

# FISCAL YEAR BUDGET 2024- 2025

CITY MANAGEMENT  
AND  
OFFICE OF MANAGEMENT AND BUDGET

August 27, 2024



# Fiscal Year 2025 Budget Overview



## Key Budget Takeaways



**\$584.5 Million**

City-Wide Budget

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\$202.5 Million  
General Fund

7.2% Fire & Police  
3% General Employees  
Existing Capital Projects

**Long-Term  
Commitments**



**\$0.755000  
per \$100**

**Lowest in 16+  
Years**

Proposed Tax Rate

Discretionary Outside  
Agency Funding

**Level Funding**



**Capital  
Improvement  
Program**

To Be Recommended  
In Q2 FY25

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General Fund CIP  
Est. \$35 Million



# Fiscal Year 2025 Budgeted Revenues

	Actual FY 2020-21	Actual FY 2021-22	Actual FY 2022-23	Budget FY 2023-24	Budget FY 2024-25	\$ Change From Budget	% Change From Budget
<b>General Fund</b>							
Property Taxes	67,693,175	71,939,124	76,227,869	88,997,214	90,500,000	1,502,786	1.7%
Sales Taxes	48,720,357	54,078,904	55,744,974	55,140,406	56,500,000	1,359,594	2.5%
Other Taxes	1,362,059	1,332,433	1,192,374	1,160,987	1,725,000	564,013	48.6%
Franchise Fees	9,305,551	10,584,741	10,181,032	10,440,000	10,450,000	10,000	0.1%
COW PILOT/GR	10,316,744	11,116,489	11,871,311	13,044,084	14,014,713	970,629	7.4%
Charges for Services	2,273,973	2,542,796	2,863,857	927,779	998,669	70,890	7.6%
License & Permits	2,706,665	3,007,110	3,258,453	2,899,129	3,158,700	259,571	9.0%
Intergovernmental	2,274,102	2,380,721	2,760,165	2,104,899	2,449,949	345,050	16.4%
Fees & Fines	1,524,620	1,473,560	1,464,822	1,472,360	1,677,500	205,140	13.9%
Interest	198,817	2,123	7,204,569	4,000,000	4,000,000	-	0.0%
Other Revenue	15,372,405	16,767,104	17,593,632	16,133,994	16,984,974	850,980	5.3%
Transfers	1,787,133	3,530,000	50,000	7,390,656	50,000	(7,340,656)	-99.3%
<b>Total General Fund</b>	<b>163,535,600</b>	<b>178,755,105</b>	<b>190,413,057</b>	<b>203,711,508</b>	<b>202,509,505</b>	<b>(1,202,003)</b>	<b>-0.6%</b>
Cable PEG	254,636	231,888	203,637	220,000	260,000	40,000	18.2%
Economic Development	6,493,032	-	28,704	-	-	-	0.0%
Econ Dev Incentive	2,781,996	3,037,532	4,148,331	4,040,000	4,340,000	300,000	7.4%
<b>Total General Services</b>	<b>173,065,264</b>	<b>182,024,526</b>	<b>194,793,729</b>	<b>207,971,508</b>	<b>207,109,505</b>	<b>(862,003)</b>	<b>-0.4%</b>
<b>Enterprise Funds</b>							
Water-Wastewater-WMARSS	125,195,786	168,557,546	176,799,982	175,236,894	191,813,370	16,576,476	9.5%
Solid Waste	23,261,208	29,013,892	35,631,729	35,686,811	43,211,855	7,525,044	21.1%
Waco Transit	6,501,273	7,782,862	8,597,246	9,688,499	9,688,499	-	0.0%
CVB	5,103,026	7,425,111	8,637,392	8,255,661	9,253,382	997,721	12.1%
Drainage	440,000	12,788,824	8,820,908	9,493,440	10,055,884	562,444	5.9%
Zoo	6,812,712	5,789,427	7,979,198	10,864,602	8,866,573	(1,998,029)	-18.4%
Other Enterprise	8,982,931	9,361,513	10,728,649	8,241,133	8,878,815	637,682	7.7%
<b>Internal Service Funds</b>	<b>25,286,663</b>	<b>27,198,906</b>	<b>43,815,110</b>	<b>45,064,009</b>	<b>46,251,112</b>	<b>1,187,103</b>	<b>2.6%</b>
<b>Special Revenue Funds</b>	<b>16,816,628</b>	<b>20,157,570</b>	<b>30,219,053</b>	<b>34,144,182</b>	<b>32,153,468</b>	<b>(1,990,714)</b>	<b>-5.8%</b>
<b>Debt Service Funds</b>	<b>2,801,242</b>	<b>14,980,711</b>	<b>18,525,437</b>	<b>22,618,723</b>	<b>27,884,286</b>	<b>5,265,563</b>	<b>23.3%</b>
<b>Total Funding</b>	<b>394,266,732</b>	<b>485,080,888</b>	<b>544,548,432</b>	<b>567,265,462</b>	<b>595,166,749</b>	<b>27,901,287</b>	<b>4.9%</b>



