



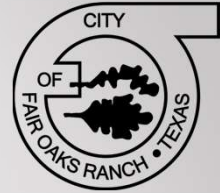
FIVE-YEAR
FINANCIAL PLAN
FY 2024-2028



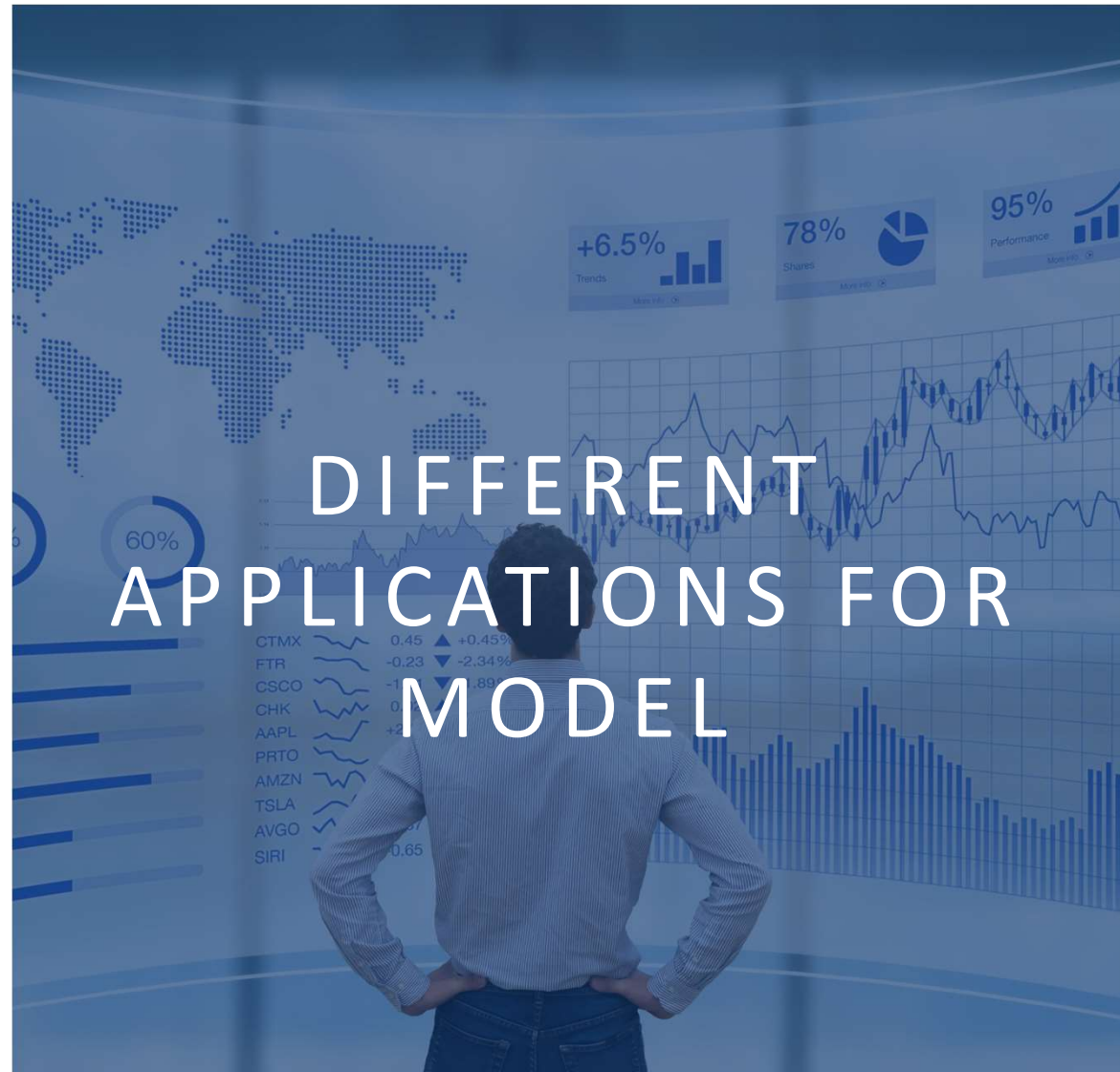
Five-Year Financial Plan

Scott M. Huizenga, Interim City Manager
May 4, 2023

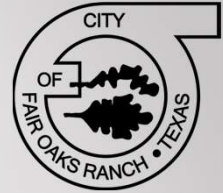
Planning and Budget Cycle or “The Circle of Life”



- March 2023 “Beta” version
- Scenarios, not projections
 - New revenues or expenditures
 - Labor projections
 - Capital improvements
 - Debt Service
 - Reserves
- On-demand analysis, e.g. impact of new programs
- Sets the stage for Strategic Plan and Annual Budget



FIVE-YEAR FINANCIAL PLAN SCENARIOS



Baseline Scenario

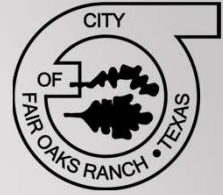
“Known knowns” e.g. wages and benefits, current debt service, inflationary growth, projected revenue growth

