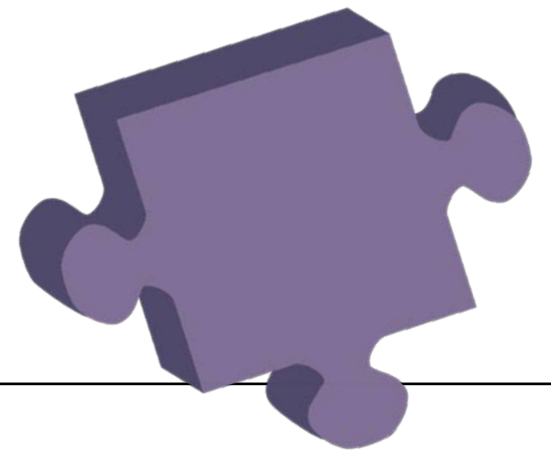
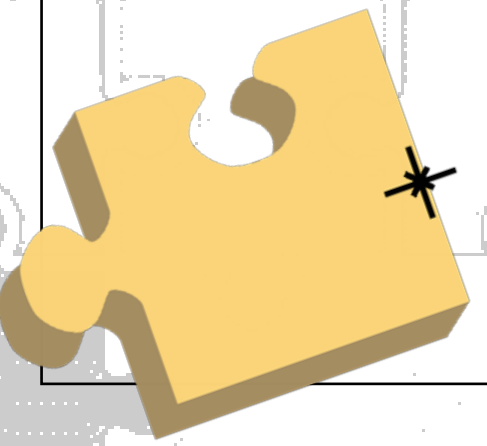
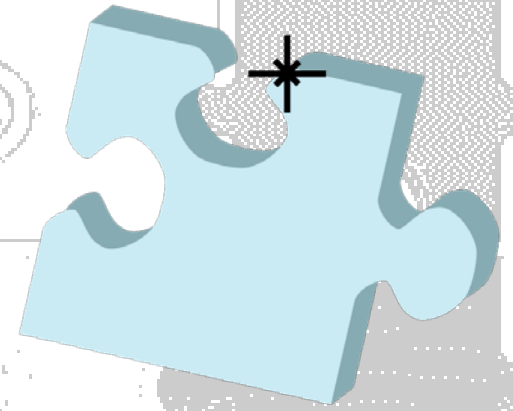


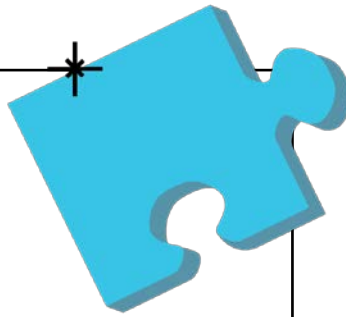


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FY 24 PROPOSED ANNUAL BUDGET

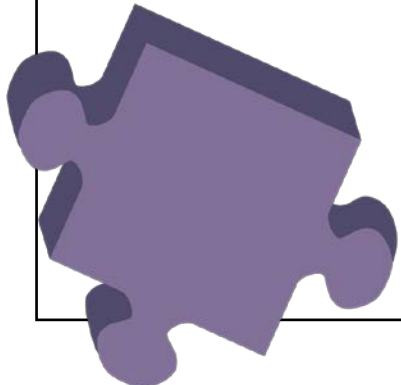
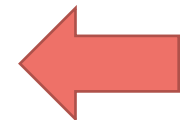
CITY OF COLLEGE STATION





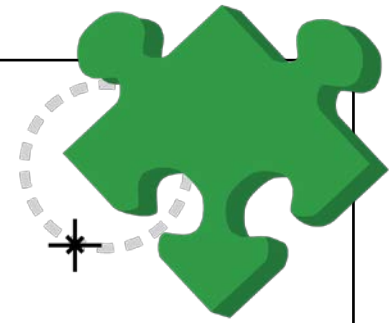
NET BUDGET SUMMARY

FUND TYPE	AMOUNT
GOVERNMENTAL FUNDS	\$ 146,837,897
ENTERPRISE FUNDS	186,847,052
SPECIAL REVENUE FUNDS	23,383,406
SUBTOTAL OPERATIONS & MAINTENANCE (O&M)	\$ 357,068,355
CASH FOR CAPITAL PROJECTS	9,500,000
CAPITAL PROJECTS	125,445,416
SUBTOTAL CAPITAL PROJECTS	\$ 134,945,416
TOTAL NET BUDGET	\$ 492,013,771



