

# Budget in Brief

Fiscal Year

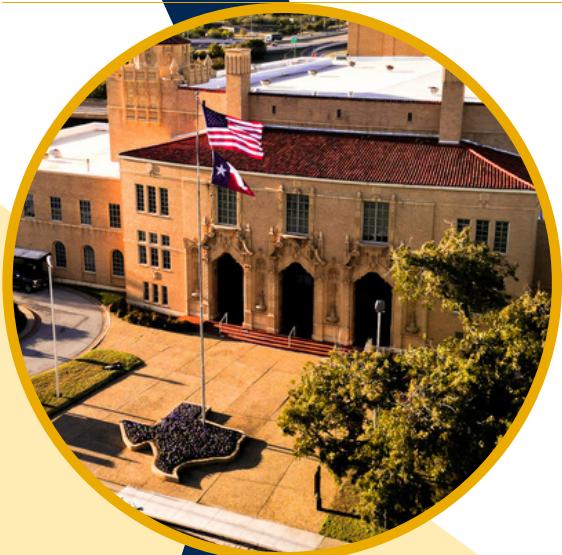
2023-2024



Contact

940-761-7462

[www.wichitafallstx.gov](http://www.wichitafallstx.gov)





## *Mission Statement*

*Enhance our quality of life through responsive service delivery, sound financial management, and partnerships spanning the public, private and business sectors.*

## *Vision Statement*

*Wichita Falls is a vibrant, growing, family-oriented community of unlimited opportunity and civic pride.*

## *Values Statement*

*The municipal employees and elected officials practice these values:*

*Excellence - We will provide an outstanding work product.*

*Integrity - We adhere to high moral principles, and are mindful of the public's trust in our work.*

*Accountability - We will accept responsibility for our actions and decisions.*

*Transparency - We will be visible, accessible, and open, in our communication with the public.*

*Innovation - We will strive to improve service delivery by evaluating and introducing new methods, ideas and programs.*





Historic Wichita Falls, Texas

## City of Wichita Falls FY 2024 Budget-in-Brief

### In this report...

Community Profile .....	4
City History .....	5
City Leadership .....	6
City Manager's Message .....	7
City Organizational Chart .....	8
City Council's Strategic Goals .....	9
City Finance .....	10
Your Tax Dollars at Work .....	11
Budget Highlights - All Funds .....	12
Budget Challenges - All Funds .....	15
The General Fund .....	16
The Water & Sewer Funds - All .....	18
The Sanitation Fund .....	20
Other Fund Highlights .....	21
The Capital Improvement Plan .....	22



Wichita Falls, Texas Today



# COMMUNITY PROFILE

## WICHITA FALLS

*By most accounts, Wichita Falls can be summed up with two words; pleasant and comfortable.*



The City of Wichita Falls is comfortably nestled in the northeast corner of the Panhandle/Plains area of North Texas. Wichita Falls is an economically progressive city, and home to commerce and industry with worldwide interests. Serving as the county seat of Wichita County, Wichita Falls is the 40th most populated city in Texas with an approximate population of 102,988, and is considered the population center of North Texas.

The central business district is 5 miles from Sheppard Air Force Base, which is home to the Air Force's largest technical training wing and Euro-NATO Joint Jet Pilot Training (ENJJPT) program. The City has several institutions of higher learning, an eager workforce, a strong international presence through Sheppard Air Force Base, a community spirit geared toward family and friends, and a desire to see this thriving city continue to grow and prosper.



Wichita Falls is about 15 miles (24km) south of the border with Oklahoma, 115 mi (185km) north west of Fort Worth, Texas, and 140 mi (225km) southwest of Oklahoma City, Oklahoma. The City has a total area of 70.1 square miles. Wichita Falls is located less than two hours from Dallas-Fort Worth and Oklahoma City.



Wichita Falls experiences a humid subtropical climate, featuring long, hot and humid summers, and cool winters. The city has some of the highest summer daily maximum temperatures in the entire U.S. Temperatures have hit 100 °F (38 °C) as early as March 27, and as late as October 17. Winters are mild, with only one or two snowy days a season.

*Annually, temperatures of 100 °F occur approximately 28 days a year, with 102 days of temperatures at 90°F or higher.*

### Fun Fact:

**By the 1950's Wichita Falls carried the nickname "Factory City," for having over 100 manufacturing companies, 127 wholesale outlets and 741 retail stores.**



# City HISTORY

The Choctaw Native Americans settled the area in the early 19th century from their native Mississippi area after negotiation of the Treaty of Dancing Rabbit Creek. American settlers arrived in the 1860s to form cattle ranches. On September 27th, 1876, a sale of town lots was held at the corner of Seventh and Ohio streets – the birthplace of the City. That same day, the City was officially titled Wichita Falls.

The formative years of the City were economically driven by farming and ranching. The arrival of the Fort Worth & Denver railroad transformed Wichita Falls from a loose collection of cottages to a thriving market center. The railroad enabled ranchers to ship their cattle to Fort Worth and farmers to market their products to national outlets. By 1910, City business leaders Frank Kell and Joseph Kemp organized and built three railroad lines that linked Wichita Falls to markets throughout the country.

## Government Structure

The City of Wichita Falls operates under a Council-Manager form of Government. This system combines the strong political leadership of elected officials in the form of a City Council, with the strong managerial experience of an appointed City Manager. The Council-Manager form of government establishes a representative system where all power is concentrated in the elected Council which hires a professionally trained manager to oversee the delivery of public services. The City of Wichita Falls has a Mayor and six-member Council who are elected into 3 year terms in non-partisan elections.

# City Leadership

The City of Wichita Falls has a Mayor and six-member Council elected in non-partisan elections. Their terms of service are for three years.



Stephen Santellana  
Mayor



Bobby Whiteley  
At Large &  
Mayor Pro-tem



Michael Smith  
District 1



Larry Nelson  
District 2



Jeff Browning  
District 3



Tim Brewer  
District 4



Steve Jackson  
District 5



Darron Leiker  
City Manager



# City Manager's Message

City of Wichita Falls,

It is my pleasure to present to you this Budget in Brief document, which offers a condensed summary of the FY 2024 Adopted Annual Operating Budget, as adopted by the City Council on September 5, 2023. This budget was prepared with a focus on the City's adopted Strategic goals, including accelerating economic growth, providing quality infrastructure, redevelopment of downtown, the efficient delivery of city services, and a dedication to actively engaging the public.

The City's annual budget process begins in March and ends in September with the adoption of the budget by the City Council. The process includes opportunities for City Council and public involvement through public meeting and workshops. Department Directors are challenged to submit budget requests that align with the City's Strategic Goals and meet the needs of their Departments. With rising pressures, every Department is being asked to do more with less, whether that is unfilled staff positions or less available resources due to the continued effects of the Pandemic on the supply-chain.

This year, revenues in the General Fund from property tax are showing improvement based on the certified property tax roll submitted by the Wichita County Appraisal District, and recent upward, but slowing, trends in sales tax receipts. Interest earnings have been much higher than previously budgeted due continuation of elevated interest rates as the Fed tries to tamp down inflation. The City faces ongoing inflationary pressures, yet staff is expecting to provide the same level of services in FY 2024 despite higher than normal cost increases.

