

FISCAL YEAR BUDGET 2024- 2025

CITY MANAGEMENT
AND

OFFICE OF MANAGEMENT AND BUDGET
PRESENTING

Bradley Ford // Paul Cain // Blu Kostelich

Julie Richards // Samantha Poag

July 2, 2024



Budget Presentation Road Map

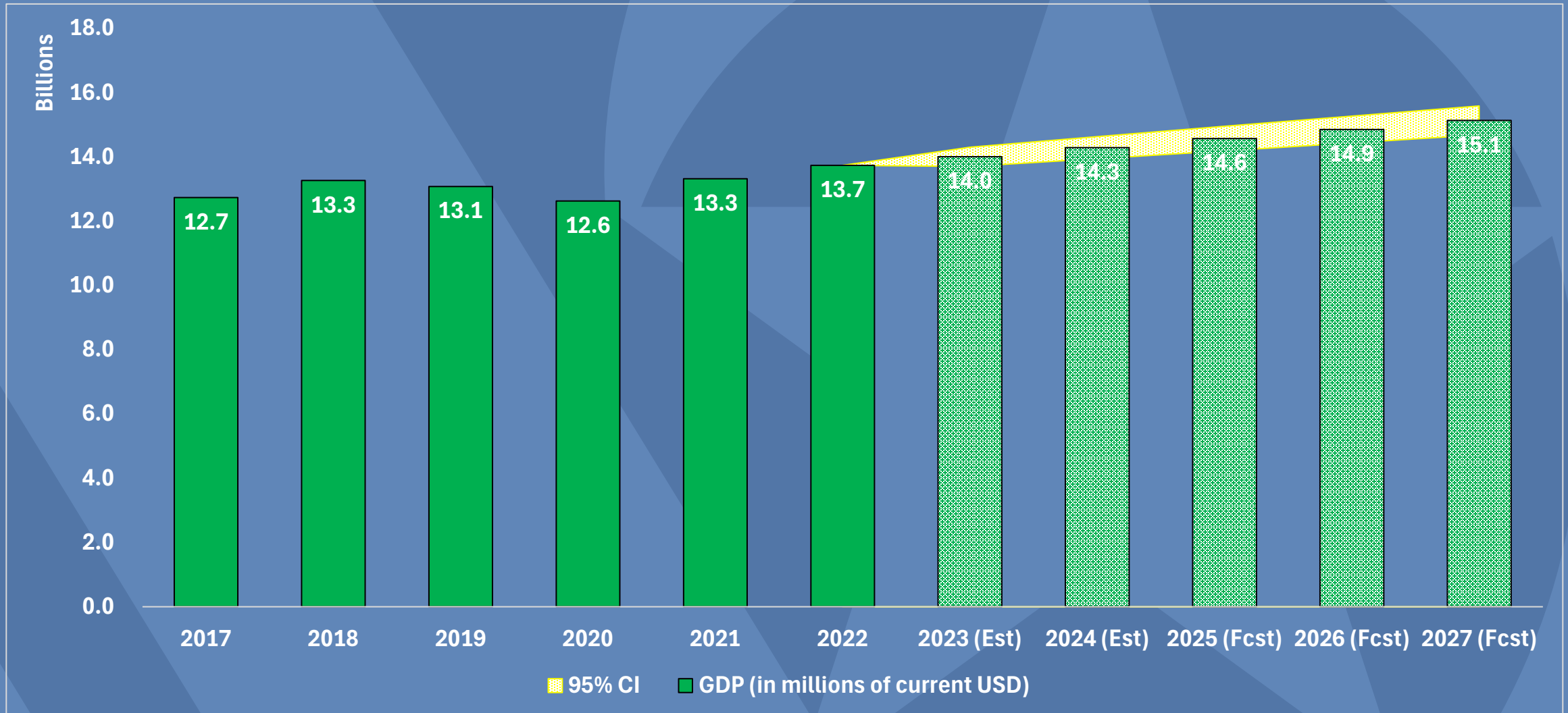
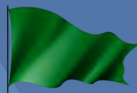
- FY 2024 Year End Economic Forecast
- FY 2024 Getting the Job Done
- FY 2025 Budget Creation Approach
- FY 2025 Proposed Budget
- Future Strategies for Waco





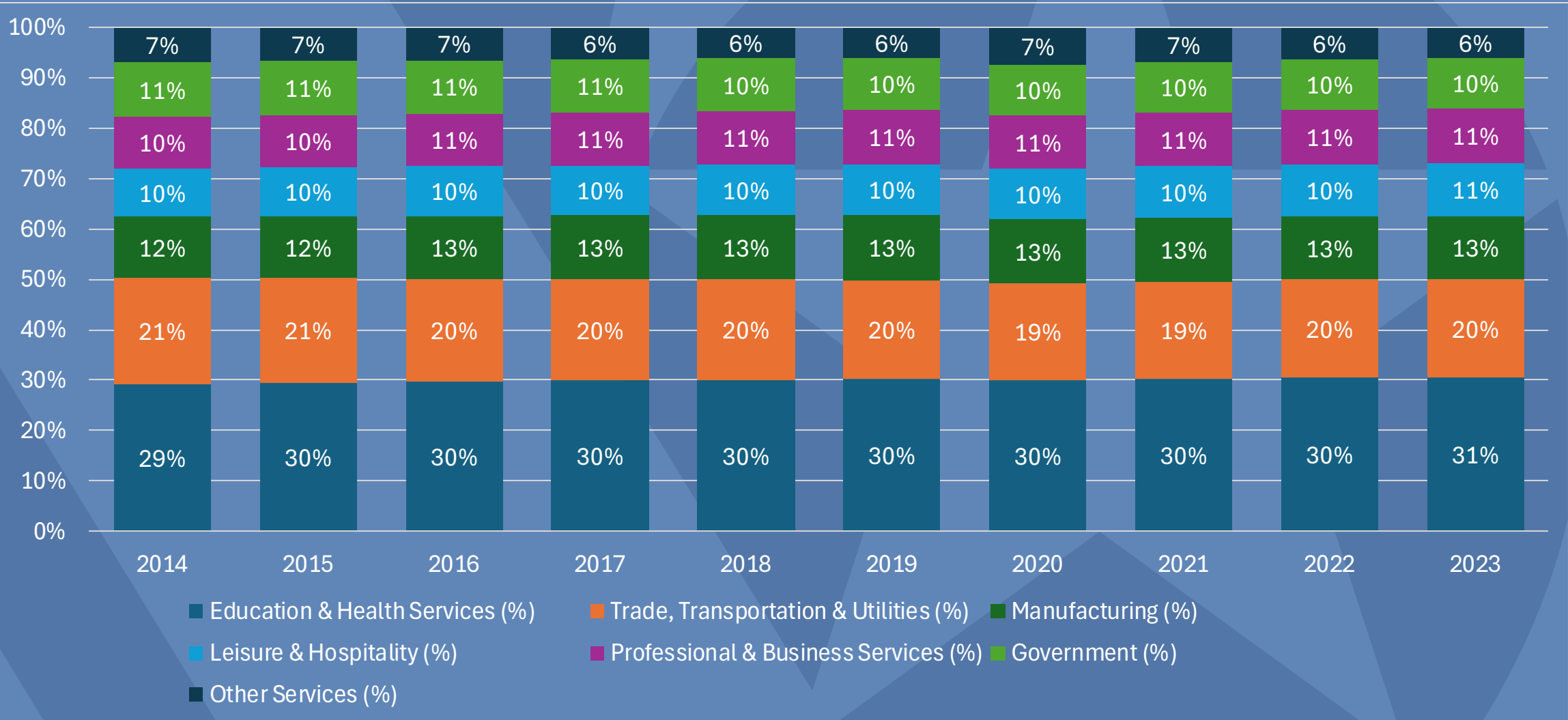
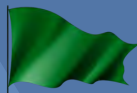
**FY 2024
YEAR END ECONOMIC
FORECAST**

