



CITY OF WICHITA FALLS, TX

# PROPOSED OPERATING BUDGET

FISCAL YEAR ENDED SEPTEMBER 30, 2025



[WWW.WICHITAFALLSTX.GOV](http://WWW.WICHITAFALLSTX.GOV)

# FY 2025

This budget will raise more revenue from property taxes than last year's budget by an amount of \$2,921,407, which is a 5.99% increase from last years budget. The property tax revenue to be raised from new property added to the tax roll this year is \$562,781. Tex. Loc. Gov't Code §102.005(b).

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# Elected Officials and City Manager



**TIM SHORT**

MAYOR



**BOBBY WHITELEY**

AT LARGE



**MICHAEL SMITH**

DISTRICT 1



**LARRY NELSON**

DISTRICT 2



**JEFF BROWNING**

DISTRICT 3



**MIKE BATTAGLINO**

DISTRICT 4



**TOM TAYLOR**

DISTRICT 5



**DARRON LEIKER**

CITY MANAGER



## CITY STAFF

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Office of the City Manager	
Darron Leiker   City Manager	Paul Menzies   Assistant City Manager
	Blake Jurecek   Assistant City Manager
Directors	
Christi Klyn Director of Human Resources	Amy Fagan Director of Health
Stephen Calvert Chief Financial Officer	Manuel Borrego Police Chief
John Burrus Director of Aviation, Traffic & Transportation	Marie Balthrop City Clerk
Donald Hughes Fire Chief	Russell Schreiber Director of Public Works & Utilities
Kinley Hegglund City Attorney	Terry Floyd Director of Development Services
Lindsay Lewis Director of Communications, Marketing, and MPEC	



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Wichita Falls  
Texas**

For the Fiscal Year Beginning

**October 01, 2023**

*Christopher P. Morrell*

**Executive Director**

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Wichita Falls, Texas, for its Adopted Operating Budget for the fiscal year beginning October 01, 2023. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We are preparing our current budget to comply with program requirements, and we plan to submit it to GFOA to determine its eligibility for another award.



## Budget Message



## **CITY OF WICHITA FALLS INTER-OFFICE MEMORANDUM**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Darron J. Leiker, City Manager

**DATE:** August 5, 2024

**SUBJECT:** Proposed Fiscal Year 2025 Annual Operating Budget

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I am pleased to present the Proposed Annual Operating Budget for Fiscal Year 2025, which covers the period from October 1, 2024, to September 30, 2025. This budget has been developed with a focus on key goals from the City's recently adopted Strategic Plan:

- **Accelerate Economic Growth**
- **Provide Quality Infrastructure**
- **Actively Engage and Inform the Public**
- **Optimize Engagement with the City and Efficiently Deliver City Services** (including improving employee recruitment and retention)

### **KEY FEATURES OF THE PROPOSED BALANCED BUDGET FOR FY 2025**

The FY 2025 Proposed Budget offers several opportunities for the City Council:

- **Maintain current service levels despite the ongoing impact of inflation.**
- **Reduce the property tax rate from 0.6800 to 0.6775.**
- **Increase employee pay by 4% for all employees.**
- **Commit nearly \$29 million to infrastructure replacement and capital improvement projects (CIP).**
- **Apply a 2.5% rate increase to all retail water, sewer and sanitation services**
- **Set aside \$4 million in excess General Fund Reserves to a Capital Fund for future use.**

### **BUDGET PREPARATION PROCESS**

The city budget preparation process is a meticulous and collaborative effort designed to ensure the effective allocation of resources to meet community needs. This process begins in March with a kickoff meeting that gathers departments and divisions from across the city. During this meeting, a budget timeline is provided, and staff are briefed on current economic forecasts, revenue and expenditure conditions, and any significant expected changes. This comprehensive overview equips them with the necessary information to develop realistic revenue projections and plan for any potential shortfalls.



Over the next several weeks, department heads independently formulate preliminary budgets, outlining their funding needs for the upcoming year, including personnel costs, operating expenses, and capital projects. This preparation period is essential for gathering detailed information and aligning departmental goals with the city's overall strategic vision. Additionally, each division is required to submit their major accomplishments, goals, and performance measures for their operations.

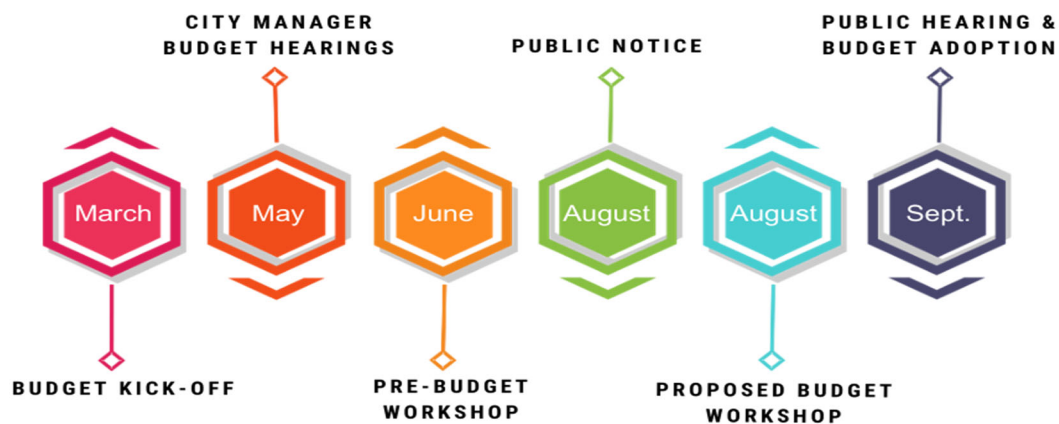
In addition to the annual operating budget, which outlines the budgetary requirements to operate the City for one fiscal year, staff also prepares a Capital Improvement Plan (CIP) to address capital budgeting needs over a multi-year period. Department heads are asked to include requests for capital improvement projects needed over the next five years. The CIP, prepared by staff, defines capital improvements as tangible equipment items, one-time projects, or large maintenance projects exceeding \$25,000. This process helps identify large projects and potential funding sources.

Many projects listed in the later years of the CIP may require long-term debt financing, which could affect property tax rates and other service charges. Thus, while these projects are included in the five-year CIP, they will need future City Council decisions for implementation. The 2025-2029 CIP, a separate document from the Annual Operating Budget, will be presented to the City Council at a later date. It's important to note that when the City Council adopts the Five-Year CIP, only the projects outlined for FY 2025 (year one) have committed funding sources; projects in later years are for planning purposes only.

Once these reports are submitted, the budget staff and I meet with each department head to analyze the budget line by line. This extensive review helps develop priorities and make necessary adjustments to better reflect community needs. During this process, management listed 81 above current requests tied to Council, citizen, or staff feedback that totaled \$12,858,453 citywide. **Through careful review and discussion, we reduced that list by \$11,486,398.** Following this, a pre-budget workshop was held with the City Council to present an overview of the budget findings and discuss any emerging trends or issues. The City Council was also informed of key decisions they need to make and have the opportunity to provide feedback and voice any concerns or support for various budget items.

This year, the council was informed that property tax revenues are slightly increasing based on the estimated tax roll, while the sales tax forecast indicates a flat or slight decrease, and interest revenue is expected to continue growing at a higher-than-normal rate. Inflation factors were also discussed, although operating levels are expected to remain steady.

Next, the city compiles a proposed budget document, integrating all departmental requests and revenue projections. This draft includes proposed expenditures and any new initiatives or programs. This document is then submitted to the City Council for executive review. Over the next few weeks, a City Council budget workshop and a public hearing will be conducted to finalize the financial plan for the city for the upcoming year.



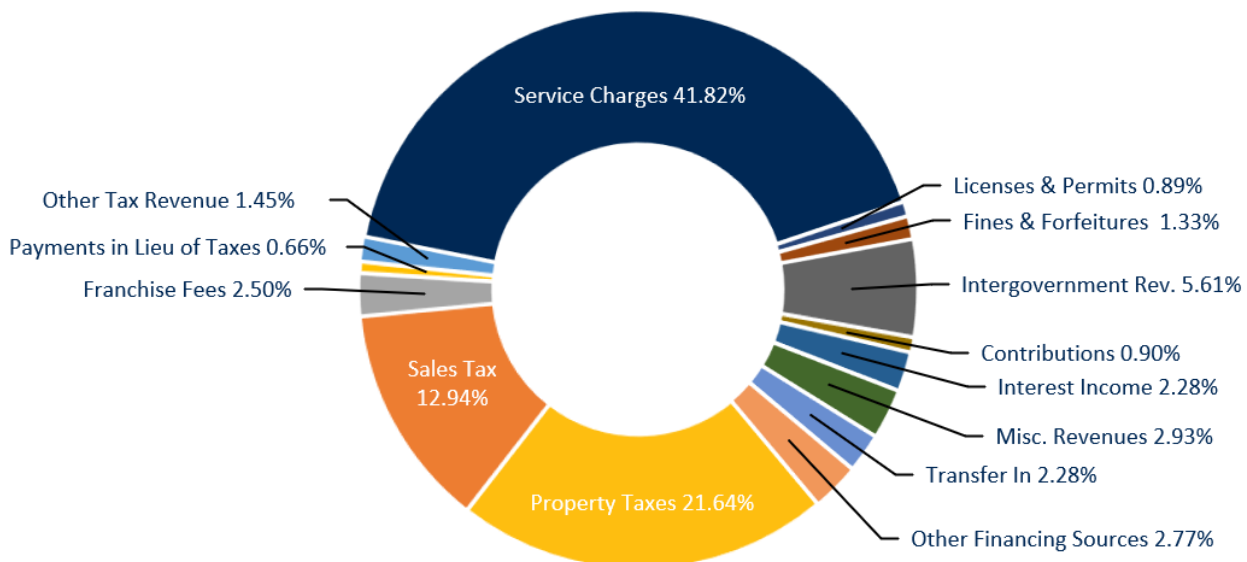
## TOTAL REVENUE BUDGET OVERVIEW

Total revenues (consolidated revenues) for the proposed FY 2025 budget, including fund balance transfers in, are projected at \$238,780,581, which is an increase of \$5,828,225, or 2.50% from the FY 2024 Adopted Budget. The overall increase is due to increased property tax revenues, service charges, and interest income and was partly offset by decreased sales tax revenue. The decrease in transfers is because the FY 2024 Adopted Budget included the use of \$2,000,000 in remaining bond funds for additional street improvements. Total operating revenues for FY 2025, not including fund balance transfers in, are projected to be \$226,724,174, which is a 3.69% increase from FY 2024.

Revenue Source	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Property Taxes	44,719,973	48,739,569	51,660,976	2,921,407	5.99%
Sales Tax	30,995,258	31,725,000	30,903,921	(821,079)	-2.59%
Franchise Fees	5,912,238	5,527,634	5,979,706	452,072	8.18%
Payments in Lieu of Taxes	1,573,379	1,573,446	1,576,000	2,554	0.16%
Other Tax Revenue	3,631,028	3,341,500	3,462,700	121,200	3.63%
Service Charges	92,041,730	97,026,937	99,869,092	2,842,155	2.93%
Licenses & Permits	1,994,008	2,049,700	2,114,105	64,405	3.14%
Fines & Forfeitures	3,008,785	2,940,400	3,178,200	237,800	8.09%
Intergovernment Rev.	13,646,995	12,378,000	13,394,457	1,016,457	8.21%
Contributions	5,363,752	1,981,356	2,154,852	173,496	8.76%
Interest Income	5,487,659	5,433,200	5,444,000	10,800	0.20%
Misc. Revenues	9,221,699	5,930,401	6,986,165	1,055,764	17.80%
<b>Operating Revenues</b>	<b>217,596,504</b>	<b>218,647,143</b>	<b>226,724,174</b>	<b>8,077,031</b>	<b>3.69%</b>
Transfer In	18,583,998	7,942,567	5,442,533	(2,500,034)	-31.48%
Oth. Fin. Sources	-	6,362,646	6,613,874	251,228	3.95%
<b>Consolidated Revenues</b>	<b>236,180,502</b>	<b>232,952,356</b>	<b>238,780,581</b>	<b>5,828,225</b>	<b>2.50%</b>

The chart below shows the breakdown of the City's revenue sources by category. It is important to note that approximately 41.82% of all City revenue is derived through service charges such as water sales, sewer charges, refuse (sanitation) collection charges, stormwater fees, and internal service charges. Also, 39.19% is derived from taxes and franchises such as property, sales, and hotel/motel taxes, and payments from ONCOR Electric, ATMOS Gas, Spectrum, and various telecommunication providers.

## FY 2025 Operating Revenues by Source



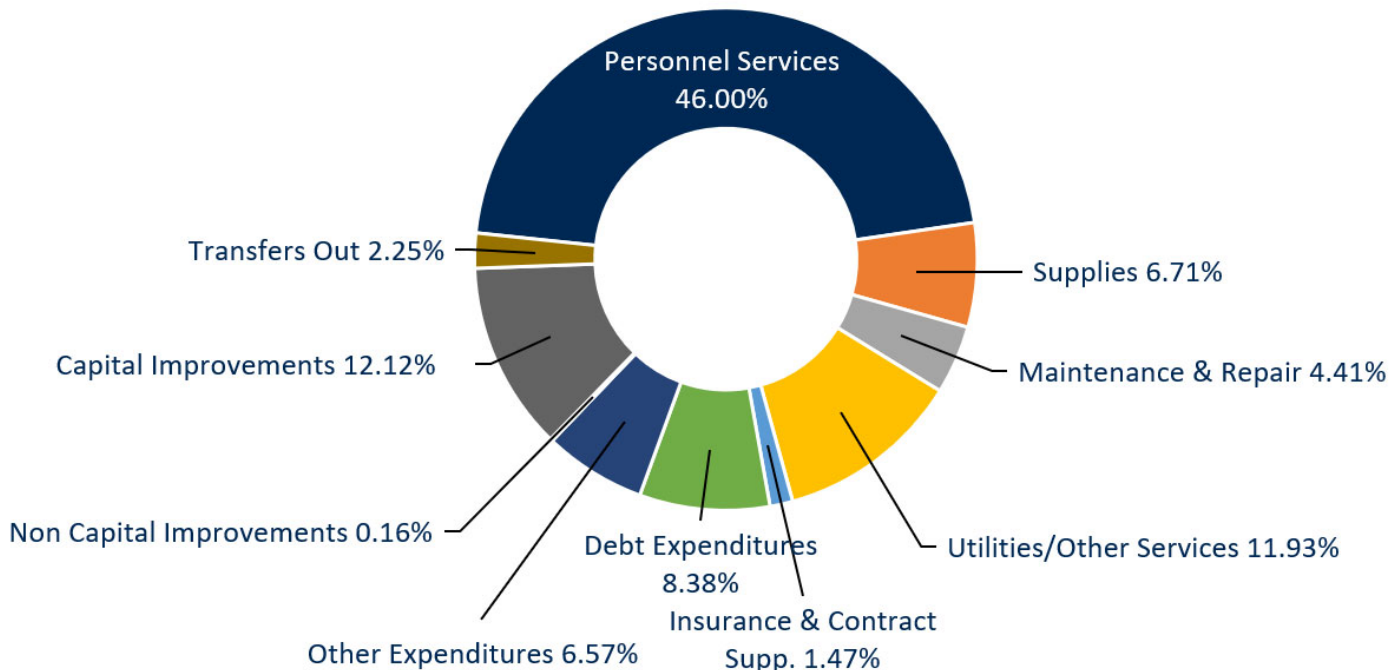
## TOTAL EXPENDITURE BUDGET OVERVIEW

The City's total proposed expenditure budget for FY 2025 is \$238,780,581, which is an increase of \$5,828,225, or 2.50% from the FY 2024 adopted budget. The budget accounts for increased personnel costs resulting from a 4% cost of living adjustment in employee pay. This is partially offset by a reduction in capital improvements, as the FY 2024 budget utilized \$2,000,000 in remaining bond funds for additional street improvements. The table below compares total expenditures by category of the FY 2025 Proposed Budget compared to the FY 2024 Adopted Budget.

Expenditures	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Personnel Services	95,645,696	104,741,917	109,842,761	5,100,844	4.87%
Supplies	14,717,586	15,838,944	16,028,655	189,711	1.20%
Maintenance & Repair	10,296,703	10,378,043	10,534,680	156,637	1.51%
Utilities/Other Serv	28,776,487	28,573,613	28,490,132	(83,481)	-0.29%
Insur & Contr Supp.	27,957,999	3,395,056	3,513,449	118,393	3.49%
Debt Expenditures	7,312,177	20,030,328	19,995,351	(34,977)	-0.17%
Other Expenditures	12,580,787	14,494,516	15,694,401	1,199,885	8.28%
Non Cap Improvements	78,152	414,634	391,950	(22,684)	-5.47%
Capital Improvements	28,722,984	30,041,703	28,922,567	(1,119,136)	-3.73%
Transfers Out	7,342,291	5,043,602	5,366,635	323,033	6.40%
<b>Total Expenditures</b>	<b>233,430,862</b>	<b>232,952,356</b>	<b>238,780,581</b>	<b>5,828,225</b>	<b>2.50%</b>

The following pie chart shows the same expenditures by major category, but as a percentage of the total budget. Personnel expenses make up the largest category of municipal spending at 46.00%. Services, such as utilities, professional services, and central garage charges make up the next largest spending category at 11.93%. Debt service payments on the City's outstanding bonds make up 8.38% of all spending.

## FY 2025 Expenditures by Classification



Some important points:

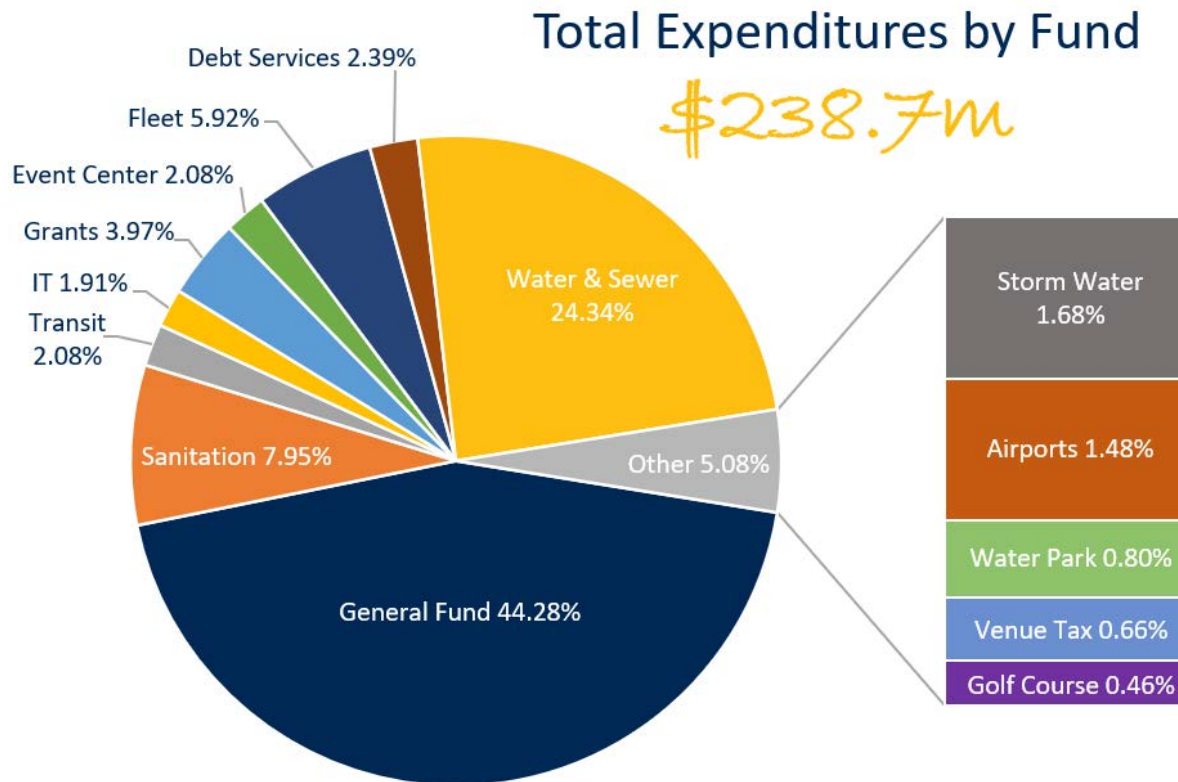
- Personnel Services: The Proposed Budget includes a 4% cost-of-living compensation increase for employees citywide, the introduction of evening differential pay for Police and Public Works personnel, enhanced Police Department compensation, and the addition of seven (7) full time positions citywide.
- Supplies: The cost of supplies including chemicals and fuel increased slightly as inflation is lower than previous years.
- Utilities and Other Services: The FY 2024 Adopted Budget included \$150,000 for a structural assessment of the Transfer Station. This was partially offset by the increased cost of electricity.
- Insurance and Contract Support: The Proposed Budget for insurance and contract support increased by 3.49%, as the increased cost of property insurance was offset by decreased workers compensation costs.
- Debt Expenditures: Annual payment on the City's debt decreased slightly as a capital lease for energy improvements has been retired.
- Capital Improvements: Capital improvements decreased by \$1,119,136, as the FY 2024 Adopted Budget included \$2,000,000 in remaining bond funds for street improvements. The FY 2025 Proposed Budget includes an increase in the cost of Water and Sewer Line Replacements from \$3,000,000 to \$3,500,000. Also included is the use of General Fund reserves for one-time capital expenditures including flooring replacement at the Public Library, as well as park and public spaces improvements.

### Proposed Capital Improvements Across All Funds (\$)

Category	Amount
Lake Ringgold - Federal Permitting	5,000,000
Water and Sewer Line Replacements	3,500,000
Water System Infrastructure	2,825,800
Street Rehab and Improvement	3,545,360
Sanitation Trucks	2,213,979
Vehicles (Fleet)	2,192,297
Stormwater System Improvements	2,173,911
Venue Projects (Memorial Auditorium and MPEC)	1,583,000
Composting Grinder (Landfill)	1,370,408
Buses (Public Transportation)	1,230,000
Facility Improvements	1,139,450
All Other	2,148,362
<b>Total</b>	<b>28,922,567</b>



The chart below shows the breakdown of the total budget by the City's various operating funds. As indicated in the chart, spending in the General Fund, Water/Sewer Fund, and Sanitation Fund make up 76.57% of all City expenditures.



## ABOVE CURRENT REQUESTS

This budget also includes "Above-Current" Requests. As mentioned, each year, I request that Directors enter any new requests into the 'Above Current Projection'. This allows me to clearly see new requests and make determinations based upon need. Of the almost \$12.9 million in requests received, this budget includes approximately \$1.3 million, which addresses needs in various City Departments, including seven (7.0) new FTEs across the organization.

Department	Item	Cost	FTE
Fire	Contingency for Fire Department Leadership <sup>1</sup>	124,971	1.0
	Fire Lieutenant EMS Coordinator	115,109	1.0
	Vehicles for New Positions	120,000	
Police	Police Shift Differential Pay	186,785	
	Expanded Police Take Home Vehicle Policy	85,000	
	Increase in Recruit Pay for PD	75,000	
	Language Incentive Pay for PD	30,000	
AT&T	Bicycle Safety Coordinator <sup>2</sup>		1.0
Parks	Parks Director <sup>3</sup>	130,159	1.0
MPEC	CVB Sales and Svc Coordinator	73,498	1.0
	Kitchen Supervisor Position	86,984	1.0
	MPEC Improvements	52,781	
Airports	Reclass Lineman Positions	50,539	
Water & Sewer	Water & Sewer Shift Differential	81,104	
IT	IT Network Analyst	86,984	1.0
All Other Items		73,141	
		<u>1,372,055</u>	<u>7.0</u>

<sup>1</sup> Grant application for Deputy Fire Marshall Pending

<sup>2</sup> Funded by portion of new Child Safety Fee

<sup>3</sup> Partially offset by reclass of Parks Superintendent

**Personnel Services:**

The organization's most valuable asset is our employees, and the City's goal for employee pay and benefit programs is to remain near the market average when compared to our peer cities, adjusted for the differences in cost of living between these cities. We do not want these programs to fall behind the market average, which would negatively affect our ever-challenging competitive position in the workforce, nor do we want to get ahead of these cities, which would result in unnecessary spending. Included in this budget is a cost of living pay increase of 4% for all civil and non-civil service employees. The cost to all funds for these pay adjustments is anticipated to be \$2,565,708. The chart below shows the pay plan adjustments for the last 6 years.

Fiscal Year Ended	STEP (Civil Service)	Merit (Civilian)	Cost of Living Adjustment	Total % Increase
2019	2%	2.5%	3%	Fire: 5% Police: 5% Civilian: 5.5%
2020	FF Rank: 4% All Other: 2%	2.5%	Fire: 5% Police: 5% Civilian: 2%	FF: 9% Fire: 7% Police: 7% Civilian: 4.5%
2021	-	-	-	0 (COVID)
2022	2.5%	2.5%	2%	All: 4.5%
2023	-	-	5%	All: 5%
2024	2.5%	Avg. 2%	4%	Fire: 6.5% Police: 6.5% Civilian: 6%
2025 Proposed	-	-	4%	All: 4%

The budget also includes funding to continue the longevity and stability pay for our employees. Longevity pay is paid to civil service police and firefighter positions for each year of service up to a maximum of \$3,200 per year after 15 years of service. Civil service employees receive this pay in their paychecks throughout the year. Stability pay is currently paid to our non-civil service employees in the amount of \$500 after two years of service to a maximum of \$2,500 after five years of service.

Additional recommendations within the overall budget for personnel services encompass the creation of seven full-time positions, the implementation of shift differential pay for Police and Public Works staff, and several enhancements to Police Department compensation. These enhancements include an expanded take-home vehicle policy, increased pay for Police Academy recruits, and the introduction of Language Incentive Pay.

## THE GENERAL FUND

Services provided in the General Fund include:

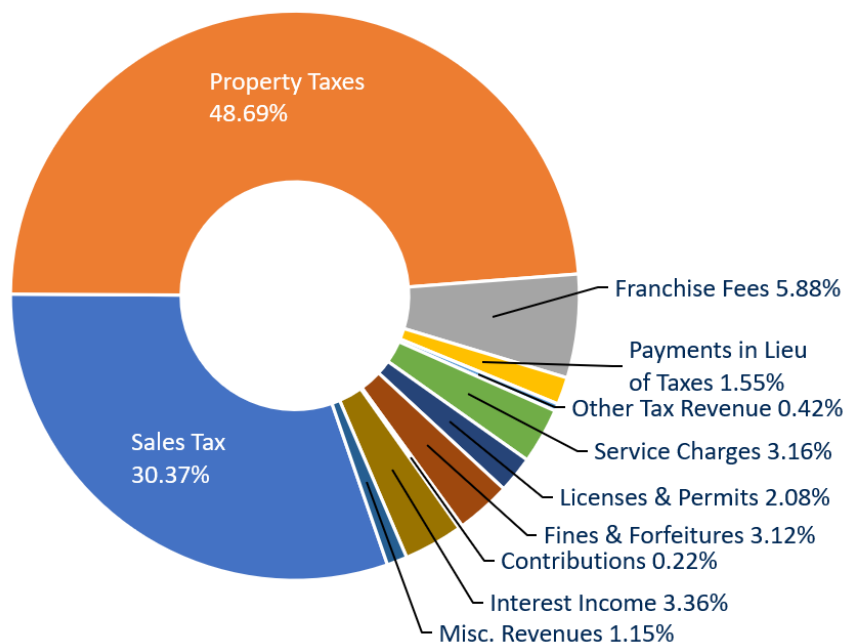
- Police Department
- Fire Department
- Municipal Court
- Administrative Services
- Building Maintenance
- Streets, Engineering, and Traffic
- Parks, Recreation, and Library
- Animal Services, Nursing and Environmental Health
- Planning, Building Inspections, and Property Management

## GENERAL FUND REVENUES

General Fund Revenues for FY 2025, including transfers-in, total \$105,742,555, which is an increase of 2.23% compared to FY 2024. Operating revenues total \$101,755,864, which is a 3.77% increase compared to FY 2024. Some of the primary changes in revenues resulting in this increase are outlined in the table below.

Source of Revenue	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Property Taxes	42,644,096	46,589,569	49,541,006	2,951,437	6.33%
Sales Tax	30,988,808	31,725,000	30,903,921	(821,079)	-2.59%
Franchise Fees	5,912,238	5,527,634	5,979,706	452,072	8.18%
Payments in Lieu of Taxes	1,573,379	1,573,446	1,576,000	2,554	0.16%
Other Tax Revenue	652,668	436,500	423,600	(12,900)	-2.96%
Service Charges	3,049,719	3,236,758	3,217,035	(19,723)	-0.61%
Licenses & Permits	1,993,198	2,049,700	2,114,105	64,405	3.14%
Fines & Forfeitures	3,008,785	2,940,400	3,178,200	237,800	8.09%
Contributions	277,285	232,500	232,500	-	0.00%
Interest Income	3,417,915	2,772,258	3,423,000	650,742	23.47%
Misc. Revenues	1,677,693	974,429	1,166,791	192,362	19.74%
<b>Operating Revenues</b>	<b>95,195,785</b>	<b>98,058,194</b>	<b>101,755,864</b>	<b>3,697,670</b>	<b>3.77%</b>
Transfer In	3,108,889	5,380,216	3,336,691	(2,043,525)	-37.98%
Oth. Fin. Sources	-	-	650,000	650,000	
<b>Consolidated Revenues</b>	<b>98,304,674</b>	<b>103,438,410</b>	<b>105,742,555</b>	<b>2,304,145</b>	<b>2.23%</b>

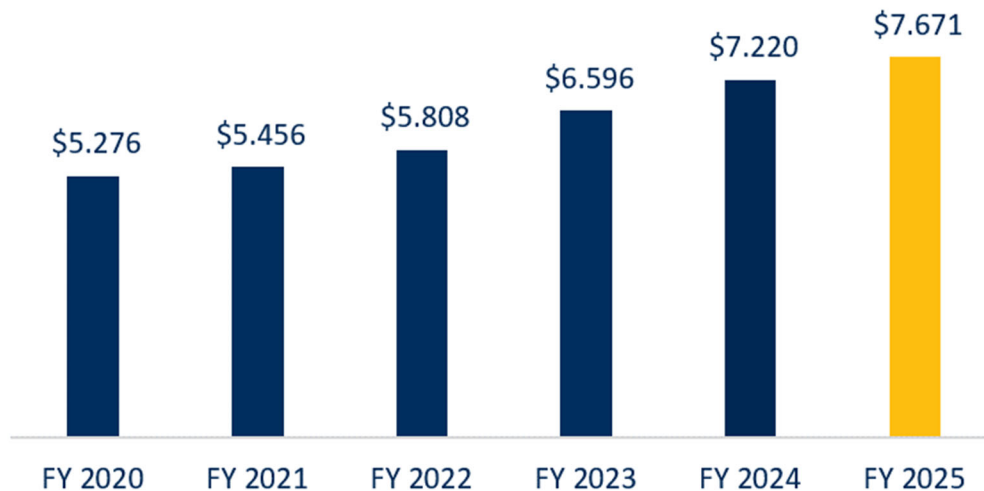
FY 2025 General Fund Operating Revenue by Source



**Property Tax Base:**

The Property Tax is the main source of income for the city's General Fund, which is used to provide essential city services. The total value of properties in the area, as determined by the Wichita County Appraisal District, is \$7.671 billion. This represents an increase of \$451 million, or 6.25%, compared to the previous year. The bar graph below shows that the property tax base grew by 13.5% in FY 2023 and by 9.57% in FY 2024. Over the past five years, the average annual growth rate of taxable property values has been 7.8%.

**Property Tax Values (in Billions)**

**Property Tax Rate:**

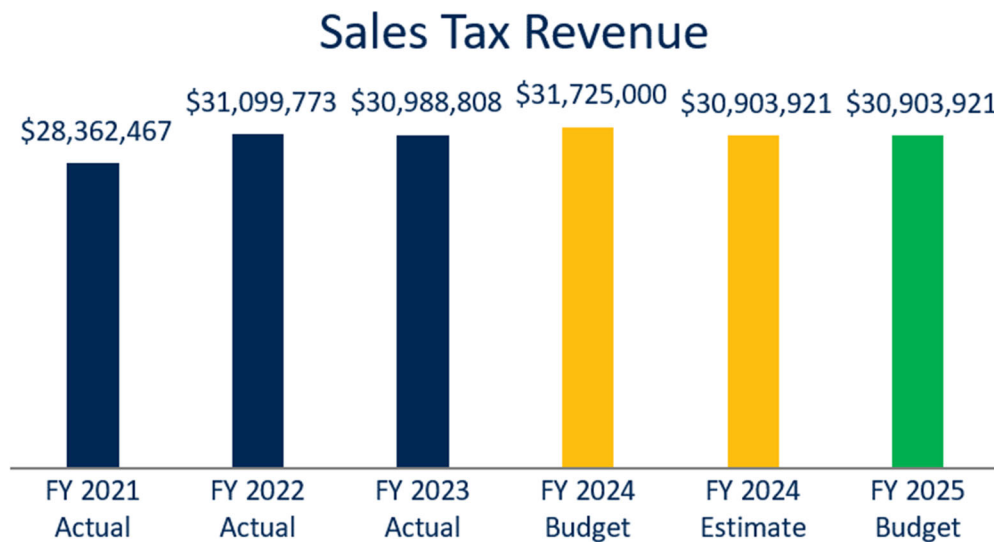
The property tax rate has two components: the maintenance and operations (M&O) portion and the interest and sinking (I&S) portion. The rate remained unchanged in FY 2021, decreased slightly in FY 2022, decreased by 0.067 ("6.7 cents"), or 8.75%, in FY 2023, and decreased by 2.06% in FY 2024. The FY 2025 Proposed Budget further reduces the City's property tax rate by 0.37%, from 0.6800 to 0.6775. Despite this rate decrease, property tax revenue for the General Fund is expected to grow by \$2,921,407 or 5.99%, due to the increase in the tax base mentioned earlier. As discussed in the pre-budget workshop on June 18th, although this property tax rate is somewhat higher compared to our benchmark cities, our tax base ranks among the lowest, resulting in less per capita revenue to provide basic governmental services.

Property Tax Rate						Average Annual % Change
Fiscal Year	M&O	I&S	Total Rate	\$ Change	% Change	
2020	0.721571	0.041752	0.763323	0.033	4.58%	
2021	0.722736	0.040587	0.763323	0.000	0.00%	
2022	0.726565	0.034363	0.760928	-0.002	-0.31%	
2023	0.661579	0.032742	0.694321	-0.067	-8.75%	
2024	0.649853	0.030147	0.680000	-0.014	-2.06%	
2025	0.651233	0.026267	0.677500	-0.003	-0.37%	-2.36%



### **Sales Tax Receipts:**

Sales Tax is the second-largest revenue source for the City's General Fund and is crucial for funding the City's general operations. The City's General Fund receives 1.50% of retail sales. The bar graph below shows historical trends in sales tax receipts. As of May 2024, receipts for the current FY 2024 are 1.71% lower than the previous year. Revenue projections for FY 2025 are based on the current fiscal year's estimate. Consequently, sales tax revenues for the proposed FY 2025 budget are projected to be \$30,903,921, which is \$821,079, or 2.59%, less than the prior year's budget.



### **Franchise Fees:**

The City receives payments from ONCOR Electric, ATMOS Gas, Spectrum Cable, and various telecommunication providers for the use of the City's rights-of-way for their distribution lines. Generally, the City calculates a three-year average of payments from ONCOR and ATMOS, as well as uses the current year estimates for Spectrum. The amount from telecommunication providers is based on the most recent number of access lines in our rights-of-way. When applying these forecasting methods, the FY 2025 Proposed Budget includes \$5,979,706 from these franchises, which is an increase of \$452,072, or 8.18% higher than the previous year.

### **Payments-In-Lieu of Taxes (PILOT):**

The City receives payments-in-lieu of property taxes from a few industries that are located outside the city limits as part of non-annexation agreements. These agreements guarantee that the City will provide fire protection services, in-city water rates, and won't annex the industry into the city limits, in exchange for a payment to the City that is based on a percentage of what they would have paid in property taxes had they been located inside the city limits. For the FY 2025 fiscal year, this revenue source is projected at \$1,576,000, which is a slight increase from the prior year. A new PILOT agreement with Panda Biotech is currently being negotiated. Although the Proposed Budget does not include any revenue from that agreement, we plan to update the budget to include it once available.

### **Other Tax Revenue:**

This category includes revenue from the County Vehicle Tax, Mixed Beverage Tax, and Occupation Tax. For FY 2025, revenue is estimated at \$423,600, or a 2.96% decrease from the previous year. Occupation and Mixed Beverage Tax receipts are trending lower than previously budgeted.

### **Service Charges:**

All non-General Fund operations receive administrative support from the General Fund. Each year, the cost of these support services is allocated to user departments through an administrative overhead charge. Revenue from this charge is anticipated to be \$3,217,035, or a 0.61% decrease from the previous year.