PAYGO Scenario

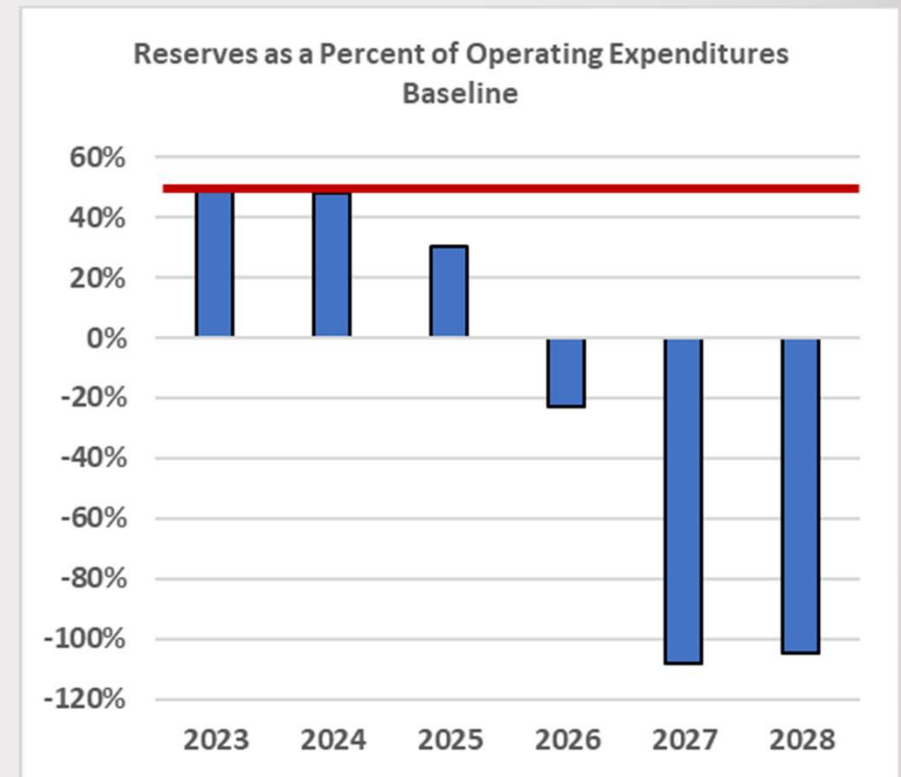
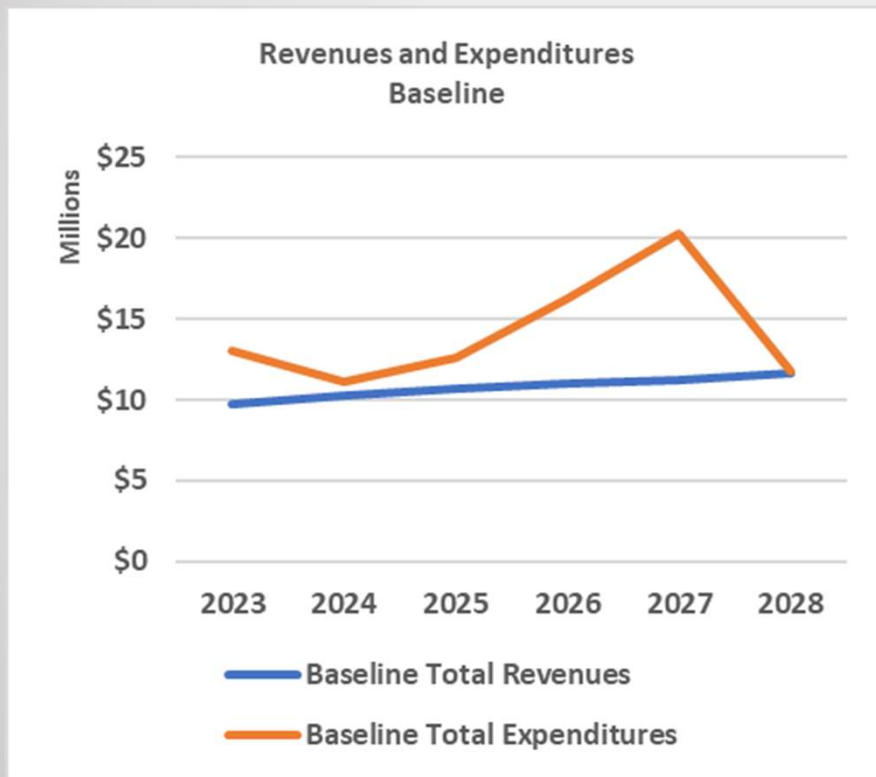
“Fixes” the Baseline – Modifies the CIP/SAP project schedule to allow for Pay As You Go Funding

Bond Scenario

“Fixes” the Baseline – Incorporates a bond program to fund identified CIP projects with original timelines



