



Public Hearing FY 2023-24 Budget and 2023 Tax Rate

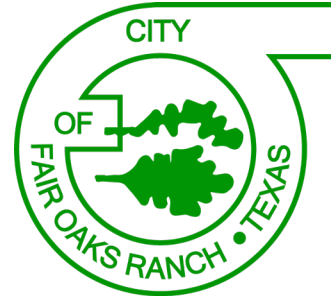
September 12, 2023

Summer Fleming, Interim Director of Finance



Agenda

- Opening comments from the Mayor
- Comments from the Interim City Manager
- Presentation of the Proposed Budget and Tax Rate by Interim Director of Finance
- Open the Public Hearing and receive citizen testimony
- Close the Public Hearing
- Receive comments from the Mayor and City Council

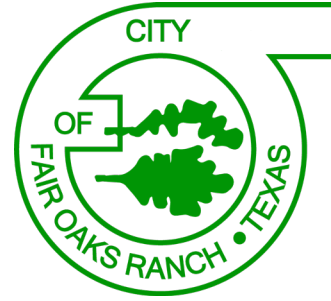


Budget Process

March – July	Council and Staff Workshops and Budget Development
August – September	Budget Adoption Process

Steps remaining:

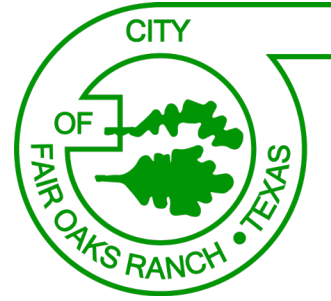
September 12	Budget and Tax Rate Public Hearing 1 st reading of the Budget Ordinance 1 st reading of the Tax Rate Ordinance Compensation Plan Resolution
September 21	2 nd reading of the Budget Ordinance 2 nd reading of the Tax Rate Ordinance



Budget Highlights

- Reduction of 2.86 cents to the overall tax rate
- No reduction in services
- Includes funding for IT upgrades, cybersecurity initiatives, public safety and maintenance equipment
- Includes 2.5% COLA to all employees and continued investment in employee benefit programs
- Addresses inflationary pressures on maintenance and operations
- Maintains Operating Reserve in accordance with City Policy
- Utilizes unallocated fund balance for continued Drainage and Roadway CIP Projects and needed upgrades to Fire Station #3

General Fund Budget Overview



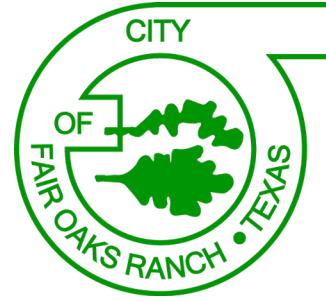
Category	Amount
Revenues	\$10,393,567
Expenditures	(9,595,006)
Operating surplus/(deficit)	798,561
Transfer (to)/from Equipment Replacement Fund	(29,445)
Transfer to Strategic Projects Fund	(813,526)
Capital Outlay	(514,111)
Total surplus/(deficit)	(\$558,521)



Budget Changes – General Fund Revenue

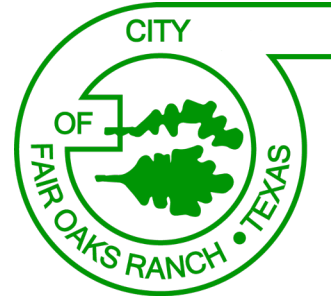
Category	FY 2022-23 Adopted Budget	FY 2023-24 Proposed Budget	Change	% Change
Taxes	\$7,963,116	\$8,300,628	\$337,512	4.2%
Franchise Fees	692,050	740,685	48,635	7.0%
Interest	72,000	450,000	378,000	525.0%
Permits	309,075	209,075	(100,000)	(32.4%)
Animal Control	1,135	1,135	0	0.0%
Fines & Forfeitures	176,300	176,465	165	0.1%
Fees & Services	277,903	278,053	150	0.1%
Miscellaneous	123,020	237,526	114,506	93.1%
Total Operating Revenue	\$9,614,599	\$10,393,567	\$778,968	8.1%

Budget Changes – General Fund Expenditures



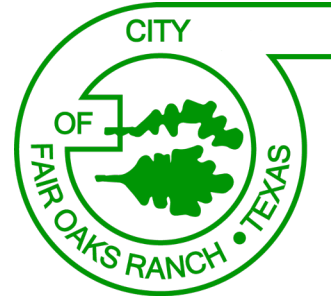
Category	FY 2022-23 Adopted Budget	FY 2023-24 Proposed Budget	Change	% Change
Personnel	\$5,734,360	\$6,046,964	\$312,604	5.5%
Supplies, Maint. & Operations	1,387,774	1,159,111	(228,663)	(16.5%)
Services	1,955,259	2,388,931	433,672	22.2%
Total Operating Expenditures	\$9,077,393	\$9,595,006	\$517,613	5.7%
Capital Outlay	\$196,950	\$514,111	\$317,161	161.0%
Transfers	\$3,797,490	\$1,115,471	(\$2,682,019)	(70.6%)

Strategic & Capital Projects



Project	Budget
Dietz Elkhorn Roadway Reconstruction Design	\$309,235
Dietz Elkhorn Sidewalk Construction	\$300,000
Chartwell Lane Drainage CIP #35 Design	\$64,829
Delta Dawn Drainage CIP #15 Design & Construction	\$245,000
Fire Station #3 Upgrades	\$150,000