**Licenses and Permits:**

The various licenses and permits issued by the City are anticipated to generate approximately 3.14% more in revenue in FY 2025 than the previous year. This revenue budget includes a modest rate increase, which is lower than the Consumer Price Index (CPI), across all city functions. While some rates will increase, others will decrease, and some will stay the same, the average increase will be lower than inflation.

**Fines and Forfeitures:**

It is anticipated that the average municipal court fine amount and the number of tickets issued at the Municipal Court will increase revenue by \$237,800 in FY 2025.

**Interest Income:**

The City receives interest earnings from reserves that are invested with local government investment pools and fixed income securities. The FY 2025 Proposed Budget for this category is \$3,423,000, which is \$650,742 higher than the current year, and is based on the current Federal Reserve Committees' rate decisions.

**Miscellaneous Revenues:**

This category includes various types of income from across the General Fund and accounts for an increase of \$192,362, or 19.74%, compared to last year. The majority of this increase is expected due to the ongoing higher usage of the sports complex.

**Transfers In:**

This represents transfers in from the Water/Sewer Fund, Sanitation Fund, and the Fleet Fund for a total of \$3,336,691.

**Other Financing Sources:**

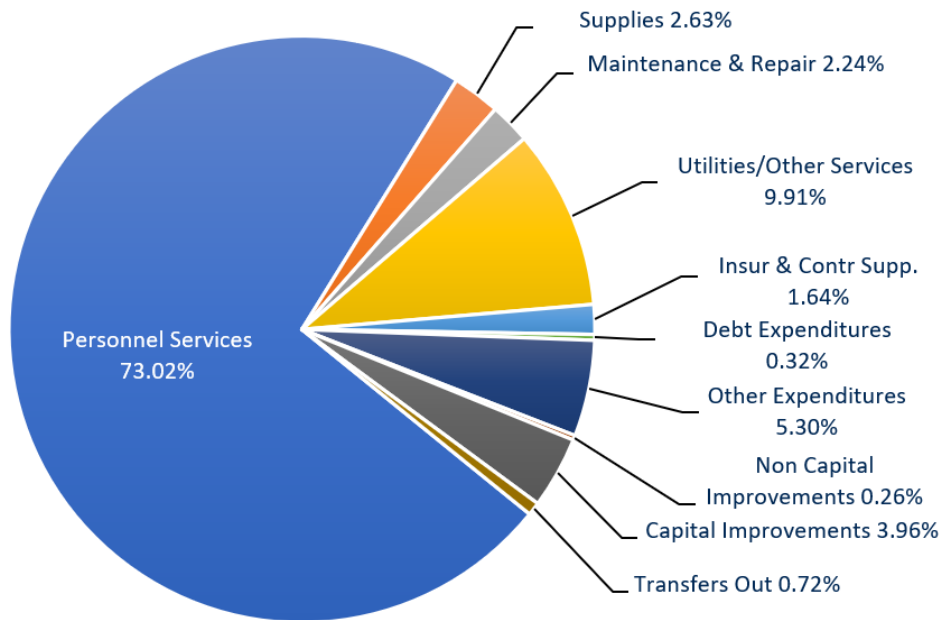
This category covers transfers from the fund balance to cover one-time expenditures. For FY 2025, budgeted one-time expenditures include \$200,000 for Park Improvements and Public Spaces and \$450,000 for Library Flooring Replacement.

**GENERAL FUND EXPENDITURES**

Expenditures for FY 2025 total \$105,104,670, which is an increase of 2.23% compared to FY 2024. Some of the major highlights of the General Fund Expenditure Budget are illustrated in the table and chart below and are described in more detail over the next several sections.

	FY 23	FY 24	FY 25		
Expenditures	Actual	Adopted Budget	Proposed Budget	Difference	% Diff.
Personnel Services	66,907,807	73,868,274	77,215,200	3,346,926	4.53%
Supplies	2,126,257	2,669,721	2,785,639	115,918	4.34%
Maintenance & Repair	3,023,741	1,829,630	2,357,426	527,796	28.85%
Utilities/Other Serv	9,281,455	10,439,762	10,482,040	42,279	0.40%
Insur & Contr Supp.	1,378,799	1,911,888	1,737,472	(174,416)	-9.12%
Debt Expenditures	315,883	323,913	337,596	13,683	4.22%
Other Expenditures	4,256,781	4,942,274	5,605,174	662,901	13.41%
Non Cap Improvements	73,652	163,000	277,950	114,950	70.52%
Capital Improvements	4,552,748	6,317,223	4,189,743	(2,127,481)	-33.68%
Transfers Out	3,827,529	972,726	754,315	(218,411)	-22.45%
<b>Total Expenditures</b>	<b>95,744,652</b>	<b>103,438,410</b>	<b>105,742,555</b>	<b>2,304,145</b>	<b>2.23%</b>

# FY 2025 General Fund Expenditures



## **Personnel Services:**

As indicated in the charts above, the major expense in the General Fund is the cost of the personnel necessary to provide services to the community. The FY 2025 General Fund budget dedicates \$77,215,200, or 73.02%, of total spending on personnel related expenses. Personnel expenses in the General Fund represent an increase of \$3,346,926, or 4.53% above the FY 2024 adopted budget. The increase is primarily driven by the proposed 4% cost-of-living pay increase (\$2,565,708).

Other factors contributing to the increase include: off-duty police coverage for the Public Library (\$36,655), Police Department shift differential pay (\$186,785), an expanded take-home vehicle policy for the Police Department (\$85,000), pay increases for Police Academy Recruits (\$75,000) and the addition of Language Incentive Pay (\$30,000) for the Police Department. Also reflective in the increase is the addition of four (4) new full-time equivalent (FTE) positions to the fund as outlined below:

- Fire Department Leadership<sup>1</sup> (1.0 FTE)
- Fire Lieutenant EMS Coordinator (1.0 FTE)
- Bicycle Safety Coordinator (1.0 FTE)
- Parks Director (1.0 FTE)

## **Supplies:**

Supplies in the General Fund amount to \$2,785,639, marking a 4.34% increase from the previous year. This rise is primarily driven by inflationary costs of lumber, steel, and chemicals.

## **Maintenance & Repair:**

The proposed budget for this category is \$2,357,426, which is an increase of \$527,796, or 28.85%, from last year. This increase is due to additional maintenance needs, including facility improvements, roof replacement for Fire Central Station 1, air conditioning piping for the Health Department, new flooring for the Public Library, and an ADA compliant bathroom remodel at the Municipal Court Building.

## **Insurance and Contracts:**

Overall expenses have decreased by \$174,416, or 9.12%, compared to last year. While the City's contribution to the Wichita Appraisal District has risen by \$93,416, or 18.5%, this increase is offset by a \$340,000 reduction in the budgeted cost of worker's compensation claims for FY 2025.

<sup>1</sup> Grant application for Deputy Fire Marshall pending

**Debt Expenditures:**

Included in this category is the payment towards the 15-Year LED Street Light Program.

**Non-Capital Fund Expenditures:**

The FY 2025 Proposed Budget of \$277,950 is 70.52% higher compared to FY 2024, and will be allocated for park improvements, city landscaping, and enhancements to Memorial Auditorium’s landscaping.

**Capital Improvements:**

The FY 2025 budget allocates \$4,189,743 for capital improvements funded by the General Fund, representing a \$2 million decrease, or -33.68%, compared to the previous year. The FY 2024 Adopted Budget included \$2,000,000 in remaining bond funds for additional street improvements. The chart to the right is the list of projects planned for FY 2025.

General Fund	Amount
Street Rehab & Lighting	2,649,864
Traffic System Equipment	577,915
Library Improvements	450,000
Axon Police Cameras (Year 2 Pymt)	311,854
Parks Equipment	145,000
Scoreboard Replacement	20,000
Warning Sirens	17,750
Lake Arrowhead Street Maintenance	15,360
PC Computer Equipment	2,000
<b>Total</b>	<b>\$ 4,189,743</b>

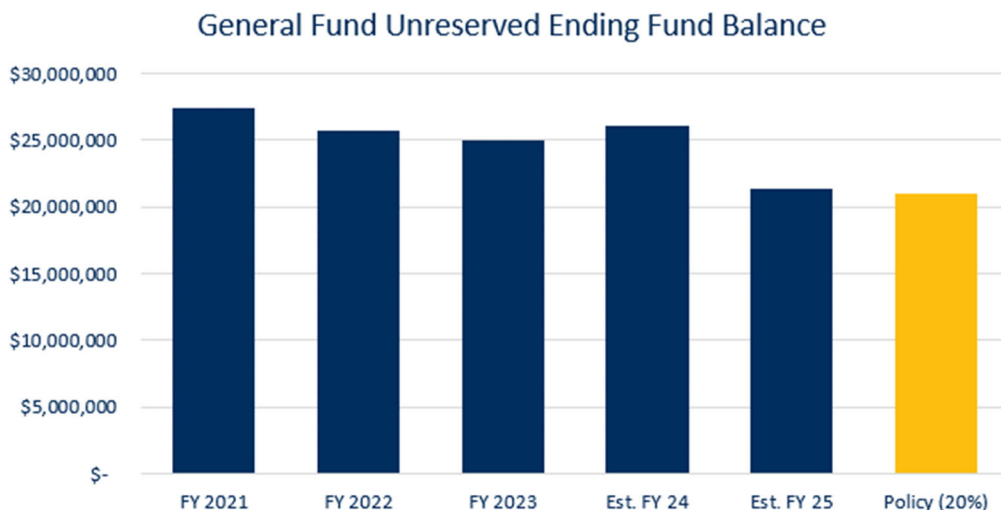
**Transfers Out:**

These funds support other funds through subsidy when needed and also include amounts for one-time expenditures from surplus reserves from the General Fund. In FY 2025, excess General Fund balance was transferred out to fund one-time expenditures in other funds. Amounts include \$430,000 for the MPEC, \$100,000 is for taser replacement and \$154,315 for Health Department Grant matching program.

**GENERAL FUND RESERVE APPROPRIATIONS**

The City maintains reserves in the General Fund to be used for major emergencies such as a widespread tornado, large legal liabilities, or important one-time expenditures. The Government Finance Officers Association recommends maintaining a fund balance in the General Fund between 15 to 25% of the annual operational cost of the fund. The City’s fund balance policy established a goal of maintaining 20% of expenditures in General Fund Reserves, which, based on the proposed \$105,742,555 General Fund budget, equals \$21,148,511. This budget estimates an end of FY 2025 fund balance of \$21,350,000, or 20.81%, which includes the recommendation of \$4M in excess fund balance be added to the capital fund for future use.

The chart below shows the 5-year history of unreserved fund balance in the General Fund.





## THE WATER/SEWER SYSTEM FUND

The Water and Sewer Fund accounts for the water and sewer utility services provided to residents of the City. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance and related debt service. The FY 2024 Adopted Budget included a 5% increase in the retail rates, as well as an increase of approximately 8% in wholesale water rates. The FY 2025 Proposed Budget includes an effective average retail rate increase of 2.5%, which is lower than the current Consumer Price Index (CPI). This does not apply to wholesale water rates, which will increase by 0.45% based on the annual wholesale rate study, in accordance with our agreements. The rate increases will address the impact of inflation and will maintain market competitive salaries. The City's water and sewer infrastructure is aging and in need of continued replacement and repair to protect and maintain the system.

### WATER/SEWER FUND REVENUES

Water sales and sewer treatment fees make up almost 92% of the total revenue, and the increase in FY 2025 compared to FY 2024 is tied directly to the previously described rate increase. The FY 2025 Proposed Budget includes the use of \$392,000 from the fund balance and allocates \$5 million for permitting Lake Ringgold, with \$4 million from reserved funds and \$1 million from FY 25 operating revenues.

Revenue Source	FY 23 Actual	FY 24 Adopted Budget	FY 25 Tentative Budget	Amount Change	% Change
Water & Sewer Revenue	47,624,764	50,808,500	52,365,700	1,557,200	3.06%
Other Financing Sources	3,658,535	4,000,000	4,392,000	392,000	9.80%
All Other Revenue	3,815,226	1,177,226	1,360,845	183,619	15.60%
<b>Total Operating Revenue</b>	<b>55,098,525</b>	<b>55,985,726</b>	<b>58,118,545</b>	<b>2,132,819</b>	<b>3.81%</b>

The Proposed Budget includes an increase of the total bill for water and wastewater from an average of \$64.46 to \$66.07 for a residential customer using 5,000 gallons in a month. The following chart illustrates a comparison of Wichita Falls' water rates with similar cities in Texas as of June 1, 2024, not including any increases being considered by the other cities.

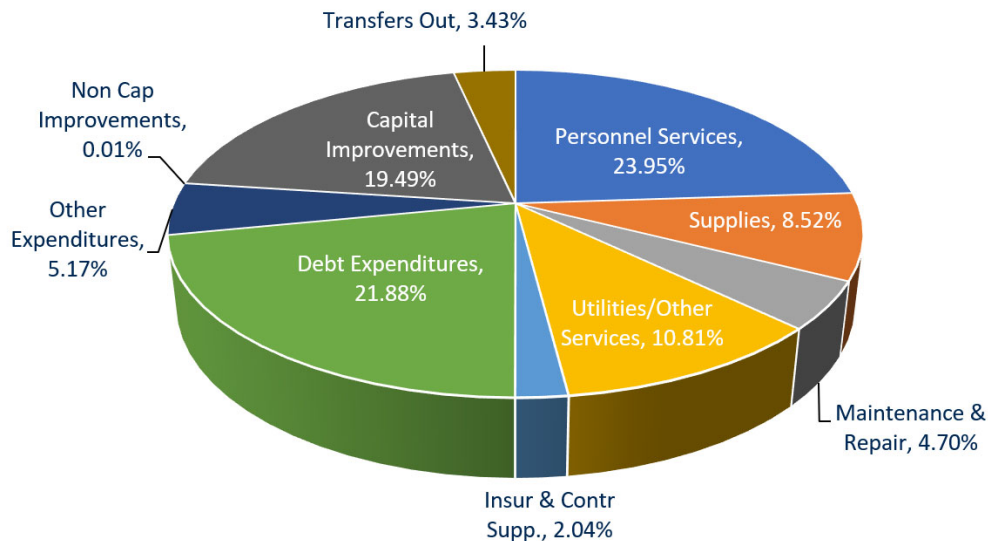
City	Water Use	Water Base	Wastewater Use	Wastewater Base	Total Bill (Water & Sewer ONLY)
McKinney	\$23.50	\$18.70	\$34.25	\$24.55	\$101.00
Mesquite	\$30.68	\$17.68	\$28.92	\$18.41	\$95.69
San Angelo	\$25.18	\$31.92	\$7.62	\$30.17	\$94.89
Allen	\$17.85	\$20.35	\$16.38	\$36.95	\$91.53
Waco	\$17.76	\$16.50	\$32.05	\$24.83	\$91.14
Grand Prairie	\$22.50	\$17.72	\$25.10	\$16.11	\$81.43
Richardson	\$35.60	\$8.00	\$25.35	\$8.00	\$76.95
Beaumont	\$21.84	\$16.14	\$20.76	\$10.93	\$69.67
Abilene	\$19.25	\$18.25	\$14.50	\$16.00	\$68.00
Tyler	\$16.90	\$15.80	\$15.82	\$19.10	\$67.62
Denton	\$18.15	\$15.84	\$21.10	\$12.21	\$67.30
<b>Wichita Falls</b>	<b>\$25.44</b>	<b>\$20.24</b>	<b>\$11.87</b>	<b>\$8.52</b>	<b>\$66.07</b>
Odessa	\$18.60	\$22.27	\$9.99	\$14.55	\$65.41
Midland	\$18.33	\$21.61	\$2.64	\$21.79	\$64.37
League City	\$20.26	\$8.26	\$18.45	\$15.32	\$62.29
Lewisville	\$10.71	\$24.18	\$13.83	\$10.23	\$58.95
Sugar Land	\$6.11	\$15.90	\$17.85	\$16.39	\$56.25
Killeen	\$10.14	\$15.04	\$7.60	\$20.76	\$53.54
College Station	\$13.75	\$12.40	\$4.50	\$22.55	\$53.20
Pasadena	\$11.28	\$13.48	\$11.25	\$13.47	\$49.48
McAllen	\$8.25	\$12.45	\$8.50	\$12.50	\$41.70
Edinburg	\$4.98	\$10.78	\$3.84	\$10.07	\$29.67
<b>AVERAGE</b>	<b>\$18.05</b>	<b>\$16.98</b>	<b>\$16.01</b>	<b>\$17.43</b>	<b>\$68.46</b>

## WATER/SEWER FUND EXPENDITURES

The FY 2025 expenditure budget for the Water/Sewer System Fund is \$58,118,545 which is an increase of \$2,132,819, or +3.81%, from the prior year adopted budget. It should be noted that the budget plans for the use of \$5 million for the permitting of Lake Ringgold.

	FY 23	FY 24	FY 25		
Expenditures	Actual	Adopted Budget	Proposed Budget	Difference	% Diff.
Personnel Services	12,076,978	13,356,207	13,918,175	561,968	4.21%
Supplies	5,032,422	4,758,212	4,948,755	190,543	4.00%
Maintenance & Repair	2,363,739	2,903,953	2,733,493	(170,460)	-5.87%
Utilities/Other Serv	5,334,062	5,821,002	6,280,998	459,996	7.90%
Insur & Contr Supp.	856,592	1,059,824	1,186,037	126,213	11.91%
Debt Expenditures	1,784,103	12,716,682	12,717,233	551	0.00%
Other Expenditures	2,060,220	2,910,383	3,004,612	94,229	3.24%
Non Cap Improvements	-	8,000	8,000	-	0.00%
Capital Improvements	8,541,962	10,488,800	11,327,800	839,000	8.00%
Transfers Out	1,827,817	1,962,663	1,993,442	30,779	1.57%
	<b>39,877,894</b>	<b>55,985,726</b>	<b>58,118,545</b>	<b>2,132,819</b>	<b>3.81%</b>

### FY 2024 Expenditures by Classification



#### **Personnel Services:**

Personnel costs represent an increase of \$561,968, or 4.21%, from the prior year. This increase includes the previously mentioned cost-of-living adjustment and the addition of evening shift differential pay.

#### **Supply Accounts:**

Supply costs have increased \$190,543, or 4.00%, from the FY 2024 Adopted Budget due to increased chemical costs.

#### **Maintenance Budget:**

The Maintenance Budget has decreased \$170,460, or 5.87%, due to not replacing as many pumps and motors at the Lakes and treatment plants compared to FY 24.

**Utilities/ Other Services:**

This category has increased \$459,996, or 7.90%, due to the increased cost of electricity and natural gas.

**Insurance & Contracts:**

The Proposed Budget for this category is \$1,186,037, which is 11.91% higher than the previous year budget due to an expected increase in the cost of property and liability insurance provided by the Texas Municipal League (TML). This category also includes worker’s compensation costs.

**Debt Expenditures:**

This category accounts for debt service payments in FY 2025 of \$12,717,233 including repayments of three debt issuances related to (1) water sewer system improvements in the early 2000’s (\$118M), (2) the temporary water reuse system in 2013 (\$13M), and (3) the Indirect Potable Reuse Project in 2015 (\$33.5M). More information about debt expenditures is available in the Debt Service Fund section of this document.

**Capital Improvements:**

The chart below provides the proposed capital improvements for FY 2025:

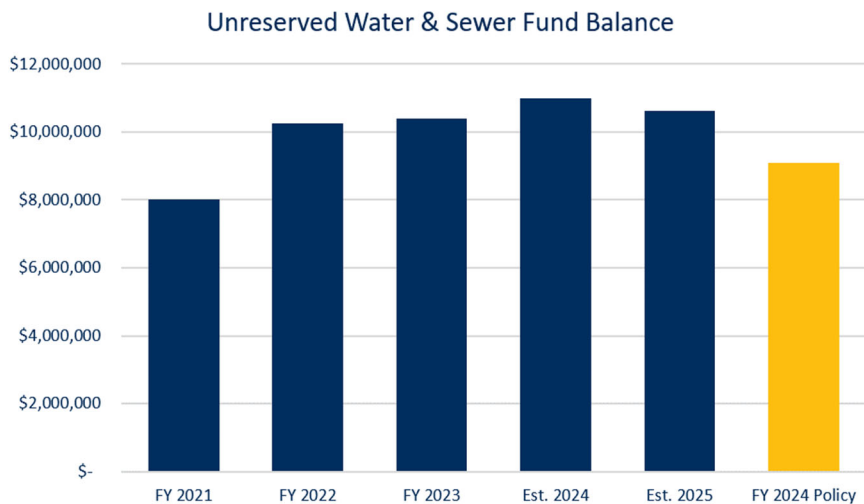
Water & Sewer	Amount
Lake Ringgold	\$ 5,000,000
Water Line Replacement	1,750,000
Sewer Line Replacements	1,750,000
Lift Station Rehab Projects	750,000
Microfiltration Rev. Osmosis	600,000
Refurbish Belt Press & Accessories	433,000
Return Activated Sludge Motors & Pump	392,000
Large Valve Replacement Program	200,000
Lagoon Pump Rehabilitation	76,000
All Other Items	376,800
<b>Total</b>	<b>\$ 11,327,800</b>

**Transfers Out:**

This category of spending accounts for transfers from the Water/Sewer Fund to the General Fund and IT Fund for franchise payment for use of the City’s right-of-way, administrative overhead, and the cost for technological support. There is an increase in the FY 2025 budget of \$30,779, or 1.57%, from the prior year for these transfers.

**WATER/SEWER FUND RESERVE APPROPRIATIONS**

The budget sets the City’s policy goal at 20% of expenditures in unreserved fund balance, less debt service. Of the fund’s \$58,118,545 expenditures in the FY 2025 budget, \$12.7 million is reserved for debt payments, bringing the ongoing expenditures budget to \$45.4 million. This means that the total needed to meet the unrestricted fund balance policy is \$9.1 million. The current unrestricted balance at the start of FY 2025 is anticipated to be \$11 million.



## 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, transportation of that waste to the transfer station and landfill for disposal, and daily operation of the landfill.

### SANITATION FUND REVENUES

Revenues for the Sanitation Fund are made up of the monthly refuse collection charges to commercial and residential customers (79%), landfill tonnage fees (16%), transfer station fees and other miscellaneous charges (5%). At the current sanitation collection and disposal rates, revenues are insufficient to finance the operating budget outlined below. The FY 2025 Proposed Budget includes an average effective 2.5% increase in sanitation rates for all customers, which is below the current inflation rate.

Sanitation Fund	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff
Revenues					
Commercial Sanitation Fees	6,214,288	6,518,859	6,683,800	164,941	2.53%
Residential Sanitation Fees	7,542,237	8,124,549	8,263,100	138,551	1.71%
Landfill Fees	2,966,115	2,577,000	3,090,100	513,100	19.91%
All Other Revenue	816,690	941,592	935,500	(6,092)	-0.65%
<b>Total Revenues</b>	<b>17,539,330</b>	<b>18,162,000</b>	<b>18,972,500</b>	<b>810,500</b>	<b>4.46%</b>

Included below is a rate comparison with other peer cities that shows Wichita Falls is lower than the average and many of these cities only provide service once per week.

City	Rate	Curbside Service per Week
Abilene*	\$23.30	2 days
Odessa*	\$22.40	2 days
Beaumont	\$22.25	1 day
Richardson	\$22.17	2 days
Round Rock	\$22.14	1 day
Tyler	\$20.81	2 days
Killeen	\$19.78	1 day
<b>Wichita Falls*</b>	<b>\$18.93</b>	<b>2 days</b>
College Station	\$18.48	1 day
McKinney	\$17.92	1 day
Waco	\$17.70	1 day
San Angelo	\$17.63	1 day
Midland	\$17.24	2 days
Lewisville	\$14.28	1 day
<b>AVERAGE</b>	<b>\$19.65</b>	<b>1.4 days</b>

\* Weighted average of alley and curbside rates

## SANITATION FUND EXPENDITURES

The proposed FY 2025 expenditure budget for the Sanitation Fund totals \$18,972,500, which is an increase of \$810,500, or 4.46%, from the prior year adopted budget. Personnel costs have increased proportionately based on the previously mentioned 4% COLA adjustment.

	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget	Difference	Percent Change
Personnel Services	4,960,494	5,370,925	5,562,771	191,846	3.57%
Supplies	345,592	389,493	398,843	9,350	2.40%
Maintenance & Repair	165,961	182,840	185,818	2,978	1.63%
Utilities/Other Serv	5,817,969	6,609,050	6,020,357	(588,693)	-8.91%
Insur & Contr Supp.	104,603	94,522	96,556	2,034	2.15%
Other Expenditures	518,072	513,661	533,579	19,918	3.88%
Non Cap Improvements	4,500	6,000	6,000	-	0.00%
Capital Improvements	4,660,734	3,981,763	5,137,327	1,155,564	29.02%
Transfers Out	969,072	1,013,746	1,031,249	17,503	1.73%
<b>Total Expenditures</b>	<b>17,546,996</b>	<b>18,162,000</b>	<b>18,972,500</b>	<b>810,500</b>	<b>4.46%</b>

The chart below shows the proposed Capital Improvements in the Sanitation Fund for FY 2025:

Item	Amount
Horizontal Grinder Unit (Replacement)	\$1,370,408
Automated Sideload Curbside Trucks (3)	1,313,871
Street Rehab Costs	800,000
Structural Repair of Transfer Station Walls	385,000
Commercial Frontload	443,584
Alley Sideload	343,190
Alley Rehabilitation	300,000
Container Carrier	113,334
Wind Screens	42,940
Roll Off Trailer	25,000
<b>Total</b>	<b>\$5,137,327</b>

## OTHER FUND HIGHLIGHTS

### Hotel/Motel Tax Fund:

The Hotel/Motel Fund contains two divisions, the Convention and Visitor's Bureau (CVB) and the Multi-Purpose Events Center (MPEC). The Convention and Visitor's Bureau works to attract tourists and groups to Wichita Falls and market the City as a destination for various types of travel.

Total revenues and expenditures in the Fund are projected to be \$199,791, or 4.21%, more than the previous year's budget. The \$4,945,791 in total revenue includes: (1) \$2,389,500 from the City's 7% portion of the hotel occupancy tax (includes \$30,000 from short-term rentals) which is a 3.65% increase from FY 2024, (2) \$2,091,291 revenue from MPEC events, sponsorships, and advertising sales which is a 9.72% increase than the previous year due to the anticipation in the number of events held, (3) \$430,000 operating transfer from the General Fund, commonly referred to as the "MPEC Subsidy", and (4) \$35,000 for events/promotions from the 4B Sales Tax.



The expenditure budget includes \$4,146,767 for MPEC, \$701,024 for the CVB, \$90,000 for funding to local non-profits through the WF Alliance for Arts and Culture, and \$8,000 to River Bend Nature Center. Personnel Services account for 46% of all expenditures in the Fund and have increased by 29.34% over previous year. The increase includes the addition of two full time positions, the previously mentioned proposed COLA increase and an increase in temporary event staffing due to more events.

**Regional Airport Fund:**

The Regional Airport Fund is an Enterprise Fund, which is supported by user fees and federal grants. The City's Regional Airport Fund proposed FY 2025 budget is \$2,333,092 which is \$335,894, or 16.82%, higher than the FY 2024 Budget due largely to increased transfers out to pay the debt service on the 2013 Airport bond of \$671,579 for FY 2025.

**Kickapoo Airport Fund:**

The Kickapoo Airport Fund is an Enterprise Fund which is self-supported by user fees. The Proposed Budget for the Kickapoo Airport totals \$1,209,459. This is an increase of \$31,264, or 2.65%, from the previous year. This rise is primarily attributed to an increase in outgoing transfers necessary to fulfill the matching requirements of a hangar renovation grant program.

**Fleet Maintenance Fund:**

The Fleet Maintenance Fund is an Internal Service Fund responsible for the maintenance and replacement of the City's fleet of vehicles and equipment. The Proposed Revenue and Expenditure Budget for the Fund is \$14,140,524. 99% of the revenue generated to operate the fund is transferred from other City departments and funds. The total fund budget is reflective of a \$385,832, or 2.66%, decrease from the FY 2024 budget, due to the landfill compactor overhaul (\$650,000) completed in the previous year. Also included is \$2,537,517 in expenditures for Capital Improvements, reflective of a 10.11% decrease from the previous year.

**Information Technology Fund:**

The Information Technology Fund is an Internal Service Fund and is responsible for the maintenance and replacement of the City's computers and ancillary devices, network infrastructure, and communications equipment. The budget for the Information Technology Fund is \$4,555,172, which is a decrease of \$783,275, or 14.67%, from the previous year. This decrease is primarily due to a decrease in the capital improvement budget and is partially offset by the addition of a Network Analyst position. Capital improvements for FY 2024 included one-time upgrades of Panasonic Tough books (\$760,000) and the Zebra Ticket Printers (\$200,000) for the Police Department.

**Transit Fund:**

The Transit Fund is an Enterprise Fund that is primarily funded through Federal and State Grants, as well as service charges (fares), used to operate the City's bus system. Transit Operations and Preventative Maintenance is now operating out of the recently constructed Transit Center, allowing the Transit Department to conduct in-house preventative maintenance, refueling, and cleaning on its fleet of public transportation vehicles. The Transit Fund budget is \$4,962,399 which is \$174,682, or 3.65%, more than the prior year budget. The FY 2025 budget includes increases in insurance expense, compensation for employees, and the purchase of 2 new transit buses (\$1,380,000).

**Stormwater Utility Fund**

In 2000, the City Council authorized the establishment of a Stormwater Drainage Utility System. This system, which took effect on May 1, 2001, provides a funding mechanism for drainage improvements in the city as allowed by State law. The system is designed to assign a fair and equitable charge to the public for stormwater drainage management services, including capital improvements. The fee is based upon the impervious area of all real property; whereby each residential water customer is assessed for one Single Family Living Unit Equivalent (SFLUE). Each commercial customer pays a multiplier of the SFLUE based upon



the impervious area of their property. The monthly fee for a SFLUE is \$5.00 and generates \$3.7 million annually for the operating and capital costs of this program.

The Stormwater Fund has a total budget of \$4,005,000 which is an increase of \$58,213, or 1.47%. The FY 2025 Proposed Budget includes a revenue increase that is primarily attributed to increased interest revenue. The proposed budget also includes funds for the design of the third phase of the Quail Creek drainage project (\$650,000).

**Golf Course Fund:**

This enterprise fund is to operate and maintain the City-owned Champions Golf Course at Weeks Park. The Golf Course Budget is devised to align with our management services agreement with A.P.G.L. Under the terms of that agreement, the City is responsible for reimbursing A.P.G.L. for golf course expenses, plus \$130,000 for complete management oversight of the course. In exchange, the city receives nearly all of the revenue at the course. The Golf Course estimates revenues and expenditures for FY 2025 at \$1,108,172. The budget assumes no operating subsidy from the General Fund.

**Water Park Fund:**

This fund accounts for the operating revenues and expenditures related to Castaway Cove Water Park. Total revenues and expenditures for this Enterprise Fund are estimated to be \$1,913,500, which is a decrease from the previous year of \$725,334, or 27.49%. The FY 2024 budget included the use of \$918,834 of Fund Balance to assist in the purchase and installation of a new \$1,675,700 Mat Racer Attraction and Timing Light System approved by City Council on March 19, 2024.

**CONCLUSION**

This FY 2025 budget provides a clear and viable work plan for the upcoming fiscal year operations. Funds are provided for projects and programs that maintain critical services and enhance the overall quality of life of the city's residents and visitors. This budget also includes an increase in compensation to help retain and recruit employees, our organizations most valuable asset.

The City's various department heads and their assistants or division heads were very helpful in the production of this budget. Particular appreciation goes to Stephen Calvert, Finance Director/CFO, Paul Menzies, Assistant City Manager, Blake Jurecek, Assistant City Manager, and Kaitlin LeVasseur, Senior Budget Analyst, for their overall leadership in the development of the document. I also want to thank all City employees who have worked hard to provide quality services to our citizens and who are committed to the success of our great City.

The City staff looks forward to working with the Mayor and City Council as we address the challenges of the coming year.

Respectfully submitted,

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Darron J. Leiker  
City Manager



General Fund

## GENERAL FUND

### GENERAL FUND

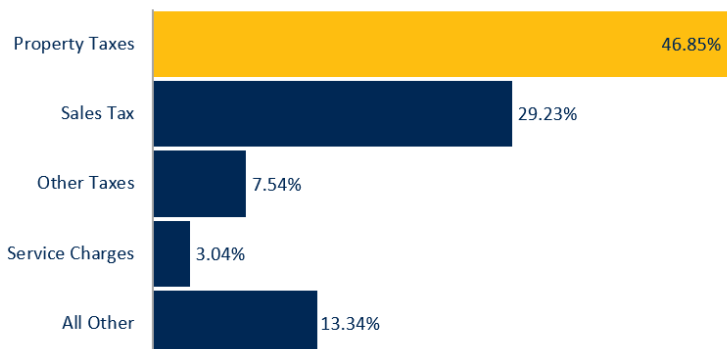
The City's Proposed General Fund Budget for FY 2025 totals \$105,742,555. This budget is \$1,666,260, or 2.23%, higher than the prior year's Adopted Budget. The budget includes various projects and programs addressing key issues the City is facing such as inflation, increasing prices for supplies, chemicals, and services as well as employee pay, recruitment, and retention. The FY 2024 Adopted Budget included the use of \$2M in available bond funds for street improvements. The FY 2025 Proposed Budget includes the use of \$650,000 from fund balance to cover one-time capital expenditures in the Parks Department and at the Public Library. It also recommends \$4M in excess fund balance be added to the capital fund for future use.