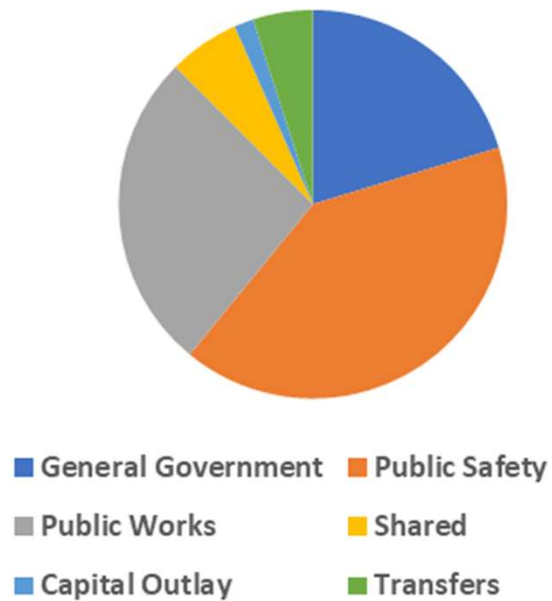
Baseline Scenario Dashboard



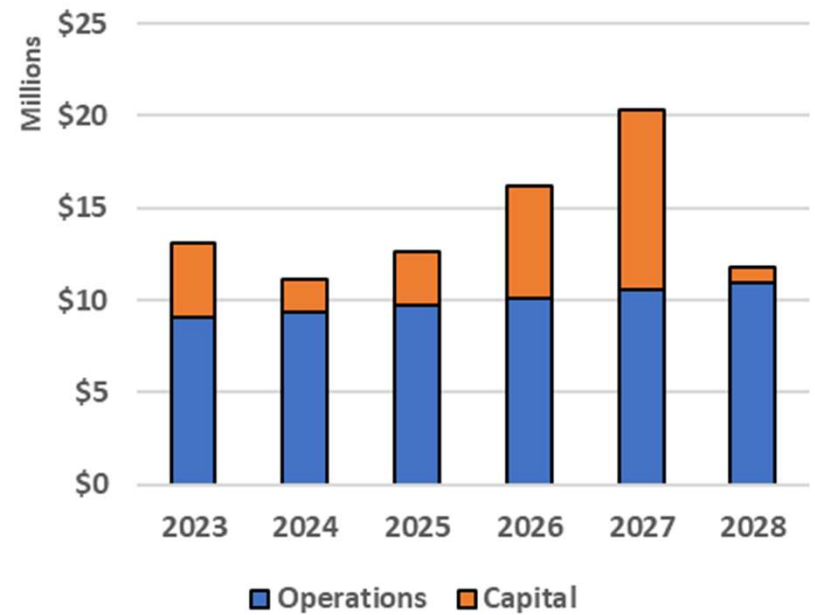


Portfolio of Services

FY 2028 Projected General Fund Expenditures
Baseline

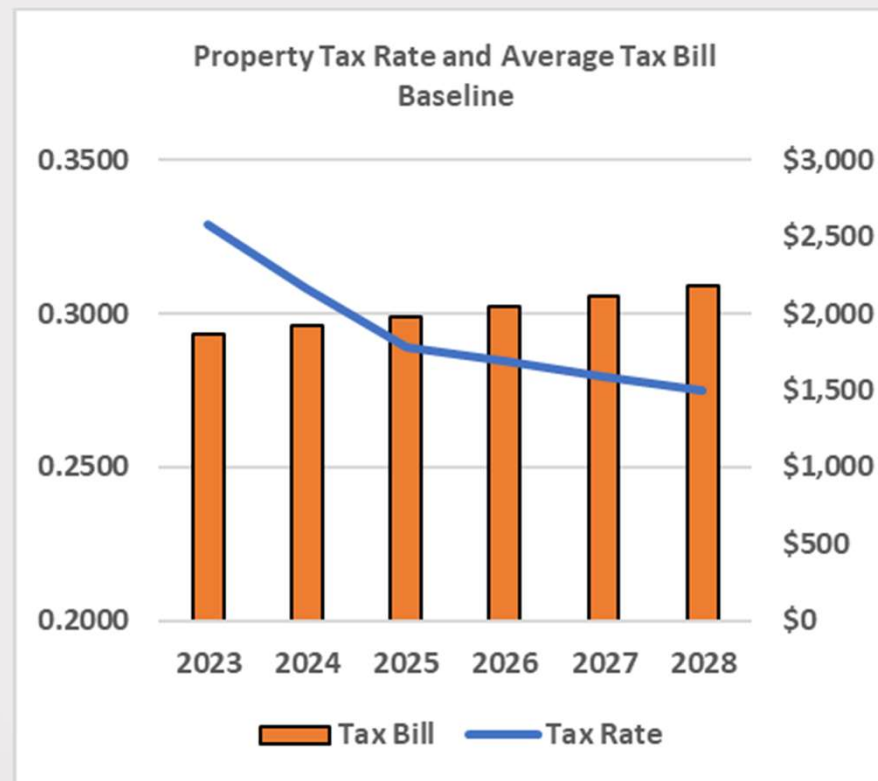


Projected Operations vs Capital Expenditures
Baseline





Property Tax Rates





Baseline Assumptions

Revenues

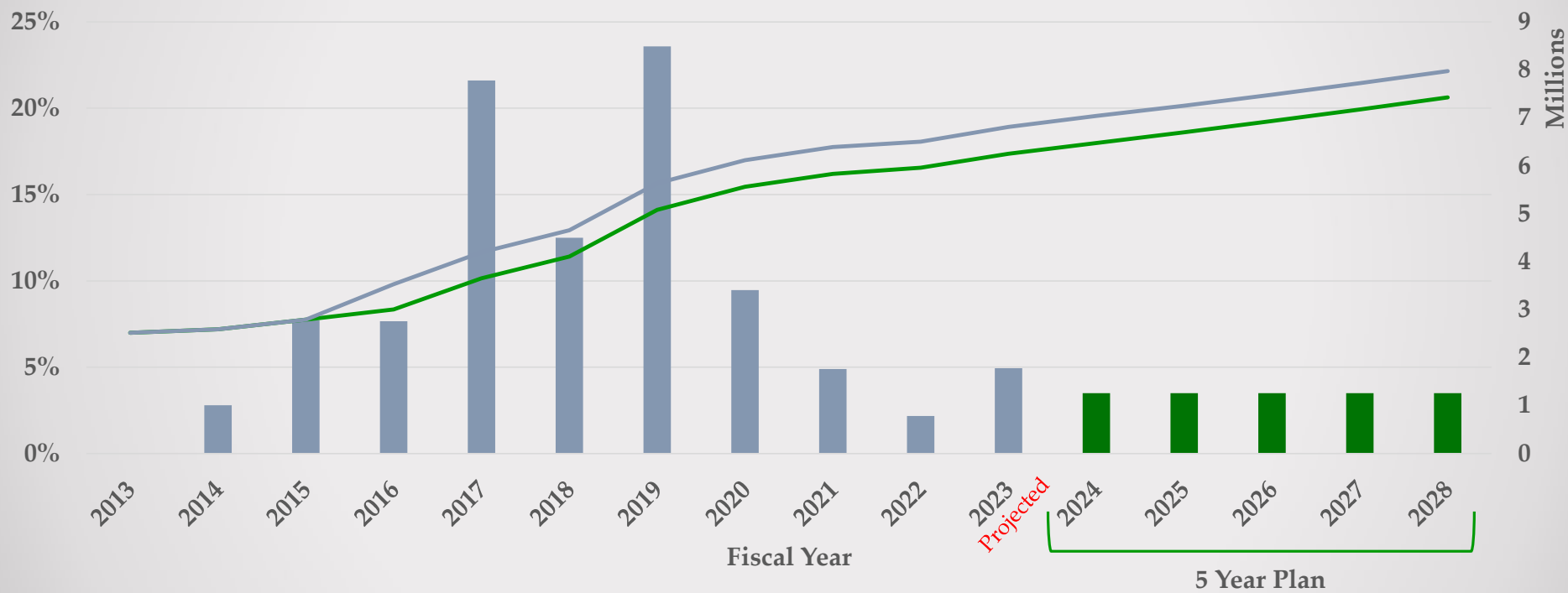
- 3.5% increase in Property Tax revenue
- 3.0% increase in Sales Tax revenue each year
- 1.5% increase for all other revenue

Expenditures

- 2.5% increase in wages for employee merit
- 2% Cost of Living Adjustment (COLA) each year
- 5% increase in health insurance, facility and engineering contracts, software
- 2% all other expenditures
- No other significant changes