WACO AREA GROSS DOMESTIC PRODUCT



*Bureau of Economic Analysis

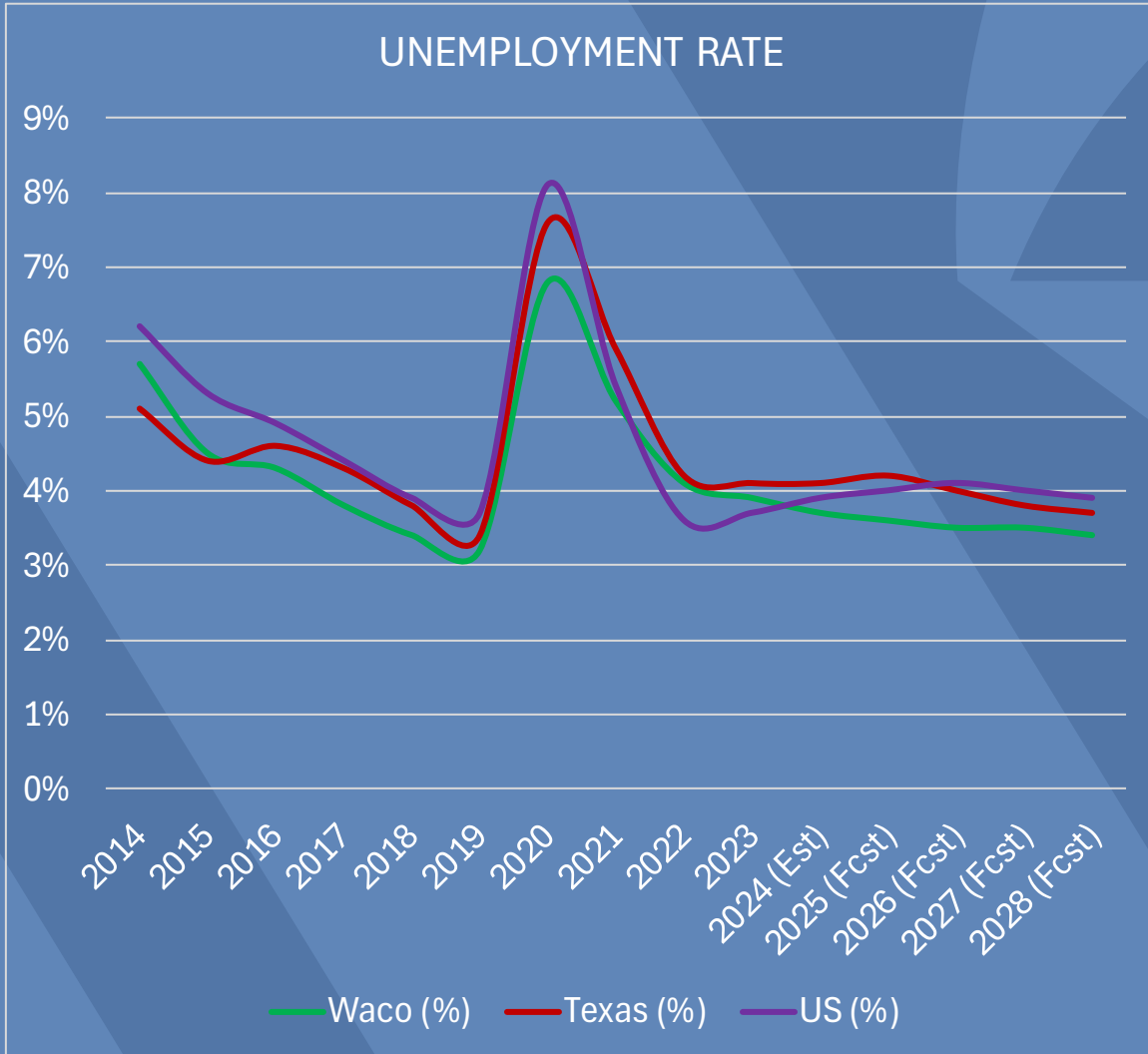
WACO AREA ECONOMIC SECTOR OVERVIEW



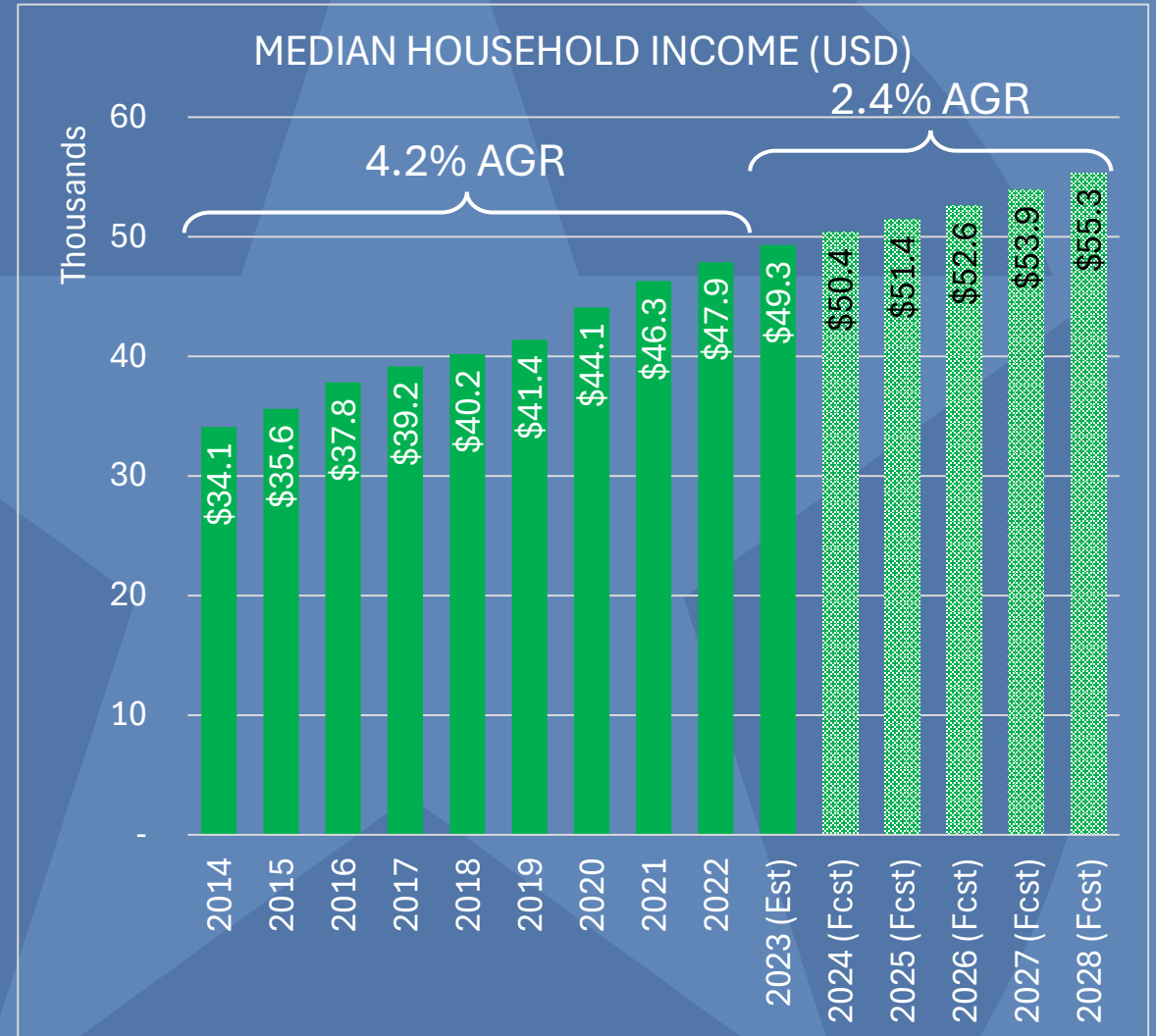
*Bureau of Labor Statistics; Texas Workforce Commission



WACO AREA UNEMPLOYMENT AND MEDIAN HOUSEHOLD INCOME



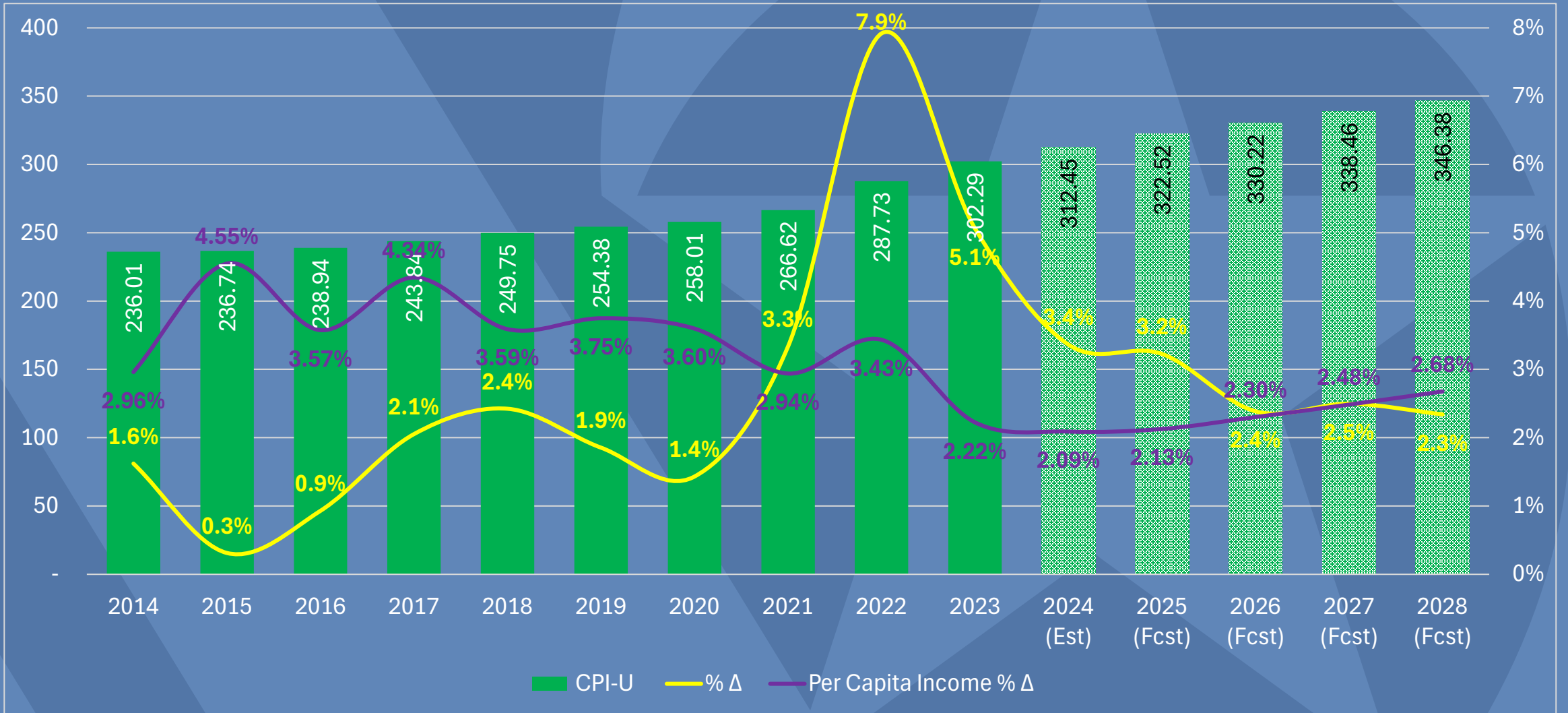
*Bureau of Labor Statistics; Texas Workforce Commission



*Bureau of Labor Statistics



U.S. CONSUMER PRICE INDEX



*Bureau of Labor Statistics



***Fiscal Year 2024
Getting the Job Done***

Recent Accomplishments

Culture & Recreation

Airport

Completed a \$14m Airport Terminal Renovation

Foster Pavillion

Opening of the Foster Pavilion and related public projects

Total Eclipse

Served as a national epicenter for the 2024 Eclipse

Open Space

1,800 acres of open space/parks managed

Penguins

Completion of Penguin Exhibit



A city to believe in.