This budget addresses these issues and many of the City's long-term capital infrastructure needs. Strong sales tax collections in the prior years and continued higher than forecasted interest earnings created available resources, which is used to address aging infrastructure and maintain market competitive salaries for City employees. 14.5 FTE positions were added across the organization, and current employees were provided a 4% Cost of Living Adjustment (COLA) in addition to Merit and Step increases. Increases in costs in the Water & Sewer fund are addressed with the previously adopted increase to retail water and sewer rates. Last year's rate increase was the first increase to these rates in over 8 years.

Over the past several years, the City has changed its budget format, adopting the Government Finance Officers Association's (GFOA) Best Practices, and receiving the GFOA award for Distinguished Budget Presentation. The City has also increased financial transparency through an updated website, which earned three of the State of Texas Comptrollers Transparency Stars. This document furthers these efforts by creating a condensed, informative, and easy to read excerpt of the annual adopted budget.

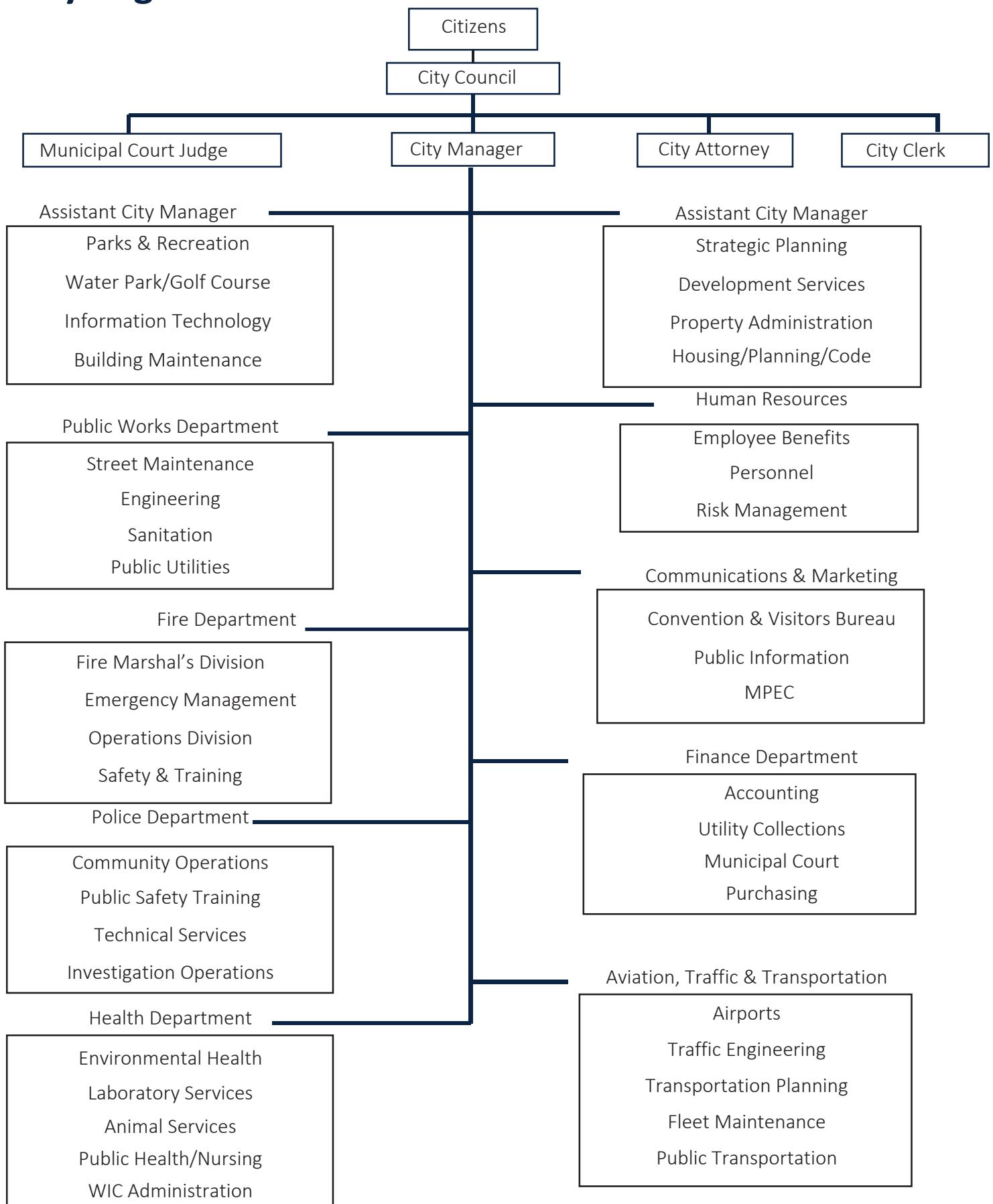
Respectfully,



Darron Leiker  
City Manager



# City Organizational Chart



# City Council's Strategic Goals

In March 2021, the City Council and City staff conducted a 2-day strategic planning workshop at the City's Multipurpose Event Center to ensure the best possible decisions for Wichita Falls are made over the next few years. The Azimuth Group, Inc. was contracted to facilitate and document the results of this collective planning and priority-setting effort.

The Strategic Plan is an example of the operation of the "Council-Manager" form of government in that the City Council adopts the Strategic Plan and its policies, and the City Manager is responsible for implementation. The City Council ratified the plan and its goals on May 18, 2021, and a summary of the five (5) general goals and thirty- three (33) policies and objectives. The plan describes the three highest priority items (those items with the greatest opportunity for continued improvement) as (1) Accelerate Economic Growth, (2) Provide Quality Infrastructure, and (3) Redevelop Downtown. A copy of the plan may be found on the City's website.

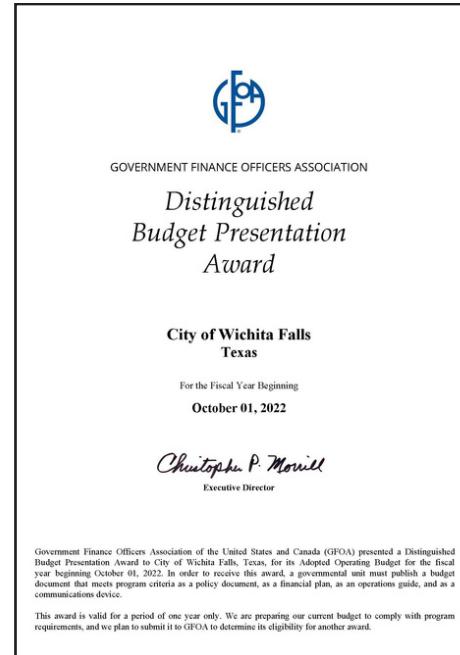
The Strategic Plan is guided by the City's Mission, Vision and Values. The City's Mission is to "Enhance our quality of life through responsive service delivery, sound financial management, and partnerships spanning the public, private and business sectors". The City's Vision is "Wichita Falls is a vibrant, growing, family-oriented community of unlimited opportunities and civic pride". The City's Values include Excellence, Integrity, Accountability, Transparency, and Innovation.