Inflation is a key factor in determining the FY24 budget, and we must be mindful of its impact on our economic conditions and citizens alike.

FY24 Factors Influencing Service Delivery



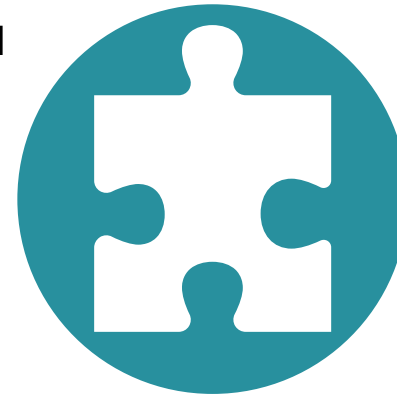
Inflation

The cumulative price increase between 2020 and 2024 is 21.03%.



Labor

Continued marketplace competition for recruiting and retaining a best-in-class workforce



Recession

The risk of a recession can have a negative impact on sales tax collections, a major source of revenue in the General Fund.



Interest Rates

Federal policy has a significant impact on the availability of capital funding and can reduce citizens' buying power.



Regulatory

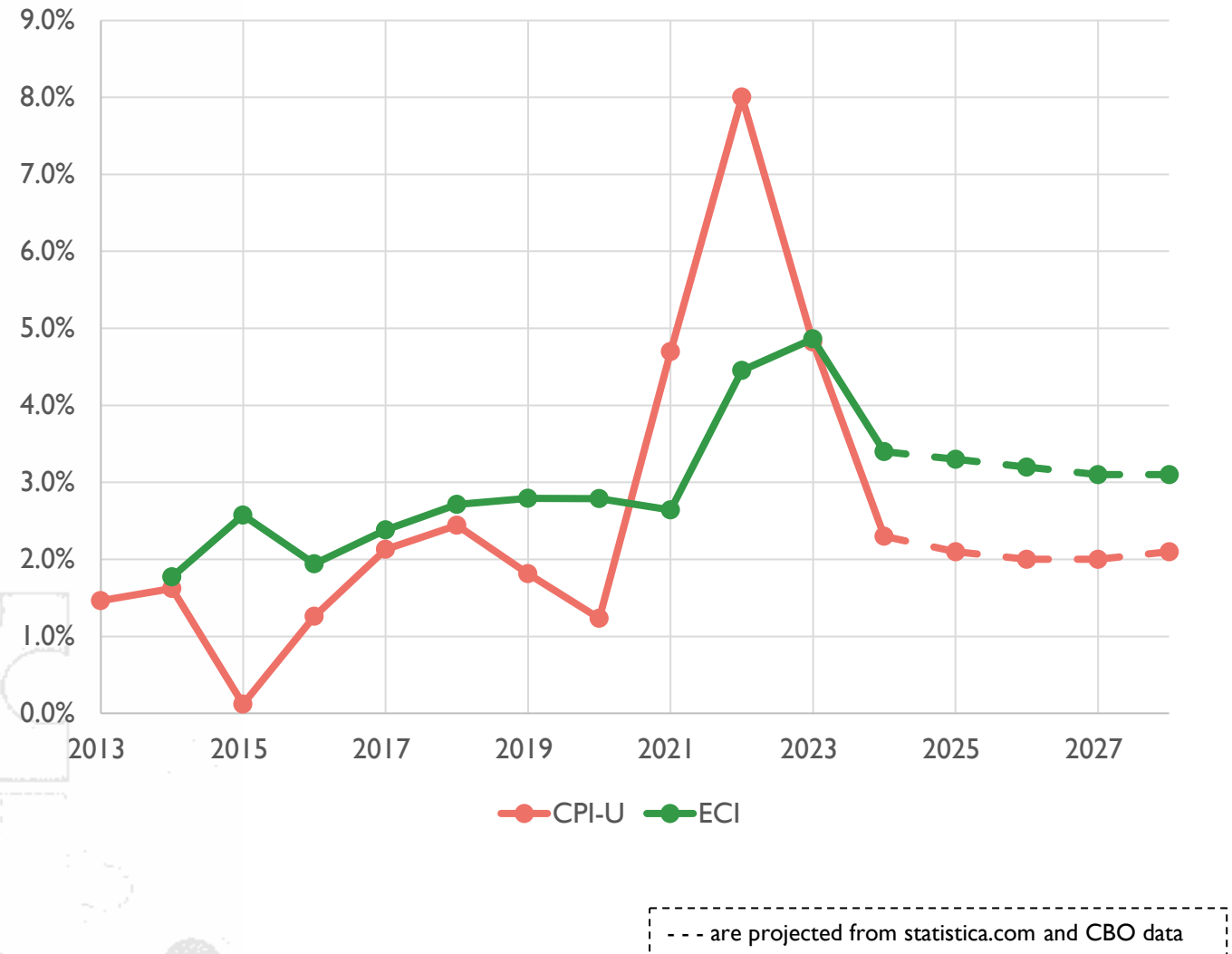
Both Federal and State legislative changes as well as policy changes at A&M can affect our service delivery.