GENERAL FUND Fund Summary FY 2025	
Projected Beginning Balance	\$ 38,000,000
Less: Unavailable Reserves	(12,000,000)
Available Balance	<b>\$ 26,000,000</b>
<b>Revenues</b>	
All Taxes	\$ 88,424,233
Service Charges	3,217,035
Licenses & Permits	2,114,105
Fines & Forfeitures	3,178,200
Contributions	232,500
Interest Income	3,423,000
Misc. Revenues	1,166,791
Transfer In	3,336,691
Oth. Fin. Sources	650,000
<b>Total Revenues</b>	<b>\$ 105,742,555</b>
<b>Expenditures</b>	
Personnel Services	\$ 77,215,200
Supplies	2,785,639
Maintenance & Repair	2,357,426
Utilities/Other Serv	10,482,040
Insur & Contr Supp.	1,737,472
Debt Expenditures	337,596
Other Expenditures	5,605,174
Non Cap Improvements	277,950
Capital Improvements	4,189,743
Transfers Out	754,315
<b>Total Expenditures</b>	<b>\$ 105,742,555</b>
Less: Use of Fund Balance	(650,000)
Less: Designated for Future Capital	(4,000,000)
<b>Ending Balance</b>	<b>\$ 21,350,000</b>

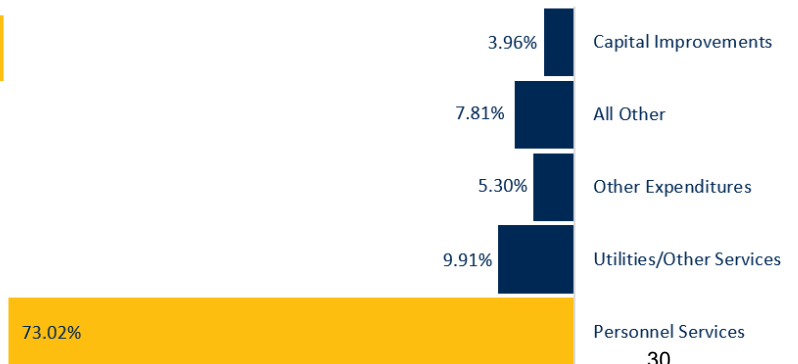
## GENERAL FUND

GENERAL FUND					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget	% Diff.	
Revenues					
Property Taxes	\$ 42,644,096	\$ 46,589,569	\$ 49,541,006	6.33%	
Sales Tax	30,988,808	31,725,000	30,903,921	-2.59%	
Franchise Fees	5,912,238	5,527,634	5,979,706	8.18%	
Payments in Lieu of Taxes	1,573,379	1,573,446	1,576,000	0.16%	
Other Tax Revenue	652,668	436,500	423,600	-2.96%	
Service Charges	3,049,719	3,236,758	3,217,035	-0.61%	
Licenses & Permits	1,993,198	2,049,700	2,114,105	3.14%	
Fines & Forfeitures	3,008,785	2,940,400	3,178,200	8.09%	
Contributions	277,285	232,500	232,500	0.00%	
Interest Income	3,417,915	2,772,258	3,423,000	23.47%	
Misc. Revenues	1,677,693	974,429	1,166,791	19.74%	
<b>Total Operating Revenues</b>	<b>\$ 95,195,785</b>	<b>\$ 98,058,194</b>	<b>\$ 101,755,864</b>	<b>3.77%</b>	
Transfer In	3,108,889	5,380,216	3,336,691	-37.98%	
Oth. Fin. Sources	-	-	650,000	100.00%	
<b>Total Revenues</b>	<b>\$ 98,304,674</b>	<b>\$ 103,438,410</b>	<b>\$ 105,742,555</b>	<b>2.23%</b>	
Expenditures					
Personnel Services	\$ 66,907,807	\$ 73,868,274	\$ 77,215,200	4.53%	
Supplies	2,126,257	2,669,721	2,785,639	4.34%	
Maintenance & Repair	3,023,741	1,829,630	2,357,426	28.85%	
Utilities/Other Serv	9,281,455	10,439,762	10,482,040	0.40%	
Insur & Contr Supp.	1,378,799	1,911,888	1,737,472	-9.12%	
Debt Expenditures	315,883	323,913	337,596	4.22%	
Other Expenditures	4,256,781	4,942,274	5,605,174	13.41%	
Non Cap Improvements	73,652	163,000	277,950	70.52%	
Capital Improvements	4,552,748	6,317,223	4,189,743	-33.68%	
Transfers Out	3,827,529	972,726	754,315	-22.45%	
<b>Total Expenditures</b>	<b>\$ 95,744,652</b>	<b>\$ 103,438,410</b>	<b>\$ 105,742,555</b>	<b>2.23%</b>	

Revenue by Source



Expenditures by Use



# GENERAL FUND

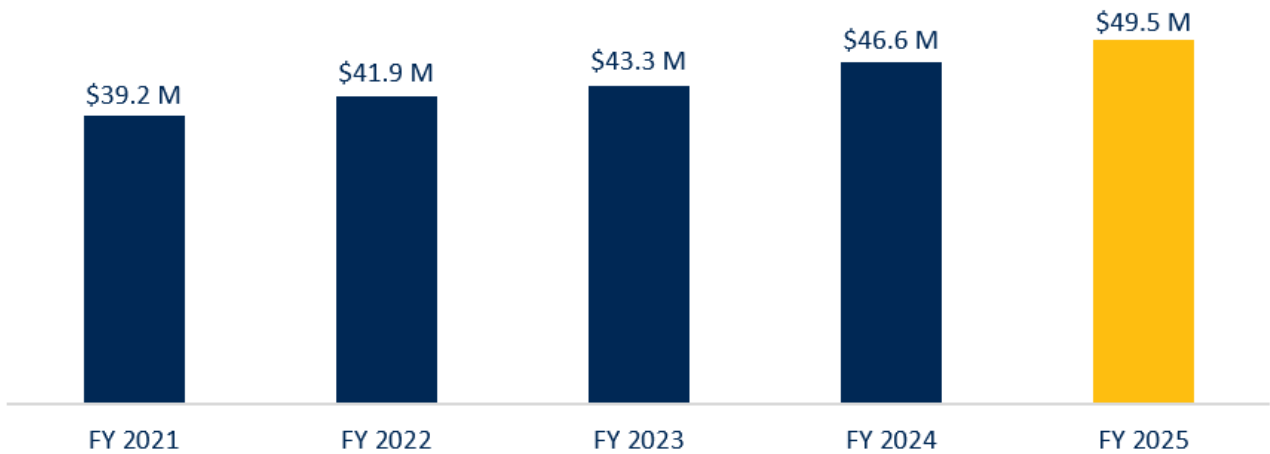
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## REVENUES

Total Operating Revenues in the General Fund are projected to be \$101,755,864, which is an increase of \$3,697,670, or 3.77%, from the prior year budget. The increase is attributed to higher property tax revenue, resulting from an expanded property tax base, along with sustained higher-than-normal interest income. Operating revenues represent recurring receipts which support the ongoing operations of the City. Total Revenues are projected to be \$105,742,555, which includes Transfers In of \$3,336,691.

**Property Tax (Ad Valorem Taxes):** The Proposed Budget anticipates an increase of \$2,951,437, or 6.33%, in Property Tax revenues. Property Taxes make up 46.85% of General Fund of revenues, making it the largest source of revenue available to the City to fund general operations. Property tax revenues have grown as the assessed value of properties have increased. The average annual growth over the five-year period is 5.36%.

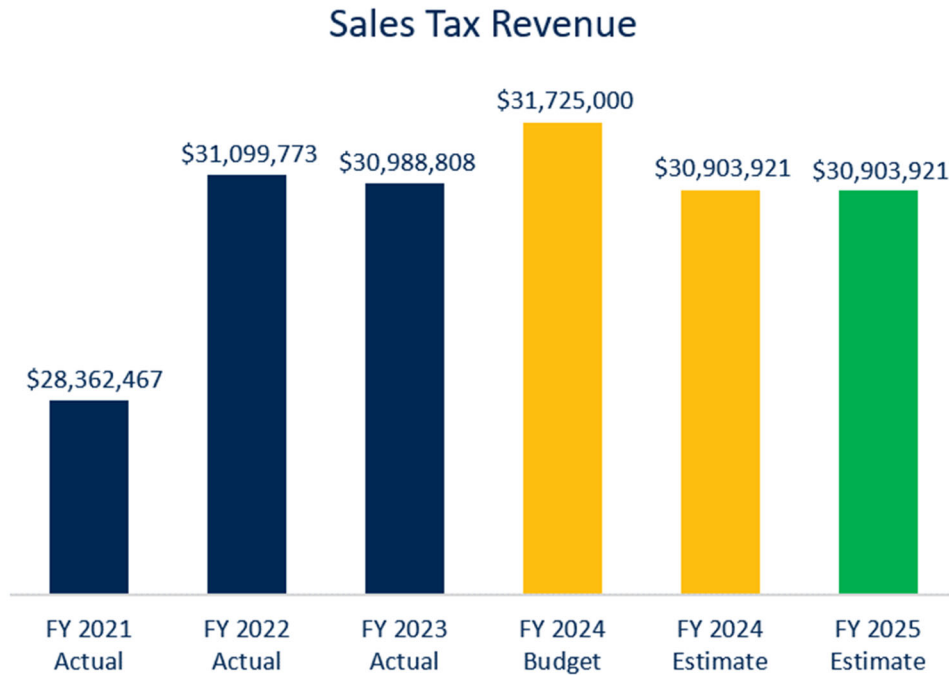
Property Tax Budgeted Revenues Trended  
(in millions of \$s)





## GENERAL FUND

**Sales Tax:** Sales Tax represents about 31% of the Adopted Budget's General Fund operating revenues and is a volatile source of revenue. Sales Tax is derived from businesses operating within City limits and is applied to goods and services sold. Sales Tax is affected by changes in the economy, and it is projected that this revenue source will decrease by \$821,079, or 2.59%, from the prior year's budget.



Of the total Sales Tax collected in the City, the State of Texas receives 6.25% and the City receives 2.00%. The proceeds from the City's portion of this tax are used to support the general operations of the City and to provide funds for infrastructure improvements and economic development. The City's sales tax is distributed as follows:

- 1.5% is deposited into the City's General Fund
- .25% is governed by a private non-profit economic development corporation, the Wichita Falls Economic Development Corporation (established pursuant to Section 4A of the Texas Development Corporation Act of 1979)
- .25% is governed by a private non-profit corporation designed to make infrastructure improvements to attract economic activity to the community, the Type B Sales Tax Corporation (established pursuant to Section 4B of the Texas Development Corporation Act of 1979).

**Franchise Fees:** The City receives payments from ONCOR Electric, ATMOS Gas, Spectrum, and various telecommunication providers for the use of the City's right-of-way for their distribution lines. Generally, the City calculates a three-year average of payments from ONCOR and ATMOS to arrive at the revenue projection for those franchises. The budgeted amount for Spectrum is based on current year estimates, and the amount from telecommunication providers is based on the most recent number of access lines in the City's right-of-way. The Proposed Budget increases expected revenues from the prior year and utilizes the three-year average calculation. The Proposed Budget for FY 2025 is \$5,979,706, which is 8.18% higher than the FY 2024 budget.

## GENERAL FUND

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**Payments-In-Lieu of Taxes:** The City receives Payments-In-Lieu of Property Tax from a few industries that are located outside the city limits as part of non-annexation agreements. These agreements guarantee that the City will provide fire protection and will not annex the industry into the city limits. In exchange, the industry provides a payment to the City that is based on a percentage of what they would have paid in property taxes had they been located inside the city limits. The FY 2025 Proposed Budget is \$1,576,000, which represents the 3-year average of amounts collected. A new PILOT agreement with Panda Biotech is currently being negotiated. Although the Proposed Budget does not include any revenue from that agreement, we plan to update the budget to include it once available.

**Other Tax Revenue:** This category includes revenue from the County Vehicle Tax, Mixed Beverage Tax, and Occupation Tax. For FY 2025, revenue is estimated at \$423,600, or a 2.96%, decrease from the previous year.

**Service Charges:** All non-General Fund operations receive administrative support from the General Fund. This support includes the work performed in the following departments:

- Finance and Accounting
- Human Resources
- Building Maintenance
- Legal
- City Clerk
- General Administration

Each year, the cost of these support services is allocated to user departments through an administrative overhead charge. As the costs for these services increase, and/or other non-General Fund operations use a higher percentage of these services, the administrative overhead charges received in the General Fund increase.

General Fund service charges also include charges for health department services of \$521,768 and a contract for services to Freedom Estates for \$445,000.

**Licenses and Permits:** The various licenses and permits issued by the City are anticipated to generate approximately 3.14% more in revenue in FY 2025 than the previous year. This revenue budget increase is based on a proposed average city-wide rate increase of 2.5%, which is lower than the Consumer Price Index (CPI).

**Fines & Forfeitures:** Municipal Court fines are set by the Municipal Court Judge. These fines will increase in the next year, generating a total increase in revenues of \$237,800, or 8.09%, from the prior year's adopted budget.

**Contributions:** The contributions revenue account includes contributions from both the 4A and 4B tax funds.

**Miscellaneous Revenues & Interest Earnings:** The Proposed Budget for this category is \$4,589,791, which is \$843,104 higher than the prior year. The City receives interest earnings from reserves that are invested with local government investment pools and fixed income securities. In recent years, low interest rates meant that interest earnings were below .25%, but actions by the Federal Reserve have increased interest earnings to about 5%. The FY 2025 budget anticipates that these will reduce to 4.25% by the end of 2026.

**Transfers In:** This category represents transfers in for franchise fees from the Water and Sewer Fund, the Sanitation Fund, and the Fleet Fund as well as a transfer in from bond funds for street improvements for a total of \$3,336,691.

## GENERAL FUND

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**Other Financing Sources:** This category covers transfers from the fund balance to cover one-time expenditures. For FY 2025, budgeted one-time expenditures include \$200,000 for Park Improvements and Public Spaces and \$450,000 for Library Flooring Replacement.

### EXPENDITURES

For FY 2025, General Fund budgeted expenditures are \$105,742,555, which is a decrease of \$2,304,145, or 2.23%, from the prior year. Increases include a 4% cost of living increases for all City employees, four new full-time positions added, increased Maintenance & Repair Charges, Utilities/Service Charges, and Debt Service payments due to higher principal payments required to remain on schedule. The FY 2024 Adopted Budget included the use of \$2,000,000 in remaining bond funds for one-time street improvement expenditures. These expenditures are not included in the FY 2025 Proposed Budget.

**Personnel Services:** The majority of expense in the General Fund is the cost of the personnel necessary to provide vital services to the community. Personnel services include expenses in the General Fund, which provide for the services of the following departments:

- Police and Fire
- Streets, Engineering, and Traffic
- Municipal Court
- Parks and Recreation
- Planning, Inspections, and Property Management
- Building Maintenance
- Animal Services, Nursing, and Environmental Health
- Administrative Support: City Manager's Office, Human Resources Department, City Attorney, Public Information Office, City Clerk, Accounting, Finance, and Purchasing

The FY 2025 Proposed General Fund budget dedicates \$77,215,200, or 73.02%, of total spending on personnel related expenses. This is an increase of \$3,346,926, or 4.53%, from the prior year. Over half of personnel expenditures in the General Fund are used to staff the City's police and fire departments. The main factors for this increase include:

**Cost of Living Adjustment (COLA):** When applicable, a cost-of-living adjustment is made to ensure that the increase to employee pay helps to offset inflation. This Proposed Budget provides a 4% COLA increase (\$2,565,708) for all employees to help offset current inflationary conditions.

**New Full Time Positions:** Reflective in the increase is the addition of four (4) new full-time equivalent (FTE) positions to fund. This includes a Fire Captain Deputy Fire Marshall<sup>1</sup>, Fire Lieutenant EMS Coordinator, Bicycle Coordinator<sup>2</sup> and Parks Director<sup>3</sup>.

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<sup>1</sup> Grant application for Deputy Fire Marshall Pending

<sup>2</sup> Funded by portion of new Child Safety Fee

<sup>3</sup> Partially offset by reclass of Parks Superintendent

## GENERAL FUND

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**Enhancements and Increases in Police Department Compensation:** The police department is set to receive several notable increases and additions to its pay structure. The department will see an allocation of \$186,785 for shift differential pay, recognizing the varied hours employee's work. Additionally, an expanded take-home vehicle policy will receive \$85,000, providing officers with more flexibility and accessibility to their vehicles. Pay increases for Police Academy recruits will total \$75,000, aimed at attracting and retaining new talent. Furthermore, the department is introducing Language Incentive Pay, with \$30,000 allocated to encourage and reward multilingual officers.

**Supplies:** Supplies in the General Fund total \$2,785,640 which is an increase of \$115,919, or 4.34%, from the prior year. This increase is reflective of increased costs for things such as lumber, steel, and chemicals due to inflation.

**Maintenance & Repair:** This category represents building and equipment maintenance to support City services. The Proposed Budget for this category is \$2,357,426, which is \$527,796, or 28.85%, higher than last year. This increase is due to additional maintenance needs, including facility improvements, roof replacement for Fire Central Station 1, air conditioning piping for the Health Department, new flooring for the Public Library, and an ADA compliant bathroom remodel at the Municipal Court Building.

**Utilities/Other Services:** General Fund utilities and other services have increased by \$42,279, or .40%, from the prior year. This increase is primarily attributed to increases in electric rates.

**Insurance and Contracts:** This category has decreased by \$174,416, or 9.12%, due to the decreased cost of workers' compensation claims.

**Debt Expenditures:** Debt expenditures in the General Fund represent the capital lease payment for the previously issued, voter-approved bonds that fund street lights, traffic signal equipment and a new fire apparatus.

**Other Expenditures:** Other expenditures includes the cost of Information Technology support as provided by the Information Technology fund and also includes education, postage, other operating costs and contingency funds. The Proposed Budget for other expenditures is \$5,605,174, which is \$662,901, or 13.41%, higher than the FY 2024 budget.

**Non-Capital Improvements:** Non-capital improvements include park landscaping, improvements and enhanced landscaping at Memorial Auditorium that do not meet the policy thresholds to be recognized as a capital expenditure. The Proposed Budget for non-capital improvements is \$277,950 and is \$114,950, or 70.52%, higher than the FY 2024 budget.

**Capital Improvements:** These funds can be used for projects with a useful life exceeding one year and a cost over \$25,000, such as equipment purchases and infrastructure development or maintenance. The total cost in this account has decreased by \$2,127,481, or 33.68%, due to the FY 2024 capital expenditures of \$2,000,000, which included funds from previously issued voter-approved bonds.

**Transfers Out:** These funds support other funds through subsidy when needed and also include amounts for one-time expenditures from surplus reserves from the General Fund. In FY 2025, excess General Fund balance was transferred out to fund one-time expenditures in other funds. Amounts include \$430,000 for the MPEC, \$100,000 is for taser replacement and \$154,315 for Health Department Grant matching program.

GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>Mayor &amp; City Council</b>				
Personnel Services	59,423	59,423	59,423	0.00%
Supplies	110	335	1,500	347.76%
Utilities/Other Services	851	691	1,259	82.20%
Other Expenditures	25,167	60,250	59,250	-1.66%
<b>Total Expenditures</b>	<b>\$ 85,551</b>	<b>\$ 120,699</b>	<b>\$ 121,432</b>	<b>0.61%</b>
<b>City Manager</b>				
Personnel Services	754,833	774,451	817,124	5.51%
Supplies	1,115	1,750	1,750	0.00%
Utilities/Other Services	2,128	1,183	2,356	99.15%
Other Expenditures	35,937	37,025	43,480	17.43%
<b>Total Expenditures</b>	<b>\$ 794,013</b>	<b>\$ 814,409</b>	<b>\$ 864,710</b>	<b>6.18%</b>
<b>Human Resources</b>				
Personnel Services	803,656	818,235	802,501	-1.92%
Supplies	4,463	6,898	5,698	-17.40%
Maintenance & Repair	34,013	33,456	33,386	-0.21%
Utilities/Other Services	65,020	68,921	70,114	1.73%
Insurance & Contract Supp.	4,145	-	-	0.00%
Other Expenditures	52,370	46,557	43,283	-7.03%
<b>Total Expenditures</b>	<b>\$ 963,667</b>	<b>\$ 974,067</b>	<b>\$ 954,982</b>	<b>-1.96%</b>
<b>MLK Center Operations</b>				
Personnel Services	116,436	120,408	121,497	0.90%
Supplies	5,405	6,400	5,200	-18.75%
Maintenance & Repair	86	1,600	1,600	0.00%
Utilities/Other Services	27,098	45,801	49,770	8.67%
Other Expenditures	2,057	3,400	3,400	0.00%
<b>Total Expenditures</b>	<b>\$ 151,082</b>	<b>\$ 177,609</b>	<b>\$ 181,467</b>	<b>2.17%</b>
<b>Training/Radio Communications</b>				
Utilities/Other Services	118,354	134,798	169,309	25.60%
Other Expenditures	230	-	-	0.00%
<b>Total Expenditures</b>	<b>\$ 118,584</b>	<b>\$ 134,798</b>	<b>\$ 169,309</b>	<b>25.60%</b>



GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>Library</b>				
Personnel Services	1,037,414	1,137,973	1,138,722	0.07%
Supplies	350,666	409,998	499,520	21.83%
Maintenance & Repair	105,270	121,127	123,660	2.09%
Utilities/Other Services	131,534	151,998	174,695	14.93%
Other Expenditures	69,409	109,562	110,507	0.86%
<b>Total Expenditures</b>	<b>\$ 1,694,293</b>	<b>\$ 1,930,658</b>	<b>\$ 2,047,104</b>	<b>6.03%</b>
<b>Public Information</b>				
Personnel Services	300,075	308,898	310,100	0.39%
Supplies	1,842	15,013	16,158	7.63%
Maintenance & Repair	627	1,500	1,506	0.40%
Utilities/Other Services	3,778	7,442	11,067	48.71%
Other Expenditures	17,882	17,425	16,585	-4.82%
Capital Improvements	-	1,449	-	-100.00%
<b>Total Expenditures</b>	<b>\$ 324,204</b>	<b>\$ 351,727</b>	<b>\$ 355,416</b>	<b>1.05%</b>
<b>Municipal Court</b>				
Personnel Services	693,396	1,000,179	968,255	-3.19%
Supplies	8,819	18,200	20,000	9.89%
Utilities/Other Services	132,583	124,413	159,032	27.83%
Other Expenditures	17,492	34,250	34,750	1.46%
<b>Total Expenditures</b>	<b>\$ 852,290</b>	<b>\$ 1,177,042</b>	<b>\$ 1,182,037</b>	<b>0.42%</b>
<b>Building Maintenance</b>				
Personnel Services	1,271,019	1,442,093	1,429,713	-0.86%
Supplies	112,024	132,881	132,881	0.00%
Maintenance & Repair	2,110,679	601,297	1,068,097	77.63%
Utilities/Other Services	264,188	394,070	364,455	-7.52%
Other Expenditures	1,548	1,000	1,500	50.00%
Capital Improvements	-	890,000	450,000	-49.44%
<b>Total Expenditures</b>	<b>\$ 3,759,458</b>	<b>\$ 3,461,341</b>	<b>\$ 3,446,646</b>	<b>-0.42%</b>

GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>Non-Departmental</b>				
Personnel Services	897,445	652,035	4,290,407	558.00%
Supplies	206	-	-	0.00%
Maintenance & Repair	41,250	-	-	0.00%
Utilities/Other Services	517,014	534,680	509,790	-4.66%
Insurance & Contract Supp.	1,352,260	1,784,700	1,609,616	-9.81%
Other Expenditures	3,614,282	4,079,860	4,671,520	14.50%
Transfers Out	3,699,295	738,598	654,315	-11.41%
<b>Total Expenditures</b>	<b>\$ 10,121,752</b>	<b>\$ 7,789,873</b>	<b>\$ 11,735,648</b>	<b>50.65%</b>
<b>Health Administration</b>				
Personnel Services	471,338	601,955	576,166	-4.28%
Supplies	8,452	86,913	13,231	-84.78%
Maintenance & Repair	43	1,593	1,593	0.00%
Utilities/Other Services	186,087	190,458	200,952	5.51%
Insurance & Contract Supp.	30,606	31,745	35,694	0.00%
Other Expenditures	103,362	-	-	0.00%
<b>Total Expenditures</b>	<b>\$ 799,888</b>	<b>\$ 912,664</b>	<b>\$ 827,636</b>	<b>-9.32%</b>
<b>Health and Wellness</b>				
Personnel Services	577,563	660,100	735,266	11.39%
Supplies	108,885	205,402	211,979	3.20%
Maintenance & Repair	342	719	719	0.00%
Utilities/Other Services	25,749	23,468	29,220	24.51%
Other Expenditures	2,702	3,469	3,722	7.29%
<b>Total Expenditures</b>	<b>\$ 715,241</b>	<b>\$ 893,158</b>	<b>\$ 980,906</b>	<b>9.82%</b>
<b>Environmental Health</b>				
Personnel Services	718,661	778,744	792,216	1.73%
Supplies	96,585	100,578	109,555	8.93%
Maintenance & Repair			430	100.00%
Utilities/Other Services	48,440	46,317	40,636	-12.27%
Other Expenditures	3,078	7,348	13,055	77.67%
<b>Total Expenditures</b>	<b>\$ 866,764</b>	<b>\$ 932,987</b>	<b>\$ 955,892</b>	<b>2.46%</b>

GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>Animal Services</b>				
Personnel Services	974,665	1,057,112	1,076,884	1.87%
Supplies	150,723	186,133	186,637	0.27%
Maintenance & Repair	949	1,800	2,415	34.17%
Utilities/Other Services	117,464	133,765	158,848	18.75%
Insurance & Contract Supp.	8,425	13,550	14,118	4.19%
Other Expenditures	9,875	12,596	26,873	113.35%
Capital Improvements	27,817	18,150	-	-100.00%
<b>Total Expenditures</b>	<b>\$ 1,289,918</b>	<b>\$ 1,423,106</b>	<b>\$ 1,465,775</b>	<b>3.00%</b>
<b>Lab Water Pollution</b>				
Personnel Services	153,034	163,012	164,422	0.86%
Supplies	26,065	36,478	36,169	-0.85%
Maintenance & Repair	2,756	8,826	8,826	0.00%
Utilities/Other Services	19,500	18,622	21,690	16.48%
Other Expenditures	1,158	3,719	4,550	22.34%
<b>Total Expenditures</b>	<b>\$ 202,513</b>	<b>\$ 230,657</b>	<b>\$ 235,657</b>	<b>2.17%</b>
<b>Finance</b>				
Personnel Services	957,136	1,165,504	1,128,816	-3.15%
Supplies	15,432	19,125	15,920	-16.76%
Maintenance & Repair	-	8,087	2,000	-75.27%
Utilities/Other Services	15,096	24,882	20,995	-15.62%
Insurance & Contract Supp.	50	115	215	86.96%
Other Expenditures	32,538	37,030	27,010	-27.06%
<b>Total Expenditures</b>	<b>\$ 1,020,252</b>	<b>\$ 1,254,743</b>	<b>\$ 1,194,956</b>	<b>-4.76%</b>
<b>Police Department</b>				
Personnel Services	26,467,286	29,205,279	28,815,453	-1.33%
Supplies	387,816	505,895	562,726	11.23%
Maintenance & Repair	38,538	57,460	53,411	-7.05%
Utilities/Other Services	2,407,032	2,675,455	2,716,830	1.55%
Insurance & Contract Supp.	-	82,000	82,000	0.00%
Other Expenditures	104,800	156,058	178,889	14.63%
Capital Improvements	-	-	311,855	100.00%
Transfers Out	-	100,000	100,000	0.00%
<b>Total Expenditures</b>	<b>\$ 29,405,472</b>	<b>\$ 32,782,147</b>	<b>\$ 32,821,164</b>	<b>0.12%</b>

GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>Fire</b>				
Personnel Services	18,024,209	19,459,634	19,790,338	1.70%
Supplies	463,795	405,699	424,644	4.67%
Maintenance & Repair	24,144	30,180	51,643	71.12%
Utilities/Other Services	1,505,523	1,583,825	1,495,532	-5.57%
Other Expenditures	78,992	80,380	79,196	-1.47%
Transfers Out	128,234	134,128	-	-100.00%
<b>Total Expenditures</b>	<b>\$ 20,224,897</b>	<b>\$ 21,693,846</b>	<b>\$ 21,841,353</b>	<b>0.68%</b>
<b>Recreation</b>				
Personnel Services	996,357	924,164	1,064,220	15.15%
Supplies	124,817	107,510	118,928	10.62%
Maintenance & Repair	70,773	136,100	107,700	-20.87%
Utilities/Other Services	357,965	500,770	531,315	6.10%
Other Expenditures	19,396	27,010	25,060	-7.22%
Capital Improvements	76,056	1,500	20,000	1233.33%
<b>Total Expenditures</b>	<b>\$ 1,645,364</b>	<b>\$ 1,697,054</b>	<b>\$ 1,867,223</b>	<b>10.03%</b>
<b>Park Maintenance</b>				
Personnel Services	2,520,822	3,106,226	2,890,285	-6.95%
Supplies	42,000	85,990	89,745	4.37%
Maintenance & Repair	127,970	366,890	352,900	-3.81%
Utilities/Other Services	1,120,655	1,341,238	1,342,857	0.12%
Insurance & Contract Supp.	13,800	25,400	25,400	0.00%
Other Expenditures	8,059	16,275	16,980	4.33%
Non Capital Improvements	70,128	151,800	265,700	75.03%
Capital Improvements	141,942	112,700	145,000	28.66%
<b>Total Expenditures</b>	<b>\$ 4,045,376</b>	<b>\$ 5,206,519</b>	<b>\$ 5,128,867</b>	<b>-1.49%</b>
<b>Business Park Maintenance</b>				
Personnel Services	323,476	442,658	411,026	-7.15%
Supplies	2,813	8,261	9,680	17.18%
Maintenance & Repair	6,755	10,746	11,350	5.62%
Utilities/Other Services	72,534	82,171	100,154	21.88%
Non Capital Improvements	2,623	8,200	8,500	3.66%
<b>Total Expenditures</b>	<b>\$ 408,201</b>	<b>\$ 552,036</b>	<b>\$ 540,710</b>	<b>-2.05%</b>

GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>City Lot Mowing</b>				
Personnel Services	121,663	174,407	163,224	-6.41%
Supplies	383	2,231	2,245	0.63%
Maintenance & Repair	100	1,012	1,025	1.28%
Utilities/Other Services	22,787	18,732	29,082	55.25%
<b>Total Expenditures</b>	<b>\$ 144,933</b>	<b>\$ 196,382</b>	<b>\$ 195,576</b>	<b>-0.41%</b>
<b>Cemetery</b>				
Personnel Services	169,540	265,604	295,989	11.44%
Supplies	4,028	10,509	10,700	1.82%
Maintenance & Repair	26,294	30,849	42,125	36.55%
Utilities/Other Services	38,402	48,472	46,062	-4.97%
Other Expenditures	240	108	100	-7.41%
Non Capital Improvements	900	3,000	3,000	0.00%
<b>Total Expenditures</b>	<b>\$ 239,404</b>	<b>\$ 358,542</b>	<b>\$ 397,976</b>	<b>11.00%</b>
<b>Planning</b>				
Personnel Services	514,844	586,526	564,739	-3.71%
Supplies	5,544	6,522	4,135	-36.60%
Maintenance & Repair	-	894	-	-100.00%
Utilities/Other Services	10,859	14,588	14,791	1.39%
Other Expenditures	16,460	18,879	18,546	-1.76%
Capital Improvements	-	32,000	-	100.00%
<b>Total Expenditures</b>	<b>\$ 547,707</b>	<b>\$ 659,409</b>	<b>\$ 602,211</b>	<b>-8.67%</b>
<b>Inspection</b>				
Personnel Services	810,398	883,207	870,806	-1.40%
Supplies	7,457	9,140	10,222	11.84%
Maintenance & Repair	385	685	657	-4.09%
Utilities/Other Services	136,236	142,488	58,794	-58.74%
Other Expenditures	12,372	17,645	15,271	-13.45%
<b>Total Expenditures</b>	<b>\$ 966,848</b>	<b>\$ 1,053,165</b>	<b>\$ 955,750</b>	<b>-9.25%</b>
<b>Code Enforcement</b>				
Personnel Services	453,605	490,635	503,741	2.67%
Supplies	3,589	5,205	4,900	-5.86%
Maintenance & Repair	347	555	451	-18.74%
Utilities/Other Services	40,263	90,025	87,095	-3.25%
Other Expenditures	13,582	13,095	19,121	46.02%
<b>Total Expenditures</b>	<b>\$ 511,386</b>	<b>\$ 599,515</b>	<b>\$ 615,308</b>	<b>2.63%</b>



GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>Property Management</b>				
Personnel Services	294,485	314,943	317,642	0.86%
Supplies	3,935	8,914	6,937	-22.18%
Maintenance & Repair	-	-	86	100.00%
Utilities/Other Services	21,753	38,760	47,440	22.39%
Other Expenditures	5,906	7,800	10,640	36.41%
Non Capital Improvements	-	-	250	0.00%
<b>Total Expenditures</b>	<b>\$ 326,079</b>	<b>\$ 370,417</b>	<b>\$ 382,995</b>	<b>3.40%</b>
<b>Lake Lot Admin.</b>				
Personnel Services	116,366	120,911	121,625	0.59%
Supplies	1,958	3,209	2,445	-23.81%
Maintenance & Repair	21,688	37,625	50,043	33.00%
Utilities/Other Services	18,626	17,732	19,304	8.87%
Other Expenditures	1,495	1,715	2,150	25.36%
Non Capital Improvements	-	-	500	100.00%
<b>Total Expenditures</b>	<b>\$ 160,133</b>	<b>\$ 181,192</b>	<b>\$ 196,067</b>	<b>8.21%</b>
<b>Traffic Engineering</b>				
Personnel Services	840,565	974,680	918,416	-5.77%
Supplies	86,757	173,666	161,536	-6.98%
Maintenance & Repair	218,962	177,317	241,815	36.37%
Utilities/Other Services	559,139	567,625	577,592	1.76%
Debt Expenditures	315,883	323,913	337,596	4.22%
Other Expenditures	5,463	10,500	19,300	83.81%
Capital Improvements	135,812	753,564	815,528	8.22%
<b>Total Expenditures</b>	<b>\$ 2,162,581</b>	<b>\$ 2,981,265</b>	<b>\$ 3,071,783</b>	<b>3.04%</b>
<b>Engineering</b>				
Personnel Services	1,535,158	1,604,427	1,602,932	-0.09%
Supplies	20,020	20,773	28,823	38.75%
Maintenance & Repair	9,712	17,022	17,569	3.21%
Utilities/Other Services	97,871	100,903	105,777	4.83%
Insurance & Contract Supp.	-	15	15	0.00%
Other Expenditures	12,719	18,565	20,240	9.02%
Capital Improvements	-	2,000	2,000	0.00%
<b>Total Expenditures</b>	<b>\$ 1,675,480</b>	<b>\$ 1,763,705</b>	<b>\$ 1,777,356</b>	<b>0.77%</b>

GENERAL FUND: EXPENDITURES BY DEPARTMENT

Expenditures by Department	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	% Change
<b>Street Maintenance</b>				
Personnel Services	2,758,996	3,289,304	3,169,576	-3.64%
Supplies	51,209	59,475	59,296	-0.30%
Maintenance & Repair	179,936	182,290	182,418	0.07%
Utilities/Other Services	1,141,174	1,246,914	1,256,518	0.77%
Insurance & Contract Supp.	-	6,020	6,020	0.00%
Other Expenditures	1,774	6,408	6,481	1.14%
Capital Improvements	4,067,759	4,505,860	2,445,360	-45.73%
<b>Total Expenditures</b>	<b>\$ 8,200,848</b>	<b>\$ 9,296,271</b>	<b>\$ 7,125,669</b>	<b>-23.35%</b>
<b>Legal</b>				
Personnel Services	972,545	1,032,756	1,050,650	1.73%
Supplies	18,452	29,085	30,447	4.68%
Utilities/Other Services	66,921	59,893	60,997	1.84%
Other Expenditures	35,832	43,580	48,865	12.13%
<b>Total Expenditures</b>	<b>\$ 1,093,750</b>	<b>\$ 1,165,314</b>	<b>\$ 1,190,959</b>	<b>2.20%</b>
<b>City Clerk</b>				
Personnel Services	198,165	252,789	253,024	0.09%
Supplies	1,386	1,533	2,033	32.62%
Utilities/Other Services	10,022	8,662	7,713	-10.96%
Insurance & Contract Supp.	88	88	88	0.00%
Other Expenditures	17,071	39,020	49,157	25.98%
<b>Total Expenditures</b>	<b>\$ 226,732</b>	<b>\$ 302,092</b>	<b>\$ 312,015</b>	<b>3.28%</b>
<b>General Fund - Total Expenditures</b>	<b>\$ 95,744,652</b>	<b>\$ 103,438,410</b>	<b>\$ 105,742,555</b>	<b>2.23%</b>

**PERSONNEL BY JOB TITLE - GENERAL FUND**

<b><u>Mayor &amp; Council</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Councilor	6.00	6.00	6.00	-
Mayor	1.00	1.00	1.00	-
<b>Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>-</b>

<b><u>City Manager</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Assistant City Manager*	1.20	1.20	1.23	0.03
City Manager	1.00	1.00	1.00	-
Executive Secretary	1.00	1.00	1.00	-
<b>Total</b>	<b>3.20</b>	<b>3.20</b>	<b>3.23</b>	<b>0.03</b>

\* Position listing improved to reflect assignments as appropriate

<b><u>Human Resources</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Employee Benefits Specialist *	1.00	1.00	1.00	-
Human Resources Benefits Generalist *	1.00	1.00	1.00	-
Human Resource Generalist	2.00	2.00	2.00	-
Human Resources Director	1.00	1.00	1.00	-
Human Resources Supervisor	1.00	1.00	1.00	-
Risk Safety Specialist	2.00	2.00	2.00	-
Senior Admin Clerk	2.00	2.00	2.00	-
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>-</b>

\* Include positions allocated for Employee Benefit costs

<b><u>MLK Center</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Clerk	1.00	1.00	1.00	-
Community Center Coordinator	1.00	1.00	1.00	-
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>-</b>

<b><u>Library</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Librarian	7.00	7.00	7.00	-
Library Administrator	1.00	1.00	1.00	-
Library Assistant	6.50	6.50	6.50	-
Lead Librarian	1.00	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	1.00	-
Library Supervisor	1.00	1.00	1.00	-
<b>Total</b>	<b>17.50</b>	<b>17.50</b>	<b>17.50</b>	<b>-</b>

<b><u>Public Information</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.00	1.00	1.00	-
Community and Marketing Director	0.34	0.34	0.34	-
Media Producer	1.00	1.00	-	(1.00)
Public Information Officer	1.00	1.00	1.00	-
Social Media & Marketing Specialist	-	-	1.00	1.00
<b>Total</b>	<b>3.34</b>	<b>3.34</b>	<b>3.34</b>	<b>-</b>

<b><u>Municipal Court</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Assistant Court Administrator	-	-	1.00	1.00
Deputy City Marshall	2.00	3.00	3.00	-
Deputy Court Clerk	7.00	7.00	6.00	(1.00)
MCT Administrator/ Marshal	1.00	1.00	1.00	-
Municipal Court Judge	1.00	1.00	1.00	-
Municipal Court Warrant Officer	3.03	3.03	3.03	-
Senior Deputy Court Clerk	1.00	1.00	1.00	-
<b>Total</b>	<b>15.03</b>	<b>16.03</b>	<b>16.03</b>	<b>-</b>

<b><u>Building Maintenance</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.00	1.00	-	(1.00)
Building Maintenance Worker	4.00	4.00	4.00	-
Custodian	19.60	20.60	20.60	-
Custodian Supervisor	2.00	2.00	2.00	-
Facility Manager	1.00	1.00	1.00	-
Lead Custodian	1.00	1.00	1.00	-
Senior Administrative Clerk	-	-	1.00	1.00
<b>Total</b>	<b>28.60</b>	<b>29.60</b>	<b>29.60</b>	<b>-</b>