# City Finance

The City's budget is completed annually. It is based on the City's fiscal year starting on October 1st and ending on September 30th. The process to create the budget begins in March and runs through budget adoption in September. There are many points in the process for the public and the City Council to engage with staff, to provide insight, discuss needs, and provide strategic direction.

In fiscal year 2022-2023, the City of Wichita Falls was awarded the Distinguished Budget Presentations Award from the Government Finance Officers Association of the United States and Canada for the third year. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement.



The FY 2024 budget was prepared with a focus on the following goals from the City's adopted Strategic Plan:

- **Accelerate Economic Growth**
- **Provide Quality Infrastructure**
- **Redevelop Downtown**
- **Efficiently Deliver City Services**
- **Actively Engage and Inform the Public**

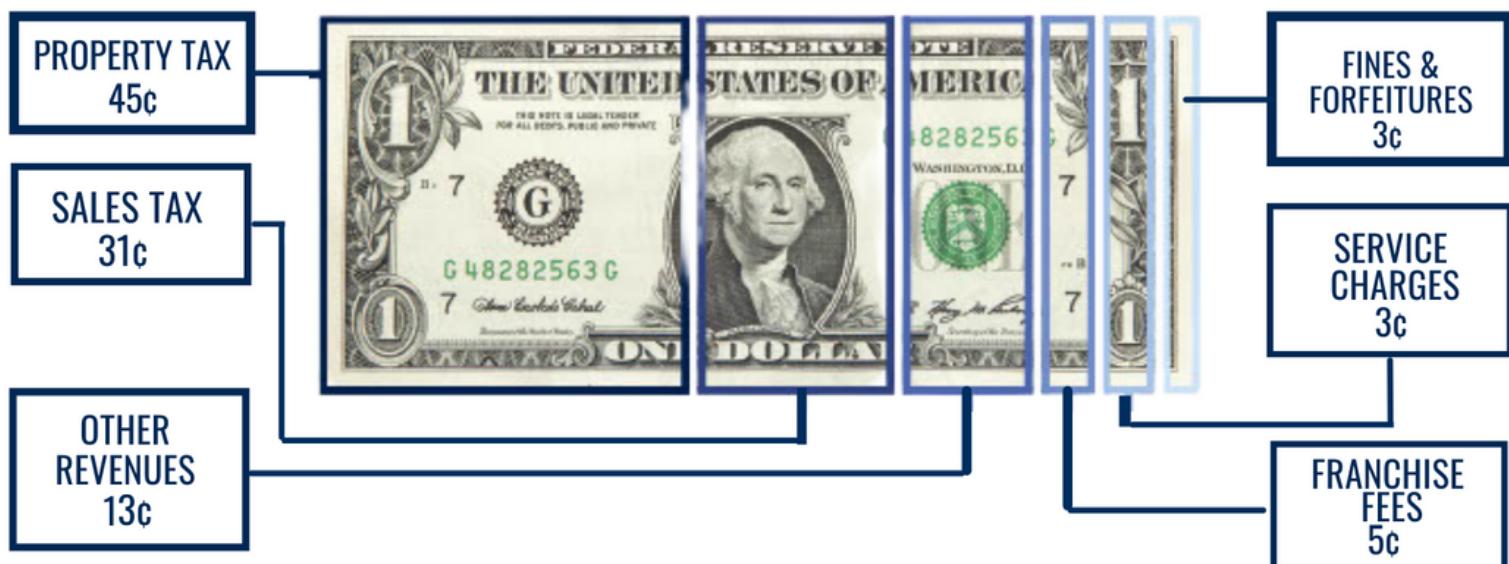
The budget for FY 2024 provides the opportunity for the City Council to lower the City's property tax rate as the local economy continues to experience above average property appreciation and sales tax growth. The adopted budget:

- **Maintains current service levels despite continued higher than average inflation**
- **Reduces the property tax rate by 2.1% from .6943 to .6800**
- **Commits \$30M+ to infrastructure replacement and capital improvement projects (CIP)**
- **Increases employee pay by up to 6.5% for civil service, and up to 6% for non-civil service**
- **Enhances Stability Pay for non-civil service employees**
- **Increases the City's contribution to the Firefighter's Pension Fund to maintain parity with TMRS**
- **Includes a previously approved 5% increase in retail water rates for FY 2024**
- **Proposes a 6% increase in residential curbside /commercial garbage collection, and 13% for alley customers**
- **Proposes \$10M in excess General Fund Reserves to a Capital Fund for future use**