Recent Accomplishments

Public Safety

Animal Shelter

Live Exit Rate at Animal Shelter
of 93%

Dispatch

95,000+ Police Dispatched
Calls

Fire Department

23,000+ Fire Department
Responses

Animal Control

6,000+ Animal Control Calls

Trucks

Ordered Hazmat truck, Heavy
Rescue truck, and a Ladder
truck for Fire



Recent Accomplishments

Utilities

Trash

98.4% of trash picked up on-time

Water Connections

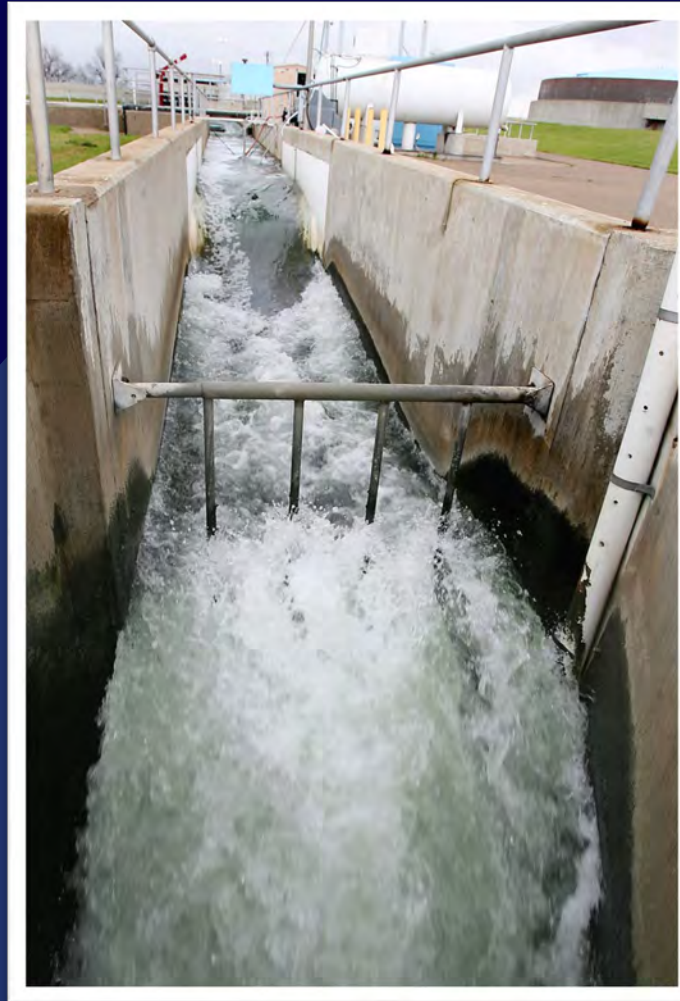
50,000+ water connections

Produced Water

Produced more than 10.2 billion gallons of treated water for the region

Treated Water

Treated more than 7.4 billion gallons of waste-water for the region



Recent Accomplishments

General Government

Grants

More than \$30 million in Federal and State grants

Network Uptime

Computer Network up-time of 99.79%

Time-to-Hire

Reduced average Time-to-Hire from 77 days in FY 22 65 days in FY 23 and maintained a 63 day average in FY 24

Rating

Re-affirmed bond rating of AA+ (one notch below AAA)



FY 2025 BUDGET APPROACH

THE APPROACH

- **Practical Challenges**

- Limited Budget Team
- Property Tax Growth much below five-year trailing history
- Sales Tax Growth has flattened
- Inflation remains a pressure point on the budget
- Compensation: Obligations & Competitiveness
- Capital Improvement Obligations and Commitments

- **Strategy**

- Maintain service levels
- Focus on expense controls and non-personnel spending reductions
- Freeze or remove some vacant positions
- Update rates and fees based on rate studies
- Work towards a balanced budget with no change to the tax rate
- Isolate increases in expenditures to previous agreements

FY 2025 PROPOSED BUDGET

FY 2025 Budget Highlights

- **Maintains current tax rate of \$0.7550 cents per \$100 valuation (lowest in 16+ years)**
- **Balanced Budget Approach**
 - General Fund expenses reduced by \$1.2 million vs. current adopted
 - Reduced \$7.6 million in non-personnel expenses vs. current adopted
 - Decision on new programs/services delayed to midyear
 - Operational reserve above 28% policy (30%)
 - Total Funding for Outside Agencies at current year level; Individual allocations TBD
 - Combined Utility Bill increasing \$7.38 per month: total bill lower than 2021 adjusted for inflation

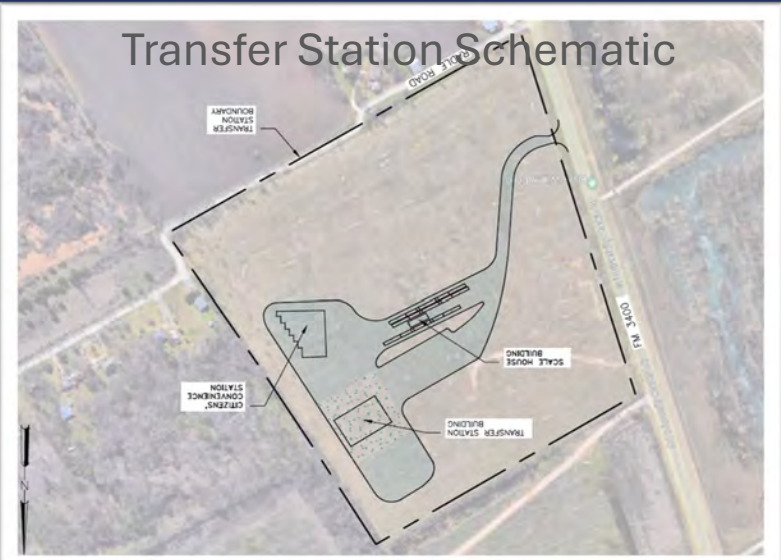
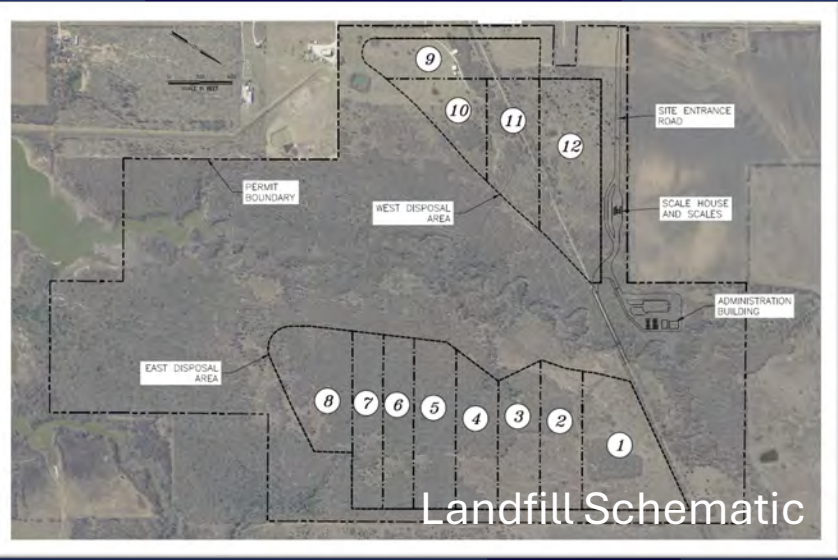
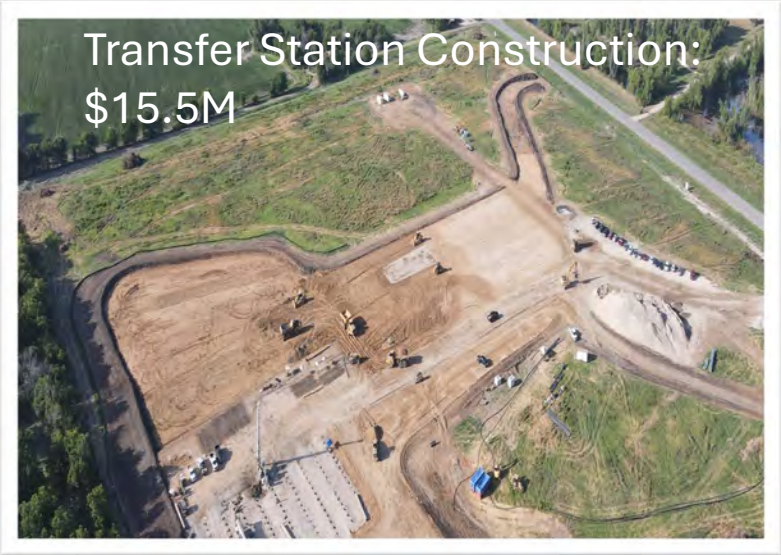
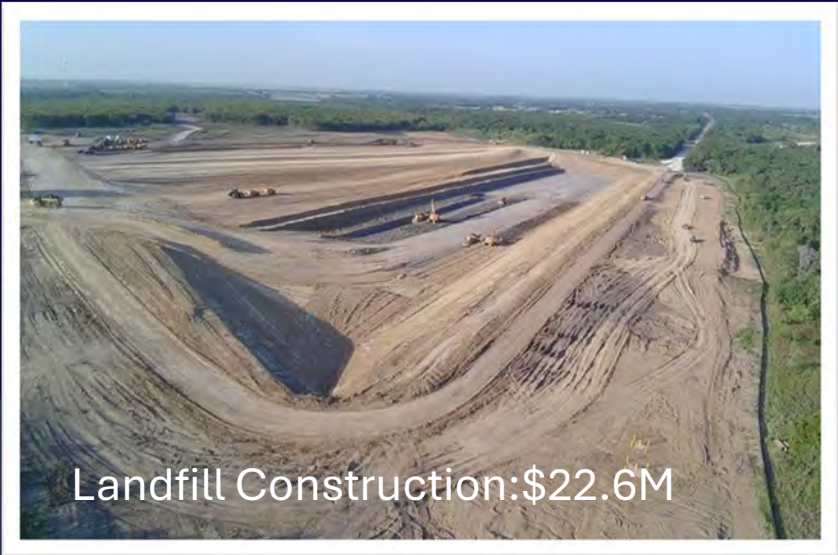
FY 2025 Budget Highlights

- **Funded Long-Term Commitments**

- Year 2 of the Police and Fire Contracts: +7.2% increase (+\$3.3 million)
- Non-Civil Service Employee Compensation: +3% (+\$2.7 million)
- TMRS: Funded liability at 85%; City contribution 18.04%
- Health Insurance: City +9.7% (\$1.5 million); Employees share +6.5% (\$226,000)
- WMCEDC increased to an annual contribution of \$4.35 million
- Airport Fund General Fund subsidy returns due to expiring CARES funding (\$1.2 million)