<b><u>Health Administration</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.00	1.00	-	(1.00)
Administrative Secretary	1.00	1.00	1.00	-
Assistant City Registrar	1.00	1.00	1.00	-
Assistant Director of Health	1.00	1.00	1.00	-
Billing Clerk	1.00	1.00	1.00	-
City Registrar	1.00	1.00	1.00	-
Director of Public Health	1.00	1.00	1.00	-
Senior Administrative Secretary	-	-	1.00	1.00
<b>Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>-</b>

<b><u>Nursing</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Certified Medical Assistant	1.40	0.98	1.00	0.02
Health and Wellness Administrator	1.00	1.00	1.00	-
Health Clinic Aide	0.90	0.90	1.00	0.10
Lead Public Health Nurse	0.90	1.03	0.90	(0.13)
Lead Wellness Program Manager	1.00	1.00	-	(1.00)
Public Health Nurse	2.30	2.30	2.00	(0.30)
Public Health Specialist	0.30	0.30	0.40	0.10
Senior Admin Clerk	1.00	1.00	1.00	-
Wellness Program Administrator	-	-	1.00	1.00
<b>Total</b>	<b>8.80</b>	<b>8.51</b>	<b>8.30</b>	<b>(0.21)</b>

*\*Federal Health grants have changed, causing changes in allocating expenditures to personnel*

<b><u>Environmental Health</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Environmental Admin	1.00	1.00	1.00	-
Public Health Inspector	1.00	1.00	1.00	-
Public Health Officer	1.00	1.00	1.00	-
Sanitarian	6.00	6.00	5.00	(1.00)
Senior Admin Clerk	1.00	1.00	1.00	-
Vector Control Coordinator	-	-	1.00	1.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>-</b>

<b><u>Animal Services</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Animal Care & Adoption Supervisor	1.00	1.00	1.00	-
Animal Care & Field Supervisor	1.00	1.00	1.00	-
Animal Care & Kennel Supervisor	1.00	1.00	1.00	-
Animal Care Officer	11.00	11.00	11.00	-
Animal Care Specialist	1.00	1.00	1.00	-
Animal Services Administrator	1.00	1.00	1.00	-
Dispatcher	1.00	1.00	1.00	-
Senior Admin Clerk	2.00	2.00	2.00	-
<b>Total</b>	<b>19.00</b>	<b>19.00</b>	<b>19.00</b>	<b>-</b>

<b><u>Lab/Water Pollution</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Laboratory Technician	1.00	1.00	1.00	-
Senior Admin Clerk	0.50	0.50	0.50	-
Senior Medical Lab Technician	1.00	1.00	1.00	-
<b>Total</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>-</b>

<b><u>Finance &amp; Purchasing</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Accounting/Payroll Analyst*	0.80	0.80	1.00	0.20
Assistant Director of Finance	1.00	1.00	1.00	-
Buyer	1.00	1.00	1.00	-
CFO/Director of Finance	0.85	0.85	0.85	-
Grant Accountant	1.00	1.00	1.00	-
MPEC Comptroller	1.00	1.00	1.00	-
Purchasing Agent	1.00	1.00	1.00	-
Senior Accountant	1.50	1.50	1.50	-
Senior Admin Clerk *	1.80	1.80	2.00	0.20
Senior Budget Analyst	1.00	1.00	1.00	-
<b>Total</b>	<b>10.95</b>	<b>10.95</b>	<b>11.35</b>	<b>0.40</b>

\* Changes in allocation due to closure of Duplicating Services Fund

<b>Police</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Secretary	3.00	3.00	4.00	1.00
Community Service Officer II	2.00	2.00	2.00	-
Community Service Supervisor	1.00	1.00	1.00	-
Crime Analyst	2.00	2.00	2.00	-
Crime Free Coordinator	-	-	1.00	1.00
Crime Scene Tech Supervisor	1.00	1.00	1.00	-
Crime Scene Technician	4.00	4.00	4.00	-
Deputy Chief	2.00	2.00	2.00	-
Dispatch Training Coordinator	1.00	1.00	1.00	-
Lead Police Records	1.00	1.00	1.00	-
Lead Public Safety Dispatcher	3.00	3.00	3.00	-
Police Administrative	1.00	1.00	1.00	-
Police Captain	3.00	3.00	3.00	-
Police Chief	1.00	1.00	1.00	-
Police Evd/Prop/Imp	1.00	1.00	1.00	-
Police Impound Coordinator	1.00	1.00	1.00	-
Police Impound /Evid	2.00	2.00	2.00	-
Police Lieutenant	7.00	7.00	7.00	-
Police Officer	165.00	165.00	165.00	-
Police Records Clerk*	12.50	12.00	8.00	(4.00)
Police Records Clerk Supervisor	1.00	1.00	1.00	-
Police Sergeant	25.00	25.00	25.00	-
Public Records Specialist	-	-	1.00	1.00
Public Safety Dispatcher	30.00	30.00	30.00	-
Public Safety Dispatcher Supervisor	3.00	3.00	3.00	-
Public Safety Dispatch Comm Supervisor	1.00	1.00	1.00	-
Senior Admin Clerk	17.00	17.00	16.00	(1.00)
Sentinels	2.50	2.50	2.50	-
<b>Total</b>	<b>293.00</b>	<b>292.50</b>	<b>290.50</b>	<b>(2.00)</b>

\* Reclass 2 FT and 2 PT for Crime Free Coordinator and Public Records Specialist

<b>Fire</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Secretary	1.00	1.00	1.00	-
Assistant Fire Marshal	4.00	3.00	3.00	-
Deputy Fire Chief	1.00	1.00	1.00	-
Emergency Management Coordinator	-	1.00	1.00	-
Fire Battalion Chief	4.00	3.00	3.00	-
Fire Battalion Chief (Fire Marshal)	-	1.00	1.00	-
Fire Battalion Chief (Training)	-	1.00	1.00	-
Fire Captain*	15.00	15.00	16.00	1.00
Fire Chief	1.00	1.00	1.00	-
Fire Equipment Operator	39.00	39.00	39.00	-
Fire Lieutenant*	24.00	24.00	25.00	1.00
Firefighter	73.00	72.00	72.00	-
Quartermaster	1.00	1.00	1.00	-
Senior Admin Clerk	1.00	1.00	1.00	-
<b>Total</b>	<b>164.00</b>	<b>164.00</b>	<b>166.00</b>	<b>2.00</b>

\*City Council approved additional Fire Lieutenant 6/18/24

\*Grant application for Deputy Fire Marshall Pending



<b><u>Recreation</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Secretary	1.00	1.00	1.00	-
Camp Supervisor	0.38	0.38	0.38	-
Concession Worker	0.96	0.96	0.96	-
Facility Monitor	2.50	2.50	2.50	-
Lifeguard	1.15	1.15	1.15	-
Maintenance Worker	4.00	4.00	4.00	-
P&R Program Coordinator	3.00	3.00	3.00	-
Rec Service Administrator	1.00	1.00	1.00	-
Recreation Leader/50	0.50	0.50	0.50	-
Recreation Leader/Day Camp	1.80	1.80	1.80	-
Recreation Leader/Track	0.15	0.15	0.15	-
Recreation Super/Track	0.19	-	-	-
Senior Admin Clerk	1.00	1.00	1.00	-
Senior Zone Worker	1.00	1.00	1.00	-
Sr. Maintenance Worker	1.00	1.00	1.00	-
Swimming Pool Cashier	0.69	0.69	0.69	-
Swimming Pool Supervisor	0.40	0.40	0.40	-
<b>Total</b>	<b>20.72</b>	<b>20.53</b>	<b>20.53</b>	<b>-</b>

<b><u>Parks Maintenance</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Assistant City Manager	0.33	0.33	0.33	-
Assistant Parks Director*	1.00	1.00	-	(1.00)
Department Admin Assistant	1.00	1.00	1.00	-
Horticulturalist	1.00	1.00	1.00	-
Irrigation Specialist	3.00	3.00	3.00	-
Maintenance Worker	33.28	35.28	35.28	-
Park Maintenance Coordinator	3.00	3.00	3.00	-
Park Service Worker	2.00	2.00	2.00	-
Parks Administrator	1.00	1.00	1.00	-
Parks Director*	-	-	1.00	1.00
Parks Maintenance Supervisor	0.33	0.33	0.33	-
Parks Superintendent*	-	-	1.00	1.00
Sr. Maintenance Worker	8.00	9.00	9.00	-
<b>Total</b>	<b>53.94</b>	<b>56.94</b>	<b>57.94</b>	<b>1.00</b>

\* Above current request includes reclass of Assistant Parks Director down to Parks Superintendent and addition of Parks Director

<b><u>Business Park</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Parks Maintenance Supervisor	0.67	0.67	0.67	-
Maintenance Worker	4.96	4.96	4.96	-
Park Maintenance Coordinator	1.00	1.00	1.00	-
<b>Total</b>	<b>6.63</b>	<b>6.63</b>	<b>6.63</b>	<b>-</b>

<b><u>City Lot</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Maintenance Worker	2.44	2.44	2.44	-
Senior Maintenance Worker	1.00	1.00	1.00	-
<b>Total</b>	<b>3.44</b>	<b>3.44</b>	<b>3.44</b>	-

<b><u>Cemetery</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
MWR - Cemetery	1.96	1.96	1.96	-
PMC - Cemetery	1.00	1.00	1.00	-
SMR - Cemetery	1.00	1.00	1.00	-
<b>Total</b>	<b>3.96</b>	<b>3.96</b>	<b>3.96</b>	-

<b><u>Planning</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Community Develop Admin Assist	1.00	1.00	1.00	-
Director of Development Services	0.70	0.70	0.70	-
Neighborhood Revitalization Coord	-	1.00	1.00	-
Planning Manager	1.00	1.00	1.00	-
Planning Technician	1.00	1.00	1.00	-
Principal Planner	1.00	1.00	1.00	-
<b>Total</b>	<b>4.70</b>	<b>5.70</b>	<b>5.70</b>	-

<b><u>Building Inspections</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Assistant Building Official	1.00	1.00	1.00	-
Chief Building Official	1.00	1.00	1.00	-
Code Compliance Officer	5.00	5.00	5.00	-
Permit Technician	3.00	3.00	3.00	-
Plan Reviewer	1.00	1.00	1.00	-
<b>Total</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	-

<b><u>Code Enforcement</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Code Enforcement Officer	5.17	5.90	6.65	0.75
Code Enforcement Supervisor	0.92	0.80	0.30	(0.50)
Neighborhood Services Manager	0.20	0.30	0.35	0.05
Senior Admin Clerk	1.85	0.80	0.80	-
<b>Total</b>	<b>8.14</b>	<b>7.80</b>	<b>8.10</b>	0.30

*\*Funding between Code Enforcement, CDBG, and HOME has shifted*

<b><u>Property Management</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Lien Coordinator	1.00	1.00	1.00	-
Propert Management Administrator	1.00	1.00	1.00	-
Property Management Assistant	1.00	1.00	1.00	-
Senior Admin Clerk	0.50	0.50	0.50	-
<b>Total</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	-

<b><u>Lake Lot</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Senior Admin Clerk	0.50	0.50	0.50	-
Assistant Prop Mgmt./Lake	1.00	1.00	1.00	-
<b>Total</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	-

<b><u>Traffic Engineering</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Bicycle Safety Coordinator	-	-	1.00	1.00
Lead School Crossing Guard	0.34	0.34	0.34	-
School Crossing Guard	4.76	4.76	4.76	-
Traffic Control Coordinator	1.00	1.00	1.00	-
Traffic Control Tech	8.00	8.00	8.00	-
Traffic Signal Specialist	1.00	1.00	1.00	-
Traffic Superintendent	1.00	1.00	1.00	-
<b>Total</b>	<b>16.10</b>	<b>16.10</b>	<b>17.10</b>	<b>1.00</b>

<b><u>Engineering</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Assistant City Engineer	-	-	1.00	1.00
City Engineer	0.67	0.67	-	(0.67)
Civil Engineer	2.00	2.00	2.00	-
Deputy Director of Public Works	0.50	0.50	0.50	-
Director of Public Works	0.55	0.55	0.55	-
Engineering Field Tech Supervisor	1.00	1.00	1.00	-
Engineering Technician	6.00	6.00	6.00	-
Senior Engineering Tech	7.00	7.00	7.00	-
<b>Total</b>	<b>17.72</b>	<b>17.72</b>	<b>18.05</b>	<b>0.33</b>

<b><u>Street Maintenance</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
C & M Supervisor	3.00	3.00	3.00	-
Equipment Operator	11.00	14.00	11.00	(3.00)
General Maintenance Worker	17.00	14.00	17.00	3.00
Heavy Equipment Operator	16.00	16.00	16.00	-
Laborer	5.00	5.00	5.00	-
Senior Admin Clerk	1.00	1.00	1.00	-
Store Clerk	1.00	1.00	1.00	-
Street Superintendent	0.75	0.75	0.75	-
<b>Total</b>	<b>54.75</b>	<b>54.75</b>	<b>54.75</b>	<b>-</b>

<b><u>Legal</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Attorney I	2.00	2.00	2.00	-
City Attorney	1.00	1.00	1.00	-
Deputy City Attorney	2.00	2.00	2.00	-
Executive Legal Assistant	1.00	1.00	1.00	-
Legal Clerk	1.00	1.00	1.00	-
<b>Total</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>-</b>

<b><u>City Clerk</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	0.50	1.00	1.00	-
City Clerk	1.00	1.00	1.00	-
Deputy City Clerk	1.00	1.00	1.00	-
<b>Total</b>	<b>2.50</b>	<b>3.00</b>	<b>3.00</b>	<b>-</b>

<b>Total - General Fund</b>	<b>817.52</b>	<b>822.70</b>	<b>825.55</b>	<b>2.85</b>
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\* See notes below each department for descriptions of changes. Totals include Mayor & City Council.



Water/Sewer Funds

## WATER & SEWER FUND

### WATER & SEWER (ALL FUNDS)

The Water and Sewer Fund manages the water and sewer utility services provided to the city's residents. This fund covers all activities necessary for these services, including administration, operations, maintenance, finance, and related debt service.

The FY 2025 Proposed Budget includes a 2.5% increase in retail water rates and a 0.45% increase in wholesale water rates, both of which are lower than the current inflation rate of 3.27%. These rate increases are designed to support the increased cost of supplies and maintain competitive salaries. The city's aging water and sewer infrastructure requires ongoing replacement and repair to ensure system integrity.

The budget also sets a policy goal of maintaining an unreserved fund balance equal to 20% of expenditures, excluding debt service. Of the \$58,118,545 in expenditures for FY 2025, \$12.7 million is allocated for debt payments, leaving \$45.4 million for ongoing expenditures. Therefore, \$9.1 million is needed to meet the unrestricted fund balance policy. The current unrestricted balance at the start of FY 2025 is expected to be \$11 million.

For budget purposes, the Water and Sewer Fund is represented as a group of funds, including the primary **operating** fund and the **capital** fund for Lake Ringgold, Microfiltration and Reverse Osmosis, and Water & Sewer Capital. The following table provides a breakdown of the total revenues and expenditures by these fund types.

Water and Sewer Fund	FY 25 Proposed Budget		
	Operating	Capital	Total
Revenues			
Service Charges	\$ 45,503,700	\$ 7,327,800	\$ 52,831,500
All Other Revenue	1,287,045	4,000,000	5,287,045
<b>Total Revenues</b>	<b>\$ 46,790,745</b>	<b>\$ 11,327,800</b>	<b>\$ 58,118,545</b>
Expenditures			
Personnel Services	\$ 13,918,175		\$ 13,918,175
Supplies	4,948,755		4,948,755
Maintenance & Repair	2,733,493		2,733,493
Utilities/Other Services	6,280,998		6,280,998
Insurance & Contracts	1,186,037		1,186,037
Debt Expenditures	12,717,233		12,717,233
Other Expenditures	3,004,612		3,004,612
Non Cap Improvements	8,000		8,000
Capital Improvements		11,327,800	11,327,800
Transfers Out	1,993,442		1,993,442
<b>Total Expenditures</b>	<b>\$ 46,790,745</b>	<b>\$ 11,327,800</b>	<b>\$ 58,118,545</b>

## WATER & SEWER FUND

### WATER & SEWER OPERATING FUND

The Water & Sewer Operating Fund represents the revenue and expenses associated with the ongoing operations of the water and sewer system.

Water & Sewer Operating Fund						
	FY 23 Actual	FY 24 Adopted Budget	FY 25 Tentative Budget	Difference	% Diff.	
Revenues						
Service Charges	\$ 42,002,686	\$ 44,702,700	\$ 45,503,700	\$ 801,000	1.79%	
All Other Revenue	6,898,741	794,226	1,287,045	492,819	62.05%	
<b>Total Operating Revenue</b>	<b>\$48,901,426</b>	<b>\$ 45,496,926</b>	<b>\$ 46,790,745</b>	<b>\$ 1,293,819</b>	<b>2.84%</b>	
Expenditures						
Personnel Services	\$ 12,076,978	\$ 13,356,207	\$ 13,918,175	\$ 561,968	4.21%	
Supplies	5,032,422	4,758,212	4,948,755	190,543	4.00%	
Maintenance & Repair	2,363,739	2,903,953	2,733,493	(170,460)	-5.87%	
Utilities/Other Services	5,334,062	5,821,002	6,280,998	459,996	7.90%	
Insurance & Contracts	856,592	1,059,824	1,186,037	126,213	11.91%	
Debt Expenditures	1,784,103	12,716,682	12,717,233	551	0.00%	
Other Expenditures	2,060,220	2,910,383	3,004,612	94,229	3.24%	
Non Cap Improvements	-	8,000	8,000	-	0.00%	
Capital Improvements	8,541,962	-	-	-	0.00%	
Transfers Out	1,827,817	1,962,663	1,993,442	30,779	1.57%	
<b>Total Expenditures</b>	<b>\$39,877,895</b>	<b>\$ 45,496,926</b>	<b>\$ 46,790,745</b>	<b>\$ 1,293,819</b>	<b>2.84%</b>	



## WATER & SEWER FUND

The following chart illustrates a comparison of the City of Wichita Falls' current water rates with similar cities in Texas. The information comes from each city's website and was sourced on June 1, 2024, not including any increases being considered. Once other city rates are updated, the proposed rates are expected to be at least 3.5% lower than the compare group average. The proposed budget includes an increase of the total bill for water and wastewater from \$64.46 to \$66.07 based on average use of 5,000 gallons.

### Comparison of Residential Water Rates (Based on Average Residential Use of 5,000 Gallons) \*

City	Water Use	Water Base	Wastewater Use	Wastewater Base	Total Bill (Water & Sewer ONLY)
McKinney	\$23.50	\$18.70	\$34.25	\$24.55	\$101.00
Mesquite	\$30.68	\$17.68	\$28.92	\$18.41	\$95.69
San Angelo	\$25.18	\$31.92	\$7.62	\$30.17	\$94.89
Allen	\$17.85	\$20.35	\$16.38	\$36.95	\$91.53
Waco	\$17.76	\$16.50	\$32.05	\$24.83	\$91.14
Grand Prairie	\$22.50	\$17.72	\$25.10	\$16.11	\$81.43
Richardson	\$35.60	\$8.00	\$25.35	\$8.00	\$76.95
Beaumont	\$21.84	\$16.14	\$20.76	\$10.93	\$69.67
Abilene	\$19.25	\$18.25	\$14.50	\$16.00	\$68.00
Tyler	\$16.90	\$15.80	\$15.82	\$19.10	\$67.62
Denton	\$18.15	\$15.84	\$21.10	\$12.21	\$67.30
<b>Wichita Falls</b>	<b>\$25.44</b>	<b>\$20.24</b>	<b>\$11.87</b>	<b>\$8.52</b>	<b>\$66.07</b>
Odessa	\$18.60	\$22.27	\$9.99	\$14.55	\$65.41
Midland	\$18.33	\$21.61	\$2.64	\$21.79	\$64.37
League City	\$20.26	\$8.26	\$18.45	\$15.32	\$62.29
Lewisville	\$10.71	\$24.18	\$13.83	\$10.23	\$58.95
Sugar Land	\$6.11	\$15.90	\$17.85	\$16.39	\$56.25
Killeen	\$10.14	\$15.04	\$7.60	\$20.76	\$53.54
College Station	\$13.75	\$12.40	\$4.50	\$22.55	\$53.20
Pasadena	\$11.28	\$13.48	\$11.25	\$13.47	\$49.48
McAllen	\$8.25	\$12.45	\$8.50	\$12.50	\$41.70
Edinburg	\$4.98	\$10.78	\$3.84	\$10.07	\$29.67
<b>AVERAGE</b>	<b>\$18.05</b>	<b>\$16.98</b>	<b>\$16.01</b>	<b>\$17.43</b>	<b>\$68.46</b>

### OPERATING FUND REVENUES

**Service Charges:** This category makes up the majority of the revenue in the Water & Sewer Fund at about 78% of Revenues. For FY 2025, service charge revenues are budgeted at \$45,503,700, which is an increase of \$801,000, or 1.79%, from the prior year adopted budget. Revenues take into account updated assumptions about volume and are tied directly to the previously described rate increase.

**All Other Revenue:** All other revenue has increased by \$492,819, or 62.05%. This increase is primarily due to increases in expected interest earnings due to changes in federal monetary policy aimed at decreasing inflation. The City receives interest earnings from operating funds that are invested with local government investment pools and fixed income securities.

## WATER & SEWER FUND

### OPERATING FUND EXPENDITURES

For FY 2025, Water & Sewer Operating Fund budgeted expenditures are \$46,790,745, which is an increase of \$1,293,819, or 2.84% increase from the FY 2024 Adopted Budget. The major expenses in this fund are Personnel Services and Debt Expenditures which combined make up over half of the total expenditures.

**Personnel Services:** Personnel Services are budgeted to increase due to a 4% cost of living adjustment to help ensure market competitive compensation for City staff.

**Supplies:** Supplies have increased by \$190,543, or 4.0%, from the prior year. This increase is reflective of a nation-wide increase of chemical and material costs caused by inflation and supply shortages.

**Maintenance & Repair:** The proposed budget for this category is \$2,733,493, which is 5.87% lower than the previous year budget. This decrease can largely be attributed to not replacing as many pumps and motors at the Lakes and treatment plants compared to FY 24.

**Utilities/Other Services:** This category has increased \$459,996, or 7.90%, due to the increased cost of electricity and increased costs of fuel.

**Insurance & Contracts:** The Proposed Budget for this category is \$1,186,037, which is 11.91% higher than the previous year budget due to an expected increase in the cost of property and liability insurance provided by the Texas Municipal League (TML). This category also includes worker's compensation costs.

**Debt Expenditures:** This category accounts for debt service of \$12,717,233, including repayments of three debt issuances and a payment on a capital lease. More information about debt expenditures is available in the Debt Service Fund section of this document.

**Other Expenditures:** Other expenditures includes the cost of Information Technology support as provided by the Information Technology fund and also includes education, postage, and other operating costs. The Proposed Budget for other expenditures is \$3,004,612 and is \$94,229, or 3.24%, lower than the FY 2024 budget.

**Transfers Out:** This account reflects the transfers to other funds for services rendered to the Water & Sewer Fund.

### WATER & SEWER CAPITAL FUNDS

The FY 2025 budget allocates \$11,327,800 of revenues for capital funds. Proposed capital projects for FY 2025 have an estimated cost of \$5,727,800. The remaining funds are being designated for future capital projects including costs associated with Lake Ringgold (\$5,000,000) and the Microfiltration and Reverse Osmosis project (\$600,000).

Water & Sewer	Amount
Water Line Replacement	1,750,000
Sewer Line Replacements	1,750,000
Lift Station Rehab Projects	750,000
Refurbish Belt Press & Accessories	433,000
Return Activated Sludge Motors & Pump	392,000
Large Valve Replacement Program	200,000
Lagoon Pump Rehabilitation	76,000
All Other Items	376,800
<b>Total</b>	<b>\$ 5,727,800</b>

**PERSONNEL BY JOB TITLE - WATER AND SEWER FUND**

<b><u>Utility Collection</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
CFO/Director of Finance	0.15	0.15	0.15	-
Clerk	0.75	0.75	0.75	-
Customer Account Specialist	-	-	1.00	1.00
Customer Service Rep	3.00	3.00	3.00	-
Lead Customer Service Rep	2.00	2.00	1.00	(1.00)
Lead Water Customer	1.00	1.00	1.00	-
Senior Customer Service Rep	2.00	2.00	2.00	-
Utility Collection Manager	1.00	1.00	1.00	-
Utility Systems Data Administrator	1.00	1.00	1.00	-
Water Customer Service Rep	4.00	4.00	4.00	-
<b>Total</b>	<b>14.90</b>	<b>14.90</b>	<b>14.90</b>	<b>-</b>

<b><u>Utility Administration</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Secretary	1.00	1.00	1.00	-
Civil Engineer	1.00	1.00	1.00	-
Director of Public Works	0.35	0.35	0.35	-
Engineer Assistant	1.00	1.00	1.00	-
Senior Engineering Technician	2.00	2.00	2.00	-
Utility Operations Manager	1.00	1.00	1.00	-
<b>Total</b>	<b>6.35</b>	<b>6.35</b>	<b>6.35</b>	<b>-</b>

<b><u>Utility Equip Services</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Equipment Operator	4.00	4.00	4.00	-
Heavy Equipment Operator	8.00	8.00	8.00	-
Street Superintendent	0.25	0.25	0.25	-
<b>Total</b>	<b>12.25</b>	<b>12.25</b>	<b>12.25</b>	<b>-</b>

<b><u>Water Distribution</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	3.00	3.00	3.00	-
Dispatcher - Day Shift	1.00	1.00	1.00	-
Dispatcher - Night Shift	1.00	1.00	1.00	-
Heavy Equipment Operator	5.00	5.00	5.00	-
Meter System Repair	4.00	5.00	5.00	-
Senior Utilities System Worker	13.00	13.00	10.00	(3.00)
Store Clerk	2.00	2.00	2.00	-
Storekeeper	1.00	1.00	1.00	-
Utilities System Supervisor	4.00	4.00	4.00	-
Utilities System Worker	13.00	13.00	12.00	(1.00)
Utility Locator	2.00	2.00	6.00	4.00
Water Distribution Specialist	1.00	1.00	1.00	-
Water Distribution Superintendent	1.00	1.00	1.00	-
Water Meter Mechanic	1.00	1.00	1.00	-
<b>Total</b>	<b>52.00</b>	<b>53.00</b>	<b>53.00</b>	<b>-</b>

<b><u>Sewer Rehab</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
USW I	4.00	4.00	4.00	-
USW II	4.00	4.00	4.00	-
Wasterwater Collection/Rehab	1.00	1.00	1.00	-
<b>Total</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	-

<b><u>Water Source of Supply</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
P/P Maintenance Mechanic	1.00	1.00	1.00	-
Senior Pump/Plant Manager	2.00	2.00	2.00	-
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	-

<b><u>Water Purification</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.00	1.00	1.00	-
Electronics Instrument Tech	2.00	2.00	2.00	-
Lead Plant Operator	5.00	5.00	5.00	-
P/P Maintenance Mech	2.00	2.00	2.00	-
Plant Operator I	8.00	8.00	8.00	-
Plant Operator II	7.00	7.00	7.00	-
Senior Lab Technician	1.00	1.00	1.00	-
Senior Pump/Plant Maintenance	6.00	5.00	5.00	-
USW I	-	-	2.00	2.00
Utilities System Worker	2.00	2.00	-	(2.00)
Water Labratory Sup	1.00	1.00	1.00	-
Water Operator & Maintenance S	1.00	1.00	1.00	-
Water P/P Maintenance Supervisor	1.00	1.00	1.00	-
Water Supply-Purific	1.00	1.00	1.00	-
Water/Wastewater Lab	1.00	1.00	1.00	-
<b>Total</b>	<b>39.00</b>	<b>38.00</b>	<b>38.00</b>	-

<b><u>Wastewater Collection</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk*	2.00	2.00	-	(2.00)
City Works Specialist	-	-	1.00	1.00
Heavy Equipment Operator	2.00	2.00	2.00	-
USW I	1.00	1.00	4.00	3.00
USW II	3.00	3.00	7.00	4.00
Senior Utilities System Worker	1.00	1.00	1.00	-
Utilities System Worker	7.00	7.00	-	(7.00)
WW Collection Supervisor	1.00	1.00	1.00	-
<b>Total</b>	<b>17.00</b>	<b>17.00</b>	<b>16.00</b>	(1.00)

\* Combined to create City Works Specialist

<b>Wastewater Treatment</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.00	1.00	1.00	-
Elect Intr Tech I	1.00	1.00	1.00	-
Elect Intr Tech II	1.00	1.00	1.00	-
Environmental Coordinator	0.50	0.50	0.50	-
Lead Plant Operator	10.00	16.00	16.00	-
P/P Maintenance Mechanic	6.00	6.00	6.00	-
Plant Operator I	1.00	1.00	1.00	-
Plant Operator II	2.00	2.00	2.00	-
Pollution Control Specialist	1.00	1.00	1.00	-
Resource Rec Superintendent	1.00	1.00	1.00	-
Senior Lab Technician	1.00	1.00	1.00	-
Senior P/P Maintenance Mechanic	3.00	4.00	4.00	-
USW I	3.00	3.00	3.00	-
USW I	2.00	2.00	2.00	-
USW II	2.00	2.00	2.00	-
W/W P/P Maintenance Supervisor I	1.00	1.00	1.00	-
W/W P/P Maintenance Supervisor II	1.00	1.00	1.00	-
Water/Wastewater Lab Tech I	1.00	1.00	1.00	-
Water/Wastewater Lab Tech II	1.00	1.00	1.00	-
Water/Wastewater O&M Supervisor	1.00	1.00	1.00	-
<b>Total</b>	<b>40.50</b>	<b>47.50</b>	<b>47.50</b>	<b>-</b>
<b>Total - Water &amp; Sewer Fund</b>	<b>194.00</b>	<b>201.00</b>	<b>200.00</b>	<b>(1.00)</b>



## Sanitation Fund



## SANITATION FUND

### SANITATION FUND:

The Sanitation Fund is divided into three sections: Refuse Collection (referred to as Sanitation), Transfer Station, and Landfill. Additionally, there is a budget unit called Special Items, which allocates funds for a planned landfill expansion in about 20 years. These divisions collectively handle the collection of residential and commercial solid waste and run the "Choose to Reuse" program. This program includes an Organic Reuse Program and drop-off locations for recycling glass, newspapers, and aluminum. The Sanitation Fund also manages the City's Transfer Station, where waste is loaded into larger transport units for transfer to the landfill, and oversees landfill operations, including a compost facility.

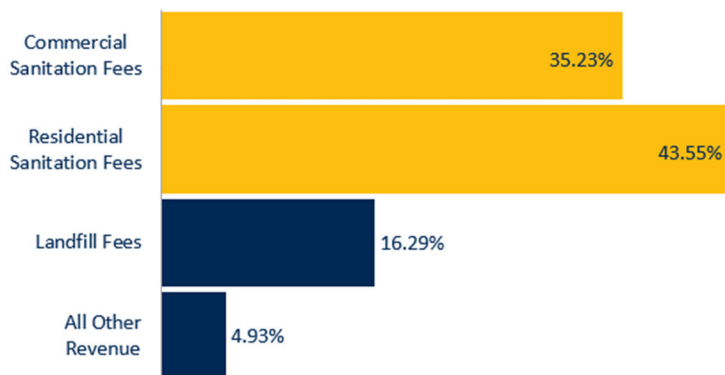
The FY 2025 budget proposes a fund balance policy of 20% of operating expenditures which is approximately \$3.8 million to ensure adequate reserves for unexpected expenditures or disruptions in operations. The estimated unrestricted fund balance at the end of FY 2025 is \$4 million. We recommend designating any excess fund balance for cell expansion at the Landfill.

SANITATION FUND Fund Summary FY 2025	
Projected Beginning Balance	\$ 12,000,000
Less: Designated Reserves	(8,000,000)
Available Balance	<b>\$ 4,000,000</b>
<b>Revenues</b>	
Residential Sanitation Fees	\$ 6,683,800
Commercial Sanitation Fees	8,263,100
Landfill Revenue	3,090,100
All Other Revenue	935,500
<b>Total Revenues</b>	<b>\$ 18,972,500</b>
<b>Expenditures</b>	
Personnel Services	\$ 5,562,771
Supplies	398,843
Maintenance & Repair	185,818
Utilities/Other Serv	6,020,357
Insur & Contr Supp.	96,556
Other Expenditures	533,579
Non Cap Improvements	6,000
Capital Improvements	5,137,327
Transfers Out	1,031,249
<b>Total Expenditures</b>	<b>\$ 18,972,500</b>
<b>Ending Balance</b>	<b>\$ 4,000,000</b>

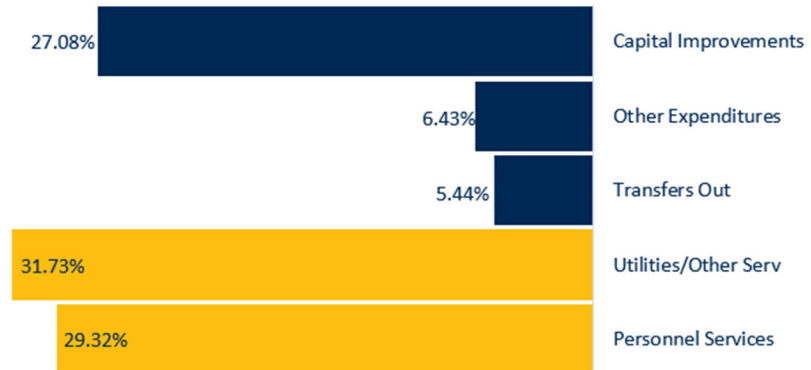
## SANITATION FUND

SANITATION FUND					
	FY 23	FY 24	FY 25		
	Actual	Adopted	Proposed		
Sanitation Fund		Budget	Budget	Difference	% Diff
Revenues					
Commercial Sanitation Fees	6,214,288	6,518,859	6,683,800	164,941	2.53%
Residential Sanitation Fees	7,542,237	8,124,549	8,263,100	138,551	1.71%
Landfill Fees	2,966,115	2,577,000	3,090,100	513,100	19.91%
All Other Revenue	816,690	941,592	935,500	(6,092)	-0.65%
<b>Total Revenues</b>	<b>17,539,330</b>	<b>18,162,000</b>	<b>18,972,500</b>	<b>810,500</b>	<b>4.46%</b>
Expenditures					
Personnel Services	4,960,494	5,370,925	5,562,771	191,846	3.57%
Supplies	345,592	389,493	398,843	9,350	2.40%
Maintenance & Repair	165,961	182,840	185,818	2,978	1.63%
Utilities/Other Serv	5,817,969	6,609,050	6,020,357	(588,693)	-8.91%
Insur & Contr Supp.	104,603	94,522	96,556	2,034	2.15%
Other Expenditures	518,072	513,661	533,579	19,918	3.88%
Non Cap Improvements	4,500	6,000	6,000	-	0.00%
Capital Improvements	4,660,734	3,981,763	5,137,327	1,155,564	29.02%
Transfers Out	969,072	1,013,746	1,031,249	17,503	1.73%
<b>Total Expenditures</b>	<b>17,546,996</b>	<b>18,162,000</b>	<b>18,972,500</b>	<b>810,500</b>	<b>4.46%</b>

Revenue by Source



Expenditures by Use



## SANITATION FUND

### REVENUES

**Commercial & Residential Fees:** Revenues for the Sanitation Fund are made up of the monthly refuse collection charges to commercial and residential customers (79%). The 2025 Proposed Budget includes a city-wide rate effective average increase of 2.5%, affecting residential, commercial curbside and alley customers. This increase accounts for the rising costs of trucks and equipment, as well as higher labor and fuel expenses

**Landfill Fees:** The FY 2025 budget for Landfill fees is up \$513,100, or 19.91%, higher due to the increased volume of waste disposals by customers at the Landfill.

**All Other Revenue:** Miscellaneous revenues refer to income generated from various irregular or less predictable sources outside the primary funding stream. It is anticipated that there will be a small decrease of 0.65% in miscellaneous revenues in the upcoming budget period.

### EXPENDITURES

**Personnel Services:** Personnel Services constitute 29.32% of the total expenditures in the Sanitation Fund. The proposed budget increases Personnel Services by \$191,846, or 3.57%, primarily due to a 4% overall increase for cost-of-living adjustments (COLA) for staff, aimed at maintaining market-competitive compensation.

**Supplies:** The allocated funds for supplies (such as materials and equipment) in the Sanitation Fund totals \$398,843, reflecting a 2.40% increase compared to the prior year.

**Maintenance & Repair:** These costs are \$185,818, which is \$2,978 more than the FY 2024 budget.

**Utilities/Other Services:** The cost of utilities is projected to decrease in FY 2025 by \$588,693, or -8.91%. The FY 2024 Adopted Budget included a landfill compactor overhaul (\$650,000).