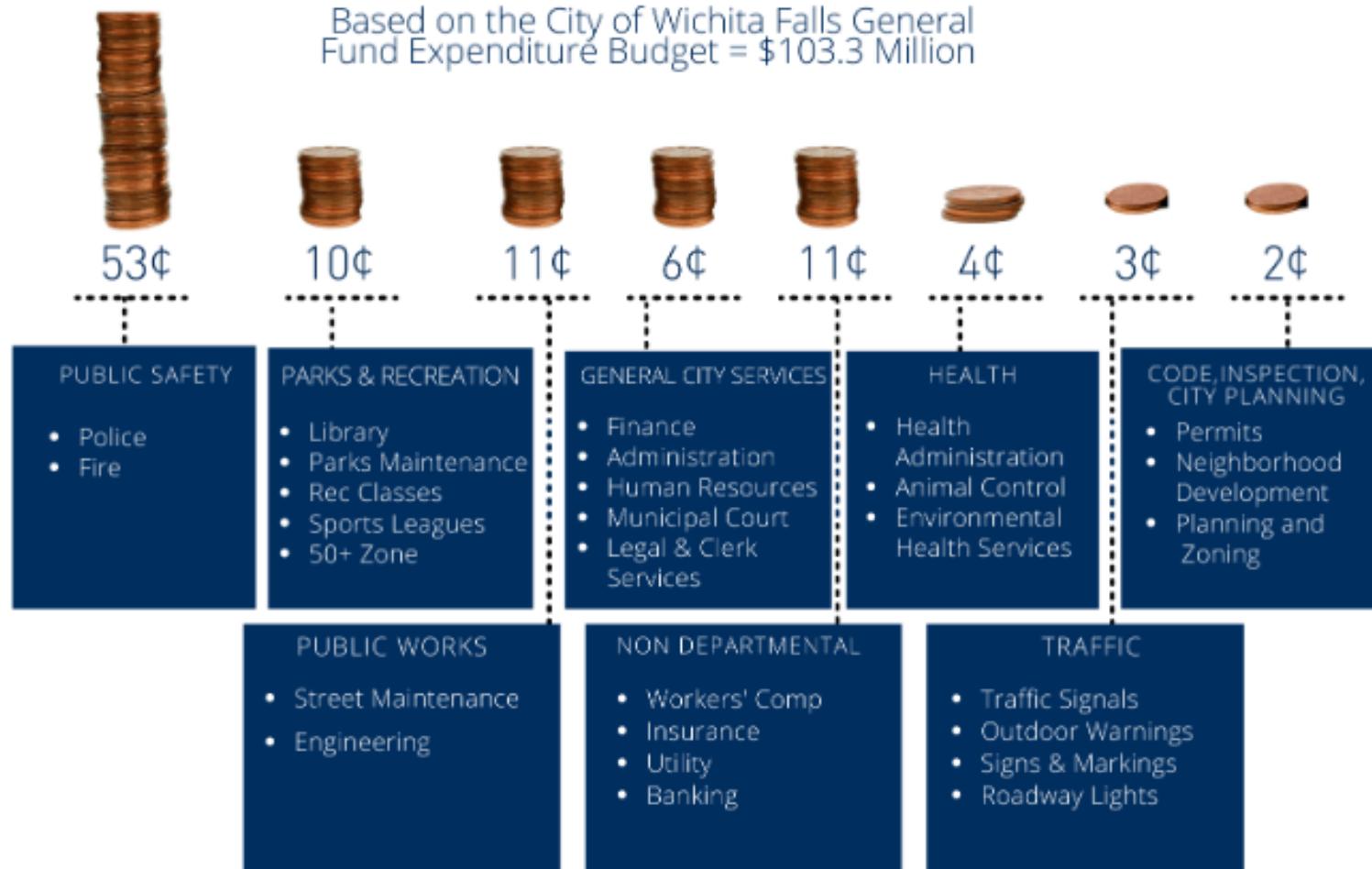
# YOUR TAX DOLLARS AT WORK

AN OVERVIEW OF THE GENERAL FUND FISCAL YEAR 2024 BUDGET

## CITY OF WICHITA FALLS GENERAL FUND REVENUE SOURCES = \$103.2 MILLION



Based on the City of Wichita Falls General Fund Expenditure Budget = \$103.3 Million



## Budget Highlights - All Funds

### REVENUE - ALL FUNDS

Revenues collected by the City may be broken down into the following categories: operating revenues, which are recurring revenues the City may receive annually; consolidated revenues which include the transfer of money between funds and other financing sources, and includes the use of one-time available surplus funds.

The adopted operating revenue budget for FY 2024 across all funds is \$218,647,143, which is an increase of \$13,673,915 or 6.67% from the FY 2023 Adopted Budget of \$204,973,228. This is consistent with the increased cost to provide municipal services due to inflation, discussed further in this document.

Operating Revenue All Funds	2021-22 Actual	2022-23 Adopted Budget	2023-24 Adopted Budget	Percent Change
Property Taxes	\$ 43,165,659	\$ 45,112,664	\$ 48,354,569	7.19%
Sales Tax	31,102,272	30,680,000	31,725,000	3.41%
Franchise Fees	5,684,241	5,465,100	5,527,634	1.14%
Payments in Lieu of Taxes	1,439,374	1,550,000	1,438,446	-7.20%
Other Taxes	3,813,711	3,631,427	3,861,500	6.34%
Service Charges	89,070,802	90,742,569	97,026,937	6.93%
Licenses & Permits	2,296,894	1,701,991	2,049,700	20.43%
Fines & Forfeitures	2,375,884	2,516,357	2,940,400	16.85%
Intergovernmental Rev.	13,091,644	12,285,508	12,378,000	0.75%
Contributions	2,352,418	2,126,644	1,981,356	-6.83%
Interest Income	855,397	2,504,947	5,433,200	116.90%
Misc. Revenues	7,911,570	6,656,021	5,930,401	-10.90%
<b>Operating Revenues</b>	<b>\$203,159,866</b>	<b>\$ 204,973,228</b>	<b>\$ 218,647,143</b>	<b>6.67%</b>

### ALL FUNDS REVENUE HIGHLIGHTS

#### Property Tax:

Overall, the property tax levy is expected to increase by 7.19%, including taxes for maintenance and operations and city debt. The FY 2024 property tax base is anticipated to be 9.45% higher than last year due to a strong housing market. The FY 2024 Adopted Budget reduces the City's property tax rate by 2.1%.

#### Sales Tax:

Sales Tax receipts have shown significant growth from the pandemic but are expected to slow, increasing only 3.41% compared to the FY 2023 budget and 1.00% from the FY 2023 collections.

#### Service Charges:

Service charges are expected to increase by 6.93% mostly due to the increase in retail water rates and sanitation charges.

#### Interest Income:

Recent actions by the Federal Reserve to increase interest rates to help curb inflation have changed the outlook for the markets. Estimated earnings for FY 2024 are \$2,928,253, or 116.90% higher than FY 2023 budget.

## Budget Highlights - All Funds

### CONSOLIDATED REVENUE

The Adopted Budget estimates operating and consolidated revenue collection across all funds at \$232,952,356. This includes the use of one-time available fund balance, transfers between funds, and increases in federal grant revenues. One-time revenues are referred to as "Other Financing Sources" to clearly identify that they are non-recurring and non-operational revenues. These revenues are excesses of fund balance, available above a funds policy, for use for one-time and non-recurring expenditures, which are listed in the following expenditure section.

Operating Revenue All Funds	2021-22 Actual	2022-23 Adopted Budget	2023-24 Adopted Budget	Percent Change
<b>Operating Revenues</b>	<b>\$203,159,866</b>	<b>\$ 204,973,228</b>	<b>\$ 218,647,143</b>	<b>6.67%</b>
Transfer In	13,360,233	9,534,859	7,942,567	-16.70%
Other Financing Sources	2,002,298	19,308,875	6,362,646	-67.05%
<b>Consolidated Revenues</b>	<b>\$218,522,397</b>	<b>\$ 233,816,962</b>	<b>\$ 232,952,356</b>	<b>-0.37%</b>

### TOTAL EXPENDITURE BUDGET

The Adopted Budget for expenditures across all funds is \$232,952,356, which is a decrease of \$864,606 or 0.37% from the FY 2023 Adopted Budget of \$233,816,962. The decrease in expenditures is driven by decreased one time expenditures undergone in FY 2023. Increases in operating expenditures is driven by the increased cost of goods and services due to inflation, increased capital expenditures for critical infrastructure, and the increased cost of labor to help maintain market competitive compensation.