# Fiscal Year 2025 Budgeted Expenses

	Actual FY 2020-21	Actual FY 2021-22	Actual FY 2022-23	Budget FY 2023-24	Budget FY 2024-25	\$ Change From Budget	% Change From Budget
<b>General Fund</b>							
Salaries and Wages	69,837,345	74,717,107	80,045,547	81,391,494	87,281,442	5,889,948	7.2%
Employee Benefits	25,382,490	27,015,337	30,601,817	32,522,887	33,849,425	1,326,538	4.1%
Professional/Technical Services	6,739,352	9,274,981	13,488,261	12,797,200	12,159,656	(637,544)	-5.0%
Purchased Property Services	1,286,878	4,280,887	2,120,022	1,828,893	1,734,635	(94,258)	-5.2%
Maintenance	8,731,088	9,644,343	5,935,588	6,377,383	5,370,816	(1,006,567)	-15.8%
Other Purchased Services	4,055,859	4,585,846	4,509,450	5,203,309	5,337,166	133,857	2.6%
Supplies	7,269,960	8,403,079	9,736,695	9,260,730	8,465,152	(795,578)	-8.6%
Other Operating Expenses	968,206	896,337	910,745	780,497	3,592,326	2,811,829	360.3%
Contracts with Other	3,144,723	3,266,958	2,802,747	6,252,004	5,181,064	(1,070,940)	-17.1%
Interdepartmental Billings	1,031	331	2,324	4,759	4,754	(5)	-0.1%
Capital Expenditures	2,473,820	2,238,258	3,727,271	741,000	-	(741,000)	-100.0%
Transfers Out	41,121,119	30,101,876	30,896,608	46,551,352	39,533,069	(7,018,283)	-15.1%
Contingency	-	-	-	-	-	-	0.0%
<b>Total General Fund</b>	<b>171,011,870</b>	<b>174,425,339</b>	<b>184,777,076</b>	<b>203,711,508</b>	<b>202,509,505</b>	<b>(1,202,003)</b>	<b>-0.6%</b>
Cable PEG	89,532	63,439	96,332	1,095,112	116,550	(978,562)	-89.4%
Economic Development	-	-	1,937,303	3,287,037	1,800,000	(1,487,037)	-45.2%
Econ Dev Incentive	1,253,285	4,542,302	875,000	20,535,940	2,000,000	(18,535,940)	-90.3%
<b>Total General Services</b>	<b>172,354,688</b>	<b>179,031,080</b>	<b>187,685,711</b>	<b>228,629,597</b>	<b>206,426,055</b>	<b>(22,203,542)</b>	<b>-9.7%</b>
<b>Enterprise Funds</b>							
Water-Wastewater-WMARSS	111,778,255	164,321,169	177,805,628	171,811,966	183,447,906	11,635,940	6.8%
Solid Waste	26,735,033	26,984,704	36,230,305	34,589,092	46,312,780	11,723,688	33.9%
Waco Transit	7,271,036	7,810,720	9,359,116	9,022,974	8,840,281	(182,693)	-2.0%
CVB	3,525,048	7,175,479	7,868,792	7,906,565	9,364,438	1,457,873	18.4%
Drainage	116,492	3,674,804	6,798,244	8,178,425	7,623,152	(555,273)	-6.8%
Zoo	6,435,384	7,348,857	9,808,086	10,864,602	8,738,066	(2,126,536)	-19.6%
Other Enterprise	10,906,491	11,895,581	15,374,177	9,439,635	8,799,952	(639,683)	-6.8%
<b>Internal Service Funds</b>	<b>27,560,967</b>	<b>28,628,392</b>	<b>40,807,871</b>	<b>42,922,452</b>	<b>44,086,153</b>	<b>1,163,701</b>	<b>2.7%</b>
<b>Special Revenue Funds</b>	<b>16,184,216</b>	<b>18,598,447</b>	<b>24,655,590</b>	<b>35,953,875</b>	<b>33,163,921</b>	<b>(2,789,954)</b>	<b>-7.8%</b>
<b>Debt Service Funds</b>	<b>2,702,813</b>	<b>15,557,157</b>	<b>18,296,548</b>	<b>22,698,528</b>	<b>27,671,177</b>	<b>4,972,649</b>	<b>21.9%</b>
<b>Total Funding</b>	<b>385,570,423</b>	<b>471,026,391</b>	<b>534,690,068</b>	<b>582,017,711</b>	<b>584,473,881</b>	<b>2,456,170</b>	<b>0.4%</b>