**Capital Improvements:** For FY 2025, a total of \$5,137,327 is planned to be spent on capital improvements. This includes purchasing new trucks, refurbishing streets and alleys, and acquiring additional necessary equipment.

Item	Amount
Horizontal Grinder Unit (Replacement)	\$1,370,408
Automated Sideload Curbside Trucks (3)	1,313,871
Street Rehab Costs	800,000
Structural Repair of Transfer Station Walls	385,000
Commercial Frontload	443,584
Alley Sideload	343,190
Alley Rehabilitation	300,000
Container Carrier	113,334
Wind Screens	42,940
Roll Off Trailer	25,000
<b>Total</b>	<b>\$5,137,327</b>

**Transfers Out:** The FY 2025 budget includes a transfer of \$1,031,249 for a franchise fee, representing approximately 6% of revenue. This fee reimburses the General Fund for costs related to supporting services, such as the maintenance of streets and alleys.

## SANITATION FUND

### PERSONNEL BY JOB TITLE

<b>Sanitation</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.00	1.00	1.00	-
Deputy Dir of Public Works	0.50	0.50	0.50	-
Director of Public Works	0.10	0.10	0.10	-
Environmental Coordinator	1.00	1.00	1.00	-
Laborer	2.86	2.86	2.86	-
Sanitation Equip Operator I	12.00	12.00	12.00	-
Sanitation Equip Operator II	19.00	19.00	19.00	-
Sanitation Equip Operator III	8.00	8.00	8.00	-
Sanitation Superintendent	1.00	1.00	1.00	-
Sanitation Supervisor	3.00	3.00	3.00	-
Sanitation Worker	4.00	4.00	4.00	-
Senior Admin Clerk	1.00	1.00	1.00	-
Welder	1.00	1.00	1.00	-
<b>Total</b>	<b>54.46</b>	<b>54.46</b>	<b>54.46</b>	-
<b>Transfer Station</b>				
Laborer	2.00	2.00	2.00	-
Sanitation Equip Operator I	2.00	2.00	2.00	-
Sanitation Equip Operator II	5.00	5.00	5.00	-
Sanitation Equip Operator III	2.00	2.00	2.00	-
Sanitation Supervisor	1.00	1.00	1.00	-
Scale Attendant	2.00	2.00	2.00	-
<b>Total</b>	<b>14.00</b>	<b>14.00</b>	<b>14.00</b>	-
<b>Landfill</b>				
Administrative Clerk	1.00	1.00	1.00	-
Assistant LF Supervisor	1.00	1.00	1.00	-
Laborer	2.00	2.00	2.00	-
Landfill Equip Operator I	2.00	2.00	2.00	-
Landfill Equip Operator III	7.00	7.00	7.00	-
Landfill Supervisor	1.00	1.00	1.00	-
Landfill Worker	1.00	1.00	1.00	-
Scale Attendant	3.00	3.00	3.00	-
Senior Admin Clerk	1.00	1.00	1.00	-
<b>Total</b>	<b>19.00</b>	<b>19.00</b>	<b>19.00</b>	-
<b>Total - Sanitation Fund</b>	<b>87.46</b>	<b>87.46</b>	<b>87.46</b>	-



## Special Revenue Funds

## GRANTS/SPECIAL REVENUE FUNDS

### GRANTS/SPECIAL REVENUE FUNDS

The City budgets for special revenue in multiple funds. The special revenue funds are used to account for the proceeds from specific revenue sources (other than for major capital projects or proprietary funds) that are either legally restricted to be expended for specified purposes or have revenue sources committed for specific purposes.

The City has one special revenue fund, which is not legally mandated to be budgeted. The Miscellaneous Special Revenues Fund accounts for various revenues generated in the form of contributions, fees, concessions, rents, and other charges and their related expenditures. This fund also includes revenues derived from various grants for health and housing programs. The revenues in this fund are expended to support the activity generating the revenue or as designated by the contributor. The Fund financial statements may be found in the City's Annual Comprehensive Financial Report, and the fund is audited annually. Allocations in this fund are appropriated throughout the year by action of the City Council.

SPECIAL REVENUE FUND			
FY 25 Proposed Budget			
Fund	Grants	Other Revenue	Total
Community Development			
Community Development Block Grant	\$ 1,402,286		\$ 1,402,286
Home Investment Partnership (HOME)	349,481		349,481
Housing Choice Voucher Program	4,954,686	206,000	5,160,686
Transportation Planning Grant	391,771		391,771
Health Department			
Community and Rural Health	154,241		154,241
Community Clinical Linkage	148,502		148,502
Texas Healthy Communities	87,928		87,928
HIV	197,117		197,117
Infectious Disease	99,554		99,554
Tuberculosis	58,498	78,725	137,223
Immunization	169,693	107,719	277,412
Women, Infants, and Children (WIC)	1,069,855		1,069,855
<b>Total Grants/Special Revenue Funds</b>	<b>\$ 9,083,612</b>	<b>\$ 392,444</b>	<b>\$ 9,476,056</b>



## GRANTS/SPECIAL REVENUE FUNDS

### COMMUNITY DEVELOPMENT

**The Community Development Block Grant (CDBG)** supports community development activities to build stronger and more resilient communities and is a program funded through the United States Department of Housing and Urban Development (HUD).

Community Development Block Grant					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget		% Diff.
Revenues					
Service Charges	10,113				0.00%
Intergovernmental Revenue	1,203,986	1,438,808	1,402,286		-2.54%
Misc. Revenues	3,136				0.00%
Total Revenues	<b>\$ 1,217,235</b>	<b>\$ 1,438,808</b>	<b>\$ 1,402,286</b>		<b>-2.54%</b>
Expenditures					
Personnel Services	\$ 270,474	\$ 325,167	\$ 330,382		1.60%
Supplies	4,787	6,165	9,634		56.27%
Maintenance & Repair	57,924	45	190,043	422217.78%	
Utilities/Other Serv	775,028	789,446	721,418		-8.62%
Other Expenditures	58,560	80,351	50,809		-36.77%
Non Cap Improvements	-	237,634	100,000		-57.92%
Capital Improvements	199,758	-	-		0.00%
Total Expenditures	<b>\$ 1,366,531</b>	<b>\$ 1,438,808</b>	<b>\$ 1,402,286</b>		<b>-2.54%</b>

**The Home Investment Partnership Program (HOME)** provides formula grants that communities use to benefit low-to-moderate income neighborhoods, persons, households, and non-profit agencies in the community and is also funded through HUD.

Home Investment Partnership Program (HOME)					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget		% Diff.
Revenues					
Intergovernmental Revenue	450,145	461,557	349,481		-24.28%
Total Revenues	<b>\$ 450,145</b>	<b>\$ 461,557</b>	<b>\$ 349,481</b>		<b>-24.28%</b>
Expenditures					
Personnel Services	\$ 11,837	\$ 40,869	\$ 33,449		-18.16%
Maintenance & Repair	(6,500)	-	-		0.00%
Utilities/Other Serv	70,384	418,534	316,032		-24.49%
Other Expenditures	-	2,154	-		-100.00%
Total Expenditures	<b>\$ 75,721</b>	<b>\$ 461,557</b>	<b>\$ 349,481</b>		<b>-24.28%</b>

## GRANTS/SPECIAL REVENUE FUNDS

**The Housing Choice Voucher Program** (formerly Section 8) is the federal government's major program for assisting low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing. The City receives federal funds from HUD to administer the voucher program. The budget includes \$206,000 in interest earned as interest rates are projected to rise substantially.

Housing Choice Voucher Program				
	FY 23	FY 24	FY 25	
	Actual	Adopted Budget	Proposed Budget	% Diff.
Revenues				
Intergovernmental Revenue	4,347,420	4,110,448	4,954,686	20.54%
Misc. Revenues	212,359	190,356	206,000	8.22%
Total Revenues	<b>\$ 4,559,779</b>	<b>\$ 4,300,804</b>	<b>\$ 5,160,686</b>	<b>19.99%</b>
Expenditures				
Personnel Services	\$ 470,839	\$ 495,479	\$ 481,289	-2.86%
Supplies	24,717	45,750	40,400	-11.69%
Maintenance & Repair	86	90	90	0.00%
Utilities/Other Serv	8,944	13,070	14,210	8.72%
Other Expenditures	4,259,823	3,746,415	4,624,697	23.44%
Capital Improvements	47,274	-	-	0.00%
Total Expenditures	<b>\$ 4,811,683</b>	<b>\$ 4,300,804</b>	<b>\$ 5,160,686</b>	<b>19.99%</b>

## GRANTS/SPECIAL REVENUE FUNDS

### TRANSPORTATION

The **Transportation Planning Grant** is funded by the United States Department of Transportation and supports the activities of the Wichita Falls Metropolitan Planning Organization (MPO) which is a federally mandated transportation policy-making organization made up of representatives from the local area. The Wichita Falls MPO includes the City of Wichita Falls, Lakeside City, and Pleasant Valley. MPO staff interacts with federal, state, and local officials in the development and implementation of the Metropolitan Transportation Plan, the Transportation Improvement Program, the Unified Planning Work Program, Travel Demand Modeling, Transit Planning, and the daily operations of the office.

Transportation Planning Grant					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget		% Diff.
Revenues					
Intergovernmental Revenue	326,746	389,013	391,771		0.71%
Misc. Revenues	3,839				0.00%
Total Revenues	<b>\$ 330,585</b>	<b>\$ 389,013</b>	<b>\$ 391,771</b>		<b>0.71%</b>
Expenditures					
Personnel Services	\$ 207,620	\$ 221,161	\$ 233,000		5.35%
Supplies	2,580	12,993	10,083		-22.40%
Maintenance & Repair	6,753	7,700	8,000		3.90%
Utilities/Other Serv	8,820	124,542	123,517		-0.82%
Other Expenditures	3,985	18,617	13,171		-29.25%
Capital Improvements	199,758	4,000	4,000		0.00%
Total Expenditures	<b>\$ 429,516</b>	<b>\$ 389,013</b>	<b>\$ 391,771</b>		<b>0.71%</b>

## GRANTS/SPECIAL REVENUE FUNDS

### HEALTH DEPARTMENT

The **Community & Rural Health Grant**, also referred to as the Health Promotion Program, is funded by the U.S. Department of Health & Human Services and seeks to provide education to the community on the prevention of certain diseases.

Community & Rural Health Grant					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget		% Diff.
Revenues					
Intergovernmental Revenue	\$ 142,397	\$ 156,302	\$ 154,241		-1.32%
Total Revenues	<b>\$ 142,397</b>	<b>\$ 156,302</b>	<b>\$ 154,241</b>		<b>-1.32%</b>
Expenditures					
Personnel Services	\$ 105,617	\$ 133,779	\$ 141,544		5.80%
Supplies	6,091	8,662	3,207		-62.98%
Maintenance & Repair	43	43	43		0.00%
Utilities/Other Serv	3,834	9,602	6,493		-32.38%
Other Expenditures	2,509	4,216	2,954		-29.93%
Total Expenditures	<b>\$ 118,094</b>	<b>\$ 156,302</b>	<b>\$ 154,241</b>		<b>-1.32%</b>

The **Community Clinical Linkage Grant** is funded by the Texas Department of State Health Services and provides for the Community and Clinical Health Bridge Program, which focuses on connecting community members to healthcare resources.

Community Clinical Linkage Grant					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget		% Diff.
Revenues					
Intergovernmental Revenue	\$ 151,973	\$ 142,500	\$ 148,502		4.21%
Total Revenues	<b>\$ 151,973</b>	<b>\$ 142,500</b>	<b>\$ 148,502</b>		<b>4.21%</b>
Expenditures					
Personnel Services	\$ 105,924	\$ 109,689	\$ 115,353		5.16%
Supplies	12,507	16,458	15,945		-3.12%
Maintenance & Repair	86	86	129		50.00%
Utilities/Other Serv	31,669	10,190	7,425		-27.13%
Other Expenditures	1,788	6,077	9,650		58.80%
Total Expenditures	<b>\$ 151,974</b>	<b>\$ 142,500</b>	<b>\$ 148,502</b>		<b>4.21%</b>

## GRANTS/SPECIAL REVENUE FUNDS

The **Texas Healthy Communities Grant** provides funds from the Texas Department of Health and Human Services to assist the Health Department in the promotion of healthy living and the prevention of chronic diseases.

Texas Healthy Communities						
	FY 23		FY 24		FY 25	
	Actual		Adopted Budget		Proposed Budget	% Diff.
Revenues						
Intergovernmental Revenue	\$ 80,076	\$	85,185	\$	87,928	3.22%
Total Revenues	<b>\$ 80,076</b>	<b>\$</b>	<b>85,185</b>	<b>\$</b>	<b>87,928</b>	<b>3.22%</b>
Expenditures						
Personnel Services	\$ 68,835	\$	69,975	\$	76,265	8.99%
Supplies	581		9,182		5,270	-42.61%
Utilities/Other Serv	9,250		4,263		3,573	-16.19%
Other Expenditures	1,410		1,765		2,820	59.77%
Total Expenditures	<b>\$ 80,076</b>	<b>\$</b>	<b>85,185</b>	<b>\$</b>	<b>87,928</b>	<b>3.22%</b>

The **Human Immunodeficiency Virus (HIV) Grant** provides funds from the U.S. Department of Health & Human Services to assist the Health Department in the treatment, tracking, and prevention of HIV in the community.

HIV Grant						
	FY 23		FY 24		FY 25	
	Actual		Adopted Budget		Proposed Budget	% Diff.
Revenues						
Intergovernmental Revenue	\$ 131,061	\$	147,609	\$	197,117	33.54%
Total Revenues	<b>\$ 131,061</b>	<b>\$</b>	<b>147,609</b>	<b>\$</b>	<b>197,117</b>	<b>33.54%</b>
Expenditures						
Personnel Services	\$ 180,398	\$	121,541	\$	180,478	48.49%
Supplies	8,562		6,262		7,197	14.93%
Maintenance & Repair	86		-		43	100.00%
Utilities/Other Serv	8,515		5,552		3,727	-32.87%
Other Expenditures	5,574		14,254		5,672	-60.21%
Total Expenditures	<b>\$ 203,135</b>	<b>\$</b>	<b>147,609</b>	<b>\$</b>	<b>197,117</b>	<b>33.54%</b>



## GRANTS/SPECIAL REVENUE FUNDS

The **Infectious Disease Grant** is funded by the Texas Department of State Health Services and allows for the surveillance and epidemiology of infectious disease.

Infectious Disease					
	FY 23		FY 24		FY 25
	Actual		Adopted Budget		Proposed Budget
					% Diff.
Revenues					
Intergovernmental Revenue	\$ 70,823	\$	87,894	\$	99,554
Total Revenues	\$ 70,823	\$	87,894	\$	99,554
					13.27%
					13.27%
Expenditures					
Personnel Services	\$ 64,210	\$	82,130	\$	95,118
Supplies	959		2,200		1,000
Utilities/Other Serv	1,165		2,432		2,104
Other Expenditures	4,489		1,132		1,332
Total Expenditures	\$ 70,823	\$	87,894	\$	99,554
					13.27%

The **Tuberculosis Grant** provides funding from the U.S. Department of Health & Human Services for the Health Department's treatment and tracking of tuberculosis in the community.

Tuberculosis Program					
	FY 23		FY 24		FY 25
	Actual		Adopted Budget		Proposed Budget
					% Diff.
Revenues					
Intergovernmental Revenue	\$ 60,873	\$	42,446	\$	58,498
Transfers In	32,853		54,711		78,725
Total Revenues	\$ 93,726	\$	97,157	\$	137,223
					41.24%
Expenditures					
Personnel Services	\$ 91,620	\$	87,887	\$	126,892
Supplies	768		2,393		2,693
Maintenance & Repair	-		43		43
Utilities/Other Serv	825		2,297		2,503
Other Expenditures	513		4,537		5,092
Total Expenditures	\$ 93,726	\$	97,157	\$	137,223
					41.24%

## GRANTS/SPECIAL REVENUE FUNDS

The **Immunization Grant** provides funds from the Texas Department of State Health Services for immunizations and education related to communicable diseases.

Immunization Grant					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget		% Diff.
Revenues					
Intergovernmental Revenue	\$ 179,106	\$ 168,789	\$ 169,693		0.54%
Misc. Revenues	17,127	15,000	15,000		0.00%
Transfers In	21,844	135,855	92,719		-31.75%
Total Revenues	<b>\$ 218,076</b>	<b>\$ 319,644</b>	<b>\$ 277,412</b>		<b>-13.21%</b>
Expenditures					
Personnel Services	\$ 206,131	\$ 293,528	\$ 251,816		-14.21%
Supplies	3,570	10,476	10,176		-2.86%
Maintenance & Repair	43	43	183		325.58%
Utilities/Other Serv	5,629	7,203	7,322		1.65%
Other Expenditures	2,996	8,394	7,915		-5.71%
Total Expenditures	<b>\$ 218,369</b>	<b>\$ 319,644</b>	<b>\$ 277,412</b>		<b>-13.21%</b>

The **Women, Infants, and Children (WIC)** grant, funded by the U.S. Department of Agriculture, provides resources to women, infants, and children in need to provide support and inspiration to eat right, have a healthy pregnancy, breastfeed successfully, and raise healthy kids.

Women, Infants, & Children (WIC) Grant					
	FY 23	FY 24	FY 25		
	Actual	Adopted Budget	Proposed Budget		% Diff.
Revenues					
Intergovernmental Revenue	\$ 992,350	\$ 1,008,132	\$ 1,069,855		6.12%
Total Revenues	<b>\$ 992,350</b>	<b>\$ 1,008,132</b>	<b>\$ 1,069,855</b>		<b>6.12%</b>
Expenditures					
Personnel Services	\$ 760,161	\$ 825,659	\$ 936,040		13.37%
Supplies	106,051	46,000	32,096		-30.23%
Maintenance & Repair	1,518	1,300	1,000		-23.08%
Utilities/Other Serv	42,861	60,185	53,368		-11.33%
Other Expenditures	81,758	74,988	47,351		-36.86%
Total Expenditures	<b>\$ 992,349</b>	<b>\$ 1,008,132</b>	<b>\$ 1,069,855</b>		<b>6.12%</b>



## GRANTS/SPECIAL REVENUE FUNDS

### PERSONNEL BY JOB TITLE

<u>CDBG Grant Management</u>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Assistant City Manager	0.13	0.13	0.10	(0.03)
CDBG/HOME Program Specialist	-	1.00	-	(1.00)
CDBG/HOME Program Supervisor	-	1.00	-	(1.00)
Director of Development Services	0.10	0.10	0.05	(0.05)
HOME/CDBG Program Manager	1.00	-	0.60	0.60
Housing Rehab Inspector	0.30	0.30	0.30	-
Housing Specialist II	1.00	-	0.60	0.60
Neighborhood Services Manager	-	-	0.10	0.10
<b>Total</b>	<b>2.53</b>	<b>2.53</b>	<b>1.75</b>	<b>(0.78)</b>

<u>CDBG Code Enforcement</u>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Code Enforcement Officer	0.08	0.08	-	(0.08)
Code Enforcement Officer I	-	-	0.35	0.35
Code Enforcement Supervisor	0.05	0.05	0.05	-
Director of Development Services	0.05	0.05	0.10	0.05
Neighborhood Services Manager	0.05	0.05	0.05	-
Senior Admin Clerk	0.05	0.05	0.20	0.15
<b>Total</b>	<b>0.28</b>	<b>0.28</b>	<b>0.75</b>	<b>0.47</b>

<u>CDBG Demolition</u>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Code Enforcement Officer I	0.75	1.55	-	(1.55)
Code Enforcement Supervisor	0.03	0.03	0.65	0.62
Director of Development Services	0.05	0.05	0.05	-
Neighborhood Services Manager	-	0.05	0.05	-
Senior Admin Clerk	0.10	0.10	-	(0.10)
<b>Total</b>	<b>0.93</b>	<b>1.78</b>	<b>0.75</b>	<b>(1.03)</b>

<u>CDBG Delivery Costs</u>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
CDBG/HOME Program Inspector	0.50	0.50	0.40	(0.10)
HOME/CDBG Program Manager	-	-	0.10	0.10
Housing Specialist II	-	-	0.20	0.20
<b>Total</b>	<b>0.50</b>	<b>0.50</b>	<b>0.70</b>	<b>0.20</b>

<u>Housing Choice Voucher</u>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Director of Development Services	0.10	0.10	0.10	-
Housing Admin Specialist	1.00	1.00	1.00	-
Housing Generalist	-	-	-	-
Housing Inspector	1.00	1.00	1.00	-
Housing Specialist I	3.00	3.00	3.00	-
Housing Specialist II	1.00	1.00	1.00	-
Housing Supervisor	1.00	1.00	1.00	-
Neighborhood Services Manager	0.75	0.75	0.45	(0.30)
<b>Total</b>	<b>7.85</b>	<b>7.85</b>	<b>7.55</b>	<b>(0.30)</b>

## GRANTS/SPECIAL REVENUE FUNDS

<b><u>HOME Administration</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Housing Specialist II	-	-	0.20	0.20
HOME/CDBG Program Manager	-	-	0.30	0.30
CDBG/HOME Program Inspector	0.20	0.20	0.30	0.10
<b>Total</b>	<b>0.20</b>	<b>0.20</b>	<b>0.80</b>	<b>0.60</b>
<b><u>Transportation Planning Grant</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Transportation Planner	2.00	2.00	2.00	-
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>-</b>
<b><u>Community Rural Health</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Accreditation Specialist	1.00	1.00	1.00	-
Health Educator	0.30	0.16	0.30	0.14
PH NURSE - RESOURCE	0.20	0.20	0.15	(0.05)
Public Health Specialist	0.70	0.70	0.60	(0.10)
<b>Total</b>	<b>2.20</b>	<b>2.06</b>	<b>2.05</b>	<b>(0.01)</b>
<b><u>Community Clinical Linkage Grant</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Health Educator	0.70	0.84	0.70	(0.14)
Program Coordinator	1.00	1.00	1.00	-
<b>Total</b>	<b>1.70</b>	<b>1.84</b>	<b>1.70</b>	<b>(0.14)</b>
<b><u>HIV Prevention</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Public Health Technician	1.00	1.00	1.00	-
Certified Medical Assistant	1.00	1.00	1.00	-
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>-</b>
<b><u>TX Healthy Communities</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Health Educator	-	-	-	-
Program Coordinator	-	1.00	1.00	-
<b>Total</b>	<b>-</b>	<b>1.00</b>	<b>1.00</b>	<b>-</b>
<b><u>Infectious Disease Grant</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Epidemiologist	0.70	0.70	0.15	(0.55)
<b>Total</b>	<b>0.70</b>	<b>0.70</b>	<b>0.15</b>	<b>(0.55)</b>
<b><u>Tuberculosis Grant</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Certified Medical Assistant	-	0.70	0.70	-
Health Clinic Aide	0.10	-	-	-
Public Health Nurse	0.70	0.85	0.90	0.05
Lead Public Health Nurse	0.10	0.13	0.10	(0.03)
<b>Total</b>	<b>0.90</b>	<b>1.68</b>	<b>1.70</b>	<b>0.02</b>

## GRANTS/SPECIAL REVENUE FUNDS

<b><u>Immunization Grant</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Certified Medical Assistant	0.90	0.68	1.10	0.42
Health Educator	1.00	1.00	-	(1.00)
Immunization Outreach	2.00	2.00	2.00	-
Lead Public Health Nurse	1.00	0.84	0.60	(0.24)
Public Health Nurse	0.60	0.60	0.20	(0.40)
<b>Total</b>	<b>5.50</b>	<b>5.12</b>	<b>3.90</b>	<b>(1.22)</b>

<b><u>Women, Infants, &amp; Children</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Client Services Coordinator	1.00	1.00	1.00	-
Public Health Dietician	1.00	1.00	1.00	-
Public Health Nutritionist	1.00	1.00	3.00	2.00
Public Health Specialist	2.00	2.00	1.00	(1.00)
WIC Breastfeeding Specialist	2.00	2.00	2.00	-
WIC Outreach Specialist	-	-	1.00	1.00
WIC Program Administrator	1.00	1.00	1.00	-
WIC Specialist	3.00	3.00	3.00	-
WIC Specialist Supervisor	1.00	1.00	1.00	-
<b>Total</b>	<b>12.00</b>	<b>12.00</b>	<b>14.00</b>	<b>2.00</b>

<b>Total - Special Revenue Funds</b>	<b>39.29</b>	<b>41.54</b>	<b>40.80</b>	<b>(0.74)</b>
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Debt Service Fund

## DEBT SERVICE FUND

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### GENERAL DEBT SERVICE FUND

General debt service is used to account for the monies set aside for the payment of principal and interest to holders of the City's general obligation bonds. The sale of general obligation bonds finance long-term capital improvements such as facilities, streets, drainage, and parks. When allowable under federal tax law, state law, and in compliance with City policy, bonds may be refunded to achieve debt service savings on outstanding bonds. The City considers refunding when a cost savings will be recognized and market conditions are favorable. The City works closely with its financial advisor and bond counsel when considering an original issuance or refunding.

#### General Obligation (GO Bonds)

All General Obligation Bonds are issued on the full faith and credit of the City and are secured by ad valorem taxes levied against all taxable property. The state requires incorporated cities to submit proposed bond issues to a public referendum and receive voter authorization prior to bond issuance (Article 701). These bonds are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy.

#### Combination Tax and Revenue (CO Bonds)

The Combination Tax and Revenue Bonds are secured by ad valorem taxes levied against all taxable property as well as a pledge of surplus net revenues of the City's combined waterworks and sewer system.

### OUTSTANDING GENERAL DEBT SERVICE BY ISSUANCE

**2013 CO Series Airport:** This issuance is partially funded through property and sales tax. This issuance funded phase two and phase three of the Regional Airport Terminal Project.

**2015 GO Refunding Series A:** This refunding was completed in 2015 and refunded 2006 Series A, a Combination Tax and Revenue CO from 2006 which was used for multiple City projects, including improvements to the police firing range, park improvements, constructing a new fire station and improvements to the City's storm water drainage system. This refunding was completed with Series 2015 B for a total issuance of \$12.7 million. This issuance is funded by contributions from the 4B Sales Tax Corporation, Stormwater Fund, Property Taxes, and Excess Sales Tax.

**2015 GO Refunding Series B:** This refunding was completed in 2015 and refunded 2006 Series B, a Combination Tax and Revenues CO from 2006 which was used for improvements to the City's municipal golf course. This refunding was completed with Series 2015 A for a total issuance of \$12.7 million. By completing these refunds, the City saved approximately \$650,000. This issuance is funded by contributions from the 4B Sales Tax Corporation.

**2018 GO Series A:** This issuance is voter approved and is funded with property tax. This issuance funded street repairs and maintenance.

**2018 GO Refunding Series B:** This refunded the 2009 CO used for improvements at the Firing Range, Park Land Acquisition, Trail Extension, and the Animal Services Center. This issuance is funded through Property Tax, the West Texas Utility Contract, and the 4B Sales Tax Corporation.

## DEBT SERVICE FUND

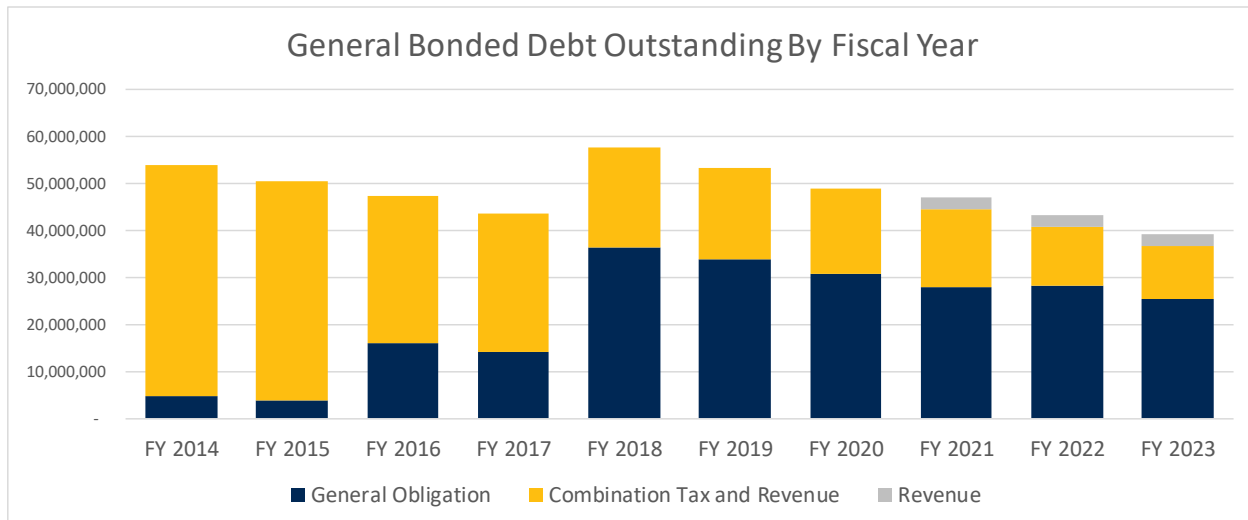
**2020 GO Series:** Voters approved increasing the City's Hotel/Motel Tax by 2% to finance the Venue Projects at the MPEC and the Performance Hall in Memorial Auditorium. These projects will include replacement of roofs, updating of equipment and other maintenance items needed for these facilities.

**2021 GO Refunding Series:** This issuance refunded the 2011 Series CO Bonds that were issued to complete the Rhea/Callfield/Lawrence Road project in July of 2011.

**2021 GO Refunding Taxable Series:** This issuance refunded the 2010 CO Series and the 2013 CO Series Airport bonds. The 2010 CO Series was issued to purchase Castaway Cove Water Park in January of 2010 which was funded by contributions from the 4B Sales Tax Corporation. The 2013 CO Series Airport bonds were issued in 2013 for phase two and phase three of the Regional Airport Terminal Project.

### LEGAL DEBT MARGIN INFORMATION

There is no debt limit established by state law. The limit is, therefore, governed by the City's ability to levy and collect taxes to service the outstanding indebtedness. The City's maximum legal tax rate established under its Charter is \$2.25 per \$100 assessed valuation.



Source: [\*City of Wichita Falls Annual Comprehensive Financial Report for the year ended 9/30/2023\*](#)

## DEBT SERVICE FUND

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Debt Service Fund Summary FY 2025	
<b>Projected Beginning Balance</b>	<b>\$ 1,976,603</b>
<b>Revenues</b>	
Taxes	2,119,970
Contributions	1,887,352
Interest Income	204,000
Transfer In	1,503,494
<b>Total Revenues</b>	<b>\$ 5,714,816</b>
<b>Expenditures</b>	
Debt Expenditures	
2013 CO Series	\$ 1,361,644
2015 GO Refunding Series A	1,163,000
2015 GO Refunding Series B	325,762
2018 GO Series A	1,214,550
2018 Refunding Series B	731,600
2020 GO Series - Venue Tax	154,200
2021 GO Series	314,060
2021 GO Taxable Series	440,000
Paying Agent Fees	10,000
<b>Total Expenditures</b>	<b>\$ 5,714,816</b>
<b>Ending Balance</b>	<b>\$ 1,976,603</b>



## DEBT SERVICE FUND

### City of Wichita Falls, Texas Debt by Issuance: Current as of 09/30/2023 Financial Audit

	<u>Range of Interest Rates</u>	<u>Final Maturity Date</u>	<u>Annual Serial Payments</u>	<u>Bonds Authorized</u>	<u>Bonds Outstanding At 9/30/23</u>
<b>General Obligation Bonds:</b>					
General Obligation Refunding Bonds, Series 2015A	2.00% - 5.00%	9/01/26	\$200,000 to \$1,105,000	\$ 9,650,000	\$ 3,190,000
General Obligation Refunding Bonds, Series 2015B	0.73% - 3.48%	9/01/26	\$110,000 to \$310,000	2,885,000	910,000
General Obligation Bonds, Series 2018A	2.00% - 5.00%	9/01/38	\$550,000 to \$1,155,000	16,345,000	13,370,000
General Obligation Refunding Bonds, Series 2018B	2.00% - 4.00%	10/01/28	\$80,000 to \$725,000	6,170,000	3,935,000
General Obligation Refunding Bonds, Series 2021	4.00%	9/01/31	\$140,000 to \$195,000	1,675,000	6,715,000
General Obligation Refunding Bonds, Taxable Series 2021	0.40% - 2.03%	9/01/33	\$435,000 to \$865,000	7,595,000	<u>1,385,000</u>
Total General Obligation Bonds					<u>29,505,000</u>
<b>Combination Tax and Revenue Bonds:</b>					
Combination Tax and Revenue Certificates of Obligation, Series 2013	2.00% - 3.375%	9/01/33	\$530,000 to \$1,315,000	19,875,000	11,485,000
Combination Tax and Revenue Certificates of Obligation, Series 2013A	2.00% - 4.625%	9/01/33	\$505,000 to \$905,000	13,000,000	1,955,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	0.00% - 2.12%	3/01/45	\$890,000 to \$1,425,000	33,545,000	25,885,000
Total Combination Tax and Revenue Bonds					<u>39,325,000</u>
<b>Revenue Bonds:</b>					
Water & Sewer System Revenue Refunding Bonds, Series 2016	2.00% - 5.00%	8/01/27	\$2,635,000 to \$9,705,000	74,005,000	30,250,000
Venue Tax Revenue Bonds, Series 2020	4.00%	9/01/50	\$45,000 to \$150,000	2,680,000	2,535,000
Total Revenue Bonds					<u>32,785,000</u>
Total All Bonds					<u>\$101,615,000</u>

## DEBT SERVICE FUND

The chart below outlines the source of funding for debt payments for the Proposed FY 2025 Budget.

CITY OF WICHITA FALLS	
Debt Service Schedule by Funding Source	
Funding Source	FY 2025
<b>GENERAL OBLIGATION BONDS</b>	
4A Sales Tax Corporation	140,000
4B Sales Tax Corporation	1,747,352
Stormwater	407,050
Airport Operations	671,579
FFA Entitlement	270,065
West Texas Utility	154,800
Property Tax	2,119,970
Hotel Venue Tax	154,200
<b>GENERAL OBLIGATION BONDS</b>	<b>\$5,665,016</b>
<b>WATER/SEWER BONDS</b>	
<b>WATER/SEWER BONDS</b>	<b>12,717,233</b>
<b>TOTAL</b>	<b>\$18,382,249</b>

## DEBT SERVICE FUND

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### WATER AND SEWER DEBT SERVICE

Water and Sewer Debt Service is used to finance long-term capital improvements. A revenue bond is a legal debt instrument used to finance permanent public projects. The bond is backed by the full faith and credit of the issuing government, and is paid for by revenue collected from service charges. Unlike GO bonds, revenue bonds do not require voter approval. The City Council is authorized to approve the bond and set the user rates to make the annual payments. All of the Water and Sewer Revenue Bonds were issued for purposes of improving the City's water and sewer systems and are serviced by the net revenues of the Water and Sewer Fund.

In 2015, Standard & Poor downgraded the City's Water/Sewer Fund credit rating due to the declining fund balance during a record-breaking 5-year drought. The drought caused the city to implement an Indirect Potable Reuse system to provide water for the region. The significant decrease in available fund balance negatively affected the City's rating with the bond market. However, as revenues have increased in recent years; the City's credit rating has increased.

As reported by Texas Municipal Reports\*,

11/05/2018 - Moody's Rating Report:

Underlying Rating Upgrade to A1 from A3 "Moody's Investors Service has upgraded the City of Wichita Falls, TX Water & Sewer Enterprise's ("System") revenue rating to A1 from A3. The upgrade affects approximately \$68.5 million of Moody's rated debt, but considers an additional \$65.4 million. The outlook is stable.

"The upgrade to A1 reflects the systems materially improved financial operations and reserves, as a result of the successful implementation of a significant rate increase in 2014 after a recent drought. The five-year drought led to a temporary but substantial reduction in the city's water supply, and ultimately resulted in materially lower water sales, low debt service coverage, and a reduction in liquidity levels. Further, the rating considers the policy changes and system improvements made by the city in order to slow water-loss in the event of additional droughts. Finally, the rating considers the system's above-average debt profile, as well as a stable economic base."

*Source: Texas Municipal Reports MAC of Texas*

Water and Sewer Debt Service is funded directly out of the Water/Sewer Fund. The expenditures are budgeted for each year in the Debt Expenditure line item. There are three outstanding debt issuances in this fund. A description of each is listed on the following pages.

## DEBT SERVICE FUND

### WATER & SEWER DEBT SERVICE COVERAGE REVENUE BONDS

The City strives to maintain proper debt coverage for revenue bonds. The chart below shows the minimum debt service coverage needed and the total excess over the coverage requirement.