Inflation Trends

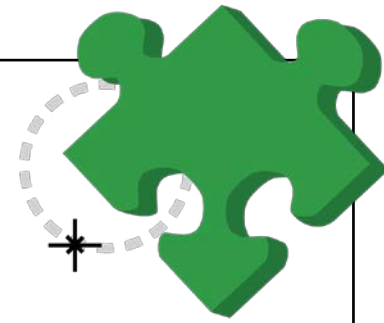
- CPI measures the average change in the prices paid for a market basket of goods and services.
- City indexes multiple fees to the CPI-U in order to maintain existing services.
- The annual period used by the City for measuring the change in the CPI-U is June 2022 to May 2023.
- The increase used in the FY24 Budget is 6.0%

YoY Change in Key Economic Indexes



FY24 Budget Strategies

Addressing Service Delivery Challenges



Inflation

Additional \$6.6 Million in supply costs to deal with rising costs of providing services



Labor

Inflation based compensation adjustment as well as merit, time in position and specific position funding pools



Recession

Conservatively developed future years forecasts to ensure FY24 strategies are sustainable



Interest Rates

Continue with City investment strategy and monitor Federal Funds rates



Regulatory

Continue to monitor state legislation, particularly related to property taxes

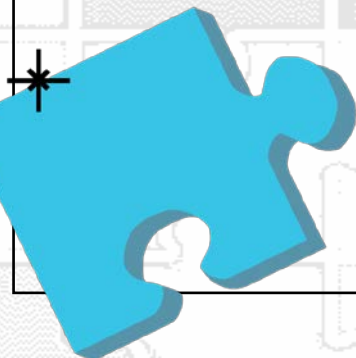




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Preliminary Taxable Values

- Taxable Assessed Value up 19.3%
 - BCAD reserve estimate 3.0%
- Year over Year category increases
 - Single Family – 24.3%
 - Multi Family – 31.0%
 - Commercial – 21.0%
- Average Taxable Residence value increase limited by law to 10%
- New Value up 2.35%
 - Includes \$17.5M from Fuji