# Fiscal Year 2025 Changes Since Filing



Fund	Revenues	Expenditures
<b>General Fund</b>		
Miscellaneous (Contingency)	\$ -	\$ (878,940)
15 FTE for Animal Services	-	837,960
Fuzzy Friends Outside Agency	-	40,000
Beautification Fuel	-	1,250
<b>General Fund Total Change</b>	<b>\$ -</b>	<b>\$ 270</b>
<b>Other Funds</b>		
Economic Development Incentive Fund	\$ 4,340,000	\$ 2,000,000
Economic Development Fund	-	1,800,000
Cable Peg 1% Fund	260,000	116,550
Building Demo & Lot Clearance Fund	86,000	65,000
Court Jury Reimbursement Fund	450	-
Court Truancy Fund	45,000	-
Court Security Fund	44,000	7,500
Court Technology Fund	36,000	31,400
State Chapter 59 Police Forfeiture Fund	53,000	4,800
Fed Justice Police Forfeiture Fund	2,100	-
Fed Treasury Police Forfeiture Fund	600	-
State Chapter 18 Police Forfeiture Fund	500	-
Abandoned Motor Vehicles Fund	440,000	120,500
Waco Public Improvement District #1 Fund	895,000	626,400
General Debt and Interest Fund	22,894,822	22,681,713
Tax Increment Financing (TIF) Debt Service Fund	4,989,464	4,989,464
Water Debt Service Fund	24,264,084	24,015,022
Wastewater Debt Service Fund	15,918,516	15,918,516
Waco Metropolitan Area Regional Sewage System (WMARSS) Debt Service Fund	5,629,445	5,664,522
Solid Waste Debt Service Fund	5,927,764	5,849,367
Drainage Debt Service Fund	960,450	960,450
Proprietary Vehicle and Equipment Replacement Fund	527,156	-



# Fiscal Year 2025 Executive Overview

## Key Budgetary Factors

### Property Taxes

- Maintains current tax rate of \$0.755000 cents per \$100 valuation (lowest in 16+ years)
- Tax rate captures the full value of new growth and development
- Maintenance & Operations (M&O) rate captures 0.12% of the 3.50% allowable increase