Expenditures All Funds	2021-22 Actual Expenditures	2022-23 Adopted Budget	2023-24 Adopted Budget	Percent Change
Personnel Services	\$ 90,770,593	\$ 97,981,335	\$ 104,741,916	6.90%
Supplies	12,403,097	16,303,433	15,838,944	-2.85%
Maintenance & Repair	8,418,369	9,550,830	10,378,043	8.66%
Utilities/Other Services	22,813,304	25,824,625	28,573,613	10.64%
Insurance & Contract Supp.	3,249,143	3,478,367	3,381,856	-2.77%
Debt Expenditures	18,037,329	19,467,705	20,030,328	2.89%
Other Expenditures	11,679,896	13,574,669	14,507,717	6.87%
Non Capital Improvements	142,358	160,541	414,634	158.27%
Capital Improvements	18,129,297	38,711,168	30,041,703	-22.40%
Transfers Out	6,405,767	8,764,290	5,043,602	-42.45%
<b>Total Expenditures</b>	<b>\$ 192,049,153</b>	<b>\$ 233,816,962</b>	<b>\$ 232,952,356</b>	<b>-0.37%</b>

## Budget Highlights - All Funds

### ALL FUNDS EXPENDITURE HIGHLIGHTS

#### Personnel Services:

The City's most valuable asset is its employees. This adopted budget includes an across the board cost of living adjustment (COLA) of 4% for all eligible employees and up to an additional 2.5% Step increase for civil service employees or up to an additional 2% Merit increase for non-civil service employees. The City also added 14.5 new full-time equivalent (FTE) positions across the organization.

#### Capital:

The adopted budget includes capital expenditures to assist in replacing critical infrastructure in the City. Increased capital spending includes funds for street rehabilitation and improvement in the General Fund, replacement of vehicles and facility improvements in the Fleet Maintenance fund, and replacement of Toughbooks and mobile ticket writers for Public Safety in the Information Technology Fund.

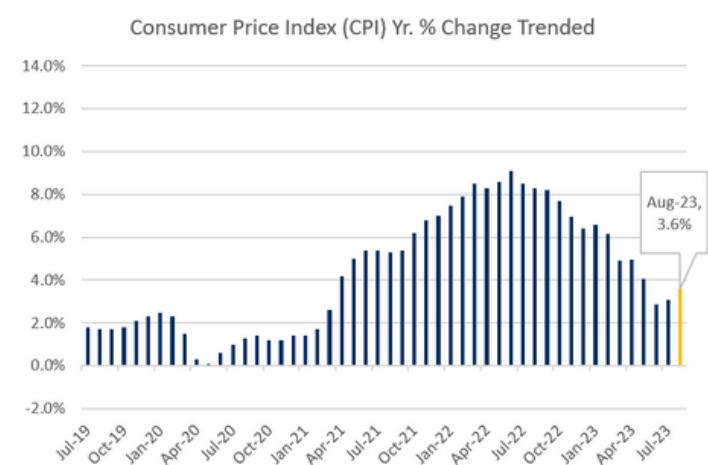
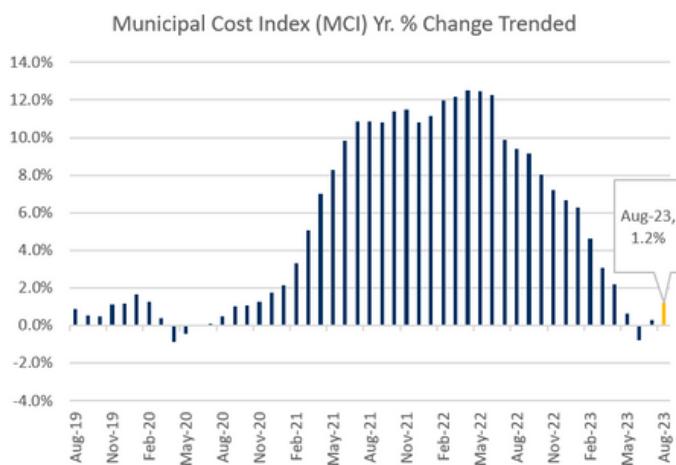
Category	Amount
Street Rehab and Improvement	5,290,500
Lake Ringgold - Federal Permitting	5,000,000
Water and Sewer line Replacements	3,000,000
Water System Infrastructure	2,488,800
Vehicles (Fleet)	2,453,923
Sanitation Trucks	2,078,823
Stormwater System Improvements	2,000,000
Information Technology	1,715,154
Facility Improvements	1,401,195
Buses (Public Transportation)	1,110,000
Castaway Cove - New Attraction	1,100,000
All Other	2,403,308
	<u>30,041,703</u>



# Budget Challenges - All Funds

## Impact of Inflation:

The rising cost of goods and services through inflation is a key issue that the adopted budget is facing. The Municipal Cost Index (MCI) is a measure of inflation based on factor's influencing costs of goods and services from Municipalities. The year over year increase in the costs for municipalities has increased by 9.9%. The US Bureau of Labor Statistics, on August 15, 2023, released inflation data showing an increase of 3.6% from the previous year.



## Capital Needs:

The City continues to face challenges with aging infrastructure. The largest increases in cost the City had to address in this budget were related to the Water and Sewer Infrastructure System. As mentioned, this budget increased water and sewer retail water rates by 5%, following the 5% increase implemented last year. These increases help to keep up with the increased cost of supplies due to inflation, maintain market competitive salaries for staff, and increase fund balance reserves to help ensure adequate funds for emergency needs that may arise. Prior to the increase in FY 2023, the City has held water rates the same for 8 years in a row, absorbing all of the cost increases for labor, supplies, and construction over this time period. Below is an example of the increases the City has incurred due to rising inflation.

- Water main replacement cost has more than doubled since 2020, up an average of 111%.
- 2020 Cost = \$70.50/LF
- Today's Cost = \$148.00/LF
- Sewer line replacement has increased 52% per linear foot since 2020.
- 2020 Cost = \$124/LF
- Today's Cost = \$188/LF
- Due to the age of city water and sewer lines, additional funding is needed for replacement, repair and maintenance.

# The General Fund

The City's three major funds are the General Fund, the Water & Sewer Fund (reported as one fund for accounting purposes) and the Sanitation Fund.

## GENERAL FUND REVENUE

The adopted operating revenue budget for FY 2024 in the City's General Fund totals \$97,825,616, which is 6.85% higher than the FY 2023 budget. The budget includes various projects and programs addressing the key issues the City is facing.

Revenues and Expenditures by Year	General Fund		FY 2023	FY 2024	% Change
	FY 2022 Actual	Adopted Budget			
<b>Revenues</b>					
Property Tax	\$ 41,255,844	\$ 42,946,569	\$ 46,204,569		7.59%
Sales Tax	31,099,772	30,680,000	31,725,000		3.41%
Franchise Fees	5,684,241	5,465,127	5,527,634		1.14%
Payments in Lieu of Taxes	1,439,374	1,550,000	1,438,446		-7.20%
Other Tax Revenue	971,074	831,400	956,500		15.05%
Service Charges	2,981,437	2,968,044	3,236,758		9.05%
Licenses & Permits	2,296,894	1,701,991	2,049,700		20.43%
Fines & Forfeitures	2,375,884	2,516,357	2,940,400		16.85%
Contributions	239,454	213,419	232,500		8.94%
Misc. Revenues	2,738,182	2,679,806	3,746,687		39.81%
<b>Total Operating Revenues</b>	<b>\$ 91,082,156</b>	<b>\$ 91,552,713</b>	<b>\$ 98,058,194</b>		<b>7.11%</b>

## GENERAL FUND CONSOLIDATED REVENUES

The adopted budget's consolidated revenues total \$103,438,410 which is \$86,808 or 0.08% more than the prior year's adopted budget. The previous year's budget included the use of \$8,690,000 in surplus funds from fund balance for one-time expenditures in accordance with policy and charter. There are no uses of fund balance in the General Fund planned for FY 24. Transfers In increased due to a transfer of \$2,000,000 from remaining street bond funds.