- **No Reductions to Core City Services Required**

FY 2025 Project Completion Highlights



**Both Complete
by June 2025**

Fire Station 15



\$5.87M

Complete March 2025



Other FY 2025 Completion Highlights

- Infrastructure extension/expansion supporting investment and job growth in the Business Park
 - +/- \$65M in public infrastructure to support more than \$1.4B in new investment by industrial companies
- Three fire engines, three brush trucks put into service
 - Average age of frontline fleet: 3.6 years (10.5 years in 2020)

FY 2025 Project Initiation Highlights

Floyd Casey Park

Arrival Plaza

Floyd Casey Park \$25 M

Design Complete: Oct. 2024
Construction: May 2025
Complete: July 2026



Design Intention



CHINA SPRING PARK VISION PLAN - PHASE 1



Nature Trails



Prairie



Nature Play



Splash Pad



Pavilion



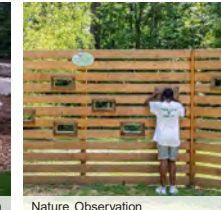
Skate Park (Future Phase)



Open Activity Lawn



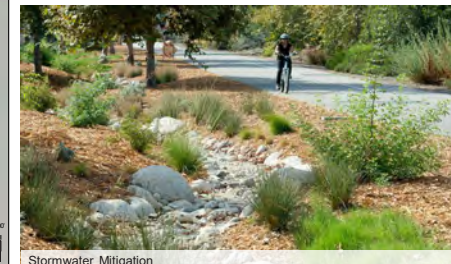
Outdoor Classroom (Future Phase)



Nature Observation



Material Inspiration - Historic Barn



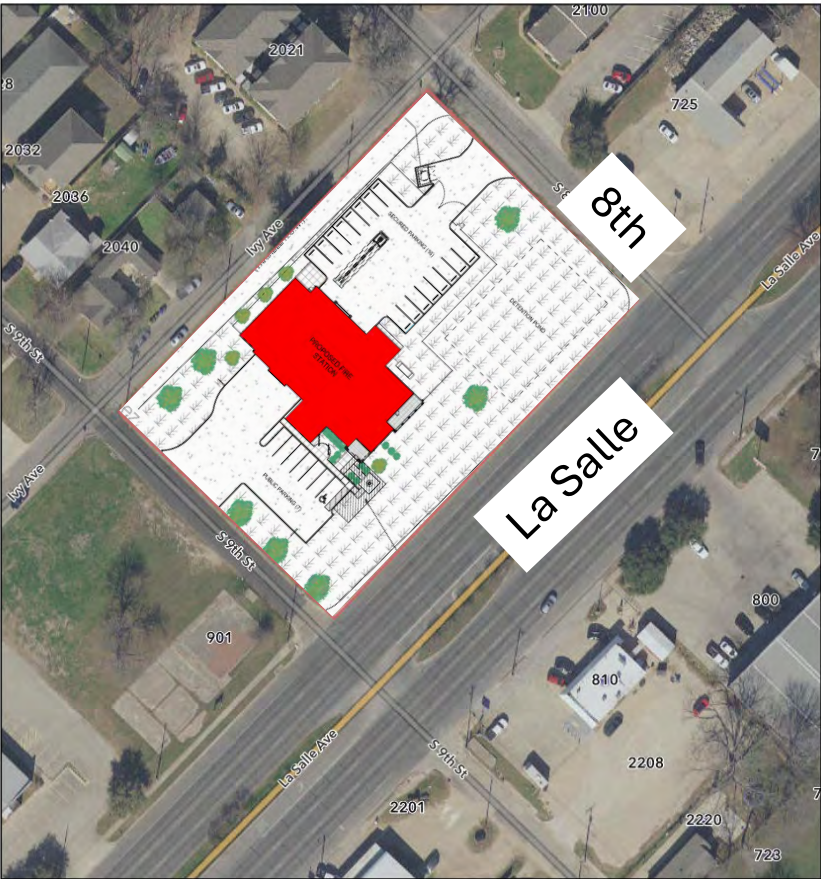
Stormwater Mitigation

Fire Sta. 4 on LaSalle: \$7.02M

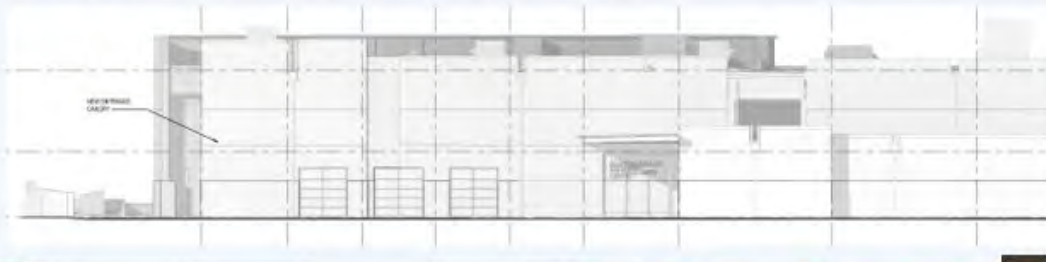
Start: May 2025

Complete: August 2026

Fire Station 4 Location



STEAM Center



Bledsoe-Miller STEAM Center: \$13.8M

Construction Start: Jan. 2025

Completion: Jan. 2026

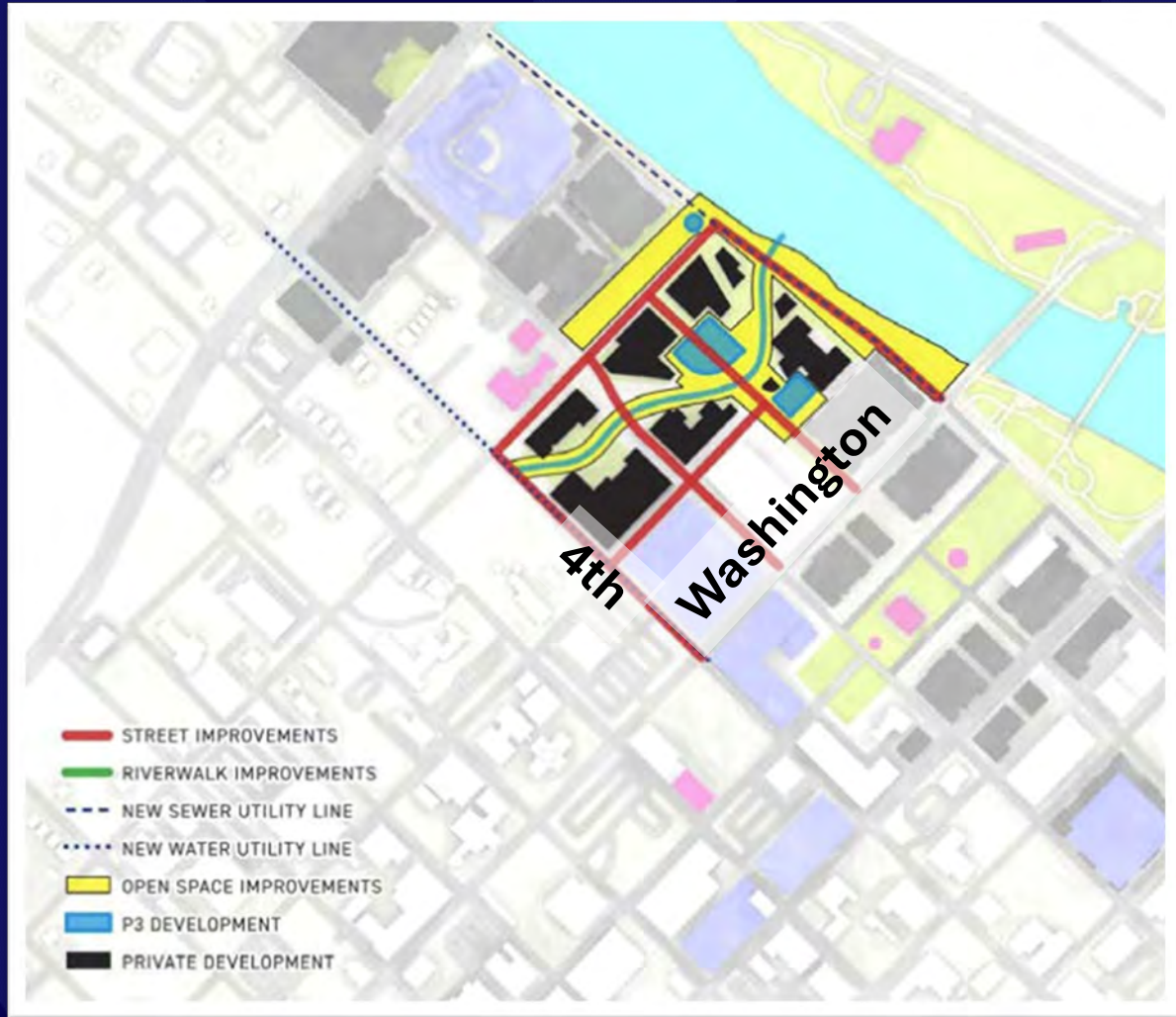
New Animal Clinic/Hospital \$5.2M

Design: Aug 2024- June 2025

Construction: Aug 2025-June 2026



Design & Engineering- Phase 1A, Downtown Strategic Roadmap: \$12.6 M



INTERPRETIVE OPPORTUNITIES

Re-constructed Riverwalk: Webster to Baylor Law: \$25M

Bid Advertisement: July 2024
 Construction Start: October 2024
 Completion: April 2026