Property Tax

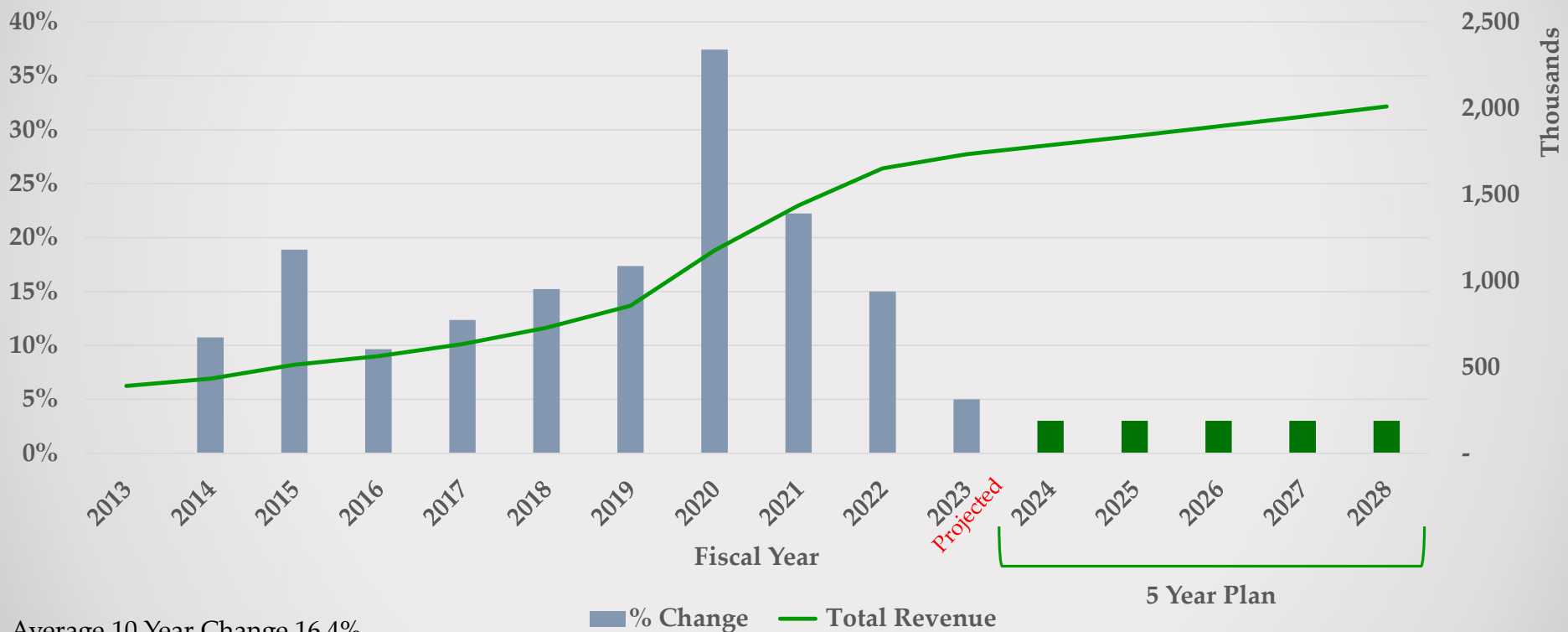


Average 10 Year Change 9.7%

■ % Change — M&O — Total Revenue



Sales Tax

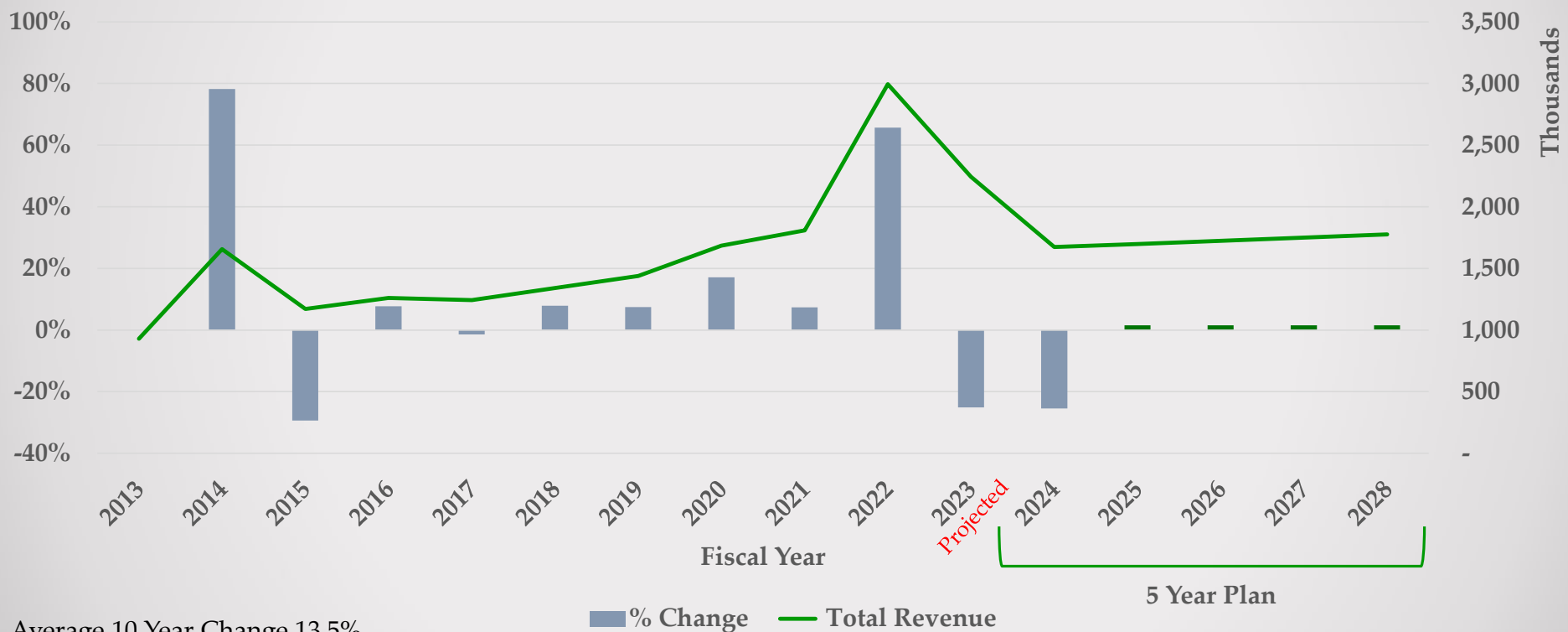


Average 10 Year Change 16.4%





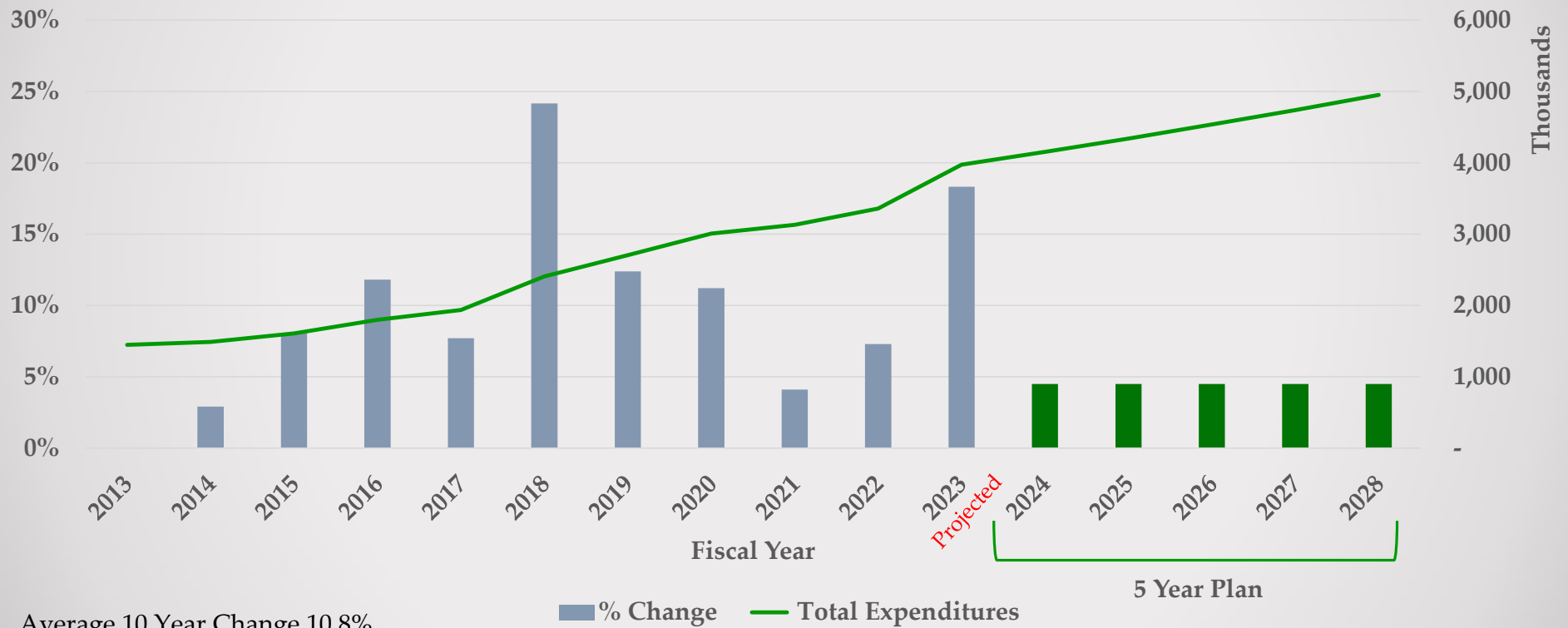
All Other Revenue



Average 10 Year Change 13.5%

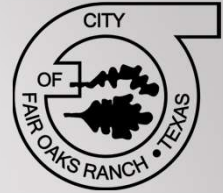


Employee Wages