Revenues and Expenditures by Year	General Fund		FY 2023	FY 2024	% Change
	FY 2022 Actual	Adopted Budget			
<b>Total Operating Revenues</b>	<b>\$ 91,082,156</b>	<b>\$ 91,552,713</b>	<b>\$ 98,058,194</b>		<b>7.11%</b>
Transfer In	3,845,430	3,108,889	5,380,216		73.06%
Other Financing Sources	-	8,690,000	-		-100.00%
<b>Total Revenues</b>	<b>\$ 94,927,586</b>	<b>\$ 103,351,602</b>	<b>\$ 103,438,410</b>		<b>0.08%</b>

# The General Fund

## GENERAL FUND EXPENDITURES

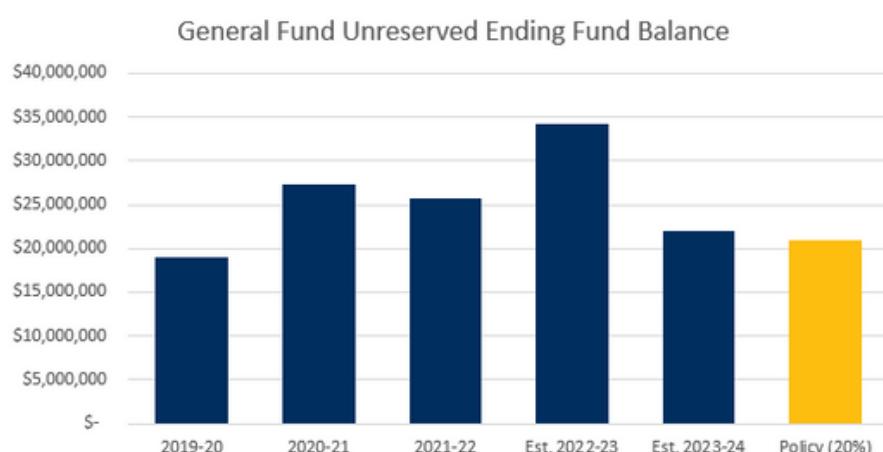
For FY 2023, General Fund budgeted expenditures are \$103,438,410 which is an increase of \$86,808 or 0.08%, from the FY 2023 adopted budget.

The adopted budget includes \$6,317,223 in capital improvements. These capital improvements include an increase to the street overlay program, workstation replacement for Public Safety, replacement of the Library roof, improvements to Sports Complex #1, as well as standard capital expenditures.

General Fund	2021-22 Actual	2022-23 Adopted Budget	2023-24 Adopted Budget	Percent Change
<b>Expenditures</b>				
Personnel Services	\$ 63,506,778	\$ 68,882,329	\$ 73,868,274	7.24%
Supplies	1,811,670	2,297,215	2,669,721	16.22%
Maintenance & Repair	1,995,669	1,682,587	1,829,630	8.74%
Utilities/Other Services	7,912,463	10,137,551	10,439,762	2.98%
Insurance & Contract Supp.	1,848,306	1,953,026	1,898,688	-2.78%
Debt Expenditures	308,090	315,884	323,913	2.54%
Other Expenditures	3,918,079	4,719,200	4,955,474	5.01%
Non Capital Improvements	136,405	154,541	163,000	5.47%
Capital Improvements	2,794,330	8,326,673	6,317,223	-24.13%
Transfers Out	2,117,302	4,882,597	972,726	-80.08%
<b>Total Expenditures</b>	<b>\$86,349,092</b>	<b>\$ 103,351,602</b>	<b>\$ 103,438,410</b>	<b>0.08%</b>

## FUND BALANCE – GENERAL FUND

It is the City's policy to achieve and maintain an unrestricted fund balance in the General Fund equal to 20% of expenditures. The General Fund will meet the policy. Total unrestricted fund balance is estimated to be \$20.9M.



# The Water & Sewer Funds - All

## WATER & SEWER SYSTEM FUND

The adopted FY 2024 budget includes a 5% increase in retail water and sewer rates according to the fee ordinance adopted with the FY 2023 budget. The increases in FY 2023 and FY 2024 were the first increases in rates since 2014. These retail rate increases provide for additional water and sewer line replacements, address the impact of inflation, and maintain market competitive salaries. As mentioned, due to inflation, the cost of replacing water and sewer lines is up over 111% and 52% respectively, and the cost of chemicals has increased approximately 150%.

## WATER & SEWER REVENUES

Revenues for the Water and Sewer Fund come primarily from Water and Sewer Sales. The chart below outlines these revenues.

Water & Sewer	2021-22 Actual	2022-23 Adopted Budget	2023-24 Adopted Budget	Percent Change
<b>Revenues</b>				
Water Sales	\$ 37,345,707	\$ 36,562,977	\$ 38,394,400	5.01%
Sewer Sales	10,668,033	11,603,315	12,414,100	6.99%
Other Financing Sources		1,400,000	4,000,000	100.00%
All Other Revenue	5,409,219	933,791	1,177,226	26.07%
<b>Total Revenues</b>	<b>\$ 53,422,959</b>	<b>\$ 50,500,083</b>	<b>\$ 55,985,726</b>	<b>10.86%</b>

**Water Sales:** Water Sales make up the majority of the revenue in the Water & Sewer Fund at about 70% of total revenue. This accounts for both the residential and commercial sale of water by the City. The adopted budget anticipates a \$1,831,423 or 5.01% increase in Water Sales. This increase is due to the increase in residential and commercial rates and is offset by estimated usage levels.

**Sewer Sales:** The Adopted Budget anticipates sewer sales to increase by \$810,785 or 6.99%. This increase is due to the increase in residential and commercial rates and offset by estimated usage levels.

**Other Financing Sources:** Fund balance reserves of \$4,000,000 are used for one-time capital expenditures.

**All Other Revenue:** All other revenue has increased by \$243,435 or 26.07%. This increase is primarily due to increases in expected interest earnings.



# The Water & Sewer Funds - All

## WATER & SEWER FUND EXPENDITURES

For FY 2024, Water & Sewer Fund expenditures are \$55,985,726 which is an increase of \$5,485,643 or 10.86% from the FY 2023 Adopted Budget.