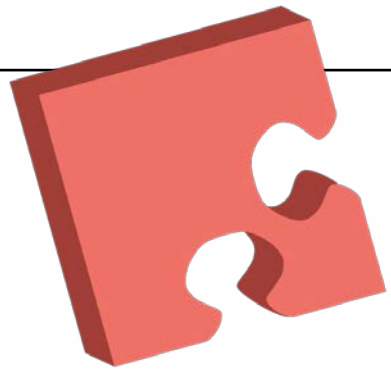
Recommended Tax Rate

No-New Revenue and Voter Approval Rates are *Estimated*

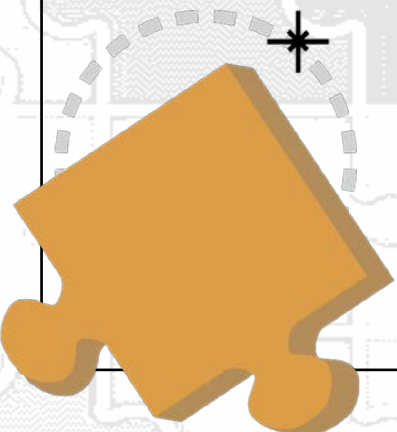


	Current Rate	Change	Proposed FY24
Debt Service Fund	21.1441	(0.0000)	21.1441
General Fund	31.3172	(1.0187)	30.2985
Total	52.4613	(1.0187)	51.4426
Estimated No New Revenue Rate	47.5470		45.7681
Estimated Voter Approval Rate (after total increment)	53.7996		51.4893

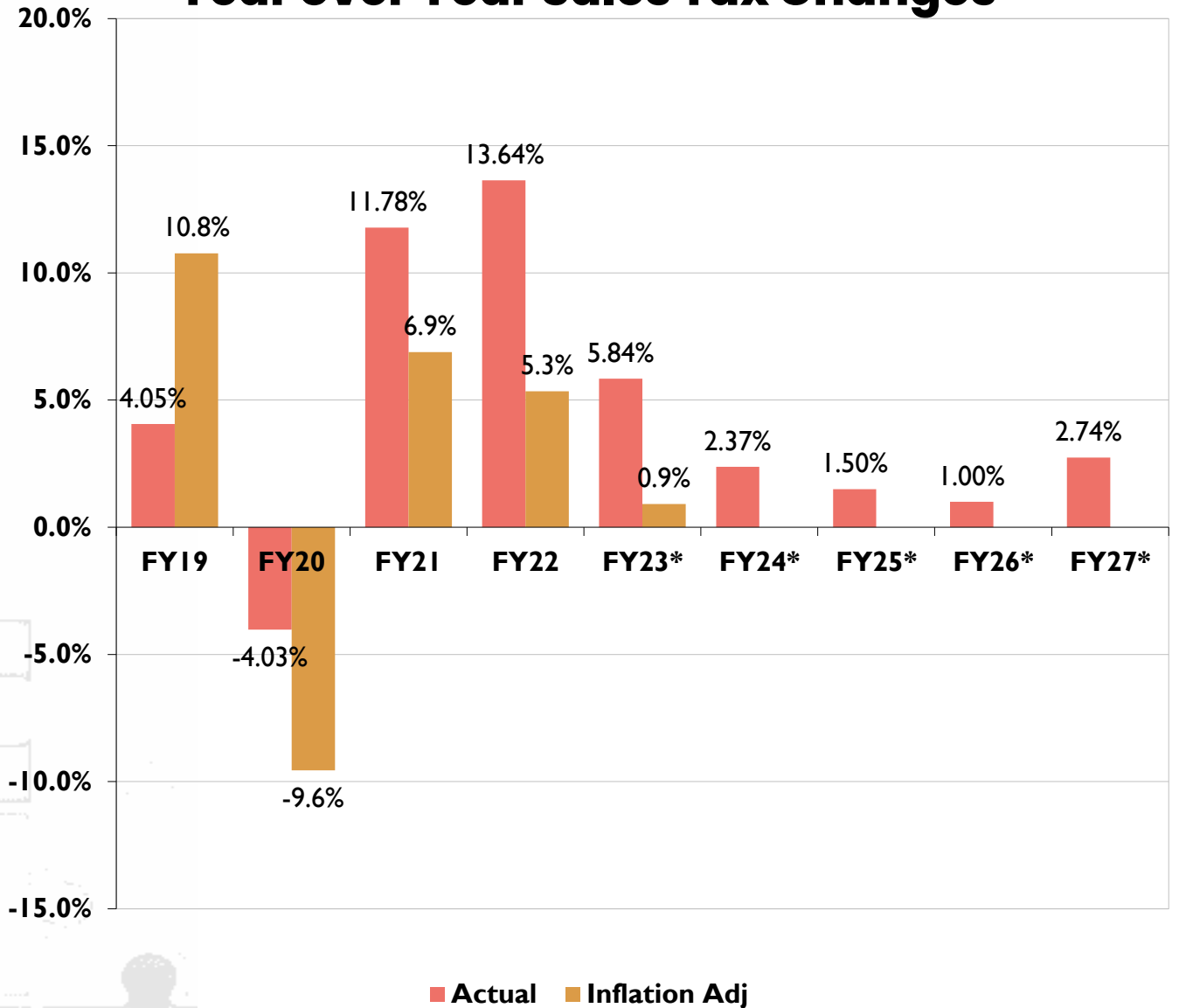
Estimated tax rate bank usage in proposed rate of = 1.3382 cents