Railroad Quiet Zones- Peach to 13th : \$5.5 M

Construction Start: Fiscal Year 2025





**2.5MGD Expansion of Bull Hide WWTP
(4.0 MGD Total): \$70M**

Construction Start: July 2025

Completion: July 2027

GENERAL FUND

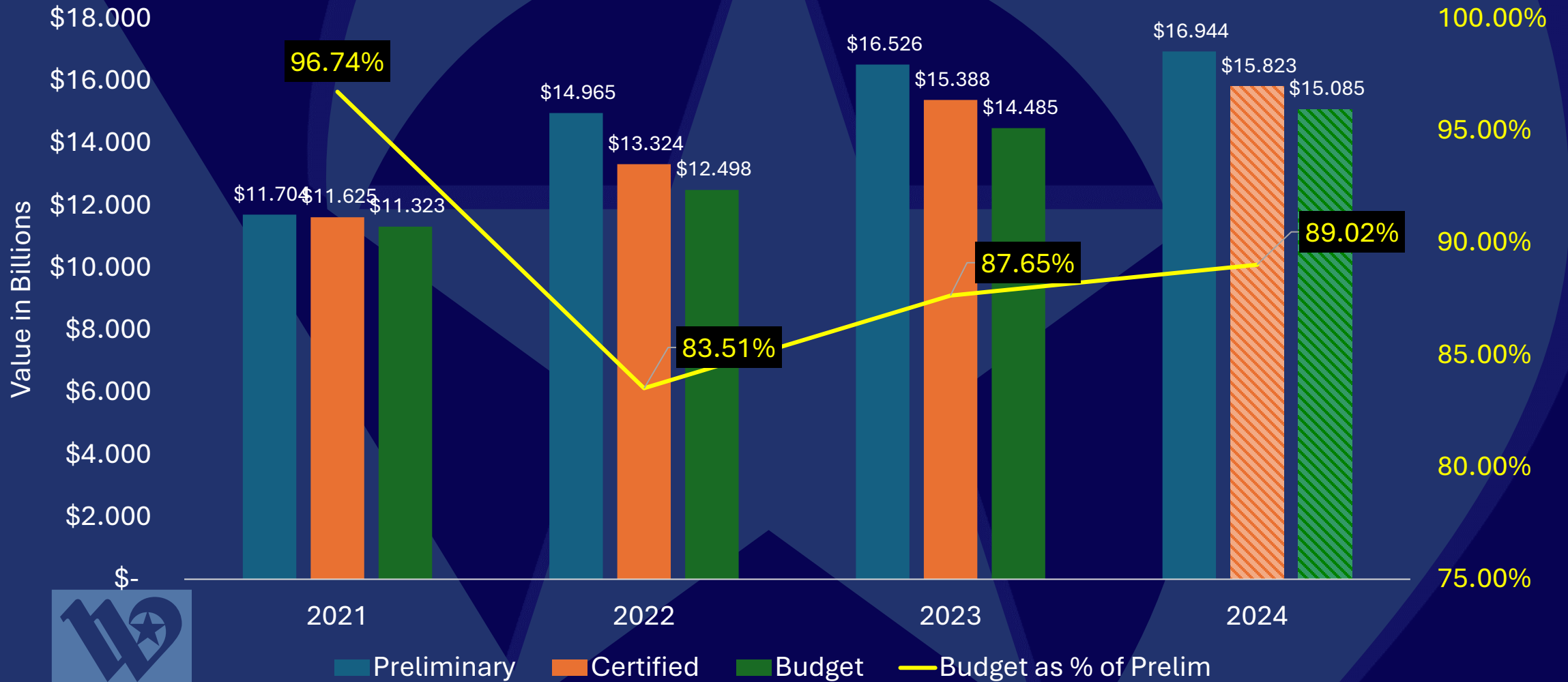
The background features several overlapping geometric shapes in different shades of blue. On the left, there is a large, dark blue triangle pointing downwards. To its right, a medium blue shape with a rounded top and a pointed bottom overlaps it. Further right, a large, light blue semi-circle is partially visible. In the bottom right, there are two dark blue shapes that resemble the top and bottom halves of a triangle or a stylized letter 'A', overlapping each other and the semi-circle.

FY25 General Fund: Income Statement / Summary of Fund Balance

	FY23 Actuals	FY24 Adopted	FY24 Year End Estimate	FY25 Proposed
Revenues				
41-Taxes	\$ 155,217,559	\$ 168,782,691	\$ 168,608,777	\$ 173,189,713
42-Licenses and Permits	\$ 3,258,453	\$ 2,899,129	\$ 3,135,150	\$ 3,158,700
43-Intergovernmental	\$ 2,760,165	\$ 2,104,899	\$ 2,646,899	\$ 2,449,949
44-Charges for Svc-Gov	\$ 2,863,857	\$ 927,779	\$ 973,400	\$ 998,669
45-Fines	\$ 1,464,822	\$ 1,472,360	\$ 1,362,500	\$ 1,677,500
46-Interest	\$ 7,204,569	\$ 4,000,000	\$ 6,500,000	\$ 4,000,000
47-Contributions	\$ 707,260	\$ 696,300	\$ 795,300	\$ 798,050
48-Other	\$ 13,830,288	\$ 15,437,694	\$ 15,889,493	\$ 16,186,924
49-Interdept Billing	\$ 2,618,064	\$ -	\$ -	\$ -
52-Net Merchandise Sale	\$ 438,020	\$ -	\$ -	\$ -
59-Transfers In	\$ 50,000	\$ 7,390,656	\$ 50,000	\$ 50,000
Revenues Total	\$ 190,413,056	\$ 203,711,508	\$ 199,961,519	\$ 202,509,505
Expenditures				
60-Salaries and Wages	\$ 80,045,547	\$ 81,391,494	\$ 83,312,279	\$ 86,706,322
61-Employee Benefits	\$ 30,601,817	\$ 32,522,887	\$ 31,504,801	\$ 33,586,855
62-Purch Profess/Tech	\$ 13,488,261	\$ 12,797,200	\$ 12,269,406	\$ 12,159,656
63-Purch Property Svc	\$ 2,120,022	\$ 1,828,893	\$ 1,311,626	\$ 1,734,635
64-Maintenance	\$ 5,935,588	\$ 6,377,383	\$ 4,785,541	\$ 5,370,566
65-Other Purchased Svc	\$ 4,509,450	\$ 5,203,309	\$ 5,405,361	\$ 5,337,166
66-Supplies	\$ 9,736,695	\$ 9,260,730	\$ 6,949,874	\$ 8,464,152
67-Other Operating Exp	\$ 910,745	\$ 780,497	\$ 731,903	\$ 4,027,191
68-Contracts with Other	\$ 2,802,747	\$ 6,252,004	\$ 5,326,795	\$ 5,885,139
69-Billings	\$ 2,324	\$ 4,759	\$ 6,035	\$ 4,754
75-Capital Expenditures	\$ 3,727,271	\$ 741,000	\$ 1,132,970	\$ -
89-Transfers Out	\$ 30,896,608	\$ 46,551,352	\$ 52,800,352	\$ 39,233,069
Expenditures Total	\$ 184,777,076	\$ 203,711,508	\$ 205,536,943	\$ 202,509,505
Net Increase (Decrease) in Fund Balance	\$ 5,635,980	\$ -	\$ (5,575,424)	\$ -
Unassigned Fund Balance, beginning of the ye	\$ 60,685,519	\$ 66,321,499	\$ 66,321,499	\$ 60,746,075
Unassigned Fund Balance, end of the year	\$ 66,321,499	\$ 66,321,499	\$ 60,746,075	\$ 60,746,075



TAX ROLLS: TAXABLE VALUES 2021-2024



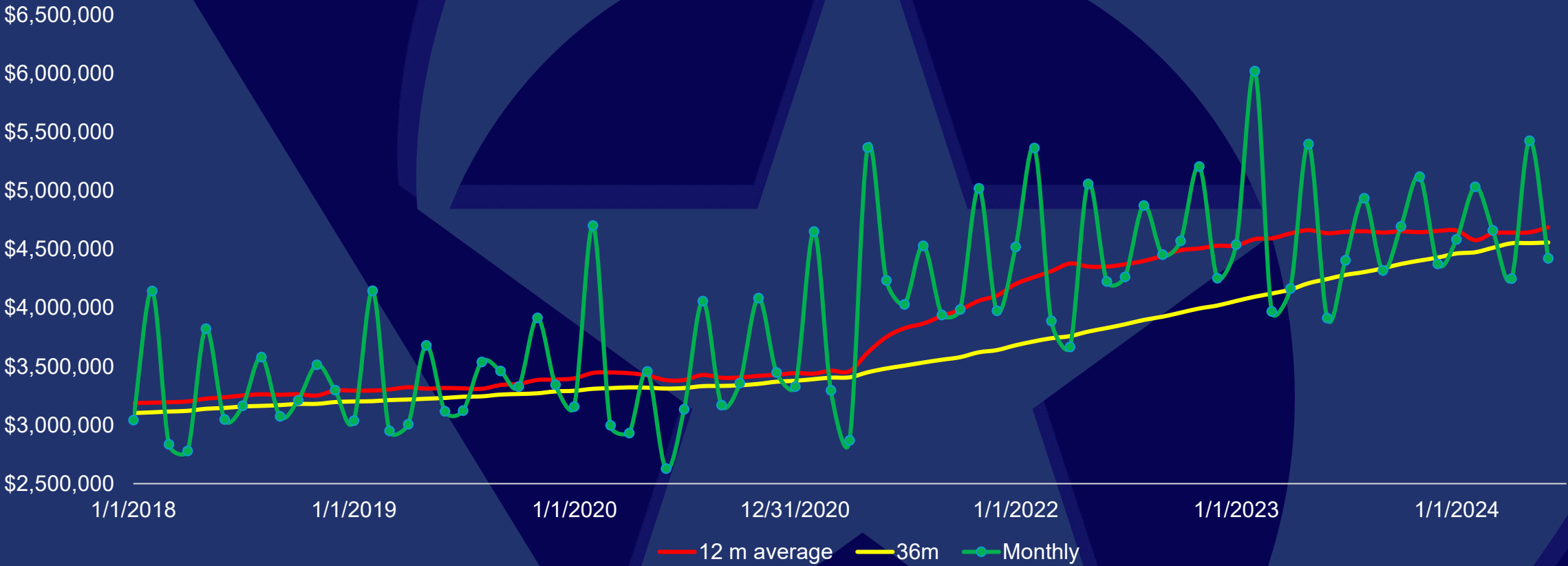
■ Preliminary ■ Certified ■ Budget — Budget as % of Prelim