	FY 2023	FY 2024	FY 2025	Tax Rate Δ
Maintenance & Operations	\$ 0.619238	\$ 0.614409	\$ 0.604652	\$ (0.009757)
Interest & Sinking	0.140762	0.140591	0.150348	0.009757
<b>Total COW Tax Rate</b>	<b>\$ 0.760000</b>	<b>\$ 0.755000</b>	<b>\$ 0.755000</b>	<b>\$ -</b>

### Sales Tax

- FY24 collections budgeted at \$55.1 million, a 17.0% increase over FY23 budget
- FY24 forecasted collection is \$55.8 million, 1.3% over the FY24 budget
- FY25 sales tax collections budgeted at \$56.5 million, a 2.5% increase to FY24 budget

# Fiscal Year 2025 Ad Valorem Taxes

## Property Tax and Certified Roll Overview

### State Required Budget Language (Revenue Year-over-Year Increase)

This budget will raise more total property taxes than last year's budget by \$6,606,359, which is a 6.16% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$2,991,018.

*The proposed tax rate is a tax increase*

### Tax Year 2024 Rates

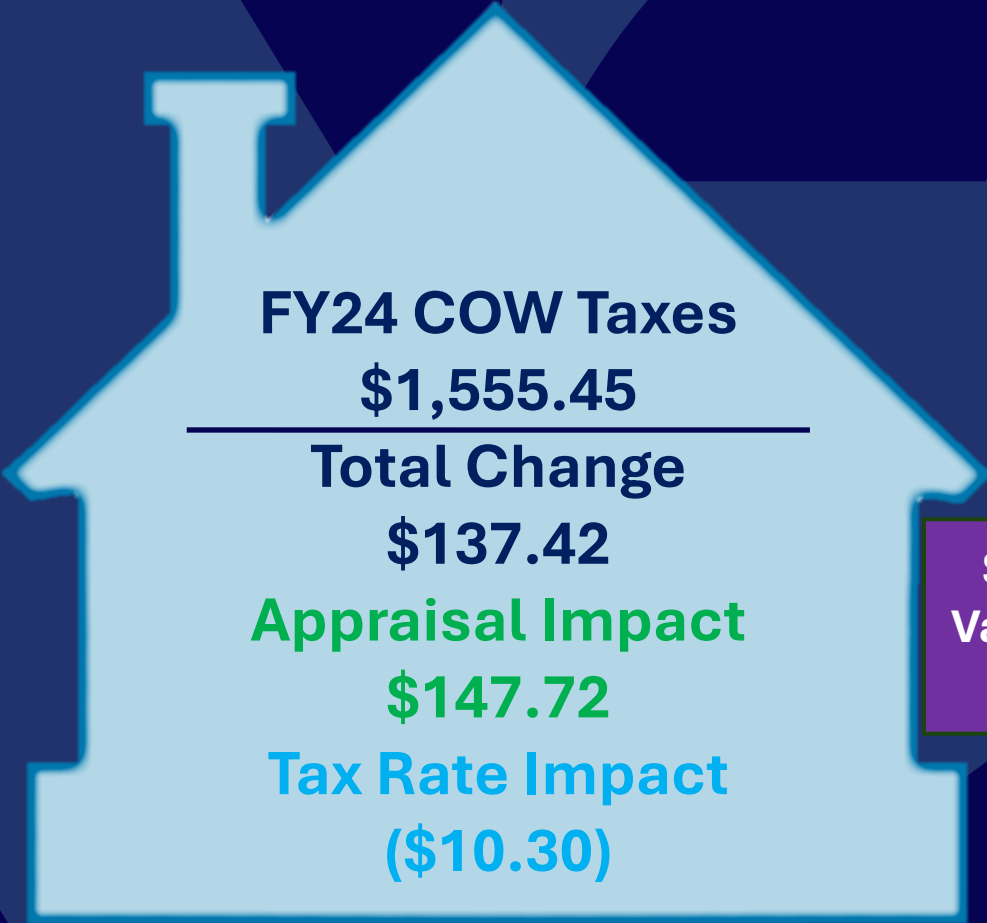
- No-New-Revenue Rate (NNR): \$ 0.726941
- Voter Approval Tax Rate (VATR): 0.779611
- Unused Increment (UI): 0.018142
- Voter Approval Tax Rate w/ UI: 0.797753
  