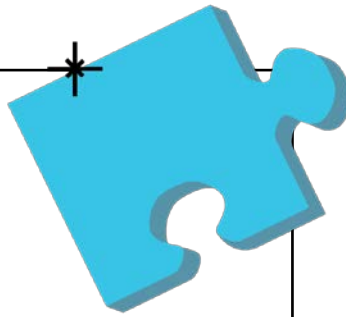


Sales Tax Trends



Year over Year Sales Tax Changes





Types of Compensation



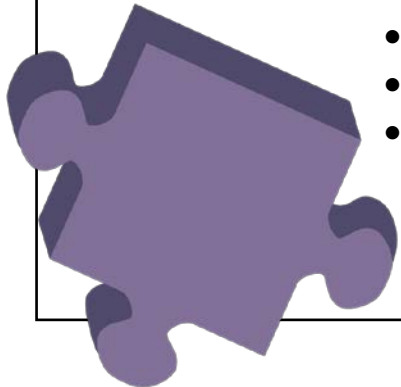
- Flexible Work Schedules
- Development Opportunities
- Pool Tags



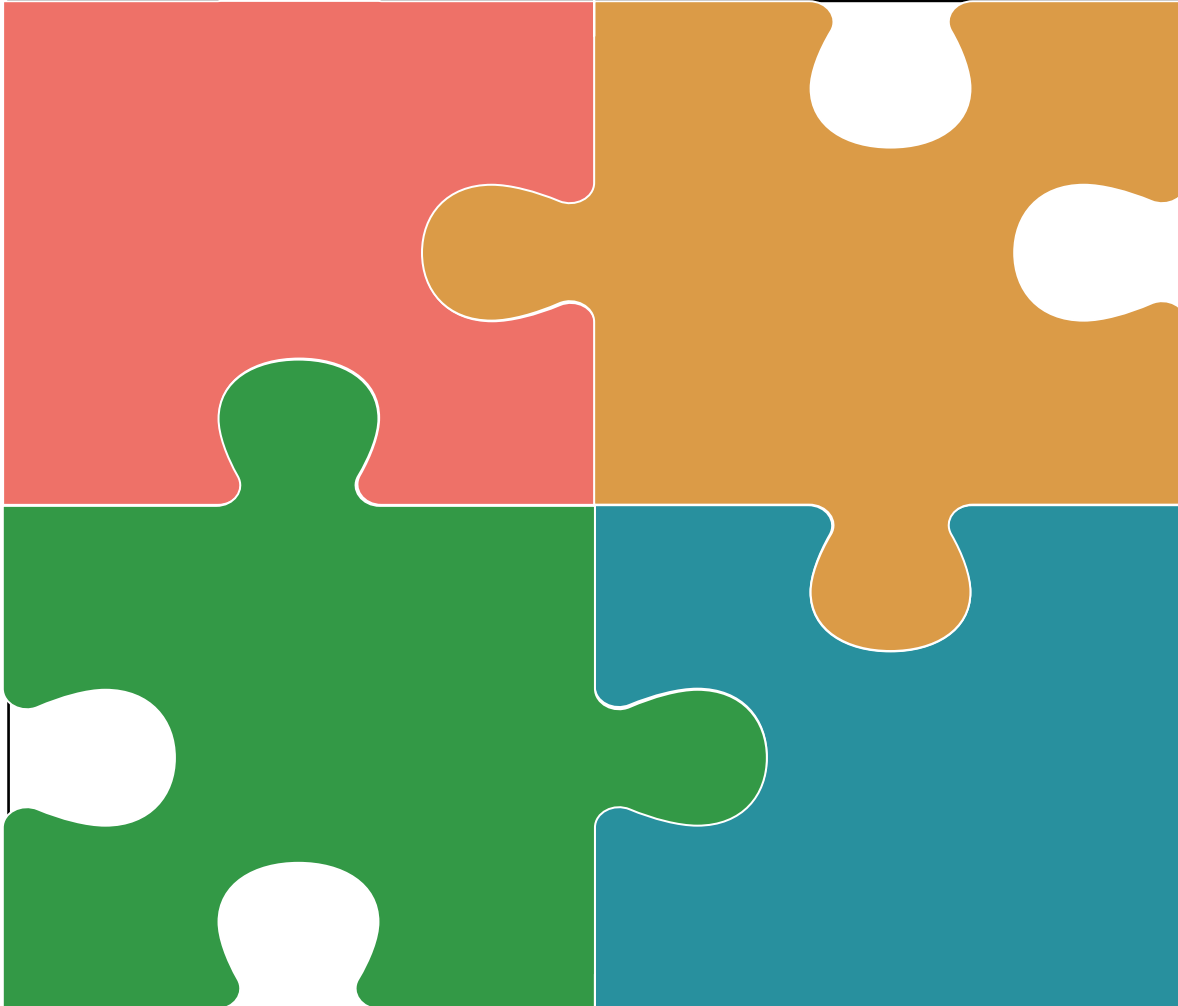
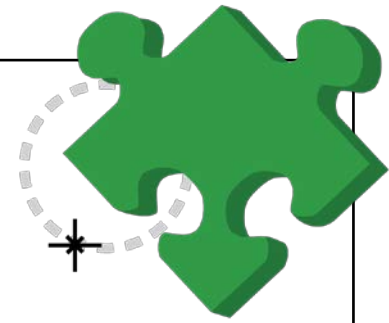
- Monetary Compensation



- Health, Dental, Vision & Life Insurance
- Retirement Plans
- Time-Off



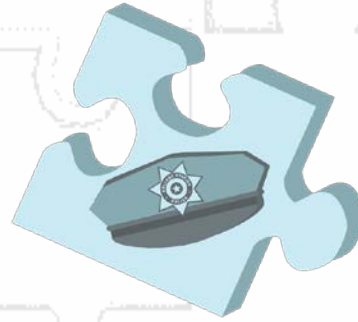
Monetary Compensation “Buckets”



- **Public Safety Specific Pay**
 - As in prior years, uniformed public safety employees receive a step increase that equates to approximately 1.5-2% above what non-step employees receive. In addition, there is an increase in paramedic pay from \$240 to \$500 per month.
- **Cost of Living Adjustment**
 - Assuming 6% (scale) increase for both step and non-step employees across the city
- **Merit Increase**
 - A pool of recurring funds merit increases for non-step employees
- **Longevity / Tenure Pay (Time in Position)**
 - A pool of recurring funds recognizing experience
- **Specific Position Adjustments**
 - A pool set aside for specific positions needing market compensation adjustments



Service Level Adjustments



- **Police**
 - 4 Police Officers (Initially grant funded);
 - 1 K9 Officer
 - safety training vehicle;
 - bomb technician suits