Employment Cost Index

12-month period ending March 2023



Employment Cost Index

	Private Industry	State & Local	Civilian ¹	Texas ²
Salaries and Wages	5.1%	4.7%	5.0%	4.2%
Benefit Costs	4.3%	5.0%	4.5%	
Compensation Costs	4.8%	4.9%	4.8%	4.3%

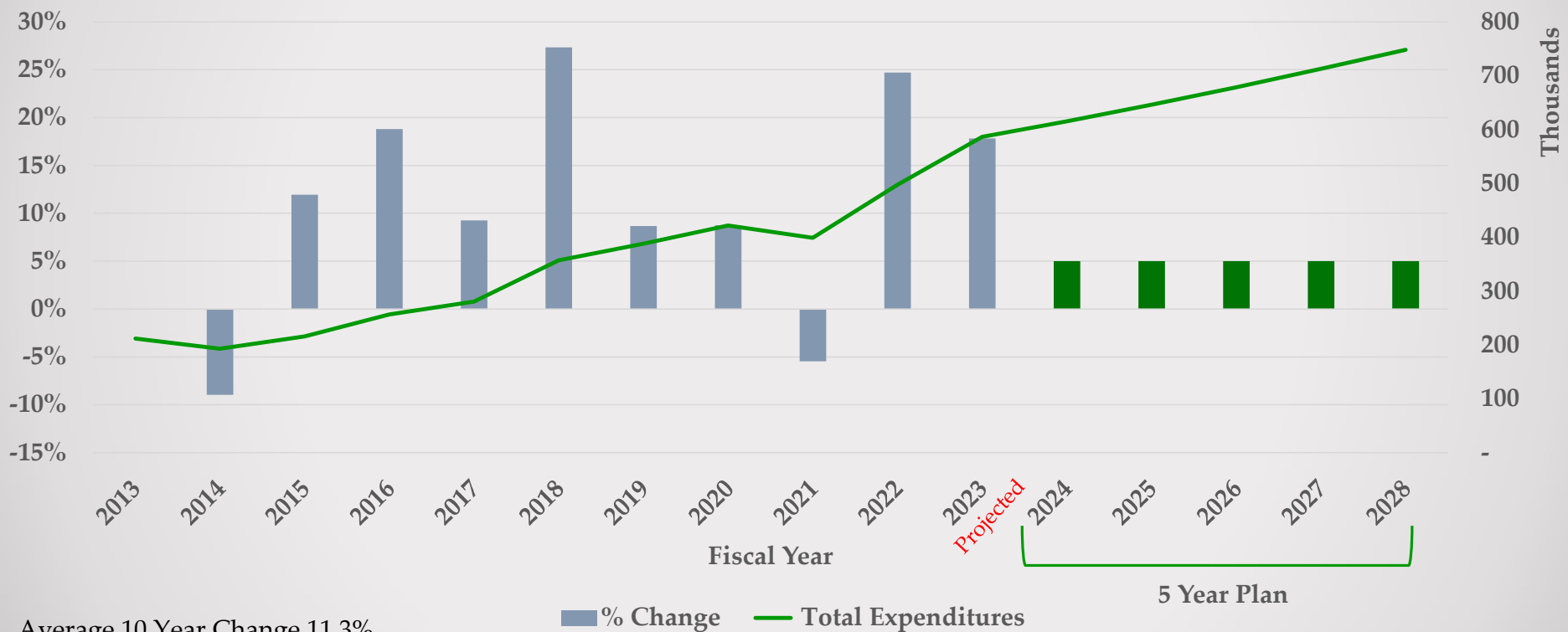
¹ Civilian – Includes Private Industry & State and Local Government