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%

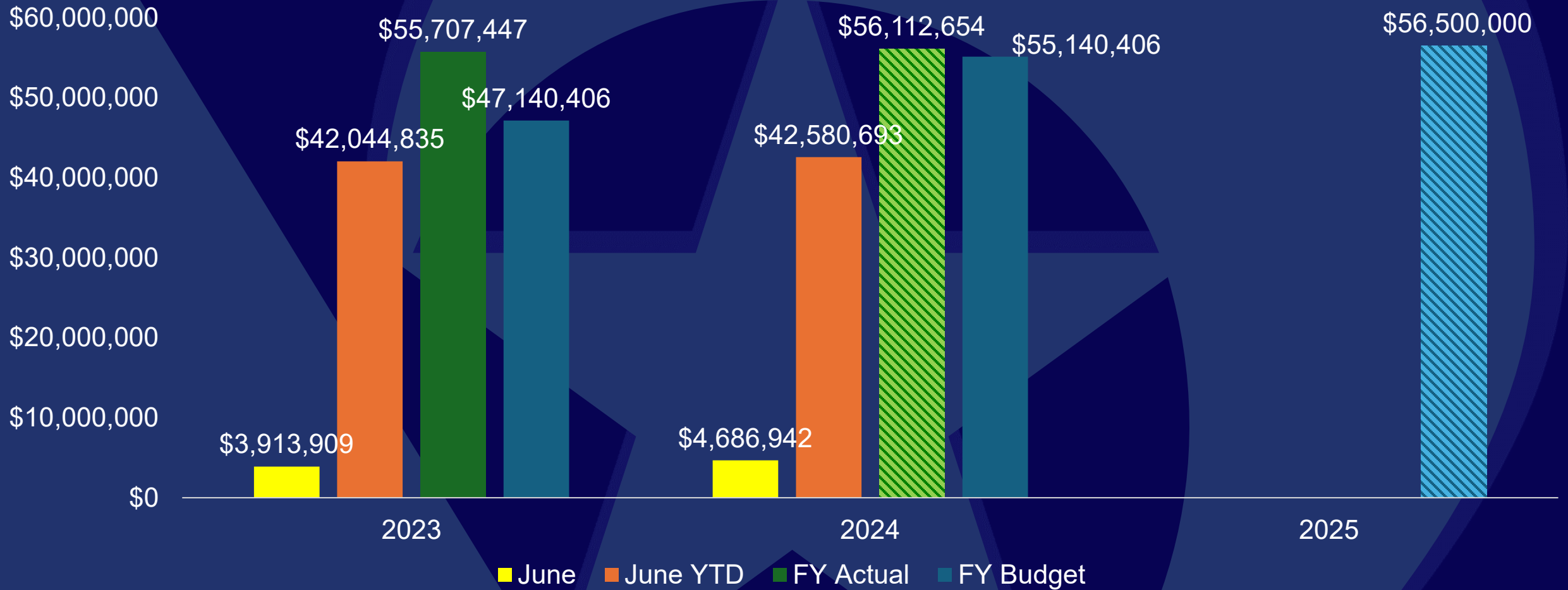


SALES TAX PAYMENTS AND TRENDS: 2018- PRESENT



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%

Sales Tax Overview



General Fund Expenditures

DEPARTMENT VIEW					
All Expenses	FY24 Adopted	FY25 Proposed	\$ change from FY24	% change from FY24	
	Budget	Budget	to FY25	to FY25	
	FY23 Actuals				
00-General Fund	\$ 13,049,475	\$ -	\$ -	-	NA
01 City Manager's Office	\$ 3,195,977	\$ 4,085,274	\$ 3,875,371	\$ (209,903)	-5.14%
0102 City Council	\$ 325,184	\$ 347,769	\$ 355,411	\$ 7,642	2.20%
0104 Economic Development	\$ 789,219	\$ 755,047	\$ 990,092	\$ 235,045	31.13%
0106 Neighborhood Engagement	\$ 379,246	\$ 545,577	\$ 478,704	\$ (66,873)	-12.26%
0108 Sustainability	\$ 113,492	\$ 152,899	\$ 135,174	\$ (17,725)	-11.59%
0109 Beautification	\$ -	\$ -	\$ 543,239	\$ 543,239	NA
03 City Secretary's Office	\$ 791,482	\$ 962,852	\$ 943,117	\$ (19,735)	-2.05%
05 Finance	\$ 4,252,536	\$ 4,601,014	\$ 4,741,913	\$ 140,899	3.06%
06 Legal	\$ 1,627,894	\$ 1,841,133	\$ 1,916,003	\$ 74,870	4.07%
08 Development Services	\$ 4,805,566	\$ 7,334,171	\$ 5,823,660	\$ (1,510,511)	-20.60%
09 Human Resources	\$ 2,145,722	\$ 2,552,155	\$ 2,736,152	\$ 183,997	7.21%
10 Marketing & Communications	\$ 1,574,850	\$ 1,845,925	\$ 1,962,572	\$ 116,647	6.32%
13 Facilities	\$ 4,548,784	\$ 5,401,745	\$ 5,217,701	\$ (184,044)	-3.41%
16 Contributions	\$ 27,068,706	\$ 53,253,869	\$ 43,926,693	\$ (9,327,176)	-17.51%
17 Miscellaneous	\$ 9,871,912	\$ (1,085,613)	\$ 2,714,605	\$ 3,800,218	-350.05%
19 Municipal Court	\$ 1,390,555	\$ 1,615,248	\$ 1,479,825	\$ (135,423)	-8.38%
20 Animal Services	\$ 2,756,244	\$ 3,387,823	\$ 3,579,456	\$ 191,633	5.66%
21 Emergency Management	\$ 1,331,155	\$ 2,018,994	\$ 1,756,385	\$ (262,609)	-13.01%
22 Fire	\$ 34,050,340	\$ 36,217,506	\$ 38,673,902	\$ 2,456,396	6.78%
23 Police	\$ 49,928,506	\$ 58,049,278	\$ 60,829,600	\$ 2,780,322	4.79%
31 Library	\$ 5,166,730	\$ 5,494,014	\$ 5,660,554	\$ 166,540	3.03%
32-33 Parks & Rec	\$ 14,878,481	\$ 13,259,607	\$ 13,151,053	\$ (108,554)	-0.82%
34 Housing	\$ 735,018	\$ 1,075,221	\$ 1,018,323	\$ (56,898)	-5.29%
Grand Total	\$ 184,777,076	\$ 203,711,508	\$ 202,509,505	-\$1,202,003	-0.59%

Excluding Personnel	FY23 Actuals	Adopted Budget	FY25 Proposed Budget	\$ change from FY24 to FY25	% change from FY24 to FY25
	00-General Fund	\$ 8,063,603	\$ -	\$ -	\$ -
01 City Manager's Office	\$ 536,836	\$ 676,559	\$ 642,626	\$ (33,933)	-5.02%
0102 City Council	\$ 197,295	\$ 220,168	\$ 223,147	\$ 2,979	1.35%
0104 Economic Development	\$ 233,151	\$ 170,980	\$ 182,017	\$ 11,037	6.46%
0106 Neighborhood Engagement	\$ 102,279	\$ 181,191	\$ 90,115	\$ (91,076)	-50.27%
0108 Sustainability	\$ -	\$ 27,114	\$ 5,530	\$ (21,584)	-79.60%
0109 Beautification	\$ -	\$ -	\$ 303,425	\$ 303,425	NA
03 City Secretary's Office	\$ 229,795	\$ 305,121	\$ 244,734	\$ (60,387)	-19.79%
05 Finance	\$ 506,328	\$ 623,725	\$ 636,437	\$ 12,712	2.04%
06 Legal	\$ 62,250	\$ 99,099	\$ 125,950	\$ 26,851	27.10%
08 Development Services	\$ 1,214,959	\$ 2,493,182	\$ 1,362,642	\$ (1,130,540)	-45.35%
09 Human Resources	\$ 359,515	\$ 344,124	\$ 351,250	\$ 7,126	2.07%
10 Marketing & Communications	\$ 139,595	\$ 184,487	\$ 256,977	\$ 72,490	39.29%
13 Facilities	\$ 2,618,313	\$ 3,006,699	\$ 2,781,161	\$ (225,538)	-7.50%
16 Contributions	\$ 27,059,781	\$ 53,203,869	\$ 43,906,693	\$ (9,297,176)	-17.47%
17 Miscellaneous	\$ 7,962,757	\$ 1,914,387	\$ 5,714,605	\$ 3,800,218	198.51%
19 Municipal Court	\$ 266,384	\$ 324,842	\$ 270,024	\$ (54,818)	-16.88%
20 Animal Services	\$ 1,206,389	\$ 1,281,087	\$ 1,237,519	\$ (43,568)	-3.40%
21 Emergency Management	\$ 828,919	\$ 1,461,988	\$ 1,184,000	\$ (277,988)	-19.01%
22 Fire	\$ 4,132,424	\$ 4,390,257	\$ 4,341,385	\$ (48,872)	-1.11%
23 Police	\$ 8,985,592	\$ 10,849,399	\$ 10,401,114	\$ (448,285)	-4.13%
31 Library	\$ 2,192,481	\$ 2,077,086	\$ 2,141,843	\$ 64,757	3.12%
32-33 Parks & Rec	\$ 6,980,984	\$ 5,687,288	\$ 5,554,768	\$ (132,520)	-2.33%
34 Housing	\$ 250,080	\$ 274,475	\$ 258,366	\$ (16,109)	-5.87%
Grand Total	\$ 74,129,712	\$ 89,797,127	\$ 82,216,328	-\$7,580,799	-8.44%