- **Fire**
 - additional paramedic training

- **Public Works**
 - 2 attenuator trucks;
 - licensed Irrigation Specialist
 - Additional materials

- **Water Services**
 - Additional repair/maintenance funds

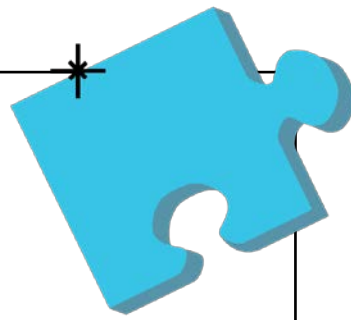
- **Information Technology**
 - Rubrik disaster backup software;
 - 2 additional host servers;
 - Aerial imagery

- **Capital Projects Operations and Facilities**
 - corrective maintenance funding;
 - 2 Facility Maintenance Technicians



General Fund Balance

(000s)



ASSIGNED \$37,842

- Includes Amounts for:
 - Reserve for future operations
 - Reserve for Bond Rating
 - Special Election
 - Traffic Calming
 - Grants matching dollars
 - FY24 GASB Pronouncements
 - Future Economic Development Project
 - Possible Rec Center
 - Council requests / elections

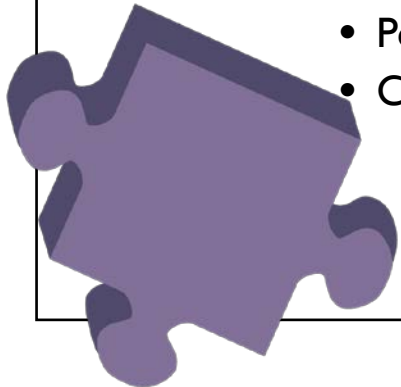
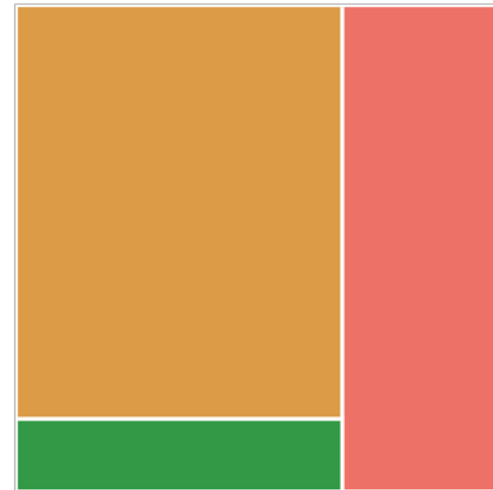
GENERAL FUND

\$21,865 REQUIRED

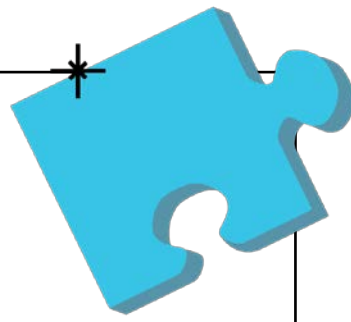
- Includes Amounts for:
 - Required reserve by policy