#### DEBT SERVICE COVERAGE - REVENUE BONDS SEPTEMBER 30, 2023

Water and Sewer Revenue Bonds:		
Change in net position (Exhibit A-8)		\$ 11,064,723
Add:		
Depreciation and amortization	\$ 8,904,531	
Interest expense and paying agent fees	2,219,148	
Transfers out	<u>1,880,468</u>	13,004,147
Subtract:		
West Texas Utilities water revenues	500,000	
Gain (loss) on sale/abandonment of capital assets	28,525	
Capital contributions from developers	2,207,260	
Transfers in	<u>784,916</u>	<u>(3,520,701)</u>
Net earnings for determining debt service coverage		<u><u>\$ 20,548,169</u></u>

	Priority Lien Bonds	Subordinate Lien Bonds	
Net earnings for determining debt service coverage			\$ 20,548,169
Principal and interest requirements to maturity	\$ 33,495,500	\$ -	
Number of years remaining to pay bonds	<u>4</u>	<u>N/A</u>	
Average annual principal and interest requirement	8,373,875	N/A	
Minimum bond covenant debt service coverage	<u>1.25</u>	<u>1.10</u>	
Minimum debt service coverage requirement	<u><u>\$ 10,467,344</u></u>	<u><u>\$ -</u></u>	10,467,344
Excess over debt service coverage requirements			<u><u>\$ 10,080,825</u></u>

Source: [City of Wichita Falls, Annual Comprehensive Financial Report for the Year Ended 09/30/2023](#)

## DEBT SERVICE FUND

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### OUTSTANDING WATER/SEWER DEBT SERVICE BY ISSUANCE

**2016 Revenue Refunding Bond Series:** This is a refunding of a series initially issued in 2001 in the amount of \$118,770,000 for improvements to the City's water and sewer system. The issue was refunded once in 2007, and again in 2016, to take advantage of cost savings that could be realized by lower interest rates. This bond is funded by, and secured with, revenues generated in the Water/Sewer Fund.

**2013A CO:** This issuance allowed the City to create a temporary water reuse system, as lake levels continued to decline during the drought. In total, this issuance was \$13 million over a 20-year time line and is funded through revenues in the Water/Sewer Fund.

**2015 CO:** This issuance was for 30-Year Combination Tax and Revenue Certificates of Obligation for \$33,545,000, to finance the cost of engineering and construction associated with the City's Indirect Potable Reuse Project (IPR). The Certificates of Obligation were sold to the Texas Water Development Board as part of their Clean Water State Revolving Loan Program which provides loans to municipalities for wastewater projects at 1.2% lower interest rates than what the City would have received in the private market. The project involved the construction of a pump station and pipeline to convey treated wastewater effluent from the River Road Wastewater Treatment Plant to Lake Arrowhead.



Hotel/Motel Funds

## HOTEL/MOTEL FUND

### HOTEL/MOTEL FUND:

The Hotel/Motel Fund contains two divisions, the Convention and Visitor's Bureau (CVB) and the Multi-Purpose Events Center (MPEC). The Convention and Visitor's Bureau works to attract tourists and groups to Wichita Falls and market the City as a destination for various types of travel. Total revenues and expenditures in the Fund are projected to be \$199,791, or 4.21%, more than the previous year's budget.

HOTEL/MOTEL TAX FUND					
	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Revenues					
Taxes	\$ 2,306,648	\$ 2,305,000	\$ 2,389,100	\$ 84,100	3.65%
Service Charges	799	-	400	400	0.00%
Contributions	1,235,000	35,000	35,000	-	0.00%
Misc. Revenues	2,180,319	1,906,000	2,091,291	185,291	9.72%
Transfer In	2,689,000	500,000	430,000	(70,000)	-14.00%
<b>Total Revenues</b>	<b>\$ 8,411,766</b>	<b>\$ 4,746,000</b>	<b>\$ 4,945,791</b>	<b>\$ 199,791</b>	<b>4.21%</b>
Expenditures					
Personnel Services	\$ 1,984,072	\$ 1,743,417	\$ 2,254,884	\$ 511,467	29.34%
Supplies	754,072	532,233	507,464	(24,769)	-4.65%
Maintenance & Repair	518,861	154,600	82,715	(71,885)	-46.50%
Utilities/Other Serv	4,420,983	1,407,451	1,451,443	43,992	3.13%
Insur & Contr Supp.	173,075	168,000	230,000	62,000	36.90%
Debt Expenditures	-	261,880	-	(261,880)	-100.00%
Other Expenditures	449,281	478,419	419,285	(59,134)	-12.36%
Capital Improvements	234,788	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 8,535,133</b>	<b>\$ 4,746,000</b>	<b>\$ 4,945,791</b>	<b>\$ 199,791</b>	<b>4.21%</b>



## HOTEL/MOTEL FUND

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### REVENUES

**Taxes:** As economic conditions continue to recover and improve from the COVID-19 pandemic, Hotel/Motel Tax revenues are expected to increase by \$84,100, or 3.65%. The Hotel/Motel tax is assessed against the occupants of rented rooms in hotels, motels, and bed and breakfasts. Both the City and the State collect taxes from the rental of these rooms. The State of Texas rate is 6% and the City tax rate is 9%, for a combined hotel/motel tax rate of 15%. 7% of the City's tax rate is accounted for in this fund, and is used to support arts campaigns, fund the Convention and Visitor's Bureau (CVB), and funds personnel, supplies, and utilities at the MPEC to put on events at those facilities. The other 2% of the City's Tax Rate is accounted for in the Venue Tax Fund.

**Contributions:** This category encompasses funding from external sources, such as the 4B Sales Tax Fund, which supports events and promotions. The expected contribution amount for the upcoming period remains unchanged.

**Miscellaneous Revenues:** This account represents the projected revenues generated from the MPEC under City management, including events, sponsorships, and advertising sales. Revenues are expected to increase by \$185,291, or 9.72%, due to an uptick in hosted events.

**Transfer In:** This category represents a subsidy from the General Fund. The subsidy amount has been reduced by \$70,000 as it is anticipated that the fund will require less support from the General Fund. Although it was budgeted, the subsidy was not required in FY 2023 and is not expected to be needed in FY 2024.

### EXPENDITURES

**Personnel Services:** Personnel Services account for 45.6% of expenditures in the Hotel/Motel Fund. This account includes increases of \$511,467, or 29.34%, due to additional event operations, recommend above current positions and a 4% cost of living adjustment for employees.

**Supplies:** This account includes the supplies necessary to maintain daily operations at the MPEC and shows a decrease of \$24,769, or -4.65%. This reduction is due to more accurate estimates of food and beverage purchases for event concessions and adjustments resulting from improved inventory management.

**Maintenance & Repair:** This account has decreased by \$71,885, or 46.50%, primarily due to a projected reduction in maintenance costs. This reduction is attributed to increased investment in the venue from the Venue Tax Fund.

**Utilities/Other Services:** This account has increased by \$43,992, or 3.13%, due to increases for energy and utilities.

**Insurance & Contracts:** This account increased by \$62,000, or 36.9%, due to anticipated higher insurance costs for the MPEC. This increase includes additional funding for local non-profits of \$90,000 for the WF Alliance for Arts and Culture and \$8,000 to River Bend Nature Center.

**Debt Expenditures:** This account decreased by \$261,880 due to the conclusion of the Energy Conservation Equipment Lease payment in August 2024.

**Other Expenditures:** This account totals \$419,285, reflecting a decrease of \$59,134, or 12.36%. Although membership costs are expected to rise by \$22,040, this will be offset by a projected reduction in administrative overhead costs.

**Capital Expenditures:** Capital improvements are expected to remain at zero, as one-time funds allocated in the previous budget year for MPEC venue enhancements are still being utilized.

## HOTEL/MOTEL FUND

Below, the Hotel / Motel Fund budget is divided into their respective organizations: the Convention and Visitor's Bureau and MPEC Operations.

	MPEC Operations				
	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Expenditures					
Personnel Services	\$ 1,737,075	\$ 1,473,882	\$ 1,914,072	\$ 440,190	29.87%
Supplies	708,804	490,500	468,282	\$ (22,218)	-4.53%
Maintenance & Repair	517,694	154,000	82,086	\$ (71,914)	-46.70%
Utilities/Other Serv	4,180,043	1,142,935	1,164,871	\$ 21,936	1.92%
Insur & Contr Supp.	173,075	167,000	229,000	\$ 62,000	37.13%
Debt Expenditures	-	261,880	-	\$ (261,880)	-100.00%
Other Expenditures	421,415	440,009	386,456	\$ (53,553)	-12.17%
Capital Improvements	234,788	-	-	\$ -	0.00%
<b>Total Expenditures</b>	<b>\$ 7,972,895</b>	<b>\$ 4,130,206</b>	<b>\$ 4,244,767</b>	<b>\$ 114,561</b>	<b>2.77%</b>

	Convention and Visitor's Bureau				
	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Expenditures					
Personnel Services	\$ 246,997	\$ 269,535	\$ 340,812	\$ 71,277	26.44%
Supplies	45,268	41,733	39,182	\$ (2,551)	-6.11%
Maintenance & Repair	1,167	600	629	\$ 29	4.83%
Utilities/Other Serv	240,939	264,516	286,572	\$ 22,056	8.34%
Insur & Contr Supp.	-	1,000	1,000	\$ -	0.00%
Other Expenditures	27,866	38,410	32,829	\$ (5,581)	-14.53%
<b>Total Expenditures</b>	<b>\$ 562,237</b>	<b>\$ 615,794</b>	<b>\$ 701,024</b>	<b>\$ 85,230</b>	<b>13.84%</b>

## HOTEL/MOTEL FUND

### PERSONNEL BY JOB TITLE

<b><u>Convention &amp; Visitor's Bureau</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Communications and Marketing Dir	0.33	0.35	0.35	-
Market & Design Rep	-	-	-	-
Marketing Coordinator	0.50	0.50	0.50	-
Marketing/Design Manager	0.50	0.50	0.50	-
Sales and Service Coordinator*	0.50	-	1.00	1.00
Sales Coordinator	0.50	0.50	0.50	-
Sales Manager	-	-	0.50	0.50
Senior Sales Coordinator	-	0.50	-	(0.50)
Visitor and Office Assistant	1.00	1.00	1.00	-
<b>Total</b>	<b>3.33</b>	<b>3.35</b>	<b>4.35</b>	<b>1.00</b>

\* Above current request

<b><u>MPEC Management</u></b>	<b>FY2022-23</b>	<b>FY2023-24</b>	<b>FY2023-24</b>	<b>Change PY</b>
Ag Center Manager	1.00	1.00	1.00	-
Box Office Manager	1.00	1.00	1.00	-
Communications and Marketing Dir	0.33	0.35	0.35	-
Concessions Supervisor	1.00	1.00	1.00	-
Department Administrative Assistant	1.00	1.00	1.00	-
Event Coordinator	1.00	1.00	1.00	-
Event Manager	1.00	1.00	1.00	-
Event Operations Manager	1.00	1.00	1.00	-
Facility Maintenance Manager	1.00	1.00	1.00	-
Food and Beverage Manager	1.00	1.00	1.00	-
Food and Beverage Supervisor	1.00	1.00	1.00	-
Kitchen Supervisor*	-	-	1.00	1.00
Marketing Coordinator	0.50	0.50	0.50	-
Marketing/Design Manager	-	0.50	0.50	-
MPEC Lead Operations Staff	1.00	1.00	1.00	-
MPEC Operations Staff	1.00	3.00	3.00	-
Sales Coordinator	0.50	0.50	0.50	-
Sales Manager	0.50	-	0.50	0.50
Senior Sales Coordinator	-	0.50	-	(0.50)
Sponsorship Sales Coordinator	1.00	1.00	1.00	-
<b>Total</b>	<b>14.83</b>	<b>17.35</b>	<b>18.35</b>	<b>1.00</b>

\* Above current request

# HOTEL/MOTEL VENUE TAX FUND

## OVERVIEW

### HOTEL/MOTEL VENUE TAX FUND:

The Hotel Occupancy Tax (HOT) is assessed upon the occupants of rented rooms in hotels, motels, and bed and breakfasts. Both the City of Wichita Falls and the State of Texas collect taxes from the rental of these rooms. The State of Texas assesses a 6% rate, and the City assesses a rate of 9%, for a combined rate of 15%. The City's 9% rate includes a 2% tax increase that was approved by the citizens of Wichita Falls in November 2019.

A hotel's owner, operator, or manager must collect hotel taxes from their guests and remit these taxes to both the City and the State. Tax revenue from the city hotel occupancy tax may be used to promote tourism and the convention and hotel industry. Cities may also use the tax for the encouragement, promotion, and improvement of the arts. The City of Wichita Falls uses 7% of the HOT for the promotion of tourism and operation of the Multi-Purpose Events Center (MPEC) and Memorial Auditorium, while the additional voter-approved 2% is used for capital improvements (large renovation and/or construction projects with a cost in excess of \$25,000) at the MPEC and Memorial Auditorium. The Hotel/Motel Venue Tax fund tracks the 2% designated towards the improvement and maintenance of the City's venues. The other 7% of the city-collected HOT is tracked in the Hotel/Motel Fund.

HOTEL/MOTEL VENUE TAX FUND					
	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Revenues					
Taxes	\$ 660,000	\$ 600,000	\$ 650,000	\$ 50,000	8.33%
Oth. Fin. Sources	-	-	933,000	933,000	-
<b>Total Revenues</b>	<b>\$ 660,000</b>	<b>\$ 600,000</b>	<b>\$ 1,583,000</b>	<b>\$ 983,000</b>	<b>163.83%</b>
Expenditures					
Debt Expenditures	\$ 101,700	\$ -	\$ -	\$ -	-
Capital Improvements	579,702	600,000	1,583,000	983,000	163.83%
<b>Total Expenditures</b>	<b>\$ 681,402</b>	<b>\$ 600,000</b>	<b>\$ 1,583,000</b>	<b>\$ 983,000</b>	<b>163.83%</b>

Category	Amount
Memorial Auditorium Projects	\$ 1,460,000
Rigging	400,000
Stage Curtains	200,000
Audio	300,000
Fire Protection	60,000
Electrical	500,000
Other Venue Projects	100,000
Venue Security	23,000
<b>Total</b>	<b>\$ 1,583,000</b>



Other Funds

## REGIONAL AIRPORT FUND

### REGIONAL AIRPORT FUND

The Regional Airport Fund is an Enterprise Fund, which is supported by user fees and federal grants. The City's Regional Airport Fund proposed FY 2025 budget is \$2,333,092 which is \$335,894, or 16.82%, higher than the FY 2024 Budget due largely to increased transfers out to pay the debt services on the 2013 Airport bond of \$671,579 for FY 2025. In FY 2024, the debt service payment was partially funded by FAA ARPA funds.

Regional Airport Fund	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
<b>Revenues</b>					
Service Charges	315,210	262,820	293,120	30,300	11.53%
Misc. Revenues	1,682,104	1,709,378	1,759,149	49,771	2.91%
Transfer In	163,445	25,000	-	(25,000)	-100.00%
<b>Total Revenues</b>	<b>\$ 2,227,979</b>	<b>\$ 1,997,198</b>	<b>\$ 2,333,092</b>	<b>\$335,894</b>	<b>16.82%</b>
<b>Expenditures</b>					
Personnel Services	\$ 408,668	\$ 462,687	\$ 479,552	\$ 16,865	3.64%
Supplies	514,604	528,005	468,123	(59,882)	-11.34%
Maintenance & Repair	77,925	116,197	117,163	966	0.83%
Utilities/Other Serv	226,966	253,798	301,304	47,506	18.72%
Insur & Contr Supp.	105,135	35,817	63,801	27,984	78.13%
Other Expenditures	270,761	274,100	231,570	(42,530)	-15.52%
Transfers Out	-	326,594	671,579	344,985	105.63%
<b>Total Expenditures</b>	<b>\$ 1,604,059</b>	<b>\$ 1,997,198</b>	<b>\$ 2,333,092</b>	<b>\$335,894</b>	<b>16.82%</b>

### REVENUES

This budget is projecting revenues to increase by \$335,894, or 16.82% from the previous year. Revenues are expected to increase largely due to increased customer facility fees and airport rentals.

### EXPENDITURES

**Personnel Services:** The Proposed Budget has an increase of \$16,865, or 3.64% from the FY 2024 Adopted Budget. This increase is due to the proposed 4% cost of living adjustment.

**Supplies:** Supplies in the Regional Airport Fund include a \$59,882, or a 11.34% decrease from the prior year. This decrease is reflective of decreased fuel costs needed to run the FBO.

**Maintenance & Repair:** Maintenance & Repair costs have increased by \$966, or 0.83%. This is due to increased need for repairs and typical maintenance.

**Utilities/Other Services:** This account has increased by \$47,506, or 18.72%. The majority of this rise is attributed to higher airport insurance premiums, as well as increased costs for electricity and other utilities needed to operate the airport.

**Transfers Out:** This account reflects funds transferred out for debt service. In FY 2024, the debt service payment was partially covered by FAA ARPA funds. Consequently, the FY 2025 budget requires a higher payment, causing transfers out to increase by \$344,985, or 105.63%.



## REGIONAL AIRPORT FUND

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### PERSONNEL BY JOB TITLE

<b><u>Regional Airport</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.50	1.40	1.50	0.10
Airport Administrator	0.60	0.60	0.60	-
Airport Lineman Temp	-	0.10	0.10	-
Airport Operations Supervisor	1.00	1.00	1.00	-
<b>Total</b>	<b>3.10</b>	<b>3.10</b>	<b>3.20</b>	<b>0.10</b>

<b><u>FBO Regional Airport</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	1.00	1.00	1.00	-
Airport Lineman	4.00	3.00	3.00	-
Billing Clerk	1.00	1.00	1.00	-
Lead Airport Lineman	1.00	1.00	1.00	-
<b>Total</b>	<b>7.00</b>	<b>6.00</b>	<b>6.00</b>	<b>-</b>



## KICKAPOO AIRPORT FUND

### KICKAPOO AIRPORT FUND

The Kickapoo Airport Fund is an Enterprise Fund which is self-supported by user fees. The Proposed Budget for the Kickapoo Airport totals \$1,209,459. This is an increase of \$31,264, or 2.65%, from the previous year. This rise is primarily attributed to an increase in outgoing transfers necessary to fulfill the matching requirements of a hangar renovation grant program.

	FY 23	FY 24	FY 25		
Kickapoo Airport Fund	Actual	Adopted Budget	Proposed Budget	Difference	% Diff.
Revenues					
Service Charges	\$ -	\$ 120	\$ 120	\$ -	0.00%
Misc. Revenues	1,083,328	1,178,075	1,209,339	31,264	2.65%
Transfer In	334,157	-	-	-	-
<b>Total Revenues</b>	<b>\$ 1,417,484</b>	<b>\$ 1,178,195</b>	<b>\$ 1,209,459</b>	<b>\$ 31,264</b>	<b>2.65%</b>
Expenditures					
Personnel Services	\$ 323,851	\$ 358,464	\$ 343,773	\$ (14,691)	-4.10%
Supplies	531,976	580,593	450,249	(130,344)	-22.45%
Maintenance & Repair	9,318	21,765	22,465	700	3.22%
Utilities/Other Serv	89,973	80,022	118,373	38,351	47.93%
Insur & Contr Supp.	35,171	21,000	35,121	14,121	67.24%
Other Expenditures	57,572	66,351	42,478	(23,873)	-35.98%
Transfers Out	-	50,000	197,000	147,000	294.00%
<b>Total Expenditures</b>	<b>\$ 1,047,861</b>	<b>\$ 1,178,195</b>	<b>\$ 1,209,459</b>	<b>\$ 31,264</b>	<b>2.65%</b>

### REVENUES

This budget is projecting revenues to be \$31,264, or 2.65%, higher than the previous year's adopted budget. The slight increase in revenue is attributed mostly to a projected increase in revenue to support operating grants.

**Miscellaneous Revenues:** Operating revenue generated from various activities such as Fuel Sales, Hangar Rentals, and Ground Lease Rent are anticipated to increase by \$31,264, or 2.65%, compared to the previous fiscal year.

### EXPENDITURES

**Personnel Services:** Personnel Services account for 28% of all expenditures in the Kickapoo Airport Fund. The Proposed Budget has a \$14,691, or -4.10%, decrease from the FY 2024 Adopted Budget due to the reclass of two part time lineman to a full-time lineman.

**Supplies:** Supplies in the Kickapoo Airport Fund total \$450,249, which is a decrease of \$130,344, or 22.45%, from the prior year. The decrease is due to an expected decline in fuel sales.

## KICKAPOO AIRPORT FUND

**Utilities/Other Services:** This category has increased by \$38,351, or 47.93%. This increase is mostly due to increases in telephone costs and credit card processing fees.

**Insurance/Contracts:** This category increased by \$14,121, or 67.24%, due to an increase in insurance coverage cost.

**Other Expenditures:** This category decreased \$23,873, or 35.98%, due to a decrease in administrative overhead costs from the General Fund.

**Transfers Out:** Transfers Out total \$197,000, which is due to the City's required matching portion of the Airport Grant also funded by the Federal Aviation Administration (FAA) to fund phase 2 of the Airport Project. More information about the City's Debt Payments can be found in the Debt Service section of this document.

### PERSONNEL BY JOB TITLE

<b><u>Kickapoo Airport</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Clerk	-	0.50	0.50	-
Airport Lineman	2.00	2.00	2.00	-
Airport Operations Supervisor	1.00	1.00	1.00	-
Airports Administrator	0.40	0.40	0.40	-
Lead Airport Lineman	1.00	1.00	1.00	-
<b>Total</b>	<b>4.40</b>	<b>4.90</b>	<b>4.90</b>	-

## FLEET MAINTENANCE FUND

### FLEET MAINTENANCE FUND

The Fleet Maintenance Fund is an Internal Service Fund and is responsible for the maintenance and replacement of the City's fleet of vehicles and equipment. The Proposed Revenue and Expenditure Budget for the Fund is \$14,140,524. 99% of the revenue generated to operate the fund is transferred from other City departments and funds. The total fund budget is reflective of a \$385,832, or 2.66%, decrease from the FY 2024 budget, due to the landfill compactor overhaul (\$650,000) completed in the previous year. Also included is \$2,537,517 in expenditures for Capital Improvements, reflective of a 10.11% decrease from the previous year.

<b>Fleet Maintenance Fund</b>	<b>FY 23 Actual</b>	<b>FY 24 Adopted Budget</b>	<b>FY 25 Proposed Budget</b>	<b>Difference</b>	<b>% Diff.</b>
<b>Revenues</b>					
Service Charges	\$12,766,937	\$14,357,356	\$13,971,524	\$ (385,832)	-2.69%
Misc. Revenues	969,119	169,000	169,000	-	0.00%
Transfer In	6,385,221	-	-	-	-
<b>Total Revenues</b>	<b>\$20,121,277</b>	<b>\$14,526,356</b>	<b>\$14,140,524</b>	<b>\$ (385,832)</b>	<b>-2.66%</b>
<b>Expenditures</b>					
Personnel Services	\$ 2,303,087	\$ 2,458,080	\$ 2,568,121	\$ 110,041	4.48%
Supplies	3,612,421	4,734,424	4,875,569	141,145	2.98%
Maintenance & Repair	2,346,902	2,723,859	2,195,938	(527,921)	-19.38%
Utilities/Other Serv	159,268	155,323	109,058	(46,265)	-29.79%
Insur & Contr Supp.	23,313	13,800	15,000	1,200	8.70%
Debt Expenditures	8,893	1,015,041	1,225,706	210,665	20.75%
Other Expenditures	269,877	291,066	301,616	10,550	3.62%
Capital Improvements	1,424,300	2,822,763	2,537,517	(285,246)	-10.11%
Transfers Out	312,000	312,000	312,000	-	0.00%
<b>Total Expenditures</b>	<b>\$10,460,063</b>	<b>\$14,526,356</b>	<b>\$14,140,524</b>	<b>\$ (385,832)</b>	<b>-2.66%</b>

### REVENUES

**Service Charges:** Revenue for the Fleet Maintenance Fund is derived from charges to City departments to keep the City's vast fleet of vehicles and equipment operational. The \$385,832, or 2.69%, decrease is due to the landfill compactor overhaul (\$650,000) completed in the previous year.

### EXPENDITURES

**Personnel Services:** Personnel Services account for 18.16% of all expenditures in the Fleet Maintenance Fund. The Proposed Budget increased \$110,041, or 4.48%, from the FY 2024 Adopted Budget due to a 4% cost of living adjustment (COLA) increase.

**Supplies:** Supplies in the Fleet Maintenance Fund amount to \$4,875,569, reflecting an increase of \$141,145, or 2.98%, from the previous year's budget. This rise is attributed to inflation affecting vehicle and supply costs.

## FLEET MAINTENANCE FUND

**Maintenance & Repairs:** The maintenance and repair account shows a decrease due to lower predicted fleet services and the completion of a \$650,000 landfill compactor overhaul in the previous year.

**Utilities/Other Services:** The Proposed Budget for utilities and other services is \$109,058, which is \$46,265, or 29.79%, less than the FY 2024 budget. The FY 2024 Adopted Budget included \$50,000 in professional fees for consultants to evaluate the parts department.

**Insurance/Contracts:** Insurance & Contract expenses increased by \$1,200 due to an increase in insurance costs.

**Debt Expenditures:** This category includes debt service totaling \$1,225,706, which encompasses a capital lease payment for fire equipment. For detailed information about the debt issued by the City of Wichita Falls, please refer to the debt section of this document. You can also access it online in the City's Audited [\*Annual Comprehensive Financial Report\*](#).

**Other Expenditures:** This account increased \$10,550, or 3.62%, from the previous year due to an increase in administrative overhead costs charged for services provided by other funds such as the General Fund.

**Capital Improvements:** Capital Improvement expenditures are estimated at \$2,537,517 and include vehicle and equipment replacement for Fire, Fleet, Parks, Police, Streets, and Water.

### PERSONNEL BY JOB TITLE

<b><u>Fleet Maintenance</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Administrative Secretary	1.00	1.00	1.00	-
Automotive Services Coordinator	1.00	1.00	1.00	-
Automotive Mechanic	16.00	16.00	16.00	-
Automotive Services Worker	6.00	6.00	6.00	-
Central Services Supervisor	1.00	1.00	1.00	-
Dir of Aviation, Traffic & Transp	0.85	0.85	0.85	-
Fire Equipment Mechanic	2.00	2.00	2.00	-
Landfill Mechanic	1.00	1.00	1.00	-
Lead Auto Services Worker	1.00	1.00	1.00	-
Senior Admin Clerk	1.00	1.00	1.00	-
Store Clerk	2.00	2.00	2.00	-
Warehouse Supervisor	1.00	1.00	1.00	-
Welder	2.00	1.00	1.00	-
<b>Total</b>	<b>35.85</b>	<b>34.85</b>	<b>34.85</b>	<b>-</b>

## INFORMATION TECHNOLOGY FUND

### INFORMATION TECHNOLOGY FUND

The Information Technology Fund is an Internal Service Fund and is responsible for the maintenance and replacement of the City's computers and ancillary devices, network infrastructure, and communications equipment. The budget for the Information Technology Fund is \$4,555,172, which is a decrease of \$783,275, or 14.67%, from the previous year. This decrease is primarily due to a decrease in the capital improvement budget and is partially offset by the addition of a Network Analyst position. Capital improvements of FY 2024 included one-time upgrades of Panasonic Toughbooks (\$760,000) and Zebra Ticket Printers (\$200,000) for the Police Department.

INFORMATION TECHNOLOGY FUND					
	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
<b>Revenues</b>					
Service Charges	\$ 4,114,825	\$ 4,114,825	\$ 4,197,121	\$ 82,296	2.00%
Oth. Fin. Sources	-	1,223,622	358,051	(865,571)	-70.74%
<b>Total Revenues</b>	<b>\$ 4,114,825</b>	<b>\$ 5,338,447</b>	<b>\$ 4,555,172</b>	<b>\$ (783,275)</b>	<b>-14.67%</b>
<b>Expenditures</b>					
Personnel Services	\$ 1,413,939	\$ 1,513,029	\$ 1,554,068	\$ 41,039	2.71%
Supplies	473,687	264,907	236,777	(28,130)	-10.62%
Maintenance & Repair	1,269,541	1,824,979	2,018,663	193,684	10.61%
Utilities/Other Serv	276,721	324,979	375,111	50,132	15.43%
Insur & Contr Supp.	4,261	-	-	-	-
Other Expenditures	15,712	25,399	25,399	-	0.00%
Capital Improvements	1,967,108	1,385,154	345,154	(1,040,000)	-75.08%
<b>Total Expenditures</b>	<b>\$ 5,420,970</b>	<b>\$ 5,338,447</b>	<b>\$ 4,555,172</b>	<b>\$ (783,275)</b>	<b>-14.67%</b>

### REVENUES

**Service Charges:** Revenue collected from Service Charges will remain level at \$4,197,121 for the FY 2025 Adopted Budget.

**Other Financing Sources:** This indicates a decrease of \$865,571, resulting from a reduced reliance on fund balance from previous years for capital improvements.

### EXPENDITURES

**Personnel Services:** Personnel Services accounts for 34.12% of all expenditures in the Information Technology Fund. The Proposed Budget increased \$41,039, or 2.71%, from the FY 2024 Adopted Budget due to a 4% cost of living (COLA) increase and the addition of a Network Analyst Position.



## INFORMATION TECHNOLOGY FUND

**Maintenance & Repair:** Maintenance and repair expenses include software maintenance costs which have increased \$193,684, or 10.61%. This increase is due to increased costs of maintenance agreements as well as the addition of computer security software.

**Utilities & Other Services:** Utilities and other services have increased by \$50,132, or 15.43%, from the prior year. This increase is primarily attributed to increases in utility rates.

**Capital Improvements:** Capital Improvements recommended for the FY 2025 Adopted Budget are \$345,154.

Category	Amount
CIP Annual Network Infrastructure	\$ 170,077
CIP Annual Server Replacement	145,077
Network Security Remediation	30,000
<b>Total</b>	<b>\$ 345,154</b>

### PERSONNEL BY JOB TITLE

Information Technology	FY 2023	FY 2024	FY 2025	Change PY
Assistant City Manager	0.34	0.34	0.34	-
Business Systems Analyst	1.00	1.00	1.00	-
Database Manager	1.00	1.00	1.00	-
GIS Application Coordinator	1.00	1.00	1.00	-
Help Desk Technician	1.00	1.00	2.00	1.00
IT Administrator	1.00	1.00	2.00	1.00
Network Analyst*	2.00	2.00	3.00	1.00
Network Infrastructure Manage	1.00	1.00	1.00	-
PC Analyst	4.00	4.00	3.00	(1.00)
PC Analyst Supervisor	1.00	1.00	1.00	-
Radio System Technician	1.00	1.00	1.00	-
Systems Application Analyst	2.00	2.00	1.00	(1.00)
<b>Total</b>	<b>16.34</b>	<b>16.34</b>	<b>17.34</b>	<b>1.00</b>

\* Above current request

## TRANSIT FUND

### TRANSIT FUND

The Transit Fund is an Enterprise Fund that is primarily funded through Federal and State Grants, as well as service charges (fares), used to operate the City's bus system. Transit Operations and Preventative Maintenance is now operating out of the recently constructed Transit Center, allowing the Transit Department to conduct in-house preventative maintenance, refueling, and cleaning on its fleet of public transportation vehicles. The Transit Fund budget is \$4,962,399, which is \$174,682, or 3.65%, more than the prior year budget. The FY 2025 budget includes increases in insurance expense, compensation for employees and the inflationary cost of purchasing transit buses.

Transit Fund	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Revenues					
Service Charges	\$ 478,814	\$ 647,400	\$ 650,400	\$ 3,000	0.46%
Misc. Revenues	4,607,711	4,140,317	4,311,999	171,682	4.15%
<b>Total Revenues</b>	<b>\$ 5,086,729</b>	<b>\$ 4,787,717</b>	<b>\$ 4,962,399</b>	<b>\$ 174,682</b>	<b>3.65%</b>
Expenditures					
Personnel Services	\$ 1,679,342	\$ 1,854,020	\$ 1,950,344	\$ 96,324	5.20%
Supplies	708,867	893,600	836,350	(57,250)	-6.41%
Maintenance & Repair	195,431	324,550	324,000	(550)	-0.17%
Utilities/Other Serv	170,934	239,180	267,409	28,229	11.80%
Insur & Contr Supp.	59,351	24,000	74,000	50,000	208.33%
Other Expenditures	106,919	142,367	130,296	(12,071)	-8.48%
Capital Improvements	2,169,518	1,310,000	1,380,000	70,000	5.34%
<b>Total Expenditures</b>	<b>\$ 5,090,361</b>	<b>\$ 4,787,717</b>	<b>\$ 4,962,399</b>	<b>\$ 174,682</b>	<b>3.65%</b>

### REVENUES

**Service Charges:** Service charges in the transit fund refer to fees collected for providing transportation services to the public.

**Miscellaneous Revenue:** This account reflects grant funding from state and federal sources.

### EXPENDITURES

**Personnel Services:** Personnel Services make up 39.30% of all expenditures in the Transit Fund. The Proposed Budget shows an increase of \$96,324, or 5.20%, compared to the previous year's Adopted Budget. This rise is attributed to a 4% cost of living adjustment (COLA) and the increased use of overtime to cover staffing shortages.

**Supplies:** Supplies in the Transit Fund total \$836,350, which is a \$57,250, or 6.41%, decrease from the prior year due to the lower fuel costs.

**Utilities/Other Services:** This account has increased by \$28,229, or 11.80%, primarily due to higher costs associated with general liability claims. This rise reflects an anticipated increase in the number or severity of claims that need to be addressed.



## TRANSIT FUND

**Insurance & Contracts:** The insurance category increased by \$50,000 due to increases in property and liability insurance and the increased cost of workers' compensation.

**Other Expenditures:** Other expenditures includes the cost of Administrative Overhead support, as provided by the General Fund, and also includes education, postage, and other operating costs. The Proposed Budget for other expenditures is \$130,296 and is \$12,071, or 8.48%, lower than the FY 2024 budget

**Capital Improvements:** Capital Improvement expenditures of \$1,380,000 include the replacement of two public transportation buses. This reflects an increase of \$70,000, which is attributed to inflation, raising the cost of bus replacements.

### PERSONNEL BY JOB TITLE

<b><u>Public Transportation</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
Public Transportation Admin	0.50	0.50	0.50	-
Transit Operations Supervisor	0.50	0.50	0.50	-
Transit Operator	19.00	19.00	19.00	-
<b>Total</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>-</b>
<b><u>Preventative Maintenance</u></b>				
Automotive Mechanic	3.00	3.00	3.00	-
Public Transportation Admin	0.30	0.30	0.30	-
<b>Total</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>	<b>-</b>
<b><u>Public Transportation Planning</u></b>				
Dir of Aviation, Traffic & Transp	0.15	0.15	0.15	-
Public Transportation Admin	0.20	0.20	0.20	-
Transit Operations Supervisor	0.50	0.50	0.50	-
<b>Total</b>	<b>0.85</b>	<b>0.85</b>	<b>0.85</b>	<b>-</b>
<b><u>Transit Hub Operations</u></b>				
Assistant Travel Center Operator	-	-	-	-
Customer Service Rep	2.00	2.00	2.00	-
<b>Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>-</b>
<b>Total - Transit Fund</b>	<b>26.15</b>	<b>26.15</b>	<b>26.15</b>	<b>-</b>

## STORMWATER FUND

### STORMWATER FUND

In 2000, the City Council authorized the establishment of a Stormwater Drainage Utility System. This system, which took effect on May 1, 2001, provides a funding mechanism for drainage improvements in the city as allowed by State law. The system is designed to assign a fair and equitable charge to the public for storm water drainage management services, including capital improvements. The fee is based upon the impervious area of all real property; whereby each residential water customer is assessed for one Single Family Living Unit Equivalent (SFLUE). Each commercial customer pays a multiplier of the SFLUE based upon the impervious area of their property. The monthly fee for a SFLUE is \$5.00 and generates \$3.7 million annually for the operating and capital costs of this program.

The Stormwater Fund has a total budget of \$4,005,000, which is an increase of \$58,213, or 1.47%. The FY 2025 Proposed Budget includes a miscellaneous revenue increase that is attributed to increased interest revenue. The proposed budget also includes funds for the design of the third phase of the Quail Creek Drainage Project (\$650,000).