² Texas is within the West South Central Region for BLS reporting of ECI

The salaries and wages data from the Employment Cost Index (ECI), published by the U.S. Department of Labor, Bureau of Labor Statistics (www.bls.gov), for all private industry workers, state and local government workers, and the region to which Texas is assigned, are important



Health Insurance



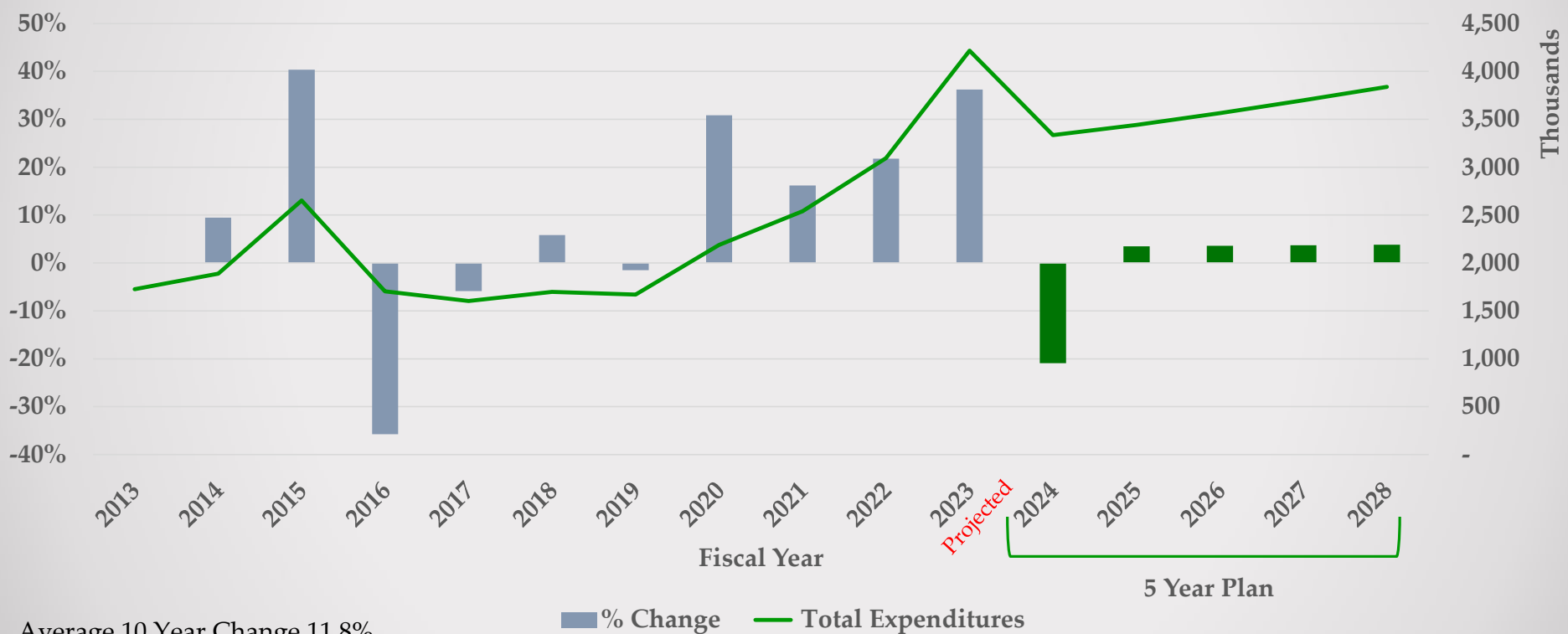


Health Insurance Costs

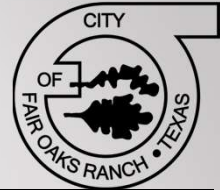
Plan Year	% Change From Prior Year	
2014-15	+3.0%	No Plan Change
2015-16	0%	No Plan Change
2016-17	+2.0%	No Plan Change
2017-18	+2.0%	No Plan Change
2018-19	+3.0%	No Plan Change
2019-20	+5.0%	No Plan Change
2020-21	-13.4%	Changed Vendor
2021-22	+23.9%	Large PY Loss Ratio
2022-23	0%	No Plan Change