\$6,115 UNASSIGNED

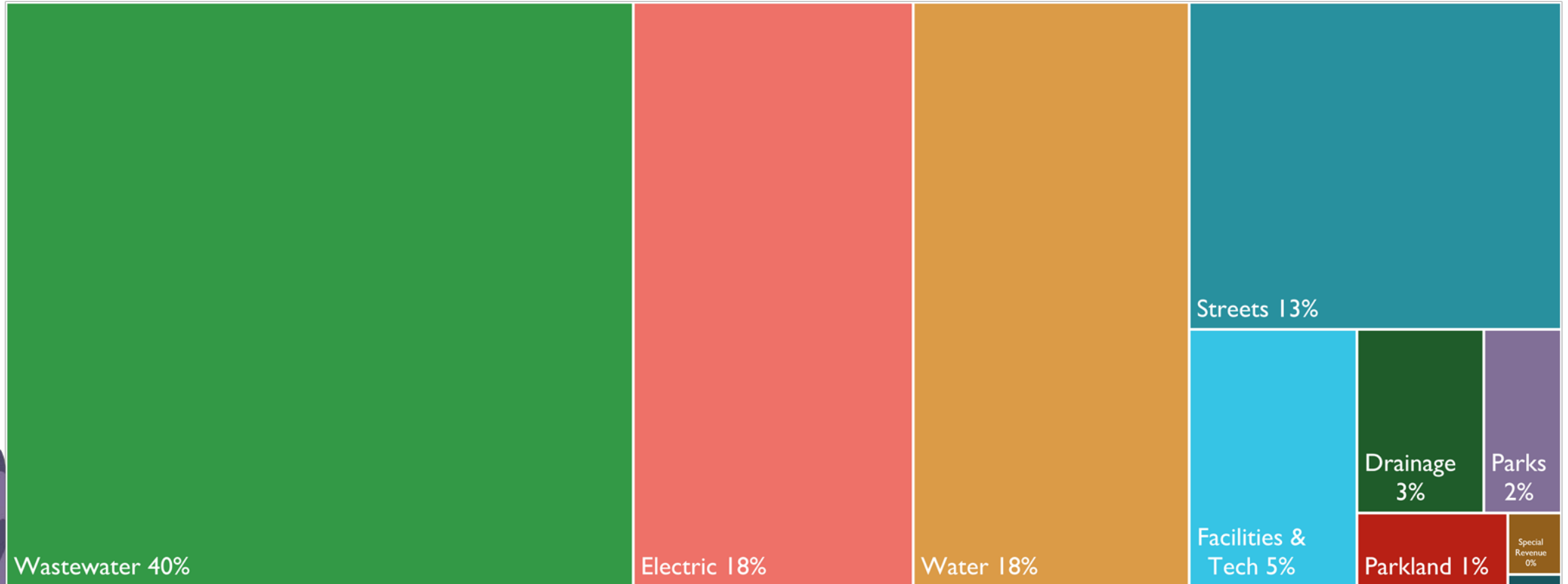
- Includes Amounts for:
 - Amounts available for future one-time requests or capital projects



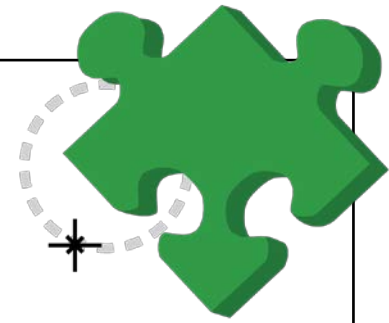
Proposed CIP Appropriations



FY24 Proposed Appropriations



Electric Fund Challenges



TCOS

- Pending
- Assumed historical amount of revenue in budget currently

RATES

- Consumption and Purchased Power have increased significantly
- No Rate change foreseen through FY28
- Assumed annual TDA rate increase annually to cover pass through costs

RISK MITIGATION

- Established a fund for unforeseen events (Uri, Gas Prices, Heat Wave)
- Will begin funding at \$6M per year in Sept 2023 until reach ~\$50M
- Amount and timing may be impacted by multiple concerns



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Rate Recommendations

- Metered Rates with no increase – 0%
 - Electric
 - Water
- Metered Rates with increase – 6%
 - Wastewater
- Rates tied to the CPI-U index – 6%
 - Solid Waste
 - Drainage
 - Roadway Maintenance



Budget Development Timeline



Call Budget Public Hearing

At the meeting at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published a notice of the hearing setting forth the time and place thereof at least 5 days before the date of the public hearing (City Charter); public hearing must be set on the day after the 15th day after the proposed budget is filed with the clerk - but before the tax rate vote occurs. Public notice must also include required statement from Sec. 102.005 (b).





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Motion

- ***“I move to set a Public Hearing on the proposed FY24 budget for the City of College Station at a regular council meeting on Thursday July 27th, 2023, at 6:00pm in the City Council Chambers”***