Water & Sewer Expenditures	2021-22 Actual	2022-23 Adopted Budget	2023-24 Proposed Budget	Percent Change
Personnel Services	\$ 11,335,328	\$ 12,552,046	\$ 13,356,207	6.41%
Supplies	3,226,016	4,913,498	4,758,212	-3.16%
Maintenance & Repair	2,032,341	2,419,739	2,903,953	20.01%
Utilities/Other Services	4,863,107	4,833,394	5,821,002	20.43%
Insurance & Contract Supp.	889,058	1,012,940	1,059,824	4.63%
Debt Expenditures	12,755,940	12,717,289	12,716,682	0.00%
Other Expenditures	2,175,859	2,889,159	2,918,383	1.01%
Capital Improvements	6,034,679	7,334,200	10,488,800	43.01%
Transfers Out	1,823,429	1,827,817	1,962,663	7.38%
<b>Total Expenditures</b>	<b>\$ 45,135,757</b>	<b>\$ 50,500,083</b>	<b>\$ 55,985,726</b>	<b>10.86%</b>

### Personnel Services:

Personnel Services have increased \$804,161 or 6.41%. This increase is due to a 4% COLA increase and up to 2% Merit increase to help maintain market competitive salaries. Additionally, 9 positions were added throughout the fund to assist with increased maintenance and repair requests and staffing to keep the system operational 24/7.

### Supplies:

Supplies have decreased \$155,286 or 3.16%, from the prior year. Projections include a decrease supply cost of chemicals to treat the water, resulting in an overall savings in supplies.

### Maintenance:

Maintenance costs increased in this budget by \$484,214 or 20.01% due to inflation causing main replacements to increase in price.

### Utilities/Other Services:

The FY 2024 budget anticipates an increase of \$987,608 or 20.43% due to the increased cost of electricity.

### Capital Improvements:

The FY 2024 budget for capital improvements is \$10,488,800. The adopted budget includes \$3,000,000 for water and sewer line replacements, \$5,000,000 for Lake Ringgold Permitting and associated fees, \$600,000 for Reverse Osmosis and Microfiltration Element Replacement, \$750,000 for Lift Station Rehabilitation, and other investments in system infrastructure.



## The Sanitation Fund

The Sanitation Fund accounts for all of the City's business activity related to the collection of solid waste and composting materials, transfer of that waste to the centrally located Transfer Station, transportation of that waste to the landfill for disposal, and daily operation of the landfill. Total budgeted revenues are expected to be \$18,162,000 for FY 2024, which is an increase of \$335,713 or 1.88% from the previous year's adopted budget.

Sanitation	2021-22 Actual	2022-23 Adopted Budget	2023-24 Adopted Budget	Percent Change
<b>Revenues</b>				
Sanitation Fees - Residential	\$ 7,499,976	\$ 7,385,000	\$ 8,071,584	9.30%
Sanitation Fees - Commercial	6,184,764	5,945,000	6,571,824	10.54%
Landfill Fees	2,814,447	2,000,000	2,450,000	22.50%
All Other Revenue	1,029,748	2,496,287	1,068,592	-57.19%
<b>Total Revenues</b>	<b>\$ 17,528,935</b>	<b>\$ 17,826,287</b>	<b>\$ 18,162,000</b>	<b>1.88%</b>
<b>Expenditures</b>				
Personnel Services	\$ 4,674,286	\$ 5,038,961	\$ 5,370,925	6.59%
Supplies	378,011	392,994	389,493	-0.89%
Maintenance & Repair	128,713	545,290	182,840	-66.47%
Utilities/Other Services	5,212,548	5,349,867	6,609,050	23.54%
Insurance & Contract Supp.	37,636	74,049	94,522	27.65%
Other Expenditures	517,213	444,931	513,661	15.45%
Non Capital Improvements	5,953	6,000	6,000	0.00%
Capital Improvements	2,527,394	5,005,123	3,981,763	-20.45%
Transfers Out	1,710,001	969,072	1,013,746	4.61%
<b>Total Expenditures</b>	<b>\$ 15,191,755</b>	<b>\$ 17,826,287</b>	<b>\$ 18,162,000</b>	<b>1.88%</b>

### SANITATION REVENUE & EXPENDITURE FUND HIGHLIGHTS

#### REVENUES:

Revenues for the Sanitation Fund are made up of the monthly refuse collection charges to commercial and residential customers (81%), landfill tonnage fees (13.5%), transfer station fees and other miscellaneous charges (5.5%). At the current collection and disposal rates, revenues are insufficient to finance the operating budget. Personnel costs in this Fund have increased 22%, fuel and maintenance costs have increased 23%, and equipment costs have increased over 175%. As a result, sanitation collection rates are to be increased by 13.0% for alley customers and 6.0% for all residential curbside and commercial customers. Additionally, the Transfer Station Gate Rate increased from \$40.15 per ton to \$55.00 per ton, and the Landfill Franchise Waste Disposal Agreement increased from \$28.00 per ton to \$29.50 per ton. Overall, revenues increased by \$355,713 or 1.88%.

#### EXPENDITURES:

**Utilities/Other Services:** The cost of utilities increased by \$1,259,183, or 23.54% mostly due to increased fuel and utility costs.

**Maintenance & Repair** decreased by \$362,450, or 66.47% due to the completion of maintenance at the Transfer Station in FY 2023.

**Insurance & Contract Supp:** Insurance increased due to increases in Worker's Compensation and TML costs.

## Other Fund Highlights

**Hotel/Motel Fund:** The Hotel/Motel Fund funds the activities of the MPEC. The funds total expenditure budget is \$4,746,000, which is 36.10% less than the FY 23 budget of \$7,427,785 solely due to the decrease in the operating transfer from the General Fund that was used to remodel to MPEC Exhibit Hall.

**Venue Tax Fund:** This fund, established in 2020, collects the City's 2% Venue Tax. This budget includes an allocation of \$600,000 in the voter approved Venue Tax Fund.

**Regional Airport:** The City's Regional Airport Fund adopted FY 2024 budget is \$1,997,198, which is \$82,644 or 4.32% higher than the FY 23 budget due to increased transfers out to pay the debt service on the 2013 Airport Bond.

**Kickapoo Airport:** The City's Kickapoo Airport Fund adopted budget for FY 2024 is \$1,178,195, which is an increase of \$22,097 or 1.91% from the previous year due to increased fuel sales, hangar rentals, and ground lease rents.

**Fleet Maintenance:** The budget for the Fleet Maintenance Fund is \$14,526,356, which is an increase of \$1,365,651, or 10.38% from the previous year primarily due to initial debt payments on the new fire apparatus and salary increases for employees.

**Information Technology:** The budget for the Information Technology Fund is \$5,338,447, which is a decrease of \$192,628, or 3.48% from the previous year due to a decrease in the Fund's capital improvement budget.

**Transit:** The Transit Fund is an Enterprise Fund that is primarily funded through Federal and State Grants as well as service charges (fares) and provides for the operation of the City's public transit system. The Transit Fund budget is \$4,787,717, which is a decrease of \$17,913, or 0.37%.

**Stormwater:** The Stormwater Fund budget is largely devoted to various drainage maintenance repairs and continuing the Duncan Channel repair project. The Stormwater Fund has a total budget of \$3,946,787, which is a decrease of \$5,590,685, or 58.62% due to the use of reserve funds to begin Phase 2 of the Quail Creek Drainage Project in the FY 23 budget.