UTILITY FUND STATEMENTS

FY25 Water Fund: Income Statement / Summary of Fund Balance

			FY24 Year End	
	FY23 Actuals	FY24 Adopted	Estimate	FY25 Proposed
Revenues				
43-Intergovernmental	\$ 23,745	\$ -	\$ -	\$ -
46-Interest	\$ 2,043,505	\$ 1,200,000	\$ 3,371,138	\$ 1,200,000
47-Contributions	\$ 5,712,350	\$ -	\$ -	\$ -
48-Other	\$ 392,304	\$ 513,344	\$ 251,392	\$ 363,344
49-Interdepartmental Billing	\$ 3,350,751	\$ 3,651,599	\$ 3,697,784	\$ 4,057,387
51-Charges for Services	\$ 62,077,425	\$ 61,427,053	\$ 61,299,105	\$ 67,410,807
59-Transfers In	\$ 7	\$ -		\$ 535,065
Revenues Total	\$ 73,600,087	\$ 66,791,996	\$ 68,619,419	\$ 73,566,603
Expenditures				
60-Salaries and Wages	\$ 6,972,755	\$ 7,660,460	\$ 7,437,234	\$ 8,694,477
61-Employee Benefits	\$ 3,129,282	\$ 3,289,935	\$ 3,069,329	\$ 3,722,821
62-Purch Professional/Technical Services	\$ 2,337,565	\$ 3,207,151	\$ 4,397,881	\$ 2,953,865
63-Purchased Property Services	\$ 212,930	\$ 219,237	\$ 343,245	\$ 200,827
64-Maintenance	\$ 4,265,408	\$ 4,621,185	\$ 6,622,247	\$ 6,573,478
65-Other Purchased Services	\$ 1,185,140	\$ 2,034,909	\$ 2,807,520	\$ 2,029,118
66-Supplies	\$ 6,527,513	\$ 6,899,151	\$ 8,955,065	\$ 6,899,076
67-Other Operating Expenses	\$ 10,496,393	\$ 10,634,814	\$ 10,833,563	\$ 11,326,202
68-Contracts with Other	\$ 8,400	\$ 10,000	\$ 17,500	\$ 10,000
69-Interdepartmental Billings	\$ 552,522	\$ 530,000	\$ 30,000	\$ 20,419
75-Capital Expenditures	\$ 2,518,284	\$ 418,000	\$ 2,480,585	\$ 450,000
89-Transfers Out	\$ 23,347,829	\$ 24,315,852	\$ 24,315,852	\$ 25,764,084
Expenditures Total	\$ 61,554,021	\$ 63,840,694	\$ 71,310,021	\$ 68,644,367
Net Increase (Decrease) in Fund Balance	\$ 12,046,066	\$ 2,951,302	\$ (2,690,602)	\$ 4,922,236
Unassigned Fund Balance, beginning of the year	\$48,665,482	\$60,711,548	\$60,711,548	\$58,020,946
Unassigned Fund Balance, end of the year	\$60,711,548	\$63,662,850	\$58,020,946	\$62,943,182
Policy Minimum	\$ 25,780,000	\$ 25,138,510	\$ 26,782,217	\$ 25,202,417
Amount Over/(Under) Policy Minimum	\$34,931,548	\$38,524,340	\$31,238,729	\$37,740,765

FY25 Wastewater/WMARSS Fund: Income Statement / Summary of Fund Balance

	FY23 Actuals	FY24 Adopted	FY24 Year End Estimate	FY25 Proposed
Revenues				
43-Intergovernmental	\$ 20,777	\$ -		\$ -
46-Interest	\$ 1,792,761	\$ 1,080,000	\$ 2,477,743	\$ 1,080,000
47-Contributions	\$ 4,796,948	\$ -		\$ -
48-Other	\$ 25,776	\$ 19,450	\$ 149,900	\$ 3,450
51-Charges for Services	\$ 59,000,779	\$ 65,285,694	\$ 64,378,846	\$ 68,830,463
59-Transfers In	\$ 369,997	\$ 369,380	\$ 369,380	\$ 904,198
Revenues Total	\$ 66,007,037	\$ 66,754,524	\$ 67,375,869	\$ 70,818,111
Expenditures				
60-Salaries and Wages	\$ 4,721,751	\$ 5,572,315	\$ 5,162,653	\$ 5,967,553
61-Employee Benefits	\$ 2,134,954	\$ 2,427,249	\$ 2,108,237	\$ 2,577,844
62-Purchased Professional/Technical Services	\$ 2,042,991	\$ 2,890,260	\$ 3,083,054	\$ 2,402,575
63-Purchased Property Services	\$ 97,140	\$ 112,634	\$ 19,437	\$ 118,704
64-Maintenance	\$ 3,236,459	\$ 3,939,154	\$ 5,500,567	\$ 5,084,972
65-Other Purchased Services	\$ 569,690	\$ 805,411	\$ 1,258,478	\$ 942,290
66-Supplies	\$ 3,677,910	\$ 4,142,027	\$ 5,079,535	\$ 3,855,257
67-Other Operating Expenses	\$ 19,716,099	\$ 22,415,001	\$ 23,489,266	\$ 22,086,063
69-Interdepartmental Billings	\$ 2,573,137	\$ 2,707,945	\$ 2,507,900	\$ 2,183,127
75-Capital Expenditures	\$ 1,132,317	\$ 1,025,000	\$ 1,124,665	\$ 1,070,000
89-Transfers Out	\$ 17,277,337	\$ 20,243,902	\$ 19,243,902	\$ 22,917,094
Expenditures Total	\$ 57,179,786	\$ 66,280,898	\$ 68,577,694	\$ 69,205,479
Net Increase (Decrease) in Fund Balance	\$ 8,827,252	\$ 473,626	\$ (1,201,825)	\$ 1,612,632
Unassigned Fund Balance, beginning of the year	\$ 41,857,301	\$ 50,684,553	\$ 50,684,553	\$ 49,482,728
Unassigned Fund Balance, end of the year	\$ 50,684,553	\$ 51,158,179	\$ 49,482,728	\$ 51,095,360
Policy Minimum	\$ 24,188,654	\$ 24,311,715	\$ 24,039,661	\$ 25,451,690
Amount Over/(Under) Policy Minimum	\$ 26,495,899	\$ 26,846,464	\$ 25,443,067	\$ 25,643,670

FY25 Solid Waste Fund: Income Statement / Summary of Fund Balance

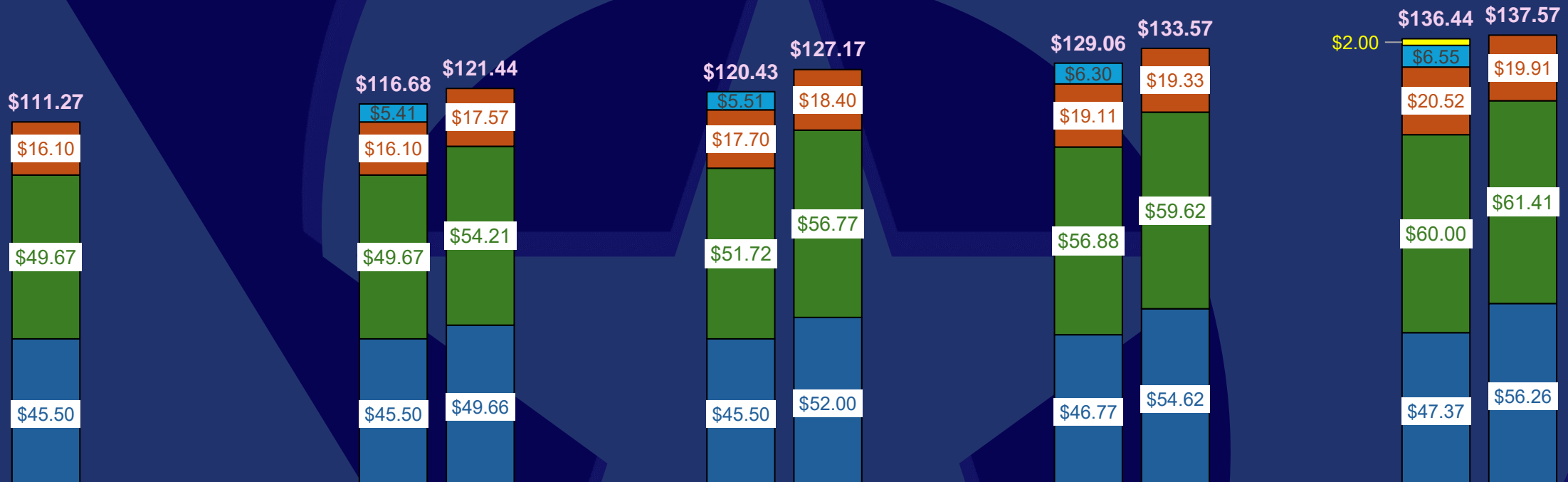
	FY23 Actuals	FY24 Adopted	FY24 Year End Estimate	FY25 Proposed
Revenues				
41-Taxes	\$ 38,928	\$ -	\$ -	\$ 38,749
43-Intergovernmental	\$ 12,454	\$ -	\$ 16,589	\$ -
46-Interest	\$ 764,073	\$ 450,000	\$ 1,382,127	\$ 764,079
48-Other	\$ 118,212	\$ 159,364	\$ 165,990	\$ 152,759
51-Charges for Services	\$ 32,237,664	\$ 31,737,407	\$ 34,826,184	\$ 35,988,371
52-Net Merchandise Sale	\$ -	\$ -		\$ 10,000
59-Transfers In	\$ -	\$ -		\$ 330,000
Revenues Total	\$ 33,171,332	\$ 32,346,771	\$ 36,390,890	\$ 37,283,958
Expenditures				
60-Salaries and Wages	\$ 5,965,409	\$ 6,602,027	\$ 6,703,077	\$ 7,988,809
61-Employee Benefits	\$ 2,810,104	\$ 2,976,396	\$ 2,976,396	\$ 3,307,294
62-Purchased Professional/Technical Services	\$ 3,266,509	\$ 4,142,312	\$ 4,453,451	\$ 7,759,697
63-Purchased Property Services	\$ 22,017	\$ 31,552	\$ 33,143	\$ 62,144
64-Maintenance	\$ 3,584,558	\$ 4,939,390	\$ 5,035,209	\$ 4,657,466
65-Other Purchased Services	\$ 577,622	\$ 387,257	\$ 438,568	\$ 471,189
66-Supplies	\$ 2,891,506	\$ 2,835,003	\$ 3,839,461	\$ 4,002,193
67-Other Operating Expenses	\$ 5,696,928	\$ 4,726,925	\$ 5,022,238	\$ 5,064,799
68-Contracts with Other	\$ 75,600	\$ 90,000	\$ 90,000	\$ 90,000
69-Interdepartmental Billings	\$ 1,430,380	\$ 1,078,150	\$ 1,078,150	\$ 1,132,058
75-Capital Expenditures	\$ 452,291	\$ -		\$ -
89-Transfers Out	\$ 2,622,813	\$ 3,440,040	\$ 6,173,464	\$ 5,927,764
Expenditures Total	\$ 29,395,737	\$ 31,249,052	\$ 35,843,157	\$ 40,463,413
Net Increase (Decrease) in Fund Balance	\$ 3,775,596	\$ 1,097,719	\$ 547,733	\$ (3,179,455)
Unassigned Fund Balance, beginning of the year	\$ 13,912,853	\$ 17,688,449	\$ 17,688,449	\$ 18,236,182
Unassigned Fund Balance, end of the year	\$ 17,688,449	\$ 18,786,168	\$ 18,236,182	\$ 15,056,727
Policy Minimum	\$ 10,222,423		\$ 11,421,248	\$ 11,421,248
Amount Over/(Under) Policy Minimum	\$ 7,466,026		\$ 6,814,934	\$ 3,635,479