Stormwater Fund	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Revenues					
Service Charges	\$ 3,755,677	\$ 3,700,000	\$ 3,700,000	\$ -	0.00%
Misc. Revenues	283,407	246,787	305,000	58,213	23.59%
<b>Total Revenues</b>	<b>\$ 4,039,084</b>	<b>\$ 3,946,787</b>	<b>\$ 4,005,000</b>	<b>\$ 58,213</b>	<b>1.47%</b>
Expenditures					
Personnel Services	\$ 360,355	\$ 389,008	\$ 429,248	\$ 40,240	10.34%
Supplies	66,092	18,465	16,185	(2,280)	-12.35%
Maintenance & Repair	24,228	174,200	175,425	1,225	0.70%
Utilities/Other Serv	232,877	243,219	215,115	(28,104)	-11.56%
Insur & Contr Supp.	103	205	250	45	21.95%
Other Expenditures	20,364	713,817	585,816	(128,001)	-17.93%
Capital Improvements	3,338,061	2,002,000	2,175,911	173,911	8.69%
Transfers Out	405,873	405,873	407,050	1,177	0.29%
<b>Total Expenditures</b>	<b>\$ 4,447,953</b>	<b>\$ 3,946,787</b>	<b>\$ 4,005,000</b>	<b>\$ 58,213</b>	<b>1.47%</b>

## STORMWATER FUND

### REVENUES

**Service Charges:** Revenue from Service Charges are expected to remain consistent with previous years.

**Miscellaneous Revenues:** Interest earnings are projected to increase due to higher anticipated interest rates this fiscal year, leading to more income from invested assets. This has resulted in a \$58,213, or 23.59%, increase.

### EXPENDITURES

**Personnel Services:** The Proposed Budget includes a \$40,240, or 10.34%, increase from the FY2024 Adopted Budget. This increase is primary due to cost-of-living adjustment (COLA) increases for employees.

**Supplies:** Supply costs in the Stormwater Fund are expected to decrease \$2,280, or 12.35%, due to decreased costs for signage and other minor supplies.

**Maintenance & Repair:** Maintenance costs in the Stormwater Fund are expected to increase \$1,225, or 0.70%, due to increased costs of storm sewer repairs of existing culverts and inlets.

**Utilities/Other Services:** Utilities and other service costs in the Stormwater department are expected to decrease \$28,104, or 11.56%. This reduction is primarily due to decreased Central Garage fees, which are based on reduced utilization of garage services.

**Other Expenditures:** The Proposed Budget includes \$568,795.80 as a budget contingency for potential stormwater system capital or maintenance expenditures. These contingency funds would require council action as specific projects are identified.

**Capital Improvements:** Capital improvement expenditures have increased by \$173,911. This increase is due to the inclusion of funding for the design of Phase 3 of the Quail Creek project, as well as allocations for a future capital project that will be identified later.

**Transfers Out:** This account reflects funds transferred out for debt service. The FY 2025 budget has an increased amount of payment due in order to remain on repayment schedule, causing transfers out to increase by \$1,177, or 0.29%. More information about the City's Debt Payments can be found in the Debt Service section of this document.

### PERSONNEL BY JOB TITLE

<b><u>Stormwater</u></b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change PY</b>
City Engineer	0.66	0.33	0.33	-
Civil Engineer	1.00	1.00	1.00	-
Environmental Coordinator	0.50	0.50	0.50	-
Heavy Equip Operator	2.00	2.00	2.00	-
Street Program Coordinator	1.00	1.00	1.00	-
<b>Total</b>	<b>5.16</b>	<b>4.83</b>	<b>4.83</b>	-

## GOLF COURSE FUND

### GOLF COURSE FUND

This enterprise fund is designated to operate and maintain the City-owned Champion Golf Course at Weeks Park. The Golf Course Budget is structured to align with our management services agreement with A.P.G.L. Under this agreement, the City reimburses A.P.G.L. for golf course expenses and pays an additional \$130,000 for complete management oversight of the course. In return, the City receives nearly all of the revenue generated by the course. For FY 2025, the Golf Course estimates revenues and expenditures at \$1,108,172, with no operating subsidy from the General Fund. The FY 2025 Proposed Budget also includes \$60,000 in capital expenditures for course improvements.

GOLF COURSE FUND					
	FY 23 Actual	Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
Revenues					
Service Charges & Misc. Revenue	\$1,293,582	\$ 954,391	\$1,108,172	\$ 153,781	16.11%
<b>Total Revenues</b>	<b>\$1,293,582</b>	<b>\$ 954,391</b>	<b>\$1,108,172</b>	<b>\$ 153,781</b>	<b>16.11%</b>
Expenditures					
Maintenance & Repair	\$ 992	\$ -	\$ -	\$ -	0.00%
Utilities/Other Serv	1,201,261	953,391	1,047,172	93,781	9.84%
Insur & Contr Supp.	512	1,000	1,000	-	0.00%
Other Expenditures	1,191	-	-	-	0.00%
Capital Improvements	418,772	-	60,000	60,000	100.00%
<b>Total Expenditures</b>	<b>\$1,622,728</b>	<b>\$ 954,391</b>	<b>\$1,108,172</b>	<b>\$ 153,781</b>	<b>16.11%</b>

## WATER PARK FUND

### Water Park Fund:

The Water Park Fund is an Enterprise Fund, and contains the budget for Castaway Cove Water Park. Total revenues and expenditures for this Enterprise Fund are estimated to be \$1,913,500, which is a decrease from the previous year of \$725,334, or 27.49%. The FY 2024 budget included the use of \$918,834 of Fund Balance to assist in the purchase and installation of a new Mat Racer Attraction and Timing Light System approved by City Council on March 19, 2024.

WATER PARK FUND					
	FY 23 Actual	FY 24 Adopted Budget	FY 25 Proposed Budget	Difference	% Diff.
<b>Revenues</b>					
Service Charges	\$ 1,326,699	\$ 1,170,000	\$ 1,340,000	\$ 170,000	14.53%
Misc. Revenues	631,486	550,000	573,500	23,500	4.27%
Transfer In	575,000	-	-	-	0.00%
Oth. Fin. Sources	-	918,834	-	(918,834)	-100.00%
<b>Total Revenues</b>	<b>\$ 2,533,186</b>	<b>\$ 2,638,834</b>	<b>\$ 1,913,500</b>	<b>\$ (725,334)</b>	<b>-27.49%</b>
<b>Expenditures</b>					
Personnel Services	\$ 522,922	\$ 430,600	\$ 565,000	\$ 134,400	31.21%
Supplies	366,323	297,000	367,000	70,000	23.57%
Maintenance & Repair	128,099	50,000	122,000	72,000	144.00%
Utilities/Other Serv	582,313	591,634	560,061	(31,573)	-5.34%
Insur & Contr Supp.	54,883	65,000	74,212	9,212	14.17%
Other Expenditures	42,000	74,600	43,112	(31,488)	-42.21%
Capital Improvements	182,857	1,130,000	182,115	(947,885)	-83.88%
<b>Total Expenditures</b>	<b>\$ 1,879,397</b>	<b>\$ 2,638,834</b>	<b>\$ 1,913,500</b>	<b>\$ (725,334)</b>	<b>-27.49%</b>

### REVENUES

**Service Charges:** Service Charges make up the majority of the Water Park Fund's revenue. Service Charges are driven by admission sales and various park and cabana rentals. Service Charges are expected to increase based on upward trends in attendance at the Water Park.

**Miscellaneous Revenue:** Miscellaneous Revenue is expected to increase by \$23,500, or 4.27%, due to expected increases in Food and Beverage sales at the Water Park.

**Transfer In:** Transfers in are expected to be zero for this fiscal year. This funding was originally allocated from excess fund balance for one-time capital expenditures.

### EXPENDITURES

**Personnel Services:** Personnel costs encompass operational salaries for seasonal positions. This account increased by \$134,400, or 31.21%, due to an increase in seasonal staff and cost of living adjustments for employees.

**Supplies:** This category represents costs for supplies including chemicals needed for water treatment as well as food and beverage costs. This category includes expenses for supplies such as chemicals for water treatment and costs for food and beverages. The anticipated increase in food and beverage sales has led to a \$70,000, or 23.57%, rise in this account.

## WATER PARK FUND

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**Maintenance & Repair:** This category represents costs for repairs and maintenance budgeted through the management contract. This account increased by \$72,000, or 144%, due to needed improvements throughout the park.

**Utilities/Other Services:** The Proposed Budget for this category decreased by \$31,573, or 5.34%, due to decreases in outside professional fees.

**Capital Improvements:** The Proposed FY 2025 Budget includes the use of operating revenues for the new attraction, as well as funds from previous years' fund balance.



## Capital Improvement Plan





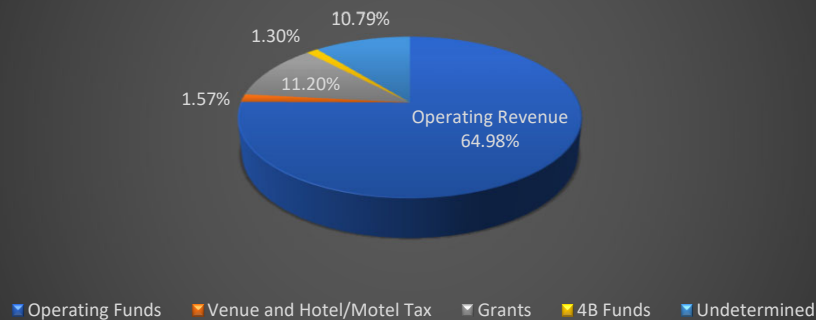
City of Wichita Falls, Texas  
Summary of Capital Project Costs

Projected Financial Plan						
	2025	2026	2027	2028	2029	Total
<b>Project Cost:</b>						
Water and Sewer System	\$ 11,327,800	\$ 9,430,000	\$ 27,360,000	\$ 42,095,000	\$ 11,195,000	\$ 101,407,800
Sanitation	4,037,327	8,530,000	2,750,000	4,665,000	3,280,000	23,262,327
Street System	3,545,360	3,000,000	3,500,000	4,000,000	4,000,000	18,045,360
Fleet Replacements	2,591,517	5,662,045	5,662,045	5,662,045	5,662,045	25,239,697
Stormwater System	2,175,911	1,025,000	2,800,000	250,000	2,500,000	8,750,911
MPEC	1,583,000	600,000	600,000	600,000	600,000	3,983,000
Transit	1,380,000	5,415,000	900,000	750,000	750,000	9,195,000
Traffic Systems	815,528	700,000	720,000	700,000	730,000	3,665,528
Information Technology	662,509	3,586,055	869,055	5,869,055	869,055	11,855,729
Parks and Library	615,500	11,204,519	9,884,354	6,000,000	-	27,704,373
Water Park	128,115	100,000	100,000	100,000	100,000	528,115
Golf Course	60,000	60,000	60,000	60,000	60,000	-
Buildings and General Facilities*	-	782,606	200,000	-	-	982,606
Airport Improvements**	-	11,775,000	4,000,000	3,000,000	500,000	19,275,000
<b>Total</b>	<b>\$ 28,922,567</b>	<b>\$ 61,870,225</b>	<b>\$ 59,405,454</b>	<b>\$ 73,751,100</b>	<b>\$ 30,246,100</b>	<b>\$ 254,195,446</b>
<b>Sources of Funding:</b>						
Water/Sewer Operating Funds	\$ 11,327,800	\$ 9,430,000	\$ 27,360,000	\$ 42,095,000	\$ 11,195,000	\$ 101,407,800
Sanitation Operating Funds	4,037,327	8,530,000	2,750,000	4,665,000	3,280,000	23,262,327
General Operating Funds	7,567,905	13,614,729	10,201,850	7,879,691	4,392,045	43,656,220
Stormwater Operating Funds	2,175,911	1,025,000	2,800,000	250,000	2,500,000	8,750,911
Venue Tax and Hotel/Motel Tax	1,583,000	600,000	600,000	600,000	600,000	3,983,000
FTA Grant Funds	1,380,000	5,415,000	900,000	750,000	750,000	9,195,000
FAA Grant Funds **	-	11,775,000	4,000,000	3,000,000	500,000	19,275,000
Information Technology Operating Fun	662,509	3,586,055	869,055	5,869,055	869,055	11,855,729
4B Funds		3,300,000				3,300,000
Cemetery Perpetual Care Funds		900,000	350,000			1,250,000
Water Park Operating Funds	128,115	100,000	100,000	100,000	100,000	528,115
Golf Course Operating Funds	60,000	60,000	60,000	60,000	60,000	300,000
Undetermined Funds		3,534,441	9,414,549	8,482,354	6,000,000	27,431,344
<b>Total</b>	<b>\$ 28,922,567</b>	<b>\$ 61,870,225</b>	<b>\$ 59,405,454</b>	<b>\$ 73,751,100</b>	<b>\$ 30,246,100</b>	<b>\$ 254,195,446</b>

\* Public Safety Facilities Replacement plan is pending development by Council appointed committee and not included

\*\* 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





## Policy Statement

## **POLICY STATEMENTS**

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### **BUDGET POLICIES**

The 2025 Budget for the City of Wichita Falls is submitted in accordance with the city charter and all applicable state laws. The operating budget is segregated based on fund in alignment with generally accepted accounting principles, and outlines the anticipated revenues and planned expenditures for the City in the ensuing fiscal year. The budget is structurally balanced in all funds when the funds' total resources of beginning fund balance, revenues, and other financing sources (also classified as transfers in), are equal to the total of expenditures, other financing uses (also classified as transfers out), and ending fund balance; recognizing recurring and non-recurring revenues and potential increases in fund balance in contingency accounts.

The City provides quarterly "budget to actual" financial statements and investment reports to the City Council in compliance with State Law.

### **ITEMIZED BUDGET AND CONTENTS**

The City of Wichita Falls complies with the Texas Local Government Code (LGC), all applicable state laws, best practices, and budget requirements.

LGC requires any incorporated City in the state of Texas to develop an annual budget.

LGC 102.003 specifies:

- a. The budget officer shall itemize the budget to allow as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes made for the preceding year. The budget must show as definitely as possible each of the projects for which expenditures are set up in the budget and the estimated amount of money carried in the budget for each project.
- b. The budget must contain a complete financial statement of the municipality that shows:
  - a. the outstanding obligations of the municipality;
  - b. the cash on hand to the credit of each fund;
  - c. the funds received from all sources during the preceding year;
  - d. the funds available from all sources during the ensuing year; and
  - e. the estimated revenue available to cover the proposed budget.

### **PROPOSED BUDGET**

The City of Wichita Falls prepares and presents a Proposed Budget each year, which is filed with the City Clerk at least 30 days prior to the adoption of the City's tax levy for the year in compliance with LGC (LGC §102.005(a)).

### **INFORMATION FURNISHED**

In preparing the budget, the budget officer (City Manager) may require any City officer or board to furnish the information necessary to properly prepare the budget (LGC, §102.004).

### **PUBLIC HEARINGS ON PROPOSED BUDGET**

The City holds public hearings, and provides public meeting times, in advance of the adoption of the proposed budget, and in accordance with the LGC §102.006 and other applicable rules, regulations, or laws.

## POLICY STATEMENTS

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The City of Wichita Falls publishes notices in the local newspaper and on the City of Wichita Falls' website, as required by law, prior to a public hearing on the proposed budget (LGC, §102.0065).

### ADOPTION OF THE BUDGET

In accordance with the Local Government Code and in compliance with the City's Charter, the City of Wichita Falls City Council will take action on the proposed budget at the completion of the public hearing. The Council may make any changes to the budget it considers warranted by law or deemed to be in the best interest of the taxpayers (LGC, §102.007).

The City of Wichita Falls will conduct a public hearing and adopt the annual budget in accordance with state law.

### FILING THE BUDGET

After adoption by the City Council, the approved budget is filed with the City Clerk and the County Clerk (LGC, §102.008, 102.009(d)).

Soon after, as is practicable, a copy of the annual budget document is posted on the City's website and is placed in the City Clerk's Office for public access (LGC, §102.008 (a)(2)(A)).

### LEVYING TAXES

The City may levy taxes in accordance with the budget, (LGC, §102.009). However, the adoption of the tax rate must be separate from the vote adopting the budget (Property Tax Code, (PTC), § 26.05b). The tax rate consists of two components, the amount of taxes to pay maintenance and operation expenditures, and the amount needed to fund interest and sinking obligations (debt service) (PTC, §26.05a).

### CHANGES IN BUDGET

The City of Wichita Falls makes all expenditures in accordance with the annual budget. The legal level of control (the level at which expenditures cannot legally exceed the appropriated amount) is the fund/class level. After adoption of the budget, the City Council may make changes to the budget for municipal purposes in compliance with the Local Government Code (LGC, §102.010).

Texas law provides for two types of changes in expenditure budgets: amendments and transfers.

**Amendments:** The City Council may amend the budget by ordinance. Ordinances must follow public process and be filed with the City Clerk. The City Clerk will attach the amendment to the original budget. Amendments may not increase total appropriations except in two instances, projects that are ongoing, and an emergency as defined by City Charter and LGC (City of Wichita Falls, Charter, §72) (LGC, §102.009).

**Transfers:** The City Manager is authorized to make transfers between items appropriated to the same office, department, or fund (class level), where not in contravention of the Constitution and laws of this State or of the City Charter.

## POLICY STATEMENTS

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### INCREASES IN APPROPRIATION & EMERGENCY EVENT

The City is responsible for ensuring that all spending strictly complies with the City's budget.

The City's charter allows for increases only for projects, occurring over more than one year, for which costs need to be carried forward.

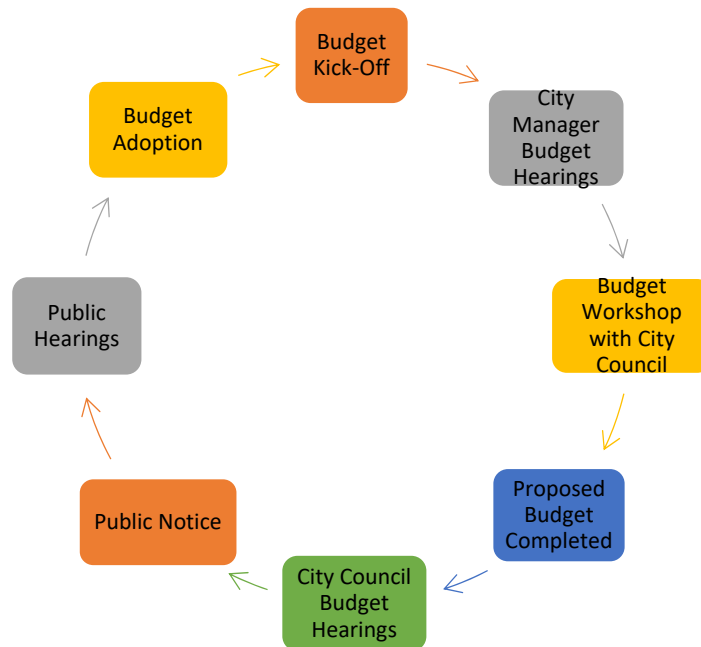
- City Charter Sec. 72. - Unauthorized expenditures.
  - No money shall be drawn from the treasury of the city, nor shall any obligation for the expenditure of money be incurred, except pursuant to appropriations made by the city council.
  - At the close of each fiscal year, the unencumbered balance of each appropriation shall revert to the fund from which it was appropriated and shall be subject to future appropriations; but appropriations may be made in furtherance of improvements or other objects or works of the city, which will not be completed within the current year. (City of Wichita Falls, Charter, §72)

LGC § 102.009 defines an emergency expenditure as an event or need resulting from, "grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention". This section outlines the following:

- A.** The governing body of the municipality may levy taxes only in accordance with the budget.
- B.** After final approval of the budget, the governing body may spend municipal funds only in strict compliance with the budget, except in an emergency.
- C.** The governing body may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the governing body amends the original budget to meet an emergency, the governing body shall file a copy of its order or resolution amending the budget with the municipal clerk and the clerk shall attach the copy to the original budget.
- D.** After the adoption of the budget or a budget amendment, the budget officer shall provide for the filing of a true copy of the approved budget or amendment in the office of the county clerk of the county in which the municipality is located.

## POLICY STATEMENTS

### BUDGET CALENDAR



### KEY DATES

Date	Event
June 18, Tuesday	City Council Update – Pre-Budget Workshop
July 19, Friday	City Manager’s Proposed Budget submitted to City Council
July 29 – August 2	Individual City Councilor Opportunity to meet with Budget Team
August 9, Friday	Publish Notice of Public Hearing on the Budget
August 13, Tuesday	City Manager’s Proposed Budget Workshop with City Council
August 20, Tuesday	Budget Public Hearing & Intent to Vote on Tax Rate
August 23, Friday	Publish Notice of Tax Rate Hearing
September 3, Tuesday	Tax Rate Public Hearing, Adoption of the Budget, Adoption of the Tax Rate, Adoption of the CIP

## POLICY STATEMENTS

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### ACCOUNTING & BUDGETING PRACTICES

The accounting and reporting policies of the City of Wichita Falls, Texas (City) conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments includes those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting (NCGA) unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The following is a summary of the more significant policies and practices used by the City. These policies and practices apply to the way in which the City accounts for each category listed. For more information, a copy of the City's Annual Comprehensive Financial Report may be found on the City's website at [www.wichitafallstx.gov](http://www.wichitafallstx.gov).

The City's primary financial direction begins with the City's Charter, which is then used as the basis for all financial policies the City implements. The City maintains financial policies for general operations, which include policies for financial management and fund balances, budget compliance, debt issuance and management, accounts payable, water service, and purchasing among others. A copy of the City's Charter may be found online at [www.wichitafallstx.gov](http://www.wichitafallstx.gov).

#### A. Revenue Policies.

Projected revenues are estimated using a realistic, objective, and analytical approach based upon economic trends. Consultation with experts in sales tax and financial management will be utilized as needed.

Enterprise funds establish user charges sufficient to finance the costs of providing goods/services to the public. Utilities are reviewed annually and adjusted based on debt service ratio coverages and increases in actual cost if needed. A third party is used for analysis of the City's Wholesale Water Rates.

#### B. Fund Balance Policies.

The City strives to maintain the fund balances of the various operating funds at levels sufficient to protect the City's creditworthiness and its financial position in the event of an emergency. The City has adopted a fund balance policy for the General Fund, Water/Sewer Fund, and the Sanitation Fund. The policy's goal is for the City to maintain at least 20% of expenditures in unassigned fund balance for all funds. If funds fall below these percentages, plans are to be put into place to replenish the fund balance.

Fund balances of the governmental funds are classified as follows:

- Non-spendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).
- Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed Fund Balance – represents amounts that can only be used for a specific purpose by the adoption of an ordinance by the City Council. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints through the adoption of another ordinance. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation, but rather from inside the City.



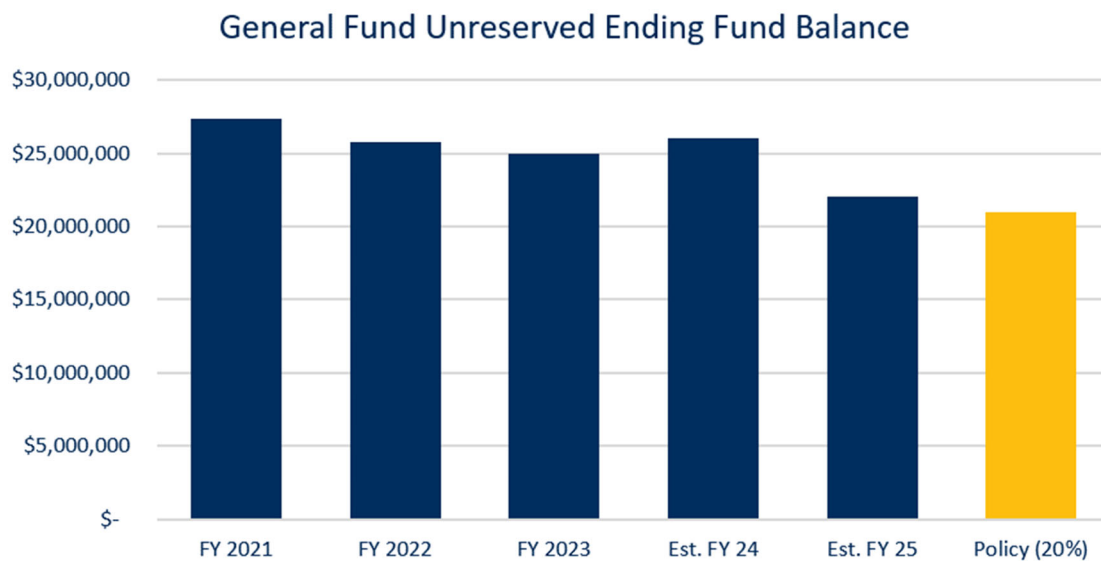
## POLICY STATEMENTS

- **Assigned Fund Balance** – represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. The City Council by resolution has authorized the Chief Financial Officer to assign fund balance. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself. Unlike commitments, assignments only exist temporarily. Therefore, additional action does not normally have to be taken for the removal of an assignment.
- **Unassigned/Unrestricted Fund Balance** – represents amounts, which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

### C. Fund Balance History.

The graphs below illustrate the fund balance history for the previous 5 years, and the anticipated fund balance in this budget year in the General Fund.



## POLICY STATEMENTS

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### **D. Reporting Entity.**

The City is a municipal corporation governed by an elected Mayor and six-member City Council.

### **E. Internal Controls.**

City Management is responsible for the development, maintenance, and compliance with internal controls. Internal controls are developed to protect assets of the City, reduce risk, and protect City funds from loss, theft, or misuse. City Management is also responsible for ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The cost of a control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management.

### **F. Federal and State Grants.**

The City applies for and manages grant activity with the permission of the City Council. Grant funds are used for only the specific purpose for which they were earned and, when necessary, are matched with local funds in accordance with Federal, State, and Grantor Guidance. Federal grants include the Community Development Block Grant, Section 8 Housing Assistance, Home Investment Partnership Agreement Program, and numerous health-related grants, among others. The City further ensures grant compliance and internal control through the City's internal grant policy.

### **G. Transactions Between Funds.**

Outstanding balances between funds are reported as "due to/from other City funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances." Nonrecurring or non-routine transfers of equity between funds are accounted for as transfers.

### **H. Vacation and Sick Leave.**

All full-time employees accumulate vacation benefits based on length of service up to 20 days per year. The maximum allowable accumulation is 35 days. Upon leaving the employment of the City, employees will be paid for unused vacation days, which they have accrued.

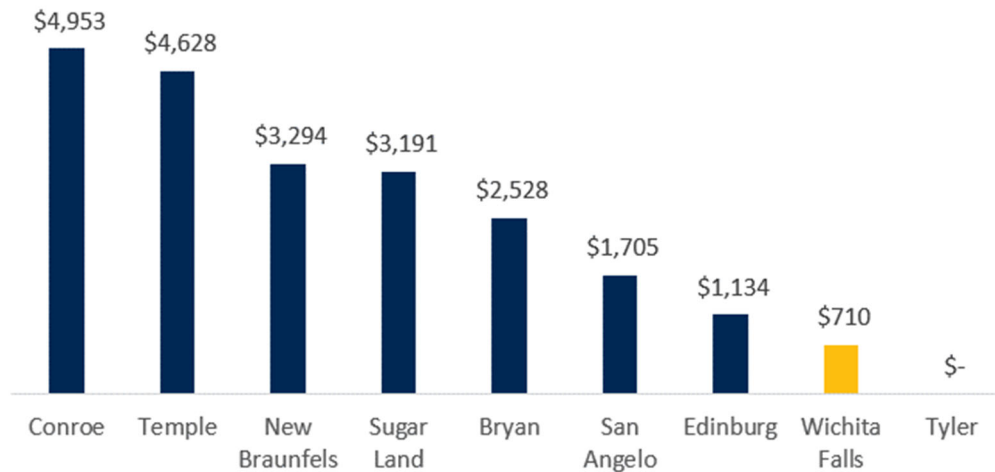
Sick leave is earned at a rate of 4.62 hours per pay period up to a maximum of 90 days. Sick leave is not compensated on termination. Police officers and firefighters may accumulate an unlimited number of sick leave days while employed with the City. Upon termination, police officers and firefighters are compensated for up to 720 hours and 1,080 hours, respectively.

### **I. Debt Management Policies.**

The City maintains an informal policy to limit tax-supported debt to no more than 5% of total assessed property value or \$1,500 per capita. As of September 30, 2022, the City's tax-supported debt, funded with ad valorem taxes, was approximately \$40.9 million, or 0.57% of the taxable value of property. As of July 2023, the City's tax-supported debt was \$710 per capita, as reported by the Texas Bond Review Board.

## POLICY STATEMENTS

### Tax Supported Debt per Capita



\*Source: Texas Bond Review Board, Tax-Supported Debt per Capita by Local Government for Fiscal Year 2023, Eight Cities with Most Similar Population

#### J. Long-Term Obligations.

Long-term debt and other obligations are recorded for both governmental and proprietary funds in the City's annual financial statements. These items include bond premiums and discounts, as well as issuance costs, which are deferred and amortized over the life of the bonds using the straight-line method in the government-wide financial statements.

#### K. Pension Plan.

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and the Wichita Falls Firemen's Relief and Retirement Fund (WFFRRF) and additions to/deductions from Fiduciary Net Position are determined on the same basis as they are reported to TMRS and WFFRRF. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### L. Other Post-Employment Benefits (OPEB).

The fiduciary net position of the City of Wichita Falls Retiree Health Care Plan is determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from the Plan's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms.

## POLICY STATEMENTS

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### **M. General Fixed Assets and General Long-Term Debt Account Groups.**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus. All governmental funds are accounted for on current resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed asset account group, rather than in governmental funds. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized along with other general fixed assets. All fixed assets are valued at historical cost or estimated cost if actual historical cost is not available.

Donated fixed assets are valued at their fair market value on the date donated. Interest costs incurred on debt-financed construction is capitalized during the construction period.

### **N. Deferred Outflows/Inflows of Resources.**

Deferred outflows represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Certain amounts related to the City’s participation in pension and other post-employment benefit plans are reported in the annual financial statements in this category, along with deferred losses on bond refunding.

Deferred inflows represent an acquisition of net position that applies to a future period(s) and so are not recognized as an inflow of resources (revenue) until that time. The City has only two types of items that qualify for reporting in this category; property taxes receivable and municipal court fines receivable. Additionally, certain items related to the City’s participation in pension and other post-employment plans are reported in this category.

### **O. Cash and Cash Equivalents.**

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are carried at fair value. Fair value is determined as the price at which two willing parties would complete an exchange. Interest earned on investments is recorded in the funds in which the investments are recorded. Management’s intent is to hold all investments to maturity and thereby recover the full value of the various investments made.

### **P. Encumbrances.**

Purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to set aside that portion of the applicable appropriation. Unencumbered appropriation balances lapse at year-end and are not carried forward to new budget periods. Open encumbrances are reported as reservations of fund balance at year-end, and related appropriations are carried forward to the new fiscal year through a supplemental budgetary allocation in alignment with the City Charter and all applicable state laws and standards.

## POLICY STATEMENTS

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### **Q. Water, Sewer, and Sanitation Receivables.**

The City's Water, Sewer, and Sanitation Enterprise Funds operate on a monthly billing cycle, issuing bills continuously throughout the month.

### **R. Inventory and Prepaid Items Inventories.**

Inventory and Prepaid Items Inventories of the general and proprietary funds consist of supplies and various materials used for the maintenance of capital assets. The consumption method is used to account for these inventories. Under this method, inventory acquisitions are recorded in inventory accounts initially and charged as expenditures when used. Inventories are stated at average cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements via the purchase method.

### **S. Capital Assets.**

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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time received. Capital assets are depreciated using the straight-line method over the following useful lives:

- Assets Years Buildings, systems and improvements: 20 - 59 years
- Infrastructure: 8 - 100 years
- Machinery, vehicles and other equipment: 3 - 25 years
- Furniture and equipment: 3 - 10 years

### **T. Restricted Assets.**

These assets consist of cash, certificates of deposit, and other short-term investments legally restricted for various purposes.

### **U. Property Tax.**

Property taxes attach as an enforceable lien on property as of the prior January 1. Taxes are levied on October 1, and become delinquent after January 31, unless the half-payment option is elected, in which case one-half of the tax is due November 30, and the balance the following June 30.

The City is permitted by its Home Rule Charter to levy taxes up to \$2.25 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on long-term debt. The budget proposes a combined tax rate of \$0.6775000 per \$100 of assessed value.

The Wichita County Tax Office processes all property tax billing and collections, and maintains the property tax roll.

### **V. Independent Audit.**

The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by Certified Public Accountants. The accounting firm of Edgin, Parkman, Fleming & Fleming, PC was selected by the Mayor and City Council to satisfy this charter requirement in the prior and next year.

## POLICY STATEMENTS

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The auditors' report on the basic financial statements, and combining fund statements and schedules may be found in the City's Annual Comprehensive Financial Report available on the City's website.

In addition to meeting the requirements set forth in the City Charter, the audit is also designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Uniform Guidance, and the State Single Audit Act. A single audit is made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments of 1996 and the audit requirements of Title 2 of the U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

### **W. Risk Management.**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The City maintains a group health insurance plan for employees and dependents which is partially self-insured by the City. A group life insurance plan is maintained through an insurance company. Contributions to the plans are provided for by both the City and participating employees. These contributions are recognized as revenues in the internal service fund used to account for these plans.

The contributions made by the City are recorded as expenditures or expenses of the various funds as appropriate and are listed in this budget. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$500,000.

Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors.

### **X. Basis of Accounting.**

For government-wide financial statements and for proprietary funds the City of Wichita Falls uses the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Government fund-level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as per accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

## POLICY STATEMENTS

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Property tax, franchise fees, and sales tax associated with the current fiscal period are all susceptible to accrual and are recognized as revenues of the current fiscal period.

### **Y. Budgetary Accounting.**

The funds included in the annual budget document are governmental and proprietary. Included Funds are budgeted on a basis consistent with Generally Accepted Accounting Principles (GAAP). However, there are differences between budgetary accounting and GAAP. These differences have to do primarily with encumbrance recognition, depreciation, and the accrual of items such as compensated absences, which appear in the financial statements, but are only recognized as an expenditure in the year they are due for budgetary purposes. Budgets are prepared in accordance with the modified accrual basis of accounting, which recognizes revenues when they are measurable and available and expenditures when a liability is incurred. During the year, the City maintains the accounting system on the same basis as this budget. The Water and Sewer Fund is reported, for budgetary purposes only, as four separate funds. Because the funds in each fund are available and measurable for debt service reporting, the funds are reported for accounting purposes as one fund. The budget is considered balanced with all planned revenues and other available sources balance to all planned expenditures.

### **Z. Contingency Appropriations.**

The budget may include contingency appropriations within designated operating departmental budgets. These funds are used to offset expenditures for unexpected maintenance or other unanticipated expenses that might occur during the year. Use of these funds is limited to the fund in which the funds are budgeted. Funds may only be used with approval of the City Manager. If purchasing thresholds are met, funds may only be used through action of the City Council.

### **AA. Additional Resources.**

Additional information may be found in the City's Annual Comprehensive Financial Report and the City's Charter, listed at [www.wichitafallstx.gov](http://www.wichitafallstx.gov).

### **BB. Financial Ethics**

The City of Wichita Falls holds itself and its employees to a high moral and ethical code of conduct. City employees with access to financial technology, records, or cash handling operations, will perform their duties with due diligence and with care. Department heads and managers will promote ethical conduct within their departments, particularly toward the maintenance of the City's financial books and records when the City prepares its annual audit. Standards of Conduct represent the City's values, and the practices public servants ought to follow.



## POLICY STATEMENTS

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### BASIS OF PRESENTATION – FUND ACCOUNTING

The City of Wichita Falls, like other state and local governments, uses fund accounting to provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities.

All City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The City's major funds are the General Fund, the Water & Sewer Fund and the Sanitation Fund.

### FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City has one fiduciary fund, an Agency Fund, which is not accounted for in this document. This fund is used to account for property that has been abandoned or unclaimed pending escheatment of the State of Texas. Fiduciary Funds are used to account for resources that are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. Financial statements for this fund may be found in the City's Annual Comprehensive Financial Report.

### GOVERNMENTAL FUNDS

These funds are used to account for the majority of the City's activities. Governmental fund financial statements are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental funds focus on near-term inflows and outflows of expendable resources, as well as expendable resources available at the end of the fiscal year for future spending. Fund balance in governmental funds is represented by the Net Position.

The **General Fund** is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating costs, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

- The City's **Special Revenue Fund** is used to account for grants not anticipated to be repeated in subsequent years.
- The **Hotel/Motel Fund** includes the Convention and Visitors Division and is funded through receipts from a hotel occupancy tax on local hotels/motels. This revenue must be used to fund projects that attract conventions and tourists to Wichita Falls. In the event of a shortfall in this fund, the General Fund budgets for and provides a yearly subsidy.
- The **Community Development Block Grant Fund (CDBG)** is funded by federal grants. The CDBG is used to fund projects that benefit low and moderate-income individuals, families, or areas.
- The other Special Revenue Funds are restricted by state statute or by grant contracts.
- **Venue Tax** revenue is used to fund projects classified as a venue such as an arena, coliseum, stadium, or any other facility build to accommodate sports events or community events.

## POLICY STATEMENTS

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The [Debt Service Fund](#) is used to account for and report payments for City debt service.