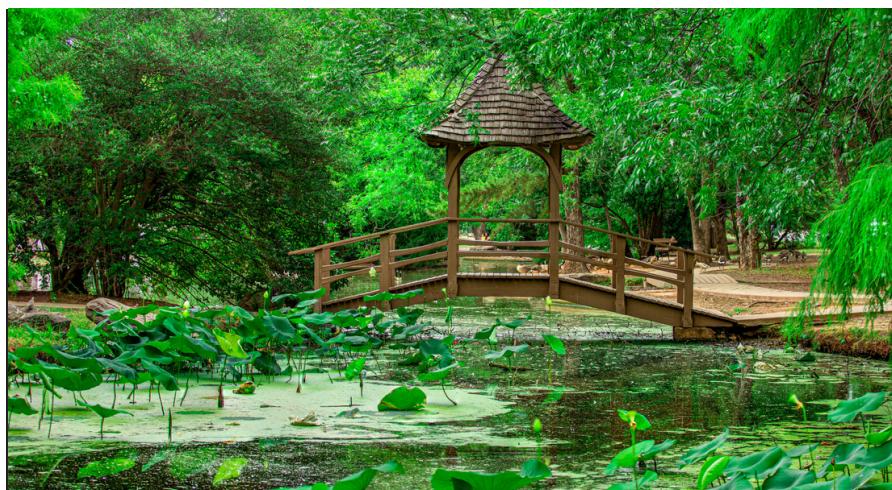
**Golf Course:** The Golf Course estimates revenues and expenditures for FY 2024 at \$954,391. The funds will be used for course operations.

**Water Park:** This fund allows for the operations of Castaway Cove, the City owned water park. The total budget for the Water Park is \$2,638,834, which is an increase of \$369,181, or 16.27% from the previous year due to increased use of the Water Park and the use of \$919,000 of Fund Balance to assist in the purchase and installation of a new waterslide at the park.



## The Capital Improvement Plan

The Capital Improvements Plan provides an overview of the Capital Improvements Program (CIP) for the City of Wichita Falls. Capital assets, which include property, plant and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-like activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.



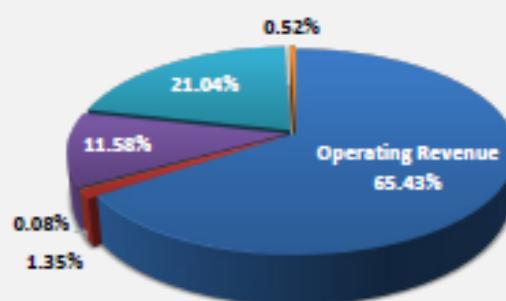


**City of Wichita Falls, Texas**  
**Summary of All Capital Project**

	Projected Financial Plan						<b>Total</b>
	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>		
<b>Project Cost:</b>							
Bldgs and General Facilities	\$ 890,000	\$ 1,050,000	\$ -	\$ -	\$ -	\$ 1,940,000	
Parks and Recreation	1,428,500	11,679,691	16,656,873	7,500,000	900,000	\$ 38,165,064	
Traffic System	753,564	606,629	606,629	606,629	606,629	\$ 3,180,080	
Street System	4,505,880	2,530,000	2,530,000	2,530,000	2,530,000	\$ 14,625,880	
Multi-Purpose Events Center	600,000	715,000	1,450,000	464,000	-	\$ 3,229,000	
Airports*	525,000	10,250,000	3,250,000	3,000,000	3,000,000	\$ 20,025,000	
Transit	1,310,000	1,664,870	4,675,000	100,000	2,000,000	\$ 9,749,870	
Sanitation System	3,981,763	6,594,368	5,561,159	5,005,370	3,583,935	\$ 24,726,595	
Water System	7,770,800	27,740,000	6,315,000	19,090,000	3,030,000	\$ 63,945,800	
Wastewater System	2,716,000	4,227,500	2,010,000	2,005,000	400,000	\$ 11,358,500	
Stormwater System	2,000,000	150,000	4,675,000	2,450,000	2,450,000	\$ 11,725,000	
Golf Course	-	100,000	-	-	-	\$ 100,000	
Fleet Replacements	2,822,763	6,315,319	6,008,145	6,033,283	63,000	\$ 21,242,510	
Information Technology	3,073,074	4,644,854	530,854	5,510,854	1,271,700	15,031,336	
<b>Total</b>	<b>\$ 32,377,324</b>	<b>\$ 78,268,231</b>	<b>\$ 54,268,660</b>	<b>\$ 54,295,136</b>	<b>\$ 19,835,264</b>	<b>\$ 239,044,615</b>	
<b>Sources of Funding:</b>							
General Operating Funds	\$ 7,750,924	\$ 8,405,629	\$ 4,205,629	\$ 4,205,629	\$ 3,136,629	\$ 25,704,440	
Information Tech Operating Funds	1,573,074	3,654,854	530,854	5,510,854	1,271,700	\$ 12,541,336	
Fleet Operating Funds	2,822,763	2,306,918	2,416,918	2,312,918	63,000	\$ 9,922,517	
Sanitation Operating Funds	3,981,763	9,533,789	8,083,386	7,856,735	3,583,935	\$ 32,839,588	
Water/Sewer Operating Funds	10,486,800	17,017,500	6,825,000	21,095,000	3,430,000	\$ 58,854,300	
Stormwater Operating Funds	2,000,000	150,000	4,675,000	2,450,000	2,450,000	\$ 11,725,000	
Water Park Operating Funds	1,130,000	550,000	40,000	100,000	900,000	\$ 2,720,000	
Airport Operating Funds	-	1,250,000	550,000	300,000	-	\$ 2,100,000	
Federal Grants	-	-	-	-	-	\$ -	
FAA Grant Funds *	525,000	9,000,000	2,700,000	2,700,000	3,000,000	\$ 17,925,000	
FTA Grant Funds	1,310,000	1,664,870	4,675,000	100,000	2,000,000	\$ 9,749,870	
Venue Tax and MPEC	600,000	715,000	1,450,000	464,000	-	\$ 3,229,000	
Cemetery Perpetual Care Funds	-	900,000	350,000	-	-	\$ 1,250,000	
4B Funds	197,000	-	-	-	-	\$ 197,000	
Undetermined Funds	-	25,119,691	17,766,873	7,400,000	-	\$ 50,286,564	
<b>Total</b>	<b>\$ 32,377,324</b>	<b>\$ 78,268,231</b>	<b>\$ 54,268,660</b>	<b>\$ 54,295,136</b>	<b>\$ 19,835,264</b>	<b>\$ 239,044,615</b>	

\* Airport Funds supported by FAA Grant Funds are not included in the operating budget but are allocated through ordinance

**Combined 5 Year Estimated Funding Sources**



■ Operating Revenue ■ Venue Tax ■ 4B Funds ■ Grants ■ Undetermined Funds ■ Cemetery Perpetual Funds



This report was prepared and presented by the City of Wichita Falls  
Finance Department.

Copies of the City's Annual Operating Budget and Annual  
Comprehensive Financial Report may be found on the City's website  
at [www.wichitafallstx.gov](http://www.wichitafallstx.gov).