- **FY 2025 Proposed Tax Rate: \$ 0.755000**
  
- Tax Year 2023 Total Taxable Value: \$ 14,485,011,505
- Tax Year 2024 Total Taxable Value: \$ 15,086,117,483

*Certified Net Taxable Value of the City of Waco rose to \$15.1 billion, a 4.2% increase over the prior year*

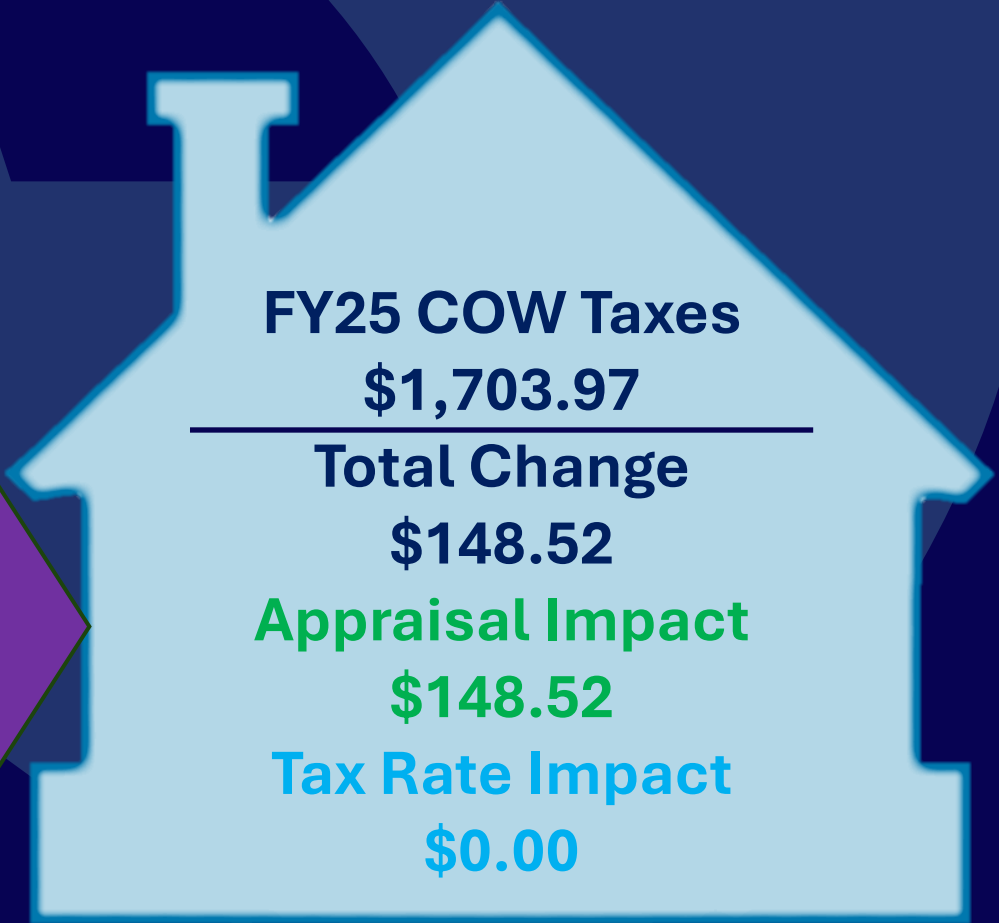
# Tax Rate and Appraisal Impact on Average Home

FY24 – SFR Avg Taxable Value: \$206,020

FY25 – SFR Avg Taxable Value: \$225,692



SFR Taxable  
Value Increase  
9.5%



*Average Single-Family Residence in Waco will see a \$148.52 increase in property taxes*