### PROPRIETARY FUNDS

When the City charges customers for services it provides, whether to outside customers or to other units within the City, the activities are generally reported in proprietary funds. The City of Wichita Falls maintains two different types of proprietary funds: enterprise funds and internal service funds. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting in the City's financial statements. The fund balance in a proprietary fund is, in accounting, referred to as 'working capital', it is the variance between current assets and current liabilities. This is because proprietary funds report long-term commitments not reported in the governmental funds.

Enterprise funds are used to account for the City's water and sewer operations, sanitation collection and disposal services, regional and municipal airports, transit operations, storm water drainage improvements, MPEC, golf course, and waterpark operations.

Internal service funds are an accounting device used to report activities that provide supplies and services to other City programs, such as fleet maintenance, print shop services, information technology, and the employee benefit trust. Because these services benefit both governmental and business-type functions, they have been allocated between governmental and business-type activities in the government-wide financial statements.

Enterprise funds are reported using the accrual basis of accounting and the economic resources measurement focus.

### [Budget vs Accounting:](#)

The [Water and Sewer Fund](#), [Sanitation Fund](#), and [Stormwater Fund](#) are enterprise funds. Enterprise funds are used to account for operations:

- 1) Which are business-type activities, where the intent of the governing body is that the costs of providing goods/services to the general public on a continuing basis be financed primarily through user charges; or
- 2) Where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These revenues are also used to retire revenue bond debt and to fund various capital construction projects.

For budget purposes, the Water and Sewer Fund is represented as a group of funds which include the primary operating fund as well as the capital funds for Lake Ringgold, Microfiltration and Reverse Osmosis Fund, and Water & Sewer Capital.

Internal service funds are used to account for the financing of goods/services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

The [Fleet Maintenance Fund](#) is primarily financed through monthly charges to other City departments/divisions, which pay for vehicle rental, maintenance, fuel, services, and capital replacement.

The [Information Technology Fund](#) is an internal service fund that provides other City departments/divisions with network, internet, applications, and communications support. Departments are charged monthly technology fees to finance this fund's operations and to cover the cost of computer replacement and network enhancements.

## POLICY STATEMENTS

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The [Capital Improvement Plan](#), while not a fund itself, includes capital expenditures that are distributed throughout the document in the applicable fund.

### POLICY COMPLIANCE

The City of Wichita Falls continually monitors financial practices throughout the year to ensure strict adherence. These policies are reviewed annually and updated, when needed, to ensure continued compliance with the following provisions: the State of Texas Local Government Code, the Government Finance Officers Association of the United States and Canada – Best Practices, provisions of the Governmental Accounting Standards Board, and Generally Accepted Accounting Principles.

Much of the City's financial compliance is regulated through the completion of the Annual Financial Audit. The result of the audit is compiled into the City's Annual Comprehensive Financial Report, which is available on the City's website. The report is shared with the Government Finance Officers Association and is rated for Financial Excellence.

### USE OF NON-RECURRING REVENUES

[Committed Fund Balance](#) - the City's highest level of decision-making authority is vested in the City Council. A resolution is a formal action required to be taken to establish, modify, or rescind a fund balance commitment, and must be approved by the Council at a City Council Meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

[Assigned Fund Balance](#) - The City Council has authorized the City's Chief Financial Officer as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

### Minimum Unassigned Fund Balance

[General Fund](#) - It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 20% of expenditures (including operating transfers out). The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances, and a balance of more than 25% as excessive. If unassigned fund balance falls below the goal or has a deficiency, the City will plan to adjust budget resources in subsequent fiscal years to restore the balance.

[Water and Sewer Fund](#) - It is the goal of the City to achieve and maintain an unassigned fund balance in the water and sewer fund equal to 20% of operating expenditures (including operating transfers out). The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances, and a balance of more than 25% as excessive. If unassigned fund balance falls below the goal or has a deficiency, the City will plan to adjust budget resources in subsequent fiscal years to restore the balance.

[Sanitation Fund](#) - It is the goal of the City to achieve and maintain an unassigned fund balance in the sanitation fund equal to 20% of operating expenditures (including operating transfers out). The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances, and a balance of more than 25% as excessive. If unassigned fund balance falls below the goal or has a deficiency, the City will plan to adjust budget resources in subsequent fiscal years to restore the balance.

Appropriation from unassigned fund balance shall require the approval of the City Council and shall be only for one-time expenditures, such as capital purchases, and not for on-going expenditures unless a viable plan designated to sustain the expenditures is simultaneously adopted. The City Council may appropriate unassigned

## POLICY STATEMENTS

fund balances for emergency purposes, as deemed necessary, even if such use decreases the fund balance below the established minimum.

### Order of Expenditure of Funds

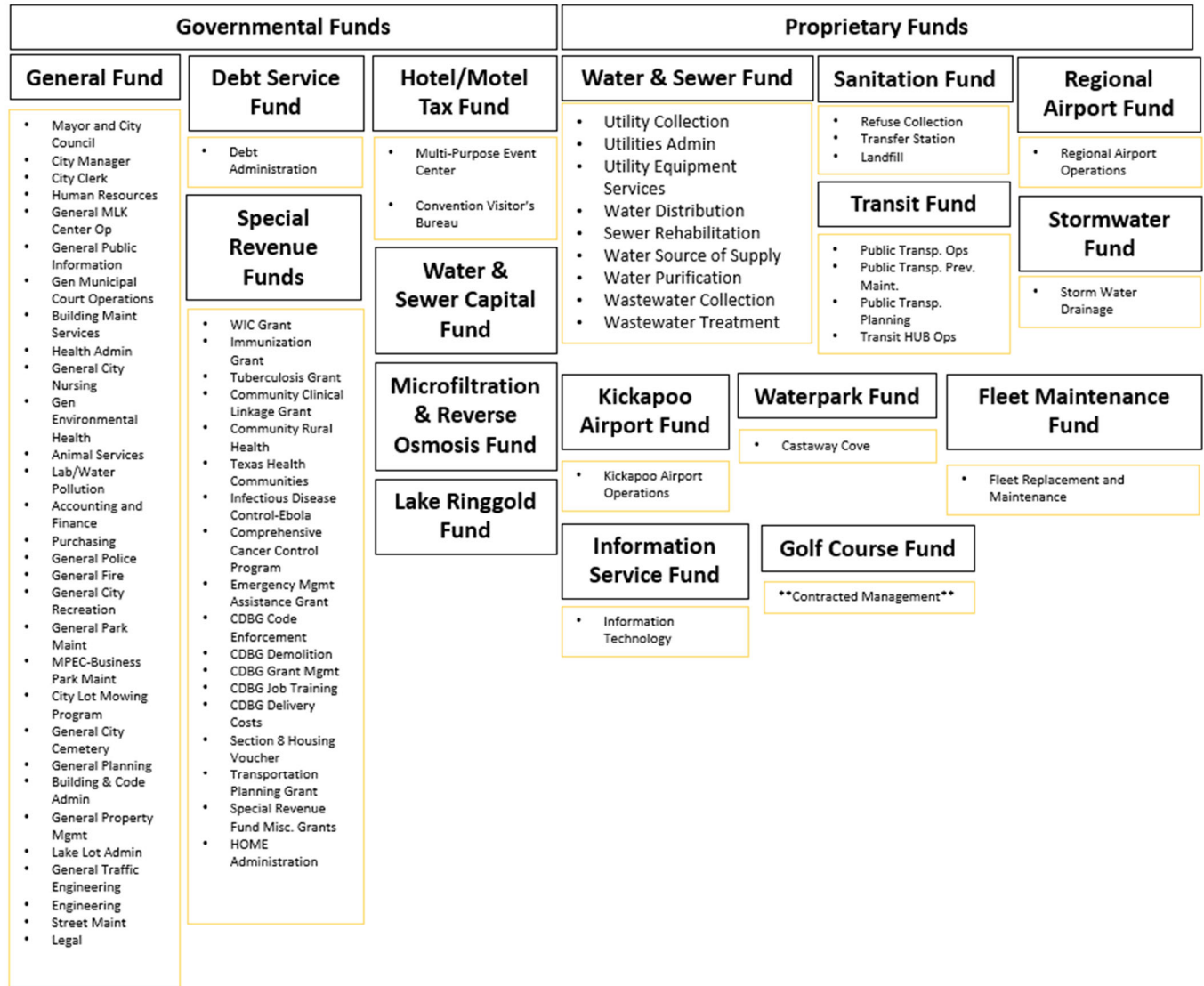
When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

### CITY FUNDS LIST

Fund	Fund Type	Major/Non-Major	Description	Appropriated
<b>GOVERNMENTAL FUNDS:</b>				
General Fund	General Fund	Major	General Fund	Yes
Debt Service Fund	Governmental	Non-major	Debt Service	Yes
Hotel/Motel Fund	Governmental	Non-major	Special Revenue	Yes
Water & Sewer Capital Fund	Governmental	Non-major	Capital Fund	Yes
Microfiltration and Reverse Osmosis Fund	Governmental	Non-major	Capital Fund	Yes
Lake Ringgold Fund	Governmental	Non-major	Capital Fund	Yes
Community Development Fund	Governmental	Non-major	Special Revenue	Yes
Housing Choice Voucher Program	Governmental	Non-major	Special Revenue	Yes
HOME Fund	Governmental	Non-major	Special Revenue	Yes
Transportation Planning Grant Fund	Governmental	Non-major	Special Revenue	Yes
Community & Rural Health Fund	Governmental	Non-major	Special Revenue	Yes
Community Clinical Linkage	Governmental	Non-major	Special Revenue	Yes
TX Healthy Communities	Governmental	Non-major	Special Revenue	Yes
HIV Grant	Governmental	Non-major	Special Revenue	Yes
Infectious Disease Fund	Governmental	Non-major	Special Revenue	Yes
Tuberculosis Grant	Governmental	Non-major	Special Revenue	Yes
Immunization Grant Program Fund	Governmental	Non-major	Special Revenue	Yes
WIC Fund	Governmental	Non-major	Special Revenue	Yes
<b>PROPRIETARY FUNDS:</b>				
Water & Sewer Fund	Proprietary	Major	Enterprise	Yes
Sanitation Fund	Proprietary	Major	Enterprise	Yes
Regional Airport Fund	Proprietary	Major	Enterprise	Yes
Kickapoo Airport Fund	Proprietary	Non-major	Enterprise	Yes
Transit Fund	Proprietary	Non-major	Enterprise	Yes
Storm Water Fund	Proprietary	Non-major	Enterprise	Yes
Waterpark Fund	Proprietary	Non-major	Enterprise	Yes
Golf Course Fund	Proprietary	Non-major	Enterprise	Yes
Fleet Fund	Proprietary	Non-major	Internal Service Fund	Yes
Information Technology Fund	Proprietary	Non-major	Internal Service Fund	Yes
<b>Additional funds not appropriated in this budget include, funds used to account for long term debt, funds held in trust and agency funds, information on all funds may be found in the City's Comprehensive Annual Financial Report.</b>				

# POLICY STATEMENTS

## FUND STRUCTURE CHART



## POLICY STATEMENTS

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### INVESTMENT POLICY

#### Introduction

The purpose of this policy is to set forth specific policy and strategy guidelines for the City's investments. This policy shall guide the City in its investment activity pursuant to all applicable laws. Decision making, reporting, and portfolio guidelines are outlined here, as are the objectives, standard of care, and investment strategies. The City will prioritize the safety of principle and assets, liquidity, and then yield. All investment activity will be guided by this policy. The policy will be reviewed annually by the City Council, City Manager, and the Investment Officer. <sup>1</sup>

This policy has been reviewed and certified by the Government Treasurers Association of Texas to meet all requirements of the Public Funds Investment Act.

Date of last review: 08.03.21.

#### Policy Statement

The City of Wichita Falls, through this investment policy, will implement and maintain standards for all investment activity that will prioritize: <sup>2</sup>

1. Safety of principal
2. Liquidity
3. Yield

#### Policy Objectives

The objectives of the City of Wichita Falls (the City) Investment Policy shall be:

- To set forth methods, means, and goals of financial investment and debt management operation for the City.
- To insure the financial security and optimum liquidity of the City's funds at all times.
- To assist the City in achieving the maximum total investment of the City's funds in a prudent manner at all times.
- To assist the City in achieving the maximum interest yield on the City's funds at all times through methods allowed under Federal and State Law and in accordance with the City's current Bank Depository Contract.

#### Investment Strategy

The City maintains portfolios which utilize the following investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

##### *Scope & General Strategy*

The City's investment portfolio shall consist of a variety of securities which may include any or all of the authorized investments listed in Authorized Investments of this Policy. The City will maintain separate portfolios or one commingled portfolio which will utilize the specific investment strategy considerations list for each fund type below.

It shall be the general practice of the City to utilize an investment strategy based on the Standard of Care, of this Policy, which also defines yield objectives, as well as the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the Act). It is the City's intent to hold purchased securities to the stated

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<sup>1</sup> In Compliance State of Texas, Public Funds Investment Act, with PFIA Sec. 2256.005.

<sup>2</sup> In accordance with the State of Texas, Public Funds Investment Act, 22556.005(b)(2) and 2256.005(b)(3).

## POLICY STATEMENTS

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maturity date and to have invested in such a manner to ensure both the safety and liquidity of such transaction.

The City will maintain a diversified investment portfolio with the intention of experiencing minimal volatility during economic cycles. In the event, however, the need arises to sell securities before the stated maturity date, said securities shall be analyzed to determine the appropriate time to liquidate said securities and minimize any potential real or book value loss to the City. In the event that an investment's rating is decreased, all prudent measures will be taken to determine if the quality of the investment remains within the investment standards of the City. If it does not, all prudent measures will be taken to liquidate the investment.<sup>3</sup>

### General Operating Funds

The City's investment strategy for General Operating Funds shall be made to ensure that anticipated cash flows are matched with adequate investment liquidity.

### Bond Operating Funds

The City shall utilize an investment policy for Bond Operating Funds to generate a dependable revenue stream for the appropriate debt service funds consistent with the City's Investment Policy and state law.

### Debt Service Funds

The City shall utilize as the primary objective for the investment of Debt Service Funds adequate liquidity to cover the debt service obligation of the City on required payment dates. Investments shall not have a stated final maturity date which exceeds the appropriate debt service payment date.

### Special and Trust Funds

The City shall invest Special and Trust Funds in accordance with state law and the City's Investment Policy to the maximum ability that such investments may benefit the City directly, or utilize said funds in a method that such funds may benefit the City indirectly.

## **Investment Officer**

In accordance with PFIA 2256.005 (f), the City of Wichita Falls Chief Financial Officer is the Investment Officer (IO) and is responsible for establishing operating policies, which will ensure that investments are maintained in a proper and prudent maturity distribution, represent sound extensions of credit, and are appropriate investments with regard to regulatory and legal requirements. The IO will be accountable to the City Manager. Ultimate responsibility for management of the investment portfolio rests with the IO. It is expected that the IO may wish to delegate one or more of the specific investment objectives. Sales from the portfolio must be approved by the IO and the City Manager.

At least bi-annually, the City Council shall be provided with information regarding securities, purchases, and sales of the previous period to determine their adherence to the Investment Policy and applicable laws and regulations. Investment strategies should be formulated with special regard to the City's liquidity needs, cash flow requirements, the projected economic environment, and policy guidelines as established by the Investment Policy.

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<sup>3</sup> PFIA 2256.021



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## POLICY STATEMENTS

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Summary information must be provided to the City Council on the composition, size, quality, maturity, yield, and current market valuations for the Investment Portfolio. Implementation of this policy is the responsibility of the Investment Officer.

### *Conflicts of Interest & Ethics Disclosure*

In accordance with this policy, the IO will file a disclosure statement with the Texas Ethics Commission and the governing body if:

The officer has a personal business relationship with a business organization offering to engage in an investment transaction with the City (as defined in 2256.005 (i)(1-3)); or the officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the City.<sup>4</sup>

### *Investment Training*

Investment training is required for the treasurer, CFO, and the investment officer(s) of a local government. Training must be received from an independent source, approved by the City's governing body or investment committee, and must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with PFIA. Ten hours of training must be completed within 12 months of taking office or assuming duties. Thereafter, ten hours of training must be completed every two years.<sup>5</sup>

### *Diversification, Cash Flow & Portfolio Management*

The IO shall be required to diversify maturities. The IO, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to specific requirements, the IO may not invest more than 30% of the portfolio for a period greater than two (2) years.

### *Standard of Care*

The City's investments shall be made with judgment and care under circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived and optimum liquidity required for operations in the City. Safety shall be the first priority, adequate liquidity the second, and yield, the third priority. Individual investments shall be made in a manner consistent with this Policy.

### *Prudence*

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

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<sup>4</sup> PFIA 2256.005 (i)

<sup>5</sup> PFIA 2256.008

## POLICY STATEMENTS

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### *Investment Policy Certification*

All investment activity under this policy requires that investments shall only be made with the business organizations (including money market mutual funds and local government investment pools) that have provided the City with a written instrument, executed by a qualified representative of the firm, acknowledging that the business organization has:

- a. received and reviewed the City's Investment Policy; and
- b. implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that is not authorized by the entity's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.<sup>6</sup>

### *Authorized Investments*

In accordance with authorizing federal and state laws, the City's Depository Contract, and appropriate approved collateral provisions, the City may utilize the following types of investments for the City's funds:

- U.S. Treasury Securities
- Federal Agencies
- Municipal Bonds
- Certificates of Deposit and Share Certificates
- Repurchase Agreements
- Bankers' Acceptances
- Commercial Paper
- Mutual Funds
- Public Investment Pools

The City may invest in only these investments authorized by the Act, Sec. 2256.009. The City may not invest in any investments unauthorized by the Act, Sec. 2256.009(b)(1-4).

### *U.S. Treasury Securities*

U.S. Treasury securities are direct obligations of the United States Government. U.S. Treasury obligations are the highest quality and are the most liquid and marketable of investment securities. Investments in this category will include Treasury bills, Treasury notes, and Treasury bonds. U.S. Treasury bills are sold on a discount basis and have initial maturities of three months, six months, and one year. U.S. Treasury notes and Treasury bonds are coupon-bearing instruments with initial maturities from two to ten years for notes and ten to thirty years for bonds.

The average life of the U.S. Treasury securities portfolio will not exceed 2.5 years and no individual security will exceed 5 years in maturity. Treasuries may comprise up to 100% of the Investment Portfolio.

### *Federal Agencies*

After U.S. Treasury securities, Federal agency securities are generally regarded as the next highest quality investment suitable for the portfolio.

Federal agency obligations are usually acceptable for pledging and other collateral requirements. Agencies generally offer a rate of return slightly higher than direct U.S. Treasury securities. The spread difference in yield

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<sup>6</sup> PFIA 2256.005 (k-l)

## POLICY STATEMENTS

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will be affected by the general level of interest rate, markets, and economic conditions at any given time. Consideration should be given to the spread relationship existing when portfolio investment decisions are made.

Securities included in this category are debt issuance by the Federal Farm Credit System (Farm Credits), Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), the Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”), the Government National Mortgage Association (GNMA or “Ginnie Mae”), and Small Business Administration (SBA).

The average life of the U.S. agency section of the portfolio will not exceed 2.5 years and no individual security will exceed 5 years in maturity. U.S. agencies may comprise up to 100% of the Investment Portfolio

### *Municipal Bonds*

Any direct obligations of the State of Texas or its agencies and instrumentalities, the IO shall consider prudent diversification of investment holdings per obligor. Compliance with all legal and regulatory guidelines shall be adhered to in the purchase and holding of securities. Taxable municipal obligation purchases may be made but are subject to the same credit, maturity, and geographic distribution requirements that may be applicable as dictated by the Investment Policy.

Credit information will be maintained sufficiently for management of the City to exercise an informed judgment in determining whether the securities should be purchased and to enable regulators to determine that each security purchased meets all statutory and regulatory requirements. Credit information sufficient for the IO and City Manager to comply with all statutory and regulatory requirements relating to the approval of each investment shall be provided. The City shall retain all records relating to transactions in its investment portfolio as may be required by statute or regulation. Additional consideration will be given to the increased yield spread of taxable municipals over all other taxable investment alternatives.

Various political subdivisions of state and local government issue debt through municipal securities generally under two categories: general obligation (G.O.) and revenue bonds. G.O. bonds are issued for a variety of public financing needs. They are generally regarded as the most credit worthy of municipal securities as they are backed by the taxing authority of the issuing governmental entity. Revenue bonds are issued to finance specific projects (i.e. water and/or sewer revenues) and depend on the revenue or fee generated from the projects for repayment of principal and interest. Bonds with a minimum Moody’s Investors Service of A or Standard & Poor’s Service rating of A shall be considered as eligible portfolio investments. An exception may be made for local, well-known credit issues where the cost of obtaining a credit rating by the issuing body is prohibitive.

Geographical distribution of municipals is an effective method of diversifying the City's overall credit risk and maximizing income potential.

The City will consider the following credit information on general obligation municipals to be purchased:

- 1) Relationship of debt burden to property valuation.
- 2) Reasonableness of debt burden on a per capita basis.
- 3) Sinking fund provisions.
- 4) Historical trends of debt.
- 5) Future debt service requirements.
- 6) Assessed valuation, including basis of assessment.
- 7) Relationship of tax burden to property valuation.
- 8) Tax collection record.

## POLICY STATEMENTS

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- 9) Recent trends in tax rates.
- 10) Economic background.
- 11) Debt paying ability.
- 12) Population trends.

The City will consider the following credit information on revenue municipals to be purchased:

- 1) The number of times gross revenue covers debt service (coverage).
- 2) The segregation of revenue funds from general funds.
- 3) The flow of revenues to specific reserve accounts.
- 4) Special covenants that may limit default remedies.

The average maturity of this section of the portfolio will be no greater than two years and comprise no more than 25% of the Investment Portfolio.

### *Certificates of Deposit and Share Certificates*

A certificate of deposit or share certificate is an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in the state of Texas, and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or secured by obligations described in the Act, including mortgage-backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage-backed securities of the nature described by the Act; or secured in any other manner and amount provided by law for deposits of the investing entity.

Total collateralized Certificates of Deposits may comprise 100% of the Investment Portfolio. The average maturity of this section of the portfolio will be no greater than two years.

In addition to the authority to invest funds in certificates of deposit under The Act, Sec. Sec. 2256.010, Subsection (a), an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under this subchapter:

- (1) the funds are invested by an investing entity through a depository institution that has its main office or a branch office in this state and that is selected by the investing entity;
- (2) the depository institution selected by the investing entity under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
- (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States;
- (4) the depository institution selected by the investing entity under Subdivision (1) acts as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity; and
- (5) at the same time that the funds are deposited and the certificates of deposit are issued for the account of the investing entity, the depository institution selected by the investing entity under Subdivision (1) receives an amount of deposits from customers of other federally insured depository institutions,

## POLICY STATEMENTS

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wherever located, that is equal to or greater than the amount of the funds invested by the investing entity through the depository institution selected under Subdivision (1). (The Act, Sec. 2256.010)

### *Repurchase Agreements*

Fully collateralized repurchase agreements are authorized under the Act, Sec. 2256.011, if the repurchase agreement has a defined termination date; is secured by obligations described by the Act; and requires the securities being purchased by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with a third party selected and approved by the entity; and is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.

"Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations described by the Act at a market value at the time the funds are dispersed of not less than 102% of the principal amount of the funds dispersed. The term of the repurchase agreements may not exceed 180 days.

Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement. Total investment in repurchase and reverse repurchase agreements may not exceed 25% of the Investment Portfolio.

### *Bankers' Acceptances*

Bankers' Acceptances are an authorized investment under the Act, which has a stated maturity of 270 days or fewer from the date of its issuance; will be, in accordance with its terms, liquidated in full at maturity; is eligible for collateral for borrowing from a Federal Reserve Bank; is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1+ or P-1 or an equivalent rating of at least one nationally recognized credit rating agency (The Act, Sec. 2256.012). Such individual transactions shall not exceed 5% of the total City's Investment Portfolio, and all such endorsing banks shall come only from a list of entities who are constantly monitored as to financial solvency. Total Bankers' Acceptances may not exceed 15% of the Investment Portfolio.

### *Commercial Paper*

The City may invest in Commercial Paper. The paper must have a stated maturity of 365 days or less from the date of issuance and a rating of A-1+ or P-1 or higher. If an equivalent rating system is used, the rating must be completed by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and be fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state (The Act, Sec. 2256.013). Such transactions shall not exceed 15% of the total City's Investment Portfolio with no more than 5% in any one name, and all such providers of letters of credit shall come only from a list of entities who are constantly monitored as to financial solvency.

## POLICY STATEMENTS

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### *Mutual Funds*

The City may also invest in no-load money market mutual funds regulated by the Securities and Exchange Commission, which has a dollar-weighted average stated maturity of 90 days or fewer, and include in its investment objectives the maintenance of a stable net asset value of \$1 for each share. (The Act, Sec. 2256.014)

A no-load mutual fund is an authorized investment under this Subchapter if:

- It is registered with the Securities and Exchange Commission;
- The average weighted maturity is less than two years;
- It is invested exclusively in obligations approved by the Act;
- It is continuously rated as to investment quality, by at least one nationally recognized investment firm of not less than AAA or its equivalent;
- It conforms to the requirements set forth in the Act, relating to the eligibility of investment pools to receive and invest funds of investing entities.

The City is not authorized to invest, in aggregate, more than 80% of its monthly average fund balance, excluding bond proceeds, reserves and other funds held for debt service, in money market mutual funds as set forth herein above, or mutual funds as herein set forth above, either separately or collectively. The City may not invest, in aggregate, more than 15% of its monthly average fund balance, excluding bond proceeds, reserves, and other funds held for debt service, in mutual funds as herein above described. The City may not invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds herein described above; or invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund as herein set out above in an amount that exceeds 10% of the total assets of the mutual fund.

### *Public Investment Pool*

The City may invest in a public investment pool meeting the requirements of the Act. The Act, Sect. 2256.016, "An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by this subchapter. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this subchapter and the investment policies and objectives adopted by the investment pool". Investment in this type of pool may not exceed 90% of the Investment Portfolio.

### *Competitive Bidding*

All individual security purchases and sales must include at least three competitive bids or offers. Competitive bidding requirements do not apply to the purchase or sale of money market mutual funds, local government investment pools, or when-issued securities, which are deemed to be made at prevailing market rates.

### *Bidders List*

In accordance with PFIA 2256.025, the City will establish and review, at least annually, a list of qualified brokers that are authorized to engage in investment transactions with the City. This list will be maintained by the City's Financial Advisors and made available upon request.

## POLICY STATEMENTS

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### Safekeeping and Collateralization

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis <sup>7</sup> and be held in safekeeping by either the City, an independent third party financial institution, or the City's designated depository.

All safekeeping arrangements shall be designated by the IO and an agreement of the terms executed in writing. Securities and collateral will be held by a third party custodian designated by the City and in the City's name. The third-party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

Collateralization shall be required on two types of investments certificates of deposits over the FDIC insurance coverage of \$250,000 and repurchase agreements.

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest.

### Evaluation and Reporting

The IO shall submit quarterly reports to the City Council containing sufficient information to permit an informed outside reader to evaluate the investment program.<sup>8</sup> At a minimum, this report shall:

- describe in detail the investment position of the entity on the date of the report;
- be prepared jointly by all investment officers of the entity;
- be signed by each investment officer of the entity;
- contain a summary statement of each pooled fund group that states the;
  - beginning market value for the reporting period;
  - ending market value for the period;
  - fully accrued interest for the reporting period;
  - the account or fund or pooled group fund in the City for which each individual investment was acquired; and
  - the compliance of the investment strategy expressed in the City's investment policy; and The Act.

For investments outside of the investment pools, the report may also contain:

- book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- the maturity date of each separately invested asset that has a maturity date;
- If the City invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.
- Beginning and ending market value of the portfolio and total portfolio,
- Beginning and ending carrying (Book) value of the portfolio by market sector and total portfolio, if applicable,

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<sup>7</sup> PFIA 2256.005 (b)(4)(E)

<sup>8</sup> The Act, Sec. 2256.022



## POLICY STATEMENTS

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- Transactions which change market and book value, detail reporting on each asset (book, market, and maturity dates at a minimum),
- Overall current yield of the portfolio, and
- Overall weighted average maturity of the portfolio, and maximum maturities in the portfolio.

### Internal Controls

Investments are audited in conjunction with the City's Annual Financial Audit. If investments are outside of money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts these investments are subject to a compliance audit of management controls and adherence to this investment policy.<sup>9</sup>

Investments which may become ineligible after purchase, which were eligible at the time of purchase, will not be required to be liquidated until such investment reaches its date of maturity.<sup>10</sup>

### Securities Dealers/Transactions

The City has employed Sentry Management, Inc. (SMI) to provide professional investment advice for the City's investment portfolio and other related investment areas such as asset/liability and interest rate risk analysis. SMI is registered with the Securities and Exchange Commission as a registered investment adviser and municipal advisor. SMI may be employed on a set fee basis only, and may not act as a dealer.

The IO and City Manager recognize the importance of receiving objective, professional advice in management of the investment portfolio, however it is explicitly understood the City, through the IO, does not delegate responsibility for the portfolio to SMI. All acquisitions and/or sales of securities will be directly at the discretion of the City.

SMI places dealers in competition on purchases and sales and maintains records of each transaction. Transactions are done on a "best execution" basis, which precludes limiting any individual dealer's securities' volume with the City. Setting maximum volume quotas could force the City to purchase or sell securities at less than the best price and would not be in the best interest of the City.

Further, SMI may not execute a transaction for the City without specific authorization from the City.

The City may have transactions with any Federal Reserve Reporting Government Dealer (Primary Dealer). The Federal Reserve requires all Primary Dealers to maintain large capital and be financially solvent.

In addition to Primary Dealers, the City may have security transactions with the dealers listed on Exhibit A. Current financial information is maintained by SMI on the dealers listed on Exhibit A and is made available to the City. Additionally, the City will maintain information on each dealer listed. The City may purchase or sell any of the approved investments listed in the Investment Policy from or to any of the approved securities dealers.

It shall be the City Manager's and the IO's responsibility to review the dealers' financial condition. Considerations of each dealer will be the dealer's capital and financial strength and general reputation with other financial institutions and investment dealers. Whenever available and possible, the City will consider information from state or federal securities regulators and securities industry self-regulatory organizations, such as the National

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<sup>9</sup> PFIA 2256.055 (m)

<sup>10</sup> PFIA 2256.017

## POLICY STATEMENTS

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Association of Securities Dealers, concerning any formal enforcement actions against the dealer, its affiliates or associated personnel.

In the event that Sentry Management is not involved in a transaction, the City will be responsible for the following:

Every dealer with whom the City transacts business will be offered a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. The broker/dealer will be required to return a signed copy of the Certification Form certifying that the policy has been received and reviewed.

To further insulate the City from dealer exposure, the City will permit delivery-versus-payment settlement only on security transactions. Further, all securities will be held in safekeeping at the City's primary depository bank or another third party bank.

All personal securities transactions by the IO with the City's approved securities dealers are prohibited unless specific City Manager approval is received prior to the transaction. Periodic review of personal transactions with approved securities dealers will be performed by the City Manager. All of the City's records are available for unannounced, on-site inspection at SMI offices by any representative of the City.

All investment management activities are to be conducted in accordance with the State of Texas, Public Funds Investment Act, 2256.005 (b)(3). Contracts with investment and financial advisors will be reviewed at least every three years, and put out to bid a minimum of once every 5 years from adoption of this policy.

### **Exceptions to Policy**

This policy is intended to be flexible to deal with rapidly changing conditions in the City's economic environment and the global bond and money markets. Therefore, this policy can be amended by a review of the City Manager and IO, and/or a majority vote of the City Council. If amended in substance by the City Manager and IO, the changes will be presented to the City Council at the next regularly scheduled meeting. This policy shall be reviewed by the City Council, City Manager, IO at least annually.

### **Additional Policy Guidance**

#### **Petty Cash**

Petty cash funds are used by City employees to pay cash for small business expenditures. City Departments are responsible for reconciling their Petty cash drawers to ensure that cash plus cash receipts are equal to the limit established for the fund. Petty cash drawers are kept in a locked, secured area with limited access. The Finance Department accounts for each Petty cash fund annually before the fiscal year end on September 30th.

## POLICY STATEMENTS

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### EXHIBIT B - PROHIBITED INVESTMENTS

Per 1995 Public Funds Investment Act

IO's	INTEREST ONLY STRIPPED SECURITIES WITH UNDERLYING MORTGAGE-BACKED SECURITY COLLATERAL.
PO's	PRINCIPAL ONLY STRIPPED SECURITIES WITH UNDERLYING MORTGAGE-BACKED SECURITY COLLATERAL.
CMO's	COLLATERALIZED MORTGAGE OBLIGATIONS WITH A MATURITY GREATER THAN TEN (10) YEARS.
CMO's	COLLATERALIZED MORTGAGE OBLIGATIONS, WHICH HAVE AN INVERSE FLOATING RATE (COUPON).



## Glossary

## Reader Guide

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### GLOSSARY OF BUDGET TERMS

The Annual Budget contains specialized and/or technical terminology, along with acronyms, that are unique to public finance and budgeting. To assist the reader with understanding the Annual Budget, the following definitions are provided.

**Ad Valorem Taxes:** Also referred to as property tax, this is the charge levied on all real, personal, and mixed property according to the property's assessed valuation and the tax rate, in compliance with the State Property Tax Code.

**Capital Improvements:** Funds allocated for the purchase or maintenance of a piece of capital equipment. Capital equipment is defined as any piece of capital with an original purchase price over \$25,000 and a useful life of more than one year.

**Contributions:** Payments made to the City from other private entities, such as the Wichita Falls Economic Development Corporation and the Type B Sales Tax Corporation.

**Debt Expenditures:** Monies set aside for the payment of interest and principal to holders of the City's general obligation and revenue bonds, the sale of which finances long-term capital improvements, such as facilities, streets and drainage, parks and water/wastewater systems.

**Estimated Revenue:** A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

**Expenditure:** Funds spent in accordance with budgeted appropriations on assets or goods and services obtained.

**Fines & Forfeitures:** Monies imposed as penalty for an offense and collected as revenue by the municipal court for the city.

**Franchise Fee:** A charge paid for the use of City streets and public right-of-ways by utilities companies to provide service within the City.

**Insurance and Contract Expense:** Costs relating to insurance and other contracts the City is a party of, including municipal property and liability insurance, worker's compensation, and disability insurance.

**Intergovernmental Revenue:** Grants, entitlements and cost reimbursements from another federal, state, or local governmental unit.

**Licenses & Permits:** Fees collected by the City for the issuance of various licenses and permits, including food permits, animal licenses, fire alarm permits, and plat fees.

**Maintenance & Repair:** Costs relating to maintaining and repairing equipment used to provide City services, including water/sewer lines, computer software, building repairs, and parking lots.

**Misc. Revenues:** Additional revenues received by the City for various services, including Airport Concessions, Waterpark Rentals, Sale of Cemetery Lots, Advertising Sales, and sale of Fuel and Oil.

**Non-Capital Improvements:** Costs relating to improving equipment that does not meet the definition of a capital expenditure.

## Reader Guide

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### GLOSSARY OF BUDGET TERMS

**Other Expenditures:** Additional expenditures incurred by the City for various needs, including travel expenses, education registration, lease payments, postage/freight, and election expenses.

**Other Financing Sources:** Revenue received for the current fiscal year through the use of excess Fund Balance in accordance with the Fund's specific Fund Balance policy.

**Other Tax Revenue:** Revenue received from various taxes levied throughout the City, including the Mixed Beverage Tax, Bingo Tax, and Occupation Tax.

**Payment in Lieu of Tax:** Monies received for provision of city services to property owners located outside the municipal taxing district.

**Personnel Services:** Costs relating to compensating employees, including; salaries, wages, insurance, payroll taxes, and retirement contributions.

**Property Tax:** Also called ad valorem tax, this is the charge levied on all real, personal, and mixed property according to the property's valuation and the tax rate, in compliance with the State Property Tax Code.

**Revenues:** Funds received by the government as income, including tax payments, fees for specific services, receipts from other governments, fines and forfeitures, grants and interest income.

**Sales Tax:** The charges levied on the sale of all goods and services sold in the City. The Sales Tax rate is 8.25% of the value of the good / service sold. 6.25% is collected by the State of Texas, while the other 2% is collected by the City. Of the 2.0% received by the City, 0.25% is allocated to the Wichita Falls Economic Development Corporation (4A), 0.25% is allocated to the Type B Sales Tax Corporation, and 1.5% is deposited into the General Fund.

**Service Charges:** The payment of a fee for direct receipt of a public service by the part benefiting from the service.

**Supplies:** Costs of goods consumed by the City in the course of its operation.

**Taxes:** Compulsory charges levied by a government for the purpose of financing service performed for the common benefit.

**Transfer In:** The authorized exchanges of cash into one out of another fund.

**Transfer Out:** The authorized exchanges of cash out of one fund into another fund.

**Utilities/Other Services:** Costs relating to the payment of utilities operators and other service providers in order for City property to have adequate utilities to deliver services.