All Other Expenditures



Capital Improvements Plan



		<i>2023 Projected</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>6 Year Total</i>
RELIABLE AND SUSTAINABLE INFRASTRUCTURE								
3.3.2	Drainage 7840 Silver Spur Trail (Drainage CIP # 17)	30,000	-	-	-	-	-	30,000
3.3.3	Drainage 29010 Tivoli Way (Drainage CIP #34)	1,200,000	-	-	-	-	-	1,200,000
3.3.5	Drainage 8410 Noble Lark Dr. (CIP# 36)	-	-	-	-	223,066	-	223,066
3.3.6	Drainage 29314 Sumpter Drive (CIP# 32)	-	-	-	61,829	159,333	-	221,162
3.3.7	Drainage 7967 Turf Paradise Lane (Drainage CIP #37)	94,000	232,757	-	-	-	-	326,757
3.3.8	Drainage 7900 Fair Oaks Parkway (Drainage CIP #30)	10,000	-	-	-	-	-	10,000
3.3.9	Drainage 7820 Rolling Acres Trail (Drainage CIP #5)	250,000	-	-	-	-	-	250,000
3.3.10	Drainage Rockinghorse Lane (Drainage CIP #61)	29,609	-	-	-	-	-	29,609
3.3.11	Drainage Ammann Road Low Water Cross (CIP# 1)		55,275	55,275	506,892	506,892	-	1,124,334
3.3.12	Drainage 8426 Triple Crown (CIP# 41)		56,450	145,473	-	-	-	201,923
3.3.13	Drainage 7420 Rolling Acres Trail (CIP#6)	-	-	103,869	103,869	275,914	275,914	759,566
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	-	-	-	61,829	159,333	-	221,162
3.3.15	Drainage 31988 Scarteen (CIP# 44)	-	-	23,993	61,829	-	-	85,822
3.3.16	Drainage 7644 Pimlico Lane (CIP# 46)	-	-	23,993	61,829	-	-	85,822
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	-	-	-	61,829	159,333	-	221,162
3.3.18	Drainage 7740 Pimlico Lane (CIP# 42)	-	-	-	24,732	63,733	-	88,465
3.3.19	Drainage 32030 Scarteen (CIP# 53)	-	-	-	61,829	159,333	-	221,162
3.3.20	Drainage 8312 Triple Crown (CIP #43)	-	-	-	61,829	159,333	-	221,162
3.3.22	Drainage 28907 Chartwell Lane (CIP #35)	-	-	-	61,829	159,333	-	221,162
3.3.23	Drainage 8622 Delta Dawn (CIP# 15)	-	-	-	61,829	159,333	-	221,162
3.3.24	Drainage 8037 Rock Oak Circle (CIP# 58)	-	-	-	24,732	63,733	-	88,465

Capital Improvements Plan

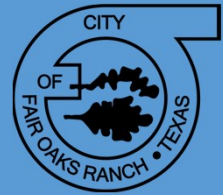


	<i>2023 Projected</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>6 Year Total</i>	
RELIABLE AND SUSTAINABLE INFRASTRUCTURE								
3.4.7	Modify Chartwell and Dietz Intersection	98,126					98,126	
3.4.8	Bond Development Program	147,969					147,969	
3.4.10	Dietz Elkhorn Roadway reconstruction	245,915	241,416	1,609,436	1,609,436	-	3,706,203	
3.4.11	Ammann Rd Roadway reconstruction	-	365,286	360,786	2,405,239	2,405,239	5,536,550	
3.4.12	Rolling Acres Roadway reconstruction	-	-	-	325,510	4,665,635	4,991,145	
3.4.13	Post Oak Tr Roadway reconstruction, TX Dot Grant	875,000	-	-	-	-	875,000	
3.4.14	Connect sidewalk between Elkhorn Ridge subdivision	41,282	-	-	-	-	41,282	
3.4.15	Battle Intense Reconstructing sidewalk curb.	54,500	-	-	-	-	54,500	
3.5.4	City Hall Renovation-Construction	661,819					661,819	
3.5.5	Develop plan for a civic center building and campus	412,815					412,815	
PUBLIC HEALTH, SAFETY, AND WELFARE								
4.2.1	Develop a standards of cover and utilization study	54,932					54,932	
OPERATIONAL EXCELLENCE								
5.2.2	Develop and implement a communications strategy	42,139						
5.3.3	Develop and implement digitization program for city records	22,967						
5.3.3b	3rd Party Scanning of City Records	40,000					40,000	
5.3.11	Evaluate and implement PIA software programs	30,000					30,000	
5.3.12	Implement Fuel Station for City Fleet Vehicles	65,000					65,000	
5.5.31	IT Penetration Testing		40,000				40,000	
Yearly Total Needed to Fund Projects		4,406,073	991,184	2,322,825	5,556,871	9,319,543	275,914	22,807,304



FIVE-YEAR FINANCIAL PLAN

FY 2024-2028



Questions?