FY25 Drainage Fund: Income Statement / Summary of Fund Balance

5900-Drainage Income Statement	FY23 Actuals	FY24 Adopted	FY24 Year End Estimate	FY25 Proposed
Revenues				
42-Licenses and Permits	\$ 125,843	\$ -	\$ 119,906	\$ -
46-Interest	\$ 106,457	\$ 50,000	\$ 179,374	\$ 50,000
47-Contributions	\$ 1,241,045	\$ -	\$ -	\$ -
48-Other	\$ -	\$ 37,500	\$ -	\$ 37,500
51-Charges for Services	\$ 6,544,923	\$ 8,443,400	\$ 8,063,673	\$ 9,007,934
Revenues Total	\$ 8,018,267	\$ 8,530,900	\$ 8,362,952	\$ 9,095,434
Expenditures				
60-Salaries and Wages	\$ 1,283,948	\$ 1,469,706	\$ 1,447,249	\$ 1,616,123
61-Employee Benefits	\$ 469,148	\$ 573,401	\$ 569,772	\$ 657,057
62-Purchased Professional/Technical Services	\$ 1,282,143	\$ 1,859,926	\$ 1,661,840	\$ 1,231,094
63-Purchased Property Services	\$ 13,871	\$ 73,602	\$ 61,764	\$ 73,602
64-Maintenance	\$ 24,512	\$ 101,435	\$ 8,530	\$ 111,261
65-Other Purchased Services	\$ 42,526	\$ 184,307	\$ 109,069	\$ 108,192
66-Supplies	\$ 100,138	\$ 364,240	\$ 135,932	\$ 246,859
67-Other Operating Expenses	\$ 61,479	\$ 618,083	\$ 322,073	\$ 636,487
69-Interdepartmental Billings	\$ 1,328,338	\$ 258,645	\$ 226,314	\$ 271,577
75-Capital Expenditures	\$ 562,191	\$ 750,000	\$ 750,000	\$ 750,000
89-Transfers Out	\$ 784,860	\$ 962,540	\$ 1,032,160	\$ 960,450
Expenditures Total	\$ 5,953,154	\$ 7,215,885	\$ 6,324,703	\$ 6,662,702
Net Increase (Decrease) in Fund Balance	\$ 2,065,113	\$ 1,315,015	\$ 2,038,249	\$ 2,432,732
Unrestricted Fund Balance, beginning of the year	\$ 973,853	\$ 3,038,966	\$ 3,038,966	\$ 5,077,215
Unrestricted Fund Balance, end of the year	\$ 3,038,966	\$ 4,353,981	\$ 5,077,215	\$ 7,509,947
Policy Minimum	\$ 2,218,652	\$ 2,388,652	\$ 2,341,627	\$ 2,546,722
Amount Over/(Under) Policy Minimum	\$ 820,314	\$ 1,965,329	\$ 2,735,588	\$ 4,963,226

Average Monthly Utility Bill

Monthly Utility Bill- Actual & Adjusted For Inflation: 2021-2025



Act	21Adj	Act	21Adj	Act	21Adj	Act	21Adj	Prop	21Adj
2021		2022		2023		2024		2025	

■ Water
 ■ Wastewtr
 ■ Sol Wst
 ■ Drairage
 ■ Street



	\$	%
FY24 Adopted to FY25 Proposed:		
Water	\$0.60	1.3%
Wastewater	\$3.12	5.5%
Drainage	\$0.25	4.0%
Solid Waste	\$1.41	7.4%
Street Fee	\$2.00	NA
TOTAL	\$7.38	5.7%

Street Fee

- Street Maintenance in High Demand/Need
- Revised Methodology and reduced cost
 - \$2.00 per month for single family residential
 - Residential: 80% lower than FY24 proposal
 - Non-residential: 45%-99% from FY24 amounts
- Supplements tax supported maintenance with additional \$2.7M
- Public Information
 - <https://www.waco-texas.com/Departments/Public-Works/Street-Maintenance-Fees>
 - Phone: (254) 750-7009
 - Email: streetfee@wacotx.gov



Future Strategies



“Hanging Fruit”

FY2025 Process

Options

to choose from

Cost/benefit/analysis/impact

“Mid Tree Fruit”

FY2026 Process

- Little within easy reach
- Easy pickings are gone
- More effort/analysis/impact



“Top of the Tree Fruit”

FY2027 Process

- No Easy Choices
- Hard to Reach
- High effort/analysis/impact
- Need the right tools



Stretching Higher Into the Tree

Forward Looking Guidance to Address a Three-Year Window of Lower Than Typical Revenue Growth

<u>Responses</u>	<u>Considerations</u>
Focus On Employees	<ul style="list-style-type: none">• Contractual obligations• Competitiveness (Salary & Benefits)<ul style="list-style-type: none">• Career Mobility/Growth
Tax Rate Management (less to CIP, more to M&O)	<ul style="list-style-type: none">• Short term financing tools• Prioritization (Streets vs. Parks & Other)<ul style="list-style-type: none">• Public Private Partnerships
Cost Recovery (& Lower Subsidies)	<ul style="list-style-type: none">• New Fees (e.g. Fire/Hazmat for non-residents)<ul style="list-style-type: none">• Revenue Creation• Service Reductions• Eliminate Programs
Outsourcing	<ul style="list-style-type: none">• Convention Center<ul style="list-style-type: none">• Inspections• Project Development & Management<ul style="list-style-type: none">• Others

THE CALENDAR / TIMELINE

August 6th, 2024 CITY COUNCIL MEETING

- Work Session: 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

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

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



THE CALENDAR / TIMELINE

August 20th, 2024 CITY COUNCIL MEETING

- Work Session 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?

THANK YOU

The City of Waco

RES 2024-511 Additional Detail

Downtown Master Developer Predevelopment Agreement – Amendment 01

07.02.2024



Tom Balk, Director of Strategic Initiatives

DOWNTOWN MASTER DEVELOPER AGREEMENT

Amendment 01

- Master Developer: Hunt Development Group
- Original Contract: Strategic Roadmap (\$325k)
- Amendment 01 Scope:
Phase 1A Enabling Infrastructure Design (\$12,365,600)



FUNDED BY CURRENTLY-AVAILABLE SOURCES

- Not Debt-Funded
- 48% from existing Economic Development project fund
- 52% from eligible Water/Waste Water fund surpluses
- Resolution includes option to reimburse from future bond proceeds

	Contracts/PO	Analysis/Study	Pre Engin Design	Design	Construction	TOTAL	Water Working Capital	Wastewater Working Capital
	22400735	\$ 249,000				\$ 249,000		
	22400684	\$ 45,000				\$ 45,000		
	Subtotal Walker Partners	\$ 294,000	\$ -	\$ -	\$ -	\$ 294,000		
	22401607	\$ 325,000				\$ 325,000		
	TRD (\$1.735 for Project Wada Predevelopment Services)	\$ 1,735,000				\$ 1,735,000		
	Phase 1A Enabling Infrastructure Design		\$ -	\$ 9,400,000		\$ 9,400,000		
	Phase 1A Enabling Infrastructure Design Carry Costs		\$ -	\$ 515,800		\$ 515,800		
	Phase 1A Enabling Infrastructure PreDevelopment/Services		\$ 715,000			\$ 715,000		
	Subtotal Hunt	\$ 2,060,000	\$ 715,000	\$ 9,915,800	\$ -	\$ 12,790,800		
Total		\$ 2,354,000	\$ 715,000	\$ 9,915,800	\$ -	\$ 12,984,800		
Current Budget		\$ 249,000			\$ 58,000,000	\$ 6,249,000		
(Short)/Over		\$ (2,105,000)	\$ (715,000)	\$ (9,915,800)	\$ 58,000,000	\$ (6,735,600)		
Transfer In		\$ 2,105,000	\$ 715,000	\$ 3,180,000		\$ 6,000,000		
Transfer Out					\$ (58,000,000)	\$ (5,000,000)		
Transfer In			\$ -	\$ 6,735,800		\$ 6,735,800		
Transfer Out					\$ -	\$ -	\$ (3,367,800)	\$ (3,367,800)
Revised Budget		\$ 2,354,000	\$ 715,000	\$ 9,915,800	\$ -	\$ 12,984,800	\$ (3,367,800)	\$ (3,367,800)
(Short)/Over		\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,367,800)	\$ (3,367,800)

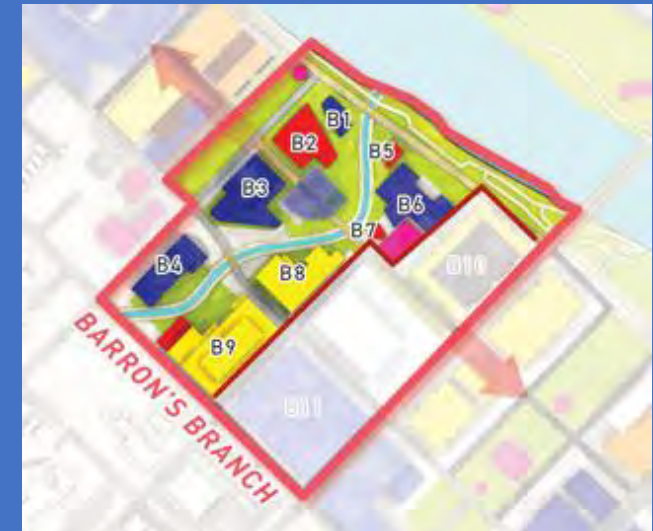
DELIVERS TANGIBLE PRODUCT: CONSTRUCTION DOCUMENTS



- Needed for competitive grant and legislative funding pursuits
- 40% of development scope is tied to 2023 Downtown Improvement Plan
- Utility improvements are tied to lifecycle and capacity needs
- Hunt does not take a fee for management of this design scope – funds are paid to consultants, including:
 - Engineering: Walker Partners
 - Planning/Architecture: Overland Partners
 - Landscape Architecture: MVVA

INCLUDES MANAGEMENT CONTROLS FOR THE CITY

- No upfront payment - progress is invoiced monthly
- Bi-monthly status updates to Council for ongoing buy-in
 - Opportunities to direct at key milestones
 - For Example: When considering bond-sale proposals in January 2025 – we anticipate \$4M of work complete
- Termination clauses with no back-out fees
- 4% Contingency is included



THANK YOU.