# FY 2025 Budget Highlights

## Key Budgetary Factors

### Notable Rate/Fee Changes

#### Water Volumetric/Usage Rates

- 0-3,000 gallons (per 1,000)
- 3,001-8,000 gallons
- 8,001-15,000 gallons
- 15,001-25,000 gallons
- 25,001+ gallons

#### FY25 Rate

#### FY25 Δ

\$ 3.34	+ \$ 0.20
4.17	0.00
6.68	+ 0.40
8.68	+ 0.51
11.69	+ 0.70

#### Wastewater Rates

- Base Rate
- Volumetric Rate (per 1,000)

\$ 26.17	+ \$ 1.34
6.76	+ 0.35

#### Solid Waste Collection Fee

- Base Pickup

\$ 20.52	+ \$ 1.41
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# FY 2025 Budget Highlights

## *Key Budgetary Factors*

### Notable Rate/Fee Changes

#### Street Maintenance Fee

1. System Demand Exceeds Current Available Funding
  - System Replacement Value of \$2 Billion
  - Needs of \$56 Million Annually
2. Revised methodology and reduced cost
  - \$2.00 per month for single family residential
    - Residential: 80% lower than FY24 proposed
    - Non-residential: 45%-99% from FY24 proposed amounts
3. Supplements tax supported maintenance with additional \$2.6M
4. Public Information
  - <https://www.waco-texas.com/Departments/Public-Works/Street-Maintenance-Fees>
  - **Appeal Form available through the website above**
  - Phone: (254) 750-7009
  - Email: [streetfee@wacotx.gov](mailto:streetfee@wacotx.gov)



# FY 2025 Taxpayer Impact

**Total Impact of \$19.51 per Month: Taxes - \$12.38 per month; Utilities - \$7.13 per month**

Service or Fee	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025 Proposed Rate	Annual Dollar Change	Typical Ratepayer Defined as:
Water	\$ 546.00	\$ 561.24	\$ 568.44	\$ 7.20	For Average consumer of 8K gallons
Wastewater	620.64	682.56	720.00	37.44	For Average consumer of 5K gallons
Solid Waste	212.40	229.32	246.24	16.92	Residential Customer with base service
Drainage	66.12	75.60	75.60	-	Residential customers with 1 Equivalent Residential Unit
Street Maintenance	-	-	24.00	24.00	Residential Rate of \$2 per month.
Property Tax Bill	1,406.49	1,555.45	1,703.97	148.52	FY25 values at current tax rate of \$0.755000 per \$100 of value. Average Homestead Taxable value is \$225,692
<b>Total Annual Impact</b>	<b>\$ 2,851.65</b>	<b>\$ 3,104.17</b>	<b>\$ 3,338.25</b>	<b>\$ 234.08</b>	<b>Combined projected increase of 7.5% or \$0.64 per day</b>

# Fiscal Year 2025 Budget Calendar

# Remaining Budget Calendar

## *Key Council Dates & Actions*

- **AUGUST 27<sup>TH</sup>, 2024 SPECIAL CALLED CITY COUNCIL MEETING**
  - Public Hearing on Proposed Budget
  - Budget Adoption for Fiscal Year 2024-25 Budget and CIP
- **SEPTEMBER 3<sup>RD</sup>, 2024 CITY COUNCIL MEETING**
  - Public Hearing on Tax Rate
  - Emergency Reading of Tax Rate Ordinance
  - Public Hearing on Street Maintenance Fee
  - First Reading on Street Maintenance Fee
- **SEPTEMBER 17<sup>TH</sup>, 2024 CITY COUNCIL MEETING**
  - Second Reading on Street Maintenance Fee
- **OCTOBER 1<sup>ST</sup>, 2024**
  - FY 2024-2025 Budget Begins
  - Street Maintenance Fee Begins, If Approved

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# Questions?