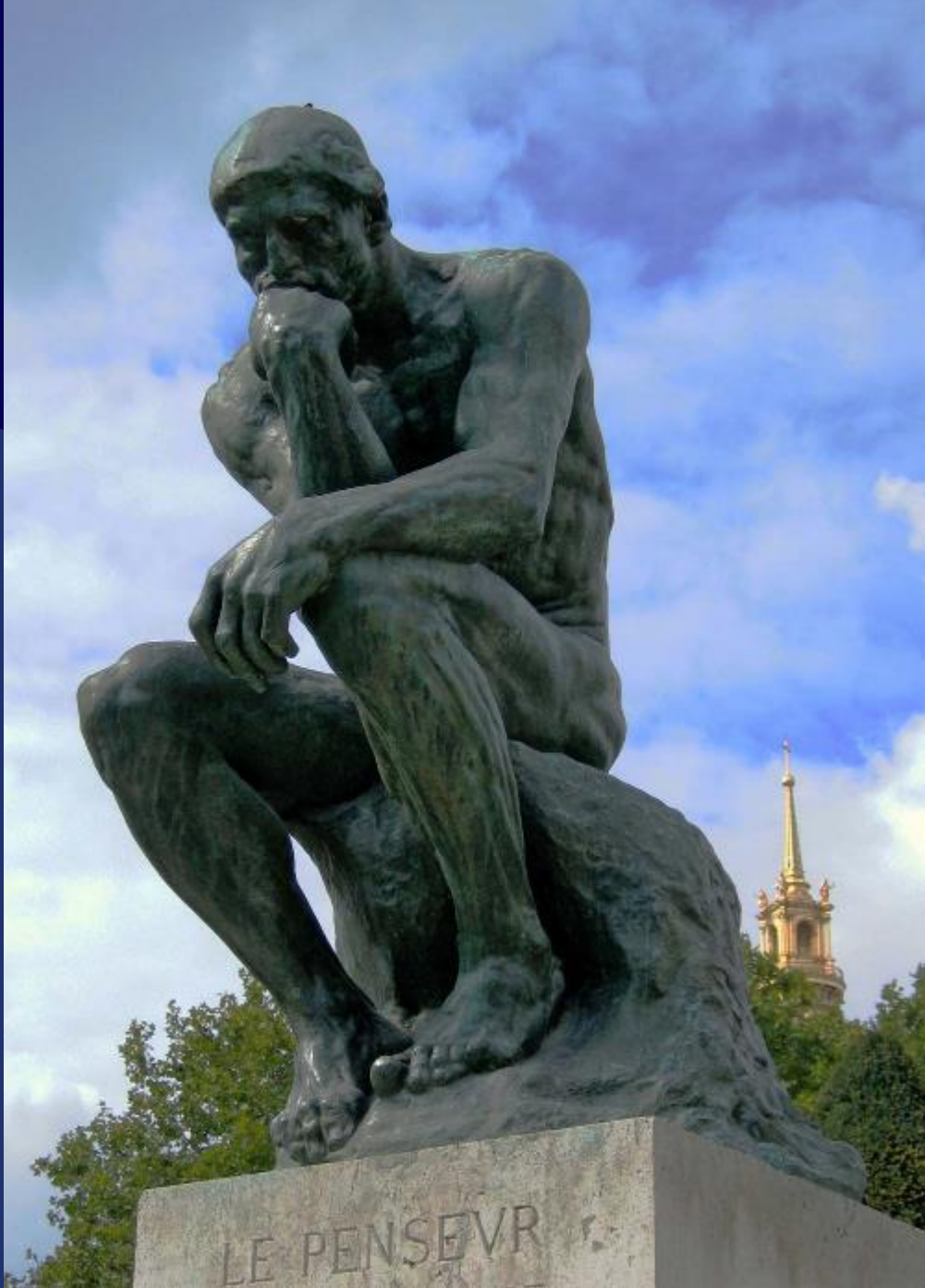
## August 27th, 2024 SPECIAL CALLED CITY COUNCIL MEETING

- Public Hearing on Proposed Budget
- Budget Adoption for 2024-25 fiscal year budget and CIP

## September 3rd, 2024 CITY COUNCIL MEETING

- Public Hearing on Tax Rate
- Emergency Reading of Tax Rate Ordinance





# Questions?