Fund Balance Summary – Governmental Funds



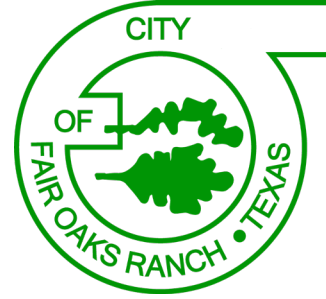
	FY 2022-23 Ending	FY 2023-24 Budget	FY 2023-24 Ending
Court Technology - Restricted	\$18,873	\$2,177	\$21,050
Court Security - Restricted	\$6,000	\$0	\$6,000
Other - Restricted	\$78,186	\$4,315	\$82,501
Non-spendable	\$25,328	\$0	\$25,328
Operating & Legal Reserve	\$4,555,322	\$182,798	\$4,738,120
Unallocated General Fund Surplus	\$1,242,902	(\$747,811)	\$495,091
Debt Service Fund – Restricted	\$69,539	(\$4,066)	\$65,473
Unallocated Strategic Projects Fund	\$413,150	(\$255,538)	\$157,612
Equipment Replacement Fund	\$1,145,262	\$41,945	\$1,187,207

Utility Fund Operating Revenue and Expenses



Category	Water	Wastewater	Total
Revenue	\$4,219,544	\$2,143,652	\$6,363,196
Expenses			
Personnel	1,039,193	1,022,211	2,061,404
Supplies, Maintenance, and Ops	2,438,840	543,513	2,982,353
Services	117,142	67,592	184,734
Total Expenses	\$3,595,175	\$1,633,316	\$5,228,491
Operating Income	\$624,369	\$510,336	\$1,134,705

Current Utility Rates (effective October 1, 2023)



Residential Water Tiered Volume Charges

Commercial Water Tiered Volume Charges

Gallons	Cost per 1,000 gallons	Gallons	Cost per 1,000 gallons
0 to 6,000	Base Service Charge	0 to 6,000	Base Service Charge
6,001 to 12,500	\$3.81	6,001 to 50,000	\$3.25
12,501 to 25,000	\$4.76	50,001 to 100,000	\$4.87
25,001 to 50,000	\$7.14	100,001 to 150,000	\$7.31
50,001 to 75,000	\$10.72	Over 150,000	\$10.97
75,001 to 100,000	\$16.07		
Over 100,000	\$24.11		

Water Base Service Charge \$26.48 - \$94.42 depending on meter size

Surface Water Fee: \$15.23
 TCEQ Fee: \$0.19
 Debt Service Fee: \$7.33
 Capital Reserve Fee: \$7.36

Wastewater Base Service Charge: \$28.94
 Wastewater Volumetric Rate: \$6.00 per 1,000 gal

TCEQ Fee: \$0.05
 Debt Service: \$2.29
 Capital Reserve Fee: \$4.12



Budget Changes – Utility Fund

Category	FY 2022-23 Adopted Budget	FY 2023-24 Proposed Budget	Change	% Change
Water Revenues	\$4,222,630	\$4,219,544	(\$3,086)	(0.1%)
Wastewater Revenues	1,348,525	2,143,652	795,127	59.0%
Total Revenues	\$5,571,155	\$6,363,196	\$792,041	14.2%
Personnel	\$1,940,584	\$2,061,404	\$120,820	6.2%
Supplies, Maint & Operations	2,859,378	2,982,353	122,975	4.3%
Services	130,778	184,734	53,956	41.3%
Total Operating Expenses	\$4,930,740	\$5,228,491	\$297,751	6.0%
Operating Income/(Loss)	\$640,415	\$1,134,705	\$494,290	77.2%



Net Position Summary – Utility

	FY 2022-23 Ending	FY 2023-24 Budget	FY 2023-24 Ending
Net Investment in Capital Assets	\$11,136,066	\$571,325	\$11,707,391
Water Capital Fund	1,038,186	93,949	1,132,135
Wastewater Capital Fund	1,221,445	139,915	1,361,360
Operating Reserve	2,936,592	(345,715)	2,590,877
Debt Service Reserve	336,514	1,743	338,257
Equipment Replacement Fund	567,594	(121,701)	445,893
Total Net Position	\$17,236,397	\$339,516	\$17,575,913



2023 Tax Rate Comparison

	<u>FY 2022-23</u>		<u>Proposed Budget</u>	<u>NNR Rate</u>	<u>Current Tax Rate</u>	<u>Voter Approval</u>
Tax Rate/\$100 Valuation		Tax Rate/\$100 Valuation				
General Fund (M&O)	0.3023	General Fund (M&O)	0.2776	0.2827	0.3023	0.3336
Debt Service Fund (I&S)	0.0268	Debt Service Fund (I&S)	0.0229	0.0229	0.0268	0.0229
Total Tax Rate	0.3291	Total Tax Rate	0.3005	0.3056	0.3291	0.3565
2022 Taxable Valuation	2,136,409,507	2023 Certified Taxable Value	2,388,156,944	2,388,156,944	2,388,156,944	2,388,156,944
Collection Rate	98.74%	Collection Rate	98.74%	98.74%	98.74%	98.74%
2022 M&O Levy	6,376,991	2023 M&O Levy	6,545,557	6,666,253	7,128,434	7,866,509
2022 I&S Levy	565,344	2023 I&S Levy	539,997	539,997	631,962	539,997
Total Levy	6,942,334	Total Levy	7,085,554	7,206,250	7,760,396	8,406,506
		Year Over Year Difference	143,220	263,916	818,062	1,464,172
Average Home Value	566,488	Average Home Value	626,093	626,093	626,093	626,093
Tax Bill	1,864	Tax Bill	1,881	1,913	2,060	2,232



Questions?